



### **Key Messages for Oat Growers Association Levy/Service Fee Increase:**

POGA, funded by the three provincial oat commissions in Alberta, Saskatchewan and Manitoba, is currently contributing to more than 30 projects, with an additional 16 new applications this year, many of which had to be denied due to lack of funding. Funding constraints continue to force the board to pass on good proposals, due to insufficient funds.

POGA's marketing initiatives aim to bolster Canadian oat market share and consumer awareness, fostering demand in Mexico, Japan, Canada, and developing the Latin oat market. The success of the Mexican marketing campaign is evident, with the oat exports to this country tripling between 2014 and 2020 and rebounding well after the 2021 drought. Japan has also had great success with a 20% increase in exports in only one year before the 2021 drought. The oat grower commissions are committed to further elevating oat demand both domestically and internationally. Unfortunately, while we saw that Canadians are much less price sensitive than many other countries when it comes to purchasing oats, the Federal Government does not typically fund domestic marketing at the same amount as when marketing to international countries. This means that to promote the good, healthy oat product here at home it costs more but also gives Western Canadian Oat producers more opportunities to sell oats at higher prices. Canada is the largest exporter of oats in the world with between 75% to 85% of oat exports going to the USA (down from over 95% less than 15 years ago due to marketing efforts increasing demand in other countries) so increasing at home demand but also increasing exports to other countries is crucial for diversification of risk. There's also still a lot of potential in the USA, in Latin American countries and Korea but, to-date, funding does not allow the oat commissions to enter this many markets at one time.

Federal Government funding for oat breeding is trending downwards, leaving oat growers and the oat industry to bridge the financial gap. This year the Federal Government has reduced the funding for the AAFC breeding program in Brandon to 2013 levels (A 23% cut from the proposed budget which is 50% funded by POGA and the industry). Without supporting the 3 breeders in Western Canada the board feels strongly that oats will cease to be able to compete with other crops for profitability. This will hurt crop rotations on farms around Western Canada and lead to increased disease and pest pressure. This proposed levy increase aims to contribute funding to the crucial Western Canadian oat breeding programs and other necessary research, ensuring the sustainability and growth of the oat industry.

Despite challenges, there is a positive growth narrative in the oat industry. For example, nearly every major oat miller in Canada has expanded in the past 5 years and there have been numerous new entrants providing more competition for oat bids. There's been increased demand in new products like Oat Milk which POGA helped to develop through research into oat drinks, ice cream and other foods showing the nutritional value and palate pleasing taste oats provides. The great health benefits of oats for preventing conditions like diabetes, heart disease and high cholesterol are also helping to drive this increase. POGA's efforts have resulted in a thriving industry, exemplified by increased exports and a notable expansion in the oat market. This growth story underscores the importance of supporting the industry through a necessary levy adjustment.

The oat levy, at \$0.50/MT, has remained unchanged since the inception of the Saskatchewan commission in 2006. This is despite more than doubling the number of projects being funded since 2012 and facing considerable inflation and cost increases. This levy increase would allow the oat growers to fund more worthwhile projects in both research and marketing and help to maintain all three Western Oat Breeding programs. If passed, this levy amount would be equal to the lowest per tonne check-off in Western Canadian Agriculture at \$0.75 per tonne or about 1 cent per bushel.

POGA, AOGC, SaskOats and MOGA continue to make big strides in the industry with very little overhead (combined staff is the equivalent of 1.5 employees for all four organizations). POGA, along with the other oat commissions, have been able to leverage \$5.6M into about \$36.3M or producers are paying about \$0.15 of every dollar the oat commissions are spending on research and market development.

The commissions would welcome any questions at [smathieson@poga.ca](mailto:smathieson@poga.ca).