

Te Tātarakihi

July 2017



Ngati Hine Forestry Trust – Panui 15

July 2017

Notice of the 2017 Special General Meeting

We invite you as beneficial owners of the Trust to a SGM – Nau mai, haere mai ra e te iwi. The arrangements for the hui are:

Venue: **Otiria Marae**
Date: **Saturday 19 August 2017**

Agenda

9.00 am Assemble and owner registration
9.30 am Karakia and mihi
Meeting starts, Summary Presentation by Chair
Interactive Workshops on:

- Dividends
- Education and Employment
- Te Ture Whenua Maori Act
- Forestry and Land Use

Feedback and summaries from workshops

2.30 pm Karakia whakakapi

Lunch will be served at the conclusion of the hui.

Na reira haere mai, nau mai, piki mai ra koutou



Pita Tipene
Chairman

Ngati Hine Forestry Trust Trustees:

Pita Tipene (Chairman)
Pita Cherrington (Deputy Chairman)
Edward Beattie
Pita Paraone
Len Bristowe
Waihoroi Shortland
Ernest Morton

Front Cover: : Inspecting Trust owned bee hives, from left Jonathan Rishworth (CEO), Len Bristowe (Trustee) and John Craig (Trust's Honey Manager).

General Information:

Governance:

The Trust's Pae Tawhiti - Vision is:

'He Whenua Hua—He Tangata Ora'

Productive lands, People's wellbeing, Self-Reliance, Environmental sustainability,

The Trust's Kaupapa - Mission is:

'He Ringa Ahuwhenua'

To Actively Grow our Assets

To better achieve the Trust's Vision and Mission the Trustees are in the process of moving the organisation from being a passive landlord of the Trust's lands and other assets to a situation where we ourselves are managing our lands and other assets. In other words moving from a passive to an active management approach.

Forestry:

The harvesting of the pine trees on our 5,500 hectare forest estate will be completed by 2021, at which point the lease with Taumata Plantations (TPL / Hancock's) will come to an end.

The Trust has already replanted some areas in pine in 2011 and 2012 with a further 100 hectares of pine being replanted this winter (2017).

As you may know, the Trust has been planning a 'mosaic' approach. This means that the lands will be planted with Manuka in some areas, in pine with others and so on. The Trustees' long term strategy is to have the land clothed again with native trees but this will take several generations to achieve. In the meantime, the Trust will use this 'mosaic' approach, meaning a combination of species in the short term.

By making the areas of native vegetation bigger this will enable greater income and cash flow to come from the Trust's manuka honey business. There is also the potential to develop some type of nutraceutical business (e.g. face creams) based on native plants.

A pilot trial of planting 1.5 hectares of manuka in the winter of 2016 proved successful and a further 10 hectares is being planted this winter (2017).

The Trust is a member of the Taitokerau Maori Forestry Collective and has established a business case for the establishment of second rotation pine forests with a secondary focus on diversification into Manuka and other land uses. The next step will be the formulation of an Investment Prospectus which will be used to seek potential investors interested in forming relationships with Maori land owners to replant the land.

While the long term aim is to return nearly all of the forest estate into native forest the Trustees have to accept the reality that pine forestry will still need to be part of the mix of land use as an interim measure. Also the issue of dealing with wilding pines is a factor in taking on this 'mosaic' approach.

Manuka Honey:

The Trust entered the manuka honey business via two small joint venture operations in 2013 which illustrated that there was potential for the Trust to develop a significant manuka honey business based on and around the Trust's forest estate.

Currently the Trust owns and manages 540 hives in its own right with a further 290 hives owned by the Trust but being managed in a Joint Venture with Ngabush Honey Co Limited (Jim Ngawati).

Despite a very poor last season and the appearance of Myrtle Rust the Trustees are confident that the manuka honey industry has a bright future and as a consequence has plans in place to further expand its manuka honey business.

The Trust is a member of a collective committee of Maori land owners who have interests in the manuka honey space, named Taitokerau Miere. The Collective has just completed the development of a business plan which when implemented could see a Maori manuka honey organisation with the kaupapa of maximizing the returns to each landowner.

Whether or not such an initiative will get off the ground is unknown at this stage because members of the Collective are still considering the business plan and whether or not they wish to proceed with implementation. The significant capital required to get this off the ground is a big factor needing careful consideration.

Nutraceuticals:

The Trust feels that as we look to have our lands covered again in native vegetation over the long term, we will need to have a way of gaining some income. The Trustees have therefore been looking at alternative ways of keeping up an income and nutraceuticals is one of those avenues.

The Trustees have established a Joint Venture Company as a vehicle for the Trust to enter into the nutraceutical industry. This business is based on extracting bio active substances from native plants located on our whenua and creating health products that can be sold with a relevant story both domestically and overseas.

A number of other companies are already developing nutraceutical products (including the Trust's JV partner) and have proved that there is considerable money to be made from selling health products based on naturally sourced ingredients.

The Trust is at the research stage of this project with the likelihood of being assisted with this research with funding from external sources and with University expertise.

Kiwifruit Orchards:

The beneficial owners own four kiwifruit orchards in Kerikeri, Paparata (Hayward Green), Te Ara Kopeka (Hayward Green), Te Tara Kowhai (ENZA A19) and Ahuareka (Zespri G3). These are managed by Turners and Growers on a profit share arrangement.

Both Te Ara Kowhai and Ahuareka orchards were converted to their current cultivar varieties in 2014 and 2015 respectively. Return to full production of kiwifruit will not be achieved until 2018 and 2019.

Options as to cultivar conversions on the other two Hayward green orchards are still being thought about.

Further Information:

The Trustees will be providing a general overview presentation at this Special General Meeting and beneficial owners will have the chance to ask questions about the Trust's current activities and future plans.

The Trustees will be presenting the financial statements, the audit and annual report for the twelve months ending 30 June 2017 at the Annual General Meeting later in the year. A further edition of Te Tātarakihi will be sent to you with details of the AGM.

In the meantime beneficial owners can view and down load information from the Trust's web site www.ngatihine.maori.nz or contact can be made to the Trust's office; contact details are provided below.

Contact Details

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