

KIA ORANA KAI NATURA TAOKOTAI LTD

Directors Resolution #2024.05.07

KNT STAKEHOLDER ENGAGEMENT, KNT BUSINESS PLAN & POLICY FOR THE DIVERSIFICATION OF CI PRIMARY INDUSTRY

The Directors, unanimously resolved in a meeting on 7th May 2024 to enable a process of Stakeholder Engagement, to Scope, Underpin and Deliver the foundation pathway to operate KNT. This engagement comprises information & insights which the Directors will use in making key decisions in advance, enabling the finalisation of the KNT Business Plan while supporting & actively participating in the Diversification of the Cook Islands Primary Industry sector.

The Directors further noted that;

1. KNT was created by local Cook Islands food producers to support a sustainable Primary Industry and contribute to the local economy, in a manner that is respectful of environmental, social, and cultural values.
2. Our mission is to establish a Cook Islands Farmers Coop (KNT) to support, upskill, manage risk & innovate our primary producers' farm businesses and to mitigate commercial risks of food production, food security & importing/exporting primary produce on behalf of its members.
3. This stakeholder engagement is the result of 24 months, more or less, of KNT, Farmers (agriculture, horticulture, fisheries & other primary producers), Ministry of agriculture (MOA), & the MG Group in NZ, and captures & documents those interactions, discussions,

meetings, exchange visits & understandings of all stakeholder parties as the basis of the KNT Business Plan.

4. MG Group has a history of 100 years as a farmers Co-operative in NZ and shares the views and experiences in this overview & scoping document. KNT aligns with the MG Group in the Benefits & Challenges (see appendix) of our proposed Cooperative structure: -
 - 4.1. B. offers farmer speciality skills not available or not economically deliverable inside their farm.
 - 4.2. C. farmers may deal directly with retailers (NB Coop is not mandatory)
 - 4.3. B. ability to share in the financial success of the Coop.
 - 4.4. C. No access to capital from shareholders, thus only Bank
 - 4.5. B. Information sharing
 - 4.6. C. Meet needs of Farmers versus the decisions for the Coop
 - 4.7. B. Scale gives KNT ability to invest to support farmers (IP, Varieties, Modern farms, Specialist personnel, Technology)
 - 4.8. C. Farmers expectations of fair value & distributions, but main benefit is Coop itself- some farmers likely see it differently.
 - 4.9. B. Work alongside Farmers for Business planning & planting programs
 - 4.10. B. Coop has purpose beyond profit.
 - 4.11. B. KNT offer Customers continuity & consistency thru coordinated grower & import supply programs.
 - 4.12. C.KNT must remain competitive, respond to the market & demand. If Farmers produce more product, this requires discount to move quickly (discount causes challenges)
5. KNT Business Plan process requires all these foundational approvals to be in place with each stakeholder. Open, informative, constructive, and cooperative solutions and benefits will be key to all stakeholder negotiations with a consensus of views documented in each stakeholder agreement and appended to the Business Plan along with any challenges that are acknowledged to exist.

6. KNT Board establishes a KNT Board BusPlan & Stakeholder Working Group, consisting of the Directors plus the addition of Members, Pa Enea Farmers & family members with skills & expertise. (Resources available to KNT are listed below & in the Appendix)
7. The Working Group will engage with all its stakeholders to
 - 7.1. Gather key information.
 - 7.2. Understand commitments and
 - 7.3. Document agreements.
8. KNT Stakeholders are the Farmers, Suppliers. Customers, Gov & Gov Agencies, SOE's, NGOs', our Communities, Youth & Sports,
 - 8.1. Suppliers are both Importers, distributors & supermarkets with their customers,
 - 8.2. Operations have been established by default, as there was no pre-planned primary industry supplier structure in existence.
 - 8.3. Suppliers & their market analysis, farmers & customer data analysis, expectations, capacity & demand to be reviewed.
 - 8.4. Customers are both commercial parties & consumers (end users).
 - 8.5. Operations have been established by default, as there was no pre-planned primary industry customer structure in existence.
 - 8.6. Customers market analysis, expectations, demand to be reviewed.
 - 8.7. Stakeholder engagement to
 - 8.7.1. analyse interests, concerns, potential contributions of each group.
 - 8.7.2. determine the level of support & engagement required from each stakeholder.
 - 8.7.3. As an industry sector, determine the level of support required to successfully establish the Coop [This is a Fundamental question to be able to establish a sustainable Coop given our limited economy scale.
9. KNT Working Group will review;
 - 9.1. Coop Feasibility
 - 9.2. Coop Structure

- 9.3. KNT Land-use as a corporate Farmers

10. KNT Working Group will review;
 - 10.1. Farmer expectations
 - 10.2. Farmer Land-Use & product allocation
 - 10.3. Farmer skills & support required.

11. KNT Board will then be in a stronger position (and with written agreements) as a basis to make decisions which will give the KNT co-operative the best chance of success.
 - 11.1. The capture of data and the information, particularly the market analysis and farmer expectation will determine the business plan, which in-turn will support policy, structure, resourcing and finance.
 - 11.2. To this end, the KNT Board has resolved to acquire the human resources to undertake this Scoping phase either by tapping to official channels or contracting the work independently.

12. Options being proposed include;
 - 12.1. OPM & Climate Change division to merge these KNT concepts into our national Climate adaptation program management.
 - 12.2. Chamber of Commerce, (the Private Sector) to sponsor KNT and this Business Plan Project to Diversify our Primary Industry sector.
 - 12.3. NZ / AUS Gov as Development Partners to assist in resources.
 - 12.4. VSA Cook Islands &/or Volunteer assigned ex CI Gov & Agencies
 - 12.5. KNT allocating RNGA resources or locate skilled Farmer members to engage on part time consultancy.
 - 12.6. Direct approach to suitable candidates in Farmer community

13. Timelines for these KNT Stakeholder negotiations, Business Plan & the CI Primary Industry policy are:
 - 13.1. Stakeholders Working Party meetings & agreements. May/Aug 2024
 - 13.2. Business Plan - preliminary draft released, Aug 2024
 - 13.3. Business Plan - Open Revision & Peer Review, Sep/Dec 2024
 - 13.4. Business Plan - Adoption & Publication, Dec 2024
 - 13.5. Primary Industry Policy Announcement, Jan 2025 to include.

- 13.5.1. Cook Islands Primary Industry Diversification
- 13.5.2. Policy to be considered within the Gov 2025 Budget cycle.
- 13.5.3. Potential for Development Partner Programs & Grant Funds
- 13.5.4. KNT Board is currently engaging with;
 - 13.5.4.1. OPM, Climate Change Div, MOA, MFEM, MFAI
 - 13.5.4.2. Auckland Trade Commissioner & their Partners
 - 13.5.4.3. CI Institutions SOE's & Civil Societies
 - 13.5.4.4. NZ & AUS Gov Agencies

- 14. KNT Working Group wishes to engage a “KNT Project Coordinator”.
 - 14.1. Coordinator/ Project Manager of the Stakeholder Working Party.
 - 14.2. All negotiations with Farmers, Supplier, Customer, CI Gov & Project Management.
 - 14.3. Target Specialists, currently engaged on aligned project policy with OPM, MFEM, Economic Unit, MOA etc
 - 14.4. TORS to include KNT Working Group management, Calendar negotiations & outcomes resolution & document drafting.

15. Appendix A

- 15.1. Calendar of Stakeholder Meetings (in progress - see online)
- 15.2. KNT Charter (website)
- 15.3. KNT Vision & Mission (website)
- 15.4. KNT Documents Released (website)
- 15.5. Stakeholder Meeting request / template (in progress – see online)

16. APPENDIX B

KNT FARMER WORKING GROUP RESOURCES

KNT BOARD OF DIRECTORS

Sam Napa Snr, (Chairman), Annie Heather, Tou Man Unuia, Terepai Maoate, Danny Mataroa, Tauei K Napa, John Tierney

FARMER MEMBERS & FAMILIES

Rau Nga, Kiriau Turepu, Anau Manarangi, Tereapii Matapo, Steven Matapo, Ian Tairea, Apii Porio, Arama Wigmore, Robert Matapo, Ngatere George,

Tukua Charlie, Daniel Pani Taua, Fred Charlie, Tuao Messine, Teariki (Nat) Unuka, Lyal Wichman, Chris Manu Jnr, Jeff Tikitau, George Turia, Esther Heather, Raymond Newnham, Ngatoko Ngatoko, Piri Maa, Keu Mataroa, Felicity Bollen, Ian Karika, James Heather, Tupou Bates, Tepou Faireka, Tupe Short, Tamuera Napa, Andre Jensen, Nina Neubauer, Paran Tarumai, Korina Manavaroa, Puna Manavaroa, Temutu Manavaroa, Maikape Mokoroa, Matthew Mokoroa, Takapi Kora, John Tumutoa, John Tini jnr, Puna Kamana, Pouna Ioane, Kokiko Limited, Tere Maoate, Rarotonga Growers Assns, Pa Enea Grower Assns - Aitutaki, Aitu, Manihiki, Mangaia, Mauke, Mitiaro, Mataroa Uri Matapo Raro Seeds Inc, Io Vakapora, Raro Organic Growers Assn

17. RESOURCE DIRECTORY

Website www.knt.co.ck

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