



Welcome to the NOVEMBER - DECEMBER 2004 edition of *Deer & Elk Farmers' Digest*, a bi-monthly electronic newsletter for those interested in raising deer, elk, and reindeer. This *Digest* is published by the Deer & Elk Farmers' Information Network (www.Deerfarmer.com and www.Elkfarmer.com).

A copy of ALL past issues of the *Deer & Elk Farmers' Digest* can be found at www.deer-digest.com and www.elk-digest.com. Most of the newsletter articles are also posted in our Library at www.deer-library.com and www.elk-library.com.

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***** FROM THE EDITOR *****

This issue (our 47th) completes our fifth year of publishing the *Deer & Elk Farmers' Digest*. Our mailing list includes approximately 2,000 readers in over 30 countries. In November 2004, there were 4,500 visitors to the *Deer Digest* site, and almost 4,000 downloads of the newsletter. We plan to continue publishing on a bi-monthly basis in 2005.

This edition continues on our theme of finding value for our elk and deer products. We have three articles about the health benefits of velvet antler. We also have an article on dealing with state wildlife departments, and news from the industry. We continue to provide an updated and expanded list of events that will be of interest to deer, elk and reindeer producers.

We wish you a very Merry Christmas and hope that 2005 will find you and your loved ones healthy, happy and prosperous.

Russell Sawchuk, Editor

1. A Natural Alternative to Vioxx

Michigan resort owner Jack Matthias stopped taking “Vioxx” for his arthritis two and one half years ago at age 60. This was done on the advice of his sister-in-law, a RN employed by a health insurance company, and former researcher for medical malpractice attorneys. “She warned me about possible side effects and also informed me that while it reduced inflammation and pain in your joints, it did little to stop the continuing deterioration of the joints and progression of the arthritis” said Matthias.

Since then, of course, Vioxx has been taken off the market due to a concern that its side effects may be contributing to an increased risk of heart problems. Millions of former Vioxx users are now looking for a safe alternative for the stiffness and pain that is returning to their joints. Few people are aware that Elk Velvet Antler (EVA), a safe, totally natural substitute to Vioxx has been used for over 2000 years. In addition to treating arthritis, velvet antler has significant anti-aging benefits and treats a wide variety of other conditions.

At the time he stopped using Vioxx, Matthias’s resort – Thunder Bay Golf and RV Resort in Hillman, Michigan – had been doing elk viewing, carriage / sleigh rides, and gourmet dinners for over 10 years. As a guide on the ride, Matthias has told thousands of his guests that elk velvet antler is one of the most highly prized medicines in traditional Chinese and Korean medicines.

Matthias said, “It is a part of the history and lore of these remarkable animals and one of the primary reasons why over 2,500 farmers and ranchers in the US and Canada raise elk.” But even while telling his guests, Matthias was a huge skeptic. He didn’t believe that the soft tissue from the rapidly growing antlers harvested each spring could be used to successfully treat over 30 different illnesses

and conditions, many of them serious or even incurable.

Matthias discontinued his Vioxx and waited 30 days while the joint pain from his arthritis quickly returned. He knew that elk velvet antler is not a drug. The antler contains all the essential elements to grow skin, hair, nerve, tissue, cartilage and bone cells. It grows at an extraordinarily rapid pace – as much as an inch per day. Velvet is believed to work by stimulating our body’s own immune system and internal growth mechanisms. As such it does not work quickly. He wanted to see just how long it would take – if it worked at all. He had seen literature and research on the Internet that indicated that not only would the inflammation and pain be controlled, by that the progressive joint deterioration could be stopped, and in some cases even partially reversed.

After taking three velvet antler capsules each morning for 30 days, he could feel no improvement in his joint pain and his skepticism was reinforced. But he had vowed to stay on it for 90 days. At 60 days he thought things were getting a little better, but it was a slow, subtle process.

After 90 days, his joint pain was gone again. However, that was the least of what happened! Matthias had been diagnosed 9 months earlier with moderate sleep apnea. He had refused the standard treatment of being fitted for a face mask and attached to a C-PAP machine or blower each night. These were recommended to prevent the snoring and brief episodes where he stopped breathing for a few seconds to as long as minute over 100 times a night.

After 90 days on velvet antler, his sleep apnea was completely gone and has not returned. “I had never seen anything about velvet antler being used for sleep apnea,” said Matthias, “so I wasn’t looking for it. I don’t think it could have been a “placebo” effect. Nothing else

changed medically during that time period in terms of prescriptions or treatments.” He noticed he slept better and needed much less sleep. Working with his doctor, he quickly eliminated three other prescriptions for allergies and rosacea. His doctor had also been suggesting another prescription for high blood pressure but it returned to normal levels with the velvet antler.

He remains on two medications: one for cholesterol and one for low thyroid function. Blood tests revealed his cholesterol levels dropped further when he started taking the velvet. His doctor reduced the dosage of that medication as well and his blood levels have stayed down.

While still overweight, he lost 20 pounds and found his willpower had returned. He now works out regularly on a treadmill. “My energy levels are way up, the amount of sleep I need has decreased. I feel better than I have in 25 years, both physically and mentally,” says a very pleased Matthias. “My only regret is that I was so stubborn – I wish I had started 12 years ago when I first became aware of EVA.”

After his own experience and very positive feedback from past guests who had gone to find a source of supply on the Internet after learning about it on his dinner rides, Matthias began offering velvet for sale at Thunder Bay Resort. He doesn’t use the antlers from his own animals. Velvet antler is a renewable resource. If you harvest the elk’s antlers in spring when they are primarily the highly prized soft tissue worth \$25 to \$60 per pound, the bull elk will regrow the antlers the following spring. Since he needs his bulls for viewing on the rides that occur in the summer, fall and winter, Matthias doesn’t harvest the antlers.

“We are amazed and thrilled with the results reported by many of our guests and staff,” says Matthias, “everything from whiplash, nerve damage and spinal cord injuries, skin

diseases, carpal tunnel, diabetes, asthma, allergies – the list goes on and on. Just about everyone from the elderly to serious athletes seems to benefit. It definitely builds strength and endurance.

We have sold over 4,000 bottles of 90 capsules at \$29.95 in the past 2 ½ years.” Matthias continued “The Resort offers an unconditional money back guarantee. We have refunded 12 or 13 bottles, usually because someone’s doctor is skeptical. Some people were quitting after one bottle because the changes are subtle at first and they didn’t think it was working. So we started to offer the second bottle at half price or \$45.00 for two bottles for first time purchasers. We do mail order with no charge for shipping and handling to keep guests supplied as very few health food and vitamin outlets carry velvet so far. This is beginning to change.”

Elk velvet antler is a totally natural substance. Freeze drying is the preferred method for processing the soft tissue and it is put into capsules. It has few known side effects and doesn’t seem to interact with other medications, but can enhance or replace them. It costs \$0.65 to \$1.00 per day for most people – two or three capsules. That is not inexpensive, but less than the co-pays on the four prescriptions Matthias no longer takes. He also thinks his insurance carrier is saving several thousand dollars per year on the discontinued prescriptions. Although he thinks it is very cost effective, few insurance plans will pay for it.

In the US, velvet antler is considered a supplement. It can not be patented because it is a naturally occurring substance. Matthias was asked if he felt it would replace Vioxx and he said, “Probably not for two reasons. First, federal regulations prevent velvet processors from telling people about the health benefits of velvet antler. If they make claims they will be asked to prove it – which is prohibitively expensive for a substance that cannot be patented. There is a lot of research

that has been done, but much of that is in Korea and China. The Canadians are also way ahead of us on research on velvet antler.”

Second, the entire supply of velvet antler that could be produced in North America would only be able to serve about 500,000 Vioxx users, a small fraction of the total former users. It will take several years to even begin to increase the supply in North America by raising more elk. Most of the world’s supply is exported to China and Korea,” according to Matthias, “with New Zealand being by far the largest producing country.”

Matthias believes, “It is a great natural substitute for Vioxx for those who find out about it, can overcome their natural skepticism, and stay on it for a full 90 days to feel the effectiveness.” Users need continue to take it to maintain the benefits. Information about velvet antler is being spread primarily by word of mouth from satisfied users. There are also velvet antler products for dogs and cats.

For more information, contact Jack Matthias at 989-742-4732.

2. Extracting Value from Dietary Supplements

Reprinted with permission from the NZ Deer Industry News, Issue No. 10, July 2004, page 21.

Extracting the maximum value for New Zealand velvet from the massive United States dietary supplements sector requires innovation, commitment and most of all credibility, say some of the major companies involved in exporting velvet extract products to that market.

Estimated at some US\$18.5 billion, there is no doubt the dietary supplements market has huge potential, but in recent years it has been slow moving. The recessionary atmosphere in the States might have been a factor, but inflated health claims and scandals have also taken their toll.

One particular product, based on a Chinese herbal remedy, was determined to have sped up metabolism so much it caused the deaths of several people taking it. The US Food and Drug Administration (FDA) banned the product and has taken a close look at tightening the regulations governing the dietary supplements industry.

“The regulations looks like they have some teeth,” says Velvet Antler Research New Zealand (VARNZ) Board member, Dr. Jimmy Suttie. “The days of the cowboys are effectively over.”

Suttie agrees with exporters Ross Keeley, chief executive of BioProducts NZ Ltd, and Daniel Harrison of Elixix Technologies that this particular market segment has matured. “Most recognize there is now the need for robust science to back health claims,” Keeley says.

Another issue, identified by Harrison, is the number of imitators and the lack of innovation that makes it difficult for the consumer to determine what is a quality product. “The biggest thing is credibility, and avoiding the image of a fad product,” he insists. “The potential will never be realized if everyone leaps in with a copy. It will sink the market.”

Harrison’s company is working hard behind its Gold Mountain brand range – which includes Velvamax, Pantocrin Velvet Antler Extract, Velvet Supreme and two products available in sub-lingual spray and tablet form IGF-PRO and AELixir – to ensure it has the necessary back up behind its claims. This includes some consumer research. “I was very impressed with the science at ASPT2,” he says, “but there is a big problem with applying the science at a commercial level.”

He strongly believes that adding value is the best way to product returns for the New Zealand deer farmer.

Suttie says use of the Velvet Activity Index™ will be important to allow consumers to assess the quality of the product they are buying.

Exports of New Zealand's velvet extracts to the United States have exploded over the past five years by 25 times to a provisional 3,261 kg in the year to the end of April, accounting for 75 percent of total worldwide velvet extract exports. But, as Jimmy Suttie points out, this has come from a very low base. In 2000, exports totaled just 127 kg, and sales are still relatively modest.

“When it was first launched into the US market, velvet was an unknown product without a clear message of efficacy and it entered a very troubled market. If it had been possible to price velvet lower and had we had the science, it would have gone much better,” he says.

Pricing is still an issue, but business is certainly picking up. This is due to not only more marketing activity from the New Zealand end, but in-market pull as well, Suttie says.

New Zealand velvet extracts are supplied for use in sub-lingual sprays where most of the growth has been, according to Suttie – for direct and instant application under the tongue – and in droppers, capsules, and tablets. Keeley says BioProducts is working on a rapidly dissolving sub-lingual tablet and there is talk of a transdermal patch.

With over eighty million well-educated and affluent American baby-boomers approaching retirement, the main market is predominantly for velvet's anti-ageing properties.

That is where BioProducts pitches its products, mainly raw material for manufacturers. Extracted using a number of

different methods, it offers services and a ‘total solution’ for its customers to meet their specifications. With quality assurance procedures in place, consistently high quality standards are met. Developing prototype products is part of the approach to show how velvet extract can be delivered.

The company exhibited, for the fourth time, at the world's largest nutraceutical fair, Natural Products Expo West, this year held in March in Anaheim, California. With over 30,000 trade visitors, Keeley says his company's main aims were to provide technical support for its manufacturing clients who were also exhibiting at the show, and to educate visitors about the product's potential uses. “But we picked up a number of prospective customers and our customer base has expanded.”

The other key sector is the very small, very competitive, but potentially very lucrative sports nutrition market, said by market commentators to be poised for strong growth. The 40,000 serious body-builders in the United States are estimated to each spent an average of US\$1,000 per month on sports nutrition and supplements.

Daniel Harrison and Elixir exhibited at the American College of Sports Medicine's annual meeting, attended by 5,000 sports professionals, at which results from Craig Broder's industry-funded athletic performance research was presented (see Oct. – Nov. 2004 issue of the *Digest*).

Harrison says interest was good and he was looking to assess trends and educate the delegates. The scale of the event and the immensely strong competition “blew my mind,” Harrison says, but he took away “plenty of good ideas.”

Harrison is adamant that, although times are tough at the moment, those who persevere will succeed. “If anyone is going to take this product, US consumers are.”

3. Velvet Antler and Wound Healing

By Jimmy Suttie, Dawn Clark and Mark O'Connor. Reprinted with permission from the NZ Deer Industry News, Issue No. 10, July 2004, page 32.

Deer velvet is a rapidly growing organ and is unique in that it is the only mammalian organ to be replaced entirely each year. With the aim of developing new products to match currently unmet needs, scientists and marketers are seeking the mechanisms which allow this process. This article briefly sets out progress, and describes work remaining and prospects for commercialization.

Angiogenesis focus

Velvet Antler Research New Zealand (VARNZ) has chosen to work on the mechanisms which control small blood vessel growth (angiogenesis). This is because blood vessels must grow rapidly in order to supply the fast-growing and differentiating antler tissue. There are clear opportunities for products which can result from knowledge of these mechanisms.

Angiogenesis itself is a very broad field. VARNZ has chosen to focus its efforts on the development of products which can be used to promote wound healing. The current goal is to develop indications of efficacy for acute wounds and work toward the nirvana of healing chronic wounds, whose failure to heal is at least part due to a reduced ability of blood vessels to grow into the wound area.

Market potential for wound healing products

Acute wounds range from cuts that use a sticking plaster to burns requiring hospital treatment. For example, burns are a major health burden with over a million cases a year

in the United States alone, with 5% requiring hospital treatment.

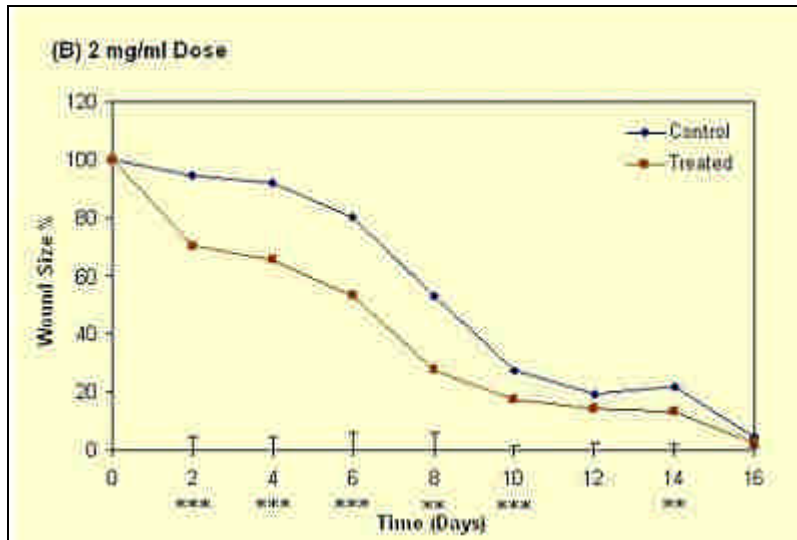
Chronic wounds are conditions such as diabetic foot ulcers (the number of cases is growing at 7% per annum and should top 1.3 million cases in the United States by 2008) and venous leg ulcer, a problem of the ageing and obese. There are 500-700,000 cases in the United States per annum and numbers are growing.

Currently, there do not appear to be any easy answers to these conditions, particularly chronic wounds. Treatment is effectively cleaning the wound, keeping it clean and specialized wound dressings. Healing is slow, labour intensive and expensive.

Isolating factors promoting blood vessel growth

The idea is that small blood vessel growth is required to support the rapid growth of velvet. Small blood vessel growth is also required for effective wound healing. If the growth factors that encourage small blood vessel growth in velvet could be extracted, they may assist in the more rapid healing of wounds. Have you ever noticed how quickly the wound following a button drop heals, or if the stag damages its antler, how quickly that heals? Hence the research program has sought to find the factors which promote blood vessel growth in deer velvet, extract them, formulate them for delivery and test them in *in vitro* (lab) and *in vivo* (live) models prior to clinical trialing in humans.

Fig. 1. Wound closure rates. The specific deer velvet extract was applied to the wounds and compared to a carrier only control (saline). The data was presented as a percentage healing of the original wound which helps correct for any variation in the size of the original wounds. N= 6 wounds/treatment. Statistical analysis was conducted by ANOVA for each time point. The standard errors of the difference in means are shown on the X axis. *P<0.05, **P<0.01, ***P<0.001.



Progress

In general the thrust of the work is to develop a portfolio of Intellectual Property (IP), owned by the deer industry and AgResearch through VARNZ that can be exploited for a suite of high value, effective, products.

The wound healing program has been operating since 1998 but received a significant boost in 2002 when the Foundation for Research, Science and Technology (FRST) agreed to invest \$1.8 million per annum for four years for the development of wound healing products from deer velvet. This term is halfway through and has recently been reviewed and re-mandated by FRST. The IP from this investment is owned by VARNZ and therefore 50% by the New Zealand deer industry.

VARNZ recognizes that further partners will be needed to complete the commercialization process. They bring advantages including market knowledge, distribution channels, a reputable brand and capital. The plan is to

advance development as far as practical using existing resources. This creates the strongest selling proposition possible and maximizes value of the IP for stakeholders before additional partners are brought on board.

Two major approaches have been used to find blood vessel growth factors in deer velvet.

1. The first is **bioactivity directed fractionation**. In this approach, a set of relevant bioassays for blood vessel growth are used to test the activity of fractions of extracts of deer velvet. This permits the development of progressively more potent extracts, until defined activity can be demonstrated. AgResearch has used this approach to develop such an extract which has repeatable, stable activity. VARNZ completed patents out on this extract and its use in March and May 2004, respectively. Over the last year, AgResearch has been conducting additional trials and developing a stable formulation to apply the extract topically to wounds. This work is now largely

finished and the patents were completed on time in March and May, 2004. However, efficacy on its own is not sufficient. The extract must also be able to be formulated into some sort of delivery mechanisms (such as a cream, gel or spray) and it must be stable, that is, if it easily loses its activity, it will be difficult to use practically outside the laboratory. The extract has been trialed successfully in several different formulations and so far has been demonstrated to be very stable (it remained active following boiling).

In addition to IP protection, the novel extraction process makes replication of the extract very difficult. Thus, the partners own protected IP, which gives VARNZ a strong position to source additional resources and commercial partners for the next phases leading to products.

2. The second approach involved **seeking genes which are selectively and highly expressed in deer velvet** and which potentially could promote blood vessel growth. Such genes can be expressed and the resultant proteins can be tested using specially developed bioassays. VARNZ can then choose to search for these proteins in extracts, to develop natural products, or continue to express the proteins to develop pharmaceutically active substances. This approach is proceeding satisfactorily.

Prospects

VARNZ has taken advice on commercialization strategies for wound healing products from deer velvet. A key decision is how the product will be regulated. It could be regulated in a number of different ways, but the two most likely are either as a natural product (easiest, but with no health claims possible and with a risk of low credibility) or as a medical device (requires some regulatory compliance, but less than a

straight pharmaceutical, would allow some claims, and would allow 'over the counter' sales). Pending further advice, it is likely that VARNZ will opt for the medical device route.

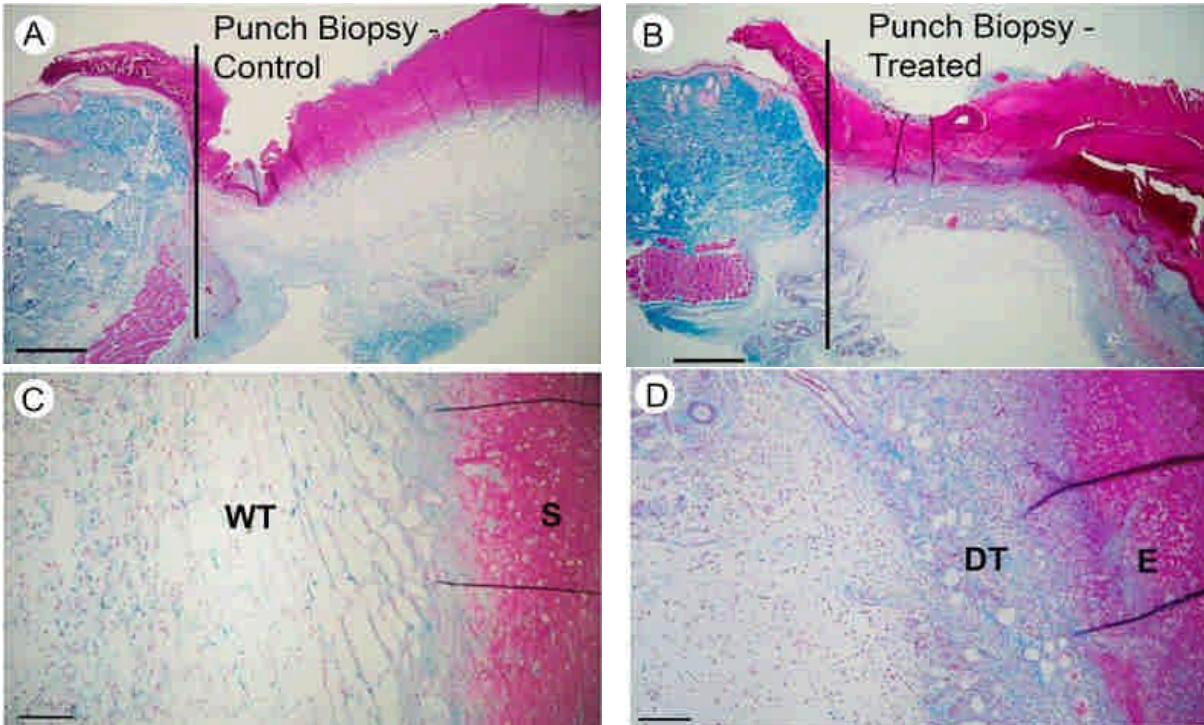
Two key hurdles remain to be overcome before trials on humans can occur. Firstly, it is very important to show that the extract does not cause immune responses or sensitization. These trials are currently being planned. Secondly, it must be demonstrated that the extract can be consistently produced from batch to batch. This remains to be demonstrated.

Results will coincide with the search for commercial partners. Further development will depend on the strategies of the commercial partners and cannot be estimated here. This approach has been adopted to ensure the maximum commercial value is extracted from the existing investment in research and development which has taken place to date. It is vital that any product opportunity that we will take to the market place is safe, stable, effective and that the IP is protected appropriately.

While shortcuts to a product might have been possible, this would not likely have led to the long-term sustainable benefits that we expect from this potential line of products. We have built the platform for a sustainable future, with scientific credibility, rather than develop a product of poorer quality with high likelihood of succumbing to competition as a cheap commodity and never realizing its potential value.

The future of a wound healing product derived from deer velvet being on the shelf, helping society, and returning value is a tantalizing one. While, it is not a certainty, and there are possible stumbling blocks along the way, as we sit here today the future is looking bright and wide open.

Fig. 2. Histology. Wounds stained with Masson's Trichrome on day 4 after a single application of the specific extract at 10mg/ml on day 0. (A) Control punch biopsy. (B) Treated punch biopsy. Tissue to the right of the bar is the regenerating tissue after the punch biopsy and to the left is the wound edge. (C) High power image of the regenerating tissue with the wound tissue (WT) and a scab (S). (D) High power image of the treated regenerating tissue reveals the formation of dermal tissue (DT) containing differentiated tissue, blood vessels and an epithelium beginning to reform (E). Bars: A and B = 200 μ m. C and D = 100 μ m



4. What to Expect from Your State Wildlife Agency

By Dan Marsh, a lawyer and Executive Director of the Michigan Deer and Elk Farmers Association.

Currently, many states regulate the privately owned cervidae production industry through an amalgam of authorities administered by the state Department of Agriculture and the state Wildlife Department. These authorities usually are not clear and require a comprehensive reading of the law to understand jurisdictional regulatory authority between departments.

Those states that seek to expand the markets for the industry, thus creating more clients and

customers for existing producers, are encountering opposition from their state Wildlife agencies. These agencies generally do not understand the industry, what motivates sales, and the common ground that exists between the industry and the agency.

It is up to responsible producers, through their state association, to inform the state agency about the industry and demonstrate appropriate regulation by state Agriculture Department can be supported by the state

Wildlife Agency. In an effort to illustrate common dialogue between industry and wildlife agency, I will provide a brief overview of the arguments and Privately Owned Cervidae Production Industry's response in conversational format.

Wildlife Agency Argument: Our state statutes regulate the "importation, possession, and use of wildlife" and defines the wildlife or game the Wildlife Department regulates that usually includes whitetail deer and elk. Our statute regulates "taking" or hunting of wildlife is supported by the state constitution that authorizes the wildlife agency to protect and conserve the natural resources of the state for the people. Your elk and deer are wildlife regulated by the wildlife agency.

Privately Owned Cervidae Production

Industry: Our animals are also defined as livestock or alternative agriculture, or alternative livestock subject to the administration of the Agriculture Department.

Wildlife Agency Argument: Those regulations are for disease and transportation purposes only.

Privately Owned Cervidae Production

Industry: But they are my private property; animals under the dominion of man for the production of food and fiber (the classic definition of agriculture). I purchased them with my money, I have title to them, just like cattle, and care for them as livestock. They are not part of the natural resources of the state that require your protection.

Wildlife Agency Argument: The statute says elk and deer and you have elk and deer.

Privately Owned Cervidae Production

Industry: Yes, but privately owned elk and deer and wildlife jurisdiction does not extend to private property.

Wildlife Agency Argument: The statute says elk and deer and you have elk and deer.

Privately Owned Cervidae Production

Industry: I have an agricultural operation with my privately owned cervidae. You are seeking to regulate my business. Your legislative authority does not allow you to regulate business

Wildlife Agency Argument: The statute says elk and deer and you have elk and deer. But, we will ALLOW you to raise these animals for your so-called agriculture, but you cannot hunt them. Hunting is a recreational activity, not agricultural.

Privately Owned Cervidae Production

Industry: I harvest and manage my cervidae using the hunting method.

Wildlife Agency Argument: Having someone pay you to hunt is NOT harvesting your animals and is merely a fiction to skirt the laws of the state.

Privately Owned Cervidae Production

Industry: You have people pay you to hunt wildlife deer and that is your method to manage the states herd. How come you can do it and I can't? You are in the wildlife business are you not? Is this a conflict of interest to regulate your competition?

Wildlife Agency Argument: Silence (but thinking, "we-the state- can't have the competition").

Privately Owned Cervidae Production

Industry: I control the habitat, provide sanitation, water supply, control feeding and selectively harvest my animals, as an agriculture endeavor. Harvesting of select deer or elk on a pay-to hunt-basis is a method employed by the industry, and the Wildlife Agency, and is a sound financial decision that enables the continuation of the agricultural operation of maintaining the herd. Nothing says the wildlife agency has cornered the market on this method of harvest.

Wildlife Agency Argument: Clever argument, but, we regulate “taking” of wildlife. You call what you do “harvest”, but it really is “hunting” and that is “take” subject to our jurisdiction. We are unaware of a cattle ranch where one can go and pay for the privilege of shooting a “record” black Angus cow.

Privately Owned Cervidae Production

Industry: “Taking” wildlife, not livestock. You have recognized my cervidae production as agriculture. There is nothing in the statutes that provides the method of harvest changes my operation from something other than agriculture.

Wildlife Agency Argument: The statute says elk and deer and you have elk and deer.

Privately Owned Cervidae Production

Industry: The position is not that you do not have jurisdiction over elk and deer or that we to seek change your jurisdiction over elk and deer. It is that you do not have jurisdiction over my private property animals that I raise as livestock. I recognize your concern that since our animals look like something you regulate, and you feel you should regulate them. There is a way for your agency and my agri-business to co-exist and even support each other. Look at what the State of Michigan did in 2000 with Public Act 190 and 191 (House Bills 4427 and 4428)

Wildlife Agency Argument: That is Michigan, a different state with a different culture.

Privately Owned Cervidae Production

Industry: Yes, but we share the same cultural concepts, and precepts and law that recognizes private property rights and those measures that seek to weaken them (mostly done with good intentions and without a clear idea on the negative effect on such rights). Regulation of private property without specific authorities is repugnant to our western idea of private property.

Wildlife Agency Argument: But your industry gives fair chase a bad name and fosters animal disease.

Privately Owned Cervidae Production

Industry: If you would talk with us, you would discover we are just as concerned about fair chase and disease. They both go to marketing and animal welfare (high priority concerns of the industry). Violators of fair chase make it difficult to sell harvesting opportunities for the entire industry. As for disease, we are like all agricultural endeavors; we balance the regulation of the risk of transmission against private property and feeding people. Bad food hurts people and our business. This is not a wildlife issue since we seek to keep our investment behind the fence and the state’s animals out.

Wildlife Agency Argument: We must have a say in fair chase and disease matters of animals.

Privately Owned Cervidae Production

Industry: Try to define “fair chase” and then enforce it and base regulations on disease. Keep in mind that you will be pressed by the anti-hunting groups to do the same for your wildlife hunting. Leave the disease issues, as far as for testing, moving, vaccinating, and other disease prevention measures, to the Department of Agriculture. Stick to wildlife. In fact, if we work together instead of against each other, it will be more difficult for the “anti’s” to get a foothold to hurt each other’s business and we could learn from each other about the animals we both love so much.

Wildlife Agency Argument: OK, but what about your fences trapping the wildlife subject to Wildlife Agency jurisdiction? That is poaching the state’s resources and is in effect a “taking” of a wildlife resource. We must regulate the fences.

Privately Owned Cervidae Production

Industry: Here again we have common ground. The privately owned cervidae

production industry does not support poaching in any manner. In fact, if your state had a registration system like Michigan's, all privately owned elk and deer are accounted for with inventory reporting and movement tags as well as rigid testing protocol. The market motivates producers to have a paper trail on each animal for marketing reasons. A purchaser wants to know the health and genetics of the animal to determine whether or not it is an effective producer and is healthy and to ensure the animal is NOT from the wildlife. The animals from the wildlife have unknown genetics and may carry a number of diseases currently plaguing wildlife herds subject to the jurisdiction of the Wildlife Agency.

Wildlife Agency Argument: We are working diligently to address the disease problem in the wildlife herds. We are working at the state and Federal level to secure funding for personnel, disease testing, animal health research, animal management techniques, and other disease eradication tools.

Privately Owned Cervidae Production

Industry: Sounds like you are experiencing, for the first time, what our producers have been doing since they entered the industry. Welcome. Also, you may want to know your permit program regulating our livestock operations was originally meant to assist the state in restoration of depleted wildlife resources. With your (to date) unmanageable wildlife disease situation, you may be seeking our assistance to restore elk and deer into the wildlife.

Wildlife Agency Argument: We will have the disease situation under control very soon, so I doubt your scenario will ever happen. Let's get back to "biosecurity", the ability to keep animals out of the enclosure. What about those elk and deer that "accidentally" manage to get over the fence and into the cervidae livestock facility, what then?

Privately Owned Cervidae Production

Industry: Like I said, we do not want that animal. It could infect our privately owned herd, cause social order disruption in the herd thus increasing mortality and costing the producer money. Also, the stigma of "poacher" is overwhelmingly negative and could have the effect of shutting someone's business down when it become public. We are motivated to prevent that from happening and in those cases it does, we support an immediate dispatch of the animal under the permission of the Wildlife Agency.

Wildlife Agency Argument: We are still not convinced we should not assert jurisdiction over fencing. Our business is law enforcement, not support agri-business. We know about the "bad guys" out there that will lie, falsify documents, and basically commit fraud by trying to pass off a wild elk or deer for a registered and tested elk or deer.

Privately Owned Cervidae Production

Industry: We want to ferret out the "bad guys" and rid the industry of such individuals for the reasons you put forth. That type of illegal activity gives the industry a bad name, invites unnecessary regulation on the majority of our honest farmers. It is inappropriate to condemn an entire industry for the activity of a nefarious few. The market will condemn those that choose such a path and coupled with your law enforcement authority, we stand a good chance of shutting all those poachers down forever. As to your concerns about animals getting in, remember, if an animal can get in, it can get out. Our producers are highly motivated to keep their investment in the enclosure where they are disease free, accountable, and can be managed for profit. Once again, market forces generate biosecurity compliance behavior beyond what any regulatory prohibition could accomplish.

Wildlife Agency Argument: Still not convinced.

Privately Owned Cervidae Production

Industry: Well, let's look at your legislative authority once again. Without a facility fence, our producers cannot engage in their agricultural activity. Where is your authority to regulate farming? Do you really want to take on this issue?

Wildlife Agency Argument: What you are proposing will require a positive working relationship between the Department of Agriculture and the Wildlife Agency and the producers. We like the idea, but we are not sure this can be done with agencies fighting

over appropriation dollars and the inherent conflicts in jurisdiction.

Privately Owned Cervidae Production

Industry: Nobody said it would be easy. All the parties you mentioned MUST work together instead of fighting in the legislature, in the courts, and in the field. The cooperative working relationship must start somewhere and that will take true leadership.

Wildlife Agency Argument: I agree, let's be friends.

5. Industry News

Norelkco update

The North American Elk Products Co-op (Norelkco) is being established in Canada and the United States as a New Generation co-op to market value-added velvet antler products. Norelkco is badly needed by the elk farming industry to offset closed Asian markets and low prices. Norelkco will focus its initial efforts on the booming natural pet health care markets in North America.

Here is the current status of Norelkco:

1. The official name has been changed from the North American Elk Products Co-op to the *North American Natural Health Products Co-operative Ltd.* We will continue to use Norelkco as the trade name. The change was made to better reflect our focus on marketing natural health products. The new name also positions Norelkco better to expand its natural health product line in the future.
2. We have filed the incorporation papers to establish Norelkco as a New Gen co-op in the Province of Saskatchewan (Canada). The expectation is that Norelkco will be legally incorporated by the end of December 2004.
3. The interim Canadian Board of Directors has representatives from elk producers in Alberta, Saskatchewan and Manitoba. We have a good diversity of farming and business experience on the interim Board.
4. The Norelkco Plans will be done by end of January 2005 and will include:
 - Business Plan
 - Research and Development Plan
 - Canine Connections - marketing plan for the dog health markets.
5. We do NOT have to prepare a prospectus to conduct a capital drive for Norelkco in Canada. An *Offering Memorandum* will be prepared instead and approval obtained from the various provincial securities agencies by end of January 2005.
6. The capital drive in Canada to sell Norelkco delivery and equity shares will probably take place between February and April 2005.
7. If the capital drive is successful, Norelkco will then begin operations as soon as possible. The priorities are to establish

markets, first in Canada, and then in the USA. The second priority is to obtain branded velvet antler products for samples and for sale.

8. Once the Norelkco Plans are complete, we will go ahead with establishing Norelkco USA as a New Gen co-op in Iowa.
9. In the United States, the Boards of the following elk associations have voted to support Norelkco, and have also provided financial support to the start-up fund – Iowa Elk Breeders, Pennsylvania Elk Breeders, Michigan Deer & Elk Marketing Association, South Dakota Elk Breeders, Illinois Elk Breeders and Kansas Elk Breeders. The Iowa Elk Breeders Association is taking on the lead role and acting as the “banker” for Norelkco USA.

There are still many challenges and obstacles to overcome. However, we are moving forward. Please let elk producers know about this important initiative, and encourage them to send in a \$100 donation either to the Canadian or US Norelkco offices. For more information, please see the Norelkco website at <http://www.norelkco.com>

CWD and Your Rights

NADeFA is trying to determine the overall regulators’ responses to our industry. Have you or your family been served a warrant or has a search and seizure occurred on your farm or ranch? Please contact NADeFA as we are trying to get a handle on the invasive techniques that are being implemented on our industry. We do not want to do any mud slinging but we are trying to collect the facts. Please describe the following:

- Reasons for their visit.
- How many came to your home?
- What time of day did they visit?
- Was your family home when they arrived?

- Did anyone video tape or record the event?
- Was their visit warranted?
- What was the complaint?
- Did they have their guns drawn?
- What did they remove from your home?
- Was the reason they visited a law you were breaking?
- Was anything destroyed or left in disarray?

Please provide a summary of what occurred and either send it to NADeFA at 1720 W. Wisconsin Avenue, Appleton, WI 54914 or email it pmenden@nadefa.org

Thank you. Here is a short summary of your rights. Please feel free to share this with friends.

Know your rights and the rights of the government agency that regulates your industry.

In the nation, there are a few farmers that just plain want to know what in the world is going on. In discussing the topic of civil rights, I feel the need to inform and share with you the treatment of deer farmers by some government agencies and how knowing your rights will be your best defense and will benefit you.

If eight or ten wardens show up at your door and ask to see your records what will you say? If you are not home and your children answer the door and they ask to see your records what will they say? If they detain your hired hand or family from leaving the premise, ask to go into your pens to do a herd inventory, if you find wardens in your pens when you get home, ask to see, copy or confiscate your financial records, or ask to look in your children’s room or your basement, what will you tell them?

If they ask for other pieces of information or want to confiscate your personal records, computer, cell phone, or your personal check

book or ask to see other records, you need to know what to tell them. Also, if you have multi species, you only have to show the records that pertain to the inspecting government agency jurisdiction. Here is where it is beneficial to know your rights and the rights of the governing agency.

Keep in mind there are different ways that you can be inspected. One is a voluntary inspection. Another is a warrant to inspect – this is when the governing agency gets refused to be allowed to inspect and they come back with a “warrant to inspect.” There are also consent warrants and search warrants. All of these require different actions and details that you should know. The difference could be between breaking the law and abiding by it for both you and the governing agency. Contact your state or national association today. Know your rights.

Tape record your conversations! Have your neighbor video tape what they are doing. Turn your camera’s on if you have them. If you would like to continue to do business, take the items necessary for this and store them at your attorney’s office. You have a right to protect your information. Determine if the reason of the warrant is legal to begin with. Get the names of the people who are at your home, their rank and who they work for. Do not sign anything until you speak with your attorney. Plan ahead as to what you can do when they arrive.

They know your schedule and come generally in the early morning. If they say you have to leave, stand your ground! You have a right to be on your own property.

For more information, please contact Phyllis Menden, Executive Director, North American Deer Farmers Association at 920-734-0934, fax 920-734-0955, e-mail pmenden@nadefa.org

No CWD in Michigan deer and elk farms

The Michigan Department of Natural Resources (DNR) recently completed an audit and found no cases of Chronic Wasting Disease (CWD) in the state’s privately owned deer and elk farms. This means that government’s responsibility of these farms will return to the Michigan Department of Agriculture.

Although a final report isn’t due until December, the Michigan Deer and Elk Farmers Association reported that the DNR found no CWD-related health problems after reviewing the operations of more than 500 deer and elk farms in the state.

Most of the concerns raised by DNR inspectors had to do with fencing. Michigan farmers are working to correct these issues, according to Dan Marsh, executive director of the Michigan Deer and Elk Farmers Association.

“I’m pleased to say the audit inspection process went very smoothly and returned the results we anticipated,” Marsh said. “Our industry extends its thanks to the DNR for its thorough work and helpful recommendations.”

Marsh added that his group is hopeful that CWD will remain a focus for the state.

“CWD is a serious disease, and effective monitoring efforts must be ongoing,” Marsh said. “We hope to work with the Legislature and the Governor to ensure appropriate funding and continued attention to this important issue.”

Earlier this year, Gov. Jennifer Granholm issued an executive order that called for the DNR to audit Michigan’s deer and elk farms in an effort to find CWD. When the deer and elk farms expressed concerns about the DNR oversight, Granholm pledged to return the state regulation of the farms back to the Department of Agriculture after the DNR had completed its audit.

Minnesota Elk Marketing Council gets grant

October 13, 2004 - Agriculture Secretary Ann Veneman announced the approval of 97 value-added agricultural product market development grants in 34 states totaling over \$13.1 million dollars. In Minnesota, four farmer-owned business operations received more than \$792,000 in assistance through this program. The Elk Marketing Council Corporation was one of these fortunate recipients, receiving \$150,000 for use in marketing and promotions, and other business related activities.

The Elk Marketing Council Corporation is comprised of nearly 40 elk producers who are seeking to create improved markets in the elk industry. This application focused entirely upon the elk meat market and will be used to further develop the snack meat and food service markets. Their warehouse is located

in Rogers, Minnesota, where they distribute their "Premium Midwestern Elk" brand of products.

The Value-Added Agricultural Product Market Development Grants program was authorized as part of the 2002 Farm Bill. It provides opportunities to create, market and promote agricultural commodities and products to increase their value in the marketplace.

The mission of USDA Rural Development is to deliver programs in a way that will support increased economic opportunities and improve the quality of life for rural residents. More information about these rural programs can be found at a local USDA Rural Development office or on the USDA web site at www.rurdev.usda.gov. For more information about the Elk Marketing Council, check out their web site at www.healthyelkmeat.com.

6. Events Calendar

Here is a list of upcoming events of interest to deer, elk, and reindeer farmers. We have expanded these listings to include events that offer marketing opportunities for the industry.

North American Veterinary Conference (NAVC) and the National Association of Veterinary Technicians in America (NAVTA) will hold an annual meeting in Orlando, FL on **January 8 to 12, 2005**. Contact them at info@tnavc.org or visit <http://www.navconline.com>

Minnesota Elk Breeders Association Annual Conference will be held **January 15, 2005** at the Marriott, Rochester, Minnesota USA. For more information, please e-mail info@mneba.org

Missouri Veterinary Medical Association Annual Convention will be held on **January 21 to 23, 2005**. For more information phone 573-636-8612 or e-mail mvma@mvma.us

Farm Direct Marketing Initiative will hold a provincial conference for farm direct marketers and ag tourism operators in Alberta (Canada). The conference will be held on **January 24-26, 2005** at the Red Deer Lodge in Red Deer, Alberta. For more information, or to be put on a mailing list, please call 780-679-1361.

Michigan Veterinary Conference will be held at the Lansing Center and Radisson Hotel on **January 27 to 30, 2005**. Phone 517-347-4710 or visit <http://www.michvma.org>

Ontario Veterinary Medical Association (OVMA) will hold their *Better Medicine, Better Life* conference in Toronto, ON on **January 27 to 29, 2005**. For more information, visit <http://www.ovma.org>

Indiana Veterinary Medical Association (INVMA) will hold their annual meeting in

Indianapolis on **January 28 to 30, 2005**. For more information, visit <http://www.invma.org>

Iowa Elk Breeders Association Annual Convention will be held on **January 29, 2005** at the Jester Park Lodge, Granger, Iowa. For more information call 641-782-2903 or visit <http://www.iowaelkbreeders.org>

Virginia Veterinary Medical Association will hold their annual general meeting in Roanoke, Virginia on **February 3 to 5, 2005**. For more information, visit <http://www.vvma.org/conference.htm>

West Virginia Veterinary Medical Association will hold their 54th annual winter meeting **February 4 to 6, 2005** at the Greenbrier Resort Hotel in White Sulphur Springs, WV. Exhibitors welcome. For more information, e-mail wvma@aol.com or phone 304-965-3373 or fax 304-965-1106.

Ontario Association of Veterinary Technicians (OAVT) will hold their 27th annual conference and trade show in London, ON (London Convention Centre and Hilton) on **February 17 to 19, 2005**. For more information, contact them at events@oavt.org or visit <http://www.oavt.org>

Music City Veterinary Conference will be held on **February 18 to 20, 2005** at the Franklin Cool Springs Marriott in Nashville, TN. For more information call 615-254-3687.

Minnesota Deer Breeders Association annual banquet and fundraiser will be held on **February 19, 2005** at the Kelly Inn, in St. Cloud, MN. Fees are \$25 per person or \$40 per couple. Contact Holly Johnson at holly6006@aol.com or at 507-753-2972.

Ohio Veterinary Medical Association will hold its annual conference on **February 24 to 27, 2005**. For more information, see <http://www.mvcinfo.org>

BioFach 2005 will be held in Nuremberg, Germany on **February 24 to 27, 2005**. This is a global organic market with 1,900 exhibitors and 30,000 visitors. For more information visit <http://www.biofach.de>

Wisconsin Commercial Deer & Elk Farmers Association (WCDEFA) will be holding their 13th annual convention at the Hotel Mead in Wisconsin Rapids on **March 3 to 4, 2004**. For more information, call 1-888-233-1667, visit <http://www.wcdefa.org> or email at info@wcdefa.org

New Jersey Veterinary Medical Association will hold their annual meeting in Florham Park, NJ (Hamilton Park Conference Centre) on **March 4 to 6, 2005**. For more information, visit <http://www.njvma.org/public/events/index.asp>

Reindeer Owners and Breeders Association (ROBA) annual membership meeting will be held **March 4 to 6, 2005** in Hamburg, NY at the International Agriculture Center. For more information, contact Mike at (716) 649-3249 or e-mail villagegreennurs@aol.com

Whitetail Deer Farmers of Ohio will have their spring meeting on **March 5, 2005**. For more information and location, contact Steve Laughlin at sklisret@earthlink.net.

Alberta Rural Tourism Conference 2005 will be held **March 7-9, 2005** at the Camrose Regional Exhibition, Camrose, Alberta Canada. For more information, contact Shirley Damberger at 1-877-672-5672 or at makeithappen@telus.net

FOODEX Japan 2005 will be held in Tokyo, Japan on **March 8 to 11, 2005**. This is the third largest international food and beverage exhibition in the world with products from 75 countries and 90,000 industry visitors. For more information, go to <http://www.jma.or.jp/FOODEX>

Global Pet Expo, one of the world's largest pet products trade shows, will be held at the Orange County Convention Center in Orlando, FL on **March 13 to 15, 2005**. For more information see <http://www.globalpetexpo.org>

Natural Products Expo West will be held in Anaheim, California on **March 17 to 20, 2005**. Last year, more than 2,500 exhibitors and 36,000 attendees from 86 countries to part in the show. More than 13,000 retailers and buyers participated. For more information, go to <http://www.expowest.com>

Saskatchewan Elk Breeders Association (SEBA) annual convention and general meeting will be held on **March 18 & 19, 2005** at the Delta Bessborough Hotel, in Saskatoon, SK Canada. For more information, contact Maria at the SEBA office at 306-782-6500, fax 306-782-6501, e-mail maria@elkbreeders.sk.ca or check their website at <http://www.elkbreeders.sk.ca>

Saskatchewan Whitetail and Mule Deer Producers' Association (SWAMDPA) annual convention and general meeting will be held on **March 18 to 20, 2005** at the Delta Bessborough Hotel in Saskatoon, Saskatchewan. This convention is being held jointly with the SEBA convention. For more information, please contact info@saskdeer.com or <http://www.saskdeer.com>

Alberta Elk Commission annual convention will be held **March 25 to 26, 2005** in Leduc, AB Canada. For more information, visit <http://www.albertaelk.com>

Petfood Forum 2005 will take place **April 11 to 13, 2005** at the Hyatt Regency O'Hare Hotel in Chicago, IL, USA. There will be 26 in-depth sessions covering production, nutrition, marketing, regulatory affairs, quality assurance and more. For more information,

contact Marcia Riddle at riddle@wattnet.com or go to <http://www.wattnet.com>

SIAL Montreal 2005 will be held in Montreal Canada on **April 13 to 15, 2005**. This is an international food exhibition that attracts some 800 exhibitors from 40 countries, and over 13,000 visitors from 77 countries. For more information, see <http://www.sialmontreal.com>

American Board of Veterinary Practitioner's Symposium will be held on **April 29 to May 1, 2005** at the Marriott Washington, Washington DC. For details, call 615-254-3687.

San Diego Spring Veterinary Conference will be held on **May 21 to 22, 2005** at the Red Lion Hanalai Hotel, San Diego, CA. For more information, call 619-640-9583.

Summer International Fancy Food & Confection Show will be held in New York on **July 10-12, 2005**. This is one of the most important annual expositions for gourmet and specialty foods. The show draws representatives from every segment of the retail and food services industries – retailers, restaurateurs, brokers, wholesalers, importers and other distributors of gourmet, specialty and ethnic foods.

Canadian Veterinary Medical Association will hold their annual convention in Victoria, BC on **July 13 to 16, 2005**. For more information, visit <http://www.cvma-acmv.org/>

Whitetail Deer Farmers of Ohio will have their fall meeting and picnic on **August 27, 2005**. For more information and location, contact Steve Laughlin at sklisret@earthlink.net.

Anuga will be held in Cologne, Germany on **October 8 to 12, 2005**. This is the most important trade fair for the food and drink industry worldwide. For more, see <http://www.anuga.com>

7. Subscription Services

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8. Contact Information

We are always looking for articles and news about deer, elk, and reindeer farming to publish in this newsletter. E-mail, fax, or mail your ideas and articles to the Editor (see information below).

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Notes