



AGRIBUSINESS

# Field Notes

Weekly news update from the KPMG Agribusiness network



Available now  
**10th Anniversary  
KPMG Agri-business  
Agenda 2019**

**21 May 2020** – This week's headlines



## Agribusiness Education

**[\\$19.3m for primary sector training \[14 May, Farmers Weekly\]](#)**



## Agribusiness

**[New farmers' market opens for business, and you don't have to leave your house \[16 May, 1 News\]](#)**



## Food Innovation

**[Start-up offers DIY solution to cut cost of lab-grown meat \[18 May, Oliver Morrison, Food Navigator\]](#)**



## Environment & Emissions

**[Working farm becomes haven for birds, freshwater life in Waitomo \[16 May, Lawrence Gullery, Stuff NZ\]](#)**



## Agri-Tech

**[High-tech collars help get more cows in-calf \[15 May, DairyNews\]](#)**

**Download the  
Field Notes app**

Search 'KPMG Field Notes'  
on your device today.





---

## **Budget 2020: Wins, losses and unanswered questions for the food and fibre sector**

The Wellbeing Budget 2020 was released last week with vast amounts of money being committed to the national recovery from Covid-19 although, not surprisingly, there was limited detail around how much of the money will actually be spent to create jobs and prosperity given we can't yet fully comprehend the task in front of us. Given it is an election year some budget commitments were political, the extension of wage subsidies to slow the surge in unemployment being the most obvious. However, a stated intention to work with business and community partners to direct how the money is spent hopefully means it will be deployed for the long-term benefit of the country rather than the short terms needs of the political cycle.

Having had a few days to reflect on the detail released with the budget and consider how the budget as a whole links to the work we are doing on the future of New Zealand's food and fibre sector for the 2020 KPMG Agribusiness Agenda, my takeaways through a food and fibre

sector lens from last week's announcements are:

- Despite widespread recognition that food and fibre is best positioned to kick start New Zealand's economic recovery, surprisingly little of the new money in the budget was targeted towards the sector. There were some important investments including \$45 million towards supporting growth and innovation in the horticulture sector, \$20 million to boost access to rural support, community and mental health services in rural areas and \$11 million in funding for the recently announced Agritech Industry Transformation Plan. Given the money being handed out it does feel like the sector got the crumbs on the table rather its full slice of cake; hopefully there is more to support for growth in the unallocated funding.
- The budget recognises the labour challenges facing food and fibre businesses as traditional sources of overseas labour dry up. The inclusion of agriculture in the \$1.6 billion trades and apprenticeship package was pleasing to see and should

result in young people receiving fully funded skills training. This together with a dedicated investment in rapidly retraining, familiarising and redeploying up to 10,000 people into roles across the sector indicates a clear desire from the government to partner with business to address labour challenges that have existed for some time but have been compounded by Covid-19.

— It was pleasing to see investments being made in providing food to those people who have become food insecure as a result of Covid-19. The investment of \$15 million to develop new models to provide food that would be wasted to those in need is welcome. While providing short term food relief is critical, this should not be our policy approach of choice, we should be focused on developing a long-term food security plan as part of a wider exercise to create an integrated National Food Strategy.

— The budget makes a large investment in creating 'green jobs' although the nature of these jobs and details around how they will be created is limited. The investments are significant and some of them have the potential to deliver real benefit to the sector, for instance the \$148 million to accelerate predator eradication or \$100 million towards suppressing wilding pines. There is close to \$800 million to create jobs in regional environmental projects, supporting nature and enhancing biodiversity that has little detail about the types of the work or how it will be delivered. I hope that a scheme can be initiated where these jobs are created in partnership with land owners and producers so that aspirations around water quality and enhanced biodiversity are realised on farm faster than would otherwise have been the case.

— The budget also invests in supporting trade with \$216 million allocated to revitalise international business. While the food sector has traded through lockdown there is no question that travel constraints will make it harder to connect with customers and consumers in the coming months so the government indicating an intention to increase its support to exporters and boost the boots it has on the ground around the world is welcome. The government is not a natural promoter of commercial interests, making it critical time is spent upfront, despite the urgency of the situation, defining how exporters will be supported so that the investment is targeted and effective.

— It is also interesting to look where there was no significant new money allocated. Having launched an aquaculture strategy in September, I was expecting to see investment behind the plan in Budget 2020, so it was disappointing to see no funding for this area despite a growth aspiration being set to see the sector triple revenues in coming years. There were no new headline initiatives in food safety or climate change while the budget announcement for forestry related to the establishment of a registration scheme for forestry advisors, log traders and exporters (although the detail of Vote Forestry indicates an increase of \$74 million in 2020/21 for grants to establish trees and build skills). The potential for all of these areas to contribute towards New Zealand food and fibre producers capturing more value for the country is significant, so again hopefully they will be remembered as the unallocated funding is spent.

— Budget 2020 added a further \$3.2 billion to the previously announced \$12 billion infrastructure investment, however there was little detail on how the money will be spent as work continues on assessing

shovel ready projects. It was positive to see water mentioned as a potential area for investment. Maintaining reliable water supplies as the climate evolves is critical to ensuring we are able to grow and export a whole range of biological projects. I do not expect to see a significant investment in water storage from Budget 2020 as one of the key criteria for projects was a high degree of visibility to provide confidence that the recovery is underway, something that a water scheme in the back blocks of rural New Zealand lacks. Vote Primary also highlights that funding committed by the previous government to Crown Irrigation Partners expires in the coming year, further reducing government support for water storage and distribution initiatives.

- Another notable feature of the budget was additional funding of \$30 million to the Commerce Commission to better protect consumers. While the reasoning behind this makes sense, particularly in these disrupted times, it is important that companies have the ability to respond to the challenges they are facing flexibly and in a way that creates sustainable benefits for all New Zealanders. More regulation may deliver short term consumer advantage, but we need to ensure this does not come at the cost of long-term disadvantage for all.
- Looking through Vote Primary, it is clear the government remains committed to continued funding of biosecurity activities, although the total spend falls as payments of MBovis compensation reduce. One interesting feature is the fact that spend at the border remains largely consistent at \$134 million despite our borders being closed and likely to remain so for some time. It would be interesting to understand how MPI are planning to deploy the resources that usually provide border security to preserve the capability while

making a positive contribution to the sector's future.

- Another feature of Vote Primary is the status of the long-term investments in the future of the industry. There is a \$4 million increase in funding for the Sustainable Food and Fibre Futures programme in the year, however 2019/20 year saw the final appropriations for the Primary Growth Partnership so net funding for growth initiatives falls \$3 million. There is no obvious funding set aside for implementation of the industry vision, Fit for a Better World. Given the importance of the sector to the country's recovery the decline in investment in future proofing the sector seems inconsistent with ensuring the sector delivers on its potential to benefit all New Zealanders.

The budget has highs and lows for the food and fibre sector and leaves a number of unanswered questions. With \$20 billion of funding still to be allocated as part of the recovery initiative there remains the opportunity for the government to build strategic partnerships with industry players to secure a more prosperous future for all New Zealanders.

### **Ian Proudfoot**

Global Head of Agribusiness  
KPMG Auckland



## Agribusiness Education

[\\$19.3m for primary sector training](#) [14 May, Farmers Weekly] \$19.3 million has been allocated by the Government to the primary sector in order to help retrain the unemployed for jobs in agriculture. The investment has come as the Government attempts to get the economy moving again following the Covid-19 pandemic, with an estimated 50,000 people needed in the primary sector in a post-Covid world due to high demand for New Zealand's quality products. Agriculture Minister Damien O'Connor reports that the initiative focuses on a range of roles and aims to put at least 10,000 people in primary sector jobs through rapid retraining. The wider funding includes a \$1.6 billion trades and apprenticeships training package to rebuild the economy.

[Taratahi might host short courses](#) [15 May, Neal Wallace, Farmers Weekly] The Government is looking at hosting short courses at the Taratahi campus to help bring new entrants into the industry and give farmers new skillsets. Education Minister Chris Hipkins has confirmed the Ministry for Primary Industries and the Ministry of Social Development are considering funding DairyNZ to develop and deliver three-week industry familiarisation programmes at the Wairarapa facility. The future of the campus has been in question since the Taratahi Agricultural Training Centre was put in liquidation in 2018. Mr Hipkins reports that the courses would be designed to support people back into employment and deliver the skills required by the primary industries.



## Rural Communities

['Together We Grow NZ' initiative launched to celebrate Kiwi farmers](#)

[14 May, The Country] 15 of New Zealand's leading women in agriculture have created the "Together We Grow NZ" initiative which aims to

celebrate farmers and connect urban and rural communities. The initiative will showcase how important it is to reduce the rural urban divide through collaborating, creating opportunities and sharing stories on New Zealand's farming heritage. Jen Scouler, Chief Executive of NZ Avocado, is part of the project and reports that the Covid-19 lockdown has allowed the group to spend time celebrating where their food has come from and focus on highlighting local produce and products. Neat Meat's Co-Owner Vicki Eriksen reports that the initiative will be a platform to discuss the future of the industry post-Covid, with opportunities such as encouraging sustainable growing and growing a wider range of plants.

[Farmers backing broadband upgrade](#) [14 May, Peter Burke, DairyNews] Rural Women New Zealand are calling for an improvement of the rural broadband network in order to ensure successful business, health and safety, education and social connection in rural communities. National President, Fiona Gower, says RWNZ would like to see the Wireless Internet Service Providers (WISP's) included in the Government's new rural broadband funding. They are also seeking the Government to commit to improving cell phone coverage in rural New Zealand. National President Fiona Gower reports that children doing home school are often struggling to access their online classes. Federated Farmers Vice President Andrew Hoggard states that they have completed surveys which show large parts of rural areas are still faced with slow or no internet.

[Covid 19 coronavirus: Poppy Renton's Hawke's Bay Drought rural Facebook page a 'lifesaver'](#) [16 May, Hawke's Bay Today, The Country] 19 year-old Poppy Renton founded the popular Facebook page Hawke's Bay Drought which promotes rural networking during lockdown and now has over 4.4 thousand members. The page has enabled local farmers to interact with each other, share support and provide advice. Miss Renton created the page in the hopes to connect her

local community and has been amazed with the response so far.



## Farming Systems

[Farm therapy lifts pasture cover](#) [18 May, Dairy News] Whakatāne Dairy

Farmer Alan Law has reported that a new farming system has enabled him to maintain an abundance of clover, when most of his neighbours are struggling with drought. Mr Law started a therapy programme in late 2019, with the first phase targeting an improvement of soil health in order to establish a strong presence of clover. Clover helps to fix nitrogen naturally, so synthetic nitrogen can be reduced dramatically without dropping pasture production. Two more treatments were made, and Mr Law reports positive results after each application. With phase one complete the team will now steer the farm toward phase two, which will consider the concept of having the pasture rotation extended to around 50 days. The total replacement therapy team plans to hold a virtual field day at the Law farm to showcase the results of the programme which include increased clover presence to around 70 percent. The milk production has reflected the increased amount of feed available for the herd.



## Agribusiness

[NZ butter booming in the US](#) [15 May, Peter Burke, DairyNews]

Lewis Road Creamery reports that sales of its premium butter have increased significantly in the US during the Covid-19 pandemic. Founder Peter Cullinane states that during the lockdown in the states, there has been an increase in home cooking which has benefitted butter sales. Mr Cullinane reported that whilst there have been minor supply chain disruptions they are not expecting to have any significant issues in maintaining supply. Lewis Road Creamery have products in 700 stores in the US.

[New farmers' market opens for business, and you don't have to leave your house](#) [16 May, 1 News] Farmer's markets are unable to reopen under Alert Level 2, however the Modern Forager is offering an online solution in the meantime. The new website founded by Melissa Woods has brought together artisan producers from across the country, to help them sell goods to consumers in a simple way. To list on the website is free at the moment but once the market is thriving, a virtual stall will cost around \$60.

[Farmers slammed for taking Covid-19 wage subsidies](#) [18 May, Nina Hindmarsh, Stuff NZ] A Golden Bay dairy farmer has voiced his concern at other farmers in the area for taking covid-19 wage subsidies, questioning how they are eligible when both milk and beef prices are good overall. Many critics are stating that the wage subsidy is meant to be protecting jobs, not covering a shortfall in profits. One Golden Bay business which received the subsidy is Lone Star Farms Ltd which is owned by American expatriate Tom Sturgess. It received \$258,547.20 through the wage subsidy, however Mr Sturgess backs up the payment by stating that they are facing strong negative cash flows, and reports that they will most likely give most of the subsidy payment back to the crown. Federated Farmers Golden Bay President Wayne Langford reported farmers needed to be careful when applying, and their accounts need to clearly show a 30 per cent drop due to Covid-19 restrictions.

[Labelling delay leaves bad taste](#) [19 May, David Anderson, Rural News] General Manager of Harrington's Smallgoods, Angus Black reports that the decision to delay the implementation of country-of-origin labelling laws by a year is likely to hurt New Zealand farmers and pork producers in an already tough climate. Due to the Covid-19 disruption, the Ministry of Business, Innovation and Employment have decided to delay recommending the regulations for 12 months. Mr Black states that farmers are struggling, and the laws would help to support local goods in a

tough time, as 40 percent of NZ pork before the lockdown went to restaurants, bars, cafes and independent butchers. Capacity is still reduced in the food service industry. Local pig producers have been encouraging people to only buy NZ-raised and farmed pork, however Mr Black reports current labelling is confusing and makes it hard for consumers to identify where their bacon or ham comes from.

[Fallout from food service sector collapse](#) [19 May, Peter Burke, Rural News] New Zealand's Former Special Trade Envoy Mike Peterson reports that the virtual collapse of the international food service sector may result in an adverse effect for some of our exports. Mr Peterson states that a lot of New Zealand companies have been smart in targeting high-value markets with a focus on the food service sector. Mr Peterson has reported that two likely product casualties are likely to be venison and premium cuts of lamb, however states that beef demand is likely to increase as it is seen as a comfort food. The outlook for apples and kiwifruit is positive according to Mr Peterson.



## Horticulture

[Country Calendar: Banana business booming in Northland](#) [14 May,

Melenie Parkes, Stuff NZ] Klaus Lotz runs a commercial banana plantation in Northland, which he reports is possible due to rising temperatures as a result of climate change. Mr Lotz reports that there is not a lot of money in it, but that it provides a good livelihood for his family, who provide their lady finger bananas to the local community. Mr Lots states that lady finger bananas are fruitier and sweeter than the varieties generally found in supermarkets. Their bananas are labour demanding and are subject to a range of diseases, however these are limited by the family growing the crop amongst a range of other plants such as tamarillos and macadamia. Mr Lotz uses permaculture in his orchard which aims at creating a complete

ecosystem and aims to show locals how to build resilient communities.

[2020 budget: Primary sector boost to bring more jobs for Hawke's Bay fruit industry](#) [14 Msy, Georgia-May Gilbertson, Stuff NZ] Rocket Global Limited's Operations Manager Ben James states that the latest budget announcement from the Government is a boost for the horticulture industry. The 2020 budget announcement resulted in \$19.3 million being put aside during the next four years to help recently unemployed New Zealanders access training and work opportunities in the primary sector. Mr James stated that the extra funding and resourcing going towards apprenticeship and up-skilling will be very beneficial for the primary sector. Mr James stated that there is a range of opportunities in the pipfruit sector.

[Nelson olive grower wins gold at international award](#) [17 May, Tim Newman, Stuff NZ] Nelson Olive Growers Ray and Brenda Gregory have won a gold award for their olive brand Kakariki Olives at this year's New York International Olive Oil competition. Several New Zealand brands won a gold award from the competition. Mrs Gregory reports that this reflects the standard of New Zealand's industry on the global stage. Kakariki Olives won the award for their Mediterranean Blend Oil, which includes Kalamata, Picholine and Picual olives, and has flavours of cut tomato leaf, rocket and artichoke. Mrs Gregory states that in producing a top-quality oil, good grove management and having control over picking and pressing the olives are important steps. Mrs Gregory mentioned that winning the award has been a boost to the company after lockdown, with their sales being affected by the closure on the Nelson Market and the restaurants they supply across the computer. Along with Kakariki, the other New Zealand winners were Kapiti Olives, Loopline Olives, Woodside Bay, Olea Estate, and Old French Road.



## Food Innovation

[Start-up offers DIY solution to cut cost of lab-grown meat](#) [18 May,

Oliver Morrison, Food Navigator] Israeli start-up Future Meat Technologies plans to sell grow-your-own cell-based meat to food companies in order to make cultured meat more accessible and affordable at both retail and consumer levels. The start-up plans to sell its blend to food manufacturers by the first quarter of 2021. Future Meat Technologies has backing from big meat companies such as Tyson Foods, JBS, Cargill and Smithfield Foods. Chief Executive Rom Kshuk states that they aim to reduce the cost of cultured meat, by helping others to create the products. The method they use, also allows for products that are non-GMO.



## Environment & Emissions

[Working farm becomes haven for birds, freshwater life in Waitomo](#) [16 May, Lawrence Gully, Stuff NZ] Farmers Felicity and Mark Brough were named 2020 Regional Supreme Winners of the Waikato Ballance Farm Environment Awards run by the New Zealand Farm Environment Trust. The couple started their journey 20 years ago when they purchased their farm and have since slowly implemented a staged plan for extensive planting around streams and ponds, as well as creating two large dams with wetland areas. The farmers are part of the King Country River Care group and want to encourage other land-owners to form catchment groups across the country as well their own long-term environmental plans for their properties. After the country moves out of lockdown, the couple would like to host a field day at their farm in order to show the public what they have managed to achieve so far. The couple now go forward to contend the national Ballance Farm Environment Awards.



## Viticulture

[Wineries plan to reopen in level 2 but with slim outlook for visitors](#) [14

May, RNZ, The Country] Many wineries are opening in alert level 2, with Boutique Winery Owner Mark Haythornthwaite stating that the outlook for visitors is slim due to the lack of overseas visitors. Mr Hathornthwaite reports that there is no alternative but to open in the chance of visitors as he wants to keep paying his staff. Black Barn Winery Co-Owner Kim Thorp states that they have a range of other facilities for weddings, concerts and accommodation, however mentioned that they are worried about the lack of large-scale events such as concerts which make up a significant portion of their summer earnings as they also bring wine sales. Mrs Thorp states that they are counting on local trade to keep them afloat, which is also hard to predict. New Zealand Winegrowers have reported that close to 800,000 tourists visited the country last year specifically to go to wineries and data shows that they spent more than \$3 billion in doing so. Chief Executive Philip Gegan is not sure New Zealanders will be able to make up for the shortfall in international visitors.



## Trade & Exports

[Head of Agribusiness NZ says diversity 'not a bad thing' amid concerns trade too dependent on China](#) [14 May, James Fyfe, Newshub] Todd McClay, Head of Agribusiness New Zealand has reported that it is important the country considers more diversity in its export markets after the Covid-19 pandemic. Many have spoken up with their concerns that China makes up a massive portion of our agricultural exports which increases our reliance on the country to purchase our products. This comes after China has blacklisted a range of abattoirs in Australia and threatened a large tariff on Australian barley in what many are describing as a political move after Australia

called for an independent investigation into the origins of the pandemic. Two-way trade between China and New Zealand was valued at over \$32 billion in 2019, and National's Trade Spokesperson Todd McClay has stated that it is vital "our relationship with China remains respectful".



## Farmers & Producers

[Coronavirus: new tenancy laws create problems for farmers](#) [14

May, Rachael Kelly, Stuff NZ] New tenancy laws enacted to help protect tenants during the Covid-19 pandemic have created problems for some farmers, with some workers refusing to leave the accommodation they are provided as part of their employment contract. These employees are not obligated to leave and tenancies are not able to be terminated until at least the 26 June unless the parties come to an agreement. As a result, DairyNZ has asked the Government to review the law, as it is typical for farmers to shift properties for new jobs. DairyNZ is working with Federated Farmers to resolve the issues. It is causing issues for farmers who are trying to plan accommodation for new workers before moving day on the 01 July.



## Farmers & Producers

[The missing socks](#) [18 May, Cheyenne Nicholson, Farmers

Weekly] Founder of the Sock Agent and Farmer Eva Botting came across the idea for her company when her Dairy Farmer husband Philip Botting needed new socks at Christmas. The Sock Agent is a sock subscription service company. Mrs Botting was determined to create a business that offered New Zealand made socks coming from a trusted brand. After she had locked down a supplier, she found herself working around the clock to help out at the farm, run the business and spend time with her children. Mrs Botting reports that it has not been

an easy process, but has been rewarding due to the positive feedback from her customers.



## Agri-Tech

[High-tech collars help get more cows in-calf](#) [15 May, DairyNews]

Southland Dairy Farmers Owen and Cathy Copinga state that using Allflex smart collars on their herd has simplified identifying cows on heat. The couple milk 650 Holstein Friesian cows near Winton. The collars monitor a cow's rumination and activity, alerting farmers when the animal is sick or on heat. They also alert the farmers if cows are alert outside of their normal times, such as when breaking out on a crop at night. Those alerts can be accessed on a smartphone app, or a desktop computer. The collars allow the detection of cows on silent heat which are usually undetectable by humans. Despite the rain and poor growing conditions, the farm managed to lower the number of cows not in calf by 5 percent down to 13 percent.



## Water

[Budget misses the boat on water](#) [15 May, Annette Scott, Farmers

Weekly] Irrigation New Zealand Chief Executive Elizabeth Soal states that the recently released Budget 2020, has missed an opportunity to improve water storage across the country. Mrs Soal states that whilst the Covid-19 recovery fund has \$3 billion dedicated to infrastructure, water storage and reticulation are unlikely to fall under this amount. Mrs Soal states that water is a key part of the productivity growth needed to help boost the economy in New Zealand's recovery from the Covid-19 pandemic. Mrs Soal stated Water NZ, Infrastructure NZ and Irrigation NZ have been in talks about a national strategy for water to support and provide guidance at regional decision-making level.



## Red Meat

[Benefit uncertain in tense times](#) [15 May, Hugh Stringleman, Farmers Weekly]

AgriHQ Analyst Mel Croad reports that a significantly reduced Australian cattle kill this year might not benefit New Zealand beef producers. The 17 percent predicted reduction in Australian beef exports might help stabilise world prices rather than increase them for other supplying countries such as New Zealand. This is due to the slowdown in global markets caused by the Covid-19 pandemic, which is causing supply and demand uncertainties worldwide. Despite China's demand for red meat starting to recover, it is not expected to increase to last year's consumption levels. An increased level of US exports could also flow to China under their new trade agreement.

[SFF joins e-commerce platform](#) [18 May, Farmers Weekly] Silver Fern Farms and Gourmet Direct have partnered up in order to sell products to New Zealand customers. Gourmet Direct is a nationwide e-commerce business that specialises in New Zealand meat. SFF group Marketing Manager Nicola Johnston reports that they saw the opportunity as a natural fit, especially due to the increase in demand for online shopping after the Covid-19 lockdown. SFF's retail range is trimmed and portioned. It is also sustainably packaged in recyclable outer sleeves, which have halved its plastic waste. SFF will continue to supply both its existing retail partners and their online platforms.



## Dairy

[Dairy prices 'hanging in for now'](#) [14 May, David Anderson, Dairy News]

After last week's Global Dairy Trade auction, Rabobank stated that New Zealand's dairy prices are hanging in there, with the overall price index only falling 0.8 percent. Total volumes sold were 20 percent lower than a fortnight prior. Whole milk powder price rose by 0.1 percent which

was good news for the country. Butter prices dropped by 5.8 percent, with volumes rising 4.2 percent, explaining its price fall. RaboResearch Dairy Analyst Tom Bailey stated that North Asian demand had returned. Mr Bailey sounded a note of caution surrounding the premium on Oceania products which he reports are well above last years, but stated it is not unusual for Oceania product to earn price premiums compared to global competitors.

[DairyNZ project drives change on Canterbury farms](#) [15 May, Fuseworks Media, Voxy.co.nz] DairyNZ is two years into a five-year project in Canterbury to help dairy farmers significantly reduce nitrogen losses on farms, whilst maintaining profitability. The levy-funded project is working with 50 partner farms to help improve farming practices, on these farms, as well as others in the Selwyn and Hinds areas. A recent assessment has shown that the 210 farms have all changed their practices, with the vast majority on track to achieve targets set by the regional council. 94 percent of the farms involved are changing their irrigation system or management, 90 percent improving their effluent systems or management and 80 percent are reducing nitrogen use.

[Spraying powder in fields](#) [15 May, Milking It, DairyNews] Farmers in eight EU countries have sprayed milk powder in fields to protest against the European Commission's (EC) way of mitigating milk crisis. The EC is offering private storage subsidies to producers to alleviate price pressures instead of completing co-ordinated production cuts. The European Dairying Association has reported that spraying milk on fields is an irresponsible way to catch attention and resulted in wasted milk which is a waste of hard work and precious resources.

[Taranaki Farm Accounting Specialist Urges Farmers To Be Proactive About Their Future Finances](#) [18 May, Baker Tilly Staples Rodway-Press Release, Scoop Independent News] Dairy NZ and Baker Tilly Staples Rodway have partnered up to highlight the need for farmers to

understand their finances during the current economic climate. Accounting Specialist Amanda Burling stated that it has been a particularly challenging year for the dairy industry, with the combined effects of the drought and Covid-19 pandemic. DairyNZ and Baker Tilly Staples Rodway are offering a free webinar series for all dairy farm owners and sharemilkers in New Zealand. The three-part series will contain advice on budgeting, understanding financial statements, the depreciation regime and income tax, and are aimed at helping the dairy industry prepare for the season ahead.

[Fastest milking shed in the land](#) [18 May, Farmers Weekly] Taranaki Dairy Farmer and Former MP Shane Ardern has built what is possibly New Zealand's fastest dairy shed. Mr Ardern states that the process transitioning from their old rotary cowshed was not smooth sailing as he received mixed advice on what to install. Mr Ardern ended up installing a second 40-bail rotary beside their current one, which allows them to milk up to 900 cows an hour. The finished result built from American componentry was a lot cheaper, higher quality and more efficient than what they had been quoted by New Zealand companies according to Mr Ardern. The yard has been designed to provide a smooth flow into and out of the shed. On top of that, they have installed turnstile gates to provide safety for workers. The shed features automated yard, platform and skirt washing, plant wash-cycle, teat spray and washing.



## Forestry

[New registration system for forestry advisers and log traders](#) [14 May, Fuseworks Media, [Voxy.xo.nz](http://Voxy.xo.nz)] Forestry Minister Shane Jones has reported that a new log registration scheme and practice standards will help New Zealand's forestry sector to achieve value over volume. New legislation recorded as part of the Budget 2020 will require forestry advisers, log traders and exporters to

register and work to nationally agreed practice standards that will strengthen the integrity of New Zealand's forestry supply chain. Mr Jones reports that the country's log supply market is in transition, with small owners taking an increasingly important role in the annual harvest.



## International

[Scientists unlocking heat-tolerant wheat: 'This could protect food supply as the climate changes'](#) [13 May, Katy Askew, Food Navigator] Researchers from Lancaster University are closer than ever to meeting their goal of producing heat-tolerant wheat after swapping out on molecular block of the Rubisco activase. This molecular block is found in wheat and enables it to activate energy-producing enzyme Rubisco faster in hotter temperatures. The researchers report that the findings benefit the sustainability of the food system by helping to protect food supply as the climate changes and will facilitate the development of resilient wheat varieties. It is possible for the findings to be applied to other crops in order to make them more resilient and efficient.

[MPs urge UK ban on chlorinated chicken and hormone-fed beef](#) [13 May, Roger Harrabin, BBC News] UK ministers are urging the government to keep the bans on hormone-fed beef and chlorine-washed chicken after Brexit. The issue will be dealt with in the upcoming Trade Bill, with opponents of the practices stated that farm standards may be bargained away in negotiations. The US have demanded that the ban should be lifted, however a government spokesperson has stated that existing protections will not be compromised in trade negotiations. Sally-Ann Spence, from the Nature Friendly Farming Network has urged the Government to safeguard the UK's high environmental and animal welfare standards in trade law.

[Coronavirus lockdown: India announces free food for fleeing migrants](#) [14 May, BBC News] India has released a £216 billion (approx. NZ\$440 billion) economic plan to combat the effect of the Covid-19 pandemic which includes US\$463 million (approx. NZ\$780 million) to go towards grain supplied to benefit 80 million migrants. The free food will be provided for two months to the migrant workers who have been forced to flee from Indian cities and trying to return to their villages. Workers will also be able to use ration cards anywhere in the country, regardless of where it has been issued. The cards usually entitle holders to subsidised food. To help farmers, the government also announced an emergency US\$4 billion (approx. NZ\$6.7 billion) "working capital funding" which would benefit some 30 million small farmers to meet crop requirements in May and June

[Plant-based artificial meat expected to boost high-protein crops](#) [14 May, Mateusz Perkowski, Capital Press] Experts have reported that artificial meat is placing a spotlight onto high-protein crops which are capitalising on broader consumer interest in their nutritional content. The reputation brought by plant-based meat start-ups Impossible Foods, Beyond Meat and Just has been a major driver in the rising popularity of plant protein sources. The "Plant Proteins: Present and Future" report from Lux Research has highlighted peas, canola, oats and chickpeas as the upcoming crops that are poised to benefit from the protein trend. Covid-19 trade restrictions have shown the importance of resilient local and regional sources of the crops. The report also stated the outlook for pulse crops is good due to their nutrient content and affordability.

[BAT says potential COVID-19 vaccine using tobacco leaves ready for human trials](#) [16 May, Reuters] British American Tobacco have reported that they are ready to test their potential Covid-19 vaccine on humans, which uses proteins from tobacco leaves. It generated a positive response in pre-clinical trials. The company is seeking approval from the US Food

and Drug Administration for its vaccine before trials will start. Drug makers across the globe have been racing to develop a vaccine for COVID-19. The company has reported that it has committed funds to conduct clinical trials, which it expects to start in late June, and invested in additional equipment to boost capacity.

---

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

Agribusiness New Zealand  
AgriHQ  
Allflex  
Baker Tilly Staples Rodway  
Beyond Meat  
Black Barn Winery  
British American Tobacco  
Cargill  
DairyNZ  
European Commission  
Facebook  
Federated Farmers  
Future Meat Technologies  
Gourmet Direct  
Harrington's Smallgoods  
Impossible Foods  
Infrastructure NZ  
Irrigation NZ  
JBS  
Just  
Kakariki Olives  
Lancaster University  
Lewis Road Creamery  
Lone Star Farms Ltd  
Loopline Olives  
Lux Research  
Ministry for Primary Industries  
Ministry of Social Development  
Modern Forager  
Nature Friendly Farming Network  
New Zealand Farm Environment Trust  
New Zealand Winegrowers  
NZ Avocado  
Old French Road  
Olea Estate  
Rabobank  
RaboResearch  
Rockit Global Limited  
Rural Women New Zealand  
Silver Fern Farms  
Smithfield Farms  
Taratahi Agricultural Training Centre

The European Dairying Association  
The Sock Agent  
Tyson Foods  
US Food and Drug Administration  
Water NZ  
Woodside Bay

---

## Contact Us

Auckland/Audit

**Ian Proudfoot**

09 367 5882

iproudfoot@kpmg.co.nz

Auckland/Agri-Food

**Jack Keeyes**

09 363 3502

jkeeyes@kpmg.co.nz

Auckland/Agri-Food

**Andrew Watene**

09 367 5969

awatene@kpmg.co.nz

Auckland/Deal Advisory

**Charles Widdicombe**

09 367 5949

cwiddicombe@kpmg.co.nz

Wellington/Management Consulting

**Justine Fitzmaurice**

04 816 4845

jfitzmaurice@kpmg.co.nz

Hamilton/Private Enterprise

**Hamish McDonald**

07 858 6519

hamishmcdonald@kpmg.co.nz

Consultant – South Island

**Genevieve Steven**

03 307 0761

gsteven@kpmg.co.nz

Farm Enterprise – South Island

**Brent Love**

03 683 1871

blove@kpmg.co.nz

---

## Subscribe

To subscribe to future editions of Field Notes please [click here](#).

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.

The information provided herein is of a general nature and is not intended to address the circumstances of any individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received nor that will it continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG, a New Zealand partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative (KPMG International), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International Cooperative ("KPMG International"). KPMG and the KPMG logo are registered trademarks of KPMG International Cooperative ("KPMG International"), a Swiss entity.