

Development of market opportunities for new Canadian malting barley varieties in Colombia, Peru, Ecuador

Project overview

The Andean Pact countries of Colombia, Ecuador, Peru and Chile constitute a sizeable market for malting barley. Each year these 4 countries combined import approximately 450,000 tonnes of malting barley. While in recent years most of their barley has been sourced from Argentina or France, Canada was also a supplier as recently as 2014, and in 2011-12, Canada sold over 80,000 tonnes of malting barley to Colombia alone.

More recently Canadian malting barley has been uncompetitive with other origins, and the major buyer in that market, SAB Miller has had prohibitively strict contract terms. However in 2017, a combination of factors may create opportunities in this market. The takeover of SAB Miller by ABInBev may lead to a relaxing of contract terms. Secondly, tight supplies in Argentina may create demand from other origins. Lastly, favourable shipping freight rates offer greater potential today than a few years back.

While Canada may not have a large surplus of malting barley this year, which will mean prices are likely to stay firm, it may be an opportunity to begin paving the way for the acceptance of new varieties for the future, and to re-engage with Bavaria (the brewing subsidiary of ABInBev in Colombia/Ecuador/Peru).

Project Concept

Engage with ABInBev/Bavaria to offer CMBTC technical services to process new Canadian malting barley varieties according to their processing methods (Bavaria generally has a shorter malt processing regimen - steeping and germination are shortened from 5-4 days).

Under this project the CMBTC will process new crop samples of new varieties such as AAC Synergy, AAC Connect, CDC Bow and CDC Fraser according to their malting and brewing protocols. Results will be compiled into a technical report which will be translated into Spanish and supplied to ABInBev/Bavaria.

A follow up technical exchange mission to the targeted countries on the part of Canadian representatives (up to 3 people) will be proposed to AB InBev/Bavaria.