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Agenda 2018**

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AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network

14 March 2019

Organisations referenced in this week's Field Notes include:

Alliance Group	Milkdamia
Apiculture New Zealand	Ministry for Primary Industries
Australian Macadamia Society	Mondelez
Barnes Oysters	Nikau Farm Estate Trust
Bay Pest Services	OSPRI
Beekeeping New Zealand	PICMI
Berakah Vineyard Management	ProtoSpace
Biosecurity New Zealand	Provincial Growth Fund
Civil Aviation Authority New Zealand	Rabobank
ESR	Seafood NZ
Federated Farmers	SnackFutures
FMG	The a2 Milk Company
Fonterra Co-operative Group	The European Institute of Innovation and Technology
General Mills	UpLift
LIC Co-operative	Vilagrad
Manaaki Whenua Landcare Research	Zeddy
Massey University	
Meateor	

This week's headlines:

Horticulture	As labour shortage bites, app aims to hook growers up with workers [13 March/Stuff NZ]
Agritech	Palmerston North company's automatic cow feeder at Central District Field Days [11 March/Stuff NZ]
Red Meat	Swine disease expected to boost Chinese beef imports [08 March/Rural Life]
Agribusiness Education	First-year student discusses future of food with industry's best [12 March/Massey University]
Farmers and Producers	Improve NAIT reporting or face consequences [11 March/Rural News]



Horticulture

Jen Scoular: Spotlight on quality avocado [07 March/The Country] New Zealand avocado exports faced significant quality issues after November, especially within the Australian market. Given avocados require fast post-harvest movements, harvest timing is crucial due to Avocado's not being stored in coolstores. New Zealand's growing season is cooler and wetter than that of its competitors, therefore avocados stay on the tree longer for up to 14 months. If the harvest is done in November or later, next season's crop is starting to grow on the tree which can change the tree's physiology and impact quality. Quality is a large part of New Zealand's offering on the market requiring growers to be agile.

NZ farmers could grow coffee, pineapples as the planet warms [07 March/Stuff NZ] New Zealand's tropical fruit are becoming more popular to grow. New Zealand eat 18kg per capita or around \$140 million worth of bananas a year. Hugh Rose, head of Tropical Fruit Growers of NZ has a 40ha property on Northland's east coast, growing a variety of tropical fruits including bananas, pineapples, dragon fruit, pawpaw and sugar cane. Mr Rose states that bananas are easy to grow and benefit from New Zealand's low disease and pest levels compared to the tropics. They can be grown year long, as long as temperatures exceed 14 degrees. There are growers across the country typically between Northland and Gisborne producing good crops and even some in Invercargill under tunnel shelter. There are 17 varieties of banana growing, and increased consumer interest, with the New Zealand sourced bananas selling at about \$8/kg through Whangārei farmers' market. Mr Rose reports that with the amount of growers now on board, Northland should be able to be self-sufficient with bananas in a couple of years. Bananas sit well alongside dairying as dairy effluent is high in nitrogen and phosphate which are nutrients that bananas thrive off. All portions of the plant is edible to stock.

As labour shortage bites, app aims to hook growers up with workers [13 March/Stuff NZ] Genevieve Griffin-George, a Tasman Entrepreneur and Founder of PICMI, a cloud-based software, is helping horticulturalists find workers in the current shortage. PICMI has been designed to simplify the employment process for agricultural seasonal staff and was developed last year as part of the Xcelerate programme. The idea was born from personal experience of having a shortage of seasonal workers. Mrs Griffin-George said the main aim of PICMI was made the process of finding staff required easier, providing digitised access to visa verification and employment paperwork. Growers pay a nominal amount per match, while workers seeking employment can access it for free. The software has been successfully trialled with two growers and now Mrs Griffin-George said the next challenge is getting the first paying customers.

AgriTech

\$1m injected in semen processing centre [08 March/Rural News] LIC co-operative re-opened its semen process centre in Manawatu this week, after spending over \$1 million to revamp it. The co-operative is the country's largest supplier of artificial breeding services and dairy genetics. The renovations enable LIC to enhance its export capabilities as well as use the centre as a back-up to its facilities in Hamilton. The centre was converted in 2008 into a seasonal semen production facility with the sole purpose of collecting and processing bull semen for export into the EU market. Last year, it exported 400,000 semen straws to the EU. Chief Executive Wayne McNee reported the upgrade allows the co-operative to deliver value for its shareholders in New Zealand as high demand for quality pasture-based genetics internationally continues to grow. Improvements include an upgraded laboratory, an additional laboratory for the production of sexed semen, allowing the co-operative to meet this growing demand.

Marlborough vineyards scare birds with drones [08 March/Stuff NZ] Drones are being used in Marlborough vineyards in order to scare away birds. Many methods have been used as an attempt to scare away birds preventing vineyard damage in the past, with varying levels of success but drones are now being used to target particular spots that birds tend to attack. Berakah Vineyard Management (BVM) Viticulturist Logie Mackenzie commented drones are proving to be effective and are limiting the need for gas guns in the vineyards. Mr Mackenzie added drones can cover a larger area in less time and have also reduced the need for netting on certain blocks which is another cost saver. Gas guns tend to receive complaints from neighbouring residents, with consistent banging can disturb sleep. Civil Aviation Authority New Zealand (CAA) commented each vineyard owner or operator should check if they can fly a drone over the property as some restrictions may occur, particularly around airports. CAA also recommended drone operators to get training.

Palmerston North company's automatic cow feeder at Central District Field Days [11 March/Stuff NZ] Zeddy, a company producing an automatic supplementary feeder will be selling their product in Fielding at the Central District Field Days. The feeder scans a cow's ear tag and then dispenses a tailor made diet. Feeders have been designed, trialled and manufactured in less than three years and designed to deliver dry feed to cows, calves, sheep, goats and deer. Once an animal approaches the feeder, a signal is sent to the digital cloud which holds information on what type and how much feed a particular animal is entitled to. Food is dispensed in small amounts until the animal stops eating, walks away or another animal pushes it out of the feeder. The feeder then records what the animal has consumed. Kate Gwilliam, Chief Executive of Zeddy reports that this means smaller, less dominant animals can access their share of supplementary feed. During trials, smaller animals gained weight, creating a more balanced herd and minimising wastage of feed. The Zeddy system can be accessed from the farmer's phone or computer, allowing them to tailor regimes and notifications. It can provide supplementary feed to about 250 calves or between 200 and 300 cows a day.

Robotic shearing study to use 3D printed sheep [11 March/The Country] A full-size merino sheep is to be used in a scoping study into robotic sheep shearing. The University of Technology Sydney (UTS) has opened Australia's most advanced 3D printing facility. ProtoSpace was launched to help grow advanced manufacturing in Australia by providing access to high-end equipment and expertise in 3D printing technology for businesses of all sizes from all sectors. It features 3D printers some of which are only in Australia with the Protospace being created to help support Australian innovation. 3D printing still makes up less than 1 percent of global manufacturing so there is potential for growth. Harvard University reports many businesses and individuals with ideas are still unsure how they can harness the technology to innovate, and to remain relevant. 3D printing can be used to minimise waste, develop new products and can reduce time to market.

Manawatū's AgTech Hackathon returns for 2019 Central Districts Field Days [12 March/Stuff NZ] The annual Manawatū AgTech Hackathon is back as part of the Central Districts Field Days in Fielding this week. Engineers, farmers and IT professionals attempt to find solutions for agricultures greatest issues. Last year, Mitchell Coleman won the competition resulting in a job at Levno from his project creating a project focused on solving loss of water on dairy farms from leaks. There weren't any water-monitoring systems on the market that could detect a leak, so Mr Coleman set out to design his own. The Hackathon this year includes five challenges set by companies and organisations from across the primary industries. Co-ordinator Johnelle Hosking reported it already has 60 registered participants. The hackathon will run on the 15 and 16 March.

Biosecurity

Battle against monster wasp nest in Hamurana, Rotorua enters day five [08 March/The Country] A monster wasp nest in Hamurana, Rotorua entered into its fifth day of extermination. The 2 metre by 2 metre nest is from German waspsc and have a particularly aggressive species of wasps. The nest has been administered with three doses of poison. Chris Brunel, Owner and Operator of Bay Pest Services reported that it is the biggest nest he has seen in his 30 years of working in the industry. Mr Brunel stated that there has been a reduction of about 70 percent of the wasps, with hundreds of thousands of wasps covering the track below. Mr Brunel estimated that a nest that size would host over a million wasps. Researcher Dr Bob Brown from Manaaki Whenua Landcare Research said German wasp colonies had about a 10 percent chance of surviving through winter and this nest would have taken about 16 months to grow to its current size. Dr Brown reported that normally German wasp colonies grow to fit inside a 20 litre bucket however stated that humans should expect more colonies of a larger size as climate change progresses. Dr Brown stated that a single nest required a lot of protein and that honeybees and their honey are a preferred food source for the wasps.

Exotic insect found in New Zealand, biosecurity risk being assessed [08 March/The Country] A larva of the poplar sawfly has been found in a trap in Abbotsford, Dunedin by Biosecurity New Zealand. Biosecurity New Zealand have found an established population of the poplar sawfly is in the area and are trying to discover how far it has spread. They are urging the public to come forward with pictures and ring the biosecurity hotline if they have seen the poplar sawfly in their area. Brendan Gould, Manager of Surveillance and Incursion for Biosecurity New Zealand reported that the poplar sawfly is not known to cause significant harm and at worse will cause some defoliation of poplar trees. Gould said the poplar sawfly was commonly found in Europe, Asia and North America, and Biosecurity New Zealand was assessing the potential risk.

Aquaculture

Oyster shortage: Big demand for 'Bluffies' sends prices skyrocketing [08 March/The Country] Oyster license holders for the Foveaux Strait have agreed to limit their catch to 7.5 million oysters, half of the regulated total allowable catch of 15 million. This limit has increased the price of the famous wild oysters. The season opened on 1 March but has only properly started recently due to rough weather. Oysters in the Strait are slow growing in the cold water and around nine years old when harvested. Owners of the 12 vessels fishing the Strait will assess the state of the fishery at the end of the month potentially increasing the catch to 10 million if warranted. About 65 percent of the catch is licensed to Barnes Oysters, a cooperative of eight companies. The next biggest fisher is Ngāi Tahu Seafoods, and Foodstuffs supermarket chain also has a small holding. Seafood NZ stated despite the license holders caution, there is optimism about the state of the industry. This is due to no sign of the bonamia ostreae disease that has destroyed the farmed oyster industry on both Stewart Island and the Marlborough Sounds. Due to this, catches have fluctuated over time.

Red Meat

Angus Pure plans to improve on-plate eating experience [06 March/Rural Life] AngusPure New Zealand announced this week that they are partnering with 63 Angus beef farmers in a programme to improve the quality and taste of their meat as well as increasing returns. AngusPure is the official beef brand of Angus New Zealand with 50 percent owned by the industry's association with the other half privately owned. Guy Sargent, Director of AngusPure commented the brand partnering with six Otago and Southland beef farmers. Every breeder had different aspirations and goals for what they wanted to achieve focusing on genetics, fertility or longevity, sharing their findings with other partners to improve meat quality for the customer. Each animal in the programme will have a specific ear tag so the processors will know to filter back the relevant information to both the animal owners and AngusPure, as part of the improvement initiative. AngusPure will also get additional information from retailers and consumers about improving the end result. It also encourages commercial farmers to buy their bulls from those stud partners. AngusPure applied for a licence to use the Beef + Lamb New Zealand promotion "taste pure nature" to be launched in Los Angeles on March 21, but is yet to be confirmed if they are to be part of it.

Swine disease expected to boost Chinese beef imports [08 March/Rural Life] Spread of the African Swine disease in China has increased measures at its borders. The spread of the severe viral disease is meant to offer increased export opportunities for beef exporters like New Zealand. Rabobank released a report stating the disease has potential to substantially shift the Asian meat trade, impacting both importers and exporters. Increased border enforcement has also effected pricing across all Chinese meat products. Last year, China overtook the United States as New Zealand's single largest export market for beef products. Pork consumption in China is dropping, leaving a supply gap of one to two million tonnes of 2019 which will be partially filled by other meats. However, due to the size of the pork market in China, additional imports and meat substitution cannot make up for the decline in pork production therefore all meat prices were expected to rise in the second quarter of 2019. The Rabobank report said that other developments would also impact the global beef market such as the floods in Australia and Brexit negotiations

Strong market for lamb expected [11 March/The Country] Good demand is continuing to occur from the United States and China, contributing to predictions a second season of healthy global lamb prices. Nathan Penny, ASB Senior Rural Economist reported that prices are now bottoming out although at around \$7 which is a healthy level, after hitting record highs last spring. Looking ahead Mr Penny expects prices to peak in Spring 2019 in the high \$7 per kg range. Demand remains strong from the US and firm in China, however Mr Penny says they will keep an eye on Chinese demands after Beijing recently dropped its GDP growth target to a 30 year low. The overall ASB commodity price index, in US dollar terms, ended the first week of March up 0.5 percent. This gain was led by dairy prices rising 2.6 percent, sheep and beef prices were down 1.7 percent, forestry rose 0.2 percent and fruit was down 1.7 percent.

Meat company targets \$134 billion global pet food market [12 March/Stuff NZ] Alliance Group, an export meat company, has invested in a pet food business. David Surveyor, Chief Executive of Alliance Group reports that this investment coincides with major growth in the industry as animal lovers are seeking high quality protein food for their pets. The global sales forecast is set to reach up to \$134 billion by 2022. Alliance has entered an agreement with Scales Corporation to pay \$15 million to acquire a 50 per cent interest in its Meateor pet food business. The new joint venture business was valued at \$30m and funded equally by both partners. Meateor was a processor and marketer of high-quality pet food ingredients to global pet food customers. Record prices for venison during the last 18 months have been in part because of demand from the United States pet food market promoting premium raw food for cats and dogs. As an alternative to dry food, several pet food companies were marketing a venison or game offering, pushing up prices for traditionally cheaper meat cuts. Andy Borland, Scales Managing Director reported the venture intended on developing New Zealand as the premier supplier of pet food proteins.

Agribusiness Education

\$400k given to Massey for innovation [08 March/Rural News Group] A new 'Rural Innovation Lab' at Massey's Palmerston North campus will be granted \$400,000 by the Provincial Growth Fund (PGF). The laboratory will help give farmers and growers in the Manawatu-Whanganui area to think afresh, particularly around digital farming and improving land-use according to Fletcher Tabuteau, the Under-secretary for regional economic development. Other supporters include the Palmerston North City Council, Microsoft New Zealand, Massey University and local economic development agencies.

First-year student discusses future of food with industry's best [12 March/Massey University] Fatima Imran, a first year completing a Bachelor of AgriCommerce at Massey University will join a panel to discuss the future of food production in New Zealand with industry leaders. AgResearch Future Feeders is a headline event of New Zealand AgriFood Week. Fatima Imran says she is not worried about the other panellists, which include Mark Piper from Fonterra, Jolon Dyer from AgResearch, and Rob Ward from UK-based company Grocery Accelerator. Miss Imran got involved with the event whilst completing a summer internship at KPMG, stating the point of the panel is to see what panellists see happening in 2050 surrounding food production. Miss Imran believes that New Zealand should be protecting and also improving itself, saying that New Zealand needs to gain confidence the country's abilities. In 2017, while Miss Imran was a year 12 student, she spoke during a series of future leaders' events around various Field days encouraging students to engage with agriculture classes as they offer a variety of skills to be obtained. Massey University and Mt Albert Grammar have been working together for a number of years to expose more students to the opportunities in agriculture. Massey will be bringing a small group of students from Mt Albert Grammar to the University around Fielddays to experience what studying agriculture careers are like.

Farmers and Producers

Canterbury shepherd a history-maker as Young Farmer of the Year grand finalist [07 March/Stuff NZ] Georgie Lindsay, a 23 year old North Canterbury shepherd is the first female from the Tasman region to have ever made it to the grand final of the FMG Young Farmer of the Year. Georgie Lindsay, won the Tasman regional final against seven other contestants and is one of only five woman to make the grand final in the 51 years that the competition has run. The Amuri Basin Young Farmers member is a shepherd at Marble Point Station, between Culverden and Hanmer Springs – a 2400ha property with 3600 ewes and 380 Angus breeding cows, plus heifers. Ms Lindsay grew up on a farm in Dipton, Southland and then completed a Bachelor of Agricultural Science at Lincoln University. Lindsay also took out the innovation award and \$12,000 worth of prizes.

Improve NAIT reporting or face consequences [11 March/Rural News] OSPRI warns that the NAIT accounts of farmers will have a closer watch on them, along with NAIT users who choose not to record or confirm their livestock movements. Kevin Forward, Head of NAIT reports that they are currently reconciling historical issues with farmers where movement records are incomplete. Compliance and enforcement are jointly managed by NAIT Ltd and the NAIT compliance team at the Ministry for Primary Industries (MPI) as prescribed in the NAIT Act 2012. Mr Forward states that OSPRI acts as the management agency for NAIT with their priority focusing on making sure farmers understand their obligations and if needed will guide them in updating their accounts. NAIT has also been 'cleaning-up' the NAIT information system through a recent system upgrade. NAIT has rolled out an extension and education campaign to support all NAIT users and the NAIT team will be present at the regional field days according to Mr Forward. Consultation has opened up after NAIT has revised three standards. OSPRI has invited the primary industry's supply chain, livestock tag manufacturers and NAIT users to get involved in discussing the proposed changes.

Lack of Kiwi workers a problem [13 March/Rural Life] Young New Zealanders are slow in coming forward to work for the dairy industry. Ads Hendriks, Federated Farmers Spokesperson for South Canterbury reported that after recently posted a job position, only one of nine candidates was a New Zealander, with the one New Zealander being unreliable. Mr Hendriks said he was always keen to employ a Kiwi, but it was not always possible and there were a lot of issues involved. Federated Farmers reported the deteriorating situation is not confined to the dairy sector - it includes meat/wool and arable farming too. In the January Mid-Season Farm Confidence Survey, 42 percent of 1400 farmers who answered a questionnaire said they continued to have difficulties recruiting skilled/motivated staff and things had deteriorated in the past six months. Mr Hendriks said there were still keen young New Zealanders getting into the industry and the rewards were there for those who are passionate. The new government rules of overseas workers being able to stay for three years and then standing down was frustrating according to Mr Hendriks. This results in workers choosing other countries instead. Federated Farmers National Dairy Chairman Chris Lewis stated gaps in the workforce is just one of the challenges faced by the industry.

Viticulture

Autumn heatwave welcomed by Waikato grape grower [07 March/Stuff NZ] Waikato's largest winemaker Vilagrad has welcomed the Autumn heatwave, with their vines receiving more hours of sunshine and intense flavours developed in the grapes. According to Winemaker Jacob Nooyen, hot dry days and cold nights have resulted in the vineyard starting its harvest two weeks early. Hot days increase sugars in the fruit along with the cold nights helping the grapes retain a level of acidity. Mr Nooyen also reports that there is less disease pressure and that all varieties are ripe, allowing the team to pick whenever they would like to. Mr Nooyen also reported yields will be about 25 percent lower than previous years due to the wet November and December period affecting flower growth but that the quality of the fruit will make up for it. Given there is less fruit on the vines, less needs to be ripened which results in more intense flavours which comes through into the wine. Horst Hillerich, Boutique Winemaker in Karangahake agrees with Mr Nooyen's positive outlook, however says there are still a few weeks before harvest started for his grapes in Hawkes Bay and Marlborough.

Apiculture

Beekeepers turn down proposal for commodity levy [07 March/Radio NZ] Over 75 percent of commercial beekeepers voted against a levy from Apiculture New Zealand (ApiNZ). The levy is asking for all 1734 beekeepers in New Zealand with 26 hives or more to pay a levy of 10 cents on each kilogramme of honey. ApiNZ reported that most other primary sector industries have a levy system, and one in apiculture would enable investment in research, biosecurity and market development. Voting ran throughout February and of 1057 voters, 76.4 percent said they did not support the proposal. The proposal caused some divisions in the honey sector with Beekeepers New Zealand, a different industry group urging its members to reject the levy as they argued beekeepers were already struggling financially due to poor prices for non-mānuka honey.

130,000 bees go under the microscope [11 March/Rural News] Sampling has been completed for Biosecurity New Zealand's Bee Pathogen Programme which involved more than 60 beekeepers and took two and a half years to complete. The study is the largest and most detailed one ever undertaken in New Zealand, involving hives being tested every six months. Dr Richard Hall, Senior Scientist at Biosecurity New Zealand reports that the research will prove valuable to the industry as it helps to understand the effect that diseases, climate change and apiary management practices have on colony productivity and losses. Now the data is collected it will be evaluated and the results will be available to the beekeeping industry for further analysis. More than 130,000 honey bees will be studied based on 300 samples from around the country that now reside in Biosecurity New Zealand's freezers. Biosecurity New Zealand is aiming to release its conclusions from the Bee Pathogen Programme in late 2019.

Dairy

Fonterra keen for a slice of a2 [11 March/Rural News] The a2 Milk Company and Fonterra Co-operative Group are continuing to partner as new commercial opportunities come to existence. Jayne Hrdlicka, Managing Director and Chief Executive of a2 Milk states the company has significant future growth plans, with the first step focusing on building the milk pool growth in Australia and New Zealand. The company announced last Wednesday a 55.1 percent jump in half-year after-tax profits of \$157.7 million and revenue up 41 percent to \$613.1 million. Fonterra said it will be signing up farms to supply milk for the a2 Milk in the 2019-20 season. Its first a2 milk pool will be in Waikato around its Hautapu site and will support the production of ingredients. About 100 farms will be needed for next season. Most of the value from the relationship with The a2 Milk Company will be returned to all co-operative farmers through the dividend. Participating farms will also receive a premium for their milk. A2 Milk have been focusing on developing an understanding of consumers in China, and based on half year results, Chinese revenue growth was 83 percent.

Environment and Emissions

Humble native's anti-microbial properties could be a new tool in improving waterways [11 March/Stuff NZ] The mānuka plant could soon be used in improving New Zealand's freshwater quality. ESR, Waikato Regional Council and local iwi are 18 months into a five year study on the tree to figure out its ability to filter out freshwater-harming nutrients and pathogens. The trial site is on the shores of Lake Waikere. Dr Maria Gutrieerez-Gines, ESR Scientist reports that ESR has been researching the plant for ten years. She stated that if the same anti-microbial properties found in mānuka honey and oil are also in its roots then it could help reduce nitrates and pathogens in the soil if it were to come into contact. The scientists discovered positive result in laboratory and greenhouse experiments so now have moved onto the real world environment by planting mānuka trees on a four hectare plot of farmland. The plot is divided into three sections, a control, one with just mānuka and one with mānuka as well as various other native trees. Run-off water is collected and analysed along with measures of the sites ecology, tree growth and soil samples. Dr Jacqui Horwell, Scientist at Massey University reported the study could be another tool to help people clean waterways, although the process of improving water quality will take a long time. Director of Nikau Farm Estate Trust, Tawera Nikau said regardless of the result they are going to keep planting and eventually hope to have a 34 hectare wetland created.

International

General Mills to implement regenerative agriculture on 1M acres [06 March/FoodDive] General Mills have committed to using regenerative agriculture methods across one million acres of land by 2030. They are partnering with farmers, suppliers and farm advisors in key growing regions to increase adoption of more sustainable methods of farming. General Mills is also giving US\$650,000 to Kiss the Ground, a non-profit organisation advocating for environmental practices through training and lowering costs. Other companies are also following this trend to boost their social reputation such as Applegate releasing sausages from farms using regenerative practices, and Danone giving \$6 million for soil research. Regenerative agriculture provides direct investments to individual farmers to help them convert to more sustainable practices. In return, the company can scale up its regenerative-farmed ingredients, which align with growing consumer demand for eco-friendly and environmentally conscious products. In 2014, General Mills acquired Annie's, which a brand known to prioritise environmental stewardship and could be a catalyst towards General Mills shift towards regenerative practices. The company has already committed to improving its soil health and reducing greenhouse gas emissions by 28% by 2050. Sustainable practices are becoming critical to help slow climate change and other environmental challenges, and are also becoming a demand from consumers

AgriFood Tech in 2018: \$17bn in Funding as Biotech, Robotics, Mega Asian Deals & Record Exit Create Breakout Year [07 March/AgFunder News] AgriFood Tech start-ups raised \$16.9 billion in 2018, a 43% increase year-over-year growth, according to AgFunder's latest investing report. Deal activity also increased by 11 percent. A few factors contributed to the increase, including maturation of ventures. It wasn't just start-ups developing technologies at the consumer end of the supply chain that drove those median increases. Solutions such as Indian restaurant marketplace Swiggy closed a \$1 billion round and agtech start-ups building solutions for farmers and for the supply chain also raised large rounds, including Zymergen's \$400m Series C, Indigo's \$250m Series E, and a \$300m round for an undisclosed Farm Management Software & Sensing start up. With \$17 billion of investment in one year agrifood tech has become an established part of the venture capital sector. Over the past 6 years, investment in agrifood tech start-ups has increased 550 percent in total.

Mondelez's SnackFutures innovation hub invests in prebiotic Uplift Food [08 March/FoodDive] Mondelez announced last week that UpLift food is its first minority investment for its new innovation and venture hub SnackFutures. Brigette Wolf, Global Head of SnackFutures reported they were drawn to Uplift because it's working to disrupt the industry by focusing on consumer needs. SnackFutures aim is to cultivate and develop the future of snacking and want to raise \$100 million in revenue by 2022. UpLift focuses on digestive health and functional health which is what SnackFutures is looking for.

A 'substantial' increase: EIT to invest €56.4m in sustainable food chain initiatives [08 March/Food Navigator] The European Institute of Innovation and Technology (EIT) will invest €56.4 million (approx. \$108 million NZD) in projects that aim to 'transform' the agri-food system in 2019. This is a 44 percent year-on-year increase. EIT Food has six strategic objectives which guide its response to environmental, demographic and health challenges facing humans and the planet. The objectives aim to build consumer trust, help people make informed and healthy choices, and build connected supply systems. Additionally, they will support education and entrepreneurship. EIT said the enhanced investment will be used to accelerate its activities through its partner network made up of over 50 organisations from the food industry and University sector as well as more than 50 agri-food start-ups. A total of 6.8 million pounds has been allocated for projects supporting start-ups, 7.8 million pounds towards the food system education system and 5.2 million pounds towards public engagement. Innovation products with an aim to create marketable products and services will receive funding of 26.4 million pounds.

Macadamia nuts double in price as growers struggle to keep up with demand [11 March/ABC News] The Australian Macadamia Society said the price of the macadamia nut had doubled in the last 10 years, from \$25 per kilogram to about \$50 per kilogram. Lynne Ziehlke Market Development Manager reported that this increase in price is due to growers getting paid more and the rarity of the product. Despite the increase in price, consumer demand is also growing especially due to an increase in health food trends. The industry body predicted the number of nuts that would be sold in Australia this year would beat last year's record of nearly 4,000 tonnes. Macadamia nut farm consultant Chris Searle has been in the industry for more than two decades and said growth was not matching national and international demand. Macadamia milk is one of the health products growing in popularity. Morgan Roy, owner of Milkdamia started selling his product in 2014 after eight years of development and states that although it took off quickly in America, it has only started gaining momentum in Australia in the past year as consumers are starting to try more foods. Australia may struggle to keep up with consumer demand.

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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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