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 Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

27 September 2017

Organisations referenced in this week's Field Notes include:

Affco Holdings Limited	Ministry for Primary Industries
Alliance Group	New Zealand Farm Environment Trust
ANZ	New Zealand Fire and Emergency
Arla Foods	New Zealand Trade and Enterprise
ASB	NIWA
Ballance Agri-Nutrients	North Otago Irrigation Company
Bayleys Realty Group	Obsidian Winery
Beef + Lamb New Zealand	ONS (Office for National Statistics)
Coca-Cola	PGG Wrightson
Countdown	Power Farming
Dairy Companies Association	QEII National Trust
Dairygold Co-operative Society Limited	Roche Pharmaceuticals
DairyNZ	Silver Fern Farms Ltd
Deer Industry NZ	Springvale Orchard and Central Organics
Eastern Institute of Technology	Synlait
European Union	Taranaki Regional Council
Felton Road Wines	Tesco
Fish & Game	The Grocer
Fonterra Co-operative Group	The Larder
Fonterra Farm Source	TINE SA
Foodstuffs	Unitec Institute of Technology
Grand Farm Inc.	Van Leeuwen Dairy Group
Hawke's Bay District Health Board	Waterforce
IHC	WorkSafe New Zealand
Irish Farmers Association	Yarrows
Lely New Zealand	Zespri
Massey University of New Zealand	

This week's headlines

Horticulture	Zespri chooses head of sales Dan Mathieson as new CEO [25 September/ New Zealand]
Red Meat	Affco's first shipment of chilled beef arrives in China [20 September/ Stuff]
Agri-tech	New app for farmers [21 September/ New Zealand Herald]
Poultry	Owner of New World, Pak 'n Save to ditch cage eggs in a decade [21 September/ Stuff]
Water	Council 'won't stand still' on water quality [25 September/ Stuff] Taranaki

Horticulture

Zespri chooses head of sales Dan Mathieson as new CEO [25 September/ New Zealand] Zespri has appointed Dan Mathieson as its new Chief Executive. Mr Mathieson joined Zespri in 2003 and has worked in multiple roles primarily based in Asia. Mr Mathieson previously served as Zespri Global President of Sales and Marketing before accepting the new position. Chair Peter McBride said Mr Mathieson's appointment is the logical evolution of Zespri's strategy to grow market demand and create value for customers and consumers, along with building sustainable returns for Zespri's grower-shareholders.

Viticulture

One more chance for viticulturist [21 September/ New Zealand Herald] Felton Road Wines Assistant Viticulturist Annabel Bulk has one more chance to win the national Young Viticulturist of the Year title next year before she is too old to enter. The competition is restricted to under 30-year-old applicants. Ms Bulk has worked on the Bannockburn vineyard for six years and entered the regional competition for the past five years. Ms Bulk won the Central Otago competition and represented the region at the national final on August 29, coming second to winner Tim Adams from Obsidian. Ms Bulk studied viticulture and winemaking at the Unitec Institute of Technology campus in Marlborough. Over the past five years, the event had been a learning experience for Ms Bulk, and she made many friends through it. Ms Bulk plans to eventually have her own, or have an equity partnership, in a vineyard.

Fishing and Aquaculture

'Golden trout' released into Rotorua lakes [21 September/ New Zealand Herald] Fish & Game staff have completed the operation to release 30 rainbow trout with specially numbered pink tags for its Fish for Gold promotion, launching October 1 and finishing October 8. The two large prizes are \$10,000 cash and an outboard motor valued at \$949. 10 of the pink tagged fish were released into each of three lakes- Tarawera, Rotoiti and Okataina. Eastern Fish & Game Manager Andy Garrick said no one, including himself, knew which lake the \$10,000 fish went into. The numbers on the pink tags have been matched to prizes that have been placed into envelopes and sealed by a Justice of the Peace. Aside from the two larger prizes, the other envelopes contain a \$200 tackle or voucher prize to ensure every registered angler who returns a pink tag receives some reward. Hundreds of people have registered to take part, and the event is limited to the first 1200 entries. Admission is free; however, a 2017-18 Fish & Game sports fishing licence is necessary.

Should we eat our way out of the jellyfish problem? [26 September/ Stuff] Scientists including Niwa Emeritus Researcher Dennis Gordon think it would be a good idea to start eating the jellyfish. Although jellyfish are mostly water, the bowl contains protein. Due to jellyfish numbers increasing globally, there are fears jellyfish's poisonous stings are an increasing and significant threat to humans. Jellyfish are common in Chinese and Japanese cuisine and can be found in many Chinese restaurants in New Zealand. The Larder Chef Jacob Brown said Jellyfish is amazing, crunchy and delicious, as well as being low in cholesterol and high in protein.

Dairy

Fonterra fails diversity test says Equal Employment Opportunities Commissioner [22 September/ Stuff] Equal Employment Opportunities Commissioner Jackie Blue has criticised Fonterra for having so few women on its board. Federated Farmers Vice-President Andrew Hoggard said it did not matter whether board members were transgender or of any race or colour, as long as they advanced the interests of Fonterra and farmer/shareholders. Fairlie Dairy Farmer and current Board Member Leonie Guiney were not selected for a second term, reducing the number of women on the 11-person board to two - Professor Nicola Shadbolt and Donna Smit. Ms Blue said women had played a vital role in the dairy industry in New Zealand for many years, however, the low number of women on the Fonterra board of directors would suggest otherwise. Fonterra Shareholders' Council Chairman Duncan Coull said diversity was wider than a gender issue, and it was also important to take into account capability and experience.

Price direction depends on weather [22 September/ Farmers Weekly] Dairy prices remained firm in the most recent Global Dairy Auction, contributing to speculation that continued New Zealand wet weather may help the markets lift. International market prices would be contingent on weather conditions over the next month in New Zealand. The GDT price index rose 0.9 percent and whole milk powder prices 0.6 percent at last week's auction. ASB Rural Economist Nathan Penny forecasted prospective higher world prices due to increasing butter demand and NZ wet weather halting milk production. Mr Penny said the Fonterra farmgate milk price forecast could go up to \$7/kg milk solids. The Dairy Companies Association said August milk production decreased 1.5 percent on August 2016, and season-to-date production increased only 1.7 percent, contrasting with the Fonterra forecast of 3 percent. AgriHQ Chief Analyst Susan Kilsby said unless dairy commodity prices lift soon Fonterra's \$6.75 target will be difficult to attain. In the September 20 GDT, butter prices were up 1.2 percent to US\$6026/tonne, a record figure. Anhydrous milk fat prices rose 5.3 percent to \$6764.

Cattle disease tests now reach 20,000 [23 September/ Otago Daily Times] The Ministry for Primary Industries has completed 20,530 tests for the cattle disease Mycoplasma bovis. Mycoplasma bovis causes cattle illness including mastitis, abortion, pneumonia, and arthritis, and was first found in New Zealand in a South Canterbury farm on July 21. By August 29, six farms have been included on MPI's list of infected properties, four of which were part of the Van Leeuwen Dairy Group. No further properties have been added to this list. 19 properties are under MPI restricted place notices.

Fonterra names new CFO [25 September/ Otago Daily Times] Fonterra Co-operative Group named Marc Rivers as Chief Financial Officer. Mr Rivers currently holds this position at Roche Pharmaceuticals in Switzerland and said he would take up the job on March 1 next year. Previous Fonterra CFO, Lukas Paravicini was transferred to the position of Chief Operating Officer, Global Consumer and Food Service in June. Auckland-based Fonterra said Mr Rivers oversaw \$51 billion in sales, including 14 manufacturing sites, and had worked in markets including Thailand, China, Japan, Europe and the US.

Fonterra CEO's massive \$8.32 million makes him highest-paid executive [25 September/ New Zealand Herald] Fonterra Chief Executive Theo Spierings was paid \$8.32 million in 2017 - an annual increase of 78.5 percent. This makes Mr Spierings the highest paid Chief Executive of any listed company or fund in New Zealand. Mr Spierings was paid a base salary of \$2.463m, benefits of \$170,036, short-term incentive pay of \$1.832m and long-term incentive pay of \$3.855m. This salary equates to \$160,000 per week. Dairy Industry Group Chairman and National Board Member for Federated Farmers said Mr Spiering's pay was based on performance incentives and he must have performed at that level for the board to have provided the steep rise. In 2016, Fonterra's highest paid employee received \$4.66m.

Fonterra's final dairy payout pleases Northland farmers [26 September/ New Zealand Herald] Northland dairy farmers are happy with the final milk payout of \$6.52, worth a total of \$586.8 million. The bulk of the payout will likely be utilised in paying off debt, and any excess will be spent on farm maintenance. Fonterra announced the payout was made up of a farmgate milk price of \$6.12 per kilo of milk solids and a dividend of 40 cents per share. The last \$6.75 forecast price would have earned \$607.5m if it were the final payout. Fonterra also announced the forecast total for payout to farmers next season is \$6.75.

Synlait eyes more branded products [26 September/ Rural News Group] Synlait is looking to expand into own-branded consumer products after posting a record net profit of \$38.2 million for the year ending July 2017. This profit is a significant increase on the \$34.4m posted for the financial year 2016. Revenue was up 39 percent from \$546.9m to \$759m, and net debt was down from \$214m to \$83m. Chief Executive John Penno said the next 12 months would involve expanding into new categories such as own-branded products; however, these are unlikely to include infant formula because the company values its existing partnerships. Mr Penno said Synlait had bought out the New Zealand Dairy Company, which is already building a new \$52m blending and consumer packaging line in Mangere, Auckland to meet growth in demand for infant formula products.

Red meat

Affco's first shipment of chilled beef arrives in China [20 September/ Stuff] Affco's first shipment of chilled meat has landed in China. This shipment was part of a trial enabling the meat to be shipped, chilled and aged over the 21-day shipping period to ensure it was in prime condition upon arrival. This shipment is the first of many Affco shipments to China. Kangyuan will distribute the 20-foot container of beef to food service and retail outlets throughout the Henan province in east-central China. Affco China Sales Manager Clint Bailey said the shipment had been backed up by significant volumes of both sheep meat and beef and was surprised at how quickly the Chinese market had adapted for the chilled consignment. Affco has shipped chilled mutton carcasses whole to allow for Chinese cut specification. Whole carcasses are worth almost twice as much to the Chinese than traditional Western cuts.

Lamb numbers tipped to be higher this season [22 September/ Stuff] Lamb numbers are expected to be 5 to 10 percent higher this Spring compared to 2016, equating to 20 million lambs, and could help to meet Chinese and US demand. Cattle numbers are expected to be similar or slightly up. Silver Fern Farm Chief Executive Dean Hamilton said the market for red meat was mixed for the coming season, and beef has come under particular pressure because Australia and the US were rebuilding their herds. Venison had improved to where it was now nearing the \$10 per kilogram mark, and venison numbers are expected to be similar to current season at 280,000- 300,000. For the year to the end of June, exports for all red meat were worth \$7 billion, \$600 million less than in the previous year.

Warning beef prices too high [22 September/ Farmers Weekly] The lamb export season is well performing with greater numbers than 2016; however, farmers are being warned on the prices they're paying for store cattle. Silver Fern Farms Chief Executive Dean Hamilton said farmers paying over \$3/kg live weight in the store cattle market needed a scheduled price in the high \$5s to \$6 level, but that may not happen, adding the schedules have weakened slightly. Silver Fern expected more bull calves in the processing chain in the new season, after the significantly increased 2016 bobby calf retention level. Chinese beef demand was growing but not at the degree of the short-term supply increases expected. Increased lambs were expected for processing next season; however, market demand was high and global supply was low. A reported exceptional New Zealand lambing season indicated a possible 5 to 10 percent lamb processing number increase.

Upcoming beef, lamb, venison season keeps eye on world markets - Silver Fern [22 September/ New Zealand Herald] Silver Fern Farms (SFF) said beef, lamb and venison markets would likely be mixed going into next season. Chief Executive Dean Hamilton said current finished cattle schedules reflect a common supply shortage, however, once volumes increase, assuming currency stability, schedules will change to more accurately reflect end-market conditions. Mr Hamilton said SFF must be mindful of a potential recovery in beef volumes out of Australia and the US. Chinese demand was increasing, but not at the near-term pace of competing supply. SFF expect cattle numbers to be similar or slightly increased this season. US and Chinese lamb demand were strong, and SFF plans to expand into the European chilled supply season in October which they expect will uphold farmgate prices. SFF expected lamb numbers to be up by 5 to 10 percent this coming season. Mr Hamilton said Venison markets remain strong and Europe and US market prices remain up in last year.

SFF moves to secure quality stock supply [25 September/ Otago Daily Times] Silver Fern Farms Ltd (SFF) is launching a new shareholder benefits programme to ensure quality livestock in a competitive market. SFF Chairman, Rob Hewett, said the programme oversaw how the co-operative planned to distribute future dividends to shareholders, and additional benefits to shareholders who also supplied SFF. Mr Hewett added SFF believes long-term value can be acquired by shareholders through the steady supply of quality livestock to SFF, as this better equips the co-operative to grow value with customers in global markets and ensure sustainable, profitable returned dividends. SFF intended to make two annual distributions, one across all ordinary and rebate shares and a patronage reward distribution to qualifying-livestock shareholders. Mr Hewett said this would encourage further loyal supply and generate stock demand.

International

Alliance Group delivers high-quality meat products from best farmers to consumers [22 September/ South China Morning Post] Alliance Group is developing its business in Asia by strengthening its presence in the region's food service sector. Alliance Group plans to introduce value-added items in table-sized cuts with recipes and create an online sales platform to meet demands for simple meat solutions to suit busy Asian lifestyles. The cooperative also invested in advanced thermoform-controlled atmosphere packaging technology, which prolongs product shelf life and allows faster packaging and exporting of meat products. Alliance Group will partake in a China immersion programme alongside Grand Farm, in conjunction with New Zealand Trade and Enterprise to reinforce its commitment to China.

Robots and artificial intelligence show udder way for agriculture [22 September/ The Irish Times] Dutch agri-robotics company, Lely, claims its systems, including an automatic milking system, the Astronaut, could decrease the average working week of a farmer by up to 20 hours. While milking the cows, the system can collect data on the animal's health and the quality of the milk. This data is then fed into a web-based management system before being collated on an app on farmers' smartphones. This was showcased at the National Ploughing Championships in Offaly. Confidence appears to be surging through much of Ireland, and focus is largely on technology and innovation, including robotics and artificial intelligence. Also at the National Plowing Championships was an Irish Farmers Association meeting. One IFA farmer said the most pressing issue for agriculture in the upcoming budget is the introduction of a new State scheme to give low-cost loans for farmers.

Relief for British apple growers as Tesco relaxes its 'blemish-free' rules; Growers faced having to dump crop after low temperatures in April resulted in 'frost ring' on otherwise perfectly good fruit [23 September/ The Guardian (London)] Tesco has relaxed its rules on "blemish-free" fruit, preventing growers from having to discard hundreds of tonnes of apples after an unseasonal frost caused blemishes. Temperatures, as low as minus 4C, in April, created a frost ring defect which leaves a mark around the circumference or significant marks on the skin of the apples. Growers said Tesco's move will enable a variety of apples, including an estimated 300 tons of Bramley apples which were severely affected, could now be sold by supermarkets. Under the existing rules, apples affected by frost ring would typically be excluded and growers forced to remove those with the defect. Apples with minor blemishes will be sold as part of Tesco's standard range, while materially blemished fruit will be sold under its Perfectly Imperfect wonky fruit and vegetable branding.

Fizzy milk, the great white hope for dairy farmers [24 September/ The Sunday Telegraph (London)] Arla announced that a sparkling fruit and milk drink would be trialled in the UK, Singapore, and the UAE before being released globally. The move comes due to consumers' tastes departing from cows' milk towards non-dairy milks. Last year, Arla announced plans to triple their income from milk-based drinks by 2020. According to The Grocer, Milk sales fell by around GBP240 million between 2014 and 2016 while soya, rice, and almond milk were included in the ONS's typical basket of goods list for the first time.

Irish agriculture urged to diversify [24 September/ Irish Examiner] British Prime Minister Theresa May announced a two-year transition period after Britain leaves the European Union in March 2019. The Commissioner for Agriculture and Rural Development Phil Hogan said farmers must be protected post-Brexit and new markets must be established in advance, with financial support to enter them. Speaking at the opening a new 86m milk processing facility in Mallow, Co Cork, Mr Hogan commended the innovation of a new Dairygold Nutritionals Campus which will support growth for 2,900 Munster milk suppliers in the post-quota era. Dairygold Chief Executive Jim Woulfe said the company is also investing in cheese production in East Cork with Norwegian partners TINE. Mr Hogan urged the UK government to remain in the European Union customs union and the single market.

Apiculture

Massey University research advises planting mānuka varieties flowering when bees are active [22 September/ Stuff] Farmers are being encouraged to put in the right plants the flower at the best time for bee activity to prevent disappointment for those who have put in mānuka that flowers before bees are most active. Massey University, Senior Lecturer in Agronomy, James Millner said anyone interested in producing mānuka honey should plant a known variety that flowered at the right time because they were likely more able to produce nectar with a higher active ingredient content of dihydroxyacetone than wild plants. Mr Millner said establishing the right plants could be expensive, and could cost about \$2500/ha, to establish mānuka, however planting mānuka could yield high-value honey.

Farmers and producers

New farm cadet scheme at Pukemiro [21 September/ Stuff] A new farm cadet scheme has been launched at Pukemiro Station. From 2018, the station will offer three two-year cadetships. The cadets will receive practical on-farm training in all day-to-day operations of Pukemiro Station including stockmanship, fencing, animal husbandry, feed management and farm technology. There will also be personal training such as cooking, leadership, goal setting, time management and the upkeep of their cottage. The cadets will be working towards a Certificate in Agriculture, particularly vehicles, machinery and infrastructure Level 3; farming systems Level 3 and breeding livestock farming Level 4 through the Eastern Institute of Technology. Applications close October 14 with interviews in November and the cadetship beginning mid-January.

New Zealand too small to have rural/urban divide [21 September/ New Zealand Herald] Waikato Federated Farmers President Andrew McGiven said urban New Zealanders are not entirely informed on the positives of farming. Federation National Board Member Chris Lewis said last Monday's farming rally was a deliberate attempt to tell the positive stories of farmers. These positive stories include what they put back into rural communities by their spending, employing staff, volunteering for school boards, fire brigades, the more than \$1 million raised via the IHC calf project and the work the vast majority did to improve the environment. The rally had an estimated 500-600 farmer turnout, who Mr McGiven called small to medium business owners that are more often than not being run by Mum, Dad and the rest of the family chipping in. Mr McGiven was particularly agitated by the selective data picking for political purposes, especially around water, to create a picture that Farmers are environment vandals.

Long, dry wait over as taps turned on [21 September/ New Zealand Herald] The first water of the North Otago Irrigation Company's \$57million pipeline expansion was turned on at a Weston farm on 20 September. 30 percent of farmers who bought shares in NOIC were told the water was ready, and they could begin to test the irrigation infrastructure installed on their farms when 25 of 85 off-takes were commissioned for use. NOIC Technical Manager Ben Stratford said pressure testing on the six sections of new pipeline raised a few more issues than expected, however, the crucial component of the expansion, the 1200mm pop that made the main spine of the new pipeline worked. NOIC Chairman Leigh Hamilton said was aware of stressed farmers due to the irrigation scheme coming a year later than promised. Mr Hamilton would not comment in detail on what caused the construction delay.

Awards help farmers benchmark [25 September/ Rural News Group] Wairarapa farmers Mike and Liz McCreary said benchmarking against other farmers was a big plus in entering the Ballance Farm Environment Awards. The McCreary farmers won the Massey University Innovation Award, WaterForce Integrated Management, Beef + Lamb New Zealand Livestock Award and the Farm Stewardship Award sponsored by the QEII National Trust and the New Zealand Farm Environment Trust. The McCreary's annually finish about 30,000 lambs and up to 1500 bulls and crop on their 618ha property. They also own and run McCreary Machinery, doing minimum tillage ground and arable work and baleage. The McCreary's said the Judge feedback and comments opened their eyes to some things they were unsure of, such as technology systems and plantings. The McCreary's understand the process better now and will present their business to the judging panel better next time.

'New era' for NZ Young Farmers in South Taranaki [25 September/ New Zealand Herald] Held at Fonterra's Hawera offices, the launch of Taranaki's newest NZ Young Farmers club attracted over 70 people. The club will provide a social outlet for young people from Patea to Pihama and across to Kaponga. South Taranaki Young Farmers Chairperson Amelia Nichol said there are now about 30 members. The club was made possible with the support of Power Farming, Fonterra Farm Source, Silver Fern Farms, Yarrows and Coca-Cola.

Deer

Deer a profitable option in hill country [24 September/ Rural News Group] An ANZ agri-report published recently said although challenges are present from competing land use and a decrease in the national deer herd, the deer industry is well positioned to fulfil New Zealand's goal to provide high-quality protein products to global customers. The report highlighted the industry's continued tight livestock supply and increasing global demand for venison. Both supply and demand were helping returns reach all-time highs in the 2017-18 year, a \$9/kg schedule price. Deer Industry NZ reports the sector is enjoying a highly stable supply period. Total slaughter numbers are levelling off at about 300,000 and breeding hind numbers sit at 400,00. Bayleys rural agent, Ben Turner, said some of the hill country where sheep have typically been stocked might deliver a better return in deer. ANZ analysts say the increase in venison reflects the consumer trend towards grass fed, high-quality proteins that are not genetically modified and treated with hormones or antibiotics.

Health and Safety

Talk to staff about calving risks [21 September/ New Zealand Herald] WorkSafe's Agriculture Sector Lead Al McCone said farmers preparing for calving should also consider effective methods to keep workers safe also. Risks include slips, trips, falls and kick injuries, which are high risks during calving. Cattle should only be handled by suitably experienced people who know the hazards and how to avoid them. Mr McCone recommended a team meeting before calving begins to create a plan to manage the risks and ensure people eat well, keep hydrated and have sufficient breaks. Mr McCone said fatigue is a risk in busy periods, as fatigue can cause or worsen physical and mental health problems as well as affect work performance and may lead to accidents. Fatigue can be reduced through reviewing work rosters and hours and encourage worker rest, exercise and a healthy diet. Mr McCone also identified hygiene as a necessary focus also- as workers need a clean place to wash their hands and faces to ensure diseases are not transferred from animals to workers. Finally, Mr McCone identified workers should have the appropriate personal protective equipment.

Agri-tech

New app for farmers [21 September/ New Zealand Herald] DairyNZ has developed an app, EnviroWalk, to make it easier for farmers to assess their fertiliser use, effluent, waterways, races, cropping, water utilisation and irrigation, and establish an action plan on their smartphone. About 1500 farmers have downloaded the free app since it was launched in July. DairyNZ North Island Catchment Engagement Leader and App Product Leader, said farmers demand ways to improve their environment and the app makes it as easy as possible for them to do this by providing all the information they need at their fingertips. Mr Duker said the app uses a series of yes/no questions to help farmers identify farm areas with opportunities to do things differently and create better environmental outcomes. These form the basis of the action plan, which can be downloaded, printed and updated at any time. The app can be used with no internet connection and accessed anywhere on-farm.

Rural Communities

Rural generosity surprises milkers [26 September/ Rural News Group] Sharemilkers Christopher and Siobhan O'Malley, did not realise the generosity of New Zealand's rural communities before the duo begun dairying, as every farmer donated a calf to IHC annually, and livestock donations to local schools were common. IHC Calf and Rural Scheme Coordinator Lynda Young-Kennedy said she expects to have 3145 calves for sale this year including live calves, virtual calves and pledges of direct donations matching the auction prices. Eighteen auctions will be run between Paeroa on October 20 and Balclutha in late January. Last year the auctions raised \$1.4 million from about 4200 pledges. The auctions are run by PGG Wrightson.

Climate

Climate change: Hundreds attend workshops [21 September/ New Zealand Herald] DairyNZ's Senior Adviser Leading Climate Change Kara Lok said a recent series of climate change workshops throughout New Zealand run as part of the Dairy Action for Climate Change, attracted 420 rural professionals. The workshops targeted rural professionals who wanted to hear about the science of climate change, mitigation options available to farmers, and how they can help their farmer clients reduce emissions. Ms Lok said management of on-farm emissions, methane and nitrous oxide, is one of the most challenging issues facing the dairy and food-producing sectors, globally and in New Zealand. Ms Lok said many farmers are planting trees and ensuring better soil management to reduce nitrogen leaching. Ms Lok added Rural professionals could provide leadership to ensure knowledge transfers to the farming community. DairyNZ will be running climate change workshops for farmers in early 2018.

Organics

Orchardist steps up organic production [21 September/ New Zealand Herald] Springvale Orchard and Central Organics Co-Owner Chris Denniston said growth in the organic fruit market had increased significantly and he was expanding production to meet the demand. This expansion involves almost doubling the area of fruit trees in production, from 150ha to 250ha over five years. Mr Denniston said his company's primary markets, America and the UK, are size-orientated, and there is high demand for small apples. The orchards have been fully BioGro-certified since 1996 due to financial reasons and ensuring their differentiation in the market.

Poultry

Owner of New World, Pak 'n Save to ditch cage eggs in a decade [21 September/ Stuff] Foodstuffs is allowing ten years to stop selling cage eggs. The eggs will come from either free-range or barn raised hens. Countdown pledged in March to go cage-free by 2024 in the North Island and 2025 in the South Island. Foodstuffs Managing Director Steve Anderson said the company is committed to working with its suppliers towards this goal, and their Pams eggs have been cage-free since 2008, and sales of other free range and barn raised eggs have grown significantly over the last decade. The company realised it needed to take a clear position on what types of eggs it wanted so producers could plan, and give a realistic timeline. Mr Anderson said many suppliers had spent a lot of money in colony style, or cage, farming and need to recoup the costs of these investments to allow them to invest further in cage-free egg infrastructure.

Animal Health

Cows kept afloat for hour before rescued from water tank north of Gisborne [26 September/ New Zealand Herald] Two cows were able to keep afloat for one hour inside a water tank before emergency officers rescued them. The cows got into their predicament after walking on top of a water tank in Ormond which collapsed under their weight. New Zealand Fire and Emergency officers had to forcefully create a hole on the side of the concrete tank with sledgehammers to drain it and retrieve the cows. The cows appeared to be 18 months old and weighed 450 kilograms each. Senior Station Officer Bernie Bull said the tank was built into the side of a hill and the cows had walked on top of it before it collapsed.

Livestock

Feilding store stock sale [26 September/ New Zealand Herald] Sheep entries were 2000 lower than last week's, primarily due to a drop in the numbers of heavy hoggets offered although ewe numbers were also reduced. This reduction in numbers increased sale prices of the heavy hoggets with yesterday's top price being \$174.50 for 131 male hoggets after a high pitch from Auctioneer Cam Waugh. Stable levels were maintained for the heavy hogget section and the medium hogget section. A high amount of those medium hoggets are not finished so carcass yields would be lower. These forward store hoggets, as well as the obvious store hoggets, were steady and there are growing indications that there will not be large numbers of early season lambs. Ewe numbers were still low; however, there is continuing strong inquiry for ewe mutton and sale prices are still firming. There was a large increase in the number of cows offered for sale, but there are still not high numbers coming forward.

Water

Council 'won't stand still' on water quality [25 September/ Stuff] Taranaki Regional Council (TRC) Chairman David MacLeod says the council won't wait for the national debate on water quality to settle down before taking further action. Chairman David MacLeod said the Riparian Management Scheme was New Zealand's largest streambank fencing and planting programme and was producing dividends for Taranaki in improving trends in water quality. The council would, however, not stand still on necessary and achievable improvements to water quality and was not going to wait for the national debate over water quality to settle down. TRC released its Requirements for Good Farm Management in Taranaki, a booklet outlining the council's expectations of the farming sector and outlining necessary changes, this year. The guide covered everything from dairy effluent and streambank protection to earthworks, fertiliser application and use of sprays.

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 27 September 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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