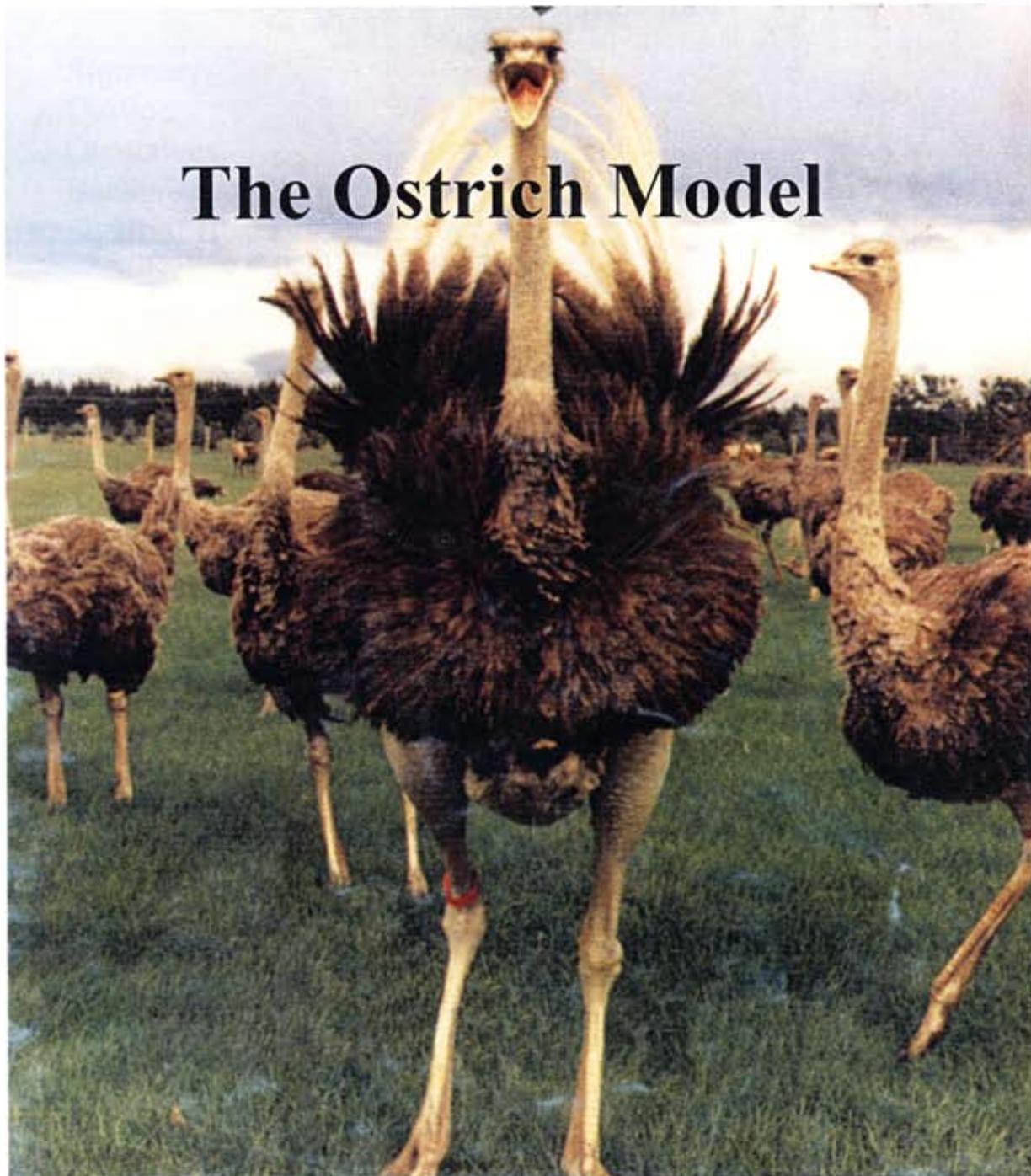


# **New Industry Establishment:**



## **The Ostrich Model**

**Anne Munro**

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## Summary.

- Today ostriches are being processed for export.
- It has taken 7 years from no industry to export.
- It has been solely industry driven and funded.
- Is the Industry established? Questionable.
- Through the attempts to establish itself, the industry organization and its' participants are exhausted.

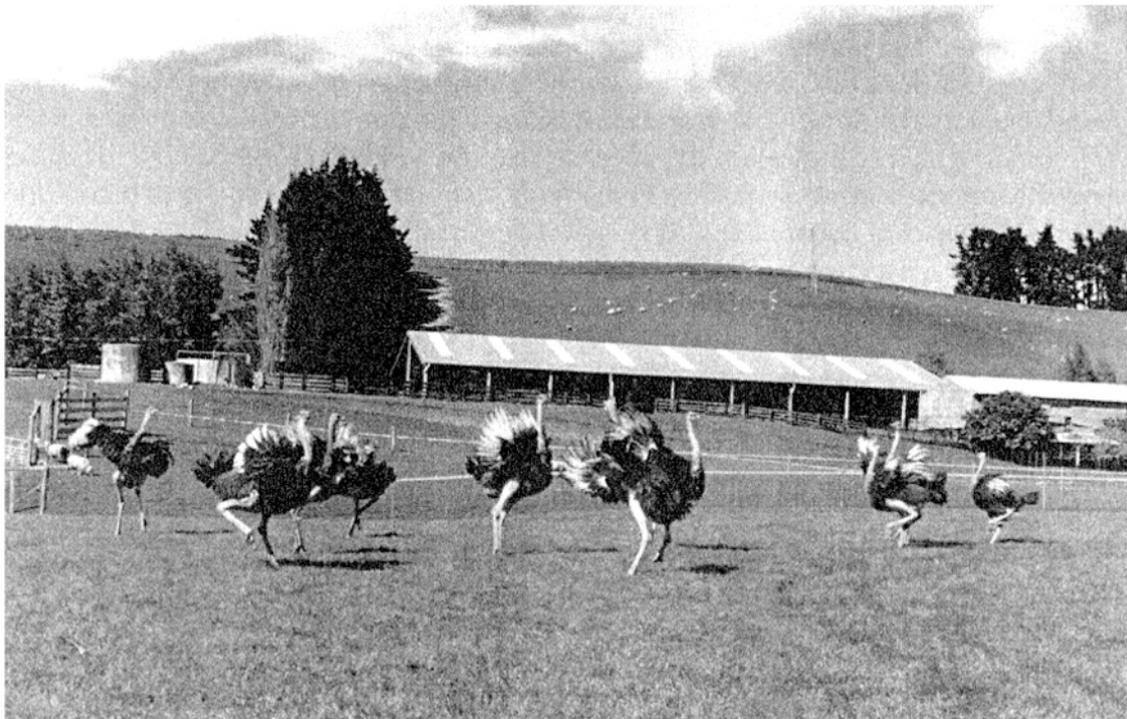
## Outline.

Attempting to establish a new agriculturally based industry is difficult. Many attempts fail. Many attempts fall short of the original high expectations. No attempt happens without major commitments, huge financial inputs, hardships, heartaches and a considerable amount of time.

## Objectives.

The objectives of this project are as follows:

1. To analyse and investigate the process of a recent attempt to establish a new industry.
2. To highlight the challenges that new industry faces.
3. To ascertain what drives individuals to undertake such a challenge.
4. To establish what the new entrants v's withdrawals ratios are during the process.
5. To ascertain what support networks are/should there be available to assist.
6. To offer insight and improve awareness of what is required to attempt to establish a new agriculturally based industry.



# Background Behind the Ostrich Industry

## Brief History.

The advent of the motorcar and onset of the First World War are the two most commonly used causes for the collapse of the Ostrich Industry in the early part of the Twentieth century. Fashionable ladies were no longer able to adorn themselves with lavishly exquisite, broad rimmed ostrich plume hats as they raced along the roads in open tour cars at break neck speeds of 50 km/hr nor was it appropriate to be excessive in your finery while your men were at the front fighting a war. The ostrich feather industry's hey day had lasted almost fifty years.

At it's peak, around 1913, ostrich feathers ranked fourth in value after gold, diamonds and wool on the list of exports from the union of South Africa.

It wasn't until the late 1940's that any sort of revival was apparent, again fashion's demand for the feather returned. There was also an increased demand for the feather duster which provided a market for the less desirable feathers, a demand for ostrich leather hides arose and the biltong (African style dried meat) trade was revived.

In South Africa during the 1950's an ostrich industry co-operative, the Klein Karoo Landboukooperasie (KKK), was set up to assist in stabilizing and offering a more sound footing for the industry. This then effectively became a monopoly marketing body. The quiet revival continued.

By 1980, in South Africa the annual turnover of feathers, hides, biltong, bone meal and other by-products had reached 9 million Rand. By 1986 USA was importing 90,000 ostrich skins from South Africa, in the main part for ostrich leather cowboy boot manufacture. (*Ostrich Farming, Australian Town & Country Farmer, Autumn 1991*) Japan, Italy and West Germany were also showing an interest in ostrich skins. However the late 1980's, saw a series of events unfold. Firstly the world's intolerance to apartheid had peaked, trade embargoes and sanctions were placed upon South Africa as a protest. At the same time the KKK had been advising it's members not to expand production. Up until this point ostrich leather buyers world wide had been placed on a quota system, never receiving the number of hides that they were needing. The absence of competing hides such as elephant, leopard, cheetah and buffalo was also believed to increase the demand for ostrich leather. Countries such as Japan and the USA were starting to express an interest in exotic meats. South African legislation prohibited the export of ostriches and ostrich eggs. All these factors inadvertently contributed to creating an international shortage of ostrich products when the demand was increasing. Thus effectively creating the revival of the ostrich industry, this time however driven primarily for the desire to satisfy the demand for ostrich skins. But, by this time also the qualities of ostrich meat had been ascertained, this fitted neatly into the psyche of the health conscious.

During the 1980's, entrepreneurs from the countries of Israel, USA, Canada and Australia saw the series of events as an opportunity to develop ostrich farming within their own countries.

## New Zealand History.

New Zealand had established a small number of ostriches at the turn of last century for the purpose of harvesting feathers. However this collapsed as it did everywhere else circa 1915. The last of the surviving ostriches in New Zealand from this era is reported to have died in 1936.

## World Scene 1994:

By 1994 the idea of farming ostriches had hit the World scene. Many countries, through entrepreneurial activity were now embracing the concept. In April 1994, the European Ostrich Association, now just a year old held its second Annual Conference in Ardennes, Belgium. The number of delegates attending is not recorded but only half the attendees farmed ostriches and of that half virtually none farmed to slaughter. (Ostrich Update; Spring '94; #3; Official Publication of European Ostrich Assn.)

- USA: By 1990 at least two industry Associations had been formed in USA. Sept, 1992 saw an amalgamation into one association - American Ostrich Association. Prior to 1989 importation of live ostriches was under the same guidelines as many other animals and relatively standard. 1991, however the USDA upgraded the guidelines which only allowed the importation of chicks and eggs and there were more stringent requirements regarding the exporting facilities. 1992-1993 USA imported 70,414 eggs released 15,556 live chicks = 22.1%. 1,774 chicks imported released 1,346 of those chicks = 77.5%. By 1994, a number of universities and private abattoirs are developing techniques and equipment for efficient harvesting of meat hide and feathers. Ostrich meat dishes are beginning to appear on menus and demand for ostrich meat is overwhelming.
- Australia: August 24<sup>th</sup> 1988 an Australian Ostrich Association was formed with a membership of 40. By January 31<sup>st</sup> 1991 the membership had grown to 192. The Association had formulated an industry plan and were in the process of reviewing importation/quarantine protocols and future setting up of regions. In 1994 the Australian Ostrich Association membership exceeds 1,200.
- United Kingdom: Main Thrust is Quarantine. Exporting adult birds to Canada. Birds are flown in from Africa or Europe (mainly Holland). There are no killing facilities, but there is a high demand for ostrich meat. In 1990 the British Domestic Ostrich Association was formed.
- Italy: First importation of ostriches, October 1991, through learning about ostrich farming in the USA.
- France: Rigid certification required to farm ostriches; Three Certificates required: Certificate of Competence: i.e. to obey all laws pertaining to the protection of the environment. An Opening Authorization certificate which is only granted after completion of competence. Marketing regulation certificate. (which includes producing 3 year marketing report showing projected profitability of the enterprise) Only 15 farms operating. However France consumed between 20 and 25 tonnes of ostrich meat in 1993.
- Netherlands: Difficult to get off the ground due to a few outbreaks of avian influenza and activist groups openly opposed to ostrich farming eg Society for

Prevention of Cruelty to Animals and “Lekker Dier” (Taste for Animals). First Auction went badly and most of the birds went to Spain.

- Sweden: Setting up quarantine and attempting to import 60 adult birds. Association to be set up as required to assist the Board of Agriculture to formulate rules for farming ostriches in Sweden.
- Spain: The Spanish Ostrich Breeders Association formed in August 1993. There has been a large number of immigrants recently settle in southern Spain. Immigration and farming relatively straight forward – low cost of land, labour and feed. First official Ostrich Farming license granted. Department of Agriculture are on the whole very enthusiastic and helpful about developing a new farming industry.
- Czech Republic: Czech Ostrich Association founded in October, 1993. Initiating steps to establish first ostrich farm located near Novy Jian.
- Slovenia: The Slovenia Ostrich Association founded in May 1993 with 50 members. Mostly made up of enthusiasts. Slovenian Ministry of Agriculture assisted and made it possible to produce ostrich feed at the Biotechnical Faculty of the University of Ljubljana.
- Finland: After refusing farmers import licenses for ostriches for a year, Finnish Ministry of Agriculture changed their mind and allowed 197 breeding birds into Finland from their neighbouring country Sweden. These birds were destined for 8 separate farms.
- Portugal: An Association yet to be formed. Portuguese farmers Association are very interested in the ratite industry and has agreed to publicise it and to press governmental support in order to try to make Portugal a European leader in the field.
- Kenya: 1989 saw the first ostrich eggs collected from the wild and artificially incubated for farming in modern Kenya. Since then 60 farms have been registered, The majority are running less than 50 birds however the largest is running in excess of 1,000. Kenyan Ostrich Producers Association has been established and is currently working hard to clear farmers for exporting livestock and eggs to USA. Wild stock collection is rigorously controlled by the authorities.
- Zimbabwe: Live exports of ostriches and eggs remains high priority. Exports to Europe, the Far East (China) and USA. Construction of national slaughter facility due to commence in July. Access to 3 tanneries.
- Jordon: The Arabian Ostrich (*Struthio Camelus Syriacus*) which roamed this area is now extinct. 1983, 3 Blue necked ostriches, a subspecies, were obtained from the Oklahoma City Zoo, USA, to breed at Shaumari Wildlife Reserve.
- Germany: An Ostrich Association was formed in November 1993. Just under 100 members. Unable to directly import birds from Africa and are forced to import through neighbouring countries such as The Netherlands which they feel is well known for its bad reputation for illegal practices, very little after sales support and birds of unknown origin. The Association is currently establishing itself as the breeders lobby in negotiations with German authorities.

## New Zealand Scene 1994.

The late entry of New Zealand into the “modern” ostrich industry was due to the strict importation regulations. New Zealand is fortunate and unique in that it has a very high avian health status. In 1990 Ministry of Agriculture and Fisheries permitted ostrich eggs to be imported from Australia (considered to a similar health status) into a medium security quarantine at Massey University. All 24 chicks successfully hatched subsequently died while still in quarantine.

*Extract from Avian Importation policy Review; March 1994. For a number of years calls have been made for both liberalising and restricting the policies followed by MAF in relation to the importation of avian genetic materials.*

*The current policies have developed in an ad hoc manner and have been in place for a long time (many at least 9 years). During this time considerable advances have been made in avian disease knowledge and testing. In the same period there has been an expansion of interest, in avian species as income sources (especially ducks, pigeons, emu and ostriches) and for recreational purposes.*

*In late 1992 approval was obtained to perform a review of MAF's policies.*

# Industry Participants.

To gain a greater understanding and appreciation of what drives individuals to attempt to establish a new industry a telephone survey was undertaken. Past and present financial members of the New Zealand Ostrich Association were randomly chosen. In total forty people were surveyed which equates to 28% of the current membership of the New Zealand Ostrich Association.

## **Q.) How then and in what year did those that became involved first hear/learn about ostrich farming?**

The earliest noted knowledge of this new scheme by individuals who subsequently became foundation members of the New Zealand Ostrich Association was in 1991. While sitting on a beach talking with a friend who was in the gourmet meat trade from Britain. He remarked at the lack of livestock in Northland and suggested that ostrich was “the way to go.” The couple laughed at the joke but it was obviously enough as they said for “the seed to be sown.”

For the rest of the earliest entrants to the idea it wasn't until 1993- 1994 that they became aware and interested. Overwhelmingly those surveyed learnt about ostrich through the word of mouth. Mostly, through friends or relations with connections in Australia or in two instances the USA. There was a few who were stirred by an article that appeared in the *Rural News Page 17, section 2, February 22 1993, “Move Over Moa Emu's the Goer”!* After researching further deciding that it wasn't so much Emu that had the potential but more likely Ostrich. Ostrich were internationally already recognised for leather and feather production and simple economics suggested that if you put input into something you might as well put it into something that was basically twice the size and had the ability to produce twice the volumes of product. Other ways in which early entrants' interest were stirred included working for a number of years in the Sudan and observing ostrich naturally and marveling at their productivity under such harsh conditions. South African immigrants who had been familiar with ostrich farming all their lives admitted that their desire to farm ostriches in New Zealand was driven purely by nostalgia.

During 1995 especially, when the idea of ostrich was rampant it wasn't uncommon for Australian Ostrich Investment Companies to literally drive off the road at a desirable property in a desirable location and introduce themselves and propositions to the land owners.

## **Q.) Why did the potential of farming ostrich interest people?**

The reasons given by those surveyed, as to why the potential of ostrich farming interested them were as follows: (in order of most common replies)

- They believed they had the pioneering attitude/spirit. It was something new and offered a challenge.
- Early entrants believed that if they got in early, they would have a greater chance of building on their investment through being part of the high growth phase.(return on the way through)
- Agricultural potential. Could see it working on the farm.
- Principles of ostrich farming appeared sound. Feed conversion rates impressive.

- Stocking rate/Productivity/Profitability on a small area of land/small farm.
- Offered a form of diversification from conventional farming.
- Some saw it as a way of getting into farming. A way for an individual to earn a living. (incubation). A way of being self reliant in older age/retirement.
- Money! Financial returns sounded very good / salesmanship was convincing. Respect for business minded friend's advice!
- Meat – taste & healthy alternative. It was “meat industry” which NZ knew very well, but this was new and had no “baggage”. Consumer attitudes changing and a belief that the timing was right for something new.
- Hides. Strength, beauty & reputation.
- All the above - believed it would tough to get going but viable long term.

**Q.) How then did these people become involved?**

Involvement came about by:

- Investment in Ostrich Investment Companies, sharefarming arrangements with investment companies, outright purchases from investment companies.
- Some felt that the most economical way for them to get involved was to set up their own quarantine stations, either low or high level and bring initially eggs in from Australia then Canada and in effect become investment companies themselves to offset their costs. A number of these “players” entered into agreement and partnerships with Australian companies.
- Other examples included one early entrant who had experience in other sunrise industry's and although he had enjoyed the experience of being involved in something new he wanted only limited financial exposure. He therefore set about to form a company with shareholders (which included a lawyer and an Accountant) and got into agisting birds. He also became an agent for a brand of incubators.

Another early entrant confesses that she did not invest herself but rather promoted and sold the idea on behalf of.

The early entrants to the ostrich industry surveyed described themselves as relatively bold investors. Some qualified their statement by believing that although they were bold it was calculated and with little risk. On two occasions, in hindsight, naivety, ignorance and greed were used.

The majority of early investors expected to achieve a satisfactory return on their investment within five years. Sadly for most this did not happen and most are still waiting. For those that did achieve this expectation the reasons given were that they traded as they went. A number of these people vacated the industry. Others were involved in partnerships where their exposure wasn't great or they were involved in associated industries such as agistment, incubation and transporting.

A number indicated that they initially achieved good returns but continued to reinvest in the industry.

A few believed that although they had not achieved overly satisfactory returns they still felt that they were ahead of the “game”.

For those surveyed that were still involved in the industry, the majority believed, had faith and felt confident in the future for ostrich farming. Some admitted to being straight out pigheaded, refusing to give up on something that had so much put into it,

they were determined to see it through. Some were finally realising a return on their investment. A few just enjoyed ostrich farming, the ostriches weren't costing too much to run. They were quite simply satisfied to wait and see.

For those surveyed, who were no longer involved in the industry their reasons included:

- Circumstances changed: change in lifestyle, sold property, partnership breakdowns.
- Ran out of money/bankruptcy.
- Had given it everything and had decided to cut losses. Too much time spent for little return.
- Politics involved got them down.

Interestingly, 65% of those surveyed would, given the opportunity involve themselves in establishing another new agriculturally based industry. Some added proviso's and with the 10% who were unsure of any involvement commented that before any financial commitment the proposed new industry would need to be methodically researched, homework done thoroughly and that a form of income could be earned from the outset. Protect your initial investment. Next time a number of them would not get so emotionally involved.

I wonder how many potential ostrich investors in New Zealand would have continued to do so had they had access to Gene Pfeiffer, President of the American Ostrich Association, report published in the American Ostrich Report Publication December, 1992 : *unless you are blessed with unlimited tenacity, as well as the ability to weather repeated disappointments and financial strains, you might do better to look at other investments.* He goes on to comment on the degrees of difficulty (scale of 10) of raising ostriches. *Chicks from 1 day – 3 months 9.5; Birds from 3 months – 6 months 4.0; Birds 6 months – 1 year 2.0; 1 year to adult 0.5.* In this report he also comments on "Greed" that is overtaking the emerging industry and a call for guidelines and Standards.

For the 25% who in no way would involve themselves again in establishing a new industry, the reasons given included:

- Bureaucracy had made the attempt too hard and difficult.
- Had put everything too much at risk, had made too much of a financial commitment.
- The first level of involvement is too expensive, next time waiting 2-3 years would be more beneficial.
- Age was against them.
- Potential seemed so huge, but broke golden rule never to get involved in a seasonal business ie complete uncertainty.
- It's safer to get involved in associated industries. - Remembered what Grandad said "There were only two kinds of people that made any money goldmining, the man who owned the goldmine and the man who supplied food to the goldminers."

**General Comments by individuals who wished them to be recorded included are as follows:**

- Although I lost too much money and it was too challenging, I enjoyed the farming of the birds and the knowledge sharing was great.
- Ostrich farming is a full time/hands on job.
- Didn't appreciate or consider the effort it would take to get it "off the ground."
- People intending to be involved in a new industry need to be up to the challenge and highly motivated.
- Having ideas is one thing but it takes courage to see those ideas through to a reality
- Investor industry doomed it – tragic because products are so marketable. If the industry could have paced itself more/ been regulated/ slowed down, it would have helped enormously. The open door import policy killed it for a lot of people. It was sad to see so many good people have to give up the struggle.
- Lack of any technical assistance has made set up costs too high. In time and money.
- Too much time was put on the potential financial returns as opposed to development cost.
- New Zealanders investing overseas made it difficult. eg Affro an Australian Ostrich Investment Company was reported ( Andrew Logie, Lane Neave Ronaldson, *pers comm.*) to have signed up between 1,000 & 2,000 New Zealanders either for a bird or a pair of birds for a minimum figure of A\$15,000 per bird which conservatively equates to at least A\$30 million being taken out of New Zealand.)

# Industry Organisation.

January, 24<sup>th</sup> 1994, a meeting initiated by the Principal of the key ostrich investment company of the time New Zealand Ostriches Ltd/ Bierteron Downs Ltd., was held in Rotorua. All the investors in NZO Ltd at that time, were in attendance except one couple who sent an apology. A total of twenty eight people. The outcome of this meeting, was the formation of an industry association, the volunteering (nobody knew each other) of individuals to fill roles of President, Treasurer, Secretary, and a committee of 8. Those seven committee members strategically represented areas covering the whole of New Zealand. One committee member was from Australia. The President was the Principal of New Zealand Ostriches, Secretary and Treasurer were employees of the same company.

A draft Articles of Association was presented. (taken from the already set up NZ Emu Farmers Association of which had the same President, Secretary and treasurer) Annual Membership fees were set at \$200 + gst full member; \$100 + gst associate member.

The recorded explanation as to why the two emerging ratite industries required separate associations was that the birds were quite different. Ostriches more prolific and therefore the ostrich industry is more likely to grow at a faster rate. Differences required different focus and different expectations.

## **Year One (1994-1995)**

Seven of the eight meetings were held at Bierteron Downs, Rotorua. The eighth meeting was held in Christchurch to coincide with the first New Zealand Emu Farmers Conference. Part way through the year, a person with a media background was co-opted on to replace the resignation of a committee member.

Approximately \$11,120 (collectively) was personally spent by committee members to attend meetings. Very few motions recorded in the minutes during the year.

### Achievements:

- Committee identified its role. To educate and inform, support research and development activities, assist with growth, development and promotion of ostrich farming in New Zealand. To steer marketing and technical committees.
- Amalgamation of two ostrich associations. (During the second committee meeting the committee were made aware of two ostrich associations. The name New Zealand Ostrich Farmers Association was registered within days of the inaugural meeting in Rotorua. Because of the similarity of name, New Zealand Ostrich Association name was unable to be registered. Therefore the name for the time being became Ostrich Association of NZ. The person responsible for registering the first association name was an ex employee of Bierteron Downs.)
- Doug Black, Avian Vet, Australia, David Narricott, Ostrich Farmer/ Exporter, Zimbabwe made Honorary members.
- Production and circulation of Association Ostrich Farming in New Zealand brochures.
- First National Conference
- First appearance at Mystery Creek National Fieldays. OANZ space in NZO Ltd. tent plus 5 other ostrich sites promoting ostrich investment.

- Consistently worked to form valuable relationships with outside organisations more specifically MAF, Massey University and several animal health laboratories. Various submissions and discussions re health standards for ostrich/emu and health disease conditions. ie some specific tests not available in NZ eg Aspergillus serology). Communications with overseas associations.
- 6 newsletter publications to members.
- Draft code of Ethics. Initial work on establishing central bird registry. The bird registry was considered the best defence against speculators and “fly agents.” – this was an attempt to regulate everything from advertising to farm practices.
- Agreement that Trovan would be the recognised and supported microchip to be used in NZ.

#### Outside Influences.

- February 27<sup>th</sup> 1994 Bird status: 2 adult birds Orana Park, 13 chicks in quarantine at Massey University – Australian venture. Quarantine being built at Bierton Downs. Eggs in quarantine in Christchurch. Reports of quarantine facility in Blenheim unsubstantiated
- April: First mention of condition affecting chicks: Fading Chick Syndrome. NZ MAF make changes to Avian Import protocol.
  1. Eggs from Australia into low security quarantine (LSQ). Live birds destined for permanent captivity (zoos etc) LSQ.
  2. Eggs from Category 2 countries into medium security quarantines. Live birds from Australia (category 1) into MSQ.
  3. Live birds from category 2 countries into high security quarantines. Eggs only from category 3 countries into HSQ.
- October, 1994. Newcastle outbreak in Zimbabwe - no exports for 3 years. Canadian prices flattened out. USA prices stable. Australia importing African blacks. Prices paid up to NZ\$73,000. Total bird numbers in NZ circa 50. Work being done on import protocol changes. Recognised that NZ very fortunate to hold a disease free status.
- January, 1995. Recognition that a commercial operator was required to supply supplementary feeds. Formulated feed recipe available from Massey University.
- March, 1995. Article on Ostrich and Emu investment included in ANZ Economic Focus Guide.
- May, 1995. Live import band from Australia to NZ due to significant chick deaths (mysterious virus) in Australia. Insurance Brokers (International) Ltd. Set up and offering their services.

The first Annual General Meeting of New Zealand Ostrich Association was held June 25<sup>th</sup> 1995. Venue Civic Centre, Rotorua, in excess of 80% members in attendance. Duration 6 hours 30 minutes!

A strong core representing approximately half the membership attending the 1995 AGM with the agenda of ousting the President. Their intended replacement was an independent. He had no history or prior interests in ostrich. He was being supported for his leadership role.

## **Year Two: NZOA 1995 - 1996**

This year heralded a new president, secretary and treasurer, four new executive committee members. The immediate Past President was elected onto the executive. Vice President elected from the committee. This committee offered a more diverse range of skills.

It was intended that the meetings would be spread throughout the country. However, the first was held in Auckland at Central Park Serviced offices. The second held in a boardroom at Palmerston North Airport. It became quickly apparent that the Association and Executive members (still paying their own way) could not sustain the level of expense. Meetings therefore continued to be held at the headquarters of New Image in Manakau, Auckland, free of charge.

### Achievements:

- Produced 5 newsletters and 1 journal for membership. Improved communications with membership. Production of first journal, taught lesson that articles submitted required executive vetting.
- Code of Ethics formulated and attached to membership application form.
- Reference library set up.
- Second Hand copier purchased.
- Area Groups set up.
- Production of NZOA promotional banners. Purchase of ostrich promotional material for distribution.
- Successful running of vet seminars.
- Production of sterling silver NZOA ostrich tie pin/pin
- Continued to form valuable relationships with outside organisations.
- Employment of Promotions Officer.
- December, 1995 initial contact made with Lincoln university re – Flockline.

### Achievement attempts with minimal success.

- 0800 number for advertising/ promotion/ membership drive for NZOA
- Membership manual for filing of regular technical sheets eg transport, fencing
- Vet examination certificates. Limited requests.
- Standardized sales and purchase agreements. Limited requests.
- Ostrich Registrar. This created \$20,000 in revenue, but only 410 birds registered out of potential 3500 at the time. This income prevented NZOA from going into deficit. The justification for a bird registry was to establish flock recording scheme/future breeder flock, security – credibility of identification, raise funds for ongoing promotion.
- SWOT analysis presented but not followed through.
- Think Tank meeting at Massey University outcome was for the necessity for a 10 year strategic plan. The Professor of Marketing offered to forward recommended information on a new industry start plan. – this was not done.
- A Doctor in ratite research at Massey University spent a great deal of time with NZOA Executive committee. He offered assistance and to set up GRIF funding for graduate research into ostrich breeding and productivity. – this was never done.

- Intention to lift profile of President as voice of industry - not followed through.

#### Outside influences.

- Generally negative articles regularly appearing in rural/ business publications. Often with discrepancies in data and statistics.
- International Ostrich Investment companies creating havoc through advertisements - making outlandish claims.
- Uncertainty of progress in preparation of new meat Bill.
- Lack of any protocols and industry standards pertaining to ostrich.
- October 1995. An estimated 30 quarantine stations, either completed or near completion. Some quarantine standards and operations are of major concerns to NZOA.
- MAF continuing to change and redefine standards and requirements for bird importations.
- Overseas status: Oct. 1995. Canada has been reclassified as category 4. There are two Canadian regulatory bodies. Agcan- deals with domestic livestock and Canada Fish & Wildlife. NZ MAF have been dealing with Agcan with which there have been no known outbreaks of Newcastle disease. Canada Fish and Wildlife have had incidences in migratory birds. There appears to be no communication between these two bodies. UK Values doubled with closing of Canadian borders. Imports; each case taken on it's merits. Australia still exporting to NZ. They see NZ as their extended Breeder market.
- MAF Qual. have concerns over unpaid accounts re- quarantine use.
- IRD requiring regular information on ostriches; standard value v's market values, for taxation purposes.
- Some local bodies classified ostrich as Factory Farmed due to amount of supplementary feeding. Documentation was prepared to dispute this.

Comment made in President's Reports sums up the year's work. Very little was achieved in a year that should have been rapidly moving forward formulating strategy and delegating work. This is unfortunate considering the amount of voluntary time given to attending meetings.

- President's report *Newsflash; November 1995* " *The industry will not obtain the general approval of the investment, banking and farming industry until it proves public acceptance of the products produced from ostrich and that strong markets do exist for New Zealand produced meat and skins...* " At this time access to/ inability to source meat and leather and difficulty in legally slaughtering and processing was nigh impossible due to high value of birds and non existence of required standards.
- President's report *Newsflash; December 1995* " *The industry is being battered by financial experts in an attempt to justify their existence and keep investment monies under their control. Their lack of research into the international scene allows them to consistently question New Zealand's role in this market. Prices have fallen and sales are slow. We seem to be following similar trends that happened in Australia some seven years ago. It is to be remembered however that after the initial slump prices climbed as more and more farmers and investors entered the market. The influx of Australian birds has temporarily over supplied*

*the market at present but we now have a much better range of stock available to potential buyers...”*

- President’s annual Report “*Transfer of control from the old Executive did not go smoothly and there was on going noticeable lack of cooperation and unity in the Executive...”*”

AGM: The second Annual General Meeting in conjunction with a Conference was held at the Karaka Bloodstock Selling Centre, South of Auckland on May 25<sup>th</sup> 1996. Members of the NZOA in the Auckland area (which later became the Auckland Branch) took it upon themselves to organise the event. A presentation on the proposed NZOA marketing company was given. From that a motion was carried “That before a vote is taken on a formation of a company co-op, that the final submission should be sent to all members to enable them to read and understand the objectives of the company co-op. Then a postal vote be held to determine further action”.

*Footnote:* A private bird auction was held to coincide with AGM/conference only 25% of the birds offered were sold.



### **Year Three: 1996 – 1997.**

Year three started with the current President being re-elected (he had been challenged by the Past President), a new secretary elected unopposed, a new North Island executive member elected unopposed, the remaining executive remaining the same as the previous year. The employment of a minute secretary/ publicity officer continuing. By the 3<sup>rd</sup> meeting a high degree of frustration was being felt by a number of executive members. Long distances, long hours, justification for time off work when a lack of progress was being felt.

Meeting 4 of the year or the 21<sup>st</sup> meeting the NZOA had met was held on October 17<sup>th</sup> 1996. A notice of motion “that the NZOA Executive no longer had confidence in the President” tabled. This motion was withdrawn when a letter of resignation effective immediately was also tabled.

Leadership concerns at the time were identified as follows:

- Inability and unwillingness to communicate and consult on a regular basis with the Executive.
- Inability and unwillingness to take a balanced view of proposals and ideas put forward by the Executive and Association members.
- Unethical procedure adopted in replying to correspondence addressed to the Association.
- Lack of enthusiasm and support for recently held meetings, late notice apologies without reason which caused embarrassment to the Executive members present.
- Inability and unwillingness to follow up with normal Association correspondence procedure and editorial items.
- Lack of understanding of the current needs of the industry and unwillingness to comprehend and address such needs.
- Single minded actions overriding Executive decisions.
- Lack of delegation which creates hours of wasted meeting time..

### Achievements.

- Improvement in public relations skills and media presentations due to assistance from Public Relations Company. Profile of NZOA lifted.
- Led way in forming a working party to coordinate with MAF and Emu producers to establish Industry Agreed Standards for Slaughtering and Processing. ( MAF recognised the industry as ratite so any standards drawn up would be for ostrich and emu).
- New Constitution and formation of Branches. This provided a more structured organisation at regional level.
- Improved the standard of communication to members including Executive meeting minutes sent out to Branches.
- Undertook North Island and South Island “Think Tank” meetings. Direction and industry structure debated.
- Successful promotion at National Fielddays. Prime Minister, Jim Bolger and Minister of Agriculture visiting site. Successful promotion at Royal Show in Canterbury.
- Standardized age classification of birds.
- Initiated NZOA policy guidelines, draft Welfare Code.

- First official ostrich slaughter and processing under license by Canterbury Ostrich Processors. NZOA supported with \$3,000 grant.
- First public cooking demonstration in Wellington restaurant. Press coverage. NZOA President in attendance.
- First appearance on primetime TV 1 on Lifestyles as a fine cuisine option.
- Attendance of 3 Executive members at First International Ostrich Meat Congress, February, '97 in Oudtshoorn, South Africa. NZOA supported initiative with \$1,000 contribution. Universal agreement to international naming of meat cuts.
- Attendance of 1 Executive member at European Ostrich Association Conference, Brussels. NZOA supported initiative with \$3,000 contribution.
- Attendance of 1 Executive member at Australian Ostrich Association Conference.
- Attendance at Land User Forum meetings.
- Ongoing regular communications with the Ministry of Agriculture.

#### Challenges 1996-1997

- The proposed NZOA Marketing Company did not get off the ground. Not because the concept was overwhelmingly rejected but after two extensions to the deadline for votes to be returned the NZOA did not get the required number of members (75%) responding. In hindsight the concept was not explained clearly enough. There was a lack of understanding and confidence in the initiative, there was confusion over the role the company would take. Members uncertain as to what to do, which way to go simply chose not to respond. Correspondence from members and branches expressed the view that the timing was not correct for floating the Company idea.
- The early part of this association year saw a barrage of "bad" press in regard to ostrich investments. Some of it warranted, but most knocking in respect to the public/media perception that it was a boom and bust industry that was doomed to failure. This found the national body continually on the defensive. A decision to employ a "clipping" service to monitor any press releases regarding ostriches. With the installing of a new President an action plan was drawn up with areas of responsibilities for each Executive member. Two Press officers on the Executive and a request to each branch to nominate a press officer in their branch as a contact. The Executive identified that because of the ever changing series of events, the association was continually in a reactive as opposed to a proactive situation.
- Ongoing complaints of breaches of the Code of Ethics by members and non members was time consuming and difficult. There were ongoing frustrations at the activities of overseas ostrich investment companies' shady dealings. The Commerce commission were contacted to assist but showed reluctance to do so and required funding to investigate.
- Meat Act Amendment bill stymied – a decision to completely "throw out" old Act and start a fresh with a new Act.
- Contact with Ministry of Agriculture was regular and ongoing however it was exceedingly difficult for the Executive to work out the right channels to deal with.
- 1997 Conference /AGM ran at \$1,907.15 loss due to last minute cancellation of trade sites, sponsorship and advertising.

By the end of this year the National Body were really starting to appreciate what it was going to have to take to get this industry off the ground. Ongoing concerns at the lack of finance.

## Year Four: 1997 – 1998

The President was re-elected unopposed, the new constitution removed the election of a secretary from the membership. The current minute secretary/ publicity officer was appointed as the new secretary. Treasurer and South Island representatives were re-elected un-opposed. There were four nominees for three North Island representative positions. The 1996-1997 secretary was unsuccessful. One Executive member resigned after the 3<sup>rd</sup> meeting of the year. This was due to differences in opinion over the expenditure “blow out” with Welfare Code sub-committee.

### Achievements:

- Introduction of three National Awards at AGM/ Conference: Commitment to Industry, Publicity Award, Branch Award.
- Two task force meetings held. First of Tradenz involvement.
- Vision and Mission Statements and industry slogan developed.
- Draft Industry Agreed Standards for Slaughter and Processing of Ostrich and Emu forwarded to MAF.
- Minimum Standard for the Transporting of Ostrich Code initiated.
- Successful Corporate Fielday held in South Canterbury.
- Ostrich meat products sold for the first time at National Fieldays site. Demand high/ hugely successful.
- Joined International Ostrich Association
- Central West Coast Branch split into two new Branches.
- Introduction of Ostrich meat to 22 chefs in Auckland at a function held at the Top of the Sky Tower.
- Commissioned report on Potential Production and Income From Ostrich completed and made available.
- Two Conference calls with Branch Chairpersons.

### Challenges:

- Ethics issues overwhelming.
- Bird census survey returns pathetic.
- Underlying murmurs at perceived lack of consultation re- IAS draft. Hints of industry fragmentation. Individuals wanting to form a separate Post farm gate organisation.
- Outstanding accounts becoming a problem.
- Australian Ostrich Company in disarray. Rescue package being implemented.
- Flockline disbanded due to lack of use.
- Concerns over importation and lapses in quarantine standards.
- Fieldays subletting of site space loss of \$2,000 due to lack of participation.
- Workload for President becoming too great for a voluntary position.

### Year Five: 1998- 1999.

Year five, a new President was elected unopposed along with the return of four Executive Members (including the immediate Past President) and one new Executive Member elected unopposed. The current paid Secretary did not seek to renew his contract for another year. The intention of the National Body was to contract a part – time Executive Officer to run the affairs of the Association for this year. (3 days per week at \$30,000 plus expenses). The new President had been “happy” to take on the responsibility of being the new president under these terms. However, at the “eleventh hour”, after the election results were official, the intended Executive Officer pulled out. This left the new President elected with no Secretary. After considerable persuasion and with a degree of not much choice, the new President took on the added Executive Officer role, minus the responsibility of compiling the newsletter. (\$20,000 plus gst). No job description was formally drawn up nor a contract signed. A minute secretary was employed.

#### Achievements:

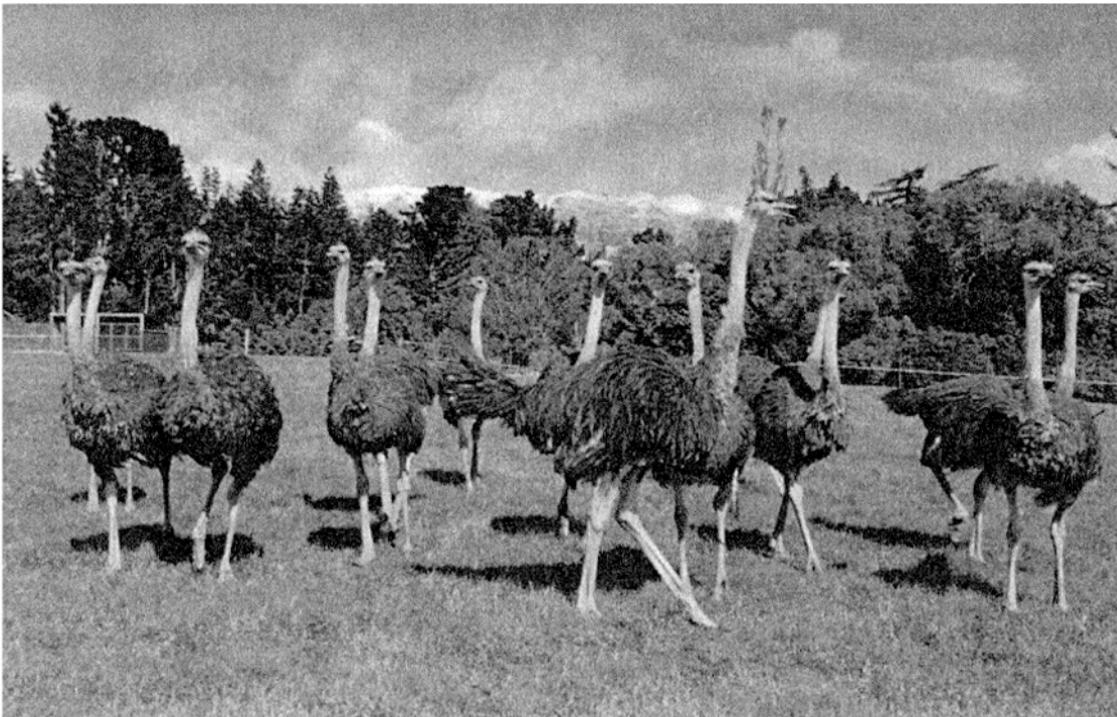
- Code of Recommendations and Minimum Standards for the Welfare of Ostrich and Emu.
- Establishment and official recognition of the Ostrich and Emu Standards Council.
- Industry Agreed Standards for the Slaughtering and Processing of Ostrich and Emu.
- The National Heart Foundation of New Zealand’s “tick” of approval.
- Two day Branch Delegates’ Workshop in Palmerston North.
- Visits to all branches by the NZOA President.
- First Ostrich and Emu Processors Workshop in Palmerston North.
- Ostrich Awareness & Promotion sub- committee set up.
- Revamping of NZOA Ostrich Farming in New Zealand brochure. Production of coloured meat charts, meat brochures, recipe cards and publicity posters.
- Two day industry workshop in Methven.
- NZOA President trip to Melbourne to meet with AOA President and Executive Director and attend 2 day Australian Ostrich Industry seminar.
- Invitations and attendance at 5 nationally recognised seminars.
- Two 2 day vet seminars on ostriches.
- Attendance at Hospitality Trade Show by Executive.
- Regular 6 weekly comprehensive newsletters to members.
- Organisation of regular press releases.

*The State of the Industry of that year was outlined in the Executive Meeting Minutes 3/9/98 under general. Focus of industry has completely turned to product awareness. There are as many birds available as the processors could process. Processors and marketers are doing the best they can, but it takes time to introduce a new product and public acceptance is slower than anticipated. Goals for the next few months to be product promotion and awareness, communication with members and to encourage members to think quality in all things.*

The two day Branch Delegates Workshop held in November 1998 in Palmerston North identified the need for unity, cooperation, partnership, strength, productivity, communication and profit for members.

The shortfalls/ weakness were outlined in the final Executive Meeting minutes of that year in Hastings June 27<sup>th</sup> 1999. *Executive Committee need to pace themselves (remember that they are only volunteers) – workload hard to sustain at times. Availability of prospective future NZOA Executive Committee members is a real concern – if taken from Branch Committee's where would that leave Branches? There is not enough willing members coming through the Branch system.*

Our liaison person with Trade NZ who had been incredibly supportive and whose portfolio had included assisting emerging new industry, resigned from Trade NZ to move back into the private sector. His replacement was not appointed to “assisting emerging new industry.” Advice given to the NZOA President (of the time) was to “Come back when you are ready to export.”



## **Year Six: 1999 – 2000**

In year six, no election was held. One Executive Member stood down after two years service on the National Body. He was replaced by a new member elected unopposed.

Activities for the year were significantly curtailed due to lack of funds. This included declining invitations to nationally recognised conferences, renewing membership to International Ostrich Association (AOA President graciously offered to support NZOA interests at IOA conference and report back).

The Executive continued to explore funding options. Contact was made with BIZ Programme – government funded business development programme.

Attempts continued through the Ostrich and Emu Standards Council to obtain the ability to export Ostrich meat. No licensing of drugs for the use on ostrich and emu and lack of a residue testing programme identified as major prohibiting factors to export.

### Achievements:

- Compiling of Policy & Procedure Manual.
- Compiling and distribution of Branch Folders.
- First National Ostrich Leather and Feather fashion Award presented.
- Introduction of ostrich meat to polytechnics. Polytechnic ostrich meat workshop.
- Invitation by Trade NZ to support Millennium Cup Super Yacht Race Regatta Dinner with ostrich meat.
- Upgrade of the Vision and Mission Statements.
- Draft Strategy and Business Plans presented at Conference.
- Meetings in North and South Island to introduce Strategic and Business Plans to members.
- Ostrich included for the first time in a YFC regional final competition.
- One Branch Delegates Meeting was held.
- Regular comprehensive newsletters to the membership.

### Challenges:

- Lack of finance.
- Lack of members prepared to assist with workload.
- Inability to export.

## **Year Seven: 2000 – 2001.**

The current President was reelected unopposed.

An election for Executive members was held for the first time in three years. Four nominations were received each for the North and the South Island positions.

Immediate Past President did not seek reelection onto the Executive.

Heavy workload, lack of adequate reimbursement, personal business and family commitments led to the President declining to continue with the added responsibility of Executive Officer. The minute secretary from the previous two years took on the role of secretary.

NZOA Executive continued to seek appropriate expertise and assistance.

Investigation into possibility of Federated Farmers taking over the secretariat role.

Met with Meat NZ to investigate possible support.

### Achievements:

- Ostrich Meat Export Protocol (OMAR) established
- First export shipments of ostrich meat and green hides.
- Ostrich meat dish section introduced into the New Zealand Culinary Fare.
- OSH bulletin on ostrich and emu published.
- Regular comprehensive newsletters to the membership.
- One Branch delegates meeting held.

### Challenges:

- Lack of finance.
- Membership despondent.
- Lack of membership prepared to assist with workload.

At the end of year seven, the President and the Treasurer who had both been on the National Executive Committee since the formation of the Association retired.

## Final Comment

Currently, emphasis is being placed upon promoting a “knowledge” economy. This is good. However, it is recognized, internationally that New Zealand is an agriculturally based economy. It is a fact. The location as an island, the temperate climate, the ability to grow green grass, produce plants and animals and our disease free status are New Zealand’s assets. These are assets that the rest of the world envy. Why then should we ignore these facts, rather we should ~~build~~ embrace what successfully exists. Build upon it. Every support possible should be offered to innovative ideas which enhance or add value to these existing assets.

New Zealanders admit to having a pioneering spirit. They enjoy a challenge. They recognize agricultural potential. They are prepared to “stick” it out for the “long haul.

Bureacracy should not make new industry attempts hard and more difficult..

In this industry attempt, every attempt to seek support and assistance was thwarted with indifference and a “can you pay” attitude. This was typified by one senior government official who suggested to the NZOA President (of the time) “it was a shame that the industry was full of pony club mother type people”.

It took this industry to the point of total desperation before the significance of the industry’s potential was understood and an export meat protocol (OMAR) was achieved.

The New Zealand Ostrich Industry through export has added to New Zealand’s export earning capabilities, it has created new jobs from farm labour, transporting, feed manufacturing, processing and slaughtering, marketing to government officials. It has also offered a wealth of opportunity for university research projects.

The Australian Ostrich Association, Secretariat Monthly Report, November 1998 stated: *Government Support: With new economic order of privatization and industry self-sufficiency many people feel they are left all alone. In fact the government bodies are very aware of the ostrich industry, the wider agricultural industry and are providing great support and opportunities for the industry to grow.*

*Most direct funding comes through RIRDC. (The Rural Industries Research and Development Commission). Rirdic, place Ostrich in the new and emerging agricultural industries. In the past they have provided funding for many of the early trial and testing programs which have provided the standards we now take for granted in the industry. They have supported egg- hatching trials, a variety of feed trials, information exchange and travel, and funding for industry promotion.*

The Government is the first to receive a financial return on a successful venture. In New Zealand with policies of “user pays” the government is the last to assist and support.

The New Zealand Government should be encouraged to look more favorably at new industry attempts. The support and assistance should be uncomplicated and straightforward.

**Help new industries to help themselves.**

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