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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:

AgResearch	Ministry for Primary Industries
Auckland Airport	Mons Royale
Beef + Lamb New Zealand	New Zealand Agricultural Gas Research Centre
Beyond Meat	Nuro
BioBrew Ltd.	NZTE
Blueberries New Zealand	Optoro
Brandon Capital Partners	OurCrowd
Bridgewest Ventures	Pastoral Greenhouse Gas Research Consortium
Callaghan Innovation	Peregrine
Central Economic Development Agency	Perfect Day
City Forests	Plant & Food Research
Dairy Companies Association	Plus.ai
DairyNZ	Primary Sector Council
Dan Murphy's	Rabobank Australia
Dunedin City Holdings	Rabobank New Zealand
Ecozen Solutions	Rural Support Trust
Evolv Ventures	Scion
Export New Zealand	Seifried
Federated Farmers	Southland Centre Dairies
Finistere Ventures	Sprout
FMG	Te Papa
Fonterra Co-operative Group	Tegel
Food and Fibres Aotearoa New Zealand	Temasek
Fortuna Group	Thammasat University
Gisborne District Council	Thresher Group
Good George	TIPA
Grill'd	Transpower
Horizons Ventures	UBS
Ikea	University of Queensland
Interwaste	Villa Maria
Juken New Zealand	Walmart
Koakoa Limoncello	Whakamana Museum
Kraft Heinz	WNT Ventures
LIC	Woolworths
Massey University	WorkSafe New Zealand
McDonald's	Zespri International
Meat Industry Association	Zippin'

This week's headlines:

Agribusiness	Open Farms scheme aims to reconnect Kiwis with where their food comes from [11 December, Esther Taunton, Stuff NZ]
Education	
Farmers & Producers	Former Young Farmer helps Primary Sector Council release new vision for agriculture [13 December, The Country]
Economics & Trade	New Zealand's food and beverage exporters urge WTO to fix appeals process [13 December, The Country]
Horticulture	'A significant milestone': Zespri Red to hit the market [05 December, Angie Skerrett, Newshub]
International	Financial Health Barometer Food Waste Infographic 2019 [25 November, Rabobank Australia, Rabobank Australia]

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.

[Comvita appoints new chief executive after troubled year](#) [13 December, Bonnie Flaws, Stuff NZ] Comvita has appointed David Banfield as its new Chief Executive who will start on the 20 January 2020 replacing Scott Coulter. Mr Banfield is the Former Chief Executive of NZX-listed Methven Group. After the announcement, shares increased 1.79 percent to \$2.85 overnight. Executive Director Brett Hewlett has been taking on the Chief Executive duties in the interim after Mr Coulter stepped down in September after several years of poor returns due to adverse weather and increased competition. After Comvita announced a \$27.7 million loss for the year ended 30 June 2019, the company underwent a strategic review, which ended in the company restructuring and stabilising both the Australian and New Zealand markets. Mr Banfield has been reported to have a successful track record in delivering growth for global brands has stated that he is excited about his new role.

Agribusiness Education

[Open Farms scheme aims to reconnect Kiwis with where their food comes from](#) [11 December, Esther Taunton, Stuff NZ] The Open Farms initiative has begun, aiming to reconnect rural and urban kiwis through a nationwide farm day on 1 March 2020. It will be used as a way to show citizens where their food comes from, as 60 percent of urban New Zealanders do not visit rural areas and as a result, many feel separated from their food. All food and fibre farmers are encouraged to take part and invite people to see what they get up to on a daily basis. All resources and guidelines for the event are on the Open Farms website. Diminishing the disconnect between rural and urban is important, as people's ideas of farmers can be warped from the media. Farmers are encouraged to organise activities and their day on the farm however they would like. The scheme draws inspiration from Fonterra Co-operative Group's Open Gates event. Beef + Lamb New Zealand report that they will be strongly encouraging their farmers to get involved.

Poultry

[Tegel recalls chicken burgers after metal found in them](#) [13 December, Vita Molyneux, Newshub] Tegel has recalled a batch of chicken burgers after small pieces of metal wire were found inside the 1kg packs. Tegel have released a statement reporting that anyone with a 1kg bag of the chicken burgers with the serial number 19259 should throw the bag away immediately. Tegel will be issuing customers with refunds, and have reported that the incident is isolated to one batch, with no injuries yet reported as a result of the issue.

Agri-Tech

[Manawatu strategy wins award](#) [12 December, Dairy Farmer, Farmers Weekly] "The Manawatū Agritech Strategy, created by the Central Economic Development Agency (CEDA) and Sprout, has won the Best Practice Award for Integrated Planning at Economic Development New Zealand's annual Wellbeing and Prosperity Awards". The strategy was recognised for its integrated planning and its outstanding contribution to wellbeing and prosperity of its community. The strategy brings together key agritech businesses within the region to grow the sector, and was launched in October. Initiatives already under way through the strategy include the Rural Innovation Lab, FoodHQ's Provincial Growth Fund application and AgriFood Week.

[Increased support for NZ deep tech start-ups](#) [16 December, Callaghan Innovation] CEO of Callaghan Innovation, Vic Crone has announced that next year four tech incubators have been selected for a new Technology Incubator programme. On top of this, a new HealthTech Activator initiative will be introduced. Ms Crone states that these opportunities will help to turn the country's advanced technologies into successful businesses which will create high value experts and jobs. The four tech incubators are Brandon Capital Partners, WNT Ventures, Sprout and Bridgewest Ventures. The tech incubator programme will allow deep tech start-ups to access these incubators as well as be able to access repayable loan amounts.

[First for NZ's Agri-Tech Innovators](#) [16 December, Sprout- Press Release] Callaghan Innovation has partnered with agri-tech accelerator Sprout to become one of its Technology Incubators. Dean Tilyard, CEO of Sprout has announced that the agreement will be a significant boost to the company, especially as the investor group backing Sprout includes Fonterra Co-operative Group and Gallagher Innovation, along with global venture capital firm Finistere Ventures and Israel's most active venture investor, OurCrowd. "Each time Sprout and its partners invest \$250,000 into an agri-tech start-up Callaghan will also provide the start-up with a repayable loan of \$750,000 supplying the start-up with \$1m of seed investment. Sprout's investor group have sufficient resources to complete up to 40 seed investments".

Farmers & Producers

[Positive commodity outlook lifts farmer confidence- survey](#) [11 December, Angie Skerrett, Newshub] The latest Rabobank New Zealand Rural Confidence Survey has revealed that farmer confidence, whilst still at net negative levels, has risen. The number of farmers expecting the rural economy to improve over the next year increased from 8 percent to 21 percent, whilst those expecting the rural economy to worsen fell from 41 to 33 percent. Todd Charteris, Rabobank CEO of New Zealand reported that the improved farmer sentiment is partly due to a stronger commodity pricing outlook. Government policy is cited as a major reason for continuing concerns of farmers.

[Former Young Farmer helps Primary Sector Council release new vision for agriculture](#) [13 December, The Country] A former FMG Young Farmer Nigel Woodhead has helped to develop the new vision for the Agriculture, Food and Fibre Sector as a member of the Primary Sector Council. Mr Woodhead also runs a 400 hectare sheep and beef farm running 3500 stock units in Otago. Last week, the Primary Sector Council, Minister of Agriculture Damien O'Connor and Prime Minister Jacinda Ardern unveiled the new vision for the sector "Fit for a Better World" which aims at making New Zealand a world leader in regenerative production systems, as well as providing global consumers with ethically produced products. Mr Woodhead was an observer member of the council for 12 months starting in 2017 before being asked to become a full member. Mr Woodhead believes the experience has been invaluable, with incredible networking opportunities and the chance to fight for farmers, being the only farmer on the council. Mr Woodhead reports that he is proud of the vision they created and sees a turning point for New Zealand and our primary sectors. Mr Woodhead emphasised the importance of young farmers in particular helping to make the vision a reality.

Agribusiness

['Bold new vision' for New Zealand agriculture sector unveiled](#) [12 December, Angie Skerrett, Newshub] Fit for a Better World has been unveiled by the Primary Sector Council which aims at providing the world's customers with sustainably and ethically sourced products in order to help the primary sector create more value from its work. The vision has been reported to show how important looking after the environment and New Zealand's people is in creating a viable future for the coming generations. It focuses on switching from a volume to value proposition. Food and Fibres Aotearoa New Zealand has been created to help bring the vision to life. Consultation for the vision stretched over two years and involved various industry groups and stakeholders. Agriculture Minister Damien O'Connor stated that the vision will help producers to achieve premiums.

[DairyNZ and Beef + Lamb NZ welcome sector-wide vision](#) [12 December, DairyNZ – Press Release, Scoop Independent News] Both DairyNZ and Beef + Lamb New Zealand have shown their support for the Primary Sector Council's vision of having all sectors working together in order to develop New Zealand's brand and deliver value for farmers through the Agriculture, Food and Fibre Sector. This comes as consumer demands are shifting for companies to be transparent and show that their products are both sustainably and ethically sourced. DairyNZ have reported that sustainable farming will play a critical role in the future prosperity of the country.

Economics & Trade

[New Zealand's food and beverage exporters urge WTO to fix appeals process](#) [13 December, The Country] Major New Zealand exporters of food and beverage are urging members from the World Trade Organisation to accelerate efforts to fix its currently suspended trade disputes mechanism. Attempts to reach a consensus on the Appellate Body WTO have failed leaving it unable to function. The Appellate body adjudicates on contested rulings over disputes between member states. The members stated that a stable enforceability mechanism provides certainty and confidence for exporters and that efforts need to be doubled to engage constructively in the reform process. The members report that the WTO had a major part in the growth of New Zealand economy over the past 25 years.

[Clear-cut UK poll result a boost for NZ exporters](#) [15 December, Radio New Zealand] New Zealanders are hoping that uncertainty surrounding Brexit will decrease after Boris Johnson and the Conservative Party won the UK election. Export New Zealand's Executive Director, Catherine Beard has stated that although new trade agreements will take a long time to negotiate, the election result points towards better outcomes for our exporters than a hard Brexit would have provided. Those industries pointed to have strong ties to the UK include New Zealand's dairy wine and chilled-meat industries. The meat industry's remaining concern surrounds the splitting of the current quota between the UK and Europe which would result in diminished flexibility for the industry, as currently they are able to move product around depending on where demand lies.

Arable

[Clock ticking to invest in possibly NZ's first cannabis café](#) [14 December, Whakamana Museum – Press Release, Scoop Independent News] Public interest in opening a cannabis museum and research institute in central Christchurch has intensified. Opening Whakamana Museum is a dream of Cannabis Advocate Abe Gray and Social Entrepreneur Michael Mayell and they have launched an equity crowdfunding campaign on PledgeMe, which has gathered 275 investors so far. They plan to be the first cannabis café in the country. "The proposed institute, which will include a hemp food eatery and alcohol-free nightclub, will be housed in the former Trinity Church and adjacent Shand's Emporium on Manchester Street".

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.

[Gisborne forestry firm fined, council's lack of action 'irresponsible'](#) [15 December, Radio New Zealand, NZ Herald] Gisborne forestry firm Juken New Zealand is one of 10 companies that the Gisborne District Council have prosecuted as tonnes of debris was washed onto farms, roads and waterways in June 2018. Juken was prosecuted for not meeting its consent conditions on the Waituna Forest pine plantation. "A council investigation found numerous consent breaches, including piles of slash in precarious positions".

Sheep

[Mons Royale: Merino clothing brand plan global from the start](#) [09 December, Sally Rae, The Country] Clothing brand Mons Royale was founded by Hamish Acland 10 years ago and now has 700 retail stockists globally, and 50 staff. Mr Acland grew up around entrepreneurs so always had the mind-set of finding places to add value in a market. At the time he founded the company, there was a gap in the market for multifunctional layering, so Mr Acland built a technical merino base layer which had style. He had contacts with professional athletes from his time as a skier which helped him to network and sell his goods in that domain. It also targeted women as well, which was unusual at the time.

Agri-Tech

[Meat processing sector trials 'wearable' technology to reduce injuries](#) [11 December, Newshub] The Suit-X Exoskeleton is being trialled by New Zealand's meat processing sector to see if it helps to reduce the risk of injury and increases productivity. The technology is particularly useful during periods of sustained bending and overhead reaching. The Meat Industry Association and WorkSafe New Zealand signed a Partnership Agreement in April 2018 in an effort to reduce worker injuries and new technology will help them to achieve this. In 2018, 487 workers had over a week away from work due to body stressing injuries.

Animal Health

[Probiotics trial in lambs aiming to reduce synthetic inputs](#) [05 December, The Country] BioBrew Ltd, a probiotics company is trialling one of its flagship products during lamb weaning this year to see if it reduces the need for anti-parasitic drugs. The Ministry for Primary Industries has given the company \$24,000 through the Sustainable Food and Fibre Futures programme. This funding is to investigate whether its CalfBrew is effective in treating lambs with digestive disorders. Results will be measured through industry standards such as weight, mortality and faecal egg counts. A previous trial of calves was successful as a positive effect on animal growth rates was seen by those administered with a BioBrew probiotic supplement. The company is hoping that if the trial is successful, then farmers will reduce their use of synthetic inputs into animals, as they are now starting to grow a resistance to these.

Rural Health

[Farmers called on to work with nature](#) [13 December, Farmers Weekly] Fit for a Better World, the new vision launched by the Primary Sector Council will require farmers to do more to farm in balance with nature and protect the environment. Food and Fibres Aotearoa NZ Chairman Lain Jager has noted that many farmers may be sceptical over all the changes, especially as many do not seem to benefit the farmer. This time of transition may be stressful for farmers, highlighting the need for support surrounding the mental health of farmers, especially when the work they have already done is often ignored and are merely told that they need to do more.

Red Meat

[Negotiations to protect NZ's \\$2b meat trade to the UK, EU set to continue](#) [11 December, Eric Frykberg, Radio New Zealand] Hard negotiations by New Zealand are expected to continue into next year to try to preserve existing arrangements for the meat trade with Britain and the European Union. But at this point, the 50/50 split of meat sales could come into effect at the end of next year. New Zealand values the ability to move meat around as demand requires, and this 50/50 split between Britain and Post-Brexit EU could reduce this. Other countries are fighting along with New Zealand such as Russia and the US and it is expected that a collective solution will be found applying to all 19 nations.

[Meat plants are likely to close](#) [12 December, Farmers Weekly] Meat Industry Association Chief Executive Tim Ritchie reports that the Government's freshwater proposals are placing at risk the viability of some meat processing plants, as planned river quality limits are excessively tight. These limits will cause great cost to the industry, and Mr Ritchie states that they will not substantially improve environmental outcomes. The meat processing industry is the country's largest manufacturing sector, employing 25,000 people, and he changes will be most detrimental to rural communities. Mr Ritchie reports that many firms have already upgraded their wastewater treatment plants in recent years at considerable cost, and does support improvements to regulations but believe that these changes should be science-based. Mr Ritchie states that the impact of the freshwater proposals should not be underestimated.

Horticulture

[Prestigious award opens doors to Asian market for Kāpiti Coast limoncello maker](#) [04 December, Angie Skerrett, Newshub] Kāpiti Coast producer, Koakoa Limoncello is hoping that their recent gold medal winner at the Hong Kong International Wine and Spirit competition will help to open doors in the Asian market for 2020. The company's Bond Store Kawakawa Gin also won a bronze medal. The company has doubled in size over the last year and is aiming to match that again next year. The company's products recently gained NZ Fernmark Accreditation which is important as kiwi origin products are sought after by Asian markets. Their limoncello is made using lemons sourced from Gisborne, and both products are produced on the Kāpiti Coast.

['A significant milestone': Zespri Red to hit the market](#) [05 December, Angie Skerrett, Newshub] Zespri International is about to release its red variety onto the market which was created as part of their breeding programme, run in partnership with Plant & Food Research. Zespri plans to increase production of the red variety over the next two years. As part of its trial process, it has had a limited sales release with good feedback from customers. Zespri CEO Dan Mathieson has reported that the decision to commercialise the red variety has been a significant milestone for the firm. The fruit has vibrant red flesh and a sweet berry-tinged flavour. Limited releases will be available in New Zealand, as production increases before it goes to other markets. The addition of Zespri Red is expected to help the firm reach its goal of \$4.5 billion in sales each year by 2025.

[Celebrating 200 years past and future](#) [05 December, Sarah Adams, New Zealand Winegrower] Reverend Samuel Marsden planted the very first grape vines into New Zealand soils two hundred years ago in Kerikeri at the Church Mission Society. Rev Marsden had brought the vines with him Port Jackson and at the time noted how New Zealand climates were favourable to the vine. By the 12 October 1819 the vines planted by the Reverend was in leaf. The bicentenary was marked with an industry celebration in Kerikeri where it all began. James Busby, the Architect of the Treaty, was New Zealand's first recorded winemaker. During the event, Leadership and Communities Manager Nicky Grandorge announced an initiative to foster young leaders along with the sustainability of the industry.

[Hail limits summer fruit supply](#) [05 December, Riley Kennedy, Farmers Weekly] Some stone fruit will be in short supply over summer after a severe hailstorm damaged Hawke's Bay orchards in October. The hail storm hit when fruit was at early stages meaning it was particularly vulnerable. Apricots, nectarines, peaches and plums will be in short supply and may have small blemishes on their skin. Retail process have not been affected as of yet, and it is reported that the full cost of the damage to growers will not be known till the end of the season. The Rural Support Trust has remained available to growers if help is required.

[Berries inspire new local brew](#) [09 December, Richard Rennie, Farmers Weekly] Waikato blueberry grower and Blueberries New Zealand chairman Dan Peach has combined his expertise with Good George Brewer Brian Watson to create a blueberry beer coined the Smashed Blueberry Beer. Mr Watson has stated that it took three years to get to the point of commercialisation for the beer. The brewery is hoping to capitalise on consumer demand for craft beer. Every 500 litres of the beer contains 100 kilograms of blueberries.

[Two from two for Simon Gourley](#) [12 December, New Zealand Winegrowers] Simon Gourley has been named New Zealand's Young Horticulturalist of the Year. This year he was the Central Otago representative at this year's Bayer Young Viticulturist of the Year. "It is the second year in a row that a Young Viticulturist has taken out the Young Horticulturalist title. It is also the second year in a row, that winner has come from Central Otago. Last year it was Annabel Bulk, from Felton Road who took home the winner's trophy". The Young horticulturalist award has been running for 15 years and this year's prize package features a range of prizes apart from just the trophy. As part of his entry into the competition, Mr Gourley iterated that horticulture must continue to innovate and be a part of improving environmental outcomes across New Zealand.

[Hawke's Bay and Central dominate awards](#) [12 December, New Zealand Winegrower] The Villa Maria Cellar Selection Syrah Hawke's Bay 2018 won the New Zealand Wine of the Year™ Champion trophy as well as the Champion Syrah trophy at this year's New Zealand Wine of the Year™. Villa Maria also scored the Champion Wine of Provenance 2019 trophy with their Reserve Gimblett Gravels Syrah, Hawke's Bay 2006/2013/2018, which was described as immediately appealing and exceptionally well crafter by the Chair of Judges Warren Gibson. Central Otago winery Peregrine scooped up both Organic trophies that were on offer as well as the Champion Open Red Wine trophy. Seifried Wines from Nelson took out the Champion Open Wine Trophy with their 2019 Sauvignon Blanc.

[Small footprint but many jobs](#) [17 December, Hugh Stringleman, Farmers Weekly] The Malley family started their hydroponic growing of soft berries in Northland three years ago. After purchasing a kiwifruit and avocado orchard in 2011, they switched the varieties of kiwifruit planted to SunGold and Hayward Green and eventually felled the older avocado trees, replacing them with tunnel houses containing various hydroponic berries. "The orchard also contains a purpose-built berry packhouse for local and international sales and amenities for a large workforce." Mr Malley has reported that hydroponic growing increases yields whilst requiring lower inputs of both water and fertiliser. The family employ 57 full-staff year round as well as up to 110 casuals over the height of summer. This has allowed them to employ locals and offer secure work to many people. Majority of their casuals are students, and recruiting new employees has not been hard so far due to the fact that bad weather will not result in employees being sent home with no work.

Environment & Emissions

[Research shows climate change could decimate global food production](#) [02 December, The Country] A study has shown that climate change will cause 90 percent of the global population to lose food production in both agriculture and marine fisheries by 2100. These findings may help to lead to policy recommendations that more closely reflect the balance of gains and losses in food production as well as provide major incentives more carbon dioxide emitters to prioritise mitigation of climate change. The research revealed that if climate mitigation is used, then food productivity losses will be reduced.

[Trashed farmland could be a conservation treasure – Research](#) [12 December, The Country] Research led by the University of Queensland has shown that agricultural land that has low productivity could be transformed into millions of hectares of conservation reserve globally. This approach is reported to be cheaper and faster than others as the land is underutilised so can bring conservation gains. The research team is working on mapping and quantifying opportunities to protect these lands.

[Rick's Beef: World-first tool to slow methane](#) [13 December, Te Puke Times, The Country] Beef + Lamb New Zealand (B+LNZ) Genetics have launched a new breeding tool which measures and values methane emissions of sheep to help determine their breeding value from a methane point of view. This will allow farmers to specifically select and breed sheep that emit less methane. The tool was created during a 10 year collaboration between AgResearch, Pastoral Greenhouse Gas Research Consortium and the New Zealand Agricultural Greenhouse Gas Research Centre. In order to measure the methane breeding value of sheep, breeders must measure a portion of their flock in Portable Accumulation Chambers, which travel to farms. The sheep spend 50 minutes in the chambers twice a day in fortnightly instalments, in which their gas emissions are measured. King Country Stud Breeder Russell Proffitt is measuring the methane breeding value in his sheep and has reported that his commercial farmer clients have shown interest in the tool. Progress through the breeding can be slow, however is cumulative and has no negative impact on productivity.

[Flood danger could last months](#) [13 December, Annette Scott, Farmers Weekly] Authorities have warned that the risk will remain for months after the South Canterbury floods last week as the Rangitata River is in a sensitive state. 860mm of rain fell in the river head waters which caused major flooding cutting off bridges, closing roads and damaged large pieces of farmland. Federated Farmers South Canterbury President and Dairy Farmer Jason Grant reported that one family farm had 1500 cows marooned on an island. Pastures have been ruined along with fencing, stock water lines and irrigation infrastructure. Mr Grant states that farmer stress levels are high and that their welfare at this point is a concern. The works to restore flood protection might take months to repair. Federated Farmers have stated that good quality feed is in demand from the farmers affected. With access cut to two Fonterra Co-operative Group dairy plants, the milk is being transported wherever it can be taken. The Civil Defence have been praised for their emergency response to the floods. Transpower doesn't anticipate ongoing issues with electricity supply. The storm hit at the critical spring mating period for dairy herds but agritech and herd improvement co-operative LIC took to the air to help farmers.

[Interwaste plant at Auckland Airport says sorry for stench from building](#) [13 December, Grant Bradley, NZ Herald] Biosecurity plant Interwaste, which is situated at Auckland Airport has apologised to its neighbours for odour emitted from its building. The plant processes 80 percent of New Zealand's biosecurity waste in its steam sterilisation facility including the waste from airlines and cruise ships. The business has the potential to generate odours, however these have strict conditions under resource consents with the council. They had an issue with odours last week and have apologised to those surrounding them. The company is working with the airport to design and build a purpose built facility, which is expected to begin next year.

Dairy

[MPI raids raw milk producers](#) [09 December, Richard Rennie, Farmers Weekly] The Ministry for Primary Industries have imposed a ban on unregistered raw milk sales. This comes after research revealed that raw milk is a likely source of campylobacter infections in Manawatū. The Ministry for Primary industries conducted raids last week and shut down the sales of raw milk from a range of regions in the North Island. These suppliers were operating outside of the regulatory framework which was established in 2016. Rural children are particularly vulnerable to infection. Massey University research has indicated 7 percent of campylobacter victims in Manawatū drank raw milk. It has been reported that more people need to understand the danger of raw milk coming into contact with dairy effluent, causing campylobacter.

[Trade deal blocks Kiwi cheeses](#) [12 December, Stephen Bell, Farmers Weekly] A trade deal between the European Union and China has placed some of New Zealand's cheese exports at risk. Dairy Companies Association Executive Director Kimberly Crewther has accused the EU of abusing the rules for its own self-interest rather than using them for their purpose of intellectual property protection. The deal will cover cheeses with a geographic protection, which means that cheeses like feta and parmesan can only be used by producers in specific locations, or who have a right to the name due to long association. The EU is attempting to monopolise a wide range of cheese terms that are in use globally.

[Fortuna busy Zeestraten farms from Southern Centre](#) [13 December, Neal Wallace, Farmers Weekly] Southland Centre Dairies has been purchased by Southland dairy farming firm, Fortuna Group. This includes four farms which are at the centre of the Southland Mycoplasma bovis outbreak. Mr Zeestraten and Southern Centre Dairies still face give Biosecurity Act charges which do not relate to the introduction of M bovis into New Zealand, with no court date set as of yet. One of the farms was identified as the source of the infection in Southland, but the Ministry for Primary Industries has since removed all restrictions and are operating as usual. Fortuna Group currently partly owns or owns 19 southland dairy farms.

[Dairy NZ says Te Papa 'dirty water' display 'highly deceptive'](#) [16 December, Angie Skerrett, Newshub] DairyNZ have spoken out reporting that a display at Te Papa is deceptive and misrepresents farmers. A bottle of water on display as part of Te Papa's Taiao Nature exhibition contains brown dye, and displays an image of a cow defecating in a waterway, along with the word "undrinkable". The group is upset with how the sector is represented, especially as it is working so hard to make improvements, with over 98 percent of waterways now fenced off from farms. DairyNZ Chief Executive Tim Mackle reports that the situation is particularly disappointing given that Te Papa recently hosted the annual Dairy Environment Leaders Forum dinner where the work dairy farmers have undertaken to protect the environment was recognised.

[Strong demand for New Zealand product sees Rabobank lift 19/20 milk price forecast](#) [17 December, Rabobank New Zealand – Press Release] Rabobank's Dairy Quarterly report has now forecast a higher New Zealand milk price as the result of farmgate prices improving in most major dairy-producing regions globally. Emma Higgins, Dairy Analyst reported that the increase in prices are mainly as a result of reduced global stocks of skim milk powder, paired with modest milk production. New Zealand export volumes have increased since last year, mainly due to increased Chinese imports. It is expected that key factors to watch include the reversal of dairy commodity values, the Chinese market and currency movements along with price-sensitive consumers and trade disruption.

Viticulture

[Wine is in Charlotte Read's blood](#) [12 December, Tessa Nicholson, New Zealand Winegrower] Charlotte Read is the new General Manager for New Zealand Winegrowers. She grew up on her parent's vineyard and at the time did not particularly enjoy the work. Mrs Read started out getting a double science degree in Food Science and Nutrition and landed a job at Fonterra Co-operative Group in Singapore. She has spent 20 years living abroad with Fonterra, then Villa Maria and NZTE as well as the Thresher Group, gaining an MBA at Cambridge University along the way. Mrs Read strongly believes in customisation when it comes to export markets and is looking forward to helping the industry gain a deeper understanding of its customer segments.

International

[Asia Pacific: 5G boosts factory efficiency, food safety](#) [07 October, Food News International] Asia Pacific is expected to be the first region to fully integrate 5G which is expected to benefit food and beverage manufacturers. 5G can be 100 times faster than 4G, helping the industry to increase its competitiveness, output and efficiency due to increased data processing powers and communication between devices and servers. Automation in particular is expected to become more accurate and efficient as a result of this, and the factory floor will be able to receive instantaneous updates on machinery and production output. 5G will allow robots to roam untethered and wirelessly and is expected to increase predictive maintenance on machinery through sensors, reducing costs for companies.

[Financial Health Barometer Food Waste Infographic 2019](#) [25 November, Rabobank Australia, Rabobank Australia] The fourth highest food waster in the world per capita is Australia, and Rabobank Australia is calling to action the government, industry stakeholders and consumers to help reduce this. The total annual spend on food waste increased from AUD\$8.9 billion (approx. NZD\$9.2 billion) in 2018 to AUD\$10.1 billion (approx. NZD\$10.5 billion) in 2019. 34 percent of the waste is produced by households whilst 31 percent is from primary production and 25 percent from manufacturing.

[Nepal's Animal-Sacrifice Festival Slays On. But Activists Are Having an Effect.](#) [06 December, Bhadra Sharma, The New York Times] The Gadhimai festival sacrifices animals in the town of Bariyarpur, near Nepal's southern border with India every five years as it is believed that this pleases the goddess Gadhimai. Hindu pilgrims travel from far and wide to witness the slaughter. However activists have resulted in the festival decreasing in size. This year Nepal's central government refused to fund the event, with many activists and police standing along the border of Nepal from India, attempting to stop trucks smuggling animals across. In 2009, up to 500,000 animals were slaughtered, in 2014 the number managed to be reduced down to 30,000 and this year it is expected to be much lower again. It has been reported that the animals suffer strongly for the festival, often travelling long ways without water and then being paraded in front of a crowd, watching other animals around them being slaughtered.

[Walmart launches autonomous delivery in Houston](#) [10 December, Krishna Thakker, Retail Dive] Walmart has partnered with Nuro, a robotics company, to bring autonomous grocery delivery to Houston-based customers over the next few months. It's expected that it will be expanded to the general public late next year. Nuro's R2 driverless and passenger-less vehicles will be used for the service along with autonomous Toyota Priuses. A full assortment of groceries can be delivered through the service. Walmart sees driverless delivery as an opportunity to increase efficiency and cut costs.

[Weekly kill: Alarming swings being seen in imported lean beef markets](#) [10 December, Jon Conden, Beef Central] Lean manufacturing beef prices in Australia have dropped suddenly in the last week, and it is expected that if this trend continues then it could have a substantial effect on pricing for slaughter cows into next year. It has been reported that recent export price movements have been the most extreme they have been since the 2007 Global Financial Crisis and this is not good for buyers or sellers as stability is much easier to plan for.

[Israel FoodTech: Turning up the heat for 2020](#) [10 December, Amir Zaidman, AgFunder News] FoodTech has evolved tremendously over the past 12 months, maturing and attracting funding from global venture capitalists. Israeli FoodTech is supported by three strong pillars. The first is that Israel is an innovation hub and start-up nation, with a strong AgriFood innovation history. In top of this, Israeli entrepreneurs are very agile and choose areas where their products can make an impact. Start-ups are supported by the government as well, which allows strong innovation to come through. For example, TIPA, the inventor of compostable packages has concluded a Series C of USD\$25 million (approx. NZD\$38 million), bringing its total funding to \$48.5 million (approx. NZD\$74 million).

[With few green spaces, Bangkok plants Asia's biggest rooftop farm](#) [10 December, Rina Chandran, Thomson Reuters Foundation News] Thammasat University in Bangkok, now hosts Asia's largest urban rooftop farm. The farm is 75,000 square feet and mimics North Thailand rice terraces. Kotchakorn Voraakhom, the architect behind the farm reports that it has been designed to help curb the impacts of climate change, such as frequent flooding in the city. The rooftop farm is open to anyone who wishes to grow rice, vegetables and herbs. Urban agriculture is expected to become more critical, with estimates that by 2050, more than two-thirds of the world's population will live in cities.

[A self-driving truck delivered butter from California to Pennsylvania in three days](#) [11 December, Levi Sumagaysay, The Mercury News] Plus.ai, a Silicon Valley start-up has just completed the first commercial freight cross country trip by an autonomous between California and Pennsylvania. The trip was transporting butter and totalled 2,800 miles (approx. 4500 kilometres) and took three days. A safety driver was on-board ready to drive if required, whilst a safety engineer took observations. The truck needed to take scheduled breaks and only had minor problems on the trip. It is expected that a commercial rollout of autonomous trucks will occur in 2022.

[Ikea teams up with tech company to reduce reverse logistics waste](#) [11 December, Morgan Forde, Retail Dive] Logistic start-up Optoro's technology will be used by Ikea to improve both its returns management and reverse logistics process. The pilot will be done in 10 Ikea distribution centres along with 50 retail stores and its US customer support centre. If it goes well, the technology will be expanding to other markets in the future. The platform uses data analytics and machine-learning algorithms to move returned and excess inventory to the most optimal locations in a network as well as create an end-to-end view of reverse-logistics processes. The technology is expected to help Ikea to eliminate waste to landfills along with reduce emissions in its reverse supply chain.

[McDonald's could sell over 250 million Beyond Meat burgers in U.S. annually: UBS](#) [11 December, Reuters] Industry checks by UBS have revealed that in Canadian restaurant testing, only 20-30 Beyond Meat burgers are sold per day. In densely populated areas, the sales are reaching 100 burgers. The checks have revealed that McDonald's could sell 25 million Beyond Meat burgers annually, if they are rolled out to all 14,000 US outlets. This would give Beyond Meat USD\$325 million (approx. NZD\$495 million) from the partnership yearly. However, UBS warned that McDonald's typically likes to source burger patties from more than one supplier and although Beyond Meat has a first mover advantage, other companies still have the opportunity to get on board. Other analysts are questioning whether the popularity of the plant-based burger will be sustainable.

[BREAKING: Perfect Day closes \\$140m Series C led by Temasek to scale B2B dairy alternatives](#) [11 December, Louisa Burwood-Taylor] Californian start-up Perfect Day uses plants and fermentation techniques to manufacture alternative dairy products and has just closed a USD\$140 million (approx. NZD\$213 million) series C round of funding. Temasek, Singapore state fund led the funding followed by Horizons Ventures. The funding will be used to scale production capacity as well as build out company partnerships. Perfect Day genetically engineers microflora to help convert plant sugars into the milk proteins casein and whey.

[BREAKING UPDATE: India's Ecozen closes Series A on \\$6m to help farmers reduce spoilage, navigate supply chain](#) [11 December, Lauren Stine, AgFunder News] Ecozen Solutions has closed its series A funding round at USD\$6 million (approx. NZD\$9.1 million) to help reduce spoilage for farmers and navigate supply chains in India. The company started out developing a solar-powered irrigation pump to help farmers to efficiently irrigate their crops. They now have three products which help farmers in each stage of the supply chain. The new funding will go towards launching a new product that targets B2B2C channels instead of offering the final solution directly to farmers which will allow the company to deploy a lot more products.

[Kraft Heinz leads \\$12m Series A for smart checkout start-up Zippin](#) [12 December, Lauren Stine, AgFunder News] Kraft Heinz corporate venture capital arm Evolv Ventures has led a USD\$12 million (approx. NZD\$18.25 million) series A round for Zippin, a smart retail check-out technology start-up. Zippin combines camera-based computer vision including AI, sensors and facial recognition. The company launched in 2015 and serves four autonomous public stores along with a few private pilots. Kraft Heinz reports that smart checkout technologies can help provide clear data about shopping behaviours and preferences.

[Of mice and mould: Grill'd hires food auditor as new issues emerge](#) [13 December, Adele Ferguson, The Sydney Morning Herald] Grill'd, one of Australia's most profitable hamburger chains, has hired a global food auditor for its 137 restaurants. The auditor will review the company's food safety and work practices after it was revealed that some restaurants has had long standing food safety, cleanliness and worker exploitation issues. Many restaurants had been notified to local councils for pest and cleanliness issues. The chain makes an estimated AUD\$45 million (approx. \$47 million).

['Organic' label doesn't guarantee that holiday ham was a happy pig](#) [14 December, Michael Haedicke, The Conversation] Michael Haedicke, Associate Professor of Sociology at Drake University reports that certified organic turkeys and ham may not have been raised in the happy conditions that are commonly believed. American government regulations for organic farming actually place few specific protections for animals raised for the purpose of human consumption. Organic foods have become mainstream, and as a result its commitment to animal welfare has dropped as it has become a money making scheme. President Obama announced a new rule in 2016 to help prevent physical alterations of animals such as docking, however the rule was dropped in 2018, before it came into effect. Current regulations are up to interpretation meaning that organically raised animals often do not get the space and sunshine as expected. Mr Haedicke recommends that consumers do their own research before buying organic products, in order to ensure their holiday dinners are as ethical as planned.

Field Notes

Weekly news update from the KPMG Agribusiness Network – 19 December 2019

[US, China agree to 'phase one' trade agreement](#) [14 December, Radio New Zealand] A “Phase one” agreement has been reached between the US and China which reduces some US tariffs in exchange for increased purchase of American farm goods by China. The reduced tariff will go into effect on the 15 December. China will be importing more US wheat, corn and rice as a result.

['Day zero' for Woolworths as it embarks on \\$10b pubs and pokies spinoff](#) [16 December, Dominic Powell, The Age Australia] Woolworths shareholders are about to vote on the first stage of a restructure that will ultimately form Endeavour Group, a new listed entity. 50 employees across the firm are working purely on the process which has been said to be the company's biggest move in its lifetime. The group includes bottle shop retailer Dan Murphy's, along with hundreds of pubs as well as pokie operators. It is estimated that the move will make Endeavour, Australia's largest drinks and hospitality business with AUD\$10 billion (approx. NZD\$10.4 billion) in revenue annually. The ultimate goal is to have Endeavour trade separately on the ASX to unlock value for shareholders. The deal is complex in nature due to the different systems used by the range of companies currently. Once approved, stage one will merge AHL to the new Endeavour entity and is expected to be completed by February next year. Since making the announcement, Woolworth's share price has increased 14 percent.

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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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