

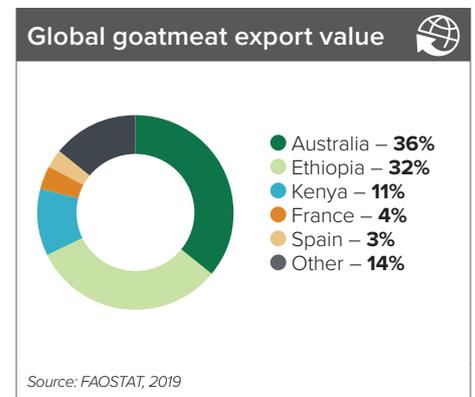
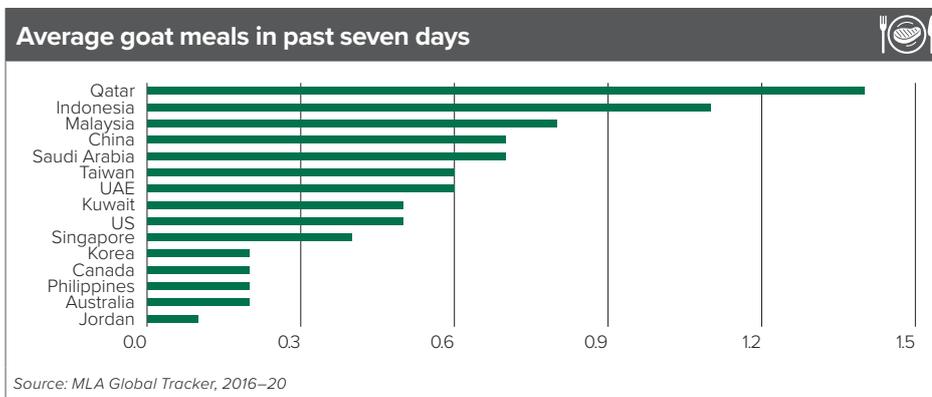
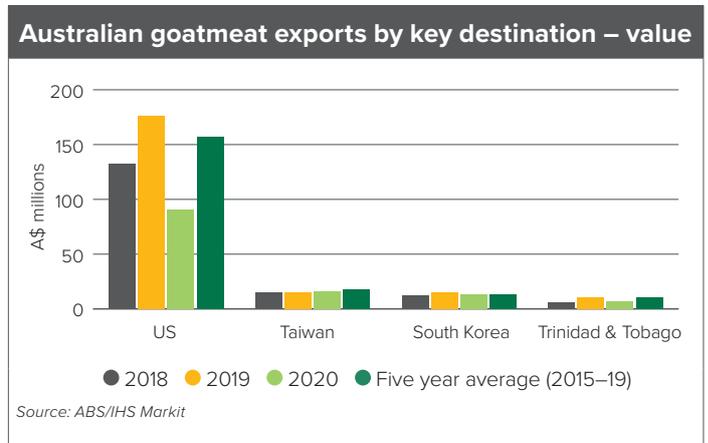
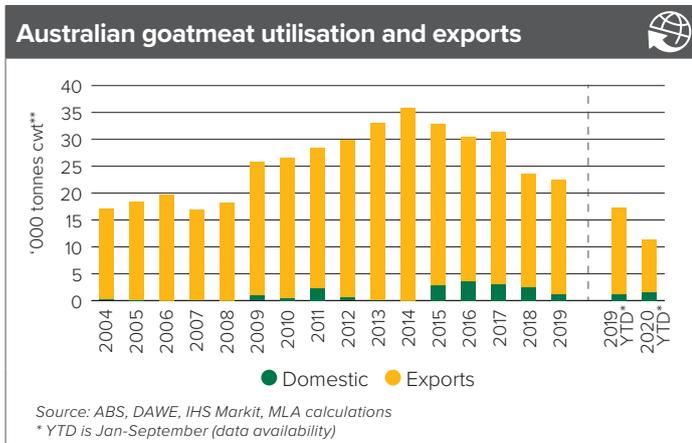
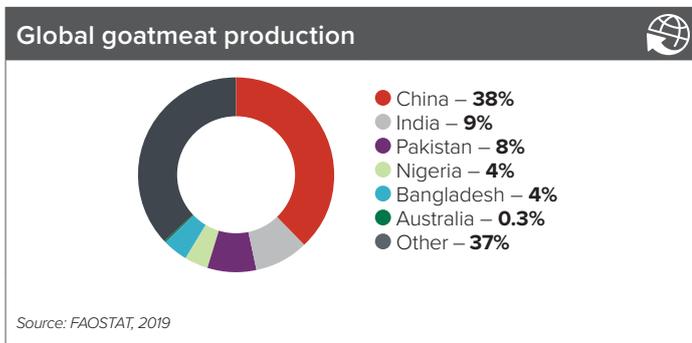


# GLOBAL SNAPSHOT | GOATMEAT



Goatmeat is widely consumed around the world but remains a largely niche part of many consumers' diets, with demand mostly among key ethnic segments. Per capita consumption varies greatly between countries and is largely underpinned by local production and tradition. While population growth and increasing household wealth provide a broadly positive outlook for global meat consumption, Australian goatmeat needs to overcome some key barriers to tap into opportunities in developed markets.

- Goatmeat, like sheepmeat, has no religious taboos when compared with other proteins such as beef and pork, 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 the health and nutritional credentials of goatmeat.
- Consumers' lack of familiarity with goatmeat and consequent low confidence preparing it remain challenges for it across many markets.
- Australian goatmeat production and exports are exposed to the somewhat volatile supply of the rangeland goat flock and seasonal conditions.
- 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 sheepmeat and other red meats  
*(Source: GlobalData Foodservice Menu Intelligence, 2017).*



\*\*carcase weight

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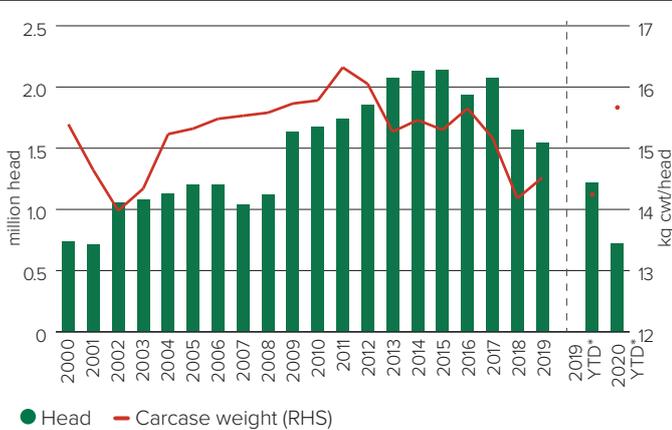
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## Production and supply

- The majority of goatmeat is harvested from 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).
- According to MLA's NLRS, eastern states' goat slaughter fell by 42% year-on-year in 2020, totalling 707,000 head. Drought-induced destocking over the past few years has had an impact on goat supply, with slaughter easing across all states.
  - Queensland totalled almost 286,000 head, back by 25%
  - Victoria totalled just over 231,000 head, a decrease of almost half (-49%) from 2019
  - SA more than halved, processing almost 119,000 head (-58%)
  - NSW processed just over 72,000 head, back by a third (-33%).

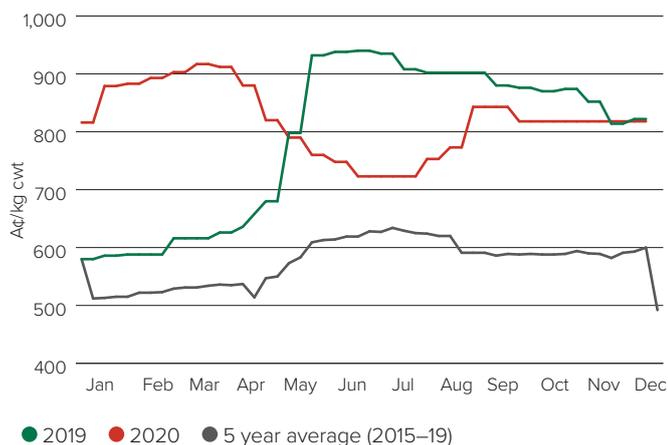
### Australian goat slaughter and carcass weights



Source: ABS, YTD is Jan-Sept (data availability)

- Goatmeat production in 2020 (12 months ending September) was 24% lower year-on-year, totalling 16,357 tonnes carcass weight (cwt). Average carcass weights lifted 10% in the same period, to 15.6kg/head, offsetting some of the decline in slaughter.
- After reaching record levels in 2019, goat over-the-hooks prices remained historically high in 2020, peaking at 917¢/kg cwt in early March and averaging 819¢/kg for the year. Prices stabilised in late May and tracked below year-ago levels for the remainder of 2020.

### Goat over-the-hook prices



Source: MLA's NLRS, 12.1-16kg cwt

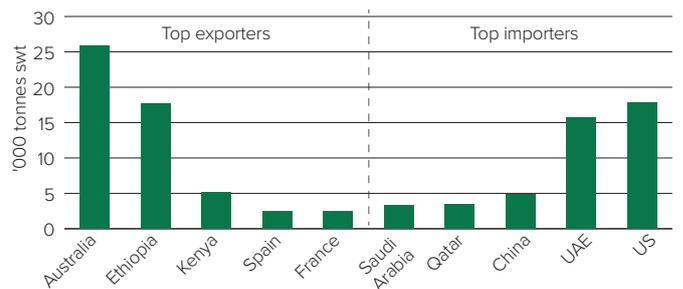
### Impact of COVID-19

- COVID-19 has had an unprecedented and widespread impact on Australia's domestic and global markets. Globally, international trade and the foodservice and retail sectors have all been affected. You can read more about these impacts in our [beef and sheepmeat market snapshots](#).
- Flight path disruptions in early 2020 also had an impact on the live trade, as goats are exclusively shipped by air.
- Lower exports and domestic consumption are likely the result of the tight supply and lower levels of production in 2020. However the impacts of COVID-19 on foodservice globally may have affected consumer demand – as most Australian goatmeat is sold through that channel.

## Exports

- Globally, Australia is a minor producer of goatmeat but one of the largest exporters. Australian goatmeat is almost exclusively (97%) exported as a frozen whole carcass (Source: DAWE).

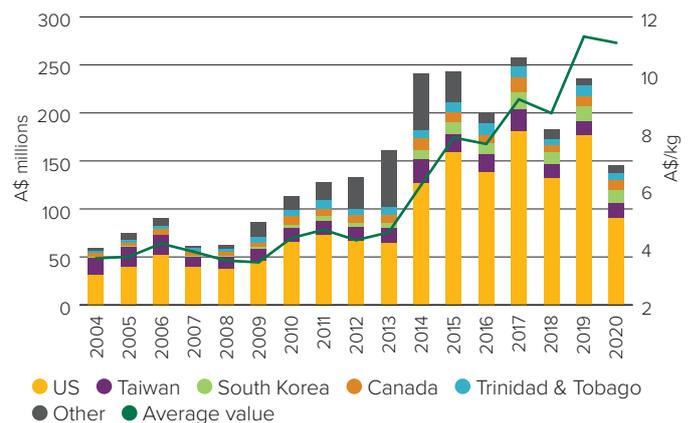
### Top five exporters and importers



Source: FAO/STAT, 5 year average (2015-19)

- Goatmeat exports decreased in 2020, down by 33% year-on-year to total 14,147 tonnes shipped weight (swt). This was largely a result of tightening supply, as well as impacts on the global foodservice sector – the main channel for Australian goatmeat. Australian goatmeat exports were valued at A\$145.5 million in 2020, down 38% from 2019 levels.
- The US remains the key market for boxed goatmeat, accounting for 60% of exports by volume in 2020. Taiwan, Trinidad and Tobago, South Korea and Canada are also consistent importers of Australian boxed goatmeat.

### Australian goatmeat exports by value



Source: IHS Markit

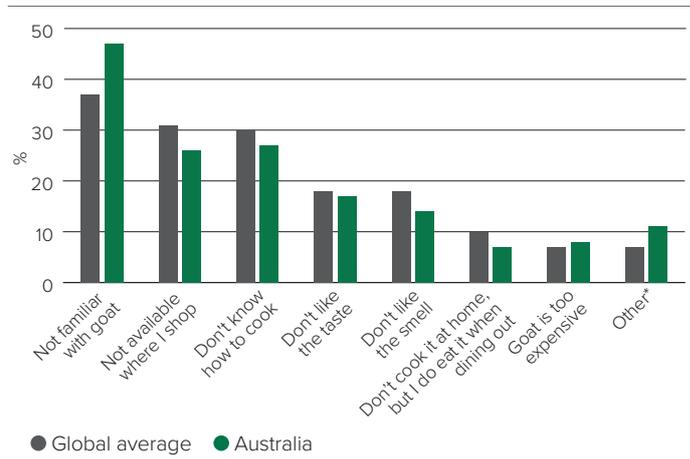


- China is now the largest destination for live goats, a position historically held by Malaysia, however, as prices have continued to climb, trade with Malaysia has significantly decreased. Live goat exports accounted for only 5% of total export value in 2020, at A\$5.1 million.
- There are markets that have higher goatmeat consumption than Australia's major markets, however, generally it's of cheaper local product.

## Australia – the market

- As in most developed markets, goatmeat is a niche protein in Australia, with approximately 5% of production utilised domestically.
- Among reasons why consumers don't buy goatmeat, cultural familiarity is a key factor, with 47% of consumers saying they did not grow up eating goat or are not familiar with it (Source: MLA Global Consumer Tracker 2018).
- Over a quarter of consumers surveyed also said goatmeat not being available where they shop is a major reason why they don't buy it. Goat production is heavily exposed to the volatile supply of rangeland goats, which creates a challenge for foodservice and retail in securing a steady supply of goatmeat.

## Barriers to buying goatmeat



● Global average ● Australia

Source: MLA Global Tracker 2018, Australia  
\*Other includes "Goat is too fatty"

## 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).



A herd of goats

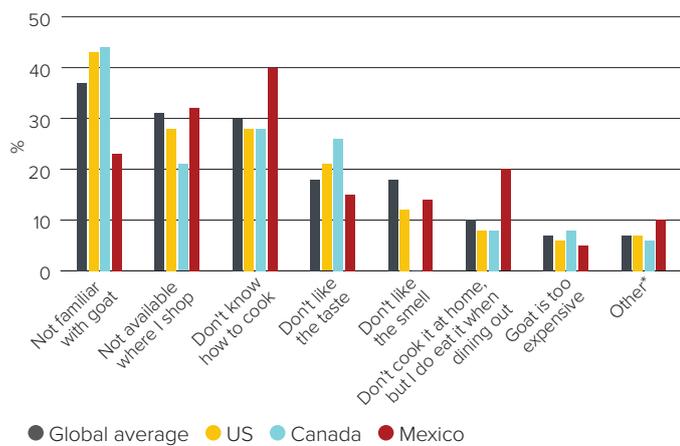


# North America – USA, Canada & Mexico



- 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. Although, as in all major markets, goatmeat remains a niche protein.
- The US accounted for 60% of Australian goatmeat exports in 2020, totalling just above 8,500 tonnes shipped weight (swt). Canada was also a significant market, accounting for 7% in 2020 (Source: DAWE).
- Mexican consumers are more familiar with goatmeat and do consume some goat locally, however, Australia is yet to make any goatmeat shipments to Mexico, with price the main barrier to trade. Currently, Mexican consumers use mutton as a substitute.

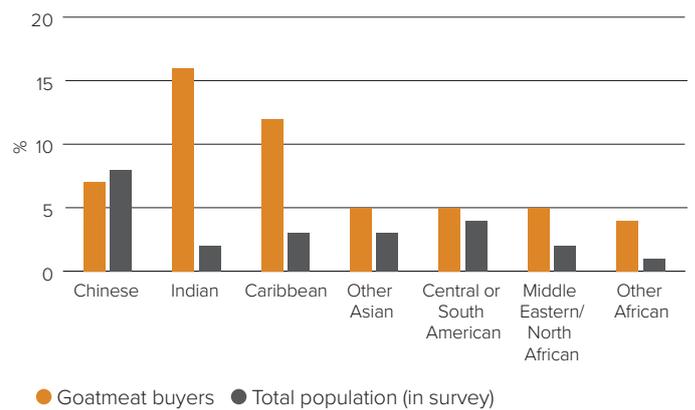
## Barriers to buying goatmeat



Source: MLA Global Consumer Tracker 2018 (US, Mexico), 2017 (Canada)  
\*Other includes "Goat is too fatty"

- Volumes to the US almost halved from 2019 levels, declining 43% year-on-year. Exports to Canada were less impacted, remaining fairly steady at 948 tonnes swt, up by 3% (Source: DAWE).
- In 2020, global goatmeat exports to the US declined to 9,799 tonnes swt. Australia remained the dominant player, with a 87% share of US imports in 2020. Imports from both Mexico and New Zealand declined, however they are both small suppliers to the market sending 481 and 780 tonnes swt respectively. (Source: IHS Markit).
- 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 a part of their meat repertoire, and therefore not knowing how to cook it.
- Those who buy goatmeat are likely to do so based on their own cultural experiences. Goat buyers are likely to identify as having ethnic origin outside of North America, with a skew towards Indian, Caribbean and Middle Eastern backgrounds.

## Ethnic background



Source: MLA Global Tracker 2018 (USA)

- Many of those who have previously bought goatmeat are 'urban eclectics' – younger, urban, affluent consumers. Compared to the general population, they care more about novelty, variety, healthiness and animal welfare (Source: MLA Global Consumer Tracker 2017 and Midan "Marketing Consumer Segmentation" 2016).
- Goatmeat tends to be bought by those who love meat of all kinds and are looking to expand their tastes and cooking repertoires.
- Goatmeat 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 2018).
- Goatmeat is usually seen as interchangeable with mutton and even lamb among some groups. A survey of menus featuring goatmeat suggests it's typically used in curries, stews or other slow-cooked cuisines, often Indian or Nepalese, and frequently offered as a choice of meat alongside lamb or beef. Other cuisines where goatmeat features prominently include Caribbean, Mexican and Mediterranean.
- The majority of goatmeat entering the US is sold through foodservice. The sector has been impacted by the COVID-19 outbreak, with many restaurants expected to remain closed permanently.
- Prior to 2020, goatmeat had been increasing its presence on menus, with a 3% growth in penetration in all foodservice channels, and a 34% increase in mid-scale restaurants in the US (from 2013–2017), but remaining niche. As many consumers are largely unfamiliar with goatmeat, there are some restaurants using familiar dishes such as grilled goat, burgers and sandwiches to boost consumption (Sources: Datassential MenuTrends, 2017).
- Prior to the outbreak of COVID-19 goat racks and loins were beginning to be trialled on foodservice menus.



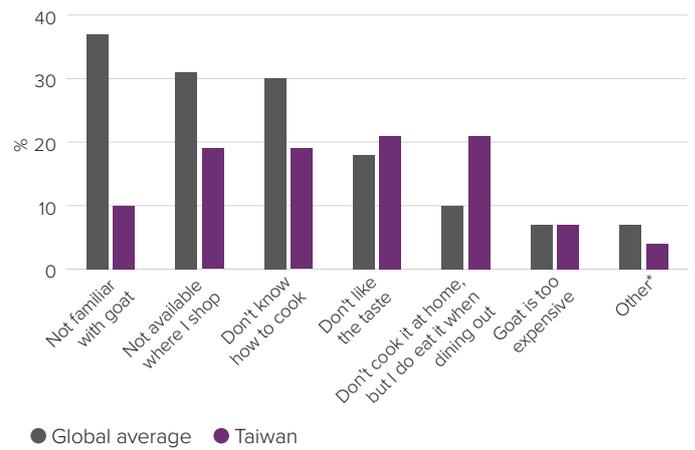
Jamaican style pulled goat burgers





- In 2020, Taiwan was the second largest market for Australian goat exports, behind the US, a position it has held since 2000 (with the exception of 2013, where China ranked second). Australian goatmeat makes up almost the entire import market, with the only other importer being New Zealand.
- Goatmeat is typically shipped to Taiwan as skin-on carcass. Higher prices, competition from other export destinations 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 (~70%) purebred Nubian and Nubian-Boer crossbreds (Source: Livestock Research Institute, Council of Agriculture, Executive Yuan).
- 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.
- Knowledge of how to cook it and availability remain key challenges for goatmeat consumption at home.

## Barriers to buying goatmeat



Source: MLA Global Tracker 2016, Taiwan  
\*Other includes "Goat is too fatty"

# Korea



- Although goatmeat is not a common protein in daily diets, it's consumed by many older Koreans for medicinal purposes, as "Black Goat Extract". It's increasingly consumed during the *Sambok* period (the hottest days in summer, from mid-July to mid-August) as a soup (*Yeomso Tang*) – and is the prime substitute for some other niche proteins that have lost popularity.
- Korean consumers prefer 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.
- 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.
- As a result of the ongoing COVID-19 pandemic, consumers are cooking at home more often and spending more time at home. This has accelerated the existing growth of online retail, with many retailers and foodservice operators now offering delivery services. For the 12 months ending November 2020, the online transaction value of agriculture, livestock and fishery products totalled A\$7.03 billion, up 65% year-on-year, while the entire online sector grew by 18% (Source: KOSIS).
- Goatmeat in Korea is derived from both domestic supplies and imports, with Australia being a long-standing key trading partner. In 2020, Australian goatmeat exports to Korea remained relatively steady despite tight supply, totalling 1,115 tonnes swt, down 8% year-on-year. Australia is the dominant player in the Korean import market, accounting for 97% of imports on a volume basis (Source: IHS Markit, 2020).

## Korean goatmeat imports



Source: KTSP, KCTDI/IHS Markit



Yeomso tang (Korean goat soup)



# The Caribbean

- The Caribbean region represents around 5% of Australia's goatmeat exports.
- Trinidad and Tobago is a twin island located just off the north-east 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, taking 95% of goatmeat exports to the Caribbean in 2020.
- The Caribbean Agricultural Research & Development Institute states 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.



## Australian goatmeat exports to Trinidad and Tobago



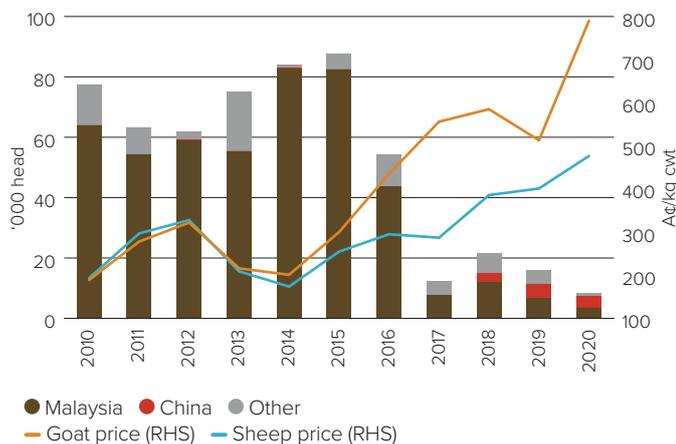
Source: DA, ABS/IHS Markit

- Goatmeat contributes to a significant proportion of bilateral trade between Australia and Trinidad and Tobago as Australia's largest export. Throughout 2020, Australia exported 640 tonnes shipped weight (swt) of goatmeat to the country, valued at A\$7.3 million.
- COVID-19 has impacted the tourism industry globally, with movement restrictions and quarantine requirements in place. Tourism is a key industry in the Caribbean region and the recovery of this sector will be a major factor in the region's economic status.

# Livestock exports

- Australia's live goat trade has been in decline for the past several years, totalling 88,000 head in 2015, but falling to just 8,400 in 2020. The decline has largely been driven by waning demand from Australia's largest live goat market, Malaysia.
- Historically, Malaysia has always been the largest export market for Australian live goats, typically taking between 85–90% of total exports up until 2016. However, from 2017, this figure has been in decline, and in 2020 Malaysia accounted for 41% of live goat exports. 2017 marked the beginning of a period of significant growth for Australian domestic goat prices, which have been historically high since July 2017, making live goats far less competitive in Malaysia compared with imported sheep and local product.

## Australian live goat vs live sheep exports to Malaysia



Source: ABS (2010-14), DAWE (2015-20), MLA's NLRs  
Prices are based on over-the-hooks prices of goat (12.1-16kg) and mutton (14-18kg)

- Australia's high goat prices and tight supplies have led Malaysian importers to seek alternative, more affordable sources of live goat 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, although consumers prefer goatmeat as it is perceived to be leaner than sheepmeat.
- Live export of goats from Australia is exclusively by air freight. The disruptions to air travel/freight in early 2020 as a result of the COVID-19 outbreak have affected exports, as well as the ongoing lack of supply and resultant increased prices of Australian goats.
- China was the largest destination for the live trade in 2020, taking almost 3,800 head, representing 45% of total Australian exports. Although this is off the back of declining trade with Malaysia, shipments to China have been fairly stable since trade began in 2018.
- Goatmeat is considered nutritious and immunity-boosting by Chinese consumers. The COVID-19 pandemic saw more consumers cooking at home, and an increase in demand among affluent consumers for premium and nutritious proteins – including goatmeat.



# Market access overview



North America	Greater China	Korea	Trinidad and Tobago	Malaysia
<p><b>Trade agreement</b>  <b>US</b> – Australia-United States Free Trade Agreement (AUSFTA)  <b>Canada and Mexico</b> – CP-TPP</p> <p><b>Import tariff</b> – 0%</p> <p><b>Technical access</b>  <b>US</b> – Issues include port mark compliance  <b>Mexico</b> – flat stacking of carcasses</p>	<p><b>Trade agreement</b>  <b>China</b> – Australia Free Trade Agreement (ChAFTA)  <b>Taiwan</b> – no free trade agreement</p> <p><b>Import tariffs</b>  <b>Taiwan</b> – frozen and chilled goatmeat, NT\$11.30/kg or 15%, whichever is higher  <b>China</b> – 0% live goats since 2019</p>	<p><b>Trade agreement</b>            Korea – Australia Free Trade Agreement (KAFTA)</p> <p><b>Import tariff</b>            4.5% in 2021            0% in 2023            Under KAFTA</p>	<p><b>Trade agreement</b>            No free trade agreement</p> <p><b>Import tariff</b>            0% under Common external tariff of the Caribbean Community (CARICOM CET)</p>	<p><b>Trade Agreement</b>            ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA)            Malaysia-Australia Free Trade Agreement (MAFTA)</p> <p><b>Import tariff</b>            0% for meat of goat and live goat</p> <p><b>Technical access</b>            Maintains import regulations in accordance with Halal requirements</p>

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

## Australian goatmeat – summary table



Volume – tonnes shipped weight (swt)		2020		2019		5-year average (2015–2019)		change 2020 vs 5-yr av.	
		% out of total	%	in tonnes swt/A\$					
Storage	Total	14,147	100%	21,248	100%	25,492	100%	-45%	-11,345
	Chilled	17	0%	11	0%	13	0%	31%	4
	Frozen	14,130	100%	21,236	100%	25,479	100%	-45%	-11,349

Source: DAWE

### Value – in A\$ '000

	2020	2019	5-year average (2015–2019)	change 2020 vs 5-yr av.
	%	%	%	in A\$ '000
Total	145,488	235,472	190,480	-24%

Source: ABS/IHS Markit

### Australian goatmeat exports – volume (tonnes swt)

	2020	2019	5-year average (2015–2019)	change 2020 vs 5-yr av.
	%	%	%	in tonnes swt/A\$
US	8,537	14,859	16,662	-49%
Canada	948	922	1,276	-26%
South Korea	1,115	1,214	3,065	-64%
Taiwan	2,034	2,478	1,501	36%
Trinidad and Tobago	640	1,022	1,334	-52%
Other	873	753	1,653	-47%

Source: DAWE

### Australian goatmeat exports – value (A\$ '000)

	2020	2019	5-year average (2015–2019)	change 2020 vs 5-yr av.
	%	%	%	in tonnes swt/A\$
US	90,138	176,034	157,282	-43%
Canada	10,394	10,625	10,635	-2%
South Korea	13,189	15,160	13,480	-2%
Taiwan	15,913	15,404	18,043	-12%
Trinidad and Tobago	7,276	10,885	10,279	-29%
Other	8,578	7,364	14,035	-39%

Source: ABS/IHS Markit

### Australia live goat exports total

	2020	2019	5-year average (2015–2019)	change 2020 vs 5-yr av.
	%	%	%	in tonnes swt/A\$
Total volume in head	8,400	16,059	38,352	-78%
Total value A\$ '000	5,144	7,033	7,152	-28%
Malaysia				
volume in head	3,479	6,900	30,574	-89%
value A\$ '000	549	2,528	4,693	-88%

Source: DAWE (volume); ABS/IHS Markit (value)

