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 Agenda 2018**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

1 August 2018

Organisations referenced in this week's Field Notes include:

AccelFoods	Ministry for Primary Industries
Apiculture New Zealand	Nestle
ASB	New Zealand Beekeeping
Auckland Coal Action Group	New Zealand Kiwifruit Growers' Inc
Ballance Agri-Nutrients	New Zealand Meat Association
Bayer	Otago University
Beef + Lamb New Zealand	Oxford University
Carrfields Primary Wool Group	Packaged Facts
CDH Investments	Plant & Food
Comvita	Primavera
DairyNZ	Rabobank
Danone	Rethink Brands
Federated Farmers	Rural Health Alliance Aotearoa NZ
Fonterra Co-operative Group	Soloberry
Giants Software	Statistics New Zealand
Horticulture New Zealand	Stonyfield
Impossible Foods	Strathboss Kiwifruit Limited
Lactalis	Tegel
Landcorp	Unilever
Lincoln University	Westpac
Manuka Health	World Trade Organisation
Manuka Honey New Zealand	Zespri
MediCann	

This week's headlines:

Apiculture	Honey industry like 'wild west', minister says [26 July/Radio NZ]
Horticulture	Ministry for Primary Industries to appeal Psa decision favouring kiwifruit growers [24 July/NZ Herald]
Red meat	Meat industry objects to post-Brexit quota split as 'inflexible' [27 July/NBR]
Dairy	Fonterra chair John Wilson's exit comes as shock to shareholder boss [27 July/NZ Herald]
Economics and trade	Trade imbalance tops \$4 billion in year [26 July/Otago Daily Times]



Apiculture

Beekeepers smarting over proposed 'tax on honey' [25 July/Stuff] Apiculture New Zealand has proposed the introduction of a compulsory industry levy. Some in the industry fear it could put smaller operators out of business. President of New Zealand Beekeeping, Russell Berry, said his company would have to pay about \$100,000 a year. Apiculture New Zealand proposed a levy of 10 cents per kilogram of honey on beekeepers. Apiculture NZ's Chief Executive, Karin Kos, said the money would be invested into areas such as bee population health, biosecurity, education, sustainability, and market access issues. Mr Berry added the organisation was dominated by the big players and most beekeeping was not for high value export manuka honey. Bulk honey prices were falling, and businesses, jobs and bee health would be put at risk. There are around 8,000 registered beekeepers in New Zealand. He remained confident beekeepers would vote down the levy. Ms Kos noted attendees at the recent industry conference expressed support.

Feedback sought on manuka honey rules for NZ [26 July/The Country] Manuka honey producers and consumers were urged to contribute their thoughts on whether strict requirements for manuka honey exporters should be applied to honey produced and sold in New Zealand. A scientific definition for New Zealand manuka honey was introduced for exported honey last December. The aim was to safeguard the industry from cowboy operators. Agriculture and Food Safety Minister, Damien O'Connor, said he was looking at options for manuka honey produced and sold in New Zealand. Submissions must be made by September 17.

Honey industry like 'wild west', minister says [26 July/Radio NZ] According to Agriculture Minister, Damien O'Connor, the honey industry was operating like the wild west. He said some apiaries were being over-stocked due to commercial opportunities which left bees hungry and affected hive health. He added the industry needed to cooperate properly on core issues. He noted that if apiarists thought they had overstocking and hungry bees, it wasn't good. The government was prepared to work with the honey industry to bring order to the industry. Apiculture New Zealand Chief Executive, Karin Kos, agreed the industry had experienced rapid growth. She said there were some growing pains, however it was making efforts to improve, and had introduced a beekeeping code of practice. She added they recognised they needed to step up and invest more into ensuring the industry remained sustainable.

Comvita silent over Manuka Health bid [31 July/NZ Herald] Comvita declined to comment on whether it was interested in making a bid for Manuka Honey New Zealand. Manuka Health was put on the market six weeks ago for more than AUD200 million. A Comvita spokeswoman said it was unable to comment on its interest or potential acquisitions without first updating the market. Comvita shares had fallen 30 percent so far this year. Demand for manuka honey has soared due to its antibacterial properties and demand for natural health foods. Other potential buyers for Manuka Health include CDH Investments, Primavera, and Unilever. Manuka Health had revenue of \$79.5 million and profit of \$3.5 million for the year ended June 2017. The company was founded in 2006, with 78 percent of sales derived from exports.

Farmers and producers

Farmers seek off-farm income to counter rising costs [30 July/Stuff] According to a survey by Lincoln University, over a quarter of farms obtained 30 percent or more of their income from off-farm sources. Farmers have struggled to keep up with the price increases. Federated Farmers Meat and Wool Chairman, Miles Anderson, said he was not surprised given the downturn in the sheep industry and high debt many farmers were carrying. Farming enterprises were increasing in size and events such as drought could lead to unforeseen costs. He added that fifty years ago it was less common for someone to be working off-farm, whereas now it was a necessity in most cases. He noted more farmers were asset rich and cash poor. The survey obtained data on net capital gains and returns from 400 farmers. It provided information to think about, and debate the overall profitability of farming. Associate Professor Peter Nuthall, said off-farm income was surprisingly high and with an increasingly uncertain world, the diversification made sense.

Wool

Working group 'last chance saloon' for wool industry [30 July/The Country] According to Carrfields Primary Wool Group Chief Executive, Colin McKenzie, a working group was the last chance for the industry. He was one of 40 people invited to the meeting hosted by Agriculture Minister, Damien O'Connor. CPWG accounted for around a quarter of New Zealand's wool clip. Mr McKenzie added there needed to be a consolidation and alignment of the industry. He said telling New Zealand's crossbred wool story and how it created high quality products was also important. Overseas markets needed to know about its functionality, ethics and environmental credentials. Crossbred wool needed to be differentiated to compete. He added that addressing the low return of the wool would not be easy and it was important to add value to it.

Horticulture

Ministry for Primary Industries to appeal Psa decision favouring kiwifruit growers [24 July/NZ Herald] The Ministry for Primary Industries is appealing the decision in favour of growers over the introduction of the Psa bacterial disease to New Zealand. The appeal seeks to clarify the scope for government regulators to be sued in negligence. The MPI said the court's findings traversed events from 12 years ago which pre dated the establishment of the Ministry. It added that New Zealand enjoyed a high level of freedom from most pests and diseases as a result of diligent work by the MPI. It noted no system in the world could prevent every pest incursion from happening. The ministry considered the court findings had the potential to significantly impact its biosecurity operations. It said it took biosecurity responsibilities seriously. The High Court last month partially upheld the claim brought by Strathboss Kiwifruit Ltd.

Horticulture employers must clean up their act to address its worker shortage [26 July/Stuff] Horticulture New Zealand Chief Executive, Mike Chapman, said the horticulture industry needed to identify and fix its bad employers if it wanted to attract workers. In 2016 there was a labour shortfall of 6,000 workers, and he was confident that would be a larger figure this year. A seasonal labour shortage was declared in May for the Bay of Plenty kiwifruit industry. The shortage was blamed on a larger harvest and a decreased number of backpacker and international student workers. Mr Chapman added the industry has employers who were not operating as they should, and they had to unite to deal with them. The largest portion of the horticultural workforce were New Zealander's. New Zealand permanent staff worked an average of 38.4 weeks a year. Mr Chapman noted it was surprising an industry the size of horticulture had no apprentice programme or degree course.

Zespri chairman takes top award but coy on Fonterra directorship [26 July/Stuff] Zespri Chairman, Peter McBride, received the industry's Bledisloe Cup. It is horticulture's premier award. His involvement with the kiwifruit industry spanned almost 40 years. He said it was a great honour to be recognised and humbling. He remained coy about suggestions he has put his name forward to stand as a Fonterra director. He added there had been a few discussions and he had been approached by a few people. He noted Fonterra was an iconic company in New Zealand and it was important for dairying that we had a high performing co-operative. Nominations for Fonterra farmer directors closed on 23 July, and candidate names would be revealed mid-September. Horticulture New Zealand President, Julian Raine, said the cup celebrated a person who had made an outstanding contribution to the New Zealand horticulture industry. Horticulture NZ presented its first environmental award to James Trevelyan from Te Puke.

Kiwifruit growers group silent as members delay constitutional changes [30 July/NBR] New Zealand Kiwifruit Growers' Incorporated would not comment on its annual general meeting which was held up after growers halted constitutional changes. It tried to implement new powers for its executive committee which included giving delegated authority for decision-making. Growers were concerned it would mean the committee would have the power to negotiate how much they were paid by Zespri. All of the new rules were implemented as a single motion for simplicity purposes, which meant growers had to vote for all of the rules or none of them. Significant concerns were expressed about the rule. Te Puke grower, Colin Olesen, was behind the amendment to get rid of the rule as it would give the executive too much power. He said the backdown showed the problems with advance voting at shareholder's meetings. Around 100 people attended the meeting.

Red meat

Meat industry objects to post-Brexit quota split as 'inflexible' [27 July/NBR] Signs of trouble for New Zealand in negotiating post-Brexit free-trade agreements with the UK and EU are emerging with proposals to split meat import quotas. The UK and EU have proposed a fifty-fifty split of the World Trade Organisation approved tariff free quota. The NZ Meat Association said it would effectively lock in quotas for the two markets and prevent the ability to adjust supplies. The annual quota allowed 228,245 tonnes of sheep and goat meat to be exported without a tariff. The quota hadn't been filled for the past seven years due to demand from China. Annual exports to the EU were worth around \$2 billion and the quota was a cushion if demand fell in other markets. MIA Chief Executive, Tim Ritchie, said markets were dynamic, domestic production and consumer demand continued to evolve, and it was important for market stability that New Zealand's sheepmeat and beef exporters could factor that into their plans.

Report damns pastoral red meat [27 July/Farmers Weekly] New Zealand's grass-fed red meat system was damned in a report by Oxford University. It emphasised the need to reduce meat consumption because of health concerns and the impact of its production on the environment. The report suggested Government taxes or health and environment warning labels for meat. It said 4 percent of all meat and 8 percent of beef was produced from grass-fed systems. An Otago University study also suggested a meat tax to discourage buyers. The Oxford report acknowledged the difficulty in implementation. Global meat consumption was rising, driven by pork and chicken. Most of the increase was due to China. Average individual global consumption was estimated to be 122 grams per day. The report noted it was possible to obtain sufficient intakes of nutrients without eating meat. It acknowledged meat production provided employment. It said management of grassland systems could contribute to mitigating climate change, but the benefits were likely to be small.

Water

Healthy Rivers decision given 18 month extension [26 July/Stuff] The Waikato Regional Council voted in favour of an 18 month extension to the implementation timetable to allow more time for decisions to be made on the Healthy Rivers proposals. The extension came after it was clear a decision could not be made by October 22. The extension will be until April 30 2020 and allows the hearing panel more time to consider submissions and recommend any changes to the plan. Policy adviser, Mark Foreman, said several factors meant the council could no longer keep its original timeframe. They included the number and complexity of submissions received, increased time to allow for public hearings, and the withdrawal and reinsertion of part of the plan change area. The variation reinstated an area withdrawn to enable consultation with Pare Hauraki as an affected iwi. The goal was to improve water quality in the Waikato and Waipa rivers. Mr Foreman added there were consequences to the extension.

Environment and emissions

Anti-coal group protests outside Fonterra's Auckland office [26 July/NZ Herald] There was a small protest outside Fonterra's head office by the Auckland by Coal Action Group over the co-op's continued use of coal in manufacturing processes. Spokesman, Peter Whitmore, said Fonterra had not done enough to wean itself off coal, despite having joined the Climate Leaders Coalition group. Fonterra was New Zealand's second largest coal user. He said it had not taken any meaningful steps to reduce its emissions. He noted the need to rapidly phase out coal use had been clearly articulated by many scientists over a long period. Fonterra said it respected the right of New Zealanders to express their opinions. It noted the action it had taken included developing a road map with the Government to have net zero emissions in Global Operations by 2050 through the use of 100 percent renewable energy.

Dairy

Fonterra chair John Wilson's exit comes as shock to shareholder boss [27 July/NZ Herald] Fonterra Chairman, John Wilson, has decided to step down after a serious health scare. This was a shock to the industry. Fonterra announced he would remain a director on its board until its annual meeting in November although would stand down from the chair immediately. The co-op said Mr Wilson had undergone significant surgery that would require ongoing treatment. Existing director, John Monaghan, has become the new chairman. Mr Wilson said the decision was difficult but in the best interests of the cooperative. He added it was a privilege to serve as chairman and give something back. Mr Monaghan grew up on a dairy farm and had served on multiple committees. He has been closely involved in the process to appoint a new chief executive to replace Theo Spierings. Shareholders Council Chairman, Duncan Coull, said he was surprised and shocked at the announcement and his thoughts went out to Mr Wilson and his family.

Emerging industries

Medical cannabis industry aims to match the billion-dollar kiwifruit sector [27 July/NZ Herald] MediCann is a cannabis company that aims to build an agricultural industry to match the kiwifruit sector. It plans to follow a similar growing and cultivation model to Zespri's. Managing Director, Brendon Ogilvy, said it had exclusive New Zealand rights to more than 30 medically certified cannabis strains. He added the company was ready to release grower licences pending final decisions by the Government on medicinal cannabis. Growers would apply to become a licenced producer. He noted it was an ambitious plan but the company was ready. Horticulture growers and iwi had already expressed strong interest in partnering with MediCann. It would purchase the crops and manufacture the products to meet estimated domestic demand and provide for future exports. Export opportunities could begin within a few years if the bill is passed. Board member, Elizabeth Plant, said it planned to produce the best quality pharmaceutical grade cannabis at the most affordable price for New Zealanders.

Poultry

Northland councils recommend chook farm application to be declined [27 July/NZ Herald] Two authorities in Northland wanted independent commissioners to decline resource consent applications for Tegel's proposed broiler chicken farm. Tegel had applied for consents for various activities associated with construction and ongoing operation of the poultry farm. A hearing on the consents, however, has been suspended until further notice. Tegel said it needed more time to work through issues identified by the Northland Regional and Kaipara District councils. The proposed farm would have the capacity for 1.3 million chickens. Locals opposed to the plan said the stench would be unbearable and the change in landscape could devalue properties. Only 17 of the 5,000 submissions to the council supported the farm. Marae Chairwoman, Margaret Mutu, said she was relieved both council had recommended Tegel's application to be declined.

Biosecurity

Farmers face levy hike to cover cost of cattle disease [25 July/Stuff] MPI has announced a further two farms have been infected with Mycoplasma bovis. Farmers face the prospect of a higher industry levy to help pay for eradication costs. The farms were linked to other known infected properties through animal movements. Negotiations continued over the question of how much dairy farmers would pay compared to their beef counterparts. A dairy farm with an average herd of 413 cows would already pay \$6,205 to DairyNZ. Beef + Lamb NZ said it would be an 80:20 split, with dairy farmers paying the majority. However a dairy sector leader said more and more beef farms had been effected. The disease was initially detected in the dairy sector, however the number of infected beef farms was now higher than dairy properties. There were 20 infected beef farms, 17 dairy farms and 3 others. Farmers were unlikely to get a vote on any levy increase.

Importers respond to MPI warning about delays [25 July/NBR] The Ministry for Primary Industries has warned importers will face delays as they complete biosecurity protocols. The delays are due to a high court decision ruling the Government is liable for letting Psa into the country. The Government will appeal the decision. Car importers also faced a scare this year when stink bugs were found on ships headed to New Zealand. This halted the industry for days. The pest was the second most unwanted in New Zealand after the Queensland fruit fly and could cause \$4 billion in exports to be lost. Importers Institute Secretary, Daniel Silva, said it was early days but there had been no noticeable delays since the court's decision last month. He added there was always a risk inherent with importing things, and the question was how we manage it.

Economics and trade

Trade imbalance tops \$4 billion in year [26 July/Otago Daily Times] New Zealand's annual trade deficit is over \$4 billion. This was largely due to a weakening in dairy export values widening the gap. New Zealand's annual imports increased by \$6.02 billion whereas exports rose by \$5.65 billion. ASB's Senior Rural Economist, Nathan Penny, said the balance was weaker than expected and the June deficit was the largest in a decade. He added lower than expected export values accounted for two thirds of the surprise decline. Westpac Senior Economist, Michael Gordon, said exports rose 2.5 percent in June, which was a smaller gain than expected. Oil imports fell during the maintenance shutdown of the Marsden Point refinery. Statistics New Zealand's Acting International Statistics Manager, Dave Adair, said the last June year surplus was in 2014, driven by dairy export values. The latest rise in annual imports was led by \$24 billion of intermediate goods.

Red meat

Meat alternatives: Cheaper production could diversify NZ market [25 July/Radio NZ] New Zealand farmers could have to adapt to new technologies that enable creation of meat alternatives. Beef + Lamb New Zealand Marketing Innovation Manager, Lee-Ann Marsh, said we may start seeing entirely lab grown products on shelves within three years. Companies were investing large amounts into these products. Ms Marsh added she thought the technologies that could actually replicate animal proteins would be quite disruptive. Farmers did not have to be too apprehensive as long as they remained adaptable. Food futurist, Melissa Clark Reynolds, noted the price of making meat alternatives was falling and becoming more viable. She said New Zealand had an opportunity to carve out a niche market with high quality meat production. Landcorp was looking at meat possibilities. Its Farming Innovations Manager, Paul McGill, added they were looking at possibilities around mixed farm systems containing both livestock and plants.

Rural supplies

Ballance boosts balance sheet [30 July/Farmers Weekly] Ballance Agri-Nutrients will keep a portion of its earnings to boost its balance sheet following three years of rebate payments that pushed it to a bottom line loss. Chief Executive, Mark Wynne, reported a gross trading profit of \$71.3 million, up from \$56.8 million a year ago. The co-op will keep the rebate at the same amount of \$45 per tonne. Sales volumes were up 1.5 percent, and revenue rose 2.6 percent. Chairman, David Peacocke, said the results reflected positive sentiment among farmers and growers. Mr Wynne added horticulture sector sales were strong and growing. Mr Wynne noted its big project would be a \$30 million refit of the Kapuni urea plant. Mr Wynne said that as far as he could tell they had missed no orders. Mr Peacocke added the company had to continually improve to keep up with the competitive New Zealand market.

Rural communities

Health alliance considers options [25 July/Farmers Weekly] The Rural Health Alliance Aotearoa New Zealand could still have some options. It provides a united health voice for various rural organisations, and was forced to temporarily close in April when the Government decided not to fund its activities. A board meeting next month could see the group return. Taranaki-King Country National MP, Barbara Kuriger, presented a petition to Parliament calling on the Government to deliver healthcare for rural New Zealanders. Chairman, Martin London, thanked Ms Kuriger for her support and said the board was meeting next month. He declined to elaborate on details. He noted the alliance did not seek support and did not want to become involved in politics. The alliance identified priorities and solutions on the type and quality of healthcare needed and wellbeing of rural people. Health Minister, David Clark, denied the alliance's funding had been cut. Agriculture Minister, Damien O'Connor, respected the work the alliance had done.

International

Meet the real-life farmers who play Farming Simulator; The agricultural simulation game could cultivate a new generation's enthusiasm for a declining industry [24 July/The Guardian] A video game series called Farming Simulator that is played by around a million people estimated a quarter of its players were connected to farming, and 8 to 10 percent were full time professional farmers. Nick Welker of Welker Farms said there was a type of accomplishment to grow, build and overcome the games challenges. He enjoyed the feedback loops of growth and expansion. Another farmer said the main reason he played was to run a large operation unlike the smaller operation he ran in real life. Another ex-farmer picked up a copy of the game and virtually recreated Coldborough Park. He treated the game as relaxation therapy. The relationship between farmers and Farming Simulator was growing stronger. The game was produced by Giants Software and is seen as a tool to educate the wider population about the challenges of operating a farming business.

Gene editing is GM, European court rules [27 July/Stuff] According to scientists, strict new regulations by Europe's highest court on gene-edited crops could stifle Kiwi innovation. It ruled gene edited crops should be subject to the same regulations as genetically modified organisms. Older GMO technology typically added new DNA to a plant or animal, whereas gene editing involved precise modification of DNA sections. Otago University Geneticist and Director of Genomics Aotearoa, Peter Dearden, said gene editing was a far more accurate way to make a mutation than GMO. He added the problem was the technologies were being regulated rather than the outcomes. Professor of Molecular Genetics at Massey University, Barry Scott, noted subjecting new technologies to the same rules and regulations didn't appear to take scientific knowledge and precision into account. Plant & Food Research Scientist, Kieran Elborough, said it was important to note the decision was a ruling on where the technology sat within existing regulations.

NSW Government announces extra AUD500m in drought assistance for struggling farmers [30 July/ABC News] After a cash injection for struggling farmers, the New South Wales Government's drought assistance reached AUD1 billion due to the dry winter. The Government had been criticised for not doing enough to support those on the land. Premier Gladys Berejiklian announced an additional AUD500 million in emergency funding which included AUD190 million for the introduction of transport subsidies. She said it would help farmers who had faced an unforgivably dry winter. Transport subsidies would be back-dated to January. NSW's Farm Innovation Fund was also given AUD150 million as part of the contribution. Deputy Premier, John Barilaro said the package would assist farmers who had been forced to source fodder from interstate. The NSW's Farmers Association welcomed the package but stressed it needed to be easily accessible. The NSW Rural Assistance Authority would begin processing applications from next week.

Rabobank issues Global Dairy Top 20 – no new entries and Nestle stays top [26 July/Dairy Reporter] According to a Rabobank Research report, dairy price recovery in 2017 positively affected the turnover of the top 20 companies. Rabobank Senior Analyst, Peter Coppes, said for the second year running there were no new entrants into the Dairy Top 20 list. The USD5 billion threshold was hard to achieve due to low numbers of large acquisitions or mergers. Nestle remained at the top of the list, but the gap had narrowed. Lactalis moved into second. Both France and the U.S. have four entries in the top 20. Danone fell to third after selling Stonyfield. Fonterra was ranked fifth on the scale (rising one place ahead of Friesland Campina). The report noted merger and acquisition activity had grown due to the availability of cheap capital. Rabobank said the dairy sector trailed other sectors in terms of industry consolidation through large scale acquisitions. Chinese companies had to address the integration of non-Chinese management as they considered growth opportunities.

Bayer to appeal neonic verdict [30 July/EuroFruit] Bayer announced that it would appeal against the ruling by the General Court of the European Union in a case which covered neonicotinoids. The company said it was concerned about the verdict, and the far reaching consequences it could have on the certainty and predictability of active substance approvals in the European Union. In its appeal, Bayer aimed to ensure some general interpretations of the crop protection law were considered. The interpretations may have importance beyond the specific case. The group emphasised that it respected the European legislative process and accepted the recent decision to broadly restrict the use of certain neonicotinoids in agriculture. It stood by the safety of its products and confirmed the value that neonicotinoids had for farmers in managing pests effectively.

'Ideal for relishes, jams & juices': Haskap berries gain novel food approval [24 July/Food Navigator] According to Soloberry, haskap berries have up to 13 times more antioxidants than blueberries and offered manufacturers a new ingredient with superfood credentials for relishes, jams and juices. Soloberry's request for novel food approval was granted which meant it could plan to commercialise the berry through the European Union. The berry had a taste described as a cross between a blueberry, blackberry and raspberry. It was native to Japan. Soloberry requested an opinion for three haskap varieties. Soloberry would supply frozen berries and estimated that 100 tonnes would be consumed annually in the UK. Development Manager at Soloberry, Piotr Janus, said they had taken time to understand the product and set standards with highly professional growers. It was also noted that there may in time be potential to sell fresh haskap berries to consumers.

Grocers Are Failing to Meet \$20bn Consumer Demand for Local Food [25 July/AgFunder News] According to Packaged Facts, the local food market grew from USD5 billion in 2008 to USD12 billion in 2014 and was expected to reach USD20 billion by next year. The reason for this rise is undetermined. Some think it was due to the environmental costs of large scale industrial farming and the toll of trucking produce thousands of miles. Many believe local produce tasted better, or had a longer shelf life. The main reason was due to consumers wanting to support local farmers and the local economy. Consumers wanted to feel a connection to the land and those working on it. Small and independent farms were increasing to support this interest. Although the pressure was high, the grocer was still the main location for fresh and local food shopping needs. Consumers desired a selection of local products. There was still more room for improvements and expansions.

Key ingredient in ‘Impossible Burger’ approved by FDA [24 July/CNBC] The FDA has approved the key ingredient in the Impossible Burger which was a win for Impossible Foods. The ingredient that was improved was soy leghemoglobin. It releases a protein called heme which gives the meat substitute its colour and taste. The FDA deemed the ingredient as safe in its most recent review. Impossible Foods Founder and CEO, Patrick Brown, said getting the letter went above and beyond its strict compliance to all food safety regulations. He added they had prioritised safety and transparency from the start, and they would always be core elements of the company. Impossible Foods had been expanding despite controversy. The burger can be found at high end restaurants as well as fast food outlets and others. The decision was also good news for the company’s shareholders.

Republicans Pan Trump’s USD12 Billion Farm Aid Plan [25 July/Bloomberg] The Trump administration proposes to deliver USD12 billion in aid to farmers who are affected by the trade war. The announcement raised soybean futures prices. Senator, Ron Johnson, said his thoughts were with the farmers and said they wanted trade not aid. Farmers were a key part of the rural political base that elected Donald Trump who promised they would emerge from the trade war better off. Mr Trump added the farmers would be the biggest beneficiaries and just needed to be patient. Farmer groups welcomed the assistance, but wanted a resolution of trade disputes. Republican Senator, Chuck Grassley, said the commodity supports weren’t a long term solution and would prove costly to taxpayers. Agriculture is one of the only American industries that runs a trade surplus. Canada, China and Mexico were the biggest importers of U.S. farm goods. Soybeans were the second most valuable crop after corn.

Rethink Water raises \$6.7M for kid-sized boxes [25 July/Food Dive] Boxed water company, Rethink Brands, received a USD6.7 million investment for growth and expansion. The funding round was led by AccelFoods. It would be used to increase distribution throughout the U.S. and fund new product launches. The flavoured water contains zero calories, sodium and sugar. It can be found in more than 11 thousand stores such as Walmart and Target. The water comes in four flavours, namely apple, berry, fruit punch and orange mango. Rethink Brands CEO, Matt Swanson, said the funding marked a pivotal moment for the company. He added they knew they were on the right side of health trends and consumer priorities. He noted that by assessing children needs, they could make a real difference through encouraging healthy eating and drinking habits and improving the buying and decision making experience for parents. Their approach was key to their success.

Chinese tariffs a tough nut to crack to US almond farmers [30 July/Robert Dawes Consulting] US almond farmers were under pressure as they approached what was likely to be a record season. Prices of California almonds fell nearly 10 percent over the past few months. The drop was due to steep tariffs and expectations of a bumper crop. China added a 50 percent tax to almond imports. China has also closed a loophole allowing large volumes of almonds to be transported via Vietnam. Stewart & Jasper Orchards Owner, Jim Jasper, said China was very important and its demand had increased a lot. After suffering for many years, California’s almond industry only recently bounced back. U.S. almond exports to China in June were about half of what they were in the previous year. According to a Chinese importer, almonds were recently removed from a list of goods exempt from tax under the border town exemptions.

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 1 August 2018

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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