



## Media release

17 August, 2010

### Significant Investment in Innovation Announced

Innovation across the primary sector received a \$144 million Government boost today with two more industry groups receiving funding approval from the Primary Growth Partnership (PGP).

The successful business plans from the dairy and red meat sectors, outline an innovation investment programme totalling around \$321 million, with more than half the funding coming from industry.

The \$170 million dairy programme will be led by DairyNZ and Fonterra, while Silver Fern Farms, PGG Wrightson and Landcorp Farming lead the \$151 million red meat bid.

The PGP is a government-industry initiative that invests in significant programmes of research and innovation to boost the economic growth and sustainability of New Zealand's primary, forestry and food sectors.

The Government has set aside \$190 million for the first four years of the programme and will invest a further \$70 million annually from 2013/14 financial year.

Ministry of Agriculture and Forestry Director General Murray Sherwin says the latest round of approvals illustrate the huge potential that exists across New Zealand's primary sector and a new level of collaboration for broader benefit.

"PGP is not about funding industry to do what they have always done. It's about investing in forward-thinking, visionary business plans that have the potential to transform our primary sectors and bring about substantial and sustainable economic growth.

"Both proposals have a strong focus on meeting market expectations, on sustainable production processes, innovation and a "whole of value chain" perspective," he says.



“That is exactly what is being represented by these new programmes and the three previously approved in May. Now we can really begin to capitalise on the potential that exists across our primary sectors.

“The applicants have risen to the challenges set by PGP and are working collaboratively with partners in their sectors. The result is a series of progressive thinking, ground-breaking programmes and clearly defined plans for success.”

The Director General’s decision to fund each programme followed recommendations made by the Investment Advisory Panel, chaired by Bill Falconer.

The dairy industry’s programme aims to support on-farm innovation and enhance off-farm outputs. Through the involvement of DairyNZ, all New Zealand dairy farmers are represented in the programme. Partnership funding totals \$170 million, with PGP funding of \$84.6 million. The members of the dairy programme believe the programme will drive significant additional benefits across the New Zealand dairy industry by 2020.

The red meat bid is seeking to create a consumer demand driven integrated value chain for red meat. The partnership funding totals \$151 million with \$59.5 million funding from the PGP. If successful, it is estimated that this programme will grow the red meat sector by 50 percent by 2025.

Together with the three business plans approved in May, the total of PGP funding allocated across five projects is \$164 million over five-seven year programmes.

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**Media contact:**

Deborah Gray | Acting Communication Manager | MAF Policy  
Phone: 64-4-894 0715 | Mobile: 029 894 0715 | Email: [deborah.gray@maf.govt.nz](mailto:deborah.gray@maf.govt.nz)

**For more information on each bid:**

<http://www.maf.govt.nz/pgp/industry-initiatives.htm>