

MINUTES

**MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION**

COMMITTEE ON FISH & GAME

Call to Order: By Bob Williams, on March 19, 1991, at 3:26 P.M.

ROLL CALL

Members Present:

Bob Williams, Chairman (D)
Don Bianchi, Vice Chairman (D)
John Anderson Jr. (R)
Eve Franklin (D)
Lorents Grosfield (R)
Greg Jergeson (D)
Dick Pinsoneault (D)
David Rye (R)
Paul Svrcek (D)
Bernie Swift (R)

Members Excused: None

Staff Present: Andrea Merrill (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion:

Roll taken and noted.

HEARING ON HB 556

Presentation and Opening Statement by Sponsor:

Representative Ream, House Dist. 54, explained that game farming has mushroomed dramatically in recent years. It has grown in response to a demand and a ready market. He asks that the committee members pay close attention to the letter from V. Giest, who he considers to be an expert on the pitfalls of game farming. See Exhibits No. 1-5.

He is concerned about the possibility of transmitting diseases between game farms and ultimately infecting the wildlife population and livestock. Section 8 of the bill is to deal with the problems of exotic species of wildlife that are brought into the State that have the potential of interbreeding with wild animals or, in fact, are being bred with wild animals in captivity. If any of the hybrids get out into the wild population, you can see the tremendous potential for diluting

natural native populations. The taxation of game animals varies considerably from county to county depending on the local assessor and the taxation they place on the animals. Possibly the taxation problem can be worked out later with the Department of Revenue and does not necessarily have to be handled in this bill.

Proponents' Testimony:

K. L. Cool, Director of Montana Fish, Wildlife, and Parks, supports HB 556. See Exhibit No. 6.

Susan Leonard, Montana Audubon Legislative Fund, supports HB 556. The introduction of exotic species poses a great threat to native wildlife. Those animals that escape into the wild can and may impair the survival of native species. Problems include diseases, competition for food sources, and interbreeding which threaten the survival of wild herds by maximizing the weaknesses and minimizing the strengths of native species.

Lorraine Gillis, Montana Farm Bureau, supports HB 556. In order that our livestock as well as our native game animals be protected, it is necessary for game farms and game farm animals be given the same scrutiny for diseases as personal livestock.

Opponents' Testimony:

Ed Smith, former legislator, has friends and neighbors who are game farmers. He sponsored the original game farm bill when it was passed. He feels that HB 556 is poorly written and that not enough time has been spent in research. He cautions the committee not to act too hastily. See Exhibits No. 7-9.

Bob Spoklie, elk rancher from Antelope, Mt., represents 3,500 game growers across North America and 70 game and elk breeders in Montana. Game farming is one of the cleanest and most lucrative industries that Montana can endorse. See Exhibit No. 10-13.

Steve Musick, game farmer from Utica, Mt., started his game farm in 1978. See Exhibit No. 13.

Lawrence Richards, exotic animal breeder from Polson, Mt., opposes HB 556. See Exhibit No. 15.

George Cloutier, owner of Rock Creek Deer Farm, is owner of the family farm and wants to see family farms continue. There is now close to 200 deer farms in the U.S. He became involved in the deer farming business when he learned in 1988 that New Zealand, which has over 2,000 fallow deer farms, was importing over \$5 million worth of venison into the U.S. The following year, over \$8 million. Some American farmers want to develop that industry. There is no reason it can't be done in Montana. He is disappointed that none of the game farmers were contacted for their input into the dialogue for this bill.

Chad Ralls, game farmer from Ravalli Co., opposes HB 556. He was employed in the timber industry until 3 months ago and is now currently relying on his game farm to generate his needed income. See Exhibit No. 16.

Welch Brogan, owner of Cinnabar Game Farms, has been in the elk business for over 40 years. It is very difficult to get any elk into Canada as their requirements are very strict. Animals are tested for 4 diseases, suspected animals have to be placed in quarantine for 60 days and tested for the 4 diseases again.

He originally purchased his elk from Yellowstone Park for \$20 a piece. There has been controversy with the TB positive in his elk. He has destroyed all animals that have tested positive for TB. See Exhibit No. 17.

Ellen Schubarth, Vaughn, Mt., raises exotic animals and suggests amending the bill. She pointed out that white tail and mule deer often share a common breeding ground and because of natural selection, choose not to interbreed, thus keeping the species pure. See Exhibit No. 18.

Charles Brooks, representing Montana Chapter of North American Breeders Assn., stresses this is an emerging industry that we need to encourage and assist in developing. The ranchers understand that there must be some regulation in place, but they want to be an integral part of drafting the regulations. There are some problems with this bill. We suggest tabling HB 556 which will give them an opportunity to form a committee, and meet with the various agencies involved so that they can come before the next legislature with a bill that will be acceptable to all parties involved.

Les Graham, Department of Livestock, gave a demonstration on an electronic identification device. This machine would inject an electronic chip into the muscle of an animal. A hand-held monitor would display the number on the chip used for identification. The devices are available; however, a licensing/numbering system will have to be implemented for proper identification.

Questions From Committee Members:

Senator Rye asked Rep. Ream why regulate an industry out of business when it is flourishing in this State? Rep. Ream explained the requirements for elk inspection and obtaining a certificate before transportation are no different from the livestock industry. If the elk ranchers want to be treated like livestock operators, this imposes the same requirements on the captive wild game.

Senator Rye asked Dr. Ferlicka how much more regulating is needed than currently exists in this industry? Dr. Ferlicka, State Veterinarian for Dept. of Livestock, stated that it has been said

the most heavily regulated industries are the public utilities and livestock/agriculture, and the record will show that this heavy regulation was pretty much self-imposed. Our traditional livestock people have taught us, as we move more and more away from natural conditions, that we have to pay stricter attention to health programs. It would be better if we didn't regulate so heavily but with the fact animals move and the spread of disease follows the movement of infected animals.

Senator Pinsoneault asked Rep. Ream if the letter from Mr. Giest had been written at his request. Rep. Ream stated that he had sent Mr. Giest a copy of the bill when he first introduced it and because he was unable to testify in person, he sent his statement instead. Senator Pinsoneault asked why Rep. Ream contacted him and he responded that Mr. Giest had written numerous articles on this subject and he considers him an authority on the subject of game farms. Senator Pinsoneault asked Rep. Ream if he had seen the letter to Bob Spoklie from Professor J.C. Haigh of the University of Saskatchewan who discounted Dr. Giest's theories? Rep. Ream said that he had not seen the letter.

Senator Pinsoneault asked Dr. Ferlicka if he was an expert in the wild game species? Dr. Ferlicka stated he was rapidly becoming very knowledgeable in the matter of game farm TB. He has no special credentials with wild game animals. He has been called upon frequently to make important decisions in regard to wildlife animals; therefore, he prides himself in being reasonably adept at finding answers, etc.

Senator Pinsoneault asked Bob Spoklie why he ties the value of his elk to registered Angus? Mr. Spoklie explained that they do have registered elk and the values are definitely higher on registered elk. Just in the last year, the North American Elk Breeders Assn., has introduced the same microchip identification program that was demonstrated today. He has about 15 animals that have the microchip already inserted for identification/registry.

Senator Pinsoneault asked Bob if the Elk Breeders Assn. would be willing to pay the cost of a veterinarian who is an expert in wildlife which he feels this industry needs? Bob has no objection as an elk rancher to being assessed whatever is necessary to accomplish these things as long as they are not assessed any more than what is currently assessed to other industries in the same category as they are.

Senator Pinsoneault commented that he has great fear of disease in the industry. He feels it is great that the elk farmers are showing ingenuity in making money. He has a great fear of some sort of epidemic that will occur such as an "aids" virus as in the human population. Bob stated that every animal that enters this State has been tested under the rules of the Health Department that comes onto the game farms. If an animal is moved out of the State, we've complied with every rule this State

requires and also the state where the animal is to be transported to. The elk ranchers have too much at stake not to protect themselves.

Senator Grosfield asked Les Graham if the current laws relating to game farms puts a lot of responsibility on two different departments and would seem that it could be awkward at times. Would the long-term solution be to place it under one department or is it fine to have two departments? Mr. Graham explained that they have not had "territorial" problems with the FWP. They work very well together.

Senator Grosfield asked Dr. Ferlicka if there are no health certificates now for animals that cross the State line? Dr. Ferlicka explained that they have a statute which states that every animal, biologic and animal semen, imported into the State of Montana must come under special permits from the Department of Livestock. Under that authority we apply such requirements as are appropriate for that particular shipment in terms of documents and test requirements. Since disease conditions can change rather rapidly and seriously, we do under this permit system have immediate authority at time of issuance or denial of the permit to place such restrictions. At this time, we require health certificates issued by an accredited veterinarian at origin as standard requirement on all animals coming into the State.

Senator Bianchi expressed his concern on introduction of exotics and crossbreeding with native species. Mr. Spoklie stated that the exotic industry still has potential for Montana. Most exotics are not the type of animal that are going to escape out into the wild. The game farming industry is all for fencing and health regulations and does not see that crossbreeding is really an issue.

Senator Swift asked Rep. Ream why he is willing to delete the language referring to tax? Rep. Ream felt that it would be best to leave the taxation up to the Department of Revenue.

Senator Swift questioned the penalty of having the game farm license revoked the first time an infraction is committed. He felt that revoking the license, shutting down the operation, putting the rancher out of business after such a large investment and the possibility of receiving a \$5,000 fine was excessive. Rep. Ream stated that a 30-day notice would be given to a game rancher after an infraction was found.

Senator Jergeson asked Mr. Spoklie what his main concerns of the bill were. Mr. Spoklie stated they have concerns with taxation, with marking, and with where the jurisdiction falls, whether between the Dept. of Livestock or FWP. They feel that the existing bill does a good job but it needs some fine tuning for today's game farm industry.

Senator Bianchi asked Don Childress if he regulated exotics as they come into the State? Mr. Childress stated he did not feel that the rule-making authority exists for the types of the control the Department feels is necessary.

Chairman Williams called upon Ed Smith to comment his feelings on this legislation. Mr. Smith stated that he had visited with the Dept. of Livestock and the FWP, and he feels these people are in a position to handle the responsibility. We can create more problems than we solve by acting too hastily, as even the experts can't answer all our questions. This bill involves many people and an essential part of Montana's economy.

Charles Brooks addressed some issues in the bill that are disturbing to the game farmers. The \$5,000 penalty is excessive and the ranchers agreed that it should be \$500. Section 8 needs a tremendous amount of work and the whole area of taxation needs to be reconsidered. The rancher feels the animals should be taxed as registered cattle. He urges the committee not to overregulate the industry but to encourage it as it becomes a very strong economic factor in the economy for the State of Montana.

Closing by Sponsor:

Representative Ream stated that this bill is not an attempt to limit or restrict this growing industry but feels it will strengthen it because it will provide the tools to adequately monitor and enhance the industry.

ADJOURNMENT

Adjournment At: 5:46 P.M.


BOB WILLIAMS, Chairman


JULIA LEVENS, Secretary

Fax to: 406-444-4417

To: Bob Ream

RESPONSE TO MONTANA HOUSE BILL No. 556

13/02/91

V. GEIST, Faculty of Environmental Design, The University of Calgary, CALGARY, Alberta, Canada. T2N 1N4 P. 403-220-6601/ 403-288-1508 H.

This appears to be a bill trying to tighten existing regulations pertaining to game ranching. As we now see daily, game ranching is so destructive, and costly to the public purse, the livestock industry, the interests of our native people and to public health, that it is best to return to proven principles and ban ALL trafficking in dead wildlife. Wyoming is on the right track!

Here are several principle concerns - if game ranching is to be allowed, and the worst is to be avoided:

(1) There should be a section dealing with animals explicitly permitted, so as to keep out species and subspecies that are likely to damage native wildlife. For instance: would it be legal to import EUROPEAN moose into Montana? If so, I safely predict dead American moose due to disease transfer from Montana to Alaska. There is at least one entrepreneur trying to import "milking moose" to the U.S. in order to create an exotic cheese. He failed in Illinois; you might be next.

* It should be illegal to keep non-native subspecies of native species (i.e. no Eurasian red deer should be allowed).

* Keep out "improved" versions of native wildlife as they are genetic pollution manifest, and, particularly in the long run, a danger to native wildlife on that account. Genetic pollution, unlike water pollution, is not reversible. It's forever.

* It should be illegal to keep exotics, due to threat from genetic pollution, disease transfer, and competition. In short: exclude mouflons, urials etc (very dangerous to bighorns and very difficult to control in the feral state), sika deer (escape artists, disease carriers, tough competitors and impossible to shoot out once they get established) etc.

* There should be a section, as in Idaho, to outlaw the transport of designated dangerous wildlife across the state: such as the transport of red deer x elk hybrids. Why take unnecessary chances?

* Insure that the taxonomy you use is valid and can be verified, or enforcement becomes a problem.

SENATE FISH AND GAME

EXHIBIT NO. 2

DATE 3/19/91

BILL NO. HB 556

February 14, 1990

Jim Elliott, Chairman
House Fish and Game Committee
State Capitol
Helena, MT 59620

RE: HOUSE BILL 556

Dear Chairman Elliott:

For the past two years, I have worked on an article and four films for National Geographic on the illegal trade of wildlife in America. In the course of my travel and research, it's become clear that the elk farm industry is by far the most lucrative of businesses that exploit wildlife parts, and that a significant reason for the tremendous profit margin is the illegal capture and transport of wild elk.

From New Mexico to Alberta, Canada, and east to Illinois and beyond, the smuggling of wild-captured elk continues with few apprehensions. Also, in transport, it is estimated that thirty percent of the elk die from the stress of being handled and moved.

The industry began in earnest when Canada encouraged the change-over from cattle to elk because cattle prices were so low and the improved Asian economy broadened their antler market to America. Canadians began to buy elk from the U.S., particularly from "Sonny" Welch Brogan in Corwin Springs, Montana. Known as the 'father of elk ranching,' Brogan shipped two 747 plane loads of live elk to Korea in the early 1980s. His ranch, situated in the path of a major elk migratory route, has often been found to contain many more elk than his records cover. For the most part, Brogan has escaped serious charges because as soon as fish and game wardens contact him about the numbers problem, he shoos out the wild elk and claims the hay leading to his gate is simply set out to lure back domestic escapees. No one

DRAFT

WESTERN ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Resolution on Game Farming

June 1991

Whereas wildlife resources are a valuable economic, aesthetic, and ecological resource in all western states and provinces,

Whereas game farming is increasing rapidly in western North America and creating potential danger to the livestock industry and wildlife resources,

Whereas serious disease problems have been documented in elk on game farms in Alberta and Montana; 60 elk farms in Alberta are quarantined due to tuberculosis, 325 elk have been destroyed at an indemnity cost of \$2.7 million, and hundreds more elk will be destroyed at a cost expected to exceed \$8 million. Tuberculosis is a serious threat to human health,

Whereas serious genetic problems have occurred in Colorado where red deer and mouflons have escaped from game farms, established feral populations, and are hybridizing with wild populations of elk and bighorn sheep, respectively.

Colorado has undertaken a costly program to genetically test elk on game farms for hybridization and are attempting to eradicate feral populations.

NEWS RELEASE



WYOMING GAME AND FISH DEPARTMENT

SENATE FISH AND GAME

EXHIBIT NO. 4

DATE 3/19/91

BILL NO. HB 556

Contact: Steve Merritt (307) 777-4553

July 27, 1990

EXOTICS MORATORIUM A NECESSARY PRECAUTION, SAY G&F OFFICIALS

A recently imposed moratorium on reviewing applications for the importation and possession of exotic ungulates was a move that was both necessary and long overdue, according to Wyoming Game and Fish Department officials.

"Considering the department's concerns for the threats exotic game pose to native wildlife populations, and the increased interest in exotic game and game ranching, a moratorium was clearly the most appropriate course of action that could have been taken," said Larry L. Kruckenberg, chief of the department's Information and Education Services Division.

The moratorium, issued this week by the Game and Fish Commission, also directs the Game and Fish Department to conduct a comprehensive evaluation of the regulations and policies governing the importation and possession of exotic ungulates.

In addition, the moratorium calls for the department to examine all existing permits to import or possess exotic ungulates in order to determine if any permits were improvidently issued, and to recommend action on any such permits.

The evaluations and recommendations are scheduled to be completed by August 1, 1991.

"The commission believes the potential long-term ramifications of exotic game are serious enough to merit an extensive and thorough study by the department," Kruckenberg said. "We simply cannot be too cautious given what is at risk".

G-F

EDITOR'S NOTE: The Commission's resolution is attached.

**Montana Department
of
Fish, Wildlife & Parks**



SENATE FISH AND GAME

EXHIBIT NO. 5

DATE 3/19/91

BILL NO. HB 556

TO: Don Childress, Bob Bird
FROM: Keith Aune *KA*
DATE: January 31, 1991
SUBJ: Game Ranching Symposium

RECEIVED

FEB 1 1991

LAW ENFORCEMENT

I recently attended the Game Ranching Symposium in Boise, Idaho. The symposium was well attended with 60 people present representing most of the western states and several Canadian Provinces. Although much of the discussion centered on disease and parasites several other key issues surfaced. The objective of the symposium was to develop some uniformity in dealing with disease in the western states.

I am enclosing the notes on the disease concerns. As you will see many of our concerns here can be dealt with through the current Department of Livestock regulations. Diseases which are important to the livestock industry can be well regulated in Montana especially if the new draft legislation to amend the laws governing game ranches are adopted. The move toward a health certification before transport is critical in preventing the spread of disease across state or international boundaries. However, we still may not be addressing the movement of diseased animals within the state as was the case with our recent TB outbreak.

The disease or parasite concerns for livestock may not include every condition for wildlife populations. This is one serious short-coming under our current legislative frame work. When I looked at the statutes and rules we now have there is no means to prevent importation of game animals which may have a disease or parasite which poses no threat to livestock but could significantly impact native wildlife populations. This may be the case for a parasite such as the meningeal worm which according to agreement by the group of veterinarians at this meeting probably does not affect domestic livestock. This conclusion was reached because there is so much overlap with *P. tenuis* infected whitetail deer and livestock in the midwest and east. For this parasite we may not have recourse to prevent its importation into Montana via game farms.

I am not sure under the Rulemaking statute 87-4-422 whether or not we can make Department rules to protect the wildlife resources of

HB 556
March 19, 1991

Testimony presented by K. L. Cool, Dept. of Fish, Wildlife & Parks
to Senate Fish and Game Committee

Game farming is growing rapidly in North America and in Montana. The current statutes governing game farms are shared by the Department of Livestock and the Department of Fish, Wildlife & Parks. We feel these statutes are insufficient to address potential problems this rapidly expanding industry could inadvertently create for Montana's wildlife resources.

I will limit our comments to the sections of this bill that are primarily the jurisdiction of our agency.

First, I would like to describe how game farms can impact native wildlife. The outbreak of tuberculosis in game farm elk in Canada has already resulted in the destruction of hundreds of elk at a cost in the millions of dollars. Montana's game farm elk have also been affected by this quarantine and Dr. Ferlicka, Montana State Veterinarian, could address that in more detail. The potential existed for these elk to infect native elk populations in the Yellowstone herd and other areas.

Genetic problems can also cause significant and irreversible damage to native wildlife. Experience shows that game farm animals do escape despite the fencing requirements implemented by this department. Red deer and mouflon sheep have escaped in Colorado and established feral populations which are hybridizing with wild populations and competing with native populations. Colorado is now undertaking a costly eradication program.

Meningeal brain worm is found only in white-tailed deer in the east and midwest. Natural barriers may exist (arid climates) that will control the spread of this parasite. Transportation of game farm whitetails across this geographic barrier could spread the parasite to the western U.S. This parasite kills moose, caribou and mule deer.

The proposed legislation would allow the state to better control the importation of these exotics or disease-risk animals.

The current game farm statute provides for revocation of a license for failing to operate a game farm according to law. The proposed bill clarifies that criminal and civil statutes may be assessed in addition to or instead of revoking a license. This has been a problem in the prosecution of some violations.

We recognize that game farming can be a viable, legitimate business for the State of Montana. Its important that the growth of this industry not have adverse impacts on our native wildlife.

MR CHAIRMAN, MEMBERS OF THE COMMITTEE:

I am Ed Smith, former legislator. and I served for 18 years on the House and Senate Fish and Game Committee in my 20 years as a legislator.

I am not a game farm operator. but I do have several friends and neighbors who are. I have nothing to gain or lose with HB-556. I am also familiar with what took place in getting the present game farm law passed. I was a sponsor of that bill.

In checking, I find that none of you, the present Senate Fish, Wildlife and Parks Committee members, were serving on this committee when the present game farm law was passed. I believe it would be beneficial to you in making a decision on HB-556. if I give you some background on what has taken place in the past.

I was a member and chairman of the Fish, Wildlife and Parks committee in 1981 when a game farm bill was introduced. This ended up in a free-for-all between the Fish Wildlife and Parks and the game farm operators.

After hours and even days of deliberation, our committee could see there was no way of resolving their differences. What we did was tabled the bill and directed the Fish Wildlife and Parks Department, the game farm operators, and the Department of Livestock to get together, work out their differences, and come back to the 1983 session with a bill. After a lot of hard work over those two years, they did bring back a bill which was passed and is now our present Game Farm Law, which, I might add, has been quite effective.

I realize that the present law basically addressed game farms with elk. I also realize that game farming has expanded and now includes many more species. I am sure the sponsor of HB-556, Representative Ream, is attempting to address the situation.

I have a problem with HB-556. It reminds me of what happened in 1981 - not enough time and research was put into the bill by all that are involved.

I give you just one example: Steve Howard, Sheridan County attorney - who is a game farm operator - took both the Department of Fish Wildlife and Parks and the Department of Livestock laws and researched them. This is his comment. "HB-556 is poorly written. It confuses sheep and goats defined as livestock in Section 81-2-702(5) with eurasian sheep and goats in the sub-family caprinae of the caprini tribe now being banned for game farming purposes, it HB-566 passes."

He further comments, "The only distinction is the game animal definition. Section 89 would expand game animals to eurasian sheep and goats in the sub-family caprinae of the caprini tribe. This is all goats by ancestry and definition - domestic, milk, angora and pygmy.

The real kicker is it wouldn't affect sheep (i.e. the mouflan). They are ovine. They are miscategorized under this proposed statute.

Attendance Sheet.

at Plentywood Mt. in March 1991

SENATE FISH AND GAME

EXHIBIT NO. 8

DATE 1991 3/19/91

BILL NO. HB 556

STEVEN HOWARD	Ostrich	Plentywood MT
Bill Friedrich	ELAND - Allowdeer - Jacob - Angora - pyg	Antelope MT
Paul Van Curen	angora goats	Plentywood mt.
Louise Van Curen	angora goats	Plentywood
Walt & Lorea Arim	gph - Buffle - Liley - Bezos - maffin - Borkin - Gules - Etc - Etc - den -	Plentywood
Sheila & Helmer Lee	Russian Romanov Sheep	Plentywood
Bazil Andersen	FAINTING GOATS PIT-BULL DOGS	Westby
Wendy Brockmeyer	FAINTING GOATS	Plentywood
David & Sheila Friedrich	miniature horses	Antelope
Linda Holland	FAINTING GOATS	Plentywood
Wendy & Genevieve Lee	Miniature horses	Westby
Pat Carlet	FAINTING GOATS	Sealton
David Prosser	Elk, Buffalo, moose	Froid
Mike Prosser	Sheep	Fortuna
Gunny Moore & Valerie Moore	FAINTING GOATS	Westby
Spam Adams	Ostrich	Fortuna N.D.
Gert Andersen	Romanov Sheep - Fainting Goats	Westby
Gert Spoklie	Elk	Antelope
Bob Spoklie	Elk	Antelope
Ed Smith		Gagmar
Bill & Diane Nyby	Elk	Antelope
Doug Mangel	Elk	Plentywood

An Interview with Texas Agriculture Commissioner

"The Exotic Animal Industry Has An Unlimited Growth Potential"

[ED'S NOTE - The following article was printed in the January edition of the "Exotic News"]

/ Jani Johnson

The Texas Department of Agriculture released a study in the spring of 1989 titled, Exotic Game In Texas An Overview Of Commercial Potential. During the last three years, the Texas Department of Agriculture has spent many hours on the subject of exotics.

In November of 1989, The Exotic News, interviewed Mike Moeller, Deputy Commissioner of the Texas Department of Agriculture regarding the TDA study on exotic venison, the TDA's stand on diversified ranching, and other areas of interest to individuals involved in the exotic industry.

The interview to follow is written in question and form.

I was told you were the mastermind behind this study by the Texas Department of Agriculture

titled, "Exotic Game in Texas An Overview of Commercial Potential. Did you discover this yourself as an area that needed research? Are you the individual that thought of this study?

Yes, it's a subject I've been interested in for a long time.

How long?

Oh, years, literally years! But, I became very, very interested in 1987, when we began to meet with some of the exotic growers and breeders around the state with regard to some of the legal problems that they were having at that time. Property tax was a problem, which in some counties was very substantial, where you had tax assessors that refused to recognize exotics as agricultural animals and were not only taxing

the exotics but taxing the land at its market value; and problems that the exotic deer and antelope people were having with the health department with regard to getting the meat inspected. Since we are the agency that deals with

farmers and ranchers, and at that time those were the people we

were dealing with in the exotic business, we felt like they were getting a raw deal and that we needed to do something to help. So, yeah, I have been sort of the focal point of that and I guess sort of by osmosis, I am the guy who a lot of those folks contact when they have a legislative problem.

Did you actually order this study?

Oh, yes, absolutely. However, this is not to take anything away from Mr. Hightower, because it's a project that he has let me spend a great deal of time on and obviously is something in which he is very interested.

Why don't you tell us a little bit about this study, and what you have discovered by hitting some of the high points.

The real high points have to do with the market that exists for

exotics and this study is about venison; it's obviously not about all exotics, it's about exotic deer. What we found was that currently, the United States imports up to 1000 tons of venison every year, most of it from New Zealand. We found that the 1000 tons can be supplanted by venison grown in Texas. Well, actually could be grown anywhere in the United States. But we want it to be grown

headway. In fact, some of the venison producers tell me that they think this figure of 90% of the exports is going to be down to 80% this year; which will mean we have essentially doubled our market, but we have so much farther we can go. Our goal basically is to shut out New Zealand. We think that Texas can completely replace that market.

In terms of health benefits, lean venison has 33% fewer calories and 75% less fat than chicken, which surprises a lot of people.

In 1983, there was 1.3 million acres in Texas devoted to exotic animals. We want to do a new census since we expect that figure is much closer to 2 million acres right now.

Another one of my little projects is the hunters clearinghouse program; and that has been going about three years now. Last year our listing of exotic ranches that have hunting of exotics available to the public jumped by about 1000 percent. So, there is something going on out there. There's a substantial market and we know

we can compete in that market. At least as far as meats go, we know that we can compete.

As far as breeding population and breeding animals go, we've obviously got work to do with countries like Mexico and others that we want to export our animals too. But, there is no question that the market is there and there is no question that Texas can be extremely competitive in that marketplace.

Since the legislature has passed some favorable legislation in 1987, we are probably at a competitive advantage among virtually all of the 50 states in terms of our ability to grow exotic animals as breeding stock or as meat stock. Basically, we believe that we need to capitalize

Would you explain the legislation passed in Texas?

Well, there were two bills, and they were sort of the answer to the two problems that I mentioned a while ago. One, was a bill to define exotic animals as livestock for property tax purposes; that was done in 1987. So, you don't have this threat now, at least in most cases, of tax offices coming in and deciding if you grow exotics that your not in agriculture, and therefore you should pay tax on the market value of your land. The differential between the tax on the agricultural value and the market value is very, very substantial in most parts of Texas. The second piece of legislation was where the legislature finally required the state health department under certain circumstances to inspect exotic game meats so that it could be sold to the general public. And since then, there has been quite a boom in the exotic venison business.

I read in your study where several large, well known grocery stores are now selling venison right along with beef, chicken, pork, etc. How did venison get to these markets?

Yes, and more every day. The first part of the market that Texas began to move into actually was the upscale restaurant and hotel market. I think you know Mike Hughes and some of those folks that are really pioneers in this area. I think his initial market was the Hyatt Hotel chain and then from that into some of the better

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE:

I am Robert Spoklie, farmer, businessman and elk rancher from Antelope, Montana. Also, I am on the board of directors of the North American Elk Breeders Association and president of the Montana Elk Breeders Association representing 3500 game growers across North America and 70 elk and game breeders in Montana.

I would like to address House Bill 556 and the present game farm laws that are in effect at this time. House Bill 556 was introduced without any prior knowledge to game farm operators, as we have no permanent representation in Helena to keep us informed. Many amendments to the present laws are already covered by other regulatory agencies. The Dept. of Health and the Dept. of Livestock has complete control over testing, importation, transportation, quarantine and may stop the movement of animals at any time in Montana.

A number of elk breeders and game growers spent 3 hours with the sponsor and the Dept. of Fish, Wildlife and Parks before the House Committee met. At that time we agreed to support this bill thinking that the amendments would be acknowledged, this was not the case. After the House hearing, all amendments were ignored and the bill had no changes. Needless to say, we felt betrayed.

RULES AND REGULATIONS:

Under present law a game farm operator license may be revoked at any time by the Dept. of Fish, Wildlife & Parks if they find an operator in violation of any of the present laws.

I would hope this committee will not misinterpret the game violations committed by out of state hunters and dealers in hides and heads as this has nothing to do with our industry.

Game farming is one of the cleanest and most lucrative industry that Montana can endorse. It can add needed income to the smallest or large scale operators. The potential is far greater than most people are aware of. For example, New Zealand last year alone, shipped over 320 tons of deer and elk antlers through government antler pools to the Asian countries. In comparison, even though having a superior product, the entire North American continent sold only 15 ton of which 4 ton were shipped from Montana. That only tells us we have a lot of room to expand.

TAXATION:

We as elk breeders and game farm operators already have minimum assessed valuations but we also think it not more than fair that we have a ceiling set at the same assessed value as purebred cattle, as our market value is subject to much more fluctuation. The elk breeders and other game farm operators have a much larger capital investment in fencing and handling facilities; this creating a higher assessed taxable

GAME FARMING PRACTICE



NOTES FOR THE GAME FARMING INDUSTRY

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University of Saskatchewan



Velvet harvesting

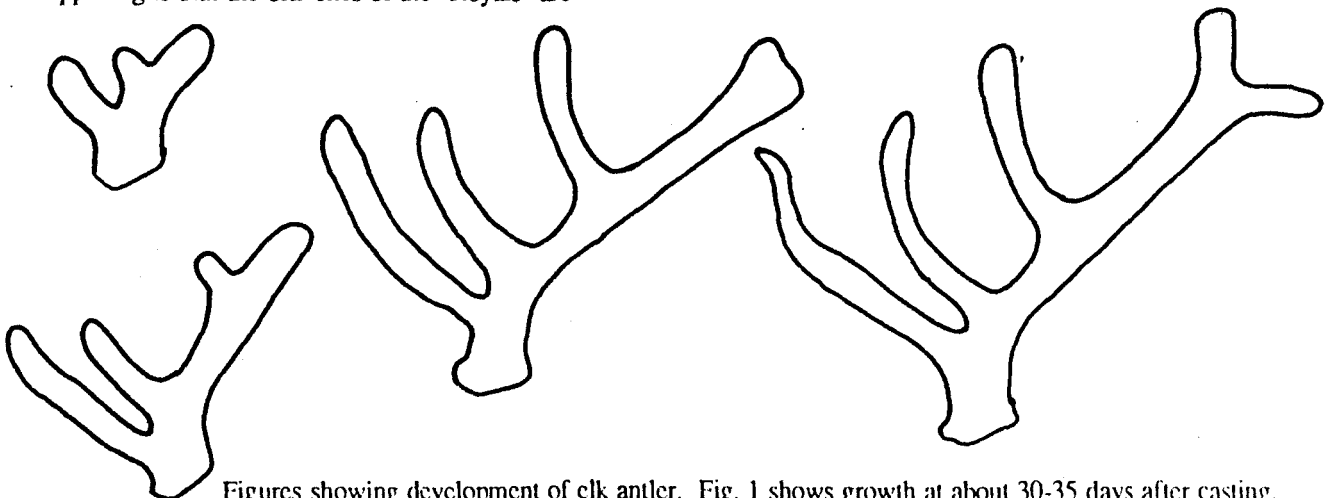
The key to a successful velvet antler operation is record keeping. Bulls of three or four years of age or older will have produced the best quality velvet at about 70 days after the button or antler drop in the spring. This usually occurs about the middle of March in mature bulls. If you are keeping good records you will be able to group bulls according to predicted velvetting dates. From year to year there may be minor variations which will depend upon feed, temperature and humidity, so you will have to keep a close eye on things. It is best to check the bulls about once a week and divide them into mobs that will be harvested at about the same time. Individual bulls may vary by a few days but it will not take long to develop records that will tell when to expect a given bull to be ready for harvesting.

The Korean grading system divides the antler into four categories. These are **super A**, **A**, **B**, and **C**. The right time to cut, in order to obtain so-called **super A** grade is when the first three tines have developed and the top of the antler has flattened out. It will bulge for a few days and then start to show an indentation. What is in fact happening is that the branches of the "Royals" are

developing. Anything more than a slight indentation is too much. Cutting before the top flattens and bulges will markedly reduce the weight of the antler and so the price paid. Currently, for the Korean market antlers that lack tines are downgraded.

Velvet harvesting from young bulls is more difficult to judge than from the mature animals. It may be that the antlers will be ready to cut before they begin to branch their third (or *trez*) tine. The only way to assess this is to closely observe the development of the tips of the brow and bez tines. If these are beginning to dry up, and the velvet itself appearing to shrivel then the antler is ready to cut. Some of these younger animals may not be ready to harvest until late June or even early July.

Rick Alsager has recently visited Korea and reports that to qualify as **super A** the antler must not only be cut at the right time but must have a minimum length of 70cm. **A** grade is difficult to distinguish from **super A**. The minimum length for **B** grade is 60cm. For **C**, 20cm. Most **C** grade antler comes from spikers and 2-year olds.



Figures showing development of elk antler. Fig. 1 shows growth at about 30-35 days after casting. Fig. 2 shows development at about 45-50 days. The central figure represents the ideal stage of growth at 65-70 days after casting for velvet harvesting. Fig. 4 shows early growth of "Royals". Antlers of this type would be downgraded.

Some mysteries of the East revealed

Why deer's "the most important animal in Oriental medicine"

DATE 3/19/91
EXHIBIT NO. 12
H5556

THE DEER HORN mentioned in early oriental medicine was that of Spotted deer, a species recognised as a lucky animal which brings health and longevity.

Our tradition has it that the god of longevity, who lives deep in the mountains, eats medicinal plants like Ginseng and is always accompanied by a Spotted deer. We Koreans think that the deer is one of the symbols of longevity, along with the turtle and the crane.

The first mention of deer horn's medicinal value was documented on a silk scroll excavated from Han tomb, China. This silk scroll indicates several significant medical treatments and prescriptions for 42 kinds of disease.

SOME OF the more mysterious of the mysteries of the East were unveiled at the NZDFA annual conference when South Korean Dr Peter Yoon, a fully qualified practitioner in both Western and Eastern medicine, revealed the wide range of uses of velvet antler and deer products in Oriental pharmacology. Dr Yoon — the fifth generation of his family to practise medicine — regularly prescribes the use of deer antler and other byproducts in his position as director of the Choon Won Dang Clinic in Seoul. This is the full text of his address.

Among the prescriptions, we could find that deer antler, venison and glue prepared from deer horn can cure snake bites; so we can suppose that the medicinal use of deer products had already started in Han dynasty — about 2,000 years ago.

More systematic records of the medical virtues of deer parts were presented in ShinNongBonChoKyung, published 1,800 years ago.

This book included references to deer velvet, antler and glue prepared from deer antlers. This is the English translation of the prescriptions:

"Deer velvet tastes sweet and its property is warm. It is used for curing persistent vaginal blood discharges, lochia (discharge following childbirth), febrile disease (fevers), epilepsy and for reinforcing vital energy, strengthening memory and will, and generating teeth.

"Deer antler cures sores, furuncles, carbuncles (boils), expels evil air and pathogens as well as retained blood in uterus. Deer antler glue tastes sweet and its property is calm. It is used for treating consumptive disease and illness caused by over-exertion, lumbago, and excessive loss of weight, repairing the body, reinforcing vital energy, curing amenorrhea and infertility, stopping pain and preventing miscarriage. Prolonged consumption would keep the body light and extend longevity."

Since this ShinNongBonChoKyung, about 2,000 medical volumes containing references to deer products have been published by government or privately. In the 18th century, the number of deer parts ascribed with medicinal value increased to 25.

They are velvet, antler, antler glue, bone, bone marrow and spinal cord, penis and testis, venison, head glue, head meat, sinew, blood, tooth, shank, skin, residue of antler glue, fat, brain, semen, gall bladder, thyroid gland, excrement, meconium, foetus, indigested milk and bone of lower limb.

Later, another three parts were added — tail, stomach, and stone in deer stomach.



Dr Yoon demonstrates a point on quality and size of antler velvet preferred in South Korea

Photo courtesy Southland Times

Mr. Bob Spoklie
President, Montana Elk Breeders Association,
Montana

Fax to 1-406-765-2919

Dear Mr. Spoklie,

I am sending this message in response to your request about matters that have apparently been raised by Dr. Valerius Geist concerning the issue of game farming in Montana. I should state right away that I do not know any of the content of Dr. Geist's written opinions on this occasion.

I am aware of three issues that Dr. Geist has raised in the past on the matter of disease in game farmed animals, which seem to be at odds with some of the known facts.

The first is an apparent inconsistency as regards tuberculosis (TB). Dr. Geist is on record as opposing the culling of the wood bison herd in Wood Buffalo National Park. I understand that he considers that the disease is not a problem in that area. On the other hand he apparently endorses the slaughter of all farmed and/or ranched wapiti on the grounds that they are a disease risk to wildlife.

Further on the subject of TB, there has never been a case reported in a wild wapiti in North America. In fact, there have only been 7 cases reported in wildlife since the 1930s. One in a raccoon in the 30s in Ontario, two wolves from Riding Mountain National Park in Manitoba the early 70s, and four in white-tailed deer in the 60s. The epidemiology of TB in New Zealand is completely different than that of North America because there is a wildlife reservoir in which the disease is well established. Even there, the disease can hardly be characterized as a wildlife threat, and anyone wishing to hunt red deer may do so with minimal restrictions. Perhaps the two contrasting situations are being lumped together?

There was an outbreak of TB in wapiti and bison that started in the Dakotas just over 10 years ago. It was eradicated, with a test and slaughter policy. A proper testing and slaughter approach should be able to bring the present outbreak under control. I believe that a great deal of unnecessary emotion is being stirred about this disease by people who have no training in animal diseases.

On a last TB point, the disease exists in cattle in many regions of the USA. Why should they be considered any less of a threat to wildlife than farmed wapiti, in which farmers have invested large sums of money, and which they are at pains to prevent from escaping?

The second issue is that I believe he has at times stated that exotic animals should not be farmed or ranched because they are more susceptible to disease than native North American species. In the case of malignant catarrhal fever the opposite is true as far as the native white-tailed deer and the imported fallow deer are concerned. The white-tailed deer is very susceptible to the disease, while the wapiti is fairly resistant and the fallow deer seems to be completely resistant.

TESTIMONY ON HOUSE BILL 556
3/19/91

STEVE MUSICK
JUDITH RIVER RANCH
HILGER, MT. 59451

SENATE FISH AND GAME
EXHIBIT NO. 174314
DATE 3/19/91
BILL NO. HB 556

Chairman, Senate committee members:

My name is Steve Musick. I was born and raised on a family owned wheat and cattle ranch in Fergus County. I graduated from college with a degree in Agricultural Business and Animal Science in 1977. In 1978 I started managing the game farm I now operate.

I was one of the game farmers who had input into the 1983 game farm bill which is serving as the current game farm law. These laws have served us well for 8 years without one additional rule implemented.

Because the game farm industry offers so many profitable opportunities to our farmers and ranchers, we are going to see game farming continue to expand in Montana. I am thankful for the growth and profitability of the game farm industry. It has been continually been profitable through drought, hail, fire, floods and Congressional sessions the last 12 years. I am looking forward to the continued growth and profits of game farming.

I realize that this continued expansion will necessitate restructuring our game farm statutes. With joint input from game farmers, Dept. of Livestock and Dept. of Fish, Wildlife & Parks we will be able to adjust the jurisdiction in some areas of the game farm industry, bring current the regulations needed to ensure the health of livestock herds, public wildlife herds and still maintain an atmosphere conducive to the prosperous growth of game farming in Montana. This comprehensive legislation should be written for the next session of Congress. There is not enough time to amend statutory law so that it justly regulates game farm producers and concisely addresses the areas of concern of both regulating Dept.s during this session of Congress. In the interim both the Dept. of Livestock and the Dept. of Fish, Wildlife & Parks can utilize there flexible rule making authority to implement additional regulations which are needed.

I am opposed to house bill 556 and suggest it be tabled or defeated in committee. The suggested amendments are not needed in statutory law. I am willing to help comprehensively restructure the existing game farm statutes. These newly proposed statutory laws would be cooperatively written to better serve the future needs of game farming and the State of Montana. Game farming is emerging in Montana Agriculture as an major income producer. Let us meet the regulatory challenges this growing segment of our agricultural economy brings, not with unreasonable penalties, prohibitions and confusing jurisdictions, but with statutes and rules which encourages the growth and prosperity of a regulated game farm industry in Montana.

March 19, 1991

Mr. Chairman, Members of the Committee:

I am Lawrence G. Richards, exotic animal breeder from Polson, Montana. I currently raise llamas, elk, and Tibetan yaks and consult in the miniature donkey business. I own 55 head of Tibetan yak, which is the largest yak herd in Montana and the second largest yak herd in North America. I am sponsoring a yak production sale on my ranch September 21. Exotic animals are my sole business occupation.

I would like to address House Bill 556, which I fear may shortchange the future of the exotic animal industry in Montana. I believe the economic potential of the exotic animal industry for the state of Montana is underestimated. My ranch gives a snapshot of that potential.

In 1990, my ranch sales for llamas and yaks was \$220,000. Of that total, \$213,000 or 97% was sold to out-of-state buyers! For Montana, exotic livestock is an export market yet to be developed. The potential is enormous. By the end of 1992, I plan to own 50 yak cows and 50 elk cows. I expect them to produce between \$200,000 and \$250,000 in annual progeny sales. By that time, I intend to purchase a one or two section ranch and continue my expansion into other breeds.

I believe the economics of red deer and other deer species should be studied very seriously. Montana is a leader in beef production. Montana could also be a leader in venison production.

If we are to exclude any species from the state of Montana, I recommend a full study of hybridization risks, feral population risks, and economic potential be drafted and presented to the Governor. This study would include full participation by the game farm operators or animal breeders most immediately involved.

Respectfully, Mr. Chairman, House Bill 556 does not provide this measure and should be tabled accordingly.

SENATE FISH AND GAME

EXHIBIT NO. 16

DATE 3/19/91

BILL NO. HB 556

Mr. Chairman and the Senate Committee:

My name is Chad Ralls. I have a game farm in Ravalli County. I am here to express my concerns against House Bill 556. I live in Hamilton and was employed in the timber industry until three months ago. Now I am currently relying on the income generated from my game farm this spring to help compensate for my job loss earlier this fall. Over the years the considerable investment that I've made in building up my game farm will in the future help me become more financially independent and off the welfare and food stamp programs.

When such bills such as this one (House bill 556) come up before the House and are passed through, I can't help wondering if the people there are trying to tell me that maybe it's easier on welfare and food stamps than trying to make a living. I guess on welfare your biggest contemplation of the day would be the choice of whether to eat Swanson or Banquet frozen dinners. A very easy decision when I think of the hardships caused by a decision to pass a Bill such as this on the working class people.

I am proud of the game farm that I operate. It's my feeling that if more legislation and laws are needed, that this is no way to go about it. Let's set down together and draw up a bill suitable to both sides. Don't let some people (who have never visited my game farm or any others that I know of) draw up legislation that governs something they've never seen.



WELCH E. BROGAN
OWNER



SENATE FISH AND GAME

EXHIBIT NO. 17

DATE 3/19/91

BILL NO. H8556

CINNABAR

One non-worry

Dr. Lee Reichman The TB Panic Is Nothing to Panic Over

There have been a lot of stories in the general media this winter about a resurgence of tuberculosis (TB).

The truth: Although there was a near-10% increase in the number of active new cases of TB reported in the US last year, there were still only about 21,500 cases.

This means that only nine people out of every 100,000 were affected... about .009% of the population. Most of the new cases of TB occurred among people in very special groups...

- Inner-city dwellers and the homeless.
- People who have suppressed immune systems—particularly people with HIV.
- The elderly.*

Tuberculosis is *extremely* difficult to contract.

Example: People who are healthy and have six months of eight-hour-a-day contact or two months of 24-hour-a-day contact with a person who has an *active*, untreated case of TB have only a 50% chance of being infected with the TB bacteria.

Among people who are infected, only 10% actually develop the disease. And tuberculosis infection and active cases are easily detected and treated now with antibiotics.

SELF-DEFENSE

People at high risk should consult a doctor, even if they have no symptoms. If they are infected with the TB bacteria, the doctor will prescribe preventive treatment. Otherwise, the doctor will determine how often the test should be repeated.

Just in case: Have a tuberculosis test if you don't have results from one in your medical records... if someone in your family has an active case of TB... if you have long-term symptoms of respiratory infection. ■

*Many older people were infected with TB bacteria years ago, when the disease was much more prevalent than it is today. They never developed active cases of TB... until they grew old and became weak.

Bottom Line/Personal interviewed TB expert Lee Reichman, MD, professor of medicine, University of Medicine and Dentistry of New Jersey, University Hospital, 150 Bergen St., Newark, New Jersey 07103.

House Bill 556

SENATE FISH AND GAME

EXHIBIT NO. 18

DATE

3/19/91

WITNESS STATEMENT

To be completed by a person testifying or a person whose name is entered into the record.

Dated this 19th day of March, 1991.

Name: Ellen Schubarth

Address: Box 132

Vaughn, MT. 59487

Telephone Number: 1-462-2910

Representing whom?

Exotic Animal Raisers

Appearing on which proposal?

House Bill 556

Do you: Support? _____ Amend? ☒ Oppose? _____

Comments:

Attached statement

I have 30 years experience
in the raising of exotics and
domestic animals.