

Canadian Lamb Company Initiative Information Bulletin

The **Saskatchewan Sheep Development Board (SSDB)** is pleased to announce the formation of the **Canadian Lamb Company Initiative (CLCI)**. The objective of this new initiative is to test the feasibility of a producer owned organization that would maximize the market opportunity for Canadian lamb products. The new organization would provide producers with both the financial and market incentives needed to profitably expand production, encourage the entrance of new Canadian lamb producers into the market and develop competitive value added lamb products for the retail and food service markets in Canada.

Numerous studies of the Canadian lamb industry have all reached similar conclusions. Namely, that consumption of lamb products in Canada is growing and will continue to grow due to the changing demographic blend of the Canadian population. However, as consumption is increasing the domestic production of lambs in Canada is declining. The result is that the primary beneficiaries of the growth in demand for lamb products in the Canadian market are the lamb producers and lamb products marketing organizations in New Zealand and Australia.

Without an increase in the domestic production and marketing of domestic lambs, the Canadian lamb industry is in danger of becoming marginalized. Importers of New Zealand and Australian lamb products are on target to increase their market share from the current level of 60% of the market to over 80% of the Canadian retail and food service markets in the next 3-5 years.

Studies also indicate that under the current industry structure in Canada, lamb producers in most provinces receive only a fraction of the profits that could be earned through value added products and the development of a producer owned organization with its own brand of value added lamb products. Of significance is the fact that consumer studies clearly indicate that Canadians prefer Canadian lamb over imports and have a preference for local versus imported lamb products.

The first phase of the Canadian Lamb Company Initiative is to determine if the concept of a new business and operations model for the domestic lamb industry will be supported by producers, processors, provincial organizations, retailers, food service providers, feed lot operators, brokers, and other key stakeholders in the sector. Also included in the first phase will be the development of a business

and operation plan for the new organization and an assessment of the financial viability of the concept.

The second phase of the initiative will focus on the establishment of a Canadian Lamb Value Chain. The new value chain will be national in scope and will be inclusive of key industry stakeholders such as lamb producers, meat processors, food processors, retailers, industry organizations, trade organizations, food service operations, meat product distributors, brokers, food developers, packaging companies, and government organizations in various provinces.

Part of the SSDB's mandate is to create and protect markets for sheep and lambs for its producers. The SSDB is of the opinion there are marketing opportunities in Canada that are either not fully realized or not realized at all for Canadian lamb products. The SSDB recognizes that in order to be successful it is necessary to develop a new producer owned and controlled organization that has the critical mass to develop and market a range of value added Canadian lamb products in the major markets in Canada. This critical mass will only be attained with the inclusion of producers, processor and stakeholders in other provinces.

The Canadian Lamb Company Initiative will help the SSDB determine the feasibility of creating a producer organization that will form the foundation upon which to build a sustainable and profitable market for Canadian lamb products. The Canadian Lamb Company Initiative has received support from producers and key industry stakeholders in 5 provinces.

Terry Ackerman has been appointed by the SSDB as the Business Development Manager for this initiative.

For further information on this initiative contact:

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