



The future of oats: Global trends & opportunities for Australian oats

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Western Australia

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Executive Summary

Oats are undergoing a global transformation, from a traditional feed grain to a high-value food ingredient aligned with health and sustainability trends. This Nuffield Scholarship explored global oat markets, production systems, consumer preferences and competitive dynamics to identify opportunities and risks for the Australian oat industry.

Australia produces over 1.5 million tonnes of oats annually, with Western Australia leading national production. Recent investment in breeding, agronomy, and market development, particularly through the Grains Research Development Corporation (GRDC), InterGrain and the Processed Oat Partnership (POP), has revitalised the industry, with improved genetics and increasing grower confidence.

Globally, demand for oats is being driven by health-conscious consumers. Countries like Canada, Chile, Sweden and Denmark are nations that are investing heavily in oat innovation, positioning themselves as leaders in food-grade oat production. Australia stacks up remarkably well in this space, with a unique and well-integrated system of research and development, product innovation and market development. To maintain this edge, the industry must continue strengthening international market relations and understanding and reacting to consumer trends to ensure innovation in the oat space.

Key risks include market volatility, outdated pricing models and overreliance on China, which accounts for over 60% of Australian oat exports. Diversification into emerging markets such as India and the Middle East is essential, supported by organisations like the Australian Export Grains Innovation Centre (AEGIC) and Grains Australia. Strong customer relationships, like those built with some of our international customers within China, are critical to maintaining trust and long-term access.

Sustainability is another growing priority. Australia's farming systems are well-aligned with global sustainability expectations, but benchmarking, data collection and proactive engagement in scheme design are needed to ensure credibility and relevance.

Opportunities also exist in gluten-free certification, alternative protein applications, and even cosmetics. With coordinated investment, clear messaging and grower engagement, Australia can build a resilient, high-value oat industry that meets evolving global needs.

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Foreword

I never expected to work in agriculture and didn't realise there were opportunities beyond owning a farm. After studying Environmental Biology and Geography at Curtin University, I took a casual role in an agricultural research company, which led to a 12-year career across research, policy, extension, and now communications and marketing at InterGrain. I feel so grateful that I fell into agriculture and have been able to create an exciting career while also being involved with our family farm in York, WA.

Since working in the industry, I have met many wonderful people, many of whom are Nuffield Scholars. Nuffield is something I have always admired but never dreamt I would be able to be a part of until I was encouraged to apply in 2023. It has been such a privilege to wear the Nuffield logo, represent Australia and be a part of a cohort of incredible people and leaders.

I chose oats as the focus of my Nuffield Scholarship because of the shift I've witnessed in the industry since InterGrain took on the Australian National Oat Breeding Program in 2020. Working closely with the program sparked a strong personal and professional interest in oats, which also led to more of an interest in oats and increasing plantings on the farm. Over the past 5 or so years, I've seen oats evolve from a traditional feed crop into a high-value food product, driven by strong pricing, improved genetics and agronomic practices giving growers greater confidence in the profitability of oats within their rotations.

Through my Nuffield, I've set out to explore global oat markets, understand our competitors' activities, where consumer trends are heading, the risks the Australian industry should be mindful of and growth opportunities for Australian oats.

I have had such a wonderful experience over the past 24 months, travelled to some beautiful regions and met incredibly kind, generous and intelligent people. This report is just the beginning of my Nuffield journey and I intend to make a valuable contribution to Nuffield and the greater agricultural community for many more years.

Table 1. Travel itinerary

Travel date	Location	Visits/contacts
8th – 21st March, 2024	Brazil – Mato Grosso do Sul, Rio Grande do Sul, Sao Paulo	Contemporary Scholars Conference, post-CSC tour
22nd – 30th March, 2024	Texas, USA	Global Focus Program week 1
31st March – 6th April, 2024	Germany	Global Focus Program week 2
7th April – 13th April, 2024	Republic of Ireland and Northern Ireland	Global Focus Program week 3

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14th – 18th May, 2024	Melbourne, Australia	Australian Export Grains Innovation Centre Essantis (formerly Unigrain)
22nd – 29th July, 2024	Canada - Alberta - Saskatchewan - Ontario	Conference – American Oat Workers Conference Bay State Milling Farm visits - Joan Heath and Corey Loessin, Radisson, Saskatchewan - Kalya Veldman, St. Marys, Ontario - Black Fox, Saskatoon, Saskatchewan - Bayer, St. Marys, Ontario Meetings - Kelvin and Shelley Meadows, Saskatoon, Saskatchewan. Former owners of Avena Foods and 2011 Nuffield Scholar - Cribit Seeds, West Montrose, Ontario - Grain Farmers of Ontario, Guelph, Ontario - Prairie Oat Growers Association
31st July – 13th August, 2024	England Scotland	Meetings - Wildfarmed - Camgrain - Phillip and Kate Drake - Gordon Gowlett - Bairds Malt, Pencaitland, Scotland - Glenkinchie, Tranent, Scotland - Garry Catto, Bairds Malt

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		Farm Visits - James Peck, PX Farms and Nuffield Scholar, Cambridge - Marsland family, Skiff Farm, Holme On Spalding Moor - Hannah (Nuffield Scholar) and Alex Fraser, Denby Hall Farm, Yorkshire - Sophie (Nuffield Scholar) and Tom Gregory, Dorset - James and Emma Bowditch, West Dorset Grain Co-operative - Annie and Mark Edgecombe, Velcourt Farms, Dorchester - Allan and Amy Lamont, Dunslaw, Duns, Scotland - Forrest family, Preston Farms, Preston, Scotland - McDonald Agri Ltd, Crofts Farm, Carmyllie, Scotland
13th – 16th August, 2024	Denmark Sweden	Meetings - Scanoats, Lund, Sweden - Eva-Marie Lange, agrifoodTEF, Denmark Farm visits - Paul Jakob Bonlokke, Lyngbygaard - Knud Bay-Smidt, Randers, Denmark
16th – 18th August, 2024	Germany	Farm visits - Olivia Eberwein, Nuffield Scholar and

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		farm manager at Spargelhof Kremmen - Organic farm, Seelow - Brodowin farm, Chorin - Brodowin
19th – 30th August, 2024	USA - Michigan - Iowa	Farm visits - Paul (Nuffield Scholar) and Brittney Windemuller, Dream Winders Dairy, Coopersville, Michigan - Hans Riensche, Nuffield Scholar and Blue Diamond Farming Company, Jesup, Iowa Meetings - Zeeland Farm Services, Zeeland, Michigan Field days - Farm Progress Show, Iowa

Acknowledgments

Firstly, a huge thank you to the Grains Industry Association of Western Australia (GIWA) and the Processed Oat Partnership (POP) for the generous support in making my Nuffield Scholarship possible. It is so great to see the investment being made into the oat industry and the POP funding through the WA State Government has and will continue to make such a huge contribution to the growth of the oat industry in WA.

To the entire team at Nuffield Australia, thank you for the guidance and support throughout this journey. I also extend my appreciation to the organisers of the 2024 Contemporary Scholars Conference and the incredible team at Nuffield Brazil for the hospitality and incredible experience while in Brazil.

I cannot begin to thank InterGrain, for the encouragement and flexibility that made this experience possible. Thank you for recognising the value this scholarship brings not only to my personal development but also to the business. I am especially grateful to Tress Walmsley for encouraging me to apply, and to Nicole Kerr and the marketing team for the support throughout the past two years.

To the 2024 Nuffield cohort and my Global Focus Program (GFP) group and our GFP hosts in Texas, Germany and Ireland, thank you for the memories, the stimulating conversations and the friendships formed. You've made this journey one I will always treasure.

To my husband, Alexander, thank you for encouraging me to pursue this opportunity and for supporting me every step of the way.

My family and friends, thank you for your patience, support and ongoing encouragement and understanding, especially my parents and in-laws.

Finally, a heartfelt thank you to the many families and businesses who generously gave their time, shared their knowledge, and opened their homes to us. Your generosity in meals, beds, and conversations was truly appreciated.



Figure 1. Global Focus Program, our last farm visit in Ireland consisted of hiking up a hill in the pouring rain to see this stunning view (source: author)

Abbreviations

AEGIC	Australian Export Grains Innovation Centre
FSANZ	Australia New Zealand Food Standards Code
CRSC	Canadian Roundtable for Sustainable Crops
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CBH	Co-operative Bulk Handling
EPR	End point royalty
GIWA	Grain Industry Association of Western Australia
GRDC	Grains Research and Development Corporation
ISCC	International Sustainability and Carbon Certification
POGA	Prairie Oat Growers Association
POP	Processed Oat Partnership
RD&E	Research, development and extension
USDA	United States Department of Agriculture

Objectives

- Identify growth opportunities for the Australian oat industry, including avenues for value creation and market expansion, product innovation and new market development.
- Investigate threats to the Australian oat sector from global competitors.
- Analyse how other countries' production systems, trade relationships and branding efforts may impact Australia's competitiveness.

Introduction

Oats are experiencing a global resurgence. Once considered a traditional breakfast grain, they have gained traction as a health food ingredient and a key player in the plant-based product market. Oat milk, high-fibre cereals and functional foods are driving renewed interest from consumers and food manufacturers alike. This shift is reshaping demand for oats and presents a timely opportunity for producing countries like Australia to reposition oats as a more valuable and competitive crop.

Australian oat production

Australia produces on average 1.5 million tonnes of oats each year across 890,000ha (Australian Export Grains Innovation Centre, 2024). Western Australia (WA) is the country’s largest oat-producing region, accounting for more than half of national production. In 2022, WA produced an estimated 565,000 tonnes of oats. Strong oat prices in 2023 and 2024, reaching decile 10 levels, suggested a possible turning point, and hectares planted and tonnes produced increased significantly (see figure 2). The dip in 2023 was due to dry seasonal conditions and many hectares were cut for hay. The oat planting forecasts for 2025 have risen 140,000 ha from 2024 forecasts, reflecting higher grower confidence in the strong prices for milling oats. The forecasted hectares include total oat plantings, with approximately 40-60% of planting destined for grain production (Grain Industry Association of Western Australia, 2025). GIWA has reported that, in the 2025 season, a greater proportion of oats is expected to be grown for grain rather than for hay.

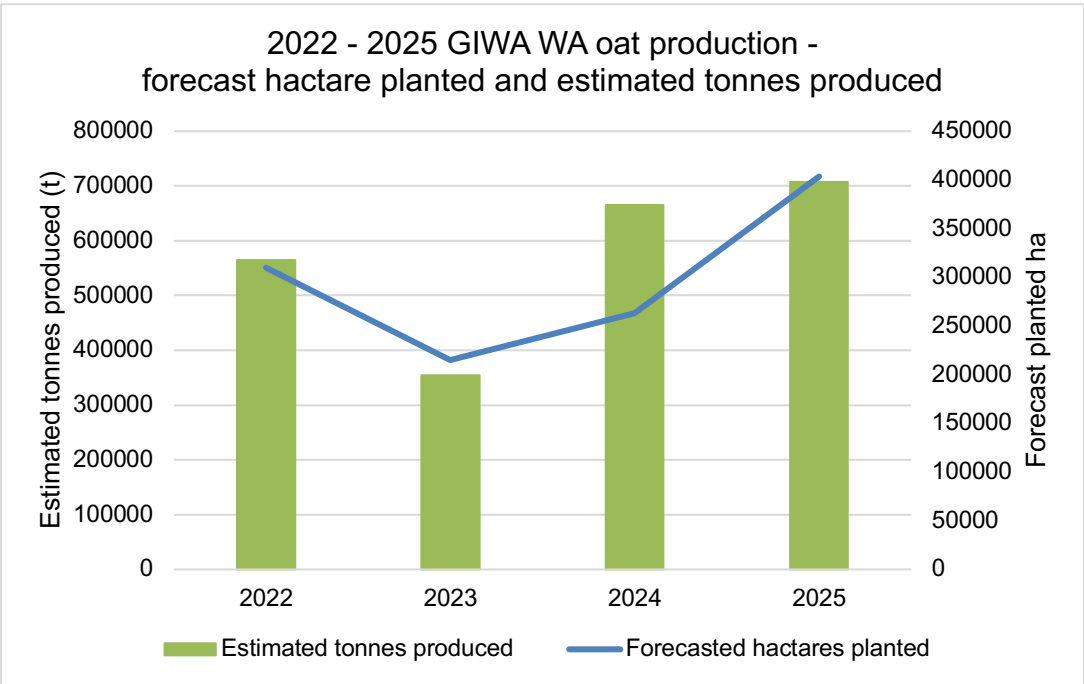


Figure 2. 2022 – 2025 Grains Industry Association of Western Australia crop forecasts for oat planting and tonnes produced. Data sourced in August 2025. (Source: Grain Industry Association of Western Australia, 2025)

Oats have long had a place in Australian broadacre farming systems and have been valued for their agronomic benefits, particularly their improved tolerance to frost and waterlogging compared to wheat and barley. Their flexibility - the ability to be harvested for grain or cut for oaten hay crops - also makes them an attractive crop in the rotation. Despite this, oats have often been viewed as a lower-value cereal. For many farms, oats have made up a small portion of the rotation. Conversations with Western Australian farmers highlighted fluctuating prices, unclear market signals and outdated genetics as key barriers to expanding milling oat production.

In 2021, the National Oat Breeding Program was privatised and is now led by InterGrain, with initial funding support from GRDC, AgriFutures and the Western Australian Government. The oat breeding program has been able to leverage scale, resources and technical expertise from the existing wheat and barley programs. Genetic gain in oats is expected to be fast-tracked, with the company having a clear commercial focus to release improved lines, faster.

There have been several new milling and hay oat varieties with improved yield and quality. The rapid uptake of *Goldie*, a dual-purpose variety that outperforms widely grown *Bannister*, highlights grower enthusiasm for new genetics and knowledge around how farmers can optimise these improved genetics in their farming system. In my marketing role at InterGrain, I've seen firsthand a surge in grower interest through strong seed sales, high field day attendance, a focus on agronomic practices like deep and early sowing and the increased oat planting referenced previously. Together, these signs point to renewed momentum in the oat industry after years of limited variety development.

Over the past several years, the Australian oat industry has also received a long-overdue boost in research investment. Major projects are now underway across breeding, quality, agronomy and processing. GRDC has invested \$24 million in oat improvement initiatives since 2020, supported by substantial co-investment from research institutions and industry partners (Grains Research and Development Corporation, 2024). This coordinated effort will help fast-track variety development, improve agronomy knowledge, assist with product innovation and support the production of oats that meet the needs of processors. Increased investment in market development and end-product innovation will also help diversify oat use beyond traditional categories like breakfast, strengthening demand. Together, these initiatives will all help to build a more resilient and profitable oat industry that can compete globally and deliver greater value to Australian growers. Further details are provided in the appendices.

Consumer trends and growth drivers

Globally, consumption patterns of oats are shifting. While oats have traditionally been associated with breakfast foods, their use is expanding rapidly. Oat milk has become one of the fastest growing plant-based dairy alternatives. Oats are also increasingly used in snack foods, health bars, powders, wellness-focused products and savoury foods such as noodles and rice.

This growth is driven by consumers who are more health-conscious and value functional ingredients. The cholesterol-lowering properties of beta-glucan, found naturally in oats, have supported a strong health narrative. According to the Grains

and Legumes Nutrition Council, consumers are increasingly prioritising foods that promote heart and gut health, enhance satiety, and support nutrient intake, with a noticeable shift toward natural ingredients and preventative health strategies (Grains and Legumes Nutrition Council, 2025). Oats are also seen as clean-label, natural and minimally processed, aligning with broader food trends around transparency, nutrition and sustainability. The challenge for producing countries like Australia is to ensure their supply chains are equipped to meet this new demand, not just in terms of quantity, but also quality, traceability and innovation.

The oat industry is at a tipping point with growing global demand, new investment and improved genetics coming through the pipeline quicker. The aim of this report is to understand how other countries have successfully developed high-value oat industries and what lessons can be applied here and how the Australian industry can foster stronger market connections, support growers and build long-term value through health-focused food products.

Global insights – the competitor landscape

Oat production remains concentrated in cooler, temperate climates (Australia being the exception), with Canada and European countries leading the way (figure 3, United States Department of Agriculture, 2025). The role of oats varies across regions – from feed and forage to high-value food products.

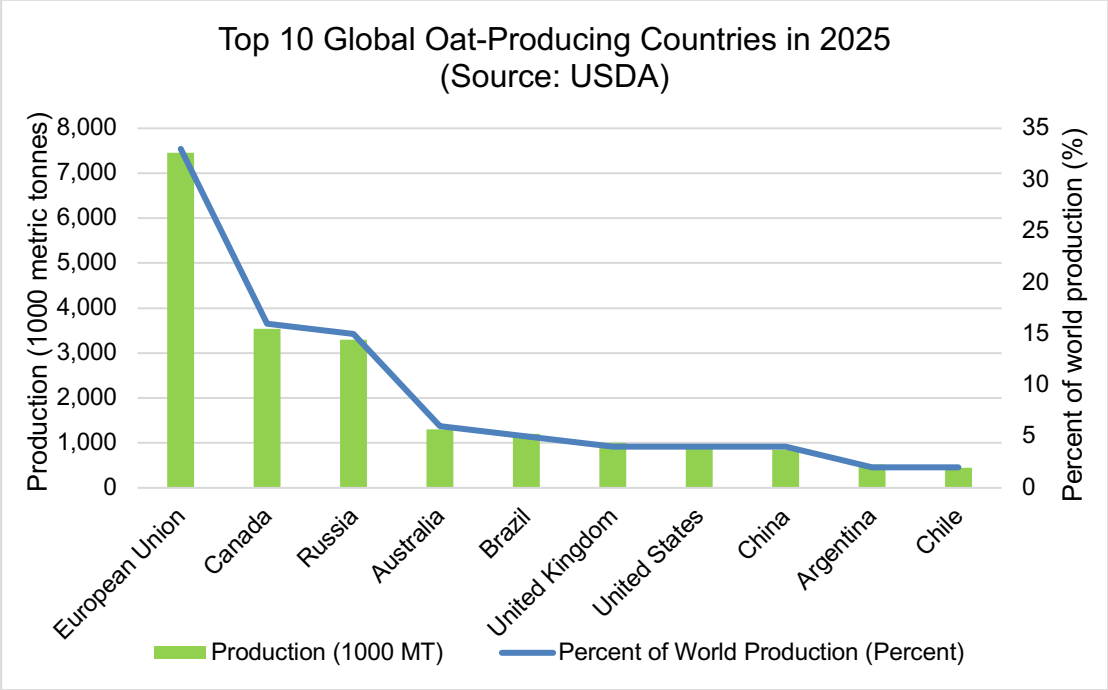


Figure 3. Top 10 Global Oat-Producing Countries in 2025 (source: United States Department of Agriculture, 2025).

The following section presents key insights gathered from meetings with farmers, oat processors, and industry professionals across key oat producing countries travelled to over the past 18 months.

Canada

Canada is the world’s second largest oat producer, projected to produce over 3 million tonnes in 2024/25 and accounting for 15% of global production. Oats are a well-established part of Canadian farming systems mostly throughout Alberta, Saskatchewan and Manitoba. Like in Australia, oats often make up a smaller portion of the rotation and are considered a lower-value crop compared to canola and wheat, although strong demand is creating renewed interest. Despite recent strong pricing and demand, particularly from the United States, stocks are near record lows. Analysts suggest plantings need to rise by 25% to meet demand, though price volatility and cautious pricing structures have made growers hesitant to commit more area.

Canada has made substantial investments in oat research and breeding through both public and private programs. Although a more competitive space than the Australian oat breeding landscape, the most widely grown varieties are older varieties released 10 years ago (e.g. CS Camden released in 2016, AC Morgan released in 1999 and

Summit released in 2008). Breeding targets in Canada closely align with those in Australia, with a strong focus on agronomic performance, disease resistance, and grain quality.

The country's success in oats is largely attributed to its reliable and well-developed processing sector, particularly for high-quality milling and food-grade uses. The United States is Canada's most significant export market, receiving over 80% of Canadian raw oats and oat products, with some exports also going into Mexico, Japan and Peru. While raw oat exports to the US have declined, processed oat product exports have steadily increased. This shift reflects growing domestic value-adding in Canada and changing US demand for ready-to-use oat products. It also signals oats' transition from a feed commodity to a food commodity (Strychar, 2025). Discussions with industry made it clear that Canada is working very hard to diversify its markets, particularly into China. Currently Canadian oats are not exported to China due to regulatory hurdles with the lack of a phytosanitary protocol; however, the industry is actively working to establish market access.

Recent US tariffs on Canadian grain initially raised concerns; however, discussion with the Prairie Oat Growers Association (POGA), suggested the Canadian industry wasn't overly worried. Even with a 25% tariff, Canadian oats remain more affordable for US buyers than imports from the EU or Australia. Since the tariffs were announced in early 2025, the US has granted tariff relief for Canadian grain, acknowledging its reliance on Canadian imports, particularly oats and canola. This development is positive for Australia, as Canada's strong access to the US market may reduce its incentive to expand into other key markets like China and India, which are important to Australian exporters.

POGA plays a central role in representing the Canadian oat industry, overseeing market development, access, research funding, and promotional efforts. Its role is comparable to Grains Australia and Grains Industry Association of Western Australia (GIWA) Oat Council, offering a coordinated approach to advocacy and industry growth. POGA unites the entire oat value chain under one banner, enabling collaboration across the sector. Its strong emphasis on education, through resources like recipes and consumer materials, helps promote oats and support both growers and end users. This educational focus was evident across Canada, including at events like the Calgary Stampede, where there was a clear effort to share engaging messages about food origins. The canola industry stood out for its investment in outreach, highlighting both its value and practical uses in everyday cooking.

Europe

Europe's oat industry is undergoing a notable transformation. In 2010, Germany dominated the continent's oat product trade, accounting for 61% of the market. However, its share has since declined to around 41%, reflecting a shift in market dynamics. According to Oatinformation's Randy Strychar, this change marks a '*changing of the guard*' with emerging oat markets gaining traction in Poland, Latvia, Belgium, Finland, Lithuania, Ireland and Spain.

Scandinavia stands out as a hub for oat innovation, driven by advanced breeding programs focused on end-use quality, shifting application of oats from feed to food and understanding processing differences between varieties for different end-product

uses. The region is at the forefront of product development, particularly in oat-based beverages, where the first oat milk product was developed by Oatly. During visits to Denmark and Sweden, the innovation focus was clear. These countries have pioneered the global oat drink market and continue to lead in fractionating oats into beta-glucan concentrates, flours, and oils for use in food, cosmetics, and pet nutrition. There's also growing interest in ready-cooked dinner protein products using oats.

In Denmark, discussions at a leading food technology institution agrifoodTEF, comparable to Commonwealth Scientific and Industrial Research Organisation (CSIRO) in Australia, centred on oat milk, understanding oat functionality and expanding oats into the plant protein discussion. There is a shift towards plant-based food, with the Danish Government recently updated national guidelines to increase plant-based protein intake to 100 grams per day (the average was 2g) and reducing meat-based protein intake. There is a lot of effort and focus on increasing functionality of plant protein and oats are being considered as a key crop along with legumes such as faba beans. Although oats have less protein % than legumes, oats are easier to dehull and have easier functional properties to work with and it is easier for people to consume more oats than a product based on faba beans for example.

United Kingdom

The oat industry in the United Kingdom (UK) is experiencing growth similar to that seen in Australia, with new processors entering the market and increasing interest in oats as a food ingredient. However, the UK is also facing challenges of overproduction and industry consolidation, as established players struggle to keep pace with market shifts while new entrants bring fresh competition.

There has been a duopoly in the UK oat space for a long time with Richardsons and Morning Foods. While visiting in August 2024, a new oat mill had just opened, Navara Oat Mill which is owned by Frontier and Camgrain and is suggested to be the UK's largest oatmeal plant, producing oat flakes, groats and biochar. Discussions with oat industry experts indicated that Navara will shake up the system and add competition for growers but also could upset the system by adding such a large capacity increase to the market.

Not directly related to oats, but still impactful to the industry, is the UK government's push for biodiversity and sustainability through changes to the subsidy system with the introduction of the Sustainable Farming Incentive (SFI). Designed to reward farmers for managing land more sustainably, the SFI has received mixed feedback. Several farmers I spoke with expressed disappointment, particularly with requirements like removing arable land from production for herbal leys. One farmer noted that by opting into the SFI and not planting a crop this season, he would earn more than he would from cropping profits. This shift could incentivise less productive farming systems and may ultimately reduce grain production in the UK.

Chile

Chile is Latin America's largest oat exporter and the second-largest oat product exporter globally, reaching 240,000 metric tonnes in 2023. Chile dominates the Latin

American market and is increasing its exports with reports of new milling companies with modern milling technology and new exporters to the market, increasing their exporting power (von Baer, 2024). Oatinformation suggests that Chile is the second largest exporter of oat products in the world behind Canada (Noltemeyer, 2024).

Around 75–85% of the oat harvest is used for food and not feed, unlike other large oat producing countries in Latin America such as Brazil. Latin America is mostly a net importer of oats, with only Chile exporting at scale. Central America and the Caribbean lead in per capita oat consumption, reflecting strong demand, while efforts are underway to expand Chilean oat exports into Asian markets.

Oat flakes have become the dominant export product, with growing interest from Asia, Mexico and the US. Oat flour is also being produced. Chile faces challenges in stabilising production, genetics and breeding and updating pricing systems to manage volatility and support industry growth.

Given Chile's growing prominence in oat production, highlighted in a 2024 American Oat Worker Conference presentation, conversations with US and Canadian representatives and their upcoming role as host of the International Oat Conference (OAT2026) in 2026, Chile is rapidly positioning itself as a serious competitor in the global oat market and it's clear they are a competitor to watch. Australian stakeholders will no doubt be paying close attention to better understand Chile's capabilities and the potential implications for our own industry at OAT2026.

Russia

Russia is a significant oat producer. According to the USDA (2025), Russia produces around 4 million tonnes of oats per annum, or around 13% of global oat production. Production has decreased to around 3.3 million in 2024/25 due to seasonal conditions.

It is well known that Russia supplies a significant amount of oats into China and is considered our biggest competitor into our largest export market. In discussions with an Australian oat processor, it was noted that in China, Australian oats are typically preferred for pure products such as flakes, while Russian oats are often blended into processed items like granola due to quality being inconsistent. Typically, Russia has been supplying a large quantity of oats at a cheap price and Australia is able to maintain the market we do due to consistent quality and trusted supply chain.

There are growing indications that the quality of Russia's oats is improving, possibly due to improved genetics. If Russian oats continue to improve in quality, they may become a direct competitor in premium segments, especially given their lower price point than Australian oats, a key threat to Australia's market share in China where we export over 300,000t per annum on average.

Compounding this challenge is Russia's position within the BRICS alliance (Brazil, Russia, India, China and South Africa), which has a strong focus on strengthening agricultural trade among member nations. Closer trade ties within BRICS could give Russian oats preferential access or pricing advantages in these growing markets, putting further pressure on Australian exports.

Australia's strengths

RD&E and value capture system

Australia's grain industry is underpinned by a unique investment system that supports end-to-end innovation, from research and breeding through to market development and access. GRDC funding through grower levies and matched Australian Federal Government funding enables long-term research, development and extensions across breeding, agronomy, quality and sustainability. Commercial breeding models supported by the end point royalty (EPR) system ensure new varieties continue to meet market and production demands. The EPR system allows plant breeders to earn a return on improved genetics by charging royalties on the grain produced by growers, rather than upfront at seed purchase. It is a unique system to Australia. Organisations like AEGIC play a critical role in understanding and developing markets, while Grains Australia leads classification and trade and market access efforts. Together, this integrated approach positions Australia as a globally competitive supplier of high-quality grain, able to adapt quickly to evolving consumer needs and international trade dynamics.

Consistent feedback from industry professionals in other oat-producing countries highlighted how unique and beneficial Australia's investment system is. There was particular interest in the role of AEGIC and the EPR system, both of which were seen as stand-out strengths and unique to Australia.

AEGIC's work in market engagement, analysis and product functionality and innovation is highly regarded globally. Their ability to connect technical grain quality data with real-world end-use applications gives Australian breeders and exporters a strong edge in meeting the needs of international customers. Australia's investment in understanding how its grain performs in products such as noodles, oat flakes, malt, bread and oat milk and using those insights to inform breeding and classification decisions is not common practice elsewhere. AEGIC also plays a key role in educating our international markets so they can use Australian grain efficiently and get the best results from it, which helps build long-term demand and loyalty. Another benefit of AEGIC is product innovation and a great example of oats is the development of oat rice and oat noodles, both of which have been commercialised by My Plant Co. These new products could potentially utilise a large tonnage of WA oats, be processed within WA and ultimately providing a new market for oat growers.

Similarly, the EPR system was recognised as a practical and effective way to support ongoing varietal development. It allows breeders to be commercially sustainable while still working within an open system, where farmers retain choice and market access is maintained. In countries without such systems, reliance on seed sales and government funding often limits innovation or slows delivery of new genetics. The combination of coordinated public investment and commercially viable breeding programs in Australia is a key reason we remain competitive across global grain markets.

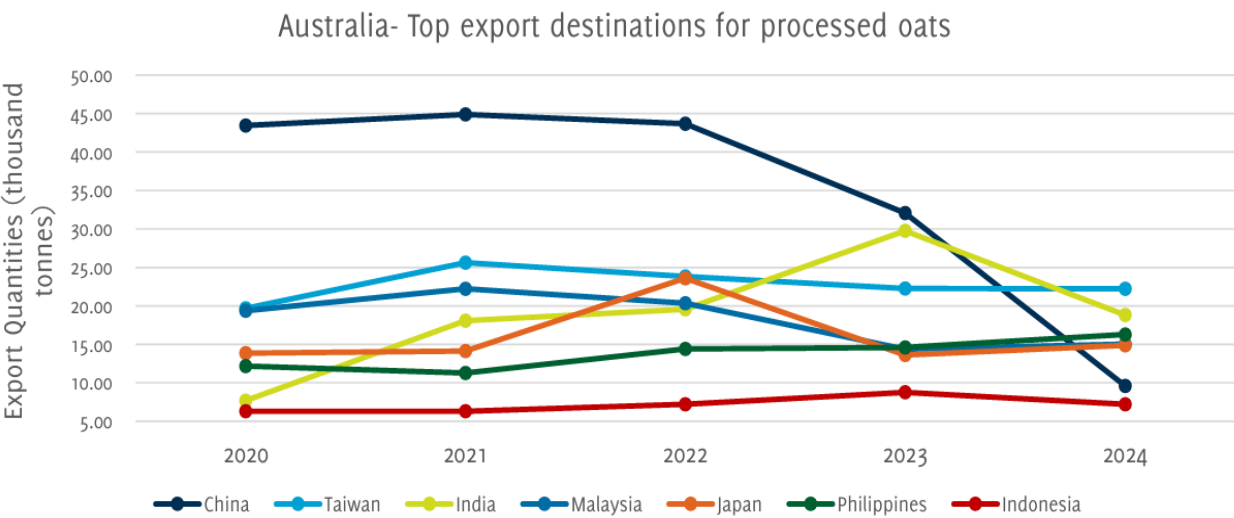
To maintain and grow Australia's competitiveness, particularly in emerging and value-added markets like oats, it's critical we continue to support organisations like AEGIC. Their technical expertise, strong relationships with international customers and ability to translate market needs back into the supply chain are essential to building a high-value oat industry. Similarly, a coordinated and consistent marketing and trade

approach through Grains Australia will help ensure Australian oats are clearly positioned in the global market. Ongoing investment in both organisations will be key to delivering long-term success for the industry.

Strong relationships with our customers

Australia exports an average of over 400,000 tonnes of milling oats each year, with around 1 million tonnes used domestically (AEGIC, 2025). As shown in figure 4, key international markets include China, Japan, India and Malaysia. In these regions, Australian oats, particularly from WA, where our oat products, raw and processed are known for their clean and reliable quality, consistent supply and strategic location.

Figure 4. Australian oats top export destination for processed. Sourced from a 2025 AEGIC



presentation. (Source: Australian Bureau of Statistics)

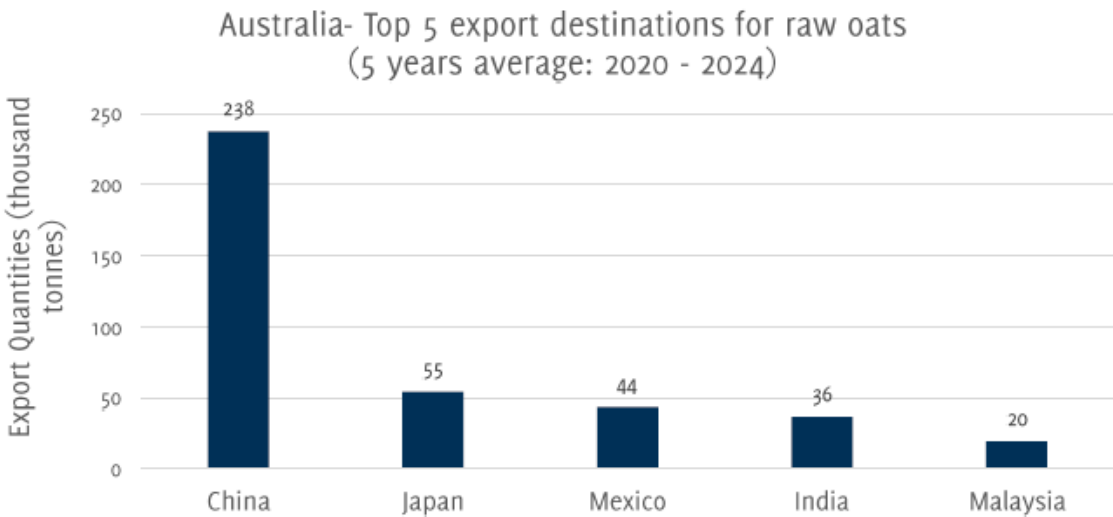


Figure 5. Australian oats top export destination for raw oats. Sourced from a 2025 AEGIC presentation. (Source: Australian Bureau of Statistics.)

Building and maintaining strong relationships with customers is essential for fostering trust, loyalty, and long-term market access. A prime example is Australia's udon noodle wheat industry in Japan and South Korea. Apart from domestic Japanese production, Australia is the sole supplier, a position earned through decades of careful relationship-building. AEGIC and breeding companies work closely with Japanese customers to ensure wheat varieties meet their exacting standards and this collaboration is a key reason Australia dominates the market.

A similar sentiment was echoed during a visit to a soybean processing facility in Michigan, which exports to Japan. The representatives I met with emphasised that customer relationships are just as critical as product quality and supply consistency.

A key market for Australian oats is China and this relationship has been carefully fostered over many years. As seen in figure 4, Australian oat exports of processed oats to China has reduced because oat prices have been at record highs, making Australian finished oat products less competitive and causing a shift toward cheaper origins like Russia, while Chinese millers increasingly rely on local production using imported milling oats. Although total oat consumption in China is growing, Australia is losing share in both finished products and bulk oats, with a potential rebound in milling oat exports expected in the coming years as prices have declined.

Because of this decline driven by China's self-sufficiency and preference for cheaper origins, building strong relationships with existing customers and understanding their needs is more critical than ever. One example I witnessed involved Seamild, a Chinese oat company who is the largest buyer of WA oats in China. Years ago, a local WA farmer was introduced to Seamild through CBH and since then, the company has brought delegations to visit Australia and this farm annually. They've also hosted the farmer and their team in China, creating a genuine and ongoing connection.

This relationship is a powerful example of how direct engagement between growers and customers can build trust. In WA, grain growers typically produce commodities with little visibility of the end user. Processors and exporters play a vital role in bridging this gap, sharing the story of our farming systems and supply chains. However, oats are different: we're producing food and customers want to know where it comes from and who's growing it. Seamild's engagement with the grower helps build confidence in the product and strengthens Australia's reputation.

As consumer health trends evolve, demand for oats is growing, but so are the expectations. Markets increasingly require oats that meet specific functional and nutritional profiles, along with traceability, food safety, and sustainable production credentials. For Australia to remain competitive, we must invest in supply chains and production systems that consistently deliver high-value, food-grade oats. And to meet these evolving needs, it's essential that growers are not just producing grain, but are actively engaged in the supply chain, understanding what customers value and expect and helping to share our story to build trust and continue to be the preferred customer.



Figure 5. Seamild visit in November 2024. This translates to ‘Good oats, eat Seamild’. (Source: Author)

Building resilient markets

One of the greatest threats to the Australian oat industry is its heavy reliance on a single key export market, China. Similar to the experience of the barley industry during the imposition of an 80% tariff on malt barley in 2020, this dependence poses significant risk, especially given that a large portion of our oat exports are directed there. While China remains a core market and maintaining strong relationships is essential to remain a preferred supplier of raw oats and oat products, it is equally important to diversify and develop new markets.

China’s history of imposing tariffs on Australian exports, combined with increasing competition, adds to the uncertainty. Anecdotal evidence suggests China is now sourcing more oats from Russia, further threatening Australia’s market share. During my travels, it was clear that Canada is aggressively pursuing access to the Chinese oat market. With production volumes exceeding Australia’s by over two million tonnes and recent trade tensions with the US, Canada is pushing harder than ever. As one Canadian contact put it, “Canada is ready—if the doors open, we are ready to flood the China market.” Chile also presents a growing competitive threat, with expanding oat production and milling capacity that could challenge Australia’s position in global markets.

Understanding global market drivers and proactively fostering relationships with emerging markets, such as Saudi Arabia’s growing interest in gluten-free products, is essential to building a resilient and diversified export strategy for the Australian oat industry. Another growth market is India, with exports increasing according to AEGIC.

From my understanding there is a 5% tariff on raw oats and a 15-30% tariff on processed oat products from Australia into India (Western Australian oat processors, 2024), although there is a Grains Australia market access project aimed at supporting the development of the Australian and Indian grain industry partnership which is sure to strengthen this relationship.

Sustainable farming systems

Sustainability is a major focus across the agricultural sector and increasingly central to the agendas of multinational food companies. From my discussions with industry stakeholders, a consistent theme emerged: while consumers may not yet be willing to pay a premium for sustainably grown food, sustainability is quickly becoming a non-negotiable requirement, a 'ticket to play' in global markets.

Australia's farming systems are inherently well-suited to sustainable practices, shaped by our climatic conditions, low-input production models and efficient water use within dryland systems. Oats are often recognised as a more sustainable crop, thanks to a reputation of 'low water and nutrient requirements'.

Many of the practices already common in our cropping systems align closely with international sustainability schemes I encountered during my travels, including:

- Lower nitrogen use compared to northern hemisphere arable systems
- No-till or minimum-till farming
- Integrated livestock and cropping
- Non-chemical weed control (e.g. harvest weed seed control)
- Diverse crop rotations

I was struck by how well our systems stack up globally. To remain competitive and credible in markets, particularly around oats which have the 'sustainable' reputation, we must benchmark our practices, collect robust data and tell the story of our sustainable farming systems with confidence and clarity.

Canada is advancing a whole-farm approach to sustainability through the Canadian Roundtable for Sustainable Crops (CRSC), which unites producers, agribusinesses, researchers and environmental groups. Canadian oat production already demonstrates strong performance in soil conservation, low water use, and reduced greenhouse gas emissions. Over 85% of cropland uses reduced or no tillage, with most soils rated low risk for erosion. Oat-specific data shows a decline in carbon emissions between 2017 and 2021, supported by widespread adoption of 4R nutrient management. While challenges like land conversion and data gaps persist, the industry continues to improve through collaboration, measurement, and practice change. (Miller, 2024).

Within the Australian grains sector, initiatives like the Grains Sustainability Framework, led by Grain Growers Limited and Grains Producers Australia, are working towards measuring, monitoring and benchmarking sustainability. These efforts aim to highlight the Australian grains industry's strengths and demonstrate progress. Additional efforts from the Grains Australia Oat Council and GIWA Oat Council, supported by POP funding, are helping assess the oat industry's sustainability credentials.

In discussions with agribusinesses, focusing on sustainability schemes and incentives, a key insight was that programs introduced by processors or exporters must be tailored to local farming systems and developed with grower input. For instance, cover cropping, a common practice in some regions, is impractical in many Australian systems due to our winter cropping systems and dry summers. A local example is the International Sustainability and Carbon Certification (ISCC), which is widely used for Australian canola, includes requirements that are misaligned with local practices and often unattainable.

A leading North American oat processor has launched a sustainability initiative in response to customers requiring nutrient management, biodiversity on farms, cover cropping, crop rotations and scope 3 tracking. Their efforts include cover cropping trials in Saskatchewan, partnerships with growers on reduced tillage and premium incentives for practices that enhance soil biology and reduce emissions. They're also investing in research to explore oats' potential for carbon sequestration and nutrient efficiency. (DeBliek, 2024).

To avoid unsuitable sustainability programs, it's essential for the industry to engage with companies to ensure requirements are practical and regionally relevant. In Canada, the Grain Farmers of Ontario have developed the Sustainable Value Chain Program Principles to guide companies in designing programs that reflect local farm realities (Grain Farmers of Ontario, 2024).

If the grains industry (growers, industry bodies etc) does not take the lead in this space, others will and we risk losing the opportunity to shape the narrative ourselves. As an industry, we need to be proactive, setting the standards of sustainability schemes/programs, rather than reacting to them. This is especially important for the oat sector, where marketing often relies on sustainability claims. Understanding our sustainability position is essential to crafting credible, data-driven stories that resonate with consumers. It's also critical that we remain actively engaged in the development of sustainability programs led by multinational companies that purchase our grain, ensuring our voice and interests are represented.

Unlocking growth opportunities

Gluten-Free Opportunity for Australian Oats

The rise in coeliac disease and gluten intolerance has driven steady growth in global gluten-free markets, with oats playing an increasing role in meeting this demand (Future Market Insights, 2025). Gluten-free products are now a staple in many supermarkets and health-focused brands, with consumers actively seeking clean, nutritious gluten-free alternatives. During my travels to several oat-producing countries, I saw firsthand how oats are being positioned as a valuable gluten-free whole grain option.

Due to regulatory standards in Australia under the Australia New Zealand Food Standards Code (FSANZ), oat products cannot be labelled or promoted as gluten free. Unlike wheat and barley, oats do not contain gluten. However, due to contamination from other cereals being in the farming system, such as barley and wheat, oats cannot be marketed as gluten free. There are a few products currently available in Australia that are marketed as 'wheat free'. These products use oats that are sourced from farms that do not grow other cereals.

Gluten-free diets have seen a significant rise in popularity in Australia, driven not only by medical needs such as coeliac disease and gluten sensitivity, but also by a growing perception that gluten-free eating supports a healthier lifestyle (Grains & Legumes Nutrition Council, 2024). According to Coeliac Australia (2025), around 1 in 70 Australians have coeliac disease. Typically when one person in a household is diagnosed or eating a gluten-free diet, it can often influence the eating habits of the entire household, meaning the number of people regularly eating gluten free is likely much higher than diagnosis rates alone suggest. Oats offer a valuable source of whole grain for people with coeliac disease and align well with the broader health and wellness trends often embraced by those choosing a gluten free lifestyle.

If oats could be certified gluten free within Australia, it could open a strong domestic market opportunity, although a significant premium would be required as it would require changes to farming systems and a clear commitment from growers to meet strict production standards. In countries I visited where oats are considered gluten free and processed under stricter protocols, there is clear demand and a premium attached to these products, such as Canada and the US.

In terms of market opportunities for gluten free oats, Australia's coeliac demand could increase with new technologies leading to easier and faster diagnosis methods. Coeliac Australia (2025) outlines the role of point-of-care testing as a potential tool for improving early detection and diagnosis of coeliac disease by providing a rapid assessment of the presence or absence of coeliac antibodies. Although inferior to laboratory-based testing, this new test will potentially make diagnosis more accessible for many people. There is also a newly developed blood test that eliminates the need for patients to consume gluten to receive a diagnosis and could be implemented within the next two years (Davey, 2025).

Interestingly, AEGIC research into product and labelling trends across Asia shows that gluten-free claims are not gaining traction in our key export markets. This suggests that diagnosed coeliac disease rates are fairly limited in our current dominant export

markets. The main label claims that AEGIC found were emerging were around health, convenience, product integrity with sustainability claims. This research suggests that this gluten free marketing opportunity may not extend to our main export oat markets such as China, Malaysia, Japan etc. Randy Strychar, president of Oatinformation, suggested that the Middle East has the highest concentration of coeliac disease in the world and given our proximity and export relationship with this market already, this could be a significant opportunity to expand exports in the Middle East.

Australian gluten free certification

There is currently work going on within Australia to have oats considered gluten free. Discussions with Associate Professor Sara Grafenauer who is Program Lead, Nutrition & Dietetics at University of New South Wales and a member of the Grains Australia Oat Council. Assoc. Prof Grafenauer emphasised the value of oats in the diet for people with coeliac disease. Assoc. Prof Grafenauer noted that people with coeliac disease have a 27% higher chance of developing cardiovascular disease. If dietary fibre can be increased by eating three serves of whole grain daily, this could save \$1.4 billion each year in health costs in Australia. Oats are an excellent option for people to increase whole grain intake.

Assoc. Prof Grafenauer explained the process of getting a gluten-free label for oat products could take between 5 and 10 years and would need the Food Standards Code to be changed and formally legislated through FSANZ. This legislation process would require a proposal, a scientist evaluation of the safety of oats for people with coeliac disease and public consultation. There is a new dietetics program being developed at the University of New South Wales and early plans for a clinical trial involving pure processed oats, with involvement from several companies producing 'wheat free' oat products within Australia.

Another key part of this process is a review of global gluten free regulations to support submission to FSANZ. This stage involves analysing global food standards and labelling regulations for gluten free oats to build a case that Australia is lagging behind comparable markets (global regulations can be found in the appendices). The findings will demonstrate the need for FSANZ to review current restrictions on oats from gluten-free claims, despite advances in testing methods and international acceptance of uncontaminated oats as suitable for most people with coeliac disease.

All of this work will hopefully lead to a positive outcome and bring Australia in-line with global regulation and potentially allow a new market for Australian oat products.

Case studies of Gluten Free protocol

Whilst travelling through Canada and the US, I visited oat mills who process gluten free oats. Below are examples of two types of gluten free protocols.

1. Gluten-Free Oat Processing and Milling (North America example): Farmer led gluten free standards

The following purity protocol standards are to ensure oats are genuinely gluten free, going beyond mechanical sorting.

- **Seed purity** – oats must be grown from seed verified to be free of gluten-containing grains through seed counts.
- **Crop rotations** must be documented – a three-year break from gluten-containing crops is required before growing gluten-free oats.
- **Traceability** is required from paddock to processing – including documentation of equipment, storage and transport used.
- **Isolation strips** of at least 6 feet are maintained between gluten-containing crops and gluten-free oats.
- **Field inspections** are carried out during the growing season to check for any sources of contamination.
- **Equipment cleaning** protocols must be followed if dedicated gluten-free equipment is not available, with cleaning processes documented and validated.
- **Harvest samples** are visually checked (seed counts) to confirm gluten-free status.
- **Storage** facilities must be dedicated to gluten-free oats to prevent cross-contamination.
- **Oat mills** handling gluten-free oats use dedicated systems for receiving, storage, cleaning, milling, packaging and transport.

2. **Gluten free oat processing (North America example): Process focused gluten free protocol**

- A processor in the US that I met with follows a process-focused gluten-free protocol, which relies on intensive post-harvest cleaning rather than dedicated gluten-free crop sourcing. This model uses advanced processing technologies, including optical sorters and other cleaning systems, to remove gluten contaminants, as the available technology for contaminant detection and elimination is both effective and commercially viable.

After exploring gluten-free protocols in Canada and the US, I believe there's potential to integrate similar systems into Australian farming, though it would require commitment and careful planning. In our own farming business, we produce cereal seed crops for registered seed suppliers and many of the protocols outlined in the farmer-led gluten-free systems, such as correct crop rotation, traceability, adequate equipment cleaning, and storage, closely mirror our existing seed production practices.

To be a 'gluten-free' oat farm, farms may not need to remove other cereals from the system and a more flexible approach could be to geographically separate properties, with one property dedicated to an oat and break crop rotation, effectively isolating it as a gluten-free site. This model could allow growers to meet gluten-free standards without overhauling entire farming operations.

If gluten-free oats were successfully introduced in Australia, our processing sector would be well-positioned to support them. During my discussions with major oat processors in Western Australia, each confirmed they have the technology and capability to handle gluten-free oats, including optical sorting systems and other equipment suited to maintaining product integrity.

Market signals and grower confidence

Oats in Australia are often seen as vulnerable to market volatility and highly reactive to supply fluctuations. Traditionally a domestically focused crop, oversupply has historically led to sharp price drops. To sustain the current growth in oat production, the industry must offer growers more consistent returns and strengthen supply chain relationships that reward quality.

In Scotland, key processors offer loyalty bonuses to growers who supply them over consecutive seasons, ranging from £0.50/tonne for two seasons to £3.00/tonne for five or more. Additional quality bonuses are paid for preferred moisture and screenings, similar to Australia's OAT1 and OAT2 standards, which are the primary segregation grades for milling oats in Western Australia. Growers value this recognition of loyalty and quality, as well as the flexibility offered by processors.

There are processors in Australia considering offering multi-year contracts which could take the risk of price volatility out of the decision to grow oats and give growers confidence. There are also concepts around contracting for ha planted rather than tonnages, which gives growers more confidence that they can meet their contracts. Increasing storage payments is another potential incentive to encourage oat production and on-farm storage, giving processors confidence of supply throughout the year and avoiding such an influx of harvest deliveries.

Oats require a different approach compared to other grains like wheat and barley. Success often depends on relationship-based pricing and flexibility, as growers frequently deal directly with processors and buyers, rather than traders. On our farm, we've seen better returns with oats by building strong relationships with buyers rather than delivering into the bulk handling system. This flexibility allows us to optimise loads, something not possible with our local bulk handler. I observed similar dynamics in Scotland and Canada, where growers had a more positive outlook on oat production when they had strong, mutually beneficial relationships with buyers. These relationships gave them confidence in the profitability of their crop and created win-win outcomes.

Price discovery

Global oat prices are gradually rising, but the market remains volatile, leading to a lack of confidence among growers. In Canada, Randy Strychar from Oatinformation says that 2025 oat plantings need to increase by 25% to restore supply to normal levels, yet growers remain hesitant (Strychar, 2025).

In discussions with Strychar, he suggested that the current pricing model for oats is outdated and contributes to instability in production and supply. This affects reliability for manufacturers and consumers. A key issue is the undervaluation of oats for human consumption not reflecting the demand, despite 80% of North American oats being used for that purpose. This discourages growers from prioritising oats, perpetuating inconsistent supply and price volatility.

Another major challenge is the lack of transparent pricing signals across the supply chain. Unlike core crops such as wheat and canola, which benefit from global price visibility and hedging mechanisms, the oat market lacks transparency. Locally, it's difficult to access reliable data on oat production and planting intentions through

organisations like Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES). Oats in Australia also have the added complication of understanding what is being cut for oaten hay production or harvested for grain production, which makes oat plantings hard to forecast.

Improving visibility and transparency throughout the supply chain, through real-time price reporting and more accessible planting data, would support better price discovery and help stabilise the industry globally and help growers and processors to plan and manage their businesses more effectively.

Oats in the alternative protein landscape

As the popularity of plant-based diets continues to rise in Australia, plant protein is becoming a central focus for both consumers and food manufacturers. While oats are not as protein-rich as legumes, they contain more protein than wheat or barley, making them a valuable contributor to the plant protein conversation. Oats also offer a balanced amino acid profile and are increasingly recognised for their versatility in both food and beverage applications.

Consumer interest in protein is growing rapidly. According to Mintel, (2024, cited in Hawkins Watts, 2025), 30% of Australian shoppers now consider “high protein content” a top factor when choosing food products, reflecting a broader shift toward health-conscious purchasing. With the rise of protein-focused food labelling and growing consumer demand for functional ingredients, oats are increasingly used in blended formulations to boost nutritional value (Grains & Legumes Nutrition Council, 2025). As protein innovation accelerates, oats deserve a place in Australia’s plant protein conversation and should be considered in application-based research and product development.

Opportunities for oats in cosmetics

The use of oats in beauty and personal care products is expanding rapidly, driven by growing consumer demand for natural, sustainable, and skin-friendly ingredients. Oats are now widely incorporated into formulations for moisturisers, cleansers, body washes and soaps. According to Oat Cosmetics (2023), oat-derived ingredients offer proven benefits including moisture retention, anti-inflammatory effects and antioxidant protection.

While I wasn’t able to speak directly with industry representatives about the growth of oat-based cosmetics during my travels, the trend is evident, visible on the shelves of pharmacies and supermarkets, where oats are increasingly featured as a key ingredient. This presents a clear opportunity for the Australian oat industry to explore the cosmetics and personal care sector, particularly as we become better equipped to process and fractionate oats for high-value applications.

Rethinking the 'Glyphosate-Free' claims

A common message in the Australian oat industry is that our oats are *sun-ripened* and not desiccated with glyphosate, implying a clean, natural point of difference compared to oats grown in the northern hemisphere. The assumption underpinning this claim is that oat growers in the northern hemisphere rely on glyphosate desiccation due to cooler harvest periods and the onset of winter, whereas Australian oats finish ripening under warm, dry conditions.

However, during my travels through Canada, England, Scotland, Germany and Denmark, I saw no evidence that glyphosate is widely used to desiccate oats. It is no longer a common practice and oat crops reach harvest moisture levels naturally - the crops I viewed firsthand a few weeks out from harvest were maturing and drying in much the same way we see in Australia. My assumption is that varieties used in these countries are typically fast-maturing spring oats, and when grown over summer with adequate day length and temperature, they ripen without the need for desiccation. While glyphosate might be used occasionally in Canada when late-season rain threatens quality, it is used sparingly and as a last resort. In Europe, the issue is not relevant as glyphosate is highly regulated and commonly banned for pre-harvest use, and in some cases altogether.

Many Canadian and US oat buyers, including major processors such as Grain Millers and Richardson, have implemented policies in recent years rejecting oats treated with pre-harvest glyphosate or any desiccant. Canadian industry group POGA provides communication on their website about glyphosate use in farming systems, but make no reference to pre-harvest application in oats, focusing instead on pre-seeding and post-harvest use (2025).

Given this context, I believe we should move away from using the *glyphosate-free* claim to promote Australian oats. While the intention may be to highlight a quality or safety benefit, it risks being misleading. Glyphosate plays an important role in Australian farming systems, particularly in supporting our minimum tillage cropping systems.

The term *sun-ripened* could also be misleading as oats grown in northern systems are also ripened under summer sunlight. What may differentiate Australian oats is the intensity of the hot, dry finish during October to December. This could contribute to the unique texture or processing characteristics noted by some of our international customers, for example, Chinese buyers have previously commented on the creamier texture of Australian oats. However, this is anecdotal and not yet backed by comparative data, so care is needed when making such claims. The term *sun-ripened* is one of the few differentiators for Australian oats, so I believe we should keep using it. However, we should emphasise its association with the bright grains we're renowned for, rather than letting it imply chemical desiccation.

From commodity to function

Currently, oats remain largely a one-size-fits-all commodity. History shows that as higher-value uses emerge, commodities never stay uniform. Examples include corn's diversification into popcorn, sweet corn, and maize; wheat into different wheat segregations such as hard wheat for bread, noodle wheat and soft wheat for cakes or

biscuits. As functional value develops, supply chains adapt to capture it, enabling production to target specific markets as signals become clearer.

In discussions with grains industry expert Mark Narustrang of Pivotal Point, we are now seeing the early stages of this with oats. Looking ahead, traits like lipid content and beta-glucan could become supply chain differentiators and there could be a potential opportunity for an oat milk-specific variety given the consumption popularity. With greater understanding of specific variety functionality, we could see a shift in the oat market to be variety specific, similar to malting barley. With so many more uses for oats in food, beverage and cosmetics, it is inevitable that functional value will drive evolution.

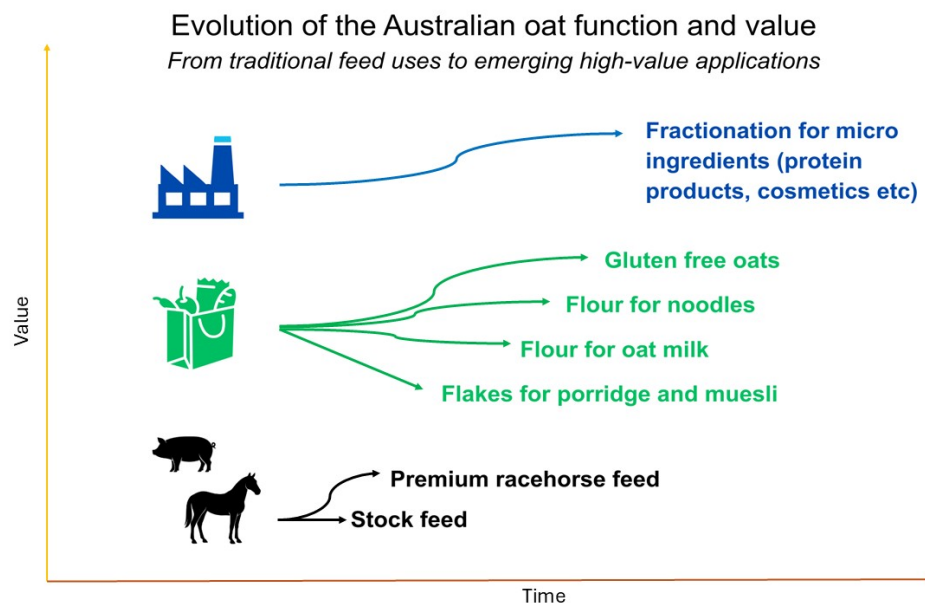


Figure 6. The Evolution of the Australian oat industry (Source: Author)

To capture this opportunity, the oat industry must ensure it has the processes and institutions in place to evolve alongside these functional demands. That means further investment in:

- Branding to communicate differentiated value of Australian oats
- Technical marketing to educate buyers and end-users
- Classification systems aligned to functionality
- Segregations to keep functional traits pure
- Breeding programs focused on targeted end-use qualities
- Research and development in oat innovation to understand functional varietal benefits
- Pilot processing capabilities to test and scale new applications

The trajectory is clear: as functional uses grow, from flakes for porridge and muesli to gluten-free products, oat flour for milk, cosmetics and fractionation for micro-ingredients, the value curve rises. To capture this value, the industry must be ready to match function with value.

Conclusion

The Australian oat industry stands at a pivotal moment. With global demand rising, new investment in breeding and processing and a growing consumer appetite for health-focused, sustainable products, oats are well-positioned to become a high-value crop within Australia's grain portfolio. However, to fully realise this potential, the industry must address several structural challenges to capture functional opportunities, market volatility, limited price transparency and overreliance on a single export market.

Through this Nuffield journey, it became clear that Australia's strengths, such as our clean, sustainable farming systems, strong research and development investment, and trusted supply chains, are globally recognised and valued. However, these advantages must be actively leveraged. This includes investing in branding and technical marketing to clearly communicate the differentiated value of Australian oats, as well as strengthening understanding of the functionality of different varieties and supporting pilot capabilities.

We need to continue building strong, long-term relationships with key markets like China, while also diversifying into emerging opportunities in regions such as India, the Middle East and Southeast Asia. Organisations like AEGIC and Grains Australia will be critical in supporting this effort through market development, technical engagement and trade advocacy.

Equally, we must ensure our production systems evolve to meet changing consumer expectations. This includes exploring opportunities in gluten-free certification, plant protein innovation and non-food sectors like cosmetics. Grower engagement, supply chain collaboration and evidence-based storytelling around sustainability will be essential to building trust and maintaining our competitive edge.

Ultimately, the trajectory is clear: as oats move from commodity to function, the opportunities to capture greater value will grow. The challenge is to ensure the industry has the structures and capabilities in place to align functional attributes with market demand. If achieved, this will not only enhance profitability on farm but also position Australian oats as a globally differentiated, premium product.

Recommendations

- Prioritise the development of a function-driven oat industry by aligning breeding, classification and supply chain systems with key end-user traits to capture higher-value market opportunities.
- To advance the gluten-free oat market in Australia, the entire supply chain must proactively support clinical trials and advocate to FSANZ, using global regulatory benchmarks to highlight the need for modernised standards and ensure Australia remains competitive.
- The Australian grains industry must stay ahead by actively shaping sustainability programs and telling our story with clarity and credibility, ensuring schemes reflect local farming realities.
- Avoid using *glyphosate-free* as marketing claims for Australian oats, as they risk being misleading and are no longer accurate points of difference in global markets. Instead, focus on the role glyphosate plays in sustainable farming systems and invest in evidence-based messaging around grain quality and environmental credentials.
- Continue strengthening existing trade relationships while actively diversifying into emerging markets, supported by coordinated efforts through Grains Australia and AEGIC to enhance market access, customer engagement and become the preferred global oat producer.
- Oats should be actively included in Australia's plant protein strategy, with support for application-based research and product development that reflects growing consumer demand for high-protein, functional foods.

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Appendices

Oats are the focus of several major initiatives at both the national and state level, such as:

Table 1. Summary of current investment into the oat industry throughout Australia (active investments in 2025).

Project name	Lead organisation(s)	Funding value	Objective/outcomes	Category
Processed Oat Partnership (POP)	GIWA with funding from WA State Government	\$10.12 million	Enhance breeding, agronomy, processing and market development to build a long-term WA oat industry. According to the POP page on the GIWA website, there are 13 projects funded.	Agronomy/farming system work, Quality, Market development/Supply chains, Pre-breeding
Oat Grain Quality Consortium (OGQC)	Lead by InterGrain and SARDI with funding from GRDC and co-investment from POP	\$12.5 million over 5 years – \$5.75 million from GRDC + \$6.7 million from research and industry partners	Pre-breeding research to define and improve quality traits like beta-glucan, oil, aroma and texture.	Quality
Oat Septoria Research Consortium (OSRC)	SARDI, Murdoch Uni., DPIRD, Curtin University (via GRDC)	AU \$4.18 M	Research to combat Septoria leaf blotch.	Pre-breeding + Agronomy/farming system work
AEGIC market value & product innovation projects	AEGIC (funded through WA Government, POP and GRDC/Grains Australia co-investment)	Undisclosed for oats	Assess export market economics; develop novel oat foods for high-value markets.	Market development/Supply chains
NGN (multiple projects across Australia)	GRDC funded, lead by different groups	Undisclosed	Milling Oats agronomy for the Esperance Port Zone	Agronomy/farming system work
		Undisclosed	Is Excessive Biomass Growth Restricting Maximum Grain Yield in Oats?	Agronomy/farming system work
		Undisclosed	Improving the management of grass weeds in grain oat crops in the Western Region	Agronomy/farming system work
		Undisclosed	Evaluating deep sowing of Oats in WA production systems	Agronomy/farming system work
Oat genomic resources for breeders and pre-breeders	Murdoch University (via GRDC)	Undisclosed	Sequence and assemble three oat genomes, including two Australian varieties which cover the diversity of Australian oat breeding germplasm and one wild oat genotype, as	Pre-breeding

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			part of the international consortium efforts.	
Durable resistance to Oat crown rust	CSIRO (via GRDC)	Undisclosed	Breeding for durable rust resistant oat cultivars	Pre-breeding

Global gluten-free regulations:

Country/Region	Gluten-Free Threshold	Oats Allowed?	Reference(s)
Australia	No detectable gluten (effectively 0 ppm)	Not allowed	FSANZ Standard 1.2.7 + Coeliac Australia
New Zealand	No detectable gluten (same as AU)	Not allowed	NZ Food Standards Code + Coeliac NZ
United States	<20 ppm	Yes, if <20 ppm	FDA Gluten-Free Labelling Rule
UK	<20 ppm	Yes, if uncontaminated	Coeliac UK
EU (incl. Denmark/Sweden)	<20 ppm (Regulation (EU))	Yes, if pure and tested <20 ppm	EUR-Lex Regulation 828/2014
Brazil	<20 ppm	Yes, if certified	ANVISA RDC No. 26/2015
Argentina	<10 ppm	Not usually, unless certified	Argentine Law No. 26.588 + ANMAT
Chile	<20 ppm (Codex-based)	Yes, if uncontaminated	Ministry of Health – Chile + Codex Standard
China	<20 ppm (Codex-based)	Yes, if tested <20 ppm	Chinese National Food Safety Standard (GB 28050) + Codex Alimentarius
Saudi Arabia	<20 ppm (Codex-based)	Yes, if tested <20 ppm	Adopts the Gulf GSO Codex Stan 118:2022, aligned with Codex - gluten-free = ≤ 20 ppm
United Arab Emirates	Typically follows GCC/GSO standards , aligned with Codex-like rules—implied <20 ppm	Yes, if tested and compliant	Follows Gulf Standardization Organization labeling protocols
Kuwait	Also under GCC/GSO , assumed <20 ppm	Yes, if below threshold	Adopts shared GCC labeling requirements for allergens and gluten Food Safety StandardUSDA Apps

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Malaysia	No specific gluten-free ppm threshold publicised. Manufacturers must declare cereals containing gluten (wheat, rye, barley, oats)	Oats listed allergen, must declare presence, no defined ppm threshold	All cereals gluten must be labelled per Food Reg. 1985; threshold not specified DPO InternationalChemLinked Food
India	No legislated gluten-free threshold. FSSAI introduced “Gluten Free” term but hasn't defined ppm limit. Some products guide <20 mg/kg but enforcement remains inconsistent.	Oats are gluten-containing and must be declared	Regulations exist, but no formal ppm cutoff; many certified follow <20 ppm anyway FSSAI. celiacindia.org.intaxguru.in
Japan	No official gluten-free threshold. Labelling focuses on wheat allergen only, not total gluten ppm.	N/A—oats not regulated as gluten unless wheat-derived	No legislation on gluten-free labeling; “gluten free” often means “wheat free”.