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Understanding the Omega-3 Market

Regina company working with processors to see the value of omega-3 enriched meats.

By Alan MacKenzie

Consumer awareness and interest in food products enhanced with omega-3 fatty acids has increased significantly in recent years, and a family feed business in Saskatchewan is on the forefront of this growing market.

Omega-3 fatty acids are polyunsaturated fats that are believed to have numerous health benefits, including preventing heart attacks, diabetes, inflammatory diseases such as arthritis, and even depression.

One of the richest sources of omega-3 is flaxseed – however, flaxseed is difficult to digest due to high oil content and a hard protective husk. But a product called LinPro from Regina-based O&T Farms uses an all-natural blend of flaxseed and pulses that increases palatability and is available in different variations for specific animals, including beef cattle, which typically have a harder time digesting and absorbing fatty acids than monogastric animals.

“All species of animals have different tolerances for what is palatable,” said Tim Weins, president of O&T Farms, a second-generation family business.

Fish and nuts are also common sources of omega-3, but Weins notes that flaxseed is a particularly great source because it won't leave an undesirable aftertaste like fish, or pose allergen risks like nuts.

Consumers willing to pay

Last year, O&T Farms contracted the Nielsen Perishables Group to conduct a survey on consumer interest and awareness of omega-3s in the United States, which found the U.S. to be very receptive, with 79 per cent of consumers polled indicating they are interested in omega-3 enriched chicken, and 58 per cent saying they would pay more for it.

“We expected to find that consumers are receptive to a new health attribute in the meat case, but we were surprised to see such a high percentage who are willing to pay a premium for omega-3 chicken,” said Sherry Frey, vice-president of the Nielsen Perishables Group.

Interest in omega-3 enriched chicken is highest among consumers who shop in natural/specialty food stores, where 93 per cent indicated they are interested in the product, and 80 per cent of those consumers are willing to pay a premium, the study found. Appeal is also high among consumers over age 35.

As the omega-3 market continues to grow, Weins said O&T Farms is now working with retailers and processors on understanding the market, and that they can sell this premium product at a higher profit margin.

“Consumer education is definitely a factor that comes into marketing a new product, but the education of retailers and processors is where we've really been focussing,” he said. “We see that as the first hurdle – if you have the processor on side who sees the value, they will take it to the retailer, who will put a package together that shows the positive attributes.”

“Where health conscious consumers go to is definitely a target-rich environment,” Weins said. “And then the

combination of those consumers who spend more time reading labels and understanding and being more conscious of what they eat, we see that as the best area to lay the framework for a growing industry.”

History

O&T Farms wasn't always in the feed business. It took a bit of reinvention to get them to where they are now.

The company was founded in 1967 by Weins' father and uncle, Ted and Otis Weins, who were previously in the trucking business in Manitoba, hauling eggs and cream for Canada Safeway. At the time Saskatchewan Safeway stores were sourcing eggs from Manitoba, so the brothers saw a need for an egg production facility in the prairie province. By the early 1980s, the company was the second largest egg producer in the country.

“We did some vertical integration in the company, and continued with that into the '90s. We started looking into other ventures that were out there in agribusiness, just trying to stay ahead of the curve,” he said, noting that the company started concentrating its research and development on naturally enriching livestock feeds in 1997.

The original plan at the time involved using the farm's spent hens from the egg laying operation and converting them into a protein energy source for the feed milling operation. However, the company ran into an environmental problem, when they realized how strong the odour from that process was.



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“We had to reinvent ourselves and started to use oilseeds and pulses, to see the value that could be gained from using those products in our process. The sum was greater than the parts,” he said. “Then we got into canola, and from there we got into the flax side. Omega-3s were an emerging market and we saw that we had the ability to get more value than conventional straight flax for feeding operations.”

Today, O&T's product LinPro is available in four varieties, including DairyPro and LinPro-R for ruminant animals.

To learn more about LinPro and O&T Farms, visit www.otfarms.ca. 