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Big Opportunities in Canadian Oats

Letter to Editor:

The Prairie Oat Growers Association (POGA) Board is always pleased to read oat-related news articles published by The Western Producer and to know that the media is keeping an eye on this important Canadian crop. This letter is in response to your articles of July 19 (“Funding loss a blow to oat research” and “Ag economist questions future of oats”).

Farming, along with all other industries, does not occur without its share of challenges. However, in spite of what appears to be concerning events, we (as growers of oats) are feeling positive about the current and future outlook for Canadian oats. We are obliged to correct a statement made by Richard Gray where he is quoted as saying, “You’re finding less acres of oats as there was in the past.” In fact, the number of seeded oat acres in Canada, specifically Western Canada has been holding steady for more than eight years (see the chart 1 below). In addition, in spite of receiving less total funding dollars when compared to Canada’s larger acre crops, oat-yield increases per acre are outperforming many major crops, such as wheat, barley and many others as shown in chart 2. Oat quality also continues to increase with higher beta glucan varieties continuing to be developed. We are confident that this proves that the research, production and marketing efforts we and others in our industry make every day have been successful.

Chart 1

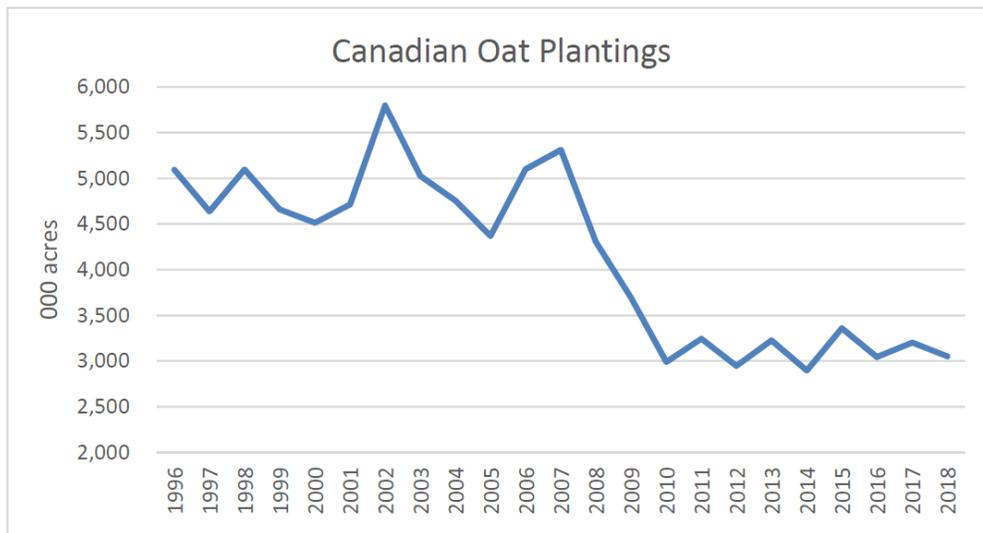
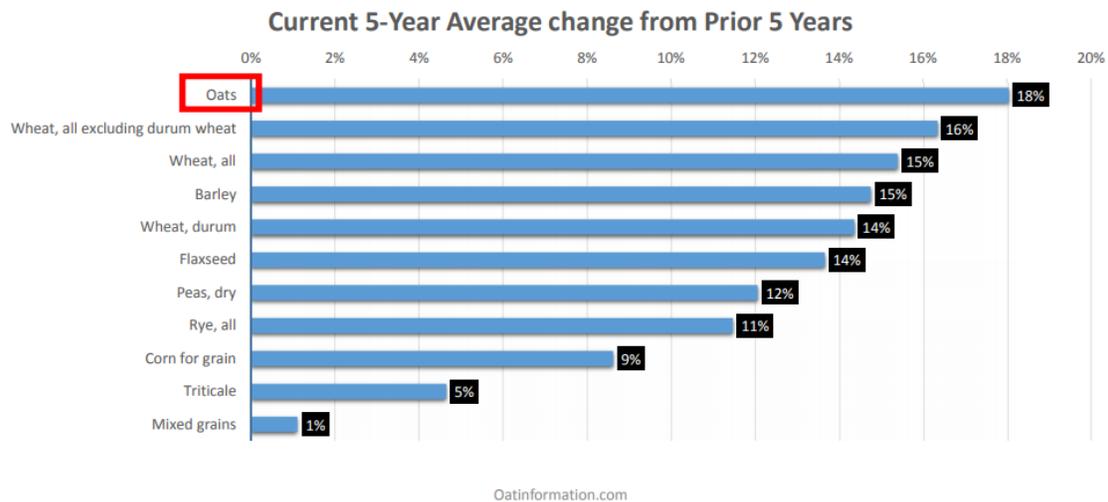


Chart 2

Canadian Crop Yield Gains



Art Enns, POGA President, shares, "Canadian Oat Growers have a number of private companies we work with now who use and source varieties or germplasm from all around the world. Due to this combined effort, the oat market enjoys much-needed variety development to combat disease and continue to increasing yield and therefore producer profitability. POGA is leveraging this advantage and increasing its market share - most recently in Mexico where oat imports have been the highest in history in the past three years. POGA has also received interest from other countries inquiring as to how to source oats from Canada. Quaker's elimination of all oat breeding funding for Western Canada, especially when they are one of the largest oat miller's in the world, is definitely a blow to our growers and the entire oat industry. But, Canadian oat growers are resilient and the other industry members have already stepped up to make sure Canadian growers can continue to be successful growing oats."

There are many reasons that other countries display increasing interest in Canadian oats. Oat product continues to gain a reputation for health-related benefits; qualities such as gluten-free and heart-healthy are reasons oats are called a 'superfood' in some circles. We enjoy good market response, which is increasing 2-3% per year for human food, which is a consistent and dependable growth pattern. Asian countries are consuming more oats every day. For example, China has increased their oat imports nearly 55 times since 2006. It's clear, marketing opportunities for oats are expanding, not shrinking.

Brad Boettger, Alberta Oat Growers Commission Chairman, is aware of the benefits when all players partner within the oat industry. Boettger states, "By combining the funding from the industry and Canadian and provincial governments, the entire oat industry, including growers, benefit from huge returns on investment. For example, POGA members currently pay less than 20% of the total cost of oat research projects due to combined and leveraged funding. There is a ripple effect on the entire industry when a company chooses to 'go it alone' and this reduces overall funding to oats since it degrades the matching opportunities for Government research funding. However, Canada remains the largest exporter of oats in the world and our growers will speak to the value of oats through their sales decisions. Our organizations will continue to foster cooperation between all industry players and work with growers so oats continue to be a profitable crop in their rotation."

While oat growers are disappointed that PepsiCo (Quaker) has withdrawn Canadian oat breeding funding and have chosen to refocus their breeding investments in the USA, and that federal governmental funding agencies have decreased their percentage of breeding funding for all crops (despite their increased focus on Agriculture by requesting Canada's agrifood exports reach \$75 billion by 2025), we do not foresee a dismal future for oats. Actually quite the opposite as international market opportunities for this healthy "super food" continue to grow. Western Canadian Oat Growers still receive breeding program support from every other major oat miller and many other industry players to alleviate the shortfall this reduced funding has created.

The entire oat industry is a vibrant community that dedicates itself to all aspects of oat research, production, processing, marketing and sales. When we experience a challenge, we do not throw in the towel, but continue to build on what is working well. As you have read, much is working extremely well in our industry and our oat growers, with the majority of the industry, will continue to ensure that it continues to.

Sincerely,



Shawna Mathieson, Executive Director
on behalf of the Prairie Oat Growers Association Board of Directors