

Quarterly Report: January to March 2020



Passion2Profit

The Deer Industry Profitability Programme



Farmers designing the future - speed dating style. Farmers engage in an exercise at separate workshops in Southland in January and South Canterbury February 2020 to discuss winter grazing management.

Quarterly Progress Summary: January to March 2020

Summary of progress during this quarter:

Marketing Premium Venison

- DINZ is currently working with companies in light of the Covid-19 pandemic which has led to one participating company and their partners pulling out of the upcoming Cervena Summer promotion.
- Quantitative chef research and development of resource material has been agreed with a chef company to look at opportunities for venison in China.
- New Zealand companies are shipping larger volumes of venison to China to explore the opportunities in this market.
- A final production run of the venison protein bar was undertaken with the objective to analyse meat variability between companies. The trial identified a need to develop a standard spec for the protein bar.
- The Marketing working group agreed to continue with the implementation of the Raised without Antibiotics standard for Cervena venison.

Market Led Production

- Innovation Workshop participants have now formed four core project teams to action plans and projects of interest to them. The projects have focused on the areas of Community, Industry Change, the Consumer and Story, Values and Perception of the deer industry.
- 22 Advance Party (AP) meetings took place over the quarter. Meetings will now move online with Covid-19
- 14 Deer Industry Environment Groups continue to meet regularly.
- An online meeting with AP facilitators took place recently to discuss alternative means of communications in light of Covid-19 and to keep communications with farmers going.
- A stakeholder matrix of influential advisors has been completed to enable effective targeting of communications and material.
- Two farmer workshops on winter feed management hosted in Southland and South Canterbury were well received and discussed how to best package and deploy existing winter management resources.
- Workshop modules on environment management tailored to rural professionals to be delivered online in the month of May, replacing a face to face event which was originally scheduled for Gore in April.
- A fact sheet on intensive winter grazing is in development and due to be released in shortly.
- Nine out of thirteen parasite management workshops completed prior to Covid-19 lockdown, the workshops were well attended by vets in the South Island.
- All progeny part of the DNA proof trials on 3 farms have now been DNA sampled, parentage results have been delayed due to Covid-19.

Work with other PGPs and Government Agencies

- Work with RMPP practice change managers on alignment of practice change groups and capability in facilitation offering.

Work with other sector groups

- B+LNZ consulted on development of a deer fact sheet on winter grazing for deer.
- Including non-deer farmers in Deer Industry Environment Groups.
- Inclusion of DairyNZ, ASB Bank and Ballance Agri-Nutrients representatives as part Innovation Workshop core project teams pursuing deer industry related projects of interest to them.

Upcoming

- Finalise production of promotional material for China marketing work.
- Work through options with venison companies on Cervena in Europe programme considering impact of Covid-19 in 2020
- Review delivery online of the rural professional environment modules as a possible prototype for the rest of these workshops as well as other programme workshops.
- Promote and assist more online meetings of Advance Parties
- Complete prototype of a Deer Industry Environment Group online for those who are remote from other deer farms
- Complete fact sheet on intensive winter grazing.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment
<i>During this Quarter</i>	\$224,830	\$224,830	--	\$449,661
<i>Programme To Date</i>	\$5,246,100	\$4,733,209	\$96,880	\$10,076,190

Overview Table March 2020 Quarter

Objective	Status			Comment
	Timetable	Financials	Outcomes	
Project 1. Confirm Target Markets.				Final production run of venison bar undertaken. Market research with consumers in specific target markets now to take place.
Project 2. Establish Commercial Distribution				Agreement signed with third party company for chef research and resource development for China marketing activities.
Project 3. Link Market to Producer				Marketers agree to implementation of the 'Raised without antibiotics' standard for Cervena venison.
Project 4 Overarching Production Initiatives				Environment deer workshop for rural professionals to be prototyped online, no Big Deer student tour this year due to Covid-19.
Project 5 Engagement for Practice change				Innovation workshop project teams created and working on their own projects of interest. Deer facts progressing.
Project 6 Technology Packaging				14 Deer Environment Groups meeting. Genetics DNA proof trial progressing well with all progeny DNA sampled now.
Project Management				Farm – Performance Manager now onboard. Covid-19 may impact outcomes of the P2P programme.

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)

4. Financial Summary of P2P Expenditure to date.

P2P Implementation to 31 Mar 2020	Mar Quarter 2020			Year to Date		YTD variance to budget	End of Year Variance Notes
	Actual	Budget	Variance	Actual	Budget		
Project							
1 Confirm Market Requirements	\$ 53,305	\$ 68,494	-\$ 15,189	\$ 109,727	\$ 134,209	-\$ 24,482	Timing. Only one new market development project being undertaken.
Cash	\$ 36,543	\$ 55,827	-22%	\$ 56,360	\$ 89,876	-18%	
Est. in-kind	\$ 16,762	\$ 12,667		\$ 53,367	\$ 44,333		
2 Establish Commercial Distribution	\$ 99,245	\$ 115,467	-\$ 16,221	\$ 115,108	\$ 171,433	-\$ 56,325	Expenditure to be incurred later into 2020.
Cash	\$ 90,882	\$ 99,300	-14%	\$ 98,042	\$ 132,100	-33%	
Est. in-kind	\$ 8,363	\$ 16,167		\$ 17,067	\$ 39,333		
3 Linking Market to Producer	\$ 21,608	\$ 27,217	-\$ 5,609	\$ 44,593	\$ 54,433	-\$ 9,840	Activities tracking close to budget.
Cash	\$ 10,143	\$ 15,300	-21%	\$ 16,603	\$ 25,600	-18%	
Est. in-kind	\$ 11,464	\$ 11,917		\$ 27,990	\$ 28,833		
4 Overarching Production Initiatives	\$ 40,780	\$ 66,767	-\$ 25,986	\$ 64,569	\$ 95,133	-\$ 30,564	Expenditure to be incurred later into 2020. Delay in delivery of workshops for rural professionals as well as material to influential professionals.
Cash	\$ 22,463	\$ 48,100	-39%	\$ 34,732	\$ 71,800	-32%	
Est. in-kind	\$ 18,318	\$ 18,667		\$ 29,837	\$ 23,333		
5 Practice Change	\$ 140,241	\$ 236,137	-\$ 95,895	\$ 298,911	\$ 407,473	-\$ 108,562	Reduced Advance Parties meetings in the quarter as well as Regional Workshops.
Cash	\$ 91,683	\$ 168,550	-41%	\$ 217,305	\$ 306,100	-27%	Expect activities will be on budget.
Est. in-kind	\$ 48,558	\$ 67,587		\$ 81,606	\$ 101,373		
6 Technology Packaging	\$ 94,481	\$ 129,384	-\$ 34,903	\$ 204,437	\$ 221,766	-\$ 17,329	Activities tracking close to budget.
Cash	\$ 61,126	\$ 101,800	-27%	\$ 150,201	\$ 173,100	-8%	
Est. in-kind	\$ 33,355	\$ 27,584		\$ 54,237	\$ 48,666		
Total	\$ 449,661	\$ 643,464	-\$ 193,803	\$ 837,346	\$ 1,084,449	-\$ 247,103	
Co Investors Contributions: Cash	\$ 156,420	\$ 255,688		\$ 287,021	\$ 421,788		
Co Investors Contributions: In Kind	\$ 68,410	\$ 77,294		\$ 132,052	\$ 142,937		
Co Investors Contributions: Total	\$ 224,830	\$ 332,982		\$ 419,073	\$ 564,724		
Sought from PGP Funding	\$ 224,830	\$ 310,482		\$ 418,273	\$ 519,724		
Total	\$ 449,661	\$ 643,464		\$ 837,346	\$ 1,084,449		

Recommendation:

Programme Management 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.

Passion2Profit Programme: Project Status Update January - March 2020

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

Marketing Premium Venison

1.2 Niche Market Feasibility Studies

Objective: MWG members explore two niche market opportunities for collaborative development. **Status:** MWG supporting only one project at this time.

Recent activity

Venison Protein Bar: Worked progressed on development of the business case, and a workshop was held at the Marketing Working Group meeting in February as part of this work.

A final production run was undertaken, with the primary objective of looking at meat variability between companies. The trial identified significant variability between companies, and therefore the need to develop a standard spec for the protein bar.

Next Steps:

Gather feedback from on the protein bars from consumers in specific target markets (keto, gym goers). Finalisation of the business case (primarily checking production costs). Presentation of the business case to companies.

1.6 Appellation Development

Objective: Unified approach to using the Cervena Appellation to optimise returns to New Zealand. **Status:** Completion behind schedule.

Recent activity

Briefed in comms manager who is going assist with the development of the video.

Next Steps:

Engage with film production company to produce new promotional videos.

2.3 Non-Seasonal Promotion

Objective: 150 mt of chilled venison exported as Cervena™ from Jan to August in the Benelux and Germany in 2020. **Status:** Covid-19 impact on supply in 2020. Volumes will not reach target.

Recent activity

Due to Covid-19, Silver Fern Farms and their partners have pulled out of the upcoming Northern Summer Cervena promotion.

Alliance and their partner at this point in time remain committed to the summer Cervena programme, however given the evolving nature of the scenario this may change.

Next Steps:

DINZ to work through potential scenarios with the companies (for example, delaying the programme for a year).

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:** Three companies now active in China. Volumes will not reach target.

Recent activity

DINZ signed an agreement with Chef Company/Tribal brand Asia to undertake quantitative chef research along with development of some resources.

In addition we have agreed to still run a workshop and mail out to chefs in Shanghai (the majority of the costs to be covered by NZTE).

Next Steps:

Undertake chef research. Develop plan for workshop and chef mail out.

3.1 Industry Agreed Standards

Objectives: 50% of farmers are enrolled in on-farm QA programmes at the end of 30 September 2020.

Status: Target not met.

Recent activity

1. **NZ Farm Assurance Programme (NZ FAP):** Adoption of on-farm QA running behind expectations. Ongoing discussions with individual venison processors on the progress toward achieving supplier registration with the NZ FAP and equivalent QA programme.
2. **Potential 'Raised Without Antibiotics' standard for Cervena venison:** Farmer consultation closed. Only 12 responses were received with the majority either in favour of the standard or having questions about the implementation. The results were presented to the Marketing working group which agreed to continue with the implementation of the standard.

It was determined that before the Cervena Trust is asked to introduce a new standard, the monitoring system needs to have been identified and developed.

Next Steps:

1. Continue to encourage implementation of On-Farm QA.
2. DINZ to arrange meeting with QA managers and Asure Quality around the implementation of the standard (this is not expected to take long as the group is not being asked to develop/review the standard but simply discuss the systems for implementing and monitoring). QA managers are currently busy with Covid-19 response so there may be a delay in when this gets completed.

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: Covid-19 impact will mean a change to programme delivery.

Recent activity

Due to the Covid-19 pandemic, the programme is planning for some disruption to projects for the next 3-4 months. Programme Management are confident in the ability to move some content to an online format, and as is core to the P2P, it is important that this content is farmer led.

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 2020.

Status: Majority workshops on hold due to Covid-19.

Recent activity

Three of the four workshops planned for April now on hold due to Covid-19, an environment focused day which was to take place in Gore 22 April will now be delivered online with four environment modules for Rural Professionals in May via four short zoom online sessions, one each week during May.

Next Steps:

Present online environment format, review the delivery method as a possible prototype for the rest of the workshops. Review situation with Covid-19 when allows for face to face events.

4.2 Influential Advisors

Objective: 10 Influential individuals provided material to encourage appropriate advice among organizational advisors

Status: Ongoing

Activity in Quarter:

A stakeholder matrix has been completed to enable effective targeting of communications and material.

Next Steps:

Commence communications and material to identified list.

4.3 Big Deer Tour

Objective: 8 Farm management students enjoy an introduction to the deer industry.

Status: Delayed or to be cancelled due to Covid-19.

Recent activity

Planned tour from 5 - 10 April 2020 now cancelled due to Covid-19. A total of twenty four applications were received with two thirds of them from females.

Consultation with a group of former Big Deer Tourists confirmed that quarterly email communication with industry updates to all previous tourists was the best of a means of ensuring alumni remain linked to the deer industry.

4.4.1 Integration-Communications

Objective: Presenting information to farmers that will encourage practice change.

Status: Underway

Activity in Quarter:

Material for two farm profiles which will be presented as case studies for Genetics, Feeding, Environmental Management and Health. Material to be formulated and on hold due to Covid-19.

Next Steps: Collection of interview material from 4 further farms. Integration of farm cases into media outputs.	
4.4.2 Farmers User Groups	
Objective: Two workshops per annum to improve utility of P2P outputs	Status: Complete
Activity in Quarter: Two workshops on winter feed management hosted in Southland on 30 January and South Canterbury 13 February 2020 with eighteen invited farmers to each event. The workshops were well received and discussed how to best package and deploy existing resources rather than develop new tools as well as insight into how Deer Industry NZ might make these resources more widely available.	
Next Steps: Package the suggestions which came forward from the workshops, prioritise and deploy in the coming months.	
5.1 Advance Parties	
Objective: To have 30 Advance Parties (AP) formed by end of September 2020 and meeting regularly. APs will demonstrate gains to their wider community which encourages wider adoption.	Status: Minor variation – 28 APs currently operating.
Activity in Quarter: A zoom online meeting with facilitators was held recently to catch up with the facilitators to get them thinking about alternative communications options in light of Covid-19 and to keep communications with farmers going while also sharing thoughts and ideas with each other. New facilitator found for the South Canterbury Velvet group.	
Next Steps: Set up regional meetings with AP Chairs, online first and then face to face when Covid-19 allows originally planned for June 2020. Facilitators to be invited once dates set.	
5.1 Advance Party National Workshop	
Objective: Advance Party members gain value from attendance, stakeholders benefit from listening to AP members farming issues.	Status: Cancelled due to Covid-19.
Activity in Quarter: Originally planned for 21 st May 2020 in Invercargill in conjunction with the deer industry conference but both have now been cancelled due to Covid-19.	
5.2 Deer Farming Regional Workshops	
Objective: To encourage Advance Parties to motivate a wider farmer and rural professional audience to make positive changes. Run 15 Regional Workshops between 1 October 2018 and 30 September 2020.	Status: Delayed or to be cancelled due to Covid-19.
Activity in Quarter: The only planned environment workshop down for 22 April with the Southland Environment AP cancelled due to Covid-19. Material developed for this day has been distributed to farmers. Drought and other on farm factors were a factor in a lack of planned workshops.	
Next steps: Review the delivery of the online rural professionals workshops as a possible prototype for these workshops. Review situation with Covid-19 when allows for face to face events.	

5.3.3 Decision support	
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 in Quarter: Manager – Farm Performance commenced in a new role late January and active investigation is underway on business planning and decision support for farmers.</p> <p>Next Steps: Investigate revised and additional reporting formats for DeerPro reports to support decisions on farm. Develop a semi-structured interview to complete with a small number of farmers to establish their real needs and a value proposition that would appeal to them.</p>	
5.4 Deer Facts	
Objective: To distribute 6 Deer Facts per annum.	Status: 4 deer facts currently in preparation.
<p>Activity in Quarter: A fact sheet on intensive winter grazing is in development as well as ongoing work on three Deer Facts on Biodiversity: Trees, wetlands and fauna.</p> <p>Next Steps: Complete the biodiversity set.</p>	
5.5 Practice Change Activities	
Objectives: Engagement opportunities between farmers and advisors that encourage change.	Status: Majority activities on hold due to Covid-19.
<p>Activity in Quarter:</p> <ul style="list-style-type: none"> • Confirmation from the NZ Deer Farmers Association (DFA) that the Central Regions and Hawkes Bay DFA branches are willing to co-host a Deer Tech Expo. • A third Deer Industry Innovation Workshop was to be held on 08 May but due to Covid-19 this has now been cancelled. Four project groups have now been formed from workshop participants after the first two events, these future industry leaders consisting of farmers and rural professionals have volunteered to be a part of project teams to action plans of interest to them. The four groups are each titled and focusing on Community - the innovation workshop community, Industry Change, Consumer and the Story, Values and Perception of the industry. The latter two groups are currently working with Lincoln University faculty of Agribusiness and Commerce on their projects. <p>Next Steps:</p> <ul style="list-style-type: none"> • Review situation with Covid-19 when allows for face to face events. • Work with DFA branches to implement Deer Tech Expo planning for September 2020 Covid-19 dependent. • Follow up with innovation workshop project group action plans. 	
5.6 Integration Projects	
Objective: P2P Project Managers working on projects that cross the theme groups.	Status: Covid-19 implications may delay completion.
<p>Activity in Quarter: Further development of the Winter Feeding and Parasite Management projects;</p>	

<ol style="list-style-type: none"> 1. Winter Feeding: Two farmers groups convened in Southland in January and South Canterbury in February 2020 to consider the application of current practice and design. 2. Parasite management: Nine out of thirteen parasite management workshops completed prior to the lockdown, the remaining workshops are in the North Island. Workshops held were well attended by vets but farmer attendance poor. <p>Next steps:</p> <ol style="list-style-type: none"> Take outputs from the winter management workshops for further action. It is anticipated that further workshops will be scheduled and will encompass environment, people and animal welfare in addition to winter nutrition. Completion of the delivery of the parasite workshops via alternative online means if Covid-19 does not allow. 	
6.1 Improved Breeding Planning	
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.
<p>Activity in Quarter:</p> <ul style="list-style-type: none"> DNA proofs: Fawns were born in November/December 2019. All progeny on the three farms now DNA sampled, two now processed for parentage with the third held up due to Covid-19. Stories were published in Deer Industry News magazine on the farms. Promotion of Breeding Planning: Ongoing articles and advertisements in Deer Industry News as well as an article in Country Wide by Linda Gray. Project Manager presented at the Tasman AP meeting in January 2020, the day was focused on genetics. <p>Next Steps:</p> <ul style="list-style-type: none"> Collection of weights from progeny in progress dependent on Covid-19 situation. Continuing promotion via print, social media and other online material. 	
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
<p>Recent activity</p> <p>Attendance at the integrated workshop on Winter grazing held in January and February 2020 to consider the application of current practice.</p> <p>Work still ongoing on the development of information on cover and catch crops for the deer industry, an area that the industry has little information on.</p> <p>Next Steps:</p> <ul style="list-style-type: none"> Outputs and dissemination of the cover, catch crops information to be decided. Produce and distribute a 'Guide to Seasonal Hind Body Condition' tool for farmers to use. 	
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: Work now underway
<p>Recent activity</p> <ul style="list-style-type: none"> Investigation commenced into a facilitation service as a result of recommendation from the DINZ health strategy review in 2019. A workshop was held in April via video conference 	

with a group of farm and vet consultants to share their knowledge on engagement and change strategies that they use to gauge ideas.

- Nine out of thirteen parasite management workshops completed prior to the lockdown, workshops well received and attended by veterinarians with 68 attending the seven workshops in the South Island alone.

Next steps:

- Ongoing investigation into the facilitation service.
- Completion of delivery of the parasite management workshops.

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 in Quarter:

- 14 environment groups are currently meeting. New groups will be difficult to form online, so there may be some delay particularly for newly planned environment groups.
- Ongoing planning and testing underway to prototype a Deer Industry Environment Group online for those who are remote from other deer farms, or otherwise are not available to meet on farms.

Next Steps:

- Develop the on-line Environment Planning resource to assist remote farmers unable or unwilling to join Environment Groups.
- Consider additional resources to encourage and assist good planning among deer farmers. Potentially on a regional basis.
- A survey of farm's completion of FEPs is planned for mid-2020, and considering opportunities to combine with any other surveys being completed.

7. Programme Management

Activity in Quarter:

Winter Feed Farmer workshops held 30 January and 13 February
P2P-AG met 12 February
MWG met 27 February

Upcoming:

P2P-AG to meet 30 April

Events on hold or cancelled due to Covid-19:

Parasite Workshops (Taihape, Rotorua, Hawkes Bay and Marlborough) March and April.
Big Deer Tour 05 – 09 April
Deer Workshops for Rural Professionals (South Otago and Canterbury) April
Innovation Workshop 04 May
Annual Deer Industry Conference 19 – 20 May
Advance Party National Workshop 21 May.