

Oat Industry Strategic Focus Group

April 24th, 2002



The Alberta Crop Industry Development Fund board called a meeting of oat industry representatives on April 24th in Edmonton. Participants represented the common value chains within the industry, including research, production, marketing and processing. The purpose of the meeting was to identify where the greatest opportunities are to develop the Alberta oat industry and to suggest priorities for investment by the ACIDF.

Strategic Priorities

The focus group, under facilitation, developed a vision of a successful oat industry in the future, then considered barriers and opportunities to move the present industry toward that ideal. The following opportunities, derived from the process, are listed in order of priority:

1. **Value Added** – need for high value end uses and additional processing capacity. This includes nutraceuticals, functional foods and pharmaceuticals and the health connection.
2. **Food safety** – includes HACCP, information and knowledge throughout the food chain.
3. **Education throughout the chain** – development of a manual that includes all aspects of the industry from marketing, risk management, processing, research, soil zones, HACCP/food Safety, identify preservation etc.
4. **Value chain development** – participate as an industry for a target market where risk and benefits are shared throughout the chain.
5. **Varieties/Breeding** – suited to specific markets and based on customer views of value – strengthen the links between research groups, producers, processors, U of A, Olds College, Ag Canada etc. to help determine the varieties and breeding needs.
6. **Creating and enhancing the positive image** of the product.
7. **Form a commission** to assist with the development of the industry.

Focus Group Notes and Methodology

During the facilitated session, participants were asked to look at a vision for the industry, how the industry worked together to make the industry successful, what opportunities did the industry take advantage of along the way and what were the biggest limitations or bottlenecks that supply chain participants overcame in order to reach success.

Some key points included:

a. What would success look like for the oat industry in Alberta for 2010?

Consumption increased; greater recognition of the health benefits and quality of oats by the consumer; greater variety of products from *non-food uses* to nutraceuticals; a research center of excellence; specifically Alberta-made products for specific markets; larger market to support higher prices for specialty oats; improved market tools; specific varieties optimized for specific use; value chains that share risk and profits; increased feedlot use of oat silage.

NOTE: Currently customers do not want GMO oats, so development efforts should not be in this area.

b. How has the industry worked together to make it successful?

-A new oat value chain developed; producer is part of the research and development process; more companies that produce specific products; industry working towards similar goals; linkage between high-end users and breeders provided by oat producers associations.

c. What opportunities has the industry taken advantage of along the way?

-Quality product; market links to niche markets; varieties suited to specific areas and target markets; education and training; growth in value added; image – viewed positively for its health benefits/identify preservation; human capacity at all levels; interprovincial work so we are working together; processing capacity increased; functional foods and nutraceuticals; centers of excellence in research. Effective use of oats as a “disease breaking” crop in rotations.

d. What were the biggest limitations/bottlenecks that supply chain participants have overcome in order to reach success?

-Two market chains (animal feeds and human food) perhaps conflict; identity preservation/differentiation; not a unified effort to develop external markets; product development and/or venture capital; lack of process facilities; high waste proportion; no investment in product promotion; inadequate promotion of industry; lack of organized funding process; WTO success

e. Prioritize the Opportunities.

Participants were asked to **discuss the opportunities** and place these under the ACIDF goals according to where they felt the **best investment** was for the oat industry in the next three years to help move the industry forward. Only the major priority areas are listed. The complete list is in the Strategic Priorities section above.

f. The Next Steps

All information from the meeting will be distributed to oat industry representatives with the hope that project submissions will occur to the fund and other funds utilizing information from the meeting.

Participants: Shelley Wetmore, Solomon Kibite, Mark McNaughton, Leo Meyer, Feral Temelli, Stuart Gilroy, Marvin Nakonechny, Kevin Swallow, Tom Machacek, Brian Miller, Steve Hodgetts, John Bokenfor, Doug Walkey, Scott Wright. Additional reviewers: Dave Horner, Murray McLelland, Arvid Aasen

Edited by Doug Walkey. Meeting process developed and facilitated by: Maureen Bolen, Organization Development Specialist, Alberta Agriculture, Food & Rural Development, May 1, 2002