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2025 WINTER CONFERENCE SPEAKER PROFILE

LANDON PLAGGE

Bringing Oats Back: Meet Farmer/ Entrepreneur Landon Plagge

Have you heard the news? Market demand for oats is growing, and more farmers are integrating this useful small grain into their crop rotations. A new market for oats is also on the way, thanks to farmer/entrepreneur Landon Plagge and other farmers who've invested in a new oat processing plant in Albert Lea, Minnesota.

"The brands are paying oat millers 22% more than they were a few years ago," said Plagge, 43, a corn, soybean and oat grower from Latimer, Iowa, who will speak at ProfitProAG's 2025 Winter Conference in February.

Plagge is the driving force behind Green Acres Milling, a farmer-owned business that's preparing to break ground in the spring of 2025 on a new $55 million processing facility on the south side of Albert Lea. The mill is also a partnership with Plagge's wife, Anne, an assistant professor of family services at the University of Northern Iowa.

The timing for this new plant is right, as demand for oat-based products like oat milk, bread and cereal continues to grow. Plagge and 65 farmers from Minnesota, Iowa, South Dakota and Wisconsin who've invested in Green Acres Milling are excited to help grow the Midwestern oats industry.

Canada currently grows the vast majority of oats processed and consumed in the United States. "About 95% of the oat products you see in the grocery store are made with Canadian oats," Plagge said.

Green Acres Milling plans to process 3 million bushels of oats per year. Project leaders expect the plant to be operational by the early fall of 2026. "Our transportation costs will be significantly lower than shipping oats from Canada," Plagge noted.

Traceability is another huge advantage, he added. "With farmers delivering direct to Green Acres, we can offer traceability—something the large mills can't offer with their business model."

Where did all the oats go?

Plagge farms 4,000 acres in northern Iowa with his father and uncle. Among their fields are many acres of oats, a rarity among the nearly endless rows of corn and soybeans in the region.

While oats were once an integral part of Midwestern crop production, this small grain has all but disappeared in the U.S.—a trend that started decades ago.

The second half of the 20th century brought a myriad of changes to Midwest agriculture, including the near disappearance of work animals, the development of modern confinement barns to house pigs and chickens, and readily-available synthetic nitrogen fertilizer. Federal policy incentives also evolved to favor corn and soybean production. The bottom line? It became easier and more profitable to grow only corn and soybeans.

Oat demand is growing

More farmers are taking a new look at oats, however. The unprecedented demand for oats in recent years continues to grow, driven by the popularity of oat-based products like oat milk, breakfast cereals, yogurt and more.

Europeans consume 30 pounds of oats per capita per year. While Americans only consume 5.2 pounds per capita per year, this is up from 4 pounds per capita a decade ago, said Plagge, who noted that oats are naturally gluten free and allergen free.

The U.S. Food and Drug Administration (FDA) recognizes that oats are good for heart health. “The market potential for oats is there, especially as consumer demand for healthier food grows,” Plagge said.

Oatly, the Swedish company that took North America by storm in 2017, buys a lot of food-grade oats, primarily from Canada, the world’s largest exporter of oats. Oatly’s sustainability goals have spurred the company to explore sourcing more oats from the Midwest. In recent years the company has connected with Practical Farmers of Iowa (PFI), a nonprofit group that supports farmer-led innovation.

Plagge is one of a handful of farmers who’ve participated in an oat-growing pilot program that PFI launched in Minnesota and Iowa in 2019 to help growers diversify their corn and soybean rotations. Diversification makes sense to Plagge, whose travels have taken him to around the world.

“When I spent a year after high school working on farms and ranches in Australia, I saw how those producers used no-till and planted a diversity of crops, including oats,” Plagge said.

Oats help farms change for the better

The value of oats isn’t just in the crop itself. Some farmers report a yield bump in corn and soybeans by adding oats to the rotation. Plagge has seen many other things change for the better when small grains join a crop rotation.

“If you seed the oats early enough, they help choke out weeds,” Plagge said. Oats also break up pest cycles, making it harder for yield-robbing insects like corn root worms and soybean cyst nematodes to wreak havoc.

While crown rust and the DON vomitoxin can impact oats, these fungal diseases haven’t been a major problem on Plagge’s farm. “We haven’t had to use fungicides or insecticides on our oats for the past six years,” said Plagge, who has grown oats for 10 years. “By growing oats and cover crops, we’ve cut our use of pre-emerge herbicides on corn and soybeans and have been able to reduce our total chemical use by one third.”

In addition, oats are a less nitrogen-dependent option that can help build soil health. Research is showing that including oats in a crop rotation reduces erosion and helps protect water quality. “We’ve seen better water infiltration in our fields where we’ve grown oats,” Plagge said.

He isn’t alone. Martin Larsen, who farms near Rochester, Minnesota, participated in the PFI/Oatly pilot project and has conducted a lot of testing. “He found that nitrate levels are reduced about four fold with an oat crop,” Plagge said.

Corn that grows in soil where oats grew the previous year typically doesn’t need as much nitrogen fertilizer as a crop in a corn-only or corn-soybean system. Oats can also be part of a double cropping system with soybeans and can fit well with a grazing system (along with sorghum sudangrass and millet) for cattle.

Plagge, who has expanded his oat production to 2,500 acres in the last five years, stresses that management is important. “You must treat oats like a primary crop, meaning you need to plant the right varieties and fertilize the crop,” said Plagge, strives to produce oats with a test weight of 38 pounds per bushel.

Since oats mature in the Upper Midwest around June/July, while corn and soybeans mature in September/October, this impacts crop insurance. "We've been able to cut our crop insurance by about half," Plagge said. "A more diverse crop rotation offers a lot of benefits, removes a lot of risk and adds more resilience to a farming operation."

"We're confident this is going to work"

Plagge and his fellow Green Acres investors hope the new Albert Lea plant encourages more farmers to grow oats. The facility will have an agronomist on site to help growers learn more about growing oats.

While that reflects Plagge's mindset as a farmer, his experience in the food business also helps him bring a unique skill set to Green Acres Milling. When the local grocery store in Latimer (population 471) closed permanently, Plagge and his family re-opened it nine years ago. "Our goal was to provide competitive prices and pay competitive wages," Plagge said. "The store gave us a lot of experience with the grocery business and working with big brands."

After Plagge and his family sold the grocery store a year ago to other community members, he shifted his focus to Green Acres Milling. To help this new venture succeed, he's done his homework. He's toured oat-milling plants in Finland, Sweden and Switzerland, for example, to study best practices to incorporate into Green Acres Milling.

"We're confident this is going to work. We'll be providing actual food for consumers, and I'm excited about how oats can help farms become more resilient and profitable."