

COVER SHEET

3.3 Kaitahi Food Innovation Factory Project PGF Application		For: Approve	
Tier:	1 - Regional	Sector:	Food and Fibre
Background & context:		Recommendation:	
<p>Applicant Organisation:</p> <ul style="list-style-type: none"> Kii Tahī Limited Ngaā Rauru Kīitahi Iwi <p>Location:</p> <ul style="list-style-type: none"> Waverley <p>Proposal:</p> <ul style="list-style-type: none"> The development of a business case to determine the feasibility and viability to establish a Food Innovation Factory in the Whanganui District <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$ <small>Commercial Information</small> PGF Funding: \$ 98,000 <small>Commercial %</small> <p>Background:</p> <p>a) Ngaā Rauru Kīitahi iwi has tribal boundaries that run from the Patea River in the north to the Whanganui River in the south. The iwi operates a Post Settlement Governance Entity called Te Kaahui o Rauru Trust (TKOR) based in Waverley, and has been settled since 2005.</p> <p>b) Kaitahi™ – The Native Superfood Company is the applicant’s food and beverage start-up initiative that brought together 15 years’ experience in operating a native plant nursery with traditional knowledge and use of kai Māori.</p> <p>c) Since 2015, TKOR has been working on creating a new business in the premium quality food and beverage sector. The business has just transitioned from being under the governance of the trust to Kii Tahī Limited.</p>		<p>We recommend that the SRO:</p> <p>a) Note A RFP process has been completed and <small>Commercial Info</small> has been selected to develop and manage the business case development. Commercial Information <small>Commercial Info</small>) has been selected to undertake the technical work. A local architectural practice has been identified to work with <small>Commercial Info</small>.</p> <p>b) Note The co-funding contribution from the applicant has been confirmed. At this time the applicant can only contribute approx. <small>Commercial %</small> of co-funding towards this project off the back of investment in product development and production costs.</p> <p>c) Note Kaitahi has been in commercial operation for a limited amount of time, sales volume and customer base has not been established.</p> <p>d) Note That Te Puni Kokiri supports the proposal. The project provides the opportunity to develop a Maori owned business providing sustainable economic growth for local Iwi, which will help to increase the Māori asset base in the region.</p> <p>e) Note That MPI supports the proposal which is seen as an opportunity to value-add from products grown locally, leveraging investment in product development undertaken by Kaitahi.</p> <p>f) Support the recommendation to Approve \$98,000 grant from the PGF fund towards the Kaitahi Food Innovation Factory Project subject</p>	

<p>d) The company has developed a range of frozen superfood smoothy products. Commercial Information</p> <p>e) The business is currently operating Commercial Information</p> <p>f) Commercial Information</p> <p>g) The facility will need to meet all regulatory body building, food industry and food safety regulations to export standard</p>	<p>to:</p> <ul style="list-style-type: none"> • The provision of a signed copy of the Commercial Info contract; and • The provision of the final business case and summary of next steps to the PGF.
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PGF criteria that this proposal supports:		
PGF Criteria	Assessment Commentary	Rating (1✓ to 5✓)
Link with fund and government outcomes		
Creates permanent jobs	The food and beverage sector provides many opportunities for career development, which Kaitahi will foster through providing work, work experience, internships and training opportunities. As the business grows the applicant foresees many opportunities for increased employment, in particular those higher skill sets required in developing systems, food processing, food technology, product R & D, marketing and management.	✓✓✓
Delivers benefit to the community	Kii Tahī Limited (legal entity of Kaitahi) emerged through a Local Level Solutions Initiative supported by TPK. The learnings from this business case will be shared with the wider community to provide guidance to others	✓✓✓

	contemplating entering the food and beverage sector This project will add to the regions resilience through greater use of transport infrastructure, which will add capacity to the transport network, providing revenue to operators that will help those business to become more sustainable.	
Increased utilisation and returns of Maori asset base	This is a Maori owned entity. Supporting this initiative has the potential to increase the Maori asset base in the region.	✓✓✓✓
Enhanced sustainability of natural assets		
Mitigation of climate change effects	Kii Tahī Limited operates a commercial nursery, much of the ingredients included in the product the applicant has developed are sourced from the nursery. The nursery also supplies native plants in support of community led riparian planting initiatives.	✓✓
Additionality		
Adding value by building on what is already there	Builds off the native nursery the applicant has developed over a number of years to add value by processing the ingredients source s from the nursey and from wild foraging into a beverage related product.	✓✓✓
Acts as a catalyst for productivity potential in the region	This has the potential to be a turning point for the region to once again become a central North Island Food Manufacturing hub	✓✓✓
Connected to regional stakeholders and frameworks		
Alignment with regional priorities	Kaitahi connects to the Accelerate 25 Action Plan through: <ul style="list-style-type: none"> Land Use Optimisation –trailing new methods of production to scale up growing kai Maori with the view to using local, under-utilised Maaori land blocks for plantation cropping. Realising Maori Potential –Kaitahi provides a working model for the development of Maori entrepreneurship based on the principles of kaitiakitanga and manaakitanga. 	✓✓✓
Support from local governance groups (inc. Councils, Iwi/Hapu)	Commercial Information <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> <div style="background-color: #cccccc; height: 15px; width: 100%;"></div> <p>There is full support from Ngaa Rauru Kii Tahī Iwi</p>	✓✓
Governance, risk management and project execution		

Robust project management and governance systems	A RFP process has been completed and <small>Commercial Info</small> has been selected to develop and manage the business case development. Commercial Information <small>Commercial Info</small> has been selected to undertake the technical work. A local architectural practice has been identified to work with <small>Commercial Info</small> . An internal governance group will be established (management and board members).	✓✓✓
Risk management approach	Adequate for the size and complexity of the proposal	✓✓
Future ownership / operational management	Iwi ownership through their Post Settlement Governance Entity	✓✓✓✓

The purpose of this briefing is to consider recommending PGF funds to the Kaitahi Food Innovation Factory Project.

Risks Issues:

Kaitahi has been in commercial operation for a limited amount of time, sales volume and customer base has not been established. This brings a level of uncertainty to the viability of implementing the recommendations in the business case.

Eligibility points of note:

- *Due diligence:* Full due diligence is to be completed. It is a condition of approval that due diligence is to be to the satisfaction of the Head of PDU Investment team.
- *Conflict(s) of interest:* Based on the information provided no conflict of interest is evident noting that full due diligence will inform this item further.
- *Illegal Activity:* Based on the application information provided and feedback from other agencies there is no indication that the applicant or project has been involved in, or associated with illegal activity.
- *Alignment with Regional development plans:* Good connection to the Accelerate 25 Action Plan.
- *Commercial funding availability:* Given the nature of the project which is to undertake the development of a business case access to commercial funding is not considered a feasible option.

Consultation undertaken or implications:

Legal	N/A	HR	N/A	Finance	N/A	MBIE policy	N/A	Other	TPK, MPI
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Supporting proposal:	Yes
Appendices:	Yes - Applications and supporting letters are as annexes
Sponsor(s):	N/A
Manager/Author of paper:	Nick Hough Investment Team