



Hot Off The Press:
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Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

14 March 2018

Organisations referenced in this week's Field Notes include:

AgriHQ	Hawke's Bay Regional Council
Alliance	Hikurangi Hemp
Alpine Honey Specialities	Horticulture New Zealand
American Botanical Council	Indigo Agriculture
Ancient Nutrition	Kellogg
Anzco	LIC
Apiculture New Zealand	Mataura Valley Milk
Australian Wool Exporters Council	Meatco NZ
Australian Wool Innovation	Ministry for Primary Industries
Balance Agri-Nutrients	Ministry of Health
BASF	Ministry of Social Development
Bayer	Monsanto
Beca	New Zealand Apples and Pears
Beef + Lamb New Zealand	New Zealand Pork
Cargill Inc.	Overseas Investment Office
Carrefour	Ravensdown
Cofco Corp.	Red Stag Wood Solutions
Dr. Bronner's	RXBAR
Ecan	Silver Fern Farms
Federated Farmers	Starship Technologies
Fonterra	Syngenta Ventures
Foodspring	Tegel
Friends of the Earth	The New Zealand Honey Company
Global Dairy Trade Auction	Vitale Barberis Canonico
Goodminton	Westland Milk Products

This week's headlines

Dairy	Fonterra partners with Beca on VR training technology [7 March/Dairy Reporter]
Apiculture	Bees too hot to make honey as they swelter in NZ summer [7 March/NZ Farmer]
Pork	Kiwi pigs can fly to Australia [12 March/Farmers Weekly]
Economics and Trade	NZ signs CPTPP deal in Chile [9 March/NZ Herald]
Hemp	Medical marijuana a 'billion-dollar industry', says exporter who employs staff with a past [11 March/Stuff]

Dairy

Fonterra Ventures partners with nutrition start-up Foodspring [2 March/Foodbev Media] Fonterra have teamed up with German nutrition start-up Foodspring following an investment in its parent company, Goodminton. Foodspring sells products including whey protein shakes and organic superfoods and focuses on healthy eating, weight management and muscle-building. Fonterra's CEO for Velocity and Innovation, Judith Swales, believed the deal would create a range of new business and market development opportunities. Ms Swales said Fonterra was a global leader in protein and high-value, advanced ingredients so it made sense to strive to be at the forefront of the active nutrition market. She added that the partnership will accelerate their progress through access to a new customer segment, and that Foodspring's growth trajectory was impressive. Foodspring's CEO, Tobias Schüle, noted that they were pleased to have gained the support of Fonterra.

Dairy prices slip for a second straight auction [7 March/The Country] Dairy Product Prices declined at the Global Dairy Trade Auction, with whole milk powder declining 0.8 percent due to an increase in supply. The GDT index fell 0.6 percent from the previous auction. AgriHQ Dairy Analyst, Amy Castleton, said Fonterra had increased its whole milk powder offer volumes ahead of this event as milk flows started to improve. Buttermilk also fell 4.3 percent, and anhydrous milk fat decreased 3.2 percent. Skim milk powder improved by 5.5 percent. Ms Castleton noted the improvements in skim milk powder was driven by higher prices for UHT grade product. There were 130 winning bidders out of 174 participating in the auction.

Milk payout lowered after cyclone [7 March/Otago Daily Times] Ex Cyclone Fehi is affecting farmers as their co-operative Westland Milk Products reduced its forecast payout for the 2017-18 season. Westland Milk Products Chairman, Peter Morrison, said the Board had considered the bottom line financial impact due to interruption in production and that the costs were equivalent to 8-10c per kilo of milk solids on payout. This resulted in them approving a new payout forecast range of \$6.10 to \$6.40. Whataroa farmer, Dave Nolan, added that this was expected and represented a \$20,000 drop in income for the average Westland farmer. Mr Nolan noted he had lost \$60,000 in the last fortnight and that most farmers were in a feed deficiency.

Mataura Valley Milk offers strong milk price [9 March/NZ Farmer] Mataura Valley Milk General Manager, Bernard May, said the company was offering a competitive milk price with a supply premium of 20 cents per kilogram of milk solids. This was along with other incentives adding up to a total payment advantage of up to 55.5c/kg. He added that he was confident it was the best payout structure in the South Island currently. Mataura Valley Milk is following moves by other companies in moving away from lower value commodity products. Mr May noted that with New Zealand milk supply expected to be static, and volumes out of the United States and Europe climbing, higher value returns were essential. Mataura Valley Milk Supply Manager Dave Yardley said farmers saw the nutrition-focused strategy as a good alternative to decreasing commodity returns.

Fonterra partners with Beca on VR training technology [7 March/Dairy Reporter] Beca and Fonterra have partnered to develop a virtual reality health and safety training technology. A Fonterra spokesperson said they commissioned Beca to develop the tool and therefore own the rights to the application. The reason for the technology is part of Fonterra's commitment to become a world leader in risk mitigation. Fonterra's Director of Health and Safety, Resilience and Risk, Grey Lazzaro, said there are significant opportunities for VR, and that by replicating physical environments people could learn about and identify potential hazards quickly. Mr Lazzaro added that they saw it as being more efficient and that there was potential for the trainee to do the learning independently. Andrew Cowie, a Project Manager at Beca, noted that technology was the future of health and safety, and that it is already being used by other organisations around the world.

Economics and trade

NZ signs CPTPP deal in Chile [9 March/NZ Herald] Trade Minister David Parker signed the Comprehensive Progressive Trans Pacific Partnership, and also revealed New Zealand had signed side letters with five countries to exclude the use of controversial compulsory state-disputed settlement provisions. He added that it was good to see international acknowledgement of the need for trade that worked for everyone. Mr Parker noted that the agreement brought together 11 countries that made up 13.5 percent of the world's GDP. He said it gives our exports new opportunities in new markets, preserves the Treaty of Waitangi and protects the Government's rights to regulate in the public interest. The TPP had been controversial in New Zealand, but significant changes have been made since then. Chief Executive of Horticulture New Zealand, Mike Chapman, added that as it stands the deal's worth to New Zealand is a rise of between \$1.2 and \$1.4 billion in GDP.

Rural supplies

LIC rules out another cost shock from reforms [8 March/NZ Herald] LIC shareholders were assured they were not in for another cost shock from two years of work on a new share structure proposal. LIC had farmer investment shares listed on the NZAX and had a market capitalisation of \$66 million. Farmers were surprised when they found out \$20.7 million had been spent on transformation costs. LIC Chairman, Murray King, said that the bill for the work was already part of LIC's earnings forecast for 2018/19 and that the Board of advisors had been working on the proposal for two years. Mr King presented the proposal to simplify LIC's two share structure into one share, and warned farmers there was no backup plan if they voted down the proposal. Mr King noted that turnouts to proposal presentations were pleasing. Internet and postal voting closes on 12 March.

NZ unlikely to buy disputed phosphate [5 March/Radio NZ] A controversial cargo of phosphate that was seized in South Africa went back on the market, however New Zealand's two biggest fertiliser companies said they were unlikely to purchase it. The ship was carrying 50,000 tonnes of phosphate rock bound for New Zealand last May when it was stopped at Port Elizabeth as activists argued the fertiliser belonged to an independence movement for Western Sahara where it was mined. The rock is to be put up for tender again, however Balance Agri-Nutrients and Ravensdown, the New Zealand companies who had contracted to buy the material, noted they were unlikely to purchase it. New Zealand uses hundreds of thousands of tonnes of phosphate for agriculture each year with a large portion being spread by aerial top dressing. Most of the world's phosphate is mined in the Western Sahara.

Farmers and producers

Cyclone Bola remembered, as 300mm of rain deluges parts of Hawke's Bay [9 March/The Country] Heavy rainfall of up to 329mm in just over 24 hours was recorded in the Hawke's Bay Region, thirty years since Cyclone Bola. The rainfall was almost three times the March average over the thirty year period. Hawke's Bay Regional Council Principal Scientist Climate and Air, Dr Kathleen Kosyniak, said the rainfall was quite focused in contrast to the much wider spread of Cyclone Bola. Farming identity Phil Holt added that at a Beattie Road Property they had 354mm of rain in just 12 or 13 hours, but at his own property just 5-6 kilometres away there was barely 30mm. The worst flood on record in Hawke's Bay was the Clive Flood in 1897 in which 10 people were recorded as losing their lives.

Farmers told to work with constructively with the new government or risk being shut out [13 March/NZ Farmer] Beef + Lamb New Zealand Chairman, James Parsons, spoke at Onetai Station's recent annual field day and urged farmers to not be worried by participating in the government's proposed policies about climate change. He said that he thought there was genuine desire to be collaborative and that this was seen in the complete turn in the Trans Pacific Partnership Agreement. He added that it was important that the farming sector engaged with the government to share their views. Mr Parsons was confident the sector could work through these issues and that if farmers engaged constructively, they would see that reciprocated. Mr Parsons is stepping down as the Beef + Lamb New Zealand after nine years on the board.

Forestry

Rotorua pegged for \$20m cross-laminated timber factory [8 March/Stuff] A \$20 million cross-laminated timber plant is to be built in Rotorua near the country's biggest sawmill. The plant will be built by Red Stag Wood Solutions at their 95 hectare wood processing site. Their Chief Executive, Marty Verry, said Cross Laminated Timber (CLT) is a product on a rapid growth curve globally. Mr Verry added that their vision is that wood will be common in mid-rise buildings by 2030. The CLT Division's Managing Director, Jason Cordes, said the plant would create forty new jobs. He noted that it had the potential to save thousands of dollars on the cost of building, that it performs well in earthquakes and that it can cut construction time by up to 30 percent. The plant is expected to produce more than 50,000 cubic metres of CLT within two years according to Mr Cordes. CLT is essentially sticks of wood glued together, so treatments need to penetrate the product completely.

OIO take over forestry registration [7 March/Radio NZ] Forestry Registration rights will be controlled by the Overseas Investment Office. Cabinet agreed to streamline the application process used by the OIO as some forest owners had complained that tortuous proceedings made it hard for overseas forestry companies to invest in New Zealand. The new application path would apply to cutting-rights for forests as well as freehold or leasehold land. The government is making these changes before the Comprehensive and Progressive Agreement for Trans Pacific Partnership comes into force. Overseas investors would still be able to purchase up to 100ha of forestry rights per annum, or any forestry right of less than three years without approval.

Apiculture

Bees too hot to make honey as they swelter in NZ summer [7 March/NZ Farmer] The hottest summer on record in many parts of the country has caused a challenging season for beekeepers as bees have stopped making honey so they can gather water to cool their hives down. Chief Executive of Apiculture New Zealand, Karin Kos, said beekeepers were expecting a slightly below average honey harvest and that variable weather conditions have interrupted honey flow as a result. Peter Ward of Alpine Honey Specialities added that his crop was down this season and that nobody was taking a good crop this season. He noted that for some beekeepers throughout Otago, Manuka had yielded reasonably good crops so what was lost in quantity was recovered in quality. Ms Kos acknowledged that there was an 11 percent increase in registered hive numbers, and that it was good to see strong demand and premium prices for New Zealand honey with average export prices increasing.

Buyer found for NZ Honey Co [9 March/Otago Daily Times] The New Zealand Honey Company has been bought out of receivership for an undisclosed sum. The company was placed in voluntary receivership by its shareholders in mid-December and its overall debt was assessed at more than \$1.4 million. The liquidator, Iain Nellies, confirmed that it was bought by New Zealand buyers and would continue to be operated by a going concern. Scott Brundell said the brand and intellectual property rights were purchased by Mark Lahood, Marc Eurell and himself. Mr Nellies added that the company had sold its Mosgiel factory in June last year and would now operate as a broker, taking orders and selling domestically. The United Kingdom was The Honey Company's biggest market.

Pork

New Zealand pork soon to be on Australian tables [6 March/NZ Farmer] According to New Zealand Pork Chairman, Ian Carter, New Zealand Pork will soon be sold in Australia for the first time in a niche market. He noted that the amount the industry hoped to sell depended on how successfully exporting companies took up the opportunity. Pork exports are limited to few markets including the Pacific Islands and Singapore. In the previous year to 30 June 2017, New Zealand exported around \$1 million of pork. Ministry for Primary Industries Deputy Director-General of Policy and Trade, Jarred Mair, said New Zealand has a strong meat regulatory system which is held in high regard with our trading partners. A large portion of the trade would be to restaurants, and the pork would not be sold using the Freedom Farms brand as it is in New Zealand.

Kiwi pigs can fly to Australia [12 March/Farmers Weekly] Access and certification for uncooked pork exports to Australia have been agreed by the Ministry for Primary Industries. NZ Pork Chairman, Ian Carter, said that although Australia is a big pork importer, New Zealand had never been on their radar. He added that this was a good opportunity to explore export markets, and that he commended MPI for their role in getting this protocol in place. Mr Carter noted that it was largely due to New Zealand's highly respected farming status and that the development of NZ Pork's trust mark was the topic for him to address at Australia's annual pork industry conference. MPI's Policy and Trade Deputy Director-General, Jarred Mair, emphasised New Zealand's strong meat regulatory system and appreciated the support of the New Zealand pork industry.

Red meat

SFF directors challenged [8 March/Rural Life] Silver Fern Farms Co-operative Limited's director election has drawn attention due to two candidates challenging two directors. At the company's annual meeting on April 18, Rob Hewett and Fiona Hancox will retire by rotation however, they are both standing for re-election. The two challenging their positions are Federated Farmers National Board Member, Chris Allen, and Federated Farmers Chief Executive, Conor English. The results will be announced prior to the annual meeting and voting by eligible shareholders will close on April 16.

Halal slaughterhouse's owners Meatco put into liquidation [10 March/The Country] A halal meat exporter, Meatco NZ, was placed into liquidation meaning some overseas Muslims may no longer have access to New Zealand lamb. According to the Meatco website, they were a leading provider of high quality halal lamb and mutton products in the Middle East and South East Asia, and had the capacity to slaughter 15,000 sheep per week. Canterbury resource consenting authority Ecan has no record of a consent being granted, and the Ministry for Primary Industries which grants licences to slaughterhouses, has no record of a licence granted to Meatco. Michael Stacker is the sole shareholder of the company, and has previously been prosecuted for tax offences. The Islamic form of slaughtering animals involved killing through a cut in the jugular vein, carotid artery and windpipe.

Defection Disappoints [12 March/Farmers Weekly] Anzco General Manager, Grant Bunting, said that a decision by Alliance not to take on a nationwide meat industry farm quality assurance programme would put industry integrity at risk. Alliance will use its own programme rather than the collaborative Farm Assurance Programme (FAP). It was established to enhance consumer confidence. Alliance Chief Executive, David Surveyor said they never indicated they were fully committed to FAP, and that customers value their programme. He added that Alliance was focused on the enhancements of its own assurance programme. Mr Bunting was surprised and disappointed at Alliance's decision, and noted the FAP was introduced to streamline the process for industry and farmers and to ensure everyone was working to the same standards. Silver Fern Farms introduced the FAP last year and have over 300 farmers accredited, and a spokesman said it had been a collaborative initiative to benefit their industry.

Poultry

Tegel posts yet another shocker of a profit downgrade [8 March/National Business Review] Tegel Group Holdings' have downgraded their expected full-year results and unexpected costs have been incurred. It announced its annual results, even before one-off costs of between \$8-\$10 million, will be lower than last year after previously expecting to improve on last year's results. Net profit is expected to be around \$25-\$27 million. Every result Tegel has reported since listing in May 2016 has fallen short of expectations. Tegel were blaming lower than expected export earnings. Tegel's Chief Executive, Phil Hand, said that one off costs from ex-cyclone Gita, compliance and agriculture costs, and internal restructuring affected the bottom line. The company noted that although there will be a short term impact, there will be ongoing benefit from the improved structure. Mr Hand added that the domestic business was solid, and the new product development programme continued to deliver and the value-added sales were generating better margins.

Hemp

Medical marijuana a 'billion-dollar industry', says exporter who employs staff with a past [11 March/Stuff] Growing marijuana has become a well-paid job for locals of a town in Ruatoria, north of Gisborne. They have pulled 5000 plants from the property, and they hang it over wire lines to dry under the sheds shelter. The employees are mainly ex-convicts who are happy to be out of prison and off the benefit earning an income that isn't breaking the law. Hikurangi Hemp currently holds a licence from the Ministry of Health to grow two strains of marijuana for research and development purposes. Hikurangi Managing Director, Manu Caddie, said he employed his workers as they know marijuana plants the best. Ministry of Health Prevention Manager, Emma Hindson, says the Misuse of Drugs Amendment Bill doesn't disqualify workers with criminal records, but the ministry was likely to bar workers with a drug conviction. The bill allows for a domestic medical cannabis industry for New Zealanders who have one year left to live. It does not mention exporting, however Hikurangi already has export deals prepared. Mr Caddie was open to giving the government a stake.

International

European superfine wool buyer calls on Australia to set new deadline to end mulesing [10 March/ABC News] European buyer of Australian superfine wool, Davide Fontaneto of Vitale Barberis Canonico, has urged growers to end mulesing before customers go elsewhere to buy wool. Mulesing is a practice where farmers cut strips of wool-bearing skin from a sheep's backside to keep it clean and fly free. He added that they were facing requests from clients for fabrics to not be made of mulesed wool. Australian Wool Innovation said they are committed to the research, development and extension programme to reduce reliance on mulesing, and that animal welfare and flystrike were its top research priority. Mr Fontaneto added that he thought Australia needed to more seriously consider setting a target date to end the practice. Head of the Australian Wool Exporters Council, Matthew Hand, noted pressure from customers from non-mulesed wool is rising.

AgriFood Tech Investment Surges to \$10.1bn Bringing in a New Normal [8 March/AgFunder News] Early food investment in agrifood tech start-ups reached \$10.1 billion in 2017, increasing 29 percent over the level in 2016. Large deals including a \$1 billion series H round by Chinese Restaurant Marketplace ele.me were the main reason for the increased investment. eGrocery start-ups raised 96 percent more funding in 2017 compared to 2016. The microbial seed coating company, Indigo Agriculture, raised \$203 million in Series D funding which values the company at over \$1 billion. Many other high profile companies also saw large growth and funding. Major acquisitions also occurred during 2017 including Syngenta Ventures who made five investments. With the size and nature of 2017's rounds, some start-ups are beginning to imagine a future as standalone companies. The average size of seed stage deals increased 60 percent, and Starship Technologies raised \$17.2 million in their seed round. Overall, there was a 29 percent drop in seed stage activity in 2017.

Cargill Offers Big Data, Digital Tools to Help Shrimp Farmers [6 March/Bloomberg] Cargill Inc. planned to offer big data to aid shrimp production, expanding technology tools. Software that relies on machine learning and sensors will allow farmers to analyse various factors related to shrimp production according to executives from Cargill Inc. They are one of the world's largest agriculture companies who have been collecting big data used across various diverse industries and applying it to farming. Their previous projects include using facial recognition to increase milk output from cows, and an application providing data to make animals more comfortable and productive. Cargill's Digital Insights Production-Line Director for Aquaculture, Neil Wendover, said it was helping farmers to make faster and more informed decisions. He noted that Cargill planned to offer the technology to tilapia and salmon farmers in the near future.

Bayer-Monsanto deal rests on BASF [9 March/Euro Fruit] BASF were in talks with Bayer to acquire their seed business, whilst Bayer were trying to address anti-trust regulators' concerns over its planned merger with Monsanto. Any deal would be dependent on the acquisition of Monsanto. The merger would make it the world's largest maker of seeds and pesticides. BASF said the deal was an opportunity to enhance its seed platform and the position of its agricultural solutions business. According to a recent survey, 93.7 percent of farmers were concerned that the potential merger would negatively impact them. Their top three concerns were that the company would use its dominance in one product to push sales of other products, control data about farm practices, and increase pressure for chemically dependent farming. Senior Food Futures Campaigner at Friends of the Earth, Tiffany Fick-Haynes, urged the Department of Justice to listen to farmers and block the Bayer-Monsanto merger.

Ancient Nutrition secures \$103M to promote on-trend bone broth, collagen & keto products [8 March/FoodNavigator] Ancient Nutrition will invest \$103 million that will allow it to reach and educate more consumers about its powdered bone broth, collagen products and ketogenic line, according to CEO Jordan Rubin. He said bone broth had become an overnight sensation, but was aware that when dealing with emerging trends it took effort to get the concepts into the consciousness of consumers. Mr Rubin explained that the new line was designed for people who want to follow a low-carb paleo or ketogenic diet. He noted that it contained good quality protein and fat. Ancient Nutrition have recently released its Ancient Apothecary line which follows ancient Chinese and ayurvedic principles. According to SPINS, Ancient Nutrition became the number two ranked protein supplement and meal replacement brand in the natural channel.

Regenerative certification meant add to USDA Organic, not supplant it, developers say [7 March/FoodNavigator] A new Regenerative Organic Certification program is to be launched this week at Expo West. Dr. Bronner's, who withdrew from the Organic Trade Association in 2016 over disagreements about GMO labelling, is one of the driving forces behind the new certification. Dr Bronner's Organic and Fair Trade Coordinator, Ryan Zinn, took a forward looking view, and said this would add to and develop the existing certification. Mr Zinn added that the new certification would capture values without the need to go into company marketing materials, and in particular would capture ideas about the protection and improvement of soil health due to climate change. American Botanical Council Executive Director, Mark Blumenthal, noted the new certification could help advance his values, however was unsure if it addressed a real need in the marketplace. One of the ways to educate consumers about this would be through education at the retailer level.

RXBAR spreads its presence into the nut butter category [8 March/Food Dive] Since being acquired by Kellogg, RXBAR is introducing its first product expansion by releasing a nut butter spread line-up, according to the Chicago Tribune. They will be on show at the Natural Products Expo West show in California with peanut butter, peanut butter honey cinnamon and almond vanilla flavours on sale. RXBAR CEO, Peter Rahal, said they were intended to be a snacking condiment. Since the Kellogg deal was announced, RXBAR's workforce has double to 140 employees and they are planning to move their headquarters to a bigger space. RXBAR targets health conscious, clean label and on the go consumers. Kellogg's CEO, Steve Cahillane, said that the company has transitioned to more of an innovative snacking business and that the introduction of the nut butter fits with this objective.

China Food Giant Says Trade War with U.S. Not Good for World [13 March/Bloomberg] Cofco Corp, China's biggest food company, is raising awareness of escalating trade tensions with the U.S. indicating potential suffering for the global economy and adverse situations if agricultural goods are used as bargaining tools. Cofco Corp's President, Patrick Yu, said he didn't think any government wanted to take action to block the agricultural trade as it was mutually beneficial. Donald Trump's tariffs on steel and aluminium started the potential for a global trade war, with agriculture emerging as a key pressure point. China was said to be looking at the potential effect of the almost \$14 billion a year trade in soybeans that is grown in Midwestern states that helped fuel Trump's election victory. Some analysts saw this as a powerful weapon. China's Trade Minister has attempted to calm tensions with the U.S. and said that there would be no winner in a trade conflict. Mr Yu emphasised the importance of the U.S supply of soybeans in China.

Carrefour extend Blockchain use to dairy and meat product ranges [8 March/Dairy Reporter] French multinational retailer, Carrefour, will use blockchain to give customers total traceability of its animal and vegetable product ranges. The technology will be applied to eight more product lines. Carrefour's General Secretary and head of Quality and Food Safety, Laurent Vallee, said becoming the leader of food transition for everyone is their aim and that using blockchain technology was a step towards meeting this. Issues such as cross-contamination, spread of foodborne illness and the cost of recalls could be reduced by blockchain's access to information and traceability. According to Carrefour's Chairman and Chief Executive Officer, Alexandre Bompard, Carrefour is the only retail player to use blockchain technology to improve traceability, and by 2018 the system should be present in all Carrefour subsidiaries.

Horticulture

Fruit-picking labour shortage declared in Hawke's Bay [13 March/NZ Herald] The Ministry of Social Development has declared a seasonal labour shortage across Hawke's Bay in the midst of the bumper apple and pear season. East Coast Regional Commissioner, Annie Aranui, said the declaration was for the March 12 to April 6 period. She added that they would continue to support jobseekers still facing unemployment to enter the horticulture industry and that they were running specialised seminars to identify and refer jobseekers. New Zealand Apples and Pears supported the labour shortage declaration. Their Chief Executive, Alan Pollard, said the region's apple and pear industry was at full capacity, harvesting this year's crop. Hawke's Bay Season Labour Group Chair, Gary Jones, noted that the strong Hawke's Bay economy and low unemployment meant the industry had to compete for workers.

Wool

Champion concerned about future of shearing [13 March/Radio NZ] World Champion Sheep Shearer, John Kirkpatrick, was worried about the future of shearing as both a profession and as a sport. Mr Kirkpatrick has won 149 open finals over his career, including the Golden Shares four times and the world championship last year. He was worried that there weren't enough younger people taking up the sport and said that the future of shearing could struggle to have new people take it on. He noted that most school leavers aren't shearing unless they've come off farms and need to learn to shear for when they take over the farm in the future. Mr Kirkpatrick added most shearers want to go to Australia as the money is better over there, and said that we need to look after the ones that are in New Zealand and give them something to strive for. He likened it to being a kid wanting to be an All Black.

Field Notes

Weekly news update from the KPMG Agribusiness Network – 14 March 2018

Viticulture

Stuart Smith: New Zealand's 'Minister of Wine' [13 March/Stuff] National MP, Stuart Smith, was given a new role as the party's viticulture spokesperson adding to his existing Civil Defence and Earthquake Commission portfolios he currently holds. Mr Smith said he was delighted with the appointment, and that trade would play a big role in his new position. He noted that wine had been a part of human culture for a long time, and that it's a really good social process that people have a glass of wine. Smith praised National's new leader, Simon Bridges, although said that the person he backed for leadership was a private matter.

Environment and Emissions

More weight for ag emissions tax [12 March/Farmers Weekly] Climate Change Minister James Shaw advised agriculture could be included in the Emissions Trading Scheme, and the Parliamentary Commissioner for the Environment, Simon Upton, said the policy cannot ignore agricultural emissions. Mr Upton released a report on a Zero Carbon Act with a key goal to get cross-party support for a zero carbon economy and the establishment of a climate commission to recommend legislated greenhouse gas emission targets and provide independent expert analysis and advice to the Government. New Zealand's greenhouse gas emissions are 45 percent carbon dioxide, 43 percent methane and 11 percent nitrous oxide. Mr Upton said that as nitrous oxide accumulates, reducing the flow of emissions will not be enough. Federated Farmers Climate Change Spokesman, Andrew Hoggard, supported the report but added it could work only if there is cross-party support.

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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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