

Australian goat

Industry summary 2016



Australian goat industry summary 2016

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Introduction

Goatmeat is one of the most widely consumed meats in the world, with a great deal of production consumed in the country of which it is produced. Goatmeat is a part of cultural and religious observations of many ethnic groups. North Africa, Asia and the Middle East are some of the largest consumers of goatmeat, and are the major trading partners to the Australian goat industry.

Total world goatmeat production was just over 5.3 million tonnes cwt in 2012 (FAO) – up 1% year-on-year. In 2013, China was the largest producer of goatmeat, accounting for just over 2.0 million tonnes cwt, followed by India (509,000 tonnes cwt) and Pakistan (297,000 tonnes cwt).

Domestically, goat prices have increased incrementally over the past decade, assisted by strengthening international demand. Australia is the largest goatmeat exporting nation, with around 95% of Australian goatmeat sent offshore and accounting for around 50% of the global goatmeat trade.

Extensive production systems are continuing to grow in the Australian goat industry, with a large portion comprising of semi-arid rangeland enterprises across the eastern states. Through effective management practises and better established export market opportunities, the popularity of goat production has increased substantially in past years.

Meat & Livestock Australia's Market Information

MLA produces a wide range of market information publications, which can be accessed for the latest news, analysis and statistics for the Australian red meat and livestock industry. From fortnightly over-the-hook goat price reports through to annual statistical compilations, the provision of timely, accurate and continuous market information is a key service provided to MLA members and stakeholders.

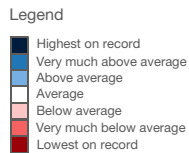
All of MLA's market information publications, including the Australian Goat Industry Summary 2016, are available at www.mla.com.au, or through a direct email service. If you would like to contact MLA's Market Information Service, please email marketinfo@mla.com.au, or call (02) 9463 9333.



2015 - the key numbers

- In 2015, Australian goat slaughter surpassed the previous year's record by 1%, reaching 2.14 million head.
- Goat production totalled 32,746 tonnes cwt, down 1% year-on-year¹.
- Live goat exports were 2% higher than the previous year, at 90,190 head.
- Malaysia remained the largest live export destination for Australian goats in 2015, at 84,380 head (up 2% year-on-year).
- Goatmeat shipments decreased 16% year-on-year, to 29,965 tonnes swt.
- The majority of Australian goatmeat in 2015 was shipped to the US, at 17,626 tonnes swt – down 8% year-on-year.
- Australian goatmeat exports were valued at \$243.2 million – up 1% year-on-year.

Figure 1 Australian rainfall
1 January 2015 - 31 December 2015

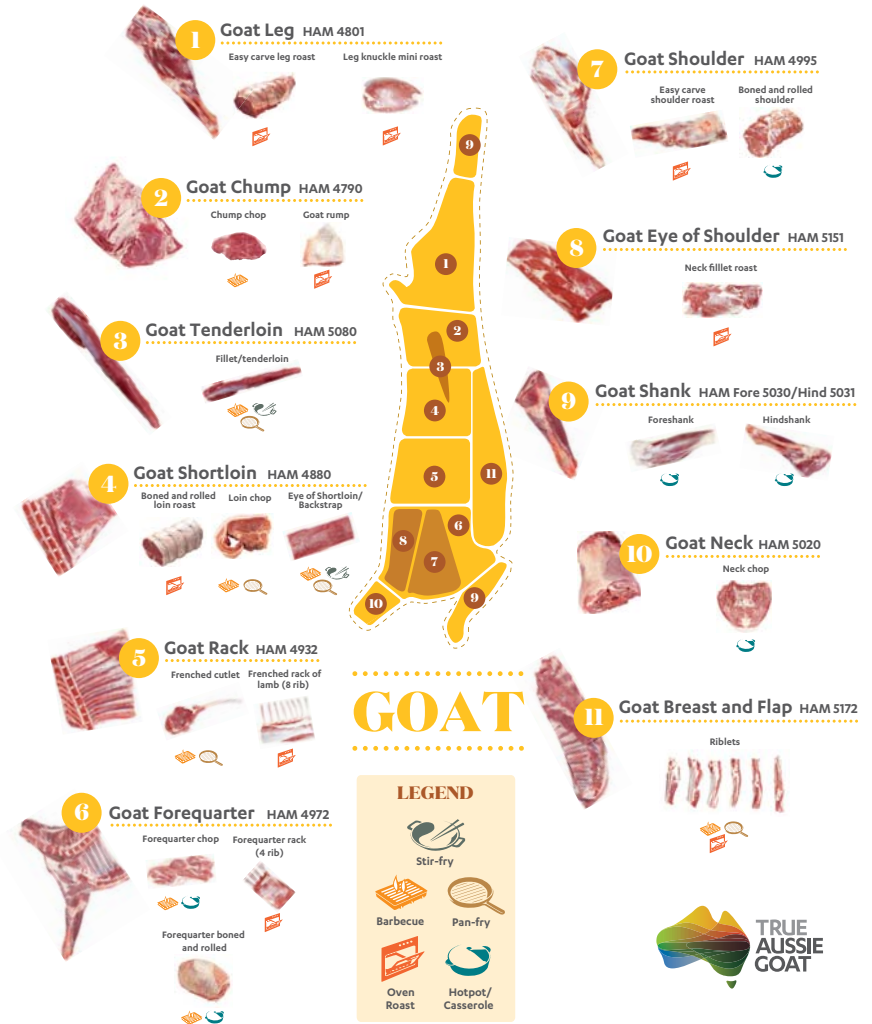


Source: Australian Bureau of Meteorology

The majority of Australian goatmeat in 2015 was shipped to the US

¹ Reported by the ABS. There may be some discrepancies between ABS figures and true commercial operations.

AUSTRALIAN GOAT CUTS



NOTE: Goatmeat primal cut HAMS codes are the same as Sheepmeat. When ordering, ensure you specify if it is goatmeat or sheepmeat.

www.trueaussiegoat.com



Australian goat situation and overview

Table 1 Situation and overview for the Australian goatmeat industry

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	%change
Slaughterings ('000 head)												
total	1,204	1,201	1,035	1,124	1,637	1,676	1,739	1,857	2,073	2,129	2,140	0.5%
Avg carcase weight (kg)												
total	15.3	15.5	15.5	15.6	15.7	15.8	16.3	16.1	15.3	15.5	15.3	-1.0%
Production ('000 tonnes carcase weight)												
total	18.4	18.6	16.1	17.5	25.8	26.5	28.4	29.8	31.7	32.9	32.7	-0.6%
Goat exports ('000 tonnes shipped weight)												
total	18.2	19.5	16.7	18.2	24.8	25.9	25.9	29.1	32.7	35.8	30.0	-16.3%
Live goat exports ('000 head)												
total	41.7	57.6	89.9	79.8	97.6	77.4	63.3	61.9	75.1	88.5	90.2	1.9%
Live goat exports ('000 A\$)												
total	5,086	7,126	11,367	9,190	11,491	10,346	8,408	8,114	8,373	8,646	10,319	19.3%

Source: ABS, DAWR



“Australian goatmeat exports were valued at \$243.6 million – 1% greater than 2014 levels”

Australian goat industry

Goat flock

- According to the latest Australian Bureau of Statistics (ABS) survey (2011-12), the Australian managed goat flock was 516,142 head, with most of the flock (46%) in NSW, Queensland (39%), and Victoria (10%).
- In addition to the managed goat flock is the rangeland population, which in 2011 was estimated to be in the range of 4-6 million head. However, the accuracy of the estimate is questionable, given the vast spread of the population, and dependence upon seasonal conditions.

Slaughter

- For 2015, Australian goat slaughter reached 2.14 million head, up 1% on the 2014 total, and 8% on the five-year average (ABS)². Reflecting the expansion of industry, as producers move from opportunistic harvesting to more managed enterprises, goat slaughter has nearly doubled in the past decade.
- Queensland slaughter for 2015 was 7% lower than the year before, at 710,844 head. Reflecting the 'below average' rainfall recorded over the year for most south eastern regions, processing in SA decreased 15% on year-ago levels, at 303,295 head, while NSW was fairly similar year-on-year, totalling 110,606 head. WA saw a considerable increase in goat slaughter in 2015, up 81%, to 30,983 head.

Over-the-hook indicators

- Underpinned by strong international demand, over-the-hook (OTH) indicators reached new highs in 2015, with most weight categories averaging 435¢/kg cwt (10.1-12kg cwt to 20.1kg+ cwt) – up 45% year-on-year.
- The OTH indicators in 2015 also averaged 48% above the five-year average, with solid global demand able to absorb the high kill levels seen during the winter months. Prices were further assisted by the depreciation of the A\$ in the latter half of 2015.

Figure 3 Australian goat slaughter

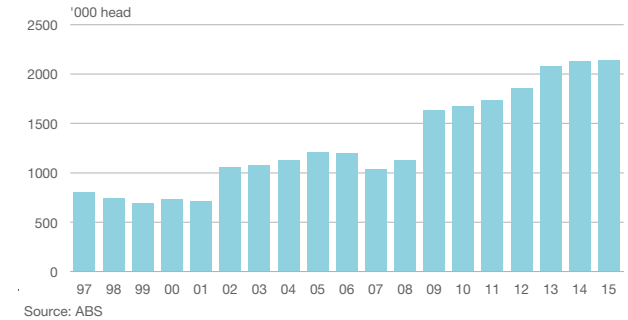


Figure 4 Export OTH goat indicators

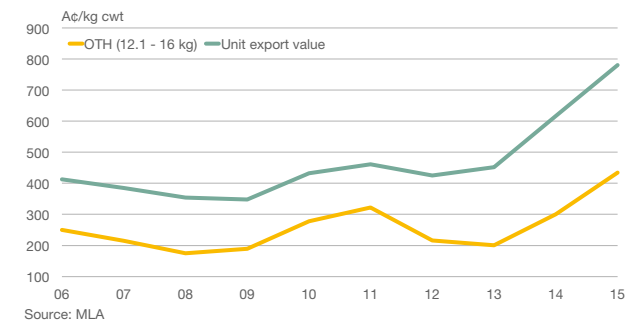


Figure 2 Eastern states weekly goat slaughter

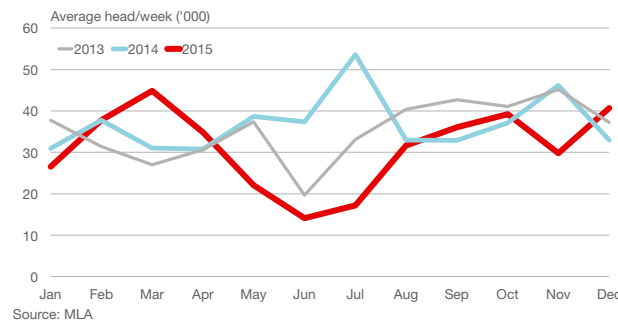
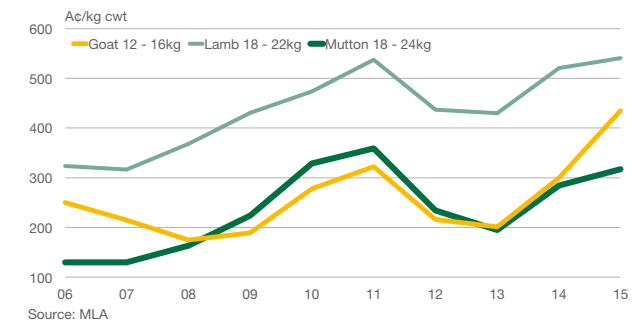


Figure 5 OTH Indicator comparison



² Official ABS data. There may be some discrepancies between ABS figures and true commercial operations, despite discrepancies the underlying trends are considered to be reliable.

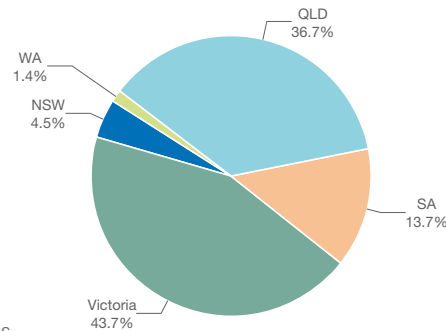


Australian goat industry continued...

Goat production

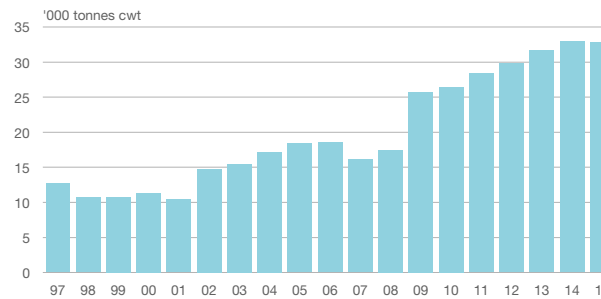
- In 2015, goat production reached 32,746 tonnes cwt – slightly lower (1%) than the record volumes in 2014, although still 5% above the five-year average (ABS)³.
- Production in Queensland was 12,001 tonnes cwt in 2015, down 5% year-on-year, however still slightly up on the five-year average. In Victoria, production totalled 14,312 tonnes cwt, 10% higher year-on-year and 18% above the five-year average. In NSW, production eased 12% year-on-year, to 1,485 tonnes cwt, although was still 5% above the five-year average. Production in SA was back 15% from 2014 levels, at 4,477 tonnes cwt, while in WA, production nearly doubled off the back of low volumes in 2014, at 466 tonnes cwt.
- According to the Goat Industry Council of Australia (GICA), 90% of goatmeat production is from rangeland enterprises. Boer goats are typically heavier than rangeland goats and have a higher yield potential. Therefore increases in productivity in the national flock will be influenced by the rate of Boer goat genetic infusion into the flock. Kalahari Red (South African descent) is another breed in Australian goatmeat production, well known for its adaptability to the harsher climates seen across producing regions.

Figure 6 2015 Australian goatmeat production by state



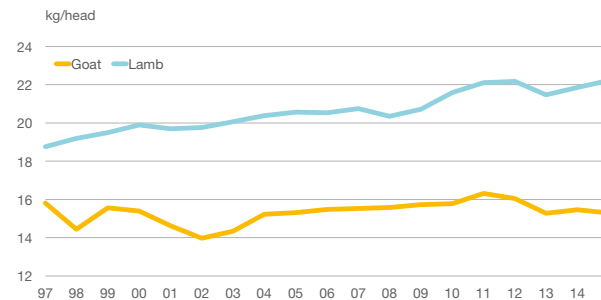
Source: ABS

Figure 7 Australian goatmeat production



Source: ABS

Figure 8 Australian average carcass weights



Source: ABS

Average carcass weights

- For 2015, Australian goat carcass weights averaged 15.3kg/head, representing a slight decline (0.2kg/head) on the year prior. 'Below-average' rainfall across most major producing regions contributed to the 2% decline on the five-year average (15.68kg/head) year-on-year.
- For the past decade, carcass weights have averaged above 15.6kg/head. In 2011 however, when seasonal conditions were particularly favourable, average carcass weights peaked at 16.31kg/head.

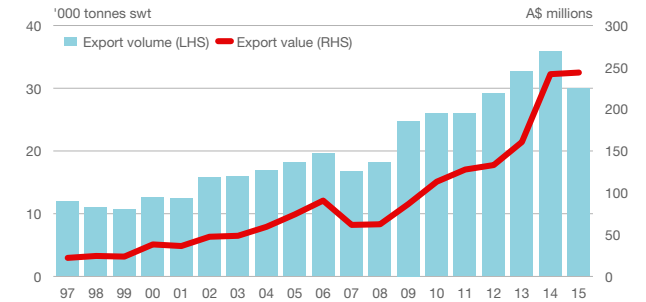


³ Official ABS data. There may be some discrepancies between ABS figures and true commercial operations, despite discrepancies the underlying trends are considered to be reliable.

Demand summary

- During 2015, Australian goatmeat exports totalled 29,965 tonnes swt, down 16% on the record volume the year prior.
- The total value of goatmeat exports in 2015 reached \$243.2 million – 1% higher year-on-year.
- Australia is the largest goatmeat exporter in the world, with an estimated 95% of production exported.
- Over the past decade, the volume of Australian goatmeat exports have more than doubled.
- The depreciating A\$ assisted trade in 2015, averaging 75US¢ for the year – back 17% on 2014 levels.

Figure 9 Australian goatmeat exports and values



Over the past decade, the volume of goatmeat exported has more than doubled



Australian goatmeat exports

Table 2 Australian exports of goatmeat

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% change
To:												
US (volume)	9.35	11.33	9.96	10.55	12.80	14.47	15.16	16.08	15.48	19.09	17.63	-7.7%
US (value)	39,373	52,044	39,196	37,525	46,198	65,730	72,534	66,888	64,261	126,548	159,025	25.7%
Taiwan (volume)	5.90	5.16	3.31	3.90	4.00	4.00	3.91	3.97	3.86	5.07	3.72	-26.7%
Taiwan (value)	20,990	20,203	10,669	12,545	11,798	13,585	15,170	14,308	16,138	25,116	19,252	-23.3%
Canada (volume)	0.89	1.05	1.13	1.09	1.20	1.89	1.57	2.04	1.90	2.22	1.72	-22.4%
Canada (value)	4,121	5,408	4,310	3,582	4,992	8,430	8,017	8,332	8,635	12,689	10,976	-13.5%
Hong Kong (volume)	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.03	0.11	1.43	0.73	-48.6%
Hong Kong (value)	0	37	0	0	204	237	1,591	534	619	10,288	5,682	-44.8%
South Korea (volume)	0.12	0.15	0.21	0.24	0.59	0.86	0.90	0.80	0.93	1.52	1.68	10.0%
South Korea (value)	535	822	970	990	1,923	4,139	4,433	3,842	4,734	9,062	11,675	28.8%
China (volume)	0.00	0.00	0.01	0.01	0.00	0.00	0.04	0.37	4.74	1.11	0.88	-20.9%
China (value)	0	63	0	31	108	0	1,072	2,118	23,793	6,397	6,598	3.1%
Trinidad and Tobago (volume)	1.07	1.11	1.26	1.33	2.02	1.78	1.94	1.89	1.94	1.78	1.72	-3.5%
Trinidad and Tobago (value)	2,887	3,505	3,569	3,437	9,234	6,618	8,634	6,786	7,520	8,679	9,549	10.0%
Malaysia (volume)	0.09	0.07	0.07	0.25	0.14	0.40	0.51	1.54	1.02	0.69	0.18	-74.2%
Malaysia (value)	481	295	319	982	623	1,858	2,276	5,924	3,991	3,030	944	-68.8%
Japan (volume)	0.18	0.16	0.18	0.16	0.15	0.20	0.22	0.25	0.29	0.33	0.40	20.0%
Japan (value)	661	717	674	667	583	1,019	1,053	1,089	1,238	1,744	2,270	30.2%
Jamaica (volume)	0.05	0.05	0.06	0.09	1.38	0.99	0.73	0.85	0.42	0.39	0.10	-73.9%
Jamaica (value)	1,336	2,452	302	151	4,038	3,808	2,793	2,356	1,200	1,388	582	-58.1%
Total (volume)	18.18	19.52	16.66	18.17	24.75	25.91	25.89	29.09	32.67	35.78	29.96	-16.3%
Total (value)	74,212	90,386	61,620	62,102	86,249	113,051	127,587	132,886	160,559	241,761	243,584	0.8%

Source: DAWR

Volume = '000 tonnes swt

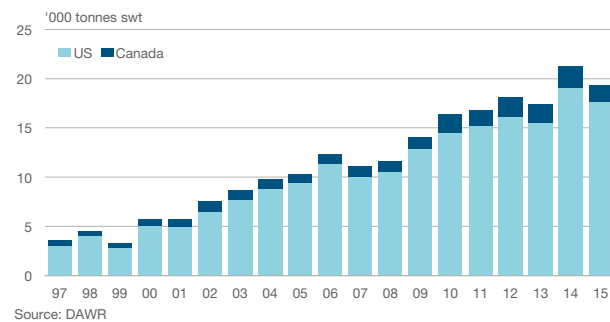
Value = '000 A\$ FOB



North America

- Australian goatmeat exports to the US made up more than half (53%) of Australia's total goatmeat exports in 2015, at 17,630 tonnes swt – down 8% year-on-year, although 5% higher than the five-year average.
- The value of Australian goatmeat exports to the US continued to grow in 2015, surging 26% year-on-year to \$159 million FOB.
- Although down 12% year-on-year, whole carcasses continue to make up the majority (72%) of Australian goatmeat exports to the US in 2015. Whole carcasses totalled 12,751 tonnes swt, while shipments of assorted cuts increased 9%, to 4,011 tonnes swt.
- In 2015, goatmeat shipments to Canada decreased 22% on the previous year, to 1,720 tonnes swt. Similar to the US, almost all Australian goatmeat shipped to Canada in 2015 was in the form of whole carcase (1,124 tonnes swt), while shipments of assorted cuts doubled 2014 levels, to 589 tonnes swt.

Figure 10 Australian goatmeat exports to North America



- Australian goatmeat shipments to Canada returned \$11 million in 2015 – down 14% year-on-year.
- Supported by an increase in the Hispanic population, the US is expected to remain a major importer of Australian goatmeat. This is also supported by improving financial conditions in the market, despite growth forecast to stabilise in 2016 (IMF). Volumes in 2016 will be determined by a number of factors, however if the US\$ strengthens further it will benefit exporters.

Figure 11 A\$ against US\$

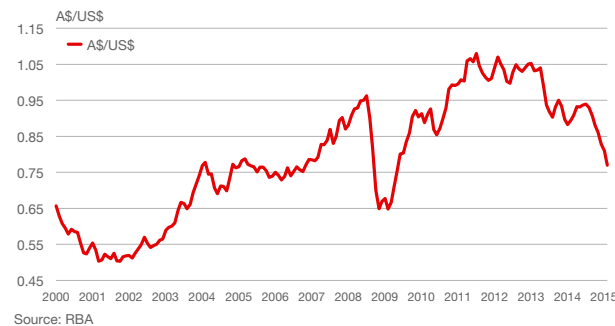
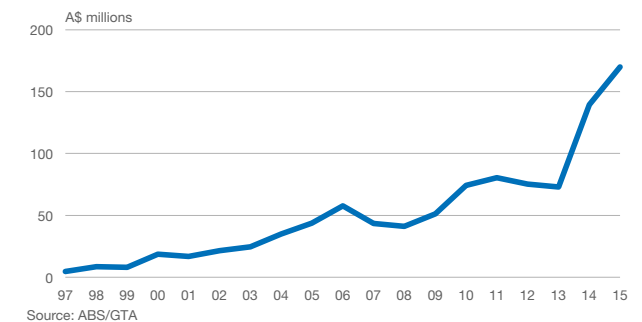


Figure 12 Export value to North America



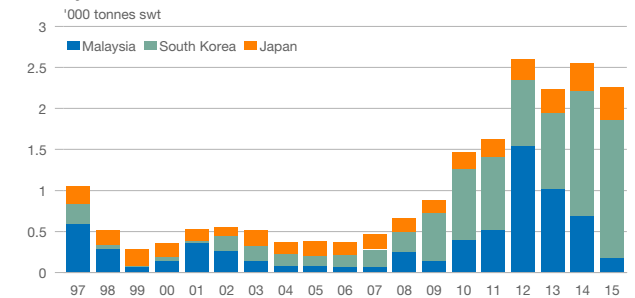
Asia

- In 2015, Australian goatmeat exports to Asia declined 28% year-on-year, to 8,387 tonnes swt.
- Exports to China continued to decline (down 21%) in 2015, at 888 tonnes swt, in the wake of record highs in 2013. Volumes to Malaysia registered a 74% decline in 2015, to 180 tonnes swt.
- Shipments to Hong Kong eased 49% to 730 tonnes swt, while volumes to Taiwan were down 27%, to 3,720 tonnes swt. Encouragingly, exports to Korea lifted 10% on year-ago levels, to 1,680 tonnes swt.



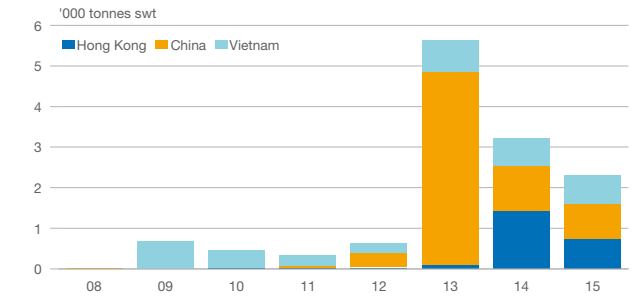
- The value of Australian goatmeat exports to China increased 3% year-on-year in 2015, to \$6.6 million. Goatmeat export values to Taiwan eased 23% on the previous year, to \$19.3 million, while the value of shipments to Hong Kong followed a similar trend, back 45% to \$5.7 million. In 2015, volumes to Korea generated over \$11.6 million – up 29% on the corresponding period the year prior.
- The International Monetary Fund (IMF) has forecast slowing GDP growth in China to 6.3%. The broader ASEAN region is expected to follow suit – at 4.8% in 2015-16, assisted by stronger growth in advanced economies.
- As expected, overall growth in China is evolving broadly, however the forecast slowdown in imports and exports is occurring at a faster pace than anticipated, resulting in uncertainty into how smaller economies will be affected.

Figure 13 Australian goatmeat exports to Japan, Korea and Malaysia



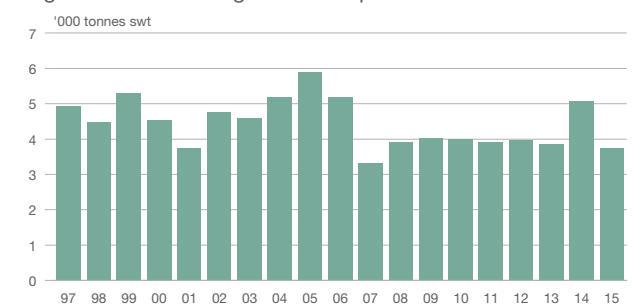
Source: DAWR

Figure 14 Australian goatmeat exports to China, Hong Kong and Vietnam



Source: DAWR

Figure 15 Australian goatmeat exports to Taiwan



Source: DAWR



Caribbean

- Australian goatmeat exports to the Caribbean in 2015 declined for the third consecutive year, to 1,820 tonnes swt, with the expansion of other export destinations.
- Trinidad and Tobago was the largest market in the region, despite declining 4% year-on-year, to 1,720 tonnes swt in 2015 – a market worth \$9.5 million.
- Jamaica was the second biggest market in the region in 2015, although decreasing 74% year-on-year, to 100 tonnes swt.
- The IMF forecasts aggregate GDP across the Caribbean to ease (0.3%) in 2016, despite positive growth seen in some countries in the wider region.
- The US is expected to continue to take a large portion of Australian shipments – maintaining pressure on smaller importing regions such as the Caribbean.

Figure 16 Australian goatmeat exports to Trinidad and Tobago

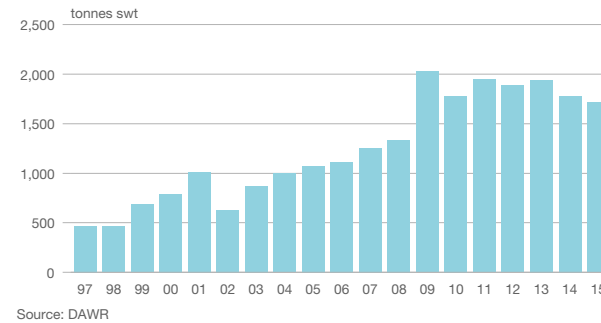


Figure 17 Australian goatmeat exports to Jamaica

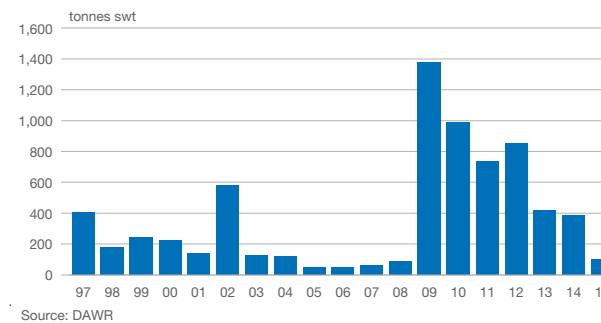
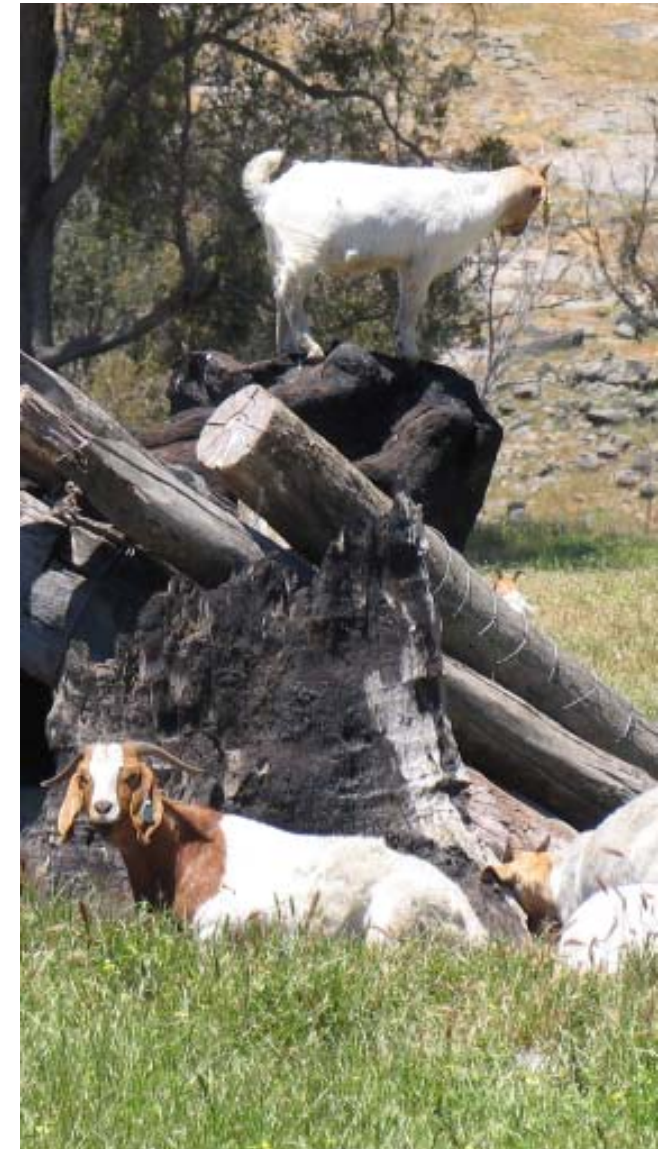
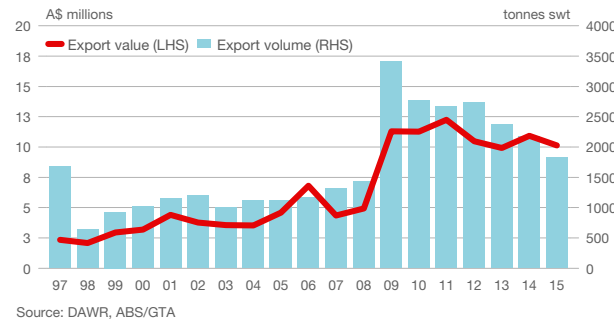


Figure 18 Australian goatmeat exports to the Caribbean



Live exports - summary

- Australia exported approximately 90,190 head of live goats in 2015, up 2% year-on-year, with the trade valued at \$10.3 million.
- Exports to Malaysia, Australia's largest market for live goats, increased 2% year-on-year, to 84,380 head. Encouragingly, shipments to the UAE grew three fold in 2015, to 3,296 head for the year. Exports to Singapore declined 92% year-on-year, to 345 head.

- SA was the largest live goat exporting state accounting for 50% of Australia's total shipments, at 44,728 head. NSW made up just over 34% of the total, with 30,390 head shipped in 2015. WA and Victoria shipped 1,634 head and 12,152 head in 2015, respectively. Air freight remains the most prominent form of transport.

Table 3 Australian live goat exports

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	% change
To:												
Malaysia (volume)	26.42	42.84	69.52	67.71	89.14	64.08	54.33	59.11	55.40	82.73	84.38	2%
Malaysia (value)	2,109	5,343	7,790	7,746	10,516	8,441	7,008	7,614	6,111	7,515	8,628	15%
Singapore (volume)	10.90	11.10	3.12	3.39	6.89	8.83	8.00	1.90	16.78	4.23	0.35	-
Singapore (value)	741	914	300	307	690	642	957	144	1,540	361	104	-71%
Brunei (volume)	1.41	1.34	1.86	5.35	1.16	1.69	0.61	0.64	1.78	0.12	1.43	-
Brunei (value)	685	119	314	628	147	258	115	62	299	45	488	-
UAE (volume)	-	-	0.10	-	0.07	-	-	-	1.00	1.05	3.30	214%
UAE (value)	-	-	20	-	38	-	-	-	285	379	869	129%
Other	3.01	2.33	15.45	3.32	0.43	2.81	0.32	0.24	1.15	0.00	4.03	-
Total (volume)	41.73	57.61	89.93	79.76	97.62	77.41	63.26	61.88	75.11	88.53	90.19	2%
Total (value)	5,086	7,126	11,367	9,190	11,491	10,346	8,408	8,114	8,373	8,646	10,320	19%
Source: ABS	volume = '000 head		value = '000 A\$ FOB									

Figure 19 Australian live goat exports and value

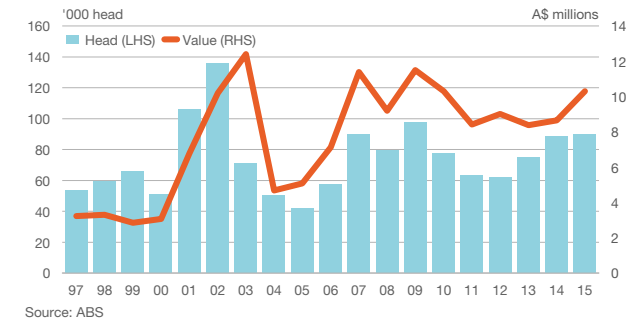


Figure 20 Australian live goat exports

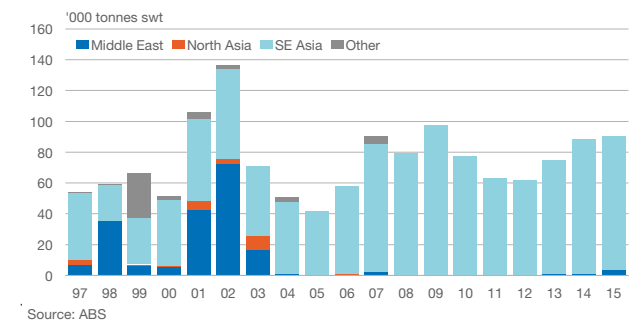
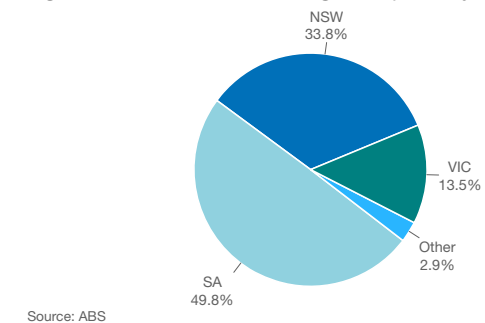


Figure 21 2015 Australian live goat exports by state of loading



Appendix 1 - Goatmeat exports by destination

Table 4 Australian goat exports to destinations by the main cuts

Destination	Total (all cuts)			Carcase			Assorted cuts			Other		
	2015 tonnage	Net change (Year-on-year)	% change	2015 tonnage	Net change (Year-on-year)	% change	2015 tonnage	Net change (Year-on-year)	% change	2015 tonnage	Net change (Year-on-year)	% change
World Total	29,965	-5,815	-16%	23,993	-6,145	-20%	5,086	512	11%	887	-181	-17%
US	17,626	-1,464	-8%	12,751	-1,675	-12%	4,011	325	9%	864	-114	-12%
Taiwan	3,721	-1,354	-27%	3,721	-1,341	-26%	0	-5	-100%	0	-8	-100%
Canada	1,720	-498	-22%	1,124	-781	-41%	589	294	100%	7	-11	-62%
Trinidad and Tobago	1,719	-62	-3%	1,317	-43	-3%	394	-7	-2%	8	-12	-58%
South Korea	1,677	153	10%	1,655	138	9%	22	22	0%	0	0	0%
Hong Kong	733	-693	-49%	733	-693	-49%	0	0	0%	0	0	0%
China	880	-233	-21%	876	-207	-19%	0	-16	-100%	4	-10	-72%
Indonesia	89	-656	-88%	89	-645	-88%	0	-11	-100%	0	0	0%
Malaysia	176	-509	-74%	176	-408	-70%	0	-101	-100%	0	0	0%
Vietnam	709	29	4%	709	29	4%	0	0	0%	0	0	0%
Jamaica	101	-287	-74%	101	-287	-74%	0	0	0%	0	0	0%
Japan	399	67	20%	386	66	21%	12	0	1%	1	1	0%
Fiji	138	138	0%	138	138	0%	0	0	0%	0	0	0%
Other	277	-446	-62%	217	-436	-67%	58	11	23%	2	-28	-90%

Source: DAWR

Sources, acknowledgements and acronyms

The sources listed below are duly acknowledged for the provision of statistical, analytical and forecast information used in this document.

Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES)

Australian Bureau of Meteorology (BOM)

Australian Bureau of Statistics (ABS)

Department of Agriculture and Water Resources (DAWR), Australia

Food and Agriculture Organisation (FAO) – United Nations

Global Trade Atlas (Australia)

International Monetary Fund (IMF)

Reserve Bank of Australia (RBA)

ABARES	– Australian Bureau of Agricultural and Resource Economics and Sciences
ABS	– Australian Bureau of Statistics
CIF	– Cost insurance and freight (export price at destination)
cwt	– Carcase weight
DAWR	– Department of Agriculture and Water Resources, Australia
FAS	– Free alongside ship (export price before departure)
FAO	– Food and Agriculture Organisation (United Nations)
FOB	– Free on board ship (export price loaded on ship before departure)
IMF	– International Monetary Fund
lwt	– Live weight
MLA	– Meat & Livestock Australia
NLRS	– National Livestock Reporting Service (Meat & Livestock Australia)
RBA	– Reserve Bank of Australia
swt	– Shipped weight
US	– United States





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