



NUFFIELD
NEW ZEALAND
FARMING SCHOLARSHIPS

Global vision,
leadership and
innovation

Nuffield Primary Sector Insights Report 2020

Keeping New Zealand at the global forefront of agriculture

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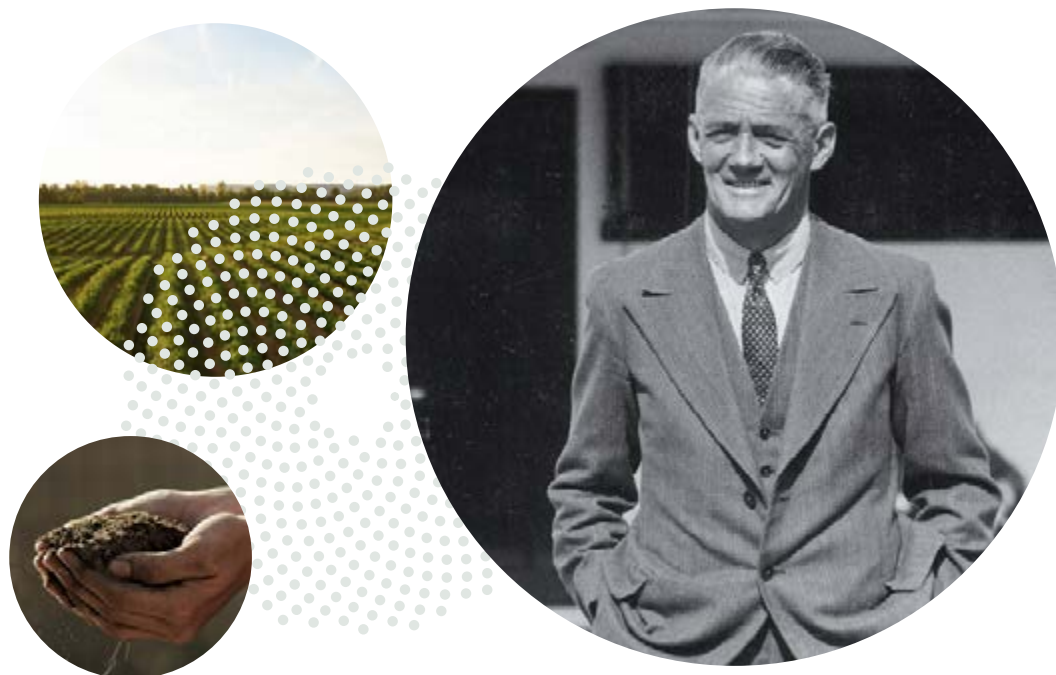


New Zealand Nuffield Farming Scholars
Primary Sector Insights Report 2020



Contents

| | |
|------------------------------------|----|
| Our context | 04 |
| <i>COVID-19</i> | |
| Insight One | 06 |
| <i>Supply chains</i> | |
| Insight Two | 08 |
| <i>Leadership</i> | |
| Insight Three | 10 |
| <i>Food fairness</i> | |
| Insight Four | 12 |
| <i>Volume, to value, to values</i> | |
| Our challenge | 14 |
| <i>Call to arms</i> | |
| Appendix | 16 |
| Scholar Profiles | |
| About Nuffield | |
| Thanks to our editors | |
| Thanks to our partners | |



Our context

If everything has changed, why would we keep everything the same?

He mihi nui ki ngā atua

He mihi nui ki ngā tangata whenua

Hi mihi nui ki a koutou, kua tae mai nei i tēnei pō

Ko Nuffield Farming Scholars tā mātou rōpū

Tēnā koutou, Tēnā koutou, Tēnā koutou katoa

73 years ago, William Morris, 1st Viscount Nuffield; an innovator, philanthropist and visionary created the Nuffield 'travelling' Scholarship to recognise agriculture's contribution to feeding the British Empire during World War 2.

Today, the world's most acute challenge is COVID-19. In a pandemic ridden world, the importance of food security has again garnered global focus. Consequently, these scholarships are even more relevant and more crucial to our future success as a food producing nation.

For us, the 2020 Nuffield Scholars, COVID-19 has replicated the degree of disruption, pressure and uncertainty that a Nuffield Travel Scholarship seeks to create (minus the travel of course). Despite this (and because of the uncertainty) we have grown as leaders, and we have learnt to: be nimble, deal with uncertainty, grow our resilience and work collaboratively as a team.

After multiple plan changes, false starts and deep reflection about what Nuffield actually was, we came to this realisation - **Nuffield is a process to create insights and foresight.**

Throughout this process, one key learning has been reiterated time and again this year "your opportunity will come when you are not ready" and that you need to "jump off the cliff and learn to fly on the way down."

In a Nuffield New Zealand first, Nuffield Scholars have worked together to deliver collective insights.

We leveraged our networks and connected with partner organisations. **To date we have had:**

Over 200 Conversations
about the impact of COVID-19

Made more than 20 key observations
around topics such as innovation, people,
supply chains, social issues and strategy.

These key observations have been
crystalised into **4 Deep Insights**, which
we discuss in the following pages.

The model of the past **won't**
be the model of the future.



Insight One



New Zealand has been able to trade goods with our international partners despite the local and international challenges. However, there are some key challenges to overcome if we are to maximise our potential opportunities.

Resilient supply chains

Our first deep insight goes to the importance of international trade in food and fibre to our economy, and how our supply chains responded to ensure its continuity.

Imagine you have just arrived back in New Zealand from a long-awaited conference, it is cut short due to a global pandemic. You are then required to go into two weeks of self-isolation. During your self-isolation, it's announced that the rest of New Zealand needs to prepare to go into level 4 lockdown. It then dawns on you that the impending harvest of your grapes – the year's work – and annual payday may not happen. You mentally work through what this may mean for your business, for your family, and your community – then try to park this as the thoughts are too challenging.

Fast forward four months and it turns out your worst fears have been avoided. The grapes have been harvested, made into wine, and making their way around the world as Sauvignon Blanc, a wine Marlborough and New Zealand are famous for. Without producers, industry bodies and the government collaborating, and proven supply chain resilience, this remarkable achievement during a pandemic would not have been possible.

Despite this achievement, there are challenges and questions we must all answer to maximise the opportunities that our recent supply chain resilience has given the country. New Zealand is an export-driven economy. Exports account for 30% of our GDP. In April 2020, the World Trade Organisation forecast global merchandise trading to reduce by up to 32%. The pandemic's threat was very real.

New Zealand was facing a severe financial and social challenge. So, with this background and the potentially catastrophic outlook for New Zealand – what happened?

New Zealand has been able to trade goods with our international partners despite the local and international challenges. Not all countries were as lucky. Thanks to global consumer demand and our ability to deliver our food and fibre, New Zealand's vital connection to the world has remained open.

In turn, this has given us a bargaining chip to ensure the flow of key imports such as medical supplies and other essential imports.

We should be proud of how this has provided a vital lifeline to keep the New Zealand economy intact and lessened the potentially severe economic impact of the COVID-19 Pandemic.

To date, we have done well. We have proven our supply chain resilience, but we need to keep a focus on our core purpose and maintain our integrity to maximise our opportunities.

While our resilient supply chain has enabled New Zealand to stay open for business in a complex and changing world, there are some key challenges we must consider if we are to maximise our potential opportunities.

- How do we sell New Zealand's point of difference and enhance our trading relationships?
- What effect will geopolitical factors outside of our control have on supply chains.
- How can we leverage our intellectual property and leadership in food and fibre industries to strengthen current trading relationships and secure new ones?

Insight Two



Food insecurity for the citizens of a food-producing nation is as hypocritical as claiming clean and green and then discharging effluent directly into water under the cover of darkness.

Rise of the ‘have nots’

Infection rates, innovation, and the disparity between those that ‘have’ and those that ‘have not’ - have all seen exponential growth.

This inequality has presented as disparity in access to food, access to work, access to influence; and access to capital. To illustrate the insight, think of two kiwi families. (Examples based on conversations held this year.)



The first family, Angus and Sheryl, are Waikato farmers with off-farm interests.

Angus and Sheryl, as representative personas of New Zealand food producers, are two of the ‘haves’.

They had capital growth, continuity of employment and lower living costs. In speaking with Angus, the sense of COVID-19, is one of “what COVID-19, we had a drought”.



The second family are Fred and Xi, Auckland-based salaried workers. Fred and Xi had an all too different experience.

On the 25th of March, despite 10 years of service, the retail business employing Fred closed as New Zealand went into Level 4 lockdown. Xi, who had casual employment based around their three young children was also left out of work. As savings vanished and the reality of lockdown on a 400 square metre section took hold, Fred and Xi found themselves not only further away from home ownership but paying significantly more for food as their local greengrocer closed, forcing them to pay more for food at the supermarket.

We all play the cards in front of us. As a sector we cannot solve the systemic capital constraints of the “Have Nots”.

However, increasing disparity is real, both between and within our communities. We must focus on the areas we can control or influence. It is vital we understand these are tough times, and that it is important to ensure all New Zealanders benefit from us being world leading food producers. It is critical we get this right. Increasing the disparity will further erode our social licence to operate with our urban majority.

Food insecurity for the citizens of a food-producing nation is as hypocritical as claiming clean and green and then discharging effluent directly into water under the cover of darkness.

Our risk is being tarnished as ‘landed gentry,’ profiting from high NZ food prices. Even though, the farming reality is that margins are often far from fat.

Our challenge is to consider an alternative perspective and to recognise that perception does matter. A two-speed economy is detrimental.

Our opportunity is to work across the value chain for food fairness and food security so a social licence to operate solidifies.

Success is bringing the rest of NZ with us. Telling our own story will not be as genuine, or effective, as non-farming kiwis telling them. It is positioning NZ as an international exemplar.

Insight Three



Throughout our interviews, it became evident that human capital responded proportionally to their leadership.

Where leaders communicated honestly and clearly, selected, and maintained the aim and were willing to be innovative – people supported them.

Fit for purpose leadership

Fit for purpose leadership was a re-occurring insight from our many conversations.

Twelve months ago, we were briefed on our impending Nuffield year. 'Expect the unexpected' they said, a one liner that not just Nuffielders would come accustomed to but most people and organisations. How leaders, and organisations reacted in this time of crisis exposed examples of fit for purpose leadership and also leaders that were caught out.



Clear communications

Clear, concise, and honest communication reassures people, builds trust and gets buy-in. The 1pm update with Ashleigh Bloomfield and Prime Minister Jacinda Ardern is a perfect example. Jacinda-O'clock became part of our daily routine, to listen and get guidance. It gave confidence in a time of crisis.



Innovation

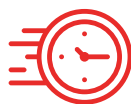
Churchill said never let a good crisis go to waste. This remains as relevant today as ever. We wonder what advances we will see, when we look back on what we have lived through. To date, we have seen organisational change, many pipeline projects fast forwarded and the adoption of new technologies, including new online selling platforms. Also evident, has been the use of technology to support leadership and coordination. 'Zoom' has become a necessary evil in a very short time.



Manage the important stuff

Government reassurances to business by way of subsidies and the wage scheme supported cashflows and gave confidence. The food and fibre sector's ability to 'carry on' has been widely heralded as a success and MPI need to be congratulated for their role in it.

Indeed, relative to our global partners, we see the salutary value of the collaborative leadership shown by New Zealand's public service and private industry leaders.



Agility

Throughout our interviews, it became evident that people responded proportionally to their leadership. Where leaders communicated honestly and clearly, selected, and maintained the aim and were willing to be innovative, people supported them. People bought-in, accepted personal sacrifices, including pay cuts. They worked doubly hard to establish new priorities, new ways of doing things and to reallocate resources.

The ability of leadership to be light on their feet, change strategy, innovate, and see opportunities within the crisis, were all key markers that determined fit for purpose leadership.

Our challenges now are:

- How do we keep up this pace?
- How do we build resilient and adaptive leaders who do not just 'expect the unexpected' – but rather, thrive on uncertainty, complexity and can handle rapid change.
- How do we grow leaders who have the skills to create, innovate, communicate and demonstrate values?

Insight Four



We have gone from exporting
volume to exporting value.

We now need to go from value to values.

Volume to value to values

We have the opportunity and necessity to reimagine what our world looks like post COVID-19. Our fourth deep insight is that New Zealand needs to extend its transformation.

We have gone from exporting volume to exporting value. **We now need to go from value to values.**

To clarify what we mean by volume to value to values:

- volume is – produce more, sell more
- value is – selling at a higher price
- values are – production aligning with our beliefs for a better world.

The rise of the conscious consumer has been accelerated by COVID-19. We define a conscious consumer as someone who has a growing awareness of the provenance of the food they buy and eat. This includes giving a higher priority to environmental impact, social impact, animal welfare and sustainability when making food choices.

Conscious consumers are looking for value and values when making a purchase. This trend is exacerbated by lockdown, fuelled by the global rise of the middle class, and spurred on by unprecedented connectivity and growing unease of unethical and unsustainable farming practices.

“Lockdown gave me time and space to evaluate my ideals around how I live. This was an opportunity I had not had in 30 years.”

A business owner in Tauranga

Farmers are stewards of the land. NZ farmers care passionately about the environment, sustainability, people, and animal welfare.

The COVID-19 crisis has given us the platform to discuss our current and future place in the world – from on farm to consumer.

The values-based consumer is the catalyst. Those who can pay a premium will, those who can't will expect product integrity regardless. Economically, we can't afford to fail to move from value to values-based farming.

Imagine for a moment – NZ farmers have responded to and delivered on the growing demand for values-based products. We are known for doing the right thing, even when no one is looking. We farm and consume with integrity. Our market share is protected and expands. NZ rises as we rise.

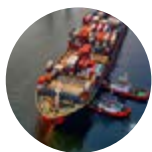
NZ's food and fibre sector is one of the best in the world, let's make it the best for the world.

Our challenge is this:

- What values do we aspire to as individuals and collectively as a sector?
- How do we go about understanding our consumers' values?
- How do we show that by buying our products consumers are already contributing food production that is low emission, low footprint?
- How do we build on our foundation and capture the imagination of those we feed, clothe and house?
- How do we move ourselves to a values-based food production and consumption system, ensuring a better world for us all?

Call to arms

To recap, here are our four deep insights, taken from hundreds of interviews across New Zealand's food and fibre sector.



Proven supply chain resilience.



A growing disparity between the 'haves' and 'have nots'.



Challenges around fit for purpose leadership.



We can add value by moving from value to values.

No one person, and certainly not we, the Nuffield Scholars, have all the answers...

Covid-19 has created a purposeful environment for change.

- COVID-19 has created an environment where we can and we must question the status quo.
- It has created an environment in which, if we evolve quickly, we can outpace those that refuse to imagine.
- It has shaken the world and tested us all.
- Across the globe people have taken stock of their core values. Asked where their food has come from and how it is produced. And supply chain integrity has become even more critical.

What's next?

- Nuffield Scholars will be travelling across NZ and (hopefully) globally in 2021.
- The insights discussed above will become the starting point for our ongoing conversations inside and outside New Zealand's food and fibre sector.
- We look forward to connecting across the sector to help us gain insight and foresight on the opportunities, the challenges, and the changes we can expect as an industry.

So let's...



Nurture key relationships

with trading partners, based on values, mutual respect, quality products and reliable supply.



Foster leadership

excellence and relationships so others tell our story for us.



Consolidate

ourselves as a supplier of choice for local and international consumers.



Do the right thing

by acting with integrity and fairness, so our nation's world leading food systems deliver a prosperous New Zealand.



Make change

one small action at a time.

Scholar profiles



Tracy Brown

*Waikato | Director, Dairy Farmer |
Award Winning Environmentalist*

Passionate about protecting the environment for future generations, Tracy is a strategist, collaborator and connector. Tracy leads transformational change for dairy by empowering people through various roles including as a Director of DairyNZ. Tracy grew up in Northland.



Shannon Harnett

Bay of Plenty, Director | Orchardist, Rural Accountant

Shannon grew up in the Hawkes Bay on a sheep and beef farm. She is the Co-owner of 'Rural Accountants'. Shannon is experienced with start-up agriculture and horticultural businesses dealing with PVR varieties. She has investments in agriculture, horticulture and aquaculture.



Phil Weir

*Waikato | Beef Farmer |
Councillor, Agri-business Consultant*

Experienced professional in environmental science, research and development, commercialisation and IP management. Phil's current focus is helping clients consider land use diversification. Phil is Chair of the Beef + Lamb Mid Northern North Island Farmer Council and lives on his dry stock property near Pirongia.



Ben McLauchlan

*Marlborough | Viticulturalist |
Owner & Director of Rothay Vineyards*

With 20 years' working in the wine industry internationally in sales and marketing roles, Ben is now back to Marlborough running the family farm. He is heavily involved in his local community holding positions with the local Grape Growers Cooperative and School Board of Trustees.



Edward Pinckney

*Southland | Sheep, Beef & Dairy Farmer |
Owner & Director of Jericho Station*

Large scale operator and entrepreneur, who has a talent for developing, growing and improving efficiency of farming businesses. Ed is passionate about developing people in agriculture. Ed holds a pilot's licence.



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Thanks to our editors

The scholars extend their thanks to two people in particular who supported this report. Their intellectual input, sharing of models/frameworks and editing was invaluable. Ngā mihi nui.



Chris Parsons
MNZM, DSD, CMInstD
CEO NZ Rural Leaders



Professor Hamish Gow
Massey University

Thanks to our partners

Nuffield New Zealand and the New Zealand Rural Leadership Trust are charitable trusts. Our passion and purpose is to develop strategic leaders for our country so New Zealand can remain on the global forefront of agriculture.

If New Zealand is to thrive, we need leaders who ask the hard questions, challenge the status quo and are adroit at fostering collaboration. This can only happen in an environment where challenge is welcomed, supported and resourced. Our investing partners, media, service, academic, and regional partners are all instrumental in making this possible.

We are deeply indebted to all our partners for their leadership, their candour, and their support for the future of our food and fibre sector. We are also deeply grateful to the Nuffield Alumni around the country, and across the world, for their continued willingness to engage. We are equally grateful to the hundreds of people our Scholars have engaged throughout their Nuffield journey.

Chris Parsons
CEO Rural Leaders

Strategic Partners



Programme Partners



Academic Partners



Media & Service Partners



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