



AGRIBUSINESS

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A call to action for New Zealand Agribusiness banks

This week the third largest bank in the UK, Barclays, has launched the ‘Eagle Lab Farm’ alongside England’s Lincoln University on their Agri-tech research campus ([Story link](#)).

The Eagle Lab farm will include horticulture, sheep, and beef growth facilities, while including a dedicated robotics lab, and a demonstration packhouse. Further still, a model refrigerated supermarket aisle will be included in the initiative, providing consumer-driven thinking while conducting research and development.

Barclay’s national head of agriculture Mark Suthern stated “Our vision is to help UK agriculture to become the most digitally-savvy farming sector in the world”.

This initiative not only shows ambition on behalf of the bank, but a commitment to the sector and

represents a significant contribution to supporting British Farming in its future success through direct involvement in facilitating research and innovation.

Which made me question... Why isn't this happening in New Zealand?

Well it’s not a question of scale. Despite a much larger population and economy, agricultural debt in the United Kingdom is only around GBPE20 billion, or roughly NZD\$39 billion. Agricultural debt in New Zealand is over 30% higher at approximately NZD\$63 billion. New Zealand’s banks still posted combined profits of over NZD\$750m for the quarter ended June, despite the disruptions caused by Covid-19.

It’s not a question of involvement either. New Zealand’s largest banks have significantly higher percentage of exposure to agricultural lending than a bank like Barclays.

And there is no question about New Zealand's potential for this type of work. We have a world-leading agri-technology sector lead by Agritech New Zealand, and world-class agricultural universities, research institutions and researchers.

It's important to note that New Zealand banks do make valuable contributions to the sector, including event sponsorships, access to specialist agribusiness staff, and provision of market insights.

However, there is massive potential for New Zealand banks to be making a greater commitment to the primary sector, which carries a relatively large portion of debt, has delivered some of the banks highest debt interest rates, and supports a significant portion of the economy which these banks rely on.

My call to action? Let's see New Zealand banks re-invest a portion of these profits into one of the key sectors that is delivering them. New Zealand should be leading the next generation of agri-tech solutions, production optimisation and food innovations, and banks have an opportunity to be a valuable collaborator in the process.

Banks could be involved as part of the primary sector team beyond debt provision and event sponsorship, but with direct involvement and funding of initiatives such as New Zealand food and agricultural innovation labs. It is critical that banks have a deep understanding of the future food landscape, as their position across the industry makes them not only a key influencer, but also an enabler of the transition and progression of the sector.

A world-leading food and fibre sector in New Zealand secures future success for our farmers, our banks, and our country.

Jack Keays

Agri-Food Research & Insights Analyst
KPMG Auckland



Agribusiness Education

[Students showcase their skills](#) [22 October, Farmers Weekly]

Feilding High School has hosted a shearing and wool handling competition. 17-year-old Renee Biggs won the shearing title and Tre Ratana-Sciascia, 15, won the wool handling honour. Competition organiser and Feilding High School agriculture teacher Kain Nixon said wool handling was added to this year's event to lift the profile of shearing in the school and to recognise the passion of some of its students for the wool industry. The competition is planned to be held in future years as well.



Alternative Proteins

[The world's largest insect farm is being built in France](#) [26 October, Euro News]

Ynsect is building the world's largest insect farm in France, which will produce mealworms as a low-carbon protein source. Ynsect believes it can reduce the environmental footprint of agriculture, by using insects to feed fish and livestock or in pet food as a sustainable way to replace other animal proteins in the supply chain. "Our ambition is to revolutionise the food chain which, literally, starts from the basics: insects and soil," says Ynsect CEO and co-founder Antoine Hubert.



Agri-Tech

[New blockchain tech 'a game-changer' for Australian mango producer](#) [27 October, The Country]

Australian mango producer Manbulloo partnered with blockchain experts Trust Provenance (T-Prov) to develop a new digital platform providing real-time traceability along their supply chain. The platform integrates all the systems and tracks all the critical information - such as time, temperature and location - which can then be accessed by supply chain participants through a dashboard interface. The blockchain technology allows agricultural producers to showcase a product's provenance and quality assurance as the creator of the data can't alter it once captured, says T-Prov's Andrew Grant.



Animal Welfare

[New drenches aim to give cattle a 'Turbo' boost](#) [23 October, Rural News]

Kiwi company Alleva Animal Health has developed a drench programme for cattle, which is split out into three key stages of growth targeting particular parasites for each stage. The company also claims to have also invested heavily to ensure their programme meets other requirements, such as using active ingredients that are high potency and provide a wide safety margin. "The initial feedback from vets has been really positive and it's great timing with dairy calf weaning just around the corner," said Alleva Animal Health general manager Blair Loveridge.

[New tool to measure the welfare of New Zealand dairy cows](#) [23 October, The Country]

Massey University veterinary researchers have developed a protocol to assess the welfare of dairy cows within a day, including 24 on-farm assessments and 8 record-based assessments. With further testing needed, this protocol could form the basis of a standardised process for monitoring the health of New Zealand's dairy farms, said the researchers.



Apiculture

[Comvita off to strong start, plans to pay back wage subsidy](#) [22 October, The Country]

Manuka honey company Comvita reports a strong performance with double-digit revenue growth in the first quarter of this financial year. "I'm pleased to report a strong Q1 performance with double-digit revenue growth, strong margins, costs in line with expectations, and with brand investment to support our differentiated model," said chief executive David Banfield in the company's annual meeting. \$104,000 wage subsidy was claimed during the covid-19 lockdown, which the company plans to repay once returned to profit.



Dairy

[Dairy companies set for a surge in demand from Southeast Asia over next decade](#) [21 October, Stuff]

Rabobank says the surging demand for milk in Southeast Asia will benefit the dairy industry over the next decade, with the market expected to grow from 13 billion litres of milk this year to 19 billion litres in 2030. Factors driving the expected demand growth include large populations, increasing urbanisation, a growing middle class and improving supply chains, says Rabobank analyst Michael Harvey.

[Spring Sheep establish China base](#) [22 October, Farmers Weekly]

Spring Sheep Milking Company has set up a permanent base in Shanghai to establish itself further in the Chinese market. Demand has been soaring, especially during the covid-19 pandemic as the Chinese government recommended dairy consumptions to improve immunity. Spring Sheep general manager of milk supply Thomas Macdonald says the company gained a considerable advantage by trading through Alibaba's e-commerce platform Tmall, with sales more than doubling from August to September.

[Chinese demand pushing prices up](#) [27 October, Dairy News]

BNZ and Westpac lifted their forecast milk price for the season, backed on the better-than-expected demand from the resurging Chinese market. The Global Dairy Trade (GDT) auction also reflected the positive sentiment, with the third consecutive increase in dairy prices. RaboResearch senior dairy analyst Emma Higgins notes that uncertainties from covid-19 remain, and the growing milk production in most parts of the globe may impact prices.



Environment & Emissions

[DOC summary reveals split views](#) [27 October, Farmers Weekly]

The government is consulting on a new Aotearoa NZ Biodiversity Strategy to determine, monitor and protect biodiversity on private land. Compiling nearly 3000 submissions, the Department of Conservation released a summary which shows split views between protecting nature and prioritising economic interests. "This is a critical time, with recognition of the increasing number of threatened or endangered species and ecosystems, rising awareness of the importance of biodiversity and growing action in the area of nature conservation," the summary authors said.



Farming Systems

[Farmers must lead regen ag debate](#) [22 October, Farmers Weekly]

Regenerative agriculture must be a producer-led movement and farmers should take ownership of the debate around it, says Alpha Food Labs founder and co-chief executive Mike Lee. It is an exciting opportunity for New Zealand to further explore regenerative farming and stand out in the global market as a “legendary” food producer. The unsubsidised farm system in New Zealand also gave it an advantage over others where subsidies locked farmers into a monoculture farming model, Mr Lee added.

[Farmer of the Year shares ‘golden nuggets’](#) [21 October, Farmers Weekly]

Sheep and beef operator Fraser Avery has won the Westpac Bayleys Marlborough Farmer of the Year 2019. The competition field day in Seddon has hosted over 300 people for showcasing Bonavaree. The competition rewards entrants with a strong performance across five aspects including animal and land management, governance and social responsibility, with 25% based on financial performance. Fraser, Shelley, Doug and Wendy Avery shared the \$44,600 prize package with runners up Warwick and Lisa Lissaman.



Food Marketing

[What’s driving new consumer trends?](#) [23 October, Farmers Weekly]

Market-based strategies need to directly reflect consumer behaviour, says Lincoln University marketing lecturer Samantha White, at a B.linc Innovation Workshop focused on changing consumer preferences and the factors driving new consumer trends. Consumers are becoming more aware of the environmental impact of food production, and dietary preferences indicated a rise in veganism motivated by concerns around environmental impact, animal welfare and ethics.



Horticulture

[Medicinal cannabis firm Rua Bioscience debuts on NZX](#) [22 October, One News]

Medicinal cannabis company Rua Biosciences has successfully raised \$20 million from its initial public offering, debuting on the New Zealand stock exchange at 70 cents per share. The company’s chair Trevor Burt said: “It was certainly well over-subscribed. The priority offer was way oversubscribed and so we’ve had to scale it back.” Rua Biosciences emerged from a Ruatoria-based medicinal cannabis firm Hikurangi Enterprises four years ago.

[Strawberry farm anticipates losing one-third of its crops due to lack of pickers](#) [23 October, Stuff]

Strawberry Fields, a berry farm near Hamilton, is struggling to find fruit-picking workers due to a nationwide labour shortage. Farm owner Darien McFadden is anticipating one-third of his 10-hectare commercial crop will rot due to the labour shortage. “Fruit will go to waste and it will create both a supply and demand issue for both export and domestic markets,” said Mr McFadden.

[Appetite for apples growing](#) [27 October, Farmers Weekly]

Miniature apple company Rockit Global celebrates its robust performance and strong exports to new markets despite covid-19 challenges. The company has met the targets for export volume and price that were set before covid, with a 25% rise in the year-on-year turnover. Rockit Global Chair John Loughlin says the development of compelling digital marketing campaigns via social media has helped with the company's success.

[Researchers find 'sweet spot' for kiwifruit pollination](#) [27 October, The Country]

New research suggests increasing the proportion of female flowers in a kiwifruit orchard may boost production.

Plant and Food Research scientists from the US developed "digital twins" of pollination processes in kiwifruit orchards using field-based data to examine complex scenarios. Using the "digital twin", the researchers suggest that variation in plant traits and the female-to-male ratio are more important than bee density for fruiting success, and that 60 to 75 per cent female flowers in the orchard could achieve the optimal fruit set.

[Did the Government just cancel Canterbury dairying? Meeting the tough new freshwater standards](#) [24 October, Stuff]

Environment Minister David Parker announced a new National Policy Statement (NPS) for Freshwater Management, which became operative on 3rd of September. Environment Canterbury councillor and Cust dairy farmer Claire McKay argues the new national bottomline of river nitrates below 2.4mg/l - down from the 2014 NPS target of 6.9mg/l - is tough to meet, and farmers will need time to adjust to the strict new limits.

[Live animal export ban lifts but SAFE wants total ban on livestock shipments](#) [24 October, Stuff]

The temporary ban on live animal exports, following the ship Gulf Livestock 1 capsized near Japan, has been lifted. The Ministry for Primary Industries has tightened the rules for livestock exports and put a limit on the number of animals which can be loaded on a ship. The exporters are required to send daily reports about the conditions on board. MPI director-general Ray Smith said ships departing New Zealand will now have about 10% fewer animals on board, and increased minimum fodder requirements to ensure at least 20% of the feed is available for unplanned delays.



Policy & Regulation

[GE bogged down by ambiguous rules](#) [22 October, Farmers Weekly]

New Zealand still lacks a framework for genetic engineering (GE) technology, after the Royal Society Te Aparangi called for an overhaul on regulations around it a year ago. The Royal Society panel is focused on delivering a series of reports looking at different areas of society where GE could be applied. The panel had highlighted some areas in the primary sector where GE could be beneficially applied, such as gene editing pine trees to be sterile.



Red Meat

[Meat forecast raises questions](#) [23 October, Farmers Weekly]

The value of meat exports is anticipated to fall \$1 billion to \$7.4 billion in the coming year, due to uncertainty from covid-19 and increased competition for beef markets, according to the new season outlook report by Beef + Lamb New Zealand. Lamb exports revenue is expected to fall below \$18 billion for the first time, and beef exports revenue to fall 9% to \$3.85 billion in the coming year. The number of cattle processed is expected to be 0.9% lower than last year and export production steady at 661,000 tonnes, while export prices are forecast at \$7445/t.



Viticulture

[A natural solution to sulphur: Loveblock winery the first in the world to use green tea](#) [22 October, Idea Log]

Kiwi winery Loveblock is thought to be the first in the world to replace the preservative sulphur with green tea (*Camellia sinensis*), which also helps its compliance with the organic certification. Loveblock uses green tea to offset the effects of the wine reacting to oxygen. "Sustainability is at the heart of Loveblock's wine and farming practice," said the founder of Loveblock Erica Crawford, "Natural antioxidants to replace sulphur are very much in line with our overall ethos."

[Drinking at home drives spike in wine exports during Covid-19 pandemic](#) [27 October, Stuff]

Rabobank's latest quarterly wine report shows global demand for New Zealand wine continues to rise, despite covid-19, geopolitical tensions and rising tariffs. In the eight months to August 2020, wine exports volume rose by 10.7% and value by 9.7% compared to the same period last year. Increased home wine consumption is driving strong retail demand in key markets, particularly to the UK and Europe, says RaboResearch wine analyst Hayden Higgins.

[Up in the air: Marlborough to study if farming hurts air quality](#) [28 October, Stuff]

The Marlborough District Council plans to trial a new air monitoring programme in New Zealand's largest wine region, with the aim to better understand the impact of farming activities such as spray drift, on air pollution. New Zealand Winegrowers general manager of sustainability Edwin Massey says he is interested in the results to inform the vineyard farmers on their current practices and the potential improvements.



International

[New rules and logos to protect British food and drink](#) [22 October, Gov UK]

The UK has set out a new and independent Geographical Indications (GI) scheme to replace the EU's schemes on 1 January 2021 as the Transition Period ends. The new rules and logos will guarantee authenticity and origin of British produce and to protect British producers from imitation. "The new UK protected food name scheme will replace the old EU one and will ensure that we continue to recognise and celebrate protected food names and local recipes across our country," said Environment Secretary George Eustice.

[Eagle Lab Farm launched to drive agri-tech ideas](#) [26 October, Press and Journal]

Barclays has partnered with Lincoln University to launch the Eagle Lab Farm, as part of a series of eagle labs run by the bank to help new businesses launch and succeed in various sectors. "Our vision is to help UK agriculture to become the most digitally-savvy farming sector in the world." said Barclays national head of agriculture Mark Suthern. Users of the lab will be able to use a wide range of facilities including a robotics lab, a demonstration packhouse and a model refrigerated supermarket aisle; as well as access to the banking services and business expertise by Barclays.

[Meet the start-up with a game-changing approach to antibiotic resistance in food](#) [26 October, Food Navigator]

Israeli biopharmaceutical start-up Mileutis has developed a solution to reduce the use of antibiotics in livestock and has also secured a US\$20million investment from NovaQuest Capital Management. Antimicrobial resistance (AMR) is identified as a major health threat to humans and animals. Imilac, which is the first product developed by Mileutis, could address bovine mastitis for the dairy industry and help to mitigate the use of antibiotics in animals.

[Young YouTube influencers are increasingly marketing junk food to fellow kids, study finds](#) [26 October, CNN]

Youtube influencers are targeting kids to market junk food and sugary beverages, a new study by New York University shows. Senior author Marie Bragg said: "We should approach YouTube influencer videos with skepticism, even with videos that seem to be educational or kid-friendly." The researchers argued for strengthening the legislation and regulations concerning product placement on YouTube videos that feature young children.

[China not yet ready for cell-based meat? New Dao Foods venture to prioritise plant-based innovation for now](#) [26 October, Food Navigator]

Chinese alternative protein investment firm Dao Foods has launched its first venture with the aim to invest in 30 China-focused alternative protein start-ups over the next three years. Dao Foods Co-Founder Tao Zhang believes cell-based meat is 'the future for protein security' but it is challenged by a lack of customer acceptance as well as intense scrutiny by the Chinese government. The company will focus on plant-based firms for its first investment fund for now, and has already selected its first cohort of ventures to support.

[New monitoring system could save thousands of tons of wasted food](#) [27 October, Food Navigator]

Italian scientists at the University of Cagliari are developing a new food monitoring device to tell whether the food is edible even if a 'use-by' date is expired. Relying on photonic technology, the device can track historic temperatures of perishable food to provide an accurate window of expiration. This could inform food companies more precisely whether a food item has been affected during the supply chain. The research lead Professor Carlo Carbonaro says the highly accurate optical food monitoring system could save thousands of tons of food waste every year.

Organisations referenced in this week's Field Notes include

Alibaba

Alleva Animal Health

Alpha Food Labs

Beef + Lamb New Zealand

BNZ

Department of Conservation

Environment Canterbury

Feilding High School

Global Dairy Trade

Lincoln University

Loveblock

Massey University

Ministry for Primary Industries

Plant and Food Research

Rabobank

Rockit Global

Royal Society Te Aparangi

Rua Biosciences

Spring Sheep Milking Company

Strawberry Fields

Tmall

Trust Provenance

University of Cagliariis

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