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**KPMG Agribusiness  
 Agenda 2017**

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## AGRIBUSINESS

# Field Notes

Weekly news update from the KPMG Agribusiness network

8 November 2017

### Organisations referenced in this week's Field Notes include:

Adama New Zealand	International Panel of Experts on Sustainable Food Systems
AgResearch	KPMG
Agri-Womens Development Trust	Landcorp Farming Limited
Alliance Group	LIC farm Solutions
Alsco	Million Metres crowdfunding project
Arla Foods	Ministry for Primary Industries
ASB	Monsanto
Australian Centre for International Agricultural Research	National Farmers Union, Scotland
Bayer	Nestle
Beef + Lamb New Zealand	New Zealand Super Fund
Beingmate Baby & Child Food Co., Ltd	Northern Regional Council
Blue Bottle Coffee	Novotel
Bough Bikes	Nuffield New Zealand
Business Ireland Kenya	Plant Based Foods Association
Central Hawke's Bay District Council	Plenty
Chameleon Cold-Brew	Progressive Enterprises
Chatham House	Rabobank
Columbia River Technologies	Renovo
Connor Wood Bicycles	Serious Fraud Office
CropX	Southern Institute of Technology
Dairy Women's Network	Sustainable Business Network
DairyNZ's	Taihape Area School
European Commission	The Department of Conservation
European Union	The Good Food Institute
Farmlands	The Soil & Health Association
Farmwise	The United Kingdom
Federated Farmers	The University of Auckland
Fieldays	Threemile Canyon Farms
Fifth Breath Ltd	Tillamook County Creamery Association
Fish Game New Zealand	United Nations
Fonterra Cooperative Group	Waterclean Technologies
Foodstuffs	Whanganui Regional Health Network
GE-Free Northland	WorkSafe NZ
Hawkes Bay Regional Council	Yealands Estate Wines
Heritage Food Crops Research Trust	Zespri
Horticulture New Zealand	

### This week's headlines

Horticulture	<b>Urban sprawl and extreme weather put pressure on fruit and vegetable crops</b> [2 November/Stuff]
Viticulture	<b>Sustainability not just a label</b> [2 November/New Zealand Herald]
Dairy	<b>Dairy stays above churn of plant-based substitutes</b> [2 November/ Radio New Zealand]
Wool	<b>NZ company Fifth Breath launches woollen yoga mat</b> [7 November/ Stuff]
GMO	<b>Big win for GE-Free Northland</b> [7 November/ New Zealand Herald]

## Horticulture

**Red tape costing the chance to grow** [2 November/New Zealand Herald] Kerikeri Horticulturist Brett Heap is angered at government bureaucracy preventing him from employing two more Thai nationals. The zucchini farmer currently employs nine Thai nationals legitimately under the Recognised Seasonal Employer (RSE) scheme to fill jobs that New Zealanders cannot or will not do. He would like to employ two more but has been told by immigration NZ that he can't. He has been instead advised to take on Pacific Islanders, which he did not want to do for reasons including a culture clash. He said that fruit picking was the problem and that the Thais who were working for him did an excellent job. He was happy to employ New Zealanders but had not had the best of experiences in the past. Mr Heap would like a complete review of the RSE scheme. The two extra Thai workers would allow him to expand and employ an additional New Zealander through WINZ.

**Urban sprawl and extreme weather put pressure on fruit and vegetable crops** [2 November/Stuff] The rapid housing market growth coupled with crop damage from extreme weather could mean a shortage of home-grown fresh fruit and vegetable for New Zealand says a Horticulture New Zealand report. Chief Executive Mike Chapman said that fruit and vegetable production was already below that required for domestic consumption and that a food shortage may result if supply was not met with imports. He commented that fruit and vegetable growers were being forced out of prime fertile land due to high prices, and also believes that a more robust plan for the future is needed. Research shows that New Zealanders want to know where their vegetables come from and prefer to buy domestically grown produce.

**Horticulture leads shift in land use** [3 November/New Zealand Herald] Regions in the upper North Island are seeing shifts in land use from dairying to horticulture. In particular, land is being sold for the development of avocado orchards, which seek to capitalise on the regions idyllic growing conditions. The shift is similar to the kiwifruit shift seen in the Bay of Plenty region during the 1980's. Jen Schuler, Avocado NZ Chief Executive said new plantings in Northland added 850ha to a total of 3700ha of land for avocados nationally. She cautioned that there was still much to be learned about avocado husbandry and production in NZ and that growers can expect to see crops come to about 50 percent potential in year four, and 100 percent by year seven.

**Pesticide recall after damage** [6 November/New Zealand Herald] A pesticide has been recalled after it caused damage to Royal Gala crops in Nelson, Tasman and Hawke's Bay orchards. Adama New Zealand was alerted to the issue on October 5 after farmers reported blemishes on the leaves and buds of crops. An investigation was subsequently launched which identified a fungicide included in the spray Mancozeb that was not intended for apples. The extent of the damage will only be fully assessable closer to harvest in February.

**SFO ends four-year Zespri investigation with no charges** [7 November/ New Zealand Herald] The Serious Fraud Office will not file charges against Zespri Group over dual-invoicing, ending a four-year investigation into the company. Serious Fraud Office Director, Julie Read, said the investigator found the evidence did not meet a high enough standard to lay charges after investigating allegations Zespri facilitated tax evasion while exporting to China by providing false invoices to its importer to use in declarations to Chinese officials. Zespri Chairman Peter McBride said the investigation had cost Zespri \$7 million. Mr McBride said it is satisfying to have the SFO confirm their Zespri investigation has closed. The SFO investigation was significantly broad, and due to the size of Zespri's business, the information requests resulted in substantial data volumes. Mr McBride said Zespri would continue to invest in robust systems to protect the company's reputation and brand.

## Viticulture

**Sustainability not just a label** [2 November/New Zealand Herald] Yealands Estate Wines enlisted the aid of our best student brains from the University of Auckland Business School's 'Solve It' challenge to help with recycling their wine bottle labels. The students came up with a way to process the PET plastic backing from wine labels into a plastic-based synthetic diesel fuel. Yealands have long been known as leaders in sustainability. They boast an enormous list of environmentally-conscious accolades and have achieved rapid growth since operations began in 2008. It has long been the vision of Founder Peter Yealands that his winery becomes the most sustainable in the world. Yealands is almost self-sufficient utilising solar panel installations and three wind turbines to generate a third of the winery's power needs. All their wines have a carbon zero footprint, becoming the first winery in the world to achieve so.

## Fishing and Aquaculture

**Crowdfunding project assists Ocean Beach stream planting** [3 November/New Zealand Herald] In the latest stage of an ongoing project to improve the Waipuka Stream at Ocean Beach, a section of the stream identified as a spawning site for native fish has been fenced off. The project is led by an innovative partnership between landowners, the estate of Pukepuke Tangiora, and the Million Metres crowdfunding project. The project is Million Metres' fifth fundraiser in Hawke's Bay. They are supported by individual donations and businesses, including the Sustainable Business Network, AlSCO and the Department of Conservation.

**Symposium to focus on salmon's sharp decline** [5 November/Otago Daily Times] Fish and Game New Zealand (FGNZ) is hosting a two-day symposium in Ashburton next weekend to discuss the dramatic decline of wild salmon. FGNZ Councillor Matthew Hall said the population of New Zealand sea salmon is lowest since being introduced in the 1900's. The symposium will feature speakers providing information on population trends as well as speaking on the impacts of climate change. The Resource Management Acts and relevant politics will also be discussed. It is hoped that through this event potential solutions will come forth.

## Dairy

**Dairy stays above churn of plant-based substitutes** [2 November/ Radio New Zealand] More consumers are purchasing plant-based milk, yoghurts and cheeses. New Zealand's two supermarket chains Progressive and Foodstuffs have noticed this and are stocking more plant-based products than ever before. Foodstuffs claim plant-based milk sales had increased 11 percent since August 2016 in its North Island stores. Progressive Enterprises now has over 60 non-dairy milk, cheese and yoghurt products. Dairy is also flourishing. Foodstuffs dairy sales increased 9 percent since August 2016, and Progressive Enterprises said plant-based alternative products are yet to affect traditional milk and cheese sales.

**Fonterra to spend \$100 million to lift capacity in Australia** [3 November/New Zealand Herald] Fonterra Chief Executive Theo Spierings unveiled plans to spend \$100 million in Australia to relieve bottleneck pressures during the co-operative's annual meeting in Hawera yesterday. The expansion would provide a further 500 million litres of capacity to its milk-processing plants. Fonterra also reported their priorities for 2018 included protecting its market share of New Zealand milk, delivering foodservice diversified growth, revitalising the Anlene brand, delivering China and the Beingmate partnership and growing the Australian milk pool share.

**Fonterra to buy into US-based whey protein maker** [6 November/New Zealand Herald] Fonterra Cooperative Group is buying into Columbia River Technologies, an Oregon-based whey protein concentrate and lactose manufacturer. Columbia River Technologies was founded in 2013 as a joint venture between Tillamook County Creamery Association (TCCA) and Threemile Canyon Farms (TCF). Fonterra will now own an equal shareholding of the company. Fonterra views joining the venture as a natural progression of their long-term relationship with TCCA and TCF. The move will assist Fonterra in its goal to develop a sustainable US-sourcing network.

**Dairy farming critic Alison Dewes appointed Landcorp environment head** [6 November/Stuff] State-owned enterprise Landcorp have appointed Veterinarian and Ecologist Dr Alison Dewes to the new position of Head of Environment. Ms Dewes was a finalist for the NZI sustainability champion in 2014, received a commendation for community impact for her work with farmers, and was a finalist in the 2015 Women of Influence Awards in Public Policy. Up until recently, she was running a sustainable farming consultancy firm which she will no longer be involved. The job starts in January and will be based in Wellington. However, Ms Dewes plans to split her time evenly between the office and the 140 farms owned by Landcorp.

## Red meat

**Beef + Lamb pulls plug on the Glammies** [1 November/Otago Daily Times] The Golden Lamb Awards, better known as the Glammies will not go ahead this year. For the past ten years, Beef + Lamb New Zealand (BLNZ) has funded the event. However, in the past six months, BLNZ has reviewed its long-term strategy and has decided to redirect its spending to more pressing priorities. Chief Executive Sam McIvor acknowledged the success of the event in recent years but believed the company could impact farmers more directly in other ways. He thanked the many farmers, processors, sponsors, breed associations and suppliers who had helped make the Glammies a success in the past ten years.

**Farmlands directors elected** [6 November/Otago Daily times] Winton farmer and former long-standing Alliance Group Director Murray Donald has been elected to the Farmlands board. Mr Donald is a chartered fellow of the Institute of Directors, councillor and member of the audit and risk committee for the Southern Institute of Technology and a trustee and chairman of the audit and risk committee for the Agri-Women's Development Trust. Nikki Davies-Colley, from Northland was re-elected to the board. Warren Parker, from Bay of Plenty, was the other new director elected.

**Sheep and beef farming is about love not meat business** [6 November/ Stuff] Beef + Lamb New Zealand Director Melissa Clark-Reynolds said farmers could meet higher consumer expectations regarding animal and environmental welfare if they considered themselves as in the love business rather than the meat business. Ms Clark-Reynolds said this would ensure farmers produce the highest quality meat possible. Beef + Lamb New Zealand Chairman James Parsons said there were unsettled times with Waikato farmers facing the Healthy Rivers plan change, creating new levels of anti-farmer sentiment. Landcorp Chairwoman Traci Houpapa said New Zealand needs to be smarter in how it farmed, marketed and communicated its primary products. Ms Houpapa added that people want to feed good food to their loved ones. In the next three or four years, Ms Houpapa said Landcorp would be moving from volume to value and targeting premium niche markets with quality food, as well as ensuring Landcorp is telling their story.

**Basic farming brings awards** [6 November/ Farmers Weekly] Nick and Penny France hosted 90 farmers and rural professionals at a B+LNZ Farming for Profit field day to learn about proper, old-fashioned attention to detail farming philosophy. Mr France told the farmers he runs his beef farm as cheaply as possible, aligning practice with a philosophy of using bulls that perform under commercial conditions and produce profitable offspring. Mr and Mrs France have run Okawa, a 780-hectare property. Mr and Mrs France's farm management was founded on increasing performance and quality of young stock in the stud bull operation. The sheep were run in the same fashion. Mr France said lamb wastage was minimal at 10 percent, and weaning percentage is 153 percent with 30-40 percent straight off of their mother to the works. Mr France said the key message was condition score, shelter and lambing beat.

## International

**NSW Suburb set to become Australia's new 'fresh food precinct'** [31 October/9News] The new western Sydney Airport could ensure Western Sydney becomes Australia's new fresh food precinct, creating 12,000 jobs. NSW Farmers hope the airport will home Sydney's fresh food market, instead of landlocked Flemington that may hinder future expansion. A KPMG report found a dedicated precinct would provide farmers access to new and lucrative Asian and Middle Eastern markets. The report suggests planning for the new airport and industry around it allows a unique opportunity for creating a world-class agricultural district with farms, processing and logistics including cold-storage all integrated. KPMG Partner, Robert Poole, said a flow of tourists from Asia provided the opportunity to use plans for fresh product freight, while also adding dedicated freight aircraft using the new airport. Western Sydney Director, David Borger said the food precinct would boost food manufacturing activities.

**These bikes are sustainable, fast, and made out of wood** [1 November/World Economic Forum] Five years ago Jan Gunneweg and Piet Brandjes started their wooden bike company Bough Bikes. The wooden bikes have become increasingly popular and are now a part of a shared cycling scheme at Amsterdam's Schiphol Airport business park. Dutch companies including Novotel and Rabobank have also purchased the bikes for their employees and guests to use. The bikes are made from hardwoods and are environmentally friendly, requiring far less energy to produce. Wooden bikes are on the rise in other parts of the world as well. US company Renovo has been making wooden bikes from old whisky casks. Connor Wood Bicycles from Denver, Colorado argues wooden bikes possess a distinct look and feel that gels with consumers. A social enterprise called Beijing Bamboo is teaching young Chinese people how to build their bamboo bikes as part of the effort to tackle the growing number of cars on the road in China.

**Nestle to Buy Chameleon Cold-Brew, Adding to U.S. Coffee Arsenal** [3 November/Blomberg Markets] Nestle has agreed to purchase Texas-based Chameleon Cold-Brew, boosting its portfolio of premium java in the U.S. Chameleon leads the nation's organic cold-brew coffee market. The deal marks Nestlé's second investment in premium U.S coffee in three months, agreeing to purchase a 68 percent stake in California-based Blue Bottle Coffee in September. Chameleon's Chief Executive Officer Chris Campbell said his company would retain independence that extends to payroll and benefits.

**Mega-mergers in the agri-food sector cause alarm bells to ring** [3 November/ PoultryWorld] The International Panel of Experts on Sustainable Food Systems (IPES) has written to the European Commission calling for the imminent merger between Germany pharmaceutical giant Bayer and US-based multinational agrochemical and biotech firm Monsanto to be urgently scrutinised. IPES Food Report Lead Author, Pat Mooney, said if the deal continued, three firms would control over 60 percent of the global seed and pesticide market. The report highlights the intense market concentration in numerous agri-food sectors, including poultry, where three companies now supply over 90 percent of breeding stock for broilers, laying hens and turkeys. A Friends of the Earth Group and Rosa Luxemburg Institute report stated most of the chicken consumed globally is controlled by a handful of companies. The report further noted leasing competitor's facilities and bidding wars were key strategies to ensure control concentration.

**It's Called Vertical Farming, And It Could Be The Future Of Agriculture** [4 November/ Forbes] Plenty has announced it will open a 100,000 square foot farm in Kent, Washington to grow pesticide-free produce for regional consumers. This is Plenty's first full-scale farm. The fruit and vegetables grow in 20-foot tall towers inside a climate-controlled facility with LED lights, without the use of pesticides, herbicides, synthetic fertilisers or GMOs. The company instead uses thousands of infrared cameras and sensors to collect and analyse data to optimise how the plants grow. Plenty claims it can achieve yields 350 times greater than agriculture while using 1 percent of the water and little land. Plenty believes hydroponic farming is the future of global agriculture. Plenty CEO and Co-Founder Matt Barnard said Seattle's relative lack of access to local produce and the region's emphasis on healthy food made it the best place to expand.

**Why the future of smart farming depends on soil** [6 November/ Agri Investor] CropX Chief Executive of Analytics Tomer Tzach said a new wave of cost-efficient sensors could allow farmers to gain an understanding of the dynamics of the soil below growing crops. Progress has been slow due to the complexity of the soil environment due to the complicated interactions between billions of organisms, playing a critical role in soil quality, plant health and crop yield. Farmers can now deploy connected, smaller, and more cost-effective sensors across their entire farms that report to the cloud, automatically crunch and analyse moisture data, and view a thorough picture of the farm water status via intuitive interfaces. This has allowed farmers to precisely adjust water application in specific areas to maximise production and minimise waste. These sensor networks will revolutionise how crops and fields are managed at a soil-specific level.

**Why France is facing a butter squeeze** [6 November/The Economist] France is in the middle of the worst butter shortage since the second world war. Chefs around the country are lamenting the soaring costs, as butter holds a vital position in French cuisine. Two changes explain the squeeze. In 2015 the European Union ended a quota system for milk-producers. Suppliers were hit by low prices and many small producers gave up production. More recently, international demand for butter has also soared. The Food and Agriculture Organisation of the United Nations reported a 27 percent increase in its dairy-price index in September. Unfortunately, the local retail market in France is less competitive than most. Monopolistic power means that suppliers face fixed prices, often too tough a bargain to swallow. As a result, French farmers are preferentially exporting butter.

**Farm businesses in Kenya to benefit from new agri-food strategy with Ireland** [6 November/ Irish Farmers Journal] The Ireland-Kenya Agri-Food Strategy 2017-2021, titled Our Shared Interest, will be ratified by the Irish Minister for Foreign Affairs and Trade Simon Coveney this week. This new strategy aims to make doing business in East Africa easier for Irish firms. The strategy will provide a focus for Irish investment in agri-food, support investment opportunities for Irish companies and allow farm businesses in Kenya to benefit from Ireland's worldwide reputation for excellent agriculture. The Irish ambassador in Kenya and Co-Chair of Business Ireland Kenya Dr Vincent O'Neill says that the strategy will complement the objectives of the Africa Agri-Food Development Programme- a fund launched to support Irish companies to develop business in Kenya and the wider region.

**Get Brexit right – UK dairy farmers** [8 November/ Rural News Group] Arla Foods UK Managing Director, Tomas Pietrangeli, said Brexit presents "the biggest seismic change" to the dairy industry in the UK. The UK is negotiating to exit the European Union, meaning the dairy industry may receive tariffs after Brexit and may face difficulty accessing non-UK labour. Arla generated GBP6 billion gross value for the UK, and almost 120,000 jobs. Mr Pietrangeli has asked the UK government to publish its plans for agriculture via a parliamentary bill, as Arla and other dairy firms need to have the best possible trading conditions with the EU. Mr Pietrangeli said trade with the EU is the most important market for UK dairy businesses and UK dairy should be recognised as a critical player in Brexit negotiations.

**Almond Milk "Doesn't come from cows fed a lot of almonds!"** [November/ Food Tank] The Plant-Based Foods Association is leading a coalition in opposition to the Dairy Pride Act. The proposed federal bill would prohibit labelling non-dairy products with dairy-related terms like milk. The bill's full title is Defending Against Imitations and Replacements of Yogurt, Milk, and Cheese To Promote Regular Intake of Dairy Every day Act. The act claims plant-based products labelled as milk are misleading to consumers and plant-based dairy imitations do not contain the same nutrition content as genuine dairy products. The bill would prohibit the sale of any food using the market name of a dairy product, is not the milk of a hooved animal, is not derived from such milk and does not contain milk as a primary ingredient. The Good Food Institute has created an online petition against the act. PBFA promotes plant-based food companies to expand the consumer market.

## Wool

**Wool prices lift, but long way to go** [2 November/New Zealand Herald] ASB Senior Rural Economist Nathan Penny said that the worst appeared to be over for wool prices, as they increased 25 percent since record low levels in July this year. However, he also warned that the industry was not out of the woods just yet, as prices remain below the 10-year average level. He was optimistic about prices over the next few months, and expected a gradual rise in prices as global growth and demand improved while supply remained low.

**NZ company Fifth Breath launches woollen yoga mat** [7 November/ Stuff] Fifth Breath has launched the first wool yoga mat. Co-Founders Dana McKenzie and Irina Arya have spent the past year working to retain the functionality expected by yoga followers. The Co-Founders are engineers, and a passion for wool and yoga prompted them to build Fifth Breath Ltd, a company aiming to provide naturally safe yoga mats. The mat is made from a blend of crossbred coarse wool for durability and merino fine wool for comfortable skin contact, ensuring abrasion and pilling resistance and durability. While the mats are from New Zealand wool, they are manufactured in Germany. Fifth Breath uses farmer-suppliers with the highest animal welfare standards in the industry.

#### Farmers and producers

**Farming subsidies 'should be scrapped'** [2 November/NZ Farmer] A report from Think Tank Chatham House has said a market-orientated farming model, such as the one in New Zealand, is the only way for the UK to benefit from free trade while committing to green targets in a post-Brexit environment. It is calling for farming subsidies to be heavily curtailed or abolished, acknowledging that smaller farms would probably fold. The report looks at the model in New Zealand as a potential solution, where farmers have not received subsidies since 1984 and production have become more efficient. The National Farmers Union in Scotland is clear that farming in Scotland and the UK does face inevitable change as a consequence of any Brexit scenario. They believe the report is another demonstration that Scotland's agricultural sector stands to be disproportionately impacted by Brexit.

**Alliance getting house in order** [2 November/Otago Daily times] Alliance Group has seen a dramatic reduction in the number of work-related injuries by 40 percent. Alliance Group Chief Executive David Surveyor was thrilled with the result. The company had recently focused on improving their health and safety standards. For the 2017 year, one in every 36 employees was injured (total staff of almost 5000). Mr Surveyor said the goal was to reduce this number down to zero. The company also reported a strong balance sheet in 2017 which Mr Surveyor was happy with as the company seeks to become more sustainable. The company has reduced their debt from \$41 million to \$20 million in the last year.

**More resilient approaches to Pacific farming outlined** [6 November/Radio New Zealand] Chief Executive of the Australian Centre for International Agricultural Research Andrew Campbell said that the changing agricultural climate of the Pacific had placed a huge importance on growing crops in the region healthier and more resilient. His organisation has been directly involved with improving the resilience of crops in the Pacific, including a mango project in Fiji. He recently spoke at the inaugural Pacific Week of Agriculture held in Vanuatu.

**Brent Sheather: Super Fund's farm buys look good value** [8 November/ New Zealand Herald] The NZ Super Fund announced it had made its first offshore farm investment in a leading Australian beef stud. This investment totals the fund's rural land portfolio to 33 farms worth \$340 million; just under 1 percent of the Super Fund's total assets. Chief Investment Officer Matt Whineray said the Super Fund sees rural land as an attractive long-term investment and a good portfolio diversifier. Super Fund Rural Portfolio Manager Neil Woods noted the original projections for dairy farms were a total-long term return of 8 percent- 5 percent cash and 3 percent capital growth. Mr Woods added the Super Fund is confident that these expected total returns were achievable in this sector across geographies and assets with focussed management. Mr Woods said although the Super Fund's rural portfolio is 90 percent invested in dairy, it is actively looking into the beef and horticultural sectors for additional opportunities.

#### Water

**Kiwis united on water quality, Fonterra chairman says** [6 November/Stuff] Fonterra Chairman John Wilson spoke at the dairy co-operative's annual meeting on Thursday on the myth of the rural-urban divide when it comes to water quality. He confirmed that farmers were just as committed to achieving swimmable rivers as anyone else. He was disappointed that the supposed divide had been leveraged for political gain during this year's election. He reflected on the findings of the Taranaki Regional Council's 2017 Healthy Waterways report showing the healthiest streams in 21 years as an example of the industry pulling together. He also commented on the action farmers needed to take to reduce greenhouse gas emissions and believed that with access to effective mitigation technologies farmers would adapt to being included in the Emissions Trading Scheme if that occurred.

**Further doubts raised over CHB wastewater plants** [7 November/New Zealand Herald] An independent review of the Waipukurau and Waipawa wastewater treatment plants has raised serious concerns in its initial findings. The review was issued by the Central Hawke's Bay District Council following ongoing odour issues and breaches of resources conditions for ammonia levels. The company which built them, Waterclean Technologies, was now in confidential discussions with the council. CHB Mayor Alex Walker said that although the review had produced some early concerning findings, he hoped that the review would bring about changes appropriately and swiftly. The final report is due to be presented to CHB at the end of November. It remains unclear if the plants need to be replaced.

**Stricter river flows likely to stay in Tukituki catchment** [7 November/ New Zealand Herald] CHB water users have appealed to Hawke's Bay Regional Council to extend the deadline to meet new minimum flow and allocation limits under its plan change for the Tukituki catchment. To overcome the Plan Change Six (PC6) challenges, many water users had signed up to the abandoned Ruataniwha Water Storage Scheme. Without the Ruataniwha Dam, water users are concerned the conditions will severely impact the agriculture-driven district and leave some businesses in turmoil. Water users said a five-year period was needed to identify and execute long-term solutions to PC6 challenges; however, this extension is unlikely. Ten committee members voted for a recommendation to discuss a plan change, with four voting against. A final decision needs to be ratified by the full council.

#### Health and Safety

**New rules to cover farm chemicals** [2 November/New Zealand Herald] The new Health and Safety at Work Regulations come into effect on December 1. New changes are aimed at reducing the harm from work-related activities involve the use of hazardous substances, such as pesticides and fertilisers. All farmers are now required to make a list of the hazardous substances on their farms, the quantities, and where they are stored. Storage was an area of chemical management that WorkSafe Chief Inspector Darren Handforth believed farmers could improve on. The WorkSafe website has more information to help farmers understand their obligations. The new regulations are available on the New Zealand Legislation website.

#### GMO

**Big win for GE-Free Northland** [7 November/ New Zealand Herald] GE- Free Northland is delighted that Federated Farmers of NZ has withdrawn two vexatious appeals to the Court of Appeal. GE-Free Northland, along with appellant Whangarei District Council and other interested parties successfully defended the right of local authorities to manage the outdoor use of GMOs in their region. Federated Farmers sought that the Northern Regional Council acted outside the law in 2015, and appealed this to the High Court after losing its appeal to the 2015 Environment Court. Spokesman Martin Robinson said FFNZ wasted their member's money and resources, as well as Northland council's and ratepayers' money also. FFNZ had disputed the right of the councils to enforce precautionary GMO provisions, and the right of local mana whenua to identify issues of Significance. GE-Free Northland Chairwoman Zelka Grammer said it's the right of the regions to create enforceable GE-free zones and protect primary producer's access to key markets and premiums.

## Environment and Sustainability

**Marae enterprise sowing a seed for the environment** [2 November/New Zealand Herald] Te Rarawa Noho Taiao, a marae-based environmental programme is a finalist for this year's WWF-New Zealand Conservation Innovation Awards. The experience is aimed at exposing young iwi members to environmental issues to boost awareness and encourage environmental leadership and innovation at the hapu and iwi level. In January, the programme will take around 30 teenagers on a 4-day trip, which will focus on sand dunes, native bush and estuarine ecology alongside the Mataranga Maori.

## Climate Change

**Some benefits from climate change** [2 November/New Zealand Herald] Climate change is likely to benefit Southland farmers in several ways. AgResearch's Dr Tony van der Weerden is involved with research looking at the impacts of climate change on agriculture. He predicted that over the next 80 – 100 years southland temperatures would increase by about 3 degrees improving farming conditions. He noted that winters would be wetter, springs would come earlier, and that snowfall would significantly decrease. He also said that increasing CO2 levels would see plants achieve elevated levels of growth and production. However, he also warned that extreme weather events, such as droughts, winds and rainfall would occur more often. Over this period Farmers will be looking for more drought-tolerant species such as tall fescue grass.

## Livestock

**Expert advice on weaning, calf care** [3 November/Otago Daily Times] Dairy Women's Network recently ran a calf care workshop in Gore. DairyNZ's Sarah Dirks, LIC Farm Solutions Manager Lynda Ford, Farmwise Consultant Mo Topham and Veterinarians Kath Taylor and Kim Kelly spoke about weaning calves. They highlighted recent research advising against the use of penicillin (penno) milk when feeding young calves, as it seemed to promote antimicrobial resistance. The also confirmed the benefits of using high-quality colostrum. New technology in the form of weight tracking programmes were also put on display at the event.

## Fieldays

**Fieldays achieves a 25 percent reduction of its global footprint** [2 November/Stuff] A new report has found that Fieldays has reduced its global footprint by 25 percent over the last 12 months, as the event pushes towards becoming a world leader in environmental sustainability. The reduction was mostly achieved through increased energy efficiency by visitors, exhibitors and staff. It also showed that Fieldays had made progress in diverting waste from nearby landfills from 4 percent in 2011 to 47 percent this year and that transport initiatives had resulted in a 25 percent reduction in carbon emissions. Almost 1000 exhibitors and more than 130,000 visitors went through the gate this year. This is the first year that the commissioned report has been released.

## Agri-education

**Nuffield scholars picked from the bunch** [3 November/Stuff] Minister for Agriculture Damien O'Connor has announced five New Zealand Nuffield scholars for 2017. The scholarship award recognises emerging agricultural leaders. Recipients this year include Simon Cook, Andy Elliot, Turi McFarlane, Solis Norton and Kate Scott. The 12-month scholarship programme, with up to 20 weeks spent overseas, allows participants to spend time away from their business and to travel to observe, immerse, reflect and learn about global agricultural practices and the contexts they are operating within. The five new scholars join more than 140 New Zealand agricultural leaders, over more than 60 years, to have been awarded a Nuffield Scholarship.

## Mental Health

**Farmers need to flick the switch to avoid depression** [6 November/New Zealand Herald] Doug Avery, author of best-selling book *The Resilient Farmer*, spoke about resilience to about 200 farmers on Friday, October 27 at the Dannevirke Services and Citizen's Club. Having battled with depression, Mr Avery reflected on his own story and advised audience members about to manage one's mental health in the farming industry. He spoke about embracing change, organising thoughts, and reaching out to others for support and mentorship.

## Animal Health

**Application made for rabbit control disease** [7 November/ Farmers Weekly] The Ministry for Primary Industries has received an application for RHD-K5- a new Korean strain of the rabbit killing rabbit haemorrhagic disease released in 1997. MPI Audit, Assurance and Monitoring Systems Director Allan Kinsella said the MPI would consider the benefits to the agricultural sector and identification and management of risks to animal welfare, agricultural impacts, trade and public health matters associated with the virus, including consideration of the dangers posed to non-target animals such as pet rabbits. The new application was responding to the initial strain losing its effectiveness in controlling rabbit numbers. Public consultation is open and closes on December 14.

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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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