

*A weekly  
summary of  
all that's news  
in the  
primary  
industries*

# AgBRIEF

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## AGRIBUSINESS

### Synlait Trims Payout

Synlait Milk has cut its forecast payout to farmers for the current season, following Fonterra's lead, as weaker global demand and strong domestic production weighs on international prices. It expects to pay \$6.25 for the 2019 season, down from its previous forecast of \$6.75/kgMS. That projection will depend on commodity prices recovering for the rest of the season, something Synlait said it considers realistic. Synlait bought 63.6 million kgMS from its farmer suppliers in the 2018 financial year. At that level of supply, farmers stand to receive \$397.7 million from the lower milk price, compared to \$429.6 million from the earlier forecast. (NZ Herald)

### US Distributor For Cross Slot

Cross Slot has landed a major opportunity with Wisconsin's Appleton Marine to distribute the no-tillage seed drill in the US. The company is looking to expand into the agriculture sector with Cross Slots' openers, or blades. Used as part of a seed drill, they penetrate through crop residue, without disturbing the soil, to sow seeds and fertiliser directly into the ground, rather than ploughing and turning the soil over as is commonly done in NZ. Over the last 20 years, Cross Slot has sold about \$50 million worth of machinery in 20 countries. "While it hasn't made us rich, it's proved the science is correct," said founder Dr John Baker. Farmers in Europe can receive Government subsidies to buy Cross Slot technology, because of its environmentally friendly operation. But, Baker is frustrated the technology is constantly overlooked by NZ politicians. (Stuff)

### Zespri Issuing More Licences

Zespri will issue licences for an additional 700ha of SunGold kiwifruit and 50ha of organics. Dave Courtney says Zespri and the industry are in a strong period of supply growth and are working hard to meet growing consumer demand. To help achieve this, Zespri's board has confirmed the latest releases will occur in all growing regions from Kerikeri to Nelson. "For green, we're forecasting an average OGR of \$5.42/tray and average return of \$63,786/ha. This is down 5c and \$341/ha, respectively, on October forecasts, reflecting an upwards revision in off-shore fruit loss and quality claim provision estimates." Courtney says the average Organic Green Return (OGR) is \$8.68/tray and the average per hectare return \$68,864, up slightly based on firmer pricing in key markets. Meanwhile, the average return for SunGold and Organic SunGold per tray has increased to \$10.46/tray and \$140,195/ha, reflecting reductions in promotion and freight costs and favourable foreign exchange movements. Zespri Sweet Green is also up to \$7.16/tray and \$45,855/ha. "In the year ahead we expect to advance towards our goal of increasing sales to \$4.5 billion by 2025." (Rural News)

### NZ Wool In New Carpet Innovation

Leading European carpet manufacturer Ege is now using specially blended NZ wool in its innovative production process. The Danish company is a global market leader in the printed carpet sector. It recently came into PGG Wrightson's Wool Integrity Programme, following collaboration by the two compa-

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nies to develop a wool blend for Ege's carpet printing process. PGGW's Palle Petersen said printing enables much greater detail to be included in the design, at far lower cost. "Genetically, our key crossbred breeds here (romney and perendale) have been bred over many generations to be free of coloured fibre, whereas most UK breeds contain black fibre, which cannot be dyed any other colour, and therefore stands out as a fault in the finished carpet." In the past, Ege had used a blend of NZ and British wool to provide a higher bulk yarn. PGGW had worked closely with Ege to develop a specific wool blend to meet their requirements, replacing the British component with NZ perendale wool. Ege now used 100% NZ wool, blended before scouring, providing a more consistent quality. Founded in 1938, Ege manufactures wool carpet tiles, wall-to-wall carpet and bespoke rugs for domestic and commercial use, including in high-end hotel chains and luxury cruise liners. (Stuff)

### **Governance Review To Continue**

PGG Wrightson chairman Joo Hai Lee will step down before June 28, but the board will continue its governance review in the meantime. The board will provide an update in the near future regarding the outcomes of the review and the chairman's appointment. His resignation comes amid continuing fallout from US findings of fraud at its PGGW's controlling shareholder Agria. (Farmers Weekly & National Business Review)

### **Biosecurity Crackdown**

There will be a crackdown on transitional facilities following the discovery of a brown marmorated stink bug late last year, Biosecurity Minister Damien O'Connor told a meeting of horticultural, port and agricultural representatives, some of whom have formed their own biosecurity councils. He said there are 4518 facilities around NZ where goods are checked for biosecurity risks, but it is expected these will be whittled down to fewer numbers as the standards are raised. Transitional facilities will now have to "up their game" and ensure each staff member at each place is qualified with extra training, at their own cost. There were 29 transitional facility handling imports within 2km of where the Tauranga stink bug was found. (INZ Herald)

### **Milk Production Back On Track**

Milk production is on track to set a record this season as the risk of drought derailing it continues to recede. In December, production was 6.1% higher than 12 months ago and, for the season to date, it was running 5.2% ahead of the 2017-18 season. (Otago Daily Times)

### **Inflation Stable**

Inflation has tracked sideways as a fall in fuel and food prices offset rising electronic games, airfares, and housing costs. The CPI rose 0.1% in the three months to December, compared with a 0.9% rise in the previous quarter. The annual inflation rate was unchanged at 1.9%. Tumbling world oil prices and a seasonal fall in fresh fruit and vegetables are the main influences in the easing pressure. An increase in the supply of fresh fruit and vegetables saw their prices fall more than 12%, with family food bills down more than 1%. (RNZ News)

### **Saputo Interested In Westland?**

Westland Milk Products may be totally or partially sold to Canadian company Saputo. In a race last year to become the owner of Australian co-operative Murray Goulbourn, Saputo beat out Fonterra. Westland has made no secret of the fact it needs capital to improve its profitability and payout. Westland has entered into strictly confidential discussions with a select number of interested parties, said chairman Pete Morrison. "No comment will be made until the end of the process. As stipulated from the beginning of the process, the board intends to bring an option back to shareholders for their consideration and approval, if it believes it meets their objectives." (Stuff)

### **New Record Tractor Sales**

Sales of tractors and farm machinery hit a new record in 2018 and there are no signs of a slowdown. TAMA figures to the end of December showed a total of 4640 retail sales across all hp categories compared to 4079 in 2017 and 4062 in the boom dairy year of 2014. TAMA president, John Tulloch expects the strong sales trend to continue through 2019 unless there is a global event that has a sudden impact. The dairy industry, which accounts for a large proportion of TAMA sales, is looking to improve based on the last four global dairy trade auctions. (Rural News)

### **Westland Loan Detail Still Unknown**

Nearly two months after the controversial announcement that Westland Milk Products was approved for a \$9.9 million taxpayer-funded Provincial Growth Fund loan, the commercial terms are still unknown. MBIE says contract negotiations are still under way and releasing the material before the contract was final risked compromising the negotiations. Westland Milk Products, in a written statement, said negotiations on the final detail of the PGF "investment" in the company's \$22m segregation plant project were ongoing. The new plant is intended to help the exporter produce higher-value goods. (The Country)

### **John Wilson Dies**

Former Fonterra chairman John Wilson has died, aged 54. It is believed he had a brain tumour. He became a Fonterra director in 2003 and chairman in 2012 when he replaced Sir Henry van der Heyden. He stood down in July last year for what was described as a 'health scare'. After surgery, he told farmers he had made a very good recovery and was well but would need on-going treatment. Current chairman John Monaghan said: "John was one of us – a dairy farmer through and through. He always looked ahead and focused on finding a way through the tough times that would protect Fonterra's farmers, sharemilkers and their families. Bringing farmers solutions, not problems was always his mindset." As well as living on a Te Awamutu dairy farm with his family, Wilson owned a large dairy business in Geraldine. (Stuff)



# TRADE

## Vet Agreement With UK

The red meat sector is welcoming an agreement reached in London on post-Brexit regulation. Prime Minister Jacinda Ardern announced a veterinary agreement between the UK and NZ has been signed. MIA's Tim Ritchie says the signing of the agreement, together with the recent advice from the UK about the acceptance of EU Health Certificates post 29 March 2019, means that the sector is assured that existing regulations will remain the same – helping to alleviate some of the immediate concerns exporters have. There are, however, other aspects of the trade relationship that still need to be clarified, for example around animal welfare standards recognition and on-going documentation requirements, to support seamless trade to the UK. "While we still need to work to get clarity around how our quota rights will be recognised, we support Prime Minister Ardern's statement that NZ should not be left worse off as a result of Brexit – with our top priority being continuity and stability, which is in everyone's interest, including the UK's," said BLNZ's Sam McIvor. (Rural News)

## Davos Pressure For WTO?

Seven major agricultural organisations are urging the government to use forums like the meeting of global trade and business leaders in Davos, Switzerland, to try to rescue the Trade WTO. The seven bodies – DCANZ, MIA, BLNZ, HortNZ, the Horticulture Export Authority, SeafoodNZ and NZ Wine Growers – said the appeals process of the WTO could collapse this year due to insufficient judges, which would deprive small countries like NZ of important protections against bigger countries that might bend the rules of world trade. DCANZ chair Malcolm Bailey said that if the problem of appointing judges was not resolved this year, the disputes settlement process would cease to function, rendering unenforceable the rules NZ depends on. The meeting at Davos was a golden opportunity to push this message, he said. "The US is holding up the appointment of new appellate judges, because of their desire to see reform of a number of things at the WTO," Mr Bailey said. "We share some of those areas that need reforming, but at the same time, it is important that we see the WTO dispute resolution system continue to be able to work. (RNZ News)

## NZ Pushing For Gold Standard

NZ will continue to push for the 'gold standard' from newcomers to the Trans Pacific Partnership, but other members might not share that enthusiasm. NZ Trade Minister David Parker has just attended a meeting of TPP trade ministers in Tokyo where protocols for admitting new members were agreed. "It was agreed the most important provision is that the design of the agreement as intended should accept new applicants so long as they can meet the high standards that are provided for in the existing agreement." He said while ministers again talked up the virtues of free

### AVERAGE EXPORT MEAT SCHEDULE PRICES

This week, ending February 1, 2019 (last week's in brackets)

LAMB(\$/hd)	North Is.	South Is.
15.0kg YM	106.50 (106.50)	106.50 (106.50)
17.5kg YX	120.70 (120.70)	120.70 (120.70)
19.0kg YX	134.90 (134.90)	134.90 (134.90)
21.0kg YX	149.10 (149.10)	149.10 (149.10)
MUTTON (\$/hd)		
25kg MX2	125.00 (125.00)	123.75 (123.75)
BEEF (\$/kg)		
P2 Steer	5.50 (5.50)	5.15 (5.20)
M2 Bull	5.00 (5.00)	5.00 (5.00)
VENISON (\$/kg)		
AP Stag 60kg	9.95 (10.20)	10.20 (10.20)

Prices are gross operating prices and are exclusive of levies.

### AVERAGE EXPORT DAIRY PRODUCT PRICES

	Last week, ending January 26, 2019	4 weeks ago	3 months ago
Fonterra predicted payout			
\$/kg Milksolids	6.38	6.38	7.00
<b>Butter (NZ\$/Tonne)</b>	6300	6030	6430
<b>Skim milk Powder</b>	3740	3090	3090
<b>Wholemilk Powder</b>	4200	4070	4250
<b>Cheddar</b>	5250	5170	5430
<b>Casein</b>	9990	10120	10640

Prices above are indicative only. They are compiled from an assessment of sales made worldwide on a one-off basis in US\$. Quota market sales and contracts are excluded. The prices have been converted to NZ\$/tonne FOB at current exchange rates.

### MAIN O/S MARKETS, CURRENCY, INTEREST RATES, WOOL & WHEAT

	Last week, ending January 26, 2019	4 weeks ago	3 months ago
UK CKT Lamb Leg (£/kg)	4.60	4.65	4.70
US Bull Beef (US\$/lb)	2.00	2.12	1.89
US Dollar (for NZ\$1)	0.676	0.667	0.654
Aust Dollar (for NZ\$1)	0.945	0.954	0.924
UK Pound (for NZ\$1)	0.522	0.528	0.506
Euro (for NZ\$1)	0.594	0.585	0.572
INTEREST			
90 Day Bill Rate (%)	1.96	1.98	1.89
2 Year Swap Rate (%)	1.92	1.93	2.01
5 Year Swap Rate (%)	2.18	2.16	2.34
NEW ZEALAND WOOL PRICES			
WOOL PRO Wool Prices			
Fine (21 microns)	2155	2155	2278
Medium (29 microns) 7	67	801	822
Coarse (35 microns)	290	275	320
2nd Shear(37 microns)	258	265	340
Lamb (30 micron)	500	455	455
W H E A T			
ASW NZ\$/tonne	522	539	564

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trade, that is no guarantee countries joining the agreement will be required to open up their markets for agricultural imports. (Stuff)

### Increased Export Focus For Tomatoes

An increased focus on exports for NZ tomatoes could see the sector double its 2014 value by 2020. The fresh tomato industry has an annual farmgate value of \$130m, including export sales of over \$10m per year. In the year ended March 31, 2018, the fresh tomato industry exported 3641 tonnes at a value of \$12.24m (FOB). Key markets include Japan, Australia, Pacific Islands and Canada, new chair of Tomatoes NZ Barry O'Neill said. A key issue for the industry is carbon zero 2050 and the associated government policies and ETS that will be used to reach this goal. The tomato industry is already part of the NZETS through units paid on heating greenhouses, which results in significant production costs for our growers. Last year, members of Tomatoes NZ voted in favour of a biosecurity levy, now being signed off by MPI. (Rural News)

## LIVESTOCK

### Great Start To Karaka

Yearlings worth a total of \$11 million sold on the first day of the annual Karaka sale. This year, 1284 of the horses were to go under the hammer, with 70 sold on the first day at an average cost of \$150,000. One horse fetched \$800,000. NZ Bloodstock sales manager Danny Rolston there is some "pretty heavy artillery" to sell in the next few days and it's quite feasible to think that there's a million-dollar-plus, one or two, to come over in the next few days. Savabeel – a sire who has made NZ thoroughbred history with a clean sweep of stallion awards for domestic, Australasian and worldwide earnings in each of the past three seasons – fathered 71 yearlings. This is drawing a large international crowd. (RNZ News)

### Nixon Earned His Keep

Nixon, the exceptional velvet and trophy stag owned by Crowley Deer, sold for \$300,000 three years ago but his influence is still felt today with a son fetching a season-high of \$155,000 this year and another son making \$128,000 two years ago. All have been bought for breeding, with the \$155,000 five-year-old stag and its set of antlers estimated at 25kg going to Mt Cecil Trophy Deer Stud in South Canterbury. When Nixon was sold he had the world's largest orthodox Red stag head with a reading of 810 inches of antler. (Farmers Weekly)

### Three Cows Shot

Three breeding cows were shot dead, one being butchered and the meat taken, while another two were left suffering bullet wounds, and one calf was dead, on a Northland farm. Farmer Ian Russell is devastated by yet another cowardly attack by ruthless cattle rustlers on his Pouto Peninsula farm. The Angus cows and calf were in a mob of about 60. On searching paddocks where the stock were shot, Russell found a silencer and .308 bullet cases which police took when they were called to the farm. Russell said he had lost more than 800 cattle and 2700 sheep to

stock thieves off his various farms over 30 years. Previously he had even installed cameras to catch the culprits but when the cameras were discovered by men skulking around the yards, they burned down his woolshed, valued at \$600,000. (Northern Advocate)

### Demand Drives Ewe Prices

Demand driven by industry confidence pushed prices at the Temuka annual two-tooth ewe fair. The top price of the sale was \$320 for Border Romneys offered by breeder Bruce McDonald of Peel Forest. The Border Romneys not only fetched the top price, all but two lines of the breed made more than \$300. Capital stock Romneys sold from \$252-\$290 with other smaller lines selling from \$234-\$266 while Romney-Texel made \$230-\$263. Coopworths sold from \$208-\$274, Coopdales \$274-\$279, Coopworth-Romney \$279 and Coopworth-Texel \$272. The best of the Perendales fetched \$245 with others selling from \$228-\$240. (Farmers Weekly)

### EU Considering Partial Live Export Ban

Animal rights groups are calling on NZ to follow the EU's plans to ban live animal exports to countries that don't meet its animal welfare standards. SAFE says it is time the Government closed the loophole on live animal export for breeding purposes and ban all exports of live animals. (Stuff)

## HORTICULTURE

### Potato Receipts 3x Better Than Dairy

The opportunities for the potato industry lie in a planned series of sustainable developments, according to Potatoes NZ's Chris Claridge. Looking at the value of exports per hectare, it is estimated the export receipts per hectare are three times that of dairy. He says Potatoes NZ set up a strategy in 2013 to look at three key targets. The first was to increase the profit for growers by \$150/ha per annum. "We have gone back and looked at how we are tracking against those key industry targets and we found the 2013 farmgate value of \$103 million increased to \$170m in 2017. So we have seen an increase of 65% at the farmgate over that period." The hectares have remained reasonably constant – with planting about 10,000ha per annum – and there has been a corresponding increase in the farmgate value of that crop. The second target was to double the value of fresh and processed exports by 2025. In 2013, the value of exports was \$110.5m and in 2017 it was \$130m. "That's a 17% increase in export value; our current annual growth rate is 3.5% in export values but we need to get to an annual growth rate of 6% until 2025 to achieve our target of doubling. That is an achievable goal. The third is to increase the domestic market value by 50% by 2025. The 2013 value – including chips, crisps, retail and food service – was about \$650m and the current domestic market is \$852m. This is an increase of 28% "We had an annual growth target of 3.5% and our



current growth rate in the domestic market is 5% so we are on target to reach our goals," Claridge says. "Our total industry value at the end of 2017 was \$982m, so it is close to a one billion dollar industry." Frozen exports have gone from \$76.7m to \$91.70m between 2013 and 2017. (Rural News)

### Chardonnay Symposium

Some of the world's top wine writers and influencers are heading to Gisborne for the second Chardonnay & Sparkling Symposium from January 31 to February 2. The region has long been celebrated as the home of NZ chardonnay and sparkling wine, so the 75-plus media, sommeliers and buyers from across the globe can look forward to sampling the best. Those attending the symposium are coming from Ireland, Dubai, the UK, Germany, Sweden, Russia, the US, Singapore, Japan, China, Japan and Canada. (Gisborne Herald)

### Hong Kong Organic Growers Visit

Forty-two organic growers, retailers, certification managers and government officials from Hong Kong paid a five-day visit to NZ this month to investigate the state of organic and the approach to growing the sector in NZ. The tour was designed to encompass and profile urban farming, retail, wholesale, inter-generational business and corporate approaches to growing the organic sector in NZ. Hong Kong, with a population of over 7 million and a staggering 60 million tourists, has yet to realise the potential of capturing the market for its certified organic local products. "The insight was so valuable for us," said Professor Wong. "The Kiwi farmers and business people are so passionate about what they do that it reflects not only in the quality of product, but their lifestyle and we could not help but feel slightly envious. If we could capture that enthusiasm and market our own wonderful certified organic products better, we would benefit greatly from this. We all acknowledged this and it gave us a clear plan of action we need to take." (AgBrief Staff Report)

### Horticulture Profile Changing

The profile of horticulture is changing, according to a report by the Horticultural Export Authority that says the industry has consolidated greatly in the last two years. Some sectors have fewer growers but larger commercial growing operations, and in some cases, the acreage of crops has increased. Two examples of this are the onion and capsicum industries. In 2016, there were 95 onion growers with 4895ha in production versus 2018 with 91 growers and 5225ha planted. In the case of capsicums, in 2016 there were 75 growers. However, in the past two years the number of growers has dropped to 46 – yet production has increased from 15,000 tonnes to 19,000t. HEA's Simon Hegarty says economics are the chief cause of the consolidation, notably compliance, increasing costs of labour and transport, all of which have pushed up production costs per hectare. (Rural News)

### Marlborough Garlic King

Marlborough still maintains the title of NZ garlic king, producing about 70% of the country's total crop. There was a time 20 years ago when the aroma of garlic was what Marlburians woke up to during the months of January and February. Those days may

be long gone, due to the ever-growing onslaught of vineyards taking over garlic paddocks, but Marlborough still maintains its market share. John Murphy of Marlborough Garlic says there is no way they can compete against the US and China in volume, but they can excel in quality. Interestingly, given Marlborough's renown for wine, it is the brix (sugar level) of the garlic grown here that sets it apart from that grown elsewhere, he explains. A ripe sauvignon blanc grape will contain about 23 brix. A ripe garlic clove, ready for picking will hit the 40 brix level – something almost impossible to achieve elsewhere in the world. Marlborough Garlic has 80ha of garlic under production and harvests close to 7 tonnes/ha. That, Murphy says, is considered a reasonable yield worldwide, even if it is well below the 10–12t/h grown in some other countries. The smaller yield goes into premium products – fresh, dehydrated, crushed or peeled. Perhaps the most intriguing garlic product to come out of Marlborough Garlic's factory is Garlic Noir – or Black Garlic. It is normal garlic that is slow roasted (or fermented) for six weeks. (Rural News)

## SOIL, WATER, LAND, ARABLE

### Pioneer Working With Insurance

Pioneer is working with an insurance company to settle losses incurred after seed treatment failure in some hybrid varieties this season. Pioneer's Raewyn Densley said the problem has been isolated to a seed treatment issue. She hopes that despite the problems, some had the exceptional growing conditions this summer will go some way to counter the losses. "What we do know is maize is quite capable of adjusting to crop density and the season will only help that." The issue was a unique one for the company, but Pioneer is investing a significant amount of time and agronomy expertise to fully understand the problem. (Farmers Weekly)

### Wairakei Application To Be Public

Farmers in the upper Waikato catchment are welcoming news one of the district's largest landowners will have to publicly notify its plans to increase dairying land. But Wairakei Pastoral maintains the proposed change in land use prompted by the notification will have little, if any, impact on the catchment. Wairakei leases central North Island properties to Pamu and has converted 17,000ha of its 25,700ha forestry estate to pasture since 2004. The company applied in November 2017 to Waikato Regional Council to convert a further 1300ha from trees to pasture. The council has required the company to re-apply under Plan Change 1, also known as *Health Rivers*, conditions. In its revised consent application, Wairakei said the area was lawfully established as farmland through the consents process it applied for in 2016. It said the land use change being sought is for a nominally small change on 5% of the Wairakei estate. It also proposes to convert 6% of its farmland to forestry, meaning more than a third of the estate will be held as forestry. Because the areas to be



authorised by the consent are already being farmed by Pamu, Wairakei maintains there are no new effects expected from future land use changes. Pamu is committed to keeping nitrate leaching as low as possible and definitely within agreed limits. (Farmers Weekly)

### Dirty Machinery Blamed for Velvetleaf

Dirty farm machinery has been blamed for a significant jump in velvetleaf cases on Waikato farms in the past 12 months – 36 at the start of the 2017-18 farming season to 53. WRC's Darion Embling said the problem is due to contractors not cleaning machinery and farmers not being aware that it's a real issue. They should be factoring it into their business plan. The affected farms are a mix of commercial maize crops and dairy farmers growing maize as a supplementary feed source. Velvetleaf was also found on one farm in a fodder beet crop. MPI's John Sanson said as of the end of the 2017-18 season there were 1100 affected properties nationally that were either confirmed finds or have received contaminated fodder beet seed. Of those, actual velvetleaf plants have been found on 236 properties. For the current season, velvetleaf has been found on two new properties in Auckland, bringing the total known properties in Auckland to 13. (Stuff)

### Crops Escape Worst of Storm

Cropping farmers escaped largely unscathed from a southerly storm that hammered Canterbury, but watching it for an hour wasn't pleasant, according to Federated Farmers' Brian Leadley. Fortunately and surprisingly, given the severity of the blast that included heavy rain and wind gusts up to 130kmh, there was minimal damage, he said. Grass crops are proving a mixed bag with the wet, early start pushing crops ahead of time for optimal pollination combined with the lack of sunshine taking the real potential off many grass seed crops. (Farmers Weekly)

### Stronger Legislation Needed

Stronger legislation is needed for NZ plant breeders to stay on a level playing field with the rest of the world. The Plant Breeders' Association has been lobbying governments for the last 20 years to tighten protection, claiming it will foster a positive business environment for investing in plant breeding. Association general manager Thomas Chin said the latest commercial seed lines cost millions of dollars and typically take 10 years to develop. Plant breeders believe the protection of their intellectual property is inadequate and does not give them confidence to develop or import new cultivars. The maximum fine for breaches of plant protection is ineffective at \$1000. Plant breeders are also keen to have royalties paid on any protected seed varieties farmers save for their own re-sowing use, as happens in the EU, Britain and Australia (Farmers Weekly)

### Tougher Water Rules Wanted

Over 80% of NZers want tougher rules to protect rivers, lakes and streams from pollution, according to a recent Fish & Game poll. Kiwis haven't ruled out regulations being applied to farming when asked if they would support mandatory environmental standards for waterways. Fish and Game's Martin Taylor said the results were a wake-up call for agriculture

leaders and local government. "For too long, local authorities have allowed intensive farms to become established in unsuitable areas and then protected them at the expense of local residents and the environment." The result was dirty rivers and lakes choked with sediment. Many farmers understood and were making changes, he said. (Stuff)

## INDUSTRY

### Formal Representation For Wool Workers?

First Union representatives have been working with wool industry stakeholders, workers and employers for the past six months to develop a formal agreement to represent its shearers, woolhandlers and other industry employees. Jared Abbott said union representation was needed as the industry was losing skilled workers. "The wages have not kept up with overseas increases. Some employers are undercutting other employers. There is a lack of co-ordinated training, which has left huge gaps in skills and productivity, and many practices have fallen out of touch with current employment laws due to a lack of independent, pro-worker scrutiny. They have already signed up a number of workers and are now in talks with the first groups of employers to establish collective agreements," he said. (The Country)

### Diet Change to Save Planet

*The Lancet* medical magazine is calling for significant shifts in the types of foods people eat. It is a shift in diet that has the planet as much as human health firmly in mind, but has been challenged on grounds NZ is already well down the path to providing the planet with a sustainable diet. A report, released this month after three years of research, said human diets must change, as much to save the planet as ourselves, as the global population continues to swell towards 10 billion by 2050. The world farms an area the size of South America and grazes an area the size of Africa. But failing to shift agricultural practices as the population grows will require a further expanse of land the size of Canada to meet global demand. The *Lancet* suggests cutting global consumption of red meat and sugar by more than 50% while doubling the consumption of nuts, fruits, vegetables and legumes. (Farmers Weekly)

### \$9000 Raised By Veteran Shearers

Almost \$9000 was raised for charity by the annual Riverton Lions Club as shearers attempted to shatter a 2011 record of 2210 sheep shorn in a day. While the 16 or so shearers came up short of the record, they still managed to shear 1993 sheep on Tuesday at the Woodlands Research Station. Sandy Gillet, the club's first vice-president, said the 16 or so shearers would shear "until they're finished or until they're buggered". As it turned out, they ran out of sheep. She reckoned the average age of those doing the shearing was in the late 50s, but three of the shearers were in their 70s, she said. The oldest woolhandler, or 'rousy', was 82. All gave their time and services free. (The Country)



## Lamb Prices Remain Firm

Export lamb prices remain at historically high levels, despite uncertainty over Brexit, which coincides with the key Easter lamb trade. Alliance Group's Heather Stacy said Brexit could impact on the amount of stock held in Britain, and exchange rates, depending on what is agreed. "It could be disruptive. It will affect customers in the UK, rather than NZ." If UK lamb cannot be sold to Europe, then it could end up on the world market, affecting NZ exports. The export lamb market is starting to settle down after early-season peak pricing. "We have finished the Christmas chilled market, so we are selling a higher proportion of frozen product which will naturally reduce the overall market return." Alliance is now buying for its UK Easter chilled market, which finishes at the end of February to meet sea freight deadlines, with a minimum price contract of \$6.75 a kilogram. Farmers can expect lamb returns of \$6.40 to \$6.75 per kg during peak processing when frozen product makes up a bigger proportion of sales, Stacy said. (Stuff)

## Students In Limbo

Twenty-nine students undertaking the Certificate in Wool Technology course at Telford Farm Training Institute are in limbo after the liquidation of Taratahi Agricultural Training Centre. "We've had 29 students pass the first year of the two-year Telford course but at present we're not sure whether they will be able to continue," says Bruce Abbott, of the NZ Wool Classers Association. In addition there have been more than 40 inquiries for the next course and these are on hold. The Certificate in Wool Technology course, which had been part of the requirement for qualification as a wool classer, had been provided by Taratahi after earlier industry training initiatives collapsed in 2015. (Southern Rural Life)

## Manuka Honey Collection Mixed

Conditions for manuka honey production so far this season have been mixed, following on the two previous substandard seasons, according to Manuka Health's John Kippenberger. "Most of the harvest is still in the process of coming off the hives, so this will take several weeks to play out in terms of both yields and grade (quality)," he said. The two previous seasons have wreaked havoc with Comvita's earnings. For the year to last June, Comvita's net profit after tax came to \$8.2 million, down from the previous year's profit of \$9.8m. The company said at the time the second poor honey harvest in a row had a negative impact of \$6.2m on its earnings in that year. The company expects to announce its first half result on February 26, when it will issue an update for the season, which ends in March. (The Country)

## Wahine Maia Registrations Open

Registrations have opened for Agri-Women's Development Trust's Wahine Maia, Wahine Whenua 2019 programme, ahead of the first workshop in Gisborne next month. The theme is "engaging wahine as critical farming partners". The course will again be offered at no cost to participants – wahine involved in sheep and beef farming. It is for those women who want a greater understanding of business drivers and seek the skills and confidence to add value to businesses and help create a positive future. The first

workshop for the four-part course will be held in Gisborne on February 27. The other three workshops for the course will be held in March, April and May. (Gisborne Herald)

## Vet On the Go

A new book titled *Vet on the go* has been published by The Cuba Press, Wellington. It has been written by Graham Wallace, now 93, who had a long and interesting career as a veterinarian. *Vet on the go* is a collection of interesting and amusing tales that came out of his career. It also offers an interesting insight into farming life immediately post-World War 2, and beyond. (AgBrief Staff Report)

## Open Day for City Folk

Rangitikei farmer Justin Vennell is inviting city dwellers to see first-hand what farmers are doing to leave their land in a better place than they found it. The field day at the farm near Rewa, on February 14, will show visitors the investment made by farmers who are part of Horizons Regional Council's sustainable land use scheme. The day will include information about carbon farming and the Emissions Trading Scheme. It will also discuss planting native trees and what residents can do to improve the region from their own backyard. He has been part of Horizons' scheme for 10 years, planting native trees and developing wetlands to prevent soil erosion and improve the quality of the streams running through his farm. (Stuff)

## Two More Years Of Struggling

After struggling financially for several years, Taratahi Institute of Agriculture faced two more years of operating deficits despite cutting costs and selling a farm, a financial appraisal by PricewaterhouseCoopers has found. Taratahi's financial position was worsening as enrolments fell and reached a point where a November 2018 report by PWC said none of five possible changes to Taratahi's operating model would arrest a sequence of losses despite a 1.5% cut in costs, a small increase in funding, the sale of Mangarata farm and higher enrolments. In December, the board of the Masterton-based Taratahi Agricultural Training Centre called in liquidators. PWC said Taratahi needed \$28.5 million over two years to clear debt and fund deficits and capital expenditure but that would balloon out to \$32.6m if cost savings were not achieved. Successive years of falling enrolments were reflected in ongoing cashflow management issues that made month-to-month management complicated. For example, last October, Taratahi forecast it had underdelivered courses to the value of \$7m to \$8m, which would have to be repaid to the TEC (Tertiary Education Council). (Farmers Weekly)

## Growers Happy

Local cherry growers say it has been a successful season despite latest NZ-wide numbers indicating a dramatic drop in cherry numbers being exported. Summerfruit NZ market data as of January 20 indicated more than 1.4 million kg of export cherry sales this year to date. This is down considerably on previous years. The 2017-18-season period export sales totalled 3.6 million trays. (RNZ News)



## Beekeepers Split On Levy

A vote by beekeepers on a proposed honey levy next month has seen NZ Beekeeping NZ rallying its members to reject the proposal. Apiculture NZ wants to introduce a commodity levy on honey to help manage industry growth. The proposed levy would see all 1800 beekeepers in NZ with 26 hives or more pay a levy of 10 cents on each kilogram of honey - collecting about two million dollars a year. But Beekeeping president Jane Lorimer said the levy was unreasonably high. "Compare it to the Australian beekeeping scene, where I understand it's only about 2.3 cents per kilo that they pay... and so we think that's going to really badly affect our beekeepers," she said. Another worry was that much of the money would go into administrative costs, instead of targeted research and development. (RNZ News)

## Looking For The Sweet Spot

Shifting to a zero carbon economy will see the biggest upheaval in farming since the end of subsidies in the 1980s. Waikato's estimated 9000 farmers are the region's biggest emitters. As such, it will see some completely change how they farm and others will adopt new technologies as they become available. Such a shift is no longer just words. The Government is set to introduce the Zero Carbon Act into parliament in early 2019, which will set the framework for this transition. Key to this legislation are legally binding long-term targets, five-year carbon budgets and government-produced policy plans on how to meet those budgets. There will also be an independent climate commission to guide the transition. In 2015-2016, three-quarters (10.41 million) of Waikato's gross 13.8m tonnes of carbon dioxide equivalent (t CO<sub>2</sub>e) came from the farming sector, followed by transport at 11.7% (1.614m) and stationary energy at 9.7% (1.338m) according to Waikato Regional Council data. The region's net emissions are 8.2m tonnes of CO<sub>2</sub> due to forestry removing an estimated 5.6m tonnes of CO<sub>2</sub>. When extrapolated with Statistics NZ data, those farming emissions are split between 42% from dairy farming, 36% from the drystock sector and the balance coming from the region's other farming types. South Waikato dairy farmer George Moss says farming will be different by 2050 and will no longer be geared around production. "That model I think is well and truly retired. It will be about adding value, it will be about cost control, it will be about positioning our products with a low footprint whether it be gas or water quality." His advice is to treat greenhouse gases like those contaminants that affect water quality: nitrogen, phosphorous, E. coli and sediment. The sector has to find a way to maintain their businesses while minimising the spread of those contaminants. "How can we produce more with a lower economic footprint? That's the simple model and we are trying to find that sweet spot." (Stuff)

## Leadership Course Popular

Horticulture is in a growth phase and has ambitious goals, according to the director of the HortNZ Leadership Programme, Sue Pickering. Many people who have been a long time in the industry are now looking towards retirement. "The whole realm of succession, and people with skills and leadership qualities, has become high on the radar. It means programmes like this are popular, and people are recognising the need for them." Last year, a record 35 people applied for the 18 places available on the course. "We're finding a real demand at the moment." There is no age limit to participation and past attendees have ranged from their early 20s to their mid 50s. (Rural News)

## Beef Bratwurst Backfires

Beef Bratwurst was not the order of the day at the World Sevens Rugby event as Indian-Fijian fans packed into Hamilton. Because a good portion of the Fijian population is Hindu, beef and pork were off the menu for many. On the second day, Fritz's Wieners owner Jay Khatri brought in a lamb alternative which went much better. He said it was their first year catering for the Sevens and they learned they need to cater better for the diverse crowd. (Waikato Times)

## Lamb's Wool Prices Slip

Lamb's wool prices slipped back at the recent Napier sale, with micron levels becoming coarser and colours higher. As volumes rise, average prices are moving back accordingly, says PGGW's Steve Fussell. Good-style 35 to 37-micron was 1% to 25% cheaper, and good-average style easier by up to 5% cheaper. Some very good styles rose in price, notably 35-micron 2-to-3 inches and 37-micron 3-to-4 inches. In Christchurch, small volumes of mid-micron wool and crossbred lamb's (specially at the finer end) wool did well, with gains of 3% to 5%. However, crossbred wools dominated the volumes, and prices deteriorated from already weak levels. Crossbred wool quality overall has dropped away, and with little new business being written to offshore markets, buyers were operating hand-to-mouth. (Farmers Weekly)

# FORESTRY

## More Jobs In Gisborne Milling

More jobs could be on the way for Gisborne's wood and sawmilling industries this year with Far East Sawmills preparing a funding proposal to double production at the same time as the region plans how to establish the





\$20 million Prime Wood Cluster Centre of Excellence. Last year, Far East Sawmills bought the former Prime Sawmill in Gisborne from Eastland Community Trust (ECT) for an undisclosed sum. Trust CEO Gavin Murphy said the wood cluster site at Matawhero, bought for \$7.4m in 2015, was the trust's biggest investment to date. "The 71 new jobs created at the cluster are a direct result of ECT's investment and business development attraction activities, Far East and Wood Engineering's private sector investment and supporting Provincial

Growth Fund money to date." Overall, ECT hopes to work with further private sector partners and the PGF to create as many as 120 onsite jobs, with further potential for the creation of 300 offsite jobs via supporting businesses. (Gisborne Herald)

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