

Horticulture



May Monthly Update



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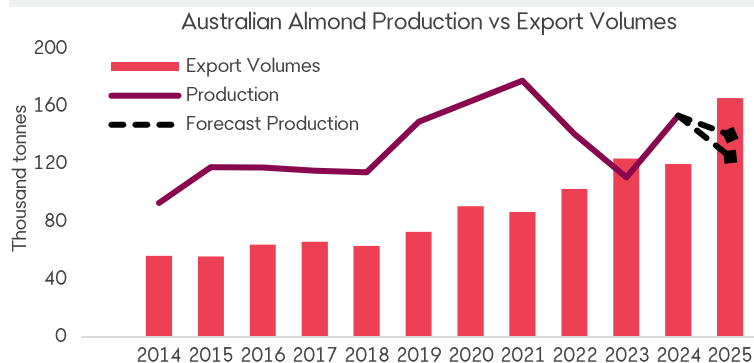
Key Watchpoints – May

- The Almond Board of Australia have reported that 2025-26 season crop yields have been impacted by the dry weather and frosts.
- Fruit and vegetable prices have eased as supply chains normalised in the back half of April.
- Labour supply, price monitoring and sustainability have been listed by industry bodies as key points to address following the federal election.

Almond export demand to remain high, amidst declining crop forecasts

As processing gets underway following harvest, the Almond Board of Australia have reported that current 2025-26 season crop yields have come in below expectations. It is thought that the hot and dry conditions impacted kernel moisture across the higher value Nonpareil variety with frosts in September also impacting yields in some regions. This is the second downgrade of the almond crop. Early estimates pegged production at 172,000 tonnes which was initially revised down to 155,531 tonnes. However, the crop is expected to now come in between 125,000 and 140,000 tonnes.

Alongside this expected shortfall in output is ongoing strong export demand. Volumes exported are at record levels, tracking 38 per cent higher year-on-year with over A\$621m exported to China over the last 12 months alone. This elevated demand is anticipated to continue through 2025 with the US Californian crop locked out of the lucrative Chinese market on the back of the retaliatory tariffs. Prices producers and processors receive over the next six months are expected to remain well above prior seasons as a result.

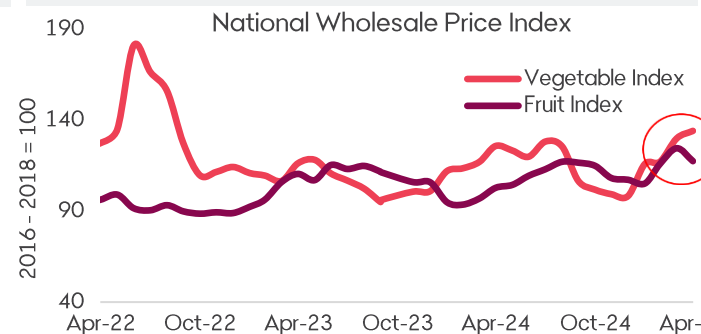


Apples into China from 2026

Mainland Australian apple producers will now join Tasmanian producers in benefiting from export market access into China from 2026. Various biosecurity protocols will need to be adhered to including orchard registration and cold treatment. Less than one per cent of Australian apple production is currently exported and while this agreement is unlikely to see Australian apples become a major export sector, it provides a substantial market for producers to utilise at a time of global trade upheaval and concentrated domestic market power.

Wholesale prices stabilise in April

A normalisation of supply towards the end of April has seen our wholesale vegetable price index begin to plateau following the significant rises recorded during Q1. Fruit prices have begun to ease with greater volumes of bananas, avocados and mandarins coming to market.





Key policy issues facing horticulture sector in 2025 and beyond...

With the 2025 federal election done and dusted, attention has quickly turned to how the majority Albanese government will look to address a range of issues impacting the horticultural sector. We've summarised the major concerns and goals raised by industry bodies to be addressed over the next three years.

Labour:

- Labour makes up the largest single component of cost of production across the horticulture sector. Ensuring growers maintain access to a secure, reliable, and productive workforce is of critical importance. Maintaining the current status of the Working Holiday Maker Visa, including the 88-day farm work requirement, with minimal red tape remains a key point for the industry moving forward. Access to seasonal workers through this Visa has come under some pressure following the exclusion of UK Visa holders from the work requirement.
- A further driver of accessible labour has been the Pacific Island Labour Mobility Scheme. Improving accessibility of the PALM scheme to smaller producers while implementing a short-term Ag Visa has also been mentioned in industry discussions.
- Implementing measurable productivity requirements as a part of any changes to horticulture awards remains an issue following updates to the award in 2022 which put in place a minimum wage guarantee.

ACCC:

- Updating the new Food and Grocery Code with relevant recommendations from the ACCC Supermarket Inquiry remains a focus for the industry with a squeeze on producers' margins continuing amidst surging supermarket profits.
- Ensuring the ACCC is properly resourced to monitor and enforce compliance with competition law, the Food and Grocery Code of Conduct and the Horticulture Code of Conduct.
- Facilitating further industry consultation regarding the 13 recommendations from the Review of the Horticulture Code of Conduct has been noted by Fresh Markets Australia.

Sovereignty and Sustainability

- Increase autonomy of the agricultural sector by investing in domestic production facilities for farm inputs such as fertiliser and agricultural chemicals.
- Higher prioritisation of horticulture commodities in international trade negotiations with the current trade environment and market access uncertainty becoming a key concern.
- Commit long-term sustainable biosecurity funding and resources to combat disease and pest incursions.
- Provide grants/funding for horticultural specific programs to drive greater uptake of regenerative farming practices and infrastructure.
- Ensure access for Australians to fresh fruit and vegetables by consulting industry on the recommendations of the Australian Food Story: Feeding the Nation and Beyond report.

Working Holiday Visa Approvals

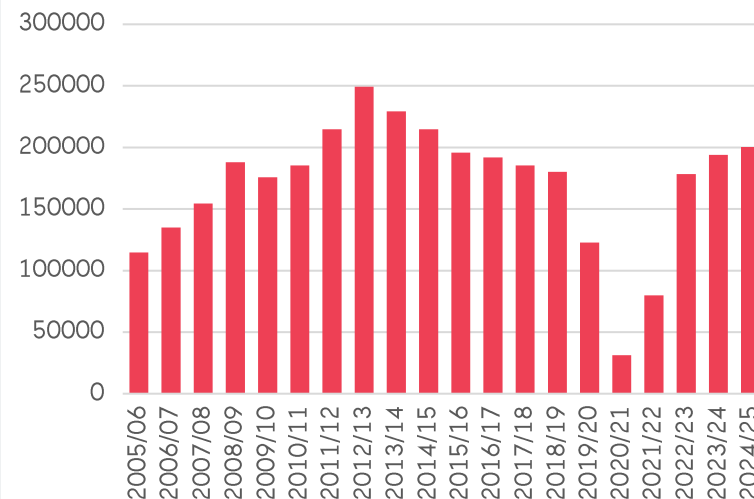
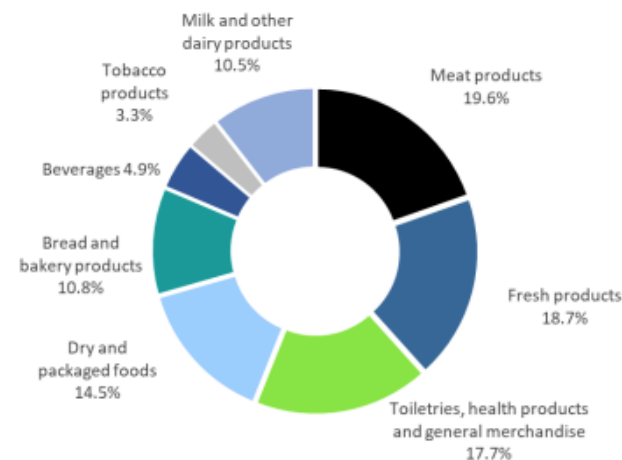


Figure 2. Food and grocery product segmentation by revenue for 2023–24



Source: Food and Grocery Code of Conduct Report & ABS

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