

Marketing Lamb and Goat Meat to Hispanic Retail Outlets

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The Hispanic population in Kentucky is growing rapidly. According to the 2000 U.S. Census, Kentucky had approximately 60,000 people who identify themselves as Hispanic; however, this number is thought to be much higher. More recent Census Bureau estimates for Kentucky (2009) indicate that 2.4 percent of Kentucky's 4.3 million people are of Hispanic origin; therefore it is likely that Kentucky has a Hispanic population in excess of 100,000. The Hispanic population is concentrated in major Kentucky population centers, including Lexington, Louisville, Frankfort, Bowling Green and surrounding areas. Census Bureau statistics indicate that nearly 75 percent of these Hispanics are of Mexican origin.

Because of minority populations immigrating into Kentucky, the level of lamb and goat consumption could grow exponentially within the next few years. Minority populations are expected to reach 235.7 million out of a total U.S. population of 439 million, or 53 percent of the total U.S. population, by 2030. These statistics indicate a growing market for meat processors and sheep and goat products. To successfully do business with the emerging Hispanic market requires an understanding of the Hispanic culture and the needs and desires of these potential customers.

Consumers

People of Mexican origin will be the primary consumers of sheep and goat products. People from Central and South American, the Caribbean, Cuba, the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, and Nicaragua consume both lamb and goat, but they may not consume the same products or animal species. Preference is influenced by individual country, regions within countries and socioeconomic status.

Researchers have observed that Hispanics spend 15 to 20 percent more of their disposable income on food than do most American households. The Hispanic consumer in general is likely to purchase lower priced imported sheep and goat products. These sheep and goat meat products may in some cases be consumed in small quantities on a regular basis. Both quantity and quality is often sacrificed for price.

Larger quantities and more expensive cuts are generally reserved for special occasions. These better cuts are often offered as an appetizer prior to the main meal of the day. Recent research conducted by the University of Kentucky, Kentucky State University, and the Kentucky Department of Agriculture indicates that meat price is the predominant purchase factor for most Hispanic consumers. They may prefer lamb and goat, but chicken and pork are often more affordable.

Products

An alternative to the lower-priced imported sheep and goat products is the Kentucky product mature ewe/doe bone-in chunks, chops, and stew meat products. These mature animals, weighing 120 pounds or more, can be purchased for much less than lamb and kids on a live weight basis. The mature animals have been successfully marketed at less than half the lamb and kid goat price after processing and vacuum packing. These products can be sold fresh or frozen.

The less expensive cuts can also be marketed as a value added, pre-cooked product. Many Hispanic grocery stores have buffet-style lunch counters where bone-in goat meat has been observed selling at a much higher price per pound pre-cooked as an eat-in or carryout dinner.

Larger stores will purchase whole carcasses, keep them in coolers and cut the meat as needed. Small grocery outlets will require the product frozen in small vacuum packages to insure product freshness. Goat carcasses are often sold as whole, half, or quarter carcass cuts. Smaller cuts are sold as legs, shoulders, ribs, ground meat, stew meat, organ meat, and head.

Dressing Percentage

Consumers often have questions concerning the amount of meat a typical animal will provide. The amount of the live weight that will enter the cooler in the form of a carcass is referred to as the "dressing percentage." The dressing percentage can be calculated as:

$$(\text{Hot Carcass Weight} \div \text{Live Weight}) \times 100$$

The average dressing percentage for shorn sheep will be 50 to 53 percent. Goats will average between 45 and 50 percent. Many factors can affect the dressing percentage of meat animals, such as when the live weight was recorded, gut fill, horns, fleece covering, etc.

Lamb and goat have a limited amount of fat covering the carcass, making the carcass more susceptible to evaporative cooler loss, thus creating an added source of weight loss. Fresh meat is primarily water (70 to 75 percent) and coolers are low-humidity environments with constant circulating air. Commonly, sheep and goat carcasses will lose 8 to 10 percent of their hot carcass weight during the first 24 hours postmortem due to evaporative cooling.

Sheep and goat carcasses have a similar appearance. Some ethnic groups will not purchase a goat carcass unless the head remains on the carcass. The USDA Food Safety and Inspection Service (FSIS) may require the horns to be removed before the carcass will pass inspection.

The lean meat yield of a typical carcass will vary from animal to animal. Consumers wanting younger animals for holiday celebrations should be made aware that the lean meat yield will be less than that of an older animal. The skeleton is one of the first tissues to reach maturity, so younger animals will have a higher bone-to-lean meat ratio compared to older animals.

Goat Carcass Fabrication

Currently the Hispanic community desires a whole goat carcass that can be barbecued on a spit or roasted whole. Other markets prefer the entire carcass to be cut into 2-inch cubes. Louisiana State University worked closely with the USDA to develop institutional meat purchasing specifications (IMPS) for goats. Fabrication—how the carcass is broken down for sale—differs with the size of the carcass (Table 1) and the needs of the consumer. Fabrication specifications for each style of goat carcass can be found at <http://www.ams.usda.gov/AMSV1.0/getfile?dDocName=STELDEV3003291> or <http://www.lsuagcenter.com/NR/rdonlyres/B8FE3706-64DC-417F-A592-B8DEC14B4D9F/43292/pub2951Meat-GoatJanuary2008LOWRES.pdf>.

Outlets

Kentucky MarketMaker is a free interactive mapping system that identifies businesses and markets of agricultural products in Kentucky and provides invaluable links between producers and consumers. Grocery stores and restaurants catering to the immigrant Hispanic populations can be located geographically using the web-based marketing aid. Resources, links, business spotlights, national events calendar and a buy and sell forum are available at <http://www.marketmakerky.com/>.

For additional assistance, contact Kentucky MarketMaker, University of Kentucky Department of Agricultural Economics, Lexington (859) 257-7272, ext. 223.

Large, high-volume store owners are more willing to take some risk by purchasing locally produced and processed meat. Smaller store owners are more hesitant. Because of reluctance to purchase product locally, and because it is difficult for farmers and meat proces-

Style	Carcass weight (lb)
Platter	< 20
Roasting	15 to 30
Barbecue	20 to 40
Food service	> 30
Hotel	> 40

Source: LSU Extension Meat Goat Selection, Carcass Evaluation & Fabrication Guide

sors to develop a functioning business relationship with a significant number of store owners, consider distributing local meat product through an established Hispanic-based food broker or distributor. Marketing to small retailers through established Hispanic food distributors can eliminate some of the challenges. A relationship with a single Hispanic food distributor working in the region of the state you're targeting could allow you to distribute meat to many small outlets, potentially making the total sales much higher and your marketing time investment lower.

Marketing

Knowledge of the size of the retail outlet and its sales volume are important considerations. Sales in small local Hispanic grocery stores will likely be low on a day-to-day basis due to limited traffic. Recent research conducted by the University of Kentucky, Kentucky State University and the Kentucky Department of Agriculture determined that the average sales volume for lamb and goat meat was less than 50 pounds per month in most small stores. By contrast, large Hispanic groceries in major Kentucky cities may sell as much as 200 pounds of fresh goat meat each week.

Often Hispanic business owners are not available at the grocery store or restaurant. They are frequently involved in several businesses activities simultaneously. In many cases, communication between the store owner and store employees is limited. Most employees and family members do not have information or the authority to conduct business, so you will need to speak directly with the owner to forge a meaningful agreement. The most likely time to speak directly to the owner is early in the morning, when the store opens, or late in the day, before the store closes at night.

Market delivery agreement

A market delivery agreement between you and the retailer is powerful marketing tool. The agreement sets out the conditions under which goods are to be purchased from the vendor, including ordering, delivery and product. When defining an agreement, you'll need someone who speaks and writes fluent Spanish to work on your behalf. You may be able to find a trusted member of the community to assist you as a translator, but because of the problems that will be avoided by clear communication, even employing a professional translator is cost effective.

With a market delivery agreement, fresh cuts can be ordered on an on-call basis to provide the consumer with a fresh, non-frozen alternative. This method is most effective when local meat availability is high, but as animal numbers decline in the winter, delivery on an on-call basis becomes more challenging for most processors. Some processors may charge a deposit on winter orders of fresh non-frozen products.

Advertising

In general, mass media is the best advertising choice for reaching potential Hispanic customers, especially local Hispanic radio and TV stations. Advertising can also be purchased on international Hispanic TV stations. Newspapers are reported to be the least effective medium.

In small stores where the product is stored in small freezers, attractive signage becomes extremely important in advertising the unseen product. The signage should be large, written in Spanish and English, in bright colors with pictures of live sheep or goats. Advertising should focus on the seasonal availability of the product, because sheep and goats are seasonal breeders and the majority of the product is ready for market in the late spring and summer and declines in the fall and winter. The advertising should state when, where, and what the processor is offering for sale, using the phrases "fresh," "locally grown" and "locally processed in a clean and safe environment."

Table 2. Major Mexican, Central American and South American civic and religious holidays.

Date	Originating Country/Region	Type of Celebration	Name	Traditions
Jan 1	Latin America	Religious and Civic	New Year's Day/New Year's Eve (Año Nuevo)	Families attend mass and have dinner.
Jan 6	Latin America	Religious	The Day of the Three Kings, or the Feast of the Epiphany (Día de Los Reyes Magos)	In much of Latin America, this holiday, the day of adoration of the baby Jesus, is more important than Christmas.
March 21	Mexico	Civic	Birth date of Benito Juárez	Juarez was one of Mexico's most-loved presidents.
March 31	Mexico	Civic	Birth date of Cesar Chavez	Chavez is honored as an American labor and civil rights giant.
March/April	Latin American	Religious	Holy Week (La Semana Santa)	One of the highest holy days of the year, Easter for Latino Catholics.
May 5	Mexico	Civic	Cinco de Mayo	Commemorates victory of the Mexican Army of 4,500 over 6,500 French in the Battle of Puebla, 1862.
May 10	Mexico, Latin America	Civic	Day of the Mothers (Día de Las Madres)	Mexican Americans may celebrate the holiday on May 10 even if the day falls in the middle of the week or on the day that the U.S. celebrates, always a Sunday.
Sept 16	Mexico	Civic	Mexican Independence Day	In 1810, Father Miguel Hidalgo called his people to revolt against 300 years of Spanish rule, marking the start of an 11-year war.
Nov 2	Mexico, Central America	Religious, Civic	Day of the Dead, or All Souls' Day (El Día de los Muertos)	On this day, the holiday for celebrating one's ancestors, it is said that the spirits of the dead come back for family reunions.
Nov 20	Mexico	Civic	Anniversary of the revolution of 1910	One of Mexico's most important holidays, marks the anniversary of the 1910 revolution against dictator Porfirio Díaz.
Dec 12	Mexico	Religious	Feast Day of Our Lady of Guadalupe (Día de la Virgen de Guadalupe)	Our Lady of Guadalupe, named patron saint of the Americas by Pope John Paul II, and is symbol of the marriage of European and Indian blood and beliefs.
Dec 16-24	Mexico, Latin America	Religious	Las Posadas	The celebration commemorates Mary and Joseph's search for a place to stay in Bethlehem.
Dec 24-25	Mexico, Latin America	Religious	Christmas Eve/Christmas (La Nochebuena y La Navidad)	Latinos celebrate Christmas Eve and Christmas with a mixing of old country and U.S. traditions, attend midnight Mass and cooking meals that often take days to prepare.

Source: Pennsylvania State University Ethnic Holiday Calendar

Special Events

Sheep and goat meat products are not necessarily consumed daily by the Hispanic community. They are, however, valued for special events, holidays, and other celebrations. The Hispanic market prefers the higher quality cuts from fresh non-frozen young animals weighing 25 to 45 pounds fresh carcass weight. The weight and sex of the carcass desired will vary from holiday to holiday and by ethnicity. A great deal of community research is needed in order to know the specificity of the product needed for various events and holidays.

Special occasions observed by the Hispanic population in Kentucky include religious and civic holidays, weddings,

births of children, birthdays (a number of birthdays are often grouped together and celebrated jointly), grade school and high school graduations, and funerals (Table 2).

Christmas

The most desired goat is a young (less than 3 months old), milk-fed kid weighing less than 30 pounds. Consumers are often disappointed by the meat yield of these carcasses due to the high bone-to-meat ratio. Therefore, a weight range of 20 to 50 pounds is acceptable. Young, milk-fed goats fitting this description can be rare or difficult to obtain as they must be produced outside the normal breeding season.

Civic Holidays (Mexico and Latin America)

For civic holidays, most people in the Mexican culture and other Latin Americans prefer a milk-fed goat weighing less than 30 pounds live weight for civic holidays. They also prefer a slightly older goat, a young kid with no more than one set of adult teeth, for the Independence Day (July 4) celebrations. The Caribbean culture desires an older male animal (buck) weighing 60 to 80 pounds for the Jamaican Independence Day (August 6) celebration because it is more malodorous.

