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Report Highlights:

After a challenging start to the winter crop season in the southern production regions—due to low soil moisture and below-average rainfall—widespread rain in the first two weeks of July has improved conditions. Combined with a favorable rainfall outlook for the months ahead, above-average wheat and barley production is forecast. FAS/Canberra projects a rise in wheat exports in MY 2025/26, following weaker than expected shipments during the first eight months of MY 2024/25. Higher ending stocks for MY 2024/25 will boost wheat available for export for the forecast year. In contrast, barley exports are forecast to decline in MY 2025/26 due to strong export volumes so far in MY 2024/25, tightening supply for the forecast year. Sorghum production and exports are forecast to increase in MY 2025/26, supported by positive conditions ahead of planting. Conversely, rice production and exports are expected to fall sharply due to depleted irrigation water storage, which is likely to significantly reduce the planted area.

EXECUTIVE SUMMARY

The outlook for Australia's MY 2025/26 winter cropping season varies starkly between regions. Wheat-producing areas in central and northern New South Wales and Queensland have experienced a positive start to the season with good soil moisture and average fall rainfall. In contrast, the southern regions—Western Australia, South Australia, and Victoria—have faced a much more difficult start. These regions, which account for around two-thirds of national wheat production, began the season with below-average soil moisture and received limited rainfall between April and June. These conditions have reportedly led some growers to substitute some planting of wheat for barley.

However, rainfall in the first half of July has provided a welcome turnaround for the southern regions. Combined with the Bureau of Meteorology's outlook indicating a high likelihood of above-median rainfall across all winter cropping areas, this is expected to support above-average wheat and barley production.

Sorghum-producing regions, with planting still over two months away, are currently experiencing mostly average soil moisture. The positive rainfall outlook is expected to support strong planting and production conditions. Rice producers, however, face a different challenge. The availability of irrigation water is significantly lower than usual due to depleted storage levels. While the rainfall outlook is favorable—even for catchment areas—growers base their planting decisions on secured irrigation allocations. With limited time for significant inflows before planting, the area planted to rice is expected to decline sharply in MY 2025/26.

Wheat production is forecast at 31 million metric tons (MMT) for MY 2025/26, down 3.1 MMT from the previous year due to a smaller planted area and slightly lower yield expectations. Nevertheless, production remains 12 percent above the 10-year average. The reduction in planted area is partly due to poor early-season conditions in the south, prompting some growers to plant barley instead. Despite lower production, wheat exports are forecast to rise from 23.0 MMT to 25.0 MMT, supported by higher carry-in stocks from weaker-than-expected exports for the first eight months of MY 2024/25.

Barley production is forecast at 13.0 MMT, a two-percent decrease from the prior year but still 10 percent above the 10-year average. Barley exports are projected to fall from 7.5 MMT in MY 2024/25 to 6.5 MMT in MY 2025/26. The strong pace of exports so far in MY 2024/25 is expected to deplete ending stocks, contributing to a tighter supply and reduced export capacity in the coming year.

Sorghum production is expected to rise in MY 2025/26, marking the fifth consecutive above-average crop. With minimal domestic consumption, most of the crop will be exported, with exports forecast to increase to 2.4 MMT.

Rice production is forecast to decline sharply by 33 percent to 230,000 metric tons (MT) of milled rice in MY 2025/26, due to the anticipated shortfall in irrigation water availability. Following four consecutive years of above-average production, this decline will also result in a projected 26 percent fall in exports to 170,000 MT, while imports are expected to rise modestly to 270,000 MT.

WHEAT

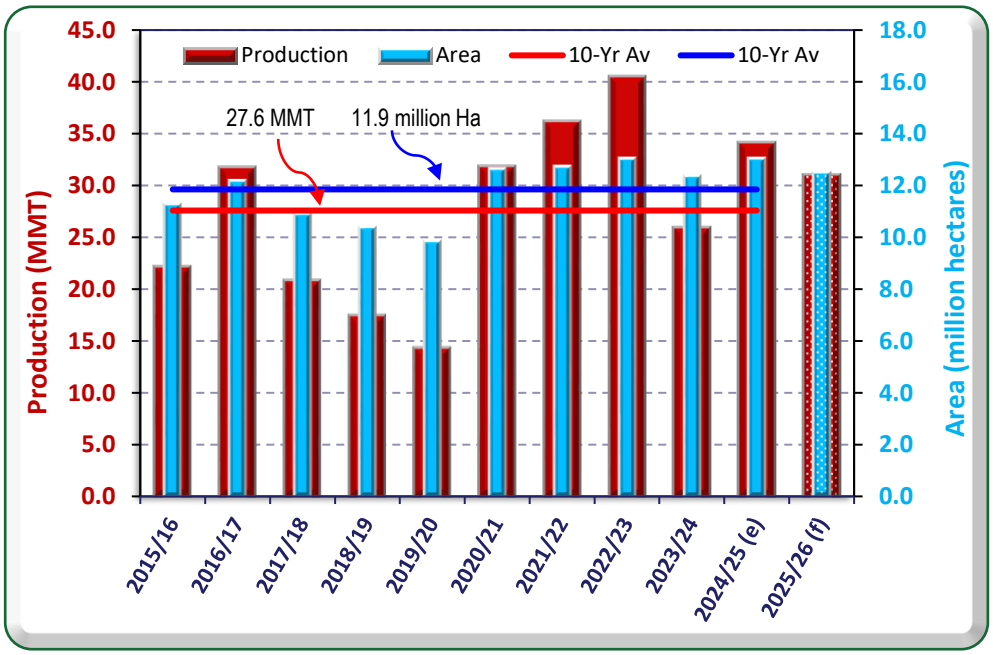
Production

MY 2025/26 Production Forecast

FAS/Canberra forecast for Australia's wheat production for MY 2025/26 remains unchanged at 31 MMT. Although the planting season began under challenging conditions—particularly in the southern production regions of Western Australia, South Australia, and Victoria, which experienced low soil moisture and below-average autumn rainfall—some areas received timely rainfall in early July 2025, improving yield prospects. As a result, while the planted area has been revised downward, the improved yield outlook supports the maintenance of the current production forecast.

The forecast wheat planted area for MY 2025/26 has been revised down by 3.1 percent, from 12.9 million hectares to 12.5 million hectares, but remains five percent above the previous 10-year average (see Figure 1). The overall wheat production forecast is 12.4 percent above the previous 10-year average of 27.6 MMT.

Figure 1 – Australian Wheat Area and Production History

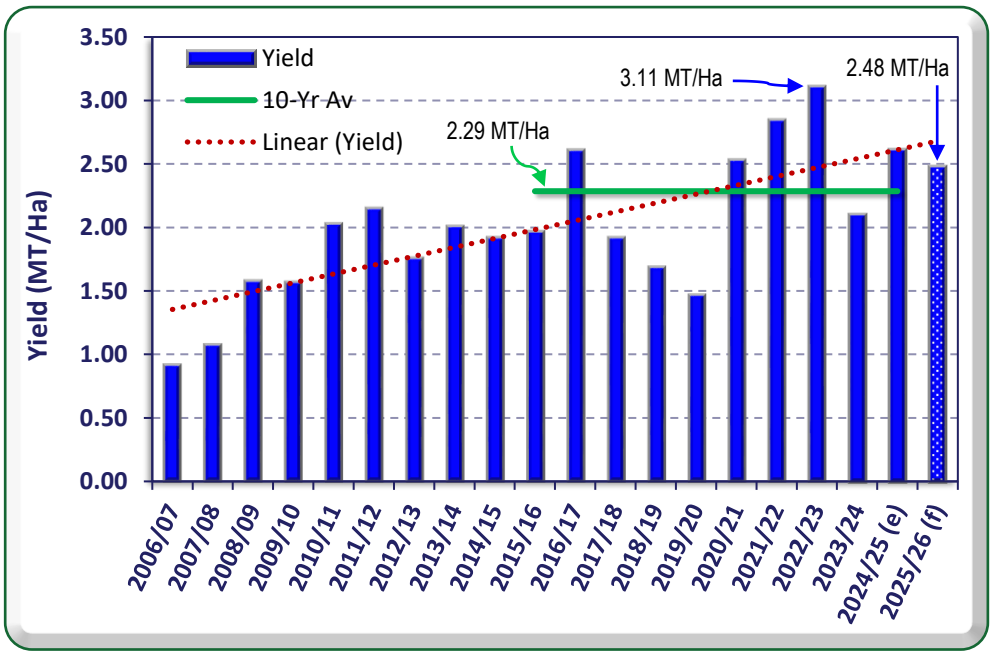


Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

The above-average production forecast is underpinned by both the larger-than-average planted area and an expected yield of 2.48 MT/ha, which is 8.5 percent above the 10-year average. Australian wheat yields have shown a strong upward trend over the past two decades (see Figure 2), despite widespread

past climate projections suggesting significant negative impacts on Australian crop production by 2050 and beyond.

Figure 2 – Australian Wheat Yield History

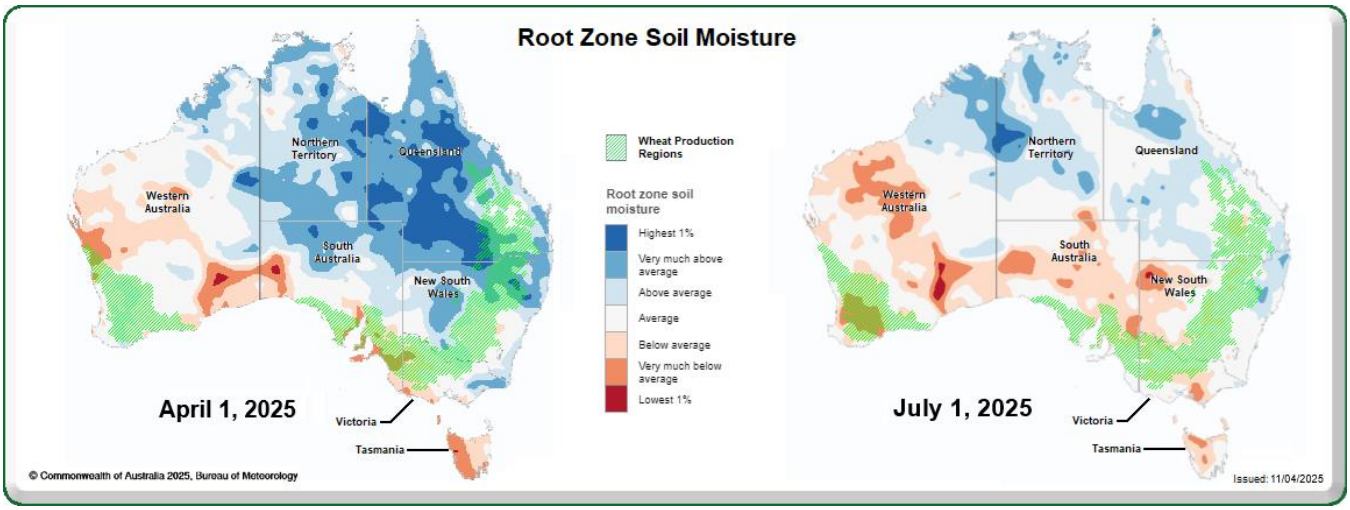


Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

At the start of April 2025—during the early planting period—soil moisture in the southern wheat-growing regions was below average (see Figure 3). By July 1, conditions had changed little overall: while soil moisture in parts of South Australia and Victoria had slightly improved, Western Australia experienced a further decline, with soil moisture falling to well below average levels. As these three states typically account for around two-thirds of Australia's wheat production, growing conditions in these regions play a critical role in shaping national production outcomes.

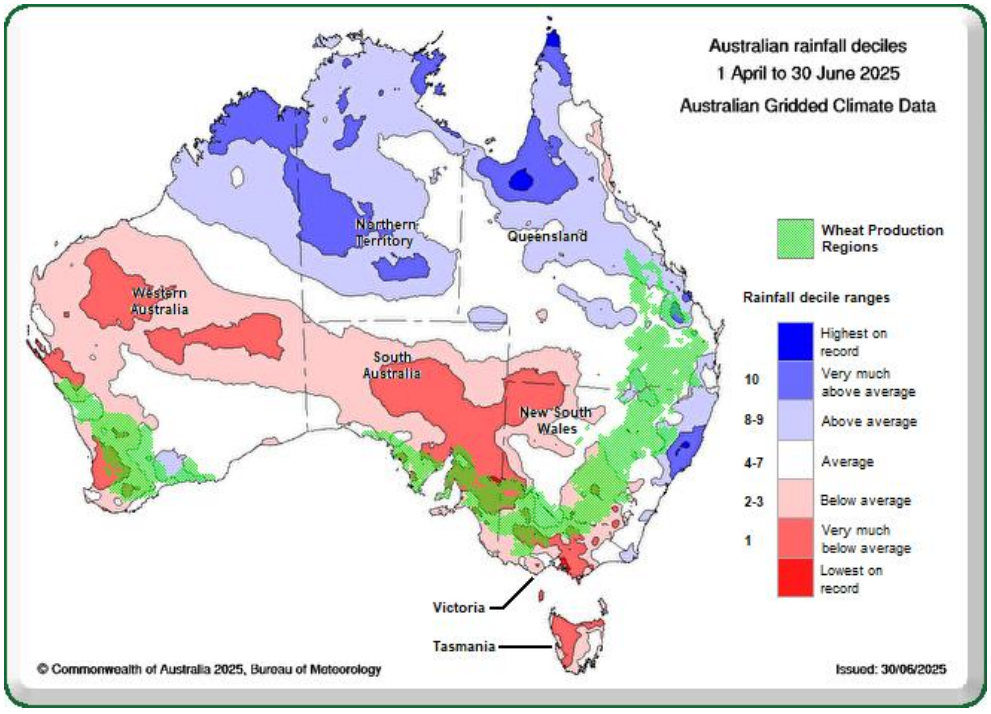
The persistence of below-average soil moisture was primarily driven by below-average rainfall from April to June 2025 (see Figure 4). Although rainfall during this period was sufficient to support widespread planting, some growers responded to the dry conditions by reducing some planned wheat plantings and switching to barley, which is often considered a lower-risk option under moisture constraints.

Figure 3 – Australia Soil Moisture Maps – April 01 and July 01, 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

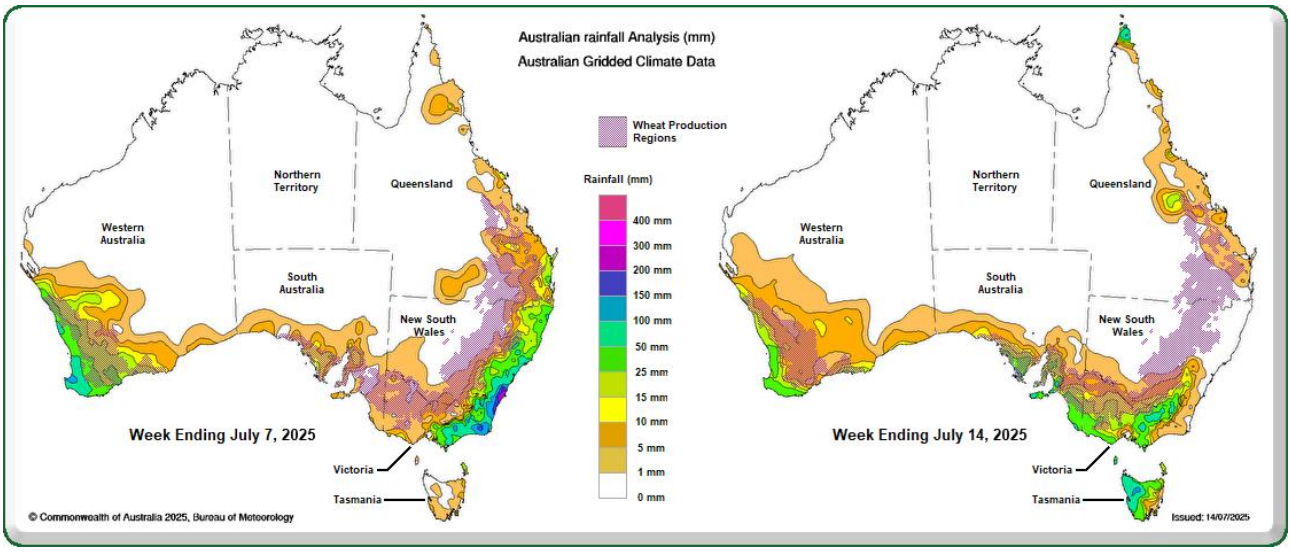
Figure 4 - Australia Rainfall Deciles – April to June 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

A significant improvement occurred in the first half of July 2025, with widespread rainfall across all wheat-producing regions (see Figure 5). This marked a turning point for the southern regions, improving crop prospects and restoring industry confidence for the season ahead. Nonetheless, due to the limited soil moisture reserves entering July, the timing and amount of rainfall over the remainder of the season will be critical in determining final yields and production levels.

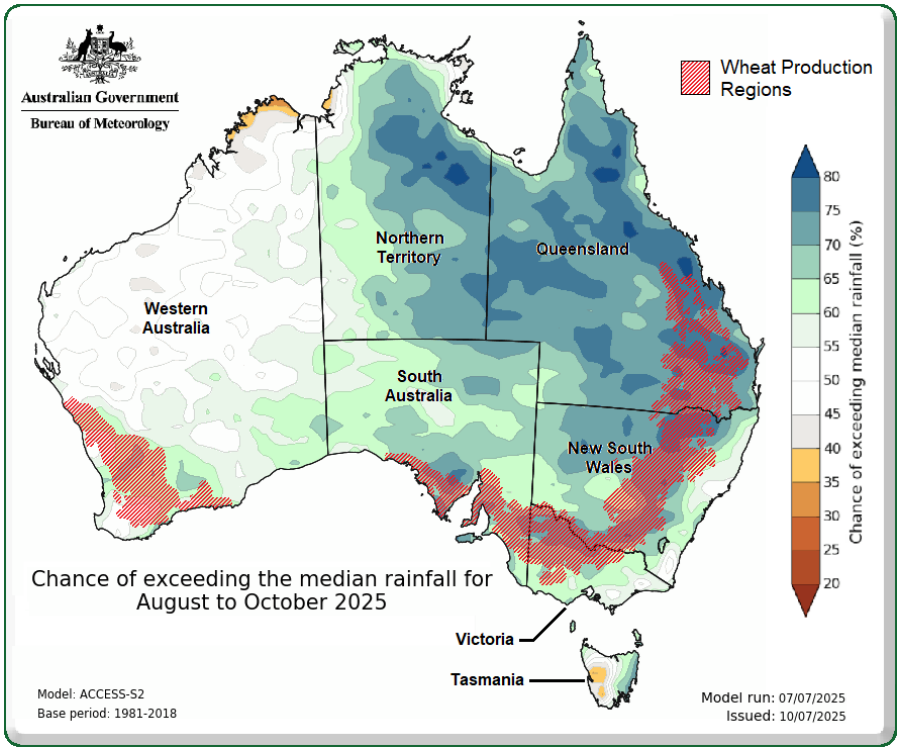
Figure 5 - Australia Rainfall – Weeks 1 and 2 of July 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Looking ahead, the rainfall outlook for August to October 2025, during the critical crop development phase, is generally positive. The Australian Bureau of Meteorology forecasts an average to above-average chance of exceeding median rainfall across most wheat-growing regions (see Figure 6). This outlook is especially encouraging for growers in South Australia and Victoria, who experienced very dry conditions and well-below-average wheat production in MY 2024/25.

Figure 6 - Australia Rainfall Forecast – August to October 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

MY 2024/25 Production Estimate

The wheat production estimate for MY 2024/25 is 34.1 MMT, which is in line with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimate, now six months after harvest's completion.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts domestic wheat consumption at 8.1 MMT in MY 2025/26, an increase of 100,000 MT from the previous year and 300,000 MT higher than MY 2023/24. This growth is primarily driven by rising feed demand, particularly from Australia's expanding beef feedlot industry, which continues to benefit from strong export market demand.

Over half of wheat used by the livestock sector goes to beef cattle feedlots, with smaller volumes used in the dairy, swine, and poultry industries. Weather conditions affecting pasture growth are also a key factor influencing feed demand. In recent years, prolonged dry conditions in south-west Victoria and South Australia have increased feed grain use in the dairy sector. However, the primary driver of growth in feed grain consumption in MY 2024/25—and projected into MY 2025/26—has been the expansion of the beef feedlot sector.

Further feed demand growth is anticipated in MY 2025/26, supported by developments in the U.S. beef market, which has entered a herd rebuilding phase, reducing local cattle availability for processing and increasing demand for imported beef. While Australia has long been a key supplier of lean grinding beef (typically from grass-fed and cull cows), there has been significant growth in chilled beef exports—primarily high-quality cuts from grain-fed cattle—to the U.S. over the past 18 months. This trend is expected to continue, reinforcing demand for feedlot-finished cattle and, in turn, increasing domestic wheat consumption for feed.

Domestic wheat used for flour milling is forecast to remain steady at 3.5 MMT in MY 2025/26, consistent with recent years. While this figure has not changed, Australia's population has grown over the past two years, providing potential for future increases in domestic milling demand.

MY 2024/25 Consumption Estimate

FAS/Canberra's estimate for wheat consumption in MY 2024/25 remains unchanged at 8.0 MMT, representing a 200,000 MT increase over the previous year. This growth reflects higher feed demand, particularly from dairy producers in south-west Victoria and South Australia, where dry conditions have constrained pasture growth and increased reliance on grain feed. However, the primary contributor to the rise in wheat consumption has been the continued expansion of the beef feedlot industry, driven by strong demand from the U.S. beef import market.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra has revised upward its forecast for wheat exports to 25.0 MMT in MY 2025/26. This revision is driven primarily by a downward revision of the MY 2024/25 export estimate to 23.0 MMT, which is expected to result in a significant build-up in ending stocks. These increased carry-in stocks will help offset the forecast 3.1 MMT decline in production for MY 2025/26, supporting higher export availability.

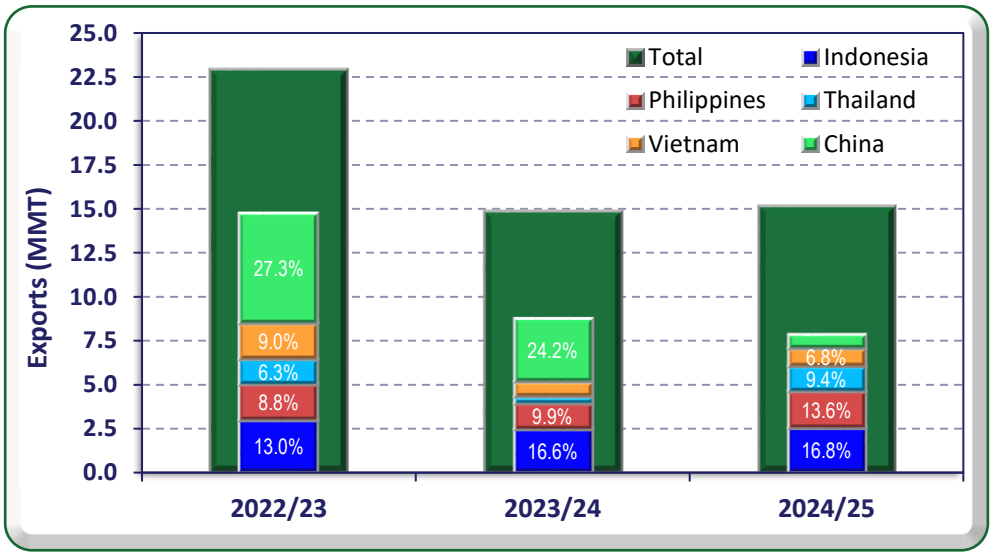
MY 2024/25 Export Estimate

FAS/Canberra's MY 2024/25 wheat export estimate is downward revised by 3.0 MMT to 23.0 MMT, although this remains well above the 19.8 MMT exported in MY 2023/24.

Australian wheat exports in MY 2024/25 have been substantially weaker than anticipated, with 15.2 MMT exported in the marketing year to date (October 2024 to May 2025). Based on seasonal patterns, total exports for the year are currently tracking toward approximately 22.0 MMT. However, FAS/Canberra anticipates that the export pace will accelerate in the remaining months, partially due to the need to free up grain storage capacity ahead of the MY 2025/26 harvest.

The primary factor behind the slower export pace in MY 2024/25 has been a sharp decline in shipments to China. Over the previous two marketing years, China had emerged as Australia's largest wheat export destination, accounting for approximately one-quarter of total shipments (see Figure 7). However, from October 2024 to May 2025, exports to China totaled just 0.8 MMT, compared to 3.6 MMT and 6.3 MMT during the same periods in the two preceding years.

Figure 7 – Major Wheat Exports Destinations – October to May 2022/23 to 2024/25



Source: Australian Bureau of Statistics

It had been anticipated that China's State Reserve would auction off a portion of its wheat stocks during MY 2024/25, resulting in a restock of their State Reserve from fresh grain harvest, which would stimulate higher import demand in the latter half of the year. However, this has not materialized. China's total wheat imports for the current marketing year (to date) are 2.3 MMT, down sharply from 10.2 MMT for the same period in MY 2023/24.

Imports

FAS/Canberra forecasts wheat imports at 230,000 MT for MY 2025/26, representing a modest increase of 5,000 MT from the revised estimate for MY 2024/25 and a cumulative increase of 10,000 MT over MY 2023/24 levels. This upward trend is attributed to strong population growth over the past two to three years. Wheat imports are largely comprised of processed wheat products and pasta, which continue to see steady demand.

Stocks

Australia's wheat ending stocks in MY 2025/26 are forecast to decline, returning closer to typical historical levels. This follows an estimated build-up in ending stocks for MY 2024/25, driven by significantly lower-than-expected export volumes.

Table 1 - Production, Supply, and Distribution of Wheat

Wheat	2023/2024		2024/2025		2025/2026	
Market Year Begins	Oct 2023		Oct 2024		Oct 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	12372	12372	13060	13060	12500	12500
Beginning Stocks (1000 MT)	4371	4371	2912	2912	4247	6247
Production (1000 MT)	25960	25960	34110	34110	31000	31000
MY Imports (1000 MT)	220	220	225	225	200	230
TY Imports (1000 MT)	214	214	225	225	200	230
Total Supply (1000 MT)	30551	30551	37247	37247	35447	37477
MY Exports (1000 MT)	19839	19839	25000	23000	23000	25000
TY Exports (1000 MT)	22504	22504	21500	21300	24000	25000
Feed and Residual (1000 MT)	4300	4300	4500	4500	4600	4600
FSI Consumption (1000 MT)	3500	3500	3500	3500	3500	3500
Total Consumption (1000 MT)	7800	7800	8000	8000	8100	8100
Ending Stocks (1000 MT)	2912	2912	4247	6247	4347	4377
Total Distribution (1000 MT)	30551	30551	37247	37247	35447	37477
Yield (MT/HA)	2.0983	2.0983	2.6118	2.6118	2.48	2.48

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

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

BARLEY

Production

MY 2025/26 Production Forecast

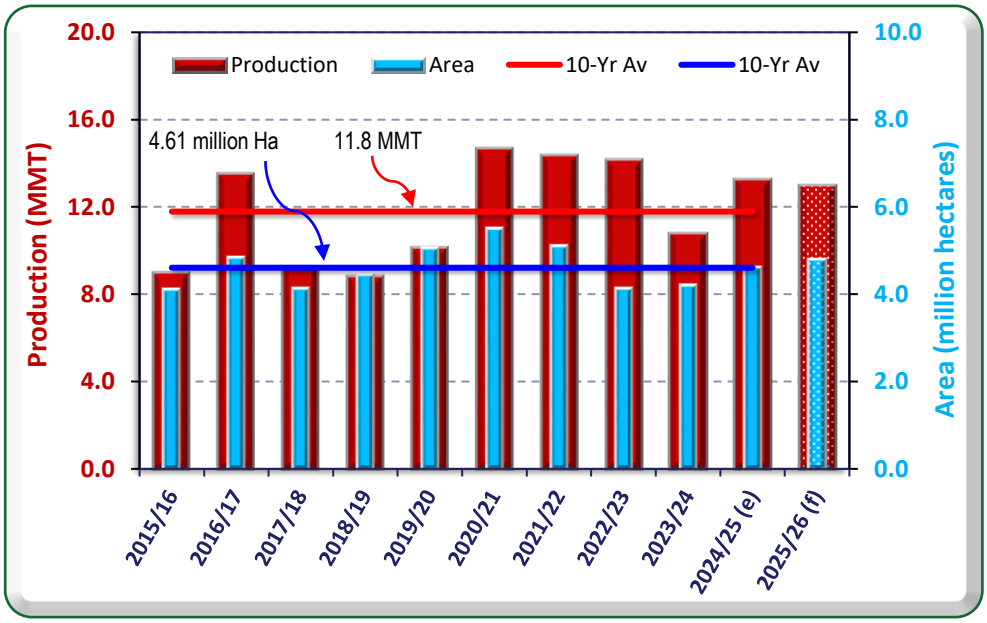
FAS/Canberra has revised upward its forecast for Australia's MY 2025/26 barley production to 13.0 MMT, an increase of 0.5 MMT from the previous projection. This brings the forecast close to the MY 2024/25 estimate of 13.3 MMT. The primary driver of this revision is a 4.3 percent increase in forecast planted area, rising from 4.6 million hectares to 4.8 million hectares.

Barley is typically grown in similar regions as wheat, though less so in the northern production zones. In the southern states, below-average soil moisture and rainfall during the planting period (see Figures 3 and 4) led some growers to shift some of their planned wheat planting towards barely instead. In drier-than-usual conditions, barley is often considered a lower-risk cropping option.

The forecast planted area for MY 2025/26 is 4.2 percent above the 10-year average, while the production forecast is 10.3 percent above the same benchmark (see Figure 8). This is supported by a projected yield that is 5.9 percent above the 10-year average.

Although early-season conditions were challenging, recent improvements in rainfall during the first two weeks of July 2025 (see Figure 5), along with the Australian Bureau of Meteorology's positive rainfall outlook for the coming months (see Figure 6), have improved prospects and underpin the higher yield forecast.

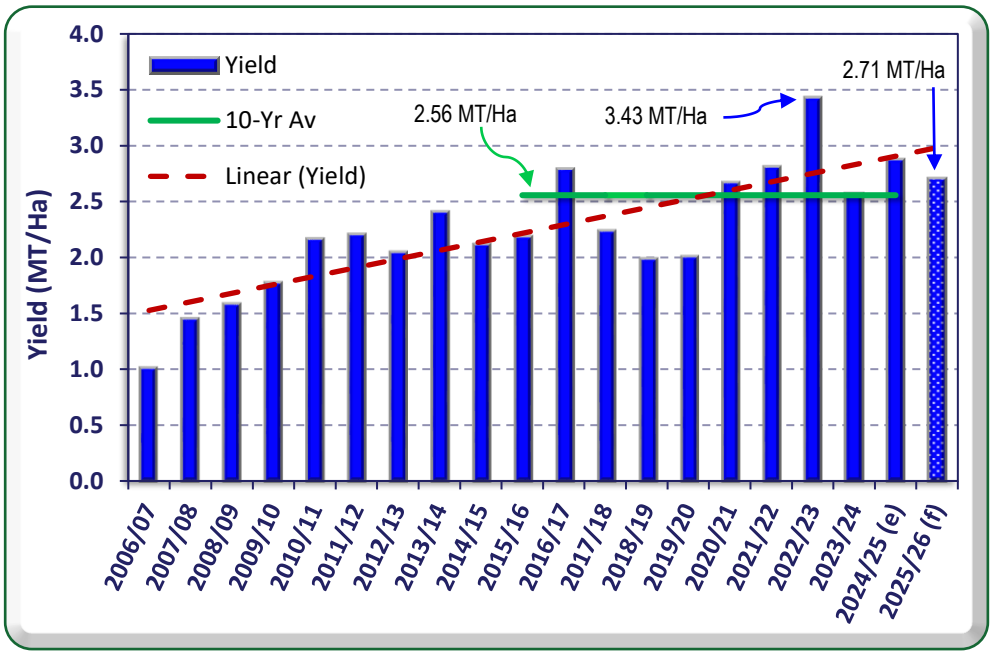
Figure 8 – Australian Barley Production and Area History



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

Australian barley yields have shown a strong upward trend over the past two decades, similar to wheat (see Figure 9). The forecast yield is similar to or below that for four of the last five years and remains below the estimated yield for MY 2024/25, which began with similarly difficult conditions. In MY 2024/25, Western Australia experienced very low soil moisture and well-below-average early-season rainfall, which later improved. South Australia and Victoria had some initial subsoil moisture, but in-crop rainfall remained below average. Based on these recent outcomes, and by comparison to current seasonal developments, the forecast yield for MY 2025/26 is well within reach.

Figure 9 – Australian Barley Yield History



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

MY 2024/25 Production Estimate

FAS/Canberra's barley production estimate for MY 2024/25 is 13.3 MMT, which is in line with the ABARES estimate approximately six months after harvest completion.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts barley consumption in MY 2025/26 at 6.1 MMT, representing a 100,000 MT increase over the MY 2024/25 estimate. While domestic malting barley consumption remains relatively stable year to year, fluctuations in total use are primarily driven by demand from the livestock feed sector.

As with feed wheat, the beef cattle feedlot industry, along with the dairy sector, is a major consumer of feed barley. The forecast increase in barley consumption for MY 2025/26 is largely attributed to anticipated continued growth in demand from the feedlot industry, supported by strong U.S. demand for Australian beef, particularly high-quality grain-fed cuts.

The malting industry accounts for a smaller but stable portion of total barley consumption, estimated at around 1.5 MMT annually. This level has remained consistent over recent years and is not expected to change significantly in the forecast year.

MY 2024/25 Consumption Estimate

FAS/Canberra's barley consumption estimate for MY 2024/25 remains unchanged at 6.0 MMT, which is 200,000 MT higher than MY 2023/24. Similar to the trend observed for wheat, this increase is partly attributed to prolonged dry conditions in south-western Victoria and South Australia, which reduced pasture availability and led to greater reliance on feed grains. However, the primary factor behind the rise in consumption has been the expansion of the beef feedlot sector, driven by robust U.S. import demand for Australian beef.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra maintains its Australian barley export forecast at 6.5 MMT for MY 2025/26, a decline of 1.0 MMT from the upwardly revised MY 2024/25 estimate of 7.5 MMT. This drop in exports occurs despite barley production for MY 2025/26 being only 0.3 MMT lower than the previous year.

The primary reason for the expected decrease in exports is the exceptionally strong export demand during MY 2024/25, which is forecast to draw down ending stocks to below-average levels. As a result, a portion of MY 2025/26 production is expected to be retained bringing domestic stocks back up to more typical levels, thereby limiting availability for export.

Globally, barley is a relatively thinly traded commodity, with only six countries consistently exporting significant volumes. Ukraine typically accounts for about 15 percent of global barley exports, but ongoing disruptions to production, transport, and port logistics—a result of the Russian invasion—continue to constrain its export capacity. Although the extent of this disruption has reportedly diminished, demand for Australian barley is expected to remain strong due to its reliability and quality.

MY 2024/25 Export Estimate

FAS/Canberra has revised its MY 2024/25 barley export estimate upward from 7.0 MMT to 7.5 MMT, based on robust shipment data. Between November 2024 and May 2025 (the first seven months of the

marketing year), exports reached 5.9 MMT, significantly ahead of the 5.3 MMT exported during the same period in MY 2023/24, which ultimately totaled 7.1 MMT for the full year.

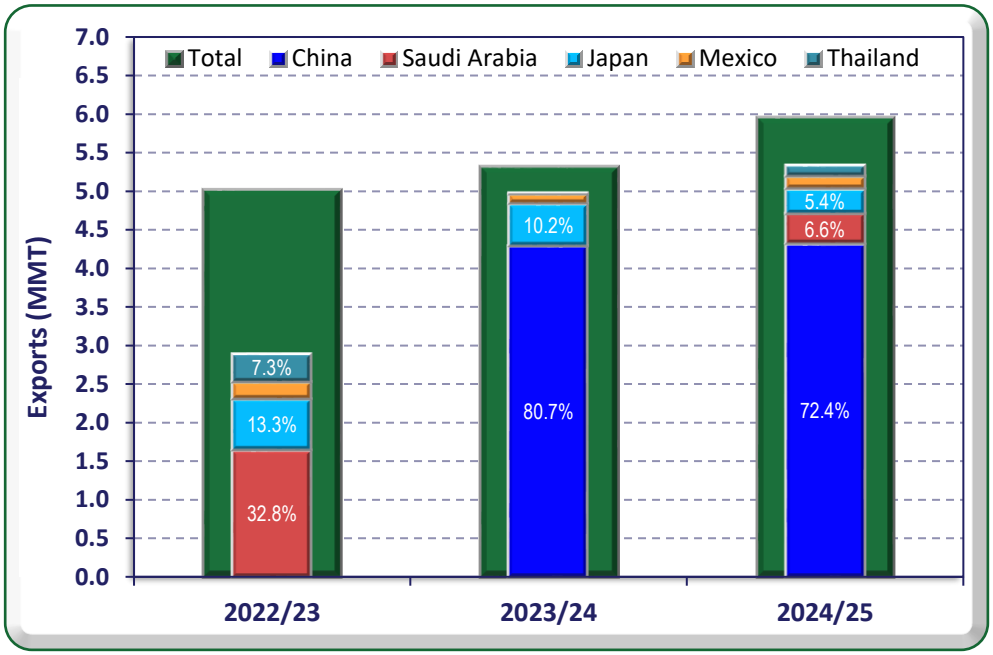
While current trends suggest that exports could exceed 7.5 MMT, the pace is expected to slow in the final months of the marketing year as available stocks decline to well below typical levels.

Following the removal of tariffs by China's Ministry of Commerce in August 2023, Australian barley exports have reverted to a pattern similar to the pre-tariff years. China has resumed its position as the dominant destination, accounting for around three-quarters of total exports. Japan and Saudi Arabia remain the only other significant markets (see Figure 10).

Although Australia's barley trade is now highly concentrated in the Chinese market, the experience of recent years has shown Australia's ability to pivot successfully toward Middle Eastern feed grain markets when required. While most barley exports to China are feed grade, industry sources suggest that a portion is also used for malting, though the exact volume remains unclear. As such, both feed and malting segments underpin Australia's barley trade with China.

Should trade issues with China re-emerge, Australia has already demonstrated the capacity to redirect exports to alternative markets, ensuring continued resilience in the barley export sector.

Figure 10 – Barley Exports Destinations – November to May MY 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Stocks

Australia's barley ending stocks are forecast to recover to 1.3 million metric tons (MMT) in MY 2025/26, returning to levels more consistent with historical norms. This follows an estimated significant drawdown in MY 2024/25, driven by strong export demand between November 2024 and May 2025.

Table 2 - Production, Supply, and Distribution of Barley

Barley	2023/2024		2024/2025		2025/2026	
Market Year Begins	Nov 2023		Nov 2024		Nov 2025	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4207	4200	4621	4621	4600	4800
Beginning Stocks (1000 MT)	3220	3220	1118	1118	1383	883
Production (1000 MT)	10800	10800	13265	13265	12500	13000
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14020	14020	14383	14383	13883	13883
MY Exports (1000 MT)	7102	7102	7000	7500	6700	6500
TY Exports (1000 MT)	7909	7909	7200	7300	6700	6500
Feed and Residual (1000 MT)	4300	4300	4500	4500	4500	4600
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	5800	5800	6000	6000	6000	6100
Ending Stocks (1000 MT)	1118	1118	1383	883	1183	1283
Total Distribution (1000 MT)	14020	14020	14383	14383	13883	13883
Yield (MT/HA)	2.5671	2.5714	2.8706	2.8706	2.7174	2.7083
(1000 HA) ,(1000 MT) ,(MT/HA) MY = Marketing Year, begins with the month listed at the top of each column TY = Trade Year, which for Barley begins in October for all countries. TY 2025/2026 = October 2025 - September 2026						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

SORGHUM

Production

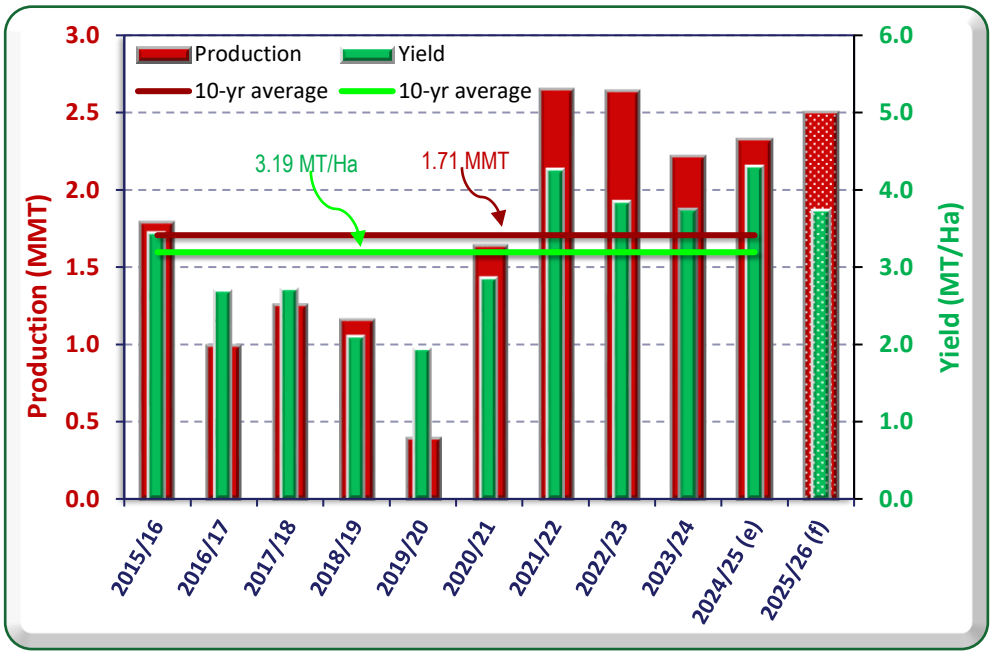
MY 2025/26 Production Forecast

FAS/Canberra's forecast for Australian sorghum production in MY 2025/26 remains unchanged at 2.5 MMT, which is 0.2 MMT higher than the estimate for MY 2024/25. If realized, this would mark the third-largest sorghum crop in the past 15 years and continue a strong run of five consecutive years with production exceeding 2.2 MMT.

The harvested area is forecast to rise by 100,000 hectares, reaching 670,000 hectares, driven primarily by strong demand from China for Australian sorghum. At this early stage—before planting typically begins in October—yields are forecast to decline from a record 4.31 MT/Ha in MY 2024/25 to 3.73 MT/Ha. Nevertheless, this projected yield is still 17 percent above the 10-year average and would support the third largest production result in the last fifteen years (see Figure 11).

Despite the anticipated decline in yield, the forecast remains well above the historical average—though it sits at the lower end of the range recorded over the past four years. The outlook is supported by adequate soil moisture across key growing regions and the Bureau of Meteorology's forecast of a better-than-average chance of exceeding median rainfall in the coming months. This combination is expected to encourage elevated planting and provide the crop with a strong start, boosting the likelihood of achieving above-average yields, even at this early point in the season.

Figure 11 – Australian Sorghum Production and Yield History

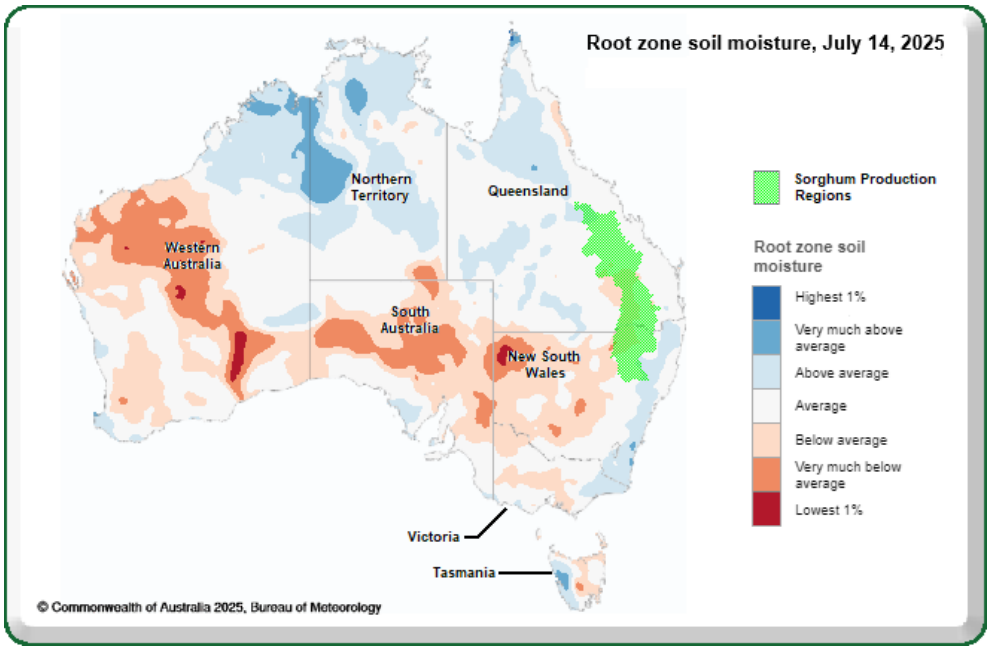


Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

As of mid-July 2025, soil moisture levels across most major sorghum-producing regions are at or near average, though some areas remain below average (see Figure 12). With over two months until planting typically begins, conditions are generally positive, especially when considered alongside the favorable rainfall outlook.

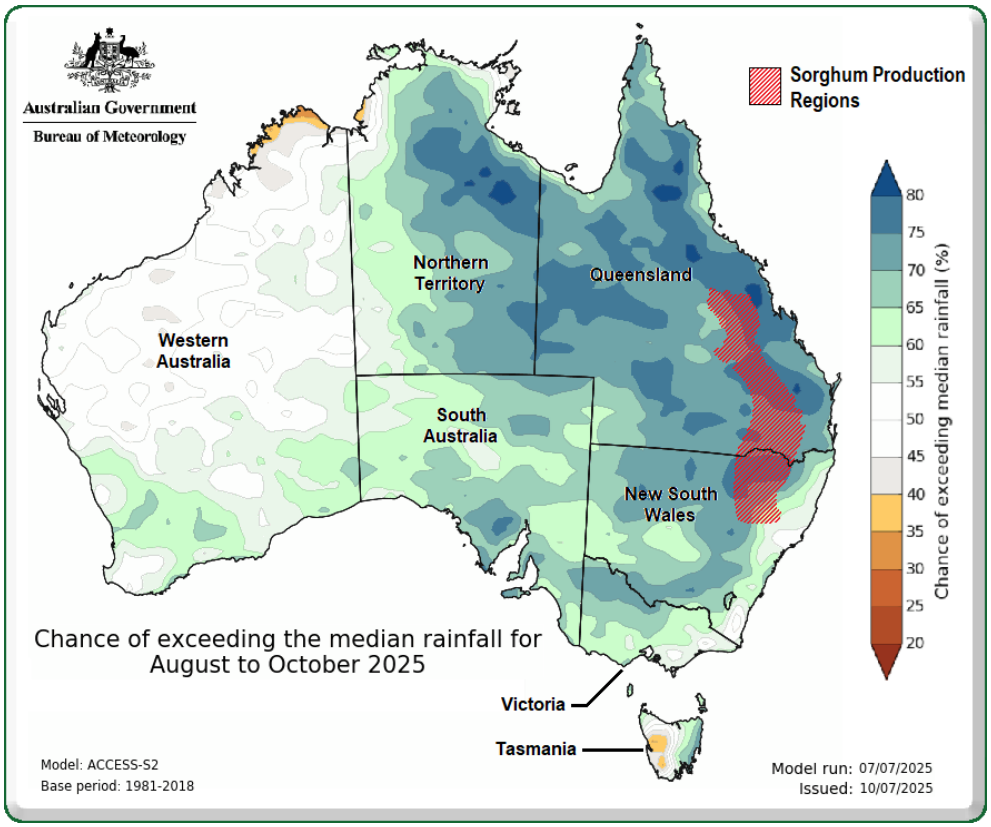
The Australian Bureau of Meteorology forecasts a strong likelihood of above-median rainfall across sorghum-producing regions between August and October 2025 (see Figure 13). If realized, this would further improve soil moisture levels at planting, giving the crop a favorable start and increasing the likelihood of strong yield performance.

Figure 12 – Australia Soil Moisture Map – July 14, 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 13 - Australia Rainfall Forecast – August to October 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

MY 2024/25 Production Estimate

FAS/Canberra's production estimate for MY 2024/25 is 2.325 MMT, which aligns with the current ABARES estimate, issued around three months after the completion of the majority of the harvest.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts domestic sorghum consumption in MY 2025/26 at 60,000 MT. Domestic consumption of sorghum has slumped to a very small level over the last five to ten years. This was largely triggered by the 2017–2019 multi-year drought, during which domestic sorghum supplies were exhausted. This forced the beef feedlot industry, a key consumer of sorghum, to switch to alternative white feed grains—wheat and barley.

Although wheat and barley stocks were also low in the eastern states at the time, grain was transported from Western Australia, whereas no alternative domestic or imported sources of sorghum were available. This shift away from sorghum has since been reinforced by strong export demand from China, which has elevated sorghum prices above those of wheat and barley.

In addition to cost considerations, wheat and barley are generally easier to process and offer higher nutritional value compared to sorghum. As a result, feedlot operators have continued to favor these grains, leading to a sustained drop in domestic sorghum consumption.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates sorghum consumption in MY 2024/25 at 60,000 MT, down 200,000 MT from MY 2023/24. The MY 2023/24 consumption was elevated due to rain affected grain that sprouted and did not meet export standards. Overall, the decline to 60,000 MT reflects the near-complete transition of the livestock feed sector—particularly the feedlot industry—away from sorghum and towards wheat and barley, as outlined above.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts sorghum exports for MY 2025/26 at 2.4 MMT, up 100,000 MT from the MY 2024/25 estimate. This modest increase is primarily driven by an expected rise in production. With domestic consumption now minimal, Australia's sorghum export volumes are largely determined by annual production levels.

China remains the dominant export destination for Australian sorghum, where it is primarily used as a feed grain and for the production of Baijiu, a traditional white liquor. Similarly, China is also the leading

export market for U.S. sorghum. The United States typically supplies around one half to two thirds of China's sorghum import demand, while Australia supplies between 15–30 percent.

Australia's trade position with China is supported by a free trade agreement, which eliminates import tariffs and quotas on sorghum. In contrast, U.S. sorghum exports to China have faced increasing trade barriers. From February 2020 to March 9, 2025, U.S. sorghum exported to China was subject to a 12 percent tariff. On March 10, 2025, China imposed an additional 10 percent tariff, raising the total to 22 percent. Over the following two months, China escalated tariffs even further—by up to an additional 125 percent, severely reducing the competitiveness of U.S. sorghum in the Chinese market.

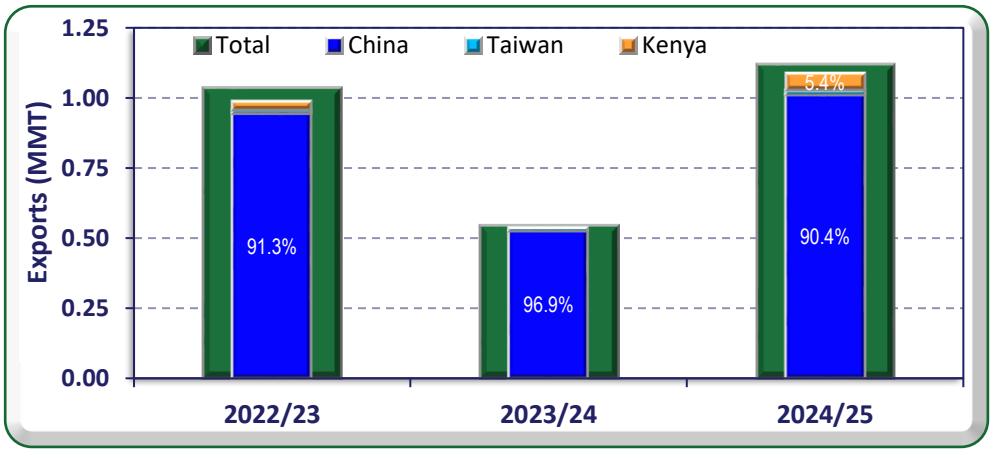
In mid-May 2025, China and the United States reached a bilateral agreement to reduce these tariffs temporarily. A 90-day suspension lowered the retaliatory 125 percent tariff to 10 percent, which was formally extended by a Chinese government announcement on June 12, 2025. As of now, U.S. sorghum faces a combined tariff of 22 percent, reinforcing the competitive advantage of Australian sorghum, which enters China tariff-free and already captures a large share of global sorghum trade.

Although this presents a potential opportunity, Australia already exports around 90 percent of its sorghum to China - leaving little room for further market reallocation. Argentina, the only other notable exporter to China, prefers to grow corn, which is more profitable and offers wider market opportunities, limiting its sorghum exports.

MY 2024/25 Export Estimate

FAS/Canberra maintains its MY 2024/25 sorghum export estimate at 2.3 MMT, driven largely by production levels. Export demand for Australian sorghum remains strong, especially following the imposition of higher Chinese import tariffs on U.S. sorghum, which effectively halted U.S. shipments to China in April and May 2025.

Figure 14 – Sorghum Export Destinations – Mar to May MY 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

During the first three months of MY 2024/25, China accounted for 90 percent of Australia's total sorghum exports (see Figure 14). Japan, which has historically represented around 10 percent of annual exports, recorded very low import volumes in the early part of the marketing year. However, Japanese purchases tend to be intermittent, and trade is expected to increase during the remaining months of the year.

Stocks

Sorghum ending stocks for MY 2025/26 are forecast to remain low, reflecting continued strong export demand. This outlook is underpinned by Australia's improved trade competitiveness in the Chinese market in comparison to the United States.

Table 3 - Production, Supply, and Distribution of Sorghum

Sorghum	2023/2024		2024/2025		2025/2026	
Market Year Begins	Mar 2024		Mar 2025		Mar 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	592	592	540	570	670	670
Beginning Stocks (1000 MT)	351	351	137	137	52	102
Production (1000 MT)	2215	2215	2325	2325	2500	2500
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2566	2566	2462	2462	2552	2602
MY Exports (1000 MT)	2169	2169	2300	2300	2400	2400
TY Exports (1000 MT)	2060	2060	2300	2300	2500	2200
Feed and Residual (1000 MT)	250	250	100	50	100	50
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	260	260	110	60	110	60
Ending Stocks (1000 MT)	137	137	52	102	42	142
Total Distribution (1000 MT)	2566	2566	2462	2462	2552	2602
Yield (MT/HA)	3.7416	3.7416	4.3056	4.0789	3.7313	3.7313

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

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

RICE

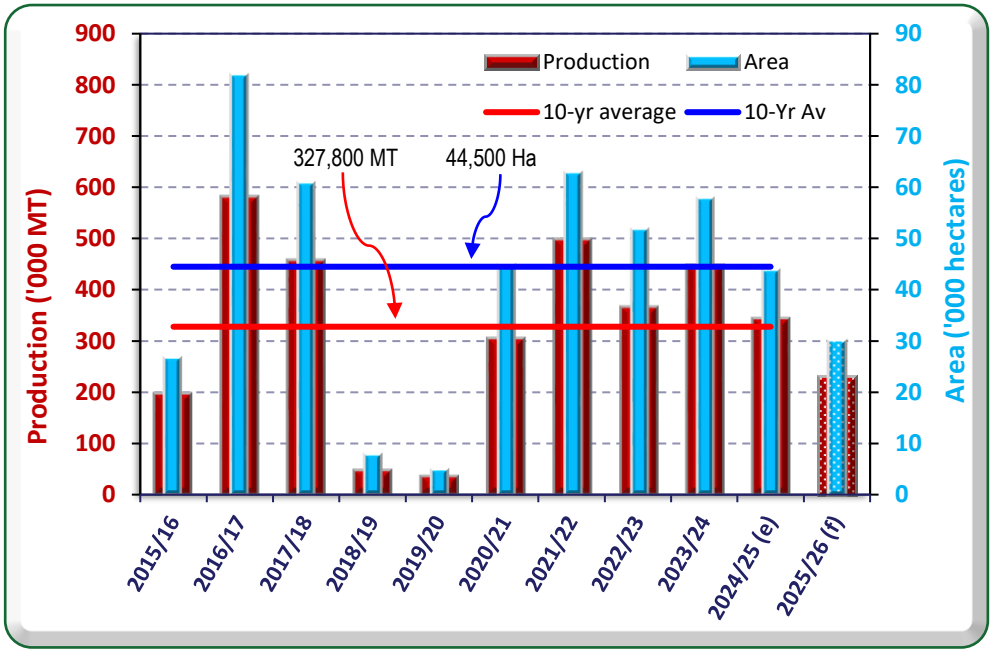
Production

MY 2025/26 Production Forecast

FAS/Canberra's forecast for milled rice production in MY 2025/26 remains unchanged at 230,000 MT, representing a 33 percent decline from the MY 2024/25 estimate. The drop reflects expectations of significantly reduced irrigation water availability following several years of favorable seasonal conditions.

This forecast assumes average seasonal conditions and limited irrigation allocations for the MY 2025/26 crop, which will be planted from October 2025. If realized, production would be 30 percent below the previous 10-year average and the lowest since the drought-affected seasons of MY 2018/19 and 2019/20 (see Figure 15).

Figure 15 – Australian Rice Area and Production (milled) History



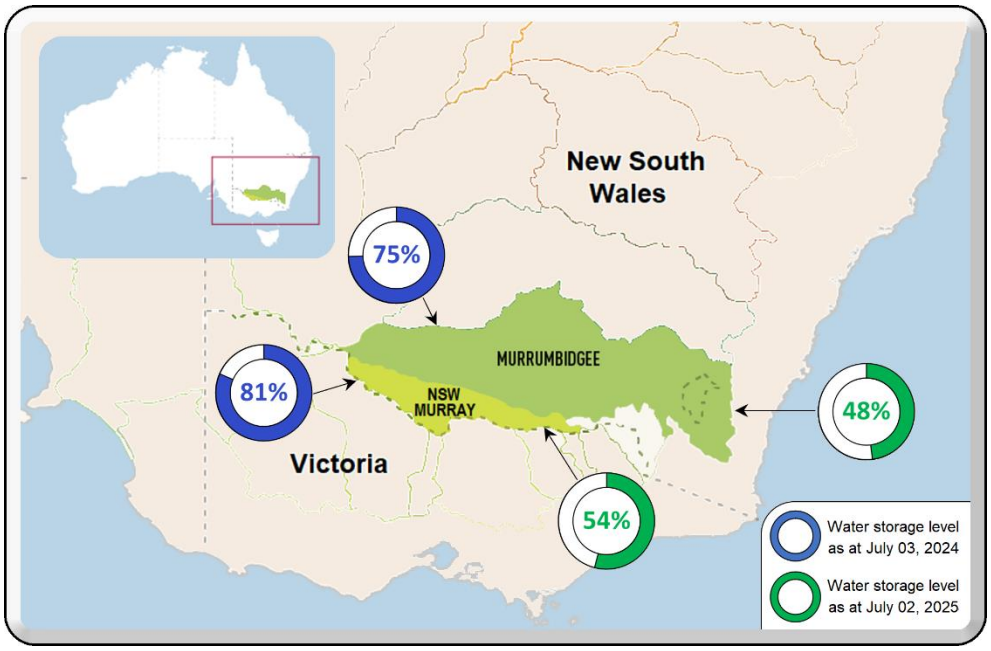
Source: *PSD Online / FAS/Canberra*
Note: *(e) = estimate, (f) = forecast*

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. The broad industry expectation now is that the peak production is around 500,000 MT which was achieved in MY 2021/22 when there is ample irrigation water availability and good seasonal conditions.

The growth of the cotton and horticulture industries has 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 can interchange between rice and cotton production. Over time, farmers have converted irrigated rice areas to cotton production. The lost area can be returned if the prospects for cotton decline, but there are no reports of such industry sentiment at present.

Over the past four years, three consecutive seasons of abundant water supplies supported strong planting and high rice production. This was followed by MY 2024/25, where water storage levels declined, reducing planted area and bringing production back in line with the 10-year average. As of early July 2025, following the end of the 2024/25 irrigation season, irrigation dam levels in major rice-growing regions were significantly lower than at the same point in 2024 (see Figure 16).

Figure 16 – Irrigation Storage Levels – July 03, 2024 and July 02, 2025



Source: Murray Darling Basin Authority

Although most inflows to irrigation storages occur from August to October, major rainfall events would be required to lift storage levels to the point where water availability is no longer a constraint. While the Australian Bureau of Meteorology's August–October rainfall outlook is positive, it is unlikely to generate sufficient inflows prior to planting to significantly increase planting confidence among rice growers.

MY 2024/25 Production Estimate

FAS/Canberra estimates MY 2024/25 milled rice production at 343,000 MT, in line with ABARES' estimate released around three months after the bulk of the harvest. This represents a 23 percent decrease from MY 2023/24, driven entirely by a reduction in planted area. Seasonal conditions were favorable and yields slightly exceeded the previous year's average.

The decline in area was partially linked to reduced water availability but was mainly influenced by SunRice's implementation of a two-pool pricing system on August 1, 2024. This system aimed to cap production at 325,000 MT of medium-grain rice and 35,000 MT of specialty varieties, totaling around 360,000 MT of milled rice.

However, on October 9, 2024, during the planting window, SunRice announced that seed sales had fallen short of expectations and immediately suspended the pool system. Given the timing, most growers had already made planting decisions, limiting their ability to respond by expanding plantings.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts domestic rice consumption at 420,000 MT for MY 2025/26, an increase of 10,000 MT (2.4 percent) from the previous year. This growth is primarily supported by strong population growth in Australia, particularly in MY 2024/25, which is expected to continue influencing demand into the forecast year.

Although the rate of population growth is expected to moderate, the lag effect from elevated growth in MY 2024/25 will continue to drive higher consumption in MY 2025/26. Net migration is projected to ease further in 2026, returning to more typical levels of around 1.5 percent per annum, which is expected to temper rice consumption growth in MY 2026/27.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates domestic rice consumption at 410,000 MT for MY 2024/25, up 10,000 MT from MY 2023/24. As noted, this increase is largely attributed to strong population growth during the year, which drove higher demand for rice.

Trade

Imports

MY 2025/26 Import Forecast

FAS/Canberra forecasts rice imports to remain unchanged at 270,000 MT for MY 2025/26, representing a 3.8 percent increase from the MY 2024/25 estimate—despite a forecast 33 percent drop in domestic rice production.

Due to the timing between harvest, milling, and marketing, fluctuations in production tend to have a delayed effect on trade volumes. In MY 2025/26, a portion of rice milled and exported will originate from the relatively high production of MY 2024/25, helping to maintain domestic supply and limiting immediate upward pressure on imports. As such, the more pronounced impact of reduced production on import demand is expected in MY 2026/27.

MY 2024/25 Import Estimate

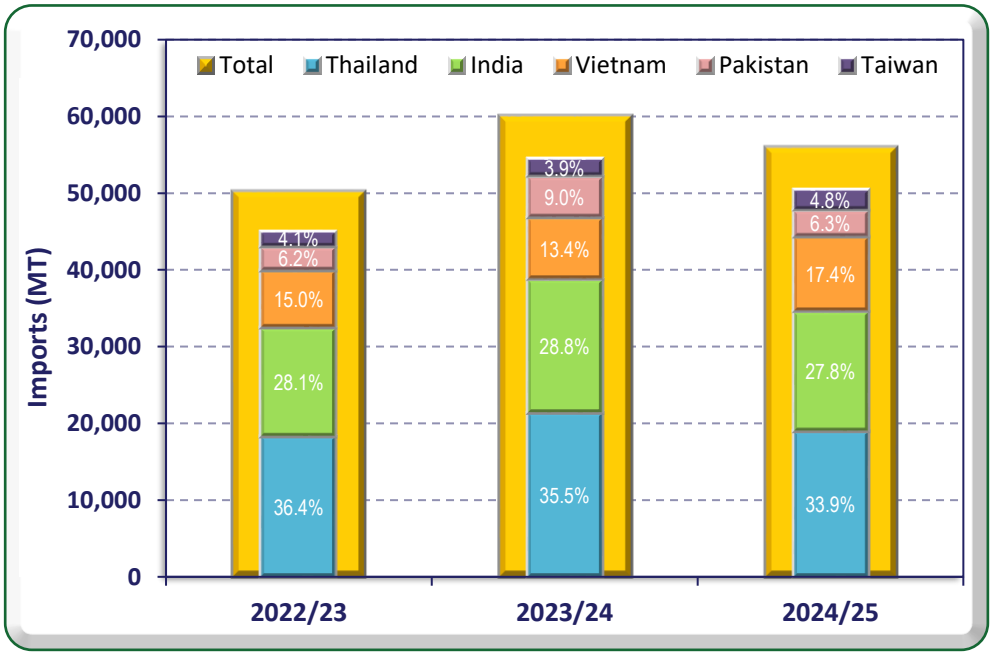
FAS/Canberra maintains its rice import estimate at 260,000 MT for MY 2024/25, which is 2.3 percent (6,000 MT) below the MY 2023/24 volume. The MY 2023/24 import level was abnormally high relative to recent past years during which domestic rice production was strong.

In the first three months of MY 2024/25, rice imports totaled 56,000 MT, down 4,000 MT from the same period in the previous year, which recorded full-year imports of 266,000 MT. Based on five-year average import seasonality, this pace would suggest a full-year total of around 225,000 MT, well below the current FAS/Canberra estimate. However, import volumes in the early months of the marketing year do not always accurately predict the full-year outcome, and FAS/Canberra expects the pace of imports to strengthen over the remaining nine months.

Over the past three years, Australia's top five rice suppliers have consistently accounted for about 90 percent of total imports. Thailand and India remain the dominant suppliers, jointly providing nearly two-thirds of total rice imports (see Figure 17). Vietnam has emerged as the third-largest supplier, contributing around 15 percent of overall imports—possibly linked to SunRice's rice milling operations in Vietnam.

Given that almost all domestic rice production is medium-grain, and Australian consumers demand a wide variety of rice types, significant imports are expected to continue.

Figure 17 – Australian Rice Import Trends – March to May MY 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Exports

MY 2025/26 Export Forecast

FAS/Canberra's forecast rice exports remain unchanged at 170,000 MT for MY 2025/26, a decline of 60,000 MT from the MY 2024/25 estimate. This reduction is primarily due to a forecast production drop of 113,000 MT. However, as noted, a portion of MY 2024/25's larger crop will be marketed during MY 2025/26, helping to partially offset the production shortfall and sustain export activity.

MY 2024/25 Export Estimate

Rice exports for MY 2024/25 are estimated at 230,000 MT, slightly down from 237,000 MT in MY 2023/24. This modest decline is attributable to a 23 percent decrease in domestic production, although carryover stock from the high production MY 2023/24 has supported export capacity.

During the first three months of MY 2024/25, exports totaled 67,000 MT, 15,000 MT higher than the same period in the previous year. While this suggests the possibility of a higher full-year export volume, early-season export figures are not a reliable predictor of total annual trade, especially given that the initial shipments reflect the larger MY 2023/24 crop. As the year progresses, a slowdown in the export pace is expected due to reduced availability of new crop rice.

Stocks

Rice ending stocks in MY 2025/26 are forecast to decline, primarily driven by the substantial drop in forecast production.

Table 4 - Production, Supply, and Distribution of Rice

Rice, Milled	2023/2024		2024/2025		2025/2026	
Market Year Begins	Mar 2024		Mar 2025		Mar 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	58	58	44	44	45	30
Beginning Stocks (1000 MT)	196	196	252	272	211	235
Milled Production (1000 MT)	447	447	344	343	346	230
Rough Production (1000 MT)	621	621	478	476	481	319
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	266	266	275	260	280	270
TY Imports (1000 MT)	266	266	275	260	270	270
TY Imp. from U.S. (1000 MT)	2	2	0	2	0	2
Total Supply (1000 MT)	909	909	871	875	837	735
MY Exports (1000 MT)	237	237	230	230	225	170
TY Exports (1000 MT)	239	243	250	230	225	200
Consumption and Residual (1000 MT)	420	400	430	410	440	420
Ending Stocks (1000 MT)	252	272	211	235	172	145
Total Distribution (1000 MT)	909	909	871	875	837	735
Yield (Rough) (MT/HA)	10.7069	10.7069	10.8636	10.8182	10.6889	10.6333

(1000 HA) ,(1000 MT) ,(MT/HA)
MY = Marketing Year, begins with the month listed at the top of each column

TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2025/2026 = January 2026 - December 2026
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

Attachments:

No Attachments