



BRIEFING ON THE MANUFACTURE OF TIGER BONE WINE IN CHINA

Summary of EIA Findings

In 2012 and 2013, EIA investigators found that commercial use of tiger bone sourced from captive-bred tigers for manufacturing products, such as wine, appears to continue in China. This is documented through audio-visual evidence and other corroborating information obtained through undercover investigations as well as desk-based research.

In 2013, EIA visited Changsha, Hunan Province to investigate the business of a company, the Hunan Sanhong Biotechnology Company, which was apparently manufacturing tiger bone wine on a commercial scale. EIA not only found that the Company is manufacturing and selling wine that they claim is made from tiger bone, but that they also claim they are doing so with the knowledge and endorsement of government authorities at the provincial and central levels.

A Company representative told EIA that the Company along with two other facilities are legally permitted by the government to use tiger bone from captive animals to manufacture and sell tiger bone wine so long as the product does not list “tiger bone” as its ingredient on its packaging. The representative explicitly stated that his business is legitimate based on a government notification issued in 2005 which he claims allows for the pilot use of the bones from captive tigers for medicinal purposes. He further claimed that the State Forestry Administration (“SFA”) subsequently asked them to defer sale of the product until after the Beijing Olympics and the Shanghai Expo. The Company had already begun manufacture however, although it restricted distribution, with direct sales to high-ranking officials and via external agencies such as Beilan International, which markets the wine to exclusive venues.

About EIA

The Environmental Investigation Agency (EIA) is an independent international NGO committed to investigating and campaigning against environmental crime. Since 1984 EIA has pioneered the use of undercover techniques to gain evidence of environmental crime and abuse. Current areas of EIA’s focus include wildlife trafficking, illegal logging, climate change and disposal of hazardous waste.

Background on Tiger Bone Wine

- Under international law, international commercial trade in tiger parts and derivatives, from both wild and captive animals, is prohibited by the United Nations Convention on International Trade in Endangered Species (CITES). Further, recognising the threats posed by growing captive tiger populations, CITES also calls for domestic trade prohibitions; the consolidation and destruction of stockpiles of tiger parts and products; and assurance that tiger parts and derivatives from captive-bred tigers do not enter legal or illegal trade. By joining CITES in 1981, China is subject to CITES requirements.
- Under domestic law in China, the sale and purchase of wildlife under special state protection or the products thereof is prohibited under Article 22 of the Wildlife Protection Law of 1989. Under this law, tigers benefit from “first class” state protection, i.e., the highest level of wildlife protection in China. Accordingly, the domestic sale and purchase of tiger parts and products is prohibited, subject to certain exceptions (scientific research, domestication and breeding, exhibition or other special purposes) in which case the approval from the SFA is required.

- In 1993, China’s regulation of trade in tiger bone was strengthened significantly when China’s State Council issued a circular banning trade in tiger bone and specifically prohibiting selling, purchasing, transporting, carrying and sending by post of tiger bone. This decision to ban trade in tiger bone was internationally recognized as a significant contribution by China to tiger conservation.
- Despite the 1993 ban on trade in tiger bone, there have been several exposés by media and NGOs over ongoing trade in tiger bone wine made from bone sourced from captive tigers.
- The continued use of tiger bone from captive animals is particularly worrying given the large captive tiger population in China – there are between 5000 to 6000 captive tigers in China, not only in large tiger “farms”, zoos and circuses, but also in much smaller enterprises.

EIA Findings

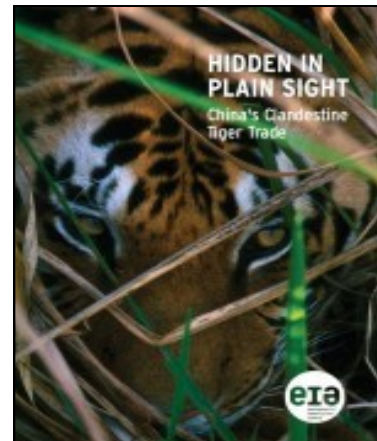
Through desk-based research, review of relevant Chinese laws and policies, and undercover investigations conducted in 2012 and 2013, EIA has found that (1) China allows a legal domestic trade in skins sourced from captive-bred tigers, often for luxury home-décor; (2) commercial use of tiger bone sourced from captive-bred tigers appears to continue for manufacturing products such as wine; and (3) skins of wild tigers and other Asian big cats continue to be smuggled into China from India and Nepal. These findings are presented in a report published by EIA in February 2013 titled *Hidden in Plain Sight: China’s Clandestine Tiger Trade*.¹

This briefing provides additional detailed findings and information on the alleged use of bone from captive tigers for the production of tiger bone wine based on desk based research and information obtained by EIA investigators from meeting with the Hunan Sanhong Biotechnology Company, a company that is claiming to be manufacturing tiger bone wine with authorization from the government.

Notification 2005 No. 139

EIA found reference to Notification 2005 No. 139 (the “Notification”) on the website of a local Shanghai government department² and in a list of relevant laws governing the administration of medicines at the Taizhou Hospital, in Zhejiang Province.³ EIA was not able to obtain a full copy of the Notification; however it appears to have been issued by the SFA, State Administration for Industry and Commerce (SAIC), Ministry of Health, State Food and Drug Administration and the State Administration of Traditional Medicine. The title of the Notification states that it concerns “*a pilot project to enable the use of captive-bred tiger bone in medicine and the gradual reduction of use of leopard bones.*”

The reference to the Notification also appears in a “feasibility study report” by the Hunan Sanhong Biotechnology Company,⁴ which has invested millions to produce a range of “Real Tiger Wine”. Following up on this piece of information, EIA recently conducted undercover investigations to learn more about the business and operations of Sanhong.



ABOVE: In early 2013, EIA released a report on trade in captive tiger parts in China.

Title of Notification 2005 No. 139 –

“...enables the pilot use of captive bred tiger bone for medicine and the reduction of the use of leopard bone.”

Company Profile: Sanhong

Name: Hunan Sanhong Biotechnology Company / Sanzhen Animal Taxidermy Co. Ltd. / Sanzhen Forestry Art Co. Ltd / Sanzhen Forestry Technological Development Co. Ltd. (the “Company” or “Sanhong”)

Location: Changsha, Hunan Province

Website: <http://www.qzhu.cn/>

Affiliation: The Company claims that it is approved by the Forestry Department of Hunan Province and Changsha City Industry and Commerce Administration and is a member of the China Wildlife Conservation Association (CWCA), a national non-profit organisation affiliated to the SFA.

Business: The Company’s business has four divisions:

(I) Winery: The winery is the Company’s core business which has the capacity to generate an estimated RMB 2 billion (USD 32 million) annually. Sanhong’s tiger bone wine is branded as ‘Real Tiger Wine’. A wealth of information about the operations and business plan for manufacturing tiger bone wine is available in the Company’s “feasibility study report” (the “Report”). The Report was prepared in 2005 and describes the “great market potential” for tiger bone wine. Accordingly, it sets out the production and marketing strategy for the Company at a projected annual output of 800 tons of *Quanzhen Hujiu*, “Real Tiger Wine”, worth an estimated RMB 1 billion /USD 160 million. The Report goes into enormous detail about consumer attitudes and demographics, brand positioning, marketing, competition, production processes, sourcing of raw tiger bone (including establishing a tiger-breeding operation) and financing. The Company representative expressly told EIA that they have begun producing tiger bone wine and that they were collecting and utilising tiger bones even before the 1993 ban. The bones for manufacturing the wine are sourced from its own tiger breeding facility as well as zoos and other breeding facilities across China.



ABOVE LEFT: Sanhong’s website describes “real tiger wine” and provides images of the wine manufacturing facility. **ABOVE RIGHT:** Sanhong operates a tiger breeding facility and plans to increase its capacity from 6 captive tigers to 50 tigers.

(II) Tiger breeding facility: The Company runs a small breeding facility with six tigers, of which 2 were allegedly imported from a zoo in Russia and the remaining were sourced from the Harbin Siberian Tiger Park.⁵ The Company representative told EIA that they recently lost two tigers due to in-fighting, but that they plan to increase their captive-tigers from 6 to 50 within 2-3 years and are cur-

rently planning to purchase another 20 tigers. The representative told EIA that the skins of the two dead tigers would be made into taxidermies or frozen until there is a customer who requires a tiger skin taxidermy, and the bones of the dead tigers have been sent to the winery for making wine.

(III) Taxidermy workshop: The Company also operates a taxidermy workshop called the Changsha Sanzhen Forestry Art Taxidermy (previously known as Changsha Sanzhen Animal Artistic Specimens Company) which is licensed to process the skins of nationally protected species, including tigers.⁶The Company representative told EIA that the Company produces taxidermies for collection, home decoration and education purposes. He said that the SFA approves the sale of tiger skins on a case-by-case basis and claims that for obtaining such approval, payment of RMB 200,000 as wildlife management fee is required.

(IV) Hunting park: The Company representative told EIA that the Company also plans to launch a park for hunting wildlife for which they started preparing in March 2012 and for which they have already obtained permission from the government. This project is still in its early stages and the plan is to link the hunting park with the other divisions of the Company for streamlining its business.

Product: The Company has likely invested millions to produce a range of products marketed as “*Quanzhen Hujiu*” or “Real Tiger Wine” which is sold at prices ranging between RMB 2,000 - 3,000. The Report states that the wine is made from tiger bone and other rare wildlife and plant specimens. The recipe for Sanhong’s “Real Tiger Wine”, prepared with technical guidance from the Hunan Academy of Chinese Medicine, is detailed in the Report which concludes that 2,400 kgs of tiger bone stock (produced from around 128 kgs of tiger bones) is required for making 800 tons of tiger bone wine.

The phrase “tiger bone” does not appear in the ingredients on the packaging or labelling of Real Tiger Wine products, even though the use of tiger bone in the manufacturing process is the main marketing message distinguishing it from other bone-strengthening wines. The Company representative confirmed this when he told EIA that: “*Though I don't call it tiger bone wines, it essentially is.*” This could be explained by the fact that, unlike traditional and clinical medicines, the finished product does not visibly contain a piece of bone. Sanhong’s production methods involves initially sun drying the tiger bones (usually done on the roof top of the Company’s winery) and thereafter soaking the tiger bones in vats of wine to make a ‘stock’ that is mixed with other ingredients. Bones are steeped for a maximum of three batches for making wine before being returned to a stockpile of captive-bred tiger bone made available for inspection, if any, by the government. The only exception to this process of making wine appears to be a “special edition” wine which, the Company representative claims actually contains 150 - 200gms of powdered tiger bone and costs about RMB 10,000.



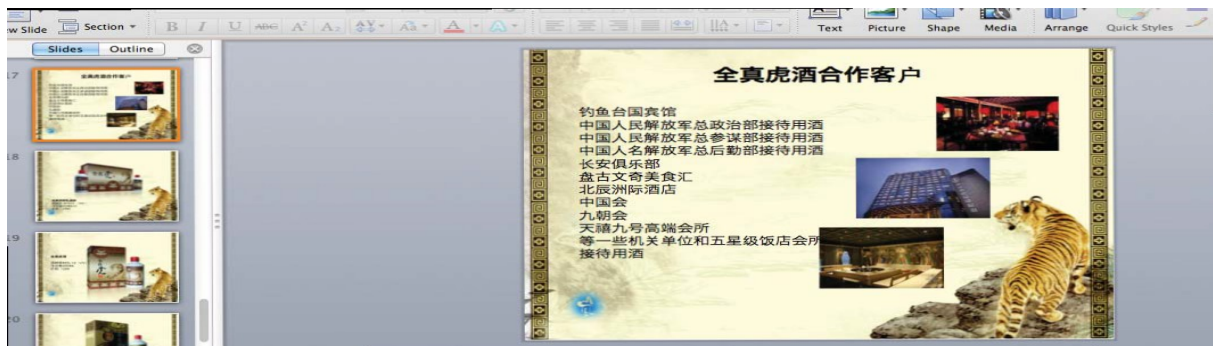
ABOVE: A bottle of “Real Tiger Wine” manufactured by Sanhong in 2012

BELOW: Range of tiger bone wines manufactured and sold by Sanhong.



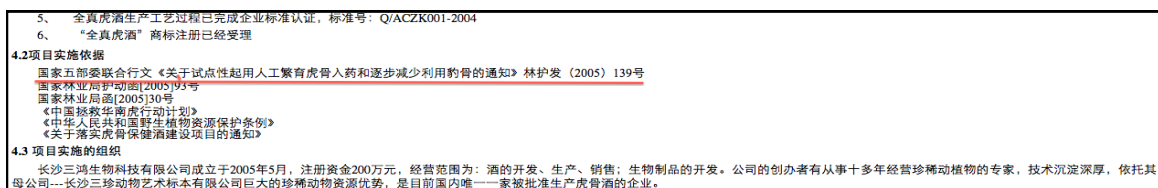
Production: The Company representative told EIA that the Company has already gone into commercial mass production of a range of “Real Tiger Wine” products and has a sophisticated, fully automated winery and bottling operation that processes the bone-steeped wine without exposure to air.

Sales: “Real Tiger Wine” is not publicly for sale at the premises and cannot be found in regular retail outlets. The Company representative told EIA that they currently sell their wine product through “direct sales” at their office in Changsha or via their regional distributors. The representative stated that the Company has a close relationship with the officials in the local Forestry Bureau, who are supplied with tiger bone wine as and when required and that the Company sends wines to the government ministries in Beijing before major holidays. Although a few instances of online sales have been documented,⁷ distribution of the wine is mostly via regional agents who market the product to elite clients and, according to one Beijing-based distributor, Beilan International, the clientele includes guesthouses and restaurants catering to high-ranking officials.⁸ The Company cautions its distributors to avoid selling the Company’s tiger bone wine products in supermarkets and large retail outlets. However, the Report identifies several potential avenues for future market expansion including distribution to restaurants, supermarkets, pharmacies, and shopping malls.



ABOVE: Distributing agent, Beilan International, claims in this marketing power point presentation available online, that they supply Sanhong’s “Real Tiger Wine” to high ranking officials and private members clubs.

Legal Status: The Company representative told EIA that the use of bone from captive tigers for producing wine is a business activity that is ongoing in almost every province across China, mostly in zoos. However, such activities are carried out in a discreet manner and the representative said that only three facilities are allowed to sell tiger bone wine, i.e., the Harbin Siberian Tiger Park (Heilongjiang Province), Xionsen Bear and Tiger Village (Guangxi Province) and Sanhong. Indeed, the Company representative specifically told EIA that so long as these facilities avoid labelling the product as “tiger bone” wine, they can legally sell the product.



ABOVE: Sanhong’s feasibility study report cites the 2005 Notification for the legal basis of its business.

The Report sets out the legal basis of the Company’s wine production business and in this regard, specifically identifies Notification 2005 No. 139. Further, it specifies additional government policies promoting the use of captive-bred tiger bone, including, Animal-Protection-Notice No. 93 (2005) issued by the SFA; Administrative Notice No. 30 (2005) issued by the SFA; the South China Tiger Rescue Action Plan and the Notification Concerning the Practice of Tiger Bone Healthcare Wine Manufacturing Project.

Further, the Company representative told EIA that their tiger bone wine production is being carried out on the basis of the government's authorization in Notification 2005 No.139. While the sale of tiger bone itself is prohibited, Sanhong claims to have permission to use captive tiger bone for producing wine and thereafter return the bones to the stockpile making them available for inspection – “they [the SFA] check on the raw materials not the final products”.

Significantly, the Company representative told EIA that the SFA is well aware that the Company is manufacturing wine made by using tiger bone. Further, it does appear that local government officials are aware that the Company has begun production of tiger bone wine because in 2011, a local Changsha government website announced that the Sanzhen Animal Taxidermy Company had started production of tiger bone wine in 2009, quoting the company's reported investment of nearly RMB 40 million / USD 6 million.⁹ In addition, in 2011 a post on the Ministry of Commerce website advertises wildlife taxidermy services and tiger bone wine, providing the contact details for the owner of Sanzhen and Sanhong.¹⁰

Conclusion and Recommendations

EIA is very concerned about the policies and notifications that seem to have legalised the use of captive tiger bones. Particularly, EIA has documented the impact of the 2005 No. 139 Notification on Sanhong, a company with various breeding and utilisation permits granted by the SFA. Citing the 2005 Notification, Sanhong claims to have been legally permitted to produce “tiger wine” manufactured using the bones of captive bred tigers that they source from their own breeding facility and other facilities across China. Notwithstanding the 1993 State Council ban, there is a great deal of uncertainty about the legality of the use of parts and products of captive tigers thereby creating a perception that commercial trade in parts and products of captive tigers is legal and stimulating an industry and market for such products.

EIA strongly recommends that:

- the concerned governmental agencies, such as the SFA and SFDA, clarify to what extent, if any, the use of and trade in tiger parts and products sourced from captive tigers is legal;
- law enforcement action be taken against those individual and enterprises that are acting illegally or fraudulently;
- laws and policies are amended to end *all* trade, in *all* parts and products of tigers and other Asian big cats, from *all* sources;
- stockpiles of tiger parts and products are consolidated and destroyed; and
- clear messages are sent to tiger breeders and the industry as well as the consumers that the objective is to end all demand for and trade in tiger parts and products sourced from both wild as well as captive animals.

References

1. EIA (Feb 2013), Hidden in Plain Sight: China's Clandestine Tiger Trade, <http://www.eia-international.org/hidden-in-plain-sight-chinas- clandestine-tiger-trade>.
2. Shanghai Landscaping and Amenity Bureau (Nov. 2011), Concerning the Stockpile Audit of Marked Rare and Endangered Wildlife and Its Products, <http://lhrs.sh.gov.cn/Front/BanshiDT/index.html? par1=3&par2=295& applyType=0285&businessFlag=2>.
3. Zhejiang Taizhou Hospital (2005), List of relevant notices issued in 2005, <http://public.tzhospital.com/dag/2005年文书档案.xls>.
4. Hunan Sanhong Pharmaceutical Company Limited (Dec. 2005), “Real Tiger Wine” Project Feasibility Studies Report, http://www.eia-international.org/wp-content/uploads/Sanhong-Real-Tiger-Wine- Feasibility-report_Chinese.pdf.
5. Changsha Science and Technology Commission (2011), 9th Batch of Major Programmes of Technological Planning, <http://www.cssti.cn/Files/DownLoad/2011%C4%EA/2011%C4%EA% B5%DA%BE%C5%C5%FA%28%B9%AB%CA%BE%A3%A9.xls>.
6. Anon., (March 4, 2003), The World's Only Twin Tiger Cub Taxidermy (Southern Metropolis Daily News), <http://news.sina.com.cn/c/2003-03-04/114163941s.shtml>; Changsha Chinese Kuomintang Revolutionary Committee (May 19, 2009), Previously Fought on a Battlefield, Now the Battle is in the Market: An Introduction to the Achievements of Comrade Zhu Yugang, <http://hncsmg.csidc.66298.com/newsshow.asp?ID=570>.
7. Bulletin Board System advertisement on Rednet offering Real Tiger Wine (posted June 2006), <http://bbs.rednet.cn/thread-4021970-1-1.html>; Bulletin Board System message on Baidu by a consumer of Real Tiger Wine (posted Dec. 2006), <http://tieba.baidu.com/p/156074083>; Advertisement on Qianliyan website offering Real Tiger Wine in Beijing (posted Dec. 2010), <http://bj.ohqly.com/export-html/townOther/2011/2010-12-27/1803326.html>.
8. Beilan International (undated), PowerPoint presentation on Real Tiger Wine, <http://wenku.baidu.com/view/a4d1eb0e6c85ec3a87c2c5e1.html>.
9. People's Government of Changsha County Jinjing (Dec. 2011), Work Summary of Jinjing Town Agriculture Office for Year 2011, http://jjz.csx.cn/xxgk/tjsj/201201/t20120105_94774.htm.
10. Ministry of Commerce ‘New Countryside Business Web’ (posted Dec. 2011), Advertisement offering Taxidermy / Tiger Bone Wine by Sanzhen Animal Taxidermy, <http://nc.mofcom.gov.cn/company/21455866.html>.