

Hot Off The Press:
**KPMG Agribusiness
Agenda 2018**

**The new Field
Notes App is
now available.**

Download now!

Search "KPMG Field
Notes" on your iOS and
Andriod devices.



AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

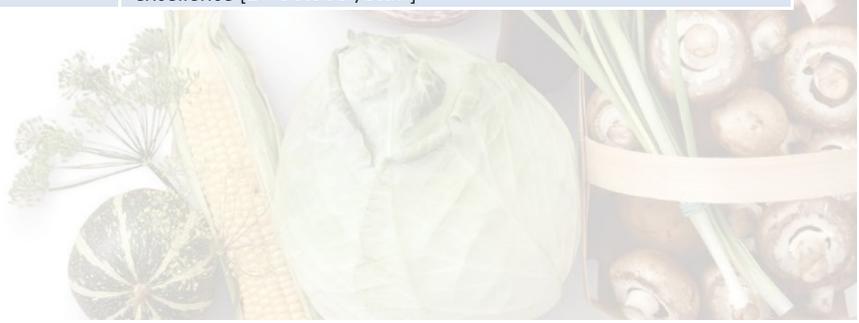
24 October 2018

Organisations referenced in this week's Field Notes include:

Agriculture Victoria	Modern Meadow
Alliance Group	Mondelez
ASB	Monsanto
Barker Fruit Processors	My Food Bag
Beyond Meat	New Zealand Shareholders Association
Biosecurity New Zealand	New Zealand King Salmon
Bloomberg	PGG Wrightson
Canopy Growth	Potatoes New Zealand
Central Plains Water	Produce Marketing Association
Charlie Palmer Steak	Riverby Estate
CNBC	Salt Funds Management
Coles	Seeka
Conagra	Smucker
Constellation Brands	Tauranga Moana Biosecurity Capital
Fonterra Co-operative Group	Te Mana Lamb
Future Meat Technologies	The A2 Milk Company
General Mills	The U.S. Cattleman's Association
Green Spot Technologies	Tilray
Hometown Food Co	Vinoptima
Horticulture New Zealand	Walter & Wild
I Love Food Co	Women in Horticulture
Impossible Foods	Wools New Zealand
Livestock Improvement Corporation (LIC)	Woolworths
Marks & Spencer	Zealongs Tea Estates
Ministry for Primary Industries (MPI)	

This week's headlines:

Dairy	ASB's milk forecast trimmed [18 October/The Country]
Economics and trade	Kiwifruit sales to boost horticulture exports [16 October/NZ Herald]
Wool	Marks & Spencer puts New Zealand wool on the world stage [17 October/Stuff]
Water	Water starts flowing to farms from giant Central Plains Water irrigation scheme [23 October/Stuff Business]
Aquaculture	Leading salmon exporter recognises international culinary excellence [17 October/Stuff]



NZ Food Processors

Who bought all the pies? NZ's richest family expands food empire [22 October/NZ Herald] Walter & Wild, owned by Harry Hart, has agreed to buy I Love Food Co which owned brands such as I Love Pies and I Love Baking. The sum was undisclosed. I Love Food Co had brands in New Zealand supermarkets, and exported products into the Asian and Pacific markets. Mr Hart said I Love Food founders would take up roles at Walter & Wild. One of its founders, Maree Glading, said Walter & Wild was a dynamic company that had a broad fast moving consumer goods portfolio. She added they saw potential for the I Love brand. Co-founder, Jessie Stanley, said since launching the I Love Pies brand, the company had gone on to be stocked in supermarkets across the country, and exported to other regions. She added their focus was on creating good food for busy families. The sale process would be completed by the beginning of November.

Plans for new Geraldine eatery, boutique accommodation unveiled [24 October/Timaru Herald] Michael Barker, Chairman of Barker Fruit Processors (BFP) has announced the renovation of an historic building in the company's home town of Geraldine together with the construction of a new store and eatery to showcase the company's products. The investment which Mr Barker described as the most significant in the main street of Geraldine for some time will include the transformation of the category two listed St Mary's Church vicarage into six boutique apartment units. The Barkers Store and Eatery will be built next to the heritage building, it will seat more 100 people and the company is targeting an opening date of September 2019 as the company celebrates its 50th anniversary. Mr Barker added that he hoped the projects would build on Geraldine's strengths as a hub for food, noting that many people already visit the existing store in large number so he hoped freshening the proposition would grow the number of visitors further.

Viticulture

Vinoptima receivership set to lead to scale of 100,000 litres of premium Gewurztraminer [17 October/NZ Herald] A wine lake of 100,000 litres of Gewurztraminer was waiting to be sold at a Poverty Bay vineyard. The vineyard has been placed into receivership. Vinoptima Founder, Nick Nobilo, said 100,000 litres of the wine had been accumulated from the vines. It was now under the control of BDO receiver Andrew McKay, who is in discussions to sell the wine and hoped to get top price. Whether creditors would be paid depended on the auction of the property. Mr Nobilo said the wine was stored in vats, and none was bottled. The wine could be worth more than \$9 million. Mr Nobilo was the estate's managing director and winemaker. The vineyard produced around 40,000 bottles annually. Riverby Estate Vinter, Kevin Courtney, said 100,000 litres was large holding considering the premium nature of the wine and specialised niche market.

Dairy

A2 Milk lifts China infant formula market share to 5.6 pct [17 October/NZ Herald] The a2 Milk Company has increased its share of the Chinese infant formula market to 5.6 percent over the past year. It said revenue for the first three months of its financial year were consistent with company expectations, and reflected continued strong growth in infant formula and milk products. Retail store distribution in China increased from 10,000 stores to 12,000 stores. a2 Milk added its cross border e-commerce sale momentum in China was building ahead of key online sales events there. It retained a leading market share position for a2 Platinum infant formula in Australia of 32 percent. In the U.S., its distribution footprint increased from around 6,000 stores to 8,000 stores. There was growth in key accounts such as Costco and Walmart. In August, a2 Milk lifted its net profit by 116 percent, and noted at the time it anticipated further revenue growth.

Dairy prices steady [17 October/Farmers Weekly] Dairy commodity prices eased 0.3 percent at the latest Global Dairy Trade event. This performance was better than expected. Whole milk powder prices fell, however prices for both butter and anhydrous milkfat increased. Skim milk powder was unchanged. Whole milk powder prices were expected to fall due to Fonterra lifting both its milk production forecast and increasing the amount of whole milk powder it intended to offer on the GDT platform. It eased 0.9 percent at the event. The average price for whole milk powder to ship in January lifted 0.8 percent, indicating a medium term need for product. Butter prices increased 2.4 percent, and the price for unsalted butter to ship in December increased 5.1 percent.

ASB's milk forecast trimmed [18 October/The Country] ASB decreased its milk price forecast by 25 cents to \$6.25 due to a fall in global dairy prices. Prices dropped 0.3 percent this week, and prices had fallen at nine out of the previous 10 auctions. Individual product results were more mixed. According to ASB Senior Rural Economist, Nathan Penny, the recent falls came as New Zealand production continued to show significant strength. Season-to-date production was over 5 percent ahead of the same time last year. Fonterra lifted its forecast milk collections growth forecast from 1.3 percent to 3 percent. Mr Penny added Fonterra was losing market share and its collection forecasts were conservative. ASB had doubled its 2018-19 production growth forecast from 2 percent to 4 percent. Cashflows were positive and farmers started to put the dairy downturn behind them.

Economics and trade

Kiwifruit sales to boost horticulture exports [16 October/NZ Herald] According to Government forecasts, horticulture was expected to be New Zealand's fastest growing primary export sector over the next year. The Ministry for Primary Industries said horticulture exports were forecast to increase by 13.1 percent in the year ending June 2019. Kiwifruit export revenue was expected to increase 23 percent due to a large harvest alongside rising kiwifruit prices. Apple and pear export volumes were expected to reach the 20 million carton milestone. Overall, primary export revenues were forecast to increase by 2.5 percent. Dairy export revenue was expected to increase 2.1 percent over the previous year. Meat and wool export revenues were forecast to fall 1.3 percent, and forestry export revenues were thought to hold at a similar level. MPI said growth would increasingly come from getting more value from existing sector assets and development of higher value products.

Country of Origin labelling a step closer to law [20 October/The Country] Horticulture New Zealand was excited that mandatory Country of Origin labelling for fruit and vegetables was a step closer. The second reading of the Consumers' Right to Know Bill passed Parliament. Horticulture New Zealand Chief Executive, Mike Chapman, said their research showed over 70 percent of New Zealanders wanted mandatory labelling on fruit and vegetables. He was pleased to see the Government continue to listen to consumers in relation to the bill. He added the bill had been a long time in the making, and underwent significant changes since its first reading. He noted consumers wanted to be able to make choices based on their beliefs and values.

Horticulture

Lethal strain of Psa hits NZ – owned Seeka kiwifruit orchard in Australia [17 October/Stuff] A lethal strain of the Psa bacteria was detected for the first time in Australia on a kiwifruit orchard owned by New Zealand horticulture business, Seeka. The disease caused havoc on the New Zealand kiwifruit industry in 2010, forcing some growers out of business. The Psa tolerant gold variety helped remedy the situation. Seeka Commercial Manager, Rob Twogood, said the orchard where the outbreak occurred had been isolated and officials would try to track down the source. Seeka was the largest kiwifruit grower in New Zealand and Australia. There were two Psa strains, namely, Psa-iv and Psa-v. The latter was the more deadly strain. A mild form of the disease was found in Australia in 2011. Agriculture Victoria Chief Plant Health Officer, Rosa Crnov, said Seeka had done the right thing in contacting them. A Zespri spokesman added it had contracted only a handful of growers in Australia who grew the Hort16A variety susceptible to the disease.

Horticulture group members sought [17 October/Rural Life] Nominations for memberships for the new national Women in Horticulture leadership group were wanted as part of its establishment process. A mandate to start the group came from a session at the Horticulture New Zealand conference. Horticulture New Zealand Policy Analyst, Eve Williams, said those who wished to put their name forward for membership had until midday on 2 November. She added it would operate independently from Horticulture NZ. She noted it would strengthen the industry body, and would be open to all those involved in the horticulture industry. Ms Williams said the group would drive itself, and would work at a national level. She expected the first meeting of the members to be held in Wellington in December. The initiative was first discussed following the release of a report by UMR during the 2017 conference. It resonated with a large number of people.

Avocado market grows for Thailand [18 October/The Country] The nutritional and health benefits of New Zealand Avocados has caused rapid growth in avocado exports to Thailand. New Zealand Minister of Foreign Affairs, Winston Peters, opened the New Zealand avocado season launch event in Bangkok. It showcased the increasing popularity of New Zealand avocados in Thailand. New Zealand Trade Commissioner, Ryan Freer, commended the ongoing success and growth of the New Zealand avocado industry. He commented on the strong relations being built between New Zealand and Thailand. He added Thailand was a leading market for New Zealand avocado consumption growth in Asia. NZ Avocado CEO, Jen Scoular, said mandatory industry standards and innovative systems were key to enabling New Zealand to produce and consistently supply premium quality, safely farmed, sustainable avocados. Demand for avocados experienced significant growth over the past five years. The New Zealand avocado season runs from September through March.

Waikato's Zealong tea brews another global winner [23 October/NZ Herald] For the second consecutive year New Zealand's only commercial tea estate, Zealong, has won the top prize in its class at the Global Tea Championships. Zealong competed against 140 teas from 16 countries in the competition held in Colorado, winning the silver medal in the pan-fired green category of the loose leaf tea contest (no gold medal was awarded). Zealong General Manager, Gigi Crawford, said the award confirms the high calibre of tea grown in New Zealand and means the tea will again appear in the October 2018 Global Tea Buyers Guide.

Aquaculture

Leading salmon exporter recognises international culinary excellence [17 October/Stuff] New Zealand King Salmon announced the winners of its supreme Ora King Awards to leading chefs from New Zealand, Australia, North America, and Japan. Salmon infused with a drizzle of Disney, Irish megalithic art, or a homage to late chef Anthony Bourdain were just a few of the many creations. The event was in its sixth year. The brief was to take inspiration from a piece of art across any medium and interpret it as an Ora King dish. Auckland Private Chef, Mark McAllister, was named the NZ winner for his creation. Michael Demagistris won the Australian award. The North American prize was awarded to Jonathan Granada. New Zealand King Salmon General Manager of Marketing, Jemma McCowan, said it was important to host the event in the top of the South Island to show chefs where the salmon came from. New Zealand King Salmon was the largest farmer of the species in the world. Executive Chef at Charlie Palmer Steak, Michael Ellis, made Ora King a fixture of his menu which catered to the elite.

Wool

Marks & Spencer puts New Zealand wool on the world stage [17 October/Stuff] New Zealand wool is at the centre of a new menswear range by Marks & Spencer. The responsibly produced range was one of the first in the world to be made with wool certified under the global Responsible Wool Standard. Chief Executive of Wools New Zealand, Rostan Mazey, said the crossbred wool came from Wools NZ growers and was more traditionally used in carpet. He added it was a big step for crossbred wool and validated their ongoing investment in the technologies and assurance programmes that allowed it to happen. Demand for New Zealand higher-micron crossbred wool had fallen over the last decade. The menswear range would be made in Vietnam. Brand and Business Development Manager for Wools of New Zealand in the UK, Steven Parsons, said the RWS was imagined and developed as the global standard for growing wool in 2016. Mr Mazey said there were currently 14 grower shareholders accredited under the RWS across the country.

Red meat

Alliance warns shareholders lamb prices will decline [17 October/Rural Life] According to Alliance Group, lamb prices will likely fall during the current season. Livestock and Shareholder Services General Manager, Heather Stacy, said lamb was expected to fetch \$6.50 to \$8.10 per kilogram until December, and then \$6.10 to \$6.50 from January to March. She added Brexit and exchange rates were variables, but there was good demand from North America and China. She noted a high inventory of beef caused procurement tension in the field. African swine flu in China was affecting pork sales there, but it was not known whether consumers would turn to beef instead. The Australian drought would lead to a drop in quality but a large volume of Australian beef. She went on to add venison had been very strong, showing good diversification, including into pet food. Alliance Chief Executive, David Surveyor, acknowledged it had work to do in boosting beef prices. He added there were about 2,000 job vacancies in the red meat sector.

Te Mana Lamb wins award [19 October/Rural News] Te Mana Lamb, a premium lamb brand, won the New Zealand Food Safety Primary Sector Products and Frozen categories at the New Zealand. The lamb had higher levels of polyunsaturated fats and omega-3 fatty acids. This resulted in a new lamb taste experience that was more succulent, tender and flavourful. It was available at a range of exclusive Hong Kong, New Zealand, and UK restaurants. It was also available through My Food Bag's My Gourmet Bag range. General Manager of Marketing at Alliance Meat, Peter Russell, said the award win highlighted its commitment to capturing market value. He added Te Mana Lamb commanded a premium in key markets, and the feedback from chefs was outstanding. The Omega Lamb project that developed the lamb was the culmination of a decade's research and development. It found that the right combination of genetics, management and forage could alter the fat profile of lamb and produce healthy animals.

Environment and emissions

Carbon credit investment fund to bet against rising fuel and power prices [16 October/Radio NZ] New Zealand's first carbon credit investment fund was being planned for ordinary investors and the stock market. The investment fund would be developed by Salt Funds Management. The company has spent years creating an investment fund for carbon credits. Greenhouse gas emitters, such as power and fuel companies buy these credits to offset their emissions. Its Managing Director, Paul Harrison, said the cost of carbon in New Zealand was expected to increase up to five times in coming years. Investors and consumers could use the fund to offset the increasing cost of carbon. He added it would give the ability to hedge out the potential for the price of carbon going up. It would invest in New Zealand and international carbon credits. The minimum initial investment in the fund would be \$5,000. It was labelled as high risk and required approval from the Financial Markets Authority before it could be listed.

Water

Water starts flowing to farms from giant Central Plains Water irrigation scheme [23 October/Stuff Business] The Central Plains Water Irrigation Scheme has reached a key milestone with stage two of the development being switched on supplying water to 150 additional connections across 20,000 hectares between the Rakaia and Waimakariri Rivers. CPW has delivered the scheme on time and within budget and provides farmers with the opportunity to grow specialist crops for the first time. CPW estimates that farmers had spent \$187 million on on-farm irrigation equipment (pivots, other equipment and changes to farming systems) over the entire 50,000 hectares of the scheme. Farmers now have access to water ready for the start of the new irrigation season. CEO of the scheme, Derek Crombie, said the project had started with 15,500 hectares of shares sold and a further 2,000 hectares have been purchased during the development adding that they are getting calls every week now from farmers that had not originally been interested that want to join the scheme.

Biosecurity

Biosecurity is a community effort [17 October/Farmers Weekly] Many groups have come together in the Bay of Plenty to form New Zealand's first biosecurity coalition. It was aimed at increasing individual responsibility for keeping pests and diseases beyond the border. The initiative was called the Tauranga Moana Biosecurity Capital initiative and was launched amid hopes for it to become an example for other regions. It coincided with the launch of Ko Tatou. Biosecurity Minister, Damien O'Connor, said the region was the countries trade capital so it needed to be the biosecurity capital. He added they had showed unity and had taken responsibility for biosecurity which was the number one issue in New Zealand. The Ko Tatou campaign urges every New Zealander to take responsibility. Iwi member and environmental researcher, Carlton Bidois, said Tauranga iwi were compelled to be part of the initiative. The region was a particularly relevant area to start the initiative. The inclusion of schools into the scheme was also a focus.

Potato virus cannot be eradicated [22 October/Radio NZ] Potato growers have accepted the reality that the potato mop top virus will remain in their midst. The virus was not a hazard to health, but lowered growth in potato plants and therefore reduced the yield from a crop. Potatoes New Zealand and Biosecurity New Zealand stated the disease could not be eradicated. It would have to be managed instead. Biosecurity NZ withdrew the status of unwanted organism from the virus. It would keep its status as a notifiable organism. Potatoes New Zealand Chief Executive, Chris Claridge, said it spreads via a soil fungus called powdery scab, which was widespread across New Zealand. The virus would become more common as a result. Biosecurity NZ noted four farms had been confirmed with the disease so far, but the number suspected of being infected had reduced from 18 to ten. He noted the disease was prevalent worldwide. He believed the potato industry was adaptable and would work to manage and mitigate the impact of the disease.

Rural supplies

Innovation to underpin LIC's growth [19 October/Rural News] LIC Board Chair, Murray King, said innovation and investment in research and development would underpin the future growth and sustainability of the New Zealand dairy industry. LIC had a R&D programme that would drive its sustainable growth and profitability into the future and deliver more value to its farmer shareholders. Mr King added its investment in R&D and innovation was over 5 percent of its revenues. Over the past year, LIC had introduced SPACE, which was a pasture management system that used satellite technology to estimate a farm's pasture cover. According to Mr King, the technology could deliver significant benefit to farmers and the uptake was excellent. He highlighted LIC's focus on delivering genetic gain to the New Zealand dairy herd.

Shareholders Association voting against PGG Wrightson's \$421 million deal [23 October/NZ Herald] The New Zealand Shareholders' Association has said that it will vote against the deal to sell PGG Wrightson's seed division to DLF Seeds, a Danish co-operative. While the lobby group recognises that the offer is attractive at face value, particularly given the \$292 million capital return it will trigger, it notes the sale will shrink PGW to less than half its current size and leave the less attractive businesses in the portfolio. The Association said the offer could see shareholders losing in the long run and wants the company to consider raising capital to fund organic growth as an alternative to selling its most valuable business. An independent appraisal report prepared by KordaMentha found the DLF offer was fair to minority shareholders. The sale also requires Commerce Commission and Overseas Investment Office approvals.

Research and development

NZ loses leading start-up to France [19 October/National Business Review] An attractive offer from French based investors and a matching grant from the French government was too good for the founders of promising start up Green Spot Technologies to turn down and will see the company relocate to Toulouse as part of the deal. The company founded in 2016 by University of Auckland Associate Professor, Silas Villas-Boas, and doctoral student, Ninna Granucci, has received an investment from French based angel investors and will also receive R&D incentives, access to fermentation technologies and funding for the recruitment of newly graduated PhD students. The company has technology which creates flours from fruit and vegetable pulp by products. The company tried but failed to find investment in New Zealand and any offers that were made came with expectations that the founders would step back from day-to-day management of the business.

International

Big Food drops legacy brands to make way for new products [16 October/Food Dive] According to Bloomberg, healthier consumer eating habits and increasing millennial and Gen Z influence was pushing food makers to alter their portfolios and consider disbanding their slower-growing and less popular brands. Companies such as Smucker, General Mills, Conagra, and Mondelez are examining their product portfolios and looking at how they could provide a better-for-you image to consumers and also help their bottom line. Smucker recently sold its baking unit, which includes the iconic Pillsbury brand, to Hometown Food Co. It had increased its pet food focus with a USD1.7 billion acquisition of Ainsworth Pet Nutrition earlier in the year. Bloomberg reported General Mills planned to sell 5 percent of its portfolio to invest more in cereals and lower-sugar yoghurt.

Cramer warns against buying volatile Canadian pot stocks until things settle down after legalization [17 October/CNBC] Jim Cramer of CNBC has suggested investor stay away from marijuana stocks for the time being. He said everything related to the Canadian cannabis space had already ran up dramatically, and he was worried many of the companies weren't worth speculating on as the market starts to evolve. Canadian cannabis stocks such as Canopy Growth and Tilray had been soaring. Canopy Growth gained more than 400 percent over the last year. Mr Cramer argued there could be a lot of disappointment once it turned out that legal marijuana was a lot less profitable than illegal marijuana. Canopy Growth CEO, Bruce Linton, disputed this. Mr Cramer noted when the excitement for Canada's legalisation blew over, investors could do some careful stock picking. Constellation Brands gained almost 1.5 percent on Tuesday.

Beyond Meat vegan food company taps investment banks for IPO [17 October/CNBC] Beyond Meat has hired investment banks to start preparing for an Initial Public Offering. It contacted leading investment bankers to lead the IPO. Beyond Meat did not respond to requests to comment. The IPO would be the first offering for one of the new companies that made vegetarian meat products that appealed to carnivores. Brands like Impossible Foods and Modern Meadow took advantage of the increased public awareness of the potential health risks and environmental concerns around meat consumption. They created products that closely mimicked the taste and texture of real meat. According to a survey by Nielson, almost 40 percent of Americans were trying to eat more plant-based foods. The U.S. Cattleman's Association took issue with vegetarian companies calling their products meat. It filed a petition for official definitions for the terms beef and meat. Beyond Meat had sold 25 million of its burgers since 2016. It was founded in 2009 by Ethan Brown.

Tech top of industry agenda [19 October/EuroFruit] Produce Marketing Association Chief Executive, Cathy Burns, highlighted how technology, robotics, and e-commerce would shape the future at the start of the annual PMA convention in Orlando. She sketched a picture of an industry future that would call for a complex mix of both high tech and high touch to grow a healthier world. She added the fresh produce and floral industries would look more and more to technology to meet their labour needs. Today's evolving marketplace would require increasingly personalised customer touchpoints. Ms Burns noted that in terms of e-commerce, one food maker was using artificial intelligence, image learning, and interactive quizzes to study consumers' Instagram feeds to make recipe suggestions. She talked about how millennials had only known a digital world, and craved work in the real world that was meaningful and inclusive. Their search for meaning spilt over into how they perceived food, and businesses that made food.

Chicken nuggets lab-grown from feathers to go on sale by end of year, company says [19 October/ABC News] A San Francisco based company claimed to have figured out how to create chicken nuggets from just a feather. The process takes around two days. It said it would make the first commercial sale of the product by the end of 2018. The company's CEO said animals would no longer need to be killed to obtain meat. Future Meat Technologies aimed to begin selling its products for around USD363 per pound with the intention of lowering this to USD4.50 within two years. Aside from lab-grown meat, plant based meat was also becoming more prominent in the industry. Culturing meat required more energy than just growing plant based substitutes.

Mad cow disease case confirmed on farm in Scotland [19 October/Stuff] Mad cow disease (Bovine Spongiform Encephalopathy or BSE) has been found on a farm in the UK for the first time since 2015. This raised concerns that some countries could again move to limit British beef imports. The disease was found on a farm in eastern Scotland. The disease was the common variety and therefore did not threaten human health, and the animal in question did not enter the food supply. There were still concerns importers would cut off purchases. Britain suffered an epidemic of mad cow disease that killed several people and caused widespread beef export bans during the 1990's. The Scottish government said precautionary restrictions had been put in place at the farm, and further steps would be taken to identify the origin of the disease. Scotland would almost certainly lose its status as an area with negligible BSE risk.

Baby formula stockpiling footage sparks shock [22 October/NZ Herald] A debate over Australia's baby formula stockpilers resurfaced after footage showing a shopping frenzy at a Woolworths store in Melbourne. Shopper, Ben Barak, was surprised that at 8am there were around 50 people lining up with boxes in a line from one end of the supermarket to the other. They all had boxes of baby formula. He was shocked and thought it was not worth waiting to buy his groceries. A store assistant said it happened every week, and they came in at the same time. On social media, some were shocked and others were surprised the problem was that bad. One commentator felt bad for Australian parents. Many added it was clear the attempts to make buying the product more difficult were not working. Australian stores had faced consistent complaints from angry parents about bulk-buying techniques. Coles enforced purchase limits on the formula in July.

Judge upholds Monsanto verdict, cuts award to USD78 million [22 October/NZ Herald] A Northern California judge has upheld a jury verdict that Monsanto’s glyphosate based weedkiller caused cancer in a groundskeeper at the same time slashing the compensation award from USD289 million to USD78 million. The judge denied Monsanto’s request for a new trial but cut punitive damages from USD250 million to USD39 million, which the jury had initially awarded after it found that the company had purposely ignored warnings and evidence that its Roundup product causes cancer. Some jurors had written to the judge when she had suggested that she was considering wiping out the punitive damages judgement.

Constellation looks to sell US wine brands [22 October/Food Dive] Reports suggest that Constellation Brands is reportedly planning to sell some of its US based wine brands as part of a portfolio rebalancing away from wine towards to beer and cannabis products. The company, which is the third largest brewer in the US and controls 90% of the premium beer market, said it is considering a variety of potential actions to optimise value at the low end of its brand portfolio, so that the group can direct growth efforts and investment dollars more fully towards its focus brands. Studies suggest that Millennial consumers don’t have strong loyalty to alcohol brands and seek out new drinks and innovations – segments like craft beer and spirits, cannabis-infused beverages and alcohol free drinks. Constellation has recently made a sizeable investment into Canopy Growth, one of the emerging cannabis businesses in Canada. The brands believed to be under consideration for sale could generate as much as USD3 billion according to analysts.

Subscribe

To subscribe to future editions of Field Notes please [click here](#).

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

blove@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.

The information provided herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received nor that will it continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2016 KPMG, a New Zealand partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative (“KPMG International”).

KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative (“KPMG International”), a Swiss entity.