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Report Highlights:

A large portion of Australia's winter cropping area is well-positioned, heading into the forecast year. In New South Wales, Queensland, and Western Australia, early seasonal conditions are favorable, indicating potential for strong wheat and barley production. In contrast, much of South Australia and western Victoria remains very dry, with low soil moisture and limited rainfall this fall. However, there is still ample time—through to the end of June 2025—for rainfall to support planting in these regions. FAS/Canberra forecasts a decline in wheat and barley production for the upcoming season, although output is expected to remain well above the previous 10-year average. Wheat and barley exports are projected to decrease, due to lower production. Sorghum production is forecast to remain high for a fifth consecutive year in MY 2025/26, with exports expected to rise with increased output. Conversely, rice production and exports are anticipated to decline sharply in MY 2025/26, due to reduced water availability.

EXECUTIVE SUMMARY

A large portion of Australia's winter cropping area is well positioned heading into the 2025/26 forecast year. In New South Wales, Queensland, and Western Australia, root zone soil moisture levels are generally favorable at the start of planting. These regions have also benefited from good early-season rainfall, placing them in an equivalent or better position than they were at the same time last year.

In contrast, much of South Australia and western Victoria is experiencing very dry conditions. These areas have minimal soil moisture and have received relatively little rainfall during the first two weeks of April 2025. However, with planting in these southern regions typically extending through the end of June, there remains sufficient time for rainfall to support sowing. That said, crop rotation plans are likely to adjust, with increases in fallow land and a shift away from canola toward more wheat and barley plantings.

FAS/Canberra forecasts wheat production to decline slightly to 31.0 million metric tons (MMT) in marketing year (MY) 2025/26, remaining well above the previous 10-year average of 27.6 MMT. This decline is primarily driven by a reduction in harvested area, particularly in drought-affected parts of South Australia and western Victoria, along with a modest decrease in yield compared to MY 2024/25, which produced an estimated 34.1 MMT. Wheat exports are projected at 23.0 MMT for MY 2025/26—a 3.0 MMT decline from the prior year—mainly due to lower production.

Barley, which is generally grown in the same regions as wheat, is forecast to reach 12.5 MMT in MY 2025/26, about six percent above the 10-year average. While the harvested area is expected to remain steady, yields are projected to be six percent above average. Barley exports are forecast at 6.5 MMT, down 0.5 MMT from the previous year, reflecting the anticipated dip in production.

Sorghum production is expected to rise slightly to 2.5 MMT in MY 2025/26, marking the fifth consecutive year of above-average output. Trade tensions between the United States and China are expected to encourage increased sorghum plantings in Australia. With strong soil moisture levels already present in most production regions, increased planting appears feasible. Australia exports the majority of its sorghum, and with higher production, exports are forecast to reach 2.4 MMT—nine percent higher than the previous year's estimate.

Milled rice production is projected to fall sharply to 230,000 metric tons (MT) in MY 2025/26, a 39 percent decrease from MY 2024/25 and 31 percent below the 10-year average. The decline is attributed to a significant reduction in irrigation water availability. Domestic consumption is expected to increase by 2.4 percent, driven by population growth. As a result of lower domestic production, rice exports are forecast to decline by 26 percent to 170,000 MT, while imports are expected to rise slightly.

WHEAT

Production

FAS/Canberra forecasts Australian wheat production to decline slightly to 31.0 MMT in MY 2025/26, a nine percent decrease from the previous year's estimate but 12 percent above the 10-year average of 27.6 MMT. FAS/Canberra forecasts a 160,000-hectare decline in wheat harvest area for MY 2025/26 driven by persistently dry conditions in major wheat-producing regions of South Australia and western Victoria. Yields are projected to be eight percent lower than in MY 2024/25 but still nearly five percent above the 10-year average.

The year-on-year drop in yield reflects the unexpectedly strong outcome for MY 2024/25, particularly in Western Australia, where growers achieved better-than-expected yields despite a challenging start. Australian farmers have consistently demonstrated resilience and adaptability, often outperforming expectations under suboptimal seasonal conditions.

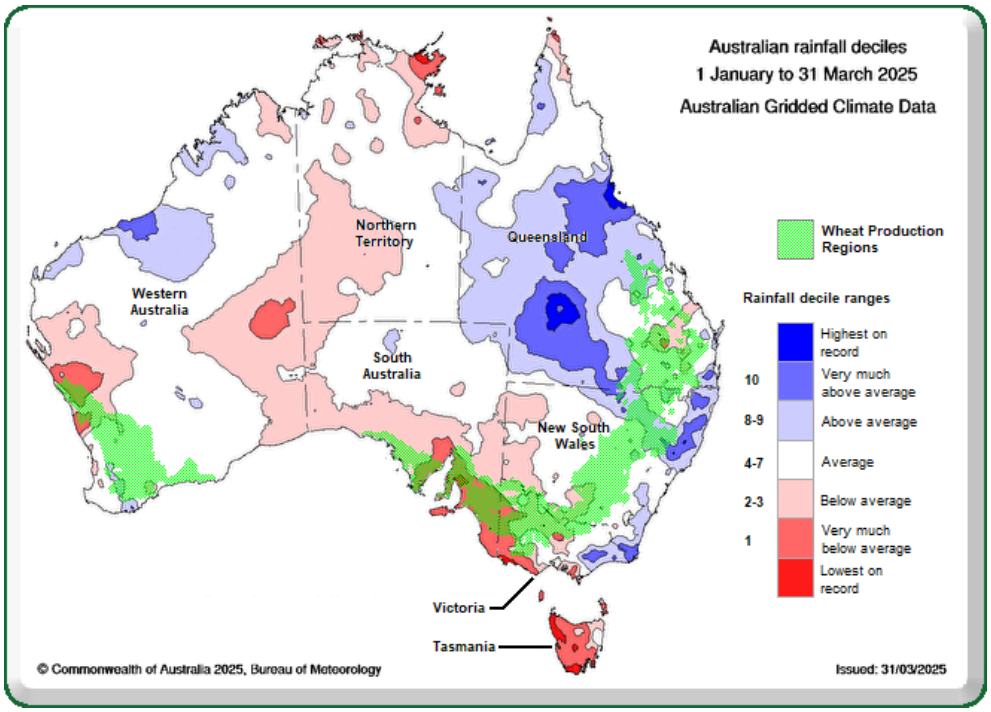
In early 2025, New South Wales and Queensland, along with most wheat-producing areas of Western Australia, received average to above-average rainfall (see Figure 1), resulting in favorable root zone soil moisture at the start of planting (see Figure 2). Northern New South Wales and Queensland experienced timely early rains, while Western Australia benefited from significant rainfall during the first two weeks of April (see Figure 3). These conditions place the current season on par with—or a little better than—the previous season in these states.

In contrast, South Australia and western Victoria have experienced well below-average rainfall since the beginning of 2025 (see Figure 1), continuing the dry trend observed during the previous season. This has left soil moisture reserves critically low, at the surface and deeper profiles (see Figure 2). These regions also received the least early-season rainfall (see Figure 3), placing them at a disadvantage compared to other wheat-growing regions.

Wheat is typically planted in Australia from April to June and harvested from October to December. The more northern production zones plant and harvest earlier than the southern temperate regions. Thus, although current conditions are dry in South Australia and western Victoria, there remains ample time—until the end of June—for rainfall to support planting.

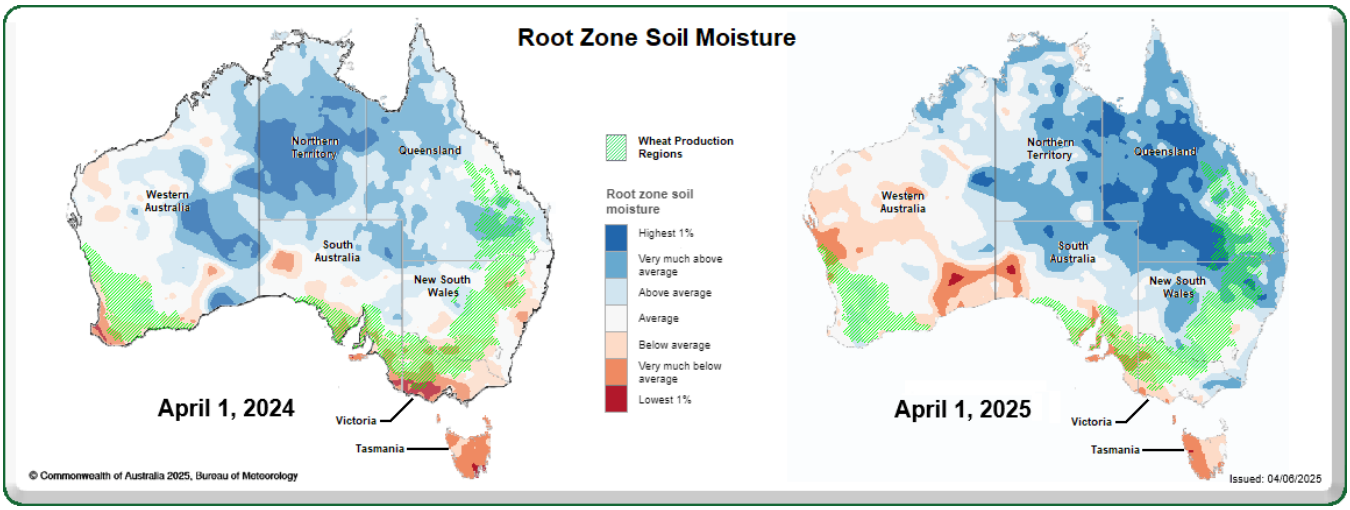
Farmers in these dry regions are expected to adjust planting programs in real-time based on evolving weather patterns. This may result in increased fallow land, altered crop rotations, and a reduction in canola planting— a crop that typically requires earlier sowing—while favoring later-planted wheat and barley.

Figure 1 – Australia Rainfall Deciles – January to March 2025



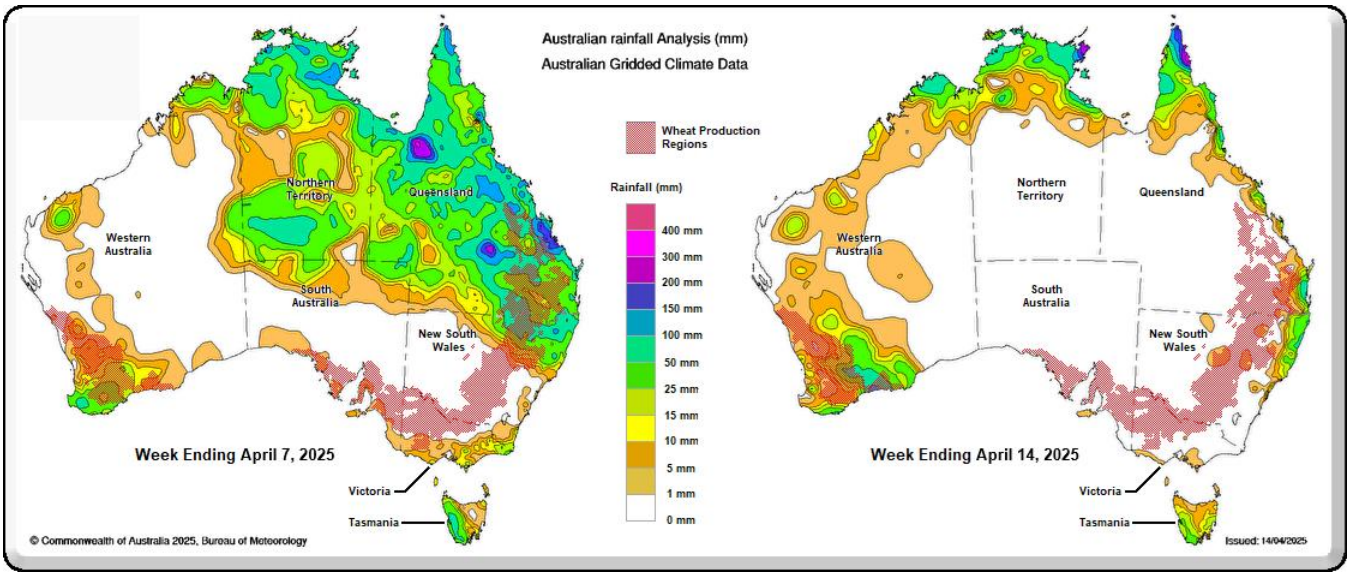
Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 2 – Australia Soil Moisture Map – April 01, 2024 and 2025



Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 3 – Australia Rainfall Maps – Weeks 1 and 2, April, 2025



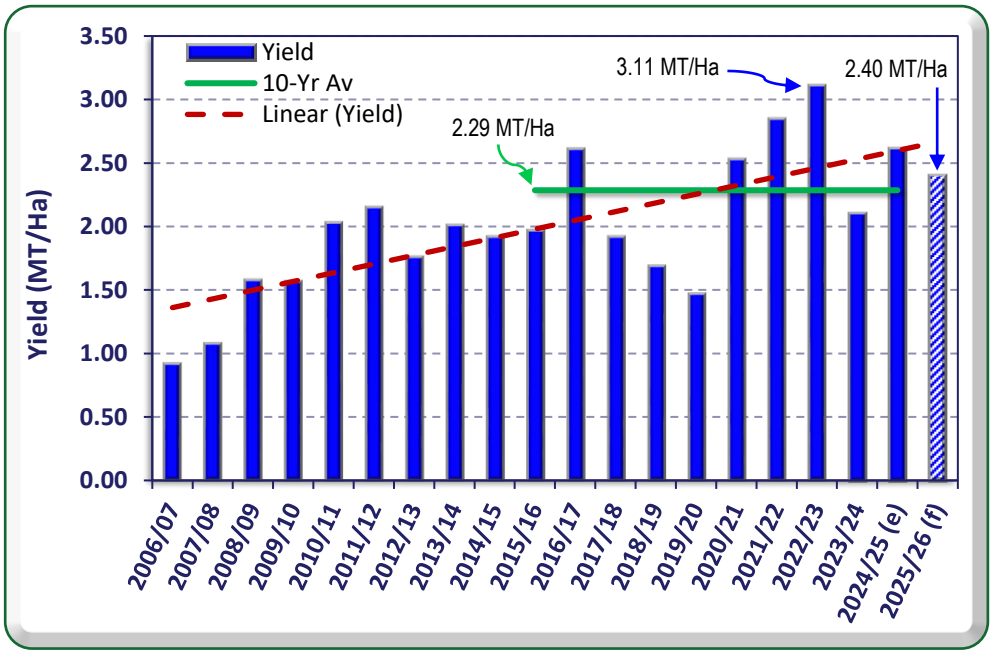
Source: Australian Bureau of Meteorology / FAS/Canberra

On average, South Australia contributes 17 percent of national wheat production. Given current conditions, a reduction in the canola area is expected, with some of that land potentially shifting to wheat or barley. However, a net reduction in wheat-planted area is likely for South Australia and western Victoria.

At the national level, the forecast harvest area is 12.9 million hectares, consistent with planted area. While the forecast reflects a 160,000-hectare decline from MY 2024/25, the variation in planted area is greater than the harvest area figure suggests. Last year, significant wheat acreage in South Australia and western Victoria was cut for hay following frost events in September 2024 and dry conditions, which increased the risk of unfilled grain.

Wheat yields are forecast to be 2.40 metric tons (MT) per hectare (Ha), five percent above the previous 10-year average of 2.29 MT/Ha (see Figure 4). This forecast is well below the average over the last five years and eight percent below the MY 2024/25 estimate. The estimate year overall had lower soil moisture at the start of the planting period for Western Australia and Victoria and equally low levels for South Australia. Also, for Western Australia, which typically contributes around 40 percent of the national crop, rainfall throughout the planting period was very low. Despite this challenging start, Western Australia produced a better-than-expected wheat yield and overall production for MY 2024/25 due to favorable conditions at the back end of the production season.

Figure 4 – Australian Wheat Yield History and Forecast – MY 2006/07 to 2025/26



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

Climate and Agronomic Practices

One of the defining characteristics of winter crop production in Australia is the high variability in seasonal conditions, including both drought and excessive rainfall—perhaps more so than in any other winter-crop-producing country. Over the decades, Australian growers have adopted innovative agronomic practices to better manage these challenges.

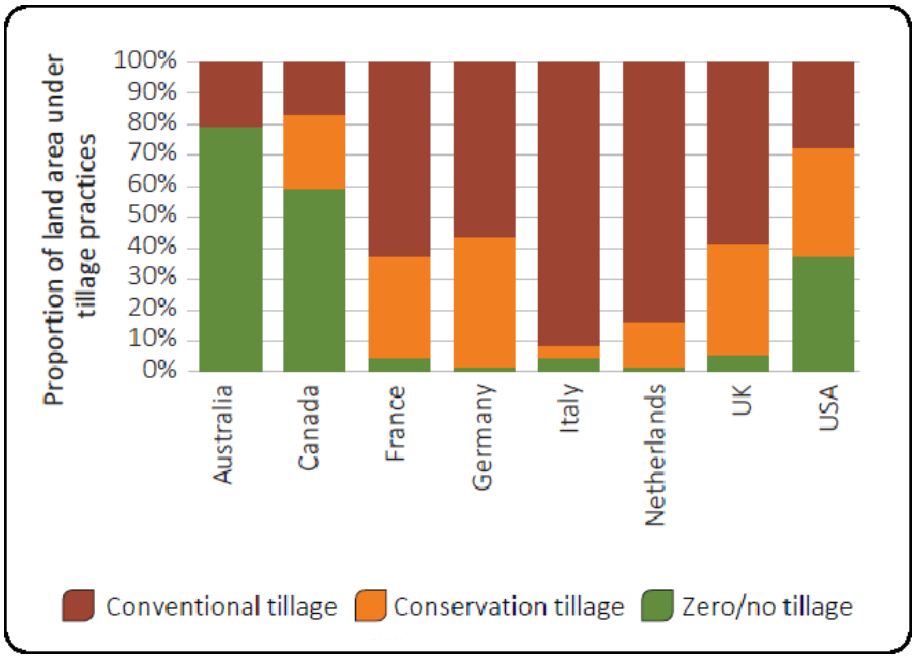
A key advancement has been the widespread adoption of zero/no-tillage systems, which now cover nearly 80 percent of cropping land—a rate significantly higher than in Canada (under 60 percent), the U.S. (under 40 percent), and Europe (less than five percent) (see Figure 5). These systems—alongside practices like stubble retention, crop rotation, cover cropping, and strategic fallow periods—help conserve moisture and maintain soil structure.

Crop rotations in Australia typically involve wheat, barley, and canola, with legumes also playing a key role in some regions for weed and disease control, particularly under zero-till systems. Provided no substantial price shifts or major weather changes occur, most farmers are expected to maintain established crop rotations, keeping the wheat-planted area relatively stable.

That said, if dry conditions persist, particularly in South Australia and western Victoria, a larger-than-usual fallow area is likely. These areas were also dry in the previous season and over summer, leaving soil moisture levels low even in deeper soil layers. Given that canola requires earlier sowing and higher

initial moisture, the area planted to canola is expected to decline more sharply than wheat or barley in these regions.

Figure 5 – Tillage Practice Comparison



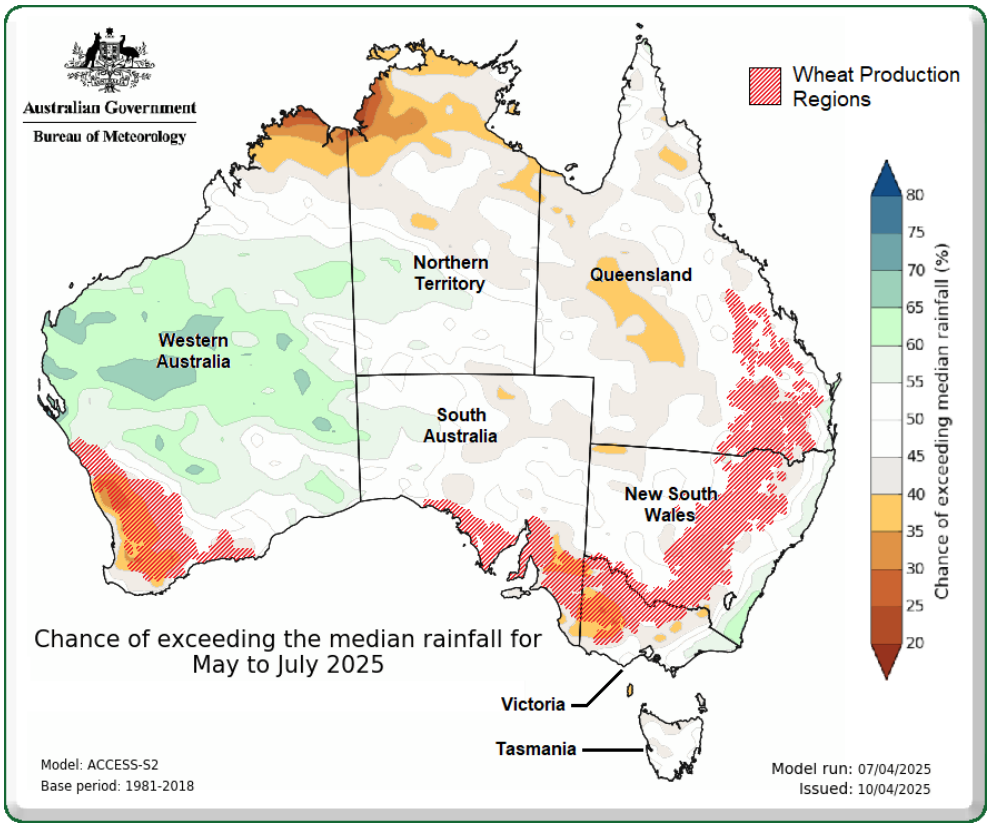
Source: *ABARES Insights – Environmental Sustainability and Agri-environmental Indicators, International Comparison – July 2023*

Seasonal Outlook and Yield Expectations

Despite a strong start in Western Australia and parts of the eastern states, South Australia and Western Victoria face even drier planting conditions than last year. Still, as these areas can plant through late June, there remains a window for beneficial rainfall.

The Australian Bureau of Meteorology's forecast for May–July 2025 suggests average rainfall is likely across a large part of Australia's wheat-producing areas, with below-average rainfall expected in parts of Western Australia, South Australia, and Victoria (see Figure 6). Based on this outlook, national wheat yields are forecast below MY 2024/25 levels but above the long-term average.

Figure 6 – Australia Rainfall Forecast Map – May to July 2025



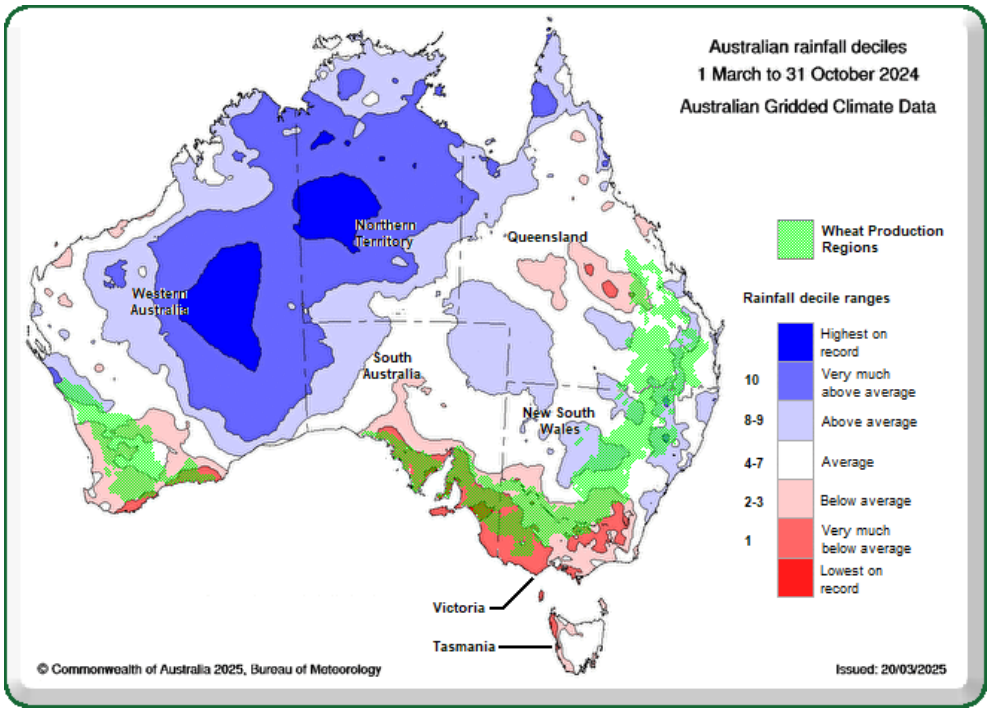
Source: Australian Bureau of Meteorology / FAS/Canberra

MY 2024/25 Production Estimate

Wheat production in MY 2024/25 is estimated at 34.1 MMT, representing a 6.6 percent upward revision from FAS/Canberra's earlier estimate and aligning with the latest figures from Australian Bureau of Agriculture and Resource Economics and Sciences (ABARES). This strong result comes despite severe seasonal challenges, especially in South Australia and western Victoria, where growers faced frost events in September 2024 and persistent dry conditions throughout the season.

Given that the southern production regions—accounting for two-thirds of national output—experienced well below-average in-season rainfall (Figure 7), the outcome is considered extraordinary. As little as a decade ago, a result of this nature would have been inconceivable, underscoring the advancements that Australian wheat growers have made in a relatively short period of time.

Figure 7 – Australia Rainfall Deciles –March to October 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

Consumption

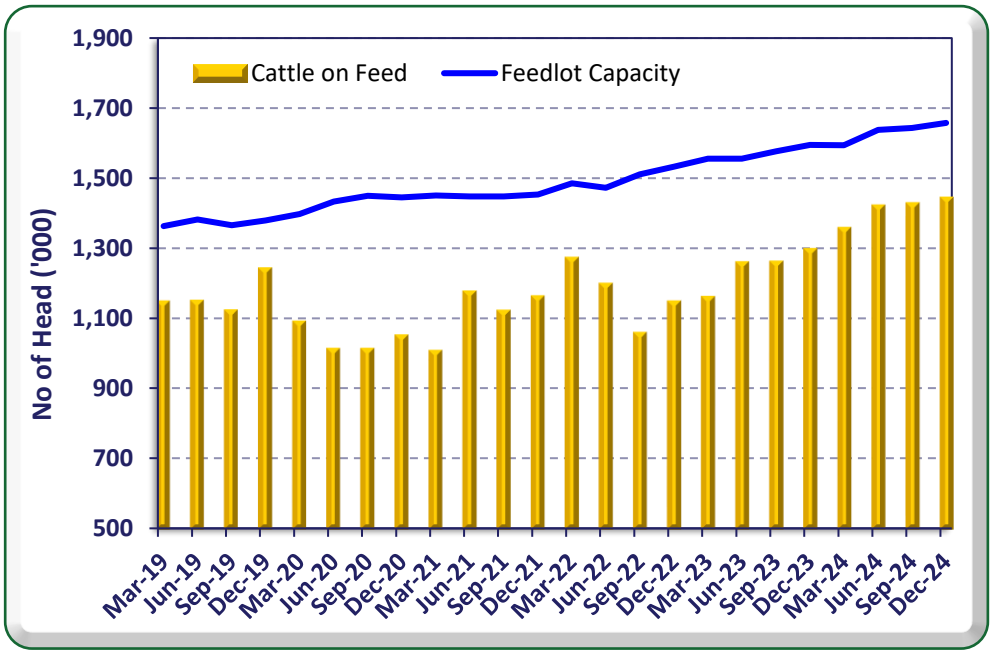
The FAS/Canberra forecasts Australian wheat consumption for MY 2025/26 at 8.1 MMT, slightly increasing from the 8.0 MMT estimated for MY 2024/25. The 100,000 MT rise is primarily attributed to increased demand from the livestock feed sector. Wheat used for milling remains relatively stable year to year.

The livestock industry utilizes a significant portion of feed wheat, particularly in beef cattle feedlots and the poultry sector, followed to a lesser extent by the dairy, swine, and sheep industries. Poultry feed demand is consistently stable, with gradual increases in line with expanding production. In contrast, swine and sheep feed consumption remains relatively small and has a minimal impact on total wheat demand.

The most influential drivers of feed wheat demand are the beef and dairy industries. Usage can fluctuate significantly depending on pasture conditions and changes in cattle numbers in feedlots.

For MY 2025/26, the increase in feed wheat demand is primarily linked to an anticipated rise in cattle on feed, continuing a trend observed throughout 2023 and 2024 (see Figure 8). Feedlot capacity has steadily expanded over the past decade, and the current infrastructure is expected to accommodate further growth in feedlot demand during the upcoming season.

Figure 8 – Cattle on Feed in Feedlots and Feedlot Capacity



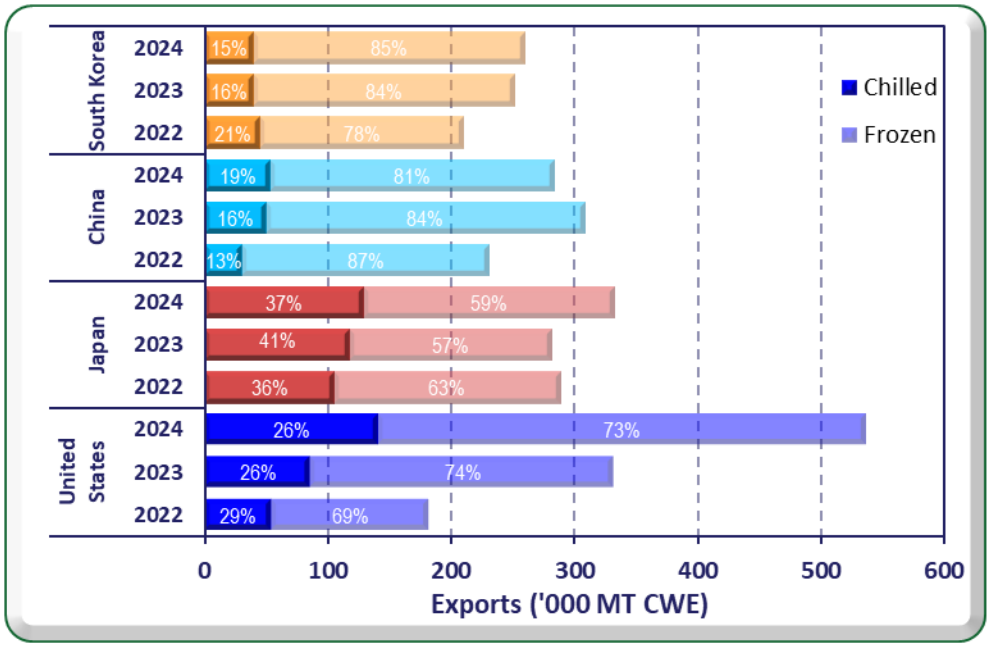
Source: Meat and Livestock Australia

Australia's beef cattle industry has recently emerged from a significant herd rebuilding phase following a prolonged drought from 2017 to 2019. As a result, the country is now producing record volumes of beef. This coincides with a rebuilding phase in the U.S. beef herd, driving strong U.S. import demand. In 2024, the U.S. was Australia's largest beef export market, and demand is expected to increase further in 2025 and remain strong into 2026.

While the general perception is that the U.S. imports grinding beef from Australia for hamburger production, recent data show that the U.S. was the largest importer of Australian chilled beef—typically associated with high-quality cuts, mostly originating from feedlot-finished cattle (see Figure 9). This trend suggests a growing demand for feedlot beef, which will, in turn drive increased wheat demand for livestock feed.

Meanwhile, domestic wheat consumption for milling is expected to remain stable in the near term. However, Australia's strong population growth may begin to influence milled flour demand, potentially leading to investment in milling capacity to support future increases.

Figure 9 – Major Beef Export by Type - 2022 to 2024



Source: *Australian Bureau of Statistics*

MY 2024/25 Consumption Estimate

FAS/Canberra's estimate for wheat consumption in MY 2024/25 remains unchanged at 8.0 MMT. The beef and dairy sectors continue to be the main sources of variation in feed wheat demand. Dry conditions in South Australia and Western Victoria—where pasture-based systems are common—have persisted, prompting producers to supplement pasture shortfalls with additional grain feed. This has elevated feed demand from MY 2023/24 and reinforced overall consumption levels.

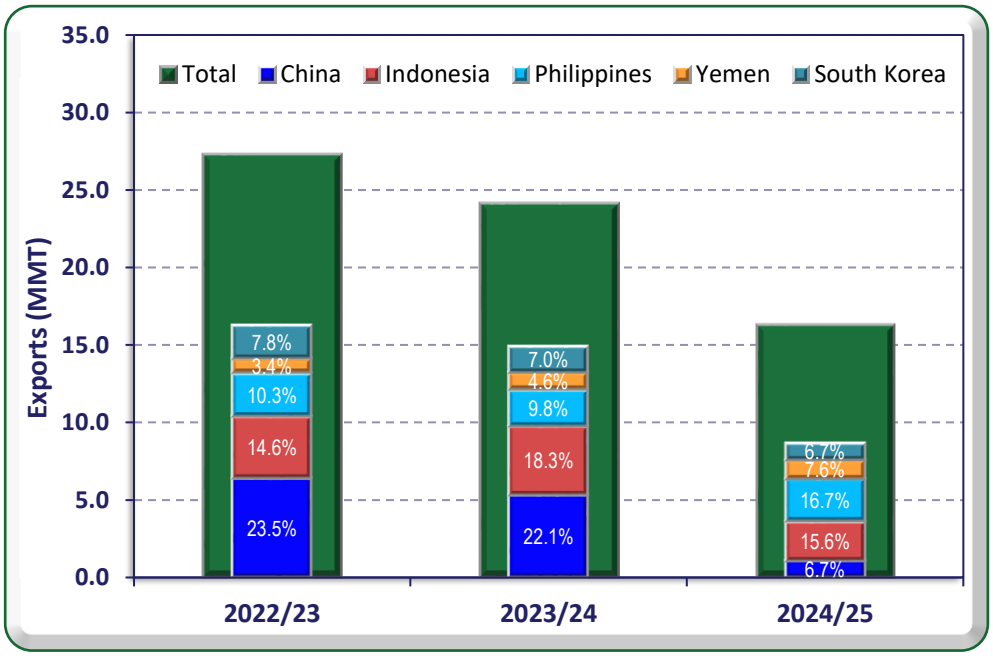
Trade

Exports

FAS/Canberra forecasts wheat exports for MY 2025/26 at 23.0 MMT, representing a 3.0-MMT decrease from the MY 2024/25 estimate of 26.0 MMT. This decline is primarily attributed to a lower production forecast of 3.1 MMT below the previous year's estimate. The small variance of 100,000 MT is due to an expected increase in feed consumption.

Australia has traditionally exported wheat to diverse markets, although the top five destinations consistently account for 55 to 70 percent of total exports. In recent years, China has overtaken Indonesia as Australia's leading wheat export market, accounting for nearly one-quarter of total exports (see Figure 10). Indonesia remains a significant market, averaging around 15 percent of total wheat exports over the past decade. Other key markets include the Philippines, Vietnam, and South Korea, each contributing five to ten percent to total exports in recent years.

Figure 10 – Wheat Export Destinations – October to February 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Implications of China Tariffs on U.S. Imports

In April 2025, escalating trade tensions between the U.S. and China resulted in China imposing tariffs on various U.S. agricultural products. These include a 15 percent tariff on wheat and corn, a 10 percent tariff on sorghum and soybeans applied in early March 2025, and a 34 percent tariff applied in early April. These tariffs are significant enough to substantially reduce the competitiveness of U.S. feed grains in the Chinese market compared to other global suppliers.

Although trade volumes are not expected to cease entirely, Chinese importers are likely to shift away from U.S. origins and increase purchases from alternative suppliers, potentially benefiting exporters like Australia.

MY 2024/25 Export Estimate

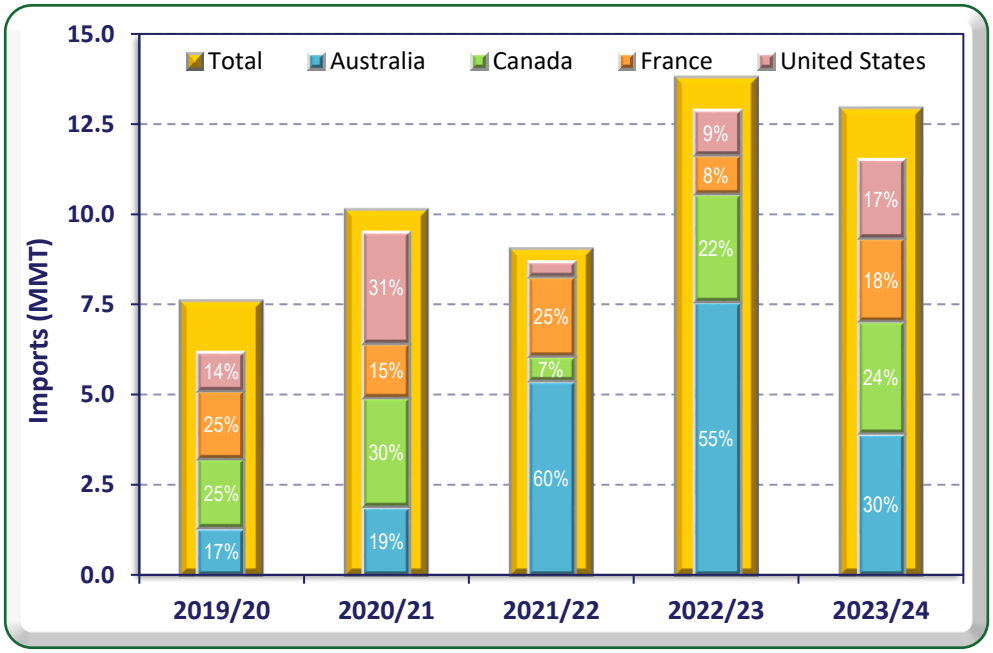
FAS/Canberra's export estimate for MY 2024/25 has been revised upward to 26.0 MMT from 24.0 MMT in the previous estimate (three months prior). This 2.0 MMT increase aligns with a corresponding production revision, from 32.0 MMT to 34.1 MMT.

Between October 2024 and February 2025, Australia exported 7.9 MMT of wheat. Based on typical seasonal trade patterns, this pace suggests a full-year total of around 20.0 MMT. However, exports have been slower than expected, largely due to declining shipments to China.

Industry sources in China indicate that the country may soon rotate older wheat stock and replenish with newer supply, which could significantly boost Australian wheat exports in the coming months—especially if Australia is selected as a preferred source.

Moreover, the tariffs imposed on U.S. wheat since the start of March 2025 will strongly reduce the competitiveness of American wheat in China. The U.S. has been a notable wheat supplier to China in recent years, with export volumes ranging from 0.4 to 3.1 MMT (see Figure 11). As U.S. wheat becomes less attractive, Australia may benefit from diverted demand, potentially accelerating the export pace for the remainder of MY 2024/25.

Figure 11 – China Wheat Import Sources – 2019/20 to 2023/24



Source: *Australian Bureau of Statistics*

In addition, the U.S. is currently China's largest supplier of sorghum, the second-largest supplier of soybeans, and the third-largest supplier of corn. With 10 to 15 percent tariffs announced by China in early March and a further 34 percent in early April applied to these U.S. feed grains, their import volumes are likely to decline. Given wheat's partial substitutability in feed rations, this could further enhance Australia's wheat export opportunities to China in the short term.

Imports

FAS/Canberra maintains a low import forecast for MY 2025/26 at 200,000 MT, consistent with recent years. These imports primarily comprise of wheat products and pasta, which have historically shown stable demand in the Australian market.

Stocks

Australia’s ending stocks of wheat in MY 2025/26 are anticipated to remain relatively stable at 3.3 MMT.

Table 1 - Production, Supply, and Distribution of Wheat

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12372	12372	13060	13060	0	12900
Beginning Stocks (1000 MT)	4371	4371	2912	2912	0	3222
Production (1000 MT)	25960	25960	34110	34110	0	31000
MY Imports (1000 MT)	220	220	200	200	0	200
TY Imports (1000 MT)	214	214	200	200	0	200
TY Imp. from U.S. (1000 MT)	2	1	0	0	0	0
Total Supply (1000 MT)	30551	30551	37222	37222	0	34422
MY Exports (1000 MT)	19839	19839	25500	26000	0	23000
TY Exports (1000 MT)	22504	22504	23000	23400	0	26000
Feed and Residual (1000 MT)	4300	4300	4500	4500	0	4600
FSI Consumption (1000 MT)	3500	3500	3500	3500	0	3500
Total Consumption (1000 MT)	7800	7800	8000	8000	0	8100
Ending Stocks (1000 MT)	2912	2912	3722	3222	0	3322
Total Distribution (1000 MT)	30551	30551	37222	37222	0	34422
Yield (MT/HA)	2.0983	2.0983	2.6118	2.6118	0	2.4031

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Wheat begins in July for all countries. TY 2025/2026 = July 2025 - June 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

BARLEY

Production

FAS/Canberra forecasts Australia’s barley production for MY 2025/26 at 12.5 MMT, a six percent decline from the prior year estimate of 13.3 MMT. Despite the year-on-year decrease, the forecast remains six percent above the previous 10-year average, indicating a relatively strong crop.

FAS/Canberra forecasts the harvest area of barley to remain stable at 4.6 million hectares. Although planting conditions have started very dry in South Australia and western Victoria, it is anticipated that growers will shift some canola area to later-planted wheat and barley.

Yield is forecast to decline by five percent compared to MY 2024/25 but remains six percent above the 10-year average. The lower year-over-year yield is primarily due to unexpectedly strong outcomes in MY 2024/25, particularly in Western Australia, where favorable late-season conditions boosted results. As with wheat, Australian farmers have in recent years consistently achieved better-than-expected yields, even under subpar seasonal conditions, owing to improved practices.

Barley is grown in the same areas as wheat in Australia, and as previously mentioned for wheat, the eastern states of New South Wales and Queensland have generally received average rainfalls from the start of 2025. This is similar to the case for Western Australia which has led to typically good root zone soil moisture at the start of planting for these areas (see Figure 2). These regions have also benefited from good fall rainfall, placing them in a similar or better position compared to the same time last year.

By contrast, South Australia—which produces around 17 percent of Australia's barley crop—and western Victoria have experienced well below average rainfall since early 2025 (see Figure 1). Following a dry MY 2024/25, these areas have minimal soil moisture carryover, and rainfall in early April 2025 has been limited (see Figure 3), especially when compared to the more favorable conditions in New South Wales, Queensland, and Western Australia.

In Australia, barley planting occurs from April to June, with northern regions generally planting and harvesting earlier than the southern temperate zones. This provides ample time for rainfall to improve planting conditions in South Australia and western Victoria before the typical end-of-planting window in late June.

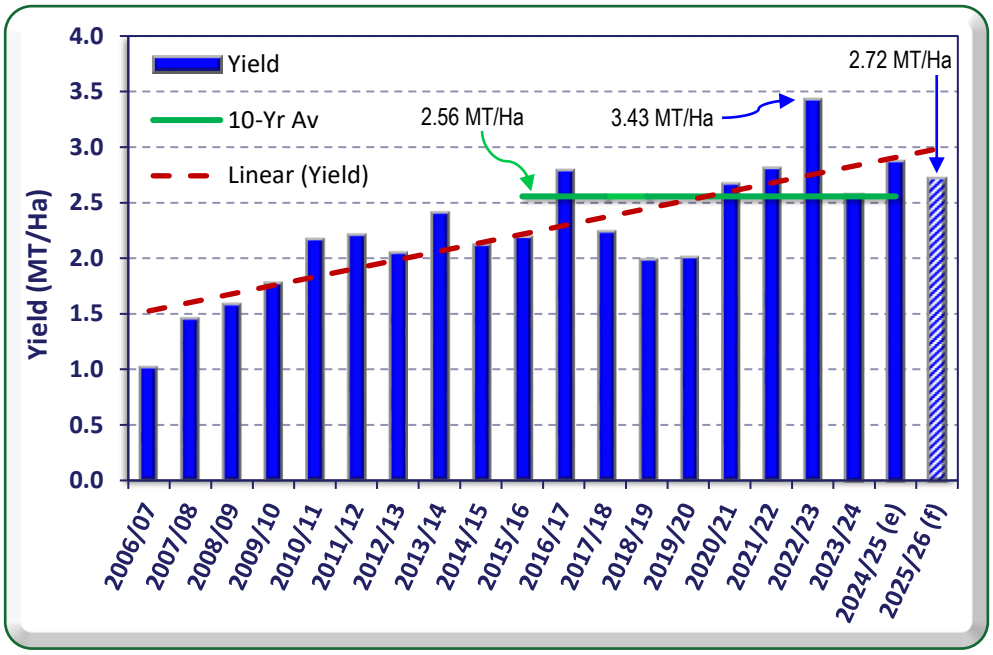
However, as planting progresses, the risk of reduced yields and crop failure increases. Due to the high input costs of canola, farmers facing persistent dry conditions may opt to switch to wheat or barley. Toward the end of the planting period, some wheat area may also be substituted with barley.

On balance, FAS/Canberra expects the barley-planted area to remain stable compared to the previous season. While most growing regions are well-positioned for MY 2025/26 planting, in the drier regions, some planned canola and wheat area may shift to barley, depending on how conditions evolve.

The national yield forecast for barley is 2.72 MT/Ha, six percent above the 10-year average of 2.56 MT/Ha (see Figure 12). This forecast is in line with four of the past five years. The notable exception was MY 2022/23, which had exceptionally favorable conditions and delivered a record-breaking yield.

Similar to wheat, the outlook for barley in MY 2025/26 is shaped by regional rainfall patterns. New South Wales, Queensland, and Western Australia have had a positive start, and with forecasts indicating average to slightly below average rainfall in the months ahead (see Figure 6), yields in these areas are expected to be above average. However, South Australia and western Victoria's dry conditions are likely to result in below-average yields, weighing down the national average.

Figure 12 – Australian Barley Yield History and Forecast – 2006/07 to 2025/26



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

Despite early planting conditions being marginally better than the same period last year, the national yield forecast is lower. This is primarily due to Western Australia's strong performance in MY 2024/25 when a dry start was followed by favorable late-season conditions that significantly boosted yields. Western Australia typically accounts for about 40 percent of national barley production.

Barley yields in Australia have shown a positive trend over the past two decades (see Figure 12), mirroring wheat yields (see Figure 4). This progress is largely attributed to the widespread adoption of zero- or no-tillage practices, which have enabled growers to maximize moisture retention and improve productivity, even in seasons with suboptimal rainfall.

MY 2024/25 Production Estimate

Barley production for MY 2024/25 is estimated at 13.3 MMT, consistent with the latest ABARES estimate, released approximately three months after harvest completion. This is a notably strong result, ranking as the fifth-largest crop on record, and is 12.5 percent above the 10-year average.
This performance is particularly remarkable given that southern Australia (Western Australia, South Australia, and Victoria) —responsible for approximately 75 percent of the national crop—experienced below-average rainfall during the key growing months (March to October 2024) (see Figure 7). Under such conditions, achieving this level of output reflects resilient production systems and strong crop management skills by Australian growers.

Consumption

FAS/Canberra forecasts barley consumption for MY 2025/26 at 6.1 MMT, an increase of 100,000 MT over the estimated 6.0 MMT for MY 2024/25. Similar to wheat, this modest increase is primarily driven by expected growth in livestock feed demand, particularly from the beef feedlot sector. Domestic malting barley consumption, which includes malt produced for export, is expected to remain relatively stable.

Over the past two decades, annual malt exports have fluctuated between 500,000 and 950,000 MT. The peak in exports occurred when China imposed tariffs on Australian barley, prompting a surge in exports to Vietnam. By 2024, malt exports returned to a long-term average of around 600,000 MT. Although export volumes have varied significantly in recent years, malt production has remained relatively stable, and these fluctuations are small compared to total barley consumption.

As discussed for feed wheat, the majority of barley demand from the livestock industry comes from the beef feedlot and poultry sectors, with smaller contributions from the dairy, swine, and sheep industries. Poultry feed demand is typically stable, and swine and sheep feed usage is minimal, contributing little to overall year-to-year changes. In contrast, seasonal conditions affecting pasture growth can have a significant impact on feed demand in the beef and dairy sectors.

A key driver of feed demand for MY 2025/26 is the anticipated increase in the number of cattle in feedlots, continuing the gradual growth observed during 2023 and 2024 (see Figure 8). Australian feedlot capacity is expected to support this increase, which is partly due to the expansion of the national beef herd. Another factor is the expected rise in demand for Australian beef from the United States, which is undergoing a herd-rebuilding phase following an extended drought. This situation is likely to limit the U.S. domestic cattle supply for processing, enhancing opportunities for Australian exports and boosting domestic feed demand.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates barley consumption for MY 2024/25 at 6.0 MMT, an increase of 200,000 MT over MY 2023/24. This growth reflects a return to more typical feed grain usage patterns following MY 2023/24, during which rain-affected sorghum was substituted for barley and wheat in livestock rations.

Nearly all Australian sorghum is exported, and the current crop being harvested, has no reported quality concerns. As such, barley is not expected to be displaced in feed rations for the remainder of MY 2024/25, reinforcing continued demand for barley in the domestic feed sector.

Trade

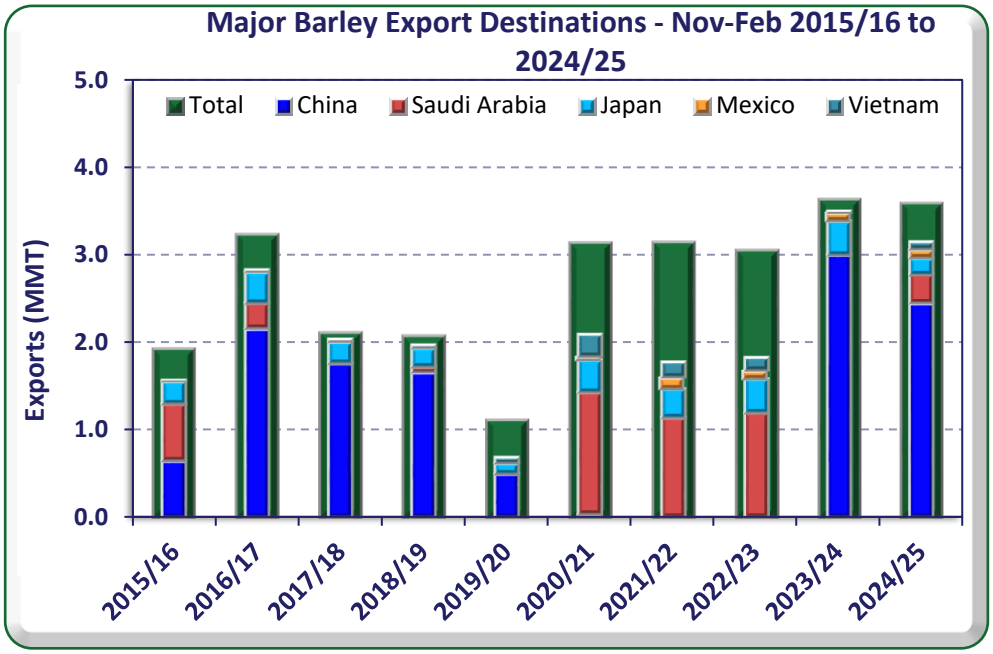
Exports

Australia's barley exports for MY 2025/26 are forecast at 6.5 MMT, a decrease of 0.5 MMT from the MY 2024/25 estimate of 7.0 MMT. This reduction is largely attributed to a forecasted 0.8 MMT decline in production.

Over the past five years, there has been a significant shift in Australian barley export destinations. From May 2020 to August 2023, China imposed tariffs on Australian barley, effectively halting trade and prompting diversification of exports to Middle Eastern markets. Since removing these duties, China has resumed its role as the dominant destination for Australian barley (see Figure 13).

Although the majority of barley exported to China is feed-grade, industry sources report that a notable portion is used for malting. Additionally, China's recent tariffs on U.S. feed grains (as of early April 2025) are expected to boost demand for Australian barley for the remainder of MY 2024/25 and into MY 2025/26.

Figure 13 – Major Barley Export Destinations – Nov to Feb MY 2015/16 to 2024/25



Source: Australia Bureau of Statistics

MY 2024/25 Export Estimate

FAS/Canberra estimates barley exports for MY 2024/25 at 7.0 MMT, a 100,000 MT decrease from MY 2023/24.

From November 2024 to February 2025, barley exports totaled 3.6 MMT, slightly below the export volume for the same period in MY 2023/24. Despite this marginal decline, the current pace reflects a strong early export performance.

In MY 2023/24, export volumes slowed significantly during the final eight months of the marketing year, at a sharper rate than the five-year average. A similar trend is anticipated for MY 2024/25, with a likely deceleration in the latter part of the season.

Stocks

Australia's ending stocks of barley in MY 2025/26 are expected to remain stable at a low level of 1.3 MMT. For MY 2024/25, barley stocks are estimated to increase slightly from 1.2 MMT to 1.4 MMT due to an elevated production level.

Table 2 - Production, Supply, and Distribution of Barley

Barley	2023/2024		2024/2025		2025/2026	
Market Year Begins	Nov 2023		Nov 2024		Nov 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4200	4200	4621	4621	0	4600
Beginning Stocks (1000 MT)	3220	3220	1118	1118	0	1383
Production (1000 MT)	10800	10800	13265	13265	0	12500
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14020	14020	14383	14383	0	13883
MY Exports (1000 MT)	7102	7102	7000	7000	0	6500
TY Exports (1000 MT)	7909	7909	7200	6800	0	6500
Feed and Residual (1000 MT)	4300	4300	4400	4500	0	4600
FSI Consumption (1000 MT)	1500	1500	1500	1500	0	1500
Total Consumption (1000 MT)	5800	5800	5900	6000	0	6100
Ending Stocks (1000 MT)	1118	1118	1483	1383	0	1283
Total Distribution (1000 MT)	14020	14020	14383	14383	0	13883
Yield (MT/HA)	2.5714	2.5714	2.8706	2.8706	0	2.7174

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Barley begins in October for all countries. TY 2025/2026 = October 2025 - September 2026

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SORGHUM

Production

FAS/Canberra's sorghum production forecast for MY 2025/26 is 2.5 MMT, slightly above the upward-revised estimate of 2.3 MMT for MY 2024/25.

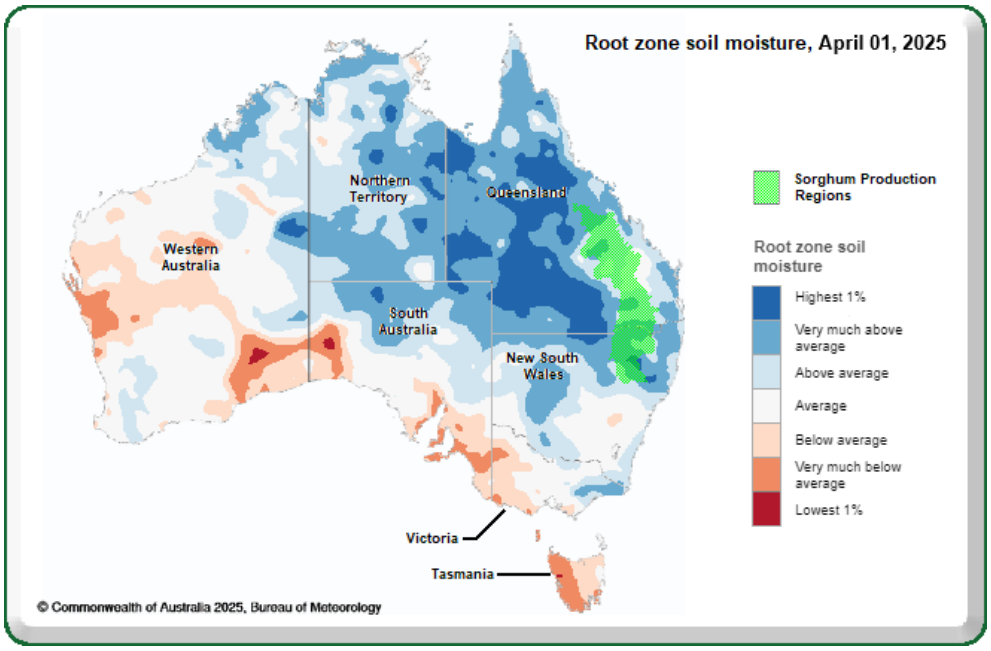
The harvested area is forecast to increase by 100,000 to 670,000 hectares in MY 2025/26. This expansion is primarily driven by China's tariffs on U.S. sorghum, which is expected to increase demand for Australian exports. However, yields are forecast to decline to 3.73 MT/Ha, down from 4.04 MT/Ha in MY 2024/25, the second-highest yield on record. Despite the decline, the forecast yield remains well above the 10-year average, although it sits at the lower end of the range recorded over the past four years. The strong outlook is supported by well-above-average soil moisture levels in key sorghum-growing regions.

Sorghum production in Australia is highly variable year-to-year, primarily influenced by weather conditions before and during the growing season, as it is a dryland summer crop. Irrigated areas in suitable regions are generally allocated to higher-value cotton, while substantial dryland areas are shared between cotton, sorghum, and winter crops. The summer crop options of cotton and sorghum are optimally planted before the winter crops are harvested, but in some instances, growers may opt for a late summer crop planting after harvesting their winter crop if there is ample soil moisture. Typically, producers fallow dryland areas over winter to prepare for summer crops. The final planting decision depends on seasonal conditions, input costs, and commodity price forecasts.

For areas allocated to summer cropping instead of winter crops, soil moisture conditions are already well above average for the forecast year (see Figure 14). This positions dryland cotton and sorghum producers favorably heading into the 2025/26 season.

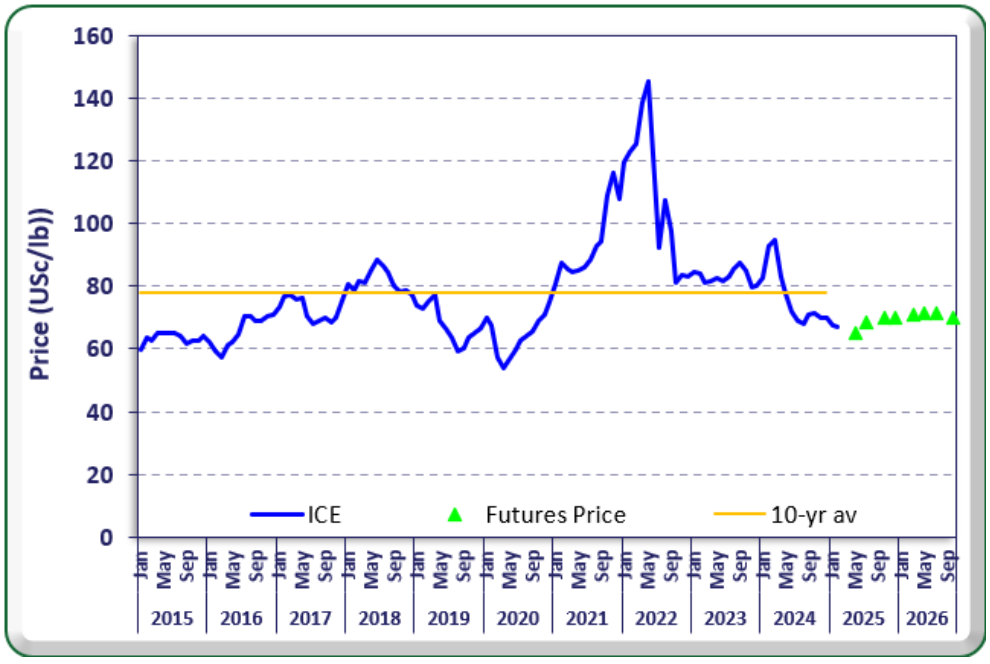
The next key consideration for growers will be which crop offers the best financial return. The expected commodity price is the primary driver. While cotton planting begins in October 2025, current cotton prices are below the long-term average, and they are forecast to remain subdued post-harvest (see Figure 15).

Figure 14 – Australia Soil Moisture Map – April 01, 2025



Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 15 – ICE #2 Cotton Price History & Futures



Source: *Intercontinental Exchange (ICE) #2 – historical prices*
www.investing.com - historic prices
www.barchart.com/futures - futures prices

In contrast, sorghum prices have been boosted from China's import tariffs on U.S. sorghum, introduced in early March and early April 2025. Historically, China has sourced the majority of its sorghum from the U.S. and Australia, with around two-thirds from the U.S. The shift has already lifted demand for MY 2024/25 sorghum, most of which has now been harvested. As a result, many growers are expected to increase their allocation to sorghum, reinforcing the forecast expansion in planted area for MY 2025/26.

Queensland typically produces over two-thirds of Australia's overall sorghum production, much of which is in southern Queensland. Around one-third of the national sorghum crop is produced in northern New South Wales. In the primary producing regions of southern Queensland and northern New South Wales, the main planting period is from the end of September to October but stretches out to December, with harvest generally between March and June. The northern parts of the sorghum-growing regions of central Queensland have a warmer climate, which allows for a greater planting window, typically from September to as late as February. This gives the region a greater capacity to be more opportunistic with its planting program and improves its chances of a successful crop outcome.

MY 2024/25 Production Estimate

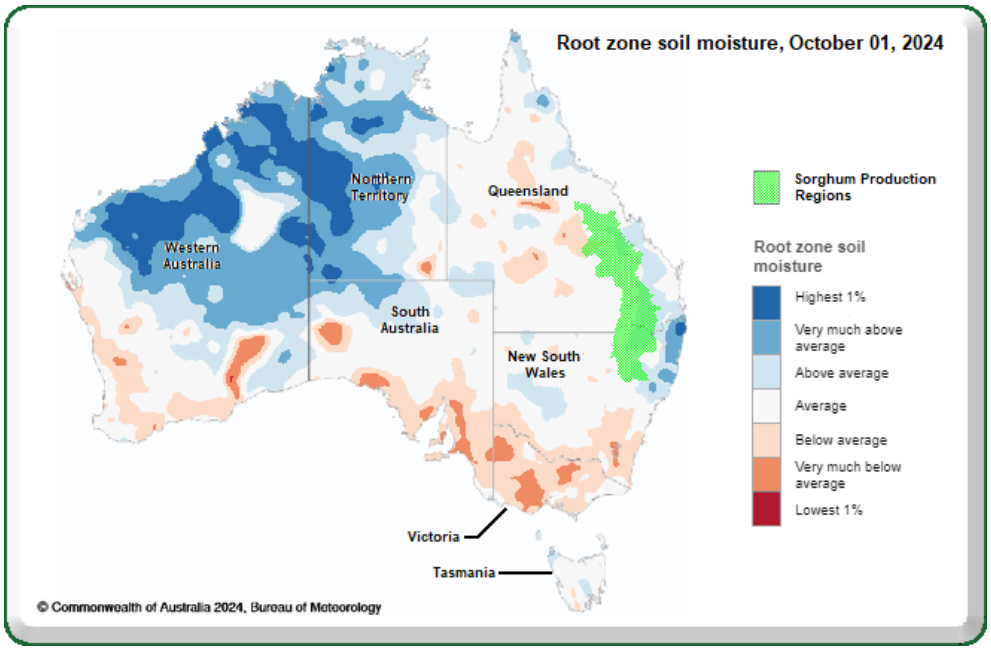
FAS/Canberra has revised its MY 2024/25 sorghum production estimate upward to 2.3 MMT from the previous estimate of 2.2 MMT. The revision is supported by favorable weather conditions and industry reports of strong yields. If realized, this production level would be 13 percent below recent peaks from MY 2022/23 and MY 2023/24, but still 0.6 MMT (35 percent) above the 10-year average of 1.7 MMT.

Sorghum planting in the major production areas of northern New South Wales and southern Queensland usually commences at the start of October each year. However, for the MY 2024/25 crop, there was good soil moisture at the start of September 2024 (see Figure 16), and soil temperatures were high enough for planting. Most sorghum producers took advantage of the conditions, and they started their planting program one month earlier than usual.

During the growing season, most sorghum-producing regions received average to above-average rainfall (see Figure 17). The rain was well-timed and moderate, avoiding large disruptive events and minimizing periods of moisture stress. These conditions contributed to very strong yields, with the estimated seasonal yield at 4.04 MT/Ha, the second highest on record.

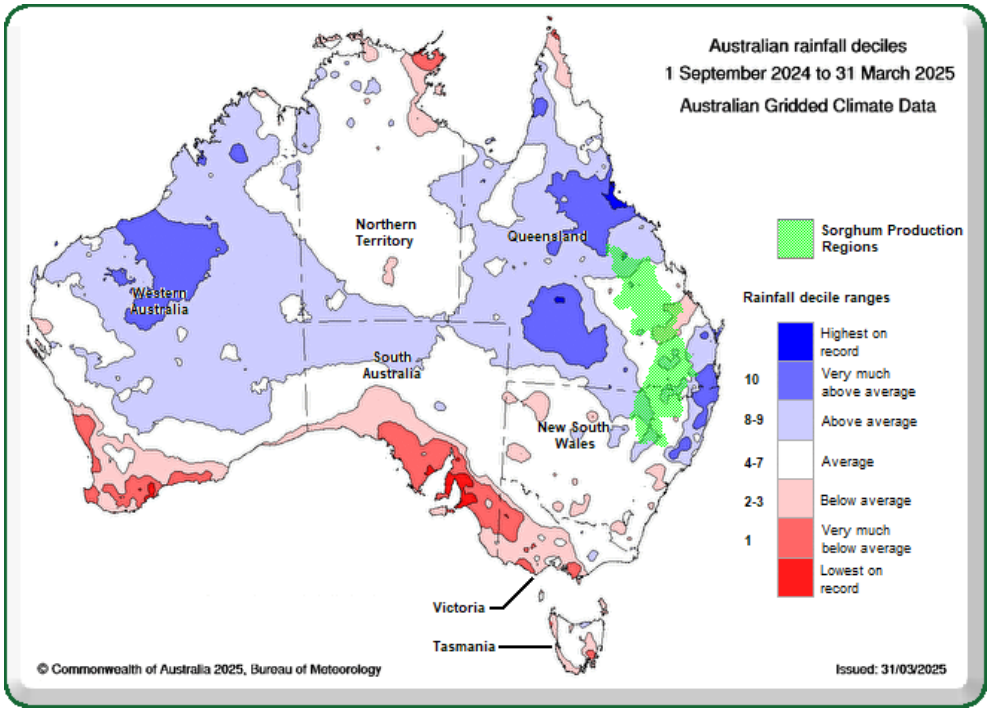
Early planting also led to an earlier-than-normal harvest. Industry reports suggest there was a six-week window of favorable weather during which the majority of sorghum in northern New South Wales and southern Queensland was harvested. However, crops that were harvested a little later were affected by rainfall, causing minor sprouting. Nonetheless, the crop quality remained good.

Figure 16 – Australia Soil Moisture Map – October 01, 2024



Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 17 – Australia Rainfall Deciles – Sep 2024 to Mar 2025



Source: *Australian Bureau of Meteorology / FAS/Canberra*

Note: *MY 2024/25 crop growth period is mainly September 2024 to March 2025*

Consumption

FAS/Canberra forecasts domestic sorghum consumption in MY 2025/26 to remain stable at 110,000 MT, unchanged from the revised estimate for MY 2024/25. Sorghum use in Australia remains limited, with the pig and poultry sectors being the primary users. The beef feedlot industry has largely transitioned away from sorghum in favor of wheat and barley, and a return to sorghum usage is considered unlikely in the near term.

Domestic feed consumption of sorghum has declined significantly over the past 15 years, from approximately 2.2 million MT to current levels around 110,000 MT. This has been driven by a decline in demand from the livestock sectors, particularly beef feedlots. This reduced demand has been driven by:

- Overall, improving nutritional ration formulation by feedlots has shifted towards higher quality white grains (wheat and barley).

- Previous droughts where sorghum supply was very low or exhausted, while white grains were able to be sourced. Many feedlots made permanent infrastructure changes to accommodate these grains. Sorghum, which is more abrasive and damaging to milling equipment, has since been largely phased out and is unlikely to be reintroduced.

- Sorghum is generally a nutritionally lower quality feed for livestock than white grains. For feedlots to revert to sorghum, it would need to be consistently and substantially lower in price. However, in recent years, sorghum prices have often tracked close to—or even exceeded—those of feed wheat and barley due to strong export demand.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates sorghum consumption for MY 2024/25 at 110,000 MT, which is a decline of 150,000 MT from the MY 2023/24 estimate. The higher consumption in MY 2023/24 was primarily due to a rainfall event in early April 2024, which caused a portion of the crop to sprout, rendering it unsuitable for export. As a result, this lower-quality grain was redirected to the domestic feed market.

Almost all domestic sorghum consumption is attributed to livestock feed, with no industrial usage, and an estimated 10,000 MT allocated for seed.

Trade

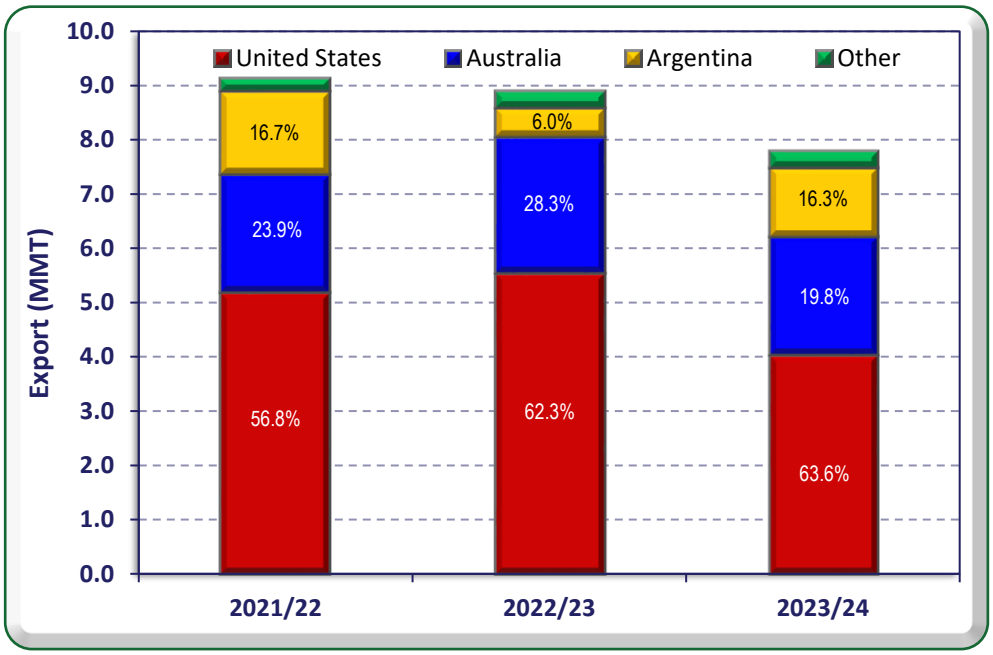
Exports

FAS/Canberra forecasts sorghum exports for MY 2025/26 at 2.4 MMT, an increase of nine percent over the estimated 2.2 MMT for MY 2024/25. This forecasted rise is primarily driven by an expected increase in production of 200,000 MT compared to the previous year. Given that domestic consumption

of sorghum in Australia is minimal, export volumes are largely dictated by production levels. China is expected to remain the dominant export destination, as it has been for many years.

Globally, the United States is the leading sorghum exporter, accounting for approximately 60 percent of world trade in recent years. Australia and Argentina also play significant roles in global sorghum exports (see Figure 18). With another strong export program anticipated in MY 2025/26, Australia is expected to remain a key contributor to global sorghum trade.

Figure 18 – World Sorghum Trade – Australia MY 2021/22 to 2023/24



Source: *Trade Data Monitor*
Note: *Australia Marketing Year is March to February*

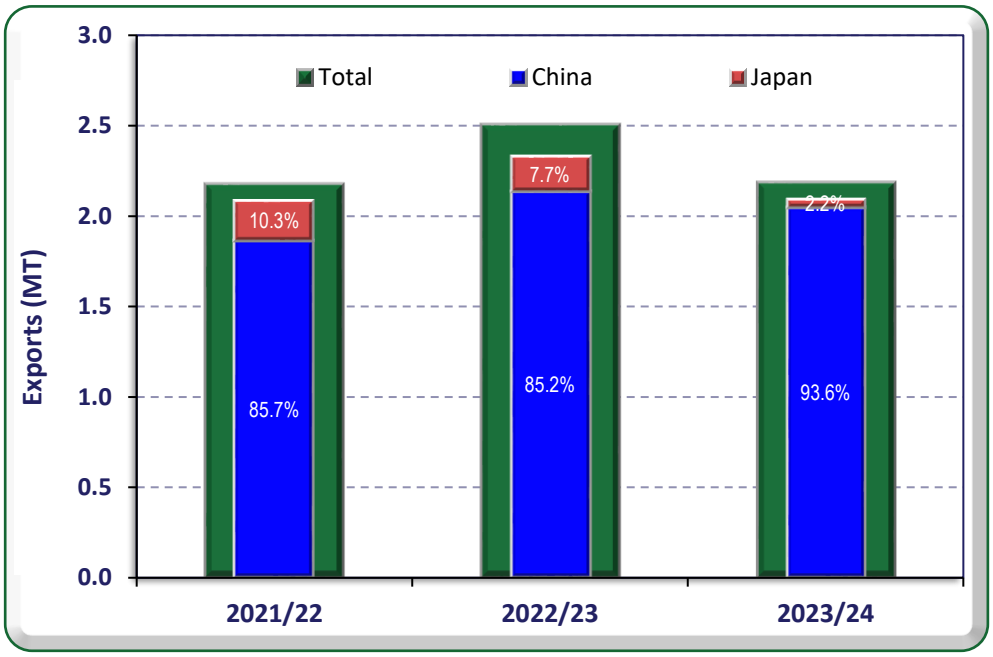
China has consistently been the primary importer of global sorghum exports, and Australian sorghum exports have overwhelmingly been directed to China, accounting for 80 to 95 percent of total volumes over the past decade. Japan has emerged as a secondary destination, receiving up to 10 percent of Australia's sorghum exports in recent years (see Figure 19). However, for MY 2023/24 demand from China strengthened and accounted for 94 percent of Australia's sorghum exports resulting in a decline in volume and importance of exports to Japan.

In MY 2025/26, with another large export program forecast, China and Japan are again expected to receive nearly all of Australia's sorghum exports.

China's demand for Australian sorghum may further strengthen following the imposition of tariffs on U.S. sorghum imports. The U.S. has traditionally been China's largest sorghum supplier, accounting for around 60 percent of imports, while Australia and Argentina have supplied approximately 25 percent

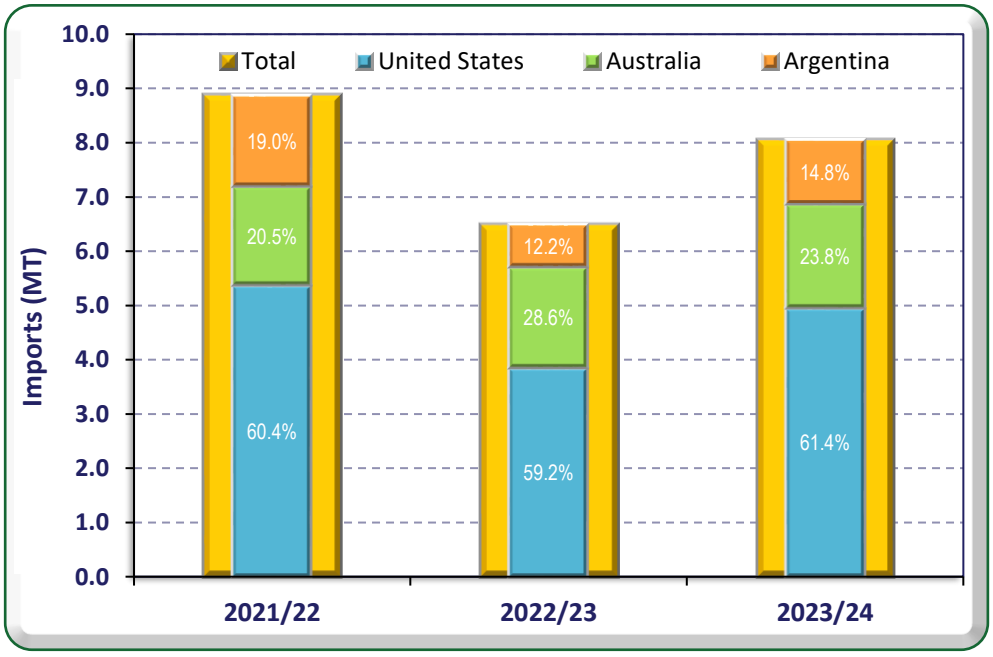
and 15 percent, respectively (see Figure 20). With the new tariffs, Australian and Argentine sorghum is likely to gain a competitive advantage, and result in increasing their market share at the expense of U.S. exports.

Figure 19 – Australian Sorghum Export Destinations - MY 2021/22 to 2023/24



Source: *Australia Bureau of Statistics*

Figure 20 – China Sorghum Import Sources - MY 2021/22 to 2023/24



Source: *Australia Bureau of Statistics*

Beyond its use as a feed grain, one of the primary uses of sorghum in China is for producing 'Baijiu', a traditional white liquor similar to whiskey. Baijiu has been produced in China for over a thousand years and is considered the most widely consumed spirit globally.

MY 2024/25 Export Estimate

FAS/Canberra's sorghum export estimate for MY 2024/25 is 2.2 MMT. As with prior years, exports are primarily driven by production levels, due to limited domestic consumption. This dynamic is expected to continue for the foreseeable future.

Stocks

Stocks are forecast to remain relatively stable at a low level in MY 2025/26, mainly due to the anticipation of continued firm export demand.

Table 3 - Production, Supply, and Distribution of Sorghum

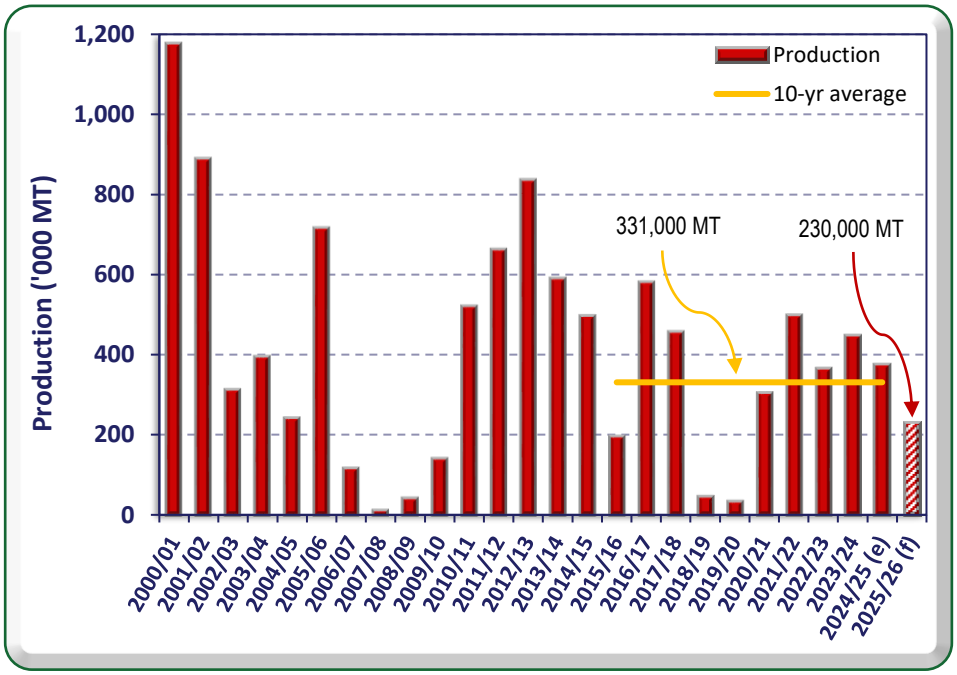
Sorghum	2023/2024		2024/2025		2025/2026	
Market Year Begins	Mar 2024		Mar 2025		Mar 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	600	592	570	570	0	670
Beginning Stocks (1000 MT)	351	351	142	121	0	112
Production (1000 MT)	2200	2215	2300	2300	0	2500
MY Imports (1000 MT)	1	1	0	1	0	1
TY Imports (1000 MT)	1	1	0	1	0	1
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2552	2567	2442	2422	0	2613
MY Exports (1000 MT)	2200	2186	2200	2200	0	2400
TY Exports (1000 MT)	2060	2060	2200	2100	0	2400
Feed and Residual (1000 MT)	200	250	150	100	0	100
FSI Consumption (1000 MT)	10	10	10	10	0	10
Total Consumption (1000 MT)	210	260	160	110	0	110
Ending Stocks (1000 MT)	142	121	82	112	0	103
Total Distribution (1000 MT)	2552	2567	2442	2422	0	2613
Yield (MT/HA)	3.6667	3.7416	4.0351	4.0351	0	3.7313
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Sorghum begins in October for all countries. TY 2025/2026 = October 2025 - September 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

RICE

Production

FAS/Canberra forecasts milled rice production at 230,000 MT for MY 2025/26, representing a 39 percent decrease from the MY 2024/25 estimate and 31 percent below the 10-year average. This significant decline is driven by expectations of substantially reduced irrigation water availability for the MY 2025/26 crop, which will be planted beginning in October 2025. The forecast marks a sharp drop following four consecutive years of above-average production after irrigation water reserves recovered from the 2017 to 2019 multi-year drought (see Figure 21).

Figure 21 – Australian Rice Production History



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

Despite recent gains, the production forecast remains far below the peak of 1.2 MMT recorded in MY 2000/01. This long-term decline is attributed to several factors, including the expansion of cotton and horticultural production in key growing regions. These crops compete directly with rice for water and, in the case of cotton, for land due to overlapping planting and harvesting periods. Increasing demand for limited water resources has driven up traded water prices, reducing the competitiveness of rice production.

Australia's rice industry primarily produces medium-grain rice. In recent years, it has adopted a new cold-tolerant variety, initially commercialized as Reziq and now improved and marketed as V071. First grown commercially in MY 2020/21, this variety now makes up the majority of medium-grain rice

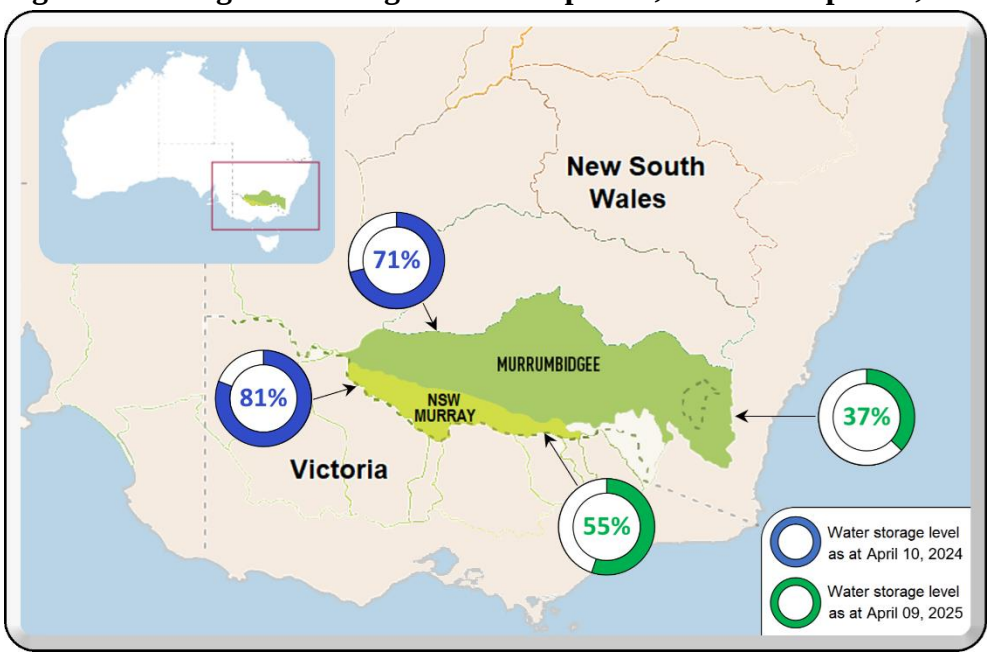
produced in Australia. Its key advantage lies in cold tolerance, which mitigates risk during critical growth stages—panicle initiation and fertilization—and reduces the need for a water blanket. As a result, water use has declined, and yields are expected to be more consistent and higher over time.

Although the improved variety enhances the industry's resilience, the ongoing expansion of cotton production in traditional rice-growing areas is expected to limit future growth. Production exceeding 1 MMT is unlikely to return, with 500,000 MT likely representing the upper end of potential peak output in the coming years.

The forecast harvested area for MY 2025/26 is 30,000 hectares, down 38 percent from MY 2024/25. This reduced area is the primary factor behind the lower production forecast, as yields are expected to remain consistent with recent years.

Over the past four years, ample irrigation water availability has supported strong rice planting and production. However, by mid-April 2025, the volume of water in storage dams that supply the primary rice-growing regions had declined significantly compared to the same time in the previous year (see Figure 22).

Figure 22 – Irrigation Storage Levels – April 10, 2024 and April 09, 2025



Source: Murray Darling Basin Authority

Most water inflows into these dams typically occur during late winter and spring. During this period in 2024 the rainfall in the main rice production region and the associated irrigation water catchment areas received well-below-average rainfall. Consequently, irrigation water storage systems did not replenish

as would typically be anticipated and the current 2024/25 irrigation season has substantially drawn down the irrigation storage levels.

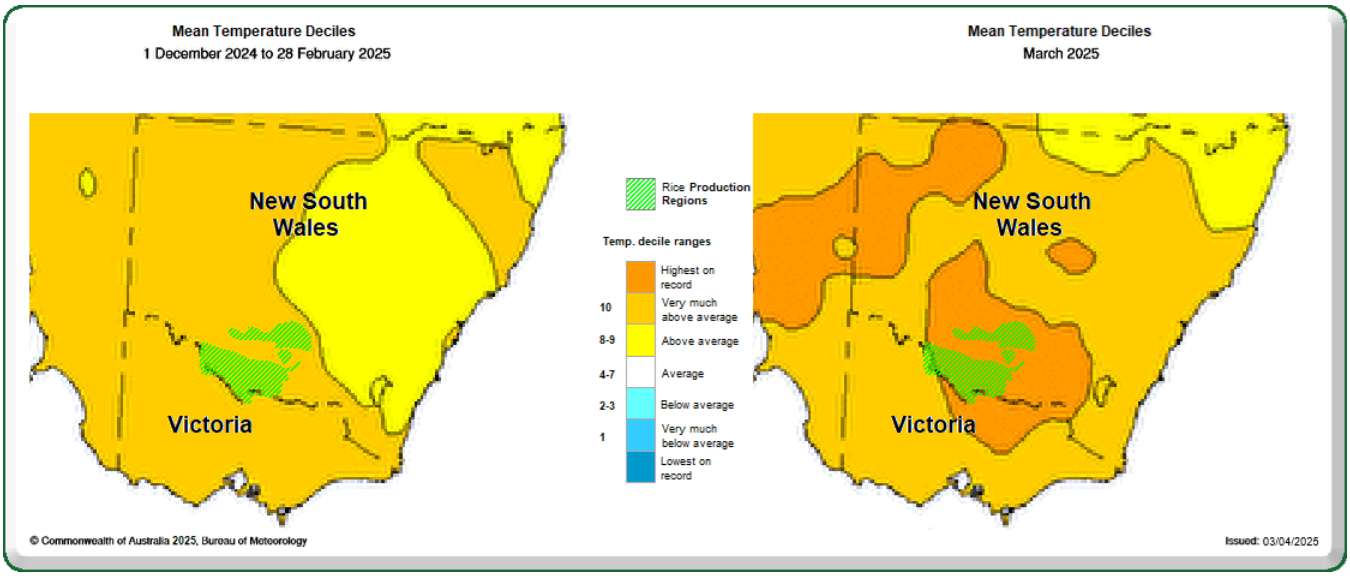
Looking ahead, unless above-average rainfall and water inflows occur in 2025, irrigation allocations for the MY 2025/26 planting season will be sharply reduced, significantly limiting the area of rice production.

MY 2024/25 Production Estimate

FAS/Canberra's estimate for MY 2024/25 rice production remains unchanged at 375,000 MT (milled), 17 percent above the current ABARES estimate. This higher estimate is based on near-optimal growing conditions throughout the season. The crop benefited from above-average temperatures between December 2024 and February 2025, followed by a hot March (see Figure 23), which growers indicate was near optimal for this season's crop.

Industry sources report that more than half the harvested crop has achieved well above-average yields, with some exceptional results. The average yield estimate is 10.85 MT per hectare, is 8.0 percent above the 10-year average, although 1.2 percent below the record yield achieved in MY 2021/22. Some upside potential remains based on final harvest results. There has been relatively little rain so far during harvest and grain quality is reported to be high.

Figure 23 – Mean Temperature Deciles – Dec 2024 to Feb 2025 and Mar 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

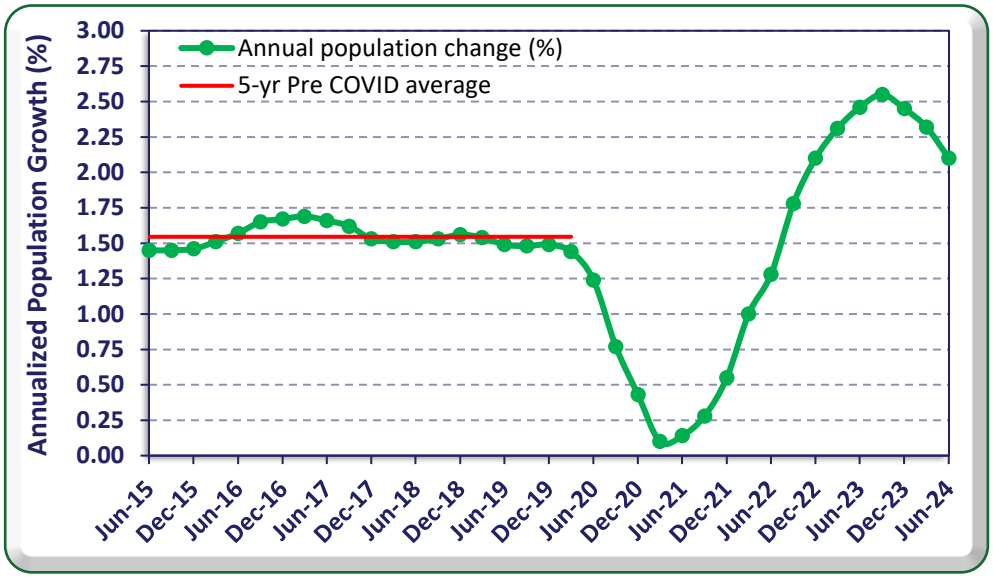
Consumption

Domestic rice consumption for MY 2025/26 is forecast at 420,000 MT, a 2.4 percent increase from the MY 2024/25 estimate of 410,000 MT. This modest rise is primarily driven by continued population

growth, particularly through immigration in 2024, followed by sustained—albeit slower—growth in 2025. In Australia, migration is the main contributor to population growth, making it a key factor influencing food demand trends, including rice consumption.

Australia's population growth rate has significantly exceeded its pre-COVID-19 average of just over 1.5 percent per year. Since late 2022, growth has remained well above this level, peaking at 2.6 percent before easing to an annualized rate of 2.1 percent in the second quarter of 2024 (see Figure 24). Although the federal government has implemented policies to slow the pace of immigration, population growth is expected to remain strong into 2025. This continued demographic expansion is projected to support a modest year-on-year increase in rice consumption in both MY 2024/25 and MY 2025/26.

Figure 24 – Australian Population Growth Trend



Source: Australian Bureau of Statistics

MY 2024/25 Consumption Estimate

FAS/Canberra's rice consumption estimate for MY 2024/25 is 410,000 MT, a 2.5 percent growth from MY 2023/24. This is mainly driven by high immigration rates to Australia.

Trade

Imports

FAS/Canberra forecasts rice imports of 270,000 MT in MY 2025/26, representing a 3.8 percent increase from the MY 2024/25 estimate of 260,000 MT. This rise is directly linked to the sharp forecasted decline in domestic rice production for MY 2025/26. However, the increase in imports is relatively modest, as high production from MY 2024/25 is expected to carry into the following year, bolstering

domestic supply and tempering import needs. A more pronounced impact on imports is anticipated in MY 2026/27, when the full effect of the lower production will be felt.

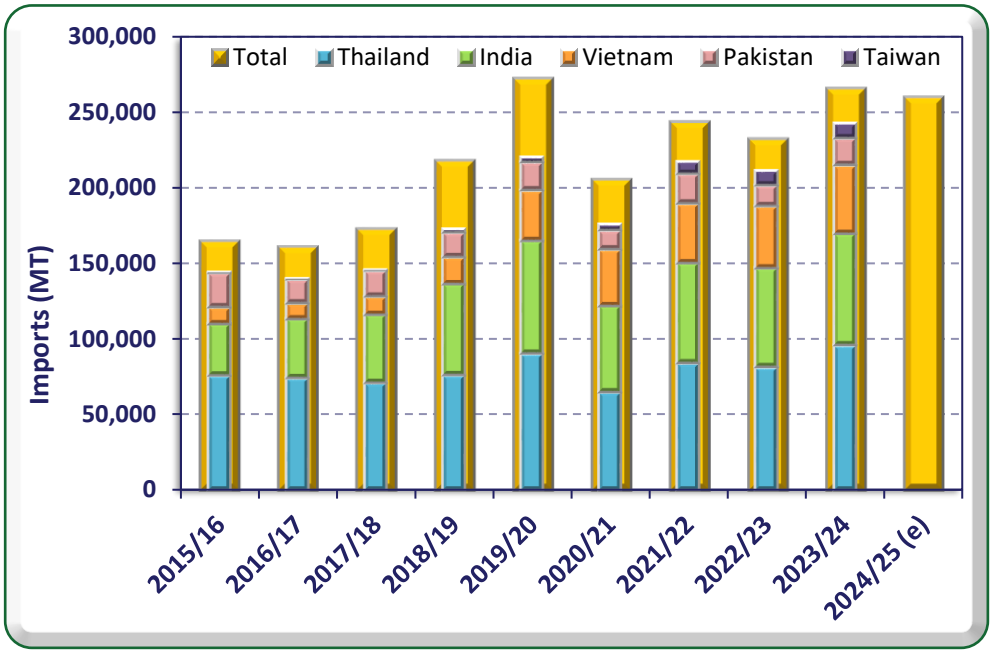
Year-to-year fluctuations in rice production have a delayed and dampening effect on trade volumes. This is due to the lag between harvest (early in the marketing year) and the milling and marketing processes. As a result, a portion of the MY 2024/25 crop will be processed and marketed in MY 2025/26, reducing the immediate need for higher import volumes despite the production decline.

MY 2024/25 Import Estimate

FAS/Canberra estimates rice imports for MY 2024/25 at 260,000 MT, down 2.3 percent from MY 2023/24. With four consecutive years of strong production (MY 2021/22 through MY 2024/25), and the smoothing effect of crop carryover between years, rice imports have remained relatively stable and are expected to continue this trend into MY 2024/25.

Thailand and India have consistently been the top two suppliers of rice to Australia, accounting for roughly two-thirds of total imports over the past decade. Other key sources include Vietnam, Pakistan, and, more recently, Taiwan. These five countries have consistently supplied the majority of Australia's rice import needs for many years (see Figure 25), and this is not expected to change in the estimate and forecast years (MY 2024/25 and MY 2025/26).

Figure 25 – Major Rice Import Trend – MY 2015/16 to MY 2024/25



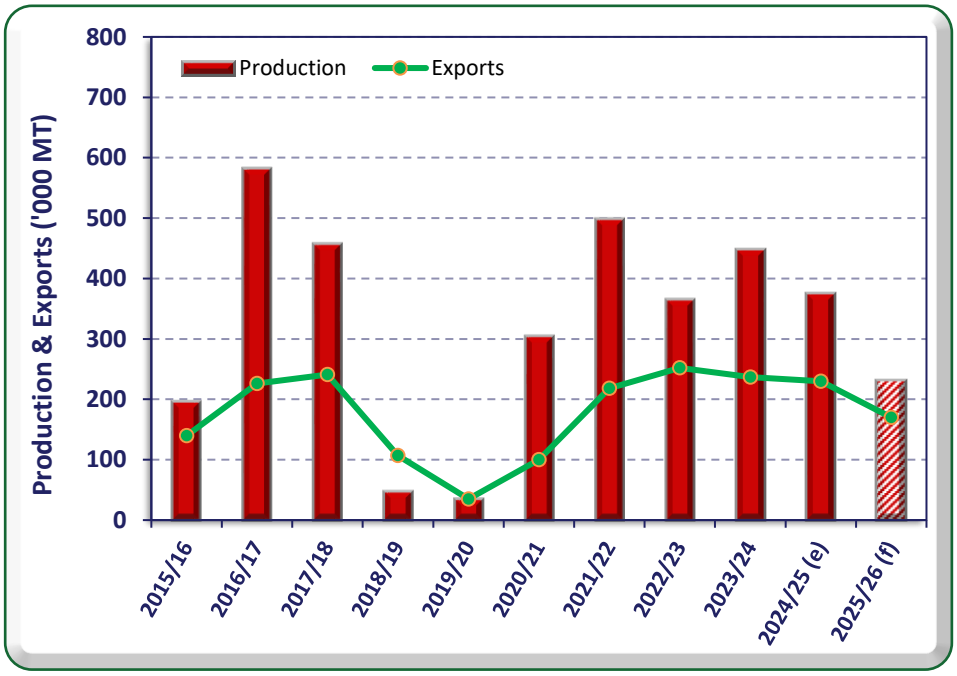
Source: *Australian Bureau of Statistics*
Note: *(e) = estimate*

Exports

FAS/Canberra forecasts rice exports of 170,000 MT in MY 2025/26, a 26 percent decrease (60,000 MT) from the MY 2024/25 estimate. This drop reflects the forecasted 145,000 MT decline in production. However, the full impact on exports is partially offset by the carryover of higher production from MY 2024/25, which will support export volumes in the early part of MY 2025/26.

Over the past decade, Australian rice export volumes have closely tracked production levels, and this correlation is expected to continue (see Figure 26). The general pattern of rising exports in strong production years and falling exports during low-output periods remains consistent.

Figure 26 – Australian Rice Production and Export Trends



Source: *Australian Bureau of Statistics / PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

MY 2024/25 Export Estimate

FAS/Canberra estimates rice exports for MY 2024/25 at 230,000 MT, a three percent decline from the MY 2023/24 result of 237,000 MT. Despite the slight decrease in production, the impact on exports is expected to be moderate due to the carryover of strong production from MY 2023/24, which has helped maintain export capacity.

Stocks

Rice stocks are estimated to decline in MY 2025/26 to around the previous 10-year average level, due to the forecasted decline in production.

Table 4 - Production, Supply, and Distribution of Rice

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Mar 2024		Mar 2025		Mar 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	58	58	44	48	0	30
Beginning Stocks (1000 MT)	196	196	243	272	0	267
Milled Production (1000 MT)	447	447	320	375	0	230
Rough Production (1000 MT)	621	621	444	521	0	319
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	0	7200
MY Imports (1000 MT)	270	266	280	260	0	270
TY Imports (1000 MT)	266	256	275	275	0	265
TY Imp. from U.S. (1000 MT)	2	2	0	2	0	2
Total Supply (1000 MT)	913	909	843	907	0	767
MY Exports (1000 MT)	240	237	230	230	0	170
TY Exports (1000 MT)	240	243	230	230	0	200
Consumption and Residual (1000 MT)	430	400	445	410	0	420
Ending Stocks (1000 MT)	243	272	168	267	0	177
Total Distribution (1000 MT)	913	909	843	907	0	767
Yield (Rough) (MT/HA)	10.7069	10.7069	10.0909	10.8542	0	10.6333

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column
TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Attachments:

No Attachments