

QUALITY PRODUCTION • Farmer Accreditation

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INTERNATIONAL MARKETING

- Before going into detail about how the farmed deer industry sees quality, I want to put the industry into international perspective for you
- We are Davids competing in a world of international Goliaths
 - Total sales in our target sector (US restaurants) estimated at US\$153 billion
 - Total venison exports to USA (December 1992) NZ\$8 million
 - 5 percent sales by volume but near to 10 percent by value
 - The US Beef Council alone has a \$40 million promotional budget this year
 - Total NZGIB budget is NZ\$8 million and covers everything from quality to overheads to marketing in all our target markets
 - New Zealand agriculture is totally deregulated and unsubsidised, but our competitors are not - the USA, EC and Japanese industries are heavily subsidised
 - *The average cow in Europe receives more in subsidies than half the world's population does by way of income (US\$400)*
- But David did beat the Goliath - we are not daunted
 - Industry exports growth trends
 - Development strategic plans for all product categories
 - venison, velvet, hides skins and leather, co-products
 - Through consultation, developed specific industry objectives:
 - real unit price increase per animal
 - value and volume growth targets
 - increase New Zealand's market leverage
- At the last conference I summarised the industry marketing strategy which had only just been announced. The key elements bear repeating:
 - Strategy differentiated between market types
 - emerging markets (high growth and value potential) - branding strategy
 - established markets (high volume, wide product mix) - quality mark strategy
 - A year later we've turned the plans into reality in the marketplace
 - The Cervena™ branding strategy
 - create awareness, loyalty and preference for branded product
 - "own" expanding market for New Zealand
 - market launch April 1993
 - USA/Canada and New Zealand/Australia
 - Distinctive packaging
 - gold stripes for premium chilled
 - silver stripes for frozen
 - Distinctive "look"
 - stylish, crisp modern cuisine look
 - ZEAL™ quality mark
 - quality differentiation from competitors (especially feral product)
 - emphasise consistent, year-round product
 - ZEAL quality mark
 - market launch April 1993
 - Germany, Austria, Switzerland initially

- Initial indications are positive
 - BUT we don't want to raise expectations unrealistically

QUALITY

- Quality Assurance - now appropriate - move to TQM philosophy in practice
 - marketing strategies are based on quality differentiation
 - underpinned by Quality Assurance Programme
 - quality is the entry price for the market sector we want to be in
 - customers want to know not only what is in food (nutritional profile) but also what's *not*
 - consumers need reassurance, to be *sure* - through internationally recognised standard for quality like ISO
- Farmed deer industry recognised profound importance of quality five years ago
 - established quality assurance programme in 1988
 - initial focus on venison processors
 - designed around market needs
 - researched and established industry standards and systems
 - tenderness
 - packaging
 - customer specifications
 - ISO 9002 chosen as guideline and milestone
 - internationally recognised and objective
 - meets market needs
- New Zealand venison processing plants first two meat plants in the world to receive ISO 9002 accreditation
 - way ahead of other industries
 - 7 plants accredited now
 - major achievement
- Recognised processing only one part of total programme
 - "pasture to plate" concept
 - not just glib slogan
 - genuine commitment
 - extension to all inter-related components of process
 - only as good as weakest link in Quality Chain
 - starts with market needs and works back to farm
 - risk management approach
 - eliminate threats to product in every step of supply pipeline
 - farmer accreditation long term objective
- NZGIB commitment to quality
 - 15% of our budget directly (over \$500,000)
 - includes research as well as programme implementation
 - Livestock transport operators
 - 100 companies in trial programme
- Farm Quality Assurance Programme
 - Farmer working parties have now prepared draft standards covering
 - facilities and equipment
 - animal health
 - animal welfare
 - strong support from farmers for concept
 - quality champions
 - deer farmers tend to be innovative and take longer view

- (probably wouldn't have invested in new industry otherwise)
- can't take support for granted though
 - long sometimes slow process to communicate widely
- Draft standards now being merged into one full draft standard covering all aspects
 - many areas in common (eg. need for animal identification raised in all groups)
 - September completion date
- Extensive consultation
 - 12 month process
 - length and breadth of country
 - debate and argue at local level
 - essential outcome that farmers
 - understand concept and application
 - feel comfortable with it
 - feel they 'own' it - not imposed on them
 - support its implementation on the farm

VETERINARIAN ROLE

- Important veterinary input
 - 6 vets active in working parties
 - NZVA (Deer branch) active support and involvement
 - equally important back on the farm
 - vet and farmer working in partnership
 - commitment and "ownership"
 - identifying problems and solutions despite inevitable perceptions of "bureaucracy" with record keeping and attention to detail essential
- Velvet training programme integral part of Farm Quality Programme
 - Code of Conduct published last year to AWAC principles
 - welfare of animal is paramount
 - Code principles agreed by NZDFA, NZVA
 - Velvet training and certification scheme turns principles into practice
 - not without hiccups but negotiated workable solution acceptable to all parties
 - important now to get on with implementation
 - review in light of experience after this season
 - Choice available to farmers
 - vet velvets their stags
 - they velvet their own stags under vet's indirect supervision, only if certificated to do so
 - Choice available to vets
 - may choose not to act as supervising veterinarian
 - Animal health and welfare recognised as significant practical issues for farm management as well as wider industry issues
 - market access, potential trade barriers
 - emotive public response

CONCLUSION

- Quality is the way the world is going
 - In consumer societies quality rather than price is the major buying criteria
 - New Zealand deer industry must live according to those criteria
 - early adoption of TQM principles significant competitive edge for New Zealand industry
 - maintains leadership position

- **Quality is critical component of industry strategic plan**
 - not only quality production and farming
 - quality information and quality decision-making
 - looking forward and planning accordingly
 - shared goals and objectives
 - everyone wants to do well from the industry
 - everyone wants it to grow but manage its growth effectively as well (avoid booms and busts cycle)
 - active co-operation from all components of industry
 - focus on building deer industry profitability rather than deviate to dividing the spoils

- **Deer industry in strong position**
 - takes a partnership approach to strategies
 - producers, processors, marketplace inter-relate
 - vets included in loop
 - unique partnership
 - no other agricultural industry has it
 - industry prospects looking excellent
 - New Zealand leads the world (again)
 - processing quality
 - production quality and expertise
 - premium positioning
 - financial returns for all
 - TQM attitude

