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Agenda 2017**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

16 May 2018

Organisations referenced in this week's Field Notes include:

ADM Capital	New Zealand King Salmon
AgResource	New Zealand Pork
Alliance Group	NZ Hops
ANZ	NZ Young Farmers
Backfella Beef	Organics Aotearoa
Cofco International	PledgeMe
Deer Industry NZ	Plenty
Emergent Cold	Rabobank
Export NZ	Robotic Plus
Federated Farmers	Rootility
Fonterra Co-operative Group	Roots Sustainable Agriculture Technologies
Global Research Alliance	Scales Corp
Greensoil Investments	Synlait
Heartland Bank	Te Uru Rakau
Hikurangi	Tesco
Meat and Livestock Australia	University of South Queensland
Middleland Capital	VegetablesWA
Ministry for Primary Industries	Vivera
Natural Fibre Exchange	Wools of New Zealand
New Wave	World Health Organisation

This week's headlines:

Horticulture	Scales to sell cold storage unit to US-based Emergent Cold [9 May/NZ Herald]
Dairy	Fonterra wants law change to end milk pick-up obligation [9 May/NZ Herald]
Economics and trade	Winston Peters confident about announcement of EU-New Zealand trade negotiations [9 May/NBR]
Biosecurity	Cow disease may be in every region: Damien O'Connor [14 May/NZ Herald]
Environment and emissions	Tremendous opportunity for New Zealand farmers to be world leaders [10 May/NZ Farmer]

Horticulture

Scales to sell cold storage unit to US-based Emergent Cold [9 May/NZ Herald] Scales Corp will sell its cold storage businesses to US cold chain company, Emergent Cold. The deal will be for \$151.4 million. Scales Corp Chairman, Tim Goodacre, said the Group's strengths were operating fully-vertically integrated agriculture businesses, participating in businesses with an export focus and adding value through connection to the China market. He added that the returns on its storage activities were lower relative to its other divisions. The deal was subject to Overseas Investment Office approval. Mr Goodacre noted the proceeds were intended to be used to pursue other New Zealand agribusiness opportunities. Emergent Cold Chief Executive, Neal Rider, said they looked forward to supporting the growth and expansion of the business throughout New Zealand and Asia Pacific.

Tasman seasonal labour shortest in years – growers [10 May/Radio NZ] Tasman fruit growers said more needed to be done to deal with severe horticultural labour shortages. Two big storms dented both the regions reputation as a nice place to visit, and also the accommodation needed for harvest workers. Lower Moutere grower, Ian Palmer, said it had been the hardest season for finding staff in his 30 years of growing fruit. The Ministry for Social Development declared a seasonal labour shortage across the region which meant people on overseas visitor visas could apply for permission to work. Mr Palmer added that he did not see the idea working. Hawke's Bay Area Manager, Stephanie Greathead, noted Immigration New Zealand had only received 36 applications in response to regions having seasonal labour shortages declared. She noted there was no way to decipher which regions the visa applications related to. Mr Palmer said demand for seasonal labour would continue to increase throughout the country. The seasonal labour shortage declaration in Tasman was due to be lifted next week.

Dairy

Fonterra wants law change to end milk pick-up obligation [9 May/NZ Herald] Fonterra has said that it continuing to have to accept all milk from all farms would be a critical part of the Government's review of legislation. Agriculture Minister, Damien O'Connor, has announced the terms of reference for the review. Fonterra had long pushed back against the DIRA requirement that it take all milk offered to it, which resulted in the company having to spend hundreds of millions on new stainless steel processing capability as annual milk production climbed. Fonterra argued the capital requirement eroded its strategy and helped its international competitors. Synlait said it supported the comprehensive scope of the DIRA review and was pleased it would look beyond the current regulatory framework. Federated Farmers Dairy Chairman, Chris Lewis, added there were no surprises in the review of the terms but detail was scarce.

Rabobank forecasts \$6.40 per kgMS milk price for new season [10 May/Dairy News] Rabobank predicts a shaky start, but a strong finish to the 2018-19 milk season starting 1 June. Rabobank said New Zealand dairy farmers had enjoyed a period of profitability, and the upcoming season would see this continue. They forecast a farmgate milk price of \$6.40 per kgMS. Dairy analyst, Emma Higgins, said the season should be profitable for most New Zealand dairy farmers. She added that the northern hemisphere flush would be an influential pressure point for commodity prices and they anticipated supply would outstrip global demand. Positive margins were predicted, but pressure points lingered. Ample supply in key fertiliser markets continued to drive low global benchmark fertiliser prices reducing cost pressure on farmers. According to the report, another factor that could impact margins was upward pressure on interest rates.

NZ farmers eye third straight year of strong dairy prices [14 May/NZ Herald] Economists said New Zealand dairy prices were set to be \$6 plus for the third year in a row. Fonterra was expected to issue its opening forecast for the coming 2018/19 season later this month. While rural lending specialist, Rabobank, said the season would ultimately deliver a \$6.40 per kgMS, ANZ Rural Economist, Con Williams, noted conditions for farmgate returns in the dairy sector remained favourable. ANZ was picking an opening milk price of \$6.75/kg. Mr Williams said they were optimistic that markets had been balanced and at \$6 plus most farmers would be in profit. Westpac Economist, Anne Boniface, agreed that repairing balance sheets after the downturn would be high on the farmers' lists of priorities.

Govt. to unfetter cheese-making regulations [14 May/Radio NZ] Artisan cheese makers welcomed a new government plan to relax unnecessary red tape. Some cheesemakers complained it cost more to meet Ministry for Primary Industries compliance than their entire tax bill. Food Safety Minister, Damien O'Connor, launched a new template to help producers meet food safety requirements. Mr O'Connor said cheese producers were required under the Food Act and the Animal Products Act to have a written plan to manage food safety risks on a day to day basis. This became costly for cheesemakers. A cheesemaker noted that the changes would be tremendous for small scale cheesemakers.

International

Chinese buyers cancel orders for US soybeans amid threat of trade war [9 May/NZ Herald] Chinese buyers were cancelling orders for U.S. soybeans which could deal a blow to American farmers if it continued. Farmers in China were being encouraged to plant more soy. The Chinese government included soybeans on a list of US exports it said it would impose a 25 percent tariff on. President of AgResource, Dan Basse, added the Chinese weren't willing to buy U.S. soybeans with a 25 percent tax as they don't want the risk. China buys most of its soybeans from South American nations such as Brazil and Argentina. Mr Basse noted it had been three weeks since China made any major soybean purchase which was an unusually long delay. Mr Basse said the U.S. could lose its reliable supplier label that it had for many years. An adjustment had already been planned to help draw down China's substantial corn stockpiles, so the change wasn't necessarily aimed at U.S. soy growers.

Backfella Beef brand concept has potential to unite indigenous cattle producers [13 May/ABC News] Kelvin Dunrobin of Blackfella Beef was one of the brains behind the concept that looked to unite indigenous cattle producers to grow and market their own meat under the brand. The next step is to identify how many indigenous owned cattle enterprises there were in Queensland that could market their beef under the brand. Mr Dunrobin said he does not expect there to be a shortage. The concept is currently in the feasibility-study phase. Professor Alice Woodhead of the University of South Queensland will work closely with the project. She added that she thought the brand would be hugely successful. Lisa Sharp from Meat and Livestock Australia noticed the project a year ago and said it caught their attention for a range of reasons. She noted they would work to fast-track the project.

Rootility Raises USD10m Series C Led by ADM Capital [9 May/AgFunder News] Rootility, a plant breeding start-up, has raised USD10 million in Series C funding in a round led by ADM Capital. ADM's Cibus Fund was joined by Greensoil Investments and Middleland Capital. The funding will be used to scale its operations and enter new markets, including Asia. Founder and Chief Executive of Rootility, Rafael Meissner, said the company has been able to revolutionise rootstock breeding and they were excited by the combination of valuable strategic relationships and operational expertise that has been developed. Rootility believed roots were the drivers of plants' tolerance to environmental changes. They had planted a large number of grafted tomato plants in California to showcase how their technology can improve plant tolerance.

China Food Giant Expands in Brazil [10 May/Bloomberg] A Chinese food giant, Cofco International, had positioned itself to increase soybean purchases from Brazil due to trade tensions between the U.S and China. Cofco strengthened its team that bought, stored and sold farmer crops in the South American country. Brazil was the world's largest soybean exporter. China was yet to implement planned tariffs on U.S soybean imports, however traders were already cancelling American shipments. China was the world's biggest buyer of soybeans. Cofco's new hires are experienced and add to a team of around 350 people in Brazil. Cofco was able to take a leading position in Brazil's oilseed market within only a few years. Cofco was seeking the renewal of its port concessions that were expected to expire in coming years.

Where next for plant-based seafood? New Wave Food starts with shrimp [10 May/Food Navigator] The plant-based seafood industry has grown since New Wave Foods entered the scene in 2015. New Wave Co-Founder, Dominique Barnes, said a degree in marine biodiversity and conservation armed her with a keen sense about the problem New Wave was trying to solve. She added they targeted shrimp as it was the most consumed seafood in the U.S. and was an industry with a lot of problems. She noted most of the shrimp worldwide was farmed in developing countries creating problems of its own in terms of slave labour. Ms Barnes said it was difficult to mimic shrimp due to its muscle fibres being shorter in length and having a higher moisture content. New Wave planned to target the restaurant trade initially as over two thirds of seafood is consumed outside the home. It aims to partner with large restaurant chains and foodservice providers.

Romaine-linked E. coli outbreak continues to spread, but its origins remain unknown [11 May/Food Dive] The E. coli outbreak linked to romaine lettuce from Arizona has sickened 149 people across America. The CDC said the illnesses emerged between March 13 and April 25. Six incidents were also reported in Canada. In contrast, a 2006 outbreak linked to bagged spinach killed three people and caused 199 to become ill. The current outbreak has lasted nine weeks, and the CDC is yet to identify the contamination source or where all the suspect lettuce was grown. They noted that of the 112 affected people who were interviewed, 102 said they ate romaine lettuce in the week prior. The outbreak should serve as a wake-up call to those on the fresh produce supply chain that more must be done to limit food safety problems.

Technology uses condensation and renewable energy to irrigate crops [15 May/ABC News] An irrigation system called Irrigation By Condensation that grows crops using renewable energy and air humidity has been developed by Roots Sustainable Agricultural Technologies. Co-founder, Boaz Wachtel, said he was aware of the struggle farmers faced with water scarcity, and was always interested in developing new technologies for farmers. The system has been tested on five crops, and was able to sustain the entire cycle of growth from planting to harvest. The concept is quite simple, however the science behind it is sophisticated. VegetablesWA CEO, John Shannon, said concepts that worked in Israel often worked well in WA as there was similarities in the climates. He added that while it is an interesting technology, there may be limitations. Agriculture accounts for 70 percent of the consumption of potable water in the world and the global demand for water had been increasing.

WHO calls for trans-fat to be eliminated within 5 years [15 May/CNBC] The World Health Organisation has said the world could eliminate industrially-produced trans fats by 2023 while unveiling a plan to prevent 500,000 deaths a year from cardiovascular disease. Trans-fats are popular in fried, baked and snack foods as they have a long shelf life. WHO data indicates they increase heart disease risk by 21 percent and deaths by 28 percent. WHO Director General, Tedros Adhanom Ghebreyesus, asked why children need such an unsafe ingredient in their foods. Adding that several countries had already virtually eliminated trans fats by putting limits on the amounts allowed in packaged foods. The U.S. CDC said it was an unnecessary toxic chemical that killed, and there was no reason people should continue to be exposed to it.

Growing pains: Vertical agriculture stunted by rising real estate, energy and labour costs [11 May/Food Dive] A growing number of start-ups in the U.S. and around the world were raising produce inside buildings to reduce water use and transportation costs. These growers were finding real estate, energy and labour costs to be high, according to an Associated Press story in Food Manufacturing. Once all inputs are in place, the harvest may be locally grown but the prices they attracted were not always enough to cover expenses. Indoor-farming enterprise, Plenty, raised USD200 million last year which was the largest ag-tech funding round to date. Plenty's CEO, Matt Barnard, said less expensive power was needed to make indoor farms sustainable. He noted that they believed society should consider investing in the new form of agriculture in the way it invested in agriculture in the 1940s.

Tesco to launch plant-based steak [14 May/EuroFruit] A plant based steak will be launched at Tesco to capitalise on growing demand for healthy, sustainable food. The product is produced by Dutch plant-based food specialist, Vivera, and is made with ingredients including wheat and soy. It will be stocked at 400 Tesco stores in the UK from May 21. With more than one million pieces of meat being produced a week, it was one of the three largest producers in Europe. Vivera's Gert Jan Gombert said a large group of vegetarians and vegans had been interested in the product for years and the market introduction means a large group of consumers could now enjoy the plant-based product. He added it was very important that we eat less meat and this could make a significant contribution here. He noted that meat alternatives were more relevant than ever with meat production expected to double by 2050.

Economics and trade

Winston Peters confident about announcement of EU-New Zealand trade negotiations [9 May/NBR] Foreign Affairs Minister, Winston Peters, was confident the EU would agree to start trade negotiations with New Zealand when it meets on May 22. He said serious progress had been made to the extent they believed there would be an announcement from the EU in respect to a free-trade negotiation start. Jacinda Ardern discussed the proposed deal with French President, Emmanuel Macron, as she lobbied for the EU to agree to start negotiations. The French Ambassador to New Zealand, Florence Jeanblanc-Risler, said any deal between New Zealand and Europe would look significantly different to the CPTPPA. Mr Peters added that while he was confident talks would begin soon with the EU, he did not know how long it would take to conclude a trade deal. He noted that any extra money allocated in next week's budget to the Ministry of Foreign Affairs and trade would help strengthen it and provide more support for these types of trade negotiations.

Trump's Iran threat 'pretty concerning' for NZ exporters [9 May/Radio NZ] New Zealand exporters who send goods to Iran might be affected by President Trump's threat to sanction countries who trade with the Middle Eastern nation. New Zealand exported \$120 million of goods to Iran last year, with dairy products making up three quarters of this. Export NZ Executive Director, Catherine Beard, said Trump's proposal created uncertainty, particularly for New Zealand exporters who regularly export to Iran. Trade Minister, David Parker, added that only countries helping Iran make nuclear weapons would be sanctioned so they continued to encourage Iran to remain in compliance. The US decision did not trigger any unilateral action from New Zealand. Mr Trump said the U.S. would institute highest level sanctions against Iran. Jacinda Ardern said the announcement was disappointing.

China trade agreement upgrade to reflect modern trading relationship: PM [14 May/Stuff] Foreign Affairs Minister, Winston Peters, will go to China to talk trade at a critical time. Mr Peters said the objective was to extend their relationship and a range of issues would be up for discussion. He added that China had a growing influence on the Pacific region and that New Zealand needed to step up as part of its Pacific reset. Prime Minister, Jacinda Ardern, noted New Zealand wasn't naïve to the issue of foreign interference and that it was monitored on an ongoing basis. Trade Minister, David Parker, said he was hoping for quick and substantial progress in negotiations for an upgrade to New Zealand and China's Free Trade Agreement. Last year, New Zealand signed a memorandum of understanding for the One Belt One Road initiative. Ms Ardern added next year would be the China New Zealand year of tourism, but we needed to look further.

Wool

Online platform for selling wool to launch this month [9 May/Radio NZ] Later this month, the Natural Fibre Exchange will go live and be a means of buying and selling wool. It was set up by Wools of New Zealand, Alliance Group and CRA International. Wool New Zealand Chief Executive, Rosstan Mazey, said he hoped the market would appeal to people who bought wool in other ways. He added the platform was a natural evolution towards developing the most cost efficient means of selling wool. He noted buyers could compare all prices with parcels of wool available simultaneously over multiple bidding rounds. Alliance Group Head of Strategy, Nigel Jones, recognised the importance of wool returns to its shareholders and was interested in the opportunity. He added they were a material seller of wool and therefore were excited about the potential benefits the technology offered. The NFX will go live 22 May.

Biosecurity

First case of cattle disease in North Canterbury found [9 May/Radio NZ] Mycoplasma bovis was found on a North Canterbury farm, which brought the total number of properties with the disease up to 36. Ministry for Primary Industries Spokesperson, Catherine Duthie, said it was identified through the tracing of animals from known infected farms. She added it did not mean the disease was spreading, but instead tracing historical animal movements which took place before it was known Mycoplasma bovis was in New Zealand. Ms Duthie noted the farm has been put under a restricted movement notice meaning no animals could move on or off the property. She said it was possible that more infected farms would be found.

Cow disease may be in every region: Damien O'Connor [14 May/NZ Herald] Agriculture Minister Damien O'Connor warned that Mycoplasma bovis could be in every region of the country. He said it was the sad reality that other farms would come back as infected. Animals that had been moved to other regions were being tracked and it was possible they would come back as infected herds as those animals have spread the disease as it was announced a farm in the Waikato has tested positive for the disease. Tirau Farmer, Ian Scott, said he would be disappointed if the Government gave up on eradication. Federated Farmers National Dairy Chairman, Chris Lewis, added that farmers still wanted to eradicate MBovis, but the timeline had changed a bit. Prime Minister, Jacinda Ardern, said the Government was trying to manage the issue but from what she had seen, it was a consequence of poor systems, processes and biosecurity investment. The Waikato property found to be infected brought the total number of infected properties across the country to 39.

Emerging markets

Medicinal cannabis company's investment round crashes crowdfunding site [10 May/Stuff] Medical cannabis company, Hikurangi, raised \$2 million from the public after overwhelming interest crashed the crowdfunding website PledgeMe. It has received an additional \$1.4 million in registered interest. The minimum investment amount was \$50, and the cap of \$2 million was reached within 17 minutes. PledgeMe Chief Executive, Anna Guenther, apologised for the system failure and said the platform was recently upgraded to cloud server Amazon Web Services to handle larger campaigns like Hikurangi's. She added they thought the servers wouldn't be a problem, but were wrong. Waipau Investments Director, Panapa Ehau, said the company was humbled by the support it had received. The company planned to raise \$2 million from its crowdfunding campaign, and another \$4 million from institutional investors to build a processing facility and upscale plant growing operations in Ruatoria. Hikurangi has one of three Ministry of Health licences to grow cannabis for research and development.

National organic standard consultation underway [15 May/Rural News] Organics Aotearoa Chairman, Doug Voss, urged members and the organic community at large to participate consultation process launched by the Ministry of Primary Industries to support a proposal for a national organic standard. Agriculture and Food Safety Minister, Damien O'Connor, said in New Zealand there was a range of voluntary standards that organic producers could choose from to label their food organic. He added that officials advised a single set of rules may help boost consumer confidence in organic products. Productive growth for the primary industries was about getting more from what we do now, not just doing more, Mr Voss noted, making it important that members turned out to the regional meetings and had their say.

Forestry

Resurrection of New Zealand Forestry Service in Rotorua celebrated [11 May/The Country] Rotorua will get its share of more than 300 jobs expected to come from the resurrection of Te Uru Rakau. It will be a New Zealand Forestry Service based in Rotorua, according to Prime Minister Jacinda Ardern. She said it was the place for agency and that was where it belonged. She added that the service would focus on growing the country's forestry sector, building a strong labour market and lifetime careers, and creating a vision for the Government's one billion trees programme. New Zealand's old forestry service was disestablished in 1987. This service would build a strong and dedicated forestry presence in Rotorua, recognising it as the heart of the forestry sector in New Zealand. New Zealand First Deputy Leader, Fletcher Tabuteau, welcomed the launch. Waiariki MP, Tamati Coffey, said it showed key government departments could be outside of Auckland and Wellington.

Environment and emissions

Tremendous opportunity for New Zealand farmers to be world leaders [10 May/NZ Farmer] New Zealand farmers could become global leaders in low emissions agriculture if a solution is found to reduce biological emissions. Climate Change Minister, James Shaw, said countries were looking to New Zealand for leadership in this space. He thought it was an incredible opportunity if we could be the country to work out net zero emissions agriculture, which is one of his key roles. Mr Shaw added the government would support organisations such as the Global Research Alliance. He thanked farmers for the great job they had done. Agriculture was the sector most exposed to negative effects of climate change. New Zealand's emissions profile gave Mr Shaw hope that farmers could do something about it. He emphasised that reducing emissions was not just about the agriculture sector. Auckland is the source of 20 percent of New Zealand's emissions and that had to change.

Fert tax coming? [14 May/Farmers Weekly] Environment Minister, David Parker, appeared to want regional councils to implement plans to improve water quality sooner than is being achieved, according to Local Government New Zealand regional sector chairman, Dough Leeder. Mr Parker indicated he would shorten deadlines. Ecologist and Consultant, Alison Dewes, said given the complexity of the issues on nutrient loss and water allocation, there was little prospect lowering nutrient losses by cutting cow numbers in some catchments would gain the necessary political capital in a short time. Ms Dewes said it could lead to the point where the government could tax nitrogen fertiliser. Federated Farmers Dairy Chairman, Chris Lewis, added that with such plans already in place many farmers had already stepped their stock numbers down from historically higher levels. He noted that there was nothing new in what the minister wanted to achieve for farmers in many regions.

AgriTech

Shortage-stricken growers to reap fruits of new tech [11 May/Radio NZ] Labour shortages in orchards could be a thing of the past with robotic machines picking up the work. The robotic apple packers will be released commercially later in the month. Robotic Plus Chief Technology Officer, Alistair Scarfe, said there was no reason robotics could not be developed for horticulture such as kiwifruit. He added it was exciting to see what other produce they could apply it to. They found that to apply and tune the machine for other produce was feasible. The machine takes graded-apples and rotates them and packs them into display trays for markets. Mr Scarfe noted the machine was equivalent to about two people working on presentation quality packs. He described the innovation as assistive-technology because it freed up resources for more critical roles.

Farmers and producers

Bank teams up with young farmers [11 May/Rural News] Heartland Bank has teamed up with NZ Young Farmers to support young people at the forefront of the rural industry. The agri-food sector was a vital part of New Zealand's economy and needed young people to fuel it in the future, according to the bank. Head of Rural at Heartland Bank, Chris Cowell, said NZ Young Farmers was an impressive organisation with a footprint of 80 clubs. He added it provided young people with information, advice, training and networking opportunities. Mr Cowell added they were proud of their livestock finance products and they wanted to raise awareness of how they can help give farmers a leg-up through buying cattle or sheep, or entering the dairy industry as sharemilkers. Heartland noted its Open for Livestock platform was designed to be fast and simple.

Hops

Hop grower cluster is expanding [14 May/Farmers Weekly] New Zealand's hop growers were expanding to cater for craft beer demand. Growers were making large investments in new plantings and facilities according to NZ Hops. NZ Hops Chief Executive, Doug Donelan, said wind and heat dominated the growing season before harvesting started in mid-February. It meant growers produced a much lighter crop than expected. Total volume fell 38,000 kg on the year before. NZ hops had 18 growers two years ago, and now it has 23. Hops only grow around Motueka. The rise of craft beer had brought more contracts into the market and big breweries paid for a wide range of hops. Mr Donelan added they were now growing speciality varieties which weren't as high yielding, but were higher value. He noted demand for NZ speciality hops continued, however market signals were slowing in mature craft beer markets.

Deer

Confidence drives deer farmers [14 May/Farmers Weekly] Confidence was driving the rebuild of New Zealand's deer herd after one of the industry's best seasons ever. Existing deer blocks were being expanded and subdivided to run more stock, feeding systems were being upgraded and more weaners were being kept for breeding. The South Island venison price was \$11 per kilogram whereas it was \$10 per kilogram in the North Island. Deer Industry NZ Chief Executive, Dan Coup, said a survey showed there was strong growth in deer herd sizes since 2011. He added modest sustained growth in the national deer herd, built on strong market demand for its products, was good for the industry. Agriculture Minister, Damien O'Connor, was expected to present the opening address on day two of the Deer Industry NZ's annual conference. Staying ahead of the deer game was the theme of this year's conference.

Pork

Carter steps down early as NZ Pork chairman [15 May/The Country] New Zealand Pork Chairman, Ian Carter, has stepped down before the end of his tenure and said the direction some in the industry wanted to take was not one he felt comfortable steering. He added the job was initially very satisfying but the world had changed dramatically and the need to understand commercial drivers was becoming very challenging in an industry-good body. With the primary industries under commercial pressure, it was returning to the aggressive defensive mode which was not Mr Carter's style. When he was first elected, he spoke of a desire to see the pork industry being better promoted to all New Zealanders. He noted that the primary industries should be putting more energy into the next generation. Seeing the Mycoplasma bovis outbreak reinforced his frustration that pig farmers did not recognise what they had in New Zealand and risk that importation of pork presents.

Aquaculture

Thousand tonnes of dead fish poses problem for King Salmon [15 May/Radio NZ] New Zealand King Salmon is seeking a government grant of \$116,000 from the Waste Minimisation Fund to help devise economically valuable ways to deal with thousands of tonnes of dead fish and fish faeces. Mortalities are collected daily and transferred via road from Picton to Havelock North to the landfill in Blenheim. Warm temperatures in the Marlborough Sounds were the main reason for the deaths. The landfill use was not sustainable and the volume of waste could be too high for current landfill sites. The company will also contribute \$175,000 of its own money. King Salmon Chief Executive, Grant Rosewarne, said they could get by without the funding, but it would help them achieve a greener New Zealand sooner. A King Salmon spokesperson said the new government was clear that it wanted greener and cleaner companies, which is the ambition they were trying to fulfil.

Animal welfare

Hui on animal welfare [15 May/Rural News] An all-day hui has been called to discuss priorities of the country's animal welfare groups by the Associate Minister of Agriculture, Meka Whaitiri. The hui aimed to follow up on a promise not to ban rodeos. Ms Whaitiri said she wanted to hear the views and priorities of the country's animal advocates on all issues. She added that she had moved to strengthen the protection of our animals with a raft of new regulations that covered everything from banning fireworks at rodeos to tightening controls on how stock are transported to slaughter plants. She noted this went into the heart of our international reputation as one of the world leaders for animal welfare outcomes in farming systems.

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