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Prepared By: Zeljko Biki

Approved By: Lazaro Sandoval

Report Highlights:

Australia's barley production is forecast to reach a record of 17.7 million metric tons (MMT) in MY 2026/27, while wheat production is forecast to decline 11 percent to 32.0 MMT. Favorable growing conditions in southern Australia are supporting above-average yields, although Western Australian yield prospects have eased following below-average mid-season rainfall. Sorghum production prospects have improved markedly following widespread rainfall in mid-October at the start of planting, supporting a forecast of 2.3 MMT and strong exports. Better-than-expected rainfall has also improved irrigation water availability and lifted the rice production forecast to 195,000 metric tons (MT), milled basis. Nevertheless, rice output remains well below historical averages, and imports are forecast to reach a record 325,000 MT.

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EXECUTIVE SUMMARY

Australia's barley production is forecast at a second successive record of 17.7 MMT in MY 2026/27, up 4.4 percent from MY 2025/26, while wheat production is forecast to decline 11.1 percent to 32.0 MMT. Favorable growing conditions and a shift in plantings from wheat toward barley are supporting this outcome. Higher nitrogen fertilizer prices associated with the ongoing Middle East situation encouraged growers to favor barley, which generally requires less nitrogen. The prospect of El Niño-related moisture stress also supported this shift, particularly in eastern Australia.

In southern New South Wales, Victoria, and South Australia, seasonal conditions have been among the best on record. Western Australia had a very strong start to the season and crop potential was shaping up for near record yields but yield expectations are now a little above average due to a lack of mid-season rains. Queensland and northern New South Wales had a very late start to the season resulting in a much lower planted area.

After many months of very dry prevailing conditions, very good rainfalls in the middle of October 2026 have been welcomed in the sorghum producing regions of Queensland and northern New South Wales. Coupled with the Australian Bureau of Meteorology (BOM) three-month forecast of above average rain, the MY 2026/27 sorghum production prospects have sharply improved.

Despite concerns about El Niño-related drought, winter and early spring rainfall in rice-producing areas and their catchments improved irrigation water availability and lifted planting expectations. Nevertheless, forecast rice area remains approximately 57 percent of the previous 10-year average, and production remains similarly below historical levels.

Wheat production is forecast at 32.0 MMT, down approximately 4.0 MMT from the previous year but about 10 percent above the 10-year average. Barley production is forecast at 17.7 MMT, up approximately 0.7 MMT (4.4 percent) year-on-year and about 40 percent above the 10-year average.

Wheat exports are forecast to be 25.0 MMT, the third highest on record and well above the 10-year average of 20.4 MMT. Barley exports are projected at 13.0 MMT, which would be the second consecutive record year of trade, far above the 10-year average of 7.3 MMT.

Sorghum production is forecast at 2.3 MMT for MY 2026/27, well above the 10-year average of 1.8 MMT. With limited domestic use, exports are forecast at 2.2 MMT, supported by strong Chinese demand.

Rice production is forecast to recover to 195,000 MT (milled basis) in MY 2026/27, from a low estimate of 128,000 MT in the previous year. Rice imports are forecast to reach a record 325,000 MT, while exports are expected to decline to 100,000 MT.

WHEAT

Production

MY 2026/27 Production Forecast

FAS/Canberra forecasts Australian wheat production in MY 2026/27 at 32.0 MMT, down approximately 4.0 MMT (11.1 percent) from MY 2025/26 but 1.0 MMT above the forecast made three months earlier. If realized, production would be about 10.5 percent above the previous 10-year average but 7.4 percent below the previous five-year average, which includes four of the five largest crops on record. The year-on-year decline primarily reflects reduced planting in Queensland and northern New South Wales following a late seasonal break, together with a shift toward canola and barley due to higher nitrogen fertilizer costs. Western Australia's below-average mid-season rainfall has tempered yield prospects, while favorable conditions in southern growing regions have supported very strong crop potential. The June 16, 2026, declaration of El Niño conditions also increased uncertainty over rainfall and in-crop nitrogen applications.

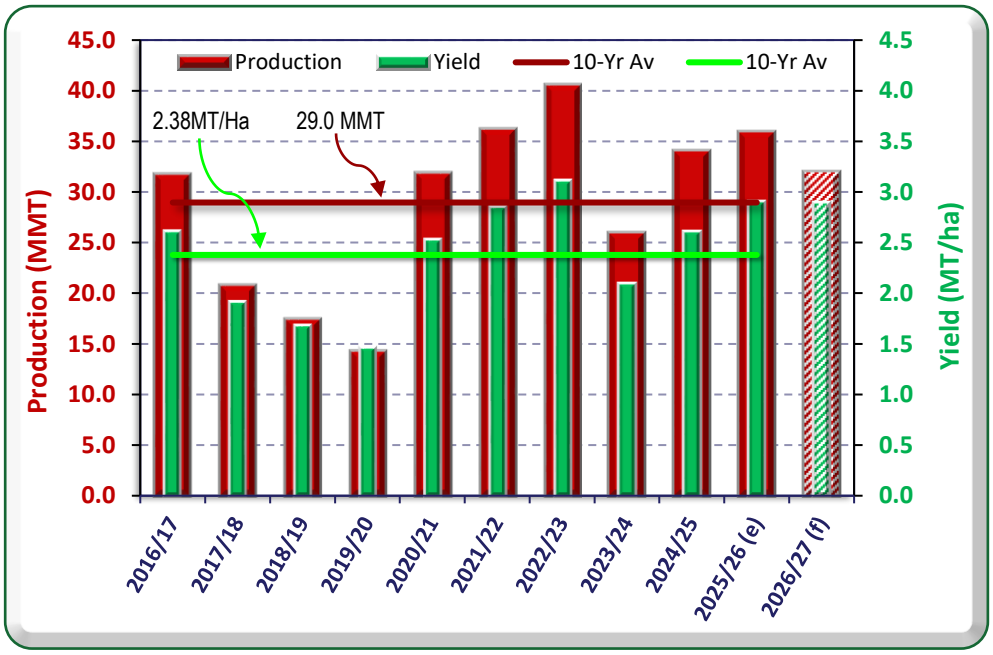
Harvesting began in Queensland, northern New South Wales, and Western Australia in late September. In more southern regions, good rainfall in early October is expected to benefit the grain-filling phase and enhance yields for later-maturing crops.

In Queensland and northern New South Wales, producers have had a relatively poor season with little in crop rainfall, but early reports are that yields are better than anticipated. In Western Australia, the season started well but rainfall in the back half of the season has been below average and has tempered yield expectations.

In southern New South Wales, Victoria, and South Australia, ample early-season soil moisture and above-average temperatures promoted strong crop growth and high yield potential. Timely subsequent rainfall and mild spring conditions have supported grain filling, providing crops with an opportunity to approach their high yield potential.

Nationally, wheat harvested area is forecast to decline 11.0 percent in MY 2026/27, while average yields are expected to remain broadly unchanged (Figure 1), resulting in an 11.1 percent decline in production. The main drivers of reduced plantings were dry conditions and delayed sowing in Queensland and northern New South Wales, together with higher nitrogen fertilizer prices that favored canola and the less nitrogen-intensive barley crop.

Figure 1 – Australian Wheat Production and Yield History



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

Regional Overview - Queensland and Northern New South Wales

A region more suited to summer crops and winter cropping is opportunistic depending on stored soil moisture from summer rains due to lower reliability of winter rainfall. Winter cropping is mostly focused on wheat and barley and during less favorable seasonal conditions the focus turns towards barley.

Wheat growers in Queensland and northern New South Wales had little rain of any consequence until a big rain event in late May 2026 and have had little rain since then. The rain resulted in paddocks being too wet for planting until well into June, which for the warmer northern climate became too risky for wheat. Those that did choose to plant generally opted for barley. Overall, the planted area of wheat in this region is notably down from recent past years.

Harvest in this region began in late September and reports indicate yields are low, but better than anticipated.

The core of the Australian beef feedlot industry is in this region and there are reports that due to the dry seasonal conditions in this region there is strong demand for fodder and some growers are opting to cut their crops for silage. Additionally, grain prices are elevated in this region due to demand from feedlots and the high cost of diesel has elevated the cost of transport and subsequently cost of grain from central New South Wales and further south.

Regional Overview - Central New South Wales

A relatively reliable winter cropping region which over time has increased its focus towards wheat and canola production and away from barley.

Unlike Queensland and northern New South Wales, central New South Wales received above-average rainfall in March, followed by average to below-average rainfall from April to June. This supported a positive start to the season. Above-average temperatures accelerated crop development, which was around two weeks ahead of normal by the end of June 2026. Rainfall was average from July to September, but continued warm conditions increased moisture use, leaving soil moisture levels low by late September.

Good rainfall and mild temperatures in the first half of October improved grain-filling prospects in central New South Wales. Before these rains, growers were concerned that hot, dry El Niño conditions could leave grain partially unfilled and reduce yield and quality. Yields are now expected to be strong, although below the region's best seasons.

Regional Overview - Western Australia

Good summer and early fall rainfall resulted in majority of growers with subsoil moisture at the start of the planting period. Rains in late March/early April led to increased canola planting at the expense of wheat area. These rains resulted in the majority of the winter crop being planted by mid-May into moisture, which is the earliest start since the high yielding 2022/23 season.

Rainfall across the majority of the grain belt in mid-June along with warm soil temperatures supported strong crop growth and development was at an advanced stage compared to normal. Strong plant growth with sub-optimal soil moisture put winter crops at risk, but the crop potential was reported to be in line with the record 2025/26 yields. As a response to the spike in nitrogen fertilizer prices related to the Middle East situation, applications were reported to be down 10-15 percent from previous high production years, but the starting soil nitrogen levels was higher than normal.

Dry weather from July through to late August saw crops running out of moisture and crops yield potential rapidly declining. But good rain in the last week of August stopped the slide. September rains were light, but temperatures were below average enabling slow grain fill where moisture was available, resulting in a lift in yields.

With harvest now commenced, reports are that grain yields are very good, and industry anticipates above average wheat yields with variable quality. Some crops ran out of moisture and will have partially unfilled grains (screenings). Additionally, it is likely that there will be a greater variance in protein levels due to variation in nitrogen strategies.

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

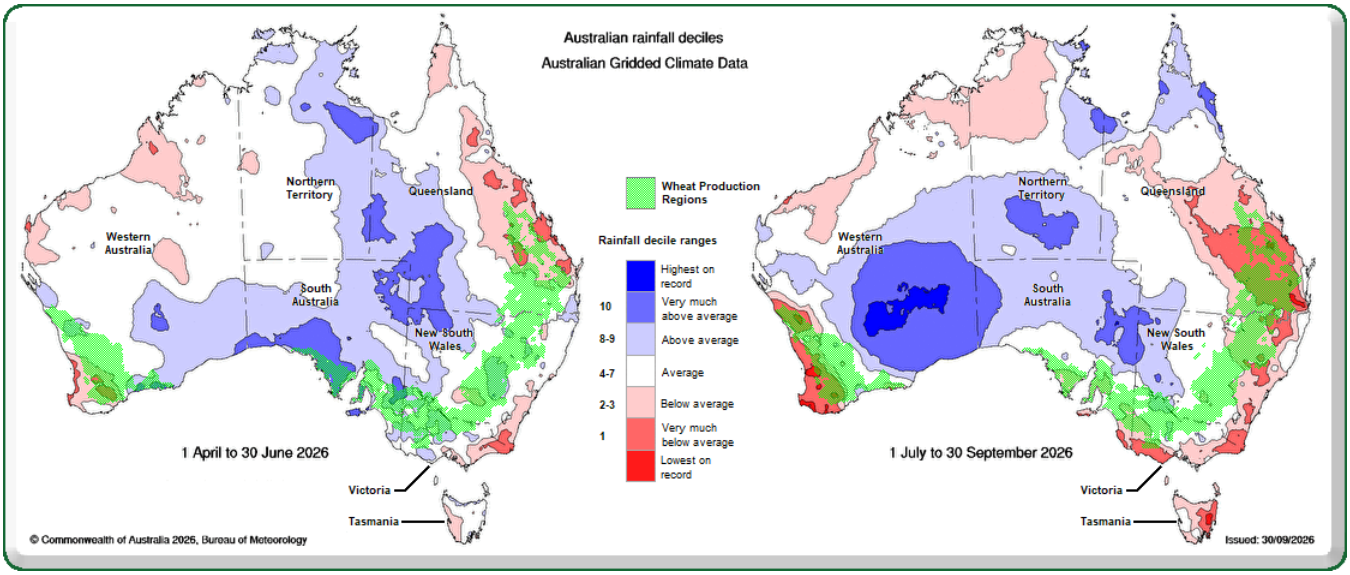
These southern regions have broadly experienced very favorable seasonal conditions despite an El Niño being declared by the BOM on June 16, 2026, which typically brings drought conditions. Rainfall in March, for the lead up to the start of planting, was well above average and then around average to above average across April to June (Figure 2) during planting and crop establishment. At the same time temperatures were above average (Figure 3), which strongly promoted crop development and at the end of June its development stage was two to three weeks ahead of usual.

For the July to September period, rainfall in the southern regions was average and in some parts slightly below average (Figure 2) but with ample soil moisture this didn't hinder the crop progress. Temperatures also continued to be above average across July to September, and crop development continued towards a high yield potential.

At the start of October 2026, the major crops had drawn on soil moisture reserves leaving them at average to slightly below average levels (Figure 4). At this point frost risk had passed and there was sufficient soil moisture for growers to be confident for the grain fill phase. The situation was a matter of whether they would reach their full yield potential which was to be determined mostly by prevailing conditions in October 2026.

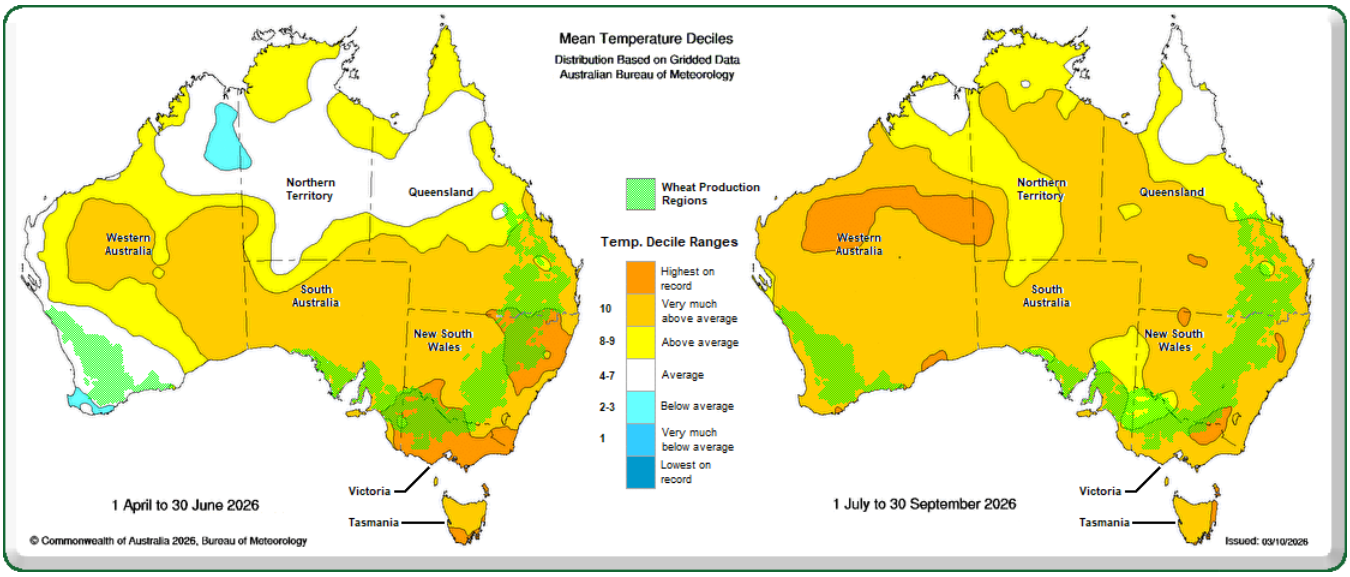
The first half of October 2026 has brought with it some rains (Figure 5), and mild spring temperatures with no bursts of hot weather. Based on the current situation, growers in the southern region are anticipating this season to be amongst their best seasons on record.

Figure 2 – Australia Rainfall Deciles – April to June 2026 and July to September 2026



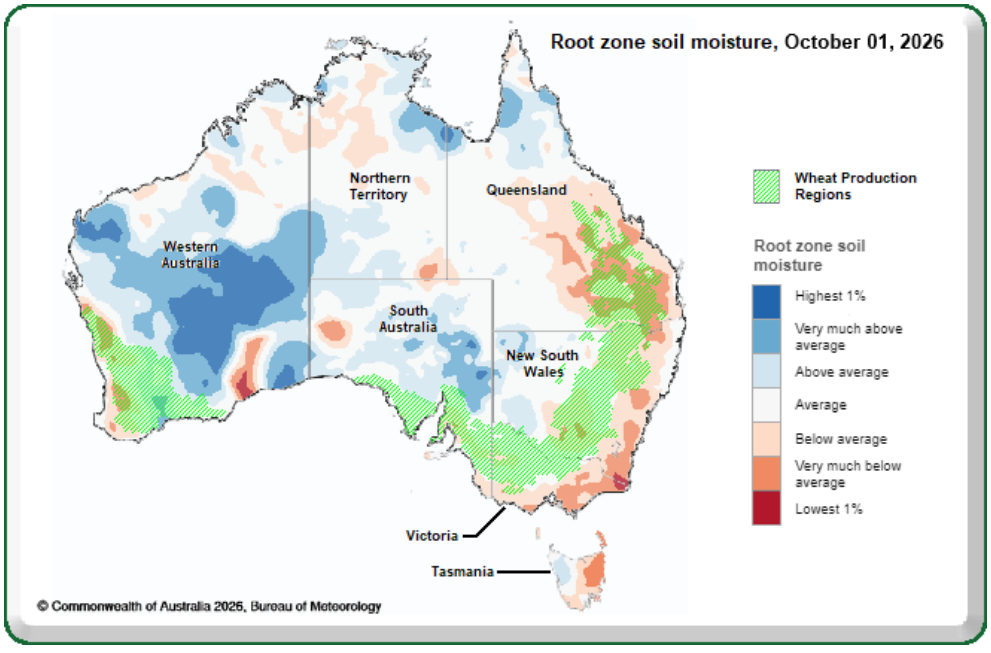
Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 3 – Australia Mean Temperature Deciles – April to June 2026 and July to September 2026



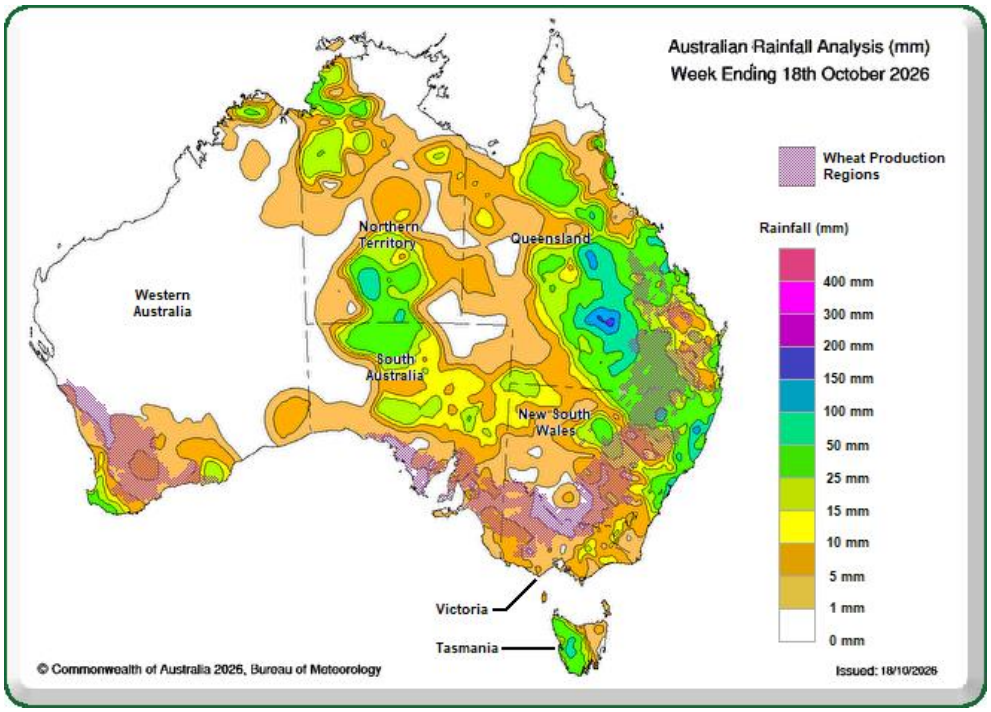
Source: *Australian Bureau of Meteorology / FAS/Canberra*

Figure 4 – Australia Soil Moisture Map – October 1, 2026



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

Figure 5 – Australia Rainfall – Week Ending October 18, 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

MY 2025/26 Production Estimate

FAS/Canberra's wheat production estimate for MY 2025/26 remains at 36.0 MMT, consistent with the Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) estimate. This estimate, made approximately nine months after harvest completion, reflects the finalized national production outcome.

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts Australia's domestic wheat consumption at 10.2 MMT for MY 2026/27, declining by 0.9 MMT from the estimate for MY 2025/26. While overall domestic feed consumption is anticipated to continue to rise, the decline in wheat consumption is primarily associated with an expected shift back towards higher feed barley consumption.

The beef feedlot industry is the main driver of domestic feed consumption in Australia, and the core of the industry is located in southern Queensland and Northern New South Wales. In this region winter crop planting is low and due to the late start to the season is heavily skewed to barley production. For MY 2026/27 with a low availability of wheat from this region it is anticipated that overall domestic consumption of wheat will decline and be substituted by feed barley.

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

Wheat used for flour milling is forecast to rise modestly to 3.65 MMT in MY 2026/27, from 3.60 MMT in MY 2025/26. Population growth continues to support demand for milled wheat products.

MY 2025/26 Consumption Estimate

FAS/Canberra's wheat consumption estimate for MY 2025/26 is 11.1 MMT, around 2.0 MMT higher than the previous year. Although there has been some growth in livestock feed demand this uplift is mostly due to strong export demand for feed barley which has resulted in the domestic market turning away from barley and towards wheat for domestic livestock feed requirements.

Trade

Exports

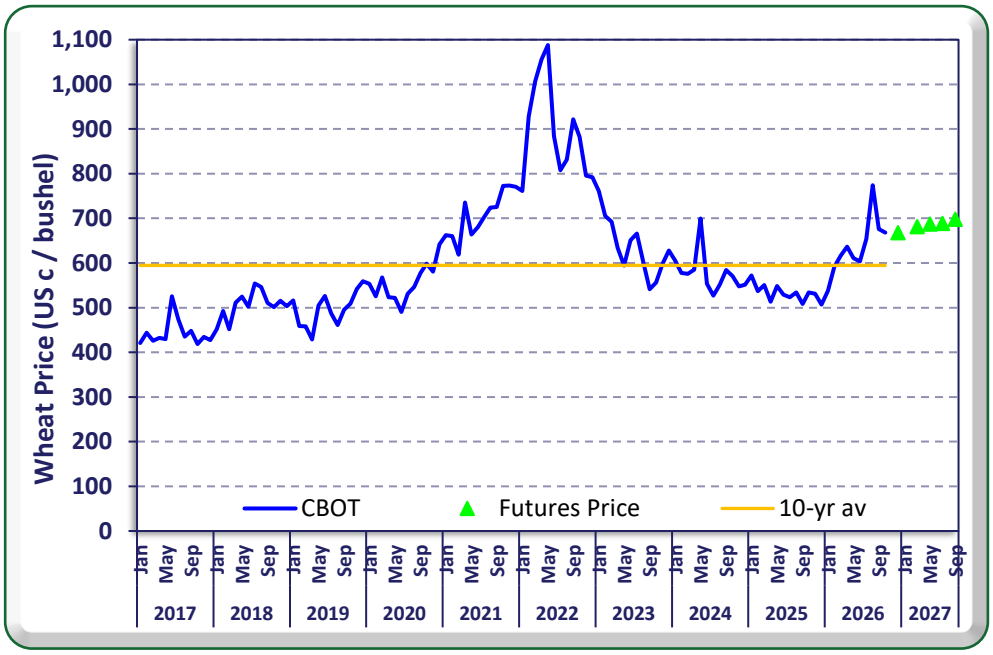
MY 2026/27 Export Forecast

FAS/Canberra forecasts Australian wheat exports at 25.0 MMT in MY 2026/27, up 2.7 MMT (12.1 percent) from MY 2025/26 despite an 11.1 percent decline in production. The increase is supported by substantial carryover stocks following softer-than-expected exports in MY 2025/26.

The forecast export level equates to the equivalent of the previous five-year average but is well below the record 31.8 MMT from MY 2022/23. Export capacity at the forecast level is of little concern but rather it is world demand for wheat that has the greatest bearing on the outcome.

Export prices for a large part of MY 2025/26 have been subdued which has encouraged growers to hold back stored supplies and await better price support. In recent months world wheat prices have improved and futures prices for MY 2026/27 are around 15 percent above the previous 10-year average (Figure 6). If improved wheat prices are realized across MY 2026/27 compared to those for MY 2025/26 it is anticipated that this will encourage growers and exporters to expand their export volumes in the forecast year with the support of built-up stocks from the prior year.

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*
Futures prices as at October 15, 2026

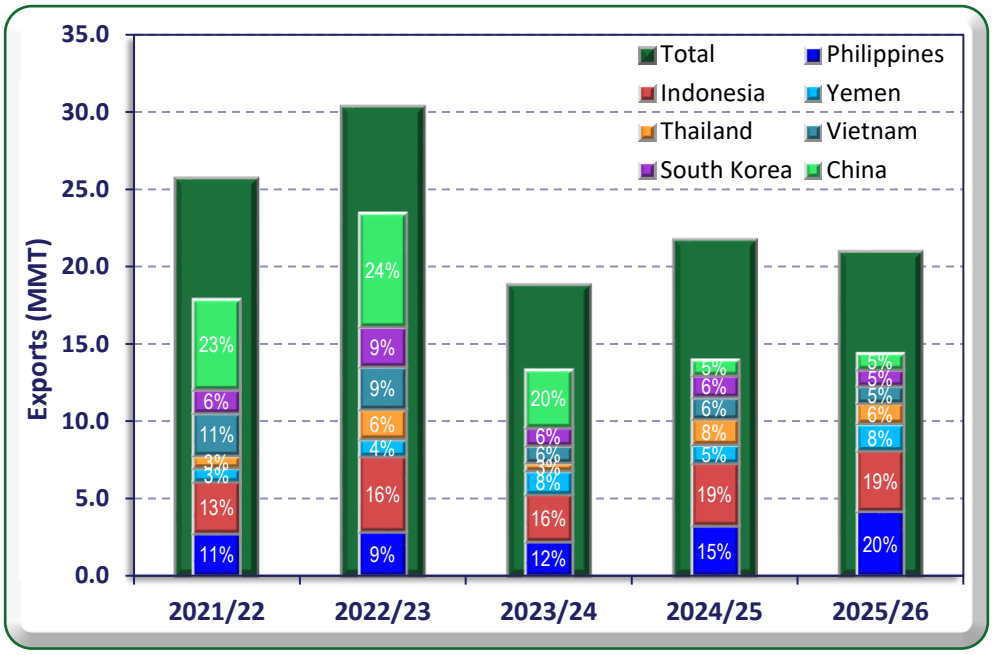
MY 2025/26 Export Estimate

For MY 2025/26, FAS/Canberra's wheat export estimate is downward revised to 22.3 MMT from the previous forecast of 23.0 MMT from three months prior. This relates to overall softer than anticipated world demand for wheat. If realized this outcome would be 30 percent below the record 31.8 MMT set in MY 2022/23.

After 11 months of the MY 2025/26 trade period, cumulative exports total 21.0 MMT. Based on past seasonality a further 1.3 MMT of wheat exports is anticipated. Although Australia has over 50 wheat export destinations, beyond the top two, there are a further five nations (Yemen, Thailand, Vietnam, South Korea and China) that substantially support overall exports. Combined these top seven nations account for almost 70 percent of Australia's wheat exports (Figure 7). The Philippines has increased its wheat imports by almost 20 percent for MY 2025/26 and Australian exporters have been the beneficiaries of all that market growth.

A key point to note is that in the recent past, China had been Australia's largest wheat export destination, accounting for over 20 percent of exports; however, its share declined sharply to around five percent over the last two years.

Figure 7 – Major Wheat Export Destinations – October to August 2021/22 to 2025/26



Source: *Australian Bureau of Statistics*

Imports

FAS/Canberra forecasts Australian wheat imports at 235,000 MT for MY 2026/27, broadly unchanged from the 230,000 MT estimated for MY 2025/26. Imports primarily consist of processed wheat products and pasta, and volumes have increased incrementally with population growth in Australia.

Stocks

Australia's wheat ending stocks are forecast to decline by 2.9 MMT, from 6.8 MMT in MY 2025/26 to 3.9 MMT in MY 2026/27. Subdued world demand and exports in MY 2025/26 increased carryover stocks, while higher forecast exports in MY 2026/27 are expected to draw inventories back toward more typical levels.

Table 1 - Production, Supply, and Distribution of Wheat

Wheat	2024/2025		2025/2026		2026/2027	
Market Year Begins	Oct 2024		Oct 2025		Oct 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	13060	13060	12412	12412	11000	11050
Beginning Stocks (1000 MT)	2412	2412	3991	3991	6356	6806
Production (1000 MT)	34110	34110	35985	35985	31000	32000
MY Imports (1000 MT)	223	223	230	230	235	235
TY Imports (1000 MT)	220	220	235	230	235	235
Total Supply (1000 MT)	36745	36745	40206	40206	37591	39041
MY Exports (1000 MT)	23654	23654	23250	22300	23500	25000
TY Exports (1000 MT)	21295	21295	23183	23200	24500	24600
Feed and Residual (1000 MT)	5600	5600	7000	7500	5500	6500
FSI Consumption (1000 MT)	3500	3500	3600	3600	3650	3650
Total Consumption (1000 MT)	9100	9100	10600	11100	9150	10150
Ending Stocks (1000 MT)	3991	3991	6356	6806	4941	3891
Total Distribution (1000 MT)	36745	36745	40206	40206	37591	39041
Yield (MT/HA)	2.6118	2.6118	2.8992	2.8992	2.8182	2.8959

(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 2026/2027 = July 2026 - June 2027

OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query

BARLEY

Production

MY 2026/27 Production Forecast

FAS/Canberra forecasts a second successive record Australian barley crop of 17.7 MMT in MY 2026/27, up 4.4 percent from 17.0 MMT in MY 2025/26 and approximately 40 percent above the 10-year average of 12.6 MMT. The increase primarily reflects a 5.7 percent expansion in harvested area, with average yields forecast slightly below the previous year's record.

The growth in planted area of barley was at the expense of wheat planted area, mostly as a response to the Middle East situation which resulted in an escalation in the price of nitrogen fertilizer. Compared with wheat, barley generally requires lower nitrogen inputs and the substitution of wheat for barley was a cost management measure. Additionally, around the time of planting there were numerous forecasting agencies indicating the likelihood of El Niño conditions forming, which is generally associated with drought in the eastern states of Australia, and barley is known to better cope with moisture stress than wheat. So, opting for more barley instead of wheat was also a risk management measure.

Prevailing dry seasonal conditions in Queensland and northern New South Wales, which did not receive any significant rainfall until late May 2026, substantially restricted barley planting in this region. If not for this situation the barley planted area would have been higher and the national production forecast

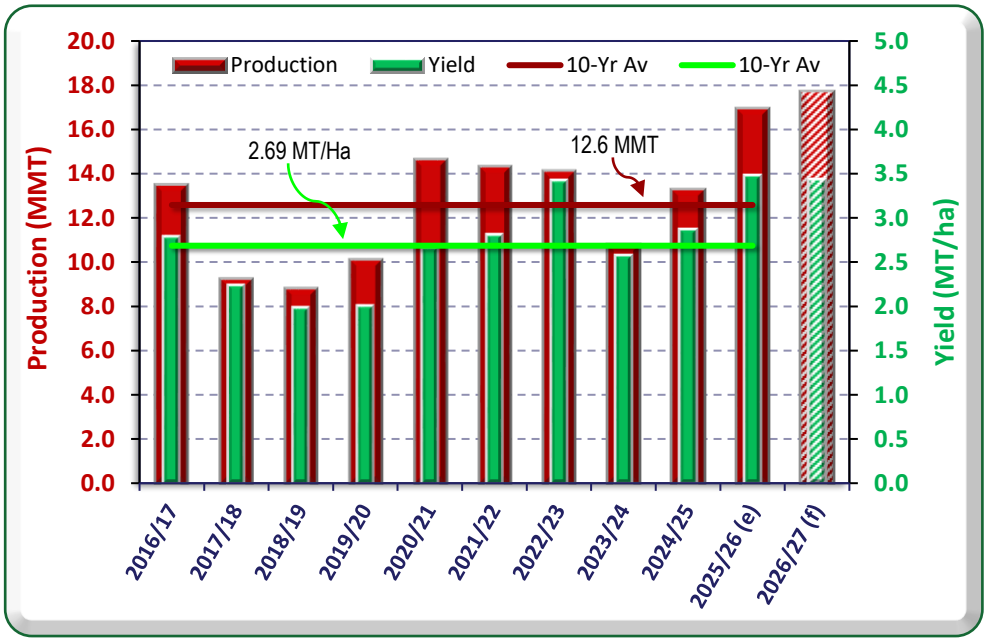
even greater. Harvest is reported to be underway in this region and barley yields are reported to be better than anticipated.

Of particular note is the favorable seasonal conditions across southern New South Wales, Victoria and South Australia. This region typically accounts for around 45 percent of national barley production and is having among one of its best seasons on record.

Western Australia, as reported for wheat, had a very strong start to the season, with very high yield potential, but a lack of rain through July and much of August resulted in moisture stress and with this the yield potential falling away. Rainfall in late August arrested the slide in yield potential, and with some rainfall in September and cool conditions the grain fill phase has been positive. Early harvest indications are that crop yields are a little better than expected and overall barley yields in Western Australia are likely to be well above the 10-year average and similar to or slightly above the average for the last five years.

Nationally, average barley yields for MY 2026/27 are forecast to be marginally lower than the previous year and 28 percent above the 10-year average (Figure 8). If realized, this would represent the second highest national average yield on record. Combined with a planted area estimated at 9.9 percent above the 10-year average, Australia is forecast to achieve a new record barley production, surpassing the estimated 17.0 MMT achieved in MY 2025/26.

Figure 8 – Australian Barley Production and Yield History



Source: *PSD Online / FAS/Canberra*

MY 2025/26 Production Estimate

FAS/Canberra's estimate for MY 2025/26 barley production is a record 17.0 MMT, consistent with the latest ABARES estimate (nine months post-harvest). This represents a 28 percent increase from the prior year and 44 percent above the previous 10-year average. This was supported by a record national average yield of 3.48 MT/ha and large planted area although well below the record area.

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts barley consumption in MY 2026/27 at 5.2 MMT, an increase of 1.1 MMT from the MY 2025/26 estimate. Domestic malting use is expected to remain steady, while livestock feed demand continues to be the primary driver of year-to-year variation in total consumption.

The forecast increase in feed barley use mostly reflects the substitution of wheat with barley. There was a spike in the domestic use of wheat for feed in MY 2025/26 due to strong export demand for barley. The forecast barley consumption reflects a partial return to the recent past balance of feed grain consumption between barley and wheat. Supporting this transition is the current winter crop situation in southern Queensland and northern New South Wales where the core of the Australian beef feedlot industry is located. Due to the substantially lower winter crop production in this region and the circumstances leading to far greater barley production than wheat in the area, the feedlot grain sourcing will be skewed towards barley. Further supporting this is the elevated diesel costs caused mostly by the Middle East situation. The transport cost of grains is higher than usual and therefore channeling feedlots in the area to firstly exhaust local grain supplies which will mostly be barley this season.

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

MY 2025/26 Consumption Estimate

FAS/Canberra estimates barley consumption in MY 2025/26 at 4.1 MMT, a decline of 1.3 MMT from the previous year. This reduction was largely due to strong export demand for barley, which limited availability for domestic feed use. Livestock feed industries offset this by substituting feed barley with feed wheat to support the gradually increasing domestic feed grain demand.

Trade

Exports

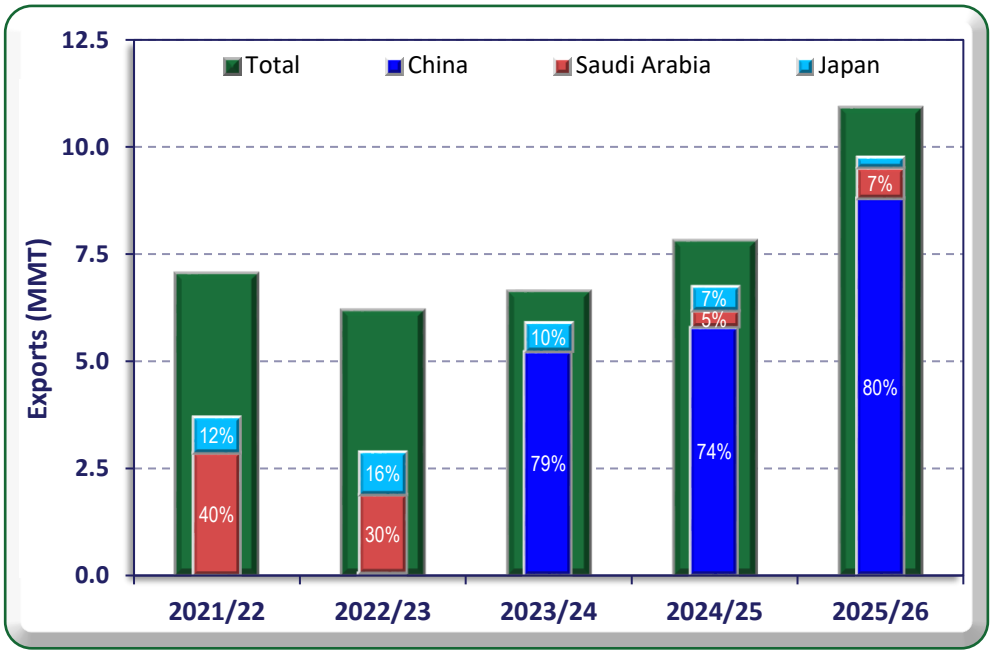
MY 2026/27 Export Forecast

FAS/Canberra forecasts Australia's barley exports for MY 2026/27 at 13.0 MMT, which would be a second successive record export level and 1.0 MMT above the estimate for MY 2025/26. This forecast is mostly due to increased production but also supported by a drawdown in stocks.

The primary driver of strong Australian barley export demand is China. Since August 2023, when China's Ministry of Commerce removed the 80-percent tariff on Australian barley, China has imported 75 to 80 percent of Australia's overall barley exports at increasing volumes (Figure 9). The competition for Australian barley by China has resulted in a decline in demand from Japan but there has been a reemergence of demand from Saudi Arabia.

At this point there are no signs of waning demand from China for Australian barley, but due to the level of exposure to this market it is a significant risk for the Australian barley industry.

Figure 9 – Australian Barley Exports – Nov to Aug 2021/22 to 2025/26



Source: *Australian Bureau of Statistics*

MY 2025/26 Export Estimate

FAS/Canberra's barley export estimate for MY 2025/26 is 12.0 MMT, unchanged from the previous forecast (three months prior). Exports for the first ten months of the marketing year (November 2025 to August 2026) totaled 10.9 MMT, surpassing the previous record of 9.2 MMT for the full MY 2016/17.

Based on typical trade patterns in the final two months of the season, exports are expected to reach 12.0 MMT, or slightly higher.

Stocks

Australia's barley ending stocks are forecast to decline by 0.5 MMT to 1.2 MMT in MY 2026/27, reflecting strong exports, particularly to China, and increased domestic feed demand.

Table 2 - Production, Supply, and Distribution of Barley

Barley	2024/2025		2025/2026		2026/2027	
Market Year Begins	Nov 2024		Nov 2025		Nov 2026	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	4621	4621	4772	4872	5100	5150
Beginning Stocks (1000 MT)	1318	1318	885	885	1211	1736
Production (1000 MT)	13265	13265	16626	16951	17100	17700
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	14583	14583	17511	17836	18311	19436
MY Exports (1000 MT)	8298	8298	11500	12000	10000	13000
TY Exports (1000 MT)	8243	8243	11500	11700	10000	12800
Feed and Residual (1000 MT)	3900	3900	3300	2600	4700	3700
FSI Consumption (1000 MT)	1500	1500	1500	1500	1500	1500
Total Consumption (1000 MT)	5400	5400	4800	4100	6200	5200
Ending Stocks (1000 MT)	885	885	1211	1736	2111	1236
Total Distribution (1000 MT)	14583	14583	17511	17836	18311	19436
Yield (MT/HA)	2.8706	2.8706	3.4841	3.4793	3.3529	3.4369
(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 2026/2027 = October 2026 - September 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

SORGHUM

Production

MY 2026/27 Production Forecast

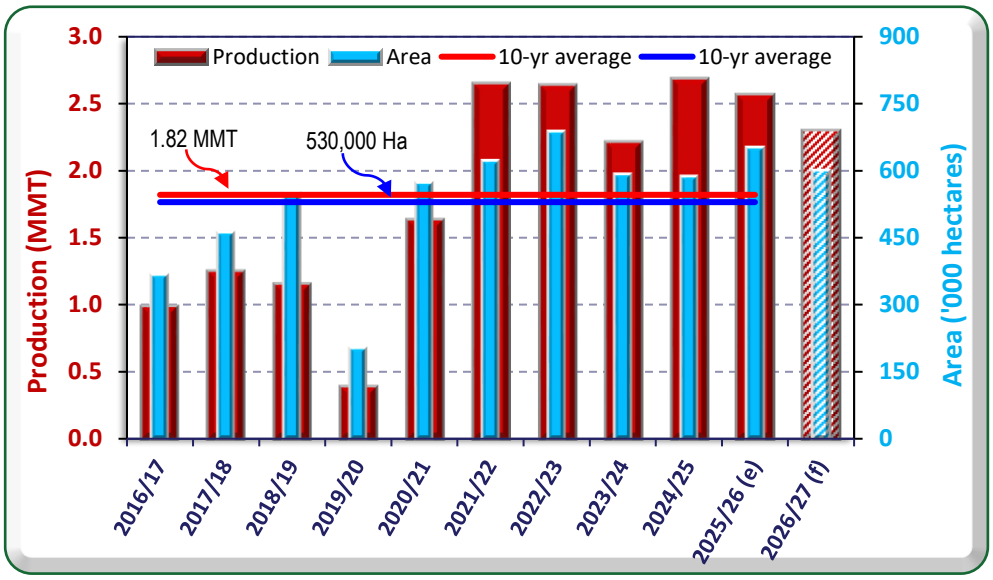
FAS/Canberra has revised its sorghum production forecast for MY 2026/27 upward to 2.30 MMT, compared to the previous forecast (three months earlier) of 1.90 MMT. This substantial upward revision comes from big rains received in the major sorghum producing regions in mid-October 2026. FAS/Canberra has revised the planted area and yield expectations on the back of this timely rainfall event.

FAS/Canberra forecasts planted area of 600,000 hectares, down from an estimated 652,000 hectares for MY 2025/26. The lead into the planting period for MY 2025/26 was more positive with average soil moisture levels leading up to the start of the season and soil temperatures were up enabling planting to

start early (mid-September) and the BOM three month forecast rain prospects were favorable. However, MY 2026/27 conditions have been very dry and soil moisture reserves well below average which will have limited planning for sorghum crop planting prior to the mid-October 2026 rainfall.

Although forecast planted area is below the previous year, it is still 13 percent above the 10-year average (Figure 10). Sorghum can still be planted as late as December in major growing areas and later in central Queensland. There is ample time for planting and if seasonal conditions are supportive, there is scope for a higher planted area of sorghum than forecast, particularly if strong market price signals remain.

Figure 10 – Australian Sorghum Production History



Source: *PSD Online / FAS/Canberra*

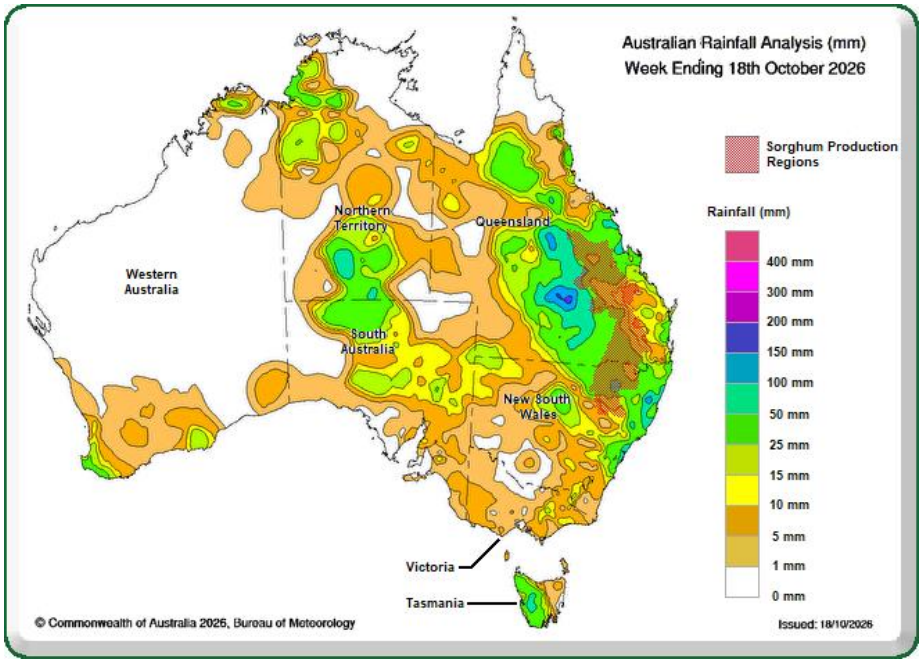
October is broadly considered as the optimal planting period for sorghum in southern Queensland and northern New South Wales. The substantial rainfall in mid-October 2026 (Figure 11) will generate grower confidence for sorghum planting. Central Queensland has also received very good rainfalls that will establish a strong moisture profile to support sorghum planting.

The late, but now positive seasonal conditions for the start of the MY 2026/27 sorghum crop will not only support planting area but also enable the crop to establish well and set a good yield potential. Encouraging for the MY 2026/27 sorghum prospects is also the BOM forecast of an above-average chance of exceeding median rainfall across sorghum-producing regions from November 2026 to January 2027 (Figure 12). If this forecast is realized, sorghum yields for the MY 2026/27 will be strongly supported.

The current situation along with the favorable rainfall prospects has encouraged FAS/Canberra to raise the sorghum production forecast for MY 2026/27. The forecast yield is six percent below the previous five-year average but also 16 percent below the MY 2024/25 record average yield. Meaning that if the

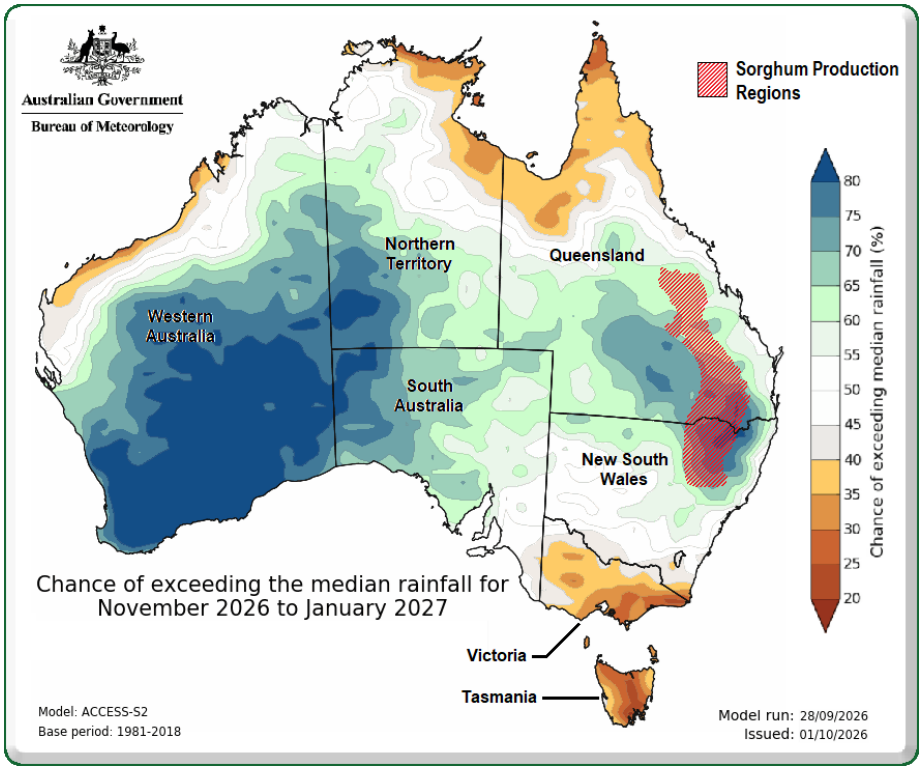
forecast rain over the coming months eventuates and is in a timely manner there is substantial scope for the production forecast to be raised further.

Figure 11 – Rainfall – Week ending October 18, 2026



Source: Australian Bureau of Meteorology / FAS/Canberra

Figure 12 – Rainfall Forecast – November 2026 to January 2027



Source: Australian Bureau of Meteorology / FAS/Canberra

Sorghum's main summer crop competitor is cotton, which is mostly irrigated, while sorghum is primarily a dryland crop. Cotton generally offers higher profitability, but where it is grown without irrigation it carries greater production risk than sorghum. Cotton is typically planted in October, similar to sorghum and seasonal and market conditions at the time would need to be very favorable for cotton to draw any significant area away from sorghum. In this season, given that conditions had been very dry until mid-October, with little soil moisture reserves, it is unlikely that there will be any significant shift away from sorghum and towards cotton for MY 2026/27.

MY 2025/26 Production Estimate

FAS/Canberra has revised its sorghum production estimate for MY 2025/26 upward to 2.57 MMT, from the previous estimate of 2.47 MMT. The revised figure aligns with the ABARES estimate, published around six months after harvest completion. Production was among the highest on record, only 114,000 MT (4.2 percent) below 2.69 MMT for MY 2024/25 which was the highest since the record (3.79 MMT) set in MY 2007/08.

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts sorghum consumption in MY 2026/27 to remain unchanged at 110,000 MT, consistent with the estimate for MY 2025/26. Strong export demand and the ample domestic availability of alternative feed grains, such as wheat and barley, have kept domestic sorghum use at low and stable levels over recent years.

Due to the relatively small region and volume of sorghum production, its reliability of supply for the livestock feed industry is substantially diminished compared to wheat and barley. The white grains have proven to be more consistently available during drought conditions. Over time, the livestock sector has transitioned its feeding and processing infrastructure away from sorghum toward these alternatives. A significant and sustained price discount for sorghum relative to wheat and barley would likely be required to justify renewed investment in sorghum-processing infrastructure and to increase its inclusion in feed rations. Sorghum is used in the pork and poultry industries, and their demand is relatively small and stable from year to year.

MY 2025/26 Consumption Estimate

FAS/Canberra estimates sorghum consumption in MY 2025/26 at 110,000 MT, consistent with the prior year. This demand is primarily from the pork and poultry industries.

Trade

Exports

MY 2026/27 Export Forecast

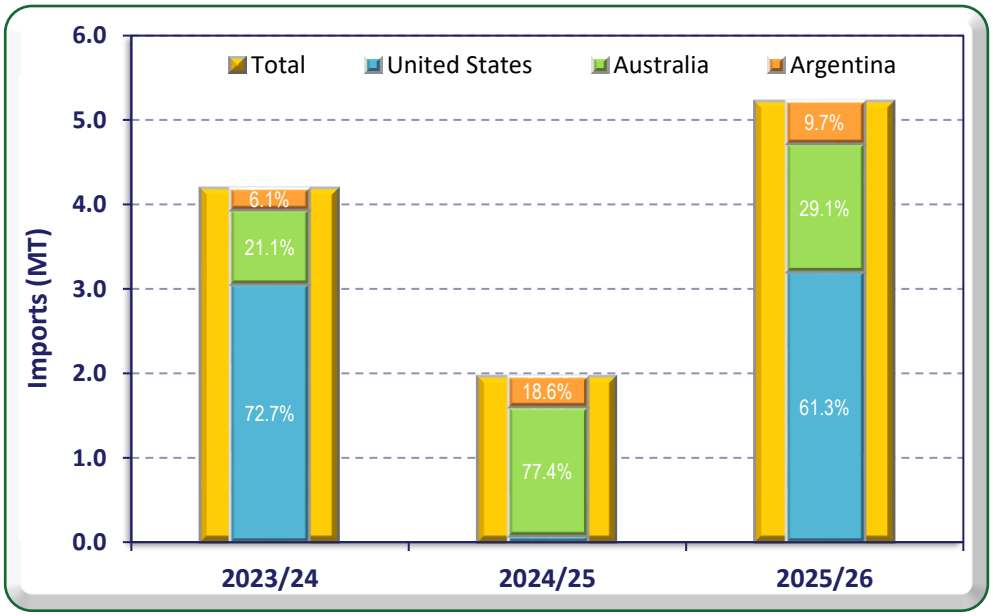
FAS/Canberra forecasts sorghum exports at 2.2 MMT in MY 2026/27, down 12 percent from 2.5 MMT in MY 2025/26, reflecting lower expected production despite improved planting prospects after good mid-October rainfall.

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

Trade flows shifted following the escalation of tariffs and broader trade tensions between the U.S. and China beginning in March 2025, which significantly reduced U.S. sorghum shipments to China during MY 2024/25 (March 2025 to February 2026). Subsequent easing of these trade restrictions has resulted in a strong recovery in U.S. exports to China from the beginning of MY 2025/26, a trend that is expected to continue into MY 2026/27.

The trade restrictions that China placed on U.S. sorghum imports affected its overall level of sorghum imports and there was little change in the volume of imports from Australia and Argentina. Similarly, China's imports of sorghum from the United States resumed from the start of MY 2026/27, its overall imports of sorghum have increased and there has been relatively little impact on China's volume of imports from Australia and Argentina (Figure 13).

Figure 13 – China Sorghum Imports – March to August 2023/24 to 2025/26



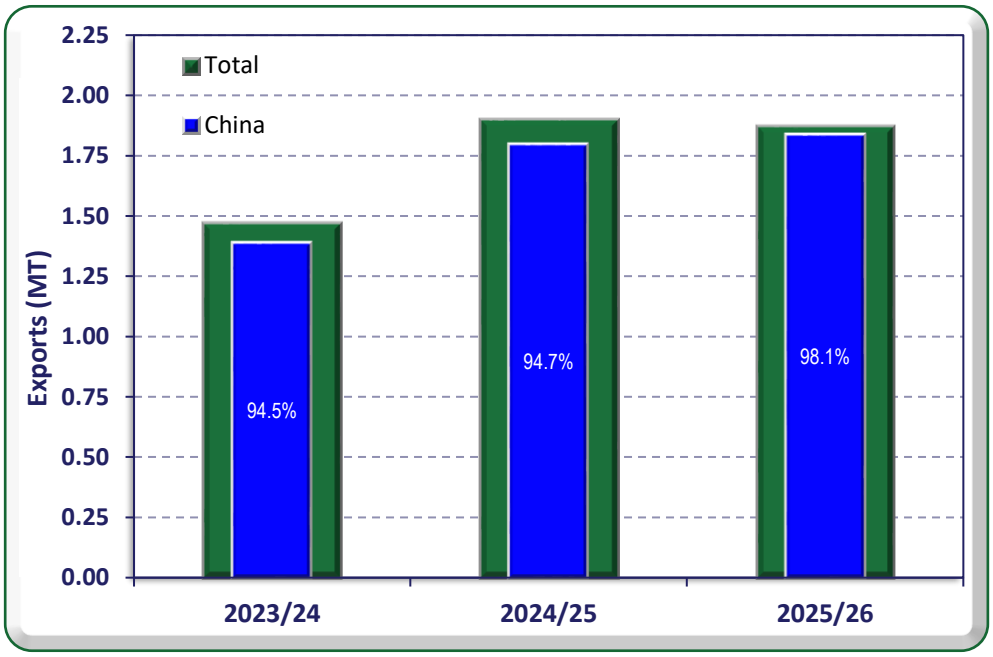
Source: *Australian Bureau of Statistics*

MY 2025/26 Export Estimate

FAS/Canberra estimates sorghum exports in MY 2025/26 at 2.5 MMT. Export performance during the first six months of the marketing year was strong, totaling 1.9 MMT shipped, the same as for this period in the previous year which achieved a final export outcome of 2.5 MMT.

China remains the dominant destination for Australian sorghum exports, accounting for around 98 percent of total shipments during the first half of MY 2025/26 (Figure 14). Most of the balance is exports to the Philippines and South Korea. Kenya was an intermittent sourced sorghum from Australia in recent years but has not been a buyer in the first six months of MY 2025/26.

Figure 14 – Sorghum Exports Destinations – March to August 2023/24 to 2025/26



Source: Australian Bureau of Statistics

Stocks

Sorghum ending stocks are forecast to remain low at 202,000 MT in MY 2026/27 due to the expectation of continued strong export demand from China.

Table 3 - Production, Supply, and Distribution of Sorghum

Sorghum	2024/2025		2025/2026		2026/2027	
Market Year Begins	Mar 2025		Mar 2026		Mar 2027	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	587	587	650	652	600	600
Beginning Stocks (1000 MT)	138	138	251	251	241	212
Production (1000 MT)	2685	2685	2500	2571	2100	2300
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	2823	2823	2751	2822	2341	2512
MY Exports (1000 MT)	2462	2462	2300	2500	2000	2200
TY Exports (1000 MT)	2500	2500	2500	2450	2000	2200
Feed and Residual (1000 MT)	100	100	200	100	150	100
FSI Consumption (1000 MT)	10	10	10	10	10	10
Total Consumption (1000 MT)	110	110	210	110	160	110
Ending Stocks (1000 MT)	251	251	241	212	181	202
Total Distribution (1000 MT)	2823	2823	2751	2822	2341	2512
Yield (MT/HA)	4.5741	4.5741	3.8462	3.9433	3.5	3.8333

(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 2026/2027 = October 2026 - September 2027

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RICE

Production

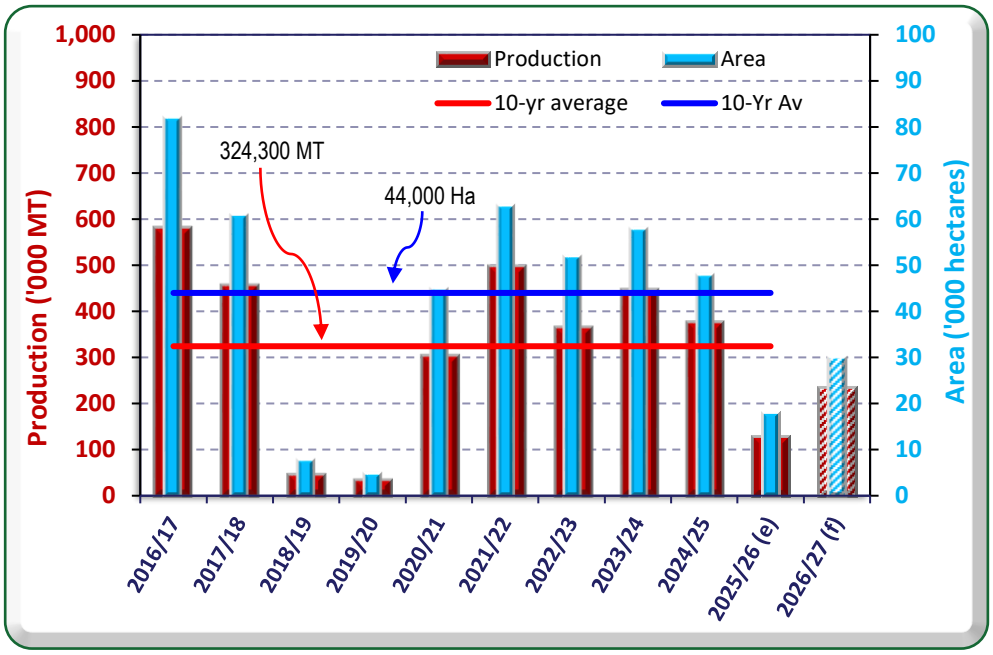
MY 2026/27 Production Forecast

FAS/Canberra has revised its milled rice production forecast for MY 2026/27 upward to 195,000 MT, compared with the earlier forecast of 79,000 MT three months prior. Better-than-expected winter and early spring rainfall increased inflows to irrigation storages and improved water availability for rice growers, despite earlier concerns about El Niño-related dry conditions.

Yield expectations remain largely unchanged, while planted area is forecast to increase 39 percent to 25,000 hectares from 18,000 hectares in MY 2025/26. Water availability remains constrained, keeping forecast area below the five-year average of 53,200 hectares and the 10-year average of 44,000 hectares (Figure 15).

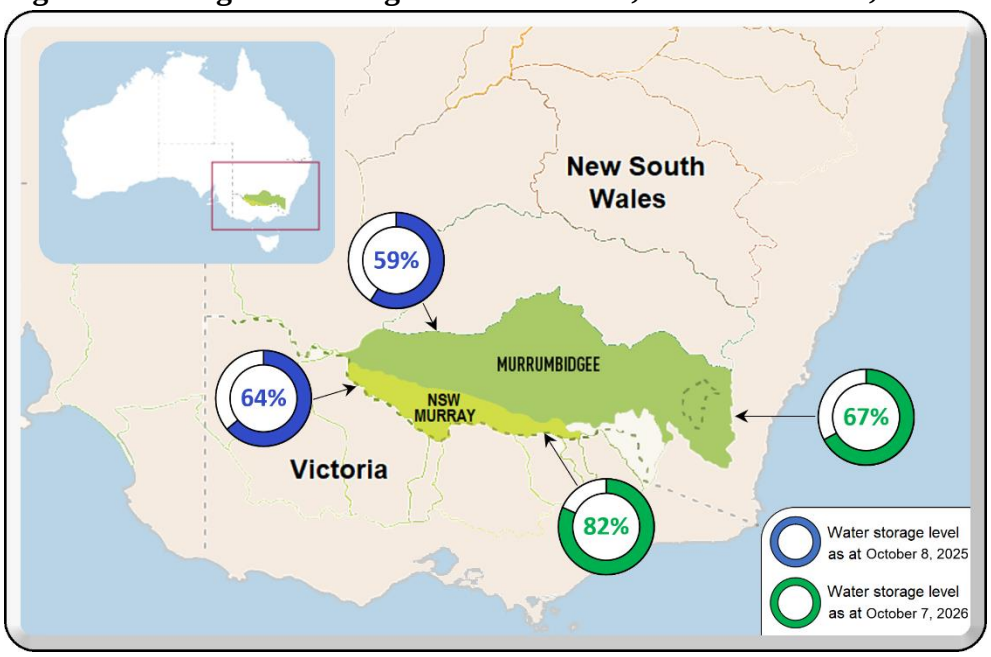
Despite the El Niño seasonal conditions, better than expected rainfalls over winter and early spring has resulted in an improvement in irrigation water storage reserves in the systems that support the majority of rice production in Australia (Figure 16). The majority of rice production is dependent on irrigation water from the Murrumbidgee irrigation system which has improved from the previous year, but the NSW Murray irrigation system storage has improved considerably further which does influence tradeable irrigation water prices as some water can be transferred between systems.

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



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

Figure 16 – Irrigation Storage Levels – Oct 08, 2025 and Oct 07, 2026

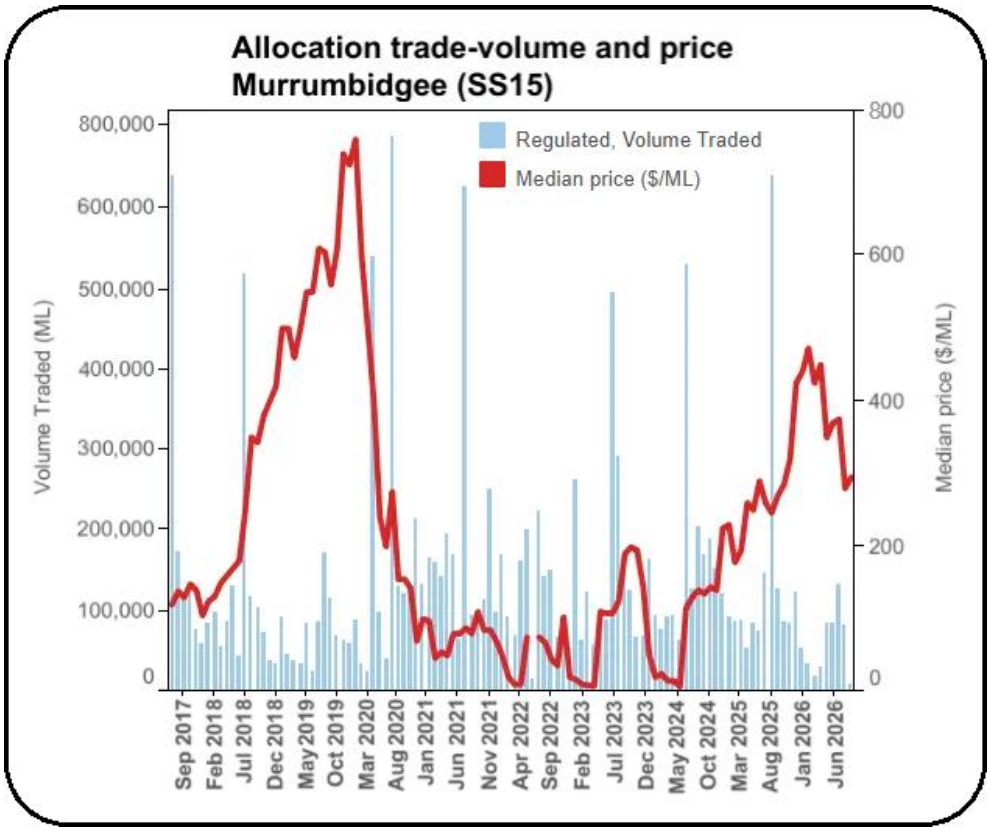


Source: *Murray Darling Basin Authority*

Better than anticipated supply of irrigation water has resulted in a substantial decline in tradeable irrigation water prices over recent months. Irrigation water prices have fallen to around AU$300

(US$200) per megaliter (one million liters) (Figure 17). Although welcome, at these price levels rice cultivation is generally uneconomic, prompting many growers to sell much of their water allocation and maintain low rice plantings.

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



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

Rice along with cotton, its major summer crop competitor, are mostly challenged by strong demand for irrigation water from permanent horticultural industries, including citrus, almonds, and table grapes, which tends to drive up tradable water prices. This then challenges the economic viability of producing annual field crops such as rice and cotton.

MY 2025/26 Production Estimate

FAS/Canberra's milled rice production estimate for MY 2025/26 remains unchanged at 128,000 MT, consistent with the previous forecast issued three months earlier. Approximately six months after harvest, this estimate is aligned with the ABARES figure for MY 2025/26.

Consumption

MY 2026/27 Consumption Forecast

FAS/Canberra forecasts rice consumption in MY 2026/27 at 420,000 MT, an increase of 5,000 MT (1.2 percent) from the MY 2025/26 estimate. The forecast mostly reflects Australian population growth along with ample supply of rice from the combination of domestic production and imports.

The pace of population growth is relatively stable at an annualized rate of around 1.4 percent and this along with the trend of slightly declining per capita consumption of rice aligns with the FAS/Canberra expectations for MY 2026/27.

MY 2025/26 Consumption Estimate

FAS/Canberra's rice consumption estimate for MY 2025/26 remains unchanged at 415,000 MT, consistent with the previous forecast issued three months earlier.

Trade

Imports

MY 2026/27 Import Forecast

FAS/Canberra forecasts rice imports at 325,000 MT for MY 2026/27, an increase of 40,000 MT from the MY 2025/26 estimate. If realized, this would represent a second successive year of record rice imports for Australia. The expected increase is primarily driven by low production in both the estimate and forecast years.

Due to the timing differences between harvest, milling, and marketing, changes in production for the marketing year do not directly translate into corresponding movements in trade volumes. The low MY 2025/26 production has a greater influence on domestic rice supply for MY 2026/27 than it does for MY 2025/26. In this situation the domestic lower rice supply in MY 2026/27 supports an increased level of imports assuming similar overall demand.

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

MY 2025/26 Import Estimate

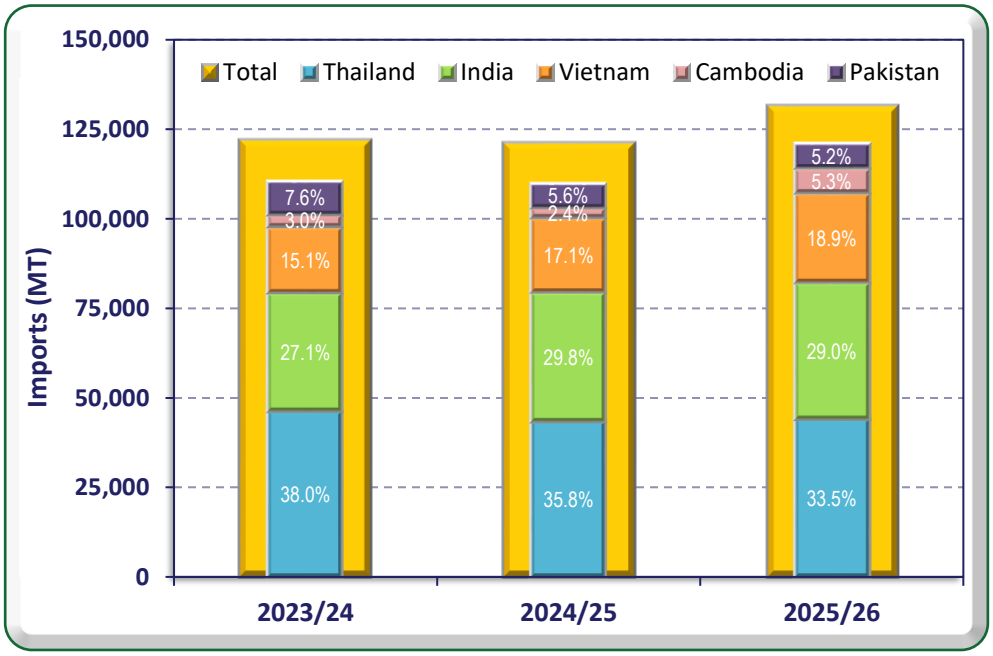
FAS/Canberra's rice import estimate for MY 2025/26 remains unchanged at 285,000 MT, a 10-percent increase from the prior year.

Between March and August 2026, imports totaled 131,000 MT, around 10,000 MT (8.6 percent) higher than for the same period in the previous year. Historically, the first six months of the marketing year accounted for around 50 percent of total annual imports, but with low domestic rice production in MY 2025/26 the pace of imports is anticipated to increase for the second half of the marketing year.

Thailand, India, and Vietnam remain the dominant suppliers of rice for Australia, together accounting for approximately 80 percent of total rice imports in recent years. Pakistan and Taiwan are much smaller but important suppliers which typically contribute an additional 10 percent (Figure 18).

Australia has a diverse multicultural population and the strong demand for a wide range of rice types. Given that the climate in Australia's major rice producing region is most suited to producing medium grain rice varieties, imports are expected to remain a key component of total rice supply, even in years of solid domestic production.

Figure 18 – Major Rice Import Sources – Mar to Aug MY 2023/24 to 2025/26



Source: Australian Bureau of Statistics

Exports

MY 2026/27 Export Forecast

FAS/Canberra revises its export forecast for MY 2026/27 upward to 100,000 MT, compared to 50,000 MT in the previous forecast (three months prior). The increase reflects a substantial upward revision in expected production. If realized, this would represent a 20 percent decline from the MY 2025/26 export estimate and mark the lowest level since the drought-affected seasons of MY 2018/19 to 2020/21.

MY 2025/26 Export Estimate

FAS/Canberra's export estimate for MY 2025/26 remains unchanged at 125,000 MT from the previous forecast (three months earlier). During the first six months of MY 2025/26, exports totaled 84,000 MT, a little below 102,000 MT for the same period in the prior year, which resulted in 240,000 MT. However, the exports so far have mostly been supported from the much higher rice production in MY 2024/25, and the low supplies for milling from MY 2025/26 is expected to have a far greater influence in the second half of the marketing year. In this situation the pace of exports is expected to slow considerably for the second half of MY 2025/26.

Stocks

Rice ending stocks are forecast to remain at 131,000 MT in MY 2026/27, unchanged from MY 2025/26. Improved production and higher imports are expected to offset increased domestic consumption and reduced exports.

Table 4 - Production, Supply, and Distribution of Milled Rice

Rice, Milled	2024/2025		2025/2026		2026/2027	
Market Year Begins	Mar 2025		Mar 2026		Mar 2027	
Australia	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	48	48	18	18	15	25
Beginning Stocks (1000 MT)	272	272	258	258	141	131
Milled Production (1000 MT)	377	377	128	128	100	195
Rough Production (1000 MT)	524	524	178	178	139	271
Milling Rate (.9999) (1000 MT)	7200	7200	7200	7200	7200	7200
MY Imports (1000 MT)	259	259	300	285	300	325
TY Imports (1000 MT)	261	265	300	280	300	320
Total Supply (1000 MT)	908	908	686	671	541	651
MY Exports (1000 MT)	240	240	140	125	80	100
TY Exports (1000 MT)	247	244	150	195	80	85
Consumption and Residual (1000 MT)	410	410	405	415	400	420
Ending Stocks (1000 MT)	258	258	141	131	61	131
Total Distribution (1000 MT)	908	908	686	671	541	651
Yield (Rough) (MT/HA)	10.9167	10.9167	9.8889	9.8889	9.2667	10.84
(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 2026/2027 = January 2027 - December 2027						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Attachments:

No Attachments