

# Horticulture



## February Monthly Update



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### Key Watchpoints – February

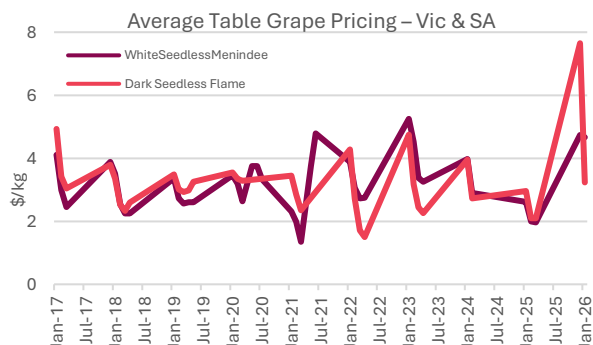
- Hot conditions across Sunraysia are inhibiting colour development in red table grapes, impacting quality.
- Demand into key table grape export markets remains favourable supporting grape prices despite a large crop.
- With households likely to be increasingly cost conscious in 2026 amidst resurgent inflation and rising interest rates, the ongoing demand trend towards less perishable, cheaper vegetables is likely to continue.

Source: BEN Agri & Aus Market Consultants

## Hot and dry conditions drive mixed fortunes across horticultural sectors

### Almonds

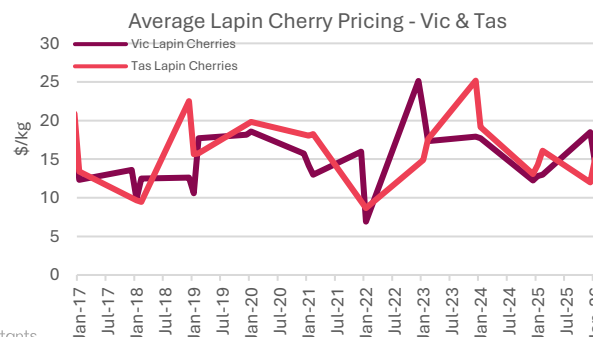
Growers are on track for a strong season with the Almond Board of Australia forecasting a crop of 166,892 tonnes. This is a seven per cent increase over the 2025 harvest and comes at a time when local stocks have been emptied out by significant export demand from India and China. Harvest is slowly kicking off and will be in full swing by mid February with the hot and dry conditions in late January having little effect on yield expectations. Market conditions remain positive for growers and processors alike. Almond pricing from California has remained firm on the back of poor production. Strong export demand for Australian almonds will continue, although perhaps not to the same level seen across the last year as the lower USD may drive greater competition to secure demand.



### Table Grapes

Harvest is in full swing across southern areas, though growers are navigating challenges from recent heatwaves. High temperatures have affected some red and black varieties in particular by inhibiting colour development, impacting quality. Though overall quality of earlier red and most white grapes remained high in key regions like Sunraysia.

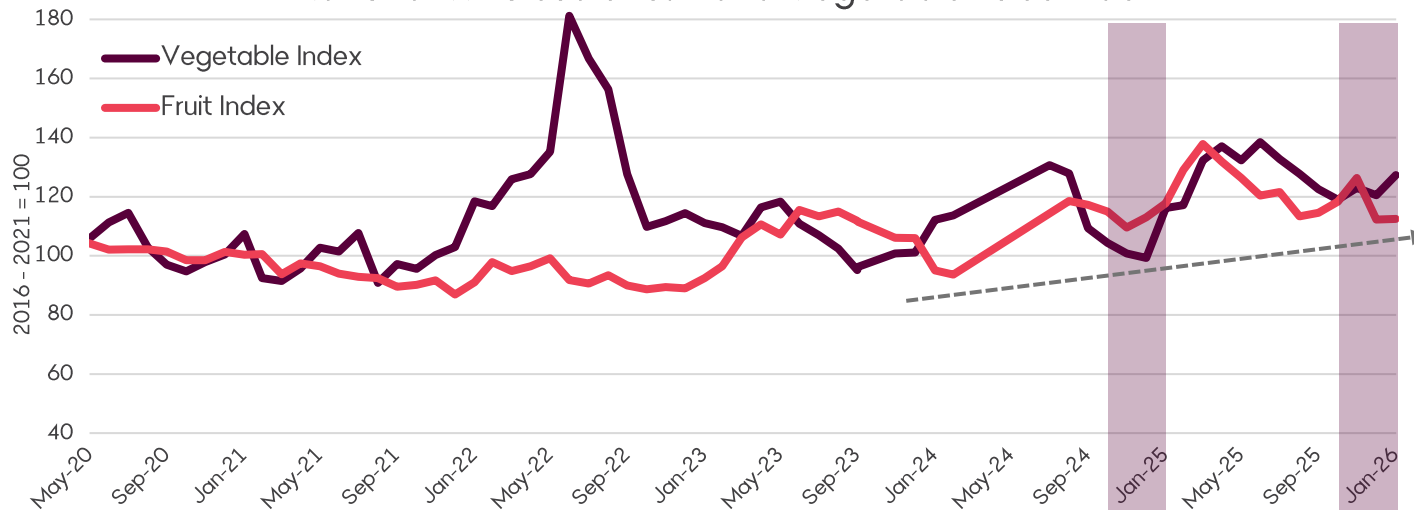
The export season has started without major disruptions, and demand from the primary market, China, continues to exceed supply. Australia continues to establish a strong market position in Vietnam, although the international market is becoming more competitive with the Peru sending strong volumes and China's own increasing domestic production finding a home in Vietnam. Demand may also come under some pressure owing to the resurgent AUD.



### Cherries

Despite a challenging start, the Tasmanian cherry season has evolved into a strong season, distinguished by exceptional fruit quality rather than high volume. Cooler weather extended the season, allowing the fruit to develop its flavour, resulting in the favourable quality. This premium fruit has a ready market in Asia, with the majority expected to be sold in Vietnam, China, and Thailand. Traders also note that overall consumer demand has softened in recent years, as the near year-round availability of cherries from various global suppliers has reduced their traditional sense of scarcity and premium appeal.

## National Wholesale Fruit and Vegetable Price Index



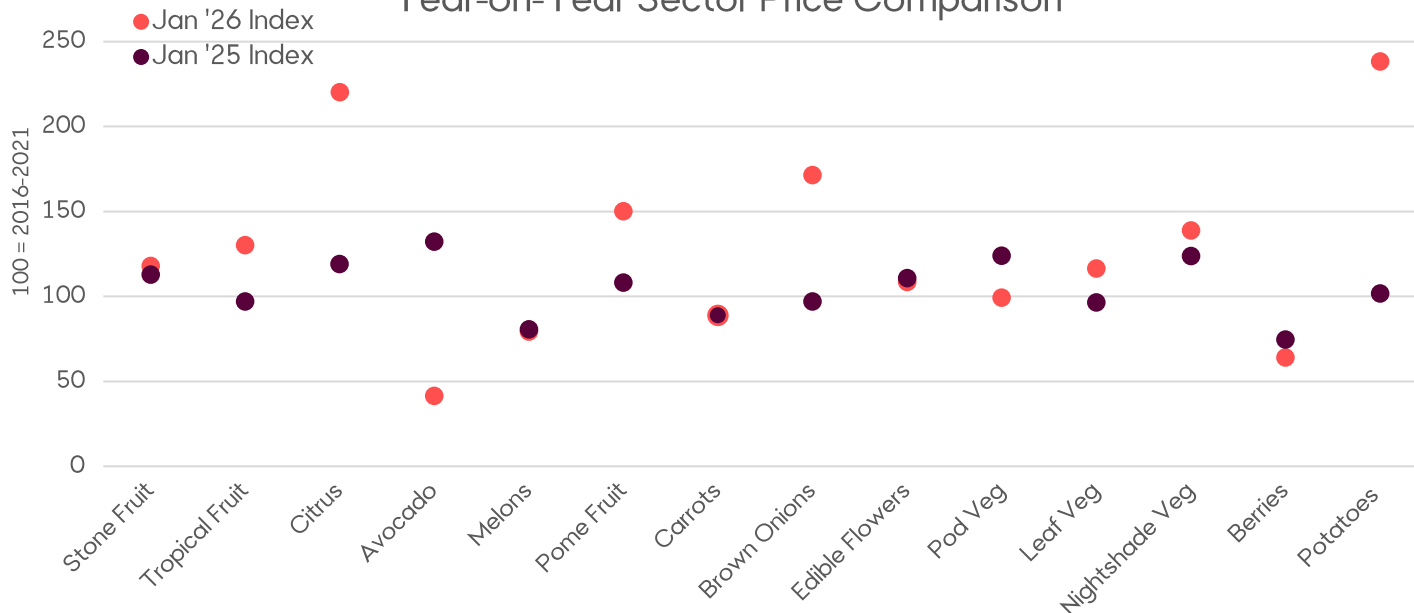
## How are fruit and vegetable prices positioned heading into Autumn?

Our wholesale fruit and vegetable price indexes have diverged through the December and January period. From a vegetable perspective, the limited availability of brown onions (southern states are more reliant upon fresh onion supply from QLD during summer) and potatoes across southern growing regions have driven the price index higher. Meanwhile, our fruit price index came under supply pressure as seasonal volumes of stone fruit, table grapes and tropical fruit peaked. While prices from a broad perspective for both fruit and vegetable sectors are below the peaks seen last year, they remain well above the averages that we saw during 2023 and 2024.

Despite these higher prices, margins for producers remain tight. High labour and fert/chem costs continue to impact profitability. An industry trend of sending a greater proportion of produce to wholesale markets rather than the retail is expected to continue as a result, with smaller producers still struggling to negotiate favourable pricing with larger supermarkets. A review of the Horticulture Code of Conduct was announced by the Australian Government at the end of January following shifts in the industry landscape. The review will focus on ensuring growers are treated fairly and that transactions are conducted with transparency and accountability.

From a consumer perspective, these higher prices are continuing to impact buying habits. With households likely to be increasingly cost conscious in 2026 amidst resurgent inflation and rising interest rates, the ongoing trend towards less perishable, cheaper vegetables is likely to continue. Questions surrounding demand for more premium fruit and nuts also remain.

## Year-on-Year Sector Price Comparison



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