



AUGUST 2016

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On the Hill

The Prairie Oat Growers Association (POGA), the voice of western Canadian Oat Growers, travelled to Ottawa in April where they discussed priorities for the oat industry with the ministries of agriculture and transportation, opposition critics, western Canadian MPs, CN and CP railroads and others important to the oat sector. Art Enns (POGA President), Brad Boettger (Alberta

POGA applauds the government's decision to extend the provisions of the Fair Rail for Grain Farmers Act for a further year, and continues to encourage a two-year extension. This further extension would allow time for the CTA review recommendations to be acted upon and reduce the possible legislative burden if it not completed by summer 2017.



Minister MacAulay with POGA

left to right Shawna Mathieson; Bob Lepischak; Alan Butuk; Minister MacAulay; Art Enns and Tilly MacRae.

director), Alan Butuk (Saskatchewan Chairman), Bob Lepischak (Manitoba director) and Shawna Mathieson (Executive Director) along with Tilly MacRae and Robynne Anderson from Emerging Ag Consulting spent time on Parliament hill representing western Canadian oat growers. President Art Enns said "We pushed hard for the extension of Bill C-30!" Why? "Producers and shippers saw the improvement of western grain delivery to export markets, and some restoration of our reputation of reliable service under the Act." Both of these are essential to competitiveness and profitability for the agriculture-food sector. The extension of the Fair Rail for Grain Farmers Act will allow interswitching to continue up to 160km for another year, through July 31, 2017. POGA was one of the only groups to be able to provide numbers of cars used and dollars associated with that and we were told this was key to getting action.

Today, Canada is a world leader in oat production and export. "If we can't move our grain to market effectively and reliably, we will lose these markets, and crop production diversity for western farmers," added Enns.

On the topic of the Maximum Revenue Entitlement (MRE), POGA supports its retention. The "cap" provides assurances to all farmers of realistic and fair pricing, especially those in remote areas. Movement to the US is not covered under the MRE, yet oat movement was hardest hit during the crisis – suggesting the MRE is not the primary factor in reducing service adequacy to grain and that eliminating the MRE will increase price but not increase service.

Canada is the world's largest exporter of oats and the third largest producer (after the EU and Russia). Specifically, Canadian oat growers produce more than

3 million tonnes of oats annually and ship over half the world's exports of the crop each year. The USA is Canada's largest purchaser of oats, representing about 90% of annual Canadian oat exports. "Over the last few decades, Canadian oat farmers have turned oats from a domestic crop, into a major Canadian export. In 1982, exports accounted for 3% of Canadian oat usage. In 2015, they were 69%," observes Alan Butuk, Chairman of SaskOats, "that's why trade agreements are so important to the oat industry."

The Trans-Pacific Partnership (TPP) is a trade agreement among twelve Pacific Rim countries signed on 4 February 2016 in Auckland, New Zealand, after seven years of negotiations. Countries involved include: Brunei, Chile, New Zealand, Singapore, Australia, Canada, Japan, Malaysia, Mexico, Peru, the United States, and Vietnam. "TPP is about evolving opportunities for oats. With an emerging middle class, large populations, and rising health concerns like diabetes and heart disease, many of these countries could be good importers of oats," says Boettger. As well, several of the TPP members are already key trading partners for Canada, and represent 51% of Canada's agricultural and agri-food exports. The U.S., Mexico and Japan are major importers of oats and all are TPP members. Other TPP members also represent important potential new markets. Shawna Mathieson adds, "The TPP will ensure Canada enters those markets on equal footing with other TPP members or with an advantage over competing exporters if they are not in the TPP. Market diversification is critical for the long-term success of Canadian oat growers."

The North American Free Trade Agreement (NAFTA) is an agreement signed by Canada, Mexico, and the United States, creating a trilateral trade bloc in North America. The agreement came into force on January 1, 1994 and its continuation is key for the success of the Canadian oat industry.

The Canada and European Union (EU) Comprehensive Economic and Trade Agreement (CETA) is an agreement that reinforces Canada's fundamental relationship with the European Union. CETA covers all aspects of our broad trading relationship with the EU, including goods, services, investment, government procurement and regulatory cooperation.

February 29, 2016, saw the completion of the legal review of CETA. The Agreement is currently undergoing translation into French, and the other 21 EU Treaty languages. Following translation, the process required to approve the agreement in Canada and the EU along with the steps necessary to bring policies, regulations and legislation into conformity with the obligations under CETA will begin.

"With rising interest in Canadian oats for human consumption in markets like China and India, it's imperative to remove any barriers to gaining and improving access to those markets," adds Butuk.

Another key issue oat growers currently face is the need for variety development. An emphasis on variety development underpins the success in fostering

productivity. Historically, variety development in Canada was guided and funded primarily through the public sector. A continued presence in the public sector must be sustained. Currently at Agriculture and Agri-Food Canada (AAFC) there is one remaining oat researcher in western Canada, where 90% of the Canadian oats are grown. POGA, some industry partners, and AAFC are working together to add researchers with oat knowledge to AAFC's Manitoba location. POGA once again expressed its willingness to cooperate with the federal government to continue support a public oat breeding program in Brandon Manitoba, "This program is critical to Canadian oat growers and underpin the success of oats as a sustainable Canadian crop going forward," stated Bob Lepischak, Manitoba Director.

POGA will continue to engage with all industry stakeholders and governments to create collaborative long term solutions for western grain transport. POGA believes a fair, responsive, efficient, and transparent system is needed to maintain a viable oat sector in western Canada.



AOGC Notice

In accordance with the Government of Alberta policy on regulatory reviews, the Alberta Oat Growers Commission (AOGC) is undergoing a mandatory review of the three regulations governing our organization. As part of this process, AOGC has requested an amendment to the Alberta Oat Growers Commission Plan Regulation (AR 133/2012). The amendment requested will change section 24 (1) as follows:

- Change "*The Commission shall have a board of directors consisting of a minimum of 6 directors,*" to "*The Commission shall have a board of directors consisting of 4 to 7 directors.*"

The proposed change will provide AOGC with flexibility to have enough directors to run the organization while continuing to comply with the regulation.

If you have any question about the proposed amendment, please contact the AOGC Executive Director- Shawna Mathieson at 306-530-8545, e-mail: smathieson@poga.ca or contact one of the directors on the AOGC board prior to September 15, 2016.



POGA'S 19th ANNUAL CONFERENCE

Thursday, December 1, 2016

Lakeview Hecla Resort, Hecla (Riverton), MB

Agenda *

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| 8:00am | Registration and free hot breakfast –
Meet our sponsors and enter the draw for \$100 worth of FREE OAT GROCERIES |
| 8:45am | Welcome and Introduction – Art Enns, POGA President |
| 8:50am | Greetings from Manitoba Agriculture, Food and Rural Initiatives (TBC) |
| 9:00am | Mycotoxins in oats: what are they, where are they, and why do they matter - Sheryl Tittlemier, The Canadian Grain Commission. |
| 9:30am | The effects of oats in rotations with other crops and do oat cultivars differ in response to nitrogen rates - Bill May, Agriculture and Agri-Foods Canada (AAFC), Indian Head, SK |
| 10:00am | Diversifying oat markets: How demand in areas like India and China could drastically change the Canadian Oat Export Market, what needs to be done and how the Government is willing to help – Trade Commissioner, AAFC, Ottawa, ON |
| 10:45am | Coffee Break |
| 11:15am | Market Diversification: Increased sales to the Mexican market and future plans -Paulina Ceballos, Emerging Ag |
| 12:00pm | Soup and sandwich lunch – tour the sponsor's displays |
| 1:00 pm | Assessing North America crop weather trends for 2017 - Drew Lerner, President, World Weather, Inc. |
| 2:00 pm | Driving Efficiency in the Canadian Grain Supply Chain – Murray Hamilton, Assistant VP Grain & Intermodal Sales, Canadian Pacific Railway |
| 2:45pm | POGA Annual General Meeting; Art Enns, POGA President |
| 3:00pm | Coffee Break |
| 3:30pm | Oats and animal feed: what can it mean for your farm- Rex Newkirk, Research Chair Feed Processing, University of Saskatchewan |
| 4:00pm | Market Outlook for Oats and Other Crops – Marlene Boersch, Owner & Managing Partner, Mercantile Consulting Venture Inc. |
| 4:45pm | Wrap-up and Adjourn – Art Enns, POGA President |
| 5:45pm | Social Hour at the Hecla Island resort |
| 6:30pm | Dinner and speaker: Culinary Collaborations, how to grow oats sales through restaurant and pre-packaged goods. Peter Ecker, Corporate Chef for Sysco Canada (Additional Cost of \$50) |
| 8:00pm | Adjourn |
- Daytime seminars, breakfast and lunch \$20.00 Optional Evening Banquet \$50.00

**Times and agenda topics subject to change. For updates, pre-registration and credit card payments visit poga.ca beginning September 2016*

Note: For those arriving on Wednesday November 30th, there will be a meet and greet beginning at 8pm at the Hecla Resort

Response of Oat Yield and Quality to Different Harvesting Approaches

Major oat buyers in Western Canada have differing opinions and buying practices which affect prairie oat producers; and so do consumers! Where does this leave you, the producer? One oat buyer cites quality issues as the rationale for not buying oats if farmers had used glyphosate as a pre-harvest treatment. The Company maintains that glyphosate sprayed oats suffer damage similar to frost damage. This is further compounded in that the damage is not visible to the naked eye. The oat groat's integrity is compromised and when millers cut, flake or roll the groat, it breaks down causing the finished product to be rejected for not meeting specifications in terms of granulation or absorption. An additional observation, noted by this buyer, is the decreased level of beta glucan in the affected oats, which concerns value added oat processors' ability to make heart-healthy claims. However, other oat buyers in western Canada have stated that they see no problems with oats related to glyphosate and have not changed their buying habits. The moral of the story here is to check with your buyers, prior to applying pre-harvest glyphosate on your crop.

Many of today's consumers are very much into healthy lifestyles and want to eat healthy too. Unsettling news, in March 2015, concerned The World Health Organization (WHO) classification of glyphosate as "probably carcinogenic to humans" followed by Health Canada Pest Management Regulatory Agency announcement to re-evaluate glyphosate utilization regulations and the United States Environmental Agency's potential recommendation to test foods for glyphosate residues. These have certainly renewed consumer concerns about food safety and have fueled actions against food manufacturers related to detected residues. Timing of pre-harvest glyphosate application is critical in ensuring that any glyphosate residues are below the maximum residue limits (MRLs)

It needs to be restated that glyphosate is registered for use in oat crops to control perennial weeds and facilitate crop desiccation. It is generally accepted that, when applied at the appropriate stage (30% seed moisture or less, otherwise known as hard dough stage), glyphosate may also reduce shattering losses by a more even maturation process. Unfortunately, when questions about this and other effects on end product quality or functionality of oats arise there simply isn't enough research to adequately address them.

Growing for the market requires detailed information for producers to make effective decisions regarding management tools and technologies they use to produce their crops. With the announcement (April 2015) from Grain Millers Canada to no longer buy oats treated with glyphosate, SaskOats initiated a preliminary experiment with researchers Chris Willenborg (U of S/ CDC) and

Nancy Ames (AAFC), using CDC Dancer and Pinnacle oat varieties with three harvest treatments each: swath at optimum time; pre-harvest glyphosate/direct combine; and direct combine. Preliminary results indicated that cultivar and harvest system had significant effects on yield, % plump, and test weight; swathing decreased oat yield; pre-harvest glyphosate treatment /direct combining resulted in higher percentage of plump kernels. Data related to the effects on functional quality of the groat are still underway.

To acquire more extensive information SaskOats and the Saskatchewan Ministry of Agriculture and the Canada – Saskatchewan Growing Forward 2 bilateral agreement is continuing to support western Canadian researchers' Willenborg (U of S/CDC) and Ames (AAFC). The Project entails investigation of glyphosate in relation to seed yield, seed physical and functional qualities; interaction of cultural practices with pre-harvest glyphosate on seed physical and functional qualities and finally the interaction of alternative cultural/herbicide practices for perennial weed management.

Study 1 will consist of two locations (Kernen Field Facility (U of S) and Goodale Research Farm, (near Saskatoon SK), with 11 treatments dealing with a range of treatments from no glyphosate, straight combined, swathed at various seed moisture contents from 20% to 60%; to pre-treatments with glyphosate at various seed moisture contents from 20% to 60%. Oat milling quality will be assessed by measuring seed functional and compositional parameters.

Study 2 will determine if plant stand/uniformity and oat maturity interacts with the three harvest management technologies to affect seed quality. Again, the study will utilize a RCBD (randomized completely block design) experimental design and will feature the varieties CDC Dancer (early/medium maturity) and Pinnacle (late maturity) and three harvest management technologies-straight combining, swathing (35% moisture) and pre-harvest glyphosate at 30% seed moisture content. Oat milling quality will be assessed in same manner as Study 1.

The final study will determine if cultural and post-emergence weed control can manage perennial broadleaf weeds similar to pre-harvest glyphosate. Weeds selected are Canada thistle, perennial sow-thistle or dandelion. Planting density, post-emergence weed control, and pre-harvest glyphosate factors will be investigated (12 treatments over two years.)

"I believe that in a globalized market consisting of numerous oat buyers with varying quality requirements, it is imperative growers continue to produce a high quality product to meet the requirements of the buyer and the end user. With that in mind, however, quality requirements should be based on science and in that regard, little information existed on glyphosate used as a dry-down in oat. We hope this project will produce important information for oat growers and millers on the use of glyphosate as a pre-harvest product

in oat production and inform the decision on whether oats destined for milling can, and should, be sprayed with the glyphosate. It should also help to better understand the factors that contribute to variable milling quality when oats receive a pre-harvest glyphosate application," says Willenborg.



Agricultural Employment Pilot Project

To address the shortage of workers in agriculture, the Canadian Agricultural Human Resources Council has implemented a pilot project with the Saskatchewan Abilities Council to match job seekers and ag employers through their Partners in Employment Offices in Saskatoon, Regina, Yorkton and Swift Current. The project is focused on finding jobs for people who are currently underrepresented in the agriculture workforce, specifically people with varying abilities. A dedicated Agricultural Employment Coordinator has been hired to oversee the project.

Partners in Employment provides supported employment for all job seekers and employers at no charge. They specialize in helping people with barriers to employment find work that's right for them and assisting employers with obtaining the right employees. Call Kim Kennett at 306-657-2450 or email kkennett@abilitiescouncil.sk.ca for more information.



A Conversation from Plot to Field with Jennifer Mitchell Fetch

Communication between the oat breeders and producers is always important and one excellent tool is the traditional field day. For Jennifer Mitchell Fetch, Research Scientist and Oat Breeder at Brandon Research and Development Centre, Wednesday August 3, 2016, (weather permitting) is the day to converse with producers, buyers, processors and other industry players. The field day is focussed on wheat and oats mainly because many of the industry and producers handle both commodities

Throughout registration, field day attendees will have the opportunity to check out the small plot equipment utilized in the oat program at the Centre. Small plot seeders are used to seed yield trials planting seeds into 7 rows per plot, with 5 rows of the line(s) and other crops like fall rye or winter wheat between the plots. The winter cereal works to lower weed pressure and provide uniform competition between the plots during the trial. For the disease nursery, the seeder is loaded with heavy vinyl trays and cups of seeds to plant 6 rows, hills or plots at a time (120 plots per tray). GPS allows for very straight, even rows in the disease nursery and the yield trial plots making other crop chores such as spraying, more effective and efficient. "Weed control used to be labour intensive, especially back when I was a student," says Mitchell Fetch, "now summer students are kept busy with other more important tasks." The plot combine harvests one plot at a time to try to retain purity of the seed between plots. "Like commercial farm equipment, the price tag for plot equipment is high," states Mitchell Fetch.



Oat Plots- July 5, 2016

The oat tour, this year, starts out at the yield trials, with an examination of the advanced Western Cooperative Oat Registration Trial (WCORT). The second year entries in the WCORT may be presented for support for registration at the Prairie Grain Development meetings to be held February 2017. Second year lines from the Prairie Oat Breeding Consortium (POBC) breeding program, which



Oat Disease Nursery July 6 2016

POGA along with industry and Government help fund, include OT2107, OT2108, OT7082 and an organic line OT8006. The organically bred line as well as the recently registered AAC Oravena are responding to organic producers' concerns that every cultivar registered for commercial production in Canada had been developed under conventional management. Some organic producers believed that it would make a difference if the lines were developed and selected under organic management systems. Mitchell Fetch says "we are selecting for increased beta- glucan, with slightly lower oils and high fiber for the milling-human consumption market." Increasing the beta-glucan level in oats has been a focus for breeding programs for the past several years, as millers need the ability to make health claims for their products to increase sales. Studies have shown that beta-glucan can help reduce cholesterol and may play a role in the prevention of cardiovascular diseases. "For a heart-health claim to be made in the U.S. and for the Health Canada claim in Canada, there's a minimum level of four milligrams of beta-glucan per kilogram, and a maximum level of approximately seven per cent fat content, that millers have to meet in their products," says Mitchell Fetch.

One of the yield trials, the ENCORE compares lines from oat breeders, Aaron Beattie (Crop Development Centre); Weikai Yan (Ottawa Research and Development Centre), Mike McMullen (North Dakota State University) and Jennifer Mitchell Fetch (Brandon Research and Development Centre). This trial is planted at Lacombe AB, Saskatoon SK, Brandon MB, Fargo ND, and Ottawa ON. Other trials from eastern Canada, the Uniform Midseason Oat Performance Nursery (UMOPN) from the USA and

the Manitoba Crop Variety Evaluation Trial (MCVET) are available for everyone to take a look.

At the disease nursery, early generation breeding materials are artificially inoculated with fusarium head blight (wheat) which also infects the oat lines. Oat lines are also treated prior to seeding with smut, then oat crown rust and oat stem rust are also put on the crop around the last week of June. "We had good moisture and dewy mornings since seeding and timely rains this spring, so disease presence by July 1, was high without much additional irrigation," says Mitchell Fetch.

Being an AAFC researcher since 1998, Mitchell Fetch has been involved in the creation of 10 cultivars that have been commercialized in Canada, matching together strong features of various oat lines to form varieties that are successful under Canadian weather conditions.



Plot Equipment for the Oat Program

MEET YOUR NEIGHBORS



Anthony Van Rootselaar

Anthony Van Rootselaar, who serves on the Alberta Oat Growers Commission and director on the Prairie Oat Growers Association farms 4 miles west of Spirit River, Alberta. He manages his 2500-acre farm largely by himself, but contracts labour for spring and fall work. The farm has been in his family since 1962, when his father purchased it after immigrating to the Peace Country region of Canada from Holland. Originally planning a career in law, it was his father suffering a stroke in 1995 that ultimately drew him back from the University of Calgary to farm.

The typical crop rotation utilized, includes oats, wheat, yellow peas and canola, with canola being the main crop. Last year, he planted yellow peas for the first time, and liked them so they are in the ground again this year. "Yellow peas are stealing acres from wheat in this area and good contracts make it hard for other crops to compete," says Anthony. He also notes that oat acreage is continually decreasing and he cites transportation as the major factor. Currently, transportation issues have abated, and it's the first time in a long time that all grains have been moving steadily, thanks in part to POGA's concentrated efforts on the transportation file.

Anthony feels that the industry is going in the right direction with more emphasis on the human consumption market, particularly higher beta-glucan and gluten-free products. "This is what is going to sell oats" he says. "We need to find new ways, new uses, and new markets to expand global uses for Canadian oats."

In addition to his producer cap Anthony, does wears many others, including Deputy Reeve of the Municipal District of Spirit River, Municipal Planning Commission, Agricultural Service Board, Central Peace Seed Cleaning Co-op, M.D Fire Department, Grande Spirit Foundation, Disaster Services Committee, Land Use Planning Committee, G-3 Committee, 100th Anniversary Committee, Regional Fire Commission, and the Seniors Housing Clinic Committee. He often jokes with the POGA executive director, Shawna Mathieson, that "he needs to get off something!" After harvest and before seeding he spends any spare time teaching martial arts to approximately fifty local kids and adults.

Garry Johnson: Garry farms about 15 minutes north of Swift Current, Saskatchewan in the Stewart Valley-Swift Current area. He and his wife Geri manage 4000 acres of organic land, with seasonal help from their family. This is their tenth year as certified organic producers. During the three- year transitional period to organic, growing oats became a very important part of their rotation as oats is very competitive and produces a good return. When asked why organic? Garry says, "We like challenges, it involves smaller acreages and it provides alternatives to other production methods."

The operation's crop mix includes oats, as oats always does well after summer fallow; followed by peas or lentils, then flax or mustard and lastly a green manure rest period. This involves a silage/oat crop or clover or alfalfa which is ploughed under in early July.

Marketing, as with production, is slightly different than conventional farming. "We have eighty-nine processors and grain merchants in Saskatchewan that deal with organic and we select six or so to do business with to move our products," says Garry. With oats, Grain Millers buys our oats and works with us to provide that year round marketplace service to our clients.

Besides being vice-chairman of SaskOats, and a director of POGA, Garry is also a Councillor on the RM 167 Saskatchewan Landing, north of Swift Current, and has held this position for the past two years. He is also the president of SaskOrganics, which is the provincial representation for all certified organic farmers and businesses within Saskatchewan.

Garry and Geri enjoy family vacations with their five children and twelve grandchildren. Favorite trips are those involving fishing, boating and camping.



Garry Johnson

Increasing the US Oat Market

POGA continues to execute strategies outlined in their Strategic initiative to increase oat exports, particularly in the United States feed market specifically targeting the equine industry.

Can oat beta-glucan improve the responsiveness of the immune system in horses?

POGA undertook to address this question with partial funding provided by Agriculture and Agri-Food Canada's Agri-Innovation Program under Growing Forward 2, a federal, provincial and territorial initiative. The three-year project, with lead Dr. Lori Warren, University of Florida, determined two project objectives: to determine if oat beta-glucan can improve the responsiveness of the immune system in horses; and to evaluate the potential differences in the bioavailability of beta-glucan from intact whole oats versus a soluble concentrate of oat beta-glucan.

Horses would be fed diets containing traditional feed oats (low beta-glucan), high beta-glucan oats, or corn (zero beta-glucan) and subjected to a humane physiological stressor designed to challenge the immune system.

It was expected that oat beta-glucan would improve mucosal immunity and mitigate stress induced immunosuppression in horses.

This was the first research study of its kind to address this topic in horses. The research team under team leader, Dr. Lori Warren hypothesized that oat beta-glucan would augment the function of several immune cell populations, thereby reducing the impact of the stress challenge and enabling the horses to recover faster after the challenge. As expected, prolonged head elevation triggered a stress response and activated the immune system. The findings of this study, however, indicate that oat beta-glucan supplied in the form of a high beta-glucan oat cultivar or as a powdered concentrate had no advantage over traditional feed oats.

Dr. Warren notes "these findings could be due to the dosage of beta-glucan administered to the horses, the measurements of immune response evaluated, and the type of stressor used to trigger a response. Additionally, horses may respond differently to beta-glucan in the diet compared to humans and mice. Horses routinely consume very high fiber diets, of which beta-glucan can be a component; thus, the beta-glucan fed in this study was not necessarily novel. Horses also have a significantly large population of microorganisms that live symbiotically in their digestive system. These microorganisms may influence the type and extent of response by the horse's immune system."



Penn State Study Horse enjoying the sunset.

Although oat beta-glucan did not appear to mitigate the response of the immune system to physiological stress, the project did demonstrate that horses were willing to consume an oat cultivar bred to be high in beta-glucan and were able to maintain health and body condition similar to that observed when fed regular feed oats or corn as the dominant cereal grain in the diet. Many oat producers have interest in growing oat varieties that are high in beta-glucan as a value-added product for the human food market. Knowledge that high beta-glucan oat varieties are also suitable for inclusion in equine feeds will broaden the outlets available to farmers and millers who desire to invest in such varieties.

Can oats positively impact the gastrointestinal

health of horses?



Penn State Study Team

health of horses?

Dr. Burt Staniar, Penn State, is currently studying this question and hopes to have answers by year end. Staniar is seeking to answer whether or not the inclusion of oats in certain diets may reduce the risk of such health concern as gastric ulcers, colitis and laminitis. Project expectation is that oats not only be viewed as an energy source but also as a health promoting dietary ingredient for the horse. Should this expectation be met, both oat producers and equine owners will benefit in terms of economics (market increases for oats and decreased

health costs for equine owners) and of course the horse benefits too!

Checking in with Dr. Staniar – “The research project is going well!” Dr. Staniar and his graduate students Siga Lapinskas and Patricia Ochonski completed sample collections for the study at the end of June 2016. “We are headed to the lab with our samples to evaluate markers of gut health and inflammation. Siga will be exploring the influence of oats on markers of a leaky gut, and Patricia will be evaluating indicators of inflammation.” “We’ve also completed over 90 gastroscopies, an endoscopic evaluation of ulcer presence in the horses’ stomach, and are working with a number of veterinarians to grade the health of the stomachs of horses on this study.” “It’s been an exciting study and we are looking forward to analyzing the large amount of data that we have collected. There is no doubt that the research supported by POGA will benefit horses and horse owners!” This project is partially funded by the Western Grains Research Foundation (WGRF)

Research Barn ready for a 24 hour collection from the study horses. Urine is used to evaluate the leakiness of the gastrointestinal tract.



AOGC Annual General Meeting Monday, January 30, 2017 (Monday before FarmTech 2017)



Location

The Edmonton Westin
10135 100th Street,
Edmonton, AB T5J 0N7
Turner Valley room

6:30pm	Complementary drink, sandwiches and vegetables
7:00pm	Welcome from the Alberta Oat Growers Commission
7:05pm	AOGC Business meeting
7:15pm	Director Elections/Director Acclamation
7:30pm	Linda Hall, Agronomist, University of Alberta – Results from AOGC funded 3-year research study on “Optimizing Oat Yield, Quality and Stand-ability in Central Alberta.”
8:00pm	Tracy Bush, Director of Sales and Marketing, Canadian Oats Milling – Oats market update and forecast as well as how Canadian Oats milling is working to diversify the oats market in places like India, Jamaica and Mexico
8:30pm	Adjourn

For those that stay through the end of the meeting AOGC will provide another complementary drink ticket.

Please RSVP to info@poga.ca to ensure enough food is ordered. There is no charge for this event.



SaskOats Annual General Meeting

Tuesday, January 10, 2017
Prairieland Park, Hall A (as part of CropSphere)
Saskatoon SK
Free admission to the AGM

Agenda*

- 12:30 pm – Opening remarks from SODC chairman, Alan Butuk
- 12:35pm – SODC Annual Business Meeting, Alan Butuk of Insinger, Chair
- 12:55 pm – Kenric Exner, Viterro Merchandising Manager, Oats Pricing and Marketing Expectations for 2017
- 1:30 pm – Adjourn

* Times and agenda topics subject to change, for updates visit poga.ca

The Situation in Oats

On June 27, 2016 the federal government released its estimate of the principal field crops in Canada. The report says that Canadian farmers reported seeding more land to lentils again this year, continuing the strong upward trend observed over the past four years. Seeding of soybeans and corn for grain increased, while canola was relatively unchanged from 2015. Meanwhile, the areas seeded to spring wheat, oats and barley fell in 2016.

Seeding of most crops was nearly completed in early June, ahead of the five-year average. Sowing conditions were generally positive this spring, with only a few localized areas reporting too little or too much moisture. Total crop land lying fallow in 2016 is at an all-time low.

The total acreage seeded to oats dropped 14.3% from 2015 to 2.9 million acres in 2016 according to the June 2016 Statistics Canada (StatsCan) report. Alberta, the smallest oat producer in the Canadian Prairie Provinces, was the only province where farmers reported an increase in area. StatsCan, in its March report, had suggested a drop of 6% which was in sharp contrast from the industry estimate of 10 to 25%. This most recent report (June) forecast of 2016/17 Canadian oat acreage compares with the oat industry's current forecast, which is based on a 10% decrease in seeded area and normal abandonment and yields of 0.526 MMT. Oatinformation.com is forecasting 2016/17 oat end

stocks at just over 0.600 MMT, down 14% from 2015/16 forecast of 0.704 MMT. Ending stocks have averaged 0.7504 MMT over the past five years.

Oatinformation.com further suggests that a drop in 2016/17 oat ending stocks to anything below 0.500 MMT could see oat prices climb sharply versus wheat and other feed grains in Western Canada in 2016/17 in order to keep oats moving off farms and into commercial oat markets in North America, and possibly increase 2017 oat planting.

Oatinformation.com states that Australian 2016 oat production, estimated at 1.551 MMT, will be the highest level in 13-years. It would finish well above last year's 1.308 MMT and the five-year average of 1.229 MMT. High returns for oats compared to other crop and strong export demand for not only raw oats but also oat products continue to drive oat production higher, according to ABARES (Australian Bureau of Agricultural and Resource Economics and Sciences). However, Australia does not typically export to the USA because their oats often contain Avena Sterilis which is prohibited to be imported into the USA thus reducing the impact on Canadian growers. (Oat information Blog, June 15, 2016).

Australia has not been an active trader in several raw oat export markets, like Mexico and South Africa over the past year. Both the EU and Canada have filled that void. Whether Australian exporters recapture these lost markets will depend on final production and price levels moving forward said Oatinformation.com. Australian

oat prices remain the highest globally.

Australian millers and exporters are reporting strong and increasing demand for raw oat and oat products to the Indian Subcontinent, China and South East Asia, said Oatinformation.com Exports are showing a 5% compounded annual growth rate over the past five years with oat products at 4%. Production by contrast is growing at only 1%.

South of the border, the US Department of Agriculture (USDA) reported 2015 oat production at 89.5 million bushels, with yield estimates of around 70 bu/acre, a record high for US oat producers. Nine states (Iowa, Minnesota, Nebraska, North Dakota, South Dakota, Ohio, Pennsylvania, Texas and Wisconsin) produce 68% of the American oat crop. USDA also reported that as of June 30, 2016, oat crop conditions were 56% good, 25% fair and 11% excellent.

Despite expectations of lower oat area by 3% to 5%, the 2016/17 US oat end stocks could still finish well above the five-year average.

US oat millers have been buying increasingly more oats from US growers in recent years as they attempt to provide a back-stop to Canadian imports after Canada was unable to deliver oats to the USA during the transportation crisis leaving most US millers scurrying to fill their facilities.

What does this mean to western Canadian oat prices and the future of the crop in Canada? "Oat production in the USA has been consistently increasing in the past few years. While production is forecasted down this year, the USA represents about 90% of all Canadian oat exports and Canadian oat growers need to diversify our export markets," explains Shawna Mathieson, Executive Director. POGA has put in a request with the Government of Canada for access for human and feed oats into China (currently there is only access allowed for seed oats) and removal of some market access issues for Canadian oat exports into India. In addition, the organization is currently doing market development in Mexico. "Last year was the first year of this program and Canada saw the largest export of Canadian oats to Mexico in five years and nearly double the oat exports from the previous two years. Now we must sustain this growth!" says Mathieson.

Chris Rundel, a SODC/POGA director from the Foam Lake, SK area reports "The June StatsCan numbers are in line with what I'm seeing in my area. Big increases, especially in pulse acres have displaced some land that might have otherwise gone into oats. On our farm, we are down from 4200 acres of oats last year to about 2700 this year." He adds, "when producers see cash oat bids around \$2.50 or lower, as was the case in most of 2015/16, they look for alternatives. We were able to forward price a significant portion of our 2016 crop for \$3.00/bushel or better which makes oats much more competitive with other crops from a financial standpoint. This is where exploring the market really becomes key,

as there can be enormous differences in bids from different buyers." Rundel thinks that if carryout drops and prices push the \$3.00/bushel or higher range this winter more acres will be seeded for the 2017/18 crop year. "With this year's oat crop looking as good as it does, we'll be watching to see if we run into the same transportation bottlenecks as 2013/14," he adds.

Terry Tyson, Grain Millers Canada Ltd, when asked about the oat situation states, "There is no doubt that the reduction in oat acreage will tighten up the oat Supply and demand, but with a very comfortable carry-out, and a great start to the crop year, the question is whether it will do so enough to spark the markets. It's only potential at this point, but if the crop in the ground ends up being as good as it looks, that could definitely dampen the effects of the drop in acreage. Oats will also have a hard time swimming upstream if the markets in general continue to remain bearish." "Unless production issues arise," Tyson says "I wouldn't expect a lot of upside early in the crop year. If the acreage reduction has a friendly effect on oat prices, it would probably come in the deferred months, and may not be seen in oat futures, but rather in cash prices by way of basis premiums."

SAVE THE DATE

February 15-16, 2017

MOGA AGM

Victoria Inn and Hotel

Winnipeg, MB

During Crop Connect



CropConnect
Conference

Attention Producers:

The Canadian Grain Commission has initiated the claims process to compensate producers not paid for grain deliveries to Naber Speciality Grains Ltd. Producers who are owed money for grain delivered may be eligible for compensation. Contact Canadian Grain Commission. Refer to POGA website (www.poga.ca) for the complete Canadian Grain Commission announcement.

Delivering Oats

G3 Glenlea elevator features 34000 tonnes of storage, cleaning facilities and a 134 car loop with loading capacity of 600 tonnes/hour. The Facility also features high-capacity drags under the driveways which enable farmers to unload a full super-B in five minutes or less, without moving. Bill Wilton, a prior president of POGA, hauled in the first oats to the facility. The new elevator is primed and ready for crop delivery!



*First oat delivery of many!
(left-right Vance Huebner and Bill Wilton)*



Shawna Mathieson, POGA Executive director, and her son, Andrew, checking out their oat crop near Watson, Saskatchewan.

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