

## MARKETING ASPECTS OF GOAT PRODUCTION

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## Outline

- ☐ Know your costs
- ☐ Know your consumer
- ☐ Know the prices



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## Know thy costs

- The FIRST step in any good marketing program.
- Helps you know what need to charge in order to be profitable.
- If your breakeven price is too high compared to market helps you know what your target should be.
- Price should be calculated on a **marketing unit basis**, e.g. per pound, per head, etc.



## What price do I need?

$$\text{Breakeven Price} = \frac{\text{Variable or Total Cost}}{\text{Expected Production}}$$

1. Expected Production
  1. Does
  2. Kid crop percent
  3. Kid crops/year
  4. Kids/crop
2. Variable Cost
3. Total Cost



## Costs Concepts

### Variable Costs

- Aka direct costs → changing these impacts level of production.
  - Feed
  - Vet
  - Pasture

### Fixed Costs

- Aka Indirect costs → changing these has no impact on production
  - Depreciation/interest or principal and interest payments
  - Taxes
  - Insurance



## Example

- Herd of 30 does
  - Expect 85 percent of does to have 2 marketable kids per year
  - Variable costs of \$4,500
  - Fixed costs (annualized doe investment, taxes, insurance, return on investment) of \$2,000

	Costs	\$/Doe	\$/Kid Marketed
Variable Costs	\$4,500.00	\$ 150.00	\$ 88.24
Fixed Costs	\$2,000.00	\$ 66.67	\$ 39.22
Total Costs	\$6,500.00	\$ 216.67	\$ 127.45



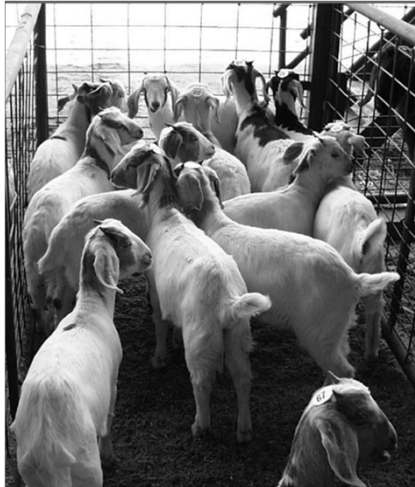
## Example Budget

Auburn Budget



## Meat Goat Grades and Grading

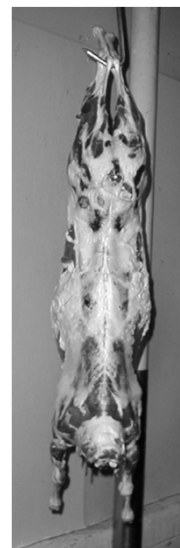
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## Meat Goat Grades – Selection 1

Live goats and/or carcasses shall possess a superior meat-type conformation. Without regard to presence of fat cover; they shall be thickly muscled throughout the body as indicated by the appearance of muscling that is pronounced over the outside leg, full over the back strip, and moderately thick over the outside shoulder.



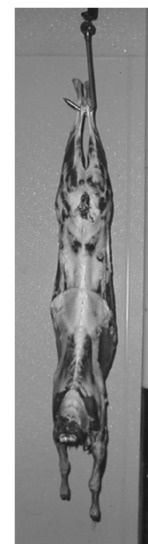
## Meat Goat Grades – Selection 1

- Thickly muscled, very good overall health, indications of very high level of nutrition.
- Superior meat type conformation, thick leg, thick and rounded loin, moderately thick shoulder.



## Meat Goat Grades – Selection 2

Live goats and/or carcasses shall possess an average meat-type conformation. Without regard to presence of fat cover; they shall be moderately muscled throughout the body as indicated by the appearance of muscling that is slightly thick and less pronounced over the outside leg, slightly full over the back strip, and slightly thick to slightly thin over the outside shoulder.



## Meat Goat Grades – Selection 2

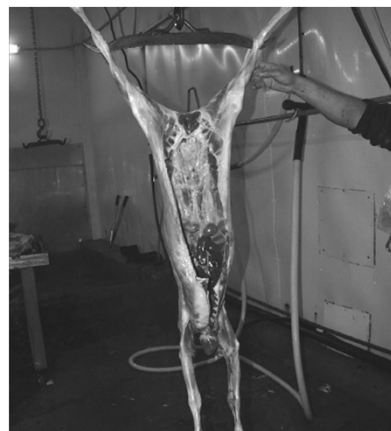
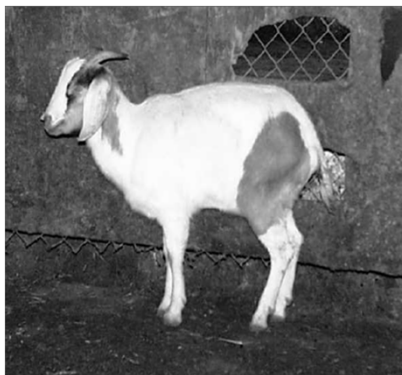
- At least slightly thick muscling, overall good health and indications of adequate nutrition.
- Meat breed cross.
- Average meat type conformation and moderate finish. Slightly thick leg, slightly full loin, slightly thin shoulder.



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## Meat Goat Grades – Selection 3

Live goats and/or carcasses will possess an inferior meat-type conformation. Without regard to presence of fat cover; the legs, back, and shoulders are narrow in relation with its length and have a very angular and sunken appearance.



## Meat Goat Grades – Selection 3

- ❑ Inferior meat type conformation. Legs, back, loin are narrow in relation with its length and they have a very angular and sunken appearance.
- ❑ Exhibit symptoms of poor management, lack of nutrition, lack of parasite control.
- ❑ Dairy breed cross



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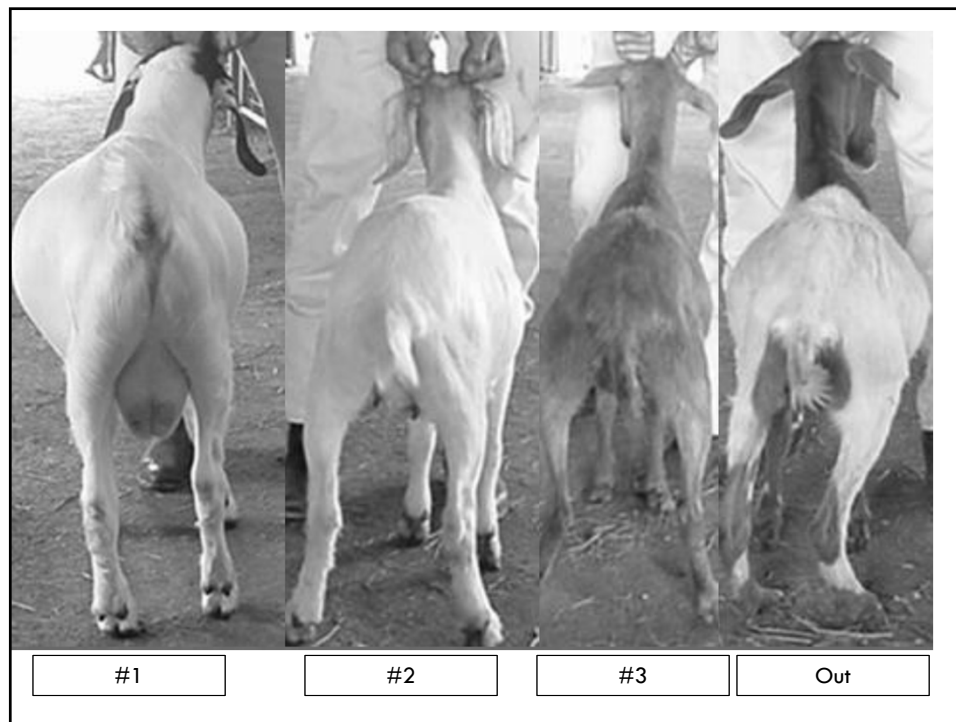
#1

#2

#3

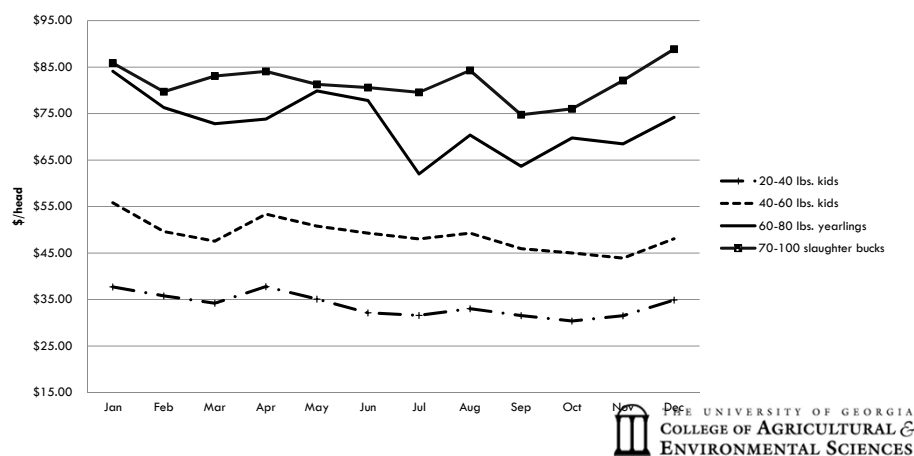
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## There are definite seasonal trends to goat prices

Prices for Various Classes of Slaughter Animals  
Selection # 2 , Reported GA Auctions  
2006-2010



## Know your customer

## Basic marketing methods

- ☐ Local auction
- ☐ Terminal market/co-op
- ☐ Direct sales



## Basic Marketing Methods

- Local market
  - ▣ Usually regularly scheduled sales
  - ▣ Can take as many or as few as you want sell
  - ▣ Market for any quality
  - ▣ Payment not usually an issue
  - ▣ Commissions can be considerable
- Terminal market/co-op
  - ▣ Better prices than local markets?
  - ▣ Quality is important



## Basic Marketing Methods

- Direct Sales-individual
  - ▣ Individual
  - ▣ Preferred method?
  - ▣ Quality not often an issue
  - ▣ Usually "cash and carry"
  - ▣ Often single-head transactions (can be a problem if you need to market numerous head at once)
- Direct Sales-retail/foodservice
  - ▣ Higher prices possible
  - ▣ Inspection can be an issue
  - ▣ Requires a lot of work to develop market



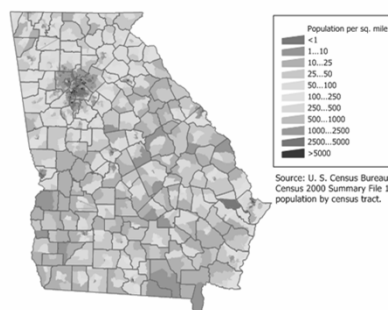
## Important stuff to know

- Important Dates
  - Most “Big” dates are associated with a religious event
  - Not all calendars coincide with our calendar
  - Dates vary by year
- Major Markets
  - Hispanics
  - Muslims
  - Caribbean population



## Georgia Demographic Information

- Population – 9.80-10.0 million people
  - Metro pop = 7.89 million
    - Combined Metro-6.90 million
    - Other areas - .99 million
  - 65% white
  - 30% black
  - 8% Hispanic/Latino origin (can be any race)



Source: U. S. Census Bureau  
Census 2000 Summary File 1  
population by census tract.



## Major Markets-Hispanic

- Fastest growing minority group
- Make up 8 % population in GA
- Major origins
  - ▣ Mexico
  - ▣ Guatemala
  - ▣ El Salvador
  - ▣ Honduras
- Prefer young kids (cabrito)
  - ▣ 15-25 pounds live, OR
  - ▣ 25 pound carcass → 50 pounds live



## Major Markets-Muslims

- Make up 2-10 % population in GA → 200-500K
- Major origins
  - ▣ South Asia
  - ▣ South Asia
  - ▣ Arab
  - ▣ **African American –  
Largest race in US Islam**
- Prefer slightly larger animals than Hispanics
  - ▣ 35 pound carcass → 70 pounds live



## Major Markets-Caribbean

- Major origins
  - ▣ Puerto Rico
  - ▣ Haiti
  - ▣ Jamaica
  - ▣ Cuban
- Prefer carcasses from older and more mature animals compared to Hispanics and Muslims



## Other Markets?

## What about Seedstock or Show Enterprise?

- ☐ Typically higher sales prices per animal.
- ☐ Higher start-up costs (genetics, facilities, etc.)
- ☐ Higher operational costs (feed, marketing, labor/management)
- ☐ What do you do with “culls”?
- ☐ May work better on smaller acreages than on larger, more spread-out operations.



## Summary

- ☐ Know your costs
- ☐ Know your product
- ☐ Identify your target market
- ☐ Learn their preferences
- ☐ Use seasonal information to improve your marketing



