The toxicity of *Corynebacterium pseudotuberculosis* surface lipid to skin and draining regional lymph nodes in goats was investigated. Five goats were injected intradermally at two skin sites with 5 mg of the surface lipid dissolved in mineral oil. The goats were examined daily, visually and by palpation, for changes on injection sites and in regional draining lymph nodes. Thereafter they were sacrificed sequentially and post-mortem examination performed. The skin injection sites and the regional draining lymph nodes were examined for gross and microscopic pathological lesions. Examination revealed abscessation which was attributed to death of macrophages and neutrophils. From these results it was concluded that the surface lipid of *C. pseudotuberculosis* is pyogenic and that it plays a role in pathogenesis of Caseous Lymphadenitis (CLA) lesions in goats.