

DEER INDUSTRY NEWS

Issue 25 • June 2007 • Official magazine of Deer Industry New Zealand and the NZDFA



INNOVATE! 2007 CONFERENCE REPORT

Also in this issue:

- Velconz: sellers agree way forward
- NZ Supreme open day
- Robotic boning technology
- Adding value to meat in the 21st century
- Code of welfare launched
- Profile: Jonathan Wallis
- Branch Chairmen's meeting



**DEER INDUSTRY
NEW ZEALAND**

NZDFA
New Zealand Deer Farmers' Association





Building value requires investment, discipline

After four years of unsustainably low prices, deer farmers look poised for a welcome recovery. The coming season may see a 30 percent reduction in volume from the 2005 and 2006 season kills. Combine this with the positive drivers from within the market, and returns look very optimistic.

My message and challenge to the industry is to build on this position of strength. Collectively one must ensure that venison is properly positioned so that it is able to stand up to future tensions in the market place – something it has failed to do to date. We are in a position of strength so must now focus on growing *value* – sustained value.

The foundation is there. For the first time, our largest market, Europe (85 percent) has had five steady years of investment. Volumes have been diverted both away from Germany and to new segments. Improving in-market prices reflect this. Economic growth in China and India, combined with the drivers of drought and bio-fuels, are pushing all food prices to record levels. Consumer trends towards healthy foods, convenience and product integrity all favour venison. Market dynamics *are* in our favour.

However, on farm there is the challenge of *profitability* and competing land use. If deer farming is not profitable enough, land use will change. While dairying is the biggest driver to change, the profitability of sheep and beef farming relative to deer will have the greatest influence on the size of the national deer herd. Given the productivity weaknesses of deer, venison must return a schedule close to double that of lamb to attract investment.

This brings me back to the challenge of *value*. New Zealand lamb alongside New Zealand venison is not good enough.

We must rebuild the premium and point of difference once held by venison to foster investment and growth.

Fifteen years ago, Quality Assurance was the point of difference. Consumer expectations have moved a long way since then. It is in this much more demanding environment that venison can still have an edge. As dairying assumes a more intensive role, deer farming will appear more extensive and sustainable. We have an excellent case: naturally raised, quality assured, Landcare Manual, Code of Welfare. We are very close to nutrient budgeting and animal traceability is imminent. Perhaps we adopt a sustainability ‘tick’ symbol similar to the Heart Foundation endorsement?


Leading luxury fashion brand, Untouched World™ is just one example of a highly successful brand that has been developed around a strongly ethical and well told story. Our own industry could learn much from businesses like this, which have built on the image of sustainability.

If there is a subjective measure overlaid on the clean green natural image of New Zealand venison, then this builds the point of difference for venison again. How much value we create will depend on the industry’s appetite for change. How much are farmers prepared to invest beyond the farm gate?

The other important part to value is *discipline*. Value and discipline are inextricably linked. So achieving value is not only about building a story but putting discipline behind it. The simplest form of discipline is collective behaviour. Through the venison marketing managers there has been an excellent example of discipline as the companies have managed our large increase in volume into and away from the European market.

Company brands, the New Zealand Lamb Company model, industry brands and the Fonterra model all bring varying degrees of discipline. Put simply, the greater the value sought, the greater the investment and discipline required.

Right now is the time for a re-think on how we go forward with venison, so I leave DINZ with a sense of purpose. It is time for a fresh person to push new goals on our behalf. Be bold. Go for change. The consumer is waiting!

My nine years with DINZ has been a privilege. I have found the Board very professional – always a good mix of governance skills and blessed with an excellent executive team. 

Jeffrey Pearse, Board Member, Deer Industry New Zealand
 • Jeffrey Pearse formally steps down from the DINZ Board at its July meeting. See also NZDFA AGM report in this issue.

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Cover: Images from Innovate 2007, the Deer Industry Conference hosted by Waikato Branch NZDFA.

Please complete the Agricultural Production Census!

DINZ Chief Executive, Mark O'Connor is urging deer farmers to complete the Statistics New Zealand Agricultural Production Census when forms for the five-yearly stocktake are distributed on 30 June. Statistics New Zealand states that Inland Revenue does not have access to the information farmers provide.


Mark says producers have been showing signs of 'survey fatigue' so will not be asked to complete the DINZ industry survey this year. However, by accurately completing the Statistics New Zealand Agricultural Production Census they will be playing an absolutely crucial part in understanding the picture of the shape and size of the New Zealand deer herd – essential for industry planning and implementation of the venison and velvet strategies.

Statistics New Zealand's Business Performance and Agricultural Statistics Manager, Eileen Basher, says many different decision makers rely on good information from the Agricultural Production Census.


"Many organisations that serve or do business in the agricultural sector make important decisions after consulting

official statistics. Added together, these decisions have wide-ranging consequences, helping shape the communities we live in."

Questions in the survey cover land use, stock numbers, production yield and farm management practices such as irrigation and fertiliser use.

Mark O'Connor says that some other organisations such as MAF and AgriQuality New Zealand can use the information from the Agricultural Production Census, but they can only use it for statistical purposes; this information makes it impossible to identify individual farms. He emphasised that Inland Revenue does not have access to the information provided by farmers in the Census. 

NVSB reminders

- Even if you are only using the mechanical block system for velveting your spikers, it's still a requirement of the programme to complete your velvet record book at the completion of the season and hand it to your veterinarian, who will notify NVSB in order to keep the database up to date and NVSB programme accurate.
- Veterinarians are reminded of the need to notify the NVSB of their current client status in relation to supervisory visits and velvet record book returns. All of these returns were due into the NVSB by 30 April. Many are still outstanding.
- Final letters have been sent to some velveters reminding them of outstanding accounts that were due in December 2006. Non-payment of this account by 20 June will result in suspension from the programme.
- Even if you're already a certified velveter and wish to use the mechanical block system (NaturO™ rings) it is still a requirement that you or your veterinarian notify Pam MacLeman at NVSB (04 471 6114 or pam.macleman@deernz.org) to verify that your details are all correct and the database can be updated accordingly. If we don't have those details lodged, then you could be operating outside the NVSB programme.
- All velveters who missed out on audits for whatever reason last season will be added to the audit list for this coming season. Audit lists will be sent out much earlier this year and everybody will have plenty of notice.
- Anybody who goes into abeyance during the season in which they were supposed to be audited will be audited again in the first season they return.
- A final commitment reminder to everybody velveting deer: deer velvet removal is a controlled surgical procedure under the Animal Welfare Act 1999 and can only be performed by a veterinarian, a supervised veterinary undergraduate, an approved operator or an approved employee in accordance with the NVSB programme. **This means all velvet removal including spiker velvet.** 

STOP PRESS:

DINZ Board appointments announced

On 13 June the NZDFA Selection and Appointments Panel appointed current Chairman, deer farmer **John Scurr** (Wanaka) and Southland agribusinessman **Keith Neylon** (Winton) to fill the two vacancies created this year by retirement by rotation. Also, **Stuart Natrass** was reappointed by venison marketers and processors.

John Scurr has been returned for his third term, with Keith Neylon taking the position created by the retirement of Jeffrey Pearse from the Board.

Keith Neylon returns to a Board role having been involved in the early days of the Game Industry Board. He has substantial deer farming, dairy, sheep, horse breeding and agribusiness interests. (A profile on Keith Neylon will be carried in the next issue of *Deer Industry News*.)

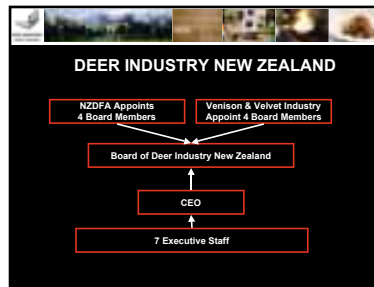
Selection and Appointments Panel chair, Bob Kingscote said there was an extremely high standard of candidates for the vacancies. "The Electoral college process through the Selection and Appointments Panel adopted by the NZDFA is robust and well worth the industry's investment." (See separate report on NZDFA AGM, which includes discussion on the relative merits of this system and the direct election model.)

Following formal notification to the Minister of Agriculture, the producer-appointed directors on the Deer Industry New Zealand Board take office on 1 July, attending the first Board meeting on 12 July in Christchurch. At the conclusion of that, members of the Canterbury and SCNO Branches of NZDFA are invited to attend a "meet the Board" session at the Commodore Hotel at 4.00pm.

How well do you know DINZ?

Almost five years after its establishment, we take a re-look at Deer Industry New Zealand's structure.

It seems a long time ago that, after much consultation with deer farmers and companies, the single industry structure of Deer Industry New Zealand (DINZ) was established. Most producers probably don't think too often about how DINZ is set up. However its structure and governance are regularly discussed at NZDFA Branch and national level, and this latest deer industry conference, held last month in Hamilton, was no exception. It is timely, therefore, to run through the basics.



Velvet Processors Association. While both of these organisations are important industry organisations, they no longer appoint directors to DINZ.

DINZ Executive

Reporting to the DINZ Chairman John Scurr is Chief Executive, Mark O'Connor. He is responsible for the operational running of the DINZ Executive team and industry-good

activities including ensuring that the industry-agreed five-year strategies for venison, velvet and co-products are effectively implemented.

Six DINZ Executive staff report to Mark in the achievement of this objective. Four full-time staff operate from the DINZ office on The Terrace in Wellington. They share the office space and reception with Meat & Wool New Zealand and the Meat Industry Association. DINZ contracts financial services from Meat & Wool New Zealand rather than employing a Finance Manager.

DINZ employs two Marketing Services Managers, one focusing on venison and the other on velvet and co-products. A Science Manager is responsible for industry-good research conducted through DEEResearch and Velvet Antler Research New Zealand Limited. There is a Quality Manager and Administrator responsible for the management of the National Velvetting Standards Body programme, QA programmes and the industry database. Finally, the Producer Manager services deer farmers and particularly the NZDFA.

Deer Industry New Zealand Regulations 2004

DINZ was established by the Deer Industry New Zealand Regulations 2004¹ as a marketing authority. The Regulations are in accordance with the Primary Producers Marketing Act 1953.

The DINZ Board of Directors

The DINZ Board of eight comprises:

- **four producer-appointed directors**, nominated and appointed by any producer and appointed by the NZDFA through the Selection and Appointments Panel process.
- **three directors appointed by venison marketers and venison processors** by elections. Venison marketers and processors who have indicated they are qualified to vote are listed on a Roll. Two of the directors are voted by 'weighted vote' (the more venison processed or marketed, the more votes); one is voted by 'one company, one vote'
- **one director for the velvet and co-product industry** elected by deer product marketers and processors and velvet marketers, pool and processors.

The directors appoint a Chairman annually. Directors have a term of three years which finishes on 30 June. There is a misperception that directors are appointed by the Deer Industry Association and the

¹ If you would like to go through the Deer Industry New Zealand Regulations, you can visit www.legislation.govt.nz and click on the 'statutory regulations' section.

DINZ EXECUTIVE: CONTACT INFORMATION

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Pam MacLeman	Quality Systems Administrator	04-471 6114	-	pam.macleman@deernz.org
Innes Moffat	Venison Marketing Services Manager	04-471 6111	021-465-121	innes.moffat@deernz.org
Mark O'Connor	Chief Executive	04-471 6113	021-743 624	mark.oconnor@deernz.org
Tony Pearse	Producer Manager	04-471 6118	021-719 038	tony.pearse@deernz.org
John Tacon	Quality Manager	04-471 6117	021-242 2873	john.tacon@deernz.org
Sandra Windley	Finance Contractor	04-474 0841	-	sandra.windley@deernz.org

In order to minimise file size for downloading,

all advertisements have been removed from this issue of Deer Industry News.

To order a printed copy of the magazine, email info@deernz.org

Innovate!

Conference true to its name

It has been 11 years since a deer industry conference was hosted in the Waikato, and those who had attended both could reflect just how much water has gone under the bridge in the interim.

Economically, the industry has gone through the Asian economic meltdown, the scary schedule highs of 2001, the protracted slump in venison and velvet prices over the past four years and the welcome recovery of recent months.

Politically, the industry has evolved considerably. The 1996 conference was a tense affair. Since then the political landscape has matured into a more streamlined structure but with the retention of a strong and independent producer voice. This was well illustrated at the 2007 conference through the issue of electronic ID: there was a clear difference in perspective from Deer Industry New Zealand and the NZDFA, yet there is room for both viewpoints as the industry works towards what seems an inevitable change in animal identification technology. There were also new faces among the deer industry's leaders. This was apparent both at NZDFA Branch and Executive Committee level.

And technically there have been huge leaps and bounds since 1996, an idea captured in the conference theme. Genetic improvement, velvet product development and – yes – animal identification and recording technologies have all made great progress over the past decade, and the Waikato-

hosted conference provided a great showcase for some of these changes.

But people make a conference, and the warmth and generosity of the Waikato hosts – well-known for their strong social networking – set the tone for the gathering. The hosts and organisers took the *Innovate!* theme to heart, as did the presenters.

As always, Producer Manager Tony Pearse, and Pat and Tana from Dunedin Conference Management Services, teamed up to ensure a smoothly run conference, allowing maximum time for learning and interaction through a packed two-day programme.

Sponsorship was solid this year, with our industry partners reflecting farmers' faith in the long-term prospects for deer farming. There were about 169 full attendees this year with social events attracting about 190 – a little down on previous years but a good number nonetheless, considering the difficult times we've had. Those who did make the trip to the Hamilton learned that the deer industry is in better heart – and that there's a bit more to the Waikato than cows and grass. 🍷

Welcome function a tasty start

Deer farmers don't really need convincing what a wonderful product they grow, but just in case there were any lingering doubts, Kingsgate Hotel Executive Chef, Michael Daly conjured up five superb dishes to welcome guests at the "Innovate with Venison 2007" function in Hamilton on 22 May. Venison for the function was kindly supplied by Duncan & Co.

The engaging Irishman talked guests through each of the five dishes before they were served. His job was made all the more interesting by the use of a separate cut for each: alpine horopito rubbed venison striploin (sponsored by Intervet); slow-braised venison osso bucco (Rabobank); chargrilled yakajirri crusted venison rack (Duncan & Co); snap roasted Denver topside (Telford Polytechnic); Japanese wok tossed venison stir fry (Ravensdown).

Each dish was served with an accompanying wine or beer and following a popular vote, the appreciative guests gave the biggest thumbs up to the venison rack, served with smoked chorizo sausage and venison ratatouille with sun-dried tomato pesto.

Welcoming guests to the conference was Waipa mayor, Alan Livingstone. He reminded farmers that the host region was indeed a hotbed of innovation, with the deer industry at the forefront – and that Waikato was host to events as diverse as the World Rally Championships, V8 Super Cars and World Rowing Championships.



Andrew Duncan speaking to guests: "You are the backbone of the industry."

Event sponsor Andrew Duncan of Duncan & Co took the opportunity to thank the dedicated farmers who have attended the annual gatherings and maintained their faith in the product through some difficult years. "You are the backbone of the industry," he said.

The gathering also took a moment to recognise the long and colourful contribution to industry gatherings of Fallow Society President, Dick Valentine. A man with a strong sense of justice and a keen appreciation of meeting procedures, Dick has attended deer industry conferences from the very beginning. He is now fighting his own battle with cancer. To mark Dick's contribution over the years, Fallow Society colleague and friend, Ken Swainson presented him with an intricately carved Fallow antler created by Paraparaumu carver, Paul Grout.

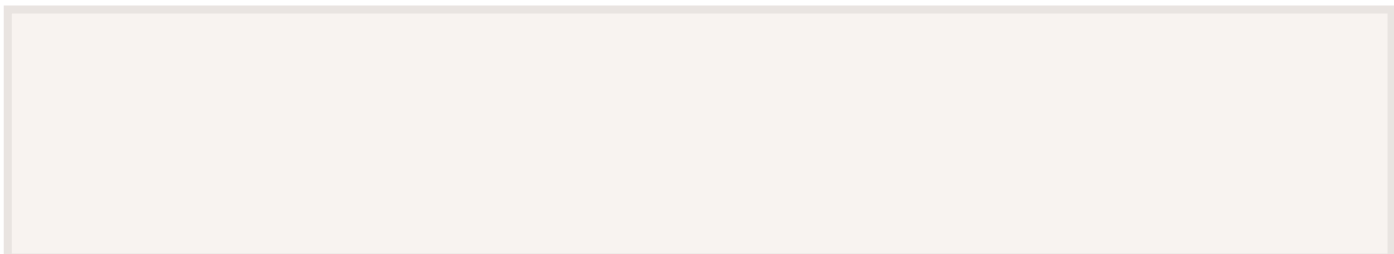
The evening was a relaxed and convivial affair, and set the tone for an informative and constructive two days to follow. 🍷



Dick Valentine acknowledges the gesture of support and recognition. He was presented with a beautifully carved Fallow antler (inset).



Kingsgate Executive Chef, Michael Daly introduces one of the five delicious 'Innovate with Venison' dishes.



DINZ Formal General Meeting 2007: Positive news ahead

Five years on from establishment of the single industry organisation, presentations from the DINZ team emphasised underlying confidence in venison and velvet's prospects. However, as DINZ Chairman John Scurr noted, producers, processors and marketers must carefully communicate and manage expectations to avoid a boom-bust scenario.

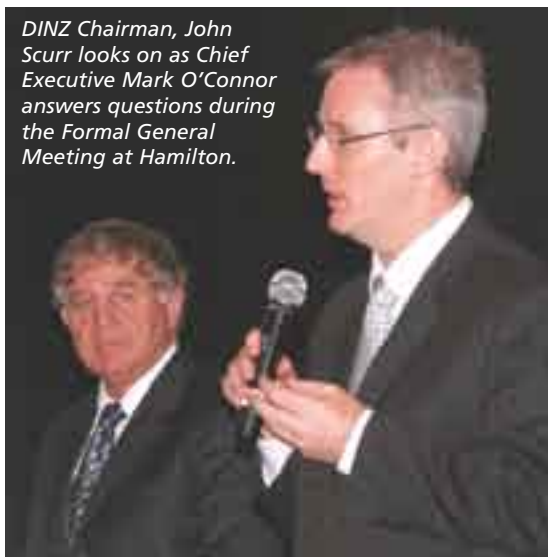
Highlights of the Formal General Meeting at Hamilton on 23 May follow:

The chairman outlined results from the half-way point of the industry-agreed five-year strategies for venison and velvet (see *Market Report 87*).

He noted that for venison, generally, the industry had worked together maturely and functionally and showed commercial leadership in supplying large quantities of venison to new markets.

Good progress is being made in all six of the key areas of opportunity within the strategic intent for velvet, he said, though how velvet is marketed concerns the DINZ Board. Worth \$55 million in 1995, returns for the same quantity exported are approximately \$25 million, when they need to be \$73 million just to be standing still. The Velconz initiative, 'Newco', is designed to offer a platform for efficient selling of velvet. Producer responsibility one step past the farm gate is a necessary change for the velvet industry. It will allow velvet producers, who have the greatest investment in the velvet supply chain, to receive accountability and transparency as to how effectively their velvet is supplied to market.

DINZ Chairman, John Scurr looks on as Chief Executive Mark O'Connor answers questions during the Formal General Meeting at Hamilton.



noted. The DINZ goal is to build demand and preference for New Zealand velvet. The systems in place for traceability of New Zealand velvet, the NVSBS programme, strict government controls and commitment of New Zealand farmers to producing a quality product put in place over 10 years ago have stood the industry in very good stead and are 'starting to pay dividends'.

Overall, the value of the industry's exports to January 2007 was \$319 million – an increase of about 22% over the same period in 2006. Key features were a 17% increase in returns from venison and a 20% increase in velvet, hides and leather and co-products.

Farmer acceptance of traceability important

O'Connor said farmer acceptance of animal identification and traceability is very important for the deer industry. Using the example of Dole organic banana producers – where consumers can use a three digit code on the label at the Dole web-site to open up details of the farm where the fruit was grown, including pictures of the actual smiling farmer and links to aerial

maps of the farm on Google Earth – he said, "In five years' time, traceability of products will have become stronger and be more of an expectation than a bonus."

Reserves to be spent over low production period

In its five-year business plan, the DINZ Board built up moderate levy reserves over the past three years of high production. This was to allow adequate funds for industry development without significantly increasing levies on those producers who have stuck with the industry during the past four years. This will ensure that the good levels of industry development continue even though production, and therefore levy income, is lower.

Updated industry statistics

Updated deer industry scenarios to 2012 have been prepared by DINZ using the latest figures from Statistics NZ and the Deer Industry Survey. This allows deer farmers to consider a deeper level of information with sufficient flexibility to form their own view of industry prospects.

Statistics in Chief Executive, Mark O'Connor's presentation showed the venison schedule price was 32% ahead of where it was last year, with the New Zealand dollar worth €0.49 last year and €0.54 this year. Export volumes have begun to drop, consistent with the fall in production, while the value of exports has increased by over 20%. The average per-kg value of venison exports has risen by 30% in the past year, indicating an improvement in export values is finding its way back to producers. Market prospects appear sound.

The weighted average price of velvet was close to double last season at \$95 per frozen kg. This was on the back of lower world supply of deer velvet, particularly from New Zealand, O'Connor

Venison promotion

Venison Marketing Services Manager Innes Moffat updated delegates on the new German promotion theme *Impress Your Guests*, work with Cervena in the United States and promotions in New Zealand. Key points:

- In 100 days of in-store DINZ/importer demonstrations in Germany, linked to 500 billboard advertisements, it is estimated that New Zealand venison was noted by 80,000 shoppers entering the stores, with 20,000 actually sampling it from the specially designed tasting wagons.
- All the importers reported increased retail business – increased sales, increased number of outlets and increased length of sales.
- The industry's aim is to reduce reliance on the food service sector, not to abandon it. DINZ and New Zealand exporters have helped with advertising in food service catalogues, cash-and-carry advertising in Germany and the Netherlands, chefs' seminars in Belgium and food service advertising in France.
- In total, DINZ funds were used on 73 projects to promote venison in 17 countries; for every dollar spent by DINZ, exporters and their partners put in two.
- New Zealand earned an extra \$45 million from Europe last year, on a 3% increase in volume.
- The new Cervena™ strategy in the United States worked to

get Cervena back into the vocabulary of America's working chefs in 2006. The programme incorporates Star Chefs, a collaborative education programme at US culinary schools, public relations activity and the new Cervena website, which has received 130,000 hits to date. Most of these hits are through advertising Cervena on chefs' websites.

- In New Zealand, DINZ has worked with a professional dietician to provide articles for media, undertaken a series of activities to promote venison to professional restaurants and worked with the consumer press.

Velvet promotion

Velvet Marketing Services Manager, Vanessa Crowley outlined progress in the marketing of New Zealand velvet and deer co-products:

- Promoting velvet as a healthy food concept, through events at Imperial Palace Hotel in Seoul and the Seoul Millennium Hilton, has sparked interest and offers potential to develop a new product within an already well-established market.
- Educating oriental medicine doctors about the high quality characteristics of New Zealand deer velvet including quality assurance, NVSB programmes and other quality requirements.
- Assurance of safety and traceability is growing in importance. DINZ is investigating the feasibility of developing an "isotopic signature" for New Zealand velvet to add to its quality assurance story. Unlike DNA testing, this technique will be able to differentiate between velvet that is grown in different countries but which is from the same genetic stock.
- A newly developed Korean language web-site – www.dinz.co.kr – offers visitors information on New Zealand, our farming systems, quality assurance programmes, promotions and New Zealand supplier details.
- Market access work continues in Korea on the Special Excise Tax (SET) and country-of-origin labelling requirements, and in Taiwan on removing the five tonne quota for frozen velvet.
- Value-added velvet products are the current focus in China.
- Highlighting the benefits of New Zealand velvet for athletic performance continues with continued sponsorship of the poweredbyvelvet.org.nz endurance racing team that aims to place in this year's International Mountain Sports Quest, triathlete Jonny Collett, Morgan Foster who won Gold at the National Surf League finals and a visiting Korean school rugby team.
- Pet product promotions were supported from the DINZ joint venture programme in New Zealand and Israel.

Research and development

Science Manager Lindsay Fung outlined plans within the DEERResearch and Velvet Antler Research New Zealand (VARNZ) research and development programmes.

A fixed DEERResearch R&D budget of \$600,000 a year for four years initially, has been approved by the DINZ Board, plus a further two subject to review – making it easier to plan and commit to a strategic research. The major project will focus on venison supply systems – split into four objectives:

- venison market supply systems (overcoming seasonality issues)
- enhanced on-farm productivity covering parasitology and focus farm support
- environmentally responsible systems

- consistent venison quality.

Other projects funded by DEERResearch focus on industry commitments to pastoral sector research consortia, solutions to agriculture greenhouse gas emissions (methane and nitrous oxide mitigation) and better understanding and management of Johne's disease

For VARNZ, crucial trials to assess next steps are being undertaken at the moment. By 30 September, it is expected that VARNZ and the Foundation of Science Research & Technology will make the decision about whether to take the next step: commercialisation of the wound-healing product. Other VARNZ work has looked at tourniquet methods in relation to lignocaine residues in velvet and determining if NaturO™ rings produce effective analgesia. Reports are due soon but preliminary indications are that there will be a good case to present to the National Animal Welfare Advisory Committee that they produce sufficient analgesia. Other research work due to start this year is the use of velvet as a supplement for companion animals – dogs and cats.

Focus farms an important support to productivity strategy

DINZ Producer Manager Tony Pearse said it was important to recognise that the productivity strategy and the venison marketing strategic intent are purposely closely aligned. Focus farms were also part of this strategy and planning for these was embedded in the FRST funding bid for the next six years.

There was now a lot of good information out there to help producers, and the focus farms would assist with uptake. There would be attention given to achieving the basics well, including getting more calves on the ground, heavier and earlier.


Pearse said a realistic goal, to get 20 percent of weaners up to 100 kg by winter, would take the pressure off wintering systems. He noted that DINZ had used a Meat & Wool New Zealand model for the development of the focus farms. DINZ has committed dollar for dollar funding for focus farms up to a maximum of \$30,000 (total) per farm. The focus farms would be supported by visits to satellite operations, such as the Landcorp North Island benchmarking programme.

Results from the focus farms programmes would be communicated to farmers via the industry media.

Reminder to maintain highest standards with velveting

The launch of the Deer Code of Welfare less than a week before the FGM was a major achievement for the deer industry, said DINZ Quality Manager, John Tacon. The code (see summary in this issue of *Deer Industry News*) makes the owner or person in charge of an animal responsible for its welfare. This applies to any deer kept behind a boundary fence or other enclosure for the broadest purposes of farming

It was also very important that standards around velveting were maintained, he said. Although there had been a drop in the number of active velveters, it was important that all record books were kept up to date. Hygiene was one area where audits showed there was room for improvement.

Anyone removing velvet who is not a veterinarian or not accredited under the NZSB programme was running a huge risk not only to themselves (fines of up to \$25,000 for individuals or \$125,000 for companies) but to the industry as a whole. 

- **A copy of the FGM proceedings is available for download from: www.deernz.org/resources**

NZDFA 2007 Annual General Meeting

There was a much lighter programme of remits at this year's AGM than in 2006, but the quality of debate remained high, with the issues well worked through. It was refreshing to see some strong contributions from relative newcomers to the conference floor. The following report does not constitute the official minutes of the meeting, but has been checked for accuracy.

Following the meeting preliminaries and the delivery by Andrew Mitchell of his comprehensive final report as Executive Committee chairman (see NZDFA Annual Report, April *Deer Industry News*, No. 24), Clive Jermy made the traditional reply from the floor in seconding the Chairman's motion for acceptance of the report.

Clive endorsed Andrew Mitchell's assessment of the industry's previous five years, noting the 30 percent fall in numbers of deer farmers, vulnerability to the German economic climate and the earlier achievements of the New Zealand industry in securing strengthening prices on the back of increasing supply.

"This took exporter cooperation and discipline in the market," he said. Global forces had conspired to undermine this achievement, he added, citing increased fuel costs and the high dollar among these. The recent recovery could be attributed to a good marketing strategy, not just lower volumes, Clive said.

On the question of NZDFA mandate to represent all deer farmers, Clive was unequivocal, pointing out that the Association must continue in this role. Federated Farmers was, after all, funded by a voluntary levy and there was no doubting its national role. He noted that those who don't pay a voluntary subscription often still contribute at Branch level.

"I look forward to the NZDFA continuing to represent the interests of all deer farmers," he concluded.

Executive Committee Motions

1. Statement of accounts

"That the financial statements of accounts for 2007 be accepted."

Aitken/Mitchell

CARRIED

2. Commodity Levy

"That the NZDFA Commodity Levy (Farmed Deer Products) 2001 on venison and velvet be fixed at NIL for the NZDFA financial year 2007/08 until that levy order is deemed to be revoked under the requirements of the Commodity Levies Act, 1990 (sec 13.1) on 16 September 2007, at the 6th anniversary of the granting of the current commodity levy."

Mitchell/Taylor

CARRIED

Eric Clark (Waikato) asked that his dissenting vote be recorded.

3. Remuneration of Elected Officers

"That the Executive Committee honoraria for the 2007/08 financial year be fixed at \$9000 for the elected Chairman, and \$6000 for each other Executive Committee member."

McCormick/Spiers



Andrew Mitchell delivers his final report as NZDFA Executive Committee Chairman

The proposal this year sees the honoraria lifted from \$5000 to \$6000 for the Executive Committee members, and from \$7500 to \$9000 for the Chairman.

CARRIED unanimously

4. Appointment of Auditors

"That Deloitte be appointed as NZDFA auditors for the ensuing year 2007/08."

Aitken/Taylor

CARRIED

5 Budget 2007/08

"That the NZDFA Budget of Income and Expenditure for the year ending 31st March 2008 be approved."

Aitken/Hawkins

One delegate queried the Executive Committee's confidence that the budget for voluntary subscriptions (2050 @ \$65) would be met, given the recent trend for falling numbers. Tim Aitken replied that new memberships were 'flooding in' and said that given the better industry climate, the decline in membership was expected to flatten out.

The motion was CARRIED.

6. Selection and Appointments Panel: Constitutional change

– Clause 37.12

- 37.12 **Selection Process:** As soon as possible after the closing date for nominations the Returning Officer shall publish to all Branches and in "Stagline" a full list of the persons nominated, together with any declarations of interests received from them. On the date determined for the selection (**but not later than the end of July each year**), the Selection and Appointment Panel shall convene, interview and select from the nominees as many Association representatives as are required to fill available vacancies on DINZ.

The motion was:

"That the date determined for selection be not later than the end of June each year."

Mitchell/Aitken

The change was to allow time for the Minister to be notified of appointments in time for the July DINZ Board meeting. The new timing also accommodates the need for 10 days' notice of an appeal by any unsuccessful candidate.

CARRIED

Branch remits

1. Waikato Branch: Direct elections for the Deer Industry New Zealand Board

"That direct elections replace the SAP process for selecting farmer representatives to the DINZ Board."

Carter/Clark

John Carter (Waikato) said the last SAP process caused confusion, and was staggered that the Operating Code of Practice (OCOP)

was a substantial document of 17 pages, most of which he understood had to be amended to resolve the problems. Eric Clark (Waikato) said that although no disrespect was meant to the current SAP, he had become disillusioned with the SAP process, and that direct elections for the producer members to the DINZ Board would be more transparent and credible.

It was quickly apparent that Branches outside Waikato did not support the remit. Mike McCormick (Hawke's Bay) noted that with direct elections the best-known people would tend to attract the most votes, but with the SAP process, the panel made sure the best person got the job.



John Carter (Waikato) speaks in favour of his Branch's remit seeking direct elections for producer representatives on the DINZ Board.

Bob Kingscote, an elected South Island member and Chairman of the SAP, defended the process. He denied there was an 'old boys' network. "It's a robust process. We challenge each other as well as the candidates. We act as a watchdog for the industry, sitting with the DINZ Board members three times a year, asking them what their objectives are, and whether they achieved them. We also meet with the Chair to find out what sort of skills they need on the Board."

He advised the OCOP was a living document including copy of the NZDFA constitution, the Deer Industry New Zealand Regulations pertaining to Board members and a history of the SAP, as well as the voting procedures and code of practice. He advised the document was regularly reviewed and placed in front of Branch Chairmen or anyone who wanted to see it in the interests of openness and clarity.

The motion was put and LOST on a card vote 40/89

2. Southland Branch: Electronic animal identification

"That the NZDFA recommends DINZ not pursue the mandatory adoption of an electronic identification system for deer until there is acceptance of the need for one from the majority of New Zealand deer farmers."

Russell/Stevens

Dick Valentine (Fallow Society) moved an amendment to remove the word 'deer' from the last line of the remit. This was LOST 34/113 on a card vote.

Supporters of the remit accepted that electronic ID would happen eventually. The main objections were being lumped in with cattle, and being forced to accept a new system before the technology was ready. Some were also concerned about a rumoured cost of about \$20 throughout the life of each breeding animal to be recorded on a database. Eric Clark (Waikato) suggested, perhaps tongue in cheek, that the industry should wait until iris-scanning technology was available, meaning tags could be done away with all together.

Jeff Pearse (South Canterbury) said it would be a mission to get 51 percent of deer farmers to even vote on the issue, let alone to ever get majority support for electronic ID.

Mark Hawkins (Executive Committee) criticised the remit for being too negative, and said improved traceability would benefit the industry.

The remit was CARRIED on a voice vote.

3. Canterbury Branch: Sustainable farming

"The Canterbury Branch request NZDFA to act in a proactive manner to promote the science-based approach to environmentally sustainable farming and to actively engage with like-minded organisations to facilitate science-based policies."

Noonan/Kingscote

Ed Noonan said environmental sustainability must have measurable outcomes to have any meaning. Bob Kingscote added that the remit would give more teeth to the work done in the Landcare Manual.

The remit was CARRIED on a voice vote.

4. Northland: Safer Tb testing of mature stags

"That the NZDFA pursue the option of coordination between the AHB and the National Velvetting Standards Body (NVSBS) regarding the use of sedating drugs, with the objective being to enable NVSBS-certified velvet farmers to use these approved drugs to sedate mature stags for the purpose of Tb testing in addition to their normal use in the practice of velvet antler removal."

Following discussion at the previous day's Branch Chairmen's meeting, Northland Branch agreed that this remit should be WITHDRAWN. The main reasons were that it was opposed by the NVSB, that it would require a law change, and that it could jeopardise farmers' current privileges with respect to velvetting. It was also noted that by timing Tb testing correctly, problems with handling mature stags could be avoided.

5. Johne's Research Group: Herd status classification

"That the NZDFA endorse and promote the voluntary Johne's Disease Herd Status classification system for presentation to the live sale market developed at the request of the 31st AGM."

Following discussion at the previous day's Branch Chairmen's meeting, the Johne's Research Group agreed that this remit should be WITHDRAWN. This was because the proposed classification system was open to consultation and being refined and simplified and also had implications for possibly complex administration. The JRG had agreed to report a final scheme for industry use, if wanted, by the October Branch Chairmen's meeting. [See *Deer Industry News*, April 2007, page 9 for early draft discussion document.]

6. Canterbury Branch: Focus farms funding by DINZ

"That the NZDFA requests DINZ to review funding options for focus farms, to guarantee funding of \$20,000 per year for three years."

Noonan/Acland

Ed Noonan remarked that it was unreasonable to expect Branches to have to match DINZ funding for the focus farms, dollar for dollar. John Acland added that good funding is needed to pay for the professionals required to run good focus farm programmes.

Mark O'Connor (DINZ CEO) replied that DINZ had always seen the focus farms as a positive NZDFA community-based initiative. "We know it's a lot to ask Branches, but the last thing we want is for DINZ to 'own' the programme. It belongs to you."

He added that local sponsorship could go a long way towards covering the balance of funding required; he also



Ed Noonan (Canterbury) explains the reasoning behind his Branch's remit seeking greater DINZ financial support for Focus Farms.

pointed out that the Government contributes to the programme through the time of the scientists involved.

The motion was CARRIED on a voice vote. Jim Scorgie asked that his dissenting vote be recorded.

7. Canterbury Branch: Modified ETB

"That the NZDFA asks Deer Industry New Zealand to pursue with MAF and the AHB the urgent need to take a coordinated and proactive approach to ensure that the modified ETB is verified and adopted as soon as possible."

Noonan/Aitken

Ed Noonan said this secondary test would only be used in clear areas and in herds C5 and above, so it was a conservative move. Peter Aitken added that this would save farmers money by reducing the risk of false positive Tb reactions due to Johne's disease.

The remit was CARRIED unanimously on a voice vote.

8. Central Regions: Velvet grading

"That the NZDFA request DINZ to start a review of the current velvet grading system, so as to better reflect the market specifications in regard to size, density and colour."

Pullar/Turner

This remit stimulated considerable debate. Speaking in support, Chris Pullar said the only people happy with the current system are the velvet grade review panel. He said the vagaries of the current system should be removed and a more science-based system used. "What does it really matter in the market if some velvet has 'elk tendencies'?" He said their Branch has run the same velvet past two different graders and got very different results.

Warwick Gregory (Nelson) wondered if the national velvet competition might see the downfall of the current grading system. Brian Russell (Southland) supported the remit and suggested an audit of the current grading system.

Jim Scorgie (South Canterbury) said the last review of grades was driven by the way velvet is sold. "If that changes, then the grading system will need to change too, especially if more velvet is sold processed."

Mark O'Connor (DINZ) warned farmers that implementing this remit would take up 10 percent of the velvet marketing services manager's time, meaning less time was available for implementing the velvet strategy.

Graham Carr (South Canterbury) noted Veleco had reduced the number of grades used, and suggested Velconz may do the same.



Scrutineers were kept busy counting card votes during the AGM.



Bill Taylor (right) fields a question during the NZDFA AGM.

Chris Pullar told PGG Wrightson they were not accountable. "You can't tell me where my stick of velvet has gone. Does the market really want 50 plus grades? Who audits the graders? How can velvet be traced? We need an objective system."

The motion was put and CARRIED on a voice vote. Bill Taylor, Barry Cuttance, John Carter and Graham Carr asked that their dissenting votes be recorded.

General Business

Johne's Research Group

Chairman Peter Aitken updated deer farmers on the Group's annual report (see NZDFA annual report, April 2007). He said the Executive Committee's 2 year commitment of \$10,000 per year for the epidemiology research project and ongoing JRG commitments was most welcome, "but if Branches want to contribute too, don't let that stop you!"

He said input on a herd classification system (see discussion paper in April 2007 *Deer Industry News*) would also be welcome.

The JRG now has an application in to the Sustainable Farming Fund for \$300,000 over two years to support research into multi-species grazing and Johne's disease.

Johne's Management Limited

See Branch Chairmen's meeting report for update from JML.

Lower tynes removal

At the 2006 AGM, the following remit was passed:

"That in the absence of an accepted velvet market restructuring, NZDFA request DINZ to ensure that NZFSA (New Zealand Food Safety Authority) enforces removal of lower tynes from velvet antler (frozen or dried) destined for the Korean market, by including it as a requirement of Overseas Market Access Requirements (OMAR). The NZDFA requests DINZ to report conclusions by beginning of 2007 selling season."

The meeting was reminded that this remit remains 'live' until Velconz is properly up and running. It is well on the way but not there yet, and the Canterbury Branch, which proposed the original remit last year, wanted it kept on the table for now. This was supported by other speakers.

Mark O'Connor (DINZ) said market conditions had changed considerably since last year, and the motivation to remove lower tynes was now reduced. John McDonald (DINZ Board) said the scenario would need to be run past velvet processors again before the idea was pursued further. Others were concerned that removing lower tynes would just create a black market.

NZDFA election results

North Island Executive Committee: one vacancy

Richard Broughton (Northland):	51 votes
Sharon Love (Rotorua):	121 votes
Earle Wells (Coastal BOP):	44 votes
Informal:	4 votes
Total:	220 votes

Sharon Love was declared elected (see article on page 46 of this issue).

It was also announced that **Bill Taylor** (Southland) has been appointed Chairman Elect of the NZDFA Executive Committee. This appointment is made by the four Executive Committee members (see article on page 46 of this issue).

Selection and Appointments Panel, North Island: one vacancy

Campbell Clarke (Waipa):	56 votes
Keith Sutton (Wellington):	80 votes
Ponty von Dadelszen (Hawke's Bay):	84 votes
Informal:	2 votes
Total:	222 votes

Ponty von Dadelszen was declared elected.

Life membership: Jeffrey Pearse



Jeff and Trish Pearse: voted life membership of the NZDFA.

"That Jeff and Trish Pearse be nominated as life members of NZDFA in recognition of outstanding commitment and progressing the aims and objectives of the NZDFA and their continuous services and contributions to the New Zealand deer industry."

Taylor/Jermy

Speakers were queuing up to speak in favour of this very popular motion. Clive Jermy said it had been a pleasure working alongside Jeff Pearse on the DINZ Board. The words 'integrity and dedication' summed him up well, Clive said. "He epitomised the Board's philosophy; he is a deep thinker and has not been afraid to speak out when the occasion demanded it." Clive also noted the strong support from Trish and their children.

James Guild recalled Jeff's time on the DFA Council. "It was inevitable he would go on to the Game Industry Board and then DINZ," he said. "Jeff acted with great integrity, and like his famous aviator forebear, was not afraid to fly the occasional kite." James also noted Jeff's contributions in the area of Tb control and livestock taxation.

In reply, Jeff thanked the speakers for the 'excessive' accolades. "Despite my appearance I'm only middle aged, not elderly. I started in the industry relatively young. We're very accepting of young

people as an industry and we must continue to encourage them."

He recalled the strong debates in the late 1980s about the need for producer control, and made special mention of the contributions made by James Guild and the late Ian Spiers.

"Have we been innovative at Board level? That's hard to answer, but in my own case, it's been a matter of putting my passion for deer farming into practice."

Andrew steps down



We're a family now: Rachael Mitchell with baby Caitlin and Andrew Mitchell acknowledge gesture of thanks from the NZDFA membership.

The final act of the AGM was a tribute to outgoing Executive Committee Chairman Andrew Mitchell at the conclusion of his three-year term in the top job. In addition to his energetic and forceful advocacy for deer farmers at national level on issues such as the DOC fencing regulations, Andrew is also a very active Chairman of the Rotorua Branch, showing leadership just as keen on issues affecting the Bay of Plenty.

Andrew was joined on stage by his wife Rachael – herself a dynamo when it comes to involvement in industry events – and their new baby deer farmer daughter, Caitlin Elizabeth Mitchell (born 9.05 pm 1 May, birth weight 7lb 14oz, expected weaning date November). One suspects that despite the demands of new parenthood and stepping back from a national industry role, the Mitchells will be involved boots and all in industry affairs for some time to come. 📷

Telford presentation

Mike Blair from industry partner Telford Polytechnic brought deer farmers up to date with work at the institute. The one-year certificate course, part of the NZQA framework, includes strands on sheep and beef, dairy and deer, with practical work done on farms at Wyndham and Mount Peel. The Telford farms have 155 hectares deer fenced out of a total of 800 hectares. They carry 650 mainly Wapiti hinds, 540 fawns and 65 stags. The herd is being moved towards Reds using Black Forest genetics and Deer Improvement input. The students get involved in day-to-day stock management including drenching, AI and scanning.



Diane Bristow displays her winning entry in the Warnham & Woburn Photo Awards: "Three Wise Men."



Entertainers Chris and Chet kept the crowd entertained with renditions of everything from the Topp Twins to Kiri Te Kanawa and Split Enz.

Awards night shows industry heart

The heart of the deer industry was beating as strongly as ever in Hamilton last month at a well-attended and upbeat Awards night and superb banquet sponsored by industry partner PPCS.

Paul Selwyn, General Manager of NZ Supreme Natural Foods, Rotorua, opened proceedings. He explained to guests how the quality systems in their enterprise, which sells venison, velvet and co-products through its outlets, follows a quality and customer-focused philosophy. (There is more about Paul Selwyn the Industry News section of this issue.) Delegates were then offered a velvet soup complemented by a tangy deer liver pate and crusty bread as appetisers to the main fare, a trio of tender and rare Alpine crusted venison cutlets, bubble and squeak rösti with glazed mixed greens, and a tomato and olive chutney and pinot noir juice. This venison was supplied by PPCS and was the sixth variation of New Zealand and Pacifica-themed venison dishes presented to delegates over the two social nights.

Warnham & Woburn Photo Awards

This year saw a welcome return of the Warnham & Woburn Society Photo Awards. Although entries were down a little on earlier years, the standard was very high. There were some imaginative and technically strong entries.

Winner of the open category this year was Diane Bristow with her photo of three Fallow stags: "Three wise men". Eric and Betty Terzaghi won the humorous category with "Oh dear, I thought there might be an apple in here." (See page 45.) Warrick and Wendy Day's entry into the Humorous category, "We're all confused" was highly commended.

Matuschka Award

This award, to recognise the grass-roots heroes of the industry, was judged this year by Murray Matuschka (donor of the award), Bob Swann, Tony Pearce and last year's winner, Malcolm Gilbert. The judges reportedly had a difficult task selecting a winner from among this year's outstanding nominees, but they agreed that Tom Loveridge (Taranaki) was the most deserving nominee. Judges noted

they were disappointed there were not three awards this year and hoped that they would see the other nominees presented in future years.

Tom has a passion for deer, and has always been there to help new entrants into the industry, the judges said. He has freely given his advice and time and stuck with the industry through the highs and lows.

"It would have been nice to know I'd been nominated," observed a clearly delighted, and also surprised, Tom Loveridge. He modestly shared the accolades with the small but strong Taranaki Branch of NZDFA. "I remember saying what a good idea the Matuschka Award was when I started, but I never dreamed it would ever be me winning it," he said.

Deer Industry Award

The judges of this year's Deer Industry Award, Ron Schroeder, Kelvin Kimber and John Kempthorne, had an equally difficult task picking a winner from the four nominees this year. Ultimately they chose the Southland Branch, NZDFA. The full list of nominees was:

Hub Hall, long-standing Waipa Branch member and leading Master Measurer, Hub was said to have made a huge contribution to the trophy industry, with an unflagging willingness to help out, for no personal reward.

Ken Swainson: Fallow Deer Society stalwart since the very beginning, deer transport QA Committee member, Environment merit award winner, and generous host for many visitors to his Sanson property.

Philip Irwin: Starting as Wrightson's deer agent in Hawke's Bay in 1984, Philip became Wrightson velvet manager in 1988, until his retirement last year. He started the first pools, helped establish the North Island velvet competition and helped establish grading guidelines.



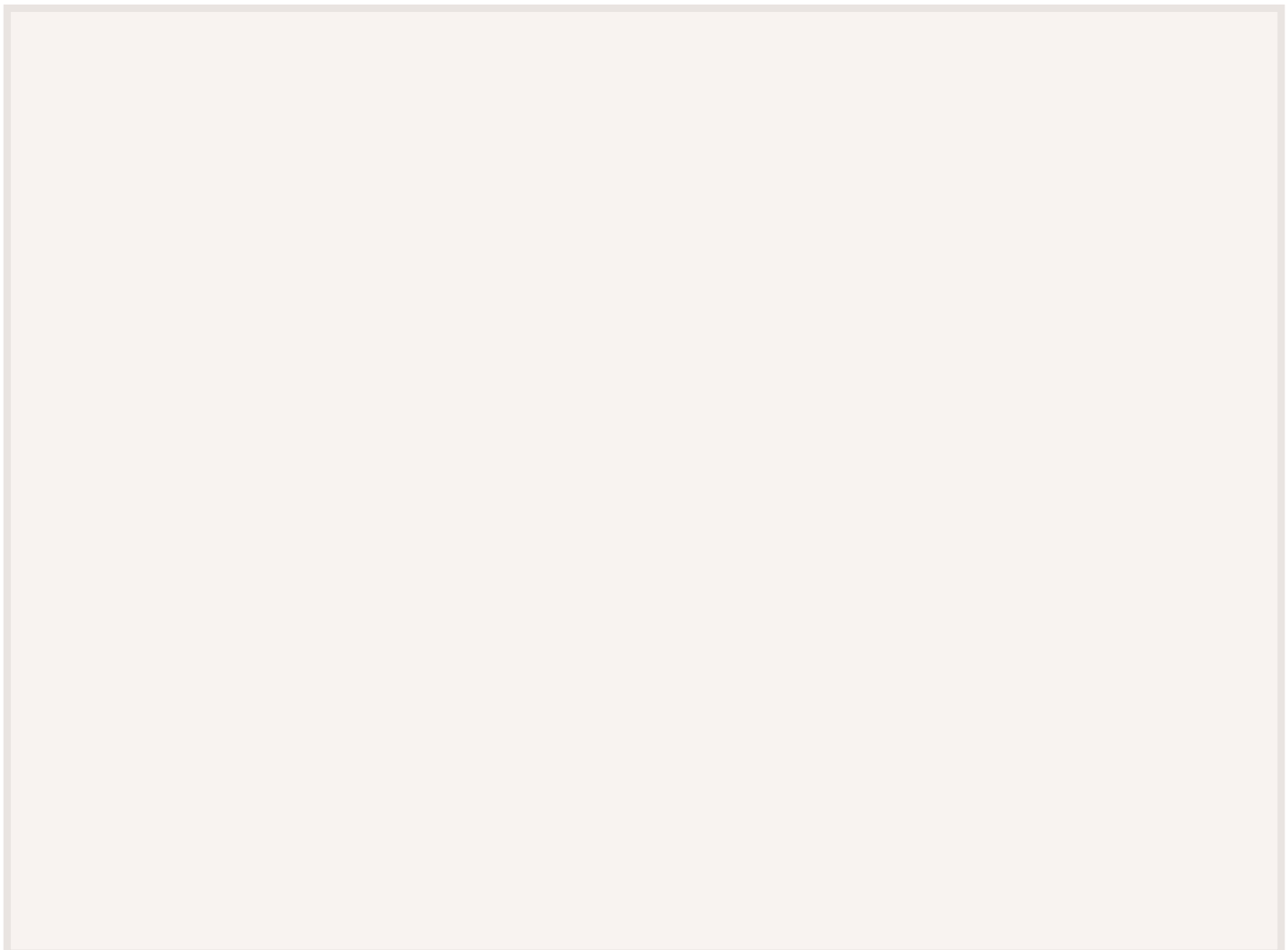
Tom Loveridge (second from left) shares the satisfaction of winning the Matuschka award with fellow Taranaki Branch members (from left) Rex Cowley, and Mary and John Cusdin.



David Stevens and Brian Russell accept the Deer Industry Award on behalf of Southland Branch.

Southland Branch, NZDFA – organiser of the national velvet competition: Southland was nominated for its work over 25 years, celebrating breeding excellence in the velvet industry. The Branch’s velvet committee developed the scoring system used today and has helped boost the velvet industry’s development. The Branch was also complimented for adding a human touch to the velvet industry.

Accepting the award on behalf of the Branch, Chairman Brian Russell paid tribute to his predecessor Peter Allan for moving the competition forward over the past five years. David Stevens, who has been involved with the competition since its earliest days, said keeping the competition in the South has preserved its special character, while the annual competition brochure allows the rest of the country to peruse the latest crop of entries. 📄



Number crunching behind Deer Improvement programme

Farmers who took the time to go on the post-conference field trip at Hamilton received a fascinating insight into the science behind Deer Improvement's breeding programme.

Director, Peter Gatley said there is great genetic diversity within the national deer herd, and the traits they select for, such as weight gain, are highly heritable. He said people using semen from Deer Improvement stags will enjoy genetic progress that parallels that within the elite nucleus herd being developed at its Balfour property.

"One hundred kg weaners by winter? We're achieving that already at Balfour and this is with grass-fed animals – they don't get any special treatment," he said.

Deer Improvement geneticist Dr Jake Chardon said they take a very mathematical approach to breeding. "This demystifies the process – not something that all breeders like!"

He said selection and mating are the two main tools used for genetic improvement. Choosing which females to mate helps ensure genetic diversity. He said taking the top five percent of spikers (on growth rates) and mating them with the top 25 percent of yearling hinds will give rapid gains up the BV ladder, but it is vital to invest heavily in Embryo Transfer (ET).

The company had been having good success with its ET programme under the management of world-leading deer reproduction expert Mike Bringans, getting semen from 80 percent of spiker stags and achieving 9.5 pregnancies from each donor yearling hind. "Using spikers and yearling hinds we could achieve a 2.5 kg gain each year," Chardon said.

He warned that to maintain genetic diversity and avoid inbreeding – a cause of infertility – there needed to be a trade-off, with other desirable traits such as carcass conformation, disease resistance and temperament. "For that reason we probably won't keep achieving 2.5 kg per year."

He said temperament is only about 5 percent heritable, but they are nonetheless taking measures for temperament of progeny test animals at each six-weekly weighing. "Temperament affects productivity, animal welfare, product quality, ease of handling and staff safety, so any progress is valuable."



Dr Jake Chardon, Peter Gatley and Garth Anderson of Deer Improvement.

BVs have already been established for carcass traits by CT scanning at Invermay.

The Balfour farm was an ideal setup, with a strict biosecurity regime. There is a pest control programme, a purpose-built vehicle wash-down facility, and on the main ("isolation") block, no animal is allowed entry – only semen and embryos. Deer Improvement clients are further protected by the barrier that AI technologies present to disease transfer.

Business development manager, Garth Anderson said he had built a computer model of the value proposition for deer farmers that showed the investment return of AI for genetic improvement. The financial model had input from geneticists, accountants and business analysts.

The model could be run for individual farms using their own parameters, such as numbers mated and fawning percentage, Anderson explained.

"The model shows a return of 50 percent on superior genetics is possible, with payback within three years," he said. Beyond the hard numbers, there were many other potential gains that weren't so easy to fit on a spreadsheet, he added. These included improved temperament, better biosecurity, better feed conversion, greater genetic diversity and the removal of competition between weaners and the next crop of fawns.

Making these gains was a simple matter of selecting the top 10-20 percent of your hinds for AI, retaining all the hinds born and keeping the best of the stags as sires. "It's a modest cost for a predictable outcome," he concluded. 📄

Rabobank adds global perspective

Hayley Moynihan of industry partner Rabobank's Food and Agribusiness Division, gave deer farmers an interesting perspective on how venison fits into global food trends, during a presentation at the Hamilton Deer Industry Conference.

She predicted a continuation of the recent growth in global meat markets. "Demand for food in all categories will continue strongly in 2008," she said.

Moynihan, who is a New Zealand-based Rabobank analyst focusing on dairy and animal proteins, said growth in these markets is likely to continue over the next 20 years as developing countries acquire a taste for western foods and

become more urbanised.

"Per capita consumption will grow, and much of the volume growth will be from developing countries," she said. "Because venison is such a small part of the animal protein market, even small global changes can have a big impact on deer farmers."

Gallagher Group shows off Animal ID technology

Deer farmers visiting the Gallagher factory in Hamilton as part of the Deer Industry Conference technical day last month were given a detailed briefing on the Gallagher Group version of the RFID (or EID) technology.

Owen Boyd, Product Manager EID, said the company had invested millions into electronic identification technology needed for livestock traceability. EID was now compulsory in Canada, and for cattle in Australia.

He said a common question from farmers was that if the technology only cost about 10 cents a tag for supermarket items, why would they be \$3-\$4 for livestock? The answer lay in the low frequency tags needed for livestock. Boyd explained the difference between full duplex and half duplex tags, and suggested that full duplex could be the ultimate option for New Zealand. (The NAIT technical group appears to be veering towards half duplex, however.)

The Gallagher reader can handle both full and half-duplex tags. Boyd said the read range is limited, because of safety rules about radiation, but they can work through timber, meaning the readers can be mounted on the other side of a plywood wall in a deer shed. However, they need to be less than a metre from the tag as the animals move through, and

the animals would need to move through in single file for all tags to be read accurately – an interesting challenge for deer farmers. If two or more tags pass through the field at the same time, neither is read.

Boyd said microchips (such as those to be used for dogs) are banned in all countries from food animals because of the risk they could migrate into a part of the animal that gets eaten.

He said the tag reader had memory capacity and records could later be transferred to computer using a common file format. Weigh-scales at the yards could capture information on individual animals electronically at the same time.

Cost was at the forefront in many minds, and Owen Boyd said tags currently cost \$3 for full duplex and \$4 for half duplex, although this cost could fall once volumes grew after introduction of electronic ID in New Zealand. The fixed readers currently cost \$4,000 – \$4,500 depending on size, with portable units costing around \$2,000.




Gallagher Group's Owen Boyd with one of the company's RFID tag reading units – the kind of technology that may start appearing on deer farms if electronic animal identification is introduced.

He said farmers tend to keep thinking of new applications for the technology once they've got it – for example, having a drafting gate and weigh crate hooked up so that animals can be automatically drafted based on weight, with the system recording which animals have gone into which pen.

Producer Manager Tony Pearse, who is on the National Animal Identification and Tracing technical group, said during the presentation that if electronic ID does go ahead it will be voluntary at first, and only mandatory when the sector was ready. He said the choice of tag technology (i.e. full or half duplex) for deer would ultimately depend on factors such as speed, readability and tag retention.


“We would use the focus farms to demonstrate and test the technology. Our industry will commit to electronic ID when there is a sound technical and usage rationale for it.”

Tony reminded farmers at the presentation that traceability is the theme at this year's Agricultural Fielddays, where formal communication on the proposal will begin. 

Potential impacts came through New Zealand production levels, EU seasonal prospects, competing proteins, new markets emerging, consumer trends and disruption to other markets (e.g. animal disease).

Globalisation meant the impact of one-off events (e.g. the brouhaha over the Danish Muslim cartoons) could spread more quickly than before, Moynihan said. She highlighted environment and sustainability, trade access, consolidation of retail chains and consumer concerns about animal identification and traceability as key global trends that will flow through to deer farmers.

“Indulgence, health and convenience are the main drivers for the top-end consumer. It is hard to compete on convenience, but there are opportunities for venison elsewhere. For example, I found New Zealand venison available shopping online through Tesco.”

Moynihan warned that the consumer of the future will be increasingly fickle and volatile. “You must always beware of the ‘yuck’ factor with consumers. There was recently an outcry in the UK over the export of British horses for slaughter and human consumption in France. The Black Beauty/Bambi syndrome is always there.” 

Velvet sellers agree 'plain vanilla' way forward

PGG Wrightson and the Velconz Working Group have progressed work on agreement to form a joint venture for selling velvet, a development that has been welcomed by deer velvet producer cooperative Velexco.

A new company, working title 'Newco', will be a platform for the efficient sale of velvet if PGG Wrightson and the working group can agree terms. PGG Wrightson and Velconz are working to have it operational by the start of the next velvet season.

"We're thrilled by the commitment given by PGG Wrightson to invest and commit its significant resources to play its part in taking New Zealand deer velvet from a commodity item to a true value-added niche product," says Ponty von Dadelszen, Chairman of the Velconz Working Group.

Speaking at the deer industry conference in Hamilton last month, von Dadelszen explained: "The focus, initially, is purely to aggregate velvet so that economies of scale are achieved which will allow a strong measure of influence."

No large marketing budgets

He dismissed early suggestions that farmers would be required to put many millions of dollars up front to set up a marketing organisation. "We're not talking about bricks and mortar and we're not talking about large marketing budgets. All we want to do, initially, is to ensure that New Zealand velvet producers are selling their velvet to best effect."

The group's aspirations are to take one step up the value chain only, von Dadelszen continues.

"Doing one thing and doing it right – and that is aggregating a large proportion of New Zealand's velvet supply under an organisation answerable to New Zealand velvet producers. This accountability is one of the non-negotiables. Two others are for transparency, and actively supporting New Zealand velvet processors' viability."

Describing the new structure as "plain vanilla", von Dadelszen said the working group wanted to keep it simple, practical and workable. "We do not want it to rely on government legislation which is restrictive and coercive. We have allowed a means for road buyers to participate as they do now."

Newco will be a limited liability company and a joint venture between PGG Wrightson and Velconz Holdings Ltd. The parties anticipate it will charge similar fees to those currently charged. The company will be capitalised by contributions from both shareholders over time by means of profit retention, cash and contra. It will have five directors, one appointed by each shareholder and three appointed by agreement of the shareholders, and a small staff. The staff will be responsible for storing, grading, selling and despatching the velvet and also managing the Service Level Agreement with PGG Wrightson and velvet producers.

Shares in Velconz Holdings Ltd (VHL) will be apportioned to velvet suppliers on the basis of the quantity of velvet they supply. One VHL director will be appointed to Newco.

"As a producer you will have the option as you do now, to

either supply PGG Wrightson or a road buyer. If you supply PGG Wrightson, your velvet will flow through Newco. If you supply a road buyer, the road buyer will have the choice of either selling through Newco or directly to a buyer."

Initiatives like key accounts – looking after those buyers who are particularly beneficial to New Zealand – would be supported by the Velconz working group, von Dadelszen said. Other possible initiatives include:

- producers sequestering a proportion of velvet for sale outside the New Zealand velvet season
- fostering sellers outside the traditional markets
- opportunities for further processing and selling on as added-value products
- forward contracts with those buyers whose business models suits that.

Velexco welcomes move

The announcement of the agreement to form the joint venture has been welcomed by Velexco. Its General Manager Ross Chambers says that his company – formed in 1999 by prominent velvet growers concerned with the unstable nature of the velvet industry – has been working hard to convince producers of the need for producer investment in selling and marketing systems.


Chambers says that when DINZ initiated the Velconz project, Velexco, as a company owned by some of New Zealand's biggest velvet producers, expected to be a participant in the process.

He is relieved there is finally an agreement between PGG Wrightson and Velconz that will put them on the same commercial basis as Velexco.

"Velvet growers will now have a clear choice of investing in the proposed company, half-owned by its suppliers, which auctions pooled velvet, or investing in a 100 percent producer

owned co-op that favours private treaty and a focus on customers and the marketplace."

Chambers agrees with recent comments by PGG Wrightson senior executives that deer farmers had to be prepared to spend beyond the farm gate, something that Velexco's shareholders had shown paid dividends. He says the co-op had paid its suppliers at least 10 percent more than the pool average every year and he expected that, although the company was still transacting business at present, the 2006/2007 year would be no exception.

"Velexco remains willing to talk to anyone regarding any proposal that adds value to our shareholders," he says, adding that this year Velexco had initiated several new operational changes that were working well; its shareholders were highly supportive of the company's strategic direction. 

"We're thrilled by the commitment given by PGG Wrightson to invest and commit its significant resources to play its part."

Further major investment in boning automation

Another giant step forward has been taken in the advancement of Robotic Technologies Limited (RTL)'s boning equipment technology that, although focusing on sheepmeat processing for now, should ultimately benefit the venison industry.

The Foundation for Research Science and Technology (FRST) recently announced an investment of nearly \$4 million in a three-year research and development project by RTL, a joint venture between Dunedin's Scott Technology and meat processing company PPCS. Funded through FRST's Technology for Business Growth scheme, the project aims to fast-track commercialisation of world-leading robotic technology for the meat processing sector, leading to significant new export earnings. It will culminate in a fully automated boning-room demonstration system acting as a showcase for processors to view the machinery in action first-hand.

The investment adds to the \$8 million already invested by the RTL joint venture partners since 2000, with significant investment from Meat & Livestock Australia and FRST, which has contributed \$1.1 million to date.

Scott Technology CEO, Chris Hopkins says the technology is world-leading and there is keen interest in RTL's innovation worldwide. RTL has already developed a few individual components of the automated lamb boning room system but the bulk of the work remains to be done.

Opening opportunities and new markets

FRST Chief Executive, Murray Bain says the technology being developed by RTL is world class and the government investment will help two successful exporting companies (Scott Technology and PPCS) accelerate their growth by opening up new opportunities and new markets.

"In addition, this intelligent technology will take an industry that is crucial for New Zealand's economic well being, and has traditionally been based on a manual labour force, to a new level."

RTL believes a significant export market exists for the automated boning technology, with an additional benefit being higher returns for the New Zealand meat industry,



Using automatic boning equipment like this will make band saws – a significant source of injury in the meat industry – redundant, RTL says



RTL's primal cutter, which automatically cuts the lamb carcass into three parts, is being trialled in New Zealand and Melbourne

and for New Zealand farmers, from improved yields. These will result from greater accuracy in cutting, being able to take more meat off the bone and providing a calculated bias towards higher-value cuts of meat.


Equipment already designed and developed by RTL includes a primal cutter, which cuts the lamb into three parts and is currently being trialled in New Zealand and Melbourne, and hind-quarter machines which are being used at one PPCS plant in the South Island. Work is also far advanced on an X-ray sensing system. When integrated into one system this equipment will take a chilled and pre-trimmed sheepmeat carcass and process it into a forequarter, a saddle and two hind legs.

Although it has been developed for, and primarily operates in the sheepmeat industry, PPCS Chief Executive, Keith Cooper has told *Deer Industry News* that, ultimately, venison will benefit from the technology being developed for automated lamb processing.

"The initial focus is on lamb as the high volumes available for processing provide significant economies of scale which underwrite the substantial technology investment required," he says.

"The relatively small volume of deer processed compared to other species does not currently support separate investment in robotic automation technologies for venison, particularly given the New Zealand deer kill is forecast to reduce by 30 percent by 2009.

"We expect work on automated venison processing will occur once the technology for lamb, mutton and beef has been commercialised.

"In the meantime, PPCS will continue to make ongoing investment in its venison processing to achieve further efficiency gains and to pursue innovations in venison products, packaging and processing." 

Swallow this!

Swallow this!! That's the advice from Dr Jo Pollard to many of her four-legged customers, whose owners are seeking alleviation for their pets' rheumatic pains and strains at the onset of winter. Her Happy Pet range of velvet and sinew products is just the answer, she says.

"With winter setting in, this is the time of year when both cats and dogs suffering from joint problems, especially arthritis, tend to show clinical signs," the former AgResearch scientist says.

"Many farmers will be aware of the benefits that velvet has for their farm dogs, as some often save small sticks of spiker or regrowth velvet to give their dogs to relieve pain and symptoms. However, while the benefits of velvet are well known, deer sinews have not received the same exposure.

"Deer sinew is taken from connective tissue between the hoof and hock of the deer and is a mix of cartilage and collagen, containing natural glycosaminoglycans. Oriental people believe that the tissue taken from this specific site on the deer confers special properties, due to its high-performing function in the deer."

According to Dr Pollard, Happy Pet velvet and sinew tablets are the only pet tonic that include deer velvet, blood and sinew. This makes them extremely palatable for pets, and they are proving very effective with dogs that have mobility and other health problems. The velvet and sinew tablets can be ordered through the website in bottles of 150 at a price of \$25.30 including postage and packaging. A sinew-only tablet is also available, and deer sinew is available as a sprinkle for adding to a pet's meal as a tonic.

DINZ is working with Dr Pollard on a 'joint' promotion to publicise Happy Pet's products within New Zealand. This incorporates national advertising and the encouragement of new retail outlets to take up the products.

Dr Pollard markets Happy Pet products manufactured by Alpine Deer Products of Wanaka. Happy Pet has been in business for several years and sells through pet stores, veterinary clinics, TradeMe and the Happy Pet website: www.happypet.co.nz 



Happy Pet's sinew-only tablets come in pottles of 150 at a cost of \$18.60 including postage and packaging, and can be ordered through the Happy Pet website.



Dr Pollard's 17-year-old dog, Phoebe, did very well on deer sinew in the last two years of her life. "I was able to reduce her veterinary medicine for arthritis to under a third of the dose."

Loyalty call by PPCS

We've stuck by you over the past four years of tough conditions. Now we're asking you to stick by us.

That was the typically straight-shooting message to deer farmers at the 2007 industry conference in Hamilton last month by Keith Cooper, Chief Executive of PPCS Ltd.

Cooper said PPCS was in a strong position to improve market returns for venison following four years of recession in major markets.

"We have helped hold prices and we've stopped supplying traders who have no stake in the venison business. PPCS has carried on with its promotion work and kept up a presence at SIAL and ANUGA. DINZ should be thanked for their continued support with some of our in-market promotion."


He said the number of venison processing companies had recently doubled, but warned farmers against dropping the companies that had stuck by them and leaving in search of a higher schedule.

"Would you forget history for the sake of 10 cents a kilogram? Competition for supply could drive prices unsustainably high, and we really don't want to go there.

"Our prices in the market are getting close to what they were in 2001. It's only the high New Zealand dollar that's keeping your returns lower at this end."

Cooper said there had been a big trend towards chilled exports. This, combined with falling volumes, was taking product away from the frozen market. "By 2009 the amount of frozen product will only be 50 percent of what it was in 2005," he said.

PPCS had expanded its processing capacity, and invested \$15 million over its seven venison plants over the past five years.

"I'm asking you to support the companies that have supported sustained market development over the years. We might not be here for suppliers who haven't supported us," he concluded. 

Budget '07 builds on research and development

Deer farmers are among the multitude of businesses affected by Budget 07. Among the welcomed news is the increased government spend on research and development to \$717 million spread over the next four years, along with lower company tax for some and \$127 million assistance over four years with export development and developing greater links with Asia. However, this is balanced out with extra costs for administering KiwiSaver for employees together with the new holiday entitlements.

Minister of Agriculture Jim Anderton commented "The New Zealand economy was largely built on science and innovation in the primary sector so I am pleased we will be able to build on this with tax incentives for research and development, which are likely to return more than \$20 million to the primary industry on current research expenditures."


A new \$8 million research fund for climate change shows the Government's intention to bolster New Zealand's international leadership position in helping the agriculture and forestry sectors respond to climate change. The new fund will provide \$1 million each year for collaborative research with other countries.

"The budget shows the Government's commitment to the continued growth and development of the pastoral sector," DINZ Chief Executive Mark O'Connor says.

"Minister Anderton clearly understands that agriculture remains the engine of the

New Zealand economy and New Zealand has to jealously maintain, nurture and advance agriculture so that New Zealand makes the most of its competitive advantages.

"I hope that the Minister's leadership position and influence spreads to other, non-agricultural sectors of Government so that they too really consider what is in New Zealand's national interest. We have good opportunities to improve New Zealand's competitive position internationally by doing things at home better like energy provision, proper broadband and mobile telephony in rural areas, resource management and macro-economic management of the economy."

For United Future's leader, Peter Dunne, one of his budget highlights was as a result of the Confidence and Supply Agreement between the Government and his party. An allocation of \$20,000 was inserted into the 2007 budget for a consultation panel to look at the future management of wild deer, chamois, tahr and pigs in New Zealand. The budget allocation means a consultation panel of leading environmental, scientific and recreational experts will draw up a public consultation document focusing on issues surrounding the environmental and recreational significance of the four species. 

BUDGET '07

The package includes:

- A reduction in the company tax from 33 per cent to 30 per cent, allowing deer farms which are corporate entities and agri-businesses to keep more of their profits.
- \$630 million over four years on a tax credit for R & D to encourage greater innovation. Of this, the Government estimates \$20 million will be returned to the primary sector.
- \$94 million over four years for market assistance to grow exports.
- \$53 million over four years to boost participation in industry training.
- \$33 million over four years for developing greater links with Asia.
- \$67 million over four years to support innovation, including boosting private R & D into innovative foods, and beverages.
- An extra \$8 million on climate change research, and \$12 million on Pastoral 21, which will benefit agriculture and sustainability.
- \$37 million for improved biosecurity measures at the border.

Investment in services now and in the future include:

- \$1.6 billion over four years tax credit to match KiwiSaver member contributions (of up to \$1,040 per year) to fund a higher living standard in retirement.
- An extra \$3 billion over four years to the health sector.
- \$238.3 million capital funding for school property, including 14 new schools and 180 new classrooms.
- \$133.4 million for 700 extra Year 1 teachers, to bring teacher-student ratios down to 1:18.
- Four percent increase in school operational funding.

Great menu choice, Oetzi (shame about the arrow)

Venison and ibex meat were included in the last meal of Oetzi, the 5,300 year old Neolithic hunter, whose mummified remains were found emerging from a melting glacier in the Italian Alps in 1991.

Speculation has been rife about how he met his end but Italian-Swiss forensic scientists recently concluded that Oetzi died following a probable fight. An article in the *Journal of Archaeological Science* says that sophisticated x-rays have revealed that he was shot with an arrow from behind, either when retreating or in an ambush. It penetrated his shoulder blade, before puncturing an artery in his neck causing massive blood loss. He then went into shock and suffered a cardiac arrest. It is speculated that the hunter himself, or an ally, removed the arrow.

The 46-year-old hunter was 159cm tall, arthritic and infested with whipworm. Conclusions about his last meal were made in previous research on the mummified remains. The latest results will be published in *National Geographic* in July.

recipe



Stir-fry venison with gnocchi, new spinach and fresh tomato

Mediterranean-style cuisine is hot in Germany at the moment and New Zealand venison recipes concentrating on quick and easy preparation have been developed for consumers there to try in the upcoming promotion. Try this stir-fry one yourself!

Serves 3

Ingredients

Tomato Sauce

10 very ripe tomatoes
2 tbsp olive oil
1 medium onion, sliced
2 cloves of garlic
1 cup white wine
1 tbsp sugar
Few drops white wine vinegar

Stir-Fry

400 g of venison stir-fry
1 packet (200 g) of gnocchi, cooked in salted water until they float
1 bunch of young spinach leaves well washed, dried
4 small porcini or Portobello mushrooms
1 clove crushed garlic
1 medium onion, diced
Fresh herbs – oregano, parsley, tarragon and basil, chopped fine
Salt and pepper
12 ripe cherry tomatoes cut in half
50 ml olive oil

Method

Tomato Sauce

Cook the tomatoes in a saucepan with the olive oil, sliced onion, garlic, white wine, sugar and a few drops of white wine vinegar. Cook slowly for 15-20 minutes, blend and pass through a strainer.

Stir-fry

1. Pre-cook the gnocchi.
2. Season the venison and cook in hot oil briefly. Remove from pan and set aside.
3. Add the onions, garlic and sliced mushroom to the pan and cook until soft.
4. Add the herbs and pre-cooked gnocchi, then the spinach and add the tomato sauce, and then the venison. Toss together.
5. Garnish with the cherry tomatoes.



NZ velvet airs in Taiwan

New Zealand velvet company representative Gary Wong, right, meets the three stars of a weekly 40-minute advertorial currently running on shopping network channel Eastern Television (ETTV) in Taiwan: the show's hostess Jenny Lin (left) and Taiwanese comedian Chi-Cheng Shue and his wife. Consumers in the market are being persuaded to try a velvet-based supplement, which also includes ginseng, bee pollen and zinc, through the education campaign offering information about New Zealand velvet and science supporting its use.

As those attending the Deer Industry Conference saw, the advertorial footage shows a New Zealand deer farm, PGG Wrightson's pool and the manufacturing process in New Zealand and talks about the uses for deer velvet. Primarily aimed at men, the advertorial encourages women to look after and care for their husbands through buying the product. DINZ is now working closely with ETTV to provide accurate resource material and arranged for the shooting of a new video focusing on deer quality to incorporate into a new advertorial to be screened this month. Sales in Taiwan are reported to be going well and possibilities are now being looked at in Hong Kong. ETTV is the only fully integrated virtual sales channel in Taiwan and broadcasts live 20 hours a day to an audience of 4.6 million.

Supreme open day showcases innovation

New Zealand Supreme Natural Foods (NZSNF) Company, one of New Zealand's leading velvet and co-product processors, held an open day for deer farmers on 11 May showcasing its processing facility and retail outlet.

Farmers from Waikato, Tongariro, Rotorua and Coastal Bay of Plenty were drawn to the event, which opened with a presentation from Supreme's General Manager, Paul Selwyn and Managing Director, Dr Ho Po Kin about the Rotorua-based business and other businesses they have both here and overseas.

While a number of the farmers had seen or have a good understanding of velvet processing, for many the ensuing tour of the NZSNF processing facility was their first experience of a co-product factory.

The whole process was on show – from sinews being trimmed and washed, tendons and tails being dried, testicles being sewed onto pizzles and also the encapsulating and packaging process. This was followed by a look around the NZSNF retail store which stocks a large array of products including whole-piece dried velvet, tails, sinews, tendons, pizzles, blood, (in both whole and capsulated form) cosmetics, deer velvet liquor and deer oil heat rub. Staff were on hand to explain all aspects of the products and Paul Selwyn explained the common uses and beliefs behind each product and how they are generally prepared and consumed.

Dr Kin, a Chinese medicine doctor by profession, related how they tell the “New Zealand story” to customers. When customers arrive – most often on a tour bus – they are first invited to take a seat in a large room full of deer posters, mounted deer and a large television screen where they are shown a video of New Zealand deer farming. Customers learn about New Zealand's deer farming methods, quality assurance programmes and all the strict requirements New Zealand processors have to meet in order to be licensed by NZFSA. Many of the farmers indulged in a little “retail therapy” and invested in some of NZSNF products, especially the deer oil rub.



Open day guests tuck into a deer-themed meal at New Zealand Supreme Gourmet House restaurant in Rotorua.



New Zealand Supreme Natural Foods General Manager Paul Selwyn was back in front of deer farmers less than a fortnight after the highly successful Rotorua open day. He is photographed here welcoming guests to the deer industry conference Awards Dinner in Hamilton on 22 May.

Lunch was held at New Zealand Supreme Gourmet House restaurant on Amohau Street in Rotorua, the only specialist restaurant of its kind in New Zealand, incorporating a full range of deer products into its menu. The menu included deer liver pate, deer bone soup, deer heart, deer tendon meatballs and fried tendon dim sum.

“The idea of the open day is to allow farmers to get an insight into a part of their industry that is seldom seen,” says Selwyn. “We want to have a close relationship with deer farmers and help them to fully understand the processes and the potential of co-products.”

Selwyn is also focusing on offal and believes there is untapped potential and value in these products in both cuisine and supplements.

Newly appointed NZDFA Executive Committee member Sharon Love, who attended the open day, was interested in the way the company is fully utilising the animal she farms. “Being able to see the step-by-step process in the factory was really fascinating. Knowing that quality processing of our deer products is happening here in New Zealand, prior to exporting the value-added goods is very encouraging,” she said, adding that the NZSNF approach to farmers was great. “And the deer oil rub is just fantastic.” 📺

For more information visit: www.nzsupremedeer.co.nz

MARKET TALK:

Pask: Improving awareness of healthy venison

Registered dietician and food writer Alison Pask has been contracted by DINZ to supply expert opinion on the nutritional value of New Zealand venison.



Alison Pask: A small serve of venison goes a long way, packing a powerful punch of nutrients into every bite.

When DINZ approached Pask to provide some analysis and commentary on farm-raised venison she says she was “obviously delighted”.

“Most of my colleagues working in the health and nutrition field in New Zealand are already aware of venison’s very healthy nutritional profile – that it is high in iron and low in fat. What they don’t know is how readily available it is in New Zealand now and how easy it is to cook.”

DINZ recently commissioned Crop and Food to test the nutritional composition of commonly available retail cuts of venison and that has confirmed what many health professionals already believed, Pask says.

“It’s great to have the evidence to support that venison is so low in total fat and high in valuable nutrients such as iron and vitamin B12. The research showed that items like venison medallions and stir-fry – cuts from the lean leg muscles and with no visible fat, contain less than 2 percent fat.”

As a New Zealand-registered dietician, one of her core messages is to promote a balanced diet from a wide range of food groups. “Eating venison as part of a well-planned, well-balanced diet can make a valuable contribution to the overall nutritional status of a person of any age.”

Dieticians advise that a meal should be based on the principles of half, quarter, quarter. That means half your plate should be full of vegetables, one quarter the carbohydrate or starchy food such as potato, rice or pasta with the remaining quarter containing the meat or protein source such as venison, beef or fish.

Health guidelines recommend New Zealanders should eat between 100-120 grams of meat or meat alternatives each day – the amount that fits into the palm of your hand. “With venison, a small serve goes a long way, packing a powerful punch of nutrients in every bite. One hundred grams of venison will only provide about 2 grams of fat. That’s lower than most red meat alternatives,” she says.

“The way you cook venison is important; the best health benefits occur when it is cooked quickly over high heat using low fat methods such as grilling or barbecuing.



Diabetes New Zealand's ideal diet plate.

“Armed with the new data. I’ve worked with DINZ to provide accurate up-to-date commentary through pamphlets and articles in health-related magazine and newsletters including *Diabetes*, the magazine of Diabetes New Zealand, *Pen & Palate* the Food Writers Guild newsletter and to dietician colleagues receiving the dietetic association newsletter, *News & Views*.”

“There are many more opportunities to promote the healthy profile and availability of New Zealand venison. To me, one of the real opportunities is getting venison mince onto the menus for toddlers and children. With more iron and less fat than beef and lamb, venison could become a very popular choice for busy families keen to provide added variety and good nutrition in their children’s meals.”

Opportunities and challenges ahead for New Zealand

Global agricultural protectionism, changing consumer demand, increased competition from low production-cost countries and climate change are four of the more important challenges ahead for New Zealand, according to William Davidson 125 keynote speaker, Agriculture Minister Jim Anderton.

Shaping New Zealand's future is in New Zealand's hands, he said. His opening comments referred to the previously "unsung hero" William Soltau Davidson's pioneering refrigerated shipment of New Zealand meat 125 years ago that "changed New Zealand's destiny".

New Zealand remains an agricultural nation and will be for the foreseeable future, he said. Primary production and associated processes and services contribute about 17 percent of GDP and two-thirds of total merchandise exports. New Zealand is the world's largest sheepmeat exporter. The meat industry alone contributes \$5 billion in export earnings annually and accounts for 14 percent of merchandise exports.

Major meat exporters leading international players

"Our major meat exporters are leading international players in their fields. A handful of our primary industry companies, all producer-owned cooperatives – PPCS, Alliance, Fonterra, Westland and Tatuia – have total capitalisation equal to the whole of the New Zealand share market," he said, adding that New Zealand farms are also substantial businesses in their own right.

"Yet, the scale of our industry is puny, compared to the international businesses of other developed countries," he said, highlighting the potential opportunities available to New Zealand companies on the world stage.

The increasing sophistication of New Zealand's exports and the value locked up in its science and knowledge are all preparing our primary industries for the future. "But we enter that future knowing there are enormous opportunities (and also) challenges we have to face: changing consumer demand, increased competition from low-cost countries, climate change and global agricultural protectionism."

Agricultural protectionism needs to be constantly guarded against – not only in the form of tariffs and quotas but also non-tariff trade barriers such as sanitary and phytosanitary (SPS) regulations. These impose constraints on the flow of goods

under the guise of protecting countries from pests and diseases or the recent 'food miles' argument leveraged by certain lobby groups, Anderton said.

Meat trade at global level

"Where the meat trade is concerned you have to start at a global level," Trade Minister Phil Goff remarked in his presentation. The WTO's Doha negotiation, which is creaking towards conclusion, remains our best opportunity for achieving broadly-based multi-lateral market access gains. "And, it is the only place we have any chance of negotiating deep cuts in farm subsidies."

At the same time, country-to-country and regional bilateral negotiations are also ongoing but take time – these currently include the Gulf Cooperation Council, a market worth \$0.25 billion to New Zealand and free trade agreements (FTA) with China and ASEAN. New Zealand also faces "special challenges" when it comes to the larger OECD economies such as the European Union, the United States, Japan and Korea.

The European Union has just become more complex as the presentation from former European Agriculture Commissioner Franz Fischler showed. Our regional trading partner now sports 27 member states with a combined population of 480 million, including 14 million farmers.

Imports of New Zealand meat will still be required to fill gaps in European production. In the years to 2013, European beef production is forecast to continue its fall by six percent below consumption and European sheepmeat production is also expected to continue its decline. Game items have never been covered by the Common Agricultural Policy, so the removal of subsidies will not have the same effect on deer farming in Europe.

Fischler also predicted that as more crops will be needed for the emerging bioethanol "green fuel" market, competition for livestock feed will see prices rise and that is expected to impact on meat prices.



Minister of Agriculture, Jim Anderton underlined the importance of primary production to our nation's economy.



"Where the meat trade is concerned you have to start at a global level," Minister of Trade, Phil Goff told delegates.



Franz Fischler: The EU has just become more complex, with the total of member states now 27.

STOCK MANAGER DEER > POSITION OF RESPONSIBILITY

Due to the incumbent employee taking a family farm opportunity, a permanent and challenging position has become available on a large progressive mid Canterbury foothills deer and cattle property.

This opportunity requires a motivated and enthusiastic person with experience with stock and general farm activities.

We are currently wintering 5000 Red, Hybrid and Elk animals with emphasis jointly on velvet production and venison finishing. Beef production is with 250 cows and

retained offspring. It is anticipated that the successful applicant would take charge of, or rapidly progress to manage a large proportion of the herd. This job would suit someone who wishes to join an efficient team to achieve satisfaction and a future in the deer industry.

House available. Primary school bus at the gate.

For further information contact;

Donald Whyte, Edendale Station, R.D. 1, Ashburton, 03-3039842

Markets under watch

DINZ is working on trade access restrictions in markets around the world. Updating advice from the March 2004 *Deer Industry News*:



- Australia** – Under the proposed Australian/New Zealand Therapeutic Products Act legislation, ingredients must be approved and feature on the Permitted Ingredients List (PIL) in order to be sold in New Zealand and Australia. While deer velvet has recently been included on the list, DINZ is now concentrating on getting co-products into the same position to prevent any restrictions on sales of co-products as dietary supplements.
- Belgium** – Access for New Zealand venison is still affected by antiquated seasonal sales restrictions in Belgium's autonomous regions (Brussels, Flanders and Wallonia), meaning venison can only be sold during the game season.
- China** – Much progress has been made in market access to the People's Republic of China in recent years. A protocol for the export of deer products, covering venison and velvet, has been signed by New Zealand and Chinese governments. The registration processes for traditional (pharmaceutical raw materials) and further processed velvet products remain very complex and expensive for exporters. However, nine New Zealand velvet/co-product products are now registered. A tariff of 11.4% and a value-added tax (VAT) of 17% is levied on velvet imports to China. When processed products are exported the VAT can be claimed back, but if the imported deer velvet is consumed in China, then it attracts both the tariff and the VAT. Several exporters are seeking registration to export venison to China.
- EU** – Subsidies by another name. As the countries of the European Union begin to dismantle the most trade-distorting aspects of the Common Agricultural Policy, they are not greatly reducing the total amount of subsidies going to European farmers. Money is being transferred from direct payments – for example for the number of sheep farmed or tonnes of wheat produced – to indirect payments for such things as “land management”. Farmers are now free to diversify into other land uses, while still claiming subsidies. Deer Industry New Zealand is concerned that pastoral farmers may diversify into deer farming, while still claiming a subsidy cheque, and so giving them an unfair advantage over unsubsidised imports from New Zealand and artificially lowering the price of producing venison in Europe. DINZ has expressed these concerns to the New Zealand Government and officials from the European Commission.
- Japan** – A Japanese requirement that deer must be classified to sub-species causes issues as New Zealand velvet only goes as far as certifying to the species level (*Cervus elaphus*).
- Norway** – There is a small 20 tonne quota for imported venison with an in-quota tariff of 60 Norwegian kroner per kg (\$1.50/kg) and a prohibitive out-of-quota tariff.
- South Korea** – Progress was made in 2006 with approval for exports of sliced velvet to this market, and seven New Zealand exporters have been approved to export by the Korean authorities. Velvet exports are restricted through a tariff of 20% and the Special Excise Tax of 7%. Bans are in place on sales of “velvet as a food”, imports of 100% velvet capsules and extracts and on the sale of New Zealand velvet as an agricultural item. The country also denies entry for New Zealand deer sinews. The Korean Customs Service now requires all countries to label their products with the country-of-origin.
- Taiwan** – DINZ is currently working with the New Zealand Commerce and Industry Office in Taiwan on ways to increase and/or abolish the current five tonne frozen quota. Currently, there is a tariff-rate quota in place – dried velvet imports are subject to a tariff of 25%. Frozen imports are constrained by a quota of five tonnes, with an in-quota tariff of 22.5% and a massive out-of-quota tariff of 560%. Further processed velvet products have to contend with complicated regulations, but recent imports of capsuled product have gone through without problems.
- Thailand** – The registration process for New Zealand velvet is complicated and difficult to satisfy.
- United States** – Recently US Customs has clamped down on shipments of velvet supplements and seems to be enforcing new regulations and tariffs. An updated report on current import regulations is expected shortly. 📄

Show me the money! Adding value to meat in the 21st Century

How to add value to meat in a way that meets all the demands of modern 21st century consumers around the globe, taxed the minds of speakers at the meat industry's milestone William Davidson 125 conference in March.

"Show Me The Money!" was the recurring catchphrase – borrowed from the *Jerry McGuire* film – throughout John Huston's excellent presentation. The emeritus vice-president of the National Cattleman's Beef Association (NCBA) in the United States and former International Meat Secretariat (IMS) director asked where are the best places to add value to meat products. He also shared his observations of meat promotion campaigns undertaken in Australia, France, United States and England.

Referring mainly to beef and lamb, though venison will also suffer, he said that consumption of red meat is still under attack from researchers, vegetarians, food scientists, animal rightists, environmentalists and media all telling consumers to "cut down on red meat". The answer, he said, is to tell them that "red meat is essential in our diets" and is a foundation food of human evolution.

Huston linked animal welfare concerns to the environment as in consumers' eyes they are two interdependent "society concern" issues that are both promoted and managed by protest groups. Both are also very prone to "mediatisation", being promoted in the media without concern for scientific basis of fact.

The ever-increasing rise of the organic/natural food market with a growing number of farmers, processors and retailers, like Commonsense Organics in New Zealand and WholeFoods in the United States dealing solely those products reflects consumers' concern about the above two issues. US producers are looking to Europe as a possibly untapped market, Huston said, but asked will consumers be willing to pay premium prices?

In Britain, consumers are taking back control, according to the British Meat & Livestock Commission. They have more disposable income, do more "home cooking" and sales of premium products are increasing to reinforce that they are doing the best for their families. "The new attitude to food is resulting in more traditional family meals – lots of meat and vegetables; beans and chips simply don't fit in any more."

For Huston, there are five challenges ahead for the global meat industry.

1. how food animals are raised
2. nutrition, health and meat
3. natural and organic meat growing faster than conventional
4. niche markets, "think globally, act locally"
5. food versus fuel.

Professor David Hughes, the irrepressible emeritus professor of food marketing from London's Imperial College, told delegates that the meat business needs a focus on "consistently great tasting, affordable meat



John Huston: Spelled out challenges ahead for the global meat industry.

product" with consumer-relevant points of difference versus direct competitors. The products need to have impeccable safety and integrity and be convenient to buy, prepare, consume and clean-up.

Pointing to the UK RMIF Global Meat Industry Delphi Study 2000 that showed New Zealand sheepmeat as the world number one in terms of international competitiveness, Professor Hughes said: "New Zealand has the responsibility to show leadership in food safety, quality, building trust with consumers, supply chain management and innovation in everything it does."

Five ways to add value

Presenters highlighted five ways that value can be added to good quality raw meat material.

1. New cuts for modern lifestyles

John Huston gave the example of US producers looking at a new range of beef cuts designed for the modern consumer with less time, energy and cooking skill on their plates. Two new cuts were developed from the lower-quality, and correspondingly lower-priced, forequarter beef cuts. The chuck roast selling at US\$0.90 per pound was transformed into the 'Flat Iron' steak which sold at between US\$5 and US\$6 per pound. The tough and plentiful round was sectioned, ground and formed becomes a "bold new steak sandwich". In taste tests against a rib-eye sandwich, children preferred them more than adults and over 60 percent of those sampling were intent on purchasing. From 1998 to 2005, the initiative is calculated to have added US\$60-70 return per head of cattle to US beef producers.

David Hughes pointed out the wealth of data available from retailers' own shopping card systems can enable the design of cuts to meet consumer needs. His example was the Tesco's Club Card data in the UK. This shows there are three bands of less affluent (28%), mid-market (45%) and up-market (27%) shoppers. Lifestyle types can be placed within those bands showing the less affluent band containing price-sensitive (17%) and traditional (11%) shoppers, the mainstream band containing healthy (10%) and mainstream (25%) customers and the up-market category with convenience (21%) and finer foods (16%). Tesco knows, through Dunhunby market research data, that fresh lamb grilling cuts are bought by those in the finer foods, convenience and traditional market segments of their customer base.

2. Respond to market needs

New Zealand Pork's "Apple Tender™ Trim Pork" was highlighted by Huston as an innovative new, convenient and consistently juicy and tender pork product that addresses fat and health concerns. While overall consumers preferred the apple-infused and brine-infused products, it was clear they did not want additives they considered unhealthy, especially added salt.

An interesting business case-study of how McDonald's, a



Professor David Hughes: Our products need impeccable safety credentials.

major New Zealand beef customer both here in New Zealand and overseas, has repositioned its menus in light of intense consumer and environmental group pressures, was presented by New Zealand country manager Mark Hawthorne. He said that McDonald's approached its criticism with the view that they "would rather be a leader, than one of our competitors taking the pot shots". Over the past five years they have increased their research budget by 500 percent, introduced McCafés and stripped back the menus. Cereals have been introduced to the breakfast menus, all products are fried in canola oil, lower-calorie options such as salads, fruit bags, juices and waters have been added and most recently a pasta option has been added to their children's Happy Meals – PastaZoo. A nutritional education campaign is underway, nutritional labels appear on every (recyclable) pack and they are supporting increased activity highlighted by their sponsorship of Sarah Ulmer and Hamish Carter. The Ronald McDonald Houses are still a major part of the campaign.

In effect, Hawthorne said, the McDonald's campaign has taken 300 tonnes of sugar and 725 tonnes of fat out of the New Zealand diet. "The costs have turned out to be an investment and sales are increasing again."

3. Presentation

Professor Hughes said it's all in the look, and resulting attention to that and other items in his "Godzone Lamb Club Sandwich" will attract the consumer to New Zealand meat items on the retail shelves.

He showed some pictures of vacuum-packed frozen meat, including some Scandinavian reindeer cuts, in retail freezer bins around the world that looked "like the aftermath of an axe murder" and he asked why the consumer should pick it up – especially if they don't know how to cook it in the first place. All joking aside, he told the audience, it requires a retailer to respond to customer needs more than simply 'stacking the products on white shelves'. He praised retail outlets like Waitrose supermarkets in the UK and Whole Foods in the United States for their retail displays of fresh, chilled meat.

4. Know your market segment

Know your market "segment" not "niche" Professor Hughes advised. He has identified the emergence of the "Godzone

Emergence of the Godzone Lamb Club Sandwich!



All of Professor Hughes' ingredients for the perfect "Godzone Lamb Club Sandwich". Imperial College London

Lamb Club Sandwich". This includes layers of the brand story, the provenance/appellation, Brand New Zealand, the consumer segment the product is aimed at, all built on top of the clean, green impeccable environmental and animal welfare credentials and a "super-safe high integrity chain". He said New Zealand already offers the bottom layers but needs some work on the top levels of the sandwich.

Advocating customer strategies, not country strategies, he said that there should be "customised sandwich fillings" for different markets, whether they be within the UK, United States, the United Arab Emirates or China.

Working together with other similarly banded products, like cross-merchandising with a fine New Zealand pinot-noir wine, could also pay dividends. New Zealand venison was involved recently in the US culinary schools initiative, with other New Zealand produce.

5. Tell a great story

Telling a great "story" about your product – as the Cervena™ campaign in the United States is doing by putting a New Zealand deer producer's face to the product and showing customers how the venison has been produced – is another way of building value into the product in the brand marketing mix, delegates were told. While not particularly relevant to the deer industry, which requires a sustainable return, it was interesting to hear the 42 Below case-study from its founder Geoff Ross. He related his experience of telling a great story and getting a proper goal that worked to help transform a commodity product – vodka – into a premium-priced drink for a luxury lifestyle with a fairly minimal spend. "Word of mouth is the most powerful medium in the world," the former advertising executive, now entrepreneur, believes.



Geoff Ross: Advertising campaigns for 42 Below told great stories and the premium vodka is now – six years after creation – stocked in the Ritz in London, the Beverly Hills Hotel in Los Angeles and 4,500 of the best bars worldwide.



Waitrose's presentation of chilled meat, such as this New Zealand chilled lamb, was praised by Hughes.

Frozen meat thrown into bins at the supermarket packaged like these reindeer cuts can "look like the aftermath of an axe murder", Hughes said.

Agricultural cooperation agreed with Korea

New Zealand has signed the first Agricultural Cooperation Agreement with Korea.

New Zealand's trading relationship with Korea is important and there are prospects for even greater partnership through agricultural cooperation, Agriculture Minister Jim Anderton told Korean dignitaries at an event in Seoul at the end of April.

Drawing attention to the complementary strengths New Zealand and Korea have with respect to agriculture, Anderton added that "...our growing cycles are counter-seasonal, so we can help to ensure a steady supply of high-quality agricultural produce year-round."


On the second phase of a trade mission that has also included Japan, Anderton told the 100-strong audience that New Zealand's early exports were mainly to Europe. "Today, the wider North Asia region is by far our single-most important trading region."

During his visit, Jim Anderton signed an Agricultural Cooperation Arrangement with the Korean Agriculture Minister, Park Hong-soo, the first such agreement between Korea and a developed nation. Anderton also attended the signing of a Memorandum of Understanding formalising a strategic partnership between Zespri and the Korean Kiwifruit Marketing Cooperative.

He also spoke of the developing relationship with Korea in the area of science and innovation. "Together we can grow the market for safe, healthy food, to the benefit of both Korean and New Zealand farmers," Jim Anderton said.

Maeil Business, a Korean newspaper, reported that Anderton was also to discuss prospects for an NZ-Korea free trade agreement (FTA). There has been much debate in Korea about prospects for Korea following the recent conclusion of a Korean-US FTA. As New Zealand found when it negotiated its FTA with Australia, Anderton pointed out that Korea now has access to a huge new market with purchasing power.

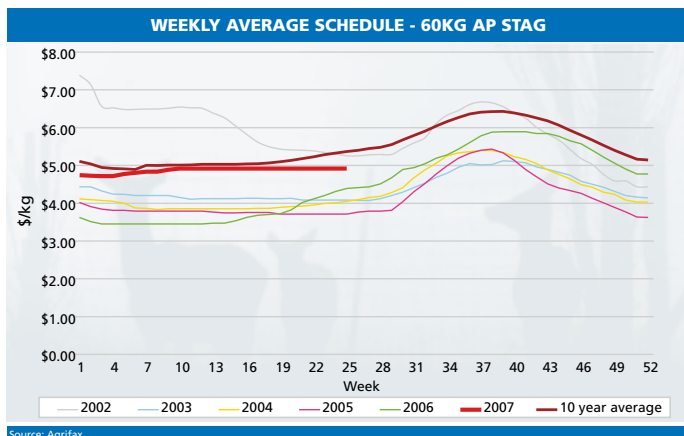
The potential FTA was one of the points of discussion with the Korean Institute of Economic Policy for DINZ Velvet Marketing Services Manager Vanessa Crowley during their recent visit to New Zealand. Crowley is now briefing the Ministry of Foreign Affairs & Trade and NZ Institute of Economic Research on deer industry expectations from such an arrangement.

Total two-way trade between New Zealand and Korea was worth over \$2.2 billion last year. The New Zealand deer industry exported 163 tonnes of velvet to Korea worth over \$16.3 million to the year end December 2006. Venison worth about \$120,000 and deer leather worth over \$427,000 were also exported during the period. 



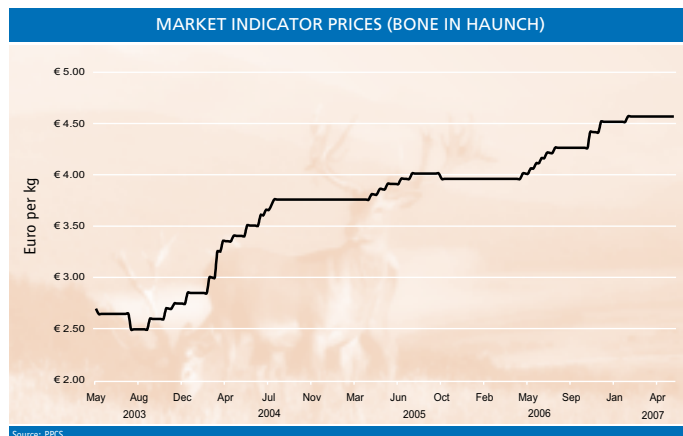
Market Report

There has been an outbreak of stability for venison. Average published schedule prices have plateaued and, at Week 25 – for the sixteenth consecutive week – were \$4.90 per kg for a 55-60kg AP stag. This was 13.7% above the same time last year, 14.4% above the three-year average and 8% under the 10-year average.



Similarly, for the same week, market indicator prices were stable at €4.55 per kg for frozen bone-in-haunch, 12% higher than the same time last year.

- As the latest stand-alone *Market Report* (No. 87) has only recently been published, we bring you a brief update only in this issue.



Flying the flag at Fieldays

After a few years' absence, the deer industry was back on show at this year's National Agricultural Fieldays at Mystery Creek. A collaboration led by Deer Improvement brought together DINZ (providing the services of Executive Chef Graham Brown), Fisher & Paykel (providing equipment for the mobile kitchen) and Gourmet Direct, who provided the venison.

Deer Improvement Director Peter Gatley says they were delighted to secure the services of Graham Brown for three days of the event. "If we were putting the industry back on show, we wanted it to be of the highest possible standard."

Genetics were promoted at an adjoining stand by Deer Improvement. Peter says farmers had expressed frustration that the deer industry was no longer featured at Mystery Creek, so the response from deer farmers to the stand this year was overwhelmingly positive. 📺



Visitors flock around to watch Executive Chef Graham Brown doing what he does best at the Mystery Creek display.



Glad you could drop by! Opposition leader John Key was an interested visitor to the stand, lingering to chat about the industry's prospects both on farm and in the marketplace.

Changes to TSE surveillance incentives

In May 2006, New Zealand was declared BSE free by the World Organisation for Animal Health (OIE).

Much of the credit for this status has been attributed to vets and farmers who have continued to submit brain samples for surveillance purposes – not just for BSE in cattle, but also for scrapie in sheep and chronic wasting disease in deer (all transmissible spongiform encephalopathy diseases or TSEs).

MAF Biosecurity New Zealand (BNZ) Post-clearance Directorate Surveillance Group Manager, Katherine Clift says 657 deer were tested in 2006, none of which tested positive for TSE.

"MAF BNZ tests these animals as part of a wider surveillance programme aimed at continuing to prove to the rest of the world that New Zealand is indeed TSE free," she says.

The TSE Surveillance programme has been reviewed to ensure that we retain our status and several changes have been made. There is now a limit on the number of heads which can be submitted at any one time, with a maximum of two samples from any one veterinary visit.

The incentive payments for sheep, goats and deer will remain at their current levels, but GST will now be payable in addition, making the payment for each deer sample \$100 plus GST.

Farmers will need to invoice MAF for payment, including their direct credit details and the laboratory case number. Once MAF has received the samples from the veterinarian,

the Ministry will provide farmers with instructions on how to receive payment and provide a pro forma GST invoice.

DINZ Producer Manager Tony Pearse says surveillance continues to play an important part in facilitating trade and maintaining market access.

"New Zealand needs to value its TSE freedom status and it is vital that deer farmers continue to play their part in providing samples for surveillance." 📺

- For more information, visit www.biosecurity.govt.nz/tse

Hind sale summary

(see advertisements in this issue for further details)

Date	Sale	Time
5 July	Love Red Deer	12.30 pm
6 July	Tower Farms	11.30 am
6 July	Raroa Red Deer	2.30 pm
11 July	Arawata Partnership	1.30 pm
12 July	Ingor Deer Farm	1.30 pm
26 July	Sarnia Park & Rodway	1.00 pm
27 July	Windermere	1.00 pm
2 August	Foveran Deer Park	1.30 pm
15 August	Netherdale Red Deer	2.00 pm

Code of welfare for deer

Introduction

The code of welfare for deer came into force on 18 May 2007. It encourages all deer farmers (including those on game estates and safari parks) to adopt the highest standards of husbandry, care and handling. It sets out the general principles for the care of deer, and is enhanced by the *DeerQA On-Farm Programme* that incorporates the recommendations of this code. Game estate and safari park operators can refer to the *New Zealand Association of Game Estates Industry Agreed Standards* for further information, although those standards do not supersede this code.

The code should be read alongside the *Animal Welfare (Deer) Code of Welfare 2007 Report*, which explains the decisions made in the development of the code. Both are available by request from animalwelfare@maf.govt.nz (or phone 04 894 0366) and online (www.biosecurity.govt.nz/animal-welfare/codes). It is also on the DINZ website (www.deernz.org/n368.html)

Who wrote the Code?

A deer industry working group drafted this Code. Deer farmers, veterinarians, scientific researchers, processor exporters, stock and station agents, and other interest groups were consulted. NAWAC (the National Animal Welfare Advisory Committee) considered the views of these groups, and members of the public, before recommending to the Minister of Agriculture that the code be issued. The proactive development of good industry codes of practice over the years put the deer industry in a strong position to feel confident that deer farmers could comply with this code.

How does it affect me?

Under the Animal Welfare Act 1999, the “owner” of an animal, and the “person in charge” of an animal, are responsible for meeting the legal obligations for animal welfare and have overall responsibility for the welfare of the animals. Deer owners may place their deer in the care of others for the purposes of rearing, transport and slaughter, but this does not absolve them from their responsibility. While stock handlers have responsibilities for the welfare of animals under their immediate care, these responsibilities do not detract from the liability of the owner and person in charge of the deer on the farm. Responsibility for meeting minimum standards relating to the provision, design and maintenance of the facilities and equipment, the allocation of operational responsibilities, and the competence and supervision of performance of employees will lie with the owner and person in charge of the deer. Responsibility for meeting minimum standards during the operation of particular tasks will lie with the person responsible for carrying out that particular task. To ensure that this happens, the code of welfare for deer requires owners and persons in charge to ensure that their personnel have either the relevant knowledge and training, or appropriate supervision, to ensure that the health and welfare needs of the deer in their care are met.

Does it cover all of my deer, all of the time?

This code applies to any deer held behind any boundary fence or other enclosure for the broadest purposes of farming, including the keeping of deer on game estates or safari parks. It covers all aspects of deer production except the removal of velvet and castration of male deer.

How do codes work?

The Animal Welfare Act imposes a duty of care on owners or persons in charge of animals – they must meet the physical, health and behavioural needs of their animals. However, the Act itself does not specify the needs for individual species or circumstances. This detail is provided by codes of welfare. Codes serve a number of purposes (legal, advisory, educational). It is therefore important to understand how to read them. For each topic in a code there is usually four sections:

1. **Introduction:** gives a background to the topic and may explain some of the reasoning behind the minimum standards.
2. **Minimum standards:** these are the part of the code that have legal effect. Failure to meet the requirements of the minimum standards may be offered in evidence that a breach of the Animal Welfare Act has occurred.
3. **Recommended best practice:** practices that we hope all deer farmers will aspire to and which if followed, will lead to better welfare (and often better economic) outcomes.
4. **General information:** general advisory information on the topic.

Codes are not set in stone. They have to be reviewed at least every 10 years but may be reviewed sooner than that if there is a reason to do so, for example, new research findings that suggest a new approach. This code will be reviewed no later than 18 May 2017.

What is specifically required?

Minimum standards in this code cover:

- stockmanship and the requirement for adequate training (formal or informal)
- adequate daily quantities of food (note that emaciated deer (i.e. in adults, body condition score below two) must receive immediate remedial action)
- adequate daily water supply
- requirements for adequate shelter (see below)
- appropriate design, construction and maintenance of handling facilities
- appropriate design, construction and maintenance of holding facilities (including those used for overwintering), and management of deer in holding facilities
- restraint and handling practices (electric prodders or goads must not be used)
- appropriate maintenance and use of restraint equipment
- management of social behaviour and mixing groups of deer

- management of male deer (hard antler deer must be kept separate from those without hard antler)
- management of female deer and fawns (including hand rearing of fawns)
- management of weaning (including requirement for frequent inspection and provision of ample high quality, familiar feed, water and shelter to weaners)
- remedial action for ill health or injury
- requirements for inspection appropriate to the circumstances and class of deer
- requirements around pre-transport selection of animals (see below).

What about de velveting, castration and transport?

Velvet antler removal, castration and transport are covered in separate documents:

- *Code of Recommendations and Minimum Standards for the Welfare of Deer During the Removal of Antlers*
- *Animal Welfare (Painful Husbandry Procedures) Code of Welfare 2005*
- *Code of Recommendations and Minimum Standards for the Welfare of Animals Transported within New Zealand* (a voluntary code that is currently being redrafted as a legally binding code of welfare).

Shelter

Like all grazing stock, deer need access to shelter and shade in hot and very cold weather and they need a dry place to lie down. Natural features such as gullies, hollows or trees can all provide shelter and shade, as can man-made features such as hay stacks or buildings. In addition, the 'hiding' instinct is more strongly developed in deer than in our other pastoral species, and access of hinds to places to hide their fawns is a critical behavioural requirement. Yet it is not uncommon to see deer in paddocks with no or inadequate shelter or areas in which they can exercise their instinctive behaviour. Interestingly, providing hiding places carries an economic benefit as well as a welfare benefit – fawn survival is significantly improved.

Recommended best practice – shelter:

1. It is strongly recommended that deer have access to a relatively dry and sheltered area on which they may rest, particularly where paddock conditions become very muddy when crops are grazed or direct-fed during wet weather.
2. Farmers should provide shelter and shade through tree plantings, artificial shade, access to mature tree blocks, or paddocks with contours that provide protection from adverse weather conditions.
3. Farmers should provide deer with a range of means to mitigate heat stress such as plentiful water, a wallow or shade.
4. Farmers should have contingency plans to be followed in emergencies such as floods, storms, fire risk or severe weather conditions.

Minimum Standard No. 4: Shelter

- (a) All deer, including fawns, must have access to shelter to reduce the risk to health and welfare caused by exposure to cold.
- (b) Where conditions are likely to lead to fatal hypothermia remedial action must be taken.
- (c) At calving/fawning time fawns must have access to sufficient ground cover for at least the first 2 weeks following birth, to allow them to express their natural hiding behaviour.
- (d) All classes of deer must be provided with means to minimise the effects of heat stress.

Pre-transport selection

Transport can have a significant impact on animal welfare and is one of the most stressful events occurring in the life of a farmed deer. Confinement, movement of the vehicle, prolonged absence of food and water, inability to regulate temperature, the presence of unknown animals, and separation of social groups all contribute to this effect. Transport itself is covered under the Animal Welfare Act and will be covered in a separate code of welfare. However, careful management of pre-transport selection is key in managing the welfare impacts of transport, and is covered by the code of welfare for deer.

Recommended best practice – Pre-transport selection

1. Pregnant deer should not be transported after 1 October. See the *DeerQA Transport Programme*.
2. Veterinary advice should be considered if transporting pregnant deer after 1 September.
3. Deer should be yarded without food for at least 4 hours before transportation, but for no more than 12 hours. Clean water should be available from a familiar source during this time.
4. All deer being transported should meet the requirements of the *DeerQA Transport Programme*.

Minimum Standard No. 15: Pre-transport selection

- (a) The person in charge must examine the selected deer prior to transport to ensure that all animals are fit and healthy for transportation.
- (b) Pregnant deer expected to give birth within 21 days must not be transported.
- (c) Unweaned deer (dams or fawns) and deer that have been weaned for less than 10 days (dams or fawns) must not be transported.
- (d) All deer must be able to stand and bear weight on all 4 limbs and be fit enough to withstand the journey without suffering unreasonable or unnecessary pain or distress.

• *This article was provided by the Animal Welfare Group, Ministry of Agriculture and Forestry.*

Jonathan Wallis with twin daughters Alice (left) and Phoebe. The Minaret Barge can be seen in the background.

Sons of Pioneers

Wallis vision continues at Minaret Peak

By Gilbert Van Reenen

The tenacity and vision of the 1970s deer industry pioneers is awe-inspiring. While most of them have long since handed over the reins and relinquished active roles in deer farming, the sons of these pioneers are now making their own mark. One of this new generation is Jonathan Wallis at the remote Minaret Station on the western shores of Lake Wanaka.

The 20,000 hectare Crown pastoral lease (not in tenure review) was purchased by Jonathan's father, Sir Tim Wallis in 1996. It was then a conservatively managed sheep and cattle property with a small deer herd. Sir Tim obviously had a good eye for Minaret's potential. Stock numbers have increased 15 fold since then – from 1240 stock units to 18,000 – and expansion continues.

The property rises from 300 to 2,500 metres and has 20 kilometres of lake frontage. Currently about 4000 hectares is deer fenced.

The almost-completed stage one of the development programme involved setting up the basic infrastructure with fencing, yards and lanes. The second stage is cash flow driven and is tightly focused on per-animal and per-hectare productivity.

Sir Tim's original vision for the property was for an extensive operation in an environment naturally favourable for deer, requiring minimal management. This has not altered. Initial plans envisaged a breeding operation where all weaners other than hind replacements would be sold in the autumn. It soon became obvious that Minaret was also very suitable for finishing and now all animals are finished there.

Jonathan's induction into deer farming began during his school holidays where he helped out at the Criffel Deer Farm near Wanaka. After high school he became a high country shepherd for a while before completing a BAgrCom at Lincoln in 1998.

He then spent six years in Canada, setting up a game hunting business in conjunction with the Alpine Deer Group's farming operation in Ontario alongside Mike Bringans. He returned to Wanaka and Minaret in 2004, working for a year under the original manager, Mark Faulks.

After 10 years at Minaret, Mark and wife Leslie were ready to move on, as their children were about to start school. Jonathan took over in 2005.

His three brothers are all based in Wanaka now. Toby has established his own commercial helicopter company; Matthew is involved with the Alpine Deer Group's by-product processing and exporting business and manages a safari and trophy outfitting business; youngest brother Nick is a freelance helicopter engineer.

Raised on Double Hill station in the Rakaia headwaters, Jonathan's wife Annabel shares his love of the remote high country life. They have lively twin two-year-old girls and are expecting another child in October.

The recent development of the property would have been restrained by the lack of road access. However Sir Tim had purchased a large barge at the completion of the Clyde Dam construction, before the purchase of Minaret, and this has proved ideal for the transport logistics. A very healthy cover of bracken fern, impenetrable to the Merino sheep which had been run on Minaret for over a century, was initially the major production restraint. It was soon discovered that the deer could quickly open up the bracken, and there was

a dramatic pasture response to subsequent oversowing and topdressing with a parallel lift in production and stocking capacity.

The second phase of the development has involved eliminating bracken entirely from large areas by the strategic use of glyphosphate in early autumn followed by burning six months later.

To date, the second stage development costs including fencing, spraying, fertiliser and expanded stock numbers to increase carrying capacity from 2 to 8 su/ha has been around \$1450 per ha – substantially less than the cost of purchasing land with equivalent carrying capacity.

The older ryegrass and clover cultivars such as Nui, Manawa, Huia and Colenso have proved to be the most suitable and enduring, providing the best animal health framework and requiring the lowest management inputs to maintain a productive sward. Cocksfoot was already abundant and useful persistent productive legumes such as Lotus grow naturally. Fertiliser application currently runs at around 170kg/ha of sulphur super on the most productive areas. The 1500 mm rainfall and low soil pH are used to advantage. Recently Jonathan has been trialling slow-release reactive rock phosphate with considerable success.

He is determined that any future development retains the low labour input nature of the operation. He envisages that total stock units will plateau at 25,000 in around three years. One part-time and two full-time shepherds are currently employed.

There are still plenty of challenges at Minaret. Access and the attendant fuel costs dominate. Animal health problems are significantly less than on more intensive properties. Minaret deer receive only one worm drench – at weaning – in their lifespan. Any animal that looks as though it needs preferential treatment is culled. It is essentially a closed herd so disease risks such as Tb are minimised. Jonathan takes the environmental challenges and responsibilities very seriously. All major waterways, where possible, are fenced to exclude deer. Numerous natural areas with inherent biodiversity values have been fenced off. If marginal strips are included, the property is completely surrounded by DOC-administered land. Jonathan speaks highly of the local DOC staff, especially DOC area manager, Paul Hellebrekers.

He is excited about the genetic gains made to date at Minaret. Up to 400 hinds in an elite herd are artificially inseminated annually using Deer Improvement semen. Sires are mostly Easterns and are selected on breeding values for venison production. Jonathan is impressed at how closely the performance of the progeny reflects the BVs of the sires. In the short term, he will continue using the Eastern bloodlines but ultimately plans to stabilise the Minaret breed with an infusion of English and German genetics.


He sees huge opportunities for the Minaret brand in future marketing. Currently there is a strong demand for his annual draft hinds and also in-calf two-year-old hinds.

There is also great scope for safari hunting – currently around 15 clients are catered for annually.

The Minaret deer operation has been successfully integrated with sheep and beef cattle to optimise pasture management. The current ratio is 70% deer, 20% cattle (Hereford cows and Angus bulls) and 10% sheep (Perendale ewes and Highlander composite sires). He predicts that in future this ratio can be adjusted significantly to capitalise on changes in market returns. The sheep and cattle spend at least six months of the year outside the deer-fenced areas.

Jonathan believes that some of the recent changes mooted for marketing deer products such as the Velconz and Velexco initiatives are pointing in the right direction. For venison he would like to see the move away from traded towards marketed product accelerate and admits that the big challenge is to increase the volume and returns to the farmer gradually and in tandem. He believes that some of the recent overseas marketing campaigns have been very effective but wishes that there could be much more

cohesion between the key players and a more consistent price throughout the season without the drastic price spikes we have now.

Like his father before him, Jonathan Wallis is already making his mark on the New Zealand deer industry. He is beginning to take leadership roles in various industry committees. The original vision of his father and fellow pioneers has been achieved and the future at Minaret looks bright. 

“Jonathan takes the environmental challenges and responsibilities very seriously.”



First Northern Focus Farm named

Following on from the success of those in the South Island, a new focus farm has been established in the North Island.

As with the South Island farms, the North Island farm will look at improving profitability and environmental sustainability.

The project will be based at Bruce and Alison Simmonds' farm at Rerewhakaaitu near Rotorua. Winners of merit awards at the 2001 and 2002 Deer Farmers' Environment Awards, Bruce and Alison have maintained a focus on sustainability since they purchased the property 35 years ago. Bruce is very excited to be involved.

"I'm extremely interested in the production and profitability aspects of deer farming. I volunteered because I think it is important at this point to drive the future in a more organised way. The time is right for a focus farm to assess production targets and profitability."

The Simmondses run 1,350 Red deer on their property which they've recently increased to 383 hectares by purchasing a eucalypt block. They also run about 330 Angus cattle and 360 Suffolk sheep. For the past eight years they have been using mixed stocking to rotate paddocks.

"We often have all three types in the same paddock on rotation. I'll be interested to see from the studies whether there is any downside to mixed stocking," says Bruce. "Lots of farms do run deer quite separately, but it works very well for us. Optimising pasture production has been a critical factor in our success."



Heifers, yearling hinds and hoggets run together at Bruce Simmonds's property. Grazing the three stock classes together works well.

A lot of people have been involved in setting up the focus farm to ensure the structure is correct.

"From our perspective, the most effective way to go about it was to get the structure right and get a facilitator, then find sponsorship, then involve AgResearch so we have a good structure from which to achieve our goals."

While there are some obvious goals – productivity and sustainability – Bruce believes everyone in the area should have a say in what they feel the objectives should be.

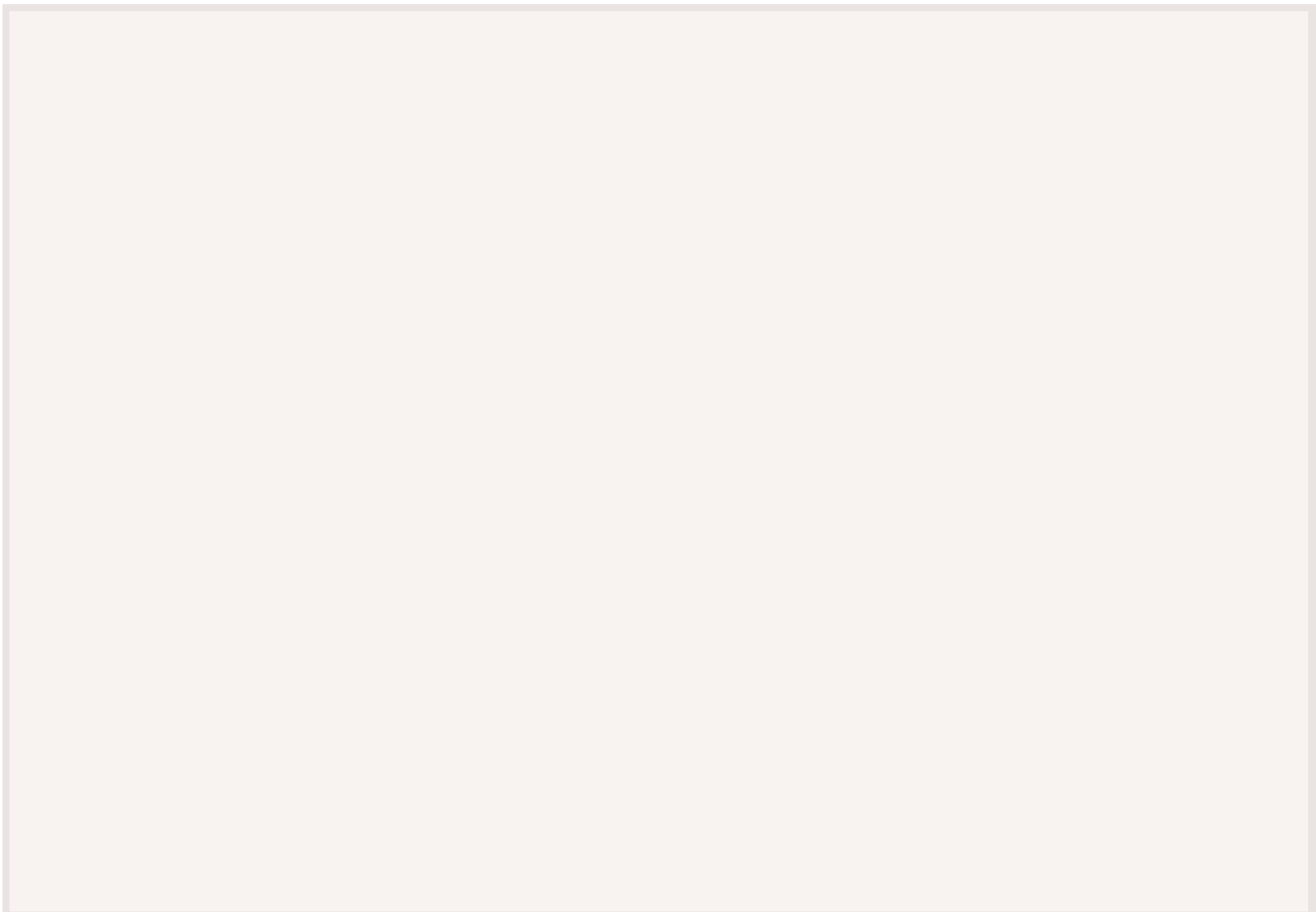
"It's probably better to finalise the goals when we have the first participation day so that everyone's input is taken into account. The study has to be relevant to our region."

One goal is likely to be increasing weaner weight to get animals off the farm and into the works earlier.

"Some people are probably already achieving this but it's a matter of having discussions to see where everyone is at.

The Rotorua focus farm will receive funding of \$15,000 from DINZ, which has also agreed to fund a further three farms in the North Island. The first field day is yet to be confirmed, but is likely to be in early July.

"It will be good to see how we go about making on-farm systems more efficient, eliminating excessive cost and trying to extract better growth rates for venison and velvet production," says Bruce.



Deer Industry Focus Farms

Expressions of Interest sought from:

Focus farm participants • Facilitators

Three further deer industry Focus Farms are to be established to add to the Northern districts project based in Rotorua, and the existing Otago and Southland SFF-funded projects.

Successful farms will be interested in:

- being at the cutting edge of technology uptake
- improving productivity in line with the targets embodied in the industry venison and velvet marketing strategies.

Venison outcomes can be summed up as “more calves, heavier and available earlier”.

The Focus Farms are supported by Deer Industry New Zealand and the NZDFA and are incorporated as part of the DEEResearch industry research and technology transfer investment in the form as part of the proposed 6 year venison supply systems research programme.

These new Focus Farms will be located in:

- Central Regions area, North Island (Hawke’s Bay, Manawatu)
- Canterbury
- South Canterbury/North Otago.

In each area, a steering committee is established through the NZDFA Branches. Areas of interest in the challenges of deer farming particular to the local geography and climate will be identified. The Focus Farms are largely modelled on the successful Meat & Wool New Zealand Monitor Farms, with a strong emphasis on farm profitability and excellent management. They will also incorporate Branch field days in association with special interest satellite farms, or other deer industry-specific activities.

Priorities for Focus Farms will include:

- strong environmental sustainability programme
- profitability on a whole farm basis including integrated livestock enterprises
- high health status
- deer farming enterprise options suitable for each area’s climatic and farming systems constraints.

We seek Expressions of Interest from farmers in these broad regions for participation in a three-year Focus Farm project.

To find out more about joining the Focus Farms programme as a:

- **Facilitator; or**
- **Participating Focus Farm**

Please contact:

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Expressions of Interest close on 20 July 2007



Branch Chairman profile:

Wilton Turner – Central Regions

Wilton Turner is Chairman of the recently amalgamated Central Regions Branch of NZDFA, which takes in the former Wanganui, Manawatu and Wellington/Horowhenua Branches.

Having served on the Manawatu Committee for the last seven years, and as Vice Chairman for the past two years, Wilton took on the role of Chairman this year. The amalgamation has been a success, he says.

“There are more people supporting and helping and we now have a fairly diverse committee.”

He has been organising the Manawatu Branch’s velvet competition for a number of years and also put forward the idea of a trip down to the South Island.

“Another member organised it all and quite a few attended the trip. I found it totally invigorating. We mixed with really positive people,” he says. “When things are economically depressed it can be difficult to stay positive and the trip really made a difference for me.”

The Branch is currently planning a trip on the Overlander to the North Island stag walks and Wilton says member response has been very positive. The trip is subsidised by the Branch, which holds an annual venison burger stand at Central Field days.

“It’s hugely popular,” he says. “The Manawatu Branch has been doing it since before my time and it’s where we earn most of our funds. We sell 2,100 burgers over three days and, with 13 or 14 people working together at any one time coping with the pressure of dealing with the public, it really brings us together.”

Wilton’s farm is at the top of the Pohangina Valley in Utuwai, an hour north of Palmerston North. He runs Red hinds, which he mates with Wapiti bulls. He currently has 315 hinds, which he plans to increase to 400. He also has plans to expand his velvet mob, from 50 to 100. He finishes 500 yearlings, takes on grazing cattle and runs 350 composite ewes.

Of the three livestock classes, deer are definitely his preference. “Growing up on the East Coast, my parents had 3,000 ewes and it was my job to dag them. Standing head down in the wool shed was not my idea of job satisfaction.”

His interest in deer started when he left high school, at about the time the deer industry really started to take off.

“We used to ride horses to muster sheep and in the early morning we’d see the wild deer,” he recalls. “In 1976 when I left school, everyone was chasing deer so I started capturing the wild deer running round the hills on my parents’ farm. After that I leased my own farm then went deer farm managing for a few years.”

Wilton cut his teeth working for Clive Jermy in the Waikato – a great experience.

“It was like an apprenticeship. Until then I had been playing around, but you don’t realise how much you don’t know until you work for someone like Clive.”

Then he got the opportunity to take up a piece of rough land, which has been in his family for the last 40 years. He



Wilton Turner: involved with deer since the 1970s.

converted the land into a deer farm, now known as Cotswold Hills.

“It wasn’t easy. I went to 12 different financial institutions and nobody would lend me the money.”

Until recently there was no house on the farm and Wilton says he’s rented nearly every house in the district, but he’s just bought the house and 8 hectares next door. He also sold off 28 hectares, taking the farm to about 220 hectares in total.


He says the recent downturn has meant a bigger mortgage, but he recently took the opportunity to expand his deer fenced area by 80 hectares.

“I’ve been told the most money to be made in deer farming is going in or out of it, but I’ve taken the gamble of expanding when things were rough. I hope it pays off.”

Deer farming really is Wilton’s life. He has spent a lot of time organising and participating in velvet competitions. He has managed to get heads into the national competition twice, taking second place in the Wapiti 1 championship in 2004 and first place in 2006. He is also a member of the North Island Velvet Competition Committee.

He’s also been attending Toastmasters to improve his confidence when speaking publicly.

“I’ve been doing it for six months now. It’s really been about building my confidence to stand up in front of a room full of people.”

Wilton recently attended his first deer industry conference and says he’s impressed with how DINZ works as a political body. “I’m confident our leadership is taking us in the right direction as much as they are able with the tools they have at hand.” 



Branch Chairmen's Meeting 22 May 2007: Reporter's notebook

There were some new faces among the NZDFA branch chairmen when they assembled in Hamilton last month for their biannual meeting. Along with the fresh faces comes a variety of backgrounds as diverse as shipbroking, foreign exchange trading and property development but with a common interest in developing well-run and expanding deer units. We will be profiling the new Branch Chairmen over the next few issues of *Deer Industry News*.

For the record, the new Chairmen are:

Tongariro: Richard Denley

Taranaki: Rex Cowley

Wairoa: Mark Bowen

Central Regions: Wilton Turner

Otago: Grant Cochrane

Southland: Brian Russell

NZ Fallow Deer Society: Ken Swainson (Acting)

In contrast to the 18 remits and motions for the 2006 AGM, there were relatively few remits for the Chairmen to consider this year. Nonetheless there was plenty on their minds. The following report highlights some of the main issues discussed.

Teeth wear in hinds

The DEEResearch Board has suggested an informal survey of Branches to get an idea of where this may be a problem. The DINZ science manager, Lindsay Fung, will also carry out a literature search on orthodontic problems in deer. The Waikato Branch had raised the issue, querying why in their experience some hinds never showed teeth wear, yet others under the same management did so and often rapidly.

NaturO™ Ring prices

In response to concerns about variable pricing, it is up to vet

practices how much they charge, and farmers can only put pressure on vets if they consider the price is too steep. It is not a feasible option for the NVSB to distribute them. The Executive Committee is seeking to publish the wholesale cost as is done for tuberculin.

Johne's Research Group

Chairman Peter Aitken thanked individual Branches for their contributions, including Central Regions, the former Wellington/Horowhenua branch, The Fallow Deer Society, Tongariro, Canterbury and Southland. There has also been a commitment from NZDFA Executive Committee for \$10,000 a year over the next two years as a national commitment to support the effort that Branches have made. That contribution from donations and Branches now totals over \$110,000 to date. Peter said the original Sustainable Farming Fund funding for the epidemiology project was now used up, but another application was on the table for funding information dissemination on multi-species aspects of Johne's disease.

NZDFA annual report

Chairmen were asked if they could suggest any alternative, less expensive ways to disseminate this. While the current format is relatively low-cost, printing and distributing a copy to every deer farmer is still a big expense for the Association. The Executive Committee will look at different cost options and the commitments to the Incorporated Societies legal requirements and report back to Branches.

NZDFA Budget

The NZDFA ended up virtually breaking even (a \$58 surplus) for 2006/07. The 2008 budget allows for 2050 members (last year 2088) paying voluntary subscriptions, this year raised to \$65 including a \$5 increase to Branches via the capitation fee. DINZ financial support of up to \$16,000 will be proportional to NZDFA meeting its membership targets.



This year's budget sees an increase in honoraria for the Executive Committee, a greater allowance for travel and accommodation, and the \$10,000 funding support for John's research. Other budget items are similar to previous years. (See NZDFA Annual Report in the April 2007 *Deer Industry News* for full details.)

NZDFA reserves currently stand at \$121,000, and the Branch Chairmen voted to continue support for maintaining reserves of at least \$100,000.

Selection and Appointments Panel Code of Practice

Bob Kingscote (SAP) has been working with legal counsel Stuart Doig to amend the SAP Operating Code of Practice to help clarify rules surrounding the declaration of interests and the timing of appeals against a selection. This was sparked in part by an eleventh-hour appeal by the three unsuccessful candidates last year, which left the successful candidate unable to take part in his first DINZ Board meeting. (In the event, the appeals were unsuccessful.)

Branch Chairmen noted that it is very difficult to put legal definitions around relationships or friendships (i.e., between candidates and SAP members), but that it is important to have clear guidelines in the interests of fairness and transparency. The code now contains further guidance on this. A change to the code of practice also means that notice of intention to appeal must be filed within 10 working days of the selection announcement, with the appeal to be lodged within 20 days as before.

DINZ Board

As has been the practice in recent years, from the Q & A session between the Branch Chairmen and DINZ Board was held in committee to allow a free and frank discussion, and as such the media was excluded. We are informed it was a constructive session.

Discussion of remits for NZDFA AGM

Remit 1 – Waikato: “That direct elections replace the SAP process for selecting farmer representatives to the DINZ Board.”

Waikato representatives said this was not a witch hunt and the remit was designed to stimulate useful discussion. They were concerned that the last two SAP processes had attracted some controversy and believed direct elections would provide more transparency.

Remit 2 – Southland: “That the NZDFA recommends DINZ not pursue the mandatory adoption of an electronic identification system for deer until there is acceptance of the need for one from the majority of NZ deer farmers.”

Southland Chair Brian Russell said they accepted electronic ID was inevitable, but they did not want to be experimenting with an unproven technology. Producer Manager, Tony Pearse noted that MAF accepts the need for full consultation on any regulatory aspects of any mandatory process, and NAIT will also consult on the recommended system before a system is introduced.

Mark Hawkins (Executive Committee) was more positive about electronic ID. He agreed that with stock going direct to



slaughter there was little role for electronic ID, but said that the biosecurity issues cropped up with stock that are traded. (The high turnover in trading stock – up to seven changes of ownership in the lives of some animals – was one reason the 2001 foot and mouth outbreak in the UK spread so far and so quickly.)

Grant Cochrane (Otago) suggested the industry should embrace electronic ID, giving marketers a tool to give the deer industry a competitive advantage. This position foreshadowed that put forward by DINZ CEO Mark O'Connor the following day at the DINZ FGM, but didn't find support amongst the other Branch Chairmen.

Overall the discussion seemed more accepting that electronic ID would come – the key issues were cost, timing, reliability of the technology, a need to have a simpler system for direct-to-slaughter animals, and concerns about fairness (i.e., all cloven-hoofed animals should be covered – not just cattle and deer). (See below in this report for presentation by NAIT project manager, Ian Corney.)

Remit 3 – Canterbury: “That the Canterbury Branch request NZDFA to be proactive and promote the science-based approach to environmentally sustainable farming as policy, and to actively engage with like-minded organisations to facilitate this.”

Ed Noonan (Canterbury) said this remit would formalise the industry's current approach, formally incorporating a responsible proactive approach to sustainability within NZDFA policy.

Remit 4 – Northland: “That the NZDFA pursue the option of coordination between the AHB and NVSB regarding the use of sedating drugs, with the objective being to enable NVSB-certified farmers to use these approved drugs to sedate mature stags for the purpose of Tb testing in addition to their normal use in the practice of velvet antler removal.”

There was little support for this remit. NVSB did not support the idea, and it would require a law change to enact. Ed Noonan (Canterbury) said it had been a battle to get farmers the right to use drugs for velveting, and this move could jeopardise these gains. It was also noted that problems with difficult stags could be managed by the timing of Tb testing. Northland agreed that the remit would be withdrawn.

Remit 5 – Johne's Research Group: “That the NZDFA endorse and promote the voluntary Johne's Disease Herd Status classification system for presentation to the live sale market developed at the request of the 31st AGM.” [See *Deer Industry News*, April 2007, page 9 for discussion document.]

It was accepted that such a system would be complex and difficult to administer, and the JRG said it would withdraw the remit. However, further work would be done to refine and simplify the initial proposal, and the JRG was interested to know if people selling capital stock wanted a system to be able to certify their Johne's disease status.

Remit 6 – Canterbury: “That the NZDFA requests DINZ to review funding options for focus farms, and to guarantee



Chris Carter (AgriQuality Ltd) updates Branch Chairmen on the proposed merger with Asure New Zealand.

their minimum funding of \$20,000 per year for three years per focus farm.”

The Canterbury Branch felt strongly that the current dollar for dollar commitment by DINZ of up to \$15,000 per farm per year (half the total estimated cost of \$30,000 per farm) was inadequate. As an industry-good project, they said it was unfair that Branches should carry so much of the financial burden. Grant Cochrane (Otago), himself a focus farmer, said the Otago/Southland farms had attracted considerable sponsorship. He noted the Sustainable Farming Fund support for the farms, while welcome, meant that a significant amount of the effort and expense was devoted to environmental issues.

Remit 7 – Otago: “That the AHB ensures the adoption of the modified ETB test this season.”

This test will help prevent wastage caused when false positives for Tb are caused by Johne's disease, and was supported in principle by the AHB last year. The remit to be put forward to the AGM was modified to read: “That the NZDFA ask DINZ to pursue with MAF and the AHB the urgent need to take a coordinated and proactive approach to ensure that the modified ETB is adopted and verified as soon as possible.”

Remit 8 – Central Regions: “That the NZDFA requests DINZ to review the current velvet grading system, so as to better reflect the market specifications in regard to size, density and colour.”

The Branch noted that there are over 50 grades, and their own research showed that grading for the same sticks of velvet varied greatly around the country.

Guest speaker: Dr Chris Carter, Farm Services Manager, AgriQuality

Chris Carter, who is well known to many deer farmers, updated the Branch Chairmen on AgriQuality's activities including the proposed merger with meat inspection State-owned enterprise, Asure New Zealand. Key points from the discussion were:

- The AgriQuality/Asure merger is going through due diligence and a decision whether to go ahead will

be made this month (June). Asure is mainly meat inspection based, while AgriQuality is food safety/biosecurity focused. The best of both organisations would be retained if they merge. The merger would help maintain the infrastructure needed with people on the ground to respond in a biosecurity emergency.

- Asure was originally set up with the intention that meat inspection would become fully contestable, but the EU and USDA have continued to insist on government-based meat inspection. There are signs that Europe may start accepting contestable meat inspection services, but that won't be happening very soon.
- AgriQuality still does about half all deer Tb testing, and makes the tuberculin at a facility at the Wallaceville campus.
- AgriQuality also monitors meat company on-farm QA programmes. Processors have their own QA systems so they can differentiate themselves, but Chris Carter believes producers may force them to adopt standardised systems, linked to ISO standards.
- The company has laboratories for food safety testing on Auckland, Wellington and Christchurch and seed testing labs in Lincoln and Palmerston North. AgriQuality has also acquired labs in Victoria, Australia. In association with Prionics Europe they have bought into labs that do blood testing for John's and Tb. Prionics is looking at a DNA-type test for John's disease, and is expecting AgriQuality to have a blood test available for John's within 12 months.
- The company's Agribase whole farm database includes about 105,000 farms, and this feeds into MAF's emergency response system. The data cannot be on sold for commercial purposes. It is there for biosecurity reasons and would be linked to a national electronic ID system for livestock.
- AgriQuality entered the market for livestock eartags because it was a commercial necessity – not because they really wanted to. Chris Carter said selling tags tied in with their biosecurity role and helped maintain direct linkages with farmers. He predicted that if electronic ID becomes universal, the various numbered tags may disappear.

Guest Speaker: Jim Petersen, Gen-i

The Telecom subsidiary, Gen-i is well aware and supportive of developments from the National Animal Identification and Tracing (NAIT) technical group, and Jim Petersen said the data flows from an electronic ID system would be just one of many reasons why broadband access would become more important for farmers.

He said about 93 percent of New Zealand had broadband access now, and that Telecom was investing heavily in the rural infrastructure. He acknowledged that while it was possible to get speeds of up to 2Mb/second up to 5 km from network switches, most farmers were well beyond the range for those speeds. (For many farmers, interference from electric fences is a far bigger issue, never mind download speeds.)

As farm operations got fewer and larger, broadband access would become essential for remote monitoring of measures such as weather, soil temperature or the proper functioning of equipment like electric fences. He noted the observation

of commentator Rod Oram that broadband access would be needed throughout the supply chain, and predicted that there will be increasing pressure from farmers for reliable, high-quality broadband access.

Representation mandate

Some Branch Chairmen were concerned about the impact on representation of the lapsing of the Levy Order which entitled the NZDFA to levy all deer farmers to fund its activities. Although the levy has been set at zero since the 2002 reforms and there is no support for reactivating it, the loss of its symbolic value troubled some. Voluntary subscribers to NZDFA represent a little over half of all deer farmers and have in the past represented about 65-75 percent of all deer farmed (this hasn't been checked recently). Other Chairmen were comfortable that the NZDFA still had a mandate to represent all deer farmers, and noted that some of the funding that comes from DINZ is from levies paid by all producers, not just voluntary members.

John's Management Ltd (JML) update: Dan Lynch

Data is already beginning to flow in to the JML database, Dan Lynch reported to Chairmen. He said all processors are committed to supporting the system, which helps identify John's-infected animals and will feed back the information to farmers so that appropriate management plans can be put in place.

The necessary software was developed, and information captured includes company, processing plant, number of animals, age, GR, weight, destination, a code for lesions, herd and tag number.

Dan said confidentiality is the key and absolute, and security protocols have been developed to protect privacy. JML is working with the Animal Health Board to secure access to data on Tb test results so this can be reconciled with data from the plants on carcass lymph node lesions which could be John's. This information won't be supplied to JML without farmers' express permission, and a brochure has been developed by JML seeking farmers' cooperation.

John's research update

PhD student Jaimie Glossop updated Chairmen on the John's epidemiology project and on the John's Management Limited (JML) meat inspection calibration study.

She said of the farms which were negative for clinical John's, about one-third had animals shedding the *Mycobacterium paratuberculosis* bacteria, confirming that clinical signs are only the tip of the John's iceberg.

There was less clinical John's in the weaners on farms where sheep were co-grazed with deer. Jaimie speculated that sheep carrying the ovine strain of the disease may act as a natural vaccine against the bovine strain, which causes almost all cases in deer. There was also a possibility that sheep may provide some protection by 'hoovering up' the cattle strain from pasture.

There was also a correlation between lower levels of



clinical Johne's in weaner deer and a higher proportion of young (less than 5 years old) hinds in the breeding herd. Conversely, there was a correlation between higher clinical levels in deer and:

- presence of yearlings from pure beef breeds
- presence of clinical Johne's in cattle on the farm within the previous two years
- use of irrigation (water helps spread the bacteria).

A typical sign of Johne's disease in slaughtered deer are lymph node lesions. Jaimie said a calibration study involving 54 meat inspectors showed they were able to identify 80 percent of enlarged/lesioned lymph nodes. Considering some of them were very hard to see, this was an excellent result, she said. Inspectors were unnecessarily incising about 40 percent of non-lesioned lymph nodes, but that was a 'good' problem as it indicated that, as a whole, inspectors are being extremely vigilant for lymph node lesions which may be due to Johne's.

National Animal Identification and Tracing (NAIT) update

NAIT project chairman Ian Corney again brought Branch Chairmen up to date on progress. While there is still a healthy level of scepticism among deer farming leaders about the proposed system, most now seemed to be accepting that it was a case of when and not if for electronic ID.

Ian Corney agreed with Chairmen that a simple system for direct to slaughter animals was merited. Giving the direct to


slaughter idea some space would be sensible, he said – but he added that RFID tags would still be necessary to prove for biosecurity purposes that an animal had never left the property.

He also hinted that cattle would precede deer into the electronic age. He said electronic tagging of cattle could be mandatory by 2009, with deer to follow, perhaps by 12 months. He was unwilling to be quoted on an estimate for when sheep and other livestock classes would follow, but noted that there would not be a long wait.

He added that there was plenty of misinformation around at present, some spread by tagging companies trying to secure a strategic advantage. "They'll be promoting their own technologies, but they don't have a right to tell you how the NAIT system will work."

The technical specifications for a NAIT system were due by the end of June 2007, when the NAIT governance group would make a 'Go/No Go' decision. If the answer was 'Go' then consultation with producers would start in earnest by July.

Ian said the half-duplex system chosen by the technical group would suit the movement and speed of deer as they passed by the tag reader. "The system must be usable on farm and it mustn't be too expensive," he noted.

In response to concerns that NAIT might be used for other than biosecurity purposes, Ian was adamant that this would not be the case. "Other databases already hold records on animal health status, breeding records and so on. The only focus is identification and traceability." 



Branch Chairman profile:

Rex Cowley – Taranaki

Rex Cowley has been involved with the Taranaki Branch for the last 19 years and says he's finally been talked into becoming Chairman.

He started farming deer in 1981. At the time he was involved in earthmoving and quarrying contracting and was also running cattle. He's seen the ups and downs of the industry over the years but enjoys working with deer.

"Yes I enjoy deer farming – I'd be long gone if I didn't."

He says they've been affected by the recent downturn, but he's hopeful the industry is heading in the right direction now.

"We've been hanging in there really and hoping it will come right. The only way things will improve is if supply and demand even out. As long as the supply for velvet stays low, or even drops down, we'll be OK. It's the venison farmers I feel sorry for. They can't seem to find new markets for the quantity they're producing."

Rex runs 350-400 Red deer on his 50 hectare farm in Bell Block, New Plymouth. He breeds velvet and trophy sire stags and says he goes for quality over quantity.

He says the same about the Taranaki Branch. With only 27 members they're a small but close-knit Branch.

"We're too far away from other Branches to amalgamate," he says, "but our members are pretty active. We still have a keen core membership and we're financially viable, so we'll be here for a while."

The Branch holds an annual velvet competition which they combine with a Christmas dinner. They also try to hold a seminar each year, providing members with an insight into the deer industry and where it's going.

Rex says members are concerned about the impending



Rex Cowley: Taranaki Branch exemplifies value of quality over quantity.

National Animal Identification and Tracing (NAIT) project.

"They think it's going to happen overnight and they're really worried about the costs involved," he says. "We feel if it's a biosecurity issue then they should start with pigs and chickens, but they're obviously trying the easy way first with deer and cattle because we already have a tagging system in place."

He says the Branch has been having a lot of discussion around the topic.

"Unless the producer gets extra revenue, then it's just an extra cost to us. If we sit back and do nothing then we'll get rolled for sure. Our Branch is trying to make sure the producer gets the best deal out of this."

In addition to NAIT, Johne's disease and new structures for selling velvet are other big issues to be faced, he says.

Rex says at a national level the industry is working pretty well, but there needs to be an emphasis on velvet and venison producers working together. "If the producers aren't the number one priority we don't have an industry – and many other New Zealanders would be out of a job."

When he's not farming, Rex likes to spend time with his family – he has five kids aged 16 to 28. Most recently they've enjoyed playing with their latest toy, a new jet ski. 🏂

Game for a laugh

Eric and Betty Terzaghi won the Humour category of the 2007 Warnham & Woburn photo awards with this gem: "Oh dear, I thought there might be an apple in here."





Sharon Love joins Executive Committee

The Rotorua area retains its close links with deer farming politics – and the industry sees its only the second woman ever elected to a national position – with the election of Sharon Love to the NZDFA Executive Committee. She replaces Andrew Mitchell, who stepped down from the committee at the 2007 AGM.

Sharon has been farming deer with her father Don Love (Love Red Deer) for nearly four years, managing one of their two properties at Mamaku, just outside Rotorua.


Unlike some who come into a national role through the Branch structure, Sharon brings experience from the business sector, which she is keen to put to good use in her new role. She began her working life in accountancy before moving to Hamilton's Perry Group, which has diverse interests including manufacturing, property development and the Hamilton casino. During her 12 years with this company she moved into human resources and marketing roles.

After joining her father in the deer stud business, Sharon admits she missed the corporate and community involvement of her earlier career. After working with Tower Farms' Joe Crowley on the highly successful revamped two year-old velvet and one, two and three-year old hard antler competition this year, Sharon realised she might be able to

put some of her previous experience from the corporate world to good use in the deer industry. After being approached by the Waikato Branch and also receiving local support, Sharon accepted nomination to the Executive Committee.

While disappointed that the overall voter turnout was not large this year, Sharon was pleased her support was decisive (she received 55 percent of the vote in a three-way contest). She doesn't bring a political agenda to the role, but is determined to see farmers' interests well represented – especially when it comes to having some control over their own business success.

"Like many deer farmers, I'm not happy to see additional compliance costs continually being imposed," she says.

She believes her business background and good communication skills will be useful attributes in the new role. "I understand business, I am used to juggling people's needs, and while I believe strongly about some things, I'm also a realist." 



Sharon Love: determined to see farmers' interests well represented.

Bill Taylor steps up

Following the retirement of Andrew Mitchell from the NZDFA Executive Committee at the 2007 AGM, straight-talking Southlander Bill Taylor, 50, has stepped into the role of Chairman. The position is elected from within the four-person Executive Committee.




Bill joined the Executive Committee in 2003 following the retirement of Peter Fitzgerald. Prior to that he had been Chairman of the Southland Branch of NZDFA for three years and a committee member for around 10 years before that.

He was heavily involved in the development of the Deer Farmers' Landcare Manual, being Chairman of the project, and one of the main drivers responsible for the project coming to publication. Bill is also on the On Farm QA Technical Committee and is currently on the Velconz working group.

Bill and wife Jill run a 460 hectare sheep, beef and deer operation at Lora Valley in the Hokonui Hills. Their deer operation includes a breeding and finishing unit and small velvet herd.

Not one to mince his words, Bill has been solidly behind his Branch in its opposition to the mandatory introduction of individual animal identification for deer; he is, however, a supporter of the continuing need for traceability and believes it to be one of the cornerstones of our marketing success.

The other three members of the Executive Committee are Tim Aitken (Hawke's Bay), Mark Hawkins (South Canterbury) and Sharon Love (Rotorua – see above profile). 

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