



AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network



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08 July 2020 – This week's headlines



Agribusiness

[New ideas to be tested \[06 July, Samantha Tennent, Farmers Weekly\]](#)



Food Marketing

[The supermarkets that grow their own food \[07 July, Ian Dickson, CGTN\]](#)



Agri-Technology

[Iowa AgriTech Accelerator announces four startups for 2020 cohort \[01 July, Jakes Lobe, Clay and Milk\]](#)



Biosecurity

[Biosecurity remains top concern \[07 July, Sudesh Kissun, DairyNews\]](#)



Policy & Regulation

[Resource consent to convert productive farmland \[03 July, Rural News\]](#)

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Dealing with the risk contagion

It's been a year to *remember* and a year to *forget* at the same time. One day we will assess the experience of living through these extraordinary times and share insights with another generation of leaders but for now it has largely been one we want to get through or put behind us and forget.

Covid-19 pushed our industries and its respective leaders hard, some to the brink, illustrating risks beyond those we are used to dealing with and illustrating the contagion from one to another, even highlighting critical interdependencies between industries.

New Zealand's finance minister Grant Robertson unveiled an unprecedented \$50bn fund to establish a series of measures designed to support New Zealand businesses through the period with the purpose of increasing demand for our products in international markets with the hope it will keep or create jobs or be used to retrain talent to meet new needs.

It is reported as being the most significant financial commitment in modern history and left

\$18bn of that unallocated to deal with the uncertainty that Covid-19 brings. It feels right when the end or what we may need to deal with isn't clear and if luck is on our side it can be directed to growth as opposed to business continuity.

It helps immensely as leaders address challenges with the health and safety of their people, decrease in productivity and output due to new measures, or market side risk such as bottle necks in supply chains and geopolitical situations affecting access or demand even though New Zealand is not directly involved.

It also illustrates the complexity of risks which are exasperated when services or interconnected industries have their own challenges.

Let's look at two examples.

Logistics is facing regulatory changes, environmental challenges and overcapacity while dealing with a decrease in loading and port movements during lockdown. This is a concern as *New Zealand* equates to an est. 0.5% of the larger shipping lines total annual revenues and these shipping lines have had to reposition many

empties to coincide with our season at their expense which begs the question of what business decisions they will make and what that means for exporters.

Second observation is that industries are experiencing a contraction in credit insurance as insurers manage their own exposure, reducing or on occasion pulling insurance on long time trading partners. This isn't new, but what is interesting is that executives are facing difficult decisions as a result. Decisions that traditional or best practice approaches could see them deciding to dump highly perishable food on the basis that they do not have adequate credit insurance to export? The question then becomes do executives and their management teams make informed decisions based on decades of experience when other avenues are exhausted, and should Governors endorse such a move? It isn't a black and white situation. NZECO is assisting in this area, but is it enough?

It could turn out that the \$18bn may need to be split between growth for New Zealand and continuity of services in the future.

It is leading to a more *dynamic* approach to assessing and addressing risk.

By understanding clusters and the connectedness of risks in our business it moves us from a two-dimensional view of independent risks and the creation of a static risk register to a dynamic interconnected view of four dimensions of risk. The **likelihood** of something occurring, **impact** it will have, the **velocity** at which it will take hold and **connectivity** to other related risks illustrating a probable emitter that is likely to set off a contagion of risks within an organisation.

Andrew Watene

Associate Director - Food, Agribusiness and Export Lead
KPMG Auckland



Food Safety

[Diseases love climate change](#) [06 July, Samantha Tennent, Farmers

Weekly] Samantha Tennent reports that climate change could cause more food-borne outbreaks which have the ability to threaten our food chain and is therefore a threat to overall food safety. A range of complex systems are related to climate change that will affect food-borne diseases including the growth range and survival of pathogens and other micro-organisms in food. Extreme weather events, increases in air and water temperatures and changes in rain frequency and intensity also have an impact. Mrs Tennent reports that a global response is needed to overcome the incoming challenges posed by climate change.



Agribusiness Education

[Slow start to \\$3.5m course set-up to fill 1000 vacant dairy jobs](#) [30 June, Lawrence Gullery, Stuff NZ] A three-week training course set up by the Government to fill 1,000 vacant jobs in the dairy industry has attracted only 93 registrations. Agriculture minister Damien O'Connor states that he is confident more New Zealanders will enroll as the course rolls out over the coming months. The course begins with a one-week online training segment and then moves into practical training on-farm including farm safety exercises. Each training group will have up to 12 people in them and will be rolled out across the country. Mr O'Connor stated that he expects more people to turn to the dairy industry to provide them with a secure employment opportunity as the effects of Covid-19 come into play. The free farm training is part of Dairy NZ's GoDairy campaign, to encourage more Kiwis into dairy jobs and it is backed by the Ministry of Social Development, the Ministry of Primary Industries and supported by Federated Farmers. DairyNZ Chief Executive Tim Mackle reports that

the training will help the attendees to be ready to work on farm and that so far the demographic has been younger than expected, with most in their early 20's.

[Scholarship placements for agricultural emissions scientists doubles - O'Connor](#) [02 July, Fuseworks Media, Voxy.co.nz] Agriculture Minister Damien O'Connor reports that the 57 scholarships announced for early-career agricultural scientists from 20 developing countries is another example of New Zealand's international leadership in primary sector sustainability. Mr O'Connor stated that they received hundreds of applications for the fourth round of the CLIFF-GRADS programme and resulted in nearly twice the number of scholarships being awarded compared to the previous round. The scholarship recipients will be hosted at 34 internationally renowned research institutions in 23 host countries, for six months. Their research topics include rumen microbiology, rice production, soil emissions, and pasture management, among others. This round provides two placements at Massey University for recipients from Argentina and Cameroon.

[GirlBoss course offers young women introduction to primary sector](#) [02 July, Bonnie Flaws, Stuff NZ] GirlBoss New Zealand has partnered with the Ministry for Primary Industries to create a free online course to help close the gender gap in the primary sector. Data shows that women only make up around one third of the sector's workforce and GirlBoss Founder Alexia Hilbertidou reports that many young women do not consider careers in the sector. The industry where the gap is clearest is in forestry, with only 17 percent of workers being female. The course is running from the 11 to 20 of July and is open to women aged 15 to 18. There are 120 spaces in the programme, with applications closing 08 July.



Food Innovation

['Beerchos and dip': High protein tortilla-style chips upcycled from fermentation by-products](#) [03 July, Flora Southey, Food Navigator] Science Brew has developed sustainable tortilla-style chips coined Beerchos and a malt spread, made from the by-products of brewing. Brewers' spent grain is the main by-product of the beer brewing industry, however, is nutrient rich and contains protein, sugars and antioxidants which is piquing the interest of researchers. According to Science Brew, beerchos contain up to 50 percent more protein than similar crackers and also contain around 10 percent more amino acids, with a higher fibre content and lower calories. Science Brew aims to scale up production and market the products themselves.



Agribusiness

[Primary sector groups cost \\$1.4m](#) [02 July, Farmers Weekly] Agriculture Minister Damien O'Connor has confirmed that both the reports from the Wool Industry Working Group and Primary Sector Council will be released in the near future. The two reports have already cost taxpayers over \$1.4 million. Mr O'Connor stated that they are ensuring that the reports are still relevant in a post Covid-19 world. The Primary Sector Council is made up of 15 agribusiness leaders who have developed a vision to help the agriculture, food and fibre sectors to navigate the unprecedented levels of change they are currently facing. On the other hand, the Wool Industry Working Group is made up of 20 people and aims to find a plan to revitalise the wool industry.

[Banks lending but getting picky](#) [03 July, Neal Wallace, Farmers Weekly] Scott Wishart, Managing Director for NZAB reports that whilst some banks are making a move for a greater share of the rural lending market, the overall trend is for banks to reduce lending to the

sector. Mr Wishart states that whilst extra rural clients are being taken on as individual banks are repositioning themselves rather than making an effort to lend more money to farmers. Total farm debt in New Zealand is at \$62.8 billion, with net debt falling around \$1 billion in the past year. Rabobank Chief Executive Todd Charteris reported that in the year to 31 March the bank grew its portfolio by \$523 million, securing a 17 percent share of the rural lending market and making it the third largest agricultural lender. Mr Charteris is optimistic about long-term prospects for the sector.

[New ideas to be tested](#) [06 July, Samantha Tennent, Farmers Weekly] Our Land and Water National Science Challenge have issued a new fund to support projects benefitting farming communities. The fund will allow rural professionals and scientists to team up with farms to test new innovations in the hopes of improving New Zealand's farming systems and will invest up to \$50,000 in projects to rapidly test them within six months. All outcomes and lessons will be shared with the wider farming communities, no matter the outcome of the projects. Our Land and Water Chief Scientist Rich McDowell reports that kiwi farmers are resourceful and that the team is excited to see what they come up with. Project teams will include an institute member, a farmer and a researcher from one of Our Land and Water's partner organisations. Applications close on 17 July.

PGG Wrightson's South Island Wool Manager Dave Burrridge states that overseas mills currently have low demand which is impacting on prices in New Zealand. Mr Burrridge reports that other countries are facing the same issues as New Zealand, however states that it is made worse in New Zealand as the industry is fragmented and has no governing body representing wool growers as well as no funding available to help promote the product. Mackenzie District Sheep and Beef Farmer Greg Anderson, stated that the current wool prices are frustrating, and he agreed that better marketing would play a key part in helping to improve returns.

[Petition calls on Government to use more wool](#) [02 July, Sally Rae, The Country] South Otago Sheep and Beef Farmer Amy Blaikie has launched a petition which calls on the House of Representatives ensure all publicly funded buildings and KiwiBuild homes are built or refurbished with New Zealand wool carpet and insulation. There has already been over 4,400 signatures, accompanied with various messages of support from a range of sectors. Mrs Blaikie reports that New Zealand wool is natural, environmentally friendly, biodegradable and sustainable. It also is fire resistant, absorbs toxins and improves indoor air quality. The petition will run until 31 July. Mrs Blaikie stated that her petition is not the sole answer to fix the wool industry, however reported that innovation and investment is needed to make it happen.



Wool

[Rock bottom crossbred wool prices pose dilemma for farmers](#) [01 July,

Maja Burry, Stuff NZ] Crossbred wool prices have reached a new record low after Covid-19, with some farmers receiving less than a dollar a kilogram for their wool. Federated Farmers Meat and Wool Chair Miles Anderson reports that the sector's issues have been exacerbated by Covid-19 and that at current returns, farmers are not receiving enough to cover the costs of shearing.



Farmers & Producers

[Primary sector confidence re-emerges — bank survey](#) [03 July,

David Anderson, Rural News] The Bank of New Zealand has released a new survey which shows that there has been a resurgence in primary sector confidence in the wake of Covid-19. BNZ's General Manager of Agribusiness Dave Handley reports that the survey found that primary producers are being encouraged by the importance of their role in rebuilding the

country's economy after the pandemic, with the number of primary producers seeing the sector as playing a pivotal role in the rebuild increased from 58 to 89 percent. The survey also found that less than 30 percent of primary producers had accessed government support during or after lockdown. Mr Handley states that New Zealand's reputation for safe, sustainable, high-quality food will offer further opportunities for the sector.



Horticulture

[100 tonnes of Zespri kiwifruit donated to local communities](#) [07

July, Bay of Plenty Times] 100 tonnes of Zespri kiwifruit is being donated to food rescue organisations around New Zealand this kiwifruit season. Zespri's Chief Executive Dan Mathieson reports that despite the challenges presented by Covid-19, the industry was able to successfully pick and pack the 2020 season crop in record time and stated that he appreciated the support it had received in order to continue to operate. 32 of the company's 48 planned charter vessels have already been shipped to export markets. Zespri has extended their support to KidsCan this year, providing financial support and donating one tonne of kiwifruit, which has been distributed to partner schools of the charity. Zespri is also supporting a number of additional Bay of Plenty organisations such as EmpowermentNZ, Love Soup BOP and The Search Party Charitable Trust.



Biosecurity

[Biosecurity remains top concern](#) [07 July, Sudesh Kissun, DairyNews] The

2020 KPMG Agribusiness Agenda ranked biosecurity as the major issue of concern amongst agribusiness leaders from around the country. Other issues that ranked highly included securing high quality trade deals, provenance brands and good quality rural broadband. The priority score for biosecurity increased 1.9

percent from last year's agenda to 9.26/10. KPMG's Global Head of Agribusiness Ian Proudfoot reports that Covid-19 will continue to impact the economy as well as the lives of citizens and that it has highlighted how exposed New Zealand is to an incursion. Biosecurity controls are more important than ever in the wake of Covid-19, particularly towards threats such as the marmorated stink bug. The report suggests that biosecurity policy should have progressed on a cross-party consensus rather than occurring in the political arena. Mr Proudfoot reports that problems faced by the Australian red meat and barley sectors in relation to market access into China highlights how quickly political differences can become trade issues with massive financial consequences in the tense environment we currently live in.



Trade & Exports

[Exports outlook gets brighter](#) [06 July, Annette Scott, Farmers

Weekly] A Foreign Affairs and Trade Ministry global markets report has stated that the global economic and trade fallout from the impacts of Covid-19 look less dire than first predicted for this year. The pandemic has put intense pressure on global supply chains and is disrupting trade flows, however whilst trade volumes dropped sharply in the first six months of 2020, they are unlikely to reach the worst-case scenario of a 32 percent contraction that was projected in April. The World Economic Outlook predicts that the global economy will shrink 4.9 percent in 2020, which is 1.9 percent less than the 6.8 percent predicted in April. New Zealand is remaining actively engaged in advocating for trade flows being maintained and upholding the rules-based trading system. NZ Trade and Enterprise has launched an interactive digital portal of insights and tools for all NZ exporters including access to comprehensive market guides, learning modules, research, export articles and information on regulations and compliance. Former NZ Special Agricultural Trade Envoy Mike Petersen described the report

as containing rich content and showing a snapshot of the global trade scene.



Animal Welfare

[Deaths prompt nitrate warning](#) [03 July, Gerald Piddock, Farmers

Weekly] Nitrate poisoning on a number of farms across the North Island have prompted calls for farms to test their pasture before allowing stock to graze on it. High levels of nitrate in feed can cause the poisoning and it usually happens in autumn or winter, in rapid growth after a dry period. Federated Farmers Dairy Vice-Chairman Ben Moore reported that they are struggling with nitrate poisoning as dairy farmers look to recover from the drought and put condition on their cows before the calving system. Poisoning can result in the death or unexplained abortions in cows, due to a limited supply of oxygen to the cow. DairyNZ Waikato Regional Team Leader Wilma Foster reports that if farmers have any concerns, they should contact their local vets for advice and to keep testing.



Policy & Regulation

[Resource consent to convert productive farmland](#) [03 July, Rural

News] Labour has stated that if it is elected next term, it will require resource consent for any conversion of highly productive land into forestry. Labour Party Forestry Spokesperson Stuart Nash reported that they will put priority on food producing soil over planting trees. Labour Party Rural Communities Spokesperson Kieran McNulty stated that currently 90 percent of forestry planting for ETS purpose happens on less productive soils in classes 6-8, and they aim to ensure all planting happens away from the valuable soils in classes 1-5. New Zealand has approximately 12.1 million hectares in farmland and 1.7m in forestry.

[Two-year freeze on ACC](#) [07 July, Farmers Weekly] The Government has announced that

Accident Compensation Corporation levy rates will be frozen for the next two years to help ease the financial pressures cause by Covid-19. Levies will remain the same until 31 March 2022 for work and earner's levies and the 30 June 2022 for motor vehicle levies. On top of this, invoices usually sent in early July will instead be issued in October, and other invoices issued this year will be placed on hold for three months. The Government will pay more into the scheme's non-earners' account, which covers injury costs for people who don't earn or pay levies, such as children, students and retirees.



Poultry

[Chicken virus in NZ blocking exports to Australia until 2021](#) [03 July, 1

News] Last year, the infectious Bursal Disease Virus Type One was detected on two Otago eggs farms. As a result of it being detected in New Zealand, Australia is blocking exports until the country declared completely clear, resulting in around \$60 million in lost trade annually, and expected to last another year. Michael Brooks from the Egg Producers Federation and the Poultry Industry Association reports that recent testing across the country has not detected the virus elsewhere and that the two farms are facing strict biosecurity measures and will slaughter the effected chickens at the end of their laying cycle. The disease can affect the immune system of young chickens, however does not pose any risk to human health. There had been debate in the industry about whether the infected chickens should be slaughtered now, to allow exports to resume sooner, but he said because the chickens were not sick, the decision had been made to allow them to complete their laying cycle. New Zealand has about 140 meat chicken farmers and 170 commercial egg farmers.



Fisheries

[Fishing companies declare conditional support for cameras on boats](#)

[05 June, 1 News] Three of New Zealand's biggest seafood companies, Moana, Sanford and Sealord have declared their support for cameras on fishing boats as it would increase transparency. The three companies account for 40 percent for New Zealand's fishing quota. Sanford Chief Executive Volker Kuntzsch said his company would be willing to pay for them if the Ministry for Primary Industries (MPI) was willing to cover the cost of analysing the footage. Moana Chief Executive Steve Tarrant stated that the cost would be too great for the small owner-operators that supplied his company and therefore the costs should be met by the government. Mr Tarrant also raised other issues he believes needed to be addressed including the privacy of crew who also lived on boats and the need to ensure footage was only seen by fisheries officers and not the general public.



Arable

[Growers back seed levy renewal](#) [01 July, Annette Scott, Farmers

Weekly] The seed levy order has been backed by 91 percent of growers and approved by cabinet. The order will run for six years, ensuring the availability of non-proprietary and uncertified herbage seeds for growers. Federated Farmers Herbage Seedgrowers Chairman Hugh Wigley reports that the levy will safeguard supply and helps to provide options for farmers. Levies are collected from the Commons including Nui, Moata, Manawa, Tama, Ruanui, Huia and Pawera, as well as uncertified ryegrass and red and white clover. The levy is collected on behalf of Federated Farmers by all seed testing stations on the first purity and germination test. The maximum levy rate is 5 percent, although it usually sits around 1.5 to 2 percent.



Pork

[Flu virus with 'pandemic potential' found in China](#)

[30 June, Michelle Roberts, BBC News] Scientists in China have discovered a new strain of flu carried by pigs, with the potential of becoming another pandemic as it can infect humans. The scientists report that whilst it is not an immediate problem, they are concerned that it might mutate further so it can spread between people therefore controls should be put in place immediately and swine industry workers need to be closely monitored. The new flu strain that has been called G4 EA H1N1 is similar to 2009 swine flu, but with some new changes. Current flu vaccines will not protect against it, although they could be adapted to do so if needed.



Viticulture

[Research institute could boost economy by \\$8 million, report suggests](#)

[05 July, Maia Hart, Stuff NZ] A new report commissioned by the Bragato Research Institute estimates that it will contribute around \$8 million to New Zealand's economy annually, including the economic benefits of creating 30 new jobs. The New Zealand Institute of Economic Research (NZIER) investigated the economic impact that research and development will have in the wine sector. The NZIER report suggested that the new institute will allow research to occur at a scale and degree of experimental control not possible before in New Zealand. Bragato Research Institute Chief Executive MJ Loza stated that the report will be used to measure the impact of future projects. Mr Loza reported that although Covid-19 disrupted some of the institute's commercial trials, it also presented them with new opportunities including new funding to research the ability of grape marc to be turned into alcohol for hand sanitizer and creating a small off-season vintage with juice and grape marc.



Farming Systems

[Regen agriculture spreads north](#) [01 July, Hugh Stringleman, Farmers

Weekly] Regenerative agriculture seminars held last week in Northland attracted capacity audiences. Speakers included Peter Barrett of Linnburn Station and Natural Performance Consultant Jono Frew. Co-Sponsor Avoca Lime's Bryce Manderson stated that the four seminars held had around 100 people attend for each including Beef and Dairy Farmers, Horticulturalists and Lifestyle Block Owners. Mr Barrett and Mr Frew ran through the basic principles of regenerative agriculture and warned against monocultures, over-worked and exposed soils, compaction and reliance on chemical fertilisers, fungicides and pesticides. Mr Frew reports that it is important to constantly refine processes and be prepared to change in order to get the best results.



Food Marketing

[Rainforest Alliance unveils new certification standard: 'We need](#)

[new approaches that move beyond a simple pass-fail system'](#) [01 July, Flora Southey, Food Navigator] Rainforest Alliance will begin rolling out the 2020 Sustainable Agriculture Standard globally in September. The not-for-profit is expecting at least two million farmers around the world to use the standard, with all of its audits being undertaken against the standard from July 2021. The NGO believes that adhering to the standard, stakeholders will change the way commodities such as cocoa, coffee, tea and bananas are produced, sourced and consumed. The new certification programme will use new tools which help farmers and companies to set sustainability targets and help focus their investments. The certification will not limit sustainable sourcing to agricultural practice on-farm but instead look across the supply chain for high-risk companies who will then need to implement improved practices. Smallholder

farmers are able to team up with a group of producers to achieve the certification standards.

[Spoon Guru on the evolution of e-commerce: 'People don't search brands anymore, attributes are king'](#) [06 July, Katy Askew, Food Navigator] London software developer Spoon Guru is using AI powered software to help make purchases easier and transform food discovery. Co-Founder Markus Stripf reports that the way people shop online is shifting dramatically post Covid-19. Spoon Guru works with retailers to help boost the performance of their search functions, and has customers such as Tesco, Albert Heijn and Australia's Woolworths. Mr Stripf reports that consumers now seek out attributes of food rather than brands and therefore it is important for manufacturers to understand consumer trends. The company uses consumer data to inform its product development process. Mr Stripf reported that current key trends include an interest in immunity and a long-term trend towards healthy eating. Nielson data shows that 64 percent of the population are on some form of exclusionary diet. Shoppers are increasingly seeking personalized experiences and Mr Stripf reports that he can see a future where shoppers are able to specify products based on a wide array of factors such as ingredients, environmental footprint and provenance.

[The supermarkets that grow their own food](#) [07 July, Ian Dickson, CGTN] German company Infarm offers supermarkets a modular growing chamber so that they are able to grow their own plants to sell, allowing consumers to have produce as fresh as it can get without growing their own. The chambers which stack plants in rows to ceiling height have so far saved 2.4 million kilometres of transport, 27 million litres of water and 38,000 square kilometres of land. Infarm's Global Communications Director Emmanuel Evita reports that their farms have been designed to be placed in any urban space with the plants continually monitored by the system to receive only the optimum level of light. Infarm's plants can be found in Germany's ALDI SUD supermarkets in certain cities. Paul

Gauthier, Professor of Plant Science at Delaware Valley University states that vertical farms may become the future of food.



Agri-Tech

[Iowa AgriTech Accelerator announces four startups for 2020 cohort](#) [01 July, Jakes Lobe, Clay and Milk] Four agriculture technology start-ups have been selected by the Iowa Agri-Tech Accelerator to make up the programme's class of 2020. The programme will start on 08 July and finish on 16 October, providing each participant with US\$40,000 (approx. NZ\$61,200) in seed funding, as well as mentoring, field trips and networking opportunities. The four start-ups chosen include nitrate sensor technology company N-Sense, remote sensing technology company Digital Spring, SenseGrass and Curiosity Labs.



Water

[Rural water hijacked](#) [03 July, Gerald Piddock, Farmers Weekly] Farmers are worried Environment Minister David Parker's decision to fast track Watercare's consent to take Waikato River water for Aucklanders will come at the expense of their allocations. Waikato Federated Farmers President Jacqui Hahn states that there is concern that farmers who were ahead of Watercare in the queue for consent applications may now miss out because of the decision. Watercare lodged its application in 2013, asking for an extra 200 million litres of water a day Federated Farmers will meet the Waikato council later this month to air its concerns. Horticulture New Zealand Chief Executive Mike Chapman stated that Watercare's request will be decided by a board of inquiry because the size of the consent means other water users will need to give up some of their allocations and questions why those in the Waikato region should have to give up water to solve Auckland's water crisis.

[Northland drought: Avocado orchardists, locals at loggerheads over water rights](#) [04 July, Denise Piper, Stuff NZ] Avocado orchardists in Northland are stating that jobs are being lost due to the delay in processing water resource consents, whilst locals report that water rights will not be handed over in a hurry and that the issue needs careful consideration in the drought sensitive area. Twenty-four orchardists and landowners applied to take 6.2 million cubic metres of water from the Aupōuri aquifer each year, lodging the applications between February 2018 and August 2019. Whilst a commissioner hearing was expected at the beginning of the year, this has been pushed back to the 31 August. Inaccuracies found in the bore's historical data meant that there was less water in the aquifer than previously estimated, requiring new surveying, as well as investigation into possible environmental effects. General Manager of avocado orchard Mapua, Ian Broadhurst reports that the delays are costing jobs and investors, and that two years is far too long to be waiting on a consent.



Red Meat

[Meat joint venture is sizzling](#) [02 July, Annette Scott, Farmers Weekly] Silver Fern Farms have partnered with Gourmet Direct to launch an e-commerce platform which offers the full retail range of its premium red meats. The platform has been online since May and key trends show that new Zealanders want to continue to work from home with the convenience of products delivered to their doors. Silver Fern Farm's Marketing Manager Nicola Johnston reports that Covid-19's lockdown presented a perfect opportunity to put an e-commerce strategy in action and mentioned that Gourmet Direct was a natural partner to bring this to life. Gourmet Direct is a Napier business specialising in sending premium meat products around the country via its e-commerce platform. Mrs Johnston stated that consumers are seeking multiple options and are willing to take more risk and try the experience

out. Covid-19 has resulted in the number of consumers shopping online increasing from 13 percent to 23 percent. Owner of Gourmet Direct reported that sales lifted 500 percent during lockdown, and since then have been up 100 percent on the sales during the corresponding time last year.

[Meat processor fined \\$290,000 for severe hand injury](#) [06 July, Rural News] Fresh Meats NZ Limited has been ordered to pay \$293,000 in fines and reparation after a worker's hand was caught in unguarded machinery and may never regain the full use of her hand. The slaughter and processing company processes over 250,000 lambs a year. Co-workers took 10 minutes to help remove the victim's hand from the machinery. Acting Chief Inspector for WorkSafe Danielle Henry reported that their investigation found that it was common practice for staff to clean the machinery while it was moving, and stated that whilst having a health and safety plan is important, it must be implemented in order for it to work.



Dairy

[Canadian firm buys a quarter stake in Fonterra's biggest supplier, Dairy Holdings](#) [01 July, Bonnie Flaws, Stuff NZ] New Zealand's biggest corporate dairy farmer Dairy Holdings has sold a 25 percent stake to Canadian pension fund Sooke Investments for an undisclosed sum. Dairy Holdings is Fonterra Cooperative Group's largest shareholder, and has 59 dairy farms in the South Island, with 50,000 milking cows. Prior to the deal, Dairy Holdings was wholly New Zealand owned.

[PULSE: Low bobby calf returns have wide implications](#) [03 July, Nicola Dennis, Farmers Weekly] Export markets are still being affected by Covid-19 which is causing concern around the prices of bobby calves this season. Bobby calves usually serve two purposes, the first being products such as skins, serum and rennet, as well as restaurant cuts and manufacturing beef

for use in items such as baby and pet foods. The second purpose of the kill season is used to keep sheep processing plants busy. Processors are signaling that this season's prices will be lower than last year which may mean dairy farmers are incentivized to euthanise the calves on-farm rather than rearing them to four days. A significantly lower bobby calf rate kill could leave a lot of empty processing hooks in the sheep processing plants which mean the winter lamb price is pushed up.

[Waikato farmers earn top titles at NZ Dairy Industry Awards](#) [05 July, Lawrence Gullery, Stuff NZ] 21-year-old Waikato Dairy Farmer Grace Gibberd has been named the New Zealand Dairy Trainee of the Year at this year's Dairy Industry Awards, beating nine other finalists from around the country. Miss Gibberd was surprised to win and reported that since the competition was run online this year, she has not had a chance to meet the other entrants. Judges stated that Miss Gibberd has a passion for animals and people and reported that they expect her to be a great ambassador for the industry in the years to come. Miss Gibberd joined DairyNZ in 2018 after studying agriculture at university. She said communication skills and practical experience had been the two major learning points during her time at DairyNZ. Waikato entrants claimed two other top-three placings, including the Share Farmer of the Year and Farm Manager categories. Sharemilkers Aidan and Sarah Stevenson were runners up for Share Farmer of the Year and Daisy Higgs placed third in the Farm Manager category.

['Disconcerting discovery': Study shows plant-based milk lacking in calcium, protein, vitamins](#) [06 July, Tingmin Koe, Food Navigator] A study in Australia on 115 plant-based milks showed that the category is lacking in several micronutrients such as Vitamin A, B12, calcium and protein when compared against cow's milk. The researchers reported that the findings were disconcerting as consumers often perceive plant-based milk as mineral-rich. Further modelling found that cow's milk offered at least

50 percent of the daily recommended intake of protein, calcium and zinc to adolescents and older women. Both groups are seen as having special physiological demands such as bone health.



International

[World food price index rises in June, first increase in 2020: U.N.](#) [02 July,

Reuters] The world food price index increased in June for the first time in 2020, with the United Nations food agency reporting that this marks a slight rebound after the sharp falls in prices caused by the Covid-19 pandemic. The Food and Agriculture Organization (FAO) food price index, which measures monthly changes for a basket of cereals, oilseeds, dairy products, meat and sugar, averaged 93.2 points last month, up 2.4 percent on May. Market uncertainty resulted in most prices in the cereals and meat indices remaining under downward pressure both dropping by 0.6 percent, whilst the prices of vegetable oils, sugar and dairy products rebounded. The vegetable oil price index jumped 11.3 percent, reversing four consecutive months of falls. The sugar index rose 10.6 percent and the dairy index increased by 4 percent but prices for dairy components remain below the level they were sitting at before Covid-19.

Organisations referenced in this week's Field Notes include

Watercare
WorkSafe
Zespri

ALDI SUD
Avoca Lime
Bank of New Zealand
Bragato Research Institute
Dairy Holdings
DairyNZ
Delaware Valley University
Egg Producers Federation
EmpowermentNZ
Federated Farmers
Fonterra Cooperative Group
Food and Agriculture Organization
Fresh Meats NZ Limited
GirlBoss New Zealand
Gourmet Direct
Horticulture New Zealand
Infarm
Iowa AgriTech Accelerator
KidsCan
Love Soup BOP
Mapua Orchard
Massey University
Ministry for Primary Industries
Moana
Natural Performance
New Zealand Institute of Economic Research
Nielson
NZ Trade and Enterprise
NZAB
Our Land and Water National Science Challenge
PGG Wrightson
Poultry Industry Association
Rabobank
Rainforest Alliance
Sanford
Science Brew
Sealord
Silver Fern Farms
Sooke Investments
Spoon Guru
The Search Party Charitable Trust
United Nations

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