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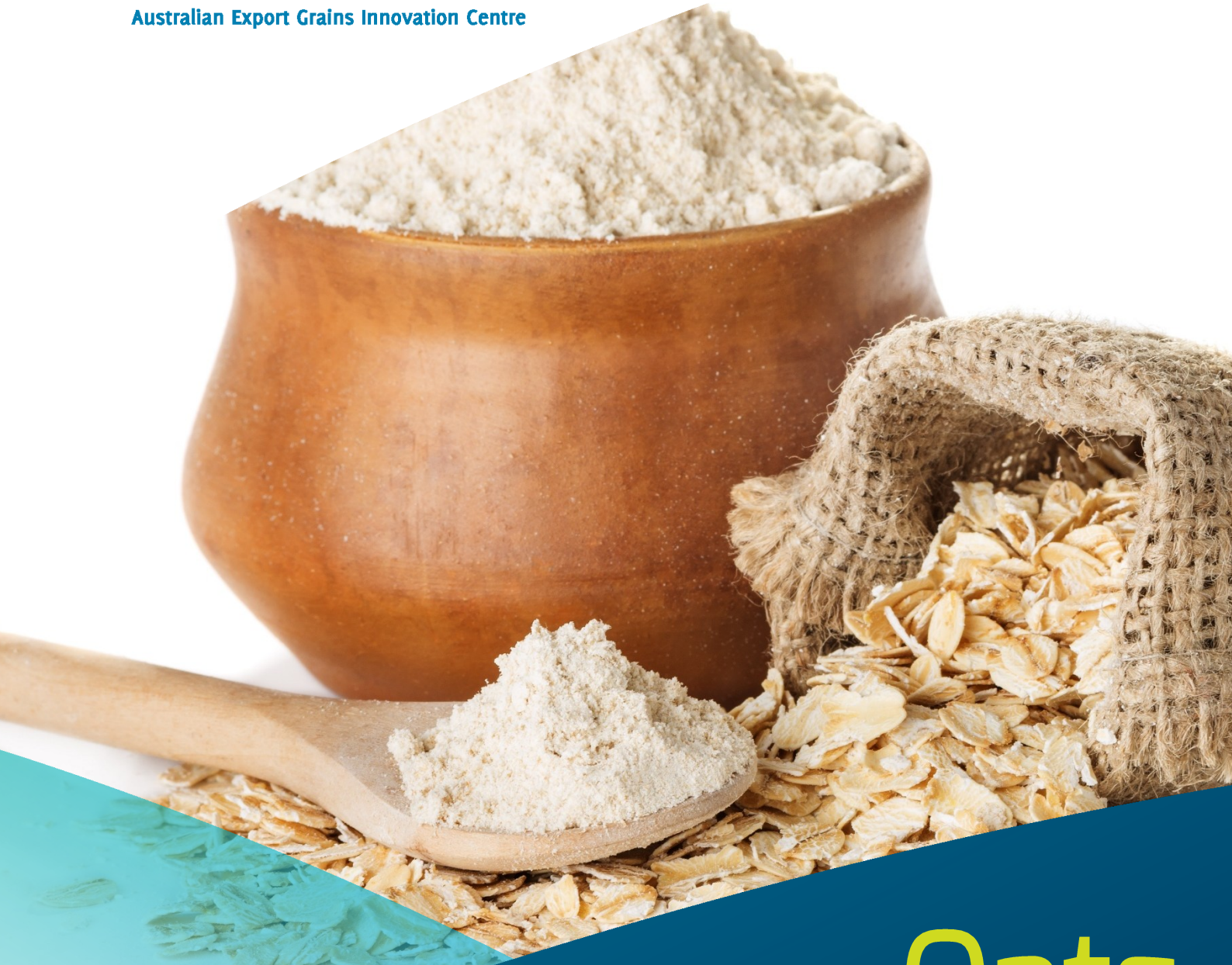
Australian Export Grains Innovation Centre



Oats

Global Review: Production, Use and Trade

April 2025

Department of Primary Industries and Regional Development

GOVERNMENT OF WESTERN AUSTRALIA

GRAINS AUSTRALIA

AEGIC is an initiative of the Western Australian State Government and Grains Australia

Introduction

The Western Australian Agricultural Authority (WAAA) has received $10.12 million from the State Government to support the growth of the oat industry in Western Australia (WA) over the next 20 years. To facilitate this, an industry-led Processed Oats Partnership (POP) program has been established, with industry partners contributing cash, technical expertise, and other in-kind support.

A Steering Committee, composed of representatives from across the oat supply chain, manages the POP. This includes participants from processing, oat production, breeding, market intelligence, product innovation, and the State Government.

This report has been developed as part of Output 2 in the AEGIC-led POP activities, within the project titled "Economic Lens to Capture Increased Market Value for Oats through Industry Innovation and Better Targeted Industry Investment".

The purpose of this report is to provide a snapshot of the global oat market, particularly factors relevant to Australia in terms of production, use and trade. This is part of a series of reports produced by AEGIC, see appendix.

Detailed information on the global production and trade of raw oats and processed oat trade is now contained in the AEGIC Grain Market Insights Portal. Portal access is currently limited to Australian stakeholders and available via the AEGIC website - see link in the Appendix.

Contents

Key messages

- The top five producers account for more than 70% of oat production (assuming the EU as a single producer). Russia stands out amongst the top producers with a steady decline in production since 2018.
- Oats are mostly used for animal feed, particularly in the traditional producing countries, but accurate usage statistics are difficult to obtain. The use of oats for feed in Russia appear to be steadily declining, but its exports are increasing.
- South East Asian and African countries mostly consider oats to be a food, with feed usually only being a minor use. Japanese oat use has changed substantially so that food use is starting to surpass feed use.
- The use of oats for both food and feed continues to increase in many Asian countries. China and India, two important markets for Australia, have seen very strong and consistent increases in oat use over the past decade.
- Raw oat trade is strongly regional in that most European oats are produced and traded within Europe. Similarly, most North American oats are produced and traded within North America. Almost all Australian oats are traded into Asia. China is the largest destination, taking about 70% of Australian raw oat exports.
- Russia and Australia are the main competing raw oat exporters to China. Australia's market share in China has decreased by about 30% since 2018, but China's imports of Australian oats continue to grow. China imports Australian raw oats at a higher unit value than Russian oats.
- India and Japan also offer growth opportunities for Australian raw oats. Australia's high market share in India allows it to benefit from India's strongly growing raw oat imports, while high unit values in Japan provide enticing growth prospects for Australia to increase its relatively low market share.

- Processed oat trade is more diverse than raw oats, but still regionally focused. Most Australian processed oats are exported to Asian countries, and it faces competition from Europe, Chile, Sri Lanka, US and Canada.
- Within the processed oat products, countries tend to import mainly rolled or worked oats. For example, South East Asian countries import over 10-fold more rolled oats than otherwise worked oats. Australian rolled oat exports to India have steadily decreased but otherwise worked oat exports have steadily increased.
- It should be noted that oat trade data is often less reliable than data on some other grain commodities. China reports considerably lower imports of rolled oats from Australia and the rest of the world than these countries report as exports to China. Further, Australia had confidentiality restriction on raw oat exports prior to 2020 so exports are under reported for that period. To account for this, we have used import, rather than export data for raw oats and have presented Australian processed oat export figures in addition to import data in Figures 13 and 14.
- China is not yet a major processed oat exporter and competitor to Australian exports to the region. Australia's main markets for rolled oats appear to be South East Asia (particularly Malaysia and Philippines) and Japan, whereas for otherwise worked oats, India and Taiwan are strong markets.
- Australian raw oats are subject to low tariffs in Australia's main markets, and it often has a tariff advantage compared with competing exporters in these markets.
- Processed oats tariffs can affect import of Australian oats, particularly in India. However, tariffs alone do not explain the trends in Australian processed oat imports by India. Australian rolled oat imports have steadily declined, while otherwise worked oats have increased despite being subject to similar tariff regimes.
- Oat prices are often more volatile than major traded grains such as wheat or barley. Balancing WA oat production volume and value while also protecting markets is a long-term challenge for the oat industry.

See Glossary: for the definition and HS codes of the different raw and processed oat products.

Top five producers account for more than 70% of oat production

- The European Union (EU), Russia, Canada and Australia have been the major oat producers in the world, collectively accounting for about 70% of total production.
- Poland, Finland, Spain Sweden Germany and France account for 70% of EU production.
- Production in the EU and Australia has remained more or less stable since 2010, whereas Russian production markedly declined. Canadian production was on an increasing trend, but unfavourable growing conditions have caused large fluctuations in Canadian production since 2021.
- Production trends are largely in line with the area sown. The Russian oat area has decreased from over three million hectares in 2015/16 to less than two million hectares is 2024/25.
- Brazil, outside the historically top producers listed above, has been a significant mover and has more than doubled its production over the past decade nearly reaching Australian levels.
- China has also seen a significant increase in production coming off low levels in the decade. On average, over the past five years, China has produced about 800,000 tonnes annually.

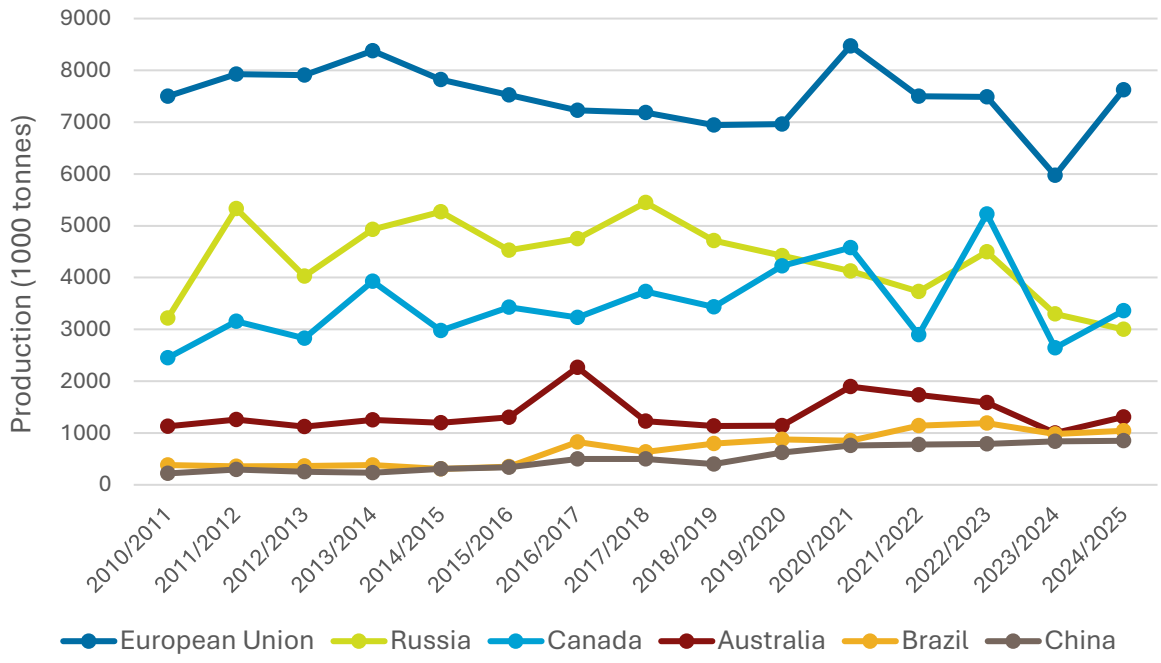


Figure 1. Main global raw oat producers (source USDA).

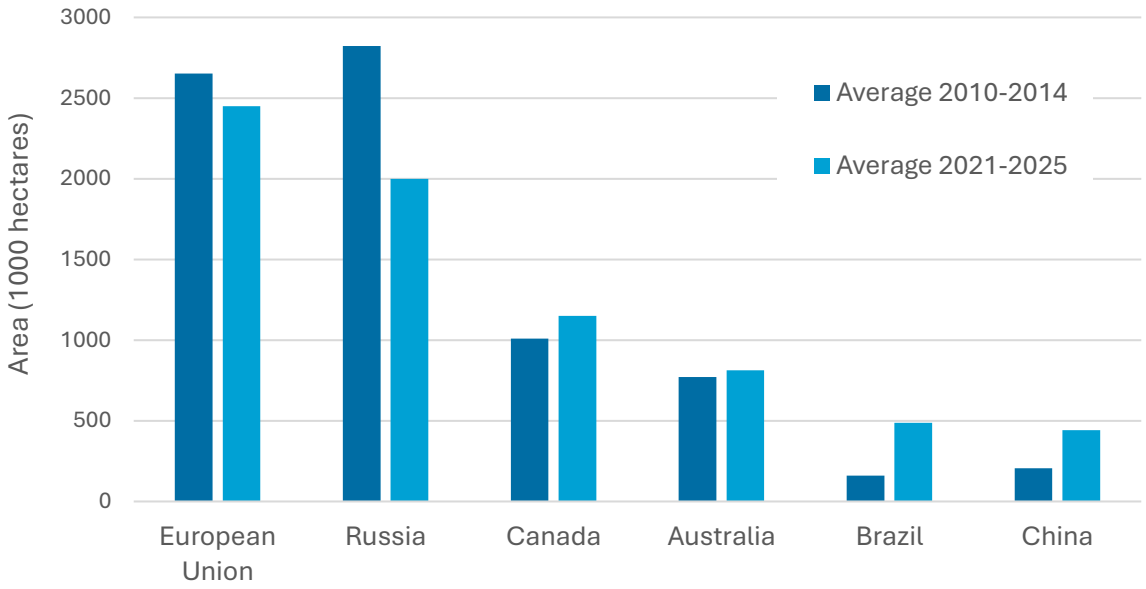


Figure 2. Five-year average oat area harvested by major producers on 2010-14 and 2021-25 (Source: USDA).

Oats are mostly used for feed, but statistics can be inaccurate

- Most of the large producers use oats principally as feed. Only Canada and the UK have higher levels of food, seed and industrial (FSI) use or exports compared with feed use.
- In most countries the oat feed use has remained more or less stable over the past 15 years except for Russia. The use of oats for feed in Russia has halved since 2018, which has allowed exports to increase despite declining Russian production.
- The strong production growth in Brazil has mostly serviced expanding domestic demand and exports are negligible.
- Estimates on the disposal of oats as food, feed, or industrial consumption should be interpreted with caution because data sources sometimes show very different trends. For example, the Food and Agriculture Organisation of the United Nations (FAO) estimates oats are used for food more than feed in Brazil, while USDA estimates they are primarily used for feed.
- FSI estimates by the USDA combine food use and processing use, making domestic food use hard to estimate. Much of Canada's FSI use is processed oats for exports.

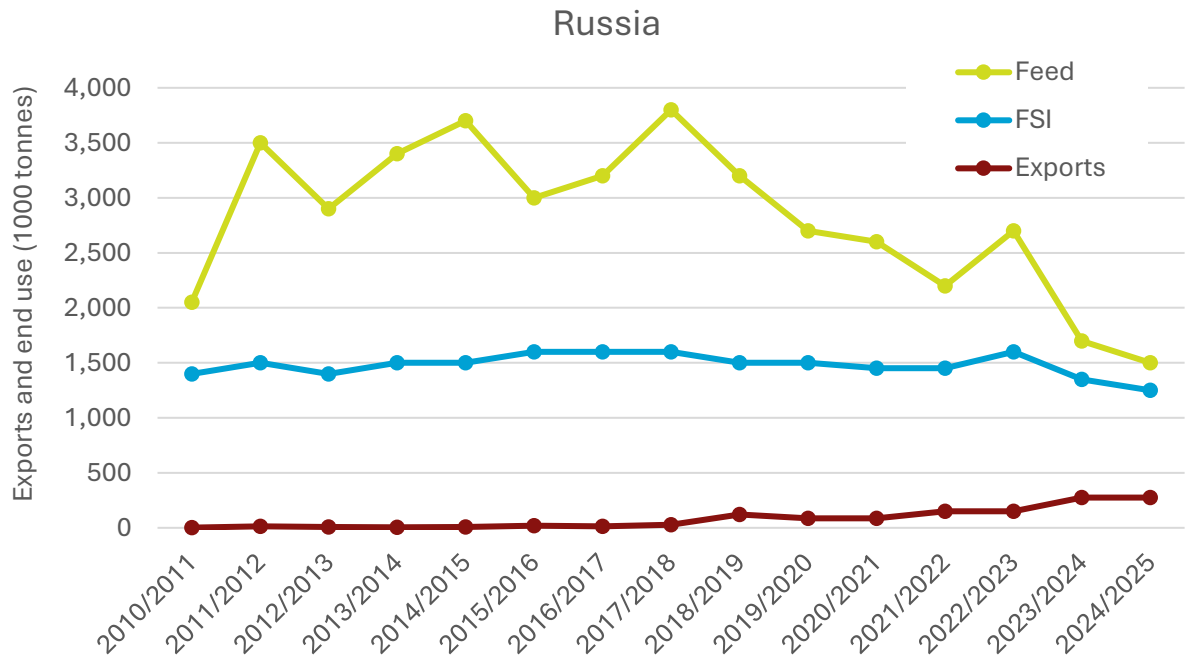


Figure 3. Disposal of raw oats in Russia as feed, food seed or industrial use (FSI) or export (Source: USDA).

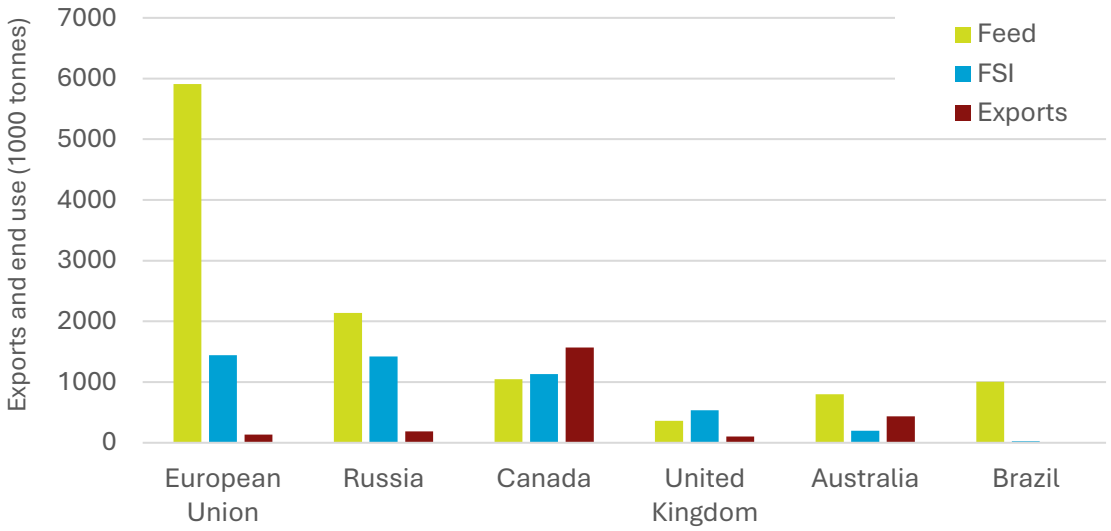


Figure 4. Five-year average (2020-21 to 2024-25) disposal oats by major exporters as feed, food seed or industrial use (FSI) or export (Source: USDA).

South East Asia and Africa mostly use oats for food

- The use of oats for food or feed is very different across markets and the changes in food or feed use is also trending in different ways depending on the market.
- Feed is an important use for oats in much of the world, particularly, North America, Europe and North and Central Asia. Whereas South East Asian countries and Africa have mostly used oats for food.
- FAO data indicate that food use in Japan has risen strongly while feed use has remained flat so that food use is now starting to surpass feed use.
- In South East Asia food use has almost doubled (driven mainly by Malaysia) over the past 10 years, but feed use is also increasing steadily, particularly in Malaysia and Philippines.

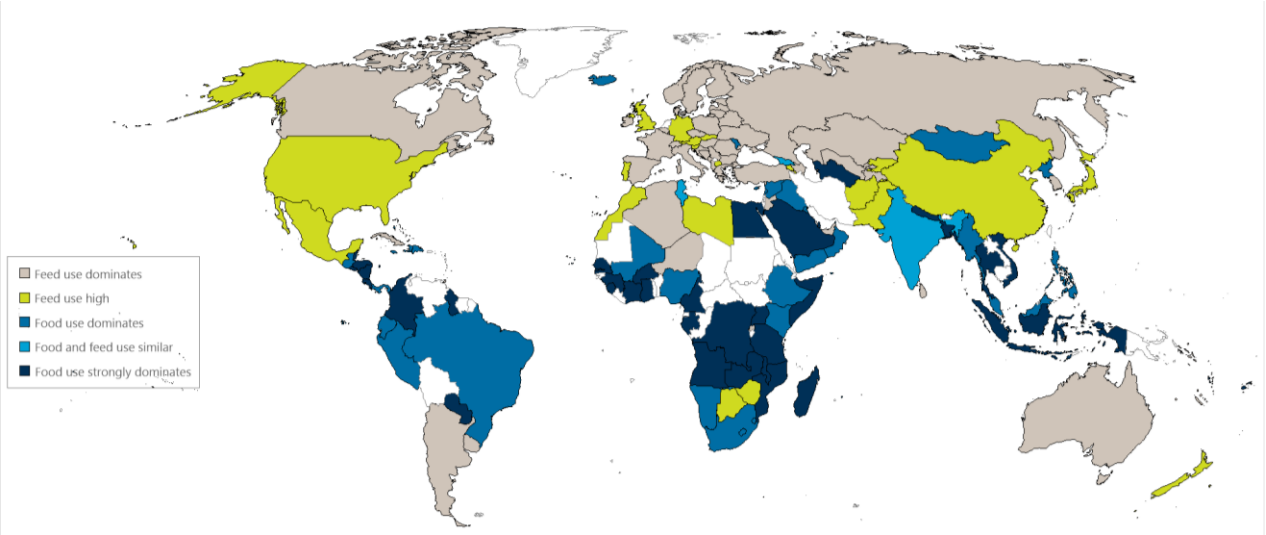


Figure 5: Ratio of feed and food oat use based on annual average 2018-2022 (Source FAO)

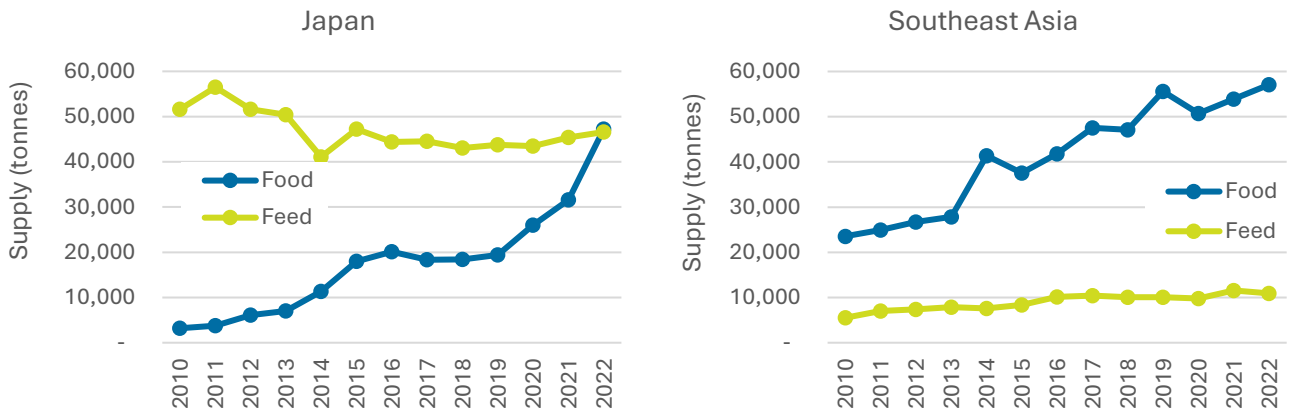


Figure 6. Oat supply used for feed or food in Japan and South East Asian countries (Source FAO)

Using oats for food and feed in Asia is increasing

- FAO data suggests that the consumption of oats as feed in China is substantially more than the consumption of oats as food. The use of both has increased steadily over the past 10 years.
- The total growth in use of oats as feed in China has been higher than the growth in food use. Processed oats, much of which goes into food products has also increased rapidly. With FAO data, it is unclear how data on edible forms like rolled oats or flour, relates to “consumption” of unprocessed oats as food.
- USDA similarly show a dominance of feed use over food, seed and industrial (FSI) use in China and a more rapid growth of feed use than FSI use.
- Consumption of oats for food and feed in India is about the same, according to FAO, but USDA records no feed use for oats in India.
- Both USDA and FAO show that consumption of oats in India has increased rapidly (five-fold) over the past 10 years. FAO have no data for processed oat consumption in India.

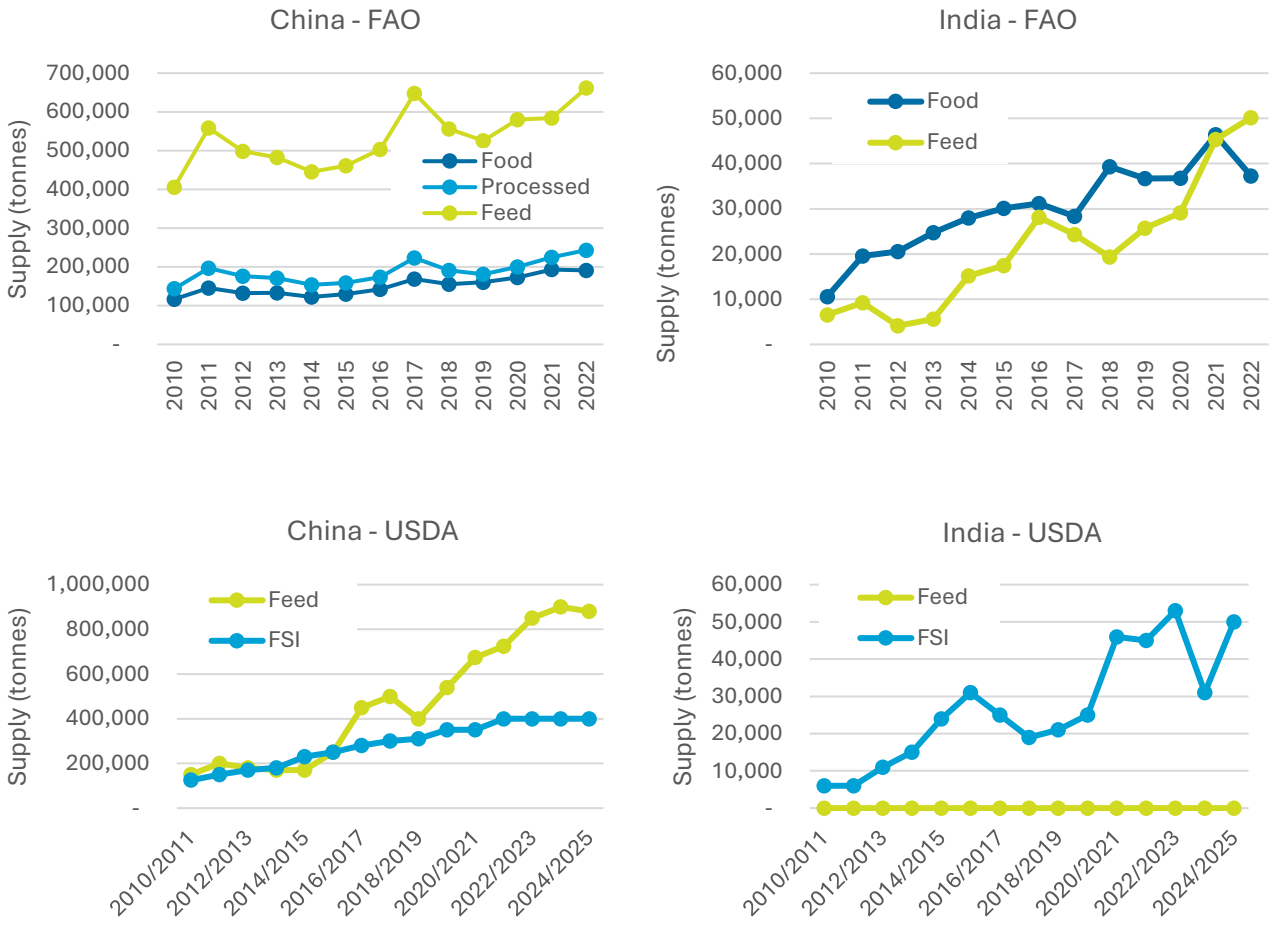


Figure 7. Oat supply in China and India as estimated by USDA and FAO

Raw oat imports are regional

- Raw oat trade is highly regional with Russia and Australia the main competitors in China.
- Over 90% of Australian oats are traded into Asia with China (67%) being the largest destination.
- Over 90% of Canadian oats are traded into North and South America with the USA (82%) dominating.
- Over 90% of EU and UK trade is within Europe with Germany (43%) being the largest importer.
- Russian exports are split between Asia and Europe with China (52%) being the largest importer.
- As demand expands exporters are looking beyond their traditional markets.

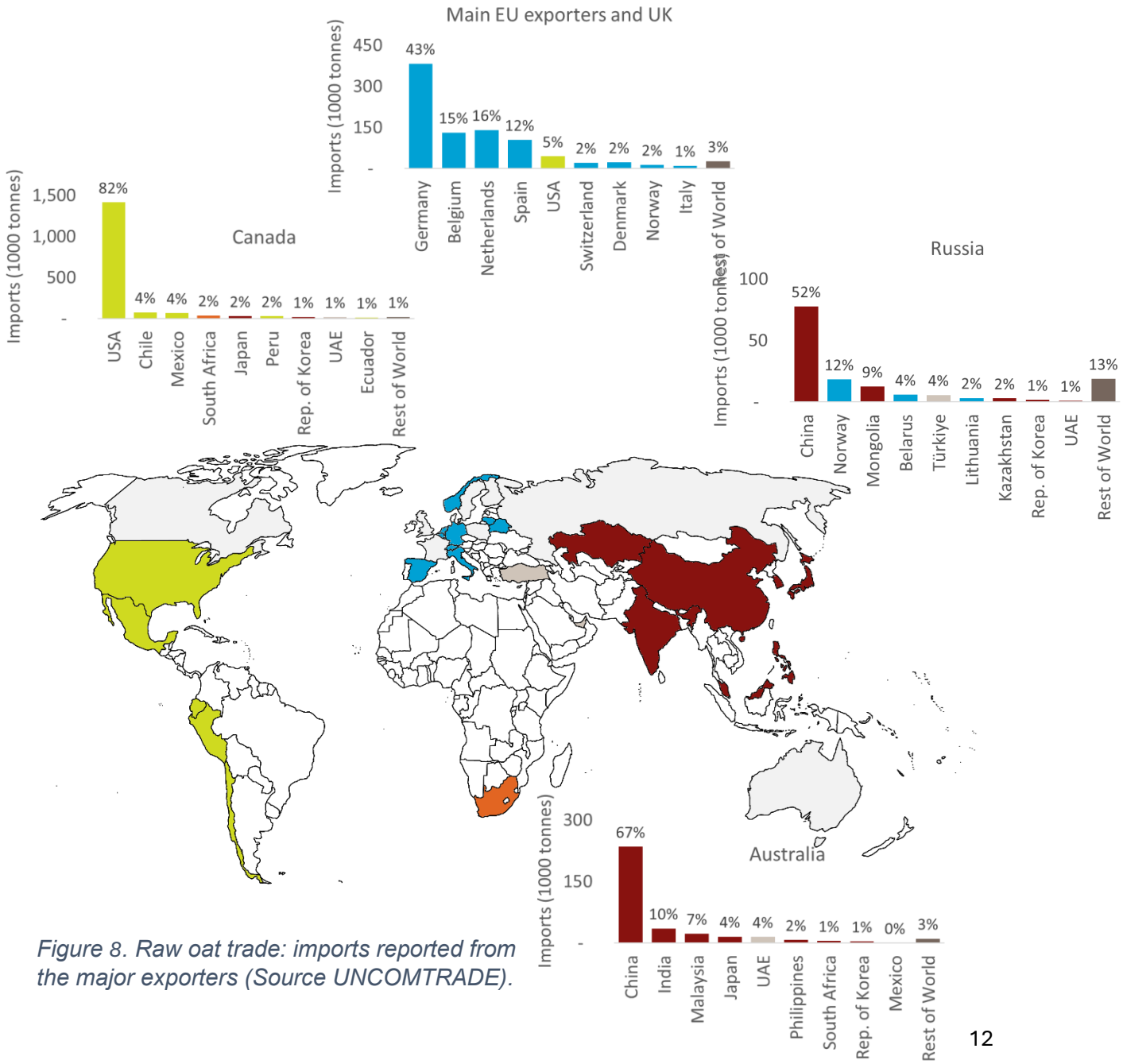


Figure 8. Raw oat trade: imports reported from the major exporters (Source UNCOMTRADE).

Russia and Australia are the main competing raw oat exporters to China

- Raw oats import by China are largely supplied by Australia and Russia, together supplying over 95% of China's imports. Canada is currently excluded from the Chinese market
- Since entering the Chinese market in 2018, Russia has increased its market share to about 30% of total imports.
- Despite the declining market share for Australian oats, the total export volumes have remained strong with positive growth trends.
- The unit value of Australian oats imported by China is higher than that of Russian oats – about US$100 per tonne higher, averaged over the past five years – and there is no sign that this difference is narrowing.
- Differences may be related to quality and end use. Note: the consumption of oats as feed in China remains much higher than consumption as food.

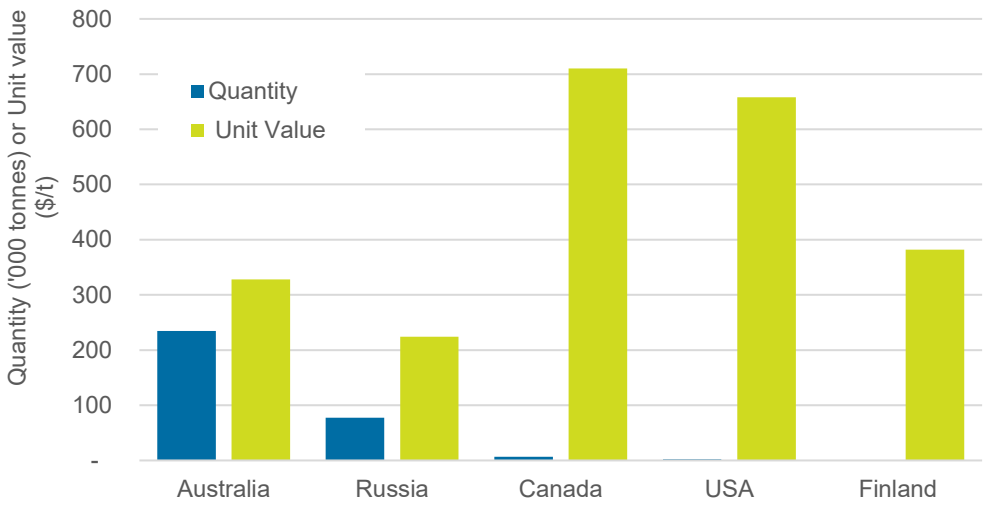


Figure 9. Five-year average imports of raw oats by China from major exporters (Source UNCOMTRADE).

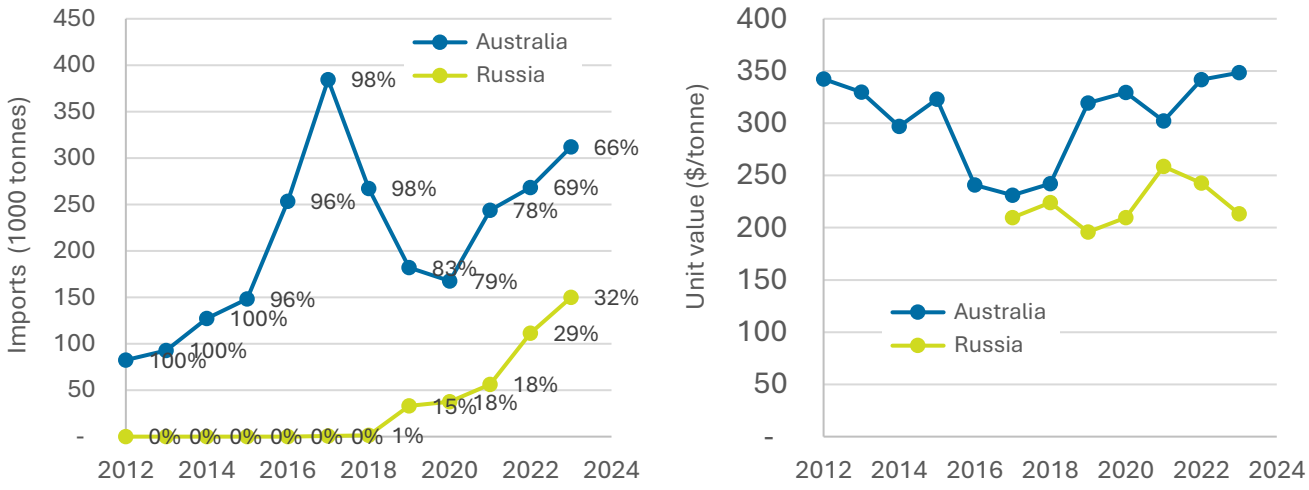
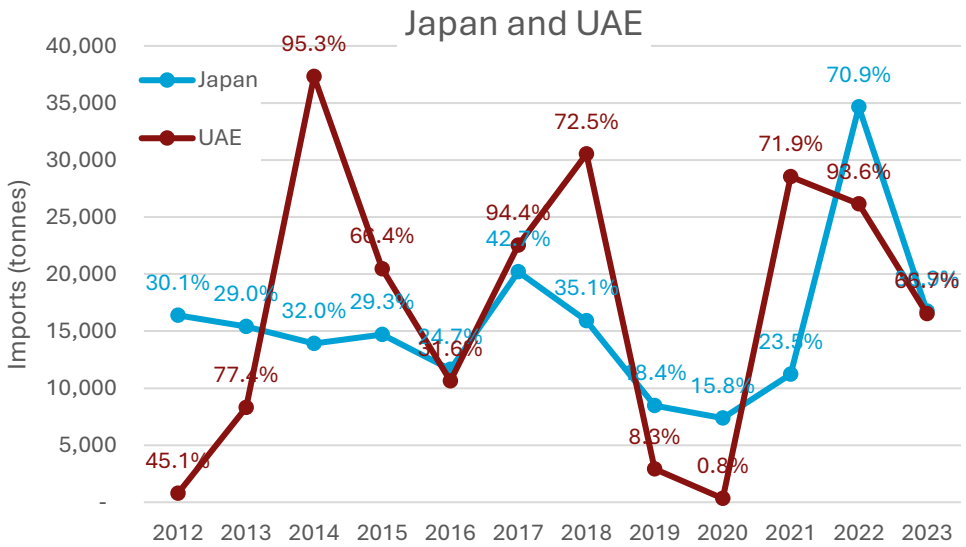


Figure 10. Quantity and unit value of raw oats imported by China from Australia and Russia over the past decade Source UNCOMTRADE).

Note: unit values are expressed in USD and are the weighted average value of imports for the nominated period and are calculated by dividing the total value of imports (CIF) for the period by the total tonnes imported. Unit values are not sales prices which are likely to be very different. Very low import volumes are often associated with high unit values.

India and Japan offer growth opportunities for Australian raw oats

- About 25% of Australian raw oats are imported by Australia's next top four markets after China, but trade volumes to some markets (e.g. UAE) are quite variable.
- India has been a strong and consistent market over the past decade increasing raw oat imports by five-fold. Australia has maintained a very high market share in India.
- Malaysia increased raw oat imports substantially to 2017, but imports have remained flat since then. Australia, nevertheless, still maintains a very high market share.
- Import of Australian raw oats by Japan and UAE have not shown a clear increasing trend over the past decade.
- In most years Australia has supplied the highest share of raw oat imports to the UAE, but not Japan.
- Canada is usually the dominant supplier of raw oats to Japan with Australian raw oats making up about 20% to 30%.
- The unit value of raw oat imports by Japan is consistently higher than for other markets, sometimes more than US$100 per tonne.
- The unit value of imports by India also tends to be higher than the UAE or Malaysia.
- High unit values in Japan and Australia's relatively low market share offer interesting growth opportunities for Australian raw oats
- Australia's high market share in India allows Australia to benefit from India's strongly growing raw oat imports.



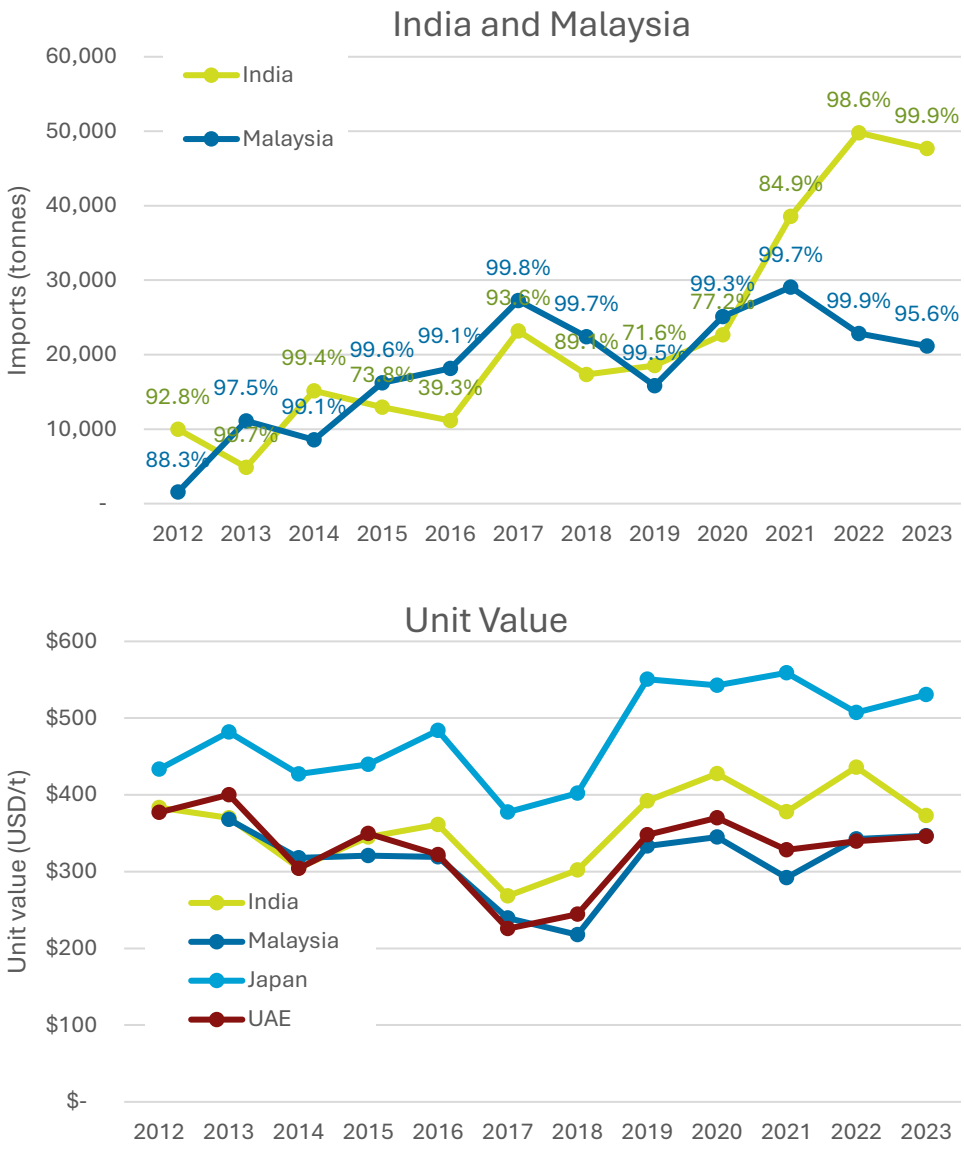


Figure 11. Reported quantity of Australian raw oats imported by Japan, United Arab Emirates (UAE) and Malaysia and the unit value of the imported oats by each country.

Note: unit values are expressed in USD and are the weighted average value of imports for the nominated period and are calculated by dividing the total value of imports (CIF) for the period by the total tonnes imported. Unit values are not sales prices which are likely to be very different. Very low import volumes are often associated with high unit values.

Trade in processed oats is more globally diverse than raw oats

Relationships between exporters and importers is more is more diverse for processed oats compared with raw oat trade, but it still has a strong regional influence.

- Most Australian processed oats are traded in Asia and a dominant importer is less easy to identify compared with raw oats where China dominates.
- Canadian processed oats are traded into North and South America with the USA (88%) dominant.
- Processed oats from the United Kingdom are broadly distributed across many importers.
- Imports from the EU are focused within Europe but a proportion (32%) is traded outside the EU.
- Chile is a significant new exporter of processed oats mainly to South America.
- Russia is a less important processed oat exporter with most imported by central Asian countries).

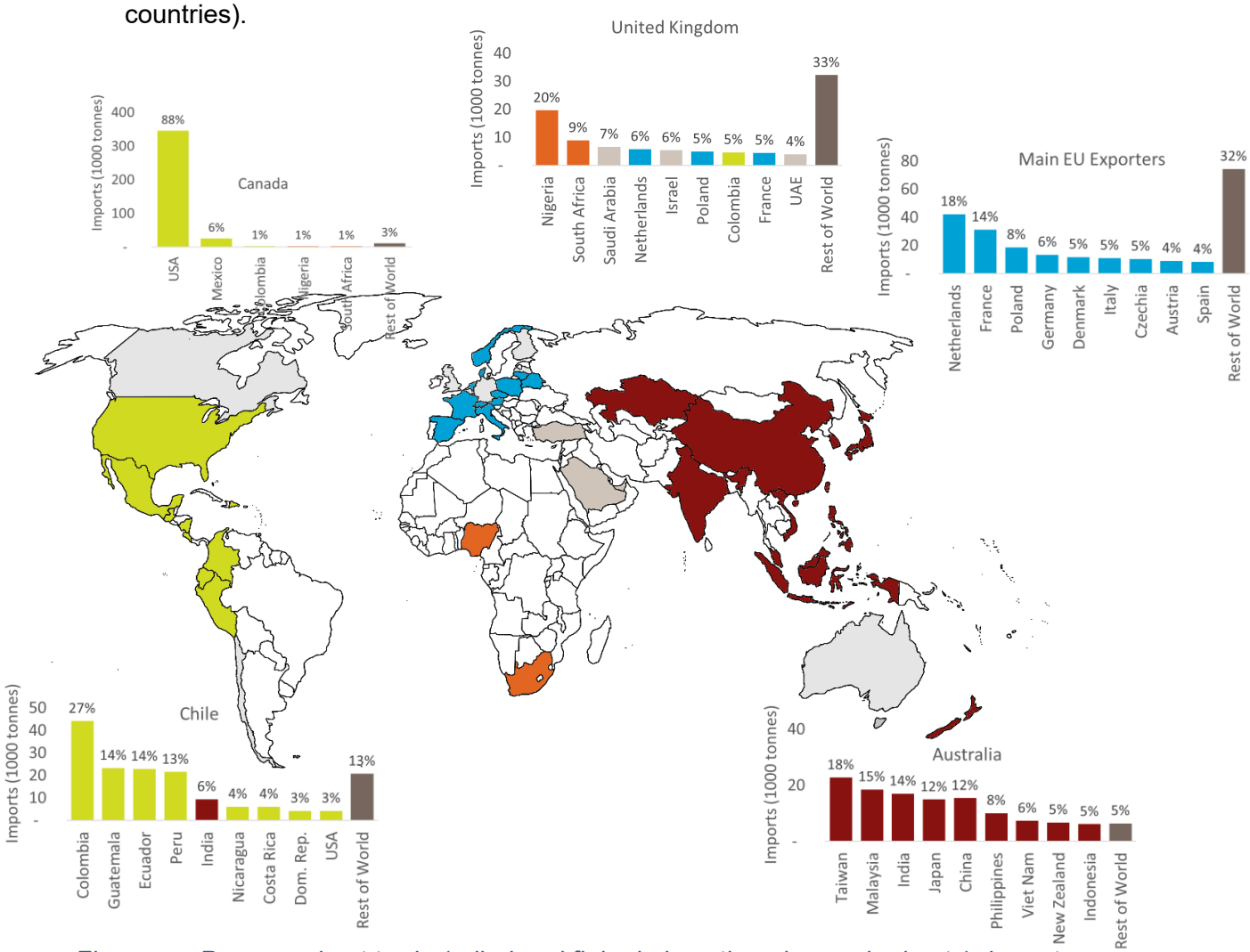


Figure 12. Processed oat trade (rolled and flaked plus otherwise worked oats): imports reported from the major exporters (Source UNCOMTRADE HS codes 110412 and 110422).

Processed oat trade patterns differ but data is not consistent

- Australian exports are increasing in some markets and maintaining a strong market share, while in other markets exports are declining.
- India provides a good example, rolled oats exports to India have steadily declined over the past 10 years with Australia losing its once dominate position to Sri Lanka and Chile.
- In contrast otherwise worked oat exports to India have generally increased with Australia maintaining a strong market share.
- Information about rolled oat exports to China is inconsistent. China reports considerably lower imports from Australia and the rest of the world than these countries report as exports to China.
- Australia's exports of both rolled and otherwise worked oats to China declined sharply after 2021.

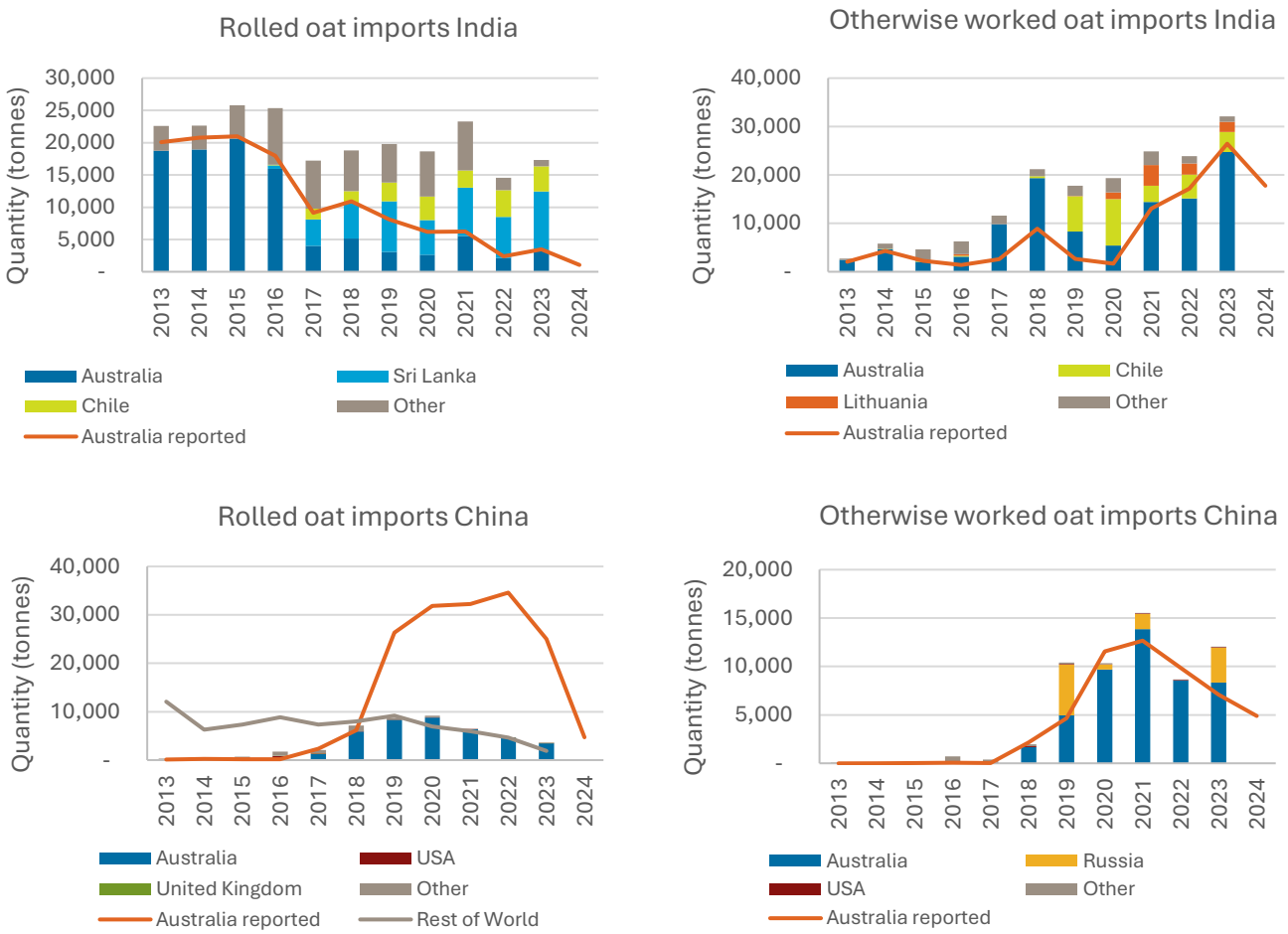
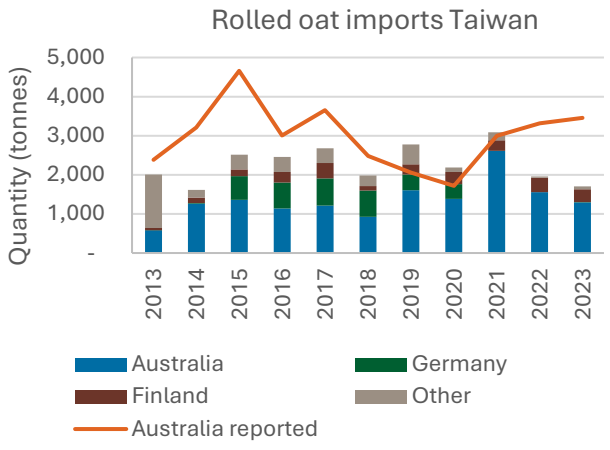


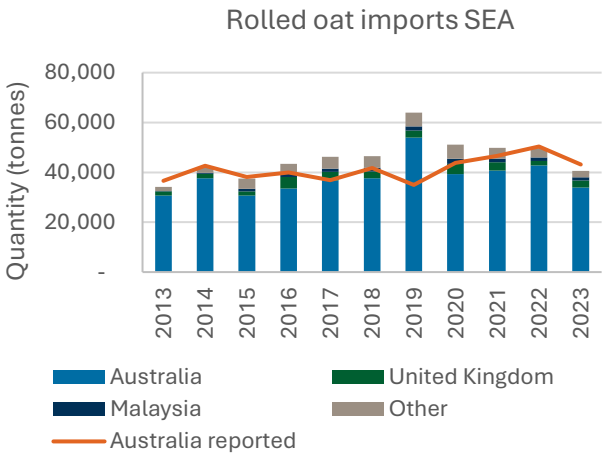
Figure 13. Main countries from where India and China report they import rolled and flaked (HS 110412) or otherwise worked oats (HS 110422). Source: UNCOMTRADE.

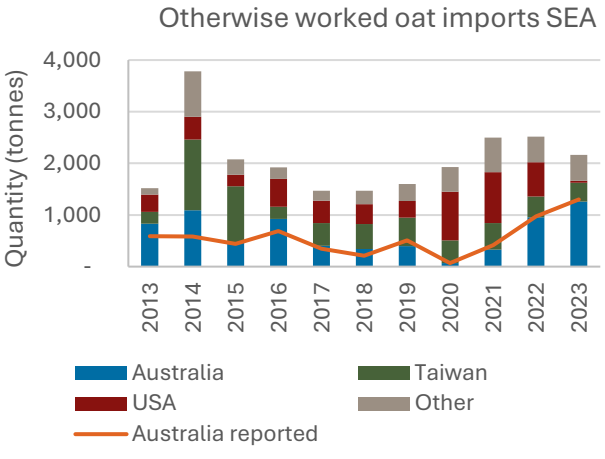
Note: bars represent the reported imports. Line represents reported exports by Australia (red) or Rest of the World (all other exporters excluding Australia - grey).

China not yet a major processed oat exporter

- Australia's main markets for rolled oats appear to be South East Asia (particularly Malaysia and Philippines) and Japan, whereas for otherwise worked oats, India and Taiwan are strong markets.
- Increased quantities of oats processed within China may lead to exports and greater competition with Australian processed oat exports to the region, however this is not yet obvious in import figures except for rolled oat imports from China by Japan







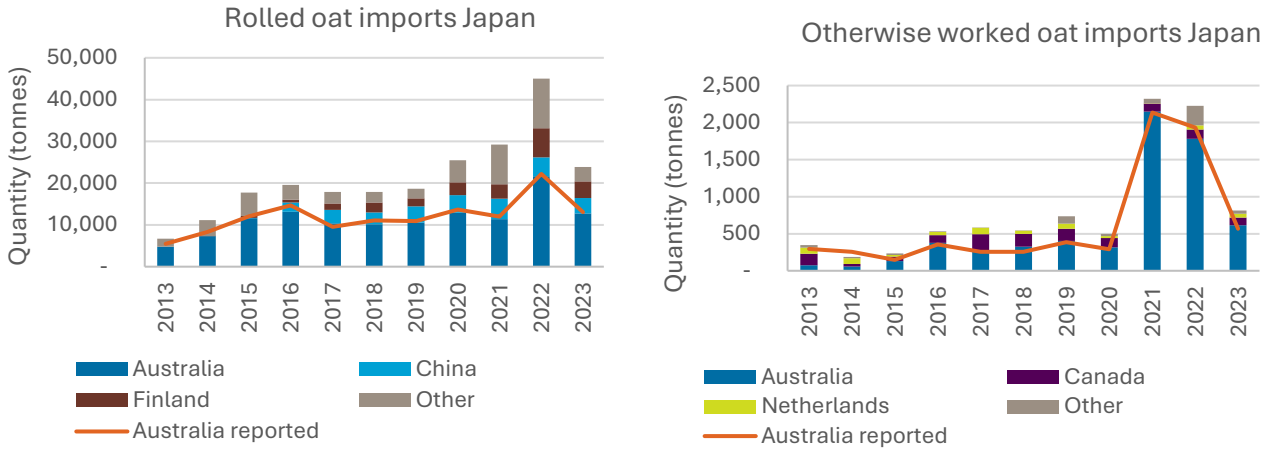


Figure 14. Main countries from where Taiwan, South East Asian countries (SEA) and Japan report they import rolled and flaked (HS 110412) or otherwise worked oats (HS 110422). Source: UNCOMTRADE.

Note: bars represent the reported imports. Line represents reported exports by Australia (red). South East Asian countries include Indonesia, Malaysia, Philippines, Thailand, Vietnam, Singapore.

Australian raw oats are subject to low tariffs

- Tariff structures in exports markets can have a large impact on trade particularly when there is a differential tariff rate for one exporter compared with another.
- Tariffs are not applied to Australian raw oat imports in any of its main markets except for Taiwan which imposes a two percent tariff on all imported raw oats.
- Australia has a tariff advantage over Russia, its main raw oat export competitor in Asia, in several markets, particularly some South East Asian countries.
- Tariffs on processed oats are generally higher when compared to raw oats.

Table 1. Tariff (percentage) applied to raw oat imports by the main importing countries in Asia.

Exporting Countries	Raw Oat Importing Countries													
	India	China	Indonesia	Japan	South Korea	Malaysia	Mexico	New Zealand	Philippines	South Africa	Taiwan	Thailand	UAE	Vietnam
Australia	0	0	0	0	0	0	0	0	0	0	2	0	0	0
Bangladesh	0	0	5	0	3	0	0	0	7	0	2	0	0	0
Canada	0	2	5	0	0	0	0	0	7	0	2	27	0	0
Chile	0	0	0	0	0	0	0	0	7	0	2	0	0	0
Finland	0	2	5	0	0	0	0	0	7	0	2	27	0	0
Germany	0	2	5	0	0	0	0	0	7	0	2	27	0	0
Norway	0	2	0	0	0	0	0	0	7	0	2	27	0	0
Russia	0	2	5	0	3	0	0	0	7	0	2	27	0	0
Sri Lanka	0	2	5	0	3	0	0	0	7	0	2	27	0	0
UAE	0	2	5	0	3	0	0	0	7	0	2	27	0	0
UK	0	2	5	0	0	0	0	0	7	0	2	27	0	0
USA	0	2	5	0	0	0	0	0	7	0	2	27	0	0

Processed oats tariffs affect imports

- For processed oats, Australia has a tariff disadvantage in four main markets: India, Japan, South Korea and UAE.
- Removing tariffs on processed oats exported to India may provide the most advantage to Australia. In the other markets the tariff disadvantage is minor (Japan) or the market size is relatively small (South Korea and UAE).
- In most other main markets tariffs on Australian processed oats are on par with other exporters or advantageous to Australia.

Table 2. Tariff (percentage) applied to rolled and flaked oat imports (HS 110412) by the main importing countries in Asia.

Exporting Countries	Rolled and Flaked Oat Importing Countries													
	India	China	Indonesia	Japan	South Korea	Malaysia	Mexico	New Zealand	Philippines	South Africa	Taiwan	Thailand	UAE	Vietnam
Australia	30	0	0	0	554.8	0	0	0	0	0	17	0	5	0
Bangladesh	0	0	5	0	554.8	0	5	0	3	0	17	0	5	15
Canada	30	20	5	0	0	0	0	0	3	0	17	30	5	0
Chile	30	0	1.4	0	554.8	0	0	0	3	0	17	0	5	2
Finland	30	20	5	0	79.2	0	5	5	3	0	17	30	5	7.5
Germany	30	20	5	0	79.2	0	5	5	3	0	17	30	5	7.5
Norway	30	20	0	12	554.8	0	5	5	3	0	17	30	0	15
Russia	30	20	5	12	554.8	0	5	5	3	0	17	30	5	0
Sri Lanka	0	20	5	6	554.8	0	5	4	3	0	17	30	5	15
UAE	24	20	5	12	554.8	0	5	5	3	0	17	30		15
UK	30	20	5	0	79.2	0	5	0	3	0	17	30	5	7.5
USA	30	20	5	0	0	0	0	5	3	0	17	30	5	15

Table 3. Tariff (percentage) applied to otherwise worked oat imports (HS 110422) by the main importing countries in Asia.

Exporting Countries	Otherwise Worked Oat Importing Countries												
	India	China	Indonesia	Japan	South Korea	Malaysia	Mexico	New Zealand	Philippines	South Africa	Taiwan	Thailand	UAE	Vietnam
Australia	15	0	0	1.1	554.8	0	0	0	0	0	11	0	5	0
Bangladesh	0	0	5	0	554.8	0	5	0	7	0	11	0	5	15
Canada	15	20	5	5.4	0	0	0	0	7	0	11	30	5	0
Chile	11.5	0	1.43	0	554.8	0	0	0	7	0	11	0	5	2
Finland	15	20	5	5.5	79.2	0	5	5	7	0	11	30	5	7.5
Germany	15	20	5	5.5	79.2	0	5	5	7	0	11	30	5	7.5
Norway	15	20	0	12	554.8	0	5	5	7	0	11	30	0	15
Russia	15	20	5	12	554.8	0	5	5	7	0	11	30	5	0
Sri Lanka	0	20	5	6	554.8	0	5	4	7	0	11	30	5	15
UAE	15	20	5	12	554.8	0	5	5	7	0	11	30	0	15
UK	15	20	5	5.5	79.2	0	5	0	7	0	11	30	5	7.5
USA	15	20	5	5.4	0	0	0	5	7	0	11	30	5	15

Tariffs and other charges applied by India

- The basic tariffs applied by India on Australian rolled oats or otherwise worked oats don't fully explain the different trajectory of imports for Australian processed products into India.
- For most of the past decade tariffs imposed by India on both these products from Australia has been the same (30%), except for 2023 when tariffs on otherwise worked oats dropped to 15%. However, as mentioned, Australian rolled oat exports to India have decreased, while otherwise worked oats have steadily increased.
- The recent drop in tariffs for Australian otherwise worked oats to levels similar to Lithuania and Chile will help maintain the competitiveness of Australian otherwise worked oats exported to India.
- The capacity of competing exporters, such as Sri Lanka to export otherwise worked oats and other factors affecting the way tariffs and other charges levied in India are likely to impact on import volumes

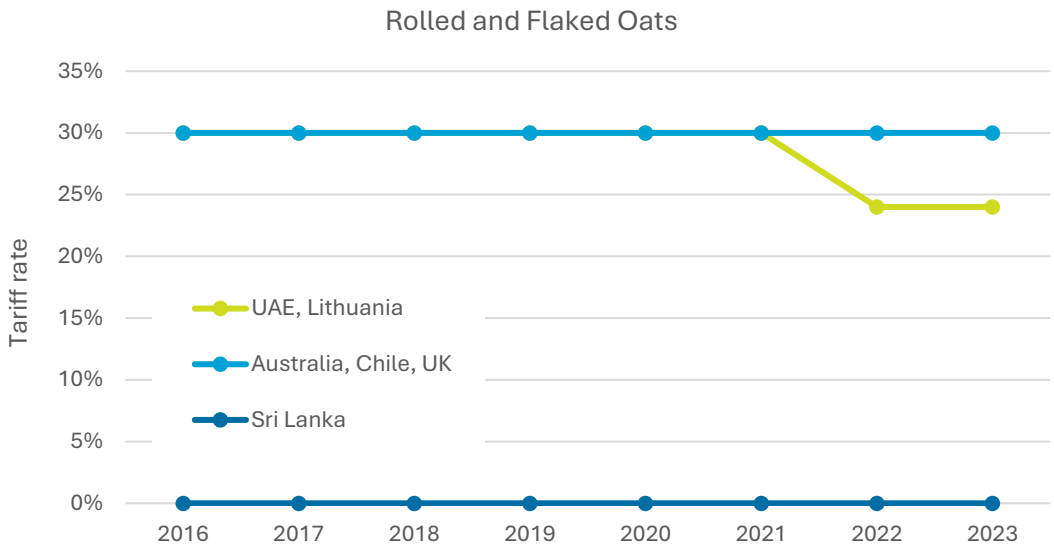


Figure 15:Tariffs applied by India on rolled and flaked oats (HS 110412) exported by the main suppliers of to India. Note UAE, Lithuania, Australia Chile and the UK were all subject to a 30% tariff from 2016 until 2021. In 2022 the tariff rate on rolled and flaked oats supplied by UAE and Lithuania dropped to 24% but remained at 30% for Australia, Chile and UK

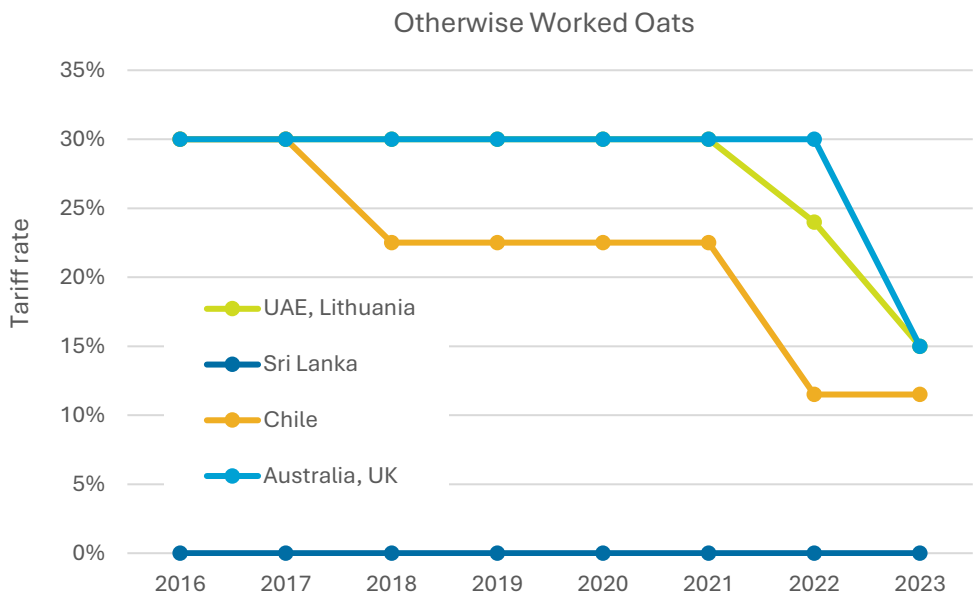


Figure 16: Tariffs applied by India on otherwise worked oats (HS 110422) exported by the main suppliers of to India. Note: All exporters except Sri Lanka were subject to a 30% tariff in 2016, rates were reduced for different countries in different years over the ensuing eight years. The reduction of tariffs applied to Australian oats from 30% to 15% occurred in 2023.

Oat prices are volatile

- Oat prices tend to have wide and more frequent price extremes that wheat or barley.
- Domestic feed prices in eastern Australia at times can be significantly different from internationally traded prices.
- Feed prices in Western Australia however are closely related to export prices.
- Recently, from about 2024 the relative oat price index has remained higher than that of either wheat or barley.
- Because of their relative size and quality preferences, the price offered in different markets can vary substantially. Trading off volume and value while also protecting markets is a long-term challenge for the oat industry.

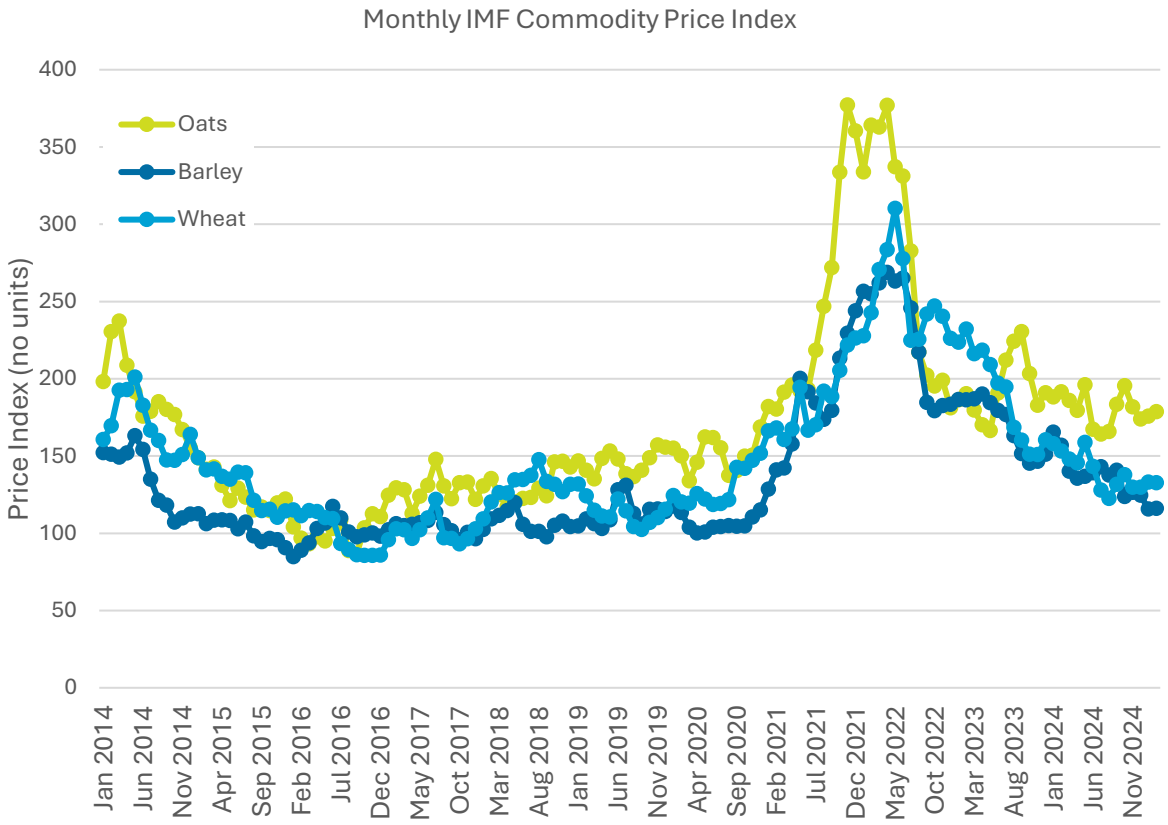


Figure 17*: Monthly commodity price calculated by the International Monetary Fund (IMF)*

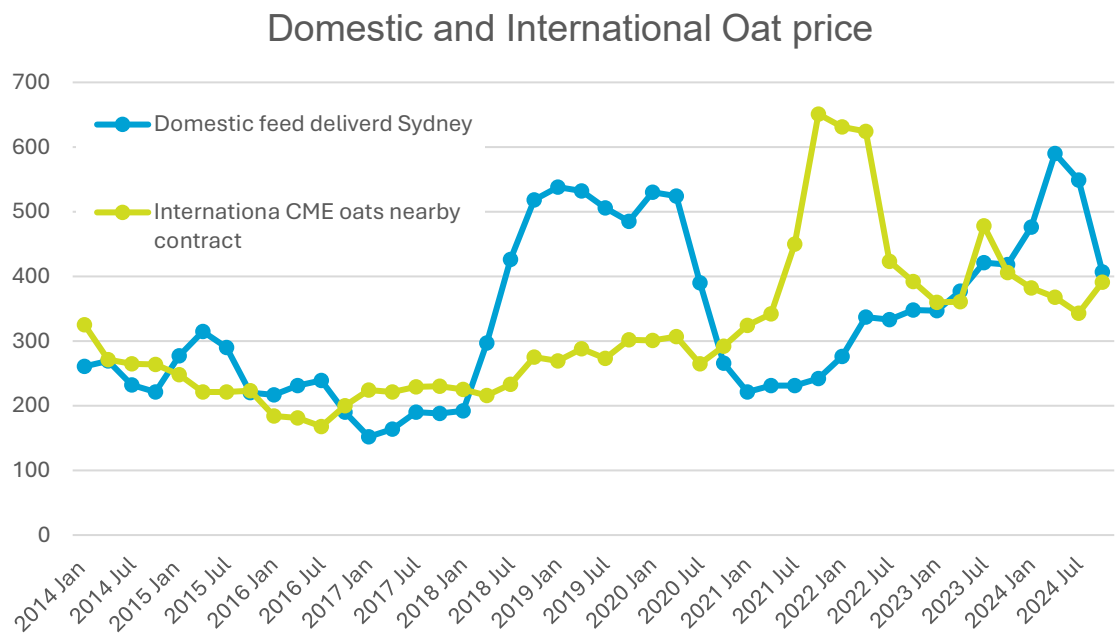


Figure 18: Domestic feed price for oats and the Chicago Mercantile Exchange (CME) oat international contract price from 2010 to 2023. Source ABARES. The CME International price is the average of daily offer prices made in US dollars and converted to Australian dollars using quarterly average of daily exchange rates.

Appendix 1:

AEGIC Reports to Processed Oat Partnership

The reports below have been delivered to POP as part of Outputs 1 and 2 of the project titled “Economic lens to capture increased market value for oats through industry innovation and better targeted industry investment”. **Some reports are currently for POP members only and are not available for wider distribution.**

Report No.	Title and author(s)
1.	Oats growing pains (R. Kingwell)
2.	The economic value to the Western Australian economy of oat processing and oat production within the state (R. Kingwell and V. Xayavong)
3.	Oat production, processing and trade (B. Cox, P. White, J. King)
4.	Oats - China key products and quality needs – AEGIC Oat Innovation Team
5.	Review of Chinese oat market (A. Liu, B. Cox)
6.	Japan: Oats for food (M. Yamamoto)
7.	Japan: Oats for feed (M. Yamamoto)
8.	Japan: Oats for hay (M. Yamamoto)
9.	Oats - Global Review: Production, Use and Trade (P. White, H. Kanthilanka, B. Cox)
10.	Oats - Product Release, Labelling and Branding: Asian Review (H. Kanthilanka, C. Carter P. White, B. Cox)
11.	Oats - Positioning WA and Australian Industry for the Future (B. Cox, P. White, H. Kanthilanka, C. Carter)

AEGIC conscious of the need for increased oat market information has sourced and applied information on global oat production and trade, including processed oats, within the AEGIC Grain Market Insights portal. Australian based stakeholders can access this resource through registering via the link[1] provided on the AEGIC website.

[1] https://www.aegic.org.au/services/for-australian-stakeholders/market-insights/

Glossary:

Abbreviation	Description
FSI	Food, seed and industrial use
Raw oats	Data reported under the HS codes 1004 and 100400 in UNCOMTRADE (oats)
Rolled oats	Data reported under the HS codes 110412 in UNCOMTRADE (cereal grains; rolled or flaked, of oats)
Otherwise worked oats	Data reported under the HS codes 110422 in UNCOMTRADE (cereal grains; worked (e.g. hulled, pearled, sliced or kibbled) of oats)
Taiwan	Taiwan data is not reported directly; data reported under Other Asia, nes in UNCOMTRADE
Unit value	Ratio between annual traded value over annual traded volume (important - this is not the trading price)
$	Currency in US dollars
FAO	Food and Agriculture Organisation of the United Nations
UNCOMTRADE	United Nations Comtrade Database UN Comtrade
USDA	United States Department of Agriculture
SEA	South East Asia
IMF	International Monetary Fund