



The Deer Industry Profitability Programme

The bar is being raised

A new standard for Cervena® venison will mean some on-farm changes

cervena®
PURE FREEDOM

The Cervena on-farm standards

Here are the on-farm criteria that deer must meet in order to qualify for Cervena

Deer

- Sourced from New Zealand farmed deer herds of *Cervus elaphus* (red and elk/wapiti) and *Dama dama* (European fallow)
- From farms that comply with the DeerQA Standard for On-Farm Quality Assurance or an approved equivalent scheme such as the NZ Red Meat Farm Assurance Programme
- Three years old and under.

Natural

- No hormones or growth promotants may be used in the production of Cervena venison
- Cervena deer must be recorded as being pastured on the farmer's Animal Status Declaration
- Cervena deer must not have consumed feeds derived from genetically modified plants from 1 January 2019.

ALLIANCE
DUNCAN
SILVER FERN FARMS
MOUNTAIN BREEZE
First Light

Photo: Trevor Walker

The flier is a vertical document with a warm, golden-brown background on the left side and a light blue background on the right. The left side features a photograph of four people (two men and two women) smiling and talking at an outdoor dining area. The right side features a photograph of a green landscape with a fence and a herd of deer in the foreground. The text is arranged in a clear, hierarchical manner, starting with a headline, followed by a sub-headline, the Cervena logo, and then the 'on-farm standards' section. The standards are divided into 'Deer' and 'Natural' categories, each with a list of bullet points. At the bottom, there are logos for various industry partners and a photo credit.

'Raising the bar' New Standard for Cervena™: The flier sent out to all deer farmers in late 2018 to advise them of the new Cervena standard effective from 1 January 2019.

Quarterly Progress Summary: January to March 2019

Summary of progress during this quarter:

Marketing Premium Venison

- Project manager is seeking a suitable manufacturer to progress the Venison Protein Bar project, taste testing can then commence.
- Collaborative marketing activity initiated in Canada with the agreement that one company will undertake a summer sales trial for Cervena® with a Canadian retail partner, with results reported to the Marketing Working Group.
- Venison sales to China are growing steadily, both at high-end food service, which has been supported by the P2P project, and also in the manufacturing sector.
- 2019 Cervena in Europe programme started in March with chef workshops and sales seminars in Benelux. All importing partners confirming participation with an expectation of increasing volumes in the year ahead.
- The new standard for Cervena was introduced. From 1 January 2019 deer must not be fed products containing GMO plant material to be eligible for Cervena.

Market Led Production

- National statistics recorded an increase in farmed deer numbers, increased fawning rates and improved carcass weights.
- The new practice change initiative - Deer Industry Environment Groups – have been well received, with 12 now in formation. The groups involve farmers working together to improve their environmental management with expert facilitation.
- Winter Feeding and Parasite Management identified as key management topics that will benefit from additional activities.
- Three Regional Workshops for deer farmers held in Southland, the Hawkes Bay and in Otago over the quarter.
- Advance Party (AP) exchanges continue to be popular with the South Canterbury/North Otago AP hosting the Hawkes Bay Fast Finishers.
- A 'DNA Proof' farm trial commenced to demonstrate the impact of high growth breeding values in real farm settings.
- A survey of deer farmers' attitudes and decision-making process towards the selection of genetics was completed and will inform genetics communications.

Work with other PGPs and Government Agencies

- Discussions with RMPP practice change managers on alignment of practice change groups.
- Offer to include non-deer farmers in Deer Industry Environment Groups.
- Working with Environment Southland, MFE, B+LNZ with the Aparima Catchment group.
- Inviting Regional Councils to attend farmer engagement activities and workshops for rural professionals.
- MPI invited to Deer Tech Expo.

Upcoming

- Confirm the manufacturer to progress the Venison Protein Bar project.
- Benelux and German summer 2019 Cervena promotions.
- Chef workshops in China.
- Confirm the form of a Venison Finishing Systems description with a farmer group.
- Significant increase in resources directed toward assisting farmers demonstrate improved environmental management.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment
<i>During this Quarter</i>	\$263,288	\$260,077	–	\$523,365
<i>Programme To Date</i>	\$3,971,017	\$3,544,625	\$96,880	\$7,612,521

Overview Table March 2019 Quarter

Objective	Status			Comment
	Timetable	Financials	Outcomes	
Project 1. Confirm Target Markets.				Marketing companies supporting two new projects. Canada summer retail trial and venison bar development. Venison bar manufacturing issues need to be addressed for the project to proceed.
Project 2. Establish Commercial Distribution				Marketing companies and their importing partners continue to support Cervena in Europe summer promotion. Programme launched in March. Planning for increased sales in 2019. Sales of venison in China increasing y.o.y.
Project 3. Link Market to Producer				Introduction of the GMO feed exclusion from 1 January 2019. Discussions with marketing companies on additional raising claims.
Project 4 Overarching Production Initiatives				Initiated an expert review of Practice Change activity to provide guidance for the remainder of the P2P programme and recommendations for activity post PGP.
Project 5 Engagement for Practice change				Most Advance Parties still meeting enthusiastically. Although less regularly than budgeted for. Need to assist some evolve. Planning for additional farmer engagement activities such as National Workshop, Tech Expo and Innovation Day.
Project 6 Technology Packaging				Print and on-line advertising to increase awareness and uptake of P2P developed tools. Deer Health Project Manager's contract finished – Health Activity under review.
Project Management				

Trend Table showing last quarter performance and next quarter projection.

Objective	Status					
	Timetable		Financials		Outcomes	
	Last Quarter	Next Quarter	Last Quarter	Next Quarter	Last Quarter	Next Quarter
Project 1.						
Project 2.						
Project 3.						
Project 4						
Project 5						
Project 6						

	Project on track (Financial variance <10%)
	Slight Variation to Plan (To be completed within 3 months : Financial variance 10-25%)
	Project variation to plan (More than 3 months to complete : Financial variance >25%)
	Significant Variation (Change in programme required)

Financial Summary of P2P Expenditure to date.

P2P Implementation to 31 March 2019	Mar Quart 2019			Year to Date		YTD variance to budget	Quarter Variance Notes
	Actual	Budget	Variance	Actual	Budget		
Project							
1 Confirm Market Requirements	\$ 39,194	\$ 61,892	-\$ 22,698	\$ 93,934	\$ 132,783	-\$ 38,850	Work underway in Canada, but delayed. PKE research complete, invoice not received.
Cash	\$ 26,948	\$ 50,225	-37%	\$ 52,948	\$ 100,450	-29%	Protein Bar work delayed, project progress uncertain, likely to be under budget year end.
Est. in-kind	\$ 12,246	\$ 11,667		\$ 40,985	\$ 32,333		
2 Establish Commercial Distrib	\$ 140,326	\$ 265,717	-\$ 125,391	\$ 209,914	\$ 443,433	-\$ 233,519	Work in China delayed, but activities took place in April. Invoicing from third parties
Cash	\$ 74,188	\$ 225,300	-47%	\$ 107,315	\$ 355,600	-53%	for reimbursement means invoices for European activities underway in the
Est. in-kind	\$ 66,138	\$ 40,417		\$ 102,599	\$ 87,833		quarter will not be received till later in the year.
3 Linking Market to Producer	\$ 21,477	\$ 19,467	\$ 2,010	\$ 55,583	\$ 43,933	\$ 11,650	Increased costs for work on GM restriction and investigation of impact of
Cash	\$ 12,544	\$ 10,300	10%	\$ 31,089	\$ 20,600	27%	possible standards for feeding and animal health treatment for premium brands.
Est. in-kind	\$ 8,933	\$ 9,167		\$ 24,494	\$ 23,333		
4 Overarching Production Initiat	\$ 58,486	\$ 79,217	-\$ 20,731	\$ 105,267	\$ 99,433	\$ 5,833	
Cash	\$ 38,273	\$ 62,550	-26%	\$ 78,701	\$ 80,100	6%	
Est. in-kind	\$ 20,213	\$ 16,667		\$ 26,566	\$ 19,333		
5 Practice Change	\$ 129,402	\$ 190,592	-\$ 61,190	\$ 248,863	\$ 344,433	-\$ 95,570	Mature Advance Parties meeting less often then expected. Fewer APs then budgeted.
Cash	\$ 103,378	\$ 146,925	-32%	\$ 189,067	\$ 271,600	-28%	Likely to be under budget.
Est. in-kind	\$ 26,024	\$ 43,667		\$ 59,796	\$ 72,833		
6 Technology Packaging	\$ 134,480	\$ 140,716	-\$ 6,235	\$ 232,805	\$ 274,731	-\$ 41,927	Reduction in costs with the hiatus of activity on Animal Health. Awaiting invoices for
Cash	\$ 103,642	\$ 108,425	-4%	\$ 177,938	\$ 215,350	-15%	Genetics survey completed March. Farmer user group under budget. Increasing costs for
Est. in-kind	\$ 30,839	\$ 32,291		\$ 54,866	\$ 59,381		assistance with environmental management. Likely to be on budget at year end.
Total	\$ 523,365	\$ 757,599	-\$ 234,234	\$ 946,365	\$ 1,338,748	-\$ 392,383	-31%
Co Investors Contributions: Cash	\$ 181,092	\$ 313,113		\$ 321,673	\$ 544,350		
Co Investors Contributions: In Kind	\$ 82,196	\$ 76,937		\$ 154,653	\$ 147,524		
Co Investors Contributions: Total	\$ 263,288	\$ 390,050		\$ 476,326	\$ 691,874		
Sought from PGP Funding	\$ 260,077	\$ 367,550		\$ 470,040	\$ 646,874		
Total	\$ 523,365	\$ 757,599		\$ 946,365	\$ 1,338,748		

Recommendation:

The Programme Manager is satisfied that the above is a true and accurate record of expenditure incurred in implementing the P2P Programme and that the estimated in-kind values are an appropriate reflection of industry contributions to this programme over the period and recommends that the PSG approve this report to be forwarded to MPI for approval of payment.

Innes Moffat, 3 May 2019

Project Status: Passion2Profit Programme – Quarter ending March 2019

On Track	Major variation
Minor variation	Project on hold
Complete	Not yet commenced

Project: Marketing Premium Venison

1.2 Niche Market Feasibility Studies	
Objective: MWG members explore two niche market opportunities for collaborative development.	Status: MWG supporting two projects.
<p>Activity during the quarter:</p> <ol style="list-style-type: none"> 1. Exploration work to find a manufacturer for the Venison bar underway, some specification required for US manufacturing meant difficulties with this market with the MWG requesting to exploration who can produce for the NZ/Australasian market. 2. DINZ met with Choices Market, the retail partner for the study into consumer perception of Cervena venison in Canada with promotional and research plans now developed for implementation from April. 3. Firstlight decided not to pursue the on-line trial due to difficulties supplying products to customers' requirements. 4. Palm Kernel Expeller (PKE) research completed. Provisional results presented. <p>Next Steps:</p> <ol style="list-style-type: none"> 1. Determine costs of manufacturing and continue to work with Food Technologist to determine suitable manufacturers. Taste tests to then take place. 2. Provide training and support for store staff and work with involved companies to execute the plan and gather the consumer feedback. Trial will begin in July. 	
1.6 Appellation Development	
Objective: Unified approach to using the Cervena Appellation to optimise returns to New Zealand.	Status: Completion behind schedule.
<p>Activity during the quarter:</p> <p>Continuing work on the website ongoing, issues with the site have proven difficult to resolve and the DINZ Venison Marketing Manager is working with third party company to resolve these issues.</p> <p>Next Steps:</p> <p>Completion of website working with website company to get new site live.</p>	
2.3 Non-Seasonal Promotion	
Objective: 150 mt of chilled venison exported as Cervena™ from Jan to August in the Benelux and Germany in 2019.	Status: Marketing now underway for sales period.
<p>Activity during the quarter:</p> <p>Initial planning undertaken for Summer 2019. DINZ Venison Marketing Manager undertook market visit in January 19 to assist partners with planning.</p> <p>Launch events with Metro in March. Chefs demonstrations to sales staff. Instore promotions. Initial feedback has been positive from importers.</p> <p>Next Steps:</p> <p>Continue working with companies and importers to ensure activities are undertaken successfully.</p>	

Plan for review of awareness among BeNeLux chefs at completion of 2019 programme.	
2.3b New Markets - Marketing Pilot (China)	
Objective: Marketing companies sell 500 mt of venison through collaborative ventures in new market segments by 2022.	Status: Agreed to review scope of activity.
<p>Activity during the quarter: Planning for chefs visit in April. Secured services of a Chinese chef who was excellent western cooking experience and is available to work with all New Zealand venison companies.</p> <p>Next Steps: DINZ Chef Graham Brown will visit market in April to work with partners on promotions. Chinese based chef Jo Zhao assisted with an event in Shanghai. Preparation of a Chinese language video for use by all companies in promotions.</p>	
3.1 Industry Agreed Standards	
Objectives: 50% of farmers are enrolled in on-farm QA programmes at the end of 30 September 2019.	Status: On Track.
<p>Activity during the quarter:</p> <ol style="list-style-type: none"> 1. New Standards for Deer: Confirmation that from 1 January 2019 deer must not be feed products containing GMO plant material in order to be eligible for Cervena™. Discussions with individual venison companies and AsureQuality for greater awareness of new standard. 2. Discussion at MWG meeting on variability in quality of NZ venison and agreement to supply and collate company data on indicators of product quality. <p>Next Steps:</p> <ol style="list-style-type: none"> 1. Follow up with QA stakeholders to promote Deer Health Review as a means of satisfying FAP requirement. 2. Continue to offer support to suppliers with implementation of FAP. 	

Project: Market Led Production

4.1 MLP Project Governance	
Objective: That the P2P programme funders feel the programme is well managed and successfully implementing actions in order to achieve the programme goals.	Status: On Track
Activity during the quarter: A meeting of the P2P-AG on 01 March 2019 discussed the priority topics for the foreseeable future of the P2P programme including environmental management, integration projects as well as an Innovator's workshop. The P2P Practice Change Managers met on 11 March 2019 to further discuss integration and the Winter Feeding and Parasite Management projects.	
4.2.1 Workshops For Rural Professionals	
Objective: To hold at least three workshops for up to sixty rural professionals in total before 30 September 2019.	Status: On track - Five workshops held this FY
Activity during the quarter: An introductory workshop held in Te Kuiti in March 2019 attracted 20 rural professionals.	
Next Steps: An introductory workshop planned for 22 May and a Nutrition workshop on 29 May in Waipawa. Planning for the vet students Workshop in August. Review format. Assess demand for additional workshops before the end of the year.	
4.2.2 Influential Advisors	
Objective: 10 Influential individuals provided material to encourage appropriate advice among organizational advisors	Status: Underway
Activity during the quarter: Completion of a farm analysis of returns from deer farming.	
Next Steps: Dissemination of profitability information Attendance at 2019 NZIPIM conference.	
4.3 Big Deer Tour	
Objective: 8 Farm management students enjoy an introduction to the deer industry.	Status: On Track.
Activity during the quarter: All preparations made to hold the 2019 Big Deer Tour in Mid April. 8 students from Massey and Lincoln chosen.	
Next Steps: Conduct tour. Propose a means of ensuring the participants in Big Deer Tours remain linked to the deer industry.	
4.4.1 Integration-Communications	
Objective: Presenting information to farmers that will encourage practice change.	Status: Underway
Activity during the quarter: Two farmer profiles of venison and velvet properties in the North Island now complete with a first article published in Deer Industry News. Material and data from two further farms were collected in January and February.	
Next Steps:	

Complete next two farmer profiles and production of media pieces using the farm information.	
4.4.2 Farmers User Groups	
Objective: Two workshops per annum to improve utility of P2P outputs	Status: Underway
<p>Activity during the quarter: Nine farmers invited to test the Venison Finishing Systems description on the 15 February 2019 in Christchurch.</p> <p>Next Steps: Review outcome of the first workshop and apply to the systems description. Follow up with attendees on 'what they said they would do'.</p>	
4.4.3 Integration Projects	
Objective: P2P Project Managers working on projects that cross the theme groups.	Status: Underway
<p>Activity during the quarter: The P2P Project Managers met on 11 March 2019 to further discuss the integration projects and agreed scope and project management for both the Winter Feeding and Parasite Management projects.</p> <p>Next steps: Confirm project plans and targeted farmer groups to use for the projects.</p>	
5.1 Advance Parties	
Objective: To have 30 Advance Parties (AP) formed by end of September 2019 and meeting regularly. APs will demonstrate gains to their wider community which encourages wider adoption.	Status: Minor variation – 26 APs operating.
<p>Activity during the quarter: Bay of Plenty and Kaipara groups now underway with regular meetings, work on a new AP in Waikato still in development. New AP facilitator for Central Otago Environment group. Wairarapa AP closed, seeking ways to remain engaged with few deer farmers in that area. A 'Southland AP Data Project' initiated with cross over from two APs and non-AP farmers.</p> <p>Next Steps: Continue to work with APs that are looking to transition to a different format; identify and assist APs as well as support new APs. Re-establish the Southland AP. Hold AP Chairs meetings to engage and listen to their ideas on evolution.</p>	
5.1 Advance Party National Workshop	
Objective: Advance Party members gain value from attendance, stakeholders benefit from listening to AP members farming issues. Improvement in AP Facilitator performance.	Status: Planning underway
<p>Activity during the quarter: Meeting held with a group of AP facilitators to plan the 2019 edition. This year's workshop will be held in Te Awamutu and will include workshops on surrounding farms.</p> <p>Next Steps: Make bookings and arrangements, open registrations to all AP members. Confirm topics and workshop formats</p>	
5.2 Deer Farming Regional Workshops	
Objective: To encourage Advance Parties to motivate a wider	Status: 4 RWs held YTD

farmer and rural professional audience to make positive changes. Run 15 Regional Workshops between 1 October 2018 and 30 September 2019.	
<p>Activity during the quarter: Three Regional Workshops held in quarter: Southland Elk/Wapiti, Hawkes Bay Progressive and Otago AP's.</p> <p>Next steps: Continuing communication with AP facilitators to promote workshops as well as discussions with NZ DFA on better utilisation of branch network to encourage farmer participation. Planning for workshops for Central Otago, South Canterbury Velvet and Hawkes Bay Fast Finishers. Date set for Central North Island Velvet group in June.</p>	
<p>5.3 Decision support</p>	
Objectives: All farmers to be aware that good management relies on appropriate information. To have access to helpful guides to decision support tools. Industry accepted performance indicators for productivity and profit established.	Status: Revised project scope.
<p>Activity during the quarter: Continuing dissemination of the RMPP KPI booklet and encouraging uptake. Conversations with stakeholders on deer industry needs and P2P actions with Mark Paine, Primary Industry Council now engaged to review practice change methods for the programme. Analysis of first set of data from NAIT with year of birth attributed to NAIT tag. Data not useful at present, should improve in subsequent years.</p> <p>Next Steps: Role for industry good body to be considered as part of the practice change review being undertaken by M Paine.</p>	
<p>5.4 Deer Facts</p>	
Objective: To distribute 6 Deer Facts per annum.	Status: On track
<p>Activity during the quarter: Agreed schedule for the production of another 5 Deer Facts for the year ahead.</p> <p>Next Steps: Format Review of the deer facts and following progress review recommendations to refocus on easier to understand management tips will be made.</p>	
<p>5.5 Practice Change Activities</p>	
Objectives: Engagement opportunities between farmers and advisors that encourage change.	Status: Ongoing scope confirmation with innovators day
<p>Activity during the quarter:</p> <ul style="list-style-type: none"> • Deer Tech Expo confirmed for 28 June 2019 in Feilding with assistance from Central Regions DFA. • South Canterbury/North Otago AP hosted the Hawkes Bay Fast Finishers in March 2019 with a reciprocal invite made for later in the year. • Discussion on form and purpose of Innovators Day with P2P-AG and with external stakeholders. • Breeding Feeding Healthy Deer e-Newsletters 2018/19 editions are averaging a 45% open rate rated as excellent and a 9% click rate rated as good. <p>Next Steps:</p> <ul style="list-style-type: none"> • Planning now underway for Tech Expo in Palmerston North. Confirm attendees and schedule speaking slots • Propose a revised and expanded innovation day concept to P2P-AG for their consideration in March. 	

<ul style="list-style-type: none"> Guidance to AP facilitators and chairs for AP exchanges and encourage more interaction between farmers groups. 	
6.1 Market Led Genetics	
Objectives: Increase the rate of genetic gain in the deer industry to improve profitability and to pick up research outputs and package them up in ways which make it easy for producers to put them into practice.	Status: September stag average Carcass weight = 59kgs.
Activity during the quarter: <ul style="list-style-type: none"> “DNA Proofs” with three farmers underway. A real farm demonstration of the impact of high growth BVs will be monitored and documented over the 2019 2020 production seasons. Trials on two maternal and one terminal system with mating underway. Hawkes Bay AP workshop had a genetics DNA theme, Deer Select Manager presented. Print and On-line advertising in rural press. Completion of a qualitative survey of deer farmers’ attitudes and decision-making process towards the use of genetics which will inform future genetics communications. 	
Next Steps: <ul style="list-style-type: none"> Feature the DNA trials in communications with farmers. Receive review of farmers’ use of BVs and incorporate recommendations into communications programme and genetics activities. 	
6.2 Strategic Feeding	
Objective: To create measurable change in farmers’ awareness and application of proactive feed management in order to provide optimal feeding for deer production.	Status: Underway
Activity during the quarter: <p>The 2019 venison growth curve was distributed to all known deer farmers. Print and online ads in farming magazines promoting awareness of the deer feed calculation tools.</p> <p>Feeding project manager assisted with farmer user group workshop to test the Venison Finishing Systems description in February. Findings from day indicated that:</p> <ul style="list-style-type: none"> Farmers did not see it as an on-farm decision making tool but did see the utility of it as a communication tool e.g. to target specific technologies to certain farm systems but not others. Some farmers with reporting/governance structures saw the value in the industry providing benchmarks around farm performance and key performance indicators, with farm systems descriptions used to classify systems to benchmark against 	
Next Steps: <ul style="list-style-type: none"> Produce and distribute a ‘Guide to Seasonal Hind Body Condition’. Further refinement of the Venison Finishing Systems Description as a result of the farmer user group workshop in February 2019. Finalisation of Venison Finishing Systems Description. 	
6.3 Improve Deer Health	
Objective: 10% of deer farmers after 3 years have an appropriate, individually tailored, annually reviewed, formally constructed animal health plan based on a risk assessment process including surveillance; rising to 50% of deer farmers after 5 years.	Status: Under Review
Activity during the quarter: <ul style="list-style-type: none"> Promoted Deer Health Review as a means of satisfying the NZ Farm Assurance Programme (FAP) requirement to have a documented Annual Health Plan. Work with Landcorp on a review of processes for improved proactive health management across all 	

Landcorp deer farms.

- Agreed to hold a parasite management workshop with DFA later in 2019.

Next steps:

- Promote the use of the Deer Health Review at appropriate events
- Confirm plan and format for parasite management workshops.
- Confirm activities and resources pending outcome of the DINZ Health Strategy Review.

6.4 Environmental Stewardship

Objective: To find and encourage adoption of solutions to the environmental constraints on deer farming. 100% of deer farmers have an FEP by the end of 2020.

Status: Underway

Activity during the quarter:

- Five Deer Industry Environment Groups formed at the end of March with facilitators in place. Meeting regularly to address environmental impacts of deer farming and completing and implementing environment plans. Working with seven other groups to get their groups underway.
- A survey asking questions about environment planning was sent to 1,200 deer farmers. 260 completed the survey, of whom 40% said they had completed a documented Environment Plan.
- DINZ set up a workshop for deer farmers in Southland's Aparima Catchment to encourage better environment management.
- Developing an on-line Environment Planning resource to assist remote farmers unable or unwilling to join Environment Groups.

Next Steps:

Form more Deer Industry Environment Groups and support planning workshops with deer farmers and other agencies.

Establish the process to support remote farmers with help with their planning

Consider additional resources to encourage and assist good planning among deer farmers.

7. Programme Management

Activity during the quarter:

MWG met on 27 February 2019

P2P-AG met on 01 March 2019

P2P Practice Change Managers met on 11 March 2019.

Upcoming:

Deer Industry conference 16 & 17 May 2019

P2P-AG to meet 06 June 2019

MWG to meet 19 June 2019.