



MEAT PRODUCTION

MEAT & WOOL

NEW ZEALAND

June 2005

Farming goats for meat production is an increasingly profitable enterprise adding real value to pastoral farming.

Making good money from farming goats has become easier with the widespread availability of a heavier meat breed which is capable of achieving 16 - 20 kg carcass weights at 8 months of age.

A contributing factor has been the general firming of the export market for goat meat, which resulted in farmers being paid between \$50/head for goats at 17 kg carcass weight in 2005 and \$30-35 for 12 kg carcass. That is in marked contrast to the period around 1990/91 when goat slaughtering peaked at 245,000 head and farmers received 50 c/kg for an average 12 kg carcass.

So if the future for goat meat is positive what is likely to change and what are the critical issues that need to be faced?

- Goat meat prices are lower than lamb, but higher than mutton or beef.
- Processing costs are higher than for sheep.
- Good feeding is needed to achieve high carcass weights.
- Consistent supply is needed to profitably develop premium markets.
- Processors need to be specific in their requirements.

Table 1 Goat Meat Production and Export

(Year ending 30 June)			
	Total Goat Kill	Tonnes Exported	\$/kg F.O.B
1996	117,147	1424	3.10
1997	159,491	1694	3.49
1998	144,647	1492	4.10
1999	142,390	1437	4.16
2000	110,484	1211	4.64
2001	139,272	990	5.72
2002	120,107	1002	5.43
2003	124,944	1201	4.61
2004	139,320	1102	4.62

Source: Statistics New Zealand

Export Markets

As a proportion of world trade in goat meat, New Zealand's' exports are considered to be very small and when international domestic production and consumption is accounted for, our volume is insignificant.

During the period from June 2000 through to June 2004, the average FOB price received for goat exports has averaged \$5.00/kg FOB. (*Table 1*)

However, an average F.O.B. value masks differences in market returns. Variation about this average reflects differences in quality and form in which product has been sold in the range of markets, as well as market affluence and the position of goat meat relative to other products.

The average price received reflects in part the form of product sold, ranging through whole carcasses, primal cuts, further processed product both chilled and frozen.

The range of countries that the New Zealand goat meat industry exported to in 2003/04 is indicated in *Table 2*.

Table 2 Countries receiving NZ goat meat exports

(Year ending June 2004)	
Country	Tonnes
USA	547
Reunion Islands	284
Martinique	175
Canada	94
Trinidad and Tobago	48
Fiji	31
Guadeloupe	29
Germany	17
Bermuda	11
Malaysia	10
Others	20
TOTAL:	1266



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The very small volume of New Zealand goat meat in world trade is vulnerable to various market forces as affect any commodity product, trade restrictions such as the EU quota required for goat meat sales to French territories, and various non tariff barriers. It is likely that this will result in longer term changes in the pattern of sales away from lower returning markets.

Comparison between the average FOB value for goat meat and other New Zealand red meat exports is made in *Figure 1* and highlights a relatively consistent market for goat meat.

It is reasonable to expect that more consistent production and effective marketing strategies will further improve the export returns for goat meat.

Table 3 Distribution of Goat Carcass Weights
(Typical North Island Processor)

Carcass weight range kg	4 - 6	6 - 9	9 - 14	14 - 18	18
Percentage of kill	<5%	12%	40%	38%	5%

Exporters price signals generally have reflected only carcass weight, apart from penalties for cutter grades. From 1996, schedule prices started to differentiate between carcass weight lines, but differences were not constant between exporters, reflecting different market requirements.

Skin and by-products are predominantly traded on the commodity market if at all, and consequently provide a lower return to be set off against processing costs than for other livestock types.

Goat Growth Rates

The opportunity to improve carcass weight by using higher growth rate and mature size breeds will only be realised with appropriate feeding.

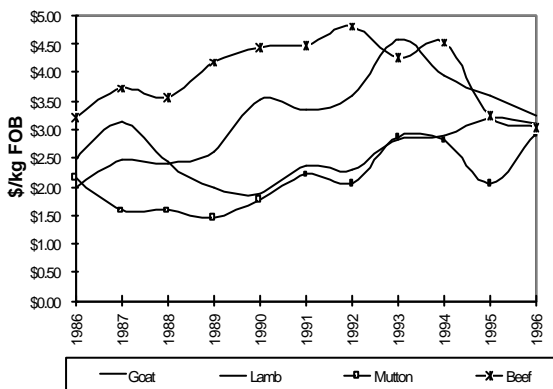
Integrating goats into pastoral farming systems is the key. Does farmed for improving pasture quality and weed control can be used to produce kids for meat production. When grazed on high quality feed, high liveweight gain can be achieved, resulting in 14-18 kg carcass weight at 8 months of age. However it is inappropriate to expect high liveweight when goats are farmed principally for scrub weed control.

Consistent Supply of Goats

The production base for the New Zealand goat industry is small, with only 139,320 goats processed in 2003-04, in comparison with 22.9 million lambs processed for export in the same period, (M&WNZ Economic Service).

In the beef and sheepmeat industries, as the markets have been developed and processors have

Figure 1. Comparative Export Value (\$/kg FOB)



Processing

The cost of processing goats is estimated to be 22% higher than for sheep and largely reflects a slower chain processing speed. The factors which contribute to this include:

- Greater difficulty skinning goats
- The tendency for hair to shed and contaminate the carcass

The opportunity to lower processing costs through the use of automation is limited by the variability in the weight and size of goats. Compared to sheep, this is greater within a mob, between mobs and across the season.

The distribution of carcass weight typically processed within a season is indicated in *Table 3*



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become more specific in their requirements, they have initially been able to select suitable carcasses from within their daily processing. With goats, the small size of the industry and wide variation in animals processed limits this opportunity.

The gains that can be made in market development and processing efficiency will be affected by a more consistent supply of more goats by:

- more farmers focusing on goat meat production
- more goats for slaughter
- frequent and regular drafting to provide continuity of supply to customers
- consistent and targeted weight range drafting of mobs
- processors indicating their need for regular supply
- processors providing longer term signals to allow farmers to plan and target their production system and drafting times

Processors and Exporters

The range of processors and exporters of goat meat varies as market opportunities arise and processors seek to gain efficiencies in processing plant operation.

Increasingly, goats are routinely processed throughout the year as long term supply commitments are developed.

The predominant processors and exports of goat meat in New Zealand were:

AFFCO Group
Mathias Meats
PPCS
Progressive Meats
Richmond Limited
Taylor-Preston