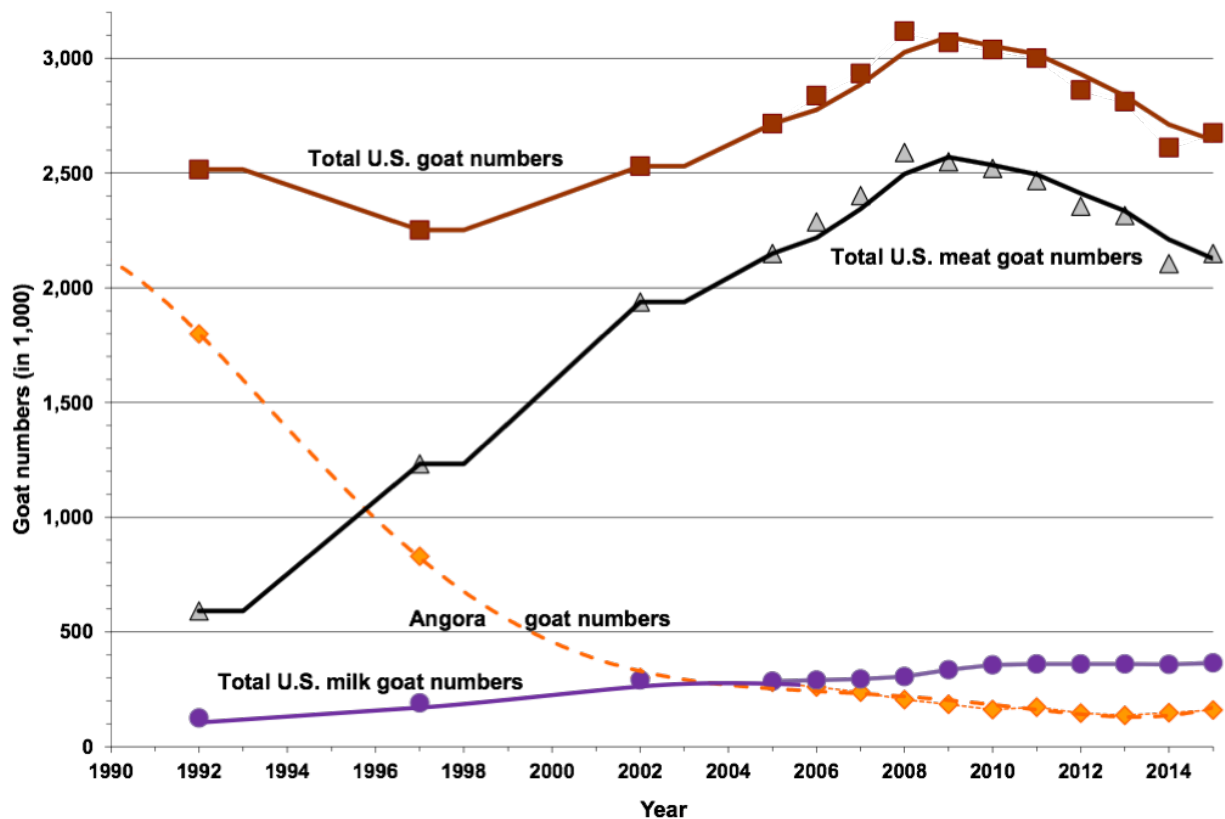


Reflections on Direction:  
Where is the Meat Goat Industry Headed?  
Brian Payne, Keri-Rose Livestock and Consulting,  
savannahassociation@yahoo.ca

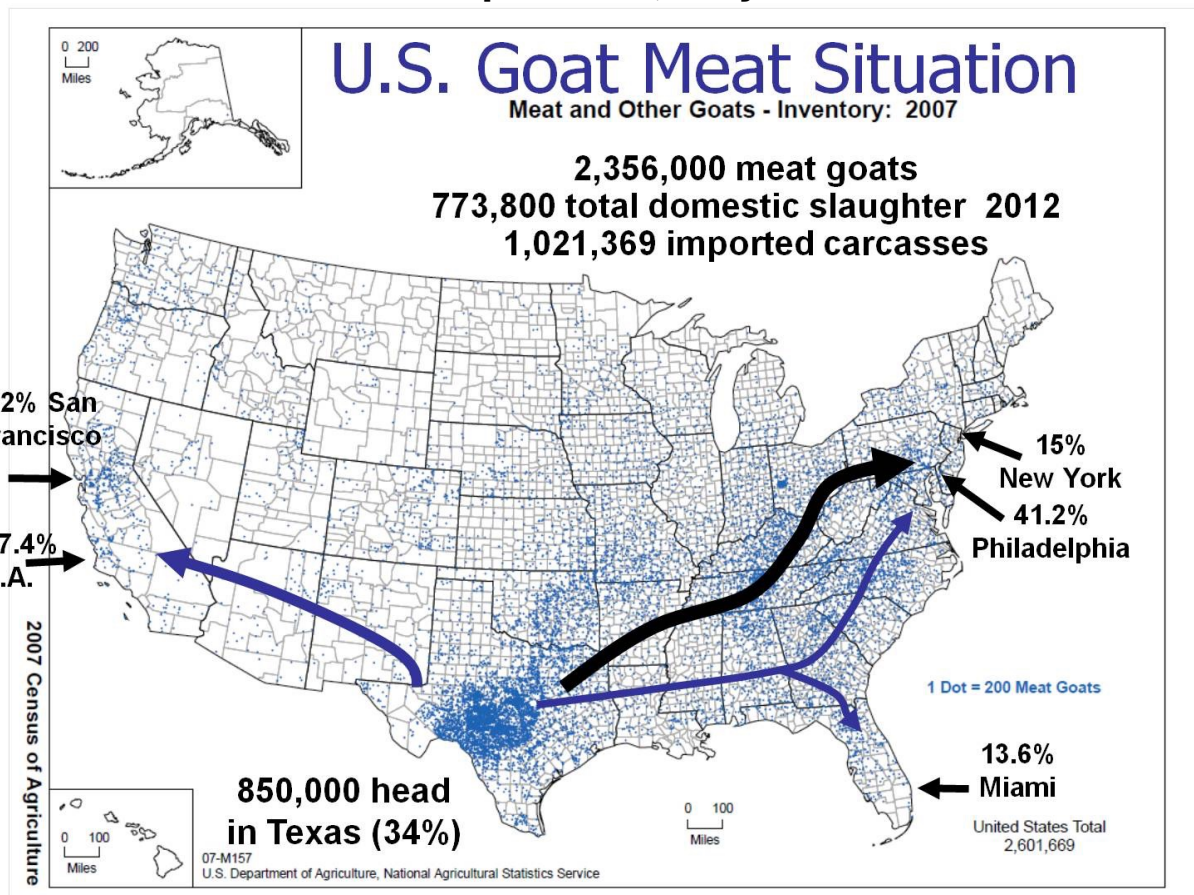
Every producer, every breed registry and every extension professional involved with meat goats needs to sit down and ponder this question while viewing the 2015 Industry Update graphics prepared by Dr. Frank Pinkerton and Dr. Ken McMillin. The 11% decline in meat goat numbers between 2008 and 2013 is particularly sobering when it is compared to the steady and rapid growth of the previous fifteen years. Canadian readers in particular need to ask themselves; Why is there no comparable Canadian statistics and informed industry analysis? Why is meat goat production primarily a “southern” phenomenon?



Trends in Total Goat Numbers in the U.S.

I have often looked at the goat movement graphic displayed below with several thoughts in mind: (Pinkerton/McMillin, Meat Goat Industry Update, 2013)

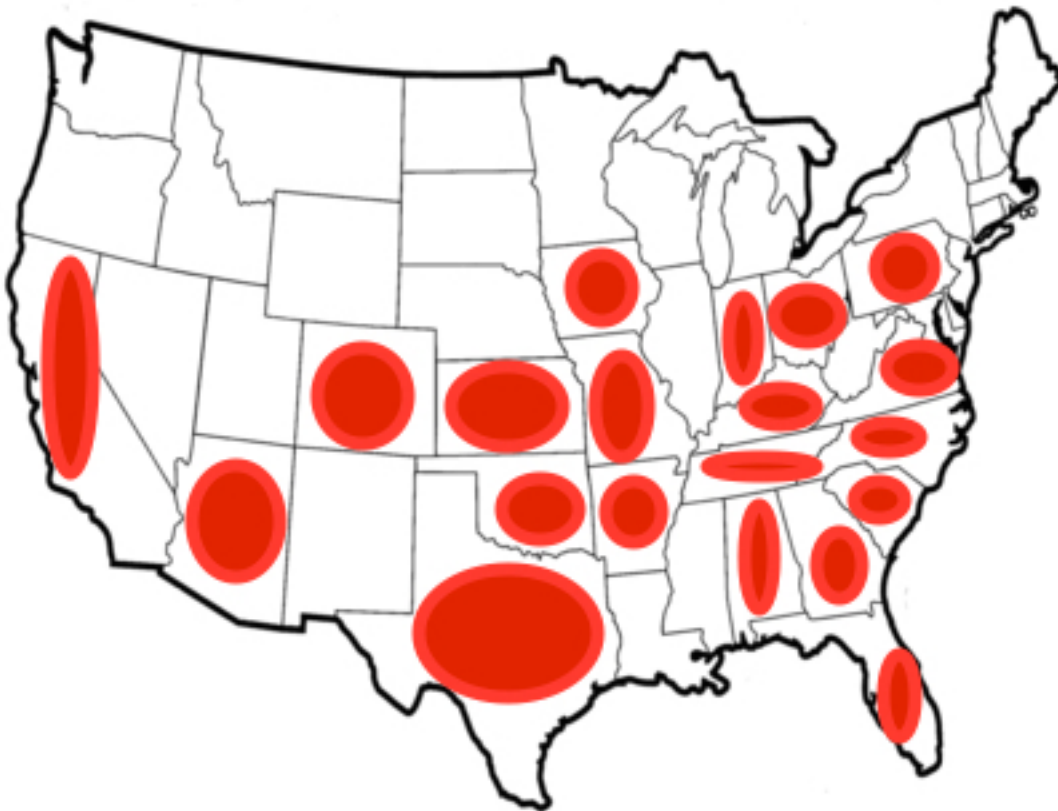
1.) Why have Texans not “captured” the value-added opportunities with meat goats through processing and marketing initiatives? As the heartland of America’s meat goat industry, Texas exports live animals rather than capturing the added economic value of further processing. **There is no other state that has had the history, scale and competitive economic advantage in meat goat production that Texas enjoys yet the industry shrinks (TX produced 64% in '02). If commercialization is possible, why not in Texas?**



2.) Why is there a relative lack of meat goat production in the vast expanse of western rangeland that stretches all the way from Texas, through New Mexico and Utah to the Canadian border? What socio-economic factors are keeping

meat goats out of a “species-favourable” climatic region and driving them into geographic areas which are more problematic in terms of parasites? In an industry that is struggling with profitability, why has there not been a greater move toward lower cost, larger scale, range-based operations in the north-western USA relative to smaller, more intensive and more costly (greater population pressure/land-use competition) in the Eastern states and in California?

### **TOP TWENTY MEAT GOAT PRODUCING STATES IN THE U.S.**



**84.29% of total U.S production (Pinkerton & McMillin)**

**3.) Why do the serious marketing impediments to meat goat production, first identified by Pinkerton in 1988, still remain in 2015?**

*“Current marketing channels for live goats are generally poorly organized, inefficient, and inconsistent. This industry problem is only partially explained by the fact that the areas of lower cost goat production (Texas and southeast) and the areas of relatively high goat meat consumption (east and west coasts) are not the same.” (Pinkerton, Dairy Goat Journal, Aug. 1988)*

*“I remind that the largest producing states (CA excepted) are rather remote from the largest urban consumer markets on both coasts; accordingly, transportation costs increase consumer prices via hauling costs and shrinkage of goats. Marketing channels for goat meat are less rationally developed than for other meats, and these diseconomies contribute to its high retail prices.” (Pinkerton et al, 2015)*

Perhaps we can content ourselves with the logic that; “12,000 years after goats were domesticated, the goat industry is still in its infancy.” (Emond, 1996). New meat goat enthusiasts should be aware that our industry is really only 25 years old! Prior to the introduction of Boer goats in the mid-nineties, meat goats in Texas were simply a source of cheap meat for the hired help rather than a primary ranch commodity. The Angora goat was the economic under-pinning of many Texas ranches and the “rock star” of the caprine species. Fibre was a primary commodity while meat was secondary.

The explosive entry of Boer goats as a “specialist meat goat breed” coincided with the removal of U.S. government subsidies for fibre under the Wool and Mohair Act (the Wool Act of 1954 was phased out between 1993-1996). Angora numbers plummeted as a result of reduced subsidization, instability in export markets and the drought of the mid to late nineties. Boers and Boer/Spanish crosses started to fill the meat market void created by the decline in Angora goat numbers. **This was not planned meat goat industry growth. It was simply**

**substitution.** An unmet market for goat meat needed to be supplied and new meat goat enthusiasts expanded rapidly across the continental U.S.A..

Sometimes this **expansion was subsidized as other industries failed and meat goats were promoted as “alternative small farm income”**. The Tobacco Transition Payment Program was a component of the American Jobs Creation Act intended to provide “family farm support” after the demise of the Federal Tobacco price support program in 2004. It is probably not coincidental that North Carolina, Kentucky, Georgia, Virginia, Tennessee, South Carolina and Pennsylvania are all “top 20” meat goat states.

**The 10.1 billion dollar Tobacco Buy Out undoubtedly benefited the meat goat industry and perhaps kept participants blissfully unaware of the need for marketing. Subsidized start-up agricultural enterprises focused on production logistics rather than marketing plans. With the U.S. not meeting it’s domestic requirements for goat meat, it is no wonder that marketing never received the emphasis that it probably should have.**

Unfortunately, this subsidized movement of meat goats into areas that were more humid and onto land parcels that tended to be small and pasture based, meant that parasite problems exploded: production costs soared, producer disappointments and business failures often followed. Texas dominance and a very centralized meat goat industry suddenly became more broadly dispersed and localized:

“goat production became localized and was bypassed by the commercial and industrialized agriculture that has characterized the United States for the past century...As a result, the market structure and infrastructure currently available to cattle, poultry, and swine producers have not been developed for goat producers. Goat producers are faced

with swings and variations in prices that depend on the buyers in their local market, the availability of goats in the United States, the price and availability of imported products, and the consumption patterns of nontraditional and “new” consumers.” (“Marketing Meat Goats, the Basic System”, M.Simon, KYSU 2013”)

A positive aspect of this broader dispersion across the continental U.S. was the somewhat improved correlation between production and the end market. Traditional ethnic as well as new urban consumers welcomed a relatively greater opportunity to taste “fresh and local”. Meat goats started to receive increasing recognition as agricultural animals with a healthy product that has gourmet appeal. The ability to raise meat goats on smaller acreages made them very attractive to small-scale producers. Their size and ease of handling made them especially attractive to women and families seeking a “back to the land”, rural lifestyle and a business that could be developed from “pasture to plate”. **The social trends of female empowerment and small farm revival dovetailed perfectly to help fuel the growth of meat goat operations. Once again, growth by serendipitous good fortune rather than strategic planning.**

Perhaps less positively, direct marketing grew in popularity at the expense of more traditional forms of collective producer action. New energetic entrepreneurs with **individual farm dreams replaced the traditional wisdom of cooperation in agricultural marketing.** Academic institutions have pointed out the opportunity and the need for co-operative solutions to overcome the limitations of direct marketing or farm gate sales for as long as I can remember:

“Many goat experts view the Southeastern United States as ripe for the expanding meat goat industry...simply increasing goat numbers is not the answer. **Well organized marketing**

**strategies are needed to ensure profitability for goat producers...** Cooperative marketing probably yields the greatest economic power for the producer due to its collective structure..." (Terry Gipson, Virginia State)

"Establishment of a cooperative marketing-processing facility and the assurance of sufficient volume to make it economically viable would greatly expand the market potential for goat meat..." (Robert Degner, University of Florida, Proceedings of the Southeast Regional Meat Goat Production Symposium, 1996)

Modern analysts still agree that a limited number of USDA inspected facilities across the country compromise potential expansion and production and suggest that;

"One way for producers and producer groups to address this issue is to **consider forming cooperatives that provide greater bargaining power** when it comes to commanding higher prices, and to take a look at value-added production and processing." (Spencer R., "Overview of the United States Meat Goat Industry". Alabama Cooperative Extension System, 2008.)

However, they are also acutely aware that "the Goat Man" probably had it right when he suggested that perhaps "cooperation was far too Christian an idea to succeed":

"Direct on-farm sales has worked for several producers and has been beneficial to profit margin. Challenges include cultural differences, time consuming and having a place for harvest... **Networks and alliances are still a challenge for most producers. Many producers do not do a good job working in this environment.**" (Nye et al, "Development in Ohio's Meat Goat Industry", 2009)

## **Twenty five years of meat goat industry development and profitability still eludes most producers:**

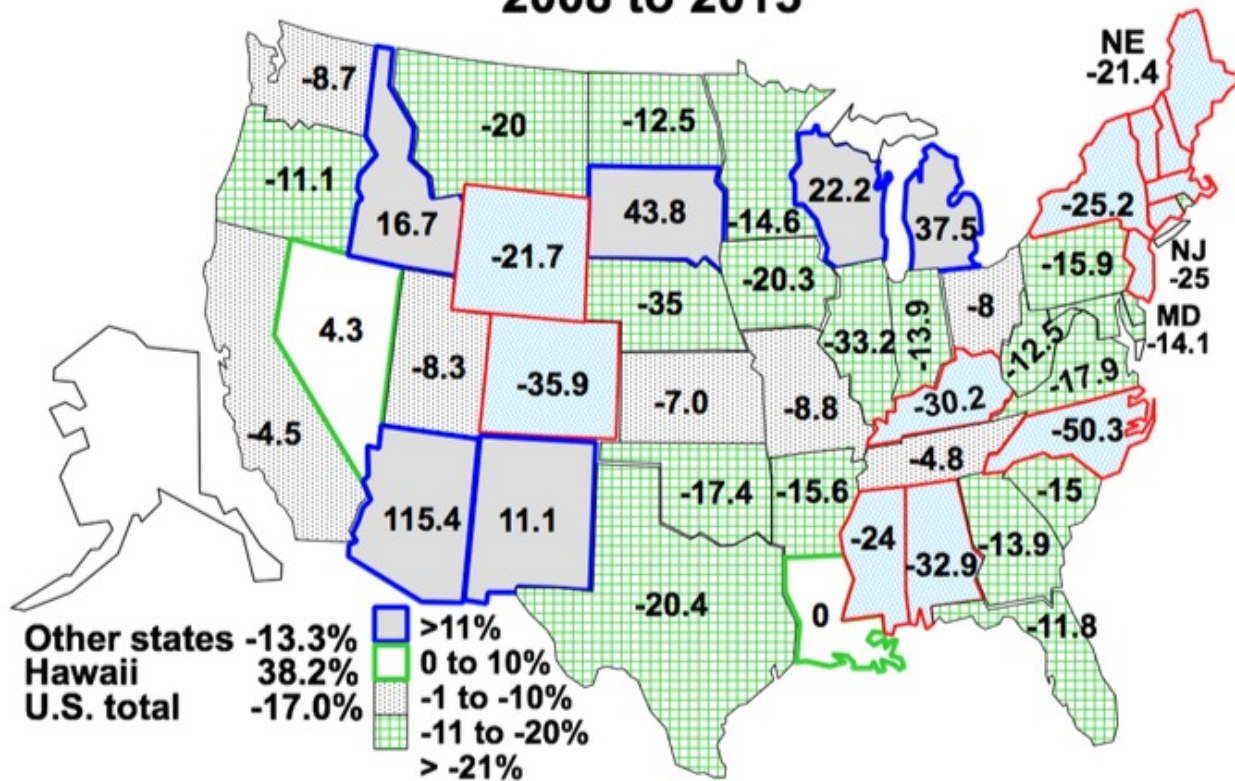
“while goat meat prices have historically continued to increase, they have not increased in proportion to the ever-increasing demand or cost of production. Increases in prices paid for meat goats do not respond to the increasing costs of fuel used for production equipment and transportation, and to the costs of feeding.” (Spencer, 2008, op.cit)

Is the lack of profitability the primary reason for recent declines in the meat goat industry or is this decline symptomatic of a parallel downturn in the North American economy? If so, does this mean we can all relax as the broader economy starts to improve? Or, was the growth of the meat goat industry propelled by events that created false expectations of profitability and unlimited expansion potential and therefore the recent downturn should have been expected? Stated in another way, **are we witnessing a structural readjustment that reflects the underlying weakness of a commodity that should be considered seasonal and a venture that is complementary or supplemental rather than as a stand alone, specialist, livestock production enterprise? In short, should we accept the fact that meat goats provide satisfaction as a hobby but should never be expected to provide a living wage?**

In the words of a trusted friend and shrewd observer:  
“Meat goat production outside the Texas Hill Country seems to be much ado about nothing...insufficient scale, parasites, no local processing, land resources way too expensive relative to likely market returns unless personal satisfaction/lifestyle are the admitted goal.” (circa 1999, name withheld by request)



## % Change in Meat Goat Populations 2008 to 2015



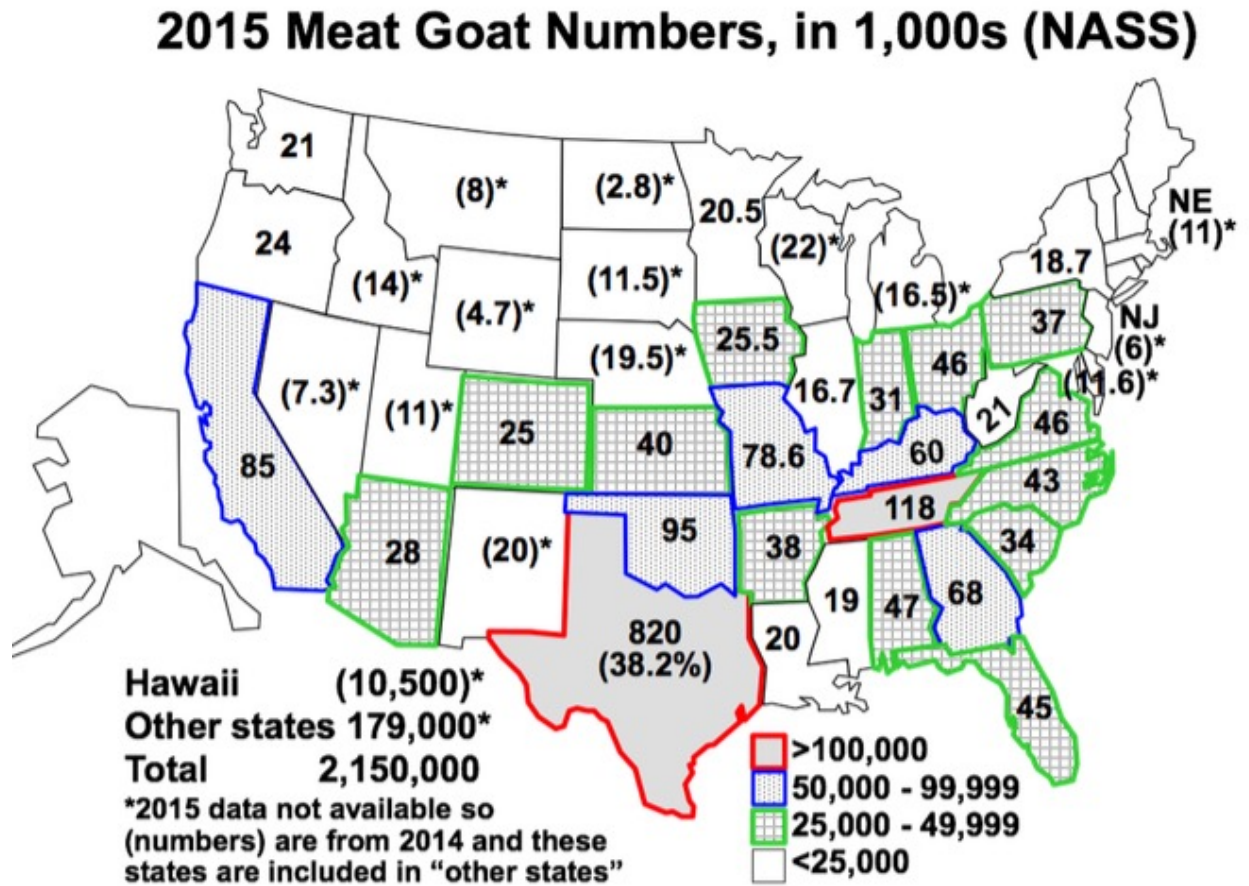
(Pinkerton and McMillin, Meat Goat Industry Update, 2015)

Did the movement of meat goat production away from the geographic areas where the species has a competitive advantage contribute to the declines in profitability and therefore declines in total inventory?

**“In terms of lean product produced per unit of input, goats cannot compete with the other meat producing species on grasslands, improved pastures or in a feedlot scenario.** However, because of their preference for browse, goats are most efficient in the conversion of browse to lean tissue. The long term viability of the goat industry hinges on breeders’ ability to develop a prolific, fast growing animal with

desirable carcass characteristics that can be sustained and productive on a browse diet.”

(Dr. Rick Machen, “Meat Goat Production in Texas: Where are we going?”, Gathering of Goat Producers 2, Kerrville, Texas 2001)



Pinkerton and McMillin, Meat Goat Industry Update 2015

Did the introduction of the Boer goat genotype (greater muscle mass and frame size), when combined with the indigenous Spanish goats in Texas or brush goats in Tennessee, contribute a heterosis effect which made the crossbred progeny “too big and too productive for many extensive production systems”? (Machen, op. cit.):

“West Texas ranchers have not gone much, if any, beyond 50% Boer influence in crossbred herds because the harsh environment will not support optimum production from bigger goats requiring more inputs.”

(Dr. Frank Pinkerton, “Breeding Meat Goats”, Goat Rancher, Feb. 2014)

When the meat goat industry moved away from the traditional areas of goat production; did the combination of naive producers and an overwhelming parasite challenge in more humid and smaller acreage environments make profitable meat goat production impossible? Are hair sheep breeds, rather than meat goats, more suited in these kinds of production environment?

**“Hair sheep were generally better suited for the accelerated mating systems...Meat goats generally had lower growth rates than hair sheep.”**(Stephan Wildeus, Virginia State University, “Small Ruminant Meat Production in Virginia: Effects of species, breed and mating system”, 2004)

These are very sobering comments that the meat goat industry should not ignore. **When a competent researcher evaluates Boer and Kiko sires on Myotonic as well as Spanish does over a four year time period his conclusions on the economic competitiveness of the caprine species on well fertilized permanent pastures should be taken to heart.** Is the North American meat goat industry in denial? Is it time to re-assess our direction?

I pose these questions with the fervent hope that a North American conversation can begin on a viable development strategy for our industry. **We can no longer feed our hopes and ambitions with global consumption figures, unmet domestic market demand for our product and historically high prices.**

**Cost of production determines profitability, not high prices.  
When profitability is elusive, an industry cannot grow.**

I had the recent pleasure of attending the American Goat Federation AGM in Reno. I couldn't help thinking about the early formative days of the meat goat industry (1993) when a "U.S. Goat Council" was envisioned by early pioneer and American Meat Goat Association president, Marvin Shurley. (C.Whitehead, "A Historical Review of the American Boer Goat Association", Boer Goat magazine, winter, 2000). The Council was "to help oversee (the) protection and advancement of the American goat industry." Australia, our greatest competitive threat, was implementing a "national meat goat structure" as early as 1996:

"A structure to assist the development of the Australian meat goat industry is emerging state by state.....the Goat Industry Council...is recognized..as the 'peak' industry body for consultative purposes on all issues relating to the research, production and marketing of goat meat. It is also through that consultative structure the goat meat industry is involved with the meat exporters, processors and retail organizations - a basic and vital link with industry." (Toseland, Fibre News, June/July 1996)

The importance of strong and dedicated leadership is critical if the goat industry is to achieve it's goals through a logical development plan. Leadership that is focused on building unity and understanding between breed groups, between dairy and meat commodity groups and between state and national associations is an important prerequisite to the planning process and to future growth. I left Reno wondering if Marvin Shurley's vision would ever be realized.

I returned home to Canada to find that our umbrella goat organization, the Canadian National Goat Federation, faces the same lack of support as the American Goat Federation. A pioneering emphasis on cooperation has been replaced on both sides of the “49th” with the “me first” agenda of a new generation of leadership. Patience with process has been replaced with the false urgency of “we need to act now”. **Instead of building industry consensus through aggressive outreach and dialogue across the entire spectrum of goat interests; the current generation of leaders somehow expect action without education. Personal salesmanship and relationship building has been replaced with a distant digital presence.**

Is it not possible to return to a more idealistic time where we were challenged to participate in our public and association life?:

“Ask not what your association can do for you...ask what you can do for your association! John F. Kennedy’s often quoted challenge to the American public is an appropriate comment on the need for ‘community’ involvement and participatory democracy. The leaders of all democratic organizations, institutions and countries are essentially held captive by the body politic with true progress being made only when the membership or citizenry articulates their vision for the future and becomes actively involved in creating it. The debilitating vacuum created by community apathy often leads to the abuse of authority or at the very least a leadership base which is out of touch with the community which it is trying to serve.”  
(B.Payne, president’s message, Canadian Meat Goat Journal, 1997)

Has the creeping cynicism of the modern age numbed us all to the importance of a personal investment in and a passion for building “community”? Individual entrepreneurship can provide

inspiration but it becomes even more powerful when “true leadership” inspires others to follow. The power of many can create a parade of interest that our bureaucratic funding institutions will respect. Instead of the funding shortfalls and seeming governmental indifference that the meat goat industry is faced with, a renewed personal commitment to cooperation in championing our industry can create a new future. A future where meat goats and their products will create the prices required for personal independence and industry sustainability.

The words of an early Canadian, caprine, pioneer, Sara Emond, ring as true today as they did twenty years ago:

**“We goat people are a peculiar breed ourselves. We like our independence which makes it hard to get everybody working together. However, unless we overcome this very major obstacle, goat producers will continue to come and go, expecting a lot from animals they like, then disappointed that their unique and valuable products don’t command prices that will support them and their herd.”**

