



Hot Off The Press:
**KPMG Agribusiness
 Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

26 July 2017

Organisations referenced in this week's Field Notes include:

Agrecovery	LivWell
AgResearch	Massey University
Alibaba Group	Ministry for Primary Industries
ASB	Mintel Group
BBC	New Zealand Pork Industry Board
Blue River Technology	New Zealand Veterinarian Association
Boudin Sourdough	Otago Regional Council
Bunge Ltd	Plant & Food Research
Cavalier Wool Holdings	Plenty
City of Stockton	Scion
CVS	Smuus
Driscoll	SoftBank Vision Fund
Elco Direct	Stanford University
Federated Farmers of New Zealand	Tanimura & Antle
Fonterra Co-operative Group	Target
Foundation for Arable Research	TracMap
Freedom Farms	UC Davis
Ghirardelli	Ultra Beauty
Grower Information Services Cooperative	United States House of Representatives
Invivo Wines	University of Sydney
J.P. Morgan	US Department of Agriculture
Kiwifruit New Zealand	USA Rice
Lincoln University	Zespri
Livestock Improvement Corp	

This week's headlines

Dairy	Butter hits \$US6000 per tonne [20 July/ Otago Daily Times]
International	SoftBank Invests in Largest Ever Agtech Deal, a USD200m Series B for Indoor Ag Startup [19 July/ AgFunder News]
Farmers and producers	Farmers grab valuables and get out [22 July/ NZ Herald]
Animal welfare	New animal welfare regulations to be introduced [20 July/ Radio NZ]
Pork	Do you know where your bacon comes from? (It's probably Spain) [24 July/ Stuff]

The Stanford Blogs – Part 4

The US continues to lead the global change agenda, however keep an eye on the left field

There is no question that the US is in an interesting phase of its history at the current point in time. The dysfunction that has existed in the Federal political system for some years continuously highlights to the US population and the world that there is no point waiting on US Government to solve complex or challenging problems. This does not mean that the real United States is in paralysis; the opposite is true, it continues to innovate at pace and set the trends that shape global culture, driven by the actions individual citizens, organisations and local government are willing to take.

This was brought home to me by an inspiring presentation at the Te Hono Bootcamp at Stanford by Michael Tubbs, the mayor of the city of Stockton, one of the most economically and socially challenged cities in California. Mayor Tubbs explained that he was brought up by his mother in the city, with his father having been incarcerated for his whole childhood, but through a desire to miss no opportunity he got into and graduated from Stanford, has interned at the White House and has now returned to Stockton, where he has been elected mayor; at 26, the youngest mayor in US history of a city with more than 100,000 people. In a desire to improve the outcomes for his community, one of his first stops was the d.school at Stanford. He recognised to have any chance of changing outcomes he needed to reframe how the problems are posed using creativity and design. He also highlighted the importance of telling compelling stories to engage and motivate people behind a cause.

Just think about that for a moment, Mayor Tubbs turned to creativity and storytelling to try and solve complex social and economic issues that have blighted his community for decades. New Zealand's primary sector is trying to sell premium food, fibre and beverage products to the world, activities that lend themselves nicely to creativity and storytelling, yet we have too many organisations bound by the establishment, that continue to seek answers to the same questions they have always asked rather than opening themselves up to doing things differently.

I had a comprehensive shopping list from the family for the few hours I was able to spend in San Francisco; two of the stops being the Boudin sourdough bakery and the Ghirardelli chocolate store in the waterfront area of the city. These stores articulate to their visitors an authentic and encapsulating story about the history of their brand, deliver opportunities to test the product in memorable ways and create ambassadors for their products all over the world (my required return, being a practical example).

Returning to these stores got me thinking again about the absence of a distinct New Zealand food culture. Where could I go in New Zealand to get similar experiences for uniquely New Zealand products? As a family we enjoy visiting the Cookie Time store in Queenstown, which provides a great way to experience Cookie Time product. Wineries across the country provide immersive experiences to visitors at their cellar doors. Beyond these examples I was struggling to think of other opportunities for tourists to easily access immersive food experiences as I had been able to do quickly and easily in San Francisco. Recognising the strong links between food and tourism and telling our stories in a compelling way is critical to building a distinctly New Zealand food culture.

Another speaker to Te Hono cohort was John Lord the CEO of LivWell – originally a Waikato dairy farmer and now leading Colorado's largest cannabis grower, processor and retailer. John reinforced the need to challenge existing assumptions when looking at any business opportunity. He explained to us the challenges of working in an ever changing regulatory environment (particularly with inconsistent federal and state rules which presents some unique challenges to his business), the need to seek out the right partners to build brands and the need to recruit the right people to realise the opportunities in front of a business. Mr Lord highlighted the investment in education and training that his company makes into its people, to ensure that they operate within the regulatory parameters, but also to encourage them to bring themselves and their inherent creativity to work for the benefit themselves, the company, and most importantly, their customers.

I was also interested to gain an understanding of the technology being adopted in the legalised cannabis industry in the US. The need to physically secure production is critical, but so is the need to deliver innovative, high quality products. As a consequence much legal growing is done in controlled, intensive environments using the latest hydroponic and LED technologies. It was interesting to learn that it is the legalisation of cannabis around the country that is driving innovation and attracting investment into these emerging technology areas rather than more traditional horticulture uses. One person I talked to suggested that without the legalised cannabis sector many business in indoor growing technology space would just not be viable.

It was interesting because it was one of the few times I heard reference to return in relation to agri-food investment during the trip. Whereas VC's will be very clear on the return they are looking for on a telecom or IT investment, I was left questioning whether the same robust metrics are being employed to Agri-food investment. As I noted in an early blog, the sector remains relatively peripheral to the main action in the Valley and I was left with a feeling that much of the investment into food-agri is being driven by a desire to drive social impact; investors wanting to be involved in technologies that can help address issues such as under nutrition and environmental degradation. There is no question that more money than ever is following into the sector and this is driving transformational change, the issue for New Zealand companies is ensuring that they remain alert to the fact that disruptive change may come from the periphery; well-funded and supported organisations wanting to make a difference rather than solely established to make a profit.

Ian's three previous Stanford blogs are available to read on the KPMG Field Notes App

Horticulture

Changes for kiwifruit rules announced [20 July/ NZ Herald] The Minister for Primary Industries announced that Cabinet had approved amendments to the Kiwifruit Export Regulations 1999. This follows a substantial review of the regulations undertaken by the Ministry for Primary Industries after the Kiwifruit Industry Strategic Plan process and report. The new amendments will allow Zespri shareholders to consider setting rules for maximum shareholding and eligibility for dividend payments, clarify the core business activities Zespri can undertake and enhance the independence and transparency of Kiwifruit New Zealand. The amendments will take effect on 1 August 2017.

Viticulture

Graham Norton in hot water over NZ sauvignon blanc promo [23 July/ NZ Herald] BBC's Graham Norton has allegedly broken strict BBC advertising rules by investing in the sauvignon blanc that he drinks with guests on his television show. Mr Norton's investment in Invivo Wines, a New Zealand company, and their bottles of Graham Norton's Own Sauvignon Blanc has led annual sales to increase from 14,000 bottles in 2014 to two million in 2017. Strict BBC guidelines say presenters must not appear on air using products in which they have a financial interest, and marketing material should not refer to their BBC programmes. The Invivo Wines website states their wine is the wine of choice for UK chat-show star Graham Norton and his guests, as well as a promotional video for Invivo Wines was recorded on the set of Mr Norton's show, showing Mr Norton crushing grapes.

Dairy

Butter hits \$US6000 per tonne [20 July/ Otago Daily Times] Butter prices have reached a record high surpassing USD6000/metric tonne in this week's GlobalDairyTrade auction. Tighter global supply and a pro-milk fat health trend have caused prices to increase. Overall, prices were unchanged this auction, with a 0.2 percent increase. Whole milk powder increased 0.3 percent- marginally lower than futures prices indications of a 1-3 percent lift. Skim milk powder prices fell 3.2 percent. ASB Senior Rural Economist Nathan Penny said prices overall continued to be in a holding pattern and that was expected to continue over coming months. Mr Penny added that although butter prices would eventually fall, higher butter or milk fat prices are expected to stay.

Live cattle export kept secret [21 July/ NZ Herald] Ocean Drover, the world's largest livestock carrier docked at Napier Port on 20 July before taking 6000 heifers to China for Fonterra. The shipment was not listed in Napier Port's shipping guide. Port Services Manager Bruce Lochhead said unlisted visits were not an unusual request. A Fonterra spokesperson said the company did not request the visit be unlisted but was unsure whether the shipping company made the request. Ministry for Primary Industries Director of Animal and Animal Products Paul Dansted said an Animal Welfare Export Certificate might be issued once all animals were loaded and inspected by a vet to ensure travel fitness. A Fonterra spokesperson said animal welfare was the company's paramount concern and ensured the best systems were used to ensure animal wellbeing before, during and after the journey. The 177-metre ship can transport 75,000 sheep or 18,000 cattle globally.

Fonterra to build two cream cheese plants in Canterbury for growing Chinese market [21 July/ Stuff] Fonterra has decided to build two new cream cheese plants at Darfield, Canterbury at a \$150 million cost. The move is driven by the increasing use of dairy products by Chinese consumers. Fonterra's Director of Global Foodservice, Grant Watson, said the tea macchiato mixes tea with cream and cream cheese and is evidence of a willingness to be bolder with dairy applications. Mr Watson added that some of the most innovative dairy product development globally is occurring in China and Fonterra is playing an integral role. The first plant will be completed by August 2018 and the second will follow in either 2019 or 2020. Each will churn out 24,000 tonnes of cream cheese per year for export. Fonterra said over 30 new jobs would be created and up to 1000 people involved in the construction, planning and fit out.

International

Congress Wades into Farm Data Ownership Debate [17 July/ AgFunder News] The US House of Representatives Agriculture Committee held a hearing on agriculture technology and data utilisation recently in preparation for the next Farm Bill which will be drafted in 2018. Congressman Rick Crawford said Farmer's mistrust uploading their data to the cloud due to lack of laws explicitly protecting that data. Congressman Rick Nolan added that the data could easily be used to manipulate the market. However, it was noted in discussion that consumers demand transparency, and data is the only way to provide this throughout the supply chain. Big data solutions were therefore considered necessary for farmers to become more efficient and meet consumer demand- however, farmers were unable to see the benefit of the risk and expense. The witnesses laid out possible solutions such as Good Data Practices Certification, the Grower Information Services Cooperative, or creating a system where farmers can be paid for their data.

Jack Ma's Alibaba is doubling down on its supermarket strategy [18 July/ CNBC] Alibaba has opened three new Hema supermarkets in Beijing and Shanghai, as part of its "new retail" strategy where customers can shop both online or in store. Customers can shop, eat and order groceries for delivery from their mobile phones and use Alipay to make payments. Alibaba said every item has barcodes that can be scanned to reveal price and product information. The Hema mobile app uses big data analytics to offer customised recommendations for consumers and offer a selection of fresh food to customers based on their locations. CEO of Alibaba Group Daniel Zhang said the company believes the future of retail is an integration of offline and online experience.

SoftBank Invests in Largest Ever Agtech Deal, a USD200m Series B for Indoor Ag Startup [19 July/ AgFunder News] Indoor vertical farming company Plenty has raised USD200 million in a Series B round of funding, the largest agtech investment to date. Plenty uses a vertical growing plane to grow leafy greens in a 52,000 square foot facility in San Francisco. The Series B funding increases total funding for the start-up to USD226 million and will fuel further expansion and more farms. This expansion will include building farms in Japan, China, and the Middle East, as well as the US. This round will also go toward hiring in computer science, machine learning, mechanical engineering, crop science and biology. The round was led by Japan's SoftBank Vision Fund, a USD93 billion, multi-stage tech fund.

Bonafide Provisions expands the reach and appeal of bone broth with Drinkable Veggies [19 July/ Food Navigator] Bonafide Provisions has expanded to respond to the increasing trend of using bone broth with its Drinkable Veggies product. A Bonafide Provisions spokesperson said bone broth is increasingly being incorporated into people's diets due to a consumer desire for products that boost gut health, are paleo-friendly and are protein-packed and easy to digest for athletes who need a quick dose of sustainable energy. Although the increase in consumer interest has led to an increase in competition, Bonafide Provisions differentiated itself through its new launch of Drinkable Veggies- a product blending bone broth with organic vegetables (rather than vegetables with fruit juice as some other vegetable drinks currently do).

New agreement will allow US rice exports to China [21 July/BBC] China has agreed to allow imports of rice from the US for the first time, giving US farmers access to the world's largest rice consumer, with China importing 5 million tonnes in 2016. USA Rice said the agreement is complex and sets strict standards for US exporters to protect against the introduction of certain pests to China. USA Rice intends to work with the US Department of Agriculture to ensure the industry complied with the rules. USA Rice said China consumes the equivalent of US annual output fortnightly, and US Agriculture Secretary Sonny Perdue believes the agreement is the beginning of enormous future growth.

German start-up Smuus mixes food, politics & tongue-in-cheek marketing [21 July/ Food Navigator] German start-up Smuus creates fruit and vegetable smoothies for bread, yoghurts, desserts, bread, meat and cheese using 100 percent vegan ingredients and using no gluten, emulsifiers, or other additives. The company, which stocks in over 100 stores in mostly northern Germany and on e-commerce platforms, is campaigning on Kickstarter for its peach-flavoured smoothie, labelled Impeachment, in homage to Donald Trump and his peach skin tone. The campaign promises to donate 10 percent of its profits to charities fighting the policies of Donald Trump. The campaign states the inspiration behind the product came after the Trump-imposed travel ban that affected Smuus founders. Smuus are not concerned about the controversial nature of the product, as Smuus stands for tolerance, equality and diversity- things that most people stand for also.

Bunge lays out case for independence in restructuring [21 July/ Reuters] Analysts believe Bunge Ltd's cost cutting and restructuring plans may give the grain trader more time before a takeover bid from a larger rival as it struggles to stay independent during a slump in the commodities market. The move seeks to decrease overhead costs by USD250 million by the end of 2019. J.P. Morgan Analyst Ann Duggan said management likely wanted to assure investors that an acquisition is unnecessary, as the company can deliver savings on its own and increase returns to shareholders without needing to be acquired which buys management time.

As California's labor shortage grows, farmers race to replace workers with robots [21 July/ LA Times] The USD47 billion agriculture industry in California is attempting to increase technological innovation before it runs out of low-wage immigrant workers, as these immigrant workers in California's agricultural sector are getting older and not being replaced. UC Davis Rural Economist Ed Taylor said there is a shortage of supply of new immigrants for the state's 500,000 farm labour jobs, particularly as Mexico creates competing manufacturing jobs in its cities. Responses have included shifting from labour intensive crops such as vegetables to mechanically intensive crops such as almonds. More advanced prototypes have been created to combat the decreasing labour and productivity, including Driscoll's AgroBot, Tanimura & Antle's Planttape and start-up Blue River Technology's See and Spray machine.

Icky new beauty trend: snail slime [23 July/ NZ Herald] Snail slime is the latest beauty export from South Korea, and US retailers hope the export will join the rising Korean beauty (K-beauty) trend. K-beauty products, once a niche product, are now on shelves at Target, CVS and Ulta Beauty stores. Mintel Group Global Skincare Analyst David Tyrell said South Korean customers are always seeking new, innovative product, and snail slime was well received due to its moisturising and anti-ageing qualities. Mr Tyrell added there was a strong potential for Korean brands to continue the transition to mainstream stores, however, the products needed to be priced to encourage first-time buyers. US mainstream retailers are stocking K-beauty snail slime products ranging from USD6.99 to USD33. Early reviews for the USD21 COSRX Advanced Snail 96 Mucin Power Essence at Ulta are positive.

3D technology shaping future [24 July/FruitNet] Researchers at the University of Foggia in Italy have used 3D printers to mould vegetables into child-friendly shapes to boost consumption of healthy produce in primary schools. The research team created a mixture of banana, white beans, mushrooms and milk- sources of iron, calcium and vitamin D- and used a 3D printer to turn it into an octopus-shaped snack. Lead Author Professor Carla Severini said the results marked the future of food, with experts expecting the 3D food printing could become normal in restaurants, schools and homes.

Does healthy food need a marketing makeover? 'Indulgent' descriptions make people eat more vegetables [24 July/ Food Navigator] Stanford scientists said using indulgent words to describe vegetables makes people eat more of them even if there is no difference in preparation. The Stanford University study reached this conclusion after conducting an experiment where an indulgent label, such as zesty ginger-turmeric sweet potatoes increased consumption by one-quarter compared to the basic description such as sweet potatoes. The researchers said the results challenge existing solutions that promote healthy eating by advertising health properties or benefits. The researchers added that this low-cost intervention could be easily implemented to increase healthy option selection.

Arable

Cropping farmers go to polls [21 July/ Rural News Group] The Commodity Levies Act provides arable farmers with the opportunity to vote to renew levy orders every six years and that vote is now underway. A yes vote will ensure Foundation for Arable Research's (FAR) existence and on-going contribution to the cropping industry and a no vote would result in the organisation being wound up completely. FAR Chairman David Birkett says voting papers will be released and available from July 24 until August 23, and is confident FAR has the support of its growers. Mr Birkett said FAR is expanding its capability to provide information to help growers with environmental compliance- one of the largest concerns facing arable farm businesses.

Farmers and producers

Farmers grab valuables and get out [22 July/ NZ Herald] Taieri Plains farmers were given two hours to grab valuables and leave as the Taieri River near Dunedin was about to breach last Friday night. Otago Regional Council said the flooding is the second worst on record. The Otago region experienced severe flooding, slips and multiple road closures after a night of heavy rain that continued to July 22nd. There is widespread flooding across Waitaki, Dunedin and Clutha, as well as flooding and snow in Central Otago. 220 homes were evacuated overnight across the region from Oamaru to Milton and inland to the Ida Valley.

Help sought for flood-hit farmers [23 July/ Otago Daily Times] The Otago Regional Council is asking all farmers in the wider region to contact Federated Farmers to help those affected by the Taieri Plains flooding. Dozens of Taieri Plains properties remain evacuated with paddocks and pastures flooded with water from a wild storm. Federated Farmers is seeking assistance with feed and grazing. Otago Regional Council Chairman Stephen Woodhead said people feeling overwhelmed should contact the Otago Rural Support Trust for assistance.

Animal Welfare

New animal welfare regulations to be introduced [20 July/ Radio NZ] The Ministry for Primary Industries (MPI) is developing 46 new animal welfare regulations this year. The rules follow the stricter bobby calf regulations introduced last year. The most recent changes include a ban on docking dogs' tails without vet approval, mandatory pain relief for cattle de-horning, and prohibiting the transportation of lame, diseased, or sick animals. MPI received over 1400 submissions on its proposed 91 animal welfare regulations last year, and while they confirmed that 46 regulations would be developed this year, the remainder will be looked at in 2018 and potentially introduced in 2019. The New Zealand Veterinary Association said veterinarians nationwide were celebrating the news that tail docking will be banned under new regulations.

Cow disease found in dairy herd for first time in New Zealand [25 July/ Stuff] 14 cows have been discovered on a dairy farm with the *Mycoplasma bovis* infection, a highly contagious cattle disease. About 150 cows on the property have clinical signs that indicate infection. MPI Director of Response Geoff Gwyn said the disease did not infect humans and presented no food safety risk. This is the first time the disease has been detected in New Zealand. A team are ensuring the disease does not spread beyond the farm, and MPI has legally restricted any movement of stock from the property while the scale of infection is determined. It was unclear how or when the disease entered New Zealand. Sydney University Associate Professor John House said the disease was difficult to treat- as the disease could cause pneumonia, udder infection, abortion, arthritis, tendinitis, middle-ear infection and endometriosis and was potentially fatal. The disease spreads through nose to nose contact, feed, water, bedding material and by workers.

Agri-tech

Tweeting all the way to Cape Reinga [20 July/ Otago Daily Times] A large gumboot called Welly has been dispatched from Bluff on a journey to Cape Reinga, where it will be reunited with Galosh, its soulmate. However, only Twitter can be used to secure rides to move Welly to its destination. The initiative was created by TracMap- a technology company that creates systems for the agriculture, horticulture and viticulture sectors. When the two boots reunite, they will be auctioned, and the proceeds will be given to Fit4Farming, a campaign aimed at improving the health of farmers, particularly through exercise. TracMap has developed an app so people interested in Welly's adventure can track its progress. TracMap Marketing Intern Georgia Ellis said people could tweet a photo of Welly, or that they have Welly, to earn a pair of socks and the opportunity to go in the draw to win a prize.

Environment and Emissions

Rural recyclers challenge Kiwis to clear more waste [20 July/NZ Herald] Rural recycling programme, Agrecovery, is encouraging businesses to recycle and this year will recover and recycle over 300 tonnes of plastic that might otherwise be burnt, buried or dumped. Since the programme commenced, Agrecovery has diverted 1800 tonnes of plastic from landfill or harmful disposal practices. Farmers and growers can drop off, or arrange a pick-up of, empty plastic containers at 74 points across New Zealand through the Agrecovery programme for free. Agrecovery also offers farmers free disposal of large drums and unwanted chemicals. The plastic recovered by Agrecovery is recycled and sold as underground cable cover. The programme is possible due to funding from participating agrichemical brands who voluntarily pay a levy on products they sell.

Research and Development

Weeds cost farmers billions of dollars a year – study [20 July/ Radio NZ] AgResearch and Scion scientists have joined forces with Lincoln University Agribusiness and Economics Research Unit Economists to review published research on the cost of weeds to the pastoral, arable and forestry sectors. AgResearch Principal Scientist Graeme Bourdôt said they cost at least \$1.6 billion annually, but it was likely to be several times higher than that. The team estimated \$1.3bn in losses for the pastoral sector a year, \$18m for the arable sector, and \$333m for the forestry sector. Dr Bourdôt said the information received only analysed 10 out of 187 different weeds species, and some of the information was outdated or contained guesswork, meaning the real figures were likely much higher. Dr Bourdôt said the figure also did not consider money spent on weed control which would cost farmers significantly more.

Mesh cheaper than chemicals in stopping potato disease [21 July/ Stuff] Scientist Dr Charles Merfield believes using mesh to ward off the potato psyllid is more successful and less expensive than using chemicals. Trials using mesh to cover the crops have shown a large reduction in insect numbers. The insect delivers a destructive bacterium to the plant and tubers, causing major production losses. The mesh is \$1000 per hectare cheaper than chemicals, and increases yields by 12 percent, causing gross margin profit to rise between 27 to 75 percent. The mesh did not manage to stop aphids from damaging crops. Plant & Food Research Crop Protection Specialist Dr Jessica Dohmen-Vereijssen backed the mesh but added that more work was needed to assess its viability in large fields, as the mesh made it difficult to check for pathogens.

Genetic centre to boost agriculture [24 July/ Radio NZ] The new Massey University AL Rae Centre for Genetics and Breeding is based at AgResearch's Ruakura Research Centre in Hamilton and hopes to overcome a lack of research in quantitative genetics in New Zealand. The centre is funded by the Norman FB Barry Foundation. Chief Scientist for the Centre Dorian Garrick, who has returned from the US to lead the centre, hopes to encourage more graduate students and post-doctorate fellows to improve animal genetics and believes the centre will significantly boost the farming sector as the centre can work with people together that wouldn't otherwise collaborate very easily.

Rural Services

Livestock Improvement swings to a full year profit as bulls gain in value [20 July/ National Business Review] Livestock Improvement Corp (LIC), reported an annual profit after its biological bull team was revalued significantly higher and the dairy herd genetics cooperative was upbeat about the financial year. The company's net profit was \$20.8 million in the 12 months ended May 31, compared to the prior year's loss of \$4 million. The biological bull team was revalued post tax to \$17.7 million, compared to a write down of \$3.7 million in the prior year. The company said the revaluation reflects increased confidence for the future year's milk price and sales, decreased costs and a more rigorous approach to forecasting. According to LIC, the genetic benefit the bull teams provide farmers is worth over \$250,000 to an average-sized herd over ten years and annually provides \$300 million to the national economy. A full year dividend of \$2.43 million will be paid on 18 August to cooperative and investment shareholders.

Wool

Cavalier looks to rationalise scours [24 July/ Farmers Weekly] Cavalier Wool Holdings is considering ways to rationalise its three Hawke's Bay wool scours. It has two major scour plants, and one "overflow" scour. Cavalier Corp Chief Executive Paul Alston said multiple scours were necessary due to the size of the North Island wool clip. The change follows the merger of the Cavalier Wool and New Zealand Wool Services International scour businesses. The Hawke's Bay business is likely to be based on the large Awatoto Cavalier site. The Hawkes Bay decision is met with the issue of low wool scour volumes as the wool prices collapse meant farmers were storing wool rather than offering it for sale. The low volumes are hurting scour profitability and trading conditions for the group's Elco Direct wool-buying business.

Pork

Do you know where your bacon comes from? (It's probably Spain) [24 July/ Stuff] New Zealand-sold bacon labelled as manufactured in New Zealand is likely from a pig raised in an intensive farming factory overseas. New Zealand produces 45,000 tones of pig meat annually, but imports 65,000 tonnes of pork. Pork Industry Board Chairman Ian Carter said most imported pork is made into small goods such as bacon, ham and sausages for NZ consumers. The May 2017 figures show 42.4 percent of imported pork came from Spain, 12.8 percent from Finland and 10.4 percent each from the United States and Canada. Mr Carter said the imported pork does not need to meet NZ's animal welfare or environment standards and is not labelled indicating this to consumers. New Zealand's labelling requirements are only that the package says where the product has been made. This means that the bacon may have been made in NZ from frozen international pig meat. Freedom Farms Co-Founder Gregor Fyfe said country of origin labelling should be compulsory.

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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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