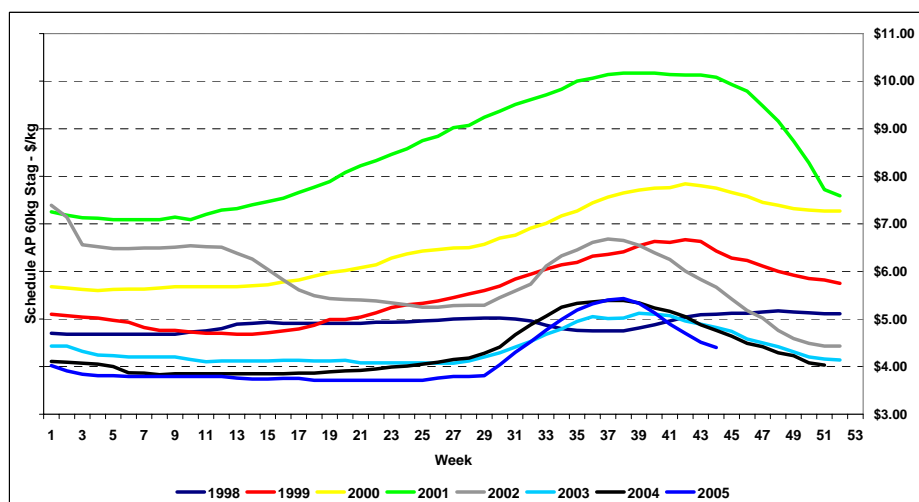


## >>> VENISON SCHEDULE

This week (week 44): \$4.40. Down 11 cents from last week. Down 8% on the same time last year (\$4.76). Down 30% on the 10 year average for this time of year (\$6.21).

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



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- RECENT 'PROFIT FROM DEER' ROAD SHOW & POST ROAD SHOW COMMENTS

### RECENT NZ VENISON PROMOTION

The German and European Game season should be well underway now, but unseasonably high temperatures are reducing demand for venison and other game products. Once the weather turns cold Europeans head indoors and turn their minds to game.

#### France

Bringing to a close the French media programme, 45 press kits full of recipes and suggestions for serving NZ venison were sent out in October to food editors and journalists. We have already received some results of this with a 2 page spread in the magazine for chefs featuring four recipes developed for DINZ specifically for the French market.

#### Germany

Responding to requests from supermarkets, DINZ organised a further set of in-store tastings in Southern Germany in late October. Three stores offered New Zealand branded venison retail packs which were produced in New Zealand.

#### Hong Kong

Graham Brown finished off recent work with three days in Hong Kong. Although exports to Hong Kong are small, a New Zealand marketing company believes the food service sector holds great potential. Graham presented to executive chefs and to sales staff, demonstrating the advantages of using NZ farmed venison.

#### New Zealand

Brown also provided two days of tuition to the Eastern Institute of Technology in Hawkes Bay.

*Promotion continues at full swing in a range of markets.*

# Deer Notes

He featured on the Peta Mathias television show "Taste New Zealand". Graham talked about his international career, his enjoyment of deer farming and provided a quick demonstration of cooking a leg topside fillet.

We were pleased to see Kapiti Coast chef and catering guru Ruth Pretty write a piece on venison for her regular column in the Dominion Post last month. Ruth suggested using venison on the BBQ and explained why it must be cooked quickly and served rare. She illustrated this with a delicious recipe for Venison Denver Leg with balsamic vinegar and shaved Parmesan.

## >>> VELVET

### VELVET SEASON BEGINS WHERE IT LEFT OFF LAST YEAR

The first two pools were passed in by PGG Wrightson to allow time for demand to build. Since then sales have begun at levels similar to the end of last season. The pool reports a

	Current Season		Last Season's	Approx.
	Week ended		Weighted	change
	4/11/05		Average	from last
				season
SA	51	- 59	\$57.00	-4%
A & B	49	- 57	\$51.00	4%
C	41	- 48	\$45.00	-1%
Sp 1		- 57	\$52.00	10%
RG 1 & 3		- 49	\$67.00	-27%

steady increase in buyers entering the market.

*Velvet pool sales have begun where the season ended last year.*

### Velvet Situation in Korea

The quantity of velvet in Korea is reported to be lower than this time last year. However there are reported to be volumes of velvet in China that are likely to find their way to the Korean market.

In market, Russian prices have lead into the new season 10% stronger than last year, reflecting a perception that it is relatively affordable given its strong reputation in the market and its fixed supply. Chinese prices have dropped off slightly, reflecting inconsistency in quality. NZ prices are yet to be set. Lower Canadian prices are reported to be setting a lower price benchmark.

Overall, closing prices (to Oriental Medicine Doctors) of the 04/05 are approximately 22% down on the same time last year.

# Deer Notes

## POOL DELAYS SALES OF SOME GRADES OF VELVET

Following industry discussion and unanimous support from NZDFA branch chairmen, PGG Wrightson has agreed to hold back some lower price velvet grades until 1 February to allow time for other grades to clear. The affected grades are D & E grades, Overgrown (1,2,3), Damaged 2 & 3, Manufacturing 2 & 3, Regrowth 2 & 4 and Hard Velvet (formerly known as Hard Horn).

This is a short term measure and an effort to show that producers can act co-operatively to attempt to influence a situation.

Producers should not expect this to have a significantly positive impact on velvet returns. However, we hope that there will be some benefit. The initiative provides a precedent for further co-operative action in the future. But, importantly, it also sends a signal that New Zealand velvet producers can take collective action to impact the market.

A letter has been sent to all PGG Wrightson clients outlining the change.

*... short term measure and an effort to show that producers can act co-operatively to attempt to influence a situation.*

## >>> NEWS & UPDATES

### RABOBANK REPORT ON DEER INDUSTRY

A recent Rabobank Global Focus report on the New Zealand deer industry made some relevant and well researched comments. The Executive Summary is below. The full report is well worth reading and Rabobank has kindly agreed that an electronic version of the report can be made available to Deer Notes subscribers. If you would like a copy, you can request one by replying to this email.

Excerpted from Rabobank Global Focus..

**With an industry developed in its own backyard, New Zealand holds the lion's share of export markets for farmed deer products.**

The development of the deer industry has appealed to values fundamental to New Zealand agriculture. From the innovative live recovery of deer by helicopter to adapting an existing feral animal species to farming practices, the industry has embodied the pioneering spirit and character of New Zealand's farmers. The imagery of full antlered stags against a snowy mountainous backdrop is also consistent with New Zealand's export profile.

The product characteristics of venison and velvet meet all the requirements of demanding 21st century consumers. However, operating within niche overseas markets has meant that growth in consumer awareness is slow, distribution channels can be challenging and heavy reliance remains on traditional export markets. Slaughter numbers have increased by over 60% in the past three years, driving venison export volume growth of 45% from 2002 to 2004. Demand and consumption growth has not kept pace with supply, consequently New Zealand farm gate prices have been at depressed levels since 2003.

The strategy to diversify export markets and distribution channels, and raise consumer awareness of deer products is sound and well under way. Nevertheless, it will take time to achieve results and producers are understandably reacting to current market realities. New Zealand deer farmers are actively considering their options for continuing in the industry, during a period when other agricultural sectors have been enjoying sustained periods of profitability. While it is a difficult time for deer producers and processors at present, the moderation of production volumes and the consolidation occurring will provide an improved market outlook in the medium term.

*...Useful report...worth reading.*

*"While it is a difficult time for deer producers and processors at present, the moderation of production volumes and the consolidation occurring will provide an improved market outlook in the medium term."*

Deer Notes is published by Deer Industry New Zealand PO Box 10-702 Wellington, New Zealand

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# Deer Notes

## RECENT 'PROFIT FROM DEER' ROAD SHOW & POST ROAD SHOW COMMENTS

The recent DIL Promotional Tour has raised a number of issues that require some balanced comment. The next Market Report will include more detail.

**Productivity:** the emphasis on productivity improvement is excellent and an area in which producers can act co-operatively to impact on their bottom line. As usual it appears that Andy MacFarlane and Simone Hoskin's contributions were invaluable.

**Structure before Strategy:** A flawed approach. A lot of the comment seems to come back to tinkering with industry structure as a way of improving producer returns. The 'how' or 'what are we actually going to do' is much more important. A single industry vision shared by exporters and producers to position venison in European retail emphasising the nutritional profile and country of origin; or a united industry effort to promote Cervena in the USA are much worthier goals than alignment with Federated Farmers or moving levies from one organisation to another.

**A 50/50 producer/exporter DINZ Board means producers have lost control:** No. The 50/50 board is irrelevant to producer control. The DINZ Board has rarely voted along sectoral lines. Processor/exporters have in fact elected a venison producer as one of their appointees. A 50/50 DINZ Board has nothing to do with uneconomic returns to producers.

**PC element disallowing debate:** No. there is nothing stopping debate and in fact, it's encouraged. DINZ seeks out and values producers' views. DINZ particularly appreciates producers that take the time to tackle us directly on issues.

**Companies don't promote venison effectively in New Zealand:** there is more and more availability of NZ venison in New Zealand retail. Companies are investing in product development and distribution. DINZ is supporting companies' own promotional efforts and momentum will gain if we get in and support our industry and product by spreading the word and asking for NZ farm raised venison by name.

**NZDFA has lost its voice:** No. NZDFA has taken a strong, effective stand on a wide variety of issues. NZDFA and DINZ views necessarily differ on some issues, but communication between the two organisations allows differences to be aired.

**The 2002 reforms created a single industry body, DINZ:** No. NZDFA remains an independent, autonomous organisation that will continue to choose its own path. Its members must make their own decision on whether to re-strike a commodity levy and how their executive services are provided.

**DINZ will not release kill statistics:** Incorrect. Kill to year end July 2005 is 750,000 animals. DINZ releases them three months in arrears following company advice that this time gives the market a 'cooling period'. This has been a positive step with support from all marketing companies who confirm that the slaughter statistics that were so promptly published in the past are no longer the focus of the marketplace. The emphasis has changed to the supply management by individual companies and diverted attention away from growth figures that could have undermined market confidence.

*.... A 50/50 DINZ Board has nothing to do with uneconomic returns to producers*

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## >>> UPCOMING EVENTS & IMPORTANT DATES

### NZDFA BRANCHES VELVET COMPETITIONS' CALENDAR

#### 2005/06 SEASON

#### 2005

- Friday, 18 November, Hawke's Bay, Contact Mike McCormick on 06 858 9127
- Friday, 18 November, Waipa
- Saturday, 19 November, Waikato
- Monday, 21 November, North Island Entries in Grading Centre, WRI Hastings
- Friday, 25 November, NIVC Judging, Duxton Hotel, Lake Rotoiti, Rotorua, contact Andrew Mitchell on 07 333 2151
- Friday, 25 November, SC/NO, Timaru, contact Peter Aitken on 03 614 7482
- Saturday, 26 November, North Island Awards Dinner, Rotorua
- Saturday, 26 November, Wairoa, contact Ian Pickering on 06 837 5977
- Wednesday, 30 November, Eastern Southland, Riversdale Hotel, 5.00pm, contact Eddie Brock on 03 207 6822
- Wednesday, 30 November, Taranaki
- Thursday, 1 December, Sth Otago, Greenfield Tavern, Clydevale, contact Ken Harrex on 03 485 9514
- Friday, 2 December, Closing Date for National Velvet Competition.
- Friday, 2 December, Competition Velvet to Invercargill Freezer Wrightson
- Monday, 5 December, National Velvet Competition Judging
- Tuesday, 6 December, National Velvet Comp Awards & Dinner Invercargill
- Friday, 9 December, Oxford A&P show Velvet Competition
- Saturday, 17 December, Manawatu/Horowhenua/Wellington Kapiti

#### 2006

Saturday, 21 January, Elk Wapiti Society National, Ashburton

Saturday, 28 January, Fiordland, 2 yo competition

Saturday, 25 February, National 2 yo Velvet and HA and Branch Challenge, Masterton

Wairarapa Branch visit to Massey University (Forage Trials)

Contact Anne Allen on 06 372 7706 or allens@wise.net.nz

21 November

#### LOOK OUT FOR...

Market Report in mail boxes during the week ending 18 November.

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