Required Report: Required - Public Distribution **Date:** April 28, 2026

Report Number: AS2026-0010

Report Name: Grain and Feed Annual

Country: Australia

Post: Canberra

Report Category: Grain and Feed

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Report Highlights:

The majority of Australia's winter cropping area is well placed heading into marketing year (MY) 2026/27. Central and southern New South Wales, Victoria, South Australia, and Western Australia—accounting for around 90 percent of winter crop production—are entering the planting period with favorable seasonal conditions. Despite rising input costs associated with the Middle East situation, seasonal conditions remain the primary driver of planting decisions and yields. However, forecasts of below-average rainfall in the coming months, combined with the increasing likelihood of an El Niño developing later in 2026, are weighing on production prospects, with wheat and barley production and exports forecast to decline. Sorghum production and exports are also projected to decrease, reflecting the potential onset of El Niño conditions. Rice production and exports are forecast to fall to very low levels in MY 2026/27 due to a further reduction in irrigation water availability, following sharp declines in MY 2025/26.

EXECUTIVE SUMMARY

The majority of Australia's winter cropping regions are well positioned at the outset of marketing year (MY) 2026/27. Central and southern New South Wales, Victoria, South Australia, and Western Australia—which together account for approximately 90 percent of national winter crop production—have entered the planting period with favorable root zone soil moisture levels. Early-season rainfall has supported these conditions, leaving these regions better placed than at the same time last year.

In contrast, southern Queensland and northern New South Wales are experiencing notably dry conditions. Limited rainfall during the first quarter of 2026 has resulted in low soil moisture levels. These northern regions, characterized by warmer climates, typically commence planting earlier and have shorter growing seasons. As a result, they have less flexibility for delayed planting compared to southern regions. At this early stage, production prospects for wheat and barley in these areas are expected to be adversely affected, with flow-on implications for national output in MY 2026/27.

The Middle East situation has led to a significant increase in input costs, particularly for winter crop producers. Diesel and nitrogenous fertilizer prices have approximately doubled in the lead-up to planting. However, many producers had secured inputs in advance, partially mitigating the immediate impact. For summer crop producers, the primary cost pressures relate to diesel used in harvesting and transport. Should conditions in the Middle East stabilize in the near term, the impact on the upcoming summer crop program is likely to be less pronounced than for the current winter crop.

Despite these cost pressures, seasonal conditions remain the dominant factor influencing planting decisions and production outcomes.

FAS/Canberra forecasts wheat production to decline to 29.0 million metric tons (MMT) in MY 2026/27, broadly in line with the 10-year average. This reflects a modest reduction in harvested area and, more significantly, a projected decline in yields to slightly above the long-term average. While the season has begun favorably in most key regions, uncertainty around in-season rainfall and the potential development of El Niño conditions present downside risks. Wheat exports are projected at 23.5 MMT, down 2.5 MMT from the previous year, primarily due to lower production.

Barley production is forecast at 13.6 MMT in MY 2026/27, approximately nine percent above the 10-year average. Harvested area is expected to increase in response to elevated nitrogen fertilizer prices, while yields are projected to return to the 10-year average, down from the near-record levels achieved in the prior year. Barley exports are forecast at 7.0 MMT, a decline of 3.0 MMT from the previous year's record levels.

Sorghum production is forecast to fall by 17 percent to 1.9 MMT in MY 2026/27, although this remains about six percent above the 10-year average. A weaker rainfall outlook and the increasing likelihood of an El Niño event later in 2026 are expected to reduce planting intentions. Further downside risks remain,

depending on the timing and severity of any El Niño event. As Australia exports the majority of its sorghum, exports are projected at 1.8 MMT, down 20 percent from the previous year.

Milled rice production is projected to decline further to 79,000 metric tons (MT) in MY 2026/27, following an estimated 64 percent drop to 134,000 MT in MY 2025/26. This continued decline reflects the likelihood of reduced irrigation water availability from already low levels. Domestic consumption is expected to increase modestly, by 1.2 percent, driven by population growth. With two consecutive years of low production, rice exports are forecast to fall by 62 percent to 50,000 MT, while imports are expected to rise by 14 percent to a record 325,000 MT.

WHEAT

Production

MY 2026/27 Production Forecast

FAS/Canberra forecasts Australian wheat production to decline by 19 percent to 29.0 MMT in MY 2026/27, down from the previous year and broadly in line with the 10-year average. Harvested area is forecast to fall by 600,000 hectares (4.8 percent), primarily due to very dry conditions in southern Queensland and northern New South Wales, as well as some adjustments to winter cropping programs in response to sharply higher nitrogenous fertilizer prices following the escalation of the Middle East situation.

While reduced area will contribute to lower production, the primary driver of the decline is an expected reduction in yields, returning to around the 10-year average after relatively high yields in MY 2025/26.

Early Season Climate Impact

Across Western Australia, South Australia, Victoria, and central and southern New South Wales—which together account for around 90 percent of national wheat production—pre-planting rainfall in 2026 has been at or above average (see Figure 1). As a result, soil moisture levels at the start of planting are also at or above average (see Figure 2), representing a significantly improved position compared to the same period last year.

The MY 2025/26 season produced a 36.0 MMT wheat crop, well above both the 10-year average of 29.0 MMT and the MY 2026/27 forecast. Although the season began late, conditions thereafter were highly favorable, including a mild finish that supported an extended grain-filling period and above-average yields.

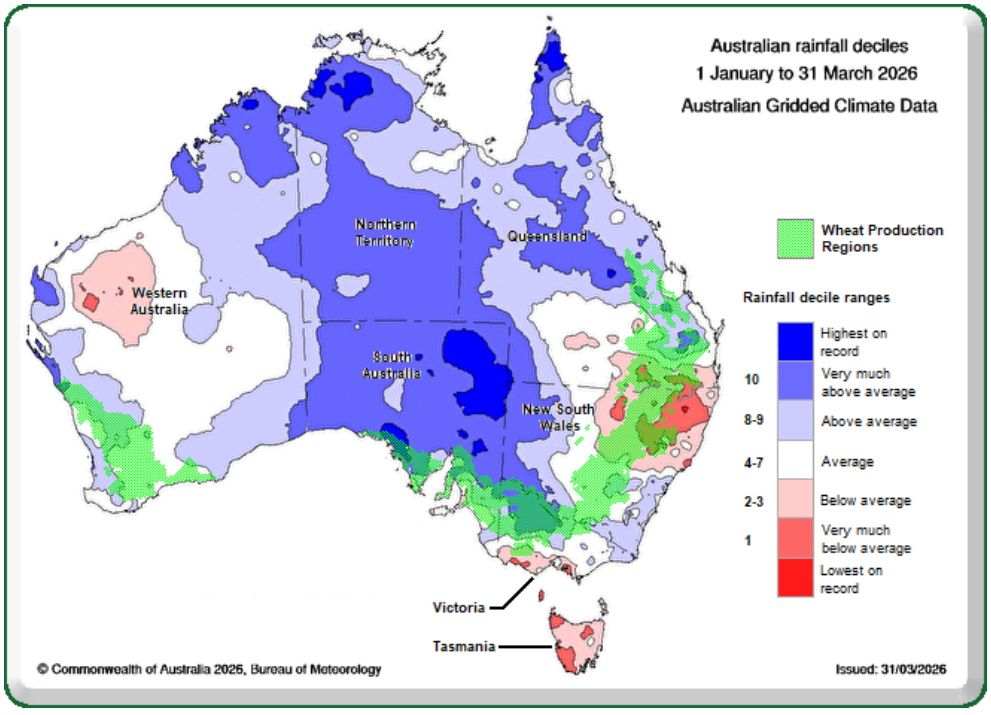
Despite the sharp rise in diesel and nitrogenous fertilizer costs, seasonal conditions remain the primary determinant of planting decisions. As a result, only minor adjustments to overall winter cropping programs are anticipated at the national level.

In contrast, southern Queensland and northern New South Wales have experienced persistently dry conditions in 2026, with rainfall ranging from below average to well below average (see Figure 1). This period is critical for building soil moisture reserves ahead of planting, and current soil moisture levels are well below average—markedly different from the same time last year (see Figure 2).

These northern regions have relatively warmer climates and shorter growing seasons than southern production zones, limiting the scope for delayed planting. Consequently, soil moisture at planting is a critical constraint. While southern Queensland is a relatively minor wheat producer, northern New South Wales is more significant, typically accounting for around 10 percent of national wheat output.

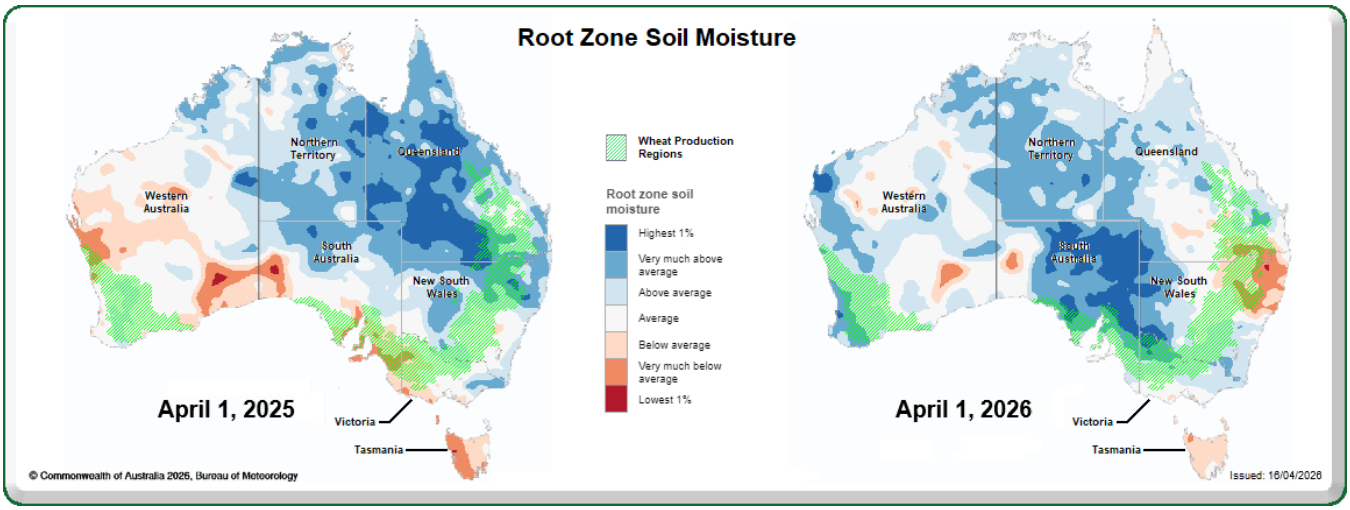
Industry sources indicate that producers in these regions are likely to significantly reduce wheat plantings in MY 2026/27, contributing materially to the overall decline in harvested area by five percent.

Figure 1 – Australia Rainfall Deciles – January to March 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 2 – Australia Soil Moisture Map – April 01, 2025 and 2026

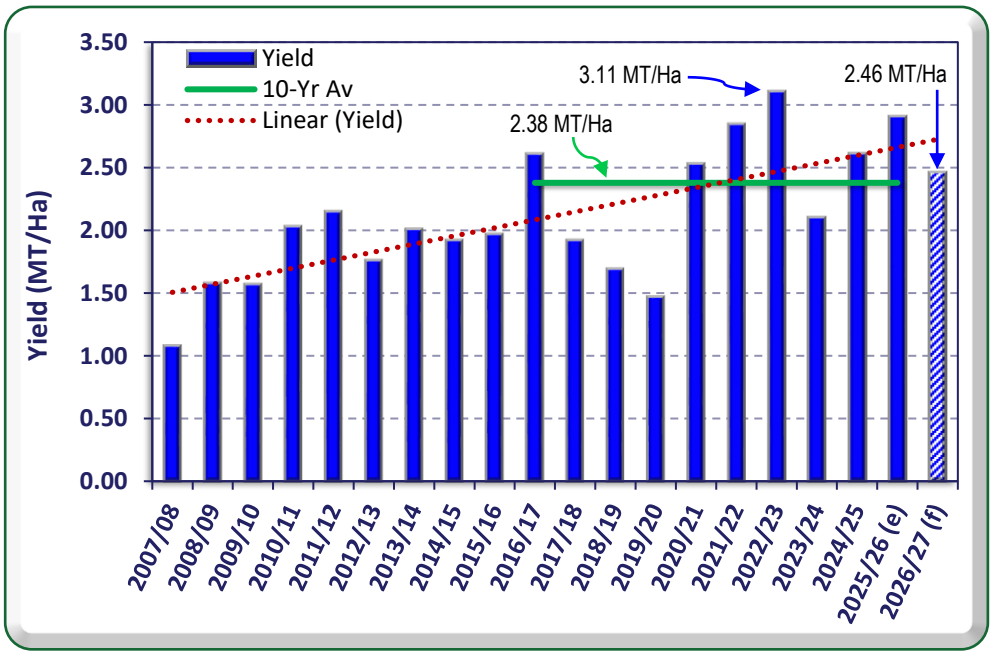


Source: *Australian Bureau of Meteorology / FAS/Canberra*

Seasonal Outlook and Yield Expectations

Wheat yields are forecast at 2.46 metric tons per hectare (MT/Ha), approximately 3.3 percent above the 10-year average of 2.38 MT/Ha (see Figure 3). However, this remains well below the estimated 2.90 MT/Ha achieved in MY 2025/26, when favorable in-season conditions supported strong yields.

Figure 3 – Australian Wheat Yield History and Forecast – MY 2007/08 to 2026/27



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*
Note: *Australia Marketing Year is Oct to Sep (eg MY 2025/26 = Oct 2025 to Sep 2026)*

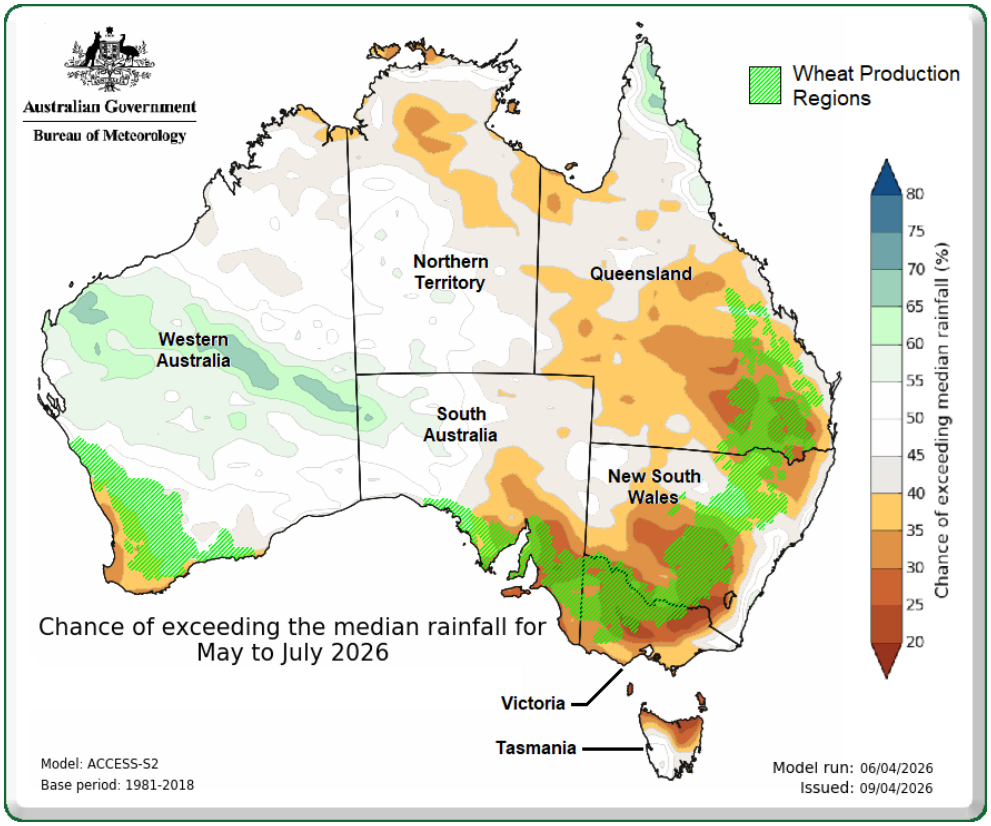
In recent years, Australia has experienced generally favorable growing conditions. National average wheat yields have exceeded the long-term average in five of the past six years—an outcome not solely attributable to improved seasonal conditions. Advances in farming practices, including improved soil moisture conservation, more effective crop rotations, better weed and disease management, and more precise nutrient application, have also contributed to higher productivity.

Given the favorable starting conditions across most production regions, a higher yield outcome might typically be expected. However, the Australian Bureau of Meteorology forecasts below-average rainfall across much of the wheat belt for May to July 2026 (see Figure 4), which tempers yield expectations.

While strong initial soil moisture can sustain crops through the lower water demand of winter, timely rainfall during late winter and early spring (August–September) will be critical to achieving forecast yields.

There is also increasing concern regarding the potential development of an El Niño event later in 2026. Such conditions typically bring drier weather to eastern Australia, while Western Australia is generally less affected. This introduces additional uncertainty around rainfall during key crop development stages, particularly grain filling.

Figure 4 – Australia Rainfall Forecast Map – May to July 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Impact of Middle East Situation

The Middle East situation has significantly increased input costs for Australian wheat producers, with diesel and nitrogenous fertilizer prices approximately doubling due to disruptions to global energy and fertilizer supply chains. In particular, disruptions to shipping and energy flows through the Strait of Hormuz—a key global energy chokepoint—have contributed to these price increases.

If disruptions prove temporary, the primary impact is expected to be elevated fuel costs for planting and transport during MY 2026/27. Some growers mitigated immediate impacts by securing inputs prior to the price escalation.

The Australian government reports that fertilizer supplies are currently adequate for planting, either domestically or in transit. However, uncertainty remains regarding availability for in-season top dressing. Suppliers are reluctant to commit to large purchases at current elevated prices due to the risk of a rapid price correction.

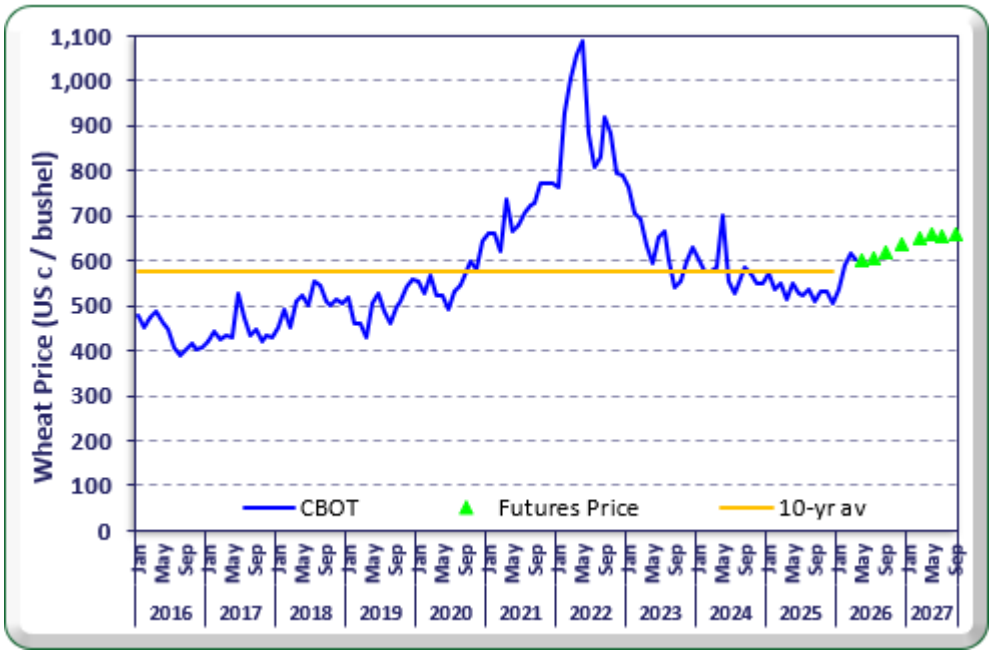
Industry sources report increased soil testing and greater use of agronomic advice as producers seek to optimize fertilizer application. More conservative nitrogen top dressing strategies are likely, particularly given seasonal uncertainty. This contrasts with previous years, when producers were more willing to increase applications under favorable conditions. As a result, fertilizer management decisions are expected to exert some downward pressure on yields.

Impact of Wheat Prices

Australian wheat prices are closely linked to global markets due to the sector's strong export orientation. Chicago Board of Trade (CBOT) wheat prices—commonly used as a global benchmark—have strengthened in response to the Middle East situation and are now slightly above the 10-year average (see Figure 5). Futures markets indicate further price strengthening toward the MY 2026/27 harvest period (October–January).

However, recent price increases have not fully offset higher input costs, particularly for fuel and fertilizer. While elevated prices are expected to support overall planting intentions, this effect is limited in regions facing adverse seasonal conditions, particularly southern Queensland and northern New South Wales.

Figure 5 – CBOT Wheat Price History & Futures



Source: *www.investing.com - historic and futures prices are based on Chicago Board of Trade (CBOT) Soft Red Winter (SRW) wheat*
Futures prices as at April 17, 2026

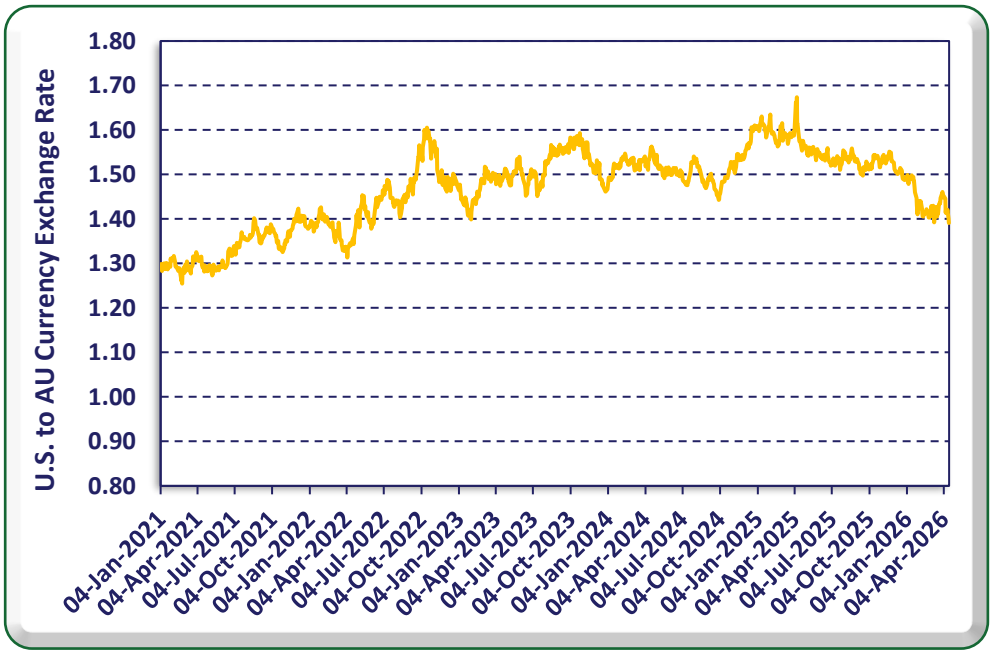
Exchange Rate Influence

The Australian dollar appreciated by approximately six percent between mid-January and mid-February 2026, reaching its highest level since early 2023 (see Figure 6).

This appreciation reflects, in part, monetary policy divergence. The Reserve Bank of Australia has raised interest rates, while other major economies, including the United States, have anticipated an easing cycle. The current Middle East situation has changed the outlook, however the situation in Australia was influenced by a pre-existing increase in inflationary pressure. For this reason, the expectation of a widening differential rates remains and is likely to support further currency strength through capital inflows.

A stronger Australian dollar reduces export competitiveness and places downward pressure on domestic wheat prices. As such some of the gains in world wheat prices have been offset by the strengthening of Australia's currency.

Figure 6 – US:AU Currency Exchange Rate – 2021 to April 17, 2026



Source: Reserve Bank of Australia

MY 2025/26 Production Estimate

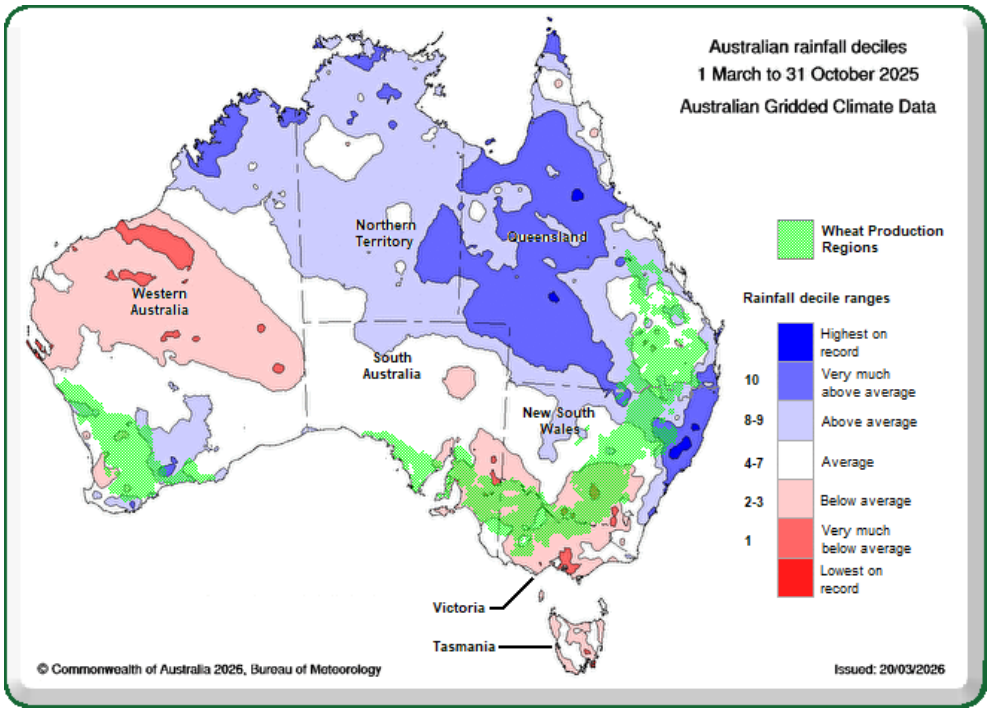
Wheat production in MY 2025/26 is estimated at 36.0 MMT, representing a 2.7 percent downward revision from earlier FAS/Canberra estimates and aligning with the latest data from ABARES. This is 5.5 percent higher than MY 2024/25 and 24 percent above the 10-year average.

This strong outcome is notable given the mixed seasonal conditions. Western Australia began the season with below-average soil moisture and limited rainfall until July, but above-average rainfall thereafter supported near-average seasonal totals and solid yields (see Figure 7).

In contrast, South Australia, Victoria, and southern New South Wales experienced more challenging conditions, including low initial soil moisture and below-average rainfall through much of the season. Dry conditions during September and October constrained yield potential; however, late rainfall in October and early November partially mitigated losses, particularly in southern regions.

Crucially, late-season rainfall combined with below-average temperatures reduced plant stress and extended the grain-filling period, supporting final yields.

Figure 7 – Australia Rainfall Deciles – March to October 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts Australian wheat consumption at 8.6 MMT in MY 2026/27, a decrease of 0.5 MMT from the estimated 9.1 MMT in MY 2025/26.

Livestock feed demand for wheat is expected to increase modestly by around 150,000 MT, driven primarily by growth in the beef feedlot sector, with additional support from the poultry industry. Approximately two-thirds of this increase is attributed to beef feedlots, with most of the remainder linked to poultry production.

However, overall wheat consumption is forecast to decline due to a shift in feed grain use from wheat toward barley. Industry sources indicate that elevated nitrogenous fertilizer prices—linked to the Middle East situation—are encouraging producers to adjust planting programs toward barley, which typically requires lower nitrogen inputs. This is expected to increase the domestic availability of feed barley and reduce demand for feed wheat.

The livestock sector accounts for a significant share of feed wheat consumption, particularly in beef cattle feedlots and the poultry industry, with smaller contributions from the dairy, swine, and sheep sectors. Poultry production in Australia continues to expand steadily, supporting gradual growth in feed

demand. In contrast, feed use in the swine and sheep sectors remains relatively limited and has minimal impact on total wheat consumption.

Strong export demand for Australian beef in recent years has driven increased feedlot activity, enabling faster weight gain and reduced time to slaughter compared to pasture-based systems. This trend is expected to continue, supporting ongoing growth in feed demand, although not sufficient to offset the substitution toward barley.

Wheat used for milling is relatively stable year to year and is forecast to remain unchanged at 3.6 MMT in MY 2026/27.

MY 2024/25 Consumption Estimate

FAS/Canberra's estimate for wheat consumption in MY 2025/26 remains unchanged at 9.1 MMT. While overall feed demand increased during the year, this growth was largely met through higher feed barley consumption rather than wheat.

The beef sector remains the primary source of variability in feed wheat demand, reflecting expansion in the cattle feedlot industry. This growth has been underpinned by strong export demand for Australian beef in recent years.

Trade

Exports

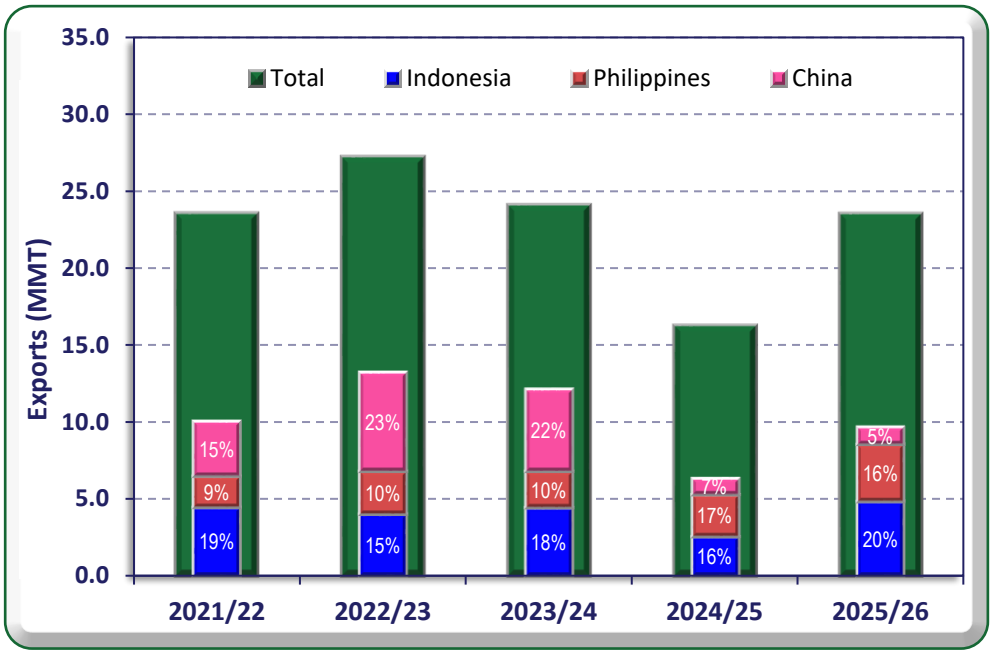
MY 2026/27 Export Forecast

FAS/Canberra forecasts wheat exports at 23.5 MMT in MY 2026/27, a decrease of 2.5 MMT from the MY 2025/26 estimate of 26.0 MMT. This decline primarily reflects lower production, which is forecast to fall by 7.0 MMT year over year. The smaller reduction in exports relative to production is due to a slower-than-expected export pace in MY 2025/26, resulting in higher carry-in stocks available for export in the forecast year.

Australia has traditionally exported wheat to more than 50 markets. Over the past five years, Indonesia has emerged as the largest destination, accounting for around one-fifth of total exports. The Philippines has also grown in importance, while China's role has declined to a second-tier market, comparable to destinations such as Thailand, Vietnam, South Korea, and Japan (see Figure 8).

China remains a potentially significant source of demand, with import volumes typically influenced by domestic production shortfalls and reserve replenishment cycles. However, there is currently no indication that there may be a material increase in Chinese demand for MY 2026/27.

Figure 8 – Wheat Export Destinations – October to February 2021/22 to 2025/26



Source: *Australian Bureau of Statistics*
Note: *Australia Marketing Year is Oct to Sep (eg MY 2025/26 = Oct 2025 to Sep 2026)*

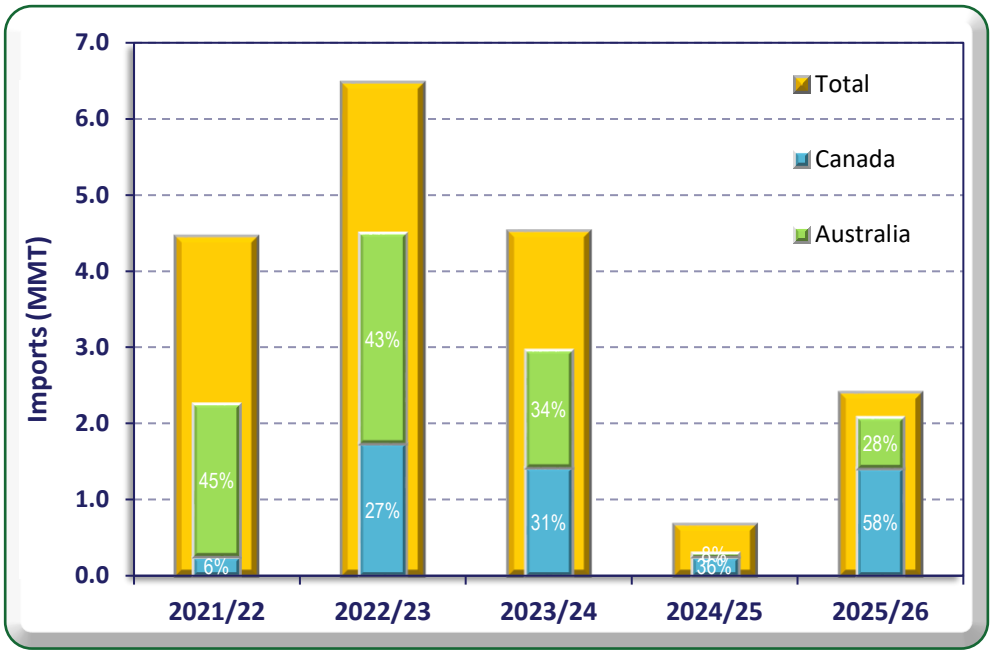
MY 2025/26 Export Estimate

FAS/Canberra's wheat export estimate for MY 2025/26 has been revised downward to 26.0 MMT, from 27.0 MMT in the previous estimate (three months earlier). This revision occurs despite a 1.9 MMT upward adjustment to production, reflecting a slower-than-anticipated export pace during the first five months of the marketing year.

Between October 2025 and February 2026, Australia exported 9.9 MMT of wheat—2.0 MMT more than the same period in MY 2024/25, which ultimately reached 23.7 MMT for the full year. Based on this performance and typical seasonal export patterns, total exports for MY 2025/26 are projected at around 26.0 MMT.

China's wheat demand in MY 2025/26 has been stronger than in the previous year but remains relatively subdued overall. In addition, China has shifted some of its sourcing away from Australia, favoring imports from Canada during the current marketing year (see Figure 9).

Figure 9 – China Wheat Import Sources – October to February 2021/22 to 2025/26



Source: *Australian Bureau of Statistics*
Note: *Australia Marketing Year is Oct to Sep (eg MY 2025/26 = Oct 2025 to Sep 2026)*

Imports

FAS/Canberra maintains a relatively low wheat import forecast of 230,000 MT for MY 2026/27, consistent with recent years. These imports consist primarily of wheat-based products, including pasta, for which demand in the Australian market remains stable.

Stocks

Australia's ending stocks of wheat in MY 2026/27 are anticipated to decline to 2.3 MMT from a relatively high 5.1 MMT due to slower than expected pace of exports for the first five months of MY 2025/26.

Table 1 - Production, Supply, and Distribution of Wheat

Wheat	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	13060	13060	12400	12400	0	11800
Beginning Stocks (1000 MT)	2412	2412	3991	3991	0	5121
Production (1000 MT)	34110	34110	36000	36000	0	29000
MY Imports (1000 MT)	223	223	230	230	0	230
TY Imports (1000 MT)	220	220	230	230	0	230
Total Supply (1000 MT)	36745	36745	40221	40221	0	34351
MY Exports (1000 MT)	23654	23654	26500	26000	0	23500
TY Exports (1000 MT)	21295	21295	26500	26200	0	25600
Feed and Residual (1000 MT)	5600	5600	5500	5500	0	5000
FSI Consumption (1000 MT)	3500	3500	3600	3600	0	3600
Total Consumption (1000 MT)	9100	9100	9100	9100	0	8600
Ending Stocks (1000 MT)	3991	3991	4621	5121	0	2251
Total Distribution (1000 MT)	36745	36745	40221	40221	0	34351
Yield (MT/HA)	2.6118	2.6118	2.9032	2.9032	0	2.4576

(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 2026/2027 = July 2026 - June 2027

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

BARLEY

Production

MY 2026/27 Production Forecast

FAS/Canberra forecasts Australia's barley production at 13.6 MMT in MY 2026/27, a 17 percent decline from the prior year's record estimate of 16.3 MMT. Despite this year-on-year decrease, production remains nearly nine percent above the 10-year average of 12.5 MMT, indicating a strong crop outcome. The decline is primarily driven by lower yield expectations following near-record yields in MY 2025/26.

Harvested area is forecast to increase by seven percent to 5.1 million hectares. This expansion is largely attributable to the Middle East situation, which has led to a sharp rise in nitrogenous fertilizer prices—doubling in recent months. While many producers secured fertilizer supplies ahead of these increases, the greater constraint is expected to emerge during in-season top dressing. Industry sources indicate that, although major shifts in crop rotations are unlikely, some marginal area is expected to move away from canola and wheat—both of which have higher nitrogen requirements—toward barley.

As with wheat, early-season conditions are favorable across most barley-producing regions, with the exception of southern Queensland and northern New South Wales (see Figures 1 and 2). However, the rainfall outlook for the coming months indicates a high likelihood of below-average precipitation across

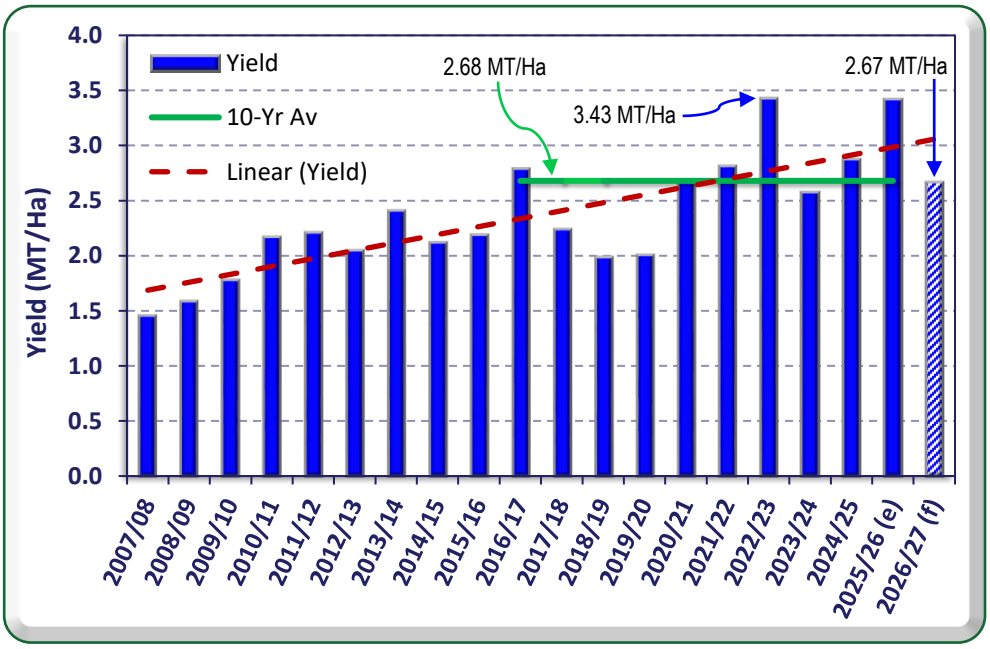
key production areas (see Figure 4). In addition, the Australian Bureau of Meteorology and other international forecasting agencies report an increasing likelihood of an El Niño event developing later in 2026. This introduces uncertainty regarding rainfall during critical crop development stages, particularly grain filling.

It is important to note that El Niño conditions typically have a greater drying impact on eastern Australia, while Western Australia—accounting for around 40 percent of national barley production—is generally less affected.

Yield is forecast to decline by 22 percent to 2.67 MT/Ha, returning to the 10-year average from the near-record estimate of 3.42 MT/Ha in MY 2025/26 (see Figure 10). Given the current outlook for below-average rainfall and the risk of El Niño conditions, this represents a relatively strong yield forecast.

Favorable soil moisture conditions at planting across most regions are expected to support good crop establishment and sustain growth through the winter period. Recent experience suggests that Australian growers can achieve resilient outcomes even under suboptimal seasonal conditions. For example, in MY 2023/24, crops benefited from above-average soil moisture at planting but experienced below-average rainfall thereafter. Despite this, timely late-season rainfall supported near-average national yields.

Figure 10 – Australian Barley Yield History and Forecast – 2007/08 to 2026/27



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*
Note: *Australia Marketing Year is Nov to Oct (eg MY 2025/26 = Nov 2025 to Oct 2026)*

As with wheat, elevated fertilizer costs are expected to encourage more conservative nitrogen application strategies, particularly for top dressing. This is likely to place some downward pressure on yield outcomes in MY 2026/27.

MY 2025/26 Production Estimate

Barley production for MY 2025/26 is estimated at a record 16.3 MMT, 11 percent above the previous record of 14.6 MMT set in MY 2020/21. This estimate aligns with the latest data from ABARES, released approximately three months after harvest completion.

Seasonal conditions were generally favorable across key production regions. Queensland, northern New South Wales, and Western Australia (following a late start) experienced conditions conducive to strong yields and production. In South Australia and Victoria, early- and mid-season conditions were more challenging; however, timely late-season rainfall and a mild finish supported an extended grain-filling period, resulting in stronger-than-anticipated yields and overall production.

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts barley consumption at 6.45 MMT in MY 2026/27, an increase of 650,000 MT from the estimated 5.80 MMT in MY 2025/26.

This growth is driven entirely by feed demand. Underlying feed grain demand is projected to increase by approximately 150,000 MT, with the remaining 500,000 MT reflecting substitution from feed wheat to feed barley. This shift is linked to the Middle East situation, which has encouraged some reallocation of planting area from wheat to barley, increasing the availability of feed barley in the domestic market.

Growth in feed demand is supported by continued expansion in the poultry sector, as well as stronger demand from the beef feedlot industry. In southern Queensland and northern New South Wales, ongoing dry conditions have begun to prompt cattle destocking. Industry sources indicate that producers in these regions are increasingly utilizing feedlots to reduce grazing pressure, particularly given the high concentration of feedlot capacity in these areas.

If forecast El Niño conditions develop later in 2026, feedlot utilization could increase further, potentially driving feed barley demand above current projections.

Domestic consumption of malting barley, including malt produced for export, is expected to remain relatively stable at 1.5 MMT. Over the past two decades, Australia’s annual malt exports have ranged between 500,000 and 950,000 MT. Exports peaked during the period when China imposed tariffs on Australian barley, leading to increased shipments to alternative markets such as Vietnam. By 2024, malt exports had returned to a long-term average of around 600,000 MT. Since then, Australia has shifted

from the second- to the third-largest global malt exporter, behind the European Union and China, which imports significant volumes of Australian barley for domestic malting. While malt export volumes have fluctuated, overall malt production has remained relatively stable, and these variations are small relative to total barley consumption.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates barley consumption at 5.8 MMT in MY 2025/26, an increase of 400,000 MT from MY 2024/25.

This growth is largely driven by rising feed demand from the beef feedlot sector, supported by strong export demand for Australian beef, particularly from the United States and China. Approximately one-quarter of the increase reflects substitution from wheat to barley, due to greater availability following the record barley crop in MY 2025/26.

Trade

Exports

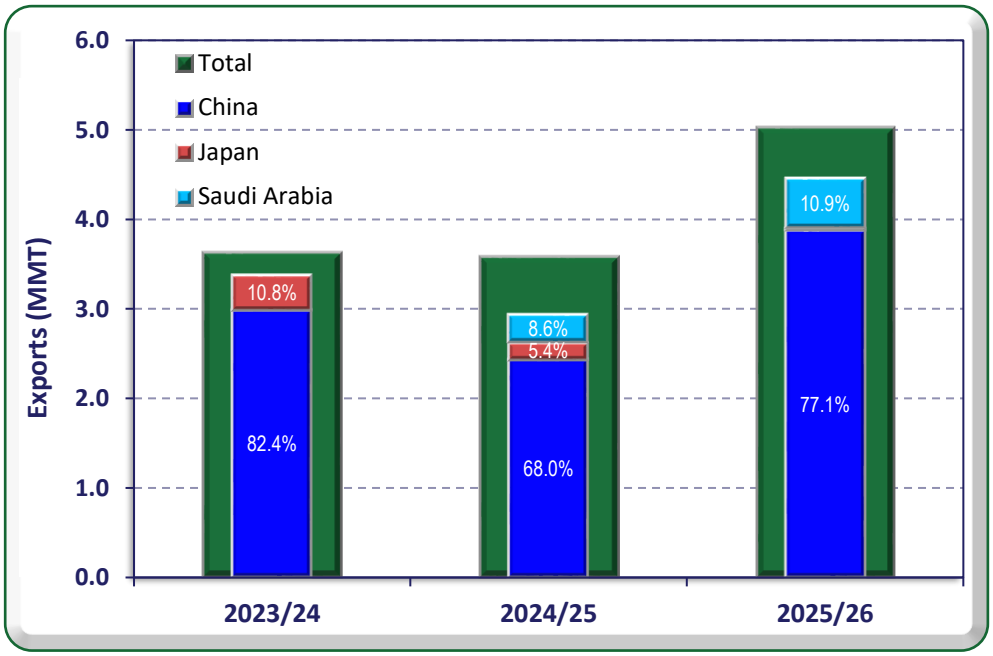
MY 2026/27 Export Forecast

FAS/Canberra forecasts Australia's barley exports at 7.0 MMT in MY 2026/27, a decrease of 3.0 MMT from the MY 2025/26 estimate of a record 10.0 MMT. This decline is largely driven by the forecast 2.7 MMT reduction in production.

Since the removal of Chinese import duties on Australian barley three years ago, China has re-established itself as the dominant export destination (see Figure 11), a position expected to continue in MY 2026/27. Over the same period, exports to Japan have declined, while shipments to Saudi Arabia have increased, making it the second-largest market.

Although most barley exported to China is feed-grade, industry sources indicate that a meaningful share is used for malting. This has contributed to China surpassing Australia as a malt exporter in recent years, supported by its imports of Australian barley.

Figure 11 – Major Barley Export Destinations – Nov to Feb MY 2023/24 to 2025/26



Source: *Australia Bureau of Statistics*
Note: *Australia Marketing Year is Nov to Oct (eg MY 2025/26 = Nov 2025 to Oct 2026)*

MY 2025/26 Export Estimate

FAS/Canberra estimates barley exports at a record 10.0 MMT in MY 2025/26, an increase of 1.7 MMT from MY 2024/25. This represents a nine percent increase over the previous record of 9.2 MMT set in MY 2016/17.

From November 2025 to February 2026, exports totaled 5.0 MMT, significantly higher than the 3.6 MMT shipped during the same period in MY 2024/25. Based on this strong early pace and typical seasonal patterns, exports could reach as high as 12.0 MMT. However, FAS/Canberra expects export volumes to moderate over the remainder of the marketing year, as available stocks would be depleted if the early pace were sustained.

China has accounted for more than three-quarters of barley exports to date in MY 2025/26 (see Figure 11), broadly consistent with recent years. This level of concentration is expected to persist throughout the remainder of the marketing year.

Stocks

Australia's barley ending stocks in MY 2026/27 are forecast to remain stable at a relatively low level of 1.6 MMT.

For MY 2025/26, ending stocks are estimated to increase modestly from 0.9 MMT to 1.4 MMT, supported by record production.

Table 2 - Production, Supply, and Distribution of Barley

Barley	2024/2025		2025/2026		2026/2027	
Market Year Begins	Nov 2024		Nov 2025		Nov 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4621	4621	4772	4772	0	5100
Beginning Stocks (1000 MT)	1318	1318	882	885	0	1411
Production (1000 MT)	13265	13265	16326	16326	0	13600
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14583	14583	17208	17211	0	15011
MY Exports (1000 MT)	8301	8298	9500	10000	0	7000
TY Exports (1000 MT)	8246	8243	9200	9800	0	7000
Feed and Residual (1000 MT)	3900	3900	4700	4300	0	4950
FSI Consumption (1000 MT)	1500	1500	1500	1500	0	1500
Total Consumption (1000 MT)	5400	5400	6200	5800	0	6450
Ending Stocks (1000 MT)	882	885	1508	1411	0	1561
Total Distribution (1000 MT)	14583	14583	17208	17211	0	15011
Yield (MT/HA)	2.8706	2.8706	3.4212	3.4212	0	2.6667
(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 2026/2027 = October 2026 - September 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

SORGHUM

Production

MY 2026/27 Production Forecast

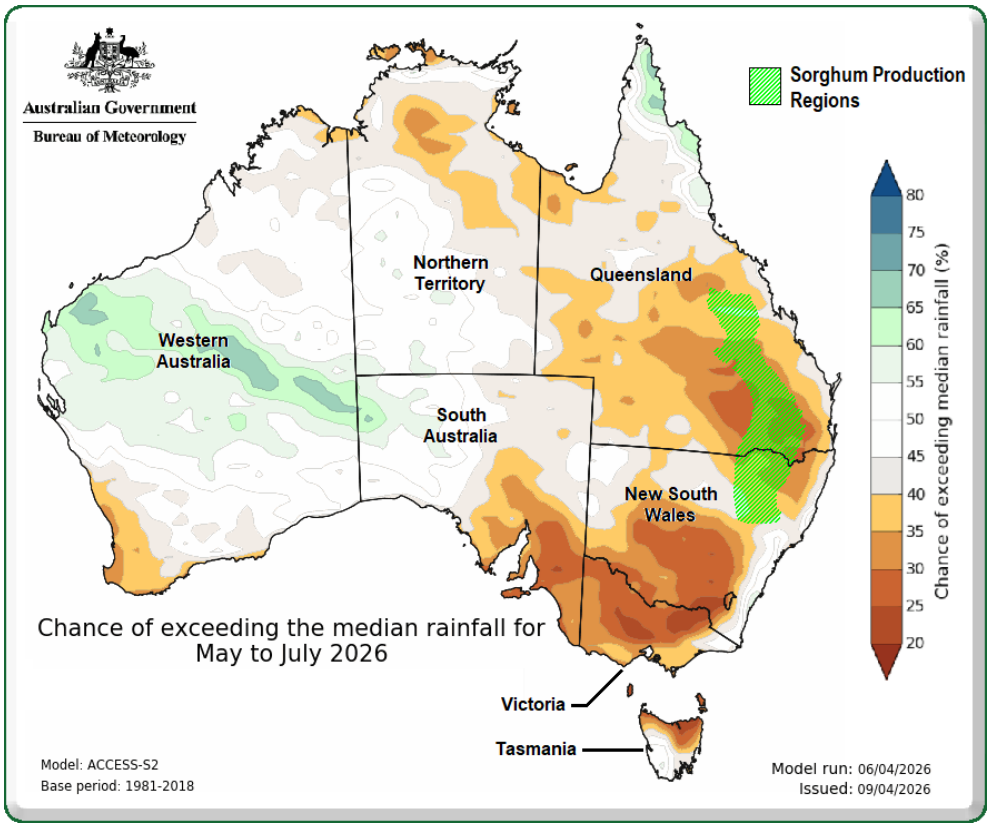
FAS/Canberra forecasts sorghum production at 1.9 MMT in MY 2026/27, a decline of 0.4 MMT from the downward-revised estimate of 2.3 MMT for MY 2025/26. The lower forecast primarily reflects an anticipated reduction in planted area of around 150,000 hectares, to 500,000 hectares, driven by uncertainty surrounding seasonal conditions ahead of planting.

In the near term, the Australian Bureau of Meteorology forecasts a low probability of median rainfall across all major sorghum-producing regions for May to July 2026 (see Figure 12). Although this period precedes the typical planting window—which begins in October—conditions may improve in late winter

and early spring (August–September). However, the current dry outlook, combined with an increasing likelihood of an El Niño event later in 2026, is contributing to cautious planting area forecast.

The Bureau of Meteorology, along with several international forecasting agencies, indicates a rising probability of a strong El Niño developing later in 2026. While the timing and intensity remain uncertain, such an event would likely bring drier conditions to eastern Australia and poses a significant downside risk to production in MY 2026/27.

Figure 12 – Australia Rainfall Forecast Map – May to July 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

The Middle East situation has led to a sharp increase in diesel and nitrogenous fertilizer prices. If resolved in the near term, improved supply conditions could ease prices in the lead-up to planting, limiting the impact on sorghum production. However, if elevated input costs persist, they may influence planting decisions at the margin. As with other crops, seasonal conditions are expected to remain the dominant driver.

General Sorghum Production Parameters

Sorghum production in Australia is highly variable from year to year, largely reflecting weather conditions before and during the growing season, as it is predominantly a dryland summer crop.

Irrigated land is generally allocated to higher-value crops such as cotton, while dryland areas are shared between cotton, sorghum, and winter crops.

Sorghum and cotton are typically planted before the winter crop harvest; however, in some cases, growers may plant a late summer crop following winter harvest if sufficient soil moisture is available. More commonly, producers leave land fallow over winter to conserve moisture for summer planting. Final planting decisions are influenced by seasonal conditions, input costs, and relative commodity prices.

Queensland accounts for more than two-thirds of national sorghum production, primarily in the southern part of the state, while northern New South Wales contributes around one-third. In these key regions, planting generally occurs from late September through October, extending to December, with harvest between March and June.

In central Queensland, warmer conditions allow for a longer planting window—from September through to February—providing greater flexibility and enabling more opportunistic planting decisions, which can improve the likelihood of favorable production outcomes.

MY 2025/26 Production Estimate

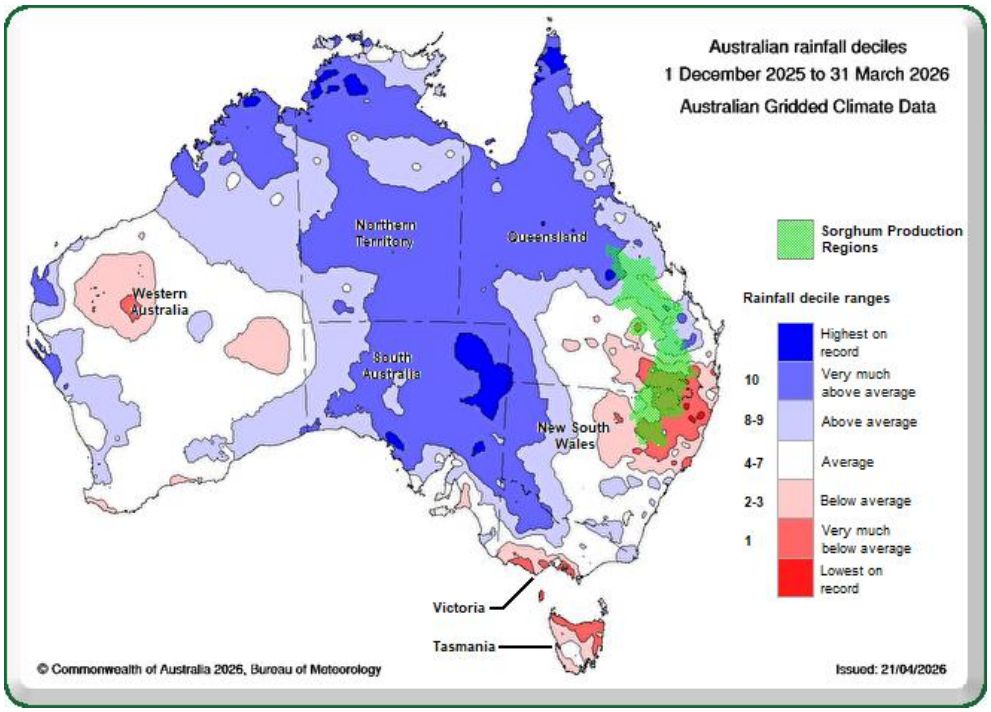
FAS/Canberra has revised its MY 2025/26 sorghum production estimate downward from 2.5 MMT to 2.3 MMT, reflecting lower yield expectations. If realized, this would still be 28 percent above the 10-year average, but 14 percent below the record production achieved in MY 2024/25.

In the key production regions of northern New South Wales and southern Queensland, some early planting occurred in September where soil moisture conditions were favorable. These early-planted crops have since been harvested and are reported to have achieved strong yields.

However, broader planting was delayed due to unfavorable early-season conditions, with limited rainfall during October and early November 2025. As a result, a significant proportion of the crop was planted later, in late November and early December.

Seasonal conditions for these later-planted crops were less favorable, with below-average rainfall recorded from December 2025 through March 2026 (see Figure 13). Consequently, yields for these crops were lower than previously expected, leading to the downward revision in overall production.

Figure 13 – Australia Rainfall Deciles – Dec 2025 to Mar 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts domestic sorghum consumption in MY 2026/27 to remain stable at 110,000 MT, unchanged from the MY 2025/26 estimate. Sorghum use in Australia remains limited, with demand primarily concentrated in the pig and poultry sectors.

Historically, the beef feedlot industry was a major consumer of sorghum. Over the past 15 years, total domestic consumption reached approximately 2.2 MMT. However, feedlot usage has since declined significantly, with the industry largely shifting toward wheat and barley. A return to meaningful sorghum use in feed rations is considered unlikely in the near term, reflecting several structural changes in feeding practices:

- Past drought conditions reduced sorghum availability, while wheat and barley remained more reliably sourced. In response, many feedlots made permanent infrastructure adjustments to accommodate these alternative grains.
- Advancing in feedlot nutrition has increased the use of higher-quality white grains, particularly wheat and barley, in feed rations.
- Sorghum has, in recent years, often traded at a premium to wheat and barley, further discouraging substitution back into sorghum.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates sorghum consumption in MY 2025/26 at 110,000 MT, unchanged from MY 2024/25.

Nearly all domestic sorghum use is directed toward livestock feed, with no significant industrial demand. An estimated 10,000 MT is allocated to seed use, while the remainder is consumed primarily by the pig and poultry sectors.

Trade

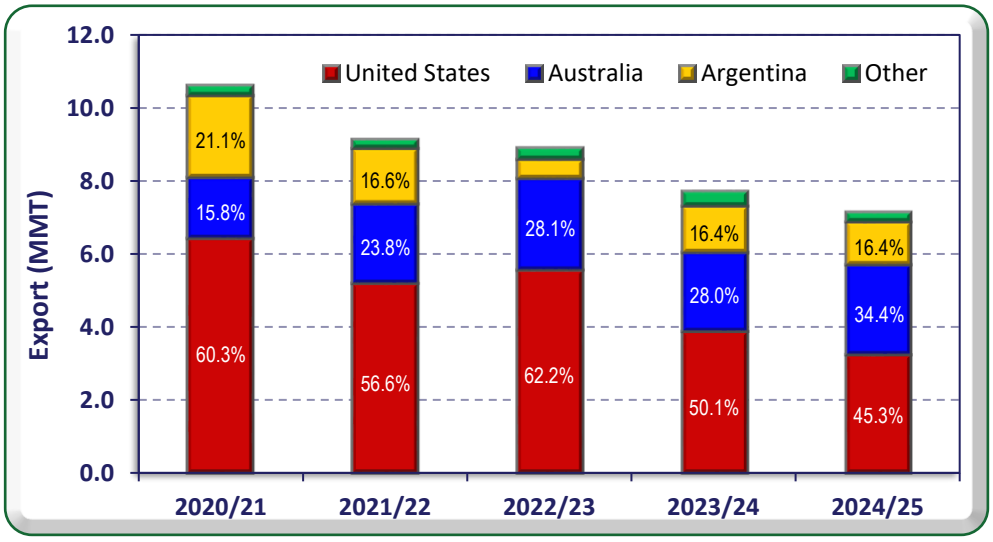
Exports

MY 2026/27 Export Forecast

FAS/Canberra forecasts sorghum exports at 1.80 MMT in MY 2026/27, a decrease of 20 percent from the estimated 2.25 MMT for MY 2025/26. The decline is primarily driven by an expected reduction in production of 0.4 MMT compared to the previous year. Given minimal domestic consumption, Australian sorghum exports are largely determined by production availability. China is expected to remain the dominant export destination, consistent with historical trade patterns.

Globally, the United States is the largest sorghum exporter and, until recent years, accounted for around 60 percent of world trade. Australia and Argentina also play significant roles in global exports (see Figure 14). With declining U.S. export volumes in recent years and strong Australian production outcomes, Australia's share of global sorghum trade has strengthened. However, this is expected to moderate in MY 2026/27 due to anticipated production constraints linked to less favorable seasonal conditions.

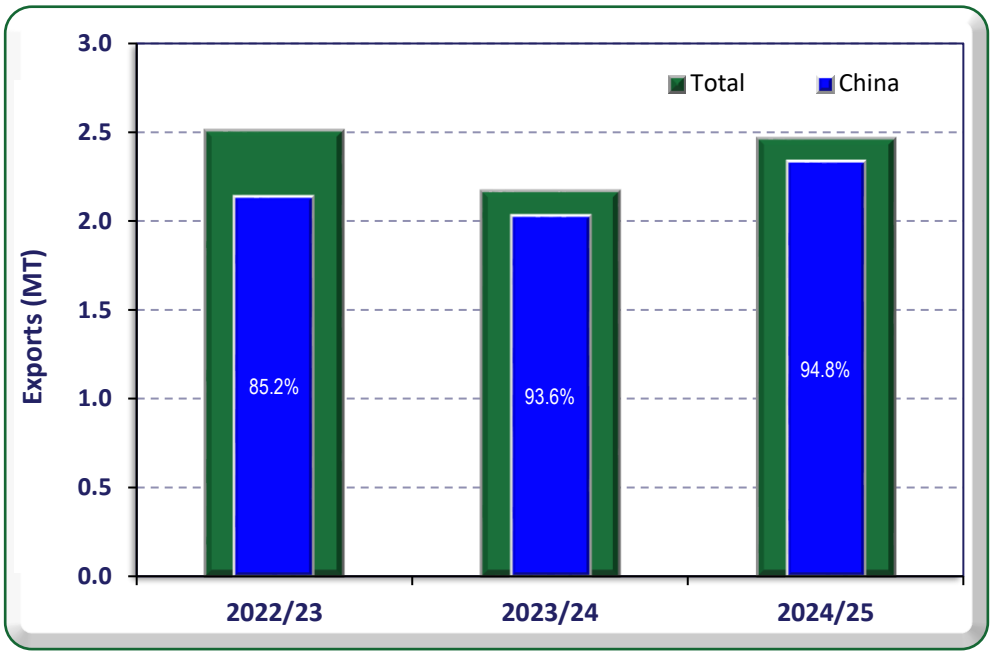
Figure 14 – World Sorghum Trade – Australia MY 2020/21 to 2024/25



Source: *Trade Data Monitor*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2024/25 = Mar 2025 to Feb 2026)*

China remains the largest importer of sorghum globally and has consistently been the primary destination for Australian exports. In recent years, approximately 95 percent of Australian sorghum exports have been shipped to China (see Figure 15). This concentration is expected to continue in both the estimate and forecast years.

Figure 15 – Australian Sorghum Export Destinations - MY 2022/23 to 2024/25

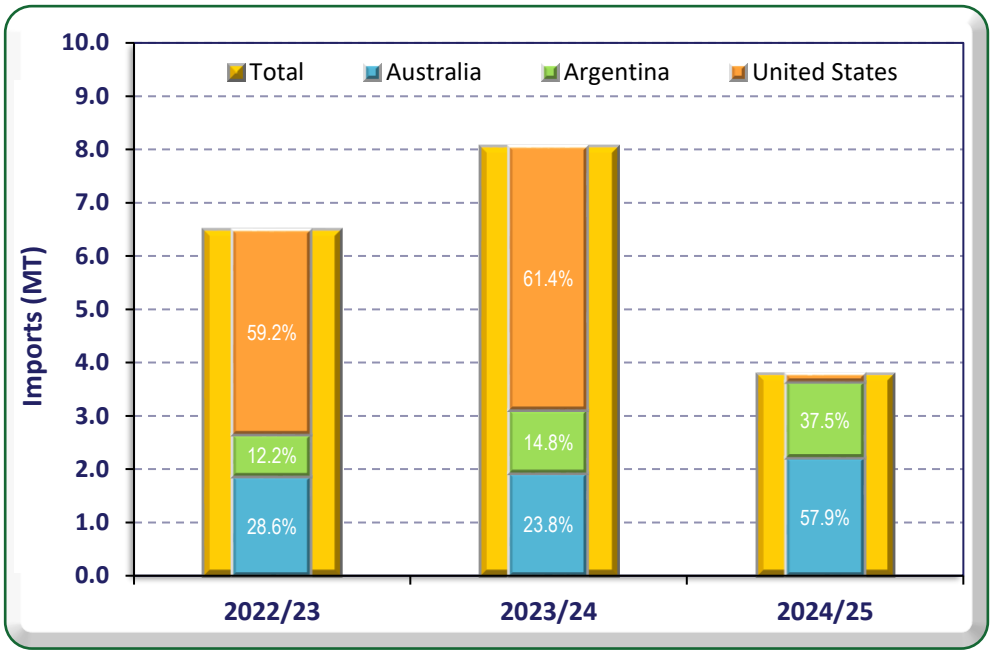


Source: *Australia Bureau of Statistics*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2024/25 = Mar 2025 to Feb 2026)*

China's import pattern shifted further in MY 2024/25 following the imposition of tariffs on U.S. sorghum in response to U.S. trade measures introduced in April 2025. As a result, U.S. sorghum exports to China effectively ceased during the year, while imports from Australia and Argentina increased (see Figure 16).

Beyond its role as a feed grain, sorghum in China is also a key input for the production of Baijiu, a traditional distilled spirit similar to whiskey. Baijiu production has a long history in China and remains one of the most widely consumed alcoholic beverages globally.

Figure 16 – China Sorghum Import Sources - MY 2022/23 to 2024/25



Source: *Australia Bureau of Statistics*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2024/25 = Mar 2025 to Feb 2026)*

MY 2025/26 Export Estimate

FAS/Canberra has revised its sorghum export estimate for MY 2025/26 downward to 2.25 MMT, from 2.50 MMT three months earlier. As domestic sorghum consumption remains minimal, exports are closely tied to production levels. Accordingly, the downward revision in production is the primary driver of the lower export estimate.

Stocks

Stocks are forecast to remain relatively stable at a low level in MY 2026/27, mainly due to the lower production expectation and the anticipation of continued firm export demand.

Table 3 - Production, Supply, and Distribution of Sorghum

Sorghum	2024/2025		2025/2026		2026/2027	
Market Year Begins	Mar 2025		Mar 2026		Mar 2027	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	587	587	650	650	0	500
Beginning Stocks (1000 MT)	138	138	171	251	0	191
Production (1000 MT)	2685	2685	2500	2300	0	1900
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2823	2823	2671	2551	0	2091
MY Exports (1000 MT)	2462	2462	2400	2250	0	1800
TY Exports (1000 MT)	2500	2500	2600	2150	0	1900
Feed and Residual (1000 MT)	180	100	100	100	0	100
FSI Consumption (1000 MT)	10	10	10	10	0	10
Total Consumption (1000 MT)	190	110	110	110	0	110
Ending Stocks (1000 MT)	171	251	161	191	0	181
Total Distribution (1000 MT)	2823	2823	2671	2551	0	2091
Yield (MT/HA)	4.5741	4.5741	3.8462	3.5385	0	3.8

(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 2026/2027 = October 2026 - September 2027

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RICE

Production

MY 2026/27 Production Forecast

FAS/Canberra forecasts milled rice production to decline further to 79,000 MT in MY 2026/27, following a sharp reduction to 134,000 MT in MY 2025/26. The outlook is primarily driven by expectations of further declines in irrigation water availability for the upcoming crop, which will be planted from October 2026.

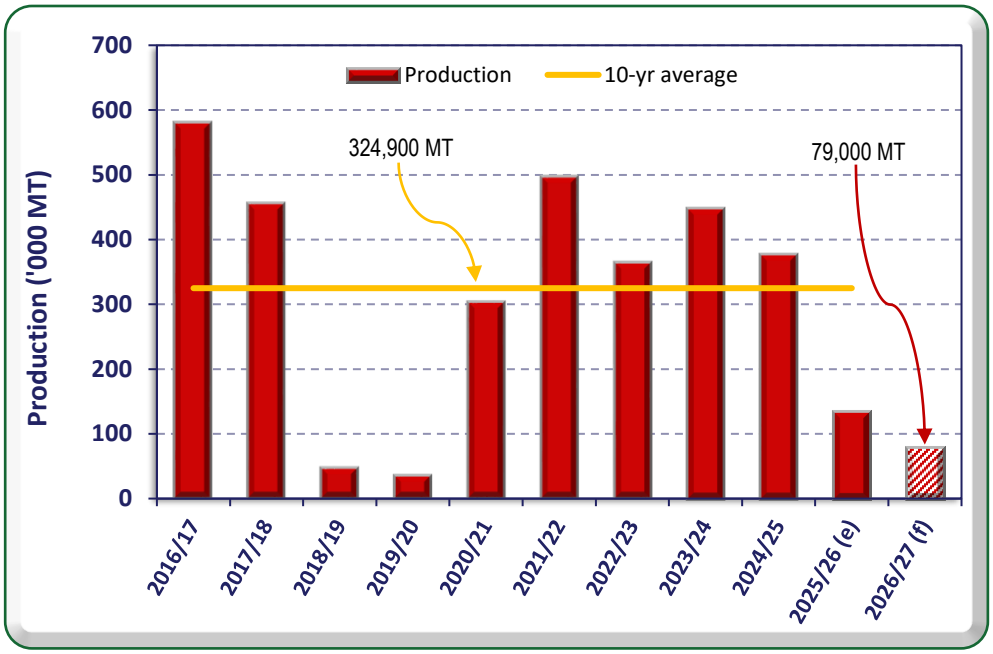
This forecast represents the lowest production level since the drought-affected MY 2019/20 season and is approximately 76 percent below the 10-year average (see Figure 17). It also marks a second consecutive year of low production, following four years of above-average output after irrigation reserves recovered from the 2017–2019 multi-year drought.

The forecast harvested area for MY 2026/27 is 10,000 hectares, down 41 percent from the already low 17,000 hectares estimated for MY 2025/26. This further contraction in area is the principal driver of lower production, as yields are expected to remain broadly in line with recent years.

Irrigation storage levels supplying the main rice-growing regions were already low in mid-April 2025. With no significant inflows prior to the October 2025 planting window, planted area was reduced

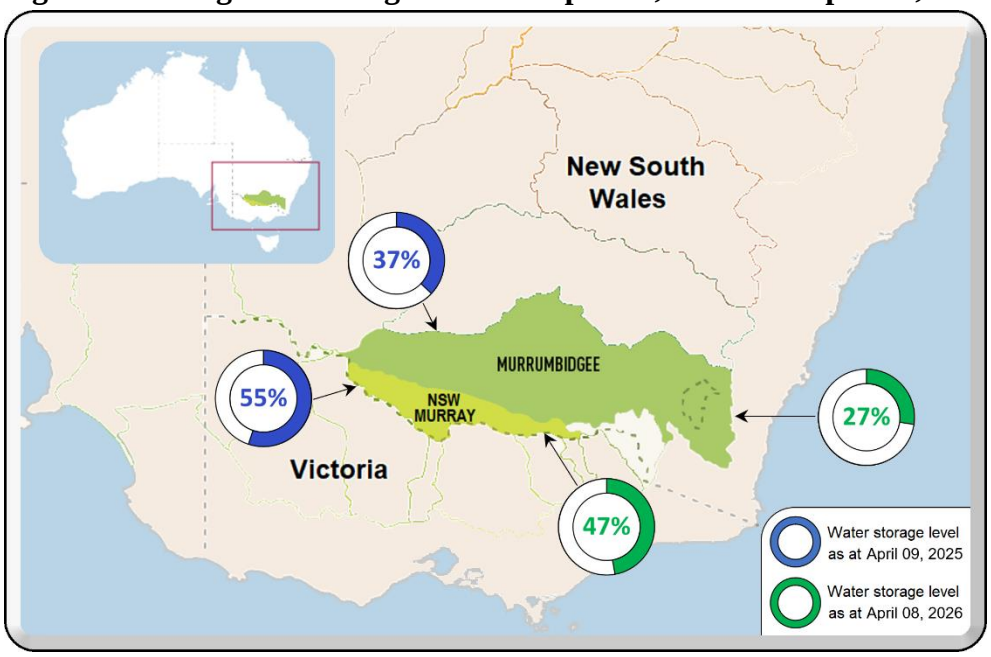
sharply in MY 2025/26. By early April 2026, storage levels had deteriorated further, reaching even lower levels than the previous year (see Figure 18).

Figure 17 – Australian Rice Production History



Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2025/26 = Mar 2026 to Feb 2027)*

Figure 18 – Irrigation Storage Levels – April 09, 2025 and April 08, 2026



Source: *Murray Darling Basin Authority*

Most inflows into these storage systems typically occur during late winter and spring. However, rainfall across key catchment areas during this period in 2025 was below average, limiting replenishment of irrigation reserves. As a result, the 2025/26 irrigation season has drawn down storage levels more than is typical.

Looking ahead, unless above-average rainfall and inflows occur in 2026, irrigation allocations for MY 2026/27 are expected to be significantly reduced. This would further constrain planted area relative to the prior year.

Rice production occurs within a broader irrigated agricultural system that includes high-value horticultural crops such as citrus, almonds, and wine grapes. Water trading also occurs within the Murrumbidgee and NSW Murray systems, which support additional horticulture, including table grapes. In years of low water availability, horticultural producers typically compete strongly for irrigation water, driving up prices due to the imperative of maintaining perennial plant health. Under these conditions, selling allocated water is often more profitable than planting rice.

Some rice growers retain access to supplementary water sources, including groundwater, overland flow capture following storm events, or licensed river pumping during high-flow periods. While these sources are more limited during dry conditions, they can provide enough water to support some level of planting even when irrigation allocations are heavily constrained.

MY 2025/26 Production Estimate

FAS/Canberra has revised its MY 2025/26 milled rice production estimate downward to 134,000 MT, from 158,000 MT three months earlier. This revision reflects a lower-than-expected planted area, consistent with the latest ABARES assessment.

The planted area of rice is small and as mentioned, this is due to low irrigation water availability. In this situation, growers ensure that they have adequate water to take the crop through to harvest and focus greater attention to agronomic management so that yields are optimized. In past similar situations, rice yields are typically a little higher compared to seasons where there are much higher planted areas.

Industry sources indicate that seasonal conditions for the current crop have generally been favorable, and growers expect solid yield outcomes despite the reduced planted area.

Consumption

MY 2026/27 Consumption Forecast

Domestic rice consumption in MY 2026/27 is forecast at 420,000 MT, a 1.2 percent increase from the MY 2025/26 estimate of 415,000 MT. This modest growth is primarily driven by population expansion.

In Australia, migration is the principal source of population growth and therefore a key structural driver of food demand, including rice. As such, trends in net migration continue to underpin gradual increases in domestic rice consumption.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates rice consumption in MY 2025/26 at 415,000 MT, an increase of 1.2 percent from MY 2024/25. This growth reflects elevated immigration levels in recent years, which have now moderated from the post-COVID peak and returned closer to longer-term trends.

Trade

Imports

MY 2026/27 Import Forecast

FAS/Canberra forecasts rice imports at 325,000 MT in MY 2026/27, an increase of 14 percent from the MY 2025/26 estimate of 285,000 MT. This rise is primarily driven by the sharp forecast decline in domestic rice production in both MY 2025/26 and MY 2026/27.

Year-to-year variability in rice production typically has a delayed and smoothed impact on import demand. This reflects the lag between harvest (early in the marketing year) and subsequent milling, processing, and marketing activity. As a result, a portion of the MY 2024/25 crop continues to be processed and marketed into MY 2025/26, moderating the immediate need for higher imports despite lower production.

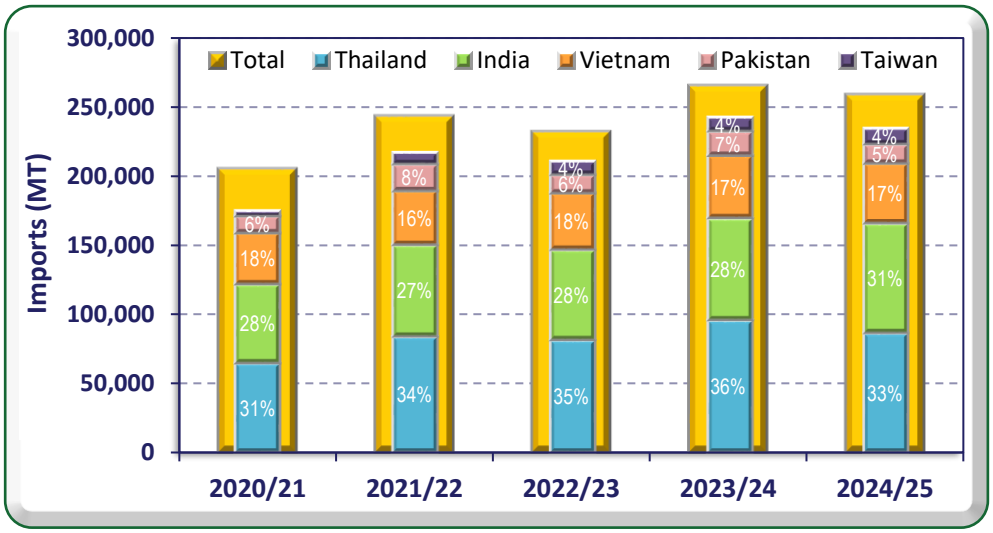
The larger increase in imports forecast for MY 2026/27 reflects both the continued low production outlook and the lagged effect of reduced MY 2025/26 output flowing through to market requirements in the forecast year.

MY 2025/26 Import Estimate

FAS/Canberra estimates rice imports in MY 2025/26 at 285,000 MT, a 10 percent increase from MY 2024/25. This modest increase reflects the sharp decline in domestic rice production in MY 2025/26, which is partially offset by the carryover of stronger production from MY 2024/25. As a result, the impact on import requirements is more muted than the scale of the production decline alone would suggest.

Thailand, India, and Vietnam remain Australia’s three largest rice suppliers, collectively accounting for around 80 percent of total imports in recent years. Pakistan and Taiwan are also consistent but smaller suppliers, together representing approximately 10 percent of imports. This supplier structure has remained stable over time and is expected to persist through both the estimate and forecast years (MY 2025/26 and MY 2026/27) (see Figure 19).

Figure 19 – Major Rice Import Trend – MY 2020/21 to MY 2024/25



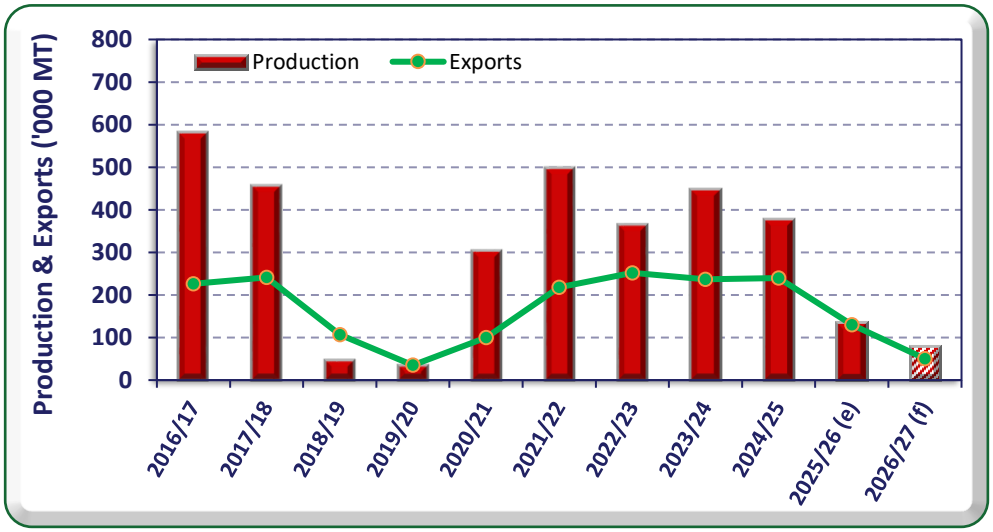
Source: *Australian Bureau of Statistics*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2024/25 = Mar 2025 to Feb 2026)*

Exports

MY 2026/27 Export Forecast

FAS/Canberra forecasts rice exports at 50,000 MT in MY 2026/27, a 62 percent decline (80,000 MT) from already low estimated exports in MY 2025/26. This reduction reflects the sharp forecast decline in domestic production. Over the past decade, Australian rice exports have closely tracked production levels, and this relationship is expected to continue in the forecast year (see Figure 20).

Figure 20 – Australian Rice Production and Export Trends



Source: *Australian Bureau of Statistics / PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*
Note: *Australia Marketing Year is Mar to Feb (eg MY 2025/26 = Mar 2026 to Feb 2027)*

MY 2025/26 Export Estimate

FAS/Canberra estimates rice exports in MY 2025/26 at 130,000 MT, a 46 percent decline from the MY 2024/25 outcome of 240,000 MT. This reduction is primarily driven by the 64 percent decline in rice production in MY 2025/26. However, the fall in exports is less pronounced than the decline in production due to the carryover of higher production from MY 2024/25, which has helped support exportable supplies for MY 2025/26.

Stocks

Rice stocks are estimated to decline in MY 2026/27 to be well below typical past levels, due to the sharp decline in production across the estimate and forecast years.

Table 4 - Production, Supply, and Distribution of Rice

Rice, Milled	2024/2025		2025/2026		2026/2027	
Market Year Begins	Mar 2025		Mar 2026		Mar 2027	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	48	48	20	17	0	10
Beginning Stocks (1000 MT)	272	272	244	258	0	132
Milled Production (1000 MT)	377	377	158	134	0	79
Rough Production (1000 MT)	524	524	219	186	0	110
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	0	7200
MY Imports (1000 MT)	275	259	325	285	0	325
TY Imports (1000 MT)	261	265	325	275	0	310
Total Supply (1000 MT)	924	908	727	677	0	536
MY Exports (1000 MT)	250	240	130	130	0	50
TY Exports (1000 MT)	247	244	130	175	0	90
Consumption and Residual (1000 MT)	430	410	440	415	0	420
Ending Stocks (1000 MT)	244	258	157	132	0	66
Total Distribution (1000 MT)	924	908	727	677	0	536
Yield (Rough) (MT/HA)	10.9167	10.9167	10.95	10.9412	0	11

(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 2026/2027 = January 2027 - December 2027

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Attachments:

No Attachments