



Hot Off The Press:
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 Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

13 June 2017

Organisations referenced in this week's Field Notes include:

AFFCO	JBS USA
ANZ	JD.com
ASB	KRR
Beef + Lamb NZ	Lewis Road Creamery
Bioenergy Association	Massey University
Bluff Oyster Management Company	Ministry for Primary Industries
Califia Farms	Murray Goulburn
Cargill	New Zealand Agricultural Fieldays
Carrfields Primary Wool	New Zealand Dairy Company
Choose Clean Water	New Zealand Winegrowers
Christchurch City Council	Office of the Auditor General New Zealand
ConsumerNZ	Plenish
Environmental Protection Authority	Rabobank
European Union	Ravensdown Fertiliser Co-operative
FarmIQ	Roquette
FarmIQ Systems Ltd	Sainsbury's
Federated Mountain Clubs	Salt of the Earth Ltd.
Fish and Game	Shipt
Fonterra Co-operative Group	Smithfield Foods
Forest and Bird	Social Innovation and Entrepreneurship Development Fund
Foundation for Arable Research	Synlait Milk
Green Party of Aotearoa New Zealand	Office of the Auditor General New Zealand
Greenpeace	Tourism Export Council
Greycroft Partners	University of Adelaide
Harvard Management Company	Veterinary Enterprises Group
Heilongjiang Ya Ou Mu Yu Co	Villa Maria
Horticulture New Zealand	Westland Milk Products
International Whaling Commission	Whole Foods Market Inc.
Investment Fund for Developing Countries	

This week's headlines

Fishing	Oyster cull won't stop parasite, says farmer [10 June/ Radio NZ]
Dairy	Demand pushes butter prices to record high [8 June/ Otago Daily Times]
Biosecurity	Genetically modified petunia plants found in New Zealand [8 June/ Stuff]
Farmers and producers	KRR to purchase Harvard dairy assets [7 June/ Agri Investor]
Water	New coalition forms to tackle freshwater quality [8 June/ Radio NZ]

Horticulture

Council wants to take on junk food with fruit trees [6 June/ Radio NZ] The Christchurch City Council is considering adopting the Healthy Food Action Plan to challenge fast food outlets by offering healthier options such as tap water and fruit from edible gardens. The Council hope the move will address areas where it is difficult to find anything but junk food to eat. The Healthy Food Action Plan proposal arose from community demand for a by-law to be used to prevent outlets selling junk food near schools. Councillor Aaron Keown said measures could include making land available for community groups to plant fruit trees and vegetables. The plan also looks at re-purposing the old tea-rooms at the Botanic Gardens to be a place where people could be taught how to grow and cook their own food. Mr Keown said the initiative would be paid for within existing budgets. The proposal will be voted on by the full council later this month.

Aussies cool with CoOL [9 June/ Rural News Group] Horticulture New Zealand's Chief Executive Mike Chapman said country of origin labelling (CoOL) has been implemented in Australia and is being embraced and accepted by the Australian government, business and consumer circles. Mr Chapman noted the large amount of commentary about country of origin programmes being implemented in Australia, and how to do CoOL, which New Zealand exporters will have to comply with. Mr Chapman added the television advertisement the Australian government is running is designed to give consumers confidence in the programme. A bill to introduce CoOL is in the parliamentary select committee stage in NZ. Mr Chapman refuted Beef + Lamb NZ's statement that CoOL would act as a trade barrier. A ConsumerNZ survey showed 71 percent of respondents want CoOL required by law for fresh fruit and vegetables.

Viticulture

Sainsbury wine label design, colours, similar to New Zealand's Villa Maria [8 June/ Stuff] Villa Maria has asked Sainsbury's to pull a rival house wine label, Villetta Marlborough Sauvignon Blanc label, from its shelves because the labels are too similar. The label has adopted the Villa Maria white label with gold surround, as well as a similar wing-like logo in a similar shade of red. The Villetta wine retails for GBP7, and the Villa Maria wine is being sold for GBP9. Villa Maria founder Sir George Fistonich said Villa Maria would work with Sainsbury's to find an amicable solution that works for all parties.

MPI to review Wine Act to improve industry's exporting ventures [8 June/ Stuff] The Ministry of Primary Industries is reviewing part of the Wine Act to improve the export wine industry. The review will assess whether exporters are keeping adequate records for traceability, clarify the definition of a wine exporter and look at inconsistencies about what export consignments are exempt from the rules. Food Safety Minister David Bennett said the review is due to the rapid evolution of the wine industry and an increasing amount of non-winemaker wine exporters. New Zealand Winegrowers Chief Executive Philip Gregan welcomed the review due to the need to look at technical, definitional matters after dramatic supply chain development, and said he would host meetings with industry members to discuss any amendments they wanted to be considered. The discussion document will likely be released at the end of 2017.

Bad news winos, the number of grapes harvested in NZ has dropped by 9 percent [12 June/ Stuff] New Zealand's grape harvest this year produced 396,000 tonnes, 9 percent less than last year's 436,000 tonnes. This year's harvest is still the third largest harvest on record. New Zealand Winegrowers CEO Philip Gregan said heavy rainfall and cool, windy weather had played a part in the overall reduction, adding the smaller vintage may decrease export earnings. Export prices, however, may strengthen, however as New Zealand wines attract a premium in most international markets this will depend on the ability to pass prices rises to customers and exchange rates.

Fishing

NZ slammed again for lack of protection of Māui dolphins [8 June/ Radio NZ] New Zealand has been criticised by the International Whaling Commission (IWA) for its lack of protecting Māui dolphins. An IWA report notes there are about 60 Māui dolphins remaining, causing the IWA to call for immediate action to stop them being caught up in gillnets in their habitat. The report added New Zealand's current protectionist measures did not meet the IWC recommendation to ban gillnet and trawl fishing from Maunganui Bluff to Whanganui, offshore to 20 nautical miles and including harbours. Less than 20 percent of the dolphin's habitat is protected, and the IWA said further research was not a substitute for protecting the species.

Plea to sacrifice farmed oysters to save Bluff's iconic shellfish [8 June/ Radio NZ] The Ministry for Primary Industries has been considering pulling up thousands of farmed oysters in Stewart Island to stop the spread of bonamia ostreae. The parasite was found in two oyster farms in the area, and there are fears it could spread to nearby wild oyster populations in the Foveaux Strait. This would create a \$20 million disaster for the Bluff oyster industry. A meeting of 100 people from the Bluff oyster industry called a complete cull of the oysters. Bluff Oyster Management Company Operations Manager Graeme Wright said international literature and best science states the only way of minimising the spread of the parasite is to remove all of the infected farmed oysters, adding the number of farmed oysters didn't compare to the large amount in the wild beds in the Foveaux Strait. Bluff Community Board Chair Ray Fife said the parasite brings a 95 to 100 percent mortality rate, and the ministry needed to make an urgent decision.

Oyster cull won't stop parasite, says farmer [10 June/Radio NZ] The Ministry for Primary Industries is ordering a cull of farmed oysters on Stewart Island to stop the spread of bonamia ostreae, a parasite lethal to shellfish, to wild stocks. The Bluff oyster industry called for a complete cull, believing it is the only way of stopping the infection from reaching Foveaux Strait wild stocks. However, Oyster Farmer Rodney Clark said the current plan would be ineffective, as both wild and farmed flat oysters need to be removed to eliminate the parasite which could take years. Mr Clark said this is because billions of litres of water would have carried the parasite out of Big Glory Bay.

Ministry urges stakeholder to drop a line regarding Blue Cod strategy engagement [10 June/ Stuff] The Ministry of Primary Industries (MPI) has identified the need for a National Blue Cod Strategy to provide an overarching, consistent management framework to improve pressured fisheries and maintain and enhance well-performing fisheries. MPI recognised an increasing fishing activity and changing environment may impact blue cod fisheries sustainability. In the second half of 2017, as part of a nationwide review of the blue cod fishery, MPI will engage with all affected sectors and Tangata Whenua. MPI are currently establishing a team of experts to start the first stages of developing the strategy. Past President of recreational advocacy group TasFish Martyn Barlow said the success of a national strategy depends on high-level goal-setting and standardising of catches throughout the country, but understood different regulations and management within individual areas might add difficulty.

MPI defends camera quality for fisheries prosecutions [12 June/ Radio NZ] The Ministry for Primary Industries (MPI) says the cameras it is trialling on fishing boats will be used to prosecute illegal fishing. A leaked report written by two of the ministry's forensic experts, said the camera footage being tested in a snapper fishery in Auckland showed the resolution was too poor to identify the species or size of fish. Greenpeace has accused Primary Industries Minister Nathan Guy of misleading the public by promising the cameras could be used to prosecute illegal fishing. MPI Acting Director of Fisheries, Steve Halley said more advanced technology would be put on boats next year. The 2017 Budget allocated \$30 million to the new fish monitoring and reporting system, and Mr Guy said it would ensure the country was the most transparent and accountable commercial fishery globally.

Dairy

Synlait purchases New Zealand Dairy Company [30 May/ Dairy Reporter] Synlait Milk has purchased 100 percent of the shares of The New Zealand Dairy Company (NZDC). NZDC is constructing an infant formula capable blending and canning operation in Mangere and will allow Synlait to increase its blending and canning capacity substantially. The acquisition will provide Synlait with a high specification sachet packaging line suitable for infant formula and milk powders. Managing Director and CEO of Synlait, Dr John Penno, said the acquisition allows Synlait to meet current demand and provide growth opportunities, as well as mitigate the risk of being a single-site manufacturing company. The investment includes a gross payment of \$33.2 million on the acquisition, and Synlait expects to spend \$56.5 million after the plant is commissioned, scheduled for October 2017.

Fonterra positioned as benchmark price setter in Australia [6 June/NZ Herald] Fonterra is positioned to become the key milk price-setter in Australia after Murray Goulburn set its opening milk price for this season below the range indicated by Fonterra. Murray Goulburn set its opening farmgate milk price for 2017/18 at AUD4.70 per kg of milk solids, down from AUD4.95 per kg set for 2016/17, and expects the milk price to improve to between AUD5.20 and AUD5.40 per kg as the year continues. Fonterra Australia's range is AUD5.30 to AUD5.70/kg. ASB Rural Economist Nathan Penny said Fonterra could become the benchmark price-setter in Australia in the long run. His prediction is attributable to the differences in the way the two co-operatives set their milk pricing and the fact that Murray Goulburn's milk price is quite a bit lower than Fonterra's.

Demand pushes butter prices to record high [8 June/ Otago Daily Times] Butter prices reached a record high of USD5631 per metric tonne in this week's GlobalDairyTrade auction. Overall dairy prices lifted 0.6 percent, and the key whole milk powder price fell 2.9 percent. Anhydrous milk fat prices fell 1.2 percent from a record high. ASB Senior Rural Economist Nathan Penny said an increase in global demand for milk fats could be attributed to an acknowledgement by the scientific community that fats were no longer as bad for health. Global dairy supply is expected to lift this season, and global demand was likely to match this. Analysis from Rabobank said the USD200 per tonne New Zealand butter premium meant the United States now had significantly cheaper butter than the European Union and New Zealand. The ANZ commodity price index increased to 3.2 percent in May to be 26 percent higher than the same time last year.

Lewis Road Creamery proves New Zealand's future lies beyond commodities [8 June/ Stuff] Lewis Road Creamery Founder Peter Cullinane said New Zealand's creative potential had not been fully realised, and the country should be focusing on being the best at making products no one else does instead of missing opportunities. Mr Cullinane said his company's butter took two years to develop, and his keenness to disrupt New Zealand's food and beverage industries mean there are more new products to come. Mr Cullinane added the ability to be nimble, quick and stay ahead is where the advantage lies, and he believes Lewis Road can permanently be a challenger brand, categorised as having business ambitions beyond common resources and an intent to bring change to an industry. Mr Cullinane concluded New Zealand's future is beyond commodities, and the country is capable of producing world-class products.

Fat tests to limit palm kernel [12 June/ The NZ Farmers Weekly] Fonterra has planned to discourage feeding of high levels of palm kernel to cows. Starting next season, a demerit system based on a six-day average fat evaluation index will be printed on the tanker docket for each milk pick-up. Since April all suppliers had been notified of their FEI numbers, and they would have a season to change farming systems and prepare for the demerit system. Fonterra does not take a position behind palm products, said the purpose behind the demerit system is to invoke potential dairy product quality issues. Four FEI ranges were proposed: A level, FEI under 7, suitable for manufacturing requirements and customer specifications; B level, FEI 7 to 7.9, meets requirements but approaching the threshold; C level, FEI 8 to 9.4, exceeds threshold limit and; D level, FEI 9.5 and over, well exceeds threshold.

Westland's milk price boosts confidence [13 June/ Dairy News] Westland Milk Products has announced an opening milk price for the 2017/18 season of between \$6.40 and \$6.80 per kilo milksolids. The price is seen as an indicator that the company is back on track. Bad weather and low payouts have seen the company's milk collection fall 5.7% in the season just finished but General Manager Shareholder Services, Tony Wright, says that Westland farmers have done a good job keeping their animals in good condition and preparing them for calving. It is also expected that changes will soon be announced to the company's management structure as part of a review of operations following the appointment of CEO, Toni Brendish, late last year.

Red meat

AFFCO's value-added foray into China [7 June/ Rural News Group] Meat company AFFCO has shipped 33,000 consumer packs of premium beef to China. Beef packed in thermoformed vacuum cases, and 200g single steaks wrapped by skin-pack technology are now being sold in Chinese supermarkets and restaurants, and online on Chinese e-commerce giant JD.com. The meat packs were packed at Affco's Horotiu site, where new skin pack technology was installed in early 2017 as part of the company's value-added retail sales strategy and certified by Chinese authorities for export. AFFCO General Manager Andy Leonard says the company's brand is well recognised in China, and initial feedback is that customers like the packaging and presentation and the New Zealand meat story is being shared in China.

Fieldays

Sustainability a key focus for this year's Fieldays [9 June/ Rural News Group] Fieldays Chief Executive Peter Nation said this year's New Zealand Agricultural Fieldays would have a greater focus on sustainability. Attendees will be encouraged to use buses to travel to the venue, and more rubbish will be recycled at the four-day event. A 'park and ride' service will run from The Base at Te Rapa, where people travelling from Hamilton Central to Mystery Creek can show their Fieldays ticket to receive a free ride. This year's Fieldays will also prioritise health and safety, with people on site to ensure the workers are wearing closed shoes and working safely. This Fieldays will have 1587 sites.

Biosecurity

Genetically modified petunia plants found in New Zealand [8 June/ Stuff] An investigation by the Ministry for Primary Industries (MPI) has been prompted after unauthorised genetically modified petunia plants have been discovered as having been coming into New Zealand since 2014. The plants entered New Zealand as seeds. The importer reported the modified petunia plants after learning that several petunia varieties were being recalled for being GM in Europe, the United States and Australia in May. MPI Director of Plants, Food and Environment Peter Thomson said there was no evidence that the seeds were deliberately brought into the country. MPI has yet to complete its tracing work and has urged people who know they have the seeds to take them off the shelf. Mr Thompson noted the breach was due to it being illegal to import, develop, field test or release a genetically modified organism without Environmental Protection Authority approval, and added that the plant had no environmental or health risk.

International

Sainsbury's doubles range of non-dairy milks in 300 UK stores [6 June/ Dairy Reporter] UK retailer Sainsbury's has doubled its range of non-dairy milk in 300 of its stores, adding 18 new plant-based milk varieties to its aisles after an 11.5 percent growth in the category last year, and 28.8 percent over two years. This move will make Sainsbury's the only major UK supermarket stocking alternative dairy products from Califia Farms, and is also adding the Plenish nut-milk brand.

Shipt raises \$40M in funding, looks to double its reach during the next year [6 June/ Food Dive] Shipt, an online ordering and delivery service, announced it had raised USD40 million in Series B funding led by Greycroft Partners, e.ventures and Harbert Venture Partners. This Series B funding comes after a Series A financing round of USD20M less than a year ago. The new capital will enable Shipt to increase the number of metro areas it delivers to from 47 to 100. Shipt has partnered with retail giants like Meijer, Costco and Whole Foods Market Inc. to offer its services, giving customers an unlimited free delivery service on orders more than USD35 in exchange for a US99 annual fee. Shipt said the average basket size is USD110. The company's solid growth has given it a 20 percent share of the online grocery market.

Israel firm 'cracks the code' on making meat salty and healthy [7 June/ Global Meat News] Salt of the Earth, an Israel-based ingredients company, said its Mediterranean Umami product could decrease sodium in processed meat by 25-33 percent. The company has seen sales of the ingredient double in the first half of 2016 and has partnered with top Israeli meat processors to meet strict salt reduction regulation. The ingredient is a combination of vegetal concentrates, extracts and natural sea salts. The UK-based Food Standards Agency, USA's Food and Drug Administration and the Israeli Ministry of Health have recently issued limits for salt content in meat, and Salt of the Earth claims it can help companies meet these limits without affecting taste.

Roquette to invest €40m in French pea protein plant [8 June/ 2017] Roquette intends to invest EUR 40 million to increase the capacity of its Northern France pea processing site to meet growing global demand for plant-based protein. This investment comes after the company announced in January plans to build a EUR300 million factory site in Manitoba Canada. Head of Roquette's pea business said the EUR40 million investment would begin in the second half of 2017 so that the site would be operating at full capacity in 2019. When the sites in France and Canada are fully operational, Roquette will be able to produce 250,000 tonnes annually. Roquette CEO Jean-Marc Gilson said the investment was a significant step in the company's growth strategy to meet a large growing demand for plant-based nutrition and become an industry leader.

Danish investment firm breaks ground in Chinese pig breeding project [8 June/ Global Meat News] The Copenhagen-based Investment Fund for Developing Countries (IFU) is one of four investors in a large new pig breeding and processing project in northern China. IFU joined three Chinese investors in setting up Heilongjiang Ya Ou Mu Yu Co Ltd. Heilongjiang Ya Ou Mu Yu Co Ltd is an RMB918 million project located outside Suihua city and set to finish up to 40,000 pigs per year for slaughter; however, the slaughterhouse will have processing capacity for 200,000 pigs annually. Other investors in the project include Hangzhou Jie Dao Investment Management Co, Heilongjiang Green Agricultural Development Co and lead investor and operator Zhejiang Nongcun Development Group. Heilongjiang Ya Ou Mu Yu Co-Chairman Gu Bao Jun said the project would meet Chinese demand for safe meat products. The project and employ six foreign pig breeding experts.

Smithfield launches first-ever Spanish website to engage Hispanic consumers [8 June/Food Dive] Smithfield Foods, a food company and pork processor, has launched a Spanish language website that features partnerships with Latino chefs such as an Ecuadorian-American chef Jose Garces. The website features the tagline "El Delicioso Sabor de Smithfield" or "Taste Delicious Smithfield." The website was created as an educational tool for Hispanic consumers, giving them an array of recipes and information on various pork cuts, cooking methods, when to buy pork and defrosting instructions. Recipes include Smithfield pork products complemented by Hispanic favourites like chimichurri, Oaxaca cheese and poblanos. The website is likely to appeal to any shopper interested in ethnic cooking also.

Bottling your emotions: Wine drinkers willing to pay more for elaborate descriptions [9 June/ ABC] A University of Adelaide study has shown wine drinkers are willing to pay more for wine with emotional or evocative descriptions. Associate Professor and Project Lead, Sue Bastian, said when wine labels had an emotional or elaborate description, there was a significant increase in the expectations of what they thought the wine was going to be like. Ms. Bastian added that when given the wine, it was rated much higher on liking and how much they were likely to pay for it. Ms. Bastian hopes this research might encourage wine producers to spend more time sharing their history and seeking customer comment.

Could grassfed beef become mainstream? [9 June/ Food Dive] Demand for grass-fed beef is helping the sector grow to a size that may compete with feedlot systems. Grass-fed beef holds less than 1 percent of United States consumption, however, may have opportunities among consumers demanding more natural, healthy and animal-friendly consumables. Between 2006 to 2015, Beef consumption decreased 2.3 percent annually, however retail sales for grass-fed beef increased from USD17 million in 2012 to USD272 million in 2016. However, consumer perception that grass-fed beef tastes worse than conventional beef, import competition, processor shortages and grass-fed beef having on average a 71 percent price premium are significant challenges for the sector. Interest in grass-fed beef is rapidly growing, with the two biggest U.S. beef packers JBS and Cargill now carrying grass-fed beef.

Farmers and producers

KKR to purchase Harvard dairy assets [7 June/ Agri Investor] KRR is planning to purchase Harvard Management Company's dairy investments in New Zealand for more than \$70 million. The sale includes 8,500 acres of dairy farms and 5,500 cows located on the South Island and is expected to close, at earliest, at the end of 2017, pending regulatory approval. Harvard Management Company has spent \$40 million on dairy farms and improvements in New Zealand over the past decade, and the KKR deal is expected to turn a profit.

Green Farmer hopes to bridge divide [10 June/ Otago Daily Times] Wairarapa farmer John Hart hopes to bridge the rural/urban divide by becoming a Green MP. Mr Hart has recently been announced at No14 on the Green Party list for September's general election. The party presently has 14 MPs, and recent polling suggests a similar result, leaving Mr Hart optimistic in becoming the party's rural affairs spokesman. Mr Hart is passionate about the rural sector and sees threats for farmers on the horizon such as climate change, artificial protein and social challenges.

Rural infrastructure

Rebate and price cut ahead of Fieldays [9 June/ Rural News Group] Fertiliser Co-op Ravensdown this week paid out an interim rebate of \$20 per tonne to farmer shareholders. Ravensdown Chief Executive Greg Campbell said the rebate would give farmers confidence going into winter and spring growth periods, and those attending national Fieldays will have more money. Ravensdown is cutting the price of its mainline NPKS inputs, with a tonne of potash or urea costing 6 percent less, granular ammonium sulphate costing 9 percent less and Superphosphate decreasing from \$319 to \$309 per tonne. Mr Campbell said the early rebate, price competitiveness and spread-ready quality would help farmers optimise value from the land.

Agri-tech

Vet Ent takes a minority shareholding in FarmIQ Systems [8 June/ Stuff] Veterinary Enterprises Group has bought a 12.51 percent investment in FarmIQ Systems. The minority shareholding was made after Veterinary Enterprises Group worked with FarmIQ on developing their own software for the group's GrazCare and StockCare businesses. Group Spokesman Andrew MacPherson said the platforms FarmIQ developed might provide value for the Group's clients and the investment offers the opportunity for the Group to open new business. The software, now being marketed by a new company, FarmIQ Systems Ltd, is used mainly by pastoral farmers to manage staff, record and monitor growth rates, weights and carcass performance.

NZ's biowaste profits going to waste [13 June/ Radio NZ Business] The Bioenergy Association says that the current practices of New Zealand's primary sector mean the country is missing out on a multi-billion dollar waste product industry. The Association says there are opportunities to use biowaste for energy, fertiliser, plastics and other products, activities valued a few years ago at \$6 billion. Association Executive Officer, Brian Cox, said that by exporting raw logs the sawdust and bark is lost to New Zealand companies to exploit its bio potential. He added there are active programmes in Australia exploring uses for animal waste being funded by industry good organisations, like Meat and Livestock Australia. Mr Cox estimates that waste biomass could supply 15% of New Zealand's energy needs and reduce greenhouse gas emissions by 5% by 2040, suggesting using funding to deliver on these goals rather than buying offshore carbon credits would be a better long term strategy for New Zealand.

Water

New coalition forms to tackle freshwater quality [8 June/ Radio NZ] Successive governments' inaction on degraded waterways has caused a cross-sector group including Forest and Bird, Fish and Game, Choose Clean Water, Greenpeace, Tourism Export Council and the Federated Mountain Clubs, to come together to create a new freshwater plan. The Freshwater Rescue Plan details seven steps for future governments to follow to ensure the country's lake and river longevity. The steps include immediately reducing cow numbers, withdrawing irrigation funding and re-directing the hundreds of millions earmarked for these schemes into an agricultural transition fund. Massey University Professor of freshwater ecology Russell Death said the current National Policy Statement on water was not what any scientist envisaged. Environment Minister Nick Smith said some of the suggestions, such as reducing irrigation schemes, were simplistic and government was creating an ambitious plan for fresh water improvement. Under the launched rescue plan, there would be strict and enforceable water quality standards based on human and ecosystem health limits.

Auditor set to examine NZ's water supply systems [11 June/ Radio NZ] Water is the Office of the Auditor General's 2017/18 work theme, and the office will examine irrigation, resource consent management and drinking water supplies, particularly looking at how effectively the resource is being managed by local and central government. The Office of the Auditor General will table this plan in Parliament before the end of June.

Field Notes

Weekly news update from the KPMG Agribusiness Network – 13 June 2017

Wool

CP Wool captures greater value [12 June/ The NZ Farmers Weekly] Carrfields Primary Wool (CP Wool) has relaunched its United States business Just Shorn to offer premium New Zealand wool carpets to wealthy American consumers. 50 percent of the retail margin would now be captured by CP Wool, and the relaunch is seen as an opportunity to ensure greater control that would create significantly more value for CP Wool and its grower suppliers. CP Wool has partnered with Carlisle Plank Flooring, providing access for the exclusive Just Shorn product to a high-end customer base. Three celebrity interior designers – American reality television stars Mark Brunetz, Jennifer Bertrand and Lonni Paul helped develop a new range of designs and are now producing new concepts each quarter. Carrfields Managing Director Craig Carr said focus is on value rather than volume as the company targets the high-end North American market. CP Wool Chairman Howie Gardener said the relaunch will benefit the wider NZ wool sector and will have a positive impact on the international perception of NZ wool.

Arable

Push for NZ crops could mean different plants [12 June/ Radio NZ Rural] The Foundation for Arable Research (FAR) has launched its Five Year Strategy which aims to make cropping the highest returning and most sustainable broadacre land use for New Zealand farmers. The strategy which is built on the strength of FAR as a researcher and the farmer's proven ability to effectively grow crops could see completely different crops being grown in the future. The goal of the strategy is to research and the industry to ensure that farmers reach their potential as New Zealand's most economically and environmentally sustainable farming system according to CEO, Nick Pyke.

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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.

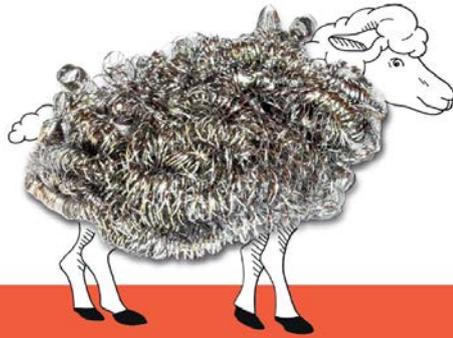
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