



## ON-FARM QUALITY ASSURANCE - THE STEPPING STONE

*David Stevens*

It was a new experience, being involved with another 43 deer farmers trying to set up an On-Farm Quality Assurance programme. I was impressed with the enthusiasm shown towards such a programme, putting the programme together, getting it off the ground and encouraging others to join. It was a great atmosphere to work in, although many wondered what they had let themselves into at the start.

### THE PROGRAMME

To convince farmers, the QA programme had to achieve the aim of providing the consumer with an assurance that met their expectations of product quality, to pre-empt any opportunities of imposed non-tariff restrictions on our products and to improve our on-farm profitability through better management, lower inputs and improved performance.

This may sound a bit warm and fuzzy to a lot of farmers. Although many deer farmers have no problem with the above statement, some still do. The programme will help, and has helped, to shift deer farmers' mind-set from the farm gate to the wider picture. As producers we are the first link in the chain to the consumer.

In the past, the meat industry has not encouraged farmers to look beyond the farm gate, an area considered to be processor or marketer business.

The repercussions of that situation we all know: strikes, no trust, breaking of contracts, procurement wars - all have helped in closing processing plants. This situation is changing, contracts are now common in the deer industry between producer and processor. A sense of loyalty is becoming evident on the part of both parties.

As farmers we are also customers, and expect the best quality and service for the least dollars. Farmers should also expect those handling our produce further up the chain to take the same care as we have in producing the product. Hopefully some day all producers will, with the help of this programme, produce a top product, by supplying clean healthy animals, free from stress, damage, residues, and with accurate documentation delivered on time.

This should also be the case for the velvet industry, producing a clean, damage-free product, from clean animals, free from stress, removed in clean hygienic facilities.

As deer farmers we are the producers of the raw product, and many of us in the past have underestimated the importance we have in the production chain. Many of you will be sitting there probably having a quiet smile, as you all know of deer farmers that don't think this way. They are our challenge. But minimal waste = savings in time = more dollars. This is not always easy to quantify to farmers who, in some cases, have lived with accepting waste (losses, poor animal health, underfeeding, damage etc), as a part of farming.

Our challenge as a Quality Assurance committee is to try to shift the mind-set of those farmers outside the programme. We need at least the majority on board in the next 18 months.

If the deer industry was perceived to have a problem such as has happened in Britain (with BSE), would it be enough to hold up the Quality Assurance programme, saying that most deer farmers are part of the programme and that things should be OK - I don't think so.

Don't take me wrong, the programme has had a very good response from deer farmers, but we need a lot more on board. Dollars are, and always will be, the great motivator in change, and it would be great if processors published a higher schedule for product produced from properties that were accredited under the quality assurance programme. The meat industry mentality of averaging is also alive and well with most processors in the deer industry, which at present is a cost borne by all deer farmers. There is a wide variation in the way farmers present their animals for slaughter, numbers incorrect, dirty in poor condition, delivery not on time, dishonoured contracts, and damage.

This situation will change as the venison volume increases and processors see an opportunity to select the most reliable suppliers and weed out those poor performers. The reliable top performers, if they are to continue improvement, will not only expect a higher return, but more information from processors. Likewise, the poor producers will no doubt expect the same if they are to improve.

Information needs to be provided on animal condition, bruising, yields, by-products, residues, shelf-life, skins, and meat yields. Velvet growers will expect velvet yields and colour information.

Vets, I believe, have a greater part to play (although many of you at present are doing this) in the rôle of information transfer and consultancy in the areas of animal health, welfare, feed budgeting etc. Almost all deer farmers would have a vet on their property a number of times a year, and realise the importance of the veterinarian's rôle in the farming of deer.

We are all starting to realise the consumer is becoming more selective and demanding - expecting more, asking for more information, and when your produce sells at the top of the market as Cervena and venison does in the white table-cloth restaurants, we must go that extra mile. With velvet, the practise of and the public's perception of, removal and hygiene will always be very important.

The clean, green image is very important to New Zealand, but at some point it will be challenged and will we pass the test? Many of our trading competitors will hope we don't. Dollars are a great

motivator, but quality does play a part in dollar returns. Its protection, safeguarding markets, getting the same return or better return than we have received in the past. It is insurance at a very low premium for the investment involved - but very high stakes. We all know how quickly a consumer can react and it is almost impossible to reverse the situation. The real facts are not often important to the consumer as it is the perception of the product that matters. They can very easily purchase something else without, as they see it, having the possible risk.

### **TQM - TOTAL QUALITY MANAGEMENT**

At the risk of being accused of shifting the goal post, Quality Management has a major influence on production and waste. Deer farming is still a relatively new primary industry with a wide variation in farmers' performance and management practices. This plays a large part in gross returns on individual properties. An example of this is the difference in returns between an average and a top velvet producer.

Using a model I put together last year

- \* The average velvet price for the 1993/94 season was \$93/kg
- \* The top velvet producers in that year achieved an average of \$120-\$130/kg or an extra \$27,000-\$37,000/tonne more income than the average grower
- \* The difference in value that year between A grade and D grade was \$55/kg (similar to this season)

Those top velvet producers are producing a low volume, high quality and value product that will probably return \$120-\$130 gross margin per stock unit, or \$1320-\$1430 gross/hectare for that season.

In that same year the top venison finishers achieved up to \$80 gross per stock unit, or \$880/hectare gross compared to the \$40 per stock unit the average deer farmer achieves.

I am often asked where the greatest financial gains can be made in deer farming. The answer, much to their surprise, is management - genetics are a very close second. As one deer farmer said to me, the difference between a good cocky and a poor one is probably one day.

### **WELFARE**

Another very important area which I haven't covered is welfare. Although it would be easy to frighten farmers into the QA programme over welfare concerns, this is not our intention, but farmers must be informed and aware of the issues and the possible outcomes. As one speaker said there is only one good position on the competitive playing field and that is playing down-hill (preferably with all of your players on your side).

As we all realise, QA is a continual improvement process and with that comes job satisfaction. There is nothing like getting it right and getting paid for it.