

Quarterly Report: October to December 2021



Passion2Profit

The Deer Industry Profitability Programme



Advance Party and Environment Group facilitators gathered in Christchurch in November 2021 for two training days, the days provided an opportunity for personal development as well as an opportunity to reflect on the work done to date in the P2P programme as well as discuss future plans, this provided an opportunity to share ideas.

Quarterly Progress Summary: October to December 2021

Summary of progress during this quarter:

Marketing Premium Venison

China Restaurant Trials

- Restaurant trials with Gaga has begun. The first dish on the menu is venison ribs. Early indications from the restaurant are that the dish is selling well.



Gaga's European/Asian fusion dish.

- A follow up meeting with the owner of Xiaosuiyuan at the conclusion of the first four weeks of trial have shown some interesting results. While the consumer survey gave generally positive feedback, her indication was that most customers were not being entirely truthful with their feedback. She noted it had been quite difficult to sell the dish, with an average lunch time service selling over 200 dishes, the venison was only selling one or two. There are two factors impacting this, firstly over 70% of their sales are for banquet menus, and the venison was not featuring on this menu. Secondly the dishes the chef developed were not in the same style as most of the restaurant's dishes.

The owner has agreed to add the venison dish to the banquet menu for the next four weeks, and the chef has created dishes more in keeping with the restaurants style. Tribal Brands and DINZ have also made changes to the consumer feedback mechanism and will now send someone to the restaurant to conduct interviews with staff, as well as consumers to get better qualitative data.

Rapid chef testing

Initial chef research had seen a limited number of chefs working with a few cuts only once or twice.

In order to check that the feedback from these chefs was correct, a series of rapid chef testing was undertaken. Another 11 chefs were given samples and asked to try the cuts multiple times and to consider switching cuts for various recipes. In addition to approximately 40 recipes that were created several insights were obtained:

- All the chefs wanted to prepare the cuts into shapes that suited.

- Tenderloin was always cubed.
- Shortloin is always thinly sliced, and flash cooked.
- Chefs have no problem breaking down and chopping off venison ribs.
- The chefs always removed the bone from venison shank.
- They did not like cuts provided to them already processed, such as venison flap that's available cubed.
- Chefs rarely took the time to remove fascia and tendon in venison shoulder and venison leg, mostly created dishes with those cuts in cubes.
- Slicing first then shredding was also common, however those dishes performed poorly as the venison became too dry and disappeared in a dish.
- The worst performing cut was venison rack, which all the chefs overcooked.

Digital tasting notes



Initial designs for our online/weChat venison tasting notes have been completed. These are being refined and will look to be completed in the next couple of weeks.

South Korea initial market research

The South Korea market research was completed late 2022 (Appendix 3). Overall, the research showed little awareness of venison. The knowledge of venison fell into three categories, a 'western' delicacy when travelling abroad, a traditional health food (Boyangsik) or as petfood.

A series of interviews was conducted including with a chef, chef's association, food and beverage managers. Interviewees agreed that there is potential for venison but it would take a long time to introduce it and would need significant investment.

The marketing companies will discuss if they want to continue with this research. Early conversations would indicate that the likelihood of it continuing is limited.

Market Led Production

Health, Safety and Wellness

This remains a key focus of activity.

1. Updated safety polices have been provided to all facilitators, and new contracts have been provided to those who were waiting for a revised contract format to be completed.
2. At the facilitator training workshop in Christchurch last year there was a session on Health Safety and Wellness, including a session with Tony Watson, former General Manager of Safer Farms NZ. This included his very practical outline of what he termed 'safety in two and a half questions.'

"Safety in two and a half questions"

The thrust of his message was that while getting the paper work right is important, it isn't where safety discussions should stop. He outlined what he called his 'safety in 2.5 questions' for any occasion.

1. **What could happen here?**
2. **What are we going to do about it?**
3. **Is it enough?**

If we ask these questions at any time whether we are on our own or in a large group and keep repeating them until we are comfortable, we will go a long way to ensure that we are all safer about what we do.

Tony was also wearing the intriguing lapel badge with 1737 on it, and this also sparked quite a discussion about stress and mental wellbeing.



1737 is a freecall or free text number available to anyone if they are feeling stressed or just need someone to talk to and is available 24/7.

The whole safety discussion with Tony and the facilitators reinforced the key role that facilitators play and helped give everyone confidence that this was an area as facilitators where some small questions, or a pointer in the right direction could help the communities we work with and ourselves.

Annual Plan Activities

There is a concentrated effort to complete all activities outlined in the annual plan. Notwithstanding the disruption of Covid-19, farmers are making their best endeavours to keep meeting.

Focus areas

- Project Know your number Greenhouse gas workshops are underway with Advance Parties and environment groups. There is discussion underway with venison processors, the NZ Deer Farmers Association, B+LNZ, banks and rural accountants on strategies to help every deer farmer know their number by the end of this year. Farmers are also being encouraged to attend consultation workshops underway from now until the end of March. Progress made to date is reported elsewhere in these papers as a separate report.
- 26 Advance Parties are meeting regularly and have developed their annual plans for the current year.
- Planning is underway for the following activities

Regular annual activities

- 'The Big Deer Tour' for a selected group of final year tertiary students
- A National Technical workshop in South Canterbury in July or August, and additional venues may now be added since the decision to cancel the National Conference for this year.
- Rural professional workshops in Hawke's Bay and Waikato
- Regional workshops in Southland
- A series of wintering workshops in Southland, Otago and Canterbury
- A Farm Environment Plan (FEP) series of modules to help farmers complete and understand their FEPs.

End of programme activities

- Cinta survey of deer farmers tracking the progress across the life of the P2P, repeating surveys completed prior to P2P commencement and mid programme in 2017.
- A survey of Rural professionals to evaluate the effectiveness of the workshops undertaken.

- A refresh of selected case study farms to gather data on progress they have made.
- Analysis of Advance Party meeting notes
- These items will contribute to the final report which has also been commissioned.

New Programme activities

- A co-innovation approach is underway with a broad range of stakeholders to develop a new programme for the industry. Once complete the intention is to apply for funding that will enable this programme to achieve scale to engage more widely and deeply.
- An outline of the proposed market led and marketing programmes at a high level is provided in these papers as part of the transition plan.
- A separate discussion document is also provided on the alignment of the on-farm programme design process and programme with
 - MPI extension objectives
 - Deer farmer needs
 - Latest social science research in particular the psychological factors that influence the adoption of sustainable practices.

Work with other PGPs and Government Agencies

- P2P programme management is involved with the delivery group for He Waka Eke Noa. The delivery group is responsible for the extension, innovation and adoption, and farm planning workstreams. It works alongside the Policy Group, responsible for pricing, reporting and sequestration.
- P2P programme management has ongoing discussions with MPI staff leading various initiatives of the Productive and Sustainable Unit
- There is ongoing discussions with members of the Essential Fresh Water Fund program at MfE to explore collaborative opportunities.

Work with other sector groups

- P2P programme management is a member of the B+LNZ advisory group for the transition of RMPP action groups to the suite of extension programmes for sheep and beef farmers.
- Discussions are ongoing with several catchment groups and umbrella organisations to explore collaborative opportunities to meet the needs of deer and other farmers in those catchments.
 - The four co-ordinators from the Thriving Southland umbrella catchment organisation attended the Rural Professional workshop with staff from Environment Southland
 - Discussions are underway with the NZ Landcare Trust to be part of a joint application for a new programme to train and support catchment co-ordinators.

- P2P programme management are involved with DINZ's science innovation steering group committees.
- There are ongoing discussions and activity planned with:
 - Lincoln University for both first year and degree programmes
 - NZ Veterinary Association Deer Vet branch
 - Massey University Vet School

Upcoming

- Companies present US retail activities.
- Continue with work in the China marketing work programme, complete Chinese restaurant trials and review.

Investment

Investment period	Industry contribution	MPI Contribution	Third Party	Total investment
<i>During this Quarter</i>	\$184,542	\$184,555	--	\$370,098
<i>Programme To Date</i>	\$6,819,439	\$6,236,319	\$96,880	\$13,152,638

Overview Table December 2021 Quarter

Objective	Status			Comment
	Timetable	Financials	Outcomes	
Project 1. Confirm Target Markets.				Less expenditure incurred in quarter due to the MWG meeting online instead of in person. Initial South Korea research completed.
Project 2. Establish Commercial Distribution				Companies have begun planning for a second US retail programme. China project payment delayed. Completion of Chinese digital tasting notes.
Project 3. Link Market to Producer				The P2P will continue to promote and encourage uptake of On-Farm QA and provide assistance to companies where necessary.
Project 4 Overarching Production Initiatives				Projects underway for the year, Covid-19 may disrupt programmed activities.
Project 5 Engagement for Practice change				Two successful rural professionals held in Otago and Southland. Covid-19 may disrupt future programmed activities.
Project 6 Technology Packaging				Preparation for new breeding evaluation index for genetics. Prototyping of a DIEG online to take place.
Project Management				New DINZ DFA Producer Manager appointed. Planning for a successor programme ongoing.

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 December 2021	December Quarter 2021				YE Budget	End of Year Variance Notes
	Actual	Budget	Variance			
Project						
1 Confirm Market Requirements	\$ 26,675	\$ 35,750	-\$ 9,075	-25%	\$ 143,000	Timing, less costs incurred for MWG meeting as was held online due to the pandemic.
Cash	\$ 14,023	\$ 24,500			\$ 95,000	
Est. in-kind	\$ 12,652	\$ 11,250			\$ 48,000	
2 Establish Commercial Distribution	\$ 102,917	\$ 143,350	-\$ 40,433	-28%	\$ 884,000	Delayed timing. China project first payment delayed.
Cash	\$ 89,090	\$ 110,250			\$ 670,000	
Est. in-kind	\$ 13,827	\$ 33,100			\$ 214,000	
3 Linking Market to Producer	\$ 909	\$ -	\$ 909	100%	\$ -	Project inkind time incurred for P2P project management and QA Manager promoting and raising awareness of on QA farm standards
Cash	\$ -	\$ -			\$ -	
Est. in-kind	\$ 909	\$ -			\$ -	
4 Overarching Production Initiatives	\$ 35,447	\$ 37,000	-\$ 1,553	-4%	\$ 252,000	Activities close to budget.
Cash	\$ 25,193	\$ 29,000			\$ 184,000	
Est. in-kind	\$ 10,254	\$ 8,000			\$ 68,000	
5 Practice Change	\$ 124,566	\$ 101,250	\$ 23,316	23%	\$ 570,000	Timing with AP facilitator and chairs training taking place in quarter earlier than expected.
Cash	\$ 95,908	\$ 69,250			\$ 405,000	
Est. in-kind	\$ 28,658	\$ 32,000			\$ 165,000	
6 Technology Packaging	\$ 79,583	\$ 119,042	-\$ 39,458	-33%	\$ 443,500	Timing due to reduced expenditure in focus theme groups for Feed, Genetics and Animal Health. Feed and genetics groups will meet later in the year.
Cash	\$ 56,345	\$ 92,292			\$ 325,000	
Est. in-kind	\$ 23,239	\$ 26,750			\$ 118,500	
Total	\$ 370,098	\$ 436,392	-\$ 66,294	-15%	\$ 2,292,500	
Co Investors Contributions: Cash	\$ 140,773	\$ 172,646				
Co Investors Contributions: In Kind	\$ 44,769	\$ 55,550				
Co Investors Contributions: Total	\$ 185,542	\$ 228,196				
Sought from PGP Funding	\$ 184,555	\$ 208,196				
Total	\$ 370,098	\$ 436,392				

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, 24/02/2022

P2P Programme: Project Status Update

On track	Major variation
Minor variation	Project on hold
Complete	Not yet commenced

Marketing Premium Venison

1.2 Niche Market Feasibility Studies – South Korea

Objective: Provide the MWG market scoping for a potential new market.

Status: Complete.

Recent activity

This project is to provide high level market research on the perception of venison in South Korea. An initial report will be used to determine if additional in-depth work will be undertaken. Research has now been completed and a draft report presented to the marketing companies in December (Appendix 3).

Any further research will be discussed at the next MWG meeting.

Next Steps:

Companies to discuss findings of the research and decide if further research should be undertaken.

2.3 Non-Seasonal Promotion – US Retail

Objective: Increase amount of New Zealand venison being sold to consumers through online and retail channels in the US.

Status: Year one volume goal unattained.

Recent activity

Companies have been busy putting together plans for the second year off the programme, with all five companies indicating their intention to participate in the programme. Companies are presenting their plans for the year at the next MWG meeting (24 March).

Next Steps:

Companies continue to undertake promotional activities.

2.4 New Markets - China

Objective: Marketing companies sell 500 mt of venison through collaborative venture in new market segments.

Status: Three companies active in China.

Recent activity

The objective of the project is to develop an understanding of venison's place in certain Chinese cuisines and developing additional sales tools and resources to support increased sales into Chinese foodservice.

Two Chinese restaurants have been trialling venison on their menus, results from the first were disappointing however the restaurant is happy to refine the trial for the next four weeks to ensure we get better information. A further two restaurants are being sought.

The first draft of digital tasting notes have been completed. Design revisions are being made before this is sent to companies for comment.

Next Steps:

Companies to review customer feedback on recipes and sales data.

3.1 Industry Agreed Standards

Objectives: 50% of farmers assessed with On-Farm QA by 30 September 2021.

Status: Ongoing currently at 25% of target

Recent activity

DINZ has appointed a new QA Manager who will work with all venison marketing companies as members of the NZ Farm Assurance Programme to increase farmer uptake of on-farm QA.

The P2P programme will work to promote and encourage adoption of on-farm QA where possible. As well as work with the companies, work will continue with AsureQuality on data resolution to provide a clear picture of the current status of farmer uptake of on-farm assurance.

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: Underway

Recent activity

Covid-19 continues to disrupt the programme meaning meeting the programmed activities in the annual plan is an ongoing challenge, while many activities have shifted online, some slippage of timing and number of meetings is inevitable.

Changes on the DINZ executive have seen a new Producer Manager appointed in October 2021 with Tony Pearse now retiring. DINZ Environmental Stewardship Manager Lindsay Fung has now taken up this role.

Planning for a successor programme to the current P2P is ongoing with positive engagement with stakeholders.

4.2 Workshops for Rural Professionals

Objective: At least 40 rural professionals attend a deer training course.

Status: Planning underway for workshops in 2022

Recent activity

Two successful rural professional workshops were held in October and November 2021 for new Regional Council staff. One with Environment Southland, including Thriving Southland catchment group co-ordinators, and the other with the Otago Regional Council.

Planning is underway for dates in the Waikato and the Hawkes Bay for later in the year. The Hawkes Bay day will be for the Hawkes Bay Regional Council, and open to staff from Horizons Regional Council.

Next Steps:

Hold the workshops in the Waikato and the Hawkes Bay.

4.3 Student Tours

Objective: Up to 10 University students enjoy an introduction to the New Zealand deer industry.

Status: Planning underway.

Recent activity

Planning has commenced for the 2022 university tour to be held in April based on feedback received from 2021 tours. Engagement with Lincoln and Massey universities.

Next Steps:

Continue to keep relationships with the students previously involved in tours.

4.4 Cinta Survey

Objective: A survey to track progress across the life of the P2P programme, and gather further needs of farmers.

Status: Survey planning has commenced

Activity in Quarter:

Cinta Research Ltd has been commissioned to undertake a survey of farmers to evaluate practice change progress made across the P2P programme. A draft survey has been completed. Analysis will gauge progress on the P2P and identify opportunities for future needs.

Next Steps:

Undertake survey in March with results available before the end of June 2022.

5.1 Advance Parties	
Objective: Up to 30 APs operating with Advance Party members demonstrating gains to their wider community which encourage adoption. Opportunities may differ between group members.	Status: 26 APs currently meeting actively.
<p>Activity in Quarter: 18 AP and DIEG facilitators attended a two day training and planning workshop in Christchurch. A mix of new and experienced facilitators joined for a productive workshop with positive feedback attained.</p> <p>A series of online meetings were held in the quarter with AP Chairs who outlined the activities of their various groups and provided feedback and encouragement for the development of a new P2P programme.</p> <p>Next Steps: Continue to follow up with those APs still to complete an annual plan for their AP.</p>	
5.2 Deer Farming Regional Workshops	
Objective: To expand the farmer centric learnings from Advance Parties to a wider farmer and rural professional audience by using the DFA branch network to connect with non-AP members. Run up to 10 Regional Workshops between 1 October 2021 and 30 September 2022.	Status: Planning underway, possible slippage due to covid pandemic.
<p>Activity in Quarter: A Southland regional workshop on financial costing of farm systems was well attended by 40 farmers. One more regional workshops is on hold due to the pandemic with the Southland Environment AP postponing twice a planned workshop in Te Anau.</p> <p>Next steps: Plan more dates in 2022 covid pandemic willing.</p>	
5.4 Deer Facts	
Objective: To distribute one new deer fact in 2021-22	Status: More facts as and when required.
<p>Activity in Quarter: A comprehensive suite of fact sheets have now been developed as the one source of agreed knowledge. Assess the need for delivery of further fact sheets on a case by case situation. An updated fact sheet on Tuberculosis was issued late 2021. Deer Fact on utilizing terminal sires is in development.</p> <p>Next Steps: Develop and publish the terminal sires deer fact sheet.</p>	
5.5 Practice Change Activities	
Objectives: Engagement opportunities between farmers and advisors that encourage change. Farmers adopt new technology or information which assists their productivity.	Status: Planning underway, possible slippage due to covid pandemic.
<p>Activity in Quarter: The South Canterbury North Otago DFA branch have shown interest in hosting the National Technical Workshop in 2022.</p> <p>Next Steps: Book in date likely to be July / August for a National Technical Workshop.</p>	

5.6 Integration Projects	
<p>Objective: Projects which give farmers and rural professionals the confidence to make positive changes to their farming operations. Opportunities to deliver deer specific knowledge within existing groups e.g. input and output supply groups and catchment groups.</p>	<p>Status: Planning underway possible slippage due to covid pandemic.</p>
<p>Activity in Quarter: Parasite management workshops: A workshop comprising 18 business enterprises took part in a workshop in Gisborne on 19 November 2021.</p> <p>Winter grazing workshops: Planning is underway to schedule up to three intensive winter grazing workshops.</p> <p>Next steps: Plan and book in the next rollout of parasite management workshops as well as winter grazing days.</p>	
6.1 Improved Breeding Planning	
<p>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.</p>	<p>Status: Ongoing</p>
<p>Activity in Quarter: Promotion of Breeding Planning: Work on the new Deer Select index is still currently ongoing, the index will provide across breed evaluation, a draft version has been completed. Communications roll out sometime mid-year and a launch once index complete to coincide with the 2022-23 selling season.</p> <p>Next Steps: Planning to launch and promote of the across breed evaluation.</p>	
6.2 Strategic Feeding	
<p>Objective: To create measurable change in farmers' awareness and application of proactive feed management in order to provide optimal feeding for deer production.</p>	<p>Status: Ongoing</p>
<p>Recent activity Work is underway to complete a Hind Body Condition Score chart as a Guide to Seasonal Hind Body Condition which will be released shortly to coincide with mating season. Planning is underway for the coming year to review material already created and still relevant to farmers and present it in other formats.</p> <p>Next steps: Complete the body condition score chart for hinds.</p>	
6.3 Improve Deer Health	
<p>Objective: To support the work of veterinarians both practicing and in training with information and farmer engagement activities. By the end of 2021 to have developed a programme of integrating animal health planning and awareness into the whole farm system and plan.</p>	<p>Status: Ongoing</p>
<p>Recent activity A meeting was held with the NZ Veterinarian Association special interest deer vet branch, and a follow up meeting has agreed to review the list of high risk diseases and best management practice undertaken.</p> <p>Next steps:</p>	

Hold a follow up meeting with the NZVA special interest deer branch.

6.4 Environmental Stewardship

Objective: To find and encourage adoption of solutions to the environmental constraints on deer farming. 100% of deer farmers have a written farm environment plan by end 2025.

Status: Underway

Activity in Quarter:

- 'Project Know your number' a P2P project has helped 260 deer farmers calculate their Greenhouse gas numbers and start development of a plan to manage their emissions. A milestone report has been provided to HWEN
- Another new DIEG group was established.
- Work is ongoing to prototype test a new mixed mode of online and in person DIEGs.

Next Steps:

- Continue with project 'know your number' workshops
- Further refine and resource the online development of a hybrid programmes to assist farmers develop their FEP (Farm Environment Plan) including further development and testing of the DIEGO approach
- Continue development of an FEP handbook for deer farmers.

7. Programme Management

Activity in Quarter:

Concept for a P2P successor programme presented to DINZ Board 24 November
AP and environment group facilitator training held 29 and 30 November
P2P Advisory Group met 06 December
AP Chairs forum held 08 December.

Upcoming:

P2P-AG and MWG to meet 24 March including combined session together
On farm Practice Change managers meeting March 2022
Big Deer Tour to take place 19 – 22 April.

R Aloe, 21/02/2022