



AGRIBUSINESS

Field Notes

Weekly news update from the KPMG Agribusiness network



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25 June 2020 – This week's headlines



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Natural Capital

The growing awareness and media coverage of regenerative agriculture (see Jack Keeys' recent article), and the Primary Sector Council's vision of "Fit for a Better World" that promotes their methodology of Taiao provides a strong basis to consider a sustainable future for New Zealand's primary sector.

Work being undertaken by the Aotearoa Circle's Sustainable Finance Forum via the Fenwick Forum (to ensure natural capital is considered in any post-COVID recovery) and the Sustainable Finance Roadmap later in the year will create a broader framework for sustainable finance and impact investing.

How can these two initiatives be tied together to ensure that New Zealand farmers are incentivised and rewarded to adopt more ecologically friendly on-farm practices? Firstly, farmers can adopt actions that build natural capital and strong, living, fertile soil that can actively capture carbon from the atmosphere, and over time, will future-proof the primary production sector. These actions will provide greater resilience to withstand increased

climate variability whilst unlocking the latent potential that lies in satisfying an increasing consumer demand of healthy, nutrient-dense food.

Secondly, the rise of Sustainable Finance marks a new dawn for agriculture and offers an investment approach which reframes what we value when we invest. All around the world, investors are shifting their attitudes about the role capital should play in our society and are seeking to allocate investments with the intention to generate positive, measurable social, environmental impact alongside market rate financial returns. By the end of 2019, green, social and sustainability bond issuances hit \$323 billion globally, and are expected to rise to new record highs, spurred on by the increased focus on green COVID-19 economic recovery stimulus by government and as the financial sector catalyses further innovation in structures and pricing for impact risks in their investment and lending decision-making processes.

The opportunity then, is for New Zealand's primary sector to develop a plan to access this growing pool of capital.

The key in enabling natural capital markets in the primary sector and creating investment options associated with services provided by natural habitats and ecosystems is to assign a value to preserving and regenerating them. In all likelihood, most such services do not have a value attributed to them, so it is typically considered as a public good. These natural capital markets match with values-aligned financial capital to provide incentives to further the development of our natural systems in a sustainable and regenerative way. Specifically for the primary sector, such an approach would mean sourcing capital for sustainable land use and management, and tying the resultant income flows to defined on-farm outcomes that cover facets of natural capital. This could include, amongst other things, a combination of improved soil, air or water quality, biodiversity, community well-being, improved farm productivity and diversification of income streams for farmers, landholders, and rural communities.

To deliver a thriving market, the following areas need to be addressed:

- Ecosystem services market design to establish measurement, valuation and payment frameworks
- Defining the targeted outcomes, including ensuring data is readily available and transparent, and that the outcomes are appropriate in the context of local natural system
- Strong intermediaries to support farmers and business to bring opportunities to the capital providers
- Experience of deal structuring to get the right alignment of incentives
- Participation by public and private sectors
- A strong reporting framework to track and monitor progress, at both the farm level and investment level

- Independent advisors to verify the integrity of impact achieved, and to instil investor confidence.

There are a number of existing tools and frameworks being developed around the world to deliver these features, including KPMG's "True Value" methodology, which provides an internationally recognised measurement of a company's or activity's impact on society. The ability of New Zealand businesses in our Food & Fibre sector to access such capital and build strong linkages between producer and consumer for sustainable products will increasingly define the sector's success. There are green shoots that are starting to flourish in this space in Aotearoa, but it will be up to the country collectively to deliver on the opportunities afforded to us drive our credentials and achieve positive outcomes for financial and natural capital.

For further reading, please see KPMG Australia's "A Return on Nature" report, authored by Robert Poole, Head of Agribusiness; and Carolin Leeshaa, Head of Social and Sustainable Finance.

BACKGROUND MATERIAL:

Primary Sector Council

"Taiao speaks to the natural environment that contains and surrounds us. It encompasses all of the environment and its offspring. Because we are born of the earth and it is born of us, we have an eternal connection to Taiao – the earth, sky, air, water and life that is all interdependent. Taiao is about finding our way forward by forging an interconnected relationship with that environment based on respect. That interdependency lies at the heart of our Taiao methodology."

"Taiao – a uniquely New Zealand way of working that focuses on shaping our future around the health of our climate, land, water and living systems. This philosophy will enable us to bring policy, investment, science and innovation together to create outstanding products around a compelling global proposition, establish a low carbon emissions society, restore the health of

our rivers and groundwater, and revitalise the biodiversity in our ecosystems.”

<https://www.stuff.co.nz/environment/121442457/working-farm-becomes-haven-for-birds-freshwater-life-in-waitomo>

<https://thespinoff.co.nz/business/26-05-2020/how-a-taiao-based-model-could-be-key-to-achieving-sustainable-economic-recovery/>

<https://www.datalinker.org/> (Primary sector data collection and dissemination)

Charles Widdicombe

Director, Deal Advisory
KPMG Auckland

Carolyn Leeshaa

Director, Head of Social & Sustainable Finance
KPMG Sydney



Apiculture

[NZ apiculture industry sees continued growth](#) [22 June, Rural

News] The Ministry for Primary Industries has released its annual Apiculture Monitoring Programme Report for the 2018/19 season, which has revealed that the New Zealand apiculture industry is still growing. The number of registered hives increased by 4 percent in the 2018-19 season, whilst the number of registered beekeeping businesses increased by 8 percent to 9,282. The report stated that an estimated 23,000 tonnes were produced during the season, up 15 percent from the previous year. Deputy Chair of Apiculture New Zealand Sean Goodwin states that prices have continued to fall in this category over the past year and have weakened further recently. However, more competitive prices have generated renewed international interest recently, and export volumes have started to rise. Mr Goodwin states that the key challenge for the industry moving forward is to increase the market profile of New

[Zealand honey to help boost international sales and help lift returns to beekeepers.](#)



Agribusiness Education

[Tough tech can't stump Rams](#) [22 June, Farmers Weekly] Three boys from Blue Mountain College have won the 2020 AgriKids title after playing a memory game, calculating feed for animals, matching oils and lubricants and being educated on the safety hazards around fuel. The West Otago Rams made up by Charlie Ottrey, 12, Dylan Young, 12, and Riley Hill, 13, were awarded the title at the grand final on 19 June. The 21 AgriKids grand final teams were made up of top three from each regional final. The teams went head to head in a series of modules and tasks as well as sitting an exam. Young Farmers Chief Executive Lynda Coppersmith says she was impressed with the calibre of the teams' general knowledge during the face off.



Food Innovation

[Glass milk bottles return to grocery stores](#) [19 June, The Country, NZ

Herald] Lewis Road Creamery are rolling out a nationwide plan to place fresh milk dispensers and reusable glass bottles into grocery stores. Founder and CEO Peter Cullinane states that the initiative has been launched after the company received multiple requests from shoppers asking for a return to buying milk in glass bottles. The milk dispensers will first be installed at Farro stores in Auckland, before moving to other premium grocery stores across the country. Mr Cullinane reports that the initiative should help to reduce the amount of plastic entering New Zealand's waste stream annually. The milk dispensers are supplied by New Zealand business Glass Bottle Milk & Co and customers can buy a one litre screw top glass bottle for filling from the dispenser located in-store. Milk refill stations are currently available at Farro in

Grey Lynn, Constellation Drive and Epsom with more stores to follow soon.



Agribusiness

[Shoppers want clarity on organic produce standards](#) [18 June, Bonnie

Flaws, Stuff NZ] Some consumers have reported that the new Organic Products Bill is ambiguous and are worried about the impact this will have on New Zealand's organic growers and suppliers. Consumer submissions were mainly concerned with the fact that the bill does not prohibit the use of GMOs in organic food. Domestic and global demand for New Zealand organics saw the sector grow 30 per cent between 2015 and 2018 and was worth \$600 million, according to the 2018 Organics Aotearoa OANZ market report.

[Long-term strategy needed for NZ's food sector – report](#) [18 June, The Country]

Experts have reported that New Zealand's food and primary industries need to capitalise on its growing international reputation through establishing a long-term food strategy to support sustainability and ensure the country can adapt to new technologies and consumer demands. "The future of food and the primary sector: The journey to sustainability", written by Dr Anne Bardsley, Bridget Coates, Dr Stephen Goldson, Sir Peter Gluckman and Professor Matthias Kaiser states that the growing food sector is critical to our economic and environmental future. Sir Gluckman stated that New Zealand has the potential to become a "global thought leader" in sustainability across the entire food system by taking a proactive approach emphasising the qualities of sustainable, low-carbon dairy production, agriculture, horticulture, fisheries and aquaculture. Sir Gluckman believes it is critical that Government agencies take a co-ordinated partnership approach with scientists, producers and manufacturers to support and encourage the food and production industries' journey towards a resilient future.

[Primary exports to grow \\$1.7b](#) [18 June, Farmers Weekly] The Ministry for Primary Industries have data that shows primary sector exports are set to grow by \$1.7 billion this year, which will help New Zealand to recover from the effects of Covid-19. Export revenue is tracking around 4.5 percent higher than in 2019. Dairy exports have been up 12% since the start of March on the corresponding time last year. It is expected that the animal protein shortage that has been caused by the African swine fever outbreak will help to support prices and demand over the next year. Agriculture Minister Damien O'Connor states that there has been a sustained demand for fresh fruit particularly in Europe and North America, and China is showing strong demand for red meat. The report also captured how Covid-19 has disrupted the primary industries, particularly in logistics and limited air freight options. Forestry exports were among those most affected by covid-19 with export revenue falling 23% in February, 29% in March and 62% in April from the corresponding periods in 2019. Mr O'Connor reports that he is confident that the outlook for the forestry industry will improve in the coming months.

[Ag Minister fails to advocate for farmers – National](#) [22 June, Rural News]

National's new Ag Spokesperson David Bennett has criticised Ag Minister Damien O'Connor surrounding updated Essential Freshwater targets. Mr Bennett reports that Mr O'Connor has provided no reassurance to farmers around the new targets and did not advocate for a reduction of the toxicity threshold nor a longer time-frame for the reforms to be achieved. Mr Bennett stated that Mr O'Connor needs to start advocating for farmers around the cabinet table.



Wool

[Tough months ahead for domestic wool market, CEO says](#) [Stuff NZ, AI

Williams, Stuff NZ] New Zealand Woolscouring Chief Executive Nigel Hales reports that whilst the next few months will bring challenges to the

wool sector, there are also opportunities in the market. Mr Hales states that they are still going ahead with expanding their Timaru operation, as the market will recover, its just a matter of when. Mr Hales reports that their 43 staff at the South Canterbury branch have been retained throughout the Covid-19 lockdown, and that the expansion should result in the creation of more jobs.



Farmers & Producers

[Govt increases drought support](#) [18 June, Rural News] The Government

is putting \$3 million into the Drought Recovery Advice Fund, to help provide advice to those who applied for the fund. Agriculture Minister Damien O'Connor stated that a lot more people applied for the fund than expected, so the Government has increased the funding to cater for demand. The advice will help farmers and growers to recover from the drought and develop the mandatory modules of their farm environment plans. The Government expects farmers and producers to play a crucial role in helping the country to recover from the economic impacts of Covid-19.

[Feed heads north](#) [19 June, Annette Scott, Farmers Weekly] Over 2,000 bales of hay and silage have been donated to the Hawke's Bay after an appeal was made to Canterbury farmers. Ashburton Dairy Farmers Ben and Mary-Anne Stock organised the Feed 4 Farmers Mid Canterbury Feed Drive. Mr Stock reported that farmers, rural contractors and transport companies quickly responded and jumped on board. Mr Scott states that the result has been amazing, as winter feed budgets are relatively tight in the area due to a dry summer, floods, Mycoplasma bovis and Covid-19. Kiwirail have stepped in to supply the transport of the bales to the Hawke's Bay region.



Forestry

[Government may review farm-to-forestry conversions if they reach 40,000 hectares a year](#) [22 June, Eric Frykberg, Stuff NZ] Agriculture Minister Damien O'Connor, who is also Minister for Rural Communities, last week told Parliament's Primary Production Select Committee that land conversions might have to be reviewed if they reach 40,000 hectares a year. The conversion of farmland into forestry has been repeatedly blamed for damaging rural communities. Mr O'Connor reported that whilst it is not his job to tell farmers and other landowners how to act with their property, he will take action if too much land is converted. Federated Farmers has stated that 70,000 hectares of productive sheep and beef land had been converted to forestry since 2019, often driven by carbon-related investment, however Mr O'Connor questions how they reached this calculation.



Environment & Emissions

[The challenge of meeting environmental rules](#) [16 June, Peter Burke, Rural News] University College Dublin Professor Tommy Boland is looking to find practical solutions that farmers can use to reduce their environmental footprint. Prof Boland states that both Ireland and New Zealand are recognised for their efforts and achievements in environmental pasture-based meat, milk and fibre production, while leading the way in developing new approaches to ensuring future sustainability. Prof Boland states that complying with new and stricter environmental requirements is a challenge for farmers globally, however reports that farmers are fast in adopting new technologies and adapting to new situations. Prof Boland states that there has been a lot of research carried out in Ireland to produce practical solutions to help farmers reduce their environmental footprint. This includes low emission slurry spreading

techniques, which has quite positive results in terms of ammonia loss to the atmosphere. Prof Boland reports new fertiliser products will also help farmers, but adds that when it comes to the ruminant side there are fewer technology choices available.

[Emissions trading reform 'a slap in the face' for sheep and beef farmers](#) [17 June, Esther Taunton, Stuff NZ] Beef + Lamb NZ have stated that new rules which aim to strengthen the emissions trading scheme are detrimental to farmers, and that the emissions trading reform bill will not lead to a reduction in emissions, but instead result in fossil fuel emitters offsetting their pollution by planting more trees. The bill passed its third reading last week, with Beef + Lamb Chairman Andrew Morrison reporting that politicians did not listen to submissions, as he believes the legislation will not achieve the outcome New Zealand is seeking. Mr Morrison stated that planting a tree does not make carbon emissions go away, and that the new bill has the power to distort markets and drive wholesale land use change from pastoral farming into exotic trees for the sole purpose of carbon farming. Federated Farmers have also reported that the reforms were rushed and will be disappointing to rural communities. Federated Farmers Climate Change Spokesman Andrew Hoggard stated that the economic repercussions are already placing financial pressure on rural communities, and that the reform will increase this pressure.

[Fonterra called out in global dairy emissions report](#) [18 June, Esther Taunton, Stuff NZ] A new global report has called out Fonterra Co-operative Group for worsening global greenhouse gas emissions. Fonterra has responded by stating that the report was filled with inaccuracies and also overlooked how New Zealand is one of the lowest emission dairy producers in the world. The Report Author Shafali Sharma stated that emissions from New Zealand's agricultural sector have risen by 12 percent since 1990 due to the doubling of its dairy herd and a 600 percent increase in fertiliser

use. Fonterra's Director of Global Sustainability Carolyn Mortland has stated that the report contains several inaccuracies such as over reporting Fonterra's emissions by half. Mrs Mortland reported that New Zealand dairy farmers have reduced on-farm emissions intensity by around 20 percent over the past 25 years. The report also questioned Fonterra's corporate structure and investment strategy, however Fonterra's Chief Financial Officer Marc Rivers reports that whilst 2019 was a tough year, the co-operative has been working hard to strengthen its balance sheet which can be seen in their latest results.

[Climate change toll from two droughts tops \\$800m](#) [19 June, Marc Dalder, Stuff NZ] A new study has shown how the effects of climate change are playing a role in New Zealand. The research was led Dave Frame from the Victoria University of Wellington and has shown that the major 2007 and 2013 droughts, which have been estimated by the Treasury to have cost the country \$4.8 billion in lost GDP, were exacerbated by climate change. The study proposes a new methodology for quantifying the costs of extreme events that can be directly attributed to climate change. By applying the methodology to New Zealand, the model discovered that one sixth of the total damage of the droughts could be attributed to climate change. The academics are now working with scientists from Australia, the United States and the United Kingdom to further improve the methodology, as well as apply it to global extreme events like the Australian bushfires, heat waves and major storms. Mr Frame reports that the new figures could help New Zealanders understand how climate change impacts their daily lives, which will help citizens to adapt their behaviours.



Trade & Exports

[Pressure on UK for NZ trade deal](#)

[19 June, Nigel Stirling, Farmers Weekly] Britain's rush to enter trade deals

before it departs from the European Union later in the year may result in New Zealand having an upper hand in negotiations for our agricultural exports. The UK have announced that it intends on joining the Comprehensive and Progressive Trans-Pacific Partnership which includes NZ, Australia and Japan. Trade Minister David Parker has stated that agricultural market access will be among the most difficult aspects to the talks, as it usually is with nearly all of New Zealand's trade negotiations. Mr Parker reports that New Zealand will not enter a low-quality agreement with the UK.



Rural Communities

[Action, not old news, needed now](#)

[19 June, Neal Wallace, Farmers

Weekly] The Rural General Practice Network Chief Executive Grant Davidson has reported that the Health and Disability System Review has stated that the inequitable access by rural communities to health care is unacceptable. As a result, Mr Davidson states that tangible and measurable action needs to be taken as soon as possible to fix the crisis in rural health in New Zealand. The report noted that while data is limited, indications are that people living in rural towns can have poorer health outcomes and lower life expectancy than those living in cities or surrounding rural areas and acknowledged that a more deliberate approach is needed in planning rural services. Health Minister David Clark says Cabinet accepts and is committed to reform of the health service.



Food Marketing

[Deer velvet, the pro-golfer, and the almost \\$200,000 fine](#) [22 June,

Hamish McNeilly, Stuff NZ] Judge Kevin Phillips has stated that the actions of Gateway Solutions Limited and its Owner Ian Carline were deliberate and the mislabelled deer velvet capsules represented a "serious deficiency in the actual amount of product being supplied to

the consumer". The company and its director and major shareholder, Ian Carline, have been involved in a long-running legal battle with the Commerce Commission. The Commission alleged the company's products overstated the amount of deer velvet, using carob filler to make up the weight of the capsules. Mr Carline had previously told the court that he used a 'nose-bleed' test to gauge the potency of his supplements. The mislabelling meant that consumers were misled, as they believed that the products they were buying had a certain amount of the active ingredient, when in reality a lesser amount was contained. Originally 101 charges were laid under the Fair Trading Act in the long-running investigation. In November 2017, the company pleaded guilty to 26 charges under the Fair Trading Act, with Carline pleading guilty to another charge.



Agri-Tech

[Manage herds without fences](#) [17

June, Dairy News] Founder of Halter

Craig Piggot reports that his company's technology will allow for more precise pasture allocation per cow. The start-up has solar-powered GPS-enabled collars for cows, which allows farmers to shift, manage and monitor their herds remotely. It uses a patented technology called 'cowgorithm' which guides cows around a farm using sounds and vibrations, creates virtual fences and can alert farmers to health issues. Now the technology has added a new pasture management feature to enable the smarter collection, synthesis and 'actioning' of data. Coupled with virtual fencing (no more reels and standards), the company claims this will allow for more precise kgDM or pasture allocation per cow. Mr Piggot hopes to save farmers time and help them to use the grass on their farms more efficiently. Halter is working towards rolling out their collars nationally as they begin their operation in the Waikato this year. The collars are paid under a subscription model, where the collar is free and farmers contribute a monthly fee per cow – based on the features

they want enabled. Halter retains ownership of the collars and takes responsibility for their maintenance.



Water

[\\$3 million boost for catchment improvements](#) [22 June, Rural

News] The Ministry for Primary Industries have announced that it is providing an extra \$3 million to the New Zealand Landcare Trust in order to improve New Zealand's waterways and promote sustainable management practices. The funding will help the Trust to employ seven new staff to provide services across the waterways who will then work with the farming community to integrate sustainable land and water management practices. The new funding continues the Government's support to farmers and others to help them make environmental and freshwater improvements.

[Naki sets native planting record](#) [22 June, Rural News] The Taranaki's Riparian Management Programme distributed nearly 600,000 native plants to 1,200 farmers last week. The Taranaki Regional Council has worked with farmers in the region for 27 years to develop individual riparian management plans to improve freshwater quality. The programme allows landowners to buy native plants at cost through the council, ordering one or two years in advance to ensure the plants can be grown for them. Despite riparian plans being voluntary, 99.5 percent of Taranaki farmers have committed to getting one, with most implementing planting and fencing at their own cost.



Red Meat

[Anzco turns the ship around in 2019](#) [17 June, David Anderson, Rural

News] Anzco Foods have announced a record net profit before tax of \$30.6 million for the year ended 31 December 2019. Chief executive Peter Conley states that in 2019, the company made

record payments to farmers for the second year in a row, providing them with the benefits of higher market prices. Mr Conley states that market diversification was a key strategy for them in 2019, resulting in them expanding their beef, lamb and healthcare products in a range of markets. Mr Conley states that this year has had a tougher start due to the impacts of Covid-19. Anzco is majority owned by Japanese giant, Itoham Yonekyu Holdings (IYH), the ninth largest meat company in the world.



Dairy

[Fonterra's post in dairy heart](#) [19 June, Hugh Stringleman, Farmers

Weekly] Fonterra Co-operative Group employ 70 staff in Amsterdam, including Senior Sales Executive Huey van Vliet, who also plays representative rugby. Efforts to reach a new post-Brexit trade agreement with the European Commission for NZ dairy products are ongoing in Amsterdam. Mr van Vliet sells ingredients to European food manufacturers and reports that NZ offers superior functionality when it comes to nutritional snacks, bars and powders and that Fonterra offers research, development and intellectual property enhancements. Mr van Vliet reports that the concerns of the European dairy industry are similar to NZ's despite them producing eight times the amount of milk NZ does. These concerns focus around sustainability, environmental improvements, plant-based alternatives, increasing food nationalism and what will happen post-Brexit. As the world's biggest importer and exporter of agri-food Europe must also ensure its policies raise sustainability standards globally.

[Healthy signs in dairy prices](#) [19 June, Hugh Stringleman, Farmers Weekly] Analysts have increased their farmgate milk price expectations for the new season after continued strength has shown in Global Dairy Trade prices. The average forecast is now \$6.30/kg milksolids. Westpac Dairy Analyst Nathan Penny raised his forecast price by 20c to \$6.50, the same price as his

former employer ASB expects. Mr Penny reports that price stabilisation and improvement has come earlier than expected, which is good timing for the start of the New Zealand dairy season. Mr Penny states that he expects the global recession to weigh heavily upon dairy demand later in the year so advises farmers to pay attention to the markets and create a contingency plan for a farmgate price below \$6/kg. Rabobank's Oceania Analyst Michael Harvey revised his forecast upwards by 35c to \$5.95, after stating that dairy markets have performed better than expected over recent months.

[Waikato sheep milk sector expands](#) [22 June, Gerald Piddock, Farmers Weekly] Growth in Waikato's sheep milking sector has jumped with seven newly converted farms to start production this spring. Māui Milk has four new farms this season and Spring Sheep Milking have three new farms. The farms will each roughly have 1,000 ewes and will start milking in a few months. Maui Milk Operations General Manager Peter Gatley reports that the company is growing rapidly and has standing orders for products several years in advance. The company supplies dairy giant Danone with its product. The new farms are expected to double the company's milk production this season. Mr Gatley also expects another five or six conversions to be in place for the 2021-22 season. Mr Gatley stated that farmers are looking to convert because of market volatility in cow dairy, concerns over looming environmental rules that could make bovine dairy farming harder, the chance to be part of a new industry and lay a foundation for succession planning. Meanwhile, the new spray dryer being built at Waikato Innovation Park, where both companies send their milk for processing, is being commissioned and will be ready to take the increase in milk this season.

['Lap dog instead of watchdog': Farmers scold Fonterra Shareholders' Council](#) [22 June, John Anthony, Stuff New Zealand] The Fonterra Shareholders' Council commissioned a report

that surveyed more than 1,400 Fonterra shareholders to rate the function and performance of the council. The council is a group of 25 farmer shareholders is elected by farmers to represent the views of all Fonterra stakeholders. The survey resulted in harsh criticism of the council and included radical improvement suggestions. Feedback included reducing the council's size or scrapping it altogether and replacing it with a specialist professional adviser reporting directly to shareholders. Other recommendations included the council gaining improved access to information held by the board and having final sign on significant investment decisions. 60 percent of respondents rated the council's performance to be less than "moderately effective", with many stating that the Fonterra Board of Directors seems unwilling to engage with the council. There was a perception that election to council is a stepping-stone to election to the board. Some suggested there was limited or no value in the council's monitoring, and it was an unnecessary intermediary between shareholders and the board. The survey feedback will inform the next steps in the review which includes further analysis of key issues and then options for addressing these.



International

[Chinese Beyond Meat rival launches plant-based pork and crayfish to feed the home-market appetite](#) [18 June, Arjun Kharpal, CNBC] Chinese company Zhenmeat has released plant-based pork and crayfish. The move comes after Beyond Meat entered the Chinese market in April, with competition heating up. Zhenmeat's CEO Vince Lu stated that the company has an advantage due to the fact it can play to local tastes. China is the world's largest consumer of pork and one of the biggest of crayfish. The pork tenderloin is made of pea and soy protein and covered in a layer made of sweet potato starch. The crayfish is made from seaweed and konjac extracts. Mr Lu states that one issue with large consumption of

crayfish is that it creates a lot of food waste, as 10 kilograms of crayfish only creates around 1 kilogram of crayfish meat. China's plant-based meat market is starting to take off, and Mr Lu reports that the Covid-19 pandemic has changed people's views towards plant-based food.

[Popular doesn't mean influential among Cambodian farmers – research](#) [19 June, The Country] Social Network Analysts from the University of Sydney state that whilst it has become common practice for non-government organisations and environmental development agencies to use social "influencers" for the roll out of environmentally sustainable farming practices, a study has shown that this is not always the most effective method. The study was completed in Cambodia, and showed that less popular farmers are better influencers, compared to the more popular ones. The researchers found that providing less popular farmers with new information and technologies was more likely to result in a wider community adoption of sustainable farming practices. The researchers state that the findings suggest that in order to tackle environmental degradation and looming food insecurity, it is important to better engage with larger sections of communities.

[Thailand's Biggest Agribusiness To Launch Plant-Based Meat & Circular Economy Strategy](#) [19 June, Sally Ho, Green Queen] Charoen Pokphand Foods are planning on rolling out plant-based meat products this year in response to growing demand and has also chosen to operate using circular economy principles. The company is Thailand's largest agribusiness company and the shift towards sustainability and plant-based foods signals demand from mainstream consumers in Asia. CEO Prasit Boondoungprasert reported that the increased number of flexitarians is a key part of the company's decision to shift its focus towards plant-based products. According to market research firm Mintel, over half of metropolitan Thai consumers are now looking to reduce meat consumption. The company plans to increase its use of renewable energy and eliminate the use

of coal by 2022 and reduce plastic packaging by as much as possible.

[Consumers reveal healthy appetite, high expectations for yogurt alternatives](#) [19 June, Jim Cornall, Food Navigator] A report released from Innova Market Insights has shown that an increased interest in flexitarian diets is a key driver behind dairy alternatives increasing in popularity. Consumer attitudes towards dairy alternatives are changing, with 32 percent of those surveyed stating that they buy dairy alternatives as they see them as being healthier. Research from Cargill has shown that whilst consumers are increasingly open to trying dairy alternatives, almost half of consumers stated that they expect these products to deliver an identical experience to that from traditional dairy yoghurts. Advances in processing, formulation and ingredients have helped to close the gap between traditional yoghurts and plant-based versions, however limitations still remain. Plant proteins often have solubility issues which result in negative textural attributes such as grittiness or sandiness. One way of overcoming this is to use higher amounts of fat, however this can be a turn-off for some health-conscious consumers. 49 percent of consumers rated taste as the most important attribute that they look for.

[Pandemic fallout sees quarter of UK adults at risk of malnutrition, survey finds](#) [22 June, Will Chu, Food Navigator] A new survey released by Food Britain and Northumbria University has shown that malnutrition is a risk for one in four adults in the UK. 25 percent of adults struggled during the Covid-19 pandemic to access affordable food, and many admit that they eat less in order to feed the children in their household. The high levels of food insecurity are a worry and the researchers have recommended that the Prime Minister implement a national food strategy to enhance supply, affordability and accessibility of nutritious food to all citizens.

[Microsoft to push homegrown agri-tech startups via new initiative; top 3 areas where it will help](#) [22 June, FF Bureau, Financial Express] The

Microsoft for Agritech Startups programme has been designed to help start-ups build industry-specific solutions, scale and grow through accessing deep technology, business and marketing resources. The start-ups involved are able to get access to Azure FarmBeats which helps them to focus on core value adding activities. Director of the Start-up Ecosystem for Microsoft in India, Sangeeta Bavi reported that sustainable agricultural technology can transform the global food chain, and that agri-tech start-up innovations are addressing some of the world's key challenges connected to agriculture and food production. The programme is spread across three tiers each including tech enablement and business resources.

[UK 'bounce back' plan for food and drink sector: 'More trade is absolutely critical'](#) [22 June, Katy Askew, Food Navigator] The UK government has outlined a package of measures which are aimed at helping UK food and drink businesses as the world recovers from the effects of Covid-19. The plan will provide SMEs with immediate help to capitalise on new trade agreements. The food and drink sector is the UK's largest manufacturing industry and provides around 4 million jobs. The UK is getting ready to leave the European Union, which is placing pressure on the sector, especially after exports have dropped due to the Covid-19 pandemic. The support package includes physical and virtual events to connect buyers, investor round tables, campaigns promoting the sector and a SME E-commerce accelerator pilot.

[Development of coronavirus detection tools in foods 'essential', argue researchers](#) [22 June, Flora Southey, Food Navigator] Researchers are calling for the development of detection tools for SARS-CoV-2 in foods in order to ensure food safety and prevent supply chain disruptions. A lack of evidence supporting the transmission of coronavirus through food have meant that no tests have been developed, however the virus can be transmitted between infected works and cause disruptions in the food supply chain. Covid-19 has impacted food safety practices

globally. Fresh food products have increased risk of transmitting the virus if an infected person coughs or sneezes on the items. It has been recommended that hands should be washed or sanitised after the handling of packages and goods, to minimise the risk from touching food potentially exposed to the virus.

[China halts imports from Tyson Foods plant over coronavirus fears](#) [22 June, Laura He, CNN Business] China has suspended imports of poultry from a Tyson Foods plant in the US after concerns surrounding a coronavirus outbreak at the facility. The US company has announced that 481 workers from Arkansas have tested positive, with over half of these working at their Springdale plant. They tested 3,700 in total, and all but 26 of the people who tested positive had no symptoms. Tyson report that they are certain their products are safe and are hoping consultations between the US and Chinese governments will resolve this matter.

Organisations referenced in this week's Field Notes include

Anzco Foods
Apiculture New Zealand
Beef + Lamb NZ
Beyond Meat
Blue Mountain College
Cargill
Charoen Pokphand Foods
Commerce Commission
Danone
Farro
Federated Farmers
Feeding Britain
Fonterra Co-operative Group
Glass Bottle Milk & Co
Halter
Innova Market Insights
Kiwirail
Lewis Road Creamery
Māui Milk
Microsoft
Ministry for Primary Industries
Mintel
New Zealand Landcare Trust
New Zealand Woolscouring
Northumbria University
Organics Aotearoa
Rabobank
Rural General Practice Network
Spring Sheep Milking
Taranaki Regional Council
Tyson Foods
Victoria University of Wellington
Waikato Innovation Park
Young Farmers
Zhenmeat

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