

Niche Marketing for Small Ruminants

Introduction

The meat goat industry is one of the fastest growing components of agriculture within the United States. According to the United States Department of Agriculture's National Agricultural Statistics Service, the overall goat population continues to increase annually throughout the United States. While the sheep industry has seen a declining interest in wool sheep, there has been an increasing interest with raising hair sheep (meat-type sheep). Opportunities exist to produce and market sheep and goats because of the significant influx of immigrants to the United States. Goat meat is a commonly consumed red meat throughout the world. As various ethnic groups from around the world relocate to the United States, they actively seek goat and lamb meat. Such demand creates an ideal marketing opportunity for goat and sheep producers.

Although marketing opportunities are increasing for goats and sheep, knowledge regarding effective marketing opportunities may be a limiting factor for potential and existing producers. They should be aware of their marketing outlets and options so that they can determine the most effective and economically beneficial opportunity for their situation.

Small ruminant producers could fail to receive maximum potential market price when selling their animals if they are not well versed regarding how and when to selectively market their product. Producers probably are aware of direct and indirect marketing opportunities, but they may be unaware of peak marketing opportunities based on ethnic holidays, consumer preference, and other situations. Based on these conditions, there are times of the year when buyers are willing to pay more for goats and sheep. Without adequate market research, producers may not receive a fair market price for their product.

Marketing

Livestock marketing involves two components: activities associated with the physical movement and transportation of livestock and pricing or placing a value on livestock. Direct marketing involves buyers who purchase livestock directly from a farmer rather than through an intermediate market or party. The producer or seller must effectively and efficiently market his or her product in order to receive a premium price. Indirect marketing situations involve the movement of livestock with the services of an intermediary (middle man). The intermediary who assists with the transaction expects to receive a commission or percentage in exchange for his or her efforts to facilitate the sale. This type of transaction offers an ideal situation for the producer who needs to move animals at any given time.

Ethnic Groups and Preferences

Those who consume lamb and goat tend to be immigrants from other countries where they traditionally eat these meats. Ethnic groups relocating to the United States with a preference for goat and lamb tend to come from (but are not limited to) such countries as Africa, the Caribbean, Mexico, Asia, Europe, and Middle Eastern and Latin American countries. People from these areas tend to relocate to areas within the United States where others with the same ethnic background have already settled. If a goat or sheep producer can identify locations where there is a concentration of similar ethnic population, the farmer can make reasonable efforts to successfully market his or her product within these communities. However, the producer needs to understand consumer preferences.

For example, consider the following options when marketing to ethnic groups:

- Do the customers prefer male or female goats? If male, do they prefer intact (with testicles) or castrated males?
- What goat or sheep age do the customers prefer?
- Does this group prefer a small or large goat?
- Do the customers prefer a live animal or an animal processed in a particular fashion? When or where do they prefer the animal to be processed?

Market success will be limited if sellers do not consider these factors.

Ethnic and Faith-Based Holidays

In certain times during the calendar year, ethnic or religious holidays contribute to increased lamb and goat meat sales. The table below shows general ethnic or religious holidays during which goat or lamb may be served with meals.

These occasions may vary from year to year, so consult an appropriate calendar for specific dates and times of the year. Preference for animal type, age, gender, and processing also may vary based on ethnicity and holiday. Be sure to research your market carefully.

Special Occasions

Religious holidays are not the only events when goat or lamb meat is served. Ethnic groups may roast a lamb or goat during American holidays such as Christmas, New Year's,

Memorial Day, July 4, and Labor Day. It is not unusual to serve goat or lamb at birthday parties, weddings, baptisms, graduations, anniversaries, and other celebrations where family and friends gather to feast.

Utilizing Livestock Sales Facilities

Rather than try to target individual buyers, producers may choose to transport their animals to central locations where small ruminants are bought and sold in quantities. The animals then are hauled to a processing facility where they are further processed and then shipped to retail markets such as meat markets and grocery stores. This type of market is known as a terminal market and best serves producers who have a number of animals that need to be sold at one time.

A sale barn requires preplanning when a producer or seller wants to market his or her product for ethnic holidays. The willingness to pay is determined by the buyers in the audience. If there are insufficient serious or commercial buyers, bid prices may be low. If there are serious individual and commercial buyers, the bid prices likely will be driven upward. Price bids by commercial buyers may be affected by potential market demand and fluctuating supply. Prices tend to increase during peak market demand and upcoming ethnic holidays. During the summer, bid prices generally are lower as demand is lower and supply is plentiful. In a sale barn situation, the seller has no control over bid prices.



Christian Holidays	Jewish Holidays	Islamic Holidays	Hindu Holidays
Epiphany	Passover/Pesach	Start of Ramadan	Navadurgara or Navratra Dasshara or Dassai
Western or Roman Easter	Rosh Hashanah	Eid ul-Fitr	
Eastern or Greek Easter	Chanukah	Eid ul-Adha	Diwali
	Christmas		
			Mawlid al-Nabi

When strategically planning for marketing animals at a livestock sale, it is best to sell products in advance of a holiday or event. Consumers could be disappointed if they arrive a day or two before a special holiday and expect to receive a premium price. The holiday will have passed by the time an animal arrives at the processing facility or retail location.

Considerations

When direct marketing goats and sheep to individuals, the seller must assess who is responsible for transportation and make processing arrangements even if the animal will be processed on site. If the seller is willing to allow the animal to be processed on site, he or she must decide who is responsible for disposing of the offal. Will there be an extra charge for on-site processing? Only the farmer knows if he or she wants to deal with such details.

Other factors such as federal, state, and local health regulations, should be considered as well as recent nuisance laws and animal rights groups. The best option may be for the seller to specify up front that on-site processing is prohibited and whether the buyer is responsible for transportation and other processing arrangements. If the animal is to be transported by the seller, determine if a transportation fee is involved. Again, this takes greater commitment on the part of the seller because processing and logistics are factors to consider when developing marketing strategies.

Conclusion

When attempting to market goats or sheep for ethnic holidays and special occasions, the farmer becomes more than a producer—he or she becomes a marketing specialist. It is necessary to understand consumer preferences, as well as ethnic holidays and other special occasions. In addition, producers should be aware of the age, gender, and type of animals preferred. Each producer must readily identify methods to effectively target clientele and determine what promotional efforts will have significant results, while remaining cost effective.

Small ruminant producers may need to consider developing a marketing plan in order to ensure success at targeting marketing opportunities. Documentation will help the producer effectively and efficiently determine

where the demand is coming from, who the target clientele is, the times of the year for peak demand, what type of product is expected, and effective marketing strategies to reach potential markets. There are numerous ethnic groups in the United States that consume sheep and goat meat. The United States Department of Agriculture has determined, based on marketing reports, that goat and lamb meat demand exceeds current local supplies. As a result, we are importing more goat and lamb than is being produced within the United States. It is up to each producer to determine the best niche marketing practices that benefit the client and the producer.

References

Piano Independent School District. (2007/08). *Religious/ethnic observances and/or holy day 2007-08*. Ethnic/Religious Holidays. Retrieved May 18, 2007, from <http://www.pisd.edu/common/calendar/documents/2007-08ReligiousHolidays.pdf>.



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New September 2007; UNP-98

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