

MISSION BACKGROUND

The Canadian Dehy Industry has reached a mature state in Canada. An abundance of land for grazing, bailed hay, silage conventional feed ingredients, improving feed conversions of animals and increasing amounts of on-farm milling activity are making it difficult for the industry as a whole to increase sales in the domestic market.

With little opportunity for expansion in Canada and with the competition among companies becoming extremely fierce in the Pacific Rim, the only export market which Canadian industry depends on, there has been increasing interest in looking at new export market opportunities. The volume and dollar value of processed alfalfa exported from Canada has gradually increased over the last five years. However, much of this market increase has occurred in Japan and Korea which have now become saturated with little room for expansion. There have been few sales made to Spain and Portugal as well where the livestock population especially dairy cows have expanded quite significantly. In 1989 Canadian exports of processed alfalfa were valued at \$75 million, 85% of which went to Japan and Korea. Most of this consisted of Alfalfa pellets both suncured and dehy. Canada has, to date, generated considerable sales to Portugal and indirectly through a broker from another country, to Spain. A number of inquiries have been received from France as well as Italy.

It was felt that some market assessment work is needed to evaluate the market opportunities and to obtain first-hand information on the livestock industry and processed alfalfa industry in Spain and France and their competitiveness to the Canadian industry.

MISSION ORGANIZATION AND OBJECTIVES

For the aforementioned reasons it was decided to organize an outgoing processed alfalfa Mission to France, Spain and Portugal in March 1990. The mission would provide an opportunity for a group of Canadian industry personnel, with federal government assistance, to assess first hand the market potential for Canadian processed alfalfa in these countries and to determine the capabilities and competitiveness of Canadian industry to supply top quality products To these regions. Emphasis would also be placed on gathering information on these countries on potential market demands, production capacities and local products, quality and prices. By obtaining information on each country's