

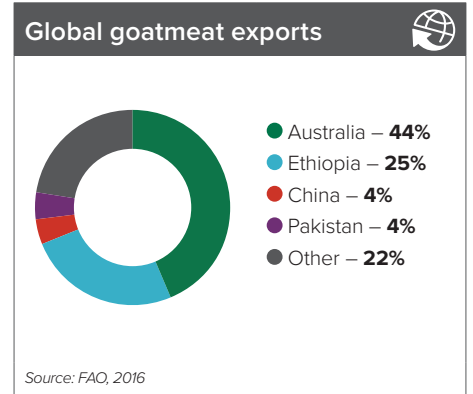
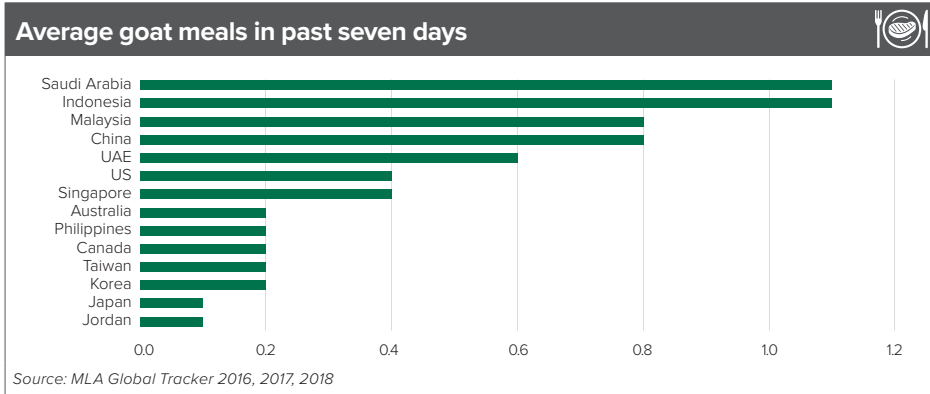
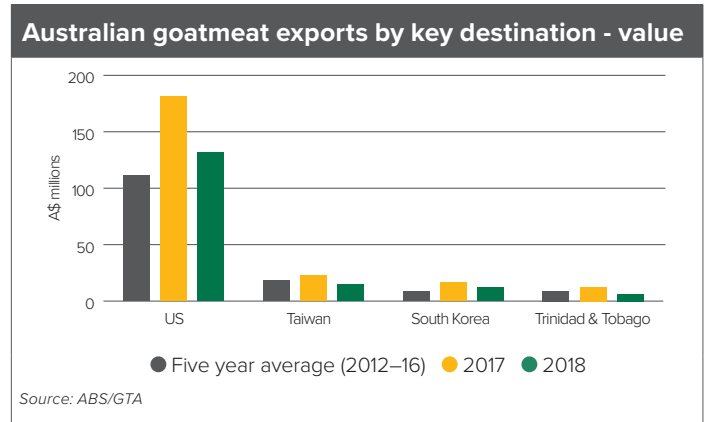
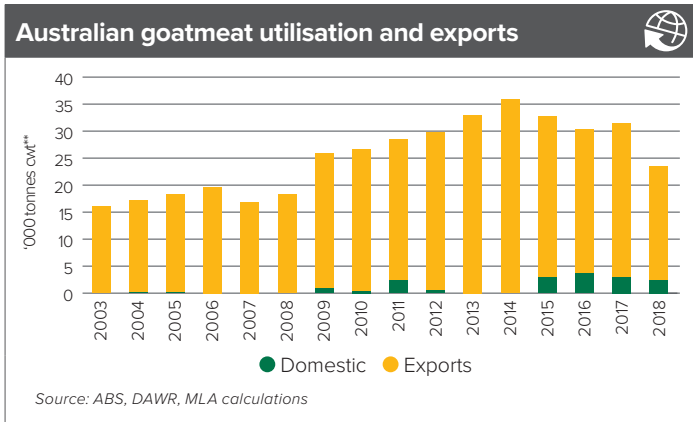
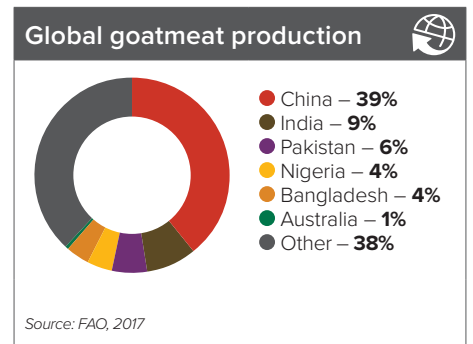
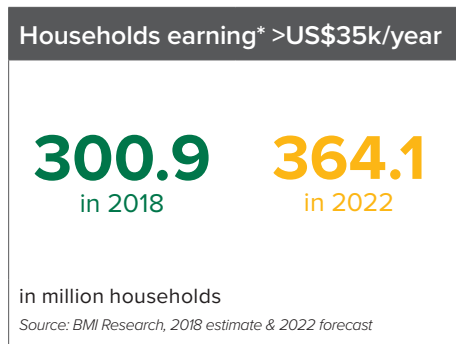
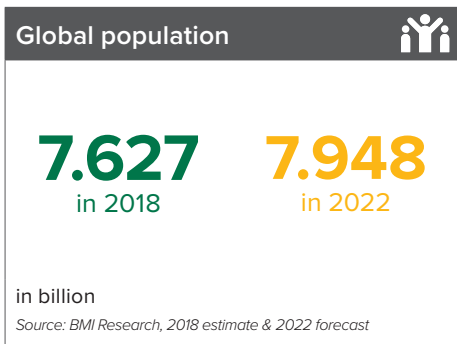


# GLOBAL SNAPSHOT | GOATMEAT



Goatmeat is widely consumed around the world but remains a largely niche part of many consumers' diets, in demand mostly among key ethnic segments. Per capita consumption varies greatly between countries and is largely underpinned by local production as well as tradition. While population growth and increasing household wealth provide a broadly positive outlook for global meat consumption, Australian goatmeat needs to overcome some 'key barriers to purchase' to tap into opportunities in developed markets.

- Goatmeat, when compared to other proteins, has the advantage of no religious taboos and, in some cultures, has a unique role in religious and traditional family events.
- Its niche status can be considered a challenge, but also an opportunity in markets where there is potential to dial up health and nutritional credentials.
- Consumers' lack of familiarity with goatmeat and consequent low confidence preparing it remain challenges for goatmeat across many markets.
- Australian goatmeat production and exports are exposed to the somewhat volatile supply of the rangeland goat flock and seasonal conditions.
- Goatmeat is considered most suitable for slow, wet cooking methods like curry, and as such is strongly associated with Indian, Pakistani and Nepalese cuisines. On menus, goat is often interchangeable with sheepmeat and other red meats (Source: GlobalData Foodservice Menu Intelligence, 2017).



\*Disposable income (includes EU, Egypt, Bahrain, Iran, Jordan, Kuwait, Qatar, Saudi Arabia, UAE, US, Canada, Mexico, Japan, Korea, China, Australia, ASEAN, Taiwan and Hong Kong).  
\*\*carcase weight

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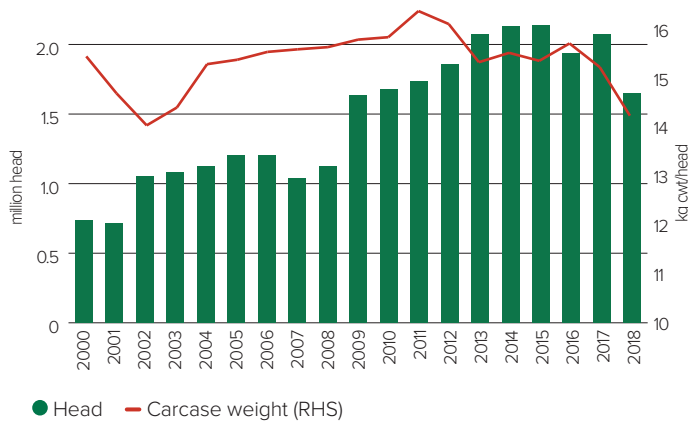




## Production and supply

- The majority of goatmeat is harvested from semi-wild rangeland goats. A 2017 survey of NSW goatmeat producers found that 71% of the 454 enterprises producers who responded had a harvest enterprise, while 29% operated a managed or semi-managed enterprise (Source: NSW SPI/MLA Goat Industry Data Collation and Tracking Project, 2017).
- Australian goat slaughter fell by 20% year-on-year to 1.65 million head in 2018. The persistent poor seasonal conditions saw slaughter ease across all states. Victoria produced the highest slaughter figures for 2018 at 891,100 head, followed by Queensland (429,522) and SA (226,089). According to National Livestock Identification System (NLIS) data, NSW was the largest contributor to goat production, supplying over 60% of total goats in 2018. The state slaughter figure for NSW nearly halved from 2017 to total 67,860 head, due to Victoria processing over 50% of the state's goats and Queensland picking up 30% of NSW's production.

### Australian goat slaughter and carcase weights



Source: ABS

- Goat production in 2018 was 26% lower on the previous year, totalling 23,388 tonnes carcase weight (cwt). Average carcase weights fell 7% year-on-year, to 14.1kg/head in 2018, contributing to the decrease in production.
- Goat over-the-hook prices have steadily increased over the past few years, from 371¢/kg cwt at the beginning of 2015 to a peak of 683¢ in July 2017. They subsequently saw a price correction, and remained above the five-year average for the entirety of 2018, averaging 513¢/kg.

### Goat over-the-hook prices

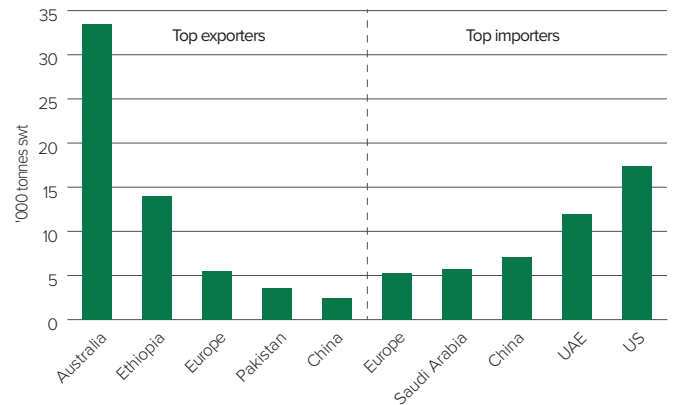


Source: MLA's NLRS

## Exports

- Globally, Australia is a minor producer of goatmeat but one of the largest exporters. Australian goatmeat is almost exclusively (98%) exported as a frozen whole carcase (Source: DAWR).

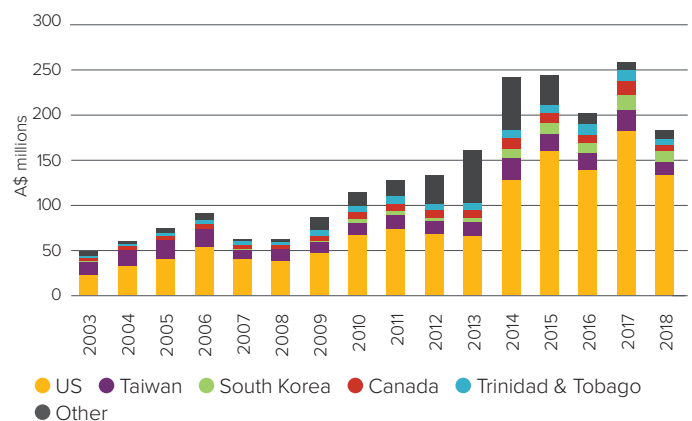
### Top five exporters and importers



Source: FAO, 5 year average (2012–2016)

- Goatmeat shipments eased significantly in 2018, decreasing 26% year-on-year to 21,026 tonnes shipped weight (swt), the lowest level since 2008, off the back of lower supply. Australian goatmeat exports were valued at \$182.6 million in 2018, back 29% on 2017.
- The US remains the key market for boxed goatmeat, accounting for 68% of exports by volume in 2018. Taiwan, Trinidad and Tobago, South Korea and Canada are also consistent importers of Australian boxed goatmeat, while Malaysia is the main destination for live trade.
- There are markets that have higher goatmeat consumption, than Australia's major markets, however, generally it's of cheaper local product.

### Australian goatmeat exports by value



Source: ABS/GTA

- Live goat exports accounted for only 4% of total export value in 2018, at A\$7.7 million. Malaysia is the major export destination for Australia's live goat trade, typically taking between 85% and 90% of total exports up until 2016. This marked the beginning of a period of significant growth for domestic goat prices, which peaked in July 2017, making live goats far less competitive in Malaysia. This has seen a marked decrease in total live goat exports in years since, down to 12,245 head in 2017 and 21,580 head in 2018, a decrease of 75% on 2015 levels (87,676 head).



## Australian goat market summary

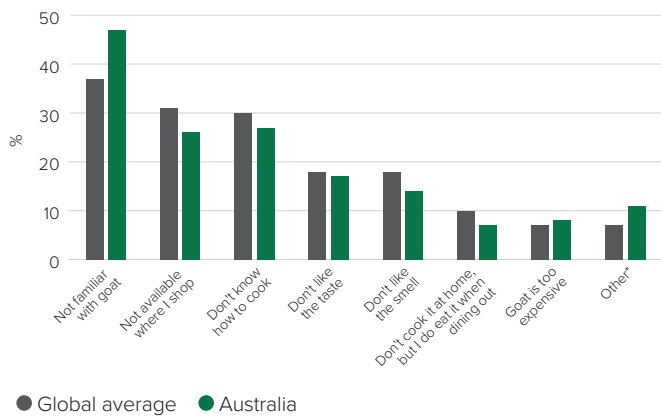
Calendar year	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18
Slaughterings ('000 head)	737	713	1,056	1,078	1,128	1,204	1,201	1,035	1,124	1,637	1,676	1,739	1,857	2,073	2,129	2,140	1,934	2,071	1,650
Average carcase weight (kg/head)	15.4	14.6	14.0	14.3	15.2	15.3	15.5	15.5	15.6	15.7	15.8	16.3	16.1	15.3	15.5	15.3	15.7	15.2	14.2
Production ('000 tonnes carcase weight)	11.4	10.4	14.8	15.5	17.2	18.4	18.6	16.1	17.5	25.8	26.5	28.4	29.8	31.7	32.9	32.7	30.3	31.4	23.4
Goat exports ('000 tonnes shipped weight)	12.5	12.4	15.7	15.9	16.9	18.2	19.5	16.7	18.2	24.8	25.9	25.9	29.1	32.7	35.8	30	26.8	28.4	21.0
Goat exports (A\$ million)	37.9	36.2	47.3	48.5	59.3	74.2	90.4	61.6	62.1	86.2	113.1	127.6	132.9	160.6	241.2	243.2	200.3	257.2	182.6
Live goat exports ('000 head)	51.3	106	136.1	70.9	50.5	41.7	57.6	89.9	79.8	97.6	77.4	63.3	61.9	75.1	88.5	87.7	54.2	12.2	21.6
Live goat exports (A\$ million)	3.1	6.8	10.2	12.4	4.7	5.1	7.1	11.4	9.2	11.5	10.3	8.4	8.1	8.4	10.4	10.2	8.0	2.9	7.7

Source: ABS, DAWR, GTA

## Australia – the market

- As in most developed markets, goatmeat is a niche protein in Australia, with approximately 10% of production utilised domestically.
- Among reasons why consumers don't buy goat, cultural familiarity is a key factor, with 47% of consumers saying they did not grow up eating goat or are not familiar with it.
- The goatmeat industry is well regarded among the Australian community, ranked the safest and best value of all meats (Source: Pollinate Project Daisy 9, 2018). However, most Australian consumers rarely eat goatmeat – although, one third of consumers would consider doing so (Source: MLA Domestic Consumer Tracker 2017).

### Barriers to buying goatmeat



● Global average ● Australia

Source: MLA Global Tracker 2018, Australia  
\*Other includes "Goat is too fatty"

### Meat goat breeds:

- Boer goat:** a goat breed that has been specifically bred for meat. Recognised by their white bodies and distinctive brown heads. They are well suited to meat production and crossbreeding.
- Rangeland goat:** a composite breed which has become naturalised throughout Australia's rangelands. They no longer have any strong resemblance to the original breeds of goats introduced with European settlement, having adapted to the Australian environment. (Source: GICA)

### Potential success drivers for goatmeat in Australia

These drivers have been successful among other secondary proteins such as turkey, kangaroo and duck.

- 1. A bit special** – giving consumers the opportunity and tools to make a restaurant-quality goat dish at home
- 2. New food culture** – taking advantage of goat being a widely-consumed meat to kickstart a new trend
- 3. Seasonal suitability** – finding a season to suit goat, like summer for seafood and spring for lamb
- 4. Health credentials** – goat is lean, and not much of it is needed to impact a dish

(Source: MLA/DIJ Strategy, Value Adding Goatmeat for Australian Consumers 2017).



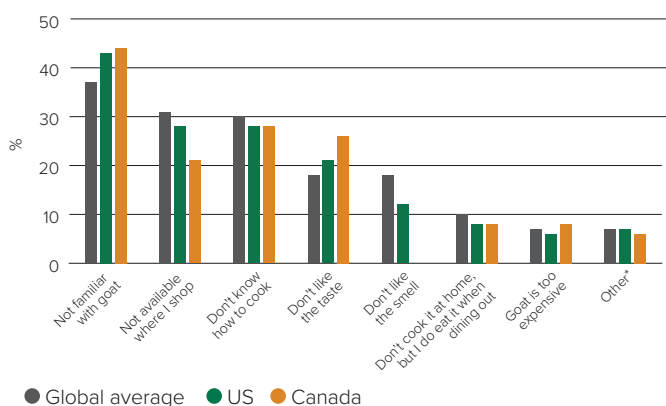
Boer goats





- North America has long been the largest and most important market for Australian goatmeat. This is set to continue, driven by population growth, demographic change and evolving consumer tastes. Although, as in all major markets, goatmeat remains a niche protein.
- The US accounts for 68% of Australian goatmeat exports in 2018, a total of 14,254 tonnes shipped weight (swt). Canada is also a significant market, accounting for 4% in 2018 (Source: DAWR).
- Exports to both markets have decreased on the previous year, with exports to the US easing by 25% and Canada more than halving (-55%), at 814 tonnes swt, dictated by reduced supply (Source: DAWR).

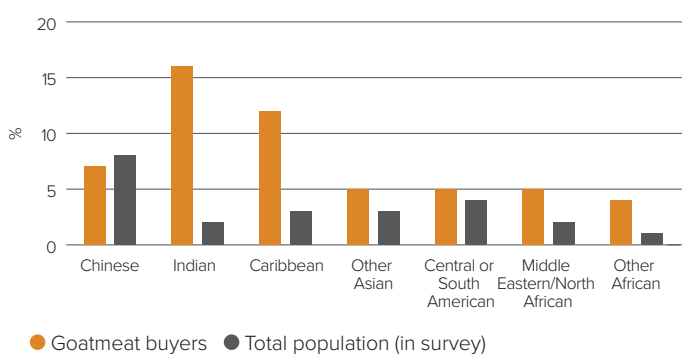
## Barriers to buying goatmeat



● Global average ● US ● Canada  
 Source: MLA Global Tracker 2018 (US), 2017 (Canada)  
 \*Other includes "Goat is too fatty"

- While total goatmeat imports to the US eased, which was also reflected in Australian export levels, both New Zealand and Mexico saw increases in exports to the US, albeit off a very low base, totalling 2,870 tonnes swt between them. This saw Australia's share in the imported goatmeat market decrease by three percentage points. Despite this, Australia remains the dominant player, with a share of 96% of imports in 2018 (Source: GTA, year ending Nov 2018).
- Although goatmeat consumption is growing, goat remains a niche protein in North America, with a low 'share of mind' when it comes to meats consumers consider buying. The main reason for this is that many consumers are simply not familiar with goatmeat, having not grown up eating it as a part of their meat repertoire, and therefore don't know how to cook it.
- Those who buy goatmeat are likely to do so based on their own cultural experience. Goat buyers are likely to identify as having ethnic origin outside of North America, with a skew towards Indian, Caribbean and Middle Eastern backgrounds.

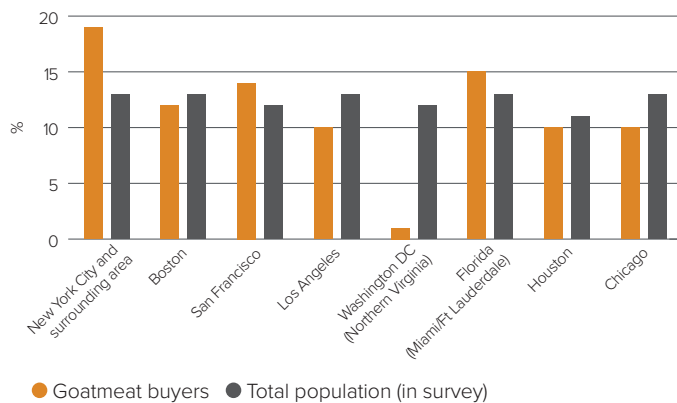
## Ethnic background



● Goatmeat buyers ● Total population (in survey)  
 Source: MLA Global Tracker 2018 (USA)

- Many of those who have previously bought goatmeat are 'urban eclectics' – younger, urban, affluent consumers. Compared to the general population, they care more about novelty, variety, healthiness and animal welfare (Source: MLA Global Consumer Tracker 2017 and Midan "Marketing Consumer Segmentation" 2016).

## Geographic distribution



● Goatmeat buyers ● Total population (in survey)  
 Source: MLA Global Tracker 2018 (USA)

- Goat buyers tend to be larger consumers and more frequent buyers of all meats, especially lamb – goat buyers are twice as likely to have also bought lamb in the past month (Source: MLA Global Consumer Tracker 2018).
- Goatmeat tends to be bought by those who love meat of all kinds and are looking to expand their tastes and cooking repertoires.
- Goatmeat is usually seen as interchangeable with mutton and even lamb among some groups. A survey of menus featuring goatmeat suggests it's typically used in curry, stew or other slow-cooked cuisines, often Indian or Nepalese, and frequently offered as a choice of meat alongside lamb or beef. Other cuisines where goatmeat features prominently include Caribbean, Mexican and Mediterranean.
- Goatmeat is increasing its presence on menus, with a 3% growth in penetration in all foodservice channels, and 34% in mid-scale restaurants in the US (from 2013–2017), but remains niche. As many consumers are largely unfamiliar with goatmeat, there are some restaurants using familiar dishes such as grilled goat, burgers and sandwiches (Sources: Datassential MenuTrends, 2017).



Jamaican style pulled goat burgers





- In 2018, Taiwan was the second largest market for Australian goat exports behind the US – a position it has held since 2000 (except 2013). Australian goatmeat makes up almost the entire import market, with the only other importer being New Zealand.
- Goat is typically shipped to Taiwan as skin-on carcass. Higher prices, competition from other markets and limited supply of skin-on goat are the main contributing factors that have led to the recent fall in Australian goat meat exports to Taiwan.
- In terms of domestic production, the Taiwanese goat herd consists of mainly (~70%) purebred Nubian and Nubian-Boer crossbreeds (Source: Livestock Research Institute, Council of Agriculture, Executive Yuan).

## Goatmeat compared to other proteins

### Strengths

- Low in fat
- High nutritional value
- The animal is well cared for

### Weaknesses

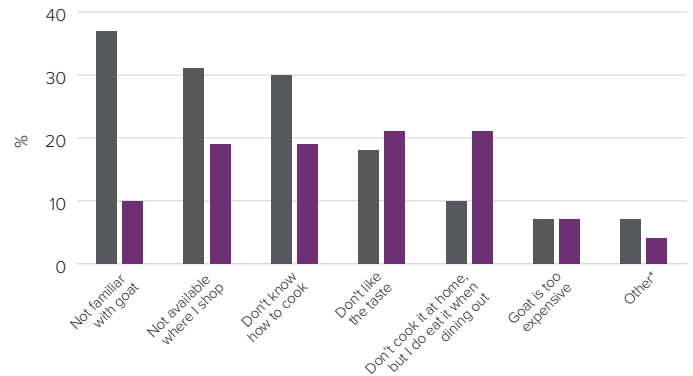
- Easy and convenient to purchase
- My/my family's favourite
- Can be used in many different meals

Source: MLA Global Consumer Tracker 2016, Taiwan

- Typically consumed in restaurants, goatmeat contributes to a relatively small portion of the total protein consumed in Taiwan.

- Identified as a 'warming medicinal' food due to its ability to strengthen and warm the body, goat is typically served in specialised restaurants during winter and in slow-cooked dishes such as Chinese herbal stews and hotpots.
- Knowledge of how to cook and availability remain key challenges for goatmeat consumption at home.

## Barriers to buying goatmeat



● Global average ● Taiwan

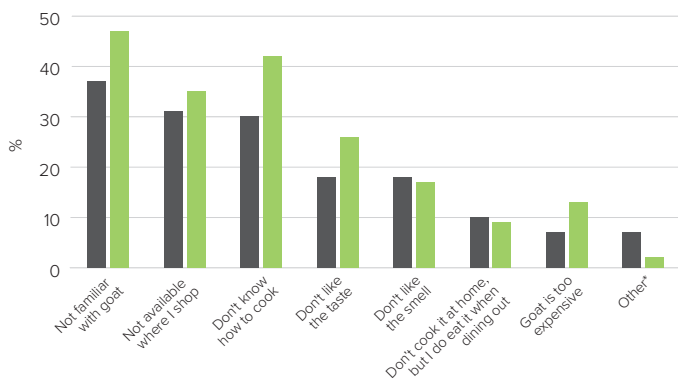
Source: MLA Global Tracker 2016, Taiwan  
\*Other includes "Goat is too fatty"

# Korea



- Although goatmeat is not a common protein in daily diets, it's consumed by many Koreans for medicinal purposes. Goatmeat is traditionally believed to have high nutritional value, the ability to help circulate energy, balance the yin and yang, and invigorate the body. It's increasingly consumed during the Sambok period (the hottest days in summer, from mid-July to mid-August) as a soup – and is the prime substitute for some other niche proteins that have lost popularity.
- Korean consumers prefer skin-on goatmeat, which is typically served in specialised restaurants, and in slow-cooked dishes such as stews, soups, or boiled dishes. Familiarity and availability remain key challenges for goatmeat consumption at home.

## Barriers to buying goatmeat



● Global average ● Korea

Source: MLA Global Tracker 2018, Korea  
\*Other includes "Goat is too fatty"

## Goatmeat compared to other proteins

### Strengths

- Low in fat
- High nutritional value
- The industry is environmentally sustainable

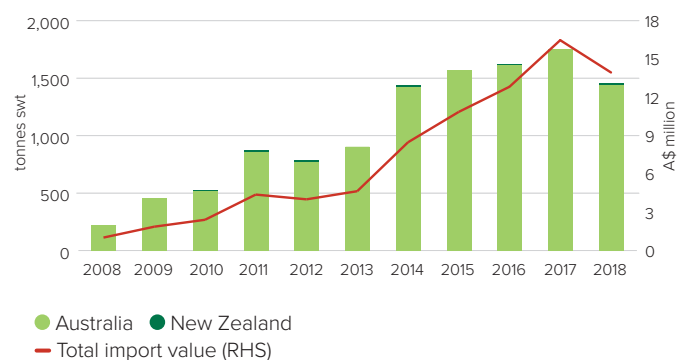
### Weaknesses

- Easy and convenient to purchase
- Tastes delicious
- Can be used in many different meals

Source: MLA Global Consumer Tracker 2017, Korea

- Korea is one of the world's largest online retail markets, but the use of the online retail channels for meat purchase remains limited due to consumer concerns about food safety, and a preference for seeing the meat before buying it. However, usage has grown recently on the back of rapid change in lifestyles and shopping habits of Korean customers - online transaction value of agriculture, livestock and fishery products totalled approximately A\$3.5 billion in 2018, up 31% year-on-year (Source: KOSIS).
- Local or Australian goatmeat can be found on major online shopping platforms such as Gmarket, Auction and 11Street. Some online vendors have incorporated an introduction of cuts and cooking methods that suit Korean tastes, alongside the product listing, to boost consumer awareness.
- Goatmeat in Korea is derived from both domestic supplies and imports, with Australia being a long-standing key trading partner. Goatmeat imports from Australia reached a record high in 2017 (1,752 tonnes swt, up 9%); however, the supply-driven decrease in Australian exports has seen 2018 figures dip below 2016 levels, totalling 1,345 tonnes swt. Australia is the dominant player in the Korean import market, accounting for 98% of imports on a volume basis (Source: GTA, 2018).

## Korean goatmeat imports



Source: Korean Customs and Trade Development Institution/GTA

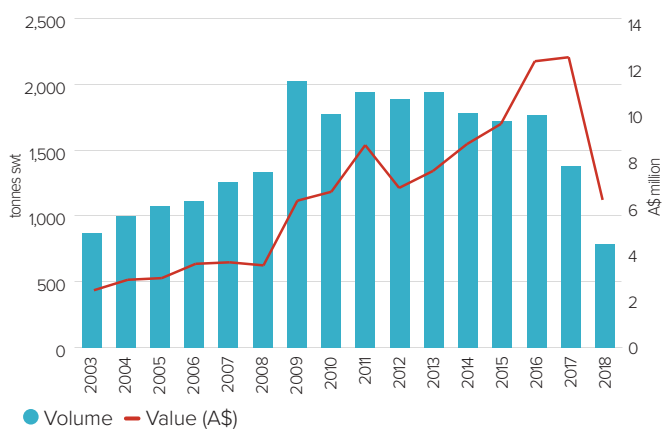


# Trinidad and Tobago



- Trinidad and Tobago is a twin island located just off the north-eastern coast of Venezuela in the Lesser Antilles. As well as being a major financial centre in the Caribbean, it remains Australia's largest trading partner in the region.

## Australian goatmeat exports to Trinidad and Tobago



Source: DAWR, GTA

- The Caribbean Agricultural Research & Development Institute states that there are more than six million sheep and goats

being raised on farms across the Caribbean, and meat from these small ruminants is a highly desirable commodity. Goatmeat cuisine is enjoyed throughout the Caribbean, often in the form of a traditional Indo-Caribbean curry goat dish, popular for celebratory occasions.

- In 2018, goatmeat contributed to a significant proportion of bilateral trade between Australia and Trinidad and Tobago, as Australia's largest export. Throughout the year, Australia exported 787 tonnes shipped weight (swt) of goatmeat to the country, valued at A\$6.3 million.
- The value of Australian goatmeat exports to Trinidad and Tobago, while coming off a low base, has risen steadily over the past decade. Although exports in 2018 saw a large decrease in volume (-43%), the average export value of goatmeat has remained in line with Australian domestic over-the-hook prices.



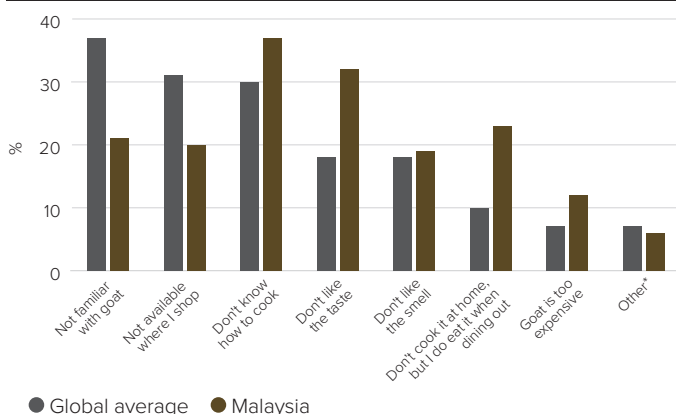
Indo-Caribbean style goat curry

# Malaysia



- Goatmeat remains the least frequently consumed protein compared to other major meats. However, it can be widely used in place of other meats in a number of popular meat-based Malaysian dishes, such as curry and rendang (a slow-cooked dish of meat, spices and coconut milk).
- Goatmeat is consumed less at home due to a range of factors. It's consumed more at restaurants and celebration/ceremonial venues. Malaysia has a greater proportion of consumers surveyed claiming they don't buy and prepare goatmeat at home but do eat it when dining out, in comparison with the global average (Source: MLA Global Consumer Tracker 2018, Malaysia).

## Barriers to buying goatmeat



Source: MLA Global Tracker 2018, Malaysia  
\*Other includes "Goat is too fatty"

## Goatmeat compared to other proteins

### Strengths

The animal is well-cared for

Guaranteed safe to eat

The industry is environmentally sustainable

### Weaknesses

Easy and convenient to purchase

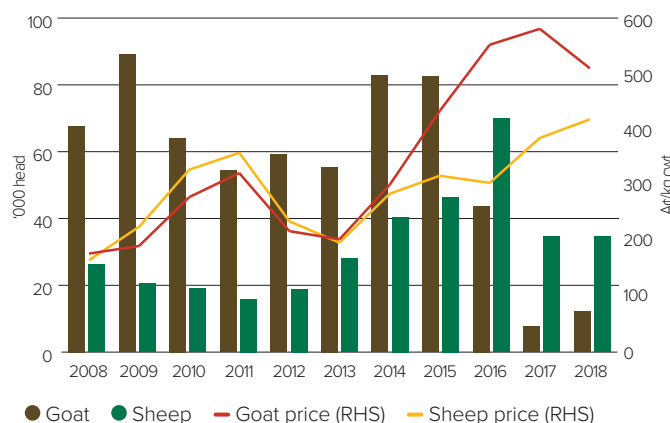
Essential part of children's diet

Easy and convenient to prepare

Source: MLA Global Consumer Tracker 2017, Malaysia

- Malaysia relies heavily on imports for red meat supplies including goatmeat (more than 80%) (Source: Department of Statistics Malaysia). Australia has long been the largest supplier of goatmeat to the market.
- Malaysia is also the largest export market for Australian live goat. However, the surge in live goat prices has resulted in a dramatic decline in trade (down 85% to 12,045 head in 2018 from 82,477 head in 2015).
- Australia's high goat prices and tight supplies have led Malaysian importers to seek alternative, more affordable sources of live goat and other substitute products for goatmeat.
- Australian live sheep prices are more affordable and available than goat; furthermore, sheepmeat can be used interchangeably with goatmeat in many Malaysian dishes. Goat exports have increased marginally from 2017 levels; however, they remain still lower than sheep exports, with tightened supply and higher prices both contributing factors.

## Australian live goat vs. live sheep exports to Malaysia



Source: ABS (2007-14), DAWR (2015-18), MLA's NLRs  
Prices are based on over-the-hooks prices of goat (12.1-16kg) and mutton (14-18kg)



# Market access overview



North America	Taiwan	Korea	Trinidad and Tobago	Malaysia
<b>Trade agreement</b> <b>US</b> – Australia-United States Free Trade Agreement (AUSFTA) <b>Canada</b> – no free trade agreement <b>Import tariff</b> – 0% <b>Technical access</b> <b>US</b> – Issues include point of entry inspection, label approvals and port mark compliance	<b>Trade agreement</b> No free trade agreement <b>Import tariffs</b> Frozen and chilled goatmeat NT\$11.3/KGM or 15% whichever is higher	<b>Trade agreement</b> Korea – Australia Free Trade Agreement (KAFTA) <b>Import tariff</b> 9.0% in 2019 6.7% in 2020 0% in 2023 Under KAFTA	<b>Trade agreement</b> No free trade agreement <b>Import tariff</b> 0% under Common external tariff of the Caribbean Community (CARICOM CET)	<b>Trade Agreement</b> ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) Malaysia-Australia Free Trade Agreement (MAFTA) <b>Import tariff</b> 0% for meat of goat and live goat <b>Technical access</b> Maintains import regulations in accordance with Halal requirements

Source: World Trade Organization, Canada Border Services Agency, MLA, Customs Administration, DFAT, Customs Administration - Republic of China, St. Lucia Customs & Excise Department.

## Australian goatmeat – summary table



Volume – tonnes shipped weight (swt)		2018		2017		5-year average (2013-2017)		change 2018 vs 5-yr av.	
		% out of total	% out of total	% out of total	% out of total	%	in tonnes swt/A\$		
Storage	Total	21,026	100%	28,426	100%	30,727	100%	-32%	-9,702
	Chilled	33	0%	13	0%	54	0%	-39%	-21
	Frozen	20,993	100%	28,413	100%	30,673	100%	-32%	-9,680

Source: DAWR

### Value – in A\$ '000

	2018	2017	5-year average (2013-2017)	change 2018 vs 5-yr av.
Total	182,625	257,185	220,488	-17% / -37,863

Source: ABS/GTA

### Australian goatmeat exports – volume (tonnes swt)

	2018	2017	5-year average (2013-2017)	change 2018 vs 5-yr av.
US	14,254 (68%)	18,885 (66%)	17,777 (58%)	-20% / -3,523
Canada	814 (4%)	1,814 (6%)	1,751 (6%)	-54% / -937
South Korea	1,345 (6%)	1,806 (6%)	1,480 (5%)	-9% / -136
Taiwan	2,435 (12%)	3,553 (12%)	3,870 (13%)	-37% / -1,435
Trinidad and Tobago	787 (4%)	1,378 (5%)	1,717 (6%)	-54% / -930
Other	1,391 (7%)	990 (3%)	4,131 (13%)	-66% / -2,741

Source: DAWR

### Australian goatmeat exports – value (A\$ '000)

	2018	2017	5-year average (2013-2017)	change 2018 vs 5-yr av.
US	131,946 (72%)	181,078 (70%)	133,829 (61%)	-1% / -1,883
Canada	6,950 (4%)	15,768 (6%)	11,384 (5%)	-39% / -4,434
South Korea	12,167 (7%)	16,652 (6%)	10,773 (5%)	13% / 1,394
Taiwan	14,763 (8%)	22,842 (9%)	20,260 (9%)	-27% / -5,497
Trinidad and Tobago	6,267 (3%)	12,433 (5%)	10,088 (5%)	-38% / -3,821
Other	10,532 (6%)	8,413 (3%)	34,153 (15%)	-69% / -23,622

Source: ABS/GTA

### Australia live goat exports total

	2018	2017	5-year average (2013-2017)	change 2018 vs 5-yr av.
Total volume in head	21,580	12,245	64,250	-66% / -42,670
Total value A\$ '000	7,707	2,927	7,978	-3% / -271
Malaysia				
volume in head	12,045 (56%)	7,694 (63%)	55,894 (87%)	-78% / -43,849
value A\$ '000	4,433 (58%)	2,208 (75%)	6,396 (80%)	-31% / -1,963

Source: DAWR (2017,2018 volume); ABS/GTA (5-year average volume and value)

