



AGRIBUSINESS

# Field Notes

Weekly news update from the KPMG Agribusiness network



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## **Pandemic Accelerates Agri Pace of Change**

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The dislocation experienced in the last few months has made it easy to believe, at times, that every aspect of our lives has been fundamentally changed by the pandemic. As we move from response to recovery, the impacts of the changes experienced are becoming apparent. Before considering how key changes may play out in relation to our food and fibre sector, given its importance to economic recovery, it is worth reflecting on the drivers underlying the crisis we now face.

A notable feature of the Covid-19 response has been the lack of a co-ordinated global approach to either the health or economic crisis. This contrasts to the multilateral approach that has been taken to previous global crises, for instance, the G20 was created to co-ordinate responses to the GFC.

Individual governments have first responded to a health crisis (with closed borders, safety warnings, social distancing and lock downs), measures that have intentionally decreased the supply of goods and services. These actions have precipitated an economic crisis that will shape the global economy for years. The challenge is that a crisis triggered by deliberate government policy is much harder to fix than a demand-created crisis arising from a natural disaster, regulatory breakdown or bank failure. In the case of 'traditional' demand-driven recessions, actions can be targeted at the root cause of problem and their effectiveness measured and, as we saw after the Christchurch earthquakes, an economic crisis can become a growth driver if handled effectively.

The nature of the pandemic means every country is planning economic recovery on timelines driven by its response to the health crisis. The levers available to governments are largely unpalatable; austerity, quantitative easing and raising taxes were all used post GFC with limited success. The other option, which appears to be preferred globally, is using the government balance sheet to borrow and spend as quickly as possible to stimulate economic activity.

## Responding to isolationism

With debt piles growing, governments are focused on growing GDP faster than others to maintain relevance, start paying down debt and protect living standards. It has been apparent over the last two years that some countries were stepping back from globalisation to prioritise domestic interests. The inability to access essential supplies, including food, during the pandemic, and the need to boost domestic GDP has accelerated this trend. We expect more governments to focus on lifting domestic food resilience and reducing reliance on imports. This trend will accelerate the uptake of modern farming systems which enhance food resilience, for instance vertical farming systems. It poses a risk to food exporting nations, like New Zealand, that rely on selling food to the world to create wealth. We need to accelerate our focus on securing extensive free market access. We also need to collaborate with the countries we export to, to ensure trade is seen as being good for all, not just good for New Zealand.

With China being the first to emerge from the crisis, the impact that Chinese consumers will have on shaping the post pandemic food system is likely to be significant. Demand from China as the market reopens is currently supporting commodity prices, however the longer-term impact will come from how the Chinese government evolves its food security, safety and provenance policies moving forward. An expected step change in the domestic food production sector in China will materially reshape global export markets.

## Building back better

It has become clear over the last few months that the money we are borrowing is from our children and our grandchildren. As a consequence, we need to focus on spending the money in a way that does more than just deliver short-term economic stimulus. It is about utilising the funds to build back better for future generations.

Our food and fibre sector has set some ambitious goals in the industry vision, Fit for a Better World, to transition towards the use of regenerative agricultural practices to produce exceptional food for discerning customers, while mitigating the sector's impact on the climate, water, soils and oceans. The opportunity to invest today in infrastructure that will future-proof our ability to deliver on our regenerative vision for future generations of New Zealanders is significant. This could take the form of water storage and distribution schemes, it could be in the development and deployment of innovative new farming systems (for instance kelp farming or deep-water aquaculture) or further upgrading the ability for rural communities to digitally connect with the world.

## Purpose is critical

However the money is invested, it needs to be spent in a way that supports the industry's long-term strategic purpose. Globally, in the aftermath of the pandemic it is apparent that a sense of purpose is more important than ever. Whether this is articulated through a clear 'why' statement or specific UN Sustainable Development Goals targets, it is no longer enough just to maximise profits and shareholder returns.

In New Zealand, we have seen a significant lift in food insecurity during the lockdown period. This is compounding already poor outcomes on issues like obesity and diabetes. Ultimately, these health outcomes will impact our ability to tell a trustworthy story about the quality of the products we produce. They will reduce our ability to earn a premium on the products we grow. A key priority for our food producers should be ensuring we feed our five million properly first, to ensure we have a nutritionally secure community in New Zealand, while enhancing a healthy, natural food story. Conscious consumers are thinking health and safety

Lockdown has forced many people to focus on their own and their family's health and safety. The longer the pandemic impacts their day to day lifestyles the more likely the new routine becomes everyday practice. We expect to see more consumers making conscious purchasing decisions. They will seek to understand the attributes of products before buying. If a product claims to boost their immunity system, we need to be able to provide robust scientific evidence to verify the health claims made.

Many consumers have utilised digital platforms for the first time to purchase food in recent weeks, to avoid being exposed to the safety risks associated with visiting a store. Our expectation is that many will become habitual online buyers. Producers need to think about the digital front door as a primary route for consumers into a business and ensure their digital experience matches the physical service they offer.

### **Recession diets**

The worst of the economic downturn is still to come. There will be less people able to afford premium products, increasing the global competition for the dollars of those who can. It is critical that we are highly connected with the markets we sell to, so that product formats, marketing strategies and pricing all match markets as they are today rather than how they were four months ago. This will present some challenges while borders remain closed but offers the opportunity for the government to provide support, by taking actions like redeploying Tourism New Zealand to promote our food and fibre story globally.

As we move beyond the health crisis, the fundamentals of the global food system – transition to more sustainable production systems, digitalisation, inequitable access to nutrition and growing consumer influence – remain the key issues the sector needs to contend with. While the pandemic has not altered the fundamentals, it has accelerated the pace at which change happens. What was next

year's challenge for executives has just become today's opportunity.

### **Ian Proudfoot**

Head of Agribusiness, Partner Audit  
KPMG Auckland



### **Apiculture**

[Katikati honey company BeeNZ wins top award for "classy"](#)

[packaging](#) [25 June, The Country] BeeNZ has won the supreme award at the Pride in Print awards this year. The presentation box by the company carries a pot of honey, as well as a metal spoon and passport hand-stitched booklet. It also won best in category for Paper and Board Packaging. Judge Shane Goggin stated that the gift box was impressive and difficult to fault and that he could imagine it would be something people might keep. The award winners were announced online after the annual dinner event was cancelled due to the Covid-19 pandemic.



### **Agribusiness Education**

[Free study for post-grads](#) [29 June, Tony benny, Farmers Weekly] Lincoln University has waived course fees for next semester for students studying post-graduate degrees in applied science and agriculture to help make study more accessible. The university states that post Covid-19, the sector has increasing importance and the demand for skilled staff is growing. The university expects the courses to support students' personal development as well as providing them with the skills to be in demand by employers, particularly in the food and fibre sector. To get the fee waiver potential students need to apply for the programme they want to pursue and if they're accepted the waiver will be applied automatically. It will last to the end of 2021.

[Farming in a fishbowl](#) [29 June, Sonita Chandler, Farmers Weekly] The ASB Mt Albert Grammar School (MAGS) Farm in the middle of Auckland city is a ten-minute drive from Queen Street and a place where New Zealand's future farmers are being taught. Farm Manager Peter Brice reports that the 8.1 hectare farm is a unique opportunity, and has been running since 1932. Students can study agricultural science from year 10 onwards and go to farms and agricultural training centres for day trips and camps. They attend the Fielddays at Mystery Creek and some help at the Auckland Easter Show. The aim is to educate more Auckland students and the community about the Agri-food and fibre primary sectors and the career opportunities. Many of the students are now looking towards careers in the food and fibre sector as a result of their school experience.



## Food Innovation

[‘Personalised nutrition will shape the food systems of the future’:](#)

[How will mass production adapt?](#) [24 June, Katy Askew, Food Navigator] Personalised nutrition is a phrase that has been gaining traction, with the idea that in the future, consumers will be able to source a diet tailored to their individual needs. However, for this to work it will require a complete overhaul of food and beverage business models. Oakfield has recently released a report which looks at how mass producers can innovate around personalisation. It suggests that there is a middle ground where manufacturers can offer more precisely-tailored products using the late stage assembly of products. For example, a core product could be created and then adapted in the final stages to meet an individual's specific and nutritional needs. Oakland Innovation Managing Partner Phil Mackie reports that the personalised nutrition category is likely to be fragmented and expects it to require increasing collaboration across the industry.

[Whittaker's launches indulgent new range for Extra Dark Chocolate Lovers](#) [25 June, Voxy.co.nz] Whittaker's new Cocoa Lovers Collection celebrates extra dark chocolate with four 100g blocks, which also showcase the distinctive flavours of cocoa beans sourced from artisan producers in Samoa and Nicaragua alongside 100% Rainforest Alliance Certified™ Ghanaian cocoa. Co-Chief Operating Officer Matt Whittaker states that the new range has resulted from the demand of their consumers for even darker chocolate than anything they have ever produced. Whittaker's has full traceability of the cocoa beans sourced from each of the locations which enables close monitoring of ethical practices. The chocolate is made in a factory in Porirua, and will be showcased in a series of TVCs airing from 28 June. The range is now available in supermarkets nationwide.

[Agribusines Report: Mark Hiddleston: Covid-19 has increased focus on healthy food products](#)

[26 June, Mark Hiddleston, The Country] In recent years, there has been an increase in expectations from consumers about the standards of their food, along with where and how it is produced. The experience of a number of New Zealand companies such as AgriSea and Zespri suggests that the Covid-19 pandemic is hastening the process. New Zealand's reputation as a producer of healthy and authentic foods is an export asset and positions the country to take advantage of this shift. AgriSea did extremely well during the lockdown, with the company recording twice the previous year's export revenues in the June 2020 quarter. The company noted that they had a jump in both domestic and international orders as customers sought out their organic seaweed concentrates. Zespri also saw strong demand during the Covid-19 lockdown, hitting their highest ever sales in Europe early in their season. Covid-19 is changing consumer priorities which can be harnessed for the benefit of New Zealand exporters.

[Microgreens start-up launches first-of-its-kind supermarket growing system](#) [28 June, Andre Chumko, Stuff NZ] New World Thorndon now has a Shoots Microgreens growing stand in their store, which is equipped with automated LED lighting and watering technology. It is believed that it is a first-of-a-kind system which grows miniature vegetables (microgreens) directly in-store. Co-Founder of Shoots Microgreens, Matt Keltie re-stocks the trays daily, and states that the system ensures that what is taken home is as fresh as possible. Microgreens can contain up to 100 times more nutrients than fully-grown plants and are often used by chefs and bartenders for garnishes in dishes and cocktails. Shoots Microgreens have been supplying their microgreens to over 100 restaurants out of their headquarters which is based in the basement of a former nightclub. New World Thorndon's Fresh and Dry Goods Manager Lei Hao reported that the new stand represents the changing interests of consumers.



## Agribusiness

[West Coast nips in quick](#) [25 June, Annette Scott, Farmers Weekly]

AgFest-West has been rescheduled for November after being cancelled in March. Initially an agricultural field day, the event has become a two-day trade show for the West Coast, with around 1,000 businesses exhibiting. AgFest will run on 13 and 14 November at the Greymouth Aerodrome.

[Agribusiness Report: Govt agencies stellar job keeps agri exports flowing](#) [26 June, Peter Chrisp, The Country] NZTE Chief Executive Peter Chrisp reports the impact of New Zealand's Covid-19 lockdown had immediate consequences for New Zealand exporters. The agency was involved in co-ordinating around 200 charter flights to key export markets. They have unleashed a new initiative which will focus on supply chains and building firm capability in freight and logistics. Another of the initial challenges for exporters was ensuring sufficient

cashflow for business continuity. NZTE formed partnerships with Deloitte, PwC and KPMG to provide a business continuity service for around 500 of its customers. The service helped customers make a plan of how to respond immediately, how to control their cash and what to do with their working capital and inventory. Mr Chrisp stated that there is an increased focus on digital sales. NZTE's heat map is now showing around 32% of companies thriving, 60% surviving and about 8% struggling. Many of those thriving are involved in food, mānuka honey and nutraceuticals. NZTE is working on strengthening New Zealand's brand in priority markets by maintaining, promoting and broadening New Zealand's brand appeal, particularly while the tourism sector is recovering.



## Wool

[Wool miles ahead in sheep farmer's insulation](#) [29 June, Esther Ashby-

Coventry] South Canterbury Sheep Farmer Miles Anderson reports that many consumers are missing out on what is right under their nose. Mr Anderson is using sheep wool insulation for his house as it is biodegradable, renewable, sustainable and has flame retardant properties. Mr Anderson questioned how safe synthetic insulation is, if installers need to wear PPE to put it in houses. Mr Anderson states that it is possible some of the wool from his farm is now in the insulation bales he is using to fit out his new house. Mr Anderson questions that whilst synthetic insulation is around half the price of sheep wool, farmers are receiving the lowest returns for their wool. His new house also features a covered patio made from Oregon wood grown on the property and kitchen joinery created from a shed which blew down on the property in the 1980's.



## Aquaculture

[Sea change for aquaculture](#) [25

June, Dr Nigel Bradley, NZ Business] Dr

Nigel Bradley, CEO of EnviroStrat states that whilst New Zealand's aquaculture industry holds many opportunities, it also faces serious constraints. Dr Bradley states that the aquaculture industry was hard hit by the Covid-19 pandemic, which impacted offshore sales. Other issues the industry faces include climate change and poor water quality which Dr Bradley states is impacting spat supplies. Dr Bradley believes that an increased focus needs to be placed on research and development, as well as technology and increased infrastructure to help the country catch up to overseas markets. New investment interest is coming from people and organisations that are looking for investments producing high-value products with low environmental impact. Dr Bradley sees opportunities in high-value end-use products such as anti-inflammatory products.



## Pork

[Pig of a situation in the US](#) [29 June, Rural News] It has been reported

that up to 2 million pigs may be backed up on farms in the US due to delays in meatpacking plants, which could soon result in culling on farms. David Miller of Decision Innovation Solutions, associate professor Lee Schulz of Iowa State University, and associate professor Scott Brown of the University of Missouri all agreed during a teleconference put on by the National Pork Board last Thursday that a large number of pigs will be backed up and are asking the Government for assistance to help fix the issue.

[New Zealand pork sector faces staff shortages](#)

[30 June, The Country] New Zealand's pork sector is calling on the Government to urgently review its current policies on skilled migrant workers as it faces severe staff shortages. NZ

Pork Chief Executive David Baines reports that the sector would ideally like a pool of available skilled and unskilled workers from New Zealand to fill the jobs available, when in reality they are facing a serious shortage so usually rely on migrants who have been trained in their home countries to fill the spaces. NZ Pork has requested an urgent meeting with the Minister of Immigration Iain Lees-Galloway to discuss the issue. A survey of pig farmers has found that many fear their existing skilled migrant staff may be required to leave New Zealand as a result of immigration measures taken in response to the Covid-19 pandemic. Other concerns included delays in processing visas, extra costs as well as a lack of pathway to residency and a lack of consistency. Mr Baines states that the pigs need continuous skilled and committed care provided to them.



## Rural Communities

[WorkSafe investigators under pressure, lack training – report](#) [30

June, Phil Pennington, The Country] An independent report into WorkSafe has found multiple failings in the way that the agency investigates injuries and death on the job. There has been large public dissatisfaction with the way that they handle issues. Reports have shown that WorkSafe do not have enough frontline investigators who are also faced with a lack of training, lack of supervision, have no national quality assurance framework and scenes are not routinely filmed or reconstructed. WorkSafe Chief Executive Phil Parkes stated families of victims were bound to be upset, however rejected any suggestion the latest report, by consultant Gavin Jones, described years of under-performance; rather he claimed the agency had continually improved since being set up in 2013.



## Trade & Exports

[Buck stops with Govt over FTA](#) [24 June, Peter Burke, Dairy News]

Former Trade Minister Tod McClay has stated that no one should be surprised at the abysmal trade offer to New Zealand by the EU. Mr McClay reported that if the NZ agricultural sector is unhappy with the offer, they should direct their criticism David Parker, the Labour Trade Minister who is responsible for the negotiations. According to Mr McClay, the FTA was always was going to come down to agricultural access and he says the EU will play hardball when it comes to negotiations. Mr McClay states that it is up to Mr Parker to salvage the deal and fight for New Zealand exporters.

[UK-NZ free trade talks on](#) [24 June, Peter Burke, Dairy News] Dairy Companies of NZ (DCANZ) Chairman Malcolm Bailey reports that a high-quality and comprehensive FTA between the United Kingdom and New Zealand will further strengthen the historic and close relationship between the two countries. Mr Bailey states that it is heartening to see like-minded countries such as NZ and the UK showing leadership on trade issues instead of reverting to trade protectionist policies and subsidies. Currently, the UK only accounts for 0.08% of New Zealand dairy exports and Mr Bailey states that there is room for growth in this area, particularly as the NZ and UK dairy sectors are complimentary as they have counter-seasonal production systems and an interest in managing price volatility globally. Trade Minister David Parker announced the launch of the FTA talks last week, with the first round of negotiations expected to take place by video conference from mid-July.

[NZ annual trade deficit smallest in six years](#) [25 June, BusinessDesk, Farmers Weekly] New Zealand's annual trade deficit was at its smallest in six years in May, with exports up 1.3 percent at \$60.09 billion for the 12 months. At the same time, imports were down 5.4 percent to \$61.41 billion leaving the annual trade deficit at \$1.33

billion. ASB Economist Mark Smith reported that the numbers show a combination of supply disruptions and heightened caution over the future economic outlook. The biggest monthly import drop was in the motor vehicles and parts sector, which dropped 61 percent to \$451 million.



## Research & Development

[Funding boost gives methane vaccine a better shot](#) [24 June, Eloise Gibson, Stuff NZ] The Government has doubled the annual funding of the New Zealand Agricultural Greenhouse Gas Research Centre (NZAGRC) to speed up progress towards progress for the hoped-for methane injection to help put an end to cows' contribution to climate change. Big breakthroughs in the area have been hard to achieve, and the centre has received over \$50 million in funding over the last ten or so years. AgResearch has had researchers working on funding a vaccine for several years and report that the extra money will speed up the trial and error process. Harry Clark, Director of NZAGRC states that the process is hard as they are trying to target an organism that is not part of the animal. Other research is occurring which is attempting to find genetic markers of lower-methane cows and easy ways to measure it, as well as a focus on discovering compounds to add to feed to help lower the amount of methane the cows burp.

[The global AMR battle](#) [24 June, Adam Fricker, DairyNews] Researchers targeting antimicrobial resistance (AMR) have partnered with New Zealand teat spray manufacturer Deosan to advance the science of sanitiser formulations and mastitis prevention. AMR is considered one of the biggest threats of our time. Otago University Professor Greg Cook's work has focused on antimicrobial resistance, finding drugs that will address the issues of AMR resistance and persistence. Professor Cook has been working with Deosan to patent a new class

of compounds which can be used in sanitiser to enhance the cow's natural defence mechanisms which is now available for farmers. The new compounds have gone through the Draves Wettability test which has shown TeatX penetrated in less than one second, whilst comparable products took at least 30 seconds.

[New boss wants farmer connection](#) [25 June, Neal Wallace, Farmers Weekly] Sue Bidrose has been appointed as AgResearch's new Chief Executive. Mrs Bidrose is leaving her position as Dunedin City Council's Chief Executive to take up the new role, replacing Tom Richardson who resigned last year. Mrs Bidrose was heavily involved in a 2013 campaign which aimed to save AgResearch's Invermay campus which would have seen the loss 85 staff and has also worked as a laboratory technician in the 1980's. Mrs Bidrose reports that she values staff and sees the importance of leaders taking people with them when they promote change. Mrs Bidrose wants to ensure farmers are aware of the research generated by scientists and can adopt it if it is relevant and useful and will be starting her new role on 27 July at AgResearch's Lincoln Campus.



## Horticulture

[Highs and lows for Hawke's Bay's fruit season](#) [25 June, Rose

Harding, The Country] The Hawke's Bay fruit season for 2020 has faced a number of challenges, particularly in seasonal staffing, with growers trying to assist their RSE workers to return home. However, Gary Jones of Apples and Pears New Zealand reports that the apple industry appears to have reached a new record volume, sitting at around 400,000 tonnes. Mr Jones states that Covid-19 has made selling fruit harder than usual and prices have eased as a result, however the markets in Europe and the Middle East have remained solid. Royal gala remained the most popular export variety at one-third of the crop. Hawke's Bay Fruitgrowers' Association president Ben James stated that

fruit quality was good, helped by the dry weather which also made picking easier. However, some Braeburn apple trees were left unpicked due to unfavourable market conditions.

[Hort cruising but has headwinds](#) [29 June, Farmers Weekly] New Zealand's horticulture industry has done relatively well this season despite the impacts of Covid-19, with harvests of apples and pears up 5 percent, and kiwifruit up 6 percent from last season on generally positive growing conditions. Zespri's Chief Executive Dan Mathieson described the year as encouraging, with signs of growth in their largest markets of Japan, China and Europe. Labour disruption and shipping schedules have also not affected the early performance of the sales of wine and apples. Westpac Senior Agri Economist Nathan Penny reported that this is probably due to the weakness of the New Zealand dollar rather than any particular strength in demand or export prices. Mr Penny states that there is a large risk of a steep decline in the price of premium products such as sauvignon blanc, cherries and Rockit apples. Behind the farm gate the main concerns relate to the availability of seasonal workers for next season's harvest, though orchardists are still reporting sufficient labour available for winter pruning. Horticulture NZ chief executive Mike Chapman said the industry has worked closely with the Government to get almost 1000 Vanuatu nationals home though there are still an estimated 3000 recognised seasonal workers in the country.



## Covid-19

[Thousands of seasonal workers stranded in NZ as work runs out](#) [25

June, Georgia-May Gilbertson, Stuff NZ] Options are being worked on to get thousands of recognised seasonal workers out of New Zealand. The Royal NZ Air Force has helped over 1,000 seasonal workers get home to help build their cyclone-devastated communities. With no commercial flights available, the Vanuatu

Government requested assistance from New Zealand to help get the workers home. But many workers from Samoa and Tonga have no choice but to wait. New Zealand Apples and Pears Chief Executive Allan Pollard reported the organisation was working with the New Zealand Government and island governments on getting workers home to their families as soon as possible whilst remaining safe and ensuring no transmission of Covid-19 occurs. Mr Pollard stated there were still about two-and-a-half thousand workers across New Zealand seeking flights home.

#### [Agribusiness report: Pandemic sees NZ trending upwards](#) [26 June, Tim McCreedy, The Country]

An NZTE-commissioned study into the Covid-19 pandemic has identified key trends and changes in the global agribusiness sector. These include health and safety becoming increasingly important as well as consumers expecting to increase their healthy eating after the pandemic. Consumers are seeking natural and organic products due to health perceptions, and consumers are increasingly looking to treat themselves despite tough economic conditions globally. Consumers are expecting to eat more high-quality fruit and vegetables than before Covid-19. New Zealand is seen as producing high-quality red meat products in Asia Pacific countries and in the UK.

#### [Covid-19 could reshape coffee market – Rabobank report](#) [29 June, Rabobank- Media Release]

Rabobank have released a report that suggests that the global coffee market has been completely changed by Covid-19. The pandemic has caused a major decline in out-of-home coffee consumption and it is expected that the longer-term economic impacts will also impact heavily on the industry. Global coffee demand is expected to drop by one million bags this year. Rabobank's Senior Beverage Analyst Jim Watson states that the recent changes in the coffee industry can be broken down into three stages which consist of stocking up, on-premise shutdowns, and the incoming recession. New habits formed at home around e-commerce

purchasing and whole bean coffee might reflect a new normal for coffee consumption post Covid-19.

#### [Food Is Best Vaccine Against Chaos, Insists UN World Food Programme Head](#) [30 June, UN News, Scoop Independent News]

The UN World Food Programme (WFP) has reported that tens of millions more people are likely to go hungry this year due to the Covid-19 pandemic. WFP announced plans to boost its global aid operation in order to help them. There has been an 82 percent increase in food insecurity since the Covid-19 pandemic begun. Latin American countries are experiencing the worst effects of the health experience, with the number of people requiring food assistance increasing three-fold. WFP reports that sustained funding is needed to provide people with the help they need, and Head David Beasley has stated that \$4.9 billion is needed over the next six months to help 83 countries.



## Food Marketing

### [Kiwi products tick credence boxes](#)

[29 June, Tony Benny, Farmers

Weekly] Research funded by Our Land and Water National Science Challenge and AgResearch has revealed that overseas customers are prepared to pay a 24 percent premium for dairy products which are carbon-neutral. Research shows that consumers either search for credence attributes from a food safety and health perspective or from a social responsibility stance. Other credence attributes were also tested, with customers willing to pay a 35.8 percent premium for organic products. The research found that when the extra costs have been taken into account, producing carbon-neutral dairy products can increase a farmer's profit by up to 15 percent.



## Agri-Tech

[Data-driven irrigation](#) [25 June, Dairy News] New web-based technology

Predictive Irrigation has been made available to farmers to help them manage their water resources and improve decision making around irrigation. It is a joint venture between Watermetrics and technology provider SWAN systems. The technology will integrate with existing farm sensors to provide information about future irrigation needs relevant to the unique characteristics of any given site. The technology is predictive and helps farmers to look ahead when making irrigation decisions, taking into account things such as the weather forecast and soil conditions. Watermetrics is adopting the new platform into their business and Agronomist Richard Campion states that this will enable their customers to maximise farm efficiency and profitability.

[‘100% traceable food is possible’: Blockchain-based platform developed for supply chain mapping, product traceability, and claim verification](#) [25 June, Flora Southey, Food Navigator] The Dutch not-for-profit Fairfood have recently launched their new Trace platform which uses blockchain technology to map supply chains, increase the traceability of products and verify claims. The platform aims to increase consumer awareness. The company have recently partnered with Verstegen Spices and Sauces to use blockchain to trace 50,000 units of nutmeg from Indonesia right through the supply chain to the supermarket shelves. Fairfood Director Sander de Jong reports that the platform represents an important step in moving the food system towards transparency, traceability and sustainability. The company aims to improve the socio-economic conditions of those who are vulnerable within the supply chain such as small farmers.

[Agribusiness Report: Software platform a bonus for farms](#) [26 June, Tim McCready, NZ Herald] Over 4,000 livestock and dairy farms in New

Zealand use FarmIQ’s farm management software platform. The platform aims to help farmers in assurance, compliance, sustainability, productivity and traceability by combining animal records and data with information about land, feed and people. FarmIQ’s software is now jointly owned by Pamu Farms NZ, Silver Fern Farms, Farmlands, Veterinary Enterprises, and recently received investment from MSD Animal Health. An increased demand for traceability is resulting from greater consumer awareness and demand. FarmIQ Chief Executive Daryn Pegram reports that the platform results in value being created for the entire supply chain and that it has considerable potential to be used in global markets. FarmIQ was used during the Covid-19 lockdown to help companies such as Synlait continue audits through using remote visibility.



## Fisheries

[Agribusiness Report: Sanford boss Volker Kuntzsch: Untapped](#)

[opportunities at sea](#) [26 June, Volker Kuntzsch, The Country] Volker Kuntzsch, Chief Executive of Sanford Seafood company reports that New Zealand’s ocean is full of opportunities environmentally and economically. New Zealand is 96 percent ocean and our country has the fourth largest exclusive economic zone in the world. Mr Kuntzsch has a goal of using the ocean to protect and provide for New Zealanders, through initiatives such as promoting aquaculture, allowing for improved water space allocation and easier access to funding as well as investment into infrastructure. Mr Kuntzsch suggests investment in processing facilities to produce face masks or manufacture nutraceuticals would be a great idea, or a national focus on seaweed. Mr Kuntzsch reports that the biggest challenge to face is climate change, and that the fishing and aquaculture industries need to adapt.



## Water

[Northland drought: New dam will boost drought resilience and high-value farming](#) [30 June, Denise Piper, Stuff NZ] Iwi Te Rarawa is building a dam to ensure better resilience in times of drought and to reduce pressure on the Aupōuri aquifer. Te Rarawa will use the water storage lake to convert its farmland from dairy to higher-value horticulture, which is expected to create an additional 35 jobs during peak season. In March, Te Rarawa and Ngāi Takoto sacrificed some water from their dairy farm to allow the water to be diverted to Kaitaia township, which was in danger of having no water. The water storage lake will be completed at the end of 2020 and will have a capacity of 350,000 cubic metres. The \$4.12 million project is funded with the help of a \$3m loan from the Provincial Growth Fund, with 40 jobs created with the build. Te Rarawa asset holding company Te Waka Pupuri Pūtea's Chairwoman June McCabe states that the iwi is trying to develop the local workforce as they currently are unable to fill all the jobs available.



## Red Meat

[African swine fever continues to benefit NZ red meat sector](#) [25 June, The Country] Rabobank's Animal Proteins Analyst Blake Holgate reports that the impact of African Swine Fever (ASF) is still resulting in benefits for New Zealand's red meat sector. Mr Holgate states that ASF is still the dominant issue in global animal protein markets despite the impacts of Covid-19, and tightened pork supply in 2020 is expected to result in continuing demand for alternative animal proteins. Mr Holgate states that China is still facing the spread of the disease which has already resulted in several hundred million pigs being lost so far. The report says pork production in Vietnam and in the Philippines is also forecast to decline due to ASF, while concerns over further spread of the disease in Europe remain high. Mr Holgate

reports that as a result, the Chinese market remains a major opportunity for New Zealand.

[Red meat sector releases election manifesto](#) [30 June, David Anderson, Rural News] The red meat sector is calling on all political parties to recognise its significant contribution to New Zealand's national and regional economies in the run up to this year's election. The sector has just released an independent study which shows that the meat processing and exporting sector collectively generates \$12 billion for New Zealand each year. The red meat sector also provides 92,000 jobs which makes up 5 percent of New Zealand's total workforce and is responsible for \$4.6 billion in household income. Beef + Lamb NZ's Sam McIvor states that throughout the period of adversity that Covid-19 has brought, the primary sector has shone through and it is important that this is recognised. Mr McIvor reports that improved rural connectivity and continued co-investment in initiatives and research aimed at value adding and lifting the productivity and profitability of the sector is crucial.



## Dairy

[Fonterra's new payment for sustainable milk](#) [23 June, Dairy News] Fonterra Cooperative Group will start making paying its farmers for being sustainable and creating high-quality milk. Up to 10c/kgMS of its farmgate milk price will be known as a 'cooperative difference payment' and will be paid to farmers that meet the cooperative's sustainability and value targets. Chief Executive Miles Hurrell states that they have always paid farmers based on the value that their milk provides and states that the drivers of value are changing, hence the shift. Mr Hurrell reported that it makes sense to financially reward farmers who are willing to go the extra mile and create high-quality sustainable milk.

[MyMilk recruits northern farms](#) [25 June, Hugh Stringleman, Farmers Weekly] Fonterra

Cooperative Group's MyMilk share ownership deferral has attracted more than 30 new supply farms across the North Island. Participants are able to supply milk to Fonterra for up to five seasons on annual renewals without share requirements if they meet the eligibility criteria which includes being a first-time dairy farm owner. It is the first time the scheme has been extended to the North Island with Business Unit Manager April Pike reporting that 120 South Island farms completed the 2020 season. MyMilk supply currently represents 2 percent of Fonterra's total milk supply and is capped at 5 percent.

[Peter McBride elected Fonterra chairman-elect](#) [26 June, Sudesh Kissun, Dairy News] Fonterra Cooperative Group's directors have chosen Former Zepsri Chairman Peter McBride as the new Chairman-elect to replace John Monaghan in November. Mr McBride reported that he is humbled to have been selected and is looking forward to leading the cooperative into its next phase and helping to create value for the farmer shareholders.

[Agribusiness Report: Newcomers working hard to improve the performance of dairying](#) [26 June, Graham Skellern, NZ Herald] Newcomers to the dairy industry are reporting that it has provided them with interesting opportunities as well as flexibility. Tim Wilson, Thomas Chatfield and Dayna Rowe are all farmers at Rowe Farms in the Bay of Plenty after switching from various careers. They all report that they have established new plans to carve out successful careers and livelihoods in the farming industry. Mr Chatfield has now been in the industry for seven years, and over the last three seasons has worked with his team to increase milk production from 350,000 milk solids per kg to 416,000 and are aiming to hit 420,000 milk solids per kg. The team operates a 60-unit rotary system and take two hours to milk 1000 cows twice a day, 300 days of the year. Mr Wilson and Miss Rowe are studying for Level 4 certificates in dairying through the Primary ITO and want to

become farm managers and contract milkers, and lease or own a property in the future.

[Fonterra's Canterbury hemp crop raises eyebrows](#) [29 June, Esther Taunton, Stuff NZ] Fonterra Cooperative Group's 10-hectare hemp crop at its Darfield farm near Christchurch has grown significantly and tripled profitability of the paddocks it is grown in. The farm is irrigated with wastewater from Fonterra's nearby factory and Farm Operations Manager Steve Veix reports that the harsh summer was great for hemp growing and that the crop is water-efficient as it has long tap roots. Mr Veix reports that the established crop proved easy to manage and required minimal fertiliser and no pesticide. Mr Veix stated that the biggest challenge for the crop is the country's perception of it as it still has an association with marijuana. Fonterra is looking to expand the crop.

[Synlait joins exclusive B Corp club](#) [29 June, Esther Taunton, Stuff NZ] Synlait has earned a B Corp certification which requires businesses to focus on creating good, rather than simply improving their bottom line. Chief Executive Leon Clement states that consumer expectations have developed, so the company has responded as a result and aims to create a healthier world by balancing people, the planet and profit. The Canterbury-based company joins about 3300 businesses worldwide to have achieved B Corp certification, 28 New Zealand companies now have the accreditation including Allbirds and Kathmandu. The assessment process took over a year, and Synlait's accreditation will be reviewed every three years.



## International

[Bayer to pay up to US\\$10.9 billion to settle Roundup case](#) [25 June, Esther Taunton, Stuff NZ] Bayer will pay up to US\$10 billion (approx. NZD\$16 billion) to cover 125,000 filed and unfiled claims in the US alleging the weed killer Roundup causes cancer. The active ingredient in Roundup, glyphosate

has been banned in a number of countries, with many other planning to introduce restrictions or bans. New Zealand has still approved the use of Roundup, and it is the largest selling glyphosate-based weed killer in the country. The company has since announced that it will continue to sell glyphosate-based weed sprays in Australia and fight litigation there against Roundup. Roundup is used extensively by farmers in various agricultural segments to kill weeds. It is also used by commercial gardeners and home gardeners.

[Agricultural shows share \\$36m prize to help with coronavirus costs](#) [25 June, Andrew Marshall, Farm Weekly Australia] The Australian Government is giving AU\$36 million (approx. NZ\$38.55 million) to agricultural show societies across the country to help them recover from the Covid-19 shutdown impacts. More than 580 shows are backed by 50,000 volunteers annually, contributing an approximated AU\$1 billion (approx. NZ\$1.07 billion) to the economy each year. Around 6 million, or a quarter of Australia's population attend the shows. Deputy Prime Minister Michael McCormack reported most agricultural shows expected to be cancelled for 2020 in the interest of public health and social distancing measures, however the Government values the importance of the shows which showcase local communities and industries. The funding will allow shows to claim for operational support, as well as unrecoverable costs from cancelled shows. Agricultural Societies Council of NSW President Tim Capp reports that the government's lifeline has provided surety to country shows already cancelled or those which would have to cancel by the end of the year. Financial assistance meant consideration and planning could begin for agricultural shows in 2021.

[Consultation Into The UK Dairy Supply Chain Launched](#) [25 June, Jack Grimshaw, Supply Chain] The UK Government has launched a consultation in the dairy industry, in a bid to end any unfair practices across the sector and to ensure farmers are treated fairly by regulations.

Evidence gathered shows that unfairness exists in the supply chain due to milk buyers having the ability to set and modify milk prices in a contract with little notification which creates uncertainty and unfair pricing for both farmers and businesses. A mandatory pricing mechanism within all contracts between dairy farmers and processors is one of the proposals included which would result in negotiations taking place transparently. Farming Minister Victoria Prentis reported that it is important farmers are paid well for their high-quality milk. Scottish Rural Economy Secretary, Fergus Ewing invited all dairy farmers, processors and representatives to take part in the consultation to ensure their voices were heard during the process. Mr Ewing reported that it is vital that opportunities are harnessed in order to address any potential imbalance that exists between buyers and producers.

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

AgResearch  
Agricultural Societies Council of NSW  
AgriSea  
Allbirds  
ASB  
ASB Mt Albert Grammar School (MAGS) Farm  
Bayer  
Beef + Lamb NZ  
BeeNZ  
Dairy Companies of NZ  
Decision Innovation Solutions  
Deosan  
Dunedin City Council  
EnviroStrat  
EnviroStrat  
Fairfood  
FarmIQ  
Farmlands  
Fonterra Cooperative Group  
Hawke's Bay Fruitgrowers' Association  
Iowa State University  
Kathmandu  
Lincoln University  
MSD Animal Health  
National Pork Board  
New World Thorndon  
New Zealand Agricultural Greenhouse Gas Research Centre  
New Zealand Apples and Pears  
NZ Pork  
NZTE  
Oakfield  
Oakland Innovation  
Our Land and Water National Science Challenge  
Pamu Farms NZ  
Primary ITO  
Rabobank  
Rowe Farms  
Sanford Seafood  
Shoots Microgreens  
Silver Fern Farms  
SWAN Systems  
Synlait

UN World Food Programme  
University of Missouri  
Verstegen Spices and Sauces  
Veterinary Enterprises  
Watermetrics  
Westpac  
Whittaker's  
WorkSafe  
Zespri

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## 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

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