



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

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

15 November 2017

Organisations referenced in this week's Field Notes include:

2KUZE	Meat Industry Association
A2 Milk	Ministry for Primary Industries
	Ministry for Vulnerable Children/ Oranga Tamariki
AeroFarms	New Zealand First
AgResearch	New Zealand National Party
Agricultural Data Coalition	New Zealand Young Farmer
Auckland Airport	Nuffield New Zealand
Avocado NZ	NZ College of Public Health Medicine
Bay Road	Oceania Dairy Limited
BCITO	Otago Regional Council
Beingmate	Productivity Commission of New Zealand
Carters	Ravensdown
China Food and Drug Administration	Registered Master Builders
Cork University College (Ireland)	Ripe.io
CRV Ambreed	
Dairy Companies Association of New Zealand	Salta Horses
Dairy Women's Network	St Andrews Limes
DairyNZ	Sunfed Meats
Deer Industry New Zealand	Sweetgreen Inc.
DoorDash	Swiss Farmers' Union
Farmobile	Taranaki Regional Council
Federated Farmers of New Zealand	The New Zealand Merino Company
Flinders University (Australia)	The People's Bank of China
Fonterra Group	The Riddet Institute
	The TATUA Co-operative Dairy Company Limited
Green Party of Aotearoa New Zealand	The University of Auckland Centre for Brain Research
Grubhub	UberEats
Horticulture New Zealand	Urban Homes Ltd
Icebreaker	VF Corporation
IKEA	VF Corporation
Illinois University (USA)	Wakatu Incorporation
La Brasserie de Tahiti	Westland Milk
Landpro	World Trade Organisation
Livestock Improvement Incorporation	Yili Group
Massey University	
MasterCard	

This week's headlines

Horticulture	Citrus industry potential for growth [9 November/New Zealand Herald]
Agriculture Strategy	Big ag shakeup [10 November/ Farmers Weekly]
Agri-tech	Mapping the shift to digital farming [10 November/Rural News]
Future of Food	AgResearch: Foods of the future to boost brain [10 November/New Zealand Herald]
Organics	Organic dairy could compete with alternative proteins, Tatua chairman says [10 November/Stuff] Tatua

Horticulture

Future supply of NZ fruit, vegetables in jeopardy [9 November/New Zealand Herald] Horticulture New Zealand Chief Executive Mike Chapman believes it is time to develop a national food security strategy. A document released by the organisation on Thursday indicates New Zealand may be unable to feed its growing population with domestically grown fruit and vegetables in the future. As our population has expanded, prime agricultural land is being developed into housing. Mr Chapman is pushing for a national food security strategy with the new government and for regional planning decisions to consider the impact on our food supply.

Avocados lead growing shift in land use [9 November/New Zealand Herald] Regions in the upper North Island are seeing shifts in land use from dairying to horticulture. In particular, the 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.

Citrus industry potential for growth [9 November/New Zealand Herald] Havelock North's St Andrews Limes Owner Anthony Williams believes the Hawke's Bay region has enormous potential for growth in the citrus industry. There are areas within the region that do not get frosts and could be used to grow lemons, limes and oranges. The early sun along the East Coast also seemed to enhance the flavour of the fruit grown there. The pip fruit industry in Hawke's Bay has seen more growth than citrus recently, largely due to growers producing varieties which appeal to an Asian market. However, throughout New Zealand, the citrus industry has been growing, and the export market to Asia was favourable, especially for lemons.

Viticulture

British banker sells Motueka luxury lodge and farm to French Polynesian brewer [10 November/Stuff] British banking boss Sir Keith Whitson and his wife Lady Sabine Whitson have sold their Motueka luxury lodge and farm. The new owner will be Jean-Pierre Fourcade, who built his fortune as the head of French Polynesian beer and soft drinks business la Brasserie de Tahiti. A lawyer acting on behalf of Mr Fourcade said that he paid less than half the 2015 asking price of \$20 million. Lawyer Steve Rutherford said the Whitsons had moved back permanently to the UK for family reasons. The property includes a 769-hectare sheep, cattle and deer farm about 50 kilometres west of Nelson.

Dairy

Westland Milk warned over wastewater [10 November/New Zealand Herald] Westland milk has acknowledged whitebaiters concerns about wastewater discharge into the Hokitika River. In a statement yesterday, they accepted that their dairy residue was likely responsible for disrupting whitebait fishing nets. The West Coast Regional Council has issued the company with a formal warning. Chief Executive Toni Brendish said that the issue highlighted the company's need to stop its wastewater discharge into the Hokitika River. The company is investigating the potential for a sea pipeline to enable ocean discharge. This would include the construction of a 3.74km-long pipeline from the dairy factory in Livingstone Street to an outfall point just south of the town sewerage treatment ponds. Mr Brendish believed this option to be more environmentally sustainable. The company is currently working with the Westland District Council, Kiwi Rail and other authorities to finalise the route of the underground pipeline.

Oceania plant gets a big boost [13 November/Farmers Weekly] Investment at the Oceania Dairy processing plant will likely receive a further \$200 million, with the potential to triple Oceania Dairy's milk intake. Oceania Dairy, owned by China's Inner Mongolia Yili Industrial Group, was commissioning the second development phase, integrating a canning and blending operation for infant formula and two UHT manufacturing lines. Total investment before the proposed \$200m boost was \$400 million. Phase three is expected to include a second, larger dryer and a lactoferrin plant. Oceania is expected to begin construction of a more extensive laboratory to support the current laboratory operation by mid-2018, allowing Oceania to complete all in-process quality checks and most of the final product grading. The developments are somewhat responsive to increased quality oversight from China. Upon completion of all three phases, the factory was expected to handle more than 630m litres of milk a year. Oceania said they have a healthy supplier interest level and offer a premium over Fonterra's price.

NZX top performer A2 Milk cites 'pleasing' start of 2018 FY [13 November/New Zealand Herald] A2 Milk was the best performing stock on the benchmark S&P/NZX 50 Index this year after its annual profit tripled. The company outlined positive developments in its Australia and New Zealand, China and other Asia, US and UK markets. A2's shares increased 3.1 percent to \$7.64 and increased 248 percent this year. A2 said fresh milk is experiencing pleasing growth in the first four months of the 2018 financial year in Australia and New Zealand. A2 said it is building a local team in the 'China and other Asia' market to support continuous sales growth and is focused on distribution via mother-baby stores. The company's launch of Australian fresh milk to Singapore was progressing well and had it achieved China Food and Drug Administration registration for its China label infant formula. A2 is building distribution in core regions of the US and making good progress in the rate of sale for fresh milk in the UK.

\$78m savings reflect co-op's new culture [14 November/Dairy News] Westland Milk is set to hit a savings target of \$78 million says Chief Executive Toni Brendish in the co-op's latest annual report. The savings are equivalent to \$1.20/kgMS for the co-op and its 350 farmer shareholders. Westland Milk has been through a troubled past few years, posting a break-even profit of \$29, 000 before tax for the financial year to July 31st. Shareholders expressed their discontent with the company and prompted leadership change. Ms Brendish is spearheading the company through this recovery period and has had a positive effect on the culture of the co-op. Westland Chairman Pete Morrison said that the 2016-17 financial year for Westland Milk Products was characterised by challenge and change. He confirmed that shareholders were now showing more confidence in the company.

LIC chairman Murray King: 'Standing still not an option' [14 November/New Zealand Herald] At the LIC Annual Meeting, LIC Board Chairman Murray King said New Zealand dairy farmers must work to keep their global edge against future disruption. Mr King said the country's dairy industry is vulnerable to the same technological and innovation disruption that other industries have experienced. Mr King also noted clear disruptive threats to the industry from environmental challenges, regulation and alternative milk products- requiring farmers to improve and adapt business operations constantly. Mr King said LIC's process of change is about protecting the co-operative's fundamentals while making sufficient profits that LIC can reinvest for the future. The Chairman stated the cost efficiencies and business growth provided by the transformation programme have significantly contributed to a better 2016-17 financial year result and future earnings. LIC next plans to simplify shares by moving to a single share class to ensure a resilient and adaptable business.

Farmers watching Beimgmate, China Farms performance [14 November/Rural News] Fonterra farmers are closely following the co-op's investment into Chinese food company Beimgmate, which they see as shaky. Fonterra Shareholders Council Chairman Duncan Coull said that although the performance and return on the initial investment had been poor with stock market issues and regulatory reform, there was significant value yet to be realised in the Beimgmate partnership. This value extends beyond the direct investment, sitting as part of a larger, profitable Greater China business. He noted that the numbers are looking forward, as evident through consumption trends, suggested a positive long-term outlook. Because of recent changes to government regulations, focussed on traceability for infant formula products, competitor companies were ridding themselves of stock that would become worthless. Beimgmate sales were affected by this.

Red meat

New Zealand wins WTO appeal for profitable beef access in Indonesia [10 November/Stuff] New Zealand has recently won a WTO appeal to reduce trade barriers with Indonesia, prompting a step up in our beef trade with the country. Trade Minister David Parker estimated a \$1 billion loss in beef sales since the trade barrier was introduced. Meat Industry Association Chief Executive Tim Ritchie said there would not be an immediate impact as trade with the nation had already started to liberalise one year ago. The WTO ruled that the Indonesia trade rules were inconsistent with global trade rules. New Zealand and the US initiated the case back in 2013.

International

IKEA Wants 'Radical Change' for its Food Business to Promote Sustainability [8 November/AgFunder News] IKEA, known for its furniture, also operates a retail food business. This includes in-store restaurants. They sell EUR2 billion of food per year and serve 650 million customers, making it Sweden's biggest restaurant. The recent horse meat scandal, whereby horse meat was detected in beef products, has led to IKEA taking stock of its food business. According to Michael la Cour, Managing Director of IKEA Food Services, the resulting spotlight on IKEA from the scandal has forced the company to re-evaluate a variety of areas of business including food waste, vertical farming, and sustainability. The company recently invested in AeroFarms, the New Jersey-based indoor farming group. Mr La Cour said it might be possible for stores to grow food on-site using this technology.

Someone Figured Out How to Put Tomatoes on a Blockchain [9 November/Bloomberg Technology] Ripe.io is a startup utilising blockchain technology to track the ripeness, colour and flavour of tomato crops. They plan to expand their technology to all aspects of the agriculture industry. Founders Raja Ramachandran and Phil Harris met while working on Wall Street and were intrigued by how blockchain was changing the finance industry. They sought to use the technology in other fields and found a potential market in farming. The blockchain collects data on crops, providing farmers with useful information that leads to higher-quality produce. They have recently partnered with farm-to-counter franchise Sweetgreen Inc. to show how the blockchain technology can be effectively utilised.

Agriculture in the information age; Agriculture [11 November/The Economist U.S Edition] 2KUZE is a simple e-commerce system devised by MasterCard with funding from the Gates Foundation that functions as a virtual marketplace for agricultural workers in poorer, remote locations. The system was designed to help with market accessibility issues in locations such as Kenya's highlands. The system works by alerting producers via a simple text message when a trader requests a certain product. A middleman then collects all the orders, paying the farmer on the spot using mobile money, before delivering to the market. These simple technologies are making a huge difference in many parts of Africa, improving farmers' income while cutting prices for consumers. Other initiatives utilising simple mobile phone technology are also being utilised. A Harvard and Stanford study in Kenya found that farmers who were sent text messages with simple advice such as remember to weed this week increased their yields of sugar cane by 11 percent.

In ten years, Swiss agriculture reduces antibiotics usage by half [13 November/Swissinfo.ch] In a press release to mark the beginning of Antibiotic Awareness Week, the Swiss Farmers' Union has announced that the use of antibiotics in the agricultural sector has been cut by almost half in the last decade. They have achieved this through increased awareness and policy change banning the use of prophylactic antibiotics. In the case of poultry and eggs, the Swiss have more stringent hygiene measures that result in less of a need for antibiotics. In the announcement, the SFU noted that reducing quantities is not in itself enough to stamp out the issue. Improving farming conditions to prevent the spread of transmissible diseases is another area that requires focus.

Should farmers be paid for the data they generate? [13 November/Agri-investor] Board members Don Bierman and Ben Cracker of the Agricultural Data Coalition believe that the farming industry suffers from hyperbole that results in farmers struggling to differentiate the productivity-boosting technology from the short-lived gadgets. Their non-for-profit is aimed at helping farmers better manage their electronic data. Data is an interesting new area of agriculture that has an enormous potential. However, not everybody is willing to pay farmers for their data. They look to companies like Farmobile as great approaches to the issue. Farmobile is an Ag data company based in Kansas that manufactures in-cab devices that are installed on farm machinery, collecting data in real time. Their product differs from their Silicon Valley competitors in that its primary aim is to hold data for its own purposes; rather they enable farmers to take control of their data and derive value directly from it. Farmers can monetise their data by selling it to third-parties through Farmobile's Data Store. The only hurdle is convincing farmers to pay for the product.

POS machines help farmers step into new era [13 November/China Daily] As China progresses towards a cashless society relying on mobile payments, many rural communities are facing difficulties withdrawing cash due to a lack of ATMs. Remote communities such as the village of Daping have no ATM. The area houses some of the country's poorest families, who for years have had to climb over mountains just to deposit, withdraw or transfer money. However, this is about to change as Chinese banks have teamed up with villagers to give Point of Sale (POS) machines to shops allowing locals to deposit, withdraw or transfer money via the machines. The People's Bank of China claims more than 21,300 such service sites have been established in rural communities, reaching more than 22 million rural residents.

Agriculture Strategy

Big ag shakeup [10 November/ Farmers Weekly] Agriculture Minister Damien O'Connor said significant changes would be made to the Ministry for Primary Industries after the Government declared the super ministry, created by the previous National government in 2012, was not fit for purpose. The Labour-led Government have decided to separate aspects of the primary sector into special-purpose bodies. The Forestry Service would be re-established and food safety, fisheries and biosecurity were also getting their own entities. Appointing a primary sector council and a chief agricultural adviser were two critical priorities for Mr O'Connor, who believes the changes will enhance the role and importance of these areas. Mr O'Connor acknowledged the significance of working to put agriculture in a better position to tackle both current and future challenges such as synthetic proteins, genetic modification and climate change.

Wool

Icebreaker inks \$100m 10-year supply contract for NZ merino wool [10 November/New Zealand Herald] Icebreaker has signed its longest ever supply contract with New Zealand merino wool growers and The New Zealand Merino Company, worth \$100 million over ten years. The deal is designed to ensure a long-term supply of merino wool fibre. Pricing will be at a premium in recognition of ongoing loyalty. Icebreaker believes the deal allows them to continue their connection to wool growers, enhancing their brand. This announcement comes off of the heels of another earlier this week that Icebreaker is being sold to US-based VF Corporation.

Farmers and producers

Two new farms in South Canterbury suspected of carrying cattle disease [8 November/Stuff] Mycoplasma bovis may have been detected on two new farms in the Waimate district after suspicious test results. The Ministry for Primary Industries (MPI) has placed a Restricted Place Notice over the properties to stop the movement of livestock. Both farms are owned by the Van Leeuwens. The results would be confirmed by further testing later this week. If positive, the results would bring the total number of farms infected to nine. Last month MPI said about 4000 Van Leeuwen cattle worth up to \$8 million would be slaughtered to halt the spread of the disease. M. bovis is highly contagious within herds but does not travel from farm to farm through airborne means. It does not infect humans and presents no food safety risk. There is no concern about consuming milk and milk products.

New venture about more than just peanut butter [10 November/New Zealand Herald] Dunedin Builder Michael Hastie has established Bay Road peanut butter, producing the spread from a commercial kitchen at the Musselburgh Baptist Church in Dunedin. He launched his product at the Otago Farmers Market this weekend. He has hopes to set up a small factory in the future. Mr Hastie set up the company after ambitions to start a venture he could do on his own without having to take out a large loan. His peanut butter comes in glass jars which consumers can return for a discount, or they could also get them refilled. The peanuts are sourced from Australia and Argentina. The project took six months to get started.

Fine weather has agricultural contractors working hard to get ground ready for crops [10 November/Stuff] Fine weather has enabled farmers in the southern North Island to get out and flat their land ready for crops. Recent weeks of wet conditions had set farmers back. However, most were now on track. Some contractors rate the wet spring the worst in 50 years. Andrew Pedley from Pedley Contracting, based at Rongotea in Manawatū, said the wind had dried the region out and surprisingly, we need some rain now.

Farming people the biggest concern [14 November/Dairy News] According to a survey conducted by Dairy Women's Network (DWN) the biggest challenges for farmers were people: having the quality staff, on-farm communication, managing staff, time to work on their business and not in their business and management. The results were presented at a recent DWN meeting by Chief Executive Zelda de Villiers. After people, the next group of concerns was public perception and portrayal. The survey also asked farmers why they were farming. They cited animals and being outside as primary driving force, with freedom of choice and freedom of their destiny following.

Government

New Minister of Agriculture and Biosecurity former Young Farmer [14 November/New Zealand Herald] New Zealand Young Farmer has welcomed the new Government coalition and is excited to form a positive partnership with the Minister of Agriculture and Biosecurity, Damien O'Connor. CEO Terry Copeland said he is looking forward to sharing the issues and opportunities New Zealand Young Farmer is working on to promote agriculture to youth nationwide. Mr Copeland added it is the priority of the new Government to ensure education and employment of New Zealand Youth, and New Zealand Young Farmer can add to this interest. Mr Copeland said it was heartening that the new minister was a former New Zealand Young Farmer who had also competed in a regional final of the FMG Young Farmer of the Year. Mr Copeland further noted that Mr O'Connor is an example of the wider part the organisation plays in developing future leaders.

Water

Joint efforts on water quality [12 November/Otago daily times] At a meeting in Omakau last week, local farmers and the Otago Regional Council discussed their water quality improvement strategy with Environmental Resource Scientist Rachel Ozanne and Environmental Officer Melanie Heather. The strategy involves ongoing testing of water at Thompson's creek, Waipiata and Bannockburn. Testing began six weeks ago and will run through until May. The results of the testing will be used to guide changes in water use rights which come into effect in 2021. Limerick Downs dairy farm owner Hamish Stratford co-ordinated the meeting, and said the discussions centred on the strategy and what further testing needed to be done.

Health and Safety

Warning: Common infections are developing resistance to antibiotics, health crisis looming [13 November/New Zealand Herald] New Zealanders are being warned by the NZ College of Public Health Medicine that some common infections are developing resistance to current medicines, and a health crisis is looming. Antimicrobial resistance (AMR), a state where micro-organisms are non-responsive to antimicrobial medicine treatment, such as antibiotics and antifungals, could cause 10 million deaths globally annually by 2050 if unchecked. College Spokesman Professor Michael Baker said AMR threatens the core of medicine. The College is calling for New Zealand to have an AMR national plan and to implement the New Zealand AMR Action Plan published earlier this year. The College hopes planning incorporates preventing infections, improving antimicrobial prescribing, public education and a national DHB-level monitoring. Prof Baker said this is a global issue and New Zealand has a role to play by ensuring widespread commitment across medical, veterinary and agricultural sectors. Contributing factors to AMR include over-reliance on broad spectrum antibiotics and excessive use of topical antibiotics.

Agri-tech

Mapping the shift to digital farming [10 November/Rural News] AgResearch is starting a programme investigating the new era of digital agriculture. The goal of the programme is to develop a technology roadmap to support the industry as it transitions to digital agriculture, as well as identify barriers to technology uptake. AgResearch Research Director Greg Murison believed there was a huge potential for technology integration on New Zealand farms, and that many farmers were already utilising technologies such as sensors connected to mobile devices. He believed that technology integration would enable our agriculture export industry to stay ahead of the game.

Biosecurity

Auckland Airport brings out new measures to combat biosecurity risk [14 November/New Zealand Herald] A new biosecurity X-ray machine targeting hand luggage carried by international passengers will be trialled at Auckland Airport this summer. The Ministry for Primary Industries said the new machine could potentially improve biosecurity and passenger flow at the airport. MPI Detection Technology Manager Brett Hickman noted smaller hand luggage has the highest risk of bringing fruit fly into New Zealand, with MPI figures showing almost 90 percent of seizures of fruit fly host materials are from hand baggage. MPI biosecurity staff have begun directing passengers to the new unit during arrival peak times, shortening passenger wait times. The machine is the MPI's most technically advanced X-ray unit, producing high-quality images and a side and top view of baggage instead of a traditional single view.

Science

'Rock star' of sheep science gets lifetime achievement award [14 November/Otago Daily Times] AgResearch Invermay-based Principal Scientist John McEwan was awarded a Science NZ lifetime achievement award at a function marking 25 years of Crown Research Institutes. Dr McEwan has been based in Invermay since 1986 and was internationally respected for his work in improving livestock genetics. His nomination stated his dominant force behind numerous initiatives aimed at improving the genetic merit of livestock, mainly sheep. Dr McEwan has been the leader in many international consortiums and published over 280 publications. Dr McEwan viewed the lifetime achievement as a team award for the animal genomics group at Invermay and spoke fondly of past bosses including Ken Drew, George Davis, Peter Fennessy and Allan Crawford and other AgResearch staff.

Environment, Emissions, and Sustainability

Genetic way to cut nitrogen [11 November/Rural News] Canterbury Dairy Farmer John Tanner runs a farm located 20km from Lake Ellesmere. The lake has seen water quality issues in recent years prompted the introduction of set nitrogen targets. The Canterbury Water Management Strategy, introduced in 2012, requires that dairy farms in the catchment reduce their nitrogen limits by 30 percent by 2022. Mr Tanner is achieving this target through improved water management, reduced fertiliser usage, and hopefully with the help of CRV Ambreed's new LowN Sires bulls. The company identified bulls with a low nitrogen excretion rate in their urine. The daughters of these bulls will enable farmers to produce milk with reduced nitrogen leaching. The genetic discovery is believed to be able to reduce nitrogen leaching by 20 percent within 20 years.

Sectors differ on ETS inclusion [13 November/Farmers Weekly] The dairy and forestry sectors have offered contrasting views on how they should be treated in emissions trading as the Productivity Commission considers submissions to its low emissions economy inquiry. The inquiry identifies how New Zealand could decrease greenhouse gas emissions and retain economic wellbeing. Fonterra's submission highlighted the country's relative carbon efficiency for dairy production, stating there was no global benefit in moving milk production out of New Zealand as Fonterra's suppliers produce milk at half the world average emissions rate. The submissions sought climate change policy clarity and supported a climate act recommendation and the ETS for fossil fuel emissions. However, they believed the scheme insufficiently addressed market failures and incentivised on-farm mitigation action. The forestry industry believed the ETS is flawed unless land use change was forced, which would come only when the tax-free environmental and carbon farmer subsidies were removed. They also called for reforestation of Government grasslands.

Taranaki farmers scoop almost half of council's environmental accolades [13 November/Stuff] Seven of the sixteen Taranaki Regional Council annual Environment Awards were awarded to farming operations in the Taranaki region. TRC Chairman David MacLeod said extensive monitoring had revealed the environment was stable or improving in numerous key areas, mainly freshwater quality. Mr MacLeod said this shows the region takes the environment seriously, however the bar is continuously being raised, and expectations grow larger. The awards have operated since 1993, and two of five categories relate to farming. Four farming operations were recognised in the environmental leadership in land management category. One winner, the Berridge family, received an award for their efforts to protect water quality and restore native habitats. Sandra and Duncan Blue, Chris Jury and Daniela Krumm, and Holly Johnson and Simon Bailey also received land management awards. Three environmental leadership awards were presented to the region's dairy farmers. Ray and Pauline Willy, Damian and Jane Roper and Ian Sharp received the award.

Animal Safety

Successful surgery on Queenstown kiwi [9 November/New Zealand Herald] A breeding female kiwi at a Queenstown sanctuary has been saved by a rare emergency C-section. The Kiwi Birdlife Park keepers found Tawahi the kiwi having seizures. She was rushed to a vet where experts decided Tawahi was suffering from egg-binding meaning she was unable to lay her egg. She was sick, having already inhaled some of her stomach contents from pushing. The procedure was deemed necessary to save her life. Unfortunately, the egg was not viable. However, Tawahi survived and is making a recovery.

Farmer fined for not treating diseased cow [11 November/New Zealand Herald] Hastings Farmer Cedric Walter McGhie appeared in the Hastings District Court on Wednesday for sentencing after pleading guilty to two animal welfare charges. In November 2015, he sent a cow to the meat works with eye cancer. He claimed that he noticed the cow had its eye closed but did not think it was of significance as the cow did not display other typical symptoms of the disease. Judge Bridget Mackintosh said while Mr McGhie did not know the cow had cancer, he had been aware something was wrong for some time. Mr McGhie was fined \$2500.

Agri-education

National award for local carpenter Vincent Hubbard [10 November/New Zealand Herald] Vincent Hubbard from Hamilton has been named Registered Master Builders Carters 2017 Apprentice of the Year at this year's national competition. Along with ten other finalists, Mr Hubbard was first interviewed and then challenged to build a puppy palace. Mr Hubbard impressed judges with his knowledge of the industry and calm demeanour throughout the competition. Mr Hubbard is employed by Urban Homes and was trained through BCITO. Second place was awarded to Jack Clifford, 24 from Napier. Third place was awarded to Logan Alderson, 20 from Manurewa.

New Nuffield scholars announced [10 November/Farmers Weekly] Five scholars have been selected for the 2018 Nuffield scholarship course. The scholars will spend over four months overseas studying and investigating their chosen topics, aiming to put NZ's primary sector on the global stage and increase understanding of the sector's performance comparatively. The scholars are Te Puke Kiwifruit Grower Simon Cook, who also owned a kiwifruit contracting business and held governance roles on kiwifruit organisations. Andy Elliot, with experience developing new aquaculture species and enterprises and also headed the business development unit for Wakatu Incorporation. Turi McFarlane, with a background in farm systems and natural resource management and had a keen interest in Maori agribusiness. Mr McFarlane was working with Ravensdown Environmental as a Senior Farm Consultant. Solis Norton had a doctorate in the epidemiology of John's disease in dairy herds and joined Deer Industry NZ as a Project Manager. Finally, Landpro Founder Kate Scott. Before Landpro, Kate managed a 200ha dairy farm at Roxburgh.

Future of Food

AgResearch: Foods of the future to boost brain [10 November/New Zealand Herald] AgResearch scientists are working on programmes that have been awarded more than \$21 million from the Ministry of Business, Innovation and Employment's Endeavour Fund. Projects include investigating the potential for future foods to improve brain performance via the gut-brain axis. Programme Leader Dr Nicole Roy explained that our guts influence our lives through a connection to the brain. Her team will be using cutting-edge techniques to understand how dairy ingredients and probiotics can work together to send signals from the gut to optimise brain development and performance. The research is in collaboration with Fonterra, the Riddet Institute, University of Auckland's Centre for Brain Research, Australia's Flinders University, Ireland's University College Cork, and Illinois University in the United States.

A food future of lab grown steaks and yeast brewed milk [10 November/Stuff] Tarata farmer Bryan Hocken says the synthetic meat revolution is another challenge for the dairy industry. However, he is not worried. He points out that in New Zealand animals are farmed outdoors all year round and grow fat on a diet dominated by grass. It's as natural as large-scale farming gets. He believes synthetic meat producers will not be able to compete against the natural grass-fed alternative. Mr Hocken is aware of the damage the synthetic carpet industry dealt with wool producers, but believes farmers are more aware of the issues this time around. The focus for the industry will be supplying high-quality meat to the high-end market. The same can be said for the dairy industry. Dairy giant Fonterra believes the natural goodness of dairy, combined with its unique nutritional value means it will remain the premium nutrition product of choice. DairyNZ scientists have confirmed that there are no substitutes as of yet that manages to match the nutritional profile of milk produced by dairy cows.

UberEats is going to let you order food from 'virtual restaurants' that don't exist IRL [10 November/Mashable Australia] UberEats is now serving dishes from virtual restaurants. The new concept allows you to order from a restaurant that doesn't have a full-fledged store presence. For example, a sandwich café could theoretically also serve a salad with relatively no change to the ingredients in its store. Through UberEats the sandwich café would become a virtual salad bar. UberEats believes the concept will fill in supply gaps for certain dishes. UberEats has already started work on the idea. In Chicago, Poke Cafe is a virtual restaurant serving Hawaiian poke bowls operating out of a sushi bar. The idea is not unique to UberEats. Competitors like DoorDash and Grubhub in the U.S. are already serving dishes from virtual restaurants.

Edible weeds the focus for Whanganui workshop [11 November/New Zealand Herald] Julia Sich will demonstrate and teach her knowledge of herbal remedies at a health workshop in Whanganui on November 26. Ms Sich graduated with a diploma in horticulture from Massey University, and then worked at Weleda in Havelock North where she made medical remedies and teas. Ms Sich has battled health issues herself, having previously suffered from a brain bleed, and being diagnosed with auto-immune disease Idiopathic Thrombocytopenia Purpura. She attributes her current well state of health to a combination of western medicine and her edible weeds and greens.

Chicken without the chicken flying off the shelves [13 November/New Zealand Herald] Kiwi start-up Sunfed Meats, produces a pea-protein chicken substitute consistently sold out at stockists. Sunfed Meats is looking for investors to expand. Founder and Chief Executive Shama Sukul Lee launched a campaign to raise capital to meet the growing demand for its chicken product. A significant portion of demand is from overseas, and Ms Lee said people could not differentiate between the substitute and the real thing. Sunfed Meats' initial funding round was getting significant overseas and local interest. The company wanted to scale fast and hard in volume and new products, as demand is booming due to no similar product being available other than beef substitutes. Ms Lee said people were increasingly conscious about the origins of their meat but found it hard to eliminate this protein-source entirely. Ms Lee said Sunfed took plant protein and realigned it to the same formation as chicken to achieve a texture match with real chicken.

Forestry

Portable sawmill gives teeth to low-impact, sustainable logging [9 November/New Zealand Herald] Hamish Randle works for Richard Thompson, a Whanganui forest owner and timber merchant. Mr Randle moved to Whanganui from Rotorua two years ago. Mr Thompson and his wife Laurel Stowell began planting on their 16 hectares of hillside in 1991. They focused on high-value alternative species of Tasmanian blackwood and macrocarpa initially before moving into plantings of silver wattle, poplar and gum. His forest is in the Permanent Forest Sink Initiative, meaning it will never be clear-felled. He later set up a sawmill and timber yard to market his product himself. Mr Randle is relishing in the opportunity to learn from Mr Thompson about the industry. Mr Randle has recently returned from field visits in Masterton organised by the Association's Indigenous Forests Section. He is full of admiration for the long-term trials of alternative species and has a particular interest in durable ground gums and harvesting Roundwood. He wants to own some land in the future so that he can start planting his own trees. He has an investor to back him as well as Mr Thompson to mentor him, but the land is proving hard to find.

Organics

Organic dairy could compete with alternative proteins, Tatua chairman says [10 November/Stuff] Tatua Dairy Co-op Chairman Steve Allen says that New Zealand's dairy industry could go 100 percent organic to compete with synthetic proteins. At a Rural Business Network meeting in Hawera, Mr Allen expressed concerns that the alternative protein industry is a threat to our primary sector. He sees non-GMO, grass-fed, chemical free beef might be an opportunity to differentiate ourselves. He implored farmers to be world class and take up that challenge rather than be frightened about it. Waikato-based Tatua Co-operative Dairy Ltd has 110 shareholder suppliers and exports 90 percent of its primarily value-added products to more than 60 countries.

Mental Health

Horses help to restore wellbeing [9 November/Otago Daily Times] Horses are being used to promote mental health in Rangiora, North Canterbury. Salta Horses are using the Equine-assisted Growth and Learning Association international certified model to assist in wellbeing and recovery from trauma. Director Deirdre Ryan hosted two open days last month as part of Mental Health Awareness Week. Ms Ryan said the open days were targeted at police, non-governmental organisations, health providers and Oranga Tamariki/Ministry for Children. She said that the therapy was both an alternative and complementary therapy and worked particularly well in individuals who found talking difficult. Ms Ryan said Salta Horses could also provide team-building sessions for businesses and spending time with the horses was good for helping with burnout as well as wellbeing and improving creativity and performance.

Biodiversity

Federated Farmers: Seeking Mandate To Join Biosecurity GIA [12 November/NZ Farmer] Federated Farmers views joining the GIA as the right thing to do. The Government Industry Agreements for Biosecurity Readiness and Response (GIA) is a framework that utilises a partnership approach between Government and industry to deliver better biosecurity outcomes by identifying threats early. The GIA has 16 primary sector members, including the two livestock processing organisations – Meat Industry Association and the Dairy Companies Association of New Zealand. A critical difference between the Federated Farmers proposal and the other livestock sector proposals is that the federation is seeking to sign the GIA Deed only. Federated Farmers believes the livestock sector is best formally represented at an operational agreement level by industry organisations who will be responsible for managing the majority of industry funding. Federated Farmers will provide members with GIA proposal information through many channels. The formal consultation process is planned to take place from October 31 until December 6.

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 15 November 2017

Field Notes presents a summary of some of the media comment on the Agribusiness sector in the last week. The views expressed do not necessarily represent the views of KPMG but are summaries of the articles published.

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