UNIVERSITY OF FLORIDA
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FACT SHEET PS-8

Ratite Industry Current Status[1]

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Historical Background

From its beginning in the mid-1980s until the mid-1990s, the U.S. ratite industry (ostrich, emu and rhea) was almost totally a breeder production system. Bird prices were very high and all birds, even those very marginal in quality, were marketed as breeders.

By 1996, the breeder market had reached the saturation point at which supply met or surpassed the demand. As a result, prices of birds decreased dramatically. However, prices for high quality, proven breeders remained profitable.

Current Industry

The present industry is primarily one of producing products (meat, hide, oil, feathers). This trend should continue for the next 3 to 5 years, but with a small and increasingly select group of birds marketed or retained for breeder stock. During this period many producers will take losses and some will abandon the business. Small farms are being bought by larger farms and, the number of production units, therefore, will likely continue to decrease, whereas the number of birds produced may not change much. There are an estimated 450 to 500 ratite producers in Florida. The ostrich sector appears to be somewhat stronger than that of the emu and rhea.

Problems Encountered

Numerous problems exist in management, nutrition, disease, incubation, chick survivability, and other areas, but it is reasonable to expect that these problems can be overcome through research, experience, and good husbandry practices. The participation of the ostrich industry in the National Poultry Improvement Plan program will place this segment of the ratite industry on a sound footing for improving bird quality, health, sanitation, and management. Current high grain prices, in tandem with the "specialty" classification of ratite feeds, make these feeds unusually expensive. Development of appropriate, economical feeds and feeding programs is a high priority to provide critically needed relief in this area. It will be necessary for the long-range survival of most producers.

Processing

The infrastructure for slaughter and processing of products is extremely limited at present. Such an infrastructure, whether private, corporate, or cooperative, is urgently needed for the industry to develop. Steps have been taken in the development of a slaughter and processing system. Only 20 to 30 processing facilities are in operation nationwide, one of which is in Florida. It will be necessary to have a constant supply of high quality products in order to develop and sustain a successful marketing system. The number of birds available for slaughter should be

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about the same as in 1997, perhaps including fewer young birds of slaughter size. In addition, some birds may still be available from the 1996 breeding season.

Markets

Current markets for ratite products are primarily specialty type markets with high prices for meat, hides, feathers, oils and other products. These markets appear to be only tentatively established in the U.S. Some export markets are available and may increase due to continued concerns about bovine spongiform encephalopathy in beef. Inconsistencies in standards and pricing have been experienced in the hide market. Part of this phenomenon may be due to the very limited number of hide dealers. Difficulties in cash flow have, in some cases, resulted in poor quality birds and subsequent products. This is occurring at a time when all products should be absolutely top quality to give a good first impression to prospective buyers or consumers.

The ratite industry has found it difficult to introduce a new food product to American consumers. Consumer acceptance and/or demand for ratite products has not been firmly established, nor has it been reliably and fully researched or promoted.

Proper cuts of meat have been researched and recommendations made for processing procedures. Appropriate pricing by cut is being established. Research is also attempting to define the best use and preparation method for each cut. Limited consumer acceptance research indicates that the meat is comparable to beef in taste and many other characteristics. It is being advertised as a low fat, low cholesterol meat, however, additional reliable data and comparisons are needed.

Competition from the established meat markets of beef, pork, turkey, chicken, etc., will be hard to overcome. Efficiency of production, yield of product, product quality, product development, and effective marketing will be important factors in the industry's ability to compete. At this point, effective marketing may be the most crucial.

The Future

Determining factors in the future success or failure of the ratite industry are likely to be consumer education, consumer acceptance, development of an infrastructure for slaughter, processing and marketing, and the ability to compete with established animal industries.