Chapter 2: Marketing Channels for Goat Meat in Florida

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INTRODUCTION

There is increasing interest in goat production and more production is likely. Thus, it is important to understand the current marketing channels of goat meat beyond the farm gate, and consumers' preferences for goat meat in order to identify marketing niches to reach more consumers and increase demand for the product. A comprehensive study that assessed the marketing environment for goat meat in Florida was conducted in the latter 1980s. Additional observational research has been conducted. These studies have investigated the behavior and attitudes of livestock auction managers, livestock dealers, meat wholesalers, food retailers (supermarket chains), and restaurants towards goat meat as well as consumers' responses to the product. The objective of this report is to highlight the research findings on current marketing channels of goat meat and suggest potential channel strategy.

FINDINGS

Livestock Auctions and Dealers

Initial research examined marketing activities at the first level beyond the farm gate. Managers of all livestock auctions in north and central Florida were interviewed, along with independent livestock dealers that were identified as handling significant numbers of meat goats.

Auction managers reported that many goats were sold directly to individuals, presumably for slaughter; they reported that such sales were particularly brisk around major holidays. Several independent livestock dealers handling goats were found to be buying goats from local auctions, transporting them to the Tampa, Orlando and Miami areas, and feeding them until they could be sold on-the-hoof to individuals. Dealers also reported that most sales occurred near holidays. According to dealers, most sales were to ethnic customers, primarily American blacks, Hispanics, and Haitians.

Based upon the survey of auction managers and independent dealers in north and central Florida it was concluded that few, if any, locally produced goats were entering traditional commercial marketing channels. The next surveys sought to learn more about goat meat sales in the commercial market, i.e., sales by traditional meat wholesalers, food retailers, and restaurants.

Meat Wholesalers

Of the 164 meat wholesalers interviewed, only 24 firms or 15 percent, were found to be currently selling goat meat. Seven percent had previously sold goat meat but were no longer selling it, and 78 percent had never sold goat meat. Firms that had discontinued selling goat meat mentioned insufficient demand and supply problems as the primary reason for quitting. Managers of one-third of the firms that had discontinued goat meat sales said that cheaper substitutes, primarily mutton, had reduced the demand for goat meat.

Combined goat meat sales by all wholesalers was approximately 842,000 pounds for 1986. Based upon personal observations, it is likely that wholesale goat meat movement in Florida has remained under 1 million pounds during the early 1990s. In the late 1980s, goat meat sales in Florida were concentrated in the hands of very few major firms. Further, most of the large firms were, and continue to be, located in the Miami area. On a volume basis, about 95 percent of the goat meat received was from out of state, with about 4 percent being obtained within Florida. Slightly less than two percent was imported from foreign countries. Texas and Iowa were the most frequently mentioned out-of-state sources. Three foreign sources, New Zealand, Australia and Jamaica, were also mentioned.

Estimated goat carcass weights handled by the meat wholesalers in the study areas ranged from 25 to 45 pounds and averaged 36.4 pounds, and most was purchased in whole carcass form. Over half of the total volume was cut into primals before resale. Forty-one percent of the volume was resold in the whole carcass form. Ninety-three percent of the wholesalers' sales were comprised of frozen meat.

Approximately 52 percent of the goat meat volume went to retail grocers. About one-third was sold to restaurants, and six percent to individuals, with the remaining ten percent going to varied foodservice operations such as ships, labor camps, and jobbers that also serve the foodservice trade.