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Agenda 2018**

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Weekly news update from the KPMG Agribusiness network

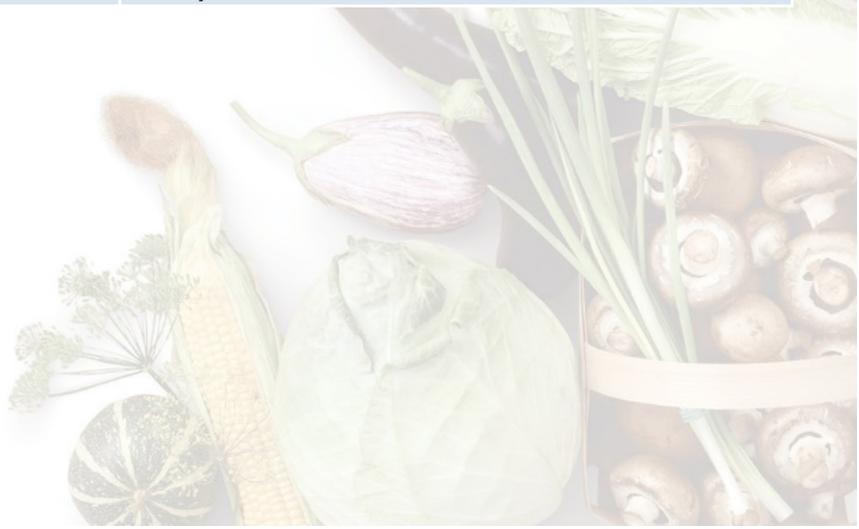
14 November 2018

Organisations referenced in this week's Field Notes include:

| | |
|-------------------------------|---|
| AlgaEnergy | New Zealand Cashmere |
| Alibaba | New Zealand Hops |
| ANZ New Zealand | New Zealand King Salmon |
| Archers Daniel Midland | Ngati Hine Forestry Trust |
| Arla Ingredients | Oxford University |
| ASB Bank | Persea Naturals LLC |
| Berry Licious/Berry Obsession | Rural General Practice Network |
| Biosecurity New Zealand | Seeka |
| Craigmore Sustainables | Stewart Dairies |
| Countdown Supermarkets | The A2 Milk Company |
| Environment Southland | Tilray |
| Fonterra Co-operative Group | University of Auckland |
| Foodbank Australia | University of Otago |
| Foodstuffs | Untouched World |
| Frucor | Westland Milk Products |
| Lincoln Agritech | Wool Research Organisation of New Zealand |
| Midland Apiaries | Woolyarns |
| Murray Goulburn | Yokogawa |

This week's headlines:

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|---------------------|--|
| Economics and trade | A2 milk and NZ lamb a winner on Alibaba's Singles' Day [12 November/Stuff] |
| Dairy | Fonterra shareholders simmer while embattled company paints brighter future at AGM [9 November/NZ Herald] |
| Horticulture | Investment funds eyes Central Otago cherry option [13 November/NZ Herald] |
| Forestry | Shane Jones' One Billion Trees bungle: Scrub, weeds mar the planting of 1 million seedlings [13 November/NZ Herald] |
| Emerging markets | Luxury cashmere produced here in South Otago [12 November/NZ Herald] |



Apiculture

High-tech solution to combat mānuka honey counterfeiters [8 November/NZ Herald] Honey counterfeiters are posing a major threat to New Zealand's international reputation, says one manufacturer which has come up with a high-tech solution. Midlands Apiaries says it is using more complex packaging materials and manufacturing processes for its Puriti mānuka honey brand with the goal of making it more difficult for others to counterfeit their product. The company notes that its jar has 11 separate consumer security measures including a tamper proof seal, a tamper seal and special laminated paper with UV properties for the label. Puriti notes that mānuka honey exports from New Zealand are worth \$180 million but that could more than double in 10 years if the mānuka brand is protected and the added value component is kept onshore. The company is concerned that new standards being applied to the industry only apply to exported product and note that they have developed their new jar because they were uncomfortable with the lack of protection against counterfeit and fake products that most companies have adopted.

Economics and trade

Another hit for NZ's returns [10 November/Otago Daily Times] The drop in New Zealand dollar during October was not enough to offset the decline in commodity prices resulting in a fifth consecutive monthly fall in the ANZ world commodity price index. The 2.4% decrease in October was identical to September's result. The annual growth rate in prices is down 5.6% against a year ago reflecting weaker prices for most commodities. Month on month, dairy prices fell 3.1%, meat and fibre declined 2%, horticulture shed 4.3% and forestry lost 1.5%, although the latter two were both up on a year ago, by 4.5% and 6.1% respectively. Trade disruption had dented confidence in New Zealand's main export markets, with the impact on China of particular concern. ANZ noted that the CPTPP will take effect in 2019 and will be welcomed by exporters as it will level some key playing fields for New Zealand companies, particularly with Australia for beef exports to Japan. Monthly dairy prices fell 3.1%, or 12.3% on last year, and were now at their lowest level since September 2016. Casein was the only dairy category to lift in price.

A2 milk and NZ lamb a winner on Alibaba's Singles' Day [12 November/Stuff] Lots of New Zealand milk and lamb changed hands during Singles Day (11/11) as the Chinese internet giant Alibaba broke all one day sale records again during the country's biggest shopping day. China's answer to the online Cyber Monday and America's post-Thanksgiving "Black Friday" generated USD30.8 billion of sales this year. Singles' Day celebrates single people, giving them permission to buy themselves or others a present; it is the largest offline and online shopping day in the world. New Zealand was the 9th best performing country out of 230 participating countries and regions, an improvement of 5 places on last year. Dairy company, The A2 Milk Company, was the 6th best performing cross border brand, and sales of New Zealand lamb jumped 917 per cent in the first hour of the event, compared to the same period last year. It was also a good day for Ecostore, which made \$2.36m in sales in its third year participating in the promotion. The leading imported goods by volume purchased were health supplements, milk powder, facial masks, nappies, serums, infant and toddler nutrition, emulsion, face wash, make up remover and toner.

Wool

Wool cells used for new material at Lincoln Agritech [12 November/NZ Herald] Researchers at Lincoln Agritech have broken down coarse wool into its cellular components, creating new materials that are not wool but contain wool attributes. The work was part of a \$21 million seven-year research programme into new uses for coarse wool, co-funded by the Wool Research Organisation of New Zealand (WRONZ) and the Ministry for Business, Innovation and Employment. WRONZ chairman, Derrick Milton, said the organisation was delighted its efforts to find new uses for coarse wool had made significant progress. He added that successfully deconstructing coarse wool to create new materials is a major breakthrough that has the potential to add huge value to the wool industry. Mr Milton noted that the scale-up and commercialisation of the fibre in sectors including cosmetics, filters and luxury clothing remained some way off, by the organisation is committed to working with its membership to maximise value for New Zealand wool growers.

Aquaculture

NZ King Salmon awarded at NZ International Business Awards [9 November/Stuff] New Zealand King Salmon has been named among the country's leading export companies at New Zealand's International Business Awards winning the Inspiring Preference for NZ award. Judge Rebecca Smith said King Salmon won the category for their commitment to sharing its story right through the supply chain. The company has been taking its Regal Salmon and Ōra King story to the world, with Ōra King being featured globally on the menus of over a thousand top restaurants.

Dairy

Dairy prices slide in global auction [7 November/NZ Herald] Dairy product prices slid at the latest Global Dairy Trade auction, led down by a further fall in the key whole milk powder price. Regular grade whole milk powder to ship in January fell by a larger-than-expected 6.4 per cent, NZX dairy analyst Amy Castleton noted that WMP offer volumes are forecast to peak at the next GDT event but expectations of continued milk supply growth from New Zealand are likely to continue put pressure on whole milk powder prices. The latest GDT auction saw cheddar, rennet casein, lactose, butter, anhydrous milk fat prices all declined. Butter milk powder, and skim milk powder climbed. The overall index price fell 2% from the last auction three weeks ago to an average price of USD2,851 per tonne.

Fonterra shareholders simmer while embattled company paints brighter future at AGM [9 November/NZ Herald] Fonterra's new leadership is receiving support from the co-operative's shareholders, but the AGM left little doubt that further financial blunders will not be tolerated. There were plenty of questions about Fonterra disappointing financial results for the year and investment decisions that have been made in China. Former Fonterra deputy chairman and shareholder Greg Gent, who questioned the company's long relationship with its auditor. A highlight of the meeting for many shareholder was the news that interim chief executive Miles Hurrell is being paid substantially less than his predecessor. Mr Hurrell said plans were progressing to turn around Fonterra's financial performance and it had dropped its ambition to produce as much milk as possible. It was committed to hitting earnings per share of 25-35 cents, reducing debt by \$800m this financial year and limiting capital expenditure.

Profits up at Westland Milk pre-tax [9 November/NZ Herald] Westland Milk Products has reported profit before tax of \$3.25million for its recently completed financial year (last year the co-op reported a before-tax profit was \$29,000). On releasing its annual report the West Coast co-op acknowledged it was still not industry competitive and lacked "financial flexibility" due to high debt levels and the need for more working capital. CFO, Dorian Devers, said that the company still had to improve its bottom line performance while chairman, Peter Morrison, added that the Board's primary focus was to deliver a competitive payout next year and "get the basics right" to sustainably improve returns and value to shareholders. The West Coast co-operative is currently exploring options to bring new capital into the business, which could ultimately result in shareholders being asked to consider a sale of the business or accepting a mixed ownership model with a cornerstone investor being introduced. Shareholders will be updated on this process at the co-op's AGM on 5 December.

'It was like a rock concert' - hundreds attend farm's open day [12 November/NZ Herald] Manawatu farmer, James Stewart, had some concerns when he agreed to host the general public on his farm as part of Fonterra's Open Gate initiatives, but in hindsight he recognises he need not have worried. Mr Stewart said the day was a really positive experience. Stewart Dairies was one of the 16 properties around the country that took part in the programme, where farmers welcome the general public to spend a day on the farm. Around 600 people turned up to Stewart Dairies, which is an 800 cow operation in the Manawatu. Mr Stewart told The Country's Rowena Duncum that kids and their parents particularly enjoyed a day on the farm, noting at one point he went into the shed and it was packed, like a rock concert. He added that he was pleased to have received positive feedback from his guests which was really appreciated by him and his staff.

Rural communities

Lack of rural health professionals will result in crisis – GPs [10 November/Radio NZ] Regional shortages of doctors and nurses are reaching crisis level according to rural GPs. The Rural General Practice Network is backing the proposals for the establishment of rural health schools to embed a wide range of health professionals inside rural communities. Its chief executive Dalton Kelly said such programmes had proved successful in Canada and Australia - but New Zealand had been slow to act. The Government is currently considering two university bids for rural health training initiatives. The Universities of Otago, AUT and Auckland along with doctors' groups have proposed the establishment of a national rural health school, which would involve academics and students working alongside rural GPs and collaborating online while Waikato University with the Waikato District Health Board have proposed an alternative proposal. Mr Kelly said that it is important that decisions are made quickly so that a genuinely decentralised, multidisciplinary approach to training rural health professional can be established in rural communities.

Rural health service gains outlined in plan [12 November/Otago Daily Times] A proposal to create a virtual campus for rural health training would improve health services in New Zealand's rural towns, according to Dr Garry Nixon of the University of Otago. Dr Dixon, who also works at Dunstan Hospital in Clyde, notes in an article on the national virtual campus proposal, recently published in the New Zealand Medical Journal, that international research highlights people living in rural towns have consistently poorer health outcomes, including lower life expectancy, than those in cities. The National Interprofessional School of Rural Health proposed would assist in countering the chronic doctor shortages in rural areas and pockets of rural disadvantage according to Dr Nixon. The proposed school would enable rural health professionals to provide frontline healthcare services, while also holding part-time academic posts and undertaking health-related teaching and research. Auckland, AUT and Otago have worked hard to encourage more health professionals to practise in rural areas but Dr Nixon said government support was needed. The universities have put forward the virtual campus proposal to Government.

Wairarapa charts its path to prosperity through water, trains and trees [12 November/Stuff] Wairarapa needs better trains, lots of water storage, improved work skills and more trees if it's going to realise its path to prosperity, according to the Wairarapa Economic Development Strategy and Action Plan, which was launched recently. The plan, created by the region's three councils, targets three key industries to help lift the prosperity of the region overall; value-added food and beverage, knowledge intensive sectors and tourism and will target Provincial Growth Fund assistance to support some of the projects. In addition to increasing commuter capacity into Wellington, re-establishing commercial flights to Masterton airport and enticing more week-day tourists, the plan also calls for increased planting to reduce erosion, improved water quality with riparian planting and an increase in production of mānuka honey. According to Masterton Mayor Lyn Patterson, the strategy belongs to all the people of Wairarapa and it aimed to steer away from traditional parochialism between districts. She believed water security and transport improvements were high priorities for Masterton. Carterton Mayor John Booth said strong rural area food production was a key part of the strategy, adding that climate change will require farmers to look different species and varieties which will thrive in a dryer climate.

Hops

Happy medium needed in hops growth [9 November/Rural News] Chief Executive of NZ Hops, Doug Donelan, says that the co-operative has at least quadrupled the value over the past 10 years as sales have grown from about \$8 million to about \$35m. Mr Donelan notes that are those around the industry that believe New Zealand could triple the current production volume of hops but adds his view is that attempting that would be reckless. He noted in an industry update earlier this year that mature craft beer markets like the US are showing market signals of starting to slow down. Craft beer has contributed significantly to industry growth as more hops are used in certain beer styles favoured by the craft segment consumer. About 75% of the hops produced by NZ Hops are exported with all commercial hop production in New Zealand being based in the Tasman District, however there are trials underway in Central Otago and Hawkes Bay. Mr Donelan explained that hops are latitude sensitive, meaning they require a specific day length to flower and mature, cold winters and sunny, stable growing conditions with low wind and good rainfall.

Horticulture

Stocks of bananas running low at New Zealand supermarkets [9 November/NZ Herald] Changes in international shipping routes have led to stocks of bananas running low at New Zealand supermarkets. A spokesperson for Foodstuffs said that banana supplies are short right now due to unforeseen shipping issues but added that supplies are expected to be back to normal by the end of the month. A spokeswoman for Countdown supermarkets cited delays in the arrival of banana shipments from Mexico and Ecuador due to a shipping route change which has put some pressure on the amount of bananas we have. They added that the company was currently working to sourcing additional bananas, and apologised to our customers for any inconvenience.

Seeka raises capital to fund expansion [12 November/Eurofruit] Seeka has announced plans to raise \$50 million in new capital to strengthen its balance sheet by paying down debt and providing the financial flexibility to pursue its growth strategy. The capital will be raised through the launch of a new Grower Share Scheme (GSS), a rights issue and the issue of shares under the Company's existing Employee Share Ownership scheme. Chairman, Fred Hutchings, said the company was excited about its growth plans which aim to make the company New Zealand's leading orchard to market business. A fully underwritten rights issue will launch on 21 November with shareholders being offered the chance to buy one new share for every 1.5 shares held at \$4.25 a share, a 25% to the share price on 9 November. The GSS will commence next year and will run over a three year period providing growers with the chance to buy shares which will be funded by interest free limited recourse loans from the company.

Investment fund eyes Central Otago cherry option [13 November/NZ Herald] Craigmore Sustainable CEO, Che Charteris, says that the company's \$250 million Permanent Crop Partnership is quickly approaching its target funding level and they are expecting a close for the funds in the next month. The fund has been set up to build a diversified business of the best of New Zealand orchards, including kiwifruit, apples, wine grapes and emerging crops like cherries, citrus and avocados. The fund will acquire land and growing assets but will also invest in the processing and marketing assets. Mr Charteris said that while some orchards would be acquired the majority will be greenfield conversions from pastoral or arable farming land. He suggested the opportunity for New Zealand to supply fresh healthy, superfoods to the world was huge and New Zealand is competitive in many fruit sectors, noting the fund would be very interested in doing something in the cherry sector in Central Otago but was also considering Cherry production in the North Island. The fund will have offshore investors from a range of countries but the control and decision making is all done in New Zealand in line with Craigmore's strong sustainability values. He added that the fund is looking at opportunities to work with Maori landowners and other lower impact management systems including organics.

Forestry

Shane Jones' One Billion Trees bungle: Scrub, weeds mar the planting of 1 million seedlings [13 November/NZ Herald] Official Information Act requests have highlighted that government officials ordered more than one million pine seedlings for planting on a block of land in the Far North, so choked with scrub and weed that the planting could not progress and over half the seedlings had to be destroyed. The issues have occurred on one of the inaugural projects of the Coalition Government's flagship One Billion Trees plan. Forestry Minister, Shane Jones, said that ambition and enthusiasm had a part to play in the delays in planting the \$32 million joint venture project between the Crown and the Ngati Hine Forestry Trust. The cost of the 'mulched' seedlings is put at around \$160,000. OIA documents show that the Trust did not have enough money to replant the entire 4100 hectare forest block itself and had failed to find a commercial partner before entering into the deal with the Crown which is expected to return \$63 million in 20 years' time. The initial plan called for 1100 hectares to be planted in 2018 but it is likely less than half of this area will be planted due to the weed and scrub on the site that was cleared six years ago. A paper released through the OIA also showed Treasury urging the Finance Minister to reject a \$240 million budget bid to support the One Billion Trees programme due to the lack of detail, however the money was provided in the Budget. Minister Jones said that if he had waited and did everything at the pace that Treasury would like, the government's term would be up before any progress had been made.

Red meat

Lamb prices hit record highs as exports boom [13 November/NZ Farmer] Rising export prices for lamb and a lower New Zealand dollar are seeing kiwis paying higher prices for lamb in the supermarkets in the run up to the barbecue season. The price of a lamb chop rose 7.7% in October to \$17.12 a kilo. With sausage prices also rising, October saw the largest increase in the price of meat and poultry since January 2016. The increase in meat prices was balanced by an 8.7% drop in vegetable prices. ASB Bank Rural Economist, Nathan Perry, said the high meat prices had a positive side for farmers as lamb prices remained extremely high, averaging 29% higher than the average over the previous five October months. Mr Perry believes that lamb prices will remain buoyant for the rest of the year due to supply constraints here and in Australia and increasing demand in China and US for premium meat. Overall food prices fell 0.6% in October when compared to September but are 0.6% higher than last year.

Biosecurity

Biosecurity champs announced [13 November/Rural News] An Environment Southland project has been announced as the winner of the New Zealand Biosecurity Supreme Award organised by Biosecurity New Zealand. The Fiordland Marine Pathway Management Plan project is a first of its kind project in New Zealand and it aims to protect one of New Zealand's most significant regions from pests carried on local and visiting vessels. The project also won the Eagle Technology Local and Central Government Award. The awards are designed to celebrate the efforts of organisations across the community that are working hard to protect Aotearoa from pest and diseases. Other winners included Pirongia Te Aoro o Kahu Restoration Society, Kiwifruit Vine Health, Scion New Zealand, Te Runanga o Ngai Te Rangi Iwi Trust, Jacson 3 Limited as well as Dr Amanda Black and Greg Corbett who won the Minister's Biosecurity Award.

Emerging markets

Luxury cashmere produced here in South Otago [12 November/NZ Herald] Pilot production of the first New Zealand grown cashmere garments is being heralded as a milestone for the country's fledgling cashmere industry. In January this year, New Zealand Cashmere (a business founded by Clinton farmers David and Robyn Shaw) announced it had entered into a partnership with Untouched World and Woolyarns to commercialise the market for New Zealand grown cashmere. Mr Shaw said that cashmere provides a new opportunity for farmers outside of traditional merino regions to access super-premium fibre markets. Untouched World founder Peri Drysdale said while the cashmere fibre came out "pretty well", there was still a lot of research and development to be done. There were problems in international cashmere markets, which are dominated by product from China and Mongolia where farmers have increased stocking rates due to demand, but this has damaged pasture to the point where the fibre quality decreased and some brands were choosing not to use cashmere. Mr Shaw said there was an opportunity for many farmers to integrate some goats into their farming system, they tick most environmental boxes and survive quite happily outside the traditional merino environment.

New Zealanders biggest consumers in favour of sugary drinks tax, poll reveals [10 November/NZ Herald] A new UMR poll commissioned by the University of Auckland suggests that New Zealand's biggest consumers of sugary drinks are leaning towards putting a tax on their fizz. The survey found that 80 per cent New Zealanders aged between 18 and 30 were in favour of a sugar tax. Public health researcher Dr Gerhard Sundborn - who started lobby group FIZZ - said the sugar sweetened beverages (SSBs) tax was a vital component of any strategy to address the New Zealand's high obesity rate. Health Minister, David Clark, told the Herald that the Government has no plans for a sugar tax adding he has been meeting with food industries and setting clear expectations that business and the Government would work together on the issue. Beverage giant Frucor - who owns brands V, Pepsi and Ribena - said they didn't believe a sugar tax was needed as the industry was already reducing the sugar. This year, they have launched Amplify kombucha, which has less than 1g of sugar per 100mL, NZ Natural Sparkling flavoured waters, which have no sugar and no artificial flavours and Pepsi Max Vanilla, with zero sugar. They have also reformulated OVI, Oh! Sodas and V Pure.

International

Agribusiness Giant shows there is money to be made in Trump's trade war [7 November/Bloomberg] Archer Daniels Midland (ADM), one of the large agribusiness commodity trading companies, looks to be one of the few organisations poised to benefit from President Donald Trump's trade war with China. ADM reported better than expected earnings for the fourth consecutive quarter with soybean crushing being the main driver of growth. The company also said that it has been able to find customers outside of China for US corn after the Chinese government imposed a 25% tariff on some agricultural commodities from the US. ADM appears to be successfully navigating volatile global commodity markets responding to droughts and trade issues across the world while rival Bunge has cut its guidance for the year and Louis Dreyfus blamed a steep drop in profit on market to market adjustments of its soybean hedge portfolio. Cargill also appears to be benefiting from unpredictable crop markets with its trading business reporting a sharp recovery in the three months to August.

Health experts propose a red meat tax to recoup USD172 billion in health care costs [7 November/CNBC] A new report from researchers at Oxford University in the UK suggests that introducing a health tax on red and processed meat would offset health-care costs and prevent more than 220,000 deaths a year globally. The researchers looked at optimal taxation levels for red and processed meat in nearly 150 countries and concluded that in high income countries red meat prices would need to rise by 20% while processed meats would need to more than double in price. They estimate a tax applied globally would collect USD172 billion per annum which would cover 70% of the health care costs associated with current meat consumption patterns. To fully cover the costs the level of tax would need to be doubled. The report estimates that 2.4 million deaths globally in 2020 will be attributable to the consumption of red and processed meat, noting the World Health Organisation position that beef, lamb and pork are carcinogenic when eaten in processed forms and possibly carcinogenic when consumed unprocessed as well as the impact that they have on coronary heart disease, strokes and type 2 diabetes. The report also notes that a tax would drive a decline in consumption which would assist in reducing global greenhouse gas emissions. Nutritionists pointed out that red meat provides valuable nutrients to diets and introducing a tax could contribute to a decline in diet quality and increase health inequalities.

How avocado seeds could change the natural colours market [8 November/Food Dive] Researchers at Pennsylvania State University have developed a range of food colours that can be extracted from the avocado seed, something that is generally discarded as waste by most processors at the current time. The researchers have found that vibrant colours in the red-orange-yellow spectrum can be extracted from the seed using water and ethanol. The product which is being commercialised by Persea Naturals LLC, a Penn State start-up company, offers an opportunity for food manufacturers to provide an all-natural, viable and affordable food colouring source. The product, named AvoColor, has been used in a number of experimental food applications to date as commercial use requires the US Food and Drug Administration to approve the color additive petition. Natural sources of colour are becoming more popular with consumers, with 42% of consumers globally saying it is important for them to eat foods without artificial colouring and 23% of consumers in North America saying they are prepared to pay for products made with natural colours.

The opportunities for microalgae are massive: AlgaEnergy eyes growth in food following Yokogawa tie up [8 November/Food Navigator] Spanish biotech group, AlgaEnergy, has signed an agreement with Japanese electrical engineering and software company, Yokogawa, which involves Yokogawa investing EUR10 million into the company. AlgaEnergy has been a pioneer in the microalgae biotechnology field for over 10 years operating a commercial production facility in the South of Spain. The company already has microalgae based biostimulant products in the market that promote efficient crop cultivation and the capital injection will enable the company to expand its reach in the food sector, as well as leveraging Yokogawa's experience in the automation of industrial processes to maximise quality and efficiency. General Manager, Carlos Rodriguez-Villa, sees some fundamental issues that support the growth of microalgae as a food source highlighting it is a sustainable source of high quality protein, plant based and the original source of Omega-3 phytoplankton. The company is working to build relationships with companies in the food sector to supply functional ingredients with a medium term plan to launch its own branded food lines.

Pot stocks move higher as another US state votes to legalise cannabis use [8 November/NZ Herald] The midterm elections not only saw a change in control of the House of Representatives but saw more states vote to legalize marijuana. The outcome will help the US cannabis market further expand with some analysts suggesting the market could be worth USD75 billion by 2030. Legal cannabis stocks, led by Tilray, surged on the results which saw Michigan become the 10th US state to legalize recreational pot. Sales there, estimated to start in 2020, could grow to as much as USD 1.7 billion in the coming years, according to the trade publication Marijuana Business Daily. The total legal US market is expected to hit about USD 11 billion in sales in 2018. Missouri became the latest state to allow medical use, while a proposition in Utah also appeared poised to pass. The addition of two further states permitting medicinal marijuana would mean almost 70 per cent of Americans have access to the drug for that purpose. Tilray, the largest publicly traded cannabis stock in the US, gained as much as 9.3 per cent.

Murray Goulburn: Gary Helou likely to face fines following ACCC settlement [9 November/ABC] Murray Goulburn has reached a settlement with the Australian Competition and Consumer Commission (ACCC) which will likely see former Managing Director Gary Helou fined. The ACCC will apply to the Federal Court seeking declarations that Murray Goulburn and Mr Helou breached Australian Consumer Law in 2016. MG and Mr Helou have both agreed that they broke the law, although MG will not face a financial penalty. In April 2017, the ACCC alleged information Murray Goulburn provided to farmers in the months before dropping the milk price was "false and misleading". Farmers who were not expecting the price cut were adversely affected and not able to readjust their budgets.

Protein Extreme: Arla debuts new protein shot concept [12 November/Dairy Reporter] Arla Ingredients has launched a new protein shot concept for athletes and gym goers at the Supply Side West Show in Las Vegas. The product, which is supplied in a 100ml shot-size package, differs from other protein shots as its protein comes entirely from whey rather than whey and collagen used in other products. The whey protein is blended with orange juice and ginger to balance the bitterness of whey and to deliver a low calorie product. The shot, branded Arla Protein Extreme, contains 20 grams of protein. Arla introduced the product to beverage manufacturers noting that those that take advantage of the product will be able to create products that stand out from the competition and appeal to people on the go as well athletes.

Woman faces court over strawberry contamination in Australia [12 November/NZ Herald] A woman has been charged over the strawberry needle incidents that sparked a nationwide crisis across Australia in September. The woman, My Ut Trinh, a former Queensland strawberry industry worker appeared in Brisbane Magistrates court after being charged with seven counts of contamination of goods with intent to cause economic loss, between 2 and 5 September 2 this year. It is understood Trinh, worked at the Berry Licious/Berry Obsession farm in southeast Queensland. It is alleged she had grievances about her treatment at work. According to 7 News, Trinh allegedly told others she "wanted to bring them down" and "put them out of business." Police have said that investigations are continuing.

Scott Morrison backflips on Foodbank funding cuts amid community backlash [13 November/ABC Rural] Australian Prime Minister has reversed a decision made by his government to cut fund to Foodbank, the largest hunger-relief organisation in Australia which provides 67 million meals a year to the 4 million Australians that face food insecurity. The National Farmers Federation, the community sector, the Labor Party and MP's within his own party had objected to the plan to cut Foodbank's funding in half from January. Mr Morrison said he listened to the feedback and decided to increase the food relief budget by \$1.5 million over the next 4.5 years. The CEO of Foodbank, Brianna Casey, said the government must reconsider its approach to funding the sector suggesting that a competitive tender approach to a whole of government issue such as food insecurity was not reflecting the importance that should be attached to the need to feed hungry children and supporting families to put a meal on the table.

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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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