

Cropping



February Monthly Update



Rod Baker
Agricultural Analyst

Key Watchpoints – February

- Harvest outcomes have lifted national supply to 66Mmt, with Western Australia resetting the national benchmark and expanding exportable surplus.
- Export performance is diverging, with barley and canola tracking strongly, while wheat lags required pace to clear surplus.
- Wheat prices remain under pressure as currency strength, ample global supply and cautious domestic buying limit near-term recovery.

Harvest results point to a 66Mmt winter crop as WA resets the production bar

Final harvest results now point to Australia's 2025/26 winter crop reaching 66.0 million tonnes, materially above the November estimate of 62.0 million tonnes and among the largest winter crops on record. The upward revision reflects a stronger-than-expected finish in Western Australia, where harvest outcomes exceeded earlier projection and delivered an estimated 27.1 million tonne crop, over 1.0 million tonnes higher than the previous record set in 2022/23. Elsewhere, eastern-state results broadly aligned with late-season expectations, with late rainfall stabilising yields rather than materially lifting national totals.

Barley and canola drive early export momentum as wheat lags

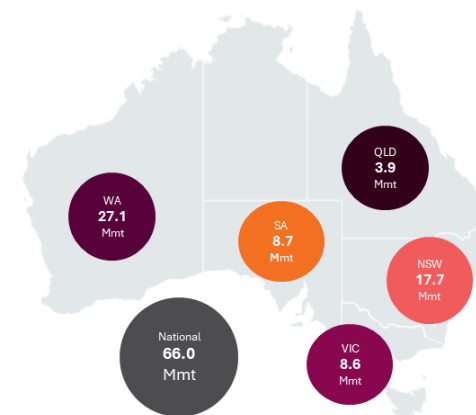
With market attention now shifting from yield outcomes to demand absorption and export program capacity, Australia enters the marketing year with a sizeable exportable surplus across its three major winter commodities. National exports are currently estimated at 25.7 million tonnes for wheat, 8.5 million tonnes for barley and 5.3 million tonnes for canola. Early season execution has been mixed, with wheat exports tracking slightly below target pace to the end of January, while barley shipments are running near the upper end of the five-year range and canola exports marginally ahead of pace. Forward shipping stems point to particularly strong February loadings for both barley and canola, which, if executed would lift both programs to record or near record seasonal pace. As a result, the market focus is now firmly on the combined capacity of offshore demand and domestic logistics to absorb the expanded 2025/26 supply base, with port throughput, shipping execution and timing now as critical as underlying demand strength.

2025/26 National Winter Crop

66.0Mmt

+9.4% YOY

2025/26 season estimates



Source: BB Agri Insights



Stronger Aussie dollar and thinning demand continue to weigh on wheat prices

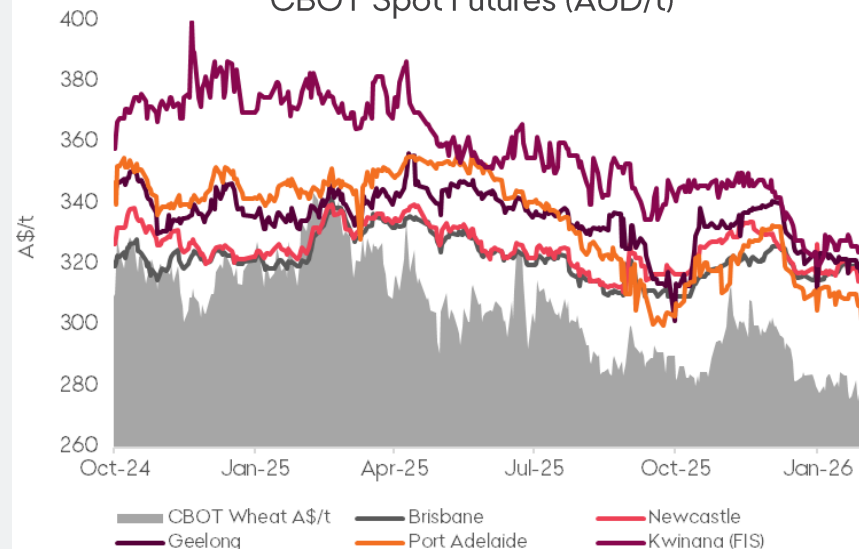
Australian wheat prices remain under pressure, with currency movements the dominant macro driver this month. The Australian dollar has stayed elevated following the RBA's recent rate rise, reducing export competitiveness against key origins. While global futures markets have seen intermittent support from Northern Hemisphere weather risks, including freezing conditions across parts of the US, Russia and Ukraine, ample global wheat supply continues to overhang the market. As a result, weather-driven rallies have struggled to gain traction, with global supply fundamentals limiting sustained upside and dampening local price response.

Domestically, wheat markets are characterised by thinning buyer depth and defensive purchasing behaviour. Domestic end users across the east coast are broadly covered into April, limiting fresh demand and reinforcing a hand-to-mouth buying approach. As legacy export sales programs naturally roll off, liquidity has weakened and bid-offer gaps persist across several regions. State-level pricing remains mixed, with pockets of resilience where nearby domestic demand exists, but the broader trend continues to edge lower. Higher protein wheat remains the key relative opportunity, supported by tighter availability, while lower protein grades face ongoing downside pressure amid large supply and subdued demand.

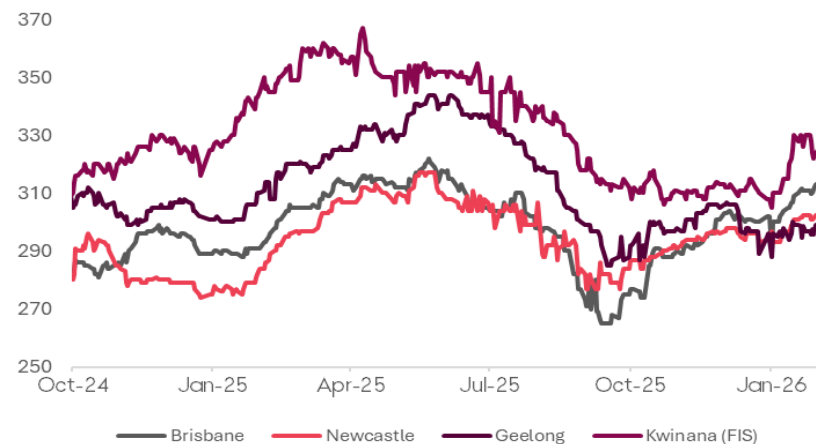
Barley prices lift on strong Chinese demand

Barley markets have continued to outperform wheat, supported by stronger underlying demand despite ongoing currency headwinds. While the firmer Australian dollar has capped upside and reduced export competitiveness at the margin, barley has remained relatively insulated due to a clearer global demand pull, particularly into feed channels. This has helped stabilise prices even as broader grain markets have struggled to generate sustained momentum. Export demand remains the primary driver of feed barley pricing. January barley exports rose sharply, lifting 30 per cent month-on-month to 1.23 Mt, with China accounting for more than 80 per cent of shipments. Demand has been underpinned by China's need for imported feed grains to blend with lower-quality domestic corn, alongside internal logistical constraints. This strength has carried into February, with a heavy forward shipping stem, particularly out of Western Australia. While currency strength has taken some momentum out of prices, export execution remains strong enough to support feed barley relative to wheat. On the east coast, feed barley prices have lifted in Queensland and New South Wales, while Victorian prices have remained comparatively flat. Strength in the northern markets reflects firm domestic demand combined with limited grower selling under ongoing dry conditions, tightening nearby availability and supporting prompt pricing. In contrast, Victorian markets remain rangebound, with buyer depth thinning and volumes moving slowly as many end users remain comfortably covered on existing contracts. While limited up-country selling has prevented downside, the lack of buyer urgency has capped upside relative to northern markets.

Australian APW Wheat Prices versus CBOT Spot Futures (AUD/t)



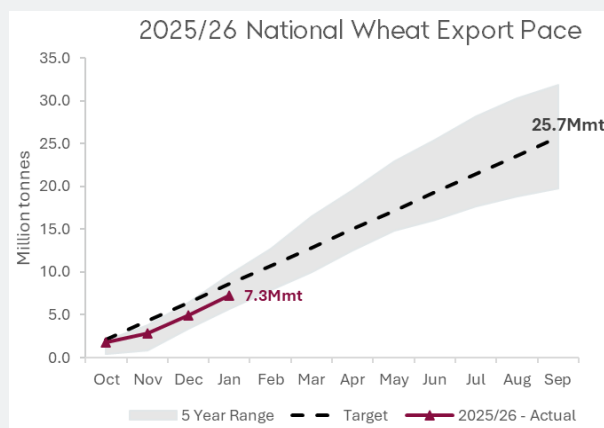
Australian Feed Barley Prices (AUD/t)



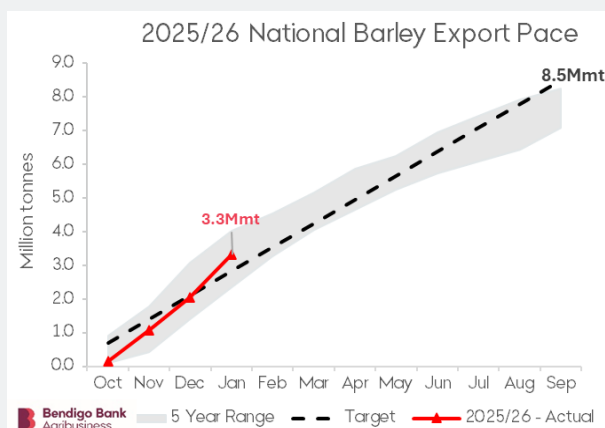
Source: BB Agri Insights Pro & CME Group

National Cropping Export Pace

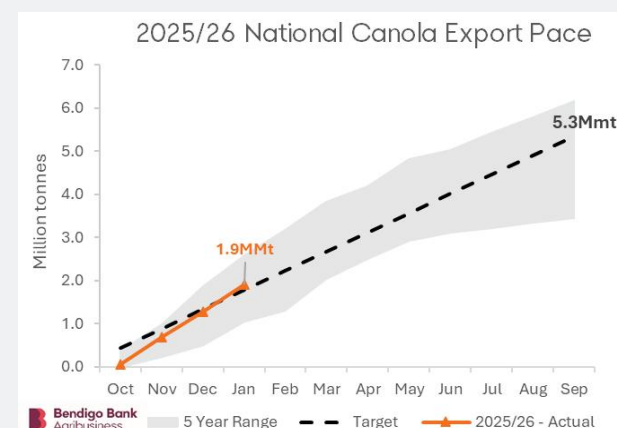
Wheat exports tracking below target as demand struggles to absorb surplus



Barley exports powering ahead, tracking near record pace



Canola shipments building momentum above required pace



Source: Australian Bureau of Statistics & BEN Agri Insights Pro

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 is a division of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL/Australian Credit Licence 237879