

WHITE PAPER

Enablers and drivers for Māori Agrifood Collectives transitioning towards better land management practices

August 2022



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Introduction

Māori agribusinesses are increasingly recognised for their environmental leadership, social responsibility, innovation, and profitability. Many unique approaches inherent in te ao Māori could provide a more sustainable path to food production¹. Land trusts, incorporations, iwi corporations, and Post-Settlement Governance Entities operate Māori agrifood enterprises. Collectively, these enterprises can be described as Māori agrifood collectives (MACs). MACs present a vision of agribusiness where profits flow to communities and environmental standards can be exceeded to build inter-generational capital.

Māori enterprises are a significant part of Aotearoa's primary sector. Māori own \$13 billion in primary sector assets, including 30% of all beef and lamb production, and Māori horticulture has grown 300% in 12 years (Green and Schulze 2020). Not all MACs are at the high-performing end of the agribusiness scale. In this study, it is hypothesised that MACs exist on a continuum from struggling to thriving. To move to a higher place on the development continuum, MACs must overcome several critical constraints.

The current study provides the basis for a theoretical model regarding the enablers and constraints of MACs. The study also proposes an experimental method to determine the behavioural and attitudinal factors that underpin the development of a MAC and its progression along the development continuum. The theoretical model developed here demonstrates how MACs exist on a continuum from MACs with deficient levels of financial capital, capabilities, relationships, market access, and regulatory constraints to those with high levels. Below are the five critical constraints that each MAC experiences to different extents:

- Finance: To invest in farm development, product development, marketing, and sales and to provide working capital to support operations.
- Skills and Knowledge: To support good governance, management, and operations and to address specific technical/specialist issues.
- Paths to Market: To develop the organisation's ability to gain premium prices for their products in market through accessing or developing premium supply chains.
- Relationships and Trust: To build strong relationships and trust between board members and with staff, shareholders, and others beyond the farm (e.g., suppliers, regulators, and customers).
- Regulations: The capacity to operate within regulatory constraints.

Where a MAC exists on the development continuum is a function of its capacity to access finance, skills and knowledge, paths to market, build relationships and trust, and achieve regulatory compliance. Many MACs began with a low ability to address their key constraints; however, they have transcended their impediments and moved to a thriving position on the development continuum. To undergo this journey, governors must decide the areas they will target for building capacity. All MACs are constrained by limited resources, necessitating the prioritisation of addressing some constraints over others. For example, at one stage in the journey, more effort might be placed

¹ <https://home.kpmg/nz/en/home/insights/2021/06/2021-agribusiness-agenda.html>

on building technical capabilities and accessing finance rather than building a pathway to a premium market.

We propose that understanding how to move MACs across the continuum, from the bottom and middle to the top, involves governors making key decisions regarding which capacity areas they will invest their time and effort at 'struggling', 'getting by', 'doing well', and 'thriving' stages. We suggest that the best way to determine this is to engage governors taking MACs on this journey and for them to be presented with scenarios from which they select the capacity areas where they would invest their time and resources in building capacity.

After developing a theoretical model of the MAC development continuum, the research proposes a key question for further investigation:

What decisions and behaviours allowed high-performing MACs to overcome key constraints, enabling them to become high-performing entities?

To answer this question, we need to understand how these high-performing MACs behave when faced with constraints inherent in a lower-performing MAC. We also need to compare their response with those of lower-performing MACs to determine if there are any significant differences in how they behave when faced with the same constraints. We hypothesise that high-performing MACs respond to different land management scenarios in a way that minimises constraints and maximises efficient outcomes.

The behavioural and attitudinal drivers influencing a MACs location on the continuum are largely unknown. By identifying the behavioural characteristics of MACs and relating these to their position on the continuum, we seek to infer traits of a MAC that enable higher performance. We hypothesise that how a MAC allocates resources and manages trade-offs in a land management scenario provides insights into the values that drive their decision-making and behaviour. By understanding the differences between the values of high and low-performing MACs, we will be better able to suggest governance characteristics that can lead to higher success levels.

A high-performing MAC has access to many enablers that a low-performing MAC cannot access. This access will likely influence their decision-making, so when asked how they would respond to a particular challenge, they will do so from within their context based on the resources they have access to. Determining how high-performing MACs would behave in a situation faced by lower-performing MACs requires isolating them from their context and biases. Elimination of personal bias requires encouraging impartiality in a person's decision-making. To overcome these barriers, we propose using a vignette experiment to place the participant in a fictional context in which they do not have a direct stake in the outcome. Vignettes provide a powerful tool for understanding attitudinal and behavioural responses while maintaining impartiality. Vignettes have a long history in behavioural economic research, particularly concerning the distribution of scarce resources. As the allocation of effort to overcome the constraints MACs face is a resource allocation challenge, vignettes are particularly well suited to the current research.

The report is structured in two parts. Part 1 develops a theoretical model of the enablers of high-performing Maori agrifood collectives. It describes each of the five key constraints faced by MACs and discusses other relevant factors to creating a MAC development continuum, focusing on the value drivers of MACs. Where Part 1 focuses on describing the situation of MACs, Part 2 is focused on gathering information that will provide practical resources to move MACs from the bottom and middle of the development continuum to higher levels. An experimental vignette methodology is developed to eliminate bias and accurately contextualise the research for participants.

Part 1. Enablers and Constraints on Māori Agribusiness

Access to financial capital

A body of literature suggests that Māori trusts and incorporations struggle to access finance (Hitchcock 2008; Kingi 2008; MPI 2014; NZIER 2003; Reid 2011; Whitehead and Annesley 2005; Rout et. al., 2018). It has been determined that this is due to a range of structural factors associated with Māori land legislation is behind this constraint. Without the capacity to use land as collateral, and with the non-tradeable nature of landowner shares, the land assets of Maori agrifood collectives (MACs), may be considered to have little value. Consequently, what would normally be provided to shareholders as dividends and benefit payments must be retained to build equity reserves. This scenario is outlined below in a report by NZIER.

“[Māori trusts and incorporations] face higher costs when borrowing capital because of land ownership constraints, due to the sections of the Te Ture Whenua Act and the consequent oversight function of the Māori Land Court. A reliance on retained earnings as their primary source of funds for development has seen dividend and benefit payments reduced in an effort to build equity reserves. Furthermore, the absence of a market in which landowners can trade shares has resulted in a lack of means to value equity” (NZIER 2003, 85).

Beyond the legislative structures constraining access to capital, literature also suggests that lending institutions lack confidence in the governance capabilities of Māori authorities and view the marginal and isolated nature of much Māori land as high risk from a lending criteria perspective (NZIER 2003). Historically, the most common method of accessing finance has been changing the status of the land from Māori to general (Hitchcock 2008 in Rout et. al., 2018). A more recent study by Rout et. al., (2018), which involved detailed interviews with a range of managers and governors of MACs, found that most of those interviewed did not struggle to access financial capital. Although they conceded that banks had been reluctant to lend in the past, things had changed considerably. As outlined in the report:

‘Almost every interviewee explained that they have access to capital currently, though a number explained that historically banks had been reluctant to lend.’

The report suggested that a considerable change had occurred over the past two decades, with most MACs noting that they had:

‘...little to no debt, often having paid it down over the past decade or so after a period where they had been more indebted. Most trusts have savings they can draw on and that they do not struggle to access loans through banks and other institutions’.

It was also noted that MACs emphasised generating profits to increase liquidity and provide working capital access. The report also supported the earlier findings of NZIER (2004), which determined that MACs were using their infrastructure, livestock, and products as collateral security when required. Despite the seeming decline in financial capital access constraints by MACs, the Labour-led Government created an investment fund in 2019 to support MACs that found it difficult to access financial capital. This is not to say that there is a cohort of MACs that still struggle access capital, particular those on marginal land, or blocks that are too small to be commercially viable or may have recently moved from leasing arrangements back into trustee governance (and therefore lack development capital), however, it appears that many MACs no longer consider this a problem.

Another study (Reid, et. al., 2019), which involved a quantitative survey of governors and shareholders of 36 MACs found that 22% of those surveyed found it difficult to access financial capital, while 72% had little difficulty. This may be viewed in Figure 1 below. Although the sample size is small (n=36), and Reid et. al., express caution around the use of the data, for this reason, the finding does give some indication of the size of the struggling cohort. Furthermore, Reid et. al., emphasised that they had a broad sample and that all MACs that could be possibly contacted in Aotearoa New Zealand were contacted.

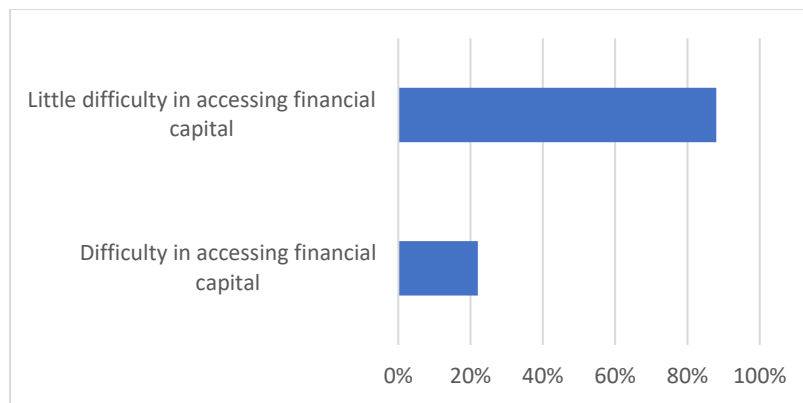


Figure 1. Difficulty in Accessing Financial Capital by MACs (Reid et. al., 2019)

Despite this finding the Reid et. al., (2019) also found that MACs struggle to access finance to make significant shifts in terms of meeting the kaitiaki goals involving the establishment of blue, green, and grey infrastructure on-farm to improve environmental outcomes (Figure 2). Or in other words, there was not much of a problem accessing capital for operating within the status-quo, but more difficulty regarding environmental improvements. This is not surprising given that the financial return from environmental efforts may be limited.

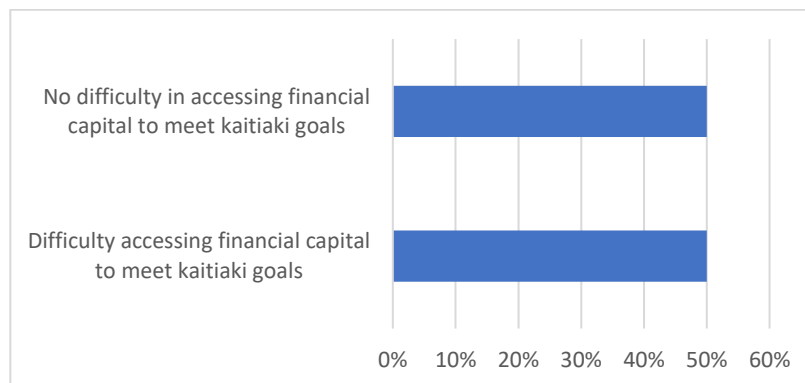


Figure 2 Accessing financial capital to meet kaitiaki goals

Access to capabilities

Another body of literature identifies accessing capability as another difficulty MACs confront (Hall 1991; Hitchcock 2008; Kingi 2008; MPI 2014; OAG 2004; Phillips et al. 2014; Reid 2011; TPK 2014). There are two primary areas where there are capability shortages. The first concerns governing capabilities. It relates to the types of operating models that MACs are directed to establish under the Te Ture Whenua Maori Act. Due to rules around bilateral succession, the number of owners within

Maori land blocks tends to expand over generations. To manage this problem, the Te Ture Whenua Maori Act requires establishing trusts or incorporation boards. The boards consist of trustees, or directors, elected by the beneficial owners. Research has determined that those elected can lack the skills and knowledge needed to govern (Phillips et al. 2014; Reid 2011). Kingi's (2008) research suggests that some board members are elected due to their standing amongst shareholders rather than because they have any business or farming experience (Kingi 2008). The lack of capability on some boards subsequently leads to criticism that they are too reliant on external consultants or, conversely, they are too reliant on their inadequate capabilities (Phillips et al. 2014). The survey by Reid et. al., mentioned previously, found that 64% of MACs considered a lack of knowledge and skills among governors to a moderate or extreme extent.

In comparison, 43% felt there was an overreliance on external consults to a moderate or extreme extent. These results can be viewed in Figure 3 and Figure 4 below. Nonetheless, 85% of respondents to the survey felt that it was either extremely important or important, to have good external consultants on their boards.

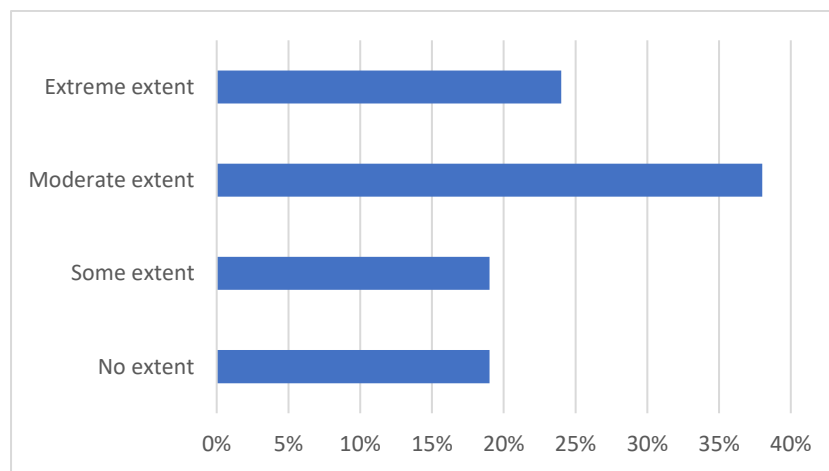


Figure 3. The extent to which a lack of knowledge and skills among governors is a problem for MACs

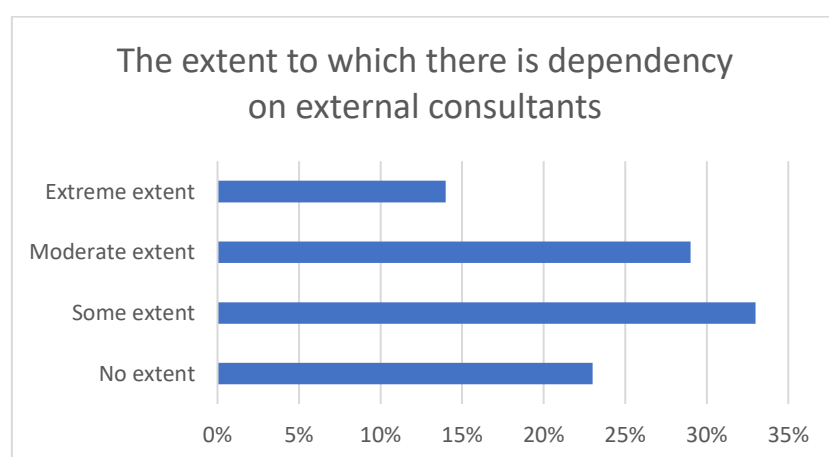


Figure 4. The extent to which there is a dependency on external consultants

The Rout et, al., (2019) report dug a little deeper into the specific types of capabilities needed on governing boards. They highlighted the need for a dynamic combination of cultural competency, strategic and operational understandings, transparency, and communication/relationship skills – for

engaging with stakeholders. Furthermore, it was highlighted that technical competencies were a challenge given the increasing complexity and technological advances in agrifood production and processing. This is outlined by Rout et al., (2019) below:

‘...modern farming is becoming so technically complex that boards struggle to make informed strategic decisions, which leads to the consequent belief that there did need to be improvement in the general knowledge of board members relating to both on-farm operations and the wider value chain.’

The second area where there are capability shortages is accessing skilled employees to manage and operate agrifood enterprises – particularly concerning employees that understand and know how to operate according to Maori values. However, access to skilled employees is a wider issue in New Zealand agriculture and is not specific to Maori (Ang 2010; Trafford and Tipples 2011). The Reid et. al., (2019) study found that access to skilled employees was a significant constraint on MACs meeting their desire goals, with over 70% of survey respondents identifying this as an issue (Figure 5).

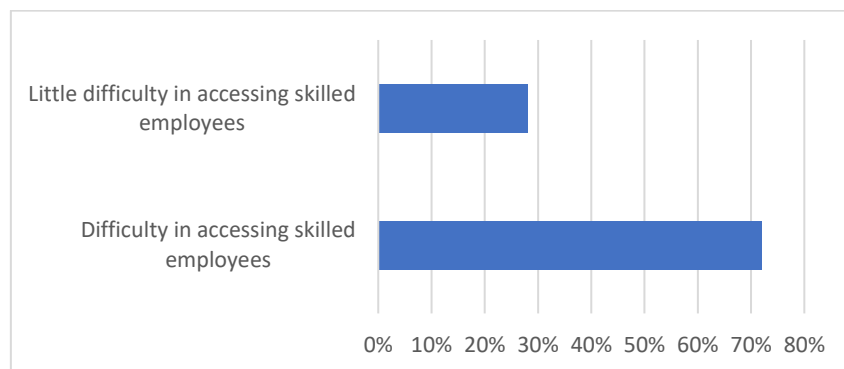


Figure 5. Difficulty in Accessing Skilled Employees (Reid et. al., 2019)

Relationships

There is a developing body of literature that is focused on relationship challenges within MACs, and in particular, the requirements of MACs to have trust and constructive relationships amongst governance and beneficiaries, and more broadly beyond the organisation to other entities (Barrett-Ohia 2010; Heron et al. 2001; Lawson et al. 2008; MPI 2014; Phillips et al. 2014; Reid 2011; Sligo and Massey 2007). There is also a more specific body of literature that focuses on the tensions and conflicts on governing boards and among shareholders, which traces relationships problems to colonial policies that turned individuals and whanau against each other and imposed alien structures for the governance of Maori land (Dell 2017; Kingi 2008; Phillips et al. 2014; Reid 2011). Dell (2017) and Reid (2011) have focused on the need for healing strategies through the conscientisation of the historical roots of the trauma these land-owning communities have been exposed to, and healing processes to address the harm. Furthermore, Reid (2011), highlights the role of benevolent leadership, tikanga-oriented processes, and governing structures that reflected cultural norms as key ingredients for addressing and moving beyond conflict and establishing effective development pathways. The importance of strong leadership in effective governance was highlighted in the Reid et. al., study (2019), which revealed that 97% of respondents felt it either important, or very important to have strong leadership. Furthermore, 95% of respondents felt it was either extremely important or

important to have good and effective governing structures in place. These results can be viewed in Figure 6 and Figure 7 below.

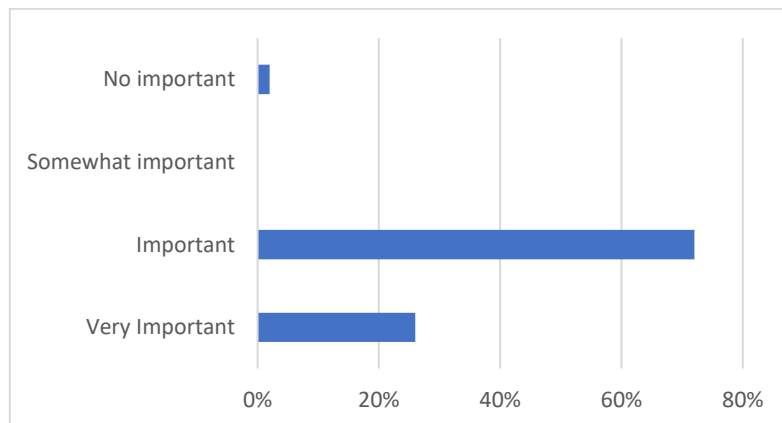


Figure 6. Importance of strong leadership for good governance (Reid et. al., 2019)

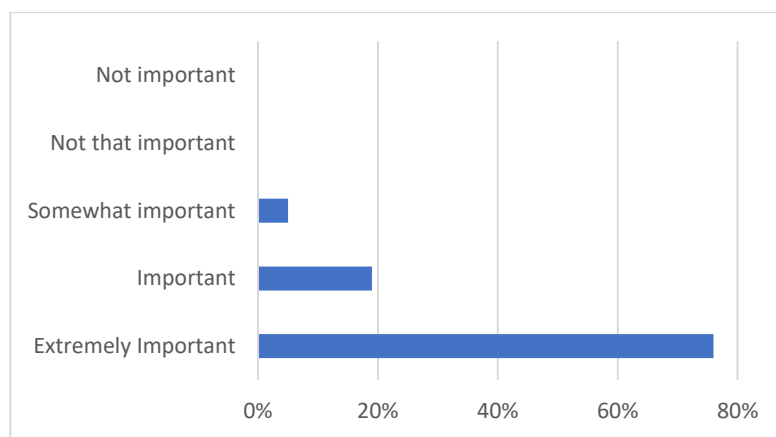


Figure 7. Importance of good governing structures

However, the Rout et al., 2019 qualitative study found that the majority of MAC governors interviewed outlined the predominance of positive relationships across their board, with several ‘...*discussing how they were able to have fairly frank and open dialogue without acrimony or major grievances.*’ The study also revealed strong and positive relationships between MACs within different geographic locations, where whakapapa (genealogical) networks were used to facilitate knowledge sharing and collaboration – which extended to working business relationships and coordination of farming system operations. The positive outcome of this study is nonetheless somewhat tempered by the results of Reid et al.,. (2019) quantitative survey. This found that 53% of survey respondents considered their MAC boards to have a problem with interpersonal conflicts to either a moderate or extreme extent. Furthermore, 33% considered board power dynamics to be problematic — the results and illustrated in Figure 8 and Figure 9 below.

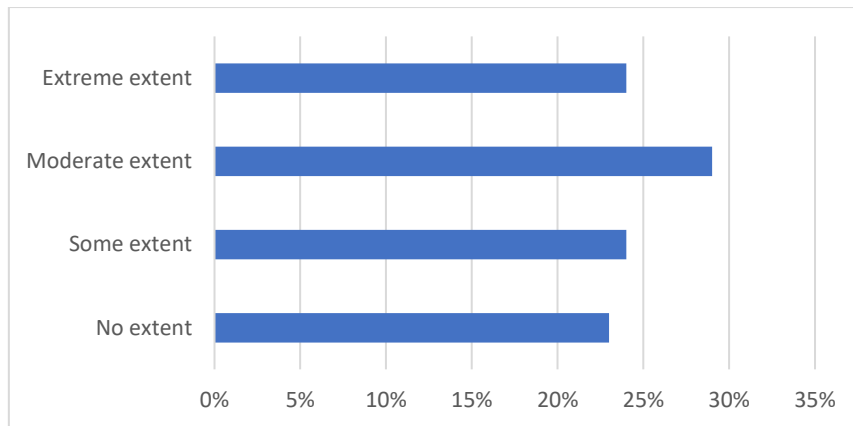


Figure 8. Importance of good governing structures

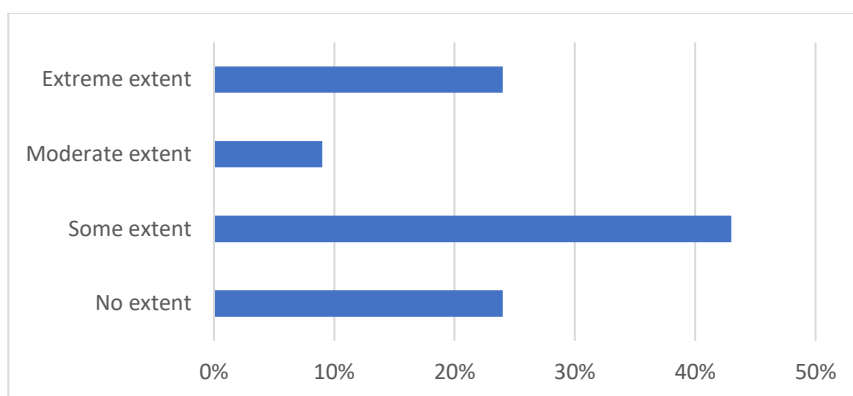


Figure 9. Extent to which board power dynamics posed a problem in governance

Despite these findings, the survey also revealed that only 19% found a problem with reaching a consensus despite problematic internal conflicts and power dynamics. This suggests that the strong cultural value placed upon reaching a consensus on MAC governing boards may be the driver of internal conflict and power dynamics, with these dynamics ultimately leading to consensus (Figure 10).

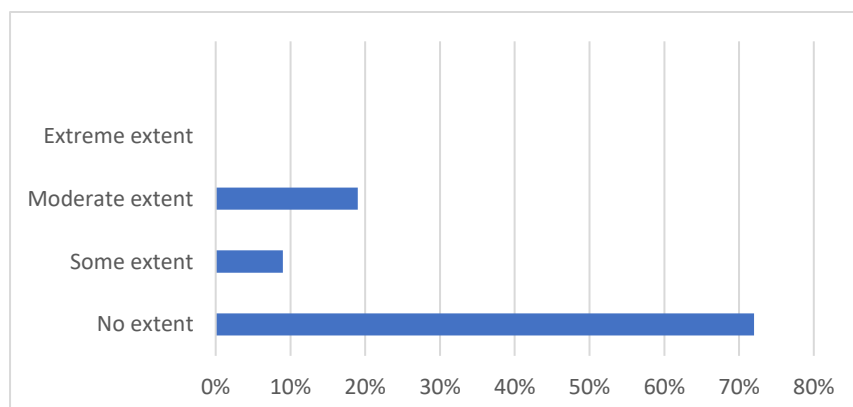


Figure 10. Extent to which gaining a consensus is a problem

The other key challenge is the growing separation between urban-based Maori shareholders and governors and ahika, or local Maori that retain strong relationships and connections to the land (Rout, et al., 2019). Rural Maori noted that those from urban areas had become disconnected from their land and traditions and had unrealistic expectations around dividends that MAC operations could provide them with.

Other literature has highlighted the important role of ‘horizontal’ relationships beyond the land-owning entity to the broader industry, supply chain connections, and farming community in New Zealand to share capabilities, build capacity, and undertake collective planning (Heron et al. 2001: Sligo and Massey 2007; Phillips et al. 2014). Furthermore, the Rout et al. (2019) study revealed that most MACs have strong and positive relationships with their neighbouring non-Maori farmers, which extended to working collaboratively on catchment-scale environmental planning.

Pathways to market

The recently completed Our Land and Water Science Challenge Tauutuutu White Paper (Reid et al., 2022) detailed a range of commercially successful MACs with strong indigenous ethics underpinning their operations and practices. Several of these MACs achieved environmental awards, provided employment opportunities in their communities, and generated dividends and other benefits (such as scholarships) for their owners. The Reid et al. (2019) study found that MACs placed significant emphasis on fulfilling their kaitiaki (land stewardship) manaaki (caring for whanau and community) obligations, with 4 out of 5 MACs rating these values as extremely important. In addition, the study also showed that 80% of MACs had in place farm environmental plans, 79% of which were not required by local council regulations. Despite having relatively low environmental impacts and positive social outcomes, most MACs were supplying their products to processors that could not differentiate their products from other suppliers without these production practices. Research by Saunders et al. 2016 and Rout (2020) have outlined that the products being generated MACs have cultural credence attributes, such as environmental and social attributes that are highly valued in some markets and would attract premiums. However, these products enter the same pool as other suppliers without these attributes and cannot be differentiated (Rout et al., 2019). The Reid et al. (2022) White Paper outlined how well-capitalised MACs were, in response, beginning to establish their paths to market through the processing and marketing of their products. However, the vast majority of MACs are not doing this, with a Reid et al. (2020) study on MAC market access showing that 94% of these entities are directly supplying processors (Figure 11).

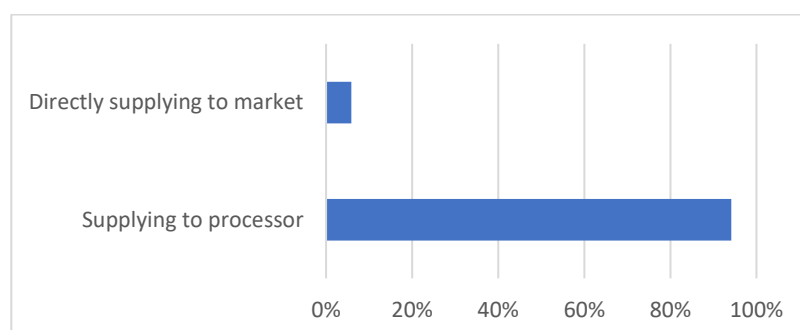


Figure 11. Pathways to market

However, for the majority of MACs this is not possible. This is because, as Rout et al. (2019) outline,

‘Māori land is often remote, accessing a variety of processors to find optimal financial and supply chain outcomes can be problematic (Cottrell 2016). Likewise, the small size of many Māori trust and incorporation farms makes vertical integration and branding and marketing difficult (Phillips et al. 2014; Saunders et al. 2016).’

Consequently, the premiums that would reward Maori for operating according to their indigenous ethics are, in general, not being captured. However, the lack of reward for good practices through premium market access is recognised as an issue across New Zealand in general (Barrett-Ohia 2010; Beverland 2007; Brackeridge 2016; Cottrell 2016; Kingi 2013; Saunders et al. 2016). The need for New Zealand farmers to find new paths to market, to control their supply chain and to effectively and authentically brand and market their products overseas to gain a premium is emphasised in the literature and is the focus of several government efforts to raise export earnings (Brackeridge 2016; Saunders et al. 2016).

The overall conclusion from this analysis is that MACs, and many other agrifood enterprises in New Zealand, have limited processor options and pathways to market. It means that those generating products with environmental, social, and cultural credence attributes cannot gain access to premiums for their good practices. In particular, MACs are constrained from producing goods that can then be marketed, drawing upon the unique cultural values under which they operate. Furthermore, supply chains are primarily built around conventional industries, such as beef and lamb, dairy, and a limited set of horticultural options, which limits the scope of MACs to experiment with or adopt alternative production strategies. Industry bodies have a significant role in setting industry strategies and aligning production practices to market requirements. However, the Rout (2019) study found that MACs experiences of industry bodies were:

‘...unanimously negative. A number said that they had received no help or even contact from these industries bodies. Several believed that the industry bodies did not cater to or understand Māori Trusts and Incorporations, which they believed explained the lack of help and contact, while several others believed that these bodies were years behind with regard to insights into paths to market.’

Without accessing premiums for their cultural attributes, MACs are limited in their capacity to invest in environmental improvement strategies, evidenced by the previously mentioned statistic that 50% of MAC governors consider that they cannot access the capital needed to meet their kaitiaki goals.

As a solution to market access, the governors of MACs emphasise the need for collaboration between MACs to establish their value chains. As outlined by Rout et al. (2019):

‘collaborations were an essential for them, that these connections provided essential scales of economy, diversity of land types and influence needed to integrated the supply chain and effectively brand and market. Collective action, in other words, was the fundamental enabler of paths to market. The point is that singularly these operations do not have the capacity to find alternative paths to market but collectively they do, both in terms of ensuring consistent supply and in working together to create a brand – these are only possible working collectively. Scale is critical, but as many noted, so too is shared values and situation.’

However, MAC governors also cautioned about this and the considerable risks involved (Rout et al., 2019). They also highlighted the need to establish strong and comprehensive environmental and social monitoring systems to make their indigenous values claims in market (Rout et. al., 2019).

Regulations

In terms of regulations enabling or constraining MACs in meeting their goals, the Te Ture Whenua Maori Act (TTWMA) appears most commonly in the literature. The act was initially introduced to halt Maori land alienation and to deal with the challenges of collective ownership by introducing a range of governing structures to cope with multiple ownership (Kingi 2008; Reid 2011). However, these changes also introduced a range of consequences. As outlined previously, the TTWMA removes Maori land from the market. As such, the land cannot be easily valued or used as collateral for accessing financial capital.

Furthermore, others consider that the governance structures that the act demands may have a poor cultural fit (Reid, 2011) or not be flexible enough to encourage development (NZIER 2003, Hitchcock 2008; WT 2016). Likewise, the Maori Land Court is often seen as being too over-involved in decision-making, with many key decisions requiring sign-off from a judge, who may not have the necessary knowledge and skills to ‘weigh in’ on commercial decisions or may work to timeframes not conducive to business operations (MPI 2014; Phillips et al. 2014; WT 2016). Furthermore, as outlined previously, the TTWMA, through demanding bilateral succession to land ownership shares, encourages continual land fragmentation and, in turn, and an ever-growing number of land shareholders. Despite this largely negative view of the TTWMA the survey conducted by Reid et. al., (2019) found that 89% MAC governors and shareholders did not consider Maori land regulation associated with the TTWMA to be a substantial hinderance to their enterprise activities (Figure 12). However, this does not dismiss the reality that the TTWMA is a problem for a cohort of MACs.

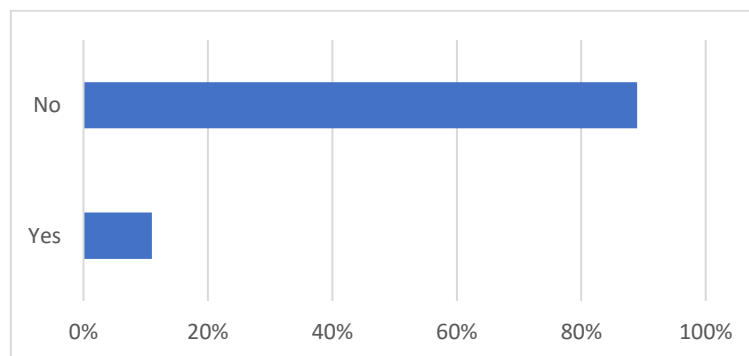


Figure 12. Does Māori land regulation constrain your farming business?

In addition to the TTWMA the RMA is regularly mentioned as a constraint on development across New Zealand agricultural due to complexities and costs associated with compliance (Daigneault et al. 2018; Jay and Morad 2007). Phillips et al. (2014, 31) view “regional council regulations are viewed as a threat to further Māori development and expansion”. Furthermore, at a central government scale, the current Labour government has embarked upon a significant revision of the RMA to reduce compliance costs, establish greater consistency in the way the act is applied, and remove problems with the RMA’s inability to deal with cumulative environmental impacts. Overall, Rout et al. (2019) found that MACs primarily have problems with some specific elements of the RMA as applied in their regional contexts, as opposed to the act as a whole – mainly relating to nutrient limits or gaining resource consents for water infrastructure. Apart from the RMA, the other regulatory problem that

MACs face concerns the Zero Carbon Act, with some MACs considering that when fully implemented, it could put them out of business (Rout et al., (2019). In the Reid et al. (2020) survey, MACs felt planning rules and nutrient limits were the most significant constraints on their activities, followed by gaining resource consents, nutrient limits, and newly proposed carbon taxes.

Summary of the Theoretical Model

The review of literature and analysis provides the basis for a theoretical model regarding the enablers and constraints of MACs. There are different cohorts of MACs that experience constraints to different extents. Some MACs are well capitalised, can afford to contract, employ, or build the capabilities they require, have strong governing structures, leadership, and constructive workings relationships, have formed their pathways to market, and have the capacity and scale to work with within current regulatory structures. However, at the other end of the continuum, some MACs struggle to access financial capital, have significant difficulty affording or building the capability they require, lack good governing structures, leadership, and conflict resolution tools, are stuck with orthodox processors and pathways to market, and struggle with regulatory controls. This leads to the following hypothetical model, outlined below. The model demonstrates how MACs exist on a continuum from MACs with deficient levels of financial capital, capabilities, relationships, market access, and regulatory constraints while those with high levels exist.

Those with very little of these capacities will be struggling; however, as these capacities grow, MACs can increasingly do better. Currently, the size of these different cohorts is largely unknown, however from the survey literature review above, we can make some educated guesses, with approximately 20% having real difficulty accessing financial capital, 25% expressing extreme difficulty in accessing capabilities, 23% expressing extreme relationship difficulties, 50% premium market access issues, and 10% experience strong regulatory pressures. It is unclear whether one struggling cohort in the bottom 25% of the continuum experiences all of these capacity issues simultaneously or whether different MACs have different combinations of capacity issues. However, the Reid et al. (2022) White Paper suggests that there are MACs that would score highly across all capacity areas, implying that they fit into the thriving category. The weighted importance of these capacities in relation to each other is also unclear. For example, how much more important is accessing capabilities over addressing regulatory constraints? This study hypothesises that different cohorts exist across this continuum and that different enablers, with varying weightings of importance, are required to move MACs up the continuum into the doing well and thriving categories (Figure 13). Based on the analysis above, the enablers involve developing or gaining access to the following:

- Finance: To invest in farm development, product development, marketing, and sales and to provide working capital to support operations.
- Skills and Knowledge: To support good governance, management, and operations and to address specific technical/specialist issues.
- Paths to Market: To develop the organisation's ability to gain premium prices for their products in market through accessing or developing premium supply chains.
- Relationships and Trust: To build strong relationships and trust between board members and with staff, shareholders, and others beyond the farm (e.g. suppliers, regulators, and customers).
- Regulations: The capacity to operate within regulatory constraints.

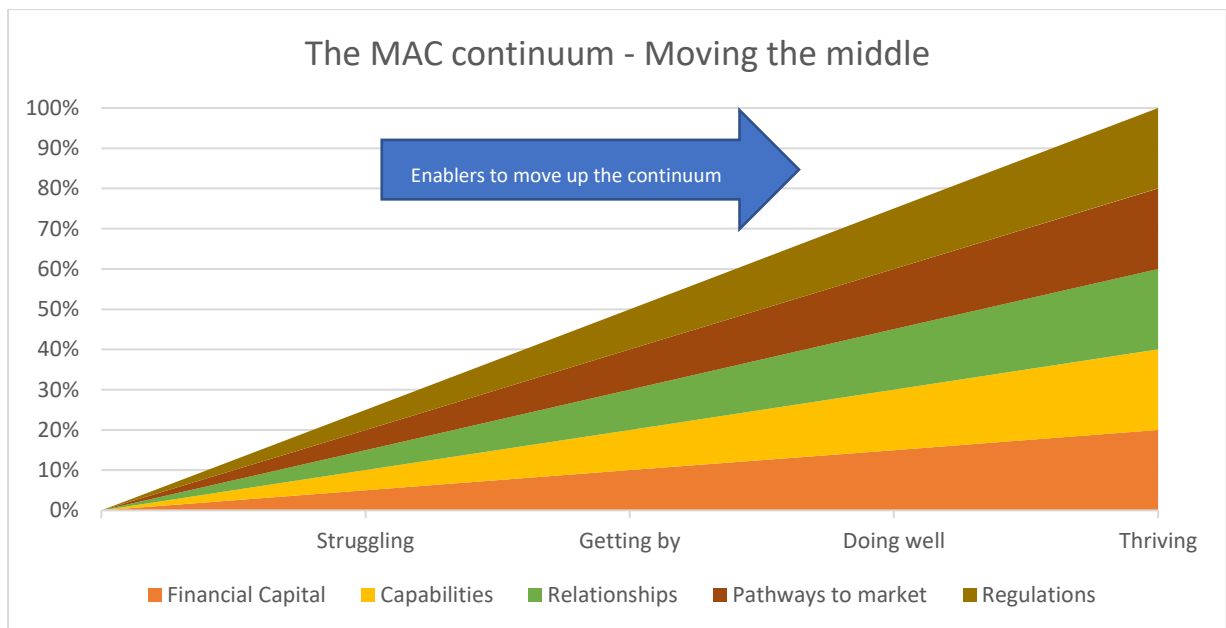


Figure 13. The MAC continuum - Moving the middle

Value-drivers of Māori Agribusiness

In the discussion above, we have examined the enablers and constraints on MACs; however, no reference has been made on the underpinning ambitions being constrained or enabled. These may be considered the value drivers of MACs. There has been some research undertaken on the value drivers of Māori agribusinesses.

Harmsworth (2005) undertook a case study analysis of six Māori businesses, which included uncovering their value drivers. The study included two MACs. His research found a common set of values used to shape goal-directed behaviour. These included:

‘Tino Rangatiratanga and Mana Motuhake – self-determination, independence or inter-dependence; Mana Whenua – rights of self governance, rights to authority over traditional tribal land and resources; Whānaukatanga – family connections and family relationships; Kaitiakitanga – guardianship of the environment; Manaakitanga – reciprocal and unqualified acts of giving, caring, and hospitality; Arohatanga – the notion of care, respect, love, compassion; Awhinatanga – assist or care for; Whakakoha – the act of giving; Whakapono – trust, honesty, integrity; Whakakotahitanga – respect for individual differences and participatory inclusion for decision-making; Wairua – the spiritual dimension to life.’

An in-depth analysis of seven MAC case studies by Reid (2011) also identified a range of value drivers, with seven being shared with those identified by Harmsworth. These are summarised in Table 1 below.

Table 1. Value-drivers of MACs (Reid, 2011)

Value-driver	Translation
Manawhenua	Control over resources
Whanaungatanga	Togetherness
Arohatanga	Care, love, respect
Manaakitanga	Hospitality, kindness
Wairuatanga	Spiritual dimension
Kaitiakitanga	Guardianship
Tino rangatiratanga	Self-determination
Taonga Tuku Iho	Holding and passing down protected treasures
Whakapapa	Genealogy, lineage, descent

A later 2013 analysis conducted by Reid, Barr, and Lambert explored the value drivers of Ngāi Tahu MACs and found four common value drivers, all shared with the previous two studies. These included, manaakitanga, whanaungatanga, kaitiakitanga, and tino rangatiratanga. The most recent study in 2019 by Reid et al., which involved interviews with 14 Trustees of MACs and a quantitative survey, also found value drivers in common with the previous studies, which included kaitiakitanga and whanaungatanga. However, it also included mana whakahaere, which may be an applied version of tino rangatiratanga and mana motuhake, which refer more to broader tribal sovereignty concerns than the independence and self-determined leadership of an organisation.

Furthermore, this study also found an additional value that had been missing from previous analysis, *whai rawa*, which represents the aspirations of MACs to generate financial wealth. Given the importance of these four values identified through the qualitative research a survey of 36 MACs was conducted with governors asked to weight the importance of these values in their operations (

Figure 14). The results show that, on average, governors considered these values to be either important, or extremely important. *Kaitiakitanga* ranked highest, with the average score getting close to extremely important, followed by *mana whakahaere*, *whanaungatanga* and *whai rawa*. Interestingly, financial success came last; however, on average, governors considered this value important. The results are demonstrated in

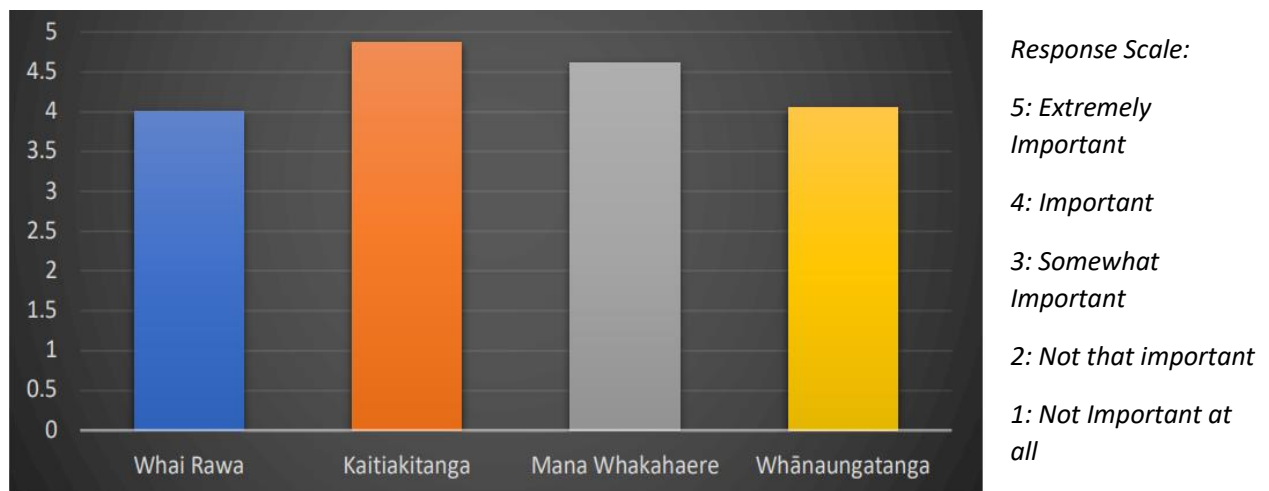


Figure 14. Importance Attributed to Different Value-drivers in MACs (N-36)

Conclusions and Next Steps

This report has developed a theoretical model that demonstrates how MACs exist on a continuum, from MACs with very low levels of financial capital, capabilities, relationships, market access, and regulatory constraints, to those with high levels. All MACs experience constraints to different extents. Some MACs are well capitalised, can afford to contract, employ, or build the capabilities they require, have strong governing structures, leadership, and constructive workings relationships, have formed their pathways to market, and have the capacity and scale to work within current regulatory structures. Other MACs struggle to access financial capital, have significant difficulty affording or building the capability they require, lack good governing structures, leadership, and conflict resolution tools, are stuck with orthodox processors and pathways to market, and struggle with regulatory controls. The theoretical model presents five constraints or enablers of MACs. Where a MAC is located on the development continuum is a function of its level of capacity to access finance, skills and knowledge, paths to market, build relationships and trust, and achieve regulatory compliance.

MACs located at the highest end of the development continuum have typically been through multiple lower stages to reach their current position. While the theoretical model describes **what** is required to reach high levels of success for MACs, it does not currently describe **how** MACs can progress along the continuum. To achieve high levels of development, the governors of MACs have made decisions and trade-offs regarding where to focus efforts for building capacity. The next research stage will explore how this capacity building was achieved. We have proposed using a vignette experiment to investigate the decision-making processes that have allowed some MACs to transcend constraints and reach the current level of development. This research will be undertaken to distil critical insights that MACs in the middle or lower end of the development continuum can apply to progress to higher levels.

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