



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

**The new Field
Notes App is
now available.**

Download now!

Search "KPMG Field
Notes" on your iOS and
Android devices.



AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

25 October 2017

Organisations referenced in this week's Field Notes include:

Scion	Lewis Road Creamery
A2 Milk company	Lincoln University's Agribusiness and Economics Research Unit
Accu-Label Inc	Livestock and Agricultural Products New Zealand
Ag-Tronic Control Systems Inc	Mexicans Against Corruption and Impunity
Alliance group	Ministry of Primary Industries
Bayleys Realty Group	Morgan Educare Centre Ltd
Beef + Lamb New Zealand	New Zealand First
Beyond Meat	Omega Lamb Project
Blue River Dairy	Openideo
Cavalier Corporation	Otago Boy's High School
Cavalier Woolscourers Ltd	Plant-based technology New Zealand
China Food and Drug Administration	Potatoes NZ
Comvita NZ	Pypers Produce
Drysdale Hydroponics	Rabobank
Eastern Institute of Technology	Riverwatch
Ellen MacArthur Foundation	SLC Group
Evoware	Southern Cross Produce
EY	Southern Pastures
Farmer's Fridge	SPATnz
Federated Farmers	Spring Sheep Milk Company
Fifth Breath	Taranaki Regional Council
FMG insurance	Te Awa Winery
Fonterra	The Green Party of Aotearoa New Zealand
Foundation for Arable Research	The New Zealand Labour Party
Greenlea Premier Meats	United Nations
Hawkes Bay A&P Society	Van Leeuwen Dairy Group
Horticulture NZ	Waitaki District Council
Irish Farmers' Association	Water Action Initiative NZ
Land and Water National Science Challenge	Zespri
Landcorp NZ	

This week's headlines

Dairy	Lewis Road Creamery eyes new products and markets [24 October/Stuff]
Wool	NZ wool yoga mat ready for launch [23 October/Otago Daily Times]
Agri-tech	DNA feat could boost star forestry species [18 October/New Zealand Herald]
Environment	Rabobank and UN Environment kick-start \$1 billion program to catalyse sustainable food production [17 October/Rabobank Press Release]
Future of Food	Peter Jackson eyes up opportunities in leading edge food business [19 October/Stuff]

Horticulture

Zespri lifts forecast for 2018 tray returns, boosts SunGold licence allocations [19 October/New Zealand Herald] Zespri Group, the country's statutory kiwifruit exporter, has raised its forecast for tray returns across all varieties in the 2018 financial year. Total fruit and service payment is now expected to be \$1.39 billion in the year ending March 31 (previous forecast of \$1.34b). The board has also signed off on higher returns to growers. The forecast for net profit was trimmed to a range of \$96 million and \$101m from an earlier projection of \$98m and \$103m. They expect to pay a dividend of 69-to-73 cents per share. Zespri has also licensed 3720 hectares for SunGold production in Europe on growing demand for the sweeter variety.

Orchard buyers set new kiwifruit gold standard as Zespri expands plantings [19 October/Stuff] A handful of kiwifruit orchards in Bay of Plenty have sold for over the \$1 million per hectare mark this week, setting a new high for the industry. Values had soared since 2014 when gold orchards were worth about \$400,000 per hectare. The latest sales come as Zespri announced an acceleration in its SunGold planting programme to satisfy global demand.

Southland growers impress HortNZ [22 October/Otago Daily Times] Southland produce, in particular, parsnips, has impressed Chief executive Mike Chapman from Horticulture New Zealand (HortNZ). Mr Chapman sees enormous potential for more horticultural development in Southland. Along with HortNZ president Julian Raine, natural resources and environment manager Angela Halliday and communications manager Josie Vidal, Mr Chapman spent last Wednesday in Southland talking to Drysdale Hydroponics, Pypers Produce and Southern Cross Produce business owners. He was impressed with the three operations and recognised the potential of the region for further horticulture and diversification in the next ten years.

'Crazy' food imports likely as urban sprawl goes unchecked [23 October/Stuff] Farmland is being lost as our urban centres grow, particularly Auckland, Tauranga and Hamilton. Horticulture NZ Chief Executive Mike Chapman said that between 2001 and 2016 approximately 10,000 hectares of horticultural land was lost, sixty percent of which was in vegetable production and the remainder in produced fruit. Mr Chapman is calling for a national food security policy, focused around protecting the land that feeds us. Horticulture NZ has been pushing its food security agenda for several years, including a submission to the National Policy Statement on urban development in 2016. Hamilton, Waikato and Waipa councils have partnered with a Future-Proof plan to ensure productive farmland isn't gobbled up as the population looks to double in the next 50 years.

Spuds rot in wet [24 October/Rural News] Potatoes NZ chief executive Chris Claridge says that some Pukekohe potato growers are reporting up to 30 percent losses due to rot. The wet weather is to blame, as fields have struggled to dry for harvest or plant. The industry appears to be about one to two weeks behind in planting. The drop in supply has driven up prices. Upper North Island crops are the worst affected, with Canterbury crops in relatively good condition.

Growers take a hit [24 October/Rural News] Vegetable growers will be taking a hit from lost production this year. Wet and colder weather is to blame according to Horticulture NZ's Chief Executive Mike Chapman. Mr Chapman says that the current weather difficulties have been felt across the board, but that among the hardest hit regions is Pukekohe, who traditionally leads vegetable production at this time of the year.

Viticulture

Teamwork helps students win at Hawke's Bay A&P Bayleys Wine Awards [21 October/New Zealand Herald] Kaoru Mizuguchi, Hyota Sato, Chris Borain and Yuji Masuo won best student wine on Tuesday night at the Hawke's Bay A&P Bayleys Wine Awards. All four were all studying at Eastern Institute of Technology when they made their 4 Little Pigs Merlot 2016. Viticulture student Mr Sato said the merlot he made with the three other students tasted soft and lovely with a hint of chocolate, liquorice and mocha. Originally from Japan, Mr Sato finishes his studies at the end of the year and hopes to make his own wines in the future. He may return home to Japan after graduating but hopes to stay in New Zealand. The other three students have all graduated from EIT - Mr Borain and Mr Masuo are working at wineries in Hawke's Bay, and Ms Mizuguchi is travelling New Zealand before moving back to Japan.

Te Awa trumps wine awards [21 October/New Zealand Herald] The Te Awa Single Estate Gimblett Gravels Hawke's Bay Merlot Cabernet Sauvignon 2015 won the Champion Wine of Show on Tuesday night at the Hawke's Bay A&P Bayleys Wine Awards. The judges were impressed with its structure and texture, remarking that it was its floral/dried herb and spicy lift that set it apart from the competition. Te Awa winemaker Richard Painter was thrilled with the win and was excited that a red blend won the award. Mr Painter, who grew up in Rotorua, has lived in Hawke's Bay for ten years. He went into winemaking as it allowed him to apply what he had learnt about soil and climate while studying geography.

Hawke's Bay continues to hone winemaking pedigree [21 October/New Zealand Herald] In the wake of four superb vintages and globally acclaimed wines the Hawke's Bay is being recognised internationally as producing many different cultivars of world-class pedigree. That ability showed through at this year's Hawke's Bay A&P Bayleys 2017 Wine Awards with 2015 wines across the varietal board scoring strongly. The industry across the region has been described as booming. Internationally, Syrah and Chardonnay were up with the very best, and the international wine media has placed the Hawkes Bay up there with the Barossa Valley and Northern Rhone as a place for producing the very best syrahs. Clearview Estate has seen success with the evolution of the industry, and particularly the growth of fine chardonnay They picked up a trophy at the awards for their 2015 Endeavour Chardonnay.

Dairy

Dairy prices slide amid supply outlook [18 October/Otago Daily Times] The Global Dairy Trade (GDT) price index fell 1 percent to USD3204 at the Global Dairy Trade auction. This is the sixth time in nine auctions the price has declined, amid bets on sufficient supply. An estimated 35,669 tonnes of product were sold, down from 37,990 tonnes at the previous auction two weeks ago. Whole milk powder (WMP) slipped 0.5 percent to USD3014 per tonne. Rennet casein dropped 8.6 percent to USD5,612 per tonne. Skim milk powder declined 5.6 percent to USD1,797 per tonne. Butter fell 2.5 percent to USD5736 per tonne. Cheddar fell 0.1 percent to USD4107 per tonne.

Successes come in threes for Blue River [22 October/Otago Daily Times] In the space of one week Blue River Dairy has won the Crowe Horwath Primary and Primary Services Sector award, has become registered with the China Food and Drug Administration (CFDA), and was confirmed as one of New Zealand's fastest growing businesses. Blue River Dairy has expanded into an export-focused infant nutrition business, launching an infant formula range in September 2015. Gaining CFDA was a huge achievement for Blue River Dairy, with the Invercargill factory being the only one in the world manufacturing three brands of formula with each using milk from three different species; sheep, goat and cow.

A2 milk stops some dairy intolerance symptoms – study [22 October/New Zealand Herald] New Zealand research has suggested that brand A2 Milk prevents some symptoms of dairy intolerance and eases others. A2 Milk comes from cows that naturally produce only the A2 type of beta-casein protein. Conventional milk contains both the A1 and A2 types of beta-casein. The brand is currently sold in Australia, New Zealand, China, US and the UK. Dr Amber Milan presented the findings at a major conference in Chicago this weekend. She said that A2 Milk was at least as effective as lactose-free milk at preventing or easing some of the symptoms of lactose intolerance, but didn't improve ratings of 'overall digestive comfort'. The study, which the researchers aim to publish in a journal in coming months, was funded through the New Zealand Government High-Value Nutrition National Science Challenge, with co-funding from The A2 Milk Company Limited.

Lewis Road Creamery eyes new products and markets [24 October/Stuff] Lewis Road Creamery said on Tuesday that new shareholder Southern Pastures had made a significant investment. This would allow Lewis Rd to develop new products and reach new export markets. The exact size of the investment is unknown. However, sources confirmed Southern Pastures bought a 25 percent stake. Lewis Rd founder Peter Cullinane confirmed that he remained the largest shareholder and was committed to staying with the business. Southern Pastures' executive chairman Prem Maan will join the Lewis Road Creamery board. Long-life premium UHT products for the export markets are high on the list of development priorities as Lewis Rd eyes markets in Southeast Asia, Australia, the United States and Europe.

Red meat

Alliance hopes to target taste preferences in customers [20 October/Stuff] Chief Executive David Surveyor said the co-operative Alliance Group hopes to tailor meat cuts to countries taste preferences in the future at the company's recent meat roadshow. He also told farmers that a dividend would be paid, with more details and the annual profit result coming next month. Surveyor said lamb prices were strong internationally and that venison was increasingly being seen as a premium product in the US, but that beef prices were beginning to decrease due to a higher domestic beef kill. Chairman Murray Taggart confirmed fears that synthetic meat would likely damage the red meat industry shortly.

Meat research in China, US [23 October/Otago Daily Times] Beef + Lamb New Zealand, Greenlea Premier Meats and Lincoln University's Agribusiness and Economics Research Unit (AERU) are leading a project asking consumers which attributes in beef and lamb are important to them in their purchase decisions. The research is focused on high market potential states or cities in the US and China and will test consumers' awareness of New Zealand red meat.

International

Instead Of Throwing Out This Plastic Wrapper, You Eat It [6 October/Fast Company] A Belgian waffle vendor at a food festival in Ubud, Bali is one of the early customers testing new food packaging made from seaweed instead of plastic. The Indonesia-based startup Evoware is the creator of the new packaging. Indonesia is second only to China in creating plastic pollution that ends up in the ocean. Seaweed has several advantages; it doesn't create waste, it sucks up CO₂ as it grows, and requires no fertilisers to grow. The startup won't share the details of its production process but says that the seaweed is treated for food safety and converted into packaging without the use of chemicals. The company is one of six winners of the \$1 million Circular Design Challenge, a contest run by the Ellen MacArthur Foundation and OpenIdeo that focused on finding solutions for the 30 percent of plastic packaging items that are too small or complex to normally get recycled—like seasoning sachets, wrappers, and coffee cup lids.

Farmer's Fridge reboots the vending machine with fresh, healthy options [13 October/OnMilwaukee] Farmer's Fridge vending machines are cropping up in Downtown Milwaukee. The vending machines sell healthy foods in a jar, including almond butter oatmeal, fresh salads, salmon Niçoise, soba noodles and snacks like chia pudding. The jars are made from BPA-free plastic, and a recycling receptacle in the vending machines allows for easy jar disposal. CEO Luke Saunders launched Farmer's Fridge, a Chicago-based company specialising in high tech vending machines that offer up fresh restaurant quality salads, entrees and snacks, four years ago. Saunders says that, although the company is growing quickly, he still believes in being hands-on and spends at least one day a week with the kitchen crew.

Innovation Awards success for Primary Growth Partnership programmes [19 October/ MPI media release] Two Primary Growth Partnership programmes has won awards at the New Zealand Innovation Awards. The SPATnz Primary Growth Partnership programme won the Innovation in Agribusiness & Environment category, and the Omega Lamb Project took out the Innovation Award in the Innovation in Food & Beverage category. SPATnz has developed a method of growing GreenshellTM mussels in captivity without reliance on wild mussel spat. The Omega Lamb Project is targeting premium markets with a new type of lamb that contains higher levels of polyunsaturated (good) fats and Omega-3 fatty acids.

Stamp duty measure for farmers welcomed [20 October/The Irish Times] Irish Minister for Agriculture Michael Creed has welcomed two key measures in the Finance Bill concerning stamp duty on agricultural land transactions. He highlighted the special 1 percent rate applying to transfers of farmland within families, and the abolishing of the age restriction for the transferor as critical concessions for farmers. On the changes to commercial stamp duty, EY tax partner John Heffernan lamented that no concession was made to the real estate market outside of Dublin, which has not enjoyed the same level of recovery.

Consumers hungry for smarter produce labels; Applied to fruits and vegetables, stickers from Ontario company are catching on in places that value food safety and traceability [20 October/ The Globe and Mail (Canada)] Joe Sleiman has seen growing international success as the founder and president of Accu-Label Inc. and Ag-Tronic Control Systems Inc. Accu-Label sells tiny, paper-based product look-up, or PLU, labels that are affixed to fruits and vegetables. Ag-Tronic makes the equipment that creates and applies them. The companies currently make 1.5 billion labels each year. About one-quarter of sales are in Canada, with the rest in the United States and Mexico. Recently the companies have sought to expand into other markets such as Holland, Australia and New Zealand. The PLU labels are fully biodegradable with edible adhesives. Each label can include a range of data, including a code that traces the fruit right back to the grower and the tree that it came from. Mr Sleiman thinks his company has the potential to produce 50 billion labels a year worldwide.

Leonardo DiCaprio wants you to eat vegan hamburgers that actually bleed [20 October/Maxim] Leonardo DiCaprio has been investing in a plant-based, vegan burger company called Beyond Meat to curb carbon emissions. The innovative company manipulates plant protein so that it tastes incredibly close to the real thing. The Beyond Meat burger patty's bleed due to beet-juice faux blood. DiCaprio recently said in a statement that shifting from animal meat to the plant-based meat is one of the most potent measures someone can take to reduce their impact on our climate.

'Smart farming' initiative cuts carbon emissions by 10% [23 October/The Irish Times] The Smart Farming voluntary initiative, run by the Irish Farmers' Association with the Environmental Protection Agency, published its first progress report. The report showed an overshoot of targets for improving farm returns and enhancing the environment. The target this year was to achieve an average cost saving of EUR 5,000 and a reduction of 5 to 7 percent in greenhouse gas emissions for each participating farm. Impressively, results show a 10 percent average reduction in greenhouse gas emissions and average cost savings of EUR 8,700.

Wool

NZ wool yoga mat ready for launch [23 October/Otago Daily Times] Dana McKenzie has been at OM Yoga in London this weekend, the biggest yoga gathering in Europe, to launch her wool yoga mats. Mrs McKenzie believes the traditional synthetic fibre mats are not aligned with the principles of yoga, and that her mats can carve out a premium niche in the global yoga industry. She has already seen a backlog of pre-orders. Her company, Fifth Breath, sources its wool through the New Zealand Merino Company. New Zealand Merino Company Market Innovation General Manager Jarrod Patrick said the company was very excited to be working with Fifth Breath.

Whakatu wool scour to close [24 October/New Zealand Herald] Cavalier Wool Holdings has decided to close its Whakatu Wool Scour on November 9 this year due to a drop in wool volume. Its operations will be incorporated into the wool scouring plant at Awatoto. Cavalier Woolscourers Ltd Chief Executive Tony Cunningham said that he hopes to retain as many employees as possible. Cavalier Woolscourers was partly owned by Cavalier Corporation whose chief executive Paul Alston said local concerns of dust, wool and fibres emitted from the plant played no role in the decision to close. He reported that the drop in wool volume was due to falling wool prices, and people choosing to hold on to the wool.

Farmers and producers

NZ cows in Mexico corruption probe not our responsibility, says company [18 October/Stuff] Javier Mata of Livestock and Agricultural Products New Zealand has confirmed that the company takes no responsibility for its exported cattle livestock once delivered. This statement comes after Mexican anti-corruption non-profit Mexicans Against Corruption and Impunity published an investigation claiming 900 New Zealand export cattle were kept on the ranch of the now-fugitive ex-governor Cesar Duarte. New Zealanders were told the cattle would replace stock in northern areas recovering from drought. A Ministry of Primary Industries spokesman said it did not have specific information about the matter and did not get involved in commercial arrangements.

Farmers ready to work together [20 October/Rural News] Federated Farmers says that farmers are ready to engage and work with the new government, and believes the new coalition will provide a great opportunity for its members, wider primary sector, and all New Zealanders. Federated Farmers President Katie Milne says it is time to cast aside the division which fuelled the election campaign and remember that the country's future prosperity and economic health depended on all New Zealanders sharing a common ground.

Primary Industries head criticises farmers for not tagging animals [20 October/Stuff] Farmers are failing to comply with the law over tagging livestock, raising questions over how effectively officials have been able to halt the spread of the disease Mycoplasma bovis outbreak. Ministry for Primary Industries (MPI) director-general Martyn Dunne said at a conference this week that the Mycoplasma response showed a very disappointing compliance by farmers to the tagging system NAIT. NAIT refers to the national animal identification and tracing scheme which gives an animal's location, movements in its life, and contact details for the person in charge of that animal. It is compulsory, with fines up to \$10,000 for people who do not comply.

Farmers should benefit from calls for greater transparency around food production [20 October/Stuff] Ministry of Primary Industries' Director General Martyn Dunne has conveyed to delegates at the International Tri-Conference for Precision Agriculture, growing demand from consumers for greater transparency in food production. Farmers are increasingly asked to demonstrate high standards of animal welfare, water management and food safety. These higher standards were likely to bring in greater rewards from consumers for New Zealand farmers demonstrating good environmental stewardship. New Zealand farmers were among the most efficient and productive in the world and had greatly improved their emissions around production efficiency by about one percent per year, he said.

Rural sector faces regaining public confidence to operate in the future [20 October/Stuff] Led by Federated Farmers President Katie Milne, a group of farming leaders are seeking to rebuild farming's social license to operate, through ownership of the water quality problem. A principal speaker at the Forest Growers Research Conference said we'll own it, and we'll fix it. Land and Water National Science Challenge Director Ken Taylor said social licence existed when a project had the ongoing approval of the local community around which it served and that this applied to all primary industries. The concept of a social licence to operate has been around for about 20 years and originated from the mining industry. Now the term is widely used.

Retired farmer as busy as ever in community [22 October/Otago Daily Times] Retired sheep and beef farmer Ken Gillespie he is still just as busy as ever. He takes tourists on tours, sits on an irrigation company, as well as on water strategy and water user groups, belongs to Lions, and is a wool classer for the Merino Shearing competition. Mr Gillespie was raised on a family farm in Oturehua and attended Otago Boy's High School before living and working with farming families in Kansas in the early 1970s. He met and married his wife there and shortly after returned to work on the family farm near Oturehua. Now retired, he runs a few sheep and cattle, horses, dogs and grandchildren.

Farm vandals drain milk, puncture tyres [22 October/Radio New Zealand] At least three Canterbury farms were vandalised over the long weekend. Hororata Farmer Dougal King said holes were drilled in 30 irrigator tyres on Friday night. He suspected a radical member of a protest group was responsible. A farm in Leeston, Canterbury also had Fifty-thousand litres of milk was drained out of a vat. Federated Farmers mid-Canterbury president Michael Salvesen said The vandalism highlighted the importance of on-farm security.

AgriKidsNZ events proving popular [23 October/Otago Daily Times] Organisers of the AgriKidsNZ and TeenAg competitions are advising teams to enter now because of the popularity of the event. Competitions will be held around the country to coincide with the FMG Young Farmer of the Year regional finals, which start in February. New Zealand Young Farmers Competitions Co-ordinator David Highsted said that they had seen record entry numbers this year. The number of teams competing had been expanded to adjust to this growth.

Water

Rise in Taranaki groundwater nitrate levels coincide with increased dairying [18 October/Stuff] A Taranaki Regional Council report has confirmed that the rise in dairy production in the region over the past five years has seen a corresponding increase in the groundwater nitrate levels. Overall analysis of groundwater showed nitrate concentrations in Taranaki were low. The council analysed more than 530 water samples from 35 shallow and deepwater sites in the region between 2002 and 2016. Nitrate concentrations ranged from 0.1mg/litre to 30.3mg/litre. The maximum acceptable concentration in drinking water was 11.3mg/litre. It was reported that 94 percent of sites had a median nitrate concentration below the maximum allowable value (11.3 mg/litre).

Health warning issued for Otautu Bay on Lake Rotoehu [19 October/New Zealand Herald] A health warning has been issued for Otautu Bay on Lake Rotoehu due to the presence of algal blooms likely due to the potentially toxic blue-green algae. Sampling has been undertaken to confirm this. People have been advised to avoid any activity which results in significant contact with the lake. Contact with the blue-green algae may cause skin rashes, stomach upsets, and in some cases neurological effects such as tingling around the mouth, headaches, breathing difficulties and visual problems.

Deteriorating harbour conditions prompt review [19 October/New Zealand Herald] Waitaki District Council's new chief executive has ordered an immediate legal review of respective agency responsibilities surrounding the Oamaru Harbour and associated maritime activities. The review was announced as concerns were raised about the difficulties a disabled yacht faced trying to enter the harbour this weekend. John Burton, a specialist in all aspects of maritime law, has been engaged to advise the council. Mr Scoles, who has 35 years' experience in marine search and rescue, said a plan to have the harbour dredged was needed soon, or the harbour would become even more limiting. District council staff were discussing a possible dredging project as part of the 2018-28 long-term plan.

Federated Farmers: Pledges kick-start next phase for RiverWatch [24 October/New Zealand Herald] Riverwatch recently achieved its \$50,000 funding target from a PledgeMe campaign launched on August 9. The 2016 WWF Conservation Innovation Award-winning water quality tester is a solar-powered, Wi-Fi enabled floating sensor unit that measures water quality over a sustained period. The founders of Water Action Initiative (WAI) NZ, Wairarapa Farmer Grant Muir and his biologist son James, developed the device in conjunction with Victoria University. They believe each unit can be sold for \$2500 - just 10-20 percent of the cost of current single test methods. With the new funding, WAI NZ intends distributing 10 RiverWatch units for beta testing. Mr Muir believes the product would welcome the low-cost.

Agri-tech

DNA feat could boost star forestry species [18 October/New Zealand Herald] Crown research institute Scion have completed a draft assembly of the radiata pine's genetic makeup, or genome, opening the door to a new era of precision forestry for the critically important species. The genome assembly began in 2013 and was completed last month, using the Rotorua-based institute's newly acquired high-capacity computer server. With this knowledge, the forestry industry could hasten the current method of selective breeding to produce superior trees. Other potential applications could be in mitigating the effects of climate change and disease.

Small, light robotics to take over big tractors as future for farm machinery [19 October/Stuff] Big tractors could be over if farmers are to meet tighter environmental goals. Agricultural Robotics Expert Simon Blackmore said that the industry would likely replace large farming machinery with more efficient systems in the future. While this change would be disruptive, it would be worthwhile. He estimated that 90 percent of energy going into cultivation was repairing soil compaction damage caused by machines. Ultra-light and energy efficient conceptual robotic seeding machines that allow sowing in almost any weather are currently in development.

Huge benefits from precision agriculture – farmers [19 October/Radio NZ] Hamilton was host this week to an international conference on precision farming. Precision farming is farm management technology used to improve farm performance and efficiency. South Australian Farmer Mark Branson is a big fan of precision farming and said the technology has greatly improved his efficiency in areas such as focusing herbicide on a small patch of weeds within a larger pasture to save money on weed-killer. Craig Mackenzie is a leading New Zealand proponent of precision farming. He was the International Precision Ag Farmer of the Year in 2016. He said the benefits from precision agriculture were huge and that new innovations were on the way including real-time soil sensors for nitrogen, potassium and nitrates which show what was leaching.

Animal Health

Mycoplasma bovis could be linked with highly mechanised farming – MPI [21 October/New Zealand Herald] At a public meeting to discuss the response to the recent cattle disease Mycoplasma bovis outbreak, Ministry of Primary Industries Technical Liaison Officer Victoria Barrell says there seems to be a link between highly mechanised dairy farming and the disease. The recent outbreak will result in about 4000 dairy cattle being culled from five Van Leeuwen Dairy Group properties in the Waimate district. Van Leeuwen Dairy Group is a high-profile operation founded by Aad and Wilma van Leeuwen and includes the world's largest robotic dairy barn. Overseas literature showed intensive farming and high-end technology were often where some of the worst clinical cases of the disease were being seen.

Politics

Labour's proposed water tax on farmers to be scrapped [20 October/New Zealand Herald] Speaking on Morning Report this morning, Prime Minister-elect Jacinda Ardern signalled that Labour would scrap its proposed water tax on farmers as part of its agreement with New Zealand First. She said that the New Zealand First leader Winston Peters felt very strong on the irrigation tax and that the new agreement would respect his views. She reminded listeners that the tax was about cleaning up New Zealand's rivers and lakes, which she remains committed to.

Environment

Rabobank and UN Environment kick-start \$1 billion program to catalyse sustainable food production [17 October/Rabobank Press Release] Rabobank has announced its global activation program 'Kickstart Food'. This initiative aims to accelerate the transition to a sustainable food supply through four key focus areas: Earth, Waste, Stability and Nutrition. One of the first steps in this program will be the launch of a \$1 billion-dollar facility to initiate land restoration and forest protection initiatives.

Little eco-warriors winning in the environment [21 October/New Zealand Herald] Morgan Educare won the Sustainable Schools Award at the Keep New Zealand Beautiful Awards last week. Centre manager Paula Mihaka says that while the youngsters are not so much aware of the importance of the award; there is no doubt they are aware of the environment. She says that the long-term goal for the school is to become focused on permaculture, sustainability and self-sufficiency. To help achieve this the centre has installed solar panels, upcycled tractor tyres to make edible gardens, installed a compost bin, collected unwanted clothing from staff and whanau and recycled all paper products. Future projects include the collection of rainwater from the roof to be used for water play and garden watering. The cost of the system is about \$6500, and the \$2000 prize money from the award will go towards it.

Apiculture

Comvita lifts 2018 earnings outlook [18 October/New Zealand Herald] Comvita Chief executive Scott Coulter has confirmed a rise in the company's 2018 earnings outlook after a solid recovery of the so-called grey channel into China and significant North American sales. The Te Puke-based company's first-quarter sales rose 35 percent from a year earlier and were tracking ahead of budget. Comvita now expects a profit greater than \$17.1 million, and to resume dividend payments in the current financial year. The grey channel is made up of small-scale exporters who buy the product and post it to China. Moves by the Chinese government to crack down on grey sales had crimped profits for companies such as Comvita.

Sheep Milk

Spring Sheep Milking expands with second Waikato farm [19 October/Stuff] The Spring Sheep Milk Company (jointly owned by Landcorp and the SLC Group) will build a second sheep milking farm near Cambridge. Construction on the 40-hectare farm will begin in the new year and is estimated to cost \$2-\$3 million. Funding was received from the Ministry of Primary Industries' Primary Growth Partnership (PGP) to grow the value of the sheep milking industry. The new farm would milk 800 sheep using a hybrid farm system and will be up and running by July next year. It will also be used to educate and train new farmers considering milking sheep.

Future of Food

Peter Jackson eyes up opportunities in leading edge food business [19 October/Stuff] Earlier this year Sir Peter Jackson and Film Director James Cameron set up a company called PBT New Zealand. Chief Executive of the Foundation for Arable Research (FAR) Nick Pyke has confirmed this stands for 'plant-based technology', and that FAR is working on some projects with them. All parties involved have been tight-lipped about what they hope to achieve. FAR had recently created a Future Foods project, with a Cameron-Jackson employee on the steering group, and its focus was plant-based protein. It has been speculated that there might be a connection to the US company Impossible Foods, known for the plant-protein burger patty, whom some believe Sir Jackson is an investor in.

Media Take: New Zealand will get blindsided by artificial meat and milk [24 October/Stuff] Columnist, and former Federated Farmers Whanganui President Rachel Stewart said New Zealand would be left behind if the country didn't embrace artificial meat and milk on Media Take last Tuesday. She was disturbed by Fonterra's claim last week that the artificial meat and milk industry was not a threat when there was already evidence in India and California of the shift in the industry.

Environment & Emissions

Climate change action a winner in coalition deal [24 October/New Zealand Herald] A deal just signed between Labour, the Greens and New Zealand First confirm climate change policy will play a role in our government moving forward. The parties have agreed to introduce a new Zero Carbon Act and launch a new independent Climate Commission. There remained a question mark over whether agriculture would be brought into our Emissions Trading Scheme (ETS). Federated Farmers president Katie Milne said farmers were concerned about being absorbed into the ETS.

Subscribe

To subscribe to future editions of Field Notes please [click here](#).

Field Notes

Weekly news update from the KPMG Agribusiness Network – 25 October 2017

Contact Us			
Auckland/ Audit Ian Proudfoot 09 367 5882 021 656 815 iproudfoot@kpmg.co.nz	Taxation Greg Knowles 09 367 5989 021 307 332 gknowles@kpmg.co.nz	Tauranga Robert Lee 07 571 1773 027 451 1035 relee@kpmg.co.nz	Wellington Graeme Edwards 04 816 4522 027 296 5050 gdedwards@kpmg.co.nz
Christchurch Andrew Hawkes 03 353 0093 027 508 0135 ahawkes@kpmg.co.nz	Financial Advisory Services Gary Ivory 09 367 5943 021 932 890 givory@kpmg.co.nz	Management Consulting Simon Hunter 09 367 5881 027489 9737 simonhunter@kpmg.co.nz	Hamilton/ Private Enterprise Hamish McDonald 07 858 6519 021 586 519 hamishmcdonald@kpmg.co.nz
Ashburton/ Private Enterprise Maurice Myers 03 307 0768 027 208 3405 mauricemyers@kpmg.co.nz	Farm Enterprise North Island Roger Wilson 07 858 6520 027 281 9575 rogerwilson@kpmg.co.nz	Julia Jones 07 858 6553 027 524 8901 juliajones1@kpmg.co.nz	South Island Brent Love 03 683 1871 027 528 1537 blove@kpmg.co.nz

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.

The information provided herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received nor that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG, a New Zealand partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International").

KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity.