

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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Organisations referenced in this week's Field Notes include:

2013 New Zealand Food Awards	Meat Industry Association
Accident Compensation Corporation	Meat Industry Excellence Group
AgResearch Limited	New Zealand Government
Alliance Cooperative	Ministry for Primary Industries
Auckland Regional Council	Ngai Tahu Holdings Corporation limited
Bayer Crop Science New Zealand	PGG Wrightson
Beef + Lamb New Zealand	Ravensdown Fertiliser Cooperative
Craigs Investment Partners	Silver Fern Farms
Environment Protection Authority	The Collective New Zealand
Forsyth Barr	TOMeTTE Foods
Fonterra Cooperative	TrustPower Limited
New Zealand Green Party	Water Dynamics
Infant Formula Exporters Association	Whangarei District Council
Kiwibank Limited	

This week's headlines

New Zealand Food Awards	French flair proves Supreme winner [20 September/ Massey University Media Release]
Dairy	Losses mount for infant formula exporters [20 September/ Rural News Group]
Red Meat	Parsons chair-elect for B + L [18 September/ Rural News Group]
Rural Education	Lincoln targets urban students [20 September/ NZX Agri News]
Economics and trade	GDP up 0.2pc – better than expected [19 September/ New Zealand Herald]

KPMG Perspectives

It was a pleasure to attend the New Zealand Food Awards gala dinner last Thursday evening and see the passion of some of New Zealand's most innovative food producers on such public display.

The judges continually highlighted how our food producers are taking some of the best raw materials available in the world and creating innovative, and in some cases world beating, products. The winners talked regularly about the commitment of their teams to their business, the long hours and the hard graft but they also recognised the importance of the public recognition that the food awards delivers in attracting potential new customers to their businesses.

It was interesting, however that many winners also recognised the role that suppliers play in their ability to deliver excellence, recognising that substantive collaboration is core to the long term success of our agri-food sector. It was also pleasing to note the contribution that facilities such as The Foodbowl in Auckland are making in providing opportunities for companies to trial and then scale up commercial production. Such facilities are critical to our long term place at the table of high quality food producers and are important that they continue to receive the support from government agencies if the sector is to grow exports to \$60 billion.

Overall the evening was about celebration of some exceptional products, so please do find out more about the winners and seek out their products – an elderflower beverage from Aroha Drinks - I tracked one down over the weekend and it was truly exceptional!

New Zealand Food Awards

KPMG is passionate in its belief that New Zealand's prosperity is underpinned by our food and agribusiness industries with over 70% of the exports delivered by the sector. This is just one of the reason KPMG is proud to support the New Zealand Food Awards. In our long standing relationship with the New Zealand Food Awards KPMG are continually raising and improving the profile of the New Zealand's food business. KPMG would like to extend its congratulations to "The Collective" who are now the proud owners of the KPMG export award, and to all the winners announced at the awards gala dinner, to find out more please visit <http://www.foodawards.co.nz/>

French flair proves Supreme winner [20 September/ Massey University Media Release] Food company TOMeTTE was declared the winner of the Supreme Award at the 2013 New Zealand Food Awards. Owners Thomas Dietz and Etienne Moly launched their products on Bastille Day 2012 and their creations are 100 per cent natural, preservative-free New Zealand made products. The Auckland company, which also won the Convenience and Meal Solutions Award and the Processing Technology Award, was not the only French-influenced company to take home an award. Last year's Supreme Award winner, Paneton Bakery, won the Bakery Award, beating out previous winner Andre's Kitchen. Massey University Chancellor Steve Maharey said that winning the New Zealand Food Awards was the pinnacle of achievement for any food producer and TOMeTTE's success showed that great flavour and strong technical knowledge had the ability to create world-class products from New Zealand food. The newest award category, Healthier Choice, was won by newcomers Blue River Dairy with its Sheep Milk Powder which was described by the judges as showcasing the essence of New Zealand, the company's milk powder was an alternative for people who were allergic to cow's milk. The KPMG Export Award was fiercely fought over; with Alpine Origin Merino and Mt Cook Alpine Salmon pitted against newcomers The Collective, which won the award. The judges said The Collective's approach in the establishment of channels to international markets was impressive, alongside its appetite to innovate in packaging and new consumer groups. Winners are able to use the NZ Food Awards quality mark on their products.

Forestry

Latest figures show net deforestation [19 September/ Radio New Zealand Rural] The Green Party has blamed the Government as dooming New Zealand's future existence because of the weakening of the Emissions Trading Scheme. Climate Change Spokesperson for the Green Party, Kennedy Graham, said that the latest climate change report showed net deforestation occurring for the first time since 2008. Mr Graham said that the ETS had become very perverse and encouraged foresters to chop down their trees which released more carbon into the atmosphere. While the price of carbon was \$20-22 when the scheme started in 2010, the Government has allowed the price to fall to as low as 20 cents in the course of 2013. He added that this allowed the New Zealand economy to become vulnerable to cheap importation of credits from overseas. He said that the incentive was for farmers to purchase cheaper credits from overseas, deforest and then switch to another land use that will earn them more than they would have, had the carbon price for forestry been higher. He said that rather than encouraging the purchase of cheap units which encouraged deforestation, the country needed a climate policy which reduced emissions.

Dairy

Dairy prices up 0.3pc overnight [18 September/ New Zealand Herald] Continual increases to dairy products were witnessed last week while volumes continued to fall from record levels seen last month. An increase of 0.3 per cent was recorded by the GDT Price Index compared to the last sale two weeks ago and the average winning price was US\$4,880 a tonne compared to US\$4,941 a tonne. A decrease in the volume of dairy products sold was recorded falling to 46,664 tonnes from 53,479 tonnes two weeks ago, the third straight decline. The largest product traded by volume, whole milk powder, recorded an average winning price of US\$5,096 tonne which was an increase on the previous sale of 1.1 per cent. A decrease in the value of skim milk powder was recorded, with a 1.7 per cent decrease bringing total value of the product to US\$4,330 a tonne.

New chair for Awards trust [20 September/ Rural News Group] Mid-Canterbury dairy farmer and DairyNZ Director Alister Body is set to fill the role of New Zealand Dairy Industry Awards Trust Chair. Mr Body's role will be to help ensure that the awards and its three contests, The New Zealand Sharemilker/Equity Farmer of the Year, New Zealand Farm Manager of the Year, and New Zealand Dairy Trainee of the Year, retain their competitive interest and commercial relevancy. He said that the competitions on offer were continuing to increase in scale and were dealing with a larger number of entrants and a greater number of people wishing to attend the events. Mr Body said that the competitions were fuelling themselves and it was important for the development of strong farm managers that they continue to exist. He takes over from Teresa Moore who was named New Zealand Sharemilker of the Year in 2009.

Losses mount for infant formula exporters [20 September/ Rural News Group] Michael Barnett, Chairman of the Infant Formula Exporters Association, has said that contracts worth up to \$30 million have either been stalled or put at risk following the false Fonterra botulism scare. Mr Barnett added that the damage that has been done to the New Zealand brand extends beyond infant formula and other milk products. He highlighted the disappointment that had resulted from exporters becoming the collateral damage as a result of the incident that reached its height in August this year. The New Zealand Government has outlined an initial plan to rebuild consumer confidence in key markets including a \$2 million fund to assist small and medium-size exporters travel to key markets. Mr Barnett said that the Association's members on the ground in China report that New Zealand's main European competitors now see an opportunity to challenge New Zealand's premium position as a supplier and are incentivising Chinese buyers to change. The Minister for Primary Industries, Nathan Guy, said that a key component of the Government's recovery plan will be an intense round of targeted visits to key markets in the Chinese region. He said that it will be important for these visits to target and resolve the key technical issues that exist there. In addition, Mr Guy said that it was important for New Zealand to review the robustness of the regulatory framework to ensure that similar incidents do not happen again.

Fonterra result set to miss forecast [24 September/ New Zealand Herald] Annual earnings results for the July 31 year are expected to fall short of Fonterra's prospectus forecasts. The results, set to be released today, are expected to reflect the combined effect of last summer's drought and difficult trading conditions in the Australian region. The costs associated with the August botulism scare will not be reflected in the results. Craigs Investment Partners Head of Private Wealth, Mark Lister, said that attention would most likely centre on the costs of production and the financial flow-on effects from the botulism scare. He highlighted the fact that it would be very difficult to not see any effects from the scare. After being sold down to \$6.50 on the back of the botulism scare, the unit price for the Fonterra Shareholders' Fund quickly rebounded closing at \$7.18 early this week. A fall from forecasted normalised earnings before interest and tax of 7.3 per cent is expected to bring the result down to around \$1 billion. On the back of price premiums, product mix, cost savings and productivity gains, the dairy cooperative's New Zealand Milk Products (NZMP) division delivered a positive performance. Since early 2013 the drought had contributed to an approximate 64 per cent increase in whole milk powder prices, Fonterra said. The Co-operative said in August that it had raised its forecast farmgate milk price for the 2014 season by 30 cents a kilogram of milk solids to \$7.80 per kilogram. They said that this would be a record if the results eventuated. Fonterra's margins on the manufacturing side of the organisation are affected by high milk prices although farmers see a benefit. Investment firm Forsyth Barr said that the main hit to margins from the advance of global dairy prices over the past nine months would be seen in the current financial year. The organisation said that it expected some margin pressure to be evident in the second half of the year just finished.

Analysts fret over Fonterra [24 September/ Business Day] With Fonterra's 2013 annual result due to be released tomorrow, analysts are set to have the botulism scare and profit volatility on their minds. The forecasted results that were released in the Fonterra Shareholders Fund prospectus in November have been highlighted to be higher than what is likely to be actually received for it 2013 financial year. The dairy cooperative said that this year's drought contributed to a large, 64 per cent rise in whole milk powder prices on the GlobalDairyTrade platform. It is also reporting that the effects also flowed onto the margins obtained by its manufacturing division, NZ Milk Products. While subdued financial results were expected by Fonterra, farmers were unlikely to dwell on the negatives, with a positive note being taken by the best milk production received by farmers for some time. Fonterra Shareholders Council Chairman Ian Brown said that farmers were in very positive spirits and were producing significant amounts of milk. He highlighted New Zealand North Island milk production as running at least 5 per cent ahead of the same time last year as a result of excellent grass growth and good cattle conditions. Underlying net profit after tax was expected to be \$718 million, up 18 per cent against the 2012 results, and a gross final dividend was expected to be reported at 16 cents per share. Craigs Investment Partners Head of Research Mark Lister said that he was surprised at how the unit price of Fonterra units had shrugged off the issues around the botulism scare, with units closing at \$7.20.

Meat

Indonesia relaxes beef import rules [17 September/ Radio New Zealand Rural] The Meat Industry Association has highlighted beef exports as being set to take off soon as the Indonesian Government prepares to lower trade barriers. This relaxation in trade barriers will mean that more beef imports will be allowed into the country which will ease soaring domestic beef prices caused by the lack of supply. The large reduction in the amount of beef New Zealand was sending to Indonesia was a direct result of the import quota system, Meat Industry Association Chief Executive Tim Ritchie said. Since 2010, beef volumes had dropped to about 20 per cent of highs, with value falling by about \$150 million a year. Mr Ritchie said that Indonesia had replaced the quota system with a price reference system, which he believed should allow for the trade to pick up again. He also said that Indonesia was still placing various restrictions on where imported meat can be sold and on certain cuts at the low end of the market, however the system did not comply with World Trade Organisation guidelines.

Parsons chair-elect for B + L [18 September/ Rural News Group] James Parsons has been appointed chair-elect for Beef + Lamb New Zealand. The Northland farmer and northern North Island Director for the organisation will take the position in order to help oversee an orderly transition of leadership for Beef + Lamb New Zealand. The current Chairman Mike Peterson said that he will not seek re-election when his term ends in March 2014 and he added that the appointment was a very important part of the governance process. Mr Peterson said that Beef + Lamb puts strong emphasis on the development of all directors and that there has been a real focus on growing the leadership ability of the board for the benefit of the wider sector. While the final decision will ultimately be made by the new board at the first meeting following the annual meeting next year, the announcement that James Parsons will take up chair-elect sends very clear signals of the board's intentions at this time. The organisation added that Mr Parsons will continue to play a key role in working with farmers to provide much of the core research and information they need, in pursuing greater productivity and in helping them to make profitable and efficient business decisions.

Project sees dairy gains from beef genetics [24 September/ Business Day] A variety of benefits have been attributed to using high-quality beef genetics in dairy beef production, according to new research released by AgResearch. A five year Dairy Beef Integration Programme indicated the potential for large gains for dairy farmers through the use of superior beef semen of bulls. The rearing and finishing of dairy-beef calves that have the improved genetics were assessed in the programme. Dr Vicki Burggraaf, AgResearch scientist and project leader said that large gains were seen across a well-managed supply chain through the use of superior beef semen of bulls. Dr Burggraaf said that the benefits attributable to such research meant that mating costs could be reduced through the use of cheaper semen, reduced stress would benefit staff during calving and a potentially higher value surplus calf could be obtained. The Livestock Improvement Cooperative assisted in some of the testing phases of the research. It has been highlighted that two-thirds of New Zealand's beef production has originated from the dairy industry, however very few dairy farms actually use bulls from lines of known genetics.

Farmers urged to support meat co-ops amid stock buying battle [24 September/ Radio New Zealand Rural] The Meat Industry Excellence Group is still waiting to hear about whether they and other companies are making any progress in urging farmers to continue their support of co-operative meat processors. Silver Fern Farms and Alliance combined process more than half of all sheep-meat in New Zealand and a third of all beef products. MIE Group Chairman Richard Young said that the Group is sending a message to farmers to keep supporting the co-operatives as competition heats up for a reduced supply of lamb meat this year. In order to get stock, some buyers are offering above-schedule prices and advance payments. The Group has indicated talks as continuing.

Water

PGG looks to make irrigation gains [19 September/ Radio New Zealand Rural] As New Zealand's agricultural systems become more intensive, particularly through the use of irrigation, specialist farming equipment supplier, PGG Wrightson, is moving to claim a larger share of this market. PGG Wrightson has announced that it has acquired irrigation companies Water Dynamics and Aquaspec to boost its irrigation and water business. The acquisitions will give the company more exposure to North Island irrigation operations, particularly in Hawke's Bay and the Waikato, Chief Executive Mark Dewdney said. With support from the Government, Mr Dewdney said that he expects irrigation schemes in certain parts of the company to receive a higher level of importance. He emphasised the irrigation division of PGG Wrightson had almost doubled its profits last year.

Ngai Tahu and Trust Power to invest in Ruataniwha Dam [20 September/ Radio New Zealand Rural] A Memorandum of Understanding has been signed by Ngai Tahu Holdings and TrustPower to take them a step closer to potentially investing in the Ruataniwha Water Storage Scheme, which is set to be constructed in the Hawke's Bay. The build cost for the project is estimated at \$360 million and farmers are expected to invest another \$240 million in on-farm infrastructure. The lead investor in the project will be Hawke's Bay Regional Council's investment vehicle, The Hawke's Bay Regional Investment Company. The project would make up to 30,000 hectares of land available for intensive agriculture. Chief Executive of Ngai Tahu's commercial arm, Mike Sang, said that the involvement of Ngai Tahu and Trustpower should provide tangata whenua and the community with assurance about the water scheme.

New boss for Crown irrigation [24 September/ Radio New Zealand Rural] The Government's new Crown Irrigation Company which has \$400 million to spend on irrigation projects nationwide has appointed Murray Gribben as its Chief Executive. Mr Gribben has worked extensively in the investment sector and will begin working in the new capacity as Chief Executive on the 18 November. He has owned and managed a South Wairarapa farming business which he says has given him first-hand experience of how pivotal water is to agriculture. Funding will be provided by Crown Irrigation to get investment-ready irrigation schemes up and running.

Rural education

Lincoln targets urban students [20 September/ NZX Agri News] Lincoln University has proposed to structure a new degree which is expected to attract more urban students to the campus in order to fill a qualification gap in the agribusiness and food sectors. The degree, named the Bachelor of Agribusiness and Food Marketing, will target people looking for careers further along the industry supply chain in processing, marketing and retail. The University has indicated that heightened awareness of global food supply and quality opportunities has turned the organisation to refocus its agribusiness and food education branches as well as associated research programmes. Lincoln University Senior Lecturer in Agribusiness Management Nic Lees said that the new degree will assess food innovation, the science around processing and technology, and production systems. He said that there was a high level of demand for more industry professionals who understand agribusiness processes and have experience in food marketing. Mr Lees said that although the University had prior agribusiness related degree offerings, a large chunk of the agri-food business industry was not covered. What had been developed so far with the new degree was specialist courses primarily designed to integrate the food and marketing courses within an industry context.

Rural infrastructure

NRM brands back in NZ hands [18 September/ Rural News Group] NRM Stock Feed Manufacturing and Brands, one of the oldest rural servicing companies, is being brought back into New Zealand ownership by Farmlands Co-operative. Farmlands will acquire the NRM brands and all of the associated intellectual property while Mainfeeds is taking the major assets which are feed mills at Wiri (Auckland) and Levin. NRM brands include Moozlee and GrowUp calf feed, ProForm dairy pellets, Peck-n-Lay poultry feed, and ChampMax dog biscuits. NRM began in Auckland with operations commencing as Auckland Roller Mills from 1875, changing in 1899 to Northern Roller Milling. The organisation's silos took up prominent positions in downtown Fort and Quay Streets.

Farm accident drop behind ACC levy fall [19 September/ Radio New Zealand Rural] The reduction in ACC levies for farmers is possibly attributable to the drop in the number of farm accidents, according to the Accident Compensation Corporation. Draft levies from the organisation for the year from April 2014 to March 2015 have been released but are still awaiting Government approval. ACC has revealed that motor vehicle and employer levies would fall however moped and petrol levies would remain the same. Katie Milne, spokesperson on ACC for Federated Farmers, said that the proposed levies were potentially good news for farmers and should save them hundreds of dollars annually. She said that the savings would be emphasised especially if these farmers had staff and the reduction could be as large as 20 per cent. Federated Farmers also highlighted their view that politicians should not be involved in deciding on the levy figures as they needed to reflect what was happening on the farming field and not what was happening in the beehive.

Rural sector key for many of Otago's SMEs [21 September/ Otago Daily Times] Mark Stephen, Kiwibank Group Manager, has said that the recent drought that swept the country has squeezed the regional economy dramatically. He highlighted the fact that more than half of Otago's small and medium sized enterprises were receiving business income from the rural sector. This was attributable to why it was critical for many businesses in the sector to be closely attuned to what happened in the rural sector, he said. MYOB business division general manager James Scollay said that the rural sector in Otago had struggled in recent months, however the outlook was positive. Mr Scollay said that the lingering effects of the drought, coupled with the global uncertainty that existed had an impact. A survey conducted by MYOB highlighted 38 per cent of respondents expecting their revenue to decrease in coming months, compared to 39 per cent reported in March. MYOB also showed how the proportion of primary sector businesses reported revenue growth at lower levels to those initially recorded in March of this year. Many had originally reported revenue growth at 21 per cent, however this figure had now fallen to just 15 per cent. Mr Scollay said that good news still existed however, with strong results in manufacturing and growth in the construction sector contributing positively.

Environment and emissions

Auckland Council at odds with Govt on stricter GM rules [23 September/ New Zealand Herald] Despite the environment minister warning the Auckland Council not to, Councillors have decided to propose stricter rules on Genetically Modified trials in the region. Auckland Councillors have voted to introduce new standards in the region's draft planning document which were designed to increase protection from a genetically modified organism outbreak. Environment Minister, Amy Adams, warned Councils against setting their own rules in June this year, saying that the central Government's controls on GM trials and releases were strict enough. The regulation of new organisms in New Zealand is primarily attributable to the Environment Protection Authority. Adoption of the Council's Unitary Plan would emphasise a precautionary approach to GM releases and companies or agencies that wanted to trial new organisms would have to prove that they could cover the costs of an adverse event before they were given the green light for development. Further measures have been taken by other Councils against Ministerial direction. The Whangarei District Council has agreed in principle to banning the release of GMOs into the environment and enforcing the discretionary activity status upon field trial activities.

Biosecurity

Live foreign insect found in tobacco pouch [23 September/ New Zealand Herald] A live *Trogoderma variable*, commonly called the warehouse beetle, was found by a consumer in his tobacco pouch; the insect could have had a very negative effect on New Zealand's agricultural systems. Richard Master found the insect larva in a 30 gram pouch of Park Drive Milk last week. The warehouse beetle is a pest of stored products such as grain, seeds, cereals, legumes and nuts. The particular species found by Mr Master is foreign to New Zealand. The Ministry for Primary Industries advised Mr Master to freeze the bug for 48 hours to kill it, and then to send it to the Ministry for analysis. The Ministry said that the find of the insect was unlikely to present a very large biosecurity risk to New Zealand and that the country has a variety of stored product pests already established in the country. British American Tobacco, the company that distributed the product, said that they were taking the situation very seriously and that they would assist the Ministry of Primary Industries as best as they could.

International

Bouyant Bayer plans to boost research [20 September/ Rural News Group] Approximately 9-10 per cent of sales returns is expected to be spent on research and development by Bayer Crop Science. The spend is set to be a large investment in the development of products to help lift agriculture productivity around the world. Sales returns are forecast to reach 10 billion Euros by 2015 which will flow onto research and development increases in investment. Bayer Chief Executive Liam Condon said that the level of R&D was not only sustainable but could rise, especially with demand increases rising from an increasing population. Mr Condon said that the time was right for a food revolution to increase food production by 70 per cent and that the problems relating to underproduction needed more collaboration. He said that collaboration could exist between companies, Governments, and non-Governmental agencies. Mr Condon added that modernisation of agriculture and sustainability of the environment must go hand in hand or the world will end up in a dead end.

Economics and Trade

GDP up 0.2pc – better than expected [19 September/ New Zealand Herald] A higher than expected rate of growth was recorded by the New Zealand economy in the second quarter of the year. Increases in architecture and engineering services offset the slowdown effects seen from drought. Flowing on from these effects was the jump seen by the New Zealand dollar. Gross Domestic Product grew 0.2 per cent to \$37.26 billion in the three months ended June 30 which was a direct slow down from a revised gain of 0.4 per cent in the March quarter, Statistics New Zealand reported. This was greater than the 0.1 per cent forecasted growth rate expected by a Reuters survey of economists. Domestic bank economists, on the other hand were expecting a contraction in growth. Adding to these results, annual growth was 2.7 per cent which was ahead of the 2.4 per cent pace predicted initially. An increase was seen by the New Zealand dollar, which rose to 83.67 US cents from 83.24 cents prior to the results being published and the trade-weighted index increased to 77.65 cents from 77.26 cents. Industry specific gains were seen with business services growing by 2.6 per cent in the quarter as a result of increases in architecture and engineering, construction expanded by 2.3 per cent on the strength of civil engineering activity which increased at an annual pace of 14 per cent. A 6.4 per cent contraction in agriculture was recorded which partially offset these gains. ANZ Bank Senior Economist Mark Smith said that the New Zealand economy had traversed the first half of the year relatively slowly and it was now continuing through the rest of the year at a stronger pace.

UK nudge sought for trade talks [20 September/ New Zealand Herald] The status of European Union Free Trade Agreement talks are being closely watched by Prime Minister John Key. He is hoping that Britain will help New Zealand to build stronger ties with the EU and launch free trade discussions. New Zealand is one of only five countries yet to start negotiations with the European Union regarding trade talks. Mr Key raised the issue with British Prime Minister David Cameron last week during his trip to the region. He told the media afterwards that the UK could be a powerful advocate for New Zealand's case because it was a key figure in the EU's make-up. He said that if New Zealand could advance a trade agreement with the EU, then this would be very important. Mr Key was unsuccessful in requesting that the steep departure tax of almost \$200 per head for those flying from the UK to New Zealand be removed. Mr Key said that visitor numbers from the UK had dropped significantly since the tax was introduced and that it had a large impact on the number of tourists visiting the region. The Prime Minister said that the visit to Britain had been very positive.

Farmers and producers

Ravensdown returns 'unacceptable' result [14 August/ Business Day] Although a low result was reported by Ravensdown for the 2012-2013 financial year, Chief Executive Greg Campbell said that recent currency and commodity movements were putting the fertiliser co-operative in a solid financial position for the coming year. Mr Campbell said that Australian operations had not been adding significant value to the co-operative. These operations were set to be sold at a likely exit cost of \$15 million for total losses of \$23 million. He said that they were currently in a due diligence period with an interested buyer and an announcement by Ravensdown was expected to be released in the next three weeks. Mr Campbell said that the co-operative's competitors were also struggling in Australia and that debt had already been reduced by \$98 million by actions such as reducing fertiliser stock and not replenishing it. Mr Campbell added that Ravensdown's balance will be strengthened once the Australian operations are disposed of, with improvements expected in the 54 per cent equity ratio and reductions in net debt.

Upbeat farmers holding onto their properties [20 September/ New Zealand Herald] According to the Real Estate Institute of New Zealand, an upbeat mood in the rural sector meant that fewer farms were being put onto the market. A total of 369 farms were sold across the country in the three months to August, revealed in the recent REINZ Rural Market Statistics report. These results were up 16 per cent on the same time last year but down 15.8 per cent on the three months to July this year. The figures that were taken from August's sales were relatively constrained, according to REINZ Rural Spokesman Brian Peacocke. He added that so far this year a total of 1541 farms had been sold, which was 6.2 per cent higher than what were sold in the same period last year.

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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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