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REPORT TO THE DIAA AGM – DEER R&D PROGRAM

Rural Industries Research and Development Corporation

OVERVIEW

- During 2009-10 the Deer R&D Program was moved from the RIRDC Established Industries Portfolio, to the Emerging Industries Portfolio. Julie Bird is now the Research Manager, June Murphy the Program Coordinator, and Nola Anderson is the industry representative on the Advisory Committee.
- The Deer R&D Program has been affected by decreased production volumes upon which statutory levies are based.
- This is the fourth year of the current Five Year Plan.
- The R&D Program has built quite high reserves. These are slowly reducing, as expenditure exceeds levy income, but still remains at \$435,000.
- Income from interest on the reserves was budgeted at \$10,000, but most likely will only be around \$2,000 due to the low interest rates.
- A total research budget of \$50,000 was proposed for 2009-10 (\$350,000 budgeted in 2007-08). \$72,000 is proposed to be spent on research in 2010-11.

GOAL OF THE FIVE YEAR R&D PLAN

The Program objective is to improve industry performance in four key areas where the industry has identified problems at both whole-of-industry and industry sector-specific levels.

KEY LONG TERM R&D STRATEGIES

- Improve understanding of and cooperation between participants in the value chain for venison and velvet products
- Improve market demand for venison and velvet products by improving quality and quality control systems and improving consumer understanding of deer products
- Improve market demand for deer products by improving end-user knowledge of the attributes of Australian venison products and developing new value-added venison and velvet products that reflect current and emerging market requirements
- Promote utilization and adoption of research result to improve the uniformity and quality of industry products and the capacity of producers to consistently supply them
- Communicate research outcomes and promote their adoption to the deer industry through strong relationships with key industry organizations.

PROJECT UPDATES

PRJ-002508

Communication and information programs for the Australian deer industry.

Solange Shapiro

To maintain industry support for the RIRDC Deer R&D program and enable the results of the R&D to be used by those in the industry, an effective communication program is necessary to ensure that R&D results are easily available to end users.

This project will finish at the end of this month. A continuation will be contracted, pending Advisory Committee approval.

PRJ-003775

Defining the Australian market for velvet antler products.

Gordon Dryden

This project was contracted in November 2009, and will be completed in 2010.

General aim To define the size and nature of the Australian domestic market for velvet antler (VA) products, those factors which constrain or may support the development of this market and the characteristics of a successful supply chain.

This information will be obtained in interviews, and from databases and a literature review:

- a) Interviews: with representative retailers of Traditional Chinese Medicine (TCM) and complementary medicine products; academics and schools of TCM and complementary medicine; organizations representing TCM, and human and pet complementary medicine users; manufacturers or complementary medicine; VA processors; tourism operators.
- b) Data bases: Australian statistics on VA and complementary medicine production.
- c) Literature review: of the similarities and differences between TCM and western medical views about VA products, and to summarize the available western medical evidence of VA efficacy.

This project will elucidate present attitudes towards the use of VA products in Australia by TCM and complementary therapies practitioners. It will assess the amounts and value of VA used in Australia (including that bought domestically), identify the reasons why individual practitioners may be reluctant to use VA, identify "ignorance factors" in the harvesting and processing of VA by potential users.

Gordon will also be receiving a travel grant to attend the IDBC Congress in August 2010 to present an invited plenary paper on deer nutrition. He is also a member of the IDBC Scientific Steering Committee and will attend its meetings. On his return Gordon will write a report on the congress, which will be made available to the industry.

PRJ-004052

DIAA Website maintenance and information for the Australian deer industry.

Solange Shapiro

The project will maintain industry support for the RIRDC Deer R&D Program through the effective use of the DIAA website. To achieve this, the website will be regularly updated, making the latest RIRDC Deer R&D newsletter as well as news and information available to all parties interested in the deer industry.

This project was contracted in November 2009, and will continue until 2012.

PRJ-004358

Deer velvet antler – research quality and returns through the pools.

Ross Lawrence

The project objectives are:

1. To review the present NZ grading system, currently used by ADH with respect to prevailing market conditions and cost effectiveness.
2. To identify the changes in the quality of velvet antler sold through the Australian velvet pools system from 2001-2011.
3. To list and analyze the quantities of velvet antler sold through the pools system from 2000 to 2011.
4. To review current markets for velvet sales and identify potential markets for specific grades of velvet that attract a premium price.
5. To research the reasons for the changes in velvet antler quality.
6. To detail a strategy to achieve more than 80% of velvet harvested from mature stags being sold in premium grades by 2010, which is a performance indicator target in the Five Year Plan.

Progress so far:**Relevant information collected and collated.**

ADHCP and DIAA records and data bases, relating to velvet antler sold through the Australian Pools system, has been researched.

Records from 1993 to 2009 have been consolidated and will form the basis of this project.

Deer Farmers contacted.

Deer farmers that have previously supplied velvet antler to ADHCP have been contacted by mail, email and telephone regarding velvet antler. Additionally, discussion groups of deer farmers have been attended by the investigator where the issue of velvet antler quality and farming practices has been discussed.

Velvet Antler Buyers and Processors contacted.

Major velvet antler buyers and processors from Australia, New Zealand, Korea and China have been contacted about velvet antler quality and supply issues. Also smaller local buyers and processor have been contacted.

This review of the activities of ADHCP and the operation of the Australian Velvet Pools System has led to ADHCP agreeing to market Australian Deer Velvet through New Zealand Velvet Marketing Company Limited (NZVM) for the 2009-2010 velvet season.

This agreement aims to take advantage of NZVM's strength (marketing more than two-thirds of New Zealand velvet sales) and get improved prices, price stability and cash flow.

PRJ-005252**Deer industry gross margins.****Bruce Mackay**

Recently contracted, and will be completed within the next few months.

The Project aims to develop user friendly gross margin budgets for the deer industry to enable existing and intending deer farmers to make comparisons between the deer industry and gross margins from other mainstream agricultural industries available from other sources. The gross margin budgets will be made available to the Deer Industry Association of Australia web master for publication on the DIAA website. It will also be recommended that the DIAA web site provide links to other livestock budgets on the NSW department of Primary Industries web site (<http://www.dpi.nsw.gov.au/agriculture/farm-business/budgets/livestock>) or other sites if known.