

# 2013-2014 Goat and Sheep Situation & Outlook

2013 Southern Region Agricultural  
Outlook Conference

**Max Runge, Ag Economist**  
**Alabama Cooperative Extension System**  
**Auburn University**



# Question of the day

What is the current retail  
price of goat meat?



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What is the current retail  
price of goat meat?

Goat Stew Meat \$3.59

Goat Leg \$3.79

Australian Halal



# Ag Economist's Goat Quote

“You’re marketing plan is no better than your fences.”

Unnamed Ag Economist



# Goat Industry 3 P's

- Dr. Will Getz
  - Parasites
  - Predators
  - Profitability



# Goats And Sheep

**Two of the oldest domesticated species**

**Milk, meat, hair & skins all over the world**

**US - goats developing enterprise**



# Goat Meat Imports

- Majority from Australia (97.6% for U.S., 87% for Canada), 2.3% from NZ, <1% Mexico in 2007
- Mostly imported frozen as carcasses, 6 piece or cubes
- Feral harvest in Australia so supply depends on forage and drought conditions
- 34 lb average carcass weight (imports)

Source: Goat Symposium II Further Processing, Dr. Ken McMillin



# Goat Meat Consumption

- Purchasers of goat meat are usually ethnic consumers –Muslim (60%), Latino/Hispanic, Asian, Caribbean, Italian/Greek at Easter, Eastern European
- Different ethnic groups prefer different types of goat meat (animal age, cut, preparation)
- Halal or Kosher slaughter preferred

Source: Goat Symposium II Further Processing, Dr. Ken McMillin

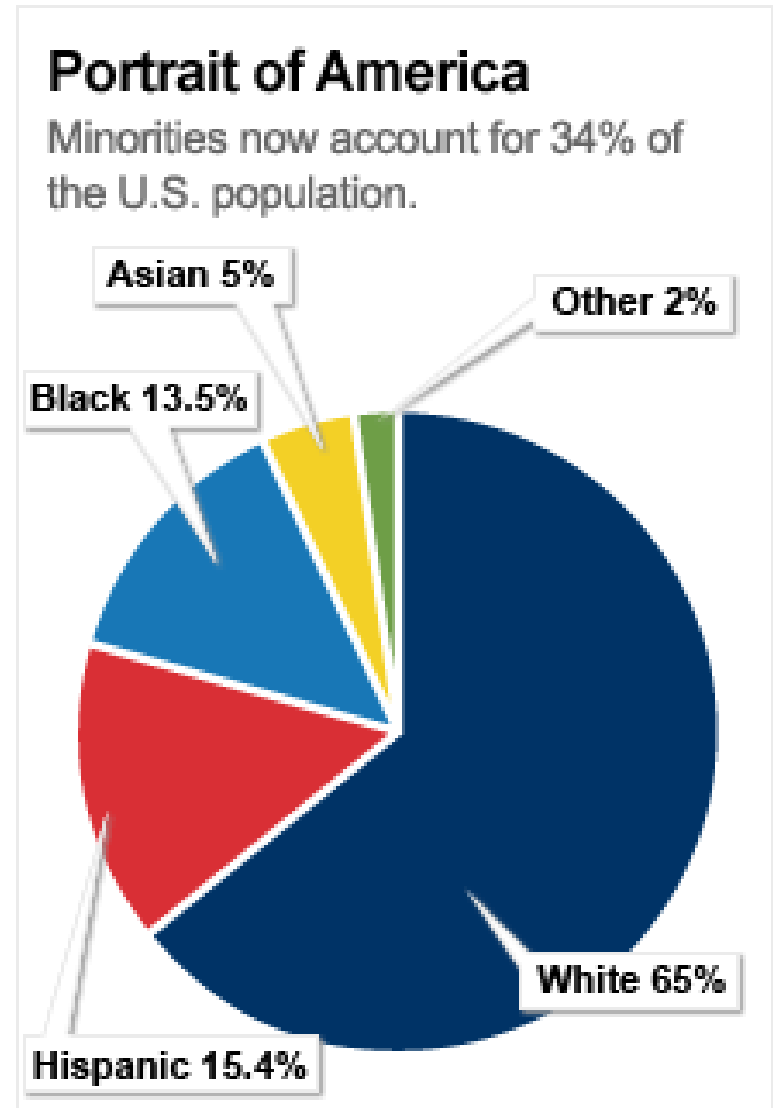


# Goat Meat Markets?

**US becoming more diverse**

Minorities make up 34% US population

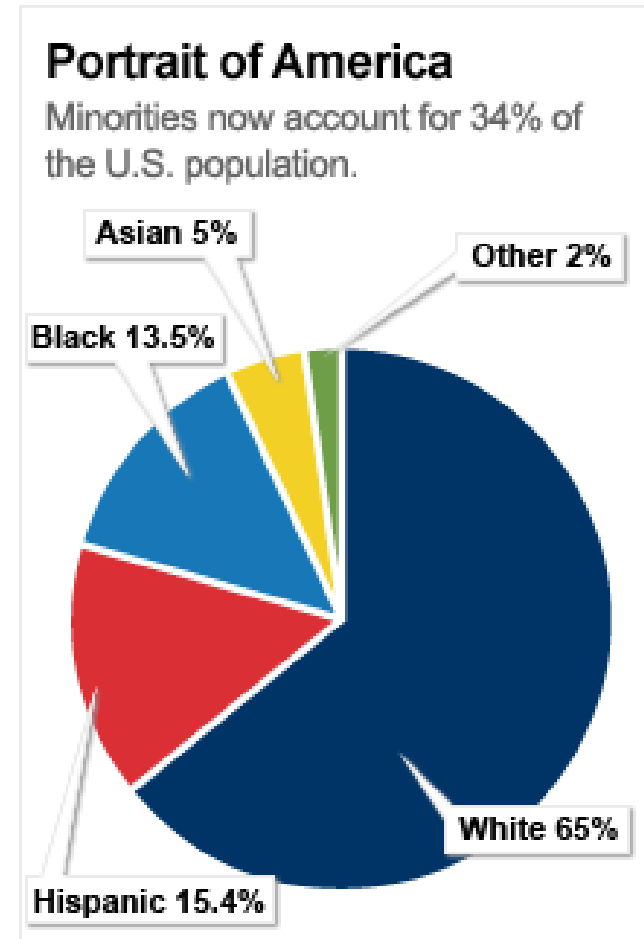
Source: Census Bureau



SOURCE: CENSUS BUREAU

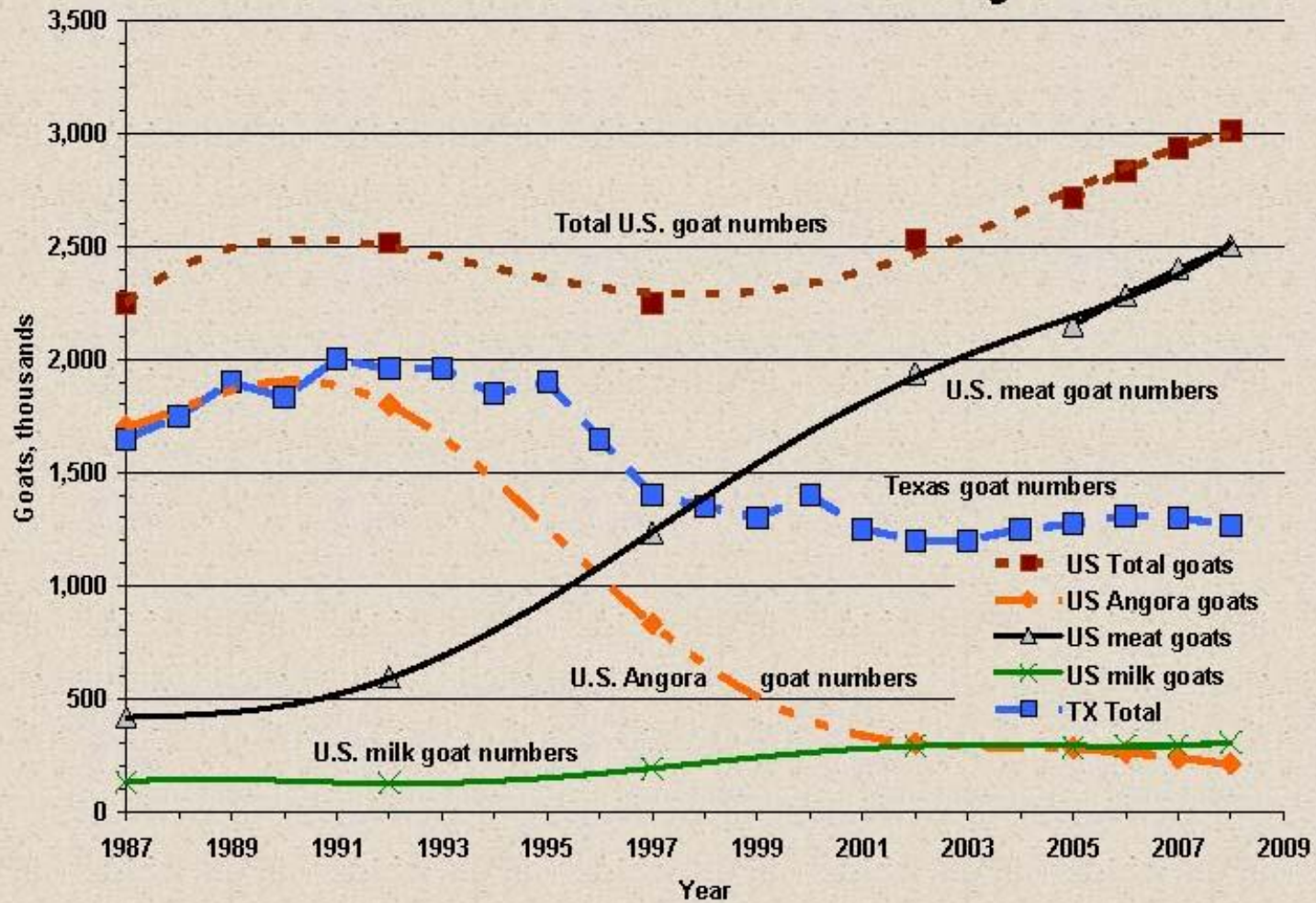
# Goat Meat Market?

*“Even more telling for the future: 44% of children under age 18 and 47% of children under the age of five are now from minority families.”*

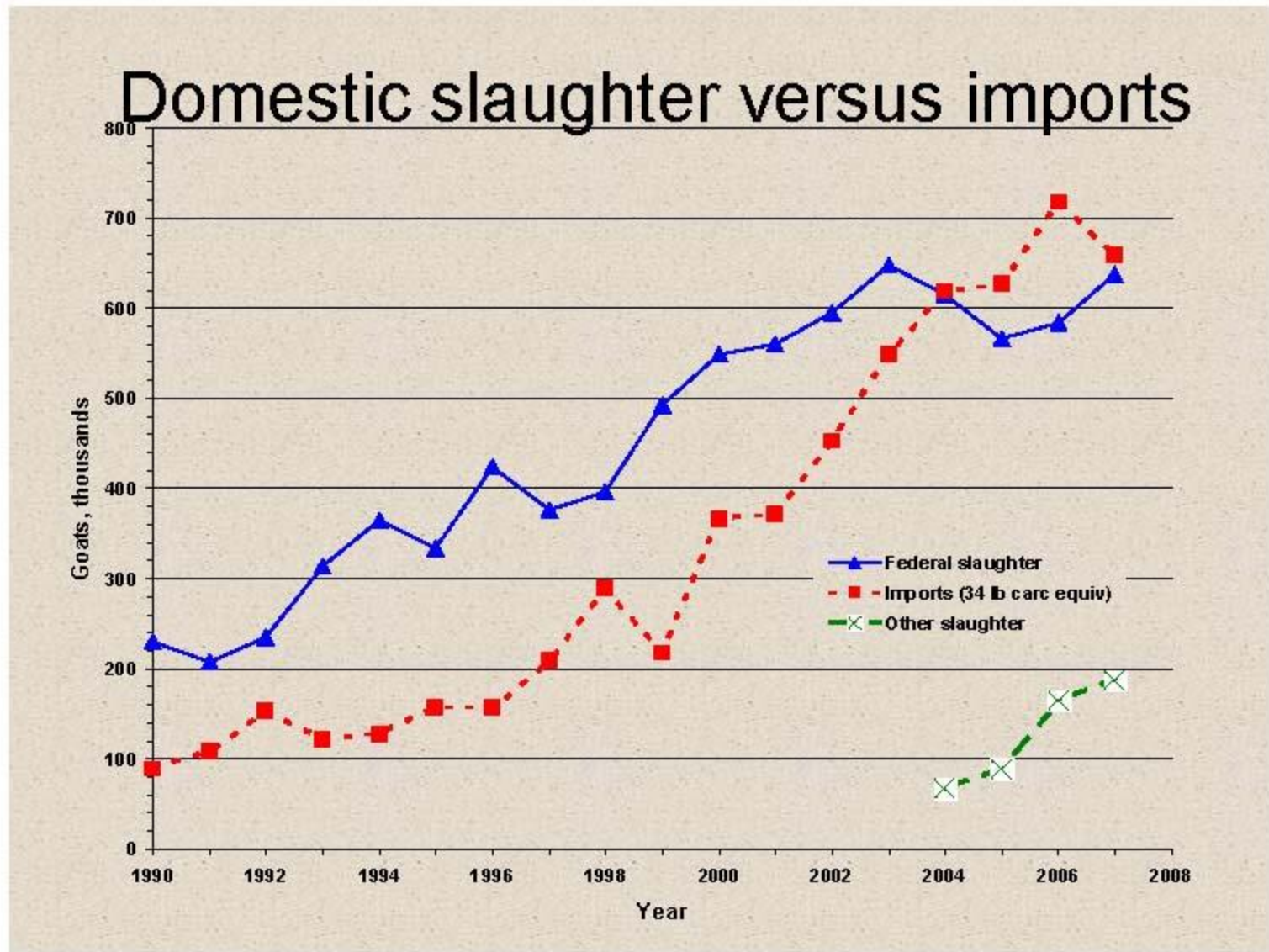


SOURCE: CENSUS BUREAU

# U.S. Goat Industry

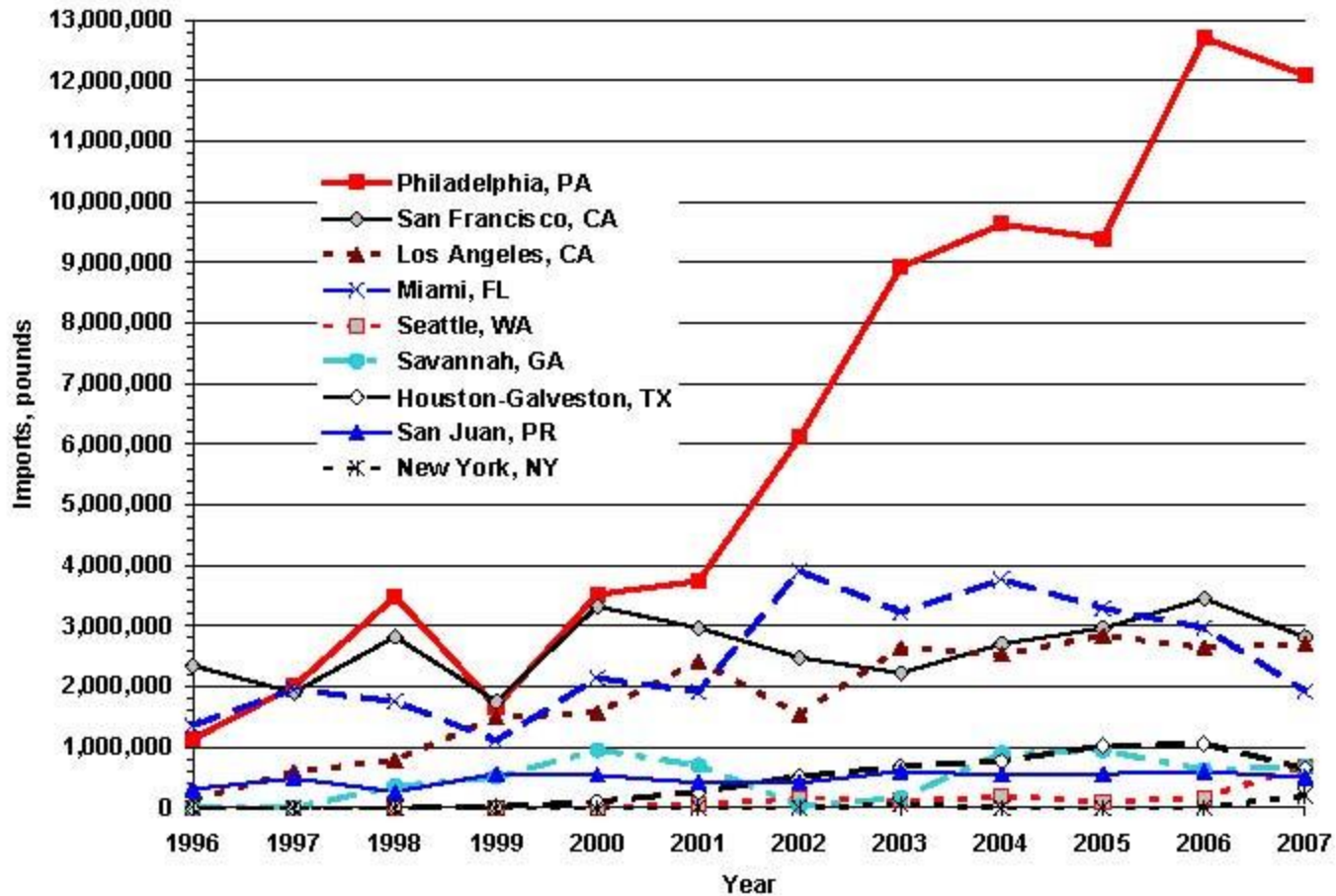


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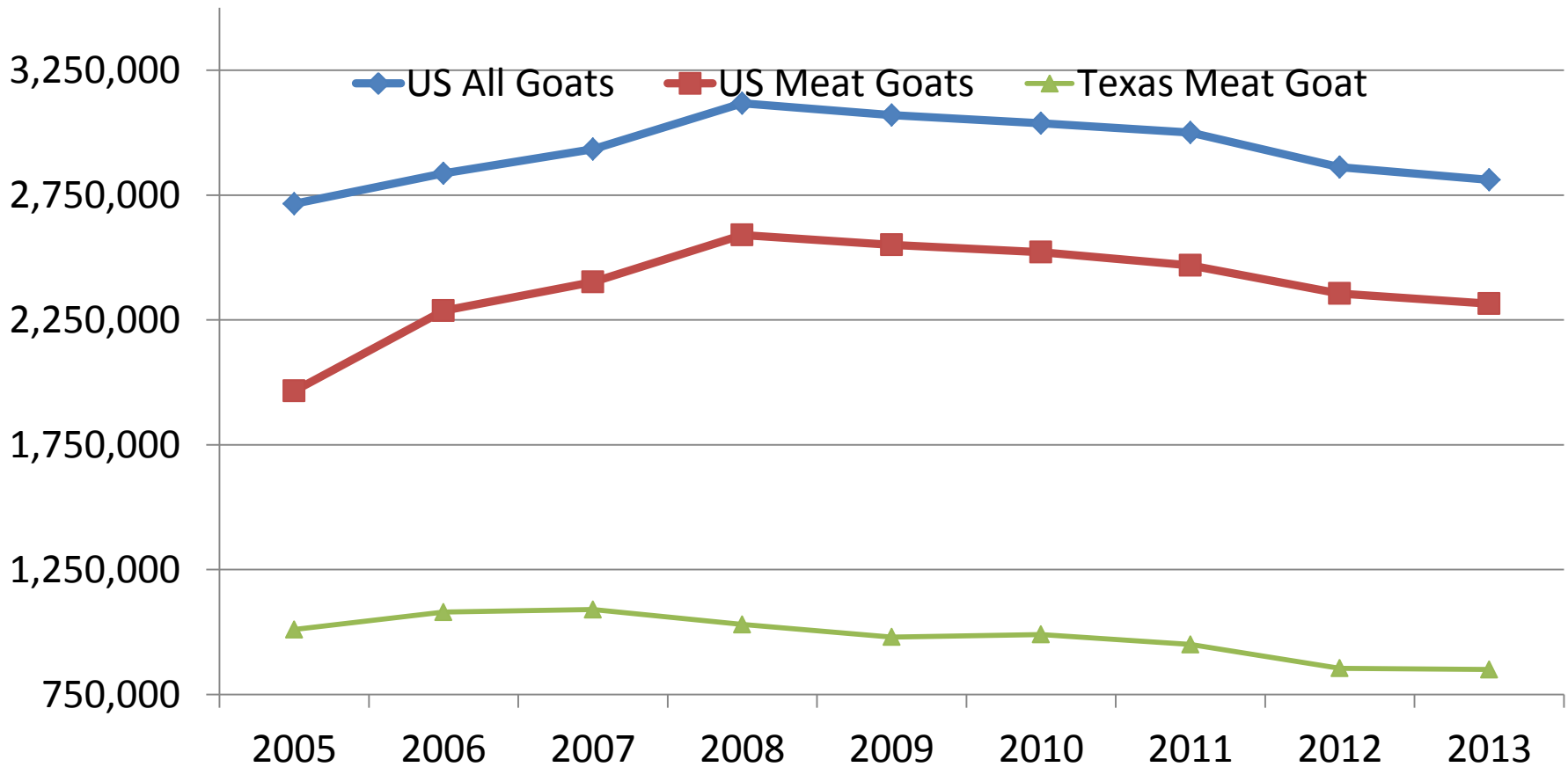
# Ports of Entry for Imported Goat Meat



Source: Goat Symposium II Further Processing, Dr. Ken McMillin

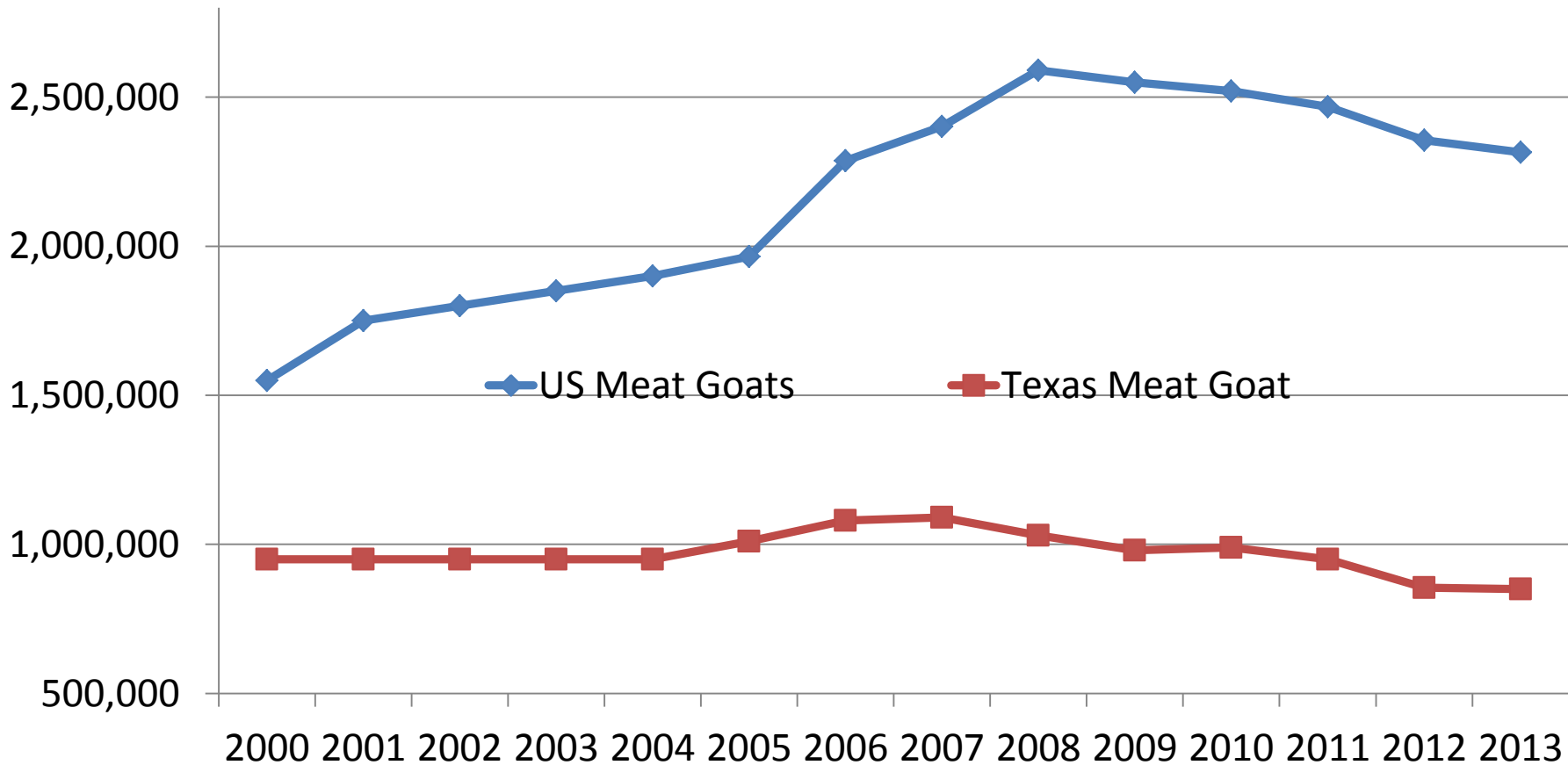


# Goat Inventory 2005 – 2013



Source; USDA-NASS

# Texas vs U.S. Goat Inventory 2000 – 2013



Source; USDA-NASS

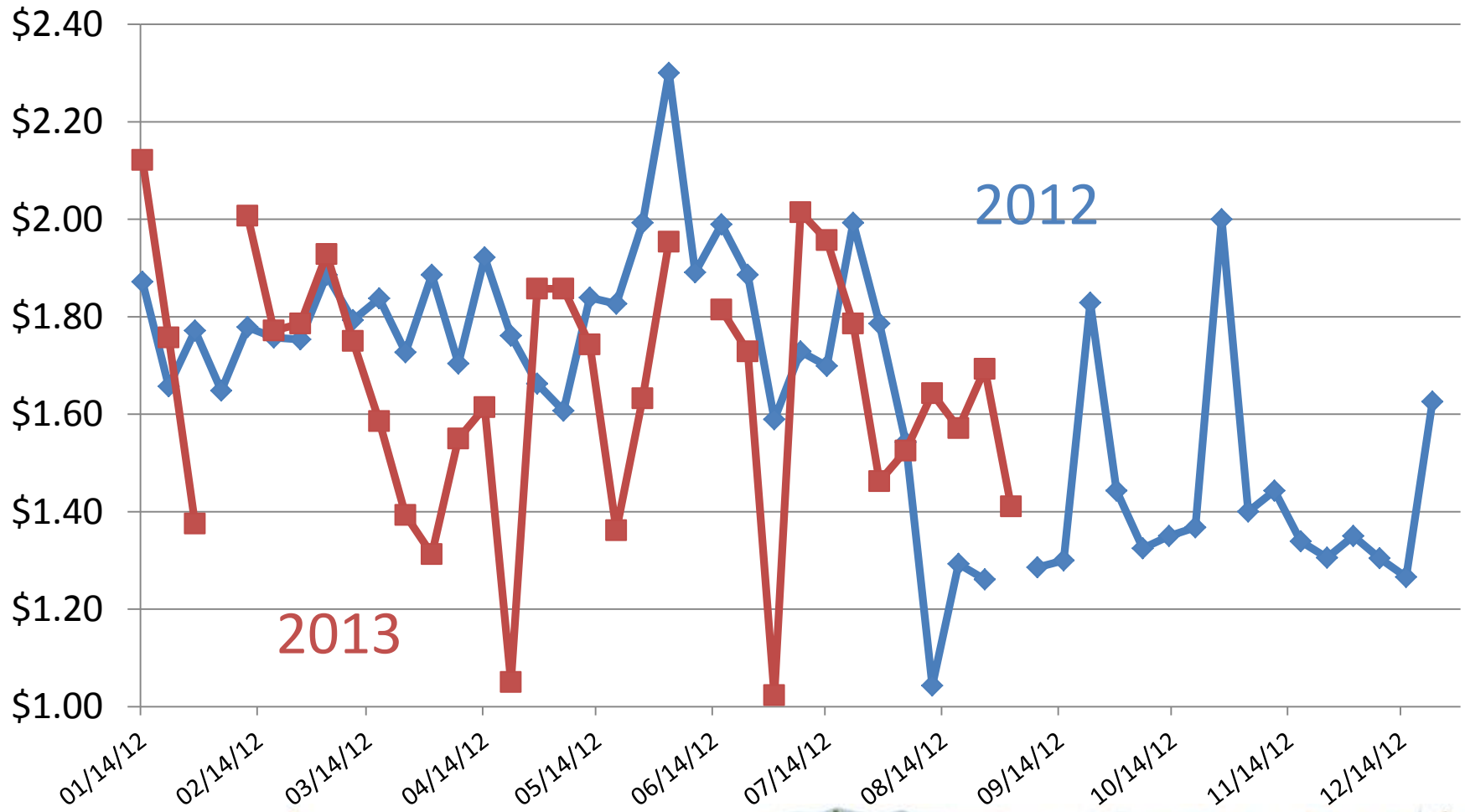
# US Goats

- Tobacco 2004
  - “Tobacco states”
    - North Carolina
    - Kentucky
    - Tennessee
    - South Carolina
    - Virginia
    - Georgia
  - Increased goat numbers



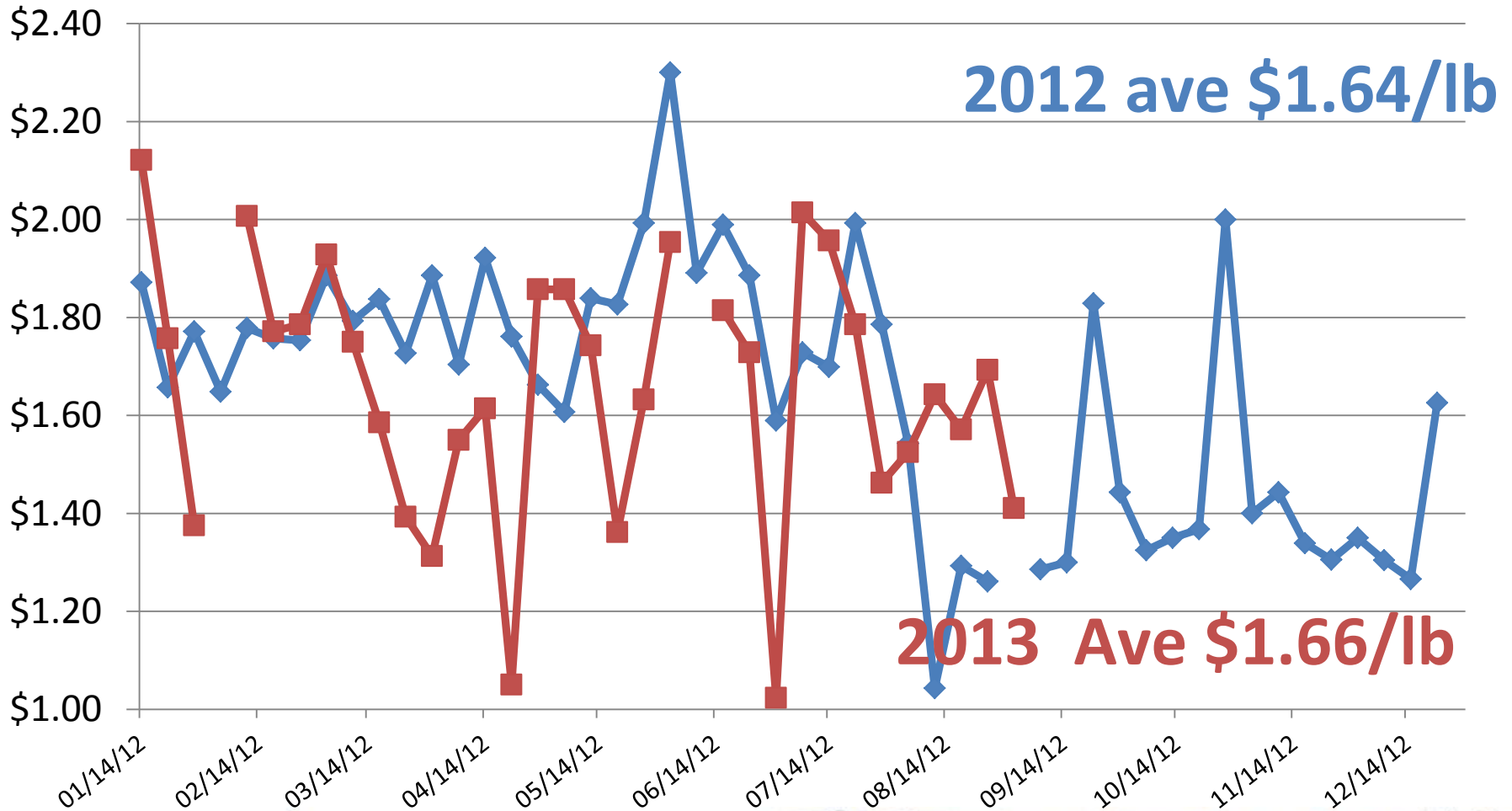


# New Holland, PA - Selection 1, 60-80 lb Slaughter Kids, 2012 -2013 Prices \$/LB



Source; LMIC

# New Holland, PA Selection 1, 60-80 lb Slaughter Kids, 2012 -2013 Prices \$/LB



Source; LMIC

# New Holland, PA Selection 1, 60-80 lb Slaughter Kids, 2012 -2013 Prices \$/LB

Weekly	2012	2013
• Average Price \$/LB	\$1.64	\$1.66
• Average Price \$/ <b>HEAD</b>	<b>\$114.80</b>	<b>\$116.20</b>
• Lowest Price \$/LB	\$1.04	\$1.02
• Highest Price \$/LB	\$2.03	\$2.12

Source; LMIC

# New Holland, PA Selection 1, 60-80 lb Slaughter Kids, 2012 -2013 Prices \$/LB

- Average Price \$/HEAD      \$115
- Range    \$70 - \$140
- Total Cost to carry a doe    \$150 - \$200/year

Source; LMIC

# Meat Goat Economics 101

## Real Price of Goat Meat



# Meat Goat Economics 101

## ***Real Price of Goat Meat***

**70 lb Select 1 Slaughter Goat**

**Dressing Percent 50% (37%-55%)**

**Processing Cost \$35/head**

**Food Distributor Mark up 10%**

**Retail Mark up 35%**



# Meat Goat Economics 101

Live Goat Select 1 (\$1.65/lb)		Total \$
Goat (70 lbs X \$1.65/lb)	115.50	
Processing	35.00	150.50
50% Dressing = 35 lbs of meat		



# Meat Goat Economics 101

**$\$150.50 / 35 \text{ lbs meat} = \$4.30/\text{Lb}$**

**Distributor Mark up 10% = .43/lb**

**Meat cost =  $\$4.73/\text{lb}$**

**Retail Mark Up 35% =  $\$1.65/\text{lb}$**

**Retail Price =  $\$6.38/\text{Lb}$**

**70 LB Select 1 Slaughter Goat**





# Meat Goat Economics 101

## Price of Goat Meat

70 lb Select **3** Slaughter Goat

Dressing Percent **40%** (37%-55%)

Processing Cost \$35/head

Food Distributor Mark up 10%

Retail Mark up 35%



# Meat Goat Economics 101

Live Goat Select 3 \$1.31/lb	\$	Total \$
Goat (70 lbs X \$1.31/lb)	91.70	
Processing	35.00	126.70

40% Dressing = 28 lbs of meat



# Meat Goat Economics 101

**\$126.70 / 28 lb meat = \$4.52/Lb**

**Distributor Mark up 10% = .45/lb**

**Meat cost = \$4.97/lb**

**Retail Mark Up 35% = \$1.74/lb**

**Retail Price = \$6.71/lb**

**70 LB Select 3 Slaughter Goat**



# Meat Goat Economics 101

## 70 LB Slaughter Goat

Select 2	Select 3
Dressing 50% = 40 lbs Meat	Dressing 40% = 28 lbs Meat
Price from the Processor	
<b>\$4.73/lb</b>	<b>\$4.97/lb</b>
Price at Retailer	
<b>\$6.38/lb</b>	<b>\$6.71/lb</b>



# Meat Goat Economics 101

Price from the Processor	
<b>\$4.73/lb</b>	<b>\$4.97/lb</b>
Price at Retailer	
<b>\$6.38/lb</b>	<b>\$6.71/lb</b>
<b>Current Retail Price – Imported Goat Meat</b>	
<b>\$3.59 - \$3.79/lb</b>	



# Meat Goat Economics 101

**What is this telling us?**

**Goat meat isn't cheap**

**We need to be producing and promoting QUALITY meat goats**



# Goat Business?

- Enjoyment
- Kids (2 legged ones!)
- Landscaping/Brush control

# Profound Observation

- Dr. Diego Gimenez Jr. – Extension Specialist & Associate Professor – Emeritus – Animal Sciences Department, Auburn University
- Meat Preferences of Hispanic Consumers, Auburn, AL





# Profound Observation

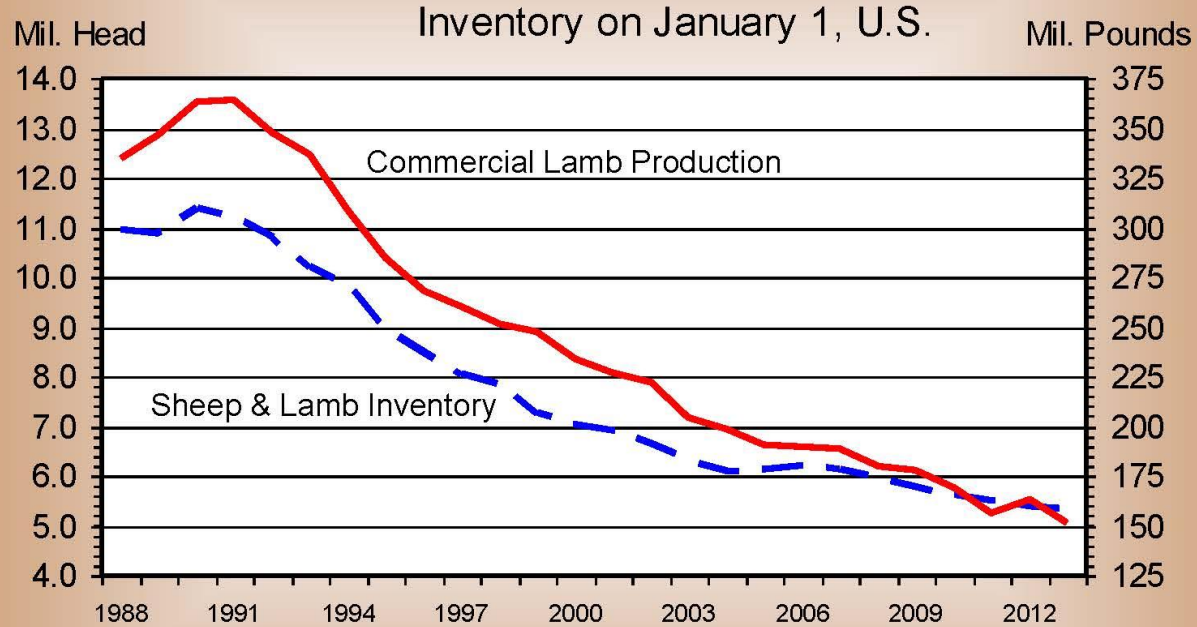
- Dr. Diego Gimenez Jr. – Extension Specialist & Associate Professor – Emeritus – Animal Sciences Department, Auburn University
- Meat Preferences of Hispanic Consumers, Auburn, AL
- **Whatever meat is cheapest!**



# Sheep



# LAMB PRODUCTION vs. SHEEP AND LAMB INVENTORY



Livestock Marketing Information Center

Data Source: USDA-NASS, Compiled & Analysis by LMIC

M-S-36  
02/08/13



# Sheep

- Grow Our Flock promotion
- American Lamb Board Looking at ways to meet consumer desires
- Hair Sheep



# Sheep

- 2012 Per Capita Carcass Weight disappearance
- Total Poultry      110.9 lbs
- Beef                      81    lbs
- Pork                     59    lbs
- Lamb & Mutton      1    lbs



# What is the “OUTLOOK”?

- Oldest domestic animals but small/developing US market
- Opportunities do exist...still an ethnic market
- Specialty areas...goat milk products
- Prices—more of the same
  - Economy
  - Low end of prices better







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LAS VEGAS  
SOUVENIRS

IF IT'S IN STOCK  
WE HAVE IT!

2430

Minnesota  
Moccasins!

JUAN LI

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# Questions?

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Max Runge, Ag Economist  
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