

# Horticulture



June Monthly Update



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## Key Watchpoints – June

- Demand at both a domestic and export level has continued to lift on the back of easing inflationary pressures. This trend is anticipated to continue throughout winter.
- Fruit and vegetable prices have softened from the highs seen in March and April.
- Concern surrounding grower margins remains a key issue as the cost of inputs including fertiliser, labour, water and fuel remains elevated.

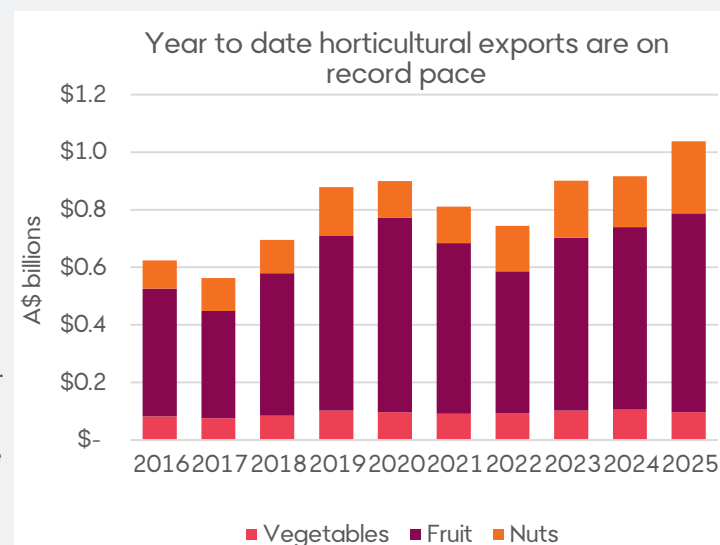
## Growing demand seen both locally and globally

### Domestic consumption on the improve

As cost-of-living pressures ease, domestic consumption continues to lift, albeit marginally. Latest Nielsen data for the first quarter of 2025 has shown total buying across horticultural goods grew 8.0 per cent year-on-year in terms of dollars spent, while overall volumes purchased have also risen at 1.3 per cent. Breaking this down, the fruit sector recorded year-on-year consumption growth of 8.8 per cent in terms of value and 2.2 per cent in terms of volume. Although, avocados bucked this trend with the value of purchases increasing 24.5 per cent while the volume of purchases declined by over 14 per cent. A biennial down year of production saw more limited avocado volumes available in early 2025 which drove retail prices significantly higher compared to 2024, limiting purchase volumes. While the data remains slightly delayed, we would anticipate that purchase volumes will slip when April and May data is released on the back of the supply chain challenges out of Queensland and New South Wales. A pickup in buying throughout the winter months is anticipated as supply improves and inflationary pressures continue to ease.

### Fruit and nut exports continue at record pace

Exports of Australian produce remain on record pace following a blistering start to 2025. As mentioned in previous updates, almonds were the driving force behind the strong result benefiting from resurgent Chinese demand. Macadamia producers also look set to capitalise on China's import appetite, paired with the continuing diversification of markets. Projected maturation of macadamia plantations in coming years has resulted in national production forecasts of around 100,000 tonnes by 2029. As a result, market diversification will be increasingly important to the industry in coming years to maintain sustainable pricing for producers. The fruit sector was buoyed by significant table grape exports which totalled \$514 million (year to date), up 15.6 per cent. With the table grape season now at an end, citrus exports will take the spotlight over coming months with record production forecast. We also expect exports to benefit from the shifting trade demand resulting from ongoing US/China trade tensions, although the prospect of increasing competition from Chile and Peru will be a key watchpoint this season.



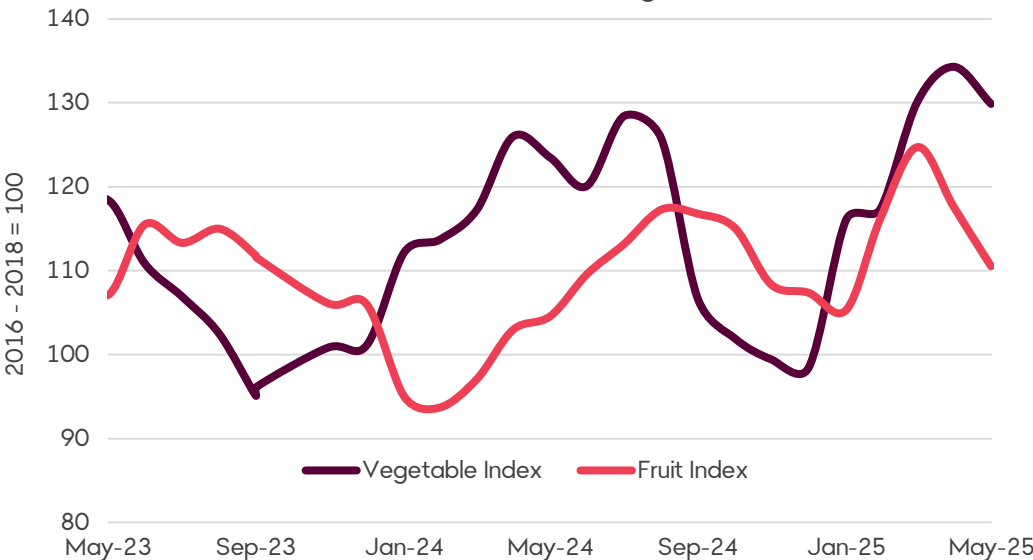


## Fruit and vegetable prices continue to ease, though volatility remains...

Both fruit and vegetable price indexes remained on a downward trajectory through May as supply chain issues continue to ease. While Queensland producers have seen some cooler weather limit late autumn output, we are anticipating that improved volumes throughout June will place greater pressure on vegetable prices. This will be particularly evident across the more southern regions where seasonal output is currently limited. The fruit index continues to see larger month-on-month declines in prices, though it remains six points higher year on year and three points above May 2023. As mentioned, Queensland remains the primary production region at present. Hass avocado prices continue to fall back towards longer term averages with harvest across Central Queensland well underway. Mandarin prices coming out of Queensland are hovering 20 per cent below the three-year average. Meanwhile, cavendish bananas, while steady month on month are also currently priced around 10 per cent below the three-year average.

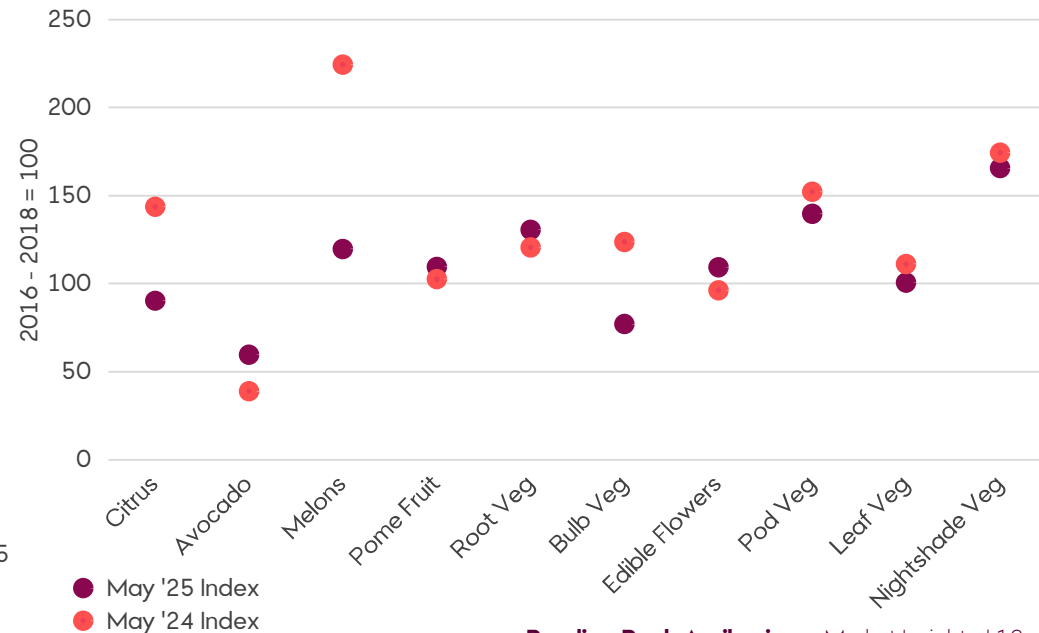
The wholesale vegetable price index remains elevated, though showed signs of easing throughout May. Most major vegetable groups saw mixed movement month on month. Leafy vegetables were broadly lower while nightshade and brassicas moved higher. Tomato prices across the country are also well above average, with shortages in South Australia pushing prices to near record levels. The Australian National Management Group agreed at its meeting on 29 May 2025 that it is no longer technically feasible to eradicate tomato brown rugose fruit virus. This virus was first detected in tomato plants within South Australia in August last year before spreading to Victoria in 2025. Mandatory crop destruction and quarantine efforts have driven a shortage of tomatoes within South Australia. Availability issues have been further exacerbated by the slowing of the SA growing season with winter now upon the industry, while a delay to the start of the Queensland season has also affected supply. These record prices will ease throughout June and July as supply out of the northern states improves.

National Wholesale Fruit and Vegetable Price Index



Source: Bendigo Bank Agribusiness Insights, Aus Market Consultants

Year on year sector price index comparison



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