

News Release

Canada's lamb industry must overcome self-imposed limitations

Guelph, ON (July 22, 2009) "The Canadian lamb industry is a success story waiting to happen." So says a lamb processor CEO who participated in a newly released study by the Value Chain Management Centre, *Adding Value to Lamb*.

It has become increasingly apparent that providing value-added products to consumers can lead to increased market share, higher overall product value, and improved profitability. However, convincing an industry focused on maximizing the productivity of individual businesses to shift from making decisions based on cost and volume to those based on working together to increase the value proposition for consumers remains a challenge.

"Though this study challenges the current system, it also identifies significant opportunities to improve the competitiveness of Canada's lamb industry," says Martin Gooch, Director of the Value Chain Management Centre. "The study confirms that the industry's potential is not being reached, due to lack of supply and ineffective management of the chain."

The impact of this unrealized potential is enormous. According to Abdel Fefel, one of the study's authors, "While the Canadian lamb market increased 100% between 1997 and 2008, domestic lamb production increased by only 30%. This means Canadian producers are missing out on a \$42 million opportunity in farm gate sales and \$250 million at retail."

The current lack of collaboration creates unnecessary costs for the entire chain and limits its ability to adapt to an expanding market for lamb. This makes it even more difficult for the Canadian lamb industry to compete against imports. "With Canada producing only 25% of the lamb it consumes, the extent of missed opportunities will only grow unless addressed by industry," says Gooch.

The study can be accessed through the Value Chain Management Centre website: www.vcmtools.ca.

Funding for this project was provided in part by Agriculture and Agri-Food Canada through the Agricultural Adaptation Council's CanAdvance Program.

The Value Chain Management Centre, part of the George Morris Centre, supports the creation of sustainable, profitable value chains through leadership and innovation in research, education, and demonstration.

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