Goatmeat and Livestock Industry Strategic Plan 2015-2020

This strategic plan will guide investment into the development of the Australian goatmeat and livestock industry from 2015-2020. It has been developed in consultation with the Goat Industry Council of Australia (GICA), which as the industry's representative has carriage of this plan. Various industry service providers and stakeholders have also been consulted in the development of this plan.

This strategic plan feeds into the Meat Industry Strategic Plan 4 (MISP4), developed by the Red Meat Advisory Council (RMAC) which provides the overarching strategy for the red meat industry of Australia. This strategic plan also serves to inform the development of the various annual investment and activity plans for the primary service providers to the goat industry including LiveCorp, Meat & Livestock Australia (MLA), Australian Meat Processor Corporation (AMPC), National Residue Survey (NRS), Animal Health Australia (AHA), Department of Agriculture (DA) and other government service departments.

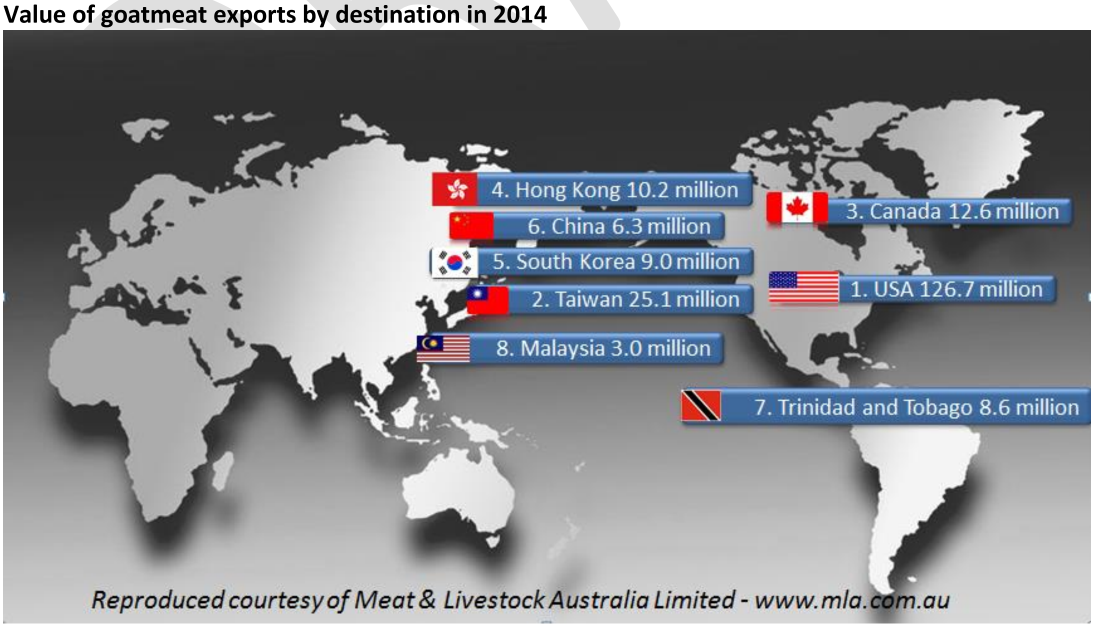
A midterm and full-term review of deliverables against the objectives outlined in this plan will be undertaken by GICA to track progress and report back to industry.

Industry background

Goatmeat enviably harbours no religious restrictions or taboos and is a popular component of diets in parts of Asia and the Middle East, North Africa (MENA) as well as Hispanic populations across the United States of America.

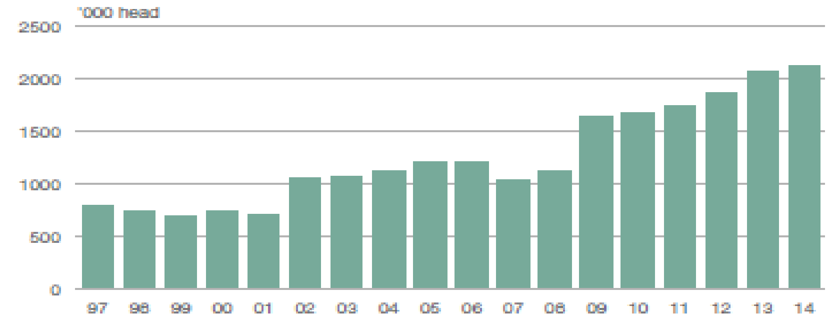
In 2010 total goatmeat production across the world was approximately 5.1 million tonnes cwt and approximately 1% of this was traded on the export market (FAO statistics). Most countries with large goat populations consume those animals domestically. Australia is the world's largest goatmeat exporter with approximately 95% of production exported, to the value of $241.8 million in 2014 (MLA 2015).

Value of goatmeat exports by destination in 2014



From 2003 to 2014 goat slaughter in Australia doubled to 2.129 million (MLA 2015); underpinned by strong demand from export markets and the sale of rangeland goats derived from extensive production systems (approximately 90% of total animals slaughtered (Stokes 2009)). The total Australian goat herd has been estimated by various sources to be between 1.9 to 6 million with BCS Agribusiness in 2011 indicating the most likely range was 3 to 4.4 million. Estimates of the unmanaged rangeland goat population are extremely difficult to quantify given the nomadic nature of the animals. In addition, they often occupy difficult to survey terrain and their natural population fluctuates with good and bad seasons. Anecdotal evidence suggests that approximately 80% of animals slaughtered in the eastern states originate from New South Wales (NSW). Much remains unknown about the unmanaged rangeland goat population.

Australian goat slaughter



Source: ABS

Managed herd numbers in 2011/12 had reached more than 500,000 head (ABS) and anecdotally this number is said to be increasing as more producers recognise the value of goats. This trend includes both managed rangeland goats in extensive environments and more intensively farmed meat breeds as well as numbers of fibre and dairy animals. The farmed meat breed herds predominately supply the fledgling Australian domestic market and account for most of the remaining 10% of animals slaughtered.

The Australian goat industry also supports a small live-export trade and in 2014 88,530 head were exported live, primarily to Malaysia for immediate slaughter, to the value of $8.6 million (ABS, DA). Air-freight is used for the majority of live-exports which are primarily rangeland goats.

A compulsory transaction levy of 37.7 cents per head is collected at each point of sale and the levy is split up thus:

Type of levy	Rate (cents)	Approx. annual income[1]
MLA marketing	10.5	$210,000
MLA research and development	16.7[2]	$334,000 (matched $668,000)
Animal Health Australia (AHA)	4.5	$90,000
National Residue Survey (NRS)	6	$120,000

In addition, processors pay a levy of 10 cents per head which is payable on slaughter at an abattoir of livestock for human consumption. This levy assists in funding Australian Meat Processor Corporation (AMPC) and is split up between research and development (7 cents) and marketing (3 cents). Further, all goats sent for live-export incur a 50 cent levy, of which 40 cents is for marketing and 10 cents is for research and development.

[1] Based on 2 million head slaughtered annually
[2] This rate is match with Australian Federal Government funds

Opportunities and Challenges

The Australian goatmeat industry enjoys strong demand from export markets as the worldwide demand for protein increases, as exemplified by the progressively increasing volumes exported. There are many information gaps regarding market potential and demand which need clarification. Markets, both existing and potential, are diverse and dynamic, and goat products may be overtly or covertly substituted for mutton.

Numerous challenges lie in building a steady, sustainable supply base while juggling environmental and regulatory responsibilities. Managing costs of production is a high priority in what is a commodity priced market with many export markets being extremely price sensitive.

In order to continue to grow and stabilise the supply base, increased numbers of producers choosing to build in goats as an enterprise within their business, rather than as a pest or an opportunistic harvesting option, are needed. This evolution would assist in managing the issue of inconsistent supply which is currently virtually impossible to forecast and is seriously impeding industry development and growth. There is opportunity to increase the numbers of managed herds and for further integration of goats into mixed grazing enterprises. This will require clear demonstration of 'proof of profit' and a shift in mindset for many producers and service providers. This process needs consideration of best practice and total grazing pressure to ensure sustainability and responsible management of the environment.

In summary there are many opportunities for the goat industry and this Plan provides guidance on the investment priorities for the coming five year period.

Industry's intent/vision

The Australian goatmeat and livestock industry will grow to be an innovative, profitable and resilient world leader in goat production.

KPIs

1. Best potential market opportunities identified and actioned by 2018
2. An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020
3. More than XX producers have participated in programs to improve their understanding of costs of production, benchmarking to animal health, welfare and biosecurity and best practice by 2020
4. On-farm production systems understood and benchmarking undertaken at an industry level
5. A tightening of monthly year-on-year slaughter variance[3]

Critical success factors

There are a number of factors to be carefully managed if the industry is to grow and prosper and individual businesses are to develop profitable, productive and sustainable business systems. The various tactics and activities outlined in this plan are designed to assist in managing the following:

- Maintaining and improving market access
- Effective, visionary industry leadership
- Stabilisation of supply base
- Development of strong, efficient supply chains

[3] Since 2009 monthly year-on-year slaughter variance has ranged from +113% to -38%

Product positioning

Markets in which goatmeat and livestock may be sold.	• United States of America, Caribbean, South Korea, Taiwan, China, India, Middle East, European Union, Malaysia, Singapore, Brunei • Australian niche markets • Supermarkets, wet markets, wholesale and retail butchers, restaurants
The range of **products** produced and sold.	• Frozen and fresh whole carcases and six-way cuts • Value added products: 'browned', cubed, skin-on • Skins, offal, feet, heads • Fresh and frozen pre-packaged higher value cuts and products • Live animals for breeding or slaughter
Defining **strengths** and **characteristics** which set Australian goatmeat and livestock apart from competitors.	• 'Free-range' rangeland animals and products with low cost production systems • Natural, healthy products • National product integrity systems • Products and animals which align with consumer's religious and cultural values • Leaders in animal welfare
Activities by which industry will compete for market share.	• Addressing the industry's priorities as outlined through the strategies of this Plan • Development of strategic co-marketing alliances with key stakeholders to pursue market opportunities domestically and internationally • Differentiation of Australian goatmeat profiling True Aussie Goat globally • Leverage across industry funding to ensure value for money investments

Industry's priorities

The below tactics and activities are designed to address the above listed critical success factors, resulting in sustainable growth and prosperity of the industry while balancing industry's responsibilities to the environment, consumers and customers. Activities have been given a priority rating of 1-3 (with 1 being the highest priority) given the limited levy funding available. The various areas of work have been designed to align with the MISP 4 strategy themes.

Area of work 1: Farm Productivity, Animal Wellbeing and Environmental Stewardship					
CSF and KPI	**Tactic**	**Due**	**Who**	**Activity/deliverable**	**Priority**
CSF: Stabilisation of supply base KPI 4: On-farm production systems understood and benchmarking undertaken at an industry level	1.1 Collation of industry data for benchmarking	2017 2018	MLA MLA	1.1.1. Collation and tracking of industry data including number of managed herds, producers, depots and production by state to benchmark performance and delivery of this Plan 1.1.2. Implementation of a producer cost of production benchmarking program	1 1
CSF: Stabilisation of supply base KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020 KPI 3: More than XX producers have participated in programs to improve their understanding of costs of production, benchmarking to animal health, welfare and biosecurity and best practice by 2020 KPI 5: A tightening of monthly year-on-year slaughter variance	1.2 Tools to grow managed, mixed production systems and the known production base	Ongoing 2017 2016 2016 2017	MLA MLA MLA MLA MLA	1.2.1 Increased producer awareness of cost of production, how it can be reduced and the value of benchmarking 1.2.2 Revision of animal nutrition and depot management recommendations within the Going into Goats Guide 1.2.3 Development of strategic demonstration sites for 'proof of profit' and compelling business cases focusing on incorporation of goats into mixed enterprises 1.2.4 Delivery of a Barbers Pole worm vaccine as an additional control measure for parasite management 1.2.5 Demonstration of the value of genetic evaluation through KIDPLAN, trials and demonstration sites	1 2 1 2 2
CSF: Stabilisation of supply base KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses	1.3 Accelerate adoption of best practice and innovations	Ongoing Ongoing	MLA MLA	1.3.1 Increased awareness of grazing pressure management options and promotion and adoption of responsible environmental stewardship integrated with 1.2.3 1.3.2 Improved linkages with 'across industry' networks, programs and funding for maximum extension and communication	1 1

and have established a 'managed' herd by 2020 KPI 3: More than XX producers have participated in programs to improve their understanding of costs of production, benchmarking to animal health, welfare and biosecurity and best practice by 2020 KPI 5: A tightening of monthly year-on-year slaughter variance					efficiency, particularly in relation to improved business management and benchmarking activities	
		2016	MLA	1.3.3	Identification of barriers to producer entry and commitment to industry and development of activities and strategies to manage these	1
		2017	MLA	1.3.4	Fostering of positive PR for and about industry and development of industry champions	2
		Ongoing	MLA	1.3.5	Increased awareness of integrated parasite control options	2
		2018	MLA	1.3.6	Building of capacity within industry's network of service providers	2
		2019	MLA	1.3.7	Expansion of electronic communication channels to transmit key information including transformation of the Going into Goats Guide into an online, interactive format	1
CSF: Development of strong, efficient supply chains KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020 KPI 3: More than XX producers have participated in programs to improve their understanding of costs of production, benchmarking to animal health, welfare and biosecurity and best practice by 2020 KPI 5: A tightening of monthly year-on-year slaughter variance	1.4 Improve animal health and wellbeing standards across the supply chain	Ongoing	MLA	1.4.1	Stay abreast of industry developments regarding science based management options and tools to ensure a high standard of animal wellbeing, welfare and health throughout the supply chain and implement where appropriate	1
		Ongoing	MLA	1.4.2	Participation in and support across industry programs for predation management with clear industry benefit	1
		?	MLA	1.4.3	Delivery of Live Export Stockman's manual for airfreight	1
		2020	MLA	1.4.4	Establishment of mortality benchmarks and management options within depot operations	2
		Ongoing	AHA	1.4.5	Inclusion of goats in animal health, welfare and biosecurity risk assessments	1
		2017	AHA	1.4.6	Development of goat industry welfare standards and guidelines in partnership with fibre and milk producers	1
		2018	AHA, MLA, RIRDC, GICA	1.4.7	Communication of goat industry welfare standards and guidelines with producers and other stakeholders	1

Area of work 2: Processor Productivity					
CSF and KPI	**Tactic**	**Due**	**Who**	**Activity/deliverable**	**Priority**
CSF: Development of strong, efficient supply chains KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020 KPI 5: A tightening of monthly year-on-year slaughter variance	2.1 Processing innovations and efficiency gains identified and remedial actions initiated	Ongoing	APMC, AMIC	2.1.1 GICA and MLA working with the processing sector to identify and investigate constraints and opportunities for operational, business and environmental efficiency gains. Innovations in pathology prevalence and intervention technologies should be a focus	1
		Ongoing	RDCs	2.1.2 Development of stronger linkages with 'across industry' networks, programs and funding for maximum efficiency	1

Area of work 3: Marketing and Market Access					
CSF and KPI	**Tactic**	**Due**	**Who**	**Activity/deliverable**	**Priority**
CSF: Development of strong, efficient supply chains KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020 KPI 4: On-farm production systems understood and benchmarking undertaken at an industry level	3.1 National product integrity systems	Ongoing	NLIS, GICA	3.1.1 Improved producer and depot compliance with NLIS and NVDs systems	1
		Ongoing	NRS	3.1.2 Residue risks proactively managed through a program of property audits and residue monitoring programs and these programs are supported by appropriate communication back to producers	1
		Ongoing	NRS	3.1.3 Residue monitoring programs continue to meet overseas and domestic market requirements	1
		Ongoing	AHA	3.1.4 Implementation of farm biosecurity tools supported by appropriate communication back to producers to support industry integrity	1
		2020	AHA	3.1.5 Increased producer awareness of endemic diseases, their potential impacts, and opportunity for improved product values through on farm biosecurity plans	1
		As needed	AHA, GICA	3.1.6 Initiation and support of animal health surveillance projects to assure animal health status for market access	1
CSF: Maintaining and improving market access	3.2 Market access limitations	2018	MLA, AMPC	3.2.1 Monitor, review and report on access conditions of Australian goat and goatmeat including import tariffs, quotas,	1

KPI 1: Best potential market opportunities identified and actioned by 2018	understood and priority areas for improvement identified	2018 Ongoing	MLA, AMPC MLA	import/biosecurity regulations and technical barriers to trade 3.2.2 Identification and prioritization of areas/markets where access conditions require improvement and agreed action plans implemented with outcomes and activities evaluated 3.2.3 Continued collation of specific market intelligence to address the chronic data vacuum	
CSF: Development of strong, efficient supply chains KPI 1: Best potential market opportunities identified and actioned by 2018	3.3 Delivery and implementation of strategic marketing programs to capitalise on identified opportunities	2018 2018 2018	MLA MLA MLA	3.3.1 Delivery of comprehensive market evaluations which assist industry in targeting high value growth opportunities for goatmeat products in Australia and key export markets 3.3.2 Implementation of targeted brand building activities through showcasing of *True Aussie Goat* as Australia's global positioning for goatmeat 3.3.3 Implementation of targeted business development partnerships with key influencers to boost consumption, improve product knowledge and menu penetration	

Area of work 4: Industry Affairs

CSF and KPI	Tactic	By when	Who	Activity/deliverable	Priority
CSF: Effective, visionary industry leadership KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020	4.1 Strategies and systems in place to manage succession planning, resourcing and productive representation at RMAC, government and GICA level	2018 Ongoing 2020 2016 2020	GICA, MLA RDCs, AHA, NRS, GICA, AMIC GICA GICA MLA, AHA, NRS, GICA	4.1.1 Development of strong, grassroots linkages to GICA and MLA through establishment of state goat committees, regional forums and active consultation across the supply chain 4.1.2 Establishment of annual investment plans with sufficient funding to action the highest priories as identified by this Plan 4.1.3 Sustainable funding stream implemented by and for GICA to ensure adequate industry representation 4.1.4 System in place to retain corporate knowledge and manage succession planning within GICA 4.1.5 GICA and RDC's performance reviewed against the deliverables identified in this Plan completed midway through the Plan and at its conclusion	1 1 1 1 1
CSF: Effective, visionary industry leadership	4.2 Activities initiated to streamline regulation and legislation to set	2018	GICA	4.2.1 Active engagement with relevant stakeholders to streamline legislation and regulation to ensure rangeland goats are recognised as a resource that must be managed	1

KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020	reasonable producer compliance expectations				appropriately in line with other livestock, rather than as a pest.	
CSF: Effective, visionary industry leadership KPI 2: An increase of XX producers consider goats a serious enterprise within their businesses and have established a 'managed' herd by 2020	4.3 Levy review	2020	GICA	4.3.1	Assess industry's appetite for a review of the levy process and rates	1

SWOT Analysis

Strengths	Opportunities
Rangeland goats are well adapted to their environment and are 'free-range'	Global demand for low cost protein likely to remain strong
Rangeland production systems generally low-cost, clean and green image overseas	Development of targeted strategies for different market types and market segments
Less reliable rainfall patterns may result in higher supply as goats are ideally suited to hot, dry environments	Development of markets for all parts of the carcase, offal and skins
Wide variety of genetic material within Australia both in Boer goats and via cross-breeding with rangeland goats	Capitalise on changing perceptions regarding goats being a resource not a pest and a greater value being placed on the animals
Strengthening, growing supply chains with more processors taking goats as demand increases	Providing 'proof of concept' about the environmental sustainability of rangeland goat production
Depot networks developing to provide effective means assemble large enough batches of animals for the supply chain	Promotion of integrated grazing and mixed farming systems that include goats as an integral component, for weed control, forage utilisation rough country grazing etc.
Strong and growing overseas demand - goatmeat is a natural part of many culture's diets	Improved extension and communication: develop industry champions, develop a support network, foster information channels
Communication easier to implement in a smaller industry	Many cultures consume goatmeat - no religious restrictions for the product
Strong domestic demand	Production gains through genetic improvement
Low fat product	Industry driving collaborative RD&E
	Improve goat production systems and herd management (and producer knowledge of these)
Weaknesses	**Threats**
Inconsistent supply of product and inconsistent product quality	Insufficient and/or unreliable supply and quality may retard market development, especially domestically
Negative perceptions and preconceived ideas held by potential producers and consumers. E.g. stigma of 'ferals', animals can't be contained, goatmeat smells. SA classification as pests	Increased domestic demand may result in more goats in high rainfall areas and increased risk of animal welfare or chemical residue problems arising
Insufficient industry data	Fluctuating Australian dollar
Lack of understanding of goatmeat amongst butchers, chefs, domestic cooks and non-traditional consumers	Environmental concerns about 'feral pests' may limit the industry's growth and/or impose controls upon producers
Insufficient knowledge of rangeland goat ecology, mortality, sustainable population numbers	Price competition from other meats
Traceability	Predation
Lack of confidence and knowledge of goat sale options	Animal welfare issues with stock management, depots and transport
Unwillingness by some processors to take goats due to perceived issues with salmonella, hair, contamination and limited kill space	The lack of approved veterinary chemicals for farmed goats runs the risk of off-label use and the loss of markets through residues
No meat quality assurance system for goatmeat and lack of differentiation amongst goatmeat	Inadequate management of rangeland goats and environmental harm
Insufficient knowledge of herd management e.g. nutrition, feeding preferences and options for improved parasite management	Inconsistent legislation across the states regarding pest status and NLIS requirements
Distances to slaughter – stress and welfare issues	Price sensitivity of product in many overseas markets

Reliance on small number of key markets for meat and live exports	Biosecurity concerns/risks
Limited knowledge about the end consumer and their needs	Vulnerability to seasonal conditions – especially drought
Limited knowledge and understanding of markets and market requirements	Extension services decreasing through traditional channels

Abbreviations

ABS	Australian Bureau of Statistics
AHA	Animal Health Australia
AMIC	Australian Meat Industry Council
AMPC	Australian Meat Processor Corporation
DA	Department of Agriculture
GICA	Goat Industry Council of Australia
LPA	Livestock Production Assurance program
MENA	Middle East, North Africa
MISP	Meat Industry Strategic Plan
MLA	Meat & Livestock Australia
NLIS	National Livestock Identification Service
NRS	National Residue Survey
NVD	National Vendor Declaration
RDC	Research and Development Corporation
RD&E	Research, development and extension
RIRDC	Rural Industries Research and Development Corporation
RMAC	Red Meat Advisory Council

Plan developed with grateful contributions from:
MLA, GICA, AHA, NRS, AMIC, LiveCorp and various individual producers, depot operators, service providers and processors.

References

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

1. Australian Bureau of Statistics (ABS)
2. Department of Agriculture (DA), Australia
3. BCS Agribusiness (2011) '*Australian Goat meat Supply Profile. B.GOA.0052'.* Meat & Livestock Australia. Sydney
4. Stokes, Tara (October 2009) Is it feasible to increase the supply of goatmeat in Australia given the nature, variability and risks in the market? Undergraduate Dissertation prepared as part of a Degree of a Bachelor of Agricultural and Resource Economics University of New England
5. MLA (2015) Australian Goat Industry Summary 2015, Meat & Livestock Australia. Sydney