



AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network



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30 April 2020 – This week's headlines



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BLOG OF THE WEEK

Looking to the Future

Never miss a good crisis is a phrase I've heard recently amongst the optimistic looking forward in this environment. I write this as the lockdown level 4 comes to an end and we start to reignite our dormant economy but within our farming gates the last five weeks for many farmers has been business as usual apart from managing labour and processing frustrations the physical farming business has continued unabated by the disruption of the Covid-19.

Our food business is in good stead, prices received at farm gate have generally been good and profitability for farmers has been sound across most industries allowing for investment and debt repayment. For example, dairy farmers have paid back \$1.60 billion of debt in the last six months to their banks, which is an extraordinary number and shows that farmers have taken notice of their own bankers and the reserve Bank regarding reducing rural debt.

If anyone doubted five weeks ago, they now know that farmers are an extremely important to the fabric of our post Covid-19 recovery. Food especially safe food is going to be important internationally to countries around the world. "Safe food" isn't just about the food, it is about

how it's been produced and the guarantee of supply.

However, while our NZ farmers produce high quality, reliable food are we going to continue to receive current prices or due to the break down in logistics within countries and consumer spending habits will we see a down turn in our commodity prices. While countries need our food will they continue to pay for it?

While inside the farm gates the disruption has been low, we need to keep a watchful eye on the horizon so farming business retain the gains that have been made in recent years in improving profits and improving businesses. As we start to move towards the end of the financial year on most farming business and the look ahead to next year budget's I would suggest farmers to "stress test" those budgets and ensure that their farming business has good liquidity for the season ahead. This isn't about cost cutting expenditure but ensuring money is spent is driving margin and profit. I believe that you gain experience from learning events (i.e. mistakes!), and in the GFC some of the worst mistakes came from cutting expenditure that reduced the businesses ability to make profit, because we thought the production model would hold up on less input.

Understanding what drives the budget and the operation leavers that you have within the

system to increase profit, defer or remove expenditure to ensure the productivity of the business is running at its optimum is what makes a business move through tough commodity cycles if they eventuate. In summary my message to farmer clients is plan well, be optimistic but be business ready to adapt to challenges both financially and operationally and protect your access to bank capital by managing risk.

I'm looking forward to watching our primary sector lead this post Covid-19 recovery. As a client said to me last week "these times will pass". This view to the future is institutionally ingrained in farmers and their families through dealing with the physical environment they work in, we could stop and learn a little from our farmers when dealing with a crisis it just might help us recover a whole lot faster.

Brent Love

Partner, Enterprise
KPMG Timaru



Food Safety

[Pesticide usage in NZ well below compliance safety guidance –](#)

[Agcarm](#) [22 April, Agcarm, Voxy.co.nz] Results from the Food Residues Survey Programme run by the Ministry for Primary Industries shows that pesticide residues on food are well below recommended safety levels. The survey ran across two years with 591 fruit and vegetable samples and has compliance of 99.9 percent. Agcarm Chief Executive Mark Ross states that the results are not surprising as the company works hard to meet the requirements set by regulators. Mr Ross states that the results show that all plant-based foods in New Zealand are safe to eat. The few samples that exceeded the maximum residue levels were mostly put down to growers not understanding what was required of them and Agcarm encourages growers to work with their agrichemical suppliers to ensure they are performing the correct practices.

[‘Misleading advice’: Poisoning risk of disinfecting fresh produce to prevent COVID-19 – industry expert](#) [27 April, Pearly Neo, Food Navigator]

Fresh produce experts in Australasia have reported that directly disinfecting fruits and vegetables is a food safety hazard and could be dangerous to individuals. This is after American Physician Dr Jeffrey VanWingen produced a viral video which advised the public to pre-soak fresh fruits and vegetables in soapy water and then washing the produce again with soap for an additional 20 seconds to kill Covid-19 bacteria. Produce Marketing Association Australia-New Zealand Head of Food Safety Deon Mahoney reports that this method of cleaning is not advised, and that a rinse with cold water is best instead, especially as most vegetables are peeled and cooked before being consumed. Dr VanWingen has since taken back his advice and reported that fruit and vegetables should be rinsed with only water. Mr Mahoney reported that the best way to reduce infection risk of Covid-19 is to practice social distancing and

wash hands especially when going to the supermarket.

[Meat eaters have better mental health than vegans and vegetarians, study claims](#) [28 April, Oliver Morrison, Food Navigator] Researchers in the US have conducted a review of 18 separate studies which represent over 160,000 participants, looking at the relation between the consumption or avoidance of meat and psychological health. The researchers have reported that it appears meat eaters have better mental health, with those avoiding meat being subject to significantly higher rates of risk for depression, anxiety and/or self-harm behaviours. The authors stated that findings imply mental health should be considered when comparing different dietary options and recommendations.



Agribusiness Education

[Scholarships to help boost workers](#) [29 April, Farmers Weekly] The Tractor and Farm Machinery Association have awarded two scholarships to help fund tractor and machinery trainees to get their certificate or diploma. The Association's General Manager Ron Gall reports that the scholarships have come at a time when the primary industry is in dire need of more workers and hopes that they will inspire citizens to get their qualification. Agriculture Minister Damien O'Connor reported last year that it is estimated our primary sector will need 50,000 more workers by 2025. The recipients were Norwood Manawatu's Parts and Automotive Apprentice Alice Stanbra and Regan Bailey who is in his third year of an Agricultural Diesel Apprenticeship with Tulloch Farm Machines.



Apiculture

[Taupō honey exports carry on during lockdown](#) [28 April, New

Zealand Herald] Zealandia Honey reacted fast to news about the Covid-19 alert level four lockdown, ensuring that their production line stayed on track in order to meet large orders for their international clients. The company have stated that their flexible business structure helped them to adapt quickly, as many of their team were already working remotely prior to lockdown, allowing for an easy transition to have meetings over the phone or on video conference. The company do not have their own beehives, factories or storage facilities, and simply make use of extra capacity throughout the supply chain. Head of Marketing and Sales Sri Govindaraju reports that they have experienced an increase in enquiries in the last month due to the known health properties of New Zealand honey. Mr Govindaraju advised other businesses to remain open-minded during the current challenging times and be prepared to change one's business processes.



Pork

[Pork producers look offshore](#) [29 April, Farmers Weekly] The pork

industry has a build-up of local product and is looking to export some of it to Singapore. This has come about due to Covid-19 restrictions on butcheries at alert levels four and three of lockdown. NZ Pork Chief Executive David Baines reports that the sector supports the Governments steps to prevent the spread of Covid-19 and are working with the Ministry for Primary Industries to ease a potential animal welfare crisis due to a surplus of pigs on farms. NZ Pork is advocating on several initiatives to help the sector.



Agribusiness

[Survey of rural decision makers 2019 results out now - Manaaki](#)

[Whenua](#) [22 April, Manaaki Whenua, Voxy.co.nz] Manaaki Whenua have released the results of their fourth biennial Survey of Rural Decision Makers which asked farmers, growers and foresters a series of questions about issues being faced in the primary sector. The 2019 survey shows that since 2017, there has been a greater adoption of land management practices such as managing effluent storage and restricting stock from waterways. 3,700 people responded to the survey, and all sectors state that biosecurity will have increasing importance over the next five years. Majority of respondents believe that New Zealand is already being affected by climate change. The survey data will help inform policy makers, industry groups and farm and forestry businesses understand current practices and create future plans.

[Meet the Outstanding NZ Food Producer Awards Champions](#) [23 April, NZ Business] The Outstanding NZ Food Producer Awards have announced its 2020 Champions. The Bostock Brothers received two gold medals for their chicken thighs and breasts and also took out Supreme Champion for their organic chicken. Ngāti Porou took out the Seafood NZ Water Champion for their kahawai smoked with mānuka honey. Pure NZ Ice Cream won Emerson's Dairy Champion with their boysenberry ice cream and Fix and Fogg won Farro Earth Champion. Lauraine Jacobs, Food and Wine Writer oversaw the judging of the awards and stated that it was exciting to see an increase in entries which displayed innovation and attention to detail in production.

[Coronavirus: Instagram helps struggling businesses take food orders through its app](#) [23 April, Tania Snuggs, Sky News] Instagram users in North America as well as in the UK are now able to order meals through the app. A special function has been created in order to help

support local businesses during the Covid-19 lockdown. Despite bars and restaurants being closed, food is able to be delivered to consumers. Businesses are able to add an action button to their page that allows customers to purchase through the website. Instagram is rolling out the function globally.

[New Zealand's Most Trusted Brands Revealed](#) [27 April, Reader's Digest, Scoop Independent News] Whittaker's have been voted New Zealand's Most Trusted of all Brands in the annual Reader's Digest survey for the ninth year in a row and also took out the confectionary category. The survey is run by Catalyst Research and 1,601 citizens were asked to rate brands in each category for trust. Other brands recognised include Ryman Healthcare for Aged Care and Retirement Villages, Kiwibank in the Bank category, Weber for the BBQ category and Vogels for the bread category.

[Dole New Zealand Supports Local Charities Amid Covid-19 Pandemic](#) [28 April, Dole New Zealand- Press Release, Scoop Independent News] Dole New Zealand has donated products to separate charity organisations in New Zealand to help support citizen's affected by Covid-19. 7,800 products were provided to KidsCan Love Soup and Foodbank Canterbury. Non-profit organisations have seen a large increase of New Zealanders needing support during the Covid-19 lockdown and Dole New Zealand General Manager Steve Barton stated that it is important for New Zealanders to rally together to support those in need during this time. Dole is also doing work internationally, by highlighting people working at the front line.



Horticulture

[Horowhenua farm named region's best in sustainability showcase](#) [23

April, Sam Kilmister, Stuff NZ] Woodhaven Gardens have won the Supreme Award at the Horizons Ballance farm environment awards for their efforts in reducing their environmental

footprint. The family business in Horowhenua makes up 10 percent of the New Zealand's vegetable supply and contributes \$35 million to the economy. The judges report that Eric and John Clarke have made major changes to their farming practices in recent years such as growing maize and ryegrass in order to improve soil health and reduce nutrient losses. Their approach has been shared with Horticulture New Zealand, and others are following in their footsteps. Other actions taken include shifting crops to reduce nitrogen loss and minimise the effect on water quality. Woodhaven Gardens also received awards in agri-science, business management, water and climate stewardship.

['Autumn fruit boosts health as Kiwis get moving again'](#) [28 April, Voxy.co.nz] 5+ A Day is reminding New Zealanders to use more fruit and vegetables in their daily diet as the cold weather starts to set in. Added produce in the diet can help to boost immunity and deliver health benefits. Recent data from the ministry of Health shows that only 53 percent of New Zealanders are consuming the recommended daily intake of vegetables, and 51.5 percent, the recommended intake of fruit. 5 + A Day report that an easy way for New Zealanders to up their intake is through including seasonal fruit in their breakfast each morning, and state that apples, pears, feijoas, mandarins and persimmons are at their best at Autumn time.

[Five key sustainability themes impacting global fruit and vegetable sector – report](#) [28 April, Voxy.co.nz] Rabobank have released a special trend report for the international fresh produce industry which outlines five key sustainability themes for the sector. The key environmental and social sustainability issues outlined are water, food waste, packaging, chemical use and energy. The key themes were decided upon through case study research and industry participant surveys. Horticulture Analyst Hayden Higgins discussed the themes on a podcast and acknowledged that whilst the research was done before the impacts of Covid-19, the five themes are still just as relevant as before, and

the pandemic may even further highlight the issues at hand. It was reported that it is also important for businesses to show their progress towards a sustainable business model to their customers and will prove vital in the coming years.



Aquaculture

[Researchers report octopus incubation breakthrough](#) [23 April,

Rob Fletcher, Aquaculture UK] New Zealand researchers have helped remove a bottleneck in octopus aquaculture which means that incubation of eggs are achievable even in the absence of maternal care. As a result, it is expected hatchery production will be more efficient in order to supply commercial aquaculture. Octopus farming is potentially very lucrative, however attempts to develop the sector have been hindered due to the previous lack of hatchery technology. The researchers recorded success when hatching of over 90 percent using upwelling incubation systems with added aeration. This is compared to a 10-40 percent success rate in systems without aeration.



Environment & Emissions

[Climate change: New Zealand's Paris Agreement greenhouse gas emissions targets to be reviewed](#) [23 April, Michael Neilson, The Country] Minister for Climate Change James Shaw has asked for an independent review to be performed by the Climate Change Commission surrounding New Zealand's emissions reductions targets. This is to ensure consistency between New Zealand's nationally determined contribution under the Paris Agreement and more recent temperature and emissions reductions goals. Science has evolved since the targets were created in 2016. Latest results and projections show that New Zealand is moving too slow to reduce its emissions. The

Commission will be able to provide recommendations on how to align international targets with the Paris temperature goal.

[Is Asparagopsis seaweed the answer to NZ's methane emissions?](#) [27 April, Nikki Macdonald, Stuff NZ] International Climate Change Activist David Wallace-Wells reports that to help save the planet, we need cows to eat seaweed. Mr Wallace-Wells states that if we add algae to our cows feed, they will release up to 95 percent less methane which would help solve a third of New Zealand's climate emissions. The cold-water species of red seaweed *Asparagopsis* grows wildly around New Zealand, and Cawthron Institute is running a one-year research funding to look at its preferred growing condition, with the help of \$100,000 in funding by the Government. On top of this, new company CH4 Global have been awarded \$500,000 by the Provincial Growth Fund as they try to grow and process the seaweed in New Zealand and South Australia. The research so far looks promising with studies showing a reduction in emissions, when sheep and dairy cows diets are supplemented by 1 to 3 percent dried seaweed. However, it has been found that bromoform is found in the seaweed which is a known animal carcinogen which is making both scientists and farming industry bodies wary and is requiring extra research to ensure no residue shows up in the meat or milk of the animals.

[Land management practices on up](#) [28 April, Gerald Piddock, Farmers Weekly] Landcare Research have released the results of their latest Survey of Rural Decision Makers. The survey shows that more farmers are adopting sustainable land management practices such as riparian planting, managing effluent storage, restricting stock from waterways and managing soil compaction and plugging. The survey included questions on emerging issues in the primary sector such as farm-level biosecurity and climate change. More dairy farmers and growers are intending to intensify their operations compared to those who partook in the 2017 survey. All sectors reported that biosecurity will

become increasingly important in the coming years, and 75 percent of respondents believe that the country will be faced by an increased number of extreme weather events. Between 58 and 69 percent of those surveyed have done work to control erosion and 81 percent of respondents have excluded stock from major waterways.



Viticulture

[Coronavirus may cut wine sales in Europe by half: OIV](#) [23 April,

Thomson Reuters, WHTC] The International Organisation of Vine and Wine (OIV) have reported that winemaker's revenues could be cut in half due to the impacts of Covid-19 including the closures of bars and restaurants after revenues hit record highs last year. It is expected that whilst sales will increase after lockdown restrictions are eased, irreversible changes to the sector may result. European producers in France, Italy and Spain have called for urgent help. OIV Director General Pau Roca stated that Mediterranean countries will be most affected due to their heavy reliance on tourism.



Trade & Exports

[Etihad to assist Australian agricultural, fisheries exports](#) [23

April, The Stat Trade Times] The Australian Government have partnered with Etihad Cargo to provide Australia with critical international airfreight assistance. Under the agreement, Etihad Cargo will provide dedicated cargo services between Abu Dhabi and Australia to deliver essential supplies to the Australian market and provide the UAE with meat, seafood, fruits and vegetables from Australia. It has been reported that these cargo flights are crucial to exporters, due to the fact that minimal international flights are leaving Australia at the moment. Over 560 Australian businesses have already registered their interest in using the

International Freight Assistance Mechanism set up by the initiative.



Farmers & Producers

[Coronavirus: Livestock saleyards to reopen at Covid-19 alert level 3](#) [23

April, Esther Taunton, Stuff NZ] Livestock saleyards will be permitted to open under Covid-19 alert level 3, which is expected to relieve pressures on farmers trying to move stock. Farmers will also be able to bid on auctions streamed live from saleyards as well as some on-farm auctions in a New Zealand first. Bill Sweeney, General Manager of Livestock for NZ Farmers Livestock reported that the livestream format will allow all farmers to partake in trade. Many farmers are wanting to move stock, especially due to the long drought parts of the country have been facing.



Arable

[Demand good for Kiwi grains](#) [22

April, Annette Scott, Farmers Weekly]

Arable Food Industry Council Chairman Ivan Lawrie reports that despite a 500 percent increase in demand for flour during the alert level 4 lockdown, there is no shortage of grain in good news for the wheat industry. Millers are managing to keep up with demand and are continuously supplying product. The shortage showing on supermarket shelves is as a result of a switch in demand from 20-kilogram bags for bakeries to the 1.5 kilogram packets for the direct consumer. Mr Lawrie states that the market is strong and that it expected demand for grain will increase which is good news for the arable sector which has a goal of New Zealand returning to milling wheat self-sufficiency by 2025. Normally, North Island mills source their wheat from Australia at a cheaper rate than getting it directly from the South Island due to high transport costs. A survey has revealed that consumers prefer New Zealand grain, and want goods made from locally sourced, traceable

wheat. NZ growers usually produce about 100,000 tonnes a year of wheat for baked goods which will have to increase to 300,000 a year to meet demand. There has also been an increase in demand for speciality and organically grown grains.

[Arable farmers wary of lambs](#) [23 April, Annette Scott, Farmers Weekly] Federated Farmers Arable Vice Chairman Brian Leadley has reported that Mid-Canterbury cropping farmers are not confident to buy in the usual numbers of winter finishing lambs due to global market uncertainties. Mr Leadley expects a 30 percent drop in lamb being brought onto cropping farms in the area. The schedule for lamb continues to drop due to weak international demand. Other concerns for farmers are a lack of processing assurance in order to get lambs off farms in time for spring cropping, and the feed shortage that has occurred due to droughts over the past few months. Farmers are considering other options such as winter wheat and barley crops to provide a winter income. Mr Leadley believes that once the market uncertainties clear up in future seasons, the demand for lambs will return.



Agri-Tech

[The power of digital systems during crisis](#) [24 April, Pam Tipa, Dairy

News] James Watson from TracMap has reported that Covid-19 restrictions will change business practices and digital systems will become more important than ever. Cloud-based management system TracMap allows contractors to run their business from home, responding to business orders and working remotely without human contact is possible. TracMap has been classed as an essential service which can provide farmers with real-time data. 75 percent of fertiliser applied within New Zealand is currently tracked through Tracmap.

[Arise, robotic slug slayers?](#) [27 April, Richard Martyn-Hemphill, AFN] [Farmers struggle to fend](#)

off slug infestations, as the hungry critters are able to self-fertilise and can lay hundreds of eggs each year. Typically, slugs are controlled through chemical pellets which have often had chemicals in them that also damage the environment and have the possibility of leaching into water supplies. Dr Jenna Ross runs the Slugbot initiative which has linked together a group of companies. Phase one of the initiative will focus on developing an AI slug detection capability, before working to deliver the slug detection using a robot. It is expected that the detection and mapping of slug infestations will be delivered by 2021. After that the initiative will focus on the development of precision spraying.



Red Meat

[Meat plants back to near normal](#) [22 April, Neal Wallace, Farmers

Weekly] It is expected that meat processing throughput will be close to maximum this week when New Zealand's Covid-19 alert level drops to level 3. Final protocols are still being finalised, however level 3 restrictions are expected to allow meat processing to be close to full production, which should help ease the backlog of stock waiting to be killed according to Alliance Livestock and Shareholder Services General Manager Danny Hailes. Alert level 3 allows social distancing of workers to drop to one metre, which will allow throughput for sheep to rise from 50 percent to 90 percent plant capacity and beef from 70 percent to 100 percent. The Meat Industry Association, Beef + Lamb and Ministry for Primary Industries are still discussing details.

[Covid 19 coronavirus: China's wild meat clampdown affecting NZ venison exports](#) [23 April, RNZ, The Country] The Chinese Government has clamped down on the trade of wild meat which is causing confusion amongst New Zealand venison farmers with some processors holding off shipping venison to China. Silver Fern Farms Chief Executive Simon Limmer reported that they are facing some clearance issues for shipments to China, despite

the fact that the venison they process being a farmed product and they are waiting for clarification on rules. In 2019, around 10 percent of New Zealand's venison exports were sent to China. Venison is a restaurant focused product, so is currently facing low demand due to Covid-19 lockdowns globally. Deer Industry NZ Chief Executive Innes Moffat stated that it is fortunate the disruption did not occur during the peak of the export season during Spring. Exports to China are expected to get back on track in the next few weeks. Mr Moffat stated that this year, the industry will be relying on new means of distribution in new markets due to the impacts of Covid-19.



Dairy

[Budgets need high alert level](#) [22 April, Hugh Stringleman, Farmers

Weekly] AgFirst Waikato Agricultural Economist Phil Journeaux reports that predicted milk prices for next season will drop into break-even territory for many farmers. Mr Journeaux states that the break-even level for farmers is around \$6/kg of milksolids, and farmers wanting to make debt repayments and capital expenditure need closer to \$7/kg. As a result, if the payout drops below \$6/kg, farmers will be in for another tough year as despite a good payout of \$7.30/kg last year, a lot of farmers used money sourcing supplementary feed due to drought conditions. Mr Journeaux encourages farmers to watch their expenditure closely this financial year due to the global market uncertainties, especially through useful tool such as regular budgets.

[Farmers eager to fix milk prices](#) [22 April, Hugh Stringleman, Farmers Weekly] Global uncertainties about the effects of Covid-19 have resulted in farmer's oversubscribing to Fonterra Co-operative Group's fixed milk price of \$6.32/kg for next season. The April offer resulted in 57.8 million kilograms in applications with only 7.5 million kilograms available. Fonterra's Farm Source Director Richard Allen reports that the interest in the April offer shows how the

financial tool offers benefits for farmers. The offer prices are derived from the daily settlement of the NZX Milk Price Futures contract for three days following the first GDT auction of a month

[A2 sales surge and shares rise](#) [23 April, Hugh Stringleman, Farmers Weekly] The a2 Milk Company have released their third quarter results, which show a growth in revenue and an earnings upgrade. These increases are due to increased sales in China and Australia through online and reseller channels in the quarter ending 31 March 2020. On top of this, the depreciation of the NZD against the USD has lowered overhead costs. After the announcement, shares for the company rose to a record level near \$20, around 25 percent higher in value than 12 months ago. Chief Executive Geoffrey Babidge states that the margins for EBITDA has been forecast between 31 and 32 percent.

[Coronavirus: Fonterra riding wave of baked goods through Covid-19 pandemic](#) [24 April, Esther Taunton, Stuff NZ] Fonterra Co-operative Group's Chief Executive for Greater China Teh-han Chow has reported that Chinese consumers are indulging themselves since isolation, particularly with baked goods or other treats. As a result, Mr Chow reports that they have high demand from bakeries in China, particularly for goods such as UHT cream. Mr Chow states that whilst isolation in China effected their food services arm, Fonterra's ingredients business was largely unaffected. Mr Chow reports that all signals are showing that demand is heading back in the right direction. Fonterra's Chief Executive Miles Hurrell reports that the recovery seen in China may be an indication of how things will go in New Zealand. Mr Hurrell reports that their wide range of products gives them flexibility in the market but acknowledged that coming recession.

[Downward dairy prices return](#) [28 April, Hugh Stringleman, Farmers Weekly] Global Dairy Trade prices faced a fall last week, and the price index has fallen 15 percent in total since mid-

January. Fonterra Co-operative Group's Chief Executive Miles Hurrell reported that despite their four biggest reference products falling in price, there were some positives to come out of the auction. Mr Hurrell stated that New Zealand butter is selling at around USD\$1,000 (approx. NZD\$1,665) more than European and US butters and our skim milk powder is selling for a premium of around USD\$500 (approx. NZD\$832). Mr Hurrell reported that the co-operative is focusing on the medium-term impacts of the global recession, with around two thirds of the world's population under lockdown, and the drop of out-of-home eating. As a result, they are redirecting products between markets and are also working on product optimisation. Dairy analysts have noted that extremely low oil prices may cut payment ability and demand for imported dairy products in Middle Eastern countries. Milk production is increasing in Europe, the US and Latin America, whilst global demand lowers amongst the increasing supply.



Forestry

[Time squeeze on forest planting](#) [23 April, Richard Rennie, Farmers

Weekly] Kevin Ihaka, Managing Director of Forest Protection Services reports that there is a stressful planting season ahead due to time restraints in getting new trees in the ground. Covid-19 alert level 3 enables forestry operators to get back into felling and planting. Mr Ihaka reports that due to the alert level 4 lockdown, they have a lost a month of work which would have been used for ground preparation and spraying. Dry conditions are not ideal for transplanting despite the tree supply being generally good. Mr Ihaka also reported that getting workers to remote locations will prove a challenge, due to restrictions only allowing two people per car and the fact that many workers may not have their drivers' licenses. Forest Industry Contractors Association Chief Executive Prue Younger reports that up to 1,000 jobs could be made available across the country over the coming months, and despite being physically

challenging, planters can earn up to \$300 a day once up to speed. Mrs Younger also reports that China has good demand for logs once again, and prices are looking good.

[Think-local push from minister](#) [28 April, Richard Rennie, Farmers Weekly] Regional Development and Forestry Minister Shane Jones has made it clear that the forestry sector will not be operating under a quota system for log exports. Mr Jones did report that the Government will be taking increased oversight on the sector, paying attention to who is exporting logs and what priority is being given to local processors. Mr Jones is pushing a higher level of professionalism in the sector, along with a code of conduct and possibly a register of log exporters. This is to help forest owners to contribute to ongoing employment of New Zealanders downstream. Red Stag's Chief Executive Marty Verry reports that New Zealand timber has the potential to use five million tonnes of logs locally each year. Mr Verry reports that if the logs are sold locally, then forestry jobs will be retained in the sector, as many are currently at risk of being lost.



International

[World Food Program: Act now to prevent coronavirus famine](#) [23

April, Alex Matthews, DW] UN agency World Food Program (WFP) has stated that it is important to provide aid immediately to those in need in order to stop a Covid-19 famine, as well as address the root causes of hunger and famine. WFP have released a report which shows that hundreds of millions of people across Africa, Asia, Latin America and Europe are struggling to access food. The report states that the main drivers of starvation in 2019 were conflict, weather extremes and economic shocks. Covid-19 is accelerating the troubles people are facing accessing food. WFP report that 30 million people already almost completely rely on their assistance and food to stay alive. WFP reported to the UN Security Council that

300,000 people could die daily for three months, unless food assistance is provided as soon as possible. They also argued that conflicts need to be ended in order to keep starvation numbers down.

['The food supply chain is breaking,' Tyson says as plants close](#) [27 April, Rob McLean, CNN Business] Tyson Foods states that product shortages for meat will occur across the US, as Covid-19 has caused food processing plants to close and meaning that meat is being pushed out of the supply chain. Board Chairman John Tyson reports that the US food supply chain is breaking, with farmers having nowhere to sell their livestock. Tyson Foods has closed plants across the US after workers tested positive for Covid-19. Three pork processing plants have closed indefinitely, together accounting for 15 percent of pork production in the US. The three plants are Smithfield Foods in South Dakota, JBS pork processing in Minnesota and Tyson Food's plant in Iowa.

[IFAD makes US\\$9mn investment in impact fund helping rural SMEs](#) [28 April, Far Eastern Agriculture] The International Fund for Agricultural Development have invested USD\$9 million (approx. NZD\$14.75 million) into blended capital fund Agri-Business Capital Fund (ABC). ABC helps small-scale farmers and small to medium sized rural enterprises in developing countries to create jobs and increase incomes. The investment comes at a particularly precarious time for vulnerable workers in developing countries due to the impacts of Covid-19. It has been reported that for many developing countries, there is a high potential for growth if the right resources are invested.

Organisations referenced in this week's Field Notes include

5+ A Day
Agcarm
AgFirst Waikato
Agri-business Capital Fund
Alliance Group
Arable Food Industry Council
Beef + Lamb NZ
Beef Checkoff
Bostock Brothers
Catalyst Research
Cawthron Institute
CH4 Global
Climate Change Commission
Deer Industry NZ
Dole New Zealand
Etihad Cargo
Federated Farmers
Fix and Fogg
Fonterra Co-operative Group
Foodbank Canterbury
Forest Industry Contractors Association
Forest Protection Services
Instagram
International Organisation of Vine and Wine (OIV)
JBS
KidsCan
Landcare Research
Love Soup
Ministry for Primary Industries
National Cattlemen's Beef Association in the US
Ngāti Porou
Norwood
NZ Farmers Livestock
NZ Pork
Produce Marketing Association Australia-New Zealand
Pure NZ
Rabobank
Silver Fern Farms
Smithfield Foods
The a2 Milk Company

The International Fund for Agricultural Development
The Meat Industry Association
TracMap
Tractor and Farm Machinery Association
Tulloch Farm Machines
Tyson Foods
Whittaker's
Woodhaven Gardens
Zealandia Honey

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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