

## DISPELLING THE MYTHS

- Elk ARE very self-sufficient and easy to care for
- Game farm meat IS the safest red meat in the world (Every elk slaughtered is inspected/tested for TB, Brucellosis, and CWD)
- Demand for elk velvet antler and meat EXCEEDS supply
- The elk industry HAS exciting new growth and revenue opportunities
- The industry NEEDS more producers



If you are interested in learning more about an exciting livestock diversification opportunity you are encouraged to talk to a NORELKCO Representative.

Office: 306.873.1742

Email: [office@norelkco.com](mailto:office@norelkco.com)

**Norelkco**

*Producers Working For Producers!*

# THE ECONOMICS OF ELK FARMING

*- A Producer's Perspective -*



Unlike most livestock industries elk farming has three very distinct and separate marketing options. The *primary* market, and the reason most producers raise elk, is for the antlers. Antlers are a renewable resource that are grown and shed or harvested each year. Harvested antlers are removed at about 70 days of growth, frozen and then sold and shipped to Asia to be used in homeopathic medicine. Smaller amounts are processed in Canada to meet an ever increasing demand. The *second* market is the red meat market. Elk produce a high quality exceptionally lean meat. Most meat is processed and sold to Europe. The *third* market is very specific and allows producers to market their aging bulls to harvest preserves. Elk are the only livestock species that have three defined markets which provide three revenue streams, granting a huge advantage to producers annually.

**Velvet Antler Production** – Annually male elk grow a new set of antlers and annually the antlers are harvested from the bull. Bulls can produce up to 60 lbs. of saleable antlers. The five year price range for elk velvet antler is \$45 to \$52 per lb. The 2018 forecasted price is \$60 per lb.

## Sample Farm

Income for a 50 bull herd with average velvet antler production at 25 lbs. per bull. 40 bulls velveted annually, 10 culled for slaughter and 5 sold as harvest bulls.

<b>Elk Velvet Antler Revenue</b>	
45 (bulls) x 25 lbs/bull x \$50.00 per lb.	\$56,250
<b>Slaughter Bull Revenue</b>	
10 (bulls) x 450 lbs/bull x \$5.0 per lb.	= \$22,500
<b>Harvest Bull Revenue</b>	
5 (bulls) x \$7,000 average price/bull	= \$35,000
<b>TOTAL ANNUAL BULL REVENUE</b>	<b>\$113,750</b>

A good quality herd of bulls, of mixed ages, can average 20 to 30 lbs. of antlers per bull per year. Bulls have a productive life of 14+ years, but are generally sold at 9 to 10 years of age. *Current demand for elk velvet antler (EVA) exceeds supply.*

**Red Meat Sales** – Elk meat or venison is in high demand internationally. There are approved slaughter plants in Alberta, Manitoba, Quebec, Ontario and various American states. The current price is \$5.40 per lb. (HHW). The carcass weights for females will range from 285 lbs. to 345 lbs. (HHW) and carcass weights for bulls range from 400 to 585 lbs. (HHW) *Demand greatly exceeds supply..... Canada could easily double production and not meet current demands.*

**Harvest Bulls** - These are older bulls that are sold to harvest preserves. Prices to producers are based on antler “scores” and can range from \$4000 to \$20,000+ per bull. *A very achievable average would be \$8,000 to \$10,000 per bull.*

<b>40 Cow Herd Revenue</b>	
- 38 calves produced annually (20 M & 18 F)	
- ALL male calves retained for velvet antler production	
- 15 female culled annually	
15 (female) x 330lbs/per F x \$5.40/lbs =	
<b>ANNUAL COW REVENUE</b>	<b>\$26,730</b>
<b>TOTAL ANNUAL ELK ENTERPRISE REVENUE</b>	<b><u>\$140,480</u></b>

The revenue and costs used in the sample farm were obtained from actual producers. However, they should not be considered complete or a guide for new producers.

**Cost of Production** – Elk are relatively inexpensive to raise. Good quality pasture can sustain up to 1.5 elk per acre and winter rations of 2 to 2.5 - 1400 lb. bales will be more than adequate. Diets should include some grain and mineral supplements to maximise production. Water needs, lactating cows drink about 1/10 of the needs of a beef cow. The greatest cost of raising elk is fencing and handling facilities. Fencing costs are \$2.50 per foot and a good handling system can cost \$ 4000 to \$20,000. You can find used fence and systems that are half of these costs. The cost of breeding stock, like all industries, will vary greatly. Dependent on your business plan and industry goals, females can be purchased for \$2500 and up to \$4500 for top producing genetics. Breeding bull prices will range from \$4000 to \$20,000 (again top producing genetics).

## **EXPENSES for a herd of 50 bulls, 40 cows and 38 calves**

<b>Hay</b>	<b>\$24,640</b>
1400 lb. bale x \$.055/lb. x 2.5 bales/elk x 128 elk	
<b>Grain (Oats)</b>	<b>\$4,042</b>
100 days/elk x 4 lbs./day x \$3.00/bushel x128 elk	
<b>Bulls Supplements</b>	<b>\$3,000</b>
100 days x 3 lbs./day x \$.20/lb. x 50 bulls	
<b>Cow/Calf Supplements</b>	<b>\$1,560</b>
50 days x 2lbs./day x \$.20/lb x 78 (cows calves)	
<b>Veterinarian (most farms \$0)</b>	<b>\$1,000</b>
<b>TOTAL EXPENSES</b>	<b>\$34,242</b>
(excluding investment, labour and depreciation)	
<b>NET INCOME FROM ELK ENTERPRISE</b>	<b><u>\$106,238</u></b>

*Note this is an example only, production may vary for a variety of reasons.*