

Horticulture

Kiwifruit restrictions causing strife [11 July/ Radio New Zealand Rural] The organisation responsible for the controlling of PSA, Kiwifruit Vine Health has imposed movement controls for kiwifruit plant material from nurseries in order to help stop the spread of the bacterial PSA disease. The Northland Ohaeawai Nursery managing director, Graham Milne said that although he was strongly in support of the biosecurity controls, the movement control zones needed to be adjusted. Mr Milne's PSA free nursery was included in the Kerikeri containment zone, restricting his ability to move healthy plants to growers in Whangarei. He mentioned that there were others around New Zealand that would have similar arguments.

Honey

Study confirms serious risk to bees, worms [14 July/ Business Day: NZ Farmer] An independent international review of 800 peer-reviewed papers on the pesticides collectively termed neonics, by the Taskforce on Systemic Pesticides has concluded that commonly used pesticides neonicotinoids and fipronil are causing significant damage to a wide range of beneficial invertebrate species including honey bees and their pollinators, such as butterflies, as well as posing a threat to earthworms, birds and other vertebrates. The study has outlined that even nonlethal exposure over a long period of time could be harmful. The results are due to be published in the journal Environmental Science and Pollution Research. The authors of the report strongly recommended the regulation of neonicotinoids and fipronil, with plans to phase them out or reduce their use internationally. Neonicotinoids are the most widely used group of insecticides worldwide with a 40 percent market share and estimated international sales of USD 2.63 billion in 2011.

Forestry

Nicholls is 2014 Forester of the Year [8 July/ Forest Owner Association] Forest Owners Association President and Managing Director of Rayonier NZ, Paul Nicholls, was awarded the Forester of the Year recognising his contribution, leadership, excellence and integrity. Mr Nicholls has provided his time and expertise to projects benefiting the industry, including governance roles with NZ Wood Council of NZ, The Levy Trust Board, and Independent Safety Review Panel.

Water

Council not investing in water scheme [11 July/ Radio New Zealand Rural] The Central Hawkes Bay District Council deputy mayor, Ian Sharp said that it will not be investing in the Ruataniwha water storage scheme due to the overwhelming opposition to the Council borrowing the required \$5 million. However he highlighted that the opposition was to the borrowing of funds and not to the scheme itself, with a number of opposing submissions having been strongly in favour of the scheme itself. Mr Sharp mentioned that even those opposing the scheme acknowledged the financial benefit to the region the scheme would deliver.

Clean up our rivers [14 July/ NZ Herald] Green Party co-leader, Russel Norman said that its plan to restrict dams, irrigation schemes, and make rivers clean would save taxpayers money and benefit the agricultural industry in the long term. The Government criticised the policy, saying it was expensive and hindered growth. Dr Norman said that cleaner rivers was part of a strategy for providing higher value products, with more innovation, research and development. He criticised the Government's plan to focus solely on expansion, saying that it will destroy rivers and the clean, green brand that underpins the New Zealand agricultural and tourism sectors. Dr Norman highlighted that a network of protected rivers would restrict irrigation, dams and pollution, as well as removing Government subsidies for dam developments, including those planned for Hawkes Bay, the Wairarapa and Canterbury.

\$6.5m loan for South Island irrigation scheme [15 July/ NZ Farmer] The Government Agency, Crown Irrigation Investments confirmed the lending of \$6.5 million for up to five years to Central Plains Water to develop stage one of the Rakaia to Waimakariri river canal irrigation scheme, which will include the construction of excess capacity in the headrace. Stage one of the scheme is expected to irrigate approximately 20,000 hectares.

Fishing and aquaculture

Fisheries fight 'strip mining' bid [11 July/ Business Day] The Deepwater Group (representing 95 percent of fish quota beyond coastal waters) made strong submissions to the Environmental Protection Authority against Golden Bay based Chatham Rock Phosphate's application to suction mine the Chatham Rise, saying that there would be a high level of destruction to the seabed, the fauna and protected corals, with the Group's CEO, George Clement highlighting the potential for the damage to extend well beyond the area. The seafood industry said that the Chatham Rise is critical to the sustainable harvesting of key deep water fisheries, including Hoki. CRP said that the mining would benefit New Zealand by \$900 million over the 15 years. However Mr Clement said that the one off gain does not outweigh the earnings made from seafood in the Chatham Rise, which he said will amount to \$2.5 billion of ongoing revenue during the same period. The planned sale of silt and phosphate nodules by CRP is forecasted to earn \$62 to \$100 million per year for 15 years. Hearings on the application are scheduled to commence on September 4, with a decision expected to be reached by the end of November.

Dairy

Challenging conditions pave the way for acquisitions and tie-ups [10 July/ Rabobank] The latest annual Rabobank survey of the world's dairy giants highlighted that with weak economies and supply constraints impacting sales growth in key markets over the last 18 months, dairy giants will need to acquire or join with more companies in order to sustain the same rates of growth in the future. The number of dairy sector M&A transactions increased to 124 in 2013, from 111 in 2012, the highest since 2007. However no billion dollar transactions were recorded in the year. The bank highlighted that the expanding Chinese market continue to be crucial, with evidence of positioning in the Chinese market for maximum effectiveness. In 2013, the Mengniu and Whitewave, and the COFCO and Danone joint ventures were announced, while Yili announced a partnership agreement with Dairy Farmers of America. Mengniu purchased a share of China Modern Dairy to secure raw milk supply. Rabobank analyst Tim Hunt highlighted that the world's largest dairy companies are reasonably entrenched, with Nestlé (USD 28.3 billion) and Danone (USD 20.2 billion) recording the highest dairy turnover in 2013. He also highlighted that some Chinese companies are exceeding their peers in growth terms with Yili (entering the top ten on the list for the first time) and Mengniu expanding their sales by 14 percent and 20 percent respectively. Saputo climbed up to eighth place supplemented by its recent acquisitions. New Zealand's Fonterra Co-operative Group was again ranked fourth in the survey with dairy revenues of USD 15.3 billion.

Partners to spend \$342m on dairy farm hub, with more than 16,000 cows producing up to 160m litres of milk [12 July/ NZ Herald] Fonterra CFO, Lukas Paravicini said that its alliance with the American pharmaceuticals and health care giant, Abbott and the combined investment of \$342 million to develop a dairy farm hub in China (five dairy farms with 16,000 cows producing up to 160 million litres of milk per annum) will speed up its goal of producing 1 billion litres of milk a year in China. Mr Paravicini mentioned that four or five hubs will be required to achieve the co-operatives 1 billion litre production target. Mr Paravicini said that Fonterra's farming knowledge combined with the nutritional knowledge of a leader in the infant formula market is a beneficial combination. Referring to Rabobank's report highlighting the need for major global players to enter partnerships or undertake acquisitions to maintain growth, Mr Paravicini said that the Co-operative's growth is more likely to be organic. However he did not rule out the potential of future mergers and acquisitions. The Abbott alliance will be the third dairy hub for the Fonterra Co-operative Group in China. The first farms in the hub is pending regulatory approval and is expected to be completed and producing milk in the first half of 2017, while the remaining farms are expected to commence production in 2018.

Dairy's \$14.3b boost to the regions [14 July/ NZ Herald] DairyNZ stated that the dairy exports contributed \$17.6 billion to the New Zealand economy, with CEO, Tim Mackle saying that Dairy NZ's economic survey indicated that the sector's contribution was approximately 31 percent higher than the previous year. New Zealand's dairy export revenue is expected to increase to \$18.4 billion by the year ending June 30, 2018.

Red meat

More Kiwi processors licensed for China [14 July/ NZ Farmers Weekly] Waikato beef marketer, Greenlea Premier Meats has received approval to supply directly to the Chinese market. Greenlea Premier Meats managing director, Tony Egan highlighted that the Chinese addition to the company's portfolio of market complements the 40 countries (including a prominent presence in Asia, Southeast Asia, with sales also going into Indonesia, Malaysia, Taiwan and South Korea) that the company already supplies to. The latest addition increases the number of licensed New Zealand processing plants to over 100. China has amended regulations to require that products supplied for retail markets must be labelled in both English and Mandarin. The Meat Industry Association CEO, Tim Ritchie said that New Zealand's privileged position in respect of China came from the extra resources put into China by the Ministry for Primary Industries. ANZCO Foods now also has all its slaughter and boning plants approved for Chinese export, while Alliance Group is waiting for its Pukeuri plant at Oamaru to be relicensed. Silver Fern Farms received approval for its Hawera beef plant, and is currently waiting on approval for the new Te Aroha and Belfast beef plants in Canterbury.

No feud with Alliance, says Silver Fern Farms [9 July/ Otago Daily Times] Silver Fern Farms CEO, Keith Cooper dismissed that there was any animosity or an antagonistic relationship between Silver Fern Farms and the Alliance Group, and mentioned the collaborative aspect of their relationship such as the two parties' joint ventures. The Alliance Group chairman, Murray Taggart also dismissed the rumour. Mr Cooper and Mr Taggart both attributed the positive performance forecast to the Chinese demand, at the same time highlighting the risks of market concentration in China. They both mentioned the need for the industry to approach the issues faced by the sector, and attributed the successful year solely to market conditions rather than industry initiatives.

Beef&Lamb genetics service kicks off [15 July/ Radio New Zealand Rural] Beef + Lamb New Zealand's new genetics service bringing together existing sheep genetics programmes such as Sheep Improvement and Ovita has commenced operations, following the grant of \$15 million of Government funding over five years. The service will receive a total of \$44 million from farmers and the industry, and has a new focus on beef cattle breeding. The general manager, Graham Alder said that the service was focused on providing farmers with the tools and information to buy better rams and bulls. Mr Alder highlighted the programmes objectives as better breeding and more accurate evaluations, and said that they are also consulting with third parties who are interested in the programme.

FMG buoyant despite tough year [14 July/ NZ Farmers Weekly] The severe winds in Canterbury last spring cost the rural insurer, FMG \$16 million in insurance claims, dropping after tax profits for the year ended March 31 to \$17.5 million, from the previous year's record of \$31.3 million. FMG CEO, Chris Black said that client number have increased 11 percent from a year earlier, and mentioned that the group will achieve its target of \$200 million in premium income and \$200 million in capital reserves by next year (which was at \$197.4 million at balance date). Mr Black said that of the 2,400 insurance claims, priority was given to the 260 claims related to irrigation and infrastructure damage, with only five claims left to be completed. FMG has achieved five years of continuous growth with the latest profit figure recording the highest in its 109 year history. The group has also maintained its A Excellent credit rating from international agency AM Best. The group is still settling claims related to the Canterbury earthquake of February 2011, with 300 claims (9 percent), yet to be settled.

Environment and emissions

Environmental issues hot topic in Europe, farmers told [14 July/ Otago Daily Times] Beef + Lamb New Zealand regional manager for Europe, Dave Harrison said that the debate around sustainability in Europe had transitioned from greenhouse gas emissions to water quality and quantity, biodiversity and other environmental issues, making it crucial for New Zealand to understand these issues as quickly as possible. Beef + Lamb New Zealand Central South Island extension officer, Aaron Meikle said changing rules and regulations had always been a part of farming, and that the Land and Environment Plan process was about accommodating and dealing with them by helping farmers develop a written plan for the management of a farm's land and environmental issues. Beef + Lamb New Zealand is also engaged with the European Meat Trade Association in the development of methodology to assess the impact of meat production. While highlighting New Zealand's strong partnerships in Europe, Mr Harrison highlighted his view, along with most major European producers, that demand for sheepmeat and beef will be strong. Federated Farmers and Beef + Lamb New Zealand said that the agreement between the two organisations allowing Beef + Lamb New Zealand to use the Federated Farmers regional policy network means that sheep and beef farmers will have a stronger say in a region's environmental issues.

Food safety

Electronic trade cert goes live [9 July/ Radio New Zealand Rural] Food Safety Minister, Nikki Kaye said that the new online electronic trade certification system will be faster, easier for businesses to use and will also make it easier for foreign regulators to verify New Zealand exports. She said that the system will help prevent fraud related to food. The new system currently applies to meat and seafood with dairy exports to be included from September 1.

International

Meat, milk farming to eclipse grains [14 July/ NZ Herald] The United Nation's Food and Agriculture Organization has predicted global farming to move towards meat and milk production away from traditional rice and grain. The joint report by the Food and Agriculture Organization and the Organisation for Economic Co-operation and Development said that the world meat production will have increased by 58 million tonnes by 2023, with developing countries contributing 80 percent to the increase. The biggest gain was forecasted for poultry at 50 percent of the total gain. The report also stated that China will constitute 50 percent of the global increase in meat consumption. It predicted cereal prices to decline to pre-2008 levels, while meat, milk and fish prices are expected to rise.

Drug concerns in shearing industry [14 July/ ABC Rural] The Australian Workers Union Victorian coordinator of pastoral industries, Sam Beechey referring to the video footage showing shearers abusing sheep (released by the animal rights group, People for The Ethical Treatment of Animals - PETA), questioned whether the shearers seen abusing sheep were under the influence of drugs. Mr Beechey said that contractors are hesitant to remove shearers found to be using drugs as it impacts on productivity. The Shearing Contractors Association of Australia said that although the use of drugs is a problem in the industry, it is not widespread. The association's secretary, Jason Letchford said that the issue seems to be bigger and broader than they had thought, and it needs to be addressed. Farmers that have complained about the shearing contractors have indicated that they feel powerless to address the issue, other than sending contractors home. Mr Beechey and the Agriculture Minister, Barnaby Joyce questioned the authenticity of the footage and how it was obtained. However Mr Beechey acknowledged the drug issues in the industry and said that the problem is getting worse. PETA group campaign co-ordinator, Claire Fryer denied allegations that the footage was staged, and said that the nine shearing crews that were filmed were chosen at random. South Australian livestock agent, Peter DeGaris said that the campaigning is irresponsible and does not provide a true indication of the shearing community. He also highlighted that the media coverage of abuse could damage the entire Australian sheep industry.

Chinese explore Van Diemen farm [14 July/ Australian Financial Review] A Chinese investor is thought to be undergoing the process of due diligence ahead of a \$152 million acquisition of the New Plymouth District Council Perpetual Investment Fund owned Tasmanian farmland, the Van Diemen's Land Company. A source has said that the Perpetual Investment Fund had failed to provide dividends, while profits had been poor. National Australia Bank is believed to have also been attempting to sell off its stake in the farmland. Fairfax Media reported that the fund has depreciated from \$260 million to \$241 million over nine years. Although there is scope to expand the farms, conservationists have opposed the plans for a \$180 million expansion to double milk production. One potential buyer, the Chinese Investment Corporation has withdrawn from negotiations.

Italians buy into wool dynasty [9 July/ Australian Financial Review] The Italian luxury fashion label, Ermenegildo Zegna will acquire a 60 percent stake in a 175 year old sheep farm in NSW, Achill, with grower Charlie Coventry as CEO of the joint venture. The Achill property consists of 2,564 hectares of land and 12,500 sheep in production. Mr Coventry said there will be no changes in the operations. According to the Australian Bureau of Statistics, wool production has declined in the past 20 years. Mr Zegna said that changing the perception surrounding wool will take several years, and highlighted the need to enter into novelty products, sports, top end of the knitwear.

Milk made in laboratories to hit shelves [12 July/ Business Day: NZ Farmer] Highlighting a new milk produced in the lab from yeast, Co-founder of Californian research and development company Muufri, Perumal Gandhi said that the lab made product will be indistinguishable from cow's milk as it will taste the same and have the same proteins, fats, sugars, vitamins and minerals. The milk can be produced to be healthier, without the typical cholesterol, allergen lactose and bacteria that is present in cow's milk, allowing the product to have a longer shelf life without the need for refrigeration. Mr Gandhi said that the milk will also be much cheaper than the current alternative. The Muufri lab in Ireland is currently cultivating yeast that is growing milk fats and proteins such as casein, and the first prototype product is expected to be ready for tasting by September. The new developments could have a major impact on New Zealand's dairy industry. Fonterra dismissed the threat saying that the task of replication to match cow's milk is too complicated. Primary Industries Minister, Nathan Guy believed that most consumers would still opt for the traditional cow's milk. Victoria University researcher at the Contemporary China Research Institute believed there would always be a market New Zealand dairy milk, but also highlighted the growing market for green foods, away from additives and processing. It has also been mentioned that the new innovations will lessen animal welfare issues, lessen the impact on water quality and provide a suitable alternative to those allergic to cow's milk.

Agribusiness education

New CEO for primary industry alliance [15 July/ Rural News Group] Primary Industry Capability Alliance (a collaboration between New Zealand Young Farmers, Dairy New Zealand, Beef + Lamb NZ, PrimaryITO, Taratahi, Ministry for Primary Industries and Lincoln University to develop a capability strategy for the wider agricultural industry) has appointed Andy Somerville as its CEO, effective from August 18. The Transition Board for the Primary Industry Capability Alliance chair, Mark Paine highlighted that Mr Somerville has a rural and commercial banking background, and said that he brings the right combination of skills needed for the next phase of the Alliance's development. Mr Paine said that the Primary Industry Capability Alliance hopes to spread the alliance wider to include other primary industries such as horticulture, seafood, forestry and arable. He said that the Alliance will be crucial in linking organisations, and ensuring their strategies, resources and activities are aligned to achieve the outcomes desired by the primary industries.

Economics and trade

Unclear future for TPP as negotiators ignore Obama's deadline in Canada [14 July/ National Business Review] The Trans Pacific Partnership negotiations ended the Ottawa round of talks without a conclusion to the agreement, with US President Barack Obama's arbitrary deadline now unlikely to be met. There was no confirmed date set for the next round of talks. Japan's negotiator, Koji Tsuruoka said that each country felt that the context was appropriate to set the timing for a ministerial meeting, but indicated an official inclination to meet before the end of the year. In contrast to New Zealand's suggestion of a deal without Japan, during the meeting, the Canadian Trade Minister, Ed Fast indicated an opposition to a deal that did not include Japan. The issue of agricultural protection in Japan is to be discussed in a series of bilateral talks between Japan and the US in Washington, commencing July 15. American Enterprise Institute scholar, Derek Scissors said that with the US presidential election due to commence in late 2015, a deadline for the Trans Pacific Partnership cannot be more than a year away. Senior lawmaker of the Japanese ruling party, Koya Nishikawa said that the US election is one of the most important factors in finalising an agreement.

Farmers and producers

Farmers hit hard by power cuts - trust [10 July/ Radio New Zealand Rural] Northland Rural Support Trust co-ordinator, Julie Jonker said that the lack of power from the storm which affected Northland has impacted farmers that are milking. She also mentioned that the power cuts have meant that electric fencing will be ineffective in protecting feed cover from stock. Hukerenui farmer, Evan Sneath who is faced with 30 hectares of farm that is under water said that the wet and cold conditions meant that calving mobs and dry cows required feed to be put on. Fonterra said that approximately 30 of its dairy farmers in Northland are having to dump milk due to delays in collections caused by the weather. Dairy NZ Whangarei based consulting officer, Helen Moodie advised farmers that cows will return to their previous production levels as long as the cows were fully fed. She also cautioned farmers to be vigilant of mastitis.

Landcorp's huge dairy plans start to take shape [15 July/ NZ Farmer] Nine farms covering 5,300 hectares that have been converted to dairy from forestry in partnership with landowner, Wairakei Pastoral are expected to commence milking in the new season as part of Landcorp's large-scale dairy development near Taupo. Landcorp CEO, Steven Carden said that the project with 24 farms and approximately 30,000 cows across 25,700 hectares is expected to be completed by 2020, and has so far cost \$87 million. Mr Carden said that the conversion is expected to bring an additional 300 to 350 jobs into the Central Plateau. He said that the scaling back of the farm units to milk a maximum of 1,000 cows allowed for effective management. He further highlighted that the new farms will have a minimal impact on the environment, and noted that the conversions had been conducted in a sustainable manner. Landcorp has also heavily invested in environmental monitoring, including nutrient budgeting, riparian planting, land management plans and GPS fertiliser applications to ensure that the farms were run sustainably. Mr Carden highlighted that in the future Landcorp would explore alternatives with a lower environmental footprint to dairying provided that they are a feasible option for the best use of land.

Govt triggers relief for Northland farmers [15 July/ NZ Farmer] The Primary Industries Minister, Nathan Guy has activated a relief programme for Northland farmers by declaring the flooding in the region as a medium-scale adverse event. The declaration means that the farmers in the region are eligible for measures including tax relief, social welfare payments, mentoring and other support. The Civil Defence Minister, Nikki Kaye announced a \$100,000 contribution towards a mayoral relief fund to provide financial assistance to those affected by the flooding. However, Labour MP, Kelvin Davis said that the support provided is insufficient to address the needs of the farmers affected by the floods. Among other damage from the weather, Mr Davis also highlighted the damage to the Northland roads as a major issue for the region. Transport Minister, Gerry Brownlee said that the Transport Agency contractors will be working overtime to establish an alternative route to the slip south of Kawakawa.

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