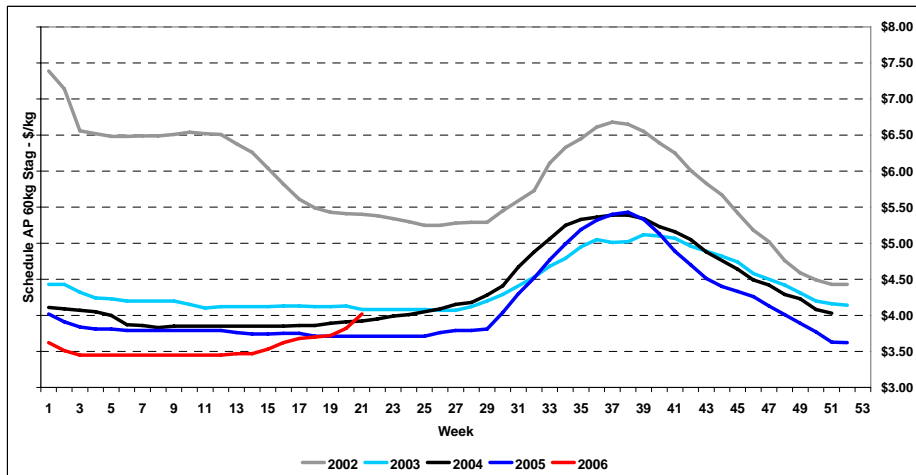


## >>> VENISON SCHEDULE

This week (week 20): \$4.02. Up 20 cents from last week. Up 9% on the same time last year (\$3.71). Up 3% on the 3 year average. Down 22% on the 10 year average for this time of year (\$5.18).

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



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### European Game Market

As Europe heads into summer few people think of eating venison, so sales at this time of year are low as normal.

European importers and distributors are being prepared for a likely reduction in supply from New Zealand. Negotiations for supply leading up to the crucial chilled season will be underway soon between New Zealand exporters and European importers.

Sufficient stocks in the market, however, are limiting any price increases even though the reality of the reduction in the New Zealand deer production moves closer.

*Sales low as usual for the time of year*

### German Retail Promotion 2006: 'Impress Your Guests'

Innes Moffat announced the new, refocused New Zealand venison promotion in Germany being launched in September at the Deer Industry Conference. After a thorough review of the activities with Venison Marketing Managers, and their importing customers, it has been decided to concentrate on highlighting the quality of New Zealand venison to likely consumers when they are looking for it.



The promotions will be run in conjunction with distributors and localised around supermarkets where in-store promotions will be pointing the consumers to New Zealand Venison. At this point in time, there are seven German importers and one Dutch importer enthusiastically participating in planning the event.

*highlighting the quality of New Zealand venison to likely consumers when they are looking for it.*

# Deer Notes

## NY Giants: 'Cervena Grilling 101'

One example of the public relations activity DINZ is coordinating as part of a rejuvenated Cervena programme is 'Cervena Grilling 101' with the New York Giants football team.



DINZ is staging a lunch with cooking demonstrations for the Giants players on 12 June. The opportunity has come about by developing a relationship with the nutritionist for the team. We expect to get journalists, sports writers and sports nutritionists along to

this day which should result in coverage of Cervena in national and local media.

*...expect to get journalists, sports writers and sports nutritionists along to this day which should result in coverage of Cervena in national and local media.*

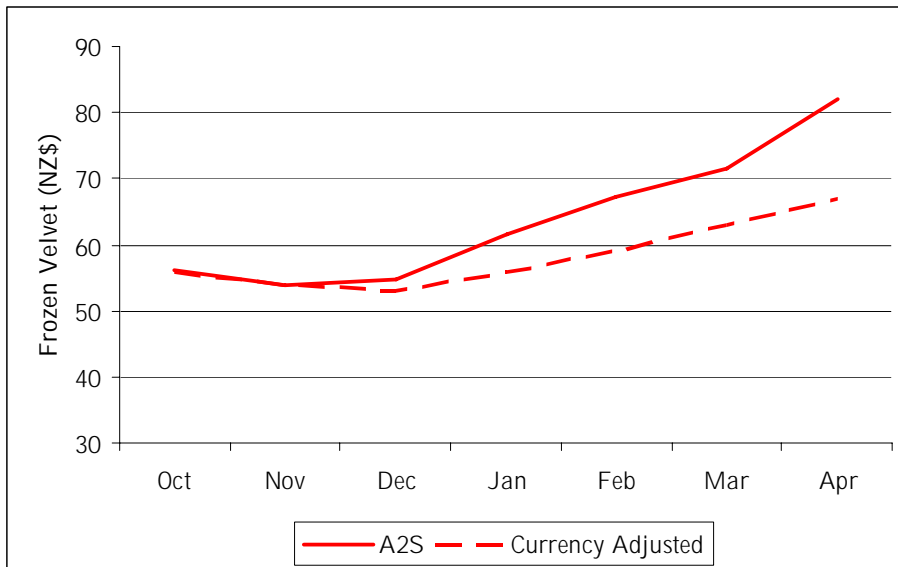
## >>> VELVET

### Velvet Pool Price

The weighted average velvet price for the season is expected to be about \$47 – 7% ahead of last year.

The pool velvet price tracked up toward the end of the velvet season. This was related in a large part to currency with the Korean won sitting at about 600 KRW to the NZ dollar. The KRW's 5 year average is about 670 and at around this time last year it was about 730. There has been significant improvement on that front. As indicated in the graph below, only part of the lift in velvet price was due to currency shift. There was also some increase in price due to a perception of lower supply. Market conditions in Korea are reported to remain sluggish. The South Korean economy, which grew by 4% last year, is expected to grow by 5% this year. However, this is yet to translate into improved demand for velvet. Importers report that with the strengthening of the Won, export prices from New Zealand have increased while in-market prices are flat. In market stocks are reported to be low.

*Velvet pool prices benefited from a weaker NZ\$ and perception of lower supply.*



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# Deer Notes

## Promotion of velvet as a healthy food

Recent focus in Korea has been on developing new demand for velvet in health food markets. As such, DINZ promoted velvet in fine cuisine in a high visibility function at the 5 star Imperial palace hotel in Seoul. There were at least 10 dishes, all garnished with either sliced velvet, powdered velvet, velvet herb mix or velvet honey.

Through advertising and PR, there has been interest from the commercial sector in developing food products, interest which DINZ will encourage further.



*NZ velvet and venison show cased at 5 star hotel in Seoul.*

## Minister Anderton goes to bat for NZ velvet access to Taiwan

In his presentation to attendees at the recent Deer Industry Conference, Minister Anderton described the work he is doing on the New Zealand deer industry's behalf to gain better access for frozen New Zealand velvet in Taiwan.

He is using a report produced by Deer Industry which indicates the true size of the Taiwanese market for deer velvet as evidence that the market is being seriously underestimated and could certainly consume more frozen velvet from New Zealand.

Daimien Reynolds indicated that the Minister's efforts are proving extremely helpful in putting added pressure for change on the currently unfair situation.

*Better access for NZ velvet in Taiwan is being pursued at all levels.*

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# Deer Notes

## 0 800 VELVET

DINZ believes that it is timely to re-examine whether NZ velvet is being sold in a way which maximises value to all participants in the value chain. As such DINZ spoke to producers who account for around 200 tonnes of velvet. 99% of those producers spoken to indicated that they agreed and were interested in further developing the idea of closer cooperation among New Zealand velvet producers. 75% supported the 0 800 VELVET concept, 23% were unsure – many of those that were unsure mostly felt that it did not go far enough and 2% did not support it.

To progress things, DINZ called a meeting of people who had attended the meetings and shown leadership and in particular, critical reasoning.

9 attendees agreed that they wished to be part of a Working Group to move things along. Those people are:

- David Acland
- Neville Cunningham
- John Fogarty
- Kelly Hudson
- David Stevens
- Ian Scott
- Bill Taylor
- Ponty von Dadelzen
- Jonathan Wallis

The group elected Ponty von Dadelzen to Chair the Working Committee. Ponty is a Hawke's Bay sheep, beef and deer farmer. He is a former director on the board of Meat & Wool New Zealand.

Ponty addressed the Deer Industry Conference. He made the following comments " We all know that the velvet sector has problems – there are relatively few buyers and many sellers, the system is open to manipulation, it doesn't encourage legitimate trade, it encourages weak selling, it doesn't take the needs of buyers – the customer – into consideration. Lot's of issues. But to me, there are two overriding ones which lead to the need for a clarion call for change:

- Firstly, the owner of the velvet, and the people with by far the largest investment in the industry – producers – have little influence or responsibility for how their velvet is sold, and therefore, how we want our industry to be; and
- Secondly, any effective business needs effective governance. Currently, there is no real governance over how velvet is sold and the future commercial development of the velvet industry.

We are not talking about holding buyers to ransom. Any initiative has to be pragmatic. We are not talking about squeezing out any existing player. We are not talking about turning the industry on its head. We are talking about a short, manageable, achievable step which will play a part in putting all those that invest in New Zealand velvet in a better position. Traders survive on a margin. When price is low, it doesn't help them. Price stability does though.

There are two key things that need to be achieved. Firstly; there has to be critical mass. It's required to be able to actually have responsibility and economies of scale can't occur without it. Secondly; there has to be some sort of commercial model, because otherwise it won't be sustainable over time."

Ponty and a small group are developing the initiative further. The NZDFA AGM pass a remit of support unanimously.

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## >>> NEWS & UPDATES

### Deer Industry Conference Presentations

Full copies of DINZ presentations from the Deer Industry Conference are available on [www.deernz.org/resources](http://www.deernz.org/resources).

### Conference remits

The Following remits and formal motions were presented for discussion at the AGM, and passed or amended as presented here for subsequent action. A full conference and AGM discussion will be presented in Junes Deer Industry News.

### Constitutional Financial motions. (1-4)

The Financial accounts for 2005-06 were approved, 2006-07 budget endorsed and the Executive Committee honoraria approved at current levels as laid out in the NZDFA annual report shown in Deer Industry News 19. April 2006.

In addition Deloitte's were reconfirmed as the Association auditors.

The NZDFA commodity levy on deer products (2001) was reconfirmed as being set at zero for velvet antler and for venison as developed in the 2002 industry structural reforms.

### Motion 5. Executive Committee motion Commodity levy future from September 2007

The AGM confirmed the Executive Committee recommendation that " That the NZDFA AGM recommends that any CLA remandation process not be pursued at this time and that the NZDFA allows the current Commodity Levy (Farmed Deer Products) 2001 to lapse at expiry in September 2007"

Moved Andrew Mitchell, seconded John Carter. **CARRIED**

### Branch Remits

#### Remit 6.

" That the NZDFA constitution be amended to include an elected at large President to lead the four man executive committee as defined under the current constitution." **WITHDRAWN** after lengthy and constructive discussion.

#### Remit 7

That the NZDFA be instructed by this meeting to reactivate the Commodity Levy in order to provide funding for NON POLITICAL activities, the \$ per kg value of this levy would be set as per a recommendation from the DFA executive" **LOST**

#### Remit 8 Amended

" *That in the absence of an accepted velvet marketing restructuring* .....That NZDFA request DINZ to ensure that NZFSA (New Zealand Food Safety Authority) removes 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 by beginning of 2007 selling season **CARRIED**

#### Remit 9

" That the NZDFA requests DINZ to utilize a proportion of velvet antler marketing budget to advance the research and promotion of the use of velvet antler in the developing pet supplement market within NZ and internationally, and to specifically retain the services of a veterinary expert to initiate and oversee this process".

**CARRIED**

# Deer Notes

## Remit 10

" That the Johne's Research Group ask NZDFA to support the introduction of the modification to the interpretation of the ETB blood test as an ancillary test in conjunction with the standard mid cervical skin test for diagnosing and distinguishing TB and Johne's disease" . CARRIED

## Remit 11

" In order to keep deer farmers better informed of issues being addressed by the NZDFA's Executive Committee the SC-NO Branch requests the DFA to take a more proactive approach in using press releases, the DIN and Deer Notes to publicise the Executive Committee's deliberations." CARRIED

## Remit 12 Amended

" That the NZDFA requests the JRG to prepare a set of voluntary deer industry protocols for the determination of the JD status of deer presented to the live sale market.

It is further requested that the proposed protocols should be developed with the relevant science providers, appropriate government and NGO bodies and the wider deer industry groups with the aim of having the proposals available for endorsement at the 2007 NZDFA AGM CARRIED

## Remit 13 Amended

That this meeting task the NZDFA RAHC Tb working group to work through the issues identified by the Southland Branch and come back to the NZDFA Executive Committee and DINZ Executive with recommendations of actions to deal with these issues as originally set out in Remit 13 CARRIED

## Remit 14 Amended

" That the " NZDFA monitor the charge out standard price for Tuberculin and publish this information through our communication channels annually" CARRIED

## Remit 15

" The JRG requests the NZDFA's endorsement of the proposal to establish a body, the Johne's Management Limited, to capture and manage Johne's disease statistics from the DSP's in order to operate a voluntary JD on farm control programme, a QA system and establish a JD data base on the prevalence and location of the disease. The aim of the project is to substantially reduce the incidence of on farm JD CARRIED

## Remit 16

" That NZDFA support the establishment of an industry-wide velvet producers' organisation to provide producers with representation as to how New Zealand velvet is sold." CARRIED

## Remit 17

" That the NZDFA insists DINZ and AHB instruct the New Zealand Food Safety Authority (NZFSA) to include a formal declaration on the Animal Status Declaration (ASD) form that has the farmers' NVSB number or the registered veterinarian identification, that the velvet antler from the deer described on the form that have been velvetted, was legally removed under the requirements of law and the industry velvet removal programme" . CARD VOTE LOST 67: 168

## Remit 18

" That the NZDFA requests DINZ to re-establish an awards promotion for excellence in the preparation and presentation of New Zealand Venison within hotels and restaurants " CARRIED

# Deer Notes

## NZDFA Elections results

### Executive Committee:

- Mark Hawkins, South Canterbury (Appointed Unopposed)
- Tim Aitken, Hawkes Bay (Re appointed unopposed)
- Andrew Mitchell Rotorua (Sitting Member)
- Bill Taylor, Southland (Sitting Member)

### Selection and Appointments Panel:

- Bob Kingscote, Canterbury (Re appointed unopposed)
- Mike Holdaway , Manawatu elected, defeating Brian Marcroft (Waikato)
- Keith Orange, South Canterbury (Sitting Member)
- John Cusdin ( Taranaki ( Sitting Member)
- Bob Kingscote has been appointed Chairman Selection and Appointments Panel for 2006/07