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Prepared By: Zeljko Biki

Approved By: Gerald Smith

Report Highlights:

Australian wheat and barley producers faced challenges during difficult seasonal conditions in most major production regions. Given the circumstances, overall wheat and barley production is estimated to respectively reach the third and fifth-largest levels on record. Wheat exports are forecast to reach the fourth-highest on record, rising by 26 percent to 24 million metric tons (MMT) for MY 2024/25, and barley exports are forecast at 5.5 MMT. Sorghum and rice producers are experiencing highly favorable production conditions in MY 2024/25. Sorghum production is forecast at 2.2 MMT, similar to the prior year, almost all of which will be exported. Rice production is forecast at 375,000 metric tons (MT), a decline of 16 percent from the prior year estimate. Conditions favored a bigger planted area of rice, but industry intervened prior to planting to target a smaller level of production. Australia is forecast to be a net importer of rice in MY 2024/25, with imports of 260,000 MT and 230,000 MT of exports.

EXECUTIVE SUMMARY

The northern winter crop production areas of Queensland and northern and central New South Wales experienced exceptional seasonal conditions in MY 2024/25, leading to well above-average wheat and barley yields. Conversely, the major wheat production areas in the southern regions, which make up the bulk of the national production, faced challenging seasonal conditions with low rainfall and frost in some areas. Western Australian growers, in particular, encountered very limited rainfall until July 2024, well past the typical planting period, and average to below-average rainfall persisted for the remainder of the season. However, the rain that did occur was well-timed. Furthermore, the lack of crop bulk, due to the late start of significant rainfall, allowed available moisture to be effectively utilized for grain fill. Despite these challenges, Western Australia produced its third-largest winter crop on record, significantly contributing to Australia's national wheat estimate for MY 2024/25, also the third-largest on record. Barley production for this period ranked as the fifth-largest nationally.

Sorghum and rice producers are experiencing highly favorable production conditions in MY 2024/25. Sorghum growers benefited from excellent soil moisture, allowing for earlier-than-usual planting, with continued rainfall throughout the growing season supporting expectations for well-above-average yields. As the sorghum harvest in the primary production region is expected to start early, the main concern is achieving a sufficient dry period to allow soils to firm up for harvesting equipment. Rice producers, on the other hand, have enjoyed above-average temperatures and minimal disease pressure during the growing period. Fertilization remains the critical stage for achieving above-average yields, and as of mid-January 2025, indicators are positive.

For MY 2024/25, wheat production is estimated at 32.0 million metric tons (MMT), an exceptional result at 21 percent above the previous 10-year average despite the difficult seasonal conditions. Barley production is estimated at 11.7 MMT, three percent above the previous 10-year average, marking a strong performance under the circumstances. Wheat exports are projected at 24.0 MMT, 4.2 MMT above the prior year, and 26 percent above the previous 10-year average. Barley exports are estimated at 5.5 MMT, about 10 percent below the average.

Sorghum production for MY 2024/25 is forecast at 2.2 MMT, comparable to the prior year's estimate and 30 percent above the previous 10-year average. The industry has transitioned over the past five years to exporting nearly all its production, and exports are forecast at 2.0 MMT, the fourth highest on record. Notably, the previous three highest export results occurred in the last three years.

Rice production for MY 2024/25 is forecast to decline by 16 percent to 375,000 metric tons (MT) mainly due to industry intervention prior to planting that disincentivized production beyond 360,000 MT. Although these measures were rescinded during the early planting stages, the timing was too late for growers to significantly increase their planted areas. Australia is expected to remain a net importer of rice in MY 2024/25, with 260,000 MT of imports and 230,000 MT of exports. Domestic consumption is forecast to rise slightly to 410,000 MT, reflecting population growth.

WHEAT

Production

Production Overview

Despite challenging growing conditions, primarily due to low rainfall in the southern wheat-producing regions, which constitute the bulk of the nation's production, the wheat production estimate for Marketing Year (MY) 2024/25 stands at 32.0 million metric tons (MMT). This would mark the third-highest production on record. The planted area for wheat is estimated to be 10 percent above the previous 10-year average. Notably, the production estimate for MY 2024/25 is 20 percent higher than the average, underscoring a remarkable outcome.

This production estimate is supported by grain receipt data from Australia's three major handlers: GrainCorp, Viterra, and CBH. Achieving this result would be extraordinary given the seasonal challenges faced by growers in southern New South Wales, Victoria, South Australia, and Western Australia. In contrast, northern New South Wales and Queensland experienced favorable conditions but typically collectively account for less than 20 percent of national wheat production.

Grain Receipts and Historical Context

In recent years, the overall winter grain (mostly wheat, barley, and canola) receipts reported by the three major grain handlers in Australia has equated to a little above or about the same volume of the national wheat production (see Table 1). The grain receipts reported to date (end of December to start of January) for the current MY 2024/25 season at 33.6 MMT is not final. GrainCorp, which operates in the eastern states of Australia, in its last report (January 6, 2025), anticipated further receipts, particularly from the most southern producers, and CBH and Viterra grain receipts are likely to increase a little further before being finalized. Based on historical outcomes and current data, the production estimate of 32.0 MMT aligns with recent industry and USDA projections. However, FAS/Canberra considers that there is some potential for upward revision when the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) releases its final estimates.

Table 1 – Winter Grain Receipts and Wheat Production - MY 2021/22 to MY 2024/25 (MMT)

Grain Receiver	MY 2021/22	MY 2022/23	MY 2023/24	MY 2024/25
GrainCorp	12.9	10.8	7.9	10.9*
<i>Queensland</i>	1.8	2.1	0.4	1.7
<i>New South Wales</i>	7.5	4.9	3.3	6.8
<i>Victoria</i>	3.6	3.8	4.2	2.4
Viterra <i>mainly South Australia</i>	5.6	8.0	5.4	3.2*
CBH <i>Western Australia</i>	21.0	21.7	11.8	19.5*
Total Winter Crop Receipts	39.5	40.5	25.1	33.6*
Wheat Production (ABARES)	36.2	40.5	26.0	32.0#
Grain Received : Wheat Production	1.09	1.00	0.97	1.06

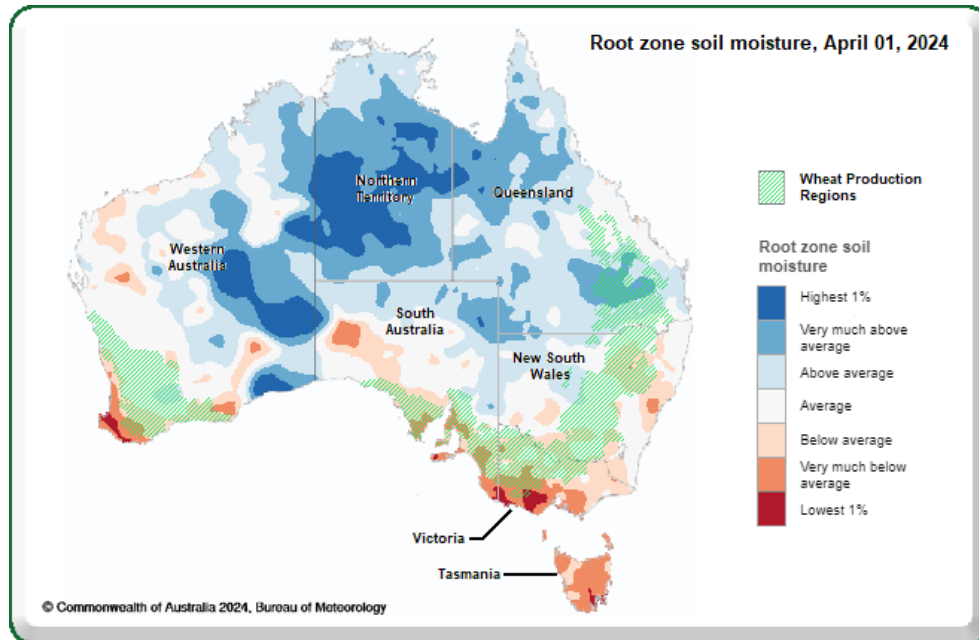
Source: GrainCorp, Viterra and CBH web sites

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

Soil Moisture and Early Season Rainfall

At the start of the MY 2024/25 season, farmers in the more southern regions were concerned by the lack of soil moisture at planting (see Figure 1). In contrast, Queensland farmers benefited from favorable soil moisture levels, although Queensland typically contributes only about five percent of national wheat production. Central and northern New South Wales, which play a more significant role (the state as a whole averages nearly 30 percent of national wheat output), began the season with near-average soil moisture.

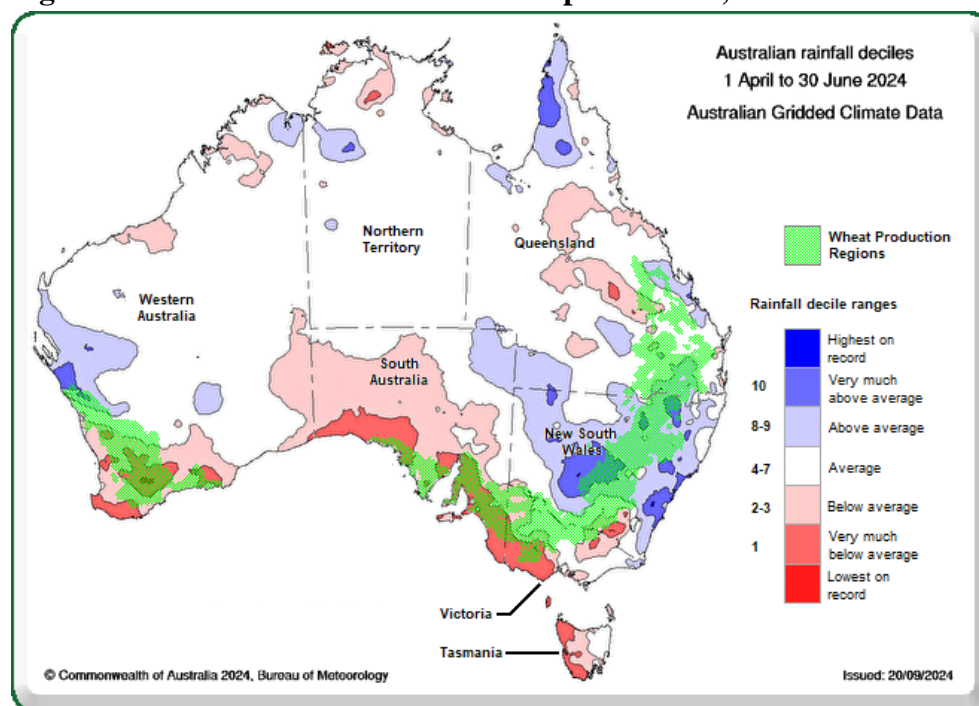
Figure 1 - Australia Root Zone Soil Moisture – as at April 1, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

From April to June 2024, central and northern New South Wales and Queensland received above-average rainfall, fostering a strong start to the growing season. However, in Victoria, South Australia, and Western Australia, rainfall remained well below average, coupled with deficient soil moisture levels, creating a challenging start to the season (see Figure 2).

Figure 2 – Australia Rainfall Deciles – April to June, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

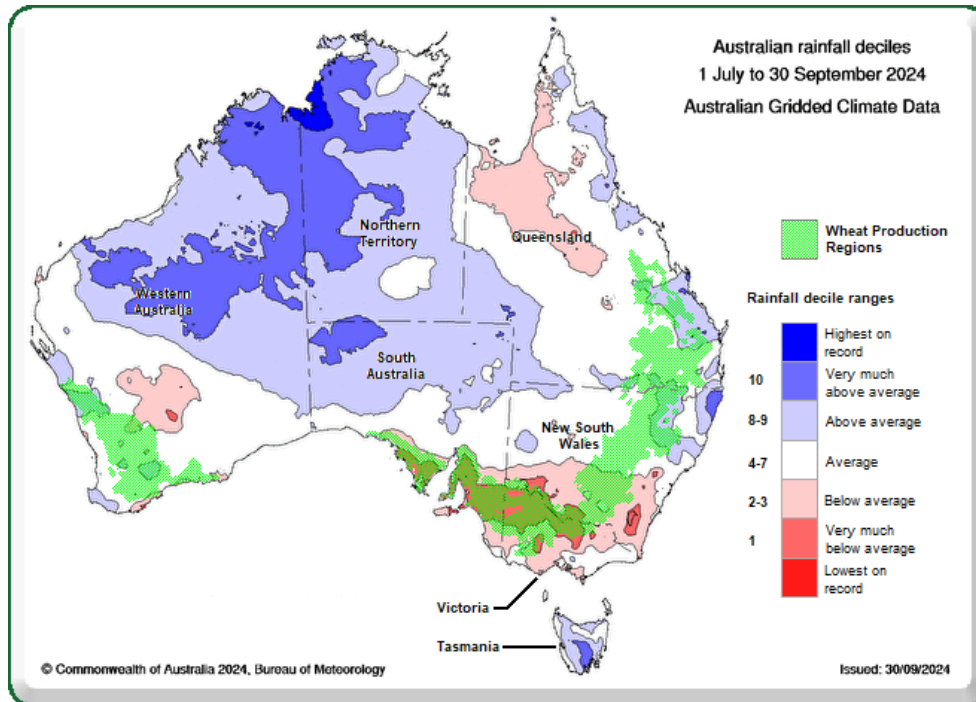
Mid to Late Season Developments

From July to September, rainfall improved for Western Australian producers, reaching near-average levels and allowing for harvestable wheat crops, albeit with below-average yields.

However, South Australia and Victoria continued to experience below-average rainfall during this period (see Figure 3). Additionally, frost events in mid-to-late September further impacted crop yield potential in parts of South Australia, Victoria, and southern and central New South Wales. In response to the frost, depleted soil moisture, and lack of recent rainfall, some early-planted wheat crops with greater bulk and higher moisture demand were cut for hay at the end of September and early October.

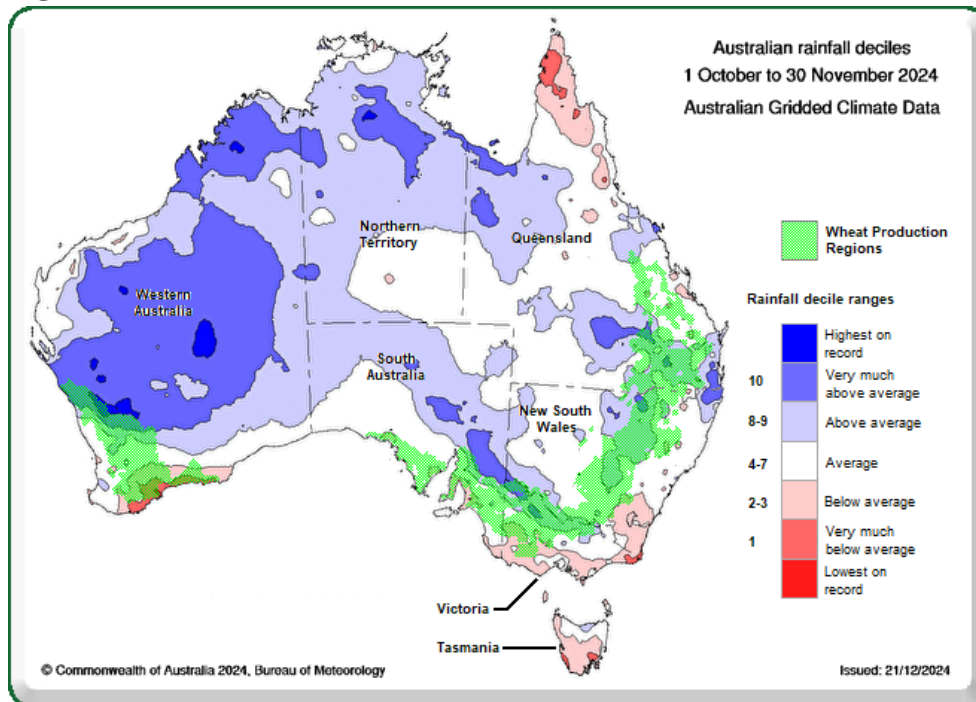
For the wheat-producing regions affected by lack of rain, there were broadly average to below average rains (see Figure 4) during the grain fill period. Whereas for northern New South Wales and Queensland, the great seasonal conditions from the start continued right through into the grain fill period with above-average rainfalls. The overall grain intake for New South Wales and Queensland for MY 2024/25 is high relative to recent years (see Table 1). Conversely, and unsurprisingly, grain intake for Victoria and South Australia is relatively low. However, the big surprise is the grain intake for Western Australia despite meaningful rainfalls not commencing until July, just after the end of the typical planting period.

Figure 3 – Australia Rainfall Deciles – July to September, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 4 – Australia Rainfall Deciles – October to November, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

Western Australia's Unexpected Success

Grains Industry Western Australia (GIWA) reports that despite the little rain received during the season, the harvest will end up being the third largest winter crop on record. GIWA states that a multitude of factors likely contributed to the result, with the late start to meaningful rainfalls, a key factor was that there was not a large biomass produced, saving more of the limited rainfall for later in the season during the grain fill period. A CBH grower survey conducted shortly before harvest estimated a crop approximately 3 MMT below the eventual intake. This underscores the extraordinary nature of the season's results.

Grain Quality and Market Implications

The overall quality of wheat for MY 2024/25 is expected to be somewhat lower than typical levels. GIWA reports that there are issues with small grain and grain weight across Western Australia, but there is also sprouted grain from the rain at the start of harvest. The higher-than-expected yields are also reported to negatively impact protein content. These quality downgrades have impacted grain prices and have taken some of the gloss away from an unexpected positive production result.

GrainCorp harvest reports indicate excellent quality grains from Queensland and New South Wales. Few reports are associated with wheat grain quality at harvest in Victoria and South Australia. However, it can be anticipated that small grains were associated with low rainfall and frost damage. However, the overall impact on delivered grain will be significantly diminished as growers had cut significantly impacted crops for hay. This was influenced by strong hay prices driven by higher-than-usual demand from livestock industries, which were also impacted by dry conditions.

Australia's substantial demand for feed-grade wheat to support the livestock industries, mainly in the eastern states is expected to readily absorb the downgraded wheat leaving a strong supply of good-quality wheat for export. However, for Western Australia, which typically produces around 40 percent of the nation's wheat, feed-grade wheat demand for the much smaller livestock industries in the state is not high, and transport costs across the eastern states are high. In this situation, a higher-than-usual volume of feed-grade wheat is likely to be exported from Western Australia, and as mentioned, protein levels are also lower than usual, which will also impact the value of wheat exports.

Consumption

FAS/Canberra's estimate for Australian wheat consumption in MY 2024/25 at 8.0 MMT is 200,000 MT above the 7.8 MMT for MY 2023/24. Sorghum was affected by rain during the harvest of the MY 2023/24 crop, causing substantial sprouted grain that was unsuitable for the export market. This sprouted sorghum, available at a competitive price, substituted some feed wheat and barley typically used by the livestock industry. Additionally, some growth in feed grain demand is anticipated, primarily from the beef feedlot sector, as the number of cattle of feed is expected to increase for MY 2024/25.

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. However, dry conditions in southwestern Victoria, which hosts significant dairy, beef, and sheep industries, have eased recently, and no drought concerns are evident in other grassfed livestock regions. As such, a significant rise in feed grain demand is unlikely for MY 2024/25.

Domestic wheat consumption for milling is projected to remain steady at 3.5 MMT for MY 2024/25. However, with the federal government forecasting rapid population growth for 2024 and 2025, there is potential for increased wheat demand for milling in the near future.

Trade

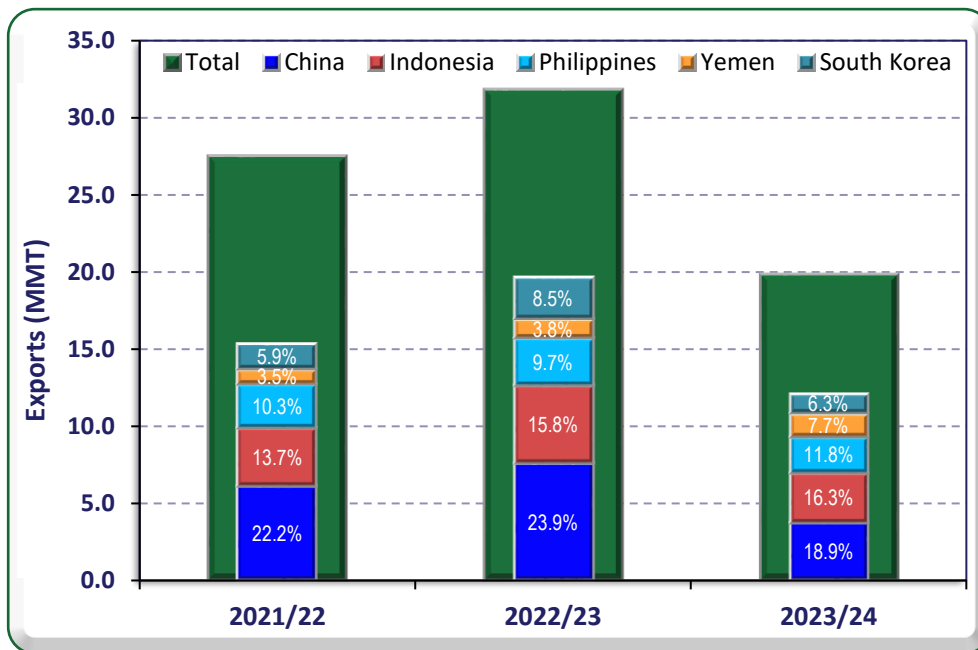
Exports

The FAS/Canberra estimates wheat exports for MY 2024/25 at 24.0 MMT, representing a 4.2 MMT increase from MY 2023/24. This growth is primarily attributed to an estimated production increase of 6.0 MMT. If realized, this would mark the fourth-highest wheat export volume on record, surpassing the 10-year average of 19.0 MMT by 26 percent. However, it remains 25 percent below the record 31.8 MMT achieved in MY 2022/23.

Australia's broad wheat export market has over 50 destinations and consistently strong relationships with key customers. The top five markets—China, Indonesia, the Philippines, Yemen, and South Korea—account for approximately 60 percent of total exports (see Figure 5). China's share of Australian wheat exports has dropped from 24 percent to 19 percent over the last marketing year. This is mainly due to exports to China slowing to a trickle in the last three months of MY 2023/24, which has continued into the first two months of MY 2024/25, levels not seen since Australia's drought impacted supply shortages across 2017 to 2019.

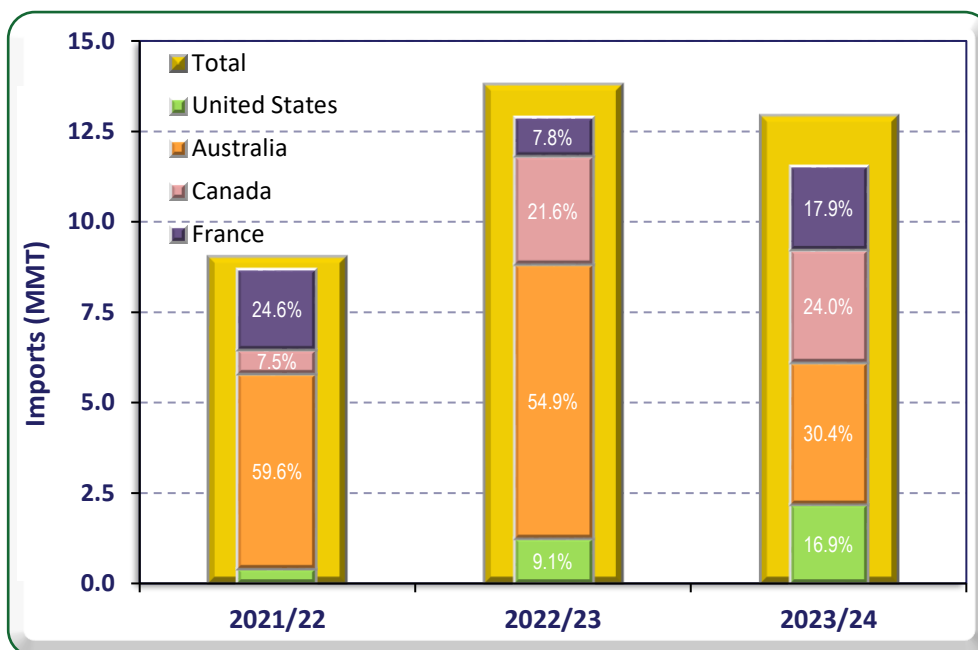
Over 90 percent of China's wheat imports typically come from four key suppliers—Australia, Canada, the United States, and France. While China's total wheat imports have grown from 3.1 MMT in MY 2018/19 to 12.9 MMT in MY 2023/24, Australia's share declined from over 50 percent in prior years to 30 percent in MY 2023/24 (see Figure 6). This shift is likely due to reduced Australian wheat supply during MY 2023/24.

Figure 5 - Australia Wheat Export Destinations – MY 2021/22 to MY 2023/24



Source: Australia Bureau of Statistics

Figure 6 – China’s Major Wheat Import Sources – MY 2021/22 to 2023/24

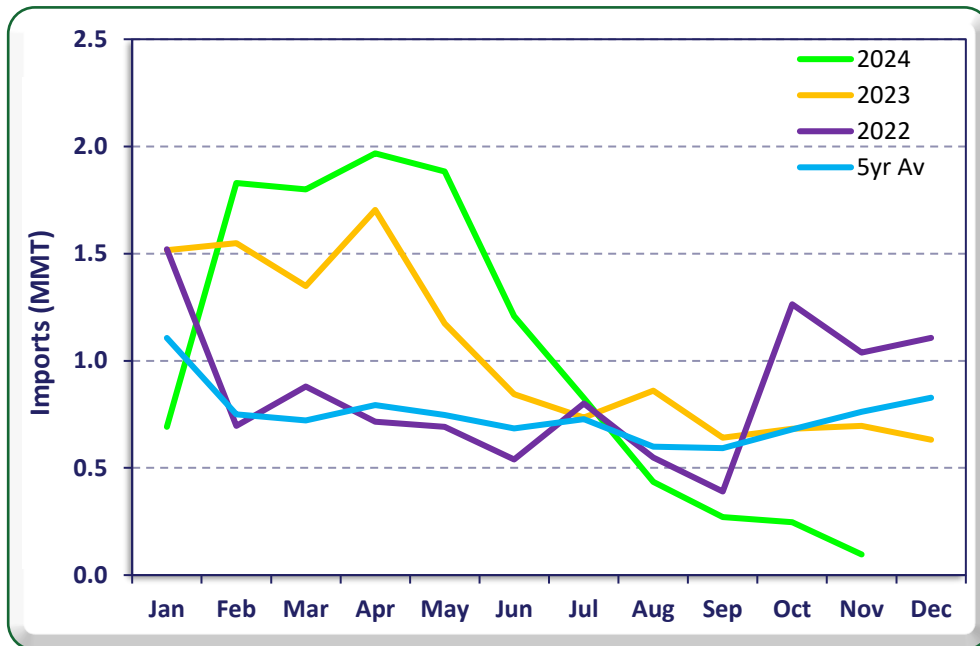


Source: Trade Data Monitor

Notably, China’s monthly wheat imports have decreased significantly since August 2024, falling well below recent years' levels and the five-year average (see Figure 7). However, this decline followed a period of strong imports from February to June 2024, likely driven by concerns about the Australian

wheat supply due to adverse growing conditions in southern Australia. Furthermore, industry reports suggest China had a strong domestic wheat crop in 2024, contributing to lower prices and weaker demand for feed wheat and flour milling.

Figure 7 – China Wheat Import Seasonality –2020 to 2024



Source: Trade Data Monitor

Imports

The FAS/Canberra estimates wheat imports for MY 2024/25 to remain low at 200,000 metric tons, consistent with recent years. These imports primarily consist of wheat products and pasta, a category with relatively stable demand in Australia.

Stocks

Australia’s ending stocks of wheat in MY 2024/25 are expected to be around 3.1 MMT, a slight improvement from the prior year. This is somewhat below the previous 10-year average of 3.9 MMT but not atypical.

Table 2 - 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	12372	12372	13000	13060
Beginning Stocks (1000 MT)	3454	3454	4373	4371	2877	2912
Production (1000 MT)	40545	40545	25960	25960	32000	32000
MY Imports (1000 MT)	197	197	220	220	200	200
TY Imports (1000 MT)	205	205	214	214	200	200
Total Supply (1000 MT)	44196	44196	30553	30551	35077	35112
MY Exports (1000 MT)	31823	31825	19876	19839	25000	24000
TY Exports (1000 MT)	32329	32329	22504	22504	25000	23000
Feed and Residual (1000 MT)	4500	4500	4300	4300	4000	4500
FSI Consumption (1000 MT)	3500	3500	3500	3500	3500	3500
Total Consumption (1000 MT)	8000	8000	7800	7800	7500	8000
Ending Stocks (1000 MT)	4373	4371	2877	2912	2577	3112
Total Distribution (1000 MT)	44196	44196	30553	30551	35077	35112
Yield (MT/HA)	3.1081	3.1081	2.0983	2.0983	2.4615	2.4502
(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: PSD Online Advanced Query						

BARLEY

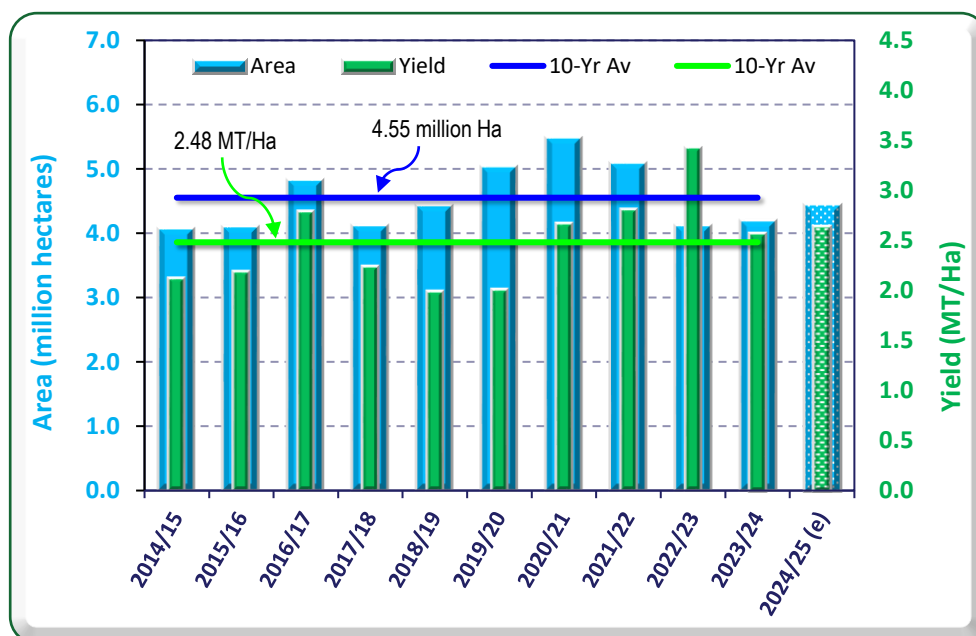
Production

FAS/Canberra estimates Australian barley production for the MY 2024/25 at 11.7 MMT, representing an increase of 0.9 MMT (eight percent) from the prior year. This marks the fifth-largest barley crop on record, achieved despite challenging production conditions. The increase is primarily attributed to a six percent expansion in planted area. However, underscoring the strength of the result, some of this area was harvested for hay instead of grain due to dry conditions and frost damage.

The MY 2024/25 planted area estimate is three percent below the previous 10-year average, while the yield estimate of 2.64 metric tons per hectare exceeds the 10-year average of 2.48 metric tons per hectare by six percent (see Figure 8). Although barley is primarily grown in the same regions as wheat, northern New South Wales and Queensland—areas with favorable production conditions in MY 2024/25—produce little barley. Most barley was grown in southern regions affected by insufficient rainfall and frost. Consequently, some barley in Victoria and South Australia was harvested for hay due to inadequate moisture for grain development and frost damage. Given these adversities, achieving above-average yields and the fifth-largest crop on record is a remarkable outcome.

A contributing factor to the barley yield improvement is that Australian barley producers continue to reduce their focus on producing malt-grade barley and instead are increasingly focused on higher-yielding feed-grade barley.

Figure 8 – Australian Barley Area and Yield History MY 2014/15 to 2024/25



Source: PSD Online / FAS/Canberra

Note: (e) = estimate

Consumption

FAS/Canberra estimates Australian barley consumption for MY 2024/25 at 6.0 MMT, an increase of 200,000 metric tons from the prior year. Domestic consumption for malting purposes remains stable, while livestock feed consumption is the primary variant yearly. Similar to the situation for feed wheat, there was a dip in feed barley consumption in 2023/24 associated with rain at harvest for the sorghum crop, resulting in sprouted grain and a rise in feed consumption of sorghum.

The rise in barley consumption to 4.5 MMT for MY 2024/25 is a return to a typically expected level of barley feed consumption and stable malting consumption of 1.5 MMT.

As with feed wheat, the beef cattle feedlot industry and, to a lesser extent, the dairy industry are the primary consumers of feed barley. With no indications of drought limiting grass production, a significant increase in demand for feed grain from these sectors is not expected for MY 2024/25. However, there may be modest upward pressure on demand from the beef feedlot sector due to anticipated growth in cattle numbers on feed.

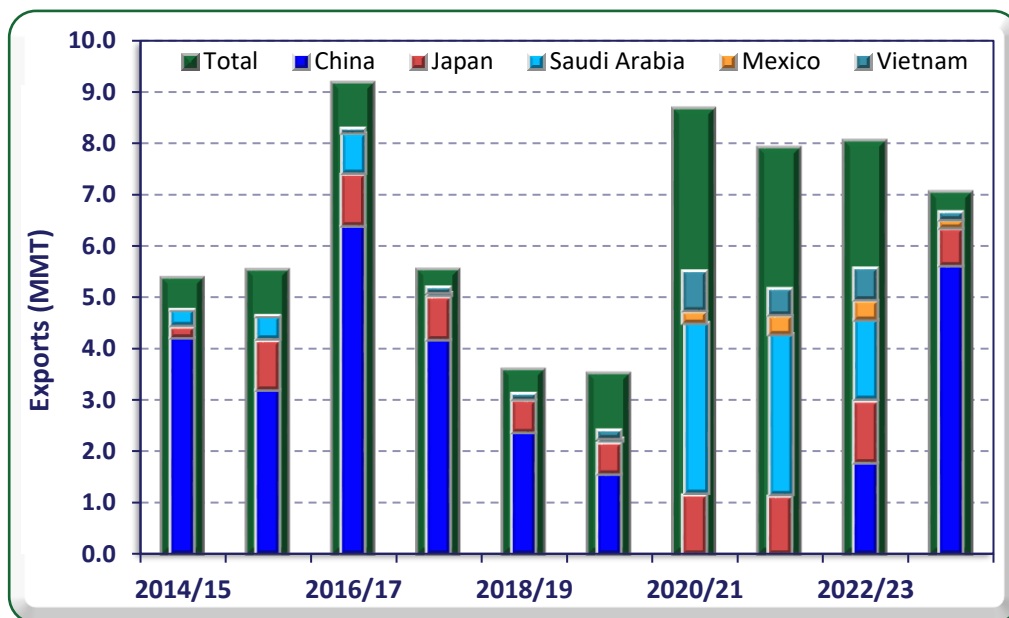
Trade

Exports

FAS/Canberra estimates barley exports for MY 2024/25 at 5.5 MMT, a 23 percent decline from the MY 2023/24 outcome of 7.1 MMT. The MY 2023/24 result was the fifth-largest on record, driven by China's strong reentry into the market following the removal of trade tariffs. This surge significantly reduced barley stocks to relatively low levels. The substantially lower level of barley exports for MY 2024/25, despite a seven percent increase in estimated production, is based on a relatively low starting stock position with little scope to draw down, unlike the situation for MY 2023/24.

Australia typically exports barley to over 20 countries each year. However, there was a major shift in MY 2023/24, with China becoming a dominant destination, accounting for 78 percent of all barley exports. This is a return to the market position that China held prior to May 2020, when it imposed a tariff on imported Australian barley, which was subsequently removed in August 2023 (see Figure 9). Japan has consistently been an important market, accounting for 10 to 15 percent of Australian barley exports over the past decade.

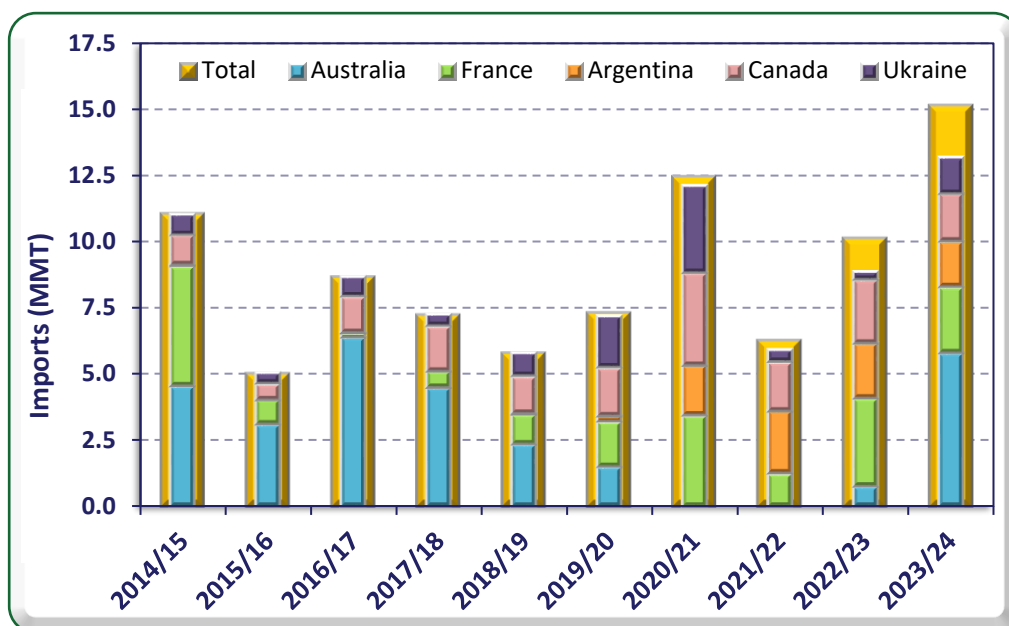
Figure 9 – Major Barley Export Destinations MY 2014/15 to 2023/24



Source: Australia Bureau of Statistics

In the past, Australia has been China's major source of barley imports. However, after Australia was essentially shut out of the trade in recent years, China continued to import substantial volumes of barley and greatly expanded its imports from France, Canada, Argentina, and Ukraine (see Figure 10). After the Chinese government removed tariffs on barley imported from Australia in August 2023, Chinese importers responded swiftly. In MY 2023/24, Australia by far once again became China's dominant source of barley.

Figure 10 – China’s Major Barley Import Sources – MY 2014/15 to 2023/24



Source: Trade Data Monitor

Stocks

Ending stocks of barley in Australia are projected to remain relatively stable at low levels in MY 2024/25. Stocks declined significantly in MY 2023/24 to meet strong export demand, particularly from China.

Table 3 - Production, Supply, and Distribution of Barley

Barley Market Year Begins	2022/2023		2023/2024		2024/2025	
	Nov 2022		Nov 2023		Nov 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Australia						
Area Harvested (1000 HA)	4127	4127	4200	4200	4440	4440
Beginning Stocks (1000 MT)	2848	2848	3220	3220	1120	1120
Production (1000 MT)	14137	14137	10800	10800	11700	11700
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	12820
MY Exports (1000 MT)	7765	7765	7100	7100	5800	5500
TY Exports (1000 MT)	7084	7084	7917	7909	6200	5700
Feed and Residual (1000 MT)	4500	4500	4300	4300	4400	4500
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	6000	6000	5800	5800	5900	6000
Ending Stocks (1000 MT)	3220	3220	1120	1120	1120	1320
Total Distribution (1000 MT)	16985	16985	14020	14020	12820	12820
Yield (MT/HA)	3.4255	3.4255	2.5714	2.5714	2.6351	2.6351

(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: [PSD Online Advanced Query](#)

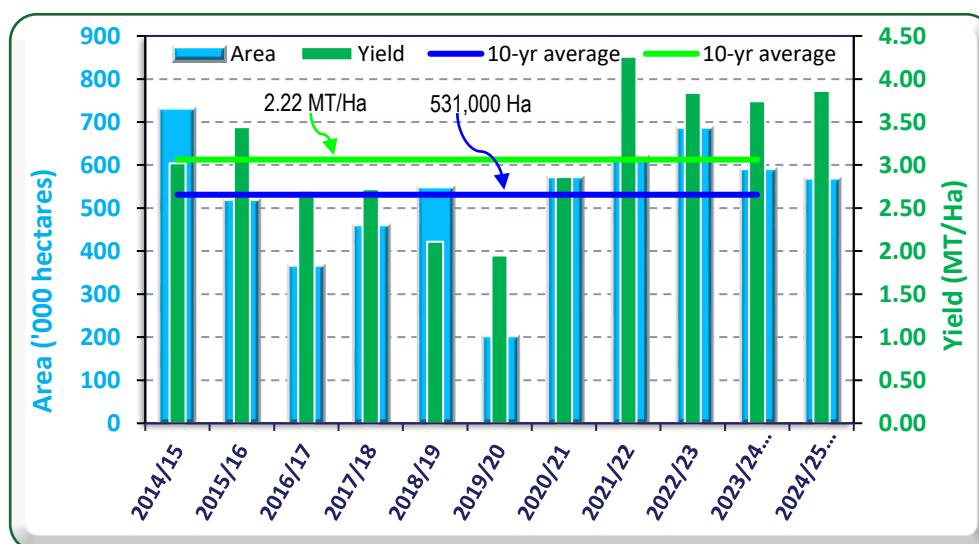
SORGHUM

Production

FAS/Canberra has revised its forecast for sorghum production in MY 2024/25 downward to 2.2 million metric tons (MMT) from a forecast of 2.6 MMT set three months earlier. Despite this adjustment, the current estimate is 30 percent above the previous 10-year average and ranks among the top 10 highest production years. This strong performance is largely attributed to yields forecast to be 26 percent above the 10-year average, supported by favorable conditions throughout the growing season in key production regions of southern Queensland and northern New South Wales (see Figure 11).

While the planted area is seven percent above the 10-year average, it is lower than previously anticipated due to an unusually large winter wheat cropping program. Additionally, robust soil moisture reserves have reportedly encouraged a shift toward increased dryland cotton planting at the expense of sorghum.

Figure 11 – Sorghum Area and Yield History MY 2014/15 to 2024/25



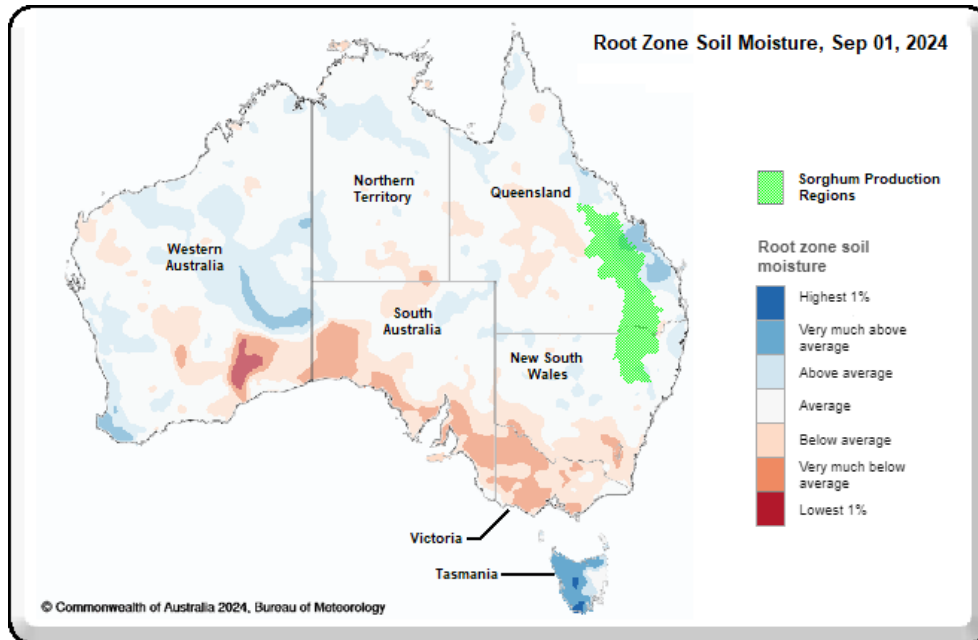
Source: PSD Online / FAS/Canberra

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

There was a very good early start to the production season with ample soil moisture (see Figure 12) and soil temperatures for planting to start in late August 2024 (one month earlier than usual).

Regular rainfall since planting has particularly benefited the major production regions of southern Queensland and northern New South Wales, with average to above-average rainfall recorded between September and December (see Figure 13). Harvesting is expected to begin earlier than usual, potentially by late January, weather permitting. The key issue at present is persistent storm activity. As a result, soils are too wet for harvesting equipment. Industry reports indicate no significant quality issues at this stage, as adequate sunshine and warm temperatures after storms have mitigated risks such as disease or sprouting.

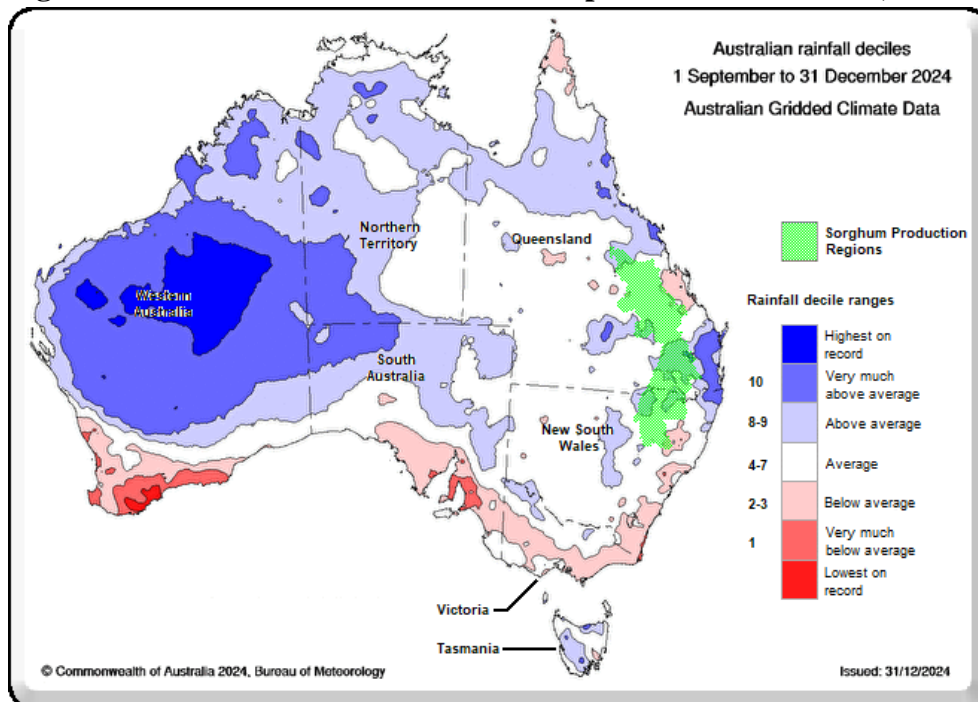
Figure 12 – Root Zone Soil Moisture – as at September 01, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

Further north, in the central Queensland sorghum-producing areas, growers have not fared as well with rainfall since planting. Industry sources indicate that while sorghum crops in the region are generally performing well, yield expectations are more variable.

Figure 13 – Australia Rainfall Deciles – September to December, 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

FAS/Canberra’s production estimate for MY 2023/24 remains at 2.2 MMT. This figure, six months post-harvest, aligns with estimates from ABARES.

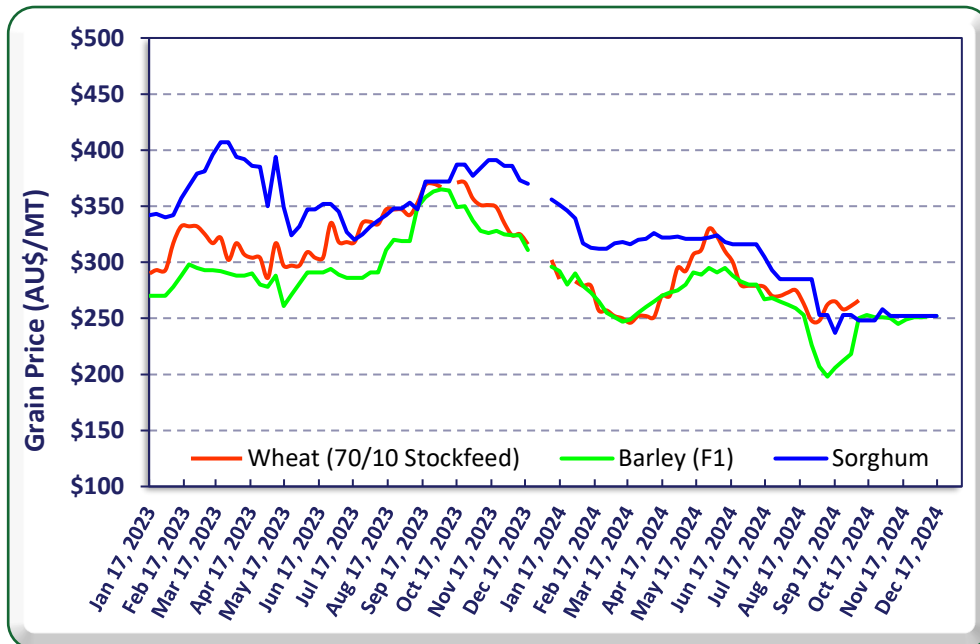
Consumption

Sorghum consumption in MY 2024/25 is forecast at 110,000 metric tons (MT), representing a decline of 200,000 MT from MY 2023/24 but consistent with MY 2022/23 levels. This low consumption figure, equivalent to just five percent of estimated production, reflects subdued demand from the domestic livestock industries alongside robust export demand.

The beef feedlot sector is the primary domestic consumer of sorghum. However, feedlots have increasingly shifted towards white grains, such as wheat and barley, due to their superior processing ease and nutritional value. This transition accelerated during the 2017–2019 drought when limited sorghum availability forced feedlots to adapt their milling equipment for white grains.

Currently, in Australia, sorghum accounts for approximately one percent of total feed grain consumption (wheat, barley, and sorghum combined). Consequently, changes in cattle feed demand have minimal impact on overall sorghum consumption. Additionally, sorghum’s price, often on par with or higher than white grains, further deters its use as feed (see Figure 14).

Figure 14 – Feed Grain Price Trends



Source: *The Land newspaper*

For MY 2023/24, sorghum consumption is estimated at 310,000 MT. Although this figure represents a slight increase from the prior year, the spike was due to rain-damaged grain unsuitable for export being diverted to domestic feed use.

Trade

Exports

FAS/Canberra projects sorghum exports for MY 2024/25 at 2.0 MMT, a reduction of 150,000 MT from MY 2023/24. This forecast ranks as the fourth-highest export level on record, following the top three results achieved between MY 2021/22 and MY 2023/24. These high export results are partly due to improved production but more so due to the transition from supplying the domestic livestock feed industry to an almost exclusive focus on exports.

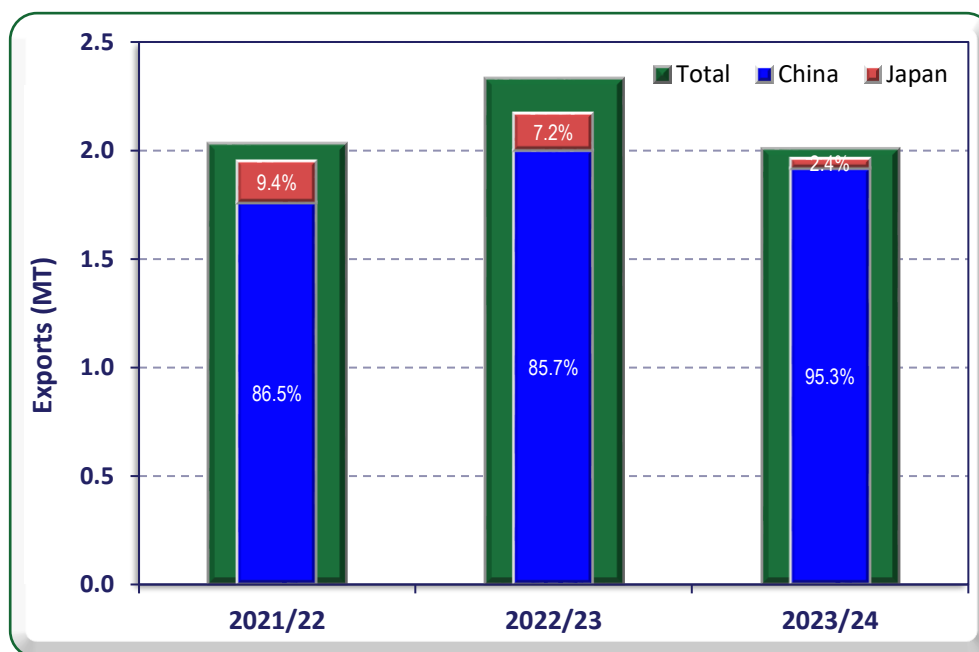
Export demand for sorghum is strong and reflective of its price premium relative to white feed grains (see Figure 14). This is partly attributed to some sorghum used to produce white whiskey. However, industry reports that some exported feed barley is also used to produce malt.

For MY 2023/24, exports are estimated at 2.15 MMT. By November 2024, the first nine months of the marketing year had recorded 2.01 MMT in exports. A slowdown in export activity is expected in the final three months of the year, consistent with historical trends. However, it is important to note that due to the earlier-than-usual planting of the MY 2024/25 sorghum crop, harvest is also anticipated to commence earlier than usual. So, the MY 2024/25 crop may begin harvest a month or so prior to the end of MY 2023/24 (March to February), and accordingly, there could be a higher-than-usual level of exports in February 2025 (MY 2023/24) which would be driven by the MY 2024/25 crop. This potential crossover has not been incorporated into the estimate and forecast year exports.

China remains the primary export destination for Australian sorghum, accounting for 95 percent of total exports during the first nine months of MY 2023/24 (see Figure 15). Japan, historically the second-largest market, saw its share of exports decline to two percent, down from the typical 10 percent level.

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 15 – Sorghum Export Destinations – March to November 2021/22 to 2023/24



Source: Australian Bureau of Statistics

Stocks

Sorghum stocks in MY 2024/25 are forecast to remain relatively low but may experience some recovery following significant drawdowns in MY 2023/24 due to strong export demand.

Table 4 - Production, Supply, and Distribution of Sorghum

Sorghum 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)	687	687	600	592	570	570
Beginning Stocks (1000 MT)	331	331	351	351	142	106
Production (1000 MT)	2638	2638	2200	2215	2100	2200
MY Imports (1000 MT)	0	0	1	0	0	0
TY Imports (1000 MT)	0	0	1	0	0	0
Total Supply (1000 MT)	2969	2969	2552	2566	2242	2306
MY Exports (1000 MT)	2508	2508	2200	2150	2000	2000
TY Exports (1000 MT)	2753	2753	2060	2060	2100	1900
Feed and Residual (1000 MT)	100	100	200	300	150	100
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	110	110	210	310	160	110
Ending Stocks (1000 MT)	351	351	142	106	82	196
Total Distribution (1000 MT)	2969	2969	2552	2566	2242	2306
Yield (MT/HA)	3.8399	3.8399	3.6667	3.7416	3.6842	3.8596

(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

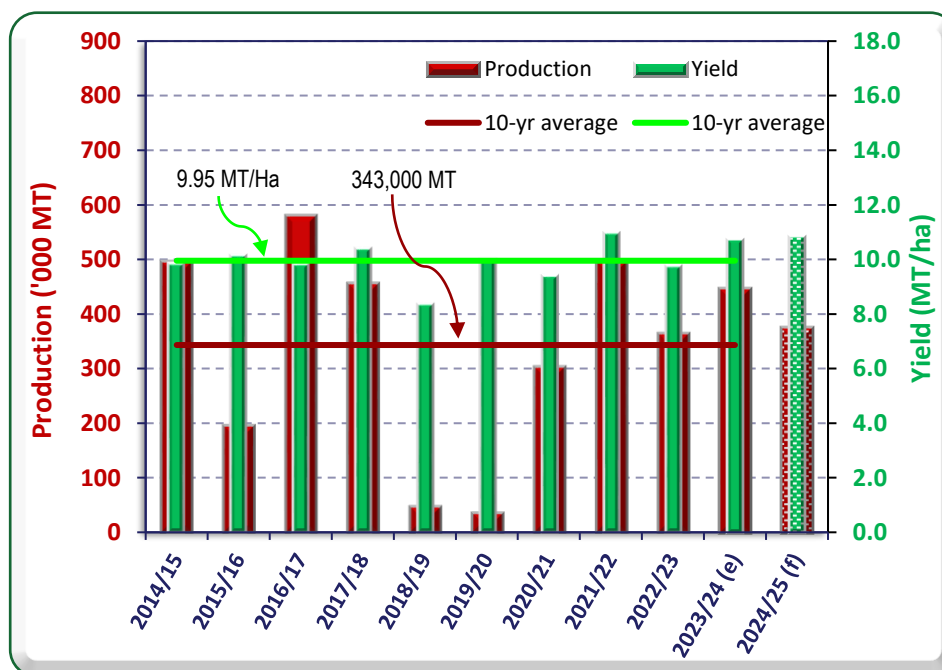
Production

FAS/Canberra forecasts milled rice production for the MY 2024/25 at 375,000 MT, unchanged from the forecast set three months ago. This represents a 16 percent decline (100,000 MT) from the MY 2023/24 estimate of 447,000 MT. The production forecast for MY 2024/25 is influenced by a pool program introduced by SunRice, which controls approximately 95 percent of the rice market. This program aimed to limit rice production to a targeted volume.

However, due to lower-than-expected rice seed sales, SunRice announced in early October 2024, during the early stages of planting, that it would cease the pool system. By mid-December 2024, SunRice reported that production expectations for MY 2024/25 aligned with its processing capacity, which had been the primary goal of the pool program.

Seasonal conditions for rice production have been favorable to date, and industry sources anticipate above-average yields. While successful fertilization remains a critical risk, minimum temperatures in January 2025 have so far exceeded the thresholds required for successful fertilization. Forecasts indicate this trend will likely continue, supporting an average yield forecast of 10.85 MT/ha, nine percent above the previous 10-year average of 9.95 MT/ha (see Figure 16). Consequently, the forecast production of 375,000 MT is four percent above the original SunRice target of approximately 360,000 MT and nine percent above the 10-year average of 343,000 MT.

Figure 16 – Australian Rice Production and Yield History

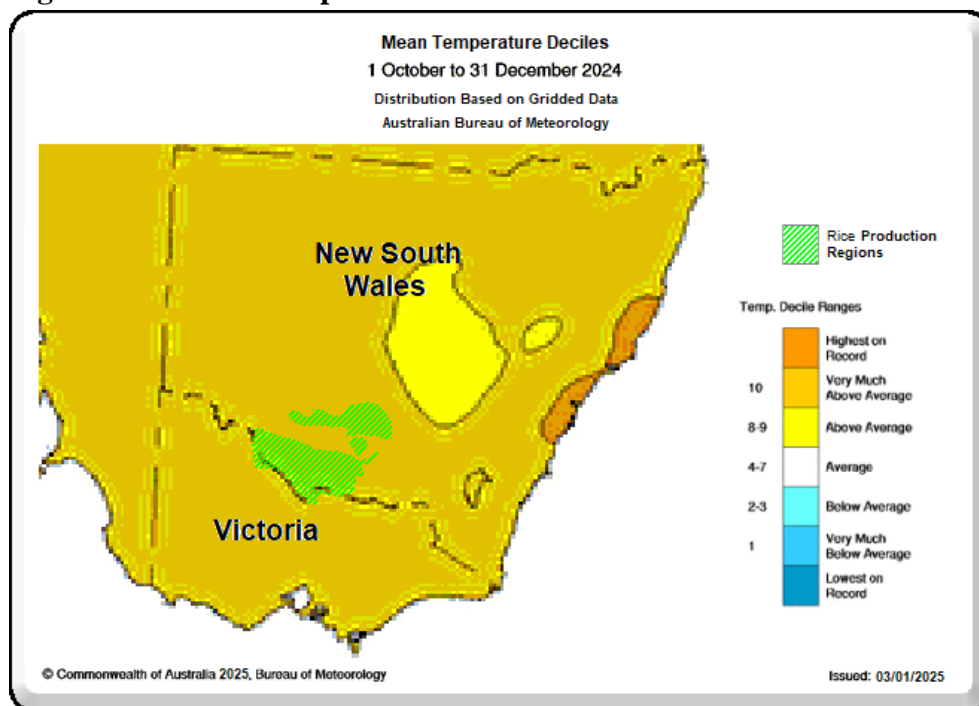


Source: PSD Online / FAS/Canberra

The planted area for MY 2024/25 is forecast at 48,000 hectares, down from the estimated 58,000 hectares for MY 2023/24. Conditions in the lead-up to the MY 2024/25 planting period were favorable for a bigger planted area but as mentioned, were limited by the SunRice scheme to a targeted production level. Although the scheme was rescinded during the early phase of rice planting, at that point, it was too late for growers to make significant changes to their planting program.

Post-planting conditions remained favorable for rice production. Mean temperatures from October to December 2024 in the rice-producing regions have been significantly above average, supporting strong crop development (see Figure 17).

Figure 17 – Mean Temperature Deciles – October to December 2024



Source: Australian Bureau of Meteorology / FAS/Canberra

A successful fertilization stage in January 2025 remains essential for achieving high yields. As of mid-January, minimum temperatures have consistently exceeded the threshold of 61°F (16°C), promoting good grain fill and yield prospects. Short-term forecasts suggest these favorable conditions will likely persist throughout the remainder of the fertilization phase, supporting FAS/Canberra's projection of an above-average yield for MY 2024/25.

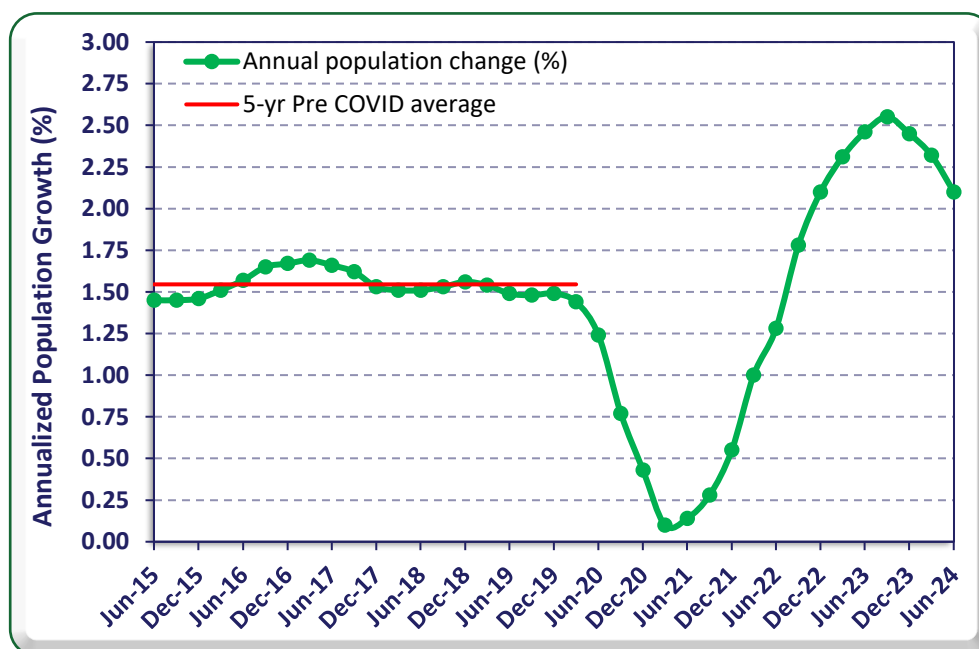
The MY 2023/24 milled rice production estimate of 447,000 MT aligns with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimate, nearly nine months post-harvest.

Consumption

The forecast rice consumption by FAS/Canberra in MY 2024/25 is 410,000 MT, 2.5 percent above the MY 2023/24 estimate of 400,000 MT. The main driver of the growth in estimated consumption is related to Australia's strong migration program, which impacts population growth.

Australia's population growth rate has surged beyond the steady pre-COVID-19 rate of just over 1.5 percent per annum. From late 2022, the growth rate has consistently exceeded the pre-pandemic average, peaking at 2.6 percent but easing back to an annualized rate of 2.1 percent in the second quarter of 2024 (see Figure 18). The majority of this growth is due to high immigration, although the federal government has since implemented measures to slow the immigration rate. However, strong growth is expected to continue well into 2025, which is anticipated to support the forecast growth in rice consumption for MY 2024/25.

Figure 18 – Australian Population Growth Trend



Source: Australian Bureau of Statistics

The MY 2023/24 rice consumption estimate of 400,000 MT reflects a 10,000 MT increase from MY 2022/23, mirroring Australia's population growth during this period.

Trade

Imports

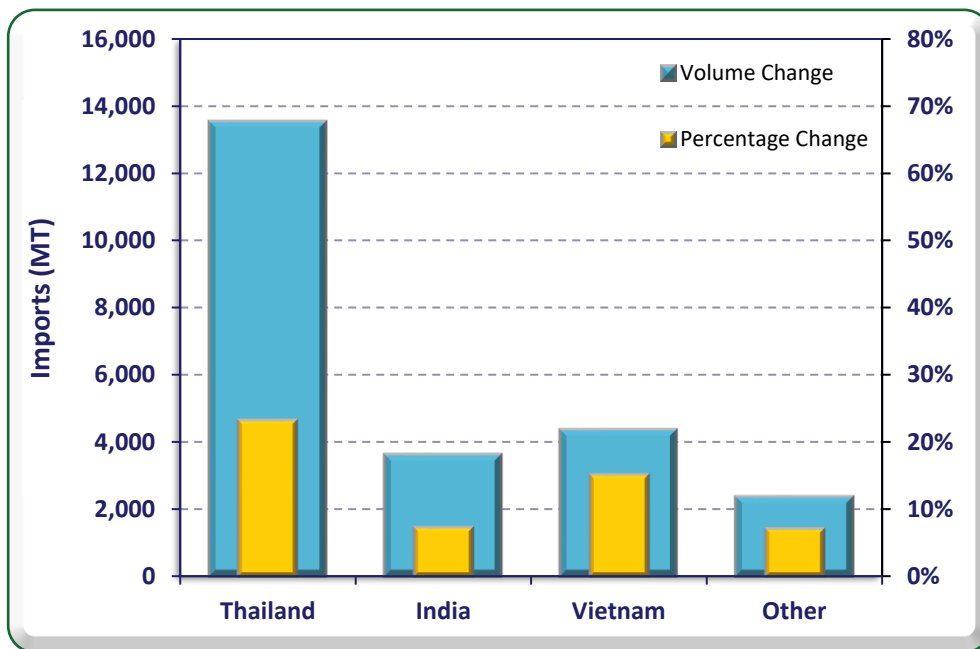
Rice imports for MY 2024/25 are forecast at 260,000 MT, a modest two percent increase (5,000 MT) over the MY 2023/24 estimate. If realized, this would mark the second-highest import volume on record,

surpassed only by 272,000 MT in MY 2019/20 during a drought-induced production decline. The rise in rice imports is mainly attributed to lower production expectations and partly due to a rise in domestic consumption.

For MY 2023/24, imports are estimated at 255,000 MT, a 10 percent increase from MY 2022/23. Imports for the March to November 2024 period are at 196,000 MT. Quarterly rice imports for Australia over numerous years have been relatively evenly spread, and based on the results so far, there is an expectation that the high rate of imports will ease slightly for the remaining three months of the marketing year and achieve the estimated 255,000 MT for MY 2023/24.

Thailand, India, and Vietnam continue to dominate as Australia’s primary rice suppliers, collectively accounting for 75 to 80 percent of imports. Pakistan and Taiwan contribute an additional 10 percent. Recent growth in imports is largely driven by Thailand, which has sustained substantial export growth over four consecutive years (see Figure 19).

Figure 19 – Change in Australian Rice Imports – Mar to Nov MY 2022/23 to 2023/24



Source: Australian Bureau of Statistics

Exports

FAS/Canberra’s forecast exports for MY 2024/25 at 230,000 MT, a four percent decline in exports from an estimated 240,000 MT for MY 2023/24. This is largely driven by the forecast decline in rice production. However, with a much greater 16 percent forecast decline in rice production, it may inherently be anticipated that there would be a much greater fall in exports. However, around 90 percent of Australia’s rice production is medium grain, and consumers demand a greater range of rice options

which results in a high level of rice imports and in turn necessitates a high level of medium grain rice exports. Additionally, export volumes are influenced by the cross-over of part of the production in one marketing year, which is processed and exported in the subsequent marketing year. This has the effect of flattening out changes in exports relative to the changes in production from one marketing year to the next.

For MY 2023/24, exports were estimated at 240,000 MT, a 4.8 percent decline from MY 2022/23. For the first nine months of MY 2023/24, rice exports are at 174,000 MT, compared to 184,000 MT for the same period in the previous year. Over the last five years, on average, a little over one-quarter of the exports have occurred in the final three months of the marketing year, which has been taken into consideration in the export estimate for MY 2023/24.

Additionally, 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 2023/24 was substantially higher than for the previous year, so it is anticipated that the rate of exports for the final three months of MY 2023/24 will increase, which further supports the export estimate.

Stocks

Rice stocks are estimated to remain stable in MY 2024/25, particularly given SunRice’s indications that they are at processing capacity and that they targeted a level of production for MY 2024/25 to align with their processing capacity.

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

Rice, Milled Market Year Begins Australia	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)	52	52	58	58	44	48
Beginning Stocks (1000 MT)	240	240	196	196	233	258
Milled Production (1000 MT)	366	366	447	447	323	375
Rough Production (1000 MT)	508	508	621	621	449	521
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	232	232	250	255	240	260
TY Imports (1000 MT)	221	221	250	255	240	260
Total Supply (1000 MT)	838	838	893	898	796	893
MY Exports (1000 MT)	252	252	260	240	230	230
TY Exports (1000 MT)	248	241	260	240	230	230
Consumption and Residual (1000 MT)	390	390	400	400	410	410
Ending Stocks (1000 MT)	196	196	233	258	156	253
Total Distribution (1000 MT)	838	838	893	898	796	893
Yield (Rough) (MT/HA)	9.7692	9.7692	10.7069	10.7069	10.2045	10.8542

(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