

# DEER INDUSTRY NEWS

Issue 16 • October 2005 • Official magazine of Deer Industry New Zealand and the NZDFA

## Our Deer... HERE!

**Venison lifting profile in  
NZ supermarkets**  
**...if you don't see it, ask for it!**  
**- P11**



### Also in this issue:

- Velvet season reminders
- DINZ appoints new Chairman: John Scurr profile
- DOC proposal: returned to sender
- China FTA: New Zealand has much to gain
- Numbers down in Hawke's Bay
- How viable is AI for venison production?
- Putting a value on genetic gains in velvet weight
- Wapiti gene scoring system available



**DEER INDUSTRY  
NEW ZEALAND**

NZDFA  
New Zealand Deer Farmers' Association





# Velvet and how the industry supplies it

*As the velvet season begins, it's timely to look at how our industry supplies velvet.*

Over the past six weeks, Deer Industry New Zealand (DINZ) has been discussing with key industry participants whether any short term initiatives for the season could contribute to the more efficient sale of velvet. One suggested measure is for pools to disclose sales prices only to those who need to know, for the efficient sale of the batch. Pools have agreed to consider it. DINZ has also discussed whether PGG Wrightson would consider not selling some lower grades at the beginning of the season to try to ensure buyers focus on higher grade velvet. At the time of writing, discussions are progressing.

However, these measures are short term and do not address the fundamental challenges to more efficient selling. As reported at the conference in May, DINZ is concerned to ensure the most efficient and beneficial mechanism for velvet sale is available to the industry. DINZ has had useful and positive discussions with MAF on regulatory assistance for selling velvet. We have also been 'engaged' by passionate producers with ideas.

Selling velvet by a government-mandated single desk is not an option. MAF is clear that this would not be acceptable according to New Zealand's WTO position. Another option, production quotas, is not a palatable solution in my view. It impinges on people's right to make their own commercial decisions, it is difficult and expensive to enforce and by limiting our own supply, others are allowed the opportunity to 'fill our space' with a net effect of no income benefit to New Zealand producers and less market share.

In my view velvet's market structure is unwieldy. That is, it's a market of lots of sellers (velvet producers) and few buyers, technically termed an oligopsony. Because of that, buyers have undue influence over sellers. Pools should theoretically address the problem by encouraging producers to group their

velvet together for orderly selling by closed tender. However, (and this isn't the pools' fault) pools do not own the velvet, so they are primarily motivated to turn velvet over as quickly as possible and by batching velvet up into homogenous lines, the sellers' position is further weakened.

The NZDFA Executive Committee has raised these issues with the DINZ Board. The Board will be meeting with the NZDFA Branch Chairmen mid month and looks forward to a constructive discussion on these and other issues.

DINZ's view is that any alternative should meet three criteria: 1. commercially viable; 2. owned by producers for producers; 3. not require government intervention.

## NZ Venison – ask for it by name!

Have you checked for venison at your local supermarket lately? If you do, and it's not there, ask the store manager for it. Tell him or her you want to buy New Zealand farm-raised venison. New Zealand distribution channels are improving as venison marketers become 'approved suppliers' to supermarkets. However coverage is not uniform. There are few better motivations for a store manager to stock a new product than to have a mob of customers ask them for it.

Then, of course, it has to sell. Please let your friends know that New Zealand farm-raised venison is **the** delicious and nutritious meal option. City people often think they can't cook it, so tell them there's generally an easy to follow, simple recipe on the pack.

The challenge is to get people to give New Zealand farm-raised venison a try (using a simple fail-safe recipe). Once we get it in their mouths, venison will speak for itself.

Promotional activities taking place include:

- Articles in local media; venison featured for 30 minutes on *Good Morning TV*, presented by chef Adam Newell; an upcoming article in the *Sunday Star Times*; *Cuisine* will use venison in their Summer edition. In the coming months DINZ will be providing information and assistance to local media with a focus on the availability at retail;
- Marketers are using TV advertising, coupon campaigns, industry point of sale materials, in-store tastings and taking part in culinary fairs;
- On the restaurant side, DINZ continues to educate new chefs at Polytech; is in discussion with the New Zealand Restaurant Association to use their training venue for venison promotion; is pitching to demonstrate and

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**Cover montage:** Words & Pictures

## Profile: John Scurr

**A high-flier in more than one sense, an avid aviator but also a man clearly with his feet on the ground, John Scurr took on the chairmanship of Deer Industry New Zealand in July.**

John's journey through the deer industry started in the early 1980s when he first added Red deer to his family property – the 5,200 hectare Spotburn Station in Cardona Valley, near Wanaka, he has owned since 1971 with his wife Anne. Now running 3,000 head – up 50 percent on numbers when he became the NZDFA Chairman in 2001 – he also runs Cardrona Safaris, targeting North American trophy hunters, with smaller numbers from Europe, and is often seen in the skies above his property flying an R22 helicopter.

During the same period, his other passion – his Merinos – have reduced in number by 43 percent to about 5,000 head, while beef cattle have remained constant at about 300. He says integrating the two species with deer has worked well. "Their main work loads are at different times with the exception of velvetting, which tends to go on for a while."

When John initially decided to move into deer farming, he was lured by the diversity it offered. However, when his herd became infected with Tb, three years ago, the management focus shifted.

"The onset of Tb left us with one channel – slaughter – and that is just the way it is," he says. They were fortunate to have the scope to further diversify into their, till then, low-key safari operation. "Our only avenue out was safari, which at least picks up on a portion of the added genetic values through trophy stock."

The Scurrs now rely on the safari sector of the business to recover their significant investment in high profile deer, he says.

The safari business was developed, blending John's 1970s experience together with his knowledge of deer. Even though there is a reasonable market for safaris, he says it is becoming very competitive and he hopes it will not come under further pressure through misperceptions of business reality.

As NZDFA Chairman, John worked closely with his then counterpart at DINZ, Clive Jermy, to progress the move towards the sharing of resources between the two organisations. He says that, in hindsight, the transition was timely. "Since inception, over \$2 million of levy funds have been left in farmers' pockets," he points out.

He says the NZDFA is functioning well with the services of the Producer Manager, which channels producer views directly to the DINZ Board and an enthusiastic and committed DFA Executive Committee. The Board meets with



the Executive Committee and Branch Chairmen twice a year.

"We are a very consultative industry, that has progressed from the plethora of committees and dual representation to a truly one industry organisation."

The move from leader of the NZDFA to the industry body is at two different levels. "DINZ deals with all aspects of the industry, invests significant budget and works with all players on programmes for a sustainable future."


Now in his 50s and no longer directly involved with on-farm management, John is able to commit more time to farmer representation. His hands-on, practical deer farming experience stands him in good stead for the array of people, organisations and viewpoints that he deals with.

"There has been excellent progress in the development of relationships with all the relevant organisations, particularly other deer farming organisations," he says. "It is important to keep an open dialogue with them as their own politicians will listen to them before us so that, often, they have to be our conduit of support." He and the DINZ Executive communicate with them regularly and must always respect their positions, John adds.

The next year sees a further ramping up of activity for John Scurr. "There is always something to work on. With the industry fortunes as they are, and no immediate recovery in sight, it is important that we stay focused and don't lose sight of the good work and benefits achieved."

An intense work load for the Executive across all sectors will be monitored against the industry-agreed strategic plan. He sees improving venison and velvet returns as of primary importance, but is well aware that deer farmers are in no mood to contend with added costs at this juncture from the DOC fencing standards and velvet compliance costs.

John joined the Board of DINZ in 2002 and became Deputy Chairman in 2004. He was a producer member of the National Velvetting Standards Body and Chairman of the DeerQA On-Farm Technical Committee, a member of the Cardrona Landcare Group, a Director of Merino New Zealand and is Past-President of the Central Otago Merino Stud Breeders Association and the Central Otago Merino Association.

John and Anne have three adult children, Andrew, Donald and Emily. 

*Editorial continued from page 3*


participate at the World Association of Chefs conference in Auckland in 2006; and sponsoring other culinary fairs.

Venison promotion in the rest of the world continues at full tilt. In mid October, the industry has three chefs working in the market with recent activity in the United States, Germany, Belgium, Denmark and Hong Kong.

Anuga (big, international food show) takes place in mid-October in Germany. It will give an indication of importers' view of market prospects. However, they are only half the picture. Production volumes remain high with 738,000 deer killed to the year ended June 2005 compared to 655,000 in the

year ended June 2004. DINZ will report on market conditions following Anuga to Branch Chairmen on 19 October.

On a brighter note, the Productivity Working Group – a committed group of industry people – met with DINZ and AgResearch to further discuss a Productivity Strategy. They have made good progress and are moving towards a goal of releasing a strategy for implementation.

The 16<sup>th</sup> edition of *Deer Industry News* is as packed full as the previous 15 issues. Thanks to Phil and the team for another great effort. I hope readers get plenty out of it. 

**Mark O'Connor**

# Velvet preview: seasonal reminders

## Compliance a key issue

The deer industry is under increasing pressure to ensure that velvet is removed legally, following the significant prosecution of a deer farmer earlier this year. Although Deer Industry New Zealand and the National Velveting Standards Body (NVSBS) work closely with regulatory authorities on compliance issues, this alone is not always enough to protect the deer industry.

Velvet removal is a Controlled Surgical Procedure under the Animal Welfare Act 1999. This effectively means that only a registered veterinarian or NVSB-approved person can legally remove velvet.

Deer farmers and vets must make themselves aware of the regulatory requirements surrounding velvet removal, in order to protect themselves and their animals. For example, in addition to animal welfare, there are also drug handling and food product requirements to be met, and these apply to everybody, whether they are a NVSB-approved member or operate with their veterinarian.

A number of important basic requirements, which everyone must be familiar with, are presented below for information:

- Velvet removal requirements apply to spikers as well as adult stags, i.e. analgesia must be achieved before removal and only a registered vet or NVSB-approved person may remove the velvet.
- It is not acceptable for a farmer to employ a vet to remove adult velvet and velvet spikers themselves, unless the veterinarian is also accredited to do so by the NVSB Programme.
- Velvet **must be analgesic** (i.e. impervious to pain) before it is removed.
- Velveting drugs are only to be supplied to NVSB-approved persons and only used for velvet removal.
- NaturO™ rings are the **only approved ring** for spiker velvet removal. Use of elastrator rings or similar for velvet removal is prohibited. Use of such rings as a tourniquet is also discouraged, as it causes confusion at Deer Slaughter Plants and can lead to prosecution. Protect yourself and your spikers by only using NaturO rings.
- A new technique for applying NaturO rings to branched spikers has been approved by NAWAC (refer to the NVSB Bulletin, Sept 2005).
- A tourniquet **must be applied and tightened** before administration of local anaesthetic, to minimise drug residues in the velvet.
- Information must be provided to identify the drugs used during velvet removal, as well as to indicate compliance with animal welfare and food safety requirements. Velvet ID tags and black sleeves are intended for this purpose. An alternative is a veterinary declaration, which must accompany the velvet.
- Electro-immobilisation and electro-analgesia are **not permitted** for use during velvet removal.

Please help ensure the future of velvet removal by following NVSB guidelines when removing all velvet, including spiker, and by reporting any non-compliance to either the NVSB or authorities for follow up. For more information on velvet removal requirements, or becoming part of the NVSB Programme, call the NVSB on 04 473 4500.

## Report stag deaths

Research into the epidemiology of stag deaths following routine xylazine use will continue during the 05/06 velvet removal season. It's important to get involved if you experience a stag

death this season, so that the problem can be better understood and eventually eliminated. Further information on this project, as well as a detailed recording booklet, will be provided by Massey University (contact researcher Pania Flint 06 350 7757 for details). Alternatively, you can call the NVSB on 04 473 4500 to report a stag death. Please remember to obtain a *post mortem* if the body is in a condition to do so, ideally within 12 or less hours of any unfortunate loss.


## Hard antler definition

The NVSB has been asked to clarify what is meant by 'hard antler', to enable farmers to better manage their velvet removal options. The definition of hard antler given in the current NVSB Manual is:

"Fully grown, calcified antler that no longer has a functional nerve or blood supply (stripping will be evident to a greater or lesser extent, but is not the primary indicator)."

Contact the NVSB or your veterinarian for further information. Please note that removal of **antler still in velvet** without adequate analgesia is an offence under the Animal Welfare Act 1999.

## Tied ring method – don't use ID tags

The NVSB wishes to clarify that NVSB velvet ID tags are **not to be used** as part of the Tied Ring method for NaturO ring application, despite being shown as such on pages 54 and 55 of the current NVSB Manual (September 2005 edition). The velvet ID tag in the Manual was used simply for illustration purposes. In addition to having been used successfully in research trials, the **recommended plastic cable tie** (400mm long, 5mm wide, 1.6mm thick, with chamfered edges) is longer than the velvet ID tag, allowing greater expansion over the antler. 

## Introducing the "CROSGUN"

Designed by a velveter with over 25 years velveting experience specifically for the quiet and stress free administration of xylazine for velveting.



The "CROSGUN" can administer up to 3cc of xylazine quickly and quietly. Emphasis is given to the quick and quiet administration thereby avoiding damage to your velvet at this critical time.

The "CROSGUN" is made from aluminium and stainless steel for long life and durability.

The "CROSGUN" mechanism has a unique spring loaded cocking action for administration. Administration is extremely quiet and spring tension can be varied to suit the operator.

The needle used in the "CROSGUN" is a fine 1-1/2"x18 gauge which is protected within the nylon shroud up to the time of administration. The pressure upon the shroud against the stag's body triggers the administration of the drug. There is a little click and the job is done, quickly and quietly.

Contact: **Murray Crosland, Springbank Deer Farms,**  
Ph/fax: 03-312 6671 Email: murraycros@ihug.co.nz

# Tracey on way – but why the rush?

**Tracey could be with us soon, but hopefully not too soon. We're not talking cyclones, and we're not talking about that troublemaker from Coronation Street.**

*Tracey* is the working title given by the Animal Identification and Traceability Working Group to the proposed framework and database for an enhanced animal identification and traceability system in New Zealand – focusing initially on cattle and deer. The working group's report was circulated for comment in July, and submissions closed on 30 September. The deer industry is represented on the group by John Scurr, Mark O'Connor and Tony Pearse.

The system will eventually be given a name more befitting its importance to our economy, food safety and biosecurity, but for the purposes of brevity, we'll use the working title.

Deer Industry New Zealand has supported the thrust of the proposed framework, but with a couple of important qualifications. The proposed timeframe for introduction – a voluntary system by October 2006 and compulsory by October 2007 is overly optimistic, DINZ said.

In its submission, DINZ suggested adding 2-3 years to the voluntary programme, while developing strong links to the EU, Australia and Canada to tap into their experience with similar systems. However, DINZ did support the system eventually becoming mandatory – a view not supported by the NZDFA (see sidebar). On the question of allocating costs for *Tracey*, the DINZ submission said it should be allocated to beneficiaries of the system – as long as the Crown acknowledged the biosecurity and market access benefits. DINZ notes that until costs are established and the Government position known, it is impossible to establish a cost/benefit ratio to industry. This needs to be clear before the industry can make an informed decision about participation and voluntary timeframes.

Animal ID devices should be standardised, but not restricted to a particular supplier, DINZ said. As long as minimum standards were met, supply should be competitive.


The working group proposed that two types of information should be collected for *Tracey*. Core or base information would include data on the farm/premises and its owner and occupier. Details on the livestock would include a unique identifier for each animal, place and date of birth, and owner or 'person in charge' details.

In addition to this would be separate transaction information, recording animal disease status, compliance with withholding periods for veterinary medicines and, for the cattle industry, any treatment with growth promotants. (Growth promotant use has been rejected by the deer industry.) Animal movement details would also be added, along with notification of missing or dead animals.

*Tracey* would require tagging prior to first movement irrespective of age, and its objective for traceability is a maximum of 48 hours in line with the Government's biosecurity ideal. The consultation document acknowledged that a variety of systems could accommodate the information – as technology changes, so too might the data carriers.

Ownership and governance of the database would need careful consideration. In their submissions, DINZ and the NZDFA favoured a custodial trust for managing the database.

There is no legislation in place to mandate the adoption of *Tracey*, but the consultation document noted that the Animal Identification Act 1993 could provide a basis for developing the framework.

Following the analysis of submissions on the proposal, the working group has suggested the establishment of a governance group by 1 December 2005. 

***It is too late to make a submission, but if you haven't yet seen the working group's consultation report you can download it (and DINZ's submission) from: [www.deernz.org/resources](http://www.deernz.org/resources)***

## NZDFA has reservations about Tracey

The NZDFA Executive Committee has recognised there is a wide diversity of views amongst individuals and Branches, including a particularly robust view from the influential Southland Branch. However, they have carefully reviewed the document and formed some leadership views on time frame, questioning what were the key drivers and focusing on a surety of cost benefit, prior to any mandatory introduction of the system.

The Committee raised a number of concerns in its submission. They questioned the rationale behind the recommendations and proposed timeframe – was biosecurity or market access the motivation?

If biosecurity was the main consideration, the sheep and pork industries should be also involved, the Committee said. They also questioned how much the Crown would be prepared to fund the system, given the biosecurity and New Zealand trading status benefits.

If market access was the main driver, it was the internationally competitive beef industry that was making this an issue. Given the good record of the venison industry, including its current capacity and ability for relatively rapid traceback, it seemed unfair for deer farming to be dragged into a system for reasons of convenience – especially at a time of historically low returns.

Given the time it is taking for the processing industry to provide data based on eartag information under the current ID scheme, the Executive Committee wasn't confident that existing systems (AHB system combined with Animal Status declarations) could deliver what was envisioned for *Tracey*. This opened the possibility for expensive electronic systems – a cost with little perceived benefit.

More time was needed to trial this RFID (radio frequency identification) technology and learn from the work being done in Australia, Canada and the EU, the Committee said.

Like DINZ and the Southland Branch, the Committee warned the two-year timeframe was unrealistic. They wanted compliance to remain voluntary in the short to medium term.

Despite these reservations, the NZDFA Executive Committee did not rule out future industry support for a nationwide scheme along the lines of *Tracey*. They also noted that the working group had "correctly identified the major issues of detail and direction that will be required to underpin a national [system of] ID and traceability at the appropriate time for the deer industry, and following a clear definition of cost centres, government responsibility and assessment of new and emerging technology that can add value to farm management systems as well".

## North Island Velvet Competition – 2005

Saturday, November 26th, Duxton Hotel, Okawa Bay, Lake Rotoiti, Rotorua, run by the Rotorua Branch, NZDFA.

Class	Sponsor
Champion Red	Pampas Heights Red Deer Stud
Maiden Red	West Bush Deer Stud
3 Year Red	Sarnia Park and Rodway Park
4 Year Red	Windermere Red Deer Stud
5 Commercial heads over 25kg	Velexco
5 Commercial heads under 25kg	PGG Wrightson
Red Hard Antler	Love Red Deer
Sire of Three*	Xcell Breeding Services

All the above classes (except "Sire of Three") carry prize money of:  
 1<sup>st</sup> - \$250      2<sup>nd</sup> - \$150      3<sup>rd</sup> - \$100

\*First prize for "Sire of Three" is \$1,000 worth of semen collection services; second and third prizes as above.

There will also be one Elk/Wapiti class, which is un-sponsored.

All classes will need a minimum of five heads for prize monies to be paid out and the Elk/Wapiti class will only be judged if there are five or more heads presented. Entry fee will be \$25 per class, a \$10 reduction on last year. Entry forms will be available through your **PGG Wrightson Branch** by Labour Weekend, or call **Rachael Mitchell** and she'll fax you a copy.

Viewing 5.30-6.30 pm, social hour 6.30-7.30, dinner commences 7.30 pm. Dinner tickets will be \$40 per person – the chef at the Duxton is preparing a three-course menu for us; the venison for main course is kindly provided by **Duncan & Co.** The whole meal will be of a very high quality.

Accommodation is available at the neighbouring Scenic Circle Marama Resort; rooms have been held until the middle of October under the NIVC, available through Rachael Mitchell. A shuttle between the Duxton and Marama Resort will be put on by the competition organisers.

Contact Rachael Mitchell: 07 333 2151 or 021 457 715

## Velvet competition calendar

### 2005

Friday	18 November	Hawke's Bay Waipa
Saturday	19 November	Waikato
Monday	21 November	North Island – entries to be in Grading Centre, PGG Wrightson Hastings
Friday	25 November	NIVC Judging, Duxton Hotel Lake Rotoiti Rotorua SC/NO Timaru
Saturday	26 November	North Island Awards Dinner Rotorua (see notice at left) Wairoa
Wednesday	30 November	Eastern Southland Taranaki
Thursday	1 December	South Otago
Friday	2 December	Closing Date, National Velvet Competition: Velvet to Invercargill Freezer PGG Wrightson
Monday	5 December	National Velvet Competition Judging
Tuesday	6 December	National Velvet Comp Awards and Dinner Invercargill (see advertisement below for full details)
Friday	9 December	Oxford A&P show Velvet Competition
Saturday	17 December	Manawatu/Horowhenua/Wellington Kapiti

### 2006

Saturday	21 January	Elk Wapiti Society National Ashburton
Saturday	28 January	Fiordland
Saturday	25 February	National 2yr Old Velvet and Hard Antler and Branch Challenge, Masterton

## 2005 NATIONAL VELVET COMPETITION

Awards dinner Tuesday 6 December • Venue: Ascot Park Hotel, Invercargill

An invitation is extended to all deer farmers to enter velvet or hard antler in the following classes:

- |  |                       |                   |                      |
|--|-----------------------|-------------------|----------------------|
| a) Open Red  | b) Elk/Wapiti Supreme | c) 3 Year Red     | d) 4 Year Red        |
| e) 5 Year Red  | f) 3 Year Elk/Wapiti  | g) Elk/Wapiti One | h) Elk/Wapiti Maiden |
| i) Trophy Antler Section — Red — Wapiti/Elk Typical and Non-Typical — Fallow Hard Antler |                       |                   |                      |

- > The National Certification is a great opportunity for both stud and commercial breeders to verify and authenticate, weight and grade (velvet), and score (hard antler).
- > Excellent prizes in most sections with 1st, 2nd and 3rd placings receiving up to \$500 in cash or vouchers plus advertising nationwide in 4000 result brochures.

Main sponsor:

**PGG Wrightson**

Host: Southland Branch, NZDFA

NZDFA

New Zealand Deer Farmers Association



Entries to: Brian Russell, No 3 RD, Winton, ph/fax 03-236 7848, email: deerpark@woosh.co.nz

**Deadline for entries: Friday 3 December**

Guest speaker: Max Quinn (Wildlife Cinematographer)

Awards dinner tickets \$60pp available from Mrs Judy Gerrard, Acrestripe, RD3, Winton, ph/fax 03-236-8277

All other enquiries to Peter Allan (Competition Chairman), ph/fax 03-201-6313



## DOC consultation returned to sender

***The NZDFA has angrily rejected DOC's public consultation process on updating the specifications for keeping deer in captivity as flawed, anachronistic, heavy-handed, unfair and irrelevant. The Association has refused to buy into the submission process, but has nonetheless made its feelings clear to DOC.***

Deer Industry New Zealand, meanwhile, has generally supported the position taken by NZDFA, Game and Forest Foundation and the NZ Association of Game Estates. Following a deer industry meeting in August with Conservation Minister Chris Carter, Rural Affairs Minister Damien O'Connor and the DOC officials driving the review, DINZ has offered to facilitate a better conceived and wider scale review of all legislation and regulations affecting deer farming.

Relationships between NZDFA and DOC have been strained since the review was first announced. An attempt by DOC to mollify farmers during the consultation and persuade them that the new specifications would not impose an additional cost only served to throw fuel on the flames. Bizarrely, DOC seemed to be contradicting the position it had taken in its own consultation document.

Currently, DOC has legal responsibility for some aspects of deer farming. The legislative framework includes the Wild Animal Control Act 1977, the Deer Farming Notice No. 4 1986 (made under the WAC Act), and the Noxious Animals in Captivity Regulations 1969. The names of these Acts and Regulations alone are provocative enough to those farming deer in the 21<sup>st</sup> century.

DOC would like to update the Deer Farming Notice No. 4 1986 – this would also have the effect of revoking the Third Schedule of the Noxious Animals in Captivity Regulations 1969.

There is deep disagreement between DOC and the industry about the necessity for, and the economic impact of, the specifications for perimeter fencing, netting and gates. In fact DOC appears to have not even considered economic impacts, let alone benefits.

While the industry accepts the general concept of regulated and non-regulated areas, that's about as far as the agreement with DOC goes. Deer farmers would like to see the whole legislative framework surrounding deer farming reviewed – not just the tinkering with fencing specifications proposed by DOC. Most of all, the industry would like to see DOC's control over the industry relinquished. Similar to other mainstream livestock industries, MAF is the appropriate agency to look after any rules affecting deer farming.

Many farmers will be familiar with the issues surrounding the proposed specification update, and we won't re-litigate

them all here – but with 1400+ letters of support received by the NZDFA, it's clear that farmers are taking notice and they're not happy.

The DOC case appears to be full of holes, inadequate research and irresponsible use of statistics. These are some of the main points raised by the DINZ and the NZDFA in communication with DOC:

- The industry's QA scheme provides effective standards and best practice guidelines for perimeter fencing. Fencing standards practised in the industry are robust and after more than a quarter of a century they're clearly doing their job.
- The information provided to support DOC's case is flawed and inadequate. The number of new location records attributed to escapes has been exaggerated. Very few escapes are recorded in the South Island, which is where most deer are farmed. DOC is focused on Northland and the northern North Island – not a leading deer farming area. Seventy percent of new location records relate to Fallow deer, not the 99 percent predominantly farmed Red, Elk and crossbred strains.
- Statements by DOC about the availability of netting material are incorrect. So too are statements about the Tb disease risk from feral deer.
- Escapes caused by failure to meet fencing specifications are virtually unknown. By far the greatest causes are human error and human failure, acts of nature (slips, trees down etc) or illegal releases (usually of non-farmed species).
- DOC has presented a misleading case through the media following the consultation process and introduced new interpretations of its proposal, clearly at variance with the discussion paper.
- There has been no attempt to provide a proper cost benefit analysis for the proposed changes.
- The discussion document appears to contradict previously published DOC policy.

What the Director-General of DOC will make of the submissions remains to be seen. The analysis isn't due to be completed until next month. The election and possible portfolio reshuffle mid-process may have complicated the issue.

Like it or not, DOC currently administers some of the legislation controlling deer farming. Even if that is to change, the process needs to begin with DOC. The best outcome for the industry may be for the current review to be scrapped and a new, wider review with new terms of reference ordered.

While the process has got off to a bad start, there are signs of common ground and the possibility of better cooperation in future. At the August meeting there was agreement that it was important to protect areas where there are no feral deer, and that there should be a focus on the regulated areas.

In its submission, DINZ noted that a regional approach could be a sensible compromise. The industry also agreed that there is value in a risk assessment approach.

While offering to help move forward from the current stand-off between DOC and the industry and lead future constructive discussion on all relevant regulation and legislation, DINZ – like the NZDFA, GAFF and NZAGE – pointed out in detail the deficiencies in DOC's consultation and the information the department used to support its

*continued on page 9*



## Branch Chairman profile: George Thomas – Waikato

***Dairy farming, says Waikato Branch Chairman George Thomas rather enigmatically, is everything that deer farming is not.***

An ex dairy farmer himself, George has no regrets about making the switch to deer back in the early 1980s – despite the current poor returns. Indeed, the more reliable income is the only thing he misses. With wife Delwyn he runs deer and beef cattle on his 85 hectare farm at Tirau. (Their three adult daughters have moved off to careers of their own – none tempted to stay in agriculture.) George and Delwyn's operation includes a small Wapiti stud and commercial Red herd, using Wapiti terminal sires and finishing about 100 head a year.

In addition George manages a 170 hectare sheep, beef and deer farm for Mike Smythe, near Karapiro. The predominantly deer operation turns out up to 500 finishers a year. All told, George is responsible for about 4,000-5,000 stock units.

He also worked for Clive Jermy for a few years at Stanfield Park, and then Stanfield Oaks as it later became, until Clive moved his operation south.

Involved in Branch committee work for many years, George was Chairman of the former South Waikato Branch before it merged with Waikato. Earlier this year he took over chairmanship of Waikato, following in the footsteps of the indomitable Eric [Clark] of Hamilton.

While the Waikato Branch has a large, active committee and a proud tradition of speaking out on industry issues, the deer industry in this agricultural heartland is not in good shape, George admits. "Most of us are in solid dairy country. While it's nice seeing our land values going up, it doesn't do anything for cashflow."

Logistically, Waikato is a difficult Branch to manage. The result of a number of earlier mergers, it covers a large area, and just getting to committee meetings means a long drive for many members. Like many Branches, Waikato is suffering a decline in numbers, and most of those remaining in the industry are cutting deer numbers also.

On the positive side, the Waikato deer farming community is closely knit, with an active and enjoyable social life. Waikato deer farmers are keen group travellers and it's no coincidence that they formed the biggest contingent at this year's industry conference in Te Anau. George has a strong personal connection with Te Anau, which is where his Wapiti

*from page 8*

case. DINZ is also concerned at the potential risk to industry export earnings that the proposal presents. Overseas customers value New Zealand's 'clean, green' image and the industry's good reputation as exemplified by its commitment to the environment in which it operates.

DINZ is concerned that the public nature of the 'Keeping Deer in Captivity' discussion document has damaged the industry's reputation and therefore potentially export earnings to the industry and New Zealand. The inference that the New Zealand deer industry is not acting responsibly is

stud herd has its origins.

There have been plenty of issues concerning the Waikato Branch recently. Like their counterparts around New Zealand, Waikato deer farmers have been incensed at the DOC proposals on reviewing fencing specifications. "Their proposal won't make any difference to deer escapes. DOC has been fortunate that the feral venison industry has been keeping feral numbers down. But now that industry has collapsed, they're under pressure again. They shouldn't go blaming deer farming for their problems controlling the feral herds."

The Waikato Branch has also been involved in the consultation on animal ID and traceability. "We are not convinced there's a need for a compulsory system. The whole thing seems to be driven by scientists and the tagging industry. If people want to create a premium niche product with full traceability that's fine, but for average commercial farmers it would just create an extra cost and no benefit."

Waikato deer farmers are also keeping a nervous watch on the restrictions on nitrogen runoff starting to appear in the Taupo catchment on their southern borders. "If we get draconian rules about nitrogen runoff it could be a disaster for our industry," George says.

Supply management is something of a cause célèbre for Waikato, which put together a detailed proposal at the Te Anau conference. "We are disillusioned about the lack of action on our ideas – there doesn't seem to be any support at Board level," George says. "We really need some fresh thinking, but at the moment we can't see anything on the horizon that'll enliven the industry – it's in a huge rut from what we can see."

Drawing on his dairy industry experience, George says there may be a case for a cooperative model in the deer industry. "Just leaving it to market forces isn't working!"

Waikato, meanwhile, might be feeling down, but it's far from out. It's not easy getting the next generation on board with Branch activities, but there are at least a couple of promising youngsters coming through at committee level. In the meantime, George says he's happy to continue fronting for the Waikato Branch and making sure their concerns come through loud and clear to our industry leaders. 📧



*George performing official duties at the 2005 Deer Industry Conference.*

unfair. Public comments by DOC staff that DOC is 'helping the deer industry reform itself' imply that the industry does not manage its affairs properly and requires intervention. That is not the case.

The ball is now back in DOC's court. They have received a loud and consistent message. This misguided attempt to impose a regional system for managing farm escapes (Northland) on the rest of the country is ill-conceived and won't fly. It's to be hoped the Director-General of Conservation won't take too long to reach the same conclusion. 📧



## Branch Chairman profile: Peter Allan – Southland

***It was a massive dump of snow in 1985 that was the catalyst for Peter Allan. At an elevation of 1,400 feet, spring snowfalls aren't uncommon in his part of northern Southland, between Dipton and Balfour. But this was something out of the ordinary. The one-metre deep drifts swallowed up 60 percent of the year's lamb crop and convinced him once and for all that this place was better suited to deer than sheep.***

He'd started running deer on the family farm in the late 1970s and it wasn't until about the mid 1990s that the last of the sheep were gone, but his commitment to deer intensified after that disastrous spring.

The eldest of nine, Peter bucked the usual trend for the oldest son to stay on the family farm, and struck out on his own. But he didn't move far. In 1983 he bought a neighbouring 236 ha property, named Maple Valley for its shape. The farm is ideally suited for deer. It includes about 40 ha of rough peat land which provides plenty of cover for fawning, and is also a winter base for his breeding herd, which are fed out around the edges of the peat lands.

It's a diversified operation. He cut about one tonne of velvet last year and finishes about 700 animals a year, including about 300 bought-in weaners. He also sells three year-old sire stags and a few trophy animals. About 200 hinds are run on his parents' place next door.

Peter started out with Fallow deer, but it wasn't too long before they were shipped off to Wanganui and he turned to Eastern Reds, which he's stuck with pretty much since Graham Carr began importing them at Peel Forest.

Sport is another big part of Peter's life – long distance running, triathlons, tennis, squash, rugby – he's done them all. He's still heavily involved in tennis but it was through squash that he met his wife, Diane – herself an able sportswoman and previously New Zealand's 12<sup>th</sup>-ranked woman's squash player. The sporting genes also run strongly in son Logan (12) and daughter Stacy (8).

Diane, although she suffers an allergy to deer, loves the animals and maintains a small herd of ornamental Mesopotamian Fallow.

As newly appointed Chairman of the Southland Branch, Peter is concerned, but also philosophical about the decline in their membership. In the past two years this heartland Branch has shrunk from 900 to 700 and Peter would not be surprised to see it keep dropping to around 500 before it stabilises.

"Most of the people who have left the industry have been running deer as part of a mixed enterprise," he says. "On some kinds of land, the returns from deer at the moment just don't add up and I can't blame people for shifting to something more profitable."

He says northern Southland is more suited to deer, and most of the attrition has been in central and eastern Southland. "I know of others that want to get out but can't," he says. "They just can't get killing space. We're not very happy about that."

On the plus side, he doesn't think the breeding herd is



Peter Allan and friend.

getting much smaller, either locally or nationally. Some of the larger farms are expanding, he says.

What worries him and his Branch members is how long the eventual recovery will take. They expect it will be at least 2007 before the processors are once again hungry for product.

That's only one of a number of issues concerning the Southland Branch of NZDFA. Peter has continued the straight-talking traditions of his predecessors Bill Taylor and Eddie Brock, most recently in response to the discussion paper on animal identification and traceability. "We'd been told it would

be five years before this would be mandatory, but now they want to do it in two years – that's too soon. The rush is for trade and marketing reasons, not for genuine reasons of traceability and biosecurity. We see no justification at all."

Like most Branches, Southland is unimpressed with DOC's Deer in Captivity review. "Deer don't jump over gates and fences. If they escape it's human error, because someone left a gate open," Peter says. "Fencing standards in Southland are already very high – our contractors do a fantastic job. DOC has no legal right to be involved in the governance of deer farming."

He says feral herds are rebuilding because the feral venison industry has collapsed and because there aren't so many youngsters going out deerstalking any more. "You won't see any tagged deer in those feral mobs."

Also occupying Peter's thinking at this time of year is the upcoming national velvet competition, now in its 24<sup>th</sup> year and a source of great pride to the Southlanders. While acting as convenor again this year, he is satisfied there is a good raft of new talent coming through to take over in future years.

And while his enjoyment of squash brought him together with his future wife, it has also landed him a PR role for the industry with a regular slot on the Radio Hokonui Gold rural programme, now broadcast nationwide. The station's Jamie McKay, a rugby-playing mate, approached Peter 11 years ago at a squash match and asked if he'd mind doing the slot on a temporary basis – he's been enjoying the role ever since. He and David Stevens take fortnightly turns telling listeners what's happening in the industry.

With everything from submissions to government departments to dealing with processors turning away muddied deer occupying his precious spare time, the Chairman's role is a demanding one. But it's a role – and an industry – that Peter Allan remains 100 percent committed to. 🏠

## Get in behind retail campaign

**New Zealand venison started moving seriously onto the New Zealand retail scene about 18 months ago; sales are increasing and the variety of products expanding. Having established a good retail 'foothold', along with new initiatives from venison processing companies, deer farmers can help to keep it there.**

Venison processors are taking strategic advantage of the current high kill to try to cement a permanent place for venison at retail here in New Zealand, says Innes Moffat, Deer Industry New Zealand's Venison Marketing Services Manager.

"Cervena still appears on the menus of many white table-cloth restaurants and some still bring wild shot venison home for the freezer but, until 18 months ago, the mass middle market was denied a regular, affordable supply of venison."

The hard work has been done and hard-fought space in the chiller cabinet has been secured for venison – alongside the usual beef, lamb, pork and chicken.

Gold River has been supplying vacuum-packed venison cuts, patties, salamis and sausages to New World's North Island stores for the past 12 months. Owner Shane McManaway says they are getting a good premium dealing directly with the supermarket: "It's going very well and product is moving off the shelves with customers coming back for more."

Duncan & Company also supplies Duncan Cervena FD Portions, PR Medallions and PR Slices into selected speciality butchery outlets, Countdown and Woolworths on the South Island and some selected North Island stores, plus New World and Pak 'n Save in the North Island.

Now available in the chilled cabinets of most Pak 'n Save and New World supermarkets in the South Island, PPCS launched its 400g retail packs of Venison Medallions and Stir-Fry, incorporating recipe and nutritional information in New Zealand early last year and have since added Venison Diced Shoulder for casseroles and packs of very lean Venison Mince. The Cervena logo has been incorporated for the first time.

Both PPCS and Duncan are supporting the sales of their



*Diced shoulder of venison and venison mince have been added to PPCS' Silver Fern product range.*

### Where's the venison?

products with advertising and promotions. While PPCS is using television and coupons, Duncan is investing in supermarket tastings and point-of-sale.

At the other end of the processing scale, companies such as Woodburn and Forest Lake supply finished items to a variety of selected supermarket and delicatessen outlets.

"While the volume is small, products such as ready-made meatballs and venison salami take low value cuts from the less demanded shoulder and transform them into higher value speciality items," Innes Moffat says.

"Processors tell us that 18 percent of the saleable meat from a deer carcass comes from the shoulder of the animal. With prices for boneless shoulders in Germany between \$4-5 per kg, more value has to be added to this portion of the carcass to increase returns to New Zealand's deer farmers," Moffat says.

With ready-prepared, reasonably priced packs on offer at retail, the New Zealand public is definitely getting a taste for venison but it needs to be consistently supplied, merchandised and marketed to ensure it remains visible and available for consumers to choose against competing products such as steak, Moffat says. He adds

that Deer Industry New Zealand is working on increasing exposure for New Zealand venison as well as supporting company activity through funding joint promotions.

Deer farmers can also get in behind by making sure venison is always on display at the retail store – if it's not there, ask for it. "Where's the venison?" should be the cry. ☑



*Doing it his way: cooking up a storm at New World's Pioneer Highway store in Palmerston North, Gold River's Shane McManaway adds the personal touch to in-store demonstrating.*

# New Zealand venison on show in the UK

## Speciality and Fine Food Fair, Olympia



*LEFT: Farm-raised venison on show in Britain: Deer Industry New Zealand's consultant chef Hamish Brown (left) cooked alongside British food writer and chef, the BDFAs Nicola Fletcher at the Speciality & Fine Food Fair's Fine Food Forum kitchen at the Olympia exhibition centre in London in early September. A series of joint New Zealand-British activities promoting the health benefits of farm-raised venison and its versatility in modern cuisine are underway in Britain.*

*RIGHT: Some of the many thousands of visitors to the food fair at Olympia were easily persuaded to try the tasty farm-raised venison samples. Mouth-watering dishes cooked during the session included seared venison with asparagus, parmesan salad and truffle dressing, venison with Thai yellow curry sauce and fragrant jasmine rice, and barbecued venison on minted couscous.*



## Winner of NZ-UK Link Foundation Culinary Challenge Award 2005

The British winner of the 2005 NZ-UK Link Foundation's Culinary Challenge Award is 21-year-old Sophie Wright of Westminster Kingsway College in London (centre).



She picked up her award from the Foundation's President Dame Kiri Te Kanawa and President of the UK's Craft Guild of Chefs, Steve Munkley, (right and left) at an event in New Zealand House on 22 September. Sophie Wright will be travelling to New Zealand early in 2006 to work in several top restaurants here including Dine by Peter Gordon at Auckland's Sky City. Her opposite number, the 2005 New Zealand winner of the NZ-UK Link Foundation-sponsored Modern Apprentice of the Year Award in this year's Hospitality Standards Institute Awards, is Carl Wills. He is already in the UK working in several of Britain's top restaurants.



Sophie Wright (bottom row left) fought off stiff competition from these eight other young chefs in the cook-off in the competition kitchen at the Restaurant Show in London's Olympia exhibition centre. New Zealand farm-raised venison supplied by PPCS Brooks was used in all the competitors' menus. Competitors had to create a stunning three course meal for four covers, matched with New Zealand Trinity Hill wines, witnessed by New Zealand High Commissioner Jonathan Hunt (left) and Sophie, the Countess of Wessex (centre, bottom row), who is Patron for the Craft Guild of Chefs. Deer Industry New Zealand provided further support for the competition.

Speaking for PPCS Brooks, Nick Sherwood says the NZ-UK Link Foundation's Culinary Challenge gets "terrific exposure" in the foodservice sector in the UK. "We were pleased that New Zealand venison featured so strongly during and after the competition. On top of this, the venison tasting, held in conjunction with a New Zealand wine tasting during the competition gave the audience the chance to sample both great products. We got good feedback during the course of the event and I believe the profile of New Zealand venison was raised accordingly." Sherwood says PPCS enjoyed being involved in the beneficial event that he believes helps to keep New Zealand venison in the minds of the decision makers who count. 📄

## recipe

### Spicy grilled venison

**A simple and deliciously quick way of presenting venison. Serves 6.**

#### Ingredients

500g venison, sliced into stir-fry

#### Marinade

- ¼ cup coriander, chopped
- 1 tbsp lemon grass, thinly sliced
- ¼ cup shallot, thinly sliced
- ¼ cup mint leaf
- ½ tsp chilli powder
- ¼ tsp sugar
- 1½ tbsp ground sesame seeds
- 4½ tbsp lime juice
- 3 tbsp fish sauce
- ½ cup light soya sauce
- 1 tbsp sesame oil
- ½ tbsp ground black pepper



Fresh vegetables sliced thinly: Chinese cabbage, red cabbage, zucchini, red peppers, mung bean shoots, mushrooms and spring onion.  
2 nests of dried, thin egg-noodles, blanched and refreshed.

#### Method

Marinate the venison for 20 minutes and stir-fry in a hot wok or heavy pan, or briefly on a flat grill with oil.  
Add the thinly sliced vegetables and cook until just wilted.

#### Serve

Serve immediately with steamed rice or noodles and sprinkle with chopped fresh coriander and toasted sesame seeds.

## Market Talk: New Zealand aiming for FTA first with China

**Assessing and negotiating better access for exports of New Zealand's goods and services into China falls to the China Free Trade Agreement (FTA) taskforce – an inter-agency team of international policy professionals coordinated by the Ministry of Foreign Affairs & Trade (MFAT). Lead negotiator and principal economic adviser David Walker, PhD walks Deer Industry News through the negotiations ahead.**

New Zealand as a whole has much to gain from the world's fastest growing economy. Currently growing at a rate of 9.5% a year, China is New Zealand's fourth-biggest trading partner, taking \$1.7 billion of goods and over \$1 billion in services. Agriculture, including the deer industry which exported velvet, hides, co-products and leather to the market in the last year, will particularly benefit from an FTA with China.

Drawing on more than 15 years' experience in senior New Zealand diplomatic postings including London, Geneva and Washington, David Walker's job description bluntly calls on him to "deliver an agreement which the New Zealand Government considers is in New Zealand's national interests".

He explains that the China FTA – China's first FTA negotiation with a developed country – is in the very early stages. Both negotiating parties are feeling their way towards a point where they can begin negotiating detail.

In 2003, President Hu Jintao visited New Zealand and agreed with Prime Minister Helen Clark that both countries could benefit through increased cooperation and agreed to negotiate a Trade and Economic Cooperation Framework. In the framework, which was signed by trade ministers in May 2004, the two countries agreed to undertake a Joint Feasibility Study on an FTA. The study was released and negotiations launched when both leaders met again at the APEC Leaders' meeting in Santiago, Chile in November 2004. To date, four rounds of talks have been held between officials from both countries. Another round of negotiations is scheduled for October this year.

"Mutual understanding has begun to emerge on a range of issues, and relationships have been developed between the two teams," says David Walker, who explains that it is very important to spend time up front to ensure fruitful negotiations at the end. He says he is very familiar with his Chinese counterpart, both having been involved in the



David Walker (right) discusses the China FTA with Deer Industry New Zealand's Daimien Reynolds in Wellington.

APEC process. The Chinese are very professional, skilled negotiators, both at the WTO table and various other negotiations such as its goods agreement with ASEAN, he adds.

New Zealand's deer industry is just one of many covered by the New Zealand FTA Task force, including other primary sectors – meat, wool, dairy, forestry and kiwifruit – and services such as education and tourism. Walker says his team's goal is to progress the interests of all New Zealand exporters to China and there is no sectoral favouritism.

"Our objectives are to liberalise the market between the two countries, eliminate unnecessary non-tariff trade barriers and to negotiate improvements in other areas such as technical barriers, sanitary and phytosanitary (SPS) standards, and customs areas – to make sure trade is transparent, certain and as efficient as possible."

An important issue will be to ensure that any goods entering New Zealand do not undermine New Zealand's good SPS status. "We take a science-based stance that can then be applied in specific protocols for particular products."

An FTA will create a climate of opportunity. It is then for business to take advantage of those opportunities, he explains. MFAT works closely with its in-market partner New Zealand Trade & Enterprise, which in turn liaises closely with business to identify opportunities for New Zealand companies. Deer Industry New Zealand, like other sectoral organisations, provides detailed and specific briefing material on issues affecting its industry's exporters.

Walker is cautiously optimistic that a deal can be struck, but cautions that some of New Zealand's international competitors, including Chile, Australia and the ASEAN group, are also engaged in trade negotiations with China.

Although there is no timeframe for the conclusion of FTA negotiations, he says both countries are attaching considerable importance to the talks.

"The Chinese side talks of a series of politically important firsts: New Zealand was the first country to conclude the bilateral part of China's WTO accession; in the Trade and Economic Cooperation Framework, New Zealand was the first country to recognise China as a market economy; and New Zealand was the first developed country to enter FTA negotiations with China. Both sides have expressed the hope that they can complete a fourth first – that New Zealand will be the first developed country to conclude an FTA with China."

From New Zealand's perspective it is the quality of the deal that matters, David Walker says.

**If any company has examples of non-tariff trade barriers faced when dealing with China, the FTA team needs to know. Contact Daimien Reynolds at Deer Industry New Zealand on 04-471 6112, [daimien.reynolds@deernz.org](mailto:daimien.reynolds@deernz.org)**

## Select retail outlets targeted in US Cervena® push

A commitment of \$285,000 has been made by Deer Industry New Zealand to support Cervena promotional activity in the United States in 2005-2006. This will add to promotion budgets from each of the five Cervena licensees operating in the market: Alliance Group, Duncan & Company, Mountain River, PPCS and Royal Cuisine International.

The proposed programme will highlight the qualities and availability of Cervena to support sales initiatives being undertaken by individual companies. Details will be announced in the near future. New to the strategy is a focus on selected retail outlets in the booming \$22.8 billion US speciality food sector to add to exporters' and importers' individual programmes of activity with the top-end US restaurant trade. Exporters will be promoting their own brands through their distributors and via sales promotions direct to potential customers.

"In a market as big as the United States, mainstream advertising will soon get lost," Deer Industry New Zealand's Venison Marketing Services Manager, Innes Moffat says.

"Instead, Cervena promotion will focus on communicating the advantages of the product direct to retail buyers and chefs, through events, training and placement of articles in influential food and wine magazines. The coordinated strategy between the five Cervena licensees is chasing an export target of 1,250 tonnes of Cervena to the US market by the year ended September 2007, up from 700 tonnes in 2004.

*A new Cervena brochure will be available to support promotional activity.*



Find out more about Cervena at [www.cervena.com](http://www.cervena.com).

### New Zealand venison a hit at FEDFA

New Zealand venison, prepared by Miles Kirby from Peter Gordon's Providores restaurant in London, was the most popular dish at the recent Federation of European Deer Farmers' Associations (FEDFA) annual conference in Riga in Latvia. Kirby also featured on Latvian TV.

### US education tour

A Cervena education tour concluded in the USA in September. Graham Brown held workshops in California, Chicago, Atlanta and New York and also took part in a New Zealand demonstration to the prestigious Culinary Institute of America.

## Deer products feature on menu of new restaurant

**Delicious Asian dishes featuring New Zealand deer co-products are on the menu of New Zealand Supreme Natural Foods' brand new flagship restaurant in Rotorua – The Supreme Gourmet House – which opened on 26 August.**

The opening night was attended by Daimien Reynolds of Deer Industry New Zealand and a number of other representatives from the deer industry, local government and Tourism Rotorua and, by all accounts, it was a very successful night.

Deer co-products and venison are used as the core ingredients on the menu. venison sashimi, venison stir-fry, fried deer liver, velvet soup and deer tail soup are just some of the dishes which sit alongside Chinese-style roast duck, fried rice and other more traditional Chinese-style foods on the menu.

New Zealand Supreme is committed to providing a quality eating environment and promoting New Zealand's deer industry to its Asian tourist and New Zealand diners, General Manager Paul Selwyn says. This is evident in the design and finish of the Gourmet House with three big screen TVs which can show sports, news, movies or promotional videos and a number of light-box displays of deer products.

The Gourmet House has always been an ambition for the company, and Selwyn says the opening has seen the vision of the Supreme Group's Management Team come to fruition. "It is the ideal pedestal for us to promote the industry's products and quality systems to both local diners and a wide tourist clientele. It is 'farm gate to plate' quality management in the truest sense of the word."

So if you are visiting Rotorua and looking for a dining experience which provides New Zealand's finest-quality deer products, cooked with traditional Chinese methods, then try the New Zealand Supreme Gourmet House.

"You won't be disappointed," Paul Selwyn promises. 🍴



Staff at the Supreme Gourmet House restaurant are looking forward to welcoming local and tourist guests at one of Rotorua's newest restaurants.

## New animal status forms launched

**The transition to the new-look, standardised Animal Status Declaration form released on 1 October should be a smooth one for deer farmers. The new form is voluntary until 31 December, but from 1 January old forms can no longer be used, and the new format will be mandatory.**


The new form was designed with input from all sector groups, including deer farmers and processors. All industry groups are supporting the launch of the new form. The present format, in use since 2002, will be familiar to deer farmers, as it has been compulsory to complete an Animal Status Declaration for cattle and deer every time they change hands or go to slaughter. An earlier proposal that verification of appropriate velvet removal should be included in the new form was not agreed to.

The form provides key information on Tb questions (required by the AHB), food safety questions (such as withholding periods required by the NZ Food Safety Authority) and market access questions (like assurances about ruminant proteins or, in cattle, the use of growth promotants, required by overseas markets to ensure eligibility for those markets). Processing companies that print and supply forms are no longer allowed to deviate from the standardised design nor are they permitted to insert additional questions.

One of the more significant changes is that from 1 January the forms will be required for all stock movements where responsibility for the animals changes hands. Until 31 December, this only applies to cattle and deer, but from 1 January the requirement also includes sheep, goats, alpacas, llamas, ostriches and emus.



Copies of the form must be kept for one year by the person who signed it (such as farmers or stock agents), and for four years by the meat processor who takes the animals. Transporters aren't permitted to complete the forms, but they are expected to pass on the forms that go with a consignment of animals.

One cosmetic change to the form is the signature panel has moved to the top – a much easier place to sign a form when you're holding a pad or clipboard. It's expected that the AHB, meat processors and stock and station agents will print the forms, but anyone can print them out as long as they aren't altered. 

**If you're keen to see the new form you can download it from the NZFSA website:** [www.nzfesa.govt.nz/animalproducts/publications/forms/statements-declarations/asd/index.htm](http://www.nzfesa.govt.nz/animalproducts/publications/forms/statements-declarations/asd/index.htm)

## New Zealand Culinary Fair

**The venison class at the National Restaurant Association's Culinary Fair, held in Auckland towards the end of August, was won by Raj Bonshie, Sous-Chef at the Auckland Hilton Hotel.**

Raj topped the class of 15 and was awarded a gold medal for his poached venison loin. Raj said: "It was a challenging and rewarding experience and I would certainly strive for more such accolades, as cooking is a passion for me. The event, sponsored by Deer Industry New Zealand, gives chefs an opportunity to showcase our talent and passion – so thank you very much for the opportunity you have provided us all."



Supporting the talent of young chefs and encouraging them to use venison on their menus is very important for the food industry, and as one of New Zealand's premier proteins, also for New Zealand venison.

*Deer Industry New Zealand consultant chef Graham Brown judges venison class dishes at the Culinary Fair.*

## GLORIAVALE DEER FARM



Sale held in conjunction with Mike Dempsey, featuring sons of Austin, Andrew III, Kingston & Tamar

## ELITE SIRE STAG SALE

INSIGNIS PARK CHRISTCHURCH

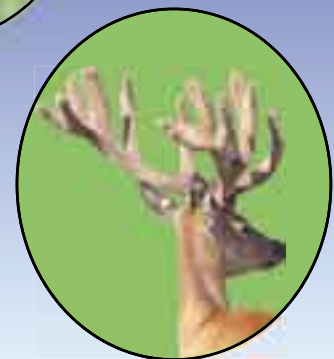
By Public Auction

11 am, 17 January, 2006



(Left) **Hotshot** 6.5kg HA (stripped 7 weeks) 24 points at 2 years

(Below) **Lazor** 7kg HA (stripped 7 weeks) 22 points at 2 years



**For more information:** Mark or Jonathan Christian  
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or your local Wrightson, PGG, & Rural Livestock Agents

## Venison

The average schedule price for venison lifted above 2004 for the first time this year but the appreciation of the New Zealand dollar is still affecting returns to farmers. Continuing to create new demand, to add value in the marketplace and diversify venison to non-traditional markets provide the best possibilities. A warm start to the European autumn is affecting traditional venison purchasing patterns.

### Schedule

- The average published schedule rose above 2004 for the first time this year, reaching its highest point since November 2002 in week 38 at \$5.43 - four cents above the 2004 peak and 40 cents above the same week in 2003.
- The schedule has fallen from this peak, in line with seasonal expectations, to \$5.13 in Week 40.
- Currency adjusted, the 2005 schedule is 5% ahead of 2004 and 15% above 2003.

### Market news

- Creating more demand and adding value to the product in the marketplace need to continue through sound marketing programmes to ensure a sustainable return for farmers and exporters.
- New Zealand exporters continue to reduce their reliance on Continental game markets and are developing useful outlets in countries such as Australia, Taiwan and Hong Kong for secondary cuts for manufacturing. Some of these markets

are also being offered more valuable cuts of venison for the restaurant trade.

- Consequently, exports to Germany are similar to last year at around 10,000 tonnes for the 12 months to August and are worth 7% more as some items have risen in price. It is important that the market has not been oversupplied and prices eroded.
- Despite more favourable market conditions, the crucial factor that will bring a significant short-term rise in the schedule is a reduction in throughput. Exporters have done well to place the extra production which has come through this season, but if stocks of frozen venison build too high in the marketplace and consumption through the game season does not meet expectations, the situation may worsen once again.

### Germany

- Sales in September are, reportedly, slow as Germany enjoys an "Indian summer" after a cold and wet summer with consumers continuing to barbecue and eat alfresco, neither

## Velvet

Korean consumers remain conservative with discretionary spending and volumes of velvet production are expected to be similar to last season. Access lobbying continues in Korea, Taiwan and China, while promotion activities are underway in Korea and Western markets.

### Velvet exports

- Export volume for the 12 months ending June 2005 is provisionally 251 tonnes dried equivalent - an increase of 13% over the year ending June 2004 (222 tonnes dried equivalent).
- Export value for the year ending June 2005 is \$23.5 million, a decrease of 15% over the year ending June 2004, when the value of exports was \$27.7 million.

### Production to date

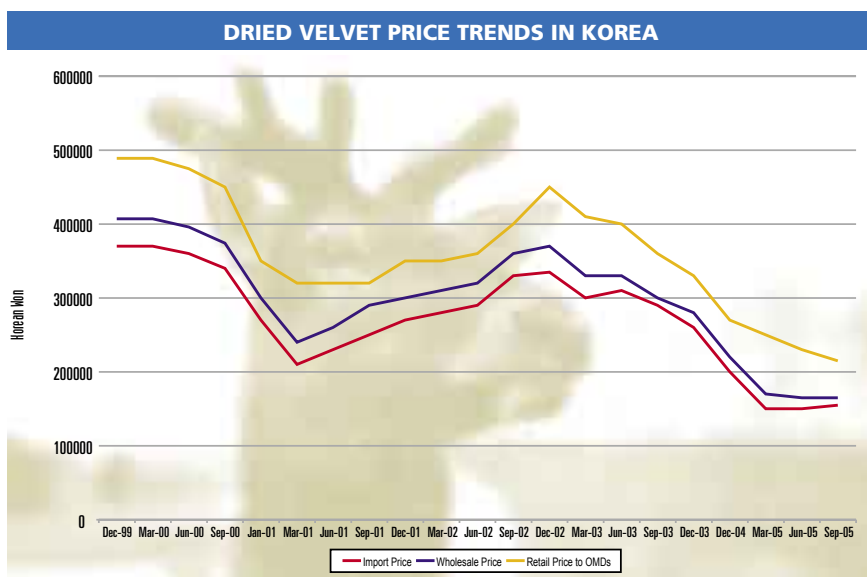
- Deer Industry New Zealand collected levy on 541 tonnes of velvet in the 2004/05 season (provisional) compared to 548 for the previous season.
- Velvet production is not indicated to increase in the coming season. Anecdotally, many farmers intend to reduce numbers when killing space allows.

### Korea

- Newspaper headlines provide a mixed picture of the Korean economy but reports from the market are that consumer spending is still low, suppressing demand for velvet.
- The buying season in Korea has started slowly with imports of Russian and Chinese

velvet. Russian prices are reported to be 10% stronger; Chinese prices are reported to be softer following continued inconsistencies with quality.

- Herd sizes in North America and Canada are reported to be decreasing. The border between Canada and USA is now



General trending of prices in Korea of dried velvet, showing declining prices and margin splits since December 1999.

of which encourages purchases of venison. Consequently retailers and restaurateurs are waiting the arrival of cold weather to start stocking larger quantities of venison.

- Supermarket demonstrations, organised by Deer Industry New Zealand, in conjunction with a European importer and a major German supermarket chain, finished off Sommerkampagne 2005. Presentations ran over 12 days, averaging 250 shoppers each day who got the chance to taste and discuss New Zealand venison.
- Exporters headed off to Köln in Germany in early October for the biennial Anuga trade show. This important trade fair in the international food diary provides them with an excellent opportunity to meet many current and potential customers to discuss their requirements and introduce new products.

## Belgium

- Belgian deer farmers heard from a New Zealand Embassy in Brussels official, Alana Hudson, at their recent annual conference. Organised by Deer Industry New Zealand, delegates gained an update on the New Zealand deer industry and its efforts to increase demand for farm raised venison around the world. The opportunity also aimed to garner support for better access to the Belgian market for New Zealand venison.
- Deer Industry New Zealand executives will follow this up with meetings in Belgium to lobby for better access.

open for deer movements, opening up the trophy market for Canadian farmers.

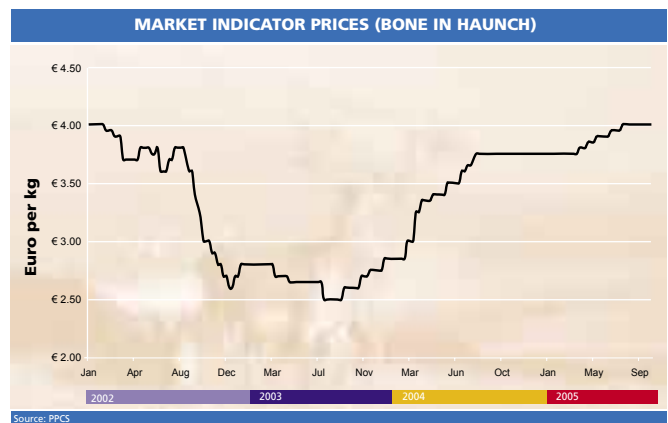
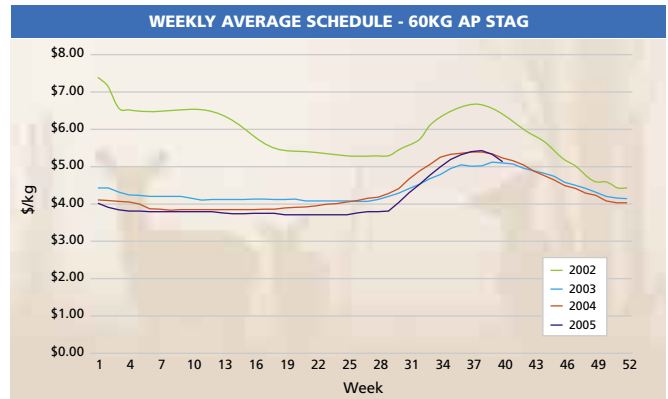
- The Special Excise Tax is expected to be addressed in October during reviews of government administration bills as a result of a private members bill being tabled on the issue.
- The recently publicised endosulfan residue scare involving a shipment of New Zealand beef has not impacted on the perception of New Zealand velvet.
- A direct mail campaign to Oriental Medicine Doctors will take place late October with the objective of improving demand of New Zealand velvet over Russian and Chinese velvet.

## Taiwan

- In a meeting facilitated by Deer Industry New Zealand between the Taiwan Council of Agriculture (TCA) and a Taiwanese legislator, the TCA has reportedly conceded that an increase in the quota on frozen velvet may be inevitable. This follows pressure from the Deer Industry New Zealand campaign against the quota. The TCA will discuss this with World Trade Organisation member countries in the upcoming Doha Round of negotiations.

## China

- Together with the NZ Food Safety Authority and the Ministry of Foreign Affairs & Trade, Deer Industry New Zealand is progressing access negotiations with government



bodies in China. On behalf of the industry, NZFSA and MFAT have met with officials from the Chinese State Food and Drug Administration and the State Administration of Quality Supervision and Quarantine.

- Recent changes have made access even more difficult to achieve for individual companies, given significant non-tariff trade barriers. To assist with this situation, on behalf of the industry, Deer Industry New Zealand will meet with NZFSA and MFAT to progress a government to government strategy with China in relation to deer products, which is likely to include trade protocol negotiations.

## Western markets

- For the first time, Aucklanders will see television advertising of velvet products endorsed by New Zealand icon Colin Meads. The advertising is helping to break down common mis-perceptions of velvet, and through the endorsement of Colin Meads, aims to increase the overall demand of all velvet products in New Zealand.
- Deer Industry New Zealand met with Medsafe to discuss the proposed harmonisation of Australian and New Zealand regulations for therapeutic products. The harmonisation could provide for access to Australia for further processed products. However, in New Zealand, it may mean higher levels of regulation, although mass processors of wholesticked and sliced velvet are most likely to be unaffected.

## Local survey in Hawke's Bay shows worrying trend

By Richard Hilson, Vet Services (HB) Ltd, Waipukurau

Given the recent attempts at "guessing" the size of New Zealand's domestic deer herd, and the wild variations in estimates of its general direction, I recently surveyed all the owners of deer breeding herds in our practice area of Central Hawke's Bay (CHB), that were known to be running breeding hinds in 2003. Some data was gleaned from Tb testing records and most farmers were contacted personally. Only one farmer could not be contacted.

CHB farmers are generally running diversified farms, usually with sheep and beef cattle included, and have been very positive – supporting local field days, the Richmond/Wrightson Deer Performance project, local velvet competitions and other Branch activities. However, a feeling of negativity has arrived, no doubt in line with industry mood elsewhere.

It became patently obvious that our local deer herd was shrinking fast. Bookings for hind scanning dropped rapidly and many herds due for Tb testing this year no longer exist.

So, how bad is it?

The figures below speak for themselves. No partly-filled-in census form and no extrapolation from an incorrect mailing or levy list. To the best of my knowledge, this data includes all of our clients with breeding herds in CHB, ranging from the 1,800-hind unit to the farmer who runs three hinds to keep his freezer full. Bear in mind that the last Statistics NZ census put the Hawke's Bay deer population at 140,000 – as many as the Waikato yet within a smaller farming/grazeable area.

<b>Total number of farms (2003):</b>	<b>73</b>
<b>Average hind herd size (2003):</b>	<b>348 hinds</b>
<b>Total number hinds fawned:</b>	
2003:	25,396
2004:	21,692
2005:	15,274
<b>Yearly decline in hinds fawned:</b>	
2003 to 2004:	3704 (-14.6%)
2004 to 2005:	6418 (-29.6%)
<b>Overall drop 2003 to 2005:</b>	<b>10,122 hinds (40%)</b>

<b>Farmers not reducing numbers:</b>	19 (26%)
Average increase for farms not reducing numbers (19 farms):	51 hinds
<b>Farmers reducing numbers:</b>	31 (42%)
Average decrease for farms reducing numbers (not including farmers no longer breeding deer, or getting out):	177 hinds
<b>Farmers no longer breeding deer or culling remainder in 2006</b>	<b>23 (32%)</b>

### What about velvet herds?

It was beyond the intention of the original and very informal survey to follow the fortunes of velvet herds. However, a number have gone, many are seriously culled and some destined for slaughter post-velveting.

And presumably, the hinds will need fewer sire stags!

Maybe this gives a better picture of the mental and physical state of our industry at least in this area, long considered a leading province in the industry – it is not just commercial farmers who are hurting. This affects everyone involved in deer – vets, transport operators, stud breeders, meat workers, stock agents and even magazine editors. (Gulp! Ed.)

How would the sheep industry handle the slaughter of 40 percent of its breeding stock in two years?

Like many in the industry, I find it very difficult to watch the dramatic decay of something one feels so passionate about. But a love of deer alone won't pay the mortgage. 🐾

### Deer Industry New Zealand note: please return your survey forms!

The survey of deer numbers and intentions recently sent out to all deer farmers and due for return by 1 October indicates how seriously DINZ takes the need for our industry to have reliable numbers. This information will give us a more accurate picture of the whole industry, so that individual farmers can make more informed business decisions, and DINZ has another information source for forecasting and planning.

The survey is also an opportunity to continually improve the accuracy of our industry database. The information provided by farmers in this survey is confidential and not passed on to third parties. It is the total picture we are interested in. (Forms are destroyed when the information processing is completed.)

DINZ advises that the last survey was filled in by 2,200 producers. This information reflects about half the industry. It was released to industry without extrapolation. It was also extrapolated to give an overall industry picture. This is reasonable given the robust sample.

This year DINZ has re-sent the survey to people who have not responded and is considering doing a telephone follow up to get the response rate higher.

DINZ also notes that the industry database is continually updated. If anyone knows of inaccuracies or changes, please call Janice Attrill on 04 471 6114.

Past herd forecasting information is based on statistically relevant information collected by MAF modelling and Statistics NZ returns as well as industry modelling. On that basis, there is some confidence in the estimated numbers of the past. Nevertheless, the trends in this case, highlighted by the thorough study from Richard Hilson, are disturbing for the industry. It will be particularly relevant to discover whether this trend is unique to Hawke's Bay or typical throughout the industry. The Board is well aware of these trends and the mood that surrounds them. This issue, amongst others will be at the heart of discussions between the Board and Branch Chairmen at their meeting this month. The Executive Committee have presented a discussion paper to the Board on this and many other current issues, which the Board have agreed will form the basis of the valuable Q&A session to feature at this meeting on 19 October.

Deer farming or not, if you haven't filled in the numbers survey return, please do so as soon as possible. A reminder has recently been mailed to those who have yet to complete the survey. This industry input into its own destiny is critical.

# How viable is the use of semen for venison production?

By Clive Jermy

This paper is intended to assist deer farmers approach the use of semen for venison production and/or breeding female replacements for venison production from an informed position as possible, enabling commercial decisions to be taken, based on balanced information.

To that end, this information has been prepared as fairly and accurately as possible, based on 20 years' experience of artificial breeding. However, I welcome the view of the science community.

I hope readers will find the figures interesting.

## Scenario 1

### 50 hind AI programme: Breeding cost assumptions

Based on equivalent conceptions of 1 stag x 50 hinds at 75% conception = 38 calves. Back up stag required for hinds not in calf to AI.

CIDRs, drugs, technician for CIDR insertion plus AI, say	\$30.00
Farmer's time for preparation and AI – 3 musters, say	\$8.00
Back up stag based on \$2,000 cost and usage for, say, 5 years	\$8.00
Semen cost based on cheapest currently available, say	\$ 90.00
Cost per hind	\$136.00
Total cost Scenario 1 AI 50 hinds venison programme	\$6,800
<b>At 75% conception, cost per improved calf is \$6800 divided by 38:</b>	<b>\$179.00</b>

## Scenario 2

### 50 hinds naturally mated with purchased \$8000 sire – retained 5 years – 90% calving: Breeding cost assumptions

One good sire – purchase price	\$8,000
Total annual cost of owning stag for 5 years retained	\$1,600
At 90% calving, 45 calves produced per year	
<b>Cost per improved calf is \$1,600 divided by 45:</b>	<b>\$35.50</b>

## Scenario 3

### 50 hinds naturally mated with purchased \$15,000 venison sire (top 5% of industry) – retained 5 years – 90% calving: Breeding cost assumptions

One good sire – purchase price	\$15,000
Total annual cost of owning stag for 5 years retained	\$3,000
At 90% calving, 45 calves produced per year	
<b>Cost per improved calf is \$3,000 divided by 45:</b>	<b>\$67.00</b>

## Notes to assumptions

- Calving % is the same for AI plus back up as for natural mating.
- Interest has not been included for costs of back up stags or capital sire stags, this has been balanced by also not including the recovery value (trophy or venison) which can be respectable in the case of trophies, making a strong contribution to replacement costs.
- Annual costs of grazing and velvet removal offset by velvet recovery.
- Insurance optional.

## Comparative returns

### Scenario 2: \$8,000 sire natural mating

Presuming a superior bred yearling from an \$8,000 sire is 10kg liveweight heavier as a result of natural mating, that equates to 5.4kg of extra venison. A \$6.00 schedule therefore returns about an additional \$32.40 gross (net about \$30.00).

**Additional venison return (\$30) minus sire cost per improved calf (\$35.50): –\$5.50**

### Scenario 3: \$15,000 sire natural mating

Presuming a superior bred yearling from a \$15,000 stag is 15kg liveweight heavier as a result of natural mating, that equates to 8kg of extra venison. A \$6.00 schedule therefore returns about an additional \$48.00 gross (net about \$45.61).

**Additional venison return (\$45.61) minus sire cost per improved calf (\$67.00): – \$21.39**

## Observations

1. The value of retained female replacements of advanced breeding has not been factored. This is an important part of the equation outside straight venison returns – important in scenario two and very significant in scenario 3.

It is also crucial to ensure that commercial semen being purchased as in scenario 1 is of a comparable genetic standard to the quality of the sires purchased in scenarios 2 and 3.

The costs in scenarios 2 and 3 are small in relation to the gain in improved females.

2. There are 38 advanced bred calves to AI at 75% conception vs. 45 from natural mating. The budget for the back up stag is not for a high quality stag, only a stag to get the hinds in calf. With the later pregnancies, premium venison prices will be elusive. A more valuable sire for back up compromises these figures significantly.
3. Insurance on sires is optional.

## Scenario 4: a dual-purpose alternative

There is of course one other important scenario with a number of variations. Let's look at the option of using semen from your own sire. This is a dual-purpose option, where syndicates can buy a good stag and share the benefits as well as individuals.

The following scenario uses a 200-hind AI programme on one property with a very good stag.

Semen: 200 inseminations @ \$9.00	\$1,800
Labour: 200 inseminations @ \$8.00	\$1,600
Synchrony/technician: 200 @ \$30.00	\$6,000
Total annual cost for 200 inseminations:	\$9,400
Purchase a \$15,000 (inc. costs) stag used over 5 years: annual cost	\$3,000
Purchase two back up sires @ \$2,500 (inc. costs) used over 5 years: annual cost	1,000
Total annual cost for this option	\$13,400

continued on page 20

from page 19

<b>Outcome:</b>	
200 AI at 75%	150 improved calves
Plus calves from naturally mating 50 hinds @ 90% calving	45 improved calves
<b>Total at 75% conception</b>	<b>195 high genetic merit calves from elite sire</b>
<b>Total cost per calf = \$13,400 AI cost, divided by 195 calves (75% conception) on ground:</b>	<b>\$68.72</b>

The back up stags will mate 50 hinds between them over two cycles. The above equation does not add in any value for the late calves to the back up stags. It may be sensible to spread the AI over two days if the back up stags are going to cover these hinds in one cycle.

### Conclusion

Investing in a good or very good stag outweighs the benefits of AI for venison production by a considerable margin with semen as low as \$90.00 per straw.

Notwithstanding this, by securing a good sire (individually or as a syndicate) and using AI with semen from that sire plus natural mating additional hinds, there is the opportunity to create a much greater number of upgraded females than natural mating alone can provide. 📧

### WORK WANTED

We've received the following request from 26 year-old Iranian Hesameddin Kasraie. Hesameddin is an agricultural engineering graduate and seeking deer farming work experience.

Dear Sir

*I am Kasraie from Iran and have Bachelors degree in farming and plant breeding.*

*I am very interested to be able to get experience in the field of deer farming in New Zealand. I should be very grateful if you guide me.*

*Looking forward to hearing from you soon.*

*Yours faithfully;*

*Hesameddin Kasraie*

*Address: no: 16-shahid einollahy alley talaghani crossroad Haftetir street karaj 31339 Iran*

*Tel: + 98 261 2707224-2717991*

*Email: hesam\_kasraie@yahoo.com*

## DEER SALE CALENDAR 2005/2006

DEC 2005	Time	Vendor	Place
Wed 14	1.30 pm	Taihape Red Deer	Waiouru
Thu 15	1.30 pm	Maranoa	Takapau
Mon 19	1 pm	Egmont Deer	New Plymouth
JAN 2006			
Thu 5	11.30 am 4 pm	Windermere Rodway/Sarnia	Hamilton Rotorua
Fri 6:	11.00 am	Deer Genetics	Rotorua
Nth Island	1.30 pm 4 pm	Pampas Heights Love Red	Rotorua Rotorua
Fri 6:	2 pm	Doncaster Deer Partnership	Waipahi
Sth Island	6 pm	Pinewood/Brock Deer	Waikaka
Sat 7:	11.30 am	Raroa Red Deer	Cambridge
Nth Island	3 pm	Tower Farms	Cambridge
Sat 7:	12 noon	Southern Elite Wapiti	Lorneville
Sth Island	3.30 pm 5.30 pm	Tikana Wapiti Colin JH Smith Wapiti	Winton Winton
Sun 8	12 noon	Carran Farm Fiordland Wapiti	Te Anau
	TBA	Mayfield Elk-Wapiti	Winton
Mon 9:	1 pm	Rockvale Deer Stud	New Plymouth
Nth Island			
Mon 9:	1.30 pm	Arawata Deer Partnership	Pine Bush
Sth Island	6.30 pm	Ingor Deer Farm	Waimatua
Tue 10	12.30 pm	Netherdale Deer Stud	Balfour
	5.30 pm	Remarkables Park	Queenstown
Wed 11	1 pm	Black Forest Park	Outram
Thu 12	1.30 pm	Stanfield's Bushey Park	Palmerston
Fri 13	1.30 pm	Foveran Deer Park	Kurow
Sat 14	10 am	Deer Genetics	Geraldine
	12.30 pm	Peel Forest Estate	Geraldine
	4 pm	Harwood Deer Stud	Ashburton
	6 pm	Pelorus Stud	Ashburton
Sun 15	12 noon	Maryland Wapiti	Tarras
Tue 17	11 am	Gloriavale	Insignis Park
	4 pm	Canterbury Red Deer	Tai Tapu
Wed 18	11 am	Willow Creek & Unfehlbar Deer Stud	Insignis Park
	4 pm	Cloudy Bay	Insignis Park
Thu 19	12 noon	Greig/Mitchell	Insignis Park
	4 pm	JV Barber	Oxford
Sat 21	11 am	Edendale Deer, Wapiti	Mt Somers

Planning for sale dates was still being finalised as we went to press. The above listing is based on information supplied by agents and vendors on our deadline, and *Deer Industry News* accepts no responsibility for inaccuracies or omissions. We will run an updated listing in our December issue. Please contact us if you want to be added or make changes to this listing.

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- Semen collection facility

# Valuing genetic improvements in velvet weight

By Jason Archer (AgResearch Invermay) and Peter Amer (Abacus Biotech)

**Investing in top velvet genetics is thought to be a worthwhile expense. Undertaking an accurate economic assessment will ensure that the investment does actually improve farm profit.**

Tools have been developed to help with these investment decisions and make certain the cost is justified – making it easier for farmers to weigh up the value of spending more on genetically superior stags and the likely returns from that outlay over time.

Velvet weight is an ideal candidate for genetic improvement: it is largely controlled by genetics, there is significant variation in velvet yields between animals, it is easily measured, and the product has a high value per kg. There is also a convenient lack of the environmental biases that apply to liveweight traits, such as age of mother and date of birth.

For these reasons, there have been marked gains in velvet genetics, and velvet producers recognising the value of superior genetics have invested accordingly.

However, investing in genetics requires an idea of the likely returns to make optimal decisions. Farmers already have an intuitive idea of the value of velvet genetics, but a quantitative assessment of the economic benefits from improving velvet genetics will add useful information to existing beliefs.

We have used a model based on genetic principles to put some figures around what returns might be expected from investment in superior velvet genetics.

The scenario here is a velvet producer deciding between two stags to mate to a group of hinds, the purpose being to increase velvet weight in male progeny. Stag A has a breeding value for 2-year-old velvet weight which is 0.5 kg more than Stag B, but both stags are genetically similar in every other respect. Stag A is obviously the superior stag, and will breed superior velveting sons, but will likely cost more.

What the producer wants to know is the extra return Stag A will generate over Stag B. This is critical, as it determines how much extra they can afford to pay for the stag.

## Quantifying economic gains in velvet

Table 1 (page 23) shows the key calculations required to estimate how much additional velvet is grown. We have expressed these values per 2 year old stag velvet, but these can easily be related back to the overall worth of the stag, as will be demonstrated.

### 1. Calculating breeding values:

The sire has a breeding value for 2-year velvet weight of +0.5 kg, so we know his sons will cut, on average, 0.25 kg more than sons of Stag B. This is half of the breeding value, as the sons receive only half their genetics from the sire.

The approximate difference can still be worked out if breeding values are not available, provided the stags are from the same herd and mob. The difference between breeding values of the two stags is about half (or more precisely, 43%) of the difference in 2-year-old velvet weight. This approximate breeding value then needs to be halved again to calculate the difference in velvet yield of sons.

### 2. Calculating additional velvet growth

The next step is to calculate how much additional velvet is grown by the sons as they age. We therefore need to know the genetic variation in velvet weight at each age, and how closely genetically related velvet weight is in a 2 year old and at older ages. We have used published estimates of velvet weight genetic parameters analysed over five New Zealand deer farms by van den Berg and Garrick, 1997. The estimates were to eight years of age, but we assumed the estimates for older ages (up to 12 years) are similar to those at eight years.

The second column in Table 1 lists the expected increase in velvet weight at each age for sons of the superior stag. While the breeding value for velvet indicated that 2-year old velvet weight would increase by 0.25 kg, these stags will be cutting up to 0.8 kg of extra velvet at older ages.

### 3. Calculating herd age

We also need to calculate the expected age structure of the velvet herd, to allow for culling and deaths. We have assumed that a reasonable number of 2 year-old stags are culled, as is common practice, so that only 60% survive to produce a 3 year-old head.

We assumed 90% survival for the following years, with all remaining stags culled for age following velvetting at 12 years of age.

The extra velvet grown each year, multiplied by the proportion surviving to each age, gives the total additional velvet grown per initial 2 year old velvetting stag. Totalled, the age groups produce 2.63 kg additional lifetime velvet for every 2-year-old stag sired by the superior stag and entering the velvet herd.

However, this is not the whole story. While some of the improved production is from 2 year-old sons, much of the production is delayed, so the time value of money must be taken into account.

We do this using discounting to convert future dollars back into a Net Present Value (i.e. equivalent to today's dollars). We have assumed a real interest rate (i.e. bank lending rate for farm mortgages minus inflation) of 7% and calculated the discount factors (presented in Table 1).

### 4. Calculating velvet price

Finally, we need to assume a price for velvet. As this is extremely difficult to predict, we have used three possible prices to cover a range of expectations. A price outlook using \$80/kg, gives total lifetime benefit for every 2-year old son of the superior sire entering the velvetting herd at \$155. This applies to every stag entering the velvet herd regardless of whether it is later culled, as the probability of surviving is accounted for. At \$50/kg, the velvet price is \$97 per 2 year-old son for the accumulated value from genetic improvement, and at \$120/kg it will be \$233.

This analysis is based on additional velvet weight only, not changes in velvet grade, as the impact of a superior stag on velvet grade is variable and difficult to quantify. However, in some circumstances a superior stag might improve its velvet grading. In

“Velvet producers recognising the value of superior genetics have invested accordingly.”

that case, the value of the average price increase from the higher grading proportion of velvet, should be multiplied by the expected velvet yield at each age. This is in addition to the benefits from improved velvet weight.

### Valuing the impact of a sire

Having identified the economic value of additional velvet per 2 year-old stag produced, we can relate this back to the impact of a sire. To do this with precision requires sophisticated gene-flow theory to calculate the flow of genes through daughters to grandsons and future generations, accounting for time delays in obtaining these benefits.

However, "back of the envelope" sums can give a close approximation to the sire's impact, at least in the first generation. As we have used a basic approach with a framework to work through the issues, it is relatively simple to modify the calculations to fit individual situations.

If we expect four years' service from the sire over 50 hinds per year, he will inseminate 200 hinds. Of this there might be a weaning rate of 90%, giving 180 calves, or 90 stag progeny. Of all the stags weaned, 80% may be kept through to two years for velveting, the others being culled for various phenotypic factors. This leaves 72 2 year-old stags velveted, entering the herd over four years at 18 per year. At an economic impact of \$155 per 2 year-old stag, this gives a total impact from the sire of \$11,160.

However, this needs to be discounted by the delay between purchasing the stag and the average time his sons enter the velvet herd – in this case the discount factor is about 0.74. So for this situation, the additional impact of the stag (compared to the inferior stag) in today's dollars will be around \$8,267. The additional economic impact of a superior sire for a range of breeding value differences is shown in Table 2.

While this impact is a very useful piece of information, it will not be the only factor determining stag price, for several reasons:

- This figure is the additional value of the stag compared to another stag of lesser genetic merit – but this second stag still has a cost associated with it, which should be added to the value of the better stag.
- The economic benefits from the stag should be shared in some proportion between the breeder and the purchaser – if both parties do not benefit, the current genetic improvement structures are not viable.
- The impact of the stag depends on the way it is used – the stag may be worth considerably more (or maybe less) to another potential purchaser, who for example may collect semen and use the stag over more hinds than natural mating allows, or hope to keep the stag for longer. Also, the assumption underlying this analysis is that the stag is used only to breed commercial velveting stags. A truly elite stag used to generate further genetic progress in stud herds (i.e. become a sire of future sale stags) has a far greater value through spreading elite genes much further as many sons will be sold as commercial sires.

- The stag may have a residual trophy value influencing the up-front price. This value should be adjusted to reflect risk and discounted to a Net Present Value.
- Finally, like any other product, the price of superior genetics is set by market forces of supply and demand.

Despite the many influences on the value of superior genetics, it is still important for a commercial farmer considering investment in stag or semen genetics to understand its potential economic impact in the commercial herd. Even a ball-park appraisal of the economic impact will assist in making rational investment decisions, creating a better chance of positive economic returns from the investment. 📊

**Table 1: Calculating the economic value of an additional 0.25 kg velvet weight in 2 year-old stags. Economic value is expressed in equivalent dollars at the time the 2 year-old stag enters the breeding herd.**

Age	Additional velvet grown <sup>a</sup>	Survival from 2 yo	Additional kg velvet per 2 yo velveted	Discount Factor	Velvet price/kg		
					\$50	\$80	\$120
2	0.25	1.00	0.25	1.00	\$12.50	\$20.00	\$30.00
3	0.35	0.60	0.21	0.93	\$9.89	\$15.83	\$23.75
4	0.46	0.54	0.25	0.87	\$10.85	\$17.37	\$26.05
5	0.57	0.49	0.28	0.82	\$11.37	\$18.20	\$27.30
6	0.47	0.44	0.20	0.76	\$7.81	\$12.50	\$18.75
7	0.66	0.39	0.26	0.71	\$9.23	\$14.77	\$22.15
8	0.82	0.35	0.29	0.67	\$9.69	\$15.51	\$23.26
9	0.82	0.32	0.26	0.62	\$8.15	\$13.04	\$19.56
10	0.82	0.29	0.24	0.58	\$6.86	\$10.97	\$16.46
11	0.82	0.26	0.21	0.54	\$5.77	\$9.23	\$13.84
12	0.82	0.23	0.19	0.51	\$4.85	\$7.76	\$11.64
Additional lifetime production			2.64		\$96.98	\$155.17	\$232.75

<sup>a</sup> The dip in additional velvet yield at 6 years of age reflects variation in the underlying parameter estimates published by van den Berg and Garrick (1997), as there is always a degree of experimental uncertainty associated with estimates.

**Table 2: The impact of sire breeding value difference on additional lifetime velvet, economic value, and sire economic impact.**

Sire BV Difference	Additional lifetime velvet (kg) <sup>a</sup>	Net Present Value <sup>a</sup>			Sire Economic Impact <sup>b</sup>
		Velvet price/kg			
		\$50	\$80	\$120	
0.1	0.53	\$19	\$31	\$47	\$1,653
0.3	1.59	\$58	\$93	\$140	\$4,960
0.5	2.64	\$97	\$155	\$233	\$8,267
0.7	3.70	\$136	\$217	\$326	\$11,574
0.9	4.76	\$175	\$279	\$419	\$14,881

<sup>a</sup> Per 2 year-old son velveted, after allowing for culling and deaths.

<sup>b</sup> Net Present Value of superior sire relative to the alternative stag, used under the scenario outlined in the text (i.e. inseminates 50 hinds per year for 4 years, 90% calving rate, 80% sons kept to 2 years, 0.74 discount applied, \$80/kg velvet price assumed).

## Wapiti gene scoring system available

**A scoring system for visually assessing the proportion of Wapiti genes in your Red deer will soon be available on-line through the DEEResearch website ([www.deeresearch.org.nz/](http://www.deeresearch.org.nz/)).**

In the June 2005 issue of *Deer Industry News* we reported that AgResearch's Jamie Ward was developing an assessment system for weaners to help farmers determine the level of Wapiti genetics in their hinds at an early age. This tool is for commercial farmers to identify if there has been Wapiti introgression in their herds that they are managing as Red deer.

This has now been delivered to Deer Industry New Zealand. The scoring system is a simple four-point assessment from 1 (no obvious Wapiti features) through to 4 (obvious Wapiti parentage). The criteria considered are stature, general pelage (coat) coloration, head and neck pelage characteristics and rump patch size and colour. Individually many of these characteristics would be relatively meaningless, but when

considered together they give an indication of the degree of Wapiti parentage.


The scoring system was tested by two independent observers who scored rising 1-year-old "Red" deer of mixed genotype. The observations were done over three periods; in winter, spring and summer. The AgResearch report to DEEResearch notes that the visual scores assigned by the observers were very close to the actual level of Wapiti parentage revealed for the animals using the DNA based *Genometer*<sup>™</sup> G3 Hybrid Test (Elkmeter).

Interestingly, it was the "superficial" features such as colour and head shape that provided the best pointers, rather than physical body measurements. Being easily observed, this makes it more practical to do the assessments on-farm.



*Extremes of the crossbred genotypes: the F1 weaner at left scored a 4 (obvious Wapiti parentage) and the Red weaner at right a 1 (no obvious Wapiti features). Note the more uniform colouration on the WS4 weaner as opposed to the distinct red and grey areas body and neck of the Red deer - some of the scoring criteria. Photo: Jamie Ward.*

The report<sup>1</sup> concluded that the visual assessment system is effective in identifying levels of Wapiti introgression in young "Red" deer as a basis for selection of replacements and management by genetic groups; but the authors also noted that inaccuracies are inevitable and individuals may show different biases and weightings with the scores they allocate. They recommended farmers using the system for long-term genetic management consider calibrating their personal scoring system on a small sub sample of animals, using the *Genometer*<sup>2</sup> test.

The on-line manual provides useful tips on handling the young animals for observation and scoring, and gives a detailed breakdown with illustrative photographs, of the typical features for each characteristic. 

<sup>1</sup> "Wapiti Score": A visual assessment tool for determining Wapiti introgression in herds of weaner red deer. J.F. Ward, I.C. Scott G.W. Asher, R.P. Littlejohn. AgResearch, Invermay Agricultural Centre, June 2005; Contract No. 4.07

<sup>2</sup> *GenomNZ*<sup>™</sup>: Freephone 0800 DNAlab (362522); Parentage Testing and Developments Manager: Mary McEwan, [mary.mcewan@agresearch.co.nz](mailto:mary.mcewan@agresearch.co.nz)

# INGOR DEER FARM

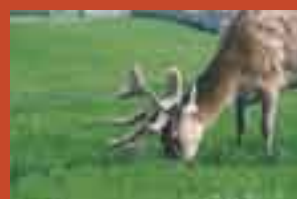
STAG SALE • Monday, 9 JANUARY 2006 • 6.30 PM

ENGLISH  
Furzeland

GERMAN  
Shultzwrede



Willie 8.6kg SA2 @ 7yr



Kaiza 6.0kg SA2 @ 6 yr

ENGLISH  
Woburn  
Abbey  
Warnham  
Park

Contact: Allan & Joe Wilson, Waimatua, RD11, Invercargill, Ph/Fax 03-216 7999 • Mobile 0274-748 901

## Deer Watch: Jaimie Glossop – Johnne's researcher

**As a girl on her parents' dairy farm in Central Victoria, Australia, Jaimie Glossop always wanted to be a veterinarian and, on leaving high school she did just that, gaining her Bachelor of Veterinary Science at the University of Melbourne.**

However, it was less inevitable that she would come directly to New Zealand after graduation to commence work in large animal practices in Whangarei and then in Ashburton. Even more surprising was that she would find herself studying for a PhD with the Deer Research Group at Massey University, under the supervision of Professors Peter Wilson, Dave West and Dr Cord Heuer and AgResearch's Dr Colin Mackintosh.

Until coming to New Zealand three and a half years ago, Jaimie had not had any contact with deer. A locum position at an Ashburton vet practice exposed her to a number of deer farm clients and she subsequently became involved with the work of the Johnne's Research Group (JRG).

In August 2004, she was delighted to receive an invitation to lead a nationwide Johnne's research project, based at Massey University, and she moved north to Palmerston North in September last year. The focus of the PhD is the determination of risk factors which may lead to clinical Johnne's disease in New Zealand farmed deer and the development of management practices to control it.

Sampling for the study, covering properties throughout New Zealand, started in late July and runs through until November.

About 200 properties have taken part, which Jaimie says is an excellent response. "I'm very grateful to the deer farming community for their strong interest and support for this project," she says.



The degree of involvement required by farmers varies from farm to farm. If a farm has had a positive tissue or faecal culture result since January 2004, either via slaughter or from sampling by their veterinarian, Jaimie will visit the farm to carry out a questionnaire – this only takes about 30-45 minutes. No further sampling will be necessary on these farms.

However, if a positive culture result is not available, participation involves a farm visit, with both blood and faecal samples being taken from 60-100 mature hinds. Jaimie says farmers who agree to on-farm sampling will learn the Johnne's status of their farm free of charge, as well as contributing valuable knowledge on the risk factors involved in the presence of clinical Johnne's disease nationwide.

At the end of this initial stage of the project, Jaimie will invite a small group of deer farmers whose farms have been positively diagnosed with Johnne's disease, to take part in an intervention study. As part of this study, they will be asked to change certain aspects of their management practices to ascertain whether it has an impact on the prevalence of Johnne's disease. Jaimie is hoping to see some very positive results from the intervention studies, which will be used to benefit other deer farmers around the country in controlling the disease. 📧

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## DEERSelect update

DEERSelect, the industry's genetic evaluation service, has been up and running commercially since May. The partnership between AgResearch and Sheep Improvement Ltd can provide values for growth traits, focusing on weaning weight, 12 month weight, adult weight and mature velvet weight. Breeders can now access the service through one of two commercial bureaux (see *Deer Industry News* No 15, June 2005; contacts below).

In an update for breeders, AgResearch's Jason Archer has outlined the latest developments in the DEERSelect programme. Highlights include:

- The early focus on growth and velvet traits has revealed enhanced potential for improvements in growth rates, with a greater than expected genetic component to variations in rates.
- Accuracy data for EBVs will be published.
- Velvet EBVs are expressed on the basis of 3yo and over – the most important commercial measure.
- A new EBV describes mature weight.
- Once research has revealed the genetic relationships and heritability, traits for trophy merit, early calving, temperament and reproduction (seasonality outliers) will be added.

- In response to the velvet industry practice of growing out 2yo velvet to hard antler, a 2yo predictive velvet antler weight trait is being developed this year, ready for analysis in March 2006.
- A user-friendly operations manual for breeders is to be commissioned. It will set out conventions for consistent pedigree and animal ID, consistent reporting, expectations of the breeders and how to work with the bureaux.
- Annual sire reference scheme rankings will be published in the December issue of *Deer Industry News*, and on the website.
- There will be DEERSelect seminars held in association with the North Island and National Velvet competitions.

### For further information:

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