

>>> VENISON SCHEDULE

Venison Schedule.

In week 47 the national average published schedule was \$5.40 for 50-60kg AP stags. The highest since 2001, and 30% higher than the same time in 2005. The schedule has been above 5 dollars for 16 weeks. In 2005 the schedule was above 5 dollars for only 6 weeks. At \$5.40 the schedule is on a par with the 5 year average, but still 8% below the 10 year average. According to Agrifax, an agricultural commentator, the average schedule in North Island was \$5.17, and \$5.63 in South Island in week 47.

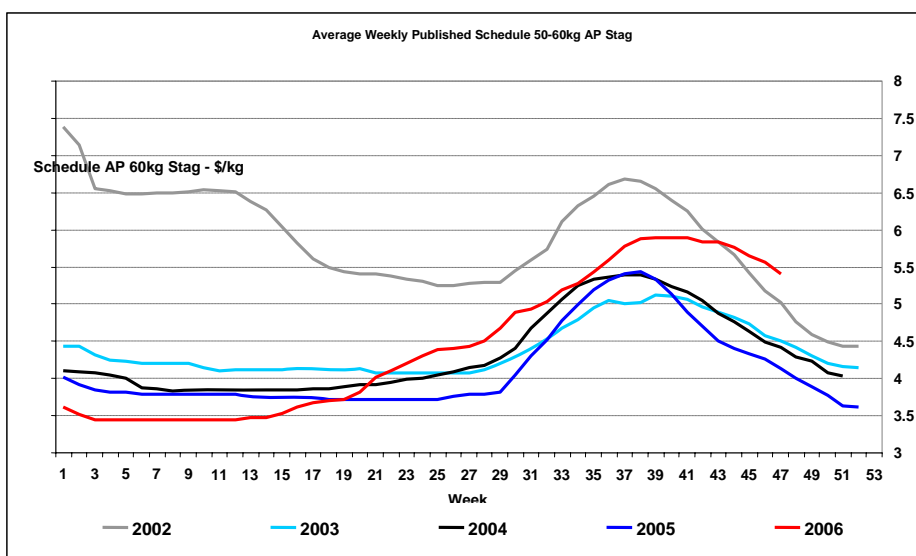


Figure 1: Source; Agri-Fax

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Market Conditions.

Middle cuts are in short supply in Europe with wholesalers actively looking for more product to fill out their orders. Increased quantities of chilled venison have been exported to Europe this year. Although the total volume of chilled venison exported to Germany stable is relatively stable, chilled volumes to other European countries increased significantly. Because of the European Single Market it is likely that considerable quantities will have been delivered by pan-European distribution companies into markets other than their own.

Rising prices have encouraged importers and their customers to place orders early to try to obtain sufficient quantities to meet their requirements. There are fewer stocks in the market and this has allowed importers to buy with confidence in order to replenish stocks run down over the past year.

Demand for New Zealand farm raised venison is up, as manufacturers and game users seek alternatives to European feral after the run of negative publicity surrounding game items. Exotic meats such as goose and ostrich are in short supply following outbreaks of Avian influenza in Europe and Southern Africa, with Christmas approaching, and Goose a traditional Christmas item, there may be opportunities for retailers and restaurateurs to offer a Venison Roast as an alternative.

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However importers are now using concerns about the price of manufacturing items to sound warnings to the New Zealand industry not to increase prices too quickly. Steady price increases can be absorbed by final users, but dramatic increases may make them switch to alternative proteins for their menus and supermarket shelves.

Venison Promotion

October and November are always busy months for promoting the consumption of Venison. The series of retail promotions continue in conjunction with DINZ is advertising on www.chefkoch.de. This is one of the most popular German cooking websites. DINZ has bought 1 million impressions over the September to December period. And has attracted nearly 10,000 visitors to the site.

In an email exchange discussing one of the recipes on the site one writer comments... *"I know, it doesn't contain original ingredients here. But this variant is much nicer. Even if I'm no fan of game. It was the prescription cook from New Zealand. I am still inspired and so are my guests."* Nice to have that sort of endorsement by the public.

www.neuseelandhirsch.de is the website set up to provide information to German speaking consumers on cooking New Zealand venison, and where to find it. In the last two months it has received over 10,000 visitors.

... take a look at
www.neuseelandhirsch.de
www.chefkoch.de

USA

Visit www.cervena.com to see what DINZ and Cervena licensees are doing to promote Cervena in North America.

One of the chefs organisations DINZ is using to increase awareness of the quality of Cervena is www.star chefs.com. Check out their website, and search for Cervena to see the number of times we've been mentioned this year.

... .. take a look at
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www.star chefs.com

Chefs Activities.

- "Makes you want to try selling venison in my work'. So read one of the appraisal from a group of apprentice butchers who had just been provided a Venison butchery and cooking demonstration at Christchurch polytech by Consultant Geof Christie. Geof has developed a retail butchery education module and is teaching this to stage year three apprentices at Christchurch, Wellington and Auckland polytechnics. While these three institutions run butcher training courses they have not in the past included Venison on their courses. DINZ aims to make the venison lesson a regular component of all butcher training in future.
- DINZ is working with polytechs and a supplier of education information to training institutions to ensure that chef students have access to modern and relevant information on preparation and cooking venison.
- Chef Michael Sullivan from Sepia restaurant in Christchurch took out first prize at the national chefs cooking competition in Auckland in October. Michael impressed the judges by using muscles from the Denver leg to create a winning set of four dishes in an hour. For those of you dining out in Christchurch, pop along to Sepia to give Michael some encouragement.

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Figure 2: Moffat & Sullivan

- New Zealand retail. – Suppliers to the local market report a steady expansion of supermarkets taking venison retail packs. In the North Island, companies supplying New World and Foodtown report recent success in getting more venison onto shelves. However they also warn that if it does not sell, or if prices increase too much, it can be withdrawn from the shelves very quickly. For a list of supermarkets which have stocked venison please go to www.cervena.com and click on where to find it.

>>> VELVET

	Current Season		Last Season's	Approx. Change
	Week ending 10/11		Weighted Average	from
				Last Season
SA	96	- 101	\$60.00	64%
A	86	- 89	\$57.00	54%
B	84	- 86	\$53.00	60%
C	71	- 72	\$48.00	49%
D	n/a	- 50	\$43.00	16%
E	42	- 48	\$37.00	22%
Sp	-	-	\$50.00	
RG	-	-	\$49.00	

Initial Pools

Early 2006/2007 velvet prices are up on those received by farmers at the end of last season. There is strong competition for tenders with interest from both Korean and Chinese buyers. While volumes were low to start with, PGGW Velvet Manager Tony Cochrane reports that good quantities of velvet are starting to come in now. Road buyers are reportedly very active so far this season.

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OG Velvet – A Risky Strategy

The recent trend of growing velvet out to OG to try to access a specific niche market is risky. Although there does appear to be a limited niche for OG, it is important that velvet producers understand that the real strength of NZ velvet in Korea remains in the oriental medicine business, and doctors want short grade velvet. One of NZ's strengths has been that it has consistently supplied the velvet style that oriental medicine doctors want and this has assisted build a good reputation for quality.

If producers are considering growing velvet out to OG, DINZ comments that it would be sensible to have a contract in place prior.

New Zealand Velvet Production

Based on DINZ levy collection figures, velvet production in 2005/06 was 518 frozen tonnes. Therefore velvet production was 5% down on 2004/05. DINZ has calculated its budgets assuming production of 475 tonnes which would indicate a further drop in production of 8%. Although it is too early to form a clear view, DINZ still anticipates some drop in production given the large number of two year olds reportedly killed last year, the trend towards growing out heads for trophy evaluation and producer intentions to decrease their exposure to velvet (although this will be lessened given the positive start to the season).

...the real strength of NZ velvet in Korea remains in the oriental medicine business

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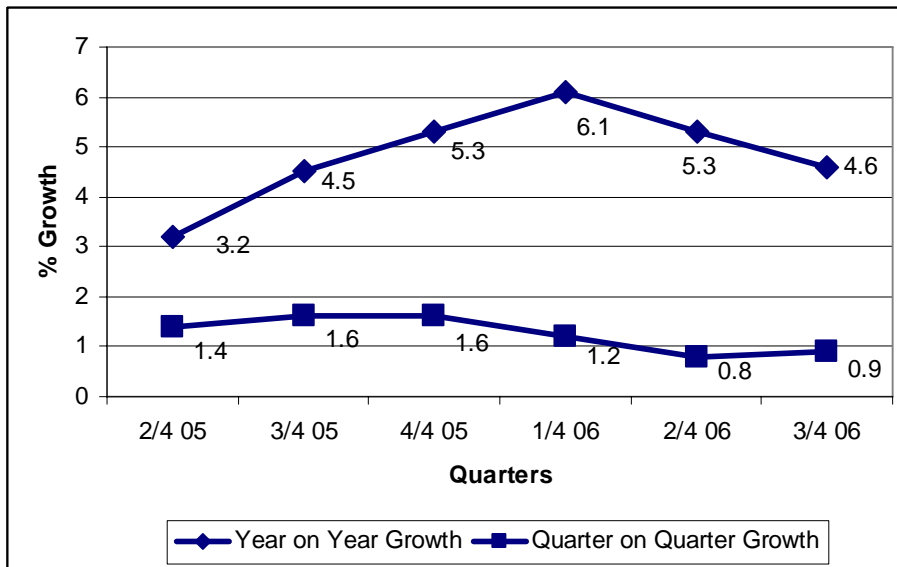
Korean Economy

The Korean economy grew less than 1 percent in the third quarter of 2006, fuelling concerns that Asia's fourth largest economy is losing its momentum (see graph below). Commentators believe the economy will likely worsen in the fourth quarter and beyond due to the prolonged sluggish domestic consumption and a slowdown in the global economy.

Private spending increased 0.5 percent in the third quarter of 2006, the lowest growth since the first quarter of last year when consumption rose by the same amount, according to the central bank.

However Korea is still expecting a total of 5 percent growth for the year which the Executive notes is still fairly robust expansion. Commentators expect that the economy will expand by less than 5 percent next year, citing sluggish domestic consumption and a slowdown in the global economy.

Korean GDP Growth 2005-2006



China

As part of a joint promotion project with a Chinese distributor/retailer New Zealand deer products were recently showcased at the annual China International Nutritional Health Expo. Reports are that the company received a high level of interest and enquiry both during the expo and the days following. The company's principal said *"The Expo in Shanghai gave us very positive confirmation of the future for New Zealand deer products in China market"*



>>> Research Update

Most industry-funded (DEEResearch and VARNZ) research projects for 2006/07 are well underway. While no new projects have been finished at this stage, the results of AgResearch's survey on integrated livestock management (DEEResearch project 5.05) are due for release in the next few weeks – look for the report on the DEEResearch website (www.deeresearch.co.nz).

The Southland and Otago Focus Farms recently held field days and the new-look newsletter and supplement on internal parasites of deer are also available on the website (these are funded by the Sustainable Farming Fund and supported by Otago Regional Council so no password is required to download these publications). A study on both farms will be monitoring parasite levels in stock throughout spring. Water quality at stream crossings and forage trials are also reported.

Geoff Asher gave a presentation to the 7th International Ruminant Reproduction Symposium (Wellington, August 2006) titled "Gestation length in deer: genetically or environmentally controlled?" His presentation and the paper accompanying the presentation can also be found on the website under "current projects – productivity gains".

Pania Flint has continued her development of a tourniquet method to ensure a satisfactory level of force is achieved prior to application of lignocaine for velvetting. She has tested the tourniquet device with several farmers and vets and has demonstrated it to several meetings around the country. Please continue to feedback to her any comments and suggestions you have on your thoughts on the device and what effective tourniquet methods you use.

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>>> UPCOMING EVENTS & IMPORTANT DATES

Waikato National 2 yo Velvet and 1, 2 & 3 YO Hard Antler Competition

17 February 2007. Now is the time to be considering and selecting the top young elite velvet and hard antlers for this event. Many people consider the indications at 2yo transition from 2yo to 3 yo as amongst the most important indicators for the emergence of future stars.

The Waikato branch organisers have promised to build on the developing importance and prestige of this event in February and urge farmers to select and plan for this well in advance. Details for hard antler transport and sponsorships are still being finalised.

Organiser Joe Crowley advises the following Hub Hall tip: intertwine hard antlers then protect tips by multiwrapping with a commercial cling film, or silage wrap producing a tight, secure and safe bundle that is relatively easily transported. For further information on competitions, articles and entry details follow in December Deer Industry News or contact Joe direct on 0274 727436.

Velvet Competitions

Friday 24 November

South Canterbury/North Otago: The Poplars Pleasant Point.

Saturday 25 November

Waikato: Blueberry Country Coldstore, Ohaupo, Dinner at *Gostiona*, Ohaupo.

Hawkes Bay: PGW Awatato 4.00-5.00pm Afterwards *Clifton Café* Contact Mike McCormick 06 858 9127

Wairoa: Mahia Fishing Club, Contact Ian Pickering 06 837 5977

Sunday 26 November

Central Regions: Orlando Country Club, Marton; Contact Wilton Turner

Thursday 30 November

Eastern/Northern Southland: Riversdale Hotel; Contact Eddie Brock 027 243 2478,

Friday 1 December

Taranaki: Quality International Hotel, New Plymouth; Contact John Cusdin 0274 444 720

Saturday 2 December

North Island: Quality International Hotel, New Plymouth; Contact Rachael Mitchell 07 333 2151

Monday 4 December

Marlborough: Woodburne Tavern. 5.00pm; Contact Kevin Hayes 03 5786923

Tuesday 5 December

Otago: Greendale Tavern, Clydesdale; Contact Ken Harrex 03 485 9514

Sunday 10 December

Kaipara: TBA; Contact Dave Chisholm 09 420 7058

Wednesday 13 December

Southland and Nationals Judging: Ascot Hotel Invercargill; Contact Peter Allan. 03 201 6313

Thursday 14 December

Nationals 25th Anniversary Awards Dinner Ascot Hotel, Invercargill
Contact Judy Gerrard 03 236 8277

Saturday 3 February

Elk and Wapiti Society: National Elk/Wapiti Velvet and inaugural carcass competition
Contact Tom May 03 236 7035 (carcass competition) or Tracey Maclean 03 318 3101 (for Velvet and dinner tickets)