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 Agenda 2017**

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## AGRIBUSINESS

# Field Notes

Weekly news update from the KPMG Agribusiness network

2 May 2018

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

AgResearch	MEP Heart Health Group
Alibaba Group	Ministry for Primary Industries
Alliance Group	Moa
Bayer	Monsanto Growth Ventures
Beef + Lamb NZ	New Zealand Kiwifruit Growers Inc.
Blackmores	Nielson
Bounty Fresh Group	NZ Post
Constellation Brands New Zealand	NZTE
CropLogic	Okawa Limited
Dairy UK	Olam International
Danone	Plant Based Foods Association
Department of Conservation	Rabobank
Eating Better	Real Estate Institute of New Zealand
ExportNZ	Rural Health Alliance Aotearoa New Zealand
FDA	Seafood New Zealand
Federated Farmers	Seeka
FNB	Skretting
Fonterra Co-operative Group	T&G Global
Friends of the Earth	Tegel Foods
Greener Earthmoving	The Good Foods Institute
Hikurangi Enterprises	The Liggins Institute
KiwiRail	The Vegan Society
Landcorp	Waipu Investments
Mahurangi Technical Institute	Zespri Group
Manufacturers' Network	

### This week's headlines:

Biosecurity	<b>Government launches new biosecurity intelligence unit</b> [30 April/Stuff]
Economics and trade	<b>Commonwealth FTA 'too ambitious,' exporters say</b> [23 April/Stuff]
Poultry	<b>Philippine company mounts \$438m Tegel takeover bid</b> [26 April/Stuff]
Viticulture	<b>Moa signs domestic distribution deal with Constellation Brands NZ</b> [1 May/National Business Review]
Agribusiness strategy	<b>Primary council to realise vision</b> [30 April/Farmers Weekly]

**Emerging markets**

**Thousands register interest in medical cannabis venture share offer** [27 April/NZ Herald] Thousands of people have registered an interest in a share offer to raise up to \$2 million for a medical cannabis venture, Waipu Investments. Waipu Investments is a vehicle created by Hikurangi Enterprises for ventures in natural health products. Subject to a medical cannabis licence being granted, the funds would be invested in the company to build a pharmaceuticals processing facility and conduct stage one clinical trials for a medical cannabis product. Waipu Investments Managing Director, Panapa Ehau, said supporting the development of proven medicine was a top priority for the funds raised through the offer. Hikurangi Cannabis Company said it had signed a letter of intent to produce 12,000 kg of pharmaceutical grade cannabis. Hikurangi Cannabis Managing Director, Manu Caddie, noted that the deal was a lifeline for a region that had few high-value products and where unemployment levels were high. Mr Caddie noted it was a high risk investment in a highly uncertain regulatory environment and new industry.

**Eel could be back in the menu as ‘clean’ meat** [26 April/NZ Farmer] Mahurangi Technical Institute Founder, Paul Decker, said cellular agriculture is an exciting technology that is worth pursuing. The technology sees animal meat able to be grown in fermentation tanks rather than raising animals for slaughter. A single gram of cells taken from a live animal can be grown to produce 10,000 kilograms of meat. The technology was seen as a way to provide sustainable fish protein and take pressure off wild stocks. Mr Decker set up the institute to specialise in native fish research to save species by learning how to breed them. He had seen success with white bait species. Success in breeding eels had remained elusive. Wild eel numbers have plummeted by 95 percent in the last 30 years. New Zealand’s longfin eel was classified by the Department of Conservation as ‘At risk – Declining.’ If it is commercially viable, the possibility of cellular agriculture could save endangered animals according to Mr Decker.

**Biosecurity**

**‘Hellish’ spread of wild kiwifruit prompts ‘pest’ call from lobby group** [29 April/Stuff] New Zealand kiwifruit growers enjoy some of the best growing conditions in the world, but those conditions look set to bite back. Outbreaks of wild kiwifruit are threatening to carry diseases and harmful insects through the country’s native bush. The spread has caused it to be recognised as a pest. Kiwifruit Vine Health Analyst and Compliance Officer, John Mather, said his pest call was probably a first for an industry group. He added that wild kiwifruit not only impacts indigenous biodiversity and production of forestry, but it was also a reservoir for disease organisms. New Zealand Kiwifruit Growers Inc. Chief Executive, Nikki Johnson, said kiwifruit grew well in New Zealand conditions. Mr Mather noted the fruit would find it easy to naturalise and spread. He emphasised how fruiting vines not managed properly were targeted by birds who eat the kiwifruit and then spread the seeds into areas of native bush.

**Government launches new biosecurity intelligence unit** [30 April/Stuff] The Ministry for Primary Industries has unveiled its future-focused biosecurity intelligence squad. The early warning squad was still in development but would work closely with its Australian counterparts. Biosecurity Minister, Damien O’Connor, said intelligence would be shared with both Australia and industry sectors. Mr O’Connor said the unit would use smarter technology and skilled analysts to source and look at all available information on overseas pest and diseases. He noted that earlier signals of potential threats would help border staff to make better decisions to target air passengers and cargo that would most likely carry risk goods. He said that it gave a clear focus and a line of accountability within the MPI. He noted that biosecurity was New Zealand’s number one challenge with several responses underway such as Mycoplasma bovis. Set up costs for the new units within MPI (which also include Forestry, Fishing and Food Safety) will be \$6.8 million, with operating costs of \$2.3 million per year.

**Economics and trade**

**Alibaba Group chief executive on New Zealand visit** [27 April/The Country] Alibaba Group Chief Executive, Daniel Zhang, will meet business leaders and heads of government agencies, but did not have any formal meetings planned with ministers during his trip to New Zealand. Alibaba has invited government agencies to several events where Mr Zhang will talk about its own enterprise and global initiatives. A spokeswoman for the Ministry of Foreign Affairs and Trade said that given the business focus of Mr Zhang’s programme, he was not scheduled to meet any ministers at this stage. Alibaba and NZTE signed a memorandum of understanding for discussions to strengthen trade between New Zealand and China in 2016. E-commerce was an area both countries agreed fell within the scope of negotiations. Fonterra had recently launched a fresh milk product in China in partnership with Alibaba’s Hema Fresh retail concept.

**Commonwealth FTA ‘too ambitious,’ exporters say** [23 April/Stuff] ExportNZ Executive Director, Catherine Beard, said a multilateral trade deal between commonwealth trade countries was too ambitious given the workload already on New Zealand’s dance card. She added that it was a possibility however would take a lot of time. Ms Beard noted that dairy exporters were excited about a deal including Africa, which they viewed as a growth market. Manufacturers’ Network Chief Executive, Dieter Adam, suggested that from an economic perspective the EU FTA should be top of the Governments priority list. Mr Adam said FTA’s that removed tariffs for New Zealand companies exporting goods were generally positive. National’s trade spokesman, Todd McClay, said any trade deal that was of high-quality was worth considering. He added that he thought New Zealand was not a country that should say no to a high-quality trade deal, but there are ones that would deliver sooner.

**Dairy**

**Alibaba, Fonterra and NZ Post team up to track orders using blockchain technology** [27 April/The Country] Alibaba is working with Fonterra and New Zealand Post to track customers’ orders using blockchain technology. The system aimed to improve supply chain transparency. Fonterra and supplements company Blackmores were the first to use the traceability system on their products. The food safety framework aimed to enhance consumer confidence and was part of its wider strategy to build commerce infrastructure. Alibaba’s General Manager of Tmall Import and Export, Alvin Liu, said the framework was created to enhance consumer confidence in response to the challenge of food fraud. Fonterra President of Greater China, Christina Zhu, added that with the potential of emerging tech, they wanted to be at the forefront of developing food quality and safety standards. She noted that they knew consumers wanted to be able to trace the products they purchased online, and they welcomed being a part of creating a globally respected framework.

**Lactose intolerant Aucklanders sought for a2 milk study that may help them tolerate dairy** [30 April/NZ Herald] Lactose intolerant Aucklanders are being sought for a study by The Liggins Institute and AgResearch that they hope will assist intolerant people to tolerate dairy. The study follows a trial last year that found one glass of a2 Milk prevented some symptoms of lactose intolerance. They are looking for twenty males and twenty females aged 20-40. Dr Amber Milan of the Liggins Institute said they wanted to make sure results were applicable to both men and women. Participants will consume conventional cheese and milk for a fortnight and a2 milk and cheese for two weeks, with a recovery break in between. They will look to see if benefits of a2 milk persist over a longer period. Dr Milan said lactose intolerant people can sometimes build up their tolerance to lactose. AgResearch Scientist, Matthew Barnett, added that there was evidence from animal studies that a breakdown of the A1 protein caused inflammation of the small intestine. The work is being part funded by the High Value Nutrition National Science Challenge and The A2 Milk Company.

## International

**EU votes for outdoor ban on common insecticide over danger to bees** [28 April/ABC News] European Union countries backed a proposal to ban all outdoor use of insecticides known as neonicotinoids as they can harm bees. European Commission Spokeswoman, Mine Andreeva, said the protection of bees was important as it concerned biodiversity, food production and the environment. Bayer responded by calling the ban a sad day for farmers and a bad deal for Europe. It said many farmers had no other way of controlling pests and it would result in more spraying. Environmental groups called for the total ban and sparked debate across the continent about the wider use of chemicals in farming. Campaign group Friends of the Earth described the decision as a tremendous victory for bees and the environment.

**Monsanto's Venture Arm Could Be Winding Down, Sources Suggest, As Company Looks For New Talent** [26 April/AgFunder News] Monsanto Growth Ventures has lost many senior staff members after its managing director, investment director and principal all left within a month of each other. This comes as Bayer's proposed acquisition of Monsanto is expected to gain regulatory approval soon. Monsanto was adamant the venture arm was still fully operational, however sources suggest that it would be difficult for them to attract experienced talent while the merger remains in play. Monsanto Growth Ventures has been one of the most active corporate venture offers coming from the major strategic players in agriculture. It was the second most active corporate venture office in 2017, according to research by AgFunder. Monsanto confirmed Mr Hamer and Mr Stead would continue to manage the portfolio but they were looking for replacements.

**Dairy UK slams Eating Better report** [25 April/Dairy Reporter] Dairy UK were unhappy with the publication of a report by Eating Better, that urged consumers to change their diet to include less meat and dairy products. Dairy UK said the report cherry picked statistics and the environmental and nutritional contribution of the dairy sector had been wilfully misrepresented. Chief Executive of Dairy UK, Judith Bryans, added that they rejected any assertion that dairy products were not environmentally sustainable. Ms Bryans noted the report failed to recognise dairy products are nutrient rich foods and excellent protein sources. Spokesperson for the Vegan Society, Dominika Piasecka, noted that she supported the report and what we eat had a huge impact on climate change and the natural environment. She added that they were pleased the report encouraged adopting a predominantly plant-based diet.

**Calls for EC to link agriculture and health policy** [27 April/Food Navigator] European campaigners argued the European Commission should take a joint approach to its food, agriculture, and health policy by linking farmer payments to the healthiness of the food they produce. Members of the MEP Heart Health Group gathered to look at how European food and drink policy could support cardiovascular health. Poor diet was now a leading contributor to ill health and early death according to the European Heart Network. They suggested a healthy diet included vegetables, fruit and berries, whole grain products, nuts and seeds, fish, pulses, low-fat dairy products and non-tropical vegetable oils in moderation. Director of Agriculture and Rural Development at the European Commission, Jens Schaps, said that the EC did not support using CAP to deliver its health policy. The commission's budget did however include a project to develop plant-based protein products through its protein plan.

**FDA commissioner weighs into plant-based 'milk' debate** [26 April/Food Navigator] The FDA was actively exploring whether consumers were being misled by the use of terms such as milk or yoghurt to describe plant based products, according to the FDA Commissioner, Dr Scott Gottlieb. He said that the FDA's silence on the issue in recent years may make it harder to take action now without new information. Senator Tammy Baldwin has introduced a bill that would prohibit the use of dairy terms to describe plant-based products. Dr Gottlieb confirmed he had actively stepped into the issue. Mr Baldwin indicated that he'd like to learn more about whether consumers expected plant-based products to be nutritionally equivalent to their dairy-based counterparts. Michelle Simon, Executive Director at the Plant Based Foods Association noted that he was calling for data because he knew the FDA would be subject to legal challenge. Director of Policy at the Good Foods Institute, Jessica Almy, added that consumers that chose plant-based products understand what they are buying.

**Olam database targets full ingredient transparency** [26 April/Food Dive] Olam International would provide food and drink makers with comprehensive data on how ingredients were sourced. This would be done in an effort to take sustainability mainstream. The new tool called AtSource will begin capturing data on the social and environmental impacts of their cocoa and cashew from the Ivory Coast, coffee from Brazil and Vietnam, and onions and garlic from the U.S. This will be extended to all product supply chains by 2025. Manufacturers who want to ensure their ingredients were sustainably sourced could choose from three levels of data. The first provided basic reassurance that suppliers engaged in responsible sourcing principles. The second allowed companies to tailor interventions based on their own priorities and the third ensured more resources were being put back into the farming system and environment than taken out. Consumers increasingly demand transparency about their foods which Olam has acknowledged.

**South African pork prices fall after listeria outbreak** [26 April/Reuters] South African pork prices tanked over a third as demand for processed cold meats fell due to the deadliest outbreak of listeria in the country's history. Cheaper pork would add downward pressure on food prices, which helped pull inflation in South Africa down to seven year lows. The outbreak was traced to polony which is a low cost processed meat from a factory owned by Tiger Brands. More than 180 people have died from the outbreak. FNB Agri-Business Senior Agriculture Economist, Paul Makube, said the pork industry had unnecessarily suffered a severe blow following the outbreak. He added that even though demand for processed and cold meats fell sharply due to health and safety concerns, pork farmers now had to redirect the pigs for the fresh meat market. Producer prices of pork fell over 36 percent since early January.

**Danone sets 2030 goals** [30 April/Dairy Reporter] Danone introduced a set of nine long-term goals at its annual general meeting. Its goals are aligned with the United Nations 2030 Sustainable Development agenda and embed business, brand and trust models. It also said it was launching an employee engagement programme and a governance model for its 100,000 employees to co-own the company. Chairman and CEO of Danone, Emmanuel Faber, said the company believed each time a consumer eats or drinks they are voting for the type of world they want. The new governance framework aimed to further foster companywide engagement and action. The nine goals were to offer superior food experiences and innovate, deliver superior sustainable profitable growth, be certified as a B Corp, impact people's health locally, grow manifesto brands, preserve and renew the planets resources, entrust Danone's people to create new futures, foster inclusive growth and serve the food revolution with partners

**How to sell more seafood: Tell fish stories** [30 April/Food Dive] Seafood sales in the United States increased 3.4 percent for the year ended February 24<sup>th</sup> compared to the previous year, according to Nielson. Volume of sales was down 1%, however average retail price rose 4.5 percent. Scallops grew 15 percent and flounder sales increased by 12.3 percent year on year. The Nielson report added that nearly one in five U.S. consumers wanted to eat more fish, however they were concerned about quality and freshness. Some consumers didn't know how to cook fish, and some had concerns about whether the seafood was responsibly sourced. The report noted that retailers could increase seafood sales by providing items that are partially or fully prepared. Adding seafood meal kits could also boost sales. They also suggested supermarkets could educate employees about the flavours of the seafood they sell, how to prepare it and where it came from.

### Poultry

**Philippine company mounts \$438m Tegel takeover bid** [26 April/Stuff] A Philippine based company has said Tegel has real potential to expand internationally in making a \$438 million takeover bid for the company. Tegel's largest shareholder had agreed to sell its 45 percent stake to Bounty Fresh Group at \$1.23 per share. Bounty Fresh Food President, Tennyson Chen, said they planned to acquire 100 percent of Tegel shares. Bounty Fresh operates a farm to market strategy meaning it controlled and managed the entire supply and production chain. Mr Chen said the offer was motivated by a desire to further grow the Bounty Fresh Group beyond the Philippines. After the announcement, Tegel's share price increased from \$0.82 to \$1.15. Bounty Fresh's offer is contingent on a minimum shareholder acceptance condition of more than 50 percent, steady reported earnings, and Overseas International Office approval.

### Farmers and producers

**Farm sales dip in March quarter** [24 April/Rural Life] Farm sales for the March quarter fell 11 percent with 50 fewer sales than the same period last year. The spread of Mycoplasma bovis had an effect on sales in some regions. Arable was down almost 41 percent and grazing was down almost 37 percent according to Real Estate Institute of New Zealand data. There were 388 farm sales for the quarter to March, compared to 384 for the quarter to February 2018. REINZ Rural Spokesman, Brian Peacocke, said that there were 1,513 farms sold in the year to March 2018, which was 15.7 percent less than a year ago. He added that around Otago there was a continuation of solid sales and activities on both finishing and grazing properties. Mr Peacocke added that Mycoplasma bovis and its ongoing management issues were a major issue in Southland, particularly for owners of properties who sought a sale.

**Chairwoman of state-owned farmer company leaving board** [27 April/NZ Farmer] Landcorp Farming's board will need a new chairperson after Traci Houpapa and directors Nikki Davies-Colley, Pauline Lockett and Eric Roy reached the end of their allotted terms to act as governors of the State Owned Enterprise. The directors will be replaced by Nigel Atherfold, Hayley Gourley and Belinda Storey, who will join the board from May 1. The new chairperson would then be appointed. Board member Chris Day would act as chairman until the process was completed. The appointments were made by two shareholding ministers, Winson Peters and Grant Robertson. Ms Houpapa welcomed the new members to the board. Mr Day said it was a privilege to lead the board and that his focus would be on getting the new board settled and keeping the company on track.

### Viticulture

**NZ wine exports to US grow as global prices rise** [27 April/Radio NZ] It was a big year for New Zealand wine exports into the United States and the industry was also part of a larger global trend seeing increases in the sale of wine into emerging markets. According the Global Wine quarterly report from Rabobank, the supply of wine was tight in 2017 driven largely by the tighter harvest out of Europe. Rabobank Senior Wine Analyst, Hayden Higgins, said that put pressure on global wine flows, which meant increased prices. He added that there was a 5 percent rise in volume and a 6 percent rise in value. He noted that the total value of U.S. imports of New Zealand wine was higher than for Australian wine, despite Australia sending two thirds more volume. This reflected that New Zealand had a larger proportion of bottled wine going into that market. Mr Higgins said Marlborough Sauvignon Blanc had been a great lead into the U.S. market

**Moa signs domestic distribution deal with Constellation Brands NZ** [1 May/National Business Review] Craft brewer, Moa, has teamed up with New Zealand's largest wine exporter, Constellation Brands New Zealand, to create a channel that will allow Moa to distribute its beers through Constellation's network. Constellation is one of the world's largest alcoholic beverage companies. Constellation's New Zealand President, Simon Towns, said craft beer was a powerful contributor to alcohol beverage growth. He added that they had been watching the growth both locally and globally, and that they were excited to work with Moa. Moa Chief Executive, Geoff Ross, noted the collaboration created a beverage portfolio and servicing model that delivered benefits to both customers and consumers. He said the market told them that customers wanted experienced partners who could bring them insight and innovation to grow their beverage business.

### Environment and emissions

**\$55,000 in fines and warning to industry** [27 April/Dairy News] Dairy company Okawa Limited and earthworks company Greener Earthmoving were convicted and fined for carrying out illegal earthworks in the Mangakao Stream, near Otorohanga. The earthworks were over a kilometre in length and caused significant environmental damage. They were in breach of the Resource Management Act. Judge Melanie Harland stated that a further warning to the farming and earthmoving industry should be signalled and the need for caution when excavating waterbodies had still not been fully appreciated. Hamilton District Council's Investigations Manager, Patrick Lynch, said that on this occasion a farm owner engaged a contractor to carry out maintenance on his property. He added that there were clear restrictions on what can and cannot be done in and around fresh water streams in the region.

**Horticulture**

**Seeka buys T&G assets** [30 April/Farmers Weekly] T&G will sell its kiwifruit orchards, packhouse facilities and assets to Seeka. The deal is worth about \$40 million. Seeka recently sold out its shares in Zespri Group after opposing constitutional changes that tied shareholdings to trays of fruit produced. T&G will still have access to fruit grown by Seeka for its existing customers in New Zealand and overseas. The deal is subject to Overseas Investment Office approval if required. Seeka Chief Executive, Michael Franks, said the company identified the Kerikeri region as a growth area for both avocados and kiwifruit. He added that they anticipated increased demand for kiwifruit as growing conditions had proven favourable, particularly for gold varieties. T&G Executive General Manager, Andrew Keane, said their Northland berry and citrus operations were not included in the sale as they were investing further into those growth categories. He noted they had land ready for development.

**Forestry**

**Step forward for Wairoa-Napier rail line, trains by year end** [1 May/NZ Herald] According to KiwiRail, trains should be running between Napier and Wairoa by the end of the year. Two months after work started on the multimillion dollar project to reopen the rail line track, work has now commenced on reinstating the physical line itself. KiwiRail Group General Manager Network Services, Henare Clarke, said this was an important milestone. They noted that the track would be needed to be re-sleepered the track. Severe weather in March caused extra damage to the line but KiwiRail remained confident it would have lines ready by the end of the year. The Government allocated \$5 million to get the project started in February. The Hawke's Bay Regional Council, Napier Port and KiwiRail entered into a commercial agreement in 2016 to reopen the line. KiwiRail estimated it could take 5,714 trucks off the road, and reduce carbon emissions by 1,292 tonnes. Henare Clarke noted that it was an important project and they were committed to getting it done,

**Fishing**

**Controversial finfish research facility at Okiwi Bay close to completion** [30 April/NZ Farmer] Work on fish food company Skretting's controversial project at Okiwi Bay is just weeks away from completion. Skretting NZ Technical Manager, Ben Wybourne, said despite delays, most of the main equipment and systems had been installed. He added that they would have their fish within the next two months. There was fierce opposition from Okiwi Bay residents who protested and provided submissions to voice their concerns over noise, light pollution and environmental impacts. The Marlborough District Council received 219 submissions in relation to the application, of which 209 were opposed to it. Skretting received the final go-ahead in late February 2017, and was required to extend the fixed location of its discharge pipeline to a 200m distance at high tide from the mean high water mark. Mr Wybourne added the appeal had delayed construction by at least six months and had added cost to the project.

**Fishing companies develop code to life industry standards and image** [30 April/NZ Farmer] The fishing industry is working to lift its image when it came to protecting the marine environment. The major fishing companies have developed a fishing code to help achieve this. Seafood New Zealand Chief Executive, Tim Pankhurst, said the code represented simple rules about how the industry expects all its members to behave. He added that most skippers were already complying with the rules. He noted that they wanted the code of conduct in every warehouse and boardroom in the country and for it not to be ignored. According to data from the Ministry for Primary Industries, a dozen whales, two orca, six hectors dolphins and thousands of seals had been caught by New Zealand commercial fishing vessels since 2013. Mr Pankhurst added that the industry had made progress since a few years ago. The industry would report annually on its progress.

**Rural communities**

**Minister adds perspective to 'hysteria' over declining Govt. funding for mental health group** [30 April/NZ Farmer] The Rural Health Alliance Aotearoa New Zealand had received \$250,000 annually for the past several years from the Ministry of Health according to Agriculture and Rural Communities Minister, Damien O'Connor. He was responding to claims that the government had caused the winding up of the Rural Health Alliance by refusing to provide more funding. He noted that the government was committed to a wide-ranging review of mental health services after the previous government ignored many pleas for help. Minister O'Connor felt that it was utter nonsense to suggest that this Government was walking away from rural communities. Government funding needed to be spread across a range of rural health providers. Given the membership of RHANZ included some of the most significant agribusiness organisations, the author expected that in an immediate funding crisis they would support them until Government contracts could be secured. He added that National failed to properly fund a wide range of rural health services.

**Red meat**

**Alliance Group distributes \$5.9 million in loyalty payments** [30 April/NZ Farmer] Loyal Alliance Group shareholders will receive a \$5.9 million distribution of loyalty payments. The payments will be made to the platinum and gold shareholders who supply 100 percent of their stock to the company. This brings the total amount distributed to shareholders to \$9.8 million which was a 4.7 percent increase on the same period last season. Alliance Chief Executive, David Surveyor, said they were committed to offer a range of benefits above the price on the day which included loyalty payments. He added that the loyalty payments programme was a major part of their strategy to reward loyal suppliers for consistent and committed supply. Mr Surveyor noted that every dollar Alliance made in profits was delivered back to farmers or re-invested into the business.

**Agritech**

**Canterbury's CropLogic cuts more than half its staff in major restructure** [1 May/National Business Review] CropLogic, a Christchurch based agronomy services company, is reported to have cut more than half its staff in a major restructure. Managing Director, Jamie Cairns, resigned last week without giving a reason. The business is moving its head office to Australia to better target the market there. CropLogic's technology was built on 30 years of scientific research by the Crown's NZ Institute of Plant and Food Research. It had received large government grants to get its data technology from field trials to a commercial venture. R&D would be done in Australia and the U.S., and the company would be trying to take advantage of government grants in those countries. The corporate focus of the business has been changed dramatically and CropLogic said acquisitions would no longer be its main path for growth. Chairwoman, Cheryl Edwards, said the corporate restructure would align executive and management goals. CropLogic was spending cash fast but pulling in little revenue.

## Agribusiness strategy

**Primary council to realise vision** [30 April/Farmers Weekly] The Government’s recently appointed Primary Sector Council will give it advice on the future direction of the primary sector. Agriculture and Rural Communities Minister, Damien O’Connor, said each sector would work with the council to address strengths, weaknesses and challenges. The council was designed to provide a shared vision of the direction the sector needed to follow. Mr O’Connor noted that the council had to be small enough to focus but big enough to have a variety of expertise. Funding would be from the Ministry for Primary Industry’s budget. Council Chairman, Lain Jager, said its first phase was to look at the previous government’s goal of doubling primary sector exports by 2025. National Party Agricultural Spokesman, Nathan Guy, said the council should include farmers, and said he believed the group was tasked to significantly restrict growth of the dairy industry. Federated Farmers and Beef + Lamb NZ both supported the council.

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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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