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PRESIDENT'S REPORT

By Jim Moir

The start of a new financial year is looking like there may be some light at the end of the tunnel. With the drought ending in most states, the prospects for a good hay and grain season should help with lower fodder costs, or at least we hope so, bringing some relief to our bottom line.

We are always worried about the price we get for our venison/velvet and we all know that it is hard to keep up with the top lamb prices. However, let's look at some other farming enterprises. In the last year, the return to the farmer for milk has halved and it's not much better for most of the grain crops when you take into account the ever increasing fertilizer and chemical costs eroding their net return. In the last three weeks wool has dropped approximately 80 cents/kg and we will not even attempt to look at the wine grower's situation.

For the processors who sell to the export market, the Australian dollar's increasing rise versus the American dollar (at 80 cents last I checked) makes it that much more of a hard sell especially against the falling NZ dollar. So for venison processors to maintain their price to the farmer in the present market is something of an achievement.

I would say that compared to the majority of other farming enterprises, deer are certainly holding their own for 2009.

However a new problem in the venison market is the South Australian and Queensland decision to allow the selling of wild-shot venison for human consumption. We have written to the SA minister outlining our concerns and have yet to receive a reply. We will be writing to the Queensland minister noting our concerns about wild-shot venison for commercial sale and the unsubstantiated marketing claims of wild-shot as "organic".

Queensland has just proclaimed non-farmed deer as a pest and in their own press release noted that deer "can carry diseases such as Johnes Disease and Leptospirosis (which can infect humans)". Yet wild-shot venison to my knowledge is not checked for these diseases, is not part of the NRS scheme and does not pay NRS levies. It is a direct cost differential to the farmed venison.

The reduced volume of velvet coming from NZ this year should help returns for the velvet farmer, but the high Aussie dollar, coupled with the financial situation in Korea, may offset any major gains over last year's prices.

John Smith from Tasman Velvet Processors in NZ gave a presentation at the AGM in Orange on selling ADH&CP velvet through the NZ pooling system. His plan is outlined on his article "Velvet Marketing. We are presently awaiting clarification from John on some points before putting the option to the farmers who supply ADH&CP. We hope to have a proposal out to our suppliers by the end of July for comment.

So it looks like we will have some challenges in the coming year, but I am confident that we can look forward to a viable future.

Jim Moir
President DIAA