



Hot Off The Press:
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Agenda 2018**

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Field Notes

Weekly news update from the KPMG Agribusiness network

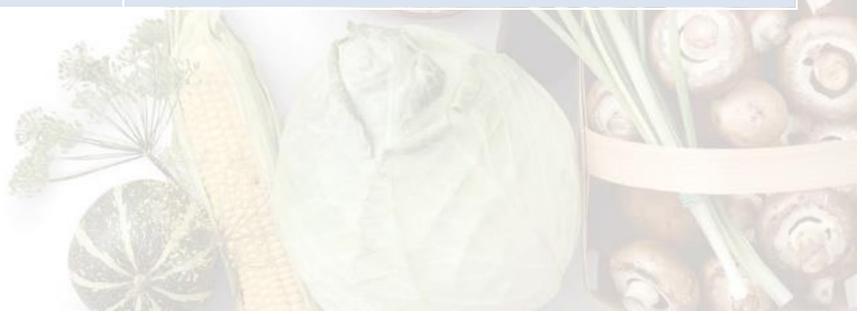
4 July 2018

Organisations referenced in this week's Field Notes include:

AgResearch	Gotham Greens
Air New Zealand	Greenpeace
Ambrosia Investments	Horticulture New Zealand
Auckland University of Technology	iBio CDMO
Balle Bros	Impossible Foods
Beef + Lamb New Zealand	JUST
Beingmate	KiwiRail
Brand Finance	Mengniu
Califia Farms	Ministry for Primary Industries
Carrefour	Nestle
Cibus	Ngati Awa
Conagra	PharmaCann
Craggy Range	Pinnacle Foods
Crop One Holdings	Research Company
DairyNZ	Rotoma No 1 Incorporation
Emirates Flight Catering	Sativex
EURECAT	Stifel
Farmax	Synlait Milk
Farming Leaders Group	Te Arawa
Farmwatch	Tegel
Federated Farmers	Tesco
Fidelity Management	Water Holdings CHB
Fonterra Co-operative Group	Yili

This week's headlines:

Animal welfare	Animal welfare minister 'disturbed' by new abuse case [28 June/The Country]
Horticulture	Growers claim win in Psa case [2 July/Farmers Weekly]
Dairy	Synlait launches bold environmental sustainability programme [28 June/The Country]
Environment and emissions	Farmers on zero carbon: let's do this [1 July/Stuff]
Research and development	Time to reignite GE debate in New Zealand, says Sir Peter Gluckman [1 July/NZ Herald]



Animal welfare

Hidden footage shows cows abused, hit in milking shed [28 June/NZ Herald] Footage that showed a Northland farmer violently and repeatedly hitting cows with weapons had been given to the Ministry for Primary Industries who investigated the claims, but the inquiry was dropped due to lack of evidence. Advocacy group, Farmwatch, has subsequently gathered further evidence, which it has now passed to MPI and requested another investigation. MPI Acting Director, Gary Orr, said an investigation was underway. He added they began an immediate investigation but could not comment further. The footage showed animals being hit on the head and legs with various implements. Farmwatch Spokesman, John Darroch, said the footage was heartbreaking. He noted the video was shocking and upsetting to watch. DairyNZ's Strategy Leader, Dr Jenny Jago, said the wellbeing of animals had to be at the heart of every dairy farm.

Animal welfare minister 'disturbed' by new abuse case [28 June/The Country] According to Associate Agriculture Minister, Meka Whaitiri, footage of a farmer violently hitting cows was disturbing. She said more animal welfare inspectors were a priority for the government. She emphasised that any bad treatment of animals, regardless of the reason, was not acceptable. She added the Ministry for Primary Industries was investigating and she had to wait for the outcome. The prior claims of ill treatment against the dairy farmer were dropped due to lack of evidence. Ms Whaitiri released a new framework for animal welfare that set out what would be a clearer, more transparent and inclusive system. She noted she thought the reset would be clear to animal advocate groups and industry people that the Government was serious about improving animal welfare outcomes.

Horticulture

Why iwi teamed up to buy three kiwifruit orchards [28 June/NBR] Three North Island iwi based entities put their money together to keep three Te Puke orchards in New Zealand ownership. Te Arawa, Rotoma No 1 Incorporation and Ngati Awa acquired the Matai Pacific kiwifruit portfolio which was marketed at more than \$65 million. Rotoma No 1 Chief Executive, Neville King, said the trajectory of kiwifruit and the opportunity to put land back in Maori hands was too good to resist. He added they had a shared aspiration of building the capability for their whanau to one day govern the business. The properties grow both green and gold kiwifruit varieties. The orchards were sold by tender and would be operated by a new Maori owned joint venture. Mr King noted it was becoming increasingly common to see iwi diversify investments and collaborate. Te Arawa Group Holdings Chairman, Andrew West, said the purchase was an investment for future generations.

Fruit, vege growers set to vote on commodity levy [20 June/Rural Life] Horticulture growers are being consulted about their support for the continuation of a levy to fund Horticulture New Zealand and its work. If more than 50 percent of growers vote in favour, an application would be made to the Ministry for Primary Industries for a new Commodity Levy Order. There would be no change to the maximum levy rate. Horticulture New Zealand President, Julian Raine, said even though the levy would remain at 14c, the total take would increase due to increased sales. He added it would receive about \$4.8 million if growers voted to continue with the levy. He noted the levy was used to perform its functions and provide value to its growers. The levy money was spent on grower representation, advocacy and communication with growers. This year, it was responsible for increasing the number of places on the Seasonal Employer scheme by 600. Biosecurity is also a key focus.

Growers claim win in Psa case [2 July/Farmers Weekly] A High Court decision has upheld claims made by a group of kiwifruit growers' that Crown negligence caused losses as a result of the Psa outbreak. The decision could leave the Government exposed to a large compensation bill; growers that joined the claim have sought over \$400 million in compensation. The ruling was a result of a multimillion dollar litigation process determining 212 growers were owed a duty of care by MPI in relation to biosecurity protection. The Psa strain was determined to be Chinese sourced. Kiwifruit claim representative, Grant Enyon, said the decision drew a line in the sand after a long and difficult eight years. He added the action was about seeking accountability for the incursion that devastated the industry. The Ministry for Primary Industries knew for many years Psa was a significant risk, he noted. Determining the level of compensation would be a long process. Any payout would only go to those 212 growers and if paid in full would amount to more than \$2 million each. The judge also ruled that MPI only owed a duty of care to growers and not to post harvest industry operators.

Dairy

Air New Zealand's Christopher Luxon makes call on top job at Fonterra [26 June/NZ Herald] Air New Zealand Chief Executive, Christopher Luxon, said he was not interested in the top job at Fonterra and remained committed to the airline. There had been speculation on whether he would move to Fonterra after the resignation of Theo Spierings. He said he was aware of the speculation on the subject within the investor community, media and marketplace in general. He noted he was approached about the role, but wanted to end the speculation and reassure everyone he would remain committed to Air New Zealand. He had been Chief Executive since January 2013. Mr Luxon noted the past year had been the most challenging since taking on the job.

Synlait launches bold environmental sustainability programme [28 June/The Country] Synlait Milk marked its 10th year in business by launching a sustainability programme designed to lead it through the next decade. It featured bold impact reduction ambitions. The main one being to reduce greenhouse gas emissions by 35 percent per kilogram of milksolids on farm and 50 percent off farm by 2028. Other features included reduction of water consumption. The programme includes increased premium payments to suppliers for best practice dairy farming. Synlait also announced the installation of New Zealand's first large scale electrode broiler. Outgoing Chief Executive, John Penno, said it was not asking each supplier to improve greenhouse gas emissions by 35 percent, but that it was across the supply base. Synlait worked with top pastoral greenhouse gas scientists in formulating the reduction aim numbers. Details about the various greenhouse gases and their targets were discussed by Director of Sustainability and Brand, Hamish Reid. The main target gases were nitrous oxide and methane.

Fonterra hopes new Beingmate general manager will transform company [2 July/Stuff] Fonterra's Chinese partner Beingmate has appointed a new general manager. Fonterra's Chief Executive, Theo Spierings, welcomed the move as a signal of the company's transformation. Fonterra wrote off \$405 million of its \$750 million investment in Beingmate earlier this year. The new general manager is Bao Xiufei (Bob). Mr Spierings said they knew their farmers and unit holders expected a lift in Beingmate's performance, so influencing the right transformation steps through its shareholding was one of their top priorities. The appointment of the new manager was one of three key steps communicated earlier in the year in the Beingmate transformation plan. The next priorities are for Mr Bao to unlock Beingmate's distribution network and take the right actions to meet Chinese customers' preferences for ecommerce. China returned \$3.4 billion in sales revenue to Fonterra last year.

Clement to take helm at Synlait [26 June/Farmers Weekly] Leon Clement has been announced as Synlait Milk's new chief executive and will start in August. He was previously Managing Director of Fonterra Brands. His appointment was the outcome of a global recruitment search following John Penno's announcement to stand down. Chairman, Graeme Milne, said Leon had led major businesses internationally and had deep experience in the branded dairy sector. The board of directors was pleased to have attracted a high calibre candidate. Mr Clement said he was passionate about New Zealand agriculture and growing people and businesses in a sustainable way. He added the business was in fantastic shape and they would continue to target sustainable growth by leveraging the potential within the organisation. A brief transformation period would introduce Mr Clement to the organisation in August and support the business through the leadership change.

Another big costly whole-milk powder plant off Fonterra's menu [1 July/NZ Herald] According to Fonterra Chief Operating Officer, Kelvin Wickham, the co-operative is unlikely to need to spend large on another whole milk powder plant for a long time. He confirmed that the Lichfield milk powder dryer was only used over the peak three to four months of the dairy year just ended. He said returns from protein and cheese products were better so they utilised other plants in the Waikato. They expect to run it longer this year. The Lichfield plant was built to provide central North Island processing flexibility depending on whole milk powder prices. Fonterra had 96 processing plants on 30 sites across New Zealand. It had the capacity to cope with a big milk influx, and also had choices about where to send milk for processing into the most profitable products. He noted they were comfortable with their buffer capacity and milk was going to grow so the buffer would decline.

Emerging markets

AUT signs deal with PharmaCann to develop locally-made, cheaper medical cannabis [28 June/The Country] Auckland start-up, PharmaCann, signed a deal with the Auckland University of Technology in a bid to produce cheaper locally made medicinal cannabis. PharmaCann hoped the partnership would help develop high quality cannabis products that were a fraction of the price of existing cannabis medicines in New Zealand. Founder, Chris Fowle, was confident clinical trials could be underway by the time a new law for medical cannabis comes into force. He said for patients it meant access to cannabis based products would be quicker and cheaper. They have applied for a licence from the Ministry of Health while the law change goes through Parliament. The new law would allow a wide range of cannabis products to be prescribed. Mr Fowle noted they believed if they had a herbal remedy or natural health supplements approach they could bring products to market at around 1 percent of the cost of Sativex.

Tasting the Impossible Burger with Air New Zealand [3 July/NZ Herald] Business Premier customers travelling on Air New Zealand's LA to Auckland haul will be offered the Impossible Burger for the next three months. It is a plant based innovation that is designed to save the planet. It has become a phenomenon in the U.S food tech industry for achieving the impossible, a plant based product that bleeds. Air New Zealand would be the first airline to serve the burger. Impossible Food's Founder, Patrick Brown, argues animal based production will be unsustainable. The burgers are available in 2,500 restaurants across the U.S. They use 75 percent less water, generate 87 percent fewer greenhouse gases and needs 95 percent less land than traditional beef. Impossible Foods weren't mainly targeting vegetarians, but carnivores looking for something new. According to a study by Beef + Lamb New Zealand, kiwi beef exports faced the greatest challenge from alternative proteins such as this one. Impossible Foods wanted to work with farms rather than against them.

Biosecurity

More M. bovis disclosure wanted – Whanganui farmers [26 June/The Country] Farmers want to know whether their neighbours have the Mycoplasma bovis disease, however the Ministry for Primary Industries has been avoiding outing infected farms to the public. Biosecurity Minister, Damien O'Connor, said it would now directly inform the neighbours of infected or high risk farms. It would also list the NAIT numbers of every infected cattle beast on its website. Mr O'Connor added it was a measured step that balanced the privacy concerns of individuals with the need for farmers to protect their farms. Federated Farmers Dairy Chairman, Chris Davison, said farmers wanted to know where the disease was. He had a dairy herd of 1,000 cows and brought in bulls for mating every year. If he knew his neighbour had the disease, he would immediately look to strengthen boundary fences to prevent it being transferred between cattle. There are now 42 infected properties.

Viticulture

Craggy Range vineyard buying land on edge of Martinborough [28 June/Stuff] Craggy Range is doubling its production with the purchase of a neighbouring farm in Martinborough. The property brings Craggy Range's three year search for a second estate to a close. Chief Winemaker, Matt Stafford, said they learnt a lot from 20 years which they could apply to the new site. He added the unique characteristics they were seeing from subtle soil variations were being accentuated with vine age and the potential to expand on that with new plantings and enhance their quality was immense. Craggy Range Chief Executive, Michael Wilding, said its sauvignon blanc and pinot noir had been the key drivers of much of their success. It was the only New Zealand brand to be part of the Wine & Spirits' Top 100 Global brands. John Donald noted his family were thrilled to be selling their property to Craggy Range. Craggy Range Chairman, Terry Peabody, said Martinborough punched well above its weight from a quality perspective.

Farmers and producers

Fuel tax to increase healthy food prices [28 June/Rural News] The Regional Fuel Tax introduced by Labour this week has caused confusion in the horticulture sector. Horticulture New Zealand Chief Executive, Mike Chapman, said the tax did not have an exemption system for off-road behind the farm gate vehicles and machinery. He added 441 fruit and vegetable growers in Auckland would be affected. He emphasised that growers should not have to pay the tax for vehicles and machinery that were meant to be excluded from the tax. Mr Chapman said growers would have to go through a complicated and costly process to get a rebate on the tax paid. He added the process was rushed to meet its deadline and those in the horticulture industry were not listened to. The tax would affect growers' businesses and costs considerably. These costs would be passed on to consumers.

Big cheeses from UK and US cleared to buy farms in NZ [2 July/Stuff] American millionaires Margaret and Gary Hirshberg are investing in New Zealand after getting approval from the Overseas Investment Office. They were cleared to buy a property near Motueka to set up an organic sheep farm and organic market garden. They also intended to do extensive native planting. The sellers got \$4 million for the property. A British couple were also given consent to buy a dairy goat farm near Te Aroha. They intended to bring in their Yorkshire dairy goat and export genetics from New Zealand. The Overseas Investment office decisions said Gary Hirshberg would run workshops for organic farmers and mentor local sheep cheese makers. Mr Hirshberg was the long-time CEO of Stoneyfield Farm, the leading producer of organic yogurt in the US. The Overseas Investment Office said the unique characteristics of the Wielkopolskis new goat breed would help develop a more efficient method of dairy goat farming in New Zealand.

Fuel tax hits [2 July/Farmers Weekly] The Auckland fuel tax could cost some individual vegetable growers up to \$100,000 per year. The industry was annoyed, calling the introduction chaotic and rushed. Horticulture New Zealand Chief Executive, Mike Chapman, was unsure why KiwiRail was exempt from the tax but offroad vehicles used by growers, horticulturalists and farmers who would have to seek a tax rebate are not. Auckland fuel consumers started paying an extra 11.5c per litre to fund new city roads and to upgrade public transport. Director of Balle Bros, Dacey Balle, said half of its two million litres of fuel they use in Auckland was off road, and 500,000 litres was used by company vehicles travelling outside of Auckland. The Government failed to develop a simple system for claiming rebates. A Transport Agency spokesman noted growers should keep accurate records of fuel used.

Environment and emissions

Greenpeace dairy farm protesters arrested by police in South Canterbury [2 July/The Country] Greenpeace protesters who stopped work at the site of a proposed dairy farm extension in South Canterbury were arrested by police. Around 45 protestors locked themselves to diggers and other machinery which disrupted construction of an irrigation pipeline for the new dairy farm. Twelve protestors were arrested and taken to the Timaru Police Station. Greenpeace Sustainable Agriculture Campaigner, Genevieve Toop, said their message was clear, that industrial dairy expansion had to stop. She added that twelve New Zealanders took the stand on behalf of all who wanted to save New Zealand's rivers, land, and climate from industrial dairy expansion. The proposed new dairy farm had almost all the consents and permissions it needed to go ahead. The Government was rewriting the regulations around freshwater and agricultural pollution due to be released later this year. Nearly 30,000 people had signed the new Greenpeace petition.

Farmers on zero carbon: let's do this [1 July/Stuff] New Zealand's farming sector appeared to have signed up to the Government's plan to be carbon neutral by 2050. The Farming Leaders Group published an editorial statement with Jacinda Ardern. It described the initiative as a very ambitious and challenging target. It said farming leaders with the support of the Government were stating their support for the goal and the agri food sector playing its part in achieving it. When the Zero Carbon Bill consultation was launched, the response was generally positive. Federated Farmers Climate Change Spokesman, Andrew Hoggard, said on the day of the announcement it was heartened that impacts on the economy and different views on different types of greenhouse gases were gaining prominence in the debate on climate change. The statement was high level and had nothing in the way of a measurable commitment. Climate Change Minister, James Shaw, described the joint statement as huge.

Water

Moves to revive Ruataniwha dam scheme [2 July/Radio NZ] A group of businessmen hope to resurrect the Ruataniwha Water Storage Scheme in the Hawkes Bay after buying the intellectual property from the Hawke's Bay Regional Council. The council spent \$14 million and four years on the scheme before the Supreme Court ruled it could not flood a large parcel of land. Water Holdings CHB has bought the intellectual property and rights to the scheme from the council's investment arm. Water Holdings Director, Gavin Streeter, said owning the assets would allow the community to explore options for reviving the scheme. He added that as a group they were committed to acting on behalf and in the interest of the Central Hawke's Bay community. Central Hawke's Bay Mayor, Alex Walker, was pleased with the purchase and thought it was great to know that water storage could be considered in the toolkit for the future of water. Regional Council Chair, Rex Graham, said it had been a difficult road since pulling out of the scheme.

Agribusiness strategy

Kiwi export foods need one brand [27 June/Farmers Weekly] New Zealand's farming industry faced a range of challenges and branding was key to success according to speakers at Federated Farmers' national conference. Brand Strategist, Brian Richards, said it was critical New Zealand learnt to sell less for more and take advantage of the vote of confidence from the wider world. He added building a new perception of our food and beverage industry required significant mindset change throughout the industry. He called on the farming industry to show greater collaboration. New Zealand's clean green image was probably worth about a 15 percent price premium that was yet to be realised. He emphasised that we needed some type of certification. He believed there was huge potential in New Zealand for our primary industries. Maintaining the social licence was key.

Poultry

Underground bores consented before controversial Tegel chicken farm approval [2 July/NZ Herald] Tegel has been permitted to install eight groundwater bores on or near the site of a proposed broiler chicken farm in Northland that is awaiting resource consent. The bores are intended to supply water to the farm. The resource consent was processed separately. The Northland Regional Council said the adverse effects of installing the bores would be no more than minor, it was consistent with the relevant statutory planning documents and regulations, and that the grading of the consent achieved the purposes of the Resource Management Act. The company wanted to set up the broiler farm at Arapohue with capacity to stock 1.3 million chickens and employ 28 people. The Northland and Kaipara Council's sought more information from Tegel last month including evidence of job creation and an assessment of odour. Northland Regional Council's Resource Consent Manager, Stuart Savill, said all requested information had been provided except for the cultural impact assessment report.

International

Conagra to buy Pinnacle for USD8.1 billion, creating frozen food powerhouse [27 June/Reuters] Conagra said it would buy Pinnacle Foods for about \$8.1 billion in an attempt to obtain a bigger share of the snack and frozen food markets amid fierce competition in the packaged food industry. The deal would make Conagra the second largest U.S. frozen food maker after Nestle. They had been investing aggressively to become the fastest growing frozen meal companies. The combined market capitalisation of Conagra and Pinnacle Foods would be about USD23 billion. Conagra Chief Executive, Sean Connolly, said the deal would help the company cut down on supply chain costs and strengthen its relationship with retailers. Including debt, the deal was valued at USD10.9 billion. Congara fell 7 percent and Pinnacle fell 4.2 percent. Stifel Analyst, Christopher Growe, said the implied price was below the price he expected, and that the offer was a bit surprising.

New laws aimed at ending modern slavery in consumer supply chain expected to pass Parliament [28 June/ABC News] New laws introduced to stop modern slavery in Australia and overseas were released in Australian Federal Parliament. The opposition labelled the reforms toothless, but plans to grant them bipartisan support. The laws would mean around 3,000 Australian businesses would need to identify any modern slavery in their supply chain, and report it to authorities. Assistant Minister for Home Affairs, Alex Hawke, said businesses would have to detail what steps they had taken, and would take, to address the risks. A modern slavery business engagement unit costing AUD3.6 million would be set up. Opposition Spokesperson, Claire O’Neil, said the bill was weak as it did not set a penalty for businesses that refused to report on slavery. The United Nations estimated 25 million people were exploited in global supply chains, with about 4,000 of those thought to be in Australia. A recent survey by CIPS found most procurement managers were underprepared for the new government requirements.

Cibus Raises USD70m Series C for Gene Editing “Indistinguishable” from Traditional Plant Breeding [26 June/AgFunder News] Gene editing company Cibus raised USD70 million in Series C funding. The round was led by Fidelity Management and Research Company. The company launched its first crop in the U.S. to be tolerant of sulfonylurea herbicides. It has also received regulatory approval in Canada. The company would also use its technology to produce crops capable of reaching higher yields, with higher nutritional value, drought tolerance, and disease resistance. Cibus CEO, Peter Beetham, said farmers needed the ability to control weeds and herbicide tolerance to reduce the amount of herbicide needed. Clustered regulatory interspaced short palindromic repeats (CRISPR) is a molecular mechanism found in bacteria that effectively directs Cas9 enzymes to cut DNA. Once the strands are cut, the desirable genetic sequence could be inserted or simply left to naturally repair itself. Mr Beetham also said using the tool required the insertion of foreign DNA, which RTDS does not.

The World’s Most High Tech Indoor Farm Doesn’t Grow Food or Cannabis [27 June/AgFunder News] CEO of iBio CDMO, Barry Holtz, said the real transfection of plants to make biopharmaceuticals was hatched in Palo Alto in a bar called the Sundance Mining Company in 1987. Transfection is the introduction of foreign DNA into plant cells to instruct them to create specific proteins. iBio used highly automated indoor farming methods to manufacture pharmaceutical drugs from plants. He noted an example where the company had received a vaccine against some form of influenza in the mail, and their contract was to make 50 million doses in 12 weeks which they achieved. The company’s products are now used to treat fibrotic diseases. The farms are underground with thick concrete walls. The growing and harvesting would happen without any human interaction. He said they had probably over engineered everything. He added the reward is high in pharmaceuticals, but so is the risk. It is expensive and licences for active ingredients were granted by formulation and not by facility.

Brand Finance reveals top 5 dairy brands [27 June/Dairy Reporter] According to a report by Brand Finance, Nestle dominated the food brand rankings, however Chinese dairy company Yili had seen an impressive increase in value. Nestle claimed the title of the world’s most valuable food brand at more than double the value of the second ranked brand. Dairy was one of the strongest performing sectors in the food industry with an average of 13 percent brand value growth yearly. The Chinese market was the most dynamic in the world, set to take over the U.S. as the largest market for dairy products by 2022. This was due to rising affluence and improved accessibility. Yili rose from eighth place last year to third this year. Brand Finance also highlighted the performance of another Chinese dairy brand, Mengniu, which grew at a similar rate to Yili. Brand Finance rated Yili top for brand potential.

No yolk: JUST Egg is rolling out to new markets soon – including grocery consumers [28 June/Food Dive] Concierge Chef of JUST, Kaimana Chee, made omelettes for an audience near the White House using a new egg replacement product made by novel food developer, JUST. He said it was really just like a scrambled egg. He was displaying the product made from an ingredient derived from mung bean. The company has spent years trying to perfect the product. JUST Head of Communications, Andrew Noyes, said ultimately they wanted to mimic the full functionality of an egg. The product is not yet widely available. Mr Chee said everyone was looking for differences, and he could taste some subtle differences but it was close enough to the real thing to be an enjoyable breakfast. It was getting ready for a much bigger launch in the near future. They recently launched a website however were unsure if it was attracting many consumers as of yet. According to the site, the product would soon be at some store locations.

Catalonia wants to create food innovation hub for nutrition, safety and sustainability [26 June/Food Navigator] Catalonia is launching an initiative to transform and revitalise the regional agri-food sector and create a new food valley in Southern Europe. The project was announced at the head offices of EURECAT in Catalonia. It involved a collaboration between EURECAT and the Reus City Council. Pect Nutrisalt would focus on what had been identified as three work areas that the project structure was targeting. Researchers would work to develop technologies to add value to existing products and create new foods that met consumer need and supported health. Pect had also been given the task of developing technology and supporting platforms in areas such as animal nutrition. The project was required to plan for future regional development and support the competitiveness of companies. This investment in innovation and research capabilities would help transform the region into an international hub of nutrition and health.

Crop One Holdings teams with Emirates Flight Catering to double production of vertical farms [26 June/Food Navigator] A USD40 million joint venture with Emirates Flight Catering would more than double Crop One’s daily production of leafy greens and expand its footprint internationally. Crop One would build a new facility in the United Arab Emirates and three new U.S. farms to produce herbicide and pesticide free produce daily to be served on airlines and in airport lounges. Construction should take a year to complete. The upgrade was possible in part due to its proven model at scale. The deal was also notable as it was the second major investment in hydroponic farming. Urban greenhouse developer, Gotham Greens, announced its USD29 million in Series C funding earlier this month. The money would go towards expanding distribution and enhancing research and development.

Supermarket chains Tesco, Carrefour form strategic alliance [3 July/NZ Herald] Two of Europe's biggest supermarket chains, Tesco and Carrefour, were working together to get better deals out of suppliers due to increased competition from internet traders. They announced a long term strategic alliance that would govern relations with global suppliers and the joint purchasing of their own-brand goods. The goal was to improve quality and choice of products and enhance competitiveness. Carrefour CEO, Alexandre Bompard, said the alliance was a major agreement as it combined the purchasing expertise of two world leaders. Tesco scaled back its international expansion plans and was facing increased competition. The link between Tesco and Carrefour reflected their own retreat from international expansion. Poland would be the only market where the two retailers continued to compete head to head.

The future of food may be cooking with chemical compounds [29 June/CNBC] Note by note cuisine is a style of cooking that replaces traditional ingredients with chemical constituents. According to French scientist Herve, the process can feed more people, prevent spoilage and save energy. His technique deconstructs ingredients into their constituents. After identifying the fundamental make up of dishes, the raw compounds are mixed to reconstruct the traditional dishes. For example, steak is a combination of protein, water, colorants and powders. Using chemical compounds would prevent food spoilage and feed more people. Mr Herve explained science was so powerful that he could make one new food product every month for 20 years. He ultimately wanted households to replace spice racks with cupboards of glucose, piperine, amylose, tartaric acid and other compounds.

Calvia Farms raises USD50m+ to expand its plant-based empire [2 July/Food Navigator] Calvia Farms, a plant-based beverage brand, raised USD50 million in a new funding round which was led by Ambrosia Investments. According to Ambrosia Investments Chairman, Serge Schoen, the funding would be used to expand its manufacturing facility and further develop go to market capabilities for commercialising recent launches in plant based milks, non-dairy creamers, cold brew coffees and probiotic dairy free yoghurt drinks. The company appointed former Goldman Sachs executive, Sandeep Patel, as Chief Financial Officer according to CEO, Greg Steltenpohl.

AgriTech

AgResearch takes full ownership of Farmax [30 June/Rural News] Farmax, an agricultural software company, is now wholly owned by AgResearch. Farmax had been operating for 15 years and had added value to more than 5,000 farm businesses in New Zealand and overseas. The software is used by farmers to analyse, monitor and review farm operations to determine the production and economic outcomes of various managerial options. AgResearch Chief Executive, Tom Richardson, said the move was aligned to its ongoing development of digital tools that supported decision making by farmers and their advisors. Farmax General Manager, Gavin McEwen, added the new ownership structure would not lead to any immediate changes for the business. Mr Richardson noted the relationship with the outgoing owners had provided many opportunities. David Brownrigg said it was a rewarding relationship over the past 15 years and he was proud to be a part of Farmax's growth.

Research and development

Time to reignite GE debate in New Zealand, says Sir Peter Gluckman [1 July/NZ Herald] The Prime Minister's former science advisor, Peter Gluckman, said it was time for New Zealand to restart the debate on genetic modification. The Government emphasised there were no plans to change New Zealand's cautious approach to genetic modification, and changes would be years away. Sir Peter added the science had shown genetic modification was safe and the science was as settled as it would be. It had been nearly 20 years since genetic engineering was last debated at a national level in New Zealand. It had been used in research and some medicines, but no fresh produce had been made using genetic techniques. Mr Gluckman listed areas where genetic modification could be used such as biosecurity. He noted we were fundamentally a biologically based economy. Environment Minister, David Parker, said there were no plans to change the existing regime which took a precautionary approach.

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Weekly news update from the KPMG Agribusiness Network – 4 July 2018

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