

**Meat Goat Marketing Study:
Van Erden Group Findings**

**1) MARKET FACTORS INDICATE A
SIGNIFICANT POTENTIAL FOR MEAT
GOATS, SO EXPANSION SHOULD BE
SUPPORTED AND ENCOURAGED.**

- MARKET IS INCREASING 10% PER YEAR, BUT IMPORTS RISING FASTER THAN DOMESTIC OUTPUT.
- DOMESTIC OUTPUT ESTIMATED TO BE SLIGHTLY IN EXCESS OF 1 MILLION HEAD PER YEAR.
- DEMAND ESTIMATED TO DOUBLE EVERY 7 YEARS, WITH ULTIMATE POTENTIAL 3 TIMES THE CURRENT SIZE.
- ETHNIC GROUPS THAT CONSUME GOAT- HISPANICS, MUSLIMS, ASIANS GROWING AT A FASTER PACE THAN THE GENERAL POPULATION.
- SOME MOVEMENT TOWARDS UPSCALE RESTAURANT USE AS CABRITO OR CHEVON.
- DOMESTIC INDUSTRY IS LARGE- 1.5 MILLION HEAD- BUT NOT PARTICULARLY WELL DEVELOPED OR ENTRENCHED
- KENTUCKY ALREADY MAY HAVE THE THIRD LARGEST HERD IN THE U.S.- 100-150,000 HEAD

2) IN-STATE SLAUGHTER AND PROCESSING IS NEEDED TO MOVE KENTUCKY AWAY FROM BEING A COMMODITY SUPPLIER.

-ALMOST ALL KENTUCKY GOATS SOLD COMMERCIALY ARE SOLD LIVE THROUGH AUCTIONS, WITH MINIMAL NUMBERS PROCESSED HERE.

-CURRENT PLANTS PROCESSING GOATS ARE SMALL, CHARGE RATES THAT MAKE SLAUGHTER INEFFICIENT, AND HAVE NO WAY TO EFFICIENTLY DISPOSE OF OFFAL.

-OTHER STATES WITH MEAT GOAT INDUSTRIES MOVING TO DEDICATED FAILITIES- TEXAS, NORTH CAROLINA, GEORGIA.

-PROCESSING ALLOWS PRODUCERS TO MOVE AWAY FROM COMMODITY ARENA, GENERATE HIGHER PRICES, AND PROVIDE PRODUCT DEMANDED BY THE MARKET.

-RECOMMEND THAT VISIT BE MADE TO GEORGIA AND/OR TEXAS FACILITIES TO UNDERSTAND OPERATIONS/FINANCING

-RECOMMEND THAT PLANRS CURRENTLY PROCESSING GOATS EXPAND FACILITIES/PROVIDE OFFAL DISPOSAL FOR SMALLER PRODUCERS.

-SUCCESS OF THE TEL-O-AUCTION CAN BE ENHANCED WITH THE DEVELOPMENT OF A TRANSFER STATION IN WESTERN KENTUCKY.

3) ANY SLAUGHTER FACILITY MUST HAVE THE ABILITY TO PROCESS ANIMALS ACCORDING TO HALAL.

-FOR THE MUSLIM MARKET, ANIMALS MUST BE BLESSED AND
SLAUGHTERED BY A MUSLIM, AND IN ACCORDANCE WITH
SPECIFIC RULES.

-WITHOUT HALAL SLAUGHTER, PRODUCT WOULD NOT BE ABLE
TO BE MARKETED TO A SIGNIFICANT PORTION OF THE
MARKET.

-NATIONAL CERTIFICATION (IFANCA) CAN BE PURSUED TO
GIVE KENTUCKY PRODUCT LEVERAGE OVER OTHER
PRODUCERS.

-HALAL ALSO APPLIES TO THE RAISING OF ANIMALS. FEW
GOATS IN THE COUNTRY ARE RAISED HALAL, BUT THIS
APPEARS TO BE A FEASIBLE OPTION THAT CAN ALSO GIVE
KENTUCKY PRODUCERS SIGNIFICANT LEVERAGE AND
HIGHER PRICES IN THE MARKETPLACE.

4) ANY IN-STATE PROCESSING MUST BE
MATCHED WITH A STRONG SALES
AND MARKETING FUNCTION.

-DISTRIBUTION AND RETAIL MARKET IS COMPLEX,
FRAGMENTED, AND DOMINATED BY SMALL FIRMS
AND THOSE WITHIN THE CONSUMING ETHNIC GROUPS

-DEDICATED MARKETING AND SALES INDIVIDUAL WILL
BE A NECESSITY TO IDENTIFY AND MARKET THROUGH
VERY UNIQUE CHANNELS.

-THIS INDIVIDUAL WILL NEED TO BE FAMILIAR WITH
THE ETHNIC MARKETS AND THE PLAYERS.

-WITH DEDICATED PROCESSING AND A SALES AND
MARKETING FUNCTION, KENTUCKY WOULD HAVE
A MEAT GOAT INFRASTRUCTURE SECOND TO NONE
AND AHEAD OF OTHER STATES ATTEMPTING TO
PENETRATE THE MARKET.

5) FURTHER EXPAND THE POTENTIAL OF THE TEL-O-AUCTION

-THIS HAS BEEN SUCCESSFUL IN MARKETING KENTUCKY MEAT GOATS DUE ITS EFFICIENCIES FOR BOTH PRODUCERS AND BUYERS.

-CONTINUE TO PROMOTE THIS TO BOTH PRODUCERS AND BUYERS AS A WAY TO MOVE ANIMALS THROUGH THE TRADITIONAL MARKET CHANNELS.

6) MAKE PRODUCERS AWARE OF THE MULTITUDE OF OPTIONS AVAILABLE TO THEM IN MARKETING THEIR ANIMALS

-THE INDUSTRY HAS NUMEROUS ROUTES AND DISTRIBUTION CHANNELS TO BRING THE PRODUCT TO THE CONSUMER

-BOTH LARGE AND SMALL PRODUCERS NEED TO BE AWARE OF THE VARIETY OF OPPORTUNITIES SO THEY CAN USE THE MARKET CHANNELS THAT BEST FIT THEIR NEEDS.

-RECOMMEND THAT A SIMPLE MARKETING HANDBOOK BE DEVELOPED THAT COVERS THE OPTIONS AVAILABLE, THEIR ADVANTAGES AND DRAWBACKS AND WAYS TO DEVELOP THEIR MARKET- E.G.-LOCAL ETHNIC LEADERS

7) AS THE KENTUCKY INDUSTRY EXPANDS,
AND NEW PRODUCERS ENTER THE
MARKET, THEY SHOULD BE REQUIRED TO
HAVE TRAINING IN CARE, RAISING,
PROCESSING AND MARKETING OF GOATS

-GOATS ARE UNLIKE CATTLE IN DISEASE CONTROL AND OTHER NEEDS TO RAISE THE BEST POSSIBLE ANIMALS.

-TO DATE THE KENTUCKY INDUSTRY HAS BEEN SELF-CONTROLLING, WITH MANY BREEDERS NOT SELLING TO THOSE THEY FEEL DON'T HAVE AN UNDERSTANDING OF WHAT'S INVOLVED.

-TRAINING IS CURRENTLY AVAILABLE AND OFFERED, BUT ON A VOLUNTARY BASIS. RECOMMEND THAT TRAINING BE A PREREQUISITE FOR ANY STAE FUNDING.

-ALSO, MAKE NON-FUNDED PRODUCERS AWARE OF THE TRAINING OPPORTUNITIES AVAILABLE, PARTICULARLY THROUGH THE STATE'S PRODUCER ASSOCIATIONS.

-WE ALSO ENCOURAGE THE BOARD TO MAKE TRAINING MANDATORY FOR ANY OTHER ALTERNATIVE AGRICULTURAL ENTERPRISES IT MAY FUND IN THE FUTURE.

8) PRODUCERS CAN ALSO ACCESS THE MARKETPLACE DIRECTLY, BYPASSING THE TRADITIONAL AUCTION/BROKER SYSTEM.

-TRADITIONAL CHANNELS WILL PRIMARILLY SERVICE ETHNIC POPULATIONS IN THE MAJOR EAST COAST MARKETS

-KENTUCKY AND SURROUNDING STATES HAVE SIGNIFICANT POCKETS OF ETHNIC POPULATIONS THAT CONSUME GOAT, BUT CURRENTLY HAVE NO ACCESS TO IT.

-NETWORKING THROUGH LOCAL ETHNIC LEADERS AND IDENTIFYING RETAIL OUTLETS OF OPPORTUNITY CAN GENERATE A SIGNIFICANT MARKET.

-CHICAGO HAS A MAJOR POPULATION OF ALL THREE ETHNIC SEGMENTS, AND DETROIT HAS A LARGE MUSLIM POPULATION.

-SMALLER REGIONAL MARKETS SUCH AS INDIANAPOLIS, NASHVILLE AND COLUMBUS HAVE CONCENTRATIONS THAT CAN BE IDENTIFIED AND ACCESSED AS WELL.

-IDENTIFICATION OF THESE OPPORTUNITIES SHOULD BE GIVEN TO PRODUCERS AND ENCOURAGEMENT MADE TO PURSUE THEM.

9) KENTUCKY PRODUCERS NEED TO EXPAND THEIR INDUSTRY CONTACTS THROUGH NETWORKING AND OUTREACH EFFORTS.

-KENTUCKY PRODUCERS AND ASSOCIATION HAVE MADE CONTACTS IN THE THREE ETHNIC SEGMENTS, BUT THERE IS STILL LITTLE GENERAL AWARENESS THAT KENTUCKY HAS A GOAT INDUSTRY.

-LOCAL OPPORTUNITIES ARE BEING MISSED BECAUSE THERE IS NO COMPREHENSIVE AWARENESS EFFORT, AND MANY IN THE INDUSTRY BUY PRODUCT FROM OTHER SOURCES OR DON'T BUY AT ALL.

-KENTUCKY MEAT GOAT INDUSTRY AND PRODUCERS NEED TO MORE RELATIONSHIPS WITH THE ETHNIC GROUPS AS MENTIONED BEFORE, BUT ALSO WITH WHOLESALERS, OUT-OF-STATE PROCESSORS, DISTRIBUTORS AND RETAILERS.

-A GREATER AWARENESS OF THE KENTUCKY INDUSTRY AND PRODUCT WILL LEAD TO NEW SALES OPPORTUNITIES AND GROWTH FOR KENTUCKY PRODUCERS.

10) THE POTENTIAL IS BEING RECOGNIZED BY OTHER STATES AS WELL. THIS MEANS THAT KENTUCKY NEEDS TO TAKE ADVANTAGE OF THE OPPORTUNITIES BEFORE OTHERS DO.

-WHILE THE INDUSTRY IS NOT WELL-DEVELOPED, THERE ARE MOVEMENTS TOWARDS CONSOLIDATION IN OTHER MEAT GOAT PRODUCING STATES- E.G.- TEXAS AND GEORGIA.

-STATES WITHOUT A HISTORY OF MEAT GOAT PRODUCTION- NEW YORK AND MINNESOTA- APPEAR TO BE THE MOST AGGRESSIVE.

-AS BOTH TYPES OF STATES BECOME MORE AGGRESSIVE IN PUSUING THE GOAT MEAT MARKET, COMPETITION WILL INTENSIFY.

-KENTUCKY HAS THE HERD SIZE, PRODUCER INFRASTRUCTURE, AND OTHER RESOURCES (E.G.-KDA) TO BE A LEADER IN THIS INDUSTRY.

-IT WILL NEED TO MOVE QUICKLY TO DEVELOP THE PROCESSING AND OTHER INFRASTRUCTURE NEEDS BEFORE OTHER STATES DO. WHOEVER CAN PROVIDE A QUALITY PROCESSED PRODUCT FOR THE MARKET WILL HAVE A SIGNIFICANT ADVANTAGE OVER LATER ENTRIES.

11) MULTISPECIES GRAZING CAN BOTH HELP EXPAND KENTUCKY'S HERD AS DEMAND INCREASES, BUT CAN PROVIDE INCOME OPPORTUNITES FOR THE STATE'S CATTLE PRODUCERS.

-MULTISPECIES GRAZING IS COMMON IN OTHER COUNTRIES, BUT NOT REGULARLY PRACTICED IN THE U.S.

-CATTLE AND GOATS PREFER DIFFERENT PASTURE PLANTS, AND GOATS PREFER BRUSH, SHRUBS AND BROAD-LEAF WEEDS, RESULTING IN BETTER GRASS GROWTH.

-THIS HAS THREE BENEFITS-

-BETTER GRASS GROWTH RESULTS IN GREATER WEIGHT GAIN FOR CATTLE

-ADDITIONAL INCOME FROM THE SALE OF MEAT GOATS

-EXPANSION OF THE STATE HERD SIZE AS THE INDUSTRY GROWS, AND THE NUMBER OF THOSE WANTING TO RAISE GOATS PEAKS.

-RECOMMEND THAT KENTUCKY CATTLE FARMERS BE MADE AWARE OF THE POTENTIAL THEY MAY SEE FROM RAISING MEAT GOATS.

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