

## 2.06 NOPERA TRUST FARM DEVELOPMENT

### Evaluation, Cover Sheet and Decision Form

<b>Project:</b>	Nopera Trust Farm Development		<b>FOR:</b> Approval
<b>Applicant:</b>	Nopera Trust		<b>Pipedrive ID:</b> <span style="background-color: #cccccc; padding: 2px;">Commercial I</span>
<b>Application type:</b>	WM	<b>(A) Total Project Value:</b>	\$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informa</span>
<b>Funding type:</b>	Grant	<b>(B) PGF Funding Sought:</b>	\$218,500
<b>Entity Type:</b>	Trust	<b>(C) PGF Funding Recommended:</b>	\$ <span style="background-color: #cccccc; padding: 2px;">Commercial Informa</span>
<b>Region:</b>	Hawkes Bay	<b>(D) Applicant Contribution:</b>	\$ <span style="background-color: #cccccc; padding: 2px;">Com</span>
<b>Tier:</b>	2 - Sectors	<b>(D/A) Co-contribution Rate:</b>	contribution/total <span style="background-color: #cccccc; padding: 2px;">Comme</span> %
<b>Sector:</b>	Agriculture / Horticulture		
<b>Application summary:</b>	<p>The applicant is seeking support to increase the capacity of its farm. Funding will be used to upgrade infrastructure on the farm, including water reticulation, fencing, fertiliser, gorse eradication and stockyards. The 265ha farm is known as Mangamaire B2B and consists of approximately 150ha of effective farmable land.</p> <p>The Nopera Trust was formed in 2001 to hold and retain the whanau farm at Porangahau in Central Hawke's Bay, comprising 265 hectares, with approximately 150 ha of effective farmable land. The Trust <span style="background-color: #cccccc; padding: 2px;">Privacy of natural persons</span> have been affiliated to the land through the whakapapa links to the Tipene Matua whanau.</p> <p style="text-align: center;"><b>Commercial Information</b></p> <div style="background-color: #cccccc; height: 40px; width: 100%;"></div> <p>The Trustees currently live on the farm and manage day to day work while also working at their business: offsite contract logging, digger hire and firewood supply.</p> <p>The effective farming area is approximately 50% flat and balance is medium hills. The ineffective area is mainly bush, steep gullies etc with only rough grazing possible. The farm is currently divided into 33 paddocks and on completion of the remedial work, will be divided into 37 paddocks.</p> <p>An outcome of the project will be that the Trust will be able collaborate with another farm, Ngapaeruru 1B2B, owned by another branch of their extended family, through the Ruahuihui Trust, to seek economies of scale, pool knowledge and resources.</p> <p><b><i>[Please see full project description in the Application Description Section]</i></b></p>		

**CAB-20-MIN-0197 Provincial Growth Fund: COVID-19 Response: Redeployment and Acceleration**

Construction activity that will be underway within 6 months	Yes, TPK is actively working alongside the applicant, and has confidence that “the Nopera Trust works will proceed as quickly as they can get suitable labour / contractors in, if approved.”  Note that concrete jobs numbers for this project have been sought by TPK.	N/A 1 2 3 4 5
A high degree of visibility to the community to give the public confidence that renewed economic activity is underway	Unclear, Whenua Maori, Land remediation projects offer opportunities to tell positive stories about Maori Economic Development.	N/A 1 2 3 4 5
Immediate job creation and income growth	Yes, the works which are the subject of the proposal will create jobs and support local contractors where the work relates to fencing, yards, pipe laying etc (the remedial works).	N/A 1 2 3 4 5

**The PDU recommends that the SROs:**

**Agree to** approve an up to \$218,500 grant from the PGF towards the Nopera Trust Farm Development

1. because:

- a) This project will support Māori economic development in a historically disadvantaged area.
- b) This project meets the COVID-19 response criteria.
- c) This project meets Whenua Māori criteria because:
  - o The project will develop currently underproductive Māori Land.
  - o The beneficiaries of this investment are the families of four siblings, who are the beneficiaries of the Nopera Trust.

2. subject to:

- a) The applicant providing quotes and agreed milestones.
- b) Satisfaction of PDU Due Diligence requirements.

3. note:

- a) Trustees have sought outside expertise and work closely with advisor Privacy of natural persons and their Accountant.
- b) TPK is supportive of the project and have noted that Mangamaire B2B is general title land owned by Māori – originally Maori freehold land but over time, the status of the land changed to general title land.
- c) MPI is supportive of the project.
- d) Prior Whenua Maori remediation projects have excluded building upgrades, Commercial Information [redacted] However given the reprioritisation due to COVID-19, the PDU is recommending that the building upgrade be funded.

**Section B: Operational Assessment Criteria (Complete for EoIs and Applications)****(Rate and comment – 1= poor, 5 = very good - Provide the number for this project, not subsequent phases)****Fund and government outcomes**

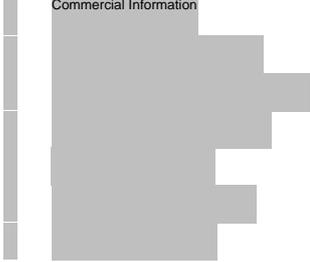
Please highlight number below

**Would the project:**

➤ create permanent jobs?	Greater farm capacity will allow younger whanau members to be inducted as successive managers and governors of the land.  It is expected that <sup>Dom</sup> FTE would be created from this project.	N/A <b>1</b> 2 3 4 5
➤ deliver community benefits?	Privacy of natural persons	N/A <b>1</b> 2 3 4 5
➤ increase utilisation of and returns on Maori assets?	Improvements to the infrastructure and the land will likely increase economic outputs and have the potential to support future development opportunities.  The links with the Ruahuihui Trust will provide benefits to Maori assets beyond the Mangamaire farm.	N/A 1 2 3 <b>4</b> 5
➤ enhance the sustainability of natural assets?	The overall benefit is that a planned approach will allow for better returns from the farm, thus making the farm operations more sustainable.	N/A 1 <b>2</b> 3 4 5
➤ mitigate climate change effects, or assist with the lowering of emissions?	Not considered in the application.	N/A <b>1</b> 2 3 4 5

**Additionality****Would the project:**

➤ add value by building on what is already there, without duplicating effort?	This project represents remedial land work that may lead to further development.	N/A 1 2 <b>3</b> 4 5
➤ be a catalyst for productivity potential in the region?	The Nopera Trust is working with the Ruahuihui Trust with the intent of working to cooperatively to pool resources and expertise.  Once this initial co-operative venture is established and is successful, the applicant indicates that it may look to attract other Maori land blocks/farms to consider working with them.	N/A 1 2 <b>3</b> 4 5

Section D: Funding and financial analysis		Please highlight number below
<b>Does the application show:</b>		
<b>Summary of funding and financial analysis:</b>	<p>For the year ending 31 March 2019</p> <p>Commercial Information</p>  <p><b>Financial/Physical Analysis – As supplied by MPI</b></p> <p>Commercial Information</p>  <p><b>MPI Maori AgriBusiness notes</b>  <i>“The effective area is roughly 50% flat, then once developed Economic Farm surplus could be around \$<sup>Commercial Info</sup> which would bring new profit to around \$<sup>Commerc</sup>”</i></p> <p>The balance sheet has appropriate debt/equity levels given the low level of income generated from farming operations.</p> <p>The applicant is an appropriate receiver of a Whenua Maori Grant.</p>	<p>N/A 1 2 <b>3</b> 4 5</p>
<b>Author of paper:</b>	SC, Investment Analyst, AM, Investment Director, PDU Investment Team	