



# Australian Deer Industry Paddock to Plate presentation.

Presented by:

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Mandagery Creek Venison.

# Summary of presentation.

- Background to the Australian Deer Industry
- Current statistics of the Australian Deer Industry.
- General deer information.
- Revenue Streams for Deer.
- Mandagery Creek Venison.
- 1803.
- Conclusion.

# Background to the Australian Deer Industry.

- Deer were first introduced into Australia in 1803.
- 5 Species were introduced and one followed in 1985 being Elk.
- The 1<sup>st</sup> deer farm was where Paddys market is in the Sydney CBD.
- Breeds of deer in Australia.

• TYPE	ORIGIN
– 1. Red Deer.	Europe and North America.
– 2. Fallow Deer.	Southern Europe and Mediterranean.
– 3. Sambar Deer.	India and Sri Lanka.
– 4. Chital Deer.	India and Sri Lanka.
– 5. Rusa Deer.	Indonesian archipelago
– 6. Elk	North America

- Main Breeds farmed today are Red and Fallow deer.
- Commercial farmed industry Started in the early 1971.
- Capital stock used were either imported from New Zealand or wild caught and domesticated.
- For the purpose of this presentation I will focus on the Red Deer breed as that's what we farm and also it's the highest population farmed.









# Deer Industry Statistics.

National herd is (a) 40,000 head

National slaughter – (a) 7000 head annually

Total venison production is (a) 280,000kg

Average HSCW 38kg. Red 50kg and Fallow 22kg

Highest slaughter was in 02/03 – 32,000 head

Domestic consumption of venison approx 10%

Export therefore approx 90%

Approx 100 farmers remaining from a high of 1500 in the early 1990's.

# Farming Deer.

- Red Deer – Dual purpose revenue stream.
- Fallow deer – generally venison focused.
- Additional source of revenue is the trophy market.
- The average size of the Red deer female is 100kg and the males 250kg
- The average size of the fallow deer is female is 45kg and the bucks are 100-150kg.

# Farming Deer – continued.

- Unlike most other species of livestock there is a defined breeding season with deer.
- Females will cycle when conception does not occur.
- The males are seasonally polyestrous, that is they cycle with decreasing daylight hours.
- Gestation period of red deer is 230 days and twins are rare.
- National average calving rates are 95% with a weaning rate of 93%.
- Dystocia issues are rare due to the nature of the animal – its generally the fittest survive



# Fallow Deer v's Red Deer Carcass.



# Venison

- ¼ fat of beef and lamb.
- Double the protein of beef and lamb.
- Double the iron of beef and lamb.
- Increasing demand by health conscious Australians who want a wonderfully tender, easy to cook red meat option.
- Processing – Forequarter and loins like lamb, the hindquarter like beef.

# Venison – continued.

- The tenderness profile of venison is much different to that of beef and lamb. The tenderness difference between loin and leg cuts in venison is much less than of other red meats.
- This allows value to be added to leg primal cuts as they are such a high yielding item.
- For yearling animals we work an average of 50kg HCSW when processing which is the most economical to process and primals cuts are a desirable weight.





# Statistics - Velvet

- National yield is about 12,000 (export)
- Domestic supply would be 1-2mt in addition.
- Harvesters must be approved by an industry training course that is overseen by the Australian Vet Association.

# What is Velvet?

- Velvet refers to the young antler.
- Life cycle – starts to grow early Sept and harvested approx 60 days after it.
- Deer velvet is the fastest growing mammalian tissue known to man.
- Grows at 2cm per day, and increases in weight at about 200gramms per day.
- If not removed it will be fully grown and calcified by mid February (for the rut so that the stag can take care of his mob).









# Use for Velvet.

- The main use for the product is in eastern medicine.
- In Western medicine it is being used for muscle and nerve regeneration.
- As its premature bone it has a type 2 collagen in it and has insulin type growth factors.
- The Chinese have been using it for 2000 years.
- The demand is increasing with the rising middle class in many Asian countries.



# Market and production - Velvet.

- Average price in 15/16 season was about \$112 per kg. (Frozen weight)
- Consistency is the key – prices over the past 10 years has been from \$300 per kg to \$70. The global industry needs to be consistency at these current levels.
- Genetic advancement in the velvet industry has been amazing. To put this in perspective, 10 years ago commercial growers like ourselves we had mature stags weighing 250kg live weight cutting 4kg. The best herds now have stags cutting 10 and 12kgs with yearlings cutting 2 kg when in the past 500grs was seen as an fantastic yearling animal.

# Facts about Velvet.

- Only the males grow it.
- Annual production.
- Huge nutritional requirement late Winter and early Spring.
- Fully vascular with a fully sensory nerve system when young.
- Calcifies at about 150 days and become hard bone.

# Mandagery Creek Venison.

## Processing.

- Stated in 2002 to initially process our own stock however demand increased quickly and so we started to consolidate stock from other farmers and market under Mandagery Creek Venison.
- Initially focused on domestic market and would still spend 50% of my time on it for 10% of the product.
- Contract processor at export approved establishment – allows full market access.
- Now exports to 30 different in varying forms from frozen CCS to portion controlled retail ready chilled packets.
- Have domestic distribution through Brisbane, Sydney, Canberra and Melbourne and surrounding areas using food service wholesalers.

# Mandagery Creek Venison.

## Marketing.

- Domestic :
  - Initially went direct to restaurants and retailer for a year to penetrate and develop relationship.
  - Now use food service wholesales across the eastern states.
- Export:
  - 50% in volume went into Europe now fully diversified away from the main stream markets due to low cost competitors.
  - European markets have been affected with the rise of the EU currency but also competition from Wild shot Polish and Spanish venison.
  - Focus on South East Asia and the Middle East.



# Mandagery Creek Venison.

## Marketing.

- As we are only small we are very flexible with production. “Value adding” rather than “cost adding” is very important to the profitability of my small business.
- Extracting value from my legs is a major focus.
- I am seeing a transition in many of my export food service customers attempting to reduce in-market preparation. As an example - buying prepared minute steaks rather than full boneless legs. Very tight specifications.



# Mandagery Creek Venison.

- Our farms.
  - We live on a 900ha property producing 1000 head annually for venison production.
  - Cell grazing system, 1 main herd, multi sire mating with a 93% weaning rate.
  - Paddocks range from 1ha to 48ha and therefore animals are moved regularly through the system.
  - We have a 300 head velvet herd producing about 1500kg of velvet annually.
  - We have a commercial farm kitchen at home. This is all really nice but the underlying message is about transparency, increasing knowledge of the product and the marketing of an experience rather than just the venison.
  - This strengthens the brand and increases our brand loyalty.





























# Farm Kitchen.















# Mandagery Creek Venison

- By products and skins.
  - 6% revenue.
  - Supply arrangements in Germany, Hong Kong, and China with increasing demand coming from throughout Asia.
  - Pharmaceutical usage in Eastern Medicine
    - Tendons
    - Pizzles
    - Tails.



# 1803

- In an attempt to value add (rather than cost add), we have started a value adding leather and antler business.
- Tanning about 10% of skins into both leather and hair on hides.
- Very selective distribution channels to high end retailers.
- Pushing on line sales to capture full margin.
- Artesian production is expensive however we need to support these wonderful skills to ensure they exist.

# 1803

- Australian artesian manufacturing is generally a difficult business to be in.
- As an example, to get skinned tanned in Australia it is about \$60 per piece, I can get done in Thailand for \$7 and Europe for \$9.
- Tanning operations in Australia have reduced in number dramatically due a combination of factors – labour costs, chemical usage and high cost structures.
- The knife business utilizes yearling hard antler for hand crafted knives that demand is very solid for.

1803

1803

1803

1803





















# Conclusion

- Strong demand for all of our unique products domestically and Internationally.
- Acknowledge supply and processing limitations going forward.
- Increase the liquidity of the industry (processing).
- Increase our presence in retail both in domestic and export markets.
- We intend to continue to leverage many of the wonderful attributes that this animal brings to the table.