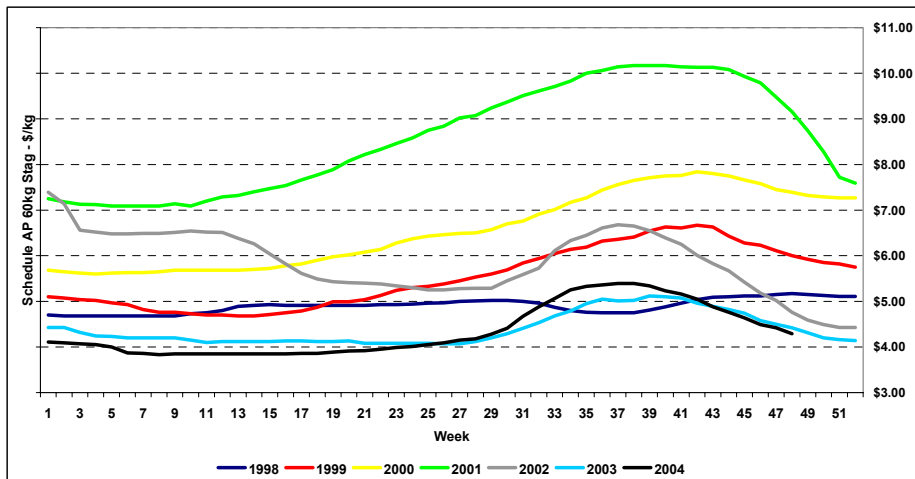


>>> VENISON SCHEDULE

This week (week 48): \$4.29. Down 13 cents from last week. Down 3% on the same time last year (\$4.49).

Down 29% on the 10 year average for this time of year (\$6.07)

60kg AP Stag – Published National Average Schedule. (Source: Agri-Fax)



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>>> VELVET

VELVET POOL PRICES

	Current Season Week ended 3/12/04	Last Season's Weighted Average	Approx. change from last season
SA	44 - 64	\$87.00	-38%
A	41 - 54	\$73.00	-35%
B	39 - 51	\$69.00	-35%
C	36 - 42	\$63.00	-38%
D	23 - 27	\$44.00	-43%
E	20 - 21	\$35.00	-41%
Sp	23 - 49	\$50.00	-28%
RG	23 - 49	\$49.00	-27%

- Pools report two weeks of steady prices. Lower-end product (esp regrowth) is strengthening in price – possibly driven by the slicing market
- Exporters report prices steady around US \$140 – down from US\$180 last year. Currency continues to be an issue with the NZD up a further 10% against the Korean Won since the start of last season.
- Reports of stocks in the market and the soft Korean economy are other main influences.

LIFE MEMBERSHIP FOR JOHN AND MARIE SPIERS

Congratulations to John and Marie Spiers on receiving life membership of the Hawke's Bay Branch of the NZDFA recently - well deserved recognition of John and his family's support of deer industry activities locally and nationally including his role on the NVSB.

CHIEF EXECUTIVE O'CONNOR

Congratulations to Mark O'Connor who will replace MJ Loza as DINZ CEO from 1 January 2005. Mark is currently DINZ GM-Marketing having been with DINZ for 5 years.

>>> NEWS & UPDATES

RESTAURANT PROMOTION IN HONG KONG



Recent promotional work in the retail and foodservice markets in Hong Kong has shown some good results. The famous Cafe Deco (www.cafedeco.com) has featured a variety of New Zealand venison dishes throughout November, even going so far as profiling New Zealand venison on the front page of their website!

The Cafe Deco Group is a Hong Kong-based company that owns and operates 15 restaurants in Hong Kong and Sydney, Australia. Their idea was to create a unique, landmark restaurant for Hong Kong on the Peak. Located in The Peak Galleria building, the restaurant's sheer glass walls

are all that stand between the diner and some of the most spectacular views of the world overlooking Hong Kong's busy harbour and world famous skylines.

Feedback received through diners and staff has been extremely positive.

Venison Promotion in Hong Kong

NZFSA TO MONITOR VELVET

The New Zealand Food Safety Authority (NZFSA) have announced that they will be undertaking a survey of drug residues in deer velvet, to assess compliance with the recently approved MRLs for xylazine and lignocaine (0.5 and 0.1mg/kg respectively).

The survey will collect samples of frozen velvet from the three velvet pools, which will be analysed to determine the amount of each residue in the antler. Non-compliant samples will be traced back to the farm of origin and the reason for the non-compliance determined.

NZFSA have indicated that if non-compliance is minimal, further sampling will be deferred, however, if non-compliance is common, they will consider implementing a Regulatory Control Scheme (RCS) under the Animal Products Act. An RCS would be very costly to industry, both in terms of compliance testing costs and the increased paperwork demanded by the system.

The survey is due to take place during December and the message is clear. **Make sure that a tourniquet is applied and tightened securely before administration of local anaesthetic.** Failure to comply through laziness or ignorance could be disastrous for the entire velvet industry. Farmers are asked to keep brief notes where they are unable to apply a tourniquet before local, in order to assist the industry and NZFSA assess future compliance options.

Food safety monitoring of velvet.

Remember – tourniquet first, then local.

VENISON IN GERMAN TRADE MEDIA

Following media work throughout 2004, there continues to be increased consumer and trade media attention on New Zealand venison. The latest caption profiled New Zealand venison kebabs, and highlighted the versatility and nutritional properties of our products. Published in trade publication GV Manager, the caption and image has an advertising equivalent value of Euro 2,364.

Venison coverage continuing in the German food-trade media.

Deer Notes

MAKING LIFE TOUGHER FOR PESTS AND BUGS

A new agency called Biosecurity New Zealand started making life tougher for pests and bugs from 1st November.

Replacing the MAF Biosecurity Authority, the new agency is based within MAF and is responsible for the preventing the importation of unwanted pests and diseases and controlling, managing or eradicating them should they get past the border.

Formed following the Biosecurity Strategic Review last year, its remit extends into management of risks to marine biosecurity and the coordination of six pest management programmes is expected to pass to the new agency from the Department of Conservation in mid-2005.

The agency will also have responsibility for the protection of wider environmental and human health biosecurity values and for ensuring greater responsiveness to Maori. It will work closely with MAF's new Biosecurity Strategic Unit and have close links to MAF Quarantine Service and other agencies with biosecurity issues.

Biosecurity New Zealand established.

CEO RESIGNATION AND APPOINTMENT

Deer Industry New Zealand has announced the resignation of CEO MJ Loza and the appointment of Deer Industry New Zealand's current General Manager – Marketing, Mark O'Connor, as his replacement.

MJ joined Deer Industry New Zealand 10 years ago, progressing through velvet and venison marketing positions to be appointed GM-Marketing in 1999 and CEO at the start of 2001. He is joining Fonterra Marketing and Innovation based in Palmerston North in the New Year.

"The Board and industry has been extremely fortunate to have had such a dynamic and talented person serving the industry." says Chairman, Clive Jermy. "MJ's range of skills and huge capacity for work saw our organisation at a level unmatched in its history. He has gained enormous respect from all people and organisations he has worked with. We wish him the greatest success at Fonterra and are glad New Zealand agriculture will continue to benefit from his involvement."

"While I am disappointed to be leaving when the industry is facing such difficult circumstances, I have every confidence in the industry, its people, products and prospects. The conclusion of our recent industry consultation process on the future of Deer Industry New Zealand for the next 5 years was a logical time for me to look for new challenges. I know Mark and the rest of the team remain intently focussed on the work and opportunities ahead." says MJ Loza.

Mark O'Connor joined Deer Industry New Zealand in 2000 as Velvet Manager and was appointed GM – Marketing last year. He has previously held positions with the New Zealand Tourism Board including postings in Australia and Germany.

MJ Loza resigns as CEO.

Mark O'Connor CEO from 1 January 2005.

FEEDBACK FROM NZ SUPERMARKETS

More supermarket tastings were held in the North Island throughout October, to further promote venison on the shelves, and encourage shoppers who have not experienced venison to do so.

Tastings not only promote, but also allow us to understand the consumer, to get a strong feeling for what motivates consumers to purchase. The most common comments from the supermarket aisles include;

- It's tender
- It's moist
- It's great for entertaining
- It's so easy to cook
- It's good and healthy
- It's a bit too strong for me
- It's something different

Feedback form consumer sampling in NZ supermarkets

Deer Notes

SHED MEETINGS: 19TH HOLE



The Deer Industry New Zealand round of 18 shed meetings was followed by a media briefing in Wellington on 29th October, part of an afternoon of briefings for members of the New Zealand Guild of Agricultural Journalists & Communicators.

There was plenty of interest from the attendees representing all the major agricultural press and Radio New Zealand, keen to hear about how the shed meetings had gone, what plans are proposed

for the coming five years and to get market updates from Clive Jermy and MJ Loza.

In the open and frank question and answer session that followed the formal presentation, discussion centred around the biggest single influencing factor for marketing venison – seasonality – as well as discussion regarding schedule versus contract arrangements, and where productivity gains have been made for the industry in the past five years. On genetic evaluation, Clive made the comment that it was the “last thing the deer industry hasn’t had to invent and will be taken on with a passion and vigour. The results will be taken on quickly.”

Briefings followed from Federated Farmers and the New Zealand Climate Change Office (NZCCO).

Lively debate in the Federated Farmers section concentrated on farm access and animal welfare concerns, especially cow and dog tail-docking and PETA campaigns against mulesing of merino sheep to avoid fly-strike.

NZCCO advised there is growing acceptance of climate change from a wide range of scientists ranging from “calamity Janes to sceptics”. This complex scientific topic is going to become more relevant for deer farmers as we approach the first period of the Kyoto Protocol (2008-2012) and farmers are encouraged through financial incentives (no, they’re not called ‘subsidies’) to reduce emissions and gain ‘forest sink credits’ by planting areas of their properties to soak up carbon dioxide.

Here are some fascinating facts for you:

- New Zealand is unique in that 49% of New Zealand’s greenhouse emissions are from the agricultural sector
- 87% of New Zealand’s methane is sourced from ruminants (70% of which is ‘burps’ and 30% from ‘the other end’).
- A cow expels approximately 1.5 tonnes of CO₂ per annum equating to 120 litres of petrol, a 200 cow herd produces about 24,000 litres a year.

The Pastoral Greenhouse Gas Research Consortium (PRGGRC) is charged with finding ways of reducing the emissions and has set an ambitious reduction target of 20% by 2012 – that means making your deer 20% more efficient emissions-wise. Keep up with progress.

Media Briefing to Guild of Agricultural Journalists and Communicators

VENISON IN SCOTTISH SCHOOLS

Scottish school students were served venison burgers in October as part of a drive against childhood obesity. 29 schools in the highlands trialled the low fat burgers, however a British newspaper reported that experts feared kids may snub venison “because of the animals links with Disney favourite, Bambi”.

Highland MP Fergus Ewing summed it up with humour, saying “I’d rather Scottish kids eat the foods from the McDonalds than foods from McDonald’s!”

Venison burgers in Scottish schools.

Deer Notes

VACANCY – GM-MARKETING

Deer Industry New Zealand is currently recruiting for a GM-Marketing to replace Mark O'Connor when Mark takes up the CEO's role in January next year. The position is a key part of the Executive team based in Wellington and is primarily responsible for velvet market development and velvet industry issues and advocacy, plus working alongside Mat Moyes on venison promotion.

If you are interested in more information about the role, or know someone who may be, please refer them to the following website where the position is advertised:

<http://www.momentum.co.nz/jobdetails.asp?JobID=4044>

Alternatively, contact Momentum consulting - Tony Walsh on (04) 499 6161 or Kelly Winyard on 04 499 6161.

Recruiting for Mark O'Connor's replacement.

DEER INDUSTRY POLL RESULT

The results of Deer Industry New Zealand's poll of its stakeholders have been released showing a disappointingly low turnout from farmers, but strong support from those who responded.

604 deer farmers (15% of the total) who farm roughly 435,000 deer (25% of the total) responded to the poll. Venison processors accounting for 98% of total production also responded, but only a handful of velvet and co-product companies.

Of those farmers voting for each question, 93% supported retaining DINZ and 92% supported DINZ's industry-wide, partnership approach. There was clear support for all activities proposed for the next 5 years: industry representation (94%), communication and producer liaison (94%), venison promotion (91%), velvet promotion (89%), velvet research (91%), on-farm research (91%), processing research (88%), velvet removal welfare assurance systems (93%) and other assurance systems (88%).

In most of these areas, 100% of venison and velvet companies voting also supported DINZ's continuing role. However, venison company support was less than unanimous in the following areas: processing research (86% support by number and 89% by volume), velvet removal welfare assurance systems (86% and 89%), and other assurance systems (71% and 26%).

"While we are generally pleased with the support shown by those who voted, we are concerned that there wasn't better participation" says DINZ Chairman Clive Jermy. "The Board will be meeting in the New Year to analyse the results and come to a conclusion as to why the level of turnout was so low and what we can take from it. In light of the different producer and processor results in respect of other QA systems, the Board will also review our activities in this area, concluding the DeerQA review started earlier this year."

"In the meantime though, our consultation process was very thorough and people certainly had the opportunity to have their say. Our focus now must be on the programmes we have in place - continuing to deliver industry-good benefits. Stakeholders simply want to see results and sustainable improvements in current conditions."

Poll returns were received from a further 101 farmers (farming 58,000 deer) after the 22 November closing date. These polls indicated support for DINZ and its proposed functions roughly in line with the rest of the farmer polls received.

The poll result also confirmed producers' preference for the current Selection and Appointments Panel (SAP) mechanism for appointing producer representatives to the DINZ Board. The Deer Farmers' Association's SAP process was supported by 82% of those deer farmers voting, accounting for 75% of the deer owned by those voting.

Deer Industry New Zealand poll result – very low turnout, strong support from those participating.

Deer Notes

NITRATE LEACHING TACKLED BY AGRESEARCH

AgResearch scientist, Dr Stewart Ledgard, is leading the world with his discovery of a unique slow release delivery treatment for cattle, and possibly also for deer, which should significantly reduce greenhouse gas emissions and nitrate leaching in soil.

Dr Ledgard is working on a treatment that will not only substantially reduce nitrate leaching into waterways, but will also cut nitrogen emissions into the atmosphere by 60%. AgResearch has patented the method that enables a slow release delivery of a nitrogen inhibitor, which when given to cattle reduces nitrogen loss to the environment. Previous AgResearch studies show that about 90% of nitrogen leached from pasture is from animal urine, particularly during the winter months, so treating the urine goes a long way towards solving nitrogen leaching problems, Dr Ledgard says. The inhibitor passes through the urine and onto the ground, delaying the conversion of urine to nitrate. Development is underway of a single dose bolus for administration in the late autumn. AgResearch has already developed a slow-release bolus device called a Time Capsule, which prevents facial eczema in sheep.

Work comparing deer with sheep for nitrogen leaching risk is being done by Dr Keith Betteridge at AgResearch Grasslands.

AgResearch's annual report for 2004-2005 was released in October. Chief Executive Dr Andy West believes that the next decade will be "tremendously exciting and profitable for New Zealand's pastoral and biotechnology sectors".

Treatment to reduce nitrate leaching into waterways and reduce greenhouse gas emissions.

>>> UPCOMING EVENTS & IMPORTANT DATES

Southland Branch and National Velvet and Hard Antler Competition

More information: Eddie Brock (03) 207 6822

6 - 8 December

Elk and Wapiti Society

Millennium Hotel Queenstown, Contact Tracey MacLean 03 318 3101

22 January 2005

Duncan & Co Deer Farmer of the Year Winner's Open Day and Auction

WINNERS OPEN DAY & AUCTION hosted by Pyne Gould Guinness
Wednesday, 9th February 2005, at 1.30pm to be held on the winning property of Glenory Deer Park, on the Balclutha Clydevale Road.
This afternoon will look at the winning operation and learn about the features which make it a winner. A social hour and product auction will follow, with the surplus going toward the Johnes Research Group.

9 February 2005

National 2 y/o Velvet and Hard Antler Competition

Rooms are available at the Copthorne Solway. For further details contact Anne Allen, Secretary, Wairarapa Branch – (06) 372 7706, allens@wise.net.nz

19 February 2005

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