

COVER SHEET

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| 2.14 Manawatu-Whanganui Rural Innovation Lab Pilot (RIL) Project PGF Application | | For: Approve | |
| Tier: | 1 - Regional | Sector: | Primary Industry |
| Background & context: | | Recommendation: | |
| <p>Applicant Organisation:</p> <ul style="list-style-type: none"> Massey University on behalf of the Manawatu-Whanganui Farmers and Growers Innovation Collaborative (MW-FGI). <p>Location:</p> <ul style="list-style-type: none"> Central Districts and Palmerston North. <p>Proposal:</p> <ul style="list-style-type: none"> Through a formalised collaborative approach the Rural Innovation Lab (RIL) is looking to generate solutions to on-farm challenges that provide for new ideas, practices and digital technologies into farm systems. RIL will do this by engaging with farmers and growers throughout the region culminating in an event at the Central Districts Field Days at Manfeild in March 2019 where at least 3 innovation projects will be launched and further developed. <p>Funding Sought:</p> <ul style="list-style-type: none"> Total project value: \$^{Commercial Inform} PGF Funding: \$400,000 <p>Background:</p> <p>With farmers and growers across the Manawatu-Whanganui region, the Rural Innovation Lab (RIL) will provide an experimental and participatory platform that leverages existing physical infrastructures in the Region (such as the FarmCave, university campuses, community halls, libraries, gallery's, maker spaces and dairy sheds) to engage with communities. The RIL will</p> | | <p>We recommend that the SROs:</p> <p>a) Note That Massey University is applying for funding through the PGF on behalf of the Manawatu-Whanganui Farmers and Growers Innovation Collaborative.</p> <p>b) Note That this proposal builds on the successful Hackathon project that was presented at the Central Districts Agricultural Field Days in March 2017.</p> <p>c) Note That through a formalised collaborative approach the Rural Innovation Lab is looking to generate solutions to on-farm challenges that provide for new ideas, practices and digital technologies into farm systems.</p> <p>d) Note That co-contribution is made from:</p> <ul style="list-style-type: none"> Commercial Information - \$^{Commercial In} (Confirmed) Commercial Information - \$^{Commercial} (confirmed) Commercial Information - \$^{Commercial} (confirmed) Commercial Information - \$^{Commercial In} (subject to approval of this application) Commercial Information - \$^{Commercial Info} (subject to approval of this application) Commercial Informa - \$^{Commercial} In kind (Estimated value) <p>e) Note That MPI has completed the project evaluation and supports the proposal as presented.</p> <p>f) Note That the PGF has assessed the proposal. The projects best aligns with the PGF criteria of delivering benefit to the community through 'Enhanced sustainability of natural assets' achieved by</p> | |

engage with farmers and growers, researchers, iwi, Maori business and local communities across the Manawatu-Whanganui region to identify, assess and prioritise digital farming opportunities that can support sustainable economic growth in the Region while protecting the environment.

It will launch an event at the Central Districts Field Days 2019 in Feilding to promote the outcomes of the region-wide engagement activities and kick-off at least three major 'on-farm' innovation projects. These will be further developed through a boot camp programme and results delivered through a number of farmer-facing fora and events.

This proposal builds on the successful Hackathon project that was presented at the Central Districts Agricultural Field Days in March 2017.

The Manawatu-Whanganui Farmers and Growers Innovation Collaborative (MW-FGIC) are the drivers of the project with membership drawn from M-W farming leaders, Federated Farmers, Te Au Rangahau (engagement with Maori farmers and businesses in MW), and digital innovators and developers based in Palmerston North.

Massey university will enter into the funding agreement with the PDU and manage the milestone reporting and other contractual requirements on behalf of the MW-FGIC.

identifying new ways of increasing sustainable food production.

- g) **Support** the recommendation to **Approve** \$400,000 from the Provincial Growth Fund to the Manawātū-Whanganui Rural Innovation Lab Project subject to:
- i) Confirmation of the co-contribution of \$^{Commercial Infor};
 - ii) the budget for and description of each milestone deliverable;
 - iii) processes and assurances being in place to ensure that intellectual property that arise from this project is kept in the public domain; and
 - iv) confirmation on how the innovation projects will be disseminated at the end of this project and how the impetus will be maintained and delivered in future years.

PGF criteria that this proposal supports:

| PGF Criteria | Assessment Commentary | Rating (1✓ to 5✓) |
|---|---|-------------------|
| Link with fund and government outcomes | | |
| Creates permanent jobs | <ul style="list-style-type: none"> The RIL and major projects will increase the capacity for farmers and growers to adopt innovation and technology and practices within their farm businesses which will drive greater efficiencies and sustainable land use. | ✓✓ |
| Delivers benefit to the community | <ul style="list-style-type: none"> Tangentially | ✓ |
| Increased utilisation and returns of Maori asset base | <ul style="list-style-type: none"> The RIL includes the Maori farming and Growing community in M-W region and the Collaborators (governance group for the project) has Maori | ✓✓ |

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| | farmers on their working group. This will ensure that the practicalities of Maori land ownership and how Maori receive information will be incorporated in the roll out of the new technologies that are developed and promoted. | |
| Enhanced sustainability of natural assets | <ul style="list-style-type: none"> One of the key drivers of this project is to explore new ways of increasing sustainable food production whilst enhancing soil health, minimising water use and reducing greenhouse gas emissions and other diffuse environmental impacts of modern farm production systems. | ✓✓✓✓ |
| Mitigation of climate change effects | <ul style="list-style-type: none"> One of the key drivers of this project is to explore new ways of increasing sustainable food production whilst enhancing soil health, minimising water use and reducing greenhouse gas emissions and other diffuse environmental impacts of modern farm production systems. | ✓✓✓✓ |
| Additionality | | |
| Adding value by building on what is already there | <ul style="list-style-type: none"> The project does not intend to duplicate or churn out what is already available in the marketplace. Instead the RIL will, where the opportunity arises, complement and build on activities of other groups from across the region and nationally when developing its own solutions for farm problems or opportunities. | ✓✓✓ |
| Acts as a catalyst for productivity potential in the region | <ul style="list-style-type: none"> This project will act as a catalyst for innovation to farmers and growers by exposing them to new ideas and relationships that they would not otherwise have had at individuals. This in turn will lead to novel and practical solutions to farm management and production issues and opportunities. | ✓✓✓ |
| Connected to regional stakeholders and frameworks | | |
| Alignment with regional priorities | <ul style="list-style-type: none"> Land Use Optimisation is one of the high priority areas in the Manawatū-Whanganui Economic Action Plan (Accelerate25). | ✓✓✓✓ |
| Support from local governance groups (inc. Councils, Iwi/Hapu) | <ul style="list-style-type: none"> The RIL has gained support from Palmerston North CC, Manawatū DC, Horizons RC, Local business leaders (CEDA, Manawatū Chamber of Commerce, Federated Farmers, Talent Central, Building Clever Companies), Accelerate25, Maori Business leaders (G Everton, and W. Karatea) | ✓✓✓✓ |
| Governance, risk management and project execution | | |

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| Robust project management and governance systems | <ul style="list-style-type: none"> This project has a strong governance model which includes a governance board (Manawatū-Whanganui Farmers and Growers Innovation Collaborative); and an Independent Project Selection Panel (represented by senior leaders in the regional primary sector, CRIs and Massey University). These governance groups will also be underpinned by a Charter and Collaborative Agreements. | ✓✓✓✓ |
| Risk management approach | <ul style="list-style-type: none"> Key risks have been identified and mitigation measures set out. The project owners (Manawatū-Whanganui Farmers and Growers Innovation Collaborative) have a formal agreement through the project's Charter and Collaborative Agreements to ensure appropriate risk management is addressed. | ✓✓✓✓ |
| Future ownership / operational management | <ul style="list-style-type: none"> The future ongoing work and operations will be governed by the Charter and Collaborative Agreements. These legally binding instruments will ensure that the project lives on past this particular application under the PGF. | ✓✓✓ |

The purpose of this briefing is to consider recommending PGF funds to the Manawatū-Whanganui Rural Innovation Lab Pilot (RIL) Project.

Risks Issues:

- Key risks and mitigation measures have been identified in the application. The key advantage of this farmer and grower led project is that it is able to call upon the senior leadership of Massey University, Microsoft and Building Clever Companies and others to ensure that the project is fully supported early on when risks to the project emerge.
- One key risk to funding that may eventuate is that the identified technical innovation project/s may not be able to be developed to a point where they can be picked up by farmers and growers owing to their complexity or cost. This risk can be mitigated by providing in the contract, a milestone stop go point.

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:* This project aligns with the Land Use Optimisation priority in Accelerate 25 (M-W Action Plan).
- Commercial funding availability:* By its very nature of developing agritech innovations from the grass roots farmer user groups across primary sectors and between service providers, this project does not lend itself to funding through primary sector levies or bespoke research and development grants programmes. Nevertheless, significant local share cash funding has been secured for this project.

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

PROACTIVELY RELEASED