

**Project Title: Vermont Chevon LLC, Market Research and Tactical Marketing Plan Development**

**Project Summary:** This project was to develop a marketing plan for the sale of goat meat from excess dairy goat kids raised for meat. One result of the growth in the number and size of Vermont dairy goat farms is an increasing number of excess kids. Milking does have on average 1.7 kids per year, half of which are males and at least half of the female kids are not needed for herd replacement. There is also a growing number of dairy goat culls available for meat as well.

**Project Approach:** First to determine the target retail customer demographic and then to determine how to reach that target group with a goat meat product at a price that supports farms to raise the goats.

**Goals and outcomes:**

**Product definition:**

The objective is to establish a farm to raise sufficient number of surplus dairy goat kids to provide grown animals that would produce ten 50–55 lb hanging weight carcasses weekly. These goats would be sold fresh or frozen as whole or half carcasses or as boxed 6-way primal cuts. The basis for the size, quantity and product selection is Vermont Chevon LLC's experience in buying, processing and selling goat in New England over the past two and a half years. That experience has shown that carcass size and quantity processed at one time are key determinants of cost per pound of product because of the fixed costs of processing and transportation. The product selection is the simplest one that the market demands thereby reducing process and inventory management with their attendant administrative overhead and potential for loss though waste.

**Target market:**

- Target geographical area

Our original plan was to survey the potential restaurants, food coops and CSA in Vermont to identify those that are potential customers for goat meat in order to utilize the growing number of excess dairy goat kids. Our initial analysis conducted by Cheryl Eaton of Wild Genius LLC led to the conclusion that Vermont does not currently contain enough demand to support the scale of operation required to make raising dairy goats for meat. Analysis of costs over the past two years had determined that a start-up farm size should be around 650 to 700 animals providing a weekly average of 10 animals of the required size. A demand of this scale does exist in the New England and Mid-Atlantic coast, so we turned our attention to those areas.

- Description of retail customer

Initial research indicates that the retail consumer of goat meat is either someone who is culturally habituated to goat or someone who is interested in expanding their culinary choices. There are substantial populations with Middle Eastern, South Asian and Caribbean cultural roots in the target area and for these populations goat meat is commonly consumed. The other consumer of goat meat in our target area are people who have decided to try goat because of exposure in

travels, or friends from cultures where goat meat is a norm or those who are exposed to goat meat in a restaurant or retail shopping setting and decide to try it.

### **Current supply and demand:**

- Frozen imports

At present the overwhelming majority of goat meat consumed in the United States is frozen meat from Australia. The Australian dominance of the supply derives from originally herds of wild goats that are grazed on marginal farm land. Since the 1990s Australia has been actively supporting the growth of its goat-meat agriculture. Because of economies of scale and available land Australian goat meat is available to wholesale distributors in the Northeast for less than it costs to raise the animals in Vermont. The Australian goat appears to be the major supply for year-round consumption at “ethnic” restaurants and by recently immigrated households.

- Halal or kosher slaughter

Muslim and Jewish populations have specific slaughter requirements commonly referred to as halal (Permitted - Islamic) or kosher (Fit - Jewish). To be kosher or halal, a land animal or bird must be slaughtered by cutting the throat with a single stroke without cutting the spinal cord. All of the animal’s blood must also be drained completely. Goats are land animals allowable for consumption. The supply and consumption of most halal or kosher goat is of small goats at times of religious holidays and special occasions. Due to their small size and the periodic demand the fixed cost per pound of processing and transport of these goats makes them impracticable for sustained agriculture so they are purchased on the casual market.

- Innovative chefs and Food Retailers

There is a growing interest in goat meat among younger chefs and among consumers who go out to bistro-style restaurants and shop at food stores that promote new eating experiences such as Whole Foods and Fairway Market. This is a demographic with disposable income to spend on a product that is locally grown and for whom there is an appeal in supporting farming where they like to vacation.

### **Distribution channels:**

- Direct sales

Vermont Chevron LLC used direct sales to retailers and retail customers while it was developing its understanding of the production process and its costs. This enabled us to obtain a premium price for a low volume of product. For Vermont small producers with a single or a few basic products this distribution system seems to be the best option. It does require the producer to devote a lot of time to sales and distribution, but it meets the needs of a limited-production operation. We concluded that if a producer or a group of producers wants to supply a market that is large in volume and territory, the costs of a sales program, inventory management and customer relations require too much money and time for a Vermont agricultural start-up.

- Distributors

Working with an established distributor facilitates bringing a new Vermont product to market, but it has its own challenges. Distributors are as varied as the markets they serve, so they have to be evaluated in terms of their penetration of the retail demographic the producer is trying to reach. Distributors like retailers have market strategies, so finding distributors whose strategies

match the producer's is critical because the producer and distributor will work in concert in developing the market for the producer's product. A major consideration in working with a distributor is that distributors are a key point for governmental programs for food safety and quality. Direct sales to retail customers and even restaurants of goat meat have only one point of governmental inspection, the slaughter facility. Distributors increasingly have quality and safety programs that reach from the point of production to the retail outlet. These programs require the establishing of protocols, the audit of the protocols' effectiveness, and the traceability of product in the event of a quality or food safety failure. The development of a market through a distributor network requires a consistency of product quality and quantity that requires a high level of management by the producer.

**Beneficiaries:** Goat dairy farms will benefit by having a market for their excess animals. Farms will be established to raise the goats to market weight. Slaughter and processing facilities will have an increased and regular supply of small animals. Additional value-added industries can be created for prepared meals and the manufacture of products from goat hides, horns and hoofs.

**Lessons Learned:**

**Press Release Text:**

**Jpg Images:**

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