

# Velvet Sale Dates 2009/2010

North Island Depots  
 Cambridge  
 Dannevirke  
 Eketahuna  
 Fielding  
 Gisborne  
 Kaikohe  
 Kaitaia  
 Kumeu  
 Hamilton  
 Hastings  
 Helensville  
 Masterton  
 Matamata  
 Morrinsville  
 New Plymouth  
 Otorohanga  
 Pukekohe  
 Raetahi  
 Rotorua  
 Taihape  
 Taumarunui  
 Taupo  
 Tauranga  
 Te Awamutu  
 Te Kuiti  
 Te Puke  
 Thames  
 Waipukurau  
 Wairoa  
 Wanganui  
 Wellsford  
 Whakatane  
 Whangarei

	OCTOBER 2009	NOVEMBER 2009	DECEMBER 2009	JANUARY 2010	FEBRUARY 2010	MARCH 2010	APRIL 2010
THU 1		SUN 1	TUE 1 <small>Nelson Marlborough Velvet Comp</small> EW1 S6	FRI 1 <i>New Year's Day</i>	MON 1	MON 1	THU 1
FRI 2		MON 2	WED 2 <small>Otago Velvet Comp Alexandra</small>	SAT 2	TUE 2 EW2 S13	TUE 2 S17	FRI 2 <i>Good Friday</i>
SAT 3		TUE 3 S2	THU 3 <small>Taihape/Taranaki Velvet Comp N. Plymouth Northern Southland Velvet Comp Ruapehu Velvet Collection - Taihape</small>	SUN 3	WED 3	WED 3	SAT 3
SUN 4		WED 4	FRI 4 <small>Oxford Velvet Comp</small>	MON 4	THU 4	THU 4	SUN 4
MON 5		THU 5 <small>Ruapehu Velvet Collection - Taihape</small>	SAT 5	TUE 5	FRI 5	FRI 5	MON 5 <i>Easter Monday</i>
TUE 6		FRI 6	SUN 6	WED 6 <small>Kelly Oaks Deer Park Sale Love Red Deer Sale Pampas Heights Red Deer Sale</small>	SAT 6 <i>Waitangi Day</i>	SAT 6	TUE 6
WED 7		SAT 7	MON 7 <small>Closing Date NVC entries to Invercargill</small>	THU 7 <small>Rodway Park Sale Sarnia Deer Sale Raroa Red Deer Sale</small>	SUN 7	SUN 7	WED 7
THU 8		SUN 8	TUE 8 <small>Southland in association with National Velvet &amp; Hard Antler Comp Invercargill</small> S7	FRI 8 <small>Windermere Red Deer Sale</small>	MON 8	MON 8	THU 8
FRI 9		MON 9	WED 9 <small>National Velvet Comp Awards Dinner - Invercargill</small>	SAT 9 <small>Stanfields European and Eastern Red Sale Willow Creek Deer Sale Stanfields Eastern Red Deer Sale</small>	TUE 9 S14	TUE 9	FRI 9
SAT 10		TUE 10 S3	THU 10	SUN 10	WED 10	WED 10	SAT 10
SUN 11		WED 11	FRI 11	MON 11 <small>Peel Forest Red Deer Genetics Sale Petorus Stud Sale</small>	THU 11	THU 11	SUN 11
MON 12		THU 12 <small>Duncan &amp; Co Venison Carcass Comp Waikato, Rotorua, BOP, Waipa, Tongariro Presentation BBQ Lunch - Mamaku</small>	SAT 12	TUE 12 <small>Deer Genetics NZ Sale Gloriavale Deer Park Sale Littledale Deer Park Sale</small> S10	FRI 12	FRI 12	MON 12
TUE 13		FRI 13 <i>Canterbury Anniversary</i>	SUN 13 <small>Kaipara Velvet Comp / Xmas BBQ</small>	WED 13 <small>Remarkables Park Stud Deer Sale Netherdale Red Deer Sale</small>	SAT 13	SAT 13	TUE 13 S20
WED 14		SAT 14	MON 14	THU 14 <small>Ruapehu Velvet Collection - Taihape Arawata Pure Red Deer Sale Brock Deer Sale</small>	SUN 14	SUN 14	WED 14
THU 15		SUN 15	TUE 15 S8	FRI 15 <small>Doncaster Deer Sale Wilkins European Deer Sale Closing Date EWSNZ to Prebbleton</small>	MON 15	MON 15	THU 15
FRI 16		MON 16	WED 16 <small>Manaroa Deer Sale</small>	SAT 16 <small>P Grendelk Deer Sale Littlebourne Wapiti Sale Tikana Wapiti Sale</small>	TUE 16 S15	TUE 16 S18	FRI 16
SAT 17		TUE 17 S4	THU 17 <small>Stanfields European Red Deer Sale</small>	SUN 17 <small>Lochinvar Wapiti Sale Maryland Wapiti Sale</small>	WED 17	WED 17	SAT 17
SUN 18		WED 18	FRI 18 <small>Rotorua Velvet Comp &amp; Xmas Party</small> vsm PAYMENT 1	MON 18 <small>Clachanburn Elk Sale</small>	THU 18 <small>Ruapehu Velvet Collection - Taihape</small>	THU 18	SUN 18
MON 19		THU 19	SAT 19	TUE 19 <small>Rothsay Deer Sale</small> S11	FRI 19	FRI 19	MON 19
TUE 20		FRI 20 <small>Waipa Velvet Comp / Pot luck Dinner</small>	SUN 20	WED 20 <small>Edendale Wapiti Sale</small>	SAT 20 <small>National Rising Stars 2 yr Velvet Comp &amp; 1,2,3 yr Hard Antler Comp Cambridge</small>	SAT 20	TUE 20
WED 21		SAT 21 <small>East Coast / BOP / Poverty Bay / Wairoa Velvet Comp &amp; Function - Mahia H/B Velvet Comp &amp; Function - Meeanee</small>	MON 21	THU 21 <small>Raincliff Wapiti Sale</small>	SUN 21	SUN 21	WED 21
THU 22		SUN 22	TUE 22 S9	FRI 22	MON 22	MON 22	THU 22
FRI 23		MON 23	WED 23	SAT 23 <small>EWSNZ National Velvet &amp; Hard Antler Competition - Christchurch</small>	TUE 23 S16	TUE 23	FRI 23
SAT 24		TUE 24 S5	THU 24	SUN 24	WED 24	WED 24	SAT 24
SUN 25		WED 25	FRI 25 <i>Christmas Day</i>	MON 25	THU 25	THU 25	SUN 25 <i>ANZAC Day</i>
MON 26 <i>Labour Day</i>		THU 26	SAT 26 <i>Boxing Day</i>	TUE 26 S12	FRI 26 vsm PAYMENT 2	FRI 26	MON 26
TUE 27 S1		FRI 27 <small>Wairarapa Velvet Competition SCNO Velvet Competition / Dinner Pleasant Point</small>	SUN 27	WED 27	SAT 27	SAT 27	TUE 27 S21
WED 28		SAT 28 <small>Central Regions in assoc with NVC North Island Velvet Antler and Hard Antler Comp - Palmerston North</small>	MON 28	THU 28	SUN 28	SUN 28	WED 28
THU 29		SUN 29 <small>Waikato Velvet Comp and Xmas Function Mamaku</small>	TUE 29	FRI 29		MON 29	THU 29
FRI 30		MON 30	WED 30	SAT 30 <small>Fiordland Annual Velvet Comp</small>		TUE 30 EW3 S19	FRI 30
SAT 31			THU 31	SUN 31		WED 31	

South Island Depots

Alexandra  
 Amberley  
 Ashburton  
 Balclutha  
 Blenheim  
 Cheviot  
 Culverden  
 Cromwell  
 Darfield  
 Fairlie  
 Geraldine  
 Gore  
 Greymouth  
 Invercargill  
 Kaikoura  
 Lumsden  
 Mosgiel  
 Murchison  
 Oamaru  
 Otautau  
 Palmerston  
 Rangiora  
 Richmond  
 Takaka  
 Te Anau  
 Timaru  
 Waimate  
 Westport  
 Winton



VSM Installments

1. 18 Dec 2009
2. 26 Feb 2010
3. 31 May 2010
4. Final\*

\* Final / added value ASAP after May (date tbc).



## Terms and Conditions NZVM VSM™

Terms and Conditions of VSM™ Contract when deer velvet is supplied for sale by to New Zealand Velvet Marketing Company Limited

These terms and conditions of contract apply to any deer velvet supplier (Supplier) and New Zealand Velvet Marketing Company Limited (NZVM) and regulate transactions where a Supplier's deer velvet (Velvet) is to be subject to sale by way of NZVM's Velvet Supply Management System (VSM system and Sale).

### General Terms to apply

- These terms and conditions shall be read together with NZVM's General Terms and Conditions of Contract when deer velvet is supplied for sale to NZVM as set out at on the back of the Advice Notice and at [www.nzvm.co.nz](http://www.nzvm.co.nz) (General Terms). In the event of any conflict between these terms and conditions and the General Terms, these terms and conditions shall prevail.
- Unless the context requires otherwise, all terms defined in the General Terms will also apply to these terms and conditions.

### Advice Notice

- These terms and conditions will only apply to consignments of Velvet delivered to an NZVM assigned Velvet Grading Centre accompanied by an advice note (Advice Notice) which specifies the sale of the Velvet is to be conducted by way of the VSM system.

### VSM availability period

- NZVM will not accept Velvet for sale by way of the VSM system after 14 May 2010.

### Specifications

- All Velvet supplied by the Supplier for sale by the VSM system must be:
  - ready for sale;
  - tagged with Deer Industry New Zealand tags; and
  - to NZFSA standards and comply with all relevant statutory, regulatory and safety requirements.
- Shortly after delivery of the Velvet to the Grading Centre, NZVM will inspect the Velvet to ensure it complies with the requirements set out at clause 5. Promptly following inspection, NZVM will deliver to the Supplier a preliminary grading sheet (Preliminary Grading Sheet), confirming the acceptability (or otherwise) of the Velvet and, in particular, specifying its grade and weight. The Preliminary Grading Sheet will be final, determinative and binding on all parties.
- Where the Velvet does not meet the qualifications set out above or is otherwise unacceptable to NZVM, the parties agree that NZVM will place the Velvet in the sale pool for Velvet and the Sale will be governed by the General Terms.

### Sale by VSM system

- NZVM will act on behalf of the Supplier as its agent when negotiating the Sale of the Velvet to the customer purchasing Velvet through the VSM system (Customer).
- NZVM will endeavour to sell the Velvet at the best available price subject to prevailing market conditions and other trade factors (Sale Price). The Supplier acknowledges that no warranty or representation has been given by NZVM in relation to the anticipated Sale Price.
- NZVM may arrange for the Sale of the Velvet under the VSM system by contract, tender or private treaty, to be determined in its sole discretion.
- NZVM shall not be liable for any loss suffered by the Supplier in relation to the Sale Price.
- NZVM must take reasonable steps to ensure payment of the Sale Price by the Customer purchasing the Velvet under the VSM system.
- NZVM will not be liable to the Supplier for any losses, damages or costs incurred by the Supplier by reason of the failure of the Customer to complete its purchase of the Velvet.
- The Supplier may not withdraw the Velvet from Sale once supplied to NZVM for Sale under the VSM system.

### Payments and Fees

- NZVM shall pay the Supplier for the Velvet it sells under the VSM system during each season in part payments, in accordance with the payment terms set out in the seasonal calendar
- The Supplier will be liable to pay to NZVM all normal charges, together with any additional fees, charges, costs and commission, (Fees) to cover NZVM's costs in providing the services under the VSM system. All such Fees will be as notified by NZVM from time to time. Unless otherwise noted, all Fees are plus GST. The Supplier authorises NZVM to deduct any amount due to it from payments to be made to the Supplier.
- The Supplier grants to NZVM a security interest over all velvet of the Supplier held from time to time by NZVM for the purposes of the Personal Property Securities Act as security for payment of any Fees and all amounts due under these terms and conditions, including any future amounts, and as security for compliance by the Supplier of its obligations contained or referred to in this Agreement.

### Indemnity

- In addition to the indemnity contained in the General Terms, the Supplier indemnifies NZVM and the Customer in full against any and all losses, damages and costs (including legal costs) arising by reason of the Supplier breaching any of these terms or conditions.

### Multiple Suppliers

- NZVM recognises that several persons may combine their velvet product. Where this applies, then the Supplier acknowledges that the first person's name on the Advice Notice or Preliminary Grading Sheet, as the case may be, will be deemed the Supplier and NZVM will only communicate with, give notices to and accept notices from, that person and the sales proceeds for the Velvet sold will be credited to, and all Fees charged to and levies paid on behalf of, will be to the account of that person.

### Termination

- NZVM reserves the right to terminate its agreement to sell the Velvet on behalf of the Supplier, by notice in writing if:
  - the Supplier breaches any of its obligations set out in these terms and conditions or the General Terms; or
  - the Supplier becomes insolvent, or being a company is wound up or has a receiver appointed.
- Termination shall be without prejudice to any rights of NZVM against the Supplier.
- On termination NZVM will be entitled to deduct from any moneys held on account of the Supplier any amount due to NZVM by the Supplier and an amount that in NZVM's reasonable opinion is sufficient to cover any costs and losses incurred or suffered by NZVM as a consequence of termination. NZVM's decision as to the amount payable (if any) to the Supplier on termination will be final.
- On termination, payment of any amount owed by the Supplier to NZVM shall become immediately due and interest at a rate of 4% above the base commercial lending rate then being charged by NZVM's bankers shall accrue on a daily basis from the termination date until payment of all outstanding amounts due to NZVM are made in full.

### Agency

- NZVM may act for either or both the Supplier and/or the Customer in respect of the purchase of any Velvet under the VSM system. In such cases NZVM may deduct commission, fees or charges from both the Supplier and the Customer.
- When acting as an agent for another (the Principal), NZVM is deemed not to be responsible or liable in any way for anything done or not done by or on behalf of the Principal.
- Unless otherwise specified, where NZVM acts as agent of the Supplier, NZVM may choose in its sole discretion to pay the Supplier before receiving full payment from the Customer. In such case, the Supplier will not be released from any liability and the Customer's rights under the contract of sale are deemed to be transferred to NZVM.

## General Terms and Conditions of Contract

Conditions of Contract when deer velvet supplied to the New Zealand Velvet Marketing Company Limited for sale

These conditions apply to any Supplier and the New Zealand Velvet Marketing Co. Ltd. (NZVM) to regulate transactions where a Supplier enters deer velvet for sale at any NZVM Deer Velvet Sale.

- The Supplier warrants that it has clear and unencumbered title to all velvet supplied and indemnifies NZVM against any loss occasioned by a breach of this clause.
- NZVM reserves the right to reject any velvet supplied if it deems it to be unacceptable for sale. NZVM decision as to rejection shall be final. Accordingly NZVM decision as to the grading of the velvet is also final and not reviewable by the Supplier.
- The weight of the velvet as entered on this Advice Note is approximate only and actual weight will be as graded at a NZVM assigned Velvet Grading Centre.
- The Supplier may not withdraw any velvet from the sale once it is accepted by NZVM acceptance occurring upon the receipt by the Supplier of an Advice Note.
- Upon acceptance the risk of insuring the velvet shall become NZVM's who agrees to keep it insured to its full insurable value against loss or damage while in NZVM's possession
- Property in the velvet remains in the Supplier until the velvet is sold and paid for by a Purchaser PROVIDED that NZVM shall have no liability to the Supplier nor to any other party in the event of the velvet not being sold; failure to offer the velvet in the sale indicated; a default by the Purchaser; nor for any loss occasioned due to a lower price being obtained on any resale. NZVM will take all due care to avoid such losses but is under no responsibility to the Supplier therefor. If velvet is not sold the Supplier shall accept velvet of the equivalent weight and quality to that originally supplied.
- The Supplier acknowledges that upon grading the velvet becomes mixed with other velvet from other Suppliers and is not able to be separately identified and accordingly the Supplier's rights in relation to it are in respect to the proceeds of sale (if sold) instead of the velvet itself.

- Payment of the proceeds of sale shall be made to the Supplier forthwith after receipt of the purchase price from the Purchaser after deduction of commission and after customary statutory charges.
- The Supplier shall pay to NZVM its normal charges with respect to the sale of velvet from time to time as advised by NZVM. NZVM reserves the right from time to time to vary its charges and such variations shall be binding on the Supplier. Without limitation, NZVM charges will include freight costs to NZVM, insurance costs, grading of velvet to Deer Industry New Zealand guidelines, offering velvet for sale and the storage of velvet.
- Any velvet unsold by the end of the NZVM season in any year shall be removed by the Supplier at its cost including but not limited to freight costs and insurance costs. In the event that the Supplier shall not have removed such unsold velvet by the end of the NZVM season, the Supplier shall upon demand reimburse NZVM all costs of storage at normal commercial rates and insurance costs (plus GST) from such time until such velvet is removed by the Supplier. Upon collection of the velvet by the Supplier, risk shall forthwith revert to the Supplier.
- If a Supplier shall choose to enter any premises owned, occupied or operated by NZVM he shall do so solely at his own risk and NZVM shall not be in any way liable or responsible for any injury or damage whatsoever occurring.

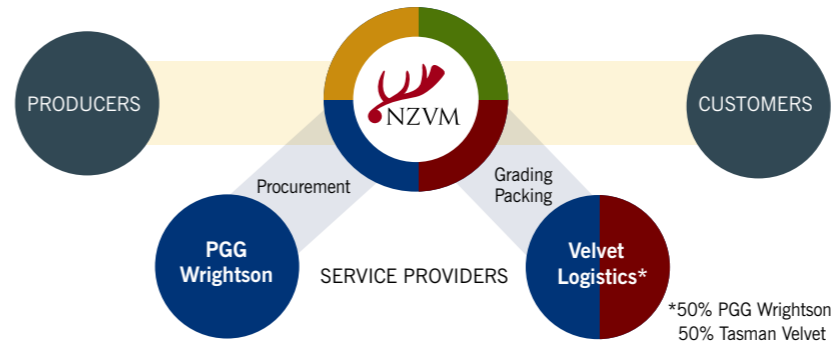


# VELVET SALE DATES 2009/2010

[www.nzvm.co.nz](http://www.nzvm.co.nz)

New Zealand Velvet Marketing Company Limited (NZVM) is focused on marketing New Zealand's quality deer velvet to world markets with the support of velvet producers. We are responsible for marketing over two-thirds of New Zealand velvet sales, driving further efficiencies and marketing initiatives. This is the first step toward improving returns for velvet producers through a focus on marketing rather than commodity selling.

NZVM ● 25% PGG Wrightson, ● 25% NZ Velvet Co-op ● 25% Tasman Velvet ● 25% Veleco



### What are our strategies?

- To return the velvet industry to profitability by increasing revenue and controlling costs.
- To institute discipline into the selling market at both farm gate and at the wharf by demonstrating the advantages to both suppliers and buyers of consistency in quality and a pricing structure to reflect market value.
- To diversify the market away from dependence solely on the Korean market by developing the Chinese domestic demand through marketing investment.

### What have we achieved?

- Control over a large portion of production through the VSM contract system.
- In this first year the partners have collected 60%, graded 75% and exported directly to export markets 50% of the velvet crop.
- Have already managed 35% of the crop into the Chinese domestic consumption market and anticipate this increasing to 50% within two years.

### Future for the industry

- The market diversification and contract selling should take volatility out of the selling market for deer velvet and should give price and cashflow stability which has been lacking up until now.
- NZVM were successful in getting market prices up during last season and expect much improved levels next season with targets over \$100 for Korean grade.
- By working with contract partners NZVM has been able to restore confidence of buyers in taking a position without having to worry about prices running up or being undercut and therefore we expect more participation in the channels of distribution. Especially so by committed participants rather than speculators and traders.
- NZVM will continue dialogue with other industry participants with a view to providing a more unified approach.

### Co-operative shareholding

Suppliers can purchase shares in either NZ Velvet Co-op or Veleco Co-op. They will communicate their message directly during the season.

## Sales option one: VSM™

VSM will continue to operate in a collective manner. By moving away from the spot market we aim to reduce volatility and average out the return per grade for the season. We firmly believe that allowing the experienced NZVM team to make decisions to sell VSM velvet through contracts, private sales or tenders at key times will deliver benefits relative to the quality of product you produce, rather than your choice of sale day.

The changes are made to encourage collective behaviour in the marketing of New Zealand velvet into the future.

## VSM™ features for 2009/10

- Average price per grade paid for the season
- All grades accepted
- Quantity no barrier to entry
- Strictly confidential
- Installments payable December, February, May and the final Added Value (AV) payment after May
- Approx. 10% of the VSM volume will be dedicated to added value and niche premium sales and paid exclusively to VSM suppliers as part of the final payment asap after MAY
- Co-operative shareholding is optional.

## Sales option two: The Pool/Spot Market

- Producer nominates time of sale from the scheduled Velvet Sale Dates
- Option to hold

The Pool/Spot is a fully managed system with a mix of tender, private sale and contracts

## NZVM charges for 2009/10

One flat rate for both options of \$7.65/kg\*

Last season the PGW standard charge was \$4.50 + 3.5% (+ \$1VSM). Now the one rate covers everything.

(\*\$5 for HV1&4, Man3, HA1&2; \$3 for Buttons)

For more information contact your local PGG Wrightson representative or call **0800 4 835 838**



New Zealand Velvet Marketing Company Limited

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