

## **CANADIAN PROCESSED ALFALFA INDUSTRY PROFILE**

### **Background**

The Canadian alfalfa forage processing industry evolved in the late 1960's and early 1970's as a result of a need to diversify crop production in Western Canada during a period of surpluses of low priced grain and due to export opportunities for alfalfa pellets in Japan. The industry has grown over the past two decades, and today, processed alfalfa production exceeds 600,000 MT annually in the ratio of 2:1 as pellets and cubes. Sales are valued at close to \$85 million annually, consisting of an excess of \$75 million as value-added exported products.

Canada's processed forage industry produces pellets, cubes, mini-cubes, compressed bales and chopped alfalfa that is either dehydrated or sun-cured and packaged in bags. Pellets are a high quality, finely ground dehydrated or sun-dried product used as a source protein (including bypass protein), carotene, energy, fibre, vitamins and minerals in prepared livestock feeds. Dehy pellets are also used in direct feeding, largely for dairy cattle, and their use in direct feeding is increasing. The remaining products are either coarsely ground, chopped or in the long form, and are used largely as a source of long fibre in direct feeding to dairy cattle. Long fibre alfalfa products are also becoming recognized as a source of nutrients other than long fibre. Cubes, a source of long fibre, are more dense than long hay and dehydrated chops, and are therefore, more economical to transport to overseas markets.

The growing of alfalfa for processing has been attractive because it reduces weather risks, helps control weeds, improves the condition of the land on which alfalfa is grown, and thus is consistent with the soil conservation objective of soil management. It is estimated that 300,000 acres of alfalfa were harvested in 1988 for processing into alfalfa products. This represents approximately 7% of the total alfalfa acreage in Western Canada. Processed alfalfa is considered to be one of the highest value-added products which are manufactured from agricultural raw material in Western Canada.

Based on 1988 estimates, the industry employed some 500 full-time equivalent jobs (300 full-time workers and another 900 as seasonal employees) at an annual payroll of \$12.3 million. Most workers are employed in rural areas and smaller communities, generating spin-off through additional economic activity within these communities.