

Horticulture



October Monthly Update



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Key Watchpoints – October

- Improved supply compared to last season is continuing to pressure margins across various fruit and veg sectors.
- Further growth in Indian almond import demand is expected to support Australian markets in the coming months despite some uncertainty regarding US trade policy and the potential for this to reduce market access advantages.

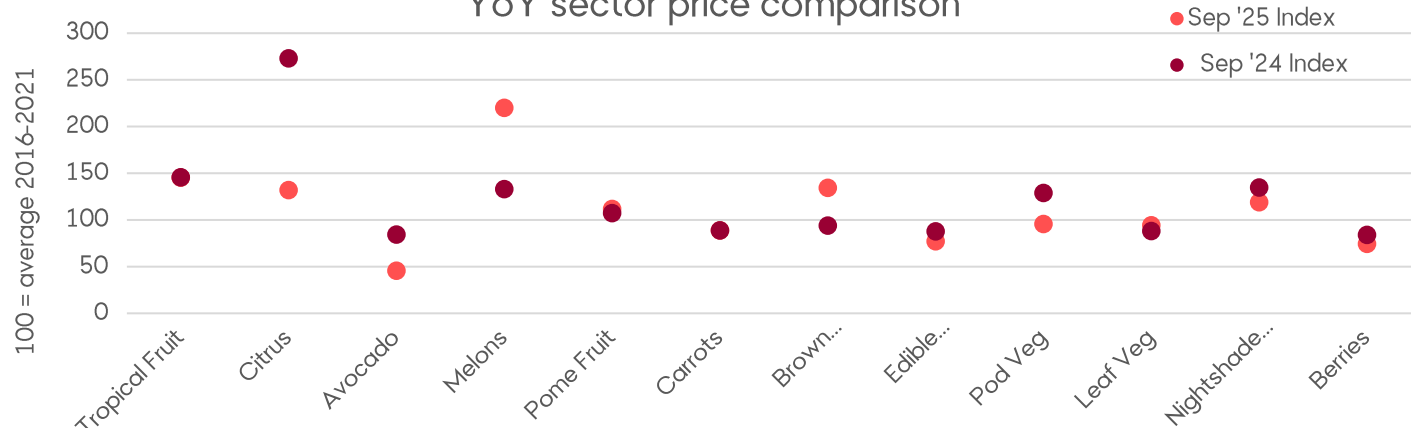
High supply continues to pressure margins across fruit and veg sectors

Prices across the horticultural sector remained mostly lower in September when compared to the same time last year as improving conditions since June have supported yields, driving volumes higher.

Prices across the vegetable sector are currently in line to slightly lower compared to the same time last season with only brown onions bucking the trend, with wholesale prices currently sitting notably higher. Onion producers have faced challenges across the key production state of South Australia this season off the back of the near-record dry conditions seen across the first half of the year. This has impacted both onion yields and quality. Ongoing cost pressures driven primarily by inputs also continue to impact margins which are now being passed on to consumers. These higher onion prices are expected to limit domestic demand while supply remains tight and prices elevated. Meanwhile, nightshade vegetables including capsicums and tomatoes have seen prices stabilise in September with greater volumes coming out of Queensland, easing the recent supply tightness.

Wholesale prices across the fruit segment are generally lower, with the exception of melons, although melon prices should ease through October as volumes out of Western Australia increase. Berries are now readily available with decent quality reported. We expect strong consumer demand across the berry sector as a result with prices sitting at the lowest level for September since 2022.

YoY sector price comparison



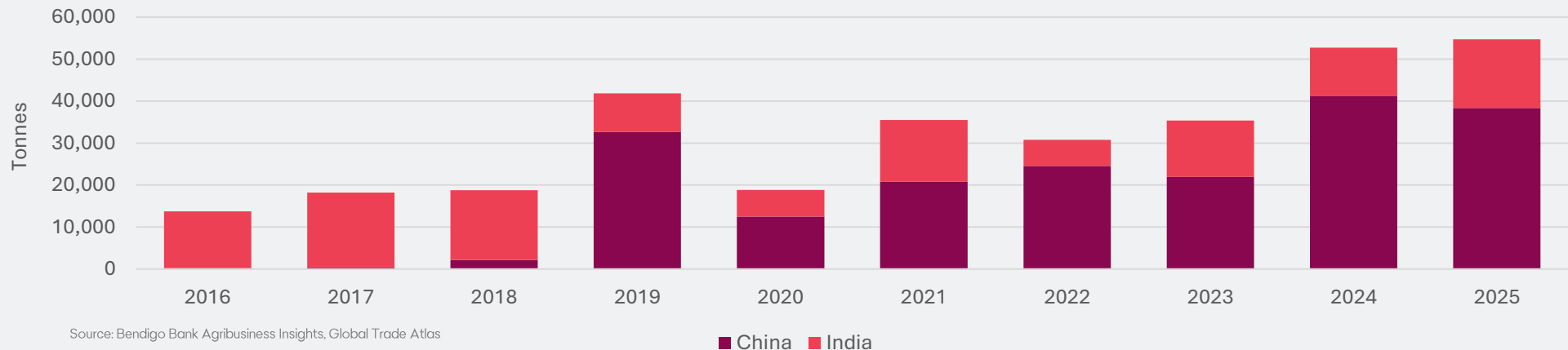
Indian demand for almonds continues to grow, although US trade policy is driving some uncertainty

Year-to-date almond exports to India are now at the second highest level on record. Growing local production, ongoing US trade tensions, and the benefits from the Australia-India Economic Cooperation and Trade Agreement (AIECTA) continue to support exports to the Indian market despite the emergence of China as a key global destination.

With the USDA forecasting that Indian demand for almonds will rise by a further six per cent in 2025/26, the export outlook remains positive. Year-to-date almond exports continue to surge year-on-year as Australian exporters benefit from the 50 per cent tariff reduction on the first 34,000 tonnes of almonds exported. The industry has exported well over 17,000 tonnes of almonds to India so far this year which leaves significant space for further exports to the subcontinent across the remainder of 2025. When this positive export outlook is placed alongside the rebound in prices observed across 2025 (in part due to Indian demand but also due record demand coming out of China), the almond sector has experienced an incredibly positive year for all industry participants including growers, processors, and exporters.

However, ongoing uncertainty regarding US trade policy and the prospect that either India or China could at any point cut a deal with the US does cloud the outlook for the sector. Australian producers currently enjoy a market access advantage into both India and China over US competitors. With a large Californian crop on the way, maintaining this advantage will be key to the ongoing strength of the sector going forward, particularly with local almond output forecast to continue rising in the coming seasons.

YTD Australian almond exports (China and India)



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