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 Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

30 August 2017

Organisations referenced in this week's Field Notes include:

| | |
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| A2 Milk | Miraka |
| ASB Bank | National Fieldays Association |
| Bayer | Nestle |
| Cargill Protein | New Hope Nutritionals |
| Cheesemonger Box | New Zealand Apples and Pears |
| Council of Trade Unions | Novdik |
| Eat NZ | NZ King Salmon |
| Federated Farmers | Quantified Planet |
| First Light | Restaurant Association of NZ |
| Fisheries Inshore New Zealand | Scales Corporation |
| Flytrex | Seeka Group |
| Fonterra Co-operative Group | Silver Fern Farms |
| Forest Owners Association | Shanghai Maling |
| Hawkes Bay Regional Council | Shanghai Pengxin |
| IBM | Synlait |
| Labour Party | T&G Global |
| Livestock Improvement Corporation (LIC) | The Pure Food Company |
| McDonalds | Van Leeuwen Dairy Group |
| Memphis Meats | Wine Marlborough |
| Metlifecare | World Organisation for Animal Health |
| Ministry for Primary Industries | Zespri |

This week's headlines

| | |
|--------------------|---|
| Forestry | Five forestry deaths this year spurs new safety call [28 August/Radio New Zealand National] |
| Fishing | Digital catch monitoring must be delayed, fishing industry says [26 August/Stiff: Business Day] |
| Water | End on the cards for Ruataniwha Dam [28 August/Hawkes Bay Today] |
| Agri-food strategy | ConversationNZ rebrands as Eat NZ, teams up with Restaurant Association of New Zealand [29 August/Stuff Lifestyle] |
| Rural communities | New school of Rural Medicine to deliver 60 doctors a year [28 August/NZ Herald] |

Horticulture

Pollard: Still on track for bumper season [24 August/The Country] Alan Pollard, CEO of New Zealand Apples and Pears (formerly Pipfruit NZ), said the industry is still expecting a bumper season, despite T&G Global announcing a decrease in profit as poor weather impacted the quality, volume and margin of the harvest. Mr Pollard said that the feedback that his organisation is receiving suggests the harvest result nationwide would be similar to last year for apples and pears. Mr Pollard noted that last year was a record year, so if the industry manages to equal its record there is nothing to complain about. Mr Pollard did note that the weather had impacted the industry and make things more difficult, as it slowed down maturing and the warm, moist air that had blown across the country had also impacted.

Scales shares down after first-half profit drops 14% after bad weather, reaffirms annual guidance [24 August/New Zealand Herald] Scales Corporation has announced a net profit of \$29 million for the six months to 30 June 2017 compared to \$34 million in the prior comparative period. The company reported a 3% increase in revenue. Scales noted that the Hawkes Bay region had experienced than heavier than normal rainfall but the Mr Apple team had produced an overall export volume consistent with the record 2016 crop. Costs had increased to ensure that customers' expectations were met during a very difficult season, with cost increases including higher spray costs, storage costs and additional labour for picking and thinning. Looking ahead, the company noted that Asian and Middle Eastern markets continue to grow and reconfirmed that it expects to report earnings for the full year within its previously indicated range for EBITDA of between \$55 million and \$62 million.

Seeka first-half profit climbs 56pc on improving Australian operations, wary on full year [25 August/The Country] Seeka, the largest kiwifruit grower in Australasia, has reported first half profit up 56% on the prior year but expects a smaller crop will see earnings decline in the coming year. Half year profit at \$11.1 million was achieved on largely unchanged revenues, but was bolstered by gains from the company's Australian fruit division. The result also benefited from a lift in earnings from the Seeka's avocado business. Seeka said in its statement it is continuing to invest in fruit handling infrastructure to cope with growing Zespri SunGold volumes and it will keep expanding the Australian business, which it sees as an important investment in diversity. Kiwifruit post harvests remain the company's core division, however earnings also grew in the company's retail service unit which includes the Kiwi Crush and Kiwi Crushies product ranges.

Zespri takes action against grower its says broke rules sending kiwifruit to China [25 August/Stuff: NZ Farmer] A New Zealand kiwifruit grower who allegedly distributed Zespri's SunGold and Gold9 varieties to Chinese growers has had their license cancelled and they have been required to cut their vines off. Zespri Chief Operating Officer, Simon Limmer, said that there was the potential for Zespri to take a civil case against the grower and it was more than likely the company would do this. He described the grower's action as a significant breach of the Group's intellectual property rights. Zespri has identified the sites in China where the varieties had been planted and had been able to track where the products had gone although it noted that there were challenges enforcing intellectual property rights in China, although CEO, Lain Jager, said the company was working closely with Chinese authorities who had been very helpful. He added that it was something the company was going to have work through and see where it takes them, but the breach was being taken seriously and a lot of effort is being put into protecting the value for New Zealand kiwifruit growers.

Viticulture

Wine Marlborough criticised for 'political' stance on Labour's water policy [27 August/Stuff: NZ Farmer] Marlborough grape growers that support charging for water have criticised their industry body, Wine Marlborough, for attacking Labour's irrigation policy. The deputy chair of Wine Marlborough described the Labour policy as dangerous and deceitful, indicating it would place exporters at a disadvantage. Some growers have been angered by the comments as they believe that Wine Marlborough should be non-partisan. One grower described the comments as inflammatory and scare mongering adding that the idea of charging a small royalty on water would affect global markets is arrant nonsense. They suggested that introducing a charge would encourage more efficient use of water and more sustainable production would boost the industry's credentials that could play well in markets. It was suggested that the global demand for Marlborough Sauvignon Blanc gives the industry an element of margin elasticity.

Forestry

Five forestry deaths this year spurs new safety call [28 August/Radio New Zealand National] The forestry industry is experiencing its most deadly year since 2013, with five deaths being reported so far this year and this has promoted calls from the Council of Trade Unions President, Richard Wagstaff, for the government to investigate why safety standards are still not being met. Mr Wagstaff said the approved code for safety had never been fit for purpose and it needs to be updated, made more practical and deal with the issue of fatigue. He added that more trees are expected to be felled in 2018 and employers and the industry were not ready to meet this demand. Minister of Workplace Relations and Safety said it was not possible for a code to cover every eventuality but operators, managers and owners should always be assessing and managing risk. The Forest Owners Association said that since 2013, when 10 people died in the industry, health and safety had been at the forefront of their priorities and the industry has put a very high priority on understanding what has caused the recent deaths to ensure the accident rate is kept down to a negligible level.

Fishing

Digital catch monitoring must be delayed, fishing industry says [26 August/Stuff: Business Day] The fishing industry has expressed concerns about the tight timeframes for implementing electronic monitoring and reporting of fishing catches and has called for a pause before the introduction. Trade Association, Fisheries Inshore New Zealand, said it supported electronic monitoring and reporting but said the Ministry for Primary Industries current plans are confused, unrealistic, onerous, unnecessary and costly. CEO of FINZ, Jeremy Helson, said that the industry has a strong preference to get the implementation right, adding that even if the requirements were well specified and realistic the technology to comply does not yet exist. The industry currently uses paper based reporting systems but the proposals will see on-vessel digital reporting from April next year for smaller vessels (and from October this year for larger deep water vessels). Mr Helson added that the technology could not be bought off the shelf and it also required training for crews to be able to use the systems. FINZ asked for a six month pause to give time for parties to sit down and nut out the issues.

Aquaculture

NZ King Salmon keeping an eye on future expansion costs [25 August/Stuff: Business Day] New Zealand King Salmon has posted a stronger than forecast final profit of \$22 million on the back of a 38% increase in sales to North American restaurants. The company supplies Ora King Salmon to around 800 restaurants in the US (accounting for about 25% of sales), while around 50% of sales are made in New Zealand. The company is retaining a large proportion of the profit to reinvest in future growth, which CEO Grant Rosewarne said would include the development of three new salmon farms in the Marlborough Sounds. The company is waiting for government approval to relocate six of its existing Marlborough Sounds farms to high current flow areas, although Mr Rosewarne noted that any ministerial decision is likely to be after the election. He said the company could see production fall if the relocation is refused. While the reported results are impacted by inventory revaluations, Mr Rosewarne said the key metrics that shareholders should focus on were the 18% increase in revenue and the 35% increase in earnings before tax and other items; adding these metrics showed value leading volume.

Auckland designer launches luxury fish skin bags [27 August/Stuff: Business] Auckland design house, Nordik, has launched a range of bags made from salmon skin. Nordik is owned by Lilja Viggosdottir, an Aucklander of Icelandic descent who on a visit to Iceland found shop after shop selling souvenirs made from fish skin. The salmon skin is a byproduct of the fishing industry and is a sustainable material which can be used to make bags. The skin's being used in Nordik's bags are being treated and tanned in Italy and Ms Viggosdottir hopes that the uniqueness of the delicate salmon pattern will differentiate her bags in a crowded market. The initial plan was to manufacture the bags in New Zealand but she found it very difficult to work with local companies and has found working with experienced Italian manufacturers much easier. The bags are being sold through an online channel and particular stockists.

Dairy

Record breaking share price in early trading for A2 Milk, beating expectations [23 August/New Zealand] Standout share market performer, A2 Milk, has delivered a better than expected result and has seen its share price hit a record of \$5.16 in early trading before slipping back slightly. The company, which is also listed on the ASX, tripled annual profit to \$91 million driven by a 56% revenue increase. The company has led the NZX50 up this year, with the share price increasing 130%, yet analysts were quick to note that the result was ahead of inflated market expectations that had supported recent increases in the share price. One analyst described the result as stellar that illustrates the strong demand particularly for infant formula powder into Asian markets. The result was noted as highlighting that management have been successful in navigating what has been fairly tough market conditions. He also added that given the profit and future earnings expectations the company's shares look cheaper now than they have ever been.

New hope for Synlait deal [23 August/Rural News] Synlait Milk has announced a new supply agreement with New Hope Nutritionals. Synlait Managing Director, John Penno, said that the arrangement will provide certainty of supply for both companies for over five years. New Hope Nutritionals is a joint venture between Synlait Milk and Chinese Dairy company, New Hope that focuses on providing infant formula products into China. Mr Penno said the agreement secures a threefold increase in volume over the five year period as well as undermining applications to register New Hope Nutritionals Akara and e-Akara infant formula brands with the China Food and Drug Administration. The volumes will be met initially from the company's Dunsandel site and eventually from its new Auckland plant.

Indian market has 'massive potential' [24 August/The Country] A new report prepared by a US agribusiness expert for the ASB Bank suggests that growing demand for dairy products in India and a limited domestic ability to meet demand suggests that the market has massive potential for dairy exporters like New Zealand and the US. Both countries are making efforts to enhance and broaden opportunities to export to India but to date the country remains largely self-sufficient for food, although as the population grows and wealth increases this was likely to change. India is predicted to become the most populous country on the planet by 2030 and the Indian government has estimated that dairy consumption is likely to increase by around 40% over the next five years. Growth in domestic dairy production is constrained by a range of factors including genetics, diseases, a lack of adequate veterinary and genetics services and poor farm management, and together with infrastructure weakness in areas such as cool supply chain, will ultimately force India to become a dairy importer. The overall message is that New Zealand should not close its mind to exporting to India but start to build the relationships that will allow for export growth in the future.

Fonterra's NZ milk collection in season to date rises 10.4% [28 August/NZ Herald] Fonterra has announced that milk collection for the first two months of the season is 10.4% ahead of the 2016/17 season, with growth of 16% recorded in the South Island. Fonterra said that farmers were facing the challenge of calving with significantly more rain than normal at this time of year. The co-operative also reported milk collection ahead 28% in Australia as more farmers shift their supply to Fonterra. Fonterra also updated on dairy exports; noting that New Zealand exports had risen 2% in the year to May 2017, while Asia had seen imports grow by 12% over the year to April. Fonterra also reported that its Stanhope plant in Melbourne is now producing mozzarella targeted at Chinese pizza restaurants.

Red meat

Silver Fern Farms shipping chilled beef to test Chinese market [25 August/The Country] Silver Fern Farms sent its first shipments of chilled meat to China recently, the first company to use sea-freight containers rather than airfreight. The shipment is part of a six month trial and SFF General Manager Sales, Grant Howie, said the shipment would test the market protocols and supply chain at seaports and it also enables the market to be tested at scale. The meat will be distributed in China, by one of SFF's joint venture partner, Shanghai Maling's subsidiary companies, and follow a number of airfreighted shipments of both beef and lamb. The cuts sent are primarily secondary cuts of prime beef that would otherwise have been sold frozen at lower prices. The agreement of protocols for shipping chilled meat is estimated by some industry leaders as having the potential to add 64% to the value of exports to China, a market worth more than \$1.6 billion already.

Kiwi farmers going gaga for Wagyu [28 August/NZ Herald] New Zealand farmers are starting to see the benefits of the growing demand for high priced wagyu beef and through a new initiative between First Light and LIC it is hoped that more farmers will start to rear wagyu-cross cows in this country. Wagyu beef has desirable marbling and tenderness that traditionally comes from cows kept indoors and fed on grass but First Light is promoting grass fed wagyu, which produces a similarly delectable steak. First Light CEO, Gerard Hickey, notes that experience shows that when New Zealand dairy cows are mated with First Light Wagyu sires that the progeny produces a high quality marbled beef, that can then be targeted at premium markets where grass fed, GMO and antibiotic free are strong customer preferences. The programme with LIC is a win win as it creates a situation where non replacement calves become a value product for farmers.

International

New survey reveals how little we know about global livestock antibiotic use [21 August/AgFunder News] A new report from the World Organisation for Animal Health shows that farmers in the Americas are the largest users of livestock antibiotics for growth promotion. The report highlights, that despite concerns over antimicrobial resistance, the use of antibiotics is still significant and largely unquantified. The report analysed use in 130 countries and highlighted detail varied significantly by country. Only 34 countries, including the US, allow the use of anti-microbial agents in animals solely for the promotion of growth, while 110 of the surveyed countries have no restrictions or controls over access to these drugs. While less than half the surveyed countries in Asia allow growth promoting antibiotics, the growing meat industry raises concerns that pressure could grow to increase the use of drugs on the continent. This report is the first stage in study which is part of the Global Action Plan on Antimicrobial Resistance, adopted by the members of the World Health Organisation in May 2015.

Nestle, Unilever, Walmart and others look at Blockchain with IBM [22 August/Food Navigator] Many leading food brand owners have joined a consortium with IBM investigating areas of the food supply chain that will benefit from blockchain technology solutions. The consortium includes Dole, Nestle, Tyson, Unilever, Walmart, Driscolls, Golden State Foods, Kroger amongst others. IBM plans to introduce a food safety tool built on IBM Blockchain that supply chain participants will be able to connect into, with IBM noting the consortium will enable it to better tailor offerings to enable retailers and food producers to identify and respond to issues such as product contamination in hours rather than weeks. Nestle noted that it has been involved in industry collaborations around traceability for some time and this project provides the opportunity to explore new technologies that will provide access to accurate information quickly.

Cheesemonger Box wedges into subscription box market with monthly premium cheese delivery [23 August/Dairy Reporter] Cheesemonger Box is a new service by the owners of a number of cheese retailers in Connecticut. They were looking for a way to enter the e-Commerce market to grow their retail business, which sources small batch artisanal cheese from US and European producers. The bricks and mortar businesses had been operating for eight years, and Cheesemonger Box has been created as a new brand, offering a subscription box service providing similar small batch cheeses that they sell through their retail business. Subscription box services have grown over 3000% between 2013 and 2016, with food being the largest category in the sector. The box will be available across the US and purchasers will receive a curated selection of cheeses each month for USD75 together with information about the cheese and a premium option at USD95 will also be available containing premium accompanying items as well.

Cargill and other food industry giants join USD17 million funding round for clean meat co, Memphis Meats [23 August/Food Navigator USA] Cargill together with other unnamed industry giants have joined a Series A funding round for cultured meat company, Memphis Meats, further indicating that traditional food companies are increasingly seeing opportunity in the clean food sector. The round was led by venture capital firm DFJ and included high profile individual investors, Bill Gates and Richard Branson. The company has been targeting a launch of premium clean meat products in high end restaurants in 2019 and mass market products by 2021, and Vice President of Business Development, Steve Myrick, said the funding and the high profile investors would enable the company to accelerate its path to market, although he was not able to commit to an on sale date this time. Cargill's participation further confirms that leading meat companies are seeing alternative proteins as an opportunity rather than a threat, with Sonya McCullum Roberts, President of Growth Ventures at Cargill Protein, noting the investment in Memphis Meats is an exciting way for Cargill to explore the potential in this growing segment of the protein market.

McDonalds sets out vision to reduce antibiotics [24 August/Global Meat News] McDonalds has updated its vision on reducing the usage of routine antibiotics in its food supply chain globally through the introduction of a global strategy. The strategy sets out policies operating units are expected to develop and timelines for reducing and eliminating where possible antibiotic use. There is also a new global policy for exclusively sourcing broiler chickens that have been raised without the use of antibiotics, an issue identified by the World Health Organisation as critical to human health. The policy will be implemented by McDonalds units in the US, Brazil, Canada, Japan, South Korea, Canada and Europe by 2018, Australia by 2019 with the rest of the world following by 2027. The new strategy replaces an initially developed vision in 2015 and the company has worked with experts from around the world to develop its position, which has been welcomed by environmental organisations, with Friends of the Earth noting that McDonalds has taken an important step forward in the fight to preserve the effectiveness of antibiotics in human medicine.

Bayer's biodiversity bid [25 August/Eurofruit] Bayer has entered into a licensing and co-operation with Swedish not for profit organisation, Quantified Planet, to donate proprietary, crowd sourced plant data from more than 70 countries. Quantified Planet will then make this data (which will include information on specific plant types, locations, occurrence and distribution) available for scientific research into biodiversity in an effort to enhance understanding of climate change and its implications on sustainable agriculture. The organisations will also work together to co-develop engage civil society in achieving the Sustainable Development Goals set by the UN. Bayer's head of Digital Agriculture, Tobias Menne, said that by donating and sharing proprietary data Bayer contributes to research into biodiversity for the benefit of both agriculture and civil society.

Italy introduces country of origin labels for pasta and rice [25 August/Food Navigator] From February of next year, pasta and rice products being sold in Italy will need to disclose the origin of grains used to manufacture the product and where milling has occurred for pasta and processing and packaging for rice. The new origin rules passed by the Italian government echo COOL requirements that were implemented on dairy products late in 2016. Food manufacturers have 180 days to implement the requirements on their packaging, with government officials saying their goal was to give maximum transparency to consumer information and help support Made in Italy supply chains. COOL labelling still remains a controversial subject in Europe with some countries pushing ahead vigorously while others are concerned that they are impacting business activity and working against the single market for food.

Food delivered by a drone in Iceland [26 August/NZ Herald] The challenges of physical distribution in Reykjavik, Iceland have inspired one company to map out a drone delivery route. Flytrex, an Israeli company, claims to be the first drone delivery system deployed in an urban environment. While this may not be entirely correct, it has recently been granted permission by the Civil Aviation Authority in Iceland to operate commercial drone flights, which they are using to deliver food ordered through an online marketplace from restaurants and grocery stores. The drones are being controlled by humans and can transport packages up to around three kilos a distances of up to nine kilometres. The weight restrictions will not pose problems for restaurant deliveries and they have the advantage of being much faster than traditional deliveries.

First Nations urge end of BC salmon farms [28 August/The Globe and Mail] The newly elected provincial government in British Columbia in Canada campaigned on transitioning the province's fish farming industry from sea pens to land based sites. However, First Nations people are pushing for more aggressive action, calling on the government to revoke the licenses of salmon farms operating in their territorial waters. They argue that changes to the industry are required if the government is serious about honouring its commitments under the UN Declaration on the Rights of Indigenous Peoples. An escape of salmon in Washington (US) has already seen the governor of that state announce they will stop permitting new pens and First Nations leaders highlighted that they have never consented to the farms in their territorial waters, a requirement of the UN Declaration. The government has restated it is committed to moving to closed containment farming systems were possible and that they want to work with First Nations peoples to find a way forward. Concerns are regularly raised that the farmed fish pose a biosecurity risk to the native, wild Pacific salmon, which experienced a major stock collapse in 2009.

Agri-Food strategy

Puree food company reshaping eating for sick and elderly [28 August/Stuff: Business Day] The Pure Food Company is working with Metlifecare, the retirement home operator, to trial a new way to serve up soft food to residents that struggle to eat solid food. The company has developed plastic moulds that the food can be shaped into to make the purees more visually appealing. Moulds include chicken drumsticks, steak fillets, carrots and peas. The initiative started when Pure Food Company saw research that suggested consumption grew by around 20% when food looked more visually appealing. People eat with their eyes and any restaurateur wanted to give their diners a positive experience, according to Metlifecare's food and beverage manager, who added that the trial had not seen any residents suffer weight loss. Creating purees that are able to be moulded was a significant challenge for the company, as it needs to have a consistently smooth texture, be able to avoid separating on reheating and deliver good consistency and taste. Puree Food Company has recently moved to its own facility having spent three years as a start up at South Auckland's FoodBowl.

ConversatioNZ rebrands as Eat NZ, teams up with Restaurant Association of New Zealand [29 August/Stuff Lifestyle] New Zealand food organisation, ConversatioNZ, is now Eat New Zealand it announced at its third symposium held in Wellington. The organisation has also teamed up with the Restaurant Association of New Zealand, meaning it represents some of New Zealand's best chefs, producers, food media, event organisations and tourism operators. The goal of the two organisations is to develop a platform that enables travellers to the country to find out more about New Zealand food. Eat NZ CEO, Angela Clifford, said that New Zealand's ingredients have international profile but it is often difficult to explain our food culture or show people what New Zealand food really is. Speakers at the symposium included New Zealand born chef, Ben Shewry, of Attica restaurant in Melbourne, New York Times food critic Jonathan Gold and a panel that included KPMG's Agri-Food Director, Vanessa O'Neill.

Animal health

MPI refuses to identify Otago farm affected by cattle disease [xx August/The Country] Despite the announcement that the Ministry for Primary Industries believes the Mycoplasma Bovis disease is present on a third farm in Otago they have refused to identify the farm. The farm is said to have close connections to the two Van Leeuwen Dairy Group farms that have had the disease detected. A member of the Van Leeuwen family confirmed that they believed they had sold bobby calves to the farmer, according to the Otago Daily Times. The newly identified farm has had a restricted place notice imposed on it restricting all stock movements. Federated Farmers regional chair, John Gregan, said that farmers wanted to know more about the farm in Otago as there was speculation and concern in the area about possible animal movements. MPI said it was checking a number of farms with urgency, adding that there was a lot of other surveillance work under way.

Water

O'Connor defends proposed water tax [29 August/Dairy News] Labour's Primary Industries spokesperson, Damien O'Connor, says that the agriculture sector has its head in the sand if it doesn't realise that water is a huge issue it needs to tackle. He suggests that if organisations like Horticulture NZ and Irrigation NZ are smart they will show leadership and work with a government to instigate a user pays regime for water, the returns from which can be used to clean up waterways and invest in monitoring. Mr O'Connor says that user pays regimes are widely acceptable across society yet the water issue has just not been addressed, combine that with industry recognition that its social license to operate is evaporating, it becomes apparent that the industry needs to get ahead on a number of issues. Mr O'Connor said that a royalty on water would provide funding for storage where it is viable and for irrigation. He also noted that if we do not address our water issues consumers will be rejecting our product as we have no choice but to produce the finest, most ethical, most sustainable products in the world.

Field Notes

Weekly news update from the KPMG Agribusiness Network – 30 August 2017

End on the cards for Ruataniwha Dam [28 August/Hawkes Bay Today] The transformational potential of Ruataniwha water storage scheme is looking like it may be shelved as the Hawkes Bay Regional Council moves to focus on other priorities. The Council is due to consider a paper that suggests it and the Hawkes Bay Regional Investment Company needs to focus their energy on new priorities and consider the best use for the \$66 million currently allocated to the now uncertain scheme. The scheme seems unlikely to progress following a Supreme Court decision that ruled a land swap with the Department of Conservation was not legal. Council Chair, Rex Graham, said that the court decision was the end of the road for the majority of councillors and while there is disappointment on all sides (about the lack of progress or the amount of money spent) the Council is needing to face the reality that the project is not going ahead and there is a need to focus on the future. One councillor noted that the likely decision left many landowners in a precarious situation for the future of their business. The meeting is expected to recommend that a \$14 million debt to fund the feasibility and development costs is also written off.

Agricultural communities

New school of Rural Medicine to deliver 60 doctors a year [25 August/NZ Herald] The government has announced the development of a new school of Rural Medicine with officials being instructed to run a tender process to analyse competing bids to host the school from the University of Waikato and a combined bid from the Universities of Auckland and Otago (which already have schools of medicine). The initiative, which is a government initiative rather than an election policy, was announced by Prime Minister Bill English and is expected to see 60 new doctors graduating ready to work in rural communities each year. The plan is that the school will be up and running by 2020. Currently rural communities rely on around 1,100 doctors recruited from overseas to work in New Zealand each year. The commitment to develop the school was welcomed as a positive response to the extent of the health crisis facing rural and vulnerable New Zealanders.

Fieldays

Fieldays 2017 a great success [25 August/The Country] The National Fieldays Association has released the results of its visitor and exhibitor survey for the record attended 2017 Fieldays. The survey saw 96% of visitors rate their experience as good to excellent, while 92% of exhibitors indicated that they would be back. Fieldays CEO, Peter Nation, said he was very proud of the results and his team that had delivered another world-class event. He added that the event increasingly demonstrates the breadth of activities across the primary sector and the opportunities the sector offers, with the Fieldays Careers and Education hub being a good example of this. The event saw visitors come from more than 40 countries, identified 10 skin cancers in the new Health Hub and saw a record number of people use public transport to visit the site. Next year is the 50th anniversary of Fieldays and Mr Nation also announced that the theme will be the 'Future of Farming'; he noted that the event will be the biggest and best yet and will celebrate the wide-ranging contribution that Fieldays has made to the agriculture industry since its inception in 1968.

Farmers and producers

Shanghai Pengxin embroiled in court dispute with processor [29 August/National Business Review] Shanghai Pengxin (through its subsidiary Milk NZ) and Miraka are involved in a multi-million dispute over milk payments. The dispute relates to a 2013 milk supply contract and invoices that Miraka raised under the contract. Milk NZ has been arguing that the case should under the contract be handled via arbitration, however Miraka believe that they are perfectly entitled to take action through the High Court in Auckland. Counsel for Miraka said Milk NZ had been a roadblock to arbitration by refusing to join a process unless a range of other disputes were included with the discussions, something Miraka has not agreed to as the matters were considered separate. Miraka process milk from the former Crafar Farms for Shanghai Pengxin and produce UHT products for export to China.

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 30 August 2017

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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