



ATTN CEO's

Alliance Group Ltd., Duncan NZ, Firstlight Foods, Mountain River Venison, Silver Fern Farms

Dear Sirs,

On behalf of the members of New Zealand Deer Farmers Association (NZDFA) members I am writing to all the venison processing companies to convey the high level of concern with the current price levels for the upcoming chilled season and beyond that post chilled crucial market opportunity.

In advance the DFA would like to place on record our thanks and recognition that the companies went to in really challenging times at the onset of Covid, in clearing farms of late season stock and avoiding the challenges we would have in overwintering surplus stock.

While we fully understand the effect that the Covid-19 lockdowns have subsequently had on our traditional food service markets, our DFA members are telling us there is an increasingly expressed frustration and feeling that alternative markets have been slow to develop. To express these concerns bluntly, compared to other meat proteins post Covid 2020 and to date in 2021, venison's market performance and financial return to the producers has been abysmal.

For the year ending October 2020 84,000 tons of mutton, 297,000 tons of lamb and 428,000 tons of beef were exported compared to 12,000 tons of venison. As the export statistics show venison volumes are a drop in the export bucket compared to the rest. In a world crying out for good protein in both restaurants and in retail it is hard to swallow the uncomfortable reality of how low venison market values are and how much returns to producers have fallen compared to the other red meat sectors.

There is great concern among the deer farming community at all levels that large numbers will start leaving the industry if the prices don't improve considerably over this upcoming season and that will also continue to erode the breeding herd and sales of weaners to specialist finishers.

It's inevitable that this risks a huge impact on industry critical mass with breeding hinds that will be killed in large numbers as pressure builds on breeding farms viability. We are concerned that our processing company's investment in slaughter capacity and markets could also be put in jeopardy.

The whole venison market and its positioning and returns from prime young animals to mixed age needs to be reappraised. As the velvet herd continues to grow there also needs to be a rethink on where the industry's older and heavier culled animals go.

The Market snapshot from Agri HQ (July 19th 2021) lists our reality starkly by comparison. Compared to venison price today mutton currently has a higher schedule than venison from young animals.

New Zealand Deer Farmers Association  
Level 5, Wellington Chambers, 154 Featherston Street, Wellington.  
PO Box 10702. Wellington 6143

	\$/kg	Sheep Meat	\$/kg	Venison	\$/kg
NI steer	6.00	NI lamb	8.80	NI Stag	5.50
NI Bull	5.90	NI Mutton	6.40	SI Stag	5.60
NI Cow	4.50	SI Lamb	8.40		
SI steer	5.80	SI mutton	6.45		
SI Bull	5.35				
SI Cow	3.20				

There seems to us to be a viewpoint out there that the farmer will stoically hold on until prices return to viable levels. This is an overly optimistic view not based on the on-farm reality.

I cannot overemphasise how low farmer sentiment is. When we hear that some of the weaner breeders are genuinely considering not putting stags out in 2022, the circumstances and future implications for industry confidence and viability needs to be taken seriously. Given recent examples of change in the Central North Island as some deer farmers transition away from breeding herds, for finishing weaners for venison, there have been a few farms in that area that have been sold and planted for carbon farming in pine trees or in Manuka for the bee industry. So this land use change may not necessarily result in those animals being replaced by sheep and beef.

As farmers we were led to believe there was good industry processor cooperation at the strategic level, but when Covid 19 hit it wasn't very apparent with everyone retreating to their own corner to cope with the market crisis.

The venison industry needs that transparent co-operation to return, and the fragile nature of many deer farms current situation fully understood. On behalf of the DFA members we welcome your response and suggest that there will be some open discussion at the DINZ Board meeting this week.

Thank you

For and on behalf of the NZ Deer Farmers Association

John Somerville NZDFA Executive Committee Chairman NZDFA



johnandmelsomerville@gmail.com 027 447 5437/03 246 9803