

Quarterly Report: October to December 2019



The Deer Industry Profitability Programme



Advance Party and Environment Group facilitators gathered in Wellington and Christchurch in December 2019 for training days, the days were designed to provide personal development as well as an opportunity to network and share ideas.

Quarterly Progress Summary: October to December 2019

Summary of progress during this quarter:

Marketing Premium Venison

- A full business case to establish the venison protein bar is in development to take the protein bar to the market.
- Marketing companies met and agreed to continue the Cervena summer promotion in the Benelux and Germany for 2020.
- Marketing companies agreed to investigate and share product development and culinary development opportunities in China.
- New Zealand companies are shipping larger volumes of venison to China to explore the opportunities in this market.
- Consultation with the NZ DFA, NZ Vet Association, customers and producers on the pros and cons of a Raised without Antibiotics standard for Cervena venison.

Market Led Production

- Deer Industry Environment Groups continue to progress well with 14 groups meeting regularly now.
- A successful Innovation Workshop was held in November facilitated by KPMG with 34 industry participants in attendance.
- 28 Advance Party (AP) meetings took place over the quarter throughout the country.
- 2 AP facilitator training days were held in December in Christchurch and Wellington with 22 facilitators out of 24 taking part.
- A stakeholder matrix of influential advisors has been completed to enable effective targeting of communications and material.
- Two farmer workshops in Southland and South Canterbury planned to determine deer industry priorities for winter management.
- A AP exchange took place where the Hawkes Bay Originals AP toured the Central Otago and the Mackenzie AP members.
- Genetics article published in Country Wide magazine showcasing the benefits of breeding planning and the importance of assessing genetic breeding values.
- Six podcasts on the importance of deer genetics to productivity and profitability have been released now as well as videos to accompany the podcasts.
- 13 Parasite management workshops confirmed throughout the country from February to April 2020 for vets and farmers. The workshops will discuss best practice and parasite management processes.

Work with other PGPs and Government Agencies

- Work with RMPP practice change managers on alignment of practice change groups and capability in facilitation offering. RMPP were involved with AP facilitator training days in December.
- Discussions with MPI management the progress of the National Extension Services and Primary Industry Advisory Services programmes

Work with other sector groups

- B+LNZ invited to attend and participate in Winter grazing management farmer workshops in January and February 2020.
- Including non-deer farmers in Deer Industry Environment Groups.
- Working with Environment Southland, MFE, B+LNZ with the Aparima Catchment group.

Upcoming

- Finalise production of promotional material for China marketing work.
- Commence planning of 2020 Cervena in Europe programme with participating companies
- Review format and plan for additional workshops for rural professionals for year ahead.
- Hold another Deer Industry Innovation Workshop in May 2020
- Hold Parasite Management workshops in early 2020
- Increase numbers of farmers completing and using Farm Environment Plans
- Receive recommendation on alignment of health planning activities and additional extension services for deer farmers.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment
<i>During this Quarter</i>	\$195,243	\$194,443	--	\$389,685
<i>Programme To Date</i>	\$5,021,270	\$4,508,379	\$96,880	\$9,626,528

Overview Table December 2019 Quarter

Objective	Status			Comment
	Timetable	Financials	Outcomes	
Project 1. Confirm Target Markets.				Commencement of full business case to commercialise the venison bar. This will go to marketing companies for consideration.
Project 2. Establish Commercial Distribution				Review of summer promotions now complete. Costs for China marketing activities to be scoped.
Project 3. Link Market to Producer				Consultation with industry on the benefits of a 'Raised without antibiotics' standard for Cervena venison continue.
Project 4 Overarching Production Initiatives				Innovation workshop project teams created and working on their own projects of interest. Farmer user groups looking at winter management underway.
Project 5 Engagement for Practice change				Integration projects now underway. 28 Advance Parties operating with an annual planning process now being implemented.
Project 6 Technology Packaging				14 Deer Environment Groups meeting. Genetics communications underway and ongoing.
Project Management				New Project management Appointment of Phil McKenzie as Manager – Farm Performance, responsible for market led production projects of the P2P.

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 31 Dec 2019	Dec Quarter 2019			End of Year Variance Notes
	Actual	Budget	Variance	
Project				
1 Confirm Market Requirements	\$ 56,422	\$ 65,716	-\$ 9,293	Timing, venison protein bar business case development underway invoices to be received in second quarter.
Cash	\$ 19,817	\$ 34,049	-14%	
Est. in-kind	\$ 36,605	\$ 31,667		
2 Establish Commercial Distribution	\$ 15,863	\$ 55,967	-\$ 40,104	Timing of budget phasing. Budget provided in July did not take account of revised scope Expenditure to be incurred later into 2020.
Cash	\$ 7,159	\$ 32,800	-72%	
Est. in-kind	\$ 8,703	\$ 23,167		
3 Linking Market to Producer	\$ 22,986	\$ 27,217	-\$ 4,231	Activities tracking close to budget
Cash	\$ 6,460	\$ 10,300	-16%	
Est. in-kind	\$ 16,526	\$ 16,917		
4 Overarching Production Initiatives	\$ 23,789	\$ 28,367	-\$ 4,578	Activities tracking close to budget
Cash	\$ 12,270	\$ 23,700	-16%	
Est. in-kind	\$ 11,519	\$ 4,667		
5 Practice Change	\$ 158,670	\$ 171,337	-\$ 12,667	Small variations to costs for Advance Parties and timing of activities will be on budget.
Cash	\$ 125,622	\$ 137,550	-7%	
Est. in-kind	\$ 33,048	\$ 33,787		
6 Technology Packaging	\$ 109,956	\$ 92,383	\$ 17,574	Increased costs for Environmental Stewardship activities incurred earlier in the year.
Cash	\$ 89,075	\$ 71,300	19%	
Est. in-kind	\$ 20,882	\$ 21,083		
Total	\$ 387,685	\$ 440,985	-\$ 53,299	
Co Investors Contributions: Cash	\$ 130,601	\$ 166,099		
Co Investors Contributions: In Kind	\$ 63,641	\$ 65,643		
Co Investors Contributions: Total	\$ 194,243	\$ 231,742		
Sought from PGP Funding	\$ 193,443	\$ 209,242		
Total	\$ 387,685	\$ 440,985		

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.

Passion2Profit Programme: Project Status Update October - December 2019

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 only one project at this time.
<p>Recent activity</p> <ol style="list-style-type: none"> Venison Protein Bar: DINZ has begun development of a full business case to establish a joint venture to establish a company to take the protein bar to the market. This will go to marketing companies for progression at the end of February 2020. Canadian Research Trial: Trial is now complete and closed. Alliance have decided to discontinue further work in Canada, and will continue to support their partners in a limited capacity. <p>Next Steps:</p> <ol style="list-style-type: none"> Finalisation of the full business case which will go to marketing companies for progression at the end of February 2020. 	
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</p> <p>No activity this quarter.</p> <p>Next Steps:</p> <p>Engage with film production company to produce new promotional videos.</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: Companies agree to continue promotions in 2020. Volumes unlikely to reach target.
<p>Recent activity</p> <p>Marketing Companies met and agreed to continue non-seasonal activity in the Benelux and Germany for summer 2020.</p> <p>Next Steps:</p> <p>Companies and their import partners to agree volume targets and develop promotional plans.</p>	
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: Only one company active in China. Volumes unlikely to reach target
<p>Recent activity</p> <p>A marketing plan was presented to the MWG in November for activity in China. DINZ has been requested to progress costings for all activities.</p>	

Next Steps:

DINZ to seek costs and quotes for work in China and report bac to the MWG. Some delay due to public holidays in China.

3.1 Industry Agreed Standards

Objectives: 50% of farmers are enrolled in on-farm QA programmes at the end of 30 September 2020.

Status: Target not met.

Recent activity

1. **NZ Farm Assurance Programme (NZ FAP):** Adoption of on-farm QA running behind expectations. Ongoing discussions with individual venison processors on the progress toward achieving supplier registration with the NZ FAP and equivalent QA programme.
2. **Potential 'Raised Without Antibiotics' standard for Cervena venison:** Farmer consultation and communications developed and distributed for feedback. Consultation closes next quarter January 2020.

Next Steps:

1. Continue to encourage implementation of On-Farm QA.
2. Collate feedback from consultation and formulate the introduction of the raising without claim standard for Cervena Venison for companies to agree.

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

Recent activity

P2P Annual Plans for the 2019-20 year now being implemented.
Confirmation appointment of Phil McKenzie as DINZ Manager – Farm Performance, who will project manage the market led production projects of the P2P 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: Underway

Recent activity

Planning underway for eight workshop days in 2020 throughout the country. Building capability in facilitation services for these workshops with three facilitators now confirmed to facilitate the days.

Next Steps:

Review format and book in dates and locations.

4.2 Influential Advisors

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

Status: Underway

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: Underway

Recent activity

Four previous BDT students accepted an invitation to all alumni to attend the Ag@Otago University symposium on 08 and 09 December in Dunedin as a way of re-connecting. Planning underway for the tour to take place in April 2020.

Next Steps:

Visit both Lincoln and Massey Universities in March 2020 to promote the tours, presenting to lectures classes and holding on site venison BBQs.

4.4.1 Integration-Communications

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

Status: Underway

Activity in Quarter:

Six farm profiles completed last year, material being collected for two more farms which will be presented as case studies for Genetics, Feeding, Environmental Management and Health material.

Next Steps: Collection of interview material from 4 further farms. Integration of farm cases into media outputs.	
4.4.2 Farmers User Groups	
Objective: Two workshops per annum to improve utility of P2P outputs	Status: Complete
Activity in Quarter: Two workshops on winter management design to be held in Southland on 30 January and South Canterbury 13 February 2020. The workshops will aim to lead farmers to arrive at a need for change in management and 'Stress-Free Winter Grazing'.	
Next Steps: Host the winter management workshops and take outputs from both days.	
5.1 Advance Parties	
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.	Status: Minor variation – 28 APs currently operating.
Activity in Quarter: New Facilitator found for Southland group. AP admin continue to expedite Annual Plan submissions from each individual AP, this will assist with funding for each group. Two facilitator training days were held in December in Christchurch and Wellington with 22 facilitators taking part. Facilitators will be invited to regional meetings with AP chairs and DFA members.	
Next Steps: Facilitators to be invited to regional meetings with AP chairs and DFA members once dates set. Four regional chairs/facilitators and DFA chairs meetings planned for June 2020.	
5.1 Advance Party National Workshop	
Objective: Advance Party members gain value from attendance, stakeholders benefit from listening to AP members farming issues.	Status: Underway
Activity in Quarter: A revised format in 2020 has been confirmed where the day will be open to more deer farmers. Planning underway and confirmation of date 21 st Mat 2020 in Invercargill in conjunction with the deer industry conference.	
Next Steps: Planning and consultation to commence with the applicable parties.	
5.2 Deer Farming Regional Workshops	
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.	Status: Planning underway
Activity in Quarter: No Regional Workshops were held in the quarter. Planning underway for a workshop in Southland with the Southland Environment AP in April 2020.	

Next steps:

Increased communication with AP admin and facilitators to promote workshops as well as discussions with NZ DFA on better utilisation of DFA branch networks 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 in Quarter:

A project has been scoped in this area, and feedback received from a number of reference and advisory groups. Further progress and development will now be completed with the appointment of the Manager – Farm Performance.

Next Steps:

Confirm a role for DINZ in the definition of deer farming business planning and assign the project.

5.4 Deer Facts

Objective: To distribute 6 Deer Facts per annum.

Status: On track 3 deer facts in preparation.

Activity in Quarter:

Ongoing work on three Deer Facts on Biodiversity: Trees, wetlands and fauna.

Next Steps:

Complete the biodiversity set.

5.5 Practice Change Activities

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

Status: On track

Activity in Quarter:

- The Hawkes Bay Originals **Advance Party successfully toured** the Central Otago and the Mackenzie and the AP farms involved in November 2019. Positive feedback to the experience was received by all who took part.
- A second successful **Deer Industry Innovation Workshop** was held on 14 November facilitated by KPMG with 34 industry attendees. The day involved personal development and group workshop of projects of interest to them.

Next Steps:

- Work with DFA branches to implement further farmer-led Deer Tech Expos and activities while also encouraging more AP exchanges.
- Hold a follow up innovation workshop in May 2020 to follow-up on group action plans.

5.6 Integration Projects

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

Status: Underway

Activity in Quarter:

Further development of the Winter Feeding and Parasite Management projects;

1. **Winter Feeding:** Two farmers groups convened in Southland in January and South Canterbury in February 2020 to consider the application of current practice and design.
2. **Parasite management:** 13 Parasite management workshops confirmed throughout the country from February to April 2020. The workshops are for vets and farmers to share suggestions for best practice, as well as work through practical parasite management processes.

Next steps:

1. Host the winter management workshops and take outputs from both days for further action. It is anticipated that further workshops will be scheduled following the winter design workshops, and will encompass environment, people and animal welfare in addition to winter nutrition.
2. Approve material and deliver the parasite management workshops.

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:

- Further genetics articles published in Deer Industry News Magazine in the quarter with the last of three stories on the “DNA Proofs” farmers capturing their experiences. Articles published in CountryWide showcasing the benefits of breeding planning as well as a Q+A section with 3 deer breeders.
- Facebook profile of the 6 episode series of Podcasts detailing the story of deer genetics and the importance of deer genetics to productivity and profitability.
- Videos to accompany the podcasts have also been released.

Next Steps:

- Feature the DNA trials in communications with farmers. On-going communications with the farmers involved.
- Continuing promotion via print, social media and other online material of the Podcasts.

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

Recent activity

Attendance at an integrated workshop on Winter grazing to be held in January and February 2020 where a group of farmers will come together to consider the application of current practice.

Work has now been commissioned on compiling and releasing information on cover and catch crops for the deer industry identifying an area that industry currently has little information on.

Next Steps:

- Outputs and dissemination of the cover, catch crops information to be decided.
- Produce and distribute a ‘Guide to Seasonal 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: Under Review
<p>Recent activity</p> <ul style="list-style-type: none"> DINZ commissioned a review of deer health activity in 2019. DINZ will consider activities and resources as a result of the health strategy review. Confirmation of a plan and format for 13 parasite management workshops throughout the country from February to April 2020 with both veterinarians and farmers. <p>Next steps:</p> <ul style="list-style-type: none"> Delivery of the parasite management workshops. 	
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
<p>Activity in Quarter:</p> <ul style="list-style-type: none"> 14 environment groups are currently meeting. Many have now completed their plans but still plan to meet to keep apprised of environmental activity, policy and better practice. Ongoing planning and testing is underway to prototype a Deer Industry Environment Group online for those who are remote from other deer farms, or otherwise are not available to meet on farms <p>Next Steps:</p> <ul style="list-style-type: none"> Form more Deer Industry Environment Groups and support planning workshops with deer farmers and other agencies. Developing the on-line Environment Planning resource to assist remote farmers unable or unwilling to join Environment Groups. Consider additional resources to encourage and assist good planning among deer farmers. Potentially on a regional basis. 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	
<p>Activity in Quarter: Innovation Workshop held 14 November MWG met 28 November P2P-AG met 03 December P2P Feed group met 05 December.</p> <p>Upcoming: Winter Feed Farmer workshop to be held 13 February MWG to meet 27 February Big Deer Tour to be held 06 – 09 April Innovation Workshop 04 May Annual Deer Industry Conference 19 – 20 May.</p>	



R Aloe 03/02/2020