grarian revolution

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AS WHOLE milk powder prices start to surge again farmers are being cautioned not to let that distract them from some of the biggest farm system disruptions

agribusiness head Ian Proudfoot told delegates at this year's rural update agribusiness seminar. the world has seen.

The world was on the verge of a new agrarian revolution, KPMG's

It would result in practices done

for generations being tipped on their head in a few years. "Don't let the recent rise cloud

"We are at the point where there is a lot of hard work to be done to deliver a country that remains productive and valued into the future."

He broadly identified some of the megatrends unseating conventional commodity-driven production from agricultural

was produced but in how it was delivered. They would demand a new mindset not only in how food

Millennials, those born between 1982 and 2004, were starting to have children and were bringing a different mindset on how food

"They are hyper-connected and "They want instant access to

this access applies to food too.
"Even new start-ups like My
Food Bag may have increased
door-to-door access but still

He pointed to McDonalds'
Create Your Taste tailored meal
options that also have the effect of
increasing the price of a standard
takeaway meal spend by tens of

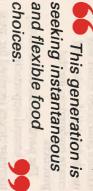
He expected supermarkets would be endangered within 25

is on way to farms

years with models like Amazon
Fresh meeting that millennial
need for instant delivery.
"They can deliver what you
want to your front door in less
than an hour, quicker than you
could go and buy the things
yourself.
Crowd-sourced food was

becoming more common and at a premium. He cited a Californian company that would process lamb on demand, at a cost of about \$500 a lamb.

opened up opportunities as much as creating risk. Creating fashionable foods



lan Proudfoot

He pointed to Marlborough's sauvignon blanc industry, with its tens of thousands of hectares

devoted to a single grape type.
"While it is going very well now
internationally, just imagine what happens should it become the next chardonnay."

global population were well understood in terms of impact on The statistics on the aging

But the linkage between longevity and good health was starting to fray as more people carried significant illnesses with them through longer lives thanks to advancements in medicine.

Proudfoot said 85% of people

management was increasingly being achieved through food consumption. over 60 managed at least one chronic health condition and that

packaging technology, for example avoiding difficult-to-open lids and packets for a market experiencing

the limitations of arthritis.
"We are getting to the point of customised food and Nestle are

already achieving this with their dog food brand Purina.
"It is possible for you as the owner to enter online the dog's health history and issues and receive a tailored dog food. If it can be done for dogs, how long will it be before we do it for humans?"

onset and an older population, more governments were also acknowledging the value of keeping people healthy rather than curing them in later life.

Taxes on sugar, salt and fats As health systems groaned under the chronic disease

Zealand significantly, given NZ products did end up in final items that might contain higher levels of were likely to impact on New salt, fat and sugar.

a market seeking out products that reminded them of the good old days, accounting for growing demand of products like craft But with an aging population also came a nostalgic streak with

grows at 0.2% a year, this market is "As the global beer market

growing at 13%."
Globally there were now an extra 1.3 million people a week moving into cities and estimates were for average commuting time to account for three to four hours a day, with the first and last meal of the day eaten on the means of

"So the challenge is how do we put value into the food they eat in

assumption made that as developing nations became wealthier they would migrate to more westernised tastes. a way that it is convenient?'
He also cautioned on the

"What we are seeing is the diet in emerging markets is not changing as greatly as thought.



MORE MONEY: Tailoring food to individual tastes means high prices can be charged, KPMG global agribusiness head Ian Proudfoot says.

essentially the same as it was 50 years ago." "In Japan, for example, they will pay a fortune now for a great piece of steak but the diet is

In what he labelled the bok-choy effect, it was the diet of countries like NZ that was

of what those countries had

"So, we have to remember that what we grow may not be what people want to eat."

In this rapidly changing

environment, NZ ran the risk of falling behind.

With only 0.5% of the global research and development spend on food technology, NZ risked getting only 0.5% of the good ideas

exports when on-sold and processed further offshore were earning a quarter of a trillion NZ's \$37.5 billion of food

"So at present we are only recognising less than 15% of the total value of what we grow."