

Statement of Corporate Intent

Te ara whāinga ki mau

2021
—
2025



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Chair and Chief Executive's overview

Science and New Zealand agriculture enjoy a symbiotic relationship.

At a basic level, farmers provide export returns while science adds value through knowledge and advice.

This crucial relationship is, of course, far more nuanced than that. It spans a complex and constantly evolving value chain.

In this document, our Statement of Corporate Intent (SCI), we describe our strategic principles. These principles will guide our next five years and ensure we preserve the successful relationship between science and agriculture.

We are also currently finalising our full strategy document. All of AgResearch has provided input into the draft strategy, which we believe goes further than any previous effort to advance the many interests of the agriculture sector.

Our strategy integrates seamlessly with our Government-mandated core purpose “to enhance the value, productivity and profitability of New Zealand’s pastoral, agri-food and agri-technology sector value chains to contribute to economic growth and beneficial environmental and social outcomes for New Zealand”.

This draft strategy places AgResearch in position to help the sector adapt and thrive in a world bent and shaped by a global pandemic; a world with constant and rapid technology changes and disruption from quarters yet unknown.

In the next five years and beyond, AgResearch will focus on science excellence and driving agri-science to meet the changing needs of our sector and its consumers.

Partnerships, as ever, will be crucial. As our Minister has directed, we will be further strengthening our connectedness with research community and stakeholders. We will co-design research with Māori, industry, farmers, Government, other Crown Research Institutes (CRIs) and science organisations to deliver impactful outcomes.

We will build mātauranga Māori along with appropriate capability and capacity to enrich our science in a uniquely Aotearoa-based way that honours the Treaty relationship our partners have with the Crown. This will increase the understanding of how research can contribute to the aspirations of Māori and Māori organisations.

We will invest wisely in our people and their wellbeing; increase diversity so we can deliver fit-for-purpose science to meet new Zealand’s needs; and use new tools and platforms to ensure our research is successful. A new national research centre and corporate headquarters, located on Lincoln University’s campus and to be finished in late 2023, is a key pillar of our four-campus model. It will ensure our science is embedded with, or close to, our key collaborators and stakeholders.

As an organisation we are also looking forward to the next five years with a sense of optimism and confidence in the knowledge our finances are in a strong position.

AgResearch projects a positive net profit before tax over the next five years, which

includes increasing revenue, managing the internal cost base closely, and evaluating the need to replace personnel on a case-by-case basis.

Our cash position remains strong and includes all forecasted construction costs for the new Lincoln facility.

We believe our science can and will play a major role in New Zealand's post-pandemic economy. The sector has shown commendable resilience, but we must ensure its stability. This is essential to both the future of New Zealand's broader economy and to the agriculture sector having the evidence it needs to support its social licence to operate.

AgResearch is well placed to tackle these challenges over the next five years for the betterment of New Zealand.



Dr Paul Reynolds
Chair, AgResearch



Dr Sue Bidrose
Chief Executive, AgResearch



Our strategy

While our full, detailed strategy document is nearing completion we have developed a high level, one-page overview in English and in Te Reo Māori that captures the aspects of the detailed strategy.

This summary page captures our:

- Core purpose, as defined by Government
- Mission to support pastoral farming and the agri-food value chain
- Vision to lead agri-based science innovation
- Key science principles, which are part of our Science Plan
- Science capabilities and Innovation Centres of Excellence
- Key focus areas for the next five years.

In the pages following we include elements of AgResearch's new draft strategy, Tā Mātou Rautaki. Although currently still in consultation, this draft version has been influential in guiding decisions about our future work.



Our pastoral farming sector is facing unprecedented challenges.

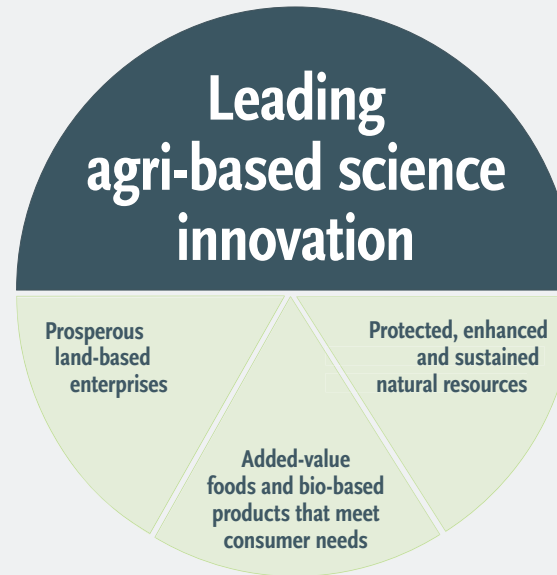
Farming practices must both mitigate and adapt to climate change, while also changing to improve water quality, to meet consumer and regulatory demands and to deal with emerging biosecurity and disease risks.

Now, more than ever, excellent world-class science is needed to provide farmers and industry with evidence and tools to make sound and innovative decisions across the agri-food value chain.

That is our mission.



Our purpose is to use science to enhance the value, productivity and profitability of New Zealand's pastoral, agri-food and agri-technology sector value chains to contribute to economic growth and beneficial environmental and social outcomes for New Zealand.



Our Science

DIGITAL AGRICULTURE

Improving productivity, quality, security and safety of agricultural systems through digital technologies and advanced data analytics.

RESILIENT AGRICULTURE

Empowering sectors and communities to respond and adapt to changes in the environment, regulations and economic conditions.

ETHICAL AGRICULTURE

Ensuring our agricultural systems align with societal, customer and consumer values and our sector processes are robust and defensible.

SMART FOODS

Understanding and designing high-value protein-based foods and ingredients whose intrinsic properties bring demonstrated functional and health benefits for consumers.

CONSUMER INTERFACE

Fusing consumer insights with our science and innovation to optimise the design, development, value and uptake of novel agri-food products, technologies, processes and solutions.

BEYOND FOOD

Developing value-added bio-based products from pastoral agriculture bioresources, maximising the utilisation of resources and delivering verified attributes to the consumer.

Our Focus 2020 – 2025

SCIENCE EXCELLENCE



Driving the agri-science agenda for Aotearoa and tailoring our science to meet the changing needs of the sector and its consumers.

PARTNERSHIPS



Forming the right teams to create the most impactful outcomes. Actively co-designing with Māori, industry, farmers, government, innovation and research organisations.

MĀTAURANGA MĀORI



Building our understanding between science and Māori knowledge systems to deliver to Māori and enrich our science in a uniquely Aotearoa based way.

SMART INVESTMENT



Creating value for Aotearoa and our sector by investing wisely in our people and our science. As a profitable company, commercial returns from our work will be reinvested back into innovative science that enhances our ability to deliver on our core purpose.

Kua putahia mai ētahi whakataratara tūhāhā e whakapā atu ana i tō mātou rāngai ahuhenua.

Me whakamaru, me urutau hoki ngā whakaritenga ahuhenua ki te panonitanga o te āhuarangi, e whakarerekē haere hoki ana kia whakapai ake i te kounga wai hei whakatutuki i ngā tono kaihokohoko, i ngā tono whakaritenga, hei whāwhā i ngā tūraru haumarua koiora, i ngā tahumaero hoki.

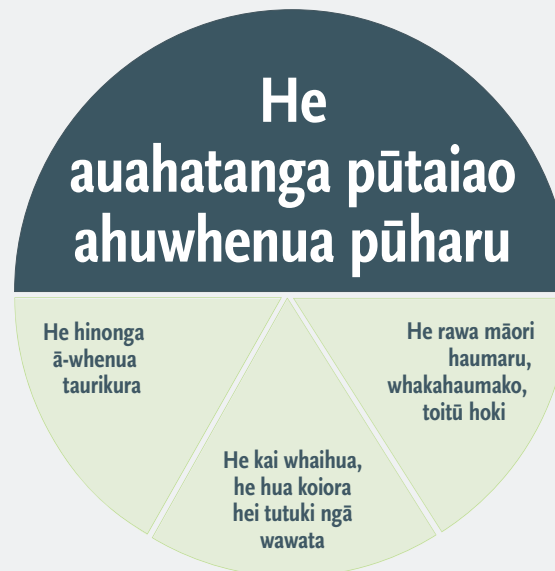
Ināianei, he pūtaiao hiranga e matea ana hei whakarato i ngā taunakitanga, i ngā taputapu ki ngā kaipāmu, ki te ahumahi hoki hei whakatau whaitake, auaha hoki kei te ara whai hua ahuhenua-kai.

Ko te wawata, kia piki te huamoni, hei whakangao i te pūtaiao

Koia rā tō mātou whakatakanga.



Ko tā mātou aronga, ka whakamahi pūtaiao hei whakarākei i te whai hua, i te tōnui, i te huamoni o te ngā ara whai hua o te rāngai ahuhenua, kai mai, hangarau mai kia whakarato atu ki te whakatipuranga ōhanga, ki ngā whakaputanga ā-taiao, ā-hapori hoki mō Aotearoa.



Tā mātou pūtaiao

AHUWHENUA MATIHIKO

E whakapai ana i te tōnui, i te kounga, i te ranea o ngā pūnaha ahuhenua mā ngā hangarau matahiko me ngā tātaritanga raraunga.

AHUWHENUA MANAWAROA

E whakamana i ngā rāngai, i ngā hapori hoki ki te whakahoki, ki te urutau ki ngā rerekētanga i te taiao, i ngā whakaritenga, i ngā āhua ōhanga hoki.

AHUWHENUA MATATIKA

E tīaroaro pū tonu ana i ā mātou pūnaha ahuhenua ki ō mātua whai hua ā-hapori, ā-kaitango, ā-kiritaki, e pakari hoki ana, e whakawawao hoki ana i ngā whakaritenga rāngai.

HE KAI TAUTIKA

E whakawhanake ana i ngā kai whakauru whai painga, i ngā tuuatuka kai kore, ko aua mea e aro atu ana ki ā kiritaki wawata whānui, o nāianei, ā mua hoki.

TE PŪTAHI KIRITAKI

Ka hono ngā whakaaro o ngā kiritaki me ngā āhuatanga pūtaiao kia whakapai i te ahua, te whakaahu me te hokona o ngā hua, ngā tukanga, me ngā whakataunga.

I TUA ATU I TE KAI

Ka hanga whai hua, ka whakaiti para mā te whakawhanake i ngā hua kore-kai hou i ngā pūnaha ahuhenua, i ngā tukatuka e raro iho ana.

Tō mātou aronga 2020 – 2025

HE HIRANGA PŪTAIAO



E uruhi ana i te take ahuhenua-pūtaiao ki Aotearoa, e whakaumu ana i tā mātou pūtaiao kia tutuki i ngā matea o te rāngai me ngā kiritaki.

NGĀ HONONGA



E whakarite ana i ngā tima pai rawa atu hei whakaputa i ngā hua whakaaweawe. E whakaahua tahi ana mātou ko ngāi Māori, ko te ahumahi, ko ngā kaiahuwhenua, ko te Kāwanatanga, ko ngā hinonga rangakura hoki.

MĀTAURANGA MĀORI



Ka whakawhanake i tō mātou māramatanga i waenga i te pūnaha pūtaiao me te ao Māori kia whakarato ki ngāi Māori, kia whakahaumako ahurei i tō mātou mahi pūtaiao ki Aotearoa.

HE HAUMI ATAMAI



Ka whakangaotia ki ā mātou kaimahi, ā, i te pūtaiao kia whakamana i a tatou kātoa o Aotearoa. Ka whakahoki ā mātou huamoni, kia whakangao i ngā mahi pūtaiao kia tutuki pai i ō mātou tino aronga.



Our science in context



Te Kore in relation to AgResearch is a state that considers all potential pathways to an outcome.

*Mā te kimi ka kite. Mā te kite ka mōhio. Mā te mōhio ka mārama.
Seek and discover. Discover and know. Know and become
enlightened.*

New Zealand has the highest degree of economic dependence on the pastoral, agri-food, and agri-technology sectors of all the world's developed economies. AgResearch is New Zealand's leading agricultural science institute for land-based and food systems research.

While the sectors are already on a path to transformation, the unprecedented challenges of climate change and sustainability, evolving consumer demands and preferences, fast-moving technological advances, and rapid population growth worldwide require excellent science solutions now more than ever.

In a time of exceptional change for the agricultural sectors, the impact of COVID-19 on international markets and supply chains has brought additional and complex challenges.

In New Zealand, the COVID-19 pandemic has served to reinforce the importance of our

primary sector, highlighting that it remains at the heart of our economy and will be at the forefront of our export-led recovery.

The appetite for scientific solutions has increased greatly since the COVID-19 pandemic, which has provided AgResearch with the opportunity to position itself as a solution provider. Similarly, creating resilient food systems and ensuring food security have taken on a renewed importance. AgResearch is well placed to make a significant and enduring contribution to the sector's future prosperity through relevant, agile and adaptable science and thought leadership.

AgResearch is well positioned to support the Government's science and innovation priority areas. These areas include transitioning New Zealand's primary industries into higher value products and exports; understanding and mitigating the effects of climate change; maintaining the health of land, water, and living systems; moving to a low-carbon emissions society; reversing the decline in biodiversity; and maintaining biosecurity. The importance of a long-term strategic view of biosecurity needs, particularly with the environmental impacts of climate change, cannot be overstated.

The desire to do things better for Te Taiao (our natural world), our people, communities, and businesses is a common thread running through New Zealand's primary sector and government strategies.

One framing of this is the Primary Sector Council's Te Taiao outcomes of:

- Whenua: Healthy and resilient soils and landscapes
- Wai: Thriving waterways, lakes, wetlands and oceans
- Āhuarangi: Zero carbon production and climate resilience
- Koiora: People and animal wellbeing; nature and taonga species thriving across our productive landscapes.



Our capabilities



Te Pō in relation to AgResearch is a period to determine the most ideal pathways to an outcome.

*Whāia te iti kahurangi ki te tūohu koe me he maunga teitei.
Seek the treasure that you value most dearly, if you bow your head,
let it be to a lofty mountain.*

Innovation Centres of Excellence

We have organised our capability into six Innovation Centres of Excellence (ICEs).



Digital Agriculture

Use of integrated data and innovative digital technologies to help farmers and other sector stakeholders improve production, quality, security and safety. Combining the capacity to analyse data and models with our knowledge of agricultural systems.

We are New Zealand leading in agricultural decision-making tools and ruminant production. We are world class in animal-based food production systems and ruminant genomics and breeding.



Ethical Agriculture

Ensuring New Zealand has agricultural systems that support societal, customer and consumer interests to know and verify that agricultural practices have been undertaken in an ethical and responsible manner. This ICE maintains a social licence to operate for New Zealand.

We are New Zealand leading in land and water in agri-food production systems and pasture ecology. We are world class in animal behaviour and welfare, ruminant health, life cycle analysis and soil science.



Resilient Agriculture

Empowering sectors to manage, respond and adapt to both gradual and sudden changes in circumstances or environment, while enabling them to deliver functions needed by farming families, local communities and the value chain.

We are New Zealand leading in livestock genetic technologies, microbial biopesticides, weed and pest management, and plant-soil microbial interactions. We are world class in border biosecurity, climate change (pasture and livestock systems), endophyte science, forage genomics, phenomics and breeding, plant genetic technologies and ruminant nutrition.



Smart Foods

We provide the science expertise that helps understand and design high-value protein-based foods and ingredients. Taking into account the intrinsic properties of these foods, and the biological systems involved, we demonstrate functional and health benefits that address consumer wellbeing across societies.

We are New Zealand leading in protein and lipid food processing, and food metabolomics. We are world class in gut microbiology, nutrition and health of protein foods, and companion animal nutrition.



Beyond Food

We nurture and develop capability in protein and materials science, engineering and biotechnology. This enables development of value added bio-based products from pastoral agriculture bioresources. These products maximise the utilisation of resources and deliver verified attributes to the consumer, while exemplifying environmental, social and cultural expectations.

We are New Zealand leading in pastoral agriculture co-products and proteomics of bio-based products. We are world class in fibre science, micro-analysis of keratin materials and protein modification chemistry of bio-based products.



Consumer Interface

Fusing consumer insights with our science and innovation to optimise the design, development, value and uptake of novel agri-food products, technologies, processes and solutions.

We are New Zealand leading in adoption and practice change, agri-food innovation, and smarter food systems. We are world class in food safety and integrity of animal production and processing systems.

The Science Plan

Our Science Plan is an objective-focused framework. At the level of the individual proposal, it helps prioritise and integrate all science undertaken by AgResearch.

It aims to be the cornerstone of our organisation's strategic and operational thinking and activities across the science and science support space.

AgResearch's Science Plan was developed with the knowledge that future food production systems will be significantly different from today. It was also created with the knowledge that we must develop new and effective transdisciplinary teams with partners outside our traditional networks.

Our principles

The following principles summarise the strategic goals inherent to the Science Plan:

- To provide knowledge and innovations that help foster and support prosperous land-based enterprises
- To produce research that protects and enhances natural resources in a sustainable fashion
- To contribute scientific understanding to added-value foods and bio-based products to meet evolving consumer demands.

A key element of our strategy is spanning the whole value chain from producer to consumer.

Science objectives

The Science Plan contains seven science objectives, which guide the areas of activity required to deliver the Plan.

A) Sustainable agri-food production systems

We will improve the performance of our land (whenua) and our water (awa) quality in response to land-use choices and our management decisions to deliver equitable and balanced economic, social, cultural and environmental outcomes by:

- Designing diversified landscapes and enterprises that positively support regional economies while operating within natural resource limits
- Reducing environmental footprints at both farm and catchment scale
- Maximising the biological and economic efficiency of farm systems
- Enhancing natural capital stocks and flows.

B) Climate change adaptation and mitigation

We will adapt to and mitigate the effects of climate change while enhancing biosecurity by:

- Reducing methane and nitrous oxide emissions from pastoral systems
- Designing low-carbon emitting and high-carbon sequestering systems
- Developing adaptive animal breeds, forage cultivars and farm systems
- Developing strategies and tools to prevent incursions and manage pests and diseases, including next generation biocontrol agents
- Building farm system resilience to extreme weather events.

C) Vibrant Māori agri-business

We will enable vibrant Māori agribusinesses, unlocking the unique characteristics, mātauranga and values of Te Ao Māori by:

- Designing holistic land-use configurations centred on kaitiakitanga principles
- Networking Māori properties and value webs built on aligned kaupapa
- Developing product attributes and business models that reflect Te Ao Māori.

D) Fit-for-purpose plants and animals

We will develop forages and animals with the attributes that meet the requirements of future diverse production systems and value webs by:

- Matching animals and forages for minimised environmental impact and maximised product value
- Developing world-leading animal health and welfare systems.

E) Added value foods and bio-based products

We will create safe food and bio-based products with optimised nutritional, sensory and performance attributes, capturing value through provenance and credible consumer health and wellbeing effects by:

- Ensuring full food safety, traceability and validated provenance
- Consumer-centric differentiation of NZ raw materials and whole foods
- Robust scientific evaluation of the effect of functional foods and ingredients on consumer health and wellbeing
- Developing non-invasive food and bio-product evaluation tools
- Utilising systems biology approaches for predictive control of food and bioproduct properties from pasture to plate
- Understanding global consumer trends and markets.

F) Minimised resource loss

We will maximise value and minimise waste from whole-of-resource across production to consumption by:

- Utilising the circular bioeconomy concept to reduce waste and optimise energy and water usage efficiency from agri-food production
- Developing new technologies to unlock the inherent biological value in secondary food and bioproduct processing streams.

G) Transformed sectors

We will provide the underpinning science evidence to support the transformational agenda of the agri-food sector and aid transition to new agri-food systems that enhance societal and environmental conditions by:

- Developing knowledge and technical capabilities that either disrupt existing competencies and technologies or complement them resulting in new combinations
- Developing new tools, processes and systems to enable implementation of effective practice and behaviour change
- Designing interventions with policy and practice to support socially accepted transition pathways and transformation
- Developing improved practice for monitoring and evaluation of impact within complex systems.

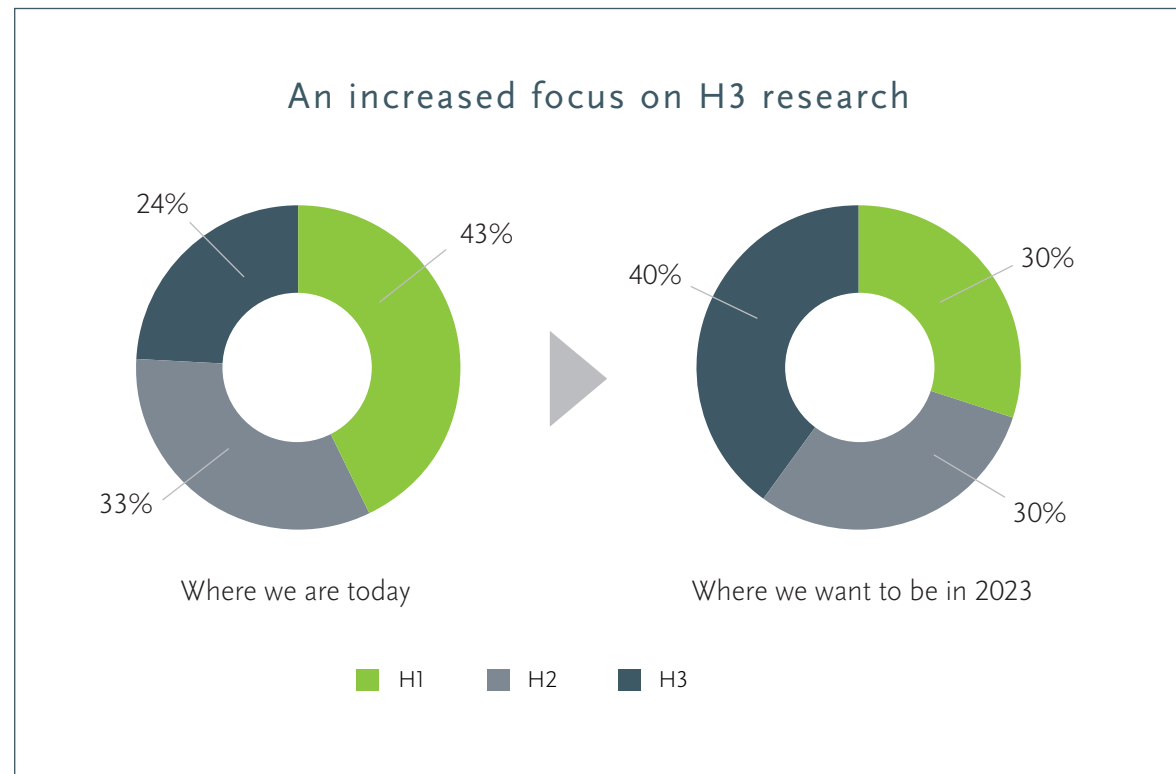
Our aspirations

Investment horizons

Investment horizons are categorised as:

- H1: Leveraging proven ideas/value recovery
- H2: Developing emerging ideas/value added
- H3: Generating new ideas/value creation.

We aim for the balance of agriculture to food science to move from 75%:25% to 65%:35% by 2023. Similarly, we aim for the balance of H3 science to move from 24% to 40%.



Deciding which science to pursue

We aim to be a strategy-led organisation where decisions regarding what science to pursue (and, just as importantly, what science not to pursue) are based on a transparent, robust decision-making process.

Such a process involves using a set of decision-making principles and weighted criteria to make the right investment decisions, proactively pursue strategically important areas, and mitigate against ad hoc or reactive choices.

We recognise that not everything can be predetermined through advance strategies, and AgResearch needs to be sufficiently agile to respond to new opportunities as they arise. However, evaluating new opportunities through a set of holistic criteria will ensure the full opportunity cost of pursuing them (or not) has been considered.

1

Principles underpinning all science investment decisions

Underpinning principles will be taken into consideration.

2

Organisational level bias for desired future direction

At the organisational level there is a clear bias to the desired direction indicating where AgResearch prioritises its effort in the overall science portfolio.

3

Weighted criteria for implementing agreed bias at project, programme, opportunity level

At the individual project, programme, opportunity level, assessments can be made using the (draft) criteria to enable transparent and holistic decision making regarding implementing the agreed direction.

Leveraging capacity through platforms

AgResearch is seeking smart ways to accelerate the impact of its research and has operationalised three cross-organisational Enabling Platforms:

- Digital Agriculture Platform
- Systems Biology Platform
- Responsible Innovation Platform.

Application of these platforms are expected to lead to faster generation of knowledge with greater insights and impact than could be generated by individual components.

Enabling Platforms incorporate these crucial attributes:

- An appropriately resourced network of people who have multiple, cross-cutting capabilities that enable internal and external collaboration and integration

- Capabilities beyond simply science, including thought leadership, methodologies/technologies development, integrative behaviour and oversight
- Active coordination of infrastructure and systems procurement, both within the organisation and with external partners/ stakeholders to support a synergistic community of practice in strategically critical areas
- Readily scalable to be mission led and will be deployed to solve current and future problems outside the traditional project-level structures of the organisation.



Our focus



Te Ao Mārama in relation to AgResearch is the realisation of the desired outcome.

*Nā tō rourou, nā taku rourou ka ora ai te iwi.
From your contribution and mine, we will prosper.*



Science Excellence

We will drive the agri-food science agenda for Aotearoa and tailor our science portfolio to meet the changing needs of the sector and its consumers.



Mātauranga Māori

We build our understanding between science and Māori knowledge systems to deliver to Māori and enrich our science in a uniquely Aotearoa way.



Partnerships

We form the best teams to create the most impactful outcomes. We actively co-design with Māori, industry, farmers, Government, and innovation and research organisations.



Smart Investments

Creating value for Aotearoa and our sector by investing wisely in our people and our science. As a profitable company, commercial returns from our work will be reinvested back into innovative science that enhances our ability to deliver on our core purpose.

We have identified four areas of focus to create a thriving culture of science vitality and generate meaningful and enduring impact.

They are interlinked, with success in one being tied to success in another, and come from an organisational co-design initiative to nurture and sustain strong science vitality at AgResearch.

We will drive progress in these four areas by:

- Strengthening connections with science vitality and science excellence
- Fostering strong collaboration, including partnerships
- Fully embedding Te Ao Māori within our ways of thinking and working
- Ensuring that we invest appropriately in fit-for-purpose infrastructure, resources and processes.



Te Ao Mārama
Our focus

Science Excellence

We will drive the agri-food science agenda for Aotearoa and tailor our science portfolio to meet the changing needs of the sector and its consumers.

Science excellence is vital for any science-based organisation. We have reimagined science excellence in line with our organisational direction. Traditional criteria are excellent scholarly achievement relevant to the topic context; recognised world-class capability; transformative science in terms of risk, novelty, scientific and technical stretch; and generating internationally renowned new knowledge. Underpinning science excellence is a learning environment of creativity, inclusiveness, trust, and collaboration.

Our focus is to be thought leaders based on a sound science position and to set the science agenda rather than being reactive. This requires evidence-based foresight into the future scientific landscape, considering internal capability and partnerships, and environmental, economic and societal impact.

Our people

AgResearch continues to have a strong emphasis on building an inclusive, high-trust culture.

We are taking a multi-pronged approach to achieve our ideal culture and improve the employee experience. In collaboration with our people, we have co-designed several initiatives to promote and profile strong science vitality and to make AgResearch a better place to work:

- Our Voice measures our organisation's climate and captures our people's feedback to continuously improve the way we work by driving business efficiency and supporting our people to innovate
- Our Equity, Diversity and Inclusion (ED&I) working group is weaving ED&I into all areas of our work to promote inclusive thinking and behaviours, challenge unconscious bias and stimulate a diversity of thought

- Ongoing efforts in our approach to strategic workforce planning will improve how we forecast and predict our capability requirements to retrain, reskill, and recruit for core science capability and future proof our workforce
- Implementation of our Toi Ora framework focuses on effective management and education regarding psychosocial risks to look after our people's health and wellbeing.

A collaboration across AgResearch, the Science Vitality project started in September 2020 to ensure that AgResearch continues to deliver science excellence and impact. The project was initiated by the Research business group in close collaboration with the People and Culture team.

We have worked across the organisation to identify the key themes that are essential for our science to be healthy and full of energy.

Through this co-design process, we quickly identified that people in all areas of AgResearch are essential to our science vitality,

and not just those people working directly in science. The themes identified pinpoint the behaviours, enablers, and outcomes that are essential to sustaining and growing strong science vitality at AgResearch.

AgResearch is also committed to building bicultural competencies through our Mātauranga Māori programme and helping rōpū to work on multidisciplinary research initiatives and collaborate with other CRIs to embed a Māori graduate programme.

We are continuously improving our approach and programmes to ensure the needs of our people are met now and in the future.

Partnerships

We form the right teams to create the most impactful outcomes. We actively co-design with Māori, industry, farmers, Government, and innovation and research organisations.

Partnering is a key focus for us: AgResearch wants to move away from transactional relationships and toward strategic ones. We aim to define success through more than just a financial lens and instead embrace sustained economic, environmental, social and cultural outcomes.

For both stakeholders and collaborators, we actively identify a common vision building engagement, trust, clarity of expectations and understanding of each partner's key strengths. This creates shared value through adopting principles of co-design and co-innovation, shared risks and responsibilities, and building interdependence.

Our disciplined engagement with existing stakeholders and targeted business development with new stakeholders will ensure a greater strategic alignment with their priorities and ours. This will result in more formal partnerships and more co-design of research priorities and programmes. We actively support significant pan-government, industry, and Māori stakeholder initiatives such as He Waka Eke Noa - bringing science thought leadership, science expertise and connections into the wider science system.

With our research partners in New Zealand we will deepen our relationships by:

- Being under one roof with other research partners (i.e., our Hopkirk and new Te Ohu Rangahau Kai facilities at Massey University) or on campus with our new building at Lincoln University
- Creating more shared initiatives, such as a joint post-graduate school with Lincoln University and the University of Canterbury, Plant and Food Research, and Maanaki Whenua Landcare Research
- Actively lead and participate in new pan-CRI initiatives to bring stronger collective approach to address New Zealand issues.

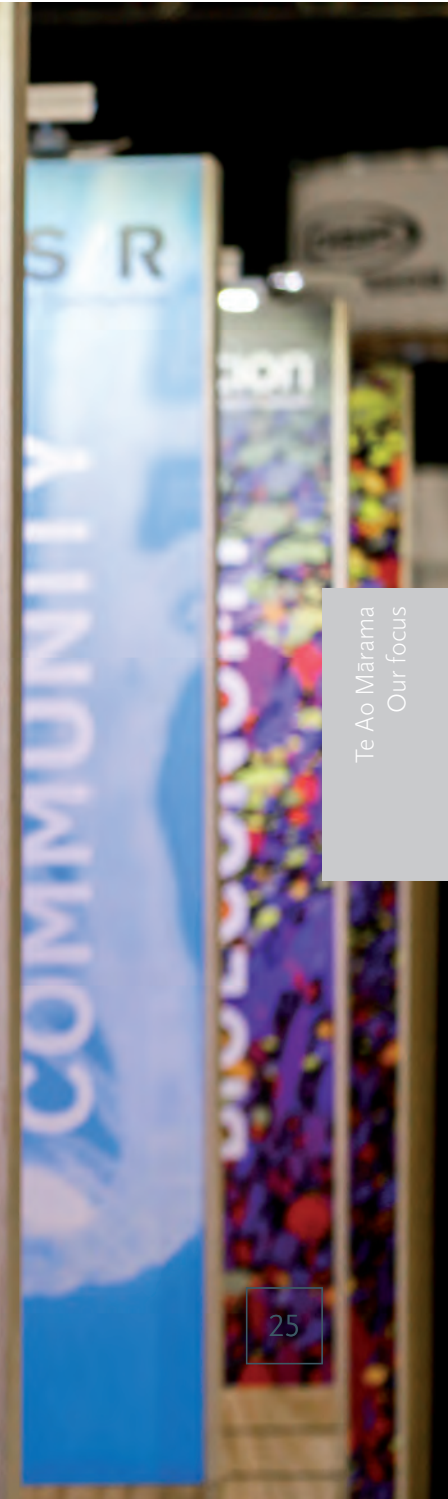
Being hosts of, as well as collaborators in, Our Land and Water National Science Challenge and New Zealand Greenhouse Gases Research Centre brings a stronger requirement for us to align relevant activities and help maximise impact for New Zealand from these entities.

We will continue to collaborate in existing initiatives such as Biological Heritage, High

Value Nutrition, Science for Technological Innovation, National Science Challenges, New Zealand Food Safety Science and Research Centre, Better Border Biosecurity and others.

Internationally we are:

- Building global science collaboration and reputation and refreshing our strategic research relationships
- Supporting, directly and indirectly, New Zealand stakeholders abroad
- Enhancing science diplomacy by working with government agencies, such as New Zealand Trade and Enterprise and the Ministry of Foreign Affairs, to support government trade and policy goals
- Working with international companies to support world-class capability development.



Te Ao Mārama
Our focus

Collaborations with CRIs

CRIs play a pivotal role in safeguarding our nation's health, environment and future prosperity. To accelerate New Zealand's recovery from the global pandemic, CRIs are embarking on a new era of collaboration and connectedness.

Our future-focused strategy includes our response to the key findings in the Ministry of Business Innovation and Employment (MBIE) Te Pae Kahurangi Review (TPK). TPK identified ways CRIs could align their work to provide greater research scale and efficiencies to shared services. Several steps have been taken towards both goals and will shape how CRIs, the tertiary education sector and other research organisations interact over the next five years.

In the science space, AgResearch is both leading and participating in new pan-CRI initiatives to share knowledge and expertise,

to create a stronger collective approach to address New Zealand issues and better support the end users of our science.

The pan-CRI approach is not exclusive to science, with working groups underway across finance, human resources, communications and IT departments to embed connectedness and leverage efficiency across the whole CRI system.

We expect the next five years to feature many more examples of CRI collaboration of which AgResearch is committed to leading and participating in.

Mātauranga Māori

AgResearch is building our understanding between science and Māori knowledge systems to deliver to Māori and enrich our science in a uniquely Aotearoa way.

We embrace mātauranga Māori knowledge systems as equally valued to experimental science and are impact focussed on the challenges in Te Ao Māori with our Māori partners. We co-design, co-develop, and co-lead. In doing so, we build internal capability as well as the capability of our partners and their communities.

We will achieve this by taking an organisational approach through the implementation of Te Ara Tika, our internal plan for growth. Te Ara Tika not only addresses our science capabilities needs but encompasses the supporting corporate environment of AgResearch.

In practice we will:

- Explore how science can contribute to the mātauranga Māori responses to challenges facing Māori businesses and communities and, by doing so, transform AgResearch
- Integrate the principles of Te Ao Māori within our organisation across science and supporting services
- Build a pipeline of Māori capability.

Externally, by supporting Te Taiao we are bringing a unique Māori approach to our science, creating meaningful impact for Māori by:

- Embracing mātauranga Māori as an equal knowledge system
- Being impact focused and delivering to Māori land business and communities
- Honouring the Treaty relationship our partners have with the Crown
- Aligning our values to the values of our partners.



Te Ao Mārama
Our focus

Smart Investment

We create value for Aotearoa and our sector by investing wisely in our people, our infrastructure, and our science.

As a profitable company, commercial returns from our work can be reinvested back into innovative science that enhances our ability to deliver on our core purpose.

SCI Net Science Revenue Targets

FY22	\$117m
FY23	\$119m
FY24	\$123m
FY25	\$127m

We aim to create a people-focused environment with vibrant, collaborative campus facilities and research hubs. This means investing in people and processes to support transformation.

AgResearch is committed to leveraging our world-leading scientist capabilities with appropriate and effective infrastructure. This infrastructure will be delivered through careful management and investment in our farm assets; high-quality laboratory and office spaces, co-located across our four campuses; and continued access to advanced, in-house scientific equipment that complements that available from our strategic research partners.

Examples include our new building projects at Massey University (Te Ohu Rangahau Kai; opened 2020) and our Research Centre co-located at Lincoln University (due for completion in 2023). Smart investment in best-practice infrastructure and research capital equipment—defined in our five-year CAPEX plan - will be a critical element of our value proposition to our staff and clients. This will ensure we are able to attract, support, and retain high-quality staff and be an effective partner for national and international

collaborations that sustain our culture of innovation excellence.

The Strategic Science Investment Fund (SSIF) investment is an important lever for delivery of the Science Plan for strategic, long-term, underpinning research for our sectors and for helping maintain and build critical research capabilities and capacity for New Zealand. As well as SSIF infrastructure support for the Nationally Significant Collection of the Margot Forde Germplasm Centre, it includes SSIF programme funding for agri-food production and premium agri-foods services.

We are undergoing a transition towards a more firmly strategy-led approach to resource investment in terms of what capabilities we maintain and develop and what science projects we will do and aspire to do.

Our SSIF funding will be focused on:

- Delivering outcomes relevant to the AgResearch Statement of Core Purpose
- Reinforcing the delivery of the AgResearch Science Plan
- Balancing investment across the Science Plan Objectives according to our strategic priorities and those of our stakeholders

- Increasing investment in transformational research, including generating new and riskier, high-potential ideas.

We are continuing to shift some of our SSIF investment into new areas of research, such as the Enabling Platforms and Integrative Initiatives (e.g. NZBIDA and Microbiome Soil to Plate).

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retain high-quality staff and be an effective partner for national and international collaborations that sustain our culture of innovation excellence.

The protection and commercialisation of AgResearch's intellectual property plays a key role enabling our stakeholders to access, use and benefit from our world-class science. It also provides a diversified revenue stream to support further investment into science, which benefits New Zealand.

We will continue to grow our commercialisation capability and pursue commercial opportunities.





New Lincoln facility

Building on a rich legacy of research in Lincoln.

AgResearch is making a major investment in a new world-class science and research facility in Lincoln. The facility will help the New Zealand land-based science sector provide farmers with evidenced-based solutions to producing food to feed the world.

AgResearch sought and gained Ministerial approval to build the new facilities in 2020 and the original rationale for the investment has been strengthened by recent global events. The planning and design process are largely finished with a distinct philosophy built into the precinct's foundations.

The most important is collaboration, evident in the precinct's location in Lincoln, where many of New Zealand's leading land-based researchers are based.

The facility, wholly owned by AgResearch, will be built on Lincoln University's campus in close proximity to Manaaki Whenua and

Plant and Food Research, which both have substantial research teams based in Lincoln.

Our 8000 m² building also neatly aligns with Lincoln University's infrastructure plans. The university will build new teaching facilities for its researchers adjacent to our building. It will mean the next generation of researchers can be mentored by the current leaders in their field.

AgResearch and Lincoln University share a long and rich history of collaboration. Our expectation is that our joint facilities will become not only incubators for talent but also attract top researchers from all over the world.

Building in Lincoln ensures our science is located within close proximity with its end users. It also augments our four-campus model, with national research centres in Palmerston North supported by regional centres in Invermay (Dunedin) and Ruakura (Hamilton).

We expect to start construction on the Lincoln Precinct in the last half of 2021 with a completion date in the final quarter of 2023.

The year ahead

AgResearch will accelerate New Zealand's economic recovery from the COVID-19 pandemic in the 2021-22 financial year.

Farmers and food producers have shown resilience amid pandemic disruption.

However, the New Zealand Government has requested the research, science and innovation (RSI) system provide further support to the primary sector.

The AgResearch Board welcomes the guidance in our annual Letter of Expectations from our shareholding Ministers.

AgResearch has been provided with two specific areas to focus on in 2021-22. Our Minister has asked us to "continue to align AgResearch to its Science Plan and refreshed strategic direction".

AgResearch's new Science Plan has been socialised with our staff and stakeholders and provided the platform to refresh our strategic direction and rearrange our science teams. This will better reflect the challenges the sector is grappling with and the huge advances in digital technologies and consumer expectations. We note the Minister's specific interest in this important area of our business and look forward to reporting more on the progress we make during the year.

Our Minister has also specifically asked us to "ensure that the Crown's investment in the Lincoln Precinct development delivers the desired outcomes, and that risks and costs are managed effectively to ensure the project comes in on time and within budget".

AgResearch acknowledges the Crown's continued interest and commitment in the investment we are making on behalf of New Zealand in the future of land-based science by building a new research centre at Lincoln. We believe we have robust cost control measures in place to ensure we stay within budget and complete the project on time. We are very much looking forward to having a fit-for-future facility completed in late 2023 that will further strengthen our relationship with the tertiary and research sectors.



Measuring Success



Te Mauri in relation to AgResearch is a reminder that we continue to be accountable regardless of the outcome.

*Ehara taku toa i te toa takitahi, engari he toa takitini.
My strength is not as an individual, but as a collective.*

Performance Indicators

The following indicators include the set required by MBIE (consistent across all CRIs) and AgResearch's more tailored performance indicators. We have introduced some new indicators to enable us to meaningfully demonstrate progress against our strategic priorities.

These are organised according to our four focus areas - Science Excellence, Partnerships, Mātauranga Māori and Smart Investments.

Science Excellence

Indicator	Definition	FY22 Target	FY20 Actual
* Research collaboration	Percentage of publications with collaborations with: a) only AgResearch authors b) with other New Zealand authors c) with international authors d) with a combination of New Zealand and international authors	a) < 15% b) > 30% c) > 25% d) > 20%	a) 12% b) 35% c) 25% d) 28%
* Science quality	Impact of scientific publications (mean citation score)	2.70	2.44
Recognised world class capability	Field-Weighted Citation Index (FWCI) scoring for top 10 publications in each of our defined key capability areas	> 1	**
Strong science vitality	Science Vitality Index (healthy science over and above publication metrics)	> 60%	**

Statements with * are MBIE generic performance indicators. Statements with ** indicate that the FY20 actual measure is not available.

Partnerships

Indicator	Definition	FY22 Target	FY20 Actual
* Genuine partnerships with strategic alignment	End-user collaboration: Revenue per FTE from commercial sources	\$75.0K	\$75.6K
	Contribution to Stakeholder Strategy “Good” or “Better”	> 80%	70%
Strengthening and building national and global science collaboration	Actively lead and participate in pan-CRI initiatives to progress the science agenda and to realise greater operational efficiencies	Achieved	**
* Uptake of our research to contribute to impact ¹	Technology and Knowledge Transfer: Commercial reports per scientist FTE	1.00	1.16

¹ Our annual report features a selection of impact case studies. These describe how a selection of our research projects contribute to impact for our stakeholders.

Statements with * are MBIE generic performance indicators. Statements with ** indicate that the FY20 actual measure is not available.

Mātauranga Māori

Indicator	Definition	FY22 Target	FY20 Actual
Mātauranga Māori knowledge systems are embraced and valued within our organisation	Best practice framework(s) co-developed with our Māori partners to enable the weaving of AgResearch science and mātauranga Māori together	1	0
	Kaupapa Māori-led research programme(s)	1	0
Our research and enabling services contribute to Māori-centred and kaupapa Māori solutions	Preference to work rating by our Māori partners	> 60%	**
Pipeline of Māori capability and capacity to undertake kaupapa Māori research	Māori graduate programme(s) with other CRIs	Achieved	**
	Network of established mātauranga Māori practitioners and internal champions to help implement and embed Te Ara Tika	Achieved	**

Statements with * are MBIE generic performance indicators. Statements with ** indicate that the FY20 actual measure is not available.

Smart Investments

Indicator	Definition	FY22 Target	FY20 Actual
* Financial sustainability	Financial indicator: Revenue per FTE, based on average FTEs over the year	\$225.0k	\$240.0k
Smart investment in best practice infrastructure and a healthy and safe working environment	Science Capex Plan refreshed annually and used to drive smart capital investment	Achieved	**
	New Lincoln science facility contractor appointed and construction underway	Achieved	**
	No notifiable injuries and < 2 notifiable events	< 2	0
Recruit and retain highly motivated staff	Engagement Index (maintain a high level of staff motivation)	> 70%	72%
SSIF is invested to support our strategy	SSIF investment clearly aligned to strategic priorities	Achieved	**

Financial projections

The following tables show the financial projections from FY21 through to FY26.

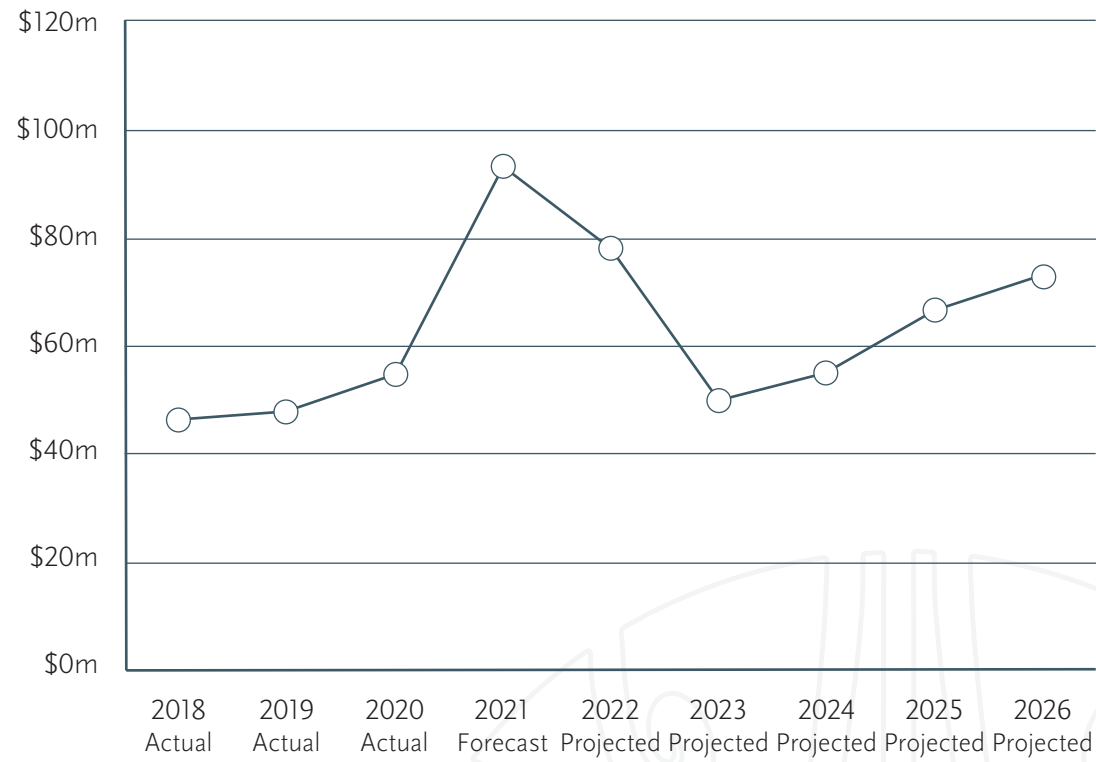
Overview of projected financial performance

	2021 Forecast \$000's	2022 Budget \$000's	2023 Projected \$000's	2024 Projected \$000's	2025 Projected \$000's	2026 Projected \$000's
Operating Revenue	180,574	169,185	167,190	171,367	170,284	170,646
EBITDA	23,362	16,423	16,912	18,023	22,161	20,778
Surplus (deficit) before tax	20,893	(1,058)	(801)	(1,010)	61	467
Total Equity	265,418	279,655	309,078	308,351	308,395	308,732

Financial Performance Indicators

	2020 Actual \$000's	2021 Forecast \$000's	2022 Budget \$000's	2023 Projected \$000's	2024 Projected \$000's	2025 Projected \$000's	2026 Projected \$000's
Cashflow							
Net cashflow from operating activities	34,428	47,841	19,959	4,735	18,038	19,692	22,690
Net cashflow from investing activities	(25,428)	(7,523)	(47,412)	(61,132)	(11,862)	(7,501)	(14,822)
Net cashflow from financing activities	(2,179)	(2,149)	13,049	28,168	(1,812)	(1,611)	(1,475)
Total net cashflow	6,821	38,168	(14,404)	(28,229)	4,364	10,580	6,394
Cash at the beginning of the year	48,186	55,007	93,175	78,771	50,542	54,906	65,485
Cash at the end of the year	55,007	93,175	78,771	50,542	54,906	65,485	71,879
Ratios							
Operating margin	4.4%	5.0%	0.0%	0.2%	(0.1%)	1.4%	0.4%
Operating margin per FTE	10.4	13.8	0.1	0.6	(0.2)	3.5	1.1
Revenue growth	(1.1%)	16.9%	(6.3%)	(1.2%)	2.5%	(0.6%)	0.2%
Current ratio	1.6	1.4	1.4	1.2	1.3	1.4	1.5
Quick ratio	1.3	1.2	1.1	0.9	1.0	1.1	1.2
Interest coverage	(34.4)	87.0	1.6	21.6	(3.4)	(6.8)	(1.3)
Operating margin volatility (FC/TC)	19.1%	18.3%	20.6%	21.5%	21.8%	22.2%	21.5%
Adjusted return on equity	4.0%	12.4%	(0.4%)	(0.3%)	(0.3%)	0.0%	0.2%
Equity ratio	73.0%	67.2%	71.1%	73.6%	73.9%	74.4%	74.8%
Return on total assets	1.8%	5.1%	(0.2%)	(0.1%)	(0.2%)	0.0%	0.1%

Closing cash/(debt) position



Business policies

AgResearch's accounting policies

AgResearch's financial statements are prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Crown Research Institutes Act 1992, the Public Finance Act 1989, and Generally Accepted Accounting Practice in New Zealand (NZ GAAP). The financial statements, including the financial information presented in this Statement of Corporate Intent, comply with the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate. A full Statement of Accounting Policies is provided on AgResearch's website at www.agresearch.co.nz. The only major change to the accounting policies since the 2019 Annual Report is the adoption of NZ IFRS 16 Leases from 1 July 2019.

Principles in determining the annual dividend, if any

AgResearch's policy is that it will return surplus cash to shareholders in the form of a dividend when no sound investment opportunities (including reinvestment, commercialisation, capital expenditure and the retention of important capabilities) exist.

It is forecast that no dividends will be paid in the year ending 30 June 2020.

Information to be provided to the Shareholding Ministers during the financial year

AgResearch provides Shareholding Ministers with the following documents and information throughout the year:

Quarterly reports

These include:

- Financial statements
- Comparisons with budgets and comments on financial activities for the quarter

- Comment on research achievements and comparisons of such achievements with business plans.

Half-Year report

This includes:

- Unaudited financial statements and notes (including accounting policies) for the half year, within two months of the half year
- Comparative figures for the corresponding period of the previous financial year
- Commentary on operations and overall performance for the period
- A statement of responsibility
- A statement that the CRI has operated during the period in accordance with the principles set out in Section 5 of the Crown Research Institutes Act 1992 and the Companies Act 1993
- Commentary on progress towards achieving annual performance targets (financial and non-financial).

Annual Report

An Annual Report of the operations of AgResearch is delivered to the Shareholding Ministers within three months of the end of each financial year. In it, the Board sets out:

- Audited consolidated financial statements for the financial year, consisting of:
 - A report of the operations of AgResearch and its subsidiaries
 - Statements of financial position, comprehensive income and cashflows, including budget (as established at the beginning of the year in the SCI)
 - Statements of commitments, contingent liabilities, accounting policies and such other statements as may be necessary to show the financial results of the operations of AgResearch and its subsidiaries during the financial year and their financial position at the end of the period.
- Comparative information for the previous financial period

- The auditors' report on these financial statements
- A statement of responsibility
- A report on AgResearch's performance as a good employers
- Corporate social responsibility report
- A report against financial and non-financial performance indicator targets set in the SCI
- A response to any direction given by the Shareholding Ministers.

The Annual Report will comply with the annual reporting provisions in Part V of the Public Finance Act 1989, Section 17 of the Crown Research Institutes Act 1992 and the Companies Act 1993.

Procedures to be followed before any member of the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation

As required by section 13(1)(d) of the Crown Research Institutes Act 1992, AgResearch will not acquire:

- Shares that give it substantial influence in or over a company
- An interest in any partnership, joint venture, or other association of persons
- An interest in a company other than in its shares, except after written notice to the shareholding Ministers.

The Board will obtain prior written consent from Shareholding Ministers for any transaction or series of transactions involving a full or partial acquisition, disposal or modification of property (buildings, land, and capital equipment) and other assets with a value equivalent to or greater than \$10million.

The Board will obtain prior written consent for any transaction or series of transactions with

a value equivalent to or greater than \$5million involving:

- The acquisition or disposal, in full or in part, of shares or interests in a subsidiary, external company or business unit
- Transactions that affect a company's ownership of a subsidiary or a subsidiary's ownership of another entity (provided that transactions which include "drag-along" clauses that compel AgResearch to sell interests at a future date at the direction of the investors shall be valued at the time of the investment transaction)
- other transactions that fall outside the scope of the definition of the company's core business or that may have a material effect on the company's science capabilities.

The Board will advise Shareholding Ministers in writing before entering into any transaction related to property and commercialisation activities below this threshold in accordance with notice requirements agreed between the Ministers and AgResearch from time to time.

Activities for which the Board seeks compensation from the Crown

At the date of this SCI, no compensation has been sought from the Government.

Current commercial value of AgResearch

The Board's estimate of the current commercial value of the Group is approximately \$265million. This value is based solely on the forecasted Group equity position determined under NZ GAAP, which the Board considers is a reasonable approximation of the commercial value. The Board notes that the Group revalues its land, land improvements, and buildings every three years, or more frequently where market and other factors indicate their stated book value may not reflect their current fair value. AgResearch does not revalue its intangible property rights.

Directory

Executive Management Team

Dr Sue Bidrose
Chief Executive Officer

Jo Brady
Communications and Marketing Director

Fleur Evans
People and Culture Director

Stuart Hall
Partnerships and Programmes Director

Tony Hickmott
Finance and Business Performance Director

Greg Rossiter
Technology and Digital Services Director

Dr Trevor Stuthridge
Research Director

Board of Directors

Dr Paul Reynolds QSO
Chair

Kim Wallace
Deputy Chair
Chair – Audit and Risk Committee

Jackie Lloyd
Chair – People and Culture Committee

Colin Armer
Director

Dr Louise Cullen
Director

Lain Jager
Director

Rukumoana Schaafhausen
Director

Information

Auditors
Deloitte on behalf of the Auditor-General

Bankers
ANZ Bank New Zealand Limited
Westpac Banking Corporation

Science working for New Zealand

The Crown Research Institutes (CRIs) proudly work, individually and collectively, to create a more prosperous, sustainable and innovation New Zealand.

agresearch
āta mātai, mātai whetū

ESR
Science for Communities

GNS SCIENCE
TE PŪ AD

Manaaki Whenua
Landcare Research

NIWA
Taihoro Nukurangi

Plant & Food Research
Rangahau Ahumāra Kai

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FORESTS • PRODUCTS • INNOVATION

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3,800

SMART AND
PASSIONATE PEOPLE

54

SITES ACROSS
NEW ZEALAND

6,000

SCIENCE PROJECTS
EACH YEAR

40

NATIONALLY SIGNIFICANT
DATABASES & COLLECTIONS

AgResearch Limited

NZBN: 9429 038 966 224

**Corporate Office and
Lincoln Research Centre**

1365 Springs Road
Lincoln 7674
Private Bag 4749
Christchurch 8140
T +64 3 321 8800

Ruakura Research Centre

10 Bisley Road
Hamilton 3214
Private Bag 3123
Hamilton 3240
T +64 7 856 2836

**Grasslands Research Centre,
Hopkirk Research Institute and
Te Ohu Rangahau Kai**

Tennent Drive
Palmerston North 4410
Private Bag 11008
Palmerston North 4442
T +64 6 356 8019

Invermay Agricultural Centre

176 Puddle Alley
Mosgiel 9092
Private Bag 50034
Mosgiel 9053
T +64 3 489 3809

www.agresearch.co.nz