# STATE OF THE INDUSTRY

## MID-YEAR UPDATE

AUGUST 2026

Deer Industry New Zealand

# STATE OF THE INDUSTRY REPORT: MID-YEAR UPDATE

## AUGUST 2026

RHYS GRIFFITHS

**DINZ Chief Executive**

When we released the first *State of the Industry* report in March, our objective was to provide a clearer picture of where our industry stands and to give stakeholders a stronger basis for planning and decision-making. The feedback has been very positive, and I'm pleased we can continue building a more regular picture of industry performance and direction.

Since March, the most significant new data has been the release of Stats NZ's finalised annual agricultural production figures for 2025. The standout number was a 3% increase in hinds mated, alongside a 0.5% increase in the national deer herd. While there is still plenty of work to do, this is an important milestone. After years of decline, herd numbers have stabilised, providing a platform for future growth.

New Zealand farmed venison continues to perform well. The schedule has remained steady, with gradual improvement through much of the year. While higher-priced private contracts are reported, what stands out is the overall stability in the market and the visibility of ongoing demand. At the same time, work is well underway to further differentiate venison from competing proteins. Its health and nutritional credentials position us strongly as consumers increasingly prioritise health, wellbeing and food quality—particularly in key retail markets such as the United States. This is a trend we have been preparing for, and one that presents significant opportunity for our industry.

As button drop begins, attention naturally turns to the upcoming velvet season. A further clarified Velvet Grading Guidelines Addendum has now been released following a comprehensive industry consultation process, with additional imagery included in response to farmer feedback. It remains far too early to predict prices, however it is worth remembering that approximately 200 tonnes of velvet supply has been removed from the market after last season's disappointing prices. As the season develops, I encourage farmers to have informed conversations with buyers, understand where their product is being sold, and ask questions about market conditions. Small shifts in behaviour can influence market sentiment and ultimately affect returns across the wider industry.

Another positive development has been the launch of a new health-functional food product containing New Zealand deer velvet in South Korea. It is still early days, with the product only launching in June, but the consumer proposition, partner investment and commitment to the category are encouraging signals for long-term demand growth.

Further encouraging news came with the opening of the Vietnamese market to New Zealand farmed venison and deer velvet. Although we do not expect major export volumes immediately, access to a third market of scale for velvet is an important strategic development. It broadens our export options, creates greater competitive tension across markets, and strengthens the industry's resilience and long-term growth prospects.

There will always be challenges to navigate, but there are genuine reasons for confidence. National herd decline appears to have been halted, venison demand remains resilient, velvet innovation continues, now with expanded market access, and the industry has a clear strategy for growth. Most importantly, we continue to see commitment and collaboration across the sector.

Thank you for your ongoing contribution to New Zealand's deer industry. Together, we are building a stronger platform for the opportunities ahead.



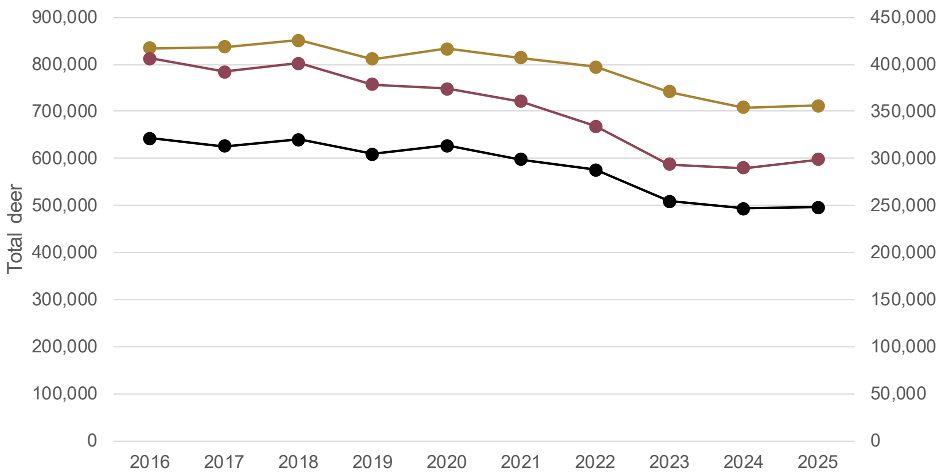
*Cover photo: Kristen Rowe*

# NATIONAL HERD AND PROCESSING TRENDS

## HERD NUMBERS

After several years of decline, the sector showed early signs of stabilisation in 2025 (with Stats NZ's numbers finalised in mid-2026). Total deer numbers, hinds mated and fawns weaned all either levelled off or recorded modest gains following a prolonged period of contraction. The strongest signal came from breeding activity, with hinds mated increasing by 3.1%, suggesting growing confidence and the potential for future herd growth.

While the improvements remain modest, the fact that they were seen across all three indicators is promising. The lift in hinds mated is particularly encouraging, as changes in breeding activity typically flow through to herd numbers over time. Taken together, these results suggest the sector may be nearing a turning point, with the recent stabilisation providing an early indication that the long-running decline could be beginning to ease.



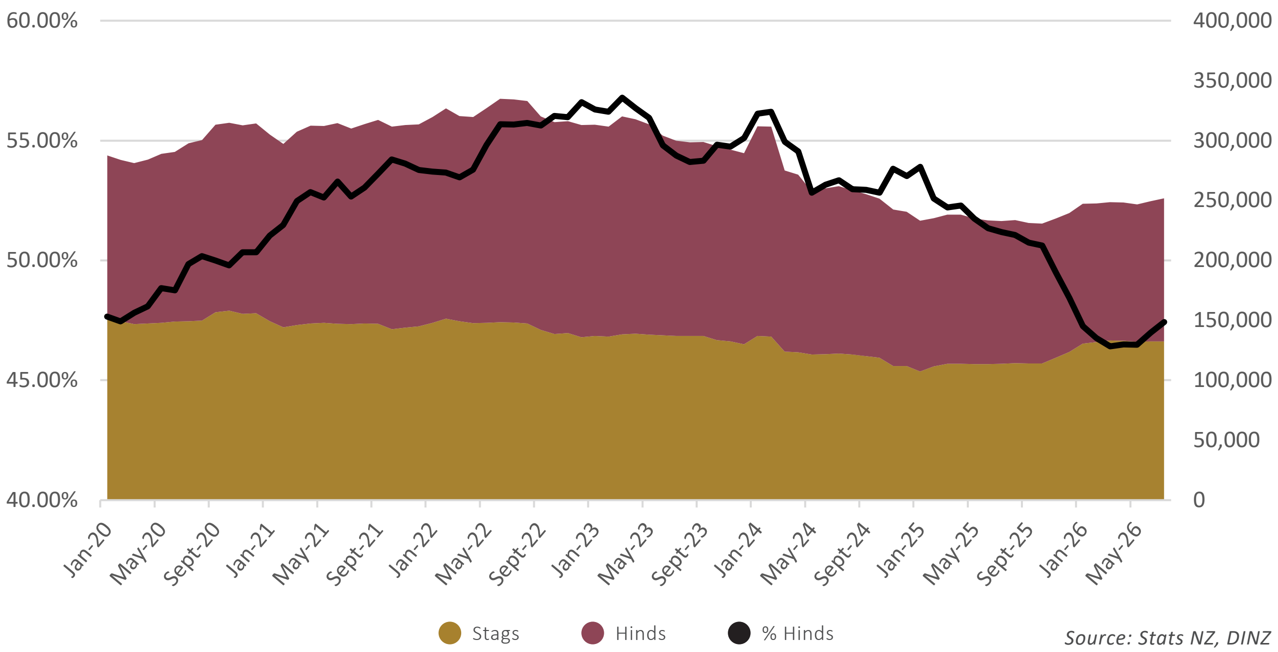

**Total deer % change**
*from 2023 to 2024: -4.4%*
*from 2024 to 2025: +0.5%*

**Hinds mated % change**
*from 2023 to 2024: -1.4%*
*from 2024 to 2025: +3.1%*

**Fawns weaned % change**
*from 2023 to 2024: -3%*
*from 2024 to 2025: +0.4%*

## DEER SLAUGHTERED ROLLING 12-MONTH AVERAGE

From 2020 to early 2024, deer slaughter volumes remained broadly stable, peaking at just over 320,000 head on a rolling annual basis before easing and recently showing signs of stabilisation. The makeup of the kill has shifted, with hind numbers falling faster than stag numbers, while stag processing has lifted in response to poor velvet returns. The share of hinds in the total kill rose to around 56% before dropping back to levels seen at the start of the decade, reflecting both increased retention of breeding stock and higher stag culling. Together, these trends suggest a period of herd restructuring and the early stages of a rebalancing in future production capacity.

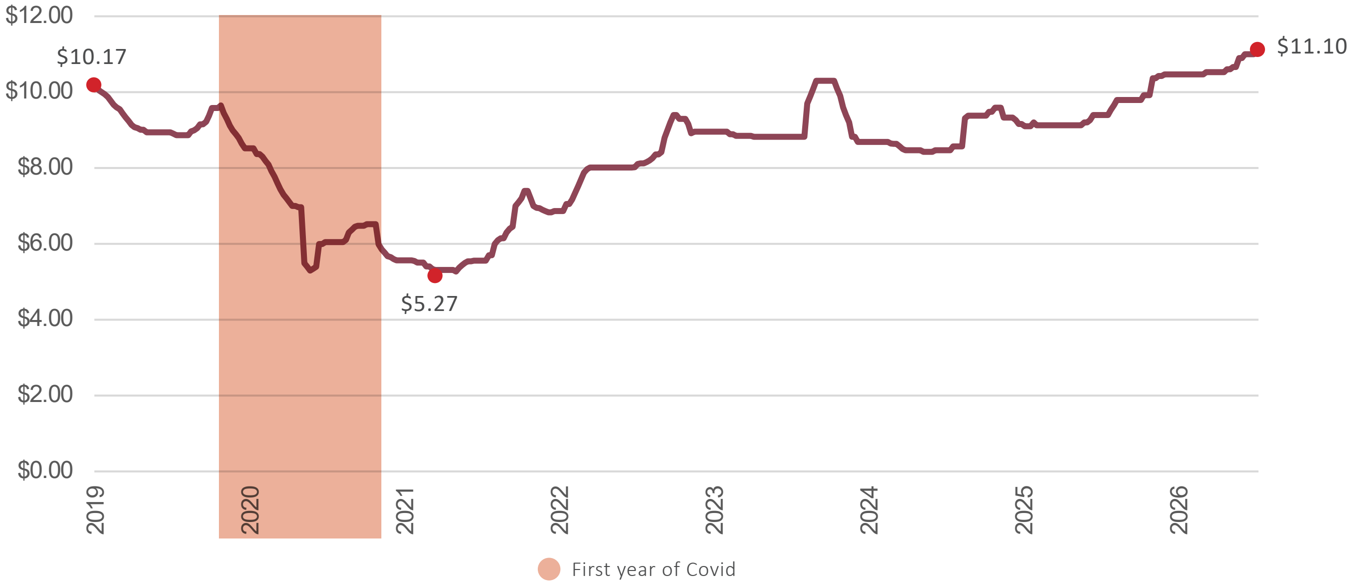



*Source: Stats NZ, DINZ*

# VENISON SCHEDULE AND EXPORTS

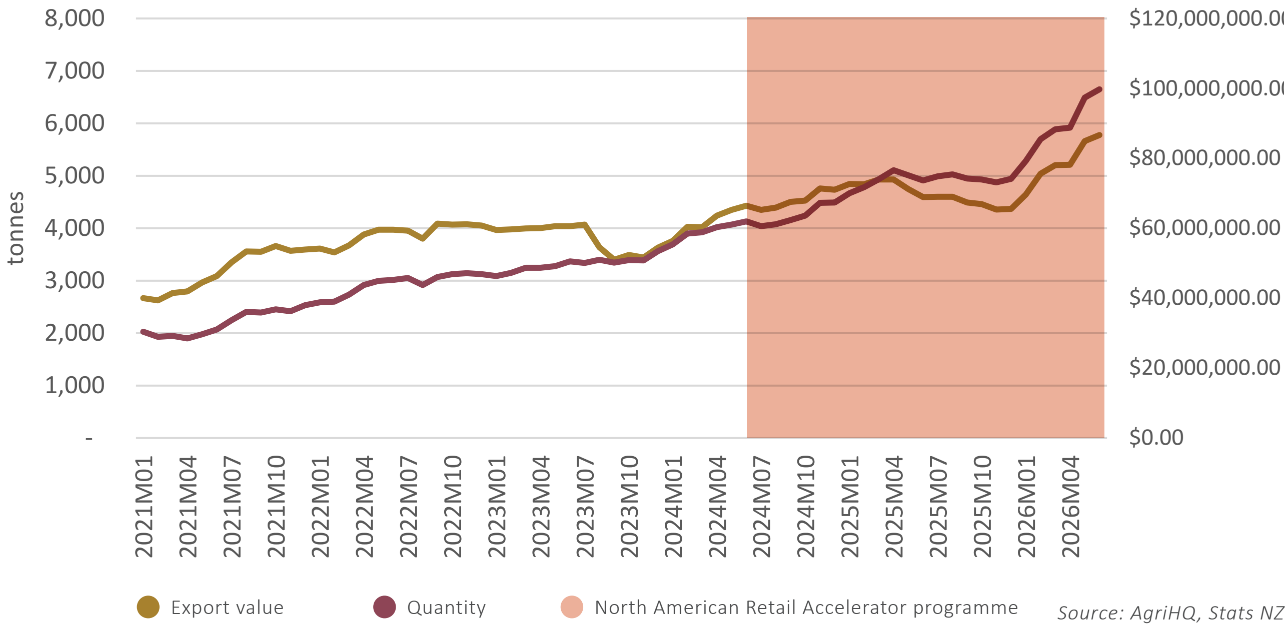
## WEEKLY PUBLISHED VENISON SCHEDULE - AP STAG (EXCL. CONTRACTS)

Venison schedules have continued to strengthen, reaching around $11.10/kg by July, supported by improving market conditions and the industry's successful diversification efforts. Once heavily reliant on European foodservice demand, the sector now benefits from a broader mix of foodservice and retail customers across both Europe and North America, creating a more resilient demand base. This diversification has underpinned stronger pricing and greater confidence in its sustainability, with growing North American retail demand complementing traditional markets. As a result, the sector is operating with stronger foundations, better market visibility, and reduced exposure to disruption than in recent years.




## VENISON EXPORTS TO USA 12-MONTH ROLLING TOTAL

The market outlook remains encouraging. Growing consumer interest in healthy, nutrient-dense protein is creating opportunities across both retail and foodservice channels, a trend that is expected to strengthen as the use of GLP-1 weight-loss medications becomes more widespread. Venison's natural attributes, including its leanness, high protein content and strong nutritional profile, position it well to meet these changing consumer preferences. With demand continuing to build and awareness increasing among both retailers and foodservice operators, New Zealand farmed venison is well placed to further strengthen its position as a premium healthy protein choice, whether consumers are eating at home or dining out.

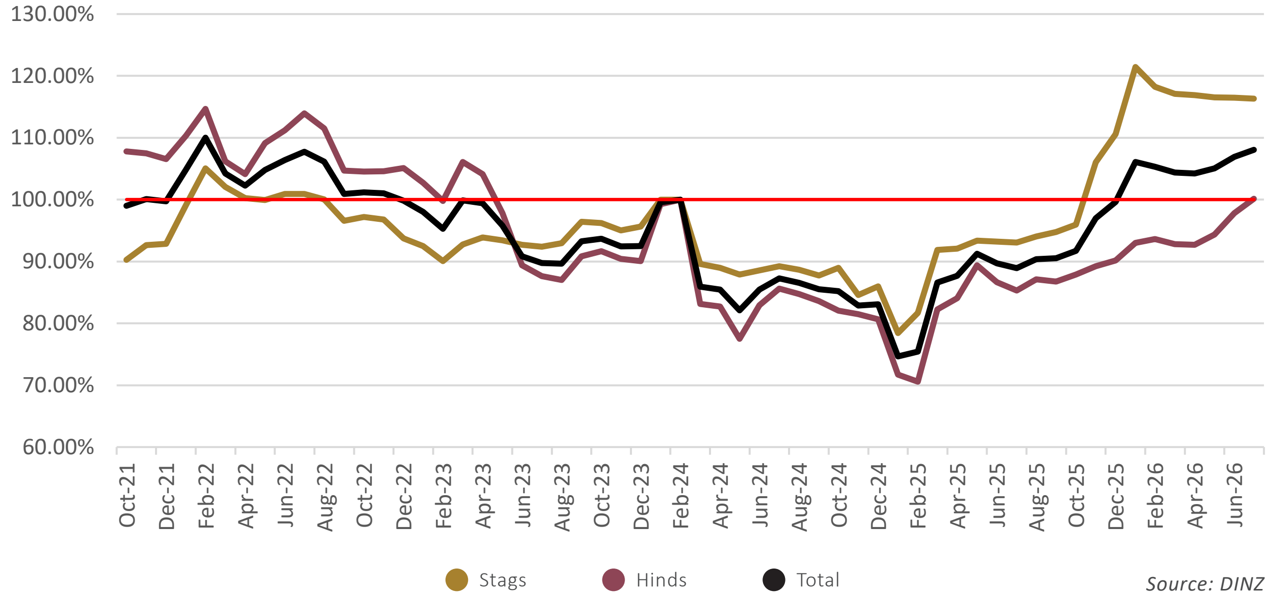



*Source: AgriHQ, Stats NZ*

# VELVET AND CO-PRODUCTS

## ROLLING 12-MONTH KILL YEAR-ON-YEAR

The rolling 12-month processing data shows a sharp increase in stag slaughter during the latter part of the 2025/26 season. After sitting below historical norms through much of 2024 and early 2025, stag processing lifted strongly from late 2025 and remained well above prior-year levels through the first half of 2026. In contrast, hind processing recovered more gradually and stayed closer to long-term trends. This divergence supports reports of increased stag culling following weak velvet returns in 2025/26 and highlights a significant supply adjustment by producers in response to market conditions.




*Source: DINZ*

# NEW MARKET OPPORTUNITIES

Vietnam's recent approval of market access for New Zealand farmed venison and velvet marks an important milestone for the deer industry and opens the door to a market with strong long-term potential. As one of Southeast Asia's fastest-growing economies, Vietnam is becoming an increasingly attractive destination for premium agricultural products. Of particular interest is the country's proximity to China and its historical familiarity with deer velvet, which has long been recognised and valued across parts of Asia. This existing awareness provides a strong foundation from which to introduce New Zealand velvet and build understanding of its quality, provenance and production systems.

Securing market access is only the first step. The focus now shifts to market development, customer engagement, and the establishment of enduring commercial partnerships. Building demand will require sustained investment in relationships, education and promotion across the supply chain, from importers and distributors through to manufacturers and end users. While market development takes time, Vietnam offers a promising platform for future growth and diversification.

## VIETNAM

| | |
|---|---|
| Population | 103.5 million |
| GDP growth forecast | 7.5% |
| Unemployment | 2.2% |
| Food Inflation | 4.6% |
| Retail sales growth | 14.5% |

Strong economic growth, rising consumer demand and low unemployment continue to support Vietnam's long-term market potential. Enhanced agricultural cooperation between New Zealand and Vietnam may create opportunities for premium product exports as the country's consumer market expands.

*Vietnam National Statistics Office Sources, International Monetary Fund, Trading Economics*

# NZ DEER EXPORT MARKETS SNAPSHOT

## EUROPEAN UNION

| | |
|---|---|
| Population | 450.4 million |
| GDP growth forecast | 1.1% |
| Unemployment | 6.0% |
| Food Inflation | 1.2% |
| Retail sales growth | 1.2% |

Economic growth remains modest amid ongoing geopolitical uncertainty and lingering cost pressures. Labour market conditions remain resilient, while easing food inflation and continued growth in retail sales support steady consumer spending. Europe remains the premium market for NZ farmed venison, particularly through foodservice channels focused on quality, provenance and sustainability.

*Eurostat; European Commission Economic Forecast; European Central Bank*

## UNITED STATES

| | |
|---|---|
| Population | 342.6 million |
| GDP growth forecast | 2.2% |
| Unemployment | 4.3% |
| Food Inflation | 3.0% |
| Retail sales growth | 5.0% |

Consumer spending remains resilient, supported by a strong labour market and moderate economic growth. Health and wellness trends continue to influence food purchasing decisions, with growing interest in protein quality, nutrient density and functional health benefits. These trends support demand for NZ farmed venison across both retail and foodservice channels.

*US Census Bureau, Federal Reserve, US Bureau of Labor Statistics*

## SOUTH KOREA

| | |
|---|---|
| Population | 51.7 million |
| GDP growth forecast | 3.2% |
| Unemployment | 2.6% |
| Food Inflation | 0.9% |
| Retail sales growth | 1.7% |

South Korea's economy is benefiting from improving domestic demand and a recovery in export performance. Inflation remains manageable, and labour market conditions are relatively stable. As NZ velvet's most established market, South Korea continues to provide a mature consumer base with strong awareness of health-functional products and wellness-focused purchasing behaviour.

*Statistics Korea; Korea Development Institute (KDI), Bank of Korea*

## CHINA

| | |
|---|---|
| Population | 1.41 billion |
| GDP growth forecast | 4.5–5.0% |
| Unemployment (note: Urban surveyed) | 5.0% |
| Food Inflation | -1.5% |
| Retail sales growth | 0.6% |

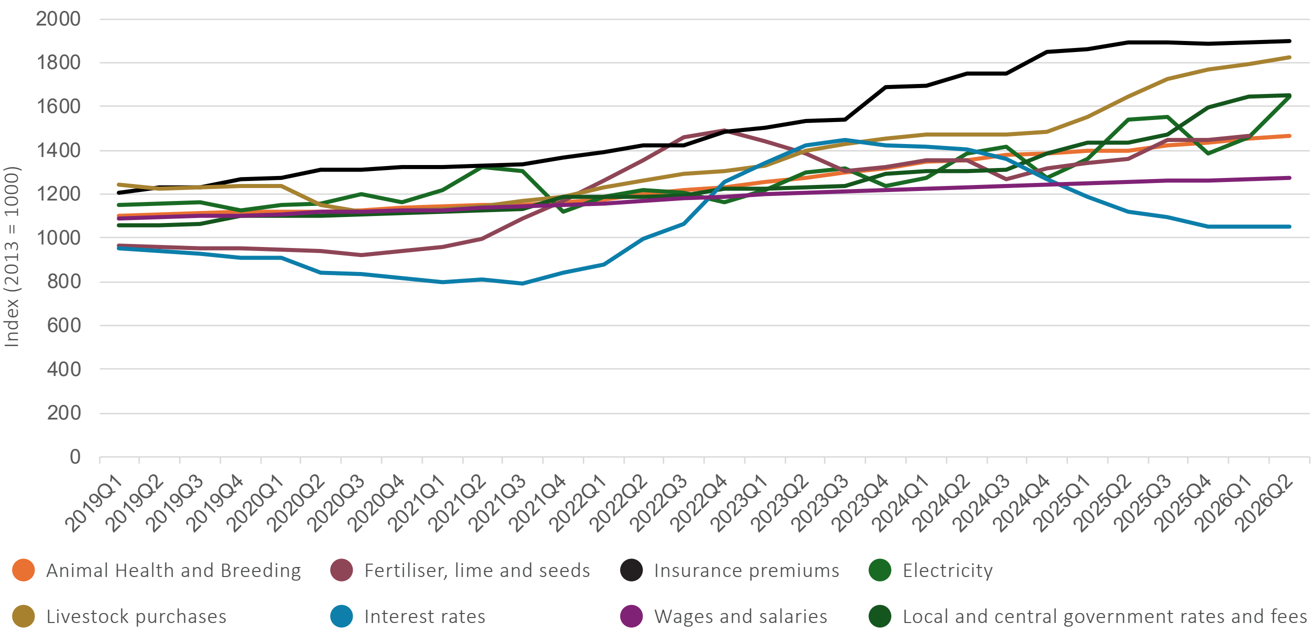
China continues to outpace most major economies, with GDP growth forecast at 4.5-5%, supported by the scale of its domestic market and stable employment. Consumer spending remains cautious, while falling food prices have eased pressure on household budgets. Despite modest retail sales growth, China remains an important long-term market for the NZ deer industry, underpinned by its large consumer base and growing interest in premium food and health-focused products.

*Government Work Report of the People's Republic of China, National Bureau of Statistics*

# COST DRIVERS

## ON-FARM INFLATION - BASE YEAR 2013 (1000)

Over the past two years, insurance premiums have largely stabilised after a period of rapid growth. However, local government rates and fees continue to rise steadily and remain a growing cost concern for farmers. Electricity costs have stayed elevated and continue to trend upward despite seasonal variation, while higher livestock purchase costs have mirrored stronger livestock values. The lift in livestock returns has helped absorb some of these increased on-farm costs, although overall cost pressures remain well above historical levels.




*Source: Stats NZ*

## GLOBAL OIL PRICES (BRENT CRUDE OIL)

The continuation of the Iran conflict has kept global oil prices elevated and volatile throughout 2026, reversing much of the decline seen during 2024 and 2025. Higher energy costs have flowed through supply chains worldwide, contributing to inflationary pressures and increased business costs across many sectors of the economy. While oil prices remain below the peaks reached in 2022, geopolitical tensions continue to play an important role in shaping global economic conditions.


*Source: Trading Economics*

# WEATHER OUTLOOK

The climate outlook for spring and summer points to the emergence of El Niño conditions, with forecasters indicating a high likelihood that the event will strengthen as the year progresses and into early 2027. While the full effects are not expected to be felt immediately, weather patterns are forecast to increasingly favour westerly airflows as the season progresses. For much of New Zealand, temperatures are expected to be near or slightly above average overall, although periods of cold weather, frosts and greater temperature variability remain likely.

For many deer farming regions, the more significant signal is rainfall. Below-normal rainfall is forecast across much of the North Island and eastern areas of both islands, while above-normal rainfall is expected for the western South Island. The frequent northerly rain events experienced over the past year are expected to become less common, with the focus of heavier rainfall shifting to western and southern areas. As a result, soil moisture levels, river flows and groundwater recharge are forecast to be near normal or below normal across many eastern and northern farming regions.

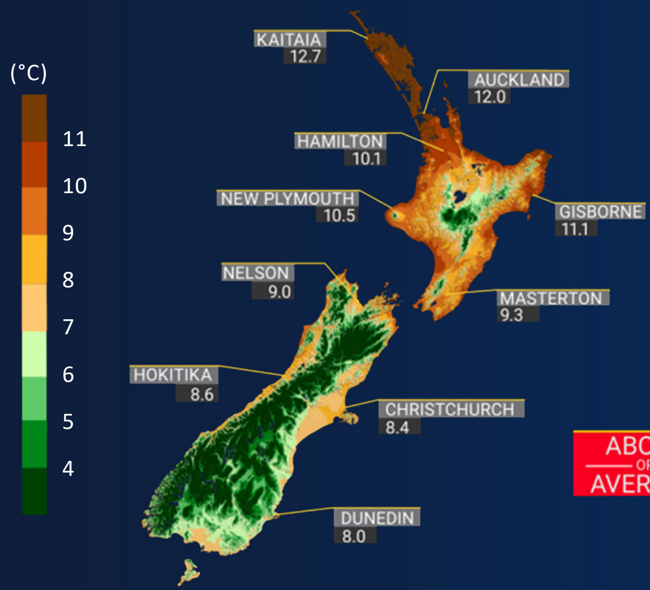
Looking further ahead, a strengthening El Niño is expected to bring more pronounced weather impacts through spring and into summer, including periods of stronger winds and greater climate variability. While the outlook suggests fewer widespread rainfall events for many regions in the near term, it also highlights the importance of monitoring soil moisture and feed conditions through winter as producers prepare for spring. Overall, the current forecast points to a drier pattern for many deer farming regions, particularly in the east, with conditions requiring close attention as the season develops.

# SEASONAL CLIMATE OUTLOOK

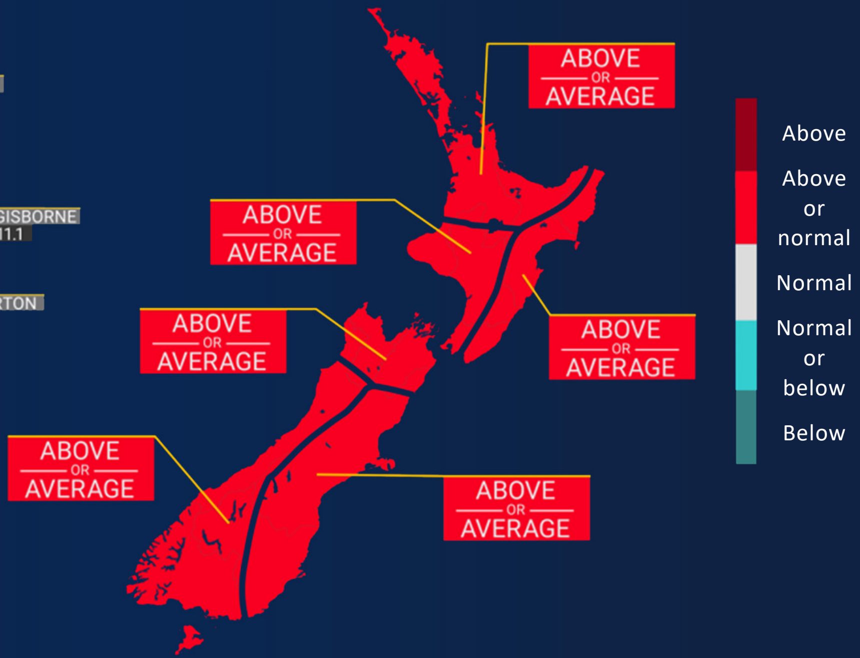
**July - September 2026**

## Long term average temperature

Climatology (1991-2020)

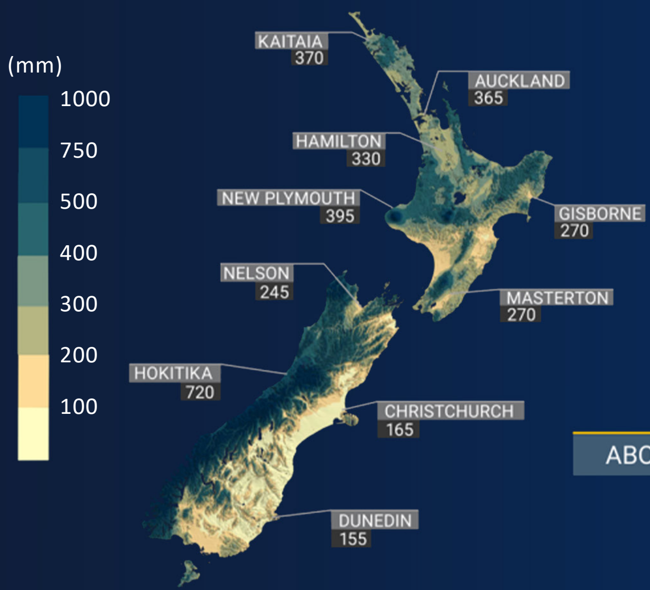



## Forecast temperature

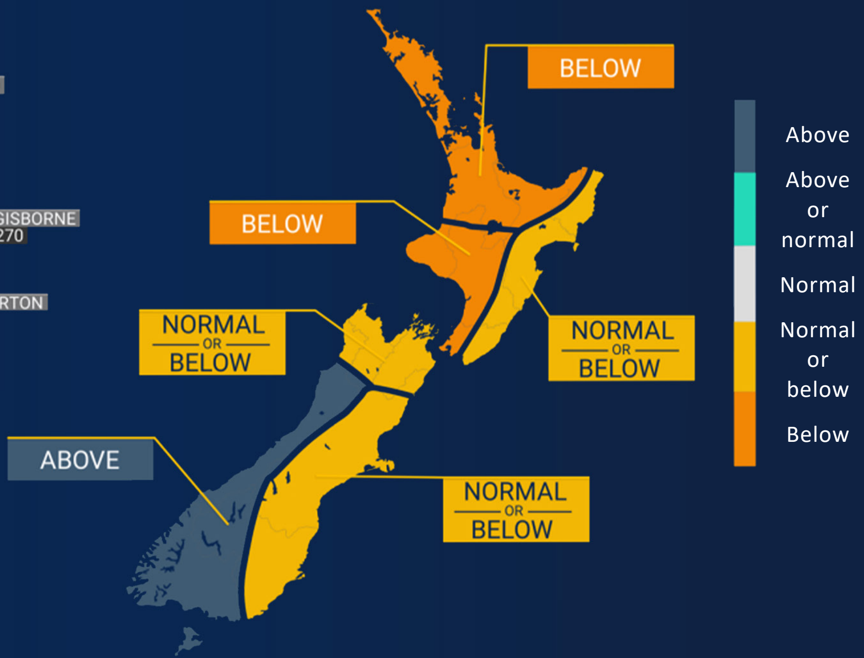



## Long term normal rainfall

Climatology (1991-2020)




## Forecast rainfall




Earth Sciences New Zealand

| | | | | |
|---|---|---|---|---|
| Low | Low-medium | Medium | Medium-High | High |

Forecast confidence

# TOP 5 TAKEAWAYS

### Herd rebuild signals emerging

The combination of a 3% increase in hinds mated and a rising proportion of hinds being retained in the national herd suggests the long-term decline in deer numbers may have been halted, providing an encouraging platform for future herd growth.

### Prepare for a strengthening El Niño

Forecasts increasingly point towards a strong, potentially historic El Niño event developing through spring and summer. Farmers should monitor conditions closely and ensure feed, water and animal management plans are well prepared for a more variable season.

### Vietnam market access achieved

A new export destination for NZ farmed venison and deer velvet adds an important piece to the industry's diversification strategy. While growth will take time, the addition of a third market of scale for velvet in particular creates competitive tension and improves resilience across the export portfolio.

### US demand remains a key opportunity for NZ venison

Consumer spending in the United States remains strong, with retail sales up 5% year-on-year. Combined with policy developments that continue to favour nutrient-dense proteins and health-focused food choices, the outlook for New Zealand venison remains positive as the industry prepares for life beyond the current NARA programme.

### Velvet supply fundamentals have changed

Approximately 200 tonnes of velvet supply was removed from the market after last season. As the new season approaches, producers should keep this significant supply reduction in mind when evaluating contracts and discussing pricing with buyers.

*Photo: Val Simpson*

# STAY CONNECTED

Stay up to date with the latest deer industry news, research, market insights and events through Deer Industry New Zealand (DINZ) and the New Zealand Deer Farmers Association (NZDFA).

## DEER INDUSTRY NZ (DINZ)

DINZ is the industry-good organisation representing New Zealand's farmed deer industry, investing levy funding in market development, research, extension, communications and industry representation.

### Deer Industry News

*Quarterly magazine | Print and Digital*

The deer industry's flagship publication, featuring market updates, industry insights, research results, farmer case studies and sector achievements. Available online and in print.

### DINZ eNews

*Monthly email newsletter*

A regular update covering industry news, market developments, events, project updates, funding opportunities and key announcements from across the sector. Subscribe via the Deer NZ website.

### Follow DINZ

Stay connected with the latest industry news, videos, market intelligence and event updates through Facebook and LinkedIn.

## NEW ZEALAND DEER FARMERS ASSOCIATION (NZDFA)

NZDFA is the membership organisation representing deer farmers and advocating on behalf of its members.

### Stagline

*Monthly email newsletter*

Updates for deer farmers on advocacy, branch activities, upcoming events, farm management information and sector issues. Available to NZDFA members and subscribers.

### Follow NZDFA

Keep up with farmer news, branch events and community activities through the NZDFA Facebook page.

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