



# From the oil patch to the pea field: One executive's mission to bring plant-based protein to Alberta

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A dangerous bump on the head started Chris Theal's journey from the oil patch into launching a new company with plans to manufacture organic plant-based protein.

In January, 2020, Mr. Theal played a brisk game of shinny with his university-age son Daniel and his buddies. Everything was fine until the next evening, when he suddenly felt dizzy. He told his dinner companion he needed some fresh air, and headed for the door of the restaurant.

"I don't remember the door closing, and my head hit the sidewalk and that was it," said Mr. Theal, who is well known in Calgary's energy and finance sectors, and was most recently chief financial officer of Velvet Energy Ltd. "It was a fractured skull, a pretty serious brain injury."

He was hospitalized for six days. After numerous tests, he was diagnosed with vasovagal syncope, a sudden loss of blood pressure that can cause fainting. What followed was a lengthy recovery, including morphine for the pain. Weeks later, he added an anti-inflammatory, low-fat diet to his regimen. Mr. Theal, 53, stuck with it through the COVID-19 lockdowns as it brought other health benefits.

Canada has all the ingredients to be a global leader in agriculture, but the opportunity won't last forever

As he did so, he got interested in the food industry itself – and specifically the growing market for plant-based protein used in foods such as meat substitutes. An Ernst & Young study for Protein Industries Canada sees the business growing to \$250-billion annually by 2035.

The experience changed his life, but also his living. Mr. Theal has started Phyto Organix Foods Inc., and he plans to build Alberta's first state-of-the-art plant-protein facility – what's known as a wet plant protein fractionation plant. He is beginning an equity

financing round to raise \$25-million by the end of August, one of a number of plans to attract funding. Phyto could launch an initial public offering in 2022.

The outlook for growth comes from a wide base of consumers, according to Mr. Theal. “It’s the Gen Zs, it’s the millennials, it’s people like me that are a lot more aware of what we’re putting in our bodies now,” he said. “And you know, I think when you look at that shift in consumption patterns, just the global middle class, that’s the real big driver here. It’s a huge opportunity for Canada and I think for Alberta.”

The planned \$131-million facility will process yellow peas and is intended to be carbon-neutral from the start. The technology uses temperature, pressure and water to break dehulled peas into protein, fibre and starch.

Mr. Theal hopes to break ground during the second quarter of 2022, and start production in the latter half of 2023, employing 40 people.

Under the plan, Phyto will work with farmers to ensure the feedstock is organic and produced using regenerative farming techniques.

With the venture, Mr. Theal joins other oil patch veterans that have left the industry to start businesses in food, cannabis and other fields. For example, Andrew Potter, another former energy research analyst and oil-company finance executive, co-founded Saskatoon-based Blue Sky Hemp Ventures, which produces hemp oil and protein powder as well as CBD.

Mr. Theal, who began his career in the Royal Canadian Navy, was co-head of equity research at Tristone Capital when it started in 2000 and president of Kootenay Capital Management before joining Velvet, which he left in January after six years. He says he’s not turning his back on energy.

“I’ve got so many friends and connections in the industry. I’m still intimately connected with it,” he said. “It’s a bit of personal experience that’s kind of created the passion here, but it’s also about being a catalyst for diversification in the province.”

After several years of weak oil prices and economic pain, Alberta has made efforts to find opportunities in industries that have received far less public attention. Agri-foods and agtech are identified as major growth opportunities. Alberta produces 40 per cent of the yellow peas in Canada – 1.8 million tonnes annually – but it exports 95 per cent of them in raw form.

The province has yet to open a major plant protein plant, but there are others in Western Canada. France’s Roquette Frères has completed a \$600-million facility in Portage La Prairie, Man., billed as the largest of its kind.

Ingredion Inc. last year bought out its partners last year to take ownership of plant in Vanscoy, Sask., which was co-owned by a company led by Hollywood director James

Cameron and his wife, Suzy Amis Cameron. It has received \$12.8-million in funding from Protein Industries to invest in new technology for processing yellow peas.

Protein Industries is a not-for-profit group working with industry, government and academia to create a plant protein supercluster. It has set a target for Canadian industry revenue to hit \$12-billion. In Alberta, however, an industry association shut down in April when its funding from the provincial government wasn't renewed.

“You’ve got some interesting tech things going on in Alberta now, which is great,” Mr. Theal said. “But this to me is the immediate conversion of value-add to what we do with resources in the province.”

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