



cutting through complexity

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network

15 October 2014

Organisations referenced in this week's Field Notes include:

Agrifax	Norske Skog
AgriHQ Academy	NRM
Alliance Group	NZ Hops
ASB Bank	Olivado
Bayleys	Ontario Beekeepers' Association
Bioenergy Association	Organic Winegrowers New Zealand
Chris Little Engineering	OSI
CRT	Plant & Food Research
Department of Agriculture and Food Western Australia	Real Estate Institute of New Zealand
Diary New Zealand	Rural Contractors New Zealand
Environmental Protection Agency	Rural Health Alliance Aotearoa New Zealand
Farmlands	Scion
Farmlands Co-operative Society	SeaDragon
Federated Farmers	Sri Lankan Ministry of Health
Fonterra Co-operative Group	Statistics New Zealand
GMA Renewable Resources	Swine Veterinarians
Harrisvaccines	Telecom Users Association
Kestrel Capital	The European Commission
KIT	Tower Watson
KPMG	Tru-Test Corporation
Meat Industry Association of New Zealand	United States Agriculture Department
Meat Industry Excellence Group	University of Guelph
Ministry for Primary Industries	World Trade Organisation
MJ Biologics	Yum Brands
National Pork Producers Council	Z Energy
New Zealand Winegrowers	Zoetis

This week's headlines

Viticulture	EU breakthrough for organic wine exporters [13 October/ The National Business Review]
Forestry	Log prices back on the rise [11 October/ NZ Herald]
Dairy	Fonterra milk powder cleared [13 October/ NZ Farmers Weekly]
Dairy	Milk seasons starts strongly [14 October/ NZ Farmer]
Red Meat	Some meatworks 'need to close' [14 October/ NZ Farmer]
Farmers and producers	Farmer suicides raise alarm [9 October/ NZ Farmer]



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HOT OFF THE PRESS:
**KPMG AGRIBUSINESS
AGENDA 2014 VOLUME 1**

KPMG Agribusiness

Waikato's best agri team just got stronger [9 October/ KPMG New Zealand] KPMG announced the appointment of Roger Wilson as a Partner to the KPMG Hamilton Private Enterprise team. Mr Wilson is a leading advisor to private business owners in the local market, with a focus on the agribusiness sector, adding to the strong capability of the KPMG Hamilton team. The appointment supplements KPMG's continuing commitment to growing capability in the private business space with a strong focus on agribusiness. Mr Wilson is looking forward to his commencement on November 1, as part of the leading provider of professional services, particularly to the agribusiness sector in the Waikato region.

Horticulture

Post-harvest operators oppose Kiwifruit Claim [8 October/ Rural News Group] Eleven post-harvest operators claiming to represent 75 percent of New Zealand post-harvest kiwifruit industry with over \$450 million invested in orchards and post-harvest infrastructure have written to the Prime Minister opposing the \$885 million Kiwifruit Claim class action lawsuit seeking compensation for the 2010 Psa incursion. The signatories outlined the reasons for their opposition as putting the Single Point of Entry industry structure at risk, lack of a sound legal basis for the claim and the lack of information to make an informed financial decision before joining the suit. Although the signatories do not support the claim, they called on the Government for an increased focus on biosecurity, with the primary industries integrally involved in the development of the country's biosecurity systems.

Kenyan avocado farmers benefit from aid programme and Kiwi agri know-how [9 October/ The National Business Review] The five year New Zealand aid programme worth \$4 million involving Plant & Food Research and edible oils company Olivado, to improve the productivity and quality of production from farmers are benefiting 1,200 smallholder avocado farmers in the central highlands of Kenya. Olivado's Nairobi factory is supplied with Fair Trade Certified Organic fruit directly by the independent family owned farms. Olivado general manager of total production Sarah Nicholls, said organic oils accounted for approximately 60 percent of total production. Plant & Food Research said the target was to more than double the average return to the farmers over the next decade by improving yields, moving to a new tree variety and improving post-harvest practices.

Viticulture

EU breakthrough for organic wine exporters [13 October/ The National Business Review] The European Commission has agreed to recognise New Zealand's organic wine production methods as equivalent to its own methods under the Official Organic Assurance Programme, allowing organic and biodynamic producers to apply the same generic certification label used on organic products of the destination country. The programme also operates for Japan, Switzerland, Taiwan and the United States. As a result compliance costs will be reduced or eliminated. Milton Vineyards' James Milton said that the decision opens up opportunity for more organic producers to export. New Zealand Winegrowers CEO Philip Gregan said that New Zealand can now pursue growth of organic wine exports into the premium markets of Europe and the United Kingdom. New Zealand Winegrowers and Organic Winegrowers New Zealand have committed to achieving organic certification for 20 percent of New Zealand vineyards by 2020. In 2013, almost 5.6 percent (2,000 hectares) of the 35,700 hectares of producing area were under organic certification. Of the total wine exports of approximately \$1 billion per annum, organic wine exported is estimated to be approximately \$44 million.

Arable

GM could put niche maize at risk [13 October/ NZ Farmer] In response to Southland Federated Farmers' president Russell MacPherson's comments for New Zealand farmers to consider the potential technological benefits of genetically modified organisms, a specialist Bay of Plenty maize grower Colin Mackinnon said that allowing genetic engineering could jeopardise genetic engineering-free maize exports to expanding global niche markets. However he acknowledged Mr Mackinnon's point of view that without innovation New Zealand agriculture will not grow.

Forestry

Forestry and dairy collaboration urged [9 October/ Radio New Zealand Rural] The Crown forestry research institute, Scion CEO Warren Parker, said that the industry must work more collaboratively to address the impacts of the unfavourable exchange rate. He mentioned the need for diversification of the New Zealand economy, and said that the opportunity lies in finding ways for the dairy and forestry industries to exploit their complementarity, whether it be in the environmental, energy or the renewable packaging areas. Mr Parker believes there is an unexploited opportunity for New Zealand to strengthen economic growth, environmental performance and better respond to climate change.

Log prices back on the rise [11 October/ NZ Herald] According to Agrifax's monthly survey of exporters, forest owners and sawmills, New Zealand A-grade export log prices have increased to \$80 per tonne in August and \$88 per tonne in September from \$76 per tonne in July as Chinese importers resume purchasing. Returns have been further strengthened by a decline in the New Zealand dollar and cheaper shipping costs. Agrifax forestry analyst Ivan Luketina said that despite the increase in purchasing as importers seek to capitalise on lower prices, construction activity remains low. He highlighted that Chinese sawmills were operating significantly under capacity, with many attempting to adjust their business to the furniture market from the construction market. Mr Luketina said that New Zealand wharf gate prices are being distorted by the impact of currency and shipping, with some exporters obtaining \$110 per tonne in October, despite the fact that Chinese inventories have not decreased significantly.

Potential for forestry biofuel confirmed [13 October/ Radio New Zealand] A \$13.5 million Primary Growth Partnership study, Stump to Pump project, half funded by the Government and led by pulp and paper processor Norske Skog, and fuel company Z Energy, confirmed the feasibility of developing a biofuel industry from sawdust, bark and other forestry residue. The Bioenergy Association said that securing a supply of raw material is a vital part of bringing the wood based biofuel industry to life. Bioenergy Association executive officer Brian Cox said that based on the number of forests and farm forestry, there is sufficient raw material available, with a need to work collectively to establish economies of scale. Ministry for Primary Industries Primary Growth Partnership director Justine Gilliland said that the next step is to ensure commercial viability and ensuring that products are able to meet specifications (for example specifications of New Zealand fuels). She also highlighted that a Government funded Primary Growth Partnership project has established that the highly toxic methyl bromide treatment (used for log fumigation) rates can be reduced by 40 percent, with the Environmental Protection Agency having set a deadline of 2020 to ensure zero release of methyl bromide.

Fishing and aquaculture

Fish oil maker lifts sales [9 October/ NZ Herald] Fish oil and health supplements manufacturer SeaDragon increased its first-half sales by 17 percent to a record \$1.06 million, after securing the supply of raw material for its squalene production. Its revenue increased from \$2.08 million to \$2.45 million in the six months ended September 30. The company has also received building consent for its new \$7.5 million refining plant, expected to be completed by June 2015, as it seeks diversification to higher-value Omega-3 fish oils. The plant will have capacity to process over 5,000 tonnes of oils from hoki, tuna and salmon. Company head Ross Keeley said that the secured raw material supply agreements support the likelihood of this performance continuing into the second half of the year and the future. He expressed his belief that SeaDragon's fish oils will be able to attract a premium over anchovy-based oils based on international confidence in the company's food manufacturing capabilities and New Zealand's clean green image. In January 2014 SeaDragon raised \$4.1 million in a share sale to existing investors, exceeding its \$2.5 million target.

Dairy

Cost-cutting, profitability to dominate discussion [11 October/ Otago Daily Times] With dairy farming likely to be a hot topic at Dairy New Zealand's annual meeting in Timaru on October 16, Dairy New Zealand chairman John Luxton, said that despite a harsh next season due to a lower milk price, the long-term prospects were still holding strong. Rural Contractors New Zealand president Steve Levet said cost cutting will be a priority for dairy farmers this year. He mentioned that there will also be pressures on contractors to maintain or reduce costs. However, he acknowledged that contractors were also unable to continue losing money. A substantial component of cost for most rural contracting businesses was parts and machinery, with many resorting to sourcing parts from non-aligned dealers or the internet, which carry risks. He said if there was a method for rural contractors and machinery dealers to resolve cost issues, Rural Contractors New Zealand would be interested in participating.

Fonterra milk powder cleared [13 October/ NZ Farmers Weekly] The Sri Lankan Ministry of Health tested and cleared the three batches of Anchor milk powder, after it suspended its distribution and sale on the back of three complaints of illness among children. Fonterra Co-operative Group CEO Theo Spierings said that business interruptions in Sri Lanka from last August onwards had a major impact on profitability. Mr Spierings said that the company had regained 55 percent of the market share as well as regaining Fonterra's reputation after the shutdown in 2013. He said that with the price controlled market in the country, it was hard to make a margin when international prices were as high as they were last year. He said with prices having fallen, the company will need to check current local Government intentions. All parties hoped that the formal co-operation agreement signed in November 2013 between the New Zealand and Sri Lankan Governments and Fonterra would stimulate the stalled milk supply growth in the country.

Milk seasons starts strongly [14 October/ NZ Farmer] According to the latest Fonterra Global Diary Update, milk collection was 4.5 percent higher than last season at September 30, with the total collection for the first three months at 322 million kilograms of milksolids. Fonterra Australia also reported a production growth of 10 percent over the first three months of the season to 29.4 million kilograms of milksolids. All major suppliers to the global market except Argentina and Uruguay increased production. New Zealand increased production by 5.8 percent on a year-on-year basis to the end of July, in comparison to the 4.3 percent increase by the European Union.

Red meat

Beef exports to Indonesia double after quota restricts removed [9 October/ The National Business Review] The Meat Industry Association of New Zealand's 2014 annual report stated that the volume of beef exports to Indonesia increased to 15,384 tonnes in the year ended June 30, 2014, from 6,516 tonnes the previous year, with the value of exports increasing from \$34 million to \$76 million, on the back of Indonesia abolishing the volume based import quota restrictions in September 2013. However the association remains concerned that the new price based restrictions, which have not been triggered yet could impact New Zealand exports. The system restricts the import of meat and live cattle until domestic beef prices increase by over 15 percent from a specified parity price, initially set at USD 6.60 per kilogram. The association said that the complaint regarding import restrictions lodged with the World Trade Organisation by New Zealand and the United States is currently at the consultation stage.

Fourth candidate for Alliance election [10 October/ Otago Daily Times] Current Alliance Group directors John Lindsay and Dawn Sangster are to stand for farmer-director elections, along with Wanaka vet and farmer Mandy Bell. Southland sheep and beef farmer Russell Drummond said that the co-operative needed to be more accountable to its shareholders and that the incumbent directors had their chance to make a difference, with the low farmer returns not having been addressed. Mr Drummond said that he is focused on results, while also highlighting the need to rebuild trust between the farmer suppliers and the co-operative. He said that the target should be a co-operative with 70 to 80 percent of New Zealand lamb supply, in order to leverage their market position akin to that of the Fonterra Co-operative Group and Zespri. In addition Mr Drummond wants the governance at the co-operative improved to increase performance, and lead industry rationalisation and consolidation, as well as committed supply and improved export marketing. He also mentioned the need for improved shareholder accountability, fair and improved treatment of suppliers, and the need for two-way loyalty, as well as focusing on a long-term strategic vision for the co-operative.

Meat firms query MIE numbers [13 October/ NZ Farmers Weekly] Alliance chairman Murray Taggart said that farmer behaviour is very different from the Meat Industry Excellence survey on farmer views on livestock supply, where although the independent survey indicated that 73 percent of sheep farmers would support a larger co-operative structure, the official quota for New Zealand lamb supply to the European community showed farmers had actually sent fewer lambs to the existing major co-operatives in recent years. A spokesman for one of the competitor businesses to the co-operatives also questioned the finding that approximately 66 percent of respondents believed a larger co-operative model would provide a greater share of the value chain to them. He said that the Meat Industry Excellence focus on long-term formal contracts has been overemphasised. Mr Taggart said that not every farmer wanted to be constrained by a contract. He also questioned the \$440 to \$500 million lost income to farmers figure produced by the Meat Industry Excellence.

Some meatworks 'need to close' [14 October/ NZ Farmer] The Meat Industry Excellence Group chairman John McCarthy said the overcapacity in the industry and keeping plants open was costing farmers \$400 million to \$450 million a year. He said with companies unable to afford a plant closure that costs approximately \$10 to \$20 million, its cost needs to be shared by the industry. Mr McCarthy said that the current emphasis of keeping throughput high to obtain economies of scale was the wrong emphasis, with the industry needing to focus on market returns instead. Mr McCarthy said that the report on the industry is being peer reviewed and is expected to be released in approximately six weeks, although some information has already been sent out to farmers and the media.

Rural infrastructure

Rural groups fear digital divide [9 October/ Radio New Zealand Rural] Federated Farmers and the Telecom Users Association have joined forces to encourage the Government to deliver better broadband connections than the rural broadband target, saying that the lack of fast broadband will only widen the digital divide. Federated Farmers telecommunications spokesperson Andrews Crofoot mentioned that even basic cell phone coverage is inadequate in certain areas. He mentioned internet connectivity as enabling technology with the onus on the Government to ensure equality between rural and urban New Zealand.

Farmlands year-end rebate a record [10 October/ Otago Daily Times] Farmlands Co-operative Society Ltd, created by the merger of CRT and Farmlands on March 1, 2013, recorded an operating surplus of \$23.5 million for the year to June 2014. In a statement, Farmlands also announced turnover of \$2.46 billion (up 13 percent), along with a record year-end bonus rebate with \$17.2 million to be distributed to shareholders. Farmlands Co-operative Society chairman Lachie Johnstone highlighted the shareholder growth of 2,200 (net) to over 58,000. The co-operative acquired animal nutrition company NRM, which has been integrated into Farmland's nutrition business. Replacement store developments in Rotorua, Mossburn, Greymouth and Amberley have also been completed.

Research and development

Hop Lab to brew better beers [10 October/ Rural News Group] Plant & Food Research, in partnership with NZ Hops and Chris Little Engineering, have opened a new pilot research brewery, Hop Lap at its Motueka site, to allow the hops breeding team to create experimental trial brews from new cultivars. The programme is supported by a six year grant from the Ministry for Business, Innovation and Employment, targeted at delivering new seedless cultivars with unique brewing properties to assist in the expansion of both hop growing and export sales of New Zealand based craft and premium category beers. Plant & Food Research hop research director Rob Beatson said that specialty hops form a substantial part of the industry with cultivars such as Pacifica, Southern Cross, Nelson Sauvín, Motueka and Riwaka, all performing strongly in the domestic and export markets, with a number of cultivars being in high demand both domestically and internationally among craft brewers. Dr Beatson mentioned that 85 percent of New Zealand cultivar production is exported to niche markets such as the United States, United Kingdom, Germany and Australia.

Food safety

More cases of painful food poisoning epidemic [9 October/ NZ Herald] The Ministry for Primary Industries said they are in the process of interviewing those who have become ill with *Yersinia pseudotuberculosis*, with 124 confirmed cases of the painful food poisoning epidemic confirmed nationwide. Although it is suspected that the illness was related to the consumption of packaged carrots and lettuces, the Ministry is yet to confirm the cause of the illness. The Ministry informed that the causative agent had an incubation period of three to 21 days, with normal food hygiene practices likely to reduce the risk of infection.

International

Caught in the middle of the bee war [9 October/ The Globe and Mail] Ontario environmental watchdog Gord Miller warned that the collapse of the bee population from the class of pesticides, neonicotinoids, could result in an environmental and economic crisis. The Ontario Beekeepers' Association has commenced a class action lawsuit against the biggest makers of neonics. Former Environment Canada scientist Walter Zimmermann believes that Ontario's beekeepers are mainly to blame for the current situation, as many are newcomers who do not manage their hives properly. Alberta's beekeepers, which produce almost half of Canada's honey are not joining the lawsuit, saying that new seed treatments reduce the bees' exposure to harmful pesticides. In contrast, bee populations are stable in Australia, despite the fact that neonics have been used for years, with the country's regulator reporting that neonics are better for crops and the environment than other pesticides sprayed on crops. The University of Guelph Honey Bee Research Centre head Ernesto Guzman, who testified before a Senate committee saying that it was not a single factor that was killing the bees, identified the causes of the decline as bee mites, followed by fungi, pesticides and climate change.

Farmers gain weapon against devastating pig virus [10 October/ The New York Times] The Agriculture Department has provisionally approved two vaccines, with a third on the pipeline against the porcine epidemic diarrhoea virus, which destroyed at least 10 percent of the country's hogs in the last year. Department spokeswoman Joelle Hayden said that preliminary studies have been promising. One of the vaccines has been produced by veterinary medicine titan, Zoetis, while the other is produced by Harrisvaccines. MJ Biologics is hoping to get approval for the third vaccine. Farm manager Jose Vera, who has used the Harrisvaccine vaccine, and that by MJ Biologics, said that the MJ Biologics vaccine seemed more effective. A company that oversees farms and offers financial and other services to swine producers, Protein Sources tested the MJ Biologics vaccine against a control group and said the vaccine showed significant results. Minnesota swine veterinarian, Mark Wagner said that insufficient data is available on all three vaccines to understand its effectiveness, which is further complicated by the build-up of natural immunity. National Pork Producers Council president Howard Hill said that 1.3 million pigs died from the virus last January, with the burial of large carcass numbers raising concerns on the impact on groundwater. American Association of Swine Veterinarians executive director Tom Burkgren said that more farms have been reporting outbreaks given the drop in temperatures.

Investors bet the farm on agriculture [12 October/ The Financial Times] Bumper crops in 2014 have reversed the trend of rising food prices, with many institutional investors starting to consider farmland as an asset class, with advisory firm, Tower Watson consultant Dania Zinurova highlighting the increased interest in farmland, but also mentioning the need for increased education around the illiquid market. Agricultural land values in the central United States corn belt increased by double digit percentage points in recent years. She highlighted the need for a multi facet analysis of the market, which should include the political and economic context of the farm. Ms Zinurova said that despite the lack of interest in Ukraine due to political upheavals, the rest of Europe is experiencing strong institutional investor interest. However GMA Renewable Resources founder and managing director Eva Greger said there is not enough value in eastern Europe to conduct due diligence due to political and infrastructure risks.

Trust chicken from KFC in China? The Chinese don't [12 October/ NZ Herald] The American fast food giant (consisting of brands such as KFC, Pizza Hut and Taco Bell), Yum Brands recorded a 14 percent third quarter decline in sales, on the back of Chinese media reports in July that one of Yum Brand's meat suppliers in China, OSI improperly handled food products and sold expired meat. Yum Brands CEO, David Novak reassured investors that it was already on the path to recovery from the short-term issue. The company said it is taking steps to regain consumer confidence, which includes advertising focusing on quality assurance. It is also implementing stringent supplier requirements, as well as establishing a whistle-blower system for its employees and suppliers to report food safety violations. Executives said that they expect it to take six to nine months to recover from the impact.

New \$10 million sheep industry business development centre will be a collaboration between Department of Agriculture and Food and industry [13 October/ ABC Rural] The Minister of Agriculture and Food, Ken Baston announced the AUD 10 million establishment of a sheep business centre at the Department of Agriculture and Food Western Australia's research facility. The centre is to have a focus on increasing the State's sheep numbers with genetic programmes, as well as growing export markets. Mr Baston highlighted that sheep numbers have declined from 38 million to 15 million over the past decade, and said that he hopes to double the current levels. The Department of Agriculture and Food Western Australia director of sheep industry development, Bruce Mullan is to head the new business centre. Sheep Industry Leadership Council chair, Rob Egerton-Warburton said that the AUD 10 million investment is the largest invested in the industry for in over a decade.

Agribusiness education

Farmers flock to AgriHQ Academy [13 October/ NZ Farmers Weekly] AgriHQ Academy head of digital, Julian Gairdner said that with over 1,000 tests having been taken online, AgriHQ Academy is becoming a high demand destination for e-learning. The platform allow users access to learning modules and sit online tests, which if passed awards Academy points towards entry into a prize draw. Mr Gairdner said that the academy was intended to complement other training, rather than competing with other organisations. He said the academy can help meet the consumer demand for good practice and high standards on the farm, at no cost to the user. The Nutrient Management Advisers Certification Programme has shown interest in using the platform to allow its members to gain credits for online learning. He said there are 20 active modules on the platform, with more in the pipeline.

Agri-tech

Tru-Test in \$10m share buyback [9 October/ NZ Herald] Agri-tech company, Tru-Test Corporation completed a \$9.5 million share buyback (23.6 percent of its capital at \$1.05 per share), while major shareholder and Australian Kestrel Capital owned KIT's share increased from 21.7 percent to 39.6 percent. The company cancelled shares acquired in the buyback which was funded by the sale of 5.7 million new shares to KIT and a \$4 million Bank of New Zealand loan. Simons Finance commented that the buyback was not likely to reduce Tru-Test vulnerability for a takeover. Tru-Test Corporation's revenue for the 2014 year ended March 31 from continuing operations increased by a third to \$130 million and earnings before interest, tax, depreciation and amortisation increased 177 percent to \$14.8 million, with net profit for the year recorded at \$2.1 million. Tru-Test Board chairman, John Loughlin said that there had been a step-change in its underlying revenue and projected earnings due to last year's DTS and Radian acquisitions. He also mentioned that DTS earnings helped offset some of the impacts from the unfavourable dollar on exports.

Economics and trade

Food prices fall in September on cheaper fruit, veg and cheese [13 October/ The National Business Review] According to Statistics New Zealand, the food price index declined 0.8 percent in September, 0.1 percent lower than September 2013. Fruit and vegetable prices for the month declined 6.5 percent, with vegetable prices declining 11.0 percent led by lettuce, tomatoes, cucumber and capsicum. Grocery food prices declined 0.2 percent, with cheese and pasta prices declining 3.5 and 3.4 percent respectively. However, meat, poultry and fish prices increased 1.2 percent, with pork, lamb and beef increasing 6.5, 4.9 and 1.6 percent respectively. On an annual comparison, fruit and vegetable prices declined 3.3 percent in September, compared to the same month in 2013, while grocery prices declined 1.6 percent, meat and fish prices inclined 2.2 percent, led by a 12.5 percent rise in mutton, lamb and hogget. Chicken prices increased 5.5 percent, while beef and veal increased 2.1 percent. ASB Bank economist, Christina Leung said that the result along with the fact that food prices have mainly remained steady points towards a contained inflation environment. She expects the Reserve Bank of New Zealand to maintain the Official Cash Rate at 3.5 percent until March 2015.

Farmers and producers

Southerners snapping up North farms [9 October/ NZ Herald] Real estate agency Bayleys highlighted the trend where farmers from the southern provinces are moving to Northland driven by the relatively cheaper dairy farms, with \$20 million of Northland dairy farms being sold to Waikato, King Country, Taranaki, Canterbury and Westland farmers over the past 18 months. Bayleys Northland rural manager, Tony Grindle said that this trend was accelerating. According to the Real Estate Institute of New Zealand, the average cost of dairy farms in Northland was \$15,555 per hectare, in comparison to a cost of \$49,000 per hectare in Waikato and \$55,000 per hectare in Taranaki. Mr Grindle highlighted the decline in the Fonterra Co-operative Group forecast milksolid payout for 2014/15, lack of succession planning and a second consecutive dry season for the Western coastal region as some of the reasons why Northland farmers were exiting the market. Federated Farmers Northland president, Roger Ludbrook said the relatively cheaper farms in the Northland were because it was probably one of the hardest places to farm. However Mr Grindle highlighted potentials gains that could be made by saying that some of the prime Northland land was less than 50 percent of the cost of some of the top Waikato or Taranaki farms, but production was not half that of the more expensive Waikato or Taranaki farms.

Farmer suicides raise alarm [9 October/ NZ Farmer] Federated Farmers called for more funding to deal with farmer suicide statistics which were recorded by Statistics New Zealand at 16 per 100,000 in rural areas compared to 11.2 per 100,000 in cities in 2013. Federated Farmers Health and Safety spokeswoman, Katie Milne said that farmers suicides for 2013-14 is at 22, of which seven were women and six were under the age of 24 and 10 over the age of 50. Rural Health Alliance Aotearoa New Zealand chairman, Jo Scott-Jones said that during periods of reduced farm income and increased stress from the environment causes spikes in mental health issues in rural areas. He also mentioned that there was a shortage of general practitioners with almost a quarter of rural general practices having one or more vacancies for general practitioners. Ms Milne highlighted the option of considering the voluntary boding scheme to address the high turnover of medical professionals in rural areas. Federated Farmers president, William Rolleston highlighted the need to have medical services available, as well as addressing the farm culture of putting off accessing health care services.

PM sees no need for farm register [13 October/ Radio New Zealand Rural] Prime Minister, John Key said setting up a register to monitor the foreign acquisition of New Zealand farmland is not a priority for the National-led Government, despite calls by Federated Farmers for a register during the election campaign period. Mr Key highlighted that the main reason for the Government's point of view as the fact that the Overseas Investment Office that has to approve any sale of land that is over 4.5 hectares has reliable information regarding foreign ownership of farmland.

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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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