Appendix 14 – Highly Productive Land Report

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Te Awamutu Developments Ltd

Harlow Lifestyle Village
2025 Ohaupo Road, Te Awamutu

Fast Track Approvals Act 2024
NPS-HPL Assessment

Prepared by Steven Howarth
24th September 2026

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1.0 EXECUTIVE SUMMARY

Te Awamutu Developments Ltd (TADL) have applied under the Fast-track Approvals Act 2024 to establish the Harlow Lifestyle Village, a 25.78 ha senior living development located at 2025 Ohaupo Road, Te Awamutu. The proposal includes approximately 414 dwellings or units, comprising single-storey houses, duplex units, apartments, a 100-bed care facility, communal facilities and a neighbourhood centre.

The purpose of this report is to assess the proposed development against the National Policy Statement for Highly Productive Land (NPS-HPL). The soils mapped at the property are classified under the New Zealand Land Resource Inventory (NZLRI) as LUC 2s1, 3e1 and 4e1. LUC 2 land meets the transitional definition of Highly Productive Land (HPL) for the proposed land use so the development is subject to the NPS-HPL.

The property contains 19.8 ha of effective pastoral land, which includes 7.1 ha of HPL (based on the Landsystems field scale mapping), with the balance made up of non-productive areas including buildings, accessways, drains, dams, planted areas and native bush. The current land use is pastoral grazing of dairy heifers with some baleage conserved and fed to heifers/sold.

Section 3.10 of the NPS-HPL provides exemptions for HPL to be subdivided, used or developed where permanent or long-term constraints mean land-based primary production is not economically viable. A summary of this assessment showed:

- The land is permanently constrained by:
    - Limited area of HPL soils - Landsystems field scale mapping shows there is 7.1 ha of HPL within the 25.78 ha property, much of this lies in small and isolated pockets within the site. The remaining land includes LUC 3, 4, 6 and non-productive areas.
    - Internal fragmentation - the shape of the property is long and narrow, and a drain runs west to east through the center of the property. The dwelling, farming infrastructure, drain/dams and native bush are located throughout the property which fragments the areas of productive land. Furthermore the productive land is fragmented by varying slope classes and soil drainage status which affects how each soil type can be effectively managed.
    - Surrounding fragmentation - Surrounding titles range from 4.4 – 14.2 ha plus one larger title as a dairy farm of 54 ha. State Highway 3, the North Island Main Trunk Railway line, rural-residential and medium density residential housing, and an unformed road all create obstacles restricting integration and fragmenting the surrounding area.
    - Proximity to urban boundary - the site adjoins the Te Awamutu residential boundary to the south, land value is approximately double the productive value caused by the speculative nature of the block to develop for urban use as evidenced by this application. Farmers will consider the ability of the asset to service debt/provide a return on money invested, they need a sustainable business. The speculation over long term use and inflated value constrains viability.
- An indicative budget under the current dairy heifer grazing land use shows a net loss of - $16,857 at an Earnings before Interest, Tax, Rent and Management wage (EBITRm) level. Furthermore, this land use has no ability to service debt, provide a return on capital

invested, or to support the living costs of a family. Due to the constraints listed above and poor economic performance the property the current land use is not viable long term.

- The proposed development will cause the loss of 7.1 ha of HPL, this equates to 0.01% of the Waipa District LUC 1 and 2 land resource. This is a less than minor impact to the district.
- Site specific soil mapping shows the HPL areas within the property are small and isolated, while NZLRI mapping shows the subject property sits on the edge of a wider HPL area. The development does not fragment a large and geographically cohesive area of HPL.
- The development will cause reverse sensitivity effects with adjoining Kiwifruit orchards. These effects are mitigated by planting/screening of the boundary alongside increased building setbacks. The southern kiwifruit orchard adjoins existing residential housing and there is no screening present indicating they can manage cross-boundary effects.
- Alternative land use options are constrained:
  - Insufficient scale of 19.8 ha for dairy or dairy support as standalone units.
  - Arable cropping is possible on 14.5 ha but due to the constraints and poor economic performance arable is not a viable land use.
  - Intensive vegetable production is unsuitable due to variable slope/drainage classes limiting suitable areas, and restrictions under PC1 to expand production in this sub-catchment.
  - Kiwifruit is possible on 10.95 ha, Anthony Pangborn's analysis showed:
    - At maturity annual budgets show a pre-tax profit -$142,332 for Hayward Green, and $93,442 for Zespri SunGold.
    - Accounting for the multiyear time lag between establishment and production kiwifruit produces an Internal Rate of Return (IRR) of 2.6% for Green and 5.7% for Gold, this is below investors expectations of 8-10%.
    - The site is less well suited to kiwifruit than the adjoining properties as it is lower lying, contains less north facing land, and contour is more undulating.
    - Green is not economic at maturity and Gold does not provide a sufficient IRR to attract investors, which when coupled with the sites constraints, Kiwifruit is not considered a reasonably practicable land use for the site.
  - Alternative production and land management strategies are available such as application of fertiliser, or improved livestock management, however these strategies are insufficient to overcome the current constraints.
  - Amalgamation is not reasonably practicable due to the inflated land value due to urban influences and the features of the site producing subeconomic profitability.
  - Leasing for livestock grazing or maize is not viable due to the constraints and poor economic performance.

Livestock grazing, arable, arable leasing, and kiwifruit are not economically viable uses for the next 30 years. The limited HPL area, internal and surrounding fragmentation, proximity to urban boundary and current market value are permanent/long term constraints and cannot be overcome through management. 2025 Ohaupo Road is not viable for land based primary production, meeting the exemption under 3.10 of the NPS-HPL to enable the proposed senior living community development.

2.0 BACKGROUND

Te Awamutu Developments Ltd (TADL) are seeking to establish the Harlow Lifestyle Village (Harlow). Harlow is a 25.78 hectare (ha) retirement village and senior living project located at 2025 Ohaupo Road, Te Awamutu.

TADL applied for consent under the Fast-track Approvals Act 2024 as the proposal has significant regional and national benefits. The referral application was accepted by the Minister for Infrastructure on the 29th October 2025. The project now moves to submitting a substantive application.

The purpose of this report is to assess the proposed Harlow development against the National Policy Statement for Highly Productive Land (NPS-HPL), to support the substantive application.

Steven Howarth from AgFirst, visited the property on the 18th June 2026 to meet with Chris Dawson of (Bloxam Burnett & Olliver Ltd) to undertake a site visit to inform this assessment. A second site visit was completed on the 20th July 2026 with Anthony Pangborn (Agriculture Risk Management) to review suitability for kiwifruit. Steve has also discussed the management of the property via phone call with Chris Johnson who is currently managing the property and is the previous owner prior to TADL purchasing the site in 2021.

3.0 QUALIFICATIONS

My full name is Steven Murray Howarth. I am an Agricultural Consultant with AgFirst Waikato (2016) and have been working as a consultant since 2015. Prior to AgFirst I was the senior technical specialist for Farmax Ltd (modelling and decision support tool for pastoral farmers) for 6 years. I have been working as a rural professional in the agribusiness sector for 15 years.

I am qualified with a Bachelor of Applied Science majoring in Agriculture with First Class Honours, and Intermediate and Advanced Sustainable Nutrient Management. I am a member of the New Zealand Institute of Primary Industry Management.

I have experience across pastoral, arable and horticulture sectors, my work is centred around farm management consultancy, which covers:

(a) Farm systems design and analysis;
(b) Farm investment advice;
(e) Financial management;
(f) Feed and nutrient budgeting;
(h) Advice on land use optimisation.

Following the introduction of the NPS-HPL in October 2022, I have completed a number of assessments for clients covering clauses 3.8, 3.9, and 3.10 of the legislation. I have also provided evidence as an expert witness for an NPS-HPL assessment under an appeal to the Environment Court.

I have read and agree to comply with the Code of Conduct for Expert Witnesses as set out in the Environment Court Consolidated Practice Note 2023 where it is relevant to this report, acknowledging that this is a technical report rather than expert evidence.

4.0 PROPERTY DESCRIPTION

4.1 Site description

The property is located at 2025 Ohaupo Road, immediately North of the Te Awamutu township. The property is 25.7824 hectares (ha) total, consisting of 1 rural zoned title; Part Lot 1 DP 35654 and Lot 1 DPS 36696. The property boundary is presented in Figure 1.



Figure 1: Property boundary for 2025 Ohaupo Road

The property is of mixed flat and rolling contour, the slope map in Figure 2 shows there is a range of slope classes. Most land slopes down towards the drain running east to west through the centre, there is some gently sloping land in the east near Ohaupo Road, with the middle and western areas of the block more undulating.

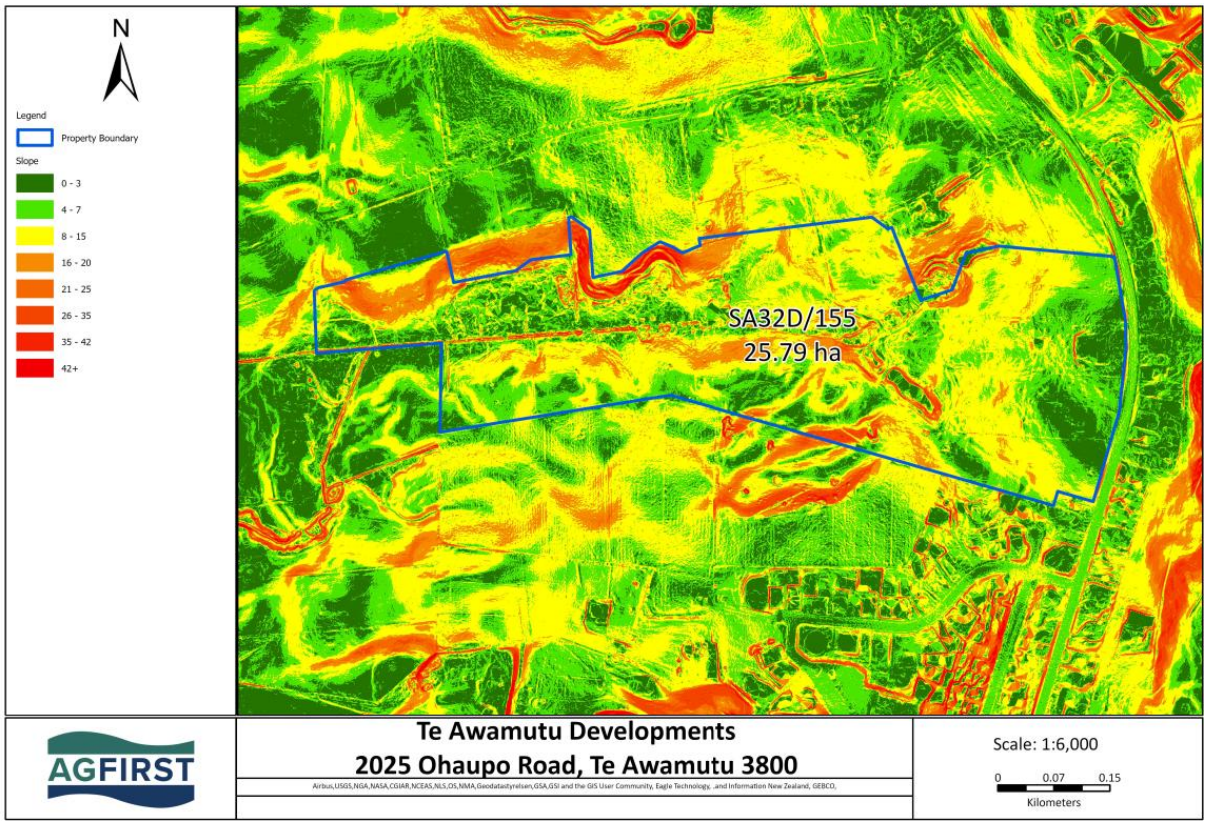


Figure 2: Slope map for 2025 Ohaupo Road

4.2 Infrastructure

The site contains clustered infrastructure in the eastern area adjoining Ohaupo Road consisting of a dwelling, an implement shed, a set of cattle yards, a small set of sheep yards, and a water bore/pump/tank. There is a second implement shed to the west of the stock yards near the main access track.

Water is sourced via a bore near the dwelling, this is pumped to a tank and gravity fed to water troughs in each paddock. Fencing is a combination of conventional post and batten and 3 wire electric, paddocks are subdivided to approximately 0.5 ha in size. Condition of fences was average and while stock proof for dairy heifers it appeared little maintenance had been undertaken in the last few years.



Figure 3. Images of Infrastructure of sheep yards (top left), cattle yards (top right), implement shed/haybarn (bottom left) and workshop (bottom right)

Two dams lie in the eastern area which are fenced and planted. An open drain runs west from the dams through the center of the block, Chris advised he has never cleaned the drain through his tenure since 2001. The drain is overgrown with vegetation which would inhibit flow during flood events. There is a Significant Natural Area (SNA) of mature Kahikatea trees (WP312) of 1.02 ha.



Figure 4. Fenced area with dam behind the trees (left), open drain overgrown with vegetation (right)

4.3 Current Land Use

TADL have a handshake agreement with the previous property owner Chris Johnson to managing farming of the block in the short term. There is no financial payment and this is viewed as a caretakers role to maintain pasture and infrastructure.

Following a phone conversation with Mr Johnson, the following provides a general overview of how the property is run, noting this will vary each year based on climatic and management decisions.

- 48 dairy heifers are grazed on a May to May contract i.e. grazed for 1 year. Payment is based on a grazing contract of $12 /hd/wk. These heifers are owned by the adjoining dairy farm to the west.
- There are 2 dairy-beef heifers run (freezer beasts for home kill), these are heifers that were brought onto the block last spring as calves, and will be grazed through to April/May next year before processing for home consumption at 400-450kg liveweight.
- In the spring 110 bales of baleage are harvested over 2 cuts, 60 are sold and 50 are retained and fed to dairy heifers over the summer/autumn/winter period.
- No fertiliser has been applied since 2021 when TADL Limited purchased the property. Prior to this Chris, as the previous owner, applied 400-450kg 15% Potassic Superphosphate.

The dwelling on the property is managed separately to the land and is tenanted through a local rental agency.

Farmax modelling of the above management policy assuming 19.8 ha of effective pastoral land showed a feed demand of 6.9 t DM/ha and an estimated pasture growth of 9.5 t DM/ha, with a stocking rate of 13 SU/ha, see Appendix A for further details. This level of growth is in-line with industry data with Q-Graze[1] showing 10.3 t DM/ha and Farmax showing 9.5 t DM/ha for the Waikato/Hamilton area's. Land class would be expected to be similar considering the industry growth rates.

4.3.1 Economic Performance

While the property is not providing a financial return to TADL based on the caretakers agreement the NPS-HPL requires the assessment to take a long term (at least 30 year) view of performance. Table 1 below shows the estimated financial performance of the current livestock policy as described in section 4.3. The contract grazing rate is lifted to $14 /hd/wk as a more typical rate. This shows that operating expenses exceed revenue with no scope to cover fixed expenses or interest payments of a nominal 40% of the land value. The property is not economically viable at either an Earnings Before Interest Tax Rent and Management Wage (EBITRm) or pre-tax profit level.

[1] https://beeflambnz.com/knowledge-hub/PDF/pasture-quality-q-graze

Table 1. Economic budget for the current dairy heifer grazing land use

		$ Total
Revenue	Area	19.8
	Dairy Grazers	$34,944
	Beef Heifers	$2,000
	Baleage	$6,000
	Total Revenue	$42,944
Operating Expenses	Wages	$26,000
	Animal Health	$100
	Weed & Pest Control	$624
	Fertiliser (Excl. N & Lime)	$5,972
	Vehicle Expenses	$2,000
	Fuel	$2,000
	Electricity	$1,200
	Feed & Grazing	$6,050
	Repairs & Maintenance	$3,007
	Freight	$0
	Total Operating Expenses	$46,952
Fixed Expenses	Administration Expenses	$1,500
	Insurance	$2,484
	Rates	$4,865
	Depreciation	$4,000
	Total Fixed Expenses	$12,849
Earning before Interest Tax Rent and Management wage (EBITRm)		-$16,857
Interest		$43,095
Pre-Tax Profit		-$59,952

4.4 Surrounding land use and features

The land uses surrounding the property are outlined in Figure 5 and discussed below:

- Kiwifruit, to the south of 10.7 ha, and 4.8 ha adjoining to the north, and on the northern side of the unformed road 6 ha and 1.2 ha.
- Dairy Farm, adjoining to the west is a smaller scale dairy unit of 54 ha.
- Lifestyle blocks, two adjoining in the north-east area of 5 ha and 4.4 ha (including 1.2 ha of kiwifruit) and on the eastern side Ohaupo Road of 1,000 – 3,000 m^2
- Medium residential housing in the south-eastern area.

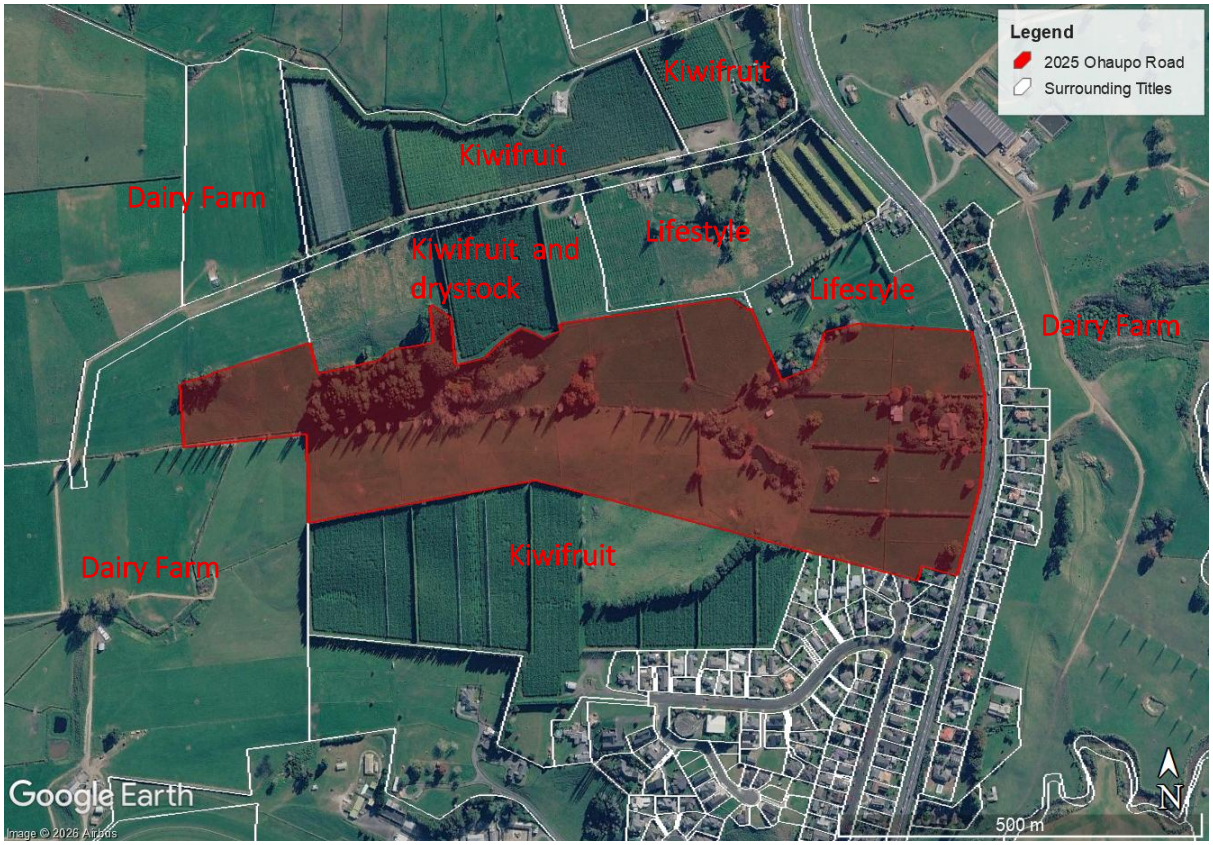


Figure 5. Land uses surrounding 2025 Ohaupo Road

There is limited scope to integrate through a lease or sale and purchase, suitable surrounding properties are limited to the kiwifruit orchards and the one adjoining dairy farm to the west. The remaining properties are of lifestyle size or smaller, land based primary production is not the primary focus and given the small areas integration would be of little value.

To provide context for the current pastoral land use B+LNZ economic service data shows the average farm size for Northern North Island Intensive finishing class land is 349 ha[2], and the AgFirst Waikato-Bay of Plenty Dairy Financial Survey 2025, outlines a typical Waikato dairy farm

[2] Beef + Lamb New Zealand Economic Service Sheep and Beef Farm Survey Northern North Island – Class 5 Finishing 2024-25 https://beeflambnz.com/industry-data/farm-data-and-industry-production/sheep-beef-farm-survey

is 136 ha.[3] The size of the subject property and surrounding lifestyle blocks are nowhere near that needed to form an economic unit for any form of livestock grazing, either individually or cumulatively if adjoining blocks were amalgamated.

In the wider area, land uses include drystock, dairy farming, and arable. To integrate with a dairy farm to milk off requires walking access to the cow shed, so this limits suitable properties to only the one farm to the west. Integration with drystock farms or with dairy farms through grazing of dairy heifers is feasible. The property is currently running 48 dairy heifers so this is of a sufficient scale for a non-adjoining farm to run a mob of cattle in a self-contained grazing system and to travel to the property to check, feed, and move stock.

Further compounding the limited scope to integrate, Figure 6 shows there are a number of features that fragment the area surrounding the subject property leaving it semi-isolated:

- Ohaupo Road (State Highway 3) and the North Island Main Trunk Railway, both facilitate high traffic volumes and create a clear boundary restricting integration. Crossing of livestock and in the case of the railway vehicles is not practical.
- Rural residential (lots under 5,000 m^2) and medium density residential zones isolate the site and provide little to no value for land based primary production activities.
- The unformed road to the north fragments the shape of titles and creates smaller lot sizes, while limiting development within this road reserve.

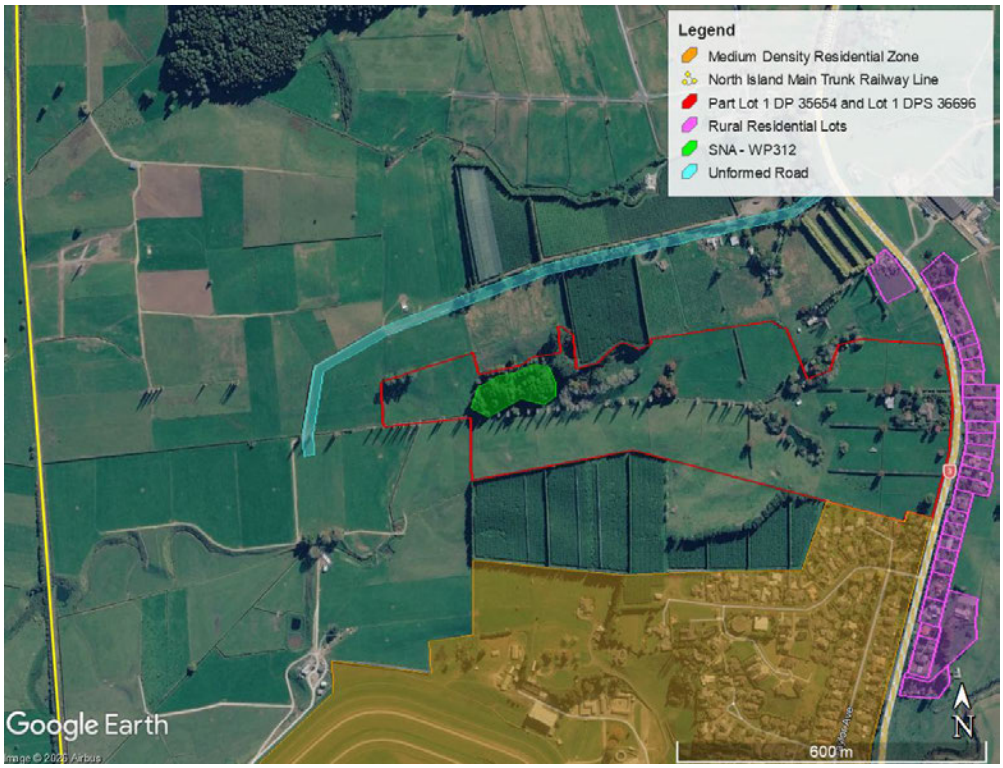


Figure 6. Features surrounding 2025 Ohaupo road fragmenting land based primary production and limiting scope to integrate with the site

[3] Waikato-Bay of Plenty Dairy Financial Survey 2025: Discovering the Secrets Behind Dairy Success https://www.agfirst.co.nz/projects/waikato-bay-of-plenty-dairy-financial-survey-2025-discovering-the-secrets-behind-dairy-success

5.0 PROPOSED DEVELOPMENT

TADL are proposing to develop a community for senior living in Te Awamutu, providing approximately 414 dwellings/units (including single-storey houses, duplex units and apartments), and a 100-bed care facility. The development will also feature communal facilities and a neighbourhood centre, riparian planting, wetland restoration, three waters services infrastructure, and transport infrastructure. The project is designed to cater specifically to an ageing population, addressing a critical need for retirement housing and care capacity.

A masterplan of the proposed community development is outlined in Figure 7. The development contains a series of stormwater ponds, wetlands and a wetland restoration area including the existing Kahikatea stand denoted as the SNA which follows the existing open drain running east to west through the block.

Following development, the property will no longer be available for land-based primary production.



Figure 7: Masterplan for senior living development. *Source: Pacific Environment Architects. Date 14/08/202. Ref 25020.*

6.0 LAND USE CAPABILITY

6.1 NZLRI Land Use Capability Classification

The LUC classification system has been used in New Zealand to help achieve sustainable land development and management on farms. The purpose of the LUC classification is to assess the suitability of the land for primary production. The LUC classification categorises land areas or polygons into classes, subclasses and units according to the land's capability to sustain productive use. The LUC is based on an assessment of the physical factors (rock type, soil, slope, present type and severity of erosion, and vegetation), climate, the effects of past land use, and the potential for erosion. This is summarised in Figure 8 below.

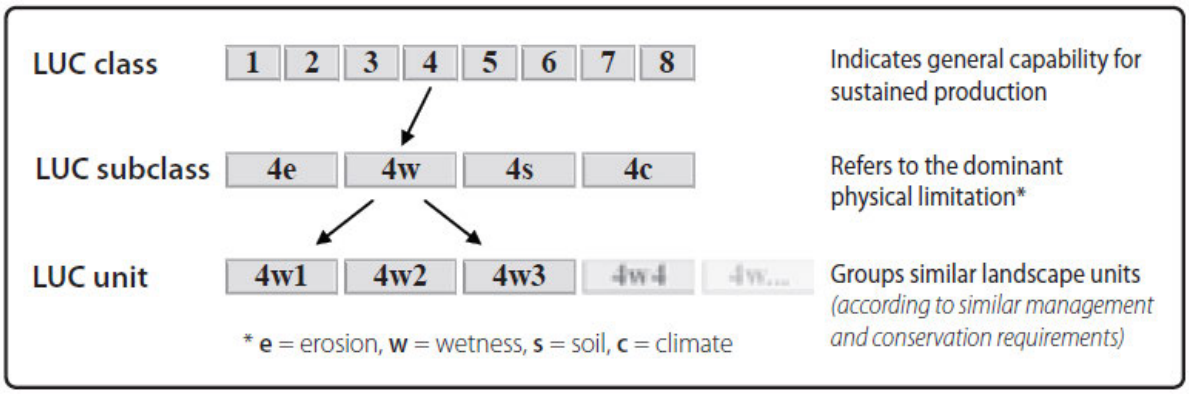


Figure 8. Components of the Land Use Capability Classification4

Landsystems has completed a Land Use Capability Assessment of the site for this substantiative application and has summarised the dominant soils and LUC units according to NZLRI data as outlined in Figure 9. This shows the property contains a combination of LUC 2, 3 and 4 soils which are well drained of 0 – 20° slopes. Approximately 5.7 ha of the site contains HPL land as per the transitional definition of the NPS-HPL Clause 3.5(7) (discussed further in section 7.1).

[4] Lynn, I.H, Manderson, A.K, Page, M.J, Harmsworth, G.R, Eyles, G.O, Douglas, G.B, Mackay, A.D, Newsome, P.J.F. (2009). Land Use Capability Survey Handbook – a New Zealand handbook for the classification of land 3rd ed. Hamilton, AgResearch; Lincoln, Landcare Research; Lower Hutt, New Zealand. GNS Science.

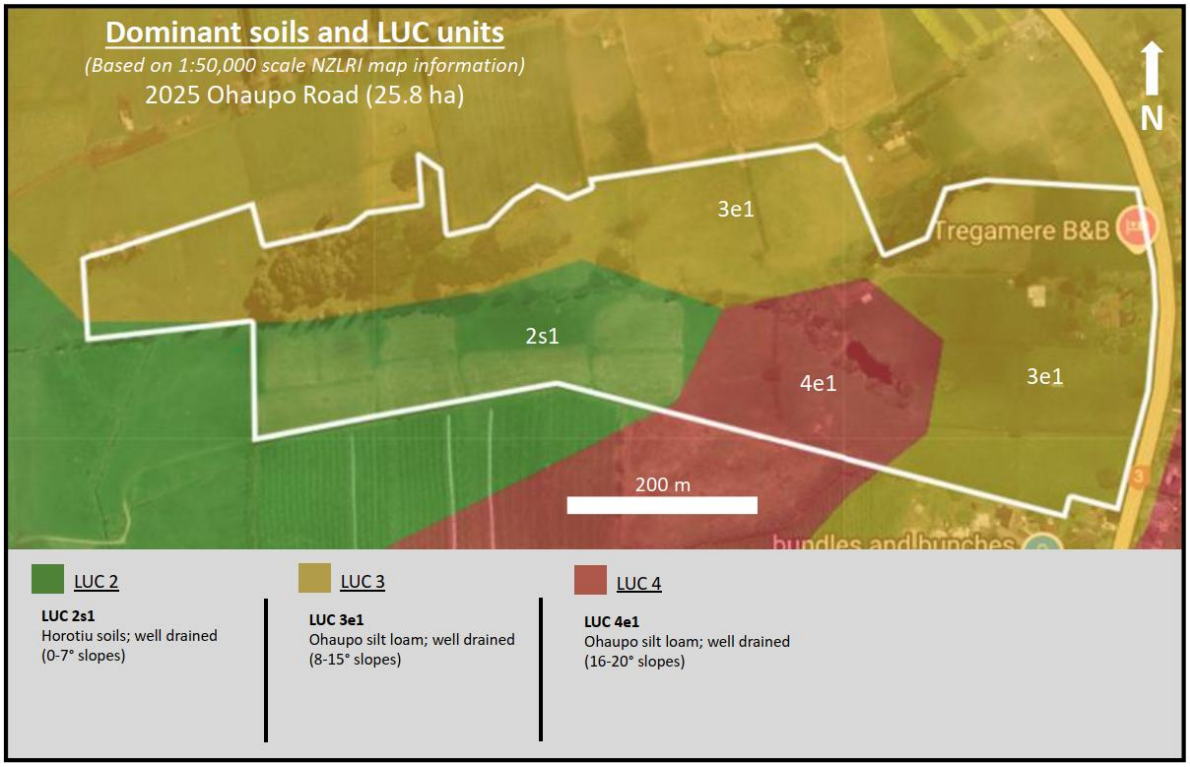
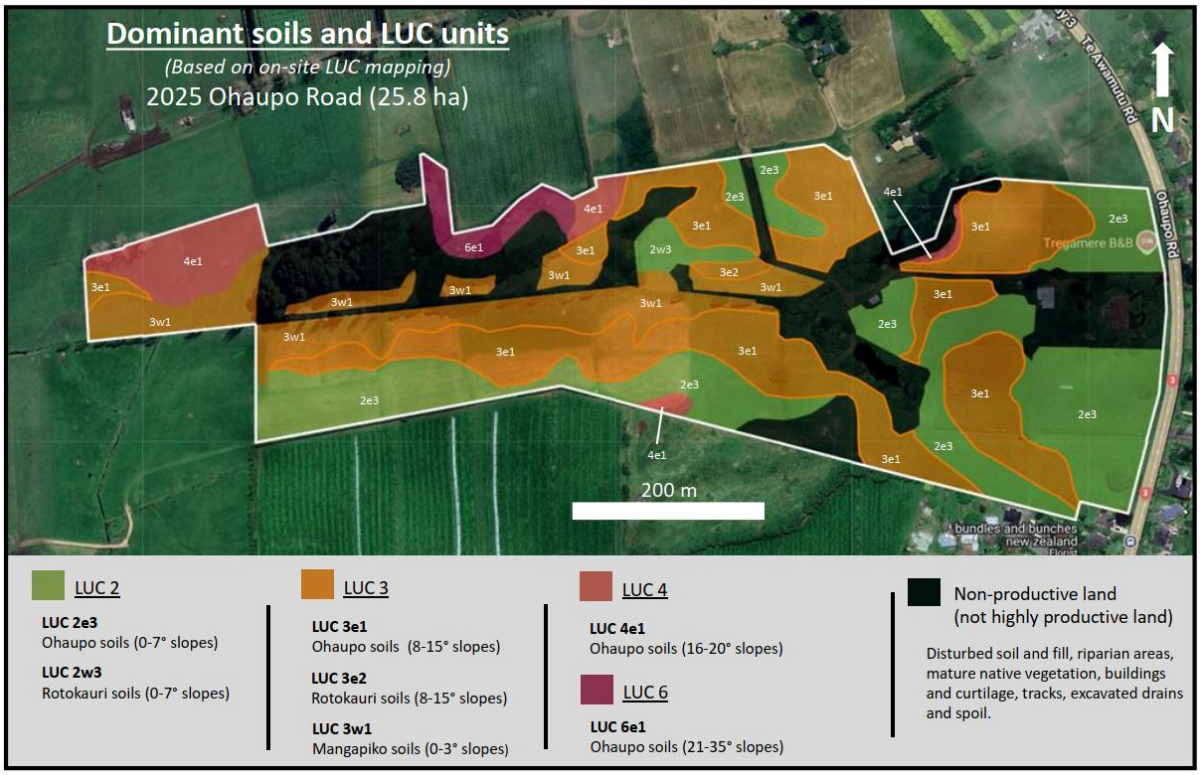


Figure 9. The distribution of soils and LUC units according to (1:50,000 scale) NZLRI information for 2025 Ohaupo Road. *Source: Landsystems. Soil and Land use Capability Classification Assessment 2025 Ohaupo Road, Te Awamutu 3800. Dated 2/6/26*

6.2 Site Specific Soil and LUC Mapping

Landsystems completed an on-site property scale field soil and LUC assessment on the 20th October 2022. The results are reproduced in Figure 10. The assessment found the area of LUC 2 soils running along the southern boundary was smaller than NZLRI mapping suggested, but the property also contained smaller pockets of LUC 2 to the north and east which were identified as LUC 3 under NZLRI. In total 7.1 ha of HPL (28%) was identified under the field assessment which compares with 5.7 ha under NZLRI mapping. Drainage class was more variable with areas of very poor to poorly drained 3w1 surrounding the open drain.

The Landsystems assessment found 6.0 ha of non-productive land giving a total productive area of 19.8 ha.



Soil type	Parent material	Slope class	Soil drainage	LUC Unit	Area (ha)
Ohaupo silt loam	Younger ashes over 'Hamilton ashes'	A+B (0-7°)	Well drained	2e3	6.8
Rotokauri clay loam	Mixed ash colluvium	A+B (0-7°)	Imperfectly drained	2w3	0.3
Ohaupo silt loam	Younger ashes over 'Hamilton ashes'	C (8-15°)	Well drained	3e1	7.5
Rotokauri clay loam	Mixed ash colluvium	C (8-15°)	Imperfectly drained	3e2	0.1
Mangapiko silt loam	Mixed ash alluvium	A (0-3°)	Very poor to poorly drained	3w1	3.1
Ohaupo silt loam	Younger ashes over 'Hamilton ashes'	D (16-20°)	Moderately well drained	4e1	1.4
Ohaupo silt loam	Younger ashes over 'Hamilton ashes'	E+F (21-35°)	Well drained	6e1	0.6
Non-productive land (NPL)	Disturbed soil/fill, riparian areas, mature native vegetation, buildings and curtilage, tracks, excavated drains and spoil.			NPL	6.0

Figure 10. The on-site mapped distribution of soils and LUC units for 2025 Ohaupo Road. *Source: Landsystems. Soil and Land use Capability Classification Assessment 2025 Ohaupo Road, Te Awamutu 3800. Dated 2/6/26*

6.3 Role and Limitations of NZLRI Mapping

It is apparent there are differences in soil mapping between the NZLRI and site specific soil mapping.

The NZLRI provides a nationally consistent, regional-scale assessment of land capability, mapped at 1:50,000 to 1:63,000 (depending on location). LUC mapping is primarily intended to inform strategic and regional planning, it is not available at a scale suited to site-specific assessment (1:5,000 - 1:15,000 depending on property scale). While LUC classification identifies potential versatility of soils, it does not account for site-specific constraints such as internal fragmentation, existing buildings, vegetation, or modified soils. It also does not pickup smaller scale features such as isolated and small pockets of differing slope, soil type, erosion potential or drainage class.

The Landsystems report concludes that:

> *NZLRI data provides good foundational physical information for regional planning. However, for the objective of assessing soil resources, land use capability, and Waipa District Plan defined high class soils at property scale, on-site assessment is the most accurate and fit-for-purpose method.*

This report will utilise the soil description and LUC units as provided by the Landsystems site specific mapping as the more accurate description of soils attributes to inform suitable land uses and productivity.

6.4 Hanmore Productivity Assessment

As part of the referral application for 2025 Ohaupo Road, Hanmore Land Management provided a report interpreting the productivity of the block. This report was produced as a desktop assessment and relied on an earlier Soils and Land Management Capability Assessement produced by Landsystems alongside available soils data and the authors experience in the Waikato, a site visit was not completed.

The Hanmore report concluded that:

> *Approximately 15 ha of the property at 2025 Ohaupo Road has horticultural potential with soils and slopes able to support both perennial cropping and tree crops and annual cropping. With another approximately 3 ha being suitable for intensive cropping and annual cropping.*

These findings are largely consistent with the observed surrounding land uses described in Section 4.4 being kiwifruit (horticulture/perennial crop), drystock and dairy farming (perennial cropping and pastoral grazing), and arable (annual cropping).

Tree crops however are absent as a land use under Section 4.4. Tree crops are defined as the growing of trees for fruit and/or nut production, examples are walnuts, apples, and olives.[5]

2022 Census data for the Waipa district showed there to be the following tree crops with areas greater than 5 ha:[6]

- Apples 33 ha
- Pears 17 ha
- Nursery crops 21 ha

Considering the Waipa district covers approximately 147,000 ha these crop types represent very minor land uses in the district. In order to be a reasonably practicable land use there needs to be appropriate supporting infrastructure include access to contractors/skilled labour to perform tasks such as pruning, spraying, fertilising, picking, and post processing facilities including packhouses and distribution. The supporting infrastructure does not exist for these crop types in the Waipa district so they are not considered reasonably practicable land uses.

[5] Land use Capability Survey Handbook. Third Edition
[6] https://www.stats.govt.nz/information-releases/agricultural-production-statistics-year-to-june-2022-final/

7.0 REGULATORY FRAMEWORK FOR HIGHLY PRODUCTIVE LAND

The NPS-HPL came into effect on 17 October 2022 and establishes a nationally consistent framework for identifying and managing highly productive land (HPL). Its purpose is to protect HPL for land-based primary production while providing for specified exemptions.

7.1 Definition of Highly Productive Land

The interim definition of HPL in Clause 3.5(7) was amended in December 2025, with the amendments coming into force on 15 January 2026. The amendments retained LUC 1 and 2 land within the interim HPL definition but excluded LUC 3 land unless the activity is of rural lifestyle. Clause 3.5(7) is set out below with emphasis added to the subclause excluding LUC 3 land with the exception of rural lifestyle.

Clause 3.5(7) states:*(7) Until a regional policy statement containing maps of highly productive land in the region is operative, each relevant territorial authority and consent authority must apply this National Policy Statement as if references to highly productive land were references to land that:*

(a) Is:

(i) zoned general rural or rural production at the commencement date; and

(ii) LUC 1, 2, or 3 land, but

(b) Is not:

(i) identified for future urban development at the commencement date; or

(ii) subject to a council initiated, or an adopted, notified plan change to rezone it from general rural or rural production to urban or rural lifestyle at the commencement date; or

(iii) subject to a resource consent application for subdivision, use or development on LUC 3 land for any activity other than rural lifestyle, where that consent has been lodged at or after the commencement date.

For this application the proposed Harlow retirement village is a residential development, so HPL is defined as LUC 1 and 2 whereas LUC 3 is excluded from the transitional HPL definition for this development.

7.2 Applicable Clauses under the NPS-HPL

While the purpose of the NPS-HPL is to protect HPL for land-based primary production, a number of specific exemptions are provided:

- Clause 3.6 Restricting urban rezoning – This application is not seeking to rezone the land to urban so does not apply.
- Clause 3.7 Avoiding rezoning for rural lifestyle – This application is not seeking to rezone the land to rural lifestyle so does not apply.
- Clause 3.8 Avoiding subdivision unless productive capacity is retained – While land tenure is to be a mix of fee simple and Occupational right Agreements and the nature of the residential development will cause the loss of productive capacity of HPL, the application would not meet this clause.

- Clause 3.9 Protection from inappropriate use and development. This clause provides specific exemptions, While the proposal will meet two as of these exemptions in part, it would be more difficult to justify at the entire development level.
    - (e) it is for the purpose of protecting, maintaining, restoring, or enhancing indigenous biodiversity:
    - (f) it provides for the retirement of land from land-based primary production for the purpose of improving water quality:
- Clause 3.10 Permanent or long term constraints – where there are constraints present which mean the land is not economically viable and cannot be overcome by alternative uses or strategies. The site and surrounding area contain a number of constraints and the current land use is not economically viable.

Clause 3.10 is therefore the most appropriate to assess the proposed development against.

8.0 ASSESSMENT AGAINST THE NPS-HPL CLAUSE 3.10

Clause 3.10 is set out below along with relevant definitions:

(1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under Clauses 3.7, 3.8, or 3.9 if satisfied that:

(a) There are permanent or long-term constraints on the land that mean the use of the highly productive land for land-based primary production is not able to be economically viable for at least 30 years; and

(b) The subdivision, use, or development:

(i) Avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and

(ii) Avoids the fragmentation of large and geographically cohesive areas of highly productive land; and

(iii) Avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development; and

(c) The environmental, social, cultural and economic benefits of the subdivision, use, or development outweigh the long-term environmental, social, cultural and economic costs associated with the loss of highly productive land for land-based primary production, taking into account both tangible and intangible values.

(2) In order to satisfy a territorial authority as required by Subclause (1)(a), an applicant must demonstrate that the permanent or long-term constraints on economic viability cannot be addressed through any reasonably practicable options that would retain the productive capacity of the highly productive land, including evaluating options such as (without limitation):

(a) Alternate forms of land-based primary production

(b) Improved land-management strategies

(c) Alternative production strategies

(d) Water efficiency or storage methods

(e) Reallocation or transfer of water and nutrient allocations

(f) Boundary adjustments (including amalgamations)

(g) Lease arrangements

(3) Any evaluation under Subclause (2) of reasonably practicable options:

(a) Must not take into account the potential economic benefit of using highly productive land for purposes other than land-based primary production; and

(b) Must consider the impact that the loss of the highly productive land would have on the land holding in which the highly productive land occurs; and

(c) Must consider the future productive potential of land-based primary production on the highly productive land, not limited by its past or present uses.

(4) The size of a land holding in which the highly productive land occurs is not of itself a determinant of a permanent or long-term constraint.

(5) In this clause:

Landholding has the meaning in the Resource Management (National Environmental Standards for Freshwater) Regulations 2020.

Long-term constraint means a constraint that is likely to last for at least 30 years.

Land-based primary production means *production from agricultural, pastoral, horticultural or forestry activities that are reliant on the soil of the land.*

Productive capacity, in relation to land, means *the ability of the land to support land-based primary production over the long-term and an assessment of:*

(a) Physical characteristics (such as soil type, properties, and versatility): and
(b) Legal constraints (such as consent notices, local authority covenants, and easements); and
(c) The size and shape of existing and proposed land parcels.

8.1 Clause 3.10(1)(a) Constraints and economic viability

3.10 (1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:

(a) there are permanent or long-term constraints on the land that mean the use of the highly productive land for land-based primary production is not able to be economically viable for at least 30 years.

AgFirst approach: Part 1 of clause 3.10 considers the current land use of the site and to determine if permanent or long-term constraints exist under the current land use which means this current land use is not economically viable.

Table 2: Assessment against NPS-HPL Clause 3.10(1)(a) constraints and economic viability

PERMANENT OR LONG-TERM CONSTRAINTS	
Non-reversable surrounding land fragmentation	The area surrounding the property is fragmented with a number of obstructions to growth and integration, see section 4.4: - Ohaupo Road (State Highway 3) lies to the east and the North Island Main Trunk Railway line lies to the west. Both facilitate high traffic volumes and create a barrier restricting passage of vehicles and stock. - Rural residential sized lots to the east and medium density residential housing to the south-east which isolates the site from surrounding land uses. - The unformed road to the north fragments the shape of titles and creates smaller lot sizes, while limiting development within this road reserve. Adjoining the property are three 4.4 – 14.2 ha lots utilised predominantly for kiwifruit, one 54 ha lot for dairy farming, and one pastoral grazing block of 5 ha. There is also the medium density residential zone in the south-east. This shows that adjoining titles are fragmented, while obstructions restrict integration with further land holdings.
Internal fragmentation	Within the property boundary there is a high level of internal fragmentation as shown in Figure 1: - The shape of the property is long and narrow. - A central open drain runs east to west through the middle of the block. - Site specific soil mapping shows landforms are a combination of LUC 2, 3, 4, and 6. The Highly Productive LUC 2 land is contained in small pockets which are fragmented by poorer class land, see section 6.2. - There is 6 ha of unproductive land spread throughout the site which fragments the productive areas. These unproductive areas contain buildings, dams and drains, accessways, planted and native areas including the SNA Kahikatea stand and hedgerows. There are no large and contiguous areas of HPL and productive areas are fragmented which limits higher value land uses such as arable and horticulture to certain areas.
Limited HPL area - variable contour and soil properties	Soil mapping shows a combination of LUC 2, 3, 4, and 6, see section 6.2. There is a total of 7.1 ha of HPL or 28% of the total site. The property contains some gently sloping land in the east, the central and western section is more variable with undulating contours of up to 20 degrees, see Figure 2. Soil drainage classes ranging from very poor to well drained, see section 6.2. This level of variability creates challenges for the current and alternative land uses to best manage soil resource e.g. avoidance of grazing poorly drained areas when soils are saturated is difficult when the paddock contains both poorly and well drained soils. When considering higher value land uses, low slope and good soil drainage is required, these areas are located in more isolated pockets making land use less efficient and created a higher portion of unproductive land.
Proximity to the urban boundary	The property adjoins the Te Awamutu medium density residential zone. By being in such close proximity landowners could perceive future opportunities

	to develop the block for non-land based primary production purposes, as is evidenced by this application, and by ownership under TADL.
Market value of land	The council ratings database shows a property value of $2.95 million total and a land value of 2.17 million or $109,600 / effective ha . This compares to typical productive land valuations of $18,000-$40,000 / effective ha for beef grazing, and $50,000-70,000 /ha for arable.[7] The property contains a large element of speculative value given its location and as such the land value is inflated well above the productive value. This value creates a long-term constraint for farmers, who will consider the ability of the asset to service debt and/or provide a return on money invested. A farmer would not purchase this block exclusively for land-based primary production, they would look for a block with less constraints and a lower purchase price.
Small scale operation	The total area is 25.78 ha, with an estimated pastoral area of 19.8 ha available for land based primary production, see section 6.2. Under the current land use of livestock grazing this is a constraint. The average farm size for commercial sheep and beef finishing land is 349 ha and a typical Waikato dairy farm is 136 ha (Section 4.4). 19.8 ha is below a commercial scale to graze livestock, this forms a constrain when considered alongside those listed above.
IMPACT ON ECONOMIC VIABILITY	
The current land use for the property is to graze dairy and beef heifers. An economic budget is provided showing an EBITRm of -$16,857, see Appendix B and section 4.3.1 for further details. Considering the negative EBITRm there is no capacity to service debt, provide a return on capital invested or to support the living cost of a family. 2025 Ohaupo Road is not economically viable to graze dairy heifers. The drivers behind the lack of viability are the surrounding and internal fragmentation, small scale operation, coupled with the market value and speculative nature of the property on the urban fringe. All are permanent constraints which reduce productive capacity, restrict the ability of current and alternative land uses to operate on a commercially sustainable basis.	

8.2 Clause 3.10(1)(b) Avoidance of significant loss, fragmentation, reverse sensitivity

3.10 (1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:

(b) the subdivision, use, or development:

(i) avoids any significant loss (either individually or cumulatively) of productive capacity of highly productive land in the district; and

(ii) avoids the fragmentation of large and geographically cohesive areas of highly productive land; and

[7] Personal communication with Fergusson Lockwood & Associates Limited for typical productive land values for the Waikato.

(iii) avoids if possible, or otherwise mitigates, any potential reverse sensitivity effects on surrounding land-based primary production from the subdivision, use, or development.

Table 3: Assessment against NPS-HPL Clause 3.10(1)(b) significant loss, fragmentation and reverse sensitivity

HPL LOST FROM PROPOSED DEVELOPMENT
7.1 ha There is an estimated 7.1 ha of HPL land within the title boundary based on site specific soil mapping (see Section 6.2). The proposed development will cause the loss of this area through development into the senior living community.
WILL SIGNIFICANT LOSS OF PRODUCTIVE CAPACITY OF HPL IN THE DISTRICT OCCUR?
No. The Waipa district contains 56,168 ha of LUC 1 and 2 land[8], the loss of 7.1 ha equates to 0.01% of the HPL resource in the district, this is a less than minor impact at the district level. The proposed senior living community is a niche land use and not something that could be widely adopted on HPL land. The Fast Track website shows there is currently three applications including Harlow (listed or referred) that are proposing a development including a retirement village in the Waikato region[9]. The proposed development will cause a less than minor loss of HPL, while providing a substantial 414 dwellings (approximately). Arguably this is an efficient use of land for housing, while enhancing wetlands and the SNA to protect biodiversity and water quality on the site.
WILL FRAGMENTATION OF LARGE AND GEOGRAPHICALLY COHESIVE AREAS OF HPL OCCUR?
No. Figure 6 outlines the area surrounding the property contains obstructions to growth (State Highway 3, North Island Main Trunk Railway, rural residential sized lots and the unformed road). Surrounding title sizes to north/south/east are fragmented. Site specific soil mapping shows that the areas of HPL are small and isolated with LUC 3 and non productive areas isolating the LUC 2 areas, see Figure 10. (as per Section 7.1 LUC 3 is not classed as HPL for this application). NZLRI mapping shows the subject property sits on the edge of an area of HPL and does not fragment the remaining area to the west, see Appendix C.

[8] https://ourenvironment.scinfo.org.nz/maps-and-tools/app/Land%20Capability/lri_luc_main/421,406,404?%3FcontextLayers=water_transport_text

[9] https://www.fasttrack.govt.nz/projects?query=%21showall&f.Project+Sector%7CprojectSector=Housing%2Fland&f.projectRegion%7CprojectRegion=Waikato data accessed 13th July 2026

WILL THE DEVELOPMENT RESULT IN ANY REVERSE SENSITIVITY EFFECTS?

Effects mitigated with adjoining kiwifruit properties

The proposed development will locate residential housing in close proximity to kiwifruit orchards. Orchard management practices typically completed are:

- Agrichemical sprays – Orchards must provide notice in advance of spray being applied to all properties within 50 m. Regardless of adjoining land use it is expected operators will manage spray to ensure there is no cross boundary drift. However as this can occur, the risk of issues arising are increased through the close proximity of housing.
- Machinery – Commonly used on orchards which create noises.
- Bird scaring devices – used to deter birds for example a gas gun which emits a loud noise periodically to mimic a gun.
- Frost Protection – Large fans or a helicopter used to create air movement to prevent frost damage, generally used between 1am and 7am.

The close proximity of housing will have impact on these management practices, i.e. effects cannot be avoided but can be mitigated. For the northern orchards mitigations include:

- Approximately 390 m of the sites northern boundary adjoins the orchard, of which there is only 100 m with houses between 10-30 m from the boundary. The majority of this orchard is separated by an area of native planting and wetlands, see Figure 7.
- For the 100 m that does have dwellings close to the boundary, houses are at least 10 m from the boundary and sited so there are only 5 houses exposed directly to the boundary.
- The vines are setback circa 18 m from the site boundary which includes an accessway for the western kiwifruit lot of approximately 6 m in width.
- In practice there is at minimum 25 m setback between the dwelling and vines.
- A shelterbelt has been planted within the orchard lot which will assist to screen the houses

For the southern orchard mitigations include:

- These vines are closer at circa 8 m from the boundary, and there are 38 houses adjoining this canopy area.
- There is a shelterbelt planted along the boundary for the entire length of the canopy area.
- The southern boundary of this orchard borders the medium density residential zone of Te Awamutu and there is no landscaping between the existing dwellings and the orchard. This indicates this orchard is already able to manage reverse sensitivity effects from the adjoining residential dwellings.
- It is reasonable to expect that further dwellings on the northern boundary of this orchard can be similarly managed and through the proposed planting such impact can be mitigated (in comparison to the dwellings to the south).

The proposed development includes a landscape buffer on the boundary with the kiwifruit orchards, the Landscape architect Jack Earl has advised:

The buffer treatment within the site will consist of 5 metres of buffer planting along with another 2 metres of open space for a total of approximately 7 metres between the boundary and the wall of the nearest dwelling. Given the site is located within a gentle valley, the retirement development will be located below the level of the adjacent Kiwifruit operations. There will be retaining walls of approximately 1 metre in height along both the northern and southern boundaries adjacent to the Kiwifruit blocks and all of the dwellings will be below the adjacent Kiwifruit operations.

In summary for both kiwifruit orchards the reverse sensitivity effects are mitigated through building setbacks and the buffer treatment to reduce cross boundary impacts. Additionally there are notification systems to provide advance notice of spray applications, and it would be expected the senior living community would facilitate this communication with residents.

The risk of reverse sensitivity effects on the dairy farm to the west and the lifestyle blocks to the north are low, the establishment of dwellings alongside pastoral grazing are unlikely to cause any significant reverse sensitivity effects.

8.3 Clause 3.10(1)(c) Environmental, social, cultural, and economic costs/benefits

3.10(1) Territorial authorities may only allow highly productive land to be subdivided, used, or developed for activities not otherwise enabled under clauses 3.7, 3.8, or 3.9 if satisfied that:

(c) the environmental, social, cultural and economic benefits of the subdivision, use or development outweigh the long-term environmental, social, cultural and economic costs associated with the loss of the highly productive land for land-based primary production, taking into account both tangible and intangible values

The Substantiative Application includes a number of assessments to address the environmental, social, cultural and economic components of the proposed senior living facility. The table below captures some of the main points from these assessments, further analysis under this NPH-HPL assessment is not considered necessary.

Table 4: Assessment against NPS-HPL Clause E.10(1)(c) Environmental, social, cultural, and economic costs/benefits

ENVIRONMENTAL
Improved Phoenix Ecology Ltd completed an Ecological Assessment, the key comments in the conclusion are reproduced below: *Recommendations to minimise effects include adoption of protocols to manage direct effects on wildlife during earthworks, vegetation removal and in-stream works; minimisation of lighting effects, restoration planting; and sediment and erosion control.* *This proposed restoration was assessed to adequately address the loss of the small wetland area (33 m2), and the loss of potential bat foraging habitat (when combined with lighting controls and buffers).* *The kahikatea fragment will be fenced from stock access, and enhancement planting is proposed. While limited public access to this area is planned, these measures will further enhance the existing ecological values of this area and lead to overall positive restoration outcomes.* *If recommendations made above are adopted, the proposed effects management and restoration measures will enhance overall biodiversity values at the site, improving the quality of fauna habitat including bat foraging habitat available at the site. The increase in both habitat quality and quantity, alongside other measures to minimise the effects of development, is assessed to lead to an overall positive outcome for ecological values.*[10] From an agricultural point of view grazing of livestock causes nitrogen leaching losses primarily through urine spots, waterways are fenced to exclude stock. Following the proposed development there will no longer be livestock grazed on the property removing this form of nitrate leaching.

[10] Te Awamutu Senior Living Project. Ecological Assessment Report. Phoenix Ecology Ltd. Job No: 01.029. Date: June 2026

SOCIAL
Improved. Insight Economics considered a number of qualitative benefits alongside the economic impact. Social impacts of note include: senior housing supply contribution; improved housing affordability; ageing-in-place with confidence and dignity; safe, secure, and fit-for-purpose homes; and support for the Te Awamutu town centre through spending by residents, visitors and, staff. [11] Currently the block is managed by the previous owner in a part time capacity. The social impact for a purpose built senior living community to provide approximately 414 dwellings/units is a significant lift to the current 1 dwellings and 1 part time labour unit.
CULTURAL
No change. CFG Heritage Ltd completed an archaeological assessment of the site concluding: *No archaeological features or deposits were observed at the property and historic aerial imagery and research, site survey results, and LiDAR results indicate that none are expected to be present. There is no reasonable case to suspect that the project will affect any potential previously unrecorded archaeology.*[12] Local mana whenua are being consulted in relation to this project, specifically Ngati Apakura, Ngati Mahanga and Maniapoto ki te Raki. The outcomes of this engagement will be reported through the substantive report.
ECONOMIC
Improved. The current land use as dairy and beef heifer grazing is estimated to make an annual net loss of -$16,857 (EBITRm). Insight Economics have assessed the economic impact of the proposed development, including both the economic findings for land based primary production detailed in this report, alongside the proposed senior living community. Their summary outlines: ***The benefits****: approximately $76 million of GDP and 620 FTE-years of employment during construction, plus a permanent onsite economy of around 118 FTEs generating $85 million of GDP (NPV) over 30 years, alongside a significant boost to senior housing supply, care capacity, competition, and housing choice.* ***The costs****: forgone rural production worth around $0.5 million of GDP (NPV) over 30 years, deliberately overstated. Even the most productive alternative rural use the land could physically support is worth a fraction of the proposal's benefits.* ***The net result****: net quantified impacts of approximately +$160 million of GDP, +$95 million of wages, and +2,830 FTE-years of employment, before counting the qualitative benefits.* ***The conclusion****: the proposal is strongly supported on economic grounds.*[13] This shows a substantial improvement to the economic performance of the property.

[11] Economic Assessment of Proposed Harlow Lifestyle Village for Fast-track Substantive Application. Insight Economics. Draft Report Dated 23 September 2026.
[12] 2025 Ōhaupō Road, Te Awamutu: Archaeological assessment. Danielle Trilford. CFG Heritage Ltd. Dated 28th May 2025
[13] Economic Assessment of Proposed Harlow Lifestyle Village for Fast-track Substantive Application. Insight Economics. Draft Report Dated 23 September 2026.

8.4 Clause 3.10(2) Alternatives to retain productive capacity

3.10(2) In order to satisfy a territorial authority as required by subclause (1)(a), an applicant must demonstrate that the permanent or long-term constraints on economic viability cannot be addressed through any reasonably practicable options that would retain the productive capacity of the highly productive land, by evaluating options such as (without limitation):

(a) alternate forms of land-based primary production:
(b) improved land-management strategies:
(c) alternative production strategies:
(d) water efficiency or storage methods:
(e) reallocation or transfer of water and nutrient allocations:
(f) boundary adjustments (including amalgamations):
(g) lease arrangements

AgFirst approach: Part 2 of clause 3.10 considers if the constraints identified under Part 1 which exist under the current land use can be overcome by a range of alternative strategies (a-g).

Table 5: Assessment against NPS-HPL Clause 3.10(2) Alternatives to retain productive capacity

(a) ALTERNATIVE FORMS OF LAND BASED PRIMARY PRODUCTION	
Dairy Farm or Dairy Support Farm	Not a reasonably practicable option. » At 19.8 ha of pastoral area this is of insufficient scale to create a standalone dairy or dairy support farm.
Sheep or cattle Grazing	Not viable » To graze sheep or cattle is a reasonably practical option and is a common land use in this area » An economic budget under the current land use grazing dairy heifers showed an EBITRm of -$16,857 showing this land use is not economic. See Appendix B for further details. » There will be variation in revenue and expenses for different sheep and cattle stock policies. However as expenses are 1.4 times revenue such changes would be insufficient to generate a positive EBITRm.
Arable or cropping	Not viable » Maize is an established land use in the area and supporting infrastructure i.e. contractors are available. » Based on a review of the site contour, pastoral areas and Landsystems mapping there an estimated 14.5 ha suitable for growing Maize. Areas not suitable include unproductive areas, very poor to poorly drained soils and small isolated areas impractical to access by contractors machinery, see Appendix D. » The property does not grow maize so indicative industry data is utilised. A yield of 20 t DM/ha is assumed, this is slightly below the Foundation for Arable Research (FAR) Arable Industry Market Initiative of 20.7 t DM/ha for the Northern North Island for the last 3 years[14]. Expenses are based on the

[14] https://www.far.org.nz/resources/arable-industry-marketing-initiative-aimi

	Pioneer 26/27 costs guide[15] and revenue is based on 30c/kg DM standing following the FAR 2026-27 costs of production[16] » In comparison to other maize growers the FAR 2026-27 costs of production shows a gross margin of $1,939/ha[16], which is below the $2,700/ha estimated for the Ohaupo Road. Noting that the FAR data is based on an irrigated maize crop in canterbury. » An economic budget growing maize silage over spring/summer/autumn and annual ryegrass over winter, selling all crops as standing feed, produced a positive EBITRm of $31,106. » Based on the council ratings land value of 2.17 million assuming a 30% debt loading at a 6.5% interest rate, debt servicing equates to $42,315 on an interest only mortgage. » This leaves a pre-tax profit of -$11,252 » While a maize/annual ryegrass land use can produce a positive EBITRm, profit is not sufficient to cover debt servicing on a nominal 30% of the land value. » Furthermore, there is no scope to provide a return on capital invested or to support the living cost of a family. » An arable land use such as maize and annual ryegrass is not an economically viable land use.
Intensive Vegetable Production	**Not a reasonably practicable land use** » Landsystems mapping shows much of the LUC 2 land is located in small and isolated pockets (Figure 10), coupled with the varying slope classes (Figure 2), shows the site contains limited suitable areas for vegetable production. » Census data from 2022 shows there was a total of 76 ha of vegetable crops grown in the Waipa District, this is a small area when compared with the Waikato District at 1,963. [17] This indicates that the Waipa district is less suitable and supporting infrastructure will be limited. » The property sits within the Mangapiko sub-catchment of the Waipa river and is subject to the Waikato Regional Council Plan Change 1 (PC1). Rule 3.11.4.8 controls the expansion of commercial vegetable production as a discretionary activity. This catchment is not listed as a growth area for commercial vegetable production, which means the activity would fall under Rule 3.11.4.9 as a non-complying activity. » Following the recent government announcement to defer the implementation of PC1 to the end of 2032 we have sought clarification from Waikato Regional Council. They have indicated that Rule 3.11.4.9 remains in effect through the deferral period noting this came with a caveat that it is their current understanding and is not formal advice. » Due to the isolated pockets of LUC 2, small area of vegetable production in the Waipa district with limited supporting infrastructure, uncertainty over policy restrictions under PC1, intensive vegetable production is not a reasonably practical long term land use.
Horticulture	**Not a reasonably practicable land use** Anthony Pangborn of Agriculture Risk Management was engaged to assess the suitability of the site and economics of Kiwifruit. This analysis is included in Appendix E, with the key points being:

[15] https://www.pioneer.co.nz/product-range/maize-for-silage/maize-silage-calculator
[16] https://www.far.org.nz/resources/updated-costs-of-production
[17] https://www.stats.govt.nz/information-releases/agricultural-production-statistics-year-to-june-2022-final/

	» 10.95 ha is assessed as being suitable for kiwifruit, unsuitable areas include small/irregular shaped blocks, south facing, and low lying/water stress risk. » At maturity Hayward Green Kiwifruit produce an EBIT of $77,719, and after allowing for a 60% debt loading a pre-tax profit of -$142,332. Zespri SunGold Kiwifruit produce an EBIT of $585,987, and a pre-tax profit of $93,442, showing at maturity Gold is economically viable. » The profitability at maturity however does not account for the establishment period. Kiwifruit differs to the other land uses considered as there is a large capital investment and multi-year delay until production: o Development costs are 3.9 million for Green and 11.5 million for Gold incurred at establishment (years 1-3). o Crops do not produce fruit until years 2-3, reaching mature yields at years 5-6. » Taking a longer term view of the crop over the first 10 years provides an Internal Rate of Return (IRR) of 2.6% for Green and 5.7% for Gold. For context Anthony advised that an IRR of 8-10% is generally required to attract horticulture investors. Investment in Kiwifruit is inherently risky, factors include climatic impacts on crop yield or damage, biosecurity threats such as PSA, and the unlicenced growing of SunGold in China. With a higher risk comes the demand for a higher reward. » The low IRR for the site is due to a combination of high establishment costs and lower expected yields: o The Waikato climate is less favourable than Bay of Plenty, accordingly yields are expected to be lower. o The site is lower lying than the surrounding orchards, cool air drains downhill which increases the risk of frost damage and lower temperatures impacting production. o The surrounding orchards are predominantly north facing, the site contains approximately 50% north facing land o Land contouring is required to address the undulating nature of the land. o Overhead protection is required for SunGold o Frost protection measures are required as the risk of frosts damaging new buds and shoots is high. o Higher harvest and transport costs are higher due to greater distance to packhouses o There is less kiwifruit grown in the Waikato than the Bay of Plenty so supporting infrastructure is limited » While in theory at maturity kiwifruit is an economic land use, IRR is low and will not meet investors expectations. Due to the specific limitations of this site and the low IRR a prudent investor would not establish Kiwifruit on this site. They would instead seek a more suitable site containing a more contiguous area of HPL of flatter/north facing land, with terrain that allows cold air to be shed. An investment of 3.9 million for Green and 11.9 million for Gold is a substantial sum, an adequate return on this investment a reasonably practical expectation. » The salvage value (or property value) at year 10 contains a margin above development costs, valued at 7.12 million for green and 15.33 million for Gold. Value is uncertain as there few comparable sales for the Waikato. » The proximity to Te Awamutu and the speculative nature of the property creates uncertainty over the long term use of the land. If the opportunity arose for urban development the investment made in kiwifruit would become a cost to remove. If at year 10 the property value is assumed to be 2.17 million (as per the current ratable value) IRR drops to -5 to -7%, leaving kiwifruit as a clearly unviable investment

	» On balance Kiwifruit is not considered to be a viable land use because the site contains a number of factors that constrain yield and profit, IRR does not meet investors expectations and there is uncertainty over the long term land use of the site.

(b) IMPROVED LAND-MANAGEMENT STRATEGIES

Not a reasonably practicable option

Fertiliser inputs could be used to lift soil fertility and productivity under all land uses analysed, the farm has not received fertiliser since 2021. However productivity of pasture, maize and kiwifruit are all inline with industry expectations, further production gains would be small and would not change the current conclusions.

Overall while there are strategies which could enhance productivity. These strategies do not overcome the lack of scale, surrounding fragmentation, and internal fragmentation. These constraints will continue to result in an uneconomic unit.

(c) ALTERNATIVE PRODUCTION STRATEGIES

Not a reasonably practicable option

A range of production strategies has been considered, economic budgets have been completed for pastoral grazing, maize, and kiwifruit. While further gains through management of these practical land uses are possible, they would not achieve the magnitude of change required to create economic viability.

(d) WATER EFFICIENCY OR STORAGE METHODS

Not a reasonably practicable option

Water is required for stock drinking and there is a bore installed on the property to supply stock water.

Irrigation of this block is required under Kiwifruit, it is assumed that there is a suitable groundwater source and there is no need for storage.

(e) REALLOCATION OR TRANSFER OF WATER AND NUTRIENT ALLOCATIONS

Not applicable

This is not applicable as the land is not currently subject to nutrient allocations or caps.

(f) BOUNDARY ADJUSTMENTS (INCLUDING AMALGAMATIONS)

Not a reasonably practicable option

The block could be amalgamated with the dairy farm to the west, which in practice would mean selling the property to this dairy farm. The Councils ratable land value is $109,600 /ha (see table 2) which is approximately double what a bare land block could be valued at. It would not be reasonable to expect this dairy farm to pay double what the productive value, and likewise for TDL to accept a price that is half the market value. The two parties would not reach an agreeable price, so this is not a reasonably practical option.

The block could also be integrated with the kiwifruit orchards, however the horticulture section of this table outlines it is less suitable than the existing orchards due to the lower portion of north facing land, and lower lying land close to the valley bottom with increased frost risk. The business case to develop the property for kiwifruit does not stack up, the IRR is below an investors expectations. The southern orchard is producing Hayward Green Kiwifruit, and the budget is showing a negative result at maturity (Appendix E).

(g) LEASE ARRANGEMENTS

Not viable

Leasing of the property to the adjoining dairy farm to the west, to a sheep and beef farm, a dairy farmer to graze drystock, or an arable farmer to grow maize are all possible options, the scale of the property could be integrated with an existing business in the surrounding vicinity.

Appendix F includes a budget to lease the block for growing maize, a lease rate of $1,400/ha is assumed which is a higher rate than sheep and beef or dairy heifer grazing could achieve. This budget shows an EBITRm profit for the lessor of $10,405, which after deducting $52,080 for debt servicing leaves a pre-tax deficit of -$41,675.

This shows that while leasing of the land could be possible it is not a viable land use for the lesssor.

8.5 Clause 3.10(3) Evaluation of reasonably practical options

3.10 (3) Any evaluation under subclause (2) of reasonably practicable options:

(a) must not take into account the potential economic benefit of using the highly productive land for purposes of other than land-based primary production; and
(b) must consider the impact that the loss of the highly productive land would have on the landholding in which the highly productive land occurs; and
(c) must consider the future productive potential of land-based primary production on the highly productive land, not limited by its past or present uses.

Table 6: Assessment against NPS-HPL Clause 3.10(3) Evaluation of reasonably practical options

NO ACCOUNT FOR ECONOMIC BENEFITS OTHER THAN LAND BASED PRIMARY PRODUCTION
Assessments undertaken in Table 5 do not consider potential economic benefits of using HPL for purposes other than land-based primary production.
IMPACT OF LOSS OF HPL ON LANDHOLDING
The loss of HPL is estimated at 7.1 ha, see section 6.2. The proposed senior living development will cover the entire property. Land based primary production will no longer be feasible so the impact the loss of HPL has on the wider landholding is irrelevant for land based primary production as there will be none.
FUTURE PRODUCTIVE POTENTIAL
This analysis has considered a full range of land based primary production activities for the site; livestock grazing, arable, arable leasing, and kiwifruit are identified as possible uses, however economic budgets show these uses are not economically viable. This analysis is not limited by past or present uses being livestock grazing. Productive potential is based on industry data and while small improvements through land and production management strategies are possible they would be insufficient to reach an economically viable unit. The constraints namely, the limited HPL area, internal and surrounding fragmentation, proximity to urban boundary and the associated speculative future and current market value are permanent or long term constraints that mean the property is not economically viable. They cannot be overcome through management in the next 30 years.

8.6 Economic Viability

One of the key tests under the NPS-HPL clause 3.10 is to prove the lack of economic viability, however the policy does not define economic viability. This section provides further background on AgFirst's view and approach to define this term for interpretation under the NPS-HPL.

Relevant definitions:

- *"The term "economically viable" is used to describe a project that provides an overall positive net economic contribution to society after all costs and benefits have been accounted for".* New Zealand Agricultural and Resource Economics Society Conference in 2024 and published in the Institute of Rural Professionals Journal. [18]
- *A project is economically viable if the economic benefits of the project exceed its economic costs, when analysed for society as a whole…. the economic costs of the project are not the same as its financial costs—externalities and environmental impacts should be considered".* World Bank[19]

Both definitions refer to the requirement for positive return and to take a wider view of society impacts and externalities, this reaches further than a positive gross margin, EFS of EBITRm.

To be economically viable, AgFirst suggests that the income from the farm business needs to be sufficient to cover:

i. Operating costs, e.g. wages, animal health, fertiliser, repairs and maintenance, etc.

ii. Fixed costs such as rates, insurance, and administration.

iii. Depreciation cost for all depreciable items e.g. machinery, plant, and infrastructure

iv. Debt servicing or an appropriate return on the capital investment if there is little or no debt

For this assessment AgFirst has used EBITRm as the first test to review if revenue is sufficient to cover operating and fixed costs and depreciation. In cases where this is achieved the test then moves to consider if EBITRm is sufficient to service debt.

From a consultants perspective working with agricultural clients, the ability of the business to service debt is fundamental to a sustainable and economic business. However the level of debt within businesses varies widely based on personal circumstances. Secondly businesses will have expectations for drawings to support the living costs of their family, to remunerate time input into the business, and to provide a return on the equity held in the business (especially where debt levels are low). The ability to service debt or provide a return on investment (equity) is an essential requirement of any economically viable business. A viable farming business in the real world must be one that an objectively reasonable person would choose to undertake for a fair financial reward.

[18] Journeaux - Definition of Farm Economic Viability.pdf

[19] https://ppp.worldbank.org/assessing-project-feasibility-and-economic-viability#:~:text=A%20project%20is%20economically%20viable,environmental%20impacts%20should%20be%20considered

Land values are based on the district council ratings database. This provides an independent market value of the land and capital improvements assessed by the local authority. AgFirst considers that the use of council land valuations and associated rating costs provides a realistic and robust basis for assessing the economic viability of land-based primary production under current market conditions.

To provide a balanced approach for this assessment, typical debt levels that a bank would reasonably fund are adopted for each land use. In this case 30% debt for livestock and arable, and 60% debt for kiwifruit factoring in the significantly higher capital input cost. Livestock, plant/equipment and the development cost of kiwifruit are also factored in using the same principle of 30-60% debt funded. No principal payments are factored into the debt calculation although this would be a common banking expectation.

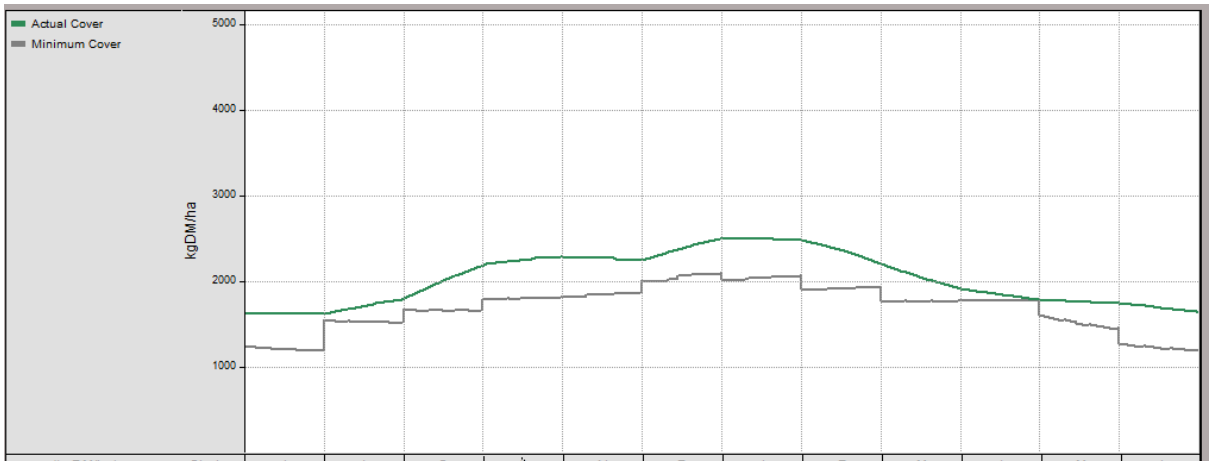
In assessing the debt servicing required, the land value has been used rather than the improved capital value. For this assessment there is a dwelling on the property that is not utilised by the current manager or included in any of the alternative land use budgets, therefore the value of the house is also excluded. While arguably the value of the farm buildings should be included the assessment takes a simple and conservative approach to adopt the land only value for the purpose of debt servicing.

Interest rates are based on a long term average of 6.5%. This is based on data published by the Reserve Bank of New Zealand for new standard residential mortgage interest rates with a 2 year term (B20)[20], this data series combined with an earlier data series provide a 28 year average (while the NPS-HPL requires a 30 year view the data does not extend to this point). Standard residential mortgage rates are comparable to a well secured farm business loan with a low risk rating.

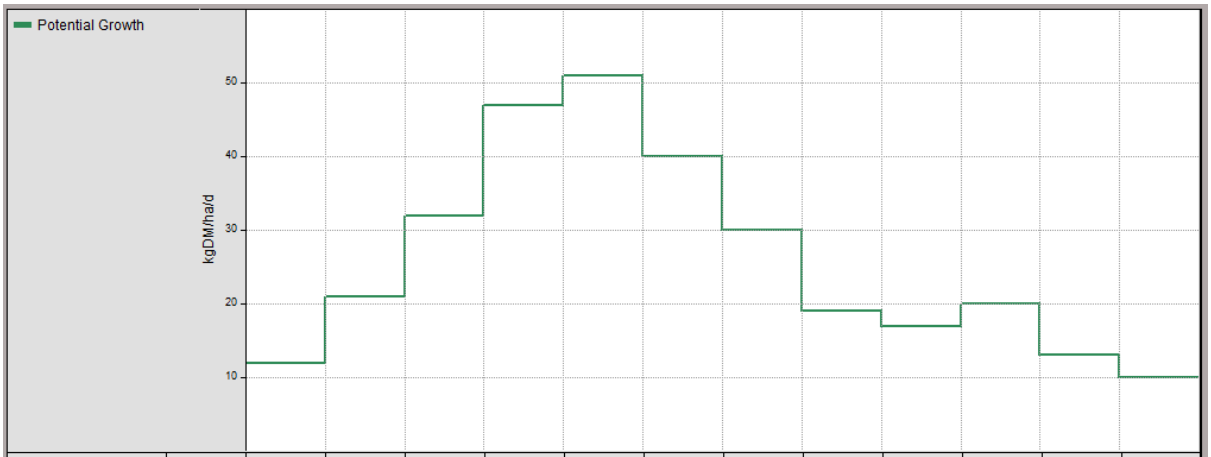
[20] https://www.rbnz.govt.nz/statistics/series/exchange-and-interest-rates/new-residential-mortgage-standard-interest-rates

APPENDIX A: FARMAX MODEL OF CURRENT FARM SYSTEM

		Total
Area	Total Area (ha)	20
	Farm Area (ha)	20
	Grazing Area (ha)	18
Feeding	Pasture Eaten (t DM/Total ha)	6.56
	Supplements Eaten (t DM/Total ha)	0.50
	Total Eaten (t DM/Total ha)	7.07
	Nitrogen Boost (tDM/Total ha)	0.00
Performance	Production (kg Product/Total ha)	315.4
	Stocking Rate (SU/Total ha)	12.9
	Feed Conversion (kg DM/ kg Product)	22.4
	Gross Margin ($/Total ha)	1,114
Species Ratio	Sheep (%)	0
	Beef (%)	100
	Deer (%)	0



(kgDM/ha)	Start	J	A	S	Ö	N	D	J	F	M	A	M	J
Forecast/Actual	1,645	1,628	1,801	2,185	2,285	2,252	2,505	2,482	2,211	1,916	1,786	1,752	1,643
Minimum	1,248	1,194	1,526	1,667	1,823	1,871	2,101	2,067	1,933	1,775	1,789	1,451	1,194
Potential Growth (kgDM/ha/d)		12.0	21.0	32.0	47.0	51.0	40.0	30.0	19.0	17.0	20.0	13.0	10.0



Potential Growth	kgDM/ha	J	A	S	O	N	D	J	F	M	A	M	J
kgDM/ha/d	9,500	12.0	21.0	32.0	47.0	51.0	40.0	30.0	19.0	17.0	20.0	13.0	10.0

Mob	31 Jul	31 Aug	30 Sept	31 Oct	30 Nov	31 Dec	31 Jan	28 Feb	31 Mar	30 Apr	31 May	30 Jun
Heifer Calves											48	48
1-Year Heifers	48	48	48	48	48	48	48	46	46	46		
Bulls				2	2							
Total	**48**	**48**	**48**	**50**	**50**	**48**	**48**	**46**	**46**	**46**	**48**	**48**

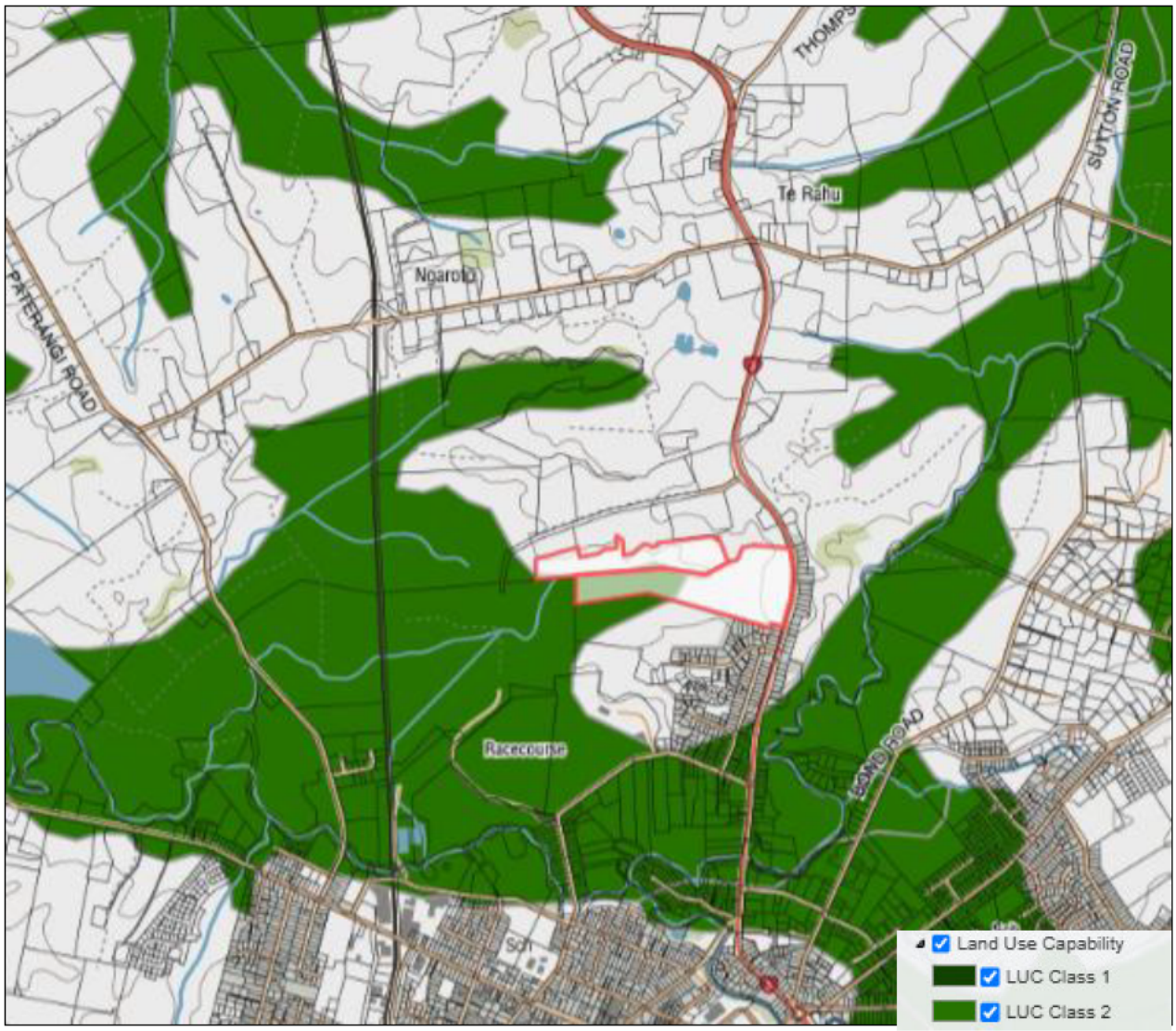
Mob	31 Jul	31 Aug	30 Sept	31 Oct	30 Nov	31 Dec	31 Jan	28 Feb	31 Mar	30 Apr	31 May	30 Jun
Heifer Calves				2	2	2	2	2	2	2	2	2
1-Year Heifers	2	2	2	2	2	2	2	2	2	2		
Total	**2**	**2**	**2**	**4**	**4**	**4**	**4**	**4**	**4**	**4**	**2**	**2**

APPENDIX B: ECONOMIC BUDGET FOR DAIRY AND BEEF HEIFER GRAZING

		$ Total	Comment
Revenue	Area	19.8	
	Dairy Grazers	$34,944	48 heifers on $14/hd/wk contract
	Beef Heifers	$2,000	Buy 2 heifers at 100kg/$800 in October Sell 2 heifers at 20 month of age at 450kg/$1800
	Baleage	$6,000	Sales of 60 bales of baleage valued at $100/bale
	Total Revenue	$42,944	
Operating Expenses	Wages	$26,000	10 hrs per week for managing stock, feeding out, weed control, and R&M (valued at $50/hr)
	Animal Health	$100	Dairy farmer pays animal health, allowance of $100 for beef heifers
	Weed & Pest Control	$624	B+LNZ Economic Survey, NNI Class 5 finishing land 25/26 forecast of $31.52/ha
	Fertiliser (Excl. N & Lime)	$5,972	Whole farm (19.8 ha)- 300kg/ha Superphosphate @ $600 /t product + $125 /t for store fees, cart and spread Baleage Area (9 ha)- 200kg/ha 50% Potash Super@ $800 /t product + $125 /t for store fees, cart and spread
	Vehicle Expenses	$2,000	Estimated $2,000 service cost for quad and tractor
	Fuel	$2,000	Estimate $2,000 for fuel for quad and tractor
	Electricity	$1,200	Estimate of $1200 for water pump and fence unit
	Feed & Grazing	$6,050	110 bales conserved at $55/bale
	Repairs & Maintenance	$3,007	B+LNZ Economic Survey, NNI Class 5 finishing land 25/26 forecast of $151.86/ha
	Freight	$0	Dairy farmer pays freight and beef heifers are home killed
	Total Operating Expenses	$46,952	
Fixed Expenses	Administration Expenses	$1,500	Accountancy fees for a small block with minimal transactions $1,500 (estimate provided by local accountant)
	Insurance	$2,484	Lincoln University Financial Budget Manual v41 - 2x unspecified farm buildings ($304.55 each), general liability ($321.56), Quad (407.23) and tractor (1518.15) (GST deducted)
	Rates	$4,865	WRC 26/27 $1,417 ex GST WDC 26/27 $5,157.9 ex GST Capital value of $2.95 mill and Land value of 2.17 mill Apply 74% of total rates attributed to the land
	Depreciation	$4,000	10% Straight Line depreciation on $40,000 of plant and equipment
	Total Fixed Expenses	$12,849	
Earning before Interest Tax Rent and Management wage (EBITRm)		-$16,857	
Interest		$43,095	assume 30% debt loading of land at 6.5% interest rate, value based on WDC land value of 2.17 million $40,000 of plant and equipment 30% debt at 6.5% interest rate
Pre-Tax Profit		-$59,952	

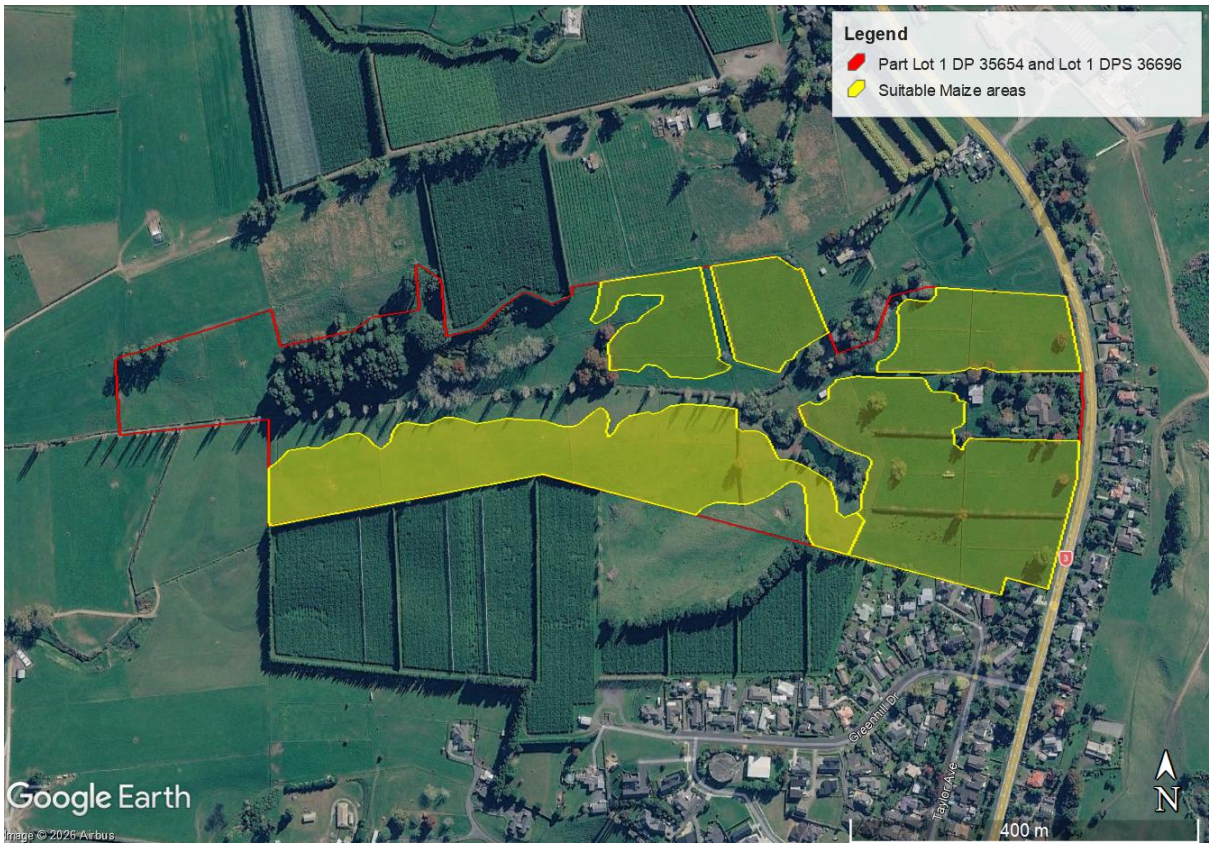
B+LNZ data is based on the Economic Service Sheep and Beef Farm Survey Northern North Island – Class 5 Finishing 2024-25 https://beeflambnz.com/industry-data/farm-data-and-industry-production/sheep-beef-farm-survey

APPENDIX C: HIGHLY PRODUCTIVE LAND MAP FOR THE SURROUNDING AREA



APPENDIX D: MAPPING AND ECONOMIC BUDGET FOR GROWING MAIZE

		$ Total	Comment
Revenue	Area	14.5	
	Grass Silage	$14,500	Yield of 4T DM/ha valued at 25 c/kg DM as standing grass
	Maize Silage	$87,000	Yield of 20 t DM/ha valued at 30 c/kg DM as standing maize
	Total Revenue	$101,500	
Operating Expenses	Wages	$1,000	10 hrs per year for time spent working with contractors (valued at $50/hr)
	Weed & Pest Control	$1,000	Estimate of $1000 for contractor for weed control
	Cropping - Maize	$47,850	26/27 Pioneer Cost Guide - Total growing cost of $3,300/ha
	Cropping - Annual Ryegrass	$11,600	$400/ha for seed and direct drilling, $400/ha for fertiliser
	Fertiliser (Excl. N & Lime)	0	included under cropping expenses
	Vehicle Expenses	0	Assume no vehicles required
	Repairs & Maintenance	$1,813	Allowance for R&M for accessways drain, trees etc, $125/ha
	Electricity	$0	no electricity required
	Total Operating Expenses	$63,263	
Fixed Expenses	Administration Expenses	$1,500	Accountancy fees for a small block with minimal transactions $1,500 (estimate provided by local accountant)
	Insurance	$809	Lincoln University Financial Budget Manual v41 - 2x unspecified farm buildings ($304.55 each), and General Liability (321.56) (GST deducted)
	Rates	$4,865	WRC 26/27 $1,417 ex GST WDC 26/27 $5,157.9 ex GST Capital value of $2.95 mill and Land value of 2.17 mill Apply 74% of total rates attributed to the land
	Depreciation	$0	No vehicles or equipment to depreciate
	Total Fixed Expenses	$7,175	
Earning before Interest Tax Rent and Management wage (EBITRm)		$31,063	
Interest		$42,315	assume 30% debt loading of land at 6.5% interest rate, value based on WDC land value
Pre-Tax Profit		-$11,252	


Legend
Part Lot 1 DP 35654 and Lot 1 DPS 36696
Suitable Maize areas
Google Earth
Image © 2026 Airbus
400 m
N

All data in this Appendix has been provided by Anthony Pangborn of Agriculture Risk Management

Mapping and Site Suitability Commentary

Kiwifruit vines are extremely sensitive to wind, frost and soil moisure - both dry and wet.
Artficial and natural sheltering, sub surface drainage, irrigation and frost protection are used to improve a sites suitability to kiwifruit cultivation.

Kiwifruit orchards are located to both the North and South of the site in question. In both cases, the neighbouring orchards are predominatly north facing, and of a higher elevation than the site in question. This makes both neighbouring properties more suitable for kiwifruit cultivation than the site in question.
There is an exception, in that the neighbouring orchard to the north has recently planted new vines on a portion of a south facing slope, directly above that we refer to as 6&7 on the subject site.
Only a portion of this new block sits on the south facing side of the hill, and while sub optimal in our opinion, the block is superior to the aea on the site in question directly below.

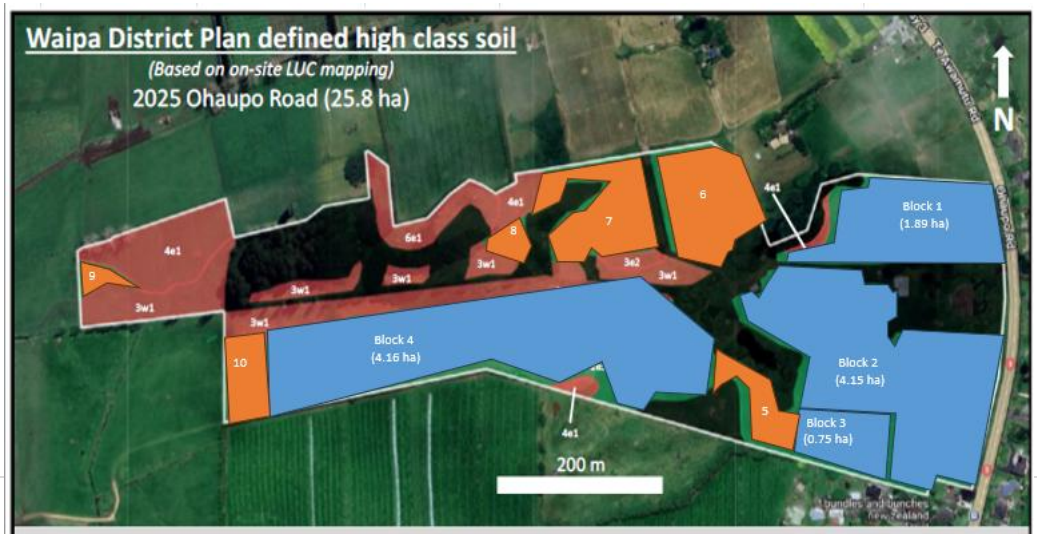
Based on my site review, in my opinion, the lands suitability for kiwifruit planting is reasonbaly well aligned with figure 7 (page 17) from the document titled 'Soil and Land Use Capability classification assessment - 2025 Ohaupo Road, Te Awamutu 3800' dated 2 June 2026
In that those areas defined as 'high class soils' are the areas most suitable to potentially succesful kiwifruit cultivation. There are some exceptions however, these are identified in the map below and able to be cross referenced to the tables.

Blue	Suitable for Kiwifruit cultivation, following some level of contouring
Orange	Unsuitable for Kiwifruit cultivation due to one or all of the following factors, aspect, slope, elevation.

HCS - Plantable Block	Area (ha)	Earthworks req.
1	1.89	Minimal
2	4.15	Minimal
3	0.75	Yes
4	4.16	Yes
Total	10.95	

Note - While block 3 is effectively part of block 2, it is expected that a more intense level of contouring will be required in block 3, hence it the two blocks being recorded independently of one another.

HCS - unsuitable	Reason
5	Irregular shape of block, slope and limited ability to contour
6	South facing
7	South facing
8	South facing and Inneficiency of being a small block
9	South facing and Inneficiency of being a small block
10	Lowing lying, water stress risk



Assumptions

		Gold Conventional	Green Conventional	Comments
Rever	te/ha (at maturity)	15,500	9,000	Average of past two years for EastPack Waikato
	OGR/te	$12.21	$9.40	Mid point 5 year outlook
Capex	Land	$2.17m	$2.17m	Noted from Stevens table
	PVR License	$650,000	$0	Similar to 2025 actual
	Sub surface drainage	Not required	Not required	
	Overhead Shelter	Yes	Not required	HW CK & OB - assumed vertical shelter at 50% cost of overhead.
	Pond (Water Conservation)	Not required	Not required	As we don't have consent details, its hard to make an assumption
	Frost Protection	Yes	Yes	Irrigation system to be multipurpose for both irrigation and frost
Opex	Operating Costs	MPI Budget	MPI Budget	MPI Reporting
	Harvest/Transport Costs	$0.85	$0.80	Higher cost due to proximity to BOP packhouses
	Indirect Costs	MPI Budget	MPI Budget	MPI Reporting
Other	Interest	6.00%	6.00%	Noted from Stevens table
	NPV Discount %	3.00%	3.00%	
	Terminal Value/ha	$1,400,000	$650,000	Assumption....
Production (Year)	0	0	0	
	1	0	0	
	2	5,000	0	
	3	10,000	2,500	
	4	14,000	4,000	
	5	15,500	7,000	
	6	15,500	9,000	
	7	15,500	9,000	
	8	15,500	9,000	
	9	15,500	9,000	
	10	15,500	9,000	

EastPack Regional Production

EastPack	2025	2026	Average
Waikato Gold	14600	16300	15450
Waikato Hayward	9700	7500	8600

3 year average prices

OGR/TE	2025	2024	2023	3-year Ave
Gold	$11.90	$11.81	$12.92	$12.21
Hayward	$10.28	$8.36	$9.55	$9.40

Total Hectares	25.78
Canopy Hectares	10.95
Land Cost	$2,170,000
License Cost /ha (Ex GST)	$650,000
Harvest & Transport /te	$0.85
Interest Rate	6.00%
Salvage Value $/ha (ex crop)	$1,400,000
CPI Adjustment	0%
NPV Discount Factor	3%

2025 Ohaupo Road Kiwifruit Faesibility Study - Gold 3 Conventional Development

All figures exclude GST
OGR = Orchard Gate Return

Cashflow

	Planting	Grow Leaders									
	0	1	2	3	4	5	6	7	8	9	10
Growing Season (YE June 31st)	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38
Opening Bank Balance	**-**	**- 13,093,246**	**- 13,881,076**	**- 14,025,616**	**- 13,548,196**	**- 12,573,208**	**- 11,411,632**	**- 10,250,056**	**- 9,088,480**	**- 7,926,904**	**- 6,765,328**
Income											
te/ha	-	-	5,000	10,000	14,000	15,500	15,500	15,500	15,500	15,500	
total trays	-	-	54,750	109,500	153,300	169,725	169,725	169,725	169,725	169,725	
OGR $$/te	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	$ 12.21	
Total Incomings	**-**	**-**	**668,498**	**1,336,995**	**1,871,793**	**2,072,342**	**2,072,342**	**2,072,342**	**2,072,342**	**2,072,342**	
Operational Costs											
Orchard Labour Expense											
Pruning / Thinning / Canopy Management ect			434,715	434,715	434,715	434,715	434,715	434,715	434,715	434,715	
			-								
Orchard General Expenses			-								
Disease, weed and pest control & plant growth regulator products and application			67,890	67,890	67,890	67,890	67,890	67,890	67,890	67,890	
Pollination (by bees)			33,945	33,945	33,945	33,945	33,945	33,945	33,945	33,945	
Pollination (supplementary pollination)			14,783	14,783	14,783	14,783	14,783	14,783	14,783	14,783	
Fertiliser and lime			34,493	34,493	34,493	34,493	34,493	34,493	34,493	34,493	
Electricity			3,833	3,833	3,833	3,833	3,833	3,833	3,833	3,833	
Vehicles and fuel			6,023	6,023	6,023	6,023	6,023	6,023	6,023	6,023	
Repairs and maintenance2			40,515	40,515	40,515	40,515	40,515	40,515	40,515	40,515	
General expenses			16,425	16,425	16,425	16,425	16,425	16,425	16,425	16,425	
Contract machine work			14,235	14,235	14,235	14,235	14,235	14,235	14,235	14,235	
Total Orchard Operating Costs			**666,855**	**666,855**	**666,855**	**666,855**	**666,855**	**666,855**	**666,855**	**666,855**	
Harvest Costs											
Harvest & Transport Costs			46,538	93,075	130,305	144,266	144,266	144,266	144,266	144,266	
Total Harvest & Transport Costs	**-**	**-**	**46,538**	**93,075**	**130,305**	**144,266**	**144,266**	**144,266**	**144,266**	**144,266**	
Indirect Costs											
Management / Admin / Rates / Insurance	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	
Total Indirect Costs	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	**99,645**	
Total Costs	**99,645**	**99,645**	**813,038**	**859,575**	**896,805**	**910,766**	**910,766**	**910,766**	**910,766**	**910,766**	
Earnings before Interest & Tax	**(99,645)**	**(99,645)**	**(144,540)**	**477,420**	**974,988**	**1,161,576**	**1,161,576**	**1,161,576**	**1,161,576**	**1,161,576**	
Interest											
Orchard Profit/Loss before Tax	**(99,645)**	**(99,645)**	**(144,540)**	**477,420**	**974,988**	**1,161,576**	**1,161,576**	**1,161,576**	**1,161,576**	**1,161,576**	
Depreciation estimate	(541,180)	(575,589)	(575,589)	(575,589)	(575,589)	(575,589)	(575,589)	(575,589)	(575,589)	(575,589)	
Tax	(179,431)	(189,066)	(201,636)	(27,487)	111,832	164,076	164,076	164,076	164,076	164,076	
Accumulated tax position	(179,431)	(368,497)	(570,133)	(597,620)	(485,789)	(321,712)	(157,636)	6,440	170,516	334,593	
Tax payable	-	-	-	-	-	-	-	164,076	164,076	164,076	-
Orchard Profit/Loss after Tax	**(99,645)**	**(99,645)**	**(144,540)**	**477,420**	**974,988**	**1,161,576**	**1,161,576**	**997,500**	**997,500**	**997,500**	
Capital Items											
Bank Loan											
Shareholder Capital Introduced											
Land	(2,170,000)										
PVR License Costs	(7,117,500)										
Ground Preparation	(213,350)										
Irrigation & Frost Protection	(656,672)										
Plant Est & Dev	(688,186)	(688,186)									
Plants	(513,073)										
Shed & Loadout Pad	(65,667)										
Overhead Shelter	(876,000)										
Structure Labour	(328,336)										
Structure Materials	(364,818)										
Orchard Sale											15,330,000
Capital Income/Expenditure	**(12,993,601)**	**(688,186)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15,330,000**
Closing Bank Balance	**- 13,093,246**	**- 13,881,076**	**- 14,025,616**	**- 13,548,196**	**- 12,573,208**	**- 11,411,632**	**- 10,250,056**	**- 9,088,480**	**- 7,926,904**	**- 6,765,328**	**8,564,672**

Project Financial Analysis

Total Cost of Development	(13,681,786)
Cost of Development per canopy ha	(1,249,478)

Gross ROI% (EBIT / Capital Expenditure)	-0.77%	-0.73%	-1.06%	3.49%	7.13%	8.49%	8.49%	8.49%	8.49%	8.49%	
Net ROI% (NPAT / Capital Expenditure)	-0.77%	-0.73%	-1.06%	3.49%	7.13%	8.49%	8.49%	7.29%	7.29%	7.29%	
Net Cashflow (EBIT + Capex)	-$13,093,246	-$787,831	-$144,540	$477,420	$974,988	$1,161,576	$1,161,576	$1,161,576	$1,161,576	$1,161,576	$15,330,000
Net Present Value	$3,341,964										
IRR	5.68%										

Total Hectares	25.78
Canopy Hectares	10.95
Land Cost	$2,170,000
License Cost /ha (Ex GST)	$0
Harvest & Transport /te	$0.80
Interest Rate	6.00%
Salvage Value $/ha (ex crop)	$650,000
CPI Adjustment	0%
NPV Discount Factor	3%

2025 Ohaupo Road Kiwifruit Faesibility Study - Green Conventional Development

All figures exclude GST
OGR = Orchard Gate Return

Cashflow

Growing Season (YE June 31st)	Planting 0 2027/28	1 2028/29	2 2029/30	3 2030/31	4 2031/32	5 2032/33	6 2033/34	7 2034/35	8 2035/36	9 2036/37	10 2037/38
Opening Bank Balance	-	- 5,303,763	- 5,857,610	- 6,411,458	- 6,543,101	- 6,580,939	- 6,431,168	- 6,156,323	- 5,881,478	- 5,606,633	- 5,331,788
Income											
te/ha	-	-	-	2,500	4,000	7,000	9,000	9,000	9,000	9,000	
total trays	-	-	-	27,375	43,800	76,650	98,550	98,550	98,550	98,550	
OGR $/te	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	$ 9.40	
Total Incomings	-	-	-	257,325	411,720	720,510	926,370	926,370	926,370	926,370	
Operational Costs											
Orchard Labour Expense											
Pruning / Thinning / Canopy Management ect				79,083	126,533	221,433	284,700	284,700	284,700	284,700	
Orchard General Expenses											
Disease, weed and pest control & plant growth regulator products and application				48,180	48,180	48,180	48,180	48,180	48,180	48,180	
Pollination (by bees)				34,493	34,493	34,493	34,493	34,493	34,493	34,493	
Pollination (supplementary pollination)				9,308	9,308	9,308	9,308	9,308	9,308	9,308	
Fertiliser and lime				27,923	27,923	27,923	27,923	27,923	27,923	27,923	
Electricity				2,738	2,738	2,738	2,738	2,738	2,738	2,738	
Vehicles and fuel				10,950	10,950	10,950	10,950	10,950	10,950	10,950	
Repairs and maintenance2				42,158	42,158	42,158	42,158	42,158	42,158	42,158	
General expenses				7,665	7,665	7,665	7,665	7,665	7,665	7,665	
Contract machine work				4,928	4,928	4,928	4,928	4,928	4,928	4,928	
Total Orchard Operating Costs			-	267,423	314,873	409,773	473,040	473,040	473,040	473,040	
Harvest Costs											
Harvest & Transport Costs			-	21,900	35,040	61,320	78,840	78,840	78,840	78,840	
Total Harvest & Transport Costs	-	-	-	21,900	35,040	61,320	78,840	78,840	78,840	78,840	
Indirect Costs											
Management / Admin / Rates / Insurance	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	
Total Indirect Costs	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	99,645	
Total Costs	99,645	99,645	99,645	388,968	449,558	570,738	651,525	651,525	651,525	651,525	
Earnings before Interest & Tax	(99,645)	(99,645)	(99,645)	(131,643)	(37,838)	149,772	274,845	274,845	274,845	274,845	
Interest											
Orchard Profit/Loss before Tax	(99,645)	(99,645)	(99,645)	(131,643)	(37,838)	149,772	274,845	274,845	274,845	274,845	
Depreciation estimate	(151,706)	(174,416)	(197,126)	(197,126)	(197,126)	(197,126)	(197,126)	(197,126)	(197,126)	(197,126)	
Tax	(70,378)	(76,737)	(83,096)	(92,055)	(65,790)	(13,259)	21,761	21,761	21,761	21,761	
Accumulated tax position	(70,378)	(147,115)	(230,211)	(322,267)	(388,057)	(401,316)	(379,555)	(357,793)	(336,032)	(314,271)	
Tax payable	-	-	-	-	-	-	-	-	-	-	-
Orchard Profit/Loss after Tax	(99,645)	(99,645)	(99,645)	(131,643)	(37,838)	149,772	274,845	274,845	274,845	274,845	
Capital Items											
Bank Loan											
Shareholdfer Capital Introduced											
Land	(2,170,000)										
PVR License Costs	-										
Ground Preparation	(213,350)										
Irrigation & Frost Protection	(656,672)										
Plant Est & Dev	(454,202)	(454,202)	(454,202)								
Plants	(513,073)										
Shed & Loadout Pad	(65,667)										
Shelter	(438,000)										
Structure Labour	(328,336)										
Structure Materials	(364,818)										
Orchard Sale											7,117,500
Capital Income/Expenditure	(5,204,118)	(454,202)	(454,202)	-	-	-	-	-	-	-	7,117,500
Closing Bank Balance	- 5,303,763	- 5,857,610	- 6,411,458	- 6,543,101	- 6,580,939	- 6,431,168	- 6,156,323	- 5,881,478	- 5,606,633	- 5,331,788	1,785,712

Project Financial Analysis

Total Cost of Development	(6,112,523)
Cost of Development per canopy ha	(558,221)

Gross ROI% (EBIT / Capital Expenditure)	-1.91%	-1.76%	-1.63%	-2.15%	-0.62%	2.45%	4.50%	4.50%	4.50%	4.50%	
Net ROI% (NPAT / Capital Expenditure)	-1.91%	-1.76%	-1.63%	-2.15%	-0.62%	2.45%	4.50%	4.50%	4.50%	4.50%	
Net Cashflow (EBIT + Capex)	-$5,303,763	-$553,847	-$553,847	-$131,643	-$37,838	$149,772	$274,845	$274,845	$274,845	$274,845	$7,117,500
Net Present Value	-$204,930										
IRR	2.63%										

Kiwifruit - SunGold - As at full maturity 2032/33		$ Total	$ Per ha	Comments
Revenue	Area	10.95		
	Fruit Sales	$2,072,342	$189,255	Assumes 15,500 TE/ha @ $12.50/TE
	Total Revenue	**$2,072,342**	**$189,255**	
Operating Expenses	Labour	$434,715	$39,700	Per MPI Report
	General	$232,140	$21,200	Per MPI Report
	Harvest	$144,266	$13,175	
	Total Operating Expenses	**$811,121**	**$74,075**	
Fixed Expenses	Mgmt/Admin/Rates/Insurance	$99,645	$9,100	
	Depreciation	$575,589	$52,565	Note that PVR license is depreciated, 5% depreciation pa
	Total Fixed Expenses	**$675,234**	**$61,665**	
Earnings before Interest and Tax		**$585,987**	**$53,515**	
Interest		**$492,544**	**$44,981**	Assume 60% of total capital expenditure, 6% Interest rate
Pre Tax Profit		**$93,442**	**$8,534**	

Kiwifruit - Green - As at full maturity 2033/34		$ Total	$ Per ha	Comments
Revenue	Area	10.95		
	Fruit Sales	$926,370	$84,600	Assumes 9,000 TE/ha @ $10/TE
	Total Revenue	**$926,370**	**$84,600**	
Operating Expenses	Labour	$284,700	$26,000	Per MPI Report
	General	$188,340	$17,200	Per MPI Report
	Harvest	$78,840	$7,200	
	Total Operating Expenses	**$551,880**	**$50,400**	
Fixed Expenses	Mgmt/Admin/Rates/Insurance	$99,645	$9,100	
	Depreciation	$197,126	$18,002	5% Assumed
	Total Fixed Expenses	**$296,771**	**$27,102**	
Earnings before Interest and Tax		**$77,719**	**$7,098**	
Interest		**$220,051**	**$20,096**	Assume 60% of total capital expenditure, 6% Interest rate
Pre Tax Profit		**-$142,332**	**-$12,998**	

APPENDIX F: ECONOMIC BUDGET FOR ARABLE LEASE

		$ Total	Comment
Revenue	Area	14.5	
	Lease	$20,300	Lease rate of $1,400/ha for suitable maize growing land
	Total Revenue	$20,300	
Operating Expenses	Wages	$1,000	10 hrs per year to manage relationship with Lessee (valued at $50/hr)
	Weed & Pest Control	$1,000	Lessee to control weeds through maize area, Lessor control non-maize area estimate of $1000 for contractor
	Fertiliser (Excl. N & Lime)	$0	Lesse maintains soil fertility
	Vehicle Expenses	0	no vehicles required
	Electricity	0	no electricity required
	Repairs & Maintenance	$1,000	Allowance of $1000 for R&M to non-maize areas
	Electricity	$0	no electricity required
	Total Operating Expenses	$3,000	
Fixed Expenses	Administration Expenses	$1,500	Accountancy fees for a small block with minimal transactions $1,500 (estimate provided by local accountant)
	Insurance	$530	Lincoln University Financial Budget Manual v41 - 2x unspecified farm buildings ($304.55 each) (GST deducted)
	Rates	$4,865	WRC 26/27 $1,417 ex GST WDC 26/27 $5,157.9 ex GST Capital value of $2.95 mill and Land value of 2.17 mill Apply 74% of total rates attributed to the land
	Depreciation	$0	No vehicles or equipment to depreciate
	Total Fixed Expenses	$6,895	
Earning before Interest Tax Rent and Management wage (EBITRm)		$10,405	
Interest		$42,315	assume 30% debt loading of land at 6.5% interest rate, value based on WDC land value
Pre-Tax Profit		-$31,910	

Contact

Steven Howarth

Agribusiness Consultant

[redacted]

[redacted]

AgFirst Waikato (2016) Ltd
Waikato Innovation Park
1 Melody Lane, Ruakura
PO Box 9078, Hamilton 3216, New Zealand
07 839 2683
www.agfirst.co.nz

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