



AS IT IS

Oat Milk Maker Raises \$1.4 Billion in Stock Sale

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Oatly is the world's largest maker of **oat** milk, a vegetable-based drink made from oats. The company is based in Malmö, Sweden. Now, it is getting a lot of attention from investors.

Last Thursday, Oatly raised \$1.4 billion on the Nasdaq stock exchange when the company sold shares to the public for the first time. Oatly first priced its shares at \$17 each. The company was then valued at nearly \$10 billion. When shares began trading Thursday, the price of shares jumped 24 percent to \$21 each.

The stock sale is the latest example of the fast rise of oat milk. The food is winning buyers and gaining the interest of famous investors like Oprah Winfrey. People like the oat milk message that says it is healthier and better for the environment than cow's milk.

Oat milk was once a product meant for a small number of people who got bad reactions to drinking cow's milk. Oatly's products can now be found at major American stores like Starbucks and Target. It is also sold online by Alibaba in China.

The company thinks there is more growth ahead. Market researcher Euromonitor found worldwide sales of such plant-based products reached \$18 billion in 2020. That represents three percent of the \$600 billion market for milk-based, or dairy, foods.

Oatly said more people are trying its oat-based drinks, **yogurt** and ice cream. In the last three months, between 35 and 40 percent of adults in the United States, the United Kingdom, Germany, China and Sweden bought a plant-based milk product.

Nielsen is an American marketing research company. It says the sale of oat milk jumped 131 percent during the last year.

Nielsen also said U.S. sales for plant-based dairy products grew 15 percent during the 12-month period that ended on May 1. Oat milk is the second most popular plant-based dairy product behind **almond** milk.

Other companies are watching Oatly's growth closely. Greek yogurt maker Chobani began selling oat-based yogurt, milk and other products last year.

Oatly's chief Toni Petersson said he is sure oat milk will be popular for a long time.

Cara Rasch is a researcher with Packaged Facts. She said many buyers also see oat milk as a healthier choice compared to cow's milk. Cow's milk and oat milk have different nutritional qualities.

Oat milk requires less land and energy to produce than cow's milk and its production releases less gas linked to climate change than dairy milk.

An Oxford University study from 2018 found oat milk production has fewer bad effects on the environment than other plant-based milk products. For example, California almond milk production requires a lot of water because the almond trees grow in dry areas of California.

Speaking of the good effects of his products, Oatly's Petersson said, "We're here to make the world better. I know it sounds stupid, but it's true."

I'm Caty Weaver.

Dee-Ann Durbin reported this story for the Associated Press. Gregory Stachel adapted it for VOA Learning English. Mario Ritter, Jr. was the editor.

Words in This Story

oat - *n.* a kind of grain that is widely grown

yogurt - *n.* a food made from milk that becomes a semi-solid because of the action of bacteria

almond - *n.* a kind tree seed or nut that has a slightly sweet taste

