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Field Notes

Weekly news update from the KPMG Agribusiness network

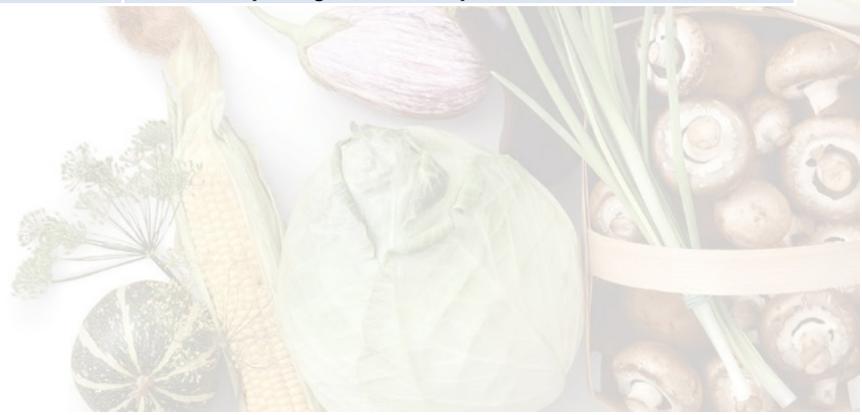
15 August 2018

Organisations referenced in this week's Field Notes include:

New Zealand Bluff Oyster Company	Kellogg's
Agren	Kiwifruit Claim
AgriHQ	Land O'Lakes
Beef + Lamb New Zealand	Ministry for Primary Industries
Blue River Dairy	Monsanto
Borregaard	New Zealand Veterinary Association
Centers for Disease Control and Prevention	Ngai Tahu
Dairy Companies Association of NZ	NZ Young Farmers
Dairy Farmers of America	Primary ITO
Department of Conservation	Puriti
EEC	Qantas
Farmlands	Ravensdown
Farmstrong	Rural Aid
Federated Farmers	Sanan Sino-Sciences Photobiotech
Fonterra Co-operative Group	Seeka
Food and Drug Administration	Select Milk Producers
Forest & Bird	Silver Fern Farms
Forest Owners Association	Soil and Health Association
Future Group	University of Florida
Game Animal Council	VertiVegies
Glanbia Nutritionals	Washington State University
Kashi	World Apple and Pear Association

This week's headlines:

Dairy	High debt, low margins force Fonterra to cut back milk price, dividend [10 August/NZ Herald]
Environment and emissions	Roundup called into question after US court finding [12 August/NZ Herald]
Horticulture	Kiwifruit claimants cross-appeal after High Court Psa decision [7 August/NZ Herald]
Economics and trade	Govt seeks input on trade policy [8 August/Otago Daily Times]
Forestry	One billion trees achievable but challenging, says Forest Owners Association [14 August/NZ Herald]



Aquaculture

Oyster farmers still waiting for millions in MPI compensation [12 August/NZ Herald] The Ministry for Primary Industries has paid out less than \$1 million of compensation a year after it ordered the destruction of millions of Stewart Island farmed oysters. Business loss claims were understood to top \$100 million. MPI said two out of 40 claims had been settled in full, and three partially. The MPI added indicative valuations of eligible compensable payments based on assessments undertaken were \$5.2 million. However, New Zealand's Bluff Oyster Company had a claim for \$70 million. MPI said assessments were still being concluded. The Act required claims to be made within 12 months of the loss being incurred. EEC Principle, Joe Cave, said MPI's performance from the original decision to compensation payment progress had been highly unsatisfactory. It was heartbreaking for New Zealand's Bluff Oyster Company founder, Rodney Clark, who was financially ruined. Mr Cave declined to say how much EEC was claiming.

Dairy

Dairy product prices steady [8 August/Farmers Weekly] The most recent GlobalDairyTrade auction saw the price index remain unchanged in percentage terms on the last auction. The key whole milk powder rose 0.1% to USD2,958, while a rennet casein offset a drop in butter milk powder. The average price was USD3,136 per tonne compared to USD3,222 per tonne at the last auction. There was strong price increases on WMP for delivery in the next month, indicating strong short term demand for the product. Butter milk powder fell 5.9% and butter slid 3.2%, a decline analysts described as surprising as they had been expecting a lift in prices. The auction saw fewer buyers from North Asia however there was a strong presence of buyers from South East Asia, Oceania and South America.

Fonterra returns to India to form joint venture with Future Group [9 August/NZ Herald] Fonterra is returning to the Indian dairy market to form a joint venture with Future Group. It said it had tied up with the Future Consumer, part of Future Group, to make a range of consumer and foodservice dairy products that would meet the growing demand for high quality dairy in India. Fonterra formed a joint venture with Bangalore company, Britannia Industries, in 2001 before pulling out in 2009. Fonterra's Chief Operating Officer Global Consumer and Foodservice, Lukas Paravinci, said it had carefully studied opportunities in India. Consumer demand for dairy in India was forecast to increase by 82 billion litres over the next seven years. Mr Paravinci added Fonterra was wary of being blinded by opportunities there and knew they couldn't do it alone. He noted the venture came at a time when the dairy industry was transforming from a traditional locally based business to a new era where more value added and innovative products were in high demand.

High debt, low margins force Fonterra to cut back milk price, dividend [10 August/NZ Herald] High debt and lower margins has forced Fonterra to reduce its farmgate milk price for the season just ended. It has also halted plans for a second half dividend. Fonterra said it would cut its 2017-18 milk price forecast by 5c to \$6.70 per kg. This provides an \$80 million benefit to Fonterra's earnings. Fonterra affirmed its guidance for earnings per share at 25-30 cents, but indicated they were likely to be at or slightly below that range. ASB Senior Rural Economist, Nathan Penny, said the moves collectively equated to a \$150-\$225 million impact to farm incomes. Fonterra's CFO, Marc Rivers, said the decision to revise the milk price was made as the company was finalising its accounts. Margin pressure was evident across its global ingredients and consumer and food service businesses. Mr Rivers noted the revisions were aimed at curtailing Fonterra's high debt levels relative to earnings.

Fonterra taps into psychology of shoppers in attempt to boost sales [10 August/Stuff] A research division at Fonterra is developing tools to push customers into buying its products. It said the division would tap into the minds of consumers in a way that would shape the future of commerce. It used psychology and neuroscience to increase sales and improve marketing strategies. Fonterra Sales and Marketing Disruption Director, Carl MacInnes, said the behavioural hub had the potential to transform the way businesses get consumers to engage with products. It identified 75 ways that increase the chance of triggering a purchase. Most of these were kept secret. He added trials showed they could increase sales by 30 to 600 percent. He noted the subconscious part of humans' brains drove up to 95 percent of decision making. The hub focused on understanding and predicting customer behaviour, shaping shopping behaviour, and creating loyalty. It designed a virtual store to test different products, store layouts and sales tactics on fake shoppers.

Fonterra reaches settlement with muzzled ex-director Leonie Guiney [13 August/Stuff] The Fonterra board and former director, Leonie Guiney, have reached a settlement in their legal proceedings. The board said it had agreed to settle the proceedings and Fonterra agreed to meet her costs. In March, an injunction against Ms Guiney talking to media was ordered. The judge said at the time that there was greater public benefit in the information remaining confidential than in permitting its publication. Ms Guiney had issued a defamation writ against Fonterra's directors over a letter sent by the board to its shareholders in which it alleged she had leaked and misrepresented details of board discussions. She added she was delighted with the outcome and that common sense had prevailed. She gave credit to the shareholders who supported her, and said all funds would be donated to Farmstrong. She was a director from 2014 to 2017 but was not reselected last year despite offering herself for re-election.

Environment and emissions

Roundup called into question after US court finding [12 August/NZ Herald] New Zealand's Environmental Protection Agency believes Roundup is safe in spite of a U.S. court ruling it contributed to a janitor's cancer, awarding him \$440 million. The lawsuit claimed Roundup caused non-Hodgkin's lymphoma. Monsanto insisted hundreds of studies had established the active ingredient was safe and planned to appeal the decision. Associate Environment Minister, Eugenie Sage, said the EPA already had glyphosate, the active ingredient in Roundup, on the list of hazardous substances for reassessment. Former South Otago Farmer, Graham Clarke, welcomed the judgement and called it a fantastic result. He had experience in organic farming and only recently stood down from his role at the Soil and Health Association. He predicted hundreds of thousands of complaints would emerge. Federated Farmers Vice President, Andrew Hoggard, said most scientific research said the product is safe to use. He noted he would be concerned if it was banned in New Zealand as there was no suitable replacement available for farmers.

Toxic algal blooms still flourishing despite the cold [12 August/Radio NZ] According to the Ministry for Primary Industries, there was an abnormally high number of toxic algal blooms around New Zealand this winter. There were warnings in place against shellfish collection due to algae in many regions. Specialist advisor, Brian Roughan, said it was unclear why the blooms had fired up now. The blooms were all a type of algae called *Alexandrium catenella*. In May, it was at its peak in Marlborough, and caused the closure of 150 mussel farms. Mr Roughan said the bloom was no longer at the farms, however farmers were still waiting for toxins to clear from the mussels. Warning signs were put up on beaches and people were urged to keep an eye on the MPI website or subscribe to biotoxin alerts.

'F' rating for Waikato Council in Forest & Bird dairy effluent report – but council says it gave wrong data [13 August/Stuff] Waikato Regional Council said a Forest & Bird report that criticised its dairy farming effluent compliance was outdated, inaccurate and misleading. Forest and Bird rated councils for their performances and gave Waikato Regional Council an F for failing to prosecute anyone. Forest & Bird Spokesperson, Caitlin Carew, said it was an unfair for the council to disagree with the report after researchers requested information. The data given to Forest & Bird was incomplete according to the council, and there were more than 180 enforcement actions. The Council's Resource Use Director, Chris McLay, said while nobody wanted to be rated poorly, he was confident they were doing a good job. The council was adopting a more risk-based monitoring programme that combined one-on-one site visits of high risk farms with aerial inspections in June. It found three quarters of New Zealand's dairy farms were in eight regions that did not monitor all of their farms. Around 5,000 farms were not monitored for dairy effluent compliance.

Future of hunting statutory body under review [14 August/Radio NZ] The future of the Game Animal Council was uncertain with the Minister of Conservation putting it under review. It was a statutory body established in 2013 and had been allocated \$600,000 from the Department of Conservation. Its goal is to improve the management of deer, chamois, tahr and wild pigs on conservation land. It was given \$225,000 in this year's budget. Conservation Minister, Eugenie Sage, said she was looking at the council's role and whether it had been effective. She believed they had sought to have a greater role than the statute had given them. Two of its directors had been in Las Vegas at a show for hunting guides. It was an annual convention and the group running it had spent USD140 million on protecting the freedom to hunt. The Council's Chair, Don Hammond, said the trip was funded by the directors personally. Peter Dunne helped establish the council when he was Associate Conservation Minister. Its future would be decided in the coming months.

Biosecurity

MPI taken to court by apple and stonefruit growers [9 August/NZ Herald] A group of apple and stonefruit growers have taken legal action against the Ministry for Primary Industries in a response to its order to destroy tens of thousands of plants with claimed potential future losses of \$1.5 billion. The group said flawed decision making could kill innovation in the sector. It requested an urgent judicial review. Group Spokesman, Kerry Sixtus, said five parties were challenging the MPI order for nurseries and orchards to contain or destroy 48,000 apple and stonefruit plants derived from plant material imported from a quarantine centre at Washington State University. The centre had provided material to New Zealand since the 1980s. The order would affect 32 companies. AgFirst valued the potential loss at up to \$1.5 billion. It claimed the MPI failed to conduct the appropriate annual desktop audit and properly complete the audit of the Washington University facility. MPI understood it was difficult for those affected, but were confident with the decision.

Rural supplies

Co-op directors getting harder to find: Farmlands chairman [9 August/NZ Herald] Farmlands Chairman, Lachie Johnstone, said attracting directors for cooperatives was becoming harder. Three seats were up for election as two long serving directors stood down and Silver Fern Farms Chairman, Rob Hewett, seeks another term. Joe Ferraby and David Jensen are standing down. Nominations close on 13 September, and candidates need to be shareholders. Mr Johnstone said Farmlands wanted to refresh its board but the consolidation of cooperatives meant they were increasingly complex, making the search for new directors harder. The company joined with Silver Fern Farms this year to run a governance training programme for 24 people over two days. Farmlands expected to post another positive financial result in October this year.

Strong returns for Ravensdown [7 August/Farmers Weekly] Ravensdown has reported strong earnings but believed its work helping farmers to reduce their environmental impact was as important. It said good progress was being made to ensure the most efficient application protocols are in place between its environmental consultants and nutrient management advisers and farmers. Its Chairman, John Henderson, said it wouldn't maximise profit at the expense of the environment. It reported a profit before rebates and tax of \$63 million, up \$51 million year on year. It obtained business from new customers, and sheep farmers in particular who are benefiting from high lamb prices. Mr Campbell hoped its flagship fertiliser, Eco-N, could be re-introduced after working with government agencies. The group spent \$34 million on infrastructure, and would continue to make bigger investments in areas such as high-precision plants. Mr Henderson said its focus over the last four years had been to deliver returns for shareholders and build company value.

Horticulture

Kiwifruit claimants cross-appeal after High Court Psa decision [7 August/NZ Herald] A cross-appeal has been filed by the Kiwifruit Claim over the decision that found the Ministry for Primary Industries was negligent by letting Psa into New Zealand. Kiwifruit Claim Chairman, John Cameron, wanted the Government to accept the decision. He added growers were left with no choice but to cross-appeal after the Crown decided to appeal its loss. The cross-appeal challenged the decision that the Government did not owe a duty of care to Seeka. It would seek to re-confirm that MPI was negligent when they failed to inspect a shipment of plant material from China that was infected with Psa. Mr Cameron noted they had offered to settle this case, but the Government declined. The Ministry for Primary Industries said its appeal aimed to clarify the scope for government regulators to be sued in negligence.

Sheep milk

Blue River Dairy sales to double, thanks to canning line [10 August/The Country] Blue River Dairy expects to double its sales next year due to a new canning line. The company is an infant nutrition exporter based in Invercargill. The sheep milk company was sold to Chinese interests in 2015. Its General Manager, Robert Boekhout, said it had gone from producing 400,000 cans in 2016 to 2.5 million cans of infant formula in 2018. Its target was to reach 7.5 million cans. With the new canning line, it targeted production of 15 million cans in 2019. Permanent staff numbers needed to be doubled to around 105 to achieve the target. Blue River Dairy was one of New Zealand's fastest growing businesses in 2017. It recognised an opportunity for growth through expansion into producing cow and goat milk formulas.

Farmers and producers

Young Farmers elect first woman chair in 12 years [10 August/The Country] Ash-Leigh Campbell has been elected chair of the NZ Young Farmers board and became the first woman in the position for twelve years. She is a technical farm manager with Ngai Tahu, and helped oversee the management of eight dairy farms. She said she was privileged to be elected chair and was looking forward to undertaking the role. She added NZ Young Farmers played a vital role in connecting communities and growing future leaders. The last female chair was Hilary Phillips, and she served from 2004 to 2006. Ms Campbell has a Diploma in Agriculture and a Diploma in Farm Management from Lincoln University. There were four women on the eight member board. Trevor McIntyre would continue as the acting chief executive until the position is filled.

Economics and trade

Govt seeks input on trade policy [8 August/Otago Daily Times] Trade and Export Growth Minister, David Parker, has launched a review of New Zealand's trade policy under a Trade for All agenda. The Government is inviting all New Zealanders to have their say on what to them on trade policy and in trade agreements. He said trade policy was integral to the Coalition Government's move to modernise the economy and support exporters through the economic headwinds they are facing, but it was also critical that the benefits of trade be felt throughout the country, not just in major cities, adding we want benefits to flow to farmers and farm workers, tech entrepreneurs and coders, small and medium sized businesses, women and Maori. National foreign affairs and trade spokesman, Todd McClay, said that the Agenda was nothing more than a shameless rebranding of National's Trade Agenda 2030, adding while National had been consulting on their agenda Labour, NZ First and Green party MP's were marching in the streets against the TPP.

US stance on Iran won't apply to NZ – David Parker [8 August/Radio NZ] The Government is confident the U.S.'s stance on firms doing business with Iran would not apply to New Zealand. President Trump re-imposed sanctions against Iran and suggested other nations should follow his lead. He added those who didn't would not be able to do business with the U.S. Trade Minister, David Parker, said agricultural exporters should escape punishment. National Trade Spokesperson, Todd McClay, said firms would likely stay away from Iran. New Zealand exports to Iran rose 51 percent to \$171 million compared to the previous year. Dairy products accounted for 86 percent of this figure. New Zealand imported \$6 million of goods from Iran. Fonterra was a big exporter to the region. Dairy Companies Association of New Zealand Executive Director, Kimberly Crewther, said it was taking President Trump's threats seriously. She added there were signs shipping companies would alter their routes to avoid sanctions.

Red meat

Sheep industry awards dropped for year [8 August/Rural Life] The decision has been made to drop the annual Beef + Lamb New Zealand Sheep Industry Awards for a year. The awards had been around since 2012 and celebrated success in the sheep industry. More than 30 awards had been presented to southern farmers over the past five years. Beef + Lamb New Zealand Chief Executive, Sam McIvor, said the awards brought stakeholders together to recognise the people and genetics that made the sheep industry world leading. He added they decided to remove them for a year to re-evaluate and re-purpose the awards to ensure they remained relevant and reflected the changing nature of the industry. Beef + Lamb NZ were grateful for the support they received in running the awards. It had received some feedback about improvements that could be made.

Apiculture

Manuka honey seller warns of 'loopholes' in industry [12 August/Rural NZ] Ashburton honey seller, Puriti, has warned that some people buying manuka honey in New Zealand were getting a raw deal. The Ministry for Primary Industries was seeking feedback on whether to extend the export grade standard to manuka honey sold locally. It wanted to protect the reputation of export grade manuka honey, and protect local buyers from an inferior grade product. Puriti spokesman, Adam Boot, said it was obvious to those in the industry there was a problem. He added they disagreed with the local New Zealand consumer having a different quality product than export partners without them knowing about it. He noted most international consumers were unaware that bulk barrels of honey could be exported and packed overseas without mandatory or legal requirements to meet the MPI definition. Mr Boot paid a lot of attention to international press and said there were loopholes in the industry. He added the company he represented had voluntarily adopted standards that met and exceeded the export standard.

Forestry

One billion trees achievable but challenging, says Forest Owners Association [14 August/NZ Herald] The Forest Owners Association has welcomed the announcement by Forestry Minister, Shane Jones, that \$240 million from the Provincial Growth Fund will be allocated to get more trees in the ground under the One Billion Trees Programme. The Association's CEO, David Rhodes, urged caution noting that while one billion trees is possible but it is important to take the time to ensure that the right trees are planted in the right places. He added the country does not want to rush the planting just for the sake of hitting some numbers. Minister Jones has announced that a \$118 million grants scheme will enable private landowners, government agencies, non-governmental organisations and iwi to seek funds to cover the cost of planting and establishing trees. In addition a partnership fund will be created to create closer working relationships between Te Uru Rakau (the Forestry business unit of MPI), regional councils, NGO's, training organisations, Maori landowners and community groups. Minister Jones highlighted that forestry is a fundamental part of the Government's regional development programme.

Agribusiness education

Growers apprenticeships ‘good news’ [10 August/Rural News] According to Agriculture Minister, Damien O’Connor, horticulture offered a pathway to a better future for thousands of New Zealanders. He added the industry predicted it would need 25,000 more workers, and the announcement of 100 new horticultural apprenticeships was a good start. He noted agriculture offered opportunities to make money and add to New Zealand’s growth. Mr O’Connor said the apprenticeships were for people who could see a pathway into management positions. He raised the issue of how we would incentivise people to take part in the scheme. He promised a shake-up of the whole tertiary education sector. The new apprenticeships were offered by Primary ITO with support from employers and off-the-job training institutes. Primary ITO Chief Executive, Linda Sissons, said the support system enabled them to achieve success and become the leaders of the future. Details of the scheme can be found online.

Animal welfare

Vets open to pan-industry initiative on grazing [14 August/Rural Life] The New Zealand Veterinary Association said it would embrace a pan-industry initiative on winter grazing. It expressed concerns about animal welfare consequences caused by poor practices. Chief Veterinary Officer, Helen Beattie, added there were common practices in some areas that often resulted in poor welfare for animals and environmental damage. She had been discussing key issues with the NZVA’s primary industry committees, members, other stakeholders, and environmental experts. She noted there was a lot of research that supported the concerns. NZVA welcomed engagement from regulators and other parts of industry to work together and develop solutions. Ms Beattie noted a pan-industry initiative would mean farmers were supported and provided with solutions. Beef + Lamb New Zealand CEO, Sam McIvor, said encouraging best practice across the sector was high priority for the organisation. Federated Farmers Meat and Wool Chairman, Miles Anderson, added farming was challenging at times, no matter where you were. Otago Regional Council Director of Environmental Monitoring and Operations, Scott MacLean, encouraged farmers to use environmental best practice.

International

Land O’Lakes SUSTAIN announces acquisition of Agren [31 July/Cision] Land O’Lakes SUSTAIN announced Land O’Lakes Inc had acquired the assets of a software company whose soil health and conservation planning software was already helping it lead the way on innovative conservation stewardship, Agren Incorporated. The Agren business and tools would be used by the Land O’Lakes SUSTAIN division. It had held a minority interest in Agren since 2016. The tools would provide farmers and agricultural retailers with an industry leading, comprehensive soil health platform. Senior Vice President, Matt Carstens, said the acquisition supported its goal to be a leader in conservation stewardship and sustainability. He added the tools complemented existing capabilities offered by the SUSTAIN division and would help growers and farmers safeguard water quality, reduce erosion, and improve soil health. Terms of the acquisition would not be disclosed.

Singapore’s largest indoor farm to give food firms national food security a boost [8 August/Food Navigator] Singapore will receive help just in time with its largest indoor farm which will boost local produce. With assistance from Sanan Sino-Sciences Photobiotech, VertiVegies will build a 20,000 square metre indoor vertical plant factory. The new factory would produce a variety of fresh and sustainable vegetables to supply the country. VertiVegie Director, Veera Sekaran, said local food manufacturers and processors would now have the new option to use or process local varieties. He added the company would explore all sales channels. The produce would be for the local market, and provide an array of fresh, nutritious and safe vegetable products. VertiVegies said the facility’s controlled environmental cultivation had the power to positively impact Singapore’s landscape by fulfilling the pillars of food security, namely nourishment, waste reduction, resilience to climate change, and local production. Singapore recently launched its own organic standards.

Large cattle farm may have caused romaine lettuce E. coli outbreak [8 August/CNBC] The large E. coli outbreak across the US earlier in the year through tainted romaine lettuce may have been caused by a large industrial farm according to a hypothesis by the Food and Drug Administration. A concentrated animal feeding operation was near a canal. Its water came in contact with the affected lettuce from Arizona. The water may have been used for irrigation. It was the largest multi-state E. coli outbreak in the U.S. in twelve years. It sickened 210 people and killed five across 36 states. The name and operator of the feeding operation had not been released. According to the Centre for Disease Control and Prevention, E. coli live in the environment, foods, and people and animals’ intestines and faecal matter. University of Florida Food Safety Expert, Keith Schneider, said water could run downhill after rain, or seep into an underground aquifer causing animal waste to make its way into the water.

Bumper EU apple crop forecast [9 August/Euro Fruit] The World Apple and Pear Association revealed that the 2018 European apple harvest would be the largest in a decade. It forecast 12.61 million tonnes of apples grown. The estimate represented a 36 percent increase on last year’s total of 9.25 tonnes. A large portion of the growth would be delivered by Poland which is now the largest apple producer in the area. Poland’s production was expected to increase 56 percent on last year. Italy also predicted growth of 29 percent. France predicted a smaller increase of only 5 percent. Only Spain, Portugal and Latvia were expecting lower apple crops this season.

Qantas pitches in with millions for drought-stricken regions [10 August/NZ Herald] Qantas and its customers will donate AUD3 million to help provide relief to Australia’s drought affected farming communities. It announced a partnership with Rural Aid to help fund hay bales, water trucking, groceries, and mental health counsellors. It included an immediate AUD1 million cash donation. Qantas aimed to provide AUD3 million by the end of the year. Drought conditions in New South Wales were the worst they had been since 1965. Primary Industries Minister, Niall Blair, said farmers were enduring one of the driest Southern Hemisphere winters on record. Farm reservoirs had dried up and crops were failing. Qantas would support its staff to join Rural Aid’s Farm Rescue programme and volunteer their time. Rural Aid collection barrels would be placed in Qantas lounges and at Qantas and Jetstar gates for customers to donate. Qantas Cabin Crew Member, Zante Atkinson, would donate her time for the fundraising flights and understood the harsh reality of drought.

Field Notes

Weekly news update from the KPMG Agribusiness Network – 15 August 2018

USD470m cheese and whey facility coming to St. John's, Mich. [10 August/Dairy Reporter] According to Glanbia Nutritionals, Dairy Farmers of America, and Select Milk Producers, a new large scale cheese and whey factory would be developed in St. Johns, Michigan. It was chosen over other cities in Michigan because the site met key selection criteria. It was close to milk supply, had strong transport links, a positive business environment, and labour availability. The facility would be commissioned in 2020 for USD470 million. It would process around 3.6 million litres of milk per day into a variety of cheese and whey products. It would create at least 250 jobs. They were working with state, city and local community officials to discuss costs, infrastructure and planning details. CEO of Glanbia Nutritionals, Brian Phelan, said the finalisation of the location was a critical step and they wanted to thank the state and city for their support. CFO at DFA, Greg Wickham, noted the construction added value and supported local dairy farm families.

Kellogg's Kashi partners with kids to launch new cereal [13 August/Food Dive] According to a news release, Kashi launched a line of organic cereals that were co-created by children called Kashi by Kids. The company was owned by Kellogg and worked with kids aged 12 to 17 to develop the breakfast cereal. It came in shapes such as swirls and filled pillows. Flavours included berry crumble, honey cinnamon and cocoa crisp. As part of its launch, it partnered with Edible Schoolyard NYC to help bring nutritional education to kids and their families. Kashi planned to work with the Kashi Crew of kids to develop other child friendly products.

Borregaard's 'radical innovation': A wood-based dietary fibre that can replace fat [13 August/Food Navigator] Technology leader in biorefineries that produce biochemical and biomaterials to replace oil based products, Borregaard, recently innovated a wood-based dietary fibre that worked as a fat replacer. It said the fibres in the wood were converted to advanced grades of speciality cellulose for products in the construction and oil industries. Sales Director Cellulose Fibrils at Borregaard, Per-Ivar Heier, described it as a radical innovation within the area. The fibre could be used as a fat-replacer across a variety of different applications including mayonnaise, sauces and dressings, fillings, meat products, ice cream, beverages and much more. He added it acted as a stabilising and texturizing agent that did not sacrifice characteristics like flavour or colour. He noted it worked well and had a high water holding capacity due to its surface area. It also retained its functionality in extreme conditions.

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Contact Us

Auckland/ Audit

Ian Proudfoot

09 367 5882

021 656 815

iproudfoot@kpmg.co.nz

Taxation

Greg Knowles

09 367 5989

021 307 332

gknowles@kpmg.co.nz

Tauranga

Robert Lee

07 571 1773

027 451 1035

relee@kpmg.co.nz

Wellington

Graeme Edwards

04 816 4522

027 296 5050

gdedwards@kpmg.co.nz

Christchurch

Andrew Hawkes

03 353 0093

027 508 0135

ahawkes@kpmg.co.nz

Financial Advisory Services

Gary Ivory

09 367 5943

021 932 890

givory@kpmg.co.nz

Management Consulting

Simon Hunter

09 367 5881

027489 9737

simonhunter@kpmg.co.nz

Hamilton/ Private Enterprise

Hamish McDonald

07 858 6519

021 586 519

hamishmcdonald@kpmg.co.nz

Ashburton/ Private Enterprise

Craig Jakich

03 307 0769

021 0600 553

cjakich@kpmg.co.nz

Farm Enterprise

North Island

Roger Wilson

07 858 6520

027 281 9575

rogerwilson@kpmg.co.nz

Julia Jones

07 858 6553

027 524 8901

juliajones1@kpmg.co.nz

South Island

Brent Love

03 683 1871

027 528 1537

bllove@kpmg.co.nz

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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