

# FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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**HOT OFF THE PRESS:  
KPMG AGRIBUSINESS  
AGENDA 2015 VOLUME 1**

05 August 2015

**Organisations referenced in this week's Field Notes include:**

ANZ Bank	National Fruit Collection
Ballance Agri-Nutrients	New Zealand Dairy Companies Association
Beef + Lamb New Zealand	New Zealand Winegrowers
Callaghan Innovation	Paine & Partners
Central Plains Water	Pasture Renewal Charitable Trust
Commerce Commission	PGG Wrightson
Costa Group	Plant and Food Research
Dairy Farmers of Ontario	Principles Federation
DairyNZ	Ravensdown
Duchy Home Farm	Silver Fern Farms
Elders New Zealand	Soil and Health Association
Environmental Protection Authority	Statistics New Zealand
Federated Farmers	Strathmore Potatoes
Federation of Commercial Fishermen	Taranaki Regional Council
Fonterra Co-operative Group	Tobacco Association of Malawi
Goldman Sachs	Wendy's Co.
Imperial College	Westland Milk Products
KPMG New Zealand	WorkSafe New Zealand
Ministry for Primary Industries	Zespri

**This week's headlines**

Apiculture	<b>Bee deaths raise fears of colony collapse</b> [3 August/ Business Day: NZ Farmer]
Water	<b>Water on the move in giant \$172m Canterbury project</b> [3 August/ Business Day: NZ Farmer]
Red Meat	<b>Protein could well be cricket</b> [3 August/ NZ Farmers Weekly]
Wool	<b>Schools keen on merino jersey</b> [29 July/ Otago Daily Times]
Agribusiness Strategy	<b>Sir Peter Talley predicts grim future for jobs, education</b> [31 July/ Business Day]

**Horticulture**

**Gloombusters: Fruit exports surge** [4 August/ NZ Herald] According to Statistics New Zealand the value of fruit exports reached an all-time high of \$2 billion in the year to June, up 20 percent from the previous year and partial offsetting the poor performance of the dairy sector. Statistics New Zealand said higher prices and a greater quantity of exports, up 9 percent, contributed to the rise. Kiwifruit and apples had the biggest export increases in June, valued at \$280 million and \$157 million respectively. Statistics NZ said kiwifruit was responsible for 59 percent of fruit exports, followed by apples on 28 percent, and avocados at 5.7 percent. ANZ Bank said the New Zealand kiwifruit sector typified many aspects of true value-add practices, leading the way in producing and selling a premium offering, despite the challenges it faced during the Psa crisis. Zespri Chairman, Peter McBride announced to shareholders that Zespri had delivered \$1.57 billion of sales in the 2014/15 season, up 16 percent on the previous year.

**Viticulture**

**Good signs for wine industry as markets stay strong** [3 August/ NZ Farmers Weekly] New Zealand Winegrowers Chief Executive, Philip Gregan said the key markets for the New Zealand wine industry are holding strong. Mr Gregan said the smaller grape harvest this season meant world demand for New Zealand wines was expected to exceed supply, which would be positive for pricing. Mr Gregan added that the fall of the New Zealand dollar would also help boost returns. The wine industry is also hoping for possible gains resulting from the potential Trans-Pacific Partnership agreement. Mr Gregan said New Zealand wines have experienced a lift in sales in the key markets of the United States, Australia and the United Kingdom.

**Apiculture**

**Bee deaths raise fears of colony collapse** [3 August/ Business Day: NZ Farmer] Scientists have been responding to early reports of honey bee colony losses on the Coromandel and in Waikato, and fear that the symptoms are consistent with colony collapse disorder. Plant and Food Research Bee Unit Head, Dr Mark Goodwin said the symptoms were similar to colony collapse disorder, but that it was difficult to confirm. Researchers believe colony collapse is caused by a combination of factors that may include the recently found pathogens of *Nosema Ceranae* and *Lotmaria passim*. Dr Goodwin said the pathogens may not be the immediate cause of death, but could weaken bees making them susceptible to other pathogens. Dr Goodwin added that it was hard to offer beekeepers solutions because the cause of the bee deaths is still unknown. Dr Goodwin believed the circumstances on the Coromandel could impact on organisations that rely on bees for pollination.

**Water**

**Water on the move in giant \$172m Canterbury project** [3 August/ Business Day: NZ Farmer] Water has flowed through the canals and pipelines of the Central Plains Water irrigation scheme in Canterbury for the first time, with commissioning and testing now underway. Central Plains Water Chief Executive, Derek Crombie said the construction of stage one of the project has gone smoothly, with it finishing on time, and only \$1 million over its \$171 million budget. Mr Crombie said work has now started on design and engaging consultants for stage 2 of the scheme, with an initial cost estimate and scheme concept expected by the end of October.

**Fishing**

**Computerised fisheries monitoring may see observer numbers halved** [30 July/ Stuff: Technology] Ministry for Primary Industries Director of Fisheries Management, Dave Turner said every commercial fishing boat will be fitted with a camera and a real time reporting system, which will overtime allow for a reduction in the number of fishery observers 105 to 50. Mr Turner said the integrated electronic monitoring and reporting system will allow the Ministry to have more timely, accurate and verifiable data allowing it to manage fisheries better. The Federation of Commercial Fishermen President, Doug Saunders-Loder agreed that certain tools should be used to gather more information, but said some operators may see having a camera on board as a personal imposition. The proposal is to be submitted to the Ministry's director-general, with a decision on the scheme expected to be made within the next two months. The computerised system could be on all commercial boats within three years.

**Dairy**

**DairyNZ predicts \$250,000 deficit for average dairy farm** [30 July/ Business Day: NZ Farmer] DairyNZ Chief Executive, Tim Mackle warned farmers to carefully manage spending, as a season deficit of up to \$250,000 for an average property looms. Mr Mackle said it was vital that farmers cut unprofitable production, and that farms should only feed cattle supplements until pasture growth exceeds demand. Mr Mackle also advised farmers to use urea wisely to achieve the optimum response. Mr Mackle believed that cutting unprofitable production needed to happen regardless of the milk price forecast, and that farmers also needed to not to over-produce as it would send the market a signal that New Zealand farms would not produce marginal milk at a loss. Farmers may need to use supplements after Christmas, where drought may occur and Mr Mackle said farmers should look to cull cows if deficits start to loom.

**Westland Milk cuts forecast payout** [31 July/ Radio NZ Rural] Westland Milk Products has cut its forecast milk payout for the 2015/16 season by \$1, to a range of \$4.60 to \$5 per kilogram of milk solids. It has also taken 10 cents off its still-to-be confirmed milk price for the 2014/15 season, expected to now be between \$4.80 and \$4.90.

**Co-operative comparisons don't help farmers** [31 July/ Business Day: NZ Farmer] Federated Farmers North Canterbury President, Frank Brenmuhl said the comparison of Fonterra's payout with the performance of other co-operatives served little useful purpose in the debate about adding more value to dairying. Mr Brenmuhl said comparisons did not show the full picture, as it did not take into account the long distances Fonterra has to cover to collect milk, and the fact that Fonterra is legally obliged to collect all milk it is offered. Mr Brenmuhl said farmers should stay positive and be reminded that land values remain unchanged. Mr Brenmuhl added that dairy markets could improve once United States and European supply returned to normal and as dairy demand continued to grow once China got through its issues. Mr Brenmuhl believed that the sector would get through the low payout cycle, as long as rash changes are not made, banks held their confidence in the sector and farmers worked through their systems.

**Fonterra boss Theo Spierings: I'm not saying it's rosy - it's not** [31 July/ NZ Herald] Fonterra Chief Executive, Theo Spierings said the co-operative would not deviate from its current course, and added that there was a risk that the country was becoming bogged down with the negativity surrounding low dairy prices. Mr Spierings said the market was suffering a demand problem, and not one of supply, shown by the world's three biggest dairy exporter's having no significant increases in supply. Mr Spierings also refuted criticism surrounding job losses and the cutting of costs, and said the company was trying to adapt to a new environment like many other multi-national corporations. In response to disappointment to Fonterra's lowered dividend, Mr Spierings said there was currently friction between the milk price and dividends, but only for a certain period of time. Mr Spierings said calls to pull back on supply would be a poor move for the co-operative, as competitors would fill the void. Mr Spierings believed that New Zealand dairy farmers are the best equipped to face the current volatility in dairy prices, due to their ability and because they have the lowest variable cost of production in the world.

#### Red meat

**Silver Fern urged not to let in foreign investors** [3 August/ Radio NZ Rural] Labour Party Primary Industries Spokesperson, Damien O'Connor has urged Silver Fern Farms to keep the company in the hands of New Zealand farmers. Mr O'Connor said that if the New Zealand economy is to control its destiny, it has to own its own assets. Mr O'Connor added that the country's meat companies needed to stop competing against one another for overseas markets, and must begin to work together. New Zealand First Agriculture Spokesperson, Richard Prosser said it was likely that Goldman Sachs has suggested the company look overseas for investment.

**Protein could well be cricket** [3 August/ NZ Farmers Weekly] Callaghan Innovation Chief Executive, Mary Quin told the joint Meat Industry conference that they should embrace synthetics because they might be their best bet of survival. Ms Quin said it would be a mistake to underestimate synthetics because they could become cheaper and more viable solutions for the mass market. Ms Quin believed New Zealand could be a world leader in selling both synthetic and natural products. Imperial College Professor of Food Marketing, David Hughes said that he expects insects to be used more often in animal feed and cricket-flour products.

**Farmers encouraged to vote** [4 August/ Otago Daily Times] The 2015 Sheepmeat and Beef Levy Referendum proposal has been launched at the Beef + Lamb New Zealand farmer council annual conference in Wellington. Beef + Lamb New Zealand Chairman, James Parsons encouraged all farmers, who must enrol to vote, to attend regional roadshow meetings and vote. The proposed levy rates from 2016 to 2017 are to remain unchanged at 60 cents per sheep and \$4.40 per cattle beast, with the maximum levy set at 75 cents and \$5.50 for sheep and cattle respectively. Voting closes September 10.

#### Rural infrastructure

**Ballance speeds payouts to help farmers** [31 July/ Otago Daily Times] Ballance Agri-Nutrients has fast-tracked its 2014/15 rebate and dividend payment to help cash strapped shareholders. Ballance Agri-Nutrients Chairman, David Peacocke said low dairy payouts left many farmers facing winter months with a limited cash flow, while drought and then storms had hit beef and sheep farmers hard. The rebate, averaging \$55.83 a tonne, along with a 10c dividend per share, meant a total distribution to shareholders of \$76 million, or 94 percent of its \$81million gross trading result. Returns varied according to the amount of product purchased, with a fully-paid up shareholder buying 100 tonnes expected to receive around \$6000.

**Ravensdown moves into new office** [31 July/ Business Day: NZ Farmer] Ravensdown has moved into its newly built office, after being housed in temporary buildings at its Hornby manufacturing plant following its CBD offices being damaged by the Christchurch earthquakes. Ravensdown Chief Executive, Greg Campbell said the company's' new Hornby location delivered many benefits which included savings by avoiding lease costs, while allowing the company to be closer to its farmer shareholders. Mr Campbell said the new Hornby office aligned with Ravensdown's strategy of supplying fertiliser, products and services to farmers. The cost of the building has yet to be disclosed.

**Rural service firms accused of price fixing** [3 August/ Radio NZ Rural] The Commerce Commission has filed legal action against PGG Wrightson, Elders New Zealand and five individuals after claims of price fixing in connection with the introduction of the National Animal Identification Tracing Act. The commission claims agreements were made to fix the price of tagging un-tagged cattle at saleyards, increase yard fee charges and increase stock and station agent charges by introducing an administration fee for NAIT-related costs.

#### Environment and emissions

**EPA defends appointment of new chief executive** [30 July/ Radio NZ Rural] The Environmental Protection Authority has defended its decision to appoint former PGG Wrightson Chief Executive, Dr Allan Freeth. Green Party GE Spokesperson, Steffan Browning said that Dr Freeth, a supporter of genetic engineering, should not be heading the body responsible for protecting the environment. The Soil and Health Association also opposed the appointment, and said Dr Freeth had a conflict of interest looking after the environment because he had been an open advocate of genetic engineering. Environmental Protection Authority Chairman, Kerry Prendergast said Dr Freeth was well qualified to be the organisation's chief executive, with a strong background in leadership, science and management.

#### Wool

**Schools keen on merino jersey** [29 July/ Otago Daily Times] Banks Peninsula Farmers, Carl and Tori Uren said they have been overwhelmed by the response to their Merino Wool for School initiative. The couple began the initiative after they were disappointed to find the only jersey option for their local school uniform was made from polarfleece. Mr Uren said the couple received inquiries from around four to five schools per day and had sent out around 40 sample jerseys to schools. Mr Uren added that it was not just children who would benefit from the scheme, but also New Zealand farmers supplying the wool.

## Rural communities

**Rural principals in need of support** [31 July/ Radio NZ Rural] Principals Federation President, Denise Torrey said its members at rural schools needed more support, and that they faced particular problems due to their small size and distance from main centres. Ms Torrey said many rural principals are inexperienced, and would benefit from a principle advisor that would help build their capacity and skill set. Ms Torrey added that money was not necessarily the biggest problem for rural schools, with the most pressing issue being staff shortages. The Education Ministry said it was working on ways of supporting rural principals, but believed the extra funding rural schools received was sufficient to cover extra costs.

## International

**Swap rice for potatoes, Chinese told** [29 July/ The Times] China has announced that potatoes are to become the country's fourth staple food. Chinese Deputy Minister of Agriculture said potato cultivation offered the country a solution to its water deprivation, as they only need 20 percent the amount of water rice needs. Strathmore Potatoes Managing Director, Stuart McIntyre said the Chinese market offered huge potential and welcomed China's new appetite.

**Wendy's to Test Out Antibiotic-Free Poultry** [28 July/ The Wall Street Journal] Wendy's Co. Chief Concept Officer, Kurt Kane said the company is to start testing new chicken products made from poultry raised without antibiotics. Mr Kane said the move is in response to rising interest from customers asking about how their food is produced. United States government agencies and consumer groups have warned that widespread use of antibiotics in both human and animal medicine has accelerated the development of bacteria that are resistant to the drugs, posing a deeper risk to human health.

**Ukraine agribusiness firms in 'quiet land grab' with development finance** [30 July/ The Times] The International Finance Corporation has helped fund the controversial expansion of Ukrainian agribusiness company, Myronivsky Hliboproduct, amid concerns that land and farming in the country are falling into the hands of a few wealthy individuals. The majority of the funding will support the company's expansion of its Vynnytsia poultry project, to make it Europe's largest industrial chicken farm. The International Finance Corporation said investment in the company will create jobs, support food security in the country and grow the country's economy. National Ecological Centre of Ukraine Environmental Specialist, Natalia Kolomiets said villagers near to the project have been concerned about the impacts the project has on their area. Ms Kolomiets added that many individuals have been pressured into giving their land over to the project by signing long-term land leases. Concerns over quiet land-grabs have been fuelled recently in the Ukraine, with big agribusiness companies acquiring huge chunks of land through long-term leases of up to 50 years. Estimates now put the total Ukrainian farmland controlled by foreign companies at more than 2.2m hectares, while domestic investors are also becoming major players in acquisitions. Ms Kolomiets said funding big farms is the wrong approach for Ukraine, where small and medium-sized projects should be supported instead. Ms Kolomiets added that the International Finance Corporation should step up its monitoring of projects and pay closer attention to the concerns of people living nearby.

**Dairy farmers know changes are needed** [1 August/ The Globe and Mail] Various Canadian dairy industry players, including Saputo Inc., have acknowledged that the country's supply-management system is in need of reform and have begun negotiations aimed at modernising the system. Dairy Farmers of Ontario Officials also acknowledged that the current framework was unsustainable, and that producers and processors must put their differences aside to work together to find a way forward. Rapidly growing quantities of imported concentrated milk protein has been displacing Canadian milk in the making of cheese and yogurt, with many Canadian co-operatives preferring to buy imported protein concentrates because they are cheaper than home grown product, and avoids the country's prohibitive 241 percent tariff on fluid milk. Dairy farmers believe the answer is to discourage import of protein concentrates by lowering the wholesale price of milk protein in Canada. Farmers also believe that by charging less, they can still grow and legally sell surplus protein on the world market.

**Paine eyes agriculture after cashing in Costa stake** [1 August/ The Australian] Paine & Partners President, Kevin Schwartz said the company is on the lookout for more Australian agricultural assets, after it cashed in on the majority of its 50 percent holding of Costa Group. Paine & Partners reduced its interest in Costa Group to 12.2 percent after the latter sold 245 million of its 320 million shares, raising \$550 million. Mr Schwartz said his company was now investigating other areas of Australian agriculture, with a focus on seafood and fish protein. Mr Schwartz added that the company preferred to invest in and partner with private family businesses or unlisted companies.

**Malawi's forests going up in smoke as tobacco industry takes heavy toll** [1 August/ The Guardian] Malawi, ranked the world's poorest country by the World Bank and highly reliant on the tobacco industry, is suffering from declining demand for tobacco and an increased amount of environmental damage. The industry heavily contributes to the destruction of forests, with millions of trees required for use in the drying barns used to air and heat cure tobacco leaves. The industry has also affected weather patterns, increased the likelihood of flooding and reduced the amount of food grown in the country. The tobacco industry faces declining demand as countries place ever-increasing taxes on tobacco to reduce consumption, due to health concerns. Malawian Agricultural Minister, Allan Chiyembekeza accepted that tobacco harmed health, but said it is not alone and warned that western anti-smoking lobby efforts risked plunging some of the poorest people in the world into further economic peril. Tobacco Association of Malawi Head, Graham Kunimba said efforts to introduce plain cigarette packets would destroy companies' brand value, which would lead to the use of cheaper tobacco and driving down the price of leaf tobacco.

**Charles wants to save the apple with core collection** [3 August/ The Times] The Prince of Wales is to create a gene bank for apples by growing around 1,000 varieties of rare and historic apple trees at his country estate. Duchy Home Farm Manager, David Wilson said the Prince was concerned that the genetic mix of apples was being narrowed by the dominance of a handful of varieties sold in supermarkets. National Fruit Collection Scientific Curator, Matt Ordidge said that supermarkets collectively sold several dozen types of apple but a large proportion were bred from a few parent varieties. Mr Ordidge added that current problems in banana production show that limiting the gene pool is not sustainable.

**President Obama heralds impact of US power plant greenhouse gas limits** [4 August/ Stuff: World] United States President, Barack Obama has unveiled the final version of his plan to cut emissions by American power plants. President Obama said unprecedented carbon dioxide limits are the most important step America has taken to fight climate change. President Obama added that if the world does not get the job of fighting climate change right quickly, it may become impossible to reverse. The White House said the final version of President Obama's plan will impose stricter carbon dioxide limits on states than was previously expected, with a new goal of a 32 percent cut by 2030. The plan has attracted strong opposition from Republican Presidential candidates, while many republican governors have said their states will not comply. The Obama administration estimated that the emissions limits will cost US\$8.4 billion annually by 2030.

#### Agribusiness strategy

**Sir Peter Talley predicts grim future for jobs, education** [31 July/ Business Day] Talley Group Founder, Sir Peter Talley warned business owners that they need to become more proactive if they are to survive the next five years in a rapidly advancing technical world. Mr Talley predicted a 40 percent job loss within the western world in the next five years, and urged businesses to become more productive and embrace genetic modification. Mr Talley said that genetic modification would boost agricultural exports, lower costs for farmers and benefit the overall economy. Mr Talley also noted that online purchases and online education had the capacity to detrimentally affect jobs in New Zealand, with many getting qualifications online, reducing the need for universities.

**Cattle will beef up NZ exports** [3 August/ NZ Farmers Weekly] KPMG Global Head of Agribusiness, Ian Proudfoot said the primary sector in New Zealand is much more than just dairy, and that with a change of thinking in the next 20 years, beef could become the country's biggest export sector. Mr Proudfoot believed the primary sector was not in bad condition, considering export earnings for nine sectors had increased and that the wider sector, minus dairy and forestry, had grown by \$1.3 billion. Mr Proudfoot added that responding to key customer drivers would be critical for further growth, and that the primary sector has to focus its attention onto redefining what products it grows, how they are grown and then distributed into the market. Suggesting a \$100 billion export revenue target for 2035, Mr Proudfoot said new opportunities such as synthetics needed to be exploited, but the change must be sustainable and environmentally friendly.

#### Economics and trade

**Current TPP deal 'unthinkable' for dairy** [30 July/ Radio NZ Rural] New Zealand Dairy Companies Association Chairman, Malcolm Bailey believed the government would not sign a Trans-Pacific Partnership trade agreement unless it included a comprehensive deal for the dairy sector. Mr Bailey accepted that the industry would not get what it had originally sought from the deal, but said the outcome still had to be worthwhile. Mr Bailey added that the United States was in the dominant position to decide the possible outcome for the dairy sector, as it was the biggest dairy producer in the TPP region. Federated Farmers Dairy Chairman, Andrew Hoggard said New Zealand should walk away from the trade deal if there was nothing to benefit the dairy industry. Special Agricultural Trade Envoy, Mike Petersen said current concessions being offered to reduce dairy trade restrictions were not good enough and that there will have to be progress made over the next couple of days before New Zealand could accept the deal.

**US dairy hurdle brings discussions to a standstill** [31 July/ The Australian Financial Review] Progress on the Trans-Pacific Partnership agreement has appeared to have stumbled, with both Australia and New Zealand frustrated with the United States failure to cut dairy tariffs and quotas. Other key sticking points are believed to be cutting of United States import limits for Australian sugar and stronger intellectual property rights for US-designed medicines. Promisingly, Canada has begun talking about steps to open up its protected supply management system that shuts out foreign dairy, with the hope that the United States will do the same. Australian Trade and Investment Minister, Andrew Robb said he was around 70 percent confident a deal could be concluded during talks in Maui, but added that compromise was required. United States Senate Finance Committee Chairman, Orrin Hatch said it was very unlikely a final TPP deal would be supported without 12 years of data protection for biological drugs.

**'We'll win the TPP war' says Groser** [2 August/ NZ Herald] Trade Minister, Tim Groser insisted that the government will win the political war on the Trans-Pacific Partnership deal, once the facts and figures can be laid out on the table. Mr Groser said the nations involved in the recent talks in Hawaii were down to three final issues; automotives, intellectual property and dairy. Mr Groser said that once there is a deal to recommend to the cabinet, the government can provide the public with the facts and figures of the deal. Special Agricultural Trade Envoy, Mike Petersen said New Zealand would not back down until it received better market access for dairy, particularly in large consumer markets. Green Party Trade Spokesman, Russel Norman criticised the deal and its secrecy, and said the government should reveal what potential consequences would be for Pharmac, the ICT and dairy sectors, and for investor-state dispute settlements.

**John Key expects 'intense' weeks of TPP talks but rejects delay till October** [3 August/ Business Day] Prime Minister, John Key said he expects there to be intense negotiations and potentially another meeting within the next two to three weeks about the Trans-Pacific Partnership trade deal. Mr Key did dismiss the suggestion the talks could be delayed until after the Canadian general election in October. Canadian Prime Minister, Stephen Harper said there was a window of opportunity to get the deal done before United States Presidential election campaigns begin. Mr Harper said negotiations on dairy did not occur at the recent meeting in Hawaii as it was contingent on other things happening. Mr Key said the government wanted the best deal for New Zealand, but not at any cost, and was confident the a deal would ultimately be done.

#### Farmers and producers

**TRC grants \$500,000 to flood-hit farmers** [28 July/ Radio NZ Rural] Taranaki Regional Council has announced a \$500,000 storm recovery package for farmers who suffered damage in last month's extreme weather. The package will offer farmers assistance with replacement of riparian plants, help with riparian planting, supplies of grass seed for re-grassing in spring and the replacement of damaged fencing done under the South Taranaki Regional Erosion Support Scheme.

**John Kirwan tells farmers to keep life simple, fun** [31 July/ Business Day: NZ Farmer] Former All Black and Mental Health Campaigner, Sir John Kirwan shared with around 450 North Canterbury residents about how he dealt with his dark times. Mr Kirwan told farmers to keep their life simple and fun, as they face another season of low dairy prices and the lasting effects of this year's drought.

**August a peak period for farm injuries** [3 August/ WorkSafe New Zealand Media Release] Farmers have been reminded of the risks posed by livestock and vehicles during calving, as history shows the number of injuries on dairy farms increases dramatically in August. Records show that the number of incidents causing injuries on farms more than double, with dairy farmers more likely to be injured by cows in August than any other time of the year. WorkSafe NZ Agriculture Programme Manager, Al McCone said the calving season meant dairy farmers are working much longer hours, and in the dark, cold and wet. Mr McCone encouraged farmers to think about the causes of injuries and how to deal with them before they happen. Mr McCone also advised farmers to remember to eat and drink water, to get the right nutrition and to stay hydrated to avoid fatigue.

**Pastures new could boost dairy dollars** [3 August/ NZ Farmers Weekly] The Pasture Renewal Charitable Trust has launched a new campaign, 10% Pasture Renewal, that aims to increase the annual rate of pasture renewal and inject much needed extra income into the dairy sector this season. Pasture Renewal Charitable Trust Chairman, Murray Willcocks said he did not expect every farmer to increase pasture renewal immediately, but reminded farmers that growing more pasture is the most cost efficient form of feed. Primary Industries Minister, Nathan Guy applauded the initiative, and suggested dairy farmers could earn an extra \$30,000 of income for every tonne of drymatter per hectare they grow before Christmas. Mr Guy said the returns on pasture renewal range between 10 and 35 percent. 10% Pasture Renewal Campaign Project Manager, Tim Wood said the campaign focused on key facts and statistics, which displayed the benefits of pasture renewal.

**Regional growth study welcomed** [3 August/ Radio NZ Rural] The Manawatu-Wanganui Regional Council has welcomed the governments regional growth study, which identifies eight opportunities for economic development across the region. Four of the opportunities are agricultural, including sheep and beef farming, manuka honey production, fresh vegetables and poultry and grain processing. Manawatu-Wanganui Regional Council Chief Executive, Michael McCartney said the council were particularly excited by opportunities to increase poultry and honey production in the region. Mr McCartney added that the council will set up project teams, made up of industry leaders and iwi, to find ways of developing opportunities highlighted in the report.

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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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