

The slide features a green background with a pattern of overlapping hexagons. A white rectangular area on the right contains the text. At the top of this white area is a solid brown rectangle. A thick green horizontal line is positioned at the bottom of the white area.

# AFIN Export Market updates

Presented by : Marc Lavoie

# What are our hay markets

- Over 95% of the hay produced in Canada is used domestically
- Of the 5% that is exported, the main countries are
  - US
  - Asia (Japan, Korea, Taiwan and now China)
  - Middle East (UAE, Saudi Arabia, others)
  - Europe(Limited)

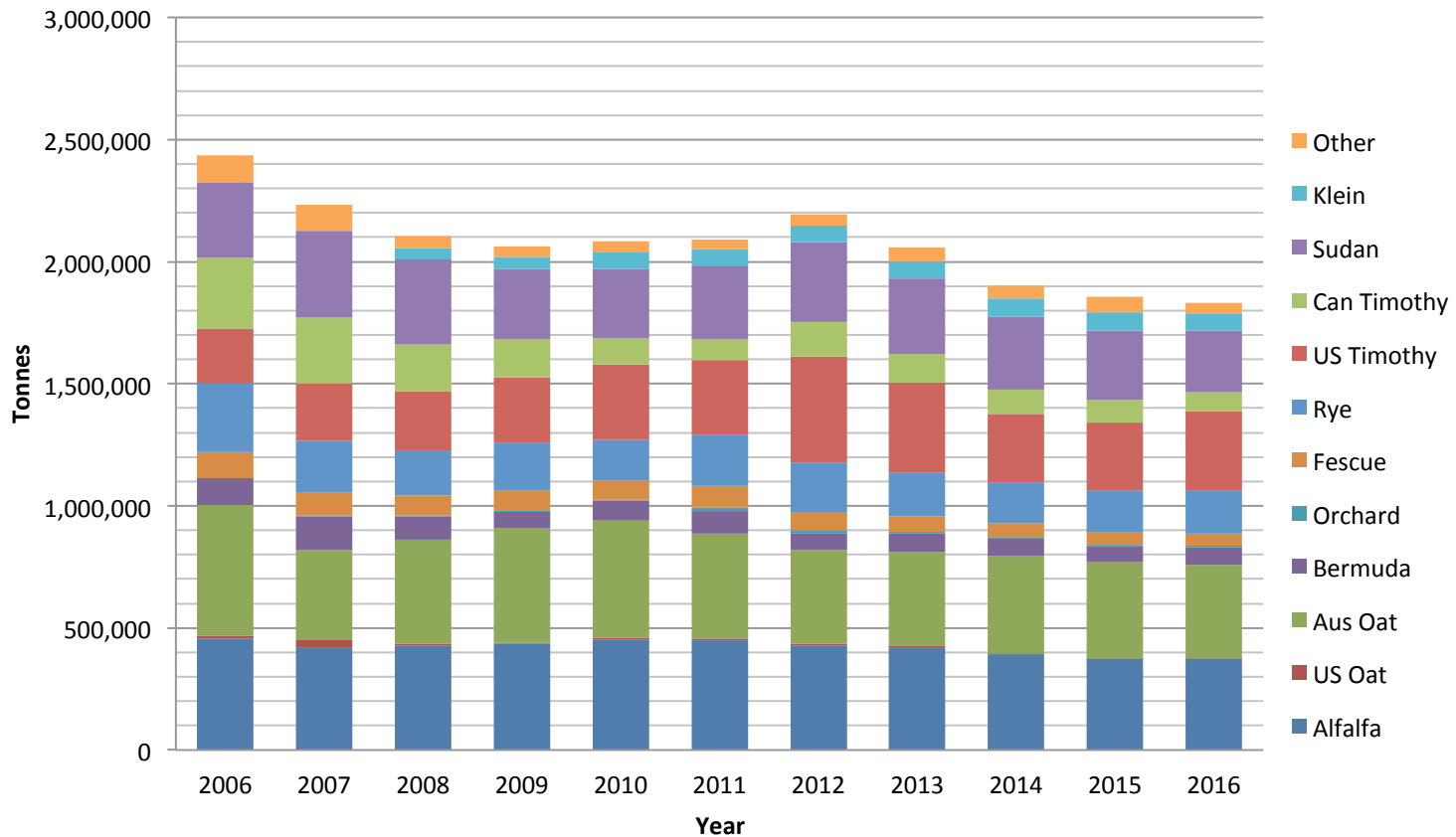
# What kinds of hay

- Equine (High end Timothy, and mixed hay)
- Dairy (Timothy hay and straw, Alfalfa and some mixed hay)
- Beef (Alfalfa, mixed hay and some timothy hay and straw)
- Goats, Camels, Sheep
- Rabbits (High quality timothy, small packaging)

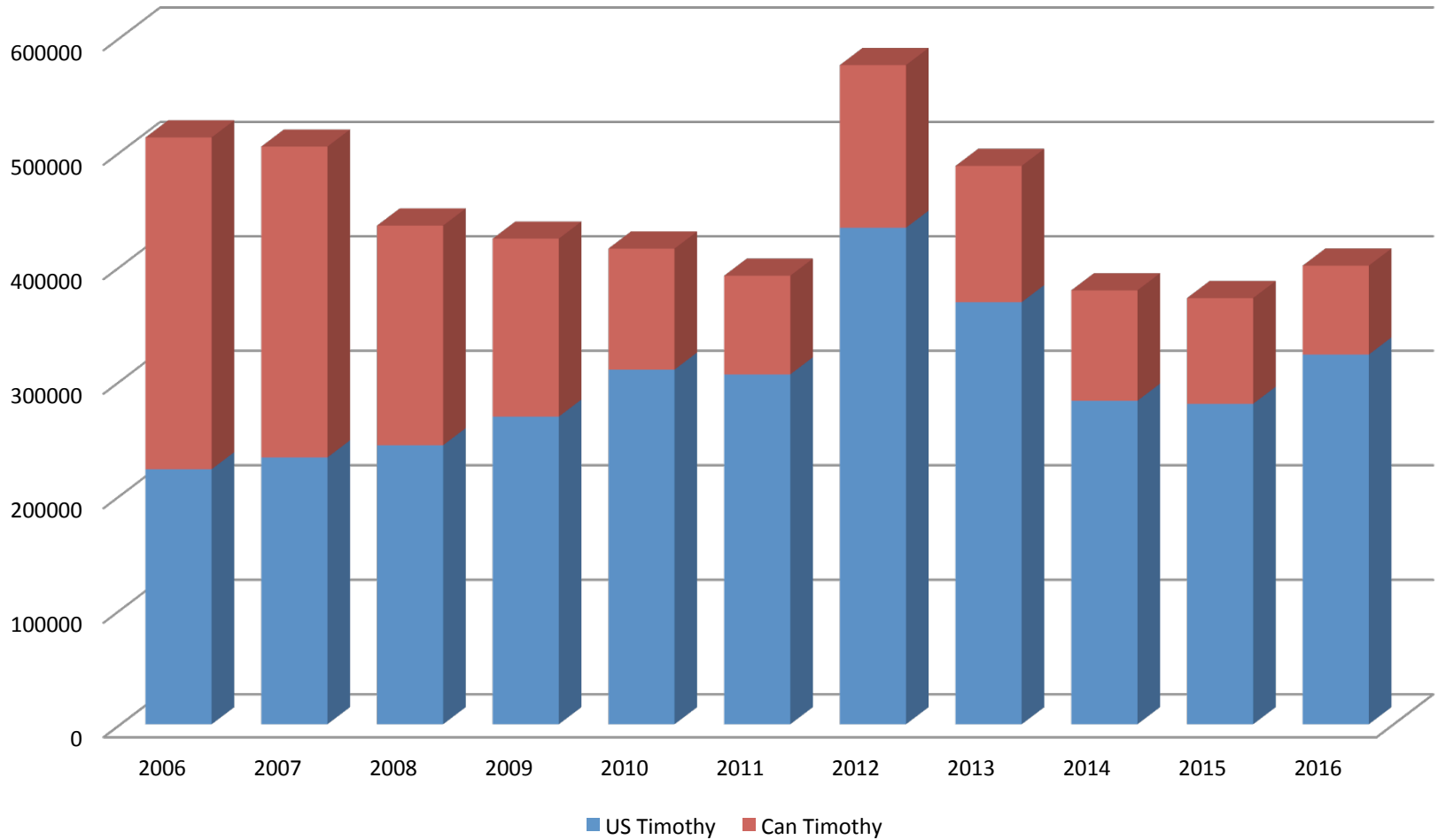
# How are the markets changing

- Existing markets are steady/declining (Japan)
- New large markets developing
  - China – Dairy Expansion
  - Middle East – Water shortage
  - India – Consumption changes

# Japan Imports



# Japan Timothy Imports



**Table 1.** Comparison of 2014 and 2015 US Alfalfa and All Hay Exports to Top Destination Countries from Western Ports (US Dept. Commerce)

ALFALFA HAY						
	Value (\$ millions)		Percent Change	Volume (1,000 MT)		Percent Change
	2014	2015		2014	2015	
China/HK	234	317	35.5	722	929	28.6
Japan	195	202	3.2	595	602	1.1
UAE	56	61	9.1	298	223	-25.1
Korea	71	58	-18.5	173	195	12.8
Saudi Arabia	8	24	210.1	21	73	240.2
Total Exports	604	700	15.9	1,934	2,146	11.0

ALL HAY						
	Value (\$millions)		Percent Change	Volume (1,000 MT)		Percent Change
	2014	2015		2014	2015	
Japan	529	498	-5.9	1,609	1,543	-4.1
China/HK	291	379	30.2	911	1126	23.6
Korea	227	260	14.7	774	907	17.2
UAE	115	96	-16.9	428	329	-23.1
Taiwan	41	46	13.2	142	152	7.0
Total Exports	1,238	1,327	7.2	3,970	4,212	6.1

# Challenges

- Competitiveness
  - Dollar
  - Other crop pricing
  - Freight costs
    - Logistics
    - Inland costs and Ocean freight rates
    - Access to containers
  - Quality (type of product, purity, packaging)
  - Carbon tax? (new but costly) (limit new products)
  - Expertise



# Canada's Strength's

- Large land base in forages
- Experience in production of hay
- Dollar
- Access to water
  - Under utilizing
  - Natural rain fall