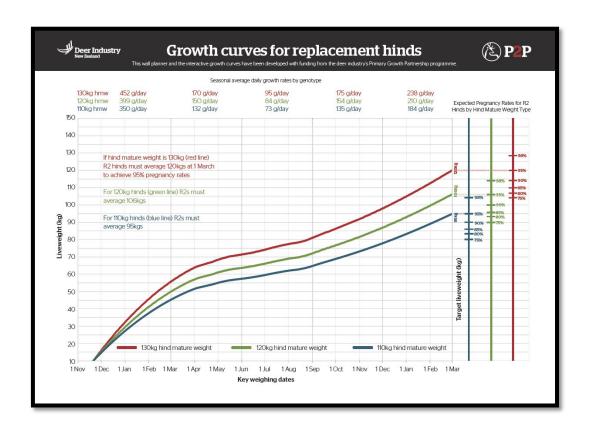


The Deer Industry Profitability Programme



The 2018 Growth Curve for Replacement Hinds. A guide for farmers of the liveweights needed to achieve successful conception in R2 (15 month old) hinds. This wall chart has been acknowledged as an influential guide that has changed the way many farmers feed their deer which results in significantly improved hind pregnancy rates.



Quarterly Progress Summary: October to December 2018

Summary of progress during this quarter:

Marketing Premium Venison

- Review of 2018 Benelux and German Summer Cervena promotions. Importing partners confirmed participation for 2019.
- Support from marketing companies to trial retail sales in different channels in Canada to gain a better understanding of consumer appetite for Cervena venison.
- Marketers' agreement to progress the Venison Protein Bar project with a shelf-life testing and different ingredient formulations to better utilise lower value items.
- A new standard for Cervena introduced. From 1 January 2019 deer must not be fed products containing GMO plant material to be eligible for CervenaTM.
- Feeding trials analysing differences in venison composition and eating quality of deer feed a 'normal' pasture diet and deer feed on imported feedstuffs. Results due early 2019.
- Venison companies implementing Farm Assurance Programmes, in preparation for 30 September 2019 deadline for Cervena qualification.

Market Led Production

- Advent of Deer Industry Environment Groups. Small farmer groups working toward improved environmental management with the support of a facilitator. First two groups began meeting during the quarter.
- Appointment of an Environmental Project Manager to oversee Environment Groups, liaise with other Sector groups, and encourage adoption of good environmental management.
- 60 rural professionals attended four workshops held at Manapouri and Fairlie. Topics included environmental management, deer nutrition and genetic selection.
- A directory of rural ag. professionals added to the DINZ website: hwww.deernz.org/deerhub/professional-services.
- Increased advertising of the P2P guides and resources via print and on-line media.
- Four Regional Workshops held in Southland, the Mackenzie Country, Hawkes Bay and in Ruapehu district.
- Three deer facts released during the quarter: 'Minimising stress in breeding and venison herds', 'Effective Deer handling' and 'Preparing deer for transport'.
- The Hawkes Bay Originals Advance Party (APs) hosted farmers from four South Island APs for a deer farming exchange, other APs now arranging exchanges.
- A qualitative survey of deer farmers' attitudes and decision-making process towards the selection of genetics commissioned, which will inform future genetics communications. Results due early 2019.

Key Points to Note

Provisional National Statistics for the year recorded:

- Record venison carcass weights. National average at 57.99kgs, up from a 10-year average of 55.02kgs
- Record high stag carcass weights in October 59.8 kgs, up from a 10 year average of 56.7kgs.
- Stats NZ Ag Census recorded an estimated fawn survival rate of 84% a record high.

• Stats NZ Ag Census recorded an increase in Breeding Hind numbers. Herd up 5% y.o.y, the first increase since 2003.

Work with other PGPs and Government Agencies

- RMPP and NZVA produced a Sheep and Beef Health Review, based on the Deer Health Review booklet
- Discussions with RMPP practice change managers on alignment of practice change groups
- Offer to include non-deer farmers in Deer Industry Environment Groups (not sure any have taken this up)
- Working with Environment Southland, MFE, B+LNZ with the Aparima Catchment group.

Upcoming

- Confirm scope of Canada Retail Trials
- Confirming purpose of Venison Finishing Systems description with a farmer group.
- Venison marketing companies discussing a means of benchmarking quality parameters, and other means of verifying national raising claims.
- Results of the qualitative survey of deer farmers' decision-making process towards the use of genetics will be made available in early 2019, this will form future genetics communications.
- Initiate farmer trials of high growth sire stags, progeny monitored with DNA recording.
- Significant increase in resources directed toward assisting farmers demonstrate improved environmental management.
- Anticipated reduction in Health Activity with the departure of the Project Manager and a DINZ review of deer health strategy.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment	
During this Quarter	\$213,038	\$209,963		\$423,000	
Programme To Date	\$3,707,729	\$3,284,548,	\$96,880,	\$7,089,156	

Overview Table December 2018 Quarter

Objective		Status		Comment
	Timetable	Financials	Outcomes	
Project 1.				Agreements to proceed on protein bar and Canada trials
Confirm				achieved. Time frame for both projects is slow.
Target				
Markets.				
Project 2.				Benelux and German promotion activities to continue, but
Establish				concerns about price levels remain. China activities
Commercial				delayed due to decision of engaged chef to discontinue
Distribution				partnership.
Project 3.				Introduction of Non-GM feed standard a significant step
Link Market				for the deer industry. Consideration of other raising
to Producer				claims. Implementation of on-farm audits continues,
				slowly.
Project 4				Costs for some activities carried through from previous
Overarching				year. Three Deer Facts produced during quarter. Collation
Production				of farm profiles underway.
Initiatives				
Project 5				27 Advance Parties meeting, Training day for AP
Engagement				facilitators held. Unable to confirm an AP chairs meeting.
for Practice				4 Regional workshops held during the quarter.
change				Discussions with DFA on community events
Project 6				Survey of farmer's attitude to Genetic selection
Technology				commissioned; will guide future comms. On-lIne and
Packaging				Print advertising instituted.
Project				Appointment of Environment Project Manager. Meetings
Management				of P2P-AG, Project Managers, Feeding Group and Animal
				Health group in the quarter. Deer Health Project Manager
				stepping down from role.

Trend Table showing last quarter performance and next quarter projection.

Objective			Status				
	Time	etable	Fina	ncials	Outcomes		
	Last Next Quarter 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.

Pź	2P Implementation	•		Dec	2018 1/4								
to	31 December 2018	Actua	ıl	Bud	get	Varia	ance	:			Quarter Varia	nce Notes	
Pr	roject												
1	Confirm Market Requirements	\$	54,740	\$	70,892	-\$	16,152	New market	developme	ent running	behind. Expec	ted to begin work in i	new market
	Cash	\$	26,001	\$	50,225	-23%	ć	#3 early in the	e year. Thi	is will now o	occur later in the	e year.	
	Est. in-kind	\$	28,739	\$	20,667								
2	Establish Commercial Distribution	\$	69,589	\$	177,717	-\$	108,128	China chef co	osts not in	curred. Exp	ected post sum	mer season costs	
	Cash	\$	33,127	\$	130,300	-61%	ć	incurred cove	red before	end of pre	vious financial y	ear.	
	Est. in-kind	\$	36,461	\$	47,417								
3	Linking Market to Producer	\$	34,106	\$	24,467	\$	9,640	Costs incurre	ed in produ	ıction of ma	terial notifing fa	rmers of new standa	ards for
	Cash	\$	18,545	\$	10,300	39%		Cervena veni	son.				
	Est. in-kind	\$	15,561	\$	14,167								
4	Overarching Production Initiatives	\$	46,781	\$	20,217	\$	26,564	P2P-Advisory	Group ove	er budget, re	eceiving late inv	oices. Four worksho	ops for
	Cash	\$	40,428	\$	17,550	1319	6	rural profess	ionals held	d in first qua	arter, more than	budgetted.	
	Est. in-kind	\$	6,353	\$	2,667								
5	Practice Change	\$	119,461	\$	153,842	-\$	34,381	Advance Part	ies runnin	g under bud	dget - fewer me	etings held then anti-	cipated in quarter.
	Cash	\$	85,689	\$	124,675	-22%	Ś	Fewer facilita	tors attend	ded training	session then b	udgetted for.	
	Est. in-kind	\$	33,772	\$	29,167								
6	Technology Packaging	\$	98,324	\$	134,016	-\$	35,692	Genetics und	ler budget	, fee for sur	ey not yet recei	ved. Contract for DN	A trial not yet confiirmed
	Cash	\$	74,297	\$	106,925	-27%	Ś	Animal Healt	h project u	nderbudge	t, advertising co	mmencing later thar	budgetted.
	Est. in-kind	\$	24,028	\$	27,091			Costs for refi	ning Farm	Systems D	escription not y	et included.	
<u>Tc</u>	<u>otal</u>	\$	423,000	\$	581,149	-\$	158,149	-27%					
C	o Investors Contributions: Cash	\$	140,581	\$	231,238								
C	o Investors Contributions: In Kind	\$	72,457	\$	70,587								
C	o Investors Contributions: Total	\$	213,038	\$	301,825								
Sc	ought from PGP Funding	\$	209,963	\$	279,325								
To	otal	\$	423,000	\$	581,149								

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.

Project Status: Passion2Profit Programme – Quarter Ending December 2018

Detailed Project Status for the 2018/19 year							
	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 two projects.

Activity during the quarter:

- 1. Prototypes of the venison bar have been produced, MWG have agreed to continue with the exercise to obtain production costs estimates. MWG members agreed to undertake a shelf-life study and to test functional properties of MA stag venison.
- 2. MWG members agreed in principle to support retail trials to gain a better understanding of Canadian consumers' appetite for Cervena venison.

Next Steps:

- 1. MWG to consider the path to market for a protein bar once costings are produced
- 2. Define objective and metrics for Canadian activity, initiate research project

1.6 Appellation Development

Objective: Unified approach to using the Cervena Appellation to optimise returns to New Zealand.

Status: Completion behind schedule.

Activity during the quarter:

Completion of photography, web design, graphic design elements and trademark registration for the Cervena Pure Freedom appellation. Brochure text has now been updated following feedback from the MWG with continuing work on the website ongoing.

Next Steps:

Completion of website, booklet and support material for Cervena. Provide support to companies to adopt new packaging guidelines and incorporate new Cervena positioning collateral in company specific material.

2.3 Non-Seasonal Promotion

Objective: 150 mt of chilled venison exported as CervenaTM from Jan to August in the Benelux and Germany in 2019.

Status: Preparing for sales period.

Activity during the quarter:

Collation of feedback from 2018 Benelux participants confirmed interest in continuing in 2019, noting small volumes sold and limited supply. Planning with Benelux and Germany importers is now underway for next season.

Next Steps:

Continue preparations for the 2019 summer promotions. Marketing manager to discuss with participating companies earlier in 2019, a focus on some retail items is being included in the 2019 plan.

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.

Activity during the quarter:

Working with NZ Exporters to determine their promotion needs. Agreement from a well-regarded chef to endorse

and support NZ Venison activities in China, however the chef subsequently withdrew his offer so now working to identify an alternative resource.

Next Steps:

Confirm participation of an appropriate mandarin speaking chef to deliver the programme. Planning for DINZ Executive chef Graham Brown to make another visit to China in early 2019.

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.

Activity during the quarter:

- 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 CervenaTM.
- 2. Palm Kernel Expeller (PKE) research: Research underway examining if there are differences between venison fed on a 'normal' diet and those fed PKE. Feeding completed, composition analysis and consumer taste testing completed.
- 3. Discussion at MWG meeting on variability in quality of NZ venison and possible collation of pan-industry data.
- 4. Annual Health Planning: Inclusion of the requirement to have a documented Annual Health Plan as a standard in the Deer QA on-farm standard, and in the NZ Farm Assurance Programme (FAP).
- 5. Supporting individual venison companies with implementation of FAP, in preparation for 30 September 2019 deadline for Cervena qualifying properties. Contact made with suppliers to offer support.

Next Steps:

- 1. Roll out of communications, confirm implementation plan and implementation date and notify farmers and feed manufacturers of this step.
- 2. Receive results of PKE study and consider advice for industry.
- 3. Propose data for collation and collect from companies.
- 4. Follow up with QA stakeholders to promote Deer Health Review as a means of satisfying FAP requirement.
- 5. Continue to offer support to suppliers with implementation of FAP.

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 14 September 2018 discussed the priorities for the remainder of the P2P Primary Growth Partnership. The P2P Practice Change Managers met on 09 October 2018 with a focus on integration within the programme moving forward.

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 - Four workshops held this FY

Activity during the quarter:

Four workshops held in October in Manapouri and Fairlie attracted 60 people. The single topic workshops were on environmental management and reproduction and genetics A directory of known rural Ag professionals has now been added to the Deerhub DINZ website with those who have attended a workshop see -

https://www.deernz.org/deerhub/professional-services. An online survey of past Workshop for Rural Professionals attendees received 52 responses. The survey indicated the following:

- 88% of respondents felt more confident offering advice to their deer clients after attending a workshop
- 21% of those surveyed felt that their number of deer clients had increased from a year ago
- Over a third of those surveyed felt their clients were more interested in receiving advice then they were a year ago.
- Workshop attendees found the practical side of deer farming and the nutritional components of the workshop to be of most use.

Next Steps:

2019 workshop dates now set for Waikato in March; Central Hawkes Bay in May and Palmerston North in August.

4.2.2 Influential Advisors

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

Status: Underway

Activity in Quarter:

Meeting with Ravensdown business managers to highlight deer industry requirements and opportunities.

Next Steps:

Focus for 2019 will be on presentation of business planning material to farm advisors and influential rural bankers.

4.3 Big Deer Tour

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

Status: Planning underway for 2019 tour.

Activity during the quarter:

Dates booked for promotion visits to both Massey and Lincoln universities in early March 2019. Tour to take place April 2019.

Next Steps:

Finalise itinerary and make contact with contributors to the tour.

4.4.1 Integration-Communications

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

Status: Underway

Communications:

The 2018/19 communications focus will be on;

- 1. Increasing awareness of DINZ Tools through advertising and direct mail
- 2. Putting recommended actions in the context of specific farms through case study approach.

Activity during the quarter:

Two farmer profiles of venison and velvet properties in the North Island are now complete. Placement of advertising material both online and in print. The Breeding Feeding Healthy Deer (BFHD) e-newsletter in December 2018 achieved a 43% open rate in the first 24 hours, with 8% click throughs. Videos on hind condition scoring were the most popular with 140 opens.

Next Steps:

- Complete next four farmer profiles
- Confirm the communications placements for the coming year.
- Apply the Venison finishing systems description pending agreement.
- Monitoring response to online advertising and adjust seasonally.
- Continue with BFHD e-newsletters.

4.4.2 Farmers User Groups

Objective: Two workshops per annum to improve utility of P2P outputs

Status: Underway

Activity during the quarter:

Booked in nine farmers to work on the Venison finishing systems description on the 15 February 2019 in Christchurch.

Next Steps:

Hold the above workshop and confirm the utility of the Venison finishing systems description. This will inform the format of the future farmer user group.

4.4.3 Integration Projects

Objective: P2P Project Managers working on projects that cross the theme groups.

Status: Underway

Activity during the quarter:

- 1. The P2P Project Managers met in October 2018, discussed integration between themes, specific integration projects and the enhanced focus on practice change and practice change management.
- 2. Appointment of Phil McKenzie as the Environment Projects Manager, and will work on integration, and providing advice on practice change.
- 3. Selection of "Winter Feeding" as a topic that would benefit from a joined-up approach considering feeding, environmental management and health.
- 4. 'Parasite Management' identified as an essential integration project.

Next steps:

- Agree scope of Winter Feeding project and expected benefit for farmers.
- Agree scope of Parasite Management integration project prior to Deer Health Project Manager departure.

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 – 27 APs operating.

Activity during the quarter:

Formed two new APs – Bay of Plenty and Kaipara (out of rump of the old Northland Group). Wairarapa group considering their future. Attempting to establish a new AP in Waikato. Ended contract with #8HR for AP administration services. Established expanding agreement with Dr Pania Flint's company to assist. Workshop for Facilitators held on 07 November with 12 facilitators. Change of facilitator for Tasman/Marlborough AP.

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.

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: Not yet commenced

Activity during the quarter:

Coordinate a meeting with a group of AP facilitators (AP members) to commence planning of the 2019 edition.

Next Steps:

To meet with a group of AP facilitators (AP members) on 01 March 2019 to confirm format for 2019.

5.2 Deer Farming Regional Workshops

Objective: To encourage Advance Parties to motivate a wider farmer and rural

Status: 4 RWs held YTD

professional audience to make positive changes. Run 15 Regional Workshops between 1 October 2018 and 30 September 2019.

Activity during the quarter:

Four Regional Workshops held in last 3 months: Southland Next Gen, Mackenzie Country, Hawkes Bay APs and Taihape DFA.

Next steps:

Continuing communication with AP facilitators to promote workshops as well as continuing media coverage. Planning for the workshops for Wairarapa, Canterbury Velvet, Hawkes Bay Fast Finishers. Hold discussions with NZ DFA on better utilisation of branch network to encourage farmer participation.

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.

Activity during the quarter:

Production and distribution of the Red Meat Profit Partnership (RMPP) KPI workbook in which deer is included. Workshop decision support tools with AP facilitators to encourage use and dissemination. Discussions with DeerPro Project Manager about use of data to contact farmers. Discussion by P2P-AG on the need for a P2P project on business planning.

Next Steps:

Dissemination of the RMPP KPI booklet and encouraging uptake. Review some content in DeerPro venison production reports. Continue to examine opportunities for Deer Pro to add in additional production information. Present the P2P-AG with a definition of Strategic Planning and recommendations for actions that DINZ could undertake to encourage its use.

5.4 Deer Facts

Objective: To distribute 6 Deer Facts per annum.

Status: On track

Activity during the quarter:

Deer Facts on 'Minimising stress in breeding and venison herds' released in October 2018; 'Effective Deer handling' and 'Preparing deer for transport' released in December 2018. Agreed schedule for the production of another 5 Deer Facts for the year ahead.

Next Steps:

Format Review – Following Progress Review recommendations to refocus on easier to understand management tips.

5.5 Practice Change Activities

Objectives: Engagement opportunities between farmers and advisors that encourage change.

Status: Need to confirm

Activity during the quarter:

- P2P-AG considered and proposed an 'Innovators Day' at their meeting in December 2018.
- Hawkes Bay Originals AP hosted farmers from four South Island APs for farm tours and deer farming information exchange in October 2018. Other APs now arranging exchanges.

Next Steps:

- Resubmit an 'innovators day' concept for P2P-AG consideration in February 2019.
- Confirm a DFA branch to host the 2019 Tech Expo with Central Regions DFA being favourable to the idea.

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:

Review of genetics activity with DINZ Deer Select Manager. Distribution of Deer Facts on Breeding Objectives and Managing Elite Herds.

Development of a DNA Proof trial for selected farmers to boost the awareness of the impact of high growth breeding values. Presentations on genetic selection with rural professionals at a workshop in South Canterbury and at the Mackenzie Country Regional Workshop both in October 2018.

Placement of advertising and advertorial in rural press to align with stag selling. Updated Deer Select with CARLA BValues; reformatted Deer Select Webpage on DeerNZ.org to display CARLA.

Undertake a qualitative survey of deer farmers' attitudes and decision-making process towards the use of genetics. To be completed early 2019, which will inform future genetics communications.

Next Steps:

Initiate DNA trials. 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:

The 2018 R2 hind growth curve was distributed with the Deer Industry News magazine in December 2018. Production and release of a "How to Body Condition Score Deer" video. See:

https://tinyurl.com/P2Phindbcs

Print ads in farming magazines promoting awareness of the feed budgeting tools.

Next Steps:

- Update and distribute the 2019 Venison Growth Curve in February 2019.
- Produce and distribute a 'Guide to Seasonal Hind Body Condition'.
- Further refinement of the Venison Finishing Systems Description with farmer user group workshop to take place 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: Underway

Activity during the quarter:

DINZ recommendation to the NZ FAP governance group to include 'documented' as a compulsory requirement for an Animal Health Plan was accepted at the FAP Governance Group meeting on August 29. DINZ staff now working with venison processors and Assure Quality to deliver the Deer Health Review workbook to farmers as part of their QA package. Deer Health Project Manager is working with Landcorp staff on a review of processes for improved proactive health management across all Landcorp deer farms.

Next steps:

Confirm priorities for the deer health project before Lorna Humm's departure in February 2019, and 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.

Activity during the quarter:

Agreed to form Deer Industry Environment Groups (similar to Advance Parties), where farmers work together to improve their environmental management, with support from skilled facilitators, and complete Farm Environment Plans (FEPs). First two groups now formed in Hawkes Bay. Potentially eight more starting at time of writing. DINZ appointed an Environmental Project Manager to oversee the formation of these groups, work with Environment consultants, encourage FEPs in APs and link with other agencies to encourage environment planning among deer farmers.

See details: www.ap.org.nz/meetings/deer-industry-environment-groups

Next Steps:

Determine a means of assessing the number of farms with Environment Plans. Form more Deer Industry Environment Groups and support further planning workshops with deer farmers and other agencies. Work with B+LNZ to host environment planning workshops. Work on the Aparima Catchment group.

7. Programme Management

Activity during the quarter:

P2P Practice Change Mangers met on 9 October 2018

Approval of P2P Annual Plan 2018/19

MWG met on 05 December 2018

P2P-AG met on 13 December 2018.

Upcoming:

P2P-AG will meet on 01 March 2019

P2P Practice Change Managers will meet on 11 March 2019.