

# **INCREASING PRODUCTION & PROFIT**

**A COMMONSENSICAL APPROACH**

**3<sup>rd</sup> GOAT AGRIBUSINESS CONFERENCE –**

**“GOAT FARMING – THE GAME CHANGER”**

**By Molebatsi Moagi – Legae La Banareng Farms**



# THE IMPORTANCE OF DEFINITION & CONTEXT

## 1. **Commonsensical (adj)** – exhibiting native good judgement

- i. **synonyms:** commonsense, reasonable, sensible

## 2. **Profit (noun)** -a financial gain, especially the difference between the amount earned and the amount spent in buying, operating, or producing something.

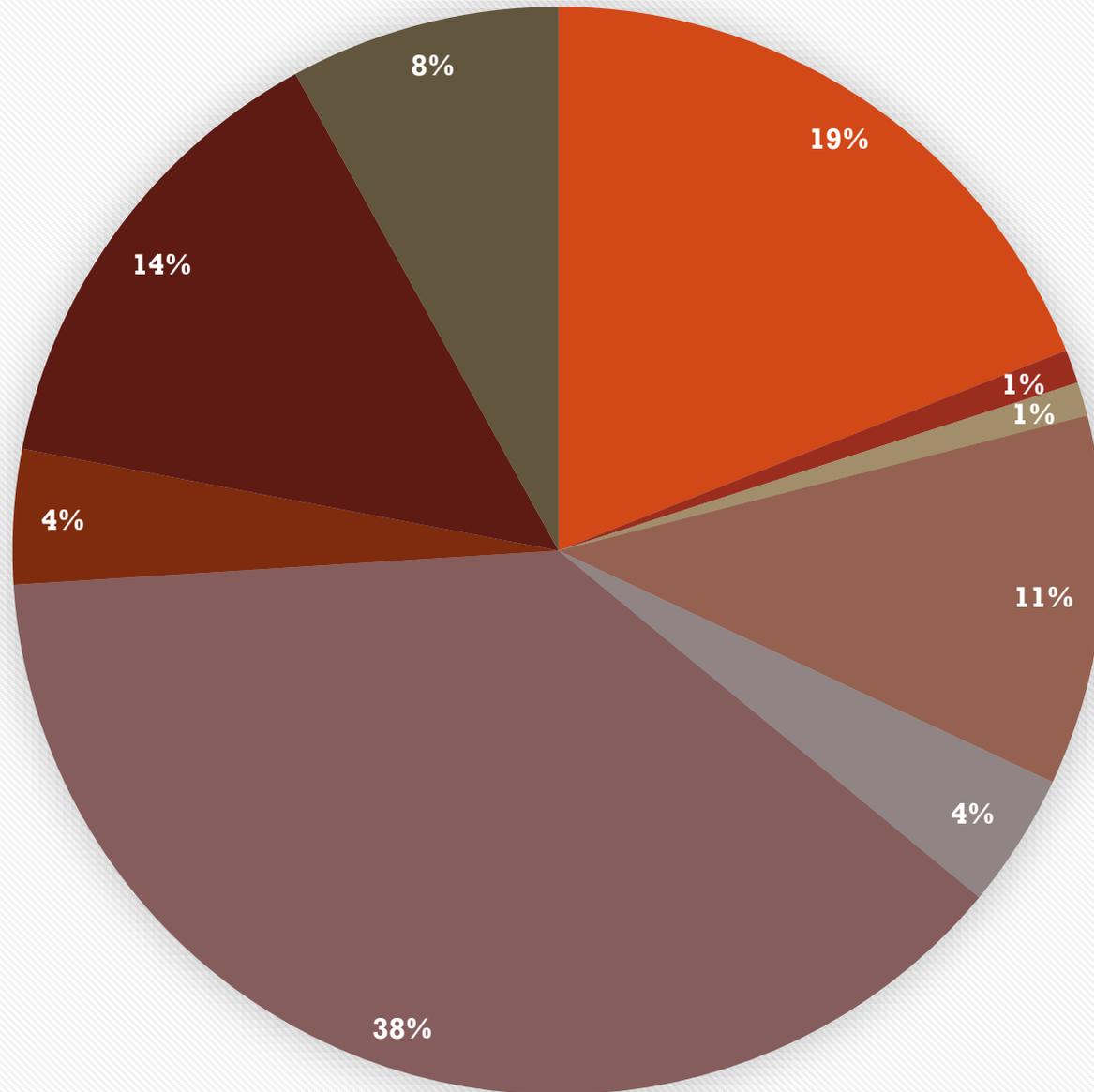
- i. **synonyms:** financial gain, gain, return(s), payback, dividend, interest, yield, surplus, excess; gross profit, net profit, operating profit; take;

## 2. **advantage; benefit.**

- i. **synonyms:** value, use, gain, good, avail, worth, usefulness;
- ii. **Informal:** mileage, percentage;



# Provincial distribution of live goats in 2013



■ Limpopo   ■ Mpumalanga   ■ Gauteng   ■ North West   ■ Free State  
■ Eastern Cape   ■ Western Cape   ■ KwaZulu Natal   ■ Northern Cape

## DISTRIBUTION OF GOATS IN SOUTH AFRICA

1. Eastern Cape – 38%
2. Limpopo – 19%
3. KwaZulu-Natal – 14%
4. North West – 11%
5. Northern Cape – 8%
6. Free State – 4%
7. Western Cape – 4%
8. Mpumalanga – 1%
9. Gauteng – 1%



# PRODUCT VS. PRODUCTION

- **Product** – product concept is a marketing philosophy which states that the consumers prefer the products which are best in terms of quality
  - Means – improvement in quality over time
  - Objective – to provide better quality products to the consumer
  - Emphasis on - Product
- **Production concept** is an approach which proposes that consumer are willing to buy products which are easily and widely available as well as reasonable in price
  - Means improvement in the production efficiency and distribution coverage;
  - Objective – to achieve the economies of scale
  - Emphasis on - **Production**



# PRODUCT VS. PRODUCTION

- Production concept is an old concept and in those days increase in production of the goods was the major concern of the firms (farms), as whatever the firms produce has worth for the customers.
- In recent times customers are quality sensitive and conscious of what they buy and consume; demand of the product automatically increases if it has the required quality and fulfils or exceeds customers' expectations.
- If the goat industry wants to be sustainable in the long run, it must follow the product concept, by making the customers habitual with the quality products offered by the industry.



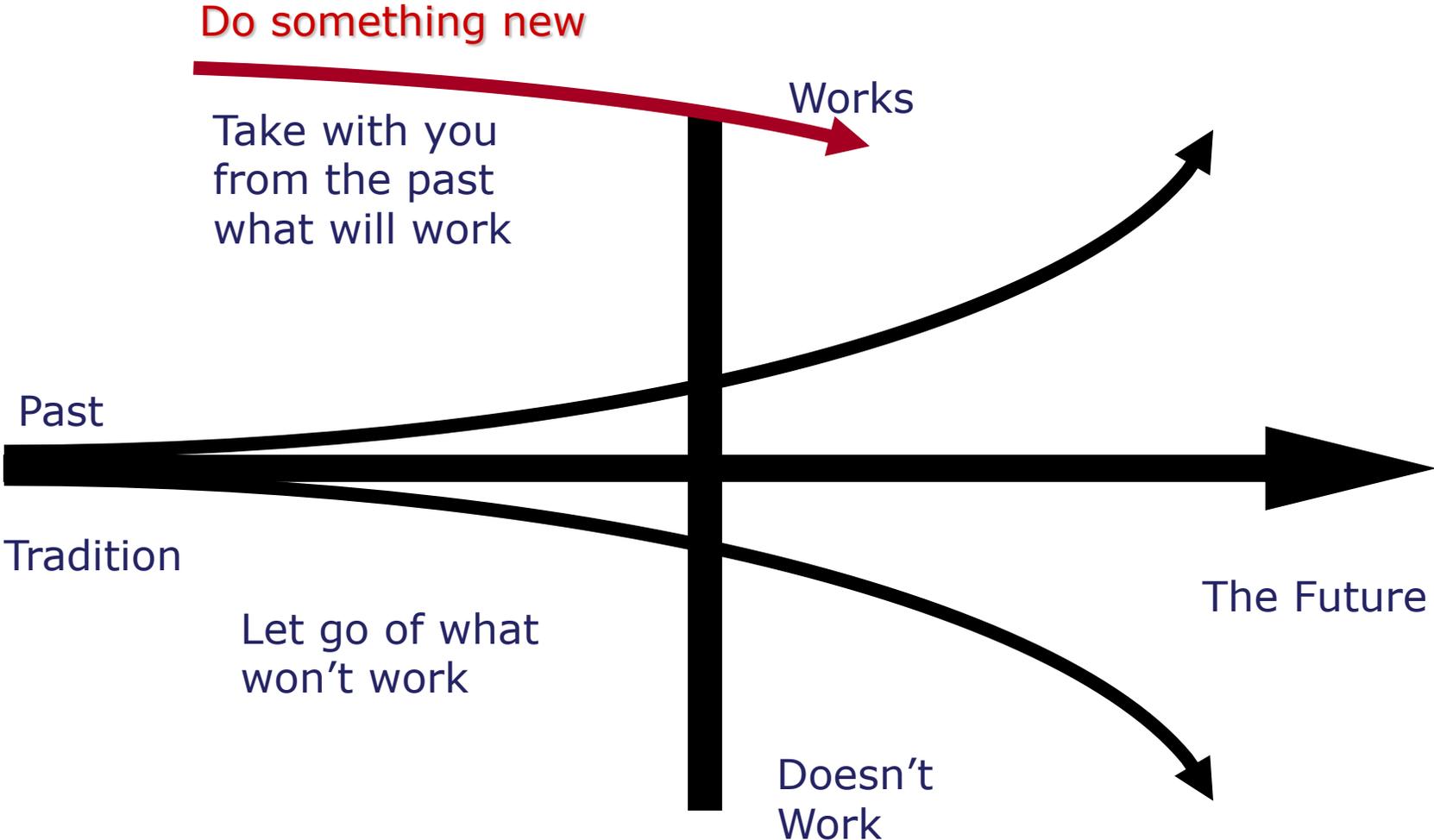


## PRODUCT

- Livestock;
- Prime & Processed Meat;
- The 5<sup>th</sup> Quarter;
- Milk and Dairy Products;
- Goat By-products
- Training & Development
- Extension / Support Services
- Contract Goat Farming;
- Total Product Experience

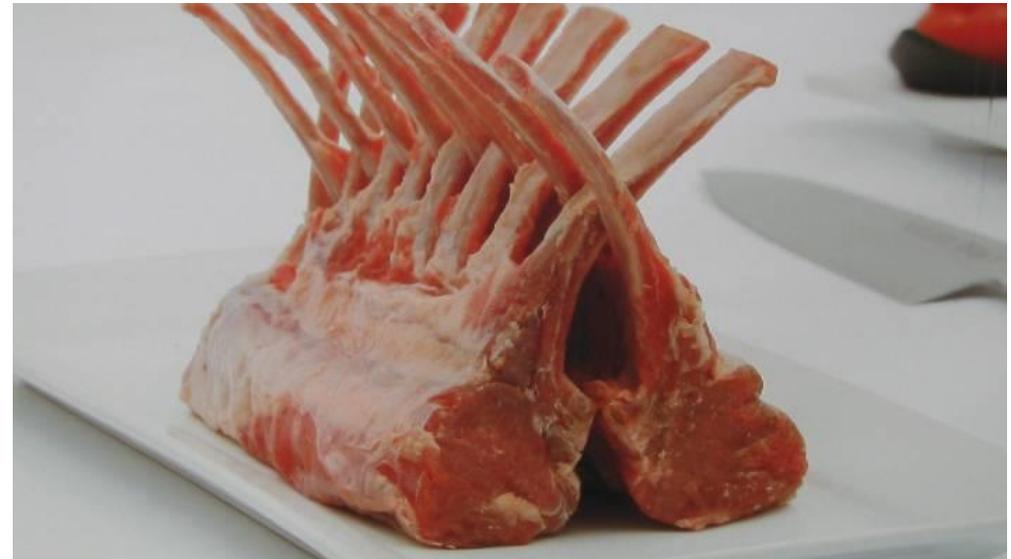


# THE MALAYSIAN EXPERIENCE



# MAINSTREAMING GOAT MEAT IN SOUTH AFRICA

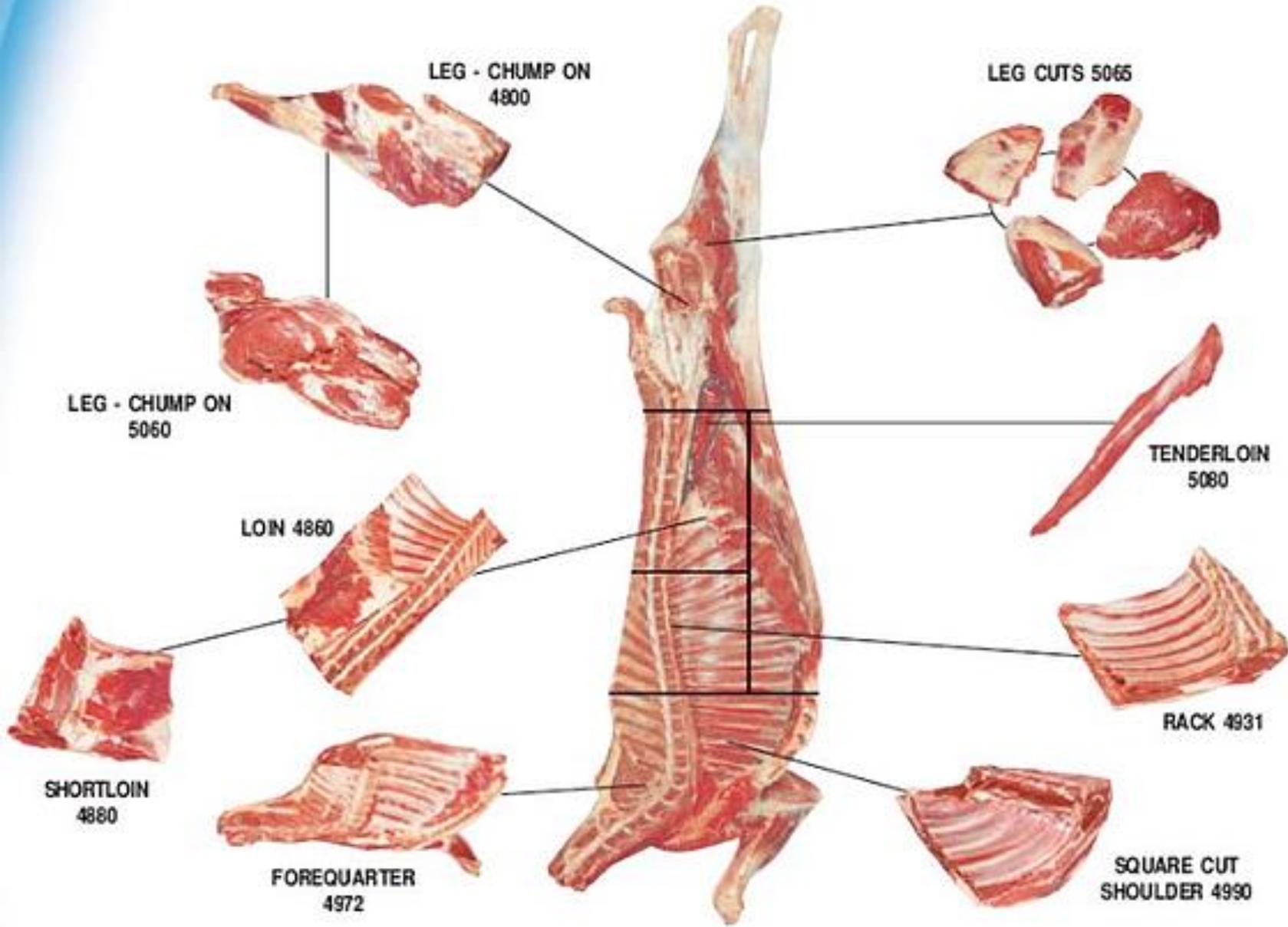
Goat meat is winning over more fans



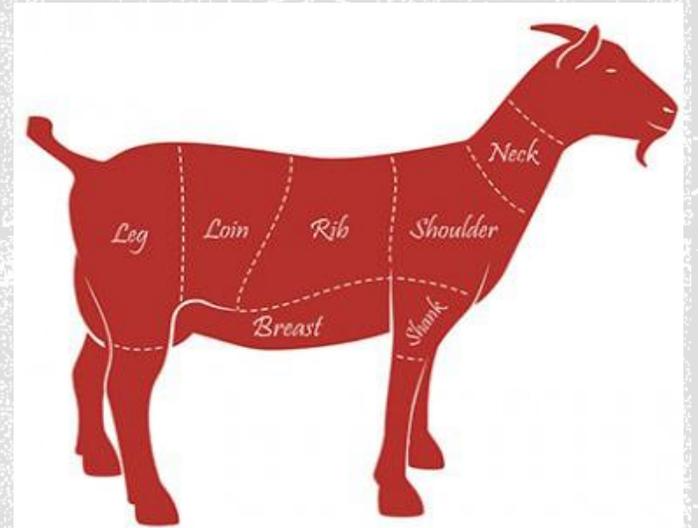
Gone are the assumptions that goat meat is inferior.



# Goat Primal Cuts

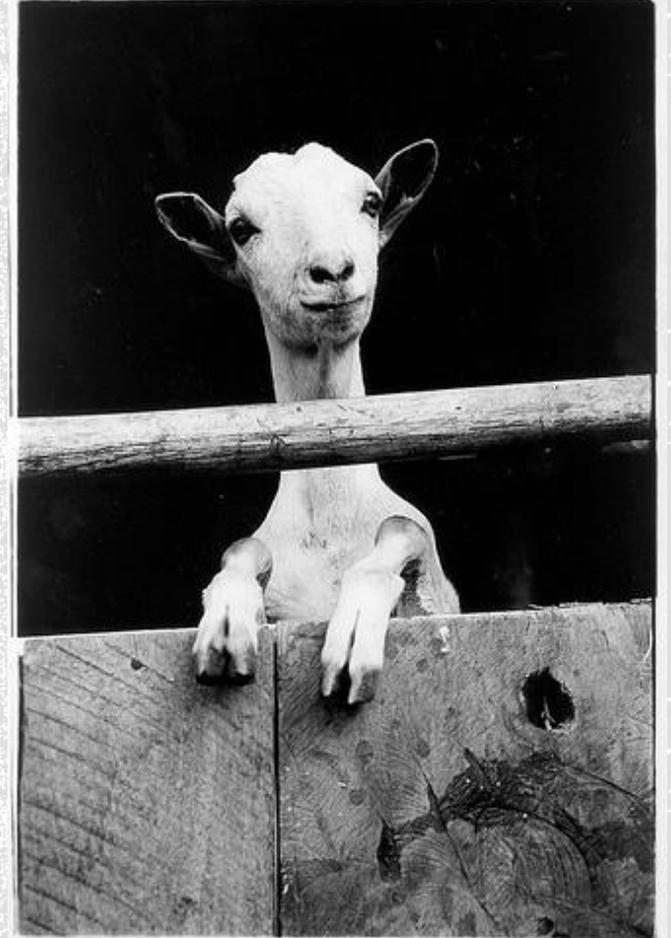


## CARCASS TO PRODUCT



- Goat meat makes up 60 per cent of red meat worldwide, but the UK is one of the few places in the world where it's not commonly eaten. That is slowly changing. Goat meat, kid, is in fashion. It will soon be on supermarket shelves.
- 'When you think of goat meat, fragrant Jamaican curries, like the ones served up from colourful street stalls at the Notting Hill Carnival last weekend, or an exotic Moroccan tagine typically come to mind.
- 'But did you know that shoulder joints melt like butter when slow-roasted, leg steaks are tender in casseroles and chops are particularly succulent after being cooked on a summer BBQ? Goat meat also makes for delicious garlicky Merguez sausages à la France, but more of that later...

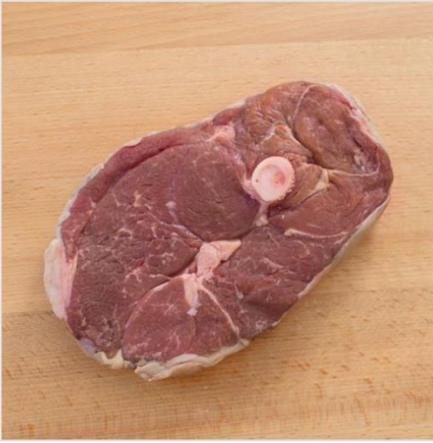
## **MAINSTREAMING GOAT MEAT IN SOUTH AFRICA**



# GOAT PRODUCTS

## LAMB & GOAT

Cut to your specifications



# GOAT MEAT AS AN ETHICAL ALTERNATIVE TO BEEF

## Not All Meat is Created Equal



Goat Meat Makes a Come Back

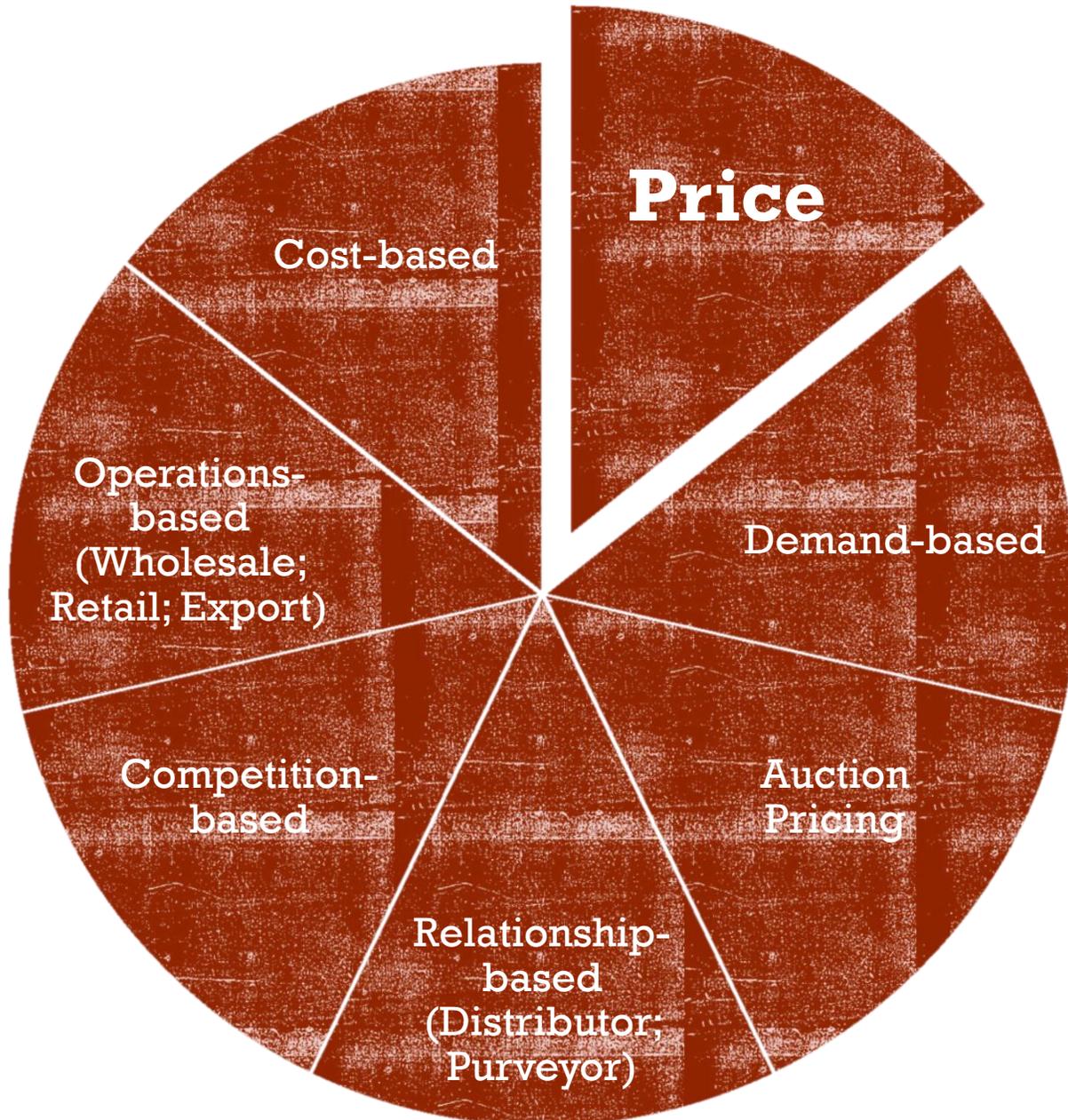
- **Many people are turning back to a somewhat ignored source of animal protein in the search for greener meat—goat.** They may even find their health improves as a result too.
- **The relative carbon footprint or environmental impact of goat versus beef**
- **Important part of viable, sustainable agriculture**



# GOAT MEAT REQUIRES A CULINARY RETHINK

- As with any unfamiliar ingredient, perhaps **the biggest challenge for taking goat mainstream is educating consumers on how to cook with it.**
- Goat meat is not yet subject to the same rigorous butchery standards as other types of animal flesh.
- But, given the global popularity of goat, there is no shortage of recipes.





# PRICE

## Pricing Objectives

- Market Penetration
- Revenue Maximisation
- Profit Maximisation
- Maximise Quantity (Bundle Pricing)
- Maximise Profit Margin
- Cost Recovery
- Premium Quality
- Cost Leadership
- Maintain Status Quo
- Survival
- Achieve long-term marketing objective

# APPLYING COMMON SENSE TO GOAT PRODUCTION

## Shared Value in Goat Production

- Unlocking the stored value in communal livestock;
- Build local capacity to care and produce quality goat product;
- Create shared value opportunities

## Sustainable Goat Production

- Integrated value chain
- Ethical production practices
- Biosecurity standards and systems

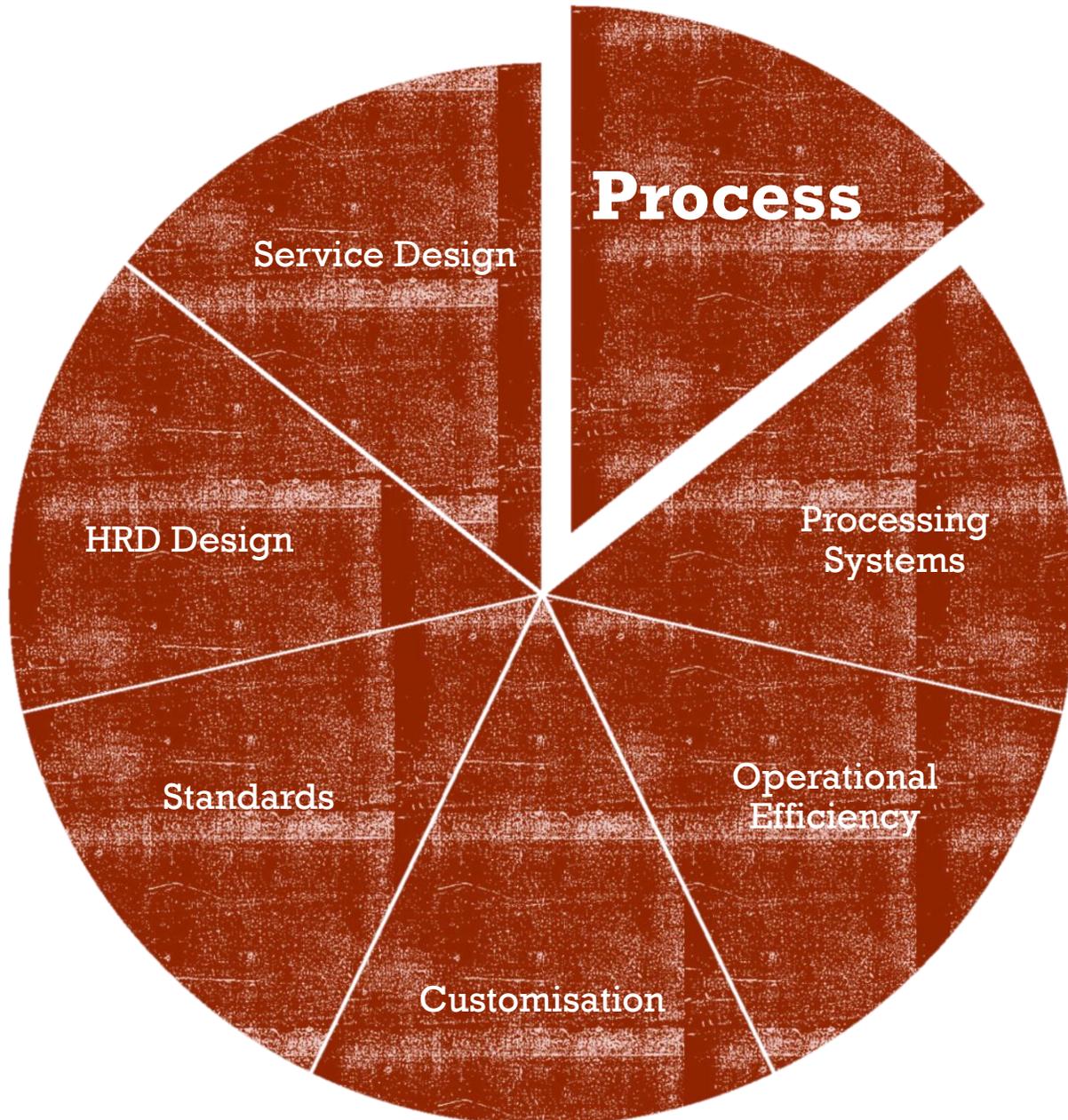




**MEET THE ETHICAL  
SUPPLIER:  
JAMES WHETLOR FROM  
CABRITO**

Turned  
unethical  
treatment of  
goats into a  
lucrative  
business  
opportunity





## PROCESSES

- Biosecurity Standards
- Standard Operating Procedures
- Processing & Handling Standards
- Customer Service Standards
- Training & Development System Design



## APPLYING COMMON SENSE TO GOAT PRODUCTION

### Promoting the Benefits of Goat Meat

- Goat production is a springboard for wealth creation and
- Socio-economic development and job creation;
- Health benefits of goat meat
- Environmental benefits of goat production

### Promoting the Goat Industry

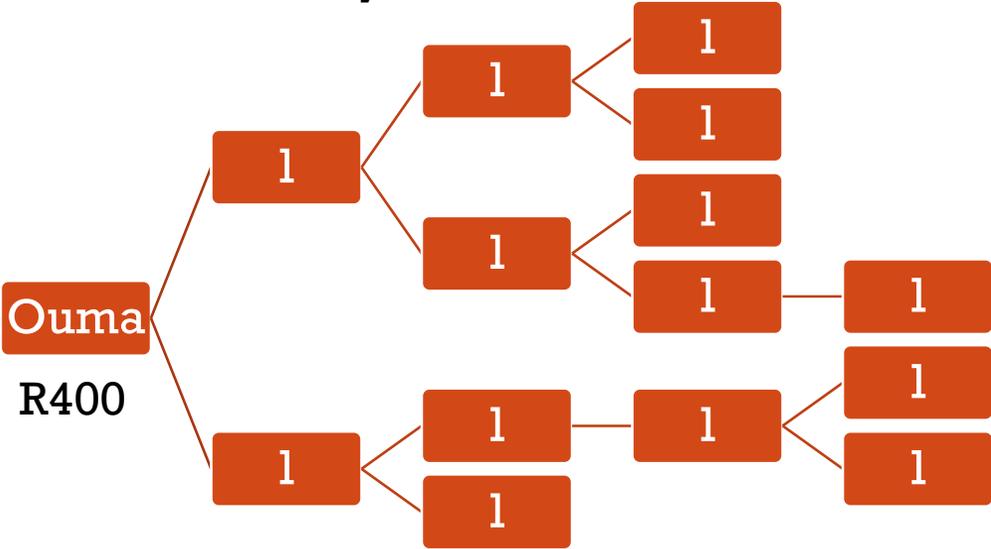
- Mainstreaming goat meat;
- Advocacy;
- Research and development;
- Technology transfer.

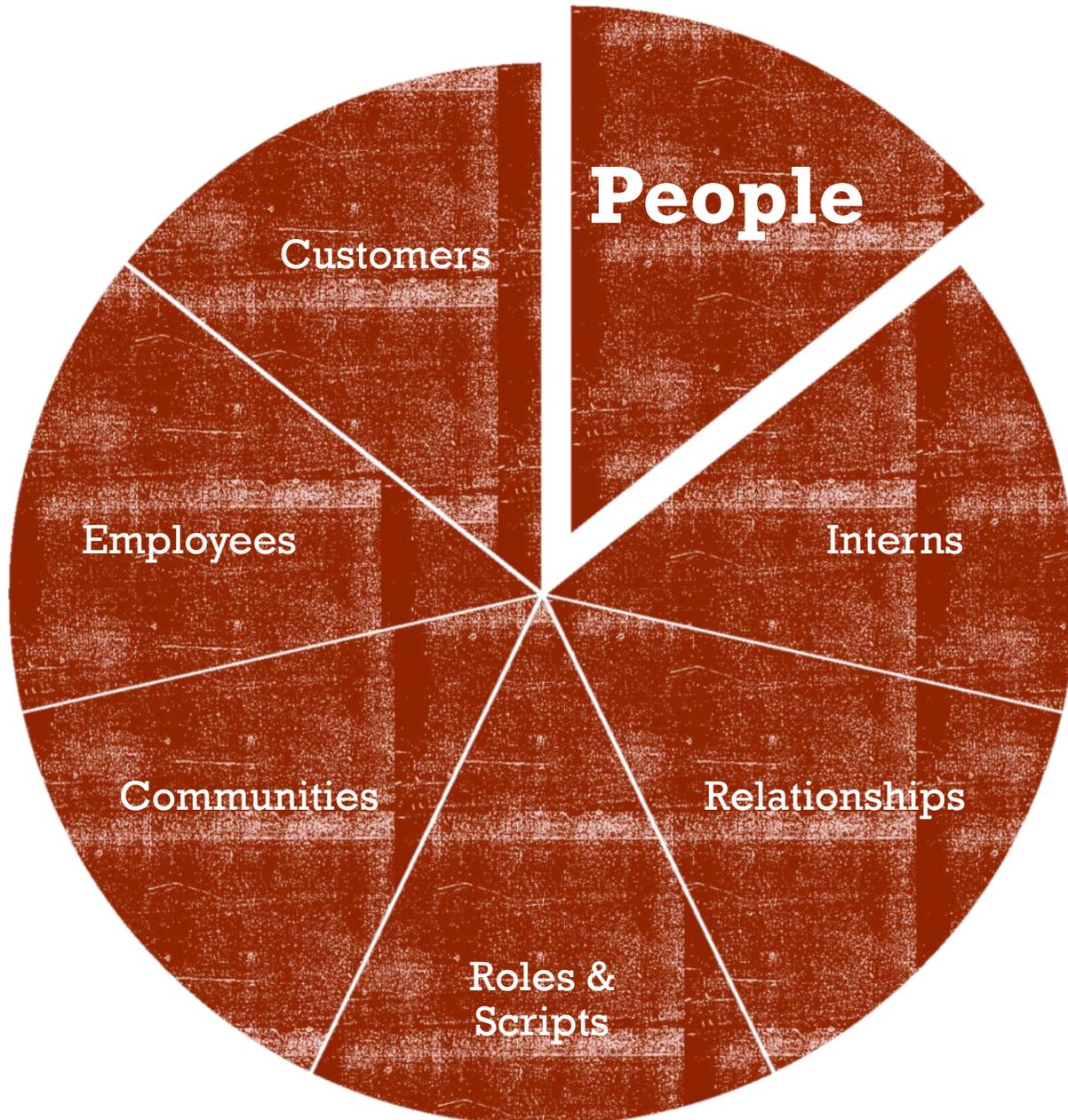


# THE MULTIPLIER EFFECT & ROI OF GOATS



Average revenue: R16,000.00  
ROI: 3900%  
Annualised: 145,36%  
Profit: 98% in 4,11 years

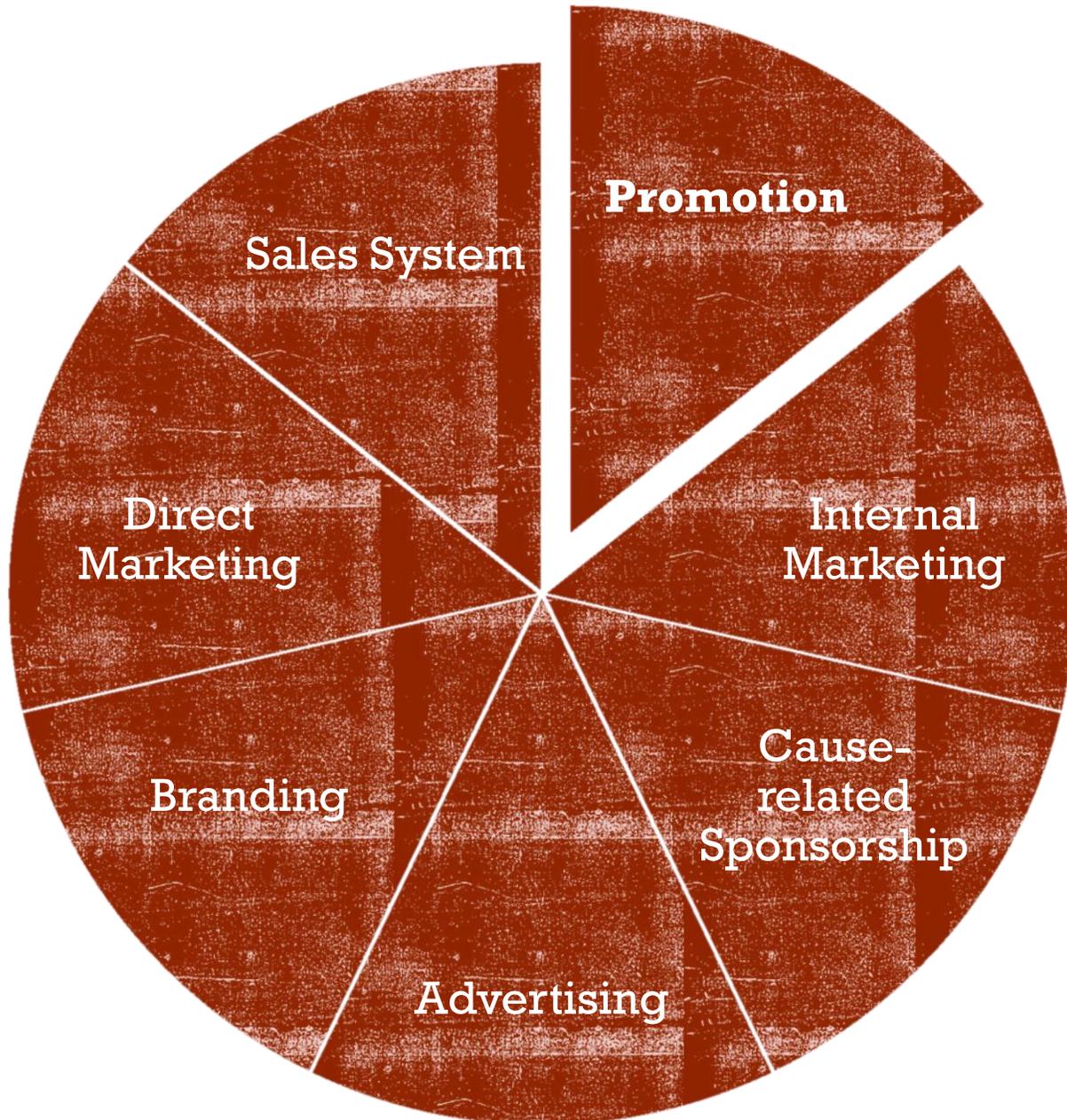




## PEOPLE

- Competitive Advantage – HRD Training & Development
- Internship opportunities for unemployed graduates
- Client Services Standards
- CRM
- Performance Management System

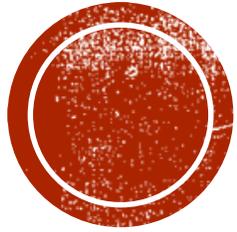




# PROMOTION

- Goat Agribusiness Conference
- ?
- ?
- ?
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- ?





**THANK YOU**

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