

**Required Report:** Required - Public Distribution

**Date:** August 14, 2024

**Report Number:** AS2024-0016

## **Report Name:** Grain and Feed Update

**Country:** Australia

**Post:** Canberra

**Report Category:** Grain and Feed

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### **Report Highlights:**

A tale of two is emerging for wheat and barley growers in Australia. Those in the eastern states have entered the MY 2024/25 planting season with good soil moisture and a particularly good fall break with widespread rains in the first week of April. Growers in Western Australia and South Australia have low soil moisture and are yet to receive any meaningful fall rains, with little expectation of rain in the coming weeks. FAS/Canberra forecasts a decline in wheat planted area and yield to dip below average with production at three percent below average. For barley, FAS/Canberra forecasts an increase in planted area but a fall in yield and a small decline in production from the prior year. Sorghum production is forecast to increase slightly in MY 2024/25 and exports are forecast to bounce back after the MY 2023/24 crop was adversely impacted by the widespread rains at harvest. MY 2024/25 is forecast for another strong year of rice production associated with an expectation of ample water availability.

## **EXECUTIVE SUMMARY**

The Australian winter cropping season for MY 2024/25 has had a contrasting start across differing states. New South Wales, a major producing state, and Queensland have had a very good start with ample soil moisture at planting and above-average rainfalls in the lead-up to and during the main planting period. The further south and west of New South Wales, the more challenging the conditions. Growers in Victoria, South Australia, and in particular, Western Australia, have endured a great deal of uncertainty after a very dry start with well below average soil moisture at the start of planting coupled with well below average rain during the typical planting period. However, their situation improved quickly in the first half of July 2024 after receiving very good rainfall. Combined with the Australian Bureau of Meteorology outlook for the coming months of a high likelihood of above-average rainfall across the eastern states of Australia and South Australia, and for Western Australia an equal chance of above and below-average rainfall, the forecast year is likely to bring wheat and barley production to the previous 10-year average or a little higher.

Wheat production is forecast at 29 million metric tons (MMT) for MY 2024/25, up by 3 MMT from the prior year's estimate based on a larger planted area, partly at the expense of some failed canola crops replanted, in the states with the very dry start. Forecast wheat production is nine percent above the previous 10-year average. Despite the increase in wheat production, exports are forecast to increase slightly to 21 MMT in MY 2024/25, with the exports for the MY 2023/24 estimate year being propped up by dipping into ending stock levels. Barley production is forecast to increase to 11.5 MMT (6.4 percent) for MY 2024/25 from the prior year to be marginally above the previous 10-year average. Barley exports are also forecast to decline to 5.6 MMT from the estimated 7.0 MMT in MY 2023/24. The Chinese Ministry of Commerce reviewed its anti-dumping and anti-subsidy claims against imported Australian barley and removed the tariff in August 2023. Since then, Chinese demand for Australian barley has been very strong, and like for wheat, the high export level in the estimate year will be supported by reduced ending stocks.

Sorghum production is forecast to remain stable in MY 2024/25 and achieve the fourth successive above-average production year. Exports are forecast to bounce back in MY 2024/25 after the MY 2023/24 crop, was adversely impacted by the widespread rains at the beginning of harvest. Substantial quantities of sorghum were downgraded to feed quality, greatly reducing the volume of sorghum suitable for export in MY 2023/24.

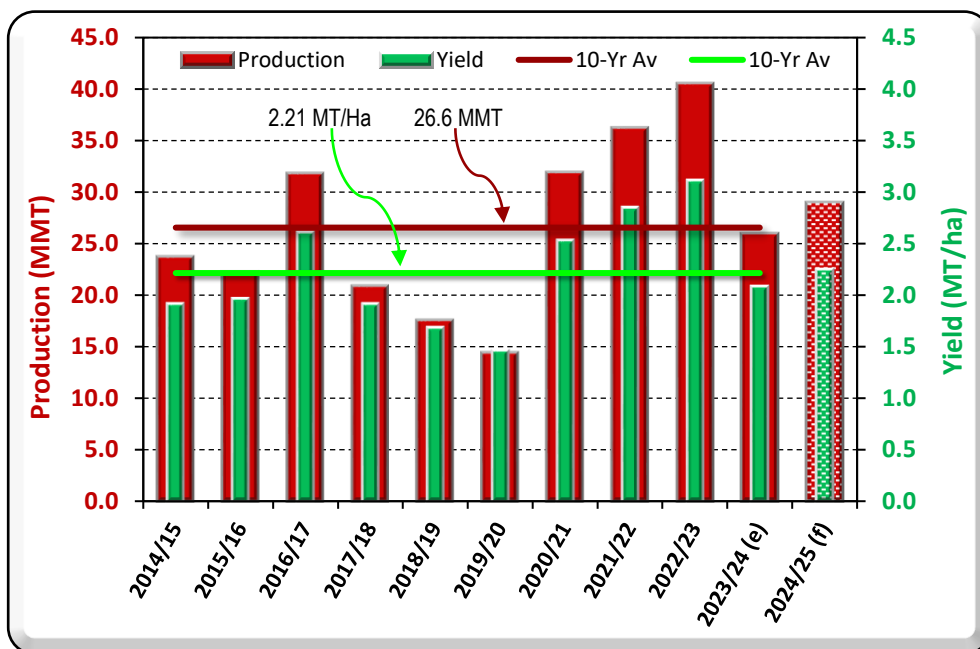
A fourth successive year of strong rice production is forecast for MY 2024/25, but 4.5 percent below the previous above average yielding MY 2023/24 crop. The main driver of yet another strong year of rice production is the likelihood of ample irrigation water availability. There are currently high irrigation water levels in storage dams, which supported by the forecast of above-average rains in the coming months. With continued strong and stable production, rice imports and exports are forecast to remain stable from MY 2023/24.

## WHEAT

### Production

FAS/Canberra forecast Australia's MY 2024/25 wheat production at 29 MMT after a tentative planting and early growth phase period in some major production regions. This forecast is nine percent higher than the previous 10-year average (see Figure 1) and is in line with the official USDA forecast. If realized, this would be a 3.0 MMT increase from the prior year's (MY 2023/24) wheat crop but 11.5 MMT (28 percent) below the record crop set in MY 2022/23. The forecast production improvement from the prior year is mainly due to an expectation of a yield improvement from the prior year to marginally above the long-term average. But it is also, to a minor degree, due to the expectation of an increase in the planted area of wheat.

**Figure 1 – Australian Wheat Production and Yield History**



Source: PSD Online / FAS/Canberra

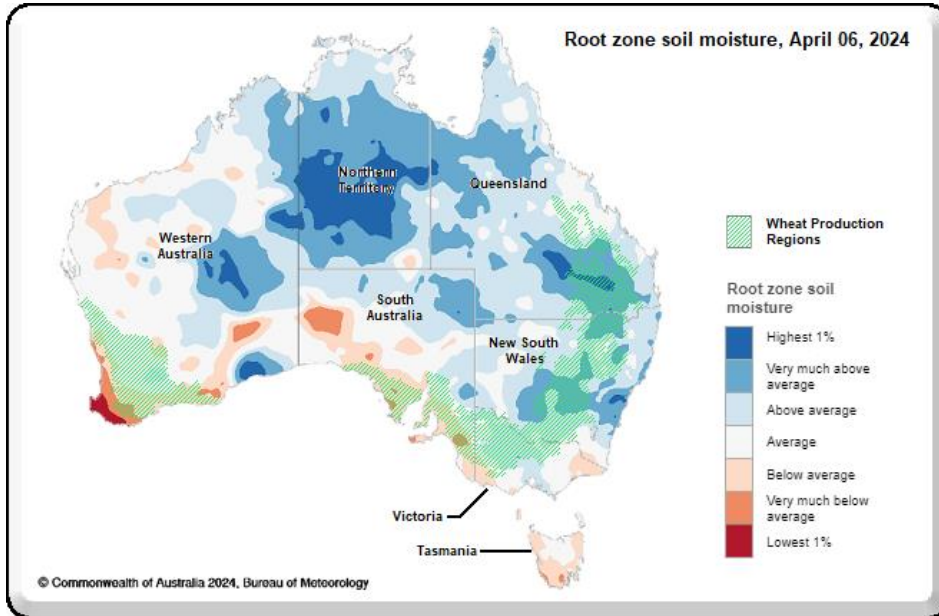
Note: (e) = estimate, (f) = forecast

The harvested area is forecast at 12.9 million hectares for MY 2024/25, a three percent increase over the prior year's 12.4-million-hectare estimate. This increase is not due to better overall conditions at planting, but rather, poorer conditions which discouraged canola planting and, in some cases, failed canola crop establishment which was subsequently replanted to wheat.

New South Wales and Queensland growers had above-average to well above-average soil moisture in early April 2024, which is the early part of the typical planting period for most regions (see Figure 2). However, most wheat-producing regions, particularly in the more southern areas, had below-average soil moisture at planting. New South Wales and Queensland growers also generally received above-average rainfall from April to June 2024. This situation gave growers a particularly good start to the

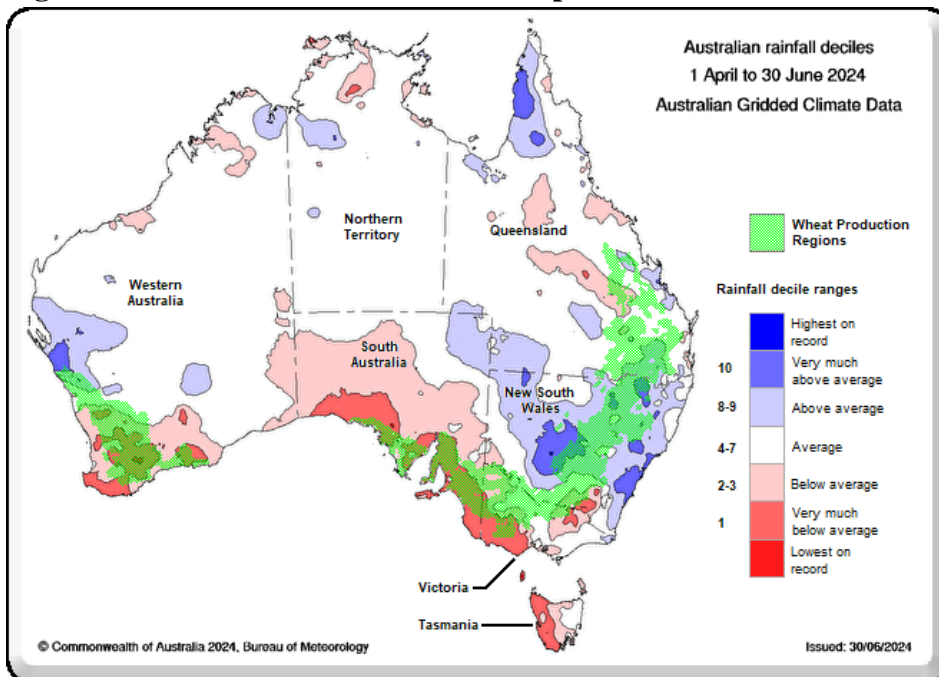
season. However, the situation for growers in the more southern regions of Victoria, South Australia and Western Australia, did not improve, receiving well below average rainfall during this period (see Figure 3). These three states typically account for two-thirds of Australia’s wheat production, causing industry-wide concern that the season was heading toward a well below-average production year.

**Figure 2 – Australia Soil Moisture Map – April 06, 2024**



Source: Australian Bureau of Meteorology / FAS/Canberra

**Figure 3 - Australia Rainfall Deciles – April to June 2024**

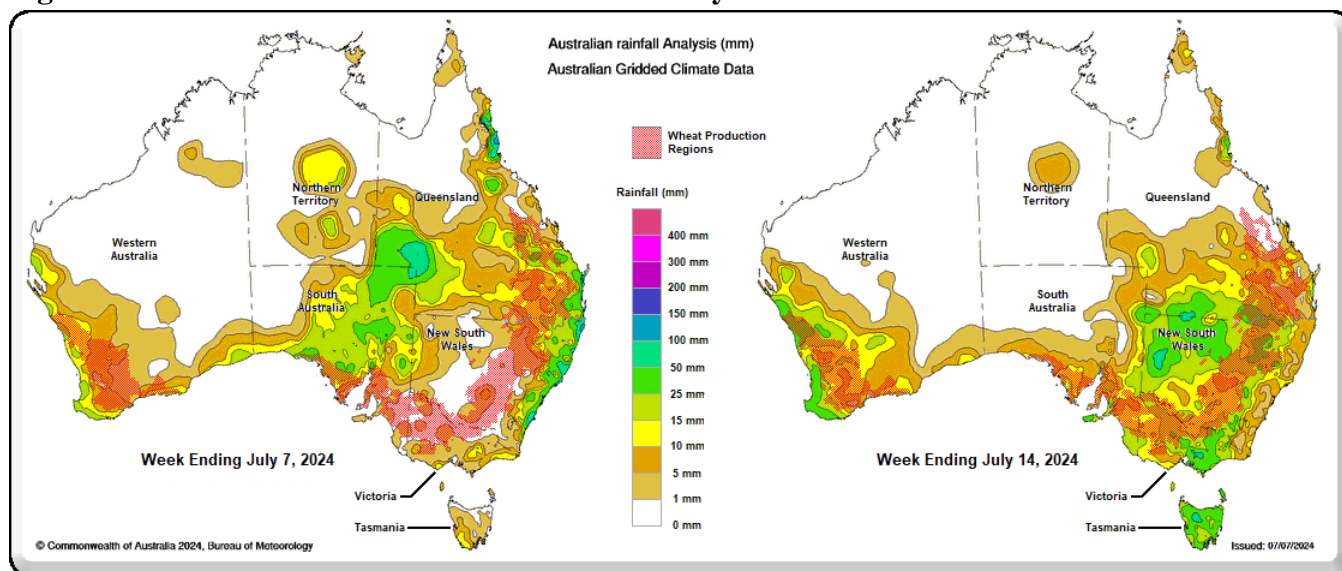


Source: Australian Bureau of Meteorology / FAS/Canberra

The first two weeks of July 2024 have resulted in some much-needed rainfall, particularly for the more southern production areas (see Figure 4). Western Australia had been the most affected by the lack of rainfall in the lead-up to and during the typical planting period. There are reports that with the warmer-than-usual winter temperatures some catch-up in crop development can be anticipated after the rainfalls in July so far. It has also been reported that growers with failed canola crops have taken the opportunity to replant with wheat and those that had left some areas as fallow had reconsidered and planted wheat. This activity has contributed to the three percent higher national planted area of wheat for the forecast year.

Wheat planting in early July is uncommon, and due to the shorter growing period, lower yields are expected. However, with warmer than usual conditions crop development is likely to be more rapid and if rainfalls continue the very late-planted wheat crops are anticipated to be economically viable.

**Figure 4 - Australia Rainfall – Weeks 1 and 2 of July 2024**



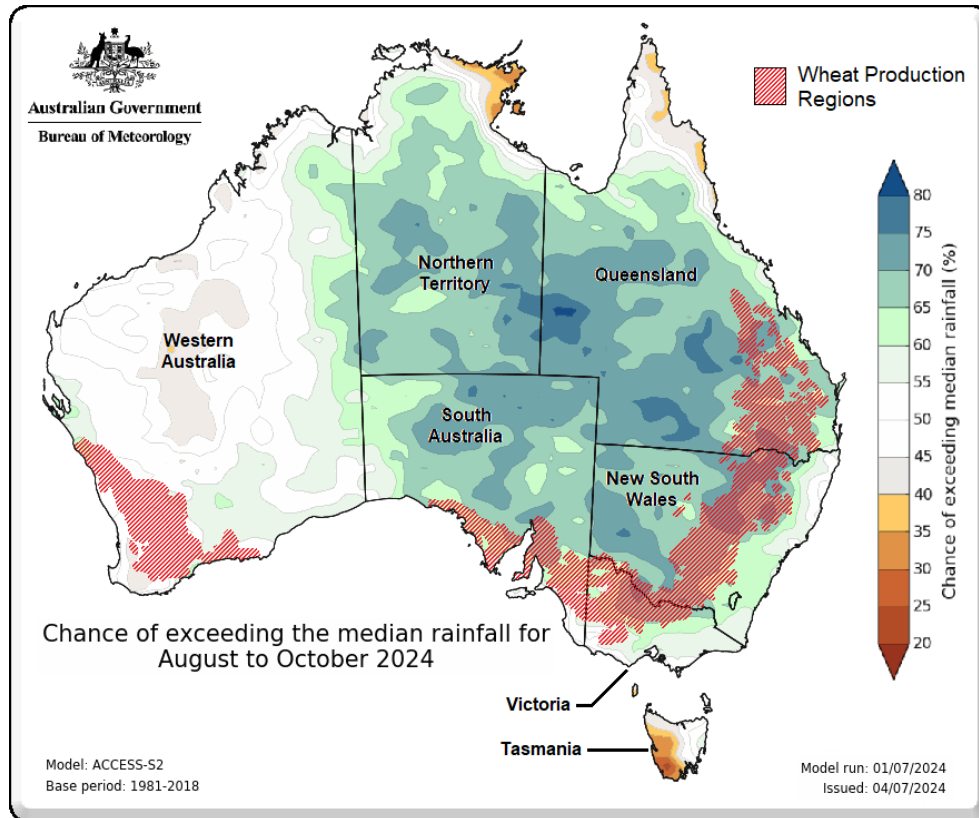
Source: Australian Bureau of Meteorology / FAS/Canberra

The rainfall outlook from the Australian Bureau of Meteorology for August to October 2024 during the main crop growth phase is broadly positive. The wheat production areas in the eastern states and South Australia expect a good chance of exceeding median rainfall. In contrast, Western Australia’s outlook is for around average rainfall (see Figure 5).

Of the main wheat-producing states, New South Wales, after above-average soil moisture at the start of planting and above-average rainfall in the planting period, combined with a good rainfall outlook in the coming months, is poised to achieve well-above-average yields. Victoria and South Australia have had a relatively dry start, but with an above-average rainfall outlook, they may anticipate average or slightly higher yields. However, for Western Australian growers who have experienced a very challenging, dry,

and late start to their wheat season in conjunction with a rainfall outlook of around average in the coming months, the expectation is for below-average yields.

**Figure 5 - Australia Rainfall Forecast – August to October 2024**



Source: Australian Bureau of Meteorology / FAS/Canberra

The wheat production estimate for MY 2023/24 is 26.0 MMT, which is in line with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimate now, around six months after harvest’s completion.

**Consumption**

FAS/Canberra forecasts domestic consumption of wheat at 8.0 MMT in MY 2024/25, 1.0 MMT higher than the official USDA forecast. This is due to FAS/Canberra forecasting higher feed industry demand at 4.5 MMT, similar to past years, while the official USDA forecast is 3.5 MMT.

The majority of the wheat demand by the livestock industry is for beef cattle feedlots, and to a lesser degree, the dairy industry, as well as the swine and poultry industries. Weather conditions for pasture production have generally been very favorable over recent years. This has continued, particularly in the eastern states of Australia where much livestock feed demand exists. If the Australian Bureau of Meteorology rainfall forecast for the coming months is realized, pasture production will remain positive in the more southern temperate areas with little change to grain feed demand anticipated. The largest

cattle-producing state of Queensland which relies on tropical wet season rainfalls from December to April each year – had a good wet season period across 2023/24, which will carry producers' grass feed through to near the end of 2024 before the next wet season period generates new grass production.

Typically, in drought conditions, the beef cattle industry responds by reducing stocking rates on their grazing properties, which also ramps up the volume of cattle in feedlots. Current conditions do not indicate any significant short-term risk of low pasture production and a subsequent rise in feed demand from feedlots. Consequently, FAS/Canberra forecasts wheat feed demand for MY 2024/25 align with past outcomes, which is 1 MMT (29 percent) higher than the official USDA forecast.

Domestic consumption for flour milling is expected to remain unchanged from recent years at 3.5 MMT in MY 2024/25. The Australian population has increased over the last two years providing scope for a future increase in domestic flour milling consumption.

FAS/Canberra's wheat consumption estimate for MY 2023/24 remains unchanged at 7.75 MMT and is 750,000 metric tons (MT) higher than the official USDA estimate. FAS/Canberra has estimated a small decline in domestic wheat feed consumption due to the quality of the most recent sorghum crop being impacted by rain at harvest. Some of this downgraded sorghum is anticipated to displace feed wheat and barley demand. Sorghum is the least favored grain feed. Many feed grain consumers have converted their equipment to processing white feed grains instead and are unlikely to reequip for a moderate short-term financial benefit. On this basis, sorghum displacing wheat and barley for feed grain purposes, in large volumes is unlikely.

## **Exports**

FAS/Canberra forecasts wheat exports in MY 2024/25 to rise by 1 MMT (5 percent) to 21 MMT, from the estimate for 2023/24. The FAS/Canberra forecast is 1 MMT lower than the official USDA forecast for MY 2024/25. This relates to FAS/Canberra's consumption forecast for MY 2024/25 being 1 MMT higher than the official USDA forecast, limiting Australia's capacity to reach the official USDA export forecast of 22 MMT.

FAS/Canberra's MY 2023/24 wheat export estimate is in line with the official USDA estimate of 20 MMT.

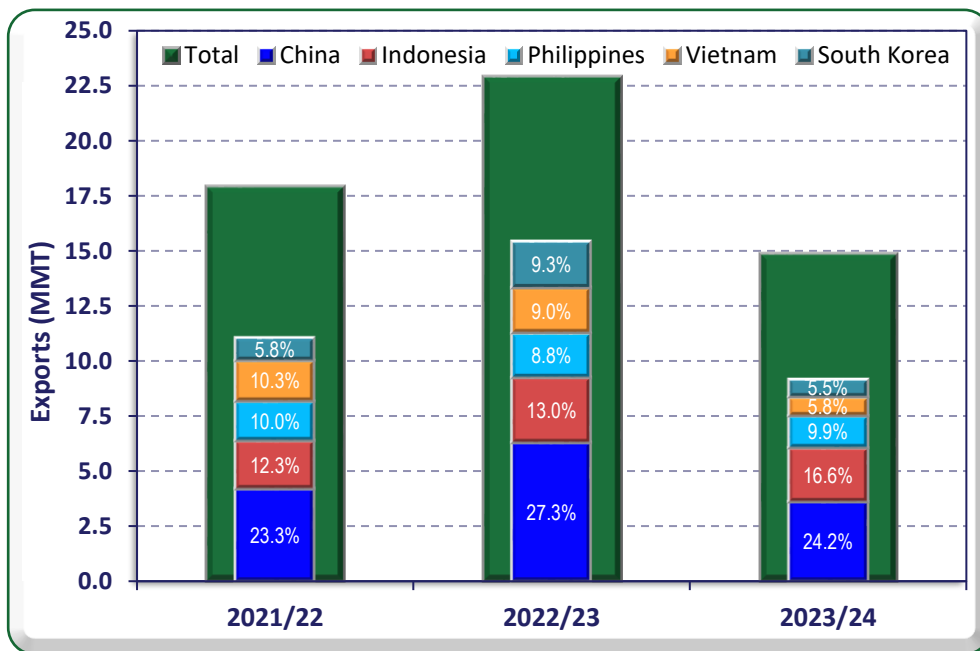
Australian wheat exports in MY 2023/24 have been strong, with 14.9 MMT exported in the marketing year to date (October 2023 to May 2024). At the current rate and accounting for past seasonality trends, the full MY 2023/24 exports are tracking above 21 MMT. However, FAS Canberra anticipates that the pace of exports will ease in the coming months as importing nations become more at ease with Australia's improved wheat production prospects after much-needed rainfalls in the first two weeks of July, along with the outlook of good rains in the coming months. Even at the estimated level of exports,

the closing reserves of wheat for MY 2023/24 are expected to decline by 1.5 MMT to support the strong export demand.

Lower wheat production in MY 2023/24, at a little below the previous 10-year average, compared to record production and subsequent exports for MY 2022/23, has resulted in all major trading nations reducing their demand for Australian wheat. Despite the big drop in overall wheat exports so far in MY 2023/24 (October 2023 to May 2024), the top five trading nations have collectively accounted for around two-thirds of Australia’s overall wheat exports, similar to previous years (see Figure 6).

Within the group of top five trading nations, a notable shift has been a three percent decrease in the proportion of wheat exports to China. In contrast, there has been an increase for Indonesia. The decline of wheat exports to China so far for MY 2023/24 is understandable, given torrential rain at the start of the MY 2022/23 harvest was reported to have substantially impacted their wheat crop, which resulted in China importing a greater than usual volume from Australia in that year.

**Figure 6 – Wheat Exports Destinations – October to May 2021/22 to 2023/24**



Source: Australian Bureau of Statistics

### Imports

FAS/Canberra forecasts wheat imports in MY 2024/25 at 200,000 MT, in line with the estimate for MY 2023/24. The imports from October 2023 to May 2024 are very similar to those in the previous year. 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 2024/25 are expected to remain stable at a little below typical past levels. Concerns about Australia's wheat production for MY 2024/25, earlier in 2024, drove strong export demand leading to lower stocks at the end of MY 2023/24 with little recovery anticipated for the forecast year.

**Table 1 - Production, Supply, and Distribution of Wheat**

Wheat Market Year Begins Australia	2022/2023		2023/2024		2024/2025	
	Oct 2022		Oct 2023		Oct 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	13045	13045	12500	12400	12500	12900
Beginning Stocks (1000 MT)	3454	3454	4373	4371	3573	2821
Production (1000 MT)	40545	40545	26000	26000	29000	29000
MY Imports (1000 MT)	197	197	200	200	200	200
TY Imports (1000 MT)	205	205	200	200	200	200
Total Supply (1000 MT)	44196	44196	30573	30571	32773	32021
MY Exports (1000 MT)	31823	31825	20000	20000	22000	21000
TY Exports (1000 MT)	32329	32329	23200	22500	22000	20500
Feed and Residual (1000 MT)	4500	4500	3500	4250	3500	4500
FSI Consumption (1000 MT)	3500	3500	3500	3500	3500	3500
Total Consumption (1000 MT)	8000	8000	7000	7750	7000	8000
Ending Stocks (1000 MT)	4373	4371	3573	2821	3773	3021
Total Distribution (1000 MT)	44196	44196	30573	30571	32773	32021
Yield (MT/HA)	3.1081	3.1081	2.08	2.0968	2.32	2.2481
(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 2024/2025 = July 2024 - June 2025						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

## BARLEY

### Production

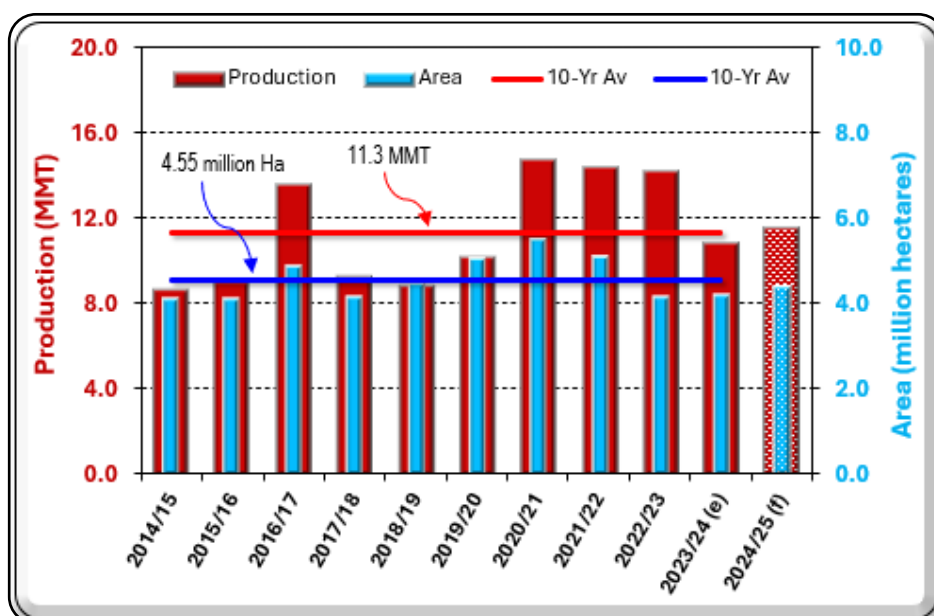
FAS/Canberra forecasts Australia's MY 2024/25 barley production at 11.5 MMT, 700,000 MT above the prior year estimate and in line with the official USDA forecast. Despite a dry start to the season for the major production regions, the forecast production would still be a relatively large crop, marginally (1.8 percent) above the previous 10-year average, which includes the top three production seasons in recent years (see Figure 7). The increased production is mainly related to the 4.8-percent higher forecast planted area relative to the previous year. Yield is forecast to rise a modest 1.6 percent from the MY 2023/34 estimate.

The forecast increase in barley planted for MY 2024/25 is due to the same reasons for wheat in the southern production areas, which experienced a dry start to the season. Some growers with canola crops that have not established well due to the dry conditions have been replanted with barley. Also, after the rainfalls in early July 2024, some of the fallow areas are reported to have been planted with barley. A further influencing factor is the recommencement of barley trade to China after the Chinese Ministry of Commerce reviewed its anti-dumping and anti-subsidy claims against imported Australian barley and

removed the tariff. Since September 2023, China has been a strongly dominant destination for Australian barley, which has improved industry confidence in the trade and encouraged an increased planted area.

Barley is grown in similar areas to wheat but to a lesser extent in the more northern regions. The dry conditions at the start of planting (see Figure 2) and during the planting period (see Figure 3) have been in the more southern areas, the impact on barley yield is somewhat greater than wheat. The MY 2024/35 forecast yield improvement from the prior year for barley is 1.6 percent compared to 7.2 percent for wheat.

**Figure 7 – Australian Barley Production and Area History**



Source: PSD Online / FAS/Canberra

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

As for wheat, the forecast production for barley is predicated upon the current status of the crop and the Australian Bureau of Meteorology rainfall forecast for the coming months (see Figure 5), which is for the likelihood of above-average rainfalls in the eastern states and around average in Western Australia.

Similar to the situation for wheat, barley yields in New South Wales are poised to achieve well above-average yields. Victoria and South Australia, after a relatively dry start but with an above-average rainfall outlook, can anticipate around average barley yields. But for Western Australian growers, the expectation is for below-average yields after experiencing a very challenging dry and late start to their barley season in conjunction with forecast rainfall of around average in the coming months.

FAS/Canberra's barley production estimate for MY 2023/24 is 10.8 MMT, in line with the official USDA estimate. Now around six months after the completion of harvest, the estimate is in line with the ABARES estimate.

### **Consumption**

FAS/Canberra forecasts MY 2024/25 barley consumption at 6.0 MMT, which is in line with past levels. Domestic consumption for malting purposes is relatively stable with livestock feed consumption being the primary variant from year to year.

Similar to feed wheat, the beef cattle feedlot industry, along with the dairy industry, is a major feed barley grain consumer. As mentioned, weather conditions for pasture production have generally been positive over recent years. This has continued into 2024, particularly in the eastern states where most of the beef feedlot industry is located. In conjunction with the positive rainfall outlook for the coming months, there is little likelihood of any significant change in beef feedlot numbers and demand for feed grain.

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 the recent years.

FAS/Canberra's consumption estimate for MY 2023/24 remains unchanged at 5.75 MMT but is 250,000 MT below the official USDA estimate. The smaller FAS/Canberra estimate relates to the increased uptake of downgraded sorghum by the livestock industries after rains at harvest, which substantially impacted their most recent crop.

### **Exports**

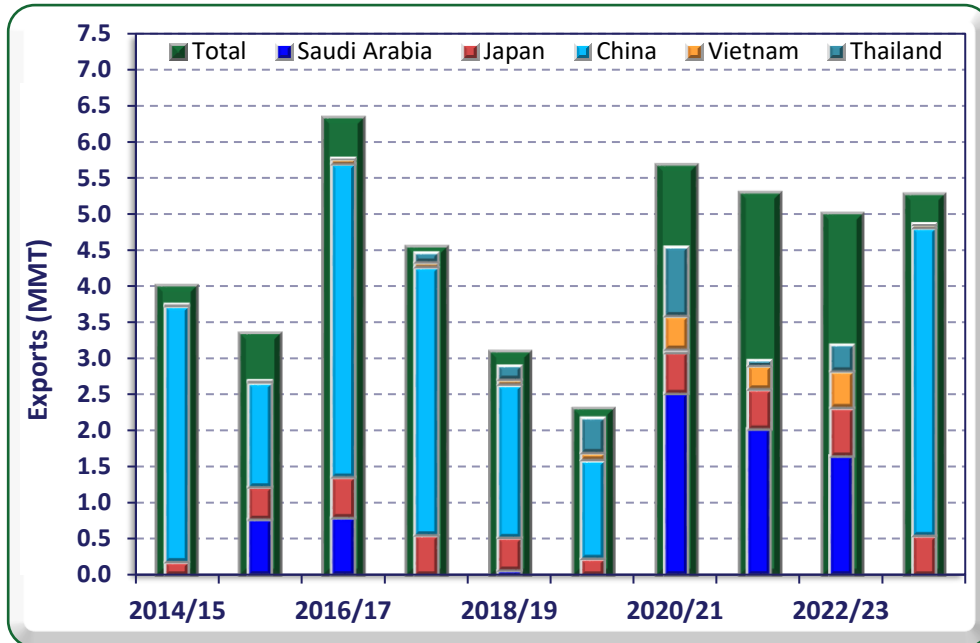
Australia's barley exports for MY 2024/25 are forecast at 5.6 MMT, which is in line with the official USDA forecast. Despite a higher production forecast for MY 2024/25, this drop in forecast exports of 1.4 MMT from the MY 2023/24 estimate relates to the rapid rise in demand from China, which is expected to draw down on ending stocks in the estimate year.

Barley is not traded in high volumes on the world export market, and only six nations consistently export significant volumes. Ukraine is typically a significant exporter at around 15 percent of world barley trade. With ongoing disruption to production, transport and port logistics due to the Russian invasion of Ukraine, demand for Australian barley is expected to remain firm.

As mentioned, the Chinese Ministry of Commerce removed tariffs on imported barley in August 2023. Since then, there has been a major shift in the destination of Australian barley exports back to a situation similar to the years prior to the tariff being imposed. China has regained its position as the dominant Australian barley export destination at around 80 percent of overall exports, with Japan being the only other significant trading destination at around 10 percent (see Figure 8). With Australia's proximity to

China and Japan and a forecast of lower export supply, this new trade pattern is likely to stay the same for MY 2024/25.

**Figure 8 – Barley Exports Destinations – November to May MY 2014/15 to 2023/24**



Source: Australian Bureau of Statistics

Barley exports for the first seven months of MY 2023/24 (November 2023 to May 2024) have been strong, reaching 5.3 MMT, a little above the 5.0 MMT for the same period in the previous MY 2022/23, which achieved a full marketing year result of 7.8 MMT. On this basis the export estimate for MY 2023/24 of 7.0 MMT may seem understated. However, the pace of exports for the remainder of the marketing year is expected to slow as barley stocks become depleted.

### Stocks

Australia’s ending stocks of barley are forecast to decline to 1.3 MMT in MY 2023/24, in line with the official USDA estimate, a relatively low level not seen for nearly a decade. This is mainly due to the rapid onset of demand from China after its Ministry of Commerce removed tariffs (August 2023) imposed on Australian barley imports that were set in May 2020.

**Table 2 - Production, Supply, and Distribution of Barley**

Barley Market Year Begins Australia	2022/2023		2023/2024		2024/2025	
	Nov 2022		Nov 2023		Nov 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4127	4127	4200	4200	4400	4400
Beginning Stocks (1000 MT)	2848	2848	3220	3220	1320	1270
Production (1000 MT)	14137	14137	10800	10800	11500	11500
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	16985	16985	14020	14020	12820	12770
MY Exports (1000 MT)	7765	7765	6700	7000	5600	5600
TY Exports (1000 MT)	7084	7084	7000	7600	6000	5600
Feed and Residual (1000 MT)	4500	4500	4500	4250	4500	4500
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	6000	6000	6000	5750	6000	6000
Ending Stocks (1000 MT)	3220	3220	1320	1270	1220	1170
Total Distribution (1000 MT)	16985	16985	14020	14020	12820	12770
Yield (MT/HA)	3.4255	3.4255	2.5714	2.5714	2.6136	2.6136
(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 2024/2025 = October 2024 - September 2025						
OFFICIAL DATA CAN BE ACCESSED AT: <a href="#">PSD Online Advanced Query</a>						

## SORGHUM

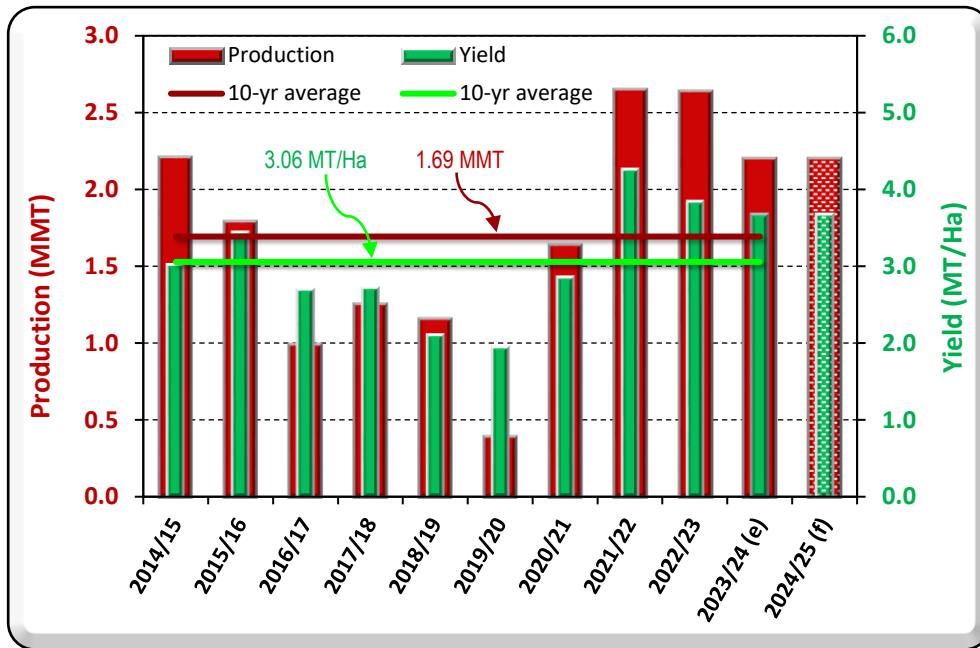
### Production

The FAS/Canberra sorghum production forecast of 2.2 MMT for MY 2024/25 remains unchanged from the previous forecast and is in line with the official USDA forecast. Harvested area and yield are forecast to remain stable from the prior year estimate at 600,000 hectares and 3.67 MT/Ha.

The production and yield forecasts are 30 and 20 percent, respectively, higher than the previous 10-year averages (see Figure 9). However, these forecasts are substantially below recent results achieved in MY 2021/22 and MY 2022/23. The higher-than-average forecast is because Australian producers have been encouraged to produce sorghum over recent years due to strong demand from China.

At this early stage, the forecast of above-average rainfall (see Figure 10) in the lead-up to planting is an encouraging prospect for the planting period starting in October 2024. If realized, it would support above-average production of sorghum for MY 2024/25. However, with the prospect of a good start to the sorghum season, an average in crop rainfall will be required to achieve the forecast above-average yield.

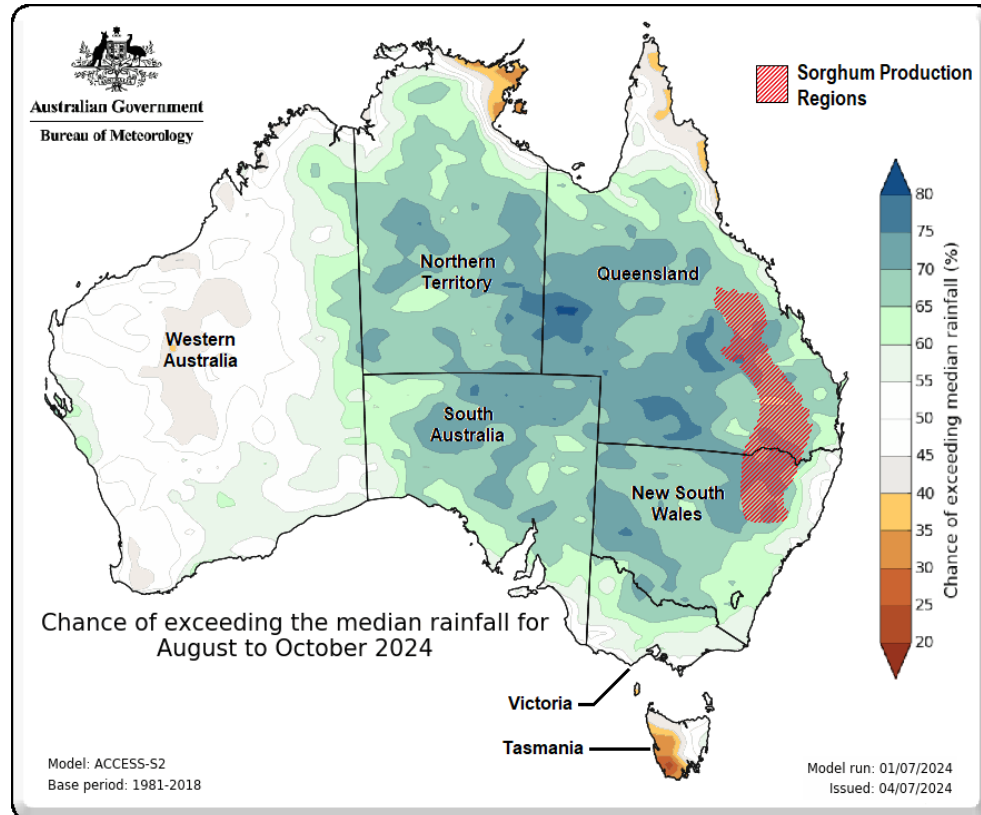
**Figure 9 – Australian Sorghum Production and Yield History**



Source: PSD Online / FAS/Canberra

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

**Figure 10 - Australia Rainfall Forecast – August to October 2024**



Source: Australian Bureau of Meteorology / FAS/Canberra

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

FAS/Canberra's sorghum production estimate for MY 2023/24 is 2.2 MMT, which is in line with the official USDA estimate. At the end of the harvest period, this estimate is the same as the ABARES estimate.

### **Consumption**

FAS/Canberra's forecast sorghum consumption in MY 2024/25 at 160,000 MT aligns with the official USDA estimate but a decline of 400,000 MT from the prior year. The forecast decline for MY 2023/24 is a return to the current normal expected level of consumption. The elevated MY 2023/24 consumption estimate relates to rainfall events at the beginning of harvest, which resulted in a substantial quantity of sprout grain and associated quality downgrade unsuited for export.

FAS/Canberra's sorghum consumption estimate for MY 2023/24 is 560,000 MT, some 50,000 MT above the official USDA estimate. Although, there is a relatively small variance, FAS/Canberra considers the impact of the rainfalls at the start of harvest to be a little more substantial.

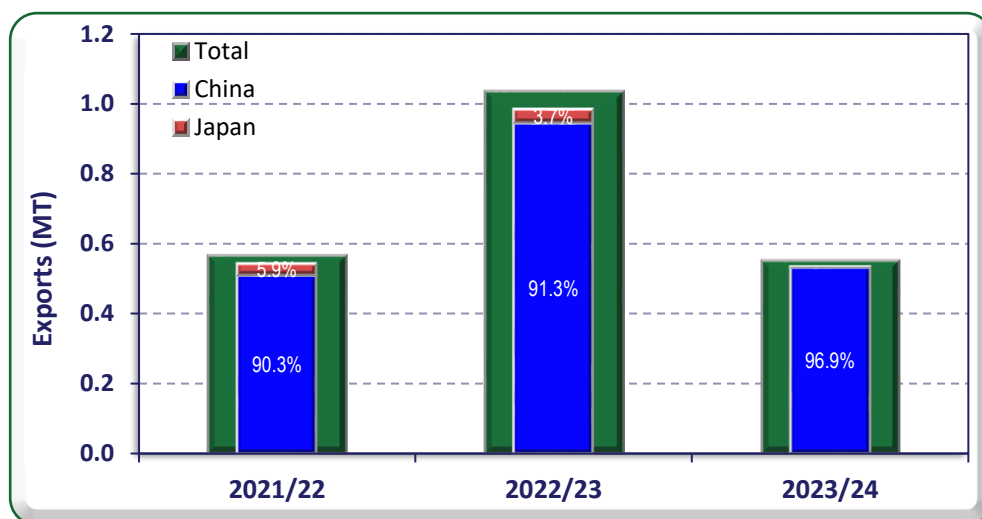
### **Exports**

The FAS/Canberra sorghum export forecast for MY 2024/25 is 2.1 MMT, which is in line with the official USDA forecast. This is 400,000 MT higher than the MY 2023/24 estimate, but this is due to the previously mentioned downgrading of sorghum unsuited for export rather than any change in production.

The domestic livestock industries have turned away from using sorghum and instead towards wheat and barley over the last 15 years. The industry now exports the vast majority of the sorghum that it produces. China has for many years been the primary buyer of Australian sorghum, and this is expected to remain the case in the forecast year.

China is traditionally the major export destination of Australian sorghum. For the first three months of MY 2023/24, China has continued this trend with 97 percent of overall exports (see Figure 11). Over recent years, Japan has accounted for around 10 percent of the full marketing year trade. Exports to Japan for the first three months of MY 2023/24 are very low, but their monthly trade is typically sporadic, and trade is anticipated to catch up to past levels in the remaining nine months.

**Figure 11 – Sorghum Export Destinations – Mar to May MY 2021/22 to 2023/24**



Source: Australian Bureau of Statistics

FAS/Canberra’s export estimate for MY 2023/24 is 1.7 MMT, which is in line with the official USDA estimate. The first three months of MY 2023/24 have resulted in 550,000 MT exported, a significant decline from the prior year, but not unexpected given the rain-affected harvest, which resulted in a substantial volume of grain unsuited for export.

### Stocks

Socks are forecast to remain low for MY 2024/25 due to anticipated strong export demand flowing from the lower export supply in MY 2023/24.

**Table 3 - Production, Supply, and Distribution of Sorghum**

Sorghum	2022/2023		2023/2024		2024/2025	
	Mar 2023		Mar 2024		Mar 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	687	687	600	600	600	600
Beginning Stocks (1000 MT)	331	331	301	351	291	291
Production (1000 MT)	2638	2638	2200	2200	2200	2200
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2969	2969	2501	2551	2491	2491
MY Exports (1000 MT)	2508	2508	1700	1700	2100	2100
TY Exports (1000 MT)	2753	2753	1600	1600	1900	2000
Feed and Residual (1000 MT)	150	100	500	550	150	150
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	160	110	510	560	160	160
Ending Stocks (1000 MT)	301	351	291	291	231	231
Total Distribution (1000 MT)	2969	2969	2501	2551	2491	2491
Yield (MT/HA)	3.8399	3.8399	3.6667	3.6667	3.6667	3.6667

(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 Sorghum begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

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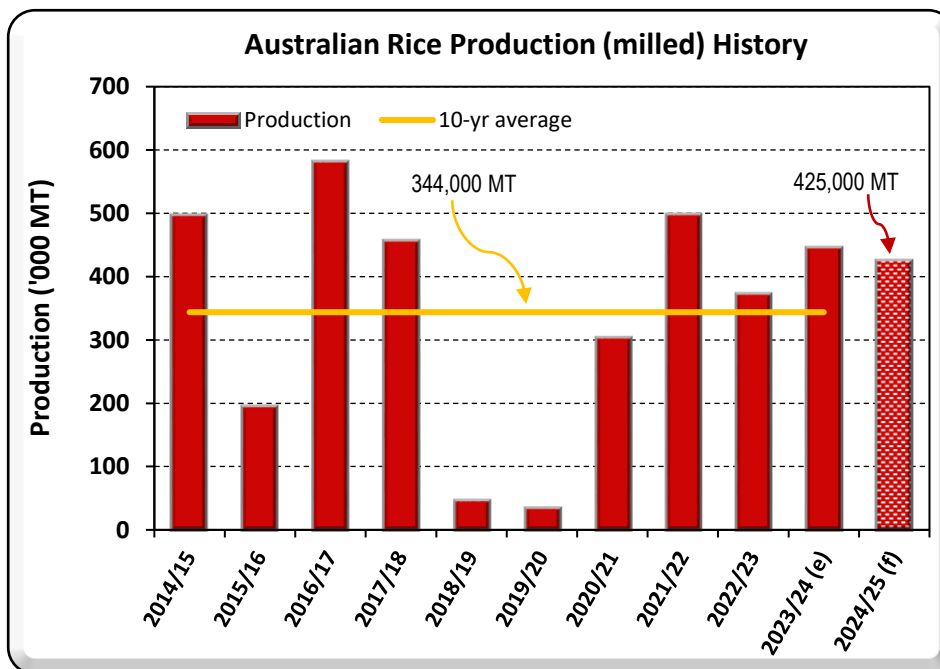
## RICE

### Production

FAS/Canberra's forecast milled rice production remains unchanged at 425,000 MT for MY 2024/25, a 4.5 percent decrease from the MY 2023/24 estimate, which had particularly good seasonal growing conditions after a wet and colder-than-usual start. The FAS/Canberra forecast is 40,000 MT (8.6 percent) below the official USDA forecast which is based on further growth in the planted area to the highest level in almost a decade.

The FAS/Canberra rice production forecast is based on normal seasonal conditions at planting and the strong likelihood of ample irrigation water availability for the MY 2024/25 crop (to be planted from October 2024). If the forecast is realized, it would be 24 percent above the last 10-year average and the fourth consecutive year of production above the previous 10-year average (see Figure 12).

**Figure 12 – Australian Rice Production (milled) History**



Source: PSD Online / FAS/Canberra

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

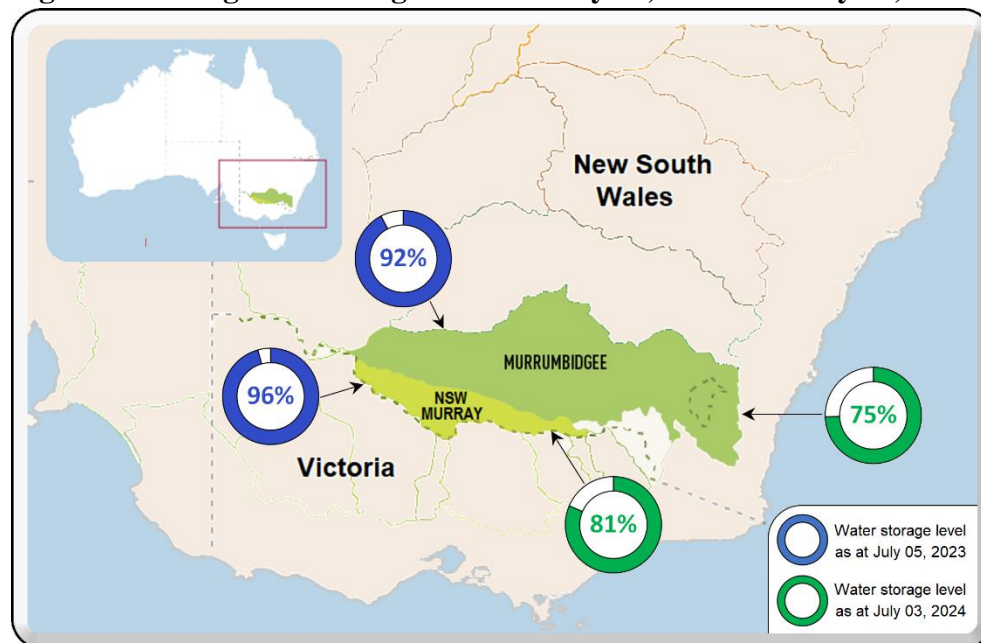
The forecast production is still far below the peak of 1.175 MMT achieved in MY 2000/01. The overall decline in production is largely related to the encroachment of cotton production and the growth in horticulture in the region and other regions. These have created competition for water resources, but cotton has additionally created competition for land as they have similar planting and harvest periods. Producing cotton and rice on irrigated land is generally not interchangeable. Rice requires flatter slopes that enable water ponding, whereas cotton requires steeper slopes to enable irrigation water to drain from the fields. However, some farmers have unique irrigation designs that the interchange between rice

and cotton production, but this is uncommon. Over time, farmers converted irrigated rice area to cotton production. The lost area can return if the prospects for cotton declines, and there is no such industry sentiment at present.

There have been three successive years of above-average production during which the rice industry experienced similar impediments to that for cotton production, labor shortages, high energy, fertilizer, and chemical prices, but ample irrigation water. Irrigation water availability is the major determinant of planted area for both industries. The impediments to production have all eased, including MY 2023/24, and there is an expectation that ample irrigation water will be available for the forecast year. With a similar situation anticipated for the forecast year compared to the estimate year for rice and cotton, it is difficult to foresee that there will be any increase in the planted area of rice in MY 2024/25.

The rice industry has now had three successive years of ample water availability, underpinning strong planted areas and subsequent production results. The volume of irrigation water in the storage dams that supply the major rice-producing areas is high in early-July 2024 after the end of the 2023/24 irrigation season (see Figure 13). Although the storage levels on July 03, 2024, are around 15 percent lower than at the same time as the previous year, they are very high, considering that most water inflows into the storage dams are usually in the late winter and spring months. With such a high-water storage, rice producers will be confident of having ample irrigation water available for MY 2024/25, enabling them to again plan for a big planted area.

**Figure 13 – Irrigation Storage Levels – July 05, 2023 and July 03, 2024**



Source: Murray Darling Basin Authority

FAS/Canberra's production estimate of 445,000 MT (milled) is similar to that of ABARES for MY 2023/24 but 45,000 MT (11.2 percent) above the official USDA estimate. The higher FAS/Canberra estimate is due to near-optimal growing conditions after a cool and slow start to the production season. Crops experienced above-average temperatures from December 2023 to February 2024, followed by a hot March 2024 that growers indicate was near optimal for this season's crop. The FAS/Canberra yield estimate is 3.7 percent above the 10-year average, while the official USDA yield estimate is 6.7 percent below.

## **Consumption**

FAS/Canberra's domestic rice consumption for MY 2024/25 is forecast at 410,000 MT, which is in line with the official USDA forecast and is 10,000 MT higher than the previous marketing year. The forecast small increase in consumption is supported by the Australian government, expecting continued strong migration in 2024. Migration is also likely to remain strong in 2025 but at a slower pace. Net migration in Australia for 2023 accounted for 84 percent of the overall population growth, and the balance was based on natural growth. So, government policy associated with migration significantly influences the consumption outlook.

The Australian Bureau of Statistics data shows that the 2023 annual population growth was two and a half percent. This is well above the general migration rates of less than one percent for other Western nations. If per capita rice consumption remains constant, this population growth equates to a growth in overall rice consumption of almost 10,000 MT, which is in line with the forecast.

FAS/Canberra's rice consumption estimate for MY 2023/24 is 400,000 MT, which is also in line with the official USDA estimate.

## **Trade**

### Imports

FAS/Canberra's forecast imports of 225,000 MT in MY 2024/25 is in line with the official USDA forecast. The forecast also remains stable compared to the MY 2023/24 estimate. With forecast production similar to the MY 2023/24 estimate, trade is anticipated to remain stable.

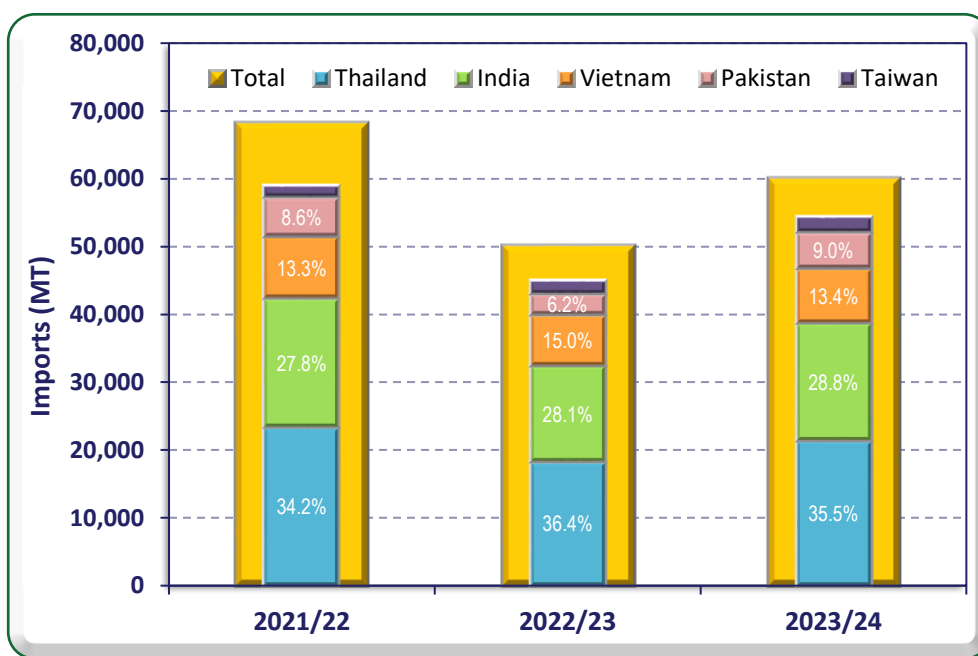
FAS/Canberra's rice import estimate of 225,000 MT for MY 2023/24 is in line with that of the official USDA estimate. Imports for the first three months of MY 2023/24 at 60,000 MT is 10,000 MT above that for the same period of the prior year, which achieved full marketing year imports of 232,000 MT. Based on past years, rice imports for the first three months are not always a good trend indicator for the remainder of the marketing year. With stronger domestic rice production in MY 2023/24 than the prior year, it is anticipated that the pace of imports will ease for the remaining nine months.

The top five suppliers of rice to Australia have accounted for around 90 percent of Australia's overall imports over the last three years, rising from around 80 percent in the preceding three years. Thailand

and India are by far the two largest rice suppliers to Australia, consistently accounting for two-thirds of total imports in recent years (see Figure 14).

Of the other three important sources of rice imports, over the last five years, the relative importance of Pakistan has diminished, and Australia has increased the importance of supply from Vietnam. This may relate to Australia’s major processor and marketer of rice, which also owns rice processing facilities in Vietnam. It is important to recognize that almost all of Australia’s rice production is medium-grain rice. Due to Australian consumer’s demand for a range of rice types, Australia will continue to import substantial quantities of rice.

**Figure 14 – Australian Rice Import Trends – March to May MY 2020/21 to 2023/24**



Source: Australian Bureau of Statistics

### Exports

FAS/Canberra’s forecast rice exports for MY 2024/25 at 260,000 MT is in line with the official USDA forecast. Also, the forecast remains stable compared to the MY 2023/24 estimate. As mentioned earlier, with the production forecast to remain relatively stable, there is no change anticipated in the Australia rice trade.

FAS/Canberra’s rice export estimate for MY 2024/25 at 260,000 MT is in line with the official USDA estimate and the MY 2023/24 estimate.

Although production is expected to be slightly lower in MY 2024/25 than in the prior year, exports are expected to remain stable. This relates to the consistently above average and relatively stable rice

production achieved over recent years. A further significant factor is the crossover influence of part of the production from one marketing year flowing into exports in the subsequent year which creates a stabilizing influence on exports from year to year.

For the first three months of MY 2023/24, rice exports were at 52,000 MT, a little lower than for the same time in the prior year, which achieved 252,000 MT. Exports over the first three months are unclear indicator of the expected final result. With strong successive years of rice production, the pace of exports is anticipated to increase for the remaining nine months.

## Stocks

Rice stocks are forecast to remain relatively stable in MY 2024/25 on the back of successive years of above-average rice production.

**Table 4 - Production, Supply, and Distribution of Rice**

Rice, Milled Market Year Begins	2022/2023		2023/2024		2024/2025	
	Mar 2023		Mar 2024		Mar 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Australia						
Area Harvested (1000 HA)	52	52	60	60	65	60
Beginning Stocks (1000 MT)	240	240	204	213	169	223
Milled Production (1000 MT)	374	374	400	445	465	425
Rough Production (1000 MT)	519	519	556	618	646	590
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	232	232	225	225	225	225
TY Imports (1000 MT)	221	225	220	230	225	225
Total Supply (1000 MT)	846	846	829	883	859	873
MY Exports (1000 MT)	252	253	260	260	260	260
TY Exports (1000 MT)	248	250	260	260	260	260
Consumption and Residual (1000 MT)	390	380	400	400	410	410
Ending Stocks (1000 MT)	204	213	169	223	189	203
Total Distribution (1000 MT)	846	846	829	883	859	873
Yield (Rough) (MT/HA)	9.9808	9.9808	9.2667	10.3	9.9385	9.8333

(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 2024/2025 = January 2025 - December 2025

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## Attachments:

No Attachments