



## KPMG Agribusiness Agenda 2014

**Youngsters seek ways to make a difference** [17 June/ Rural News] Agribusiness students at the University of Waikato gave a very clear message that they were looking for a career where they can make a difference when discussing industry issues with the KPMG Agribusiness Agenda team. Ian Proudfoot, KPMG's Global Head of Agribusiness, described this focus as incredibly positive for the industry. Other trends that the students highlighted include the importance of interacting effectively with China, the constraints that regulation are placing on the sector and the wider image of the primary sector. The theme of attracting young people into the primary sector resonates throughout the 2014 Agenda, with Mr Proudfoot highlighting that encouraging young people into the industry does not just depend on telling them about the opportunities but the industry also needs to reach out and provide inspirational experiences. Mr Proudfoot added that there is a perception that the industry is not proactive enough with the message that there are great opportunities in agriculture.

## Viticulture

**Wine exports on the up and up** [12 June/ Business Day – NZ Farmer] Wine exports are expected to earn \$1.54 billion in two years, with the Ministry for Primary Industries report, Situation and Outlook for Primary Industries stating that wine volumes to the end of June are expected to reach 190 million litres, with the volume exported next year expected to reach 220 million litres. New Zealand Winegrowers CEO, Philip Gregan forecasts the volume to be higher than 220 million litres. Wine, the eighth largest export earner has grown in value by \$1 billion over the past 10 years, with the \$7.10 per litre average earned by exporters expected to drop to \$6.60 per litre in the short term, reflecting the quantity exported as bulk wines rising from 29 percent to 35 percent. Mr Gregan said that this year's wine vintage of 445,000 tonnes beat the previous year's record of 345,000, and he expects a better than average vintage in the 2014-15 season. The research agreement signed between the Government (investing \$8.13 million) and 15 wineries (with the industry investing \$8.84 million) accelerating the shift into lower calorie and lower alcohol wines over seven years is expected to return \$285 million a year by 2023. Mr Gregan said that with consumers increasingly making purchase decisions based around lifestyle choices such as healthier foods and lower alcohol wines, it was becoming important for New Zealand to not only to produce high quality lower alcoholic wines, but also to produce them naturally in order to establish a point of difference.

## Honey

**Comvita lifts cash component of \$12.3m NZ Honey purchase** [13 June/ The National Business Review] Comvita raised the cash component of its takeover bid for New Zealand Honey to \$10.3 million in cash and \$2 million in Comvita shares from the initial \$7.3 million in cash and \$5 million in shares. The acquisition is expected to be completed by July 1, and will give Comvita approximately 45 percent of the country's honey supply (approximately 12,000 tonnes per year), in line with its intention of increasing its own supplies of raw honey to protect against shortages. If the 70 beekeeper shareholders accept the offer, the company will acquire all assets of NZ Honey.

## Forestry

**Contractors slam forestry safety report** [12 June/ Radio New Zealand Rural] The Forestry Industry Contractors Association spokesperson, John Stulen said that the report by the Independent Forestry Safety Review panel released earlier this month highlighting what it called safety problems across the forestry industry lacks credibility and that the panel has been unduly influenced by unions. He further criticised the panel for missing the opportunity to examine the 10,000 near misses before the review document was released. Mr Stulen highlighted the Government safety inspector, WorkSafe NZ being under resourced as a big obstacle in preventing breaches. Forestry Safety Review panel chair, George Adams expressed his surprised at the criticism, since the association was heavily involved in the report. Mr Adams was confident that the review is taking a broad sector approach to understanding the reasons behind the issues.

## Water

**Leadership team for Waikato river** [12 June/ Rural News Group] A strategic Waikato River catchment leadership group, called the Waikato River Restoration Forum, including representatives from the Waikato River Authority, five Waikato River iwi, Department of Conservation, the Fonterra Co-operative Group, DairyNZ, Mighty River Power, Genesis Energy and the Waikato Regional Council has been established to coordinate the work among stakeholders for the benefit of the Waikato and Waipa rivers. Waikato River Authority CEO, Bob Penter said that an important aim of the forum is to share information and work together on the health and wellbeing of the river. It is proposed that the Forum is to take a key support role in the development of a medium term restoration action plan for the Waikato River.

## Fishing and aquaculture

**Seafood industry 'needs a touch-up'** [16 June/ Business Day] Seafood New Zealand's new chair, George Clement said that although New Zealand's \$1.6 billion seafood industry's fisheries management system was seen as a leading example internationally, it needs to be supplemented with scientific improvements, public perceptions and the creation of a vibrant industry. Mr Clement stated that the aim was to have all of the country's fisheries independently recognised as world leaders in the next five to ten years, by thinking smarter and performing better than the competition. Mr Clement said that as increasing volumes was not a feasible option, the sector needs to identify methods to improve the value of products. He mentioned the three key challenges to his role as sustainable science, public communication and ensuring seafood was a vibrant industry. Mr Clement, who has served as president of the Fishing Industry Association will also continue as Deepwater Group's CEO, a company which works in the sustainable management of deepwater fisheries.

## Dairy

**Encroaching development threatens \$158m Auckland dairy industry – Fonterra** [11 June/ The National Business Review] The Fonterra Co-operative Group's submissions to Auckland Council proposed Unitary Plan reveals that the Group is concerned about the encroaching residential development on its Auckland factories. Fonterra Brands environmental manager, Nic Bishop said that planning provisions should sustain its activities on landholdings, as well as not constrain future opportunities by restricting land use through reverse sensitivity constraints. KPMG warned that the primary sector's ability to farm in an economic manner would depend on regulatory constraints in its 2014 Agribusiness Agenda. Fonterra's submission raised concerns regarding the plan's air quality provision's objective of avoiding effects of discharges, saying that it is not feasible. The Co-operative said that its Mt Wellington factory should be given heavy industry zoning, instead of the current light industry zoning. The Fonterra Co-operative Group's submission highlighted other onerous provisions such as constraints on storing hazardous substances and the requirement for having 'appropriate' stormwater treatment, and called for these to be removed.

**Christchurch milk plant expands** [12 June/ Business Day] Goodman Fielder said that it was increasing its capacity to meet growth opportunities in the Asia-Pacific region with a \$27 million expansion of its ultra-heat-treated milk plant in Christchurch. The upgrade, which is pending consent, is expected to be completed by October 2015, and will increase production at the site by approximately 32 million litres per year (50 percent). Goodman Fielder CEO, Chris Delaney said that the expansion is in line with the current expected growth in the premium UHT category by approximately 50 percent over the next five years. He said that there was an increasing demand for its Meadow Fresh products in Asia-Pacific, especially in China. Goodman Fielder is currently under a takeover bid from Singapore palm oil trader, Wilmar International and Hong Kong investment company, First Pacific, with the companies having conducted approximately half of its four week long due diligence process on the company assets.

**Fonterra hit with \$150,000 fine over NZX botulism disclosure** [13 June/ NZ Herald] The New Zealand Markets Disciplinary Tribunal has fined Fonterra Group \$150,000 for breaching its continuous disclosure requirements to the NZX during the botulism false alarm in August 2013, with the regulator stating that the co-operative should have informed the market of the potential contamination as soon as possible. The tribunal stated that the settlement includes the \$150,000 fine and the cost of the tribunal, as well as contributing to costs incurred by the NZX in relation to the matter. Although the co-operative was aware of the potential contamination on July 31, it did not inform the market until after midnight on August 2. The tribunal said that it considered several mitigating factors into the settlement, including the significant reputational consequences the company had suffered and the willingness to cooperate, as well as aggravating factors such as the co-operative's knowledge of the market regulations, its obligation to uphold high public standards and the potential impact on a significant number of people from its breaches.

## Red meat

**Meat delegation heads for China** [13 June/ Radio New Zealand News] Meat Industry Association chairman, Bill Falconer said that the main New Zealand meat exporters representing over 90 percent of meat exports are heading to China as part of a delegation focusing on building relationships and demonstrating a united New Zealand presence to both the Chinese customers and the Chinese regulatory authorities. Mr Falconer further highlighted the growth of the Chinese market as the second largest red meat export market for New Zealand. In 2013, 36 percent of all New Zealand's sheepmeat and 10 percent of beef was exported to China.

**Premiums on offer for antibiotic-free beef** [16 June/ NZ Farmers Weekly] Greenlea Premier Meats marketing manager, Mark Goldsmith, told suppliers at Fieldays that there were further premiums in international markets for certified antibiotic free beef and noted that the company has had discussions with the Ministry for Primary Industries about giving the farmers an option to confirm their cattle have never had antibiotics when they are consigned to slaughter. Mr Goldsmith said that markets were asking for grass-fed, hormone-free, antibiotic-free, sustainably produced products, particularly in the higher value markets that Greenlea are focusing on fostering long term relationships in. Mr Goldfinch forecast a lift in beef prices in the next year due to strong demand from China, a drop in supply from the US and Australia and the reopening of the Indonesian market (which has seen a 500% increase in imports between October and March in comparison to the previous year).

**Big potential for dairy sheep?** [16 June/ Rural News] New Zealand has a small but thriving dairy sheep industry but news that Landcorp Farming is assessing the potential of the sector is very exciting according to Rick Powdrell, Federated Farmers Meat and Fibre Vice Chairperson. Mr Powdrell suggests that the US could be to our sheep industry what China is to dairy cattle, creating exciting new opportunities for sheep farmers, but this will rely on the TPP delivering nothing less than elimination of agricultural tariffs, particularly given the US imported about half of the world's sheep cheese last year. The UN Food and Agriculture Organisation puts the global share of sheep milk at 1.4% of total milk production, but it is much higher in the countries we trade with or are seeking to trade with (it is estimated at about 3.9% of milk production in South East Asia, 4.2% in China and 7.5% in the Middle East and North Africa). Mr Powdrell noted that sheep play a significantly bigger role than dairy goats in these markets. The milk contains higher milk solids than cow's milk (hence its popularity for cheese) but it is also easier for consumers to digest. Given environmental factors dairy sheep could play an important role in the industry's future and Mr Powdrell added that Federated Farmers is very keen to explore this in depth with members, with the potential that sheep could become a tri-use animal for dairy, meat and fibre.

## Rural infrastructure

**Dairy company looks to grow** [13 June/ NZ Herald] The CEO of New Zealand's largest manufacturer and designer of milking systems, with annual turnover close to \$100 million, Waikato Milking Systems, Dean Bell said that its new owners Tainui Group Holdings, Ngai Tahu Capital and Pioneer Capital intend to grow the company either organically or through acquisitions. China is one of the key offshore markets being targeted by the company, where it currently services the more serious players such as Mengniu Dairy and Bright Dairy. Currently the company is supplying 13 large scale milking systems in China, while its US subsidiary, Waikato Milking Systems USA supply markets such as the UK, Europe, Australia, South Africa and Asia. Locally the company's systems align with Livestock Improvement Corp's Minda herd management system, whereas its overseas systems are linked with Israeli Afimilk's herd management systems. The company's product range include rotary and herringbone milking systems, devices to improve and simplify the milking routine and technology designed to improve animal health and herd management.

### Environment and emissions

**'Stress' bring chopper use review** [13 June/ Rural News Group] After hearing from Federated Farmers Waikato president, Chris Lewis and the Dairy Womens Network's Lisa Lile that flights can contribute to farmer stress levels, the monitoring of farm effluent issues by helicopter has been halted, pending a review of the Council's environmental rule enforcement methods by a full council at its next meeting later in June. Staff have been asked to report back on options for addressing concerns about effluent pond sealing rules. The committee heard staff praise the way farmers had been responding to their effluent storage capacity to help avoid applying it to paddocks at the wrong time.

### Research and development

**New AgriHub to help exports** [12 June/ NZ Farmers Weekly] AgResearch, DairyNZ, Waikato University, NIWA, Landcare Research, Wintec, Lincoln University, Waikato Innovation Park and the Hamilton City Council have joined together to form the base of the Waikato AgriHub, designed to help the Government reach the goal of doubling exports by 2025. DairyNZ CEO, Tim Mackle said that responsible dairying is feasible, and that it will make New Zealand more competitive. AgResearch has also decided to form hubs at Ruakura, Palmerston North, Lincoln and Invermay.

### International

**WH spreads wings with Campofrio stake deal** [11 June/ China Daily] In line with WH Group Ltd's aim to increase global expansion, China's largest pork producer, WH Group Ltd and Mexico's leading food producer Sigma Alimentos SA have acquired a 98.3 percent stake in Spanish packaged meat company, Campofrio Food Group SA de CV, with HW Group owning 37 percent and Sigma owning 61.3 percent. Campofrio manufactures and sells its products in eight European countries and the US, with the company reporting sales of Euros 1.9 billion in 2013. China Market Research Group's James Roy said that this was an example of Chinese companies acquiring managerial experience and learning international practices through the acquisition of foreign brands, a pattern also seen in the dairy industry.

**Jamie Oliver responds to protest against Woolies levy** [12 June/ The Sydney Morning Herald] Vegetable farmers are irritated that Woolworth's is charging farmers Australian dollars 0.40 per crate on top of the existing market levy, in order to fund the Jamie's Garden advertising campaign. AUSVEG sent a letter to Jamie Oliver's London office on June 10 asking him to use his influence to compel the supermarket chain to remove the fee and refund the growers' contribution which they claim exceed a AUD 1 million. Mr Oliver's publicity manager, Peter Berry said that Mr Oliver was aware of the situation, and that he supports anyone who is on board with promoting better food education and better nutrition, including Woolworths and the farmers and growers that have signed up. AUSVEG has lodged a formal complaint with Australian Competition and Consumer Commission. Woolworths defended the extra levy, stating that half of its suppliers had opted to pay the voluntary fee. AUSVEG spokesman, William Churchill said that Woolworths has not provided information on how farmers would benefit from investment, or how the money would be spent. He emphasised that farmers felt obligated to take part in the levy in fear of impacting their contract with the company. Independent senator, Nick Xenophon expressed his support for the farmers and mentioned his Bill that has been put through to the Senate suggesting the break up of the company as a penalty for the abuse of market power.

**Back fish farming, urges sector expert** [13 June/ The Australian Financial Review] A report from the UN Food and Agricultural Organisation highlights an increasing demand for fish, as wild catch levels decrease. According to the organisation, with fish prices expected to rise and wild fisheries production under strain from Chinese demand, an increase in global aquaculture is necessary. It predicts that aquaculture will account for 62 percent of eaten fish by 2030. Australian wild fish production is currently in decline, due to Government policies to rebuild fish stocks, lower catch levels, along with a high Australian dollar discouraging exports. The former chairman of aquaculture group Tassal and founder of specialist food and agriculture investment bank, Kidder Williams believes that the industry is under capitalised and said that the aquaculture sector requires substantial capital if it is to help meet the growing global fish demand. He said that domestic demand itself was sufficient to keep the industry growing for at least the next ten years.

**Shunned by Hockey, ADM heads to Asia** [13 June/ The Sydney Morning Herald] US agricultural company, Archer Daniels Midlands is planning on expanding to China with the building of two factories. The company acquired the 20 percent it did not own of the European grain business, Alfred C Toepfer for EUR 83 million, allowing the pair to deal in over USD 14 billion in commodities per year in the region. Treasurer, Joe Hockey previously prevented the takeover of Australian grain handler GrainCrop by Archer Daniels Midlands saying it was contrary to national interests. Archer Daniels Midlands chairwoman and CEO, Patricia Woertz said the move was due to the demand from China for high quality food products.

**Britain free to plant GM crops after EU deal** [13 June/ The Times of London] A deal amongst European Environment Ministers has broken a decade long political deadlock over the use of GM technologies on European farms. The deal allows individual member states to make decisions at the country level over whether to plant GM crops. The move was supported by all members apart from Belgium and Luxembourg and will now be considered by the European Parliament. It allows countries that oppose GM crops to continue to ban them while countries that wish to use the technology will be free to plant any GM crop that has been approved by the European Commission. It is likely that England will permit the planting of GM crops while they will continue to be restricted in Scotland and Wales. UK Environment Secretary, Owen Paterson, who has been pushing for the repatriation of GM crop decisions, called the agreement a major advance in his plan to turn England into a centre of GM research, saying it was a major step forward in unblocking the dysfunctional EU process which is letting down farmers and stopping scientific development. A commentator suggested that the first GM crops could be grown in England within two to three years, although a representative of the GM crop companies suggested it could still take five years for all approvals to be gained. The UK government also confirmed that it will now develop a 'co-existence' regime for GM and non-GM farmers including separation distances.

**US allocates USD31.5 million to aid Florida citrus industry** [13 June/ New York Times] The US Department of Agricultural has announced a programme to combat the citrus greening disease that is threatening Florida's USD9 billion a year citrus industry. It is estimated that some 70% of the state's citrus trees have been infected by the disease which is being spread by the Asian Citrus Psyllid. The USD31.5 million programme includes USD25 million for research and Cooperative Extension Service projects, with the balance being invested by the multiagency co-ordination group set up earlier this year. The disease has cut output expectations from Florida's citrus industry; the orange crop is expected to be down 21.5% at 104.3 million boxes, which has seen juice prices rising to their highest levels in a number of years.

**US hosts talks to save oceans under ‘siege’** [15 June/ Agence France Presse] Heads of government and ministers from some 80 countries will gather this week with researchers and experts from the fishing, plastics and farming sectors to find ways to protect the planet’s seas and marine life. The meeting will be hosted by US Secretary of State, John Kerry, who told reporters that the oceans are under siege, highlighting threats of overfishing, acidification and pollution. Conservationists argue that the health of the oceans has dramatically worsened over the last 70 years, with it being estimated that one in five fish is now caught illegally (approximately 26 million tonnes a year) pushing many species towards extinction. The US Administration hope that the meeting will act as a catalyst to push governments to use tools already at their disposal to begin to clean up the seas and preserve marine life for future generations and environmentalists are hoping to see the US take some concrete actions, including expansion of marine parks within US waters. It is also hoped that the conference will see more countries sign up to the Port State Measures Agreement treaty, which gives ports greater powers to inspect vessels believed to have been fishing illegally.

**China beefs up menu with AUD200m WA farm splurge** [17 June/ Australian Financial Review] Chinese food importer, Heilongjiang Grand Farm Group, has announced that it will partner with Western Australia’s largest meat processor, V&V Walsh, to invest in a AUD1 billion supply chain expansion for frozen sheep and beef meat products into China. The plan calls for both Grand Farms and V&V Walsh to acquire over AUD200 million of farms in WA that will produce sheep and cattle that will then be processed and shipped by V&V Walsh to Grand Farms in China for distribution. The plan also includes the companies investing in a joint venture to develop an AUD800 million sheep and beef processing facility and feedlots in Northern China. Grand Farms are looking to secure around 3% of WA’s annual sheep production and 2% of its cattle production on a long term basis. The company is already the biggest importer of New Zealand lamb into China and it was noted that they the plan may also include the purchase of farms in Eastern Australia and New Zealand. V&V Walsh CEO, Peter Walsh, said that Australia has had its mining boom and the next boom is going to be agricultural, adding that initiatives like the Grand Farms plan will help drive a resurgence in sheep and beef farming.

### Agribusiness education

**University agri-venture set pace for Fieldays** [11 June/ Business Day – NZ Farmer] Waikato University launched three new agricultural innovation initiatives at Fieldays, which included a dedicated agri-tech innovation manager, who will work with the university’s commercial unit, WaikatoLink, an agri-tech seed fund and an agri-tech entrepreneurial fellowship. The Deputy vice-chancellor, Professor Alister Jones said that the new model of connected university focus, which is designed to encourage innovation will make it easier for industry to engage with the university. Professor Jones said that funding, which is usually between \$15,000 and \$20,000 for seed funding per project, will be allocated on a case by case basis. Lincoln University and St Peter’s School, Cambridge which announced plans to develop a demonstration dairy farm aiming to set the benchmark for farming practice in Waikato is seeking sponsors to fund demonstration and scientific monitoring activities, as well as two leading Waikato farmers to guide the farm focus area, and expects to be functional by the 2015/16 milking season. Lincoln University vice-chancellor, Andrew West said they are aiming for the farm to be in the top 3 percent of profitable farms and in the top 3 percent of environmental performers. Dr West said that a governance committee and a management committee will oversee the farm.

**Primary ITO changes to meet needs** [16 June/ NZ Farmers Weekly] Primary ITO CEO, Kevin Bryant, announced a range of new initiatives at Fieldays which he believes will enable new and existing farm workers to secure the skills training they need. Primary ITO had identified that a lack of time was one of the main barriers to study and as a consequence the ITO is proposing to make increasing use of technology for both programme delivery and assessment. Some teaching would be delivered through the use of how-to videos while assessment will be conducted by having the student filmed completing a task and it being sent to a tutor to assess. Mr Bryant said that high rates of smart phone ownership and the increasing availability of rural broadband now made this option practicable. He added that the organisation had been working behind the scenes to try and break down the silos in agricultural training which have seen people being trained above or below their actual training needs, noting the ITO had been working with DairyNZ to identify key positions in industry and assist in ensuring that there are sufficient qualified farm managers coming through the system each year.

### Economics and trade

**Hopes fading on TPP as Japan and US fail to compromise** [16 June/ National Business Review] Trade Minister, Tim Grosser, was not prepared to confirm whether New Zealand would sign a Trans-Pacific Partnership deal that excluded the removal of all tariffs on dairy products when interviewed on the weekend’s Q&A programme. He said that he was not prepared to start publicly declaring New Zealand’s bottom lines but acknowledged that the stymied talks between the US and Japan meant hopes of a concession on removing tariffs are fading, following Japan’s announcement that it will not reduce tariffs on agricultural and automobile products. Japan’s announcement attracted vitriolic responses from various international agricultural groups and calls for the country to be dropped from the TPP negotiations, a result Mr Grosser considers to be undesirable. Federated Farmers President, Bruce Wills, backed calls from US lobby group’s that the hard work must be done to ensure that TPP removes heavy tariffs on agricultural products, something he said the government had ensured him would be the case throughout the period of the negotiation. The next meeting of TPP negotiators will be in Canada in early July and provides a crucial opportunity to reach an agreement on free trade before the US moves into its midterm elections in November.

**Chinese buy fresh NZ food online** [17 June/ Business Day] New Zealand Trade and Enterprise is hailing a collaborative promotion with Chinese e-commerce site, Tmail.com, during April which saw NZ seafood, meat and wine being offered direct to Chinese consumers. The promotion, which saw 9,600 deliveries of seafood and meat (particularly live pacific oysters and greenshell mussels) and 400 bottles of wine generated sales of \$280,000 in a six day period. According to NZTE Trade Commissioner in Shanghai, Mike Arand, consumers were able to order online with the product being airfreighted from NZ in 72 hours. The trial was a result of the Trade Minister, Tim Grosser, meeting with Tmail CEO, Jonathan Luk. The NZTE team in China are working to establish what other campaigns could be run through Tmail.

**Let's not fall asleep over China - Petersen** [17 June/ Rural News] Speaking at the KPMG Agribusiness Leaders breakfast on the opening morning of Fieldays, Special Agricultural Trade Envoy, Mike Petersen, said New Zealand exporters had to be careful not to be lulled into a sense of complacency given the scale of opportunities available in China. He said it was important that the industry was prepared to spread its wings and think about opportunities in other markets. Mr Petersen was clear that New Zealand businesses cannot afford to ignore China but we must continue to actively look at other affluent markets, particularly when our tariff free access to China for key products such as milk powder is being used up by mid-January each year. Mr Petersen said that FTA's to him are more about opening minds than opening markets, giving a signal that a business can plan and invest with confidence and can build a long, enduring relationship. Mr Petersen highlighted the difficulties that he had found finding New Zealand products in key cities on the west coast of the USA on a recent trip and said that we need to ensure we look around the Pacific Rim and not just into Asia, as these are affluent markets that have resources and know what they are looking for.

#### Fieldays 2014

**Business and government in alignment, Guy says** [11 June/ NZ Farmers Weekly] At the KPMG Agribusiness leaders' breakfast at Fieldays on June 11, Primary Industries Minister, Nathan Guy highlighted the aligned priorities between the Government and the primary industries. The KPMG Agribusiness Agenda highlighted the importance of strong biosecurity and food safety systems, as well as the uncertainty surrounding a potential change of government from the over 150 industry leaders surveyed. Mr Guy mentioned of the biosecurity co-operation by highlighting the government-industry agreement deed signed between the Ministry for Primary Industries and Kiwifruit Vine Health. He stressed the best biosecurity system to be one where the Ministry works in partnership with the primary industries. The Ministry's 2014 budget has increased by over \$17 million with a focus on strengthening biosecurity and food safety systems. He mentioned the preparations being undertaken to fight a potential foot and mouth disease outbreak in co-operation with the Australian Government. He also spoke of the agreement signed to form an international animal health emergency reserve team with Australia, Canada, Ireland, UK and the US.

**World flocks to tap Kiwi-tech** [12 June/ Business Day – NZ Farmer] Fieldays CEO, Jon Calder said that delegations from 37 countries (up from 22 last year), including official delegations from Japan, Ecuador, South Korea, Canada, Malaysia and ambassadors from the United Nations, with record delegations from Ireland and Argentina, attending Fieldays, reinforced the events position as the largest Agribusiness expo in the Southern Hemisphere. Mr Calder said that the main reasons for attendance was to learn more about the success of New Zealand farming. There were 18 Irish exhibitors represented at the event, and Mr Calder said that although farming in the two countries was very similar, New Zealand has much lower costs per unit in terms of production related to dairy. Ireland's ambassador to Australia, Noel White while highlighting New Zealand as a global leader and success story, said that local partnerships were beneficial in brining knowledge back to Ireland.

**Life on farm gets helping hands from technology** [13 June/ NZ Herald] Fieldays CEO, Jon Calder said that although numbers were down due to bad weather, sales figures are positive. He said that the emerging trend was the growing impact of data driven technology from agri-tech solution companies, accessed by farmers from mobile devices. The technology on offer at the event included a drench gun from Te Pari Products, which helps set accurate doses for each animal and the Sentinel rumen monitoring system, which measures the cow's temperature and pH levels from a capsule device placed inside the cow's rumen and texts the information to the farmer before reaching the designated level. Two of the three Innovation Awards' grass roots category available at Fieldays was won by an electric 2WD Steed bike, which could provide to be an alternative to a farm or quad bike. One of its designers, Anthony Clyde said that it had a top speed of 40 kilometres per hour, a load capacity of 200 kilograms, a running cost of \$0.07 per hour, with a ballpark price of \$5,000.

**All party colours flying at Fieldays** [14 June/ NZ Farmer] The 2014 Fieldays was attended by the spectrum of political parties intending to win the rural vote in the upcoming election. The Prime Minister, John Key attended the opening day of the event and mingled with the crowd. Labour party leader, David Cunliffe said that it was not necessary to have a stand this year in order to make their presence felt. The ACT Party board member, Robin Grieve said that they must first focus on winning the voters they lost since the Banks trial. Green Party spokesman on agriculture and forestry, Steffan Browning said that although he expected a strong reaction to their carbon tax, they received a welcoming response. The 2014 Fieldays was the Conservative party's first appearance at the annual event.

**Fieldays looks at boosting footprint** [16 June/ Radio NZ Rural] Having wrapped up the 2014 Fieldays, the organisers of the annual national agricultural expo are already working on plans to increase the show's footprint next year. This year's show featured over 900 exhibitors across the 50 hectare site and CEO, Jon Calder, says that there is more demand for space so staff are already working on plans for further expansion next year. Mr Calder said the society has some big plans and will have to get moving quickly to create new space so that the show can accommodate every company that wants to exhibit. The society owns around 115 hectares and Mr Calder said it was working with the design team and architects to optimise the layout to use space in the most effective way. Mr Calder also said that local community groups that provided volunteers to staff the event will benefit again from charitable donations from the society, with the Directors looking to increase the \$200,000 given back to the agricultural sector and the local community last year to around \$1 million over the next five years.

#### Farmers and producers

**Landcorp Agricultural Communicator of the year winner 2014** [12 June/ The New Zealand Guild of Agricultural Journalists and Communicators Inc.] Federated Farmers president and Hawke's Bay farmer, Bruce Wills was chosen as the 2014 Landcorp Farming Agricultural Communicator of the Year by an independent panel of judges on June 11. Mr Wills and his brother farm a sheep and beef operation at Te Pohue carrying 7,500 stock units with 800 hectares of available 1,134 hectares farmed. The award, administered by the New Zealand Guild of Agricultural Journalists and Communicators recognises excellence in communicating agricultural issues, events or information. Landcorp provides a prize of \$2,500, as part of a \$7,500 funding package in sponsorship for the Guild. The Guild president, Graeme Peters commended Mr Wills for bridging the gap between rural and urban people, and selling the importance of agriculture to the New Zealand's economy.

**Taranaki bags Maori farming award** [16 June/ Radio New Zealand Rural] Te Rua o Te Moko Ltd, which runs 500 cows on a 170 hectare farm near Hawera was awarded the top Maori farming award for 2014, the Ahuwhenua Trophy. The farm trust chair, Dion Maaka said that it stood out because it was a consolidation of four Maori trusts representing over 1,000 landowners who had combined to form a larger dairy farming operation. The company also runs a training operation for descendants of shareholders and other young trainees.

**High country farm wins water access appeal in court** [17 June/ Business Day – NZ Farmers] Irishman Creek Station in the Mackenzie Country will be allowed to continue to take water from the creek it is named after following a 13 year battle to renew a consent originally granted in 1970. Environment Canterbury originally granted a consent with 14 pages of conditions in 2012 after the initial application to renew was lodged in 2001, the original delay in processing being the result of the special legislation surrounding the allocation of water in the Waitaki Catchment and the Canterbury earthquakes. The station owner had argued the consent with so many conditions would impose considerable ongoing monitoring costs, which given they are looking to continue doing what they have been doing since 1970, the additional burden on a small operator will ultimately force them to fade away. The Environment Court upheld the appeal against the conditions on the consent, saying it was appropriate to grant the renewal as adequate ecological safeguards existed in the original proposed conditions.

**Chinese investors treated badly - expert** [17 June/ NZ Herald] A Shanghai based consultant has described New Zealand’s political treatment of Chinese investment in the country as bordering on disgraceful and is concerned the issue will again be raised during the election. Scott Brown, managing partner of RedFern Associates, maintains most Chinese companies do not want to buy land in New Zealand – just what comes off it. He noted that there are major companies from Europe, Japan and Australia that have invested heavily in New Zealand farmland but this does not really come on to the radar, yet relatively small deals involving Chinese investors tend to get more media attention. In the run up to the election, Labour is promising a foreign investment review if elected and New Zealand First has a long held conviction against foreigners buying New Zealand farm land. Mr Brown said some Chinese companies are making a decision that New Zealand is a strategic priority, but they are doing their research on New Zealand, understanding the complexities, the needs of Maori and making a decision that sourcing product is preferable to the political backlash that comes with buying assets. Mr Brown added that New Zealanders need to stop feeling threatened, recognise that Chinese companies will build facilities, grow capacity, and create jobs as they produce products for the Chinese market, which will be great for New Zealand’s reputation and brand.

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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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