

# Oat Market

## Daily Commentary

### CBOT Oat Futures & Cash/Physical Oat Markets

Chicago oat futures posted modest gains Tuesday in lighter volume. The Barchart Trading Guide for the December is a Sell Signal, with a Strong Signal Strength. Prices failed to close above the weekly high, short-term trends are up.

### US/UK/EU Cereal Futures

US/EU/UK Ag futures finished mixed Tuesday. CME grain markets were mixed, with corn futures dipping due to persistent bearish technical pressure and early session lows. Soybeans were mostly steady, buoyed briefly by corrective buying before gains tapered alongside soymeal. Wheat futures displayed relative strength, posting solid advances across all varieties, though momentum slowed as technical resistance capped further upside.

### Oat Market News & Analysis

#### **Dry Spring Hampers UK Spring Oat Prospects: Winter Oats Hold Up Better Amid Mixed Recovery Said AHDB June 2025 Crop Report**

The latest AHDB crop report highlights ongoing challenges for UK cereal crops, primarily driven by a very dry spring that caused widespread water stress. While welcome rainfall in late May and early June helped improve the condition of many winter crops, it came too late to benefit spring crop establishment. It's estimated that spring seeded oats account for 65% of the UK oat crop, winter seeded 35%.

The UK is major EU/UK and global oat industry and significant exporter of oat products.

Crop conditions vary significantly by region and soil type, with some areas showing signs of recovery, while others remain under stress. The ultimate impact on yield is still uncertain, but reduced tiller counts and highly variable crop height—especially in spring-sown cereals—point to lower yield potential. Weather during the grain fill period will be critical for final outcomes, said the crop report.

Rainfall over the spring season averaged just 128.2 mm across the UK, or 56% of the seasonal norm. While some regions—particularly the west—saw helpful rainfall in early June, the distribution was uneven. Eastern areas remained notably dry despite some localized storms. Soil moisture deficits remain high in many parts of the country, and early senescence has already been observed on lighter soils. The AHDB report said crops on heavier land, particularly in stressed areas, are showing signs of early dieback, which could lead to earlier harvests in affected regions.

#### **Winter Oats**

The condition of winter oats has shown moderate improvement from May. As of late June, 55% of the crop was rated in good or excellent condition, up slightly from 52% a month earlier and just below last year's figure of 58%. More notably, the share of the crop in very poor or poor condition has dropped to 8%, down from 21% at the same point in 2024.

Most crops are progressing through growth stages GS75 (medium milk) to GS85 (soft dough). Overall, winter oats appear to be performing better than many other cereals this season, supported by modest gains in condition ratings and a clean crop profile. However, like other cereals, tillering has been reduced and straw yield may be affected due to smaller canopies.

*(Continued on page 2)*



## Spring Oats

Spring oats are facing significant challenges in 2025. Only 38% of crops are now rated in good or excellent condition, a drop from 42% in May and down sharply from 77% in 2024 and 69% in 2023.

The poor performance is largely attributed to the spring drought, which inhibited crop establishment and left shallow-rooted plants vulnerable to persistent dryness. In regions such as the West Midlands, spring oat fields are widely reported to be thin, patchy, short, and stalled in early growth stages—some crops have remained at the three-to-four leaf stage for more than six weeks. In contrast, crops in the Northeast and Yorkshire have performed somewhat better than other spring-sown cereals, suggesting that regional rainfall patterns or soil profiles have been more favourable.

Growth stages for spring oats range from GS45 (flag leaf sheath swollen) to GS70 (flowering complete), reflecting wide variability in crop progress. Reduced tillering, short plant stature, and a lack of uniform development are expected to limit overall yield potential. With limited biomass and poor canopy development in many regions, straw yields will also be compromised.

## Yield outlook

The UK Oat Yield vs. March–August Soil Moisture Anomalies (1987–2025) chart on pg. 3 highlights a clear relationship between

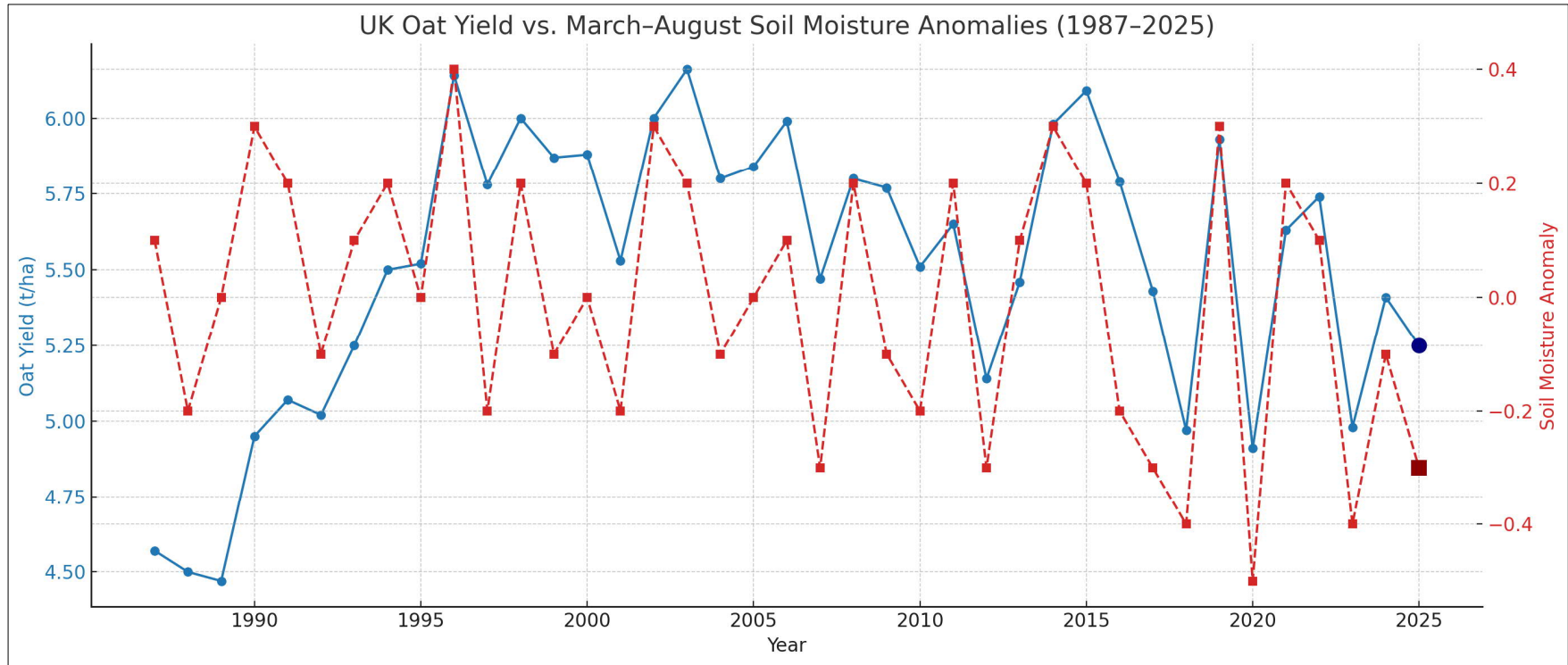
seasonal soil moisture availability and oat yield outcomes over nearly four decades. In general, higher yields tend to coincide with years that experienced near- or above-normal soil moisture during the key crop development period.

Years such as 1996, 2014, and 2022, which benefited from adequate or surplus rainfall, stand out for their strong yields, reflecting good tillering, canopy development, and grain fill.

Conversely, years with negative soil moisture anomalies—indicating drier-than-normal spring and summer conditions—often align with yield declines. This is particularly evident in 2018, 2020, and 2023, all of which experienced dry springs that led to reduced tiller counts, short crops, and patchy establishment, especially for spring oats.

The 2025 projection reinforces this pattern. Despite some rainfall relief in late May, most of the UK experienced well below-average soil moisture for much of the March–August period. As such, the projected oat yield of 5.25 t/ha sits below both the 5-year and 10-year averages, consistent with past dry years. This reflects the challenges faced by spring oats, which established poorly in many regions, while winter oats performed comparatively better.

The chart also underscores growing yield volatility in recent years, suggesting that oats have become increasingly vulnerable to weather extremes. Overall, the visual confirms that timely and sufficient spring moisture is a key determinant of UK oat yield potential, particularly as climate variability intensifies.





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- Randy Strychar