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Report Highlights:

Australia's barley production is forecast to reach a record level in MY 2025/26, while wheat production is projected to be the third highest on record. Southern Queensland and northern New South Wales are experiencing exceptional seasonal conditions, resulting in well above-average yields, while Western Australia is on track to challenge its wheat and barley production records. Southern New South Wales, Victoria and South Australia expect much improved production after selected areas experienced drought and frost damage in the previous season. The sorghum crop has had a patchy start, but with good subsoil moisture reserves, growers are optimistic and awaiting further rainfall after a dry October. The outlook remains positive, with above-average rainfall forecast for the coming months. In contrast, rice production and exports are forecast to decline sharply in MY 2025/26 due to severely reduced irrigation water availability and high tradeable water prices.

EXECUTIVE SUMMARY

Australia's barley production is forecast to reach a record level in MY 2025/26, while wheat production is projected to be the third highest on record. Queensland and northern New South Wales have experienced a second consecutive year of excellent growing conditions, and with harvest underway, yields are reported to be well above average.

In Western Australia, which typically accounts for around 40 percent of national winter crop output, after a late start producers have benefited from timely and consistent rainfall throughout the season. As harvest commences, expectations are for the state to achieve record barley production and challenge its record wheat production.

In southern New South Wales, Victoria, and South Australia, the season began late, but good rainfall in July and August established strong crop potential. Although dry conditions in September and early October have reduced yield prospects, late October rains are expected to support production—particularly for wheat. This represents a significant recovery for this region from the previous year.

Sorghum planting partially began in mid-to-late September, following good rainfall in southern Queensland and northern New South Wales. However, dry conditions in October, the optimal planting period, have delayed broader sowing. Most growing regions retain adequate subsoil moisture and are awaiting rainfall to complete planting. Producers in more northern regions have a longer planting window, and the outlook for above-average rainfall from November to January remains positive.

In contrast, rice production is expected to decline sharply in MY 2025/26 due to significantly reduced irrigation water availability and high tradable water prices, resulting from low water storage levels.

Wheat production is forecast at 36.0 million metric tons (MMT), up 1.9 MMT from the previous year and 31 percent above the 10-year average. Barley production is projected at 15.0 MMT, up 1.7 MMT year-on-year and 27 percent above the 10-year average.

Wheat exports are forecast at 27.0 MMT, the third highest on record and well above the 10-year average of 19.7 MMT. Barley exports are projected at 8.3 MMT, also the third highest on record and well above the 10-year average of 6.7 MMT.

Sorghum production is forecast at 2.35 MMT for MY 2025/26, well above the 10-year average of 1.74 MMT. With limited domestic use, exports are forecast at 2.25 MMT, supported by strong Chinese demand.

Rice production is forecast to drop sharply to 180,000 metric tons (MT) (milled basis) in MY 2025/26, around half the previous year's level. Rice imports are expected to rise to a record 280,000 MT, while exports are forecast to decline to 130,000 MT.

WHEAT

Production

MY 2025/26 Production Forecast

FAS/Canberra forecasts Australian wheat production in MY 2025/26 at 36.0 MMT—1.9 MMT higher than the MY 2024/25 estimate and 5.0 MMT above the forecast made three months earlier. If realized, this would be the third-largest wheat crop on record.

The upward revision reflects average to above-average rainfall in July and August, which boosted yield potential across major producing regions despite a late start to the season. Continued timely rainfall through September and October in Western Australia further supported strong yield prospects. However, the national production forecast could have been even higher had some regions not experienced very limited rainfall in September and most of October.

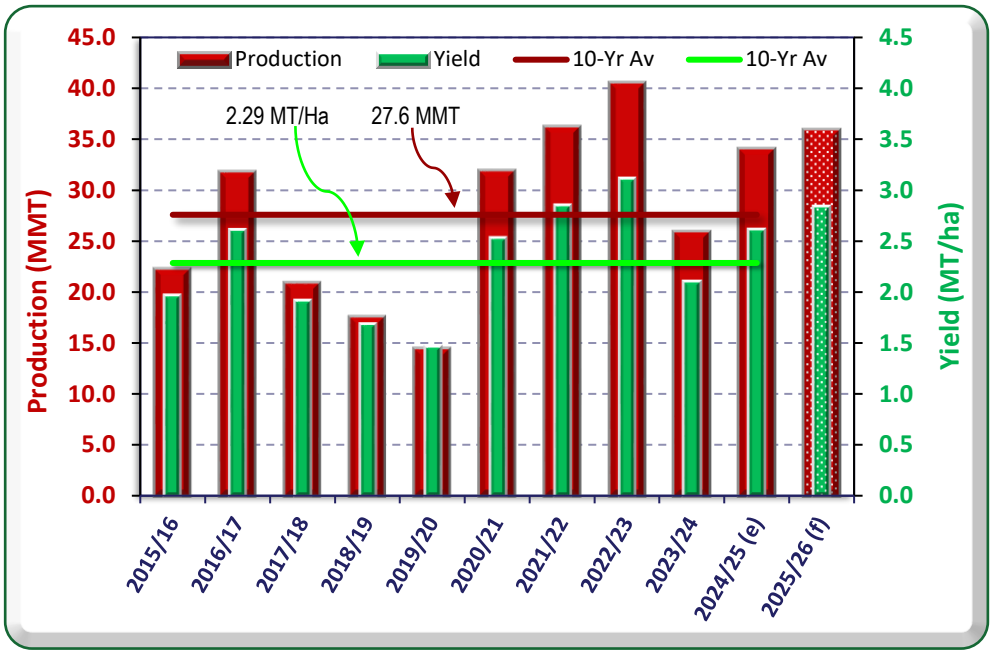
Harvesting began in Queensland, northern New South Wales, and Western Australia in October. In more southern regions, late October rainfall is expected to benefit the grain-filling phase and enhance yields for later-maturing crops.

In Queensland and northern New South Wales, producers have again experienced excellent seasonal conditions, similar to the prior year, with early reports of exceptional yields. In Western Australia, the season started late for the second consecutive year but was followed by well-timed rainfall and mild temperatures, which are expected to deliver near-record yields.

In southern New South Wales, Victoria, and South Australia, crops were planted later than usual and began the season with below-average soil moisture. However, good July and August rainfall established strong early crop potential. Although limited rain in September and most of October constrained yield prospects, late October rainfall provided timely support for grain filling. Overall, yields in these southern regions are expected to exceed those of the previous season, when drought and frost caused significant losses.

Nationally, while planted area for wheat in MY 2025/26 is estimated to be 2.8 percent lower than the previous year, an 8.5 percent increase in average yield is expected to more than offset the smaller area, resulting in higher overall production (see Figure 1).

Figure 1 – Australian Wheat Production and Yield History



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

Regional Overview - Queensland and Northern New South Wales

Wheat growers in Queensland and northern New South Wales benefited from favorable early season conditions, followed by average rainfall in July and above-average rainfall in August (see Figure 2). With harvest typically beginning in mid to late October, these conditions established the crop for well above-average yields.

Subsequent average rainfall in September (see Figure 3) further supported grain filling, and early harvest reports confirm exceptional yields across this region.

Regional Overview - Western Australia

The Western Australian wheat season started slowly, similar to MY 2024/25, but rainfall from July to September was average to above average (see Figures 2 and 3). Continued good October rainfall and mild temperatures minimized crop stress and optimized the grain-fill period.

Overall, conditions in MY 2025/26 have been better than in MY 2024/25, which had already delivered the third-largest wheat crop on record for the state. With harvest commencing in early November, expectations are high that Western Australia could challenge its record wheat production from MY 2022/23.

Regional Overview - Southern New South Wales, Victoria and South Australia

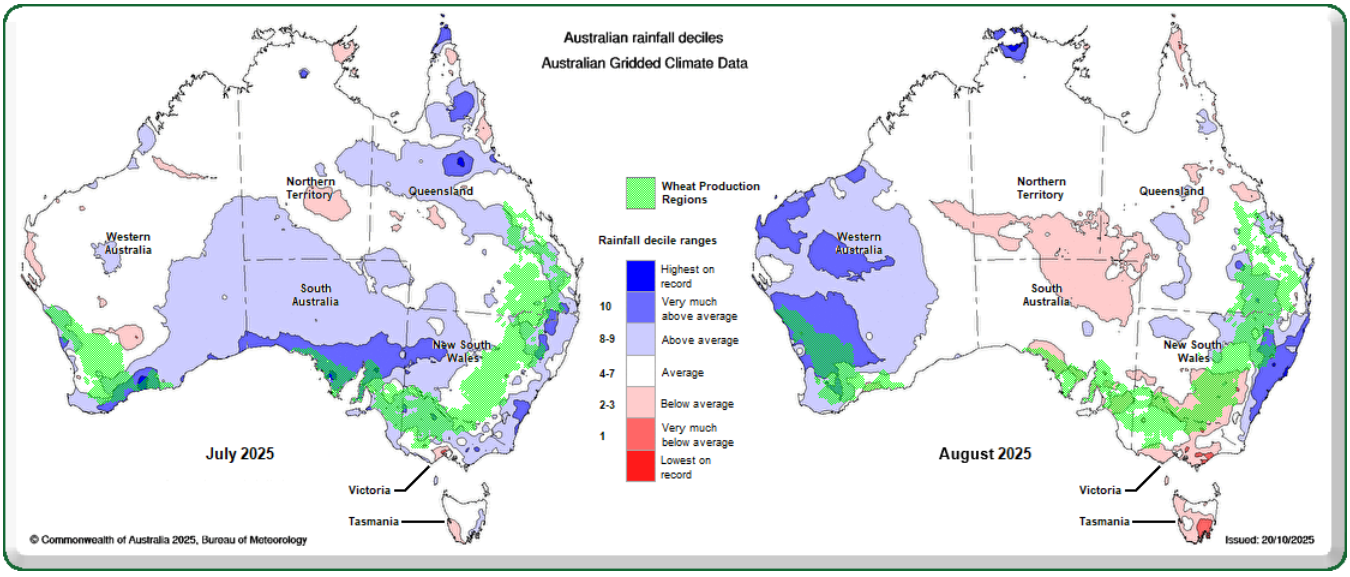
These southern regions experienced a late planting window and below-average soil moisture from April through June 2025. However, average to above-average July rainfall (see Figure 2) revitalized seasonal prospects. August rainfall was average to slightly below average, but combined with warm temperatures and residual soil moisture, it supported strong crop growth.

By early September, crops required additional rainfall to sustain yield potential. Unfortunately, below-average rainfall in September (see Figure 3) and limited early October precipitation depleted soil moisture (see Figure 4). Some growers in northern or marginal areas began cutting wheat for hay as conditions deteriorated.

Mid-to-late October rainfall (see Figure 5) provided relief across much of the region. While the benefits were limited for early-maturing crops in the north, the rains significantly aided later-maturing crops in southeastern South Australia and central to southern Victoria.

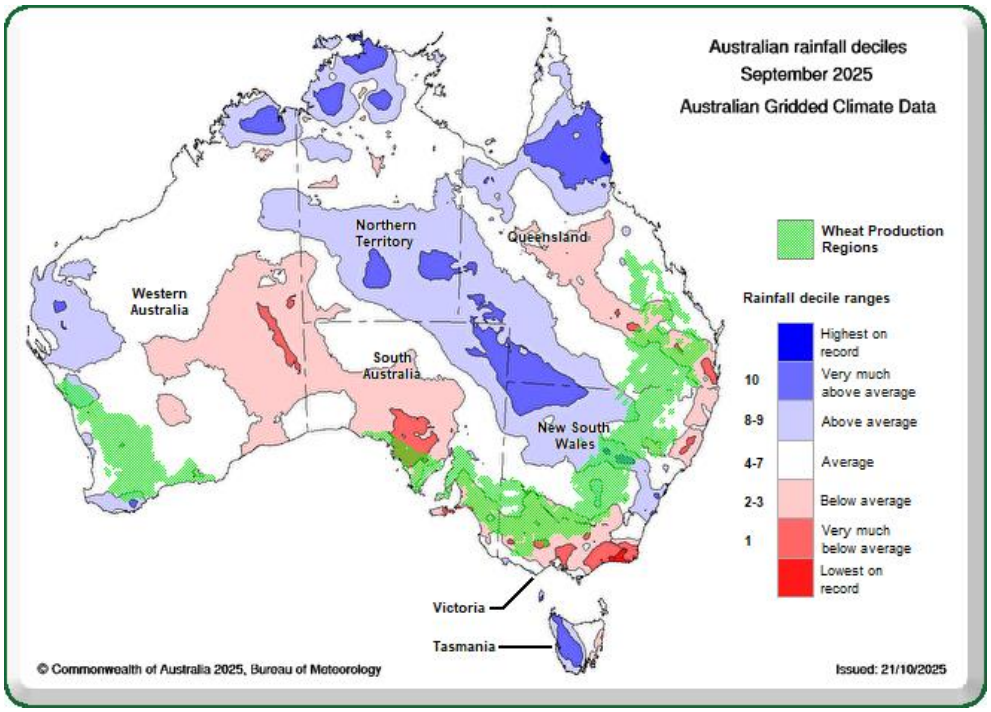
On average, wheat yields across southern New South Wales, Victoria, and South Australia are expected to be substantially higher than in MY 2024/25, when many areas suffered from drought and frost damage, leading to large volumes being cut for hay.

Figure 2 – Australia Rainfall Deciles – July and August 2025



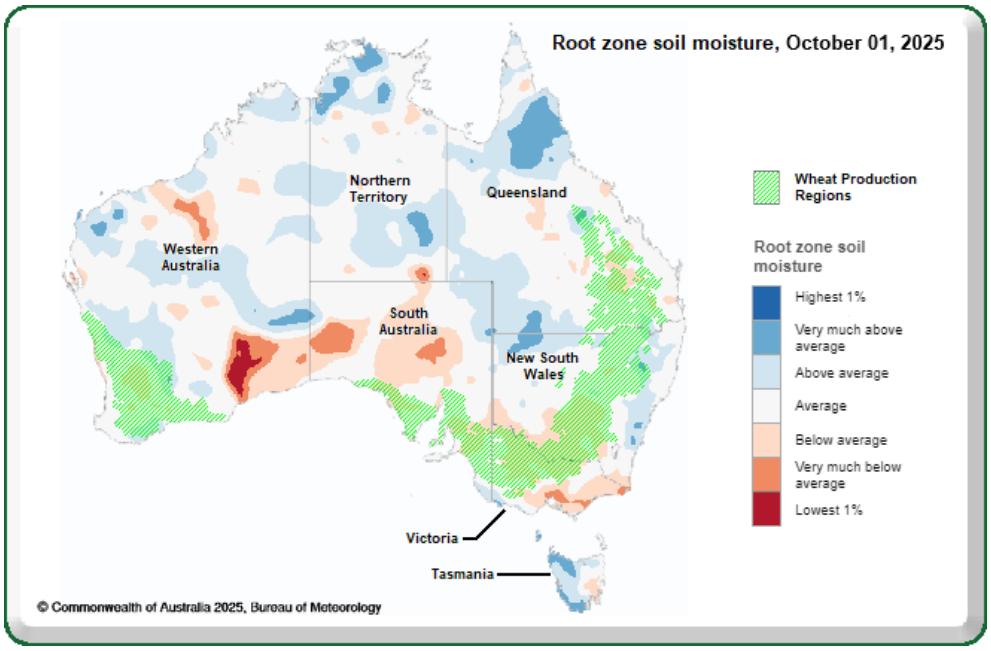
Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 3 – Australia Rainfall Deciles – September 2025



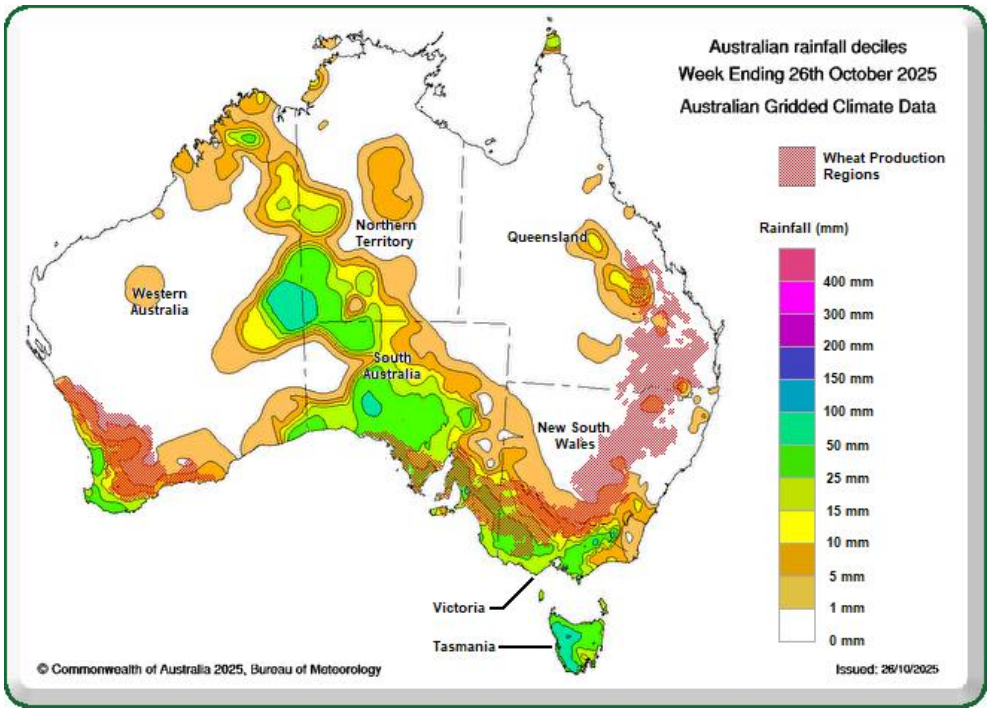
Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 4 – Australia Soil Moisture Map – October 1, 2025



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

Figure 5 – Australia Rainfall Deciles – Week Ending October 26, 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

MY 2024/25 Production Estimate

FAS/Canberra's wheat production estimate for MY 2024/25 remains at 34.1 MMT, consistent with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimate. This estimate, made approximately nine months after harvest completion, reflects the finalized national production outcome.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts Australia's domestic wheat consumption at 9.0 MMT for MY 2025/26, broadly in line with the revised estimate of 9.1 MMT for MY 2024/25. While total wheat use is expected to remain steady, overall feed grain consumption is forecast to increase, driven primarily by expanding demand from the beef feedlot sector.

Wheat and barley are the principal feed grains used in Australia's livestock industries, with sorghum now playing only a minor role. Approximately half of the nation's feed grain demand originates from the beef feedlot sector, while the dairy and poultry industries each account for about 15 percent, and the pork industry for around 10 percent.

Feed wheat consumption is closely linked to developments in the beef cattle feedlot industry. During drought conditions, reduced pasture availability typically results in higher feedlot placements, which lifts feed grain demand. In MY 2025/26, however, increased feedlot demand is expected to stem largely from strong export opportunities rather than weather-related factors. The U.S. beef herd is currently at its lowest level in nearly 75 years and is entering a herd rebuilding phase. This is expected to tighten U.S. beef supplies for processing and further increase demand for imported beef.

Australia, a key supplier of lean grinding beef (mainly from grass-fed and cull cows), has also become a major exporter of chilled grain-fed beef to the United States, particularly over the past two years. This trend is expected to continue, supporting demand for feedlot-finished cattle and, in turn, sustaining higher consumption of domestic feed grains—particularly wheat and barley.

Wheat used for flour milling is forecast to rise modestly to 3.6 MMT in MY 2025/26, up from 3.5 MMT in previous years. Strong population growth, underpinned by elevated immigration, continues to support steady increases in demand for milled wheat products.

MY 2024/25 Consumption Estimate

FAS/Canberra's wheat consumption estimate for MY 2024/25 remains at 9.1 MMT, around 1.1 MMT higher than the previous forecast. The upward revision reflects a substitution effect, with strong export demand for barley and relatively soft wheat export demand prompting greater domestic use of wheat for feed purposes.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts Australian wheat exports at 27.0 MMT for MY 2025/26, representing a 2.0 MMT increase from the previous forecast (three months earlier). This upward revision reflects the substantial improvement in production prospects. If realized, MY 2025/26 exports would be the third highest on record and remain well above the 10-year average of just under 20 MMT.

Despite the significant 5.0 MMT upward revision to production, exports are expected to increase by only 2.0 MMT, from the previous forecast (three months earlier). Global wheat markets remain relatively soft, with subdued futures prices and limited near-term demand growth. As a result, Australian farmers and grain marketers are expected to adopt a cautious marketing approach, holding larger-than-usual stocks in anticipation of potential price improvements later in the season rather than committing to extensive forward sales.

MY 2024/25 Export Estimate

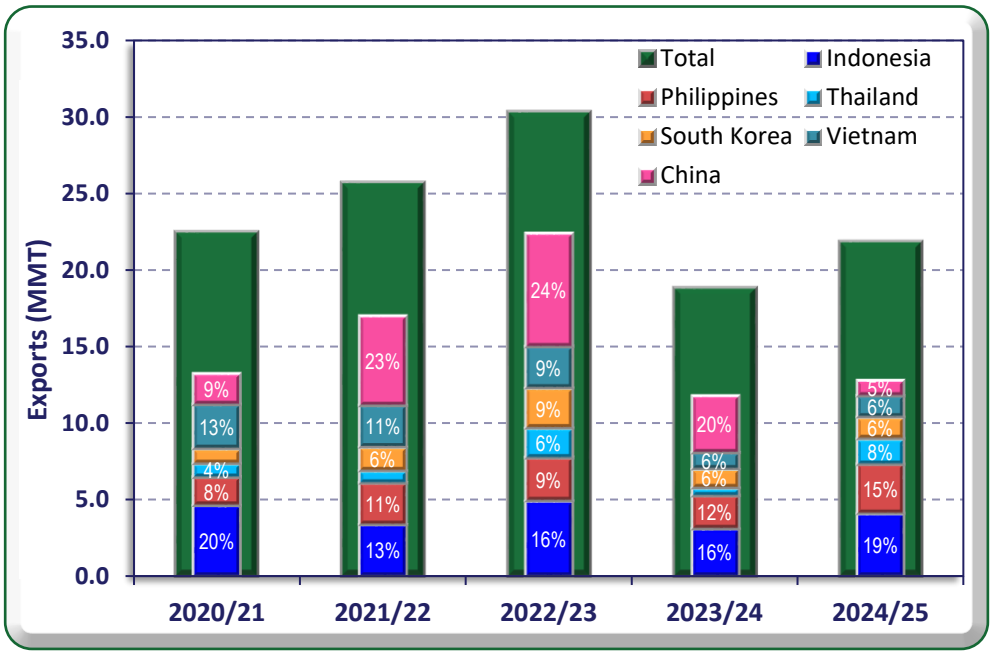
For MY 2024/25, FAS/Canberra's wheat export estimate remains unchanged at 23.0 MMT. If realized, this would be 28 percent below the record-high 31.8 MMT achieved in MY 2022/23 but still 21 percent above the 10-year average.

As of September 2025, cumulative exports total 21.9 MMT, with only the final month's data pending.

Australia's top five wheat export destinations for the first 11 months of MY 2024/25 were Indonesia, the Philippines, Thailand, South Korea, and Vietnam. In recent years, China had been Australia's largest wheat export destination, accounting for over 20 percent of exports; however, its share declined sharply to around five percent in MY 2024/25 (see Figure 6).

Indonesia has expanded its domestic milling capacity and has now become Australia's largest wheat export market. Overall, Australia exports wheat to more than 50 countries, and the MY 2024/25 results underscore the diversity of its export base, demonstrating that the sector is not reliant on China for strong trade performance.

Figure 6 – Major Wheat Export Destinations – October to August 2020/21 to 2024/25



Source: *Australian Bureau of Statistics*

Imports

FAS/Canberra forecasts Australian wheat imports at 230,000 MT for MY 2025/26, broadly unchanged from the 225,000 MT estimated for MY 2024/25. Imports primarily consist of processed wheat products and pasta, and volumes have remained relatively stable in recent years.

Stocks

Australia's wheat ending stocks for MY 2025/26 and MY 2024/25 are expected to remain relatively high, reflecting the current softness in global grain export markets. However, should global production fall short of expectations or demand strengthen unexpectedly, Australia would be well positioned to respond. The country's ample stock levels would enable an increase in exports, thereby reducing ending stocks in MY 2025/26.

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	12700	12700
Beginning Stocks (1000 MT)	4371	4371	2912	2412	4247	4647
Production (1000 MT)	25960	25960	34110	34110	34500	36000
MY Imports (1000 MT)	220	220	225	225	230	230
TY Imports (1000 MT)	214	214	220	225	230	230
Total Supply (1000 MT)	30551	30551	37247	36747	38977	40877
MY Exports (1000 MT)	19839	19839	25000	23000	25000	27000
TY Exports (1000 MT)	22504	22504	21295	21295	25500	26800
Feed and Residual (1000 MT)	4300	4800	4500	5600	5100	5400
FSI Consumption (1000 MT)	3500	3500	3500	3500	3600	3600
Total Consumption (1000 MT)	7800	8300	8000	9100	8700	9000
Ending Stocks (1000 MT)	2912	2412	4247	4647	5277	4877
Total Distribution (1000 MT)	30551	30551	37247	36747	38977	40877
Yield (MT/HA)	2.0983	2.0983	2.6118	2.6118	2.7165	2.8346

(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 forecasts Australia's barley production for MY 2025/26 at a record 15.0 MMT, representing a 27 percent increase over the 10-year average of 11.8 MMT and a 2.0 MMT upward revision from the previous forecast issued three months earlier. This reflects better-than-expected growing conditions across most regions and strong early yield reports from Queensland and northern New South Wales, where harvest is already underway.

As with wheat, production conditions in Queensland, northern New South Wales, and Western Australia have been broadly favorable. Yields in Queensland and northern New South Wales are reported to be well above average, while harvest activity in Western Australia is expected to accelerate from late

October. Following a late start to the season, timely rainfall and mild conditions have supported excellent crop development in Western Australia, where yields are also forecast to be well above average. Collectively, these regions typically account for over half of Australia's barley production and will underpin the forecast record national crop, offsetting more mixed conditions elsewhere.

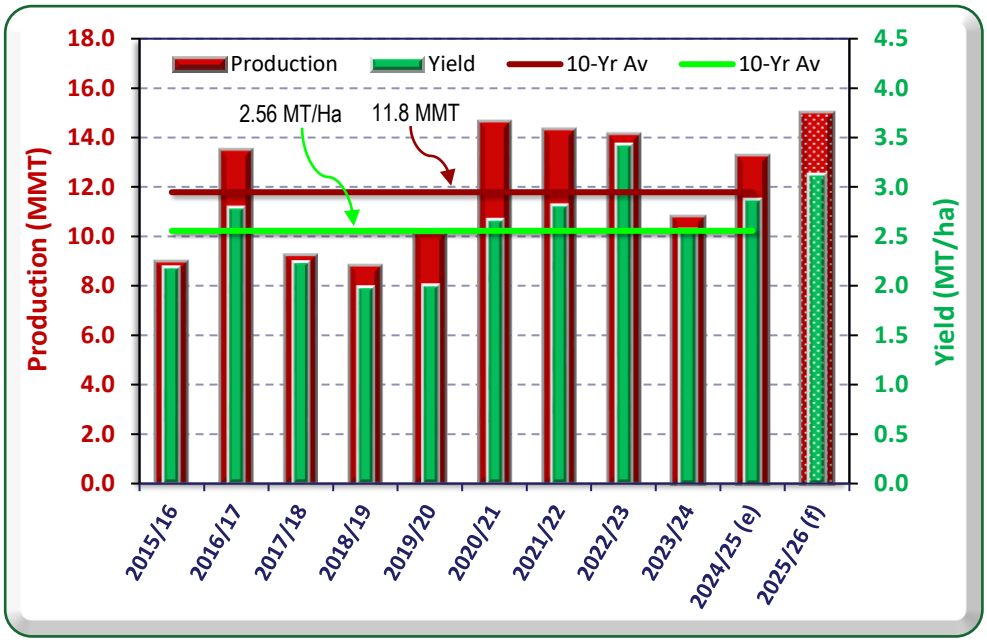
In southern New South Wales, Victoria, and South Australia, the season began late but improved significantly following well above average rainfall in July and average to below-average rainfall in August (see Figure 2). These conditions supported robust crop growth and strong early yield potential. However, limited rainfall in September (see Figure 3) and average to below-average soil moisture (see Figure 4) led to some reduction in yield expectations. With little rain through early October, conditions remained dry until good rainfall arrived in mid to late October 2025 (see Figure 5).

Because barley typically develops slightly ahead of wheat—depending on planting dates and variety—the mid to late October rains are expected to have limited benefit for barley in southern New South Wales, where crops were already nearing maturity. In contrast, the rainfall has been beneficial for crops in South Australia and Victoria, particularly in the more southerly districts where crops mature later.

Overall, barley yields across southern New South Wales, Victoria, and South Australia are expected to range from average to above average, marking a substantial improvement over MY 2024/25. During that season, much of western Victoria and South Australia suffered from well below average rainfall and frost damage, resulting in large areas of barley being cut for hay and grain yields well below average.

Nationally, average barley yields for MY 2025/26 are forecast to be 8.9 percent higher than the previous year and 22 percent above the 10-year average (see Figure 7). If realized, this would represent the second highest national average yield on record. Combined with a planted area estimated at four percent above the 10-year average, Australia is forecast to achieve a new record barley production, surpassing the 14.7 MMT achieved in MY 2020/21.

Figure 7 – Australian Barley Production and Yield History



Source: PSD Online / FAS/Canberra

MY 2024/25 Production Estimate

FAS/Canberra's estimate for MY 2024/25 barley production stands at 13.3 MMT, consistent with the latest ABARES estimate (nine months post-harvest). This represents the fifth highest barley crop on record and is 17 percent above the 10-year average.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts barley consumption in MY 2025/26 at 5.8 MMT, an increase of 400,000 MT from the revised MY 2024/25 estimate. Domestic malting use is expected to remain steady, while livestock feed demand continues to be the primary driver of year-to-year variation in total consumption.

The forecast increase in feed use reflects both a 200,000 MT substitution of wheat with barley and a 200,000 MT overall rise in total feed grain demand (barley, wheat, and sorghum combined) compared to MY 2024/25.

As outlined in the wheat consumption section, the beef feedlot industry is the largest user of feed grains. Feed grain demand fluctuates from year to year depending on feedlot cattle numbers and seasonal pasture conditions, particularly during drought periods when reliance on grain feeding intensifies. For MY 2025/26, the primary driver of higher feed grain consumption is the anticipated expansion of the beef feedlot sector, supported by strong demand for Australian beef exports.

Domestic barley use for malting is forecast to remain stable at around 1.5 MMT, consistent with recent years.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates barley consumption in MY 2024/25 at 5.4 MMT, a decline of 200,000 MT from the previous year. This reduction was largely due to strong export demand for barley, which limited availability for domestic feed use. Livestock feed industries offset this by substituting feed barley with feed wheat to maintain overall feed grain supply.

Trade

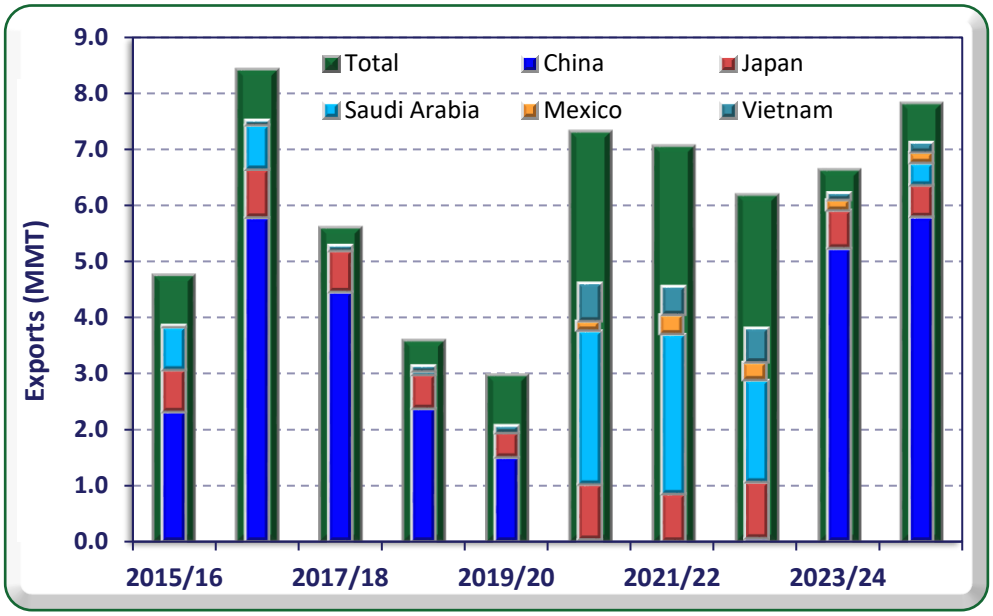
Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts Australia's barley exports for MY 2025/26 at 8.3 MMT, in line with the MY 2024/25 estimate. Although barley production is forecast to rise by 1.7 MMT, exports are expected to remain steady due to soft global demand for feed grains, which is anticipated to persist well into the forecast year. As a result, some rebuilding of barley stock levels is expected following the strong export pace to China earlier in MY 2024/25.

Since August 2023, when China's Ministry of Commerce removed the 80-percent tariff on Australian barley, China has reclaimed its position as Australia's dominant export destination, accounting for around 75 percent of total exports (see Figure 8). Japan remains another key market, typically taking 10–15 percent of Australia's barley exports.

Figure 8 – Australian Barley Exports – Nov to Aug 2015/16 to 2024/25



Source: Australian Bureau of Statistics

MY 2024/25 Export Estimate

FAS/Canberra's barley export estimate for MY 2024/25 is 8.3 MMT, upwardly revised from the previous forecast of 7.5 MMT (three months prior). Exports for the first ten months of the marketing year (November 2024 to August 2025) totaled 7.8 MMT, reflecting strong demand. Based on typical trade patterns in the final two months of the season, exports are expected to reach 8.3 MMT, or potentially slightly higher.

Stocks

Australia's barley ending stocks for MY 2025/26 are forecast to recover toward more typical historical levels after being drawn down to low levels in MY 2024/25 due to strong export demand from China.

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	4800	4800
Beginning Stocks (1000 MT)	3220	3220	1118	1318	883	883
Production (1000 MT)	10800	10800	13265	13265	15000	15000
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14020	14020	14383	14583	15883	15883
MY Exports (1000 MT)	7102	7102	8000	8300	8300	8300
TY Exports (1000 MT)	7909	7909	8000	8200	8000	8000
Feed and Residual (1000 MT)	4300	4100	4000	3900	4500	4300
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	5800	5600	5500	5400	6000	5800
Ending Stocks (1000 MT)	1118	1318	883	883	1583	1783
Total Distribution (1000 MT)	14020	14020	14383	14583	15883	15883
Yield (MT/HA)	2.5671	2.5714	2.8706	2.8706	3.125	3.125

(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

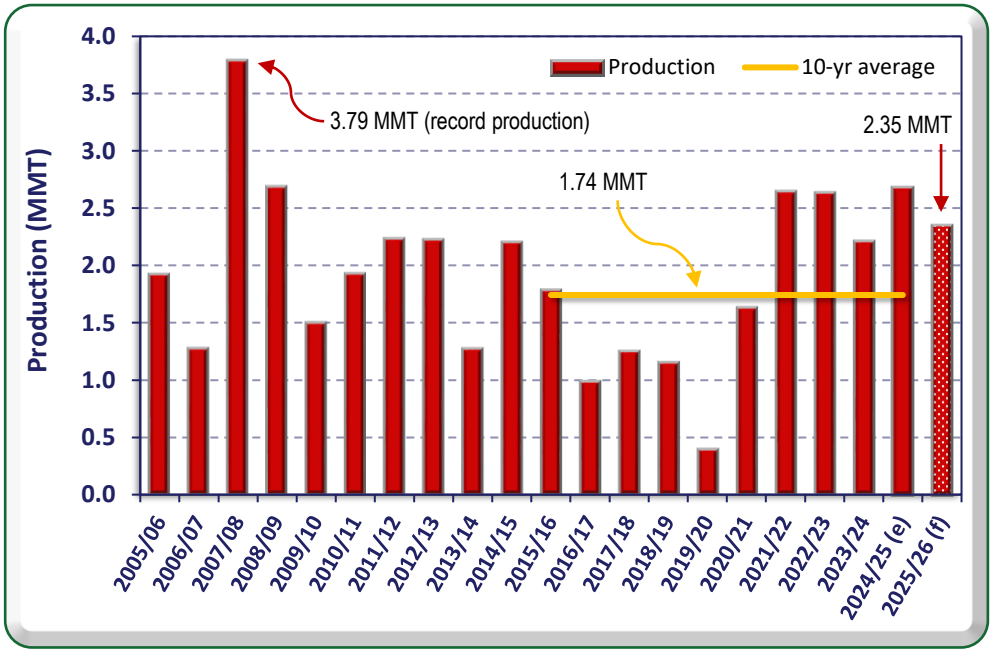
MY 2025/26 Production Forecast

FAS/Canberra has revised its sorghum production forecast for MY 2025/26 downward to 2.35 MMT, compared to the previous forecast (three months earlier) of 2.50 MMT. Despite the revision, production remains strong—only around 300,000 MT below recent peaks in three of the last four years and 35 percent above the previous 10-year average (see Figure 9).

The downgrade primarily reflects the lack of rainfall during the first half of October 2025, which is the optimal month for planting in the major producing regions of southern Queensland and northern New South Wales. Furthermore, limited rainfall is forecast for the remainder of October, adding to the concern.

As a result, FAS/Canberra forecasts planted area to decline from the previous estimate of 670,000 hectares to 600,000 hectares. While this remains a large area—around 16 percent above the 10-year average—reduced early planting opportunities are expected to constrain output. Sorghum can still be planted as late as December in major growing areas; however, with soft grain prices and lower yield potential for later plantings, farmers may be reluctant to commit as much area as initially planned.

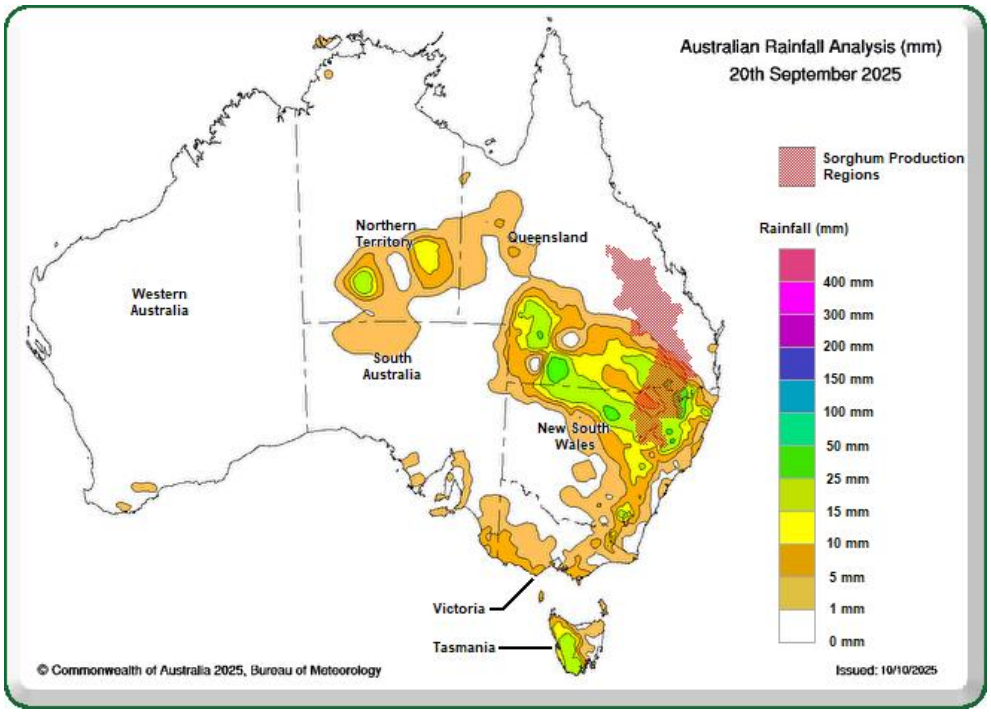
Figure 9 – Australian Sorghum Production History



Source: *PSD Online / FAS/Canberra*

Conditions leading into the planting season were initially favorable. Soil moisture levels were good, and temperatures were higher than usual in September 2025, ahead of the typical October planting window. In addition, a significant rainfall event on September 20, 2025 (see Figure 10) prompted some early planting activity, particularly in the major sorghum-growing regions.

Figure 10 – Rainfall – September 20, 2025



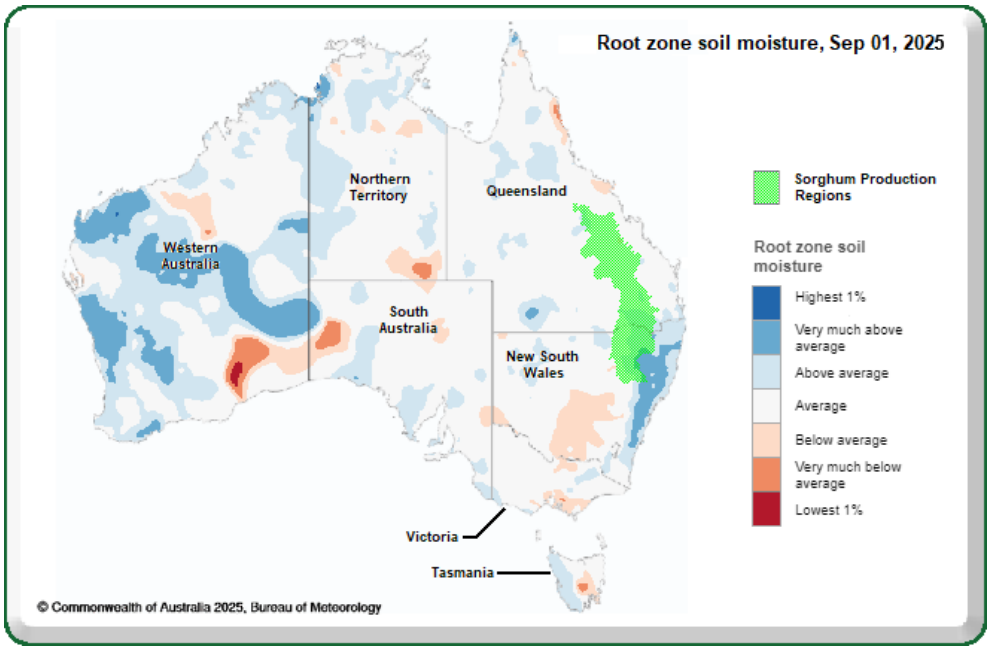
Source: Australian Bureau of Meteorology / FAS/Canberra

However, since the September rainfall event, virtually no rain has fallen through mid-October, and forecasts suggest continued dryness for the rest of the month. Consequently, very little additional sorghum planting is reported to have occurred in October 2025, and this trend is expected to persist.

At the beginning of October 2025, root zone soil moisture levels were generally average to above average (see Figure 11). Farmers have been waiting for follow-up rainfall to allow germination and to enable plant roots to access the stored subsoil moisture.

Despite the current dry conditions, stored soil moisture remains a positive factor early in the season. Farmers continue to wait for new significant rainfall events to resume planting, which can continue into December in southern Queensland and northern New South Wales. In northern Queensland, the planting window is typically wider and starts later, offering greater flexibility.

Figure 11 – Root Zone Soil Moisture – at October 01, 2025

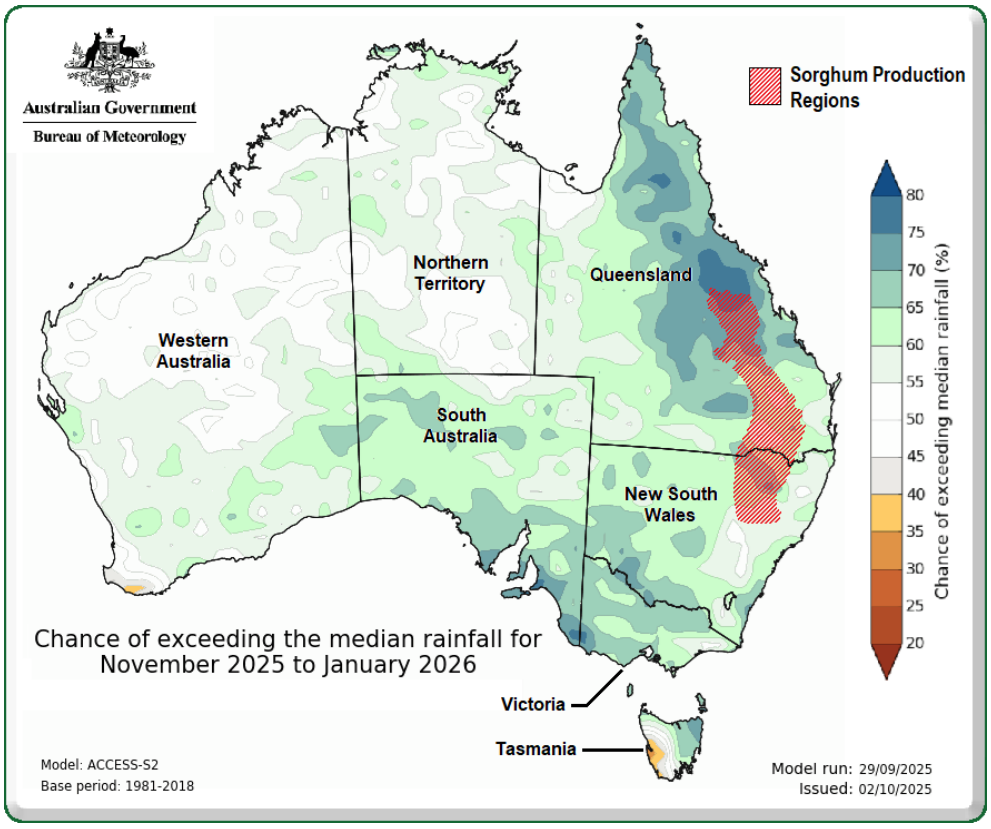


Source: Australian Bureau of Meteorology / FAS/Canberra

Encouragingly, the Australian Bureau of Meteorology (BOM) forecasts an above-average chance of exceeding median rainfall across most sorghum-producing regions from November 2025 to January 2026 (see Figure 12). Combined with current soil moisture conditions, this supports the potential for a strong planted area. Nonetheless, with the optimal October planting window largely missed in key producing regions, some reduction in planted area from the previous forecast (three months earlier) remains likely, even with favorable rainfall prospects in the months ahead.

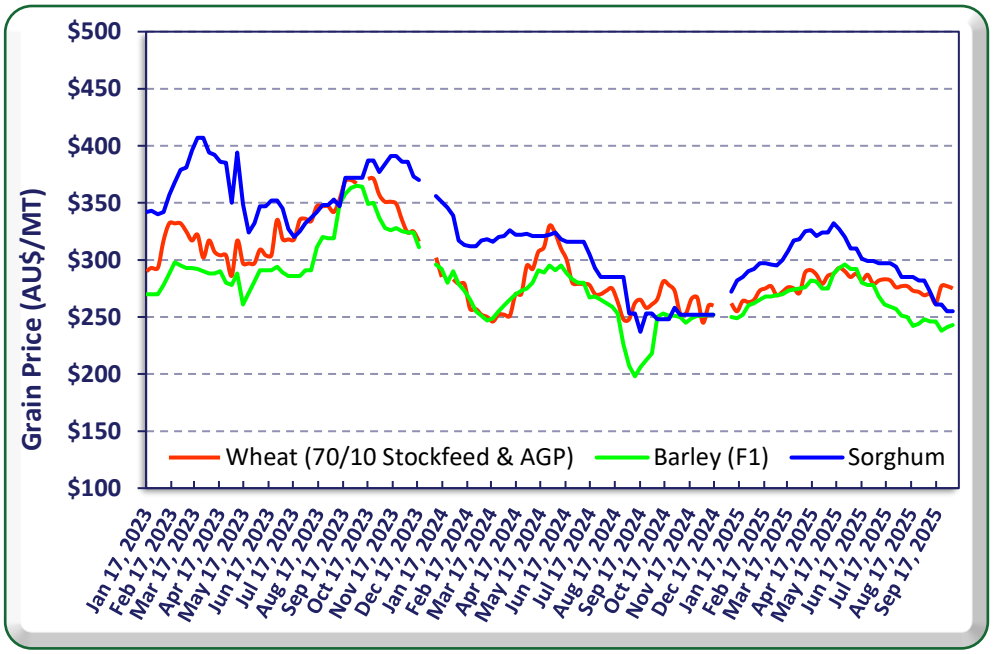
Another factor weighing on planting intentions is soft sorghum prices. Since late 2024, sorghum prices—which had been trading well above wheat and barley—have fallen to below wheat and near parity with barley (see Figure 13). For farmers planting later than optimal, the combination of lower yield potential and reduced prices may discourage additional sorghum planting. Some growers may instead opt to preserve soil moisture for the following winter cropping season.

Figure 12 – Rainfall Forecast – November 2025 to January 2026



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

Figure 13 – Feed Grain Price Trends



Source: *The Land newspaper*

Queensland typically accounts for over two-thirds of Australia's sorghum production, primarily from the southern regions, while northern New South Wales contributes about one-third. In southern Queensland and northern New South Wales, sorghum is generally planted between October and December, with harvest occurring from March to June. In central Queensland, the warmer climate extends the planting window from as early as September through February, allowing greater flexibility and later harvests.

Sorghum's main summer crop competitor is cotton, which is mostly irrigated, while sorghum is primarily a dryland crop. Cotton generally offers higher profitability, but current cotton prices are subdued, leading some dryland producers who might otherwise plant cotton to switch to sorghum this season.

MY 2024/25 Production Estimate

FAS/Canberra has revised its sorghum production estimate for MY 2024/25 upward to 2.69 MMT, from the previous estimate of 2.33 MMT. The revised figure aligns with the ABARES estimate, published around six months after harvest completion. FAS/Canberra anticipates a possible further upward revision for MY 2024/25 in the coming months, based on strong export performance over the first six months of the marketing year.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts sorghum consumption in MY 2025/26 to remain unchanged at 60,000 MT, consistent with the estimate for MY 2024/25. Strong export demand and the ample domestic availability of alternative feed grains, such as wheat and barley, have kept domestic sorghum use at low and stable levels over the past five years.

Production of feed wheat and barley in Australia far exceeds that of sorghum, and these white grains have proven to be more consistently available during drought conditions. Over time, the livestock sector has transitioned its feeding and processing infrastructure away from sorghum toward these alternatives. A significant and sustained price discount for sorghum relative to wheat and barley would likely be required to justify renewed investment in sorghum-handling infrastructure and to increase its inclusion in feed rations.

Historically, sorghum prices have been relatively high compared with those of feed wheat and barley (see Figure 13). Although sorghum prices have recently slipped slightly below wheat and are now close to parity with barley, its lower feed value and nutritional content compared to white grains continue to limit its attractiveness for feedlot use.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates sorghum consumption in MY 2024/25 at 60,000 MT, a sharp decline from 260,000 MT in MY 2023/24. The substantially higher consumption in MY 2023/24 resulted from large volumes of sprouted sorghum, following rainfall during harvest, which rendered significant quantities unsuitable for export. Consequently, this sorghum was diverted to the domestic livestock feed market and sold at heavily discounted prices, temporarily boosting domestic consumption.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts sorghum exports in MY 2025/26 at 2.25 MMT, representing a 15 percent decline from the estimate for MY 2024/25. The lower export forecast reflects the downward revision in production for the season.

Globally, over 95 percent of world sorghum exports originate from the United States (50–67 percent), Australia (15–30 percent), and Argentina (5–20 percent). On the import side, China accounts for more than 90 percent of global sorghum imports, underscoring its central role in the global market.

Since early 2025, U.S. sorghum exports to China have faced escalating trade barriers. From February 2020 to March 9, 2025, U.S. sorghum entering 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 further increased tariffs by up to an additional 125 percent, severely undermining the competitiveness of U.S. sorghum in the Chinese market.

In mid-May 2025, China and the United States reached a temporary bilateral agreement to ease tariffs. Under the agreement, the retaliatory 125 percent tariff was suspended for 90 days and replaced with a 10 percent rate, which China formally extended on June 12, 2025. As of now, U.S. sorghum faces a combined tariff of 22 percent, preserving the competitive advantage of Australian sorghum, which continues to enter China tariff-free and already accounts for a substantial share of global trade.

Since April 2025, U.S. sorghum exports to China have ceased entirely. Ordinarily, this would create an opportunity for other major exporters—notably Australia and Argentina—to increase their shipments to China. However, Australia already directs about 90 percent of its sorghum exports to China, leaving limited scope for further expansion given capacity constraints in production. Meanwhile, Argentina, though a notable exporter, prioritizes corn production, which offers higher profitability and broader market access, limiting its capacity to fill the gap in Chinese demand.

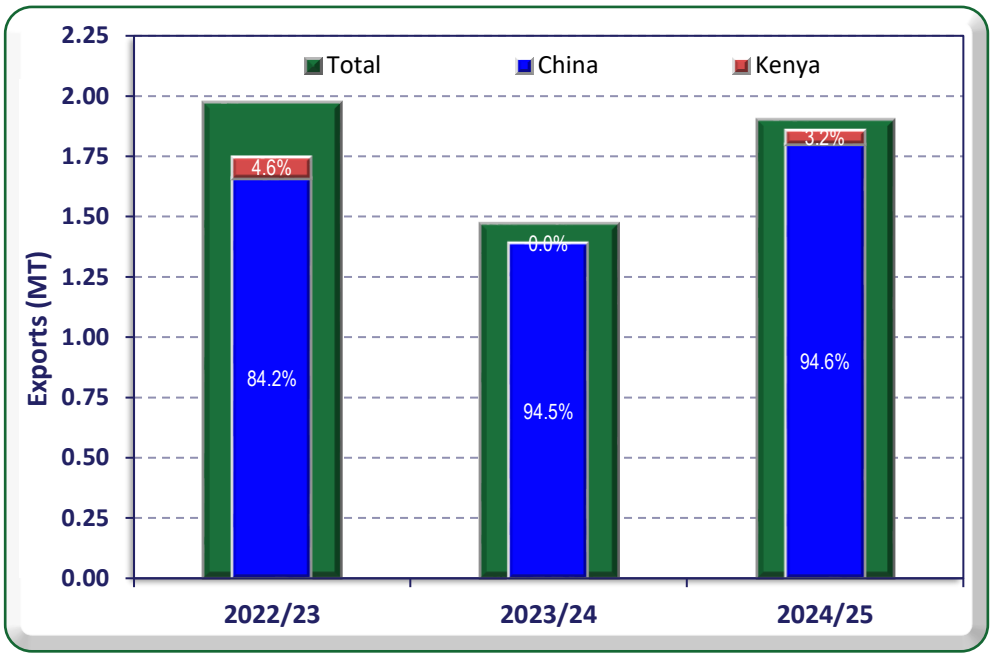
With U.S. exports effectively removed from the Chinese market, demand for Australian sorghum from China is expected to remain exceptionally strong throughout MY 2025/26.

MY 2024/25 Export Estimate

FAS/Canberra estimates sorghum exports in MY 2024/25 at 2.65 MMT. Export performance during the first six months of the marketing year was particularly strong, totaling 1.90 MMT shipped. However, export volumes are expected to slow significantly in the second half of the marketing year as available stocks decline.

China remains the dominant destination for Australian sorghum exports, accounting for around 95 percent of total shipments during the first half of MY 2024/25. Kenya was an intermittent buyer, accounting for around three percent, while Japan, once a significant market—absorbing 8 to 12 percent of Australian exports between MY 2021/22 and MY 2023/24—has substantially reduced purchases and shifted to sourcing from the United States (see Figure 14).

Figure 14 – Sorghum Exports Destinations – March to August 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Stocks

Socks are forecast to remain low in MY 2025/26 due to the expectation of continued strong export demand from China.

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	600
Beginning Stocks (1000 MT)	351	351	238	137	53	112
Production (1000 MT)	2215	2215	2325	2685	2500	2350
MY Imports (1000 MT)	1	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)	2567	2566	2563	2822	2553	2462
MY Exports (1000 MT)	2169	2169	2400	2650	2400	2250
TY Exports (1000 MT)	2060	2060	2700	2600	2600	2200
Feed and Residual (1000 MT)	150	250	100	50	100	50
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	160	260	110	60	110	60
Ending Stocks (1000 MT)	238	137	53	112	43	152
Total Distribution (1000 MT)	2567	2566	2563	2822	2553	2462
Yield (MT/HA)	3.7416	3.7416	4.3056	4.7105	3.7313	3.9167

(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

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RICE

Production

MY 2025/26 Production Forecast

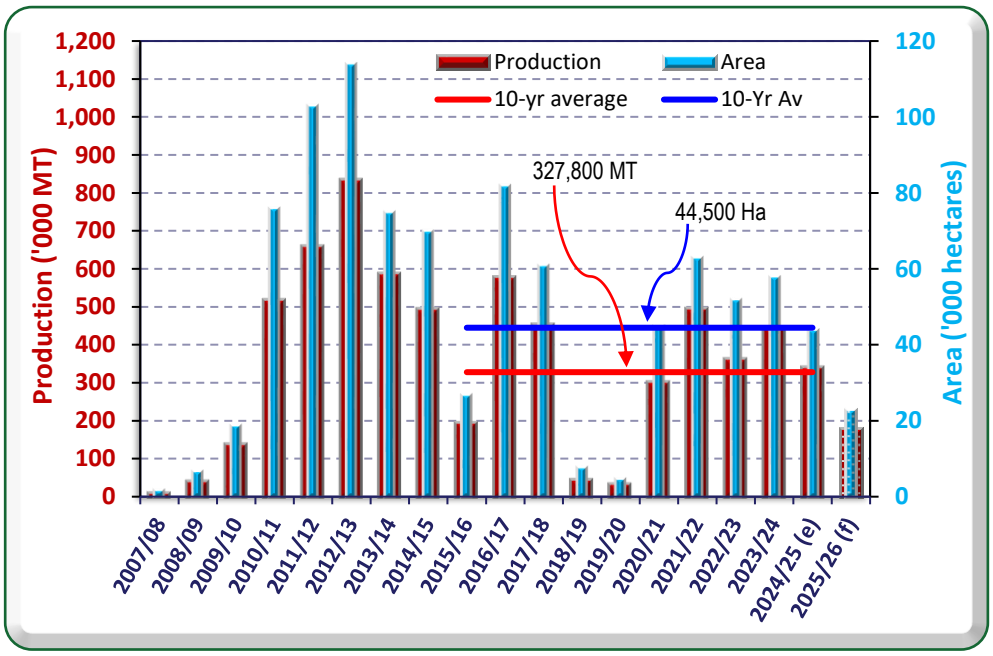
FAS/Canberra has revised its milled rice production forecast for MY 2025/26 downward by 22 percent to 180,000 MT, compared to the projection issued three months earlier. This represents a 48 percent decline from the MY 2024/25 estimate of 344,000 MT. The sharp reduction in expected production is entirely driven by significantly reduced irrigation water availability and the high cost of tradable irrigation water.

Yield expectations remain largely unchanged; however, the planted area is forecast to decline by 48 percent, from an estimated 44,000 hectares in MY 2024/25 to 23,000 hectares in MY 2025/26. Excluding the drought-affected seasons of MY 2018/19 to MY 2020/21, this represents the lowest planted area in 15 years. Both the forecast planted area and production are around half of their respective 10-year averages (see Figure 15).

Over the past four years, three consecutive seasons of abundant water supplies supported strong planting and high production. However, in MY 2024/25, declining water storage levels led to a smaller planted area, bringing production closer to the 10-year average. As of early October 2025, at the start of the new

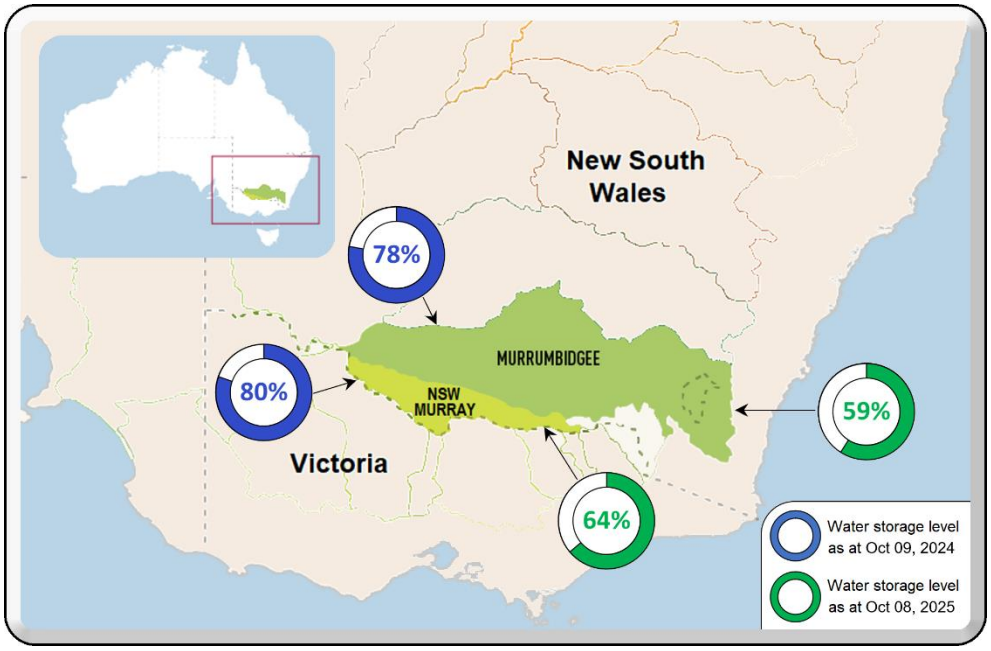
irrigation season, storage levels in major rice-growing regions are significantly lower than at the same time in 2024 (see Figure 16).

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



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

Figure 16 – Irrigation Storage Levels – Oct 09, 2024 and Oct 08, 2025

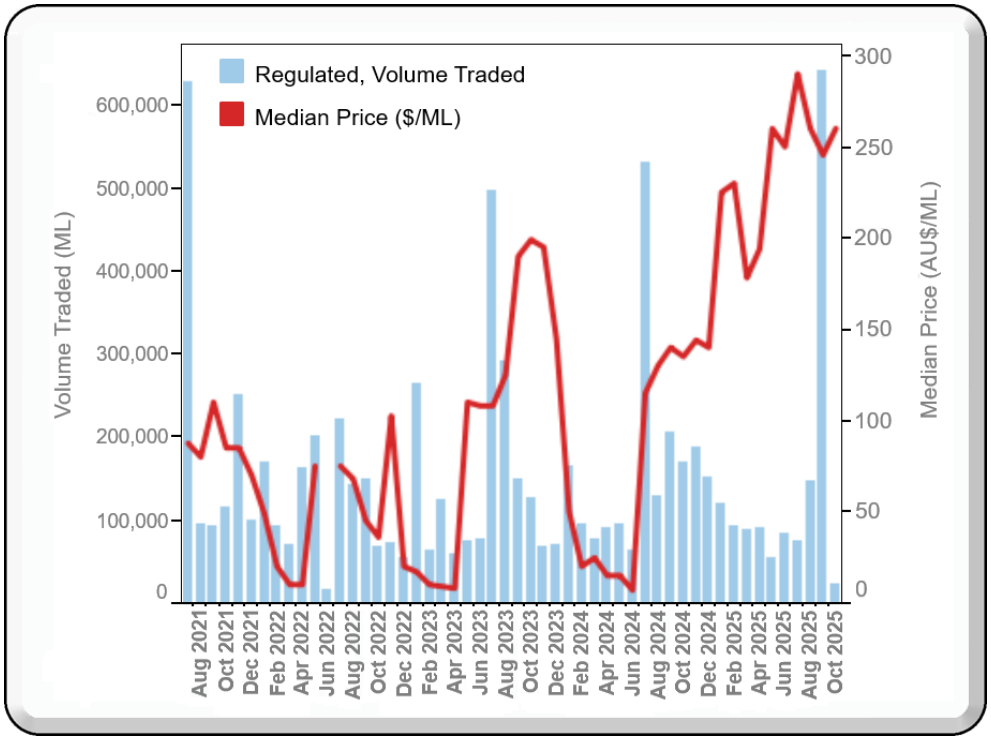


Source: *Murray Darling Basin Authority*

The lower irrigation water storages have translated into substantially reduced water allocations across the key irrigation systems supporting rice production. Because rice planting typically begins in October, growers require water supply certainty at this stage. To manage risk, some producers purchased and carried forward tradable water from the previous irrigation season at viable prices for rice cultivation.

However, tradable irrigation water prices have risen sharply in recent months, reaching around AU$300 (US$200) per megaliter (one million liters) (see Figure 17). At these price levels, rice cultivation is generally uneconomic, prompting many growers to sell their water allocations rather than plant rice.

Figure 17 – Water Trade Volume and Price in the Murrumbidgee Irrigation System



Source: *Australian Bureau of Meteorology*
Note: *ML = one million liters*

While cotton competes with rice as a major summer crop—particularly in the same irrigation districts—growers face similar water allocation challenges. In years of restricted water availability, strong demand from permanent horticultural industries, including citrus, almonds, and table grapes, tends to drive up tradable water prices, further constraining water access for annual field crops such as rice and cotton.

MY 2024/25 Production Estimate

FAS/Canberra's milled rice production estimate for MY 2024/25 remains unchanged at 344,000 MT, consistent with the previous forecast issued three months earlier. Approximately six months after harvest, this estimate is aligned with the ABARES figure for MY 2024/25.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts rice consumption in MY 2025/26 at 420,000 MT, an increase of 10,000 MT (2.4 percent) from the MY 2024/25 estimate. The forecast reflects the combination of ample domestic supply, substantial stock levels held by SunRice, and continued population growth supported by Australia's strong immigration program.

Although the pace of population growth is expected to moderate from the elevated levels of recent years, the lag effect of strong net migration in MY 2024/25 is anticipated to sustain higher consumption through MY 2025/26. Looking ahead, net migration is projected to ease further in 2026, returning to more typical annual growth of around 1.5 percent, which is likely to temper rice consumption growth in MY 2026/27.

MY 2024/25 Consumption Estimate

FAS/Canberra's rice consumption estimate for MY 2024/25 remains unchanged at 410,000 MT, consistent with the previous forecast issued three months earlier.

Trade

Imports

MY 2025/26 Import Forecast

FAS/Canberra forecasts rice imports at 280,000 MT for MY 2025/26, an increase of 35,000 MT from the MY 2024/25 estimate. If realized, this would represent a record import level for Australia. The expected increase is primarily driven by a sharp decline in forecast domestic production.

However, due to the timing differences between harvest, milling, and marketing, changes in production do not immediately translate into corresponding movements in trade volumes. In MY 2025/26, a portion of rice exports and domestic supply will be supported by carryover stocks and the relatively high production from MY 2024/25, helping to moderate immediate import demand. Consequently, the full impact of lower production is expected to emerge in MY 2026/27, when import demand is likely to rise more significantly.

Australia predominantly produces medium-grain rice, and while imports generally remain steady when domestic supply is sufficient, low production years typically lead to substantial increases in imports, especially of medium-grain varieties. As such, although imports are forecast to rise in MY 2025/26, the more notable increase is expected to occur in MY 2026/27.

MY 2024/25 Import Estimate

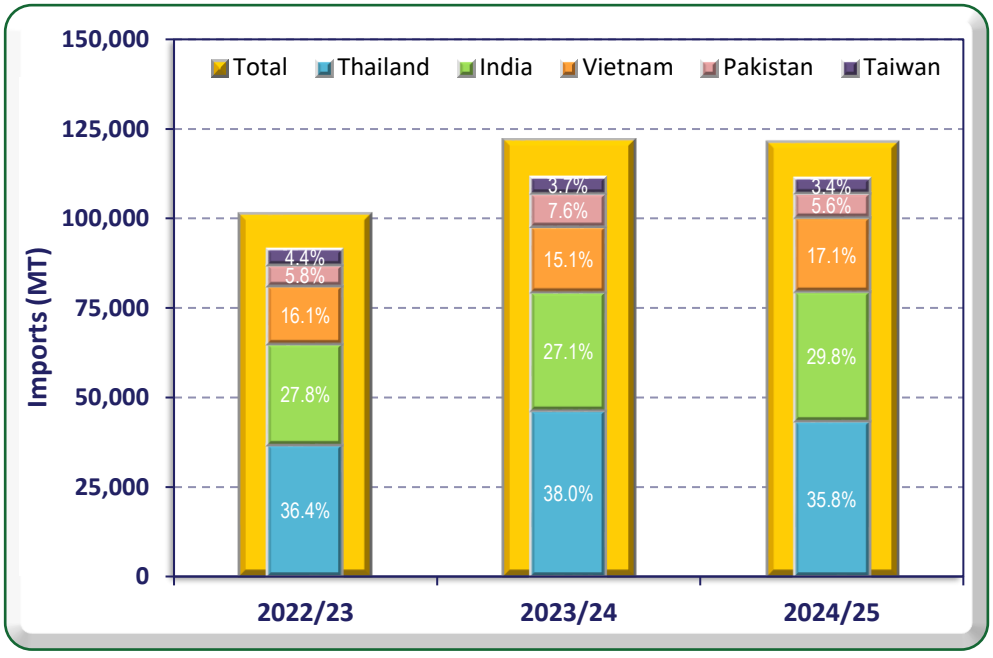
FAS/Canberra revises its rice import estimate for MY 2024/25 downward to 245,000 MT, from the previous forecast of 260,000 MT (issued three months earlier).

Between March and August 2025, imports totaled 121,000 MT, slightly below the same period in the previous year, which resulted in 266,000 MT of imports for MY 2023/24. Historically, the first six months of the marketing year accounted for around 50 percent of total annual imports, making the unusually high second-half imports in MY 2023/24 atypical. With ample domestic medium-grain rice supplies currently available, import volumes in the latter half of MY 2024/25 are expected to follow more typical seasonal patterns.

Thailand, India, and Vietnam remain the dominant suppliers, together accounting for approximately 80 percent of total rice imports in recent years, while Pakistan and Taiwan typically contribute an additional 10 percent (see Figure 18).

Given Australia's diverse multicultural population and the strong demand for a wide range of rice types, imports are expected to remain a key component of total rice supply, even in years of solid domestic production.

Figure 18 – Major Rice Import Sources – Mar to Aug MY 2022/23 to 2024/25



Source: Australian Bureau of Statistics

Exports

MY 2025/26 Export Forecast

FAS/Canberra revises its export forecast for MY 2025/26 downward to 130,000 MT, compared to 170,000 MT in the previous forecast (three months prior). The reduction reflects a substantial downward revision in expected production. If realized, this would represent a 43 percent decline from the MY 2024/25 export estimate and mark the lowest level since the drought-affected seasons of MY 2018/19 to 2020/21.

MY 2024/25 Export Estimate

FAS/Canberra's export estimate for MY 2024/25 remains unchanged at 230,000 MT from the previous forecast (three months earlier). During the first six months of MY 2024/25, exports totaled 104,000 MT, a little below 107,000 MT for the same period in the prior year, which resulted in 237,000 MT of exports in MY 2023/24.

Over the past five years, exports during the first half of the marketing year have typically accounted for about 43 percent of total annual volume. Based on the current pace of trade, exports are on track to meet full-year expectations of 230,000 MT for MY 2024/25.

Stocks

Rice stocks are forecast to decline in MY 2025/26 due to the major decline in forecast production.

Table 4 - Production, Supply, and Distribution of Milled 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	35	23
Beginning Stocks (1000 MT)	196	196	252	272	211	221
Milled Production (1000 MT)	447	447	344	344	270	180
Rough Production (1000 MT)	621	621	478	478	375	250
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	266	266	275	245	300	280
TY Imports (1000 MT)	266	266	275	250	300	275
TY Imp. from U.S. (1000 MT)	2	2	0	2	0	2
Total Supply (1000 MT)	909	909	871	861	781	681
MY Exports (1000 MT)	237	237	230	230	150	130
TY Exports (1000 MT)	239	243	250	230	150	175
Consumption and Residual (1000 MT)	420	400	430	410	440	420
Ending Stocks (1000 MT)	252	272	211	221	191	131
Total Distribution (1000 MT)	909	909	871	861	781	681
Yield (Rough) (MT/HA)	10.7069	10.7069	10.8636	10.8636	10.7143	10.8696

(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

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Attachments:

No Attachments