

Chapter 9: Economics of Meat Goat Production in Florida

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The purpose of this chapter is to describe Florida meat goat production systems and to provide information about production costs and net income. The information is from Bea Covington's masters thesis (1994) in which she used a computer program developed by Simpson (1993). The basic data for the thesis was derived from interviews with 25 producers of which 12 were members of the Florida Meat Goat Association. The participating producers were interviewed between March 1 and August 15, 1991. All are in north Florida with the exception of one very large producer in Okeechobee county. The objective of the thesis was to quantify information by type of system and to determine the impact of size and management on operations. Thus, while the costs of production and net income are representative and "typical" of Florida operations, no attempt was made to develop statistically significant production costs by size and system.

PRODUCTION SYSTEMS

Classification and analysis of Florida meat goat farming systems was done based on observed feeding practices. This variable was chosen because it was hypothesized that it had the greatest impact on the production and cost functions of the farm. The feeding practice criteria was chosen based on the hypothesis that feed costs were the primary source of producer expenditure. Each of the farms was evaluated based on the amount of purchased concentrate fed to the animals and the length of time of the feeding period. Using this criteria three feeding categories were identified:

- **Extensive Systems:** those feeding less than 0.2 lbs of purchased grain per head per day for less than three months a year with unmanaged forage and wild brush as a primary feed source. Seven of 25 farms were surveyed.
- **Mixed Forage System:** those feeding a combination of purchased grain or concentrate and forage, with grain supplements between 0.2 and 0.5 lbs per head per day for fewer than 100 days a year. Ten of 25 farms were surveyed.
- **Intensive Systems:** those feeding more than 0.5 lbs of purchased grain per head per day for more than six months. Eight of 25 farms were surveyed.

A fourth system, one which relies exclusively on managed forages (leucaena, gliricidia, kudzu, etc.) has been observed in other states and reported in Florida, but not observed during the course of the study.

There are three animal systems; (1) does kept for production of kids, (2) fattening to slaughter weight and (3) a combination of does and fattening.

Each production system was further divided into breeding or meat production and then into phases. There are two phases after kids are weaned; phase 1 which is growing, and phase 2 which is fattening. There is no specific time or weight at which an animal shifts from growing to fattening just as there is no one time or weight at which kids are weaned. The main distinction is when the feeding method changes.

PRODUCTION COST

Cost per pound is reported in Table 9.1 for 5 sizes of farms. The sizes, which are averages based on information derived from the interviews, range from 10 acres to 500 acres. Because the objective in the thesis was to determine costs by size, and because there was insufficient data to develop costs for all 15 units (3 systems by 5 sizes) data were evaluated and interpolation was made as necessary.

The costs are reported in 3 ways; (1) direct, (2) all costs and (3) all costs except a charge for land. The term direct costs is equivalent to cash costs or out of pocket expenses except for taxes, which are considered an ownership cost. Addition of "other" costs yields total costs.

The category "other costs" is divided into 2 parts, ownership costs and capital costs. Ownership costs include depreciation, taxes and a charge for family labor. Capital costs are calculated by multiplying investment costs and part of direct costs by a percentage which is equivalent to a combination of interest which could be earned if the producers money were invested in some alternative (opportunity cost) and/or interest payments on money borrowed for the operation (debt amortization).

There is no consensus about the appropriate cost of production. Rather, it largely depends on the individual. Some producers believe they should only