



Welcome to the JUNE 2000 edition of the Deer Farmers' Digest, a monthly electronic newsletter published by Deerfarmer.com - The Deer Farmers' Information Network. A copy of ALL the issues of this Digest can be found at <http://digest.deerfarmer.com>

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1. SOME THOUGHTS ABOUT INVESTORS

As a deer farmer, how often have you thought, “If only I had a little more money, I could buy a better breeding buck, A.I. my does, expand my facilities or do a lot more marketing”? Money is the fuel that drives business, and for most of us, there never seems to be enough money to do all we want.

One way to get money for your deer or elk farm is to find people who are willing to “invest” in your business. There are several benefits to getting outside investors involved:

1. Provides additional capital, not only to expand individual operations, but for the growth of the deer farming industry as well.
2. Getting external individuals involved increases the awareness and support for the deer and elk farming industry. You can significantly increase the number of “stakeholders” and thus influencing regulatory and policy changes becomes easier because of a broader support base.
3. Brings increased knowledge, expertise and contacts to the industry. External investors can bring a lot more than money to the table – they can bring business experience, marketing savvy and a whole network of contacts that can benefit the industry.
4. Provides an easier option for new entrants into the industry. For example, setting up a deer farming operation can be an expensive and major undertaking. However, one option for people wanting to get into deer farming is to “invest” in animals in an existing operation. This gives them an opportunity to learn about the industry, and grow their herd. Setting up their own deer

farm is much easier when they have some experience and seed stock. If they decide deer farming is not for them, they can then sell their deer (for a profit) and continue with their lives.

There are also some disadvantages to bringing investors into the industry:

1. Many investors may be the “meddling” type – they will want to have a say in running your deer operations. This is not always bad, especially if they bring expertise, knowledge and contacts. However, in many cases it becomes a source of conflict, stress and diffused decision-making.
2. Investors usually expect a significant return on their investment. This means at some point, they will want their money back along with a premium. You need to consider whether you will have the money to buy them out, and what impact this expenditure will have on your operations. If you need funds, it may be cheaper to get a bank loan, and keep total control of your operations.
3. How much of your business are you willing to give to investors? Some will want over 51% and thus have control over your deer farm. Some will want to be the single largest shareholder, which means they also have control. Are you willing to give up being the boss?
4. Legal and administrative costs will increase. Investments of any type are usually subject to strict regulations by various securities agencies. You need to get legal and professional advice in getting investment and in complying with applicable regulations. Be prepared for additional costs and paperwork if you do get investors.

I see three types of potential investments in a deer farm:

1. *Corporate investment* – the deer or elk farm is a private corporation or limited liability partnership, and the investor buys shares or a portion of the company. Investors are usually represented on the Board of Directors and have to be consulted on major decisions made by the organization.
2. *Syndication* – these are more common in the elk and other livestock industries. A group of investors gets together and buys the “rights” to a superior breeding animal. The investors get their return from the sales of stud services or semen from the animal.
3. *Animal purchases* – the investors buy one or more animals on your deer farm. You continue to look after the animal either on a contract fee basis (for boarding, feed, vet care, etc.) or on some split arrangement for offspring. For example, the investor may buy a doe, and gets to keep half its offspring while you get to keep the other half of the offspring in return for boarding and care. Be sure to have a detailed contract in place outlining the responsibilities of both parties. This arrangement is an excellent low-cost, low-risk way for new people to get into the industry.

If you are considering looking for investors, here are some things you need to do:

1. Prepare a business plan describing your operations, the market potential and five-year financial projections. Investors will want some assurance that you know what you are doing, and that their investment is likely to provide some return.

2. With the help of your local deer or elk association, put together an information package about the deer farming industry. Potential investors will want to know more about the industry and its prospects for the future.
3. Get legal, accounting and other professional advice before you start looking for investors, as well as with all negotiations, contracts and agreements.
4. Be prepared and willing to communicate regularly with your investors to keep them informed and involved in what is happening. Take advantage of their knowledge, experience and contacts. If you make them part of the team, you will reduce the chances of conflict and misunderstandings.
5. Offer investors something special. Be sure to give them photographs of your best buck so they can brag to their buddies, "Hey look, I own this 205 B&C whitetail buck." Consider giving them the antler sheds from your largest bucks. If you have a hunting preserve, consider throwing in a free annual hunt.

Where do you look for investors? Try the following:

1. Start with family, friends and other people you know. There may be someone there that would like to make a small investment. Be careful: sometimes having family and friends as investors causes additional problems as compared to professional investors. Make sure proper paperwork is in place, and everyone is clear about expectations.
2. Ask your professional advisors – lawyer, accountant and banker – if they know of anyone that may be interested in investing in a deer farm. They have extensive contacts and may be able to refer potential investors to you.
3. Post an advertisement, either in your local newspaper or on the Internet. Be careful how you word it so that you don't get into trouble with the securities agencies. It is usually safest to ask for partners and specify that an investment is required.
4. Put an ad in a hunting magazine such as Peterson's Hunting. It is estimated that from 15 to 20 million Americans hunt deer each fall. Certainly some of these have money, and some would love to "own" a trophy whitetail buck or bull elk.
5. Post a "seeking capital" ad in the various venture capital directories that can be found on the Internet. Visit <http://www.steppingstones.ca/library> for a list of Internet sites where you can advertise for capital.

There are a number of things that the deer and elk associations could do to encourage investment in industry. These include:

1. Preparing a comprehensive information package on the opportunities and benefits of investing in deer and elk. Make these packages available to their members, government departments and other organizations that may have contact with potential investors.

2. Conducting general advertising about the benefits of investing in the industry in appropriate trade magazines.

3. Holding meetings in large centres with potential investors about investment opportunities in deer and elk.

There are probably hundreds of millions of dollars in investment money available to the deer and elk farming industry. However, individual farmers and their associations need to take coordinated and concrete action to make potential investors aware and interested in our industry.

2. COATS OF MANY COLORS

By Jim Severt, who is a deer farmer (The Buck Stop) and secretary for Whitetails of Wisconsin. Jim can be reached at *Buckstop7@aol.com*

I have done some research on whitetail deer and their colors. Whitetail deer are usually brown and white. But there are variations, from all black to all white and a combination of brown and white. The hair color of a normally brown whitetail might vary in a wide array of shades and patterns.

Black or nearly black is called melanism. It is caused by over-production of melanin, a chemical responsible for dark pigmentation in animals. Melanistic deer will have a dark, almost black coat. This also tends to eliminate the normal white markings, particularly on the face and throat. This condition is particularly rare in whitetails. It was reported that a black doe was shot in Wisconsin in the mid 60's.

Albino whitetails have pink skin and a pure white coat. The irises of their eyes are usually pink, but sometimes a pale blue. Not all white deer are albino, and there is no such thing as a partial albino. True albinos have little or no melanin in their bodies. The hair is white because it lacks pigment. The skin looks pink because the flowing blood shows through the deer's pale skin. Albinos can't see well because there is no melanin in their eyes to block the light. They are also sensitive to exposure and their white coat makes the young especially vulnerable to predators in the wild.

The Seneca Army Depot in the state of New York is home to the greatest known concentration of white whitetails, also called "ghost deer." Established in 1941, the Depot is spread out over approximately 10,000 acres. It is all fenced and human access is strictly controlled. In 1951, the deer herd at the Depot was approximately 400. Records show that one white deer was seen that year. By 1961, there were about 7 whites on the army base. By 1967 the number of white deer was over 100. Today of the 400+ deer on the base, over half are white. It is believed that many of the white whitetails in captivity today can be traced back to the herd at Seneca.

Adult white whitetails are white, snow white. The fawns are born tan or cream colored with white spots, arranged in the same pattern found on typical whitetail fawns. Occasionally, a fawn is born with a tan or gray cast to their coats, giving a dirty appearance. But their coats become pure white by the middle of their second year. With their white coats and areas inside the ears, nose and around the eyes made pinkish by blood vessels showing through their pale skin, white whitetails are often mistaken for albinos. But white is their natural color just like polar bears and

Dall sheep. If you have any whites at your place, you will be asked over and over again, “Are those deer albinos?”

Antler formation on white deer is also fascinating. Young bucks sporting their first set of antlers usually show surprising uneven development – most often one of two patterns. Either both antlers are spikes, but one is twice the length of the other, or one antler grows at an unusual angle or curve. This unusual development is common with the first set of antlers but seldom carries over into succeeding years.

Partially white or piebald deer seem to occur in the wild more often than melanistic, albino or all with a trace of brown. In albinos, none of the cells produce melanin. In piebalds, at least some of the cells produce pigment. This causes a spotting of the coat. Some areas will be brown and others will be white. To my knowledge, there is little or no documented research as to the breeding of piebalds with albinos or whites and the resulting offspring.

The whitetail deer is plenty fascinating all by itself. But throw in a few color changes, mix in some top-notch genetics, and life really gets interesting. Isn't deer farming fun?

3. PASTURES FOR DEER

[This article is based on the presentation by Dr. Ron Randel and Dr. Gerald Evers from the Texas Agricultural Experiment Station at the 2000 NADeFA Conference.]

Profitability of deer farming, as with other livestock operations, is enhanced when adapted forages are utilized to meet as much of the nutrient requirements of the animal as possible. Feeding of protein, energy (grain), and mineral supplements is costly and requires additional labor and equipment. Supplementation, however, is still required when the nutrient levels of the available forage does not meet the animal's requirements.

The most prominent class of forages in the southeastern U.S. are the warm-season perennial grasses, such as bermudagrass, bahiagrass, dallisgrass, switchgrass and Johnsongrass. They take advantage of the long growing season with maximum growth occurring between 80 and 90 degrees F. Unfortunately, they have the lowest digestibility.

Sod-type perennial grasses are best for deer because they tolerate close, selective grazing. Examples of warm-season annual grasses are sorghum-sudan hybrids. Tall fescue, orchardgrass and timothy are examples of cool-season perennial grasses in the upper south and northern U.S. Caution should be used with tall fescue because it usually contains an endophyte that reduces animal performance. Prominent cool-season annual grasses are annual ryegrass, rye, wheat, oats and barley. Their principal use in the southern U.S. is for young growing animals during the winter when warm-season perennial grasses are dormant. Alfalfa and clovers are the best known legumes. Alfalfa is a perennial, while red and white clovers are considered short-lived perennials. Annual covers such as arrowleaf and crimson play a major role in the southeastern U.S., where perennial legumes are not well adapted. Cowpeas and soybeans are examples of summer annual legumes that are preferred by deer.

The nutritive value of forages is based on their nutritional level (energy, protein, etc.) and their availability to the digestive system of the animal. As percent digestible dry matter increases,

animal performance in terms of weight gain, milk production, weaning weight, and conception rate increases. Legumes are more digestible and higher in protein, calcium and phosphorus than grasses. In general, cool-season grasses are more digestible than warm-season grasses, and annuals are more digestible than perennials. Deer and elk prefer legumes to grasses because they are higher quality and resemble forbs because of their broad leaves.

Within each forage class, plant age is the major influence on forage nutritive value. Nutritive value is highest in new growth and decreases with plant maturity. One reason is that leaves are more digestible than stems and the percent of leaves decreases as the plants mature and consist more of stems. The second reason is that cell contents are 98% digestible and include carbohydrates, protein, triglycerides, and glycolipids. Cell walls are composed of cellulose, hemicellulose and lignin, but are only 45 to 75% digestible. As plants grow, the cell walls increase from comprising 30% to 80% of the plant content, thus decreasing digestibility. A hay harvest schedule of four to five weeks is recommended for warm-season grasses as a good compromise between quality and yield.

4. MORE ON DEVELOPING A VENISON MARKET

In 1998, Kaji Kado completed a study on specialty livestock for the Canada-Saskatchewan Agri-Food Innovation Fund. He identified some challenges and made some suggestions regarding the development of a venison market. Here is my summary of some of the relevant issues identified by Mr. Kado.

Venison and specialty meat products have had a difficult time being accepted by consumers. Both homemakers and chefs have expressed concerns with:

1. *Cooking the product.* The overall lean nature of venison has made cooking difficult. If its low-fat, low-calorie product characteristics are to be maintained, cooking is truly challenging. If the meat is over-cooked, it becomes tough. Recommendations are to cook the meats to a rare or medium-rare level. However, most consumers prefer meat to be cooked medium to medium-well done.
2. *High product cost.* This is a factor in consumer acceptance and use. Venison is selling at two to three times the price of beef. The high price, combined with the difficulty in cooking, compounds the marketing problems.
3. *Promotion and food preparation training.* This is not being dealt with well enough. Most of the specialized livestock commodity groups are under-funded or do not have the expertise/resources to mount a consistent and continuing promotion program. Products move off the shelf when customers and chefs are given in-store demonstrations along with recipes and instruction.
4. *Need to build greater convenience into the product.* In the age of working couples, it is extremely difficult to find families who can take the time to prepare foods that are difficult or fussy. The same is true of chefs. It is difficult to find restaurants that have sufficient labour and spare time to experiment and understand the preparation nuances of the specialty meats.

5. *Overall trend in meat consumption is down.* Red meat consumption is declining while white meat sales have been increasing. Existing red and white meat sellers are marketing harder through pricing, convenience and better quality. By providing better value, they are making it more difficult for any new specialty meats to enter the marketplace.

Consumers are in a difficult position when it comes to specialty livestock. First they must go out of their way to find the venison to buy it. When they do find it, it is expensive and hard to cook, with little information on how to prepare it. In contrast, competitive meats are readily available, are becoming cheaper and are being made more convenient.

To address the above challenges, Mr. Kado suggests that specialty livestock producers prepare and sell their venison as deli products. The deli meat counter offers many advantages:

1. *Visibility.* Every meat counter has a sign stating the product name, e.g. roast venison. This gives the customers name recognition with each species.

2. *Properly prepared meat.* Considering the preparation difficulties of these lean meats, precooked deli products solve this issue.

3. *Minimizes the high cost of meat.* You can buy slices, or small amounts at a time. Clearly a price of \$3.00 per 100 grams is more salable than having to pay \$13.50 per pound at the meat counter.

4. *Lets consumer experiment.* Deli counters sell small quantities so consumer can experiment and try the product. It is a no-risk purchase by the consumer, as compared to a high-risk purchase of a venison entrée at a restaurant for \$30, and finding you do not like it.

5. *Not a high volume business for retailers.* It lets retailers take a chance on buying a piece of new meat to try. If the product does well in the deli, there is more interest in trying it in the fresh meat counter.

6. *Not a high volume business for producers/processors.* Deli sales do not require tons of meat; at most, five pounds per store. For these small quantities, it is easy to find enough slaughter animals to supply many deli counters.

7. *Can contract existing deli meat companies to prepare and distribute venison.* There are a number of specialist deli meat processing companies that can prepare and distribute deli products. Little investment is required.

In addition to the benefits identified by Mr. Kado, there are at least two additional advantages to selling venison as deli meats:

8. *Less storage and shipping problems.* Deli meat can be stored for longer periods of time than fresh meat, and can be more easily transported to deli retailers.

9. *Potential for more profits.* Value-added products such as specialty deli meats can provide a greater return on investment than selling carcasses to wholesalers or processors.

The deer industry would be wise to undertake product development and consumer research to develop a wide range of venison deli products for the North American marketplace.

5. EVENTS CALENDAR

Here is a list of upcoming events of interest to deer farmers.

UNDERSTANDING GENETICS: A full day practical workshop for improving your herd - will be held on June 17th, 2000 at the Westlock Community Hall in Westlock Alberta Canada. This workshop is sponsored by Meadowview Deer Ranch, Wildlife Genetics International and Alberta Whitetail and Mule Deer Association. For more information, contact Tom Johansson at Meadowview Deer Ranch at (780) 785-4051 or the AWMADA office at (780) 672-5988 or info@albertadeer.com

THE TEXAS DEER ASSOCIATION ANNUAL CONFERENCE will be held on September 8 and 9, 2000 at the Sheraton Four Points Hotel at San Antonio, Texas USA. The theme of the conference is "TDA: Raising the Bar of Excellence." For more information visit the TDA website at <http://www.texasdeerassociation.com>

NADeFA's Cervid Livestock Foundation will host its 4TH ANNUAL SUMMER DEER FARMING SEMINAR on August 5, 2000 in Indiana, Pennsylvania USA. The basic section will cover general start-up procedures such as handling facilities, animal health, fencing and marketing your end product. Preliminary plans for the advanced track include TB testing, record keeping and herd accreditation; the Foundation will post the program as it is confirmed.

The evening of August 5th will feature NADeFA's Cervid Livestock Foundation's 3rd Annual Panache d'Or Venison Cooking Competition and Banquet. The Competition is pursuing sanction by the American Culinary Federation to raise both its calibre and marketability.

For more information on attending the Summer Seminar or sending a chef to the Panache d' Or, please contact the NADeFA at 9301 Annapolis Rd. #206, Lanham, MD 20706, (301) 459-7708, fax (301) 459-7864, or email info@nadefa.org

WORKSHOPS AT MORGAN'S BIRCHWOOD DEER FARM in Pennsylvania. Artificial insemination of white-tailed deer on Oct. 19, 2000, Chemical immobilization of deer on Oct. 20, 2000 and Advanced Hoofstock Immobilization on Oct. 21, 2000. For more information contact tjdoe@aol.com or safecaptur@aol.com or phone (608) 767-3071.

A TWO-DAY WHITETAIL WORKSHOP will be held on Nov. 11-12, 2000 at Gibbons, Alberta Canada. This workshop is sponsored by Extreme Whitetail Genetics and will be taught by Dr. Harry Jacobson. For more information see <http://deerfarmer.net/Extreme> , e-mail bucks@telusplanet.net or phone (780) 942-4527.

6. SUBSCRIPTION SERVICES

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7. CONTACT INFORMATION

We are always looking for articles and news about deer and elk farming that we can print in this newsletter. To suggest or submit articles, contact the editor as per below.

For more general information, comments and suggestions, please contact:

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