

Field Notes

Weekly news update from the KPMG Agribusiness network

2 November 2016

Organisations referenced in this week's Field Notes include:

AgFunder	Kidman
Alliance Group	Marlborough District Council
Australian Competition and Consumer Commission	Massey University
Australian Outback Beef	Mengniu Dairy Company
BCG Consulting	Ministry for Primary Industries
Bega Cheese	Ministry of Environment
Big Sky Dairy Farm	Moon Lake Investments
Blackmores	OM Financial
China Shengmu Organic Milk	Overseas Investment Office
Comvita	Rabobank
Consumer Goods Forum	Red Meat Profit Partnership
Crunchsters	Seeka
DairyNZ	Shanghai Pengxin
Embassy of the Netherlands in NZ	Solid Energy
European Union	Soylent
Farmwatch	Statistics New Zealand
Federated Farmers	Talley's Group
Fonterra Co-operative Group	Taratahi
Foreign Investment Review Board	United States Food and Drug Administration
Future of Food Forum	University of Otago
Global Dairy Trade	Wageningen University
Hancock Prospecting	Westland Milk Products
Harvard University	Yili
Jiawai	Zespri

This week's headlines

Horticulture	Seeka launches rebrand [31 October/ Rural News]
Dairy	Westland Milk Products report \$14.5m loss [27 October/ NZ Herald]
Environment and emissions	Southland farmer fined \$36,000 for Oreti River changes [28 October/ Business Day: NZ Farmer]
Farmers and producers	MP Chester Borrows says hidden camera footage threatens New Zealand's economy [31 October/ Business Day: NZ Farmer]
Agribusiness education	2017 Nuffield Scholars Announced [31 October/ Nuffield Press Release]



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**KPMG Agribusiness
Agenda 2016 Vol. 1**



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Horticulture

Seeka launches rebrand [31 October/ Rural News] Seeka Kiwifruit Industries Limited has announced a name change and major rebrand to reflect its evolution into a leading premium produce company. The company will be known as Seeka Limited from 28 October, while the NZX code of SEK would remain the same. Seeka Chief Executive, Michael Franks said the company had a greatly diversified range of products, processing and marketing activities across New Zealand, Australia and internationally. In addition to growing, processing and marketing kiwifruit, avocados and kiwiberries, Seeka also imported, ripened and distributed bananas and tropical fruits from the Philippines and South America. Mr Franks said the reality was that Seeka now did a lot more than simply grow kiwifruit and wrap cardboard around it for export, and therefore the name change was required.

Apiculture

Comvita shares slump as honey products maker tips loss [27 October/ National Business Review] Comvita shares have fallen by 11 percent after the company announced it could face a loss in the first half of the 2017 financial year. Chief Executive, Scott Coulter said the probable loss was due to a decline in sales out of Australasia since China cracked down on grey market traders. Mr Coulter added that a profit was expected in the second half of the financial year due to the seasonality of sales to the northern hemisphere. Net profit for the 2017 financial year was now expected to be similar to the \$17.1 million profit in the 2016 financial year. Mr Coulter noted that a reduction in headcount and overheads resulted in significantly lower costs compared to the previous year.

Fishing

Report urges regions to tackle marine 'biggies' [31 October/ Business Day] A report by the Ministry of Environment and Statistics New Zealand has highlighted the fragile state of the marine environment caused by sedimentation, marine pests, declining populations of marine seabirds and mammals, and global greenhouse gas emissions causing ocean acidification and warming. Environment Consultant, Rob Davidson said it was a good report because it focused on the big global issues as well as issues which affected the Marlborough region such as sedimentation and physical disturbance of the marine environment. Marlborough District Councillor, David Oddie said the council would be mindful of the contents of the report when it reviewed public submissions on the Marlborough Environment Plan.

Bathurst Resources and Talley's buy three Solid Energy mines [31 October/ Business Day] Bathurst Resources and Talley's have bought three mines from Solid Energy, the collapsed state owned mining company. Talley's Director, Andrew Talley said the investment gave the company some diversity away from their interests in seafood, frozen vegetables, dairy and meat. Mr Talley explained that the company was primarily involved in the project as an investor, and would leave Bathurst to operate the mines. Finance Minister, Bill English said the sale of the mines as a going concern was a positive development as it meant they would continue to provide jobs and contribute to regional economies. The sale would require approval from the Overseas Investment office as the majority of Bathurst's shareholders were based offshore.

Red meat

Meat exports fall 15% in September quarter [28 October/ Rural News] According to Statistics New Zealand, the value of meat and edible offal exports decreased by a seasonally adjusted 15 percent in the September quarter. Statistics New Zealand International Statistics Senior Manager, Jason Attewell said the decrease was due to lower prices after a record meat season last year. Mr Attewell added that the actual prices of meat exports decreased by 7 percent in the year to September 2016, but the quantity of exports were only down by 1 percent.

Graduates take red meat path [31 October/ Otago Daily Times] The Red Meat Profit Partnership's Red Meat Network was designed to increase the number of high achieving graduates entering the sheep and beef industry. The network has allowed 20 leading students from six tertiary institutions to hear high calibre speakers from the red meat sector. Red Meat Profit Partnership General Manager, Michael Smith said encouraging young people into the red meat sector was a key part of increasing productivity. Mr Smith said this was done by getting inspiring and diverse speakers to showcase a range of pathways for students to take.

Alliance Group set to report profit lift [1 November/ NZ Herald] Alliance Chairman, Murray Taggart said the co-operative's profit in the year to September 2016 would be far higher than the previous year's \$7.8 million. Mr Taggart added that the co-operative would report a significantly improved balance sheet when its financial results were released in early November. Mr Taggart said the co-operative would be making a distribution this year, subject to an audit.

Dairy

Fonterra suspends Jiawai distribution agreement after milk powder fraud arrests [26 October/ National Business Review] Fonterra has suspended a distribution agreement with Jiawai, a Chinese company, after Shanghai police arrested 19 people for repackaging expired milk powder from New Zealand. Jiawai had been an authorised distributor for Fonterra since March, but the milk powder was believed to have been repackaged and distributed by a former Jiawai employee before March. Fonterra NZMP Greater China President, The-Han Cho said Fonterra had very limited access to information as it was not part of the official investigation, and therefore the co-operative had been cautious and suspended Jiawai's status as an authorised distributor.

Westland Milk Products report \$14.5m loss [27 October/ NZ Herald] Westland Milk Products has reported a net loss after tax of \$14.5 million for the 2017 financial year, but has remained in compliance with its banking covenants. Westland Milk Products Chairman, Matt O'Regan said it had been a tough year and the final net average cash payout of \$3.88 per kilogram of milk solids was disappointing and below the breakeven point for farmers. Mr O'Regan added that he would resign from his positions of chairman and director and leave the co-operative in March. Mr O'Regan would explain the reasons behind his resignation at the co-operative's annual general meeting next month. Chief Financial Officer, Kim Wallace would also leave the company. Former Westland Milk Products Chairman, Terry Sheridan said he had lodged a vote of no confidence in the board, and suggested that this was the real reason Mr O'Regan was resigning.

Positive steps in most challenging season in a decade [28 October/ Dairy News] Figures released at DairyNZ's annual general meeting showed that the 2015/16 dairy season was the most challenging year in the last decade for farmers. DairyNZ Board Chair, Michael Spaans said that despite a shortfall in farm income, farmers made positive steps in reducing their costs of production, decreasing the average farm's breakeven cost from \$5.25 per kilogram of milk solids to \$5.05 per kilogram of milk solids. In the coming year, DairyNZ would invest \$16 million into research, \$16 million into farm profit, \$16 million into biosecurity and product integrity, and \$12 million into environmental work.

Little fat for exporters as Asian milk demand grows [31 October/ Dairy News] According to a Rabobank report, export margins for New Zealand milk have decreased and could potentially tighten further due to the fierce competition in Asian markets. Report Author, Michael Harvey said the premiums that international brands had historically received in Asian markets were unlikely to continue. Mr Harvey explained that this was due to increased competition from Australia and Europe as well as increased production within Asia. Mr Harvey added that dairy exporters should focus on increasing their margins by ensuring process efficiency, improving distribution chains, and building a premium brand.

Harvard University expands dairy interests in South Island [1 November/ Business Day: NZ Farmer] The Overseas Investment Office has approved the sale of 143 hectares of dairy land in Central Otago to Harvard University. The land is bordered the Big Sky Dairy Farm which the Harvard Management Company bought six years ago for more than \$28 million. The Overseas Investment Office said the sale would benefit New Zealand through the creation of jobs and greater productivity.

Futures market points to dairy price gains [1 November/ NZ Herald] OM Financial Director of Financial Markets, Nigel Brunel said futures markets were indicating at least a 5 percent increase in the price of whole milk powder at this week's Global Dairy Trade auction. January contracts were trading at USD 3,120 per tonne, February contracts were trading at USD 3,165 per tonne, while March contracts were trading at USD 3,175 per tonne. The increase in whole milk prices was driven by a decrease in Fonterra milk collection and lower milk production in Europe.

Environment and emissions

Southland farmer fined \$36,000 for Oreti River changes [28 October/ Business Day: NZ Farmer] Northern Southland Farmer, Adolf Puis Hardegger has been fined over \$35,000 for allowing a contractor to carry out earthworks affecting the path of the Oreti River. Mr Hardegger had allowed the contractor to construct a wall of gravel and earth in the river, place a shipping container in Starvation Creek, and straighten a bend in Starvation Creek to make fencing possible. The judge said Mr Hardegger was reckless as he gave a general mandate to the contractor and did not supervise him sufficiently.

Biosecurity

Mobile app to combat noxious weed [28 October/ Dairy News] The University of Otago and MEA have made detecting the world's worst weeds a much easier task with the launch of the Flora Finder – Weed app. The app used visual recognition software to help users identify plants from photographs of their leaves. Otago Department of Botany Senior Lecturer, Janice Lord said the app was developed to help farmers and land managers control their weeds and helped overcome a significant concern to agricultural and environmental sustainability. Ms Lord explained that if the app could not identify the plant, users could take a photo and send it to the Botany Department through the app so that it could be identified. Ms Lord noted that this service would be particularly useful in winter when it was difficult to identify dead velvetleaf plants.

International

Report: Agribusiness Prioritising Agritech Investment but Don't Feel Prepared [25 October/ AgFunder News] According to a new report from BCG Consulting and AgFunder, agribusinesses that were unsure about how to approach investment in agriculture technology were at risk of being left behind if they did not make it a core part of their strategy. According to the report, global agribusinesses invested between 4 percent and 7 percent of their revenues in agritech investment, with 80 percent of businesses planning to maintain or increase this level of investment.

Blackmores and Bega infant nutrition venture misses targets amid China slowdown [26 October/ Dairy Reporter] A joint venture between Blackmores and Bega Cheese to supply infant formula across the Asia Pacific region has fallen short of its sales targets. Bega Cheese Executive Chairman, Barry Irvin said the market had undergone a significant change this year, particularly due to new regulations which would better control and restrict the number of brands on Chinese shelves. Mr Irvin added that there had been a lot of interest in the partnership between the two Australian companies, and he had confidence in the skills and capacities of both companies.

Tasmania to Get First Direct Flight to China (But Only for Milk) [26 October/ Bloomberg] Moon Lake Investments Owner, Lu Xianfeng has plans to export fresh milk from Tasmania, where he owns Australia's largest dairy operation, to his home city of Ningbo in China. Moon Lake Investments was in advanced talks with airlines and airports to begin weekly round trips from Hobart to Ningbo from the start of 2017. The new air freight route would represent the first international departure from Hobart International Airport since the 1980's. Moon Lake Investments intended to sell fresh milk in 1 litre and 600 millilitre cartons, with plans to add yoghurt and other dairy products at a later stage. Moon Lake was aiming for the premium end of the market, with the milk to sell for between AUD 10 and AUD 15 a litre.

Share placement to enhance Yili's growth prospects [26 October/ South China Morning Post] Yili, China's largest dairy producer, has announced a CNY 4.6 billion (NZD 946 million) takeover of China Shengmu Organic Milk, the country's largest producer of organic milk. Yili would issue CNY 9 billion (NZD 1.85 billion) worth of new shares to acquire four new investments, including the 37 percent controlling stake in China Shengmu Organic Milk. Demand for organic milk in China was increasing and becoming one of the fastest growing subsectors in the dairy industry.

UK drawing up post-Brexit GMO regulations [27 October/ Agri Investor] United Kingdom Agriculture Minister, George Eustice said the United Kingdom was looking at creating its own regulations for genetically modified organisms to be used once Britain had left the European Union. Mr Eustice added that the government believed the policies and regulations in this area should be based on science. There were currently no genetically modified crops produced in the United Kingdom, but scientists believed this could change.

Gina Rinehart makes improved \$386m bid for Kidman and Co empire [27 October/ The Guardian] Australian Outback Beef has increased its bid for the Kidman cattle empire by AUD 21 million to AUD 386.5 million. Hancock Prospecting Chairman, Gina Rinehart would own 67 percent of the Australian Outback Beef joint venture, with the remaining 33 percent to be owned by Shanghai Cred. Although Australian Outback Beef was already the preferred bidder, a late bid from the BBHO consortium prompted the joint venture to raise its bid. Kidman Chairman, John Crosby said the Kidman board of directors would recommend shareholders accept the offer from Australia Outback Beef. Ms Rinehart said that if the bid was not given approval by Australia's Foreign Investment Review Board or China's approval processes due to Shanghai Cred being part of the joint venture, then Hancock Prospecting would proceed with a 100 percent acquisition. Ms Rinehart added that this provided shareholders with comfort in knowing that there was no risk the deal would fall through due to regulatory approval processes.

Fonterra raises Australian farmgate milk price [27 October/ National Business Review] Fonterra Australia has raised its farmgate milk price to AUD 5.10 per kilogram of milk solids, while its forecast closing price for the 2016/17 season increased to AUD 5.20 per kilogram of milk solids from AUD 5.00 per kilogram of milk solids. Fonterra Australia Managing Director, Rene Dedoncker said the increase was due to a significant decline in global milk supply this season, while demand had remained relatively stable. Ms Dedoncker explained that Global Dairy Trade auction prices had increased by 26 percent since July, although some of these gains had been offset by the strong Australian dollar.

CGF Members Share Their Food Waste Stories in New Booklet [27 October/ The Consumer Goods Forum Press Release] The Consumer Goods Forum (CGF) has announced the publication of its Food Waste Booklet, a compilation of real life examples on how CGF members were measuring and reducing food loss and waste. The booklet could be used as inspiration and guidance to others who wanted to measure and reduce their food waste as it showcased a range of successful approaches. The booklet was the third in a series which focused on environmental sustainability.

Scottish aquaculture industry launches EUR 4 billion growth plan [28 October/ Food Navigator] Scotland's biggest aquaculture organisations have come together to launch a new growth strategy aimed to double the value of the industry from GBP 1.8 billion to GBP 3.6 billion by 2030 and create more than 9,000 new jobs in the process. Scotland was the third largest producer of Atlantic salmon in the world, but its global market share had fallen from around 10 percent in 2005 to less than 7 percent in recent years. The growth strategy would focus on better marketing of Scottish fish and seafood abroad. Scottish Government Economy and Rural Affairs Secretary, Fergus Ewing said the government would work with the industry to consider their proposals and would establish an Industry Leadership Group to help take that forward.

Soylent Will Stop Selling Two Meal Products and Rework Formula After Illness [28 October/ Bloomberg] Soylent has announced that it would stop selling two of its meal replacement products after some customers became sick. The company added that it would reformulate its powder mix and protein bars before resuming sales early next year. The company said it planned to report its findings to the United States Food and Drug Administration, and expected the regulator to conduct an independent evaluation.

Crunchsters secures financing to bring sprouted mung beans to the US snacks aisle [28 October/ Food Navigator] Crunchsters Founder, Frank Lambert has created a new snack made from sprouted mung beans which are fried and seasoned. Mr Lambert said Crunchsters did not have an unfamiliar taste and texture like other health snacks, but rather tasted a lot like potato chips which made them a satisfying, crunchy snack for children. Mr Lambert added that Crunchsters would remove potato chips, cheese puffs and corn chips in children's diets and replace them with a far more nutritional snack. Mr Lambert said the front of the packaging did not mention mung beans as 80 percent of people did not know what they were and were not sure if they would like them. Instead, Crunchsters were advertised as a sprouted protein snack.

Foreign workers sought for farming [29 October/ The Japan News] The Japanese Government has plans to allow foreigners living in the country to work on farms in an effort to address the serious labour shortage in the agricultural sector. Japanese Prime Minister, Shinzo Abe said the Government would allow foreign workers to be employed by farmers in areas which the government designated as a strategic special zones. The Government believed it was necessary for the agricultural sector to have access to new workers in order for it to become a growth industry. According to Japan's Agriculture, Forestry and Fisheries Ministry, the number of farmers had halved in the past two decades to 1.92 million, while the average age now exceeded 66.

Why Singapore Wants Its Food Courts to Be Run by Machines, Not People [31 October/ Bloomberg] The food industry was one of 23 that the Singaporean Government has identified as part of a five year transformation plan to help companies optimise their use of labour. The NZD 4.5 billion plan to increase efficiencies and reduce labour was driven by an ageing population, falling fertility rates and low economic growth. CLSA Economist, Jonathan Galligan said other countries were not under the workforce pressures that Singapore faced as they had favourable population trends. The plan could be seen in action at Changi Airport, where passengers could select their chicken rice or bowl of noodles from a machine, pay with a credit card, and collect their food with minimal human interaction. Clusters of vending machines were also being set up around the country where residents could buy ready-made meals.

EU-Canada sign long-delayed trade pact [31 October/ NZ Herald] The European Union and Canada have signed the Comprehensive Economic and Trade Agreement (CETA). The agreement was meant to be signed last week, but a small region in Belgium held up proceedings, arguing that CETA would undermine labour, environmental and consumer standards and allow multinationals to crush local companies. Canadian Prime Minister, Justin Trudeau said it was good that people were asking tough questions of the deal which would have a significant economic impact. According to the European Union, CETA would remove more than 99 percent of tariffs and increase trade with Canada by EUR 12 billion a year.

ACCC investigates cattle yard cartel allegations [1 November/ The Sydney Morning Herald] Australian Competition and Consumer Commission Commissioner, Mick Keogh said the organisation was concerned about issues relating to the grading of meat at slaughterhouses. Mr Keogh explained that integrity and trust in the grading system were essential as payments were based on the grades. ACCC chairman, Rod Sims said the organisation was also concerned that some saleyards were displaying anti-competitive behaviour. Mr Sims explained that the commission had heard allegations of cartels and other anti-competitive conduct involving saleyards, which the commission was now assessing separately.

Economics and trade

Chinese investment in NZ likely to shift to companies [28 October/ Radio NZ] Shanghai Pengxin Overseas Investment President, Terry Lee said the company wanted to control the value chain from farm gate to the table, but the New Zealand government keeps putting up barriers. Mr Lee explained that the New Zealand government tailor-made regulations to prevent Shanghai Pengxin from buying Lochinvar Station last year. Mr Lee said future Chinese investment was likely to be in companies rather than land because of the difficult regulations. Mr Lee added that it would be very difficult to work with Overseas Investment Office procedures and get new approvals for any large scale land acquisitions in New Zealand under the current regulations.

Farmers and producers

Farming entrepreneur puts Lake McKay Station up for sale [27 October/ National Business Review] Wanaka Farmer, Colin Harvey has put his Lake McKay Station up for sale. The station was one of the largest freehold high country stations in Wanaka, holding 9,000 sheep and cattle. Sotheby's International Realty Sales Associate, Matt Finnigan said the station was expected to sell well in excess of its rating valuation of between \$19 million and \$20 million. Mr Finnigan explained that it was too early to say what value a potential residential subdivision would add to the property. Mr Finnigan said there was likely to be strong interest in the property from overseas buyers, but Mr Harvey was ready for an Overseas Investment Office requirement.

MP Chester Borrows says hidden camera footage threatens New Zealand's economy [31 October/ Business Day: NZ Farmer] Whanganui Member of Parliament, Chester Borrows said unlawful intrusions on to private property to get hidden camera footage of bad farming practices not only breached farmers' security, but also threatened New Zealand's economy. Mr Borrows explained that if these videos were distributed internationally, the New Zealand economy could suffer. Mr Borrows said NAIT, the animal tagging system developed to identify and trace stock, should become available for farmers to use when livestock went missing. Mr Borrows explained that currently the information was not readily accessible by farmers.

Global Farmer Network 'amazing' [31 October/ Otago Daily Times] North Otago Farmer, Jane Smith said she was not sure what to expect when she went to the Global Farmer Roundtable discussion in Iowa earlier this month, but it turned out to be an amazing character-building trip. Ms Smith was the only representative from New Zealand to attend the discussion between farmers from around the world who supported global expansion of trade and a farmer's freedom to access the technology they required. Ms Smith said she realised New Zealand needed to take a position on genetic modification, as it was not getting the efficiencies from genetic modification nor the premiums from being free of genetic modification.

Agribusiness education

Taratahi look to partner with Chinese dairy company [25 October/ Radio NZ] Taratahi Chief Executive, Arthur Graves said there was demand from all over the world for the agricultural training school's on-farm education model. Mr Graves explained that the agricultural training school had recently been visited by a Chinese based Mengniu Dairy Company. Mr Graves added that Mengniu Dairy Company wanted to learn about the training school's farming systems and training models used to teach skilled workers how to use those farming systems so that they could use them back in China. Mr Graves said he was in the early stages of discussions about a partnership in which the Chinese would receive help in developing a training model in exchange for a payment to Taratahi.

2017 Nuffield Scholars Announced [31 October/ Nuffield Press Release] Primary Industries Minister, Nathan Guy has announced the six Nuffield Scholars for 2017, recognising emerging leaders in the primary sector. The scholarships were one of the most respected and prestigious awards available in the primary sector and offered a life changing opportunity including overseas travel, study of the latest developments in leading agricultural countries, and an introduction to international leaders. The six winners would travel internationally for four months in their scholarship year and complete a research report by the end of their journey. The scholars are Mid-Canterbury rural journalist and artisan food producer Nadine Porter, Manawatu dairy farmer and farming advocate Mat Hocken, Oxford-based Rebecca Hyde, who works for Ballance Agri-Nutrients with interests in environmental management and sustainable farming, Taranaki's Jason Rolfe, an area manager for FMG, farmer and former winner of the Young Farmer of the Year contest David Kidd and South Canterbury dairy farmer Ryan O'Sullivan.

Lifestyle block student wins agriculture student of year award [31 October/ Business Day: NZ Farmer] Whanganui Farm Management Student, Jack van Bussel has been announced as the Massey University Agricultural Student of the Year. Mr Van Bussel achieved high marks in the classroom, played rugby for the university, and was an active member of the Young Farmers Club. Mr Van Bussel had secured a job as a graduate in rural banking at Westpac in Hastings next year and looked forward to the challenge. Massey University Institute of Agriculture and Environment Professor, Peter Kemp said the quality of agricultural students kept getting higher and higher. Mr Kemp noted that industries and universities working together was the backbone of a strong New Zealand economy.

More tertiary graduates needed to grow a savvy agri-industry [31 October/ Business Day: NZ Farmer] According to the Ministry for Primary Industries, the agricultural and horticultural industries would need at least 50,000 more workers by 2025 in order to be sustainable. Federated Farmers President, William Rolleston said 62 percent of agricultural workers would need a formal agricultural qualification to meet technological demand by 2025. Mr Rolleston said the problem was that teachers and career advisors at secondary schools did not see a career in agriculture as a viable option for intelligent academic students. Mr Rolleston added that this had become a major hurdle for tertiary institutes that were trying to attract students to agricultural disciplines. Mr Rolleston explained that successful agriculture relied upon digital and technological tools to boost production. Mr Rolleston added that if this aspect of agriculture was pitched to students, the industry would be more appealing to them.

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Agribusiness strategy

Future of Food forum next month [31 October/ Rural News] The Future of Food Forum between the Netherlands and New Zealand organised by the Embassy of the Netherlands will take place in Auckland next week. The forum would take advantage of the similarities between the Netherlands and New Zealand and aimed to explore new opportunities where the two countries could collaborate on the issues of sustainable food and commerce in key global markets. The forum would be attended by Science and Innovation Minister, Steven Joyce, Netherlands Minister for Economic Affairs, Henk Kamp, Fonterra Chief Executive, Theo Spierings, Zespri Chief Executive, Lain Jager, and Massey University Vice Chancellor, Steve Maharey. Massey University Agrifood Business Professor, Claire Massey said New Zealand and the Netherlands were both economies that were built on the production of high quality food, and our companies, business people and scientists had much to share. Massey University and Wageningen University and Research would renew their bilateral Memorandum of Understanding at the forum, outlining the future strategic orientation of the partnership to address the major challenges of the 21st century.

Animal welfare

Video outrage shows 'disconnectedness' with farming life [26 October/ Radio NZ] The Ministry for Primary Industries has started an investigation into the video from Farmwatch which showed bobby calves being thrown into trucks on their backs and dragged by their limbs. A Farmwatch representative said the abuse of bobby calves was common in the dairy industry. Federated Farmers Dairy Chairman, Andrew Hoggard said the footage of a calf being dragged by its leg was very bad, but the rest of the video showed typical farm life. Mr Hoggard added that if people were finding the whole video distressing, then it showed they were disconnected with farming practices. Mr Hoggard noted that calves being thrown into the back of a truck was outside the farmer's control, as it was up to the truck driver to handle the stock. Manawatu Farm Consultant, Gary Massicks said the videos would have required trespassing and the breaking of health and safety regulations.

Rural broadband

Govt calls for rural connectivity contractors [27 October/ Radio NZ] Communications Minister, Amy Adams said a tender had been issued to telecommunications companies, and contracts for a \$150 million rural mobile and internet upgrade should be awarded from June. Ms Adams said the goal was to provide high speed broadband to the largest number of New Zealanders and improve the availability of mobile services to areas that did not have coverage from any mobile operator. Ms Adams explained that the ministry had set a goal of ensuring that 99 percent of New Zealanders had broadband peak speeds of at least 50 megabytes per second by 2025, with all New Zealanders having speeds of at least 10 megabytes per second.

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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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