Pacific Northwest Goat Meat Producers

Goat Meat Marketing in the Pacific Northwest
Opportunities and Challenges – 2005

NWCDC Presentation to NWMGP
June, 23rd 2005
Presentation Overview

I. Context
II. Demand + markets
III. Supply
IV. Knowledge
V. Experience
VI. Recommendations
Context/Background

- Why we are here
- The Study – who, what, and how
- Goat meat in NW
- US Market
- Goat producers
Primary Retail Markets for NW Goat Meat

1. Hispanic/Latino
2. Halal
3. African
4. Selling live
5. Slaughter options
Why buy goat meat?

Meat Buyers: Why do your customers buy goat meat?

- Traditional or Cultural (22)
- Religious (8)
- Flavor (6)
- Healthy (2)
- Price (5)

NWCDC Presentation to NWMGP
June, 23rd 2005
Hispanic Market

Areas researched:

- Seattle and Portland metro
- Yakima Valley area

Findings:

- Strong niche market for retail butcher shops
- Seasonal (holidays, weekends, summer)
- Portland and Yakima Valley strongest markets
Hispanic Market

Opportunities

• Higher volume meat consumption than other populations studied
  • 100 lbs. per week average for Yakima Valley retail meat markets
• Most retail meat markets purchase weekly
• Potential for market growth as Hispanic presence increases

Threats

• Seasonal consumption (Holidays, weekends, summer barbeques)
• Retailers say price too high, there’s little profit, i.e. “loss leader”

Informal market of unknown size
Halal Market

- Demographics
  - Widely varied
- What is Halal?
  - Determined thru: Certification or Reputation
- Market Size
- More cultural then religious; market chaos
  - Seattle: hungry for Halal goat
  - Portland: 1 store would take 2,000 goats a yr
Halal Market Location

Location of Muslim Community Based on Stores Restaurants and Mosques

- **British Columbia**: 26 Mosques, 15 Stores, 26 Restaurants
- **Oregon minus Portland**: 5 Mosques, 4 Stores, 5 Restaurants
- **All of western WA**: 1 Mosque, 4 Stores, 1 Restaurants
- **Idaho**: 4 Mosques, 2 Stores, 4 Restaurants
- **Portland/Vancouver**: 12 Mosques, 5 Stores, 12 Restaurants
- **Seattle**: 23 Mosques, 23 Stores, 23 Restaurants

Number of Establishments

*retail numbers from www.zibihah.com and mosque numbers from www.islamicity.com and www.msa-natl.org*

NWCDC Presentation to NWMGP
June, 23rd 2005
Halal Market Sources

• Primary:
  – Frozen cubed Australian
  – Informal, on-farm slaughter
• Other
  – Regional slaughter
  – Fed Ex
African and Caribbean Market

- Seattle and Portland
- Goat the preferred meat
- Market for specific pieces
- Carcass presentation
- Halal?

- No seasonality
- Whole animal preferred
- Middlemen
- Price
- Population 30,000
Other Consumers

- Butcher shops and retail meat
- Wholesalers, i.e. Nicky USA in Portland
  - Fresh carcass for $4.39 a lb – 6 a week
- Small market exists
  - Primarily frozen imported goat
A quick lesson in...

The Value Added Concept

Value Chain

Product

Slaughter

Transport

Marketing

Retail

This is what a farmer gets paid for a pound of meat

This is what a customer pays for a pound of meat

Price $
How to Add Value

- Know who your customer is
- What the final product looks like
- How often/where/how much
- Meet their needs
- Keeping a short link between you and customer

And Remember:

Adding value = keeping the $ at home
What to do with a live goat?

• **Live goat purchasers**
  – Kao Chao; Sandy, OR
  – Larry Jackson
  – Live Auction
  – Breeders, 4H’ers and hobbyists

• **Slaughtering - 4 ways to kill a goat**
  – Mobile, i.e. HH Slaughter
  – Commercial, i.e. Midway
Market Pointers

- Second generation immigrants eat pizza and hamburgers
- More money = different food
- Special attention to what customer wants, religious holidays, your management skills
- Economic factors
  - Price, substitution, alternatives
  - Luxury choice
Size of Goat Herds

Meat Goats per Farm

△ = Individual Farm

Number of Goats

0 50 100 150 200 250

0 50 100 150 200 250

NWCDC Presentation to NWMGP
June, 23rd 2005
Your Customer’s Demographic

Who purchases your goat meat?

- Don't Know
- Pakistani
- Pacific Islander
- Muslim
- Middle Eastern
- Indian/Hindu
- Hispanic/Latino
- Greek
- European
- European American
- Chinese
- Caribbean
- African

0 5 10 15 20 25
Portion of Your Income

What portion of your family's income does your goat operation provide?

*answers from 36 farmers

- None, it costs us
  - Total income
    - 0
  - None, it costs us
    - 24
- Major contributor
  - 2
- Some income
  - 8
- Breaks Even
  - 2
Training

• Management training
• Forming group, planning, marketing finance
• Husbandry skills - survey identifies weaknesses

• Dr. Susan Kerr, Extension Agent WSA
Other goat groups

- Sharon Findling
- Oregon Meat Goat Producers

- Our experience
Your options

1. Stay as you are - Trading as individuals
   Labour, output, costs, unpredictability

2. Go it alone
   Focus, up-skill, deal directly
3. NWMGP organises itself and forms a marketing co-op to sell collectively

A co-op keeps benefit in group for group members:

• Economies of scale
• Bargaining power
• Reducing costs
• Recognised way of doing business
• Co-op ‘family’ have great contacts and supports in the industry
Option 3 cont.

- And then?
- Form strategic alliance with other groups
- National marketing group web marketing
How do you do it?

- Decide
- Plan
  "if you fail to plan, you plan to fail"
- Believe it can be done
- Organize/ Structure
- Commitment!
- Listen, learn and change
- Measurements

- Use resources
- NWCDC
- Extension services WSU/OSU
- Other
- Look under rocks