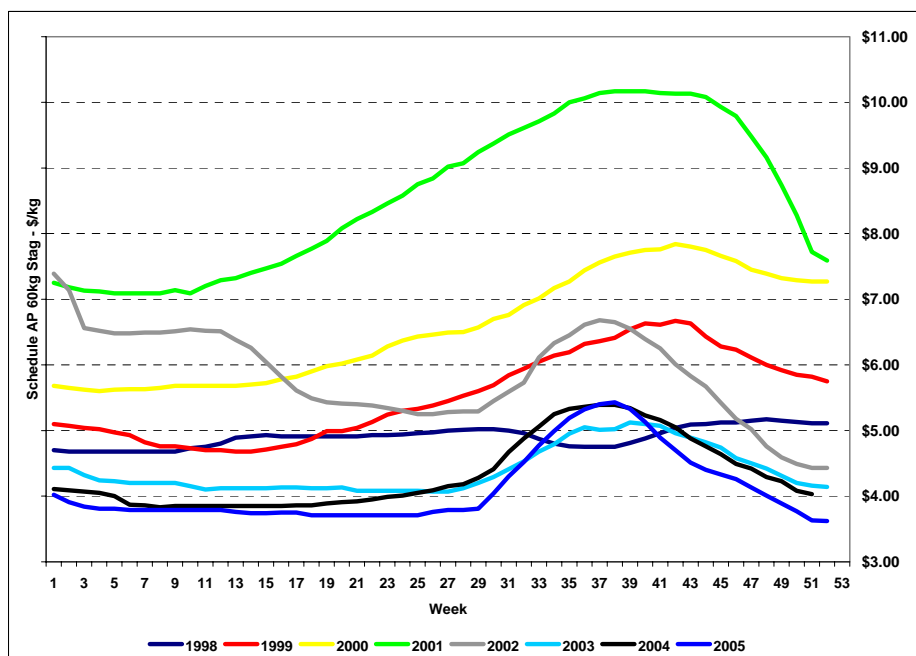


>>> VENISON SCHEDULE

This week (week 3): \$3.45. Down 6 cents from last week. Down 10% on the same time last year (\$3.84). Down 30% on the 10 year average for this time of year (\$5.41).

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



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European Game Season

European distributors report that sales of chilled venison went well this year (but at a lower price). The cold weather leading up to and including Christmas encouraged consumers to buy venison. This was after the long 'indian summer' Europe enjoyed which had subdued demand in October.

While volumes of chilled venison sales were good, volumes of frozen were described as 'steady' with pressure on leg cuts due to attractively priced middle cuts.

The market for manufacturing product and boneless B is now described as tighter, with some resulting upward pressure on prices.

While the volumes have been cleared, they have been priced at a level to allow this to happen. Hoped for improvements in chilled and frozen prices have not been achieved due to the volumes of venison coming onto the market.

The volume of venison exported to 'all Europe' in the three months for the game season – September, October, November 2005 was 6,370 tonnes. This is 70% more than the equivalent period in 2002.

The volume of chilled venison going into a largely static market has increased from 1,100 tonnes to 1,500 tonnes, over 35% more.

Chilled venison sales positive...but prices remain low.

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So not only has this increase in volume pushed prices per kg down, the percentage of higher value chilled cuts has fallen from 30% to 24% over this crucial period.

Although marketers have done a good job in 'finding homes' for the increase in production, they report that prices in Europe are not likely to improve until the volume of venison coming out of New Zealand reduces.

Local Market Media Strategy

Press kits with contact details, recipes and venison cooking tips have been distributed to 50 food writers and editors of culinary magazines in New Zealand. The objective is to stimulate interest in featuring venison recipes in mainstream New Zealand press and also increase awareness of the availability of NZ venison in New Zealand supermarkets.

We were pleased to see Ray McVinnie feature NZ venison in the Sunday Star Times, and NZ venison also appeared in Cuisine Magazine. DINZ hopes to continue to generate more of this sort of coverage in the future.

NZ venison information distributed to 50 local food writers and editors.

German Retail Promotion

Individual retail promotion activities were undertaken with key customers to highlight the availability of NZ venison at retail in December. Stores ran feature recipes in in-house magazines, in-store tastings, and featured venison on their promotional menus.

In-store tasting in Frankfurt and Stuttgart provided samples to over 1,000 shoppers. One store sold out of venison and had to order in additional supplies. The store in question had invited known gourmets on their database for a special tasting day and these home gourmets exhibited a determined interest in New Zealand venison.

In-store promotion goes well in southern Germany.

Good Exposure in USA

America's favourite culinary magazine, Bon Appétit (circulation 1.3 million), named venison as one of their favorite ingredients and one of the 'hot 10 trends' to watch in 2006'.

Alongside such American favorites as grits, quinoa, and 'fish tacos' they picked venison because it "is lean, delicious, and bold-tasting enough to handle big flavors."

The feature ran a venison recipe for RACK OF VENISON STUFFED WITH PECANS, CURRANTS, SAUSAGE, AND PEARS. The article included a full page photo. To buy equivalent coverage in this magazine would cost over US\$60,000.

Although consumption of venison is steady throughout the year in the USA, 'Fall' is still considered the time to think of game products and so venison recipes have recently appeared in several publications such as the New York Times and Nations Restaurant News.

Bon Appétit names venison as one of their top 10 ingredients to watch in 2006.

Deer Notes is published by Deer Industry New Zealand PO Box 10-702 Wellington, New Zealand

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>>> VELVET

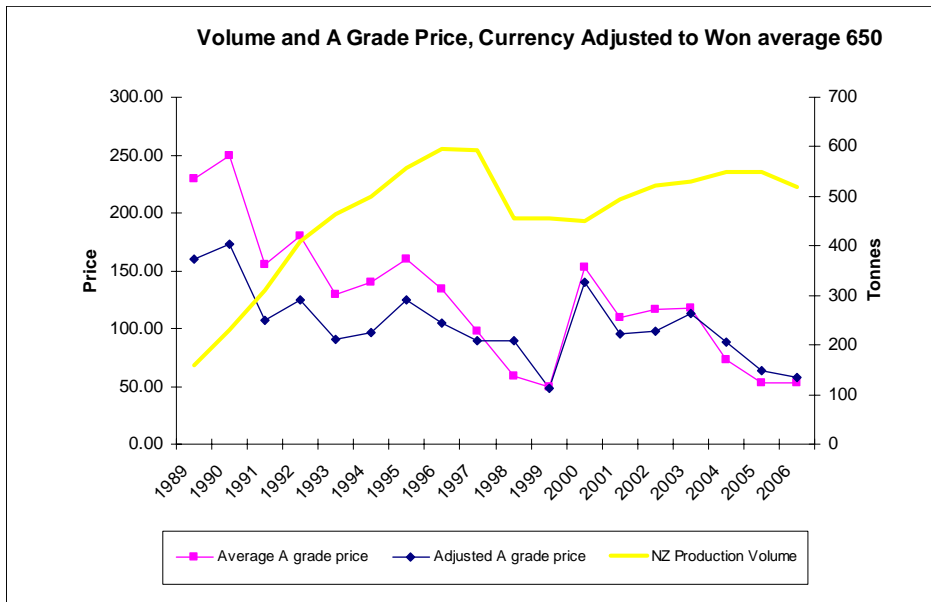
Pools

The pool reports lower volumes of velvet being presented for sale (compared to a year ago), indicating that the reported over-supply of velvet may start to recede.

...lower volumes of velvet being seen by pool.

	Current season weighted averages to 13 January	Last year's weighted average	Approx change from last season
SA	49 to 59	57	-3%
A and B	45 to 56	51	0%
C	38 to 49	45	-5%
Sp	31 to 58	44	1%
RG	61 to 71	67	-1%
Weighted Average	51	44	16%

Weighted average pool prices are tracking higher than last year's weighted average of \$44. Most grades for sale are showing a slow improvement in price. To illustrate the effect of currency, if the A grade average price was adjusted to the average US/Kiwi rate (over the last 17 years), the A grade price would be \$64 dollars (currently about \$53), as illustrated by the following graph.



NZ Velvet in an Israeli Pet Store near you?

Deer Industry New Zealand is undertaking a joint promotion with a New Zealand company promoting a velvet-for-pets supplement project in the Israel market. A wholesaler with the leading market share in supplies to the country's 400 vets has agreed to distribute the NZ velvet product.

Joint promotion for NZ velvet in Israel

Joint Promotion in China

Deer Industry New Zealand is part of a New Zealand led initiative in the China retail market in which a pharmaceutical company will test a range of velvet products with the intent to launch one or more of the finished products to their consumer markets.

Possible retail presence for NZ velvet in China

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Deer Products Protocol for China

New Zealand Food Safety Authority has begun the process of negotiating a bilateral trade protocol for deer products with the Chinese quarantine administration. When signed, this will allow for formal access for venison and co-products to Chinese processing markets, but would require each deer slaughter premises to be registered with the Chinese authorities.

Deer Products protocol between China and NZ progressing.

Insight into mystery of antlers: BBC News Report

Following is a BBC News Report which aired in early January. Professor Price was one of the participants at the Antler Science and Product Technology Symposium in February 2004. The majority of the ground-breaking stem cell research has been conducted by AgResearch's Chun-yi Li under the auspices of VARNZ:

Brits hearing about the unique aspects of velvet and possibilities deriving from it.

"Stem cells play a key role in the deer's remarkable ability to grow new antlers, according to research.

The deer is unique among mammals in being able to regenerate a complete body part - in this case a set of bone antlers covered in velvety skin.

Experts at the Royal Veterinary College hope the work could one day lead to new ways to repair damaged human tissues. Details are outlined in an edition of the BBC TV programme "Super Vets" to be screened on 12 January.

Professor Joanna Price of the Royal Veterinary College said: "The regeneration of antlers remains one of the mysteries of biology but we are moving some way to understanding the mechanisms involved.

"Antlers provide us with a unique natural model that can help us understand the basic process of regeneration although we are still a long way from being able to apply this work to humans."

Mating game

Antlers are large structures made from bone that annually grow, die, are shed and then regenerate. They grow in three to four months, making them one of the fastest growing living tissues.

After the antlers have reached their maximum size, the bone hardens and the velvety outer covering of skin peels off. Once the velvet is gone, only the bare bone remains - a formidable weapon for fighting. At the end of the mating season, the deer sheds its antlers to conserve energy. Next spring, a new pair grows out of a bony protuberance of tissue at the front of the animal's head.

Hormone link

The research suggests that stem cells - the master cells of the body, with the ability to develop into many specialised cell types - underpin this process. It is mediated by some sort of signalling pathway, probably regulated by hormones such as oestrogen and testosterone.

The long-term goal of the work is to better understand the chemical signalling pathway behind the process of regeneration, in the hope that it can be harnessed by human medicine to develop novel treatments for diseases such as Parkinson's.

"If we know why this animal can do it whereas other mammals can't, we can start to say: 'Can we make this signal come on again if we have an injured or severed (human) tissue?'" Professor Price told the BBC News website.

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>>> NEWS & UPDATES

Rob Gregory: 'I'm moving on to pastures new'

Rob has resigned from his position as NVSB Manager and will be leaving DINZ on 27 January, to take up a position with the dairy industry, in Hamilton.

Rob notes 'the decision to leave the industry has been an extremely difficult one for me to make and I would like to thank everyone all for the friendship and support you have given me over the last three years. I have greatly enjoyed meeting and working with you and hope that you have found my contribution to the industry to have been a positive one.

Despite moving on, I remain passionate about the industry and I hope that you will allow me to remain involved with it, albeit as a spectator, rather than member of the Executive. On the subject of the Executive, it goes without saying that I will miss working alongside them greatly.

Once again, I thank you for making me feel so welcome and look forward to continuing our association in the future.'

From the Executive, we thank Rob for his commitment to the deer industry and the novel set of skills that he brought to DINZ. We will miss his (sometimes perplexing) sense of humour, dedication and helpful nature. We wish him all the very best.

Rob Gregory leaving DINZ

Science Manager Sought

DINZ is beginning a search for a Science Manager to pick up Rob's VARNZ responsibilities as well as DEEResearch including implementation of an industry productivity strategy and co-ordinating industry participation in pan-pastoral initiatives such as the Johne's Disease Consortium.

The role is exciting, varied and challenging. If you know of anyone that could be suitable for the role, please contact Mark O'Connor (mark.oconnor@deernz.org).

Science Manager sought for exciting role.

Velvet Levy Reminder

DINZ would be grateful if any producers are offered to 'not pay the DINZ levy' would advise DINZ of this. Information will be treated in confidence. DINZ will use the information to properly audit the buyer.

Any buyer who avoids paying levy is unfairly disadvantaging all those producers that do pay the levy as well as breaking the law.

>>> UPCOMING EVENTS & IMPORTANT DATES

NZDFA BRANCHES VELVET COMPETITIONS' CALENDAR

Saturday, 21 January, Elk Wapiti Society National, Ashburton

Saturday, 28 January, Fiordland, 2 yo competition

Saturday, 25 February, National 2 yo Velvet and HA and Branch Challenge, Masterton

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