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Oat Based Beverages Market - Global Industry Size, Share, Trends, Opportunity, and Forecast, Segmented By Source (Organic, Conventional), By Specialty (Gluten-Free, Dairy Alternative, Heart-Healthy, Others), By Distribution Channel (Online, Offline), By Region & Competition, 2021-2031F

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Abstracts

The Global Oat Based Beverages Market is projected to expand from USD 1.90 Billion in 2025 to USD 2.84 Billion by 2031, reflecting a compound annual growth rate of 6.93%. These beverages are plant-based dairy alternatives created through the aqueous extraction of oats and are usually fortified to provide a nutritional value similar to that of conventional milk. Growth in this market is largely fueled by the increasing rate of lactose intolerance and a fundamental change in consumer habits toward vegan and flexitarian lifestyles. Furthermore, the sector gains a distinct advantage from its positive sustainability reputation, as growing oats typically demands less water and land compared to dairy or almond farming, which attracts environmentally aware consumers.

According to the Good Food Institute, in 2024, oat milk secured 25% of the plant-based milk market share, confirming its status as a top contender in the category. Despite this strong market foothold, a major obstacle hindering further growth is the industry's exposure to supply chain instability and inflationary pressures. These economic forces lead to increased production costs and higher retail prices relative to traditional dairy, creating a hurdle that prevents wider adoption among consumers who are sensitive to price differences.

Market Driver

The rapid growth of the foodservice industry and premium coffee shops acts as the main catalyst for the global oat-based beverages market. Distinct from other plant-based options, oat milk offers a unique texture that enables it to froth and steam much like cow's milk, making it the top non-dairy choice for baristas and specialty coffee vendors. This sector functions as a vital discovery mechanism, allowing customers to experience the product's superior taste before deciding to buy it at retail. The strength of this segment is highlighted in recent trade figures; according to The Good Food Institute, May 2024, in the '2023 State of the Industry Report', dollar sales for plant-based milk in the U.S. foodservice sector rose by 21% to hit $222 million in 2023, growing significantly faster than other distribution channels.

At the same time, the market is driven by the rising global shift toward environmentally friendly diets, with oat beverages becoming preferred over almond or soy alternatives due to their notably lower water usage and carbon emissions. This evolution in consumer values has shielded the category from the general stagnation seen in the broader plant-based industry, establishing it as a resilient essential. For example, according to Beverage Industry, July 2024, in the '2024 State of the Beverage Industry' article, oat milk was the sole dairy alternative to achieve volume growth in the year ending May 2024, whereas rivals like almond milk experienced declines. Underscoring this positive trend, according to Oatly, November 2024, in the 'Third Quarter 2024 Financial Results', the leading producer saw a 13% increase in sold volume, reaching 141.3 million liters compared to the same period the previous year.

Market Challenge

Supply chain instability and consequent inflationary pressures act as a significant impediment to the growth of the Global Oat Based Beverages Market. As production and logistics expenses climb, manufacturers are forced to raise retail prices to protect their profit margins, which expands the price difference between oat drinks and standard dairy. This cost disparity is a crucial determinant for average consumers who might otherwise switch to plant-based alternatives. In an economic environment where household budgets are constrained, the higher cost of oat milk restricts its attractiveness to a dedicated niche rather than enabling the mass adoption necessary for sustained market expansion, resulting in potential volume losses as price-conscious shoppers choose cheaper traditional milk.

The effect of these economic challenges is reflected in recent market performance data. According to the Plant Based Foods Association, in 2024, unit sales of plant-based milks in the United States fell by roughly 5% as average retail prices stayed high relative

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to animal-based dairy. This decline indicates that despite health or environmental incentives, price continues to be a major driver of consumer behavior. As long as supply chain volatility maintains high production costs, the failure to reach price parity with dairy will persist in hindering the industry's capacity to secure a larger portion of the mainstream beverage market.

Market Trends

The rise of private label and retailer-owned brands has become a major trend, significantly reshaping the competitive environment as retailers adapt to inflation and price-wary consumer habits. Although national brands originally built the category, large supermarket chains and mass retailers are now vigorously growing their own proprietary oat milk offerings, delivering products that match premium brands in texture and performance but at much lower prices. This shift toward commoditization is causing notable volume transfers within the refrigerated section, effectively making the beverage accessible to a wider demographic beyond just affluent buyers. The magnitude of this transition is highlighted by recent category results; according to Dairy Foods, January 2025, in the 'Private-label sales set new record in 2024' article, dollar sales for the private-label refrigerated segment, which includes fresh plant-based milk alternatives, rose by 7.5% in 2024, significantly outpacing branded rivals.

Concurrently, the market is experiencing mainstream penetration into Quick-Service Restaurant chains, expanding beyond its origins in specialty coffee houses to become a standard menu item in high-volume fast-food and coffee franchises. This incorporation into the quick-service framework marks a crucial progression from a niche 'barista-specialty' option to a standard operational default, securing large-scale contracts that protect manufacturers from retail instability. The ongoing strength of this channel contrasts with the stagnation observed in shelf-stable retail areas; according to AgFunderNews, May 2025, in the 'Plant-based meat by numbers' article, dollar sales of plant-based milk in the foodservice sector grew by 9% in 2024, affirming that out-of-home consumption continues to be a key growth driver for the industry despite wider economic challenges.

Key Market Players

Oatly AB

Califia Farms, LLC

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Danone SA

PepsiCo, Inc.

Campbell Soup Company

Rude Health Foods Limited

Elmhurst Milked Direct, LLC

Happy Planet Foods, Inc.

Nature's Path Foods, Inc.

Minor Figures Ltd.

Report Scope

In this report, the Global Oat Based Beverages Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

- Oat Based Beverages Market, By Source
  - Organic
  - Conventional
- Oat Based Beverages Market, By Specialty
  - Gluten-Free
  - Dairy Alternative
  - Heart-Healthy
  - Others

Oat Based Beverages Market, By Distribution Channel

- Online
- Offline

Oat Based Beverages Market, By Region

- North America
  - United States
  - Canada
  - Mexico
- Europe
  - France
  - United Kingdom
  - Italy
  - Germany
  - Spain
- Asia Pacific
  - China
  - India
  - Japan
  - Australia
  - South Korea

- South America
  - Brazil
  - Argentina
  - Colombia
- Middle East & Africa
  - South Africa
  - Saudi Arabia
  - UAE

Competitive Landscape

Company Profiles: Detailed analysis of the major companies present in the Global Oat Based Beverages Market.

Available Customizations:

Global Oat Based Beverages Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

- Detailed analysis and profiling of additional market players (up to five).

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