MEAT GOATS: A LOOK AT THE BIG PICTURE

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Introduction

It is all about competition. Were there only one runner in a race, the winner would be obvious. Were goat the only animal protein in the retail meat case, ...

Obviously, it’s not. There are several major competitors in the race to capture the consumer’s attention and garnish a portion of their food dollar. The competitors are far ahead in the race. So, how did they get there?

A wise man once said “History repeats itself.” If so, could there be valuable lessons for the meat goat industry in a review of the past and current situations within the major animal protein industries?

Brief History and Current Status

Poultry

Poultry has moved from a barnyard family enterprise to a vertically integrated, efficient industry dominated by a few innovative, aggressive companies. The poultry industry moved quickly from rural egg routes and selling whole chickens on ice at the retail meat counter to value-added, case-ready, branded products that met the consumer’s needs. Product consistency is unsurpassed. Poultry has capitalized on the heart-healthy image of lean white meat for the diet-health conscious crowd. The industry’s promotion and marketing infrastructure has lead the way in capturing consumer attention. Per capita consumption increased during the 1980's and 90's and began to level off by the turn of the century.

Lamb

Loss of the Wool Act was a significant blow to the domestic sheep industry. The Wool Act provided direct financial incentives to producers and more important, indirectly generated funds to support industry organizations such as the American Sheep Industry Association. Since 1995, domestic promotion of lamb and wool products has been severely hampered. The sheep industry’s inventory, both number of operations and size of the sheep inventory, has been and continues to decline. Production limitations include predation, labor availability and cost, an ever-declining access to public
lands for grazing and a stagnant world wool market. Domestic per capita consumption of lamb has been declining since the end of World War II. Imported lamb is a significant competitor for the consumer’s dollar.

Pork

Tremendous vertical integration has virtually eliminated the independent hog producer. The large corporations that now own hogs are selling branded retail products in fresh meat and deli case. The pork industry maintains an intense focus on the cost of production. Perhaps the system has become too efficient. Overproduction of pork has contributed to a decline in market prices. In an effort to distance their product from the “red” meats and more closely align with the health perceptions of lean, white chicken, the product has become too lean and has lost some palatability. In 2000, the pork industry voted to discontinue their checkoff program which generated support for the National Pork Producers Council and their efforts to promote pork.

Beef

The cattle emerging from the World War II era were too small, too early maturing and too predisposed to waste. In the 1960's and 70's, “exotic” Continental-European breeds were imported to increase size and productivity. By the late 1970's, many commercial beef cattle were too big and had lost production efficiency in the environments in which they were expected to produce. Consequently, the industry has spent the last 10-15 years trying to get back to the middle of the road; efficient females bred to bulls that compliment the cow herd to produce a branded product that fits the box and meets or exceeds the consumer’s expectations. The promotion infrastructure has been very effective. Per capita consumption of beef is trending upward. Development of consumer-friendly, high quality, heat-and-eat products that fit consumer’s lifestyles has exposed the tip of what could be a huge surge in beef’s share of the consumer’s dollar.

Goat

Without question, the meat goat industry lacks the infrastructure enjoyed by the all other competing meats. The product lacks a consumer-friendly name and is foreign to the majority of domestic consumers. Despite these facts, the meat goat industry has experienced unparalleled growth during the last decade. This growth can be attributed, in part, to: 1) importation of the Boer goat which began in 1993, 2) the decline of the ratite industry and the availability of financial resources therefrom, 3) increased land fragmentation and the suitability of meat goats for small acreage land-holdings and 4) loss of the Wool Act which shifted production from Angora goats to meat goats. Industry expansion has been both geographic and demographic. Traditional markets for the product are on the east and west coasts and in the southwest U.S. Demand for breeding animals and show prospects has been very strong since 1993.

Since 1993, commercial breeding programs have been relatively simple - the primary objective has been to increase the Boer influence. But perhaps the industry has come to (or is rapidly
approaching) the point where more Boer influence is not the best management practice. Can we get does that are too big for extensive, range/pasture production conditions? Is there a significant advantage to having more than 3/4 Boer influence in Junior Market show prospects?

**Current and Future Trends**

Enough about the past - there are no more opportunities there. What might the future be like? Consider these trends:

“In the next ten years, changes in consumer behavior will result in foodservice capturing $76 billion of an expected $123 billion in new food spending in the United States. For the first time foodservice would have a larger share of the food dollar than the retail grocery industry. Foodservice will capture 62% of new growth and 51% of the $822 billion expected to be spent on food products overall by 2010.” (International Foodservice Distributors Association Foodservice 2010 Study).

“Full service restaurants will outpace quick serve restaurants in the decade ahead, a development heavily influenced by changing consumer demand. Convenience stores will become increasingly important venues for foodservice offerings.” (International Foodservice Distributors Association, Foodservice 2010 Study).

“Approximately 2/3 of all dinner decisions are made the same day. Of those, 73% don’t know at 4:30 p.m. what they are going to have for dinner. (NCBA/LB Co. Category Management Study, 1997)

“During the week, 40% of all households spend less than 30 minutes on meal preparation, 78% spend less than 45 minutes. Dinner meals are becoming simpler; the number of ingredients being used is at an all-time low and fewer dishes are being served.” (NPD Pantry Check, 1996)

“In the very near future, 80% of the meals will be prepared in 15 minutes or less.” (Lisa Williams, Texas Beef Council, Austin, TX.)

“In the past two years alone (1999-2000), USDA has certified 25 new beef brands. That compares to a total of 21 certified beef programs established during the entire period from 1978 through 1997. There is a clear trend toward specification and labeling.” (Tom Brink, CattleFax)

“Our new heat-and-serve, precooked beef patty exceeded our expectations. We anticipated $1 million in sales the first year. We went more than $1 million in sales in 45 days! (Steve Harper, HEB Food Stores, San Antonio, TX.)

“The total heat-and-serve category (all proteins) grew by 22% or $134.1 million from December 1999 to December 2000.” (AC Nielsen & FreshLook Marketing)
“Chicken holds a 63% share of the refrigerated heat-and-serve category and grew by nearly 17% from 12/99 to 12/00. Beef holds a 14% share and grew by 60% over that same time. The total refrigerated heat-and-serve beef entree category grew by 41.4% or $31.5 million.” (AC Nielsen & FreshLook Marketing)

Observations

The carcass merit progress made by meat goat breeders in the past eight years is simply amazing, especially when you consider that the mainstream, center-of-the-plate meat industry has provided no incentive. Goat meat consumers have not asked for larger loin eyes, plumper legs or wholesale cuts with greater lean yield. It appears the cart is before the goat. The industry may be subscribing to the movie line “If you build it, they will come.” It (a better product) is being built, but someone needs to tell them (traditional and potential consumers).

Breeding meat goat (primarily Boer) shows have sprung up all across the country. Goat shows are an advertising/marketing tool for purebred breeders, enhance the public’s recognition of goats and provide a recreational experience for others. Beyond that, their direct contribution to the commercial meat goat industry and the production and merchandising of goat meat is uncertain.

The meat goat industry needs one industry organization around which the entire industry can rally. To date, the most active organizations have primarily concerned themselves with goat registries, goat shows and production sales. These activities are certainly important, but in the near future, efforts must move forward in the areas of consumer education and consumer-friendly product development and promotion.

Far be it from this author to speculate which of the existing or future organizations will serve as the rally point. But, consider this spin on a famous truth: “United we stand; divided we flounder.”

Conclusion

If goat is to command a bigger part of the food dollar picture in the first ten years of the 21st century, several things must happen.

1. The size of the U.S. meat goat herd will preclude goat meat from competing with beef, pork or poultry for large segments of the retail meat case. Domestic goat meat supply is seasonal and there simply is not enough consumer demand or product to justify devotion of significant retail case space to goat meat.

2. Consider the consumer:
   a) According to NCBA data, 50% of consumers in the 26-35 age group said their lack of cooking knowledge kept them from buying certain cuts of beef. If they do not know how to cook it, they will likely not buy it.
   b) Food products that require preplanning, long preparation times and/or significant cooking
skills will struggle and fade from the picture.

Given the dollars required to accomplish large-scale consumer education efforts, retail sales are not likely a significant market share expansion opportunity for goat meat.

3. Consider foodservice and/or niche markets. The number of meals consumed outside the home continues to rise. For example, suppose a boneless, marinated goat meat product was developed and marketed as a Cabrito Fajita that could be prepared on existing fast food grills in the same time and manner as beef or chicken fajitas.

4. Product development, advertising and promotion, and consumer education are expensive efforts. If goat meat is to be advanced beyond its current position in consumer food product spending, the industry must unify its efforts and move forward with one voice that represents the entire meat goat industry. The duplication of efforts associated with several industry organizations results in the inefficient use of manpower and financial resources and is confusing to both those within and outside the industry.
The proper citation for this article is: