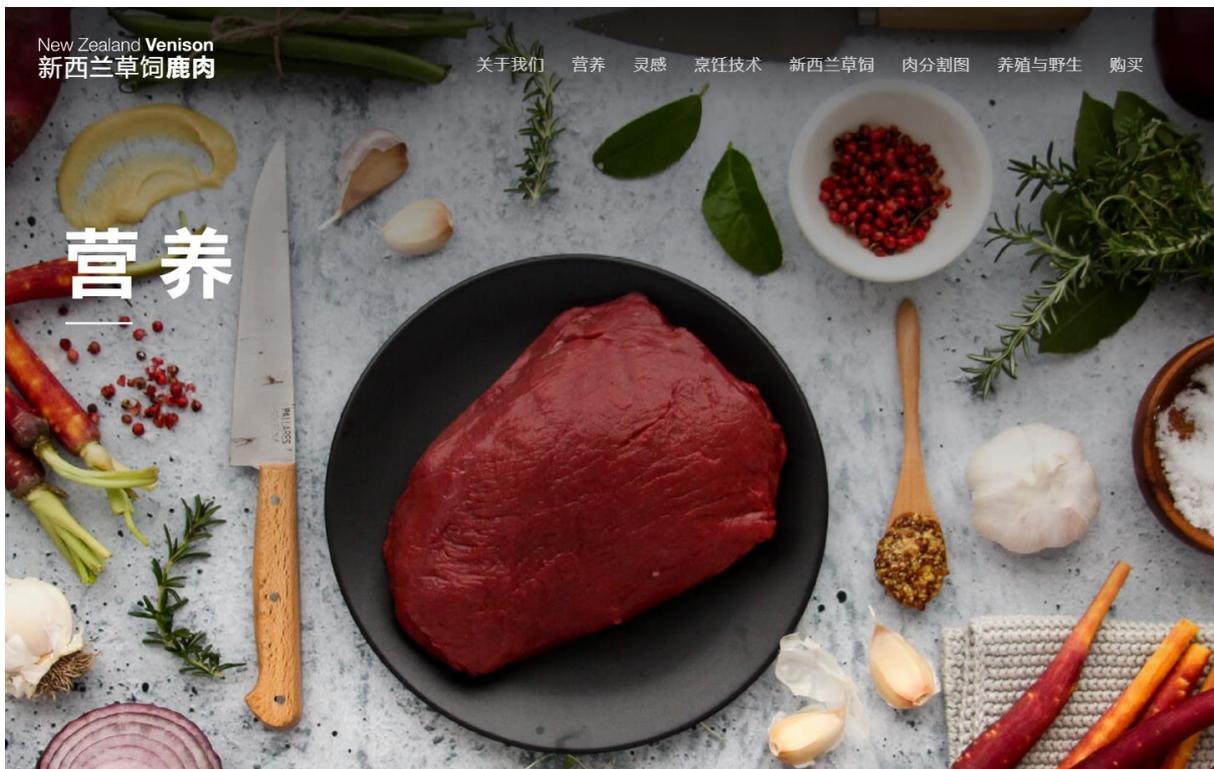


Quarterly Report: July to September 2020



Passion2Profit

The Deer Industry Profitability Programme



A screen shot from the new Chinese venison website www.nzvenison.cn. which is now live. Other sales material such as logos and posters have been completed to assist companies in promotion, attention will now shift to the planning of 2020/21 activity

Quarterly Progress Summary: July to September 2020

Summary of progress during this quarter:

Marketing Premium Venison

- Chinese work completed, with Mandarin website launched and weChat posters developed.
- Venison protein bar business case was completed and circulated amongst marketing companies, for their decision on further investment. Only one company wanted the project to continue, so no further action was taken this quarter.
- An independent assessment of the impact of the non-GMO feed standard completed.

Market Led Production

- Two successful rural professionals workshops were held in Balclutha with 39 attendees. Day two focused specifically on financials for deer and was predominantly attended by the major banks.
- Four farm trainees under the Future Deer Farmers Experience learnt about the deer industry with a tour over 4 days in August to processors, marketers and deer farmers around the lower North Island.
- Significant increase in Advance Party (AP) meetings by 33% in the quarter compared to previous quarter and implications of the Covid-19 pandemic. APs will continue to use online platforms as an alternative way to meet.
- The Southland Environment AP held a very successful regional workshop on 13 August in Gore focusing on Soil & Water Management. Three more regional workshops have been confirmed for October and November 2020.
- The Advance Party National Workshop which was to take place in May was delivered to farmers online via Zoom as a series of three technical webinar presentations
- Fact sheets are still proving popular with two more released on the topic of biodiversity to all farmers in July and September.
- A training day on deer farming for 18 Massey University vet students took place on 26 August in Kapiti as part of their special interest week.
- Completion of the four remaining scheduled parasite management workshops with farmers and vets participating in joint workshop sessions discussing the importance of parasite and overall health management.
- Deer Industry Environment Group Facilitators met in September in Wellington to review work programme in the last year as well as plan for 2021.
- All parentage data has now been received back for the DNA proof trial with one farm held up due the pandemic lockdown. Collection of weights is currently in progress.

Work with other PGPs and Government Agencies

- Discussions with MPI - Productive and Sustainable Land Use as a potential link with P2P activities
- P2P Programme management is involved with the “Farm Planning” and “Extension” workstreams of the He waka eke noa programme, there are eight work streams in total.

Work with other sector groups

- Hawkes Bay Regional Council and B+LNZ consulted on development of a deer fact sheet on trees for deer.
- Including non-deer farmers in Deer Industry Environment Groups.
- Collaboration on MPI Productive and Sustainable land use

Upcoming

- Deliver non-GMO standard impact report to the Cervena Trust.
- Plan China marketing activity with companies for the year ahead.
- Transition the Non-seasonal Europe programme out of the P2P programme.
- Complete collection of kill data for the DNA proof trial and compile final report in late Spring.
- Continue investigations into on farm business planning needs and decision support, develop prototypes for market testing.
- Advance prototyping of a Deer Industry Environment Group online.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment
<i>During this Quarter</i>	\$278,358	\$277,558	--	\$555,915
<i>Programme To Date</i>	\$5,711,568	\$5,197,877	\$96,880	\$11,006,325

Overview Table September 2020 Quarter

Objective	Status			Comment
	Timetable	Financials	Outcomes	
Project 1. Confirm Target Markets.				Venison protein bar business case was completed and circulated amongst marketing companies. A decision was made to not progress under the programme.
Project 2. Establish Commercial Distribution				Chinese work completed for the year.
Project 3. Link Market to Producer				Review of the impact of the non-GMO feed standard now complete.
Project 4 Overarching Production Initiatives				Two successful rural professionals workshops were held in Balclutha. The Big Deer Tour was cancelled for 2020 due to Covid-19.
Project 5 Engagement for Practice change				Easing of Covid-19 restrictions have allowed for an increase in AP meetings and Regional workshops.
Project 6 Technology Packaging				Genetics DNA proof trial will complete Spring 2020. Prototyping of a DIEG online to continue.
Project Management				Covid-19 has impacted outcomes for the programme, the marketing programme which will now seek more collaboration projects between companies.

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)

Financial Summary of P2P Expenditure to date.

P2P Implementation to 30 June 2020	Sept Quarter 2020			Year to Date		YTD variance to budget	End of Year Variance Notes
	Actual	Budget	Variance	Actual	Budget		
Project							
1 Confirm Market Requirements	\$ 95,871	\$ 71,014	\$ 24,858	\$ 233,730	\$ 271,217	-\$ 37,486	Variance due to timing and phasing of activity.
Cash	\$ 69,145	\$ 48,847	35%	\$ 140,284	\$ 192,550	-14%	
Est. in-kind	\$ 26,726	\$ 22,167		\$ 93,447	\$ 78,667		
2 Establish Commercial Distribution	\$ 164,108	\$ 332,967	-\$ 168,859	\$ 400,096	\$ 695,867	-\$ 295,771	Programme of work significantly impacted by Covid-19.
Cash	\$ 67,566	\$ 224,800	-51%	\$ 279,008	\$ 531,200	-43%	
Est. in-kind	\$ 96,542	\$ 108,167		\$ 121,088	\$ 164,667		
3 Linking Market to Producer	\$ 19,929	\$ 24,217	-\$ 4,288	\$ 88,229	\$ 120,867	-\$ 32,638	Delay in supplier registration with the NZ FAP or equivalent as well as postponement in the implementation of Raised Without Antibiotics' standard for Cervena venison has seen less cost.
Cash	\$ 15,718	\$ 15,300	-18%	\$ 40,878	\$ 66,200	-27%	
Est. in-kind	\$ 4,211	\$ 8,917		\$ 47,351	\$ 54,667		
4 Overarching Production Initiatives	\$ 65,533	\$ 21,367	\$ 44,167	\$ 163,562	\$ 174,867	-\$ 11,305	Activities close to budget after delays due to Covid-19 pandemic.
Cash	\$ 50,465	\$ 16,700	207%	\$ 101,897	\$ 128,200	-6%	
Est. in-kind	\$ 15,069	\$ 4,667		\$ 61,665	\$ 46,667		
5 Practice Change	\$ 150,974	\$ 147,297	\$ 3,677	\$ 574,195	\$ 756,113	-\$ 181,918	Overall less Advance Parties meetings in the second half of the year as well as Regional Workshops mainly due to Covid-19 pandemic.
Cash	\$ 112,797	\$ 104,550	2%	\$ 407,559	\$ 556,200	-24%	
Est. in-kind	\$ 38,177	\$ 42,747		\$ 166,636	\$ 199,913		
6 Technology Packaging	\$ 59,500	\$ 135,384	-\$ 75,884	\$ 307,671	\$ 490,867	-\$ 183,196	Reduced expenditure in the genetics, feeding and animal health projects. Environment project work continued although slightly impacted due to Covid-19.
Cash	\$ 33,283	\$ 110,300	-56%	\$ 203,668	\$ 391,200	-37%	
Est. in-kind	\$ 26,217	\$ 25,084		\$ 104,002	\$ 99,667		
Total	\$ 555,915	\$ 732,244	-\$ 176,329	\$ 1,767,482	\$ 2,509,796	-\$ 742,314	
Co Investors Contributions: Cash	\$ 174,887	\$ 271,499		\$ 587,447	\$ 977,275		
Co Investors Contributions: In Kind	\$ 103,471	\$ 105,874		\$ 297,094	\$ 322,123		
Co Investors Contributions: Total	\$ 278,358	\$ 377,372		\$ 884,541	\$ 1,299,898		
Sought from PGP Funding	\$ 277,558	\$ 354,872		\$ 882,941	\$ 1,209,898		
Total	\$ 555,915	\$ 732,244		\$ 1,767,482	\$ 2,509,796		

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.

P McKenzie, N Taylor, 03/11/2020

Passion2Profit Programme: Project Status Update July - Sept 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 not progressing with project.
<p>Recent activity Venison Protein Bar: The business case for the venison protein bar was completed (see Appendix 1). This business case was then circulated to the marketing companies seeking their support to invest in the project and move to a pilot phase for two years. Only one company was keen to progress to the pilot phase, three were not interested in supporting the project further, while one was keen for further explorative research to be undertaken.</p> <p>Next Steps: The companies will now need to decide what will happen with the intellectual property. Options for this include providing it to the company that was interested in progressing, passing it on to all companies, attempting to sell or give it to an existing company operating in this space.</p>	
1.6 Appellation Development	
Objective: Unified approach to using the Cervena Appellation to optimise returns to New Zealand.	Status: Completion behind schedule.
<p>Recent activity Film company has been engaged, with shooting taking place in November 2020.</p> <p>Next Steps: Project will be completed outside of the P2P programme.</p>	
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 did not reach target.
<p>Recent activity</p> <p>Final receipts for activity undertaken this year have been collected and activity confirmed.</p> <p>Next Steps: New Zealand marketing companies and their import partners have subsequently reviewed their participation and investment in the programme within a Covid-19 environment. Those whose programme was solely food service focused have decided to not progress with the programme given the uncertainty in food service. Two companies who have also had a focus on retail items will look to continue with the programme. DINZ has decided to transition the programme out of the P2P programme (as was planned), to allow funding to be directed to programmes that can see more collaboration between the New Zealand marketing companies.</p>	
2.3b New Markets - Marketing Pilot (China)	

<p>Objective: Marketing companies sell 500 mt of venison through collaborative ventures in new market segments by 2022.</p>	<p>Status: Three companies now active in China.</p>
<p>Recent activity Logos, key messaging, website (www.nzvenison.cn) and sales material has been completed. Planning underway for 2020/21 activity.</p> <p>Next Steps: Develop additional sales support materials (how to cook videos, Chinese cuisine recipes). Work with companies to determine digital assets to support their social media strategies.</p>	
<p>3.1 Industry Agreed Standards</p>	
<p>Objectives: 50% of farmers are enrolled in on-farm QA programmes at the end of 30 September 2020.</p>	<p>Status: Target not met.</p>
<p>Recent activity</p> <ol style="list-style-type: none"> 1. NZ Farm Assurance Programme (NZ FAP): Individual venison processors are still progressing supplier registration with two out of five companies confirming having made significant progress toward achieving supplier registration with the NZ FAP or equivalent QA programme. 2. 'Raised Without Antibiotics' standard for Cervena venison: MWG have agreed to hold progress on implementation of this new standard for another twelve months due concern around imposing further requirements on farmers given current pressures. The companies believe an antibiotic free standard will be important in key markets over the coming years, and the introduction of a standard will be re-visited in 12 months' time. 3. 'Non-GMO feed' standard for Cervena venison: An independent assessment to review the impact of the standard since its introduction in January 2019 has been completed with recommendation that there be no further change to the standard required. Marketers agreed with the recommendation and this will now be passed on to Cervena Trust licensees. 4. NZ FAP+ is being discussed as the delivery method and auditable standard for Farm Environment Plans and monitoring of emission target reductions as part of He waka eke noa delivery. <p>Next Steps:</p> <ol style="list-style-type: none"> 1. NZ FAP: Continue to encourage implementation of On-Farm QA with a meeting in the near future to be arranged of company QA managers to discuss the position. 2. 'Raised Without Antibiotics' standard: Revisit in 12 months. 3. 'Non-GMO feed' standard: Deliver report to the Cervena Trust. 	

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 has impacted programme delivery.

Recent activity

The fluid nature of pandemic restrictions has impacted delivery of the programme and Programme Management have attempted to catch up with delivery in the last quarter of the programme year. The marketing programme will now change tact on projects and will re-focus for the remainder of the programme.

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: Target not met due to Covid-19.

Recent activity

Two successful days were held in South Otago on 11 and 12 August 2020 with 39 rural professionals in attendance. Day two focused specifically on financials for deer. See a link to a video on the days - www.youtube.com/watch?v=x4Se7DOB0XY

Next Steps:

Planning underway for more dates in 2020-21 with a date in Canterbury to be confirmed shortly.

4.2 Influential Advisors

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

Status: Complete.

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: 2020 tour cancelled due to Covid-19.

Recent activity

Unfortunately, the re-scheduled tour from 31 August – 4 September 2020 was cancelled due to the second pandemic lockdown. DINZ will turn attention to planning for the 2021 university tour in April 2021. A tour for four farm trainees under the Future Deer Farmers Experience took place from 04 – 07 August in the lower North Island.

Next Steps:

Commence planning for the 2021 Big Deer Tour.

4.4.1 Integration-Communications

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

Status: Ongoing

Activity in Quarter:

Material for two farm profiles which will be presented as case studies for Genetics, Feeding, Environmental Management and Health are on hold due to Covid-19. A series of online technical webinar were held over Zoom on the topics of health and environment.

<p>Next Steps: Collection of interview material from 4 further farms. Integration of farm cases into media outputs.</p>	
<p>4.4.2 Farmers User Groups</p>	
<p>Objective: Two workshops per annum to improve utility of P2P outputs</p>	<p>Status: Complete</p>
<p>Activity in Quarter: Suggestions from two farmer user group workshops on winter feed management in January and February 2020 have been packaged and prioritised, these will now form as a valuable resource and will be deployed as necessary. A copy has been provided to the government's pan-sector Winter Grazing Action Group for information.</p>	
<p>5.1 Advance Parties</p>	
<p>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.</p>	<p>Status: Minor variation – 28 APs currently operating.</p>
<p>Activity in Quarter: 39 AP meetings were held over the quarter with some held via zoom online platform, the number of meetings were up from last quarter with the lifting of pandemic restrictions.</p> <p>Next Steps: Review feedback from the national development meetings in May and implement in planning for 2021. Continue to follow up with those APs still to complete an annual review of their AP.</p>	
<p>5.1 Advance Party National Workshop</p>	
<p>Objective: Advance Party members gain value from attendance, stakeholders benefit from listening to AP members farming issues.</p>	<p>Status: Complete. Change in format delivery due to Covid-19.</p>
<p>Activity in Quarter: Originally planned for 21st May 2020 in Invercargill in conjunction with the deer industry conference, this event was cancelled due to Covid-19. The workshop has now been delivered to farmers online via Zoom in a series of three technical webinar presentations which took place in July and August 2020. Topics covered include feeding, reproduction and environmental stewardship. See link to video recordings here - www.deernz.org/media/video-gallery/dinz-farmer-tech-webinar-series-2020</p> <p>Next Steps: A face to face national workshop is planned to return in 2021, webinars will continue to be used as a form of communications in the programme.</p>	
<p>5.2 Deer Farming Regional Workshops</p>	
<p>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.</p>	<p>Status: Complete. Delay in delivery due to Covid-19.</p>
<p>Activity in Quarter: After a lack of regional workshops in the previous quarter due to the Covid-19 pandemic, on farm drought and other factors regional workshops have re-commenced. The Southland Environment AP held a very successful workshop on 13 August in Gore focusing on Soil & Water Management. Ruminant Nutritionist Trish Lewis has been on a roadshow with various AP groups throughout the country and visited the Central North Island and North Canterbury which was open to other non-AP farmers to attend.</p>	

Next steps:

More upcoming dates to be booked with the Hawkes Bay and Kaipara groups holding days focused on silage in October.

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 in Quarter:

Continuing investigation on business planning and decision support for farmers. During the quarter a series of semi structured interviews were held with 13 farmers in Southland/ Otago/ South Canterbury. The farms were randomly chosen after actively excluding those who are active in P2P, DFA or DINZ activities. Farm size ranged from 200 hinds through to farms with several thousand animals. Some valuable insights were gained, one is that these farmers are not disengaged from the industry, just differently engaged. Another insight is that in each instance there was a business need where some help, guidance or referral could be made.

Next Steps:

Continue investigations and develop prototypes for market testing.

5.4 Deer Facts

Objective: To distribute 6 Deer Facts per annum.

Status: 4 Deer facts completed.

Activity in Quarter:

Biodiversity fact sheets on 'Make your native bush sing' and 'Trees for deer' were released in the quarter. A fact sheet on 'Planning for winter' as a companion to the 'Intensive winter feeding: minimising the environmental risk' fact sheet that was published in autumn 2020 is in development.

Next Steps:

Complete the winter management fact sheet and release a fact sheet on CarLA, carbohydrate larval antigen which is a saliva test which measures antibodies triggered when animals ingest internal parasites.

5.5 Practice Change Activities

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

Status: Delay in delivery due to Covid-19.

Activity in Quarter:

- Ongoing communications with Deer Farmers Association (DFA) branches about the opportunities to host a **Deer Tech Expo** in the next 12 months. A tech expo was not held in 2020 due to the Covid-19 pandemic, drought and other on farm factors.
- Re-engage with the **Deer Industry Innovation Workshop** group after the Covid-19 pandemic with only two out of four mini project groups in consistent communication, this includes a third gathering of the Innovation Workshop planned for early 2021.

Next Steps:

- Continue to work with DFA branches to encourage a Deer Tech Expo in 2020-21.
- Follow up with innovation workshop project group action plans.
- Support individual APs who are keen to visit other APs around the country via AP exchanges and tours.

5.6 Integration Projects	
Objective: P2P Project Managers working on projects that cross the theme groups.	Status: Complete. Delay in delivery due to Covid-19.
Activity in Quarter: <ol style="list-style-type: none"> 1. Winter Feeding: DINZ is currently prioritising and deploying a package of suggestions which came forward from winter feeding workshops in Southland and South Canterbury in early 2020. 2. Parasite management: Four Parasite Workshops were held for farmers and vets in Rotorua, Nelson in July, in the Waikato on 11 August and in the Hawkes Bay on 24 September. A further re-print of the workshop resource workbook has been done due to demand with the deer branch of the NZ Vet Association (NZVA) requesting a printed copy for each of their members throughout the country. Next steps: <ol style="list-style-type: none"> 1. Take outputs from the winter management workshops for further action. Plan more integrated workshops for the coming year. 2. Review workshops held in the last year and plan for more if there is demand. Continue discussions with the NZVA around areas to work together. 	
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.
Activity in Quarter: <ol style="list-style-type: none"> 1. DNA proofs: Ongoing communication with the farmers involved. All progeny on three farms have now been DNA sampled, two have been processed for parentage with Covid-19 holding up the third farm. Collection of weights is currently in progress. 2. Promotion of Breeding Planning: Ongoing articles and advertisements in Deer Industry News as well as a presentation to the NZ Deer Farmers Association Branch Chairs meeting in Wellington on the DNA Proof project. Roll out to raise awareness of CarLA to Deer Select breeders and wider farmer groups. Next Steps: <ol style="list-style-type: none"> 1. Write up the final report when kill data is finally in later into Spring. 2. 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: Ongoing
Recent activity Work commenced on a body condition score chart for hinds as a Guide to Seasonal Hind Body Condition.	
Next Steps: <ul style="list-style-type: none"> • Distribute the 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

Recent activity

- P2P Programme management and DeerPro recently visited farmers in Southland/ Otago/ South Canterbury to survey real farmer needs and a value proposition that would appeal to them for a business facilitation service. This was a result of a recommendation from the DINZ health strategy review in 2019.
- A full training day on deer for training Massey University Vet students took place on 26 August.
- Completion of four parasite management workshops in the North and top of the South island delivered to share the message of the importance of parasite and overall health management.

Next steps:

- Ongoing investigation into the facilitation service.
- Review parasite management workshops held in the last year and plan for more if there is demand.

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:

- Continuing prototyping of a Deer Industry Environment Group (DIEG) online. This was partially successful for building awareness of environmental risks and opportunities, but also pointed to a need to view practical examples on subject farms.
- Deer Industry Environment Group Facilitators met on 11 September in Wellington to review work in the last year as well as plan the coming years programme.
- An addendum to the Code of Practice is under development featuring visual examples of both good, and challenging practices, and anonymised examples of completed FEPs in various regions.
- Active recruitment is underway for a new FEP Project Manager to develop and encourage further DIEGS
- B&LNZ are developing a new Farm Plan format, and DINZ have been involved in product testing and launch. This new plan will concatenate the Level 1-3 plans into one Farm Plan

Next Steps:

- Further refine the online resource to assist groups in developing their FEP.
- 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:**

Deer Industry NZ Virtual conference took place 07 and 14 July
 Future Deer Farmers Experience farm trainee tour took place 04 – 07 August
 Deer Industry Environment Group Facilitators met 11 September
 MWG met 14 October.

Upcoming:

P2P Practice Change Managers to meet 02 November
 PSG to meet 11 November
 MWG to meet 26 November
 P2P-AG to meet in December 2020.