

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network

25 March 2015



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HOT OFF THE PRESS:
**KPMG AGRIBUSINESS
AGENDA 2014 VOLUME 2**

Organisations referenced in this week's Field Notes include:

AFFCO	J. R. Simplot Co.
AgResearch	Landcorp Farming
Alliance Group	Lincoln University
ANZCO	Meat Industry Excellence
ASB	Ministry for Primary Industries
Beef + Lamb New Zealand	National Oceanic and Atmospheric Administration
CRA8 Management Committee	New Zealand Merino Company
DairyNZ	NZX AgriHQ
Dairy Women's Network	Okanagan Specialty Fruits Inc
Deer Industry NZ	Purdue University
Federated Farmers	Sanford
First Pacific	Silver Fern Farms
Fish & Game New Zealand	Southern Sights Ltd
Fonterra Cooperative Group	The Green Party of New Zealand
Food and Drug Administration	Villa Maria
Food Forest Organics	Whole Foods
Goodman Fielder	Wilmar International
HarvestPro	World Trade Organisation
Invivo Wines	Zespri

This week's headlines

Viticulture	Villa Maria among world's best [21 March/ NZ Herald]
Dairy	Formula cleared of 1080 [19 March/ NZ Herald]
Red meat	Meat co-ops open to further merger discussions [19 March/ Radio NZ Rural]
Research and development	More work on case for AgResearch restructure [19 March/ NZ Herald]
Farmers and producers	Farming under debt scrutiny [March 20/ Business Day: NZ Farmer]

Horticulture

Kiwifruit vote looking strong [23 March/ NZ Farmers Weekly] Expectations are that more than 50% of kiwifruit growers have voted in the Kiwifruit Industry Strategy Project referendum. Kiwifruit Industry Strategy Project Chairman, Neil Richardson said indications are that growers are strongly in favour of the referendums proposed changes, with a key focus on Zespri's shareholding and a potential shareholding cap. The cap would ensure growers had no more than a four non-tray backed shares, to one share backed by tray production. Mr Richardson acknowledged there were some critics, but they represented a very small minority. Another key concern that has been raised was the possible loss of New Zealand ownership in the industry.

Viticulture

Invivo halfway to its \$2m funding target [19 March/ NZ Herald] Invivo Wines raised more than \$1 million a few hours into its crowdfunding equity campaign. The company is wanting to raise \$2 million, the maximum allowed through a crowdfunding campaign, to enable international market expansion. Invivo has achieved more than 200 percent revenue growth since 2011, and for the year ending 31 March has forecasted net income of \$152,000 from sales of \$5.1 million. It is targeting revenue of \$25 million by 2020. The offer closes April 13 and will value the company at \$10million if the potential \$2 million, equating to 20 percent of the company, is raised.

Villa Maria among world's best [21 March/ NZ Herald] Influential trade journal, Drinks International, has ranked New Zealand's Villa Maria as the fourth most-admired wine brand in the world. It is the first time a New Zealand wine brand has been ranked so highly in the poll, with the relatively small, family owned company ranking above traditional heavyweights. Villa Maria Founder and Owner, Sir George Fistonich said the inclusion on the list was an accolade for the still young New Zealand wine sector. Sir George added that New Zealand Pinot Noir and Chardonnay, which is making a comeback locally, are both world class. Villa Maria is now New Zealand's sixth biggest winemaker, exporting to about 60 countries.

Water

John Key backs quality standards after dairying moratorium calls [19 March/ Business Day: NZ Farmer] Prime Minister, John Key has denied the government's water quality standards have failed. Green Party MP, Catherine Delahunty said the government had failed to protect water quality as it was left to Federated Farmers to call for a moratorium on dairy conversions. Mr Key said he was not in a position to comment on the issue, as he has not seen comments made by Federated Farmers, but that the standards set by government had been received well. Fish & Game New Zealand Chief Executive, Bryce Johnson supported the call made by Federated Farmers that dairy conversions needed to be regulated properly. Mr Johnson was pleased by the suggestion of a moratorium and welcomed the new way of thinking by the Federated Farmers leadership.

Forestry

Forestry staff still in shock over job losses [20 March/ Radio NZ Rural] Forestry contractor, Harvestpro has had its equipment repossessed by finance company, GE Money with equipment to be put up for sale in the coming weeks. Northland Regional Councillor, Joe Carr said employees are in shock over what is happening and are in limbo as they face the prospect of losing their jobs. Mr Carr said staff had no idea what was happening until they turned up to work on the morning of the repossessions.

Export log prices record first drop in eight months as Chinese inventories build [23 March/ National Business Review] New Zealand export log prices fell from \$110 a tonne to \$106 a tonne, the first decline in eight months due to a build-up of inventory at Chinese ports. The AgriHQ Log Price Indicator, which measures average log prices weighted by grade, also posted its first decline in eight months, falling to 96.58 from 97.95 in February. Recently New Zealand log prices have been propped up by a decline in both shipping costs and a weak local currency, even though demand slowed in China. Pruned log prices have continued to rise, with high demand and short localised supply. Prices for Pruned logs range between \$155 and \$165 a tonne.

Fishing and aquaculture

Chinese 'threat' to tuna fishery [19 March/ Business Day] Pacific Islands Forum Fisheries Agency Director-General, James Movick said the increase in China's longline fleet is threatening Pacific Tuna stocks and harming the economies of small island nations. Mr Movick, who is to speak at the Pacific futures seminar in Auckland, said the Chinese fleet, which has recently introduced more than 100 boats into the albacore longline sector, are being subsidised by their government and can operate while other fleets are facing financial difficulties from low prices of albacore resulting from oversupply. Mr Movick added that the tuna fishery is extremely important for small island states as it is the only renewable resource they have, with the Pacific forum wanting greater sustainability measures which enable Pacific Island countries to participate in the fisheries and gain greater economic benefits.

Water quality threatens fishing future [23 March/ Business Day: NZ Farmer] Spokesman for Southland fisheries, Bill Chisholm, warned that poor water quality, as a result of sediment flowing into the ocean, is threatening Southland's fishing industry. Mr Chisholm said schemes such as the Department of Conservation's Marine Protected Areas has failed to address the real problem of poor water quality. CRA8 Management Committee Chief Executive, Malcolm Lawson said the crayfish sector had grown exponentially over the past 10 years, with Chinese buyers viewing Southern Lobsters as the best in the world. Mr Lawson said that while poor water quality would not affect crayfish, it could damage New Zealand's clean-green image, which would affect the whole industry. According to an Environment Southland report, all but one of the regions estuaries were degrading, as poor estuary health was linked to sheep sediment. Southland Council Director of Policy, Planning and Regulatory Services, Vin Smith said nutrients and sediment already in the system meant water quality might decline in the short term. Mr Smith said the short term focus was to get farmers to implement good practices to 'hold the line' until a longer term plan was implemented.

Dairy

Organic milk price rise welcomed [18 March/ Radio NZ Rural] Fonterra has announced it will raise the premium it pays for organic milk solids by 45 cents, to \$1.50 per kilogram of milk solids above the standard farmgate price of \$4.70. The co-operative are wanting to increase the suppliers of organic milk following a 40 percent drop in the last five years. Organic Dairy and Pastoral Group Chairman, Bryan Clearwater said it was a first step and only time will tell the move attracts more suppliers.

Formula cleared of 1080 [19 March/ NZ Herald] Following reports of a number of infant formula packages appearing to have pin-pricks in the seals, police announced the products have tested negative for 1080, with the understanding that the defective seals occurred from normal handling or manufacturing issues. Ministry for Primary Industries Deputy Director General, Scott Gallacher commended the parents that reported the suspected tampering and reiterated the Ministry's confidence that New Zealand formula is as safe today as it was before the 1080 contamination threat. Mr Gallacher also told the New Zealand public to be vigilant when buying formula products, checking for any tampering.

Dairy farmers pin hopes on dividend [19 March/ NZ Herald] Farmers are hoping Fonterra's dividend, forecasted to be in the 25 cent to 35 cent region, will offset the expected low farmgate milk price. Following the first GlobalDairyTrade auction since the 1080 threat announcement, whole milk powder fell 9.6 percent to USD 2,928 a tonne and skim milk powder fell 5.5 percent to USD 2,731 a tonne. A price of USD 3,500 is needed to guarantee the Fonterra farmgate price of \$4.70. According to economists, the fall in price was the market retracing its steps after big February gains. AgriHQ Dairy Analyst, Susan Kilsby said futures in the past fortnight had taken a dive with volume being added back to the platform and ASB Bank Rural Economist, Nathan Penny added that he could not rule out a price impact from the contamination threat. Fonterra stuck by its production forecast for the season of 1,532 million kilograms.

Coast dairy farmer wins big [19 March/ Business Day: NZ Farmer] West Coast Dairy Farmer, Katie Milne has won the Dairy Woman of the Year award which was announced at the 2015 Dairy Women's Network Conference held in Invercargill. Ms Milne, who by winning the award gained a \$25,000 scholarship to the Global Women 'Women in Leadership' programme, said the Invercargill conference was an invaluable opportunity for dairy women. Southland Farmers, Jo Sanford and Rachael Nicholson both won the conference's dairy community leadership prize. Former Prime Minister, Dame Jenny Shipley spoke at the conference about how New Zealand needs to target research and learn the anxieties and expectations of target markets, such as the growing Chinese middle class.

Dairy sector tipped to deal with EU boost [24 March/ NZ Herald] DairyNZ Chief Executive, Tim Mackle believed the dairy industry, which is going through a rough patch of volatile prices and slacked Chinese demand, can weather the prospect of increased European production following the abolishment of European production quotas. Mr Mackle was also sceptical about Ireland's ambition to raise output by 50 percent, with the country having social, economic and structural issues. Mr Mackle said there were also lead and lag issues, which involved production taking time to catch up with lower prices and that the lower prices will eventually take its toll on American production. Mr Mackle added that the market place is uncertain in the short term but as a steady return for prices occurs, the medium to long term is positive, with inherent demand expected from growing Asian middle classes.

Red Meat

Faint praise from industry for 'meat Fonterra' [18 March/ NZ Herald] Beef + Lamb New Zealand Chairman, James Parsons described the recent Meat Industry Excellence report, looking at reforming the red meat sector, as a constructive document but questioned if all the proposals benefits were real. The report which proposes a Fonterra-style structure to the red meat industry, government regulation limiting investment in processing plants and the closing of 19 plants is estimated to cost \$200 million. The changes aim to reduce over bidding by processors for livestock. The move would also see Silver Fern Farms and Alliance Group close ten plants between them, while ANZCO and AFFCO would close three and five plants respectively, with estimated savings of \$1 billion over five years. Mr Parsons acknowledged that average farm returns need to improved, but probed the reports focus on them. Mr Parsons said that in reality the top 20 percent of beef and sheep farmers are on par with the top 20 percent of dairy farmers. The report also considers an export monopoly seller, such as the Zespri kiwifruit model.

Meat co-ops open to further merger discussions [19 March/ Radio NZ Rural] Silver Fern Farms and Alliance Group remain open to discussing the restructure of the industry, following the Meat Industry Excellence report, which proposed gains of more than \$400 million if the two co-operatives merged. Alliance Group Chairman, Murray Taggart said he wanted to see the detail of the report as its findings were different to the figures his company had come up with, indicating gains were only a fraction of what the report said. Mr Taggart added that if it stacks up commercially, they will defiantly pursue any option, as it is a key responsibility to act in the best interests of the company. Silver Fern Farms Chairman, Rob Hewett said the company is also open for discussions, but questioned the analysis about the need to close third party plants. Mr Hewett said the report does not take into account climatic impacts to the industry.

Firms numbers differ from MIE [23 March/ NZ Farmers Weekly] Alliance Group Chairman, Murray Taggart said if the financial benefits, shown in the recently released Meat Industry Excellence report, were as favourable as claimed a merger deal would have occurred five years ago. Mr Taggart explained how both Alliance and Silver Fern Farms did the numbers a few years back and did not come back with the large benefits shown in the report, but would look into it if they missed something. Much of the report's findings would also require legislation by government to override the Commerce Commissions rules. The reports proposal of merging both cooperatives with privately owned AFFCO and ANZCO was met with hesitation by industry, with the view that private interests in a cooperative would not work. Mr Taggart was also doubtful of the findings around process plant underutilisation, and suggested that peak-kill times and high demand events, such as this year's drought, were not taken into account with Alliance shareholders waiting up to five weeks to get stock killed. The report also listed three potential plant closures which Mr Taggart said the cooperative have no intention of closing, as they were all profitable.

Deer

Deer 'aphrodisiac' left out of Korean Free Trade Agreement [23 March/ Business Day] Deer velvet, which represents 15 percent of the export value of the New Zealand deer industry, has been excluded from the South Korea Free Trade Agreement. Up to 100 percent of deer velvet exports have gone to South Korea in the past, but the market has developed in other Asian nations, with velvet being a sticking point in Taiwanese trade negotiations. Frozen unprocessed deer velvet, which represents \$15 million to \$20 million of deer velvet trade has been left out of the South Korea deal while processed velvet was given a phase out, with the 20 percent tariff dropping to zero over 15 years. Trade Minister, Tim Groser said the industry is disappointed with the exclusion, however an agreement signed between Deer Industry NZ and health giant Korea Ginseng Corporation, softened the blow.

Environment and emissions

'Comments were misrepresented' [20 March/ Rural News] Waikato Federated Farmers President, Chris Lewis said both the Green Party and Forest & Bird have misrepresented his comments asking for a moratorium on dairy conversions. Mr Lewis said he was asked to raise the subject with the Waikato Regional Council Chair, following a Federated Farmers provincial council meeting, suggesting reasons for and against dairy conversions. Mr Lewis explained how solutions should be based on scientific and technical answers, with adequate resources needed to properly understand, measure, and mitigate environmental effects caused by dairying expansion.

Research and development

More work on case for AgResearch restructure [19 March/ NZ Herald] Auditor-General, Lyn Provost has reported that in her view more work is needed to be done on the business case for the \$100 million restructuring of the country's largest Crown Research Institute, AgResearch. Ms Provost looked into the matter after receiving a complaint from Labour MPs about the handling of the restructure, the MPs believed that staff are leaving because of the botched restructuring. Ms Provost said the reduction of staff is not inconsistent with the overall trend in the Crown Research Institute sector, and will continue to monitor staff.

Green-lipped mussel bounty all ours [22 March/ NZ Herald] The green-lipped mussel farming industry has greatly expanded in recent years, with exports hitting \$181 million in 2013. However, production volumes vary with a problematic constraint being the reliance on wild-harvested spat to seed the farms. The harvested volumes vary with La Nina and El Nino climate cycles. A partnership between the government and Sanford, costing \$24 million, aims to develop reproductive technologies enabling spat to be harvested from adult mussels reducing the production constraint. The new nursery technologies will have a 20 year patent protection, giving the indigenous New Zealand mussels a key advantage in international markets. The United States is currently the largest market for green-lipped mussels, with Asian markets developing rapidly.

Animal Welfare

Federated Farmers condemn breaches of animal welfare [19 March/ Rural News] Federated Farmers stress that farmers and trucking operators must obey animal welfare rules following a picture of Jersey cows being transported led to attacks on farming practices and a complaint to the Ministry for Primary Industries. Federated Farmers Animal Welfare Spokesperson, Andrew Hoggard said that rules on welfare are shown in the Ministry for Primary Industries' Codes of Welfare Practice, with both the trucker and farmer responsible that stock are suitable for transport at loading. With drought conditions in the South Island, Mr Hoggard said farmers need to plan for extra feed or quit their stock before it becomes an animal welfare issue.

Wool

Well-heeled wool deal [20 March/ Radio NZ Rural] A deal between New Zealand Merino Company and a Danish footwear firm will result in farming enterprise, Landcorp Farming and other New Zealand farmers receiving a premium price for wool. New Zealand Merino Company Marketing Manager, Gretchen Foster said the contract was worth about \$1.5 million to growers and will see more than 90 tonnes of strong wool and a further 90 tonnes of mid-micron wool supplied to Denmark over two years.

Agribusiness strategy

Farm day attracts politicians [23 March/ NZ Farmers Weekly] Prime Minister, John Key and Minister for Primary Industries, Nathan Guy are to attend the Future of Heartland agricultural forum at Te Mania Angus Stud next month. North Canterbury Farmer, Charles Wiffen said the aim of the event was to build relationships and raise government awareness of agricultural issues. Ways to double agricultural export earnings by 2025 will also be discussed at the forum. All South Island mayors, electorate MP's and regional council chairmen have been invited.

Income and growth drive demand [23 March/ Rural News] Purdue University professor of agricultural economics, Thomas Hertel told the Australian Agricultural and Resource Economics Society that income growth and not population growth in developing countries will drive food consumption demand. Mr Hertel stressed that the distribution of food was a main issue alongside preventing food loss, which stands at nearly 300kgs per capita per year for Europe and North America and 170kgs per capita per year for Sub-Saharan Africa and Southeast Asia.

Economics and trade

U.S and New Zealand take farm trade row to WTO [19 March/ Agence France Presse] The United States and New Zealand have taken farm disputes with Indonesia to the World Trade Organisation. United States Trade Representative, Michael Froman said Indonesia's wide-ranging import restrictions are unfair to farmers, and that the world's fourth largest country is acting inconsistently with its World Trade Organisation obligations. United States exports affected by the regimes totalled about USD 385 million in 2014.

Vietnam trade deals beefed up [20 March/ NZ Herald] New Zealand and Vietnam aim to double trade to \$2.2billion by 2020. The trade target was announced following an accord where both countries signed agreements on food safety and air services. Prime Minister, John Key said the accord, which included discussions of expanding links in the education and agriculture sectors, highlighted the growing relationship and strong trade partnership between the countries, adding confidence that the target could be met. The Trans-Pacific Partnership was also discussed, the Prime Minister said the deal was progressing well considering that 12 countries were involved. Mr Key said New Zealand wanted liberalisation in the agriculture area, with the country seeing real benefits from the agreement by closely working with trade partners and not putting their farmers out of business. Mr Key stated the next step was whether President Barack Obama could fast track the agreement through Congress.

International

Federal officials plan to track every fish and crustacean shipped to U.S. ports [16 March/ The Washington Post] The Obama administration is hoping to crack down on the illegal fishing black market, valued at USD 23 billion, by launching a new system that attempts to track every fish and crustacean shipped to American ports. The move comes after a Marine Policy report estimated that 85 percent of the world's commercial fish stock is being fished beyond its biological capacity. Recommendations for improved tracking and stronger enforcement of regulation was established by the Presidential Task Force, in an attempt to combat the 32 percent of seafood imported illegally into the United States. National Oceanic and Atmospheric Administration Deputy Assistant Secretary for International Fisheries, Russell Smith said that traceability will take about two years to implement, with an initial focus on threatened stocks, such as the Atlantic Bluefin Tuna and Sea Bass. President Obama requested USD 3 million in his Commerce Budget Proposal, to police fish trafficking, with the money paying for more enforcement officers.

Global salmon farmers producing 14.8bn meals a year, says report [18 March/ The Irish Times] A report published at the Seafood Expo North America Trade Show in Boston showed that Salmon farmers are producing 14.8 billion meals a year and employing 121,000 people. Total production for salmon farms, which occupy 262sq km of sea or .00008 percent of the world's oceans, is valued at \$10 billion annually. The report stated that aquaculture provided more than 50 percent of all fish consumed globally and predicted natural fisheries would reach full depletion by 2026. It also highlighted how salmon are feed conversion champions, with one kilogram of feed producing one kilogram of fish, compared with the 10:1 ratio for beef and also salmon's health benefits, as a source of Omega 3.

New-look Goodman Fielder to be Asia's food champion [18 March/ The Australian Financial Review] Following the completion of its AUD 1.3 billion takeover, new Goodman Fielder Chairman, Robin Nicholson plans to leverage the extensive distribution footprints of both Wilmar International and First Pacific, helping export Goodman Fielder's market leading brands to Asia. Wilmar International is Asia's largest agribusiness group while Hong Kong investment company, First Pacific own a 50 percent stake in Indonesia's largest food company, Indofood. The whole Goodman Fielder board resigned following the takeover by Wilmar and First Pacific, with Wilmar's Australia Sugar CEO, Scott Weitemeyer becoming the new CEO. First Pacific Executive Director, Robert Nicholson will take the role of chairman with Wilmar CEO, Kuok Khoon Hong and First Pacific Non-Executive Director, Graham Pickles being appointed to the board. Mr Nicholson said both Wilmar International and First Pacific had no qualms about increasing their investment in Australia.

Coconut oil 'superfood' flying off the shelves [20 March/ The Daily Telegraph] Consumer demand for coconut oil in the United Kingdom, has rapidly increased. High street grocer, Whole Foods recorded its strongest month for coconut oil sales in February, selling six tonnes across several brands in the Britain. Whole Foods Buyer, Daniel Rodriguez said the market has at least doubled each year for the past three years. Chi Founder, Jonathan Newman said the company, which launched a coconut oil product in August 2013, is selling 11,000 units a month and will generate GBP 1 million in sales from the oil product alone. Mr Newman explained that the steep growth is due to Western countries playing catch up with their Asian counterparts, where it has been used for generations. Market Analysts, Mintel said coconut oil accounted for 26 percent of new food and drink product launches, while references to coconut oil used grew 780 percent between 2008 and 2012. The trend follows the coconut water phenomenon, with coconut water sales doubling in 2014, making it Britain's fastest growing soft drink.

Italy spins silk again as worm turns on China [20 March/ The Daily Telegraph] The Italian silk industry has announced plans to create 1,000 silk worn factories, in the next five or six years, following a sharp increase in the cost of Chinese silk. Approximately 100 businesses in the northern Veneto region have begun breeding silkworms following a rise in domestic demand. The increase in the price of Chinese silk, now at GBP 54 per kilogram, is due to the decline in Mulberry trees because of insecticide overuse.

US agency approves genetically engineered potatoes, apples [21 March/ NZ Herald] The Food and Drug Administration has approved genetically engineered potatoes and apples, as they are as safe and nutritious as their conventional counterparts. Okanagan Specialty Fruits Inc., the makers of the modified apples, are trying to make the fruit a more convenient snack by creating a non-browning version. The two first non-browning varieties will be the Granny Smith and Golden Delicious, with no significant plantings planned until 2017. J. R. Simplot Co. said it could be years before customers are able to buy one of their modified potatoes. The potatoes are said to have 40 percent less bruising from impacts and pressures during harvest and could reduce more than 3 billion pounds of discarded potatoes each year by consumers. The potatoes will have 70 percent less acrylamide, a chemical that can be created when potatoes are cooked at high temperatures, with the company touting it as a health benefit. Both companies asked for a review to ensure their products met safety standards.

Farmers and producers

\$54m Southland dairy business up for sale [18 March/ NZ Herald] Southern Sights Ltd Sole Shareholder, Kees Zeestraten has put the business up for sale for \$54 million. The properties, which cover 1,207 hectares and produced 1.48 million kilograms of milk in 2013/14, are up for sale as a group or individually. Mr Zeestraten whose interests include Five Rivers Ltd, a company with proposed developments for shed based dairy farms in the MacKenzie basin, is selling the farms to focus on his Lake Ohau venture.

Farming under debt scrutiny [March 20/ Business Day: NZ Farmer] A Lincoln University study is to look into debt stress, allowing farmers to gain understanding of debt and the pressure of managing it. New Zealand dairy farmers are the most heavily indebted farmers and have the most expensive dairy land in the world, with estimates that 10 percent of farmers hold at least 40 percent of debt. New Zealand farmers have largely been profitable, however difficulty occurs when cash flows are squeezed by events such as low pay out, drought and correction of land and livestock prices following the global financial crisis. The study will initially look at dairy farmers, moving onto sheep beef and arable farming. Lincoln University Farm Management and Agribusiness Lecturer, Bruce Greig said dairy farmers have stronger all year cash flows compared to other forms of farming which is attractive to banks and high debt levels are partially due to the willingness of banks to lend to the dairy industry.

Lights, camera and organic action for James Cameron [21 March/ NZ Herald] Hollywood Director, James Cameron who campaigned for people to move to a plant based diet to help reduce carbon emissions, has opened a new organic food store at his Wairarapa farm. Food Forest Organics, caters for the plant based diet movement, with the store selling 95 percent organic produce, direct from the Cameron family farm. Advocates of the plant based diet say growing plants for food has less negative environmental impact than raising livestock, as livestock eat a lot of plants and produce less food.

Call to punish cruel farmers [21 March/ Business Day] The Ministry for Primary Industries investigated 128 Canterbury farms in 2014, finding thousands of mistreated or neglected animals. Green Party Animal Welfare Spokeswoman, Mojo Mathers said the ministry needed to step up and come down hard on farmers who neglected animals. Ms Mathers believed the conflict between promoting the interests of farmers and enforcing animal welfare standards is one reason only 4 percent of investigated cases ended up in court. Ms Mathers added that there was a need for an increase to the ministry’s budget, enabling greater monitoring and enforcement of animal welfare. SAFE Executive Director, Hans Kriek said breaches were often out of view and was a reason why an example should be made out of wrongdoers, allowing people to know there are consequences to neglecting animals. Minister for Primary Industries, Nathan Guy said the government took a strong line on animal cruelty and that the number of prosecutions was not the only way to measure enforcement. Minister Guy added that the ministry has a strong focus on education, while the Animal Welfare Amendment Bill before Parliament will make the existing act easier to enforce.

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