

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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Organisations referenced in this week's Field Notes include:

AgResearch	Ministry for Primary Industries
Allied Farmers	New Zealand Merino Company
AVOCO New Zealand	New Plymouth District Council
Beef + Lamb New Zealand	New Zealand Trade and Enterprise
Cloudy Bay Wines	New Zealand Young Farmers
Dairy Goat Cooperative	Otago Regional Council
Deer Industry New Zealand	Plant and Food Research
Federated Farmers	Radiata Pine Breeding Company
Fonterra Co-operative Group	Shearing Contractors Association
Foundation for Arable Research	Synlait Milk
Horticulture New Zealand	Taranaki Investment Management Ltd
KPMG New Zealand	Victoria University
Lincoln University	Waikato District Council
Meat Industry Association	Westland Milk Products

This week's headlines

Horticulture	Bio-pesticides tipped to be as effective as chemicals [6 September/ Radio New Zealand Rural]
Dairy	Plastic led to botulism scare - Fonterra [4 September/ New Zealand Herald]
Wool	NZ Merino Co in finalists cut [9 September/ Otago Daily Times]
Meat	Higher returns to lamb exports expected in coming year [9 September/ Radio New Zealand Rural]
Export and trade	Russia lifts Fonterra product ban [9 September/ Radio New Zealand Rural]

KPMG perspective

Reflections on recent conference attendances

Over the last couple of weeks I have been invited to present at number of conferences which have given me the opportunity to listen and learn from other presenters. I have been reflecting on some of the content I have heard and make the following observations:

- At the Marketing to the Rural Sector conference I heard an interesting presentation on the roll out of Rural Broadband. The view was expressed that the uptake of technology in rural areas will depend on the quality of the applications and content that becomes available. However, I still believe that the speed and reliability of the infrastructure will be the overriding determinant on uptake. If the platform is not reliable all the content in the world will not attract businesses to use it as they will not achieve the productivity gains to justify the cost. The Rural Broadband Initiative only takes us part of the way towards the technology solution the sector needs, now is the time to be working on the follow on strategy that delivers the technology platform the primary sector needs to maximise the market opportunities available.
- The mood of the New Zealand wine industry was upbeat at the Romeo Bragato conference in Blenheim. The sector has weathered one of its most challenging periods since grapes were first planted in Marlborough 40 years ago. It was, however, interesting to hear about lack of value that members attribute to the Sustainable Winegrowing programme. This is a foresighted programme that the wine sector has developed. It adds substance to the brands taken to the world and enables the sector to honestly say it is focused on using natural resources in a sustainable manner. Identifying and enforcing baseline sustainability standards will be critical to the future of the primary sector and Sustainable Winegrowing can be a role model for how such programmes can create value to an industry and move importantly its customers.
- I heard a very interesting presentation on renewable energy at the Sustainable Business Network conference in Wellington. This set me thinking about the opportunities within the primary sector to create value through distributed generation using alternative energy sources. Farming, particularly with animals, generates a range of by-products that have the potential to create energy and could contribute to the bottom line if a whole of farm system approach is taken. A farm business with a wide perspective of how they maximise the return from their assets while minimising its environmental impact should be incorporating energy farming into their business thinking.
- Just yesterday, I heard an incredibly interesting presentation at the New Zealand and Australian Avocado Growers' Conference in Tauranga yesterday on the research work that the Hass Avocado Board has been doing to prove the health benefits that an eating avocado a day can deliver to people. These range from improved cardiovascular and blood health, benefits to weight loss programmes and assistance with the management of diabetes. These research programmes have been run by top academics in major US institutions and provide huge credibility to the benefits of including an Avocado in your diet. They are an example of the type of work we need to be doing much more off to attract health conscious consumers to our products. Now to go and find an Avocado for lunch.

Biosecurity

Alien weed invades Mid Canterbury [5 September/ New Zealand Herald] The Mid Canterbury region is on high alert as an alien weed invasion threatens the regions agricultural infrastructure and arable farming industry. A roadside spill of seed contaminated with black grass between Ashburton and Methven has forced officials to scramble in order to deal with the issue. As the weed is resistant to many herbicides it is very difficult to control in several crops. The weed competes for nutrients, light, water and space which eventually out-competes crops and reduces yields. Eradication plans are already on the minds of many scientists with members from the Foundation for Arable Research (FAR), Ministry for Primary Industries, Federated Farmers and E-Can meeting to discuss the way forward. Chief Executive for the Foundation for Arable Research Nick Pyke said that only a small amount of the seed was spilled and the percentage of black grass contamination was minimal. He added that the risk of the invasive weed establishing itself was minimal. Germination of the seed was likely to occur from now through to April.

Horticulture

Bio-pesticides tipped to be as effective as chemicals [6 September/ Radio New Zealand Rural] New bio-pesticides are being investigated by a scientist to manage farm and horticultural pests and diseases. It is hoped that they will be able to compete with the chemical treatments that they are designed to replace. Scientists from AgResearch, Plant and Food New Zealand, and Lincoln University have received new Government funding of almost \$11 million to continue work in developing natural pesticides, using micro-organisms that attack pests and diseases. The kiwifruit PSA bacterium is just one of the diseases that the group will be targeting. A major challenge that the group must overcome is the perception that bio-pesticides are not as successful as chemicals, Project Leader Maureen O'Callaghan said. In the past, bio-pesticides have been perceived as being expensive, people considered that they have lower efficacy, farmers might not see a rapid effect on a pest, and the process may be slower than that obtained with chemicals, Dr O'Callaghan said. She highlighted the fact that the organisation needed to develop bio-pesticides at a sustainable cost that is comparable to chemicals so that they will be more attractive to mainstream agriculture. Microbial agents were also being targeted to be used during the research Dr O'Callaghan said.

Unlabelled irradiated tomatoes sold [9 September/ Radio New Zealand Rural] New Zealand's National Horticulture Industry Body thinks that the Ministry for Primary Industries should be doing more to police the labelling of irradiated tomatoes from Australia. Import rules were changed earlier this year to allow imports of Australian tomatoes and capsicums that have been irradiated for pest and disease control. Horticulture New Zealand CEO Peter Silcock said that he understood why New Zealand supermarkets were not selling Australian tomatoes at the moment because they still have a good supply of locally grown tomatoes. He highlighted that the organisation was finding fruit and vegetable sellers at farmers markets who were breaking the labelling law. He said that it was hit and miss in such markets where some producers were correctly labelling their products, however others were not labelling to indicate whether the product had been irradiated or not. Mr Silcock said that Horticulture New Zealand had informed the Ministry for Primary Industries and asked it to follow up when it has become aware of breaches of the regulations. Mr Silcock said that he would like the Ministry to take a more active approach in policing the situation to ensure that people were complying with the law around labelling of irradiated tomatoes from Australia.

Avocado growers focus on irregular crops [10 September/ Radio New Zealand Rural] A four day growers' conference is to be held in Tauranga this week, where members from both the New Zealand and Australian avocado industry will meet. The outlook for the new season in the Australasian region, to latest advances in avocado technology will be discussed. Irregular bearing will also be discussed in addition to the technology improvements that can be used to counter the phenomenon. Irregular, or biennial, bearing is where avocado trees produce an excellent crop one season and a poor crop in the next season. Technical Manager for AVOCO, the new joint New Zealand avocado exporting entity, Jerome Hardy said that the industry had been investigating the effectiveness of a grower pruning programme to reduce the large seasonal swings in fruit production. He highlighted that growers need to realise that such a programme is just as important to avocados as it is to kiwifruit.

Viticulture

Glasses raised to Pinot Noir [9 September/ Business Day] Australian Wine Writer Ray Jordan has highlighted New Zealand pinot noir as being recognised for its consistent high quality and good value for money. Mr Jordan is one of Western Australia's leading wine writers and was one of 100 winemakers, writers, critics, sales people, and viticulturists who took part in the 14th annual Pinot at Cloudy Bay event last weekend. Tastings of 18 2010 vintage pinot noirs from around the United States, South America, France Canada, Australia and New Zealand took place. Australian wine consultant Sophie Otton said that in General, the 2010 vintage faced challenging conditions around the globe, with cool springs and flowering conditions. A dangerous frost in Burgundy as well as flocks of birds which preyed on the fruit in Oregon also impacted the vintage. She said that some said that New Zealand had the best vintage ever recorded. Wine Writer Ray Jordan said that New Zealand pinot noirs were increasingly recognised as more accessible compared with more expensive pinot noirs from Burgundy, California or Australia. He emphasised the New Zealand product as showing very good value for money on the market internationally. New Zealand Master Sommelier Cameron Douglas said that the Pinot at Cloudy Bay event gave pinot noir producers the opportunity to benchmark their wines and receive positive responses from the consumer market.

Dairy

Yashili gets green light on Pokeno plant [30 August/ New Zealand Herald] Permission has been granted to Chinese organisation Yashili to build and run a \$220 million infant formula plant in Pokeno, 50 kilometres south of Auckland. The Waikato District Council confirmed the developments late last month which followed a three-day hearing at the Council's Chambers in Ngaruawahia. Michael Savage was appointed as the Council's Regulatory Committee's Independent Commissioner to hear the 27 submissions to the application.

Plastic led to botulism scare - Fonterra [4 September/ New Zealand Herald] Fonterra's operational review into the processing of its whey protein concentrate has revealed that plastic found in the product led to the contamination scare. Fonterra's Strategy Director Maury Leyland said that an item of non-standard equipment was used during reprocessing procedures and was part attributable to causing the contamination. Chief Executive of Fonterra, Theo Spierings said that the recall was the right thing to do despite there being no presence of the botulism-causing bacteria. Mr Spierings said that the organisation was well into its recovery and experts were continuing to investigate why the contamination warnings had not been escalated fast enough. He added that Fonterra was very focused on becoming the best in class in terms of food safety and that the plastic had entered the whey protein concentrate as a result of human error.

Dairy prices dip 1.1pc in latest auction [4 September/ New Zealand Herald] Overall prices of dairy products fell while volumes remained high in the latest GlobalDairyTrade auction. Last month Fonterra reported record sales which were reflected in the latest dairy auction. Previously known as the GDT-TWI Price Index, the GDT Price Index decreased 1.1 per cent compared to the last sale two weeks ago. At US\$4,891 a tonne the average winning price was down from the previous sales US\$4,941 a tonne. Two weeks ago the total volume of dairy products sold was 56,173 tonnes at the current auction which was higher than the volume of 53,479 tonnes. Record sales were recorded by Fonterra in August and because the organisation dominates the GDT platform, this has continued to be reflected in the results recorded. The average winning price of whole milk powder fell 1.7 per cent to US\$5,058 a tonne. Other milk products recorded similar decreases and skim milk powder fell 0.8 per cent to US\$4,420 a tonne. Butter increased 2.7 per cent to US\$3,710 a tonne, anhydrous milk fat increased 3.1 per cent to US\$5,109 a tonne and butter milk powder rose 0.3 per cent to US\$4,566 a tonne. Overall results recorded 126 winning bidders over 10 rounds and out of the 873 qualified bidders there were 199 participants in the latest auction.

Fonterra's suspended execs await fate [6 September/ New Zealand Herald] Two senior managers at Fonterra who are currently on leave as a result of the company's botulism scare are now waiting on a board review to find out their future with the company. On August 16 Fonterra announced that two of its employees had been placed on leave with immediate effect while it investigated the contamination event. Media sources understand that the two managers are Brent Taylor, Director of New Zealand Operations, and Greg Walsh, General Manager of New Zealand Quality Assurance and Technical Services. Both employees reported directly to Gary Romano, Fonterra's Managing Director of New Zealand Milk Products who resigned over the scare on August 14. The dairy cooperative is now carrying out a board review to help determine whether any staff will face disciplinary action. Additional investigations highlighted that Chief Executive Theo Spierings should have been told about the potential contamination much sooner. The board review is set to be completed by the end of September this year and it has been announced that clauses around food safety will soon be included in every new Fonterra employee's contract. Fonterra's Director of Strategy Maury Leyland said that new measures include creating a new position called Director of Food Safety and Quality, and the launch of a global food safety hotline. Ms Leyland said that discussions about food safety were scheduled to be held with every new employee.

Fonterra and AgResearch differ on test results [6 September/ Radio New Zealand Rural] Both Fonterra Cooperative and research institute, AgResearch, are claiming differing results over the testing performed around the botulism scare. AgResearch has been the subject of criticism since Fonterra told the public the research institute had confirmed a batch of its whey protein was contaminated with clostridium botulinum forcing a global recall of Fonterra's dairy products. Research said last week that Fonterra's results were wrong. Fonterra has not commented on the latest revelations and a spokesperson for the company said that the issue will be thoroughly explored in the cooperative's Board-level inquiry and the Government's Ministerial inquiry. Agribusiness Professor Keith Woodford of Lincoln University said that it was highly unsatisfactory that AgResearch and Fonterra were giving completely different accounts of the chain of events that led to the scare. He added that the results that AgResearch gave Fonterra need to be made available. Questions still remained regarding the promptness of which Fonterra acted, Mr Woodford said.

Botulism-scare labs weren't accredited [7 September/ Business Day] It has been revealed that the laboratories used during the testing for botulism in Fonterra's products were not accredited to carry out such tests. AgResearch was asked by Fonterra to test whey samples for the presence of the clostridium toxin. It was later highlighted by the organisation that a positive test was found. It was with this "false positive" result that Fonterra issued a global statement which sparked recalls of its products in multiple countries. It has now been revealed that the Crown Research laboratories were never qualified to carry out these tests. There are currently no labs in New Zealand that are accredited. Agribusiness Professor Jacqueline Rowarth has said that Fonterra's decision to use a non-accredited lab for such critical tests was concerning. When the Ministry for Primary Industries were notified of the issue by Fonterra, the organisation sent four samples to four overseas labs for testing. The results obtained from the American Food and Drug Administration-associated labs confirmed that the contamination in the whey concentrate was a harmless strain of clostridium sporogenes. Fonterra reportedly said that it went to AgResearch because it was one of only two research facilities in New Zealand capable of carrying out the test.

Deer

Primary role push for deer markets [9 September/ Otago Daily Times] Dan Coup is the newest face to take over the position of Chief Executive of Deer Industry New Zealand, replacing Mark O'Connor who stood down after 13 years in the position. Mr O'Connor said he will concentrate on running his family-owned investment business. Mr Coup has highlighted his interest in the opportunities that exist for the deer industry and he also emphasises the challenges that the industry faces. The new Chief Executive completed a degree in genetics and molecular biology at Victoria University and after University he joined the New Zealand Dairy Board initially as a cost engineer. Prior to taking up the Chief Executive role, Mr Coup was Trade and Economic Manager at the Meat Industry Association of New Zealand. The organisation is a voluntary trade association representing New Zealand meat processors, marketers and exporters. Although Mr Coup thoroughly enjoyed his role at MIA, he said that he believed it was time for a new challenge and the position at Deer Industry New Zealand (DINZ) had much appeal. The growth strategy called Passion 2 Profit which the organisation is about to implement is set to lift profit on venison by \$2 per kilogram over ten years. Mr Coup said that the organisation was excited to implement the strategy and that it would help lift productivity in the industry.

Goat

Dairy goat industry goes scientific [10 September/ Radio New Zealand Rural] Scientific support is being given to the small New Zealand dairy goat industry to help it meet the rapidly growing demand for goat milk products. The Hamilton based Dairy Goat Cooperative's processing plant is currently supplied by approximately 60 Waikato farmers. The Cooperative focuses on producing high-quality infant formulas which are exported to many markets. An AgResearch project funded by nearly \$7.5 million from the Government will help boost the industry's production and efficiency. Dr Warren King, Senior AgResearch Scientist is leading the project and said that production is already increasing 20 per cent on last year however there were some challenges to continuing this growth. Challenges include animal welfare practices particularly around the housing and development of the goats, because a major factor is that they are predominantly housed indoors. He said that the small amount of research that is currently undertaken in the goat industry needs to be changed to improve animal welfare.

Wool

Campaign to limit wool contamination [9 September/ Radio New Zealand Rural] The wool industry is facing more challenges than before with higher numbers of foreign objects ending up in bales of wool. Clothing, iron bars, fertiliser bags and even mobile phones are just a few of the miscellaneous objects that are finding their way into bales as the wool is shorn and packed on farms. A campaign has recently been started by Federated Farmers, shearing contractors, and wool brokers which aims to reduce wool contamination in shearing sheds. Returns to farms could be boosted by a couple of million dollars each year Federated Farmers has estimated. Costs to production are hard to quantify, Shearing Contractors Association President Barry Pullin said, however the existence of foreign objects in wool bales can cause all sorts of costs down the processing chain. The reputation that New Zealand wool has developed around the world can also be damaged he said. The promotion “Keep Calm and Shear On” is hoped to reduce wool contamination and includes a list of tips starting with keeping an organised shearing shed, free of loose foreign objects.

NZ Merino Co in finalists cut [9 September/ Otago Daily Times] Chief Executive of the New Zealand Merino Company and the company itself have been named as finalists in the 2013 New Zealand International Business Awards. New Zealand Trade and Enterprise run the awards and will announce the overall winners at a function in Auckland on September 26. The New Zealand Merino Company is a finalist in the most innovative business model in international business category, while Mr Brakenridge is a finalist in the outstanding contribution to international business section. New Zealand Merino had been lifted out of the commodity basket under Mr Brakenridge’s leadership and has positioned itself into high-value international niche markets. Approximately 80 per cent of New Zealand’s fine-wool clip is handled by the company which equates to over \$150 million in fibre sales annually. Last year 70 per cent of these fibre sales were under long-term contracts. International sales contribute 92 per cent of the company’s revenue. The best business operating internationally category has placed both Mid Canterbury-based Synlait Milk and West Coast-based Westland Milk Products as finalists. Approximately 600 million litres of milk are processed by Westland Milk Products annually and the organisation exports to more than 40 countries. Annual revenue for Westland Milk grew from \$364 million to \$534 million in the past four years. Approximately 550 million litres of milk per year is processed by Synlait Milk with annual revenue increasing to \$377 million during its four years of operation.

Meat

Lamb numbers hit by drought [6 September/ Radio New Zealand Rural] Fewer lambs and cattle will be needed to be processed by meat companies this season as a result of the drought in the North Island and Western South Island earlier this year. An annual stock number survey by Beef + Lamb New Zealand indicates that two million fewer lambs will be born this spring, reducing the number to fewer than 24.5 million which is a drop of 8.5 per cent. Chief Economist for Beef + Lamb Andrew Burtt, said that this was due to a combination of factors triggered by the drought, including a drop in North Island ewe numbers. The main event was seen in the North Island where sheep numbers fell nearly 3 per cent whereas in the South Island the numbers were almost static. Mr Burtt also highlighted that cattle numbers fell 1.3 per cent nationally which he said was again most noticeable in the North Island where the decline was approximately 2.5 per cent.

Higher returns to lamb exports expected in coming year [9 September/ Radio New Zealand Rural] Higher returns for lamb exports are expected to be obtained in the coming year to offset a drop in lamb numbers, Beef + Lamb New Zealand has said. Chief Economist for Beef + Lamb New Zealand Andrew Burtt said that improved market conditions will outweigh this fall in numbers by lifting the average value of lamb exports by 10 per cent. Global markets were facing improving conditions which was favourable for the 90 per cent of lamb that New Zealand exports. Destination regions include Europe, North America, and China (which has become a large growth markets over the last few years). Both returns received in New Zealand as well as the New Zealand Dollar exchange rate will be highly influenced by the economic fortunes of these countries. Approximately 3 per cent more is expected to be earned for lamb despite lower trading volumes in the 2013-2014 season, Mr Burtt said.

Research and development

Genomics can fast track tree breeding [6 September/ Radio New Zealand Rural] New tree breeding techniques are being investigated by the forestry industry which have the potential to halve the time it takes to develop a new variety of pine. About half the cost of a \$5 million research programme is being contributed by the Government so that the Radiata Pine Breeding Company can commence its research. Chief Executive John Butcher said that using established selective breeding techniques can take up to 30 years to reach the stage of planting new tree varieties. Newly-emerged genomic selection technology is being looked into with the new research programme which is hoped to save potentially millions of dollars as well as time. Mr Butcher said that the time from creating a new germ plasm to getting sufficient quantities to take it into the forest as a commercial planting is 30 years. He highlighted the fact that genomic selection can reduce this time to less than 15 years. Genetic modification of pine trees is not required in the genomic selection programme, Mr Butcher said.

International

Chinese in talks to buy farms [4 September/ Taranaki Daily News] The New Plymouth District Council is believed to be in talks with Chinese investors interested in buying the Council out of its \$152 million Tasmanian dairy farms investment. The Tasmanian properties had a book value of \$152 million at last balance date but have provided no dividends under Council ownership. The properties are owned through the Council's Perpetual Investment Fund, administered by Taranaki Investment Management Ltd (TIML). Fund managers have revealed that they are now working on closing a sale of the Van Diemen's Land Company (VDL) farms. A source revealed that the profit of the business had been very poor. The farms represent about two-thirds of the council's Perpetual Investment Fund (PIF), leading to concern there is too much exposure to an underperforming business. The fund was created in 2004 when the council sold its Powerco shares to avoid having "all their eggs in one basket". Though the farms are operated at arm's length from the council, their sale is promising to be a key election issue. Of those candidates standing for council most have said the farms should be sold. Despite being defined as a perpetual fund, the PIF has depreciated from \$260m to about \$241million in nine years. Since its formation, the council has received \$20m in release payments a year but in a bid to rebuild the fund it will reduce its takings to \$10.4million in 2013-14, \$9.4million in 2014-15 and \$8.5million in 2015-16.

Dempsey at large: New Zealand and Ireland – neither has all the answers [7 September/ Irish Farmers Journal] In an opinion piece, Matt Dempsey, reflects on some of the similarities and differences between the New Zealand and Irish agricultural systems having read volume 2 of KPMG's Agribusiness Agenda. Mr Dempsey notes that like Ireland, New Zealand had thought of its agricultural sector as a sunset industry as focused was placed on financial services and other sectors and are countries are now facing similar challenges around the availability of people to drive the agricultural sector forward. He reflects that the country's have both lacked focus on agriculture in their educational curriculum and the opportunities for young people to get into the sector are becoming increasingly difficult. He notes that issues around core science capability in New Zealand are not matched in Ireland, were close government/ industry co-operation around research has maintained greater capability. He also highlights that New Zealand, a country that used to export farm managers is now having to import them, despite salary levels way above average graduate earnings. In closing, Mr Dempsey notes that no country has all the answers and it is important the Irish industry seeks to learn from best practices across the world, including New Zealand.

Export and trade

Russia lifts Fonterra product ban [9 September/ Radio New Zealand Rural] The ban that Russia placed on Fonterra's dairy products has reportedly been lifted, now that it has been shown that the botulism bacteria incident was a false alarm. Fonterra reported, however, that it had not been officially notified that the ban had ended. The Russian consumer watchdog posted a statement on its website saying that it had lifted the ban after seeing new tests sent to it by New Zealand's Ministry for Primary Industries. These results highlighted the fact that the bacterium detected could not cause botulism, contrary to what the New Zealand dairy company had initially declared to foreign markets. Willy Leferink, Federated Farmers Dairy Chairman is one of Fonterra's suppliers and said that it was fantastic that Russia had accepted the assurances that New Zealand milk was safe. He said that it was very important that Fonterra sold products that were safe to consumers.

Farmers and producers

Young Farmers name new chief exec [5 September/ Rural News Group] Terry Copeland will take the seat as Chief Executive of New Zealand Young Farmers from October 1 this year. Mr Copeland will move from Treasury Wine Estates, the second largest wine company globally where he has been leading the export strategy and the supply chain team for four years. The Young Farmers organisation said that Mr Copeland has a strong connection to the rural community and his family has a strong farming background. He has previously worked in Adelaide, Hong Kong and Tokyo. Mr Copeland is also a strong advocate for increasing the participation of young people in the agribusiness sector. He is keen to find what the organisation can do to improve the pathways for young people seeking a career in agriculture. Mr Copeland will succeed Richard Fitzgerald who has been with New Zealand Young Farmers for twelve years.

New lifeline for struggling Allied farmers [9 September/ New Zealand Herald] Up to a million dollars in raised funding is hoped to be obtained by a subsidiary of Allied Farmers which will be used to repay money to the Inland Revenue Department. Allied Farmers Rural is facing a liquidation hearing from the IRD over a \$4.2 million bill owed and says a bond issue would allow the organisation to pay the initial instalment proposed to the taxation authorities. If the bond money was raised successfully, then the liquidation hearing would not go ahead, however the repayment plan has yet to be agreed to by the tax department. Any surplus money raised will be used for working capital. Creditors of Allied Farmers are also demanding repayment of \$540,000 which the organisation is currently in settlement agreement negotiations. The bond issuance is to be repayable on August 31 2014 and Allied Farmers Rural hopes to raise a minimum of \$500,000 at \$1 per bond paying interest of 12 per cent per annum. Options to acquire shares with 58 share options for every 10 bonds bought would also be offered to investors in the bonds. Allied Farmers has been facing issues in rebuilding after the disastrous acquisition of financial assets from Hanover and United Finance for \$394 million in 2009. A loss was declared by the company last month of \$4.4 million for the year to June 30 and shares were last trading at 0.03 cents.

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Field Notes presents a summary of some of the media comment on the Agribusiness sector in the last week. The views expressed do not necessarily represent the views of KPMG but are summaries of the articles published.

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