

Marketing Slaughter Goats to Dealers, Packers, Wholesalers, and Retailers

Adapted from an article written by tatiana Stanton for [the Goat Farmer](#) November 2000

Two ways to market your lambs and goats are to sell them on-farm directly to consumers or to sell them through auctions. However, many producers do not have the time to devote to on-farm sales and do not relish the financial risks inherent in auctioning livestock. Most producers strive to become regular suppliers to a reliable packer, wholesaler, livestock dealer or retailer. This column will discuss locating these middlemen, checking out their financial reliability and arranging sales.

In the Northeast United States there are several businesses willing to buy animals directly from producers. The meat market may be more consolidated in other parts of the US and the world, and producers may not have much choice of middlemen to sell to. Packers are businesses that generally own their own processing plant and buy animals from producers, dealers, auctions etc. to slaughter and process and resell to wholesalers and retailers. In contrast, livestock dealers specialize in buying and reselling live animals. Livestock brokers serve the same role but do not take actual ownership of the animal. Rather they charge a consignment fee to arrange sale of your animals to prospective buyers. Wholesalers may buy animals direct from producers or order them through a packer, dealer or broker. They often have particular slaughterhouses they butcher through and generally retail all parts of the carcasses through a variety of retailers, restaurants, etc. Retailers sell directly to the end consumer. Many retailers are interested only in specific cuts or do not have the time or contacts to arrange for trucking and slaughtering of animals. Others, however, specialize in hothouse carcasses and prefer to deal directly with producers.

One way to locate packers is to contact your regional Packers and Stockyards office (the office for the Eastern US can be reached by phone at (404)562-5840) or on the web at <http://www.gipsa.usda.gov/GIPSA/webapp?area=home&subject=lpf&topic=landing> and ask them for help contacting your local resident agent. Resident agents can provide you with a list of bonded Packers in their region. By law, all packers that purchase \$500,000 worth of livestock annually are required to be bonded. The bonds usually amount to the value of livestock purchases they make in two average working days, with a minimum bond of \$10,000 being required. You can then contact these packers to see what sort of animals they purchase. Before you actually sell to them, check out their financial status with your regional Packers and Stockyards agent. Is the packer's bond in good standing or has it been revoked by the bonding company? Are they currently being investigated for failure to pay a producer? Are there any citations out on them? Is the agent aware of any alleged complaints against them? Agents help investigate charges of no payment against all packers. Therefore, agents often can also advise you about the complaint status of smaller, unbonded packers.

Another way to locate middlemen is to contact local USDA and custom slaughterhouses. Your district office for the Food Safety & Inspection Service branch of the USDA can sometimes provide you with a list of federally and state inspected plants for your state. Usually you can get only names and will have to look up phone numbers

yourself. District FSIS offices can be located by phoning the main office at (202)720-7943 or on the web at

http://www.fsis.usda.gov/Contact_Us/Office_Locations_& Phone_Numbers/index.asp .

You can then call individual slaughterhouses and ask them if they ever slaughter goats for any wholesalers, retailers, or dealers and whether they would be willing to help you contact them. You can also locate wholesalers by stopping in at restaurants that serve goat and asking them who they purchase their goat through. Agricultural Extension Educators for your county can also give you advice about packers or dealers who buy in your region.

Retailers can generally be located by looking under meat market listings in the telephone yellow pages for large metropolitan areas. You can follow this up with phone calls to those meat markets that appear to represent an ethnic clientele that consumes goat meat. There are also some live animal markets in areas such as NYC that sell live sheep and goats direct to consumers. These animals must be immediately slaughtered at a custom slaughter plant on the same premises.

If you plan on selling goats in the NY state area, one resource for lists of federally inspected slaughterhouses and buyers of slaughter goats is the Sheep Lamb Goat Marketing Directory. It is available on the web at

http://www.sheepgoatmarketing.info/PageLoad.cfm?page=directory/Market_Directory.cfm .

About the only way to establish the financial reliability of smaller wholesalers or retailers is to pay for a private credit check on them. These credit checks are often available via the web. You can also check with other producers who have sold to them or auctions and county agricultural educators who may work with them on a regular basis.

Whoever you sell to be careful not to misrepresent your animals. You do not need to be an expert grader but at bare minimum you should be able to provide accurate information about the age, weight, breed and number of animals you have available. Be clear on whether you have these animals available year round or only for certain seasons. When agreeing on a price, be well aware of what sort of prices similar animals are selling for at auction during the same time period and region. Be clear on why you need a particular price for your animals. Try not to attack a buyer personally when bickering over price. It is hard to come back to the same buyer you have just accused of trying to cheat you. Instead focus on your pride in your animals, the expense and time you have put into them, and your need to receive a certain price in order to remain in business. Point out that your financial sustainability is mutually important. If you can't agree on a price try to end the conversation on a friendly note. Remember, the wholesaler is dealing with a clientele they know well and if that clientele will not pay a sufficient price to satisfy both of your financial needs, this financial proposition may end up being one that neither you or the middleman will want to repeat again. If the buyer does not seem particularly interested in your goats, ask them what time of year their demand is biggest and what sort of goats they want at that time. Follow up your phone call with a thank-you note that includes a snapshot of your typical slaughter animals.

One question that will arise is whether to be paid on a live animal or dressed carcass basis. An advantage of being paid on the live animal weight is that animals can be weighed on farm and you can be paid in cash right then if the buyer picks up the animals. If you arrange to get paid by either dressing percentage or by the weight of the

animals when walked over the scale at the processing plant, you are taking a larger financial risk particularly if you have no control over how animals are handled on their way there and how much shrinkage takes place. In the worst-case scenario, animals you thought were being slaughtered tomorrow may end up being held onto for several days until the butcher can get to them. It is a good idea to record on-farm weights and keep these weights to cross reference with the weights that are later reported to you by the buyer.

Prior to selling, be sure you and the buyer are clear on when the goats are to be picked up and how long you are willing to hold on to them. If you are not sure of the reliability of the buyer be sure to request that the animals be picked up prior to the last good auction dates in your area. For example, if you have Easter kids propose a pick-up date that is before the last Easter auctions in your region.

You should always establish a paper trail. If you sell to a packer, educate yourself as to how soon after purchase of the animals you need to file a complaint of nonpayment in order for your agent to investigate the transaction. If you postpone the complaint, they may be unable to prosecute it. **Be sure to make out an invoice for the sale.** It should always include seller's name, buyer's name, number of animals or lbs. of animals, sale price per unit (i.e. head or lb), total price (if possible), and date delivered. It is a good idea to have the buyer sign it. However, a buyer signature is not a requirement in order for Packers and Stockyards to file a complaint for you. If you do not have the buyer's signature on the invoice try to have the trucker or someone working at the slaughter plant where you drop off the animals sign the invoice stating that the animals have been received. If there is no one there when you deliver the animals, be sure to note on the invoice the time, date and place where you delivered animals. You want to be sure to cover yourself in case the buyer tries to claim that they never received the animals.

There are many advantages to locating a reliable middleman who you can supply on a regular basis for a price that is mutually viable. However, it behooves you to protect your enterprise financially without personally insulting the buyer you are trying to establish ties with. Keeping concise invoices is one of the best ways to do this.