



ANNUAL REPORT

2019/2020

INTRODUCTION

This annual report details the 14th year of the Saskatchewan Oat Development Commission (SaskOats) operations. SaskOats is also in its 23rd year as a member of the Prairie Oat Growers Association (POGA).

Shawna Mathieson is now in her 10th year as the Executive Director of the Prairie Oat Growers Association (POGA), and the Alberta, Saskatchewan and Manitoba oat commissions. She leads the executive and administrative duties of POGA and the three provincial entities. Shawna is currently on maternity leave until next spring and Dawn Popescul is the Interim Executive Director. Since 2017, Cyndee Holdnick assists part-time with the administration of the four commissions.

Prairie Oat Growers Association (POGA)

The Prairie Oat Growers Association (POGA) is a voluntary organization of Prairie oat growers that was established in 1998 to promote the interests of oat growers and oat marketing. POGA is comprised of the Alberta Oat Growers Commission (AOGC), the Saskatchewan Oat Development Commission (SaskOats) and the Manitoba Oat Growers Association (MOGA).

The overall objective of POGA is reflected in the vision and mission statements:

Vision: *Increase profitability of growing oats for growers across Western Canada.*

Mission: *Optimize oats as a competitive crop and increase grower profitability through the grower supported levy which directs and funds research, helps develop new markets for oats and influences policy which directly impacts the Western Canadian oat grower.*

POGA is funded by the three provincial entities with SaskOats being the largest supporter, given the majority of oats is produced in Saskatchewan. All three associations collect a 50 cent per tonne check-off from every tonne of oats grown for sale in their respective province. Each province is governed by a six-member board of directors and all are members of the POGA board of directors.

The Executive Director, guided by the POGA board of directors, manages the administrative and policy duties of the provincial organizations and the overall approval/monitoring of projects that are mutually beneficial to all three entities. Some projects continue to be provincially directed and therefore funded directly from the provincial organization.

SaskOats directly funds the Crop Development Center (CDC) at the University of Saskatchewan, the Indian Head Ag Research Farm (IHARF), Northeast Agricultural Research Foundation (NARF), East Central Research Foundation (ECRF), Southeast Research Farm (SERF), Ag in the Classroom, Saskatchewan Oat Variety trials, and a NARF project titled "*Improved Integrated Disease Management for Oats.*"

SaskOats had planned to sponsor Farm and Foodcare Saskatchewan's summer cooking competition that highlight oats. Unfortunately, the event was cancelled due to COVID-19.

EDUCATION/AWARENESS

A key priority of SaskOats is educating youth on the merits and opportunities of agriculture in Saskatchewan. In support of this priority, SaskOats provides an annual commitment of \$15,000 to support Ag in the Classroom.

The POGA newsletter *Oat Scoop* is distributed a minimum of twice a year to the membership and oat industry organizations, and is available on the POGA website: www.poga.ca. This newsletter provides valuable information on oats, research and issues that impact oat producers.

SaskOats is a member of CropSphere (a two-day agricultural conference held in Saskatoon and presented by six Saskatchewan commodity groups). SaskOats annual general meeting is held at this event each year.

CropSphere is focused on providing information to producers on multiple topics and is an opportunity to learn. CropSphere runs sessions on market outlook, research, agronomy, and aims to provide a balance between whole-farm information and crop specific sessions.

SaskOats is also a co-host of the POGA annual general meeting (AGM), a day-long event on oat production and marketing held every third year in Saskatchewan. In 2019 the event was held in Winnipeg, MB and the 2020 meeting was to be held in Banff, AB.

Due to COVID-19, POGA has made the difficult decision to cancel the 2020 event in Banff. A smaller 2020 AGM will be held in Portage la Prairie, MB, in conjunction with the November meeting of the POGA Board of Directors. The 2021 POGA annual meeting will be held in Banff.

As a partner of POGA, the SaskOats board of directors have been active ambassadors for the oat milling and processing side of the industry. For the past thirteen years, SaskOats has sponsored the championship oat class at the Harvest Showdown Grain Show in Yorkton – one of the few shows for commercially grown grains.

Other projects that SaskOats contributes to through POGA include:

- *“Canadian Agronomist.ca”* - website works to fill the gap between researchers, agronomists and to some extent producers, by implementing electronic technology/knowledge transfer utilizing email newsletters and posting of research summaries.
- *Canadian Agricultural Safety Association “Be Grain Safe” campaign* - has developed mobile units which function as grain entrapment units for demonstrations and as rescue training units for emergency personnel. Awareness efforts are directed at producers and emergency personnel to remind them of proper safety protocols and to effectively handle grain entrapment situations; hopefully saving lives on the farm.
- *Farm and Food Care Canadian Food Focus* - website and social media campaign is designed to educate the public on farming and agricultural messaging. It is Canadian focused and includes information from nutritionists and dieticians to connect urbanites with where their food is coming from.

POLICY

SaskOats strives to maintain an ongoing dialogue with the Saskatchewan government. In November 2019, the SaskOats directors met with the Honourable David Marit, Minister of Agriculture to discuss current issues related to oat growers. SaskOats has requested to meet with the Minister of Agriculture in November 2020.

SaskOats/POGA has taken an active role in the ongoing transportation issues that continue to challenge the agriculture industry in Canada. Concerns were raised during the POGA Ottawa mission and the impact of transportation on agricultural commodities.

Other issues discussed in Ottawa with elected members and officials included: oat market access through trade negotiations including the United States-Mexico-Canada Agreement (USMCA) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP); carbon tax; health benefits of oats; national food policy; Canadian Grain Commission surplus funds; and the proposed “value creation” models on seed royalties. These discussions have been extremely important and SaskOats, through POGA, continues to see value in this annual mission.

Continued work on building key relationships, such as the Ottawa trip, has been critical to the SaskOats/POGA position within industry and government agencies. POGA has been requested to attend various government meetings to provide input, often where only few commodity groups are invited. For example, POGA is one of a few commodity groups that has a representative on the Crop Logistics Working Group focused on Canadian transportation issues.

SaskOats, through MOGA, holds a membership in Grain Growers of Canada (GGC) which represents oat growers on many policy issues at the national level. All three provincial oat associations are involved in the on-going advocacy around changes to the Business Risk Programs (AgriInvest and AgriStability). Some other issues that are being advanced include: market access, temporary foreign workers, research, agriculture as an essential service, carbon tax, transportation, and review of the Grain Act.

SaskOats/POGA is also represented at the Western Grains Research Foundation (WGRF), the Prairie Grain Development Committee (PGDC) and has participated in industry wide meetings such as the Grains Roundtable and the Canadian Global Grains Symposium, in addition to attending meetings led by Agriculture and Agri-Food Canada (AAFC) Market Access Secretariat.

POGA directors and the Executive Director have also been active advocates to the oat milling and processing sector by attending and speaking at the North American Millers Association (NAMA) annual conference each year, for the past ten years. 2020 would have been the eleventh year for POGA at this event, however it was cancelled due to COVID-19.

POGA's strong industry support is demonstrated by invitations to these meetings to provide a producer perspective and oats continues to be the only commodity group represented at this NAMA event. POGA also works with NAMA on the joint "*Crown Rust Marker Project*" in conjunction with the US Department of Agriculture, which is working to identify molecular markers for oat crown rust resistance.

In addition, SaskOats participates in the Canadian Feed Research Centre meetings to support research and develop ways that would allow for more oats to be included in feed rations.

RESEARCH PROJECTS

*All previous and current research projects can be found on the POGA website at www.poga.ca under **Projects and Research**. Results of research projects that POGA has approval to share are also listed in the year that the project was completed.*

Oat Breeding:

Crop Development Centre (CDC)

SaskOats continued to support a multi-year commitment at the University of Saskatchewan in Saskatoon for \$75,000 annually, with the funds being targeted at plant breeding. This funding was refocused to only include plant breeding beginning in mid-2019 due to the elimination of funding at the CDC by PepsiCo Quaker, and the strong need to maintain this vital breeding program. SaskOats is grateful that the Saskatchewan Agriculture Development Fund (ADF), WGRF and other industry partners are also providing support for this very important program.

SaskOats/POGA - Oat Advantage

Support continued to this private breeding program in Saskatoon into further oat breeding research in Saskatchewan. The original funding supported four main goals:

- 1) Improved oat line quality selection for low hull content
- 2) Improved oat line selection for variation of groat surfaceborne trichomes (hairs)
- 3) Improved seed purity in early generation harvest
- 4) Steady flow of breeding material through winter nursery utilization.

Progress was made on all project objectives, including realizing better assurance of oat lines with plump groats and an ability to focus on oat lines that portion growing season resources into meaningful yield; determining, and being able to act on, the variability in oat groat trichome content which can lead to new oat varieties with improved properties for grain handlers; and harvesting small oat bundles with nearly 100% seed purity. The original contract ended in 2017 and POGA agreed to another three-year contract to continue this important breeding work.

SaskOats/POGA – International Oat Nursery

This is a collaborative effort among oat breeders from more than twenty research institutions worldwide to openly help each other develop new oat varieties that are resistant to diseases and environmental stresses, and work to ensure seed diversity. POGA is providing financial support for one year to cover the gap in the current and future funding models.

SaskOats/POGA – AAFC Organic Oat Breeding Program - led by Dr. Kirby Nilsen

The goal of this program is to develop milling quality oat cultivars suitable for organic production in western Canada, and potentially across Canada. Organic oat markets continue to grow and producers require improved cultivars to respond to their specific production system. POGA has committed funding for five years. This project is also co-funded by industry and the AAFC AgriInnovation Program (AIP).

SaskOats/POGA – Prairie Oat Breeding Consortium (POBC)

The POBC is an oat breeding collaboration project with industry and the Government of Canada under the AAFC AgriInnovation Program. It is designed to fund Western AAFC oat breeding aimed at developing food and milling quality cultivars adapted to the western provinces.

The funding for the POBC expired on March 31, 2018 and POGA, once again, applied and was approved, for further funding. All breeding programs in Canada under the AIP were reduced to a maximum of 50% funding. While this is a large reduction in funding, AAFC did agree to maintain 50% of the original budget request therefore allowing this project to continue. The POBC members, including POGA, will now contribute 37.5% of the total project budget for the next four years.

General Research:

SaskOats – Saskatchewan Variety Performance Trials

In 2016, SaskOats committed \$12,000 per year for three years to post-registration variety performance trials by the Saskatchewan Variety Performance Group. In 2018 the commitment was extended to 2020 to add lodging resistance and height testing to the trials. In addition, Avonlea, SK was added as the 12th location to this important research.

SaskOats – “Oat Vigour Improves with Larger Seed Size” - led by Mike Hall of East Central Research Farm

The objective of this project is to demonstrate how seedling vigour in oats can be improved by screening for a larger seed size. Vigorous seed was shown to have greater emergence, improved stand establishment, greater competitiveness against wild oats, earlier maturity and greater yield. This project was funded by the Agriculture Demonstration of Practices and Technologies (ADOPT) and was completed in 2019/2020.

SaskOats – “Oat Pea Intercrop Demonstration” - led by Lana Shaw at the South East Research Farm

The project will look at how to grow oats and peas together as a grain crop, how to separate grain components, and the effect of varying oat seeding rates in intercrop with pea on yield and agronomic potential. Inter-crop relations may be agronomically advantageous to each other in terms of reducing disease or weed pressures or increasing overall profitability. This project is funded by ADOPT.

SaskOats – “Maintaining Acceptable Test Weights for Milling Oats” - led by Mike Hall at East Central Research Farm

This project is looking to prove that test weights and other quality factors for milling oats tend to worsen with delayed seeding and with increased nitrogen rates. This project is funded by ADOPT.

SaskOats – “Monitoring Soil Organic Carbon on commercial direct-seeded fields across Saskatchewan” - led by Dr. Brian McConkey at AAFC Swift Current

This project re-sampled the Prairie Soil Carbon Balance Project network and analyze for changes in soil organic carbon since 1996, 1999, 2005 and 2011. The intention is to use the evidence to benefit producers economically from the environmental benefits they have produced. This project was co-funded with ADF and many other Saskatchewan commissions. This project ended in 2019/2020.

SaskOats/POGA – Alberta Variety Trial led by Gateway Research Organization

This variety trial tests 11 approved milling varieties to investigate the impact of the variety and growing conditions on the yield and beta-glucan in both Westlock, AB and Fahler, AB. The goal of this trial is to determine if a variety with higher beta-glucan can outperform Morgan oats in Alberta to meet miller demands for higher beta-glucan. It will also compare older oat varieties that still perform well and are grown on many acres, with the new varieties.

SaskOats/POGA – “Breeding, Genomics and Agronomy Research to Improve Oat Yield and Quality” - led by Dr. Weikai Yan and Dr. Nick Tinker at AAFC Ottawa

This project is part of the Oat Cluster partially funded by the AAFC AgrilInnovation Program. Three of the objectives in this study are:

- identifying optimal agronomic practices to achieve high and stable grain yield and quality
- enhancing oat breeding procedures with genomic selection
- improving the ability to deploy rust resistance genes in existing cultivars

SaskOats/POGA – “Coordinated Monitoring of Field Crop Insect Pests in the Prairie Ecosystem” - led by Dr. Meghan Vankosky at AAFC Saskatoon

This monitoring network is a collaborative project, monitoring insect pests across the Prairie provinces and the BC Peace Region. Data is released weekly when insects pose the greatest threat to crop yield. This project is co-funded with the WGRF and other commissions.

SaskOats/POGA – “Development of Markers Linked to Oat Crown Rust Resistance to Help Breed Improved Oat Varieties for the Canadian Oat Producers” - led by Dr. Aaron Beattie at the CDC

To maintain Canada’s position as a leader in quality oat production, it is important to develop varieties with strong disease resistance and marker development in diseases like crown rust are key components of that. This project is co-funded with ADF.

SaskOats/POGA – “Economic Value of Diversified Cropping Systems” - led by Elwin Smith, at the University of Lethbridge

While some short rotations are currently profitable, the lack of diversification in a cropping system can be detrimental to maintaining crop yield and profitability. This study will look to determine the net return and the variability of net return, associated with cropping systems of different rotation length and diversity of crops.

SaskOats/POGA – “Improved Integrated Disease Management for Oats in SK” - led by Jessica Pratchler at NARF

This project aims to understand the effectiveness of fungicide applications, as well as genetic resistance to control foliar diseases in oats and is co-funded by ADF and ADOPT.

SaskOats/POGA – “Revising the crop nutrient uptake and removal guidelines for Western Canada” - led by Dr. Fran Walley at the U of S

The goal is to develop new estimates for crop nutrient uptake and removal, as the current information regarding crop nutrient uptake and removal does not reflect current crop yields, and the grain and straw nutrient concentration estimates are not adequately reflective of current varieties. Also, there is no consistent data regarding micronutrient uptake and removal. This is a two-year project that is co-funded by the ADF.

SaskOats/POGA – “Selecting Crop Sequences and Developing a Risk Model to Mitigate FHB in Western Canadian Cereal Production” - led by Dr. Paul Bullock at the University of Manitoba

The oat related objective of this study is to determine the optimum crop sequence to mitigate fusarium head blight in cereals. This project is co-funded with WGRF and other commissions.

SaskOats/POGA – “Tuning the Oat Genome with CRISPR-based systems” - led by Dr. Jaswinder Singh at McGill University

Clustered Regularly Interspaced Short Palindromic Repeats (CRISPR) is a genome-editing technology that can be used to zero in on and modify stretches of genetic code and alter gene function to achieve favorable, or prevent unwanted, traits. This project is partially funded by the AAFC AgriScience Program.

SaskOats/POGA – “Understanding the Impact of Particle Size on Physicochemical Properties and Nutritional Benefits of Pulse and Oat Flours” - led by Dr. Yongfeng Ai at the U of S

This project will investigate the effects of milling/processing of pulse and cereal flours on their physicochemical functionality in foods, as well as determine the impact of milling on the nutritional benefits of pulses and cereals with a focus on postprandial glycemia and insulinemia. This project is co-funded with ADF.

SaskOats/POGA – Oat Grower Manual

One strong recommendation from the 2015 “Future of Oat Forum” was to improve the Oat Grower Manual and have more extension studies. As such, POGA contracted Jim Dyck of Oat Advantage to update the online grower manual in 2017. POGA is committed to keeping this information current and contracted another update to this manual in 2020 by Dr. Linda Hall, previously of the University of Alberta. The Saskatchewan Industry Organization Development Fund (IODF) co-funded this project and the updated version can be found on the POGA website.

Product Development:

SaskOats/POGA – “Development of an Oat Based Beverage” - led by Dr. Lingyun Chen at the University of Alberta

This collaborative industry project focused on developing two oat protein-based beverages. The initial oat-based beverage will be a ready to drink oat protein enriched product. The second will be a nutritious oat-based beverage that possesses the necessary sensory and nutritional properties to improve the quality of life of patients who are undergoing radiation therapy. This project was extended to allow for a change to the research which includes an on-line survey, to determine the desired food product form to deliver oats and their nutrients to cancer patients.

SaskOats/POGA – “Development of an Oat Coffee Additive (Coffee Creamer) - led by Dr. Lingyun Chen at the University of Alberta

This project is an extension of the development of an oat-based beverage project that Dr. Chen hopes will develop a nutritious, functional oat-based coffee additive that combines protein, beta glucan and a probiotic into a functional and competitive lactose free coffee additive. The project observed that there is good potential for oat protein in the non-dairy coffee cream market. The formulation developed did not contain an animal ingredient making it suitable for vegan and vegetarian diets. Both of Dr. Chen’s projects are co-funded with Alberta Crop Industry Development Fund (no longer in operations), both projects ended in 2019/2020, and a full report can be found on the poga website under the 2018 results.

Feed:

SaskOats/POGA – “Develop New Strategies to Efficiently Utilize Oat Grains in High Production Dairy Cows to Maximum Economic Return and Benefit to Prairie Oat Growers” - led by Dr. Peiqiang at the U of S

A key recommendation from the SaskOats’ study of world oat markets highlighted the need to investigate the potential to recapture the USA oat feed market. This five-year project supports this objective and aims to identify the best oat variety or type of oat grain with the highest Feed Milk Value (FMV) for dairy cattle to improve the FMV of oats through processing, and to find the maximum or optimum level of oats in high production lactation dairy cow diets thus, ideally, promoting more oats in dairy rations. The project is co-funded by the Natural Sciences and Engineering Research Council of Canada (NSERC) Collaborative Research and Development (CRD) grant.

MARKET DEVELOPMENT PROJECTS

China/Japan

SaskOats/POGA contracted Emerging Ag Inc. to work towards getting raw Canadian oats into China. POGA members have met with government officials to discuss this issue including representatives from the Canadian Food Inspection Agency and AAFC. POGA also participated in two missions to China over the past two years with the Minister of Agriculture and Agri-Food Canada.

If raw Canadian oats were allowed into China this could be a huge market potential for Canadian oat growers since China is the fastest growing oat importer in the world. This could significantly and positively impact the economic viability of Canadian oats. Due to political challenges with China, this project has been put on hold with the funds being redirected to increase exports of Canadian oats to Japan as approved by the project co-funder, AAFC AgriMarketing Program (AMP). POGA continues to remain committed to work on addressing the market access issues in China once politically feasible.

Mexico

SaskOats/POGA received funding through AMP starting in the 2015-2016 year to advance the Canadian oat market in Mexico. Since the project began, Canada has seen the largest three oat export years to Mexico in history. In June 2019, POGA representatives met with the largest oat miller in Mexico (80% of the market), as well as with Mexican government officials to continue this mission. The Facebook and oat recipe campaigns have also been a huge success, reaching tens of thousands of Mexicans daily. Due to the project's success, POGA secured an additional three years of AMP funding until 2023.

Keep it Clean – Cereals Canada

SaskOats/POGA contributes to the *Keep it Clean* initiative led by Cereals Canada. This program targets Western Canadian producers and aims to provide producers with proper information to get their cereals ready for the export market by highlighting important export standards and expectations. This project is important as it reminds oat growers of the possible issues of not meeting export standards around residue limits, and it informs that Canada is taking measures to meet customer expectations. POGA also provided additional funding for the creation of *Keep it Clean* videos with key messages like proper glyphosate use.

New Markets

SaskOats/POGA continues to look for new market potentials for Canadian oat exports and has done some work to explore India as an opportunity. However, POGA has been informed that until the requirement for methyl bromide is resolved in pulses it is unlikely to be resolved in other crops like oats.

SaskOats, MOGA and the Alberta Oat Growers Commission have worked with their respective provincial governments to determine tariff and non-tariff barriers for oats into CPTPP countries, for further diversifying the Canadian oat export market.

National Food Policy

A new initiative for SaskOats/POGA was supporting the Canadian government's new National Food Policy in looking for ways to promote and highlight oats as a healthy food ingredient for Canadian consumers. One key component is the "Buy Canada" focus, where POGA supports efforts to promote oats domestically instead of solely being export focused.

SUMMARY

SaskOats has successfully contributed to the profile, representation and profit of Saskatchewan oat growers. Since 2008, oat growers in Western Canada have contributed about 18 cents of every dollar spent on research and marketing. The remainder is funded through partnerships and collaboration among industry, government, and oat organizations.

SaskOats will continue developing strategic relationships through POGA and industry partners to increase oat producer profitability by enhancing producer investments in oat research and market development. As well, the Commission will work on increasing the market share of oats and promoting/developing new products to meet consumer demands.

BOARD OF DIRECTORS

Alan Butuk

Chair
Insinger, SK

Chris Rundel

Vice Chair and Audit Chair
Foam Lake, SK

Wade Hainstock

Moose Jaw, SK

Ambrely Ralph

Arborfield, SK

Landon Kuschak

Ituna, SK

Garry Johnson

Swift Current, SK

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Cyndee Holdnick

Marketing Coordinator/Admin Assistant
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Payee List for SaskOats 2019-2020 Year

Personal Services (Total received by Directors, All others threshold is specified)

Directors

Honorariums

Alan Butuk	\$2,000
Wade Hainstock	\$1,800
Landon Kuschak	\$400
Chris Rundel	\$875
Ambrely Ralph	\$650
Garry Johnson	
TOTAL	\$5,725

Out of Pocket

Alan Butuk	\$1,492
Wade Hainstock	\$2,010
Landon Kuschak	\$318
Chris Rundel	\$691
Ambrely Ralph	\$519
Garry Johnson	
TOTAL	\$5,030

Research & Development (\$5,000.00 threshold)

University of Saskatchewan	\$77,500
SK Variety Performance Group	\$6,436
South East Research Farm	\$5,240
East Central Farm	\$5,284

Extension (\$5,000.00 threshold)

Education

Agriculture in the Classroom	\$22,900
Farm and Foodcare Saskatchewan	\$6,300

Supplier Payments (\$5,000.00 threshold)

Accounting

Baker Tilly	\$6,660
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Levy Central Fees

Agricultural Council of Sask. Inc.	\$22,234
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Market Development (\$5,000.00 threshold)

R&D and Communications funded via POGA	\$195,151
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SaskOats 2020-2021 Budget

Revenue

Check-off levy (\$.50/tonne)	\$ 789,000
Check-off refunds @ 7%	<u>(\$55,230)</u>
	\$733,770
Interest Income	<u>\$15,000</u>
	<u>\$748,770</u>

Expenses

Board of Directors	\$9,000
Communications	\$15,000
Levy Administration Fee	\$25,381
Producer Meetings	\$4,250
Proportionate expenses of POGA	\$522,988
Research and Development Grants	\$115,700
General and Administrative (Audit, Legal, Elections, memberships, etc.)	\$12,725
	<u>\$705,044</u>
Excess of revenues over expenses	\$ 43,726