Higher incomes, religious customs and cultural events have been driving demand for goat and sheep meat, ARIEF FACHRUDIN and the Asian Agribiz team find.

Boom in goat and sheep sectors as affluence grows

Aqiqah Al-Hafiz processes 20-30 sheep per week to meet demand for aqiqah.
Increasing demand for goat meat has been driving growth in Vietnam's goat population. Official data shows that from 2016-19, the market grew by an average of 18% per year. In 2018 alone, it increased by a quarter on the back of strong sales in China. Last year, goat numbers reached 2.8 million heads, an increase of 15% over 2018.

Most goat production takes place in Ninh Binh province in the north and south-central Ninh Thuan province. Capacities at farms in these two regions range from 1500-3000 heads, and from 15-20 animals.

Pham Van Hung, owner of a 3000-head goat farm in Lam Dong, told Asian Meat Magazine that goats are happy in Vietnam’s harsh, arid and hilly conditions. “Yet we don’t yet have widespread commercial production. The main problem is a lack of high-quality breeding goats and an effective farming model,” Mr Hung said. “We have to import breeding goats. This raises production cost to beyond consumer affordability.”

Perception

Concerns over food safety, a growing issue in Vietnam, have helped drive goat meat sales. “Consumers think that goat meat is extremely safe, with no antibiotics and banned substances, while also rich in nutrients,” said Mr Hung.

According to the Southern Center for Strategic Agriculture and Rural Policy, herbivore meat is becoming more fashionable. Consumers also believe it is less prone to disease compared to cattle or pigs. On the back of this positive sentiment, the center predicts goat meat sales will continue to grow.

It also says the number of shops and restaurants selling goat meat in Ho Chi Minh City, the biggest consumer market, has been growing rapidly.

Realizing the potential, Mr Hung has moved into goat meat cuisine, •

The number of goat meat restaurant in Ho Chi Minh City has increased significantly in the last two years.
with restaurants now in Ho Chi Minh City, Binh Duong and Long An provinces.
Roughly 1500 restaurants in Ho Chi Minh City serve goat meat alone. These restaurants need daily supplies of around 100 kg each, Mr Hung said. "A growing number of restaurants serving a wide variety of goat dishes has turned customers to goat, and this has pushed up demand."

Preference for fresh meat
As domestic supplies are nowhere near sufficient, goat dealers are forced to import, making Vietnam the world’s fourteenth biggest goat meat importer.
It has been receiving shipments for almost 10 years, mostly from Australia. These imports account for 40% of consumption. Yet goat meat eaters prefer fresh over frozen. "It's because of its juicy taste and special flavor. That is the reason why we only use fresh meat from our contract farms at our restaurants, though it is more expensive than imported meat," said Mr Hung.
To increase fresh meat supplies, he believes there should be more focus on improving breeding goats’ productivity and building an effective commercial farming model that reduces costs.
"By doing so, I firmly believe that Vietnam’s goat industry will have a positive future," he said.

Scoring high in price
In Malaysia and Singapore, sheep and goat meat are priced above average and so seen as a premium served on special occasions.
The meats are available in specialty stores and supermarkets in both countries. Malaysia has many more traders because there is still a wet market culture, where small lamb and goat meat traders are commonly seen, both in cities and the interior.
Common cuts consist of diced boneless or bone-in, shoulders, legs, carcasses, chops from loins, ribs and racks.

Also in Malaysia, sheep and goat meat is served in curries for Indian community festivities, while a Malay celebration may feature whole barbecued carcasses.

Mostly imported from Australia
Most of Malaysia’s sheep and goat meat imports come from Australia, though there is limited local production by small and medium-size farmers.
According to Meat & Livestock Australia, Malaysia was Australia’s second biggest mutton market and a primary live goat destination worth USD 213 million in 2017-18.
Malaysians ate 43,000 tons of sheep and goat meat in 2018 and will eat 4% more by 2022.
Meanwhile, Singapore Food Agency data show that Singapore’s per capita mutton consumption stayed constant,

Above: Duc Manh’s dishes have converted more goat meat lovers.
Right: The number of restaurants selling goat cuisine in Ho Chi Minh City has been growing rapidly.
at 2 kg, from 2009 to 2018. Yet it is still one of Australia’s five main sheep meat importers, albeit received shipments of less than 10,000 tons in 2018-19.

**From trading to integrated businesses**

Malaysian sheep and goat meat traders are mostly Indian-owned because of the demographics of its consumer.

They also act as butchers, bringing in live sheep and goats from Australia to be slaughtered and processed locally. One of these, TPL Fresh Meats in Kuala Lumpur, is a meat trader and butcher with a 90-year history. It supplies fresh goat and lamb, as well as imported Australian and New Zealand mutton.

Started by a father-and-son team in Perak, the business transitioned from meat trading to farming, slaughtering, processing and retailing.

Fresh supplies of local goat, sheep and Boer come from farms in Perak and Selangor owned by the Pillai family, which runs TPL.

Its local goats are given grass and left to graze at the farms, while the sheep and Boer goats are fed high-quality mixed feed.

Fresh boneless meat is available at USD 8/kg while Australian boneless mutton sells for USD 6/kg.

TPL’s popularity comes from its vintage, reputation and prominent online presence. Certified halal, its sheep and goat meat are available at its butcher’s shops in Kuala Lumpur, Perak, Penang and Selangor. There are plans for more stores to be opened nationwide.

**Organic sheep meat**

In Singapore, the healthier eating trend has brought about a different kind of butcher, one that serves a younger, more affluent group that has switched to organic sheep meat.

Huber’s Butchery in Dempsey Hill offers sustainably produced lamb fed on olives and carrots. Executive Director Andre Huber told *Asian Meat Magazine* that the retailer will offer more organic meat that is ethically and sustainably raised, something the Singapore palate is moving towards slowly.

Huber’s imports sheep meat from a number of countries. It offers Mottainai omega lamb, billed as the wagyu of lamb, with 35% marbling and rich in omega-3 fatty acids.

Raised sustainably in Western Australia, the lamb’s feed contains 80% recycled crop, consisting of carrot pomace, a byproduct from juicing, unsaleable carrots, green carrot leaves, sedimentary olive oil blended with 20% lupins, wheat, barley hay, vitamins and minerals for a nutritionally balanced diet. A whole rack of this niche lamb costs USD 78/kg.

Mr Huber said his business extensively uses social media for marketing by posting cooking videos on YouTube.

**High demand for religious events**

Indonesia’s goat and sheep segment will continue to grow for as long as its population grows, given that Indonesians are mostly Muslim and celebrate Qurban, an annual religious festival during which animals are ritually slaughtered.

Qurban alone requires some...
800,000 goats and 250,000 sheep every year. Meanwhile, the sacrifice of a goat or sheep to mark a child’s birth, known as aqiqah, also represents a sizeable market in a country of almost 230 million people.

Goat and sheep meat can easily be found in traditional markets, though they are restricted to high-end supermarkets in the modern retail segment, which sell imported premium cuts.

Australia is the main exporter, sending 2539 tons of goat and sheep meat to Indonesia valued at USD 14.7 million in 2017, according to official data.

Indonesia’s domestic goat and sheep population came in at 18.7 million and 17.4 million heads respectively in 2017. Central and East Java were the biggest goat producers, while West Java accounted for the most sheep.

With these large populations, meat production was logged at 66,900 tons for goat meat and 48,700 tons for sheep meat.

Dr Diarmita, Director General of Livestock and Animal Health at the Ministry of Agriculture, said goat and sheep meat consumption is low, at just 5.2g/person.

Yudi Guntara Noor, Chairman of the Indonesian Sheep and Goat Farmers Association, said the positive growth in sheep and goat production has not been matched by local consumption.

"Many people don’t yet know about the taste and benefits of sheep and goat meat," he said.

At the same time, exporters have been sensing a big opportunity in exporting animals. In 2018, Inkopmar Cahaya Buana exported 2921 live sheep to Malaysia and 327 to the United Arab Emirates. Meanwhile, CV Asia Global exported 200 to Malaysia. These two companies are now also looking to open up markets in Singapore and Brunei.

Dr Diarmita said Malaysia needs around 12,000 live sheep per year from Indonesia, while United Arab Emirates needs around 3600.

Live animals, carcasses and ready meals

Having first ventured into the sheep and goat business in 1995, the owner of a farm in West Java believes the market will continue to growth through increasing demand from Qurban, aqiqah and restaurants.

Nurdin, who runs Kampung Domba in Bogor, has been selling live animals to markets across the province. The farm fattens 200 sheep and goats each week and sells some 100 of them. Its live animals normally cost up to USD 2.7/kg, but when the Qurban festival takes place, the price inflates.

"We can sell around 2000 heads at double the normal price," Mr Nurdin said.

In 2010 he began selling fresh sheep carcasses to restaurants in Jakarta and Tangerang.

"Every two weeks, we send 30 young sheep carcasses to restaurants
in Jakarta, and we deliver 300-350 kg of finisher sheep carcasses to restaurants in Tangerang every five days,” he said. To meet this regular demand, Kampung Domba has partnerships with 20 other farmers.

Kampung Domba has also been asked to supply sheep thighs, priced at USD 8.8/kg. “I turned this down because it would be hard to sell the other parts,” said Mr Nurdin.

Looking ahead, Farm Manager Sholeh Amin revealed plans to manufacture sheep and goat meat ready meals for aqiqah. “We currently sell only live animals, but in the future we want to venture into ready-meal processing,” he said. Hafidz Ilman Albana has also been tapping into the aqiqah market by offering to process the animals into ready meals for its customers. Three years after opening his company, Aqiqah Al-Hafiz, can process 20-30 sheep per week.

“What we need is to improve the quality of the animal,” Mr Albana said. "We want to produce meat that is safe and healthy." 

Still in infancy

In the Philippines, the goat meat industry is dominated by backyard raisers. According to the Philippine Statistics Authority, these smallholders account for nearly 99% of the country’s total goat inventory of 3.76 million heads. Meanwhile, commercial farms accounted for just 46,419 heads.

In a report released in January, the PSA put goat meat production at about 76,400 tons last year, down slightly on 2018. The average farm price for the year was USD 2.95/kg, up from about USD 2.70 the previous year.

Jaime San Buenaventura, Supervising Agriculturist at the Livestock Research Division of the Bureau of Animal Industry, told Asian Meat Magazine that the goat meat industry is still in its infancy. With current annual per capita consumption pegged at less than 1 kg, the market has huge potential. “Our goat meat supply is not enough,” he said.

Most of the goats raised in the Philippines are native breeds, with a low dressing percentage of about 30%. This is partly because of the way they are raised. Most farmers, he explained, treat goat raising as a “piggy bank”. Considered low-maintenance animals, they are often left to range and fend for themselves, and are sold only when the farmer needs the money.

The government has been trying to improve native breeds by crossing them with imported Boer and Anglo Nubian. Crossbreeds have a higher dressing percentage, at around 40-50%.

Developing the industry

With demand nationwide, the goat meat industry is full of potential. Benjamin Albarece, a goat farmer in Mindanao, told Asian Meat Magazine that he could double or even triple production, and the market would still absorb it.

Dr Buenaventura also pointed out that there is just not enough goat meat to satisfy demand. He said the retail price could go as high as USD 8/kg.

With a breed improvement program underway, the government has begun to focus on industry management.

Inbreeding remains a big problem. To address this, Dr Albarece gets his bucks from sources as far away as possible, hoping they are not related. He also notes the need for a goat registry and pedigrees.

But as Dr Buenaventura pointed out, it will take more than just breed improvement to develop the goat meat industry, which remains largely inefficient.

“Any breed improvement program must be accompanied by the development of feed resources. While we can upgrade the breeds to increase production, we must also be able to feed the animals properly for them to grow and perform well,” he said.

Growing popularity

Dr Buenaventura said while traders generally buy their goats by the head from raisers, they are sold by weight, usually to restaurants.

For now, goat meat remains a commodity in the Philippines. After slaughter, the meat is cooked and there is no further processing. It is consumed by many Filipino households, and its popularity is increasing, if the growing number of...
restaurants serving goat meat dishes
is any indication.

Exports falling, local demand increasing

South Asia is home to some of the world’s biggest goat and sheep populations. Often referred to interchangeably as mutton, goat and sheep meat are considered a delicacy.

They carry no religious prohibitions for any group, giving them massive potential for growth.

India and Pakistan export mutton mostly to the Middle East, though shipments have been falling over the last few years as local demand rises.

India’s exports dropped by 5.4% from 2017-19, according to India’s Agricultural and Processed Food Products Export Development Authority. Meanwhile Pakistan, the fifth biggest exporter in 2018, with shipments worth USD 8.4 million, has reportedly seen its share plummet by 59% since 2014.

High consumption

India has 149 million goats and 74 million sheep, according to a census carried out last year, making it home to the world’s second biggest population of the animals. Goat numbers have grown by over 10% since 2012, while the sheep population registered a 14.1% increase.

Yet the industry is still unorganized. Official production figures from 2015-16, which stood at 94,291 tons of goat meat and 48,252 tons of sheep meat, do not reflect the full extent of supplies, perhaps because the government only collects data from registered processing plants. Actual figures are bound to be higher. Industry data show that Indians consumed nearly 719,000 tons of mutton last year, with indications that demand will increase further as incomes rise.

Hygienic mutton cuts

India’s Nanda Feeds looks to promote hygienic and convenient mutton cuts in the market, said its Chief Operating Officer, Vinay Gopinath.

The company’s retail arm, Nandu’s Chicken, which sources mutton from Rajasthan and Gujarat, works with local farmers to get the mutton the shop needs. Mutton and lamb curry cuts are the most popular.

“The entire carcass is cut into even, bite-sized pieces of 30-40g each. Customers prefer that the meat is fat-trimmed and lean. Mutton mince and boneless mutton cubes are other best-sellers,” Mr Gopinath said.

For its mutton business, Nanda has primary and secondary processing facilities. The primary plant is where the live animals are processed into fresh chilled whole carcasses. The carcasses are then transported in a cold chain system to a secondary processing facility called The Hub in Bangalore.

“The Hub takes sales data and SKU movements, while an analytics team will define which cuts customer prefer. From there the cuts are taken to our stores in our chiller trucks,” Mr Gopinath said.

Niche market

In Sri Lanka, mutton is a niche market, given the high price, said Nirosh Lalantha, Head of Quality Assurance, Research and Development at Keells Food Products.
The retail chain sells frozen mutton cubes under its Elephant House brand, but finds sourcing to be an issue.

“We don’t always get the right quality locally, and imports are expensive,” Mr. Lalantha said, adding that at present mutton prices seem to have stabilized at the premium end of the spectrum.

Meanwhile, low productivity has hampered mutton production, according to Anicetus M Hettiarachchi, Chairman of Chutiduwa Livestock Farms, one of the few structured goat and sheep farms in the country.

“We don’t have high-yielding breeds to get the quantity of mutton required. So, mutton prices are always high,” said Mr. Hettiarachchi.

Chutiduwa’s goats are reared up to 20kg, while the best performing goats in the Northern Province yield a maximum of 30 kg per head. By comparison, Australian goats can be farmed up to 50 kg per head. Given this limitation, Sri Lankan mutton prices have been growing steadily, from USD 2.42/kg in 2008 to over USD 14.32/kg for boneless meat at present.

Chutiduwa sells boneless and bone-in leg chops, legs and mutton cubes. The more expensive legs and leg chops go to high-end hotels, especially during the festive season. Ordinary customers prefer mutton cubes, which are better for use in biriyani and curry, said Mr. Hettiarachchi.

Official data showed that the goat population increased by 14% between 2007 and 2016, to 470,294 heads. Mutton production has remained stable, with an average of 153 tons per year between 2008 and 2016.

**Local demand escalates prices**

As incomes rise in Pakistan, demand for mutton continues to grow. One of the country’s biggest frozen food companies, PK Meat and Food, has been finding that increasing local demand for mutton has also driven up prices.

Chief Executive Saqib Mehmood Butt told *Asian Meat Magazine* that this growing demand has been offset by a drop in its exports to the Middle East.

“With the increase in local retail prices, overall export prices have also gone up, reducing Pakistani mutton’s share of the export market. We are now concentrating on the beef market,” he said.

Mutton prices have increased from USD 4.77/kg in 2016 to USD 5.81 in January. Mr. Butt noted that the best known cuts are bone-in cubes. “These are ideal for local and traditional dishes,” he added.

**Marginal increase**

Pakistan is the fifth biggest exporter of mutton in the world. Data from the Ministry of National Food Security and Research showed the goat population increased to 74 million in 2018 from 54 million in 2006. At the same time, the sheep population grew from 85 million to 110 million. As a result, the demand for mutton has increased in the country, leading to higher prices.
population grew slightly to 30.5 million, from 26.5 million.

Interestingly, figures from a 2018 census in Punjab, Pakistan’s biggest livestock region, identified a decline in goat numbers. It found the population had fallen due to early female slaughtering, export of pre-mature animals and non-maintenance of quality of rams and bucks. Poor breeding practices were also a factor.

Pakistan is second to India as the region’s biggest mutton producer. The country has seen marginal increases in supplies between 2015 and 2018, when production touched just 717,000 tons, according to the Ministry of National Food Security and Research. AM

PK Meat’s modern processing plant for mutton.