



MARKET SNAPSHOT | GOATMEAT

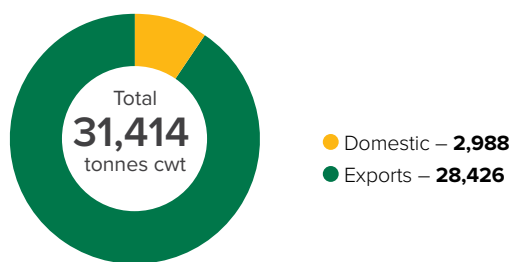
Global summary

Goatmeat is widely consumed around the world but remains a largely niche protein, in demand only among key ethnic segments. Per capita consumption varies greatly between countries and is largely underpinned by local production as well as tradition. While population growth and increasing household wealth provides a positive outlook for global meat consumption, Australian goatmeat needs to increase its level of familiarity and overcome barriers to trial to tap into opportunities in developed markets.

Challenges and opportunities for Australian goatmeat across the globe include:

- Goatmeat, when compared to other proteins, has the advantage of no religious taboos and, in some cultures, has a unique role in religious and traditional family events.
- Its niche status can be considered a challenge, but also an opportunity in markets where there is potential to dial up health and premiumisation credentials.
- Consumers' lack of familiarity with goatmeat and consequent low confidence preparing it remain challenges for goatmeat across many markets.
- The US is the dominant importer of Australian goatmeat, but there is opportunity to expand globally and diversify markets. Australia's ability to capitalise on this potential will depend on remaining price competitive to local production, and the ability of other major goat producing countries to shift into the export market.
- Australian goatmeat production and exports are exposed to the somewhat volatile supply of the rangeland goat flock and seasonal conditions.

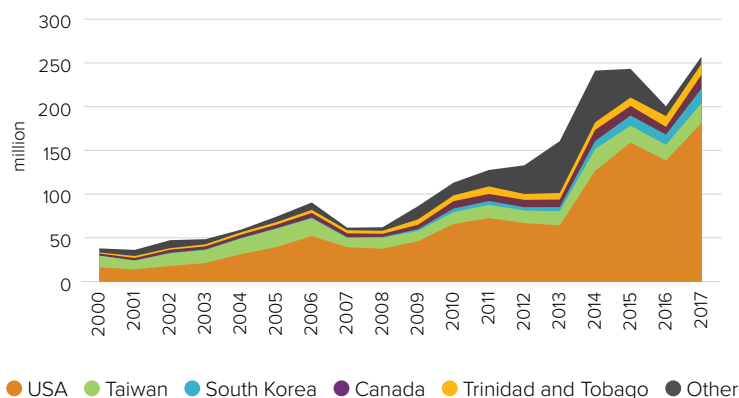
Australian goatmeat production



Total 31,414 tonnes carcass weight (cwt)

Source: DAWR, ABS, 2017

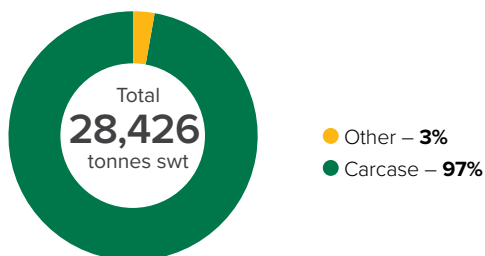
Australian goatmeat exports by market – value



In million \$AUD

Source: Global Trade Atlas

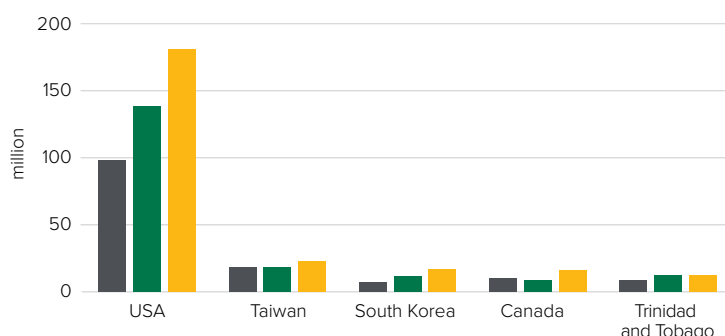
Australian goatmeat exports by cut



Total 28,426 tonnes shipped weight (swt)

Source: DAWR, 2017

Australian goatmeat exports by key destination – value



● Five-year average (2011–15) ● 2016 ● 2017

In million \$AUD

Source: Global Trade Atlas

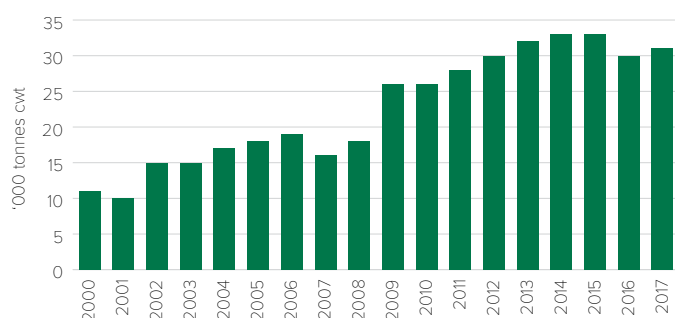


Australia



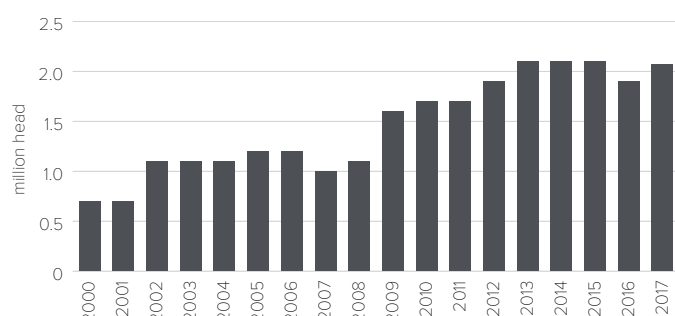
Production and the domestic market

Australian goat production



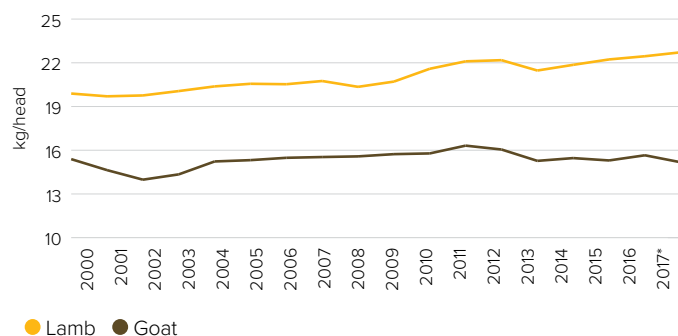
Source: ABS

Australian goat slaughter



Source: ABS

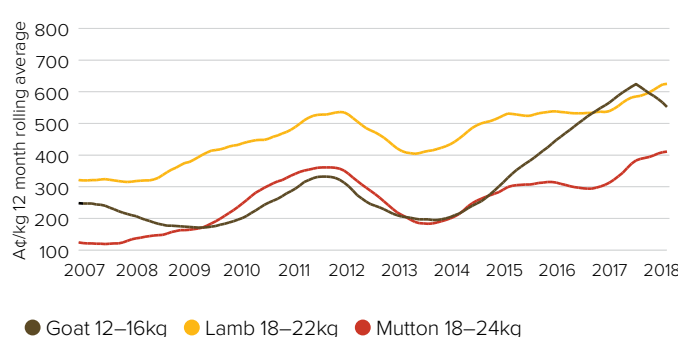
Australian carcase weight



● Lamb ● Goat

Source: ABS 2017* = Last data available is for November 2017

Over-the-hooks indicator comparison



● Goat 12-16kg ● Lamb 18-22kg ● Mutton 18-24kg

Source: MLA

- Australian goat slaughter rose by 7% year-on-year to 2.07 million head in 2017. Goat slaughter peaked in 2015 following a period of historically low rainfall across eastern Australia. However, 2016 saw an improvement in seasonal conditions across key goat producing regions, tightening supplies in the short-term but accounting for some of the recovery in 2017.
- Goat production was 4% higher on the previous year, totalling 31,000 tonnes carcase weight (cwt). Unlike sheep and lamb, goat carcase weights have had little influence on production

figures, hovering between 15-16kg as they have been for the past decade. Strong local prices have significantly diminished the demand for Australian live goat exports, with 12,209 head shipped in 2017, representing a fall of 86% since 2015.

- After a steady upward trajectory for the most part of four years, over-the-hook goat price indicators peaked in July 2017 and since then have fallen, caused in part by the strengthening Australian dollar, increasing supplies of other small stock and some permanent or temporary plant closures. Prices are currently similar to levels from 12 months prior.

Summary table

Year	00	01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17
Slaughtering ('000 head)	737	713	1,056	1,078	1,128	1,204	1,201	1,035	1,124	1,637	1,676	1,739	1,857	2,073	2,129	2,140	1,934	2,071
Average carcase weight (kg)	15.4	14.6	14	14.3	15.2	15.3	15.5	15.5	15.6	15.7	15.8	16.3	16.1	15.3	15.5	15.3	15.7	15.2
Production ('000 tonnes carcase weight)	11.4	10.4	14.8	15.5	17.2	18.4	18.6	16.1	17.5	25.8	26.5	28.4	29.8	31.7	32.9	32.7	30.3	31.4
Goat exports ('000 tonnes shipped weight)	12.5	12.4	15.7	15.9	16.9	18.2	19.5	16.7	18.2	24.8	25.9	25.9	29.1	32.7	35.8	30	26.8	28.4
Goat exports ('000 AUD)	37,941	36,210	47,326	48,488	59,294	74,212	90,386	61,620	62,102	86,249	113,051	127,587	132,886	160,559	241,208	243,167	200,322	257,194
Live goat exports ('000 head)	51.3	106	136.1	70.9	50.5	41.7	57.6	89.9	79.8	97.6	77.4	63.3	61.9	75.1	88.5	87.7	54.2	12.2
Live goat exports ('000 AUD)	3,072	6,761	10,249	12,396	4,682	5,086	7,126	11,367	9,190	11,491	10,346	8,408	8,114	8,373	8,646	10,215	7,979	2,824

Source: ABS, DAWR, Global Trade Atlas



The goatmeat production industry is well-regarded among Australian consumers, ranked the least impactful on both the environment and animal welfare of all meats, except kangaroo. (Source: Pollinate Consumer Tracker 2017).

The majority of goatmeat is harvested from semi-wild rangeland goats. A 2017 survey of NSW goatmeat producers found that 71% of the 454 enterprise producers who responded had a harvest enterprise, while 29% operated a managed or semi-managed enterprise. (Source: NSW DPI/MLA Goat Industry Data Collation and Tracking Project, 2017).

However, most Australian consumers rarely eat goatmeat, although one third of consumers would consider doing so. (Source: MLA Domestic Consumer Tracker 2017).

Goatmeat is considered most suitable for slow, wet cooking methods like curry, and as such is strongly associated with Indian, Pakistani and Nepalese cuisines. On menus, goat is often interchangeable with lamb and other red meats. (Source: GlobalData Foodservice Menu Intelligence, 2017).

Potential success drivers for goatmeat in Australia

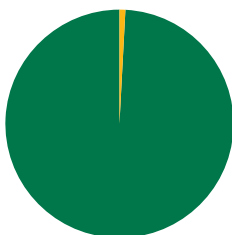
These drivers have been successful among other secondary proteins such as turkey, kangaroo and duck.

- 1. A bit special** – giving consumers the opportunity and tools to make a restaurant-quality goat dish at home
- 2. New food culture** – taking advantage of goat being a widely-consumed meat to kickstart a new trend
- 3. Seasonal suitability** – finding a season to suit goat, like summer for seafood and spring for lamb
- 4. Health credentials** – goat is lean, and not much of it is needed to impact a dish.

(Source: MLA/DIJ Strategy, Value Adding Goatmeat for Australian Consumers, 2017).

Exports to global markets

Exports live vs boxed by value

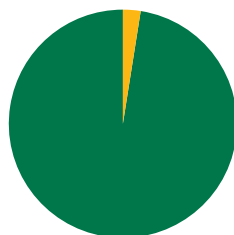


Total A\$260 million

● Boxed – 99% ● Live – 1%

Source: Global Trade Atlas, ABS, 2017

Exports (boxed) by cut

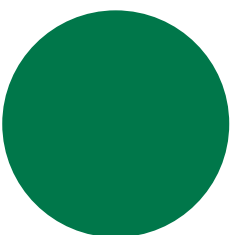


Total 28,426 tonnes swt

● Carcase – 97% ● Other – 3%

Source: DAWR, 2017

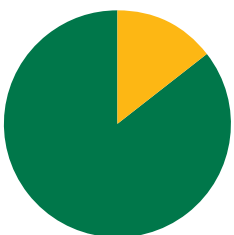
Exports (boxed) chilled vs frozen



● Frozen – 99.5% ● Chilled – 0.5%

Source: DAWR, 2017

Australia's share of global exports (boxed) by volume*

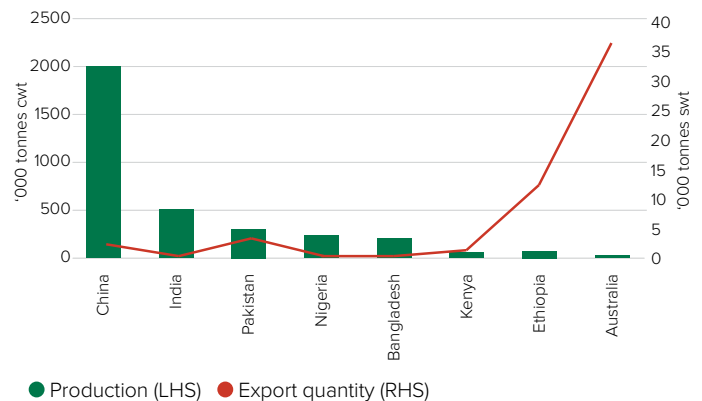


● Australia – 85% ● Other – 15%

Source: Global Trade Atlas, * Oct 2016 – Sep 2017 Based on major goatmeat suppliers only.

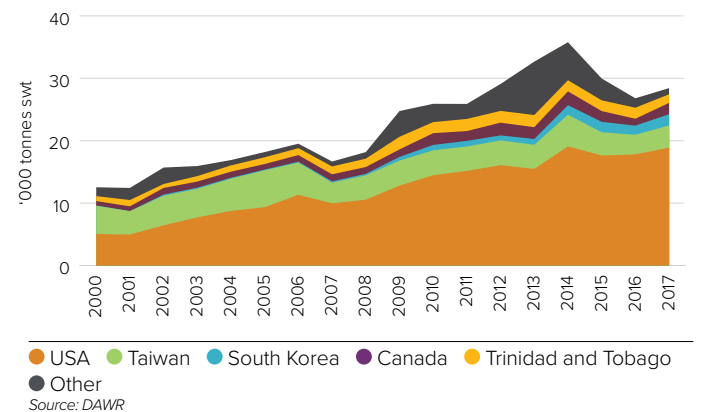
- Australian goatmeat is almost exclusively exported as a whole carcase (frozen). In 2017, only 1% of total export value was live, representing a substantial decline on 2016. The live export market has been strongly affected by price-sensitive demand in Malaysia, which receives the vast majority of live goats.
- Globally, Australia is a minor producer of goatmeat but one of the biggest exporters.
- Goatmeat shipments recovered in 2017, increasing 6% year-on-year to 28,426 tonnes swt, halting a three-year decline in the trade and reflecting the increase in goat supplies. Australian goatmeat exports were valued at \$257 million in 2017, which was a 42% gain on the previous year.

Global goatmeat production and exports

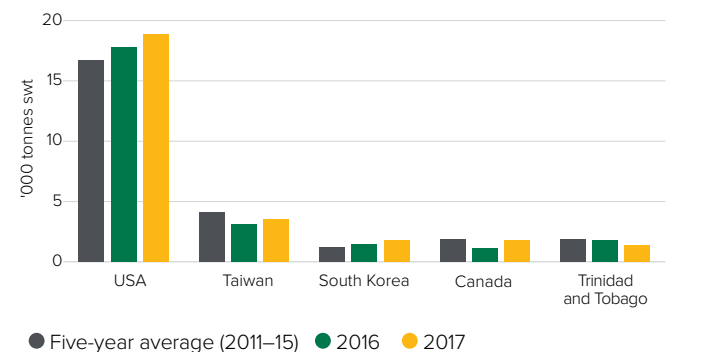


Source: FAO (2013 data)

Australian goatmeat exports by volume



Australian goatmeat exports by key destination

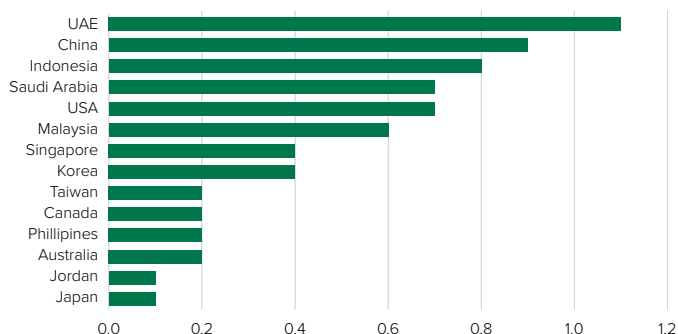


Source: DAWR



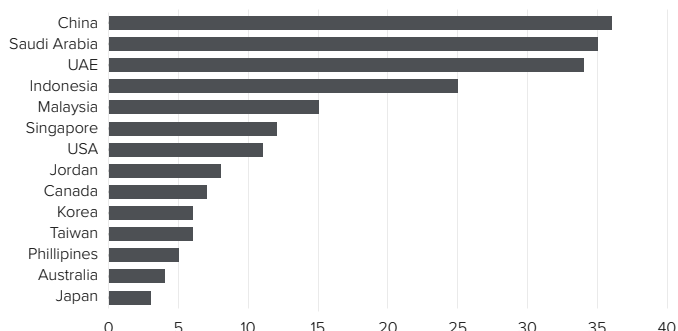
- The US remains the key market for boxed goatmeat, accounting for 66% of exports by volume in 2017. Taiwan, Trinidad and Tobago, South Korea and Canada are also consistent importers of Australian boxed goatmeat, while Malaysia is the main destination for live trade.
- MLA's *Global Consumer Tracker 2017* suggests that there are also a number of markets with latent demand for goatmeat that do not currently feature in top export destinations for Australia, that may present growth opportunities in future with the right market conditions.

Average goat meals in past seven days



Source: MLA Global Consumer Tracker 2016 and 2017

Monthly penetration of goatmeat (%)



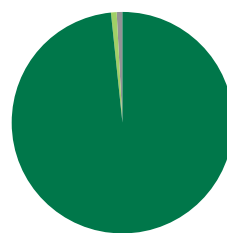
Source: MLA Global Consumer Tracker 2016 and 2017

USA and Canada



- North America has long been the largest and most important market for Australian goatmeat. This is set to continue, driven by population growth, demographic change, and evolving consumer tastes.
- The US accounts for 66% of Australian goatmeat exports in 2017, a total of 18,885 tonnes. Canada is also a significant market, accounting for 6% in 2017. (Source: Global Trade Atlas).
- Exports to both markets have increased significantly year-on-year, with exports to the US up 6.1% and Canada up 63.6% compared to 2016. (Source: Global Trade Atlas). In the US market, Australia is the dominant player in imported goatmeat, accounting for 98.5% of imports.
- The Canadian market has seen significant changes in 2017. Australia remains the major player, but New Zealand imports have increased more than 100% year-on-year to now pose serious competition to Australia. Furthermore, the USA has started exporting goatmeat in significant quantities to Canada, with 32 tonnes recorded in 2017. (Source: Global Trade Atlas).

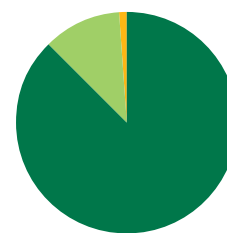
USA goatmeat imports



● Australia – 98.4% ● NZ – 0.9% ● Mexico – 0.7%

Source: Global Trade Atlas, 2017

Canada goatmeat imports

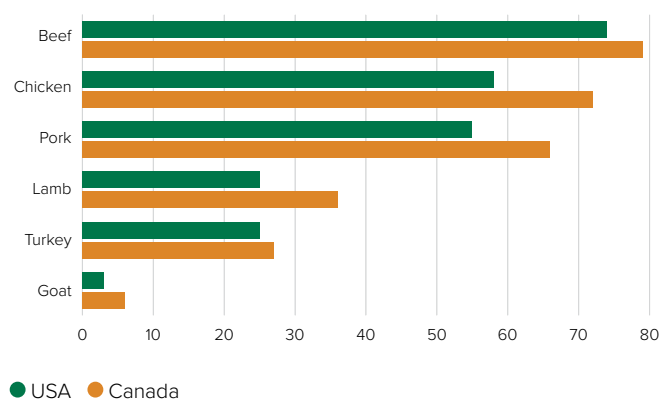


● Australia – 87.6% ● NZ – 11.2% ● United States – 1.1%

Source: Global Trade Atlas, 2017

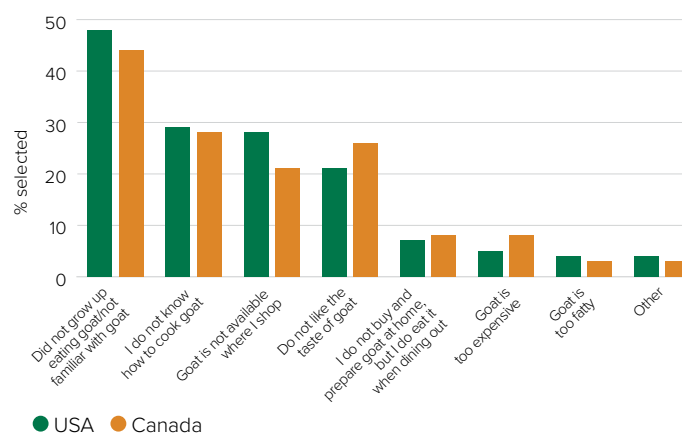
- Although goatmeat consumption is growing, goat remains a niche protein in North America, with a low 'share of mind' when it comes to meats consumers consider buying. The main reason for this is that many consumers are simply not familiar with goatmeat, having not grown up eating it as part of their meat repertoire, and therefore don't know how to cook it.

Spontaneous awareness (%)



Source: MLA Global Consumer Tracker 2017

Barriers to buying goatmeat



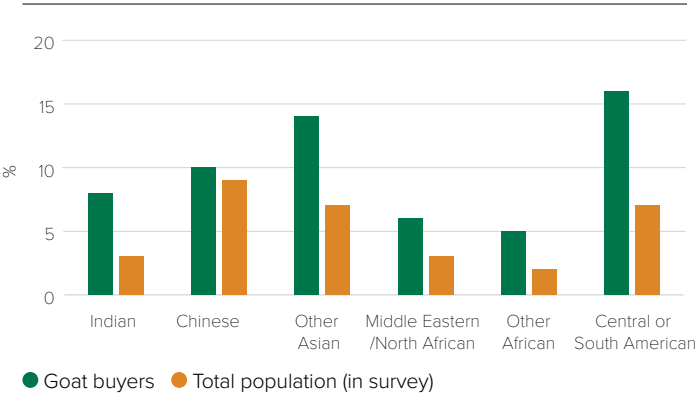
Source: MLA Global Consumer Tracker 2017

- Those who buy goat are likely to do so based on their own cultural experience. Many of those who have previously bought goatmeat are 'urban eclectics' – younger, urban, affluent consumers looking for shortcuts when buying and preparing meat. Compared to the general population, they care more about novelty, variety, healthiness, and animal welfare. (Sources: MLA Global Consumer Tracker 2017 and Midan Marketing "Meat Consumer Segmentation" 2016).



- Goat buyers are likely to identify as having ethnic origin outside of North America, with a skew towards Latino, Indian and Middle Eastern backgrounds.

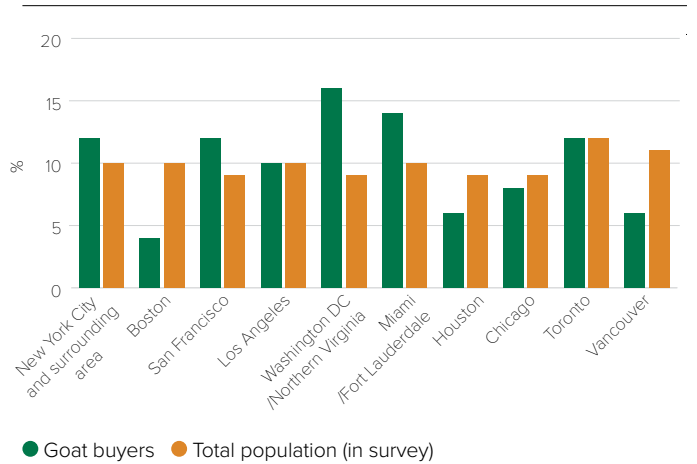
Ethnic background



Source: MLA Global Consumer Tracker 2017

- Additionally, 6.9% of goat buyers identify as followers of Hinduism or Islam – more than 2.5 times the national average. Of the surveyed regions, goat buyers skew towards Washington DC, San Francisco, and Florida.

Geographic distribution



Source: MLA Global Consumer Tracker 2017

- Goat buyers tend to be larger consumers and more frequent buyers of all meats, especially lamb - goat buyers are twice as likely to have also bought lamb in the past month. (Source: MLA Global Consumer Tracker 2017).
- Goatmeat tends to be bought by those who love meat of all kinds and are looking to expand their tastes and cooking repertoires.
- Goatmeat is usually sold in cubes and can be seen as interchangeable with mutton and even lamb among some groups. A survey of menus featuring goatmeat suggests it is typically used in curry, stew or other slow-cooked cuisine, often Indian or Nepalese, and frequently offered as a choice of meat alongside lamb or beef. Other cuisines where goatmeat features prominently include Caribbean, North African, and Mediterranean. Goatmeat is increasing its presence on menus, with a 43% growth in penetration from 2011–15, but remains niche. A growing trend in foodservice is pulled goat, often as an ingredient in tacos or burgers. (Sources: Datassential MenuTrends, 2016; GlobalData Foodservice Menu Intelligence, 2017).

Consumer profile

2017e 2021f

US			
Population (million)		324.5	333.8
Gross domestic product per capita (US\$)		57,401	65,013
Household earning >US\$35,000/year	Number of households (million)	74.1	82.0
	% of total households	68.9	73.0
Household earning >US\$50,000/year	Number of households (million)	51.5	59.6
	% of total households	51.1	56.5
Canada			
Population (million)		36.6	37.9
Gross domestic product per capita (US\$)		45,320	51,065
Household earning >US\$35,000/year	Number of households (million)	11.0	12.2
	% of total households	77.8	81.4
Household earning >US\$50,000/year	Number of households (million)	7.4	8.6
	% of total households	54.5	59.9

Source: BMI Research

Taiwan



- In 2017, Taiwan was the second largest market for Australian goat exports behind the US – a position it has held since 1996. Australian goatmeat makes up almost the entire import market, with the only other importer being New Zealand.
- Goat is typically shipped to Taiwan as skin-on carcasse. Higher prices, competition from other markets and limited supply of skin-on goat are the main contributing factors that have led to the recent fall in Australian goatmeat exports to Taiwan.
- In terms of domestic production, the Taiwanese goat herd consists of mainly purebred Nubian and Nubian-Boer crossbreeds.
- Typically consumed in restaurants, goatmeat contributes to a relatively small portion of the total protein consumed in Taiwan. Identified as a ‘warming medicinal’ food due to its ability to strengthen and warm the body, goat is typically served in specialised restaurants during winter, and in slow-cooked dishes such as Chinese herbal stews and hotpots.
- Familiarity and availability remain key challenges for goatmeat consumption at home.

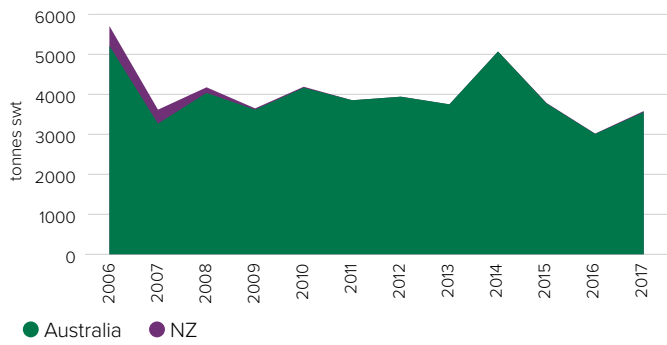
Goatmeat compared to other proteins

Strengths	Weaknesses
Low in fat	Easy and convenient to purchase
High nutritional value	My/my family's favourite
The animal is well-cared for	Can be used in many different meals

Source: MLA Global Consumer Tracker 2016, Taiwan

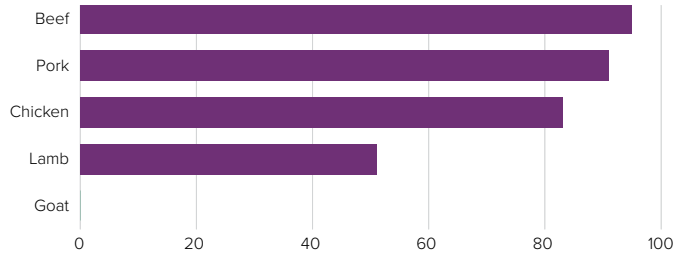


Taiwan goatmeat imports



Source: Global Trade Atlas, Taiwan Directorate General of Customs

Spontaneous awareness (%)



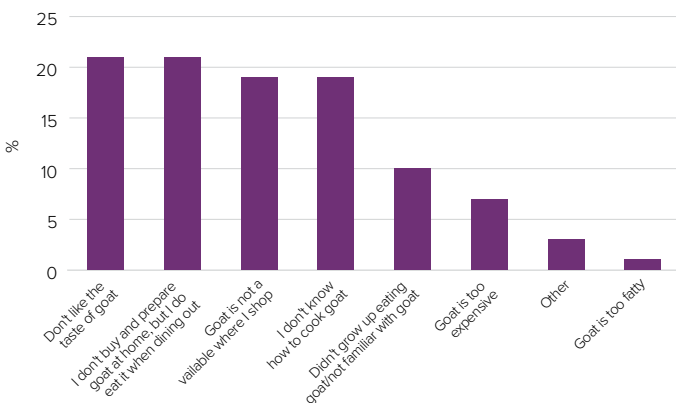
Source: MLA Global Consumer Tracker 2016, Taiwan

Share of Taiwan goatmeat imports



Source: Global Trade Atlas, 2017

Barriers to buying goatmeat (%)



Source: MLA Global Consumer Tracker 2016, Taiwan

Consumer profile

2017e 2021f

Taiwan			
Population (million)		23.6	23.9
Gross domestic product per capita (US\$)		24,433	31,287
Household earning >US\$35,000/year	Number of households (million)	2.8	3.8
	% of total households	31.4	41.7
Household earning >US\$50,000/year	Number of households (million)	1.2	1.8
	% of total households	13.3	19.4

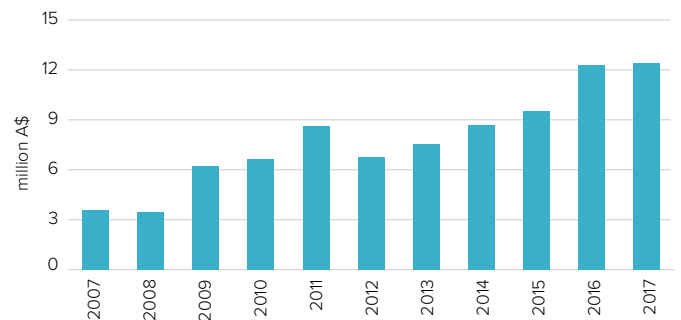
Source: BMI Research

Trinidad and Tobago



- Trinidad and Tobago is a twin island located just off the north-eastern coast of Venezuela in the Lesser Antilles. As well as being a major financial centre in the Caribbean, it remains Australia's largest trading partner in the region.
- The Caribbean Agricultural Research & Development Institute states that there are more than six million sheep and goats being raised on farms across the Caribbean, and meat from these small ruminants is a highly desirable commodity. Goatmeat cuisine is enjoyed throughout the Caribbean, often in the form of a traditional Indo-Caribbean curry goat dish, popular for celebratory occasions.
- In 2017, goatmeat contributed to a significant proportion of bilateral trade between Australia and Trinidad and Tobago. Throughout the year, Australia exported 1,378 tonnes shipped weight (swt) of goatmeat to the country, valued at A\$12.4 million (Source: DAWR, GTA). The value of Australian goatmeat exports to Trinidad and Tobago, while coming off a low base, have risen steadily over the past decade. While volumes have remained relatively stable, the average export value of goatmeat has risen in line with Australian domestic over-the-hook prices.

Australian goatmeat exports to Trinidad and Tobago – value



Source: ABS/GTA

Consumer profile

2017e 2021f

Trinidad and Tobago		
Population (million)	1.37	1.38
Gross domestic product per capita (US\$)	15,171	13,248

Source: BMI Research



Indo-Caribbean style curry goat dish

Source: Shutterstock



Korea



- Although goatmeat is not a common protein in daily diets, it is consumed by many Koreans for medicinal purposes due to traditional beliefs that goatmeat has high nutritional value, can help circulate energy, balance the yin and yang, and invigorate the body. It is increasingly consumed during the *Sambok* period (the hottest days in summer, from mid-July to mid-August).
- Korean consumers have a preference for skin-on goatmeat, which is typically served in specialised restaurants, and in slow-cooked dishes such as stews, soups, or boiled dishes. Familiarity and availability remain key challenges for goatmeat consumption at home.
- Korea is one of the world's largest online retail markets, but the use of the online retail channel for meat purchase remains limited due to consumer concerns about food safety, and a preference for seeing the meat before buying it. However, usage has grown recently on the back of rapid change in lifestyles and shopping habits of Korean consumers (online transaction value of meat, fish and seafood totalled at approximately A\$2.4 billion in 2017, up 18% year-on-year (Source: KOSIS). Local or Australian goatmeat can be found on major online shopping platforms such as *Gmarket*, *Auction*, and *11Street*. Some online vendors have incorporated an introduction of cuts and cooking methods that suit Korean tastes, alongside the product listing, to boost consumer awareness.
- Goatmeat in Korea is derived from both domestic supplies and imports, with Australia being a long-standing key trading partner. Goatmeat imports from Australia reached a record high in 2017 (at 1,752 tonnes shipped weight, up 9%). The increased demand for goatmeat was partly supported by the influx of Nepalese residents in Korea.

Goatmeat compared to other proteins

Strengths

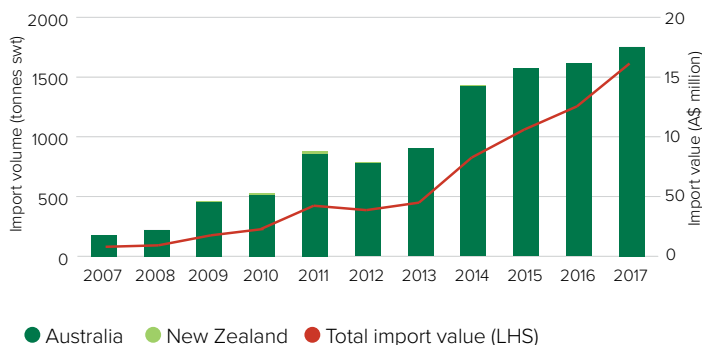
Low in fat
High nutritional value
The industry is environmentally sustainable

Weaknesses

Easy and convenient to purchase
Tastes delicious
Can be used in many different meals

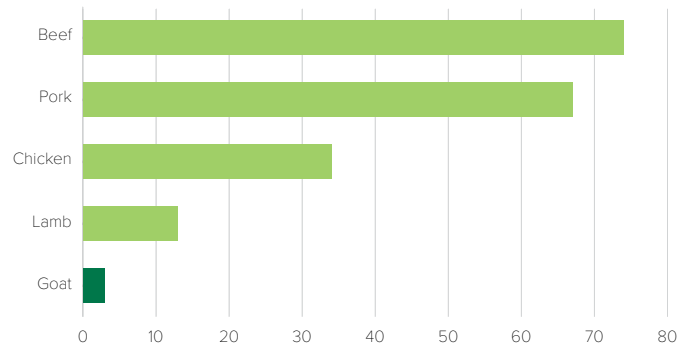
Source: MLA Global Consumer Tracker 2017, Korea

Korea goatmeat imports



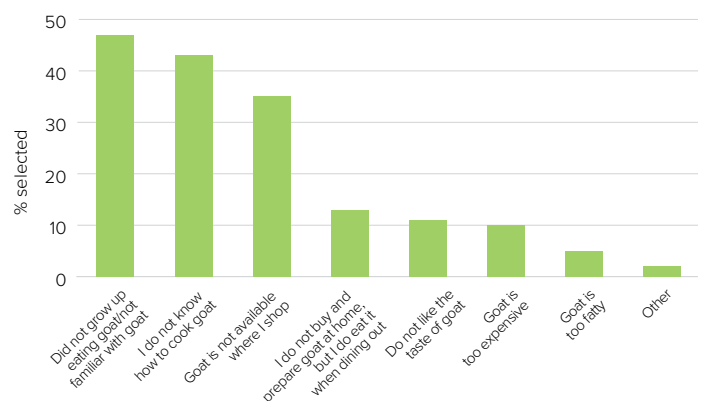
Source: Global Trade Atlas

Consumer spontaneous awareness (%)



Source: MLA Global Tracker 2017, Korea

Barriers to buying goatmeat



Source: MLA Global Tracker 2017, Korea

Consumer profile

2017e 2021f

Korea		
Population (million)	51.0	51.7
Gross domestic product per capita (US\$)	30,180	40,981
Household earning >US\$35,000/year	Number of households (million)	13.3
	% of total households	64.7
Household earning >US\$50,000/year	Number of households (million)	6.5
	% of total households	31.8
		54.4



Korean goat stew dish

Source: MLA



Malaysia



- Goatmeat remains the least frequently consumed protein compared to other major meats. However, it can be widely used in place of other meats in a number of popular meat-based Malaysian dishes, such as curry and rendang (a slow-cooked dish of meat, spices and coconut milk).
- Goatmeat is consumed less at home due to a range of factors, it is consumed more at restaurants and celebration/ceremonial venues. Malaysia has a greater proportion of consumers surveyed claiming that they do not buy and prepare goatmeat at home but do eat it when dining out in comparison with the global average (Source: MLA Global Consumer Tracker 2017, Malaysia).

Goatmeat compared to other proteins

Strengths

The animal is well-cared for

Guaranteed safe to eat

The industry is environmentally sustainable

Weaknesses

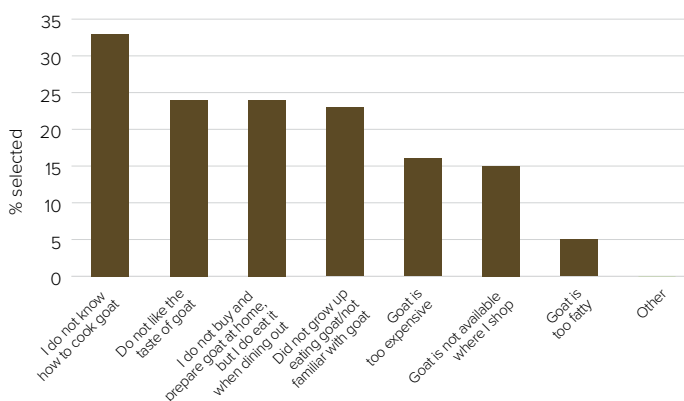
Easy and convenient to purchase

Essential part of children's diet

Easy and convenient to prepare

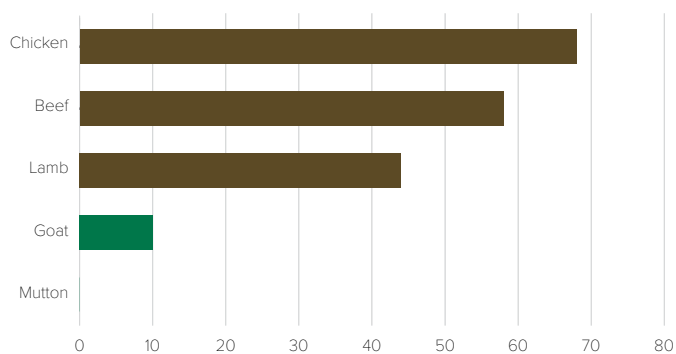
Source: MLA Global Consumer Tracker 2017, Malaysia

Barriers to buying goatmeat



Source: MLA Global Tracker 2017, Malaysia

Consumer spontaneous awareness (%)

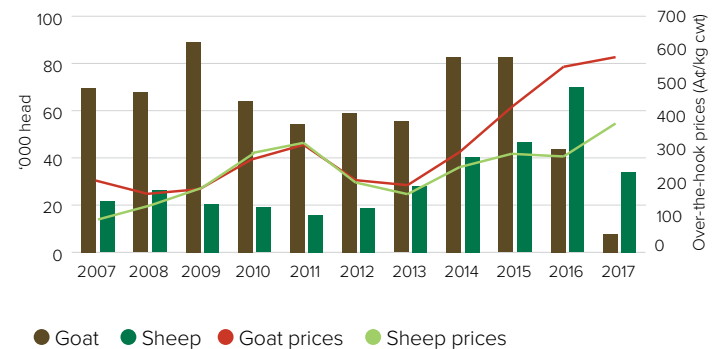


Source: MLA Global Tracker 2017, Malaysia

- Malaysia relies heavily on imports for red meat supplies including goatmeat (more than 80%) (Source: Department of Statistics Malaysia). Australia has long been the largest supplier of goatmeat to the market.
- Malaysia is also the largest export market for Australian live goat. However, the surge in live goat prices has resulted in a dramatic decline in trade (down 75% to 11,523 head in 2017 from 46,119 head in 2016).

- Australia's high goat prices and tight supplies have led Malaysian importers to seek alternative, more affordable sources of live goat such as Myanmar or Thailand, and other substitute products for goatmeat.
- Australian live sheep prices are more affordable and available than goat; furthermore, sheepmeat can be used interchangeably with goatmeat in many Malaysian dishes. As such, there has been a recent rise in Australian live sheep exports to Malaysia. However, the market remains highly price-sensitive.

Australian live goat vs. live sheep exports to Malaysia



Source: ABS (2007–2014), DAWR (2015–2017), MLA's NLRS.

Prices are based on over-the-hook prices of goat (12.1-16kg) and mutton (14-18kg)



Goatmeat sold at a modern retail

Source: MLA

Consumer profile

2017e 2021f

Malaysia			
Population (million)		31.6	33.3
Gross domestic product per capita (US\$)		9,938	13,774
Household earning >US\$35,000/year	Number of households (million)	0.9	1.8
	% of total households	12.0	21.9
Household earning >US\$50,000/year	Number of households (million)	0.4	0.9
	% of total households	5.6	10.8

Source: BMI Research





Market access overview

North America	Korea	Taiwan	Trinidad and Tobago	Malaysia
Trade agreement US – Australia-United States Free Trade Agreement (AUSFTA) Canada – no free trade agreement Import tariff – 0% Technical access US – Issues include point of entry inspection, label approvals and port mark compliance.	Trade agreement Korea-Australia Free Trade Agreement (KAFTA) Import tariff 11.2% in 2018 9.0% in 2019 0% in 2023 Under KAFTA	Trade agreement No free trade agreement Import tariffs Frozen and chilled goatmeat NT\$11.3/KGM or 15% whichever is higher	Trade agreement No free trade agreement Import tariff 0% under Common external tariff of the Caribbean Community (CARICOM CET)	Trade Agreement ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) Malaysia-Australia Free Trade Agreement (MAFTA) Import tariff – 0% for meat of goat and live goat Technical access Maintains import regulations in accordance with Halal requirements.

Source: World Trade Organization, Canada Border Services Agency, MLA, Customs Administration, DFAT, Customs Administration - Republic of China, St. Lucia Customs & Excise Department.



Australian goatmeat exports – summary table

Volume – in tonnes shipped weight (swt)		2017	% out of total	2016	% out of total	5-year average (2012-2016)	% out of total	change 2017 vs 5-yr av.	
								%	in tonnes swt/A\$
Total		28,426	100	26,794	100	30,861	100	-8	-2,434
Storage	Chilled	13	0.05	5	0.02	70	0.2	-81	-57
	Frozen	28,413	99.95	26,789	99.98	30,790	99.8	-8	-2,377

Source: DAWR

Value – in A\$ 000

Total	257,194	200,322	195,628	31	61,566
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Source: ABS/GTA

Australian goatmeat exports to US

Carcase	18,202	96	17,090	96	16,379	95	11	1,823
Total volume in tonnes swt	18,885	100	17,807	100	17,216	100	10	1,669
Total value A\$ 000	181,078		138,333		110,991		63	70,087

Source: DAWR, GTA

Australian goatmeat exports to Canada

Carcase	1,795	99	1,109	100	1,742	97	3	53
Total volume in tonnes swt	1,814	100	1,109	100	1,796	100	1	18
Total value A\$ 000	15,768		8,851		9,897		59	5,872

Source: DAWR, GTA

Australian goatmeat exports to Taiwan

Carcase	3,553	100	3,140	100	3,943	99.7	-10	-390
Total volume in tonnes swt	3,553	100	3,140	100	3,953	100	-10	-400
Total value A\$ 000	22,842		17,953		18,553		23	4,288

Source: DAWR, GTA

Australian goatmeat exports to South Korea

Carcase	1,792	99	1,462	100	1,278	99.9	40	514
Total volume in tonnes swt	1,806	100	1,462	100	1,279	100	41	527
Total value A\$ 000	16,665		11,745		8,211		103	8,454

Source: DAWR, GTA

Australian goatmeat exports to Trinidad and Tobago

Carcase	1,367	99	1,765	100	1,775	98	-23 -408
Total volume in tonnes swt	1,378	100	1,765	100	1,819	100	-24 -441
Total value A\$ 000	12,433		12,260		8,959		39 3,474

Source: DAWR, GTA

Australia live goat exports total

Total volume in head	12,209		54,201		73,873		-83	-61,664
Total value A\$ 000	2,824		7,979		8,666		-67	-5,842

Source: DAWR (2016, 2017 volume); ABS/GTA (5-year-average volume, and value)

