

DEER INDUSTRY NEWS

Issue 30 • June 2008 • Official magazine of Deer Industry New Zealand and the NZDFA



Let's get positive! 2008 Conference Report

Also in this issue:

- Velvet: let's put politics behind us
- Emissions trading scheme explained
- Publishing pioneer scoops top award
- PPCS Burnside closure
- Cervena promotion
- Big win for *Powered by velvet* team



DEER INDUSTRY
NEW ZEALAND

NZDFA
New Zealand Deer Farmers' Association





Setting our primary sector to Fast Forward

New Zealand enjoys a comparative advantage in our pastoral and food industries and the sector is a driving force behind our economy.

But the environment is changing – both domestically and internationally. We need to invest more in what we do and invest substantially more in innovation to remain both competitive and sustainable. Moving forward, we need to look differently at how we do business to better align the food and pastoral sectors with trends and opportunities in global markets.

To maintain our advantage in a rapidly changing global environment, change must be significant and transformational. This means working better with what we have, building on the existing infrastructure and being innovative. It's about increasing our knowledge capability and applying this across the sector.

The New Zealand Fast Forward initiative, currently in development, offers a way forward and heralds a new era in government-industry collaborations within the primary sector.

Under the initiative, industry participants and government agencies will collaboratively invest in targeted programmes and projects that innovate and enhance the sustainability and capacity of the primary sector.

These programmes and projects will be long-term focused and be governed by a targeted, sustainable strategy – developed and implemented by industry and Government.

The Government has committed \$700 million upfront (plus interest on the \$700 million) for investment over the next

10-15 years. This is a new fund established specifically for New Zealand Fast Forward investments. Industry is expected to match this investment over the same time frame – bringing an estimated total combined investment of \$2 billion.

For the deer industry and primary sector as a whole, this is an opportunity to coordinate and phase investments alongside other sector organisations and signal future investments. This will ensure greater confidence in public sector spend and provide a focus on identified areas.

New Zealand Fast Forward is a collaborative initiative and, as such, it is essential that we have the input from the primary sector. The initiative has the potential to benefit individual companies, the primary sector as a whole and New Zealand as a country but it is important that we get the right strategy and process set up from the outset.


To this end, an Establishment Group, featuring leaders from 10 industry organisations and government agencies, has been set up. Members of the Establishment Group have been working together to develop an appropriate governance form and structure for New Zealand Fast Forward.

This private-public partnership underpins New Zealand Fast Forward. There is a wealth of information and expertise held within the primary sector and industry and within government – particularly around sustainable land development and technology, and there are already some great projects and initiatives underway aimed at boosting particular sections of the primary sector.

Fast Forward is about investing in critical work programmes that will give effect to a shared vision of the step change necessary in the pastoral and food sectors to achieve a sustainable future. This is about additional investment by industry and the Government. It will provide improved links between our producers and manufacturers; education, science and research providers and the demands of the global market. These investments will span the whole value chain, not just research and development.

The initiative is still in its early stages but could have significant benefits for the deer industry. For example, there is scope for DEEResearch to partner with other industry groups and government agencies on long-term programmes.

New Zealand Fast Forward aims to position this country as a sustainable, world-class economy for the benefit of all New Zealanders. It will help establish sustainable food and pastoral industries that are growing in value and market reach and creating a world-leading innovation and technology transfer system.

I encourage you to get involved in this opportunity. For more information on Fast Forward, visit www.maf.govt.nz 

Paul Reynolds, Deputy Director General (MAF Policy)

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Cover: There was a warm welcome for attendees at the 2008 Deer Industry Conference, where the Positive Action theme prevailed. Photos: Phil Stewart.

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Deer Industry Conference: Invercargill, 13-15 May 2008

POSITIVE ACTION Positive People, Positive Products, Positive Places

More swedes than you can shake a stick at. Oysters, whiskey, haggis, men in kilts. We definitely weren't in Wellington any more, Toto.



They're only half-joking when they say that to be a deer farmer, you must be an incurable optimist. There was plenty of that in evidence at the 2008 Deer Industry Conference, and what better place for the industry to regroup and declare its positive vision for the future than in its heartland. And if Southland is the heartland, then the Ascot Park Hotel must be the industry's spiritual homestead. Host to countless deer industry functions, the spacious and welcoming complex was the perfect venue – a home away from home to the many regular visitors.

With around 170 registered for the event, numbers were only slightly down on recent years and a good turnout considering the tough conditions being faced throughout the country – not least the drought that just won't go away.

Indeed, there was plenty of sobering news beside the drought conditions to challenge the *Positive* theme: fertiliser prices skyrocketing, a fragile velvet market, pressure on landuse from the dairying juggernaut, the planned emissions trading scheme, dwindling capital herds ... and yet there was also plenty to be positive about, not least the excellent market prospects for our products.

There was a sprinkling of new faces among the regular conference goers, and particularly strong support this year from those who share our optimism: industry partners **Alliance Group, Rabobank, Telford Rural Polytechnic, Goldpine Industries** and **Ravensdown**. These partners must be thanked, not only for the material support for our industry get-togethers, but for the quality of the analysis and commentary they bring to the conference floor.

But these events wouldn't happen without the organisers, and once again Pat Johnston and her team from Dunedin Conference Management Services swung into action to put on a tightly focused and enjoyable show. Producer Manager Tony Pearse and the host Branch, Southland, put in a huge effort. Brian Russell, Peter Allan, Lloyd Thayer (inspiration behind the "Southern Lights" themed awards dinner and

addresser of the haggis), Janet Horrell, David Stevens, Des Ford, John McLean, Bill Taylor and other locals all did their bit to put Southland's hospitality on show.

The conference opened with a short-format Branch Chairmen's lunchtime meeting. Earlier regional meetings had meant the Chairmen were already well up to speed on the issues, and as usual the Branch remits set for the NZDFA AGM were given a good going over, with time with the Board to overview key issues raised by Chairmen and reciprocated by the Board.

Following the meeting was the *Positive Action* Seminar, featuring a series of excellent presentations from a well-prepared group of speakers – all featured in this conference report.

The well-attended *Positive Product* welcome function that evening once again showed the infinite culinary possibilities of venison. The following day it was down to business with the morning's DINZ Formal General Meeting interspersed with some pertinent comment from processor/exporters.

The AHB's William McCook led off the afternoon session with a thought-provoking look at the future of the National Pest Management Strategy for Bovine Tb. The NZDFA AGM was a smooth affair with more administrative/constitutional remits than political ones. The formalities were wound up that evening with a cracking good awards dinner and musical/comedy entertainment.

For those getting cabin fever, the final day provided the ideal antidote with a very popular fieldday on the Focus Farm property of John and Jacky McLean, followed by lunch and a presentation at Deer Improvement's Balfour research and quarantine farm. For the hard core it was off to David and Lynley Stevens' Netherdale stud at Balfour for a convivial wind-down.

Well done Southland. We'll be back. 🇳🇿

Fickle consumers present challenges

Venison producers were left pondering just how their product will fare in future overseas markets after Rabobank's food and agriculture specialist, Hayley Moynihan presented a well-received overview of global market trends.

Consumers, she said, are becoming older, more diverse, more likely to live alone or in small households, and are more fickle than ever. Their buying behaviour is characterised by three main trends:

- greater awareness of health issues (residues, trans fats, food-borne disease, etc)
- a desire for greater convenience (shorter cooking times, one-pot meals, etc)
- and, paradoxically, a desire for indulgence – to live and eat well.



Hayley Moynihan.

This last trend – indulgence – seems to contradict the healthy lifestyle drivers. A new variation on that epitome of junk food, the chicken nugget, seemed to sum up consumer fickleness rather well. These are now available in organic form, and wheat and gluten free.

Other products such as the meat substitute, quorn, were also making an impact.

High volume emphasis

As supermarket chains slug it out in the marketplace, trends are shifting in the retail sector, Hayley said. Up to 20,000 product lines are commonly carried, although in the big discounter chains appearing in Europe, stock items are limited to 700-1,000 types with an emphasis on high volume. “Those in the middle of the production chain are getting tougher and uglier!”

Cheap protein products like pork and poultry had saturated their markets, but there is also a long ‘tail’ of higher-value niche products sold in lower volumes. “This offers consumers the diversity of choice they seek, but it is difficult for producers and processors to supply food products in this way.” Hayley said the internet had made such niche supplying viable for commodities such as books, but it was harder to manage supply chains like this for food products.

Good time for food

Overall, it is a good time to be selling food, including venison. There is strong upward pressure on prices and shortages are affecting many products. Countering this good news is the continued dramatic increase in costs of production, especially fertiliser (see sidebar).

The emissions trading scheme, traceability, animal welfare and disease control concerns and calls for sustainable production were also likely to push up costs.

Hayley said the ‘carbon footprint’ debate was largely being driven by northern European retailers and consumers, especially the British. “This is a challenge but also an opportunity for us to differentiate ourselves and compete on something other than price. There are conflicting messages out there, but it’s the story that grabs the headlines. We need to ensure the quality of the information we use to support our story when we’re selling into these markets.” 

Ouch!

Their mission statement, “to enable land users to maximise the fertility of their soils through analysis, advice and supply of the appropriate materials where and when required – at the lowest sustainable net cost” would probably be starting to ring a little hollow with farmers, admitted Ravensdown’s Bevan Watt.

“Conditions now are even more tumultuous than the 1980s when Rogernomics decimated the fertiliser industry,” he told conference delegates. “And unlike the 1980s, we now know the consequences of withholding fertiliser.”

He went on to predict that prices for superphosphate could climb to \$500 a tonne, with urea and DAP possibly climbing to \$800 and \$1,200 per tonne respectively – a consequence in part of growing transport costs and rocketing demand world wide. With all three US presidential candidates supporting the switch to biofuels in the United States, the turmoil in world agriculture was set to continue, he added.

There was a plus side, he was quick to reassure his somewhat gobsmacked deer farming audience. Lamb production was likely to keep falling, while venison was well positioned as a lean, healthy product to fulfil a growing demand. Ravensdown is one of the consistent long term conference Industry Partner sponsors.



Ravensdown's Bevan Watt: fertiliser prices set to continue heading north.

- Stop Press: Ballance this month announced the following June quarter prices: Super phosphate, superten, \$480/tonne, Serpentine Super \$425, muriate of potash \$850, n-rich urea \$921 and DAP \$1412. Ravensdown's latest announced prices are: Super \$480/t, urea \$929/t, DAP \$1421/t, potash \$859/t.

Emissions scheme explained

It was never going to be an easy sell for MAF's Julie Collins, as she stepped up to explain to deer farmers some of the detail and reasoning behind the Government's emissions trading scheme (ETS).

Deer Industry New Zealand had made an oral submission to the Finance and Expenditure Select Committee for the Climate Change (Emissions Trading and Renewable Preference) Bill alongside Meat and Wool New Zealand and the Meat Industry Association on 12 May, the day before conference, expressing grave concerns about the impact of the proposed legislation (see Industry News section on page 34 for more more on the DINZ submission).

At the time of Julie Collins's presentation, the Climate Change Bill was timetabled to be considered by Parliament in July and, if passed, draft regulations and an allocation plan for agriculture would be developed next year. The National Party threw a spanner into the works a few days later with the announcement – not totally surprising given it's an election year – that the Bill no longer had their support.

It is still unclear where this leaves the legislation, but the main points from the presentation have fleshed out some detail:

- The scheme is part of a much wider sustainability package announced by the Government in September 2007, which included targets for transport fuels, forestry plantings (250,000 hectares net new plantings by 2020) energy efficiency, renewable energy (90% renewables target) and so on.
- New Zealand's emissions are weighted towards agriculture, with most of these greenhouse gas outputs in the form of methane and nitrous oxide.
- By 2005 our emissions were 25% above 1990 levels. Without intervention, by 2023-2027 they will be 60% above our projected 2008-2012 levels.
- The ETS will be self reporting like a tax system, with severe penalties for those who deliberately defraud.
- "Emitters" must monitor emissions of greenhouse gases, report them to government and surrender emissions units (one unit is the equivalent of 1 tonne of CO₂).
- For agriculture there is no final decision on who will be the "emitter". The legislation has a default provision for it to be at the processor level, but allows Government to change it to the farm level in recognition that the behaviour changes required in agriculture would be at individual farm level.
- To help mitigate the economic impacts of the ETS in different sectors, the Government plans to phase it in. Planned start dates are:
 - Forestry: 1 January 2008
 - Stationary energy (coal, gas, geothermal power) and industrial processing: 1 January 2010
 - Liquid fossil fuels: 1 January 2011 (originally 2009, but extended because of oil price shock)
 - Agriculture, waste industries: 1 January 2013.
- Some sectors, including agriculture and industry, will be initially allocated NZUs equivalent to 90% of their 2005 emissions free by the government (for agriculture equivalent to 33 million tonnes of CO₂).
- These "free" units were originally proposed to be phased out by 2025 – but announcements by Ministers




Julie Collins concedes agriculture faces big challenges when it comes to reducing methane emissions.

last month pushed this out to 2030 – by which time the agriculture industry would need to buy them.

- Pre-1990 forest owners will also be given a one-off allocation of units (total of 55 million units for all pre-1990 forests) when forestry comes into the scheme.
- A sensitivity model by MAF showed that under a worst-case scenario (no behaviour change, no reduction in emissions, no new technologies) the impact on pre-tax profitability would be 1-5% with the 90% free allocation. However, once the free allocation of units was phased out, and with carbon units trading at \$50/tonne, this would take \$2/kg off venison profits.

Julie Collins noted that a number of actions were already starting to mitigate outputs of greenhouse gases from agriculture. These included nutrient budgeting, use of nitrification inhibitors and greater use of stand-off pads, which reduces nitrogen runoff. Methane emissions were a difficult issue, but products such as the bloat drench Monensin were already showing some promise.

She admitted that there are huge challenges for agriculture to reduce carbon emissions, but noted a big increase in research investment to address the problem. This included a further \$25 million commitment to the Pastoral Greenhouse Gas Research Consortium, the \$700 million New Zealand Fast Forward research fund (see also editorial), \$40 million allocated for a "plan of action", \$22 million to speed up technology transfer to farms.

She said there is a need to capture and recognise innovation and greenhouse gas mitigation technologies. 

Commitment to a consolidated approach for velvet: let's put politics behind us

"Let's not have another Armageddon before we agree to work together as a velvet industry". That was the plea from Velconz Holdings Ltd Chairman, Ian Scott during a searching but recrimination-free discussion of the 2007-08 velvet season.

Velvet sales through PGG Wrightson for the season were 271.5 tonnes, agonisingly short of the 280 tonne threshold that, if passed, would have started to provide the capital base necessary to fund Velconz going forward.

Velconz Directors Tony Cochrane (Velvet Operations Manager PGG Wrightson), Conrad Wilkshire (General Manager Velvet PGG Wrightson) and Keith Neylon (DINZ Board) each presented to deer farmers.

There is a collective challenge to velvet producers to find a way to eventually raise the necessary capital to put a joint venture in place, but the model should be as inclusive as possible. They indicated that they were open to all options, including a much closer relationship with Veleco, who could have been consulted more closely during the difficult season. (Veleco representatives at the seminar declined the opportunity to comment.)

Tony Cochrane said the second half of the season was uncharted territory in an environment made tougher by the strong New Zealand dollar. The fixed contracts achieved had helped steer the season's velvet through to market safely, albeit at modest prices. He issued a special thanks to processor Tasman, for its work in supporting the negotiated supply contracts. Producers were also thanked for their patience.

Conrad Wilkshire said that while the desire for more producer control over how velvet is sold remains strong, the volumes of product were not there to support that goal. He said an industry-led solution needed the support of the majority of large producers if it is to get off the ground. He threw down the gauntlet to those producers with the biggest investment in production to parlay that commitment into marketing their product.

In the event that PGG Wrightson is able to secure early-season contracts, supporters will be rewarded with access to these, he suggested, and new supply contracts for both Korea and China would be pursued next season. He did warn, however, that while contracts were helping cement in

some stability, they were not a panacea. Some producers, he acknowledged, would rather stay outside supply contracts and catch possibly higher prices on a rising market. "Contracts are a tool for stability, but shouldn't be seen as a saviour for the industry," he said.

Conrad urged velvet producers to put the industry politics behind them and get an industry-led solution working. He said PGG Wrightson was still committed to helping producers participate past the farm gate. PGG Wrightson is committed to a consolidated approach.

Keith Neylon expressed some surprise and disappointment that the Southland Branch of NZDFA had been agitating for an enquiry into the velvet season very early in the piece. That process had not been constructive as Velconz sought to establish its identity. He thanked PGG Wrightson for their continued support and urged farmers to think hard about the preferred shape of their industry going forward.

Velconz Board member Stuart Natrass said the initial goal had been to capitalise Velconz through commodity flow, not cash, but this hadn't worked "We need capital and a strategy. This is your chance to consolidate your industry. If we don't we'll be back down to velvet at \$45 a kg." 📺



Conrad Wilkshire: threw down gauntlet to producers to show support.



Tony Cochrane: Fixed price contracts helped during a difficult season.



Keith Neylon: Surprised and disappointed by Southland Branch call for enquiry.

Hind Sales

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Fine venison dining at Welcome Function

They were preaching to the converted, but the offerings would have won over the most hardened venison sceptic. We are talking, of course, about the venison dishes served at the Alliance Group Welcome Function.

This sampling of new things to do with venison has become something of a tradition at recent deer industry conferences, and this year's creativity didn't disappoint. Five contrasting dishes in turn showed that healthy, tasty and tender dishes can be made from virtually any cut, and suitable for any theme.

For the record, and for the torment of those not lucky enough to be there, the dishes were:

Super-healthy dish by Marc Buissink, Fonterra

Venison carpaccio with baby greens, Kapiti goat feta, hazelnuts and shallot vinaigrette (sponsored by Ravensdown)

Specialty dish by Alan Dawkes, Ascot Park Hotel

Seared Denver leg, dusted in Sichuan pepper, Shiraz dressing, served with a Bluff oyster in Champagne butter (sponsored by Goldpine)

Youthful-style dish by Joanna Lowrey, Garvan Homestead

Venison burger: bagel with venison infused with five-spice, wild berry aioli salad greens (sponsored by Telford Rural Polytechnic)

Emerging Markets dish by Alan Dawkes, Ascot Park Hotel

Modern Indian braise; slow-cooked venison neck, tandoori style pilaf rice, riata (sponsored by Rabobank)

Southern-style dish by trainee chefs, Southern Institute of Technology and Glen Stridrión

Venison shank braised in curry spices with a swede relish (sponsored by Alliance Group).

As always, the dishes both surprised and delighted the guests, and punctuated an enjoyable evening to kick off the "Positive Action" conference.

The slow-cooked dishes made from the cheaper (neck, shank) cuts were a special hit at this writer's table, but the overall people's choice rating went to the super-healthy venison carpaccio dish by Marc Buissink, with strong rating also going to the Emerging Markets and Southern-style dishes. 📄



Chef Joanna Lowrey (foreground) getting the finishing touches ready for serving the burger-style 'Youthful' venison dish at the Welcome Function.



DINZ Formal General Meeting:

Positively deer

Big issues, globally and closer to home, are affecting the environment the New Zealand deer industry's products are placed into, but those attending the Deer Industry New Zealand (DINZ) Formal General Meeting in Invercargill last month heard some positive messages from the Executive. Highlights from the presentations follow:

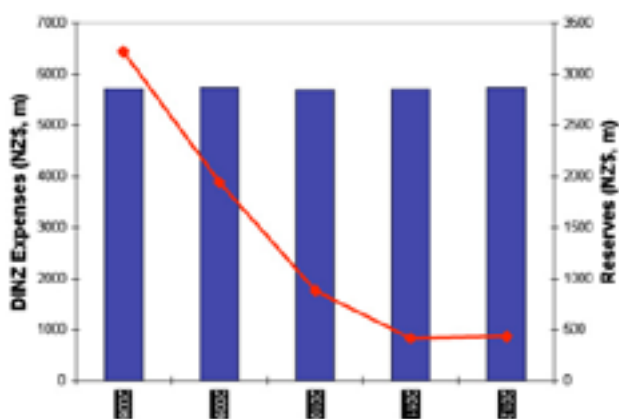
The deer industry is "seeing a fundamental shift in New Zealand agriculture due to changes in land use, intense pressure on supplementary feed prices and low returns from the sheep industries as we work our way through significant proposals like the 'Mega-Merger' concept, possible consolidations of red meat industry-good organisations and government-led initiatives like the Emissions Trading Scheme to deal with the highly political climate change debate," according to **DINZ**



DINZ Chairman, John Scurr delivers his report to the FGM.

Chairman John Scurr.

- *Venison: focus with differentiation* – Four years into the Five-Year Strategic Intent, John Scurr said the DINZ Board is using a competitive positioning strategy called 'Focus with Differentiation', tailored to speciality products, particularly at the high-priced end. 'New Zealand Venison for every special occasion', highlights that the meat has a unique place in the red meat consumer market as a speciality, high-quality item.
- *Board reserves drawn down on* – More capital stock is being slaughtered, spurred on by higher schedule prices and the effects of drought. Production predictions show a production level of between 400-500,000 animals for the 2008-09 season. Board reserves, built up during the high production period of 2004-06, will now start to be spent progressively to maintain market position (see graph).



DINZ announced the start of the bite into industry reserves built up during the high production period of 2004-2006.

- *Velvet: sales system must be agreed* – Difficult conditions and price volatility of the past decade have affected velvet. John Scurr urged the industry to agree upon a position for the marketing of New Zealand deer velvet.
- *Positive progress for velvet* – in key velvet markets with the recent signing of the China Free Trade Agreement, Korea having at last allowed sales of velvet as a food category and liaison with Taiwanese authorities.

- *Emissions Trading Scheme (ETS)* – government figures showing that significant negative impacts on profits from deer farming between 30-200 percent depending on the price of carbon, are a cause of great concern for DINZ (see separate articles on ETS in conference report, page 7 and Industry News section, page 34).

Deer industry good investment

DINZ CEO, Mark O'Connor was positive the deer industry in 2008 is a good investment for the future.

- *World's population forecast to grow by 50 percent, or 3 billion, over the next 40 years.* This presents potential for food producers, but that potential is impeded by decreases in available arable land, scarcity of water and competition from biofuels.
- The real price of food has increased by 20 percent since June 2006.
- *More meat is being consumed globally* – especially as developing countries become wealthier. The Chinese now eat 50 percent more meat than in 1995 and South Korea 25 percent more.
- *Industry snapshot* – while venison exports dropped by 19 percent at the year ending February 2008, as production came back from historic highs, venison returns decreased by only seven percent, indicative of strengthening returns. Weighted average pool prices for velvet were down 21 percent but in line with the 10-year average of weighted prices at \$75. Price volatility continues to make velvet particularly challenging.
- DINZ commissioned a comparison of 31 farming options on land which suits deer. The report examined gross margins on a cents/kg dry matter consumed basis. Deer farming options took two of the top three spots. Deer breeding operations are on average 50 percent above other breeding options. The report noted that gross margins from venison finishing are 65 percent ahead of heifer grazing, but slightly behind dairy cow grazing. However, Mark O'Connor noted, working for a dairy farmer would bring its own challenges.

Challenge for venison: extract more from market

The challenge for the venison industry is to extract more from the market to ensure venison production is an attractive investment option, while ensuring price does not lead to buyer resistance and a fall in prices, **Venison Marketing Services Manager, Innes Moffat** said.

He reported on the detail of the **venison promotion programme:**

- *More opportunities are available this time round* – There are some similarities to the 2001 season of high wholesale prices. However, work since then in the marketplace has ensured the industry is now much less reliant on the German game restaurant sector.

More chilled venison is being exported so is less likely to be traded around, and venison is sold 12 months of the year in some markets. The European trade is more familiar with the quality and traceability of New Zealand venison. Overall demand has been increased, which means more can be sold at a higher price.

- *Programme continues to work to three core targets* – reduce reliance on the traditional game restaurant sector; lengthen the consumption period; and increase New Zealand country-of-origin identification.
- *Retail sales continue strongly* – with branded New Zealand venison offered for sale across some of the largest retailers and public cash-and-carry stores in Europe supported by a set of cost-effective promotional tools. These include:
 - a new range of promotional material
 - New Zealand venison promoted where it is sold
 - in-store tastings
 - TV and radio consumer awareness advertising, promoting the healthy nutrition of New Zealand venison. One five-minute television feature was placed on 23 commercial stations and a five-minute radio broadcast, listened to by 2.5 million consumers and costing €5,000, ran on 25 German radio stations.
 - nutrition material promoting the low fat, high iron message was produced together with well known German author and nutritionist Dr Nicolai Worm
 - Graham Brown taught chefs new ways of cooking venison.
- *Increasing quantities of chilled venison*, sold at a higher price than frozen, were being exported to Europe and helping to extend outside the traditional sales period.
- *Activity in non-traditional markets* is helping to diversify the European mix.
- Highlighting the quality of farmed New Zealand venison, to differentiate it from wild game, is another initiative.
- *Five manufacturing companies are now using New Zealand origin labelling on their venison* – ready-to-cook cuts appeared at retail in the Netherlands. Work with leading German importer, retailer and foodservice distributor, Citti, saw the New Zealand venison logo on the cover of the store magazine. The retailer also conducted tastings at five of its stores and sold out of venison.
- *Third year of US Cervena® campaign* – DINZ's commitment to directly fund promotion of New Zealand venison in North America using Cervena, now has five marketing companies licensed to use Cervena, with a shared promotion strategy. (See page 32).
- *New Zealand focus on restaurant sector* – work has concentrated on improving the restaurant sector's usage of venison and informing the public that venison is more available at retail.

Market diversification key to economic sustainability for velvet

Newly appointed **Velvet Marketing Services Manager, Rhys Griffiths** said market diversification is key to achieve economic sustainability for the velvet industry. Highlights of his report-back on the three strands in the strategic intent

POINTS FOR SALE
Newsletter der Deer Industry New Zealand 1|08

Kraftvolle Impulse vom Land der grünen Weiden

Hirschfleisch aus Neuseeland kann zum Renner Ihres Fleischsortiments werden. Warum? Weil es viele der Trends bedient, die in der aktuellen Studie „Food Styles“ der Zukunftsinstitut GmbH von Matthias Horx beschrieben werden. Ganz wichtig dabei ist „Selfness“: der Wunsch nach einer Ernährung, die dem körperlichen und seelischen Wohlbefinden dient. Auch deshalb möchten die Verbraucher Exotik mit Familie und Freunden zelebrieren – als sinnliches Gegengewicht zum Arbeitstakt.

Neuseeland ist das Hirschparadies:

- Fruchtbarere Böden vulkanischen Ursprungs und mildes Klima: üppiger Gras- / Kräuterwuchs, natürliche Fütterung
- Weite Naturlandschaften, saubere Luft und Gewässer: artgerechte Tierhaltung auf weitläufigen Weidestrecken
- Engagierte und verantwortungsbewusste Farmer: natürliche, beste Lebensbedingungen, 100tägiger Verzehr auf Hormone oder andere Wachstumsförderer
- Innovative Verarbeitungsbetriebe: Zerlegung und Verarbeitung erfolgen unter strengsten hygienischen Bedingungen; vakuumverpackte, küchenfertige Zuschnitte (Fortsetzung s. Seite 2)

Kampagne „impress your guests.“

Mit Hirschfleisch aus Neuseeland zaubert jede Gastgeberin/jeder Gastgeber ohne viel Aufwand ein Essen, das den Gästen garantiert ein „Jaime! ooh! vorzüglich!“ entlockt. So läuft die Werbe- und Verkaufsförderungskampagne, mit der die Deer Industry New Zealand Ihren Verkauf unterstützt, unter dem Slogan: impress your guests. Sie bietet ansprechende Werbemittel, Verkaufsgabstatten und Beispielmens. Sie macht Ihre Kunden neugierig auf Hirschfleisch aus Neuseeland und zeigt, wie Gäste mit unterschiedlichen und geschmackvoll servierten Gerichten überrascht werden können. Eine Win-win-Situation: für Ihr Geschäft, Ihre Kunden und deren Gäste.

Neuseeland Hirsch
neuseelandhirsch.de

Überreicht von:

Mitmachen und gewinnen!
Sparen Sie Hirschfleisch aus Neuseeland in Saose und gewinnen Sie ein Feinschmecker-Gutschein im Wert von 200 Euro! Details auf Seite 4.

Fit für die Zukunft
Ist Ihre Fleischtheke fit für die Zukunft? Hirschfleisch aus Neuseeland gehört unbedingt dazu, denn es liegt im Megatrend „Selfness“. Dieser erste Newsletter stellt Ihnen, was dieser Begriff bedeutet und gibt weitere wichtige Informationen. Zum Beispiel, warum Hirschfleisch aus Neuseeland Ihren Umsatz ankurbelt; was Ihre Kunden wissen sollten und warum es sie an Ihr Geschäft bindet. Sind welche Unterstützung Sie erhalten.
Viel Spaß beim Lesen und gute Umsätze wünscht
Deer Industry New Zealand

Part of the new venison promotional material. This new German retailers' newsletter will be personalised with distributors' logos for some importers. It is just part of the range of promotional material available for importers of New Zealand venison in Europe. DINZ supplied 120,000 recipe brochures, 5,000 chiller bags and 3,000 cutting tips charts in the past year. In addition, 80 days of in-store tastings were conducted.

for velvet – traditional product forms of whole stick or sliced velvet into Asia, the traditional market of Asia with its new product or further processed forms, and the new market and new product forms sold within the health, sports and pet supplement markets – included:

- *Two case-studies showing innovative companies* doing well within the traditional market – Omniherb and BOGO (see page 33). Both concentrate on quality control where New Zealand velvet scores highly against Russian and Chinese product.
- *‘Velvet as a healthy food’* is a relatively small-scale campaign to position New Zealand velvet as a special food ingredient. Successful promotions have been held at the Millennium Seoul Hilton in the last three Decembers and have since been backed up with work from exporters, aimed at the added-value market.
- *New opportunities opening up in traditional markets* – the China FTA means the velvet tariff will reduce from 20 percent by 4 percent, when the FTA is expected to come into effect in October, and then another 4 percent a year to 2012. Work continues on lobbying against the five-tonne limit on New Zealand velvet exports to Taiwan.
- *New markets being developed* – specifically Western markets promoting velvet as a sports supplement. The ‘Powered by velvet.org.nz’ team of athletes is also proving to be a promotional force for the product (see page 34).
- *The companion animal market presents opportunity* – especially in China and Hong Kong where disposable incomes are growing alongside the numbers of pets being kept and where consumers are educated in the benefits of deer velvet for humans.

Maintaining quality is vital

DINZ Quality Manager **John, Tacon** gave a warning on changes for velvet removal and implications for animal welfare and also on reported bruising and hide damage during transport.

- *Concerning number of velvetters not reaching standard* – velvet audits have been reduced to 10 percent from 20 percent of velvetters yet a number were still not

reaching the standard – a matter for concern. John stressed the importance of adhering to guidelines for velvetters to ensure the integrity of velvet removal in New Zealand.

- *Warning on welfare issues from a MAF perspective* – particularly relating to the new agreed length of antler (now 110mm measured from the centre of the skull, between the pedicles), damaged antlers, velvet removal and concerns about compliance with NVSB.
- *Damage to carcass and hides* – Improved transport standards had been instrumental in reducing down-graded carcasses and hides to just 2.5 percent, which was a huge saving to the industry. Recently, reports suggest a marked increase in bruising and hide damage at the transport stage. John reminded farmers to question their transporters to ensure standards are maintained.
- *Feedback called for on proposed new velvet ID tags* – These are supported by the National Velvetting Standards Body (NVSB) Committee and should simplify and reduce costs for recording.

Sound scientific knowledge to underpin products

Underpinning much of the above is the necessity for sound, scientific knowledge and evidence to support further developments and gains for the industry, **Science Manager, Lindsay Fung** told the conference.


- *DEER research successful in securing over \$1.3 million a year* – from the Foundation of Science, Research & Technology (FRST) for the next six years for the Venison Market Supply Systems research programme. Landcorp funding is also included and it is possible that Sustainable Farming Fund money for projects related to the programme will be secured. The three main areas of research are venison market supply systems, enhanced on-farm productivity and environmentally responsible systems.
- *DEER research allocated additional funding for venison quality and processing R&D*, not funded by FRST. These funds must be matched by funds from other sources, such as processing or exporting companies and results must be fed back for industry good.
- *A small amount of DEER research funds retained for discretionary use* – this year an AgResearch/DEER research/NZDFA/SFF project to improve parasite diagnostic tool faecal egg counts is being supported.
- *Funds are also invested directly in:*
 - *Pastoral Greenhouse Gas Research Consortium* and additional work looking at deer-specific methane emissions in relation to age of deer and type of feed.
 - *Johne's disease* costs the industry \$16M – \$33M a year and is therefore another big research spend area.
 - *Breeding values* – research funded by FRST partnered with some of the industry stud breeders, resulted in the development of *DeerSelect* which enables farmers to choose what sort of trait to include in the herd.
 - *Parasites* – research into deer parasites features prominently for the six years of the venison supply systems programme to 2014.
- *Challenges ahead for VARNZ* – the AgResearch velvet programme was unable to obtain FRST funding to continue research, and alternative funding opportunities are being explored to retain those services. However, highlights include:
 - *Significant progress in the wound-healing project* - in

vivo animal trials were completed last September and showed good results in wound healing quality but also encouraging results in the rate of wound healing. A number of pharmaceutical companies have been contacted recently with the results and will be followed up.

- *NaturO™ rings* – two independent studies by Massey and Lincoln Universities showed that the rings produced a good level of analgesia, which is comparable to that of lignocaine. The results will be presented to the National Animal Welfare Advisory Committee (NAWAC) on 30 June 2008.
- *Companion animal supplement* – A small study has been approved to see if velvet as a supplement for dogs enhances their general immune system. Work will commence in July, with results expected in September this year.
- *Isotopic signatures* – stage one of the work that it is hoped will give New Zealand velvet a unique 'fingerprint' and avoid counterfeit product being presented in market, has shown clear differences between three New Zealand sites and a Chinese velvet sample. Stage two will look at additional New Zealand sites and Russian and Korean samples.

Focus Farm programme, Productivity Strategy pick up pace

Producer Manager, Tony Pearce reported on an expanded Focus Farm programme and explained how this links in with other strategies to improve performance throughout the production chain from farm to market.

- *The Deer Industry Focus Farm programme* is now well supported, with DINZ funding \$30,000 per farm (four farms) per year and \$66,000 through AgResearch's FRST contract. There is also other local sponsorship that continues to develop and contributions in terms of staff time and expertise.
- There is good linkage between the *Productivity Strategy*, the five year Venison Strategic Intent, and the latest FRST funding round for industry research.
- From the DINZ perspective, the *Productivity Strategy* will help the flexibility of production and lift carcass weights, while for farmers it will help improve profitability, earning more per hectare from fewer, superior animals and farmed and managed to meet the differentiated venison programme and higher returns.
- Target areas for improvement include calving performance, lactation and autumn growth, genetic improvement and improved integration of livestock and utilisation of resources.
- The Focus Farm programme has been expanded with the four new properties established at Rotorua (Dave Dewars), central Hawke's Bay (The Steyning, Tim Aitken and Lucy Robertshawe), North Canterbury (Mendip Hills, Simon Lee, manager) and South Canterbury (Whiterock Station, Ross and Sally Stevens, managers).
- The programme has extra depth added to it through regional satellite farm visits, looking at specific aspects such as drought management and riparian work. 

The DINZ FGM presentations are all available on DVD or at www.deernz.org/FGM2008 or on request from Natalie Fraser: natalie.fraser@deernz.org tel 04-471 6110.

Fragmentation could undermine progress: Henry

With the supply of venison down by 37 percent in three years, the deer industry must be careful not to undermine all of its own hard market development work, said Alliance Group General Manager Marketing, Alan Henry, during the DINZ Formal General Meeting.

He said that while the supply profile had changed, with the European market extended out as far as Easter, there was a limit to how far we could persuade consumers to eat venison when it suits suppliers. The fact remained that the period of peak demand was out of sync with New Zealand's period of peak grass growth.

European distributors were getting stronger and more aggressive and starting to expand outside Europe, he noted.

And while the food inflation affecting pork and poultry was being driven by the costs of grain, current high prices for venison were directly related to supply, he said. Another factor was the reduced supply of beef from South America into Europe, pushing up prices for other proteins.

Supply dynamics aside, there was an opportunity for grass-fed meats to now compete more effectively with grain-fed. This would take a coordinated approach, however. With too much fragmentation among exporters, there would be a loss of control.

Alan Henry said Alliance Group was putting plenty of effort into promoting its Ashley and Gold Class venison brands, which are being revitalised with a strong New Zealand flavour. 📺



PPCS General Manager Marketing, Glenn Tyrrell (left) and Alliance Group General Manager Marketing, Alan Henry, field questions from the floor during the DINZ Formal General Meeting.

Don't waver from quality commitment

Don't be tempted by higher venison prices and a lack of pressure on killing space to waver from your commitment to quality. That was the brief but pointed message to venison producers from **Alliance Group CEO, Grant Cuff**, at the Deer Industry Awards dinner. Alliance Group was the conference's major Industry Partner for 2008 and sponsored venison for both the Awards dinner main course venison, and the Welcome Function's 5 entrée course, Venison Delight. The excellent quality of both events served to underscore the message. 📺

Supply test to come this spring

Intense competition among customers to secure supplies of New Zealand venison could limit opportunities for added-value processing, according to Glenn Tyrrell, General Manager Marketing at PPCS.

Speaking during the DINZ Formal General Meeting, Glenn said the real test would come in September/October as production stepped up to meet demand for traditional markets. He noted that the co-op's chilled processing had increased from 2,500 tonnes to 5,000 tonnes per annum from 2003-2008. Frozen volumes were predicted to fall from 25,000 tonnes in 2005 to 12,000 tonnes in 2009, he said.

PPCS was still investing strongly in its venison markets. Starting at the processing end of the chain, \$15 million had been invested in venison facilities over the last five years, with \$1.5 million spent on promotion during the same period. He noted that PPCS had continued to purchase its own stands at the SIAL and ANUGA food fairs, another channel for venison promotion.

Glenn warned against trying to step too far outside traditional selling seasons in Europe. "We did a summer promotion in Germany – everyone loved the product but no-one bought it! We need to promote from within the traditional season and expand from there."

One strategy would be to sell smaller portions to a greater number of people at higher per-kg prices. During question time, Fiordland deer farmer Chris Petersen wondered aloud if this strategy could flow through to higher prices for smaller animals.

Introducing the Silver Fern Farms brand (see *Deer Industry News* April 2008), Glenn said the "proud, progressive partnership" brand value was backed by strong awareness of quality, sustainability, animal welfare, innovation and traceability. 📺

Tb eradication preferred option for AHB

Bovine Tb is on the way down and the Animal Health Board (AHB) wants to obliterate it completely.

The Board is weighing in strongly behind a change to the National Pest Management Strategy that would target total eradication of bovine tuberculosis. This is the fourth of four scenarios explored by the AHB in a discussion paper (see *Deer Industry News* February 2008, p27).

Speaking to deer farmers just prior to the NZDFA's annual general meeting, AHB Chief Executive William McCook said that although the eradication option is the most ambitious, it also offered the greatest reward – being able to suspend bovine Tb control with a 25-year timeline target.

Of the four options canvassed (do nothing; *ad hoc* control; containment; eradication), only containment or eradication were feasible, he said. "Do nothing" would never happen, because even if a national vector control programme ceased, there would still be activity at regional council and farm level. "*Ad hoc* control" would be the more likely scenario if there was no national strategy, and current experience in the UK showed this to be a disaster. In that country, "they are spending large amounts and still going backwards," William McCook said.


That left containment or eradication as the only feasible options. Under containment (basically a continuation of the current policy), infected vectors would be rolled back to natural boundaries and then contained there with ongoing control work. While this would be a reasonable outcome for farmers and for trade, there would be an indefinite need to maintain these lines of defence through ongoing vector control and Tb testing – perhaps a cost of \$50 million a year in today's dollars and ongoing for generations.

Under the more aggressive eradication strategy, possum populations would be reduced to densities so low that Tb could no longer be maintained. Once the disease died out in wildlife vectors, it would soon die out in livestock.

William said that so far about \$1.26 billion had been spent on Tb control under the current NPMS since 1999, and this would be about half of the total required under a reviewed strategy to effect total eradication of the disease from possums and livestock.

Eradication could initially cost more than is presently being spent – about an extra \$14 million a year dedicated to vector control. However, the long-term benefit (being able to cease Tb control expenditure) would more than repay the investment. The cost benefit analysis for this option stacked up, he said. Under this scenario, eradication would be completed by 2035.

A discussion document outlining the four options – do nothing; *ad hoc* control; containment; eradication – has been circulated to AHB member organisations and the Crown. William said feedback had been positive for the eradication option, but that MAF and Dairy New Zealand were still forming a view.

The strategy review must be presented to the Minister by next year, and would cover the period 2010 – 2030. 




William McCook:
AHB favours
total eradication
strategy for
bovine Tb

Numbers heading the right way

AHB Chief Executive William McCook had encouraging news for deer farmers from the frontlines of the battle against Tb.

By April there were just 16 infected deer herds nationwide, 15 of these in the South Island. All are in vector risk areas. William said the period prevalence figure for deer, 0.75%, is still higher than that for cattle but is trending down (it was 0.89% last June).

"I must congratulate deer farmers for their tremendous efforts in helping reduce the herd infection rates for Tb," he said. "We are now well inside the targets we set when the current National Pest Management Strategy was drawn up."

The trends are also in the right direction for cattle. As at April 2008 only 104 out of 71,510 cattle herds were infected, an overall period prevalence of just 0.31%. That is not much above the target 0.2% figure, and in fact for the North Island's cattle herds, with a period prevalence of 0.12%, the target is already reached. 

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Jonathan Christian:
Phone: 03 738 0224
deerfarm@gloriavale.co.nz

Mike Dempsey:
Phone: 027 351 0879
demp@farmside.co.nz

NZDFA 2008, 33rd Annual General Meeting

Debate at the 2008 AGM was reasonably tame compared with previous years. Only one remit – on the emissions trading scheme – raised temperatures above mild. The Waikato Branch, in what has almost become a tradition, took another Quixotic tilt at the Selection and Appointments Panel system for appointment of producer representatives to the DINZ Board. Although heavily defeated, their remit nonetheless prompted useful discussion.

Chairman's report

In the interests of economy, the report of the Executive Committee Chairman, Bill Taylor, was not printed in full in the 2007-08 Annual Report, and Bill also presented a summary version to the meeting (the full report is available on www.deernz.org/dfareport)

These were the main points from the Chairman's presentation:

- Drought and rising costs of production have made conditions difficult for deer farmers.
- Current high schedule prices have helped, but there is a real danger that killing of capital stock will lead to an undersupply of weaners for 2009.
- The velvet season was disappointing at best. If producers do not support the Velconz model, there is a danger the opportunity will be lost.
- The October Branch Chairmen's meeting was supplemented by three regional meetings which increased participation.
- The new emailed newsletter *Stagline-online* is one way services to members have been improved.
- Constitutional changes to be voted on will ensure representation for all active deer farmers.
- Membership has continued to fall; it is now 1903 compared with last season's 2088, reflecting the drop in farmer numbers.
- With prudent management, the NZDFA has returned a small surplus of \$2,300. Subscriptions and expenditure are budgeted to remain at the same levels. (Membership



Executive Committee chairman Bill Taylor presents his report to the AGM.


budgeted at 1950, based on increased interest stemming from focus farms.)

- Submissions have been made on behalf of members to NAWAC, Emissions Trading Bill select committee, Game Status Review Panel, submissions to two regional councils opposing their plans to include deer as wild animals in regional plans, support for feral recovery with stringent safety guidelines, and submissions on biosecurity risk assessment and response with a request for stronger border control rather than more spent on responses.
- NZDFA continued to support the Johnes' Research Group (JRG) through a \$10,000 grant for the epidemiology project. Support for Johnes' Management Ltd (JML) and JRG continues. Development of Johnes' disease tests and JML are major for this industry.
- Thanks were extended to Errol Croad for his work on the AHB members' committee, of which he is now Chairman.
- NZDFA is working with DINZ on regional focus farm projects, with central focus farms and the potential to highlight other farms or management within a broad area. Otago and Southland focus farms have nearly completed their terms, and Bill Taylor called for a further two focus farms to be established for the lower South Island.
- Noel Beatson was thanked for his continued participation on the DEERResearch Board. Annual funding for 5 years of \$0.5M from deer farmers (including \$100k from Landcorp) and \$1.3M from FRST will help secure the research programme, and the focus farms will play a crucial role in transferring the technology to deer farmers.
- Big challenges ahead matching supply and demand and ensuring selling systems provide sustainable returns to farmers.
- Bill acknowledged and thanked retiring Executive Committee members Mark Hawkins (two years on committee) and Tim Aitken (four years). Bill also gave special thanks to Tim for his careful stewardship of the DFA's finances, and to Producer Manager Tony Pearce for

NZDFA announces new appointment to Cervena® Trust Limited

The NZDFA Executive Committee recently announced the appointment of South Canterbury Deer farmer, Mark Hawkins as its representative on the Cervena Trust.

Mark Hawkins is a past member of the NZDFA Executive Committee and, with his wife Anna, farms at Pleasant Point. He is a past President of the UK Deer Farmers' Association, and with a background in exporting and international trade, Mark will bring an exciting range of skills to the position.

Hawkins replaces long-serving director James Guild who, in the words of Executive Committee Chairman Bill Taylor, has been a "tireless worker and a passionate advocate of Cervena" (see separate article about James Guild's contribution on page 32). 



Mark Hawkins.

his unending enthusiasm and support. Bill was pleased to note that the call by previous Chairmen for staff support for Tony has been answered, and thanked Natalie Fraser for her excellent work.

Jermy calls for positive industry PR

In seconding the adoption of the Chairman's report, Clive Jermy congratulated the NZDFA for restricting the drop in membership as much as it had, considering the impact of market conditions, drought and competing land uses. "They continue to give value through their political representation. I also applaud the association's leadership regarding John's disease."

On the subject of competing land use, Clive said the changing face of agriculture is having a profound effect on all farmers. He called for good information to be gathered on the impact of land-use changes and to disseminate it to the people who need hard data to shape their business activity – such as exporters. "We then need to identify how we can compete. This is a core function of DFA and DINZ. Other organisations do this – so should we."

Clive also called for an initiative to promote deer farming generically as a viable land-use option. "We do need to slow the exodus. We are profitable, competitive and innovative. The deer fencing is still up there and the people are there too. The timing to do this is right and the resources are there."

NZDFA Financial Motions

1. Budget 2008/09

"That the NZDFA Budget of Expenditure for the year ending 31st March 2009 be approved."

Aitken/Hawkins

CARRIED

2. Remuneration of Elected Officers

"That the Executive Committee honoraria for the 2008/09 financial year be set be fixed at \$9000 for the elected Chairman, and \$6000 for each other Executive Committee member."

Aitken/Hawkins

CARRIED

3. Appointment of Auditors

"That Deloitte be appointed as NZDFA auditors for the ensuing year 2008/09."

Noted the audit fee for 2008/09 is quoted at \$2,400 – the same as for the previous year.

Aitken/Taylor

CARRIED


NZDFA Constitutional Remits

A number of remits were required to tidy up the constitution and Branch constitutions following the lapse of the DFA Commodity Levy. These will be published in full in the minutes of the AGM. In summary, the motions passed:

- Deal with some redundant definitions relating to the lapsed levy order. The references to the former NZDFA Commodity Levy are changed to refer to the DINZ levy.
- NZDFA is given the mandate to represent all deer farmers who pay a DINZ levy – not just those who pay a voluntary NZDFA subscription (formerly a "levy-paying member")

NVSB position on draft remits concerning NVSB process

This article, drafted by NVSB manager John Tacon and agreed by NVSB on 16 April, was written in response to NZDFA branch remits 1 and 3 (see page 18). Both remits were withdrawn, but had extensive and ongoing recognition from the NVSB.

- The National Velveting Standards Body (NVSB) is a formal partnership between New Zealand deer farmers and veterinarians. It is important to recognise that veterinarians assume a significant professional liability by entering into contracts with farmers to allow them to perform this surgical procedure and they must be satisfied that farmers are meeting their obligations consistently and in full. This is the primary basis of the veterinarian-farmer contract administered jointly through the NVSB.
- DINZ is not in a position to undertake reviews as requested. DINZ provides management and administrative support to the NVSB, which is an autonomous organisation. If NVSB wished to retain the services of a provider other than DINZ it could do so, and still be represented by the NZDFA and NZVA Deer Branch stakeholders answerable to the relevant constituent bodies (including DINZ).
- MAF animal welfare statistics, and their ongoing concern with velvet removal, indicate that there is significant work to be done in terms of continual improvement.
- The MAF Animal Welfare Group has indicated that velvet removal will be one of the two key welfare issues on which they focus this year (the other is bobby calves), and now is not the time to look to relax clear commitments and responsibilities from farmers.
- There are still some NVSB-enrolled farmers who have failed audits and a number have minor or major faults during audits.
- The latest court case (see report on page 23) shows the need for continued compliance with the NVSB and support of the programme.
- Costs of the NVSB are reviewed every year. The largest costs are:
 - Audits: the proportion of audits has been reduced from 20% to 10%. This has resulted in savings of \$60,000.
 - Tags: the DINZ executive seek a number of quotes for tags and changed tag suppliers this year for cost savings of \$30,000.
 - Research: the industry requires continued investment in welfare research to ensure best practice standards are met. Commitment to removal and residues issues over the past 5 years has required investment in excess of \$1M, all structured to provide continuation for the velvet industry, and an assured role of accredited farmers within that, to satisfy the highest level of public and administrative scrutiny.
- The NVSB is not bureaucratic. The staff at DINZ, as administrators of the NVSB, go to great lengths to assist farmers and vets in the programme.
- The NVSB has a formal policy of annually reviewing audit, operations and procedures. Suggestions for streamlining and operational efficiency are welcomed and will be considered as part of this formal review. These are implemented where possible, provided that the integrity and balance of the NVSB programme is not compromised. 

was someone who paid the NZDFA Commodity Levy – that definition now shifts to include all those who pay a DINZ levy).

- The right to either nominate someone for DFA office (Executive Committee or SAP) or be nominated for office is restricted to full financial members of NZDFA (voluntary subscribers). A nominee who is not a financial NZDFA member must become a member if they want to stand for office. (Note: all levy payers may vote, whether or not they are financial members of NZDFA.) The motion supporting this change was carried with the dissent of Mike McCormick (Hawke’s Bay) who felt non-financial members should also be prevented from voting.
- References to levy payers forming a Branch were removed.
- A new Branch constitution was adopted so that they can register with IRD and Incorporated Societies and the Charities Commission for tax exempt/non-profit status.
- Branch membership is confined to financial members of the national association who pay the capitation fees at the formal level (local AGMs etc), but Branches will continue to welcome all deer farmers to events, activities and it is not intended to turn local deer farming events like field days into an exclusive club (i.e., business as usual).
- There will be a standardised Branch membership application form.
- Branch AGM notification period was reduced from 42 to 21 days.
- Restrictions on Branch committee size are removed, and committee quorums adjusted to be half the committee, with a minimum of five for smaller branches.
- Branch membership notification is simplified in recognition of the service provided by DINZ.
- A new membership category of Branch Life Member was created to allow Branches to recognise “local heroes”. This formalises a growing and deserving practice.

NZDFA Branch Remits

1. NVSB processes (South Canterbury/North Otago)

“The South Canterbury-North Otago Branch requests that DINZ undertakes, within the next two months, an independent review of the NVSB’s velveting [sic] regulations.”

Following discussion at the previous day’s Branch Chairmen’s meeting, this remit was WITHDRAWN. The Branch was satisfied that their concerns about clarity and simplicity in the regulations had been referred on to NVSB and they had received a response and a commitment to further review the issues raised. (See NVSB response on previous page.)

2. Standardising hard antler scoring at competitions (South Canterbury/North Otago)

“That the NZDFA standardise the measurements recorded in NZDFA competitions under the modified SCI hard antler scoring systems so that all local and national NZDFA events score and record the same series of dimensions to bring consistency to the result and public recording of hard antler scores.”

Acland/Gilbert

In discussion from the floor, James Guild raised the issue of use of SCI scores on live animals, which is technically incorrect. He noted that in both competitions and in advertising of live animals, it was not correct to use SCI score as the animal was not shot. An amendment to include reference to this was withdrawn when it was revealed an informal group was meeting to investigate the

issue, and it was noted that the NZDFA had no mandate to set rules about scoring antlers on live animals. The original motion was put and CARRIED.

3. NVSB: reduction in requirement for supervisory visits (Tongariro)

“We propose that after 2 years of certification, a supervising vet visit every second year is sufficient, on approval of the supervisory veterinarian, based on their satisfaction of client performance, experience and standards.”

This draft remit attracted considerable discussion at the previous day’s Branch Chairmen’s meeting. In that forum there was concern that such a move could undermine the integrity of the current system and threaten to alienate the veterinarians whose support is needed to make the velveting accreditation scheme work. It was also noted that routine audits reveal shortcomings, even amongst people who have been velveting under supervision for more than 20 years. On the animal welfare front, it was noted at the Branch Chairmen’s meeting that MAF is taking a closer look at deer velveting, and now is not the time to consider diluting the system.

Given that previous discussion, and that the NVSB is to publish a response on the issue, the Tongariro Branch agreed to WITHDRAW the remit. (See NVSB response on previous page.)

4. Emissions trading scheme: carbon credits and government policy (Southland)

“That the NZDFA continue to use every reasonable resource available to reverse current government policy on animal emissions within Climate Change and the Emissions Trading Scheme (Emissions Trading and Renewable Preference Bill).”

Allan/Russell

This remit prompted some lively discussion, with two camps emerging. There were the pragmatic moderates (including Executive Committee member-elect, Ed Noonan, and current EC member, Sharon Love) who accept the policy is here to stay, but must be moderated to minimise the impact on farmers. Then there was the “totally agin it” camp. Andrew Peters (Taihape) spoke for many when he described any attempt to moderate the remit as “waffly PC nonsense”. Expressing industry views should be like street fighting, he said. “The first hit has to count.” Tom Williams, Wairarapa (“[the emissions trading scheme] is the biggest rort since World War two”), Tim Aitken, Hawke’s Bay (“kick it out and kick it hard”) and Chris Hughes, Te Anau (“we should be even blunter”) took a similar hard line.

Ed Noonan wanted a more pragmatic approach, proposing an amendment to replace the words “reverse current government policy” with “moderate government policy and ensure outcomes are science based and economically viable”. He was supported by Sharon Love who urged farmers to take a balanced approach and not simply turn their backs on the scheme. She said the next generation was keen to see the environment fixed and farmers needed to acknowledge and engage with that process.

The moderates, however, were vastly outnumbered. Ed Noonan’s amendment was defeated and the original motion was CARRIED.

5. Direct elections for DINZ Board (Waikato)

“That Direct Elections replace the SAP process for selecting farmer representatives to the DINZ Board.”

Borland/Dixon

An identical remit from this Branch was thrown out in 2007, when it was lost 40/89 on a card vote. Undaunted, the Branch submitted it again this year. Branch Chairmen had shown little



Some familiar faces in the audience at the 2008 NZDFA Annual General Meeting.

interest in the direct elections proposal at their meeting the day before. At that meeting, Earle Wells (Coastal Bay of Plenty) said that the SAP can ask far more searching and pertinent questions of a candidate than is possible within the forum of a general meeting. Farmers at the AGM also showed little sympathy for the Waikato view that the current appointments process was characterised by “back room whispering” and unnecessary expense. James Guild – who had been both elected to and removed from the former Game Industry Board by an electoral college – strongly supported the current system. He said the SAP system gives a fair chance to strong candidates who don’t necessarily have the high profile to garner popular support through a direct election. Although the Waikato sponsors of the remit could see the writing on the wall, meeting process meant that they had left it too late to withdraw. It was LOST on a voice vote, with the mover and seconder the only voices in support.

6. Lower tyne removal (Canterbury)

“That in the absence of an accepted velvet marketing restructuring, the NZDFA request DINZ to ensure that NZFSA (New Zealand Food Safety Authority) requires removal [of] lower tynes from velvet antler (frozen or dried) destined for the Korean market, in accordance with Overseas Market Access Requirements (OMAR). The NZDFA requests DINZ to report conclusions and progress by beginning of 2008/09 selling season.”

This remit was carried over into general business. It had been left on the table from 2006 and 2007. Ed Noonan (Canterbury) had been invited to discuss the issue with the Velvet Processors Association in early May. At that meeting the VPA asked DINZ to look at the market implications and issues surrounding the proposal and report back. Noonan was satisfied that progress had been made, and the remit was not put forward as a motion and remains live on the table.

7. NAIT and tag suitability (Otago)

“That the NZDFA request DINZ to support further research and evaluation of RFID technology (including ultra high frequency systems) to allow a recommendation to industry of the most accurate, functional and cost effective RFID systems that will meet deer management and future NAIT deer traceability requirements.”

Cochrane/Fuehrer

Tony Pearce reported that a limited early evaluation with ultra high-frequency tags had been very promising. Early problems with interference from moisture and steelwork seemed to have been overcome with the latest generation of chips and antennae

for HF and UHF tags/readers. The tags could be around \$1 each – cheaper than the low-frequency tags proposed under NAIT. Low-frequency tags were also not entirely suitable to the movement of deer, but with an agreement from NAIT were also to undergo further evaluation as well.

The motion was CARRIED

8. NAIT database (Waipa)

“That the NZDFA encourage the Animal Health Board to take control of the NAIT database.”

Chick/Wellington

Animal Health Board Chief Executive William McCook was invited to comment on this remit, and confirmed the Board’s willingness to take on the challenge. He read the following statement to the meeting:

“In 2006 the AHB identified to NAIT the reasons for AHB involvement in NAIT and these reasons were:

- maintaining the integrity of the Tb strategy and strengthening the link to market assurance activities
- leveraging off the investment made by farmers in the disease management component of the Tb strategy and reducing the cost of setting up or operating NAIT
- the possibility that AHB members might determine that AHB should be involved in NAIT and see the organisation broadening its activity from a single focus.

“We believe the current Tb scheme and AHB database could provide the solid base for the development of a tracing system for cattle and deer. In effect the bovine Tb scheme is a limited version of NAIT for cattle and deer. This was notified to NAIT in 2006.

“The disease management system and tag ordering system that the AHB has are existing systems that could be used to assist setup of NAIT.

“NAIT is substantially more than just a database however. The information technology component of NAIT is likely to be relatively simple compared to the implementation challenge of getting cattle and deer farmers to comply with likely NAIT requirements when moving animals, getting slaughter plants and saleyards to use the system and accurately record information, developing a commercially appropriate business model for tag sales, and maintaining and protecting the data collected from farmers.

“The further linkage with the Tb scheme is that NAIT proposes to use the existing eartag regulations for bovine Tb management to introduce NAIT RFID tags. The key additional features of NAIT

which are not included in the Tb scheme – as we understand it – are the electronic recording of animal movements by farmers, saleyards and processors. NAIT is seeking to have all cattle and deer movements recorded, including between farmers or between farms. The AHB could implement NAIT for cattle and deer and manage a transition from the current level of traceability of the Tb scheme. This would require changes to existing IT systems including creating a new movement database and reporting tools. Staging the introduction of higher levels of traceability would be recommended by the AHB for practical reasons.

“Details would need to be worked through and the business case developed before the AHB could approve work of incorporating NAIT to proceed. The detailed business requirements NAIT develops would need to be reviewed and agreed as well. We believe the existing governance structure of the AHB along with an agreement with the Crown for full access to, and use of, the data along with the appropriate Privacy Act requirements, and involvement in decisions would provide sufficient accountability until NAIT regulations were in place. Should NAIT in the future be broadened to include other livestock as intended, the NAIT component could be run by another organisation, or by the AHB with a broadened mandate.

“The scale of NAIT is an important consideration. With about 75,000 cattle and deer herds in New Zealand, dealing with many system users directly or indirectly would require a large, smart system with good helpdesk facilities.

“In brief, the AHB could potentially manage an identification and traceability system equivalent to NAIT. For the AHB to broaden its mandate to this extent would require AHB to change its constitution and the agreement of all its members. This would no doubt require a full debate of the pros and cons of the AHB taking on such a role.”

Bill Taylor noted that this was only the deer industry speaking and the cattle sectors would also have to have their say. There being no further discussion, the motion was put and CARRIED.

Rumpole Cup

The Rumpole Cup in recognition of the best Branch or Associated Society newsletter was this year awarded to the Elk and Wapiti Society of NZ. In her judging comments, Words & Pictures’ Leonie Adeane commended the Society for “a good clear layout, which makes for easy reading. Images are minimal but well-placed. The writing is friendly, warm and accessible. Important council news is placed at the back a witty joke, well placed on the back page, gives a humorous send-off to the reader.”

Tommy May accepted the award on behalf of the Society.

Selection and Appointments Panel: Election of North Island representative

An election was required this year for the single vacancy created by the retirement by rotation of Mike Holdaway, who sought re-election.

Results of the election, announced at the AGM, were:

Campbell Clarke, Waipa:	82
Mike Holdaway, Apiti:	248
Informal	14

Mike Holdaway was declared elected.

Executive Committee retirements

There will be a new look to the NZDFA Executive Committee with the retirement by rotation of Tim Aitken and Mark Hawkins. Neither sought re-election. **Earle Wells** (Coastal Bay of Plenty) and **Edmund Noonan** (Canterbury) were declared elected unopposed to fill the vacancies. (We will be profiling the two new Executive Committee members in the next issue of *Deer Industry News*.)

After the traditional presentations and thanks to two retiring members, each made a short valedictory address.

Englishman **Mark Hawkins** said he first got interested in deer – and New Zealand – when he came here on his OE and Nuffield Scholarship in 1984. He later met industry leaders like Clive Jermy and Richard Riddiford on their trips to the UK, and eventually started farming deer there, becoming head of the British Deer Farmers’ Association.

Since joining the NZDFA Executive Committee, quality assurance had always been a big priority. “We just have to be so careful with the requirements of European consumers,” he said, adding that a deer leather company had just lost an order to Marks & Spencer because the retailer refused to take leather from velvetted deer. In a similar vein, he said, Brazilian beef had been losing access to




Tim Aitken reflects on his years in deer industry politics, with wife Lucy Robertshawe looking on.

Europe because of a lack of traceability. “Let’s not go there!”

Tim Aitken reflected on up to 12 years of travelling to Branch Chairmen’s meetings, SAP meetings, conferences and Executive Committee events. He also made a point of acknowledging the strong support of wife Lucy Robertshawe, who always had “plenty to do” while he was away on deer industry business.

He said the industry was at a crossroads and would never move forward if it had a dysfunctional supply chain. Now was the time, he suggested, for farmers to get closer to processors. “The old structure is obsolete.”

Looking far from obsolete himself, Tim thanked his fellow Executive Committee members for their support. “I’ve enjoyed it all.” 

STOP PRESS:

NAIT Submissions

For the NAIT discussion paper visit www.nait.org.nz and select Resources. To make a submission online go to www.nait.org.nz/nait_Submissions.cfm Closing date for submissions is 1 August 2008.

Totara Hills cleans up environment awards

Picking this year's environment award winners was something akin to choosing from among eight brand new Audis in the showroom, said DINZ Producer Manager, Tony Pearse, when he was introducing the entrants in the 2008 competition.

The credentials and commitment of each entrant was extraordinary, and the judging panel had a challenging task. The panel includes the previous winner of the Premier Elworthy Award and representatives from Fish & Game, four regional councils, DINZ, NZDFA, NZ Landcare Trust and Ballance. At least three panel members saw every entrant farm.

We will be publishing details about the entrants and award winners in a separate brochure, but for the record the winners were:

- Fish and Game New Zealand Award for excellence in riparian management:
Grant and Andrea Cochrane, Totara Hills, South Otago
- Duncan and Company Award for excellence, innovation and vision in a demanding environment:
Lyndon and Millie Matthews, Puketira Deer, North Canterbury
- NZ Landcare Trust Award for excellence and commitment to sustainable deer farming:
Grant and Andrea Cochrane, Totara Hills, South Otago
- Firstlight Foods Ltd Award for total commitment to sustainability: environmental, farm and social:
Mike and Chris Stevens, Woodend Farm, South Otago
- Premier Award: The Elworthy Environmental Award:
Grant and Andrea Cochrane, Totara Hills (Award carries a \$2500 prize, plaque and planting of a special tree to mark the honour).
- NZDFA Award: Highly commended for commitment to continued excellence:
Hamish and Anna McKay Parkhurst Farm., South Canterbury




Grant Cochrane (right) and farm manager Adam Whaanga discuss plans at Totara Hills. The environmental work at the property was recognised with the Premier Elworthy Environmental Award and two category awards.

Announcing the awards, lead judge Nicola McGruther, Otago Regional Council, praised all entrants. She said her job with the regional council involves dealing with farms that face challenges. "It was a brilliant to see eight farms at the top of their games with real plans for the future. It gave me great hope as a regional council person that the deer industry is going in the right direction. We saw a lot of innovation and top productivity. Sustainability was really strong on all the farms we saw."

Nicola acknowledged that it is not easy to open up your farm to such close scrutiny and thanked the entrants for this. She said the choice of premier winner was difficult, but the Cochranes' farm emerged a clear but close winner. "This farm has been exceptionally well managed, with an excellent balance between animal production and the wider farm environment, with sustainability objectives clearly developed into a formal plan for the future."

Presenting the Premier Elworthy Award, DINZ Chairman John Scurr added his praise to the entrants for showing what the industry could achieve.

Accepting the Premier Award, a modest Grant Cochrane was content to let their farm do the talking, but did thank his bank for paying for it all over the previous five years.

- Details of the environmental work done on the award-winning properties will be featured in a special brochure to be published in August. We also intend to provide an overview of the achievements of all eight entrants in the August issue of *Deer Industry News*.
- Field days at the award-winning properties will be held by arrangement later in the year in conjunction with award sponsors and the local Branch calendar. 

Thumbs up for Matuschka choice

Local industry hero Brian Duggan, the PGG Wrightson deer agent for Southland, was a popular people's choice as well as being the official judges' choice for the 2008 Matuschka Award.

Announcing the award, Bob Swann told the audience that although 'Duggie' works mostly behind the scenes, he was one of the best-known identities in the industry.

Starting on the Southland Branch Committee in 1984, Brian has served at Branch level ever since, Bob said. "Brian's always had a positive attitude towards the industry; he's been our first point of contact for selling deer, or if you just want a chat. He's a great mentor for new entrants into the industry and shows no prejudice or bias."

Award judge Murray Matuschka commented that, "this joker, like the rest [of the nominees] has the unsung hero factor."



Brian Duggan (left) accepts the Matuschka Award from Bob Swann.

Stop Press: Cervena® Ambassador

Deer Industry New Zealand will be sending recent Environment award winner Lyndon Matthews to the Chefs Congress in the United States as the Cervena Ambassador. Lyndon's record of environmental management and contribution to the local rural community make him an able representative for the New Zealand industry.

Thirst for knowledge led to Focus Farm success

Hosting the occasional field day is a small price to pay for the gains made during a three-year stint as the Southland Focus Farm, according to John McLean. Along with facilitator Richard Copland and AgResearch scientist David Stevens, John showed a large and interested post-conference group around his farm, now nearing the end of its Focus Farm term.

The farm bottom line over the period certainly makes impressive reading. From a cash surplus of \$0 per hectare in 2006, John and Jacky McLean have seen an improvement to \$381 last year with a budgeted surplus of nearly \$500/ha this year. Total income per hectare has followed a similar trajectory, doubling from \$533 in 2006 to a budgeted \$1034 this year.

A lot has gone into this achievement, but improved pasture utilisation and a self-feed silage pad have helped the McLeans get more of their animals to slaughter weights earlier – a key platform of the Productivity Strategy. The silage over the winter also brings the hinds through to calving in much better condition, John said.

He added that it's important to be self-sufficient with supplements in Southland. "I can't compete with what the dairy farmers are paying for feed." He's also looking at growing some feed grain for cereal silage and selling the surplus, following this crop with some soft turnips and rape. By condensing the amount of ground needed for feed crops, he's able to make more pasture available for his hinds.



Red tussock is protected and water quality enhanced on this QEII-covenanted block.



John McLean: Believes the farm still has room to improve performance.

Agent fined for illegal velvetting

Waikane deer agent and farmer Noel Cudby was convicted in the Wellington District Court last month for velvetting deer without adequate pain relief or the required approvals.

He was found guilty of illegally performing a significant surgical procedure under the Animal Welfare Act and fined \$1000 plus costs.

The charges involved velvetting of deer on two separate properties, on different occasions. After the first incident, Cudby had been warned by MAF not to repeat the offence and vowed not to, but within six weeks he had offended again on another property. In that case, local deer farmer, Vincent Connolly, had earlier pleaded guilty to authorising Cudby to perform the illegal de velvetting.

MAF Investigation Manager Greg Reid said the National Velvetting Standards Body (NVSB) programme is critical to New Zealand's market access in Europe and cases such as this have the potential to put exports at risk.

It is equally important that our trading partners see that we take a tough stance on those few who break the rules.

"It is very disappointing that a person of considerable background in the industry had not been prepared to adhere to requirements for velvetting and animals suffered unnecessarily because of his irresponsible actions."

The failure by Mr Cudby to comply with the NVSB programme not once but twice, is inexcusable, Mr Reid said.


The McLeans have endeavoured to get the stock off the pasture as much as possible in winter, allowing a good cover to build up and generating a surplus to plug an important gap in late summer, when growth tends to drop away.

The policies are certainly paying off in terms of returns per hectare, and this has also been reflected in his wintering costs – down from \$39/su in 2005 to \$25/su last year.

A keen hunter and fisherman, John has always been interested in improving the environmental performance on the property, and the steps he's taken to improve the quality of water as it leaves the farm have been paying off. A block running along the main creek is covenanted to the QEII Trust, protecting a remnant of red tussock. Results from a water monitoring station are showing how creating buffer zones can make a big dent in levels of suspended solids, *E. coli*, nitrates and phosphate.

He's convinced the farm still has room to grow and improve its performance on all counts, and is determined that this should be based on deer alone. To make the point, he's edging out dairy grazers in favour of a velvetting herd. One area he's keen to improve on is the calving performance of first fawners, which has been patchy throughout the three years.

While the work has been demanding, the McLeans are not exclusively focused on farm production. As well as their environmental enhancement focus, they're heavily involved in their local community and also conscious of getting some quality family time away from the farm.

John said he went into the programme thirsty for new information and he certainly got that. "It's been great to see other farmers learning from what we're doing and applying it on their own places." 

Guest of honour: Trevor Walton

Reminiscing about his days on the Listener magazine, cartoonist and columnist Tom Scott once remarked that finding political stories was a bit like mining for coal. During his early career as a political writer he was tripping over huge lumps of the stuff – there were great stories everywhere. For WHAM Group's Trevor Walton, starting a deer industry publication during the pioneering boom years of the late 1970s, his chosen subject also yielded up a rich vein of raw material.

Trevor turned *The Deer Farmer*, a new industry newsletter, into a successful, authoritative magazine, which he published for almost three decades. He finally relinquished the reins just last year when, after 28 years, he sold the business as a going concern to Countrywide Publications. During that time he charted the progress of the industry, told its stories and provided a forum for robust debate.

The deer industry chose to recognise Trevor's contribution by inviting him as an honoured guest to open the 2008 Deer Industry Conference and reflect on his years documenting its progress. As a prelude, the NZDFA awarded Trevor the status of Honorary Member of the NZDFA. He is thought to be the first-ever recipient of this recognition.

In the early days, Trevor said, would-be deer farmers were desperate for information. Hundreds attended field days and farmers were literally clambering over each other to secure magazine subscriptions and books by industry writer David Yerex. Trevor saw his share of crooks, shysters and poachers in those heady days, but also a huge enthusiasm and willingness to learn. Industry knowledge was an interesting mix of myth and science – from advice that cannabis smoke would help calm down flighty captured deer, to a Massey study documenting every lurid detail of stag mating behaviour.

The legendary Queenstown conference of 1985, where three floors of the conference hotel groaned with food and alcohol, and where the choppers were lined up outside, marked a

high-tide mark in the early boom years. It wasn't too long before some over-extended investors lost their shirts.

Trevor recalled the spectacular failures of enterprises such as Venison New Zealand and Fortex, and the hard-nosed approach of PPCS which, in the early days only accounted for just a few percent of venison processing. He was an early supporter of Cervena® and crossed swords with PPCS on more than one occasion, over their refusal to take up the appellation.

Looking ahead he said it was easy to agree that marketers need to reform the way they do things, but reminded farmers that the supply system also needed attention. Noting that a meat industry version of Fonterra was unlikely to solve any problems, Trevor found himself in the unfamiliar position of agreeing with erstwhile sparring partner PPCS.

The best thing about the deer industry was the animals themselves, he said – adding hastily that these magnificent animals are ably complemented by the people who work with them. And, as befits the culture of the industry, there had been some mighty clashes over the years: Peter Elworthy versus the Wildlife Service; David Tipple and the Levy Payers' Society versus the Game Industry Board and Cervena.

Trevor lamented the passing of some conference traditions, and to conclude his reminiscences he revived one of them: the roaring competition. Volunteers were surprisingly coy, but once lined up, roared with all the passion of the young bucks they once were. 📺



Trevor Walton (left) looks on while Ian Scott roars like a Wapiti bull. Keith Keylon (centre) and Colin Smith (right) make up the Wapiti team.

Industry award for publishers


As always, the lineup of nominees was impressive, and judges Ron Schroeder, Andrew Fraser and John Kempthorne had to choose between four nominees who had each made significant, but very different contributions to the industry.

The **Canterbury farmers spiker velvetting group** helped pioneer and gain approval for a safe, humane system (the cable tie method) for removing spiker velvet, this at a time when the characteristics of the first crop of velvet had literally outgrown the methods for removing it.

Trevor Walton and **Angie Fussell** developed and grew *The Deer Farmer*, an “industry bible” eagerly read by thousands of subscribers. They also led three highly successful overseas tours by deer farmers (including the sometimes hair-raising trip across China and Russia), and were not afraid to take a strong editorial stand against some industry heavyweights.

John Smith, Managing Director Tasman Velvet Processors, has been in the velvet industry for 35 years, pioneering changes towards green velvet marketing without losing the processing capability. He played a crucial role in the negotiation of supply contracts during the difficult 2007-08 velvet season.

Mandy Bell and **Adrian Campbell** sought, encouraged and inspired the commitment of vets, farmers, processors, NZDFA, scientists and others to help compile the authoritative *Johne's Disease Manual* and clear the way for the establishment of *Johne's Management Ltd*, an industry-funded system to help identify cases of *Johne's* disease and improve its management on farm.

Each was a worthy nominee, but in the end it was **Trevor Walton** and **Angie Fussell** who took out the award they helped set up many years earlier. The award was met with a huge roar of approval from guests at the industry awards night. Trevor said he and Angie were humbled by the occasion. “It’s a huge honour for an agricultural journalist, and not often one of us is recognised this way by the industry we write about.” 



Trevor Walton accepts the Deer Industry Award.

Hind sales

24 June 2008, 1.30 pm	Willow Creek Deer, Elite hind and weaner sale, Insignis Park, ph 03 312 9856, 027 201 2095
25 June 2008, 1.30 pm	Stanfield's Bushey Park, Capital hind sale Palmerston, ph 03 465 1022 or 03 465 1994
26 June 2008, 1.30 pm	Foveran Deer Park Elite hind and weaner sale, on farm, ph 021 222 8964
Date and time to be confirmed	Peel Forest Hind sale, on farm, ph 0274 393 418
27 June 2008, 11.00 am	Pelorus Deer Stud Hind sale, on farm, ph 03 302 5989, 027 221 3518
27 June 2008, 3.30 pm	Unfehbar English Red Deer, Elite Hind and Embryo sale, Insignis Park, ph 03 347 8158, 021 664 805
28 June 2008, 11.00 am	Gloriavale Deer Park/Littledale Deer Park, Insignis Park, Elite Hind and Embryo sale, ph 03 738 0224 (Gloriavale) or 03 318 6560 (Littledale)
4 July 2008, 1.00 pm	Tower Farms Hind sale, on farm, ph 07 823 3389
5 July 2008, time TBC	Rodway Park and Sarnia Deer Hind sale, on farm, ph 07 333 2151
25 July 2008, 1.00 pm	Windermere Red Deer Hind sale, on farm, ph 07 847 4809

Source: Tradedeer.co.nz

See advertisement for more details

Other events

24-26 June 2008	New Zealand Institute of Food Science & Technology conference, themed 'Food Sustainability'; www.nzifst.org.nz/events/annual-conf.asp
14-16 July 2008	Deer Branch NZ Veterinary Association Conference; Clearwater Resort, Christchurch. Contact Peter Wilson, Massey University 06 356 9099 Ext 7619, P.R.Wilson@massey.ac.nz, or Adrian Campbell, 03 308 5095 (A/H 03 684 9996), adrian@vetlife.co.nz
17 July 2008	Northern Focus Farm Field Day, David Dewar's property, 376 Parsons Rd, RD1 Rotorua. Contact: Mark Macintosh 027 449 1077, mark.mac@agfirst.co.nz
13 August	Venison Supply Systems governance meeting, Ruakura, Hamilton. Contact Lindsay Fung, ph 04 471 6116
14-16 September	International Chefs Congress, New York. (See page 22 for announcement on selection of a farmer to represent Cervena® at the congress.)
8-10 December 2008	National Velvet and Trophy Antler Competition, Ascot Park Hotel, Invercargill. Contact Janet Horrell, 03 236 8720.

Correction: methane output figures

There was an error in the figures supplied for the Emissions Trading Scheme article published in *Deer Industry News*, April issue, page 6. The figures relate to methane output figures per kg dry matter intake by cattle, sheep and deer. The figures for sheep and deer were inadvertently transposed. The correct figures for methane yields per kg dry matter intake are:

cattle	20.6g
sheep	18.4g
deer	16.5g

Venison

Despite the higher than expected kill over the drought-affected New Zealand autumn, production is running 13% down on last year and low supplies are pushing the price up for importers. Higher prices are not putting buyers off – yet – but this may change towards the Northern Hemisphere autumnal game season. Promotion in New Zealand, Germany and the United States continues to underpin the quality image of New Zealand venison.

Production

- For the 12 months ending February 2008, 633,000 deer had been processed – 13% down from last year. Of this total, 335,000 were hinds (54%).

Schedule

- At the time of writing, the national average published schedule for 55-60kg AP stags sits at \$7.28 – 49% higher than the same time in 2007. Very strong prices for frozen venison contribute to the stable schedule as chilled exports decline in line with seasonal patterns.

Currency

- At the time of writing, the NZ\$ was worth .779 US\$ and .502 Euro.

Market conditions

Europe

- With little venison consumed at this time of year, importers continue to seek supplies to build inventories for the start of the game season.
- Despite the higher than expected kill through the drought-affected New Zealand autumn, supplies have still not met market demand, especially amongst manufacturers looking for ingredients for retail products which they will sell later in the year.
- The strong prices do not appear to have put off too many buyers yet, but chef reaction to the price increases has not been tested yet. It remains to be seen what changes they make when setting their autumn menus for the start of the game season.

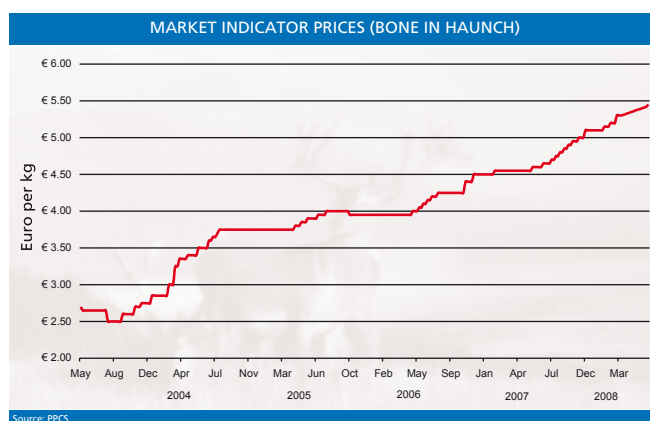
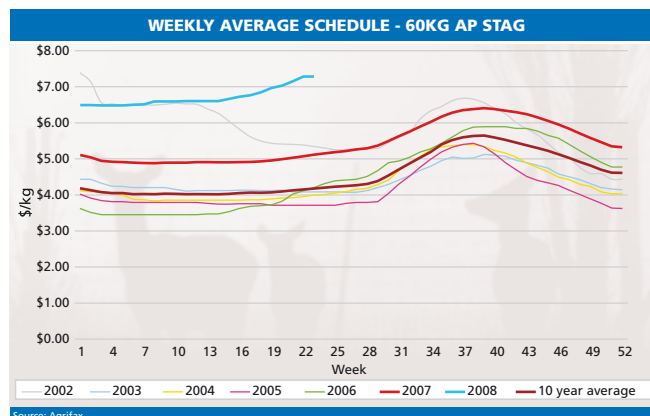
United States

- The double whammy of large price increases and production shortages is continuing to frustrate the North American market.
- Chefs spoken to recently expressed surprise at the recent large increases in wholesale prices after Cervena® pricing had been stable for a long period.
- The price increases were causing some of them to reconsider putting venison on their menus over the summer.

Promotion

New Zealand

- Those who have been watching *New Zealand on a Plate* on Sky's Food Channel will have seen three chefs using farm-raised venison for their cooking demonstrations. Deer Industry New Zealand arranged with the programme producers to have venison prominently featured in this series.



- It is also being shown on in-flight entertainment on Air New Zealand and the producers hope to sell the series internationally.

Germany – Impress Your Guests

- With little venison consumed during the summer months in Europe (thermometers hit 30°C last week), little direct promotion is being undertaken at present.
- The PR agency in Germany is preparing materials for the promotional season ahead. A press release was distributed among the food magazines demonstrating how farm-raised New Zealand venison meets many emerging consumer food trends such as health concerns and food enjoyment.
- A newsletter to retailers is also in preparation, informing them of the promotional materials available and encouraging up-take of the local promotional options.

United States

- Cervena was centre-stage on the New Zealand stand at North America's largest hotel and restaurant trade show, the NRA in Chicago from 17 – 20 May. DINZ sponsored a small presence on the New Zealand stand to ensure that farm-raised venison was presented to North American chefs and food buyers, alongside other New Zealand food and beverage brands. The stand was organised, and largely funded by, the Food and Beverage Taskforce, a division of New Zealand Trade and Enterprise.
- New Zealand venison sponsored the awards dinner for Chicago's 'Rising Star' chefs, which coincided with the NRA show. Ten of Chicago's best young chefs were recognised by the Star Chefs organisation, and they enjoyed Cervena at their awards dinner. One of these chefs, Sean McLean, was a guest of NZTE last year and was hosted for a tour of a high country deer farm and venison meal by DINZ.

Velvet

As the New Zealand dollar strengthens against the Korean won, the exchange rate is still a factor affecting returns for New Zealand velvet. Work continues around the world to counter non-tariff trade barriers and, through promotion, to raise profile and demand for New Zealand velvet.

2007-08 Velvet season

- The weighted average pool price for the 2007-08 velvet season was approximately \$75 per frozen kg. This is in line with the 10-year weighted average which is also approximately \$75, but well below returns required by producers for a reasonable return on investment.
- As previously reported, a key factor was the strong New Zealand dollar against the Korean won (see graph).
- Anecdotally, there is only a relatively small quantity of velvet still on farm and only a small quantity still unsold at the pool. DINZ's levy income is down by approximately 15% this season in comparison to the 2006-07. At this point, it is unclear whether this is due to the late, unusual velvet season or lower velvet production.
- As is usual in the Korean summer, velvet consumption is low. There are not, reportedly, large volumes of velvet stock in Korea. But there continue to be reports of large volumes in China which are growing as Chinese, Russian and Canadian production becomes available. There are reports that distributors expect to sell large volumes around the time of the Beijing Olympics. If this does not come to pass, it is likely that these volumes will be bound for Korea.
- The Canadian industry, reportedly, has some velvet stocks remaining from last season and is generally anticipating lower prices.
- The Velvet Processors' Association (VPA) has requested DINZ to survey velvet exporters to understand whether velvet exporters would wish to be compelled to remove the lower tynes of velvet which is to be exported to Korea. DINZ has committed to report back to the VPA by 30 June.

New Zealand Dollar: Korean Won May 2008



Australia

- Work continues to enable the sale of velvet and co-products in the Australian market. Steady progress is being achieved, though we are still some time from a resolution.

Taiwan

- The Taiwan Chinese Medicine Directory was republished in April, featuring a full-page advertisement for New Zealand deer velvet. This directory, going to Oriental Medical Doctors in Taiwan, will remain in place for 10 years, until the next publication is issued.
- DINZ and New Zealand government officials continue to work to establish a formal body to strengthen ties between the New Zealand and Taiwanese deer industries. The purpose

is to seek ways to work together to grow the Taiwanese market, mutually benefiting all parties. It is hoped the groups can get together within the next two months. From DINZ's perspective the key issue is the tariff-rated quota, which effectively only allows a small quantity of frozen velvet to be imported to Taiwan.

Korea



- The Korean Oriental Medical Doctor website went live in May 2008. The website, www.nzdeervelvet.com largely mirrors the new English version launched earlier this year.

United States

- An advertising schedule was released for a New Zealand marketing company promoting deer velvet health supplements in the United States. The advertisement will screen on the ESPN and Discovery channels, leading the viewer to contact a home shopping network to buy velvet capsules.
- Aimed at encouraging direct sales, the campaign will also strengthen the brand through traditional/existing retail outlets. New York, Los Angeles, Chicago, Philadelphia, Boston and San Francisco will be the first cities to see the ad.

China

- The People's Republic of China (PRC)/New Zealand Free Trade Agreement (FTA) continues with a series of road-shows throughout New Zealand.
- The next step is for Parliament to vote and, with the major parties backing it, the legislation is expected to pass and come into effect by 1 Oct 2008. DINZ continues to seek ways to maximise the opportunities that the FTA offers. Comprehensive information, including a tariff finding tool, is available on www.ChinaFTA.govt.nz
- Two key marketing companies working with DINZ continue to increase their presence in China through attending trade shows. New Zealand deer velvet always features prominently.

New Zealand

- The *Powered By Velvet.org.nz* Adventure Racing Team won the Fairydown Southern Traverse in April, gaining automatic entry into the World Championships in Brazil (see Industry News, page 34).
- Prior to Brazil, the *Powered By Velvet* team will enter two more events in Australia and China (Wulong). DINZ and a Chinese partner are teaming up to maximise exposure for further processed velvet products in China during the Wulong campaign.

There's money in genes

In the current challenging times for deer farmers, you probably agonise over the bottom line of your balance sheet at the end of each year, wondering how you can increase the profitability of your business.

Factors affecting production (and profitability) include the environment the animals are farmed in and the quality of the genetics of your animals. Although you have no control over the climate extremes, you are probably continually striving to improve management systems so that your herd has the maximum opportunity to grow while being stressed as little as possible. But how much do you really know about the genetics?

Your choice of stags has a huge effect on your bottom line. For maximum profit, it is essential that you use all the available tools to choose wisely when selecting stags. Your experience and stockmanship will equip you to choose stags which are sound, have good conformation and have grown well themselves. But a stag that has grown well doesn't always produce progeny that grow well. What's in his genes? How fast are his progeny going to grow? If you have a venison producing business, you cannot afford to overlook an essential selection tool – the breeding value for 12-month liveweight (W12).

A breeding value (BV) is an estimate of the value of an animal as a parent, i.e., its genetic merit. BVs are expressed in the units in which the trait is measured, e.g., kilograms, and represent an estimate of how the animal's progeny will perform compared to those of the average animal in the base year. The accompanying genetic trends graph shows that for Red deer recorded on DEERSelect, the base year is 1990 and the average BV for W12 in the December 2007 analysis (which included 30 herds) was approximately 5.7kg. This tells us that in the 17 years from 1990 to 2007, the average BV (genetic merit) for W12 of the average animal in the 30 herds on DEERSelect has increased by 5.7kg.

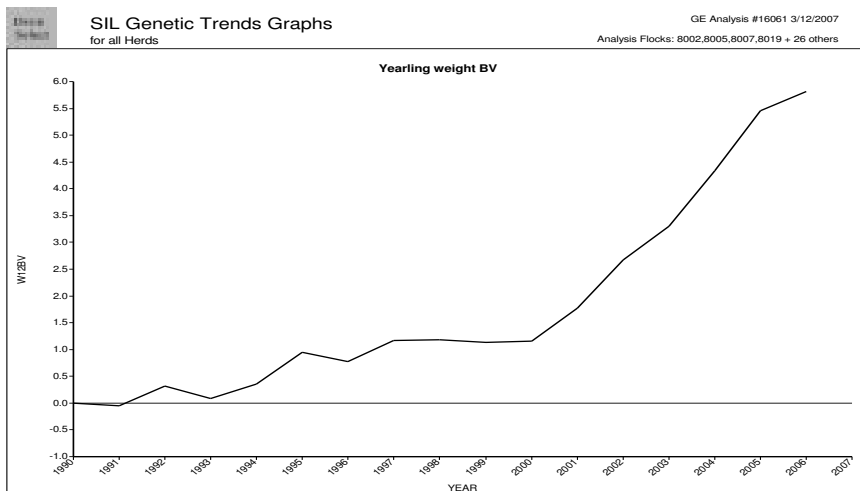
Although DEERSelect was launched in May 2005, AgResearch had been developing the Red deer database and producing BVs since 2000. To improve the accuracy of the BVs, ten years of background information from some herds was entered so that data from 1990 could be used in each analysis. The graph above shows the effect the availability of BVs has had on the average genetic improvement for W12 for herds involved in DEERSelect. Between 1990 and 2000 (when DEERSelect BVs were not available) the genetic gain for W12 was approximately 1.2kg (or 120 grams per year). Between 2000 and 2007 (when BVs were available) the average genetic gain for W12 has improved by approximately 4.5kg (or 640 grams per year). The rate of genetic improvement for W12 has increased more than fivefold since BVs became available.

By choosing stags with average BVs of 5.7kg, your venison production and profitability can be significantly improved within a year. While they are only likely to be available through AI, top stags currently on DEERSelect have BVs of over 20kg. Use of these stags would dramatically improve production. The bigger the BV of the stags you select, the faster the rate of genetic gain of your herd.

Although calves with better genetics for W12 may eat more to achieve the heavier weights, the profit resulting from using stags from average or higher BVs can result in hundreds of dollars in net profit per year. As genetic gain in a deer herd is like compounding interest in the bank, this net profit can accumulate to tens of thousands of dollars over ten years.

To increase the profit on your bottom line, use your experience and stockmanship as well as BVs to choose your stags wisely.

- **Contributed by Julia Aspinall, Genetic Gains DEERSelect Bureau. Phone 03 216 3455, Julia@genetic-gains.co.nz**



Increase in yearling weight Breeding Value 1990-2007.

The whole package

Dear Editor,

Talking with well-known dairy stud owner Dean Geddes last week, I asked him, does he honestly believe his bulls are better than those of the leading AI companies. After a moment's silence, his answer was "Yes – we breed for the whole package."

While you can make tremendous genetic gain by selecting a single trait, i.e., 12-month weight gain, there will be unintended consequences. You will end up with bigger and bigger hinds that require more feed. When making selection decisions, the challenge is to determine the middle ground.

Choosing a stag to breed with requires more thought than just 12-month weight gain. Weaning and mature weight BVs, calving date, fertility and temperament are equally important. Give me a mature hind weighing in at 125kg, weans a stag fawn at 65-70kg, conceives on the first cycle every year, and has bomb-proof temperament.

It makes economic sense to go out and buy some pure Eastern hinds where the breeding has already been honed and AI them to breed your own sires if this is what you want. I have bred with most Eastern lines, and they don't all stack up. Two generations of cross breeding with a 12 month BV of plus 20 may give you growth rates but it will not produce the full package in terms of genetic gain.

John Bates, Canterbury Imported Red Deer Stud

Red meat industry briefing for politicians

A new information-packed booklet designed to brief politicians on the modern red meat industry was released in February by Meat & Wool New Zealand and the Meat Industry Association. *The Red Meat Industry: Briefing to Major Political Parties* concentrates on the sheep and beef industries, spelling out the red meat industry's vision "to work together with Government to achieve a thriving and sustainable red meat sector with a growing contribution to New Zealand's social and economic wellbeing." Sections cover the environmentally responsible and sustainable industry, business constraints on industry, workforce issues, investment in the future and protection of "Brand New Zealand". Copies are available from the MIA website at www.mia.co.nz

MARKET TALK:

Price pressures on US venison market

Despite building a solid reputation and a good market in the US foodservice market, price pressures are becoming more evident for Cervena®, according to game and speciality meats importer and distributor Broadleaf (USA) Inc. Director, Mark Mitchell updates Market Talk on the US restaurant trade.

Based in Vernon, California, Broadleaf (USA) Inc has been active in the US venison market for almost 20 years and has been a committed supporter of Cervena since its inception.

According to Mitchell, New Zealand Cervena venison has been well received at the food service level for its consistent attributes: high quality, availability and steady pricing.

“Through the years, Cervena has earned the respect of hundreds of restaurants and chefs across the states,” he says. “In general, venison continues to grow US market share due to the health-conscious consumer and the interest of chefs who desire to build a unique menu, creating a competitive edge for their business in challenging economic times.”

The Cervena programme sets a high benchmark for all other venison producers in the US market, he believes. “From farming to marketing, processing to packaging, chef to end user, the presentation and eating quality of Cervena eclipses all other programmes currently offered in the States.”

As Mitchell looks ahead, however, he sees some unsettling issues looming.

“As we move through 2008, the US economic slow-down is becoming more evident – our loyal customers are pressing back on the recent and possible future price increases.

“There is concern that due to the weakening dollar, that availability will only continue to erode,” he says, adding that there is also concern whether New Zealand farmers will stay committed to the programme, hence further tightening the supply chain.

“Cervena has effectively established a ‘cut above’ standard and recognition – but will all this be muted if we price out of market or can’t supply a demand that we worked so hard to create? Will our loyal customers turn to other options such as domestic venison or trade the protein to keep costs down? Time will tell.”

For more information about Broadleaf visit www.broadleafgame.com



Mark Mitchell: Cervena has created a ‘cut above’.

Venison at forefront of consumer trends: Duncan

Utilisation of deer carcasses in the United States is starting to resemble actual carcass breakdown, said Duncan & Co’s Andrew Duncan at the Deer Industry Conference.

Reflecting on trends in the United States, he said that in 1993 about 80% of the venison sold there was middles (saddles), with the remainder largely made up by legs and virtually no forequarter sold.

The breakdown is very different today: saddles make up about 50% of sales (actual proportion of carcass about 36%); legs make up about 15% of sales (39% of carcass) and fronts about 30% of sales (25%). This was a huge change, Andrew said, adding that legs were still a harder part of the carcass to sell.

Like all processor/exporters, Duncan and Co was concerned about an impending supply squeeze. Having year-round supply contracts with bonuses for committing to a contract and using Duncan & Co’s QA scheme helped secure stable supply, Andrew said. Where product was short, the exporter would draw in to focus on its best customers.

Andrew used a couple of case studies to show

how venison is adapting to changing food trends. The first was the positioning of venison into the upmarket Ruth’s Chris Steakhouse chain. The restaurants have expanded outside their traditional beef-based menu to include products such as venison, salmon and bass. At \$US38.95, the venison with blackberry sauce may sound a little pricey to New Zealanders, but this was comparable to other items on the menu and the serving of two double-boned chops (effectively four chops) was “huge”, Andrew said.

The second case study was High Country Venison, a shelf-stable pre-cooked product developed by the Slow Food Fast Ltd company as one of six offerings in its range. Duncan & Co has entered into a supply partnership with the company. The single servings don’t need chilling and have a 12-month shelf life. The product range is designed to tap into two seemingly incompatible consumer trends: nostalgia for slow food, prepared in the traditional manner, and a need for time-poor consumers to get food on the table in quick time.

The High Country Venison (pictured) can be prepared in as little as 5 minutes (microwave), or about 25 minutes in a conventional oven – enough time to whip up some vegetables to accompany the centrepiece dish.

Andrew said the product range was suitable for both retail and foodservice, with restaurants able to serve up delicious mains, even when chef was having a night off.



Andrew Duncan: supply contracts help ensure stability.



High Country Venison – part of the “Slow Food Fast” range.

Excess venison processing to shut

Excess South Island venison processing capacity has been closed down as a result of the forecast lower production levels for venison next year and as part of the long-term objectives of PPCS's "right-sizing" programme signalled last year.

PPCS's Burnside venison processing plant is to close in August. The plant that employed 138 staff and incorporated a venison processing facility, cold storage facilities, a tannery processing deer skins and cattle hides and a pelt house processing lamb skins was processing up to 400 deer a day during the peak season and double shifts.

Part of wider meat industry picture

The news adds to the company's earlier announcement that its Oringi sheepmeat processing facility near Dannevirke in the North Island is also to close.

Minister of Agriculture Jim Anderton said at the time the Oringi news was upsetting and extremely disruptive for workers, their families and the wider community. However, the meat industry has excess capacity and this would become worse as the number of sheep – and deer – was forecast to drop over the next few years, he acknowledged.

While not in favour of *ad hoc* closures and rationalisations, the Minister said the closure reinforces the need for a strategic plan for the industry as a whole. He still supports the concept of a mega meat industry merger, one that has the support of the majority of industry participants. He is due to meet with the Chairman of the Meat Industry Taskforce, Sir John Anderson, to discuss ways in which the Government might help facilitate progress towards a more integrated and coherent meat industry.

The Taskforce, which Sir John says fully supported the stalled restructure concept, has been compiling industry information to support recommendations on how the red meat industry might be reorganised to deliver long-term sustainable returns for farmers and the wider industry.

PPCS deer suppliers reassured

PPCS's South Island deer suppliers have been reassured that its four other South Island venison processing facilities – in Christchurch (PPCS Islington), Invercargill (PPCS Kennington), Southland (PPCS Mossburn) and on the West Coast (PPCS Hokitika) – have sufficient capacity to handle ongoing processing requirements, even if it means travelling further for some to get there.

Together, the four remaining venison processing plants employ 214 staff during peak periods and are favourably

positioned in relation to key livestock growing areas, the company says. Islington is reported to be able to handle up to 500 deer a day at its peak with double-shifting and the Invercargill and Southland plants may be upgraded to take up additional throughput.

PPCS's venison operations at Burnside are in seasonal shutdown, following the conclusion of the main livestock processing season of October to March and will not resume. Skin and hide processing and cold storage operations will cease at the end of August. The site will be de-commissioned and the 57 hectares of industrial and rural land and associated buildings will be sold.

Commercial reasons behind decision


Explaining the commercial reasons behind the decision, PPCS Chief Executive Keith Cooper pointed to DINZ predictions that national deer numbers will fall from 736,000 in 2006 to about 500,000.

"PPCS Burnside requires adequate volumes of deer for venison processing and lamb and deer skins for its pelt house and tannery operations respectively. The forecast in deer and lamb numbers seriously impacts the ongoing viability of the venison and skin processing operations at Burnside," he says.

The Burnside site, first used for meat processing in 1882, is dominated by out-of-commission sheep and beef processing facilities that were closed in the late 1980s. Many of the building structures are no longer used and are difficult and expensive to maintain.

"Tightening New Zealand and European food safety regulations make continued operation of export meat processing facilities at Burnside increasingly problematic as all areas on site, even those not used for food processing, must be maintained to specified standards.

"In addition, the modern blast freezers used for venison processing at Burnside require a large section of now-obsolete conventional cold storage facility to be frozen down, which incurs significant ongoing electricity costs," Cooper says.

- **PPCS reported a positive result** for the six months ended 29 February 2008, with profit after tax of \$11.2 million, compared to a loss of \$14.6 million for the same period last year. An analysis of the six month average foreign exchange rates for the year showed New Zealand dollar increases of 13 percent, eight percent and 0.5 percent against the US dollar, the Pound and the Euro respectively. This saw revenues remain static at \$885 million (February 2007: \$872 million) – mutton volumes increased whilst lamb, beef and venison were comparable to the same period in 2007. While being acutely aware of the need to further and substantially improve returns to suppliers, Keith Cooper said the improvement reflected the success of marketing efforts, translating to improved returns, particularly for lamb.
- **Company name change** – From 1 June PPCS's name change has come into effect; the company is now known as Silver Fern Farms. 

Live exports back down to low levels

Following a spike in the graph caused by the controversial export of about 1,300 weaner hinds to China in 2006, exports of live deer and deer germplasm are now back down to low levels.

According to MAF's *Surveillance* magazine, just 159 live deer/germplasm were exported in 2007. Of these, 110 were destined for Central and South America, with the balance going to Asia.

Export figures for the past 10 years have been:

Deer	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
	159	1,524	68	44	264	324	59	31	67	6

Source: MAF Biosecurity New Zealand, *Surveillance* 35 (2) June 2008

Budget: Fast Forward confirmed, NAIT to be set up

Not only will the recently announced tax relief for consumers enable them to potentially add two packs of diced venison to their weekly supermarket basket for special occasion winter dishes, Budget '08 confirmed the Government's New Zealand Fast Forward Fund initiative and also allocated funds to a national animal identification and tracing system and farm register.

Announcing what he said was the Government's commitment to the future of New Zealand's primary industries, Minister of Agriculture Jim Anderton said Budget '08 confirmed the capital investment of \$700 million to New Zealand Fast Forward Fund, the new research, development and innovation plan for the future of New Zealand's pastoral food industries (see also guest editorial in this issue). The initiative was warmly welcomed by the meat industry when it was first announced in March. At that time, Prime Minister Helen Clark said that the upfront investment will grow up to \$1 billion as it earns interest over the next 10-15 years.

An Establishment Group was due to give detailed recommendations on the fund's management by the end of May. At the March launch it was envisaged that a joint government-industry body will administer the funds to ensure they are targeted effectively and should be in place by 1 July. Four broad areas where major challenges and opportunities have been identified are:

- sustainable pastoral systems
- research and education capability
- food innovation clusters
- internationalisation.

The Budget also allocated \$10.1 million to set up a national animal identification and tracing system and farm register. The NAIT (National Animal Identification and Tracing) initiative will ultimately see all livestock in New Zealand tagged and recorded on a database tracing animals from paddock to plate. This Budget funding is capital expenditure. In addition, the Government will invest another \$13.2 million over four years for NAIT operating costs. This is anticipated to be 35 percent of operational costs. (See conference report in this issue for discussion on NZDFA remit about NAIT, and Animal Health Board comment on the planned database.)

An implementation plan has been published, so that industry can give feedback on detailed design issues, Anderton said, adding that NAIT is an important move for New Zealand. "This is how we demonstrate that we are one of the world's leaders in producing high-quality, high-value safe food."

While some meat companies had traceability systems of their own, the practice is not widespread across the country. Over time it has become clear that a more comprehensive approach is needed. The Government will fund all of the capital set-up costs of the NAIT initiative, and put in operating costs of \$910,000 in the first financial year, increasing to \$2.59 million from 2011-2012 and ongoing years.

Jim Anderton said New Zealand Fast Forward is the largest ever boost to innovation funding in New Zealand's history and will help transform New Zealand's primary industries to meet future challenges.

Other Budget 2008 allocations relevant to the pastoral primary industries include:

- extra trade training places for students intending to work in primary industries
- extra funding to boost trade negotiations capability within the Agriculture and Forestry Ministry and Biosecurity New Zealand
- boosting programmes to assist companies exporting. 

recipe

Venison Bourguignon Pie

What could be better than curling up in front of the fire this mid-winter with a plate of Graham Brown's Venison Bourguignon Pie?

Serves 5-6



Ingredients

- 1 kg diced venison
- 3 tbsp cooking oil
- 1 tbsp paprika
- 3 tbsp plain flour
- 2 tbsp tomato paste or ½ cup tomato puree
- Salt and cracked pepper
- 2 carrots, diced
- 1 leek, diced
- 2 ribs of celery, ribs removed and diced
- 2 large onions, diced or 16 pearl onions
- 4 cloves garlic, crushed
- 1 tspn thyme leaves, chopped fine
- 1 tbsp chopped parsley
- 1½ cups good burgundy wine
- 1 tspn red wine vinegar
- 1 cup demi-glace (or good meat stock)
- 50 grams button mushrooms
- 4 thick rashers of bacon, cut into lardons
- 300 grams ready-rolled puff pastry
- 1 egg yolk
- 1 tbsp milk

Method

1. Coat the meat with the paprika flour, salt and pepper.
2. Heat the butter/oil and brown the meat all over.
3. Add the onions, garlic and then the vegetables and continue to brown.
4. Add the remaining ingredients, cover and cook for one hour on low heat either in the oven or on the stove.
5. Remove and cool.
6. Place in a large pie dish and egg-wash the sides.
7. Roll the pastry to fit, covering the dish.
8. Cut a ribbon and seal around the edges, glaze with remaining egg-wash and bake on high heat 200°C (full fan) for about 15 minutes, until pastry is nut brown and thoroughly cooked.

To Serve

Serve with a selection of roasted and steamed seasonal vegetables.

CERVENA® PROMOTION NEWS

Cervena Natural Tender Venison activities are underway in the US in the third year of the DINZ commitment to directly fund New Zealand venison promotion in that market. Five marketing companies are Cervena licensees, with a shared promotional strategy.

A reassessment of Cervena activities at the end of 2007, has resulted in some fine-tuning of the promotional programme for that market.

As volumes were down and prices were up, DINZ and licensee marketing managers decided to concentrate on building the brand image rather than supporting sales activities, Venison Marketing Services Manager, Innes Moffat told the deer industry conference audience during the DINZ Formal General Meeting.

As a result, print advertising was purchased and sponsorship activities reduced. A limited number of ads appeared in the 50,000 circulation *Food Arts* magazine for food professionals. The ads focus on New Zealand Cervena farmers and US Chefs who use Cervena – people who share a passion for using natural ingredients to produce sustainable food of the highest quality.

“Because of these ads, we’ve received nearly 300 requests for information from chefs across the US,” Moffat said, adding that the advertising campaign is backed up by public relations activity, the Cervena website and newsletters to chefs.

“With our co-sponsors of the Pure New Zealand Cuisine programme we have preached the good word that New Zealand is a producer of fine quality food at 12 culinary schools, to over 300 future chefs and restaurant managers.”

Blanco: new Cervena venison restaurateur of the year

The second Cervena venison restaurateur of the year is Alex Blanco, a Hospitality Management student at Florida International University (FIU) who recently received a US\$2,500 scholarship from Cervena venison.

With a clear vision of his future, Alex plans to create his own restaurant management group that develops upscale restaurant concepts.

“I believe that the future of fine dining will incorporate innovative and creative cooking techniques for healthy eating with great flavours,” says Blanco.

Blanco was selected for the award for his leadership in managing the student teams that prepared and served Cervena venison to 3000 guests in the FIU tent at the South Beach Food and Wine festival for the past two years.

In fact, Alex developed the recipe served on 23 February at the 2008 South Beach Food and Wine Festival, America’s



Alex Blanco (right) received his award Cervena Venison chef Graham Brown, after Graham had given a culinary demonstration called ‘Pure New Zealand Cuisine’ to the FIU students.

largest culinary celebration, ‘Cajun Blackened Cervena Gyro with Pickled Cucumbers and Red Pepper Hummus’, with supervision from FIU faculty member Professor Robert Probst.

Since his win, Alex has appeared on Florida TV Channel CBS4’s morning show, to do a Cervena venison cooking demo.

During a ‘Pure New Zealand Cuisine’ demonstration at FIU that preceded the award ceremony, Chef Graham Brown demonstrated three dishes using New Zealand Zespri™ Gold, New Zealand lamb and beef, and Cervena venison.

The Cervena Venison Restaurateur of the Year award has been established to recognise a full-time student at the School of Hospitality and Tourism Management at Florida International University who exhibits a commitment to and passion for the culinary arts. This is the second year that the scholarship has been presented.

Found: best Cervena recipe

The search is over. After extensive consideration of the 68 entries from professional chefs in the United States into the 2008 Cervena Plates Competition, the triumphant



The winning dish in the 2008 Cervena Plates competition, Cervena Venison Shabu Shabu.

Changes at Cervena Trust Limited

James Guild’s term as a director of Cervena Trust Limited has ended. (Each director is on a three-year rotating term.) He has been replaced by Mark Hawkins, South Canterbury (see NZDFA announcement on page 16).

James’s involvement with the Cervena® appellation strategy dates back to the late 1980s. In the years since, he has been one of Cervena’s strongest advocates, serving as a director on Cervena Trust Limited since its formation 8 years ago.

Cervena Trust Limited extends its thanks to James Guild for his long service and passionate support for Cervena and the industry. James was an originator of the Cervena appellation as a means of lifting New Zealand farm-raised venison above the feral venison trade. The brand story, and the quality assurance procedures which underpin Cervena have helped the industry as a whole reach an enviable level of consistency and quality in the presentation of venison around the world.

James says he remains frustrated that Cervena has not spread as widely as envisioned. He feels the industry branding scheme never fulfilled its potential, but acknowledges that without the active support of the venison marketing companies, it was not possible to spread the name further than the original trial markets.

James will continue to watch with interest the use and development of Cervena, and will no doubt continue to make a valuable contribution to many future industry initiatives.


supreme award winner is Peter Pahk, Executive Chef at the Silverado Resort in Napa, California.

Peter's winning recipe was Cervena Venison Shabu Shabu, featuring venison loin, which will be on the menu at The Grill restaurant at the resort as part of its healthy choices selection.

The contest was expanded this year to include four additional categories: best appetiser; salad; entrée; and the most innovative use of Cervena. Each category was sponsored by a regional distributor of Cervena venison.

Contestants had been asked to create a spring-inspired menu item with the loin, rack or Denver leg Cervena cuts. Judging criteria included innovation and flavour, quality of

plate presentation and recipe precision. The contest was open to all professional chefs working in any area of the hospitality industry, including restaurants, corporate, catering and institutional. The recipes were judged by Cervena Chef Ambassador Todd Gray, chef and owner of Equinox restaurant and executive chef of Market Salamander in Washington, DC and Cervena Chef Graham Brown in New Zealand.

Chef Gray was impressed with how the quality of the recipes and the level of innovation improve each year. "Cervena has a rich red meat flavour but, because of its low fat content, it is an excellent protein to use in light, warm-weather preparations," he said. 

CATEGORY RESULTS: 2008 CERVENA PLATES COMPETITION			
			
The Duncan & Co. Best Cervena Appetiser Award	The Four Seasons Best Cervena Salad	The Broadleaf Best Cervena Entrée	The Mountain River Most Innovative Cervena Recipe
Cervena Tapas: roasted Cervena, crispy risotto cake, red pepper oil.	Cervena Mango Raspberry Salad: avocado, goat cheese, candied walnuts.	Cervena Venison 3X.	Cocoa Nib Crusted Cervena Venison with a black pepper and Strawberry Gastric.
<i>Chef Chris Albano; based in West Springfield, Massachusetts.</i>	<i>Chef Diane Halferty, owner, Culinary Adventures, Corpus Christi, Texas</i>	<i>Chef Whitney Flood, owner, Bon Mèlange Catering, Venice, California</i>	<i>Chef Antoine Ware, Chef de Cuisine, Catalan Food & Wine, Houston, Texas</i>
All of the winning recipes can be viewed at www.cervena.com			

New velvet energy drink from BOGO

A new energy drink incorporating New Zealand velvet has been developed for selling through home shopping channels by innovative Korean company, BOGO.


Each 80ml sachet of the BOGO energy drink retails at over \$NZ6 and contains 3.75g of New Zealand deer velvet with vitamins and apple juice. According to Velvet Marketing Services Manager, Rhys Griffiths, the drink "tastes great".

Boxed in 10s, effectively giving a short course of 37.5g of deer velvet over 10 days, the drinks are targeted primarily, but not only, at older children and young adults in their mid, high and senior schools and early working career.

"The motivation for BOGO in establishing this product is a recognition that the traditional market is changing. They want to improve and professionalise the product offering," says Rhys, who met the BOGO executives during his first Korean visit recently.

BOGO, recently established by three senior executives from leading Korean pharmaceutical companies, is launching into new velvet product forms to meet modern markets in Korea. The energy drink joins another new product, a 30ml ampoule of concentrated deer velvet, which targets the older, more traditional market but in a modern delivery format.

"When they decided on the product forms, they first visited Russia, where they expected to source their velvet, but found the Russian business style didn't suit their requirements. Next, they visited China and found their quality control systems not at the level that they wished for.

"Finally, they sourced New Zealand velvet when they saw a clean, green image with a standardised quality control process," Rhys explains, adding that the company has been offered assistance with promotional materials and similar support from DINZ. 



Velvet-enriched energy drink aimed at youthful market.

Powered by velvet.org.nz wins again!

Endurance racing team Powered by velvet.org.nz has scooped yet another win, keeping velvet in the spotlight in the sports supplement world. This time they led the field home in one of the world's premier adventure races, the Fairydown Southern Traverse based in and around Hanmer Springs here in New Zealand.

The 2008 race was staged from 11-13 April, over a 199km course and was the first of a new format of "classic" races. The gruelling kayaking, running and mountain biking sections up and down formidable slopes were often shrouded in "omnipresent brooding cloud". With sleep hard to come by after nine hours of hard racing on Day One, the midnight start for Day Two was challenging, the team reports.

As race leaders, one of the team's first actual challenges on Day Two was having to run the gauntlet of an irate outdoor-adventure business owner. The stage took about 21 hours rather than the 15 the organisers predicted – but at least they had no problem sleeping after that!

Day Three was designed to take all teams about six hours. The last 8 km on the bike was nerve-wracking for the team, "hoping we didn't have a mechanical problem or flat tyre". In the event, they finished safely with 15 minutes remaining, just over two hours ahead of their closest rivals.

Despite the small field, it was a hard-fought victory, the team reports, adding they were very relieved to have won after making the effort to come down from the North Island. As a result of



The winning Powered by Velvet team, from left: Chris Morrissey, Sonya Clark, Rhys Burns and George Christison.

their win, they have secured entry in the World Adventure Racing Championships in Brazil in October.

"Without the generous support of sponsor Deer Industry New Zealand, their terrific natural deer velvet product and the velvet.org.nz website, it wouldn't be possible for us to compete in these events," the team acknowledges.

New Velvet Marketing Services Manager, Rhys Griffiths is excited by the team's results and very happy with the exposure New Zealand deer velvet is subsequently receiving. "The results are even more spectacular when you consider they cannot regularly train together as they all work in different parts of New Zealand. They just turn up on the day and get to it!"

He is also delighted that, as a new market in general, velvet is gaining momentum as a sports supplement. He quotes an email received from one of the triathletes in the *Powered by velvet.org.nz* team who thought a recently placed velvet advertisement in *Adventure Magazine* was "cool".

"The athlete went on to say: 'My training is getting harder and I think the deer velvet is making me feel good. I don't seem to be catching as many colds when I'm on it, which is awesome'.

"That's the message we want to be getting out there," says Rhys. 📧

Proposed ETS: bureaucratic indulgence

Deer Industry New Zealand upped the ante against the current form of the proposed Emissions Trading Scheme (ETS) in mid-May, with an appearance for Chairman John Scurr at the Finance & Expenditure Select Committee in the industry's submission on the Climate Change (Emissions Trading and Renewable Preference) Bill and public comments.

John appeared with the Chairmen of Meat & Wool New Zealand and the Meat Industry Association presenting a united front for the red meat industry. The three organisations warned the Select Committee that the ETS, in its current form, threatens the sustainability of the sheep, beef and deer industries.

He said DINZ did not support the inclusion of agricultural greenhouse gases in an ETS until practical tools have been developed to allow behaviour change. The ETS will result in a reduction in international competitiveness, encourages production in less energy-efficient countries and ignores the rural community's economic and social well being.

"The Government and industry need a laser-sharp focus on the development of tools to reduce methane and nitrous oxide emissions from animals. It is a huge challenge, but would make a real contribution to the reduction in global emissions."

Sheep and beef farmers are concerned that, at a carbon price of \$25/tonne, the ETS would cost the average operation \$40,000 a year, Meat & Wool New Zealand Chairman Mike Petersen told the Select Committee. With the average farm family only making a farm profit before tax, living expenses

and drawings on average over the last 10 years of \$65,000 per year, it doesn't leave many businesses viable.

In addition, he said, those who suggested sheep and beef farmers plant trees on between 10-20% of their farms to offset their on-farm emissions were being too simplistic. This will mean that agricultural production will decrease and the emission problem will be shifted overseas, where New Zealand's lost production will be replaced by its competitors.

Meat Industry Association Chairman, Bill Falconer told the Select Committee that the point of obligation for agricultural emissions in the ETS needs to be at the farmer level to give farmers clear market signals to mitigate emissions. The ability to pass on the carbon costs to customers is nearly non-existent, he said, given 90 per cent of production is exported and no other international competitors are placing a price on agricultural emissions.

"If all of the carbon costs were passed on to the domestic market at \$25 per tonne, the retail price of red meat would increase by 180 percent."

The Select Committee's report is due on 16 June 2008.

Leptospirosis research kick-started by RWNZ

Massey University Epicentre scientists were presented with \$87,500 by Rural Women New Zealand (RWNZ) at the organisation's national conference in Blenheim in May.

The funds will be used to kick start research into leptospirosis, New Zealand's most significant occupationally-acquired disease. It is caught by humans through exposure to the urine of infected animals. Those most at risk include those working directly with animals: meat processors, farm workers, transporters, shearers and veterinarians.

The RWNZ-raised funds will be a springboard for new leptospirosis research, with further contributions coming from the Sustainable Farming Fund and other sources. Massey's new research will focus on the incidence of the disease in sheep and beef cattle.

"There is a much higher prevalence of this disease in beef cattle than previously thought," Massey Associate Professor Cord Heuer says.

The unit will also create a new leptospirosis research position, with a focus on establishing whether vaccinating of deer, sheep and beef is economically viable.

"The other factor is human health and the risk you and your families are running," says Professor Heuer. The researchers will be sampling farmers and looking at risk factors and sources of infection, including transmission pathways from animals to humans.




Left to right: Massey University's Associate Professor Cord Heuer, Massey researcher Dr Jackie Benschop and RWNZ National President Margaret Chapman.

Sheep important source of leptospirosis infections

Preliminary findings of a new survey of meat workers carried out in February/March this year by Dr Jackie Benschop of Massey's Epicentre unit and meat company PPCS Ltd, found that sheep were an important source of leptospirosis infections. The changing profile of victims of leptospirosis and the high number of cases amongst Hawke's Bay meat workers had prompted the co-operative study, which comprised 242 volunteers from PPCS's Takapau plant. Of those who were blood sampled and interviewed, 9.5% tested positive for antibodies for *Leptospira* serovars pomona and hardjo-bovis and one to both.

"These workers had occupational exposure to sheep only. This, in combination with our results, adds weight to the hypothesis that sheep are an important source of leptospiral infections for humans," explains Massey University researcher, Dr Jackie Benschop.

Results of the PPCS study will be presented at the New Zealand Veterinary Association conference in Wellington this month. 

For fact sheet:

<http://www.ruralwomen.org/documents/Leptospirosisfactsheet.pdf>

Pushing own agendas

In comments made ahead of the committee appearance, John Scurr said many industries, NGOs and the Government are all pushing their own agendas, rather than focusing on the challenge of climate change.

"The huge amount of time being expended on an ETS is a distraction and will not achieve what is required. True leadership would guide all parties to focus on the problem of agricultural greenhouse gas emissions and the solutions to them. The current efforts are piecemeal and partisan."

Battling evolution requires creativity

The fact is that the major source of global greenhouse gas emissions is the world's use of fossil fuel, but New Zealand's economy is reliant on agriculture to produce food for the world's growing number of consumers. The real – and huge – challenge for New Zealand is to solve the challenges of methane and nitrous oxide emissions from agriculture, DINZ says.

However, "battling evolution" requires a three-pronged approach: whole-of-government commitment and whole-of-industry commitment to successfully find and implement a solution to agricultural greenhouse emissions; a focus of people and financial resources on finding solutions; and creativity. (See also article on MAF presentation on the ETS in our conference report, page 7.) 

Proposed ETS will have negative impact on economy

DINZ has pointed out that mounting economic analysis shows that the proposed ETS will have a large, negative economic impact on New Zealanders' wellbeing. For example, at \$50 per tonne of carbon dioxide equivalent, New Zealanders may face:

- electricity bills rising by 20 percent
- petrol increasing by 12.2c per litre
- the employment equivalent of 20,000 to 50,000 jobs lost
- average household spending falling by \$3,000 per annum by 2025
- a decrease in gross domestic product by \$1,400 per person or \$6 billion by 2025
- increasing household costs by around \$19,000 per annum by 2025.

Some of these analyses suggest that the ETS will also do very little towards getting New Zealand any closer to carbon neutrality or making any discernible impact on global emissions, the organisation says. 