Monthly Commodity Update

August 2026

Bendigo Bank
Agribusiness

Monthly Commodity Update – August

Bendigo Bank Agribusiness

Headline Insights:

Australian agricultural exports surged to a record $81.4 billion in 2025/26, driven by ongoing growth in livestock sector exports. Meanwhile, the re-emergence of conflict in the Middle East and Black Sea over the last month has begun to impact global trade. Uncertainty surrounding export logistics have seen grain markets lift, despite early August rainfall providing a further boost to winter crop production prospects.

Cattle: ***pg. 11-12***
While strong US demand offers a market buffer, recently triggered safeguard tariffs will test importer resilience and likely slow the current rate of trade.

Cropping: ***pg. 13-15***
Australian wheat is benefiting from marginal price support due to Black Sea export uncertainty. Meanwhile feed barley has inverted the east-west premium with domestic demand broadening.

Dairy: ***pg. 17-18***
Australian dairy imports are once again on the rise, especially from the US. Competitively priced overseas dairy product may supplement the expected decrease in milk production this season, with implications for mid-season step ups.

Horticulture: ***pg. 20-21***
Australian horticultural exports hit a record $3.5 billion in 2025/26 underpinned by citrus and nut sectors. Market concentration remains an increasing risk with China accounting for a record 36.3 per cent of all exports.

Sheep: ***pg. 20-21***
High prices and tight supply have shaken up Australian sheepmeat exports so far in 2026, but the second half may bring an uplift in demand from one of Australia's major markets.

Wool: ***pg. 24-25***
Season 2026/27 has started on a downturn, although the 2025/26 season made the most of its growth with an impressive 20 per cent increase in the value of exports over the year.

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Next report: *Tuesday 8th September*

Carbon and Climate

Early August rain brings relief after a dry July

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Key Watchpoints:

- Major crushing and refining projects remain at the study or pre-investment stage. Watch whether any move to committed construction, since capacity is the gateway for everything else.
- Australian canola compares favourably on lifecycle emissions but watch whether those credentials gain recognition through the certification systems the aviation industry uses to qualify feedstocks.
- While recent rain has been beneficial, a strengthening El Niño and forecasts for a dry, warm spring mean follow-up rainfall is critical for crop development.

Before canola fuels Australian jets, what still has to happen?

For Australian canola growers, the promise of sustainable aviation fuel is becoming more tangible. But translating aviation demand into a meaningful farmgate opportunity for Australian canola will require more than policy ambition. Qantas is targeting around 10 per cent sustainable aviation fuel (SAF) use by 2030, equivalent to roughly 600 million litres a year. Yet it is also securing access to overseas SAF supply. That underlines an important point for growers: rising Australian aviation demand does not automatically translate into demand for Australian canola.

Australia would need substantially more crushing and refining capacity. Existing oilseed crushing capacity is around 1.6 million tonnes a year, while GrainCorp is studying a new facility capable of processing at least 750,000 tonnes annually. Major projects, however, remain at the study or pre-investment stage rather than committed construction.

Price will also decide how much canola flows into fuel. Australian seed already commands strong export and food demand, so domestic SAF producers would need to outbid established buyers or turn to cheaper feedstocks such as used cooking oil, tallow and agricultural residues.

Certification is another piece of the puzzle. Australian canola appears to compare favourably with international lifecycle-emissions benchmarks, but those credentials still need to be recognised through the certification systems used by the aviation industry.

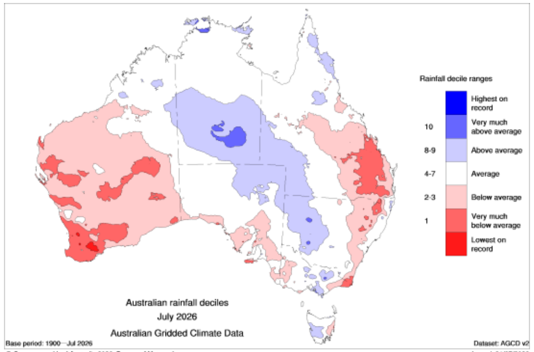
And additional crushing produces meal as well as oil. A 750,000-tonne plant could generate roughly 435,000 tonnes of canola meal, creating extra livestock feed supply that would also need a market.

The opportunity is real, but by 2030 the biggest question for growers may be whether these processing, price and certification hurdles are cleared quickly enough to turn SAF ambition into meaningful competition for Australian canola.

The word on weather

July was a poor month across Australia's cropping belt, with national rainfall around 70% of the long-term median. Western Australia was particularly dry. However, the first ten days of August brought a significant change, with a broad rain event delivering useful falls across South Australia, Victoria, and much of the WA grainbelt. Southern New South Wales is now in a particularly strong position after good rain in both July and August.

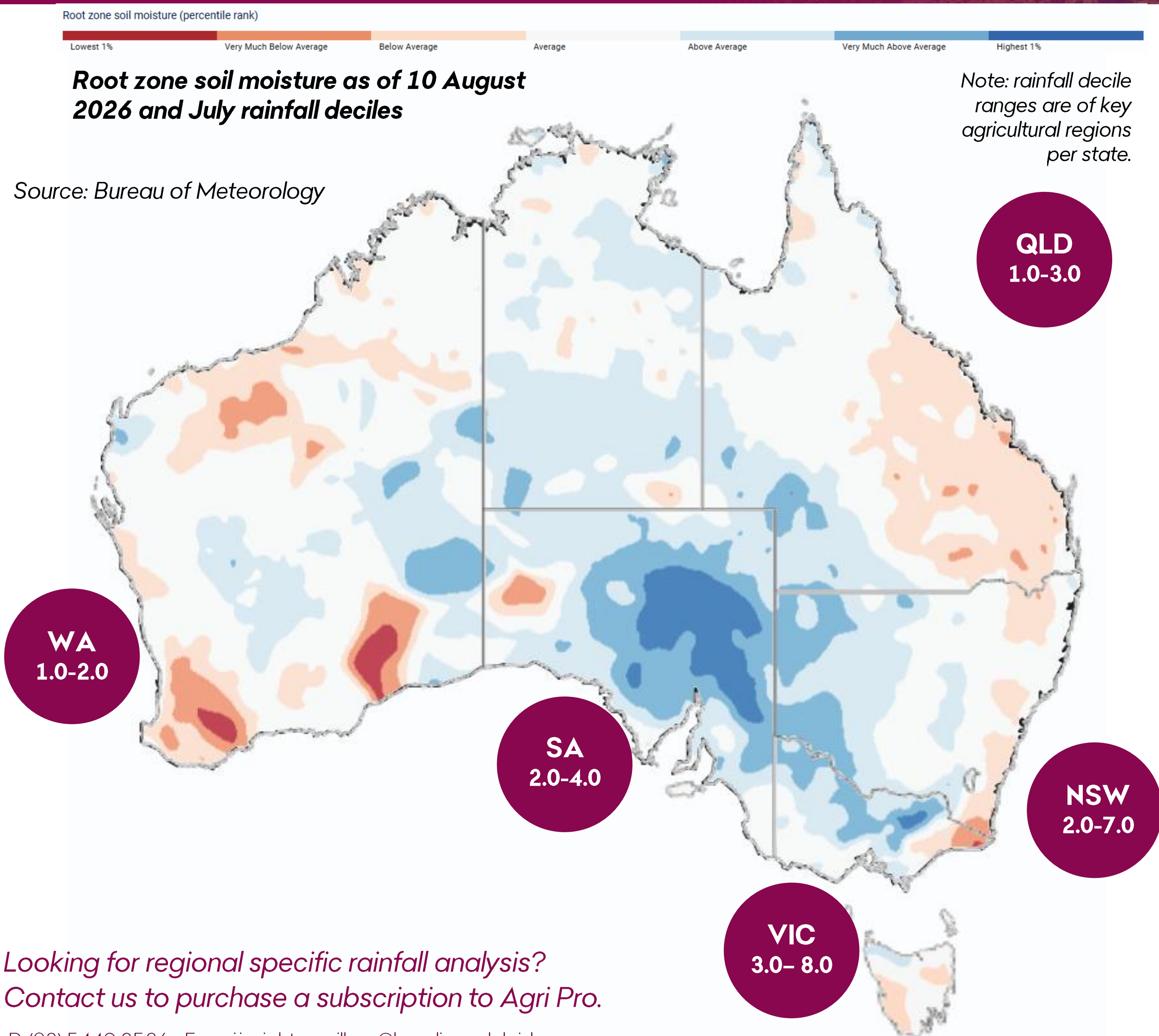
The improvement was not universal, as Queensland's cropping belt and northern New South Wales missed most of this rain and remain areas of concern. Seasonal risk is still present, with the Bureau's August to October outlook suggesting below-average rainfall and above-average temperatures as El Niño strengthens.



Root zone soil moisture as of 10 August 2026 and July rainfall deciles

Source: Bureau of Meteorology

Note: rainfall decile ranges are of key agricultural regions per state.



Water storages in the Murray Darling Basin

	July 2026	YoY %
Whole of Basin	58%	-5%
Southern basin	58%	-2%
Northern basin	57%	-12%

Catchment	Location	May 2026	YoY %
Macquarie	Lake Windamere	83%	-6%
	Lake Burrendong	32%	-22%
Namoi	Split Rock Reservoir	92%	10%
	Lake Keepit	58%	-39%
	Chaffey Dam	94%	-10%
Gwydir	Lake Copeton	61%	1%
McIntyre	Pindari Lake	42%	-14%
Upper Murray	Lake Hume	56%	10%
	Lake Dartmouth	71%	4%
Goulburn	Lake Eildon	51%	-6%
Murrumbidgee	Lake Burrinjuck	52%	-2%
	Blowering Reservoir	56%	1%
Lower Murray	Lake Victoria	93%	29%
Lower Darling	Menindee Lakes	31%	-48%
Lachlan	Lake Wyanngala	63%	-21%
	Carcoar Lake	92%	-5%
	Lake Cargelligo	84%	33%

As at 29 July 2026

Source: MDBA, BOM

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Production costs

Fuel, fires, and fertiliser flags

Bendigo Bank Agribusiness

Key Watchpoints:

Diesel prices surged through July and August, adding over 60c/L on average as fuel excise charges were reinstated in full and conflict reignited in the Middle East. Onshore storage limitations are adding demurrage costs to the upward pressure on local prices, with some Australia-bound shipments waiting off the coast to unload.

Conversely, global urea indicators have continued to ease, with prices back close to pre-war levels as northern hemisphere seasonal demand dropped away and China relaxed export restrictions. Weaker buying from Brazil has also helped balance international markets.

The Aussie dollar has maintained a rising trajectory through July and August, as the US dollar softened and investor concerns around risk moderated.

IMPORT VOLUMES *vs 5yr June average*

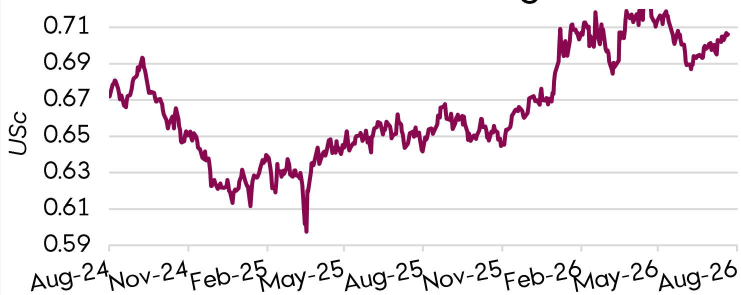
Chemicals	***Fertiliser***
Pesticides: *-2%*	**Urea:** *-3%*
Herbicides: *144%*	**MAP :** *-95%*

Indicative cereal hay prices (July) *MOM: month-on-month. YOY: year-on-year.*

Eastern Aus (north)	Eastern Aus (south)	South Australia	Western Australia	Tasmania
$325/t *+0% MOM, -17.3% YOY*	$301/t *-4.1% MOM, -53.8% YOY*	$269/t *-2.2% MOM, -61.1% YOY*	$239/t *-1.7% MOM, -16.4% YOY*	$198/t *-13.9% MOM, -46.5% YOY*

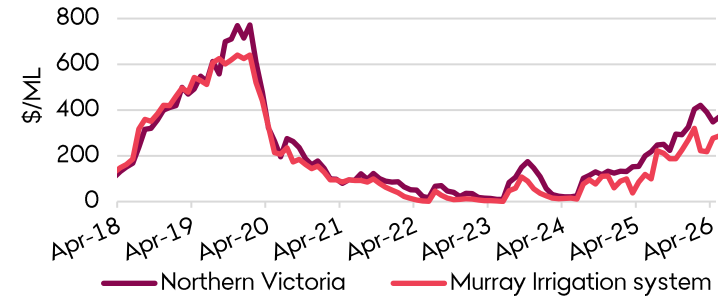
Source: AFIA

AUD/USD exchange rate



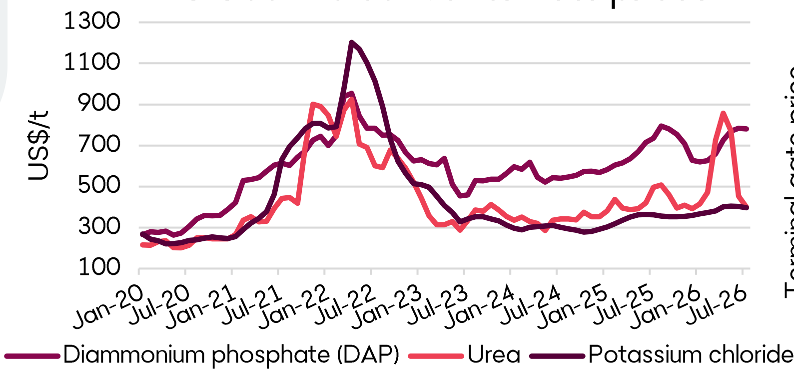
Source: RBA

Temporary water prices



Source: Victorian water register, Murray Irrigation system

Global indicative fertiliser prices



Source: World Bank

National average diesel price

Source: AIP

Domestic market

Confidence nudges higher

Bendigo Bank Agribusiness

Key Watchpoints:

Australian consumer confidence has continued to edge higher but remains well down on pre-March levels. Bendigo Bank's July *Economic and Market Update*, noted that easing property prices may yet weigh further on consumer demand. For now, household spending on food via the retail channel has picked up slightly, but slower foodservice expenditure reflects ongoing caution. The year-on-year increase in the overall CPI of 3.7% in June represents a moderating trend, but slow growth in GDP has added to stagflation concerns, which continue to mount across all advanced economies.

This month's *bang for buck:*

Leafy vegetables, capsicums, and tomatoes are all offering great value with pricing sitting below long-term averages for this time of year. Berries are also coming into season with greater volumes starting to flow through to retailers.

Total CPI
YOY Jun 2026
+3.7%

Cash rate
at 12 August 2026
4.35%

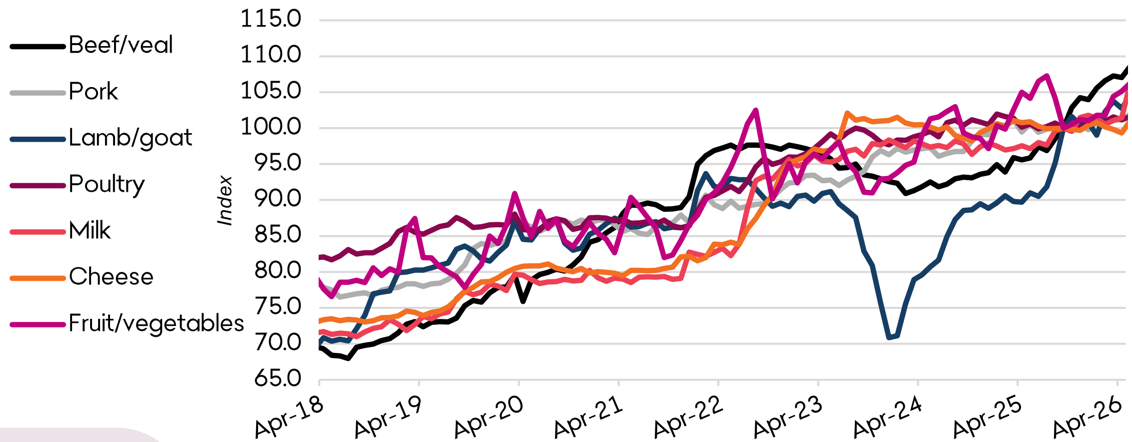
Source: ABS, RBA

HOUSEHOLD SPENDING
Jun 2026 vs LM (seasonally adjusted)
Source: ABS

Food (retail)
+0.3%

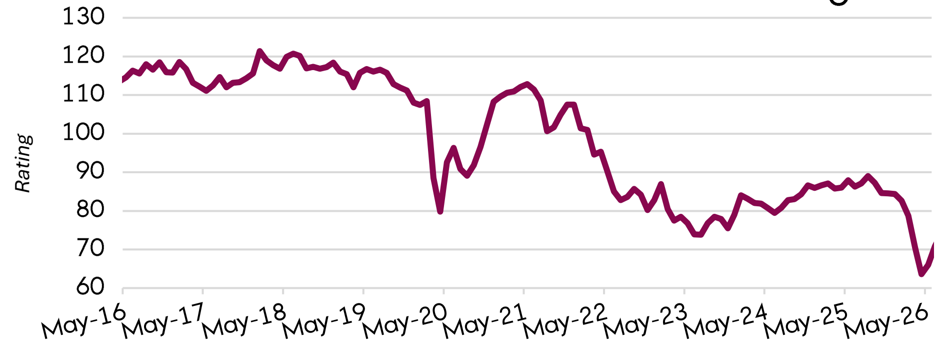
Hotel/café/restaurant
-0.1%

Consumer price indices for key food groups



Source: ABS

Australian consumer confidence rating



Source: ANZ/Roy Morgan

LM: last month. YOY: year-on-year.

Feature article

Agricultural exports reach all-time record in 2025/26

Bendigo Bank Agribusiness

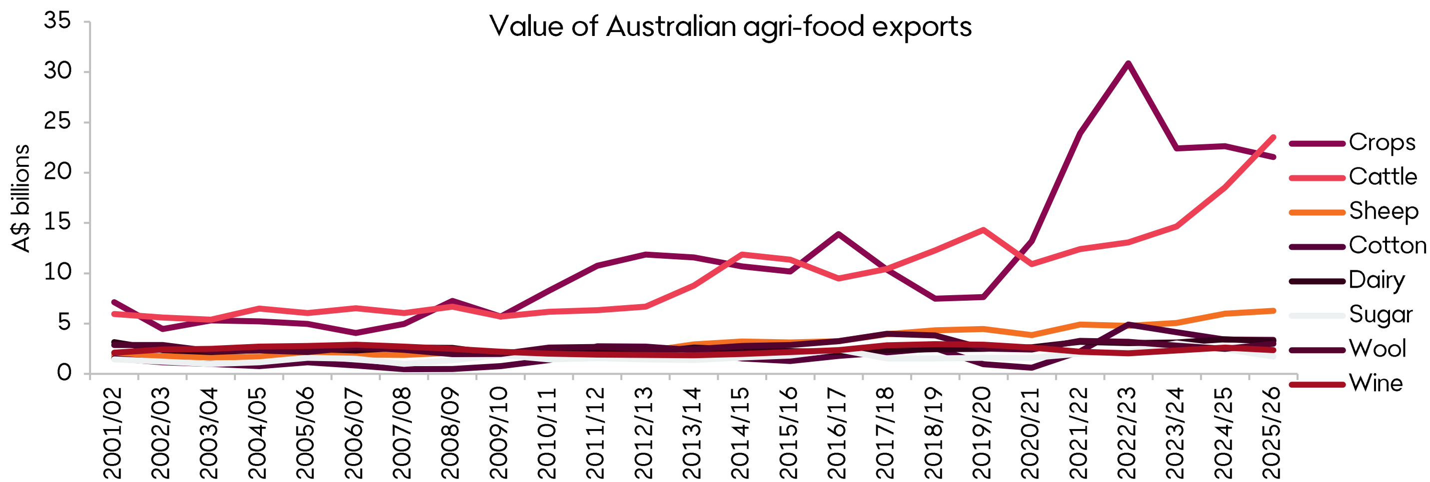
Sean Hickey
Senior Agricultural Analyst

Key Watchpoints:

- Australian agricultural exports surged a further $4.5 billion (+5.8 per cent) to $81.4 billion in 2025/26, marking the highest export year on record.
- Growth in the livestock sector continued to drive this expansion, with both cattle and sheep meat exports surging to all-time highs.
- Victoria remains the nation's ag export powerhouse at $21.8 billion, followed by Queensland at $17.1 billion, New South Wales at $15.8 billion, Western Australia at $14.1 billion,

The value of Australian agricultural exports surged a further $4.5 billion (+5.8 per cent) to $81.4 billion in 2025/26, marking the highest export year on record and the first time the sector has surpassed the $80 billion threshold. Following a similar theme to recent years, growth in the livestock sector continued to drive this expansion, with both cattle and sheep meat exports surging to all-time highs.

The value of cattle exports again smashed records in 2025/26, rising $5 billion (+27 per cent) to $23.5 billion. This surge was sustained by robust US demand for Australian beef amidst a reduced North American herd. Exporters have also rushed to fill purchases from China and South Korea prior to triggering their respective safeguard tariff mechanisms. Consequently, the cattle sector now holds the mantle as Australia's most valuable agricultural export sector, officially surpassing cropping. Elsewhere in livestock, sheep meat exports rose 4.8 per cent to a record $6.3 billion, while the wool sector rebounded following several tough years to record a 20 per cent lift in export value to just over $3 billion. Growth was also observed in seafood and horticultural exports, both of which now sit at historic record levels. However, while this overall export growth is positive, it was heavily concentrated in livestock markets, which now account for 36.6 per cent of all agricultural export value, up from 27.3 per cent just a couple of years ago.



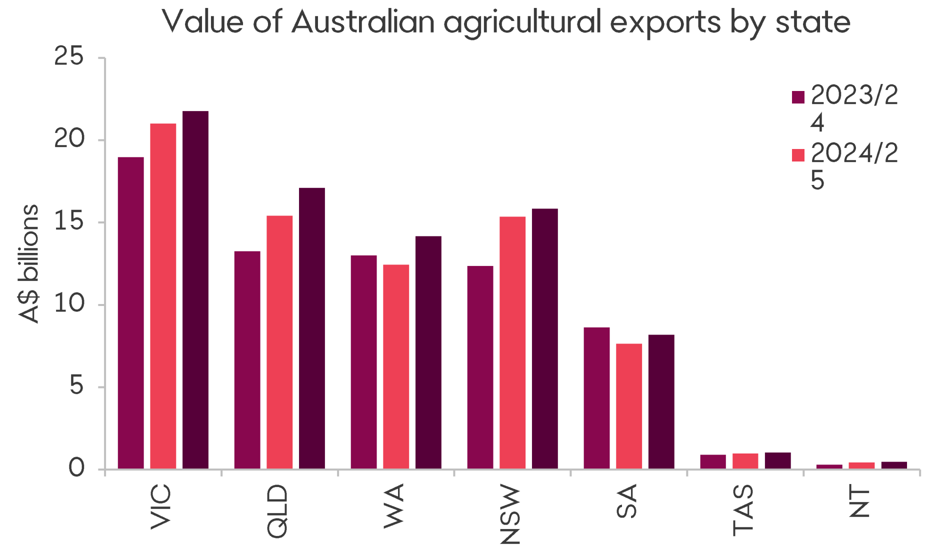
On the other side of the equation, a range of agricultural sectors saw notable declines over the same period:

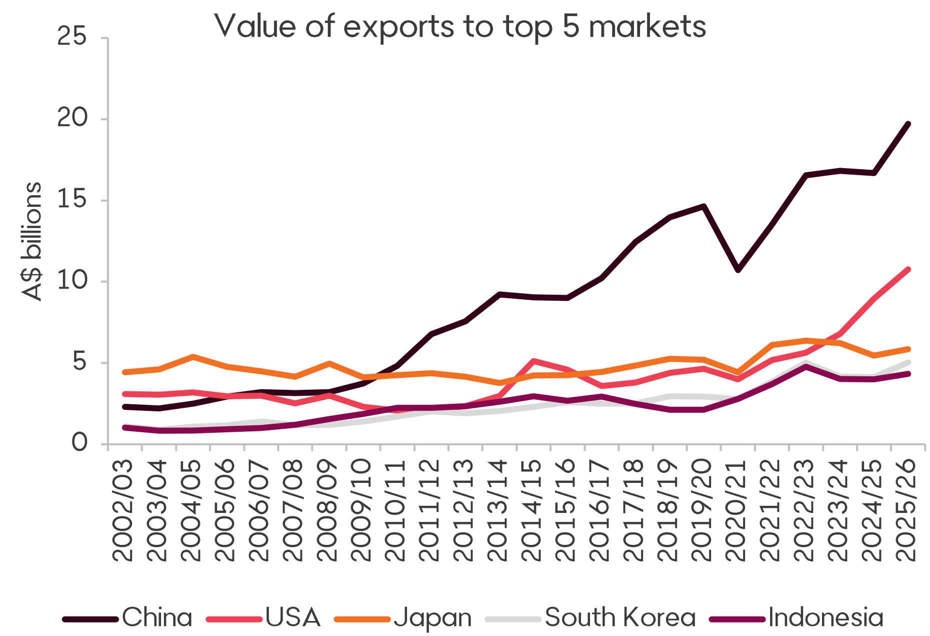
- **Cropping:** Export value fell $1.1 billion (-4.8 per cent) to its lowest level since 2020/21, impacted by softer global demand for wheat.
- **Sugar:** Exports plunged $715 million (-29 per cent) to $1.7 billion, also the lowest since 2020/21 amidst strong global competition from Brazil.
- **Wine:** Grappling with structural shifts and a downturn in global demand, export value fell $240 million (-9 per cent) to $2.4 billion.
- **Dairy**: Dipped $182 million (-5 per cent) to $3.3 billion, as competitively priced global producers and ongoing domestic market consolidation weighed on trade.

From a domestic standpoint, all states recorded an increase in export value throughout 2025/26. Victoria remains the nation's agricultural export powerhouse at $21.8 billion, followed by Queensland at $17.1 billion, New South Wales at $15.8 billion, Western Australia at $14.1 billion, South Australia at $8.2 billion, and Tasmania at just over $1 billion.

On the global front, Australia's major export markets recorded strong growth across 2025/26. The value of agricultural exports to our largest market, China, surged by $3 billion (+18 per cent) to a record $19.7 billion. While this represents a continued improvement in bilateral trade relations, China now accounts for over 24 per cent of our total export value, meaning market concentration risk has continued to grow. Export value to the United States also lifted $1.8 billion to a record $10.8 billion in 2025/26. However, this US market surge is largely cyclical, driven by their current cattle herd rebuild restrictions, which poses a medium-to-long-term risk to ongoing beef export demand. Japan ($5.9 billion), South Korea ($5 billion), and Indonesia ($4.3 billion) rounded out Australia's top five markets, all posting large year-on-year rises. Together, these five markets now account for a record 58 per cent of Australia's total agricultural export value.

Looking ahead, the value of Australian agricultural exports is expected to record a modest decline in 2026/27 primarily driven by softer livestock exports. An increasingly fragmented global environment is anticipated to remain a significant challenge for exporters over the coming year. This outlook is highlighted by the proliferation of protectionist trade measures, conflict impacting key trade routes, and a broader decline in adherence to trading norms amidst ongoing geopolitical upheaval.





Feature article

Opportunities and challenges within the Sugar industry

Bendigo Bank Agribusiness

Nick Makeham
Agribusiness Graduate

Key Watchpoints:

- Large surplus in global sugar supply, driven by increased production in Brazil and Asia, has depressed international prices, eroding farm gate profits.
- The collapse of refined exports forces a structural shift to bulk raw sugar, increasing vulnerability to volatile global pricing.
- Stockpiling ending stocks block near-term domestic price increases by tying up capital and inflating holding costs.
- Long-term viability relies on diverting sugarcane from sweetener into high-value renewable energy in bioeconomic pivot.

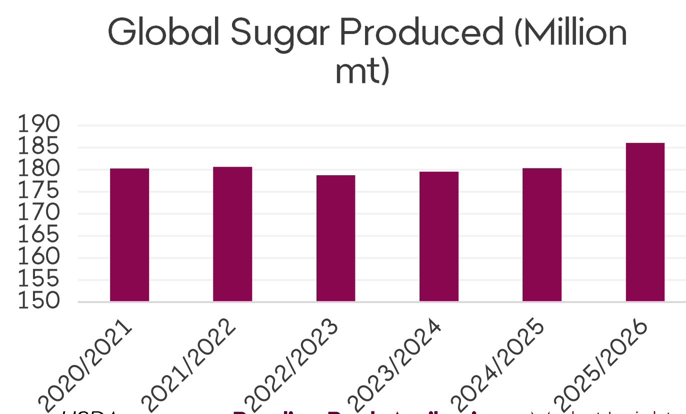
Australia's sugarcane industry, a mature and historically fragmented sector defined by premium quality and export dependency, is currently navigating a major structural contraction. Over the last five years, sector revenue has experienced annual declines of -3.7 per cent, accompanied by a severe 6.8 per cent annual contraction in profitability. Adding to this margin pressure, global consumption has fallen by approximately 40 per cent over the past decade. Producer profit margins have also compressed to 11.9 per cent, underscoring the vulnerabilities the industry faces amid increasingly competitive global market.

In recent years, the sector has been pressured by a perfect storm of global macroeconomic forces, input costs pressures, and surplus global supply. Aligning with ABARES and international commodity forecasts, a considerable surge in global sugar supply was recorded in 2025/26 - a 3.4 per cent increase from the 5-year average.

Bumper harvests across South American and Asian regions resulted in a strong recovery in export volumes from Brazil, Thailand, and India. This supply surplus has depressed international pricing, directly eroding Australian farm gate revenues. Simultaneously, operational expenditure has surged. The lingering effects of geopolitical instability have maintained key input costs at elevated levels, eating away farm margins from the bottom up.

Australia has experienced a deterioration in it's value-added processing competitiveness. Refined sugar exports collapsed from over 200,000t pre 2017/18 to a mere 7,000t in 2023/24. This baseline was previously sustained by long term supply agreements under the Singapore Australia Free Trade Agreement (SAFTA); the expiration of these preferential trade terms in 2018 exposed the domestic producers to lower cost Asian refiners, resulting in the structural shift to raw sugar exports.

The shift has left Australia with alarming inventory accumulation. Ending stocks for 2025/26 totalled an unprecedented 1.26 million tonnes – almost a 30- fold increase compared to the 2019/20 lows. This massive stockpile ties up significant working capital and exposes the industry to immense holding costs. It will also ultimately limit any near-term domestic price rallies.



Source: USDA

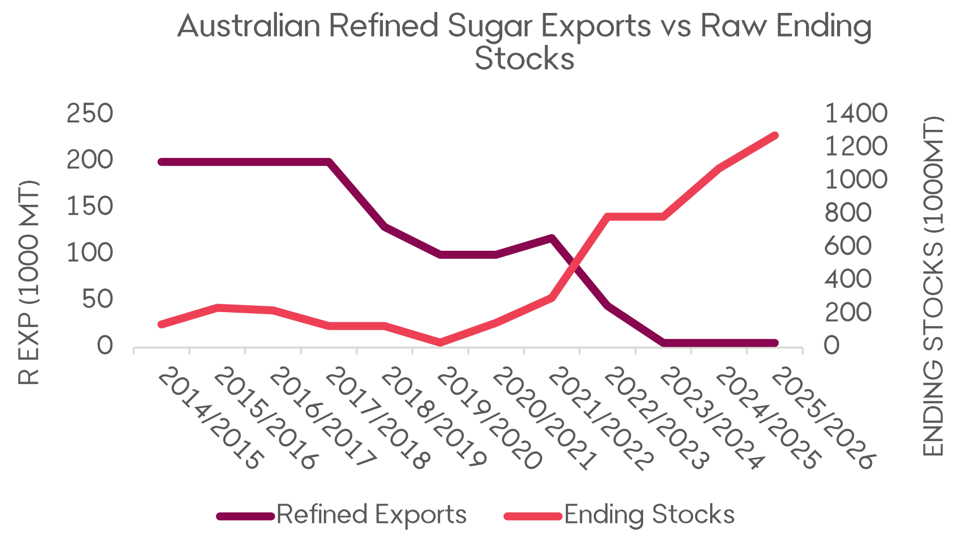
Feature article - Sugar

The Australian sugar industry is facing challenges on multiple fronts. Domestically, the traditional sweetener market is stagnating as manufacturers reduce sugar content to meet health trends and inflation pushes consumers toward private-label brands.

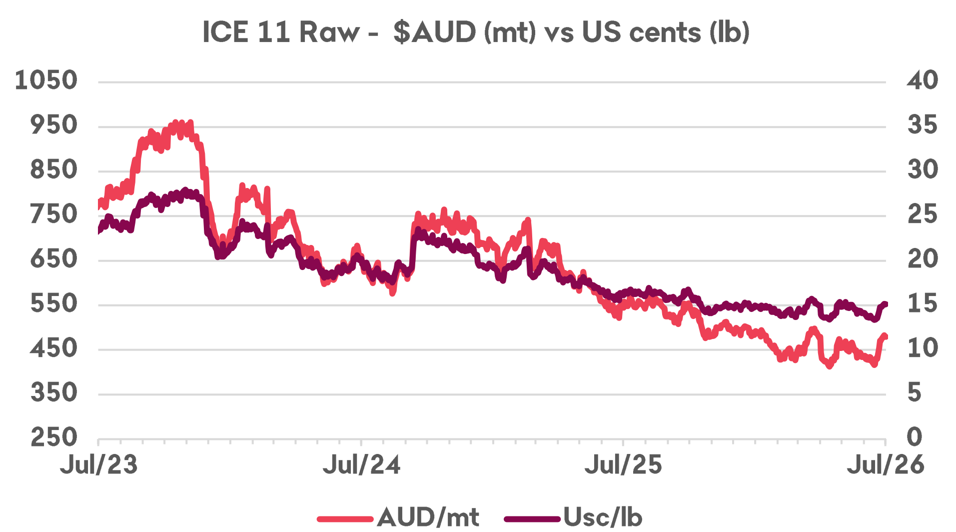
Internationally, intense supply side competition and price volatility cap export prices, directly pressuring Australian grower margins. This challenging backdrop is amplified by the sector's structural position as a deregulated, bulk raw exporter with an 80-85 per cent dependency on global trade. These combined pressures leave growers exposed to depressed global export cycles and continued pressure on their bottom line. This high exposure to the persistent margin squeeze has triggered domestic consolidation, with less scalable producers becoming unviable and forced to exit.

In response to these headwinds, the industry is executing a strategic pivot away from its historical dependence on volatile global trade, finding a powerful lifeline in the bioeconomy. Sugar milling infrastructure is pivoting toward renewable energy generation, utilising a cane byproducts (bagasse) to power 340 megawatts of cogeneration capacity, which yields over 1 million MWh of green electricity annually.

Beyond power generation, this pivot aligns the industry with the global aviation sector's urgent need for liquid "drop-in" fuels to decarbonise. This has created surging demand for Sustainable Aviation Fuel (SAF), presenting a lucrative market opportunity. Australia's sugar sector is perfectly positioned to capitalise on this. The sector already produces 65 million litres of bio-ethanol annually. This diversification, supported by strategic investments in high-yielding cane varieties by Sugar Research Australia, provides renewed confidence for growers to increase production for an innovating local market.



Source: USDA



Source: USDA

Cattle

Export headwinds challenge the market outlook

Bendigo Bank Agribusiness

Nick Makeham
Agribusiness Graduate

Key Watchpoints:

- While strong US demand offers a valuable market buffer, recently triggered safeguard tariffs will test importer resilience and likely slow the current rate of trade.
- Strong US demand for manufacturing beef remains a critical export fundamental.
- Reduced exports are expected to limit feedlot buying activity, placing downward pressure on local saleyard prices.

The Australian beef market is poised for a dynamic shift in the second half of 2026, moving from a period of heightened export demand towards a more constrained trade environment. The first half of the year saw record export volumes, driven by strong demand from the US, China and South Korea. However, the demand outlook is far less favourable as we enter the second half of the year, with safeguard quotas being exceeded in two of our largest markets.

Strong early season demand from South Korea has resulted in their safeguard tariffs being triggered in record time, which will place additional pressure on importers who are already facing high Australian cattle prices. Australia exhausted their South Korean quota in late July; 53 days earlier than in 2025. This has caused import duties to spike from an in-quota rate of 5.3 per cent to a restrictive out-of-quota penalty of 24 per cent. Despite this nearly fivefold tariff increase, South Korean buyers are heavily favoured to absorb the premium, somewhat mirroring their response in 2025. This inelastic demand is structurally driven by a contraction in South Korea's domestic slaughter and a profound deficit in unrestricted US chilled beef, prompting the Korean food service sector to persist with Australian beef and backfill its supply chain conservatively despite the penalty. For Australian exporters, this sticky Korean demand instils a moderate buffer against the Chinese market lapse, with product expected to continue to flow although at a reduced rate.

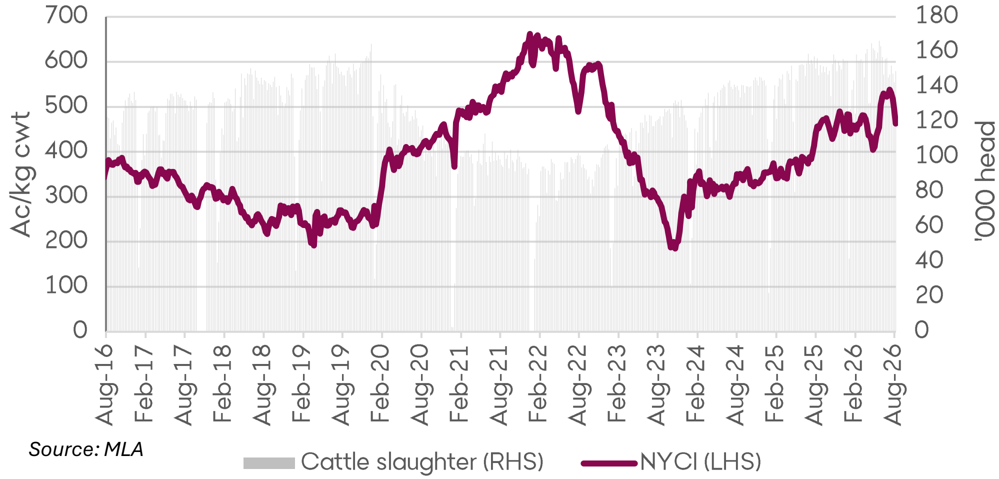
The trade dynamic in China is continuing to diverge in the wake of their recently introduced tariff quota being exceeded. As of June 20th, China enacted it's 55 per cent safeguard tariff on Australian beef, initiating the pressure on exporters. Unlike South Korea, Chinese importers are highly likely to pivot away from Australian product to avoid paying import premiums. This withdrawal of aggressive bidding from Chinese buyers removes a key competitive pillar, effectively weakening the upward pressure on Australian cattle prices. Without China competing for volume, exporters are left with a large void of export outlets, inevitably redirecting trade flows toward alternative markets.

The US remains the major market for Australian beef exports, with volumes lifting sharply over the past three years, driven by a massive supply deficit following a significant herd liquidation due to drought. As domestic production has fallen sharply, the US has transitioned into a primary import sponge for 90CL lean manufacturing beef. The US is absorbing record volumes of Australian grass-fed beef, but there is continued competition from New Zealand and Brazil. Despite the more crowded US market, US demand for Australian product is expected to remain elevated through the back half of the year.

The reduction in demand from two of Australia's three largest markets will weigh on the industry in the second half of 2026. This dynamic will lead to reduced cattle numbers entering feedlots, which will subsequently place heavy downward pressure on local saleyard prices heading into the spring.

Industry Scan – Cattle

Australian Cattle Price and Slaughter

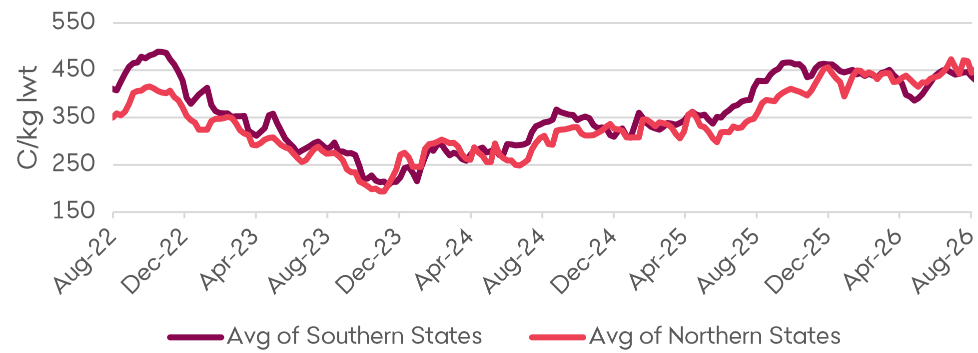


Source: MLA

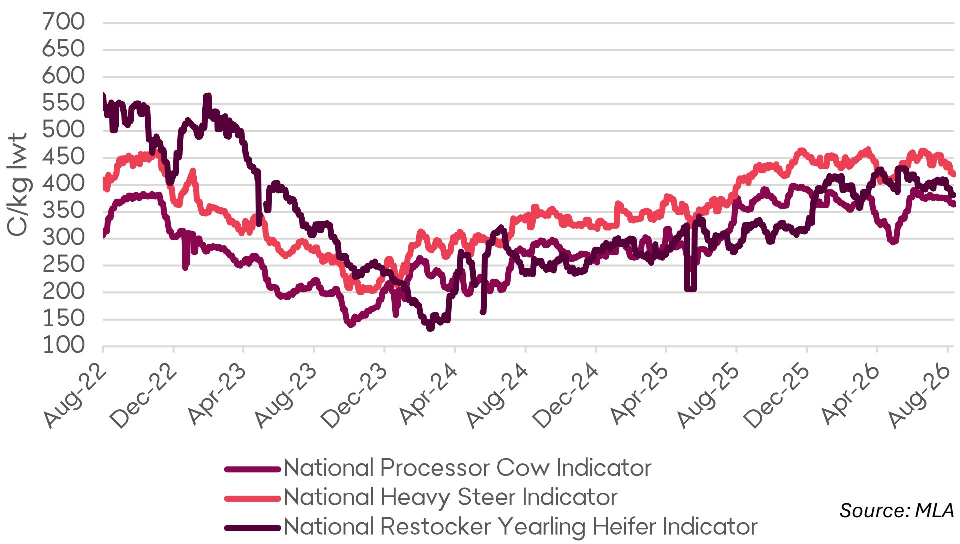
National Indicators	Current Price	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
National Young Cattle Indicator	465	-13.4%	1.9%	433	7.52
Eastern Young Cattle Indicator	906	-11.3%	6.0%	769	8.79
US 90CL	1,079	-5.0%	2.9%	938	9.86

Source: MLA

Heavy Steer Indicator - North vs South Australia

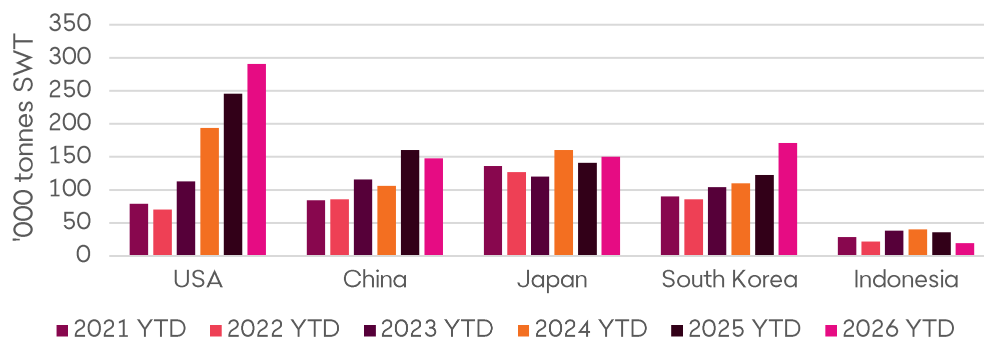


National Indicators



Source: MLA

National Beef Exports Year-to-Date



Source: DAFF

Cropping

Black Sea disruption reprices the board, but not Australian cash

Bendigo Bank Agribusiness

Rod Baker
Agricultural Analyst

Key Watchpoints:

- **Wheat:** Australia holds the stock to chase the Black Sea window this year. The shortage is protein, not tonnes, and grower selling is the swing factor.
- **Barley:** The WA premium has inverted. Chinese demand looks structural, not opportunistic, and sits outside the quota system.
- **Canola:** China is a second demand pool alongside the EU, but access is still trial-based and unsigned, and we still price off MATIF.

Australian wheat is long on tonnes, short on protein

The August WASDE cut Russian wheat exports 1.5 Mt and Ukraine's 1.0 Mt on what USDA describes as logistical disruption from the increased conflict in the Sea of Azov and the Black Sea, reversing a July report that had raised both on favourable crop conditions. Most of that tonnage went to Canada and Kazakhstan rather than leaving the market, and Australia was unchanged at 22.0 Mt.

Our own balance sheet points two ways. We are carrying a large old-crop stock, not a small one, with 2025/26 ending stocks at 5.11 Mt, roughly double the 2.41 Mt carried out of the prior year. It is the year ahead that tightens, with 2026/27 ending stocks projected at 2.69 Mt. How USDA got there matters: the August revision left production alone, trimmed exports slightly and added 1.0 Mt to domestic feed use. The carry-in shrank because more wheat is being fed at home, the same demand showing up in barley below.

APW wheat firmed only modestly on the month, Kwinana and Geelong both up around one per cent and the northern zones again leading, Brisbane was close to three per cent higher and Newcastle around two and a half. The daily path is the more useful story. Cash lifted five to seven per cent into the 24 July peak while futures ran almost 20 per cent higher, so basis compressed hard. Kwinana averaged around $25 over the board in early July and was pushed to $17 under it on 22 July, the day futures peaked. Since then, futures have averaged nine per cent below that peak while cash has firmed one to two and a half per cent.

Basis through August has averaged around $25 over at Kwinana, $17 over at Port Kembla and roughly line ball at Geelong, a west-to-east gradient, and all three sit well short of normal.

Trade commentary at the Australian Grains Industry Conference in late July framed it carefully. Australia is a gap filler into the Black Sea's Q3 and Q4 window, not a replacement: we ship December to July and are normally close to empty when it opens. This year is the exception. Between that old-crop stock and roughly 1.6 Mt of unshipped forward slots on the stem, we can physically supply it. The binding constraint is specification and grower willingness to sell, not tonnage.

High-protein supply is tight, with South Australia effectively empty, WA growing little of that spec and east-coast holders sitting on what remains, while the Gulf and African buyers shut out of Russian wheat are asking for protein. What we are long of is mid and low protein, and that does not fill the gap. Nor has anyone declared force majeure, so Black Sea shortfalls are being settled between the original counterparties, washed out or renegotiated rather than returning to the market as new tenders. Australian sellers have already moved on that view, pricing substitution rather than fresh demand. The question is not whether we hold the grain but whether price pulls it out of grower hands at the spec buyers want.

Cropping

Feed barley inverts the east-west premium as domestic demand broadens

Feed barley split sharply by coast through July, Geraldton was up four per cent on the month and Kwinana close to one per cent, while Port Kembla and Port Adelaide eased between one and two per cent, Port Adelaide is now more than 10 per cent below where it traded a year ago. The month since has closed that gap from the wrong end. WA peaked in late July and has since eased around four per cent, while Port Kembla climbed into early August and, even after giving back a similar amount, is up six per cent. Barley that traded at a discount to Kwinana in early July now sits at a premium. The pull is broad-based domestic demand across the southern and eastern zones, not one aggressive buyer.

The forward case rests on China, and the AGIC read was that the demand is structural rather than opportunistic. The counterintuitive argument is the important one: China's push to lift domestic production is supportive of barley imports, because limited arable land is being prioritised for wheat, rice and soybeans, leaving a feed grain that sits outside the tariff-rate quota system to be sourced offshore. None of this is an entitlement to a premium. Australia has to be competitive on the day, and origins take their turn.

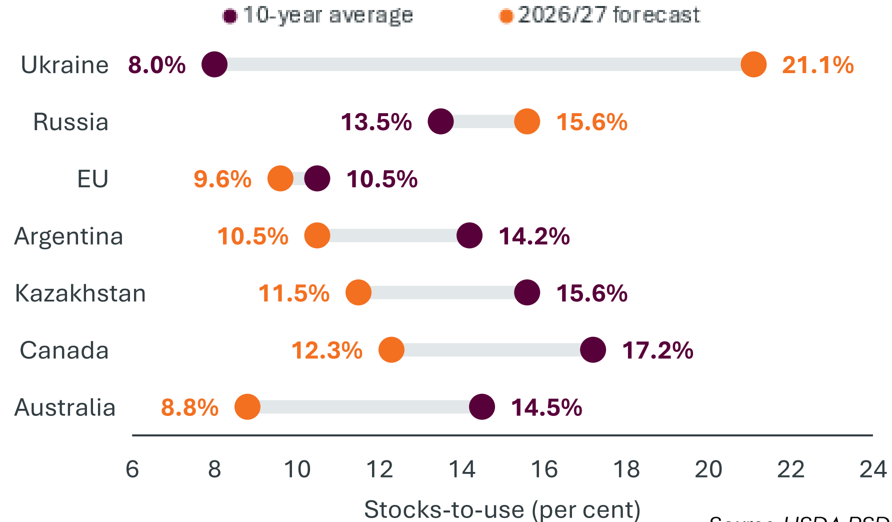
Canola holds its ground in the west as a second demand pool takes shape

Canola was the strongest performer of the three through July, with the east-coast zones up between two and three per cent on the month, Port Adelaide firming four and a half per cent and WA flat off an already elevated base. Old crop peaked alongside wheat in the final week of July, with WA setting repeated seasonal highs beforehand. The retreat since has been uneven: east-coast ports have given back around six per cent, while WA has eased barely two per cent and remains higher than it started the month.

The structural story is China, and the AGIC view was that this is more than a stop-gap while Canada's access is resolved. The trial program has run roughly twelve months and was recently opened to most Chinese crushers, giving growers a second large destination alongside the EU. But it remains a trial. The panel was explicit that the arrangement has not reached a full signing phase, and that both governments have worked through the technical detail for years, so the access underpinning this demand is expanded rather than settled. It has still been enough to narrow the GM discount in WA to a fraction of earlier spreads, with GM now close to half the national crop. Australia does not detach from MATIF on the back of it. Europe remains the best buyer of non-GM seed, and while domestic crush and bulk handlers pull values off the board for stretches, the market reverts to a MATIF basis through harvest. AOF's July estimate put the crop at 7.93 Mt, potentially the second largest on record.

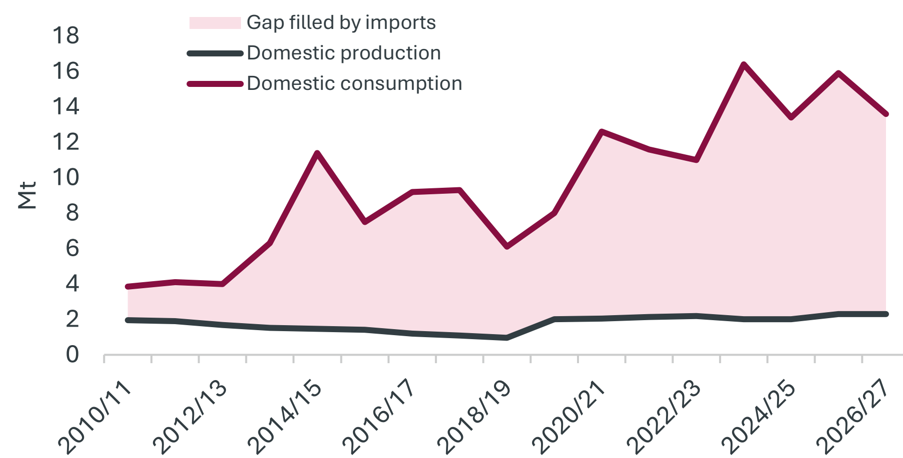
Most exporters are drawing down, Australia most of all

2026/27 stocks-to-use versus each exporter's 10-year average



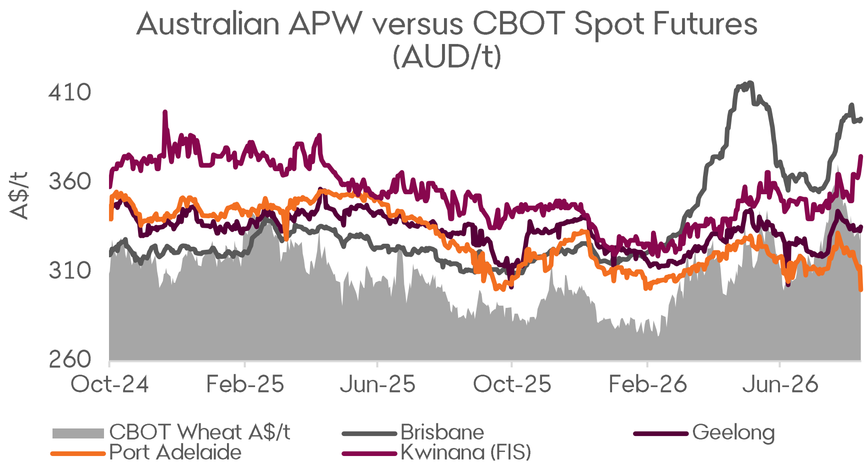
Source: USDA PSD

China's barley demand is met by import, not by planting it



Source: USDA PSD

Industry Scan – Cropping

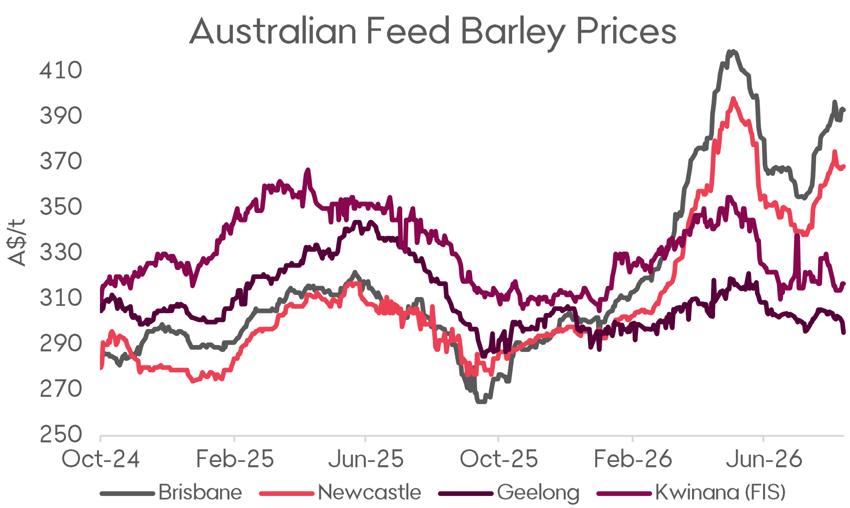


Source: BEN Agri Insights Pro & CME Group (CBOT)

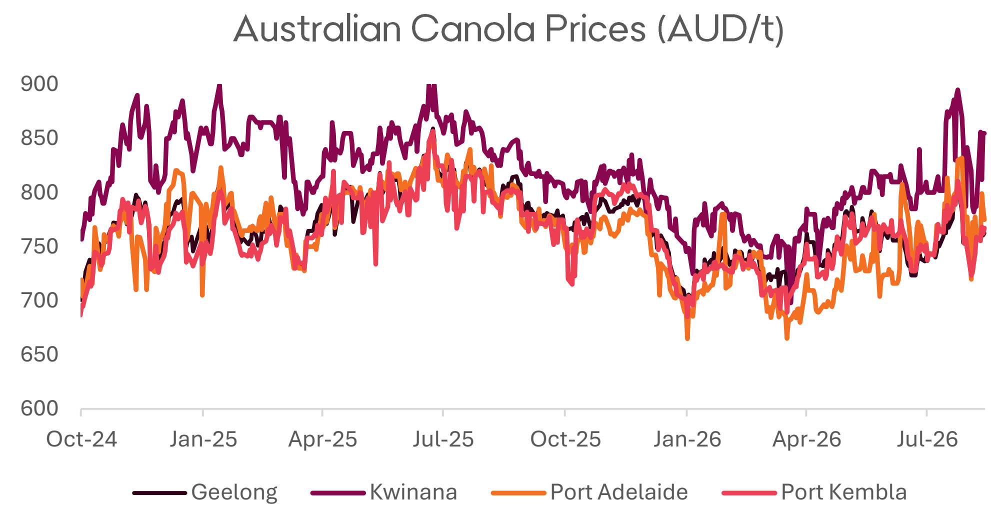
Grain and Oilseed Price Snapshot - 13/08/2026

Commodity	Price(A$/t)	10-Yr Decile	MoM	YoY
Australian APW Wheat (index)	**$351**	5.7	▲$17	▲$10
CBOT Wheat (spot)	$333	7.2	▲$9	▲$40
Australian Feed Barley (index)	**$305**	5.3	▼$2	▼$16
CBOT Corn (spot)	$244	4.9	▼$4	▲$9
Australian Canola (index)	**$776**	7.9	▲$15	▼$16
Matif Rapeseed (spot)	$881	8.3	▲$26	▲$29
ICE Canola (spot)	$808	7.5	▲$42	▲$42

Source: BEN Agri Insights Pro, CME Group, Euronext & ICE



Source: BEN Agri Insights Pro



Source: BEN Agri Insights Pro

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(2357885) (07/26)

Dairy

US dairy butters up Australian buyers

Eliza Redfern
Senior Manager
Industry Insights

Key Watchpoints:

- Imports over the last season have been largely opportunistic, rather than to fill supply gaps.
- The United States (US) represented a significantly larger share of dairy imported into Australia in 2025/26, on the back of lower butter and cheese prices.
- Competitively priced overseas dairy products may help supplement the 1 to 2% drop expected in national milk production, dampening the likelihood of mid-season farmgate milk price step ups.

Recent years have certainly shown that imported products serve a variety of purposes, not just to fill supply gaps, and the 2025/26 season was no exception. National milk production stabilised, yet ABS data between July 2025 to May 2026 showed Australia purchased 8% more overseas dairy compared to the same period in the previous season. This brought total imported volumes to around 293,000 tonnes – comparable to the historical high of the 2022/23 season.

The last season's importing therefore appeared to be more opportunistic, inadvertently changed the sourcing landscape. Roughly half of the dairy imported into Australia typically comes from New Zealand (NZ), however, product from this origin now represents one of its smallest shares in recent years, with Australia only importing 44% of its total tonnes from across the ditch. Australia purchased 5% less by volume from NZ over the season to May 2026, and 2% less from the European Union (EU).

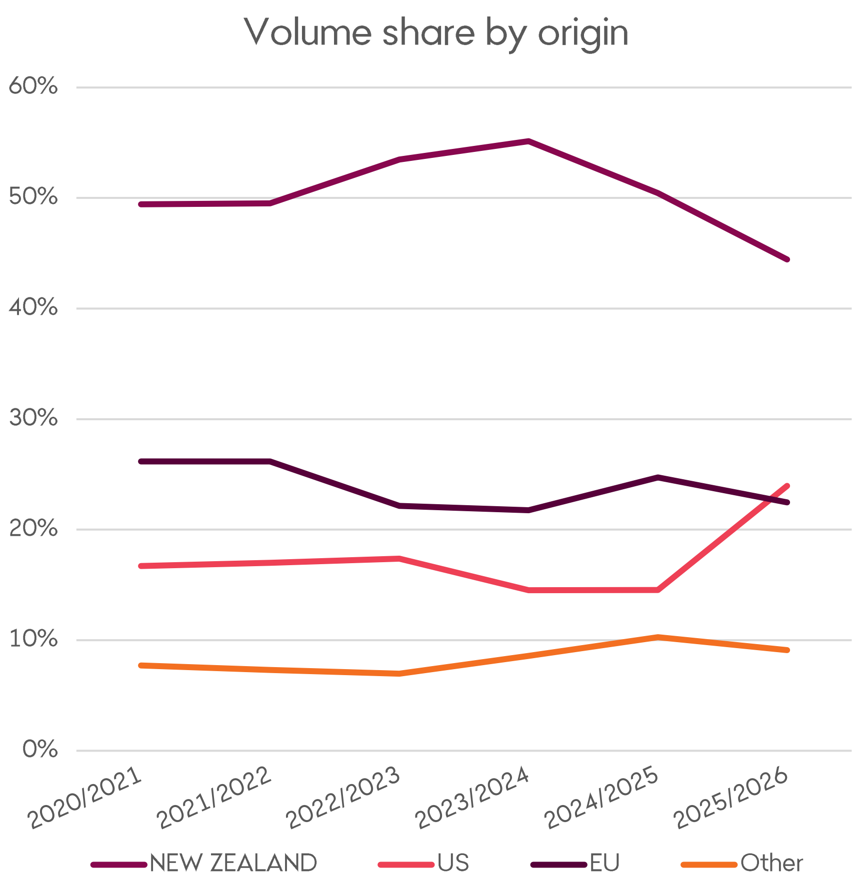
This leaves the US as the source of Australia's rising dairy imports, where Australia purchased 78% more tonnes in the season to May 2026. This took the US's share of imports to 24%, up from the previous season's more typical 14% (see Volume share by origin, pg.16). Milk production in the US has been relatively free flowing since recovering from the avian influenza outbreak. Combined with a higher processing capacity, cheese and butter prices were kept low, grabbing the attention of Australian buyers.

These two categories form about half of Australia's imported dairy and are mainly used in the foodservice and ingredient sectors in low-cost applications. However, the presence of these products has been growing in the retail market. Over the season to May 2026, Australian imports of butter and cheese increased 31% and 12%, respectively. In the case of the former, Australia has been sourcing less from NZ and the EU and purchasing substantially more from the US (from virtually non-existent volumes to almost 10,000 tonnes last season). The stories of US butter emerging on some supermarket shelves during late 2025 follow a broader the trend of increased penetration of imports to retail level. As for cheese, Australia purchased 7% more from the EU but 16% less from NZ, with the 43,500 tonnes sourced from the US more than compensating – a 64% increase from the previous season and the most cheese Australia has ever imported from this origin.

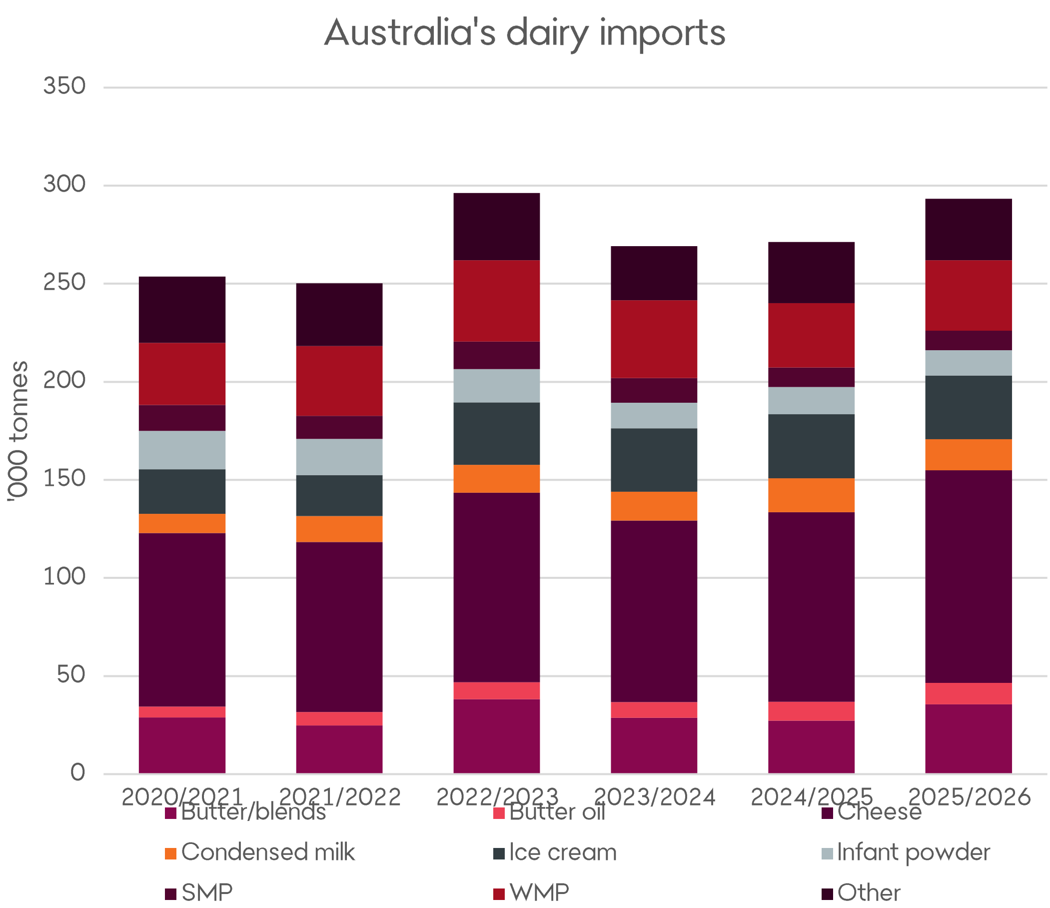
We know imported dairy products have their place, but the weakened export market and steady Australian farmgate milk prices might mean they take up a bit more space in this new season. Competitively priced overseas dairy products may help supplement the 1 to 2% drop we are expecting in national milk production over the 2026/27 season, dampening the likelihood of mid-season farmgate milk price step ups.

US dairy butters up Australian buyers – continued

Data is for the 2025/26 season to date (July 2025 to May 2026)
Previous seasons compare the same period.



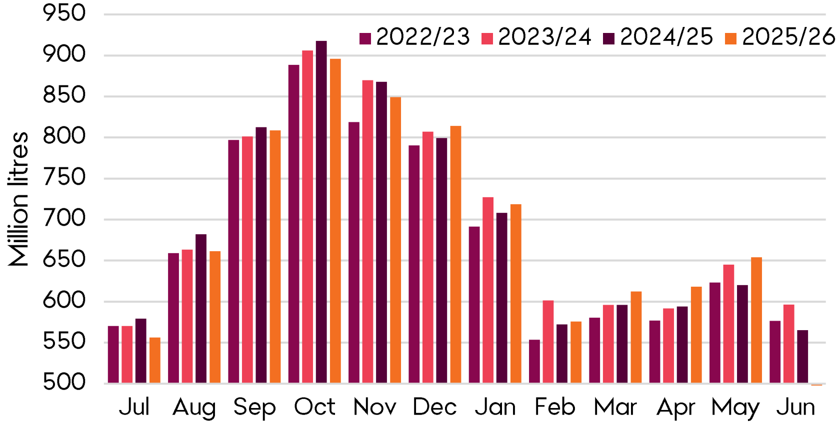
Source: ABS, Dairy Australia



Source: ABS, Dairy Australia

Industry Scan – Dairy

Australian milk production



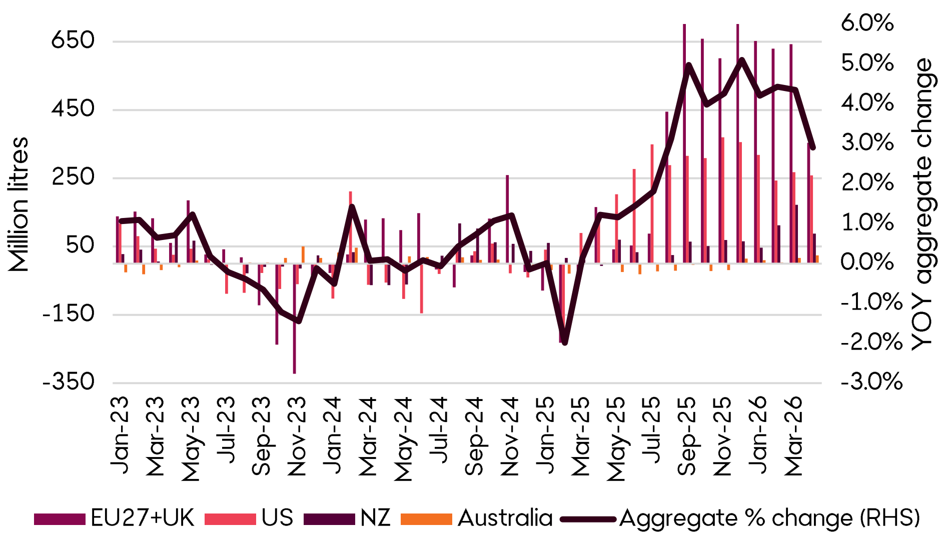
Source: Dairy Australia

Australian milk production

	Season to May 2026
National	*+0.2%*
Queensland	*+3.1%*
New South Wales	*+3.0%*
South Australia	*-5.9%*
Western Australia	*-1.7%*
Tasmania	*+2.4%*
Victoria	*-0.2%*
Northern	*-1.3%*
Western	*+0.2%*
Eastern	*+0.2%*

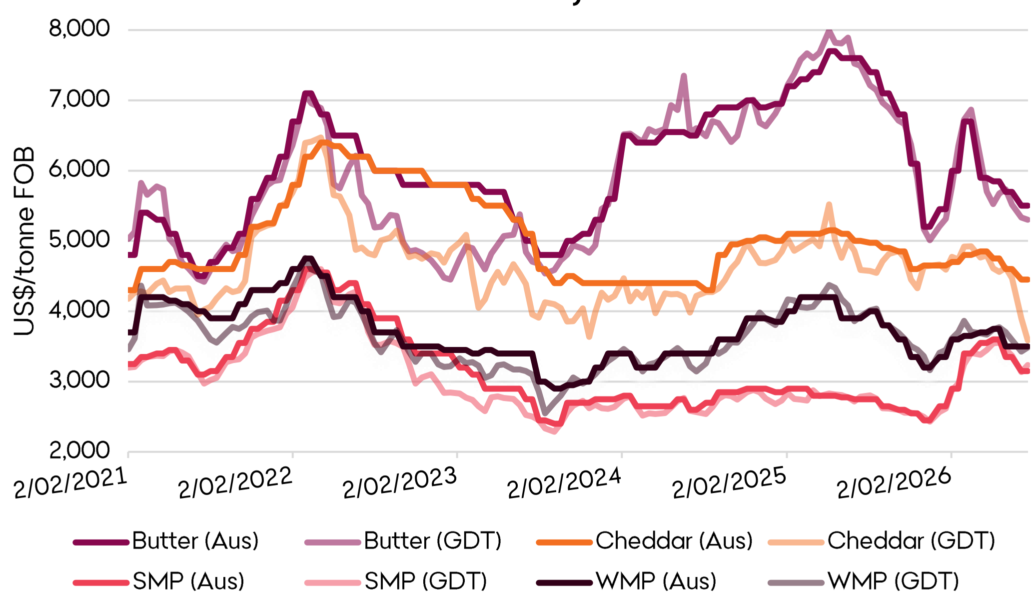
Source: Dairy Australia

Milk production in key exporting regions



Source: Dairy Australia, DCANZ, Eurostat, USDA, AHDB

Australian vs GlobalDairyTrade (GDT) indicators



Source: Dairy Australia, GDT

Horticulture

Horticultural exports lift to an all-time record in 2025/26

Sean Hickey
Senior Agricultural Analyst

Key Watchpoints:

- Australian horticultural exports hit a record $3.5 billion in 2025/26 underpinned by citrus and nut sectors.
- Market concentration remains an increasing risk with China accounting for a record 36.3 per cent of all Australian horticultural exports.
- A more challenging export environment for citrus producers, and a weather impacted almond crop are expected to see horticultural export value decline in 2026/27.

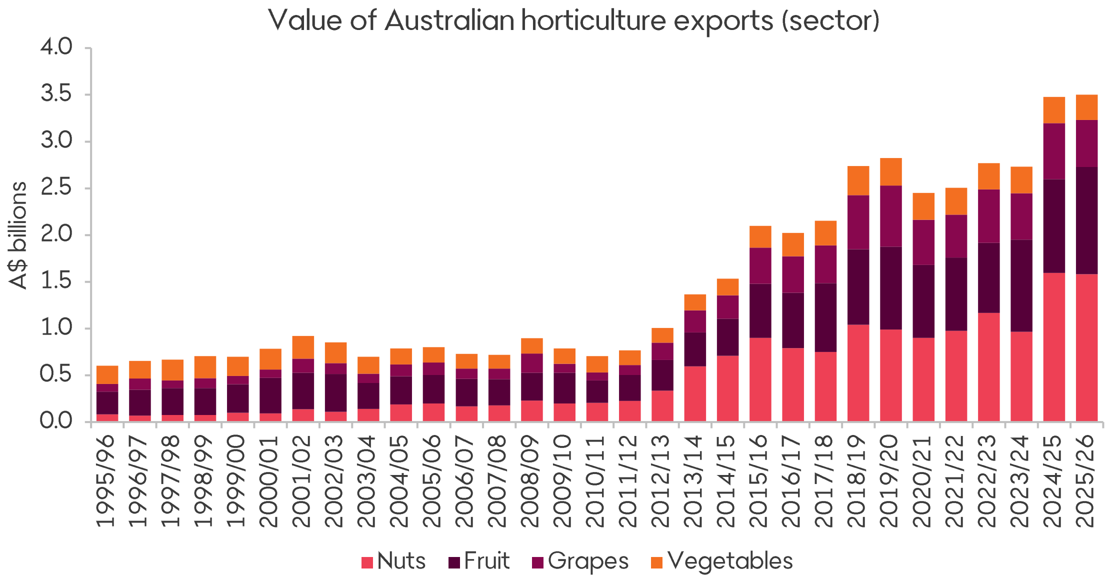
Citrus and nut sectors underpin record export value

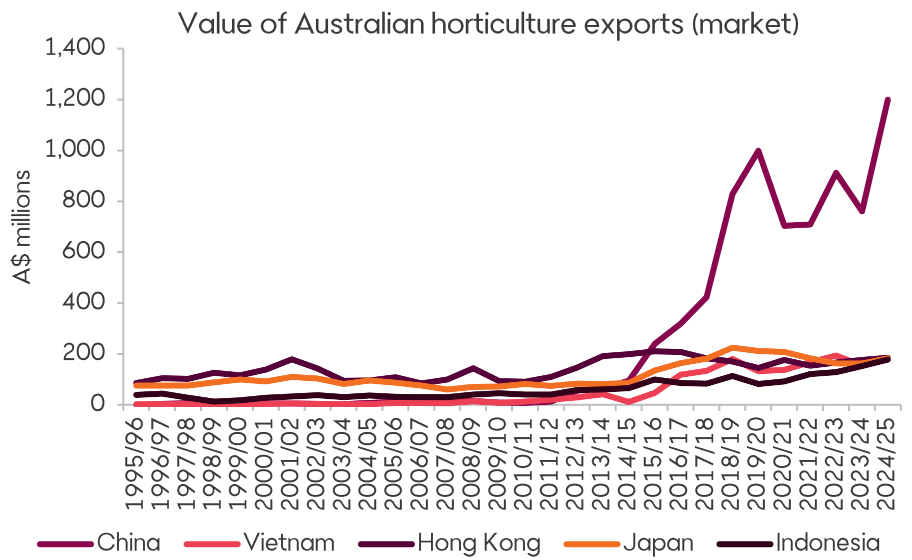
The total value of Australian horticultural exports rose to a record $3.5 billion in 2025/26 (+0.8 per cent). While the growth of just 0.8 per cent is significantly below last years 27 per rise, the consolidation in the value of horticultural exports remains a bright spot across the broader agricultural industry This record result was driven by a jump in the value of citrus exports (+22 per cent) which came in at just under $700 million, also an all-time record. A lift in demand across China, Japan and Hong Kong alongside a favourable year in terms of production and quality for mandarin and orange producers supported this export growth. Citrus exports are expected to moderate across the coming 12 months. While quality appears mostly favourable across southern citrus growing regions with high sugar levels and strong colour reported, smaller fruit sizing is anticipated to negatively effect pack-outs. Meanwhile growing Chinese mandarin acreage may weigh on demand from our largest market.

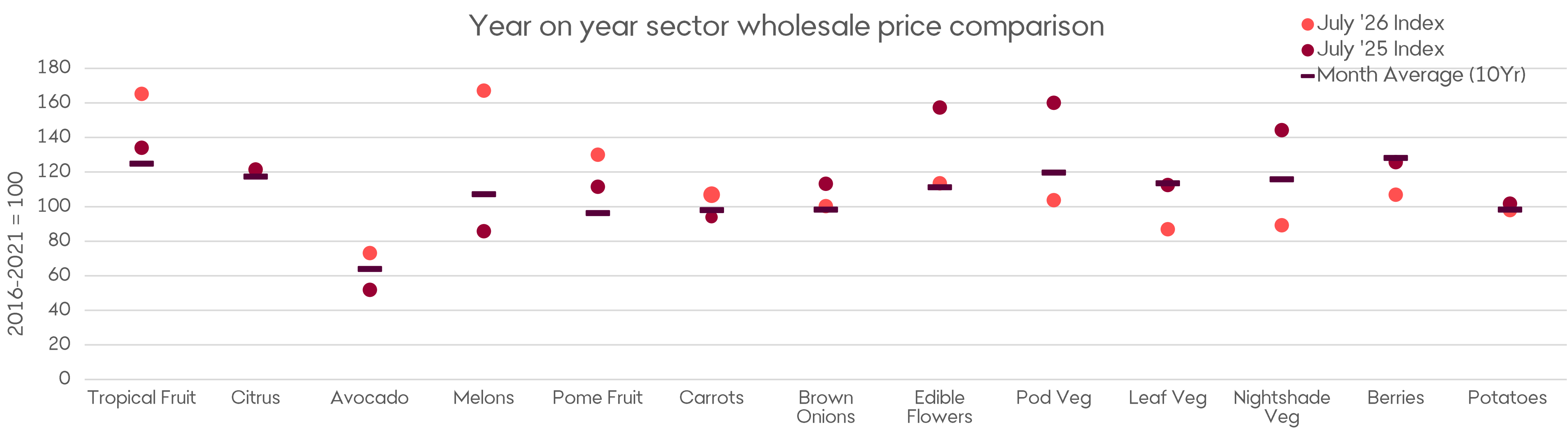
The nut sector remains a substantial part of the horticultural export equation. Total nut export value sat almost unchanged at a near record $1.6 billion. Almonds exports account for the vast majority of this figure at $1.3 billion (+4 per cent) with China remaining the key market, importing in a record $947 million (+13 per cent) of Australian almonds in 2025/26. Demand for Australian almonds remains supported by tariff-free access to the Chinese market – which offers a large competitive advantage over the US as they continue to face a prohibitive 45 per cent import tariff. This is a critical watchpoint for the industry moving into late 2026 and beyond as any potential change to this tariff disparity, would quickly alter the export landscape. However, assuming this tariff arrangement remains as is, we expect demand to remain robust, with trade volumes limited more by the lack of quality in-shell product than a shortfall in actual demand, ensuring another season of strong returns for local processors and exporters. Total almond export volumes will track slightly lower in 2026/27 due to the combination of reduced in-shell quality and depleted inventories however Chinese demand will remain substantial. We also forecast total horticultural exports to sit slightly lower in 2026/27 as a result, with total value likely to ease back to $3.0-$3.2 billion, though this remains well above the five-year average of $2.8 billion.

Market concentration at an all-time high

A record $1.3 billion (+6.2 per cent) in horticultural product was exported to China alone in 2025/26, accounting for over 36 per cent of all horticultural export value. This highlights the increasing concentration risk horticultural exporters now face. Efforts to diversify our markets have resulted in some success, especially across Asia where Vietnam ($262 million), Japan ($221 million), Singapore ($158 million), and Thailand ($120 million) all posted record Australian horticultural export value. However, with the emergence of an increasingly volatile and uncertain global trading environment where major powers continue to show a willingness to weaponise trade, further efforts are needed in this space to protect the horticultural sector from trade related shocks in the future.







Source: Ben Agri & Aus Market Consultants

Sheep

Is beef's problem an opportunity for lamb and mutton?

Joe Boyle
Agricultural Analyst

Key Watchpoints:

- Australian lamb exports continue to be dominated by the US and China, with demand withstanding the uplift in saleyards prices.
- Mutton exports have slowed due to tightening supply, but Chinese buying appears to have been particularly price sensitive.
- Will Chinese beef safeguard tariffs being reached spark additional demand for Australian sheepmeat?

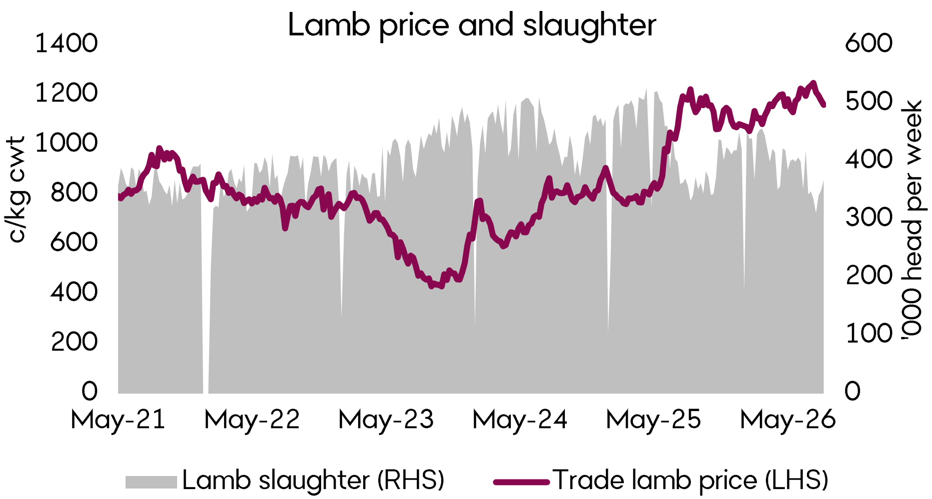
Australian sheepmeat exports have recorded a marked transition so far in 2026, defined by shifting trade flows and spiking prices. Export demand for Australian lamb and mutton has remained elevated despite the uplift in saleyard prices, however, growth has not been consistent across Australia's export markets. The second half of the year may see further opportunities for export growth, as China's limitations on beef imports may leave the door ajar for greater volumes of sheepmeat.

The US and China have remained the major destinations for Australian lamb, with their market share increasing so far in 2026. In the first six months of the year, these two key destinations combined to account for 46.6 per cent of Australian lamb export volumes, up from 40.0 per cent at the same point in 2025. The US and China have also both managed to record increases in first-half export volumes, up 2.4 per cent and 4.9 per cent respectively, with these growth rates particularly impressive given that total lamb exports are down 11.1 per cent over the same period. The major declines in export volumes have been observed in the Middle East, which has been impacted by the ongoing conflict and rising prices, while volumes to Papua New Guinea have also eased. The average export unit price for lamb has also jumped sharply over the past two years in response to the uplift in saleyard prices. Average export unit price for the first half of 2026 was $12.48/kg, 14.4 per cent above the same period in 2025 and a whopping 34.7 per cent higher compared to the first half of 2024.

Mutton export prices have recorded an even sharper rise to start 2026. Mutton export unit price has averaged $8.87/kg through to June, up 32.7 per cent compared to the same period last year and 68.6 per cent higher than the first half of 2024. However, mutton export volumes have fallen sharply to start 2026, down 37.2 per cent as the tightening of supply continues to be felt by industry. Interestingly, mutton exports to China have declined even faster, down 52.4 per cent compared to the first half of 2025, and now only accounting for 23.5 per cent of total mutton exports, highlighting that Chinese demand for mutton has been much more price sensitive compared to lamb.

While tight domestic supply will continue to challenge sheepmeat exports through the second half of the year, a unique structural opportunity is emerging in Asia. As China's safeguard tariffs on beef are triggered and begin to restrict imports, Australian sheepmeat is positioned to benefit as Chinese consumers begin to look elsewhere to *meat* their protein needs.

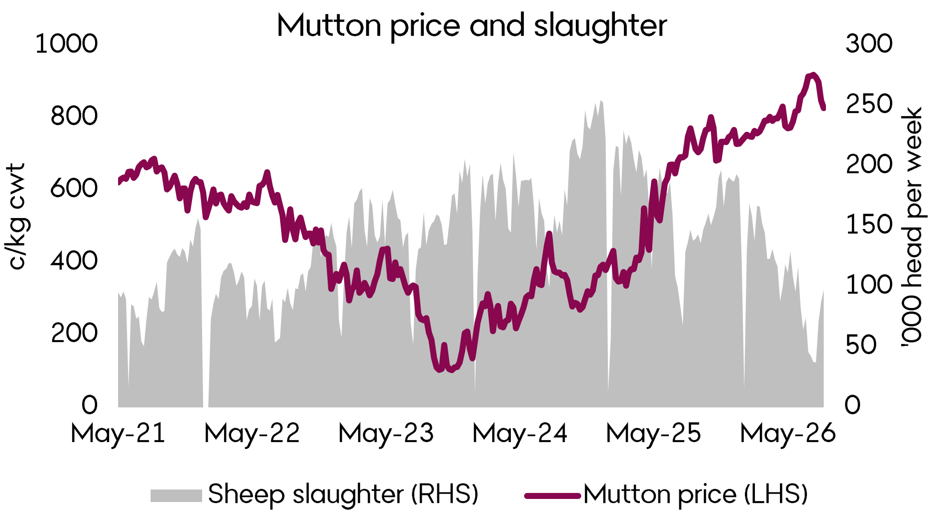
Industry Scan – Sheep



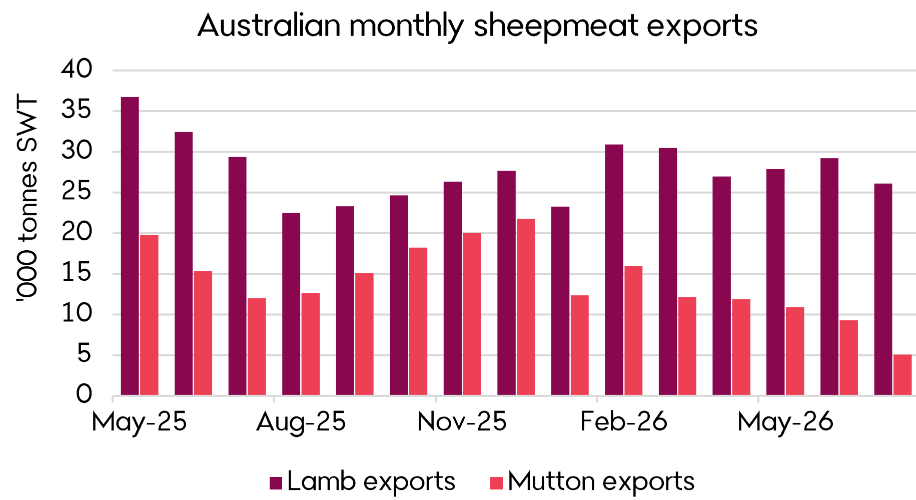
Source: MLA

National Indicators	10 August 2026	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
Restocker Lamb	1,082	-106	84	754	9.2
Trade Lamb	1,182	-68	-3	834	9.7
Heavy Lamb	1,115	-45	-80	832	9.4
Mutton	809	-110	56	491	9.7

Source: MLA



Source: MLA



Source: DAFF

Wool

Tight wool supply sparks value growth in exports

Claire Adams
Agricultural Analyst

Key Watchpoints:

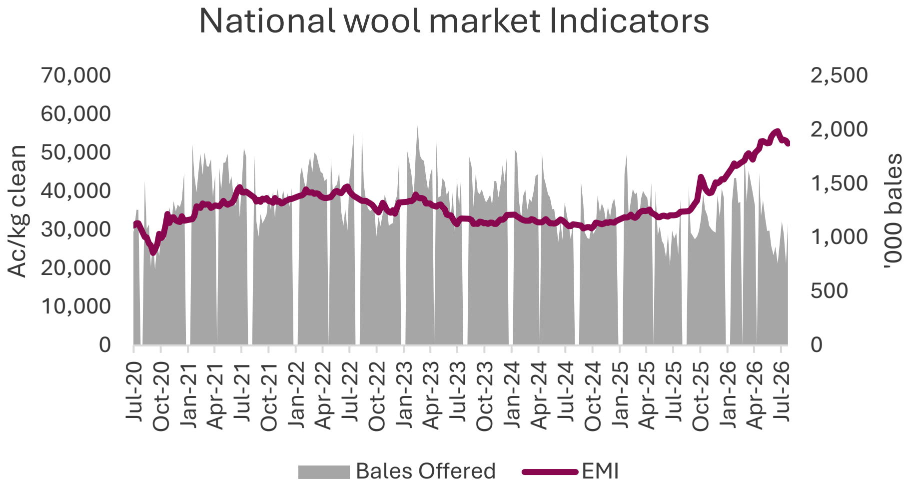
- The EMI achieved an historic 60.8 per cent rise in 2025/26, driven by intense competition for a smaller national clip.
- Total export value surged 20.2 per cent year-on-year, propelled by a stellar 27.3 per cent increase in the average price per tonne.
- Premium wool under 20 microns remained the market cornerstone, representing 65 per cent of Australia's total export value.

Season 2026/27 for the Australian wool market has begun on a subdued note with the AWEX Eastern Market Indicator (EMI) falling in three of the first four selling weeks of the season. At the close of week 4, heading into the three-week recess, the AWEX EMI sat at 1,873 c/kg, a drop of 116 cents from the peak of the 2025/26 season of 1,989 c/kg. The record-breaking 2025/26 season saw the EMI rise an unprecedented 736 cents (60.8 per cent) to finish at 1,943 c/kg, eclipsing the previous best seasonal gain of 532 cents in 2017/18. On a percentage comparison, season 2010/11 gained 58.7 per cent over the year, with the EMI lifting form 888 c/kg to 1,407 c/kg. Unlike the macroeconomic-driven surge of 2010/11, the growth of season 2025/26 was characterised by a foundational decrease in annual wool production, triggering intense buyer competition. A defining moment occurred in late September, where the EMI lifted 221 cents in just two weeks as processors scrambled to secure consistent supply, pushing pass-in rates below 4 per cent. When the market inevitably corrected, growers demonstrated firm resolve, defending higher price levels as pass-in rates jumped to over 24 per cent. This tension between processor demand and firm seller sentiment defined the year. To meet the increased demand, growers drew heavily on on-farm and warehoused inventory, keeping total sales volumes remarkably steady, ending the year down just 1.7 per cent despite total test volumes falling 8 per cent.

As physical on-farm volumes contract, this underlying supply tightness is flowing directly into exceptionally positive international trade data. The latest figures illustrate a significant recovery in global export returns, with the total export value jumping by a substantial 20.2 per cent year-on-year. Crucially, this overall growth was driven by a sharp 27.3 per cent lift in the average price per tonne, which has climbed to $10,904. This value growth occurred despite a 5.6 per cent decrease in the actual physical volume of tonnes exported. This dynamic clearly demonstrates an inelasticity of demand; global processors are willing to pay a premium to secure their necessary inventory in a tight, competitive market.

Globally, the demand for premium fine wool remains the cornerstone of Australia's export success. Wool testing under 20 microns accounted for 65 per cent of the total export value, supported by a year-on-year price increase of 27.2 per cent for these finer micron categories as buyers competed for the best quality lots. Looking at our key trading partners, China continues to steer the market, increasing its dominant buyer share to 86 per cent of total Australian exports. However, the recovery trend is encouragingly broad-based across other major textile processing hubs. Import values for India and Italy increased significantly by 28.6 per cent and 32.2 per cent respectively, signalling diversified global competition for a declining Australian clip. For growers across sheep-farming regions, this supports the view that the fundamental demand for quality Australian wool remains robust, offering promising opportunities for well-prepared clips in the medium term.

Industry Scan - Wool

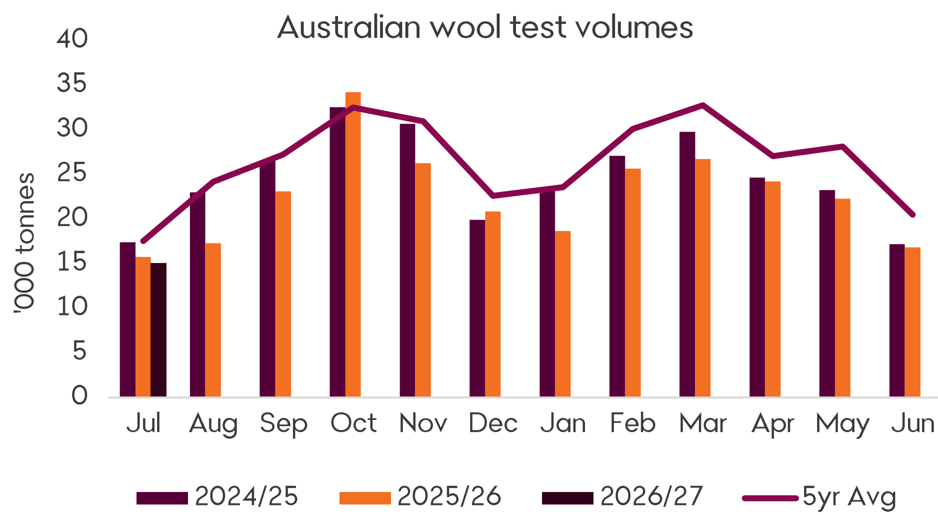


Prices (c/kg)	Current Price	Month-on-Month	Year-on-Year	Five-Year Average
AWEX EMI	1,873	-70	634	1,330
18-micron	2,455	-123	822	1,858
20-micron	2,131	-56	658	1,506
28-micron	790	-82	285	450
MC	1,138	-81	439	823

**Southern selling centre 24 July 2026 data prior to three-week recess*

Source: AWEX

Source: AWEX



Source: AWTA

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