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Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

23 August 2017

Organisations referenced in this week's Field Notes include:

AgResearch	Lincoln University
Beef+Lamb New Zealand	Meat Industry Association
Comvita	Ministry for Primary Industries
DairyNZ	Murray Goulburn
Danone	National Party
Deer Industry New Zealand	New Zealand Avocados
Essento	New Zealand First
European Union	NZ Initiative
Farming Leaders Group	Pukekohe Vegetable Growers Association
Federated Farmers	Precision Agriculture Association of NZ
Fish and Game	Real Estate Institute of New Zealand
FMG	Silver Fern Farms
Fonterra Australia	Shacky
Fonterra Co-operative Group	Van Leeuwen Dairy Group
JBS	Water NZ
Kiwi Pollen Company	Youcamp
Labour Party	

This week's headlines

Fishing	Weekend boaties call for better fish stock protection [22 August/Radio New Zealand Country]
Dairy	Dairy product prices down again [16 August/Otago Daily Times]
Animal health	Confidence outbreak contained [17 August/Otago Daily Times]
Water	Farmers pledge to improve NZ's waterways [22 August/Hawkes Bay Today]
Economics and trade	National's 'boldest-ever' trade policy just a wishlist: Labour [22 August/NZ Herald]

Horticulture

Court hears about role of kiwifruit pollen in possible arrival of PSA [18 August/Stuff: NZ Farmer] The kiwifruit claim has continued in the Wellington High Court with lawyers for the 212 growers and post-harvest operators making the claim against the Ministry for Primary Industries discussing the role that the Kiwi Pollen Company played in the PSA outbreak, they contend their imports of pollen are believed to be the means by which PSA came into New Zealand. The company had imported pollen from Chile and China. The defence argued that the way PSA came into the country remains unknown. The company director, Jill Hamlyn, described a shipment that the company received from China in 2009 which arrived as anthers (part of the stamen that contains pollen) rather than just pure pollen. Other witnesses included Peter West, manager of a kiwifruit orchard, Olympos, which was the first orchard to be deemed a restricted place, some in the industry refer to it as ground zero for the PSA incursion.

Urban invaders hurt hort [22 August/Rural News] Pukekohe Vegetable Growers Association, Brent Wilcox, believes land and water and the main issues facing its members. The organisation has seen a consolidation of smaller growers in recent years as they have struggled to justify the cost and risk of expanding their business. With Auckland's sprawl now reaching Pukekohe, a key vegetable growing region, houses are now being developed on prime vegetable growing land, something farmers are questioning. The Association's members in the Northern Waikato are facing land use and water regulations under the Regional Healthy Rivers Plan. Mr Wilcox said the Association was working with both Horticulture NZ and the Regional Councils to finalise policies that will help to ensure high quality soils and access to water are preserved for vegetable growers. He added that when a house is built on high quality land it can't be wound back and moving south is not an option as Pukekohe soils are unique in terms of productive capacity, their low propensity for frost and their ability to support growth all year round.

Avocado thieves sell stolen fruit on Facebook [22 August/Radio New Zealand Rural] Store owners are being warned not to accept stolen avocados being sold through social media sites and Facebook. The price of avocados has seen thefts increase in recent times, something that NZ Avocado CEO, Jen Scoular, described as devastating for the growers. Police have warned the thieves that if they are found with stolen fruit they could be charged with burglary and face up to 10 years in prison, as could people that knowingly buying stolen fruit. Ms Scoular said store owners need to be careful, you don't get \$1 avocados, so if somebody comes in with a crate and offers them at that price the store holder needs to assume that they have come from a source that is not reputable.

Viticulture

The new school of winegrowers [21 August/New Zealand Winegrower] A school to teach winegrowing to secondary school students is about to open in Marlborough. The New Zealand School of Winegrowing, a first for New Zealand, will offer 20 year 12 NCEA students a chance to gain credits while learning the basics of the wine industry. The idea has been in development for a number of years and reflects the employment opportunities available in the industry in the region. It is hoped that the school will shatter perceptions that the industry is all about picking, pruning and lifting and highlight other roles and opportunities like harvest drivers, vineyard managers, cellar hands and many other roles for people with suitable skills. The school will provide not only practical experience but will also give the students the opportunity to gain NCEA credits that take them further up the educational ladder. The students will be provided with contextualised teaching, where the chemistry component of their learning could be based around winemaking while the biology component could be on vine physiology.

Forestry

NZ First looks at Forestry [22 August/Northland Age] New Zealand First leader, Winston Peters, has said that the party will introduce a 'Canadian style' law to protect New Zealand's wood processing sector. He said that the forestry sector is our number three exporter but wood is being vacuumed up by foreign controlled companies with devastating results on the domestic processing sector in regional areas, like Northland. The lower costs of processing offshore mean that New Zealand wood processors can't compete for the raw log product in the first place, and very often foreign companies are taking immature trees when it suits their businesses rather than when it is optimal for the New Zealand economy. New Zealand First propose to restore the New Zealand Forest Service to enable the Crown to establish plantation forests on state owned land and in partnership with private land owners to create jobs and protect erosion prone land, as well as delivering a sustainable flow of wood by way of licensing and management plans to prevent forest depletion. New Zealand processing plants would be given first rights of supply from Crown plantations before any logs are exported.

Fishing

Weekend boaties call for better fish stock protection [22 August/Radio New Zealand Country] Fisheries academic, Dr Randall Bess, has been researching the impact that recreational fishers have on national fisheries resources for the New Zealand Initiative and is currently conducting public meetings around the country to discuss the findings. The decrease in fish stocks is concern to many weekend boaties although they recognise that the fish finding technology that many of them use may well be contributing to overfishing. Many recreational fishers are calling for the formation of a single organisation to work with the government to better manage recreational fishers in the same way that commercial fisheries are subject to strict rules. Dr Bess said it is clear there is concern about decreasing stocks and one of the key recommendations was the need for commitment to managing a shared fishery. He notes historically the government has focused on deep water fisheries and had nothing to do with recreational fishers, yet it is the conflicts in inshore areas that are creating the problems. One recreational fisherman noted it was time for the fishing public of New Zealand fit in to fisheries management in today's world, which ultimately could involve the registration of boats or in licensing.

Dairy

Dairy product prices down again [16 August/Otago Daily Times] The result of the latest Global Dairy Trade auction showed a further easing in prices, the fourth in the last five auction events. The index fell 0.4% to an average price of USD3,339 with 32,260 tonnes of product being sold. The key whole milk powder price fell 0.6% and falls were also recorded for lactose (4.9%), butter (1.3%) and AMF (1.2%). Analysts expect Fonterra to reduce its offering through GDT in coming months as milk is directed into value adding products and suggest that buyers are not picking up on this expected shift in supply. Skim milk powder remained effectively flat as it has been now for some weeks as the market waits on a decision on what the European Commission will do with its intervention stockpile.

Agri-tech

New Zealand to host international high-tech farming conferences [22 August/Precision Agriculture Association of New Zealand Press Release] The International Tri-Conference for Precision Agriculture 2017 (PA17) will be held in Hamilton between 16 and 18 October this year. The event which encompasses the inaugural Asian-Australasian Conference on Precision Pastures and Livestock Farming, the 7th Asian-Australasian Conference on Precision Agriculture and the Digital Farmers and Grower 2017 events will cover all aspects of technology enabled agriculture including presentations from international key-note speakers. The Precision Agriculture Association of New Zealand will host the event which is aimed at farmers, growers, scientists, rural professionals, students and engineers, and Association Chair, Craige Mackenzie said it was pertinent that New Zealand was hosting the conference at a time when environmental and resource management issues are particularly under the spotlight. More information is available from <https://precisionagriculture.org.nz/events/7th-asian-australasian-conference-on-pa/>

Wool

Crossbred wool prices come off low as fine wool edges to record levels [17 August/Stuff: NZ Farmer] Farmers will be hoping recent wool sales indicate that crossbred wool prices have finally bottomed out and taken a turn for the better. The sales showed a lift in prices of between 5 and 7% after a long run of low prices, although wools coarser than 34 microns continue to lack sustainability. The improvement in coarse wool was overshadowed by rising values for mid micron and merino wool types which recorded sale prices at close to record levels. A recent Australian sale recorded its largest one day lift in two years recently, with the 21 micron price only 28 cents below the record price set in 1988.

International

Danone shares up on takeover report for EUR44 billion firm [15 August/Irish Examiner] The shares in Danone rose 1.5% on the back of a report in the New York Post citing a stock market rumour that a bid from a Kraft or a Coca Cola was possible for the company and that the French government would likely approve the transaction. A spokesperson for Danone would not comment on the rumour while analysts were cautious about the report, despite both companies have the capacity to launch a bid of around EUR44 billion, noting the report contained few details. French governments have historically sought to protect their largest companies from being taken over, as was evidenced when the government dashed to support of Danone in the face of an expected bid from PepsiCo that never materialised.

Can scandal plagued JBS's plans for an IPO succeed? [17 August/Food Dive] Brazilian meat giant, JBS, has announced that it is planning an IPO on the US market next year despite legal and financial challenges both in its home country and abroad. The CEO, Wesley Batista, highlighted that the company generates 80% of its business outside of Brazil and that it is a highly diversified protein player. He also said by listing in the US under US rules the company has more opportunity to access a wider investor base. Mr Batista said the company is working on a comprehensive reorganisation strategy, although Mr Batista and his brother, former Chair Joesley Batista, are at the centre of corruption scandal that has rocked the Brazilian political system. The company has previously announced plans for an IPO five times and pulled them on each occasion, and this attempt may well follow given the scandal raging round the Batista's which has threatened to bring down President Michel Temer. The company has also been at the centre of a food safety scar when it was discovered it had bribed inspectors to allow adulterated or spoiled meat to be sold. The company does have strong and profitable businesses in Canada, the US and Australia. It would appear difficult for the company to restructure its way out of the scandal that surrounds it and analysts are suggesting that the company would be better served focusing on rebuilding its reputation and building investor confidence rather than pursuing a likely unsuccessful listing.

All Majorca's plant life could be destroyed to stop olive disease [17 August/Daily Telegraph] EU plans to stop the spread of a disease, *Xylella fastidiosa* (described as ebola for olives) could see all vegetation on the island of Majorca virtually eliminated. The disease has infected thousands of trees in Southern Italy and is now spreading across the Balearic's with carrier species multiplying with first detection having already been made near Alicante on the Spanish mainland. The radical solution proposed by the European Union for containment involves eradicating all vegetation within 100 metres of an infected tree and with 156 infection points in Majorca it could mean the almost complete destruction of the island's plant life. One industry leader said that such a plan would be impossible to implement on the island and the local government has previously said such a strategy would be an environmental disaster. An initial response which saw infected plants destroyed has been assessed to be too limited and an EU report suggests that eradication will be very difficult as the number of carrier plants increases.

UK targets open Irish border for food after Brexit [17 August/Food Navigator] The UK Government has said it hopes to reach a deal that avoids a hard border being placed on the movement of goods between Northern Ireland and the Republic of Ireland as it negotiates its Brexit deal. The preference is to have a border that requires no physical infrastructure and is as seamless as possible (which would suggest that there would be no phytosanitary checks on agri-food products). While this is the British desire for the UK side of the border, Ireland maybe bound by EU regulations which could require comprehensive inspections. The UK Government has been quick to highlight its desire to find a practical solution that reflects the unique economic, social and cultural context inherent in Ireland. Ireland and UK are each other's largest markets for agri-food exports reflect the way that food processing practices have developed, thus open and free trade is important to both countries with a hard border having the potential to significantly constrain trade. Irish Foreign Minister, Simon Coveney, and Irish Farmers Association President, Joe Healy, both expressed uncertainty about whether an invisible border was possible if the UK chooses to pursue its own free trade agreement.

Swiss start-up's insect-derived food intent on overcoming consumer bugbear [18 August/Food Navigator] Essento, a Swiss based start-up, is planning to make its range of insect based burgers and meatballs available to consumers through supermarkets. The products which blend products like rice, vegetables, chickpeas and flavouring with flourworms will initially be offered through seven stores in Geneva, Bern and Zurich. Co-founder of Essento, Christian Bartsch, said the release will enable them to assess how people react to the product and its story, which includes high nutritional profile, high culinary potential and an environmental favourable production footprint. The release is possible due to a change in Swiss food safety laws which now allow insect derived products into the human food chain (up to 1 May, insects were restricted to use in pet food). The law permits the use of crickets, grasshoppers and mealworms in human food, although there are strict production standards which require four generations to be bred under supervision before the insects are certified as fit for human consumption. The updated Swiss regulation is in contrast to situation surrounding how the EU interprets foods made from insects, were they are classified as novel foods and subject to regulatory approval.

Fonterra Australia opens new cheese factory for domestic and export market [18 August/Stuff: NZ Farmer] Fonterra Australia has opened a new cheese plant at Stanhope in Victoria two and a half years after the plant was destroyed in a fire. The \$149 million plant will make a range of hard cheeses including cheddar, parmesan, mozzarella and romano for the Australian and New Zealand market as well export cheese directed towards China and Japan. The plant has a capacity of 45,000 tonnes per annum, approximately 50% more than the previous plant and has created 30 new jobs. The factory was opened by Victorian Minister for Regional Development, Jaala Pulford, together with Fonterra Co-operative Group Chair, John Wilson, and other Fonterra leaders. Mr Wilson said the plant would support the co-operative to further capture the strong global demand for dairy.

Airbnb-style sites offering Aussie farms to camp out [20 August/Straits Times] The latest disruption to the travel industry in Australia involves farmers renting out spare bits of their land to holiday on, allowing tourists access to Australia's vast and empty rural areas and providing farmers with an income boost. Airbnb style sites are offering 40 hectares of land plots for as little as AUD15 a night, while some are providing remote huts to tourists. The site Youcamp offers 5,000 campsites on 400 properties across Australia and the numbers are growing quickly, and it was developed when the founders realised during a holiday in 2013 that all the official campsites were full over the Christmas holidays yet there were large tracts of unused land surrounding the sites on farms; co-founder James Woodford noted that they thought that there must be away to connect farmers that own the land with people that want to stay on the land. Another site Shacky is building small wooden house on pieces of land that the farmers make available for use, the farmers gain a revenue stream and tourists get the opportunity to have a complete escape, regularly beyond the reach of mobile phone coverage.

Murray Goulburn milk supply drops 22%, as company confirms it seeks 'more detail' from potential suitors [22 August/ABC News Rural] Dairy processor, Murray Goulburn, will struggle to retain the title of Australia's largest milk processor as its supply dropped 22% and is expected to fall further to sit equal with Fonterra Australia. MG announced its results confirming it had experienced a difficult year leading to an AUD371 million loss, with CEO, Ari Mervis, saying the coming months would be pivotal for the future of the business. The company confirmed that it would pay a price below rivals for the current season at AUD5.20 per kilogram milksolids, which has seen many farmers switch supply particularly to Fonterra who have seen their supply increase from 1.5 billion litres to 2 billion litres in recent months, well timed for their recently opened Stanhope cheese factory. The MG board also confirmed that its announcement of a strategic review had surfaced a number of unsolicited indicative proposals from third parties and that they had requested Deutsche Bank to seek more details from these and other relevant parties to assess their merits. MG is also in the process of closing three processing facilities and laying off around 360 staff.

China will overtake the US as largest dairy market by 2022 [21 August/Dairy Exporter] New analysis from Euromonitor International suggests that China will replace the US as the world's largest dairy market by 2022 as consumer demand for dairy grows in China, driven by an expanding appetite for yogurt, while US consumers become more wary of milk and flavoured milk drinks which they are perceiving to be unhealthy due to their high sugar content. The analysis also suggests that India will surpass Japan as the fourth largest market in 2021, with Brazil rounding out the top 5. The actions of China dairy giant, Yili, indicate the drivers of the Chinese dairy sector, they have invested in drinking yogurt category (particularly the ambient category that has the ability to be distributed more widely), focused on varieties with clear health benefits (probiotics for example), expanded across China and invested in infant formula plants in New Zealand and the US as well as setting up supply agreements from Italy.

Apiculture

Comvita beats earnings guidance, upbeat about FY18 [22 August/The Country] Natural health products company, Comvita, saw its shares jump 10% after it beat full year guidance and said it expects to return to profit in the current financial year. The company which uses Manuka honey a core ingredient, reported an after tax operating loss of \$5.5 million for the year to June compared to a forecast loss of \$7 million. The better than forecast result was due to a stronger than expected second half of the year as the grey channel into China showed signs of recovery. The first half result had been heavily impacted by the Chinese government trying to curtail this channel. CEO, Scott Coulter, said that there had been a real rebound in grey channel sales and this momentum had continued into the new year, adding that this recovery linked with permanent cost savings and new marketing initiatives provides good confidence heading into 2018. Comvita has spent a lot of time building new business relations in South East Asia and North America which are expected to benefit the company in the current year. The Group's joint venture in China became operational on 1 July and this is expected to contribute towards earnings immediately. Revenues from innovation products were also positive with more growth expected in the current year.

Deer

Venison approaches record prices as US appetite grows [18 August/Stuff: NZ Farmer] New Zealand venison prices are approaching record levels on the back of continuing demand from the North American market. Prices are up 17% on last year at more than \$9 per kilo, with Deer Industry New Zealand Passion to Profit PGP manager, Innes Moffat, noting that the farmers are benefiting from their investment and sticking with the industry. Other analysts are expecting to see pricing around the \$9 mark driven partly by the contracts that processors have entered into. It was also noted that supply had fallen although many farmers are currently rebuilding their herds. There has been a diversification away from traditional European markets towards North America, where customers are taking lower value cuts and turning them into higher value products attractive to US consumers, including protein meat bars aimed at health conscious consumers and gourmet venison burgers.

Animal health

Confidence outbreak contained [17 August/Otago Daily Times] Ministry for Primary Industries officials have updated farmers in South Canterbury on the Mycoplasma Bovis outbreak, which was detected on two Van Leeuwen Dairy Group farms near Waimate in July. It was the first detection of the disease in New Zealand although it is present in many other regions around the world. All the farms in the Van Leeuwen group have been in quarantine lock down since the outbreak was detected. Ministry investigator, Kelly Buckle, told farmers that they believe that the farms outside the quarantine restrictions did not have the disease, adding that they are pretty confident it has been contained to the two farms. Farmers were advised to focus on good management practices, for instance trying to segregate stock brought on to their farms as much as possible. The Ministry's Wallaceville laboratory is the only accredited lab for testing at the current time but more are being brought up to standard quickly and vets across the country are being briefed to call the Ministry's biosecurity hotline if they see anything untoward. Officials said that the Ministry was assessing whether the disease could be eradicated and assessing the extent of spread is critical in planning such actions.

Research and development

Work begins on \$206 million Lincoln University research facility [22 August/The Press] An event was held Tuesday to mark the start of the construction of a new \$206 million research facility at Lincoln University, which will be the physical home of the Lincoln Hub, a collaborative project between the University and several Crown Research Institutes. Lincoln University and AgResearch are partnering in the centre development; the facility will ultimately be home to 900 Crown scientists and be the largest agricultural research centre in the Southern Hemisphere. The government has committed \$85 million to the project, one which AgResearch CEO, Tom Richardson, said he hoped would be a huge drawcard for the smartest minds. Lincoln University Chancellor, Steve Smith, said it was a historic day for the institution, whose future would be defined by the facility.

Environment and Emissions

Taylor to head Fish and Game [17 August/Rural News] Long serving CEO of Fish and Game, Bryce Johnson, retires in October after 37 years at the organisation (and its predecessors) and will be replaced by Martin Taylor. Mr Taylor has been CEO of the Aged Care Association and most recently has been doing project work for Capital Coast DHB. Fish and Game Chair, Lindsay Lyons, said Mr Taylor is the right person for the job; he is a mad keen angler, has chaired the Wellington Fish and Game Council, is highly qualified, an experienced leader and politically astute. There was significant interest in the role, continuing the work that Mr Johnson has led for so long, but Mr Lyons noted the fight for the environment is not over and there are huge challenges ahead but the organisation was confident that they would be well placed to meet them with Mr Taylor at the helm.

Water

Majority of NZers support charging for water - survey [16 August/Radio New Zealand Country] An online survey run by Water New Zealand and attracting 5,000 respondents suggests that 77% of people believe that agriculture and horticulture should be charged for water. The survey found that 89% of people believed that water bottlers should pay a charge for water while 59% believe all water users should pay for water. One thing that was clear from the survey was that people wanted more information on how water pricing would work, and Water New Zealand CEO, John Pfahlert, said the organisation did not believe it should just be farmers and water bottlers paying but that everybody should be paying for water. Meanwhile, Irrigation New Zealand said that it had gained clarity on Labour's water charging policy during a private meeting; Labour have confirmed that the tax will be two cents per 1000 litres and the money would be used in the region to address water quality issues. CEO Andrew Curtis said that the tax would be a significant payment for some farmers, citing the example of Irrigation NZ chair, Nicky Hyslop, who would be charged \$22,000 to irrigate her 200 hectare sheep and beef farm, a large share of the businesses profit for the year.

Farmers pledge to improve NZ's waterways [22 August/Hawkes Bay Today] A unique collaboration of pastoral sector leaders came together in the Hawkes Bay to make a commitment to work together towards making New Zealand's rivers swimmable for future generations. The Farming Leaders Group which includes Federated Farmers, DairyNZ, Beef + Lamb NZ is said to represent 80% of the country's pastoral land, has said that more needs to be done and faster in relation to fresh water. Federated Farmers President, Katie Milne, said that many of the country's rivers were not in the condition that everyone wants them to be and that the industry has not always got the issue right around water. The Group was committed to playing its part and doing the right things on the journey towards better water. Bruce Wills, chair of Apiculture NZ and on the Boards of a range of primary sector entities, said scientific advances were enabling changes that would not have been foreseen in the last couple of generations, making environmental gains and economic sustainability possible. James Parsons, Chair of Beef + Lamb NZ, said that the challenges around water quality are global and there is the opportunity for New Zealand to lead the world and share innovation. Other leaders included Michael Spaans (Chair of DairyNZ), John Loughlin (Chair of Meat Industry Association), Mike Petersen (MFAT's Agricultural Trade Envoy) and John Wilson (Fonterra Chair).

Rural Supplies

FMG board revamp [18 August/Rural News] Rural mutual-insurer, FMG, has elected three experienced rural sector leaders to its board at its annual meeting in Hanmer Springs. Shareholders elected Geoff Copstick (the former CFO of Gallagher Group and current Director of that company), Murray Taggart (Chair of Alliance Group) and Steve Allen (Chair of Tatua Dairy Co-operative) to the board replacing two retiring Directors (long standing chair Greg Gent and Synlait Chair, Graeme Milne) and filling one casual vacancy. FMG's new Chair, Tony Cleland, who was also re-elected, said the three new Directors bring a diverse combination of agricultural knowledge and business acumen to the Board and position the organisation to deliver on its growth ambitions. Both Mr Cleland and FMG CEO, Chris Black, acknowledge the contribution that the two retiring directors had made to the business.

Economics and trade

Push for minimum TPP changes [18 August/Otago Daily Times] Trade Minister, Todd McClay, said that the Trans Pacific Partnership without the USA remains on the agenda for the 11 remaining members and New Zealand will be pushing for an agreement with the minimal number of changes possible. Mr McClay said the TPP11 ministers have committed to moving forward as quickly as possible, with New Zealand taking a lead with Japan and Australia in reviving the agreement. Mr McClay noted that Japan has just concluded an FTA with the EU providing European exporters with better access to the Japanese market than New Zealand companies and at the same time Japan are introducing tariffs on frozen beef imports from countries that it does not have an FTA with. Implementing TPP11 would see NZ beef tariffs drop from 50% to 9% and complete removal of all tariffs on wood products and allow fair competition in many other sectors. Government modelling suggests that TPP11 could add \$2.5 billion to the economy annually and save exporters \$222 million a year, benefits that are too significant to walk away from. The progress on TPP11 will be against a background of the renegotiation of the NAFTA agreement between the US, Canada and Mexico, an agreement that President Trump has indicated he wants major changes to rather than just a mere tweaking.

National's 'boldest-ever' trade policy just a wishlist: Labour [22 August/NZ Herald] National has released its trade policy in advance of the election, which it claims will unlock potential in markets with 2.5 billion people. Trade Minister, Todd McClay, said the package was the boldest ever trade push in the country's history and contrasts starkly with Labour's recent opposition to the Trans Pacific Partnership. Mr McClay said that unlocking these markets will create shiploads of jobs for kiwis, be worth billions of dollars to our economy and businesses and communities across the country. The plan includes seeking FTA's with the EU, the UK (post Brexit), Sri Lanka and the Mercosur countries in South America as well as concluding TPP11, the Pacific Alliance (Mexico, Chile, Columbia and Peru) and RCEP (the Regional Comprehensive Economic Partnership in South East Asia). Mr McClay said the plan will see 78% of New Zealand's goods exported to countries with free trade coverage adding that National is only the party for voters serious about trade. Labour leader Jacinda Ardern, described the policy as wishlist of agreements and indicated that she would potentially follow the US out of TPP if the other members refused to renegotiate the deal if a Labour led government is elected, particularly over residential housing issues. National's plan also includes upgrading existing FTA's with China, Singapore and ASEAN nations and continuing to push, despite political constraints, for closer relationships with India, Russia and Gulf Co-operation Council countries (which is currently stalled given the break down in relations between Qatar and the other member states).

Agribusiness education

SFF chooses youth scholarship recipients [19 August/Otago Daily Times] Silver Fern Farms CEO, Dean Hamilton, highlighted the depth of talented young people that had applied for the six Plate to Pasture scholarships that the company has recently awarded. The \$5,000 scholarships are offered to young people developing their careers in the red meat, food and farming sector. The 79 applicants were asked to comment on the biggest challenge or opportunity facing the food sector and what they would do amount, Mr Hamilton noting a wide range of issues were covered from biosecurity, food technology innovation, sustainably building profitable farming businesses and selling New Zealand's artisan agriculture story to the world. The winners were Zac Johnston, Hugh Jackson, Nicole Harvey, Grace Van Tilborg, Joshua Kirk and Jake Jarman.

Agricultural communities

National unveils \$10.5 billion plan for new major highways [20 August/NZ Herald] The National Party has announced the next phase of their roads of national significance plan, identifying 10 roads around the country that will be prioritised should the party be re-elected on 23 September. The plan includes the extension of the four lane highway from Wellsford to Whangarei, meaning the entire 160km route from Auckland to Whangarei will be four laned. Prime Minister, Bill English, said the road would unlock the potential of Northland region, adding that building roading supported economic growth in the region. Some of the roads have already been in planning (for instance the East West link between the Manukau Harbour and Mount Wellington in Auckland) but many are in rural areas. The plan includes redevelopment of the currently closed Manawatu Gorge road and other key roads in rural areas including extending the Waikato Expressway from Cambridge to Tirau, upgrading State Highway 2 between Tauranga and Katikati, upgrading the road between Christchurch and Ashburton, Napier to Hastings highway and three other projects. The roads will be funded through the National Land Transport Fund and public-private partnership arrangements.

Farmers and producers

Farm sales nudge downwards [17 August/Radio New Zealand Country] The latest farm sales figures from the Real Estate Institute of New Zealand show farm sales were down for the three months ending July but prices edged up to \$27,158. REINZ Spokesperson, Brian Peacocke, said that it was a quiet time in the market as farmers commit to calving and lambing, but the sales that have occurred have been of highly valued properties. The report highlighted that most sales were finishing farms (39% share) while grazing properties accounted for 27% of sales.

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 23 August 2017

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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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