

FIELD NOTES

Weekly news update from the KPMG Agribusiness network

28 October 2015

Organisations referenced in this week's Field Notes include:

Agribusiness Training	Rabobank Australia and New Zealand
American Egg Board	Seafood New Zealand
ANZ Bank	Standard & Poors
Archer Daniel Midland	Statistics New Zealand
Australian Agricultural Company (AACo)	Tertiary Education Commission
Dairy NZ	Treasury Wine Estates
Department of Conservation	US Department of Agriculture
Elders Australia	Wanganui Collegiate
Fitch	Wilmar International
Fonterra Co-operative Group	Westland Milk Products
Food HQ	World Health Organisation
Forest and Bird	
Hampton Creek	
Hawkes Bay Regional Investment Company	
Immigration New Zealand	
Innova Market Insights	
Massey University	
Ministry for the Environment	
Ministry for Primary Industries	
New Zealand National Fieldays Society	
New Zealand Winegrowers	

This week's headlines

Viticulture	Support for industry body for winemakers and growers [23 October/ Radio New Zealand Rural]
Dairy	Dairy prices end four-sale winning streak [21 October/ NZ Herald]
Red Meat	Processed meats classed as carcinogens by World Health Organisation [27 October/ Radio New Zealand]
Research and development	New milk fingerprinting technology wins NZ innovators award [22 October/ Dairy News]
Farmers and producers	Southland Filipino dairy workers face worries [23 October/ Business Day]



FIELDNOTES.CO.NZ

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

Horticulture

Kiwifruit Psa class action heads to high court [21 October/ NZ Herald] A spokesperson for the kiwifruit claim said their class action against the government would progress to the High Court next year. The claim, which is supported by 212 claimants, is seeking \$400 million in damages for government's alleged negligence in letting Psa disease into New Zealand in 2010, when border authorities allowed a specific shipment of anthers from China into the country, which directly resulted in the subsequent Psa outbreak across the country. The claim is supported by growers of 32% of the total gold kiwifruit crop as at 2009/10 and 13% of the green crop. Spokesperson, Matthew Hooton, said he expected that Treasury would need to include the claim as a contingent liability in the December economic and fiscal update. The government denies the direct connection, however Mr Hooton said the claimants argue that growers are owed a legal duty of care as well as moral and political obligations to take the upmost care in protecting our agriculture and native flora and fauna from foreign pests.

Biosecurity

Needle grass tricky to remove from vineyards [23 October/ Business Day: NZ Farmer] While landowners may be winning the war against the invasive pest, Chilean Needle Grass, it is proving more difficult to remove the plant from vineyards in the Marlborough region. The weed has now been found on 154 properties in Marlborough concentrated in the Blind River area and is impacting animal welfare, livestock trading, farm viability and operating systems, as the grass needles can cause infections. Farm operators have been using the Taskforce herbicide to spray infected areas together with planting competing grasses to smother the pest, however Taskforce can't be used in vineyards as it will damage the grape plants. The focus is consequently on stopping the further spread of the weed and controls have been enforced to reduce the risk. A local action group has set the goal of eliminating the plant pest from the region within 15 years to reduce the risk of it taking hold in more remote hilly parts of the region. Vineyard operators are having to mow between the vines to control the pest, which has no impact on the economic viability of vineyards, to prevent it spreading to neighbouring properties. One farmer had noted it had taken five years to recover his pasture after Needle Grass infestation to get back to being able to graze a commercial cow herd.

Viticulture

Treasury Wine Estates to close Auckland winery and expand in Marlborough [22 October/ Business Day] Treasury Wine Estates, the Australian listed wine company, has announced it will be closing its Auckland winery and moving all production to Marlborough, resulting in close to 50 redundancies. It also announced it would be closing the Matua packaging plant and the cellar door in Waimauku. Treasury Wine Estates produced wine under the Matua, Secret Stone, Angle Cove and Squealing Pig labels in New Zealand. A handful of the staff employed at the production site may be relocated to the company's Parnell sales office. The announcement was in addition to the 175 job losses the group announced globally last year. A spokesperson said the company had no plans to increase employment at its facilities in Marlborough. He added it had been a difficult decision to make but it was the best strategy to drive growth and investment and focus activities on the expanded Matua Marlborough winery (grapes from Gisborne and Hawkes Bay will be processed by a third party with the juice being transported to Marlborough for the wine making process). The winery will be closed by March next year.

Online wine sales outpace retail wine sales [25 October/ Business Day] A new report from Rabobank highlights the growth in online wine sales and notes that they are outpacing the growth in the traditional retail market, driven by online demand from Millennials. The Millennials (those aged 18 to 27) are an increasingly critical wine drinking demographic and as a consequence major global wine companies are moving to make their product more accessible online, a recent example being Constellation Brands announcing the opening of a Robert Mondavi Wines exclusive flagship store online. Online channels do however face challenges in key markets, not least of which is the increasingly crowded market place. Like other sectors, wine companies are being forced to expand their offerings of products and services and engage heavily with consumers through social media platforms, to articulate the experience their wine delivers to the consumer. The regulatory complexities of selling wine online is a concern as is conflicting with traditional retail channels, however a Rabobank spokesperson noted that few marketers seemed confident they were making the most of the opportunity available to them.

Support for industry body for winemakers and growers [23 October/ Radio New Zealand Rural] New Zealand Winegrowers has received strong support from wine makers and grape growers for the continued levy funding of the organisation. 87% of winery members and 90% of grape growers voted in favour of retaining the levies, which are used to fund research into winemaking and marketing New Zealand wines to the rest of the world. Chair, Steve Green, said the biggest project the organisation is currently handling is geographical indicators which proposed legislation will introduce to give operators in those regions some legal and marketing backing. A key research focus at the moment is the development of lifestyle wines; lower calorie, lower alcohol alternatives to traditional wine produced through new production and growing techniques.

Aquaculture

High salmon deaths in the Marlborough Sounds [23 October/ Radio New Zealand Rural] The Ministry for Primary Industries (MPI) is investigating high death rates of salmon in the Marlborough Sounds. MPI believes the deaths are linked to two types of bacteria not before found in New Zealand but the response manager, Chris Rodwell, also said the deaths could be linked to higher sea temperatures and water flow. The two bacteria, Rickettsia and Tenacibaculum maritimum could have contributed to the deaths which have been reported at one farm. Mr Rodwell said that there have been no reports of unusual mortality in other fish farming operations, but further sampling and monitoring of other farms would take place. He added the bacteria have no impact on humans.

Fishing

Report confirms fishing stocks doing well [23 October/ Business Day] Seafood NZ CEO, Tim Pankhurst, said that the recently reported Environment Aotearoa 2015 (a nationwide set of environmental statistics released by the Ministry for the Environment and Statistics NZ) shows that fish stocks are in good shape. The report indicates that between 2009 and 2014, the number of fisheries subject to overfishing decreased from 25% to 14% with over 95% of fish being caught in fisheries that are not overfished. The report shows that seabed trawling is decreasing and activities are increasingly concentrated in a limited number of areas. Mr Pankhurst said the report reinforces the international recognition that New Zealand had received for its sustainable seafood industry. He added that the industry is concerned about the pressure of bycatch on seabirds and marine mammals is a key concern for the industry and heavy investment is being made into research and technologies that will reduce its impact.

Dairy

Dairy prices end four-sale winning streak [21 October/ NZ Herald] Having increased in each of the last four sales, the latest GlobalDairyTrade auction recorded an overall 3.1% reduction and saw the New Zealand dollar fall as a result. Whole Milk Powder prices, the key product that drives Fonterra's farmgate milk price, fell 4.6% to an average price of USD2,694 per tonne having increased significantly over the last four auctions. Skim milk powder prices fell 4.5% while butter prices lost 11.1%. One analyst suggested that the auction demonstrated that dairy prices still had a way to go before they consistently covered the cost of production. Dairy futures had indicated another increase in prices. In a commentary the ANZ Bank said that prices presently remain consistent with Fonterra's \$4.60 per kg 2015/16 milk price forecast, but if predictions of an El Nino event come into fruition, there is the potential that prices could move up sharply in the summer months.

Fitch reduces Fonterra rating [23 October/ Otago Daily Times] International rating agency, Fitch, has followed the lead of Standard & Poor's and downgraded Fonterra's credit rating citing concerns of rising debt levels and volatile global dairy markets. The credit downgrades make it more expensive for Fonterra to borrow money. Fitch cut the long-term foreign currency issuer default rating from AA- to A and the short term IDR was reduced from F1+ to F1, with a stable outlook. Fitch commented that Fonterra's business profile had weakened and the volatility of global dairy prices had revealed its "vulnerability to adverse business and conditions", however noted that the A rating recognised Fonterra's strong global market position, financial flexibility to adjust forecast milk prices and the ability to manage its advance rate payments to farmers. Fonterra CFO, Lucas Paravicini, reiterated his comments following the S&P downgrade that the revised ratings will not impact the co-operative's strategy or farmer shareholder payouts.

Westland profit soars on cheap prices for milk [24 October/ NZ Herald] Westland Milk Products, the second largest dairy co-operative in New Zealand, announced a profit attributable to members of \$19.4 million compared to a surplus of \$0.5 million in the prior year. Westland described the season as difficult given the fall in global dairy prices, it reported a 23% decrease in revenue to \$639 million while payments to suppliers fell 39% to \$319 million. The co-operative also announced that it will be undertaking a capital review and proposal will be discussed with shareholders when the board has completed the necessary due diligence. Westland's final payout for the 2014/15 amounted to \$4.95 per kgms (from which 10 cents per kilo was retained) and it has indicated it expects the current season to also be challenging, with a current forecast in the range of \$4.60 to \$5.00 per kgms. CEO, Rod Quin, said that the co-operative had invested heavily in added value plant and technology in recent years and this was already reducing its reliance on highly volatile bulk commodities. The company has built a new \$114 million infant nutrition plant in Hokitika and \$40 million UHT facility is under construction in Rolleston.

Milk peak down 4% this season [26 October/ NZ Farmers Weekly] Fonterra has reported that it reached its spring milk peak last week (Monday 19 October) when it collected 86 million litres of milk, 4% less than last year. Operations Managing Director, Robert Spurway, said October milk flow had picked up compared to September (which was 9% below last year) and added that the co-operative's assets are performing very well, with every plant at every site running round the clock. Recent projects to increase capacity have enabled planners to favour better returning products, with Mr Spurway noting they had been able to produce more milk protein concentrate while reducing skim milk powder production. The co-operative currently has the capacity to process 90 million litres of milk a day at peak without contingencies, while it can direct milk to products with shorter processing times that would increase processing capacity by 5 million litres. Mr Spurway also noted that the improvements have eliminated by-product disposal issues that the co-operative had faced in recent years. Another new feature of the 2015 season is the increased capacity for consumer and food service products, like doubling mozzarella cheese production at Clondeboyne and bringing UHT production at Waitoa to full speed.

Skirmish continues over Fonterra board size [27 October/ Business Day: NZ Farmer] The Fonterra Shareholders Council has advised shareholders not to support a proposal to reduce the number of representative directors on the Fonterra board put forward by former Directors of the co-operative, Greg Gent and Colin Armer. Mr Gent and Mr Armer have put a remit forward to the November co-operative AGM to reduce the number of directors from thirteen to nine to improve co-operative performance. They argue that the board should be composed of six elected directors and three appointed directors. Council chair, Duncan Coull, said in an email to shareholders that the process proposed to reduce the board constituted a significant and unnecessary risk to the co-operative as it would require all directors to stand down and seek re-election at the same time. In addition, Mr Coull noted the proposal did not allow sufficient time for consultation with shareholders and reiterated that there is a governance and representation review underway. Mr Gent said it was disappointing the council had misrepresented the proposal while Mr Armer suggested that the council had misread the mood of the people that it represented.

Red meat

Processed meats classed as carcinogens by World Health Organisation [27 October/ Radio New Zealand] A new report for the World Health Organisation says processed meats, such as bacon, sausages and ham, do cause cancer. The report prepared by the International Agency for Research on Cancer said processed meat can cause bowel cancer while red meat is a likely cause of the disease. The agency has put processed meats on its group 1 list, which also includes tobacco, asbestos and diesel fumes, as items where there is sufficient evidence of cancer links. Red meat has been placed in a lower risk category as the agency noted there was only limited evidence that it causes cancer. A nutritionist aligned with the New Zealand meat industry noted that New Zealanders eat about 22 grams a day of processed meat on average and said that there was no evidence that eating moderate portions was bad for you. They added that they were comfortable to say that people could retain both meat and processed meat in their diet as long as there is plenty of vegetables and whole grains in their diet to reduce cancer risk.

Agribusiness education

Ag training organisation ordered to repay \$6.24m [24 October/ NZ Farmers Weekly] Agribusiness Training Limited has been told to repay \$6.24 million after an independent investigation found it had failed to deliver some vocational educational programmes it had been paid to. The review by the Tertiary Education Commission (TEC) was prompted by monitoring of institutions. Agribusiness Training was one of six providers reviewed initially by TEC which prompted a more significant independent review. The detailed independent review found five programmes delivered by the organisation delivered fewer teaching hours than its NZQA programme approvals specified, with two programmes being significantly under delivered. Agribusiness Training is a Southland based private training establishment that offers training in a wide range of primary sector disciplines. NZQA has confirmed that student qualifications are valid. The repayment of the overfunding is complicated as the organisation has been placed into liquidation on 21 October.

Global food value chain becomes a class act [26 October/ NZ Farmers Weekly] Minister for Primary Industries, Nathan Guy, has launched a new programme that will expose Wanganui Collegiate pupils to inner workings of companies operating in the global food value chain. The programme, which is a collaboration between the school, Massey University and Food HQ, will be spread across the curriculum, with students across the school doing inquiry into the concept of global food value chains. Minister Guy said such programmes are an important part of building capability within the food and primary industries and aligned with the regional growth strategy. He said the programme would encourage young people to think about the value-add chain and encouraged the students to do as much as they could to understand what consumers were demanding. The programme will include students developing their own premium products and guest speakers from local food companies and the Food HQ partners.

Water

Dam review 'is more than just a holdup' [21 October/ Radio New Zealand Rural] Forest and Bird says that it is seeking a judicial review of a deal between the Department of Conservation and the Hawkes Bay Regional Investment Company (HBRIC) to swap 22 hectares of land to facilitate the construction of the Ruataniwha Dam. The DOC land, which is in the protected in the Ruahine Forest Park, is home to several threatened species and could be flooded by the dam reservoir. Forest and Bird is arguing the swap was unlawful and the land can't be given to HBRIC. The review could disrupt plans to complete the dam business case by the end of year. Forest and Bird lawyer, Sally Gepp, said if the swap was not challenged it creates a precedent for DOC to take this approach in relation to any specially protected conservation land that it wishes to exchange to enable developments to occur. Ms Gepp added the issue has not come before the court before but that High Court has previously held that when land is reserved for conservation purposes that it is to remain reserved until there is a good reason to change that situation. Hawkes Bay Regional Councillor, Tom Belford, said if the review was successful the project would need to be reassessed, adding it could be a 'dam buster'.

Environment and emissions

How did farming fare in the environment report? [22 October/ Radio New Zealand Rural] New Zealand's first state of the environment report in eight years, Environment Aotearoa 2015 (issued by the Ministry for the Environment and Statistics New Zealand) shows that agriculture and horticulture land occupies 42% of New Zealand's land area. The key concerns in the report centre on the decline in diversity and the conservation status of indigenous species. The report highlighted concerns about the deterioration in water quality in intensively farmed areas and noted that while the amount of land used for agriculture has not changed substantially since 1996 activities had become more intensive in a number of regions. It also reported that three quarters of the soil under dairy farming operations was badly affected by compaction (which occurs when soil is compressed reducing air pockets and making it harder for plants to grow). The report found that the estimated amount of nitrogen leached into the soil from agriculture increased 29%, mainly due to increases in dairy cattle and nitrogen fertiliser use.

International

Archer Daniels Midland increases exposure to Asia's food market with increased stake in Wilmar International [21 October/ ABC Rural] Archer Daniel Midland (ADM) has announced that it has increased its ownership interest in Wilmar International, the Singapore based agribusiness that acquired Goodman Fielder earlier this year. Wilmar also has a significant interest in the Australian sugar sector (having acquired Sucrogen in 2010) and is the world's largest palm oil trader. ADM said in a statement it had purchased 22% of Wilmar's shares last Tuesday building on its existing interest in the company. No disclosure was made of the size of ADM's holding in Wilmar, however it was 18.09% at March 2015. An ADM spokesperson said that its interest in Wilmar provided the group with more exposure to growing Asian food markets. The Australian government rejected ADM's bid to acquire GrainCorp last year.

Dairy sector capitalises on protein's popularity boom [21 October/ foodprocessing.com.au] Food and beverage producers are capitalising on the soaring interest amongst consumers for products with higher protein content, with data from Innova Market Insights showing nearly 4% of all product launches used a 'high in' or 'source of' protein positioning (which rose to 8% in dairy and 14% in the yogurt category). Analysts suggested that the dairy sector's healthy image has helped it to take a lead in the rising interest in protein. The US is leading the growth in this sector, with 17% of dairy product launches focusing on protein content. Product launches included the introduction of Icelandic fermented dairy product skyr and a wide range of high protein, performance milk beverages (including an organic versions of a market leading Muscle Milk Protein beverage). The European market also saw the launch of a number of protein enriched milk drinks targeted at the sports beverage sector. High protein foods are one of the most sought after nutritional choices at moment, particularly milk and yogurts but it is thought there are opportunities for other sectors to benefit from this trend.

First shipment of live cattle jets off to China [21 October/ The Australian] A consignment of 170 Angus cross fattened cattle that are ready for slaughter have been flown from Melbourne to Chongqing in China as the first consignment in a new live export trade. The cattle, destined for restaurant tables in China, maybe the first delivery in a trade that could grow to AUD 1 billion per annum. The cattle sourced by Elders from New South Wales and Victoria to comply with biosecurity rules will be quarantined in China for three days before being slaughtered and assessed. The meat will then be sold to high quality restaurants. Cameron Hall, Live Export Manager for Elders, said it was too early to talk about a AUD1 billion trade but admitted it was exciting to see a new market opening up to off the impact of existing erratic live export markets (such as Indonesia which have played havoc with farmer planning and prices).

Almond milk: quite good for you – very bad for the planet [22 October/ The Guardian] Sales of alternative non-dairy milks are on the rise, particularly Almond milk due to it being one of the healthiest foods that you can eat, however the environmental impact of the product is often not being considered by consumers. Health scares and uncertainty about the origin of soya has seen health aficionados seek alternatives to soya milk in recent times with rice, hemp and almond all growing in popularity, however almond has led the pack being rich in minerals, protein, healthy fats and fibre. While there are definitely health benefits to eating almonds many almond milks include fewer than 2% almonds with water and sugar being the more significant ingredients meaning very often the products have less protein than cow's milk. The environmental impact of the almond milk trend has already raised concern, with most almonds being grown in drought ravaged California. It takes 5 litres to grow one almond yet the water inefficient product continues to be planted because of the returns the demand for almond milk are driving. With the water issues in California greater focus is coming on both the health benefits and sustainability of the almond milk sector with concerns raised about the damage the sector could be doing to the long term viability of growing regions in the state.

New-look AACo in bound [22 October/ The Australian] AACo, the oldest Australian company, has declared success in its strategy to transform itself from an antiquated outback landholder to a modern vertically integrated global beef business. CEO, Jason Strong, said the company expects to report a profit for the first six months of its financial year of AUD 8 to 12 million, a significant turnaround on the loss of AUD8 million in the previous period. Mr Strong said the operating result indicated the company's strategy was working with beef sales now contributing 80% of revenue compared to just 47% a year ago when sales were dominated by livestock trading. The company has developed its beef processing facilities, including a new AUD90 million abattoir in the Northern Territories, and has focused on developing its brand. The company is focused on extracting the maximum value from its beef herd rather than trading cattle from other producers. Mr Strong said he was happy but not satisfied with the result and he remained committed to creating a sustainable global beef supply chain company. Growth plans include investing in genetics, on station production technology and new branding aligned to AACo's heritage that dates back to 1824.

Charles will host talks on farm leadership [23 October/ The Times of London] The Prince of Wales has convened an emergency agriculture summit as a result of his significant concerns over the state of British farming and vulnerability of smaller farmers in particular. Lending restrictions from the major banks are forcing many farmers towards loan sharks to meet payments, due to low crop prices, and some have suggested that the industry is facing its greatest challenge since the foot and mouth outbreak 15 years ago. The summit will be attended by representatives of the major banks, who will be urged to ease lending restrictions. The meeting will also be attended by the farming minister and industry leaders. Chair of the talks, Lord Curry of Kirkharle, said there was evidence that the exorbitant interest rates being charged by loan sharks had resulted in farmers losing their farms.

Egg industry group CEO steps down after vegan mayo scramble [24 October/ NZ Herald] The CEO of the American Egg Board, Joanne Ivy, has stepped down following the release of emails that indicate that she tried to stop the sale of a vegan mayonnaise at Whole Food Markets. Ms Ivy was due to retire at the end of the year but has left early while the US Department of Agriculture investigates the Board's actions related to Hampton Creek, a San Francisco start-up company, that makes egg less mayonnaise alternative, Just Mayo. Emails suggest that Ms Ivy discussed a plan to approach Whole Foods to keep the Hampton Court product out of their stores, something that would be inappropriate for the board as a quasi-governmental body, which exists only to promote the use and health benefits of eggs. Emails indicate that there was concern at the egg board about the attention that Hampton Creek's plant based alternative products were receiving however the USDA said it was committed to establishing a level playing field for all appropriate agricultural endeavours.

Research and development

New milk fingerprinting technology wins NZ innovators award [22 October/ Dairy News] Fonterra's research and development team has won the Innovation Excellence in Research award at the New Zealand Innovators Award for the milk fingerprinting technology it has developed. The technology delivers the detailed composition of milk by light analysis and sophisticated computer systems. Fonterra Science and Technology leader, Jeremy Hill, said the technology cuts the cost of testing by 99% and significantly reduces the time involved, adding tests that used to take days or weeks can now be completed by the hundred in a matter of seconds. The technology goes beyond ensuring the safety of the product, as it provides real time information about the composition of each farm's milk enabling it to be directed to the plant best able to maximise the value of that particular drop of milk. The development of the technology has been partly funded by the Transforming the Dairy Value Chain Primary Growth Partnership programme which is co-funded by the Ministry for Primary Industries, Fonterra and Dairy NZ.

Economics and trade

Unexpectedly large trade deficit in Sept, dairy exports weak [27 October/ NZ Herald] New Zealand's trade deficit widened unexpectedly during September as dairy exports declined and imports remained strong. The deficit widened to \$1.22 billion in September from \$1.08 billion in August, well above the consensus forecast of \$825 million. The deficit is smaller than the \$1.36 billion reported in September last year. Export categories that increased included meat and edible offal (up 33%) while dairy exports fell 32%.

Fieldays

Calder resigns from top Fieldays job [23 October/ Business Day: NZ Farmer] The New Zealand National Fieldays Society has announced that Chief Executive Officer, Jon Calder, has resigned and will be leaving the organisation to take up a new position in January next year. Mr Calder has been CEO of the Society and the Mystery Creek Events Centre for four years, during which the Society had welcomed more than 500,000 people to Fieldays and commenced the implementation of a new master plan for the site. The Society has also established Equidays as a major national equine event, with the fifth instalment being held in early October and attracting 24% more visitors at almost 22,000 people.

Farmers and producers

New Zealand's Sir Henry van der Heyden awarded prestigious trans-Tasman agri leadership honour [22 October/ Rabobank New Zealand press release] Sir Henry van der Heyden has been awarded the 2015 Rabobank Leadership award in recognition of his exceptional contribution to the food, beverage and agribusiness sectors. Rabobank Australia and New Zealand Group Managing Director, Thos Gieskes, said Sir Henry's impact on – and contribution to – New Zealand has been so significant and profound, it is impossible to imagine the modern dairy industry without the former Fonterra Chairman. Mr Gieskes said in addition to Sir Henry's role shaping the evolution of the New Zealand dairy industry he has also been a champion of NZ Inc, promoting the interests of New Zealand, its people and its industries has been a motivating factor in his activities and business interests. Sir Henry purchased his first dairy in 1985, as chair of the New Zealand Dairy Group he was a key player in the merger that created Fonterra and became chair of Fonterra in 2002 (a position he held until 2012). Mr Gieskes conceded that in being chosen for the award, Sir Henry had overcome the 'not insignificant obstacle' of the fact that he now sits on the boards of Rabobank in Australia and New Zealand, however noted all the independent judges had been unanimous in his selection.

Southland Filipino dairy workers face worries [23 October/ Business Day] Following arrests being made by the Police in the Waikato in association with an immigration scam, Southlanders employing Filipino dairy farm workers that may be involved are being urged to come forward. The arrests follow an investigation by Immigration New Zealand which was triggered by staff in Christchurch noting unusual patterns among visa applications from Filipinos seeking to work on dairy farms. It is possible that workers innocently caught up in the scam may have to rely on being granted amnesty by Immigration Minister, Michael Woodhouse, as sending the workers back would present many challenges to farm owners who would not have sufficient staff to complete milking. One adviser suggested that more than one in three Filipino workers that have come to New Zealand in the last five years could be caught up in the scam.

Subscribe

To subscribe to future editions of Field Notes please [click here](#).

Contact Us

<p>Auckland/ Audit</p> <p>Ian Proudfoot 09 367 5882 021 656 815 iproudfoot@kpmg.co.nz</p>	<p>Taxation</p> <p>Greg Knowles 09 367 5989 021 307 332 gknowles@kpmg.co.nz</p>	<p>Tauranga</p> <p>Robert Lee 07 571 1773 027 451 1035 relee@kpmg.co.nz</p>	<p>Wellington</p> <p>Graeme Edwards 04 816 4522 027 296 5050 gdedwards@kpmg.co.nz</p>
<p>Christchurch</p> <p>Andrew Hawkes 03 353 0093 027 508 0135 ahawkes@kpmg.co.nz</p>	<p>Financial Advisory Services</p> <p>Gary Ivory 09 367 5943 021 932 890 givory@kpmg.co.nz</p>	<p>Management Consulting</p> <p>Simon Hunter 09 367 5881 027489 9737 simonhunter@kpmg.co.nz</p>	<p>Hamilton/ Private Enterprise</p> <p>Hamish McDonald 07 858 6519 021 586 519 hamishmcdonald@kpmg.co.nz</p>
<p>Farm Enterprise</p> <p>North Island</p> <p>Roger Wilson 07 858 6520 027 281 9575 rogerwilson@kpmg.co.nz</p>	<p>South Island</p> <p>Julia Jones 07 858 6553 027 524 8901 juliajones1@kpmg.co.nz</p>	<p>South Island</p> <p>Brent Love 03 683 1871 027 528 1537 blove@kpmg.co.nz</p>	<p>Maurice Myers 03 307 6355 027 208 3405 mauricemyers@kpmg.co.nz</p>

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.

The information provided herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received nor that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2015 KPMG, a New Zealand partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name, logo and "cutting through complexity" are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity.