

Climate and Carbon



February Monthly Update

Bendigo Bank
Agribusiness



Tom Herbert
Agricultural Analyst

Key Watchpoint

- Extreme weather leading to bushfires and flooding have devastated several regions across Victoria during January. With communities in Queensland and Western Australia also impacted by tropical cyclones and flooding.
- Victoria's stock losses currently sit at just over 40,000, leaving a trail of devastated producers.
- With many stock still missing or unaccounted for the total number is expected to increase as more details emerge in February.

Wild weather devastates agricultural regions across Victoria

Victoria's agricultural regions recorded an extremely hot January to begin 2026. Multiple regions hit record temperatures, particularly in the northwest areas of the state. Hopetoun broke the record for the hottest temperature across Victoria at 48.9 degrees. The other key regions which have been severely affected include Central, North-East and Southern Victoria, all experiencing thousands of hectares of land burnt due to bushfires. While the recent fires in Victoria have been devastating for affected growers, the overall impact on the state's grain production this season appears limited. This is largely due to the advanced stage of the harvest when the fires occurred. However, we could see issues arise in 2026 due to reduced paddock fertility in burnt areas. Some fires across these regions are still active so further losses are expected to be reported heading into February.

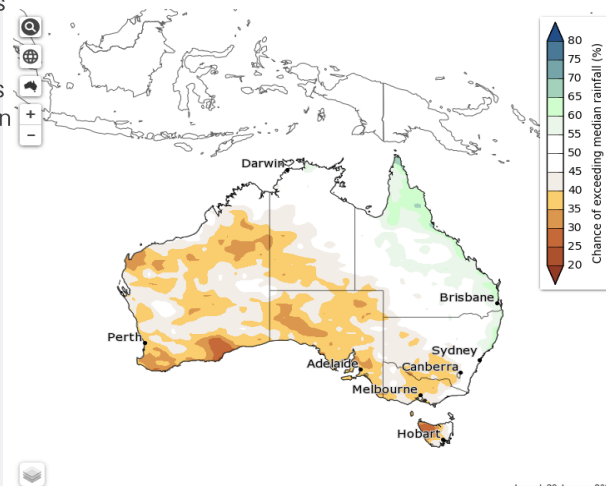
From a livestock perspective, the death toll has surpassed over 40,000 at this stage with many stock still unaccounted for. The Victorian Farmers Federation has announced that many of these losses have been reported as sheep with the financial implications for producers reported at over \$20 million.

In addition to this, 110,000 hectares of land has been burnt, causing severe implications for livestock producers who rely on pasture to feed their stock. Cattle prices have seen a reduction over recent weeks as producers looking to sell stock are being met with lacklustre demand from processing centres that are at full capacity.

At the present time, over \$100 million has been rolled out in emergency relief for farmers affected in Victoria through agencies like Agriculture Victoria, the Victorian Farmers Federation and the state government.

Weather outlook

The latest Bureau of Meteorology three-month outlook shows that most Victorian regions affected by the fires are likely to see a below average chance of median rainfall. Should dry conditions continue agricultural markets will be impacted further, especially cattle. A dry period would likely encourage further selling by producers, which is expected to translate into prices falling further as an extended period of declining restocker demand and further selling at saleyards elevates supply levels without increasing demand.



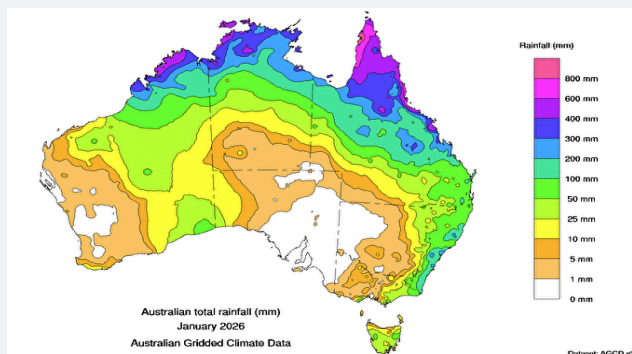
Issued: 29 January 2026



Queensland agricultural regions suffer severe flooding in January

Australia's northern agricultural regions recorded a volatile beginning to 2026. Many regions saw extreme rainfall which caused devastating flooding that caused havoc on land, farm equipment and resulted in large stock losses. Stock losses across the Outback, in particular the Flinders River Catchment were severe with current estimations at a minimum of 50,000 and potentially upwards of 100,000 by the time all stock has been accounted for. The extensive damage to critical farm infrastructure has left many farmers without fences, gates and roads, which all will need to be repaired. On a smaller scale, these regions saw crop damage for grain and sugar commodities. Precipitation records were broken in January, with 203.2 mm in 24 hours across Clermont being one of the highest. The financial impact of these floods is yet to be determined but for livestock producers who were affected, recovery will be a protracted process.

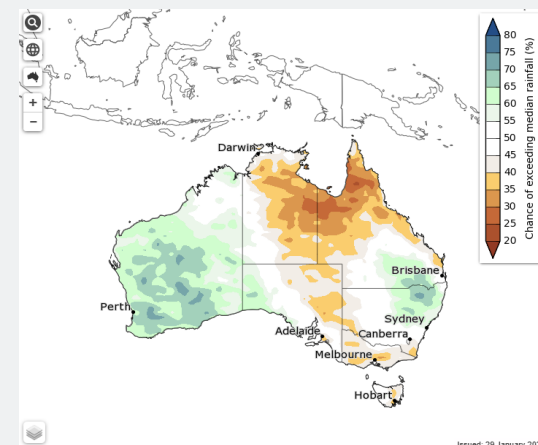
The cattle market has seen a turbulent beginning to 2026 in northern regions as prices have declined sharply in the back half of January. Processing centers have purchased sufficient volumes of stock for now and restocker demand has declined due to the extensive damage to farming equipment and paddocks, which has left an abundance of supply without solid demand. Additionally, supply chain issues have been created due to road closures and transportation from saleyards has been difficult. Prices are expected to recover in the medium term, as the conditions ease. The immediate effect of these weather events has left producers without a lot of infrastructure and facing an uphill battle throughout 2026. New South Wales also saw significant floods throughout January and fortunately there have been no reports of major stock losses across agricultural regions, however several reports have been made about water quality issues and temporary road closures until the flooding ends.



The immediate outlook for northern regions

The February rainfall outlook from the Bureau of Meteorology indicates that the northern areas of Queensland are forecast for a below average chance of median rainfall.

Should this rainfall forecast eventuate, producers will be able to commence recovery from the floods, however it will take time to fully recover.



Support for affected farmers is available

There are support packages available for affected Bendigo Bank customers - both personal and business.

Please check out the website which outlines what support is on offer and how it can be accessed: <https://www.bendigobank.com.au/support/natural-disasters/>

There are also support packages available through Rural Finance (bushfires and drought) and the Queensland Reconstruction Authority (floods).

Please check out their websites which outline what support is on offer and how it can be acquired:

[Grants | Rural Finance](#) ,

[Further flood aid for northern Queensland communities | Queensland Reconstruction Authority](#)

Rural Finance Counselling services are available, please check out their website to see what is on offer.

[Rural Financial Counselling Service \(RFCS\) - DAFF](#)

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