

GETTING MORE VALUE

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The feed market has traditionally been a default market rather than a market of choice for many grain producers. According to a study by the Canadian barley sector 66% to 75% of barley sown is a malting variety and less than 25% of it is actually used for malting purposes. The remainder is consumed in the feed market. In the last few years the same holds true for the Canadian pea crop, with 40-50% of the peas grown in Canada being consumed in the domestic and international feed markets.

The demand for feed ingredients is well developed, as global meat production has increased more than fivefold since 1950 and more than doubled since the 1970's. China's consumption of pork alone is projected to increase 19% in 2006 over 2001 levels.

These facts illustrate that the feed industry is a significant market for grain and pulse crops grown in Western Canada. The question becomes whether or not this is a sustainable market for producers to continue to market into?

Unless you fully understand and can measure the quality traits of the product you are marketing, how can you expect to be paid for the value?

The NIRS project undertaken will define the major quality components of feed ingredients into a standard format. The ability to measure feed quality attributes and communicate them should provide for the delivery of more accurate and complete information throughout the supply chain.

Well developed market signals in the feed industry may result in the following:

- more accurate and timely signals as to feed demand
- established relative value of feed ingredient alternatives
- increased feed varietal development by plant breeders
- advancement of improved price discovery mechanisms for feed ingredients