

AGRIBUSINESS

FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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

01 April 2015

Due to Easter this weekend, there will be no Field Notes edition next week, 8 April 2015. We will run a catch up edition on 15 April 2015. Wishing you all, a safe and happy Easter.

Organisations referenced in this week's Field Notes include:

ANZ Bank	Lincoln University
ANZCO Foods	Meat Industry Excellence
Australian Dairy Industry Council	Ministry for Primary Industries
Beef + Lamb New Zealand	New Zealand First
Cavalier Wool Holdings	New Zealand International Business Forum
China Tea Academy	New Zealand Wool Services International
Commerce Commission	New Zealand Young Farmers
Costa Group	Northland Regional Council
Council of Trade Unions	NZ Farmer
Countdown	NZX AgriHQ
Farmers of Canada	Opuha Water Company
Farmers of New Zealand	Otago Regional Council
Federated Farmers	Pew Foundation
Fish & Game	Synlait
Fonterra Co-operative Group	The University of Auckland
Foodstuffs	The University of British Columbia
Goldman Sachs	UBS
Horticulture New Zealand	WorkSafe New Zealand
Kiwifruit Industry Strategy Project	Zespri
Lempriere	

This week's headlines

Horticulture	Zespri, HortNZ welcome decisive voting [24 March/ Rural News]
Forestry	Forestry worker named [27 March/ Taranaki Daily News]
Dairy	Fed-up farmers risk to Fonterra [29 March/ Business Day: NZ Farmer]
Wool	ComCom likely to approve Cavalier, NZ Wool Services to merge scouring operations [26 March/ National Business Review]
Agribusiness Strategy	Disrupted technology could usher in artificial milk and beef [25 March/ Business Day: NZ Farmer]

KPMG comment

Welcome to the New World: While it may be April Fool's Day today, there is one change taking effect around lunchtime today that is neither funny or short lived. It will have significant long term consequences for New Zealand.

You may or may not be aware that the quota regimes that have constrained agricultural production in European Union member countries for the last three decades are being lifted today, freeing their farmers to innovate, increase their production and find new markets. Having been brought up in the UK, I clearly recall the butter mountains and wine lakes that grew across Europe during the 1980's and that were ultimately managed through quotas that constrained innovation and paid farmers not to produce. While for many European farmers life post quotas does not look like it will be as comfortable as it has been for the last 30 years, I believe that like farmers the world over they will innovate across their business and seek ways to grow production to compensate for the subsidies they are losing.

We have had a very laissez faire approach to this issue in New Zealand. I have heard many comments about limited expectations of production growth and the majority of any increase being consumed within the European 'domestic' market. While these views may prove correct over time, they will only describe the average outcomes for the European industry. We miss opportunities and overlook risks by allowing our focus to be on the average outcome.

The reality is we have had our head in the sand on this issue for some years: it is a highly disruptive event for the global premium food markets that we produce and supply to. We need to recognise that our production in New Zealand is not average, we produce a tiny percentage of the total food produced globally and our product is sold in the main to premium, high value markets. As a consequence our product is not competing against average European product, it is competing against the premium products they produce and it is this end of the European market which has already seen significant investment in production capacity and market capability.

Premium European producers are ready to grow their footprint in the same export markets that we supply our products into. Couple this with an ability to tell a stronger sustainability story (thanks to EU regulations that have been imposed on farmers over the decades), and deeper historic associations with the products they produce (France and the Netherlands are world famous for cheese, Denmark for butter), we have some serious new competitive threats to our industry.

When we look back in 10 or 20 years' time, how we respond to the changes being made by the EU today will undoubtedly contribute significantly to whether we achieve the export double vision, succeed in growing the value secured for our production and building a more prosperous country for future generations. We need to get closer to our customers, understand their problems and focus on delivering solutions. We need to recognise that doing the right thing by the environment and by our communities is critical because it is the right thing to do. We need to attract and unleash the talent that we have in this country in the primary sector. We need to stop worrying about the averages and realise the future is about a rapidly disaggregating world which creates significant opportunities for us if we are able to target the right niches.

Ian Proudfoot

Horticulture

Majority of kiwifruit growers support industry reform [24 March/ NZ Herald] Interim results show more than 90 percent of New Zealand kiwifruit growers who voted, supported all seven proposals put forward by the Kiwifruit Industry Strategy Project. Average industry-wide voter turnout was about 40 percent, which included two-thirds of growers, representing 80 percent of production. Kiwifruit Industry Strategy Project Independent Chairman, Neil Richardson said growers gave a clear message about how they want their industry structured and controlled. Western Bay of Plenty Grower, Rod Thode, who disagrees with the proposals, raised concerns of the transparency of Zespri's spending. Mr Thode added that the proposed 4:1 share cap does not go far enough, with some suppliers receiving four times the monopoly dividend while 30 percent of growers are either under-shared or do not have shares in Zespri, even though they supply 100 percent of their fruit. Mr Richardson said the cap could be adjusted in the future and it was critical to get the support of dry shareholders and overshad growers, as changes cannot be made unless 75 percent vote in favour of the strategy.

Zespri, HortNZ welcome decisive voting [24 March/ Rural News] Zespri Chairman, Peter McBride said there is a clear desire for change, within the industry, following the results of the recent referendum. Mr McBride was also pleased that 98 percent of respondents confirmed their support for the Zespri model. Horticulture New Zealand President, Julian Raine welcomed the decisive voter turnout for the Kiwifruit Industry Strategy Project referendum and was also pleased at the support for the single point of entry structure.

Most Vanuatu seasonal workers stay in NZ [26 March/ Radio NZ] Horticulture New Zealand National Coordinator for Seasonal Labour, Jerf Van Beek said Cyclone Pam did not have the expected impact on New Zealand's seasonal work force as first thought, with the majority of workers deciding to stay and workers arriving when the airport reopened. Mr Van Beek said the industry wanted to help up skill workers and provided resources for when they returned home and faced the rebuild.

Zespri predicts market to recover to pre-Psa levels [30 March/ Business Day: NZ Farmer] Total kiwifruit export returns are expected to be \$910.2 million for the 2014/15 season, up from \$800 million in 2013/14, the year which suffered the largest impact from Psa. Zespri Chief Executive, Lain Jager, said it was a remarkable turnaround since the Psa virus had destroyed vines, with estimated losses of around \$885 million. The industry is forecasting a harvest of around 30 million trays of gold kiwifruit this season, which included 25 million trays of the Gold3 variety, surpassing the 18 million trays harvested last season. Mr Jager said a large green kiwifruit crop is also expected, with more than 70 million trays forecasted for export from a total crop volume of 108 million trays. Mr Jager added that Zespri is on track to sell more than 50 million trays of Gold3 by 2018. The Ministry for Primary Industries predict export returns of \$1.11 billion by 2018, with Zespri sales in China forecasted to grow about 20 percent per annum until 2020.

Environment and emissions

Dairying is fouling our rivers - retiring Fish and Game officer [27 March/ Business Day: NZ Farmer] Retiring Fish & Game Officer, Graeme Hughes said that his main concern is nutrients and pollutants from dairy farms entering rivers via the soils and aquifers. Mr Hughes explained how a lot of water is needed to dilute pollutants, but with only so much water for river habitats and only so much for farming, there is no spare water with many believing the point of no return has been passed. Mr Hughes also said he regrets the loss of wetlands to farming, with many farmers fencing off or have planted their wetlands, however Mr Hughes believed the lower Waitaki was still the best big river fishery in the South Island, as it was controlled by dams.

Upset farmers dump excrement at ORC [31 March/ Otago Daily Times] Five Forks Farmer, Robert Borst said the Otago Regional Council's 6A water plan change, that had provided four years of frustration and exhaustion to him and his family, caused him to dump a truckload of excrement outside the council's office. Mr Borst said the council's water plan and unwillingness to listen to reason had put the family out of business, and called on Otago Regional Council CEO, Peter Bodeker to front up and admit they have made it difficult for his family. Mr Bodeker said he was aware in Mr Borst's grievances and could not divulge in them, but wanted to resolve the conflict with a satisfactory solution.

Forestry

Forestry worker named [27 March/ Taranaki Daily News] The victim of an accident in the Te Wera forest, the first death in the industry since January 2014, has been named as James Oxenham, 72. The fatality comes as a blow to the industry only months after the release of a series of recommendations designed to improve safety in the sector. Mr Oxenham was adjusting a strap on a log truck, when a log dislodged and rolled on top of him, emergency services were called but he was pronounced dead on the scene. First Union General Secretary, Robert Reid said he was devastated when he learnt of the news and that a joint effort by his organisation and the Council of Trade Unions to improve safety in the sector and an independent review into the forestry industry was completed last year. The Independent Forestry Safety Review highlighted the need to change the industry culture. WorkSafe NZ has launched an investigation into the accident, Mr Reid said any learnings from the investigation will be discussed.

Fishing and aquaculture

NZ fishery catch may be three times more than reported [27 March/ Business Day] A soon to be released report, by The University of British Columbia, claims the level of fish caught in New Zealand waters to be 2.9 times higher than what was reported over 60 years. The report, led by The University of Auckland Research Fellow, Dr Glenn Simmons, estimated 40.4 million tonnes of catch was taken over 60 years (compared to the 14 million officially reported) and points the blame at industrial catches and discards by foreign flagged vessels. A fishing industry source, who had seen the report, said it lacked hard evidence and was part funded by the Pew Foundation, an American charity wanting to establish a fishing reserve off the North Island. Ministry for Primary Industries Director of Fisheries Management, Dave Turner said the ministry acknowledged its historic catch data was not accurate, and expected a flood of Official Information Act requests in response to the report. The Ministry for Primary Industries have not yet seen the report after being refused a request for an advanced copy.

Dairy

Double whammy from Fonterra results [26 March/ NZ Herald] Hopes that a higher Fonterra Co-operative Group dividend would offset a low farmgate milk price have been diminished as the group lowered its dividend forecast range to between 20 and 30 cents per share, taking the total forecasted payout to between \$4.90 and \$5 per kilogram for the year when announcing its interim results. Fonterra also reported a 16 percent drop in first half net profit, down to \$183 million. Following the announcement, units in the NZX-listed Fonterra Shareholders Fund closed down 7 percent, closing at \$5.56. Revenue from Fonterra's biggest market, China, dropped to \$1.2 billion in the first six months ending January 31, down from \$3.15 billion the previous year. Fonterra CFO, Lukas Paravicini said the environment is still supply-rich and demand-weak, which clearly includes China. Fonterra also declared a 10 cent per share half-year dividend, up from 5c for the same period in the previous year. Revenue over the half year dropped by 14 per cent to \$9.7 billion. ANZ Rural Economist, Con Williams said farmers could only handle one year of low payouts, and that two years would be an issue.

Synlait lifts milk price forecast [26 March/ Radio NZ] Canterbury dairy processor and exporter, Synlait has increased its forecast milk price from \$4.40 a kilo of milk solids to between \$4.50 and \$4.70. Synlait Managing Director John Penno, said the dairy market was still volatile, but it had lifted the season milk price forecast, as well as the advance payment to give its farmer suppliers more certainty. Synlait is expected to update its milk price by the end of May.

Fonterra move hits prices [28 March/ NZ Herald] NZX dairy futures prices fell sharply after Fonterra's announced it would put more product up for sale on the GlobalDairyTrade auction platform. April wholemilk contracts fell USD 130 to \$2520 a tonne, June fell by USD 180 to USD 2450 a tonne and October also fell USD 160 to USD 2700 a tonne. Fonterra said improved conditions across New Zealand in the last two months combined with changes in the company's demand balance led to the increased offerings. NZX AgriHQ Analyst, Susan Kilsby said prices are likely to remain weak in the coming months before picking up again and as extra volume is added to the platform, prices will have a downward pressure associated with them.

Fed-up farmers risk to Fonterra [29 March/ Business Day: NZ Farmer] Fonterra's disappointing half year results, with both profit and revenue down on last year and a deterioration in its forecast dividend, has led to a supplier crisis of confidence. Fonterra Shareholders Council Chairman, Ian Brown confirmed that farmers had told him they were quitting Fonterra, moving to other processors, and that the general tone was that farmers are putting Fonterra on notice. Many farmers have been agitated by how smaller milk processors can match or better Fonterra's milk price in a tough global market year, without requiring shares to be bought. Federated Farmers National Dairy Chairman, Andrew Hoggard, said farmers need to put Fonterra leaders on the spot. Mr Brown said the second quarter of the half year results had been better than the first, with hope that trend would continue.

Synlait Milk posts \$6.4m net loss for first half [30 March/ Business Day: NZ Farmer] Synlait Milk has posted a \$6.4 million loss for its first six months to January 31, a result which includes after-tax unrealised foreign exchange losses of \$6.8 million, making an underlying profit of around \$400,000. The result, an \$11.7 million drop in net profit from the previous year, was a combination of a one-off benefit of \$7.5m in the first half of the 2014 financial year, and increased depreciation and interest costs from the commissioning of three growth initiatives in 2014. Despite the expectation that market volatility will continue, the company is forecasting a full year net profit between \$10 million and \$15 million. Synlait Milk Managing Director, John Penno said the company would continue to invest in nutritional capability and will work with struggling farmers.

Supermarkets stay vigilant over 1080 baby formula threat [31 March/ Business Day: NZ Farmer] New Zealand supermarkets are remaining vigilant against infant formula product tampering, ahead of the imposed deadline by a blackmailer threatening to contaminate infant formula with 1080 poison. Foodstuffs Managing Director, Steve Anderson said the company's stores will continue to maintain heightened surveillance and in-store security. Mr Anderson encouraged customers to check for any signs of tampering prior to using their infant formula. A Countdown Spokeswoman said customers should speak directly to police if they suspected a product had been tampered with. Plunket have said the charity's helpline had initially received more calls from parents after news of the threat broke, but calls have since decreased.

Red meat

Red meat sector welcomes Korea FTA [26 March/ Rural News Group] Beef + Lamb NZ Chairman, James Parsons said the recently signed free trade agreement with Korea is critical for sheep and beef farmers and exporters as it keeps them competitive in the Korean market. The sheep and beef sector is worth \$8.5 billion, with about 90% exported, paid \$318 million in tariffs in 2013 including \$52 million to Korea. Trade to Korea has dropped recently, partly due to competitors having a tariff advantage through free trade agreements with Korea.

One big co-op not the answer [30 March/ NZ Farmers Weekly] ANZCO Foods Chairman, Sir Graeme Harrison said market access and efficient distribution for chilled and manufactured products is more important than meat industry ownership and when it happens, gains would be very substantial. Sir Graeme believed the Meat Industry Excellence proposal, for an industry dominated by a single cooperative, ran the risk of all major decisions affecting the whole industry being made by one board who would not have all the knowledge. Sir Graeme also added that treating all suppliers equally would not achieve the incentivised pricing for lamb needed for a yearly supply and that the industry would continue to benefit from competition from smaller to medium competitors, even if there was a consolidation between two of the bigger companies in the industry. Sir Graeme believed the proposal of government regulation was the wrong approach as it will stifle innovation needed by the industry to make it successful. The Meat Industry Excellence recommends closing processing plants, a move which Sir Graeme believed to be simplistic and theoretical as meat processing operations are dictated by the grass growth curve, where farmers have more bargaining power when the grass is good, and hold onto stock longer.

Wool

ComCom likely to approve Cavalier, NZ Wool Services to merge scouring operations [26 March/ National Business Review] The Commerce Commission is likely to allow Cavalier Wool Holdings and New Zealand Wool Services International to merge their two scouring operations, creating a wool scouring monopoly in New Zealand. The Commission believes the public benefits outweigh any loss of competition, as the rationalisation of the industry would lead to lower costs, free up industrial sites and reduce ongoing capital expenditure requirements. The merged business would be 55 percent owned by Cavalier, private equity firm Direct Capital and the government's Accident Compensation Corp, with New Zealand Wool Services International's parent, Lempriere taking the other 45 percent stake. Pending approval, New Zealand Wool Services International will separate out its scouring business to become a stand-alone wool exporter as a commission customer of Cavalier Wool Holdings.

Agribusiness education

Free haircuts spur agri career hopefuls [27 March/ Business Day: NZ Farmer] At the recent Central Districts Field Days, students were encouraged to talk to career champions about the agricultural industry and received a new haircut if they did. Young Farmers and NZ Farmer teamed up to launch the 'Get Ahead' initiative aimed to get more young people, especially in urban areas, interested in agriculture. Around 30 businesses supported the program, providing career champion on their site talking about their role in the industry. More than 120 youths completed the challenge, over three days, and received a haircut. New Zealand Young Farmers Field officer, Megan Bates said the program was in response to the government's aim to double exports by 2025, create 50,000 jobs industry wide. Ms. Bates added that there was a need to bridge the gap between rural and urban communities, and encourage the urban population to consider a career in the agricultural sector.

Investors backing Lincoln University farms [29 March/ Business Day: NZ Farmer] Major companies are investing into Lincoln University's growing demonstration and research farm portfolio. A new demonstration farm is being set up for St Peter's School, Cambridge and has attracted \$1.75 million in sponsorship, which included a large grant from the Waikato River Authority for environmental work. Lincoln University Vice Chancellor, Andy West said the university is set to gain by developing farm performance, nutrient flow research, and working with a school of 1100, many who may attend Lincoln University in the future. The university currently runs a farm owned by a school in Kaikohe, Northland and is planning to establish two farmlets at Springston and Ashley Dene and is looking at forming a merino breeding demonstration, a deer demonstration as well as tourism research near Wanaka. Mr West said many of the new farms are being funded by private companies.

Water

Dam users may get last irrigation chance [26 March/ Radio NZ] South Canterbury farmers, who depend on the Opuha dam for irrigation, may be allowed a further round of irrigation. Opuha Water Company Chief Executive, Tony McCormick said further rain may allow for further irrigation. Mr McCormick said if the lake, currently at around four percent full, moved to about 8 percent it would allow for eight to ten days of irrigation on a 50 percent regime. The dam was closed for irrigation a month ago after almost running dry.

International

Cultural branding holds key to success for Chinese tea [25 March/ China Daily] The message from a recent tea branding seminar, held in the Chinese Sichuan Province, is that Chinese tea needs to enhance value by building brands. China Tea Academy President, Chen Zongmao said Chinese tea production will pass 2 million tons this year, however only 320,000 tons are to be exported. Center for China Agriculture Director, Hu Xiaoyun said the problem is that the culture of branding failed to advance with the times. Ms Xiaoyun suggested that China's 70,000 plus tea companies should use their cultural background to increase brand value and called for a collective mark for local companies to improve their competitiveness.

Canada pressured to grow dairy industry [25 March/ The Globe and Mail] Australian Dairy Industry Council Chairman, Noel Campbell has told Canada it is missing out on a growing dairy market because it shields its industry behind a protective tariff wall and should replicate Australia's deregulation model. Throughout the ongoing Trans-Pacific Partnership negotiations, Canada has faced pressure from the United States, New Zealand and Australia to open up its protected dairy and poultry sectors. Mr Campbell believed deregulation of the Australian dairy industry helped the country double milk production, to 10 billion litres per year, making Australia a leading dairy exporter. Farmers of Canada Director, Yves Leduc, said he disputed Mr Campbell's claims and that post regulation, Australia had not seen any significant growth, with the doubling of production occurring during the regulated periods. A study by the Conference Board of Canada, concluded that deregulation of the industry could more than double milk production over 10 years. Mr Campbell said he is resigned to the TPP agreement creating little, if any, new access to foreign markets.

Costa Group auction under way as IMs hit pigeonholes [25 March/ The Australian Financial Review] Private equity firms and offshore trade buyers received information memorandums from Costa Group's advisors Goldman Sachs and UBS after agreeing to confidentiality agreements. Costa Group's owners are weighing up whether to sell the business to a trade buyer or float it, on the ASX. The company, expected to be worth up to AUD 1 billion, expects to make AUD 70 million in earnings this year, increasing to AUD 90 million. The business also had invested plenty into upgrading production facilities in the past year. First round bids are to be called for by the end of April.

AP Investigation: Is the fish you buy caught by slaves? [26 March/ NZ Herald] An investigation by the Associated Press found that fish on sale in the United States has been produced using slave labour. The year-long investigation in Benjina, Indonesia followed the journeys of large shipments of slave caught seafood to Thai factories and onto America's major grocery stores and distributors. The report included interviews with slaves, who described 20 to 22 hour shifts, unclean water, and physical abuse, such being whipped by stingrays. National Fisheries Institute Spokesman, Gavin Gibbons said the industry are troubled by the findings and have zero tolerance for labour abuses. The report also highlights how an intricate web of connections separates the fish we eat from the men who catch it, and obscures that some comes from slave labour. Indonesian Fisheries Minister, Susi Pudjiastuti vowed to take action against those who participate in slave labour and had already distributed the report to a wide range of high-ranking individuals including government officials, police, judges and the Navy.

Farmers face fine of up to €80m over milk [27 March/ The Irish Times] Irish farmers, ramping up production following the recent abolishment of the European quota scheme, are set to receive a record fine of up to EUR 80 million. The Irish Department of Agriculture indicated that milk supply was more than 5 percent over the quota at the end of February. According to experts, farmers are expected to carry over some production into next year, lowering the final figure. In preparation for the post-quota era, about 150,000 cows have been added to the Irish dairy herd in the past four years, half what is needed to hit Ireland's 2020 target of increasing supply by 50 percent to 7.5 billion litres.

Agribusiness strategy

Disrupted technology could usher in artificial milk and beef [25 March/ Business Day: NZ Farmer] Entrepreneur and Stanford University Lecturer, Tony Seba ran a workshop in Invercargill on disruption technologies, new ways of doing things that disrupt or overturn traditional business methods and practices. Mr Seba said every industry will be disrupted in the next decade, including milk and then beef, with new artificial products will becoming more commercially viable. Mr Seba added that lab created milk would have no bacteria, not need as much land and could be cheaper to produce. Currently a burger made from lab made beef costs \$200,000, but Mr Seba believes the downward cost curve will be interesting to watch. New Zealand currently has an ever-growing entrepreneurial mindset but lacks venture capital.

Economics and trade

Concerns over leaked TPP premature [28 March/ NZ Herald] New Zealand International Business Forum Executive Director, Stephen Jacobi said alarms at the provisions of a leaked draft of the investment chapter of the Trans-Pacific Partnership agreement, which deals with investor-state dispute settlements (ISDS), is premature. Mr Jacobi said it did not show what areas of the full text the final agreement would carve out as compensation measures for international investors. Mr Jacobi added that it was wrong to portray investor-state dispute settlements as a mechanism which foreign investors could sue a government over policy changes which reduce profits and that it is about compensation for expropriation, which is a general concept in New Zealand's legal system. Mr Jacobi said business groups tended to support provisions for international arbitration. Auckland University Law Professor, Jane Kelsey said the recently signed agreement with South Korea demonstrated lists of non-conforming measures or areas negotiated into an agreement only excluded them from some of its rules and that they do not apply to rules that foreign investors rely on to sue governments. Ms Kelsey added that critics of the mechanism say it's a broad concept which gives the arbitration panels a lot of latitude in interpreting it and that there is no body to enforce consistency in its enforcement, posing a high risk to governments.

Farmers and producers

Ahuwhenua trophy finalists announced [27 March/ Rural News] The three finalists for the 2015 Ahuwhenua Trophy for the top Maori sheep and beef farms were announced at a function in parliament by the Minister for Primary Industries, Nathan Guy. The finalists include Mangaroa Station, located in the Ruakaituri Valley and owned by Bart and Nuku Hadfield, Paua Station, located 80km north of Kaitia and owned by the Parengarenga Incorporation and the Maranga Station, located 30km south west of Gisborne and owned by Marty and Janice Charteris. Ahuwhenua Trophy Management committee Chairman, Kingi Smiler said all three are worthy finalists and demonstrate the determination to create successful farming operations.

Farming leader hails 'wake-up call' result [30 March/ Radio NZ] Farmers of New Zealand President, Ian Walker said the recent Northland by-election result, a win for New Zealand First Leader Winston Peters, was much needed wake-up call for the government and other parties not to ignore the regions. Mr Walker added that Northland had suffered years of economic and political neglect, with the result showing that the general population were not happy in the historically National Party foothold. Farmer and Northland Regional Council Chair, Bill Shepherd said the council was looking forward to building a good working relationship with Mr Peters, including discussions on transport, with the upgrading of the road network seen as a pressing issue.

Rain brings some relief to farmers [31 March/ The Timaru Herald] Rainfall over the past two weeks brought much needed drought relief for South Canterbury Farmers. Upper Rangitata River Farmer, Sue Prouting said the area had received around 47mm in March, with only 20mm falling between November and February. Geraldine Farmer, Chris Orange said he had received 60mm in the past two weeks, and that if it doesn't get too cold with rain continuing to fall, the winter months should be ok.

Farm safety

CTU threat to prosecute farmers [30 March/ NZ Farmers Weekly] Council of Trade Unions President, Helen Kelly threatened to take private prosecutions against farmers whose employees are killed on the job and called on WorkSafe to take a tough approach to reduce the farming injury and death rate. Ms Kelly was also disappointed at the long hours of work required by farm staff, which rose by 30 minutes in 2014 to 51 hours per week, as it contributed to work place accidents. Between 2008 and 2014 deaths on farms sat at 120, Ms Kelly was disappointed that WorkSafe failed to prosecute any farm employer during this time and announced that the union could fulfill that role. Federated Farmers Board Member, Katie Milne said the Council of Trade Unions threat was sad and that a new approach was needed rather than the big stick approach, which failed to reduce injuries and deaths on farms. Ms Milne added that farmers wanted to adopt new techniques and not just tick boxes, an approach WorkSafe agreed to, and that while farm staff workload was high at times, it was varied work to keep staff stimulated.

Two new 'Good Practice Guidelines' released WorkSafe New Zealand have released two new good practice guidelines for farmers. The first guideline, 'Working safely with chemicals and fuels on farms', is to aid farmers with complying with health, safety and environmental laws for chemicals and fuels. The second guideline, 'Above ground fuel storage on farms', helps farmers with comply with health, safety and environmental laws for above ground storage. To access both guidelines which are available on the WorkSafe website please [click here](#).

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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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