Industry Expert Interview - Part 8

Interviewee: Robert (Rob) Calthorpe - Senior Industry Consultant (independent)

Background: Ex-Mainland Poultry exec (1994-2011); now advises private investors

Interviewer: Iris Beaumont (Halberd Capital Partners - Research)

Date: Friday, 5 June 2026

Duration: 29 minutes

Format: Video call (Auckland / New York); recording transcribed by I.B.

Anonymisation: None - interviewee consented to attributed transcript

Note (I.B.): Eighth Calthorpe session, scheduled at Vivian's request after the Calder operator call. Vivian wants Calthorpe's view on the alternative-use optionality framing that Tasman Mercantile floated in a follow-up email - Aurora's two sites carrying meaningful land-bank optionality if the egg business doesn't earn its multiple. Calthorpe agreed to walk the data-centre / solar / dairy / amalgamation pathways at scale and call out where Aurora's specific footprint sits. We agreed 30 minutes; ran 29.

[00:00:18]

I.B.: Rob - one specific request. Tasman Mercantile sent a follow-up note last week framing Aurora's two sites as carrying land-bank optionality - the wording was 'meaningful alternative-use scenarios beyond the egg business' and references to data centres, solar, and dairy conversion. We need your honest read on that for the deck. What's the realistic alternative-use scenario set, and where does Aurora's actual footprint sit on it?

[00:01:26]

Calthorpe: Right. Let me walk five pathways and then come back to Aurora's specific sites. One - data-centre lease or sale. Two - utility-scale solar, which in NZ is mostly the agrivoltaics / dairy-conversion pattern Lodestone has run. Three - dairy conversion. Four - horticulture conversion. Five - neighbour amalgamation, which is the dominant exit for sub-scale layer operators. I'll close with the consenting overlay because that's where the optionality lives or dies.

[00:02:42]

Calthorpe: Pathway one. Data centres. NZ's data-centre market expanded sharply in 2024-2025. Microsoft opened its first hyperscale region in December 2024 with three data centres across Auckland and north of Auckland - the Westgate centre is the lead site. AWS launched its New Zealand Region in September 2025 with three Availability Zones - publicly stated US$7.5 billion investment over multiple years. CDC Data Centres - backed by Australia's Future Fund - has a north-west Auckland centre with another under construction. The structural fact you need to take from this is that all three of the hyperscale operators have concentrated their NZ footprint in north-west Auckland - Westgate / Hobsonville / Whenuapai axis. That's where the Transpower 220 kV grid hits, where the Auckland fibre rings are, and where the spare grid capacity is. Land outside that corridor is structurally hard to consent for hyperscale data-centre use because you'd need to build out grid connection at developer cost - typically NZ$30-80M for a meaningful 50-100 MW hyperscale connection - which kills the unit economics on most rural sites.

[00:06:14]

Calthorpe: Pathway two. Utility-scale solar. NZ has a real solar build-out underway - Lodestone Energy is the dominant utility-scale operator, and they've got panels up at Kaitaia, Edgecumbe, Te Aroha, and Waiotahe, plus their Clandeboye site in South Canterbury powering up through 2025-2026, and pipeline at Dargaville, Manawatu, and additional Canterbury sites. Their model is what they call agrivoltaics - sheep graze under elevated panels, the pasture doubles as panel-shading ground cover - and they take farmland on long lease rather than buying it outright. So the headline 'sell the farm to a solar developer' framing is wrong. The realistic deal is a 25-30 year lease at a per-hectare lease rate that values the underlying land at roughly its agricultural going-concern - call it NZ$30-60k per hectare for typical Canterbury Plains pasture - not at any premium to that. So a Lodestone-style deal on a layer-farm site is value-neutral at best on the headline land valuation.

[00:09:52]

Calthorpe: Pathway three. Dairy conversion. Capital-intensive. You're rebuilding the shed footprint, the effluent ponds, the milking infrastructure, and you're taking on a Fonterra supply quota or selling milk to one of the smaller processors - Synlait, Open Country Dairy, Miraka. Conversion capex is typically NZ$25-40k per cow on greenfield, less on conversion of existing rural infrastructure. And the dairy commodity cycle has been volatile - Fonterra's payout was NZ$10/kg milk solids in FY24 but sub-NZ$8 in FY23. So the unit economics are real but marginal at best, and you'd be moving capital out of a category-captain shell-egg position into a price-taker dairy commodity position. I don't see a NZ shell-egg producer doing it for that reason.

[00:13:18]

Calthorpe: Pathway four. Horticulture. Kiwifruit and avocado are the high-value options. Kiwifruit is regionally concentrated in Bay of Plenty under the Zespri grower licence regime - hectares are tightly controlled and a SunGold licence is currently trading at around NZ$700-900k per hectare. So in BoP this is a real option. Outside BoP, kiwifruit is a secondary option at best. Avocado has been hit hard by the 2023-2025 supply glut and weak Australian export prices - I wouldn't put it in the deck as a deal lever. Wine is regionally locked - Marlborough, Hawke's Bay, Central Otago. Outside those zones, wine is unviable. So horticulture optionality is regionally specific, not generic.

[00:16:42]

Calthorpe: Pathway five. Neighbour amalgamation. By far the most common exit for a sub-scale NZ layer farm - the buyer is a neighbouring sheep-and-beef family or another layer producer. The price reflects agricultural going-concern value, not optionality. This is the Calder route - which Henry confirmed for you on the Hawke's Bay exit last week.

[00:18:48]

Calthorpe: Now the consenting overlay. Every NZ rural-zoned site lives under a district plan. The two key overlays you care about are - one - the underlying zoning of the site - rural production, rural lifestyle, industrial, residential - and two - the National Policy Statement on Highly Productive Land, which Government rolled out in October 2022 and which restricts non-rural-production use on Class 1, 2 and 3 soils. Most of the Canterbury Plains is Class 1-2 under the LUC system. Most of the Waikato dairy / mixed-cropping belt is Class 1-3. Both are HPL-overlay sites. Which means a consenting application for a non-rural use - data centre, utility solar, residential - faces a presumption against approval under the NPS-HPL plus the underlying district plan. Practical consenting timeline twenty-four to thirty-six months from scoping to determination, with submitter rights and Environment Court appeal rights stretching that out further on a contested application. So even where pathways one through four are in principle available, the consenting pathway turns most of those options into a multi-year exercise with material legal-and-planning cost - a buyer absorbing that pathway is paying for option value, not for realised value, on a buy-out timeline.

[00:23:38]

I.B.: Aurora's two sites specifically?

[00:23:42]

Calthorpe: Aurora has two sites. North Island - Waikato, south of Auckland. South Island - Canterbury Plains near Christchurch, the Selwyn-catchment site Henry mentioned. Both sit on rural-production-zoned land. Both sit on HPL-overlay soils. Neither is in the north-west Auckland data-centre cluster. The Waikato site is closer - call it 100 to 130 kilometres south of Westgate - but still outside the Transpower-grid-rich corridor and inside the Waikato regional plan presumption against industrial use. Solar - Lodestone has not publicly identified Selwyn-catchment Canterbury Plains as a target zone, and even if they did, the Lodestone deal is a lease, not a buy-out at premium. Dairy - the Waikato site is plausible at a stretch but the Canterbury site sits in a Selwyn district that's been moving away from dairy intensification under the NPS-FM nutrient-allocation regime, not toward it. So the realistic alternative-use optionality on Aurora's two specific sites is - small. Neighbour amalgamation at rural-production going-concern. That's the floor and that's roughly the ceiling. The deck should not carry an alternative-use optionality premium on Aurora's headline valuation. If Tasman Mercantile is floating one in their follow-up email, it's a sell-side talking point, not a realisable bid.

[00:27:18]

Calthorpe: I'd put the alternative-use optionality conversation in the deck as an open question on confirmatory diligence - not as an opportunity. The question is - is there a specific named non-egg buyer prepared to bid on either site at a premium to rural-production going-concern, and at what consenting risk? Until that buyer is named, it's an optionality talking point with negative expected value once you factor in consenting cost and time.

[00:28:42]

I.B.: Annex back to you tomorrow. Thanks Rob.

[00:28:48]

Calthorpe: Send it.

[End of Part 8 - 29:18 elapsed]