

AGRIBUSINESS

# FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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6 November 2013

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American Angus Association	Meat Industry Excellence Group
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Ascension Winery	Miraka
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Ballance Agri-Nutrients	New Zealand King Salmon
Bega Cheese	New Zealand Labour Party
Blueberries New Zealand	New Zealand Pork
Bright Dairy & Food	New Zealand Winegrowers
Campaign Against Foreign Control of Aotearoa	New Zealand Wool Services International
Cavallier Corporation	Overseas Investment Office
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Federated Farmers	Wairarapa Moana Incorporation
Federation of Maori Authorities	Warrambool Butter and Cheese
Fonterra Co-operative Group	Wools of New Zealand
Forest Growers Levy Trust	World Angus Forum
Greenvale Pastures Ltd	Xero
Independent Fisheries	

#### This week's headlines

<b>Viticulture</b>	<b>World faces global wine shortage - report</b> [30 October/ BBC News]
<b>Dairy</b>	<b>Fonterra buys 6pc stake in Bega Cheese</b> [1 November/ New Zealand Herald]
<b>Water</b>	<b>Deadline for irrigation project extended</b> [1 November/ Radio New Zealand Rural]
<b>Economics and trade</b>	<b>Commodity prices up again, near new record</b> [4 November/ New Zealand Herald]
<b>Farmers and producers</b>	<b>Smiler joins elite list</b> [1 November/ Rural News]

### Horticulture

**Blueberry crop looks to be a belter** [5 November/ Radio New Zealand Rural] Blueberry growers are predicting this season could deliver a bonanza crop as a result of excellent spring growing conditions. The right balance of sun and rain has meant that Blueberries New Zealand chair, Dan Peach, has been receiving grower reports from around the country of bumper crop expectations. Mr Peach said it is too early in the season to forecast the crop, with early season harvesting having just started in the north of the North Island and picking to continue for the next six months. Last season New Zealand growers produced 1,800 tonnes of blueberries.

### Viticulture

**World faces global wine shortage - report** [30 October/ BBC News] Global consumer demand for wine is significantly outweighing supply a report by investment bank Morgan Stanley has highlighted. The report describes the deepest supply shortfall in over 40 years of records and last year, world production fell to the lowest levels in more than four decades. Since its peak in 2004 global production had been in decline. While global production currently stands at 3 billion cases per year, consumption globally has been increasing. The authors of the report expect the current shortfall in supply to cause global prices to increase for wine products. The shortfall has been partly attributed to plummeting production in Europe due to vine pull and poor weather. Total production across the continent fell by at least 10 per cent last year and by 25 per cent since its peak in 2004. Relating this to New Zealand, production in the country has been steadily rising. It was highlighted that France is still predominantly the largest consumer of wine globally.

**Wine shortage impact on price uncertain says industry body** [1 November/ Radio New Zealand Rural] The New Zealand wine industry has indicated that the global shortage of wine could be to its advantage. Morgan Stanley report highlights demand for wine as outstripping supply by 300 million cases in 2012 which was the largest shortfall in more than 40 years. It added that falling European production will benefit new world wine producers such as New Zealand, Australia, and those in South America, where production has been consistently increasing. New Zealand Winegrowers Chief Executive Philip Gregan agreed that the situation provides many opportunities for New Zealand but that the impact in terms of price could be limited. Mr Gregan highlighted the global wine surplus that has existed for some time as being attributable to subsidies out of the European Union and the end of these is resulting in firmer global prices.

**Vintage years picked for wine** [2 November/ New Zealand Herald] Managing Director of Pernod Ricard Winemakers, Fabian Partigliani has highlighted profitability returning to the wine industry after several years of grape over supply. Pernod Ricard's brands include Brancott Estate (formerly Montana), Stoneleigh and Church Road. Mr Partigliani said that from 2008 to 2011 there was an oversupply in wine and it was good news that the industry has seen constant increases in demand. A very large vintage in 2008 resulted in a 27 million litre glut which eroded the price of wine, land and grapes and led to a surge in exports of cheaper bulk wine. He added that Brancott Estate's volumes had increased only 3 per cent in the past financial year, with profit lifting by 8 per cent. Mr Partigliani noted that New Zealand was in a very good position to take advantage of the global shortage of wine with global wine production peaking in 2004 and steadily falling since.

**Winery back on sale after deal falls over** [5 November/ New Zealand Herald] The Overseas Investment Office has declined approval for a group of Chinese buyers to acquire the Ascension Winery in Matakana, resulting in the property being put back on the market. The buyers had offered \$4 million for the 7.6 hectare property which was placed into receivership and put up for sale in May. It is understood the syndicate has forfeited a deposit paid on transaction and that it has made a new offer, which no longer needs approval from the OIO because the group's members now meet residency requirements. The business which includes 4 hectares of vines, a restaurant, function centre and winemaker's cottage is being marketed by Bayleys. The receiver, Andrew McKay of Corporate Finance, said the business was still trading and continuing to fulfil bookings ahead of the tender closing at the end of November.

### Rural education

**Five Nuffield scholars named** [3 November/ Rural News] Nuffield New Zealand has announced five new scholarship awards for 2014. The new scholars join more than 140 others who have been awarded Nuffield Scholarships over the past 60 years according to Nuffield NZ chairman, Julian Raine. Mr Raine said that a scholarship is one of New Zealand's most valuable and prestigious awards and can be a life changing experience. The ability to travel internationally, study developments in agriculture and meet industry leaders and decision makers in these countries is a real investment in our future rural leaders, Mr Raine noted. Scholarships have been awarded to; Dan Shand of Culverden who runs a beekeeping and honey business (will look at long term contribution made by bees to agriculture and how mobile technology can be deployed in the honey and red meat sector); John Murphy of Blenheim who is general manager of Marlborough Garlic (will consider how good farming can be turned into 'big business' without losing its 'essence'); Lucy Cruickshank of Wairarapa who owns sales and marketing company, Innov8 Aotearoa (will consider positioning of premium NZ products like honey offshore); Paul Olsen of Manawatu who operates a family potato growing business amongst other interests (will concentrate on potato (cropping) production); and Mel Poulton of Dannevirke who is an extension manager for Beef+Lamb (will study how we capture value for NZ through the distribution of our information and technology for access to markets).

### Forestry

**Forest growers go to the polls** [1 November/ Forest Growers Levy Trust media release] The Forest Growers Levy Trust has announced that fourteen candidates are standing for the six positions available on the new trust's board. The board will represent the interests of forest owners in managing and allocating the funds generated by the new commodity levy on forest products, that will commence on 1 January. The levy is intended to be used to fund research and other activities that benefit all plantation forest growers. The interim trust chair, Geoff Thompson, said that having so many well qualified nominees will ensure that the trust has a board that is capable of providing leadership and direction to the industry. The voting process runs through to 22 November and details are available on [www.forestvoice.org.nz](http://www.forestvoice.org.nz).

### Fishing and aquaculture

**Salmon farm's feed allowed as approval back dated** [4 November/ Marlborough Express] In a decision released last Friday, the Marlborough District Council commissioner, John Milligan, has given temporary approval to New Zealand King Salmon to give the fish at its Clay Point Farm more feed and to change the way it measures effects on the seabed. The decision is back dated for a year from the end of November. The decision allows NZ King Salmon to feed 500 tonnes more feed of which 304 tonnes has already been fed due to an administrative oversight, the reasons for which Mr Milligan described as unclear. Mr Milligan said the consent was a temporary solution to a temporary problem; however it foreshadowed a long term application to extend the 500 tonne increase until December 2015. In granting the consent assurances were accepted that NZ King Salmon would not argue the temporary consent as precedent for the longer term application and Mr Milligan said that the company should develop its argument beyond economic wellbeing and efficient use of resources. Opponents claim that the short term increase would do noticeable or irredeemable environmental damage were rejected as were arguments that toxic algal blooms might become more frequent.

**Bid to save fish factory from closure** [5 November/ Business Day] Union representatives have called on councillors and Labour MP's to convince Independent Fisheries to keep 200 jobs at its factory in Woolston in Christchurch. The company has said it will announce the fate of the plant this week, which it is looking at closing after losing sales in its export markets to Asian competitors. Labour MP's including Megan Woods, Andrew Little, Damien O'Connor and Ruth Dyson met with Independent Fisheries management together with representatives of the Service and Processing Workers Union and Christchurch City councillors. The group obtained a briefing from management and talked about options according to Mrs Dyson, with discussions including diversifying the production at the plant with a wider range of products, although recognised that the challenges the business faces arise from global market trends rather than local factors. Mrs Dyson noted that management had not gone into details about the submissions that have been made by employees, but said the discussion had been honest and upfront. Independent's general manager, Mark Allison, did not want to comment as the company was still in consultation with its staff. Independent was founded in 1960 and is owned by Charles Shadbolt and various family trusts.

### Dairy

**New Fonterra contamination scare** [31 October/ New Zealand Herald] A potential contamination scare has resulted in Fonterra co-operative Group taking 14 milk tankers out of the supply chain temporarily. The tankers were contaminated with gravel and mud and Fonterra has emphasised that their safety systems worked as they intended. It was revealed that approximately 1-2 kilograms of mud and gravel entered Fonterra's Hawera milk processing plant in the Taranaki from a contractor's truck. By the time the issue was identified, Fonterra said that 14 tankers had been potentially contaminated. Approximately 150,000 litres of raw milk was required to be dumped because of the incident. Lower North Island Operations Manager for Fonterra Scott Walls told media sources that the issue was found within 44 minutes of it occurring on Friday evening. Mr Walls highlighted Fonterra as taking safety very seriously, especially after the incident earlier in the year.

**Landcorp moving more into dairy** [1 November/ Radio New Zealand Rural] Government owned farming enterprise Landcorp Farming Limited is expecting to be generating more than half of its revenue from dairy farming in five years. New Zealand's largest farmer has been steadily expanding its dairy operations and its annual report says that it aims to double its milk production within three years. The increase in production has been highlighted as mainly coming from the 16 Crafar farms Landcorp is now managing on behalf of new Chinese owner Shanghai Pengxin. Landcorp owns approximately 100 of the 137 properties it farms but new Chief Executive Steven Carden said that its role as a farm manager is growing.

**Voting open for 2013 Fonterra elections** [1 November/ NZX Agri News Group] The 2013 Fonterra Board of Directors' elections are now open for voting in addition to the Shareholders Council Elections in Ward 8 (Hamilton) and Ward 21 (Coastal Taranaki). There are five candidates in total standing for the three available seats on the co-operatives Board including Donna Smit, Eric Ray, Michael Spaans and the two incumbent directors Ian Farrelly and Malcolm Bailey. Shareholders Ross Wallis, Grant Coombes and Bruce Haultain are standing for Ward 8 (Hamilton), and Vaughn Brophy and Lloyd Morgan are standing for Ward 21 (Coastal Taranaki). Fonterra shareholders have the opportunity to meet director candidates and ask questions at the 12 candidate roadshow meetings from November 10 to November 15. The period of voting will run from November 1 to 10.30am November 25.

**Fonterra buys 6pc stake in Bega Cheese** [1 November/ New Zealand Herald] Fonterra has acquired a 6 per cent holding stake in Australian dairy company, Bega Cheese - which is at the centre of a takeover battle for Warrnambool Butter and Cheese. 9.3 million shares were bought at A\$4.95 per share for a total cost of A\$46 million, Fonterra Cooperative said. They highlighted the Australian market as providing the organisation with a steady source of growth and the opportunity for them to develop their presence in the region. Fonterra Chief Executive Theo Spierings said that the Australian dairy industry was consolidating and that it was important for Fonterra to participate in the movement. He added that he was confident in Bega Cheese and that he was interested in the strategy the company was pursuing.

**Reputation is everything, says Synlait Milk** [2 November/ Business Day] Synlait Milk has said that it is doing everything possible to prevent foods scares such as the one faced by Fonterra earlier in the year. The listed Canterbury milk products and exporter, backed by China's Bright Dairy & Food has managed to stay away from incidents such as the botulism scare that struck Fonterra. Manufacturing General Manager Neil Betteridge said that a company's reputation was everything and that there was definitely no room for error in milk processing. Mr Betteridge said that he was reluctant to discuss the Fonterra issue in depth and that such incidents were toxic for the dairy industry in New Zealand. He added that Synlait Milk was fortunate enough to have a modern processing plant that was only six years old, however the equipment still required constant checking and maintenance.

### Wool

**Wool prices climb again** [1 November/ Radio New Zealand Rural] The increases in wool prices have been primarily attributed to currency movements internationally. Exporter New Zealand Wool Services International reported that 99 per cent of the wool bales on offer sold at the latest auction. It was highlighted that price increases ranged from 1 per cent or 2 per cent and rose as high as 6 per cent to 10 per cent for some fine cross-bred wool. Next week's South Island sale is another very small one with fewer than 5000 bales offered for auction.

**'Farm to floor' collaboration advised** [5 November/ Otago Daily Times] Wools of New Zealand chairman, Mark Shadbolt, has said in the company's first annual report since it completed its capital raising that the volatile returns for meat and wool over many years highlight the need for change and a more collaborative approach from 'farm to floor'. Mr Shadbolt said the price volatility had to be the primary concern as a price spike saw manufacturers switch away from wool, eroding demand and fuelling further volatility. Wools of New Zealand has developed a stable pricing model designed to stabilise prices for growers and customers, which over time would provide incremental growth in demand and ultimately farm gate returns. Mr Shadbolt thanked the 720 shareholders who 'dug deep' and invested over \$6 million of capital and said that the company was seeking a simple means of transfer of shares between farmers and would offer that opportunity shortly. He added that company had no need to raise further capital until at least 2015. The company has openly expressed a willingness to collaborate with participants in the wool industry and has held fruitful discussions with a number of companies, including Primary Wools Co-operative as a 'like minded' grower owned entity towards an aligned goal of merger.

### Meat

**Angus brand has bucked the depression trends** [29 October/ Business Day] Establishing a brand solely centred on consumer needs has helped Certified Angus Beef prosper in North America's worst recession in many decades. Angus Beef sales branded with the American Angus Association's official brand had lifted exponentially since the 2008 recession according to Certified Angus Beef President John Stika at the World Angus Forum held in Rotorua recently. He highlighted the \$20 spread that existed between low-quality products in the industry and premium beef in North America. He also highlighted consumers buying beef because of its taste and that the taste was in many cases, superior over other proteins. The certification program saw eligible angus cattle evaluated by the US Department of Agriculture for 10 quality specifications ensured a uniform product of size, weight, taste and dimension before it is given the CAB brand. Mr Stika said that the organisation focuses on the best that the breed has to offer and strives to demand high quality cuts.

**MIE has plan B for Monaghan** [4 November/ NZ Farmers Weekly] The Meat Industry Excellence Group is planning to encourage Alliance Group to make John Monaghan an independent director, following the co-operatives rejection of his candidacy for the shareholder director election. A resolution will be put to the annual meeting by shareholders Mark Patterson and Mandy Bell encouraging Mr Monaghan's appointment to the board, although the results will not be binding on the company's board. Mr Patterson said that Mr Monaghan was not driving the bid to get him appointed as an independent but he remained passionate about making a contribution to the meat industry. Mr Patterson added that appointing Mr Monaghan to the board would be a circuit breaker, meaning the same people could no longer continue to have the same conversations with the same conclusions. Alliance Company Secretary, Danny Hailes, said that resolution would be in the notice of meeting to be sent to shareholders later this month, adding the board was looking for an independent director to replace former chair, Owen Poole, who retired at the end of September. Fonterra Director John Waller and Synlait Milk Chairman, Graeme Milne, are the current appointed independent director's on the Alliance board.

### Pork

**Grain prices chop pig farmers** [4 November/ NZ Farmers Weekly] Increasing feed prices are forcing pig farmers out of the industry, with the number of pigs being farmed falling by 40,000 animals over the past year. Ian Carter, chair of NZ Pork, said that there are number of factors sparking the decline in the industry, including a lack of confidence in a sustainable industry driven by the high feed prices. Though there were fewer pigs around 140 commercial growers (mainly in Canterbury) are keeping tonnages up, reflecting that it is the more efficient, specialised growers that remain in the industry. Commercial producers are working with genetics to increase productivity per sow and average weights compensating for the decline in stock. Mr Carter noted that schedule prices had not offset the rising grain and feed prices, which had caused producers to look at using dairy by-products as a food source. In addition to feed pricing the industry is facing other challenges including regulatory pressure, animal welfare reforms and a need to make pork a more popular source of protein in New Zealand.

### Water

**Deadline for irrigation project extended** [1 November/ Radio New Zealand Rural] Despite farmers failing to commit to investing in the first stage of the Canterbury irrigation scheme, the company attempting to build it is confident the \$500 million scheme will still go ahead. The Central Plains Irrigation Scheme proposes to irrigate 60,000 hectares of farmland with the deadline for farmers to express their investment intentions passing on October 31st. The deadline was extended on Friday morning by one week after the organisation failed to secure the necessary \$43 million farmer buy-in. Federated Farmers Water Spokesperson Ian Mackenzie said that the farmers in the Central Plains catchment had a difficult decision to make.

**Taking stock of wetland's health** [2 November/ Business Day] The Te Waihora/ Lake Ellesmere area will be under analysis over the next few weeks as scientists and other interested parties attempt to clean up the lake for a symposium. The fourth Living Lake Symposium will have the theme "measure to manage" and will present an overview of the state of Lake Ellesmere based on constant monitoring along with details of restoration initiatives and research. Lincoln University Professor of Environmental Management, Ken Hughey, said that the first symposium was held in 2007 and at the time, scientists were responding to pretty damning comments about the lake and its health. Despite these comments, the scientists found the lake to be in surprisingly good health, Mr Hughey said. Over two days, the science team will be joined by staff from Environment Canterbury, Niwa, the Department of Conservation, and the Ngai Tahu and Waihora Ellesmere Trust.

### Rural infrastructure

**Few farms in foreign hands says Bill English** [1 November/ Business Day] Finance Minister Bill English has highlighted foreign investment in New Zealand farmland, including dairy farms, as remaining relatively low and having significant safeguards. Campaign Against Foreign Control of Aotearoa Spokesman Murray Horton said that he is firmly against ownership of New Zealand land by foreigners, whether they be Chinese, American, Australian or British. At a recent meeting of Christchurch business people and Mr English, the question was raised whether there were dangers in allowing foreign ownership and whether there would be significant public backlash. Mr English replied by saying that politicians recognised that the public did not regard foreign interests making inward investment in land. He highlighted, however, that New Zealand had dropped in down the rankings in terms of ease of foreign investment, as other countries had opened up their laws.

**Govt launches primary production programme in Northland** [1 November/ Radio New Zealand Rural] Northland has been picked as the starting point for a new programme to unlock the production potential in the region, the Government has said. Regional interests will work alongside The Ministry for Primary Industries to develop agriculture, horticulture, forestry and aquaculture. Minister for Primary Industries Nathan Guy said that the Northland area was targeted because of its large asset base and the viability potential for job creation that exists in the region.

**Xero to cater specifically for farm accounting** [4 November/ NZ Farmers Weekly] Share market success story, Xero, has announced that it expects to have a new system in the market early next year allowing specialised farm accounting providers to integrate their software with Xero. The system will be a cloud based solution that will enable all farm financial transactions to be linked and be instantly available to farmers and their advisors. Xero CEO, Rod Drury, said that the system will enable farmers to get on with farming and has been developed in response to regular demands for a specific farm package. Mr Drury said that New Zealand has an amazing range of rural portals measuring weather, grass growth, livestock condition and fertiliser inputs and adding to that by plugging in an accounting engine there is an opportunity to get seamless extension of the information. Xero is working on the project with a number of industry service providers. The software package will cost \$49 a month reflecting Xero's business model of commodity pricing over a large market with costs associated with the other on-farm software add-ons on top of this.

### Environment and emissions

**Agrecovery ends silage wrap recycling role** [1 November/ Business Day] After collecting more than 700 tonnes of used silage plastics from farms over the past four years, Agrecovery plans to discontinue the operation. The organisation highlighted rising transport costs, ongoing contamination issues and a lack of local recycling solutions as main reasons for the service to no longer be viable under existing market conditions. Agrecovery Chairman Graeme Peters said that the organisation will be focusing on increasing the recovery of containers and waste chemicals in the years ahead.

**Agricultural investment needed to combat climate change** [2 November/ NZX Agri News Group] Environmental sustainability shaped up to be a key theme at Labour's annual conference held last week. Party President Moira Coatsworth urged members to do much more in their attempt to combat climate change. Coatsworth spoke to more than 500 party members in Christchurch during Labour's most recent party conference. She said that New Zealand needed to genuinely revitalise its clean, green image and invest in technology and agriculture that ensures a cleaner planet for future generations. Coatsworth said that it had been an extraordinary year for Labour and that the party was ready for change.

### Research and development

**Robot could be working on farms soon** [1 November/ Radio New Zealand Rural] A robot that may soon become part of the workforce on farms has been developed by AgResearch. The paddock robot or Agri-Rover has the ability to carry out tasks that could range from checking stock to testing soil and pasture conditions. Andrew Manderson, project leader soil scientist, said that the initial aspiration came from NASA's Mars rover and they are using similar movement capabilities. The robot was labelled as weighing over 150 kilograms and having the ability to cover a ground area equivalent to a 4 wheel drive motorbike. It is also powered by solar panels and has the ability to go underneath gates with ease.

**Precision technology displayed, explained at award-winner farm** [1 November/ Otago Daily Times] Greenvale Pastures Ltd has won the national Ballance Farm Environment Awards, with approximately 200 people gathering to see what made the Methven farm stand out from the rest. Craige and Roz Mackenzie own the award winning farm as well as Agri Optics NZ Ltd which is an agri-business company providing precision agriculture services and technology. The awards ceremony was attended by speakers from beef and sheep sector, commissioners from Environment Canterbury and Associate Minister for the Ministry for Primary Industries and local member of Parliament, Jo Goodhew.

### Agribusiness strategy

**New LIC boss eyes up export potential** [5 November/ Waikato Times] Livestock Improvement Corporation (LIC) CEO, Wayne McNee, has spent much of his recent working life thinking about how to grow New Zealand's primary sector exports (as CEO of the Ministry for Primary Industries) thus it is not surprising that growing LIC's export business is on his agenda in his new role. Mr McNee said that the fact that LIC was an exporter was an attraction of the role. The company currently generates around 6% of revenue from exports but Mr McNee believes this could be grown significantly and focus will be placed on the potential opportunities, particularly in China and South America. He believes that export opportunities could extend beyond semen sales and include LIC's domestic market strengths in information and automation systems. Mr McNee notes that some parts of his new role as head of a listed co-operative are similar to heading a government department; highlighting it is a people business that needs systems, a clear strategy and requires the same leadership capabilities. He highlights differences in the financial models and technology as the key differences in his new role.

## Economics and Trade

**NZ joins lobby to US over trade talks** [31 October/ Radio New Zealand Rural] Beef producing countries of the world have been joined by New Zealand in lobbying influential American trade and agriculture officials about getting a comprehensive outcome to the trans-Pacific trade negotiations (TPP). The meetings in Washington follow an agreement among members of the Five Nations Beef Alliance, to take a united approach on trade reforms. New Zealand is represented by Beef + Lamb New Zealand in the alliance, which includes Australia, the United States, Canada and Mexico. Chairman of Beef + Lamb New Zealand Mike Peterson said that the alliance will lobby key officials in the current US administration who have the power to influence mainstream politicians. He added that they will also give advice to politicians around the TPP framework.

**Labour back free trade, again** [2 November/ NZX Agri News Group] Serious implications for concluding free trade deals like the Trans Pacific Partnership are being drawn from Labour’s action in stepping back from tightening its trade negotiations policy. A remit that would have required Cabinet to disclose and consult with New Zealanders before signing off international agreements or treaties was tossed out by delegates at the party’s annual conference in Christchurch last Friday. Only three people spoke to the remit at the conference, despite warnings from National that Labour could be about to abandon its bi-partisan support for free trade.

**Commodity prices up again, near new record** [4 November/ New Zealand Herald] The commodity prices received by New Zealand exporters rose for a fourth straight month and are now just 1.8% below the record set in April according to the ANZ Commodity Price Index for October. The index rose 1.3% in the month and is up 23% on the level in October last year. Wool price increases of 10% led the way, with 11 of the 17 commodities tracked showing increases, including beef, butter, pelts and wood pulp. Five commodities fell including skim milk, kiwifruit, apples, cheese and sawn timber while venison was unchanged. Local producers did not feel the benefits of the gain in world commodity prices because of a strengthening of the New Zealand dollar, with the NZ dollar denominated index falling 0.6% in October on the back of a 1.1% decline in September. Major wool user, Cavalier Corporation, the listed carpet maker, said it was hoping the main shear over the summer period would help alleviate high prices for coarse wool as more product comes to market, correcting the product shortages driven by the drought and reduced stock numbers.

## Farmers and producers

**Foreign investors buy more South Island farmland** [1 November/ Radio New Zealand Rural] The Overseas Investment Office has approved the application by a Singaporean investment management company to buy shares in New Zealand Pastures Limited. The company is a locally-owned company that operates seven South Island sheep and beef farms. Approximately 23,500 hectares are covered by the farms, Three Rivers, Grantham Springs, Hitchin Hills, Hills Creek, The Styx and Huntleigh. Shares in the companies are to be bought by Singaporean company Duxton Asset Management as well as on the behalf of two other overseas investment funds.

**Smiler joins elite list** [1 November/ Rural News] Leading Maori businessman, Kingi Smiler, has been named the 2013 Agribusiness Person of the Year by Federated Farmers. Mr Smiler was responsible for bringing together the support base and being a driver behind the establishment of Miraka, the largest collaborative new venture in the Maori agrarian sector over the past five years. Mr Smiler is chair of the board of Miraka and also chairs Wairarapa Moana Incorporation, a cornerstone investor in Miraka and major dairy farmer (operating 12 dairy units producing 4 million kilograms of milk solids annually). Mr Smiler is a former partner with Ernst and Young and is now a professional director, also being on the board of Mangatu Blocks, one of the largest Maori meat producers and owner of Integrated Foods which processes and exports internationally. The Federation of Maori Authorities CEO, TeHoripo Karaitiana, said it is simply impossible to ignore the extraordinary impact that the initiatives that Mr Smiler has lent his energy to have had on the Maori agribusiness sector. Federated Farmers CEO, Conor English, presented Mr Smiler with the trophy at the FOMA annual conference in Hastings, noting that the award recognises the drive, entrepreneurship and success that is being demonstrated across Maori agribusiness every day, adding that Kingi Smiler is a true leader and a well deserving recipient of this prestigious award.

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## Field Notes

Weekly news update from the KPMG Agribusiness Network – 6 November 2013

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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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