

Australian Agricultural Export Report

2023-24

Contents

National Trade Summary	3
State Export Performance	4
Export Markets	5
Commodities	
Cattle	6
Cropping	9
Dairy	13
Horticulture	16
Sheep	20
Wool	23

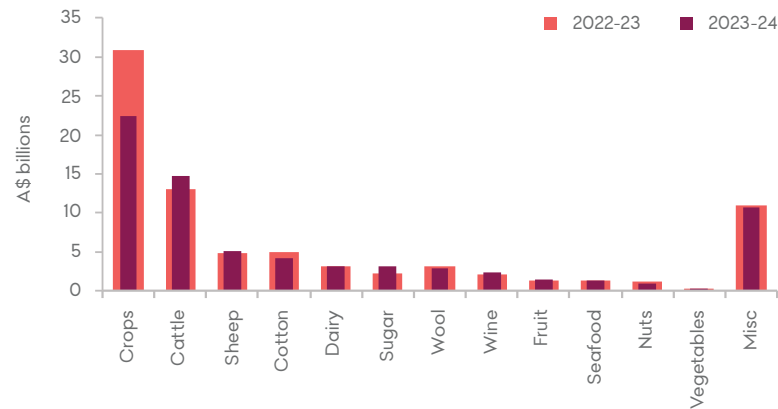


National Trade Summary

The value of Australian agricultural exports fell to \$72.4 billion in 2023-24 as cropping exports declined after two record years. While this was the second most valuable export year on record, it was \$6.7 billion (-8.5 per cent) lower than the record high achieved in 2022-23. Despite the decline, agriculture accounted for a slightly greater share of Australian goods exports, up to 13.5 per cent.

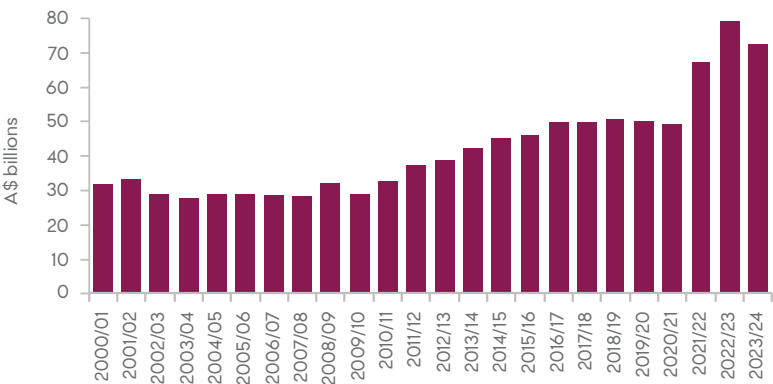
Cropping exports were the primary driver of the overall decline in agricultural export value in 2023-24. The value of crop exports fell \$8.4 billion (-27.3 per cent). Lower production after two record years limited export volumes while prices also eased. It was still the third most valuable year for crop exports behind the preceding two years with a value of \$22.4 billion. The majority of commodity groups saw growth in export value in 2023-24. The value of agricultural commodities, excluding crops, rose by \$1.7 billion (+3.6 per cent) to a record high. Cattle industry exports saw the largest growth, with a rise of \$1.6 billion (+12.3 per cent) driven by increased production following herd rebuilding. Sugar saw a fourth consecutive year of growth with increased production and a surge in prices leading to a strong rise of \$889 million (+40.3 per cent).

Value of Australian export commodities



Source: GTA

Value of Australian agricultural exports



Source: Global Trade Atlas (GTA)

Moderate growth was seen for sheep industry exports, wine and fruit. Cotton, wool and nuts were the other commodities to record declines in export value in 2023-24. Each of these commodities saw falls between 12-17 per cent.

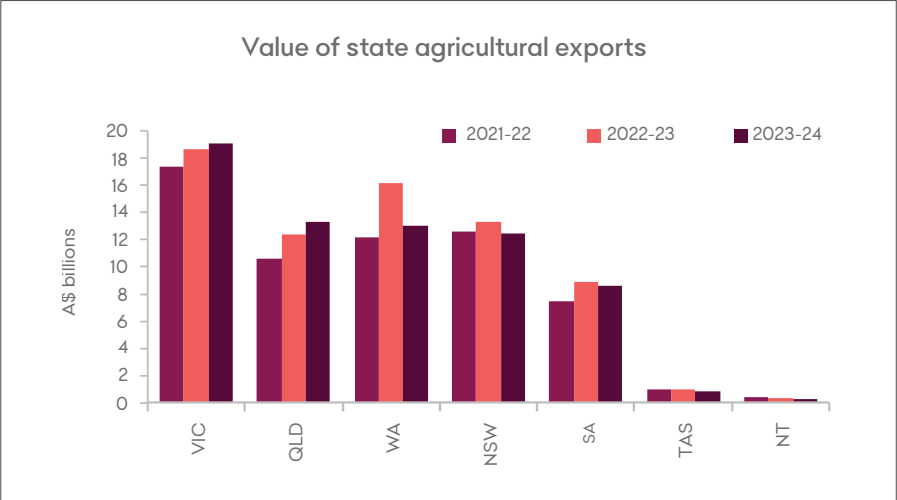
A further decline in the value of Australian agricultural exports is expected in 2024-25. As with 2023-24, lower crop export value is expected to weigh on the overall value. Although winter crop production is set to improve compared to last year, the volume of exports in the financial year is forecast to decline largely due to carryover stocks inflating 2023-24 volumes. Wool and dairy are also expected to see lower export values in 2024-25, with reduced production and prices impacting both sectors. Lower sheepmeat production but higher prices are set to push sheep industry export value slightly lower. Offsetting declines in these sectors is the expected continued growth in export value from the cattle industry. Higher average prices for red meat compared to 2023-24 is expected to support export value while beef production is also expected to expand. Horticulture is forecast to add some growth, driven by a general improvement in production and prices. Wine is also set to see growth in value following the resumption of access to the Chinese market in mid-2024.

State Export Performance

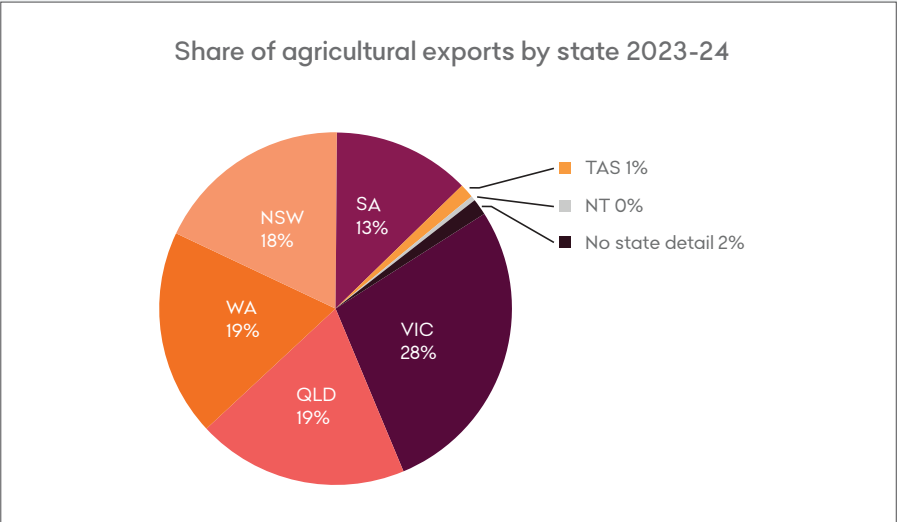
Victoria and Queensland were the only states to record an increase in export value in 2023-24. Victoria recorded a third consecutive year of growth to retain its title of number one exporter. Growth in sheep and cattle industry exports offset declines in cropping, wool and horticulture exports. Overall, Victoria saw a 2.2 per cent rise to \$19 billion. Queensland saw growth of \$898 million (+7.2 per cent) to leapfrog Western Australia and New South Wales to be the second largest exporter. Queensland export value was \$13.3 billion in 2023-24. Growth in exports from Queensland was led by the cattle industry which saw an 8 per cent rise and accounted for 57 per cent of the state's export value. Queensland also saw the value of crop exports fall by 53 per cent following two exceptional years.

Declines in crop exports drove overall export value from Western Australia, New South Wales and South Australia lower in 2023-24. Western Australia saw the largest decline with a \$3.2 billion (-19.6 per cent) fall to \$13.0 billion. While crop exports fell by \$3.1 billion (-25.3 per cent) there were some bright spots. Rock lobster exports rebounded 31.3 per cent to have their best year since 2018-19 and avocado exports saw a leap from \$7.1 million in 2022-23 to \$36.1 million in 2023-24. New South Wales recorded a decline of \$919.3 million (-6.9 per cent) to \$12.4 billion. Crop export value fell by 49.8 per cent which was unable to be offset by a 19.6 per cent rise in the state's cattle industry exports. South Australia only saw a \$238.6 million (-2.7 per cent) decline to \$8.6 billion. A 13.3 per cent decline in crop exports was almost counter balanced by improvements in wine and cattle industry exports. South Australia exported \$340.6 million of wine to China between April-June. This was the second highest three-month period on record following exports of only \$33.3 million in the three years while tariffs were in place.

Tasmanian exports fell to their lowest value since 2018/19 with a decline of \$113.9 million (-11.3 per cent) to \$897.6 million. The decline was led by a \$95.2 million (-32.6 per cent) decline in salmon exports. A rise in Tasmanian sheep industry exports was outweighed by declines in dairy and wool exports. The Northern Territory recorded a fourth consecutive year of declining export value. Lower live cattle prices drove an \$87.4 million (-22.3 per cent) fall, taking the Territory's export value to its lowest level since 2012-13.



Source: GTA



Source: GTA

Note: state data does not include sugar.

Export Markets

Australia's major export markets predominantly saw declines in export value in 2023-24. While Australia's two largest markets, China and the US, recorded an increase in the value of exports, the next 11 markets saw year-on-year declines. Of those 11 markets however, Australia's export value to eight remained above 2021-22 levels. Growth to China and the US resulted in them accounting for 32.7 per cent of Australia's agricultural export value, up from 28.0 per cent in 2022-23.

Although the value of crop exports to China grew through their return to the Australian barley market, almost all of Australia's major trade partners were impacted by reduced crop production in 2023-24.

China remained Australia's largest export market in 2023-24, building on the record set the previous year. Exports to China increased by \$331 million (+2.0 per cent) to \$16.9 billion, which followed a \$3 billion (+22.4 per cent) increase in 2022-23. China accounted for 23.3 per cent of Australia's total agricultural export value, the highest share since 2019-20. Export value grew mainly on the back of the return of barley exports. Barley exports to China jumped from nothing in 2022-23 to \$2.3 billion this year, which accounted for 69.8 per cent of Australia's total barley export value. Australia's export value to China also benefitted from a jump in cotton and

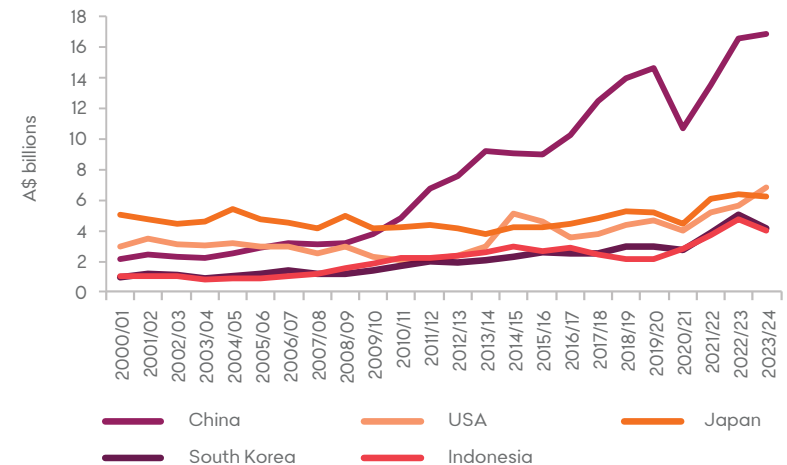
wine exports, which increased by \$920.9 million and \$376.5 million respectively. Most other major commodities saw year-on-year declines in export value to China, with cattle, dairy and sheepmeat falling the furthest.

The US saw the largest year-on-year growth in Australian agricultural exports in 2023-24. Export value climbed \$1.2 billion (+21.2 per cent) to \$6.8 billion, moving them above Japan to be the second largest market. Growth was mostly driven by a lift in beef exports which jumped \$1.4 billion (+70.5 per cent). Lamb, dairy and wine export values also recorded year-on-year increases to offer support.

Australia's next 11 largest export markets all recorded year-on-year declines in value. Generally stronger cattle exports were not able to account for a drop in cropping exports. Export value to Japan recorded a 2.2 per cent decline, resulting in Japan falling behind the US for the first time since 2015-16. South Korea and Indonesia rounded out the top five export markets, with the latter replacing Vietnam who fell from fourth to sixth.

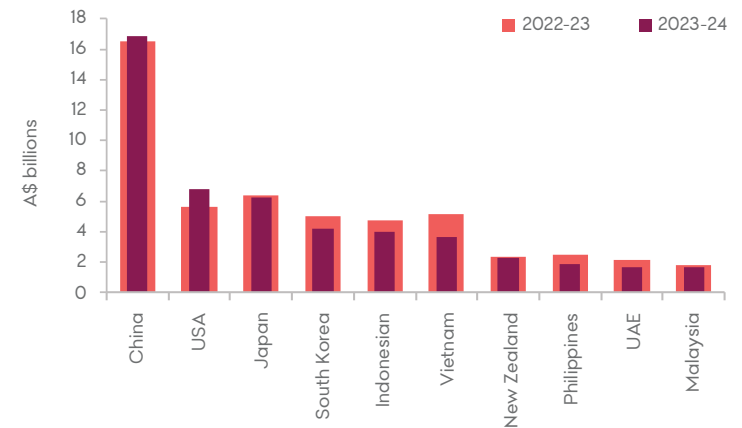
Australia's five largest trade partners accounted for 52.6 per cent of total export value, up from 48.9 per cent in 2022-23. This shows that as export value has fallen, Australia reliance on major trade partners has increased.

Top five Australian agricultural export markets



Source: GTA

Top 10 Australian agricultural export markets



Source: GTA

Note: state data does not include sugar.



Commodity Overview

↑+12.3%

The value of Australian cattle industry exports increased \$1.6 billion (+12.3%) in 2023-24 to a record high of \$14.7 billion.



Australian beef export value is forecast to increase again in 2024-25 as further growth in production combines with higher average prices supported by tight US supply.

↑+72.1%

The primary driver of the increase in Australian beef export value was the increase of \$1.4 billion (+72.1%) to the US as reduced US production drove greater demand for Australian beef.

Trade performance in 2023-24

Australia's beef export value recorded significant growth in 2023/24, finishing at a record high of \$14.68 billion. This exceeded the previous record which was set in 2019-20 by \$368 million (+2.6 per cent). Frozen beef export value increased \$926.9 million (+13.7 per cent) to \$7.68 billion. Fresh and chilled beef export value also increased, up \$811.5 million (+20.7 per cent) to \$4.7 billion. Slaughter rates trended higher throughout 2023-24 on the back of recent years of herd rebuilding. This drove a 26.7 per cent increase in total beef export volume in 2023-24. A total of 1.3 million tonnes of beef exported was the second highest year on record behind 2014-15. While beef export volume rose, the average unit price of beef exports fell by 8.9 per cent. This followed two record years for prices. The average export price of beef in 2023-24 of \$9,610/tonne was still 4.2 per cent above the five-year average.

This price decline reflected weakness in local cattle prices with the average Eastern Young Cattle Indicator down 33 per cent in 2023-24.

An area of weakness for cattle industry exports in 2023-24 was a 24.6 per cent decline in the value of live cattle exports. Live cattle saw a decline in value for a fourth consecutive year. A decline of \$1 billion (-53.7 per cent) over the last four years has seen value fall to \$867.7 million in 2023-24. Unlike the previous years, value in 2023-24 was driven lower by weaker prices. The average price of live cattle fell 33.5 per cent which more than offset the 13.4 per cent increase in the number of cattle exported.

The primary driver of the increase in Australian beef export value was the increase of \$1.4 billion (+72.1 per cent) to the US as reduced US production drove greater demand for Australian beef.



Major export markets

The US became Australia's most valuable cattle industry export market in 2023-24, after being the fourth largest the year before. Export value totalled \$3.4 billion, up \$1.4 billion (+72.1 per cent), to the highest level on record. This surpassed the previous record which set in 2014-15 by 5.4 per cent. Growth to the US was driven by increased import demand resulting from reduced US production. A 3.5 per cent decline in US beef production in 2023-24 drove a 19.7 per cent increase in US beef imports. Australia was able to capture a large share of this increased demand. The volume of Australian beef exports to the US nearly doubled in 2023-24, up 96.8 per cent. Frozen beef saw a greater level of growth with a 104 per cent increase in volume. Chilled beef saw a lesser but still strong rise of 78.9 per cent. Reduced US production also led to an 11 per cent decline in US beef exports in 2023-24 which helped reduce competition for Australian beef in other markets.

China fell to second place for cattle industry export value in 2023-24, after finishing as the largest trading partner for the previous two years. China was also the only market in the top 10 which recorded a decline in export value in 2023-24. Total export value fell \$250

million (-8.6 per cent) to \$2.7 billion, the lowest value since 2021-22. Frozen beef exports led this decline with a fall of \$182.7 million (-9.9 per cent). Encouragingly, chilled beef exports saw a rise of \$115.9 million (+26.1 per cent). Export value to China recorded a downwards shift due to a softening of demand for imports. This came from a renewed focus on growing their domestic production. Suspensions on several Australian abattoirs exporting to China were also in place for the majority of 2023-24, also limiting export volumes. However, in May 2024 China removed suspension on the majority of those processing centres. Live cattle exports also dropped \$266.4 million (72 per cent) to \$103.4 million.

Export value to Japan totalled \$2.3 billion in 2023-24, a minor increase of \$36.1 million (+1.6 per cent) from the year before. Japan slipped to be Australia's third largest market in 2023-24, after being the second largest in 2022-23 and 2021-22. Moderate growth in export value of chilled beef outweighed a fall in frozen beef. Export value of frozen beef declined \$99.2 million (-10.2 per cent), whilst there was moderate growth of \$111.6 million (+11.5 per cent) in chilled beef. Whilst total export value for Japan moved higher throughout the past year, 2023-24 remains 6.7 per cent below the five-year average of \$2.4 billion.

Stability in export value to South Korea continued in 2023-24, in line with the previous two years. Export value recorded a modest increase of \$9.9 million (+0.5 per cent), finishing at \$2.1 billion. Despite minimal growth throughout the past three years, export value remained 16.5 per cent above the five-year average. Export value to South Korea remained mostly stable due to the increase in their domestic production and the reduction in US supply on global markets, enticing imports from Australia keeping the value stable.

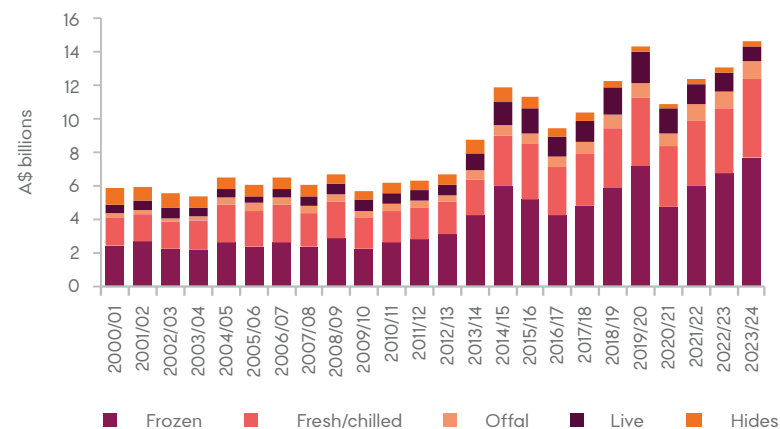
Nine of Australia's top ten markets recorded an increase in export value during 2023-24. Exports to Vietnam recorded strong growth of \$127.6 million (+40.7 per cent) to \$440.9 million. Meanwhile value to Indonesia remained mostly stable, lifting a modest \$9.6 million (+0.9 per cent) as volatile export volumes in early 2024 due to licence import issues. Canada was the second largest growth market in 2023-24 behind the US. Export value to Canada more than doubled, up \$152.7 million (+125.9 per cent) in 2023-24. This saw Canada rise to be Australia 8th largest export market, up from 15th in 2022-23.

Cattle

Outlook for 2024-25

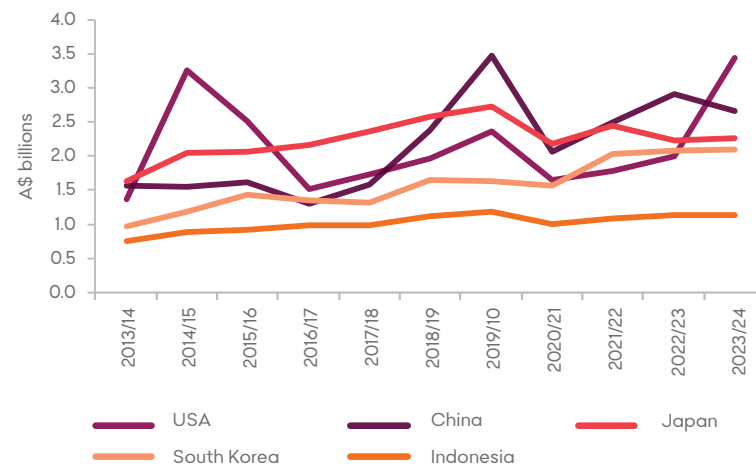
Australian cattle industry export value is expected to increase again in 2024-25. Further growth in Australian beef production is expected to provide additional beef for export. This will be supported by ongoing firm demand driven by ongoing tight US production. Increased US imports and reduced export will assist demand for Australian beef on global markets. Australian cattle prices have recovered from the lows seen in October 2023. With cattle prices expected to find some stability around current values, will translate into a lift in average export price for beef in 2024-25. This will in turn boost export value. Export value to the US is likely to continue lifting, however this is expected be offset by marginal falls in South Korea and Japan. The forecast lift in domestic production in South Korea and Japan is likely to limit strong growth in value for 2024-25. Australia's beef export value to China is forecast to be marginally softer throughout 2024-25 as ongoing economic challenges within China will limit strong demand for Australian beef.

Value of Australian cattle industry exports



Source: GTA

Value of top five Australian cattle industry export markets



Source: GTA



Cropping

Commodity Overview

↓ -27.3%

The value of Australian cropping exports decreased \$8.4 billion (-27.3 per cent) in 2023-24 to a total of \$22.4 billion.



The primary driver of the decrease was the large drop in wheat export volume along with a softening of prices from the previous year.



Export volume is expected to decline year-on-year due to below average exports in the first half of the year. High global production will keep a lid on prices.

Trade performance in 2023-24

The value of Australian cropping exports has reversed its four-year growth trend, decreasing by \$8.4 billion (-27.3 per cent) from the previous year's record to \$22.4 billion. This significant drop is mainly due to a decline in wheat exports. They fell by 30.5 per cent to 22.5 million tonnes after a 36.5 per cent cut in 2023-24 wheat production. Despite overall production declines, large carryover stocks from the previous season's record crop led to new highs in canola and barley export volumes, rising by 9.3 per cent and 9.2 per cent, respectively. Pulses were the only commodity to show consistent growth. Export values climbed 6.1 per cent to \$2.7 billion. This was driven by export volumes increasing by 5.4 per cent to 3.1 million tonnes, the second highest on record. Additionally, a softening in grain and oilseed prices, following the peak levels seen after the Russia-

Ukraine conflict escalated in 2022, further contributed to the overall decline in cropping export value. The average export price for all crops fell by 11 per cent from last year to \$524/tonne. This was still the third highest on record. Canola experienced the largest year-on-year decline with prices dropping 24.7 per cent to \$789/tonne. This was due to an abundant global oilseed supply driven by record production of both canola and soybeans in 2023-24. Average wheat price fell 15.1 per cent to \$440/tonne. A record wheat crop in Russia flooded the global market with cheap wheat. This included significant volumes entering Australia's traditional Asian markets, placing downward pressure on local prices. Barley saw the smallest decline, with average export price decreasing by 8.7 per cent to \$399/tonne. China's removal of tariffs on Australian barley in August 2023 made them the top buyer and supported prices throughout the year.

Cropping

Wheat exports made up 44 per cent of the total value of cropping exports over the past year. In 2023-24, Australia exported \$9.9 billion of wheat.

This was a 41 per cent decline from the previous year. However, it is 16.5 per cent above the five-year average. A drop in production caused a 33.4 per cent fall in export volumes to key Asian markets, totalling 17.7 million tonnes. This, in turn, led to a drop in export value. Many Asian stockfeed buyers, who had used Australian feed wheat, shifted back to corn or to cheaper Black Sea feed wheat.

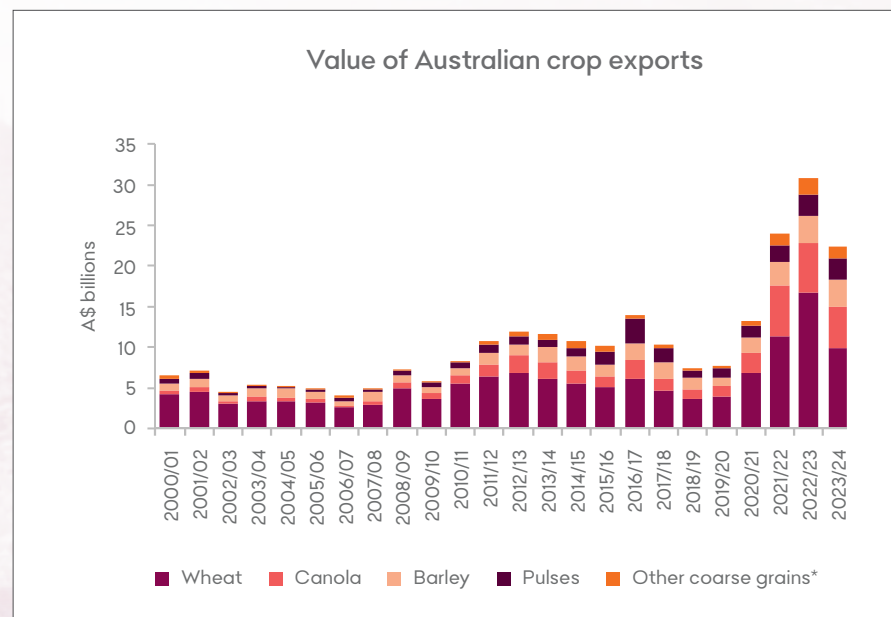
Australian barley exports fell 0.3 per cent from last year but remained strong at \$3.3 billion. This was the second-highest level on record and 56.2 per cent above the five-year average. A 21.3 per cent drop in barley production for 2023-24 was offset by large carryover stocks from last season's big harvest. This ensured a sufficient exportable surplus. This situation was further enhanced by China lifting tariffs on Australian barley in August 2023, quickly returning as the top volume buyer. Consequently, barley exports to China surged from zero in 2022-23 to 5.9 million tonnes in 2023-24. Additionally, the volume of malt barley, which commands a premium over feed barley, rose significantly with China's return, increasing by 216 per cent from the previous year to 2.9 million tonnes.

The value of Australian canola exports fell 17.7 per cent from last year to \$5.04 billion. Despite an increase in export volumes, this was not enough to offset the decline in average export prices. In 2023-24, global canola production set a record.

The EU, Australia's biggest export customer, had its largest crop

in six years. As a result, Australian canola exports to the EU dropped 24.8 per cent to 2.4 million tonnes. In addition, record global soybean production in 2023-24 hurt oilseed prices. Canola's average export price fell 24.7 per cent to \$789/tonne.

Australia exported \$2.7 billion of pulses in 2023-24, growing 6.1 per cent on 2022-23. Export volume also increased from the previous year, despite the overall 2023-24 crop being smaller than the year before. India continued to be the star performer in Australia's lentil trade with 2023-24 exports climbing 13.6 per cent to 781,000 tonnes. In 2023-24, Pakistan and Bangladesh were the top buyers of Australian chickpeas. However, the volume fell 10 per cent year-on-year to 608,000 tonnes.



Source: GTA

*includes sorghum, oats, maize, buckwheat, millet, rye and rice



Cropping

Major export markets

China remained the largest market for Australian crop exports despite growth slowing to 3.4 per cent year-on-year. This was a big drop from the 62.3 per cent increase seen the year before. The slowdown was offset somewhat by China's return to the Australian barley market, with exports totalling \$2.3 billion in 2023-24. However, the value of wheat and coarse grains fell due to reduced volumes and lower average export prices.

Japan advanced to the second position among Australia's export markets, up from third the year before. Japan imported \$2.06 billion worth of Australian crops, marking an 8.0 per cent decline from the previous year. This decrease was primarily due to reduced volumes of grains, despite a notable increase in canola imports. Japan's canola imports surged by 97.3 per cent year-on-year to 1.36 million tonnes, making it the top destination for Australian canola.

India had the highest growth among Australian cropping export markets. It is now the sixth-largest market by export value. The total value of exports to India rose by 18.5 per cent to \$880 million, marking five consecutive years of growth. India remained a key market for Australian lentils. Lentil exports rose 13.7 per cent to 781,000 tonnes.

Outlook for 2024-25

Australia's 2024-25 winter crop production is expected to rise by 14 per cent to 53.5 million tonnes. However, export volumes for the 2024-25 financial year are forecast to decline by approximately 10 per cent to 38 million tonnes. In the first half of the 2023-24 financial year, exports were high. In some cases, they set records. This was due to large carryover stocks from the previous year's bumper crop. Strong export and domestic demand have reduced stock levels to their lowest since the end of the 2019-20 season. As a result, 2024-25 exports are expected to be below average in the first half. A return to average levels is likely in the second half as the Australian harvest ends and northern hemisphere grain supplies tighten.

The current global supply and demand balance sheet has global wheat production climbing to a record 798.2 million tonnes. However, with consumption continuing its upward trajectory, ending stocks are set to contract 2.2 per cent to 256.6 million tonnes, the lowest level since 2015-16. This should see global values push higher into the back end of the year as supply slowly tightens, which will flow into Australian prices and see the value of wheat exports remain above average at \$9 billion.

The global oilseed market outlook remains bearish, with record soybean production expected and ending stocks





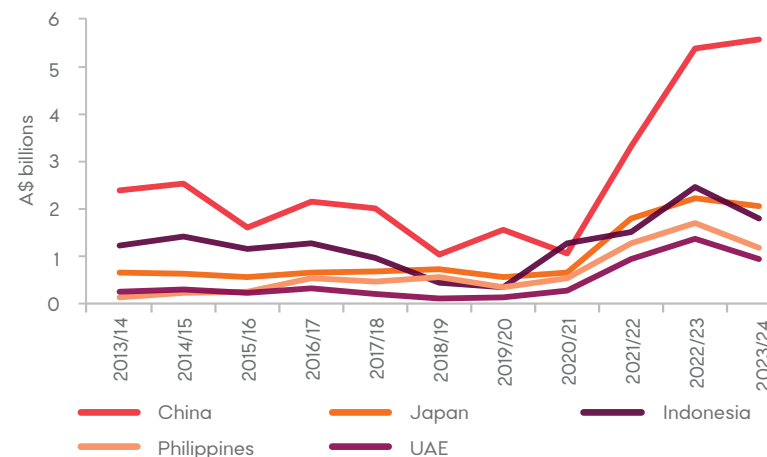
Cropping

rising by 19.5 per cent to 134.3 million tonnes. This will exert downward pressure on world prices, including those for canola. However, a positive development for Australian values is the decline in EU rapeseed production. EU imports for 2024-25 are projected to increase by 1.0 million tonnes, presenting an opportunity for Australia to capture a larger share. Australia's premium for non-genetically modified canola will enhance export values. Additionally, there are promising export opportunities for Australian chickpeas and lentils in the subcontinent. India has suspended tariffs on Desi chickpeas until March 2025, creating a tariff-free access window. As a result, chickpea export values are forecast to rise by 65 per cent to \$855 million, helping to keep the total export value for all pulses above the five-year average of \$1.63 billion.

The ultimate value of Australian crop exports over the next year will hinge on the performance of the winter crop as it develops through spring. Recent August rains have increased confidence, suggesting potential for upward revisions to current forecasts. Additionally, global supply and demand dynamics and market prices will play a crucial role in determining the value of Australian grain exports over the next year.



Value of top five Australian crop export markets



Source: GTA

*includes sorghum, oats, maize, buckwheat, millet, rye and rice



Commodity Overview

↑ +2.2%

Australian dairy export value lifted \$69 million (+2.2 per cent) in 2023-24 to a total of \$3.1 billion



Increased value of exports was primarily driven by increased volume of dairy solids exports. The average export price of dairy solids fell year-on-year but remained one of the highest on record.



Dairy export value is forecast to decline in 2024-25. Lower farmgate prices improve export competitiveness, but flat to lower production and lacklustre global prices will temper upside.

Trade performance in 2023-24

The \$3.14 billion worth of Australian dairy products exported in 2023-24 was the third highest on record. It represented a year-on-year increase of 2.2 per cent and was 13.6 per cent above the five-year average. The primary driver of increased value was a lift in the volume of dairy solids.

The value and volume of fresh milk and cream products fell 4.5 per cent and 23.5 per cent year-on-year respectively. The 181.8 million litres was 34.7 per cent below average, and value of \$315.7 million was 6.0 per cent below average. The average price per litre lifted 24.8 per cent to a record high \$1.74 per litre, 39.5 per cent above the five-year average. In contrast the value and volume of dairy solids and 'other' products lifted year-on-year. Total value lifted 3.1 per cent to \$2.82 billion, the third highest total on record. Volume of 461,000 tonnes was up 15.3 per cent, but only 2.7 per cent above the five-year average. While the average export price fell 10.6 per cent to \$6,126/tonne in 2023-24, it was the second highest on record behind the previous year. Exports of cheese and curd made up 35.7 per cent of total value of dairy exports and were the major contributor to lifts in dairy solid exports. The total value of cheese exports reached

a record high \$1.21 billion, with volume lifting 17.5 per cent year-on-year to 151,000 tonnes. The average export price of \$7,435/tonne, while down 4.5 per cent year-on-year, was the second highest on record. This result wasn't consistent for all dairy solids products though. The total value of Skim Milk Powder (SMP) exports fell 8.8 per cent despite volume lifting 21.8 per cent. This was a result of the average export price declining 25.1 per cent to \$5,493/tonne. Despite the decline, this price was still 8.7 per cent above the five-year average.

Reduced Chinese demand for milk powder drove decreased Australian export value. China is typically the world's largest importer of dairy exports but increased domestic production led to an oversupply of milk powders. This has impacted global demand and saw global milk powder prices below average for most of 2023-24. Record high farmgate prices also impacted Australian dairy exports. This was particularly relevant to the decline of fresh milk and cream exports. Australian farmgate prices averaged around \$9.51/kg MS in 2023-24 were around 33 per cent higher than New Zealand's. This resulted in not only reduced Australian exports, but also increased imports.



Last season saw a record high ratio of imports to export of 61.9 per cent. Improved global prices saw the ratio ease 9.3 per cent to 52.6 per cent in 2023-24. But the \$1.65 billion worth of dairy imports is the second highest on record behind the previous year. The total value of cheese, butter and other milk product imports were all second highest on record. While the 100,000 tonnes of cheese imported was the fourth highest total, average export price of \$8,643/tonne was second highest on record. Similarly, butter imports of 41,000 tonnes were third highest, but average export price of \$8,301/tonne was second highest on record. New Zealand was the primary source of Australia's dairy imports with 59.7 per cent share. The \$887 million worth of imports, while down 15.4 per cent year-on-year, was 13.6 per cent above average. Butter and cheese products made up 66 per cent of import value from New Zealand, with milk powder a further 28 per cent.

Major export markets

While the rankings have changed from year to year, the list of Australia's five most valuable markets has remained unchanged for thirteen years.

China maintained its status as Australia's most valuable destination for dairy exports with 29 per cent market share. Export value of \$911 million, while down 17.8 per cent year-on-year was more than double the second most valuable market. China has been the largest consumer of Australian dairy products since 2017-18. However, 2023-24 broke an eight-year consecutive run of increasing

dairy export value. On average, milk powders make up 61 per cent of Australia's dairy exports to China by value. Reduced demand for milk powders saw value and volume fall 25.2 per cent and 30.7 per cent respectively. High Australian farmgate prices saw reduced Chinese appetite for fresh Australian dairy. The value of milk and cream exports fell 12 per cent for a third consecutive year-on-year decline. Volume fell 41 per cent year-on-year to 65 million litres. This is the lowest amount in nine years and 52 per cent below average. Despite shrinking appetite, Australian dairy export value to China in 2023-24 was still the fourth highest on record.

Japan held its spot as Australia's second most valuable dairy export market for the seventh year in a row. Export value of \$452 million was 14.4 per cent of market share, and 4.4 per cent above average. Japanese imports are dominated by cheese, making up 94 per cent of all dairy imports in 2023-24. The average price of \$6,736/tonne was down 9.2 per cent year-on-year. But this was more than offset by an 18 per cent lift in volume which saw total value of cheese exports lift 7.1 per cent to \$423 million. The Japanese market tends to value quality, which sees demand remain relatively consistent despite price fluctuations.

Indonesia purchased \$248 million of Australian dairy products in 2023-24 with 7.9 per cent market share. Indonesia has been the third most valuable dairy export market for the last three years. Total value in 2023-24 fell by a marginal 0.8 per cent year-on-year but is 26.2 per cent above average. SMP made up around 65 per

cent of Indonesia's dairy purchases from Australia. Indonesia took advantage of below average SMP prices to purchase 40,000 tonnes in 2023-24. This was a 49 per cent increase on last season and the third highest total on record.

Malaysia and Singapore rounded out the top five most valuable dairy export markets with 6.9 and 6.1 per cent market share respectively. Trends seen in these markets were broadly consistent throughout the rest of the top ten. Total value lifted year-on-year, and all were above average. While not specific to each, generally export value and volume of fresh milk and cream were lower on 2022-23 numbers. In the cases of both Malaysia and Singapore, both value and volume of dairy solid exports increased year-on-year. This was driven by the average export price per tonne of all dairy solids products being either second or third highest on record.

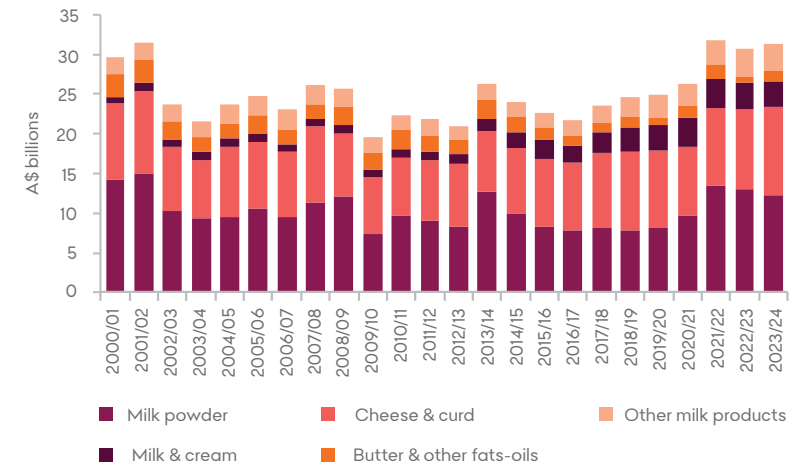




Outlook for 2024-25

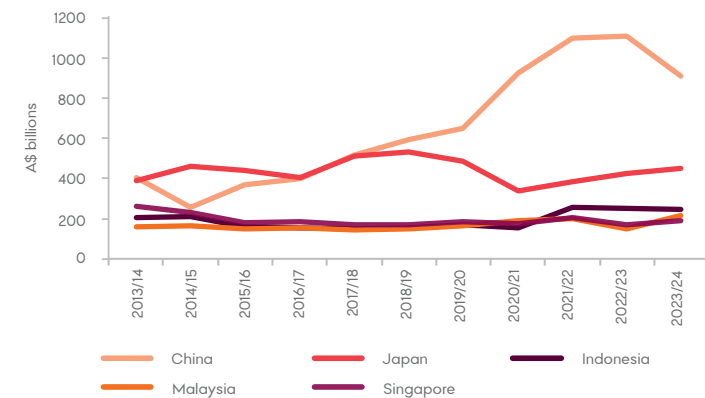
The total value of Australian dairy exports is forecast to decline slightly in the 2024/25 season. Available supply will be a key determinant to Australia's dairy exports in the coming season. Local supply is forecast to be flat to slightly lower in the 2024-25 season. With the milk pool more competitively priced than last season, imports of dairy will fall. But this will also have the effect of reducing exportable surplus as more milk is consumed domestically. This is a broad shifting in the Australian market. Declining production is seeing the balance of imports and exports recalibrate over the longer term. Global production is expected to remain stagnant. While this is supportive for demand for Australian products, global demand is also relatively tepid. Chinese demand will remain subdued and high inflation in other key export markets will continue to weigh on appetite for dairy products. This will particularly weigh on milk powder prices which are likely to remain around or below average. Lacklustre global production and export demand is expected to see some volatility in global dairy prices. A preference for Australian products from some quality conscious export consumers will see demand remain. This will be the case particularly for higher end products in butter and cheese. Farmgate prices more aligned with export competitors will help capture export demand. However, flat outlooks for global prices, global demand and local production will likely see the value of Australian dairy exports ease in the coming season.

Value of Australian dairy exports



Source: GTA

Value of top five Australian dairy export markets



Source: GTA

Commodity Overview

↓ -0.5%

The value of Australian horticultural exports declined \$14.6 million (-0.5 per cent) in 2023-24 to a total of \$2.75 billion.



Export value was supported by growth in citrus and stonefruit volumes. Quality issues caused a sharp decline in the value of table grape exports. This combined with a decline in almond and macadamia output pushed the value of horticultural exports slightly lower.



The outlook for Australian horticultural exports remains broadly positive for 2024/25. Export value should lift thanks to a rebound in almond and macadamia volumes available for export.

Trade performance in 2023-24

The value of Australian horticultural exports was almost unchanged in 2023-24. While on the surface the lack of growth in export value may appear disappointing, the sector continues to exhibit strong signs of growth. The value of both fruit and vegetable exports continued to lift. Proximity to key Asian markets, a lower Australian dollar and expanded market access continued to support growth. Unfortunately, a sharp decline in the value of nut exports following reduced output in 2023 was the key driver behind the overall decline for horticulture. Despite the decline, export value in 2023-24 was still 3.6 per cent above of the five-year average. The volume of horticultural export increased for the third consecutive season, rising by 4.8 per cent. Again, this was primarily on the back of an increase in fruit and vegetable output. The increased volumes were due to mostly favourable growing conditions and cheap irrigation costs in 2023-24.

The value of Australian fruit exports increased by \$176.2 million (+13.3 per cent) to \$1.5 billion in 2023/24. This was the second highest value of fruit exports on record, just \$40 million shy of the record set in 2019/20. This was driven by export volumes rising by 9.9 per cent to 464,000 tonnes. Adding to the positive result was an accompanying lift in the average price of fruit exports of 3.1 per cent. Australian fruit exports enjoy the benefit of growing on a counter seasonal cycle to northern hemisphere markets. Challenging seasons for key export competitors across

the southern hemisphere in Chile, Peru and South Africa further aided export demand for Australian produce. At a commodity level, the value of citrus exports lifted to the highest level on record at \$554.6 million (+25.7 per cent). Oranges reached their third highest level on record at \$293 million (+19 per cent). However, mandarins were the standout, surging by \$58.7 million (+32.3 per cent) to a record \$240.3 million. The value of stonefruit exports also lifted by \$47.4 million (+35.3 per cent) to a record \$181.5 million. Growth was seen across cherries, plums, peaches and apricot varieties resulting from strong production over summer. The improving trade relationship with the Chinese market also proved favourable. An expanded list of orchards, packhouses and treatment facilities allowed to export to China was released in June 2023. This was the first time the list had been updated since 2020. Substantial growth in fruit exports was partially tempered by a decline in Australia's most significant fruit export: table grapes. The value of table grape exports dropped by \$74.8 million (-13.1 per cent) to \$496.5 million. This was primarily due to reported quality issues impacting demand.

The export value of Australian nuts was well down in 2023/24. Exports fell \$197.8 million (-17 per cent) to \$969 million. Almond exports fell by \$57 million to \$761.7 million (-7 per cent). A weather-impacted almond harvest in 2023 resulted in a large drop in production and therefore export volume. Macadamia producers encountered a similar situation with the smallest production in four years also impacting exports. Challenging weather weighed on production, though this was partially

offset by the ongoing maturation of recent plantations. Macadamia exports totalled \$189.2 million, a decline of \$111 million (-36.9 per cent). The volume of exports across nuts sectors declined by 8.1 per cent with almond and macadamia export volumes dropping by 5.2 per cent and 7.3 per cent respectively. Unfortunately, the drop in volumes was not offset by an increase in price. The average price of macadamia exports declined by a staggering 31.9 per cent in 2023/24 to a record low. Global supply is continuing to grow by around 10 per cent annually which is adding further pressure to prices. This is especially concerning given the export focused nature of the crop. The average price of almond exports recorded a more restrained drop, down 1.9 per cent.

The value of Australian vegetable exports lifted by \$7 million (+2.5 per cent) to \$287.9 million. The value of Australian vegetable exports has been incredibly consistent over the past four years with exports varying by a maximum of just \$7 million over this period. Total export volume increased by 5.3 per cent to over 199,000 tonnes. These increased volumes saw the average export price of vegetables ease by 2.6 per cent from the previous year's record level. Western Australia continued to account for the majority of Australia's vegetable exports due to substantial carrot exports of which it accounts for 89 per cent. Carrots remain Australia's most valuable vegetable export. However, a decline of \$10.8 million (-13 per cent) left the value of exports at their lowest level since 2014/15 at \$71.7 million. Competition from rising carrot production in China and Egypt impacted demand into Australia's key Middle Eastern markets. The value of

potato exports continued to surge, lifting by 19 per cent to an all-time high \$53.7 million. This was the result of a rebound in volumes to near record levels combined with a 5.3 per cent rise in average export price to a record high. The value of onion exports also lifted 18.2 per cent to record levels at \$46.3 million. Poor production across India, a key global onion producer supported this lift in exports. Both potatoes and onions saw challenging seasonal conditions in 2022/23 which impacted production. This was not the case in 2023/24, helping to push export values to record levels.

Major export markets

Australia's key markets for horticultural exports remain concentrated within the Indo-Pacific. Seven of Australia's top ten horticultural export markets by value recorded growth in 2023/24. China was a key outlier with a decline in export value of \$148.1 million (-16.2 per cent). This left the value of exports at \$763.5 million, still the most valuable horticulture market. Exports to China in 2023/24 were 8 per cent below the five-year average. The decrease was led by a drop-off in almond, macadamia and table grape exports. The decline in both almond and macadamia exports were driven by reduced Australian production volumes and sluggish consumer demand in China. Australian table grape exports to China work on a counter seasonal cycle. Unfortunately, China also saw extended domestic supply this season which further weighed on demand. Quality issues also had an impact on demand with Crimson Red grapes reporting some undesirable characteristics. Citrus export to China remained essentially unchanged at \$92.2 million while stonefruit exports surged \$25 million (+55 per cent) to a record \$70.4 million in 2023/24. The surge in stonefruit exports were the result of a lift in quality and output across key varieties. The improvement in the trade relationship between the two nations also proved favourable.

Hong Kong remained Australia's second most valuable market for horticultural exports. Growth of \$9.8 million (+5.9 per cent) to \$176.4 million was driven by a lift in the value of citrus (+15.1 per cent), avocado (+37 per cent) and stonefruit (+12.3 per cent) exports. Exports to Hong Kong in 2023/24 were 8.8 per cent above the five-year average.

Avocados have seen a continued uplift in Australian production following substantial plantings over the last decade. The surge in production has created an oversupply on the market over the last five years. As a result, the ongoing expansion into current and new export markets will continue. Hong Kong was our second most valuable market for fruit exports and our seventh largest market for vegetable exports.

Export value to Japan saw a small rebound of \$7.1 million (+4.4 per cent) to \$168.8 million in 2023/24. Despite this rebound, export value remained 14.6 per cent behind average. This is a result of the significant declines recorded over the preceding four years. A lift in citrus (+23.9 per cent) and avocado (+207 per cent) export value more than offset a decline in table grape exports (-31.3 per cent). In terms of value, Japan is Australia's fourth largest market for fruit exports and the sixth largest market for vegetable exports. The importance of the Japanese market to nut producers continued to decline in 2023/24. The value of nut exports declined by \$15.8 million (-44.9 per cent) to \$19.4 million, making the market just our eighth most valuable market, falling from our fourth most valuable market just three years ago.

India and Indonesia recorded the most significant year-on-year growth in horticultural export value. India saw growth of \$49 million (+48.9 per cent) to \$149.3 million. Indonesia recorded a lift in export value of \$26.3 million (+20.5 per cent) to \$154.7 million. Both markets are now sitting 45.1 and 44.4 per cent above the five-year average respectively.

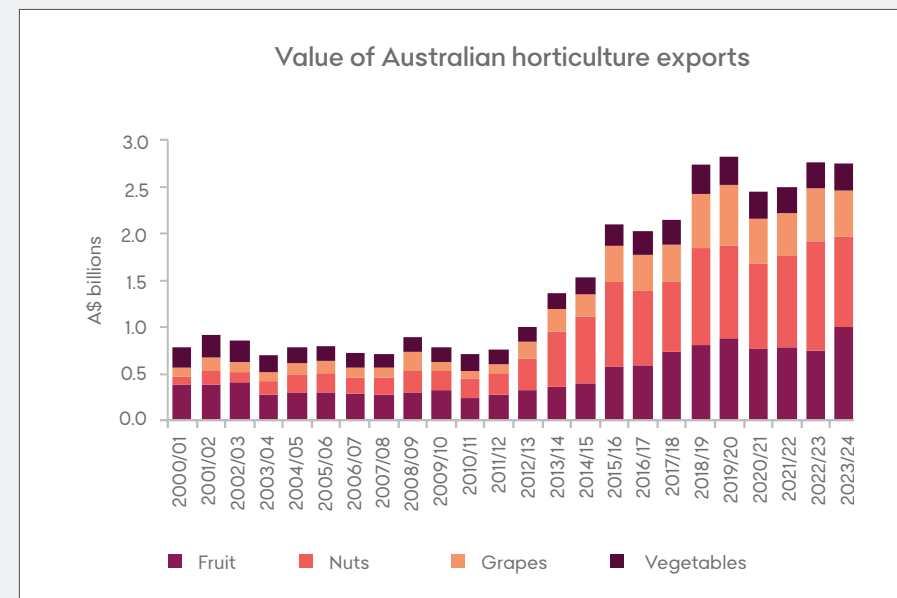
Outlook for 2024-25

The outlook for Australian horticultural exports remains broadly positive heading into 2024/25. A rebound in production across both almond and macadamia crops will lift the export value of the nut sector back above \$1 billion. Rising export demand from India will be of particular benefit to almonds. Almond production topped 160,000 tonnes while macadamia output estimates sit at almost 51,000 tonnes in 2024. This means there is a substantial export program to execute in 2024/25. The challenging economic conditions across China will likely continue to weigh on consumer demand. This may place a ceiling on the growth in export value to China for the coming season. Over the medium-term both almond and macadamia exports will continue to trend higher as recent plantings continue to mature and produce greater volumes.

Average rainfall currently forecast by the Bureau of Meteorology across the east coast is driving positive production and quality prospects for fruit growers. This is further assisted by ongoing cheap irrigation costs. Table grape exports are expected to lift, though weather across summer months will be key to ensuring quality remains high. Favourable quality is key to maintaining demand from our key export markets of China, Japan and Vietnam. Table grape producers have also just received greater

access to the Japanese market. We can now export more than 130 varieties into Japan. Exporters have previously only had clearance to export three varieties of table grapes. These varieties were Crimson Seedless, Red Globe and Thompson Seedless. This expanded market access is expected to lift the value of the Japanese market from \$30 million to \$50 million over the next few years. Citrus exports will likely ease back towards average of around \$280 million as output across regions typically follows a biennial “tic-toc” pattern. This decline will be led by mandarin exports. Output of mandarins has eased slightly over the harvest period, particularly in key Queensland production areas. Stonefruit exports are also expected to ease slightly. This follows the strong production season seen in summer 2023. Despite this, stonefruit exports will remain above the average of \$160 million. This is assuming the volumes of export quality output remains.

The value of Australian vegetable exports will remain reliant upon how production shapes up across key competing nations such as China and India. Production potential across 2024/25 remains favourable on the back of low irrigation costs with high prices also encouraging strong plantings. Forecast average rainfall across the east coast will also enable full planting programs and limit disease concerns for root vegetable growers.



Source: GTA



Source: GTA



Commodity Overview

↑+6.5%

The value of Australian sheep industry exports lifted \$309.3 million (+6.5 per cent) in 2023-24 to a record total of \$5.1 billion.



Export value was driven higher by an influx of volume. Sheepmeat export volume was up 26.3 per cent, more than accounting for the decline in average unit price



Australian sheep industry exports are expected to be relatively stable in 2024-25 as reduced volume is paired with improved prices.

Trade performance in 2023-24

Australia's sheep industry export value climbed \$309.3 million (+6.5 per cent) to a record \$5.1 billion in 2023/24. This exceeded the previous record year in 2021-22 by \$182.7 million (+3.7 per cent). The increase in export value was driven mainly by a large increase in sheepmeat export volume, which rose 26.3 per cent from 2022-23. Slaughter rates were elevated due to the recent national flock rebuild and were further exacerbated by dry conditions pushing growers to destock throughout 2023. Sheep industry exports faced headwinds from tough economic conditions throughout 2023-24, which slowed demand for the food service industry and premium products. This saw the average sheepmeat export price fall 14.9 per cent to its lowest point since 2017/18.

Australian lamb export value grew to a record \$3.6 billion in 2023-24, up \$344.3 million (+10.7 per cent) from the previous year. Export value grew on the back of significant growth in export volume, which was up 27.6 per cent from a record in 2022-23. Export value was up despite the weakening of the average export price. Australia's average lamb export unit price fell 13.2 per

cent to \$9,026/tonne in 2023/24. This marks the lowest price point since 2020-21 and a 19.1 per cent fall from the peak in 2021/22.

The value of Australia's mutton exports was slightly lower in 2023-24, despite a significant uptick in volume. Mutton export value totalled \$1.2 billion, down \$6.6 million (-0.5 per cent) from 2022-23, but remained 1 per cent above the five-year average. Export volume strengthened year-on-year, lifting 24.2 per cent to 238,116 tonnes, the highest quantity on record. Average export price continued lower for a second consecutive year, falling 19.9 per cent to \$5,246/tonne. This was 36.4 per cent down from the peak in 2021-22 and the lowest average price point since 2015/16.

Sheep skin export value firmed year-on-year, lifting \$10.2 million (+4.8 per cent) to \$225 million. This was driven by a 12.3 per cent increase in volume, although unit price fell 6.7 per cent from 2022-23. The unit price of sheep skins fell to its lowest point since 1999-00 and was 26.5 per cent below the five-year average. The price point for sheep skins faced downwards pressure from the influx of supply and tough economic conditions reducing demand for premium products.



Sheep

The value of Australia's live exports continued to soften for a fourth consecutive year, falling \$38.7 million (-45.5 per cent) to \$46.3 million. This was driven by both a reduction in volume (-25.1 per cent) and unit price (-27.3 per cent). The value of Australia's live sheep export industry in 2023-24 was 57.2 per cent below the five-year average and was 82.1 per cent lower than 2017-18, the last year before restrictions were introduced.

Major export markets

The US returned as Australia's highest value market for the sheep industry in 2023-24, after a brief fall to second place the year before. Export value totalled \$1.2 billion, up \$79.6 million (+6.9 per cent), to the second highest level on record. Export value to the US lifted on the back of growth in the lamb trade, which lifted \$109.8 million (+10.6 per cent) to \$1.1 billion. Although mutton exports softened for a second consecutive year, falling \$30.2 million (-25.2 per cent) to \$89.6 million.

China fell to second place for sheep industry export value in 2023-24, after regaining top spot briefly the previous year. Total export value fell \$179.7 million (-14.1 per cent) to \$1.1 billion, its lowest point since 2017/18. Lamb exports to China dropped \$102.5 million (-19.3 per cent) year-on-year,

while mutton exports fell \$89.2 million (-16.2 per cent). Export value for sheep skins lifted \$12.2 million (+6.3 per cent) but were not able to recover all the losses incurred the previous year.

The Middle East was the major growth market for Australian sheep industry exports in 2023/24. Total export value increased by \$467.5 million (+64 per cent) to \$1.2 billion. Growth in the region was driven by increases to Iran, Saudi Arabia and the UAE. These three nations combined to make up 69 per cent of the growth to the Middle East. Iran returned as a major destination for Australian sheepmeat exports after several years of minimal exports. Export value jumped from \$1.3 million to \$180.6 million in 2023-24, seeing Iran rise from the 61st largest market to 7th largest. Growth from Iran was due to the importation of sheepmeat to relieve pressure on prices amid rising inflation and high local feed prices.

The value of Australia's sheep industry exports to South Korea dropped in 2023-24 from a record the previous year. Export value fell \$95 million (-29.1 per cent) to \$231.9 million. This followed 10 consecutive years of growth. Fortunately, total export value remained 13 per cent above the five-year average and was the second highest value on record.

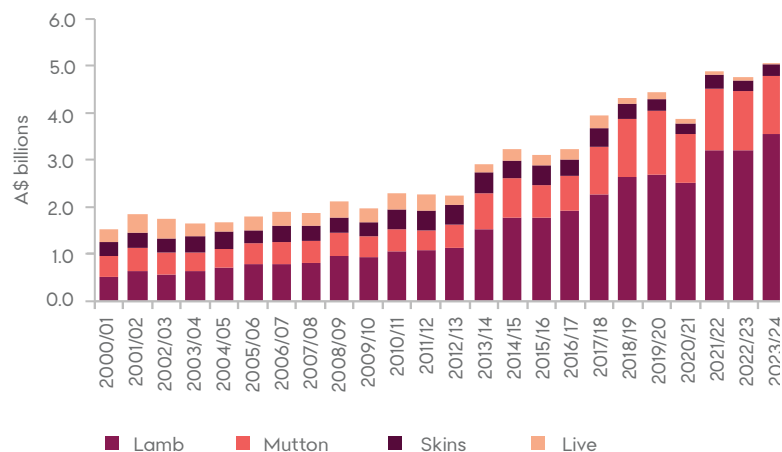
Sheep

Outlook for 2024-25

Australia's sheep industry export value is expected to be relatively steady in 2024-25. Lamb and mutton prices are expected to average higher across 2024/25, while export volumes are expected to soften as supply tightens. Last season saw increased supply following the national flock rebuild and high turn-off rates due to dry seasonal conditions. Lamb and mutton production throughout 2023/24 were up 18.7 per cent and 17.9 per cent respectively.

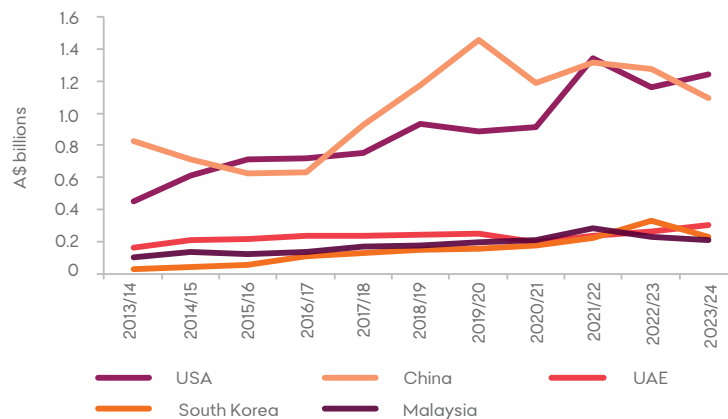
Seasonal conditions have somewhat improved, which will slow the flow of sheepmeat through the system. The question remains as to whether export markets will be as receptive to Australian lamb at a higher price point. At this stage average export unit price has seen only a marginal increase compared to the significant strengthening in saleyard prices. Export value from skins is likely to remain subdued, as supply is forecast to slow and economic conditions will continue to restrict demand for premium products. The value of Australia's live exports is also expected to continue to deteriorate. The phase out of live exports will see industry participants continue to move away from the trade, although the uptick in prices will offer some support.

Value of Australian sheep industry exports



Source: GTA

Value of top five Australian sheep industry export markets



Source: GTA



Commodity Overview

↓ -12.0%

The value of Australian wool exports fell \$382.8 million (-12.0 per cent) in 2023-24 to a total of \$2.8 billion.



Weak demand drove wool prices lower across the year which more than offset a small rise in export volume to see export value decline for a second consecutive year.



Wool exports are set to see another decline in value in 2024-25 with lower production set to combine with a further easing in prices.

Trade performance in 2023-24

It was another disappointing year for Australian wool exports in 2023-24 with a decline in value for a second consecutive year. The fall of 12 per cent in 2023-24 followed a decline of 2.3 per cent in 2022-23. This took the value of exports to 7.7 per cent below the five-year average.

This decline was driven by a 13.9 per cent fall in the average export price of wool. Average export price fell to \$8,307/tonne, the lowest since 2014-15 and 19.7 per cent below the five-year average. Declines in prices were largest for fine wools with wool below 20-micron declining by 14.4 per cent. Medium wools saw slightly lower declines of 11.8 per cent for 20-23 micron and 9.9 per cent for 24-27 micron. Broad wool saw a small rise in

average export price, with wool broader than 27-micron seeing a rise of 1.9 per cent. However, this was still the second lowest price in the last 29 years and 28.8 per cent below the five-year average.

The decline in price was more than enough to offset a 2.2 per cent rise in export volume. This was the fourth consecutive year of growth in export volume as an expanding sheep flock has driven a 38.1 per cent rise in export volume since 2019-20. This has taken export volume to 14.7 per cent above the five-year average. Increased export volume in 2023-24 was led by wools finer than 20-micron and coarser than 27-micron. Meanwhile there was a 2.6 per cent decline in wool between 20-23 micron.



Major export markets

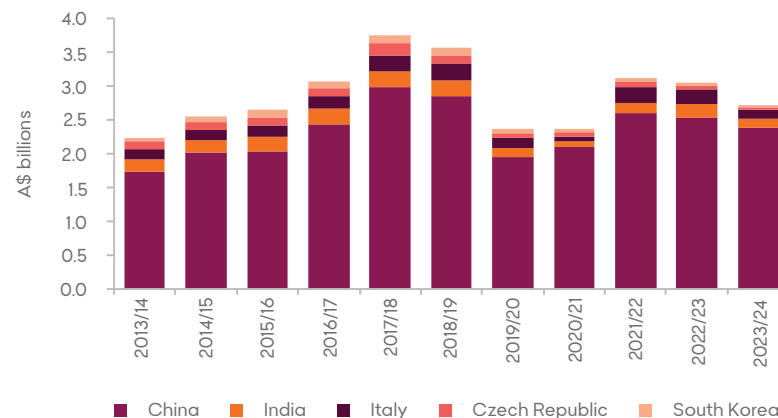
China took an increased share of Australian wool exports in 2023-24. Although the value of exports to China dropped \$154 million (-6.1 per cent) to \$2.4 billion, this accounted for 84.6 per cent of the total value of wool exports, up from 79.3 per cent in 2022-23. China was the only major market to which export volume rose in 2023-24. Export volume to China increased by 7.0 per cent and rose to its highest level since 2006-07. Meanwhile, export volumes fell by over 20 per cent to both India and Italy. This combined with declines in average export prices saw the value of exports to India fall 31.2 per cent and to Italy by 39.1 per cent. Export value to India and Italy were particularly weighed down by fine wool with both markets seeing a fall in the value of wool finer than 20-micron of 40 per cent.

Outlook for 2024-25

It is expected to be another challenging year for wool exports in 2024-25 with declines in both export price and volume set to drive export value lower for a third year in a row. Export prices are expected to continue drifting

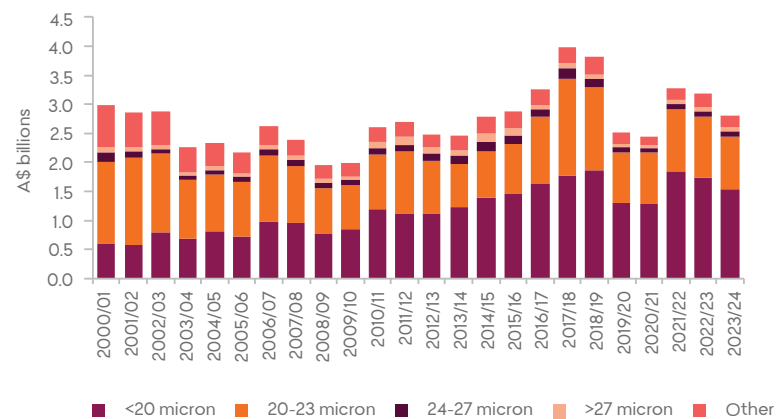
lower with little indication of demand improving. Consumers in China, Europe and the US are likely to continue to face challenging economic conditions and keep spending on discretionary items to a minimum. A slowing of inflation and the beginning of interest rate cuts in some economies indicates a recovery in consumer sentiment could be getting closer, however it will likely take some time after conditions improve to see uplift in spending on woollen products. China's economic situation is less optimistic which will continue to weigh on demand for some time. Unlike the previous four years, the volume of exports is expected to decline in 2024-25. Dry conditions across most sheep regions in the past 12 months has brought flock expansion to an end. High turnoff of sheep will likely cause the flock to have declined and leave fewer sheep to be shorn in 2024-25. The Australian Wool Production Forecasting Committee expect there to be a 10.3 per cent decline in the number of sheep shorn in 2024-25. Dry conditions in the first half of 2024 will also contribute to lighter wool cuts. Expected declines in both average export price and volume could see export value fall by around 10 per cent to \$2.5 billion.

Value of top five Australian wool export markets

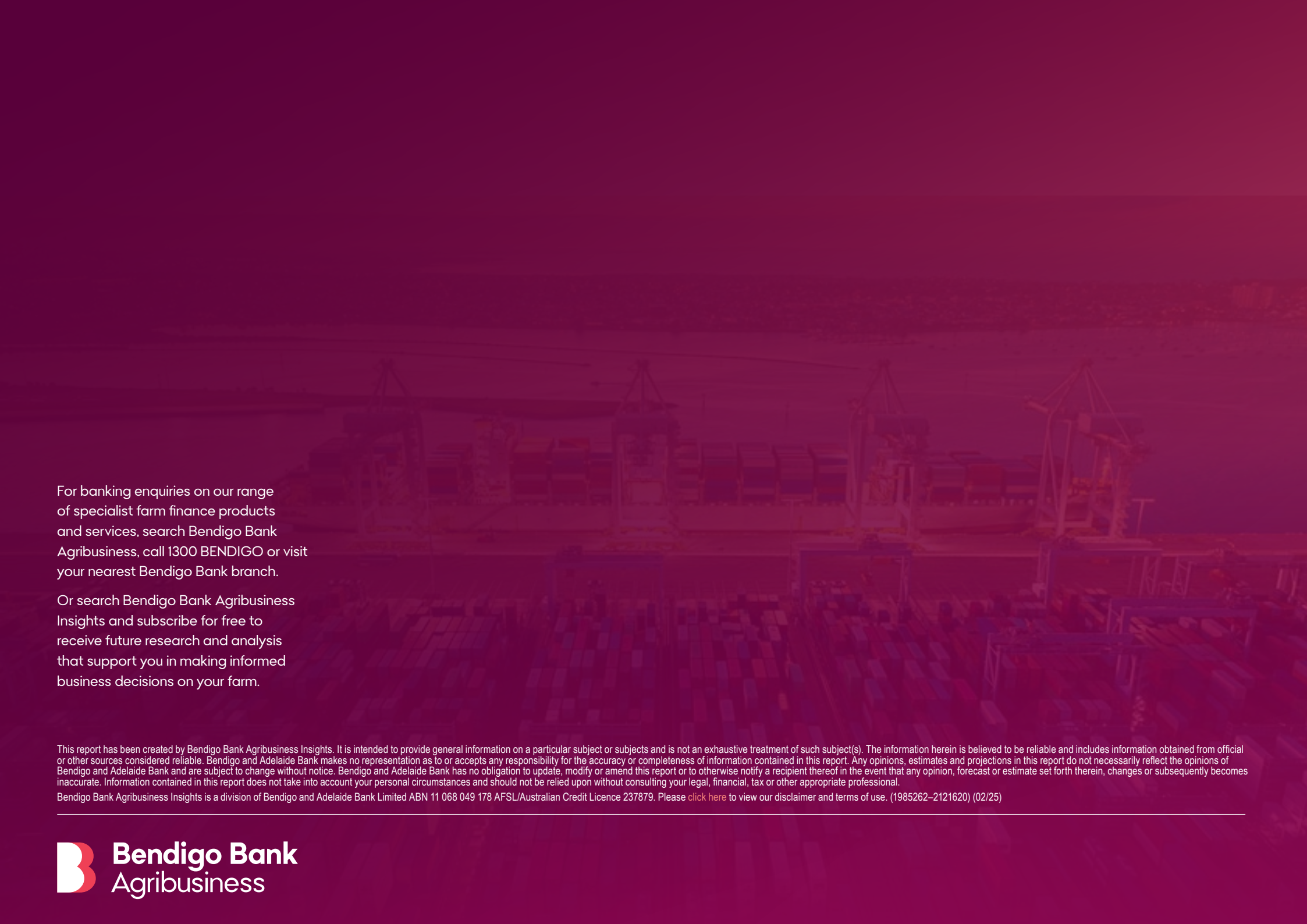


Source: GTA

Value of Australian wool exports



Source: GTA



For banking enquiries on our range of specialist farm finance products and services, search Bendigo Bank Agribusiness, call 1300 BENDIGO or visit your nearest Bendigo Bank branch.

Or search Bendigo Bank Agribusiness Insights and subscribe for free to receive future research and analysis that support you in making informed business decisions on your farm.

This report has been created by Bendigo Bank Agribusiness Insights. It is intended to provide general information on a particular subject or subjects and is not an exhaustive treatment of such subject(s). The information herein is believed to be reliable and includes information obtained from official or other sources considered reliable. Bendigo and Adelaide Bank makes no representation as to or accepts any responsibility for the accuracy or completeness of information contained in this report. Any opinions, estimates and projections in this report do not necessarily reflect the opinions of Bendigo and Adelaide Bank and are subject to change without notice. Bendigo and Adelaide Bank has no obligation to update, modify or amend this report or to otherwise notify a recipient thereof in the event that any opinion, forecast or estimate set forth therein, changes or subsequently becomes inaccurate. Information contained in this report does not take into account your personal circumstances and should not be relied upon without consulting your legal, financial, tax or other appropriate professional.

Bendigo Bank Agribusiness Insights is a division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. Please [click here](#) to view our disclaimer and terms of use. (1985262–2121620) (02/25)