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## 10th Anniversary KPMG Agribusiness Agenda



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AGRIBUSINESS

# Field Notes



Weekly news update from the KPMG Agribusiness network

### Organisations referenced in this week's Field Notes include:

Accel Robotics	Keto Canteen
Auckland Council	Massey University
Bayer	Ministry for Primary Industries
Blueberries New Zealand	MOS Burger
Brooklyn Grange	Müller and Arla
Cawthron Institute	New Zealand Banker's Association
City Forests	Nielson
CH4 Global	Oamaru Meat Ltd
Dave Paul Logging	Original Canvas
Department of Conservation	Overseas Investment Office
Dunedin City Holdings	PGG Wrightson
Ecogas Ltd.	Punchbowl Packaging
Environmental Defence Society	Rabobank
Environmental Protection Authority	Rangitata Dairies Limited Partnership
Esarom	Rangitata GP Limited New Zealand
Federated Farmers	Recess
First Light	Sanford
Fish and Game	Scion
Fonterra Co-operative Group	SoftBank Group
Freight Farms	South Canterbury Rural Support Trust
Future Group	SPATnz
Gamble Forest Harvesting	Statistics New Zealand
GAME	Tesco
Goodlids	Te Rūnanga o Ngāi Takoto
Hopefield Farm	The a2 Milk Company
Horizons Regional Council	The Trusts West Auckland
Impact PR	Tomlinson's Dairy
Kaituna Blueberries	Unilever
Kerry	

### This week's headlines:

Viticulture	<b>Organic and natural wine market grows on the back of conscientious consumers</b> [09 December, Bonnie Flaws, Stuff NZ]
Red Meat	<b>First Light - the first choice for Californian 'meat geeks'</b> [29 December, Country Life, Radio New Zealand]
Environment & Emissions	<b>Auckland kerbside food waste collections a step closer with contract signing</b> [05 December, Stephen Forbes, Stuff NZ]
International	<b>New York's rooftop farms provide fresh local produce - and help stop a sewage problem</b> [21 August, Douglas Broom, WeForum] More
International	<b>Freight Farms Takes Container Growing to the Next Level</b> [09 December, Andrew Amelinckx, Modern Farmer]

## Apiculture

[Imported insect predator to help bees and willow trees to thrive](#) [06 December, Eric Frykberg, Radio New Zealand] Parasitoid insect *Pauesia nigrovaria* has been approved by the Environmental Protection Authority to be brought into New Zealand as a control agent to help prey on the giant willow aphid. Beekeepers are excited for the insect to arrive as it will help willow trees to survive and help provide essential food for bees. Scion Entomologist Stephanie Sopow reports that she hopes the process will be ready to start next autumn. The Apiculture New Zealand Science and Research Focus Group Chairperson, Barry Foster, welcomes the insect as it will help to get rid of the giant willow aphid, a devastating exotic pest species which has damaged the health of bees since its discovery in 2013.

## Agribusiness

[Prime Minister Jacinda Ardern warns banks to be mindful about farm debt](#) [04 December, Collette Devlin, Stuff NZ] Prime Minister Jacinda Ardern has highlighted to bankers the anxiety farmers are having across the country due to debt. The Farm Debt Mediation Bill is likely to pass its third reading before Christmas, and will require secured creditors to offer mediation to farmers before they proceed with enforcement action if farmers default on payment. Jacinda Ardern reported that farm debt has increased and that supporting communities and embracing change are important themes for citizens to focus on. The New Zealand Bankers' Association has reported that they support the Bill as it will give help to farmers who need to work through financial difficulties and will encourage conversations. Federated Farmers also support the Bill.

[New laws show Govt backing farmers — O'Connor](#) [11 December, Rural News] Agriculture Minister Damien O'Connor reports that the passing of the Farm Debt Mediation and NAIT laws displays commitment from the Government's to work alongside and aid farmers, addressing the neglect of big issues facing the primary sector. "The Farm Debt Mediation Act supports the mental, emotional and financial wellbeing of farmers and farming families who find themselves in financial strife". Total farm debt in the country is up 270 percent from 20 years ago, up to \$62.8 billion and the failure of a farm business can result in not only the farmer but also their family losing their livelihood and home, as well as damaging the rural community around them. The Act is expected to help reduce uncertainty and provide farmers with the tools to negotiate. The NAIT scheme has shown flaws in the wake of *Mycoplasma bovis*, so the new changes show improvements to the biosecurity system, to ensure it is ready for the future.

## Diets & Health

[The Keto Diet - Trend or Treatment?](#) [08 December, Teresa Cowie, Radio New Zealand] The keto diet, which consists of a low-carb, high fat approach, is taking off in popularity. It has been questioned whether this is just a fad diet or an actually scientific way to help increase health. Auckland Chef Andy Meyers is now in remission from type 2 diabetes after following the keto diet, which promotes the burning of fat instead of carbohydrates, placing the body in the state of ketosis. The diet requires tracking of macronutrients in the body and is highly restrictive. Mr Meyers has created his own online food delivery company, Keto Canteen and is hoping his business will help people stick to the diet when they are too tired to cook themselves. However, Otago University Medical School Researcher and Wellington Hospital Endocrinologist, Professor Jeremy Krebs states that there is very little evidence that the keto diet can reverse diabetes. Professor Krebs reports that the Keto diet is controversial and there is not sufficient enough evidence to show whether results of the diet could be harmful to the body in the long-term. Personal trainer and food coach Lou Draper views the diet as a trend and does not expect it to stay around long-term.

[Is the vilification of NZ's meat and dairy justified?](#) [11 December, Glenda Lewis, Stuff NZ] When organisations such as the Intergovernmental Panel on Climate Change recommend Westerners eat less meat, it concerns not only New Zealand farmers but also food scientists and health professionals. Diets have changed over the past few years, due to a variety of influences from across the world as well as an increase in availability of numerous products flooding the shelves. It is often not publicised that animal proteins contain all nine essential amino acids, whilst plant proteins such as soy are missing one or more of these, meaning that if a plant-based diet is consumed, these need to be supplemented into the diet. A balanced diet is required, and the meat industry in New Zealand is often made out to be much worse for the environment than it really is. Ministry of Health research showed that two-thirds of kiwi kids were not getting enough calcium in their diets which spurred the Fonterra Milk for Schools programme. The co-operative now supplies 70 per cent of primary schools with free milk. A diverse diet is crucial to good health.

## Forestry

[Money does grow on trees: The success of Dunedin's forest](#) [09 December, Brent Melville, Otago Daily Times] City Forests is now well into logging its third generation of forest, and next year will celebrate 30 years of being a subsidiary of Dunedin City Holdings, having contributed \$225 million to the council in this time. The rate of return of forestry has increased lately, with the company returning over 14 percent for the past three years and with an estimated \$30 million of returns being generated from carbon credits alone. City Forests increased its estate by 1000 hectares this year and paid \$8 million in dividends to the city. The company has 12 employees and 80 contractors. City Forests has seven commercial forests with total tree numbers of around eight million. The majority of its logs are exported to Chinese and South Korean markets. City Forests has formed long-term partnerships with several logging contractors, including Dave Paul Logging and Gamble Forest Harvesting.

## Sustainability

[Punchbowl Packaging wins global award](#) [07 December, Punchbowl Packaging, Scoop Independent News] New Zealand owned Punchbowl Packaging has won two international awards for the categories Food, and Packaging Materials and Components at the WorldStar Awards 2020. The awards recognised the company's innovative fibre punnets which are used by Kaituna Blueberries for both local and international markets. The company is aiming to provide sustainable, practical solutions to packaging. The punnet is home-compostable and recyclable. The company also picked up the Gold PIDA - Sustainable Packaging Design Special Award, for Australia and New Zealand earlier this year.

## Farmers & Producers

[Strong commodity pricing outlook drives rebound in farmer confidence](#) [10 December, Rabobank – Media Release] New Zealand farmer confidence has rebounded in the latest Rabobank Rural Confidence Survey, however remains at net negative levels overall moving from -33 percent to -12 percent, for those surveyed. Expectations for the agricultural economy have risen with dairy farmers displaying the greatest rise in confidence. Investment intentions have remained robust and relatively unchanged, with horticulturalists recording the strongest intent to invest. A range of government policies are causing unease amongst farmers, as well as new bank capital rules set to go in place.

**Red Meat**

[First Light - the first choice for Californian 'meat geeks'](#) [29 December, Country Life, Radio New Zealand] There is a waiting list of Americans to be part of First Light's Steak Club, where members have four 100 percent grass-fed Wagyu beef steaks delivered to their doorsteps. The club had 150 members, and its wait list is even longer than that. The only advertising for the club has been word of mouth according to CEO Jason Ross which shows the interest in First Light's high-quality products. Member costs per month are NZD\$160. The only way to become part of the club is to be referred from a club member, and club members gain access to an app, where they can show what they have cooked with the product. First Light aims to increase its 15,000 herd of Wagyu cattle to 30,000. For the second year in a row, the company took out gold at the 2019 World Steak Challenge.

[Breeder still counting on sheep](#) [03 December, Annette Scott, Farmers Weekly] Respected purebred sheep Breeders Mark and Robyn Copland were named 2019 Show Ambassadors of the Year amongst the awards their sheep got which included the supreme wool breed sheep exhibit and the champion of champions wool breeds pair. They also claimed the best ewe hogget and the best wool breed ram hogget awards and the Food and Fibre Trifecta Award for the best three ram hoggets of a wool breed. Mr Copland reports that they were very lucky in their haul at the awards and that is unlikely to ever happen again.

[Chinese ban on Oamaru Meats lifted](#) [05 December, Jacob McSweeney, The Country] The Chinese market has lifted its ban on Oamaru Meats Ltd. after two months and the company is once again trying to recruit both seasonal workers and suppliers. After the suspension occurred, 160 workers were laid off temporarily. The suspension occurred after some beef fat packaging was not up to Chinese standards, and the company have reported that the mistakes will not be made again, as their value chain has been altered accordingly in order to ensure they are meeting what is required as China is a critical market for the company. The company have announced that as part of bringing staff back on board, they will be giving a thorough induction process.

[Fatter returns for meat and dairy in September](#) [09 December, Statistics New Zealand, Scoop Independent News] Statistics New Zealand have announced that prices rose in the September 2019 quarter for dairy and meat manufacturers. Sales values rose 2.0 percent despite volumes reducing by 4.5 percent. Dairy export volumes fell 12 percent, with prices rising 8.9 percent on average in the quarter. "In current prices, sales values for the September 2019 quarter rose 0.9 percent (\$269 million) compared with the June 2019 quarter."

[From tripe, a Kiwi medical innovation](#) [09 December, Siouxsie Wiles, Stuff NZ] A decade of research started by Dr Brian Ward has resulted in waste products from agriculture being turned into high value medical products. Dr Ward, Founder and Chief Executive of Aroa Biosurgery works with scientists to extract the extracellular matrix (ECM) of a sheep's forestomach. ECM contain a complex set of molecules which help cells and tissues to grow, develop and repair, and the research has found that sheep ECM can be used to treat a variety of wounds including diabetic ulcers and burns. ECM dressings have been found to heal more wounds and more quickly.

**Viticulture**

[Organic vineyard on Waiheke up for mortgagee sale](#) [02 December, Anne Gibson, NZ Herald] A 5.4-hectare vineyard on Waiheke is up for mortgagee sale, and is claiming that it is the only certified organic vineyard on the island. Barfoot & Thompson is advertising the place for sale in tenders. The vineyard is close to the car ferry and offers food and drink as well as accommodation. "Auckland Council records show the property is valued at \$4.8 million, of which \$3.6m is the land. Annual rates are \$18,194.21".

[Organic and natural wine market grows on the back of conscientious consumers](#) [09 December, Bonnie Flaws, Stuff NZ] Nielsen Scantrack has revealed that there is increasing consumer demand to know where products are from and how they are produced which helped lead to sales in organic wine increasing 19 percent over the last 12 months. On the other hand, conventional wine sales only grew 1 percent. The Trusts West Auckland which operates 25 liquor stores and 10 bars/restaurants reported that organic wine sales increased 45 percent for them, compared to 3 percent for conventional wine. They also stated that "niche categories like biodynamic, sustainably produced and vegan wines were also on the rise." Millennials in particular were flagged to be purchasing these niche categories as it aligns with their health and environmental philosophies.

[More medals](#) [09 December, The Gisborne Herald] Gisborne wine company Groco has won awards at the recent World Bulk Wine competition in Amsterdam. The company won gold for their Gisborne Sauvignon Blanc, a silver for their Gisborne Chardonnay and a silver for their Single Vineyard Marlborough Sauvignon Blanc. These results have been described as great news for Gisborne wine producers.

[Health-Conscious Millennials Driving Growth of Organic Wines](#) [10 December, Impact PR, Scoop Independent News] Millennials and their health conscious behaviours are driving the rapid growth in organic, sustainable and vegan suitable wines. Impact PR reports that more need to be done to foster this market, as the general demand for traditional wines from New Zealand starts to plateau. The organic wine category is expected to grow globally, with expectations that consumption will increase to 1 billion bottles each year by 2022. A range of niche categories is starting to appear to help cater for the new market such as 'natural wines' which are made without commercial yeast or chemicals along with biodynamic wines. Sustainable wines are also under higher demand, along with vegan wines, which avoid both gelatine and egg white which are sometimes used in the fining process. This growth represents an opportunity for New Zealand winemakers, and innovative products are being encouraged to help satisfy millennials. It has been reported that at an industry level, terminology and certifications need to be refined to help ensure credible and consistent products are being produced.

**Aquaculture**

[CH4 Global secures grant for seaweed climate change solution](#) [28 November, CH4, Scoop Independent News] The Provincial Growth Fund has granted CH4 Global \$500,000 to go towards their seaweed climate change solution. The company plans to grow and process at a significant scale native *Asparagopsis* seaweed initially in South Australia, and then expand into its operations in Southland, Marlborough and Northland. The company's vision is zero methane agriculture and believes their feed supplement will enhance New Zealand's regional communities. Trials in the US and Australia have shown reductions in methane of up to and over 90 percent. Methane gas from cows is a large contributor to our country's greenhouse gas emissions, so it is important to work on reducing them in order to make the government's emissions targets.

[Mussels Get their Eureka Moment!](#) [01 December, Ministry for Primary Industries, Agri-Gate] SPATnz have released the results from their seven yearlong breeding programme, with the work expected to be worth \$200 million a year to the wider New Zealand economy. The results have revealed that hatchery mussels can grow up to twice as fast as those caught from the wild, and were developed in partnership with Sanford, Cawthron Institute and the Ministry for Primary Industries. It was found that wild caught varieties of mussels took a weighted average of 28.3 months to grow versus an average of 16.7 months for SPATnz's Greenshell mussels.

## Horticulture

[Kiwi start-up invests in hemp hats](#) [07 December, Edward O'Driscoll, Newshub] Dane Watson has launched his own range of headwear made out of hemp fibre under the name Goodlids. Mr Watson is currently selling his products in a pop-up shop in Auckland's Orakei Basin along with a fellow hemp fashion brand Original Canvas. Mr Watson is trying to break down the stigma often linked to hemp.

[Blueberry Growers Anticipate Another Record Season](#) [09 December, Blueberries New Zealand, Scoop Independent News] The main blueberry season for New Zealand is beginning, and it is expected that another record year of consumption will occur. Last year seven million punnets of blueberries were eaten, which increased total sales over \$25 million and was 18.3 percent more than the year before. The rise in sales is credited to Blueberries NZ's partnership with New Zealand Olympian Eliza McCartney, along with a general increase in health trends. Blueberries are known to be high in antioxidants and are anti-inflammatory.

[Traditional farming family launches hemp seed oil business](#) [10 December, Bonnie Flaws, Stuff NZ] Hopefield Hemp, a hemp oil business run by Blair and Jody Drysdale, is now up and running. The couple planted 4 hectares of hemp last year because it has low inputs and have just launched their business which sells cold pressed hemp seed oil direct to customers. The couple's 320-hectare farm is used for a variety of things including oats, wheat and barley as well as running dairy heifers and sheep. Their hemp is grown spray-free, and Mr Drysdale reports that their crop has great potential as its tap roots form quickly, grows well in dry conditions and manipulating the sowing date results in height being altered. The couple sell the oil direct to consumers as well as at both farmers markets and AMP shows. They are currently developing other products including a hand cream and will double their planting for next year's harvest.

[Treaty settlement helps pay for iwi's avocado orchard](#) [10 December, Newsie] Far North iwi Te Rūnanga o Ngāi Takoto has used assets received through its Treaty settlement to start planting its new 20-hectare avocado orchard in Kaitiaki. "The iwi has spent four years planning the Rākau Ora project alongside its partner, the Ministry for Primary Industries, and other businesses in the horticulture sector." The orchard will create employment opportunities as well as commercial value, to build the economic base of its people. Ngāi Takoto Chief Executive Rangitane Marsden has reported that the iwi would look to expand the orchard in the coming years, with potential to extend the orchard from 20 hectares to 200 over the next ten years.

[Hail-damaged nectarines that would have gone to waste to be sold as 'Hailstone heroes'](#) [10 December, Marty Sharpe, Stuff NZ] Yummy Fruit Company is marketing its nectarines as 'Hailstone Heroes', after devastating hail storms in October damaged many of their fruit, leaving marks on their skins. Despite from the damage to aesthetics, the quality of the fruit is still high, so in a move to help reduce food waste they are still being sold at New World, Pak'n'Save and Four Squares around the country.

## Environment & Emissions

[Fonterra assesses global packaging use](#) [03 December, Plastics in Packaging] Fonterra Co-operative group is reviewing their use of packaging globally as part of the co-operative's sustainability strategy. Miles Hurrell, Chief Executive reports that despite the tough year for the company, this has not stopped them progressing in their sustainability goals. Fonterra have announced that one of their goals is to make 100 percent of its packaging recyclable, reusable or compostable by 2025. In Australia, 90 percent of finished goods packaging for Fonterra is full recyclable, showing progress in this target. The co-operative is currently looking at alternative packaging solutions in its research and development centre.

[Auckland Council announces world-class food scraps processing contract](#) [05 December, Auckland Council] Auckland Council have announced a 20-year partnership with Ecogas Ltd to process kerbside collected food scraps from urban Auckland. Ecogas Ltd. is New Zealand owned and operated. Richard Hills, Auckland Council's Environment and Climate Change Committee Chair reported that this move will help to bring a "daily solution" to the current climate emergency, which will enable Auckland residents to divert waste from landfill. Currently it is estimated that 100,000 tonnes of domestic food scraps are sent from Auckland to the landfill each year. By processing the food scraps, it will help reduce greenhouse gases and they will be used to enrich the soil and heat greenhouses to allow food to be grown year-round.

[Auckland kerbside food waste collections a step closer with contract signing](#) [05 December, Stephen Forbes, Stuff NZ] Kerbside collections for household food waste in Auckland will be rolled out within the next two years after the Auckland Council announced a partnership with Ecogas Ltd. The waste will be turned into biofuel and liquid bio-fertiliser and follows a trial in Papakura last year where 17,000 households trialled the collections. It is estimated that currently, close to half the weight of household rubbish bins is made up of food waste. Ecogas already processes commercial food waste, so this new project is just an extension on current work.

[Environmentalists against proposed farming plan changes in Manawātū](#) [08 December, Jono Galuszka, Stuff NZ] Horizons Regional Council is changing their rule book for managing natural resources in order to bring it in line with Government policy directions with one proposed change being that farmers can get a special consent if they cannot meet nitrate leaching targets if they are able to show that they are undertaking "best management practice". Submissions on the changes closed on 03 December, with hearings expected to take place in April. Fish and Game along with the Environmental Defence Society and the Department of Conservation all displayed their opposition in their submissions.

## Dairy

['Not in national interest': Ministers block foreigners from buying 4500ha of farmland](#) [02 December, Anne Gibson, NZ Herald] Majority Canadian owned Mercury Agriculture LP has had their application to buy 4500 hectares of South Canterbury and Otago land rejected by the Overseas Investment Office. The price offered was withheld, with the vendors being the owners of Rangitata Dairies Limited Partnership and Rangitata GP Limited New Zealand. The land that was under the application was considered sensitive as it was all farmland, which has the potential to offer substantial benefits to New Zealand. The measure of national interest is now being applied to sales to foreign investors, and an official bill for this will be introduced in the new year.

[Dairy index falls on weaker butter, milk fat demand](#) [04 December, BusinessDesk, Farmers Weekly] Prices at the latest Global Dairy Trade auction were mixed due to a lower appetite for milk fats. The index fell 0.5 percent over the last fortnight, declining for the first time since early September. Both average price and total amount sold was down, led by a decrease in demand for milk fats. Milk powders had continuing strong prices, with whole milk powder rising 0.1 percent which has been reported as the highest price it has been at in three years, now sitting at USD\$3331 (approx. NZD\$5100) a tonne. Anhydrous milk fat dropped 5.1 percent to USD\$4840 (approx. NZD\$7,386) a tonne, while butter fell 4.9 percent to USD\$3983 (approx. NZD\$6100) a tonne. The number of registered bidders rose marginally.

[Fonterra's slow road to redemption after a terrible year](#) [09 December, Shamubeel Eaqub, Stuff NZ] Fonterra Co-operative Group's latest results show that the future is looking positive, after a tough year for the co-operative. Their forecast for milk pay-out for the year has been revised up to between \$7.00-7.60 per kg of milk solids. Which is likely to be the fourth highest on record and compared to the previous forecast will be an increase in farmer revenue of about \$400 million. This should provide relief to over-leveraged farmers, allowing them to pay off some of their debt and give them the confidence to invest more in their farms. The results show that Fonterra have cut down of wasteful expenditure, worked on improving their culture and paying down debt. There is still a long way for the co-operative to go, but they are on the right track moving forward.

[Rangitata River flooding: Farming clean ups will be stressful](#) [09 December, Joanne Holden, Stuff NZ] As floodwaters from the Rangitata River recede, farmers will be able to see the full extent of the damage, with some needing to resow their grass due to water and silt sitting on their land. The South Canterbury Rural Support Trust will be supporting farmers in cleaning up their land, and Agriculture Minister Damien O'Connor has allocated \$50,000 to the trust to help that happen. Farmers have still been able to milk their cows, providing they have electricity and their milking sheds are built 1.5 metres above land to avoid flood water. Most animals have been moved to higher ground, but as feed depletes, they cannot stay there for much longer. With communications down, it has been hard to work out what farmers actually require on the ground. Steve McKnight, General Manager for Fonterra Co-operative Group's operations at Clandeboye and Studholme, reported that his milk tanker fleet is ready to cross the Arundel bridge on Monday as soon as it opens, as there is a lot of catching up to do.

[Queen of cream: A2 chief executive Jayne Hrdlicka's 18-month reign](#) [10 December, Rob Stock, Stuff NZ] Former Chief Executive of the a2 Milk Company Jayne Hrdlicka resigned this week. Mrs Hrdlicka had the position for one and a half years and after she resigned, shares in the company fell. Mrs Hrdlicka sold her own shares in the company, two months after being made Chief Executive, which was seen as herself taking a "financial bet against the company she ran". She again sold the shares that were granted to her in June and August as part of a short-term incentive package. Mrs Hrdlicka reported that her reason for resigning was because she was not up to the international travel required for the job and has been replaced by former Chief Executive Geoffrey Babidge.

[Co-op eyes \\$1b sales in Indian JV](#) [11 December, Sudesh Kissun, Dairy News] Within the next seven to ten years, Fonterra Co-operative Group is aiming to build a \$1 billion joint venture dairy business with retail giant Future Group in India, called Fonterra Future Dairy. The joint venture was launched in June this year and is seeing success so far, with its Dreamery brand products being available in 3000 stores in four cities, resulting in impressive market share gains within the first five months including milk at 16 percent, curd at 10 percent and toned milk at 6 percent. According to Sunil Sethi, Fonterra Future Dairy Chairman and the Co-op Managing Director for the Sri Lanka and Indian subcontinent, "consumer demand for dairy in India over the next seven years is expected to increase by 82 billion litres" whilst growth in value-added dairy will be 50 percent faster than this. At the moment, India consumes 170 billion litres of milk each year and 25 percent of food spending is attributed to dairy. This displays a large level of opportunity, so as well as the Dreamery brand, Fonterra has launched its Anchor Food Professionals, which targets high end hotels and restaurants. Evolving food habits mean that Indians are seeking out less home-made dairy and more ready-made, as previously seeking out curd from a shop was seen as a sign of disrespect.

## Sheep

[Farming for more and better lambs](#) [22 November, Rural News] Early weaning of some lamb crop has been reported to being a good option, as the cold spring weather has minimised pasture and lamb growth rates. Low pasture growth rates have occurred despite high levels of rainfall, meaning lactation and pre-weaning lamb growth rates have been affected. Because of the time of year, when ryegrass appears, it quickly goes to seed due to the length of day, however the cold spring weather does favour clover production, due to reduced competition from lambs, which will help with strong post-weaning growth rates. A strong case for weaning has been built, which will allow high quality feed to be partitioned into lambs. This benefits the entire farm system as lambs can be sold prime before the height of summer allowing more feed available for capital stock. A Massey University trial found that lambs over 20 kilograms liveweight cope best with early weaning, as long as quality forages are available post-weaning.

[Quality rams proving hard to sell](#) [05 December, David Hill, The Country] Canterbury A&P Association's elite ram and ewe sale had a third of total rams remain unsold at the end of the day and PGG Wrightson upper South Island Genetics Rep Simon Eddington stated that it will take another couple of years before demand for rams increase. Despite lamb prices increasing this does not translate directly to ram demand due to an abundance of stud rams. The top price of the day went to a Collie Hills Partnership Suffolk ram, going for \$12,500.

## International

[New York's rooftop farms provide fresh local produce - and help stop a sewage problem](#) [21 August, Douglas Broom, WeForum] More than 36 tonnes of organic vegetables are grown above the streets of New York each year on rooftop farms spanning 5.6 hectares of space. Their soil absorbs millions of litres of rainfall that would otherwise flush straight into the city's drains, exacerbating the city's sewer overflow issues. Brooklyn Grange operates the farms and employs 20 full-time as well as 60 seasonal staff. The company believes that commercial urban agriculture can help cities to become cleaner and greener. Green roofs also help to reduce the heat in cities by absorbing it. The farms also host beehives, and the company is now designing mini-farms for private clients across the city.

[How taste, protein and ingredients are barriers to plant-based meat adoption](#) [21 November, Jessie Devenyns, Food Dive] Five barriers to plant-based meat adoption by consumers have been cited by Kerry. These include taste, nutritional profile, clean-label ingredients, protein content and a limited selection of products. 538 American plant-based meat eaters were surveyed, and 73 percent reported that taste is the number one barrier, as they stated alternatives should mimic the taste of meat. 41 percent see high protein as an important feature of products, and many seek out natural ingredients and shorter ingredient lists. The main reasons cited for seeking meat alternatives included sustainability along with environmental concerns and the ethical benefits of eating plant-based. This shows that the category is growing to include people who are seeking the specialty diet despite having no dietary restrictions.

[Drink Up, Calm Down](#) [25 November, Alicia Kennedy, Eater.com] Beverages have been created to help reduce increasing anxiety amongst consumers. Beverages such as Recess, use a CBD tincture in them to help consumers feel more relaxed and balanced. The “wellness” label is attached to a range of products. There is scepticism in the market surrounding the effectiveness of these products, however are proving popular with millennials.

[5 Farmers Champion Conservation, Featured In Video Series](#) [26 November, Rhonda Brooks, AgProfessional] A series of AgDay TV interviews will be released between now and the new year which focus on conservation focused farmers from around the US. The conservation efforts of the farmers include organic farming, no-till farming, precision nutrient management, manure separation systems and climate-controlled pig barns. The video series has been developed by America’s Conservation Ag Movement.

[Connecterra moves on from FitBit for cows to predictive intelligence, regenerative ag](#) [28 November, Michael Dean, AgFunder News] There is increased pressure on dairy farmers to increase supply of milk as well as increase their efficiency, traceability, environmental credentials and improve animal welfare. Technology is paving the way forward to allow all of these things to simultaneously occur at a large scale. Connecterra released its intelligent dairy farm assistant, Ida in 2017, which uses data analytics as well as machine learning to turn behavioural data into predictive analytics. These analytics help provide farmers with recommendations that give them the chance to make improvements. Herd productivity can be increased by up to 30 percent using Ida, and it constantly has new features added. Clients include Danone and Bayer. Connecterra has recently partnered with Danone to help promote regenerative dairy farming.

[Trump Sees No Deadline for China Deal as Trade Risks Roar Back](#) [03 December, Bloomberg, AgProfessional] US President Donald Trump has reported that he has no deadline for making an agreement with China. After President Trump indicated no urgency to reach a deal before 15 December, stocks fell in both Europe and the US. The tariff war has now been going for 20 months.

[British dairy sector needs to rapidly adapt to regain profitability](#) [03 December, KPMG UK] The UK dairy sector is currently facing uncertainty from a range of issues which have been highlighted by the administration of Tomlinson’s Dairy in November. Demand for fresh milk is declining whilst production volumes are increasing. The largest dairy processor in the UK Müller and Arla has confirmed that going forward it will be a demand led business. Veganism is on the rise as consumers perceive the diet to be healthier and more ethical which is fuelling the plant-based milk alternative market. On top of this, pressure from consumers has led to companies pledging to reduce their use of single-use plastics. However plastic alternatives have not been straightforward to find and often entail a major change in the supply chain.

[Is Los Angeles a natural hub for agricultural innovation?](#) [03 December, Liron Brish, AgFunder News] The digital agricultural revolution can be traced to Los Angeles which is seen as a leader in the industry’s transformations. Digitalising agriculture is no easy feat, as studies have shown it is the least digitalised of all major industries. Start-ups, along with established agricultural companies and leading players are working together to change the industry and its supply chains.

[How China Plans to Feed 1.4 Billion Growing Appetites](#) [03 December, Tracie McMillan, National Geographic] China is industrialising an agricultural economy that is built around small farms. 90 percent of China’s farms are less than 2.5 acres each. China is attempting to feed nearly one-fifth of the world’s population with less than a tenth of its farmland. The Chinese are also adjusting their diets to fit a more Western approach, with meat consumption having tripled since 1990, and milk and dairy consumption quadrupling since 1995. Processed food consumption has also faced a great rise. In order to supply the food required to feed their nation, the government is encouraging Chinese companies to acquire food companies and farmland overseas. On top of this, it is important to ensure that space is utilised well within the country.

[BASF’s Xarvio partners with Arable to improve fungicide recs in lead up to outcome-based pricing](#) [04 December, Louisa Burwood-Taylor, AgFunder News] Digital tool Xarvio’s services, developed by Bayer help to identify crop disease through and also helps growers to proactively manage their crop protection. Their Field Manager app has partnered with Arable to boost the weather data component through sensors which collect and analyse in-field data. This comes after a two-year trial where it was seen that farmers doubled their engagement with the app as better insights were provided. The combined offering will be first available in France, Germany, Poland, Ukraine and Great Britain. Through the combined offering less crop protection products need to be used as they can be used more efficiently, helping to improve the sustainability of the agriculture industry.

[SoftBank-backed Accel Robotics is blending online & physical with check-out free technology](#) [05 December, Lauren Stine, AgFunder News] Accel Robotics, a San Diego-based technology company recently raised USD\$30 million (approx. NZD\$46 million) through a Series A funding round led by SoftBank Group. The company has designed grab and go, checkout free technology with camera-based AI and has already partnered with retailers however many of these partnerships cannot be revealed until the New Year. Their technology is currently being utilised in Japan and North America in a range of segments including drugstores, convenience and grocery. Accel Robotics will use the new funding to expand globally, especially in increased manufacturing capacity and working on its deployment pipeline. The company aims to give control and choice to the consumer over the data that is created from their transaction, such as not using facial recognition. Other companies have also raised large amounts of money in order to perform a similar service, showing checkout-free technology is on the rise.

[Apple picked to be the top flavor in 2020](#) [05 December, Cathy Seigner, Food Dive] Austrian food producer Esarom has predicted that apple will be the top flavour in 2020. The company referred to the wide range in tastes across apple flavours, including apple blossoms to processed fruits, which have the capabilities to make a wide range of products such as cider, baked apple and spirits. Esarom have used the diversity of apples to develop their own extensive range of apple ingredients and formulations which can be catered towards the client's needs. The company reports that they have used a range of different apples to create their portfolio, as many are well-known flavours by the public, helping to boost their popularity.

[China's pull on Australian red meat](#) [05 December, Meat & Livestock Australia] Between January and November this year Australian beef exports increased 75 percent, whilst lamb increased 32 percent and mutton 52 percent. This comes after China's increased demand for animal protein, as the country is now Australia's largest beef and sheep meat export market. It has been reported that meat production systems are unable to adapt as fast as they are needed to, to keep up with China's growing demand.

[Australia still more diversified than most](#) [05 December, Meat & Livestock Australia] Despite China being Australia's largest growth market for 2019 in beef and sheep meat exports, Australia still has a relatively diversified portfolio. China has accounted for 23 percent of Australia's beef exports, whilst they have accounted for 46 percent of New Zealand's exports. The same trend occurs in sheep meat where they account for 32 percent of Australia's exports and 53 percent of New Zealand's. It is important to maintain a diversified market and to work together globally to help feed China's appetite. The buying power of China along with the impact of ASF being a key theme across global markets for 2020.

[Two-Headed Consumer Demands Change from Farmers, Food Companies](#) [05 December, Jennifer Shike, AgPro] Consumer expectations surrounding food are changing and food companies are having to react to this in order to stay afloat. Consumers are looking for sustainable goods as well as having transparent supply chains. Prosumers are becoming more important, by using social media to become vocal advocates for products they connect with and believe in. Consumers are becoming more aware and increasingly questioning farming practices, which is also a new trend. There is a focus on companies reducing their water use and carbon footprints. In order to meet these trends, it is becoming increasingly important for companies to capture and analyse data surrounding their business as well as make continuous improvements in their operations and efficiency.

[Unilever opens new global Foods Innovation Centre on Wageningen campus](#) [06 December, WebWire] A new global Foods Innovation Centre has been opened on Wageningen campus by Unilever. The Netherland based centre will research things such as meat alternatives and new plant-based ingredients along with increasing crop efficiencies, the nutritional profile of foods and developing sustainable food packaging. Unilever invested €85 million (approx. NZD\$144 million) in the centre and has stated that it will be part of the solution to sustainably feed a growing population.

[Japan burger giant MOS Burger underpays Australian workers \\$1 million](#) [06 December, David Chau, ABC News] An Australian arm of Japanese burger chain MOS burger has been found to have underpaid its workers AUD\$1.1 million (approx. NZD\$1.14 million), over the space of seven years. 285 workers were underpaid, and majority of these were young workers or visa holders. The average underpayment was around \$4,000 per worker between 2011 and 2018. The chain has six stores across Queensland. In Japan however, is the second largest burger chain after McDonald's. External auditors will be hired specifically to ensure correct payments are given to staff in 2019 and 2020. The company has repaid the missing wages and superannuation and has also given the staff an extra 7 percent compensation.

[China to waive tariffs on some U.S. soybeans, pork in goodwill gesture](#) [06 December, Dominique Patton, Reuters] China has confirmed that it will waive import tariffs for some shipments of soybeans and pork from the US. A broader agreement is being attempted by the two countries as they try and reach a final decision. A new round of US tariffs on Chinese imports is set to kick in on 15 December. Pork exemptions are likely to be in higher demand by China as it is now less than two months till the country's Lunar New Year holiday which is their peak consumption period for the meat.

[Tesco weighs up sale of Thai and Malaysian stores](#) [08 December, Jasper Jolly, The Guardian] Tesco has been approached by an unnamed buyer and is considering selling its 2,000 plus Thai and Malaysian stores. This sale could result in the supermarket chain exiting the last of its two international businesses. There are over 60,000 people employed across these stores and combined made revenues of £4.9 billion (approx. NZD\$9.8 billion) in the year ending in February. Tesco has a leading market position in Thailand and the chain have stated that they are reviewing strategic options, and these are in an early stage.

[Freight Farms Takes Container Growing to the Next Level](#) [09 December, Andrew Amelinckx, Modern Farmer] Boston company Freight Farms has created a hydroponic, vertical farm within a shipping container. Freight Farms current model sells at USD\$104,000 (approx. NZD\$160,000). The farms can be sent anywhere worldwide that a normal shipping container can head to. The shipping containers can create the equivalent produce that a 3.5 acre farm can and only uses five gallons of water a day (approx. 19 litres) which is up to 99 percent less than an average farm that size would. An operating system can control exact amounts of carbon dioxide and nutrient levels as well as water and light schedules, along with climate and temperature. Farmers can use an app to remotely control the farm. A new HVAC system means that water in the air can be condensed and recycled, and in some humid areas, the farms can become water positive.

[UK company releases Christmas 'tinner' for gamers on the go](#) [10 December, Tahni Turpin, NZ Herald] Tech Retailer GAME released a Christmas dinner in a can in 2013, for the affordable price of £2 (approx. NZD\$4), and after a successful run has this year released new versions including a vegan and vegetarian Christmas dinner in a can. This product caters for gamers who spend their Christmas day gaming and do not want to leave their chairs. The can includes turkey, potatoes, broccoli, bread sauce, sprouts, stuffing and mince pies. The company has now released a vegan and vegetarian take on the tin can this year, which is made up of a 12-layer plant-based dinner. The vegan tin "includes a chocolate cake with custard to start the layer, then vegan gravy, mushroom wellington, pigs in aubergine blankets, tofu and stuffing, as well as your go-to winter vegetables including squash, carrots, sprouts and broccoli, red cabbage, and parsnips, vegan cheese, olives and grapes, and vegan bacon". The vegetarian version includes items such as toberone and halloumi. The cans mean that gamers can enjoy their Christmas day on new games and consoles gifted to them.

# Field Notes

Weekly news update from the KPMG Agribusiness Network – 12 December 2019

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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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