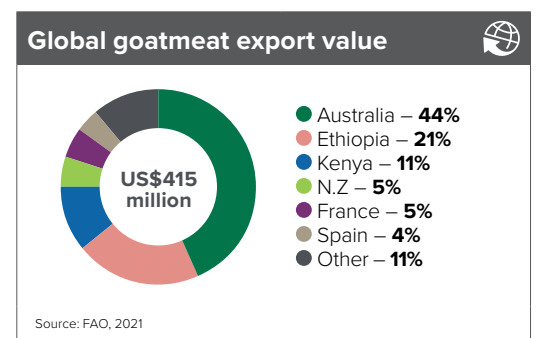
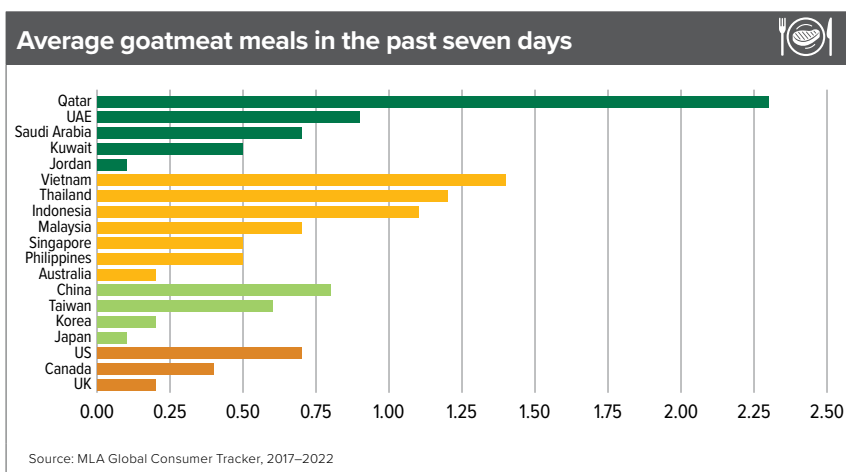
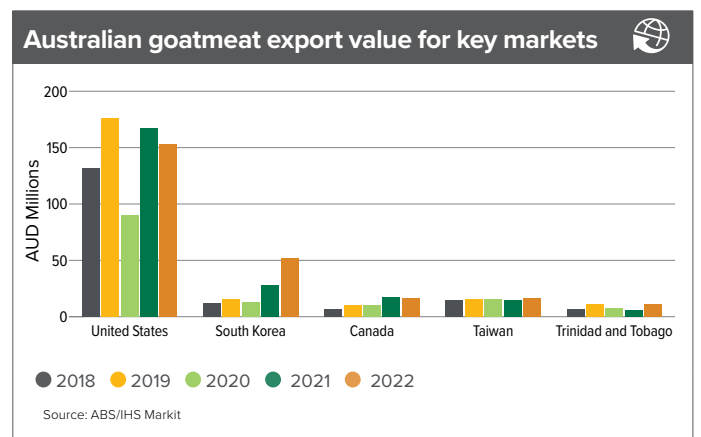
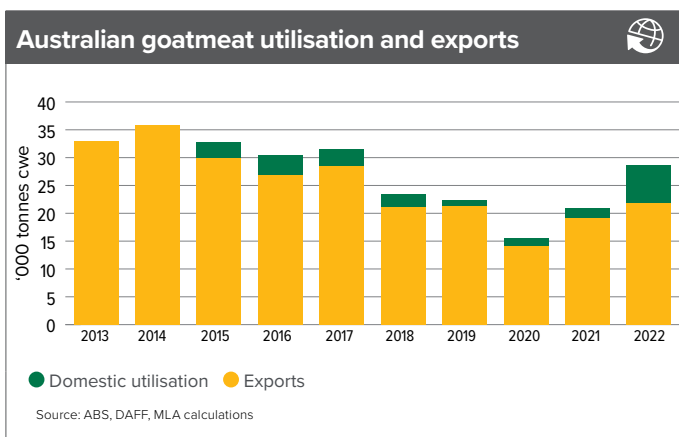
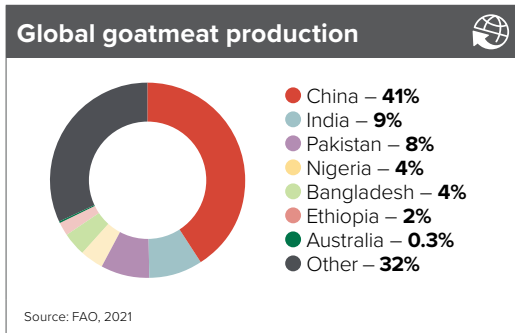




GLOBAL SNAPSHOT | GOATMEAT



Goatmeat is a niche protein consumed around the world that has no associated religious or cultural restrictions. There is great variability in per capita consumption between countries, driven mostly by local production volumes and tradition. Goatmeat is often associated with specific cooking methods, dishes and cuisines and hence is more popular in certain ethnic communities. In a global context, while Australia has a small flock, it is the largest goatmeat exporter, supplying high-value markets such as the US and Korea. Global foodservice channel recovery, a key sales channel for Australian goatmeat, and increasing concerns about health, provide a positive outlook for growing demand in key markets.



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Australian goatmeat demand will continue to benefit from opportunities in domestic and key global markets by leveraging its strengths and addressing some barriers:

- Goatmeat is a meat protein considered to be highly nutritious.
- The widely acknowledged health benefits of goatmeat can be leveraged to meet growing global demand for health, wellness and nutrition.
- Goatmeat is generally considered most suitable for slow, wet cooking methods.
- Opportunities to increase trial and consumption of goatmeat could tap into the appeal of cuisines that traditionally utilise goatmeat, such as South Asian (Indian, Pakistani, Nepalese), Caribbean, Middle Eastern and some Asian and South American dishes.

- Australian goatmeat quality presents opportunities to expand utilisation of the product in western style dishes such as pan-fry, grill, steak or burger.
- The growing number of managed and semi-managed goats will provide a more stable goatmeat supply, increasing confidence in foodservice operators and retailers to include it on-menu.
- A challenge across many markets is consumers' lack of access to and familiarity with goatmeat, and their consequently low levels of confidence in preparing and cooking it.
- On menus, goat is often seen as interchangeable with sheepmeat and other red meats, in part driven by a lack of availability, price and differentiation (Source: GlobalData Menu Intelligence, 2022).



Production and supply

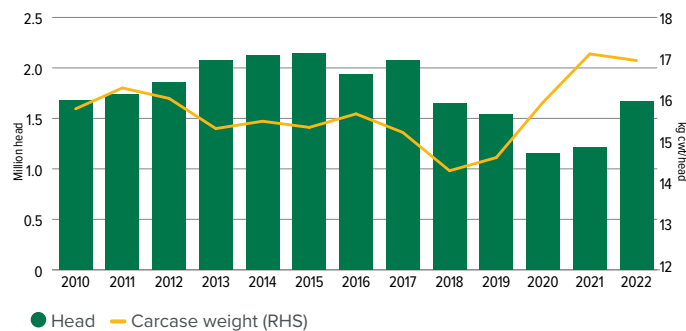
- The Australian goat flock contraction that caused a dip in production after several years of drought has shifted to an expansion phase. More favourable climatic conditions since 2021, underpinned by a La Niña weather pattern for several years, has led to flock expansion and production.
- According to the Australian Bureau of Statistics (ABS), in 2022 goat slaughter increased 38% year-on-year to a total of 1,671,611 head.

Australian goat slaughter by state, 2022		
State	Processed heads	% change 2021–22
Queensland	455,309	+34%
Victoria	933,496	+33%
SA	235,046	+81%
NSW	30,367	+21%
WA	17,279	+1,784%

Source: ABS

- Goatmeat production in 2022 increased 37% on the previous year, totalling 28,463 tonnes carcass weight (cwt). Despite the higher processing volumes, average carcass weights maintained over 17kg per head in 2022, contributing to the increase in production. NSW is considered Australia's largest source of goats, supplying abattoirs in Victoria, Queensland and South Australia.

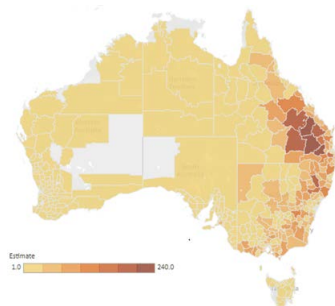
Australian goat slaughter and carcass weight



Source: ABS, MLA Calculations

- The majority of Australian goatmeat is harvested from semi-wild rangeland goats. However, the number of animals coming from a managed production system has been increasing over the years. The Australian Agricultural Census estimates the number of goats under a managed or semi-managed production system grew 82% from 2015–16 to 2020–21.

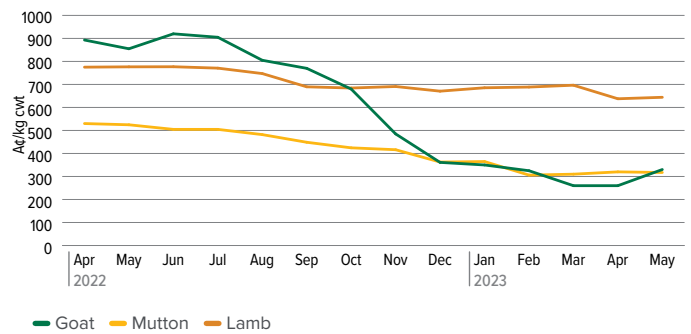
Distribution of enterprises producing managed or semi-managed goats*



Source: ABS *Includes horse and buffalo enterprises

- Goatmeat has enjoyed sustained record high over-the-hooks (OTH) prices since mid-2019, overtaking lamb OTH prices, encouraging investment and production over the last two years. However, in the second half of 2022, record high quarterly supply and inventories of goatmeat, alongside softer supply in the key export market of the US, are factors that have driven prices to fall below long-term averages.

Goat, mutton and lamb over-the-hooks prices

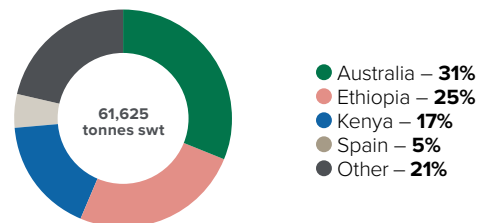


Source: MLA's NLRS. Prices are an average of goat, mutton and lamb carcass weight.

Exports

- Globally, Australia is a minor producer of goatmeat but the largest exporter, with a 31% volume share of the global goatmeat exports in 2021. Furthermore, the premium export prices of Australian goatmeat led Australia to capture 44% of the global goatmeat export value of US\$415 million in 2021 (Source: FAO). Australian goatmeat is almost exclusively (98.5%) exported as frozen whole carcass (Source: DAFF).
- Ethiopia and Kenya are the second and third largest global goatmeat exporters, with a 2021 volume share of 25% and 17% respectively (Source: FAO). While not directly competing in the same markets as Australia, they supply markets in Africa and the Middle East.

Top global goatmeat exporters by volume

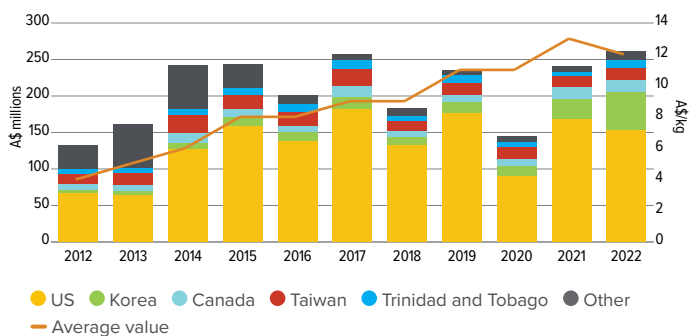


Source: FAO, 2021

- In 2022, Australia exported a total of 21,836 tonnes shipped weight (swt) of goatmeat, up 14.5% year-on-year. Recovering demand in foodservice channels post-pandemic lockdowns, sustained elevated international prices combined with favourable domestic climatic conditions all supported exports. Australian goatmeat exports were valued at \$261 million in 2022, up 9% on 2021.
- The US is the key export market for Australian goatmeat, accounting for 57% of exports by volume in 2022 at 12,505 tonnes.
- In 2022, South Korea further grew demand for Australian goatmeat up 77% year-on-year (after a 90% increase in 2021) to 3,757 tonnes, becoming Australia's second-largest export destination.
- Exports to the long-term major market of Taiwan increased 15% year-on-year following two years of declining volumes due to pandemic impacts on foodservice – reaching a total of 2,150 tonnes swt in 2022.
- While there are markets with higher goatmeat consumption than Australia's major markets, this is generally due to the large availability of cheaper domestic product.



Australian goatmeat exports by value



Source: IHS Markit

Australian goat market summary

Calendar year	2021	2022	% change 2021-22
Slaughterings ('000 head)	1,210	1,671	+38.1
Average carcase weight (kg/head)	17.2	17.02	-1
Production ('000 tonnes carcase weight)	20.5	28.5	+36.6
Goatmeat exports ('000 tonnes swt)	19.0	21.8	+14.5
Goatmeat exports (A\$ millions)	242.0	262.5	+8.5
Live goat exports ('000 head)	12.0	4.9	-60
Live goat exports (A\$ millions)	5.0	3.8	-23

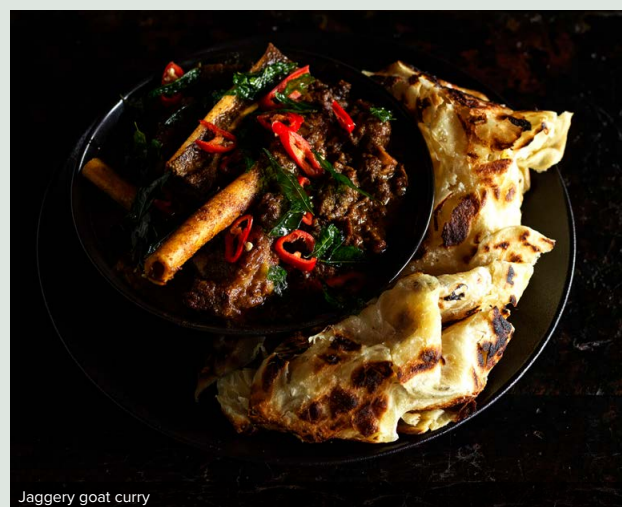
Sources: ABS, DAFF, IHS Markit

MLA goatmeat promotion – Goatober

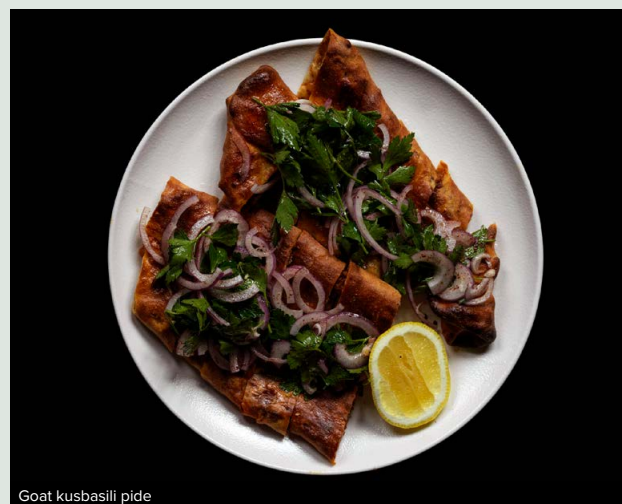
Despite it being a niche protein, a 2020 MLA survey of Australian meat consumers showed that 7% consider goat among their first choice options when they think about meat (Source: MLA Steak of the Nation 2020).

To help grow its awareness, MLA leveraged the international marketing campaign Goatober which aims to increase goatmeat presence on restaurant menus. The movement originated in New York in 2011 and expanded across the world, with participants and events in London, Amsterdam and Trinidad and Tobago, among others.

In October 2022, with the goal of building awareness and encouraging more chefs to trial cooking with goatmeat, MLA partnered with two chefs, Minoli De Silva of Ella and Ibrahim Kasif of Beau to create two unique goat recipes that were amplified across different media channels. The recipes were featured in [Rare Medium Magazine](#), [Mindfood](#), [Lifehacker](#) and [Cooking Savor](#).



Jaggery goat curry

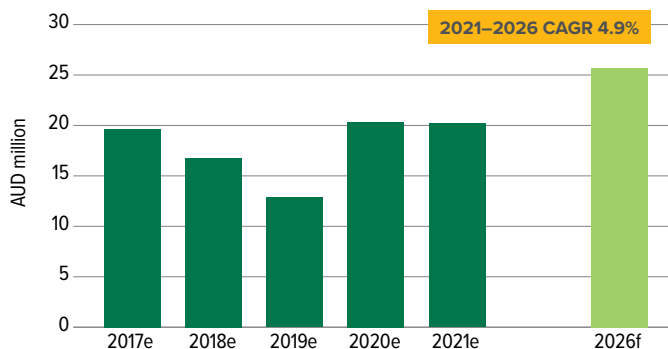


Goat kusbasili pide

Australia – the market

- Goatmeat has relatively low consumer awareness and limited availability in Australia's major retail and foodservice channels. Historically, only about 9% of domestic production is consumed in Australia, with the rest exported.
- A survey of Australian consumers in 2018 showed that over a quarter say the main reason they had not bought goatmeat was that it was unavailable where they shopped. The growing number of managed and semi-managed production systems provide steadier production, reducing challenges for foodservice and retail due to supply volatility. This should improve the consistent presence of goatmeat in these channels.
- Young Australian families consume somewhat more goatmeat meals than average and goatmeat is particularly popular in communities with various ethnic backgrounds, especially Southern Asian, as well as those who simply enjoy cuisines that feature goatmeat.
- Goatmeat sales are projected to continue their upward growth trajectory of 4.9% CAGR over the next five years (Source: Fitch Solutions).

Australia goatmeat sales forecast



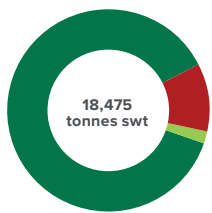
Source: Fitch Solutions – Sales figures based on amount households spend on goatmeat for domestic consumption only, purchased through all sales channels





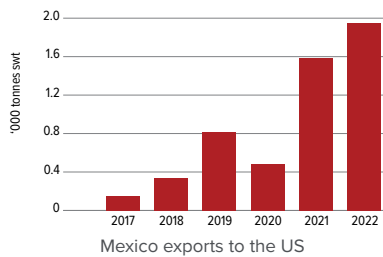
- North America has been the largest market for Australian goatmeat for over two decades. This is set to continue and is driven by population growth, demographic change and evolving consumer tastes.
- While the US is Australia's largest single export market totalling 12,505 tonnes swt in 2022, Canada is also a growing market, accounting for 6% of export volume in 2022, an increase of 5% on 2021 (Source: DAFF).
- Mexico is a large goatmeat producer in its own right, with an average annual production of around 40,000 tonnes of goatmeat. However, they have a large domestic market where most of the production is consumed. In recent years, Mexico has been developing exports, gaining market share of US goat imports. In 2022, the US imported 1.9 tonnes of Mexican goatmeat, a 22% increase year-on-year, achieving an 11% increase in US import volume share.

US goatmeat imports by supplier



AU 87% MX 11% NZ 2%

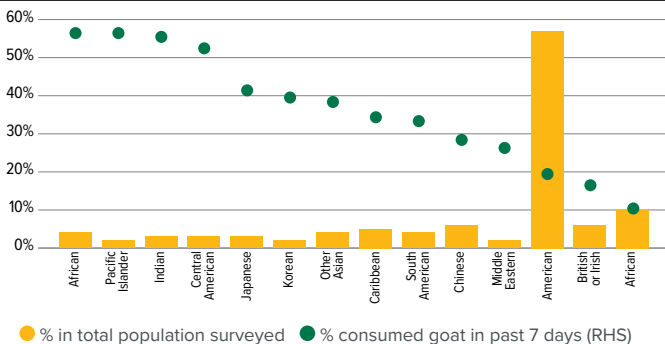
Source: IHS Markit



Mexico exports to the US

- Since 2018, both Mexico and New Zealand have been gradually increasing export volumes to the US, albeit from low bases. Despite this, Australia remained the dominant player, with a stable share of US imports. In 2022, Mexico's increased market share was gained at New Zealand's expense, with New Zealand's share falling from 7% in 2021 to 2% in 2022 (Source: IHS Markit).
- In 2022, Canada has seen continued demand growth for Australian goatmeat, reaching 1.3 tonnes, 45% higher than 2019 pre-pandemic levels (Source: DAFF).
- Although goatmeat consumption in North America is growing, as a niche protein it has relatively low awareness in consumers' minds, with lack of familiarity the main reason – having not grown up eating goat as a part of their protein repertoire, many don't know how to cook it.

Ethnic background of US goatmeat consumers



Source: MLA Global Consumer Tracker US 2022. Self-reported ethnic background. Caution: indicative data – small sample sizes.

- Goatmeat buyers are more likely to have African, Indian, Southern Asian and Central American cultural backgrounds, where goatmeat is part of traditional cuisines. It is also more frequently consumed by those who identify as Hindu and Muslim, with those consumers enjoying more than twice as many goatmeat meals per week than the country average (Source: MLA Global Consumer Tracker, 2022).
- Among some groups, goatmeat is seen as interchangeable with mutton and even lamb. A survey of menus featuring goatmeat indicates it often features in curries, stews and other slow-cook dishes and is frequently offered as a protein choice alongside lamb or beef. Cuisines that utilise goatmeat include Indian, Southern Asian, Caribbean, Mexican and Middle Eastern.
- Goatmeat tends to be bought by those who love meat of all kinds and are looking to expand their protein and cuisine repertoires. Goatmeat buyers are twice as likely to have also bought lamb in the past month (Source: MLA Global Consumer Tracker).
- More frequent goatmeat buyers tend to be younger, affluent consumers looking for novelty, variety, healthiness and meat raised with high animal welfare standards (Source: MLA Global Consumer Tracker 2022; Midan Marketing Consumer Segmentation 2016).
- The majority of goatmeat entering the US is sold through foodservice. The inclusion of goatmeat on-menu increased over the past few years beyond fine dining, driven by growing interest from operators looking for something different to attract diners (Datassential Menu Matters 2022).
- As many consumers are still largely unfamiliar with goatmeat, some restaurants are using goat in familiar dishes such as grills, burgers and sandwiches to boost consumption. Goat is increasingly promoted as a 'new protein', similar to wagyu beef, particularly in trendy restaurants and specialty grocery stores (Source: Datassential MenuTrends 2021).
- In Canada, goatmeat has slightly higher penetration on-menu than in the US, as Canadian operators are comparatively more open to experimenting with new items (Datassential Menu Matters 2022).
- Demand for imported goatmeat softened in the second half of 2022 against the backdrop of a severe drought that increased the volume of domestic livestock processing. This resulted in high animal protein inventories as well as growing economic uncertainty cost-of-living pressures.



Barbecued goat rack with herbs and lemon

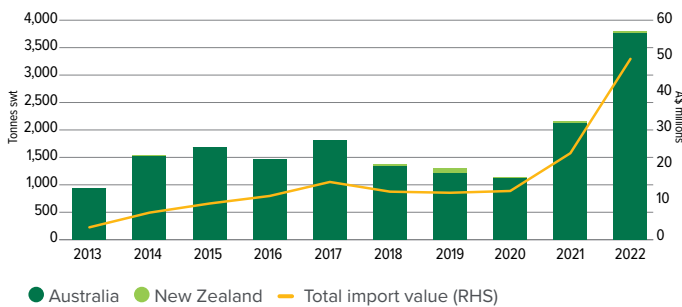


South Korea



- Goatmeat in Korea comes from both domestic supply and imports, with Australia being a long-standing key trading partner. In 2022, Australian goatmeat exports to Korea grew 76% year-on-year, following a 90% growth the previous year, totalling a record high of 3,756 tonnes swt.
- This growth sees Korea positioned as the second-largest export destination for a second consecutive year. As the dominant player in the Korean import market, Australian product accounted for 99% of import volume in 2022 (Source: IHS Markit).
- Australian goatmeat export value to Korea also reached a record high after doubling from the previous year to total A\$48 million. Indicative of the strength of demand, Korean import unit price is the highest among the largest import markets (Source: IHS Markit).

South Korean goatmeat imports



Source: KTSPI, KCTDI/IHS Markit

- Korean consumers' increasing interest in maintaining overall health has been growing demand for food with medicinal properties. Although goatmeat is not a common protein in daily diets, it is consumed by many older Koreans for health benefits. It is typically consumed more during the *Sambok* period (the hottest days of summer from mid-July to mid-August) in the popular dish *Yeomso Tang* (goatmeat stew). Furthermore, a recent trend to goatmeat use in health and immunity boosting dishes has further boosted demand for Australian imports.
- Increased interest in health has grown demand for goat extract ingredients. High and rising prices of local black goats used for medicinal purposes had the effect of increasing demand for cheaper imported products since 2021 but stabilised in 2022. In oriental medicine, goat extract is associated with functional health benefits such as stamina and revitalisation of the body.
- The highly competitive and fast-paced dynamics of the Korean market has incentivised importers to import more goatmeat while looking to create new market opportunities, capitalising on both good import prices and strong consumer demand. This represents an opportunity for Australian goatmeat exporters to explore further growth opportunities in the Korean market.
- Korean consumers prefer skin-on goatmeat, which is typically served in specialised restaurants and in wet slow-cook dishes such as stews and soups. Lack of familiarity and cooking knowledge of goatmeat remain key challenges for at-home consumption.

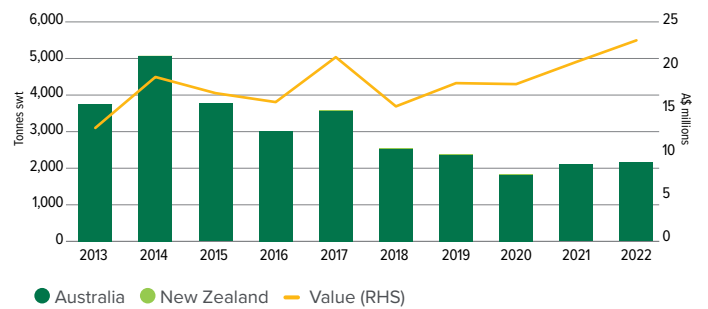


Goat suwuk (steamed goat)

Taiwan

- Taiwan has been a major long-standing market for Australian goatmeat. However, since peaking in 2014, export volumes declined up to 2020. Since then, import volumes have been trending up again, reaching 2,173 tonnes swt in 2022. Australia supplies almost all of Taiwan's imports, with New Zealand being a minor supplier.
- While export volume has been declining since 2014, value has been growing since 2018 to reach a record high of \$22.8 million in 2022.
- Import volumes in 2021 accounted for about two thirds of domestic consumption. Goatmeat is shipped to Taiwan as frozen skin-on carcasses, processed in market and sold with the skin on.
- Identified as a 'warming tonic' food due to its ability to strengthen and warm the body, goat is typically served in specialised restaurants during winter in traditional slow-cook dishes such as herbal stews and hotpots.
- Lack of knowledge about how to cook goat and availability remain the key barriers to increased goatmeat consumption at home.

Australian goatmeat exports to Taiwan



Source: DAFF ABS/IHS Markit



Taiwanese goat hotpot

China mainland

- From January to April 2023, Australian exports to China surged to 2,308 tonnes, positioning it as the second-largest Australian export market after the US for this period. Favourable price was the main demand driver, supported by zero tariffs from 1 January as part of the China-Australia Free Trade Agreement. A barbecue event held during the May Day holiday in Shandong Province was a notable demand driver of exports in March and April, which promoted a non-traditional goat cooking method to showcase the high quality of Australian goat meat.
- China stands as the world's leading global producer of goatmeat, with the majority consumed domestically. Within the country, goatmeat has tended to be more popular in the colder northern region of the country as well as in some southern provinces.
- In China, goatmeat is known as a nutritious and 'warming' meat, with consumption tending to be occasional and seasonal, and traditionally prepared in dishes using slow wet cooking methods.
- In Chinese, the word for goat means "mountain sheep", and consumers can interchange goat and sheepmeat in some dishes, depending on price.

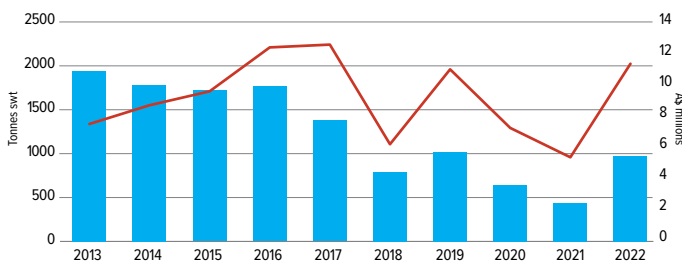
The Caribbean



Traditional Jamaican curry goat

- The Caribbean region's domestic goat flock size was estimated at 3.4 million head in 2021, with a total annual production of 15,000 tonnes (Source: FAO). Goatmeat is enjoyed across the region, often in the form of a traditional Indo-Caribbean goat curry served with roti, or in a roti wrap, a popular street-food.
- Despite Trinidad and Tobago (T&T) having only 0.2% of the total Caribbean flock, it has been the region's largest goatmeat exporter. The twin islands located just off the northeast coast of Venezuela in the Lesser Antilles is a major financial centre in the Caribbean and Australia's largest trading partner in the region.
- Australia has exported goatmeat to T&T for decades, contributing to red meat being Australia's largest value export to the market. In 2022, the Caribbean region represented around 4.5% of Australia's goatmeat exports.

Australian goatmeat exports to Trinidad and Tobago



● Volume — Value (RHS)

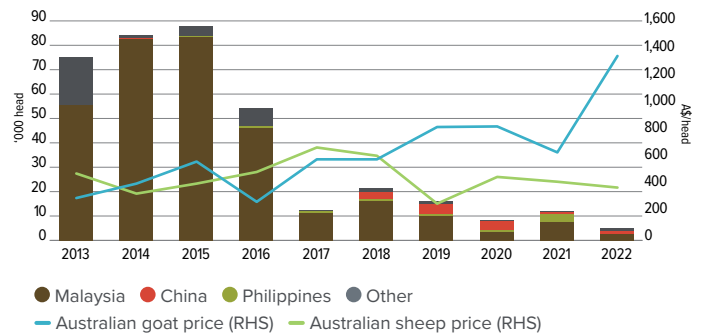
Source: DAFF, ABS/IHS Markit

- In 2022, Australia exported 976 tonnes shipped weight (swt) of goatmeat to the country, a 106% year-on-year increase, valued at A\$11 million. The rebound in export volume and value reverted a downward trend over a number of years, further accentuated by the pandemic. Although the shipped volume in 2022 was still below the 10 year average, it was the third-highest in value.
- The country continues its post-pandemic recovery with economic expansion underpinned by higher commodity prices, increased inbound investment and tourism rebound. Tourism is a key component of the economy, supporting goatmeat import demand. In 2021, tourism contributed to 5.5% of GDP, up 18% from the previous year, though still below the 7.9% level of 2019 pre-pandemic. The US is a key tourism source, accounting for 46% of inbound arrivals (Source: World Travel & Tourism Council).

Live exports

- Australian live goat exports accounted for 2% of total goat export value in 2022, at A\$3.9 million. The increase in the value per head did not offset the decrease in the number of shipped heads, resulting in a 23% lower total export value compared to 2021.
- Australia's live goat exports have been on a declining trend over the past several years, from a peak of 88,000 head in 2015. In 2022, live goat exports registered the lowest shipping volume at 4,869 head – 59% less than 2021. The high prices of Australian goats, the large spread between goat and sheep prices, and global economic uncertainty, have softened demand from key markets such as Malaysia.
- Malaysia and China are Australia's top live goat export destinations. Malaysia imports a mix of breeder and slaughter animals with a 2022 ratio of 539 to 846 respectively.
- Historically, Malaysia has been the largest export market for Australian live goats. Despite the increase in supply, high prices have made live goats less competitive compared to domestic goats, domestic sheepmeat and imported mutton. While consumers prefer goatmeat for its leanness, sheepmeat can be used interchangeably with goatmeat in many Malaysian dishes when goatmeat prices become too high.
- As Australia's top live goat destination, demand from Malaysia has a major impact on total live goat export numbers. In 2022, Malaysia's imports decreased 69% year-on-year to 2,276 head, the lowest since the 1990s. Historically, Malaysia imported a large proportion of goats for slaughter. However, in 2022, breeder numbers overtook slaughter numbers to contribute 63% of total exports to the market.
- In 2022, exports to China almost doubled from 2021 to reach 1,612 breeder goats, resulting in the largest market for Australian breeder goats.

Australian live goat exports



Source: ABS (2013), DAFF (2014–22), MLA's NLRs
Prices source: ABS



Rangeland goats in a saleyard





	Trade agreement			Import tariffs		Technical access	
North America	US – Australia-United States Free Trade Agreement (AUSFTA)	Canada – CP-TPP	Mexico – CP-TPP	0%		US – issues include port mark compliance	Mexico – flat stacking of carcasses
Greater China	China mainland – Australia Free Trade Agreement (ChAFTA)	Taiwan – no free trade agreement		China mainland Goatmeat – 0% since Jan 2023 Live goats – 0% since 2019	Taiwan – NT\$11.30/kg or 15%, whichever is higher		
Korea	Australia Free Trade Agreement (KAFTA)			0% for goatmeat and live milk goats since Jan 2023			
Trinidad and Tobago	No free trade agreement			0% (under Common external tariff of the Caribbean Community (CARICOM CET))			
Malaysia	ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) and Malaysia-Australia Free Trade Agreement (MAFTA)			0% (for meat of goat and live goat)		Maintains import regulations in accordance with Halal requirements	
United Kingdom	A-UK FTA EIF 31 May 2023*			From 31 May 2023 FTA EIF – 10.5% + 125.12 GBP/100kg			

*A-UK The Australia-United Kingdom Free Trade Agreement (a-UK FTA) was signed by parties in December 2021 and entering into force 31 May 2023. During the transition period, goatmeat will continue to access the existing WTO quota (22 tonnes) at 0% in quota tariff. 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)	2022		2021		5-year average (2017–2022)		change 2022 vs 5-yr av.		
		% out of total		% out of total		% out of total	%	in tonnes swt/A\$	
Total	21,831	100%	19,046	87%	19,460	100%	12%	2,371	
Storage	Chilled	1	0%	5	0%	13	0.1%	-92%	12
	Frozen	21,830	100%	19,041	87%	19,446	100%	12%	2,384

Source: DAFF

Value – in A\$ '000	2022		2021		5-year average (2017–2022)		change 2022 vs 5-yr av.	
		%		%		%	%	in A\$ '000
Total	260,771		242,077		212,963		22%	47,807

Source: ABS/IHS Markit

Australian goatmeat exports – volume (tonnes swt)	2022		2021		5-year average (2017–2022)		change 2022 vs 5-yr av.	
		%		%		%	%	in tonnes swt/A\$
US	12,505	58%	12,589	66%	12,549	64%	-0.3%	-44
South Korea	3,757	10%	2,128	11%	1,912	10%	96%	1,845
Taiwan	2,150	9%	1,869	10%	2,193	11%	-2%	-43
Canada	1,339	6%	1,279	7%	1,060	5%	26%	279
Trinidad and Tobago	976	2%	439	2%	773	4%	26%	203
Other	1,104	16%	3,527	19%	973	5%	14%	132

Source: DAFF

Australian goatmeat exports – value (A\$ '000)	2022		2021		5-year average (2017–2022)		change 2022 vs 5-yr av.	
		%		%		%	%	in tonnes swt/A\$
US	152,929	59%	167,585	69%	143,691	67%	6%	9,238
South Korea	51,475	20%	27,835	11%	23,914	11%	115%	27,561
Taiwan	16,825	6%	14,748	6%	15,381	7%	9%	1,443
Canada	16,567	6%	17,353	7%	12,304	6%	35%	4,263
Trinidad and Tobago	11,247	4%	5,458	2%	8,234	4%	37%	3,014
Other	11,727	4%	9,096	4%	9,439	4%	24%	2,288

Source: ABS/IHS Markit

Australia live goat exports total	2022		2021		5-year average (2017–2022)		change 2022 vs 5-yr av.		
		%		%		%	%	in tonnes swt/A\$	
Total volume in head	4,869		12,018		10,721		-55%	-5,852	
Total value A\$ '000	3,862		4,770		5,691		-32%	-1,829	
Malaysia	volume in head		7,393		6,089		21%		1,304
	value A\$ '000		2,468		2,218		11%		250

Source: DAFF (volume); ABS/IHS Markit (value)