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 Agenda 2018**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

12 December 2018

Organisations referenced in this week's Field Notes include:

AFFCO	Mara Seaweed
AgriBasics	Ministry for Primary Industries
Agri-Women's Development Trust	Motu Economic
Alliance Group	National Party
ASB	Nestlé
Atlantic Kitchen	New Origin
Aurora	New Zealand Meat Workers Union
Austrex	NZ Institute of Economic Research
Better Border Biosecurity	Ocean's Halo
Biosecurity New Zealand	Pāmu (Landcorp Farming)
Braintree Farms	Providore
Browns	Public Policy Research
Canopy Growth	Real Fake Meats
DairyNZ	SAFE
Department of Conservation	Seamore Foods
Environmental Protection Agency	Shoreline
European Union	Te Mata Mushrooms
Farmlands	Tip-Top
FarmLogics	Two Lands Limited
Fonterra Co-operative Group	UK Research and Innovation
Foundation for Arable Research	VitaminSea
Gibbston Valley	Wild Irish Seaweeds
Hastings District Council	WorkSafe NZ
Hawke's Bay Regional Council	World Bank
Helius Therapeutics	World Resources Institute
Immigration New Zealand	Yealands Estate Wines
Inghams	Yuhan
Innova Market Insights	

This week's headlines:

Dairy	Overseas trade buyers most likely for Tip Top [8 December/NZ Herald]
Red meat	Alliance given green light for 100 overseas workers [6 December/Stuff]
Viticulture	Otago's Providore Wines rolls out AR app to give buyers information [10 December/NZ Herald]
Viticulture	'Unprecedented offending': Peter Yealands and his former company fined \$400k [11 December/The Country]
Biosecurity	Samurai wasp on standby to fight brown marmorated stink bugs [7 December/Stuff]

Environment and emissions

How NZ could cut agriculture emissions by to 10 per cent [6 December/NZ Herald] Findings from two years of research by the Biological Emissions Reference Group suggest that most people in the agriculture sector want to reduce their emissions to fight climate change but nearly half of farmers don't know how to go about it. The work looked at the costs and barriers of reducing biological emissions in New Zealand's primary industries. BERG's report said that if all farmers operated using today's best practice, the country might be able to reduce emissions by up to 10%. Their survey found 64% of respondents believed New Zealand agriculture should reduce its greenhouse gas emissions. 98% of farmers didn't know the greenhouse gas emission rates from their farm, and, when asked to estimate those from the average farm, 97% under-estimated the amount. Around 42% of responders were not aware of mitigation strategies other than planting trees. Penny Nelson, MPI's Deputy Director General Policy and Trade, said BERG saw the need for a good evidence base to support the sector to address some key climate challenges. She noted farmers were asking what practical things they can do to reduce their emissions adding that improving our shared understanding of possible innovation and solutions, and the barriers standing in farmers' way was an important starting point. DairyNZ CEO, Tim Mackle, said the findings highlighted the need for good information and tailored advice for farmers as well as the need for combination of solutions tailored to land and farm types.

Avocado growers in Environment Court water fight over wetland's aquifer source [10 December/Stuff] The Department of Conservation (DOC) is appealing a resource consent granted by the Northland Regional Council (NRC) allowing 17 avocado growers to take over two million cubic metres of groundwater a year from the Aupouri aquifer in the Environment Court this week. The growers plan to plant over 600 hectares of avocados, and the consent secures their right to water for 15 years. DOC believes the aquifer may supply the Kaimaumau Wetland, and that any drying of the wetland could lead to "irreversible loss" of habitats for threatened species. They argue the proposed mitigation, involving monitoring levels of water, would be largely ineffective as there was no baseline data. The NRC's consent decision says risks to the wetland can be averted through adaptive management conditions. While acknowledging the potential vulnerability of the aquifer it concluded the aquifer could cope with the amount of water the applicants requested and their requests were granted, with conditions specified.

Dairy

Overseas trade buyers most likely for Tip Top [8 December/NZ Herald] Tip Top is likely to attract interest from local and international trade buyers as well as private equity firms after Fonterra confirmed the ice-cream business was on the market. Investment bank FNZC is running the sale process and is understood to be sending out a term sheet for interested buyers. The Herald understands Tip Top generates \$18-\$22 million in EBIT per year. Interested parties could include trade buyers such as Peters Ice Cream, an Australian brand now owned by European food firm R&R Ice Cream. Industry sources say local food company Talley's, from Nelson, is another potential trade buyer which has its own ice-cream division, with processing capability. One commentator suggested that Tip Top's plant is run down and the equipment is getting towards the end of its useful life. Fonterra noted in their announcement that the business needed investment. An investment banking source doubted co-op would go down the IPO route because it would not want the attention that would involve and it is likely to get a better price from a trade buyer.

Fonterra shocks farmers with milk advance payment clawback [11 December/NZ Herald] Following Fonterra's announcement of a cut in its forecast milk price for the 2018/19 season the co-op has also informed farmers that it will be resetting the advance payment schedule for season meaning farmers will be getting paid less than they expected in the coming months. The advance rate for December milk paid in January will be reduced from \$4.15 per kilo of milksolids to \$4.00 and 15cents will be clawed back for all milk supplied between June and November. The \$4.15 advance rate will be reinstated in February for January milk and all milk supplied season to date. While some regional accountants have described themselves as livid at the lack of notice for change, particularly given it is happening so close to the holiday season, Fonterra noted the reduction is 3.61% and that the move was intended to keep the co-op within its financial discipline guidelines. A spokesperson noted that being consistent with those guidelines is important for the co-op's relationship with the rating agencies. The Board announced a revised forecast of \$6.00 to \$6.30 per kilo milksolids for 2018/19 compared to the previous forecast of \$6.25 to \$6.50 per kilo milksolids to reflect easing international prices.

Fonterra to reward and punish farmers over animal welfare and environment [11 December/Stuff] Fonterra farmers will receive rewards for better care for the environment and their animals and those that fail to meet standards will be disadvantaged from July next year. The co-op will also be providing farmers with the ability to fix the price of a percentage of their milk in a hedging scheme from next season. A spokeswoman said it was too soon to give any details of the rewards and demerits scheme, which would not be introduced until the 2019-2020 season. Fonterra's announcement follows Synlait indicating it would pay its farmers a premium milk price if they stopped using palm kernel. Fonterra said it was still consulting with farmers over the scheme, which would focus on milk quality, animal welfare and environmental best practice. It could also include mitigation measures to reduce greenhouse gas emissions.

Poultry

New \$18m Waikato chicken farm gets council backing [11 December/Stuff] The construction of a new 26.7 hectare, 242,000-bird free-range chicken farm has received Council approval to be constructed on Maisseys Road in Waharoa. The new development will be undertaken by Two Lands Limited (formally Matamata Poultry) with the farm including land value, costing \$16-\$18 million. Director, Matthew Sutherland, noted the expansion was to meet demand for more free-range chicken and will create new jobs. Construction is expected to start mid-December, with the first placement of birds supposed to be in March. Chickens are brought onto the farm to the sheds at a day old and are raised through to seven weeks to supply Inghams. The birds remain indoors for 19-21 days and then freely roam the shed and yard areas before harvesting. The consents granted included the right to construct and operate the sheds as well as a 25-year air discharge. Three submissions were made opposing the farm with adverse impacts including higher traffic and reduced ability to live outdoors over summer.

Red meat

Alliance given green light for 100 overseas workers [6 December/Stuff] Immigration New Zealand have given approval to Alliance Group to hire 100 overseas workers for its Lorneville plant at Invercargill. Alliance People and Safety General Manager, Chris Selbie, said that the labour shortages and day-to-day absenteeism at the Group's plants are costing the co-operative approximately \$20 million a year in lost value. Employees will be required between January-May, 2019. The application had been strenuously opposed by the New Zealand Meatworkers Union with Otago-Southland Secretary, Gary Davis, noting he was absolutely gutted at the decision. The company employs over 2500 people in Southland during the peak processing season and would be seeking more than 700 people for roles at the Lorneville and Matura plants. While Mr Davis acknowledged that there was a shortage of meat workers he said Alliance wasn't doing enough to help, suggesting workers are not being given enough opportunity to gain skills. Mr Selbie refuted this, noting the company was investing in training and upskilling to ensure people had opportunities to further their careers.

AFFCO workers may finally be paid for lost wages after lock out, three years on [7 December/NZ Herald] The Court of Appeal has ruled that AFFCO workers unlawfully locked out three years ago should be paid for lost wages. According to New Zealand Meat Workers Union National Secretary, Graham Cooke, they don't expect to see any money in time for the festive season. Mr Cooke expected the company and its owners to take all four weeks they have before deciding if they will accept the decision, or go another round and take the matter to the Supreme Court. The Appeal Court upheld the original decision that workers, who were without pay for up to five months, should be paid lost wages under the Wages Protection Act. The Union estimate the combined payout at close to \$2 million, including interest. In Wairoa, union site president and plant employee, Therese Turipa, said AFFCO has lost skilled and dedicated workers who have had no choice but to move to other places to find work, the small community and our whanau have suffered and everybody needs to move on and begin the rebuilding.

Farmers and producers

Pāmu breaks ranks with farmers [7 December/Farmers Weekly] Landcorp's leadership role in advocating for new agricultural taxes in its submission into the Tax Working Group has not been received well according to Nathan Guy, National Party agriculture spokesman. Mr Guy says Landcorp is driving a wedge between them and mainstream farmers. Advocating environmental taxes, the enhanced Emissions Trading Scheme, water use charges and not being opposed to a well-designed capital gains tax all contribute to farmers feeling concerned amidst new regulations and costs. Guy noted Landcorp, which trades as Pāmu, is breaking ranks with mainstream farmers and its submission has infuriated farmers he has spoken to who already feel under siege from new regulations and costs. Pāmu said it was not asked to make a submission but decided to do so in May because it was specifically looking at taxes that would affect its business, but acknowledged that it failed to flag its submission with its shareholding minister. Pāmu said it is not opposed to a well-designed capital gains tax but opposes a land tax and also that water quality and allocation could be addressed by an agreed national allocation method with tax credits or incentives for establishing or maintaining wetlands and ecosystems.

Deer

Pāmu signs deer milk deal with South Korea's Yuhan [10 December/NZ Herald] Pāmu will sign a deal with South Korean pharmaceutical company Yuhan to supply deer milk for its range of cosmetic products. The state-owned company, said it will be the first time New Zealand deer milk has been sold for use in the beauty industry. Yuhan has been developing a number of deer milk cosmetic products, including a serum and moisturiser. These products will be sold in New Origin stores throughout South Korea. Anecdotal evidence from a technologist working on a deer farm prompted the idea for use of deer's milk in cosmetics. Working in the elements on farm all year round caused rough, dry and callused hands. Having to clean the filters daily from deer milking, the worker noticed the soothing effect of deer milk on her hands. Pāmu CEO, Steve Carden, noted that it was incredibly important that Pāmu partners with strategic companies like Yuhan, who are committed to research and development and the commercialisation of products containing unique ingredients such as New Zealand deer milk.

Viticulture

Future of wine in Gisborne assured [7 December/NZ Herald] The future of wine-making in the Gisborne district remains secure despite declines in grape production in recent years. Gisborne winemaker, James Milton, believes the regions unique soils, while not cluttered with stones, actually enhance the fruitfulness of the grapevines. Mr Milton was reacting to comments made by wine writer, Michael Cooper, commenting on global declines in wine consumption, suggested the industry is under threat. Mr Cooper noted that more millennials are avoiding alcohol, in search of a healthier lifestyle. He added that wine farming goes in approximately 30 year cycles based on the lifetime of a generation meaning families associated with the land need to therefore assess the requirements of succession planning very carefully. There were 2,149 hectares of land in grapes in the Gisborne region in 2009 and it has declined to 1,272ha this year. The tonnage of grapes produced has declined from 23,093 tonnes in 2009 to 13,000 tonnes this year. Mr Milton said he believe the decline in grape production here is mostly from the advancement of the apple and kiwifruit industries, where vineyards are being pulled to make way for seemingly more profitable commodity plantings.

Otago's Providore Wines rolls out AR app to give buyers information [10 December/NZ Herald] Otago wine producer Providore has launched an app using augmented reality (AR) to tell its origin story. The app has been rolled out as a bid to encourage people to buy its wines. Launching in October, the wine company, has vineyards in the Gibbston Valley, and want to provide consumers with information on the origin of their products. Providore Wines CEO, Craig Coote, said the idea to use the technology was partly spurred on by the rise in consumers wanting to know where the food and drink they buy comes from. Through the app consumers can explore the vineyard in different seasons. It has the ability for consumers to take virtual tours and watch winemaker Pete Bartle, who has been animated, explain the production process. Providore plans to continue to introduce new features to the app and technology, including 3D-scanned features, Mr Coote said, adding we don't see this as a one-off launch gimmick, we've got a long-term plan and we'll continue developing new content and interactions with the app and the AR. He said the technology enables the company to immerse our clients into Providore's world.

'Unprecedented offending': Peter Yealands and his former company fined \$400k [11 December/The Country] Yealands Estate Wines has pleaded guilty to 'unprecedented offending' under the Wine Act 2003 and has been fined \$400,000 for deliberate, deceptive and sustained breaches according to MPI. The charges relate to parties being complicit in making false statements regarding export eligibility applications and material omissions in wine records relating to the use of added sugar. MPI's manager of compliance investigations, Gary Orr, claims the prosecutions show the system governing compliance in the wine industry works, noting these are the first convictions for offending under the provisions of the Wine Act in New Zealand. Mr Orr said Yealands has co-operated fully with the MPI investigation as soon as the issues were brought to their attention in early 2016 and the company took immediate and decisive action to remedy the issues well before any charges were laid. Current Yealands CEO, Adrian Garforth, said the company has introduced systems, training and comprehensive audits to ensure all its wines are fully compliant and breaches of this kind will not happen again.

Livestock export

Live cattle export operation under way in Port of Timaru [5 December/Stuff] A ship destined for China, carrying 3700 live cattle, departed the Port of Timaru on Wednesday. The Gloucester Express was carrying a mixture of dairy heifers and pure-bred angus breeding cattle according to the Ministry for Primary Industries. An MPI spokesman commented that exporters are required to meet stringent animal welfare standards prior to, and during, a voyage. The shipment was arranged by Austrex, an Australia firm, and it noted that there were two stockmen on the ship to look after the livestock and ensure their health and welfare. Austrex estimates the on board value to be about \$6 million. SAFE has called for the banning of all exports of live animals from New Zealand.

Arable

Arable farms can help cut pastoral footprint [7 December/Farmers Weekly] New work indicates arable farms can play a big part in helping to mitigate the environmental footprint of pastoral livestock. Presenting on the environmental benefits of arable feeds at the Foundation for Arable Research (FAR) annual Crops Expo, Lincoln University livestock production expert Professor Pablo Gregorini and FAR researcher, Ivan Lawrie, delivered a progress update on a two-year monitoring project. They acknowledged that achieving animal production goals while also meeting social and environmental constraints is complex. In response to political and public pressures on dairying, strategies are being explored to reduce the amount of nitrogen going through dairy cows. As some diets aimed at reducing urinary nitrogen might increase methane it is difficult for farmers to balance environmental, productive and profitability targets. The researchers concluded that there is no perfect diet to optimise all objectives simultaneously, adding farmers need to choose the options that best suits their farming system and environmental.

Emerging markets

Kiwis want cannabis law to go further – study [9 December/NZ Herald] A recent survey of 2000 New Zealanders suggests new cannabis laws do not extend far enough. The survey was conducted by Horizon Research, between November 27 and December 6, concludes Kiwis want broader access to medicinal marijuana and for cannabis-derived products to be regulated like other medicines. In late November, the Misuse of Drugs (Medicinal Cannabis) Amendment Bill passed its second reading and is expected to come into effect this week. Once in effect, the updated law will extend the use of medicinal cannabis to all people needing palliative relief. The survey suggests Kiwis want cannabis to be treated the same as any other medicine and also permitted as a treatment for a range of other conditions, which aren't necessarily life-threatening such as chronic pain, sleep disorders, cancer, epilepsy, multiple sclerosis, anxiety and arthritis. Paul Manning, the director of cannabis startup, Helius Therapeutics, commissioned the study to learn more about local attitudes to medicinal cannabis. He suggested the study indicates that New Zealanders want a more comprehensive law than the one likely to be passed next week.

Health and Safety

Digital tool Tahī Ngātahi is improving woolshed safety this summer [9 December/Stuff] Shearers are tackling taboo subjects after the launch of an injury prevention tool at the New Zealand Agricultural Show in Christchurch in November with topics such as such as managing stress and mental health being addressed. Rangitīkei shearer Shane Ratima, says the online application, Tahī Ngātahi, addresses topics not typically talked about in the macho and world of shearing. The tool has come from an industry-driven partnership between farmers, shearing contractors and government. Those completing the programme are certified as being up-to-date with health and safety practices. In 2017, there were 755 work-related injuries in wool harvesting, resulting in 9300 working days lost to the industry, based on ACC weekly compensation data. New Zealand Shearing Contractors Association, Federated Farmers, ACC and WorkSafe NZ combined to create the online resource, with ACC providing \$1 million over three years for its development. Its launch follows a 25 per cent pay rise for shearers in July as more workers went to Australia to make a good living, and the NZ shearer sector was left facing an ageing work force.

Biosecurity

Taranaki's first farm with cattle disease confirmed by MPI [6 December/Stuff] Taranaki's first case of the cattle disease *Mycoplasma bovis* has been confirmed by the Ministry of Primary Industries (MPI). A dairy farm has been designated as the region's first Restricted Place after test results and animal movements showed a risk of spreading the bacterial disease, said MPI's *Mycoplasma bovis* director Geoff Gwyn. Further tests would be done after the animals were slaughtered to confirm the infection. No details about the farm involved or the number of animals being culled have been revealed. Mr Gwyn commented that this is a sensitive situation and extremely trying for the farmers involved, adding that MPI has not taken this decision lightly but that it is necessary for the response to eradicate *M. bovis* from New Zealand. MPI will continue to work with the farmers concerned and their support networks to help them through the process.

Samurai wasp on standby to fight brown marmorated stink bugs [7 December/Stuff] The Environmental Protection Agency pre-approved the release of a tiny parasitic wasp earlier this year, the country's first pre-emptive approval of a bio-control measure. The wasp could be an effective predator of the brown marmorated stink bug should an incursion occur. A 2017 report from the NZ Institute of Economic Research found that if the bugs gained a foothold in New Zealand, it could cost the horticulture and arable industries \$4 billion. Dr David Teulon, director of Better Border Biosecurity said the pre-emptive approach [to controlling it] is considered a world first and is recognised by the international community as an example of New Zealand doing things right. The wasps do not sting humans but are a natural enemy of the stink bug. Studies overseas have shown the samurai wasp can destroy more than 80 per cent of stink bug eggs. If the stink bug became established in New Zealand, samurai wasps could be imported, most likely from the United States. The wasps could only be released after a stink bug invasion has been detected and only at the location of the incursion and release of the wasps would need MPI approval

Organics

Organic production standard Bill to be advanced [10 December/Otago Daily Times] A national standard for organic production will be advanced as a Government Bill next year. It would give consumers confidence in organic claims and businesses certainty to invest and innovate in the growing sector, Agriculture and Food Safety Minister Damien O'Connor said. According to the Minister, New Zealand is one of only two of the top 25 organic markets in the world that have voluntary instead of mandatory standards. Global demand for organic products is increasing and New Zealand's organic sector had responded with growth of 30% over the past couple of years and was now worth about \$600 million a year Mr O'Connor noted.

Horticulture

Mushroom farm draws dozens of complaints for smell [8 December/Rural Life] A mushroom farm in Hawke's Bay has received 48 additional complaints since it was originally fined in August for its objectionable odour. As part of Te Mata Mushrooms' resource consent, odours are not allowed to leave the boundaries of its Havelock North property. Hawke's Bay Regional Council said it had not however not issued any more abatement notices. Te Mata Mushrooms has applied to the Hastings District Council for a resource consent to carry out works to try and contain the odour, though this included expanding its operations to pay for the work. The application was on hold pending further information being submitted by 17 December. Once this is obtained the council will decide whether the resource consent will be publicly notifiable.

Education

'Just the beginning' for Escalator graduate [10 December/Rural Life] Last month, the Agri-Women's Development Trust marked the 100th graduate from its Escalator programme. The milestone was reached as graduates of the eighth annual programme — including Kelly Heckler, owner of environmental consultancy AgriBasics — gathered in Wellington. The 10-month programme provides leadership and governance development to 14 women each year. Participants come from across the primary industries, including dairy, meat, horticulture, arable, wool, wine and honey. Ranfurly farmer Dawn Sangster has been a high-profile graduate of the course. Five months after graduating from the inaugural programme in 2011, she was elected as a director of Alliance Group and was recently appointed a director of Farmlands. Being involved in the course benefited not only participants' own businesses, but also the farming industry and their rural communities. Mrs Heckler commented that there was a "massive" amount of talent among the women in rural communities and Escalator was "just peeling the lid off".

International

Food scraps could be turned into environmentally friendly plastic packaging [5 December/GOV UK] Innovators are being challenged to make the UK a world-leader in creating sustainable packaging and reduce the impact of harmful plastics on the environment. The UK Government is seeking ways to extract the economic benefits from the global shift to greener, cleaner economies. This is key part of the government's modern Industrial Strategy to bring together world-class UK science, research and innovation to develop cutting edge products and services of the future. The funding, to be backed with industry support, and delivered by UK Research and Innovation (UKRI) through the Industrial Strategy Challenge Fund, could help develop new forms of packaging and plastic, smart packaging labels, and 'live' sell-by-date patches. The new innovation could also boost the sector by a further GBP500 million a year, with the use of packaging growing due to changing consumer behaviours like the increasing popularity of online shopping. It has also been announced that through the Strategic Priorities Fund, that a collaborative research programme will boost food security by countering diseases that threaten crop production and threaten plant health.

Beef-eating 'must fall drastically' as world population grows [5 December/The Guardian] According to a new report by the World Resources Institute (WRI), people in rich nations will have to make significant cuts to the amount of beef and lamb they eat if the world is to be able to feed 10 billion people. According to the report, more than 50% more food will be needed by 2050 but greenhouse gas emissions from agriculture will have to fall by two-thirds at the same time. The report recommends that 2 billion people across countries including the US, Russia and Brazil cut their beef and lamb consumption by 40%, limiting it to 1.5 servings a week on average. Tobias Baedeker, of the World Bank, said farmers would require a lot of support to make the changes required but that redirecting the world's huge subsidies could be a "game-changer". Subsidies of more than USD590 billion a year are given to farmers in 51 nations, representing two-thirds of global food output, according to the OECD.

Fruit fly outbreak declared in South Australia's Riverland [7 December/ABC] Internationally recognised as a pest-free region, the town of Riverland, in South Australia has had a fruit fly outbreak. Seven male Queensland fruit flies have been found in the Loxton area. Minister for Primary Industries and Regional Development for South Australia, Tim Whetstone, said a team of 50 Primary Industries and Regions (PIRSA) staff immediately commenced an eradication program aimed at eliminating fruit flies from the outbreak area and nearby surrounds. He noted that the outbreak shows how vulnerable South Australia is given that New South Wales and Victoria do not have fruit fly strategies in place. Federal Member for Mayo, Rebekha Sharkie, has lobbied the Federal Government to invest more money into South Australia's fruit fly protection and recognise pest control management as a national issue.

Vegan Startup 'Real Fake Meats' Opens Plant-Based Butcher Shop [9 December/Plant Based News] A Canadian vegan meat startup is set to open its first plant-based butcher shop in Canada just before Christmas. Real Fake Meats, whose store called Plant-Based Butcher, will open in Halifax, Nova Scotia, will include vegan turkey, bacon, chicken, pepperoni, and cheese. Holiday Boxes are available to order online now and options include the 'Basic Holiday Box' featuring a veggie roast with roasted leek gravy, a pair of gluten-free boxes (CAD 80) featuring dishes like mock turkey cutlets and cranberry cashew mocha cheese cake, and the 'Plant Lovas Charcuterie Tray'. According to the owners sometimes eating a plant-based diet requires more work and planning in the kitchen.

Farmlogics ag-tech brings sourcing closer to SDGs by 'digitising the field' [6 December/FoodNavigator] Farmlogics software tool gives suppliers more control over their operations by "digitising the field", according to Froid Mendez, co-founder and chief operating officer (COO) of Cochinchina-headquartered Farmlogics. The technology offers several products at various prices. Cocoa, palm oil and rubber producers are already using it in West Africa. It could also be used for other smallholder-grown crops, such as tea, coffee or rice. Mr Mendez said that the tool also enables companies to align with the Sustainable Development Goals. An example being having the ability to reduce the risk of child labour, while using the tool improves farmers' credit ratings in the eyes of banks and financial institutions, giving them better access to finance, which is seen as an enabler of the 2030 SDGs. The app sends weather forecasts to farmers and helps them with pest management. Information shared with the app can be addressed by the agronomists of the company who advise the farmer on how to deal with the pest.

Nestlé to create Institute of Packaging Sciences to tackle global waste problem [6 December/FoodNavigator] Nestlé says it will research recyclable, biodegradable and compostable polymers, functional paper, new packaging concepts and technologies to increase the recyclability of plastic packaging. This is part of a programme of work which will be tested in different product categories before rolling it out across the group's global portfolio. A spokesperson for Nestlé said that the institute will be operational mid-2019 and will be located at Nestlé Research in Lausanne, Switzerland. They added it will work closely with academic partners, start-ups and suppliers. New materials will then be tested and applied across categories at Nestlé's Product Technology Centers around the world, before they are rolled out commercially. Mark Schneider, CEO of Nestlé, said the company wants to be a leader in developing the most sustainable packaging for its food and beverage products, while also addressing the growing packaging waste problem.

USDA grants \$600K to develop seaweed bread [6 December/Food Dive] The U.S Department of Agriculture awarded Maine-based VitaminSea a USD600,000 Small Business Innovation Research grant to develop a seaweed-based bread called SeaKelp+, according to BakeryandSnacks. Last year, the USDA provided the company \$100,000 to begin developing the prototype. The second round of funding will allow the company to begin recipe collaborations with bakeries and start market testing. VitaminSea already provides seaweed for a variety of products, including energy bars, chocolate and animal supplements. According to Innova Market Insights, sea vegetables such as seaweed, nori, kelp, and wakame saw 21% growth in new product launches from 2012 to 2016. The commercial seaweed market is projected to reach USD17.59 billion by 2021. Additional to nutritional benefits, seaweed is carbon negative, absorbing carbon dioxide from the sea. It is fast-growing, requiring no fresh water or fertilizer.

British restaurants called to ban avocados amid link to Mexican drug cartel [10 December/NZ Herald] British restaurants are being encouraged to take avocados off their menus, amid fears profits are being used to fund Mexican drug cartels. Drug bosses have taken control of farms growing avocados in Michoacan in west Mexico, reports the Daily Mail. One of the area's most prominent drug cartels is said to earn more than USD277 million a year from "blood avocados" sold to British buyers. Michelin-star chef, JP McMahon, pleaded with customers in the UK to stop eating what the "blood diamonds of Mexico". The owner of restaurant Aniar and Tartare, went on to tell the Irish Independent that food outlets should "stop serving them" altogether. "Change won't happen unless consumers avoid them. We don't use any in our restaurants. There are plenty of alternatives. "I don't use them because of the impact they have on the countries that they are coming from - deforestation in Chile, violence in Mexico. For me, they are akin to battery chickens."

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Field Notes

Weekly news update from the KPMG Agribusiness Network – 12 December 2018

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