

STATE OF THE INDUSTRY

MARCH 2026



STATE OF THE INDUSTRY REPORT

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RHYS GRIFFITHS

DINZ Chief Executive

Looking at the current global export and trade landscape, it's clear we are operating amid a wider backdrop of geopolitical and economic instability that continues to reshape supply chains worldwide. Heightened tensions across key regions, shifting trade policies, and disruptions to critical maritime corridors have collectively increased operational uncertainty for exporters. Despite this challenging backdrop, however, consumer demand for our products remains consistently strong across our core markets.

I've said it elsewhere before, but the mood I have taken from the industry of late is best described as "cautiously optimistic." Clearly velvet prices were well below where they needed to be last season. Underlying consumer demand, however, remains firm. The key issue is how we get our product to market. The poor prices led to elevated stag cull activity late in 2025 and into 2026, signalling a tightening of velvet supply heading into the 2025/26 season. The earlier-than-usual culling of older, heavier animals indicates a structural adjustment rather than a short-term fluctuation. This sits alongside an unseasonal lift in venison schedules, which continue to trend upward and reflect processors' broader confidence in sustaining more stable returns to producers at this time of year. With sustainable venison demand and reduced velvet supply, along with the relatively untapped potential for deer co-products, we are trending upwards as an industry.

Looking ahead, I'm increasingly confident about our industry's future as we lean into science and research as

a key driver going forward. This was what I presented to attendees at the 11th International Deer Biology Congress in Dunedin in early February, where I outlined that our industry's future will be driven by evidence-based research findings, whether that be improving on-farm practice, providing evidence to bolster our advocacy work, or validating the beneficial nature of our products in a world that is becoming more attuned to health and wellness.

Global conditions remain unsettling, although many of the pressures facing our industry are outside the farm gate and beyond our influence. Farmers, processors and exporters alike are feeling the effects of changing markets, higher costs, and ongoing uncertainty as to what impact the Middle East conflict will have on our operations. Against that backdrop, it is encouraging that demand for deer products has held up well in key markets, underpinned by strong consumer interest in quality, provenance and performance.

That demand matters, because it supports prices, confidence and on-farm decision-making. While we remain realistic about the challenges ahead, the industry is showing resilience and adaptability. By staying focused on what we can control—good animal management, consistent supply, and close alignment with our markets—we believe the deer sector is in a solid position to work through current conditions and build on the opportunities that lie ahead.

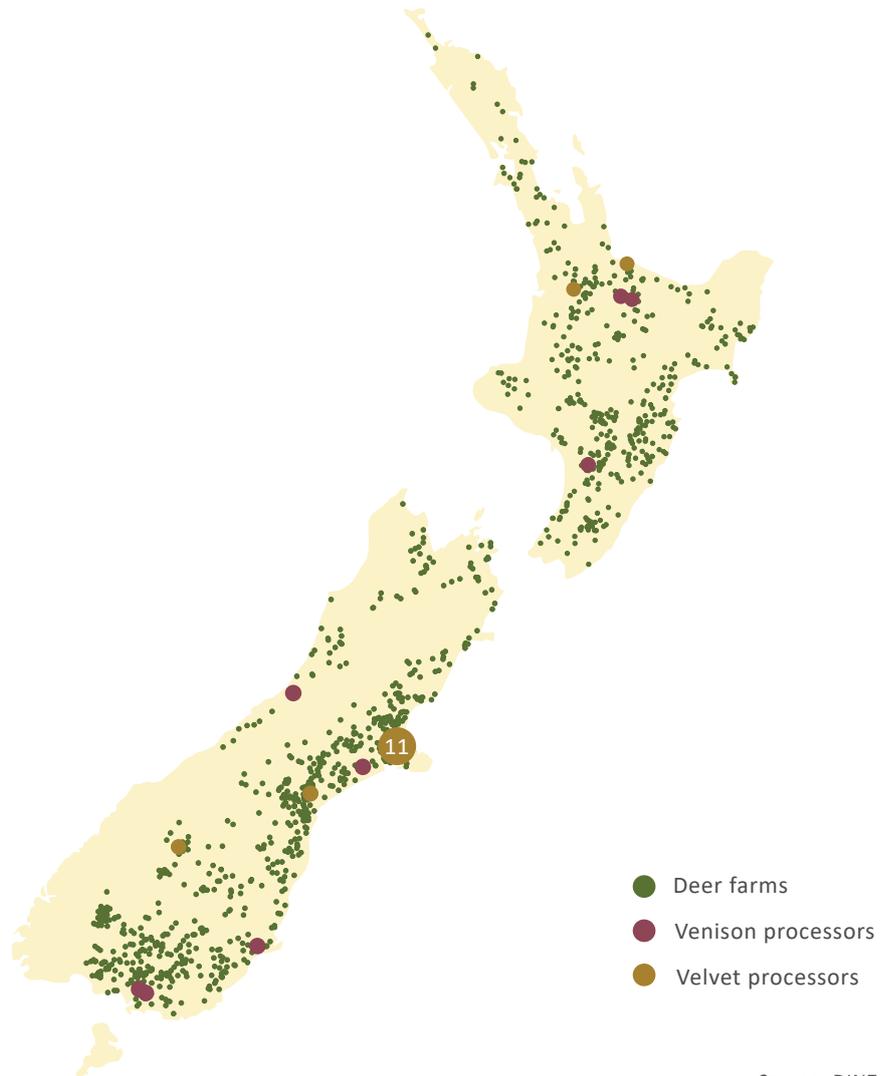
INDUSTRY SIZE AND REGIONAL STRUCTURE

Farmed deer are distributed across New Zealand, with the largest concentrations in Canterbury, Southland, and Otago, and smaller but well-established populations in North Island regions including Hawke’s Bay and Manawatū-Whanganui.

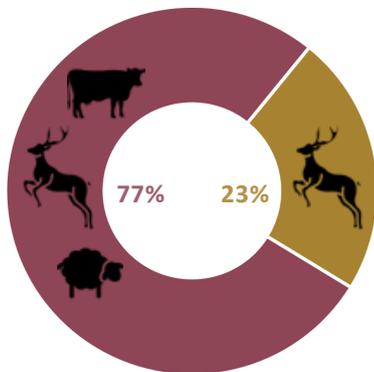
The area chart (see next page) shows a decline in national deer numbers from 2015, continuing the long-term contraction seen since the industry peak in 2004.

In more recent years, total numbers show year-to-year variation, with the pace of decline easing compared with earlier periods, while remaining well below historic highs.

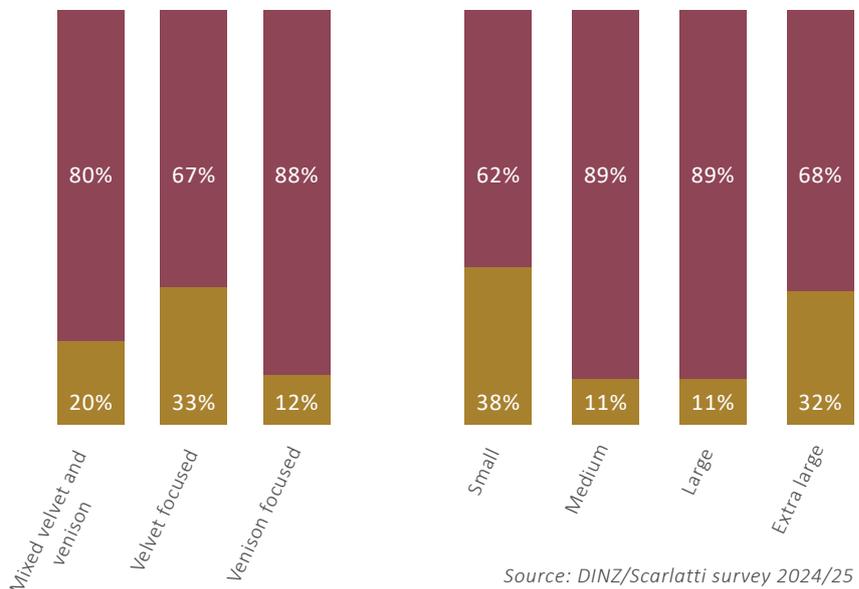
Most deer farms operate as mixed livestock businesses, with 77 percent also running sheep and/or beef rather than farming deer alone. Velvet-only operations stand apart, tending to cluster at either the small or extra-large end of the scale, suggesting velvet production is typically either highly specialised or large enough to justify dedicated systems and investment.



Source: DINZ



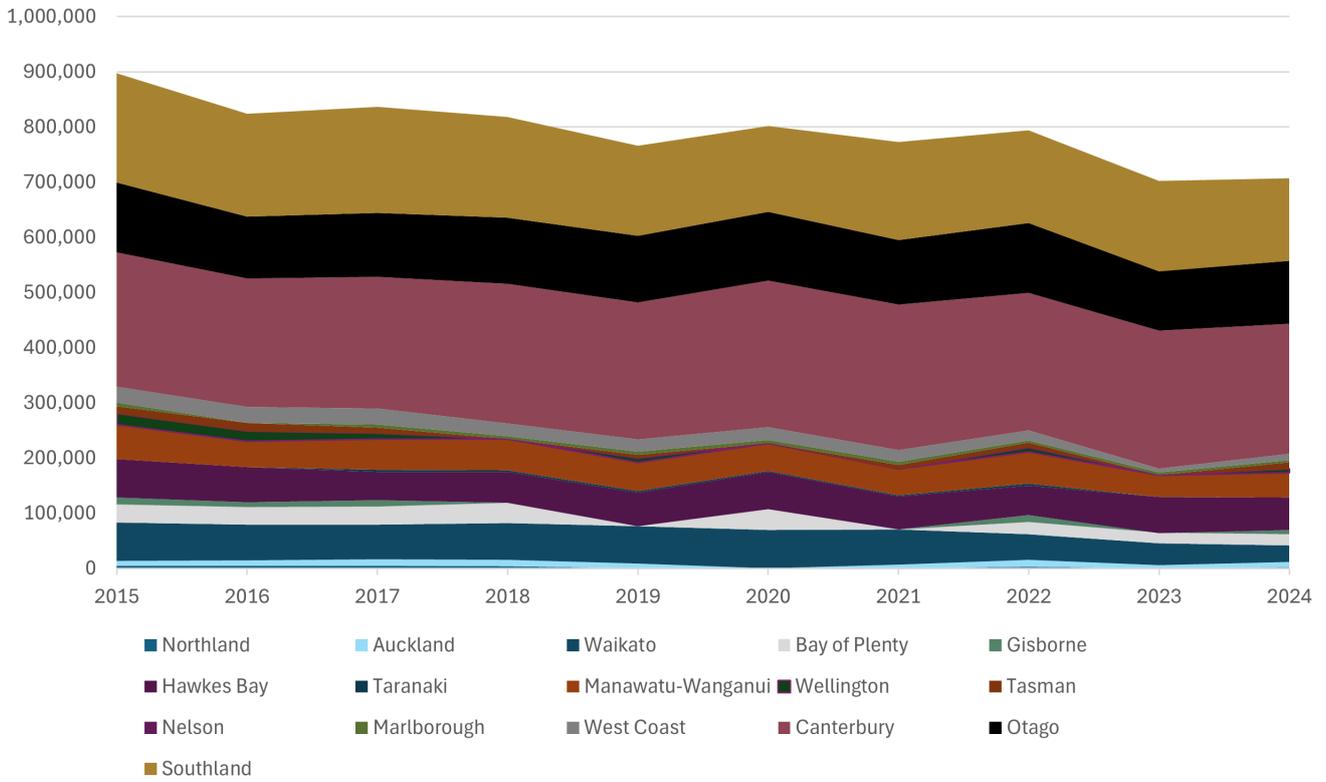
- Deer only
- Mixed operation



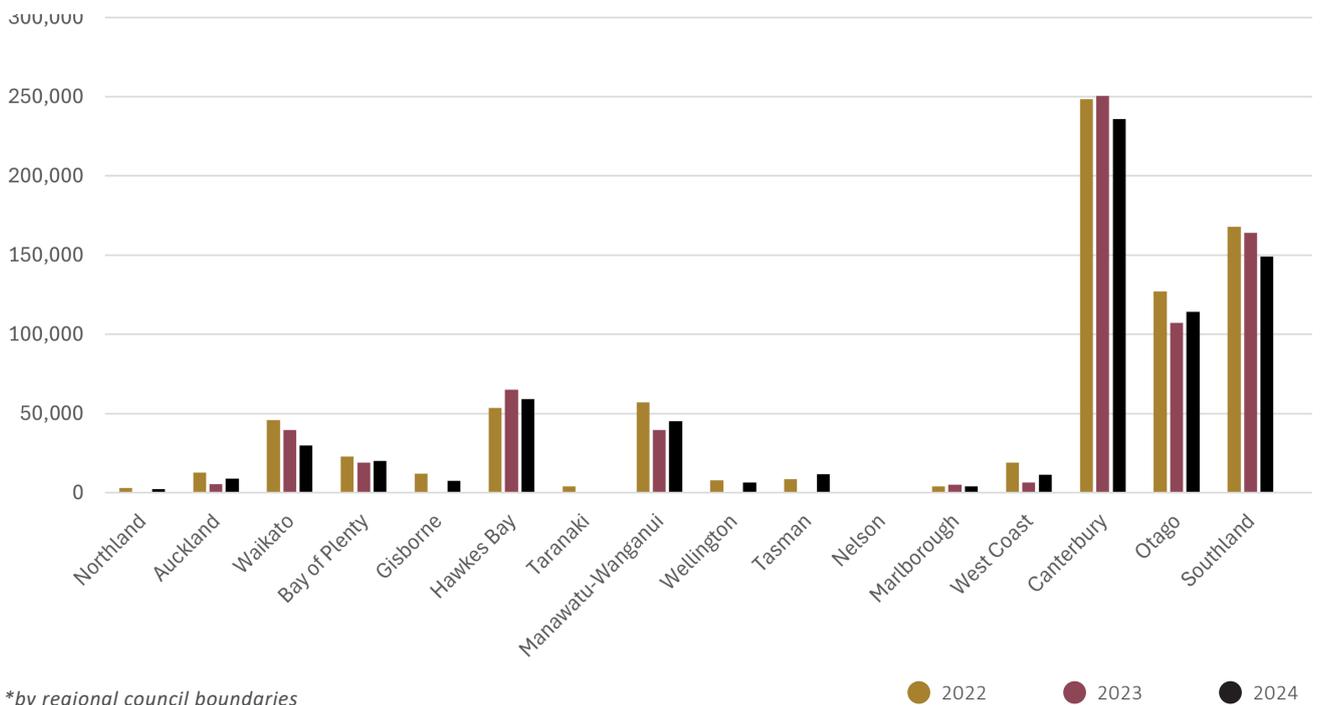
Source: DINZ/Scarlati survey 2024/25

INDUSTRY SIZE AND REGIONAL STRUCTURE CONT.

Deer per region*



Deer per region*



Source of all graphs: Stats NZ

*by regional council boundaries

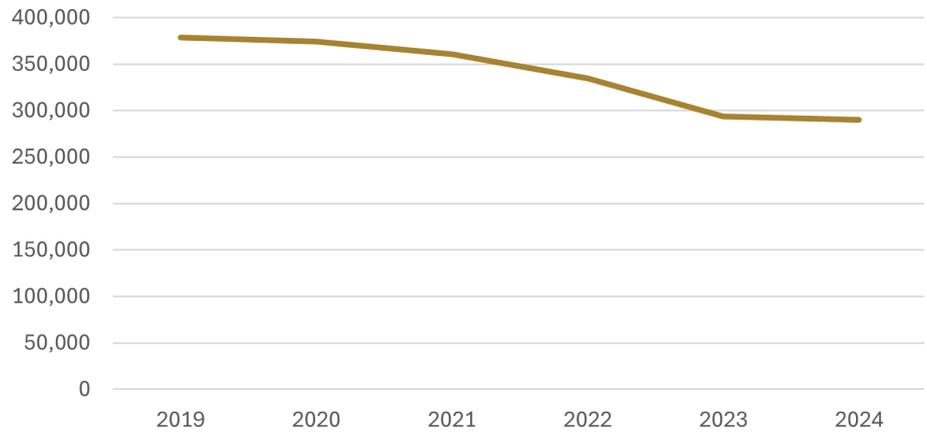
● 2022 ● 2023 ● 2024

From 2020 to 2024, the breeding base of the deer industry contracted, with both hinds mated and total fawns weaned declining through the early 2020s. This contraction aligned with a period of sustained industry adjustment, as farmers responded to post-COVID market conditions, cost pressures, and wider farm system rebalancing. More recently, however, the pace of decline has slowed. Between 2023 and 2024, year-to-year changes in both hinds mated and fawns weaned were relatively modest, suggesting in 2025 the industry is likely turning the corner.

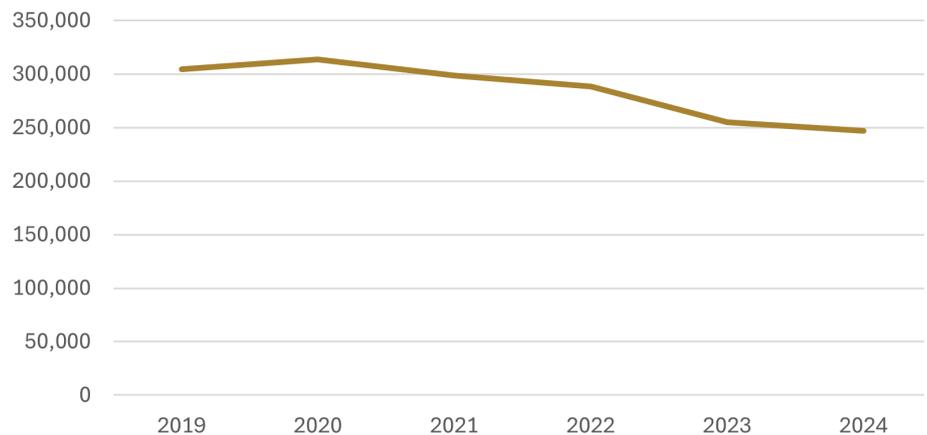
Reproductive efficiency has remained a relative strength throughout this period. Weaned fawns per hind mated has held at historically solid levels, reflecting longer-term gains from improved genetics, animal management, and herd health practices. This stability indicates that, while herd numbers have reduced, underlying reproductive performance has not deteriorated. Maintaining this level of efficiency will be critical as the industry looks to rebuild capacity.

Note: The 2024 figures represent the most recent data available. With indications that some producers are beginning to retain more breeding stock, there is cautious optimism that a herd rebuild may be underway. Confirmation will depend on the 2025 data, expected in the next State of the Industry update.

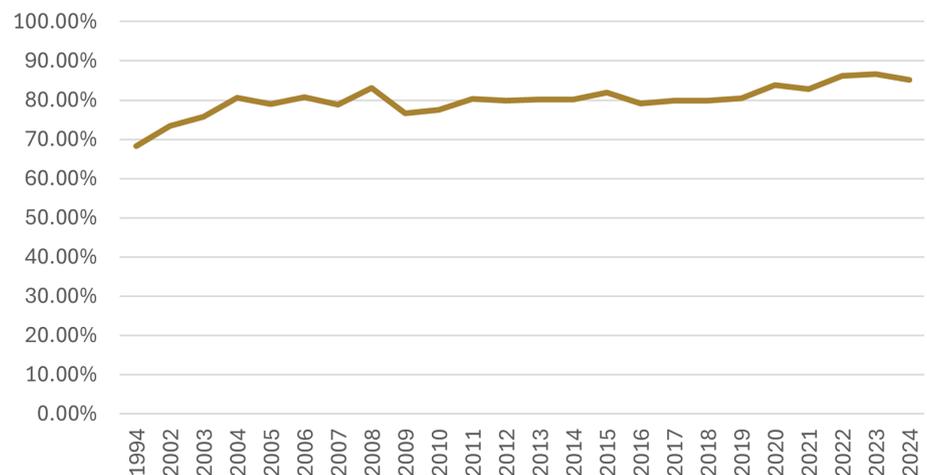
Hinds mated



Fawns weaned



Weaned fawns per mated hinds

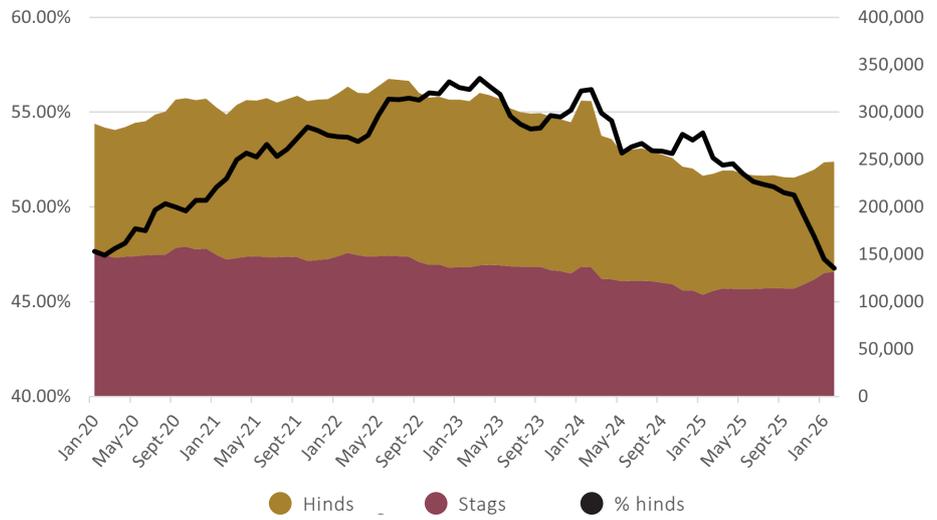


Source for all graphs: Stats NZ

PRODUCTION, PRICES AND SUPPLY

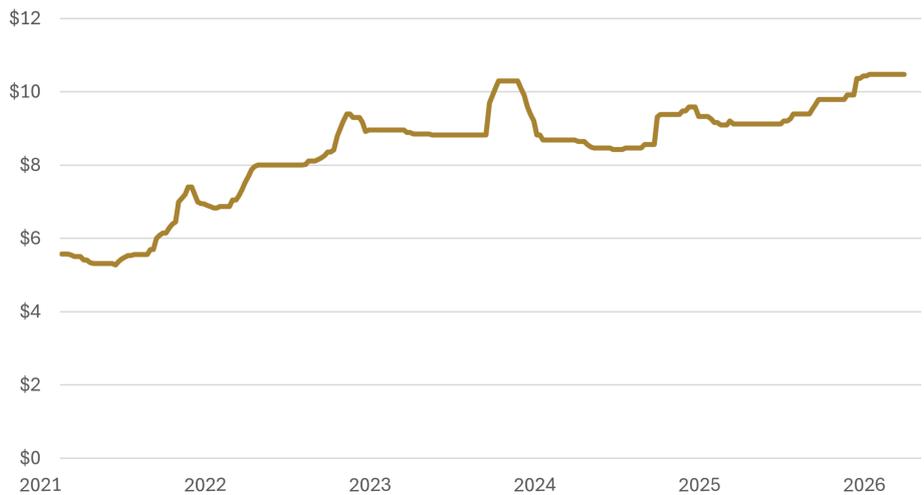
Rolling 12-month slaughterer data shows a decline in total deer processed since the early 2020s, alongside a marked reduction in the proportion of hinds in overall numbers. The falling hind percentage suggests a greater share of breeding females is being retained within the herd, consistent with producers prioritising herd maintenance and future production capacity. This is compounded, however, by a higher than normal number of stags processed this year.

Deer slaughtered (12 month rolling average)



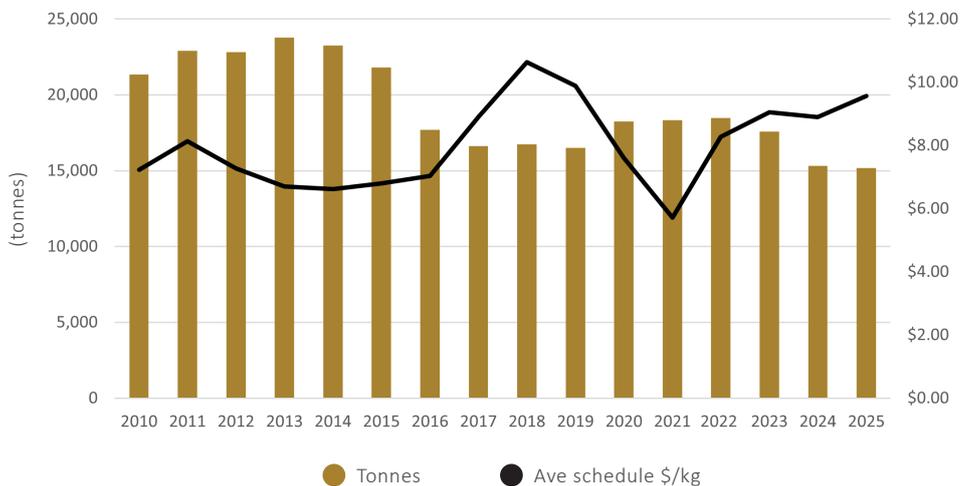
The average published venison schedule has increased over the longer term, although the decline in prices between 2019–2021 reflects the impact of COVID-19, when widespread restaurant closures in key international markets reduced demand for premium foodservice products such as venison. As global hospitality activity recovered and the industry pushed into retail, prices firmed again, while longer-term data shows lower processing volumes generally coinciding with stronger returns, consistent with tighter supply conditions.

Average published venison schedule



Note: The charts presented in this report are based on the published venison schedule price, as this is the only consistently available and transparent price series across the industry. DINZ recognises, however, that a proportion of venison is sold under contract at prices that are materially higher than the published schedule.

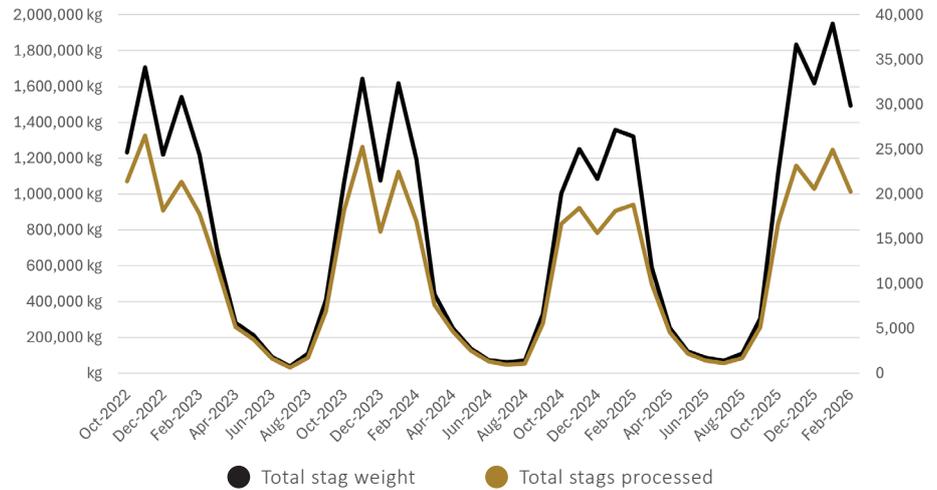
Annual venison production and average published schedule



Source for all graphs: DINZ

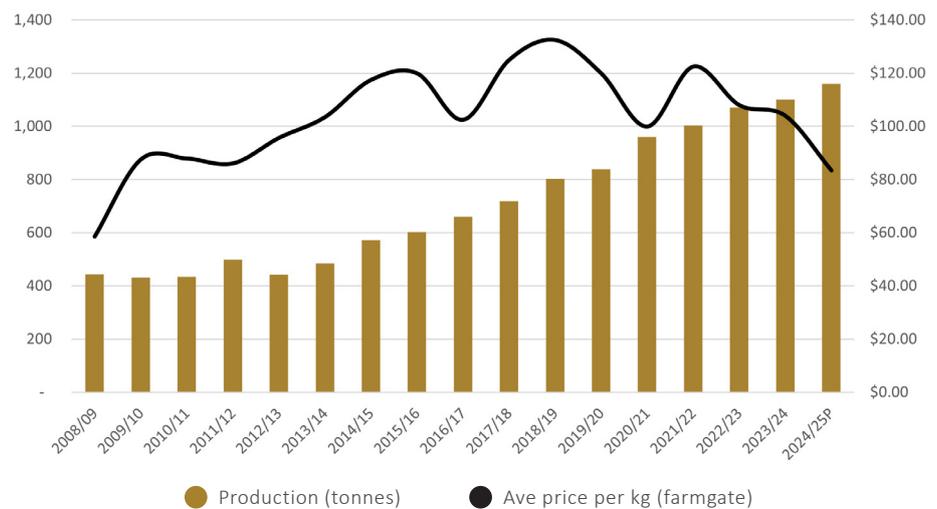
Recent data on total stags processed and total carcass weight highlights the period when cull stags are sent for slaughter. These are periods where carcass weights increase disproportionately relative to numbers processed. This pattern is more pronounced in the current season, and is consistent with herd rationalisation decisions, where larger stag numbers have been removed.

Total stags killed and total carcass weight



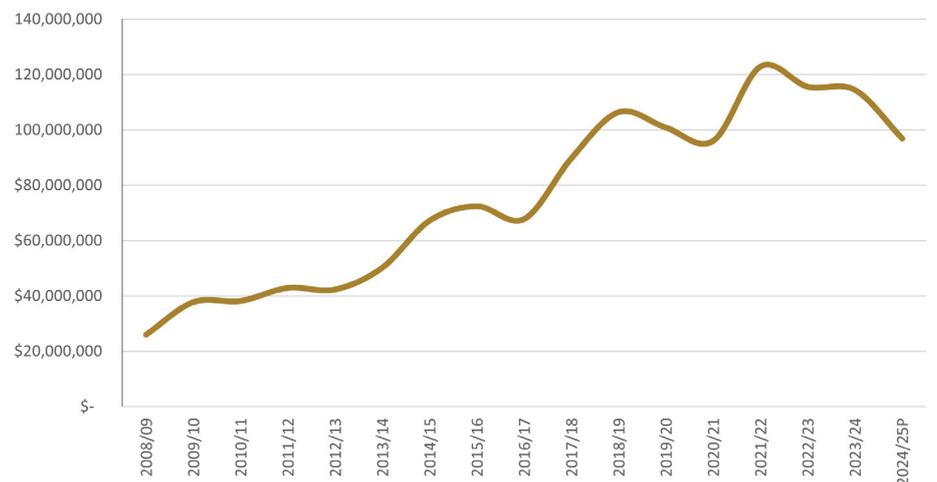
Looking at a longer time horizon, velvet production has increased steadily over the past decade, reflecting changes in herd structure and management focus. However, the accompanying price series shows that average velvet prices have declined in recent years, coinciding with rising production volumes and market access issues.

Velvet price and production (farmgate)



While total velvet farmgate returns remain high by historical standards, the combination of growing output and softer prices suggests that supply of certain grades has outpaced market demand at times, placing downward pressure on per-kilogram returns despite sustained production growth.

Total farmgate returns NZ velvet



Source for all graphs: DINZ

EXPORT MARKETS AND DEMAND

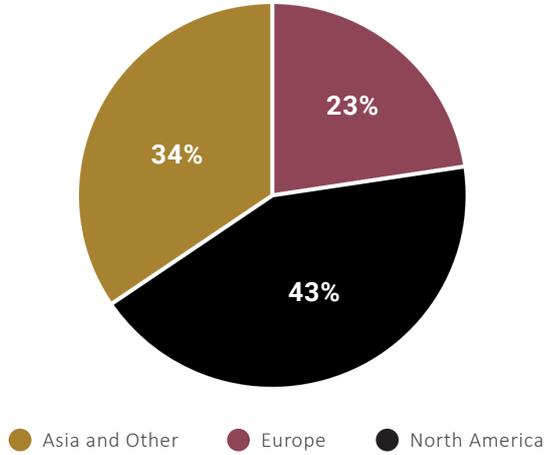
North America accounted for the largest share of total venison export volumes in 2025, reflecting its growing role as a high-throughput destination. Europe, while representing a smaller proportion of overall volume, delivers a comparable share of export value, indicating consistently higher unit returns.

This contrast highlights the different roles played by key markets: Europe continues to underpin the value performance of venison exports, while North America supports volume growth. Together, these markets contribute to a more balanced export profile, with established value in traditional destinations complemented by scale in newer markets.

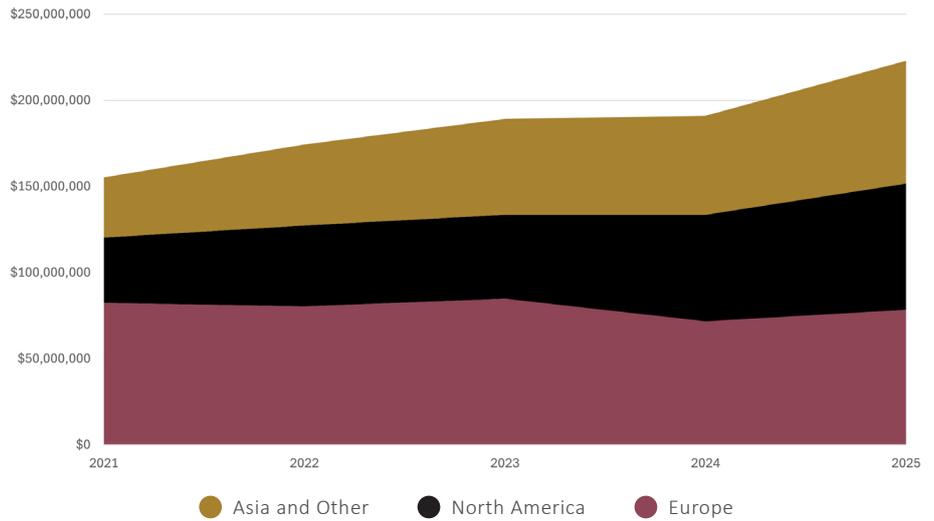
Venison exports to the United States are evolving from an initial volume-driven phase toward a more value-focused profile. Earlier growth was characterised by expanding volumes, while export values increased at a faster rate than quantities shipped in 2025.

This emerging shift suggests improving value capture within the US market, potentially reflecting changes in product mix, pricing, or market positioning. Although periodic volatility remains, the trajectory points to a maturing market, with early indications that demand is increasingly supporting higher returns alongside sustained volumes.

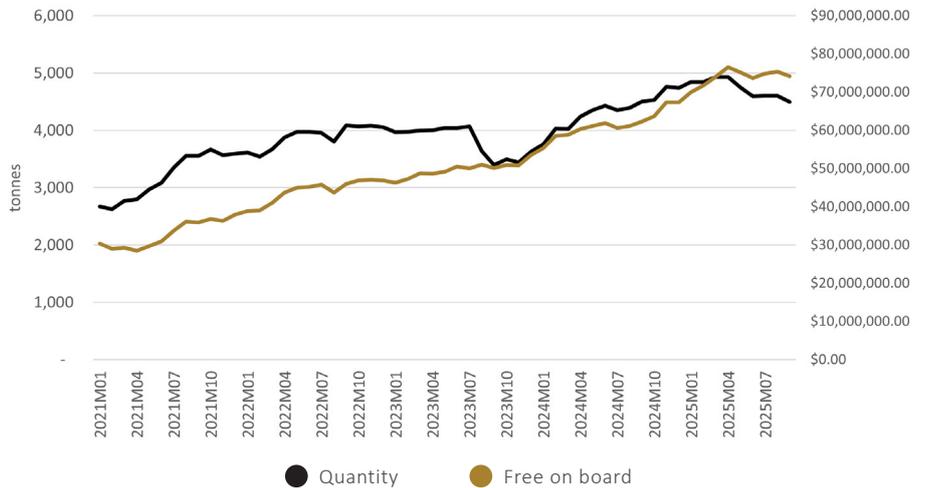
Venison exports by volume (2025)



Venison exports by value, FOB



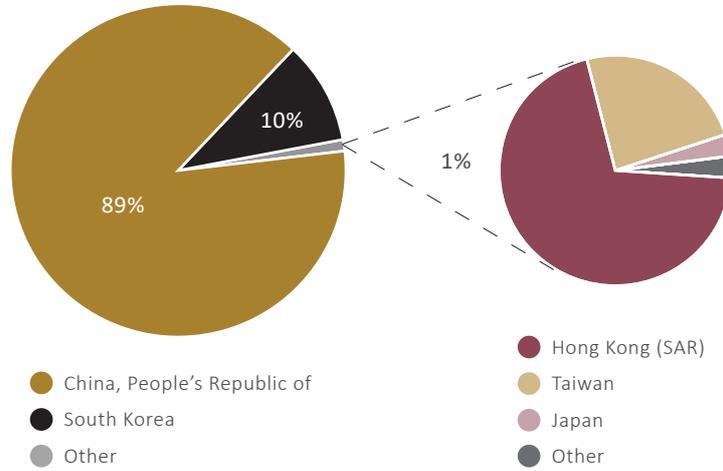
Venison exports to the US (12 month rolling total)



Source of all graphs: Stats NZ

New Zealand velvet export volumes are dominated by shipments to China, with South Korea the next largest destination and only small volumes exported elsewhere. This reflects regional processing pathways rather than final consumption patterns, as China operates as a significant processing hub. A substantial proportion of New Zealand velvet exported to China is processed and subsequently re-exported to South Korea for use in consumer products, understating the country's true reliance on New Zealand-origin velvet.

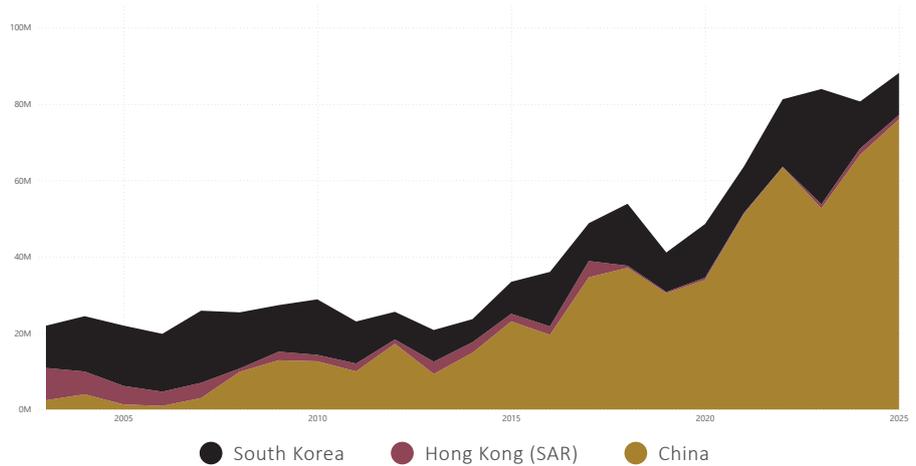
Velvet exports by volume (2025)



Source: Stats NZ

Export values (FOB) trend upward over the medium to long term, driven primarily by growth into China, which underpins much of the increase in total export value. Exports direct to South Korea fluctuate year-to-year but maintain a relatively stable share of overall value rather than driving the expansion. By contrast, value of shipments routed through Hong Kong have declined steadily over time. The most recent result shows elevated total export value, reflecting continued strength in the China-led component alongside steady contributions direct to Korea.

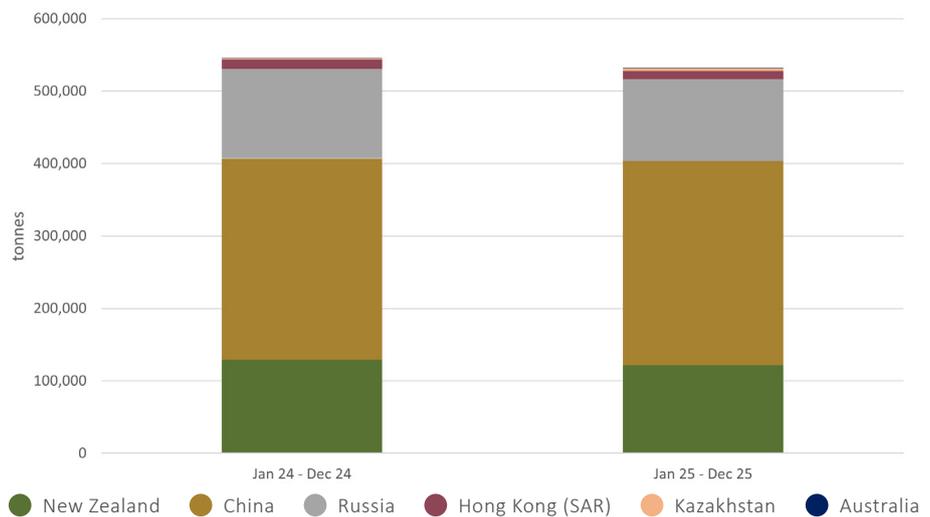
Velvet exports by value, FOB



Source: Stats NZ

South Korean velvet imports eased slightly in 2025, with total volumes down 2.6 percent compared with the previous year. This could be a phasing issue as it is mid-season. Imports sourced directly from New Zealand fell by around 5.8 percent, while volumes from Russia declined more sharply, down 8.6 percent. These reductions were partly offset by a modest increase in imports from China, a significant portion originating in New Zealand.

South Korean velvet imports (frozen equivalent)



Source: Animal and Plant Quarantine Agency (South Korea)

COSTS AND INDUSTRY ECONOMICS

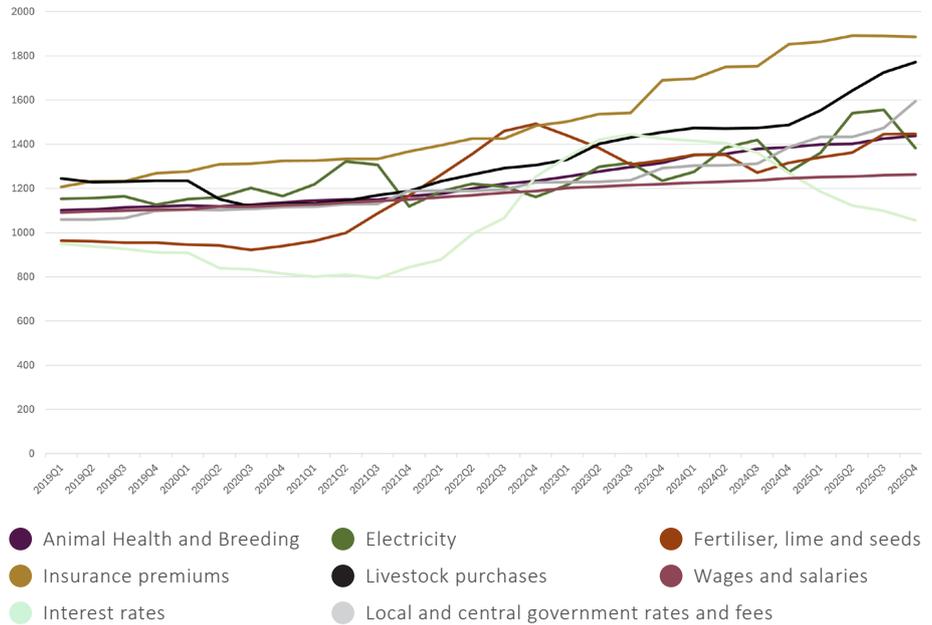
On-farm costs have risen sharply in recent years, with insurance standing out as the most significant increase. Premiums have climbed well above long-term levels, consistent with greater exposure to extreme weather and higher risk pricing. Livestock purchase costs have also lifted strongly, reflecting robust demand and tighter supply rather than general inflation alone. Local government rates continue to rise steadily, adding to fixed cost pressure that farmers have little ability to control.

While not all inputs have moved at the same pace, the picture is clear: several major farm costs are now structurally higher, tightening margins even where product prices remain supportive. Increases in feed, labour, compliance and energy have reset the cost base for many farms, reducing the scope for recovery through efficiency gains alone.

Looking ahead, geopolitical instability in the Middle East has the potential to place further upward pressure on input costs as global supply chains come under strain, with particular exposure in fertiliser and fuel markets, and flow-on effects for diesel and some animal health inputs if disruptions persist.

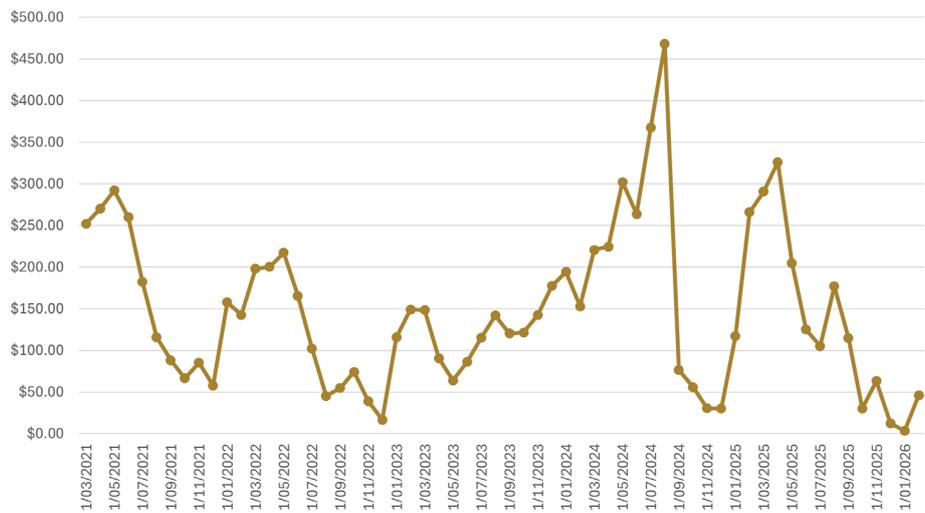
Note: The government has paused its regular monthly diesel price updates while it focuses on daily reporting of national fuel stocks and monitoring energy-market developments linked to the conflict. The data shown reflects the most recent official release and does not capture the sharp price volatility seen in recent weeks.

On farm inflation index - base year 2013



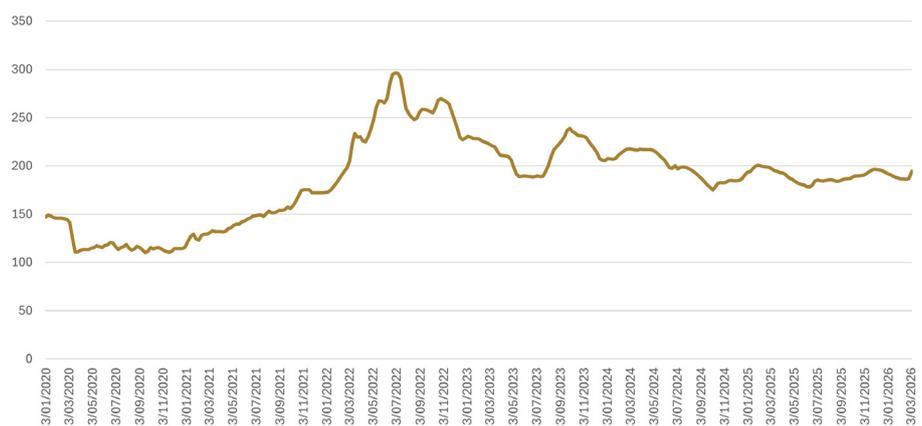
Source: Stats NZ

Monthly electricity average wholesale price (\$/MWh)



Source: Electricity Authority NZ

Diesel retail price, NZD c/L

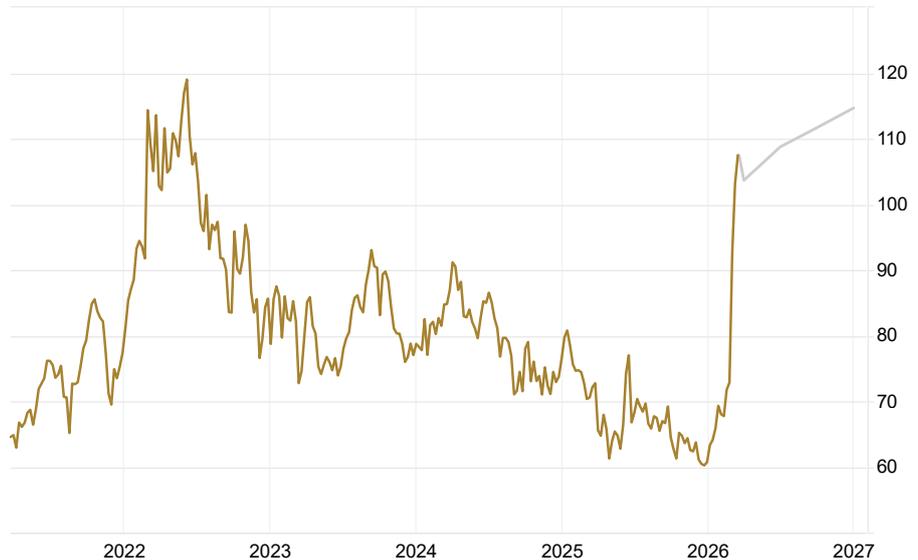


Source: Ministry of Business, Innovation and Employment

Brent crude price

Oil prices have spiked recently after a period of relative softness, reflecting renewed geopolitical risk in the Middle East, particularly around key shipping corridors such as the Strait of Hormuz. While the prices as of writing remain below the peaks seen earlier in the decade. The recent upward movement signals rising fuel costs for global shipping. For exporters, especially those servicing European markets, higher energy prices feed directly into transport costs.

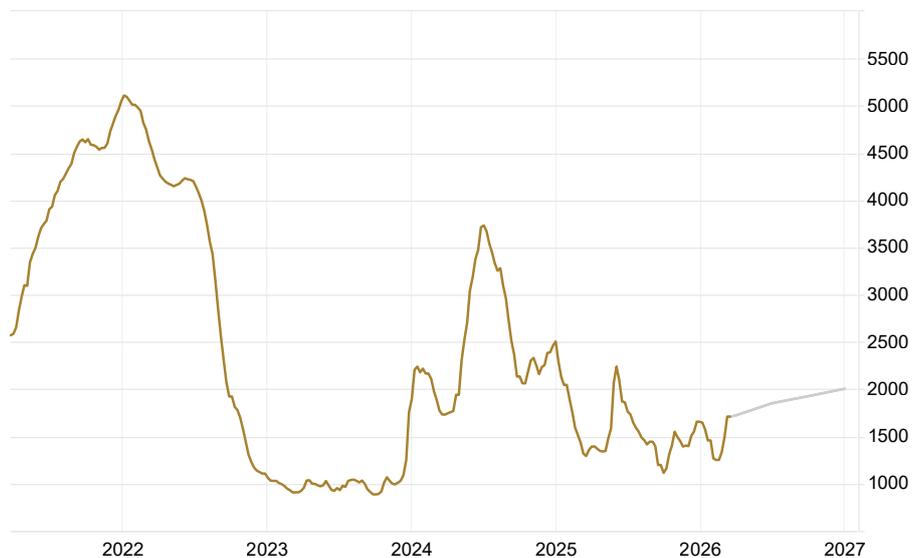
Brent crude oil price (USD per barrel)



Containerised freight index

After easing back from previous highs, containerised freight rates are showing early signs of upward pressure again. Volatility remains evident, with recent increases reflecting growing uncertainty in fuel and global shipping routes linked to regional conflict and re-routing of vessels. Europe-bound freight is particularly exposed to these disruptions. Beyond headline freight rates, exporters are also facing additional risk-insurance surcharges imposed by some carriers operating in higher-risk zones.

Containerised freight index



Source of all graphs: Trading Economics

Note: It is important to note that the situation in the Middle East, including risks around the Strait of Hormuz, remains highly fluid. The duration, scale, and potential outcomes of the conflict are uncertain, and conditions could change quickly. DINZ continues to monitor the situation closely and is in regular contact with the relevant government agencies.

This report represents the first publication of its kind for DINZ, and feedback is welcomed to inform the development of future editions. The next report is planned for release in August/September and is expected to contain some changes in scope and content, reflecting seasonal timing, data availability, and a deliberate effort to avoid repeating information included here that would not have materially changed. Suggestions for additional data sets or topics for inclusion are welcome and can be directed to DINZ's Communications Manager at cameron.frecklington@deernz.org. While DINZ will endeavour to source relevant information where possible, readers should note that some data is not publicly available and that care will be taken to ensure future reports remain focused and proportionate in size.

