

Venison marketers building on-line and retail sales

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Marketers of New Zealand farm-raised venison are making a concerted push to build sales through on-line outlets and through gourmet retailers. This gourmet product, normally sold mainly through food service distributors to chefs, has been particularly hard-hit by the sound of restaurant doors slamming shut around the globe.

Deer Industry NZ (DINZ) chief executive Innes Moffat says Covid-related restaurant shut-downs created a crisis for their food service suppliers and the farmers that supply them. Demand from chefs for NZ farm-raised venison – one of the industry's greatest assets – overnight became a vulnerability.

“Fortunately our venison export marketers and/or their overseas partners already had small retail and on-line marketing programmes. They are now putting a lot of energy into generating more sales through these channels, while looking out for the green shoots of recovery in food service.”

This is a shift in priorities from developing new markets offering year-round demand at premium prices for a wider range of venison cuts, a strategy where the industry was having considerable success.

Moffat says venison is still selling through food service in those markets where restaurants have remained open, or which are now reopening. But volumes are much reduced and few forward sales have been made for the northern hemisphere winter game season, which is when venison demand and prices normally peak.

“In response, processors have reduced the schedule prices they offer farmers for their deer. And some of them are now processing deer on the understanding that the market risk will be shared by the marketer and the producer,” he says.

Moffat cautions that on-line and retail are not quick fixes. New consumer-ready products have to be developed and sold to retail buyers, then packaged and delivered.

“Retail is very price-competitive and needs significant promotional support. But when we put the pandemic behind us we will have stronger retail and on-line sales programmes in place, making the industry better equipped to handle whatever the future holds.”

The world-wide economic recession that is expected to follow the pandemic will put restaurant sales generally and prices for premium meats like venison under considerable pressure. This is another reason for the strong focus by venison marketers, with DINZ support, on building demand through on-line and retail sales.

“We expect the next 12-18 months to be difficult for everyone in the food service supply chain – diners, restaurants, their suppliers and the farmers who supply them,” he says.

Another new priority for DINZ has been restoring access for venison to China. Some venison has been successfully shipped China since the pandemic began, but there is widespread uncertainty among Chinese regulators about the legal status of venison. This follows a clamp-down earlier this year on sales of meat from wild animals – the presumed source of the Covid-19 virus.

“MPI and the Ministry of Foreign Affairs and Trade are working closely with us, and we expect we will have formal confirmation later this month that NZ farmed venison is an approved meat. We can

then work with regional officials to confirm its legitimate status and dispel any uncertainty. In preparation for this we are now preparing new material in Mandarin to highlight to the trade and consumers the safety of NZ farm-raised venison.

“Re-establishing access to China is very important. Venison, which is not a traditional meat in Chinese cuisine, was enjoying growing demand in China when Covid-19 shut down sales. Our marketers say that demand is still there. We just need to be able to access it.”

Moffat says venison marketers, along with DINZ, are also keeping a close watch on food service for signs of a recovery in demand.

“Rebuilding food service sales will require a degree of patience. Timing is everything. Promoting venison to food service will be most effective when restaurant sales have resumed and stocks of venison that were in the market when Covid-19 struck are moving through distribution channels.”

On the positive side, he says venison was in a pretty good place when the pandemic hit.

“Thanks to previous market development work by venison companies, we now have two major markets – Germany and the United States – which each take about 25% of our production. In the second row we have solid demand for our venison in Scandinavia, the Netherlands, Belgium and China which each take about 10%. This gives our marketers some flexibility when rebuilding sales,” Moffat says.

Each of these markets will respond differently when Covid restrictions are lifted, but all have customers who are convinced of the quality of our product and will readily buy it again when circumstances allow.

“Eventually, Covid-19 will be a memory and restaurants and cafés will be back to a new normal. When that happens I am confident that venison will resume its place as meat sold for premium prices.”