agresearch
āta mātai, mātai whetū
BIOECONOMY
SCIENCE INSTITUTE

G36

2025 RĪPOATA Ā-TAU

Annual Report

RĀRANGI TAKE

CONTENTS

NGĀ AROTAKENGA O TE HEAMANA ME TE TUMUAKI WHAKAHAERE

CHAIR AND CHIEF EXECUTIVE'S REVIEW

This annual report marks an important milestone for AgResearch. For the final time, we report as a standalone entity, marking the close of one chapter and the beginning of another. It's a moment to pause and reflect on where we've come from: decades of science in service to New Zealand's pastoral sector, built on strong partnerships and a clear sense of purpose. That purpose - to help our primary industries thrive sustainably - has never been more relevant as New Zealand's science system undergoes a once-in-a-generation transformation, reshaping how the people who forged AgResearch's legacy move forward, work, collaborate, and create impact.

It's an exciting time to be part of the New Zealand science system. While not without its challenges, the formation of the Bioeconomy Science Institute has tremendous potential to make a step-change in how New Zealand manages and optimises the use of its biological resources. Since they were formed in 1992, the Crown Research Institutes have delivered on their remit to support strategic research and economic growth. This next step will supercharge how research can and will deliver impact for New Zealand and the world.

Since the announcement in January 2025 that four new Public Research Organisations would be formed from the Crown Research Institutes, those at the CRIs that now form the Bioeconomy Science Institute have worked tirelessly to implement the changes required. Huge effort has been and is being put into establishing the Bioeconomy Science Institute while maintaining delivery of our ongoing science and business operations.

As of 1 July, we – the Board and Transition CEO – took up the official mantle of leading the transition of the Bioeconomy Science Institute into a single functional research organisation. The hard work is still to come – aligning the suite of technologies and processes that will make us one integrated organisation that will have meaningful impact for New Zealand's bioeconomy. We have no doubt that the team is up for the challenge of building on the success of the legacy organisations to deliver something truly transformational.

Bringing together more than 2,300 people, with a wide range of skills, capabilities and experiences, is not easy. But the formation of the Bioeconomy Science Institute is a genuine opportunity to change the status quo, not only by supporting New Zealand's critical bioeconomy with research for today but also in planning for the future. The collective focus on impact, not just in terms of dollars but also for the environment and communities, will see New Zealand maintain its reputation for innovation and protect the financial, physical and cultural health of our nation.

Staff of the Bioeconomy Science Institute came together for the first time at our Corporate Headquarters, Tuhiraki, in Lincoln.

MANY THANKS

We would like to thank the Directors from the four legacy organisations, and in particular the three retiring Chairs – Richard Westlake, Nicola Shadbolt and Colin Dawson – for their leadership through this transition. We would also like to acknowledge the members of the transitional governance group for getting the merger process started.

We would also like thank Kim Wallace, previously Chair of AgResearch, Gray Baldwin, Candace Kinser and Andrew Morrison, all previously Directors at the legacy organisations, for joining the Board of the Bioeconomy Science Institute. Their institutional and sector knowledge will provide a strong foundation for the organisation moving forward. We are also grateful to the Group CEOs for their leadership and support as we continue on this journey to a single organisation.

To all of the staff at the Bioeconomy Science Institute – we thank you for your patience and dedication during what we know is a very unsettling time. Now more than ever the Māori proverb resonates: He aha te mea nui o te ao? He tangata, he tangata, he tangata. What is the most important thing in the world? It is people, it is people, it is people.

Barry Harris
Chair
Bioeconomy Science Institute

30 June 2025

Mark Piper
Transition Chief Executive
Bioeconomy Science Institute

30 June 2025

BSI

FOLLOW THE BIOECONOMY SCIENCE INSTITUTE ON SOCIAL MEDIA
FACEBOOK, INSTAGRAM, LINKEDIN, X, YOUTUBE

@bioeconomyscience

MŌ MĀTOU

ABOUT US

Prior to our integration into the Bioeconomy Science Institute, AgResearch was one of seven Crown Research Institutes who collectively brought in revenue of approximately $1b to spending on science to improve New Zealand.

With campuses across the motu, the AgResearch Group uses research to enhance the value, productivity, and profitability of our pastoral, agri-food and agri-technology sector.

The Food and Fibre sector account for

$59.9b

in export revenue. This equates to

10% of New Zealand's GDP

82.5% of goods exports.

The sector employs

360,000

people, representing

12.4%

of the total workforce.

FIND OUT MORE ABOUT US ONLINE BY SCANNING THIS CODE OR VISITING **www.agresearch.co.nz/about-us**

All figures are forecast by the Ministry of Primary Industries to 30 June 2025.

STRATEGY ON A PAGE

OUR PURPOSE

We deliver research 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 MISSION

To contribute to a strong, sustainable pastoral agricultural sector for the benefit of New Zealand

OUR WHAKATAUKĪ

Āta mātai, mātai whetū
Being in pursuit of far horizons while firmly grounded

OUR RESEARCH PRIORITIES

Sustainable pastoral agriculture in a changing climate

Thriving Māori agribusiness and enterprise

Integrated biosecurity

Future farming systems

Emerging foods

FLAGSHIP PROGRAMMES

Plants and microbiomes of the future Animals of the future Partnering for sustainable agricultural innovation	Supporting land use transitions to enhance Māori agribusiness, enterprise, and communities	Biosecurity for plants and animals	Transitioning agri-food systems	Enabling emerging foods

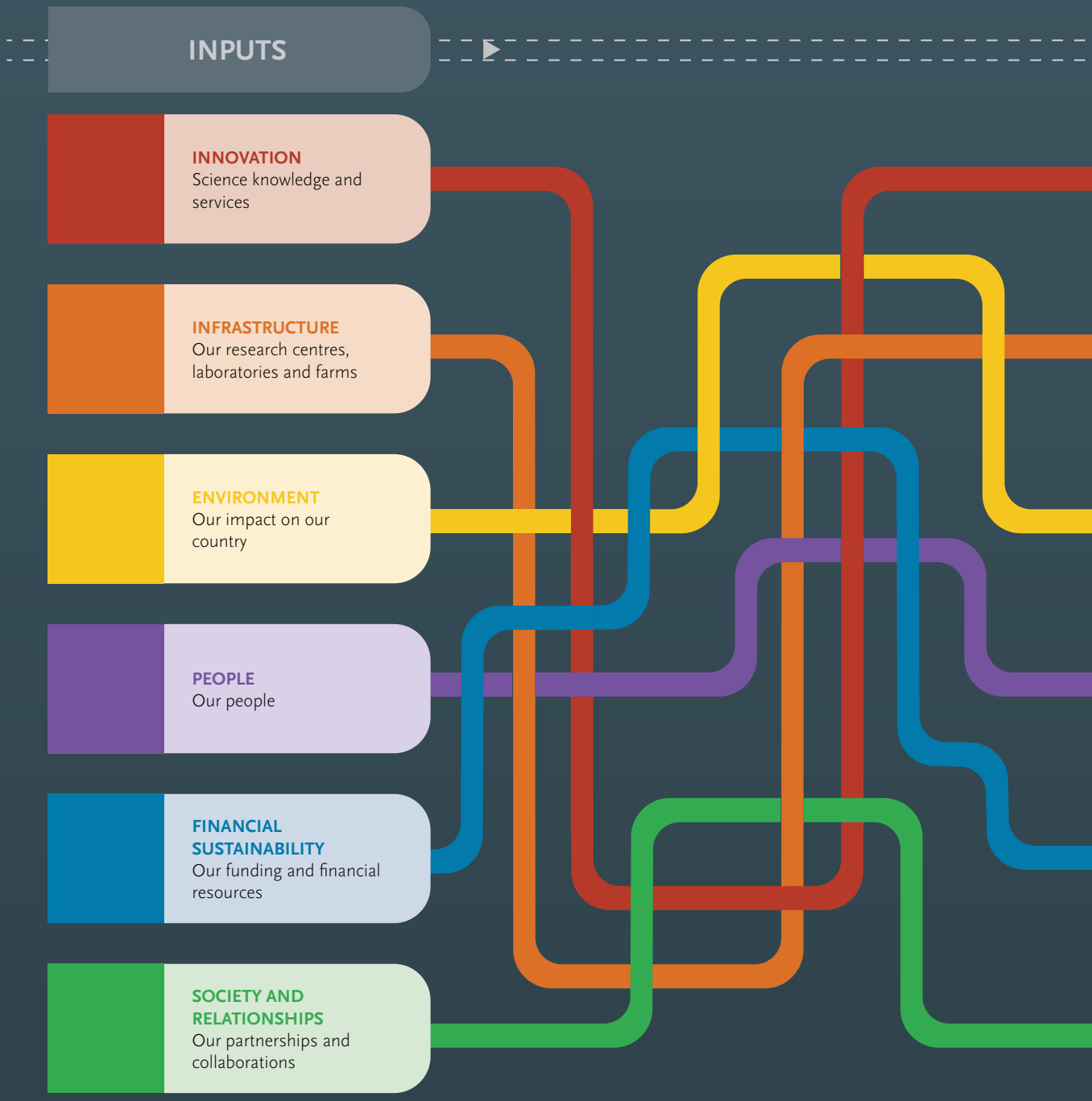
Early-stage product development
Identify and support opportunities for commercialisation

OUR VALUES

- **Whakarangatira** Professionalism
- **Āta mātai** Innovation
- **Mahitahi** Collaboration
- **Mātai** Customer focus
- **Mātai whetū** Quality
- **Āta** Thought leadership

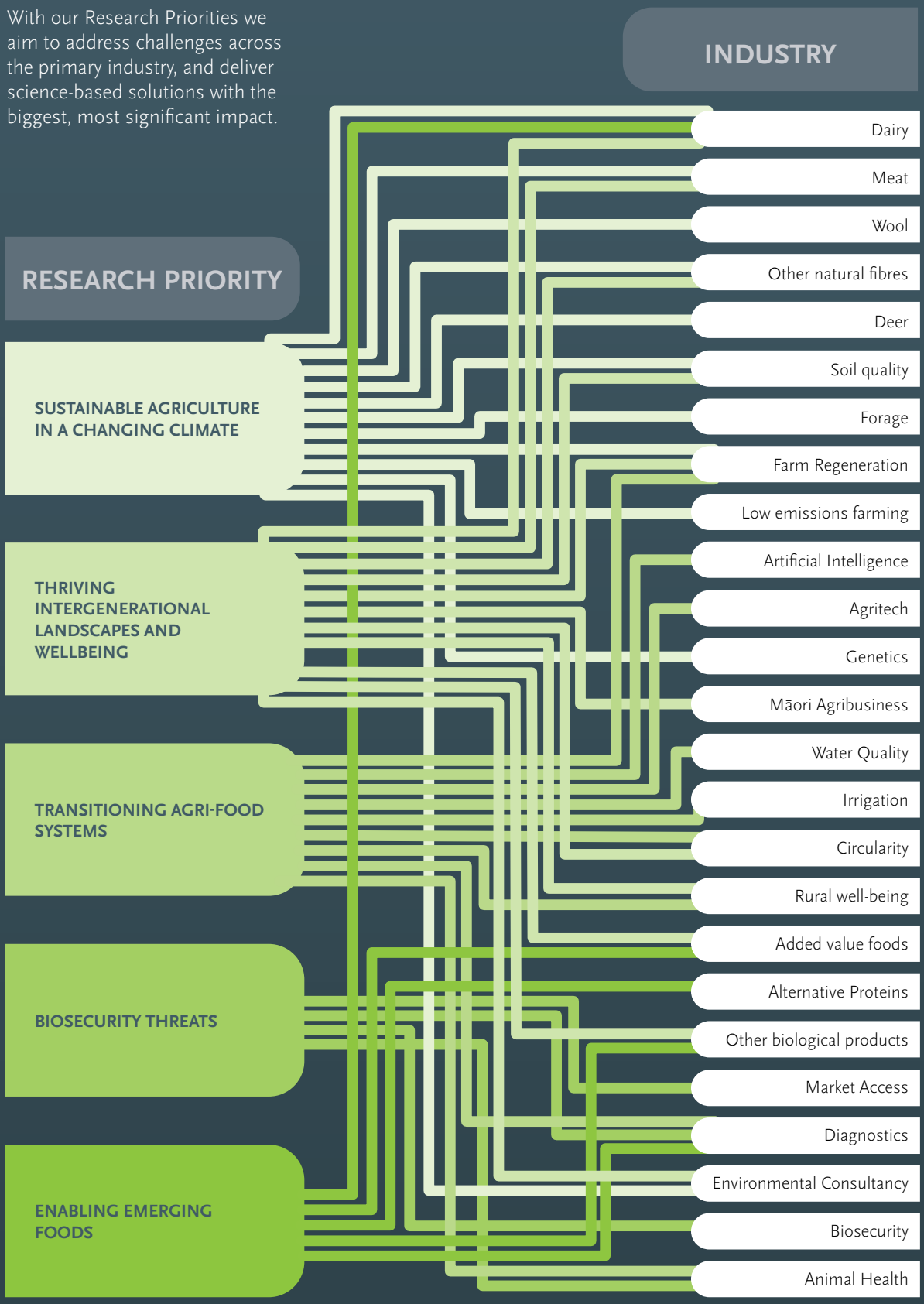
CREATING IMPACT AND VALUE

AgResearch is an organisation that aims to create value and impact not only for it's people, but for the betterment of the agricultural sector and Aotearoa New Zealand.



OUTPUTS	IMPACT
Research that is strategic, designed with, and aligned to, our science end-users, and delivers and provides value for our commercial partners. Our science contributes to scientific understanding, thought leadership, and return on investment.	**CREATE THE WORLD'S MOST SUSTAINABLE FOOD PRODUCTION SYSTEMS THROUGH THE INTEGRATION OF WESTERN SCIENCE AND MĀTAURANGA MĀORI.**
Innovation created in places and spaces that are modern, cutting edge, and co-located with New Zealand's emerging and leading researchers, and thought leaders.	**WORKPLACES THAT INCUBATE INNOVATION, COMMERCIAL OPPORTUNITIES AND PUBLIC GOOD OUTCOMES.**
A commitment to sustainability and lighter footprint on the planet.	**AGRESEARCH PROVIDES AN EXAMPLE AND LEADERSHIP FOR OUR PARTNERS TO FOLLOW.**
Creative and innovative thinkers who work in a safe supportive and inclusive setting that fosters success.	**VALUES AND A COMPANY CULTURE THAT ENHANCES AND FOSTERS THE WORLD'S MOST IMPACTFUL AND ESTEEMED RESEARCHERS.**
Sustainable business operations that strive to be responsible, efficient and mitigate risk.	**ROBUST AND RESILIENT REVENUE STREAMS THAT ENABLE SMART INVESTMENTS.**
Deep and enduring stakeholder relationships. Commercial partners and research funders who are valued and engaged in our research.	**A RESPONSIVE AND AGILE ENTITY THAT IS COMMERCIALLY AND CULTURALLY FOCUSED ON PROVIDING SOLUTIONS TO THE PROBLEMS OF TODAY AND TOMORROW.**

With our Research Priorities we aim to address challenges across the primary industry, and deliver science-based solutions with the biggest, most significant impact.



CAPABILITY

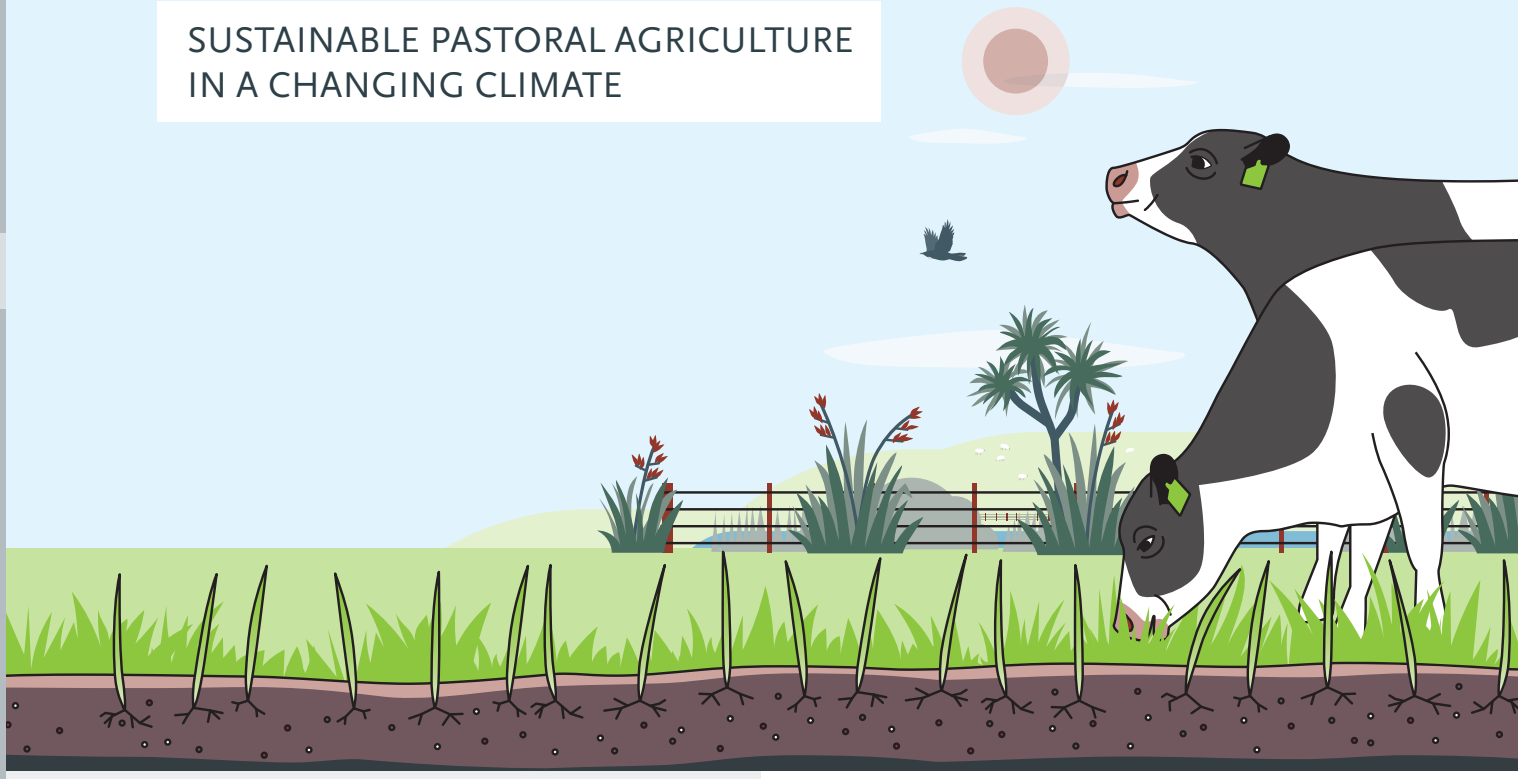
Aotearoa New Zealand is a leader in the production of premium food and fibre, and design and development of novel agri-food innovations. Our science capability spans the agricultural value chain with a focus on integrated systems - all aspects of our research can be linked.

MĀTOU WHAKAAROTAU RANGAHAU

OUR SCIENCE

RESEARCH PRIORITIES

SUSTAINABLE PASTORAL AGRICULTURE IN A CHANGING CLIMATE



PURPOSE

Research to ensure Aotearoa New Zealand's pastoral agriculture systems are resilient and economically viable in the face of climate change.

AIM

To develop evidence-based solutions, tools, and knowledge to amplify productivity, ensure market access and support pastoral agriculture's contribution to doubling the value of exports in 10-years.

We focus on research that reduces inputs, enhances efficiency, and embraces innovative farming practices. We have the ability to test tools, technologies, and methodologies across different farming systems and across the value-chain. The solutions we will create will be practical and directly address the challenges farmers face daily.

This priority also considers other pressing environmental challenges such as freshwater quality and availability, soil health and erosion, and biodiversity conservation.

The focus is on optimising the use of natural resources, improving the resilience of pastures and livestock to climate change, and aligning farming practices with global market standards and consumer expectations. These will equip Aotearoa New Zealand's dairy, sheep, and beef farmers with the tools and technologies necessary to sustainably maintain market access and productivity.

FLAGSHIP SCIENCE PROGRAMMES

Our three flagship science programmes, which are Strategic Science Investment Funded (SSIF), align with other research projects to support the objectives outlined in the Sustainable Pastoral Agriculture in a Changing Climate priority.

PLANTS AND MICROBIOMES OF THE FUTURE

Our research is focused on developing and validating tools to breed, select, and manage the most appropriate plants and microbiomes.

The long-term aim of this programme is to ensure resilience of our forage-based agriculture system in the face of climate change through the deployment of novel, resilient and economic forage cultivars, including their beneficial microbes.

We have three areas of focus:

1. Climate-smart forages: Develop new climate-smart forages for long-term solutions while futureproofing and enhancing Aotearoa New Zealand's most important forages, perennial ryegrass and white clover, in the short to mid-term.
2. Microbial recruitment: Understand how plants recruit beneficial microbes within soils for enhanced performance.
3. Robust microbial communities: Develop beneficial microbial communities for pasture crops to enhance traits under future climates, promoting sustainable agriculture.

ANIMALS OF THE FUTURE

Our research is focused on breeding, selecting, and managing livestock to ensure they meet the productivity and sustainability needs of future farming systems.

The long-term aim of this programme is to have sustained increases in sector productivity, improved animal health and well-being, and improved public and consumer perceptions of the importance of livestock for food production and thus continued social licence to operate.

We have three areas of focus:

1. Animal wellbeing: Developing accurate measurement tools for animal wellbeing, addressing the high mortality and morbidity of ewes and lambs prior and following birth and addressing the widespread drench failure in sheep and cattle systems.
2. Resilience to environmental volatility: Addressing the need for farm animals to adapt to future environments and accelerating genetic gain.
3. Rumen adaptation: Developing the ability to measure feed intake in real time on pasture and addressing the need for livestock and other ruminants to adapt their digestion system to future pasture composition and nutritive value.

PARTNERING FOR SUSTAINABLE AGRICULTURAL INNOVATION

Through research co-developed with industry partners, we are exploring areas of shared strategic importance and providing thought leadership.

The long-term aim of this programme is to future-proof New Zealand's agricultural production systems by supporting sustainability and market competitiveness through robust partnerships and evidence-based footprinting metrics.

We have two areas of focus:

1. Strategic partnerships: Develop longstanding and deep research partnerships with key players in science and extension to continue to provide trusted solutions for farmers.
2. Integrating science for Life Cycle Assessment (LCA): Doing the science to calculate environmental, social, and cultural footprints to support agricultural exports in international markets and deliver the outcomes for New Zealanders and our environment.

FUTURE FARMING SYSTEMS

PURPOSE

Transcending the scope of individual farms to catchments and regions, this priority challenges the paradigms of land use with community-centric sustainable design and practices that prioritise long-term environmental and community health, stability, and wellbeing.

AIM

To future-proof Aotearoa New Zealand's agricultural landscapes through sustainable, adaptable solutions.

We are reimagining the future of agriculture within the broader context of entire landscapes and communities. With a place-based focus on the needs of catchments and regions, we aim to create a model of agriculture that not only coexists with but actively enhances the natural environment for the benefit of current and future generations.

We are committed to building a robust scientific foundation to support sustainable land use changes, fostering ecosystems that are regenerative and resilient to climate change. This evidence base is essential for guiding shifts in agricultural practices toward models that respect natural ecosystem dynamics while also maintaining and boosting farm profitability.

We anticipate that prioritising ecological balance and sustainability in land use practices will strengthen the resilience of farming systems and support economic and social vitality across rural communities.

This priority aligns with our 'Thriving Māori agribusiness and enterprise' priority incorporating te ao Māori principles to work in partnership with Māori communities and kaitiaki to enable diversification and sustainable economic opportunities.

FLAGSHIP SCIENCE PROGRAMME

Our flagship science programme, **TRANSITIONING AGRI-FOOD SYSTEMS**, works in tandem with other research efforts to support the goals outlined in the Future Farming Systems priority.

Transitioning Agri-food Systems has four key areas of focus:

1. Framework and Indicators: Developing an integrated framework with indicators to assess farm performance and guide sustainable planning, across environmental, cultural, social and economic values.
2. Data Collection and Monitoring: Tracking on-farm changes and impacts to inform performance, management and policy.
3. Modelling Scenarios: Using farm scale models, including geospatial optimisation, to simulate future land use and support decision-making.
4. Accelerating Change: Identifying and addressing barriers to adopting sustainable practices through collaboration and learning.

THRIVING MĀORI AGRIBUSINESS AND ENTERPRISE

PURPOSE

Research that supports Māori agribusinesses to thrive, prosper, and connect with ancestral landscapes to cultivate a sustainable future for te taiao (the natural world).

AIM

To establish a strong kaupapa Māori and transdisciplinary research foundation that supports the development of resilient, flourishing, healthy landscapes for Māori and all New Zealanders.

We are co-designing and co-developing research that includes Māori (hapū, businesses, Māori agribusiness, iwi, hāpori), resources (whenua Māori and kai grown, jobs created), and knowledge (kaupapa Māori approaches, mātauranga Māori, farmer knowledge) to ensure the research equally benefits Māori as well as all New Zealanders.

This leadership approach ensures that the research is grounded in Māori perspectives and methodologies, paving the way for innovative and culturally resonant approaches in agriculture leading to resilient, flourishing landscapes including farms, forests, waterways, marae, and rural communities.

We are focused on emphasising the health of the whenua to achieve food security, sustainable land stewardship to maintain productivity for future generations, developing value chains that prioritise the needs of the whenua and community, balancing economic, environmental, and social aspects of sustainability, and promoting and integrating Māori knowledge, people, and resources, ensuring that Māori perspectives are at the forefront of shaping the future of farming landscapes.

FLAGSHIP SCIENCE PROGRAMMES

Our flagship science programme, **SUPPORTING LAND USE TRANSITIONS TO ENHANCE MĀORI AGRIBUSINESS, ENTERPRISE, AND COMMUNITIES,** works in tandem with other research efforts to support the goals outlined in the Thriving Māori Agribusiness and Enterprise priority.

Supporting Land Use System Transitions to Enhance Māori Agribusiness, Enterprise, and Communities has five key workstreams:

1. Toka Tūpari – Decision-making: Tools and processes to support land use decisions that align with Māori values, transition into diverse landscapes and economies, and enhance community resilience.
2. Te Rourou – Whakapapa and Kai: Scale and accelerate localised kai production systems by leveraging the connection and practices of whenua Māori entities while delivering to community aspirations.
3. Mana Whakatipu – Supporting Pathways for Taiao: De-risk land use transitions by creating a monitoring framework and indicators that includes the sharing of knowledge and enable opportunities for rangatahi Māori to enhance Māori agribusinesses and their communities.
4. Āta Mātai – Innovation for Whenua Māori Farms: Develop innovations that leverage the linkages and integration of supply systems, including marae infrastructure, for products from whenua Māori.
5. He Taonga, He Raraunga: Explore Māori data governance and IP Management best practice for government owned research organisations and Partners looking at export opportunities, to enhance New Zealand's international reputation.

INTEGRATED BIOSECURITY

PURPOSE

Research to protect New Zealand's pastoral agriculture systems and economy from pests through innovative biosecurity solutions and enhanced data integration.

AIMS

1. To develop a fully integrated biosecurity system that encompasses animals, plants, humans, and food by enhancing coordination and response mechanisms to ensure comprehensive coverage and preparedness against biosecurity and food safety challenges.
2. To foster healthier farming ecosystems, leading to stronger rural economies and communities.

Our research will enable the agricultural sector to reduce reliance on synthetic chemicals, advance food safety standards and protocols, and integrate biosecurity across farm systems.

A robust biosecurity framework is critical to maintaining and potentially expanding market access for New Zealand's agricultural and agri-food products. By demonstrating strong, sustainable, biosecurity practices, Aotearoa New Zealand can reinforce its reputation as a trusted global food supplier, preserving market access, and enhancing the country's standing internationally.

By focusing on advanced biosecurity measures and sustainable farming practices, this priority aims to ensure that agriculture thrives in harmony with the environment, safeguarding both ecological integrity and public health.

FLAGSHIP SCIENCE PROGRAMME

Our flagship science programme, **BIOSECURITY FOR PLANTS AND ANIMALS**, works in tandem with other research efforts to support the goals outlined in the Integrated Biosecurity priority.

Biosecurity for Plants and Animals has four focus areas:

1. Biosecurity partnerships and collaboration: Engage with stakeholders and Māori to co-develop biosecurity strategies, fostering a unified approach to animal and plant biosecurity.
2. Hazards and risk analysis: Using AI-enabled rapid screening and algorithmic hazard ranking to identify biosecurity threats, enhancing early detection and prevention.
3. Diagnostics and surveillance: Develop advanced diagnostic tools and design rural surveillance systems for prompt identification and response to invasive species.
4. Plant and animal biosecurity integration: Leverage existing plant biosecurity research (B3) and incorporate new animal biosecurity initiatives to build a comprehensive and integrated biosecurity system.

EMERGING FOODS

PURPOSE

Research that explores ‘new tech’ food solutions, applying our capabilities to disruptive and innovative food systems that complement conventional food and protein production methods.

AIM

To future-proof Aotearoa New Zealand’s agricultural landscapes through sustainable, adaptable solutions.

Adopting a highly collaborative approach, we are working with industry partners to develop and scale alternative food solutions that meet growing consumer demand for diverse, nutritious and sustainable protein sources.

This research leverages our deep expertise in food protein science, microbial biotechnology, and food fermentation, alongside our extensive dairy engineering knowledge, to drive progress in emerging food sectors and alternative proteins.

This priority provides New Zealand with alternative proteins and technology-led production systems while ensuring food safety, quality, health and nutrition are not compromised. It also includes developing innovative, low-cost feedstocks that not only reduce waste and by-products but also support environmental sustainability. By identifying efficient, viable feedstock options, we aim to enhance both the commercial feasibility and environmental footprint of Aotearoa New Zealand’s emerging food industries.

FLAGSHIP SCIENCE PROGRAMME

Our flagship science programme, **ENABLING EMERGING FOODS**, works in tandem with other research efforts to support the goals outlined in the Emerging Foods priority.

Enabling Emerging Foods has four key focus areas:

1. Innovative Protein and Economic Impact: Produce protein-enriched foods and dual protein systems to enhance New Zealand's agricultural value.
2. Precision Fermentation and High-value Ingredients: Develop precision fermentation for high-value proteins and lipids to position New Zealand at the forefront of biotechnology-driven food innovation.
3. Food Processing and Safety Standards: Establish safety standards for emerging foods in collaboration with regulatory authorities.
4. Environmental Impact: Evaluate the environmental impact of emerging food production through Nutritional Life Cycle Assessment (nLCA) and guide policymakers, farmers, and businesses toward sustainable and nutrition food choices.

INTEGRATED TRAVERSE THEMES FOR AGRESEARCH'S RESEARCH PRIORITIES

In the realm of agricultural research and innovation, the integration of traverse themes transcends our flagship projects, applying universally across all research priorities. This inclusive approach underscores our commitment to addressing the multifaceted challenges and opportunities within the sector, guided by the expertise of distinguished leaders in five key areas: Te Ao Māori, Systems Biology, Data Science and Digital Technology, Social Science and Farmer Engagement.

TE AO MĀORI

The principles of Te Ao Māori are woven throughout our research endeavours, reflecting a deep respect for the cultural values and knowledge systems unique to Aotearoa. This theme champions the integration of indigenous perspectives across our research priorities, ensuring that our scientific pursuits honour Māori values and practices and incorporate them when appropriate.

SYSTEMS BIOLOGY

Systems Biology adopts a holistic approach to understanding and improving the intricate interactions within ecosystems. This theme is pivotal for achieving ecological balance, promoting sustainable land use and enhancing the health of ecosystems. By embracing systems thinking, we aim to foster resilience and sustainability in agriculture, ensuring that our practices contribute positively to the well-being of both the environment and communities.

DATA SCIENCE AND DIGITAL TECHNOLOGY

This is all about harnessing the power of Data Science and Digital Technology to drive innovation and enhance decision-making across all research priorities. From predictive modelling and supply chain analytics to the early detection of biosecurity threats, this theme plays a crucial role in transforming agricultural practices through cutting-edge technologies and data-driven insights.

SOCIAL SCIENCE (INCLUDING ECONOMICS)

The Social Science theme, including Economics, enriches our research by embedding human behaviour and economic considerations into our strategies. This theme is essential for informing policy recommendations, addressing social and cultural factors, and understanding market dynamics. Our expertise ensures that our research is not only scientifically sound but also economically viable and socially responsible.

FARMER ENGAGEMENT

Our Farmer Engagement theme emphasises the importance of connecting with and understanding the needs of the farming community. This theme is dedicated to ensuring that our research is grounded in the realities of agricultural practice, fostering collaboration and communication that address the aspirations and challenges of farmers. We aim to create research outcomes that are directly relevant and beneficial to those at the heart of the agricultural sector.

FOCUS AREAS

INNOVATION

AgResearch delivered on its science and innovation objectives to deliver science excellence in FY25. Five new research priorities were implemented, forming the foundation of our strategic science direction and driving impact across climate, biosecurity, food systems, Māori agribusiness, and emerging foods. Flagship science programmes aligned to these priorities were co-designed, contracted, and supported through targeted SSIF investment. Mātauranga Māori and te ao Māori were embedded across all programmes. Science excellence remained central, supported by impact-focused leadership, portfolio management, and internal science bodies. AgResearch advanced early-stage product development and strengthened commercialisation pathways to lift research-to-market performance. Strategic management of intellectual property ensured public benefit and commercial return. Recognition frameworks were broadened to reward research quality, impact, and student achievement. Our science remained relevant, collaborative, and responsive – meeting sector needs while enabling innovation for a sustainable and productive future.

OBJECTIVES			FY25 Target	FY25 Result
i	Drive and demonstrate research impact	Commercial reports per scientist FTE *	1.00	1.77
		Independent evidence-based impact analyses	10	17
		Continue to grow impact-enabling capability and culture	Achieved	Achieved
ii	Adopt a Tiriti-led approach	Enabling Māori Strategic Science Investment Fund (SSIF) allocation	$5.15m	$5.15m
iii	Creative Collaboration	People have easy access to colleagues to explore ideas or receive feedback	>70%	78%
iv	Peer-reviewed publications	Impact of scientific publications (mean citation score *)	2.07	4.65

* *KPIs that are mandated by MBIE across CRIs.*

INFRASTRUCTURE

INFRASTRUCTURE AND CO-LOCATION

In FY2024/25, AgResearch delivered on its infrastructure objective. We maintained a focus on optimising and utilising existing research facilities, with no major new capital developments pursued outside agreed priorities. Our co-located campuses at Lincoln University and Massey University remained fully operational, supporting collaboration and scientific excellence.

Progress continued in aligning facility use with our co-location philosophy, including tenant optimisation at Invermay and Ruakura. Divestment of non-core assets, such as the former Lincoln head office, proceeded in line with due process.

Research farms were maintained as key platforms for scientific discovery, with ongoing work to manage their financial sustainability. As part of our *Te Ara Tika* strategy, we advanced cultural narrative development at Tuhiraki and began planning similar work at Te Rourou (the Joint Food Sciences Facility in Palmerston North) and Margot Forde Germplasm Centre, in collaboration with iwi and Māori partners.

OBJECTIVES			FY25 Target	FY25 Result
1	Effective and efficient use of infrastructure	Net campus cost per employee	$42.0k	$42.0k
		Find efficiencies and synergies across farm assets	Achieved	Achieved

ENVIRONMENT

AgResearch achieved our sustainability objectives for FY25. We progressed upwards from Future-Fit Engaged to Future-Fit Embedded certification and completed nine certification Future-Fit Business Benchmark (FFBB) goals. We are on track to achieve the long-term aim of reaching FFBB 'System Changer' status by 2026.

We maintained Toitū Carbon Reduce certification and progressed against emissions targets aligned to the Paris Agreement. Emissions reduction efforts focused on infrastructure, mobility, and commuting. Collaboration with Plant & Food Research and Toitū continued, ensuring our internal sustainability journey supported sector-wide leadership on climate mitigation and adaptation.

OBJECTIVES			FY25 Target	FY25 Result
i	Commitment to sustainability	On track to achieve our target greenhouse gas emissions reductions by 2030	Achieved	Achieved
		On track to achieve FFBB 'System Changer' status by 2026	Achieved	Achieved

FFBB GOAL	2018/2019 Baseline	Current Scores
BE01 Energy	59%	56%
BE06 GHG Emissions	0%	16%
BE07 Waste	0%	33%
BE10 Employee Health	90%	100%
BE11 Living Wage	84%	100%
BE12 Fair Terms	99%	99%
BE13 Discrimination	25%	100%
BE14 Concerns	100%	100%
BE21 Tax	100%	100%

PEOPLE

AgResearch met its FY25 objectives to value and support its people as its greatest strength. Strategic workforce planning aligned capability with science priorities, improved succession planning, and provided pastoral care for our people in times of change. Equity, diversity and inclusion remained a key focus, with the vast majority of staff affirming a respectful, inclusive workplace. We advanced our *Te Ara Tika* strategy, expanded cultural competency training through partnership with Manaaki Whenua, and strengthened the Māori research pipeline via Te Puāwaitanga, Pūhoro STEMM (Science, technology, engineering and mathematics) and other initiatives.

The gender pay gap reduced further, supported by a redesigned remuneration framework and fairer hiring practices. Our *Toi Ora* framework promoted holistic wellbeing, while a no-blame safety culture encouraged open reporting of risks.

These achievements laid a strong foundation for our FY26 Bioeconomy Science Institute people strategy, which builds on continuity and consistency. We remain committed to cultural intelligence, leadership pathways for Māori, and maintaining a safe and inclusive environment. This approach reflects the strong, high-trust culture we have built and continue to grow.

OBJECTIVES				FY25 Target	FY25 Result
i	Employee experience	Strong Engagement Index		>70%	77%
		Strong employee participation in employee engagement survey		>70%	80%
ii	Workforce stability and retention	Stable unplanned annual people turnover		<10%	5.7 *
iii	Reduce workplace inequalities	Implementation of our *Kia Toipoto Action Plan* FY25 goals		Achieved	Achieved
		Gender pay gap reduced		<10%	13.2%
		Employees feel that the organisation values and respects individuals from diverse backgrounds and cultures, and creates a welcoming environment for all employees		>85%	89%
iv	Health and Safety culture	Hazard and incident prevention	Safety observations	>200	234
			Notifiable injuries and notifiable events	0, <2	2
		My manager shows by his/her behaviour a commitment to Health and Safety		>90%	94%
v	Capability and culture in te ao Māori	Strong participation in cultural development programme for te ao Māori (Kia Manawanui)		>50%	54%
vi	Digital capability	Progress implementation as outlined in *Te Mahere Matihiko*		Achieved	Achieved

* *Figure excludes involuntary leavers.*

A SNAPSHOT OF OUR PEOPLE

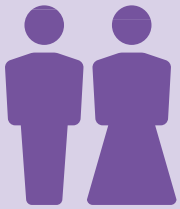
The following provides a snapshot of our people as at June 2025. Reporting is for AgResearch only. It excludes any subsidiaries as at 30 June 2025.

701

As at June 2025, AgResearch had 701 permanent, fixed term and casual employees, studentships and contractors. Our people are diverse, originating from all corners of the globe. 55 percent are female and 45 percent are female.

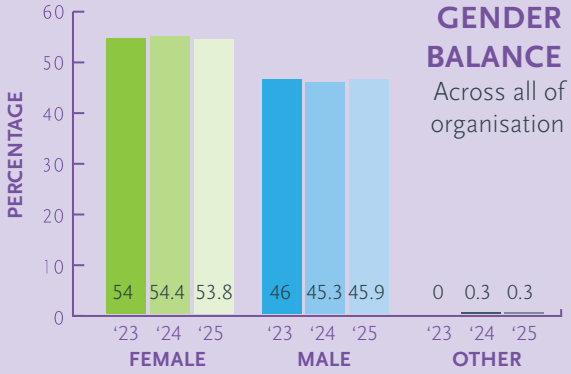
SENIOR LEADERSHIP TEAM GENDER PROFILE (%)

Our Senior Leadership Team is comprised of 60% females and 40% males.



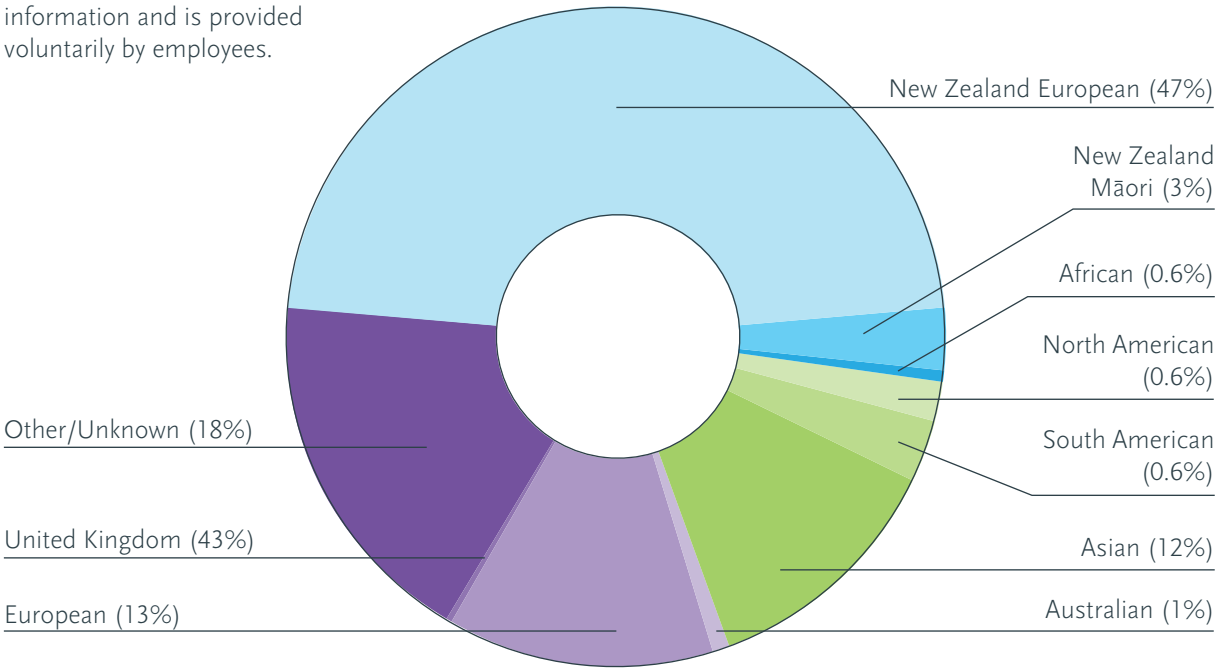
GENDER BALANCE

Across all of organisation



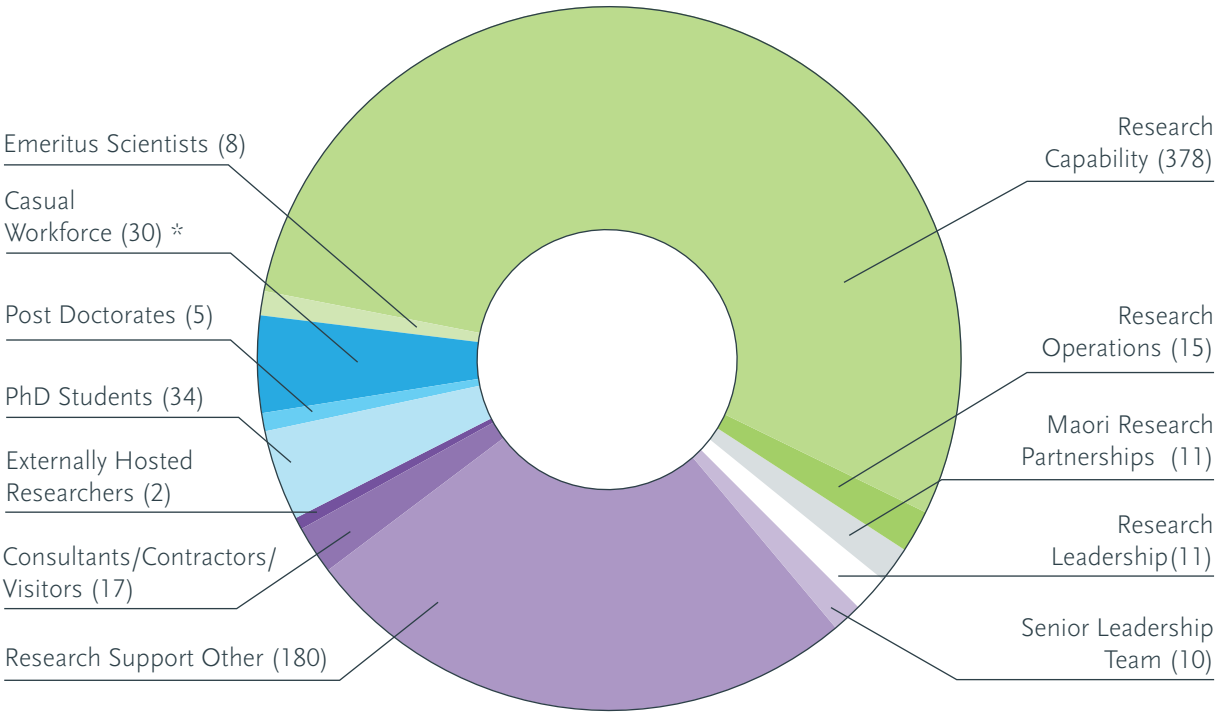
ETHNICITY (%)

Primary ethnicity is not required information and is provided voluntarily by employees.



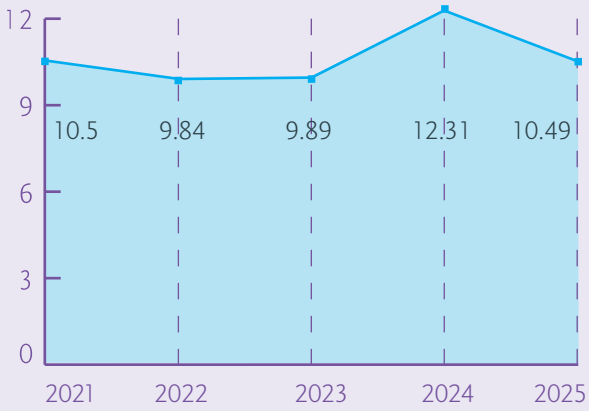
DEMOGRAPHICS

** Across Science and Science Support*



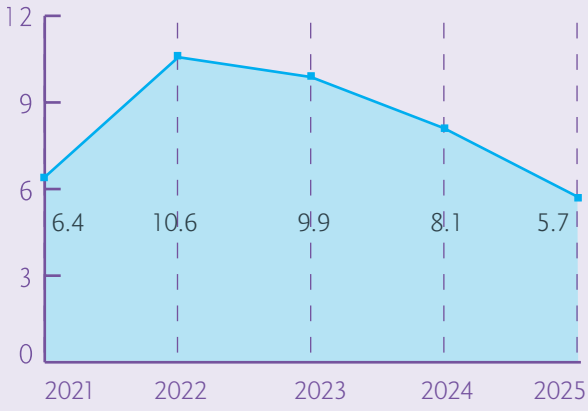
AVERAGE TENURE

(Years)

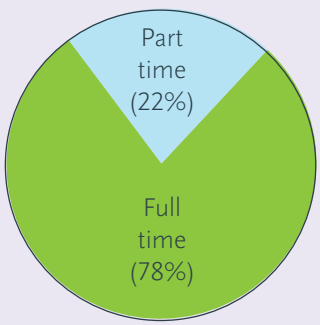


EMPLOYEE TURNOVER

Voluntary (%)

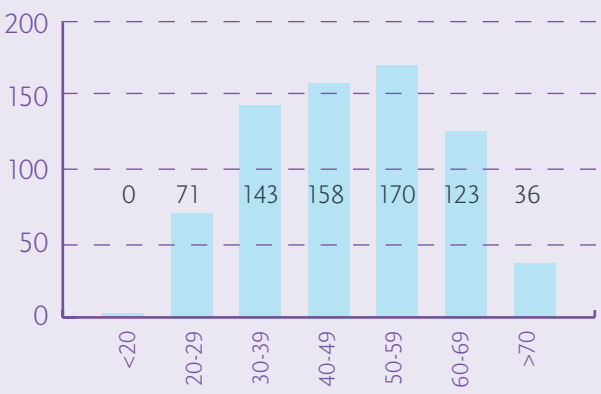


EMPLOYMENT TYPE



AGE PROFILE

Number of employees



OUR VOICE

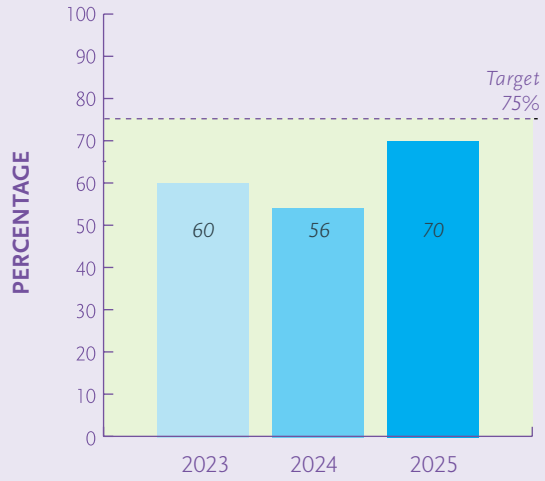
Our annual employee engagement survey, 'Our Voice', provides valuable insights into how we are tracking as we build the culture we need to succeed.

COMMUNICATION AND DECISION MAKING

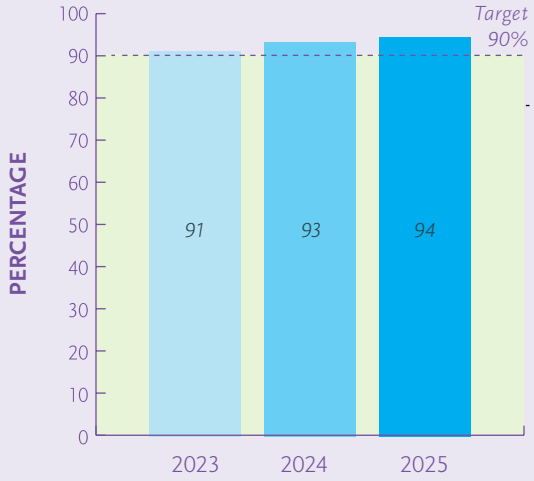
The Senior Leadership Team (SLT) continue to focus on transparency around communication and decision making to create a high trust, inclusive and transparent culture.

	PERCENTAGE FY24	PERCENTAGE FY25
Communication is open and honest	65	77
Confidence in senior leadership	63	70

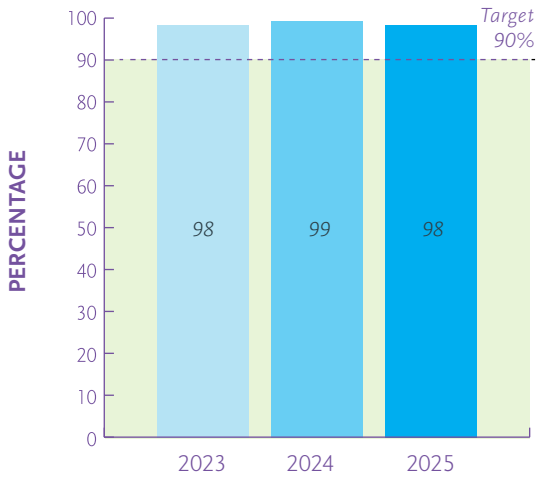
I have confidence in the senior leadership of AgResearch.



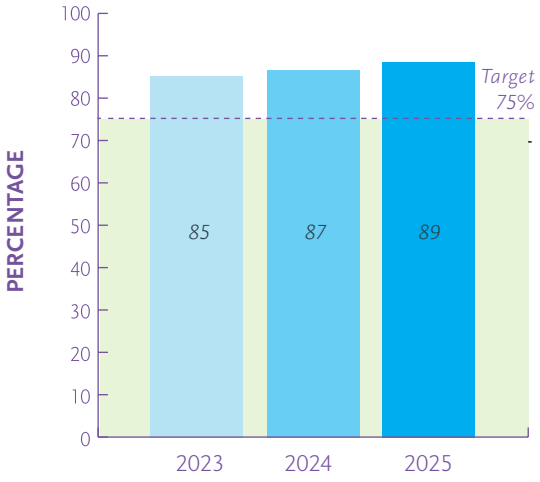
My Manager shows by his or her behaviour a commitment to Health & Safety.



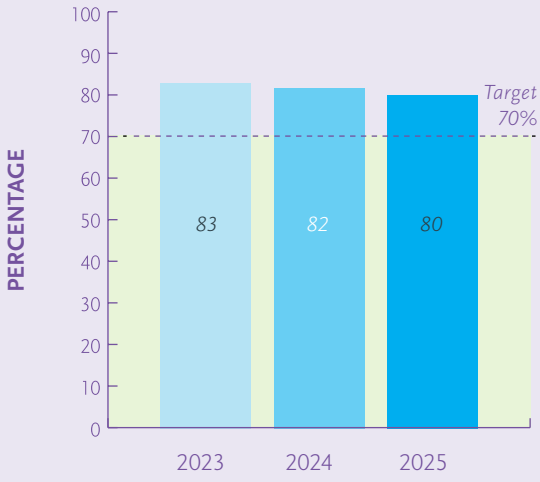
I understand my responsibilities in creating a healthy and safe workplace.



I feel that the organisation values and respects individuals from diverse backgrounds and cultures, and creates a welcoming environment for all staff.



Strong employee participation in the employee engagement survey.



Engagement Index.

FINANCIAL SUSTAINABILITY

In FY25, AgResearch maintained the strategic financial objectives and focus on financial sustainability, delivering steady progress across our three core pillars: operational efficiency, revenue diversification, and strategic investment.

We achieved disciplined cost control through improved pricing, contracting, planning, and resource utilisation. Strategic capital expenditure remained aligned with our five-year plan, ensuring research teams had access to modern infrastructure and tools.

Governance oversight remained strong, with the Board guiding prudent actions to stabilise our financial position and mitigate sector risks. Despite tight fiscal conditions and the structural transition ahead, we preserved a business-as-usual approach while laying the foundations for a more resilient financial future. These outcomes position AgResearch to contribute strongly within the new Public Research Organisation – ensuring our science continues to deliver impact for New Zealand.

OBJECTIVES			FY25 Target	FY25 Result
i	Investment in our research	Net revenue per FTE from all sources	$250.0k	$249.7k
ii	Investment in our infrastructure	Refresh capital investment driven by 5-year horizon Capital Expenditure Plan	Achieved	Achieved

SOCIETY AND RELATIONSHIPS

AgResearch met its FY25 objectives for partnerships by strengthening relationships that enhanced science delivery and impact, with a clear focus on stakeholder needs, commercial uptake, and co-developed research. Partnerships with industry, Māori organisations, and Government enabled targeted research on climate change, biosecurity, emissions reduction, and sustainable farming. Notable outcomes included co-investment with AgriZeroNZ in methane vaccine development.

Internationally, we deepened ties through the Global Research Alliance and expanded access to EU Horizon Europe funding. We also advanced our Tiriti o Waitangi partnership under *Te Ara Tika*, removing barriers to Māori participation and co-leading research with kaupapa Māori principles. These partnerships positioned AgResearch to deliver science that responds to national challenges and global opportunities.

OBJECTIVES			FY25 Target	FY25 Result
i	Commercial investment in our research	Net revenue per FTE from industry *	$91.0k	$111.4k
ii	Collaboration with researchers at other organisations	Co-authorship with collaborators	>80% of journal papers	87%
iii	Collaboration with Pacific, Asia and Europe	Continue to strengthen research partnerships	Achieved	Achieved
iv	Delivering to stakeholders and partner expectations	Satisfaction with our science 'very good' or 'excellent'	>75%	**
		Relationshps with AgResearch 'very good' or 'excellent'	>75%	**
v	Maintaining strategic relationships with stakeholders and partners	Contribution to stakeholder/partner strategy "very good" or "excellent"	>50%	**
		Preference to work with AgResearch	>60%	**
		Māori partnerships emerging (co-designed evaluation tool: Te Mahuri)	>70%	>70% ***

* *KPIs that are mandated by MBIE across CRIs.*

** *KPI results are not available as the annual Stakeholder Survey was not completed in 2025.*

*** *This indicator is based on SSIF Flagship programmes only. Follow up evaluation of Māori partnerships is planned when version 2 of the assessment rubric for Māori partnerships is completed.*

ACHIEVEMENT

Celebrating success

ROBYN DYNES AWARDED BLEDISLOE MEDAL

Robyn Dynes, Principal Scientist and Farmer Engagement Specialist, was awarded Lincoln University's prestigious Bledisloe Medal, the institution's highest honour, in recognition of her outstanding contributions to agricultural science and innovation.

Over more than two decades, Robyn has built a distinguished career leading multi-disciplinary, agriculture-focused research and adoption programmes. Her work spans all three major agricultural sectors – arable, dairy, and sheep and beef – demonstrating a rare breadth of expertise and influence.

The awarding of the Bledisloe Medal reflects her enduring impact on New Zealand agriculture and her continued leadership in advancing science-led innovation.

Robyn Dynes

DAVID HUME HONOURED FOR SCIENTIFIC EXCELLENCE

We were proud to celebrate the achievements of Senior Scientist David Hume, recipient of the Ballance Science and Research Award at the Beef+LambNZ Awards. This award recognises excellence in science and research activities with clear impact on the sheep and beef sector.

David was recognised for his instrumental role in the development and commercialisation of the AR37 endophyte. His work contributed to the successful integration of AR37 into a wide range of ryegrass cultivars, improving pasture productivity and persistence, and enhancing animal performance. This innovation has significantly benefited the New Zealand economy, demonstrating the enduring value of David's contribution to the pastoral sector.

AgResearch was also proud to sponsor the Beef+LambNZ Emerging Achiever Award, which was presented to Michel Hoare.

David Hume

ENDOPHYTE DISCOVERY TEAM WINS PRIME MINISTER'S SCIENCE PRIZE

The Endophyte Discovery Team at AgResearch was awarded *Te Pūiaki Putaiao Matua a Te Pirimia – the Prime Minister's Science Prize*, recognising a transformative scientific advance with significant economic, environmental, and societal impact. The $500,000 prize was presented in honour of the team's pioneering work on beneficial plant-fungal partnerships known as endophytes.

Led by Science Group Manager Linda Johnson, the team has delivered billions of dollars in value to New Zealand's agricultural sector through research on endophytes in perennial ryegrass. These fungi enhance plant resilience, reduce insect damage, and improve pasture productivity – contributing to more sustainable and profitable farming systems.

The team's work has also opened new avenues for climate resilience. They are particularly interested in exploring how endophytes could improve heat tolerance, nutrient uptake, and other traits important to farmers. The prize funding will support the continuation of this vital research, enabling further innovation and impact in the face of evolving environmental challenges.

This award recognises decades of dedication to advancing endophyte science and highlights the enduring value of agricultural research to New Zealand's economy and environment.

The award-winning team pictured above, from left: Natasha Forester, Christine Voisey, Wayne Simpson, Richard Johnson, Minister Shane Reti, Marty Faville, Sarah Finch, Wade Mace, Linda Johnson, Stuart Card, Prime Minister Christopher Luxon, John Caradus, Alison Popay, David Hume.

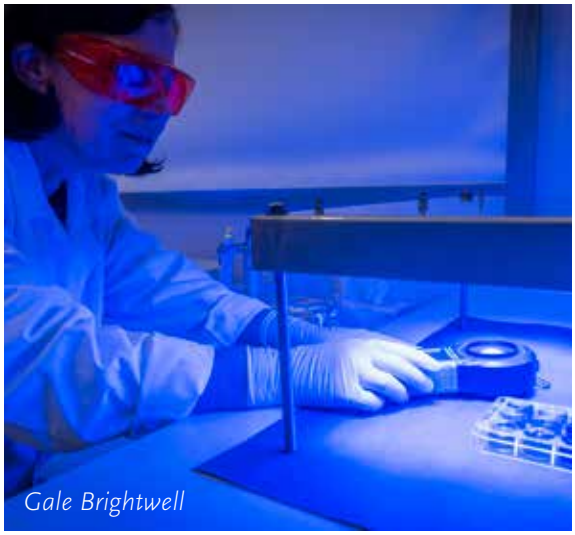
The Government of New Zealand introduced The Prime Minister's Science Prizes in 2009 as a way of raising the profile and prestige of science among New Zealanders, in Aotearoa and internationally. The Prime Minister's Science Prizes is administered by the Royal Society Te Apārangi – an independent, not-for-profit organisation who's role is to advance and promote research and scholarly activity.

LIFETIME ACHIEVEMENT IN ANIMAL PRODUCTION


Wendy Bain

Wendy Bain received the Sir Arthur Ward Award from the New Zealand Society of Animal Production, recognising her outstanding contribution to the practical application of animal production research. Over a 43-year career, she worked across multiple livestock species and technologies, driving significant industry change. Her work not only advanced production practices but also helped shape the next generation of scientists through her mentorship of emerging researchers and technical staff.

PRIMARY INDUSTRIES NEW ZEALAND AWARDS


Gale Brightwell


David Wheeler

This financial year, AgResearch proudly celebrated the achievements of its teams and individuals across two instalments of the Primary Industries New Zealand Awards. In July 2024, two AgResearch teams were named finalists, and in June 2025, four finalists represented the organisation.

The Food System Integrity Team, led by Dr Gale Brightwell, was recognised for advancing food safety science and supporting New Zealand's global reputation for high-quality, trusted food products.

The eDNA for Water Quality Team, led by Dr Adrian Cookson, was acknowledged for its innovative use of environmental DNA to monitor freshwater ecosystems, contributing to improved conservation and guardianship of natural resources. Both teams were named finalists in consecutive years, reflecting the sustained excellence and impact of their work.

In 2025, David Wheeler and Robyn Dynes were finalists for the Champion Award.

David was acknowledged for his long-standing contribution to Overseer and aligning farm productivity with environmental care.

Robyn was awarded the Champion Award for her leadership at the intersection of forage and animal systems, and her deep engagement with farmers. Her work continues to shape a more resilient, sustainable future for Aotearoa's food and fibre sector.

AgResearch also sponsored the Outstanding Contribution Award, presented to Julian Raine in 2024 and Eric Roy in 2025.

RENYU ZHANG TAKES THE FIRST WIN

Senior Scientist Renyu Zhang won the inaugural Meat Industry Association (MIA) Dragon's Den competition with his innovative proposal to transform lower-value mechanically deboned meat into a high-umami (savoury) meat flake. Designed to be shelf-stable and used as a protein enhancer in snack foods, the concept stood out among 42 entries. As one of five finalists, Renyu pitched to a judging panel and secured up to $10,000 to develop a business case and advance the idea into a research project supporting New Zealand's red meat processing industry.


Renyu Zhang

HONOURING EXCELLENCE IN SOIL SCIENCE

The New Zealand Society of Soil Science awarded Stewart Ledgard the prestigious L.I. Grange Medal, which is presented biennially for "extraordinary contribution to the promotion or advocacy of soil science." Over several decades, Stewart has made a significant impact in New Zealand and built a strong international reputation. He led pioneering work in nitrogen cycling, the environmental impacts of grazing systems, OVERSEER development, and Life Cycle Assessment (LCA). He continues to contribute as a thought leader in LCA through his role as an Emeritus Scientist at AgResearch.


Stewart Ledgard

ANZCCART AWARD WINNERS

It was a successful year for AgResearch at the 2024 Australian and New Zealand Council for the Care of Animals in Research and Teaching (ANZCCART) Awards, with two of our team members recognised for their outstanding contributions.

Jim Webster, Team Leader and Chair of AgResearch's Animal Ethics Office, received the Animal Ethics Committee Member of the Year Award. This honour acknowledges his decades of service to animal ethics at both national and international levels.

Charley Hurst, Senior Technician, was awarded the Animal Care Award for her work in refining rodent handling techniques, identifying opportunities to reduce animal use in research, supporting animal carers, and promoting animal welfare across research projects.


Jim Webster

RECOGNISING EMERGING TALENT IN ANIMAL SCIENCE


Jordan Clarke

The 2024 New Zealand Society of Animal Production Young Members Award was presented to AgResearch PhD student Jordan Clarke for her outstanding paper and presentation, "*Exploration of the New Zealand Deer Rumen Microbiome*." Among seven impressive finalists, Jordan's work stood out for its scientific merit and clarity. Jordan's achievement reflects the depth of emerging talent in New Zealand's animal science community.

DRIVING CHANGE IN CANTERBURY FARMING


Anna Taylor

Anna Taylor was a key contributor to the Pushing the Boundaries of Catch Crops project team, which received the 2024 PGG Wrightson Seeds Significant Achievement Award from the Canterbury Section of New Zealand Institute of Agricultural and Horticultural Society (NZIAHS). Working alongside colleagues from Plant and Food Research, the team developed innovative methods for establishing catch crops to improve nitrogen management. Their work had a significant impact across Canterbury's farming landscapes, including challenging environments such as high country and hill slopes.

AUSTRALIAN AND NEW ZEALAND COUNCIL FOR THE CARE OF ANIMALS IN RESEARCH AND TEACHING (ANZCCART) AWARD WINNER


Colin Ferguson

Scientist Colin Ferguson received the New Zealand Grassland Trust Regional Contribution Award recognising his outstanding impact on farmer practice in pasture pest management. The award recognises exceptional contributions to the regional pastoral industry – beyond typical career achievements – through innovation and support for sustainable farming practices.

ACHIEVEMENT

AgResearch Awards

The AgResearch Awards began in 2012 to recognise outstanding achievement in research quality, relevance, and impact. The winners of the FY25 Outstanding Science, Impact, Te Ao Māori, Employee Advocate and Values awards were announced in October.

OUTSTANDING SCIENCE AWARD

Two research teams were honoured with the Outstanding Science Award, recognising their outstanding achievement in scientific input.

The first award was presented for the paper titled *"Condensed Tannins in White Clover (Trifolium repens) Foliar Tissues Expressing the Transcription Factor TaMYB14-1 Bind to Forage Protein and Reduce Ammonia and Methane Emissions in vitro"*. The study addressed a critical challenge in agriculture by reducing methane emissions, improving nitrogen utilization, and enhancing animal health. The team demonstrated high levels of creativity and innovation, overcoming significant technical hurdles to achieve biologically significant condensed tannin levels in white clover.

The team members included Marissa Roldan, Greig Cousins, Stefan Muetzel, Wayne Zeller, Karl Fraser, Juha-Pekka Salminen, Alexia Blanc, Rupinder Kaur, Kim Richardson, Dorothy Maher, Zulfi Jahufer, Derek R Woodfield, John Caradus, and Christine Voisey.

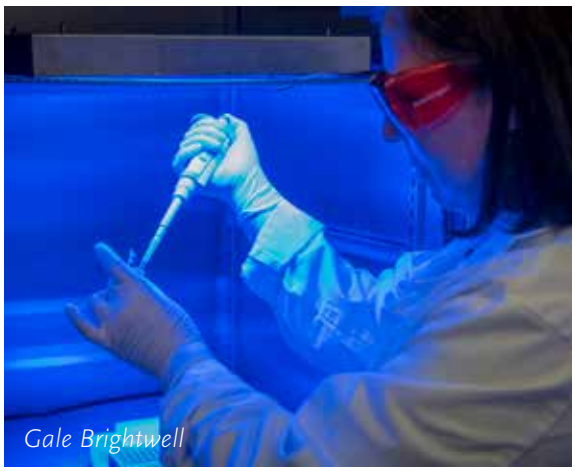
The second award recognised the paper *"Genomic insights into the physiology of Quinella"*, which advanced understanding of rumen microbiota and its role in methane reduction. The project demonstrated strong potential for practical application in breeding low-emission livestock and showcased extensive international collaboration.

The team members included Sandeep Kumar, Eric Altermann, Sinead Leahy, Ruy Jauregui, Arjan Jonker, Gemma Henderson, Sandra Kittelmann, Graeme Attwood, Janine Kamke, Sinead M Waters, Mark L Patchett and Peter Janssen.

IMPACT AWARD

The Food Integrity SSIF Programme was this year's winner recognising outstanding scientific output contributing to sector impact. Led by Gale Brightwell and supported by a large team of contributing scientists, the programme made a significant contribution over the past 20 years to underpin New Zealand's global food safety reputation and, in turn, market access for the primary sector.

Characterised by a high degree of collaboration – including with government, industry bodies, and international partners – the programme developed New Zealand's unique capabilities in food safety and product quality. It also contributed more broadly to building food safety expertise across the sector.


Gale Brightwell

TE AO MĀORI AWARD

The Te Ao Māori Award recognises a team member's achievement in te ao Māori and supports them to continue building relationships and engaging in meaningful activities with current and new Māori partners. This year, it was awarded to Sue Zydenbos.

Sue is a leader with deep understanding of what it means to be tangata tiriti. She consistently role-models this behaviour, building trusted relationships with many scientists, the Māori research and partnerships rōpū, and externally with Māori partners. Sue actively shares her learning across the organisation and is a long-time advocate of many kaupapa Māori initiatives within AgResearch.


Sue Zydenbos

EMPLOYEE ADVOCATE AND VALUES AWARD

Grant Rennie received this year's Employee Advocate and Values award, which recognises resourcefulness and initiative in improving AgResearch by leveraging a range of resources to lead or support activities across the organisation.

Grant is widely respected for his integrity and people-focused approach, particularly in his role as Chair of the PSA National Science Committee. As a Science Team Leader, he contributes to team research and provides training and upskilling opportunities for staff.

His proactive engagement with mātauranga Māori and understanding of te ao Māori has helped strengthen AgResearch's relationship with Ngaati Maahanga.


Grant Rennie

SCIENCE HIGHLIGHTS

Our year in review

BREAKTHROUGH IN UNDERSTANDING FACIAL ECZEMA

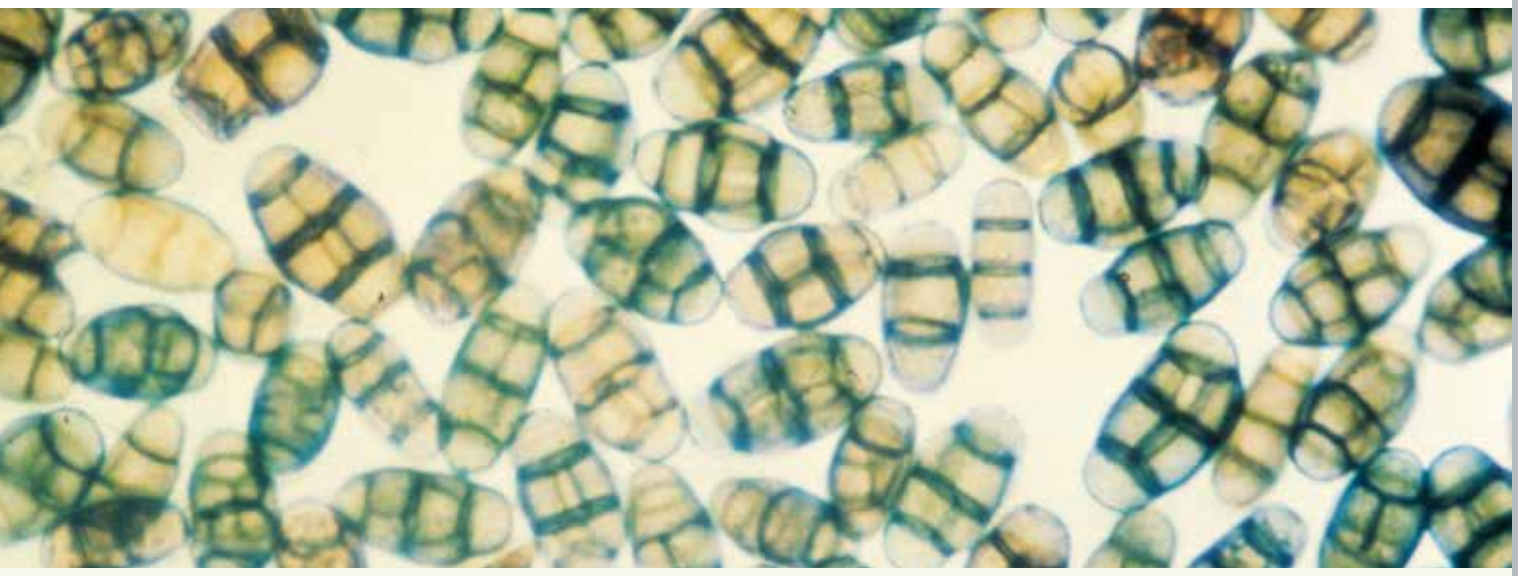
AgResearch, in collaboration with Manaaki Whenua - Landcare Research, Beef + Lamb New Zealand (B+LNZ), and the Livestock Improvement Corporation, made a major breakthrough in understanding Facial Eczema (FE), a disease costing New Zealand an estimated $332 million annually.

Until recently, the toxin causing FE – sporidesmin – was believed to be produced by the fungus *Pseudopithomyces chartarum*. However, researchers identified a new species, *Pseudopithomyces toxicarius*, as the primary producer of sporidesmin. This discovery clarified the true source of the disease and marked a critical step toward more accurate diagnostics and effective control strategies.

The research, which began prior to the launch of B+LNZ's Eliminating Facial Eczema Impacts (EFEI) programme, became a key component of its ongoing efforts. By distinguishing between toxic and non-toxic fungal species, the team improved the understanding of FE risk and the limitations of current spore counting methods.

AgResearch's Christine Voisey and Manaaki Whenua's Dr Bevan Weir, co-lead authors, highlighted the importance of this collaborative effort. Dr Cara Brosnahan of B+LNZ emphasised that while spore counting remains valuable, this new knowledge enables more precise risk assessments and future research directions.

This work demonstrated the power of combining scientific expertise with farmer-led initiatives to deliver practical solutions for one of New Zealand's most persistent livestock health challenges.



READ
https://www.agresearch.co.nz/news/major-step-forward-taken-in-understanding-facial-eczema-in-livestock/

BIOECONOMY SCIENCE INSTITUTE | Manaaki Whenua Landcare Research

UNLOCKING ANIMAL HEALTH INSIGHTS FROM KIKUYU PASTURES

In FY25, AgResearch scientists advanced understanding of how sheep and cattle digest Kikuyu grass – a tough, climate-resilient species increasingly dominating pastures in New Zealand's Far North. This work aimed to support animal health and productivity in the face of climate change, where traditional ryegrass pastures are becoming less viable.

As part of the Animals of the Future Flagship Programme, researchers from the Rumen Microbiology and Animal Nutrition teams collected rumen samples from over 160 animals across four Kikuyu-dominated farms. These samples were rapidly frozen and transported under strict anaerobic conditions to preserve microbial integrity.

The team conducted DNA-based metagenomic analyses and successfully isolated live rumen bacteria and fungi adapted to Kikuyu digestion.

These microbes are now being added to AgResearch's globally recognised rumen culture collection – a vital resource for developing microbial feed additives that enhance digestion and reduce digestive stress in livestock.

Kikuyu's fibrous structure makes it harder to digest, often leading to energy loss and health issues. By identifying the microbial communities that enable better digestion of this grass, AgResearch laid the groundwork for future probiotics that could improve animal health and performance on challenging forages.

The project also fostered valuable engagement with Northland farmers and communities, including local schoolchildren, highlighting the importance of science in building resilient, sustainable farming systems.

READ
https://www.agresearch.co.nz/news/rumen-adapted-for-future-feeds-to-improve-animal-health-and-performance/

SCIENCE-BACKED PARTNERSHIP DELIVERS TANGIBLE RETURNS FOR ARAMIRO WHENUA TRUST

In FY25, AgResearch's partnership with Aramiro Whenua Trust continued to deliver strong returns – not just financially, but culturally and environmentally. Spanning 1,800 hectares in the Waitetuna Valley, the Trust's kaupapa Māori-led approach to land management was supported by science that enabled smarter, more sustainable farming.

AgResearch modelling helped the Trust implement deferred grazing, scaling from a 5-hectare trial to 35 hectares. This shift unlocked an estimated $21,700 in annual returns by reducing supplementary feed costs and improving pasture utilisation – a clear example of low-cost innovation with high impact.

Environmental modelling also guided riparian planting across 100% of the Trust's pastureland streams. The result: cleaner waterways, enhanced biodiversity, and a practical demonstration of kaitiakitanga that aligned with both values and productivity.

The collaboration extended to food sovereignty, with AgResearch supporting the design of a micro abattoir system. Although the original plan was paused due to Cyclone Gabrielle and funding changes, the groundwork laid at Aramiro is now informing a larger iwi-led initiative through Tainui Group Holdings, positioning the Trust as a key supplier.

In a pioneering move, Aramiro also launched Aotearoa's first long-term biochar field trial in pastoral systems, supported by AgResearch and the NZ Agricultural Greenhouse Gas Research Centre. This decade-long study aimed to improve soil health, sequester carbon, and reduce emissions using biochar from the Trust's own forests.

This values-led, science-embedded partnership demonstrated how targeted investment in research could yield lasting returns for Māori agribusiness and the whenua it stewards.

Aramiro partnership in numbers

1,800 ha	Total land managed by Aramiro Trust
300 ha	in pasture
560 ha	in first-rotation pine forest (currently harvesting)
900 ha	in native ngahere
100%	of riparian zones on pastoral land fenced and planted (based on modelling)
35%	now under deferred grazing
$21,700	estimated annual return for implementing deferred grazing (based on modelling)

READ
https://www.agresearch.co.nz/news/aramiro-where-innovation-meets-whenua/

ONLINE
https://www.agresearch.co.nz/news/aramiro-where-innovation-meets-whenua/

SMART IDEAS BACK BOLD SCIENCE FOR A SUSTAINABLE FUTURE

In FY25, AgResearch scientists secured nearly $3 million in funding through the Government's 2024 Endeavour Fund to pursue three innovative projects aimed at addressing major challenges in agriculture. The funding supported new research into plant disease control, nutrient pollution reduction, and sustainable materials.

Chief Scientist Dr Axel Heiser welcomed the investment, noting the importance of exploring new approaches to long-standing industry issues. "Given the challenges our primary industries are facing, a business-as-usual approach isn't enough. Support for bold ideas is essential."

The three AgResearch-led projects were:

Next-generation protein biomaterials: Researchers explored how to mimic nature's intricate microstructures to develop biodegradable protein-based materials with properties like flexibility, strength and fire resistance. These biomaterials could replace plastics in applications like helmets or electronic casings, offering sustainable, compostable alternatives.

RNAi-based fungal pathogen control: This project developed a non-chemical solution to fungal diseases such as Pithomyces chartarum, which causes Facial Eczema in livestock. Researchers used RNA interference (RNAi) to design sprayable molecules targeting fungal virulence genes and created a rapid on-site detection tool, supporting healthier animals and reduced chemical use.

Nitrogen nanofertilisers: Scientists investigated a new foliar fertiliser using nanotechnology to deliver nitrogen more efficiently to plants. The aim was to reduce nitrogen loss to the environment from dairy systems while maintaining pasture productivity.

Each project positioned AgResearch at the forefront of science-driven sustainability, with the potential to transform agricultural practices and reduce environmental impacts both in New Zealand and globally.

READ
https://www.agresearch.co.nz/news/new-funding-for-smart-ideas-to-address-challenges-for-primary-sector/

INVESTIGATING PARASITE TREATMENT IMPACTS ON LAMB BEHAVIOUR

AgResearch scientists conducted the first known study showing behavioural developmental impacts on lambs born to ewes treated with long-acting parasite drugs. The research responded to growing resistance among livestock parasites to commonly used drenches in New Zealand.

Led by scientist Melissa Hempstead, the study explored whether anthelmintic treatments administered to pregnant ewes could influence lamb behaviour. Sixty twin-bearing ewes were divided into three groups: one treated with moxidectin, another with abamectin and albendazole, and a control group with no treatment. Ewes were housed indoors pre-lambing, and behaviours of both ewes and lambs were monitored via video for three hours post-birth.

The team found no behavioural changes in lambs from ewes treated with abamectin and albendazole. However, lambs from moxidectin-treated ewes showed delayed neonatal behaviours, such as slower head shaking and attempts to stand – marking the first recorded evidence of such effects.

This research built on AgResearch's broader parasitology efforts to support farmers facing increasing drug resistance. It highlighted the need for further investigation into alternative parasite management strategies and the long-term implications of maternal treatments on lamb survival and performance.

READ
https://www.agresearch.co.nz/news/study-finds-impacts-on-lambs-from-anti-parasite-drugs/

CO-EXISTENCE OF GM AND NON-GM PLANTS FOUND ACHIEVABLE

AgResearch research published in the New Zealand Journal of Agricultural Research found that co-existence of genetically modified (GM) and non-GM plants in New Zealand is achievable, despite challenges. The review, led by Dr John Caradus, Chief Technical Officer at Grasslanz Technology, examined global experiences to inform New Zealand's approach as proposed legislation is expected to expand GM and gene editing use.

Dr Caradus noted that countries with significant organic agriculture have successfully managed co-existence with GM crops through planning, regulation, and community engagement. This was particularly relevant for organic producers, where GM presence must be zero.

The review highlighted that while early commercial GM use in the 1990s saw contamination incidents with financial consequences, such events have become less frequent. Dr Caradus emphasised the importance of learning from past mistakes to ensure effective co-existence in New Zealand.

Strategies identified included on-farm containment to prevent pollen and seed dispersal, and downstream segregation during seed processing. Biological containment methods, such as genetic manipulation to disrupt pollination, were also explored.

This work contributed to AgResearch's broader efforts to support the primary sector in navigating emerging genetic technologies and maintaining integrity across diverse farming systems.

Dr John Caradus is the Chief Technical Officer at Grasslanz Technology Limited, a wholey owned subsidiary of AgResearch. After stepping down from the role of Chief Executive in March of 2025 after 19-years John manages the delivery of plant and microbial research to commercial companies.

READ

https://www.agresearch.co.nz/news/co-existence-with-genetic-modification-possible-in-new-zealand-review/

ONLINE

https://www.agresearch.co.nz/our-research/pasture-gene-tech/

DAIRY BEEF OFFERS SIGNIFICANT EMISSIONS REDUCTIONS, AGRESEARCH STUDY FINDS

During FY25, AgResearch completed a Life Cycle Assessment (LCA) showing that beef produced from New Zealand's dairy sector could reduce greenhouse gas emissions by up to 48% compared to average beef cattle emissions. The study, conducted with partners including Fonterra, Alps 2 Ocean Foods, and the Bioresource Processing Alliance, analysed fast-finishing dairy-beef systems using farm data from both the beef and dairy sectors.

The analysis evaluated carbon dioxide equivalent emissions per kilogram of finished liveweight for dairy-beef steers processed between 10 and 18 months of age, incorporating emissions from animal production, inputs, transportation, and other processes.

Senior scientist Andre Mazzetto highlighted that emissions differences were influenced by factors such as growth rates, feed efficiency, and finishing times. "This work identifies clear pathways for farmers to reduce the carbon footprint of beef herds, especially by integrating dairy-beef animals and adopting fast-finishing systems," he said.

Fonterra's Charlotte Rutherford noted that dairy-beef calves represent a major opportunity to lower industry emissions with the right genetics and farming practices. Alliance Group's Murray Behrent said the findings support developing beef production systems focused on younger livestock, offering low-carbon protein for global markets aiming to meet Scope 3 emissions targets.

Alps 2 Ocean Foods founder Daniel Carson described their Mīti product as a proof of concept for adding value to surplus dairy calves through low-carbon beef production.

Pāmu CEO Mark Leslie emphasised that processing animals within one year aligns with methane reduction goals and advances sustainable farming practices.

Ag:LCA from AgResearch

Fonterra

Bioresource Processing Alliance

ag

READ

https://www.agresearch.co.nz/news/dairy-beef-offers-potential-for-significant-emissions-savings/

ag

ONLINE

https://www.agresearch.co.nz/products-and-services/aglca-life-cycle-assessment/

AGRESEARCH OPENS NEW CONTAINMENT FACILITY FOR ADVANCED AGRICULTURAL RESEARCH

In FY25, AgResearch opened a cutting-edge containment research facility at its Lincoln campus – the only one in New Zealand designed to securely study microorganisms, insects, and plants under one roof.

This $11 million, 402 m² greenhouse is certified to PC2 standards by the Ministry for Primary Industries, providing a meticulously controlled environment that enhances research efficiency, safety, and reduces costs. According to glasshouse manager Sarah Jackman, the facility's unique combination of capabilities sets it apart nationally.

Designed for multi-trophic research, the facility enables scientists to investigate complex interactions among multiple organisms in a contained setting. This includes studying gene-edited ryegrass alongside exotic insects – research directly relevant to New Zealand's agricultural ecosystems, unlike overseas studies that may not reflect local conditions.

Advanced features include an infrared-capable lighting system simulating full sunlight spectrum and specialised water filtration to support climate change resilience research.

The facility generated strong interest from universities, industry partners, and research institutes, with many eager to access its capabilities. It is expected to be heavily used by AgResearch's Weeds, Pests and Biosecurity, Microbial Solutions teams, and pasture breeders.

Planned research includes studies on pests such as Fall Army Worm, Green Vegetable Beetle, Porina, and Coconut Rhinoceros Beetle. The first trials were scheduled to start in November, with AgResearch inviting expressions of interest for collaborative projects.

This facility represents a national asset, strengthening New Zealand's agricultural resilience and supporting sustainable sector growth.

PARTNERSHIP WITH TE PŪ ORANGA WHENUA UNLOCKS INNOVATION IN MEAT SUPPLY CHAIN

In FY25, AgResearch marked a major milestone in its collaboration with Te Pū Oranga Whenua (TPOW), a kaupapa Māori organisation focused on reimagining land use and agribusiness through sustainable, community-centred approaches.

The partnership combined AgResearch's scientific expertise with TPOW's Mātauranga Māori knowledge to explore innovations in the domestic short meat supply chain. Supported by the Leather and Shoe Research Association (LASRA), the work aimed to create high-value, environmentally sustainable products while building capability across Māori agribusiness.

A key success was the on-farm trial of hyperspectral imaging to scan animal hides, assessing their chemical composition and identifying faults without invasive processes. This breakthrough showed that advanced scientific techniques – usually confined to laboratories – could be applied effectively on-farm.

"This was a major achievement," said AgResearch Senior Scientist Marlon dos Reis. "It demonstrated how high-tech tools can be adapted to farm settings to benefit Māori agribusinesses directly."

The project also laid the groundwork for a proposed technology framework to further develop hide-derived products, offering potential for localised production, improved food security, and reduced environmental impacts.

The collaboration emphasised the benefits of short supply chains: better food quality and safety, lower emissions, economic uplift for small producers, and greater traceability for consumers.

Challenges remained, including infrastructure and scalability, but the team believed the potential to transform the sector was significant.

This work was made possible by the close collaboration of AgResearch scientists, TPOW leaders, and LASRA experts – showcasing the value of partnership in shaping a resilient, innovative agribusiness future.

READ

https://www.agresearch.co.nz/news/agresearch-and-te-pu-oranga-whenua-forge-groundbreaking-on-farm-innovation-for-leather-and-collagen-industries/

BREEDING LOW-METHANE LIVESTOCK WITHOUT SACRIFICING PRODUCTIVITY

AgResearch research presented in FY25 demonstrated that livestock can be bred for significantly lower methane emissions while also increasing productivity – challenging claims that one must come at the expense of the other.

At the joint New Zealand Society of Animal Production and New Zealand Grassland Association conferences, AgResearch scientists shared findings from a long-term study of a performance-recorded sheep flock. The flock had been selectively bred for low methane emissions and tracked against standard industry measures of productivity including reproduction, growth, and survival.

AgResearch scientist John McEwan reported that the low methane flock showed a sustained 0.95% annual reduction in emissions over six years. Modelling suggested this could deliver a 27% reduction in methane emissions across commercial flocks by 2050 – without changing ewe numbers – and increase per-head productivity by $51.80 based on the current Beef + Lamb New Zealand Genetics index.

In comparison, current industry-wide progress would yield only a 2.8% methane reduction and $30.80 productivity gain per animal.

"These results show that genetic selection can make a significant contribution to methane reduction goals while outperforming current productivity trends," McEwan said.

Importantly, the analysis was based on existing breeding tools available to all New Zealand breeders, using a Beef + Lamb New Zealand Genetics recorded flock. The study underscored the importance of faster industry adoption of proven low methane breeding approaches to meet national climate and productivity goals.

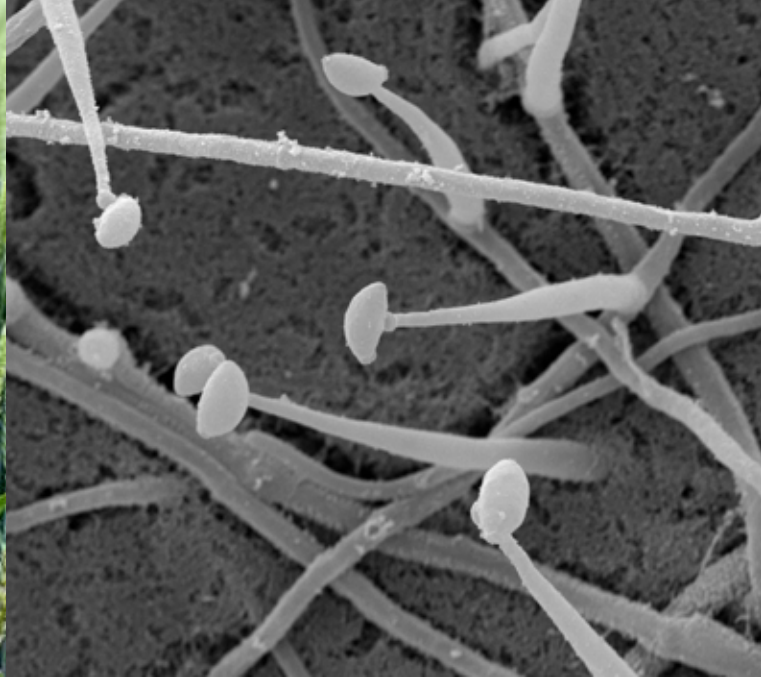
Dr John McEwan is a principal scientist. His career has been largely in sheep genetics and genomics. This includes carcass, meat quality, disease traits and more recently methane emissions. Currently, his work is mostly research consultancy in genomic improvement in a variety of species.

READ

https://www.agresearch.co.nz/news/breeding-for-low-methane-a-winning-approach-for-productivity-and-environment/

ONLINE

https://www.blnzgenetics.com/cool-sheep-programme



ENDOPHYTES SHOW PROMISE FOR SUSTAINABLE CEREAL CROP PROTECTION

In FY25, AgResearch and its subsidiary Grasslanz Technology advanced research into the use of Epichloë fungal endophytes to protect cereal crops such as wheat – offering the potential to reduce reliance on synthetic chemicals while enhancing resistance to pests and disease.

Building on the well-established benefits of endophytes in pasture species like ryegrass – where the AR37 strain alone is estimated to have contributed $3.6 billion to the economy over its patent life – researchers explored how similar fungi could be introduced into modern wheat, which does not naturally host them.

Using plant breeding techniques to overcome genetic compatibility challenges, scientists successfully introduced endophytes into wheat plants. Trials showed promising results, including improved resistance to fungal diseases such as Septoria leaf blotch, Fusarium head blight, and wheat leaf rust, as well as to insect pests like Argentine stem weevil and hessian fly.

Senior researcher and Grasslanz Technology Cheif Technology Officer Dr John Caradus said these findings marked an important step toward more sustainable crop protection. “As chemical options become less viable due to resistance, regulation, and health concerns, biological solutions like endophytes offer real potential.”

Research also continued on enhancing endophytes in ryegrass using gene editing to reduce animal toxicity while retaining protective benefits. Field trials in Australia were under way, with potential for future trials in New Zealand pending regulatory changes.

AgResearch will also play a key role in the global conversation as New Zealand prepares to host the 11th International Symposium of Grass Microbial Endophytes (ISGME) in November 2025.

IGME2025 will attract researchers from around the world who are focused on the basic and applied aspects of using endophytic microorganisms, including but not exclusively Epichloë *fungi, as promising solutions for sustainable agricultural production, with a focus on both temperate (C3) and tropical (C4) grasses, including pastures and cereals.*

ag

READ

https://www.agresearch.co.nz/news/research-shows-new-crop-protection-opportunities-in-wheat/

I

ONLINE

https://isgme2025.com/

AI UNLOCKS NEW POSSIBILITIES IN LIVESTOCK GENOMICS

In FY25, AgResearch advanced the use of Artificial Intelligence (AI) to transform livestock genomics and accelerate progress toward more productive and sustainable farming.

Among more than 50 AI-focused research projects under way, a key highlight was the application of AI to computed tomography (CT) scanning data. This work enabled scientists to gain new insights into hard-to-measure traits – such as rumen composition – that affect methane emissions and feed efficiency.

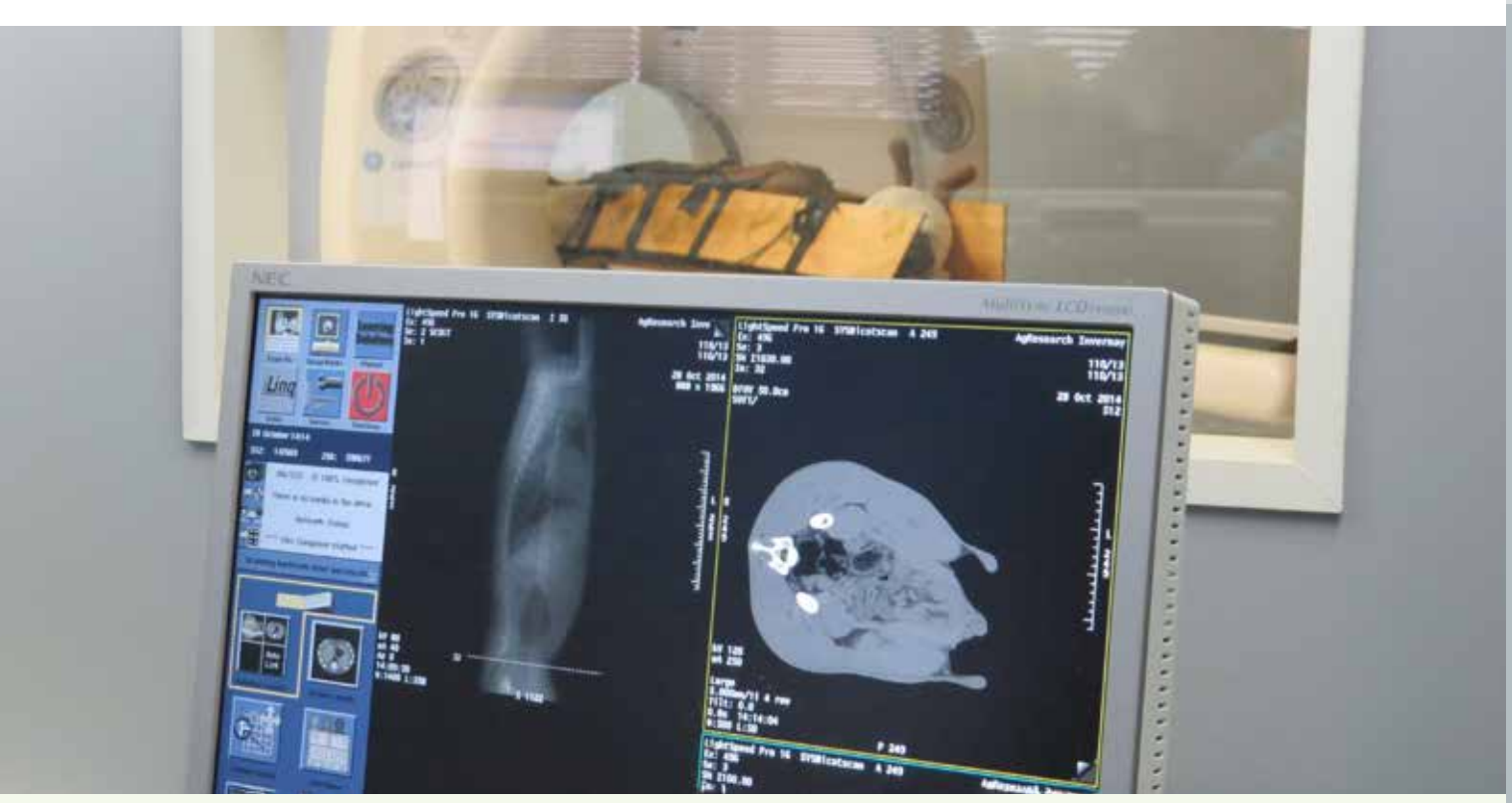
Senior Data Scientist Sam Hitchman applied his expertise in medical imaging and data science to develop AI models that could automatically analyse historical CT data. Using customised tools like DeepLabV3 and AgResearch's upgraded GPU infrastructure, Sam trained AI to identify and measure organs such as the rumen and reticulum from existing scan data – reducing the time and cost of manual analysis while increasing accuracy.

This breakthrough allowed researchers to revisit over 20 years of scan data, extracting new insights that support breeding for traits like low methane emissions – an area where AgResearch has already led the world.

The success of AI-driven segmentation attracted interest from industry stakeholders, including Focus Genetics and Beef + Lamb Genetics. Sam also shared the research internationally, collaborating with Scotland's Rural College to access additional CT data.

Beyond CT, AgResearch explored thermal imaging, hyperspectral imaging, and ultrasound to improve animal health and meat quality – demonstrating a clear pathway for AI to move from the lab to the farm.

These advances positioned AI as a powerful enabler of genetic gain and animal welfare in New Zealand agriculture.



READ
https://www.agresearch.co.nz/news/agresearch-leads-with-cutting-edge-genomics-and-imaging-technologies/

ONLINE
https://www.agresearch.co.nz/about-us/our-people/samuel-hitchman/

GLOBAL FUNDING BOOST FOR METHANE VACCINE RESEARCH

AgResearch received a major boost in FY25 with new international funding to accelerate research on a vaccine to reduce methane emissions in cattle.

The Bezos Earth Fund announced US$9.4 million for a global research consortium led by the UK's Pirbright Institute and the Royal Veterinary College. AgResearch was a key partner, contributing its expertise in rumen microbiology and vaccine development, and receiving about a third of the funding.

AgResearch Principal Scientist Dr Neil Wedlock said the support strengthened the scientific case for a methane vaccine and would build on more than 15-years of foundational work led by AgResearch in New Zealand, funded by the government, industry, and the New Zealand Agricultural Greenhouse Gas Research Centre.

The new project had two key research components. First, scientists at the Royal Veterinary College and CSIC (Spain) studied how methane-producing microbes, or methanogens, colonised young cattle and how immune responses developed. Second, scientists at the Pirbright Institute and AgResearch focused on isolating and characterising antibodies capable of targeting methanogens, to provide a proof-of-concept for vaccine development.

The work also complemented progress in New Zealand, where AgriZeroNZ – a public-private joint venture – began establishing a new local venture to fast-track vaccine development and unlock further international partnerships.

"This latest international funding shows just how important the research is and what we can achieve through global collaboration," said Dr Wedlock.

The ultimate goal is to deliver a viable methane vaccine to farmers, supporting sustainable, climate-smart livestock production.

READ

https://www.agresearch.co.nz/news/new-zealand-scientists-welcome-overseas-funding-for-livestock-methane-vaccine/

ONLINE

https://www.bezosearthfund.org/
http://pirbright.ac.uk/

AI-POWERED ‘MAP AND ZAP’ TACKLED WEEDS WITH LASER PRECISION

A prototype weed control system using Artificial Intelligence (AI) and laser technology was successfully trialled by AgResearch during the year, drawing strong interest from industry and potential investors.

The Map and Zap® system, developed by a team of scientists and engineers led by Dr Kioumars Ghamkhar, was demonstrated at a Canterbury vineyard. Designed to reduce reliance on chemical herbicides, the system uses trained AI to identify specific weed species before targeting and killing them with a directed laser.

Mounted on a tractor or robot, Map and Zap® was developed to work across a range of food production systems – from vineyards and orchards to vegetable fields and pasture.

“This technology isn’t about replacing chemicals entirely, but it can significantly reduce their use over time,” said Dr Ghamkhar.

The demonstration attracted praise from agritech leaders. Wine industry adviser Heath Stafford said integrated solutions like Map and Zap® had an important role to play in reducing herbicide use. CropX Australasia managing director Eitan Dan called the system a “precision agriculture” breakthrough that addresses problems without harming surrounding plants.

KiwiNet commercialisation manager Michelle Polglase noted global demand for clean technologies that support soil health, highlighting the export potential of innovations like Map and Zap®.

With its trial success, AgResearch began seeking commercial partners to take the technology to market in New Zealand and internationally.

READ
https://www.agresearch.co.nz/news/high-hopes-for-laser-weeding-system-after-successful-trials/

ONLINE
https://www.agresearch.co.nz/products-and-services/map-and-zap/

TARGETING A NATURAL SOLUTION TO FACIAL ECZEMA

Facial Eczema (FE) is a painful and costly disease for New Zealand livestock, causing an estimated $332 million in losses each year. In 2024, AgResearch senior scientist Dr Tanushree (Tanu) Gupta led promising research aimed at reducing FE's impact through a safe, natural solution.

FE is caused by a toxin-producing fungus that thrives in warm, humid conditions, leading to liver damage, photosensitisation, and reduced productivity in animals. Tanu and her cross-disciplinary team focused on developing an eco-friendly antifungal product using a natural biomolecule to prevent the germination of fungal spores in pasture.

The water-soluble compound was designed for easy application directly onto pasture, offering farmers a practical and affordable alternative to current FE management tools. The research also showed potential for wider applications, including crop protection and the development of biopesticides.

Tanu's leadership and innovation were recognised when she was the only New Zealand researcher selected for the 2024 AgriFutures and growAG Catalyst Programme – a trans-Tasman initiative to accelerate female-led agritech solutions. Through the programme, she gained experience pitching to investors, communicating science to broader audiences, and exploring commercial pathways for her work.

With support from the AgResearch Commercialisation Team and connections made through growAG, Tanu progressed her research towards market readiness.

"Our aim was to transform this innovative concept into a practical, commercially viable product that supports animal health, food safety and sustainability," she said.

READ
https://www.agresearch.co.nz/news/research-shows-new-crop-protection-opportunities-in-wheat/

ONLINE
https://www.grasslanz.com

NEW BIOCONTROL TOOL APPROVED FOR INVASIVE WEED

A major step was taken during the year to combat the invasive Chilean needle grass, with the Environmental Protection Authority (EPA) approving the release of a rust fungus as a biocontrol agent.

Chilean needle grass poses a serious threat to New Zealand agriculture, producing sharp seeds that can blind livestock, damage carcasses and pelts, and reduce pasture quality. The weed has established itself in Marlborough, Hawke's Bay and Canterbury, and has the potential to spread much further.

AgResearch research played a key role in highlighting the risk, showing that if left unchecked, Chilean needle grass could eventually spread across much of the country and cost the economy more than $1 billion.

The Marlborough District Council led the EPA application, with AgResearch providing scientific input on the potential impact and value of the biocontrol.

AgResearch senior scientist Dr Chris Buddenhagen welcomed the EPA's decision, saying it added another valuable tool to the weed control toolbox.

"This fungus has the potential to complement the existing efforts to control Chilean needle grass, but it's also important that we continue with current management approaches," he said.

Dr Buddenhagen noted that the decision underscored the value of long-term investment in research to better understand invasive species, their potential spread, and effective control methods.

READ
https://www.agresearch.co.nz/news/research-shows-new-crop-protection-opportunities-in-wheat/

ONLINE
https://www.grasslanz.com

PROTECTING NATIVE TREES FROM EMERGING FUNGAL THREATS

In FY25, AgResearch contributed to a proactive biosecurity initiative to protect Aotearoa New Zealand's iconic native trees – including pōhutukawa and rātā – from the threat of Rapid 'Ōhi'a Death (ROD), a disease caused by two aggressive fungal pathogens, *Ceratocystis lukuohia* and *C. huliohia*. These pathogens have devastated native forests in Hawai'i and pose a serious risk to New Zealand's Myrtaceae species if introduced.

As part of the Better Border Biosecurity (B3) programme, AgResearch scientists assessed potential entry pathways, identified vulnerable native and productive plants, and developed early detection and response tools. Field trapping in Christchurch, Hamilton, and the East Coast revealed high populations of bark beetles – including *Xyleborinus saxesenii*, a known ROD vector – near pōhutukawa and rātā, highlighting a plausible transmission risk.

In collaboration with hapū, seeds of at-risk species were collected and sent under strict biosecurity protocols to the USDA in Hawai'i. There, seedlings were safely exposed to the pathogens to assess susceptibility. This offshore testing provided critical insights without introducing the pathogens to New Zealand.

The project also strengthened community engagement, with hapū playing a central role in seed collection and cultural guidance. The work built on AgResearch's global Sentinel Plants network, enhancing New Zealand's early warning capabilities for emerging threats.

This research positioned New Zealand to respond swiftly and effectively to a potential biosecurity crisis, safeguarding both ecological and cultural taonga.

READ
https://www.agresearch.co.nz/news/research-shows-new-crop-protection-opportunities-in-wheat/

ONLINE
https://www.grasslanz.com

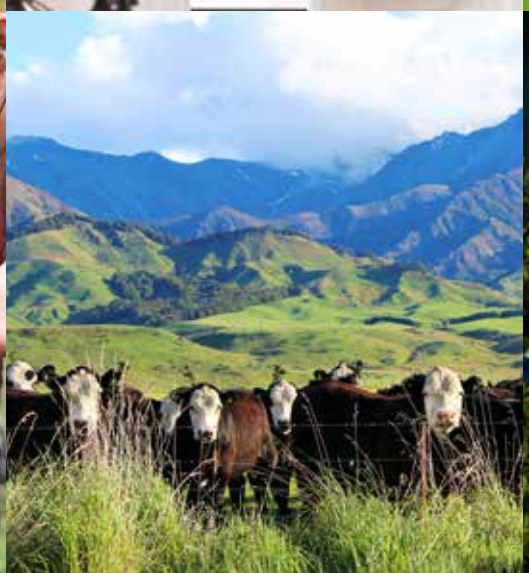





AG:PAC








CELEBRATING 30 YEARS OF SCIENCE IMPACT

As AgResearch prepares for a new chapter through the proposed science sector merger, we can reflect on three decades of innovation, collaboration and impact with considerable pride. Since our establishment as a Crown Research Institute in 1992, AgResearch has been at the forefront of transforming New Zealand's pastoral agriculture through world-leading science.

From breakthroughs in climate change research and low methane livestock breeding, to the discovery of novel endophytes and long-term experiments that shaped environmental policy, our science has consistently delivered practical solutions for farmers and underpinned the strength of our food and fibre exports. This legacy section honours the milestones – big and small – that have helped grow a more sustainable, productive and resilient agricultural sector for Aotearoa.

SCIENCE IN ACTION

AgResearch Team Leads the Charge in Safeguarding New Zealand's Livestock and Biosecurity

The AgResearch Animal Health Solutions Team is a multidisciplinary group of scientists dedicated to enhancing New Zealand's biosecurity through innovative animal health research. With decades of collective experience, the team brings together expertise in microbiology, immunology, molecular diagnostics, and epidemiology. Their collaborative approach has enabled them to respond rapidly to emerging threats while also contributing to long-term disease management strategies.

The team's strength lies in its ability to translate complex scientific discoveries into practical tools and systems that support farmers, veterinarians, and policymakers. They have led national efforts in refining diagnostic assays, developing vaccines, and implementing surveillance systems that are both scientifically robust and operationally feasible.

Their work is underpinned by strong partnerships with organisations such as OSPRI, MPI, and DairyNZ, ensuring that their research aligns with national priorities and industry needs. The team is also deeply committed to capacity building and knowledge sharing, regularly engaging with stakeholders through workshops, publications, and advisory roles. Their contributions have not only advanced New Zealand's biosecurity capabilities but have also positioned the country as a global leader in animal disease management.

DairyNZ Ministry for Primary Industries Manatū Ahu Matua OSPRI

Dr Sandeep Gupta

BOVINE TUBERCULOSIS

For over 25-years, the AgResearch Animal Health Solutions Team has been instrumental in New Zealand's efforts to eradicate bovine tuberculosis (bTB), working closely with OSPRI. bTB is a complex disease that requires a suite of diagnostic tools for accurate detection. The team has led the refinement of these tools, improving both sensitivity and specificity, and enabling earlier and more cost-effective detection of infected animals.

Their innovations include the application of whole genome sequencing to trace outbreak pathways and the development of novel diagnostic approaches that detect disease markers beyond traditional immune responses. These advancements have significantly enhanced the country's ability to manage and contain outbreaks swiftly.

The economic and trade benefits of this work are substantial. Eradication of bTB eliminates the need for costly containment strategies, estimated to save $31 million annually. It also protects the value of livestock and preserves New Zealand's tuberculosis-free status, which is critical for international trade. In one instance, the team's diagnostics helped avoid $1.8 million in costs by ruling out alternative infection sources. Their work continues to underpin the national eradication strategy and exemplifies the impact of science-led biosecurity.

JOHNE'S DISEASE

Johne's disease, caused by Mycobacterium avium subspecies paratuberculosis (MAP), is a chronic condition that leads to significant economic losses – estimated at over $100 million annually in New Zealand. Infected animals often show no symptoms in early stages, making early detection and control particularly challenging.

The AgResearch Animal Health Solutions Team has addressed this challenge by developing highly sensitive diagnostic assays capable of identifying MAP infections before clinical signs appear. This early detection is critical for managing disease spread on farms.

A major breakthrough came with the development of a novel protein-particle-based vaccine by team member Dr. Sandeep Gupta. This vaccine stimulates a protective immune response without interfering with the standard bovine tuberculosis skin test, allowing for clear differentiation between vaccinated and infected animals. This innovation not only improves disease control but also supports the integrity of New Zealand's bTB surveillance system.

Together, these advancements offer a powerful toolkit for farmers and veterinarians to manage Johne's disease more effectively. The team's work is helping to reduce the prevalence of this costly disease, improve animal welfare, and protect the productivity and sustainability of New Zealand's livestock industries.

ag

READ

Dr Bryce Buddle led bTB research over his 30+ year career: https://www.agresearch.co.nz/news/buddle-family-leaves-huge-legacy-in-animal-health/

ag

READ

https://www.agresearch.co.nz/about-us/our-subsidiaries-joint-ventures/johnes-disease-research-consortium/

SCIENCE MILESTONE

New Zealand Free Air Carbon Dioxide Enrichment experiment

In 1997, AgResearch launched the NZ Free Air Carbon Dioxide Enrichment (NZ FACE) experiment – one of the world's first to examine how rising atmospheric CO_2 would impact pasture and livestock under realistic farm conditions.

In 1997, AgResearch launched the NZ Free Air Carbon Dioxide Enrichment (NZ FACE) experiment – one of the world's first to examine how rising atmospheric CO_2 would impact pasture and livestock under realistic farm conditions.

Led by scientist Paul Newton, NZ FACE responded to major uncertainties in how ecosystems would react to elevated CO_2. A unique outdoor system near Palmerston North allowed pastures to be enriched with CO_2 while being grazed by sheep, simulating real-world farm management.

Over 24-years, this pioneering experiment provided invaluable insights. Elevated CO_2 led to modest but highly variable pasture growth increases, reduced clover nitrogen fixation, and unexpected effects such as lower sheep intake and increased nitrous oxide emissions. Soil carbon stocks – expected to rise – remained largely unchanged, reshaping assumptions in global carbon modelling.

NZ FACE was backed by the Ministry for Primary Industries and secured SSIF funding as a nationally significant research asset. It generated over 60 scientific publications, with findings featured in leading journals like Nature and Science.

Despite enrichment ending in 2022 due to global CO_2 shortages, research continues. The long-term dataset remains globally unique, informing climate modelling and guiding future work on nutrient needs, soil dynamics, and pasture resilience in a changing climate.

SCIENCE MILESTONE

Safeguarding Lake Taupō Through Nitrogen Management

In the early 2000s, AgResearch played a critical role in protecting Lake Taupō from nitrogen runoff caused by pastoral farming. Excess nitrogen, primarily from livestock urine patches, was leaching into groundwater and threatening the lake's water quality. Working with regional partners and the Lake Taupō Protection Trust, AgResearch scientists measured nitrogen losses across sheep, cattle, and deer farming systems and trialled mitigation options on local farms.

Their research identified practical tools to reduce nitrate leaching, including changes to grazing systems, improved pasture species, and the use of nitrification inhibitors. These insights underpinned the development of farm-level nitrogen budgets and modelling tools like Overseer®, which became key to managing nutrient discharges.

AgResearch's work directly informed the Waikato Regional Council's landmark decision in 2007 to introduce nitrogen discharge limits around Lake Taupō – the first of its kind in New Zealand. This policy allowed farming to continue while protecting the lake for future generations.

The Taupō work has since become a model for science-led environmental policy, demonstrating how robust research can support both environmental goals and productive land use. It remains a standout example of AgResearch's impact in shaping sustainable land management in Aotearoa.

LT

ONLINE
https://www.protectinglaketaupo.nz/the-trust/

The AgPAC trailer has twelve AgPAC chambers that can be taken on farm to measure the methane output of sheep.

BREEDING A COOLER FUTURE: THE LOW METHANE SHEEP SUCCESS STORY

In a world-first achievement, AgResearch scientists have proven that it's possible to breed sheep that emit significantly less methane – without compromising productivity. Over more than a decade, the team identified heritable traits linked to methane emissions and developed a nationally recorded flock that now emits nearly 1% less methane per year. These sheep also outperform the national average in growth, reproduction, and survival.

This breakthrough underpins the $4.2 million Cool Sheep Programme, which is equipping farmers across New Zealand with the tools to select low methane rams confidently. With over 20,000 animals measured and methane breeding values now integrated into national indices, the science is moving from lab to paddock.

Portable Accumulation Chambers (AgPAC), another AgResearch innovation, allow emissions to be measured on-farm – making the technology accessible and scalable. Early-adopting breeders are already seeing gains: lower emissions, leaner meat, and higher productivity.

This work has earned AgResearch the Supreme Award at the Science New Zealand Awards and global recognition as a leader in climate-smart livestock genetics. It's a legacy of science delivering real-world impact – helping New Zealand farmers lead the world in sustainable agriculture.

AgLCA: POWERING NEW ZEALAND'S LOW-CARBON ADVANTAGE

For nearly two decades, AgResearch's Life Cycle Assessment (LCA) team – AgLCA – has been at the forefront of environmental science, helping New Zealand's primary industries understand and reduce their environmental footprint. By applying internationally recognised LCA methodologies, AgLCA has enabled producers to quantify emissions across the full life cycle of food products – from farm to consumer – supporting more sustainable practices and informed decision-making.

A landmark achievement came in 2021, when research by AgLCA confirmed that New Zealand had the world's lowest carbon footprint for milk production, measured in kilograms of CO_2-equivalent per kilogram of fat- and protein-corrected milk. This evidence-based insight has strengthened New Zealand's international reputation for sustainable food production, supporting market access, differentiated branding, and science-based trade advocacy.

AgLCA's tailored modelling tools and deep sector knowledge have empowered businesses to manage supply chain risks, demonstrate environmental responsibility, and align with global sustainability trends. Their work underpins carbon certification for major brands and informs national policy on climate and agriculture.

As global demand for low-emission food grows, AgLCA continues to deliver trusted science that helps New Zealand maintain its competitive edge and transition toward a low-carbon economy.

PEST MANAGEMENT

Clover Root Weevil

We are New Zealand's leader in the biological control of agricultural pests. We successfully introduced a small parasitic wasp as a biological control agent against the Clover Root Weevil. We estimate the total benefits of the programme from 2006 to 2016 to be at least **$489m** with benefits to accrue at **$158m** per year.

AR37: A BILLION-DOLLAR BREAKTHROUGH IN PASTURE INNOVATION

AgResearch has played a pivotal role in transforming New Zealand's pastoral agriculture through groundbreaking research into *Epichloë* fungal endophytes – naturally occurring fungi that live within ryegrass. Our work revealed the critical importance of these endophytes in improving pasture resilience, animal health, and farm productivity.

A standout achievement is the development of the AR37 endophyte strain, in collaboration with PGG Wrightson Seeds and Grasslanz Technology Ltd (an AgResearch subsidiary). AR37 offers superior protection against insect pests while maintaining animal safety, significantly reducing the need for chemical inputs and improving pasture longevity.

Since its release in 2006, AR37 has contributed to an estimated $3.6 billion return to the New Zealand economy over the 20-year life of its patent. This innovation has also driven measurable gains in the efficiency of milk and meat production, reinforcing New Zealand's global leadership in sustainable agriculture.

Building on this legacy, AgResearch is now pioneering gene editing technologies to further refine endophyte traits, aiming for even greater resilience and productivity in future pasture systems. The endophyte discovery team's groundbreaking work was recently honoured with the Prime Minister's Science Prize, underscoring the global significance of this research.

PGG Wrightson Seeds

grasslanz unique plant opportunities

(L to R) Dr Linda Johnson, Dr David Hume and Dr John Caradus accept the Prime Ministers Science Prize on behalf of the AR37 Endophyte research team.

WORLD-FIRST LIVESTOCK METHANE VACCINE

After more than 15-years of investment via SSIF, our work on a methane vaccine, now in collaboration with partners like Lucidome Bio, is on the verge of producing a breakthrough that could cut emissions from pastoral farming in New Zealand and globally.

AgResearch has led global efforts to develop a methane vaccine to reduce greenhouse gas emissions from livestock. The vaccine is designed to trigger an immune response in animals that targets the methane-producing microbes in their rumen, reducing methane without affecting animal health or productivity.

This world-first research has advanced through international scientific collaboration and extensive on-farm trials. A successful vaccine could provide a practical, low-cost tool to help farmers meet climate targets while maintaining food production.

AgResearch's work in this area is now supported by AgriZeroNZ, a public-private partnership committed to reducing agricultural emissions, which co-invests in promising technologies. In 2024, biotech company LucidomeBio joined the effort, bringing its cutting-edge delivery platform to enhance vaccine effectiveness and scalability.

Together, AgResearch, AgriZeroNZ and LucidomeBio are working to turn a scientific breakthrough into a global climate solution for agriculture.

AgriZero NZ

LucidomeBio

A DEFINING CONTRIBUTION TO CLIMATE SCIENCE

A landmark achievement in our organisation's history has been the transformative work of a dedicated team of top scientists who significantly advanced New Zealand's agricultural greenhouse gas (GHG) emissions reporting. Their research has led to the development of country-specific emission factors that more accurately reflect New Zealand's unique grazed pasture systems – far surpassing the global default values previously used.

This work has greatly enhanced the precision of New Zealand's Greenhouse Gas Inventory, the official tool for tracking progress toward international climate commitments. By aligning with the Intergovernmental Panel on Climate Change (IPCC) principles of accuracy, transparency, and consistency, the team's contributions have positioned New Zealand as a global leader in agricultural GHG inventory development.

The team's innovations include refining emission factors, automating quality control, and developing custom software that streamlines national and international reporting. These improvements have not only increased efficiency but also reduced the administrative costs of maintaining the inventory.

Their methodologies are now embedded in on-farm tools, enabling farmers to better understand and manage their emissions. This has laid the groundwork for broader adoption of mitigation practices as emissions pricing is introduced.

Recognised nationally and internationally for their scientific excellence, this team's work continues to shape policy, support climate action, and inspire future innovation. It stands as a defining legacy – one of the most impactful contributions in our organisation's history.

GRASSLANZ TECHNOLOGY: TURNING SCIENCE INTO PASTORAL SUCCESS

For three decades, AgResearch has been at the forefront of agricultural innovation – and Grasslanz Technology Limited (GTL) stands as a shining example of how that science becomes real-world impact. Born from AgResearch's Cultivar Development and Management Unit, GTL was incorporated in 2003 to commercialise cutting-edge plant and microbial technologies. Today, it manages a portfolio of 181 licensed technologies across 56 licensees, generating over $12 million in annual revenue and delivering consistent returns to AgResearch.

GTL's strength lies in its unique role as a bridge between science and industry. It doesn't conduct research or sell products directly – instead, it invests in applied R&D, protects intellectual property, and licenses innovations to commercial partners. This model has enabled the successful launch of transformative technologies like AR37 ryegrass endophyte, estimated to contribute $3.6 billion to New Zealand's economy.

Through strategic partnerships, such as Grasslands Innovation Limited with PGG Wrightson Seeds, GTL has expanded the reach of New Zealand-developed cultivars and endophytes globally. Its success has helped fuel a thriving pasture seed export industry and supported sustainable farming practices.

Looking ahead, GTL continues to invest in future-ready technologies – from bioprotectants to genetically enhanced forages – ensuring a robust pipeline of innovation. As AgResearch celebrates 30 years of impact, GTL exemplifies how science, when paired with smart commercialisation, can deliver enduring value to agriculture, the economy, and the environment.

GENE TECHNOLOGY

Hi-CT White Clover

Genetically modified white clover with elevated condensed tannins has shown potential to:

- **Reduce methane emissions and nitrogen leaching by over 15%; Lower incidence of bloat (a potentially fatal condition in sheep and cattle)**
- **Reduce internal parasite burdens in livestock.**

It is being developed in partnership with PGG Wrightson Seeds and Grasslanz Technology. Complemented by three years of successful field trials in the United States, supporting future commercialisation.

Represents a multi-pronged ROI: **environmental (emissions and leaching), animal welfare, and potential productivity gains.**

PLANT BREEDING

Genetic Discoveries

Plant Genetics team's use of genomic technology has significantly enhanced forage breeding efficiency, predicting breeding values earlier and thereby accelerating yield gains. To put this in context, AbacusBio, on behalf of the team, calculated that **an increase in ryegrass dry matter yield from 0.7% to 2% could yield a return of $0.5b to $1.3b for the dairy industry by 2040.**

TRANSFORMING GENOMICS ACROSS NEW ZEALAND

AgResearch's Genotyping-By-Sequencing (GBS) Team has reshaped the landscape of genomics in New Zealand. Their pioneering work has embedded GBS technology across more than 90 species and 490,000 samples – ranging from livestock and forage plants to endangered native birds – making them a standout success story in AgResearch's 30-year legacy of impact.

Led by Drs. Shannon Clarke, Ken Dodds, Marty Faville, and Jeanne Jacobs, and supported by a talented multidisciplinary team, the group has developed efficient pipelines from DNA extraction to advanced genomic analysis. Their innovations include the GD method – Genotyping-by-Sequencing with Depth adjustment – which enables accurate genetic relatedness estimates, parentage assignment, and genomic selection.

Their work has catalysed change across New Zealand's biological industries. From sheep and cattle to salmon and green-lipped mussels, breeding programmes are now leveraging GBS to accelerate genetic gain. Conservation efforts have also benefited, with the technology supporting population genetics studies of taonga species.

The team's influence extends beyond science. Through collaborations with universities, CRIs, and industry, they've driven rapid adoption of genomic tools, published 25 high-impact papers (22 in the last three years), and supported capability development through student training and outreach.

The GBS Team exemplifies AgResearch's mission: delivering science that matters. Their work is not only advancing genomics – it's securing the future of New Zealand's primary industries and biodiversity.

GENOMNZ: TWO DECADES OF GENETIC INNOVATION

GenomNZ, a business unit of AgResearch, was established in 2003 to deliver high-quality DNA testing services to support New Zealand's agriculture, conservation, and biodiversity sectors. Its work has helped farmers make better breeding decisions, protected endangered species, and supported regulatory compliance.

Originally focused on parentage testing for livestock, GenomNZ grew to become a trusted provider of genotyping services across species – from sheep and cattle to native birds and fish. Its rigorous scientific standards and close links to AgResearch research have ensured world-class accuracy and reliability.

By its 20th anniversary, GenomNZ had processed over four million samples. Its growth has been driven by a commitment to innovation, data integrity, and strong partnerships with industry and government. GenomNZ continues to play a critical role in supporting the productivity, resilience, and sustainability of Aotearoa New Zealand's biological systems.

BRINGING MĀORI KNOWLEDGE INTO THE HEART OF AGRESEARCH

AgResearch has been on a journey to better reflect and respect Te Ao Māori – the Māori worldview – across its science, partnerships, and everyday work. This journey has been shaped by strong relationships, dedicated leadership, and a growing recognition of the value of mātauranga Māori (Māori knowledge).

It began with early efforts in the 1980s to bring Māori voices into science leadership. By the early 2000s, AgResearch had created dedicated Māori roles, built a Māori science and engagement team, and launched the first Māori-led science programme funded through the Strategic Science Investment Fund (SSIF).

Over time, the focus shifted from consultation to true collaboration. AgResearch began working alongside iwi and Māori agribusinesses to co-design research that reflects Māori values, priorities, and aspirations. Today, Māori knowledge actively shapes research direction, and Māori leadership is embedded across the organisation.

The Te Ara Tika strategy – meaning "the right path" – now guides this work. It helps staff grow their cultural understanding, supports Māori leadership, and ensures Māori perspectives are visible in science, governance, and decision-making.

This commitment is helping AgResearch build stronger partnerships, deliver more meaningful outcomes, and support a future where Māori-led and co-developed science is a celebrated part of New Zealand's research landscape.

genomNZ from agresearch

ONLINE
https://www.agresearch.co.nz/products-and-services/genomnz/

ag

ONLINE
https://www.agresearch.co.nz/our-science/thriving-maori-agribusiness/

FOOD SAFETY

Food Integrity return on investment

Our Food Integrity team's work on food safety research is estimated to generate an **annual economic benefit of $41.7m, representing a 515% return** on SSIF invested into the research.

Assisted meat processors in retaining certfication to the value of

$100m

Protection of US bobby veal market valued at

$360m

Research into frozen meat defects (mould, freezer burn) saved a loss of

$100k

Alternative packaging solutions still used today to maintain market access for a commercial meat processor worth

$10m p.a.

Service testing for blown pack clostridia generates AgResearch

$800k p.a

CLIMATE RESEARCH: DELIVERING STRONG RETURNS FOR NEW ZEALAND

AgResearch's climate science delivered one of the strongest returns on investment across its research portfolio – $8.15 for every $1 spent. In partnership with the New Zealand Institute of Economic Research, AgResearch modelled the economic impact of three key innovations: low methane-emitting sheep, a methane vaccine for livestock, and biological nitrification inhibition (BNI) ryegrass.

Together, these technologies were projected to deliver $2.36 billion in total benefits to the New Zealand economy.

Low methane-emitting sheep accounted for the largest share – $1.09 billion. With adoption already underway by commercial breeders, this innovation demonstrated that emissions reduction could go hand-in-hand with improved productivity.

The methane vaccine, still in late-stage proof of concept, was expected to reduce ruminant methane emissions by 20%, with an expected value benefit of $1.21 billion. BNI ryegrass, in early development, showed promise in reducing nitrous oxide emissions by 30%, with an expected value benefit of $59 million.

These technologies reflected AgResearch's long-term investment in climate solutions that are practical, scalable, and grounded in science. They also reinforced the value of sustained research funding – delivering not just environmental outcomes, but measurable economic gains for New Zealand's primary sector.

TE KAWANATANGA Ā-RANGATŌPU

CORPORATE GOVERNANCE

OUR BOARD

The Board promotes the highest standards of corporate governance practice and ethical conduct by all Directors and employees of AgResearch Limited and its subsidiaries. The Board endorses the overall principles embodied in the New Zealand Institute of Directors' 'Code of Practice for Directors'. It has only independent Directors on the Board whose skills and experience bring balance and diversity to decision making.

KIM WALLACE CHAIR

Kim Wallace is an experienced independent director who currently serves on the boards of Te Manawataki o Te Papa (Chair); AgResearch (Chair); Port Nelson and Origin Capital Partners. Previous governance appointments include Quotable Value. Before pursuing a full-time career in governance in 2017, Kim enjoyed a 24-year career in the global dairy industry, which included working in senior executive roles based in New Zealand, the USA, Germany and Australia. Kim is a Chartered Member of the Institute of Directors and a member of Global Women.

DR LOUISE CULLEN DEPUTY CHAIR, CHAIR – PEOPLE AND CULTURE COMMITTEE

Louise Cullen combines her environmental science and dairy farming backgrounds to bring a pragmatic, evidence-based focus to the businesses and organisations she works with. Louise is currently a director for the Tatua Co-operative Dairy Company and a member of a number of agricultural industry groups.

JESSIE CHAN CHAIR – AUDIT AND RISK COMMITTEE

Jessie has an Honours Degree in Animal Science and has worked in a range of primary sector management positions over a twenty-year period including Central Government, Local Government, non-profit and commercial organisations. She is currently a director of Oritain Global Ltd, NZPork, and the Centre for Climate Action Joint Venture. Jessie has completed the Fonterra Governance Development Programme and the Te Hono Bootcamp at Stanford University. She was awarded a Member of the NZ Order of Merit in 2022 for services to dairy and agriculture. She also received the Women in Governance Award for Inspiring Governance Leader in 2021, and Dairy Woman of the Year in 2017.

MARY-ANNE MACLEOD DIRECTOR

Mary-Anne is a professional director and provides strategic advice, principally to local and central government agencies. She is currently on the boards of NIWA, the Environmental Protection Authority, DairyNZ, University of Waikato Council and Fire and Emergency New Zealand and has previously served on the boards of Bay Venues Limited and Quayside Holdings Ltd. She was the Chief Executive of the Bay of Plenty Regional Council for seven years. She has a Master of Science (Hons) in Earth Sciences and Geography.

HONE MCGREGOR DIRECTOR

Hone comes from a family that has long-standing beef and sheep farms across the North Island in Himatangi, Mangamaire, and Auhroa. Before joining AgResearch board he was the former Chair of Our Land & Water - Toitū te Whenua Toiora te Wai National Science Challenge and was on Cabinet's National Research Priorities Panel for Aotearoa. Hone has a background in conservation as the former CEO of the Royal Forest & Bird Protection Society and have chaired our whānau's wetlands restoration trust Manawatū Kukutauaki Trust for 25 years. He is currently the Chair of Wakatū Incorporation and director of Kono LLP and has a strong international background as consultant for the Asian Development Bank (ADB), a former CEO of an international consultancy, and former Chair of Aotearoa's Volunteer Service Abroad (VSA) Aotearoa's international volunteer NGO. Hone chairs MFAT's Māori trade advisory group 'Te Taumata', and is a member of the World Economic Forum (WEF)'s Indigenous People's Advisory Group.

ANDREW MORRISON DIRECTOR

Andrew is a Southern South Island sheep, beef, and forestry farmer with 15-years of governance opportunities across the Agri sector. Prior to joining the AgResearch board he served as former Chair of both Beef and Lamb NZ and the New Zealand Meat Board. Ex Director of Ballance Agri Nutrients and has sat on the boards of two science consortiums, Pastoral Greenhouse Gas Research Consortium, and Wool Research Organisation of New Zealand. Andrew currently Chairs Ovis Management Ltd, and is a Director on Wool Source Manufacturing.

EMILY WALKER BOARD OBSERVER

Emily brings a unique perspective to any conversation, blending an urban upbringing, rural life, and a professional career in civil/structural engineering and public investment management. She has supported a diverse range of clients and stakeholders, including local and central government, mana whenua and local communities, to make great decisions.

Emily is currently the Board intern for WAI Wanaka.

ROLE OF THE BOARD

The Board is responsible to shareholders for charting the direction of the company by setting objectives, strategy and key policies and monitoring management's running of the business to ensure it is aligned with the direction set.

The Board delegates the conduct of the day-to-day affairs of the company to the Chief Executive. The Board is responsible for the appointment, from time to time, of the Chief Executive and annually reviews their performance.

The workings of the Board and its code of conduct are governed by the Companies Act 1993, AgResearch's constitution, the Crown Research Institutes Act 1992, the Crown Entities Act 2004, the annual Statement of Corporate Intent and the Board's manual. This manual sets out all the functions and operating procedures of the Board. The policies approved by the Board clearly set out those matters on which only the Board can make decisions. These include dividend payments, solvency certificates, raising new capital, major borrowings, approval of the annual financial statements, appointment of Directors to subsidiaries and associates, major capital expenditure and acquisitions.

Each year, the company produces a Statement of Corporate Intent and an operating budget, which are reviewed and approved by the Board. Monthly management accounts are prepared and these are reviewed by the Board throughout the year to monitor management's performance against the budget and the Statement of Corporate Intent.

INDEPENDENT PROFESSIONAL ADVICE

With the prior approval of the Chair, each Director has the right to seek independent legal and other professional advice at the company's expense concerning any aspect of its operations or undertakings to help them fulfill their duties and responsibilities as a Director.

DIRECTOR EDUCATION

The Board had a budget of $17,500 to assist Directors with the financial costs of attending courses and conferences on governance matters. Directors who attend report back at Board meetings on matters learnt that would improve the governance of the company. The Chair authorises expenditure from this budget.

BOARD MEMBERSHIP

The constitution currently sets the size of the Board at a minimum of two Directors and a maximum of nine Directors.

Directors are generally appointed for a three-year term and may be reappointed for further terms.

BOARD AND STANDING COMMITTEE MEETINGS

The following table sets out the Board and committee meetings that Directors attended during the financial year. The Board has established two standing committees to guide and assist the Board with overseeing certain aspects of corporate governance–the Audit and Risk Committee and the People and Culture Committee.

The Board and each committee are empowered to seek any information they require from employees in pursuing their duties and to obtain independent legal or other professional advice.

GOVERNANCE MEETING ATTENDANCE NUMBERS

	Board	Audit and Risk Committee
Kim Wallace (Chair)	13	4
Dr Louise Cullen (Deputy Chair, Chair–People and Culture Committee)	13	-
Jessie Chan (Chair–Audit and Risk Committee)	13	4
Mary-Anne Macleod	11	-
Hone McGregor	11	-
Andrew Morrison	13	4

STATUTORY REPORTING - BOARD

FOR THE YEAR ENDED 30 JUNE 2025

TO OUR SHAREHOLDERS AND STAKEHOLDERS

The Directors are pleased to report that AgResearch Limited met its obligations in all material aspects under the Crown Research Institutes Act 1992 for the year ended 30 June 2025.

DIVIDENDS

No dividends were declared during the year to 30 June 2025.

DIRECTORS FEES

AgResearch Limited	2025	2024
Kim Wallace (Chair)	160,334	64,233
Dr Louise Cullen (Deputy Chair, Chair–People and Culture Committee)	67,899	52,065
Jessie Chan (Chair–Audit and Risk Committee)	59,681	47,065
Mary-Anne Macleod	54,681	47,065
Hone McGregor	52,403	-
Andrew Morrison	52,403	-
Dr Paul Reynolds	-	95,737
Jackie Lloyd	-	11,811
Rukumoana Schaafhausen	-	47,065
	$447,402	$365,040
Grasslanz Technology Limited		
Ian Boddy (Chair)	25,000	25,000
Elizabeth Gisela Harrison	15,000	15,000
	$40,000	$40,000
Total	$487,402	$405,040

DIRECTORS' INTERESTS

The Board received no notices during the year from Directors requesting the use of company information that would not otherwise have been available to them. There were no share dealings by Directors with the company.

Directors' interests disclosed during the year to 30 June 2025 are set out in the table below. The 'Director' and 'Trustee' columns also identify Chair and Deputy Chair roles where relevant. Interests do not include trusteeships, directorships or shareholdings in private trusts and small companies with whom no transactions have occurred during the year. These interests have been appropriately recorded within the interest register, which is updated regularly.

AGRESEARCH INTEREST LIST FINANCIAL YEAR '25

Board of Directors	Director of	Trustee of	Shareholder of
WALLACE, Kim (Chair)	Greener Pastures New Zealand Limited Greener Pastures Nominee Limited Kim Wallace Limited Origin Capital Partners Management Limited (Audit Chair) Port Nelson Limited (Finance and Risk Committee Chair) Seahorse Beach Investments Limited Te Manawataki o Te Papa Limited (Chair)		Kim Wallace Limited Seahorse Beach Investments Limited
CHAN, Jessie	Centre for Climate Action Joint Venture Limited Cranley Farms Limited (Chair) Gold Stream Farming Limited Jenodam Investments Limited New Zealand Pork Industry Board Pharmazen Limited		Jenodam Investments Limited Riverstone Farming Limited
CULLEN, Louise	Acorn Goats Limited Balachraggan Farms Limited Capra Farming Limited Cookson Trust Farms Limited M. Bovis Free New Zealand Limited National Animal Identification and Tracing (NAIT) Limited Ospri New Zealand Limited TBFree New Zealand Limited The Tatua Co-operative Dairy Company Limited	Acorn Trust Limited	Balachraggan Farms Limited Balance Agri-Nutrients Limited Capra Farming Limited Cookson Trust Farms Limited Dairy Goat Co-Operative (NZ) Limited Fonterra Co-Operative Limited Livestock Improvement Corporation Limited Ravensdown Limited

Board of Directors	Director of	Trustee of	Shareholder of
MACLEOD, Mary-Anne	DairyNZ Limited Environmental Protection Authority Fire and Emergency New Zealand MacMacleod Limited National Institute of Water and Atmospheric Research Limited New Zealand Research Vessels Limited New Zealand Transport Agency Waka Kotahi University of Waikato Council	Araneacattus Family Trust	MacMacleod Limited
MCGREGOR, Hone	Auora Limited Federation of Māori Authorities (FOMA) Executive Kono General Partner Limited Mahora Court Flats Limited Manawatu Kukutauaki No3 Sec 2E5 & 2B1 Trusts (Chair) Mangamaire Farms No.13A Ahuwhenua Trust Ngāti Hinemata Wetlands Restoration Trust (Chair) Proprietors of Wakatu Limited Pure New Zealand Greenshell Mussels General Partner Limited Steve Mayree Fishing Company Limited Tauhokohoko Trade Research Programme Te Ramari Piupiu Roiri Farm Trust (Chair) Te Taumata – Ministry of Foreign Affairs & Trade Te Waimatao Oriwia Maharata Tiaki Turoa Whānau Trust (Chair) Total Concepts Properties Limited Wahanga Limited Wakatū Incorporation Committee of Management (Board - Chair) Wakatū Resources Limited	Asia New Zeraland Foundation Trust Hoani te Rangi Kangaiho McGregor Whānau Trust Manawatu Kukutauaki No3 Sec 2E5 & 2B1 Trusts (Chair) Mangamaire Farms No.13A Ahuwhenua Trust Te Waimatao Oriwia Maharata Tiaki Turoa Whānau Trust Te Ramari Piupiu Roiri Farm Trust Wakatū Incorporation Committee of Management	Dusky Productions Limited Lynvale Farms Limited Mahora Court Flats Limited Total Concepts Properties Limited
MORRISON, Andrew	Environment Southland Investment Sub-committee (Chair) Glenroy Morrison Limited New Zealand Wool Industry Charitable Trust (Chair) Ovis Management Limited (Chair) Wool Source Limited Wool Source Manufacturing Limited WRONZ (Chair)	Andrew & Lisa Morrison Family Trust New Zealand Wool Industry Charitable Trust	Alliance Group Limited Ballance AgriNutrients Limited Farmlands Limited Glenroy Morrison Limited

OUR SENIOR LEADERSHIP TEAM

DR SUE BIDROSE CHIEF EXECUTIVE

Sue joined AgResearch as CEO in July 2020. She started her working life with the Ministry of Agriculture and Fisheries as a laboratory technician specialising in metabolic diseases of dairy cattle.

She then worked in the community sector and, after completing her Doctorate in Psychology, worked in central government in research, policy and operational leadership roles. Sue then moved across to local government, most recently as Chief Executive of Dunedin City Council, before returning to the agricultural science sector here at AgResearch.

STUART HALL DEPUTY CHIEF EXECUTIVE, COMMERCIAL PARTNERSHIPS

Stuart's key areas of experience include sales and marketing, leadership and strategy development. He has extensive experience in a number of executive sales and commercial roles.

FLEUR EVANS PEOPLE AND CULTURE DIRECTOR

Fleur is an experienced organisational development professional with a proven track record in leading organisational culture change programmes, developing strategies to build critical skills and leadership capability, and strategic workforce planning.

CAROL BELLETTE FINANCE DIRECTOR

Carol is an executive leader with expertise in financial leadership, commercial acumen and relationship management.

Prior to joining AgResearch as Finance Director (CFO) in August 2024 her executive roles included PGG Wrightson Seeds, Christchurch City Council, Te Rūnanga o Ngāi Tahu and Manaaki Whenua Landcare Research.

GREG ROSSITER INFORMATION TECHNOLOGY AND PROPERTY DIRECTOR

Greg is an experienced IT professional with an extensive background leading cross-functional teams to deliver major change projects.

DR SARA EDWARDS RESEARCH OPERATIONS DIRECTOR

Sara focuses on project delivery and how our portfolio of projects is strategically aligned to delivering AgResearch's Science Plan. Sara's background is in genetics and she has held leadership roles within AgResearch as Science Team Leader for Reproduction and as acting Science Group Leader for Animal Science.

ARIANA ESTORAS MĀORI RESEARCH, STRATEGY AND PARTNERSHIPS DIRECTOR

Ariana hails from Ngāti Uekaha and Ngāti Maniapoto. She has a master's degree in biochemistry. Her vision is to have the knowledge system of mātauranga Māori on an equal footing with western science and "build Māori capacity and beneficial Māori-centred research".

MARIE BRADLEY STRATEGY AND COMMUNICATIONS DIRECTOR

Marie has a background in molecular biology and is an experienced government policy and strategy sector manager. Marie once worked for Plant and Food Research, MBIE, and held various operational and strategy roles at the Foundation for Research, Science and Technology.

DR DAVE HOULBROOKE RESEARCH CAPABILITY DIRECTOR

Dave oversees and leads AgResearch's science capability in our four Science Groups – both personnel and science-based infrastructure and equipment. Dave's background is in Environmental Sciences including farm management practices for mitigating contaminant losses and treatment of dairy effluent and soil physical management.

DR AXEL HEISER CHIEF SCIENTIST

Axel's time is split between research as Principal Scientist and serving as Chief Scientist. As Chief Scientist, Axel is a member of the Senior Leadership Team and represents and advocates for AgResearch scientists and science internally and externally. Axel's own research is about providing solutions for animal health issues through understanding the immunology of animals, e.g., by developing novel diagnostics and vaccines. Axel is also involved in research about how food strengthens people's immune system.

STATUTORY REPORTING - COMPANY

FOR THE YEAR ENDED 30 JUNE 2025

REMUNERATION GREATER THAN $100,000

During the year to 30 June 2025, 330 staff received remuneration of or exceeding $100,000 per annum, as shown in the table below. Remuneration includes performance awards, superannuation benefits, vehicle benefits and severance and exit payments.

Remuneration band	Number of employees	Remuneration band	Number of employees
$100,000 to $110,000	73	$210,000 to $220,000	3
$110,000 to $120,000	41	$220,000 to $230,000	1
$120,000 to $130,000	49	$230,000 to $240,000	4
$130,000 to $140,000	22	$240,000 to $250,000	1
$140,000 to $150,000	67	$250,000 to $260,000	1
$150,000 to $160,000	15	$260,000 to $270,000	4
$160,000 to $170,000	14	$290,000 to $300,000	1
$170,000 to $180,000	13	$300,000 to $310,000	1
$180,000 to $190,000	7	$330,000 to $340,000	2
$190,000 to $200,000	2	$340,000 to $350,000	1
$200,000 to $210,000	6	$440,000 to $450,000	1
		$560,000 to $570,000	1
		Total	330

TERMINATION PAYMENTS

During the year, the Group made the following payments to former employees in respect of termination of their employment with the Group. This amount does not include the movement in provisions, and are actual payments.

	2025	2024
Total amount paid	$2,476,320	$705,752
Number of employees	41	12

EXECUTIVE REMUNERATION REPORTING

AgResearch's remuneration policy is to reward employees at all levels of the organisation fairly and consistently under the following principles:

Market relativity
Market practice Market position Labour market conditions
Internal relativity
Recognising different levels of complexity and accountability between roles
Ability to pay
Balancing company responsibilities with commitment to competitive market positioning
Performance
Reward for delivery and high performance

DONATIONS

Donations paid during the year ended 30 June 2025 were nil (2024: nil).

DIRECTORS AND EMPLOYEES INDEMNITY AND INSURANCE

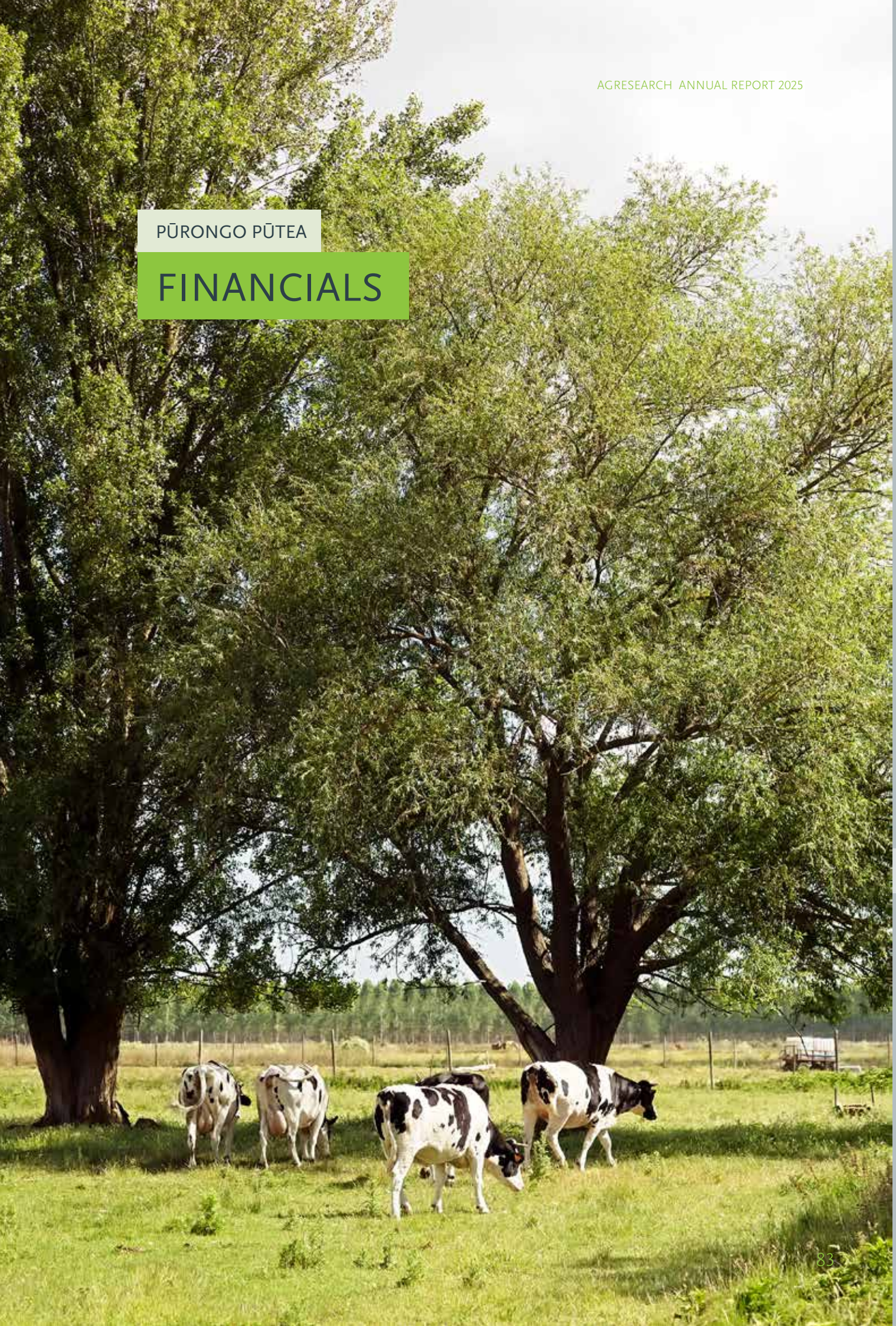
During the year, the company indemnified Directors and certain employees to the fullest extent permissible by law. The company also has Directors and officers insurance.

AUDITOR

Anthony Smith of Deloitte Limited is the appointed auditor of the company under contract from the Office of the Auditor-General and under section 21 of the Crown Research Institutes Act 1992.

PŪRONGO PŪTEA

FINANCIALS



FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2025

Cash flow	Actual 2025	Budget 2025	Actual 2024
Net cash flow from operating activities $k	**7,415**	9,960	(1,835)
Net cash flow from investing activities $k	**(2,136)**	(10,533)	(44,947)
Net cash flow from financing activities $k	**(2,162)**	(2,163)	(3,089)
Total net cash flow $k	**3,117**	(2,736)	(49,871)
Effect of exchange rate changes $k	**217**	-	31
Cash at the beginning of the year $k	**23,036**	16,858	72,907
Cash at the end of the year $k	**26,153**	14,122	23,036
Operating margin %	**10.7%**	10.2%	(1.2%)
Operating margin per FTE $k	**29.3**	31.0	(3.6)
Revenue growth %	**(13.2%)**	(6.7%)	0.5%
Quick ratio	**2.9**	2.2	2.2
Interest coverage	**20.0**	26.6	(3.0)
Operating margin volatility %	**98.3%**	71.2%	100.1%
Forecasting risk %	**0.4%**	0.0%	1.0%
Adjusted return on equity %	**(2.0%)**	(1.5%)	(11.9%)
Capital renewal	**0.3**	0.6	2.56
Equity ratio %	**73.2%**	80.2%	73.4%

INDICATOR DEFINITIONS:

Adjusted return on equity: Surplus after tax (excluding fair value movements net of associated tax impact) ÷ average shareholder's funds excluding asset revaluation reserve, expressed as a percentage.

All other indicators are based on the Treasury prescribed calculations, which may differ from normal accounting calculations for that indicator.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

in thousands of New Zealand dollars	Note	Actual 2025	Budget 2025	Actual 2024
Revenue				
Ministry of Business, Innovation and Employment				
Strategic science funding		**44,963**	44,963	44,963
Our Land and Water National Challenge		**139**	-	4,816
Other		**7,626**	9,104	7,677
Commercial		**77,043**	79,692	97,962
Farm produce		**5,542**	4,496	4,230
Other revenue	1	**18,323**	16,733	18,559
Total operating revenue		**153,636**	154,988	178,207
Operating expenditure	2	**(159,063)**	(158,719)	(183,643)
Operating surplus/(deficit)		**(5,427)**	(3,731)	(5,436)
Other gains/(losses)	3	**1,761**	-	(5,526)
Finance costs	4	**(979)**	(672)	(729)
Share of deficit of associates	5	**(302)**	-	(393)
Surplus/(deficit) before tax		**(4,947)**	(4,403)	(12,084)
Tax expense/(benefit)	6	**(1,650)**	(1,233)	13,197
Net surplus/(deficit) after tax for the year		**(3,297)**	(3,170)	(25,281)
Other comprehensive income				
Items that will not be reclassified subsequently to surplus or deficit:				
Revaluation of properties	8	**8,607**	-	4,907
Income tax relating to components of other comprehensive income	6	**(2,313)**	-	(1,529)
Other comprehensive income for the year net of tax		**6,294**	-	3,378
Total comprehensive income for the year net of tax		**2,997**	(3,170)	(21,903)
Net surplus/(deficit) is attributable to:				
Equity holders of the parent		**(3,297)**	(3,170)	(25,281)
Total comprehensive income is attributable to:				
Equity holders of the parent		**2,997**	(3,170)	(21,903)

The statement of accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2025

in thousands of New Zealand dollars	Note	Actual 2025	Budget 2025	Actual 2024
Current assets				
Cash and cash equivalents		**18,153**	6,122	12,036
Short term investments		**8,000**	8,000	11,000
Trade and other receivables	10	**40,961**	30,981	30,934
Prepayments		**3,711**	4,314	3,130
Biological assets - livestock	12	**4,300**	2,895	3,425
Inventory		**2,006**	1,614	1,800
Property held for sale	8.1	**7,809**	-	526
Current tax	6	**3**	1,023	154
Total current assets		**84,943**	54,949	63,005
Non-current assets				
Investments in associates and joint ventures	5	**4,343**	6,763	4,451
Other investments	15	**2,836**	2,793	2,793
Property, plant and equipment	8	**325,914**	327,240	339,335
Biological assets - forestry	14	**1,388**	1,410	1,410
Intangible assets	9	**2,353**	2,841	2,681
Right-of-use assets	13	**22,104**	20,935	23,735
Total non-current assets		**358,938**	361,982	374,405
Total assets		**443,881**	416,931	437,410
Less:				
Current liabilities				
Trade and other payables	11	**49,681**	35,739	44,493
Employee entitlements	17	**6,348**	7,259	6,804
Lease liabilities	16	**1,989**	2,548	2,047
Total current liabilities		**58,018**	45,546	53,344

CONTINUED OVERLEAF >

 The statement of accounting policies and the accompanying notes form an integral part of these financial statements.

< CONTINUED

in thousands of New Zealand dollars	Note	Actual 2025	Budget 2025	Actual 2024
Non-current liabilities				
Deferred tax	6	**32,926**	17,733	32,320
Lease liabilities	16	**21,605**	20,569	22,904
Income in advance	11	**7,029**	-	7,477
Other non-current liabilities	18	**209**	-	268
Total non-current liabilities		**61,769**	38,302	62,969
Total liabilities		**119,787**	83,848	116,313
Net assets		**324,094**	333,083	321,097
Equity				
Share capital	7	**92,268**	92,268	92,268
Revaluation reserves	7	**128,589**	118,917	122,295
Retained earnings		**103,237**	121,898	106,534
Total equity		**324,094**	333,083	321,097

Barry Harris
Chair
New Zealand Institute for
Bioeconomy Science Limited
11 September 2025

Kim Wallace
Deputy Chair
New Zealand Institute for
Bioeconomy Science Limited
11 September 2025

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

in thousands of New Zealand dollars	Note	Actual 2025	Budget 2025	Actual 2024
Cash received from operating activities				
Receipts from customers		**161,617**	200,013	161,999
Interest received		**1,435**	641	3,320
Dividends received		**296**	-	275
Income tax received		**503**	240	155
Total cash received from operating activities		**163,851**	200,894	165,749
Cash disbursed on operating activities				
Payments to employees		**73,338**	75,013	74,690
Payments to suppliers		**82,282**	115,249	92,166
Interest paid		**816**	672	728
Total cash disbursed on operating activities		**156,436**	190,934	167,584
Net cash flow from operating activities	20	**7,415**	9,960	(1,835)
Cash received from investing activities				
Disposal of property, plant and equipment		**4,822**	4,520	890
Distribution from investments		**-**	-	236
Total cash received from investing activities		**4,822**	4,520	1,126
Cash disbursed on investing activities				
Investment in property, plant and equipment		**6,790**	14,803	46,008
Purchase of other investments and intangible assets		**168**	250	65
Total cash disbursed on investing activities		**6,958**	15,053	46,073
Net cash flow from investing activities		**(2,136)**	(10,533)	(44,947)
Cash received from financing activities				
Total cash received from financing activities		**-**	-	-
Cash disbursed on financing activities				
Repayment of the lease liabilities		**2,162**	2,163	3,089
Total cash disbursed on financing activities		**2,162**	2,163	3,089
Net cash flow from financing activities		**(2,162)**	(2,163)	(3,089)
Total net cash flow		**3,117**	(2,736)	(49,871)
Cash at beginning of year		**23,036**	16,858	72,907
Cash at end of year *		**26,153**	14,122	23,036

* Cash includes $16,076k (2024: $16,956k), which belongs to NZ Agricultural Greenhouse Gas Trust, $0k (2024: $1,158k) which belongs to the Our Land and Water National Science Challenge and $862k (2024: $903k) funds retained in relation to major capital expenditure projects.

The statement of accounting policies and the accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

in thousands of New Zealand dollars	Note	Share capital	Revaluation reserves, property, plant and equipment	Retained earnings	Total equity
Balance at 1 July 2023		92,268	118,917	131,815	343,000
Profit/(loss) after tax for the year		-	-	(25,281)	(25,281)
Revaluation of properties	7, 8	-	4,907	-	4,907
Income tax relating to components of other comprehensive income	6	-	(1,529)	-	(1,529)
Total comprehensive income		-	3,378	(25,281)	(21,903)
Balance at 30 June 2024		92,268	122,295	106,534	321,097
Balance at 1 July 2024		**92,268**	**122,295**	**106,534**	**321,097**
Profit/(loss) after tax for the year		-	-	(3,297)	(3,297)
Revaluation of properties	7, 8	-	8,607	-	8,607
Income tax relating to components of other comprehensive income	6	-	(2,313)	-	(2,313)
Total comprehensive income		-	6,294	(3,297)	2,997
Balance at 30 June 2025		92,268	128,589	103,237	324,094

The statement of accounting policies and the accompanying notes form an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

REPORTING ENTITY

AgResearch Limited is a Crown Research Institute, its principal activity is research and development in the pastoral sector of New Zealand. The consolidated financial statements of AgResearch Limited and its subsidiaries, associates and joint arrangement interests (together referred to as "the Group") have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 2013, the Crown Research Institutes Act 1992, the Crown Entities Act 2004 and the Public Finance Act 1989.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Principles (GAAP). They comply with the New Zealand Equivalents to IFRS Accounting Standards (NZ IFRS) and other applicable financial reporting standards as appropriate for tier 1 profit-orientated entities. The financial statements also complies with IFRS Accounting Standards (IFRS).

The groups financial statements are prepared on a disestablishment basis due to the New Zealand Institute for Bioeconomy Science Limited short-form amalgamation which occurred on 1 July 2025 as disclosed in Note 27. This change does not affect the value of assets and liabilities as at 30 June 2025.

The financial statements are presented in New Zealand dollars rounded to the nearest thousand. The financial statements were authorised for issue by the directors on 11 September 2025.

Estimates and judgements which are considered material to understand the performance of AgResearch are found in the following notes:

Revenue: Note 1
Property, plant and equipment: Note 8
Livestock: Note 12
Forestry: Note 14

BASIS OF CONSOLIDATION

The financial statements of members of the Group are prepared for the same reporting period as AgResearch Limited, using consistent accounting policies.

In preparing the Group's financial statements, intra-group balances, and any unrealised income and expenses arising from intra-group transactions are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of AgResearch's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

GOODS AND SERVICES TAX (GST)

The consolidated financial statements are prepared on a GST exclusive basis with the exception of receivables and payables which include GST.

INVENTORIES

Inventories are valued at the lower of cost, determined on a first-in first-out basis and net realisable value. The cost of harvested agricultural produce is measured at fair value less estimated point-of-sale costs at the point of harvest.

STATEMENT OF CASH FLOWS

- CASH AND CASH EQUIVALENTS

  Cash and cash equivalents include cash on hand, cash in banks, demand deposits and other highly liquid investments readily convertible into cash.

- OPERATING ACTIVITIES

  Operating activities include all transactions and other events that are not investing or financing activities.

- INVESTING ACTIVITIES

  Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

- FINANCING ACTIVITIES

  Financing activities are those activities relating to changes in the equity and debt structure of the Group.

THE GROUP AS LESSOR

The Group enters into lease arrangements as a lessor. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

BUDGET FIGURES

The unaudited budget figures are those approved by the Board and presented in the Statement of Corporate Intent, noting that the Board approval is of the Statement of Comprehensive Income, Statement of Financial Position and Capital Expenditure budget. The budget has been prepared using the same accounting policies as for these Consolidated Financial Statements.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Accounting policies are changed only if the change is required by a standard or interpretation or otherwise provides more reliable and more relevant information. As stated above in Basis of Preparation, the financial statements are prepared on disestablishment basis. There were no other changes to accounting policies in the 2025 year.

STANDARDS AND INTERPRETATIONS EFFECTIVE IN THE CURRENT PERIOD

In the current year the Group has adopted all mandatory new and amended standards and interpretations applicable to the Group. There are no standards or interpretations issued, but not yet effective, that are expected to have a material impact on the Group.

COMPARATIVES

Where necessary, comparative figures have been adjusted to confirm to current disclosures and reclassification of balances. This has not resulted in any adjustment to net assets or retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025

1 REVENUE

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- Identifying performance obligations in a contract

  The Group provides research services that are either for an entire project or part of a project that is managed by the Group for customers. The research services are a promise to report findings and related intellectual property in the future and are part of the negotiated work performed between the Group and the customer.

  The Group determined that the milestones within each contract are generally not capable of being distinct. The fact that the Group would not be able to sell the individual milestones on a stand-alone basis indicates that a customer could not benefit from an individual milestone. In addition, the individual milestones are highly correlated, because the Group would not be able to transfer the work performed to date if the customer terminated the contract prior to completion.

  The Group determined that the input method is the best method in measuring progress of the research services because there is a direct relationship between the effort (i.e., cost of hours incurred) and the transfer of service to the customer. The Group recognises revenue on the basis of the cost incurred relative to the total expected cost to complete the contract.

- Principal versus agent consideration

  The Group occasionally enters into contracts with its customers that require a third party to perform the work, on the customer's behalf, with the third party receiving full consideration and autonomy. Under these contracts, the Group provides hosting services (i.e., coordinating the selection of third parties and managing the delivery of the contract). The Group determined that it does not control the service, and it does not obtain benefits from the services performed, therefore it is an agent in these contracts.

  In the 2025 financial year New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) went into new funding arrangements with Ministry of Primary Industries (MPI), and revenue as per these arrangements met the conditions of agency revenue and therefore presented on the net basis offsetting Science third party sub-contracts expenses (Note 2). The amount of the NZAGRC agency revenue in 2025 financial year was $14,312k.

- Government grants

  Revenue received from New Zealand's Strategic Science Investment Fund (SSIF) is considered to be a government grant for research purposes and is accounted for under NZ IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance*. The Fund is recognised as revenue in the year it is received. The primary condition is that the Group should undertake research activities as defined under the contractual agreement that awards the funding.

- Our Land and Water National Science Challenge

  Revenue received in respect of "Our Land and Water" National Science Challenge funding is accounted for as research revenue and brought to account as services are provided, based upon the proportion of completion of the contract at the end of the reporting period. The stage of completion is the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. The National Science Challenges, including Our Land and Water, concluded their funding at the end of June 2024, marking the end of their operations within the 2025 financial year.

- Commercial revenue

  The Group derives revenue from the provision of research services to a range of agriculture-based customers in New Zealand. The Group determined that the milestones within each research contract are generally not capable of being distinct. These contracts are typically determined to have one single performance obligation that is integrated and fulfilled over time.

  The transaction price is normally fixed at the start of the project. The nature of commercial contracts can sometimes lead to variations in the job scope, which is known as contract modification.

  Under the terms of the written contracts, the Group is contractually restricted from redirecting research outcomes to another customer and has an enforceable right to payment for work done. Therefore NZ IFRS 15.35(c) is satisfied and the Group recognises revenue in relation to contracting services over time.

  Contract assets are initially recognised at fair value. They are reviewed annually for impairment and subsequently adjusted if required. There were no contracts requiring impairment in 2025 (2024: $Nil).

  The Group becomes entitled to invoice customers for research services based on achieving a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-complete method then the Group recognises a liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue under the cost-to-cost method and the milestone payment is always less than one year.

- Farm produce

  Revenue from the sale of goods is recognised when the Group has transferred the control of the goods to the buyers.

- Other revenue

  Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement and usage volumes provided by licensees. Dividend revenue from investments is recognised in the financial period in which the right to receive payment is established. Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

- Operating lease income

  The Group leases out its commercial properties to tenants under operating leases with rent payable monthly. The Group has classified these leases as operating leases because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

  Lease income from operating leases where the Group is a lessor is recognised in income, on a straight line basis over the lease term. Contracts that include variable lease payments are based on CPI increases. There are no other variable lease payments that depend on an index or rate.

in thousands of New Zealand dollars	2025	2024
Other revenue		
Interest	1,324	2,682
Dividends	296	275
Royalties	12,055	11,084
Operating lease income	4,648	4,518
	18,323	18,559

2 OPERATING EXPENDITURE

in thousands of New Zealand dollars	Note	2025	2024
Employee related			
Salary and wages *		**71,102**	73,257
Superannuation contribution		**1,967**	2,039
Operational			
Amortisation and impairment of intangible assets	9	**427**	410
Depreciation	8	**17,243**	14,381
Depreciation of right-of-use assets	13	**2,435**	2,982
Short-term and low-value lease expenses		**178**	46
Other operating expenses		**23,478**	26,204
Science third party sub-contracts **		**16,132**	39,852
Site and property expenses		**8,099**	8,132
Supplies		**13,709**	12,603
Financial and administration			
Fees for audit firms' services - audit of financial statement ***		**454**	400
Bad debts		**44**	-
Change in provision for expected credit loss		**190**	9
Directors' fees		**487**	405
Financial and legal expenses		**3,118**	2,923
		159,063	183,643

* Salary and wages includes $2,678k (2024: $1,366k) of costs relating to redundancy.

** In the 2025 financial year New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) went into new funding arrangements with Ministry of Primary Industries (MPI), and revenue as per these arrangements met the conditions of agency revenue and therefore revenue was presented on the net basis offsetting Science third party sub-contracts expenses. The amount of the NZAGRC agency expenses in 2025 financial year was $14,312k.

*** The total audit fee for the year ended 30 June 2025 is $454k (2024:$400k); this comprises of AgReearch audit fee of $368k (2024: $357k), Office of the Auditor-General Audit Standards and Quality Support Charge contribution of $39k (2024: $38k), audit and remuneration related to other subsidiaries of $7k (2024: $5k) and audit fees related to previous financial year of $28k (2024: $Nil). There were no services other than audit provided by audit firm Deloitte New Zealand Limited.

3 OTHER GAINS/(LOSSES)

in thousands of New Zealand dollars	Note	2025	2024
Net gain/(loss) from foreign currency exchange		**(217)**	(31)
Net gain/(loss) on sale of property, plant and equipment		**670**	(62)
Net gain/(loss) on termination of capital work in progress contract *		**-**	(1,449)
Net gain (loss) on sale of non-currrent assets held for sale		**146**	-
Other write-downs		**(84)**	-
Change in fair value of forestry	14	**(22)**	12
Change in fair value of livestock	12	**795**	(137)
(Impairment)/write-ups of property, plant and equipment	8	**307**	(1,762)
(Impairment)/write-ups of investments	15	**142**	(1,458)
(Impairment)/write-ups of associates	5	**24**	(639)
		1,761	(5,526)

* In June 2024, AgResearch Limited agreed to terminate the project for the development of a greenhouse gas measurement facility in Palmerston North. This was a joint decision by all parties including the project's co-funders, Ministry for Primary Industries and Centre For Climate Action Joint Venture Limited. These costs were held as capital work in progress, and have been disposed as at 30 June 2024 with a loss of $1,449k.

4 FINANCE COST

in thousands of New Zealand dollars	2025	2024
Interest expense on lease liabilities	**816**	726
Other interest expense	**163**	3
	979	729

5 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Joint ventures are those arrangements in which the Group has contractually agreed joint control and has rights to the net assets of the venture rather than having rights to assets and obligations for its liabilities. Associates and joint ventures are accounted for using the equity method (equity accounted investees).

Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. The goodwill is assessed annually for impairment as part of the investment.

Associate company	Balance Date	Type of Investment	% of ownership interest and voting power held by the group 2025	2024	Principal activity
Biopolymer Network Limited	30 June	Associate	43	43	Research and development of high performance bio-based products
Encoate Holdings Limited	30 June	Associate	50	50	Research and development of bacteria and probiotics stabilisation technologies
Overseer Limited	30 June	Associate	50	50	Operating entity set up to sub-license the Overseer model to end users
MI8 Optics Limited	30 June	Associate	50	50	Rapid analysis of endophyte containing seeds
Southern Dairy Hub Limited Partnership	31 May	Associate	37.5	37.5	Promotion and development of dairy industry good activities
SDH GP Limited	31 May	Associate	37.5	37.5	General partner
Pastoral Greenhouse Gas Research Consortium held via AgResearch [PPGR Consortia] Limited	30 June	Joint Venture	22	22	Research into greenhouse gases produced by ruminants and exploit any resulting intellectual property

All associates are incorporated in New Zealand. There are no restrictions on the ability of any associate to pay dividends, repay loans or otherwise transfer funds to the investor company.

All associates are private entities and there is no quoted market price available for the investments.

SUMMARISED FINANCIAL INFORMATION FOR ASSOCIATES AND JOINT VENTURES

in thousands of New Zealand dollars	2025	2024
Share of loss from continuing operations and total comprehensive income	**(302)**	(393)
Share of total comprehensive loss	**(302)**	(393)

Aggregate carrying amount of the Group and company's interest in Southern Dairy Hub Limited Partnership	**3,690**	3,673
Aggregate carrying amount of the Group and company's interest in other associate investments	**452**	754
Aggregate carrying amount of the Group and company's interest in the joint ventures	**201**	24
	4,343	4,451

VALUATION OF ASSOCIATES

During the prior year an independent valuation was undertaken on Southern Dairy Hub Limited Partnership. As a result, AgResearch have accounted for an impairment to the value of the associate.

in thousands of New Zealand dollars	2025	2024
Southern Dairy Hub Limited Partnership gain/(loss) of associate	-	(639)
	-	(639)

6 TAXATION

CURRENT TAX

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

DEFERRED TAX

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available, against which deductible temporary differences or unused tax offsets (e.g., losses) can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination), which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the assets and liabilities giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to the income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net tax basis.

CURRENT AND DEFERRED TAX FOR THE PERIOD

Current and deferred tax is recognised as an expense or income in the profit and loss, except when:

- It relates to items recognised in equity, in which case the deferred tax or current tax is also recognised directly in equity; or
- It arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax expense comprises:

in thousands of New Zealand dollars	2025	2024
Current tax expense	60	173
Adjustments recognised in relation to the current tax of prior years	(3)	(22)
Deferred tax expense/(benefit) relating to the origination and reversal of temporary differences	(1,701)	12,830
Adjustments recognised in relation to deferred tax of prior years	(6)	216
Total tax expense/(benefit)	**(1,650)**	13,197

The total charge for the year can be reconciled to the accounting profit as follows:

in thousands of New Zealand dollars	2025	2024
Gain/(loss) from continuing operations	(4,947)	(12,084)
Income tax expense/(benefit) calculated at 28%	(1,385)	(3,384)
Origination and reversal of temporary differences	65	(480)
Effect of income that is non-assessable and expenses that are non-deductible	(258)	1,433
Effect of change of law in regards to tax depreciation of buildings	-	15,434
Effect of foreign taxes paid/(received)	(63)	-
	(1,641)	13,003
Adjustments recognised in the current year in relation to the current and deferred tax of prior years	(9)	194
Income tax expense/(benefit) recognised in profit or loss	**(1,650)**	13,197

Current tax assets and liabilities:

in thousands of New Zealand dollars	2025	2024
Current tax assets		
Tax receivable	3	154
	3	154

Deferred tax assets/(liabilities) arise from the following:

in thousands of New Zealand dollars	Opening balance	Charged to surplus	Charged to other comprehensive income	Closing balance
2025				
Temporary differences				
Biological assets	**(685)**	**(115)**	**-**	**(800)**
Property, plant and equipment	**(35,290)**	**1,790**	**(2,313)**	**(35,813)**
Intangible assets	**507**	**(59)**	**-**	**448**
Provisions	**1,253**	**(208)**	**-**	**1,045**
	(34,215)	**1,408**	**(2,313)**	**(35,120)**
Unused tax losses and credits				
Tax losses	**1,895**	**299**	**-**	**2,194**
	(32,320)	**1,707**	**(2,313)**	**(32,926)**
2024				
Temporary differences				
Biological assets	(719)	34	-	(685)
Property, plant and equipment	(19,517)	(14,244)	(1,529)	(35,290)
Intangible assets	764	(257)	-	507
Provisions	923	330	-	1,253
	(18,549)	(14,137)	(1,529)	(34,215)
Unused tax losses and credits				
Tax losses	804	1,091	-	1,895
	(17,745)	(13,046)	(1,529)	(32,320)

Deferred tax as at 30 June 2025 of $32,926k includes $2,194k of tax losses which management has assessed as fully recoverable based on expected future taxable income of New Zealand Institute for Bioeconomy Science Limited. MBIE have advised that both Ministers and Inland Revenue have agreed to change legislation prior to 30 June 2026 which will enable the New Zealand Institute for Bioeconomy Science Limited to utilise these tax losses.

Income tax recognised directly in other comprehensive income:

in thousands of New Zealand dollars	2025	2024
Revaluation of properties	**(2,313)**	(1,529)
Total income tax recognised directly in other comprehensive income	**(2,313)**	(1,529)

7 EQUITY

SHARE CAPITAL

Capital consists of 92,268,000 fully paid ordinary shares of $1.00 each (2024: 92,268,000 fully paid ordinary shares).

RESERVES

The asset revaluation reserve arises on the revaluation of land, land improvements and buildings. Where revalued assets are sold, the portion of the asset revaluation reserve relating to that asset and which is therefore effectively realised, is transferred directly to retained earnings.

In 2025 land, land improvements and buildings were revalued for $8,607k (2024: $4,907k) as disclosed in Note 8 and income tax related to revaluation was $2,313k (2024: $1,529k) as disclosed in Note 6.

8 PROPERTY, PLANT AND EQUIPMENT

The Group has the following classes of property, plant and equipment:

- Land and land improvements - campus/farms
- Buildings - campus/farms
- Leasehold improvements
- Plant and equipment
- Vehicles
- Capital work in progress.

FAIR VALUE MEASUREMENT

Land, land improvements and buildings are measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts (using either market value or optimised depreciated replacement cost), less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Land, land improvements and buildings are revalued at least every three years. In the intervening years between formal revaluations, the Group performs a desktop valuation (by Independent external valuation expert) to determine whether the carrying amounts of property, plant, and equipment differ materially from their fair value. This assessment is performed by the external valuer with reference to market data and relevant indices. The fair values are recognised in the consolidated financial statements of the Group and are reviewed at the end of each reporting period to ensure that the carrying value of land, land improvements and buildings is not materially different from their fair values.

Any revaluation increase arising on the revaluation of land, land improvements and buildings is accumulated in the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense in profit and loss, in which case the increase is credited to profit and loss to the extent of the decrease previously charged. A decrease in carrying amount on the revaluation of land, land improvements and buildings is charged as an expense in profit and loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

All other assets are recorded at cost less accumulated depreciation and accumulated impairment. Capital work in progress is recorded at cost.

Assets measured at fair value are classified as level 3 assets in the fair value hierarchy.

Depreciation is provided for on a straight-line basis on all tangible property, plant and equipment, other than freehold land and capital work in progress, at depreciation rates calculated to allocate the assets' cost or other revalued amount over their estimated useful lives. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

Depreciation on revalued buildings is charged to the profit and loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the asset revaluation reserve, net of any related deferred taxes, is transferred directly to retained earnings.

The following estimated useful lives are used in the calculation of depreciation:

- Land improvements 5-50 years
- Buildings (including farms) 5-80 years
- Leasehold Improvements 3-40 years
- Vehicles 3-13 years
- Plant and equipment
    - Dairy plant and equipment 5-25 years
    - Computer hardware 3-5 years
    - Other plant and equipment 2-15 years.

FAIR VALUE MEASUREMENT OF THE GROUP'S LAND, LAND IMPROVEMENTS AND BUILDINGS

The Group's land and buildings are stated at their "Fair Value" as defined in NZ IFRS 13, being the price that would be received on sale of the asset, less any subsequent depreciation and impairments.

The valuation was performed by independent valuers, Colliers Limited, under the requirements of NZ IAS 16 *Property, Plant and Equipment*. These valuations were performed using either market value or optimised depreciated replacement cost. For non-specialised assets where there is a comparable market for the same or a similar asset, value is determined by one or more of the following:

- Direct comparison
- Income
- Cost approach.

Assets that have a specialised use for the Group have been valued at optimised depreciated replacement cost. These assets include site improvements such as roads, fences and buildings. Optimised depreciated replacement cost is a method of valuation based on an estimate of the current gross replacement cost of an asset less allowances for physical deterioration and optimisation for obsolescence and surplus capacity. The Group's campus and farm assets have been classified by Colliers International as non-specialised assets and have, therefore, been assigned a market-based value.

The Group acquired 1.49 hectares of land from Lincoln University on the corner of Springs Road and Ellesmere Junction Road for $1.00 in 2020. Due to restrictions in place over this land, management has determined this to be its fair value.

8.1 ASSET HELD FOR SALE

The subdivision for the old Lincoln Research Centre land was approved by Selwyn District Council and the asset classified as held for sale as at 30 June 2025.

The assets are available for immediate sale in their present condition, sales are highly probable and expected to quality for recognition as completed sales within one year from 30 June 2025.

Carrying value of the properties is $7,809k, the assets are classified as held for sale separately from other assets in the statement of financial position.

in thousands of New Zealand dollars	Land and Land Improve-ments[1]	Buildings[1]	Leasehold Improve-ments[2]	Plant & Equip-ment[2]	Vehicles[2]	Capital Work-in Progress[2]	Total
2025							
Balance at beginning of year	83,864	215,843	175	30,745	318	8,390	339,335
Additions	95	1,262	-	2,871	194	1,747	6,169
Disposals	(1,058)	(2,409)	-	(18)	(2)	-	(3,487)
Reclassification to assets held for sale (Note 8.1)	(7,774)	-	-	-	-	-	(7,774)
Revaluations	1,026	7,581	-	-	-	-	8,607
Impairments	32	275	-	-	-	-	307
Depreciation	(946)	(9,695)	(19)	(6,506)	(77)	-	(17,243)
Transfer from Capital Work-in-Progress	-	4,780	-	223	-	(5,003)	-
Balance at end of year	75,239	217,637	156	27,315	433	5,134	325,914
Cost or valuation	75,269	217,848	753	84,986	900	5,134	384,890
Accumulated depreciation	(30)	(211)	(597)	(57,671)	(467)	-	(58,976)
Balance at end of year	75,239	217,637	156	27,315	433	5,134	325,914
2024							
Balance at beginning of year	77,219	126,028	179	23,856	207	84,165	311,654
Additions	382	1,503	22	6,524	171	33,271	41,873
Disposals	-	(355)	-	(126)	-	(1,949)	(2,430)
Reclassification to assets held for sale (Note 8.1)	(380)	(146)	-	-	-	-	(526)
Revaluations	(795)	5,702	-	-	-	-	4,907
Impairments	15	(1,777)	-	-	-	-	(1,762)
Depreciation	(892)	(7,075)	(26)	(6,328)	(60)	-	(14,381)
Transfer from Capital Work-in-Progress	8,315	91,963	-	6,819	-	(107,097)	-
Balance at end of year	83,864	215,843	175	30,745	318	8,390	339,335
Cost or valuation	83,889	216,098	753	82,811	748	8,390	392,689
Accumulated depreciation	(25)	(255)	(578)	(52,066)	(430)	-	(53,354)
Balance at end of year	83,864	215,843	175	30,745	318	8,390	339,335

[1] Assets are stated at their fair value
[2] Assets are stated at their cost

The Group's assets[1] were revalued at 30 June 2025 resulting in a net increase of assets of $8,914k (2024: $3,145k).

in thousands of New Zealand dollars	2025	2024
Through the asset revaluation reserve	**8,607**	4,907
Through the profit and loss	**307**	(1,762)
	8,914	3,145

Had the Group's land and buildings (other than land and buildings classified as held for sale or included in a disposal group) been measured on a historical cost basis, their carrying amount would have been as follows:

in thousands of New Zealand dollars	2025	2024
Land and land improvements	**29,867**	**30,414**
Buildings	**176,593**	**175,501**

9 INTANGIBLE ASSETS

PURCHASED INTANGIBLE ASSETS

Purchased intangible assets such as intellectual property, patents, trademarks and licences are recorded at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged over their estimated useful lives, which varies between 2 and 20 years. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (between two and five years on a straight-line basis). Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

Access rights relate to an agreement between the Group and Massey University whereby the Group has access to the Dairy Research Farm and associated research facilities in the Manawatū for a period of 20 years from 1 July 2020. This is aligned with both parties desire to encourage synergies and closer collaborative working between their respective agricultural and dairy research activities with a view to enhancing the value each organisation adds to New Zealand through research, science and technology.

INTERNALLY GENERATED INTANGIBLE ASSETS - RESEARCH AND DEVELOPMENT EXPENDITURE

Research expenditure is expensed in the period incurred.

The cost of an internally generated intangible asset represents expenditure incurred in the development phase of the asset only.

Development expenditure is expensed in the period incurred unless all of the following conditions have been demonstrated:

- The intention to complete the intangible asset and use or sell it
- How the asset created will generate future economic benefits
- The ability to measure reliably the expenditure attributable to the intangible asset during its development
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.

[1] Assets are stated at their fair value

Internally generated intangible assets that satisfy the asset recognition criteria above are amortised on a straight-line basis over future periods from which benefits are expected to accrue. These future periods are between five and seven years.

Computer software development costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives (not exceeding five years).

DISPOSAL OF INTANGIBLE ASSETS

Realised gains and losses arising from disposal of intangible assets are recognised in the profit and loss in the period in which the transaction occurs.

in thousands of New Zealand Dollars	Software	Emission Trading Units	Access Rights	Total
2025				
Balance at beginning of year	**1,040**	**41**	**1,600**	**2,681**
Additions	**99**	**-**	**-**	**99**
Amortisation	**(327)**	**-**	**(100)**	**(427)**
Balance at end of year	**812**	**41**	**1,500**	**2,353**
Cost	**2,561**	**41**	**2,000**	**4,602**
Accumulated depreciation	**(1,749)**	**-**	**(500)**	**(2,249)**
Balance at end of year	**812**	**41**	**1,500**	**2,353**
2024				
Balance at beginning of year	357	41	1,700	2,098
Additions	993	-	-	993
Amortisation	(310)	-	(100)	(410)
Balance at end of year	1,040	41	1,600	2,681
Cost	2,462	41	2,000	4,503
Accumulated depreciation	(1,422)	-	(400)	(1,822)
Balance at end of year	1,040	41	1,600	2,681

10 TRADE AND OTHER RECEIVABLES

in thousands of New Zealand dollars	2025	2024
Trade receivables not past due	1,202	309
Past due 1 - 30 days	19,815	13,599
Past due more than 30 days	10,674	5,891
Less provision for impairment in receivables	(203)	(13)
Net trade receivables	**31,488**	19,786
Accrued income and other receivables	9,473	11,148
Total trade and other receivables	**40,961**	30,934

The fair value of trade and other receivables is approximately equal to their carrying value. Terms of trade vary according to individual customer contracts. As at 30 June 2025, trade receivables of $30,489k (2024: $19,715k) were past due. These relate to a number of independent customers for whom there is no recent history of defaults.

A provision for the impairment of receivables is established using simplified expected credit losses model which uses a lifetime expected loss allowance for all trade receivables, in addition to the specific provision for the receivables which were assessed at higher risk of default.

11 TRADE AND OTHER PAYABLES

Trade payables and other payables are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are subsequently measured at amortised cost using the effective interest method. This represents their fair value given the short-term nature of the liability.

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the provision can be reliably measured.

in thousands of New Zealand dollars	2025	2024
Trade payables	14,998	16,642
Income in advance	33,498	26,998
Provisions	1,185	853
Total current payables	**49,681**	44,493
Non-current Income in advance	7,029	7,477
Total payables	**56,710**	51,970

The fair value of trade payables is approximately equal to their carrying value as all amounts are expected to be settled within 90 days. No interest is charged on trade payables.

FINANCIAL RISK MANAGEMENT STRATEGIES

The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

12 BIOLOGICAL ASSETS - LIVESTOCK

Livestock are valued at their fair value less estimated point-of-sale costs by reference to the most relevant active market. An allowance is made for a reduction in the value of certain livestock held for research trials. Changes in the valuation of livestock are recognised through profit and loss.

in thousands of New Zealand dollars	Sheep	Beef cattle	Dairy cattle	Deer	Total
2025					
Reconciliation of changes in the carrying value					
Balance at beginning of year	870	456	1,581	518	3,425
Increases due to acquisitions	282	703	163	38	1,186
Decreases due to sales	(627)	(656)	(400)	(198)	(1,881)
Net increase due to births, growth and deaths	391	88	181	115	775
Changes in fair value less estimated point-of-sale costs	262	121	394	18	795
Balance at end of year	1,178	712	1,919	491	4,300
Quantity of livestock at end of year	6,912	559	943	767	
2024					
Reconciliation of changes in the carrying value					
Balance at beginning of year	1,105	556	1,606	507	3,774
Increases due to acquisitions	230	297	106	-	633
Decreases due to sales	(746)	(542)	(371)	(114)	(1,773)
Net increase due to births, growth and deaths	447	189	207	85	928
Changes in fair value less estimated point-of-sale costs	(166)	(44)	33	40	(137)
Balance at end of year	870	456	1,581	518	3,425
Quantity of livestock at end of year	6,811	468	1,026	869	

LIVESTOCK VALUATION METHOD

Livestock was valued by PGG Wrightson Limited by reference to market evidence of recent transactions for similar livestock, taking into account the age, breed, type, condition and location of the animals.

FINANCIAL RISK MANAGEMENT STRATEGIES

The Group is exposed to financial risks relating to the damage to livestock from climatic changes, diseases and other natural forces. The Group has processes in place aimed at monitoring and mitigating those risks, including pest and disease monitoring and management strategies.

13 RIGHT-OF-USE ASSETS

The Group leases several assets including land and buildings and vehicles. Extension options are included in a number of property leases. In determining the lease term, management has considered all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Right of use assets are initially measured at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received. The right of use asset is depreciated on a straight-line basis over the lease term.

The Group applies NZ IAS 36 to determine whether a right-of-use asset is impaired.

in thousands of New Zealand dollars	Property	Vehicles	Total
2025			
Cost			
Balance at beginning of year	31,910	1,065	32,975
Additions	713	91	804
Disposals	(104)	(151)	(255)
Balance at end of year	32,519	1,005	33,524
Accumulated depreciation			
Balance at beginning of year	(8,491)	(749)	(9,240)
Depreciation	(2,190)	(245)	(2,435)
Disposals	104	151	255
Balance at end of year	(10,577)	(843)	(11,420)
Carrying amount			
Balance at end of year	21,942	162	22,104
Average lease term (years)	9	5	
2024			
Cost			
Balance at beginning of year	28,835	870	29,705
Additions	5,322	241	5,563
Disposals	(2,247)	(46)	(2,293)
Balance at end of year	31,910	1,065	32,975
Accumulated depreciation			
Balance at beginning of year	(7,742)	(539)	(8,281)
Depreciation	(2,726)	(256)	(2,982)
Disposals	1,977	46	2,023
Balance at end of year	(8,491)	(749)	(9,240)
Carrying amount			
Balance at end of year	23,419	316	23,735
Average lease term (years)	10	1	

14 BIOLOGICAL ASSETS–FORESTRY

Forests are recorded at their fair value less point-of-sale costs on an annual basis using anticipated harvesting timing and yield and an applicable discount rate. Changes in the valuation of forests are accounted for through profit or loss. There was no income generated from forestry in the 2025 financial year (2024: $Nil).

EMISSIONS TRADING SCHEME

Forestry land is subject to the provisions of the New Zealand Emissions Trading Scheme (ETS). Should the land be deforested (the land is changed from forestry to some other purpose), a deforestation liability will arise.

Compensation units are recognised based on their cost. The Group has radiata pine tree crops at Ballantrae, Invermay and Woolford.

in thousands of New Zealand dollars	2025	2024
Reconciliation of changes in the carrying value		
Balance at beginning of year	1,410	1,398
Changes in fair value less estimated point-of-sale costs	(22)	12
Balance at end of year	1,388	1,410
Area (ha) of forest at end of year	115	115

FORESTRY VALUATIONS

Forestry was valued by Alan Bell & Associates as at 30 June 2025. The value of forestry at 30 June 2025 was $1,388k (2024: $1,410k).

The methodology used is "stand-based" in line with forestry management practices and harvesting. Where transactions have occurred for similar tree crops, value is based on those transactions. Where there have been no such transactions, value is based on:

- Estimates of future costs and returns for mature crops
- Standard investment costs for young crops
- A mixture of the above for intermediate crops.

Additional inputs to the value arrived at are:

- Anticipated harvest timing and yield
- A 8.5% real discount rate on pre-tax cash flows (2024: 8.5%)
- An assumed 3% compounding rate on standard costs (2024: 3%)
- Current market prices and long-term trends in log prices. Log prices used are based on current market prices and 12-quarter rolling average prices published by the Ministry of Primary Industries.

EMISSIONS UNITS

The Group held 18,975 ETS units as at 30 June 2025. There is no change to the ETS units during the 2025 financial year (2024: no change). All ETS units are carried at their original cost (Note 9).

FINANCIAL RISK MANAGEMENT STRATEGIES

The Group is exposed to financial risks arising from changes in timber prices. The Group is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future. It has, therefore, not taken any measures to manage the risks of a decline in timber prices.

LAND VALUE AND CONTINGENCY

In the event that the forest areas are harvested, a deforestation liability equivalent to the decrease in carbon will be incurred. This liability is not recognised on the balance sheet as there is no current intention of changing the land use subject to the ETS.

15 OTHER INVESTMENTS

in thousands of New Zealand dollars	2025	2024
Fonterra Co-operative Group Limited	**2,224**	1,390
Farm IQ Systems Limited	**-**	605
Other investments	**612**	798
Total	**2,836**	2,793

VALUATION OF OTHER INVESTMENTS

- Fonterra shares are valued using the quoted market price on the NZX market.
- The investment in FarmIQ Systems Limited is presented at fair value on an market value basis as defined in NZ IFRS 13. Management performed an assessment of the value of investments in FarmIQ Systems Limited and concluded these to be fully impaired as at 30 June 2025.
- All other investments are valued using the quoted market price on the NZX listed market, NZX unlisted market or the share prices set by the individual entities as appropriate.

IMPAIRMENT ON OTHER INVESTMENTS

During the year, the gains/(losses) of other investments was recognised as follows:

in thousands of New Zealand dollars	2025	2024
FarmIQ Systems Limited gain/(loss) on investment	**(605)**	(1,461)
Other gains/(losses) on other investments	**747**	3
Total	**142**	(1,458)

16 LEASE LIABILITIES

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and by reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments, or if the Group changes its assessment of whether it will exercise an extension or termination option.

in thousands of New Zealand dollars	2025	2024
Current	**1,989**	2,047
Non-current	**21,605**	22,904
Total	**23,594**	24,951

Amounts payable under leases	2025	2024
Within one year	**1,989**	2,047
Later than one year but not later than five years	**7,176**	6,905
Later than five years	**14,429**	15,999
Total	**23,594**	24,951

The total cash outflow for leases amounts to $2,978k (2024: $3,459k).

17 EMPLOYEE ENTITLEMENTS

in thousands of New Zealand dollars	2025	2024
Annual leave	**4,006**	4,680
Payroll accruals	**2,342**	2,124
Balance at end of year	**6,348**	6,804

Provision is made for entitlements owing to employees in respect of wages and salaries, annual leave, and alternative days leave. Provisions are recognised when it is probable they will be settled and can be measured reliably.

In the current year, the employee entitlements provision includes $4k (2024: $119k) to remediate former staff for historic payroll matters in relation to compliance with the Holidays Act 2003.

18 OTHER NON-CURRENT LIABILITIES

KEY MONEY

In 2015, AgResearch Limited sold a building and entered into a sub-lease of the land on which the building is located. The lessee has paid an upfront lump sum as key money in relation to the lease. The key money is being recognised as income over the term of the lease (including renewal periods).

in thousands of New Zealand dollars	2025	2024
Key money received in advance	**268**	328
Key money referable to lease in current period	**(59)**	(60)
Total Other non-current liabilities	**209**	268

19 INVESTMENTS IN SUBSIDIARIES

Subsidiaries are entities controlled by the Group.

The interests of any non-controlling shareholders are stated in proportion of the fair values of the identifiable assets and liabilities recognised on acquisition plus their share of post-acquisition surpluses.

Subsidiary companies	Balance date	% of ownership interest and voting power held by the Group		Principal activity
		2025	2024	
Celentis Limited	30 June	100	100	Holding company
Grasslanz Technology Limited	30 June	100	100	Cultivar development and management
AgResearch (USA) Limited	30 June	100	100	Cultivar development and management in the USA
Grasslanz Technology Australia Pty Limited	30 June	100	100	Cultivar development and management in Australia
AgResearch (Pastoral Genomics Consortia) Limited	30 June	100	100	Holding company
AgResearch (PPGR Consortia) Limited	30 June	100	100	Holding company
Covita Limited	30 June	100	100	Holding company
Phytagro New Zealand Limited	30 June	100	100	Holding company

Grasslanz Technology Limited is a direct subsidiary of Celentis Limited. AgResearch (USA) Limited and Grasslanz Technology Australia Pty Limited are direct subsidiaries of Grasslanz Technology Limited. All other subsidiary companies are direct subsidiaries of AgResearch Limited.

All subsidiary companies are incorporated in New Zealand.

20 RECONCILIATION OF SURPLUS AFTER TAX WITH NET CASHFLOW FROM OPERATING ACTIVITIES

in thousands of New Zealand dollars	2025	2024
Surplus/(deficit) after tax	(3,297)	(25,281)
Non-cash Items		
Depreciation	17,243	14,381
Intangible assets amortisation	427	410
Depreciation of right-of-use	2,435	2,977
Net (gain)/loss on sale of property, plant and equipment	(816)	1,511
Share of deficit of associates	302	393
Investment write down/(revaluation)	(166)	2,097
Change in fair value of forestry	22	(12)
Change in fair value of livestock	(875)	349
Property, plant and equipment and software impairment (write-up)	(307)	1,762
Net (gain)/loss from foreign currency exchange	217	31
Bad and doubtful debt provision	234	9
Other non-cash items	(233)	(46)
Movements in working capital		
Change in current taxation	151	(127)
Change in deferred tax	(1,707)	13,048
(Increase)/decrease in inventory	(206)	(192)
(Increase)/decrease in receivables	(10,478)	6,524
(Increase)/decrease in prepayments	(581)	513
Increase/(decrease) in provisions	332	647
Increase/(decrease) in payables	3,893	(24,058)
Items classified as investing activities		
Increase/(decrease) in property, plant & equipment, intangible assets and investment accruals	825	3,229
Net cash flow from operating activities	7,415	(1,835)

21 OPERATING LEASE ARRANGEMENTS

The Group as a lessor:

in thousands of New Zealand dollars	2025	2024
Non-cancellable operating lease receivables		
Receivable no later than 1 year	**3,004**	3,091
Receivable later than 1 year and not longer than 5 years	**5,522**	3,331
Receivable later than 5 years	**997**	418
Total non-cancellable operating leases	**9,523**	6,840

Operating lease receivables relate to land and buildings leased on the four campuses owned by AgResearch Limited. The lease terms are between one month and 21 years, with one lease having an option to extend for a further five terms, each of five years. Lease income is recognised in profit or loss on the straight-line basis over the lease terms. Management constantly manage the risks associated with any rights retained in the leased assets. The following approaches have been taken to reduce the risks associated:

- All leases have the provisions for periodic rent reviews to market rates
- The lessees are liable for any damage or loss to the leased properties caused by careless or abnormal use
- No lessees have an option to purchase the property at the expiry of the lease period.

22 JOINT OPERATION INVESTMENTS

Joint operations are joint arrangements between the Group and another party in which there is a contractual agreement to undertake a specific business project and in which the joint parties are severally liable in respect of costs and liabilities of the project and share in any resulting output. The Group's share of the assets, liabilities, revenues and expenses of joint operations are incorporated into the Group financial statements on a line-by-line basis using the proportionate method. Where the Group transacts with its jointly controlled entities, unrealised profits and losses are eliminated to the extent of the Group's interest in the joint operation.

Details of the Group's material joint operations at the end of the year are as follows:

		% of ownership interest and voting power held by the Group		
Subsidiary companies	Balance date	2025	2024	Principal activity
Grasslands Innovation Limited	30 June	30	30	To identify, develop and exploit product opportunities in proprietary forage cultivars and other forage technologies

The 30% interest in Grasslands Innovation Limited is held via Grasslanz Technology Limited, a wholly-owned subsidiary of AgResearch Limited. Grasslands Innovation Limited is incorporated in New Zealand. Grasslands Innovation Limited is considered a joint operation by virtue of the contractual arrangements that specify the parties' rights to the economic inputs and outputs of the joint arrangement and retention of ownership rights to pre-existing IP contributed by the parties.

23 TRANSACTIONS WITH RELATED PARTIES

The ultimate shareholder of the Group is the Crown. The Group undertakes many transactions with other Crown entities, state-owned enterprises and government departments, which are carried out on a commercial and arms-length basis. A summary of other related party transactions is detailed below.

Trading transactions with related parties:

	Sale of services		Due from	
in thousands of New Zealand dollars	2025	2024	2025	2024
Research, development and other services				
Transactions between AgResearch and related parties:				
Subsidiaries	**4,043**	3,515	**96**	-
Associates and joint ventures	**-**	37	**-**	-
Joint operations	**568**	894	**123**	359
Transactions between the Group and related parties:				
Entities of which key management personnel are associated	**3,609**	5,168	**176**	870

Revenue from MBIE is disclosed in the Consolidated Statement of Comprehensive Income.

	Purchase of services		Due to	
in thousands of New Zealand dollars	2025	2024	2025	2024
Research, development and other services				
Transactions between AgResearch and related parties:				
Subsidiaries	**19**	108	**-**	-
Associates and joint ventures	**-**	18	**-**	-
Transactions between the Group and related parties:				
Entities of which key management personnel are associated *	**1,575**	32,922	**19**	1,306

The amounts outstanding are unsecured, on normal trade terms and will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

* The purchases of services with entities which key management are associated includes $583k (2024: $28,120k) for transactions with Naylor Love. These transactions relates to the build of the new scientific research facility and corporate headquarters for AgResearch in Lincoln, which was completed in 2024.

EQUITY INTEREST IN RELATED PARTIES

Details of the percentage of interests held in related parties are disclosed in Notes 5 and 19 to the Consolidated Financial Statements.

KEY MANAGEMENT REMUNERATION REPORTING

The compensation of the Directors and executives, being the key management personnel of the Group, comprised:

in thousands of New Zealand dollars	2025	2024
Chief Executive Officer	565	553
Directors' fees	487	405
Salaries and other short-term employee benefits	3,583	3,005
Termination payments	80	172
Total	4,715	4,135

24 FINANCIAL INSTRUMENTS

Financial instruments carried in the Consolidated statement of financial position include cash and cash equivalents, investments, derivative financial instruments, receivables and trade creditors. The particular recognition methods adopted are disclosed in the accounting policies where relevant.

FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Market risk
- Liquidity risk.

The Group has a Treasury policy, which it applies to actively manage these risks (refer below).

CREDIT RISK

The financial instruments that potentially subject the Group to credit risk are cash, short-term deposits, forward-rate agreements and accounts receivable.

Credit risk is managed through the Treasury policy which:

- Places restrictions on the level of investment with any one counter-party
- Restricts the counter-parties that may be used to A Grade registered banks and the New Zealand Government
- Sets parameters within which short-term investments must be made.

The Group has no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

Trade receivables consist of a large number of customers spread across diverse sectors and geographical areas. On-going credit evaluation is performed on the financial condition of the trade receivables. Credit assessments are undertaken to determine the credit quality of the customer, taking into account their financial position, past experience and other relevant factors. Individual risk limits are granted in accordance with the internal credit policy and authorised via appropriate personnel as defined by the Group's delegation of authority manual.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the maximum exposure to AgResearch of any credit risk.

AgResearch does not have any significant credit risk exposure to any single counter party. The credit risk on liquid funds and derivative financial instruments is limited because the counter parties are banks with high credit ratings assigned by international credit rating agencies.

AgResearch has not changed its overall strategy regarding the management of risk during the financial year.

MARKET RISK

Currency risk

Revenues and expenses in foreign currency are translated to New Zealand dollars at the exchange rates in effect at the time of the transaction or at rates approximating them. Assets and liabilities are converted to New Zealand dollars at the rates of exchange ruling at balance date.

Currency risk in respect of the Group's transactions is managed in accordance with the Group's Treasury policy and includes the use of forward foreign exchange contracts. It is estimated that a 10% decrease in the New Zealand dollar would increase profit and equity by $377k (2024: $89k). It is estimated that a 10% increase in the New Zealand dollar would reduce profit and equity by $309k (2024: $72k).

Cash flow risk

For those currency exposures less certain in their timing and extent, such as future sales and purchases, it is the Group's policy to manage the risk on a group wide basis. Under the Treasury policy the purchased cover is up to 100% depending on how far out the anticipated exposure is (to a maximum of 12 months).

The Group uses foreign currency forward exchange contracts, within the above Treasury policy limits, to manage these exposures.

There has been no change during the year to the Group's exposure to currency risks or the manner in which it measures the risks.

Interest rate risk

The Group has no borrowings and is, therefore, not exposed to interest rate risk other than in relation to its investments, which are not material.

LIQUIDITY RISK

Liquidity risk represents the Group's ability to meet its financial obligations on time. The Group generates sufficient cash flows from its operating activities to make timely payments.

Liquidity risk is managed through:

- Monitoring cash flow forecasts (both operational and anticipated non-recurring items) and aligning investment decisions with these
- Compliance with the Treasury policy, which sets a liquidity buffer for unforeseen cash flows
- Monthly review by senior management
- Regular oversight by the Audit and Risk Committee.

There has been no change during the year to the Group's exposure to liquidity risks or the manner in which it manages and measures the risks.

MATURITY ANALYSIS–FINANCIAL LIABILITIES

in thousands of New Zealand dollars	On demand	Less than 1 year	Between 1 year and 5 years	Total
2025				
Trade and other payables	-	14,998	-	14,998
	-	14,998	-	14,998
2024				
Trade and other payables	-	16,642	-	16,642
	-	16,642	-	16,642

FAIR VALUE

Cash and cash equivalents, trade receivables, other receivables and payables

The carrying amounts of financial assets and financial liabilities recorded at cost in the financial statements approximate their fair value.

Investments

Investments, except for 'other investments', which are valued at fair value, are carried at cost. It is not practical to estimate the fair values of unlisted associates.

Derivative financial instruments

Foreign currency contracts are shown at fair value.

Fair value of financial assets and financial liabilities

in thousands of New Zealand dollars	Note	Loans and receivables	Fair value through profit and loss	Financial liabilities at amortised cost	Carrying amount	Fair value
2025						
Financial assets						
Cash and cash equivalents *		**18,153**	-	-	**18,153**	**18,153**
Trade and other receivables	10	**40,961**	-	-	**40,961**	**40,961**
Non-listed equity investments **		-	**407**	-	**407**	**407**
Listed equity investments **		-	**2,429**	-	**2,429**	**2,429**
		59,114	**2,836**	-	**61,950**	**61,950**
Financial liabilities						
Trade and other payables	11	-	-	**14,998**	**14,998**	**14,998**
		-	-	**14,998**	**14,998**	**14,998**
2024						
Financial assets						
Cash and cash equivalents		12,036	-	-	12,036	12,036
Trade and other receivables	10	30,934	-	-	30,934	30,934
Non-listed equity investments *		-	1,013	-	1,013	1,013
Listed equity investments *		-	1,780	-	1,780	1,780
		42,970	2,793	-	45,763	45,763
Financial liabilities						
Trade and other payables	11	-	-	16,642	16,642	16,642
		-	-	16,642	16,642	16,642

* Cash and cash equivalents includes $152k (2024: $178k), which belongs to NZ Agricultural Greenhouse Gas Trust. This fully offsets with the balance owing to NZ Agricultural Greenhouse Gas Trust in trade and other payables.

** Equity investments consist of Fonterra shares $2,224k (2024: $1,309k), FarmIQ Systems Limited investment of $0k (2024: $605k) and other investments of $612k (2024: $789k) as per Note 15. The level classification determined is based on the fair value within these investments.

25 CONTINGENCIES AND COMMITMENTS

in thousands of New Zealand dollars	2025	2024
Capital commitments		
Lincoln Tuhiraki building capital commitments	-	115
Other asset purchases committed to and contracted for at balance date	**336**	682
Total capital commitments	**336**	797

LITIGATION AND OTHER CONTINGENT LIABILITIES

There are no known significant contingent liabilities or pending litigation.

CONTINGENT ASSETS

There are no known significant contingent assets in the current year.

26 CAPITAL MANAGEMENT

The Group's capital is its equity, which is made up of:

- Share capital
- Asset revaluation reserve
- Retained earnings.

The Crown Research Institutes Act 1992 requires AgResearch Limited to maintain its financial viability in order to undertake research for the benefit of New Zealand.

The Group manages its capital to ensure that entities in the Group will operate in a financially responsible manner. The Group is not subject to any externally imposed capital requirements.

The Group's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

There have been no material changes in the Group's management of capital during the year.

27 SIGNIFICANT EVENTS AFTER BALANCE DATE

On 1 July 2025, AgResearch Limited amalgamated with The New Zealand Institute for Plant and Food Research Limited, Landcare Research New Zealand Limited and New Zealand Forest Research Institute Limited by way of a short-form amalgamation in accordance with the New Zealand Companies Act 1993. The amalgamation occurred after the reporting date and is therefore a non-adjusting subsequent event under NZ IAS 10 Events after the Reporting Period.

The amalgamation is part of the reform of New Zealand's science, innovation and technology system, as announced by the Prime Minister on 23 January 2025.

As a result of the amalgamation, AgResearch Limited ceased to exist as a separate legal entity. All assets, liabilities, rights, and obligations of AgResearch Limited, as well as those of The New Zealand Institute for Plant and Food Research Limited and Landcare Research New Zealand Limited, were transferred to New Zealand Forest Research Institute Limited, which continues as the amalgamated company under a new name, New Zealand Institute for Bioeconomy Science Limited.

This event does not affect the recognition or measurement of assets and liabilities as at 30 June 2025.

INFORMATION

Auditors
Deloitte Limited on behalf of the Auditor-General

Bankers
ANZ Bank New Zealand Limited

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF AGRESEARCH LIMITED'S GROUP
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

The Auditor-General is the auditor of AgResearch Limited Group (the Group). The Auditor-General has appointed me, Anthony Smith, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements of the Group on his behalf.

Opinion

We have audited the financial statements of the Group on pages 85 to 119, that comprise the consolidated statement of financial position as at 30 June 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Group on pages 85 to 119, which have been prepared on a disestablishment basis:

- present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with New Zealand equivalents to IFRS Accounting Standards and IFRS Accounting Standards ('IFRS').

Our audit was completed on 11 September 2025. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw your attention to other matters. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements, we comment on other information, and we explain our independence.

The financial statements are prepared on a disestablishment basis

Without modifying our opinion, we draw attention to "Basis of preparation" on page 90 about the financial statements being prepared on a disestablishment basis due to the Company's short-form amalgamation with New Zealand Forest Research Institute Limited, Landcare Research New Zealand Limited, The New Zealand Institute for Plant and Food Research Limited under the Companies Act 1993, effective after 30 June 2025. As a result, the Company will no longer operate as a separate legal entity. This change does not affect the value of assets and liabilities as at 30 June 2025.

We consider the disestablishment basis of preparation of the financial statements and the related disclosures to be appropriate to the Company's circumstances.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

Deloitte.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible on behalf of the Group for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible on behalf of the Group for assessing the Group's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors has to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Crown Research Institutes Act 1992.

Responsibilities of the auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of these financial statements.

For the budget information reported in the financial statements, our procedures were limited to checking that the information agreed to the Group's statement of corporate intent.

We did not evaluate the security and controls over the electronic publication of the financial statements.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- We conclude on the appropriateness of the use of the disestablishment basis by the Board or Directors.

Deloitte.

- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 84, but does not include the financial statements, and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Group.

Anthony Smith
Partner
for Deloitte Limited
On behalf of the Auditor-General
Christchurch, New Zealand

AgResearch Limited
NZBN: 9429 038 966 224

Corporate Office
Tuhiraki
19 Ellesmere Junction Road
Lincoln 7608
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
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