Projected Value of Oat Exports to China

• China is the fastest growing market for Oats
• At the current market price, the value of oat imports in the China is approx. $48,000,000. Oat imports into China have increased nearly 17 times from 2006 to 2014 and over 2 ½ times from 2011/2012 to 2015/2016 with continuous growth.
• At the same growth rate, the value of oat imports should more than double in the next 5 years and exceed $100,000,000.
Potential Market for Canada

• If Canadian oat exports to China were possible and reached **40% of the market share** within 5 years from access approval:

  the potential market is worth $40,000,000.
Oats Imports in China in 1000 MT

Imports filled in the gap opened by the relevant decrease of internal oat production.

(Source USDA elaboration data Index Mundi. http://www.indexmundi.com/agriculture/?country=cn&commodity=oats&graph=ty-imports)
Domestic consumption for oats had a drop at the beginning of the 2000s. Since 2006, consumption levels have reversed the trend and started to constantly increase. There are many factors for expecting a considerable rise also for the future.

- The new Chinese middle class is looking for healthier food and more nutritious products to complement staple traditional foods such as rice and wheat noodles.
- As of 2002, the average Chinese person ate 90kg of rice a year so a relatively small shift from rice to oats would create significant demand.
- There is a specific potential for oat milk because China is very poor in beta-glucan.

(Source USDA elaboration data Index Mundi http://www.indexmundi.com/agriculture/?country=cn&commodity=oats&graph=domestic-consumption)
Oats production in China had its peak during the ‘60s and then started to constantly decline with a major drop between the end of the ‘90s and the beginning of 2000s. The years 2006-2016 confirms a slowly declining trend with no substantial variations.

(Source USDA elaboration data Index Mundi
http://www.indexmundi.com/agriculture/?country=cn&commodity=oats&graph=production)
The USA is the world’s largest importer of oats and accounts for 94-97\% of total exports from Canada (AAFC, 2016). China is the second importer and accounts for 9 \% of the global imports of oats.

(Source USDA elaboration data Index Mundi Year of Estimate 2017 http://www.indexmundi.com/agriculture/?commodity=oats&graph=ty-imports)
China Mission – November 2017

Jenneth Johnson and Ray Mazinke with the Hon. Lawrence MacAulay, Minister of Agriculture (centre)
Great News! Plant Health

- AQSIQ and CFIA signed a 2018 workplan in November
- Oats are on the workplan
- The first milestone in the progress towards a phytosanitary agreement

- “The work of POGA has been exactly what is needed to advance this file” – AAFC Asia Division
Jilin Province, China

- Jilin Province would like to work with Canada to set up an oats Industrial Park (processing and research facility in their province).
  - The industrial park would focus on oats food processing and research.
  - The Jilin Province Government envisions the participation of the Canadian oats sector and oats research institutions.
  - Current Minister of Agriculture in China is from Jilin