

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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AGENDA 2013 VOLUME 2**

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Organisations referenced in this week's Field Notes include:

Alliance Group	New Plymouth District Council
Anzco Foods	New Zealand Avocado Growers' Association Inc.
Avocado Industry Council	New Zealand Grassland Association
Bayleys Real Estate	New Zealand Infant Formula Exporters Association
British Food Standards Agency	Northern Australian Cattlemen's Association
Chinese Investment Corporation	Overseas Investment Office
China Mengniu Dairy Company Limited	Plant Market Access Council
Dairy Farmers of America	Public Service Association
Department of Conservation	Rabobank New Zealand
Farmlands Cooperative Society	Sport Fishing Council
Federated Farmers	TBfree New Zealand
Fonterra Cooperative	United States Department of Agriculture
GEA Farm Technologies	Village Milk Limited
Hawkes Bay Regional Council	Wellington Regional Council
IrrigationNZ	Yili Group
Ministry for Primary Industries	

This week's headlines

Honey	New manuka honey labelling standards coming [12 September/ Business Day]
Fishing and aquaculture	Snapper bag limits reduced [17 September/ New Zealand Herald]
Dairy	Fonterra has big plans for China [16 September/ Otago Daily Times]
Rural infrastructure	More than 800 damaged irrigators [12 September/ Irrigation New Zealand Release]
Environment and emissions	Parties pull pin on RMA changes [16 September/ NZ Farmers Weekly]

Horticulture

Niches way to go for avocado [12 September/ Bay of Plenty Times] Creative solutions to challenges need to be found by the New Zealand avocado industry in order for the sector to successfully pursue opportunities. The New Zealand and Australian Avocado Growers conference was held in Tauranga last week, with speakers from Russell Ballard, Independent Chairman of the Plant Market Access Council, and Ian Proudfoot of KPMG. For the Government to reach its goal of increasing exports to 40 per cent of GDP, Dr Ballard said that New Zealand's food and beverage manufacturers needed to triple their export returns. Dr Ballard said that while production capacity issues such as the biannual bearing tendency of New Zealand avocados could be solved, the real challenge would come from trying to move the export market away from its traditional Australian dependence and towards alternative regions. He highlighted the two types of international markets that exist for New Zealand avocados. The affluent markets of Japan and Singapore provided premium prices for products, whereas the emerging markets of Indonesia, Thailand and China provided a large and developing middle class. Ian Proudfoot indicated the New Zealand's food production sector was small in terms of the global agri-food system. Mr Proudfoot highlighted niche markets as being areas for New Zealand to target. He also said that the avocado industry needed to identify and concentrate on its key competitive advantages otherwise it ran the risk of becoming a marginal industry in New Zealand.

Kiwi, Aussie avocado growers snuggle up [17 September/ Rural News] Collaboration and co-operation came through as key themes from last week's Australasian avocado growers conference. The industry has recently collaborated with Plant and Food Research to secure a \$4 million research grant to improve orchard productivity and find solutions to mitigate the biennial bearing problem. The recently elected chair of both the NZ Avocado Growers Association and the Avocado Industry Council, Ashby Whitehead, said in his address that growers need to up productivity and work together. The conference attracted around 70 Australian grower representatives as well as speakers from the US and South Africa, and discussions took place about the opportunities for greater co-operation between countries and between growers in regions. Jen Scouler, the CEO of the growers association, said it was important that industry looks at what the most successful exporters are doing and take steps to replicate these initiatives. She added that an important conversation had also progressed around where avocados fit in the global need for healthy, safe food, supported by some very insightful presentations on the nutritional attributes of Haas avocados.

Honey

New manuka honey labelling standards coming [12 September/ Business Day] New labelling standards for manuka honey are being planned by the Government. The \$120 million honey-export industry came under scrutiny last month after a false-advertising scandal in Britain. Options for accurate ways to market and brand New Zealand manuka honey are being analysed and the Ministry for Primary Industries has released a discussion paper looking at accurate marketing methods and manuka honey branding. Minister for Food Safety Nikki Kaye said that there was no international standard for a definition of manuka honey. She highlighted the authenticity of some of New Zealand's manuka honey products being queried in international markets recently. Ms Kaye said that issues such as these puts the integrity of New Zealand's exports at risk. She emphasised importance of the steps that were required to be taken in order to ensure consumer confidence remained and that certification for the products was valid. The Ministerial paper proposes three options for defining New Zealand manuka honey, based on pollen count, methylglyoxal content, or a combination of both. The testing for methylglyoxal was undertaken by a process which tested the food for its claimed antibacterial qualities. Consultation still remains to be carried out and once complete, the guidelines will be published. Ms Kaye also wants the Ministry to look at compulsory-labelling requirements. The British Food Standards Agency recently targeted New Zealand manuka honey products and issued warnings relating to misleading claims on some jars.

Forestry

Forest owners racing clock to salvage timber [17 September/ Radio New Zealand Rural] Recovery of a large amount of wind-blown wood from plantations is currently on the agenda for many Canterbury forest owners. The recent wind storm which left plantations, wood lots and shelter belts in tatters throughout the region, is still being assessed. Allan Laurie, Canterbury-based forestry consultant and manager said that hundreds of thousands of tonnes of wood had been felled or, according to one estimate, the equivalent of up to five year's harvest. He said that the time frame was also very tight, with around only two to three months available to get sap stain-free wood to the domestic market in a non-contaminated state. He said that demand internationally, from China was less of a concern as Chinese consumers were less concerned with sap stain as they usually used the timber in concrete form work. He highlighted the period of time available for recovery of export volumes as being up to 12 months.

Fishing and aquaculture

Snapper bag limits reduced [17 September/ New Zealand Herald] The Minister for Primary Industries, Nathan Guy, has announced that bag limits for Snapper in the Snapper 1 fishery from Bay of Plenty to Northland, will be reduced from nine to seven fish from 1 April next year and the minimum legal size will be increased from 27 to 30cm. This results in the recreational fish allowance increasing from 2,600 tonnes to 3,100 tonnes, however this is below the current actual recreational catch. The President of the Sport Fishing Council, Richard Baker, said the decision is adverse to the public interest. Mr Guy said a broad range of views had been expressed on the consultation document, which provided a clear view on the value fishermen place on the snapper fishery. He added that many submitters had highlighted their desire to ensure that the fishery is sustainable into the future. Mr Guy said the commercial sector will see changes and measures will be introduced to tackle illegal dumping and wastage, with greater monitoring of commercial catches. Mr Guy noted that if the changes had not been made, with the forecast growth in population in the region, the stock would not rebuild to a sustainable level and there would be a risk that fishery would need to be closed.

Dairy

NZ-linked Chinese dairy firms rank highly [11 September/ New Zealand Herald] Rural lending specialist Rabobank has highlighted Chinese dairy companies Yili and Mengniu as being rated among the top 15 of the world's biggest dairy companies. The rating is based in terms of turnover and Yili is up to 12th spot from 15th last year, while Mengniu went to 15th spot from 16th. Mengniu is in the stages of taking over Yashili Dairy Company and will base itself in a new dairy plant at Pokeno, South of Auckland, whereas Yili has plans to manufacture in South Canterbury. The global top five ratings remained unchanged from last year with Fonterra Cooperative remaining at spot number four. Overall top of the table was Nestlé with steady growth and the purchase of Pfizer's infant nutrition business contributing 23 per cent to revenue growth in dairy sales. The two French companies Danone and Lactalis were second and third respectively, followed by Fonterra and then by the Netherlands' Friesland Compina in fifth place. Rabobank said that the cumulative top 20 companies felt the stiff headwinds of a slower global economy, the European financial recession, and maturing Western dairy markets in the 2012 financial year. The Bank also stated that at least six companies saw dairy revenues decline in local currency terms. Similar companies based in the United States faced declines in recent years primarily attributable to an obstructed domestic markets and a lack of acquisitions. North American company Dairy Farmers of America saw sales decline in 2012 and American Kraft Foods fell seven places following the split of its United States grocery business from Mondelez.

Fonterra linked to China-New Plymouth deal [12 September/ Business Day] Australian media outlets are reporting that the Chinese Government's Chinese Investment Corporation is involved in a joint proposal with New Zealand dairy giant Fonterra to buy the Van Diemen's Land (VDL) farms owned by the New Plymouth District Council. Fonterra replied to the speculation by saying that the organisation does not comment on whether or not it is involved in specific transactions. The District Council's Taranaki Investment Management Limited that administers the Tasmanian properties for the Council's Perpetual Investment Fund was not available to comment to media sources. Last week a story was run which highlighted Chinese interests being in talks to buy the Council out of its controversial \$152 million investment in Tasmania. The properties have not provided any dividends under the Council's ownership. Sources have said that the fund's managers were working on closing a sale of the VDL farms. The profits from these farms have been very small and the Chinese interests were reported to be doing due diligence on the company.

Ministry warns of raw milk risk [12 September/ Business Day] The Ministry for Primary Industries has said that consumers who drink raw milk may not be fully aware of the risks associated with it. The organisation is currently reviewing the law related to farm-gate sales of raw milk and under the current law, farmers can sell up to five litres of raw milk under a registered risk-management programme designed to manage hazards associated with it. A Ministry spokesperson said that enforcing the rule that consumers should be informed whether or not the milk they were buying was pasteurised was difficult. Patea large animal veterinarian John Whitley said that cattle herds were tested for tuberculosis every three years, however if there was a break down in the testing regime, then an infection in a herd could have spread rapidly by the time it was noticed. Inspecting cull cows at the country's freezing works was a backup for triennial testing, Mr Whitley said. He added that anyone drinking milk from a herd where the infection was undetected could be at serious risk. Those most vulnerable were young children, the frail elderly, pregnant women and anyone with a weakened immune system. Food Safety regulations have been released that should be implemented in order to ensure the continual safe sale of such raw milk products. Food Safety Minister, Nikki Kaye, said that some of the requirements include certain animal health and hygiene standards, off-farm sales, increased information for consumers of the risks associated with drinking raw milk, and consultation increases regarding raw milk selling and distribution. A TBfree New Zealand spokesperson said that the concerns related to a matter of managing the risk associated with raw milk products. TBfree agreed that the risk of milk containing TB bacteria was low and that on average, a cow with TB in an udder was found about once every three years in New Zealand.

\$2m to fix botulism scare damage [12 September/ New Zealand Herald] New Zealand's reputation as being a safe food producer is currently partway through a process of restoration after the Fonterra whey product scare spread around the globe last month, Trade Minister Tim Groser has said. Mr Groser announced a \$2 million Government support package aimed at helping small-to-medium sized companies restore consumer confidence in their markets and abroad. He said that he was confident that things in New Zealand and abroad were stabilising and that the situation was moving in the right direction. It was eventually concluded that the whey protein that Fonterra believed had been contaminated with life threatening bacteria, was actually contaminated with clostridium sporogenes, which does not present a food safety risk. New Zealand exporters are continuing to feel the after-effects of the scare with sales in China falling by millions of dollars, the New Zealand Infant Formula Exporters Association highlighted. The Association's Chairman Michael Barnett said that it was recognised that there was a commercial imperative in helping businesses to regain their markets. He said that it was difficult to assess just how much damage had been done at the consumer level and the amount of time that it will take for consumers to regain confidence in the New Zealand brand. He added that while the proposed fund was a good start, it needed to be noted that the Government needs to reinvest in New Zealand's reputation. The structure of the fund will be similar to that set up for Canterbury exporters affected by the Christchurch earthquakes with companies requiring to have a minimum of \$500,000 in sales to qualify for a maximum subsidy set at \$20,000 per application.

Fonterra has big plans for China [16 September/ Otago Daily Times] Big plans are in the works as Fonterra focuses on doubling its milk production in China. This comes in the wake of one of the worst whey protein concentrate scares to hit the cooperative and efforts are still being made to mend the damage to the organisation's global reputation. While the cooperative works towards helping restore the country's reputation, it is confident that its quality and care systems in its manufacturing and testing are robust and are one of the main features that will underpin its reputation for leadership in global dairy trade. Fonterra has announced that it plans to develop five 3,000 cow farms in Ying County, doubling its Chinese milk production to an annual 300 million litres. The cooperative is looking to further develop its production in China while continuing its importation of high quality finished dairy products. One of the organisation's major goals is to produce an annual 1 billion litres of milk in China by the end of 2020. Fonterra's Ying County acquisitions in China are expected to be in production by the second half of 2014.

Dry share numbers mean no reinvestment for Fonterra [16 September/ NZ Farmers Weekly] A dividend reinvestment plan originally scheduled for implementation this year has been postponed until next year due to the temporarily high number of "dry" Fonterra shares in circulation. The reason for this has been attributed to the recent bonus issue of Fonterra shares and the introduction of the rolling three-year standard. About ten per cent more than the minimum requirement of supply shares for the current season is currently held by farmers. These excess shares, in addition to the 6 per cent of investment units issued by the Fonterra Shareholders Fund, means that the total amount of non-supply securities is uncomfortably high. The Trading Among Farmers (TAF) scheme was proposed by directors and accepted by farmers based on safeguards to limit the total influence it would have on the cooperative's operations. Fonterra emphasised in its September newsletter to investors that dry shares had temporarily increased above the target level of around five per cent and that introducing a dividend reinvestment plan now would further increase this excess. Market commentators have said that the postponement of the dividend reinvestment plan and Fonterra's use of excess shares next season to share up were denying the cooperative capital-raising opportunities. Fonterra has signalled the total dividend for the 2012-2013 financial year as likely to be 32 cents out of earnings per share of 45 to 50 cents. This would leave 13 to 18 cents behind for retention which would work out to be \$200 to \$280 million.

Raw milk retail sales reaching out [17 September/ Business Day] Hamilton consumers can expect to have access to raw milk by the end of this month. A new "Village Milk" brand will promote the milk product and will be sold at Graham and Rebecca Barlow's Gordonton farm. The couple are keen to begin selling the raw milk product and have investigated opening a Village Milk operation on their farm. Mr Barlow highlighted the effort required to go into preparing raw milk for the market. He said that because raw milk is unpasteurised, it requires a substantial amount of preparation before milking to ensure that it is clean and safe. The preparation is followed by filtering and refrigeration and finally the filling of a glass bottle from an Italian automatic dispenser at the farm gate. Village Milk Gordonton will open on September 28 and will celebrate with a fair where visitors can see the cow herd, learn more about raw milk and taste it for themselves. Village Milk Chief Executive Mark Houston said that the company's raw milk had been received well by consumers at existing sites in the upper South Island and he was positive about the North Island operations.

Meat

Best lamb has to meet exacting standards [12 September/ Business Day] Farmers are having to become even more understanding of what consumers want from their lamb products in order to succeed in the marketplace. Lamb farmer Hugh Akers grows Perendale lambs on his farm near Palmerston North. Although the supermarkets where his lambs end up in are located more than 19,000 kilometres away, he says he knows exactly what the British consumer wants. Mr Akers says that he can attribute his high level of consumer understanding to the exclusive farmers group of which he is a part of. The group is contracted to send only lambs that meet the exacting requirements of the Waitrose supermarket chain. The supermarket has contracted Anzco Foods, through its CMP works in the North and South Islands to provide the lamb. Mr Akers' farming team has been judged to be the best lamb supplier of all farmers and meat companies in New Zealand. His team won the Blackdale prize at the recent Sheep Industry Awards, beating finalists who supply lambs to other meat companies contracted to British and European supermarket chains. Mr Akers has 6000 Perendale ewes with a lambing percentage around 130 per cent and he said that he gives the ewes plenty of room, lambing twins on the flats, and leaving the singles to fend for themselves in the hills. He said that it was important to maintain a natural liveliness in the lambs and hard-working alert dogs were still needed, along with strong fences and high yard rails. Mr Akers uses 300 Hereford cows and their offspring to rest pastures and reduce worm burden on the sheep flock. The flock also has no resistance to any of the main drenches and the ewes are not drenched. Every process on Mr Akers' farms meets the specific standards required for international lamb exports.

PSA hits at risks of in-house meat inspections [12 September/ Business Day] New Zealand's largest union, the Public Service Association has highlighted the risk of some red meat products making it past company inspectors and exposing New Zealand to trading risk with stock excrement on carcasses being just are things that could slip past inspecting points. The Association said that the meat export industry would be left open to economic fallout if contaminated product got through or if a company was caught not carrying out proper inspections. A Canadian beef-processing plant using the inspection system was forced to recall 4 million kilograms of beef products last year after United States food safety officials found E. Coli tainted parts. It also stopped shipments of beef, mutton and goat meat from Australian plants because of contamination from faecal matter. Since the United States Department of Agriculture (USDA) approved export meat from plants using in-house inspections, no New Zealand meat has been rejected. The Meat Industry Association said that a good system had been developed and tests of export grade meat were backed up by Government inspectors.

Rural infrastructure

Kiwi to lead GEA in Australasia [10 September/ Rural News Group] GEA Farm Technologies, the international farming equipment company, has appointed Jamie Mikkelson to the role of Vice-President for Australasian operations. Mr Mikkelson filled the role of New Zealand Managing Director previously and he will retain this role in addition to leading sales and operations in both New Zealand and Australia. GEA Group owns GEA Farm Technologies and is one of the largest system providers for food and energy processes in the world. Group revenue in 2012 was approximately EUR \$5.7 billion globally. Mr Mikkelson spent 20 years working at the Hamilton-based international milking machine company Milfos, where he played a large role in expanding the company from a start-up to an industry leader. GEA Farm Technologies purchased Milfos in late 2012, and at the same time appointed Mr Mikkelson to the role of Managing Director of its NZ operations. The new appointment will make Mr Mikkelson one of eight global VPs, with responsibility for the overall sale and performance of 190 employees and 50 service partners. The market in which the firm operates services more than six million dairy cows.

More than 800 damaged irrigators [12 September/ Irrigation New Zealand Release] Following the severe wind storm that hit the Canterbury region last week, more than 800 irrigators across the region are damaged and will need to be repaired or written off, IrrigationNZ has said. The organisation said that the extent of damage to centre pivots and other irrigators across the region was unprecedented, adding that the situation was extreme. Not enough parts existed around New Zealand which meant that the timeframe for repairs could be larger than usual. IrrigationNZ Chief Executive Andrew Curtis warned that if the country faced a dry spring, then the consequences for Canterbury farmers could be dire. Rainer Irrigation owner Gavin Briggs said that his company alone was aware of 260 centre pivot spans lying on the ground of farms and another 30 pivots across the region that have lost key components. Mr Briggs highlighted the situation as being a logistical nightmare. While Rainer Irrigation said that they have ordered a large quantity of replacement parts from overseas suppliers, it could be 60 to 90 days before they arrived. The organisation is also set to employ more than two times its usual staff load for irrigation repairs.

Irrigator damage to cost millions [13 September/ Business Day] Crops and buildings that were badly damaged during three days of the worst wind storm to hit the Canterbury region in 40 years will require millions of dollars worth of infrastructural repairs. Federated Farmers said that the region's farmers were likely to be the worst hit farmers in the country due to the intensity of the storm which took place on Tuesday this week. The organisation also said that millions of dollars would be required to repair more than 800 irrigator units that sustained damage from the storm. Bruce Wills, Federated Farmers' President said that the irrigators took off in the wind and damaged surrounding fences, power poles and trees. He added that they would be expensive to fix. There were at least 30 farms at the end of last week that were still without power, however Dairy Industry Chairman for Federated Farmers Willy Leferink said that he was certain that most farmers were getting on top of the issues.

Farmlands rolling out single brand [16 September/ NZ Farmers Weekly] A single Farmlands brand is planned to be rolled out by the Farmlands Co-operative Society by September next year. The change from CRT Fuel to the Farmlands Fuel brand is the latest sign of the integration plans the co-operative is implementing. Farmlands Chairman Lachie Johnstone said that directors and staff involved in the change had always been aware that the choice of a new name could be a sensitive subject. He added that with the merger, it had shown similarities between Farmlands and CRT. Both companies not only have formed the largest rural supplies company in the country, but the duo have a history dating back more than 50 years in both islands. The Farmlands name was chosen for a number of reasons Mr Johnstone said. A reason indicated was understood to be related to the uneasiness that accompanied CRT's attempted move into the northern area around 30 years ago. He highlighted that the current merger and introduction of a single brand had so far been received positively by the market.

Water

Wairarapa irrigation project eyes sites [16 September/ Radio New Zealand Rural] The Wairarapa Valley could see the area available for irrigation triple if the implementation of a proposed project is successful. Focus has been given to five potential dam sites, with a further three in reserve. The potential dams have been chosen from 14 sites and checked for their water storage and distribution potential. More than 40,000 hectares of land could be irrigated with implementation of the Wairarapa Water Use Project in addition to providing a source of water for boosting low summer river flows, frost fighting, hydro-power generation and urban supply. Fran Wilde, Wellington Regional Council Chair, said that they hope to know by the end of next year the number of sites under investigation that will be worth taking through to a full scale feasibility study to further analyse the respective benefits and costs.

DOC report raises concerns about dam [17 September/ New Zealand Herald] Senior managers within the Department of Conservation have submitted a highly abbreviated version of a draft internal report on the Ruataniwha Dam, to the Board of Inquiry considering the project. The draft report contained 32 pages, setting out the department's concerns about the way Hawke's Bay Regional Council planned to manage water quality issues arising from the dam, however the submission ran to only two paragraphs. Conservation Minister, Nick Smith, said he was not surprised, suggesting the draft report was internal to the department and senior managers did not agree with its conclusions. He noted that management took the view they should focus on the issues associated with the 22 hectares of DOC land that will be inundated by the dam rather than fresh water quality issues, which were primarily the responsibility of the regional council. Green Party spokesperson, Eugenie Sage, said that DOC advice on the project has clearly been suppressed, given the government's focus on expanding irrigated land. She added that the only other agency tasked with protecting the environment in Hawkes Bay was the Regional Council, but in this case they are the developer, making DOC's role as an advocate for nature even more vital.

Environment and emissions

Parties pull pin on RMA changes [16 September/ NZ Farmers Weekly] Progress of planned changes to the Resource Management Act is dependent on the New Zealand First party as a result of the Maori and United First parties announcing they will not back government's proposals. New Zealand First spokesman Andrew Williams said that the party supported the streamlining of some of the process aspects of the Resource Management Act however they did not support the total legislative changes that the current Government stood for. Former Prime Minister and Law Commission President Sir Geoffrey Palmer said that the planned reforms were not fully aligned with what he thought were the main principles of the Act. The National Party's planned changes which were announced last month, would widen the scope for the central Government to influence planning and direct changes. It would also give considerably more emphasis to the economic benefits of projects over environmental effects. Other party commentators, notably Maori Party co-leader Tariana Turia and United Future leader Peter Dunne said that the changes would fundamentally rewrite the Act.

Research and development

Lamb tail docking no barrier to growth – study [17 September/ Business Day] New research released by Alliance Group has found that a lamb left undocked will not grow any faster than a lamb that has been docked. While many farmers may argue otherwise, preliminary findings into a tail docking trial by the Alliance Group has found that leaving a lamb's tail intact has no beneficial or detrimental effect on its growth rate. The first year of a three-year study into the effects of tail docking has just been completed by Alliance, and Group Livestock Manager Murray Behrent said that he was surprised by the results. Lambs are usually docked three to four weeks after birth to prevent fly strike and dag formation which can cause problems. Alliance's research looked at four different tail lengths: flush (1cm); short (3 to 4 cm) commonly used in New Zealand; long (7 to 10 cm) commonly used in the United Kingdom; and intact. Total meat yield was suggested to have a positive effect from leaving the tail of the stock intact. However, the results were inconclusive across the breed and sex of the lamb. Mr Behrent said that there was currently a lack of scientific information on the productive, economic and welfare aspects of docking lambs tails and he said that he was confident that Alliance's research would help contribute more information. He said that once completed, the research should provide suppliers with reliable information in assessing the impact of their tail docking practices. Alliance suppliers are expected to receive a best practice booklet on tail docking with results from the research outlined in 2015.

International

Foreign interest in Aust land rises [13 September/ Radio New Zealand Rural] Australia is receiving increasing interest from overseas buyers in its land offerings. China, Indonesia and New Zealand companies have reportedly looked into buying dairy farms and stock grazing land. Northern Australia recently received interest from the Indonesian Government in its hunt for a million hectares of grazing land in the region. This comes as the Indonesian Government looks for feasible areas for it to breed cattle in order to meet its domestic demand. The Northern Australian Cattlemen's Association has said that the foreign investment from the Indonesian Government might be a lifeline for the industry that is still struggling to recover from a temporary ban on live cattle exports to Indonesia in 2011 which resulted from animal welfare concerns. Tasmania has also received interest from China's Investment Corporation, primarily towards their interest in buying a large stake in the 25 Tasmanian dairy farms which are largely owned by the New Plymouth District Council.

Farmers and producers

Old hands show how to handle a heifer [4 September/ Business Day] Semi-retired Wakefield breeders Craig and Richard Martin are preparing a team of heifers for competition at an international gathering of angus farmers in Rotorua in October at the World Angus Forum. The team is set to prepare the young cattle to be handled, led, washed and even blow-dried. While it is a time consuming process, the pair said that they are keen to do their bit for the Forum which was last in New Zealand more than 30 years ago. The heifers that the men are planning to break in will be used in a competition involving teams of four youths aged between 18 and 25 from different countries. Teams will prepare, parade and judge the animals as well as undertake some agri-sports challenges and a quiz. The overall winner receives a total prize of \$10,000 and the best heifers will be auctioned at the end of the event. Mr Martin said that breeders from around the country had been invited to supply animals and they had agreed to train four heifers as well as another four as a reserve team. It is expected that 500 delegates from overseas and New Zealand will attend the four-day event.

American investment group buys Mt Pember Station [13 September/ Radio New Zealand Rural] The sale of one of New Zealand's largest farms, Mount Pember Station in Canterbury's Lees Valley, has been approved by the Overseas Investment Office. A North American investment group has been granted permission to buy the land. The Station is an amalgamation of seven runs and farms that cover more than 27,000 hectares. Eleven houses, five woodsheds and a variety of other farming buildings are located in the area. Bayleys Real Estate brokered the deal and said in a statement that Mount Pember was purchased through the American Group's New Zealand registered company, Lees Valley Station. New Zealand farm management and consulting company, Grasslands, will manage Mount Pember Station.

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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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