



AGRIBUSINESS

# FIELD NOTES

Weekly news update from the KPMG Agribusiness network



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HOT OFF THE PRESS:  
**KPMG AGRIBUSINESS  
 AGENDA 2016 VOLUME 1**

14 September 2016

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

Agcarm	KPMG
AgResearch	Lincoln University
Allbirds	Marlborough District Council
Alliance for a Green Revolution in Africa	McDonald's
Aoraki Smokehouse Salmon	Miyoko's Kitchen
Apiculture New Zealand	Monsanto
ASB	Mount Cook Alpine Salmon
Bayer	Murray Goulburn
BNZ	Murryhill Foods
Challenger Scallop Enhancement Company	Nelson Honey
Chipotle	Open Country Dairy
Cloudy Bay	Rabobank
Coles	Rainbow Station
Colorado Department of Agriculture	Starbucks
Comvita	Statistics New Zealand
Consortium of Indian Farmers Association	Stericycle ExpertSOLUTIONS
Dairy Women's Network	Sugar Research Foundation
DairyNZ	Tomatoes New Zealand
Fonterra Co-operative Group	Victorian Farmers Federation
Greenpeace	Whole Foods Markets
IDTechEx	Wild Earth Wines

**This week's headlines**

Apiculture	<b>Bee and agrichemical industry join to promote bee safety</b> [7 September/ Rural News]
Dairy	<b>Supply the key to whether the "mini-boom" in dairy prices continues</b> [7 September/ National Business Review]
Aquaculture	<b>Salmon producers combine operations</b> [13 September/ Otago Daily Times]
Biosecurity	<b>Tomatoes sign up on biosecurity</b> [8 September/ Rural News]
Wool	<b>Starbucks founder invests \$10m in All White's shoe brand</b> [8 September/ NZ Herald]

## NEW!! KPMG Australia Thought Leadership: Powering Growth – Realising the potential of agtech for Australia



Farmers have always been innovative; over centuries continuous, incremental system developments have seen the quality and yield of what we grow continuously improve. Yet in many ways not much has changed, we still predominately grow plants to eat ourselves or feed to animals to convert into alternative forms of protein. Change, however, is coming and it is coming quickly.

With over USD4 billion invested last year into innovative new agricultural, digital and biological technologies, expect every certainty that farmers have anchored to over the last 200 years to be challenged in the coming decade.

Last week I attended the launch of a report on the Agtech sector in Australia (*'Powering Growth: Realising the potential of Agtech for Australia'*) by KPMG, StartupAUS, Commonwealth Bank and Queensland Government. The report and the launch event focused on just one stream of the Agtech revolution, opportunities inherent in pre-farm gate digital technology. There was discussion on the role of the Internet of Things enabled data collection, open innovation initiatives, the opportunities inherent in data analytics and the challenges surrounding ownership and use of data.

The primary sector in Australia has set itself a goal of growing to an AUD100 billion industry by 2030, increasing its contribution to GDP, export revenues and employment in the process. This goal will never be achieved if the opportunities inherent within emerging technologies are not identified, backed by strategic investment to scale up their impact, before being effectively extended to accelerate uptake by farmers.

The report's prescription is highly collaborative, recognising that no single organisation will have all the answers or the capability to drive the necessary transformation on their own. The need to create an investment fund that can seek out and back agtech start-ups was a central recommendation to ensure that solutions to key challenges are developed, and more importantly adopted. Co-ordinating efforts to build closer relationships with the major global agtech players was suggested, to access technology they have rights to around the world, provide a channel to the global market for Australian technology, as well as accessing funds they have available to build businesses with global reach.

Another strong theme is the need to support collaborative development of solutions. An interesting idea floated was the concept of a digital marketplace for Agtech products, providing farmers with greater awareness and access to technologies being developed by start-ups. This would also enable the innovators to find early adopters, better understand their challenges and ensure the right problems are being solved.

Other ideas revolved around the effective commercialisation of technology. These included the establishment of a network of agtech hubs to create a deeper innovation ecosystem across the country, greater entrepreneurial elements to both the research and education programmes run by universities and investment in the infrastructure to enable more consistent commercialisation of great ideas. The point was made time and again that good ideas without the capability to realise their potential are largely wasted ideas. Ensuring the people, capital, relationships and know how are available to make a great idea a global game changer is critical to establishing an industry with transformational potential.

Underlying every conversation was an understanding that world class connectivity is needed in rural areas to fully realise the potential of inside the farm gate digital innovation (a consistent theme right across the world). The challenge in Australia is massive, despite the investment in NBN and various rural black spot programmes, as the country is so huge. The point was made that while point to point connectivity can be delivered with satellite solutions the benefits of IoT need networked connectivity. The speed of adoption will depend on reliable, fast connectivity, suggesting countries that achieve this quickly will gain first mover benefits from a wealth of new technologies.

Remember this report explores only one element of the new agrarian revolution. In addition to pre farm gate digitalisation there are other transformational streams of work progressing at speed in the areas of genetics, novel foods, supply chain and co-products all of which will change the game in many other directions.

This report is worth reading. It reinforces change is not a nice to have but a necessity if we in New Zealand are going to remain relevant in the market and capture a greater share of the nearly quarter of a trillion dollars of value the products we grow actually retail for across the world. The recommendations are as relevant to New Zealand as they are to Australia.

**Ian Proudfoot**

KPMG Global Head of Agribusiness

The report can be accessed from this webpage: <https://home.kpmg.com/au/en/home/insights/2016/09/powering-growth-realising-potential-agtech-australia.html>

## Horticulture

**New Zealand must position itself for “new world order” in global horticulture trade** [9 September/ Rabobank Media Release] According to a recent Rabobank report, the fresh fruit and vegetable industry was rapidly changing with new growth markets emerging in Asia and the Middle East. The report added that consumers were demanding higher value and more interesting fruit and vegetables, meaning the value of the industry was increasing despite volumes barely increasing. Rabobank Senior Analyst, Marc Soccio said the rising value of global food and export demand meant there would be room for all exporters in the global horticulture industry. Mr Soccio added that New Zealand would be required to continue to invest in research and development, production, and markets in order for growth to continue in the years to come.

**Viticulture**

**Wineries seek 'Lord of the Rings' inspiration in export push** [12 September/ NZ Herald] Wineries in the Marlborough region were investing in infrastructure to help them take advantage of record tourist numbers. One winery was seeking inspiration from the man who landscaped Hobbiton while three were opening new or refurbished tasting rooms. Cloudy Bay Hospitality Manager, Mario Dussurget said New Zealand was seeing a new generation of visitors who were looking for a differentiated and unique winery experience. Wild Earth Wines Sales Manager, Wesley Quider said the winery had definitely noticed a big increase in tourism, especially with the Chinese tour groups. The number of foreigners who visited New Zealand vineyards reached 612,000 in the year to June, 11 percent more than the previous year.

**Apiculture**

**Bee and agrichemical industry join to promote bee safety** [7 September/ Rural News] AGCARM and Apiculture New Zealand have announced the release of a campaign to increase awareness around the importance of keeping bees safe through responsible use of agrichemicals. The campaign highlighted the need for farmers and beekeepers to work together to manage the use of agrichemicals near hives. AGCARM Chief Executive, Mark Ross said bees were extremely good pollinators of crops and therefore contributed substantially to New Zealand's multi-billion dollar agricultural economy. Mr Ross added that agrichemicals were vital for ensuring the security of New Zealand's food supply and posed no threat to the country's bee population when used responsibly. Mr Ross noted that it was important to work together to ensure the coexistence of two of New Zealand's most important industries.

**Nelson Honey's sweet success with Rainbow Station lease** [12 September/ Nelson Mail] Nelson Honey has bought Rainbow Station's pastoral lease, securing access to 8,300 hectares of high country land. Nelson Honey Managing Director, Philip Cropp said the 33 year lease was significant as it future proofed access to the high country farm. The extra land would allow the company to increase hive numbers across the station from 600 to 800. Mr Cropp added that Nelson Honey had been growing slowly over time and the Rainbow lease would see a small increase in growth.

**Comvita restructure could mean lay-offs** [12 September/ NZ Herald] Comvita staff around New Zealand have been told that restructuring could mean redundancies for some employees. Comvita Chief Executive, Scott Coulter said the company was conducting a review and there could be some redundancies, but there had yet to be any decision on the number of redundancies or what parts of the business would be affected. Mr Coulter said Comvita had been in a large growth phase in New Zealand so it had not been reviewed its business structures for some time. Mr Coulter added that it was a very difficult time for everybody and the company was trying its best to look after its staff.

**Red meat**

**Farmers expect casualties to newborn lambs from snow storm** [8 September/ Business Day: NZ Farmer] North Canterbury farmers were expecting lamb losses after a wild storm that brought cold winds and around 10 to 15 centimetres of snow. North Canterbury Farmer, Dan Hodgen said lambs up to two or three days old were the most vulnerable to the wind, but the snow was not a worry. Mr Hodgen added that farmers were looking on the bright side as the snow would slowly soak into the ground and replenish moisture levels in dry paddocks. No major lamb losses had been reported immediately after the storm.

**Dairy**

**Supply the key to whether the "mini-boom" in dairy prices continues** [7 September/ National Business Review] The average dairy price increased by 7.7 percent at the recent Global Dairy Trade auction. The price of whole milk powder, which heavily influences payments to New Zealand farmers, rose by 3.7 percent to USD 2,793 per tonne. BNZ Economist, Doug Steel said the increases at the past three auctions were expected, but future auctions were much harder to predict. Mr Steel said he was forecasting a Fonterra payout of \$5.30 per kilogram of milk solids, compared with Fonterra's own forecast of \$4.75 per kilogram. Mr Steel said the high New Zealand dollar was another complicating factor which could decrease the payout. Mr Steel added that there was now genuine hope among farmers that prices would reach a level allowing them to break even.

**Open Country milk forecast improves** [9 September/ Business Day: NZ Farmer] Open Country Dairy has increased its milk price forecast for the 2016-17 season from between \$4.25 and \$4.45 per kilogram of milk solids to between \$4.60 and \$4.90 per kilogram. The company said in a letter that while market indications were more positive than last season due to decreasing global milk supply, there was still a risk that European farmers increased milk production again in response to the increasing milk prices. Fonterra recently upgraded its milk price forecast for the season to \$4.75 per kilogram of milk solids.

**Aquaculture**

**Community, industry involvement needed for Marlborough aquaculture review** [7 September/ Business Day: NZ Farmer] Marlborough District Council Mayor, Alistair Sowman said the Government may be required to step in if Marlborough marine farmers and community groups did not cooperate with the council to review aquaculture policies. Environment Committee Deputy Chairman, David Oddie said the initial deadline for the new aquaculture regulations was Christmas, but he no longer thought that was possible. More than 1,000 submissions on the plan were submitted. The enactment date for the plan is set for 2018, before which the existing rules would remain in place.

**Salmon producers combine operations** [13 September/ Otago Daily Times] Mount Cook Alpine Salmon (MCAS) has announced the purchase of Aoraki Smokehouse Salmon. Both companies operate salmon farms in hydro canals in the Mackenzie district, with MCAS producing just over 1,000 tonnes a year and Aoraki producing just under 600 tonnes a year. Mount Cook Alpine Salmon Chief Executive, David Cole said the acquisition was a logical step in the growth of the business as the majority of the MCAS's production went to overseas customers while Aoraki's products were highly regarded in the domestic market. Mr Cole added that there would be some restructuring as the combined operations were integrated. The combined company would employ more than 150 staff.

**Fishing**

**Commercial withdrawal from Nelson and Tasman scallop beds** [8 September/ Business Day] A Challenger Scallop Enhancement Company board meeting has resulted in the decision to close Tasman and Golden Bay to all commercial scallop fishing for the remainder of the year. Scallop numbers in Tasman and Golden Bay had been declining at a staggering pace since 2002 with no clear cause established. Challenger Scallop Enhancement Company Chairman, Doug Saunders-Loder said the company's decision was centred on getting a consistent approach to reviving the scallop population in New Zealand waters. The Ministry for Primary Industries had recently closed an area encompassing the entire Marlborough Sounds and the eastern part of Tasman Bay.

**Environment and emissions**

**Sea of plans swamping farmers** [12 September/ NZ Farmers Weekly] Regional councils around New Zealand have continued to introduce new land and water plans, adding to the regulatory controls already imposed on the sector. In addition to land and water plans, farmers must meet health and safety plans as well as processing supply requirements for meat, wool, dairy, horticulture, cropping and irrigation. Rabobank Sustainable Farm Systems Manager, Blake Holgate said the standards and information required to satisfy each plan differed, meaning plans for producer and grower bodies did not automatically satisfy all the requirements councils wanted in farm plans.

**Biosecurity**

**Tomatoes sign up on biosecurity** [8 September/ Rural News] Tomatoes New Zealand has signed up to the Deed of the Government Industry Agreement (GIA) for Biosecurity Readiness and Response. Tomatoes New Zealand Chair, Alasdair MacLeod said signing up to the biosecurity partnership was an important step in securing the future growth of the tomato industry. Mr MacLeod added that biosecurity incursions were the biggest threat to achieving the industry's goal of doubling in value from \$100 million to \$200 million by 2020. Mr MacLeod explained that by becoming a signatory to the GIA Deed, the tomato industry would have a greater say in preparing for and managing biosecurity risks specific to the tomato industry.

**International**

**Africa May Need \$400 Billion to Improve Agriculture, AGRA Says** [6 September/ Bloomberg] An Alliance for a Green Revolution in Africa (AGRA) report showed that Africa could require between USD 315 billion and USD 400 billion of investments in food production, processing, marketing and transport over the next ten years to meet the continent's needs. AGRA President, Agnes Kalibata said the food import deficit in Africa was currently USD 35 billion annually, but could grow to USD 110 billion within the next decade. Despite the continent having taken steps to improve agricultural output and productivity, Africa was still struggling for supplies due to El Nino weather patterns damaging crops.

**India's First GM Food Crop Inches Closer to State Approval** [6 September/ Bloomberg] Genetically modified mustard may become the first genetically modified food crop in India to be approved for commercial production after scientists said it posed no risks to humans. According to the scientists, the oilseed did not raise any public health or safety concerns on humans or animals. The scientists added that the oilseed was highly unlikely to invade natural ecosystems and posed negligible risk to biodiversity and agriculture productivity. Consortium of Indian Farmers Association Adviser, Chengal Reddy said making genetically modified mustard seed available to Indian farmers would have an enormous economic benefit, increasing income of farmers by up to 50 percent. The seed would decrease India's vegetable oil import bill by up to USD 2.3 billion.

**Bayer sweetens Monsanto bid** [7 September/ The Irish Times] Bayer said in a statement that its negotiations over a deal with Monsanto had advanced as it was now prepared to increase its offer from USD 125 per share to USD 127.50 per share. The statement confirmed reports that an offer of USD 130 per share may be required to secure the deal in a swift manner. A successful deal between the two companies would potentially create the largest farm supplies company in the world.

**Colorado hits another cannabis first with certified hemp seed** [7 September/ The Washington Post] The Colorado Department of Agriculture has created the nation's first certified domestic hemp seeds. The certification was the result of years of work to produce hemp seeds that consistently produced plants low enough in the chemical THC to qualify as hemp and not its cousin, marijuana. Hemp could be used in health foods, in the production of fibre, or pressed into oils to be used therapeutically. Colorado Department of Agriculture Seed Coordinator, Duane Sinning said the certification was vital to the long term growth of the industry. Seed scarcity had been a problem for hemp production, with prices reaching more than a dollar per seed in some cases. If the seeds produced plants above 0.3 percent THC, they had to be destroyed. Mr Sinning said farmers in the 29 states that allowed hemp production would be able to buy the certified seeds in 2017.

**'Farmers' milk on sale** [7 September/ The Age] Victorian Farmers Federation and Coles have established a new milk brand, Farmers Fund Milk, in response to the recent Australian dairy crisis caused by Murray Goulburn and Fonterra slashing the prices paid to farmers for their milk. Farmers Fund milk would be sold for AUD 2.50 per two litre bottle, with AUD 0.40 from each bottle sold going towards a fund to assist dairy farmers in south eastern Australia. The brand was expected to be sold in Coles supermarkets from this week.

**From kitchen table to cut-throat food start-up market; Developing a food product for the mass market is not for the faint-hearted** [8 September/ The Irish Times] Murryhill Foods Founders, Aine Kinsella and Niamh Duffy described their company as an innovative food business focused on being creative, enhancing meal occasions and delivering good quality, convenient food solutions. The founders have used their knowledge to create Crumble'n'Crunch, a new cheese product to be used with salads, pizza and pasta. The Crumble'n'Crunch range included four products including a mix of goat's cheese with beetroot and walnut crumb and mature cheddar cheese with maple, bacon and oat crumb. Ms Kinsella said the product may sound simple, but it was actually quite complex from a manufacturing perspective, especially with nuts in the mix.

**Drones giving farmers a hand; Technology's growing uses for agriculture; Drones growing as a tool on California farms** [8 September/ The San Francisco Chronicle] Farmers from Central Valley in California have become some of the first to experiment with unmanned flying vehicles to spray pesticides over fields. Other farmers were using drones equipped with high resolution cameras and thermal imaging technology to gather data about their crops. According to an IDTechEx report, innovations in robotics and technology would alter the way farming was done around the world, with the market for agricultural drones expected to reach USD 485 million in the next 10 years.

**KPMG urges more stable political decisions on foreign investment in agriculture** [8 September/ ABC Rural] KPMG Asia & International Markets Partner in Charge, Doug Ferguson said Chinese parties were only involved in 12 Australian agricultural land transactions during 2015, primarily in the dairy sector. Speaking in response to the release of government figures showing the UK as the largest overseas land owner in Australia, with China ranked fifth. Mr Ferguson explained that the Chinese had been dissuaded from spending on Australian agriculture because of risks including rejection from the Foreign Investment Review Board, high cattle prices and climate volatility. KPMG Global Head of Agribusiness, Ian Proudfoot said Australia needed to be more consistent with approvals to provide overseas investors with certainty. Mr Proudfoot added that there had been a mix of decisions to date, with some being more political than economic. Mr Proudfoot noted that relationship building would be crucial for Australian agriculture to increase its value.

**Foreign fishermen confined to boats catch Hawaiian seafood** [8 September/ NZ Herald] The majority of Hawaii's high quality seafood has been caught by undocumented foreign workers who were confined to American boats for years at a time without basic rights or protections. A loophole in United States law meant around 700 men from Southeast Asian and Pacific Island nations could legally undertake these dangerous jobs without proper work permits, as long as they did not set foot on shore. Federal law required United States citizens to make up 75 percent of the crew on most American commercial fishing boats, but influential lawmakers in Hawaii successfully exempted the state from the rule. The fishermen were paid as little as USD 0.70 an hour for catching USD 110 million worth of seafood annually. Whole Foods Spokeswoman, McKinzey Crossland said only 1 percent of the supermarket chain's seafood came from Hawaii and she had been assured that boat crews were well paid with bonuses and health insurance. Mr Crossland added that the company was looking into the issue.

**Nuts and seeds top recalled category for EU in Q2** [8 September/ Food Navigator] According to Stericycle ExpertSOLUTIONS, nuts and seeds were the most recalled commodity in the second quarter of 2016, followed by fresh produce and fish products. Over 41 percent of recalls were caused by bacterial contamination and aflatoxins, the same primary cause as the previous quarter. Stericycle ExpertSOLUTIONS European Vice President, Farzad Henareh said unauthorised ingredients was the third most common reason for a recall, with allergens dropping into the fourth more frequent cause. Mr Henareh added that the general increase in recalls and unauthorised ingredients was because people were more conscious about nutrition in Western Europe. The most recalls occurred in Turkey, Spain, India, China and the United States.

**Kenya to plant a 'green dress' the size of Costa Rica** [8 September/ Reuters] The Kenyan Government has announced that it aims to restore trees and vegetation across almost 9 percent of its land mass by 2030 in order to combat climate change, poverty and hunger. Kenya Environment Minister, Judy Wakhungu said the program provided the country with the opportunity to reduce poverty, improve food security, address climate change and conserve biodiversity. The initiative would improve the lives of Kenya's poorer population by creating jobs, improving soil fertility, agricultural yields and access to clean water

**Miyoko's Kitchen expands production: 'Demand has exceeded our wildest expectations'** [8 September/ Food Navigator] Miyoko's Kitchen, an artisanal vegan cheese maker, has begun moving into a new production facility in California. The new location would be five times the size of the company's original site in order to meet growing demand. Miyoko's Kitchen Founder, Miyoko Schinner said the new 28,636 square feet facility would be used for production, shipping and customer service, while research and development would remain at the original site. Ms Schinner added that the company had grown from four employees to 40 in the last 18 months as demand had exceeded her wildest expectations.

**Big Food's biggest trend? Crusading against Big Food** [13 September/ NZ Herald] Chipotle's "Cultivate" festivals have encapsulated one of the food industry's biggest marketing trends by crusading against Big Food. Displays at the festival included beakers of powders and liquids associated with what was clearly meant to look like a McDonald's burger. Although Chipotle was still struggling to recover from an E. coli outbreak last year, it was leading the industry in the move away from fast food, a sector worth USD 256 billion.

**Potash, Agrium to combine, creating huge crop company** [13 September/ NZ Herald] Potash Corporation and Agrium have announced that they will be combining to create the world's largest crop nutrient company. The Canadian companies both sold fertilisers and nutrients to farmers. The new company would have 20,000 employees with a market value of \$36 billion and annual revenue of \$20.6 billion. A new name for the company would be announced before the deal was completed in the middle of next year. Potash shareholders would own about 52 percent of the new company, while Agrium shareholders would own the other 48 percent.

**Food costs and health choices force ag production change** [13 September/ Stock and Land] KPMG Global Head of Agribusiness, Ian Proudfoot said governments worldwide would make it increasingly challenging to eat sugar, fat or foods and beverages which were generally considered responsible for preventable health problems like diabetes, heart disease and obesity. Mr Proudfoot added that it was almost inevitable that food taxes would steadily expand as financially stretched governments attempted to restrain unhealthy eating. Mr Proudfoot explained that it would not just be the sugar industry that was effected, with the grain and dairy sectors supplying many of the ingredients in sugary biscuits, doughnuts and desserts. Mr Proudfoot said he expected a trend towards more plant based ingredients in diets, including seaweed and native plants with nutritional attributes. Mr Proudfoot noted that tissue cultured beef would likely be a standard choice in supermarkets in 20 years.

**How Big Sugar Enlisted Harvard Scientists to Influence How We Eat – in 1965** [13 September/ Bloomberg] New research has shown that the food industry has funded research in an effort to influence nutritional science and health policy for more than half a century. Researchers from the University of California – San Francisco showed that the Sugar Research Foundation paid Harvard scientists to discredit a link between sugar and a higher risk of cardiovascular disease. The link was now widely accepted among scientists.

## Farmers and producers

**DWN encourages votes for rural women** [8 September/ Dairy News] Dairy Women's Network Chief Executive, Zelda de Villiers said voters should support rural women for positions within local governments, farmer co-operatives and regional councils. Ms Villiers explained that New Zealand needed a rural voice on many of these boards as issues off the farm were increasingly being impacted by the way farmers did business. ASB Rural General Manager, Mark Heer said members of Dairy Women's Network were diverse and capable, two of the key qualities that made an effective board.

**Events to help make most of ‘money months’** [13 September/ Dairy News] DairyNZ has hosted its first Tactics For Spring event for the year as it aimed to help farmers manage their pasture during the most productive time of the year on the farm. The events would take place throughout the country in September and October. The events would focus on helping farmers grow and harvest more spring pasture with topics including optimising pasture growth, managing pasture quality and effectively incorporating crops into the system. DairyNZ Research and Development General Manager, David McCall said farmers must focus on what they could control, such as pasture.

## Economics and trade

**Minister Goodhew on food safety visit to China** [12 September/ Rural News] Food Safety Minister, Jo Goodhew would travel to China for bilateral meetings and to open a new Fonterra dairy facility. Ms Goodhew said the relationship between New Zealand and China has never been stronger, and it was crucial for New Zealand’s economy that we maintained a strong relationship in food safety. Ms Goodhew added that it was important for New Zealand to work with China to maintain and improve access for New Zealand’s goods and services. Ms Goodhew would attend the official opening of the Fonterra Ying County Breeding Hub, a facility capable of holding 30,000 cows.

**Banana prices spike to record high, food prices rise** [13 September/ NZ Herald] Statistics New Zealand showed that the average food price for August was 1.3 percent higher than July, with the price of fruit and vegetables increasing by 5.8 percent. Banana prices jumped 22 percent to a record \$3.51 per kilogram. Statistics New Zealand Consumer Prices Manager, Matt Haigh said the high banana prices reflected a supply shortage from Ecuador, the main supplier of bananas to New Zealand. Meat, poultry and fish prices rose by 0.2 percent, grocery food prices increased by 0.7 percent, while non-alcoholic beverage prices rose by 1.8 percent.

## Wool

**Starbucks founder invests \$10m in All White's shoe brand** [8 September/ NZ Herald] The investment fund developed by Starbucks founder, Howard Schultz, has invested USD 7.25 million in Allbirds, a New Zealand merino footwear brand founded by former Wellington Phoenix captain, Tim Brown and biotech engineer, Joey Zwilling. Mr Brown and Mr Zwilling spent two years perfecting the shoe’s merino wool material before raising USD 2.7 million to launch in New Zealand and the United States in March. Mr Brown said the recent USD 7.25 million investment would allow the company to expand and invest in research and development and hire more staff. Mr Brown added that the company was on a mission to make shoes more sustainable while maintaining comfort.

## Water

**Greenpeace’s Normal lobbies ACC not to invest in Ruataniwha** [8 September/ National Business Review] Greenpeace New Zealand Director, Russel Norman has asked ACC Investment Manager, Nicholas Bagnall, not to fund the Ruataniwha Dam project. ACC declined to comment on rumours that it was the institutional investor who had conducted due diligence on the \$275 million project. Mr Norman said the Ruataniwha Dam decision had ramifications for the future security of clean water across New Zealand as the progress of several more irrigation schemes were waiting behind it. Mr Norman added that it made no sense for an organisation dedicated to returning New Zealanders to good health to invest in something that put public health at risk.

## Research and development

**Lincoln Hub to play big role in agricultural innovation** [8 September/ Business Day: NZ Farmer] Lincoln Hub, a new agricultural network, education and research precinct, was unveiled at Lincoln University on 8 September. Lincoln Hub Chairwoman, Sue Suckling said the hub was to be purpose built to be a gateway for agricultural solutions and collaboration. Ms Suckling said overseas examples had shown that when you bring industry, research and education together, it created an environment for innovation. AgResearch Chief Executive, Tom Richardson said the AgResearch scientists would have an on-farm focus and access to the expertise of university students and post graduate students. Lincoln University Vice-Chancellor, Robin Pollard said the hub was a good opportunity for the university to engage with crown research institutes.

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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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