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Prepared By: Zeljko Biki

Approved By: Lazaro Sandoval

Report Highlights:

Stone fruit production in Australia is forecast to decline in marketing year (MY) 2026/27, primarily due to above-average minimum temperatures during winter. These warmer conditions have resulted in sub-optimal cold chill hours during the tree dormancy period, which is expected to adversely affect bud development and subsequent fruit set. Tasmania, which has a cooler climate, has received adequate cold chill hours, and local cherry growers have had a more favorable start to the season. Cherry production is forecast to decline by 15 percent, while peach and nectarine production is expected to decrease by 10 percent. As a result, cherry exports are forecast to fall by 18 percent, while peach and nectarine exports are expected to decline by 15 percent. Imports are forecast to remain stable in MY 2026/27.

EXECUTIVE SUMMARY

The 2026/27 Australian stone fruit season began under less-than-favorable conditions, with most production regions experiencing well above-average minimum temperatures during winter. With the exception of Tasmania, which has the country's coolest climate, these conditions have resulted in sub-optimal cold chill hours during the tree dormancy phase. This is expected to adversely affect bud development and subsequent fruit set. In addition, above-average rainfall over the winter period, particularly in Victoria, has left soils at or near saturation at the onset of spring. These conditions are likely to encourage tree root and vegetative growth at the expense of optimal bud development.

Australia is currently experiencing an El Niño weather pattern, which is typically associated with drier conditions. From September to November 2026, the Bureau of Meteorology forecasts a high likelihood of well below median rainfall across most cherry, peach, and nectarine-producing regions. If realized, these drier conditions are likely to reduce disease pressure and enable growers to better manage fruit development. However, low spring rainfall will further constrain already limited irrigation water reserves for Victorian growers. Tradeable irrigation water prices, which are already high, are likely to increase further, adding to growers' production costs.

Cherry production is forecast to decline by 15 percent, while peach and nectarine production is forecast to decrease by 10 percent. Export volumes are expected to decline accordingly, with cherry exports forecast to fall by 18 percent, returning to around the five-year average. Peach and nectarine exports are forecast to decline by 15 percent and are expected to remain approximately 15 percent below the five-year average.

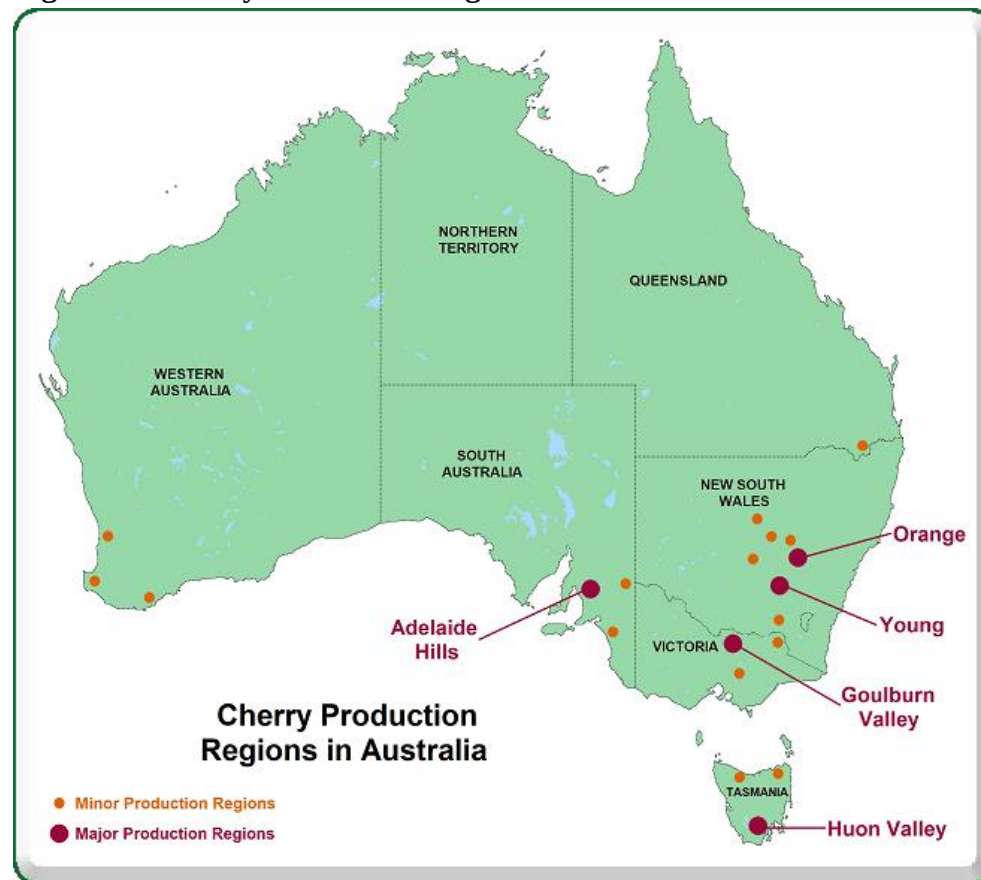
Imports, sourced almost entirely from the United States, are expected to remain stable at 2,000 metric tons (MT) for cherries and 600 MT for peaches and nectarines. A key constraint remains the absence of imported peaches and nectarines from Australia's two major supermarket chains, which continue to stock imported cherries. This presents an opportunity to re-establish higher levels of peach and nectarine imports, which in the past have exceeded 1,500 MT. However, domestic per capita consumption of peaches and nectarines in Australia has declined sharply over the past decade, with no clear indication that this trend will abate. Consequently, prospects for significantly increasing import volumes may remain challenging.

CHERRY

Background

Australia's main cherry-growing regions include the Huon Valley in Tasmania; the Goulburn Valley in central Victoria; Young and Orange in central eastern New South Wales; and the Adelaide Hills in southeastern South Australia (Figure 1). Smaller production areas include Stanthorpe in southern Queensland, the southeastern corner of Western Australia, the Yarra Valley in Victoria, and scattered pockets across central New South Wales.

Figure 1 – Cherry Production Regions in Australia



Source: Information from Cherry Growers Australia Inc

Tasmania, the southernmost and coolest cherry-producing region, has the longest growing season and consistently produces large, high-quality cherries. However, its harvest occurs later than in other producing regions, primarily after the peak Christmas demand period in Australia. As a result, Tasmanian growers have a strong focus on export markets. In contrast, the more northern production regions experience warmer, and generally less optimal growing conditions but benefit from earlier harvests beginning in late October. This timing allows growers to supply the domestic market during the period of strongest demand in the lead-up to Christmas.

The cherry harvest in the warmer production regions of Queensland, New South Wales, South Australia, and Western Australia typically begins in mid- to late October and is completed by around mid-January (Table 1). These regions are well positioned to capitalize on the strong domestic demand for cherries in the weeks leading up to Christmas. Further south, in Victoria, the harvest generally begins in early to mid-November and continues through mid- to late February. Tasmania, the southernmost and coolest producing region, has the latest harvest, beginning in late December and typically concluding by mid-February. Because the majority of Tasmanian cherries are exported, the timing of the Tasmanian harvest aligns well with the strong demand associated with Chinese New Year in China and Hong Kong.

Table 1 – Cherry Harvest Seasonality in Australia

Cherry Harvest Seasonality in Australian																								
	October				November				December				January				February							
Victoria																								
New South Wales																								
South Australia																								
Tasmania																								
Western Australia																								
Queensland																								

Source: Cherry Growers Australia Inc.

Notes:  Main harvest period  Minor harvest period

Sweet cherries are generally more sensitive to climatic conditions than many other fruit crops. Several climatic factors are particularly important for successful cherry production:

- **Adequate winter chilling:** Sufficiently low temperatures during winter are required to accumulate adequate chilling units during the dormancy period. Cherries typically require more than 800 hours at temperatures between 2°C and 12°C (36°F to 54°F) to support even and complete bud break in spring.
- **Suitable temperatures during blossoming:** Temperatures above 13°C (54°F) during the blossoming period are important to ensure bee activity and support effective pollination and fruit set.
- **Limited rainfall during blossoming:** Low rainfall during blossom, typically from late August through late October, is desirable because rain can reduce pollination activity and increase the risk of bacterial and fungal infections of blossoms, which can hinder fruit set.
- **Protection from severe frost:** Severe frosts between bud swell and shuck fall, when flower petals have fallen away from the developing fruit, can damage flowers and young fruit and reduce yields.
- **Dry conditions during ripening:** Low rainfall and an absence of hail during fruit ripening are important for minimizing physical fruit damage and reducing disease pressure. Rainfall

combined with warmer temperatures during ripening creates humid conditions that can promote the proliferation of fungal diseases and pests.

- **Low humidity:** Relatively low humidity throughout the growing season helps minimize the incidence and spread of disease.
- **Appropriate wind conditions:** Low to moderate winds are desirable to minimize physical injury to trees and fruit, including damage caused by fruit and branches rubbing against one another. However, some airflow through the orchard is important to promote aeration and reduce humidity within the crop, particularly following rainfall.
- **Adequate irrigation water:** Sufficient water availability is necessary to meet tree water requirements throughout the growing season.

Some adverse growing conditions can be mitigated through orchard management and infrastructure. These measures include the use of tree trellising and support systems, appropriate pruning techniques, and hail-netting structures installed over orchards. Such practices can help reduce physical damage, improve canopy management and airflow, and provide greater protection from adverse weather conditions.

Cherries in Australia are predominantly consumed fresh, with relatively small quantities processed for frozen, dried, or canned products. Cherries are also used in a range of value-added products, including jams, liqueurs, brandy, ice cream, and confectionery.

Production

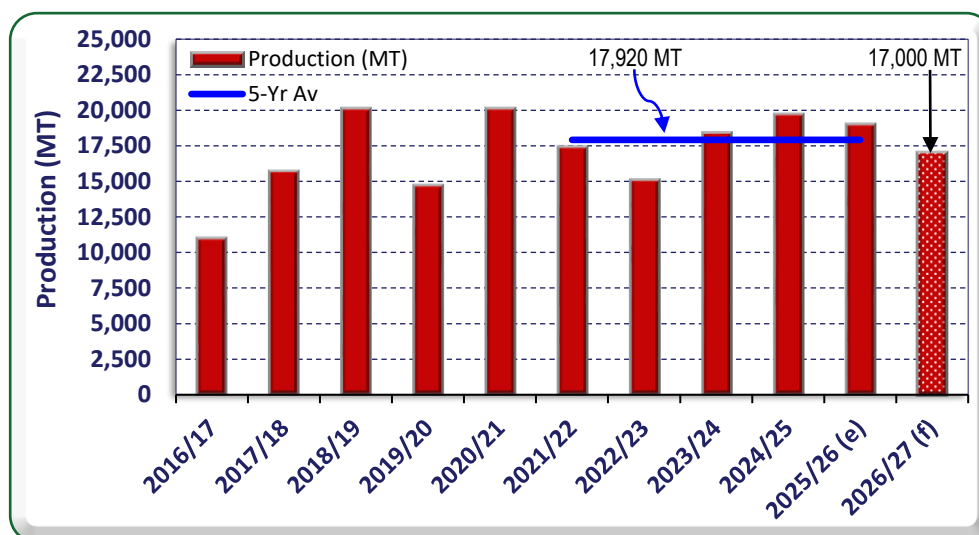
MY 2026/27 Production Forecast

Australian cherry production in MY 2026/27 is forecast at 17,000 metric tons (MT), down 15 percent from the MY 2025/26 estimate of 20,000 MT and five percent below the previous five-year average (Figure 2). The anticipated decline is largely attributable to a warmer-than-usual winter in the major cherry-producing regions of Victoria and New South Wales. The resulting insufficient accumulation of winter chill hours is expected to adversely affect bud burst and subsequent fruit set in MY 2026/27.

The full extent of the impact from inadequate winter chill remains uncertain at this stage, as growers are still awaiting bud burst. Nevertheless, it is very likely that insufficient winter chill will result in a significant reduction in production.

During late autumn and winter, cherry-growing regions in Victoria and New South Wales recorded well above-average minimum temperatures, in contrast to conditions during the previous year (Figure 3). Industry sources indicate that winter chill hours have been inadequate and are expected to adversely affect bud burst and subsequent fruit set. To partially mitigate the impact of insufficient winter chill, growers are anticipated to increase their use of treatments designed to encourage greater and more uniform bud burst this season.

Figure 2 – Australian Cherry Production

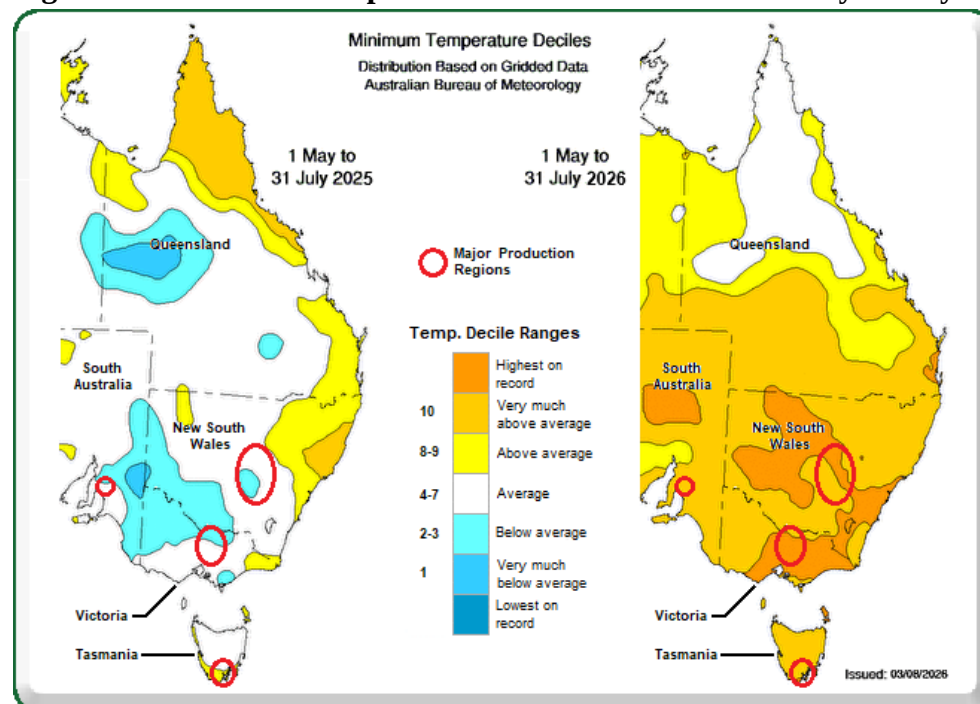


Source: PSD online and FAS/Canberra estimates and forecasts

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

Tasmania, located farther south in the Southern Hemisphere, naturally has a cooler climate than Victoria and New South Wales. As a result, Tasmanian cherry-producing regions accumulated ample winter chill hours, supporting strong potential for bud burst in MY 2026/27, despite temperatures also being above the long-term average.

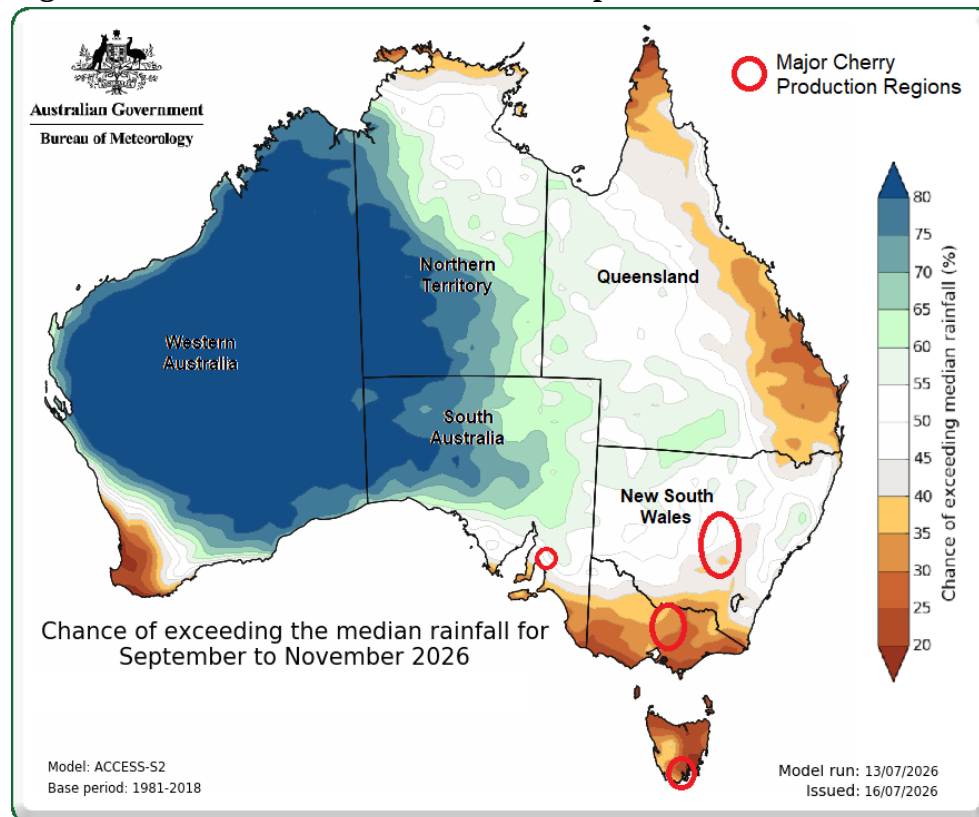
Figure 3 – Minimum Temperature Deciles in Australia – May to July 2025 and 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

The Australian Bureau of Meteorology (BOM) forecasts a low chance of rainfall exceeding the median from September to November 2026 in the two major cherry-producing regions of Victoria and Tasmania (Figure 4). Cherry growers generally prefer drier-than-average spring and summer conditions, particularly in years when adequate irrigation water is available. Tasmanian growers typically have ample access to irrigation water. In contrast, Victorian producers are likely to face low water availability, which is expected to result in high tradeable irrigation water prices during the forecast year, similar to conditions experienced in MY 2025/26.

Figure 4 – Australia Rainfall Forecast – September to November 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Drier conditions reduce the risk of disruptions during pollination and can lower the incidence of fungal infections, excessive soil moisture, fruit splitting, brown rot, and softer fruit with shorter shelf lives. However, dry conditions typically result in greater pest pressure. Where sufficient irrigation water is available, drier conditions also give growers greater control over fruit development and quality by allowing them to manage water application rather than having to contend with excessive spring rainfall.

For Tasmanian cherry producers, the combination of adequate winter chill hours, the prospect of below-average rainfall, and ample irrigation water is supportive of a positive production season with the potential for high-quality fruit.

In contrast, for Victorian cherry producers, the lack of adequate winter chill hours may be a substantial impediment to overall production. Insufficient winter chill can also result in an extended period of bud burst, creating greater challenges in managing crop development following fruit set. Growers are likely to apply treatments to encourage a more uniform bud burst. Combined with anticipated high irrigation water prices, these additional inputs are likely to increase production costs even as growers manage a smaller crop.

Furthermore, less-than-ideal and uneven bud burst is likely to result in uneven fruit development. This can reduce pack-out rates and overall fruit quality, potentially lowering grower returns. The combination of lower production, higher production costs, and reduced fruit quality is therefore expected to place additional pressure on Victorian growers in MY 2026/27.

MY 2025/26 Production Estimate

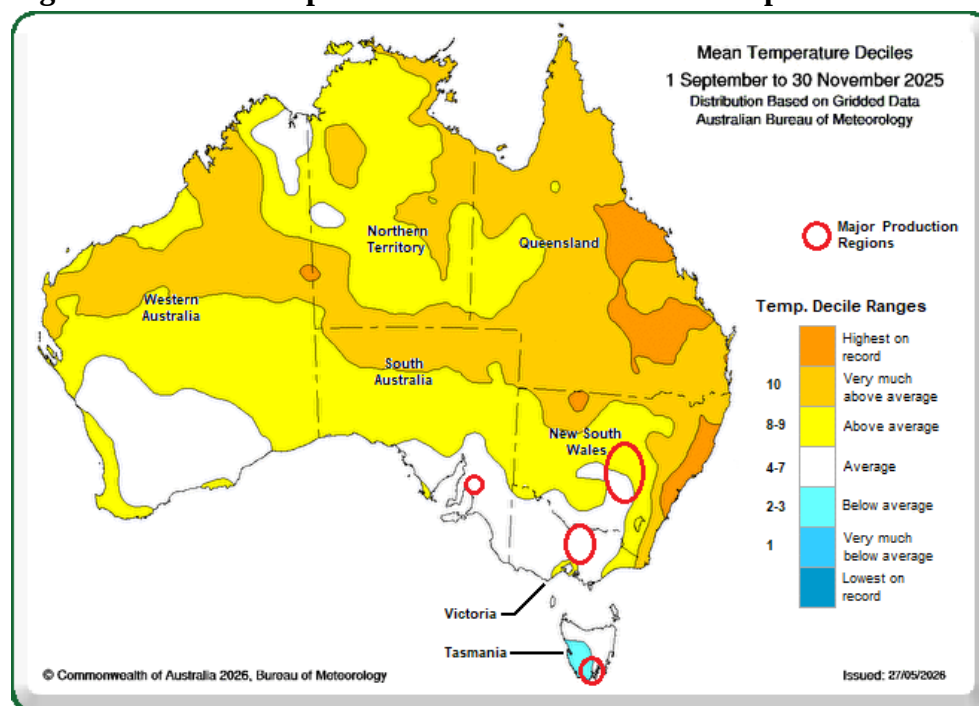
FAS/Canberra's estimate for MY 2025/26 has been increased to 20,000 MT, from the forecast of 18,000 MT made 12 months earlier. The industry broadly experienced favorable production conditions across all major cherry-producing regions. Very good winter chill hours across the major production areas supported strong bud burst, followed by very good fruit set. Cherry growers in Tasmania, Victoria, and South Australia broadly reported that fruit development was two to three weeks behind normal expectations, resulting in a later-than-usual start to the harvest.

The slower fruit development was reportedly attributed to a cooler-than-usual spring period. However, BOM records indicate that only parts of the cherry-producing areas of Tasmania experienced below-average spring temperatures. Conditions in Victoria and South Australia were generally average, while New South Wales experienced average to above-average temperatures (Figure 5). The BOM records therefore do not fully reflect the conditions reported by cherry growers. This experience is supported by reports from winter crop producers in southeastern Australia, who also described a mild finish to the season and spring conditions that enabled very good grain fill and supported elevated grain yields.

These relatively mild spring conditions reportedly extended the fruit development period, resulting in larger cherries with high sugar content and generally higher quality than usual. Cherry growers, particularly in Tasmania, reported exceptionally high pack-out rates, resulting in low levels of waste and a high proportion of fruit suitable for export markets.

There were some reports of rainfall toward the end of Victoria's cherry harvest period that affected the quality of a portion of the crop. Overall, however, Australia experienced a strong cherry production season in MY 2025/26, characterized by high production and generally high-quality fruit.

Figure 5 – Mean Temperature Deciles in Australia – September to November 2025



Source: Australian Bureau of Meteorology / FAS/Canberra

Consumption

MY 2026/27 Consumption Forecast

Domestic cherry consumption in MY 2026/27 is forecast at 15,000 MT, down an estimated 12 percent from the previous year. The decline primarily reflects an expected 15 percent reduction in marketable production in the forecast year. As mentioned, this reduction is largely attributable to a warm winter generating insufficient cold chill hours for cherry trees in Victoria, New South Wales, and South Australia.

Tasmanian growers, who benefit from the state's naturally cooler climate, have experienced very favorable conditions early in the season. The outlook for below-average rainfall is also positive, particularly because Tasmanian growers generally have ample irrigation water supplies. These conditions are expected to support high-quality cherry production in Tasmania and a strong export program. As a greater proportion of Tasmanian production is expected to be directed toward export markets, the availability of cherries for domestic consumption is likely to be further constrained.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates MY 2025/26 domestic cherry consumption at 17,100 MT, marginally below the 17,200 MT recorded in MY 2024/25, which was the highest level of domestic consumption on record. Overall, the domestic retail market had a strong supply of Australian-grown cherries, although the

season began later than usual. Favorable production conditions resulted in a strong crop, while relatively reasonable cherry prices supported strong consumer demand and helped sustain consumption at near-record levels.

Cherry imports in MY 2025/26 are also anticipated to be stronger than in recent years. The additional imported supply is expected to complement domestic production and support domestic consumption at a near-record level in MY 2025/26.

Trade
<i>Exports</i>

MY 2026/27 Export Forecast

FAS/Canberra forecasts fresh cherry exports at 4,000 MT in MY 2026/27, down from an estimated 4,900 MT in MY 2025/26, which is expected to be the third-highest export volume on record. Despite the forecast decline, the MY 2026/27 volume is broadly in line with the previous five-year average. The decline reflects the exceptionally high export volume in the previous year as well as the expected reduction in domestic cherry production in MY 2026/27.

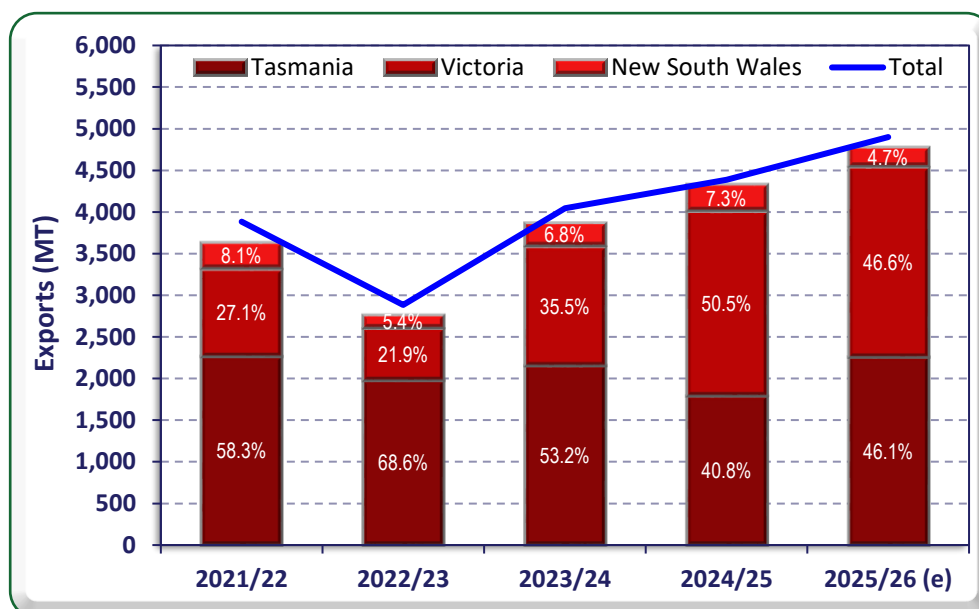
Based on seasonal conditions to date and the BOM outlook, FAS/Canberra anticipates that Tasmanian cherry growers will have another strong production season, with high-quality fruit supporting a strong export program. However, early seasonal conditions in other major producing states are expected to adversely affect cherry production, particularly in Victoria. The resulting reduction in exportable supply from these regions is expected to weigh on Australia’s overall cherry exports in the forecast year.

Victoria and Tasmania consistently account for around 90 percent of Australia’s cherry exports (Figure 6). Consequently, changes in production volumes and fruit quality in these two states have a significant bearing on Australia’s overall export performance.

Official trade data for MY 2025/26 show a sharp increase in both the volume and share of exports originating from Tasmania, while export volumes from Victoria remained relatively stable but declined as a share of national exports. For MY 2026/27, FAS/Canberra anticipates that Tasmania’s export volume will remain broadly stable. However, with exports from Victoria expected to decline, Tasmania’s share of Australia’s total cherry exports is likely to increase.

Australia’s five largest cherry export destinations—Hong Kong, Vietnam, Taiwan, Singapore, and China—are all geographically close to Australia, allowing exporters to use relatively cost-effective air freight compared with more distant markets (Figure 7). Collectively, these five markets account for approximately 75–80 percent of Australia’s cherry exports. This pattern has remained relatively stable despite year-to-year fluctuations in export volumes.

Figure 6 – Australian Cherry Exports by State and Total – MY 2021/22 to 2025/26

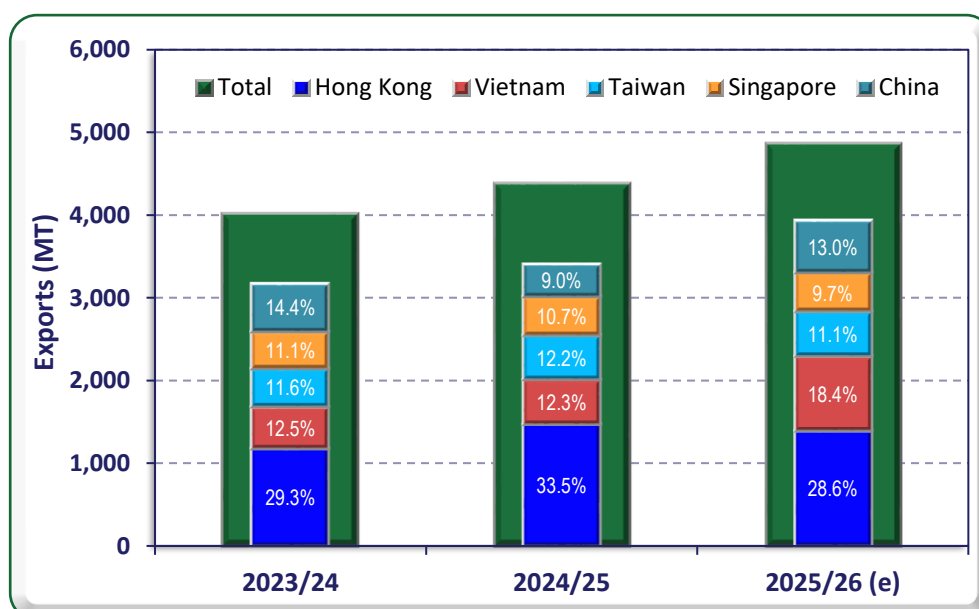


Source: Australian Bureau of Statistics

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

For MY 2026/27, FAS/Canberra anticipates little change in the relative importance of Australia's five major export destinations. One of the key factors contributing to year-to-year variation in Australia's exports to these markets is the level of competition from Chile, particularly in the Chinese market.

Figure 7 – Major Australian Cherry Export Destinations – MY 2023/24 to 2025/26



Source: Australian Bureau of Statistics

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

MY 2025/26 Export Estimate

Australian cherry exports predominantly occur from November through March. As a result, the year-to-date for MY 2025/26, from November 2025 through June 2026, is essentially the final result, with exports estimated at 4,900 MT. This represents the third-highest export volume on record and an increase of 500 MT from the previous year.

The strong export program was supported by favorable spring conditions, particularly in Tasmania and Victoria, which contributed to strong overall production and a high proportion of fruit suitable for export markets. The combination of favorable production conditions and good fruit quality enabled exporters to supply strong international demand.

The timing of the Lunar New Year also provided a positive market opportunity in MY 2025/26. Lunar New Year occurred approximately two weeks later than usual, while the Tasmanian cherry harvest was delayed by two to three weeks. The alignment of the delayed harvest with the later Lunar New Year period supported a strong export program for Tasmanian cherries to China.

Imports

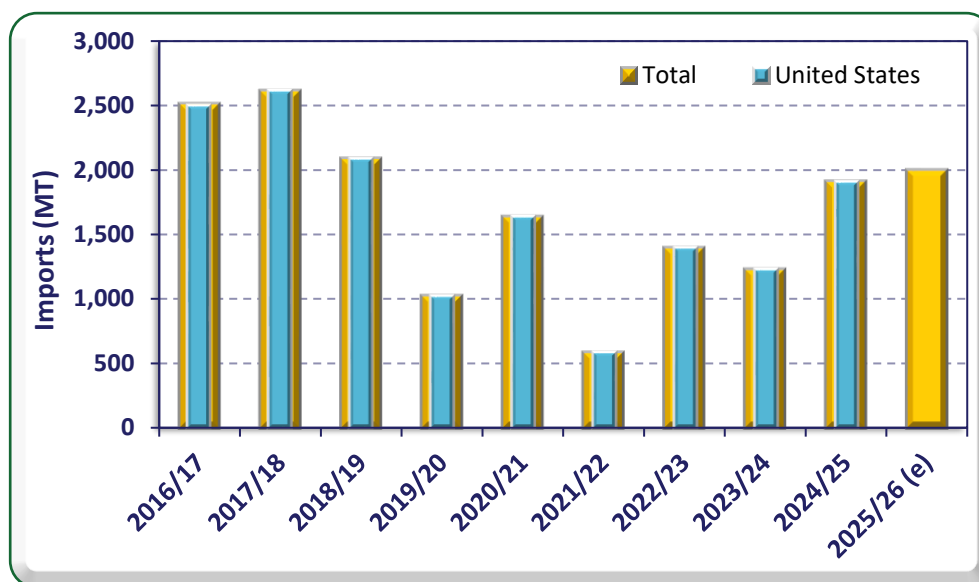
MY 2026/27 Import Forecast

FAS/Canberra forecasts cherry imports to remain stable at 2,000 MT in MY 2026/27, unchanged from the previous year. Australian stone fruit imports are counter-seasonal and are sourced almost entirely from the United States, with the majority arriving by air freight.

Over the past 10 years, Australian cherry imports have generally declined from approximately 2,000–2,500 MT to around 1,000–1,500 MT over a five-year period, before recovering to nearly 2,000 MT in MY 2024/25 (Figure 8).

In recent years, major retail grocery chains have shifted from selling cherries in boxes, which allowed consumers to select individual cherries and purchase their preferred quantities, to 300-gram packages similar to those used for berries. This change is reportedly helping reduce spoilage and improve retailer profitability. As consumers have adapted to the new packaging format, demand for out-of-season cherries has reportedly strengthened, contributing to a recovery in import volumes.

Figure 8 – Australian Cherry Import Volumes – MY 2016/17 to 2025/26



Source: Australian Bureau of Statistics

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

MY 2025/26 Import Estimate

Cherry imports for MY 2025/26 are estimated at 2,000 MT. Imports during May and June 2026 totaled approximately 700 MT, representing the only two months of import activity during the marketing year, which began in November 2025. The overall MY 2025/26 import estimate represents an increase of approximately 100 MT from the previous year.

July typically records the highest monthly import volumes, followed by a sharp decline in August, with no significant trade generally occurring from October through April. July 2025 recorded particularly strong import volumes. FAS/Canberra anticipates that imports in July 2026 will be somewhat more subdued than the unusually high levels recorded in July 2025.

Table 2 - Production, Supply, and Distribution of Fresh Cherries

Cherries (Sweet&Sour), Fresh Market Year Begins	2024/2025		2025/2026		2026/2027	
	Nov 2024		Nov 2025		Nov 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Commercial Production (MT)	20000	19700	18000	20000	0	17000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	20000	19700	18000	20000	0	17000
Imports (MT)	2000	1900	1000	2000	0	2000
Total Supply (MT)	22000	21600	19000	22000	0	19000
Domestic Consumption (MT)	17600	17200	15000	17100	0	15000
Exports (MT)	4400	4400	4000	4900	0	4000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	22000	21600	19000	22000	0	19000

(HA) ,(1000 TREES) ,(MT)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

PEACH/NECTARINE

Background

Australia's peach and nectarine production is concentrated in the southern and southeastern parts of the country, with approximately three-quarters of national production occurring in Victoria. The two principal production regions in Victoria are the Goulburn Valley in central Victoria and Sunraysia in the state's northwest. New South Wales accounts for around one-eighth of national production, with production distributed across several locations rather than concentrated in a single dominant growing region. Additional production occurs in southern Queensland, the Adelaide Hills in southeastern South Australia, and the southeastern corner of Western Australia (Figure 9). In contrast to cherries, peaches and nectarines are produced only in relatively small quantities in Tasmania.

The geographic distribution of production allows Australia to have a relatively long peach and nectarine harvest season. In general, the warmer, more northern production regions begin harvesting earlier in the season. This provides growers with a marketing advantage by allowing them to supply the domestic market before production from the cooler southern regions becomes available. However, the warmer growing conditions can also result in fruit with somewhat lower sugar content and less flavor intensity than fruit produced in cooler regions. Harvesting in the northern production areas typically extends from October through March, while harvesting in the southern regions generally runs from November through April.

The combination of different production regions and harvest periods enables the Australian industry to supply domestically produced peaches and nectarines for much of the spring, summer, and early autumn. This extended production window is important for the domestic market, where peaches and nectarines are predominantly consumed fresh and are marketed through major retail grocery chains, independent retailers, and wholesale markets.

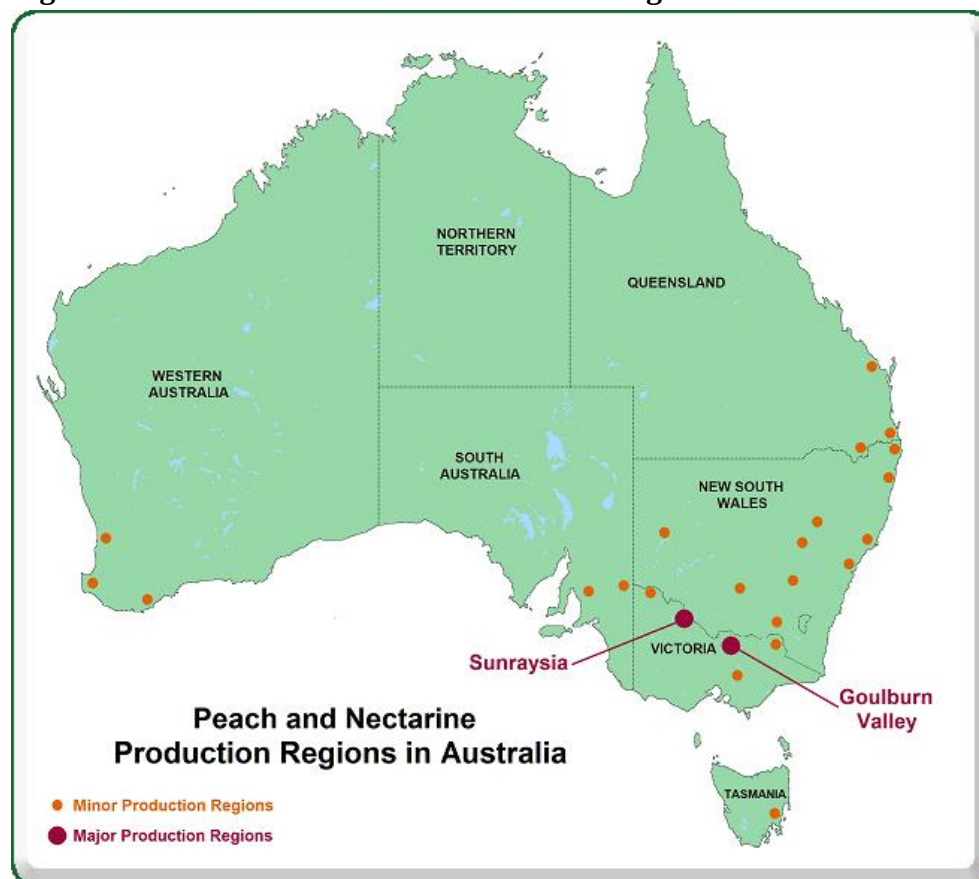
Growing conditions for peaches and nectarines are broadly similar to those required for cherries, although there are two important differences. First, peaches and nectarines generally require fewer winter chill hours to break dormancy and achieve satisfactory bud development. This allows them to be produced successfully in somewhat warmer regions than cherries. Second, the lower chilling requirement means that peaches and nectarines are generally less sensitive than cherries to modest variations in winter temperatures, although inadequate winter chill can still result in delayed or uneven bud break, poor flowering, and reduced fruit set in susceptible varieties.

As with cherries, successful peach and nectarine production depends on an appropriate balance of winter temperatures, spring weather, water availability, and conditions during fruit development and ripening. Adequate winter chill is required to achieve uniform dormancy release, while temperatures during flowering influence pollinator activity and fruit set. Dry conditions during flowering and ripening are generally preferred because excessive rainfall can interfere with pollination and increase the risk of fungal and bacterial diseases. Rainfall and high humidity during fruit ripening can also increase the risk

of fruit splitting, brown rot, and other quality problems. Adequate irrigation is therefore particularly important in Australia’s warmer production regions, where rainfall is often insufficient or poorly timed to meet crop water requirements.

The timing and quality of production are also influenced by the choice of varieties and rootstocks, which allow growers to match production to local climatic conditions and extend the harvest window. Orchard management practices, including pruning, canopy management, irrigation, and crop-load management, are important for achieving the desired fruit size, sugar content, firmness, and overall market quality. Protective infrastructure, such as hail netting, can also help reduce weather-related losses in areas prone to hail and other adverse conditions.

Figure 9 – Peach and Nectarine Production Regions in Australia



Source: Information from Summerfruit Australia Ltd

Production

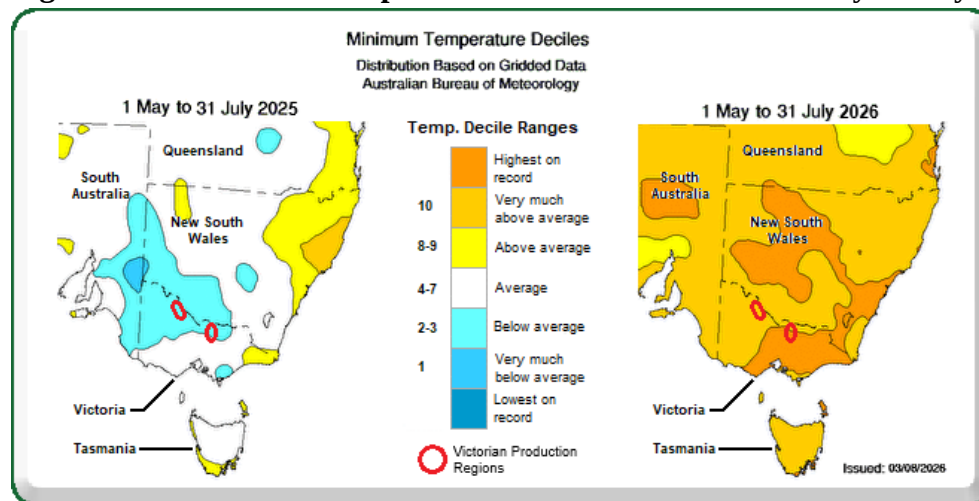
MY 2026/27 Production Forecast

FAS/Canberra forecasts peach and nectarine production to decline to 60,000 MT in MY 2026/27, down from an estimated 66,000 MT in MY 2025/26. Production in the forecast year is expected to face several challenges, including an unseasonably warm winter that has reportedly resulted in a deficit of cold chill

hours for some peach and nectarine varieties. Insufficient winter chill can lead to delayed and uneven bud burst, reducing the potential for a strong fruit set. In addition, substantial rainfall over the winter period has left soils fully saturated in some production areas. Excess soil moisture during the transition from dormancy to spring can encourage vigorous vegetative and root growth, potentially diverting tree resources away from fruit production and development. Major producing regions are also likely to face low irrigation water availability, which is expected to increase tradeable water prices and add to production costs.

The major production regions of the Goulburn Valley and Sunraysia in Victoria experienced minimum winter temperatures that were well above average (Figure 10). Industry sources indicate that the reduced accumulation of winter chill is likely to adversely affect bud burst and, consequently, reduce the potential for fruit set in peach and nectarine trees. Growers are expected to apply treatments to encourage earlier and more uniform bud burst in an effort to optimize production under the current conditions. However, these treatments cannot fully compensate for an inadequate dormancy period, and an adverse impact on overall production is still expected.

Figure 10 – Minimum Temperature Deciles in Australia – May to July 2025 and 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Rainfall across the winter months of June and July 2026 and the first half of August has been at average to well above average particularly so in the more southern Goulburn Valley region, one of the two major peach and nectarine producing regions in Australia. Excessive soil moisture as trees transition from dormancy into spring can promote vigorous shoot and root growth while simultaneously compromising fruit set and subsequent fruit development. This is currently a particular concern in the Goulburn Valley and, to a lesser extent, in Sunraysia.

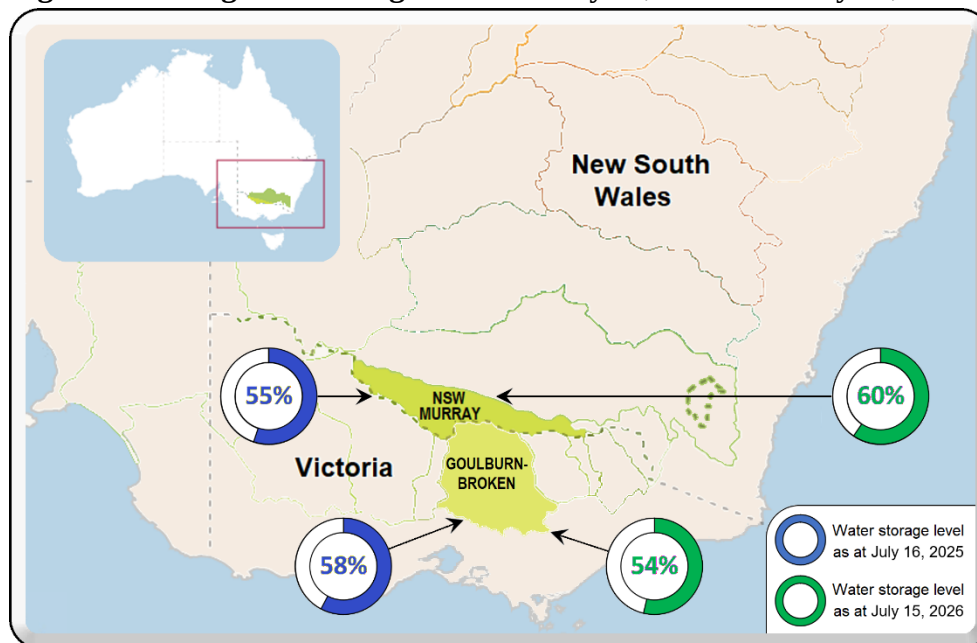
The BOM outlook indicates a low chance of rainfall exceeding the median from September to November 2026 for Victoria’s two major peach and nectarine-producing regions. As with cherries,

growers generally prefer drier-than-average spring and summer conditions, particularly in seasons when adequate irrigation water is available. For Victorian peach and nectarine producers, however, irrigation water availability is likely to be low in MY 2026/27. This is expected to result in high tradeable irrigation water prices, similar to conditions experienced during MY 2025/26. Irrigation water is not a major component of peach and nectarine production costs, so growers are generally better positioned to absorb higher water prices than would be the case if water represented a larger share of total production costs.

Similar to the situation for cherries, drier-than-usual conditions during spring and summer can reduce the risk of disruptions during pollination, fungal infections, excessive soil moisture, fruit splitting, brown rot, and softer fruit with shorter shelf life. These conditions therefore provide growers with greater control over fruit development and quality because irrigation can be applied according to crop requirements rather than growers having to manage excessive and poorly timed rainfall. The trade-off, however, is that dry conditions typically increase pest pressure and can require additional pest management.

At the beginning of the irrigation season in September 2026, water availability in the major irrigated stone fruit production regions of the Goulburn Valley and Sunraysia is expected to be low and broadly similar to the previous year (Figure 11). The forecast for below-average spring rainfall, particularly across the catchments supplying these irrigation areas, could further reduce water allocations and contribute to higher tradeable water prices.

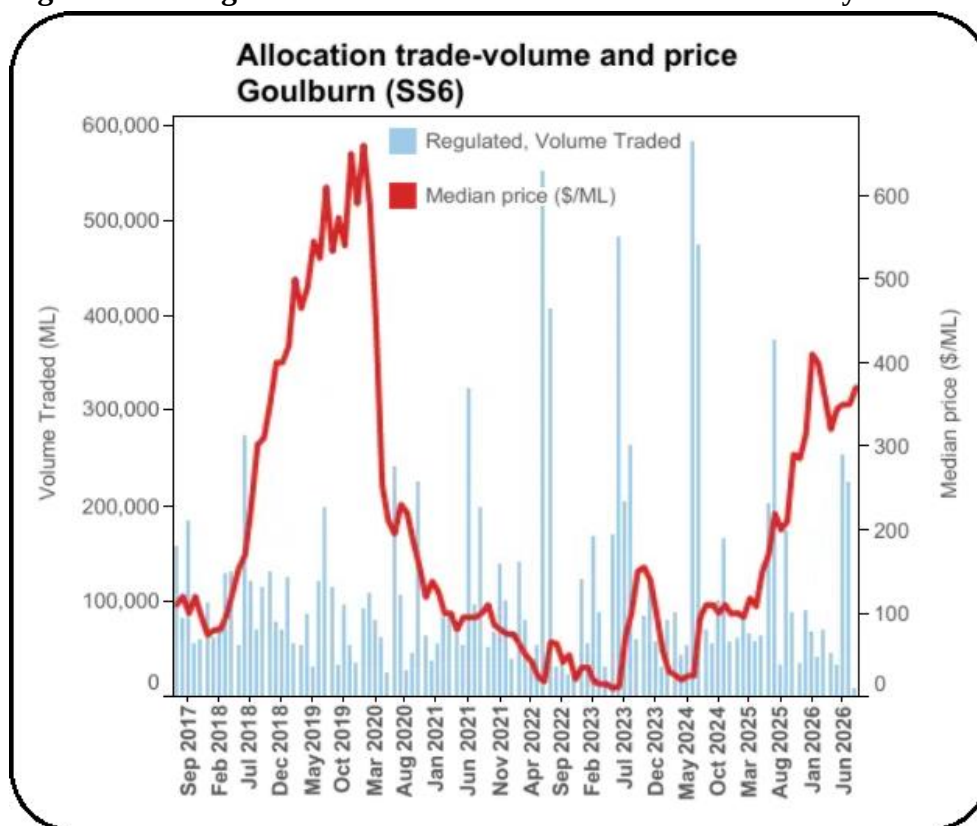
Figure 11 – Irrigation Storage Levels – July 16, 2025 and July 15, 2026



Source: Murray Darling Basin Authority

If tradeable irrigation water prices in MY 2026/27 become significantly higher than in the previous year (Figure 12), the combination of higher input costs and lower production could place additional pressure on grower returns. Unless higher peach and nectarine prices offset these increased costs and reduced yields, some growers may accelerate the removal of less profitable peach and nectarine orchards. Such removals could further reduce Australia’s medium-term production potential, particularly if replacement plantings do not occur at a sufficient rate.

Figure 12 – Irrigation Water Trade Volume and Price History

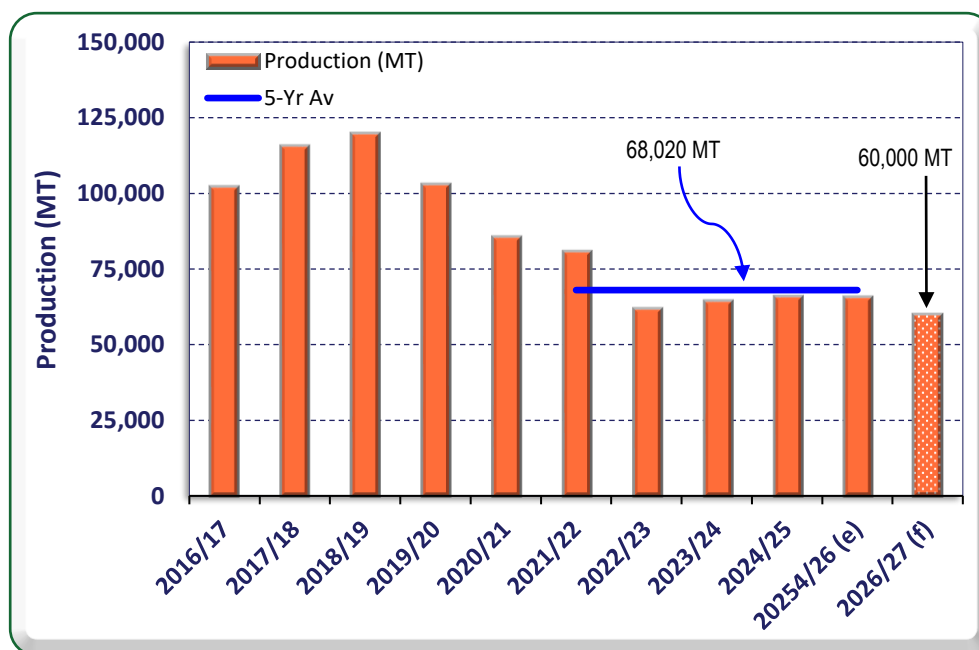


Source: Australian Bureau of Meteorology

In recent years, following the COVID-19 pandemic, Australian peach and nectarine production has declined from previous levels of around 110,000 MT to approximately 68,000 MT (Figure 13). Given the current production challenges facing the industry in MY 2026/27, there is potential for national average production to decline further in the coming years if orchard removals continue and investment in replacement plantings remains limited.

Nevertheless, there is scope for longer-term production recovery through the replacement of older orchards with newer trellised plantings and higher-yielding varieties. Modern orchard systems can improve yields and potentially enhance fruit quality and production efficiency. However, growers would need positive and sustained market price signals to justify the greater capital investment associated with these more intensive production systems.

Figure 13 – Peach and Nectarine Production Trend



Source: PSD online and FAS/Canberra estimates and forecasts

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

MY 2025/26 Production Estimate

FAS/Canberra estimates MY 2025/26 peach and nectarine production at 66,000 MT, broadly unchanged from the previous year's 66,200 MT. Seasonal conditions across Victoria's two major peach and nectarine-producing regions, which together account for the majority of national production, were generally favorable. Key conditions included:

- **Adequate to good winter chill hours**, supporting satisfactory dormancy and bud development.
- **Good flowering and fruit set**, which provided a solid foundation for production.
- **Relatively dry conditions during the main December-to-January harvest period**, supporting fruit quality and reducing weather-related disruptions.

Industry reports indicate that spring weather was milder than usual, resulting in the start of the harvest running approximately two weeks later than normal. Despite the delayed start, fruit size was generally good and sugar content was high, resulting in reports of good overall eating quality.

A significant rainfall event occurred in March 2026, primarily affecting the Sunraysia region. However, the rainfall occurred toward the end of the harvest season and therefore had no significant impact on the overall production outcome for MY 2025/26.

Consumption

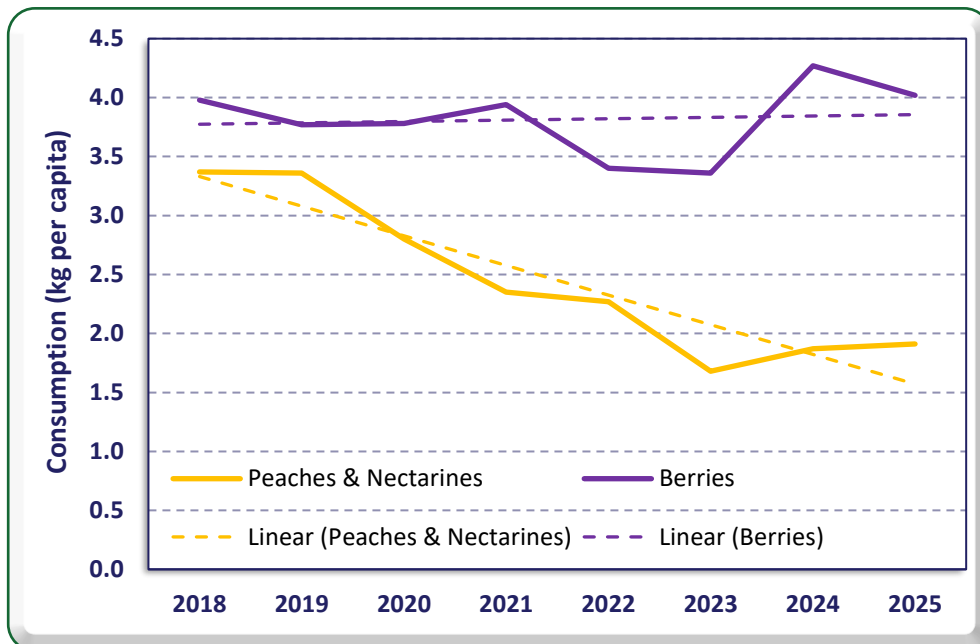
MY 2026/27 Consumption Forecast

FAS/Canberra forecasts domestic peach and nectarine consumption at 50,600 MT in MY 2026/27, down from an estimated 54,900 MT in MY 2025/26. This represents a decline of approximately eight percent and is primarily attributed to the forecast 6,000-MT reduction in domestic production. With less domestically produced fruit available, supply to the domestic market is expected to decline accordingly.

Industry sources indicate that Australian consumers have increasingly favored berries in recent years, while consumption of peaches and nectarines, along with apples, has declined. Industry data confirms an upward trend in berry consumption alongside a sharp decline in peach and nectarine consumption (Figure 14).

The increase in berry consumption has coincided with rising domestic berry production and greater year-round availability. As production has expanded, berry prices have also generally declined, helping to encourage increased consumer demand. It is unclear, however, whether there is direct competition between berries and peaches and nectarines for consumers' spending. Rather, the decline in peach and nectarine consumption is likely influenced by a broader range of factors that warrant further consideration by the industry.

Figure 14 – Australian Peach and Nectarine and Berry Consumption Trends



Source: Horticulture Innovation Australia

As noted above, Australian peach and nectarine production has remained well below historical levels in recent years. This has constrained the volume of fruit available to the domestic market and, in turn,

contributed to lower per capita consumption. However, if underlying domestic demand for peaches and nectarines were strong, it would be expected that higher retail prices would provide growers with sufficient market signals to expand plantings and increase production. There is, however, a lag of approximately four to five years between establishing new trees and realizing the resulting increase in production. At present, there is limited evidence that peach and nectarine growers are planning significant increases in tree plantings or production in the near term.

On balance, the decline in peach and nectarine consumption appears to reflect a combination of factors. Cost-of-living pressures in Australia, as in many other developed countries, are increasing competition for consumers’ discretionary spending. At the same time, the expansion of domestic berry production, increased year-round availability, and declining berry prices appear to be contributing to changing consumer preferences and may be drawing some demand away from peaches and nectarines. This trend is expected to continue during MY 2026/27 and potentially over the coming years, particularly if peach and nectarine production and availability remain below historical levels.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates peach and nectarine consumption at 54,900 MT in MY 2025/26, slightly above the 54,500 MT estimated for the previous year. The modest increase is primarily attributable to broadly similar levels of domestic production and export demand between the two seasons.

As noted in the production section, seasonal conditions in MY 2025/26 were broadly favorable, and industry reports indicate that fruit quality was good. There was no significant change in overall production or fruit quality compared with the previous season. Consequently, there was little change in the proportion of the crop directed toward export markets versus domestic consumption, resulting in only a marginal increase in estimated domestic consumption.

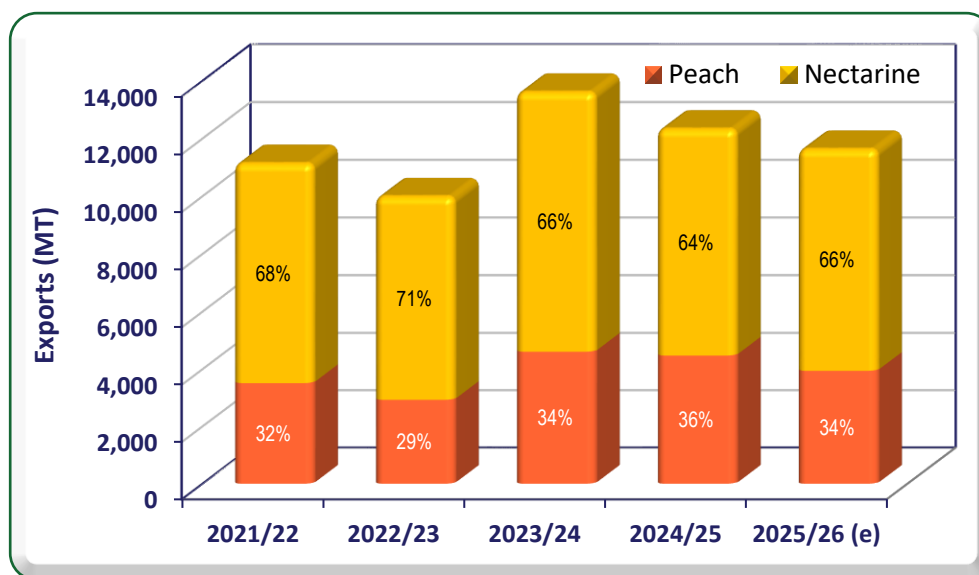
Trade
Exports

MY 2026/27 Export Forecast

FAS/Canberra forecasts fresh peach and nectarine exports to decline to 10,000 MT in MY 2026/27, down from an estimated 11,700 MT in MY 2025/26. The reduction is primarily attributable to lower anticipated production, which is also expected to reduce the volume of peaches and nectarines available for domestic consumption.

Peaches and nectarines have different characteristics that influence their export potential and transport options. Peaches have relatively soft flesh and a short shelf life, making them generally unsuitable for long-distance sea freight. Nectarines have firmer flesh and are therefore better suited to sea transport. As a result, nectarines account for approximately two-thirds of Australia’s total peach and nectarine exports, while peaches account for the remaining one-third (Figure 15).

Figure 15 – Australian Peach & Nectarine Exports – MY 2021/22 to MY 2025/26

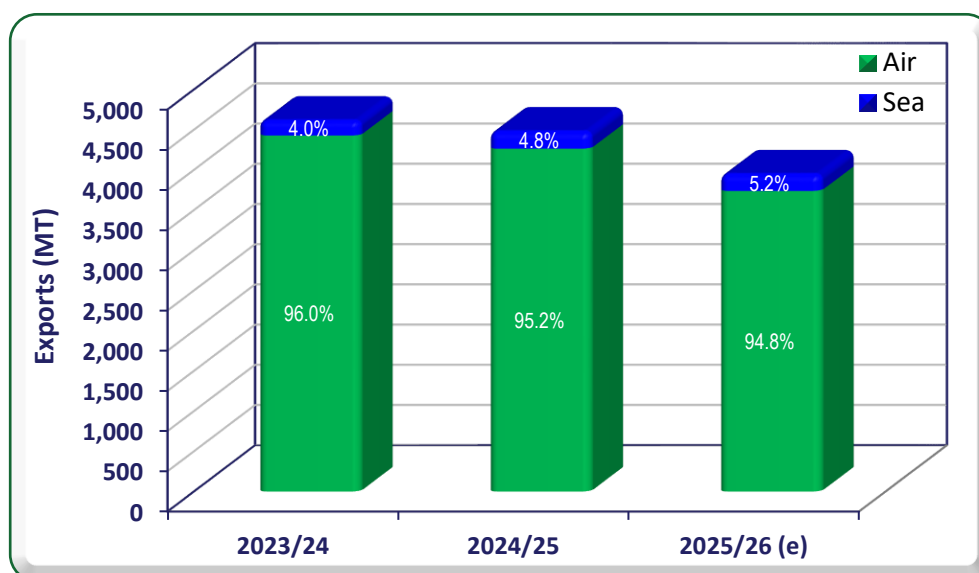


Source: Australian Bureau of Statistics

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

Most Australian peaches are exported by air freight (Figure 16) because of their soft flesh and relatively short storage life. Australia's geographic distance from its major export markets further increases the importance of rapid transportation. Peaches are also more susceptible to chilling injury than nectarines, which further limits their storage life and ability to withstand extended transport. Consequently, air freight is required for exports to the majority of Australia's Asian markets.

Figure 16 – Australian Peach Exports by Transport Mode – MY 2023/24 - MY 2025/26



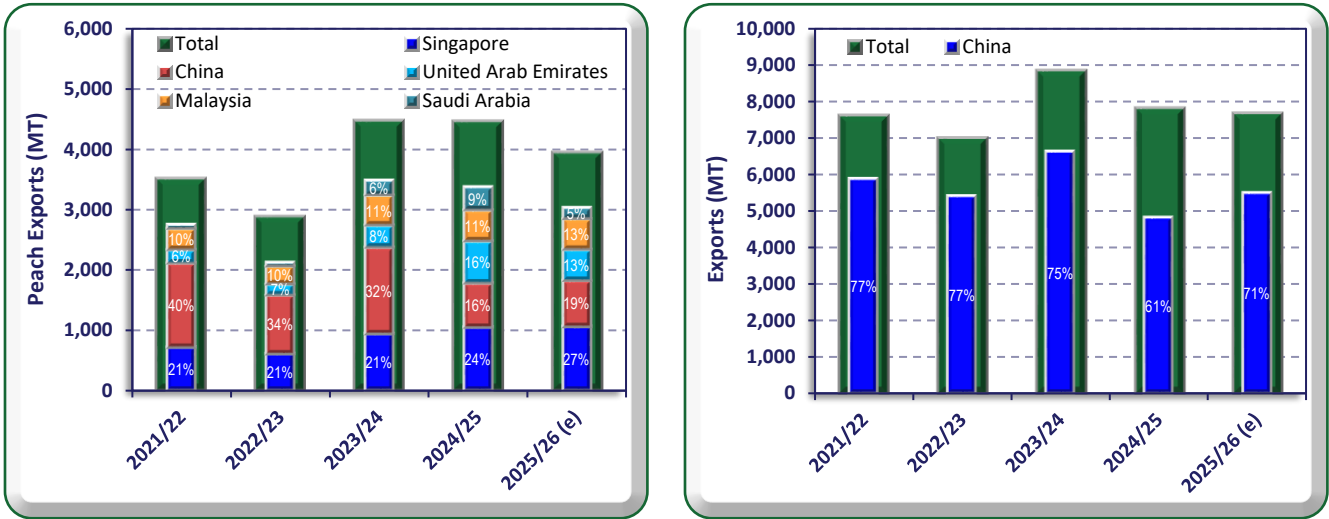
Source: Australian Bureau of Statistics

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

Australian peach exports are relatively diversified, with approximately 75 percent of shipments destined for five main markets, primarily in Asia. China was historically the principal market for Australian peaches; however, export volumes to China have gradually declined over the past five years. During the same period, exports to Singapore and the United Arab Emirates have increased. Over the past two years, Singapore has become Australia’s largest peach export market (Figure 17).

The export market for Australian nectarines is considerably more concentrated. China has historically accounted for more than three-quarters of Australia’s nectarine exports. With the exception of MY 2024/25, when there was a significant decline in nectarine exports to China, the Chinese market has generally maintained a dominant share of around three-quarters of Australia’s total nectarine exports. The remainder of Australia’s nectarine exports consists of relatively small volumes shipped to a range of other Asian and Middle Eastern markets.

Figure 17 – Australia Peach and Nectarine Exports – Nov to Jun 2021/22 to 2025/26



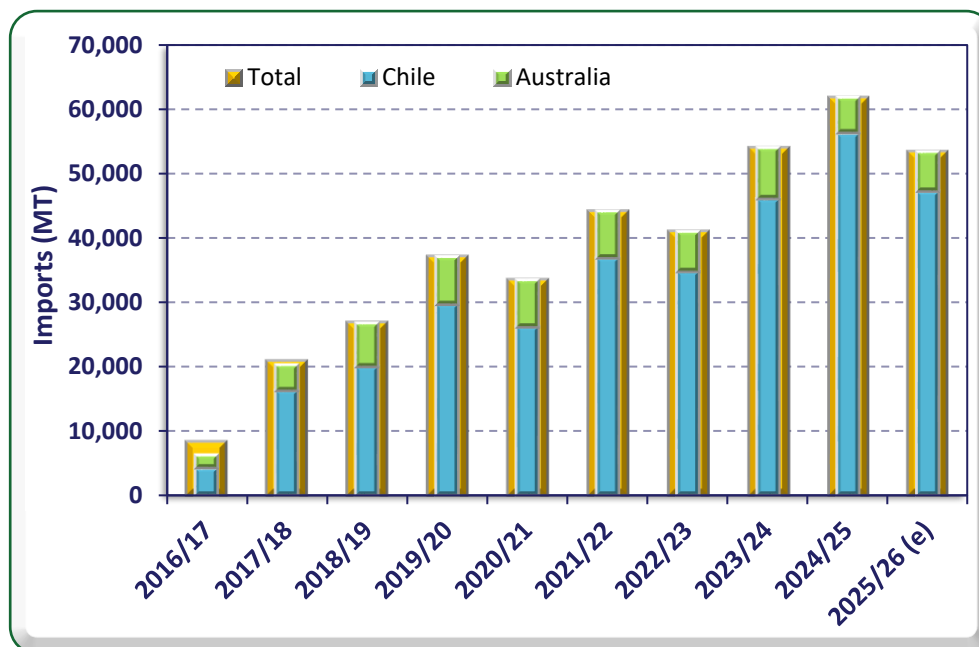
Source: Australian Bureau of Statistics
Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

China began importing peaches and nectarines only about 10 years ago and has sourced almost all of these imports from Chile and Australia during this period. Australia has recently accounted for approximately 15 percent of China’s peach and nectarine imports, although this share declined to around 10 percent over the past two marketing years (Figure 18). Increased Australian exports to Singapore and the United Arab Emirates have broadly offset the decline in shipments to China.

Traditional peaches and nectarines grown in China are predominantly white-flesh varieties that are sweet, fragrant, and low in acidity. These characteristics are generally associated by Chinese consumers with a high-quality eating experience. However, reports indicate that consumers in some major regions of China do not have a strong preference between white- and yellow-flesh peaches and nectarines. Nevertheless, Australian growers have increasingly shifted their plantings toward white-flesh varieties

over the past decade in an effort to align production with consumer preferences in key export markets and improve the prospects of fruit being directed to export markets.

Figure 18 – Australian Peach & Nectarine Imports by China



Source: Trade Data Monitor

Note: MY 2025/26 = November 2025 to June 2026, (e) = estimate

MY 2025/26 Export Estimate

FAS/Canberra estimates MY 2025/26 peach and nectarine exports at 11,700 MT, five percent below the previous year's 12,300 MT. This estimate is effectively final, as almost all Australian peach and nectarine exports occur during the first six months of the marketing year, from November through April.

The modest decline in exports from the previous year, despite broadly similar production levels, was reportedly associated with milder-than-usual spring and summer conditions, which delayed the start of the harvest by approximately two weeks. The timing of the harvest is particularly important for Australia's access to Asian markets, where Australia competes with other Southern Hemisphere suppliers.

Australian peach and nectarine exports typically begin arriving in China in November, approximately one month ahead of Chilean shipments, which generally begin arriving in December. Australian exports to China were significantly lower than usual in November 2025. From December onward, Australian exporters face increasing competition from Chile for market share in China and other Asian markets. Industry sources consider this increased competition, particularly following the reduced early-season

Australian supply, to have been a major contributor to the decline in Australian peach and nectarine exports in MY 2025/26.

Imports

MY 2026/27 Import Forecast

Peach and nectarine imports are forecast to remain stable at approximately 600 MT in MY 2026/27, unchanged from the previous two marketing years. Although historical import volumes were significantly higher, imports remain constrained by the decision of Australia's two largest retail chains to stop stocking imported peaches and nectarines in recent years.

Peach and nectarine imports are counter-seasonal to Australian production and are sourced almost entirely from the United States, arriving primarily by air freight.

Because imported peaches and nectarines enter the Australian market counter-seasonally, they do not directly compete with domestically produced fruit during the main Australian harvest period. However, U.S. peaches and nectarines typically retail in Australia at approximately four to five times the price of domestically produced fruit of similar quality when domestic fruit is in season. This substantial price differential limits consumer demand for U.S. peaches and nectarines and creates challenges for Australia's major retailers in managing imported product.

The relatively small market for imported peaches and nectarines also makes it more difficult for major retailers to maintain consistent product quality and reliable supply in their stores. These challenges, combined with consumer preferences increasingly shifting toward berries, have contributed to the major retail chains' decision not to routinely stock imported peaches and nectarines.

MY 2025/26 Import Estimate

FAS/Canberra estimates MY 2025/26 peach and nectarine imports at 600 MT, unchanged from the previous marketing year. Following the decision by the major retail chains to stop offering imported peaches and nectarines, import volumes have settled at around 600 MT, well below historical levels that exceeded 1,500 MT.

The withdrawal of the major retailers was influenced in part by the challenges of maintaining product quality with relatively small sales volumes, as well as changing consumer preferences and increased demand for berries. With limited access to the major retail distribution networks, imported peaches and nectarines are likely to remain a relatively small segment of the Australian market unless retailers reintroduce these products or consumer demand strengthens sufficiently to support greater import volumes.

Table 3 - Production, Supply, and Distribution of Fresh Peaches & Nectarines

Peaches & Nectarines, Fresh Market Year Begins Australia	2024/2025		2025/2026		2026/2027	
	Nov 2024		Nov 2025		Nov 2026	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Commercial Production (MT)	75000	66200	70000	66000	0	60000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	75000	66200	70000	66000	0	60000
Imports (MT)	600	600	800	600	0	600
Total Supply (MT)	75600	66800	70800	66600	0	60600
Domestic Consumption (MT)	63200	54500	58800	54900	0	50600
Exports (MT)	12400	12300	12000	11700	0	10000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	75600	66800	70800	66600	0	60600
(HA) ,(1000 TREES) ,(MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments