

TEKAU PLUS₁₀₊

Export Excellence

QUARTERLY REPORT

30 September 2009

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Introduction

Tekau Plus has continued over the quarter July-September 2009 to concentrate on the development of the clusters. This can be seen in the number of cluster groups and the businesses in each now in place.

The work on the due diligence and establishing and agreeing the focus and strategies for each is the core work at this stage. This is underpinned by the One Channel approach, enabling the cluster groups to develop shared knowledge and strategies, that also support their individual business growth strategies.

The value proposition is about developing the information and relationships developing a coherent and collaborative approach, while recognizing that each business has commercial imperatives.

The research programme while focused on each business will provide broader information and knowledge to enable others in the cluster, and across clusters, to develop their brand, strategies and collaborative efforts.

Tekau Plus, by assisting to focus the research and shape the pathways, including developing the market and investment requirements, is able to support the individual businesses. Tekau Plus also provides an enabling environment to strengthen relationships and networks, and connect businesses and clusters to information that can assist in sound decision-making.

Continued communications and engagement with stakeholders is a key mechanism for Tekau Plus to ensure the flow of industry and sector information and the development of relationships that can support the growth of the cluster groups.

QUARTERLY REPORT : Progress against outputs and success indicators

Period 1 July 2009 – 30 September 2009

Progress for 9th payment

Schedule A Outputs	Success Indicators	Schedule G 3 Year Plan (Revised from 1 January 2009 with greater detail) (1/7/09- 30/9/09)	30 September 2009 Report (Progress towards 5 th 6 months outputs)
<p>Management and Governance: Provide overall co-ordination and project management including reporting and accountability</p>	<p>There is robust accountability to reporting and project remains on track</p>	<ul style="list-style-type: none"> • Provide governance and management of the programme • Meetings with sponsors/funders and overview panel • Meetings with key stakeholders (eg new government) • 6 monthly report <ul style="list-style-type: none"> ○ Mtgs with key stakeholders ○ 6 monthly report 	<p>Three Board Meetings were held on 28 July, 27 August, 29/30 September. The September meeting was held in Auckland, with several meetings including with The Big Picture and Whakatohea Trust Board and attending the Go Global Conference, 29 September 2009</p> <p>During this quarter the board met with cluster groups and in particular:</p> <ul style="list-style-type: none"> • Mr Gianluigi Zenti, President of Academia Barilla visit to Wellington on 28-29 July 2009 <ul style="list-style-type: none"> ○ Co-ordinate Tekau Plus meeting and lunch hosted by Leith Comer and Te Puni Kokiri Senior Management, 28 July ○ Organise dinner with invited Ministers (Tim Groser, Georgina te Heuheu) and other Maori business leaders, 28 July ○ Co-ordinate workshop and lunch with E Tipu committee and members of staff and board of Te Ohu Kaimoana, 29 July • Dr Malcom Cone Otago University on opportunities for collaboration <p>The governance have maintained a careful overview of the progress on the clusters, giving priority to this activity, including approving the progress on establishment and undertaking due diligence.</p> <p>Management have provided the:</p> <ul style="list-style-type: none"> • Support and minutes to the board for meetings • On-going liaison with TPK • 6 monthly report for the period 1 Jan – 30 June 2009

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			<p>In July the Board met with the Overview Panel, including discussion of the 6-monthly report, before submitting the final to TPK. The meeting covered among other things:</p> <ul style="list-style-type: none"> ○ overview of Tekau Plus and relationship with Overview Panel ○ strategy based on the cluster development ○ observation on the contributions from the businesses, noting this is in-kind ○ leveraging Tekau Plus with reference to Shanghai
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<p>Strategy: Development of strategy and buy-in to the strategic approach by participants</p>	<p>The documentation is developed and implemented.</p>	<ul style="list-style-type: none"> • Meet with key Maori agribusinesses • Meet with key private exporters • Work with NZTE, MFAT and other govt depts • Monitor the strategy through quarterly reviews • Agribusiness wkshop with CRI, NZTE and pvt investors • Planning for 2009 Tekau Plus symposium <ul style="list-style-type: none"> ○ Strategic workshop held ○ 2009 Tekau Plus symposium drafted 	<p>Tekau Plus Business Plan Strategy document updated to reflect additional cluster participants approved for programme in July – Sept.</p> <p>A final and professionally designed public document will be available in the next quarter.</p> <p>Following comments by TPK Investment Manager on budget bids (July meeting), FOMANA has reviewed the Tekau Plus programme to date and is preparing a programme continuation paper for consideration by the Board at Oct meeting and for discussion with TPK in the next quarter.</p> <p>Continued meetings and conference participation with stakeholders, Maori land owners and exporting companies to develop the strategy context. For example, HortNZ, ASEAN NZ, CRIs.</p>
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<p>Communications: Providing information to enable open participation and identification of partners.</p>	<p>Distribution of information through various media and when the level of participation is sufficient to enable implementation of the strategy.</p>	<ul style="list-style-type: none"> • Maintain stakeholder relationships • Hui to illustrate research data, promote One Channel and Brokerage system • Review Tekau plus communications plan • Review Tekau plus risk mitigation plan <ul style="list-style-type: none"> ○ Pool of key Maori agribusiness commit to participate ○ Stakeholder hui held ○ Tekau plus communication and risk plans reviewed and updated 	<p>Mr Gianluigi Zenti, President of Academia Barilla visit to Wellington on 28-29 July 2009 and various meetings with TPK, E Tupu and TOKM and key Ministers</p> <p>Go Global Conference, 29 September 2009. Auckland</p> <p>NZTE – ongoing stakeholder relationship meetings and Positioning Tekau Plus cluster participants to get accepted & take advantage of FHC Pathway to China</p> <ul style="list-style-type: none"> • Tekau Plus has eight companies going to China for the Pathway Package and Food-Hotel China program. China networks are excited about having such a diverse group of food and beverages companies under one banner. This is the first time such a large collective of Maori organizations have attended such an event for some time. <p>Communications with stakeholders continued across the board, including meetings with CRIs, key departments and agencies, and Maori entities that are potential cluster participants or interested parties.</p>
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<p>Analytics and research: Development of information and analysis to inform decisions and identify strategic pathways.</p>	<p>The prioritizing and identification of strategic pathways and informed development of clustering and strategic implementation.</p>	<ul style="list-style-type: none"> • Maintain up to date sector and market intelligence and economic and financial export market analysis • Engage research on international markets for Tekau plus clusters • Identify niche markets <ul style="list-style-type: none"> ○ <i>Market research and key niche studies implemented</i> 	<p>Reports/documents reviewed / analysed across a range of topics and markets relevant to the development of Tekau Plus members and the development of NZ exporting.</p> <p>Research, analysis and preparation of documentation has occurred in conjunction with Cluster development work and has built upon and extended the work completed in this Output previous quarter, for example:</p> <ul style="list-style-type: none"> • Working through issues with potential cluster participants to develop clearer picture of their objectives and Tekau Plus fit (eg. Sheep milk); • Working through a detailed Research and Study programme and Project plans with approved cluster participants (eg. Watson & Son – ManukaMed); • Working on a business network approach to manage the communication between multiple cluster participants (eg. In Gourmet Food & ingredients); • FOMANA has reviewed the Tekau Plus Research Programs / Cluster proposition studies and a paper “Cycle of Innovation” will be presented to Board at October meeting.
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Clustering: Facilitation, brokerage and specific analysis is undertaken for cluster projects.

3-4 cluster propositions are developed per annum, 8-10 cluster propositions over the contract period.

- Structural systems finalised for first cluster group
- Hui with key players on cluster development
- assist in developing the clusters' development and objectives

- *Cluster systems finalised*
- *Hui with potential cluster participants held*
- *Formalise cluster members and implement cluster research and activities*

Cluster development continues to be the main priority for this quarter, evidenced by the additional cluster participants that have been approved for entry into the programme. Tekau Plus formally communicated Board decision to all the approved cluster participants and completed confidentiality agreements.

Each of the cluster members has committed their own resources to the programme. This was given in the 30 June 2009 six-monthly reports as being at least \$580,000. While this might be in-kind, some is in cash as, for example, members are required to pay for their own travel to meet with the board, or for the impending trip to China for the Food and Hotel China programme.

Tekau Plus engaged independent reviewers to conduct due diligence process and report to Board.

The following due diligence reports were completed in July - August

- Nature's Country Gold Ltd
- Maraeroa C Inc
- Toku Foods NZ Ltd
- Aotearoa Seafoods Ltd
- Navigator Tours Ltd
- Earth 174 degrees
- Taramea Ltd
- Biopolymer Network Ltd
- Biofarm Products Ltd

In September:

- Watson & Murray Ltd
- Watson & Son Ltd

Due diligence commissioned in September

- Waituhi Kuratau Trust
- Waituhi Kuratau Ltd
- Matatoki Farm Cheese Ltd

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Clusters and businesses underway

Tekau Plus Clusters (9)	Tekau Plus Study Programs (13)	Tekau Plus Whanau (20 Business Brands)
1. Beverage	1. Wine	1. Tohu Wine 2. Kono Wine
	2. Ale & Ingredients	3. Taa Kawa 4. MATA Beer
2. Gourmet Foods & Ingredients	3. Gourmet foods & High Quality Food ingredients – Asia Study	5. Manuka Boosta Bar - Nature's Country Gold 6. Toku Gourmet 7. Aotearoa Seafoods Ltd (ASL)
	4. Gourmet Food & Luxury Indigenous Visitor Experiences – America Study	Aotearoa Seafoods Ltd (ASL) 8. Navigator Tours Ltd
3. Kiwifruit / Horticulture & Fibre	5. Kiwifruit Indigenous Branding	9. Te Awanui Huka Pak
	6. Harakeke –Ginseng Fibre proposition	10. Maraeroa C Inc – Pa Harakeke 11. Biopolymer Network Ltd
4. Apiary	7. Building a high value Apiary business - Northland Study	12. Watson & Murray Associates 13. Watson & Son Ltd
	8. High Value Manuka Honey & Wound healing products	14. ManukaMed Ltd Watson & Son Ltd
5. Bio-Actives	9. Bio-Active Compounds and Proof of Concept Study	Maraeroa C Inc Te Awanui Huka Pak 15. Earth 174 degrees 16. Taramea Ltd
6. Dairy	10. Dairy Organic - Biofarm World Study	17. Biofarm
7. Sheep & Beef	11. High Value Sheep Milk – Protein Business Study	18. Matatoki Farm Cheese - Waituhi Kuratau Trust and Waituhi Kuratau Ltd
8. Marine & Aquaculture	12. Sea Cucumber Study	19. Whakatohea Maori Trust Board
9. Marketing & Future Food	13. Big Picture European Union (EU) Marketing Study	20. Big Picture Wine

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