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Report Highlights:

Australia is forecast to produce a record barley crop in marketing year (MY) 2025/26, while wheat production is expected to reach the second-highest level on record. A notable outcome given that seasonal conditions across most winter crop–producing regions were well below optimal. Wheat exports are forecast to rise by 14 percent to 27.0 million metric tons (MMT) in MY 2025/26, the third-highest level on record. Barley exports are projected at 8.6 MMT, the second highest on record. Sorghum production is forecast at 2.6 MMT in MY 2025/26, the fifth consecutive year of high output, with almost all production to be exported. Rice production is forecast to fall sharply to 158,000 metric tons (MT), less than half the prior season's level. This is almost entirely attributable to limited availability of irrigation water, significantly constraining rice planted area. Rice imports are expected to increase by 14 percent to a record 285,000 MT, while exports are forecast to decline by more than 50 percent to 130,000 MT.

EXECUTIVE SUMMARY

Australia is forecast to record its largest barley crop and second-largest wheat crop on record in marketing year (MY) 2025/26, despite seasonal conditions broadly being far from optimal.

The northern winter crop production areas of Queensland and northern New South Wales experienced the second successive year of highly favorable seasonal conditions for MY 2025/26, resulting in near record wheat and barley yields. However, these regions account for less than 20 percent of national wheat production and a smaller share of barley output.

Western Australia typically produces around 40 percent of Australia's wheat and barley production and for the second successive year encountered very limited rainfall until July 2024, well past the typical April start to the planting period. However, from that point onwards the region had well above average rainfall and a soft finish supporting grain fill. As a result, Western Australia is forecast to produce a record winter crop in MY 2025/26.

Wheat and barley growers in South Australia, Victoria and New South Wales also had a late start to their season with little rain in September and the first half of October, substantially reducing yield potential. Improved conditions, including rain and subdued maximum temperatures, in late spring supported grain fill and partially offset the impacts of the lack of rain in early spring.

Wheat production in MY 2025/26 is forecast at 37.0 million metric tons (MMT), 34 percent above the 10-year average. Barley production is forecast to be at a record 15.5 MMT, 32 percent above the 10-year average. Wheat exports are forecast at 27.0 MMT, up 3.3 MMT from the previous year and 7.3 MMT above the 10-year average. Barley exports are forecast to be at 8.6 MMT, the second highest on record.

Sorghum production is forecast to remain high for a fifth consecutive year, although seasonal conditions in the main producing areas of southern Queensland and northern New South Wales were mixed. Early planted sorghum benefited from favorable soil moisture and temperatures, with improved conditions later in the season supporting expectations of an early harvest and near-record yields. Later-planted crops, established following late November rainfall, are expected to face a shorter growing period and increased pest and disease pressure due to heavy January rainfall, resulting in lower yields.

Overall sorghum production in MY 2025/26 is forecast at 2.6 MMT, slightly below the previous year but 49 percent above the 10-year average. Almost all production is expected to be exported, primarily to China.

Rice production in MY 2025/26 is forecast to decline to 158,000 metric tons (MT), less than half of the previous year, due to sharply reduced planted area resulting from limited irrigation water availability and high tradable water prices. Rice imports are forecast to increase by 14 percent to a record 285,000 MT, while exports are forecast to decline by 51 percent to 130,000 MT.

WHEAT

Production

Production Overview

FAS/Canberra's wheat production forecast for MY 2025/26 is revised upward to 37.0 MMT, from 36.0 MMT estimated three months earlier. If realized, this would be the second-largest wheat crop on record, 8.5 percent above the previous year and 34 percent above the 10-year average.

The upward revision is primarily yield-driven, with the national average yield forecast to be the second highest on record. This outcome is notable given the late seasonal start in Western Australia and limited rainfall during September and most of October across South Australia, Victoria, and southern New South Wales. While Queensland and northern New South Wales experienced a second consecutive year of highly favorable growing conditions, these regions account for less than 20 percent of national wheat production.

This production forecast is supported by grain receival data reported by Australia's three major bulk handlers: GrainCorp, Bunge (formerly Viterra), and CBH.

Grain Receivals and Historical Context

In recent years, the overall winter grain (mostly wheat, barley, and canola) receivals reported by the three major grain handlers in Australia has equated to a little above the volume of national wheat production (see Table 1) and can be used as a guide to the final wheat outcome for MY 2025/26. The grain receivals reported to date (end of December to start of January) for the current season at 37.8 MMT is not final.

Table 1 – Winter Grain Receivals and Wheat Production - MY 2021/22 to MY 2025/26 (MMT)

Grain Receiver		2021/22	2022/23	2023/24	2024/25	2025/26
GrainCorp	*Qld, NSW and Vic*	16.3	13.9	10.1	13.3	9.3*
Bunge	*mainly South Australia*	5.6	8.0	5.4	3.2	5.0*
CBH	*Western Australia*	21.3	22.9	12.5	20.4	23.5*
Total Winter Crop Receivals		**43.2**	**44.8**	**28.0**	**36.9**	**37.8***
Wheat Production (ABARES)		**36.2**	**40.5**	**26.0**	**34.1**	**37.0#**
Grain Received : Wheat Production		1.19	1.11	1.08	1.08	1.01

Source: *GrainCorp and CBH Annual Reports (Financial Years 2022 to 2025)*
MY 2025/26 GrainCorp and CBH receival reports
Bunge/Viterra receival reports (MY 2021/22 to MY 2025/26)

Notes: *Qld = Queensland, NSW = New South Wales, Vic = Victoria*
ABARES = Australian Bureau of Agricultural and Resource Economics and Sciences
** to be finalized, # FAS/Canberra and Official USDA estimates*

GrainCorp, which operates across the eastern states, reported on January 5, 2026, that additional receivals were expected, particularly from southern growing areas. Receivals for CBH and Bunge are also likely to increase modestly before finalization.

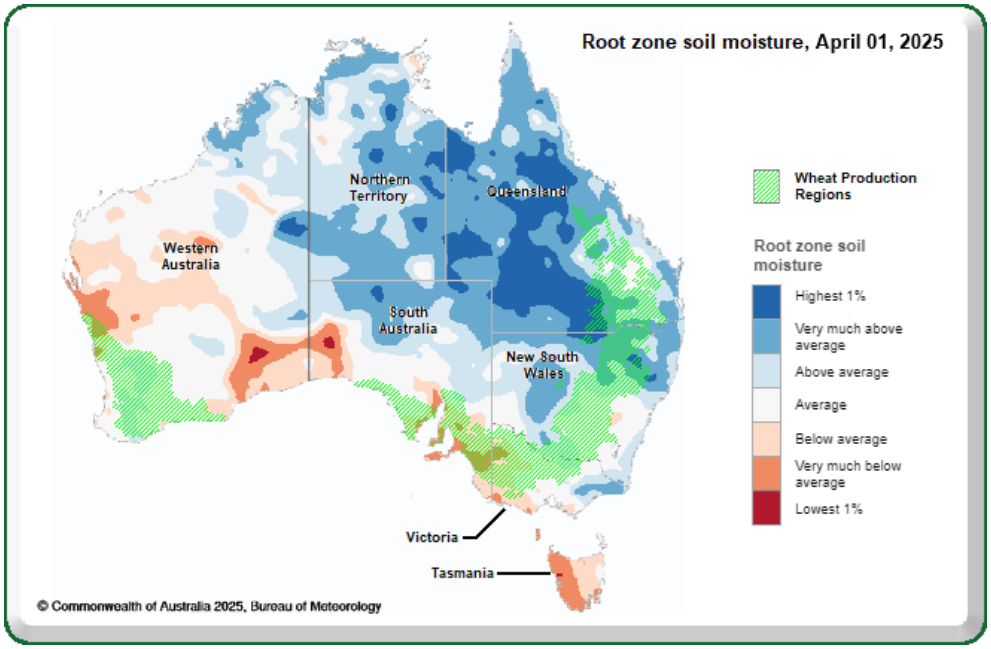
Over the previous two marketing years, GrainCorp's final receivals exceeded early January totals by approximately 2.3 MMT, while CBH and Bunge typically recorded minimal subsequent increases. Applying a similar adjustment to MY 2025/26 would raise total winter crop receivals for the three major grain handlers to approximately 40.1 MMT. Based on FAS/Canberra's estimated wheat production of 37.0 MMT, the implied grain receival–to–wheat production ratio would be 1.08, consistent with outcomes observed in the previous two marketing years.

Starting Soil Moisture

Wheat planting in Australia typically occurs between April and June. At the start of April 2025, soil moisture conditions were well above average in Queensland and northern New South Wales. However, these regions account for less than 20 percent of national wheat production.

In contrast, most other producing regions entered the planting window with below-average soil moisture (see Figure 1). Limited autumn rainfall in these regions delayed planting and contributed to a late start to the winter cropping season.

Figure 1 - Australia Root Zone Soil Moisture – as at April 1, 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

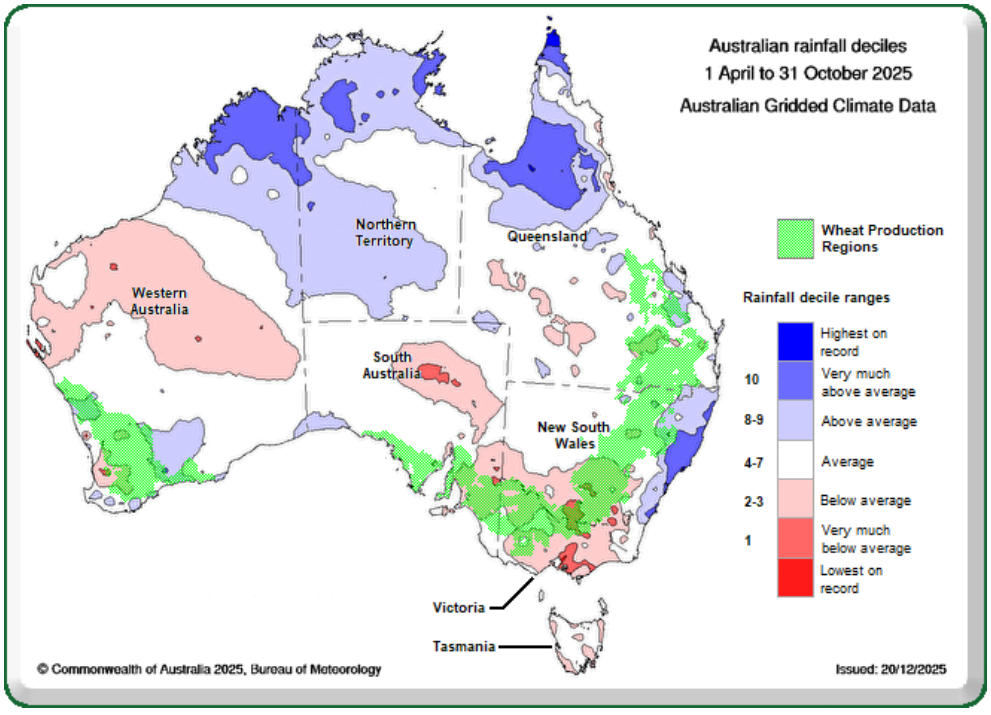
Seasonal Rainfall

During the April to October 2025 growing period, Queensland and northern New South Wales received near-average rainfall, with timely precipitation throughout the season (see Figure 2). Combined with strong starting soil moisture, these conditions supported robust crop establishment and development, resulting in a second consecutive year of exceptional wheat yields in the region.

Western Australia also began the season with below-average soil moisture and received little rainfall until July. Rainfall from July onward was above average through to harvest, resulting in near-average rainfall for the overall growing period. Despite the delayed start, Western Australia is forecast to achieve record winter crop production and near-record wheat output.

South Australia, Victoria, and southern New South Wales experienced the most challenging conditions. These regions began the season with well below-average soil moisture and received below-average rainfall across much of the growing period. Limited rainfall during September and most of October significantly reduced yield potential. However, rainfall in late October and early November partially mitigated losses, particularly in southern Victoria and South Australia.

Figure 2 – Australia Rainfall Deciles – April to October 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Soft Finish Boosts Yields

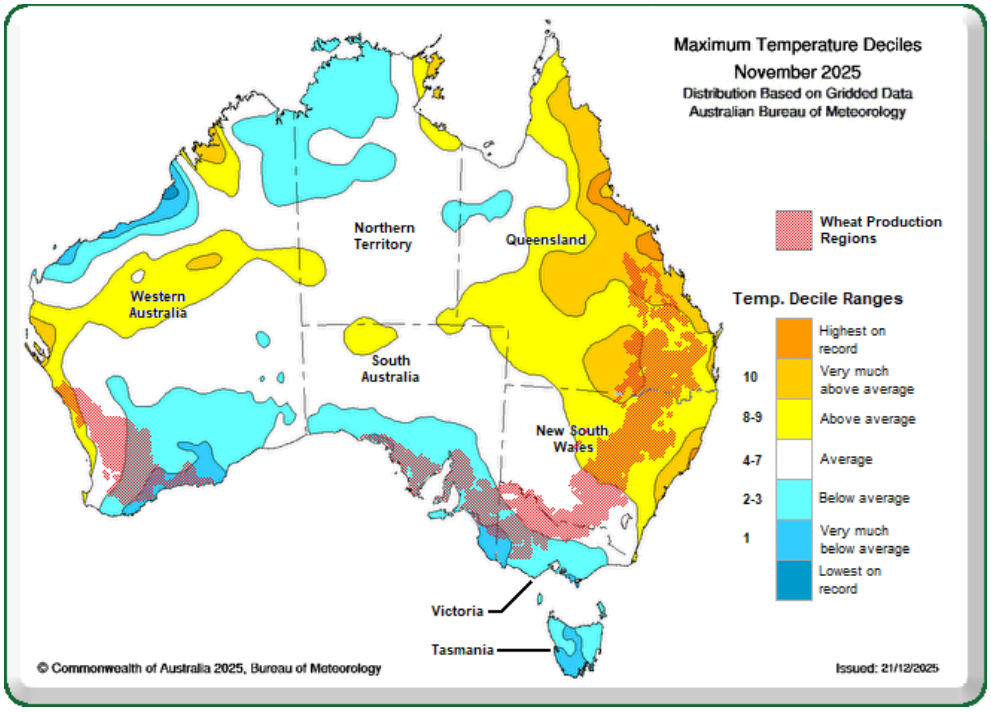
A key factor supporting the 1.0 MMT upward revision to FAS/Canberra's wheat production forecast is the favorable late-season conditions across southern producing regions. Western Australia, South

Australia, and Victoria experienced below-average maximum temperatures from late October through November 2025 (see Figure 3).

These cooler conditions, combined with adequate soil moisture, reduced plant stress and extended the grain-filling period. This supported higher grain weights and reduced screenings, contributing to higher-than-expected yields.

With a relatively soft finish in key southern regions, and limited rainfall during harvest, overall wheat quality in MY 2025/26 is expected to be very good. However, given the anticipated second-highest national average yield on record, protein levels are expected to be lower on average, resulting in a smaller proportion of wheat meeting premium hard wheat grade specifications.

Figure 3 – Australia Maximum Temperature Deciles – November 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Consumption

FAS/Canberra estimates Australian wheat consumption in MY 2025/26 at 9.1 MMT, unchanged from the previous year. While total domestic feed grain demand is forecast to increase in MY 2025/26, the additional demand is expected to be met primarily through higher feed barley consumption rather than an expansion in feed wheat use.

Wheat and barley remain the dominant feed grains used in Australia's livestock industries, with sorghum now playing a minimal role. The beef feedlot sector accounts for approximately 50 percent of

national feed grain demand, followed by the dairy and poultry sectors at around 15 percent each, and the pork industry at approximately 10 percent.

In MY 2024/25, strong export demand for barley reduced domestic feed barley availability, resulting in significantly higher feed wheat consumption. For MY 2025/26, with feed grain supplies increasing and overall feed demand rising, FAS/Canberra anticipates a partial rebalancing between feed wheat and feed barley. Feed wheat consumption is therefore expected to remain largely unchanged, while feed barley consumption is forecast to increase substantially from the previous year.

Feed grain demand in the beef sector has continued to grow in recent years, diverging from the typical drought-driven pattern in which cattle producers reduce stocking rates and increase feedlot placements temporarily. Instead, Australia's feedlot capacity and cattle throughput have expanded structurally, largely in response to strong export demand for beef, particularly from the United States. The U.S. beef herd is currently at its lowest level in nearly 75 years and is nearing a herd rebuilding phase, which is expected to further constrain U.S. beef supplies and increase demand for imported beef, supporting continued feedlot utilization in Australia.

Domestic wheat consumption for food use (milling) is forecast to increase modestly to 3.6 MMT in MY 2025/26, up from 3.5 MMT in the previous year. This increase reflects ongoing population growth in Australia.

Trade

Exports

The FAS/Canberra wheat export estimate for MY 2025/26 is 27.0 MMT, an increase of 3.3 MMT from MY 2024/25. This growth is largely driven by increased wheat production, estimated to be up 2.9 MMT. If realized, exports would reach the third-highest level on record, 37 percent above the 10-year average of 19.7 MMT, but remain 15 percent below the record 31.8 MMT shipped in MY 2022/23.

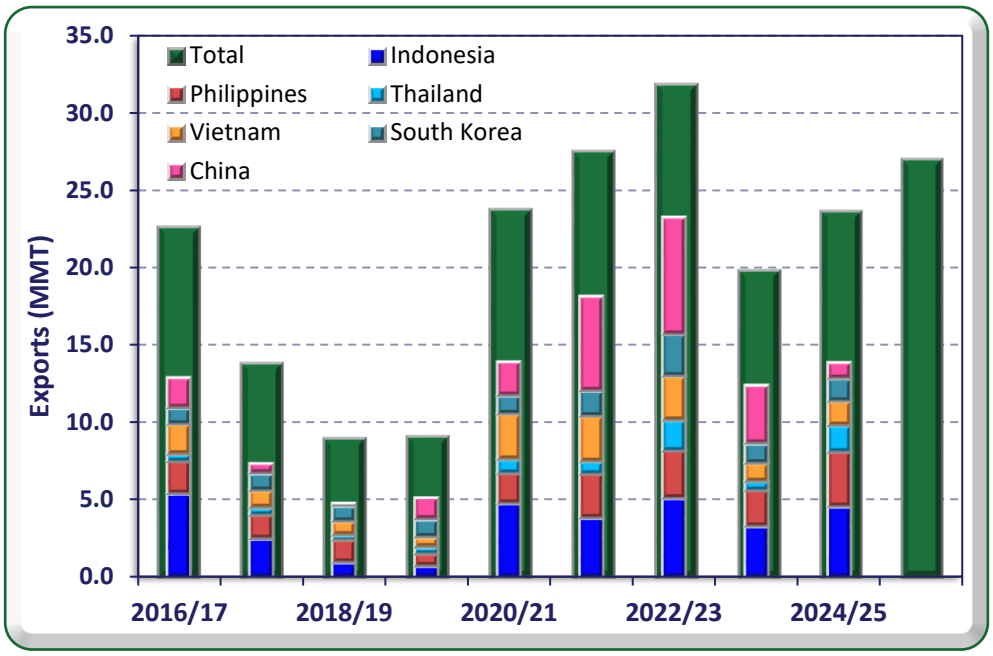
Australia maintains a broad and diversified wheat export portfolio, shipping to more than 50 destinations. Over recent years, the top five markets—Indonesia, the Philippines, Thailand, Vietnam, and South Korea—have accounted for approximately half of total exports (see Figure 4).

China has at times been a major importer of Australian wheat, accounting for nearly one-quarter of total exports at its peak. However, China's purchases have declined markedly since MY 2022/23, and in MY 2024/25 accounted for approximately 4.5 percent of Australia's total wheat exports.

More than 90 percent of China's wheat imports typically originate from four suppliers: Australia, Canada, the United States, and France. In MY 2024/25, China's total wheat imports declined by more than 70 percent compared with the previous two years (see Figure 5). Imports from France and the

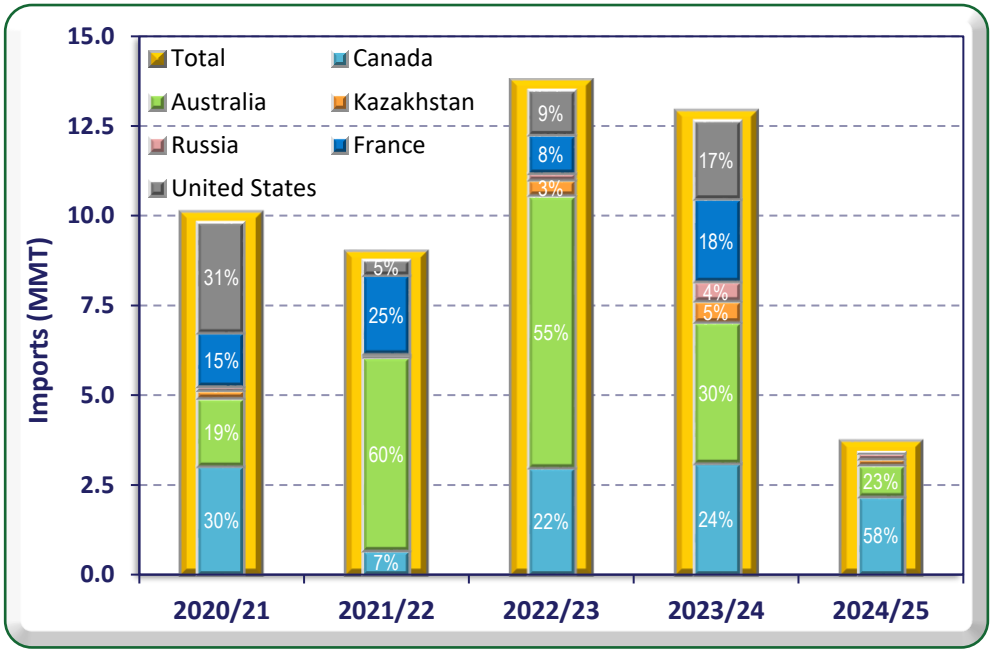
United States fell to near zero, while imports from Canada remained relatively stable. Imports from Australia also declined sharply.

Figure 4 - Australia Wheat Export Destinations – MY 2016/17 to MY 2025/26



Source: *Australia Bureau of Statistics*

Figure 5 – China's Major Wheat Import Sources – MY 2020/21 to 2024/25

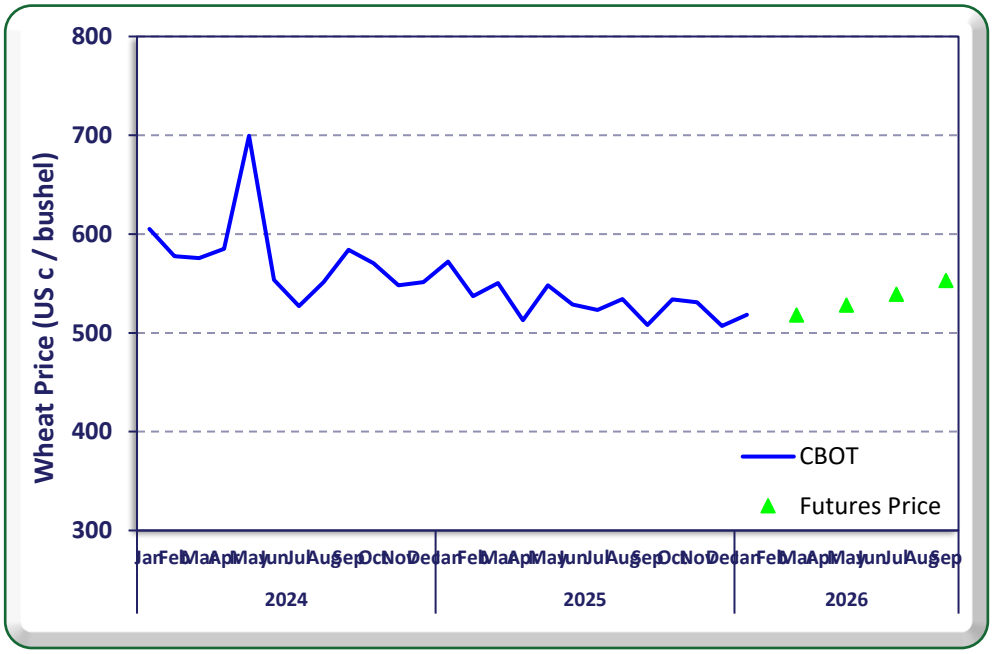


Source: *Trade Data Monitor*

Australian wheat exports totaled 2.8 MMT in the first two months of MY 2025/26, representing the second-strongest start on record, behind only MY 2022/23. This strong early performance occurred despite relatively subdued global wheat prices over the past year. Futures markets, however, indicate modest strengthening in Chicago Board of Trade (CBOT) wheat prices as the marketing year progresses (see Figure 6). The CBOT anticipated upward trend in prices for the remainder of MY 2025/26 is likely to be reflected in world trade prices and be reflective of the anticipated trend for Australian wheat.

Given the strong early export pace and indications of firmer global demand later in the marketing year, FAS/Canberra's export forecast of 27.0 MMT appears achievable. Additional upside potential exists if China re-enters the global market and resumes purchases at meaningful volumes.

Figure 6 – CBOT Wheat Price History & Futures



Source: *www.investing.com - historic and futures prices are based on Chicago Board of Trade (CBOT) Soft Red Winter (SRW) wheat*

Imports

The FAS/Canberra estimates wheat imports for MY 2024/25 to remain low at 230,000 MT, consistent with recent years. Imports consist primarily of wheat-based products, including pasta, for which domestic demand has remained relatively stable.

Stocks

Australia's ending stocks of wheat in MY 2025/26 are expected to be around 5.1 MMT, an increase from the prior year and somewhat above the previous 10-year average of 3.9 MMT but not atypical.

However, if markets strengthen to a greater extent than currently anticipated, there is adequate stock to enable exports to extend beyond the current FAS/Canberra estimate.

Table 2 - 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	2412	2412	3956	3991
Production (1000 MT)	25960	25960	34110	34110	37000	37000
MY Imports (1000 MT)	220	220	223	223	230	230
TY Imports (1000 MT)	214	214	220	220	230	230
TY Imp. from U.S. (1000 MT)	2	1	1	0	0	0
Total Supply (1000 MT)	30551	30551	36745	36745	41186	41221
MY Exports (1000 MT)	19839	19839	23689	23654	27000	27000
TY Exports (1000 MT)	22504	22504	21295	21295	27000	27000
Feed and Residual (1000 MT)	4800	4800	5600	5600	5500	5500
FSI Consumption (1000 MT)	3500	3500	3500	3500	3600	3600
Total Consumption (1000 MT)	8300	8300	9100	9100	9100	9100
Ending Stocks (1000 MT)	2412	2412	3956	3991	5086	5121
Total Distribution (1000 MT)	30551	30551	36745	36745	41186	41221
Yield (MT/HA)	2.0983	2.0983	2.6118	2.6118	2.9134	2.9134
(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

FAS/Canberra estimates Australian barley production in MY 2025/26 at 15.5 MMT, an increase of 2.2 MMT (17 percent) from the prior year and 0.9 MMT above the prior record of 14.6 MMT set in MY 2020/21. While an expansion in planted area contributed to the higher output, the primary driver is a very strong yield outcome, with the national average yield forecast to be the second highest on record.

The barley yield forecast for MY 2025/26 is estimated to be 12.5 percent higher than the previous year and 26.3 percent above the 10-year average (see Figure 7), broadly mirroring yield outcomes for wheat. Yield gains are therefore the dominant factor underpinning the record production estimate.

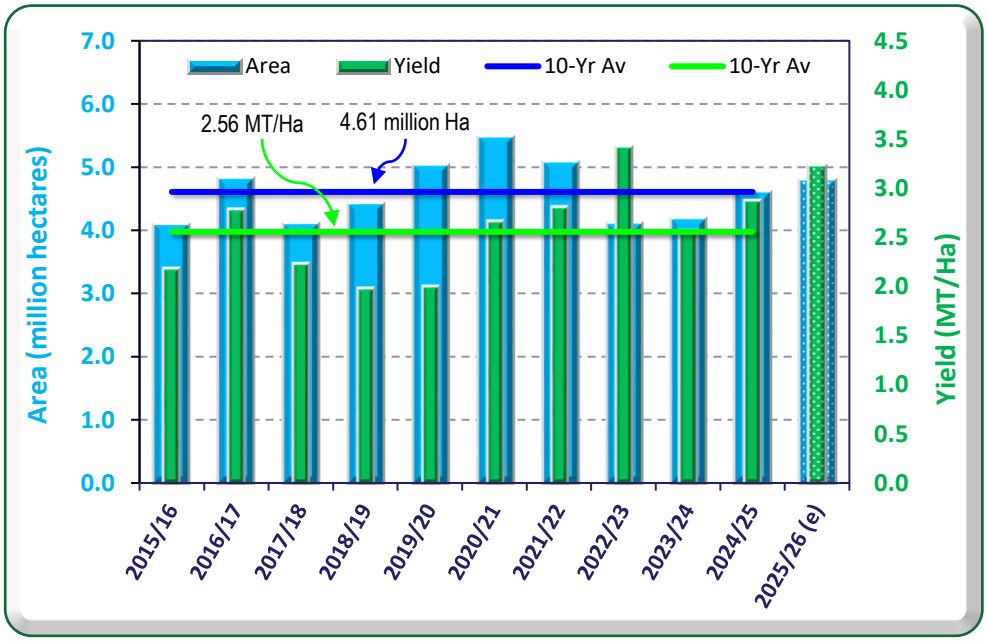
Barley is grown predominantly in the same regions as wheat, although northern New South Wales and Queensland—areas that experienced favorable conditions in MY 2025/26—account for a relatively small share of national barley production. Apart from a delayed seasonal start in Western Australia, growing conditions from July 2025 through to harvest were generally favorable, supporting strong yields. In South Australia and Victoria, the soft finish to the season supported grain fill and contributed

to above-average yields. However, as barley typically matures earlier than wheat, the below-average maximum temperatures observed from late October through November were less beneficial for barley than for wheat in MY 2025/26.

A secondary contributor to the record barley production is an estimated 3.9 percent increase in planted area from the previous year, which is 4.2 percent above the 10-year average (see Figure 7).

Longer-term improvements in barley yields in Australia also reflect structural changes in production practices. Over the past decade, growers have increasingly prioritized higher-yielding feed barley over malt-grade barley. While malting-accredited varieties are often planted, growers frequently adjust nitrogen fertilizer application during the season in response to crop development, seasonal conditions, and the anticipated price differential between feed and malt barley. This approach has supported higher average yields but reduced the proportion of production targeted to malting specifications.

Figure 7 – Australian Barley Area and Yield History MY 2015/16 to 2025/26



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

Consumption

FAS/Canberra estimates Australian barley consumption in MY 2025/26 at 5.8 MMT, an increase of 0.4 MMT (7.4 percent) from the previous year. The year-on-year increase follows a temporary decline in consumption in MY 2024/25, when strong export demand constrained domestic availability. Domestic consumption for malting purposes is expected to remain stable, while livestock feed use is the primary source of variation in total barley consumption.

As was the case for feed wheat, feed barley consumption declined in MY 2024/25 as export demand absorbed a larger share of available supplies. This reduction was partially offset by increased feed wheat consumption. Total feed grain consumption is forecast to increase from 3.9 MMT in MY 2024/25 to 4.3 MMT for MY 2025/26. The projected rise in barley consumption reflects a partial rebalancing between feed barley and feed wheat, following the shifts observed in the previous marketing year.

The beef cattle feedlot sector remains the largest consumer of feed barley, followed by the dairy industry. With no widespread drought conditions limiting pasture availability, growth in feed grain consumption is being driven primarily by strong export demand for Australian beef, particularly to the United States. This demand has supported higher feedlot utilization, as cattle finished in feedlots achieve faster growth rates than those finished on pasture, reducing time to slaughter and accelerating throughput.

Malting barley consumption is forecast to remain relatively stable at 1.5 MMT in MY 2025/26, consistent with recent years.

Trade

Exports

FAS/Canberra estimates barley exports for MY 2025/26 at 8.6 MMT, an increase of 0.3 MMT from the previous year, despite an estimated 2.2 MMT increase in production. If realized, this would represent the second-highest barley export volume on record, behind the 9.2 MMT exported in MY 2016/17, when domestic feed barley consumption was significantly lower than current levels.

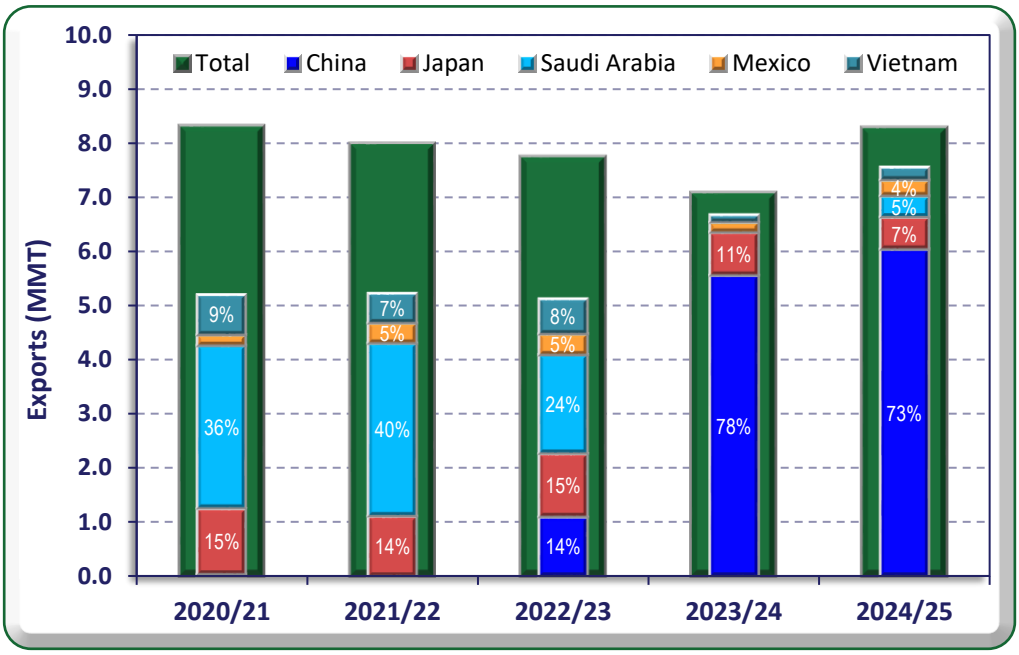
The relatively modest growth in barley exports from the prior marketing year does not reflect anticipated market disruptions. Rather, it reflects a degree of normalization following exceptionally strong export demand in MY 2024/25. That surge in demand reduced domestic feed barley consumption—partially substituted by increased feed wheat use—and drew down stocks to historically low levels, limiting the scope for further export growth in MY 2025/26.

Australia typically exports barley to more than 20 countries each year. However, since normal trading relations with China resumed, China has accounted for approximately three-quarters of Australia’s total barley exports over the past two years. Strong Chinese demand has displaced several traditional markets, particularly Japan, Saudi Arabia, and Vietnam, which previously imported significant volumes of Australian barley (see Figure 8).

Over the past two years, Australia has re-established itself as China’s primary supplier of imported barley. China’s total barley imports surged in MY 2023/24 before declining toward more typical levels in MY 2024/25. Despite this moderation, import volumes from Australia remained relatively stable, while imports from other major suppliers—including Canada, France, Argentina, and Ukraine—

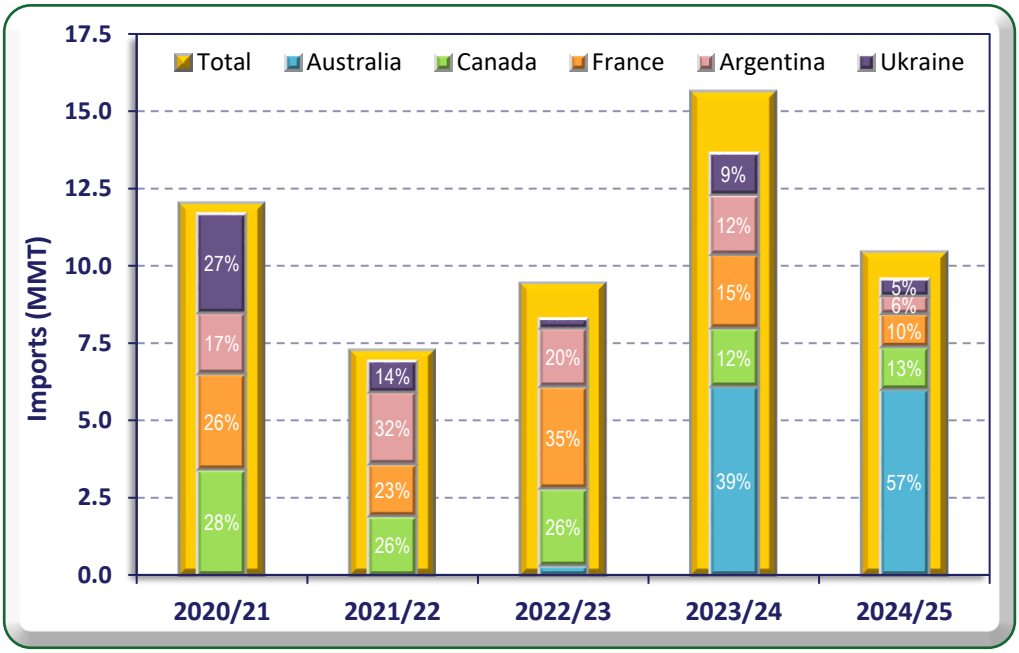
declined sharply (see Figure 9). For MY 2025/26, FAS/Canberra anticipates Chinese barley imports from Australia to remain relatively stable, reflecting a reported preference among Chinese importers for Australian barley.

Figure 8 – Major Barley Export Destinations MY 2020/21 to 2024/25



Source: *Australia Bureau of Statistics*

Figure 9 – China's Major Barley Import Sources – MY 2020/21 to 2024/25



Source: *Trade Data Monitor*

While only one month of trade data is available for MY 2025/26, November 2025 exports totaled 913,000 MT, a record for that month. This strong early performance indicates that FAS/Canberra's export forecast of 8.6 MMT, the second highest on record, is achievable.

Imports

Australia has historically imported negligible quantities of barley, and this pattern is expected to continue in MY 2025/26. While available trade data does not distinguish between barley product types, the small volumes recorded are likely to consist of processed barley products.

Stocks

Ending stocks of barley in Australia for MY 2025/26 are forecast to recover to more typical levels, following a drawdown to historically low levels in MY 2024/25 driven by exceptionally strong export demand.

Table 3 - 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	1318	1318	882	885
Production (1000 MT)	10800	10800	13265	13265	15500	15500
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	14583	14583	16382	16385
MY Exports (1000 MT)	7102	7102	8301	8298	8600	8600
TY Exports (1000 MT)	7909	7909	8246	8243	8200	8200
Feed and Residual (1000 MT)	4100	4100	3900	3900	4500	4300
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	5600	5600	5400	5400	6000	5800
Ending Stocks (1000 MT)	1318	1318	882	885	1782	1985
Total Distribution (1000 MT)	14020	14020	14583	14583	16382	16385
Yield (MT/HA)	2.5671	2.5714	2.8706	2.8706	3.2292	3.2292

(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

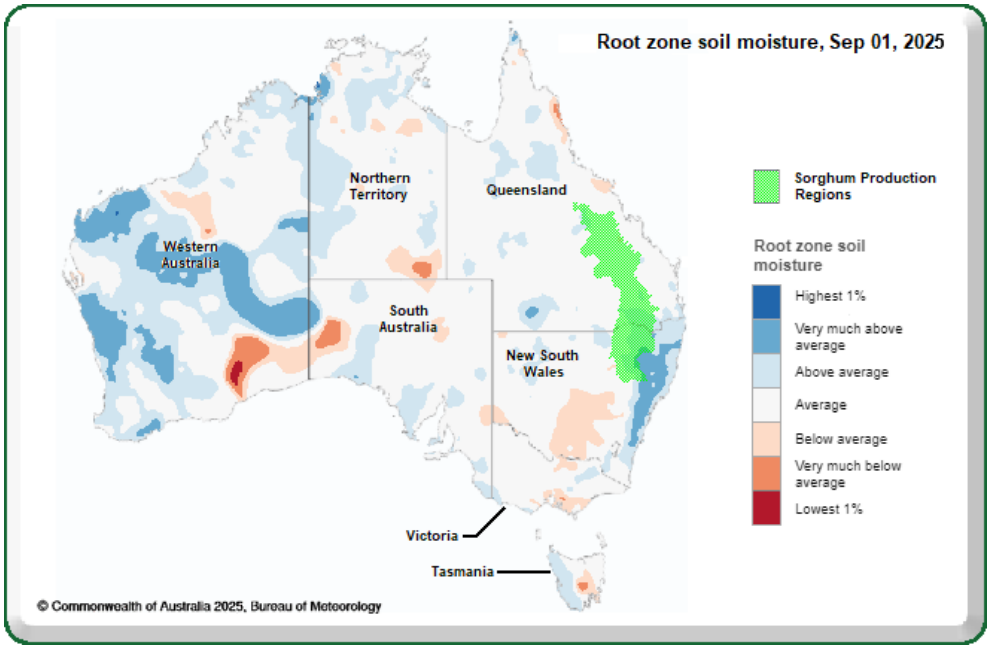
MY 2025/26 Production Forecast

FAS/Canberra has revised its sorghum production forecast for MY 2025/26 upward to 2.60 MMT, from 2.35 MMT estimated three months earlier. Production is forecast to be marginally lower than the MY 2024/25 estimate of 2.69 MMT but nearly 50 percent above the 10-year average. The strong outlook reflects a combination of above-average planted area and yields.

In the primary production regions of southern Queensland and northern New South Wales, the season developed in two distinct phases. A portion of the crop was planted earlier than usual, with these plantings expected to deliver very strong yields and enter harvest from mid-January 2026. Following this early planting window, dry conditions delayed further planting, and crops established later in the season are expected to achieve lower yields, despite generally favorable conditions thereafter.

Parts of southern Queensland and northern New South Wales entered the season with good soil moisture reserves (see Figure 10) and suitable soil temperatures following rainfall in September 2025. These conditions prompted many growers to plant several weeks ahead of the typical October planting window. Limited rainfall during October and early November was sufficient to sustain crop development, while more substantial rainfall from mid-November supported strong vegetative growth. Industry sources indicate that early-planted crops will commence harvest in mid-January 2026, with near-record yields anticipated.

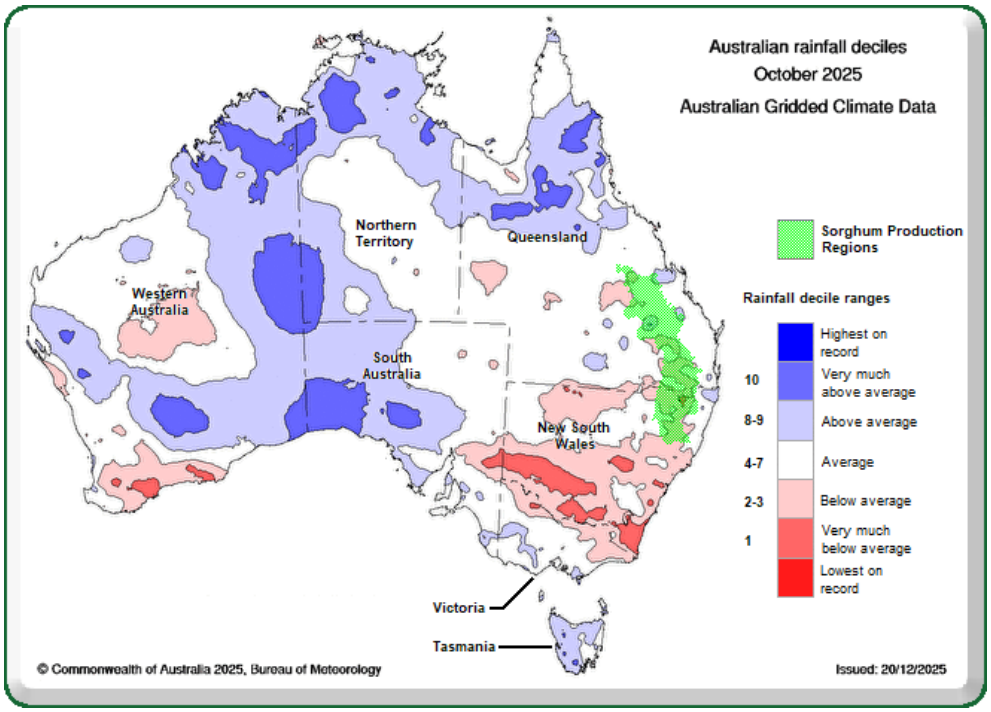
Figure 10 – Root Zone Soil Moisture – as at September 01, 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

However, the lack of rainfall during October (see Figure 11) and early November led some producers to delay planting decisions. Improved rainfall conditions in the second half of November triggered a second wave of sorghum planting during December 2025. While demand for sorghum supported strong planting interest, some growers allocated land to mung beans instead, reflecting favorable mung bean prices.

Figure 11 – Australia Rainfall Deciles – October 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

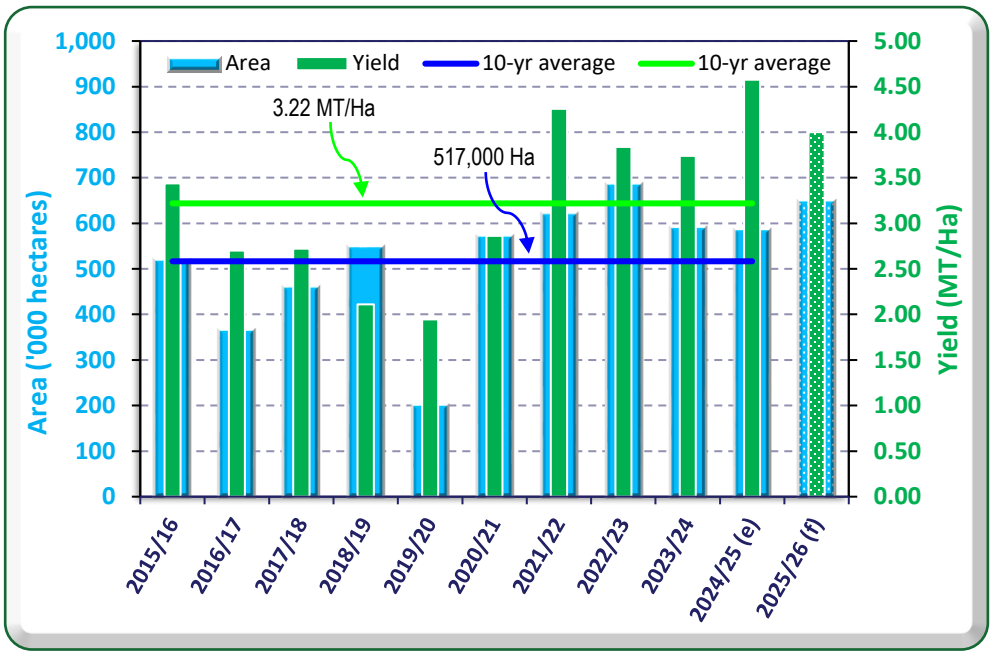
In central Queensland, growers also benefited from rainfall in the second half of November 2025. Warmer climatic conditions in this region provide a broader planting window, and sorghum yields are less sensitive to later planting dates, reducing downside risk for crops planted in December or January.

Tropical Cyclone Koji crossed the north Queensland coast on January 11, 2026, bringing substantial rainfall to central and southern Queensland as the system weakened and moved south. Growers report that excessive rainfall may increase the risk of sprouting in early-planted sorghum nearing harvest. Conversely, late-planted crops are expected to benefit from improved moisture availability, although increased pest and disease pressure associated with ex-tropical cyclone rainfall will require active management.

Overall, sorghum production in MY 2025/26 is forecast to mark the fifth consecutive year of above-average output. Planted area is forecast to be 26 percent above the 10-year average (see Figure 12). While early-planted crops are expected to achieve near-record yields, lower yield potential for later-

planted crops is expected to weigh on the national average. Nevertheless, average yield in MY 2025/26 is forecast to be 24 percent above the 10-year average (see Figure 12).

Figure 12 – Sorghum Area and Yield History MY 2015/16 to 2025/26



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

MY 2024/25 Production Estimate

FAS/Canberra's sorghum production estimate for MY 2024/25 remains unchanged at 2.69 MMT from the estimate published three months earlier. This estimate, finalized approximately six months post-harvest, aligns with official figures published by Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES).

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts sorghum consumption in MY 2025/26 at 110,000 MT, unchanged from the previous year. Domestic use remains limited, accounting for approximately five percent of estimated production, reflecting weak demand from the livestock sector and strong export demand.

The beef feedlot sector is the primary domestic consumer of sorghum. However, feedlots have largely shifted toward white grains, particularly wheat and barley, which offer advantages in processing efficiency and nutritional performance.

Sorghum currently accounts for approximately one percent of total feed grain consumption in Australia, including wheat, barley, and sorghum. As a result, changes in overall feed grain demand have little impact on domestic sorghum use.

The primary factor limiting sorghum consumption is price competitiveness. Strong and sustained demand from China has kept domestic sorghum prices above those of feed wheat and feed barley in recent years. Given the ample domestic availability of wheat and barley, there is little incentive for livestock producers to incorporate sorghum into feed rations. In addition, sorghum incurs higher processing costs and offers lower nutritional value relative to wheat and barley. As a result, sorghum prices would need to be significantly discounted relative to alternative feed grains to stimulate increased domestic use.

MY 2024/25 Consumption Estimate

FAS/Canberra estimates sorghum consumption in MY 2024/25 at 110,000 MT, down 150,000 MT from the previous year. The higher level of consumption in MY 2023/24 reflected the diversion of rain-damaged sorghum, unsuitable for export, into domestic feed channels.

Trade

Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts sorghum exports in MY 2025/26 at 2.5 MMT, up 50,000 MT from the MY 2024/25 estimate. If realized, this would match the record export level achieved in MY 2022/23 and mark the fifth consecutive year in which sorghum exports exceed 2.1 MMT, placing all five seasons among the highest export years on record for Australia.

Sustained high export volumes reflect both improved production outcomes and a structural shift in the industry away from domestic livestock feed markets toward an almost exclusive focus on exports.

Globally, sorghum trade is highly concentrated. More than 95 percent of world sorghum exports originate from three countries: 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, highlighting its central role in the international market.

Escalating tariffs during 2025 disrupted U.S. sorghum shipments to China in MY 2024/25 and into MY 2025/26. Although a bilateral trade agreement reached in mid-May 2025 eased tensions, U.S. sorghum continues to face a combined tariff of 22 percent. In contrast, Australia’s free trade agreement with China allows sorghum to enter tariff-free, providing Australia with a sustained competitive advantage.

Since April 2025, U.S. sorghum exports to China have effectively ceased. While this would typically create an opportunity for alternative exporters—most notably Australia and Argentina—to expand shipments, Australia already directs approximately 95 percent of its sorghum exports to China, limiting scope for further expansion given production constraints. Argentina, while a significant exporter, prioritizes corn production, restricting its ability to fully offset reduced U.S. supply.

For the first nine months of MY 2024/25, China's sorghum imports were approximately half the level recorded over the same period in the previous year, largely reflecting the absence of U.S. shipments. Despite this overall decline, demand for Australian sorghum has remained exceptionally strong due to its price competitiveness and is expected to continue through MY 2025/26.

MY 2024/25 Export Estimate

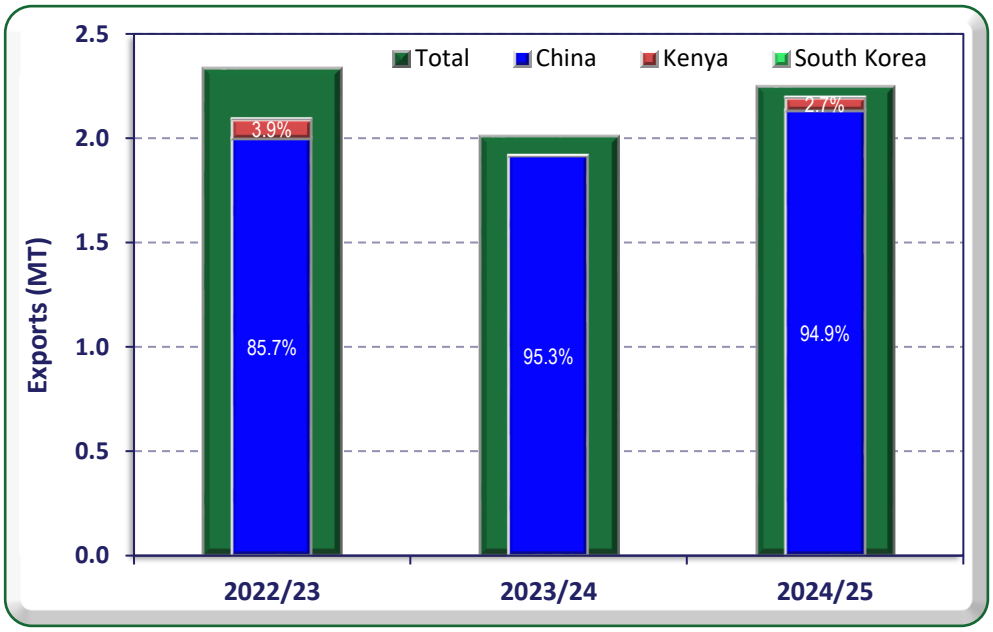
FAS/Canberra estimates sorghum exports in MY 2024/25 at 2.45 MMT. By November 2025, exports for the first nine months of the marketing year totaled 2.25 MMT. Shipments during the remaining three months are expected to follow typical seasonal patterns, supporting the full-year estimate.

However, earlier-than-usual planting of the MY 2025/26 sorghum crop is expected to bring forward the start of harvest to mid-January 2026. As a result, the MY 2025/26 crop may begin entering export channels up to six weeks earlier than normal, potentially lifting exports in February 2026, which still falls within MY 2024/25. This potential crossover has not been incorporated into either the MY 2024/25 estimate or the MY 2025/26 forecast.

China has long been the dominant destination for Australian sorghum exports. During the first nine months of MY 2024/25, China accounted for approximately 95 percent of total shipments (see Figure 13), consistent with the previous year. Japan, historically the second-largest market with a typical share of around 10 percent, has seen imports decline substantially and has been overtaken by Kenya as Australia's second-largest export destination.

Sorghum is an important feed grain in China and is also widely used in the production of *baijiu*, a traditional distilled spirit. *Baijiu* has been produced in China for over 1,000 years and remains the most widely consumed spirit globally.

Figure 13 – Sorghum Export Destinations – March to November 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Stocks

Sorghum stocks in MY 2025/26 are estimated to remain relatively low due to the expectation of continued strong export demand.

Table 4 - 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	587	670	650
Beginning Stocks (1000 MT)	351	351	138	138	53	263
Production (1000 MT)	2215	2215	2325	2685	2500	2600
MY Imports (1000 MT)	1	1	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	2567	2463	2823	2553	2863
MY Exports (1000 MT)	2169	2169	2300	2450	2400	2500
TY Exports (1000 MT)	2060	2060	2503	2500	2600	2300
Feed and Residual (1000 MT)	250	250	100	100	100	100
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	260	260	110	110	110	110
Ending Stocks (1000 MT)	138	138	53	263	43	253
Total Distribution (1000 MT)	2567	2567	2463	2823	2553	2863
Yield (MT/HA)	3.7416	3.7416	4.3056	4.5741	3.7313	4
(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

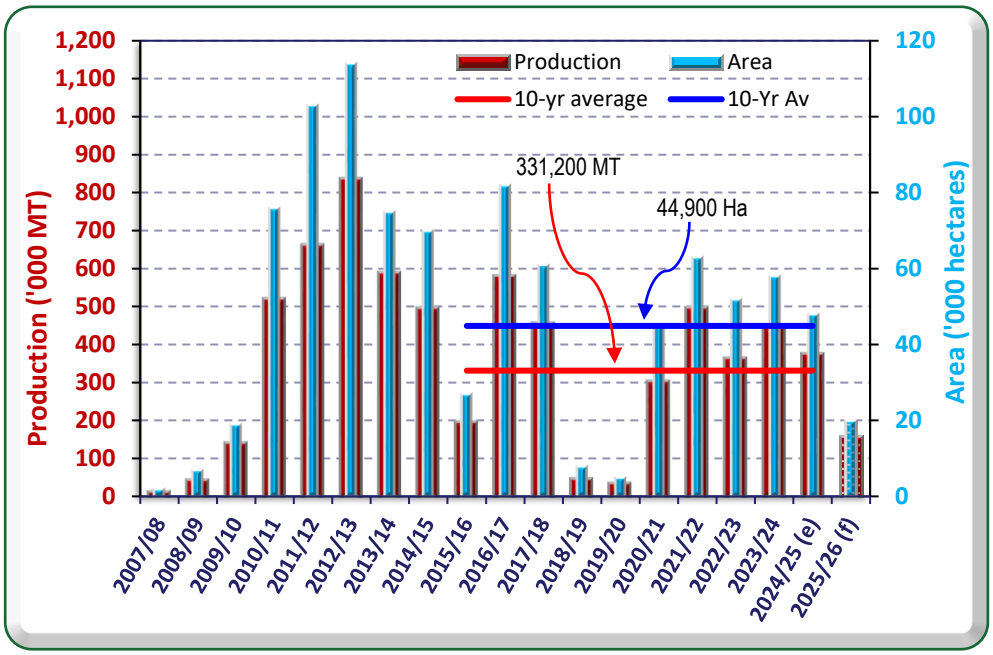
Production

MY 2025/26 Production Forecast

FAS/Canberra forecasts milled rice production in MY 2025/26 at 158,000 MT, down from the 180,000 MT forecast issued three months earlier. This represents a 58 percent decline (219,000 MT) from the MY 2024/25 estimate of 377,000 MT. The sharp reduction in the MY 2025/26 forecast is entirely attributable to significantly reduced irrigation water availability and the elevated cost of tradable irrigation water.

Yield expectations are largely unchanged; however, planted area is forecast to fall by 58 percent to 20,000 hectares in MY 2025/26, compared with an estimated 48,000 hectares in MY 2024/25. This would be the smallest rice planting since the drought affected MY 2018/19 and MY 2019/20 seasons. Both planted area and production are forecast to be less than half of their respective 10-year averages (see Figure 14).

Figure 14 – Australian Rice Production and Area History

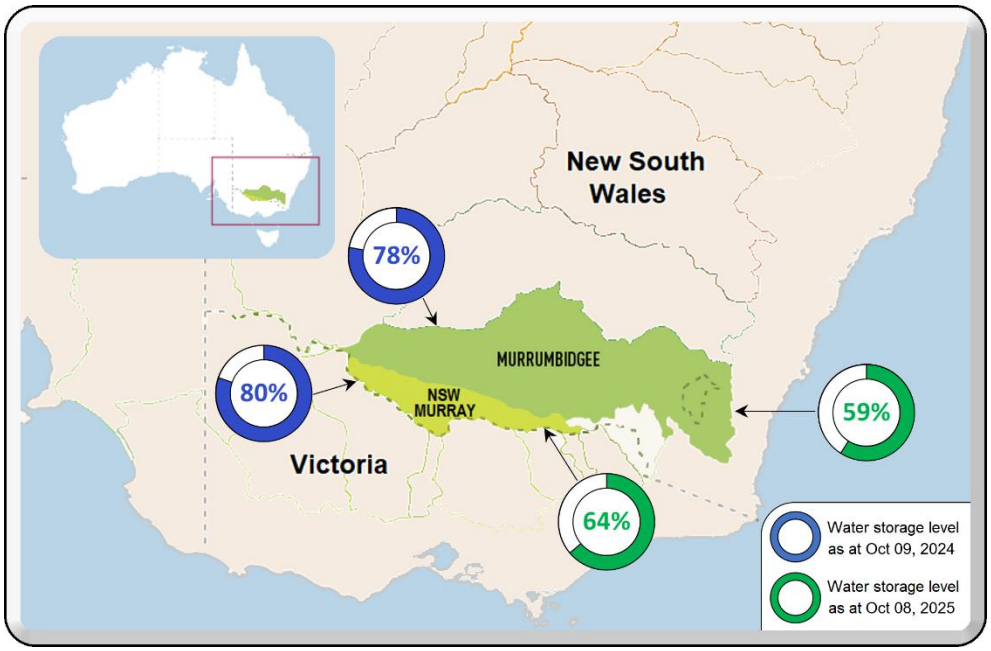


Source: *PSD Online / FAS/Canberra*

Irrigation water availability remains the dominant determinant of rice production prospects in Australia. In the lead-up to the MY 2025/26 planting period, significant concern emerged over low irrigation storage levels.

Rice growers determine their planting decisions primarily on the volume of irrigation water that they have secured around early October, coinciding with the start of planting. In early October 2025, storage levels in major rice-growing regions were substantially lower than at the same time in 2024 (see Figure 15).

Figure 15 – Irrigation Storage Levels – Oct 09, 2024 and Oct 08, 2025



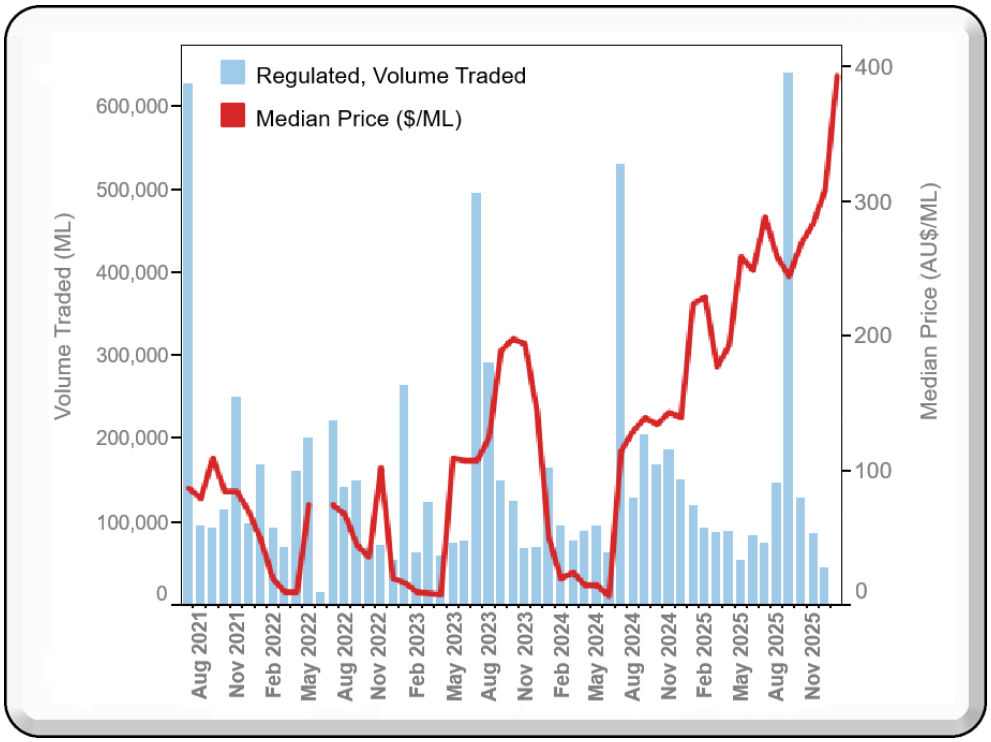
Source: *Murray Darling Basin Authority*

Lower storage levels translated into materially reduced water allocations across the key irrigation systems supporting rice production. As part of risk management strategies, some producers had purchased and carried forward tradable water from the previous irrigation season at prices more conducive to rice production.

Reduced water availability led to a sharp increase in water trading activity around October 2025, coinciding with peak seasonal demand from competing irrigated industries, including cotton, almonds, citrus, and table grapes. This surge in demand drove tradable irrigation water prices to approximately AU$300 (US$200) per megaliter, with prices subsequently rising further to around AU$400 (US$265) per megaliter (see Figure 16).

Rice production is generally uneconomic at these water price levels. As a result, many growers opted to sell water allocations rather than plant rice. This decision is the primary driver of the forecast 58 percent reduction in planted area and the corresponding decline in rice production for MY 2025/26.

Figure 16 – Water Trade Volume and Price in the Murrumbidgee Irrigation System



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

MY 2024/25 Production Estimate

FAS/Canberra's MY 2024/25 milled rice production estimate of 377,000 MT aligns with the ABARES estimate, nearly nine months post-harvest.

Consumption

MY 2025/26 Consumption Forecast

FAS/Canberra forecasts rice consumption in MY 2025/26 at 420,000 MT, a 2.4 percent increase from the MY 2024/25 estimate of 410,000 MT. The projected increase is primarily driven by Australia's strong population growth in recent years, which continues to support rising food demand.

While Australia's population growth rate is expected to moderate to just over 1.5 percent in MY 2025/26, returning toward pre-COVID-19 levels, a lag effect from the higher growth recorded in the previous year is expected to sustain rice consumption growth at a rate slightly above population growth during the forecast year. Beyond MY 2025/26, rice consumption growth is anticipated to ease as population growth stabilizes.

MY 2024/25 Consumption Estimate

The MY 2024/25 rice consumption estimate of 410,000 MT reflects a 10,000 MT increase from MY 2023/24, reflecting Australia's strong population growth in this period.

Trade

Imports

MY 2025/26 Import Forecast

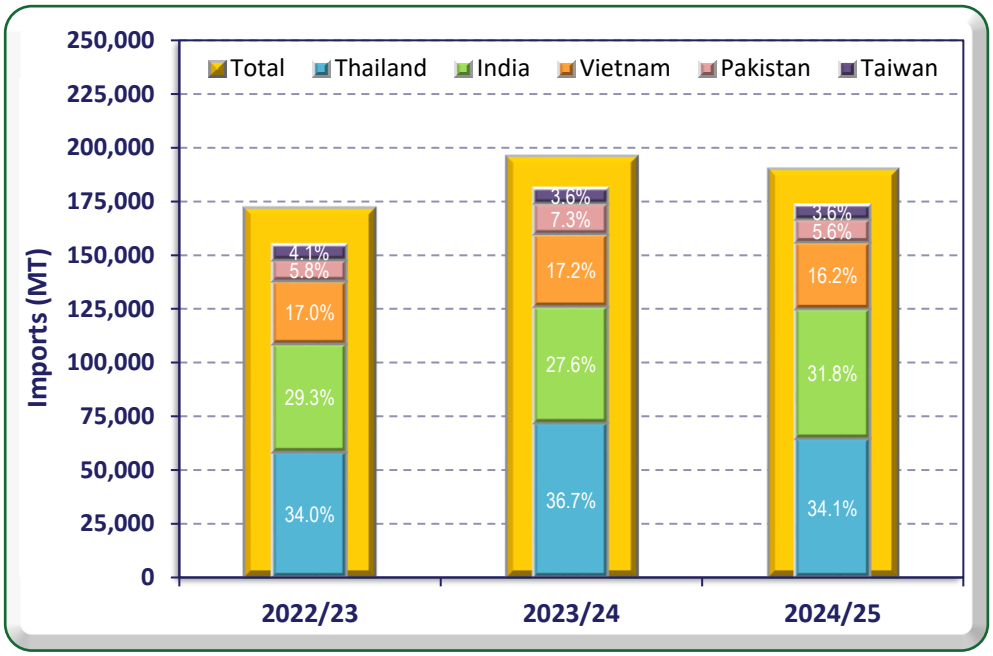
FAS/Canberra forecasts rice imports in MY 2025/26 at 285,000 MT, an increase of 35,000 MT (14 percent) from the MY 2024/25 estimate. If realized, this would represent the highest level of rice imports on record, exceeding the previous peak of 272,000 MT recorded in MY 2019/20 during a severe drought-induced production shortfall. The projected increase in imports is primarily driven by sharply lower domestic production and, to a lesser extent, continued growth in domestic consumption.

MY 2024/25 Import Estimate

Rice imports in MY 2024/25 are estimated at 250,000 MT, a six percent decline from MY 2023/24. Despite the year-on-year reduction, this volume would still rank as the third highest level of rice imports on record for Australia. Imports during the March–November 2025 period totaled 190,000 MT, approximately 6,000 MT below the corresponding period in the previous year. Historically, the final three months of the marketing year account for around 24 percent of total annual imports. Based on this seasonality, current trade volumes remain consistent with the FAS/Canberra estimate of 250,000 MT for MY 2024/25.

Thailand, India, and Vietnam have consistently been Australia's dominant rice suppliers for many years. In recent years, these three origins have collectively accounted for around 80 percent of total imports, up from approximately 70–75 percent a decade ago (see Figure 17). Pakistan and Taiwan together contribute a further 10 percent. The long-term growth in Australia's rice imports has been largely met by increased shipments from these major suppliers.

Figure 17 – Australian Rice Imports – Mar to Nov MY 2022/23 to 2024/25



Source: *Australian Bureau of Statistics*

Exports

MY 2025/26 Export Forecast

FAS/Canberra forecasts rice exports in MY 2025/26 at 130,000 MT, less than half the MY 2024/25 estimate of 265,000 MT. This sharp decline is primarily driven by the forecast 58 percent reduction in domestic production. Production also declined by an estimated 16 percent in MY 2024/25 from the prior year, and the residual impact of this reduction further constrains exportable supplies in the forecast year.

Approximately 90 percent of Australia's rice production is medium-grain. Domestic consumers demand a broader range of rice varieties, which structurally necessitates substantial imports and, in years of high production, results in large volumes of medium-grain rice being exported. When production is low, however, the adjustment occurs primarily through reduced exports rather than a commensurate increase in imports.

MY 2024/25 Export Estimate

Rice exports in MY 2024/25 are estimated at 265,000 MT, a 12 percent increase from MY 2023/24. During the first nine months of the marketing year, exports totaled 189,000 MT, compared with 174,000 MT over the same period in the previous year. Over the past five years, an average of 29 percent of annual exports has occurred in the final three months of the marketing year. This seasonal pattern has been incorporated into the MY 2024/25 export estimate.

Stocks

Rice stocks are estimated to decline in MY 2025/26 largely due to the significant fall in forecast rice production.

Table 5 - 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	48	48	20	20
Beginning Stocks (1000 MT)	196	196	252	272	224	224
Milled Production (1000 MT)	447	447	377	377	158	158
Rough Production (1000 MT)	621	621	524	524	219	219
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	266	266	275	250	325	285
TY Imports (1000 MT)	266	266	275	265	325	285
TY Imp. from U.S. (1000 MT)	2	2	0	2	0	2
Total Supply (1000 MT)	909	909	904	899	707	667
MY Exports (1000 MT)	237	237	250	265	150	130
TY Exports (1000 MT)	239	243	250	245	150	200
Consumption and Residual (1000 MT)	420	400	430	410	440	420
Ending Stocks (1000 MT)	252	272	224	224	117	117
Total Distribution (1000 MT)	909	909	904	899	707	667
Yield (Rough) (MT/HA)	10.7069	10.7069	10.9167	10.9167	10.95	10.95

(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