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Report Highlights:

El Niño conditions for Australia remain present, but this has been pushed aside in late spring and early summer after the eastern states received above-average rainfalls. This situation has prompted a rise in the sorghum production forecast for MY 2023/24 to 1.8 million metric tons (MMT), and the rice production forecast remains strong at 522,000 metric tons (MT) with the support of ample irrigation water. For rice, strong production is forecast to support a fall of imports to 200,000 MT and a rise of exports to 280,000 MT for MY 2023/24. Wheat and barley crops have hung on well to achieve a near-average estimated production of 25.5 MMT and 10.5 MMT, respectively, after well below average-rainfall during the production season. Wheat exports are forecast to fall 40 percent to 19.0 MMT from a record level in MY 2022/23. Barley exports are forecast at 6.0 MMT, a decline of 23 percent from the prior year, and strong competition from Chinese buyers is expected after China removed tariffs in August 2023.

EXECUTIVE SUMMARY

Australia experienced a muted El Niño in late spring and early summer. Most parts of the sorghum producing regions in Queensland and northern New South Wales have received above average rains in November and December 2023, and this situation has continued into January 2024. The rains have enabled a good area of sorghum planting, albeit a little later than optimal. The El Niño conditions that created a dry spring were favorable for rice growers for their rice crop preparations and planting with the comfort of having ample irrigation water available for the season.

The wheat and barley winter crops started with good fall rains and very good soil moisture reserves from the excessive rains in the previous spring. El Niño took hold in Australia from July 2023, which held the crops back to around average production for wheat and a little below average for barley with harvest for marketing year (MY) 2023/24 now completed. A strong outcome given there was well below average rainfall across the whole production season for most of the winter cropping areas.

Wheat production is estimated at 25.5 million metric tons (MMT), similar to the previous 10-year average but far below the record-breaking MY 2022/23 crop of 40.5 MMT. Barley production is estimated at 10.5 MMT, around six percent below the previous 10-year average but well down from the previous years near-record production of 14.1 MMT. Wheat exports in MY 2023/24 are estimated to reach 19.0 MMT, which is near the previous 10-year average of 18.9 MMT. Barley exports are estimated at 6.0 MMT for MY 2023/24. Increased competition for Australian barley was evident in the last two months of MY 2022/23, and this is expected to continue into MY 2023/24 after China recently removed the tariffs on Australian barley that were imposed in May 2020.

The late spring and early summer rains have kick-started the sorghum season prompting an improved forecast for MY 2023/24 at 1.8 MMT. With low domestic consumption of sorghum, most of it is exported, forecast at 1.5 MMT.

For rice growers, the confidence of plenty of irrigation water and a drier spring that didn't impede planting for MY 2023/24, unlike the disruptions for the previous season, has resulted in the forecast of a big rice crop of 522,000 metric tons (MT). With the expectation of a big production year from the current crop, rice imports are forecast to decline by 11 percent to 200,000 MT, at around the typical pre-drought levels, and exports are forecast to increase by 12 percent to 280,000 MT, the highest since MY 2014/15.

WHEAT

Production

After three successive record-breaking wheat production years, the estimate for MY 2023/24 is 25.5 MMT, near the previous 10-year average of 26.5 MMT. Planted area is estimated to be a little above the previous 10-year average, but the average yield is estimated to be down by a slightly greater amount from the long-term average. The overall production estimate is supported by the winter crop grain receivals outcomes so far from the three major receivers, GrainCorp, Viterra and CBH. If the estimate is realized, it would be a strong outcome considering that rainfall across most wheat production regions during the growing season was well below average.

Over recent years, the overall winter grain (mostly wheat, barley, and canola) receivals for the three major grain handlers in Australia has equated to a little above or at the same volume of the national wheat production (see Table 1). The grain receivals reported to date for the current MY 2023/24 season at 25.1 MMT are not final. GrainCorp, which operates in the eastern states of Australia, in its last report, anticipated further receipts particularly from the most southern producers. Considering this and the recent historical outcomes, an estimate of around 25.5 MMT is a reasonable expectation for MY 2023/24, similar to industry and USDA estimates over recent months.

Table 1 – Winter Grain Receivals and Wheat Production - MY 2020/21 to MY 2023/24 (MMT)

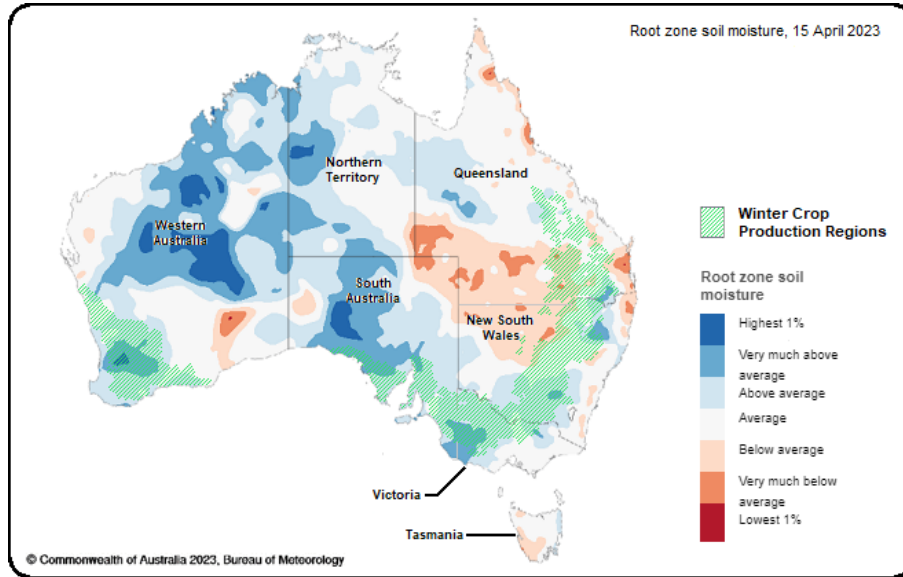
Grain Receiver	MY 2020/21	MY 2021/22	MY 2022/23	MY 2023/24
Graincorp	13.0	12.9	10.8	7.9*
Viterra	5.8	5.6	8.0	5.4*
CBH	15.1	21.0	21.7	11.8*
Total Winter Crop Receivals	33.9	39.5	40.5	25.1*
Wheat Production (ABARES)	31.9	36.2	40.5	25.5#
Grain Received : Wheat Production	1.06	1.09	1.00	

Source: GrainCorp, Viterra and CBH web sites

Note: * to be finalized, # FAS/Canberra and Official USDA estimates

At the start of the production season for MY 2023/24, farmers had the prospect of another strong production year. At planting, there was average to well-above average soil moisture reserves across most of the major wheat producing regions (see Figure 1). Good rains in the fall, enabled the wheat to establish well and the plant roots to link up with the stored moisture deeper in the soil profile.

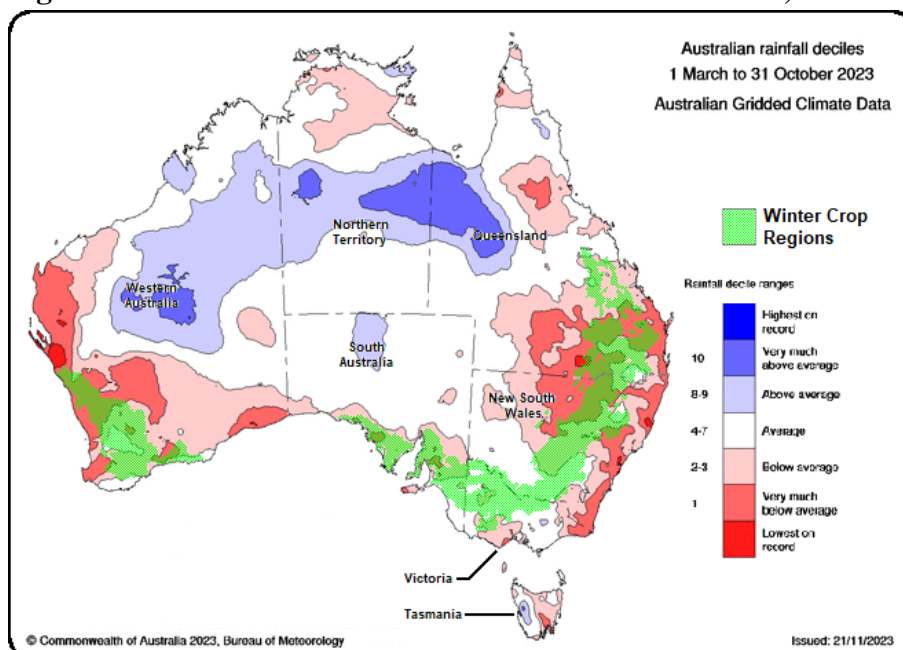
Figure 1 - Australia Root Zone Soil Moisture – as at April 15, 2023



Source: Australian Bureau of Meteorology / FAS/Canberra

However, far below-average rainfalls across the growing season (see Figure 2) resulted in the wheat crop drawing on soil moisture reserves, mainly established from the well above-average rainfalls from the previous spring period. The lack of in-crop rainfall affected the more northern production regions of Western Australia and central New South Wales and further north into Queensland. The more southern crops, which mature a little later, benefitted from greater soil moisture reserves at planting and also received some late in-crop rainfall.

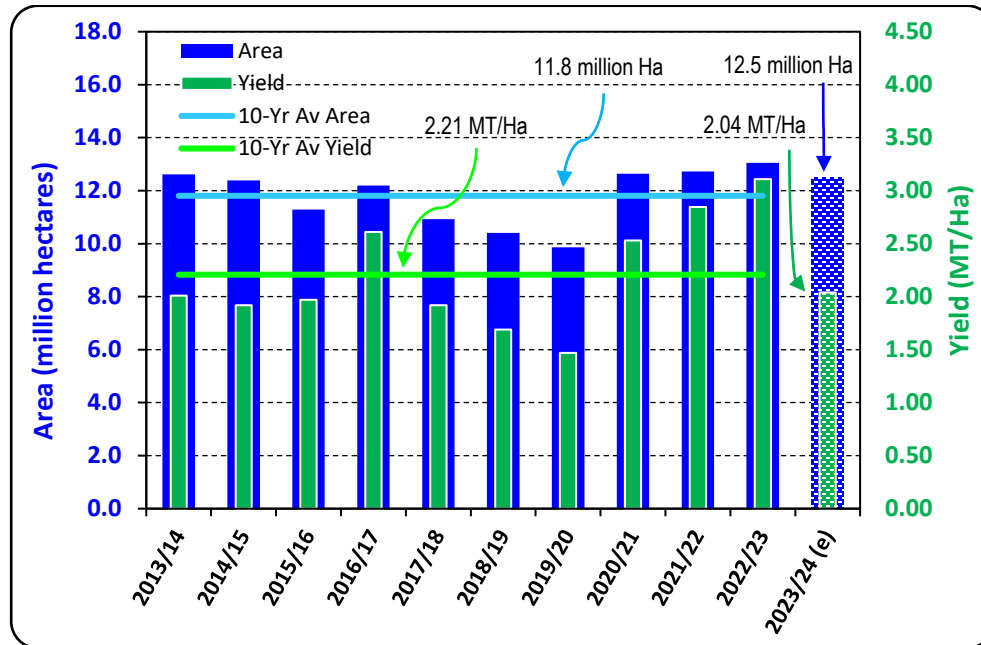
Figure 2 – Australia Rainfall Deciles – March to October, 2023



Source: Australian Bureau of Meteorology / FAS/Canberra

Overall, the planted area is estimated to be six percent higher than the previous 10-year average. Still, the yield is estimated to be eight percent lower than the long-term average (see Figure 3), equating to the production estimate being four percent below the previous 10-year average.

Figure 3 – Australian Wheat Area and Yield History – MY 2013/14 to MY 2023/24

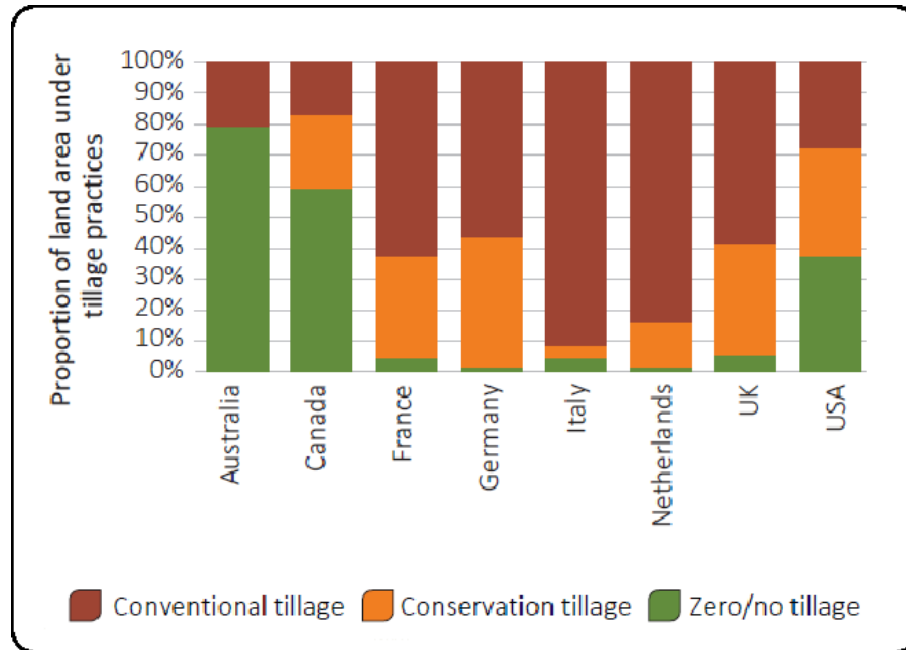


Source: PSD Online / FAS/Canberra

Note: (e) = estimate

Achieving a near-average wheat production outcome for MY 2023/24 given the lack of rainfall is a very strong result. Australian farmers contend with large variances in seasonal conditions from year to year, with, at times excessive rains and severe drought conditions, perhaps more so than any other major wheat producing nations in the world. Over many decades, farmers in Australia have changed their practices to better adapt to the conditions and optimize their production outcomes. One of the major advancements has been soil conservation practices, including stubble retention, cover crops, crop rotations, and fallow, and most importantly, in conjunction with these, has been the strong adaptation of zero/no tillage practices. Australian farmers lead the world in zero/no tillage at almost 80 percent of land area compared to Canada and the United States, at under 60 percent and 40 percent respectively, and less than five percent across major European producing nations (see Figure 4).

Figure 4 – Tillage Practice Comparison



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

Consumption

FAS/Canberra’s estimate for Australian wheat consumption in MY 2023/24 is revised down to 8.0 MMT from the previous forecast of 9.0 MMT. However, the current FAS/Canberra estimate is 0.5 MMT above the USDA estimate. The downward revision directly relates to the Australian Bureau of Meteorology announcement in September 2023 of El Niño conditions which typically bring warmer and drier than usual weather. These conditions have not come to fruition, and in fact, across November and December 2023 rainfall in the eastern states, where most of the change in feed grain livestock demand is driven by beef feedlots, has been above average. The above-average rainfall has continued in early January 2024.

A large part of the wheat demand by the livestock industry is for beef cattle feedlots and, to a lesser degree, the dairy industry, along with swine and poultry industries. The change in feed wheat consumption from year to year is mainly driven by beef cattle feedlots. Typically, in drought conditions, the beef cattle industry responds by reducing stocking rates on their grazing properties, which also usually ramps up the volume of cattle in feedlots. On the basis that the eastern states have received above average rainfall in recent months, instead of the previously forecast below average rainfall, there is now the expectation that there will be ample pasture production and no drive towards increased beef feedlot demand. Accordingly, FAS/Canberra has revised its wheat consumption back down towards a more typical level.

Flour millers expect domestic consumption to remain unchanged from recent years at 3.5 MMT in MY 2023/24. However, with rapid population growth across 2023 and 2024 forecasted by the federal government, there is scope for some growth in wheat consumption for milling in the near term.

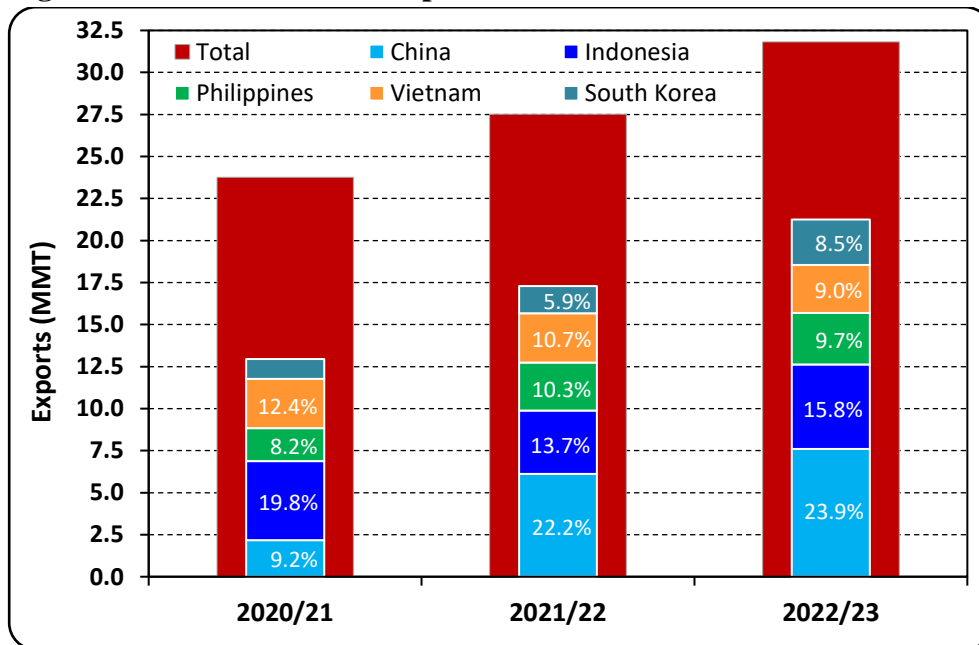
FAS/Canberra’s wheat consumption estimate for MY 2022/23 is at 8.0 MMT and is in line with the official USDA estimate.

Exports

FAS/Canberra’s wheat export estimate for MY 2023/24 is 19.0 MMT, which is in line with the USDA estimate. This is 40 percent below the previous year’s record wheat export result of 31.8 MMT but is still near the previous 10-year average of 18.9 MMT.

For many years, Australia has had over 50 wheat export destinations. The top five customers, China, Indonesia, Philippines, Vietnam, and South Korea, have ramped up their overall volume and share of Australian wheat exports over recent years from around half to two thirds in MY 2022/23 (see Figure 5). However, most of the growth in volume and share of overall exports is due to China. Over the last three years, exports of wheat to China have grown by almost 250 percent from 2.2 MMT to 7.6 MMT, and its share of Australia’s overall wheat exports has risen from nine percent to 24 percent.

Figure 5 - Australia Wheat Export Destinations – MY 2020/21 to MY 2022/23

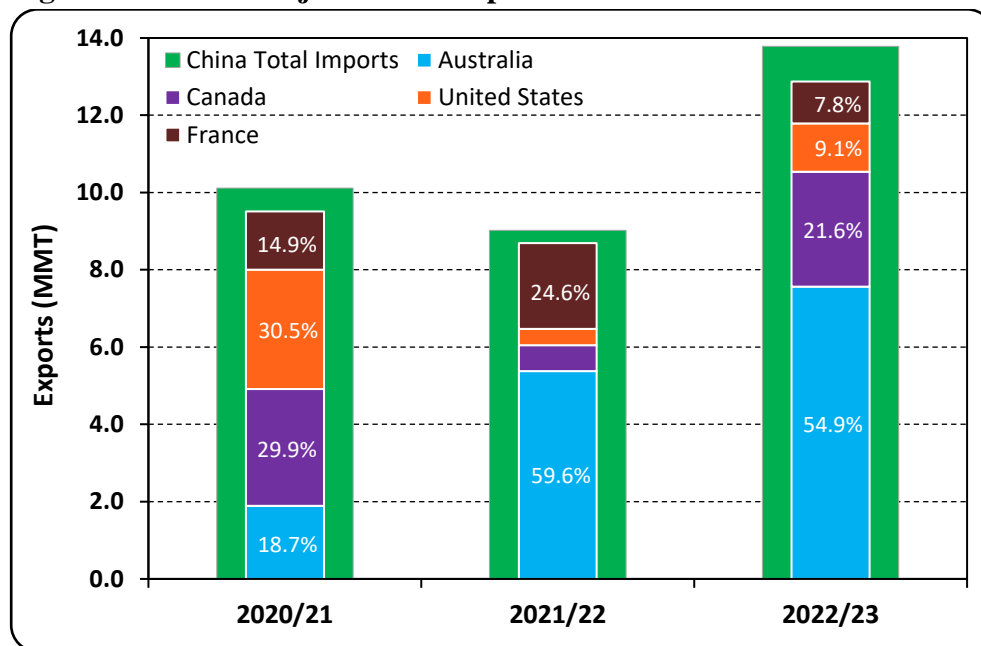


Source: Australia Bureau of Statistics

Over recent years, around 95 percent of China’s wheat imports have come from merely four countries, Australia, Canada, United States, and France, and their imports have grown from around 4 MMT to a record of 13.8 MMT for MY 2022/23. Over the last three years, not only has Australia’s volume of

exports to China ramped up at the expense of the other three key nations, but Australia’s share of China’s wheat imports over the last two years has been well over half (see Figure 6). However, with the expectation that Australia’s wheat exports will fall by 40 percent, this will offer the three other key wheat exporting nations to China the opportunity to win back market share from Australia. For the first two months of MY 2023/24 (October and November 2023), China’s wheat imports from Australia were 429,000 MT, around two-thirds the volume at the same time in the previous year (652,000 MT).

Figure 6 – China Major Wheat Import Sources – MY 2020/21 to 2022/23



Source: Trade Data Monitor

Imports

FAS/Canberra’s wheat import estimate for MY 2023/24 remains low at 200,000 MT and aligned with the official USDA outcome. Imports primarily consist of wheat products and pasta, and volumes for this purpose have been relatively stable in Australia.

Stocks

Australia’s ending stocks of wheat in MY 2023/24 are expected to decrease due to lower production and continued firm world demand. FAS/Canberra estimates MY 2023/24 ending stocks to decrease to 3.1 MMT from 4.1 MMT in 2022/23.

Table 2 - Production, Supply, and Distribution of Wheat

Wheat Market Year Begins Australia	2021/2022		2022/2023		2023/2024	
	Oct 2021		Oct 2022		Oct 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12728	12728	13045	13045	12500	12500
Beginning Stocks (1000 MT)	3018	3018	3454	3454	4373	4373
Production (1000 MT)	36237	36237	40545	40545	25500	25500
MY Imports (1000 MT)	210	210	197	197	200	200
TY Imports (1000 MT)	196	196	205	205	200	200
TY Imp. from U.S. (1000 MT)	1	1	2	0	0	0
Total Supply (1000 MT)	39465	39465	44196	44196	30073	30073
MY Exports (1000 MT)	27511	27511	31823	31823	18500	19000
TY Exports (1000 MT)	25958	25958	32329	32329	22000	22500
Feed and Residual (1000 MT)	5000	5000	4500	4500	4000	4500
FSI Consumption (1000 MT)	3500	3500	3500	3500	3500	3500
Total Consumption (1000 MT)	8500	8500	8000	8000	7500	8000
Ending Stocks (1000 MT)	3454	3454	4373	4373	4073	3073
Total Distribution (1000 MT)	39465	39465	44196	44196	30073	30073
Yield (MT/HA)	2.847	2.847	3.1081	3.1081	2.04	2.04

(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 2023/2024 = July 2023 - June 2024

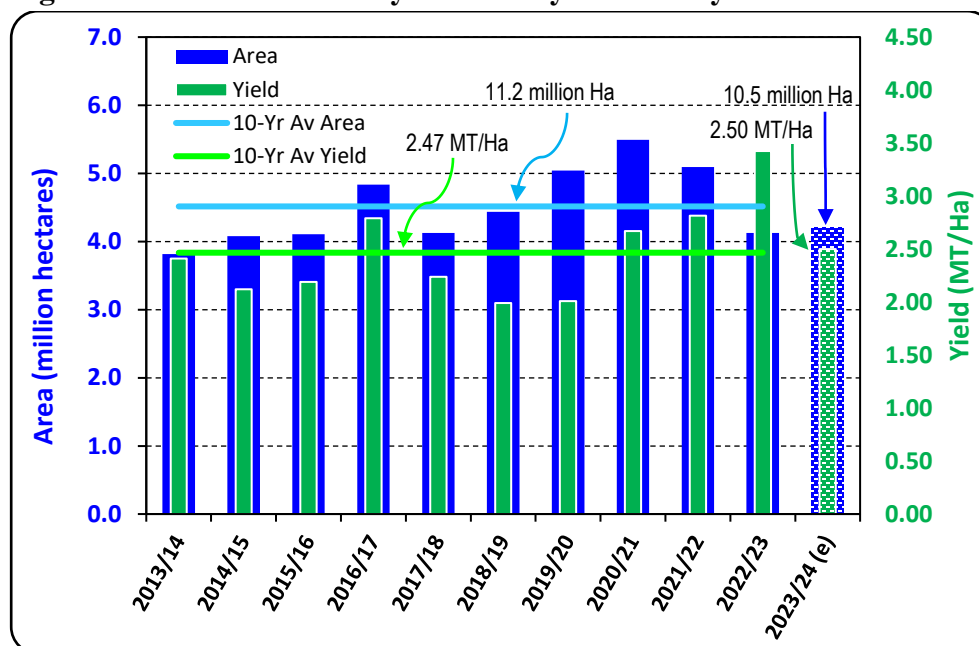
BARLEY

Production

FAS/Canberra's barley production estimate of 10.5 MMT is 0.5 MMT above the official USDA estimate for MY 2023/24. This is a 26 percent drop from the near-record 14.1 MMT for the previous year but would still be the fifth largest barley crop on record. The barley production estimate for MY 2023/24 is six percent below the previous 10-year average of 11.2 MMT. The lower production is mainly related to the planted area being below the 10-year average. However, despite the El Niño conditions, the barley yield is expected to be at long-term average.

FAS/Canberra's MY 2023/24 planted area estimate is seven percent below the previous 10-year average, but the yield estimate of 2.50 MT per hectare is similar to the previous 10-year average of 2.47 MT per hectare (see Figure 7). The yield estimate is partly due to a higher proportion of barley being grown in the southern parts of the winter-crop producing areas, which were less affected by the El Niño conditions than the more northern areas. Also, over recent years, driven partly by the barley trade dispute with China, Australian barley producers have reduced their focus on producing malt grade barely and have focused on higher-yielding feed-grade barley.

Figure 7 – Australian Barley Area and yield History MY 2013/14 to 2023/24



Source: PSD Online / FAS/Canberra

Note: (e) = estimate

FAS/Canberra’s barley production estimate for MY 2022/23 remains unchanged from the previous forecast at 14.1 MMT and is in line with the official USDA estimate. Now, around twelve months after the completion of harvest, the estimate is consistent with the ABARES estimate.

Consumption

FAS/Canberra’s barley consumption estimate for MY 2023/24 has been revised down to 6.0 MMT from the previous forecast of 6.5 MMT. The revised estimate is 0.5 MMT lower than the official USDA estimate. Domestic consumption for malting purposes is relatively stable with livestock feed consumption being the primary variant yearly.

Like feed wheat, the beef cattle feedlot and dairy industries are the major feed barley grain consumers. As mentioned for wheat, the El Niño conditions forecast by the Australian Bureau of Meteorology have not prevailed so far, this late spring and summer period. With above average rainfall across November and December 2023 in the eastern states, particularly the early start to the wet season in Queensland and the Northern Territory, ample pasture growth is anticipated for beef cattle producers. The previous elevated barley feed grain consumption forecast for MY 2023/24 was based on the anticipated El Niño driven dryer than usual conditions which was expected to elevate the volume of beef cattle finished in feedlots. This is now not expected resulting in the downward revision of the consumption estimate for MY 2023/24.

A smaller component of domestic barley consumption of around 1.5 MMT is mainly for malting. This volume of consumption has remained relatively stable over recent years.

FAS/Canberra’s consumption estimate for MY 2022/23 is 6.0 MMT and is in line with the official USDA estimate.

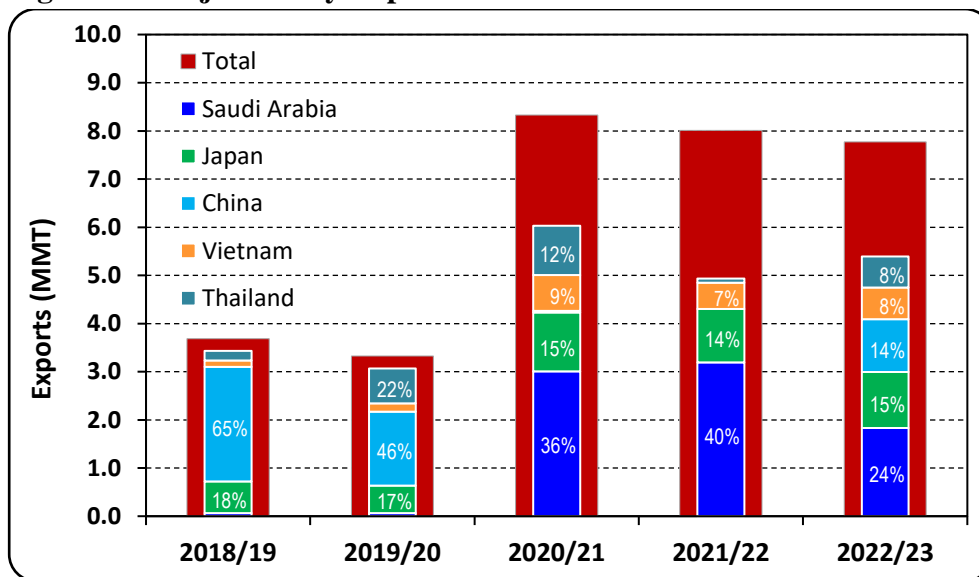
Exports

FAS/Canberra’s barley export estimate for MY 2023/24 has been upward revised to 6.0 MMT from the previous forecast of 5.5 MMT, now 0.8 MMT higher than the official USDA estimate. This is driven by the 0.5 MMT higher production estimate than the official USDA estimate and also the FAS/Canberra 0.5 MMT downward revision of domestic consumption.

Australia typically exports barley to over 20 countries each year. However, the five largest export destinations over a prolonged period have been Saudi Arabia, Japan, China, Vietnam, and Thailand. In earlier years, they accounted for around 90 percent of the trade, but in more recent years after trade tariffs were imposed by China in May 2020, these nations have accommodated around two thirds of overall barley exports from Australia (see Figure 8).

In August 2023, after the Chinese Ministry of Commerce reviewed its anti-dumping and anti-subsidy claims against imported Australian barley, it removed the tariff it had imposed in May 2020. Although there was some trade in August 2023, it began ramping back up in September and was by far Australia’s biggest export destination that month, and trade grew even more in October 2023. After only two full months of barley export trade to China for MY 2022/23, it became the third-largest export destination for the full marketing year, marginally behind Japan in second place.

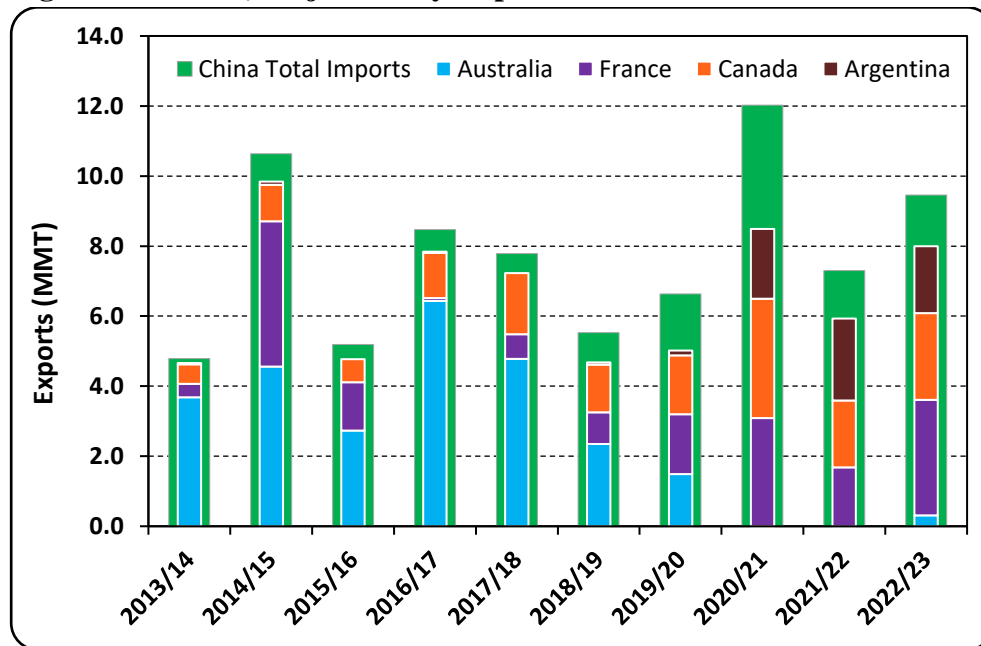
Figure 8 – Major Barley Export Destinations MY 2018/19 to 2022/23



Source: Australia Bureau of Statistics

Australia, in the past, has been the major source of barley imports for China, But in recent years, after Australia was essentially shut out of the trade, China continued to import substantial volumes of barley and greatly expanded its imports from France, Canada and Argentina (see Figure 9). The rapid increase in Australian barley exports to China in the last two months of MY 2022/23 indicates that Australia is likely to regain its position as China’s largest source of imported barley in MY 2023/24.

Figure 9 – China, Major Barley Import Sources – MY 2013/14 to 2022/23



Source: Trade Data Monitor

Australian barley exports for MY 2022/23 were 7.8 MMT. This was a stronger than previously expected result, which was driven by the rapid resumption of trade to China in the last two months of the marketing year. This is the fourth largest barley export year on record, with the largest being 9.2 MMT in MY 2016/17 and the second and third highest in the preceding MY 2020/21 and MY 2021/22.

Stocks

Australia’s ending stocks of barley in MY 2023/24 are expected to decline due to lower production, but export demand is also anticipated to strengthen from the return of trade to China.

Table 3 - Production, Supply, and Distribution of Barley

Barley Market Year Begins Australia	2021/2022		2022/2023		2023/2024	
	Nov 2021		Nov 2022		Nov 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	5095	5095	4127	4127	4200	4200
Beginning Stocks (1000 MT)	2518	2518	2848	2848	3217	3217
Production (1000 MT)	14337	14337	14137	14137	10000	10500
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)	16855	16855	16985	16985	13217	13717
MY Exports (1000 MT)	8007	8007	7768	7768	5200	6000
TY Exports (1000 MT)	8233	8233	7084	7084	5500	6000
Feed and Residual (1000 MT)	4500	4500	4500	4500	5000	4500
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	6000	6000	6000	6000	6500	6000
Ending Stocks (1000 MT)	2848	2848	3217	3217	1517	1717
Total Distribution (1000 MT)	16855	16855	16985	16985	13217	13717
Yield (MT/HA)	2.8139	2.8139	3.4255	3.4255	2.381	2.5

(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 2023/2024 = October 2023 - September 2024

SORGHUM

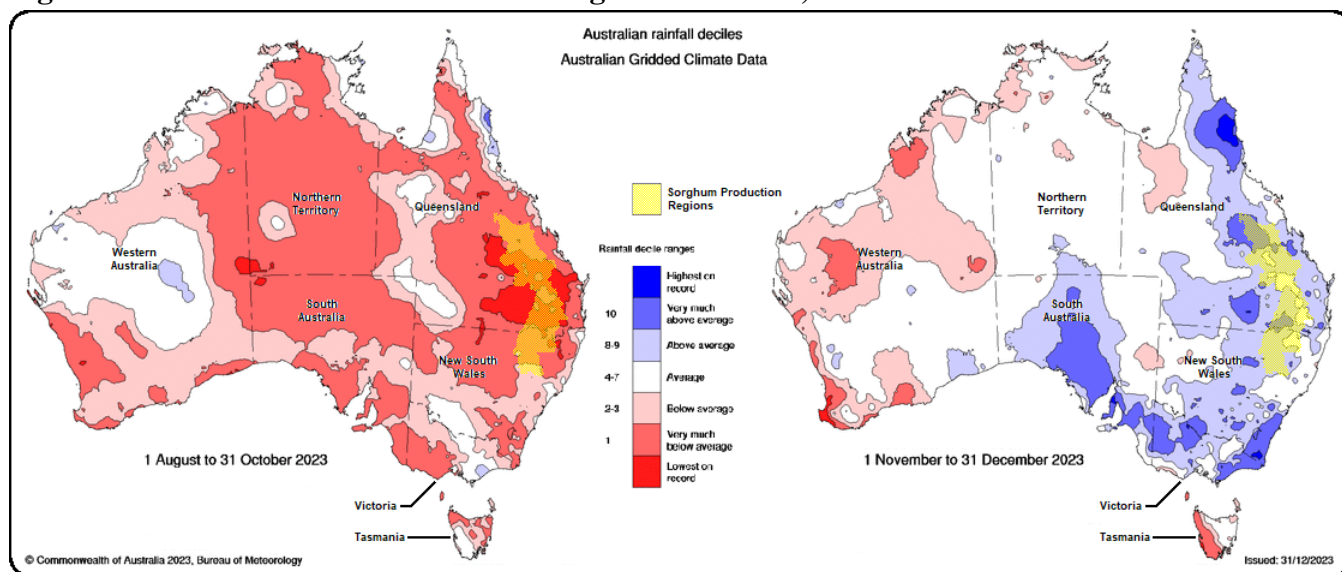
Production

The FAS/Canberra sorghum production estimate for MY 2023/24 has been upward revised to 1.8 MMT from the previous forecast of 1.3 MMT. The revised production estimated for MY 2023/24 is in line with the official USDA estimate. The upward revised estimate relates to above-average rainfalls experienced in the major sorghum producing areas across November and December 2023, which triggered a substantial amount of sorghum planting, albeit a little later than the optimal October planting period.

As mentioned earlier, the Australian Bureau of Meteorology announced an El Niño in September 2023, which typically brings with it drier and warmer than usual conditions. However, the major sorghum-producing areas of southern Queensland and northern New South Wales have been experiencing dry conditions since April 2023. In the months leading up to planting in October, rainfall had been far below average. Despite this, industry reports that there had been some planting of sorghum in the optimum planting period of October. Most farmers had held off planting in October based on having little soil moisture and the forecast of below-average rainfalls. Since October, weather conditions have defied El Niño, and rainfall in November and December 2023 has been well above average (see Figure 10), which has continued into January 2024. These rainfalls have mainly been storm events rather than widespread rains, which are not unusual at that time of year. There are reports that the storm rains have been patchy and that some farms have received little rain.

Many farmers have planted sorghum in areas that did receive good rains across November and December 2023, and some plan to plant sorghum in January 2024 outside the usual planting window for southern Queensland and northern New South Wales. Sorghum producers in the more northern areas have a greater planting window and expect to take advantage of the rains by planting a near full program.

Figure 10 - Australia Rainfall Deciles – August to October, 2023 & November to December 2023

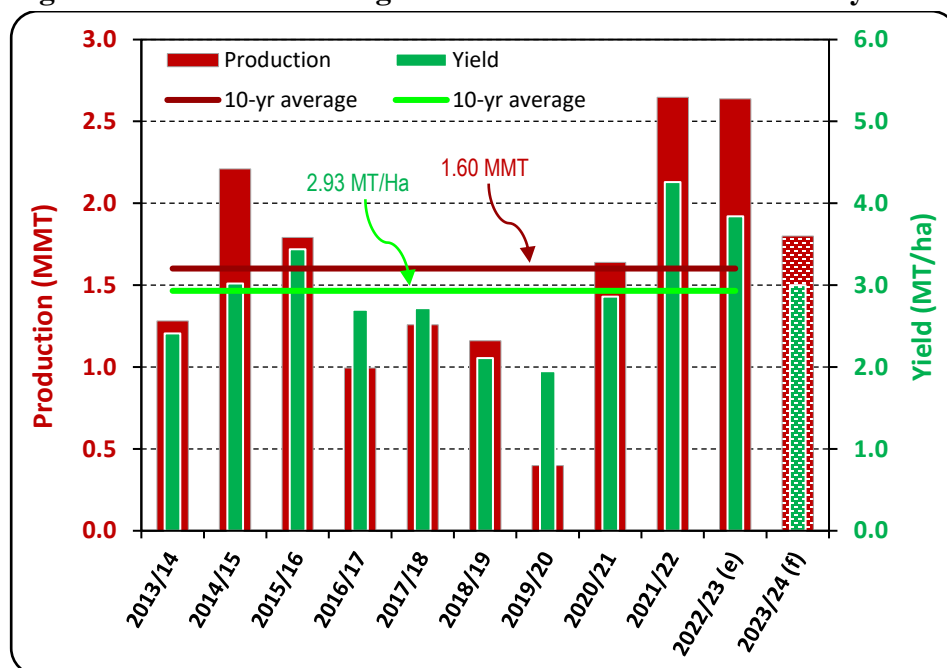


Source: Australian Bureau of Meteorology / FAS/Canberra

The later-than-usual planting program for the main sorghum-producing area of southern Queensland and northern New South Wales is expected to result in significantly lower yields than in recent past years. The forecast sorghum yield for MY 2023/24 is anticipated to be 3 MT/ha (see Figure 11), similar to the previous 10-year average. Combined with a forecast of the planted area at a little above the past 10-year average, the production forecast of 1.8 MMT is 13 percent above the long-term average.

FAS/Canberra’s sorghum production estimate for MY 2022/23 is 2.6 MMT and is in line with the official USDA estimate. Now, around six months after the completion of harvest, the estimate is consistent with the ABARES estimate.

Figure 11 – Australian Sorghum Production and Yield History



Source: PSD Online / FAS/Canberra

Note: (e) = estimate, (f) = forecast

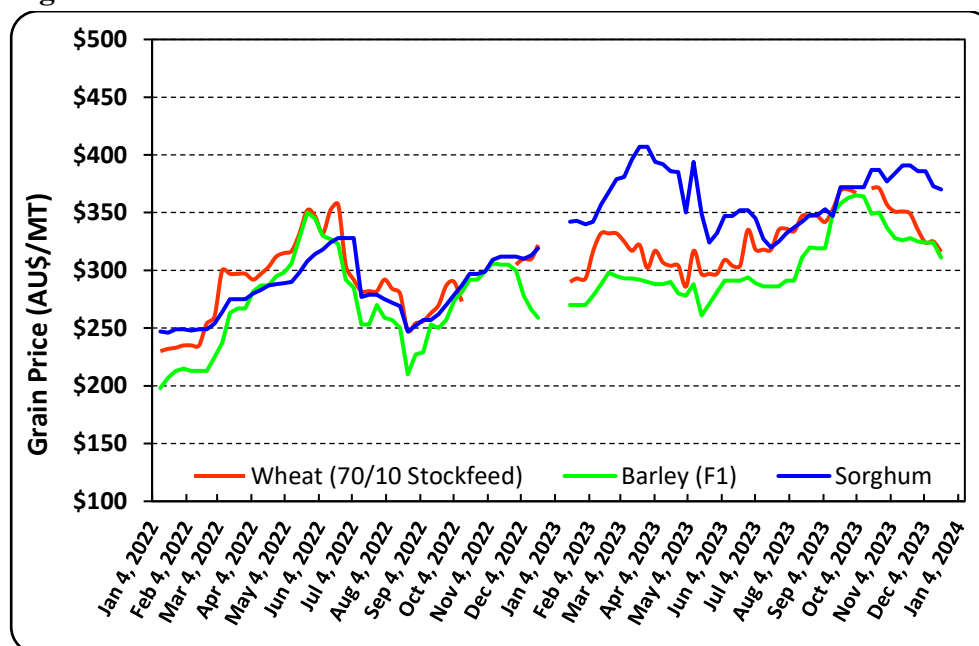
Consumption

FAS/Canberra forecasts sorghum consumption in MY 2023/24 at 260,000 MT. This is in line with the official UDSA forecast. This is a low level of consumption at only around 14 percent of forecast production. This situation mainly relates to the dwindling demand from the beef feedlot industry.

The beef feedlot industry in Australia is the leading consumer of feed sorghum. Feedlots have progressively opted away from using sorghum in feed rations towards white feed grains (wheat and barley). Of the overall feed grain consumption of sorghum, wheat, and barley, sorghum use equates to around three percent. Changes in cattle feed at feedlots will have little impact on sorghum consumption. White grains are produced in much higher volumes in Australia compared to sorghum. White grains are more readily available for domestic consumption and are preferred as they are more easily processed than sorghum and have better nutritional content for beef cattle ration formulation.

Further contributing to the lower sorghum consumption is that the price of sorghum compared to wheat and barley feed grains has been as high, and, in recent months, much higher (see Figure 12). Sorghum, as mentioned, is considered to be of lower nutritional value than white grains, so it is not price-competitive for feed grain use. Consequently, low feed consumption is unsurprising.

Figure 12 – Feed Grain Price Trends



Source: *The Land newspaper*

FAS/Canberra's sorghum consumption estimate for MY 2022/23 is 160,000 MT and is in line with the official USDA estimate. Low consumption of sorghum in Australia for livestock feed is anticipated well into the future.

Exports

The FAS/Canberra sorghum export forecast for MY 2023/24 is 1.5 MMT, which is in line with the USDA official estimate. This is a 41 percent decline from the MY 2022/23 estimate of 2.55 MMT, mainly due to the big decline in forecast production.

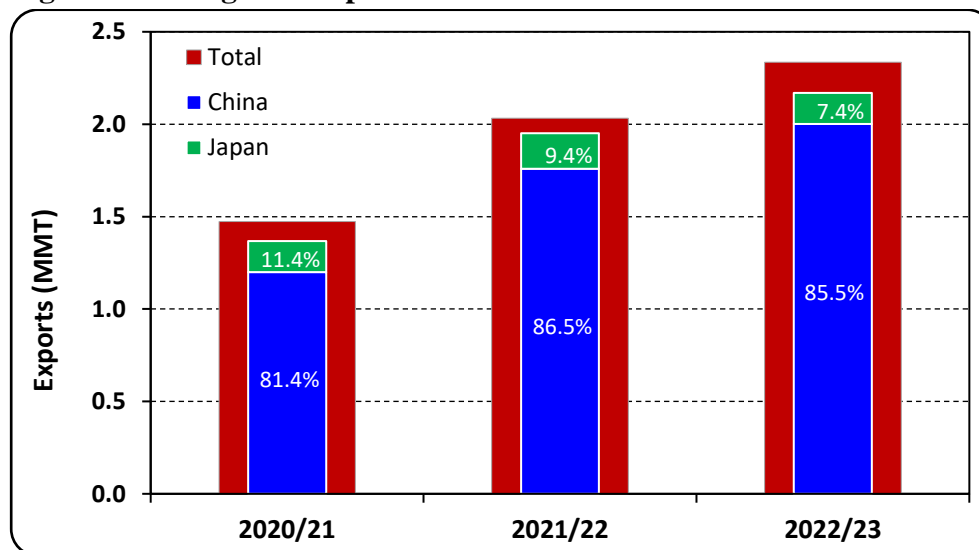
Export demand for sorghum is strong and reflective of its price premium over white feed grains (see Figure 12). This is partly attributed to some sorghum used to produce white whiskey. However, industry reports that some exported feed barley is also used to produce malt.

FAS/Canberra's export estimate for MY 2022/23 is 2.55 MMT and is in line with the official USDA estimate. Exports for the first nine months of MY 2022/23 (March to November 2023) are 2.34 MMT. The rate of exports is anticipated to slow in the final three months of the marketing year, which has been typical trend in past years.

China has traditionally been the major export destination of Australian sorghum. For the first nine months of MY 2022/23, China has continued this trend with 86 percent of overall exports. Japan also accounts for seven percent of exports over this period. These nations accounted for 93 percent of exports for the MY 2022/23 so far (see Figure 13).

Sorghum is an important feed grain for China, but it is also widely used to produce ‘Baijiu’, a whiskey-like white liquor. Baijiu has been produced in China for over 1,000 years and is the most widely consumed spirit in the world.

Figure 13 – Sorghum Exports Destinations – March to November 2020/21 to 2022/23



Source: Australian Bureau of Statistics

Stocks

Stocks are estimated to remain relatively low in MY 2023/24 due to the much lower forecast production and expectation of continued strong export demand.

Table 4 - Production, Supply, and Distribution of Sorghum

Sorghum	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
Australia						
Area Harvested (1000 HA)	622	622	687	687	600	600
Beginning Stocks (1000 MT)	20	20	331	331	259	259
Production (1000 MT)	2648	2648	2638	2638	1800	1800
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2668	2668	2969	2969	2059	2059
MY Exports (1000 MT)	2177	2177	2550	2550	1500	1500
TY Exports (1000 MT)	2267	2267	2807	2752	1700	1300
Feed and Residual (1000 MT)	150	150	150	150	250	250
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	160	160	160	160	260	260
Ending Stocks (1000 MT)	331	331	259	259	299	299
Total Distribution (1000 MT)	2668	2668	2969	2969	2059	2059
Yield (MT/HA)	4.2572	4.2572	3.8399	3.8399	3	3

(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 2023/2024 = October 2023 - September 2024

RICE

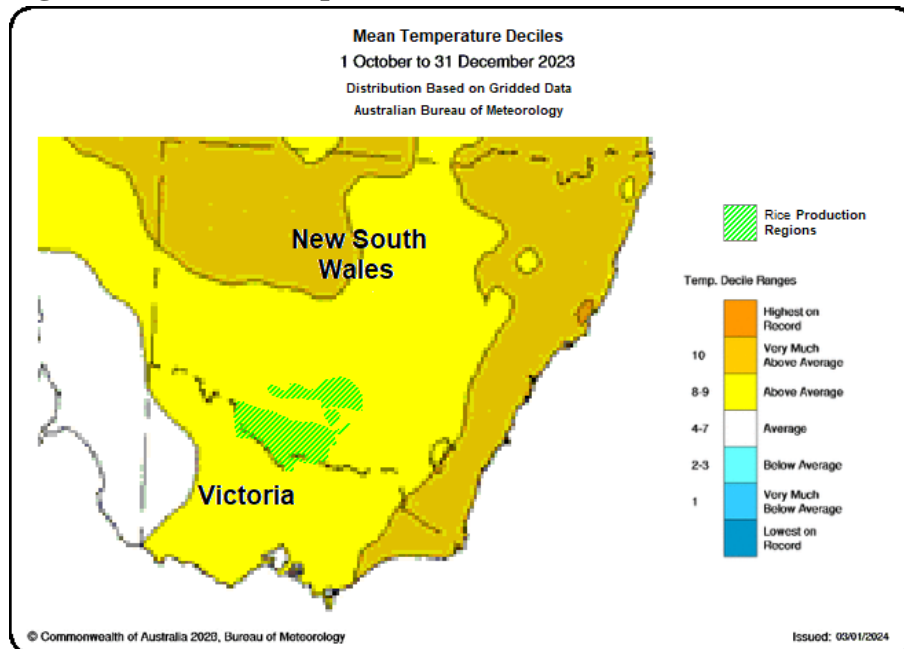
Production

FAS/Canberra's milled rice production for MY 2023/24 is forecast at 522,000 MT, in line with the official UDSA forecast. This is a 40-percent (148,000 MT) increase over the MY 2022/23 estimate of 374,000 MT. There is ample irrigation water availability this season, as in the previous two years. Still, growers had good seasonal conditions in the lead-up to planting the MY 2023/24 crop to support a large, planted area compared to the previous year.

FAS/Canberra forecasts planted area for MY 2023/24 at 70,000 hectares compared to an estimated 52,000 hectares for MY 2022/23. For MY 2023/24, the dry conditions due to El Niño provided ample opportunity for growers to prepare and sow rice mainly in their most optimal period of October. With ample irrigation water, rice growers had a positive start to the season. This is in stark contrast to the excessive rainfall last spring, which severely impacted the planting of the MY 2022/23 rice crop. This reduced the planted area and resulted in later planting for some of the crop which negatively impacted the overall yield.

The mean temperature from the start of October to the end of December 2023 in the rice-producing regions has been above average (see Figure 14). This situation is reported to have supported good crop development so far.

Figure 14 – Mean Temperature Deciles – October to December 2023

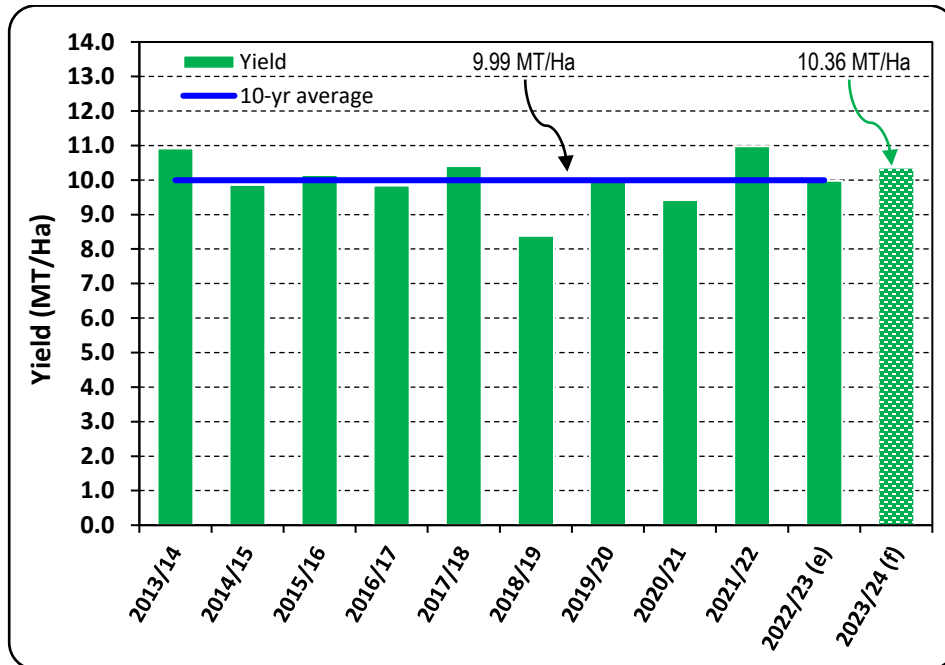


Source: Australian Bureau of Meteorology / FAS/Canberra

A successful fertilization stage remains a risk for the current crop. If weather conditions are suitable to negotiate this phase successfully, good grain fill and subsequently good rice yields can be expected. The

FAS/Canberra yield forecast is slightly above the previous 10-year average (see Figure 15). However, there is some concern as temperatures have been a little cooler than usual for the start of January 2024

Figure 15 – Australian Rice Yield History



Source: PSD Online / FAS/Canberra

FAS/Canberra’s milled rice production estimate for MY 2022/23 is 374,000 MT, which is in line with the official USDA estimate and the Australian Bureau of Agriculture and Resource Economics and Sciences.

Consumption

The estimated rice consumption by FAS/Canberra in MY 2023/24 is 400,000 MT, but 10,000 MT lower than the official USDA estimate. At 400,000 MT, this is a five percent increase over the MY 2022/23 estimate, and well over past levels of around 365,000 MT. The main driver of the growth in estimated consumption is related to Australia’s strong migration program impacting population growth.

The Australian Bureau of Statistics data shows that the population growth for the year to June 30, 2023, was almost two and a half percent. If per capita rice consumption remains constant, this population growth equates to a growth in overall rice consumption of almost 10,000 MT. The Australian government anticipates that population growth will remain strong for the current year but at a somewhat slower pace. So, the estimated rice consumption for MY 2023/24 is based on continued strong population growth and increased per capita consumption.

FAS/Canberra’s rice consumption estimate for MY 2022/23 is 380,000 MT, which is also in line with the official USDA estimate.

Trade

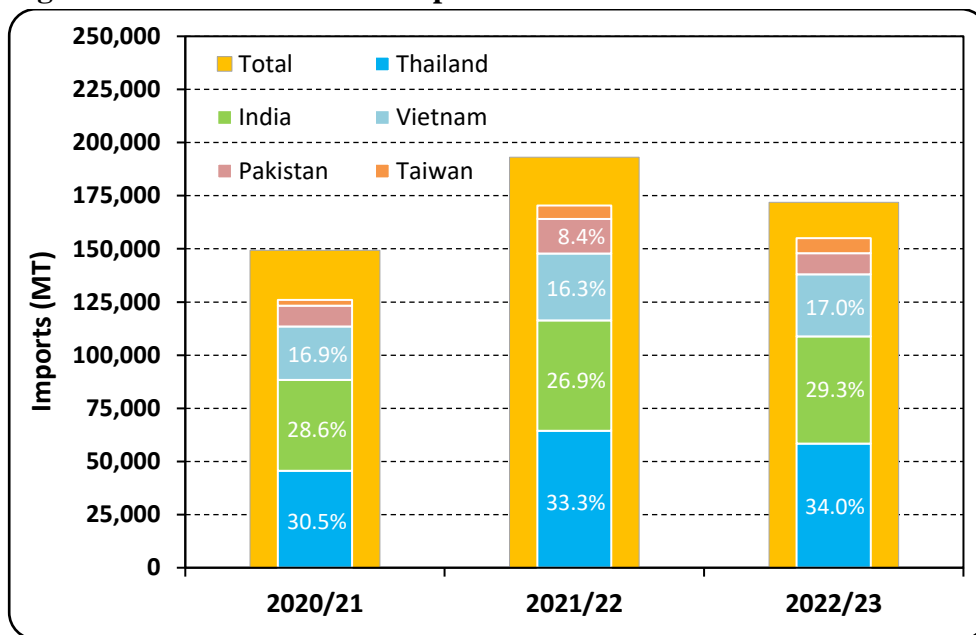
Imports

FAS/Canberra forecasts rice import of 200,000 MT in MY 2023/24, in line with the official USDA forecast. If realized, this (along with the prior year estimate) would be the lowest level of imports since MY 2017/18 (six years). This downward trend since MY 2020/21 is associated with the corresponding growth in production after irrigation water supplies replenished after the multi-year drought from 2017 to 2019. The forecast decline of rice imports for MY 2023/24 is mainly related to the strong forecast production growth.

FAS/Canberra estimated imports of 225,000 MT in MY 2022/23, a 19,000 MT (eight percent) decline from MY 2021/22. Imports for the March to November 2023 period are at 172,000 MT. Quarterly rice imports for Australia over numerous years have been relatively evenly spread, and based on the results so far, the full marketing year is on track to achieve the estimated 225,000 MT for MY 2022/23.

Thailand, India, and Vietnam are the largest rice suppliers to Australia, consistently at around 75 to 80 percent of total imports over recent years. Pakistan and Taiwan typically contribute a further 10 percent towards Australia's overall rice imports (see Figure 16). Cambodia was a top five supplier of rice to Australia until MY 2021/22, when Taiwan took that position after successive years of increasing supply.

Figure 16 – Australian Rice Import Trends – Mar to Nov MY 2020/21 to 2022/23



Source: Australian Bureau of Statistics

Exports

FAS/Canberra's forecast for exports in MY 2023/24 of 280,000 MT is in line with the official USDA forecast, and is 12 percent (30,000 MT) higher than the downward revised MY 2022/23 estimate of

250,000 MT. The forecast increase in rice exports from the prior year (MY 2022/23) is largely driven by a rise in production combined with a forecast decline in imports.

FAS/Canberra’s estimate for exports in MY 2022/23 of 250,000 MT is a 32,000 MT increase (15 percent) over the MY 2021/22 estimate of 218,000 MT. The MY 2022/23 estimate is 25,000 MT below the official USDA position. For the first nine months of MY 2022/23, rice exports are at 186,000 MT, which is 18 percent higher than for the same time in the previous marketing year. Exports in the early part of the marketing year tend to be influenced by the strength of production of the prior year, and exports in the later part of the marketing year tend to be impacted by the volume of production from the same marketing year. In this instance, production for MY 2022/23 was substantially lower than for the previous year, so it is anticipated that the rate of exports for the final three months of MY 2022/23 will slow and this is the reason for FAS/Canberra’s lower estimate compared to that of the USDA.

Stocks

Rice stocks are estimated to increase somewhat in MY 2023/24 on the back of a much-improved forecast rice crop production.

Table 5 - Production, Supply, and Distribution of Milled Rice

Rice, Milled Market Year Begins	2021/2022		2022/2023		2023/2024	
	Mar 2022		Mar 2023		Mar 2024	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	63	63	52	52	70	70
Beginning Stocks (1000 MT)	86	86	240	240	184	209
Milled Production (1000 MT)	498	498	374	374	522	522
Rough Production (1000 MT)	692	692	519	519	725	725
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	244	244	225	225	200	200
TY Imports (1000 MT)	249	249	225	225	200	200
Total Supply (1000 MT)	828	828	839	839	906	931
MY Exports (1000 MT)	218	218	275	250	280	280
TY Exports (1000 MT)	207	207	275	250	280	280
Consumption and Residual (1000 MT)	370	370	380	380	410	400
Ending Stocks (1000 MT)	240	240	184	209	216	251
Total Distribution (1000 MT)	828	828	839	839	906	931
Yield (Rough) (MT/HA)	10.9841	10.9841	9.9808	9.9808	10.3571	10.3571
(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 2023/2024 = January 2024 - December 2024						

Attachments:

No Attachments