



World leader: Derek Fairweather sees Dairy SolutionNZ franchising New Zealand farming around the globe.

Photo: PETER DRURY

Farming one-stop-shop signs deal

An ambitious project to boost New Zealand export receipts by hundreds of millions of dollars a year by pooling our farming expertise has received a huge fillip from prominent Middle Eastern investment company Emirates Investment Group.

ElG has signed a 50:50 joint-venture agreement with the Waikato Innovation Park-led New Zealand farming consortium Dairy SolutionNZ to develop large-scale farms in the Middle East and Pakistan.

Dairy SolutionNZ will provide the technological and operating knowhow, while ElG will provide the local connections and investment capital, says project head Derek Fairweather, chief executive of Innovation Waikato. He won't comment on the specific value of the joint-venture work but says ElG has "several hundreds of millions of dollars to invest in the right projects."

As the world food crisis bites harder, richer nations have been buying up huge tracts of land in developing nations to secure their food supplies. Information from the International Food Policy Research Institute shows the Middle

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East is one of the biggest land investors, buying up 1.15 million hectares of land in Pakistan, the Philippines and Africa in the last three years.

"This joint venture is about taking the world's best farming practices to regions experiencing food crises. It will pursue clients with large land holdings seeking greater food production, food quality and investment returns," Mr Fairweather said.

New Zealand was renowned for its farming capabilities and high-quality dairy and meat, and low-cost practices were hugely in demand, Mr Fairweather said.

That demand has peaked as America's farming system has been hammered by high grain prices.

Dairy SolutionNZ was formed to

capitalise on this and provide a one-stop-shop for private or government-based developers of large-scale meat and dairy farms.

Born out of Hamilton's Agbio cluster, the 19-strong Dairy SolutionNZ group combines the best of New Zealand farming technology companies, including fencing providers the Gallagher Group, milking systems company Milfos and breeding company LIC, with agricultural training organisations such as ASL, an offshoot of industry trainer Agito.

Consultants include Paul Bardoul, New Zealand's highest-producing farmer, who uses a mixed pasture and feed-based system.

A couple of international companies have been targeted to fill specialist gaps in the group, including the Texas-based, bovine sex selection company Sexing Technologies and Dutch genetics specialist CRVAmbreed, which has significant tropical expertise.

Though all the companies involved export on their own as well, Dairy SolutionNZ enables New Zealand to lead large-scale projects and provide a one-stop solution. It's opened up much

larger opportunities, Milfos director Philip Locke said.

"We all saw the need out there. This allows us to go and deliver a complete solution, not just be a single player in a big project where they buy a bit here and a bit there and it never actually works for them."

Since Dairy SolutionNZ was formalised early last year, Mr Fairweather and his team have been building international contacts and discussing deals. ElG is just one of several in the works, he says.

A 6000ha deal has been agreed in South America, a heads of agreement has been signed for a deer farm in Asia and discussions are under way in Russia, Malaysia and the Philippines.

Through ElG there are two large Pakistan projects on the cards, one involving a 35,000ha farm, and there are also discussions taking place in China.

"The pipeline is considerable," Mr Fairweather said.

Innovation Waikato will take the lead on all the projects and Dairy SolutionNZ has worked out detailed payment processes for all 19 parties involved.