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## Goose Production in South Dakota

Cooperative Extension South Dakota State University

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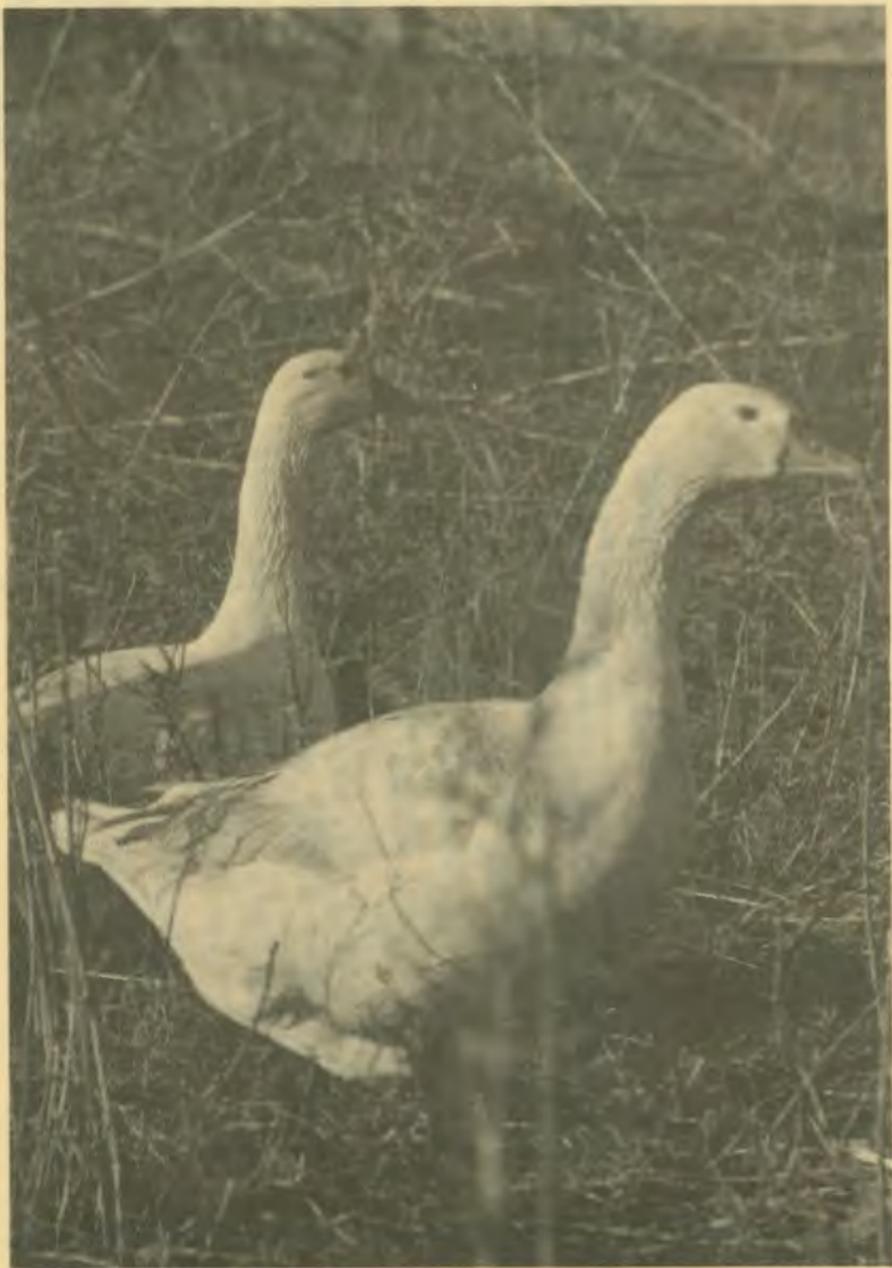
Website: [extension.sdstate.edu](http://extension.sdstate.edu)

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# **Goose Production in South Dakota**



Cooperative Extension Service  
South Dakota State University  
U.S. Department of Agriculture

# Goose Production in South Dakota

Richard Shane

Assistant Professor of Economics

Leonard Benning

Extension Marketing Specialist

The goose is one of the most efficient feed-to-meat convertors known to man. This efficiency is not limited to fancy supplements and grain. The goose can graze areas normally considered waste and convert the vegetation to highly palatable muscle. Small amounts of labor are need in the production of geese. In many instances, this bird can go virtually unattended for much of its growth period. Investment in facilities and equipment is minimal. The young gosling must be kept warm, dry, and supplied with starter and fresh water. This can normally be accomplished in old buildings with used equipment.

This bright picture becomes very gloomy when the finished goose is marketed. Consumer demand for goose is not high, and it is sold as a specialty meat by most retailers. The tame goose is sold much in the same manner as game birds but with larger mark-ups than for competing poultry. Little freezer space is provided in the store. The competition is tough to counteract.

This fact sheet provides cost estimates for producing geese and is designed to help individual producers decide if it is feasible to add a goose enterprise to an existing farm business. It is especially well suited to the small family farm. Methods of deriving costs are explained so individuals may look at their own situations more closely. Marketing alternatives are discussed at the end of the fact sheet.

## Costs of Production

Estimated costs of production were gathered from cooperating producers with

different enterprise sizes. Prices were then inflated to 1980 costs. Table 1 is a presentation of these estimated costs.

## Gosling Cost

The gosling price was adjusted to reflect death loss. Most of the death loss occurred in getting the gosling started. The 1979 gosling price was \$1.82. Death loss of 10.9% increased the gosling cost to \$2.02. The 1980 gosling cost was estimated with an initial gosling price of \$1.98 per bird and death loss adjusted gosling cost of \$2.20 per bird.

## Feed Cost

The largest expense in goose production was feeding. In this case the geese were fed starter for 4 weeks, free choice grain while grazing, and corn for 4 weeks to finish them off. The amount of grain fed between starting and finishing could be reduced if sufficient forage is available. The 1980 feed costs were estimated using projected corn and oats prices for the summer of 1980.

## Miscellaneous Costs

Utilities were expected to increase 20% from 1979 to 1980 and interest rates increased from 12% in 1979 to 16% in 1980. Interest on operating capital was charged for 6 months, most of the goose production period. Overhead costs such as picking up goslings, veterinary work, and marketing were 5% of operating costs.

Table 1. Estimated Goose Production Costs - A Case Study

<u>Year</u>	<u>1979 Survey</u>	<u>1980 Estimate</u>	<u>Your Estimate</u>
Goslings (number)	3900	3900	_____
Death Loss	10.9%	10.9%	_____
<u>Operating Costs (per goose)</u>			
Goslings (adjusted for death loss)	\$2.02	\$2.20	_____
Feed	3.50	3.85	_____
Utilities	.04	.05	_____
Veterinary/Medicine	.14	.15	_____
Repairs	.01	.01	_____
Insurance	.05	.05	_____
Overhead (5% of operating costs)	.29	.32	_____
Interest (@ 16% annual rate)	.36	.53	_____
Total Operating Costs (per goose)	<u>\$6.41</u>	<u>\$7.16</u>	_____
<u>Fixed Costs</u>			
Depreciation	\$ .12	\$ .12	_____
Interest	.02	.03	_____
Land and Taxes	.05	.05	_____
Total Fixed Costs	<u>\$ .19</u>	<u>\$ .20</u>	_____
Total Cost (per goose)	<u>\$6.60</u>	<u>\$7.36</u>	_____

Fixed Costs

Fixed costs at first glance appear to be very low. But geese require little in buildings or equipment. In this case study, fully depreciated buildings and used equipment were utilized which led to low depreciation and interest costs. An individual investing in new equipment and a new building would incur considerably higher fixed costs. Interest on investment and land was calculated using an 8% annual rate. Equipment with a 5-year life was valued at \$2,400, the land was valued at \$500 per acre and taxes were \$4.00 per acre with the land used half of the year for geese and half for livestock. In this case, about 450 geese were run on each acre.

Cost Summary

The gosling and feed costs made up 83% of the total cost of goose production. Feed costs may be reduced if quality grazing is available in uncultivated areas. Fixed costs are low, as geese require few facilities and used equipment is sufficient. If the operator feels that by eating "waste" grass, the goose is actually contributing to the overall farm business, he may not include a charge for land against the goose enterprise.

Marketing

The most frequent market weight for geese is 14 pounds. About 85% of geese are marketed from 13 to 15 pounds live

weight. Geese are marketed predominately to local processors. Prices paid for geese were around 60 cents in 1976 and 1977 leading to good profits per goose marketed. As a result, growth in goose production occurred, and prices fell to an average of 42 cents per pound for the 1979 geese.

Low goose prices led to direct-to-the-consumer marketing. Those marketing early received near \$1.20 per dressed pound of goose, but later in the season as the markets became saturated prices were as low as \$7 for a 10-pound dressed goose. The cost of dressing the geese ranged from \$2.75 to \$3.50 per goose. When this cost was added on to the other costs of production, profits again disappeared.

Table 2 contains estimated returns to labor and management for goose producers in 1980. Several price and market weight combinations are presented so the producer can pick out the one which best fits his performance based on the budget in Table 1. Given the 1980 costs in Table 1 and a 40-cent/pound selling price, the goose producer would receive a negative return even if he produced an 18-pound goose on this amount of feed. At 50 cents/pound, a goose of well over 14 pounds would have to be produced. The breakeven weight is 14.64 pounds at 50 cents/pound and 12.2 pounds at 60 cents/pound. The estimated breakeven price for the 14-pound goose in 1980 is 52.3 cents/pound.

Table 2. Estimated Returns to Labor and Management Per Goose from the Goose Enterprise In Table 2, (1980)

Weight (lbs)	Price Per Pound			
	.40	.50	.60	.70
10	-3.36	-2.56	-1.36	-.36
12	-2.56	-1.36	-.16	1.04
14	-1.76	-.36	1.04	2.44
16	-.96	.64	2.24	3.84
18	-.16	1.64	3.44	5.24

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South Dakota State University  
Brookings, South Dakota 57007

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