

Monthly Commodity Update

October 2026



Monthly Commodity Update – October



Headline Insights:

Favourable seasonal conditions and spring rainfall are driving bumper harvest volumes and decade-high feed reserves across Victoria. However, rain-delayed harvesting and variable protein profiles have placed the spotlight squarely on quality risks, for both grain and hay. The rainfall all along the east coast has also supported cattle and lamb markets as restocking activity rises, while impacting fleece strength and weighing on wool values.



Cattle:

pg. 7-8

Widespread rainfall across the northeastern Australian growing regions has pushed domestic young cattle prices higher, while heavy steer prices have also hit record levels.



Horticulture:

pg. 15-16

The wide-ranging impact of the El Niño Southern Oscillation upon key fruit export competitors may provide a slight boost to demand for Australian produce into 2027.



Cropping:

pg. 9-10

Global wheat has shed its war premium. Southern bids followed it down; WA and the north held. With a large but uneven harvest, price will follow quality and location. Protein will pay, especially in the south.



Sheep:

pg. 17-18

The ratio of lamb to barley prices continues to encourage additional feeding across southeastern Australia and is expected to support lamb markets through as supply picks up through the spring flush.



Dairy:

pg. 13-14

While interest rate hikes continue to weigh on balance sheets, a rebound in seasonal conditions and decade high on-farm feed reserves are providing Victorian dairy farmers with a vital margin buffer to absorb financing pressures.



Wool:

pg. 19-20

Wool buyers have been focusing on quality fleeces while auction volumes tighten. A flow on effect from good seasonal conditions has seen some impact to fleece strength, adding downwards pressure to prices.

Carbon and Climate



CSIRO puts regenerative ag to the test



Key Watchpoints:

- The Commonwealth Scientific and Industrial Research Organisation (CSIRO) are assessing the viability of regenerative farming across southeastern Australia's dryland zones, aiming to address the gap between industry enthusiasm and empirical evidence.
- Rainfall at the start of October has helped boost grower confidence following a dry September. However, a dry forecast across southeastern Australia is cause for concern for graziers.

Testing regenerative agriculture

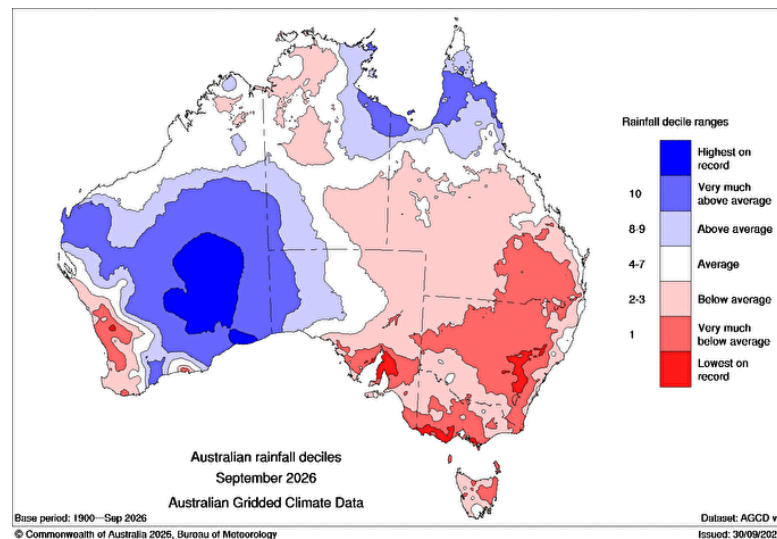
The CSIRO, has launched a five-year initiative to assess the scientific and economic viability of regenerative farming across southern Australia's dryland zones. Supported by the Australian Government's Future Drought Fund, the Stress Testing Regenerative Agricultural Practices (STRAP) project bridges the gap between industry enthusiasm and empirical evidence.

Led by CSIRO alongside the Ag Excellence Alliance and regional grower networks, the farmer-led research evaluates five core ecological principles: minimising soil disturbance, maintaining ground cover, sustaining living roots, increasing crop diversity, and integrating livestock. Across South Australia, Victoria, and New South Wales, researchers are benchmarking treatments including multi-species cover crops, legume-based nitrogen fixation, and organic soil amendments.

The initiative aims to address climate variability by modelling long-term impacts on soil biology, drought resilience, carbon cycling, and greenhouse emissions. Rather than prescribing a rigid plan, researchers are urging growers to focus on practical outcomes, beginning with small paddock-scale trials. The STRAP project delivers independent, data-driven analysis to help primary producers balance risk, boost drought resilience, and protect long-term farm profitability.

The word on weather

September was drier than average across most of Australia's agricultural regions, before rainfall in the first three weeks of October offered welcome respite for many. These rain events helped finish crops in the southern regions, as well as boosted confidence for summer crop planting through New South Wales and Queensland. The BOM's latest rainfall outlook is anticipating wetter than average conditions across Western Australia and northeastern Australia, while Victoria and Tasmania are tipped to be drier. Temperatures are expected to be warmer than average across most cropping regions, which may pose heat stress risk over the coming weeks.



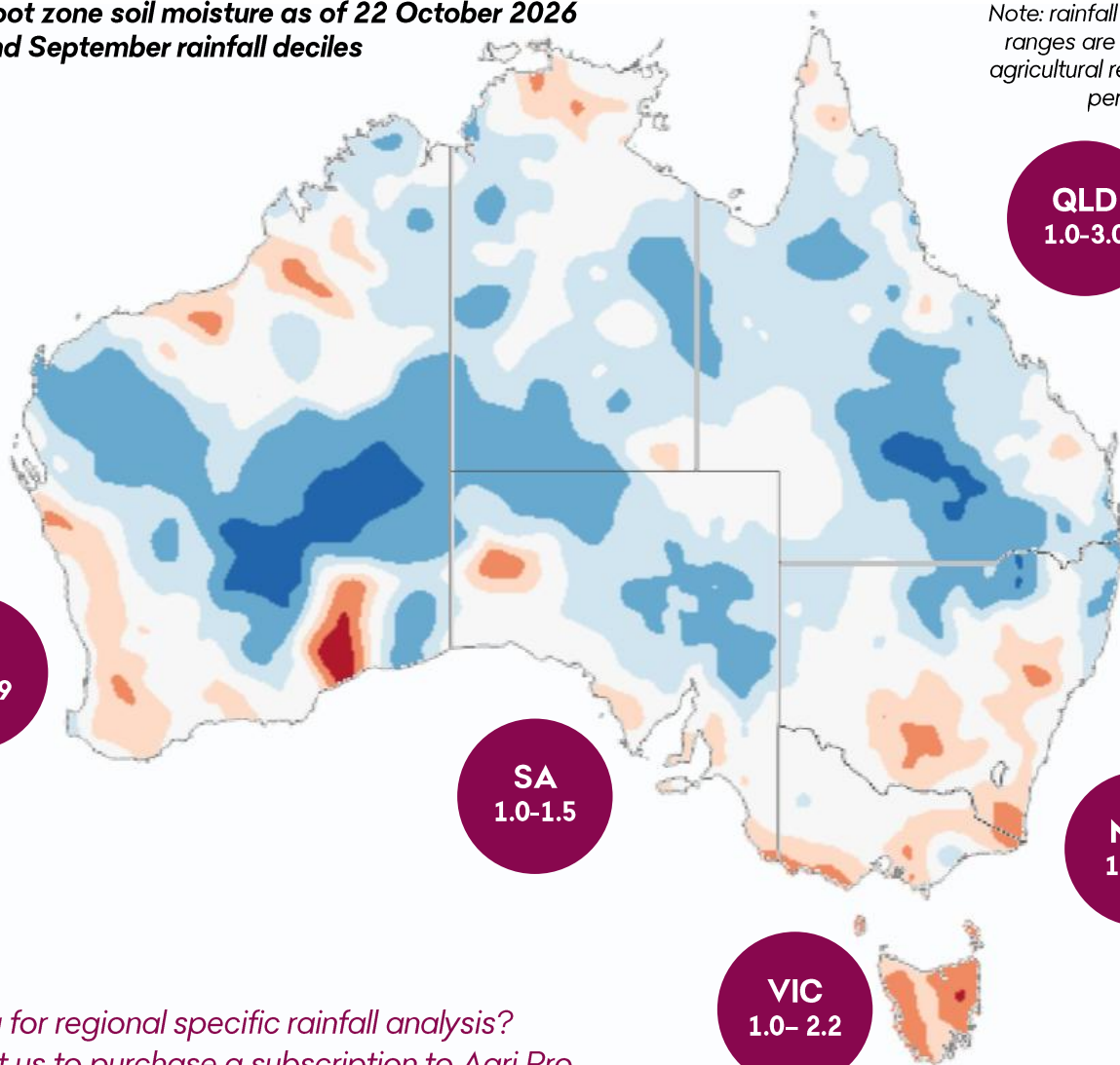


Root zone soil moisture (percentile rank)

Lowest 1% Very Much Below Average Below Average Average Above Average Very Much Above Average Highest 1%

Root zone soil moisture as of 22 October 2026 and September rainfall deciles

Note: rainfall decile ranges are of key agricultural regions per state.



Water storages in the Murray Darling Basin

		Oct 2026	YoY %
Whole of Basin		68%	0%
Southern basin		72%	10%
Northern basin		54%	-26%
Catchment	Location	Oct 2026	YoY %
Macquarie	Lake Windamere	80%	-11%
	Lake Burrendong	36%	-26%
Namoi	Split Rock Reservoir	86%	-14%
	Lake Keepit	55%	-45%
	Chaffey Dam	97%	-5%
Gwydir	Lake Copeton	56%	-26%
McIntyre	Pindari Lake	36%	-35%
Upper Murray	Lake Hume	88%	36%
	Lake Dartmouth	78%	6%
Goulburn	Lake Eildon	62%	6%
Murrumbidgee	Lake Burrinjuck	68%	7%
	Blowering Reservoir	67%	20%
Lower Murray	Lake Victoria	98%	18%
Lower Darling	Menindee Lakes	27%	-58%
Lachlan	Lake Wyannonga	68%	-24%
	Carcoar Lake	97%	-4%
	Lake Cargelligo	96%	46%

As at 7 Oct 2026

Source: MDBA, BOM

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Source: Bureau of Meteorology

Production costs

Fuel prices continue to rise while hay faces quality concerns



Key Watchpoints:

Diesel prices have continued to push higher, driven by rising global oil costs as stores deplete. Continued attacks on ships are forcing supplies to be rerouted. Local diesel prices are largely sitting over 100 cents per litre higher than prior to the start of the Middle East conflict.

Fodder markets in the northern areas are facing upwards price pressure as lower pasture reserves and failed cereal crops are maintaining a strong demand. Wetter weather in the south has delayed hay cutting and may impact the quality of the hay available looking forward.

The Australian Dollar has generally trended downwards over the past couple of months, dipping under 70 US cents as it searches for support.

IMPORT VOLUMES

vs 5yr June average

Chemicals

Pesticides: -40%

Herbicides: 3%

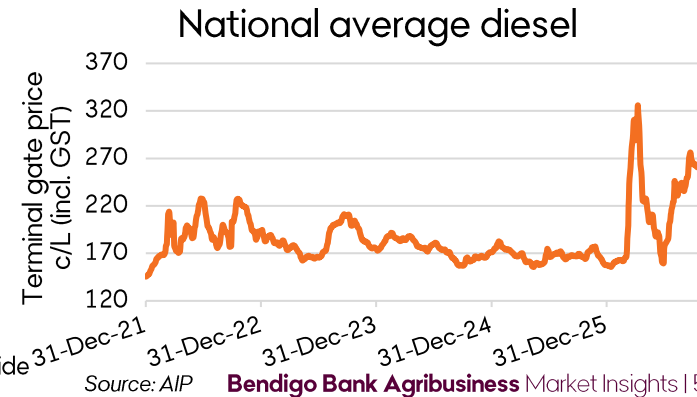
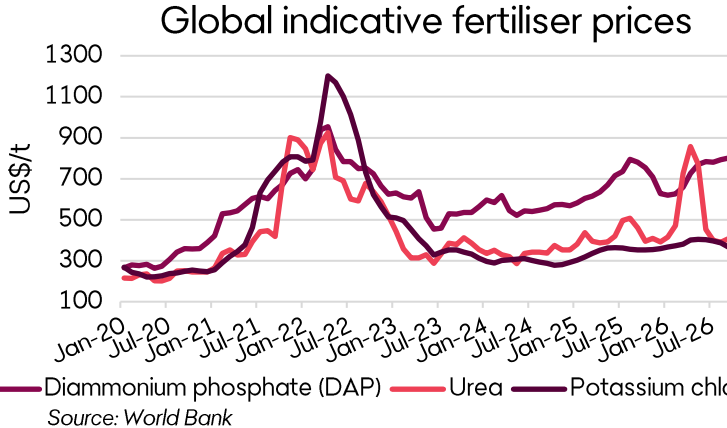
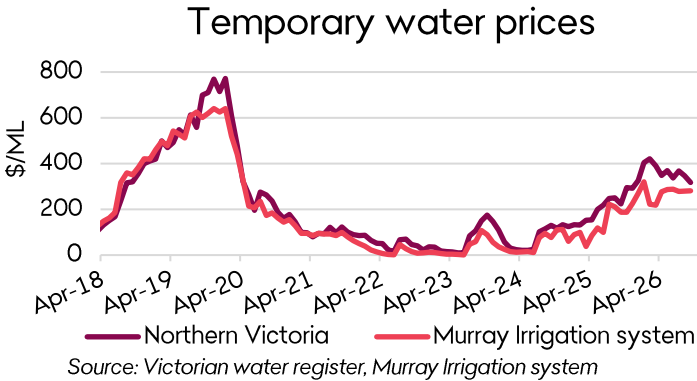
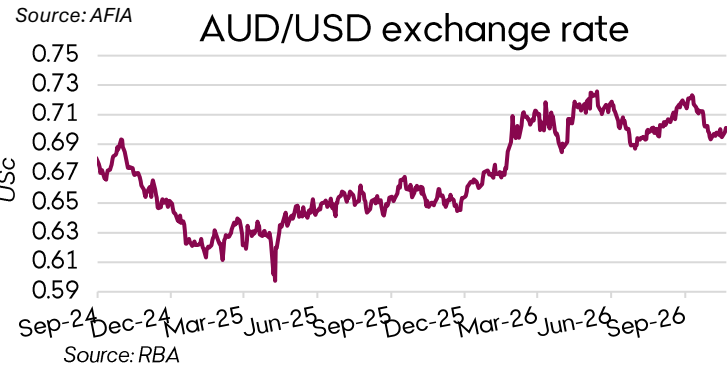
Fertiliser

Urea: -46%

MAP: 480%

Indicative cereal hay prices (August) MOM: month-on-month. YOY: year-on-year.

Eastern Aus (north)	Eastern Aus (south)	South Australia	Western Australia	Tasmania
\$325/t	\$266/t	\$249/t	\$235/t	\$215/t
+0% MOM, -7.1% YOY	-0.4% MOM, -43.4% YOY	-0.4% MOM, -51.7% YOY	+0% MOM, -13.0% YOY	19.4% MOM, -39.4% YOY



Domestic market

Inflationary pressures and cash rate rises



Key Watchpoints:

The RBA has lifted the official cash rate for a fourth time this year to 4.60 per cent, its highest level since October 2011, as inflation remains above the RBA's target headline inflation rate of 2-3 per cent. Markets are now factoring a 50 per cent chance of another rate hike at the November meeting.

Australian consumer confidence has dipped for a second consecutive month after lifting between April and August, as the rising cost-of-living and higher interest rates apply further pressure on household spending.

This month's bang for buck:

The mango harvest is underway in northern Australia, with prices expected to ease as harvest ramps up and supply increases. The latest CPI data has shown a slight downturn in domestic protein prices, although lamb and beef remain significantly higher year-on-year compared to chicken and pork.

LM: last month. YOY: year-on-year.

Total CPI

YOY Aug 2026

+4.0%

Cash rate

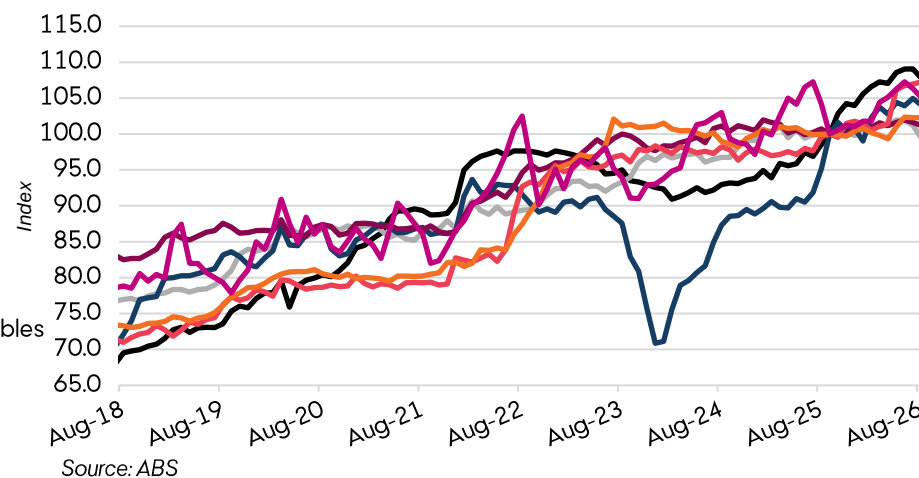
at 30 September 2026

4.60%

Source: ABS, RBA



Consumer price indices for key food groups



HOUSEHOLD SPENDING

Jul 2026 vs LM (seasonally adjusted)

Source: ABS

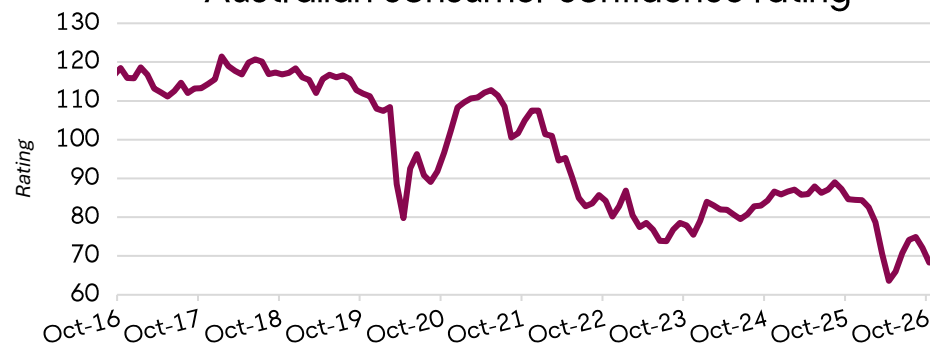
Food (retail)

-0.3%

Hotel/café/restaurant

+0.8%

Australian consumer confidence rating



Cattle



Rain sparks a surge in cattle prices



Joe Boyle
Agricultural Analyst

Key Watchpoints:

- Eastern seaboard rain has renewed producer confidence, lifting both young and finished cattle markets.
- Severe wet weather in Queensland hampered transport routes and restricted saleyard entry, reducing weekly yardings and supporting price gains.
- Projections of wetter conditions through November, combined with the upcoming export quota reset in January, are set to maintain market momentum through to the end of the year.

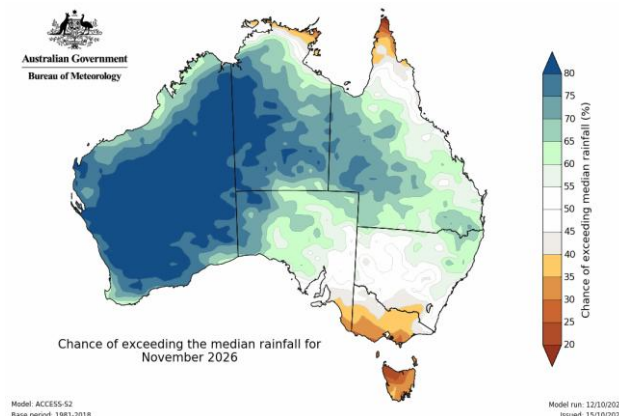
The expectation of and subsequent arrival of widespread rainfall across Australia's east coast has pushed cattle prices higher over the past few weeks. After a period of dry conditions in northern New South Wales and southern Queensland, both areas received upwards of 25 mm in the week ending 21 October. With more rain forecast, the question is now whether cattle prices can maintain their recent strength over the coming months.

Significant October rainfall boosted grower confidence in the northern region, although it presented logistical challenges for livestock transport in some areas. With over 100 mm of rain falling in parts of Queensland, highway closure and restricted access to saleyards has limited offerings at last week's sales. Queensland yardings for the week ending 18 October fell to 13,630 head, down from over 20,000 head across each of the prior six weeks. This tighter supply, combined with improved grower sentiment driven by rain, put further upwards pressure on prices.

The uplift in cattle prices has been pronounced across both the young cattle and heavy steer markets. The National Young Cattle Indicator (NYCI) bounced back up to 528 c/kg last week, up from 470 c/kg at the end of September and 22.8 per cent above the five-year average. Meanwhile, the National Heavy Steer Indicator, which has been comparatively less volatile this year,

jumped from 455 c/kg to a record 479 c/kg over the past couple of weeks, exceeding its previous peak of 471 c/kg in October 2021. The strength across both young and finished stock is a positive sign for the industry as we move further into the final quarter of 2026.

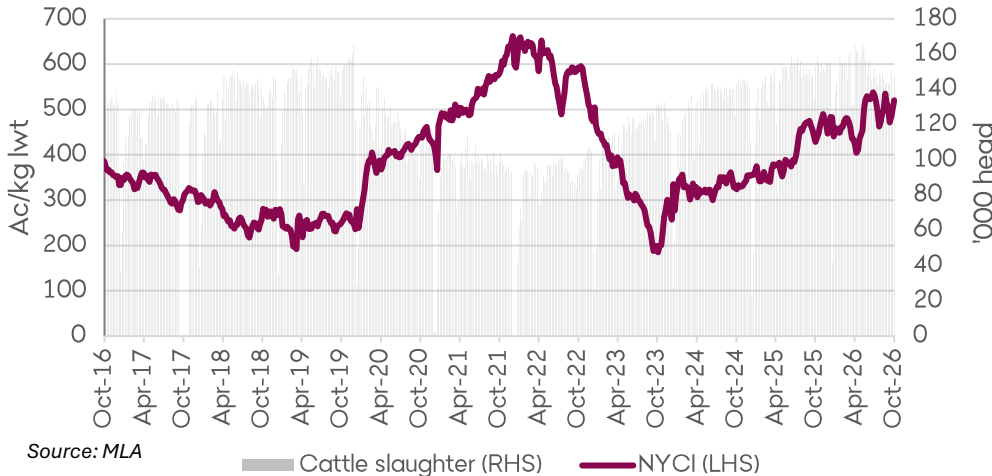
The Bureau of Meteorology is forecasting wetter-than-average conditions across large parts of the northern growing regions in November, if realised, this will further support grower sentiment after a drought impacted season - assuming flood damage is avoided. This will continue to support cattle prices as we move through the final quarter of 2026 and as the market begins to look towards the resetting of the Chinese export quota in January.



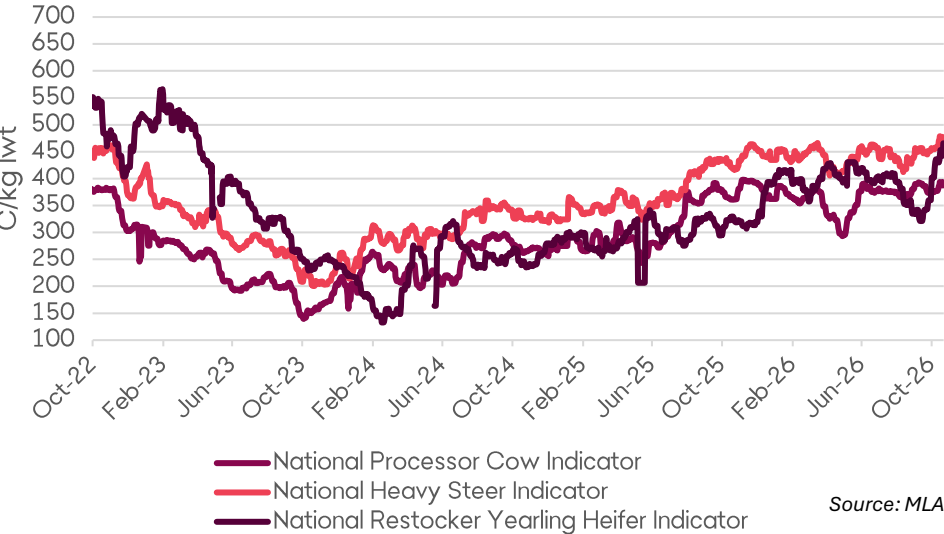
Industry Scan – Cattle



Australian Cattle Price and Slaughter



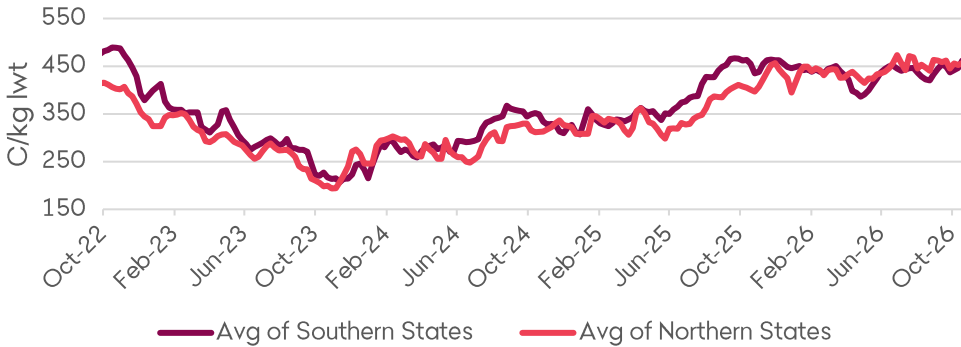
National Indicators



National Indicators	Current Price	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
National Young Cattle Indicator	528	5.1%	22.4%	430	8.59
Eastern Young Cattle Indicator	988	4.6%	18.9%	769	9.03
US 90CL	1,012	2.8%	-13.1%	949	9.75

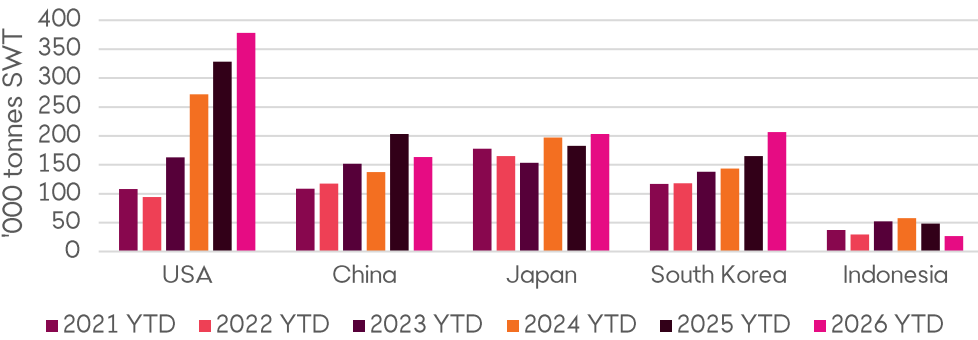
Source: MLA

Heavy Steer Indicator - North vs South Australia



Source: MLA

National Beef Exports Year-to-Date



Cropping



A global slide meets a three-speed Australian harvest

Bendigo Bank
Agribusiness



Rod Baker
Agricultural Analyst

Key Watchpoints:

- Protein premiums through harvest. A big, low-protein southern crop should widen the H2 premium over ASW.
- Export demand for southern barley. SA and Victorian harvests to peak in December, so bookings need to keep coming once November's vessels have sailed.
- China's appetite for WA canola. If buying slows, WA's premium over eastern prices has little else to hold it up as the WA harvest arrives.

Plenty of grain, short of the right grain

Wheat's war premium has evaporated. Chicago futures have fallen about 18 per cent since late August, even as attacks on Black Sea shipping continue. The northern hemisphere harvest is ample. Next comes a big southern hemisphere crop: Argentina's 23.8 Mt is its second largest in 17 years. But volume is not quality. Canadian protein is down, Argentina's grain fill has been cold and cloudy, and Brazil wants its best milling wheat. The premium is moving from war to protein.

Australia's crop is big, around 31 Mt of wheat, 16.5 Mt of barley and 8 Mt of canola, but it is really three crops. The north is small and now wet, the south is large and still filling, and WA is dry and harvesting.

Wheat: Chicago fell, only the south followed

In WA, a strong early export programme of old-crop wheat has worked down a large carryout and kept Kwinana APW1 near \$380 per tonne while futures fell, so, basis firmed from a low base. In SA and Victoria, with a big harvest coming, bids have given back about half of Chicago's fall since August. The north held, with Brisbane APW1 at \$421, a third above last year. The rain has barely moved it. Little wheat is trading, and feedlots stocked up beforehand and are waiting on the big southern crop. For southern growers, value this year is in protein. Big yields mean plenty of ASW, meeting cheaper Argentine wheat from December. H2 already carries \$27 over ASW; in 2016, the last big low-protein crop, that gap reached almost \$50. Know your protein before you sell.

Barley: plenty of it, and priced like it

Southern feed barley is the soft spot. Port Adelaide and Geelong bids are 4 to 7 per cent below last year, and barley now trades around \$60 under wheat, almost double last year's gap. November export bookings have doubled to 783 kt without lifting bids. SA and Victoria will need that demand to keep coming through December when their harvest peaks

Canola: WA bets on China

Canola has split in two. Eastern bids fell \$50 to \$65 in October as European rapeseed slid on Black Sea peace talk and Canadian canola followed, while WA held in the mid-\$800s on Chinese demand. China has reportedly booked around 1 Mt of Australian seed for early 2027, helped by a lower tariff than Canada's. WA GM now sits about \$100 over Geelong, against a discount last year. Crude prices continue to offer some support. WA growers who sold early locked in strong prices but carry the production risk after a poor pod set trimmed the state estimate.

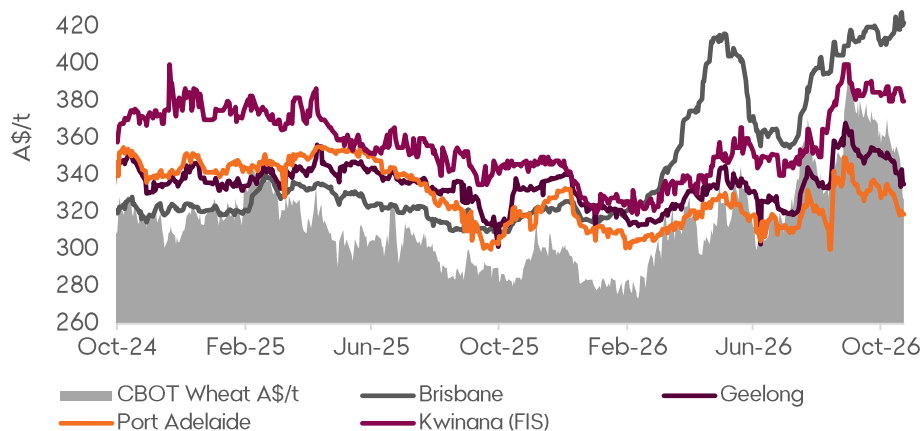
Outlook: too early to hurt, not too early to worry

This week's southern rain should add yield and dilute protein rather than damage grain, because much of the crop is still filling. The danger is a wet November on a ripe crop. In 2021, rain at that stage blew the discount for downgraded wheat out by \$50 to \$90 within six weeks. Watch the gap between APW1 and AGP1: it is the market's damage gauge. In the north, the rain that hurts the winter crop is a gift to the summer crop.

Industry Scan – Cropping

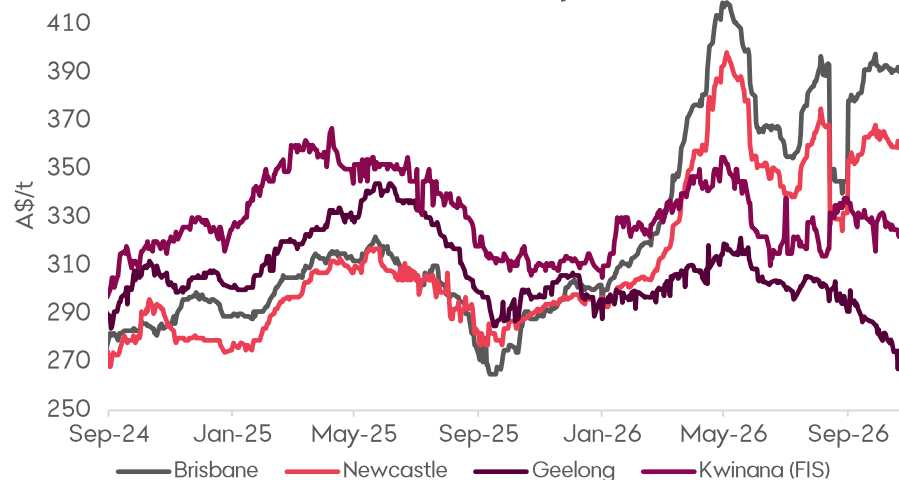


Australian APW versus CBOT Spot Futures (AUD/t)



Source: BEN Agri Insights Pro & CME Group (CBOT)

Australian Feed Barley Prices



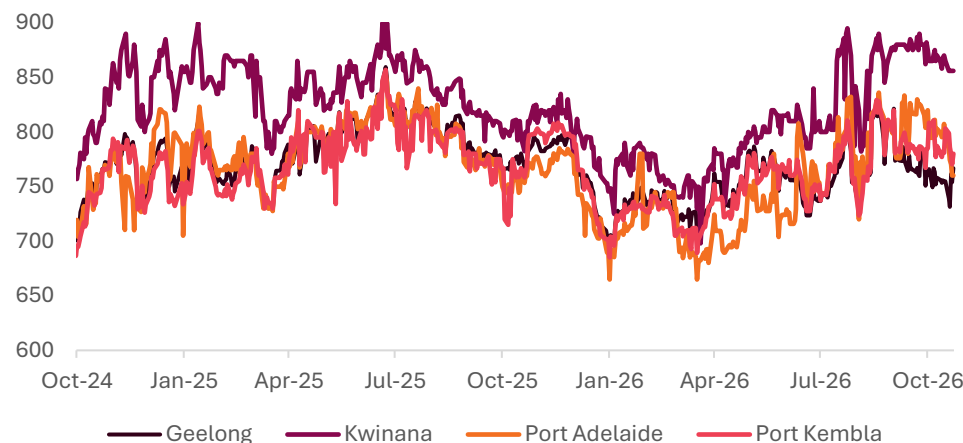
Source: BEN Agri Insights Pro

Grain and Oilseed Price Snapshot - 22/10/2026

Commodity	Price(A\$/t)	10-Yr Decile	MoM	YoY
Australian APW Wheat (index)	\$361	6.4	▼\$12	▲\$24
CBOT Wheat (spot)	\$328	6.8	▼\$47	▲\$44
Australian Feed Barley (index)	\$296	4.0	▼\$9	▼\$2
CBOT Corn (spot)	\$259	5.6	▼\$41	▲\$4
Australian Canola (index)	\$809	8.5	▼\$40	▲\$27
Matif Rapeseed (spot)	\$776	5.7	▼\$120	▼\$53
ICE Canola (spot)	\$782	6.9	▼\$54	▲\$108

Source: BEN Agri Insights Pro, CME Group, Euronext & ICE

Australian Canola Prices (AUD/t)



Source: BEN Agri Insights Pro

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Bendigo Bank
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Record feed reserves help buffer higher interest rates



Eliza Redfern
Senior Manager
Industry Insights

Key Watchpoints:

- There's plenty of stored and standing feed around – the focus has shifted towards replenishing fodder reserves on the back of improved conditions.
- Borrowing continues to grow despite higher interest rates, holding interest and lease costs steady and keeping the pressure on margins.
- A continuation of favourable operating conditions and the large volumes of conserved feed will help give farmers a lot more wiggle room in their margins this season.

The margin squeeze has come from all angles over the past twelve months – dry conditions pressuring feed prices and production, higher water costs and volatile globally-driven inputs. While the turnaround in weather in 2026 has offered welcome relief on the feed front, balance sheets are facing pressure from higher interest rates as borrowings rise.

A couple of weeks ago I was on a crop tour through northern Victoria and couldn't help but notice the ample feed stored and standing. More favourable weather conditions through the dairying regions have shifted the focus towards replenishing fodder reserves from previously tough seasons. This is seen as a key risk management tool in a lot of cases, but particularly through the north of the state; we've seen an increased appetite from dairy enterprises to buy or lease land for additional homegrown feed conservation (more on that in our recent farmland values reports). For further context, the latest Victorian Dairy Farm Monitor Project (DFMP) report points out that the amount of conserved feed increased 30 per cent in the 2025/26 season, leading to the statewide closing feed inventories reaching 1.7t dry matter per milking cow – the highest average recorded over the past decade.

This formed part of the reason why borrowings continued to grow over the past season, somewhat

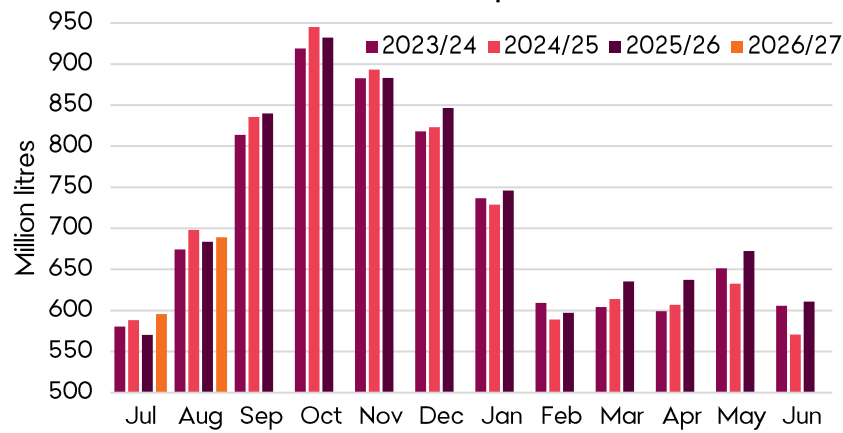
undeterred by higher interest rates. In northern Victoria, (interest and lease costs rose to the highest level in 10 years as farmers purchased more land or used borrowing to make on-farm improvements, while in southwest Victoria, financing was sought after to assist cashflow to recover from previously tough conditions. In seasons when operating conditions are favourable, the returns generated from borrowed assets typically outweigh the cost of accessing them, which was the case for 63 of the 90 Victorian DFMP participants last season. So while debt serviceability has backed off from the 2024/25 season (thanks to higher gross incomes), interest and lease costs remain broadly steady.

After the cash rate reached a 15-year high, economists are tipping further increases to the cash rate in the next 6 to 12 months. This will undoubtedly be considered in investment decisions this season; as the DFMP report points out, reducing debt has been listed as focused for many Victorian producers over the next one to five years. Interest and lease charges will remain a larger cost pressure, but a continuation of favourable operating conditions and all that conserved feed will help give farmers a lot more wiggle room in the margins this season.

Industry Scan – Dairy



Australian milk production



Source: Dairy Australia.

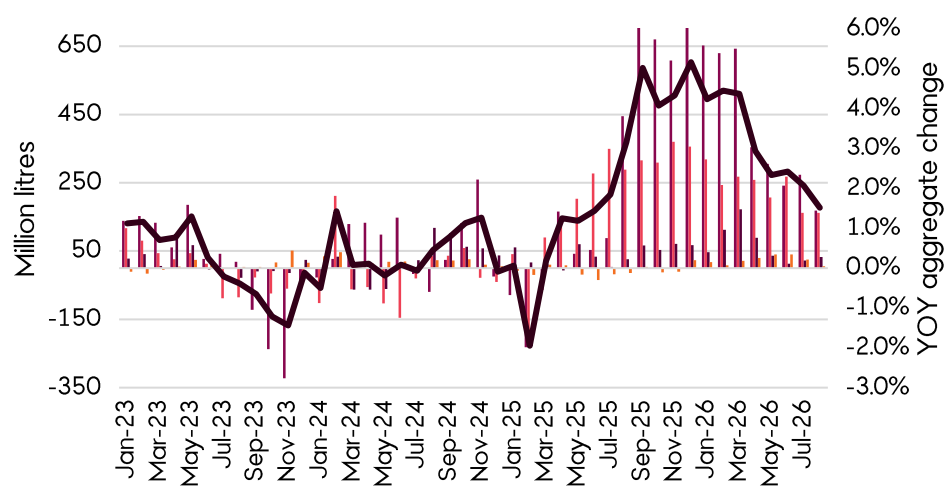
Australian milk production

Season to Aug 2026

National	+2.5%
Queensland	+3.1%
New South Wales	+7.9%
South Australia	-0.1%
Western Australia	+7.6%
Tasmania	+1.0%
Victoria	+1.2%
Northern	-3.3%
Western	+4.7%
Eastern	+1.1%

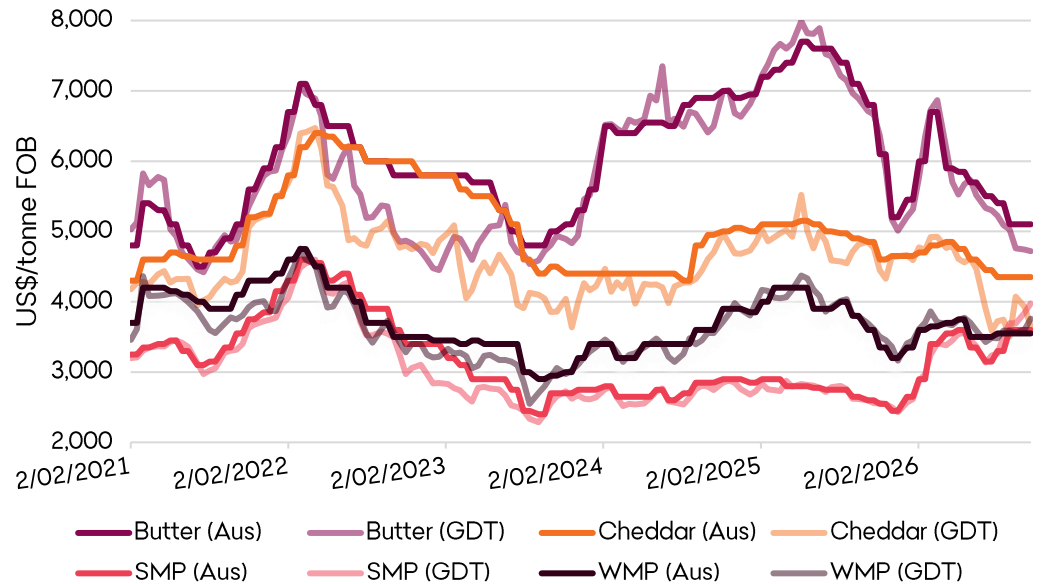
Source: Dairy Australia

Milk production in key exporting regions



Source: Dairy Australia, DCANZ, Eurostat, USDA, AHDB

Australian vs Global Dairy Trade (GDT) indicators



Source: Dairy Australia, GDT

Horticulture



Export outlook remains mixed across key categories



Sean Hickey

Senior Agricultural Analyst

Key Watchpoints:

- The wide-ranging impact of the El Nino Southern Oscillation upon key export competitors may provide a slight boost to demand for Australian table grapes into 2027.
- Rapidly expanding domestic Chinese citrus production along with improved local cold storage and early-maturing varieties has lengthened China's season. A concern for exporters in coming seasons.
- Despite elevated global pricing and tighter carry-in stocks, year-to-date Australian almond exports continue to track at a near-record pace.

Global El Niño impact to support table grape exports

The wide-ranging impact of the El Nino Southern Oscillation upon key export competitors is anticipated to provide a slight boost to demand for Australian table grapes into 2027.

Table Grape producers in Northern Peru are facing heavy rains, and elevated night temperatures as a result of the El Nino. This has resulted in smaller size grapes and some reduction in output. While the seasonal export does not typically compete directly with Australian fruit, early-season arrivals including Menindee Seedless, and Thompson should encounter increased retail demand with the Peruvian grapes at the end of their season to be in reduced volumes and potentially lower quality supporting early season demand.

Challenging orange export season winds down

The Australian citrus export campaign is entering its seasonal transition, with southern harvesting winding down. Southern Hemisphere export volumes are tapering off as Northern Hemisphere producers in the Mediterranean and North America prepare for their forthcoming domestic harvests.

The 2026 export season proved challenging for Australian orange producers. Despite near-record harvest volumes approaching 600,000 tonnes, year-to-date export values have contracted by over 15 per cent to \$146 million. The reduced exports can be attributed to a range of factors. Weather challenges across the Riverina, Murray Valley, and Riverland. A hot and windy summer generated widespread skin blemishes and reduced fruit sizing, pulling down Class 1 packout rates and forcing higher proportions of fruit into processing and second-grade channels. Australian exporters

also faced stiffer competition in the North American corridor. The removal of US tariff barriers on South African oranges, eroded Australia's tariff advantage and impacted Australian volume into the US.

In Asia, China recorded the sharpest downturn, with export values falling by more than 40 per cent to \$28 million. Rapidly expanding domestic Chinese citrus production along with improved local cold storage and early-maturing varieties has lengthened China's season. Where Australian navel oranges previously enjoyed demand through late October, local Chinese citrus is now established in wholesale markets by autumn, effectively compressing Australia's export window. With orange production continuing to build as young trees continue to mature, the industry is continuing to improve market access and value add through processing. Targeting export growth into Southeast Asian markets and North Asian markets remains key owing to our proximity and natural shipping advantages that this brings.

Almond exports remain close to record pace

Despite elevated global pricing and tighter carry-in stocks, year-to-date Australian almond exports continue to track at a near-record pace. However, with processors having cleared opening inventories relatively quickly export pace will likely moderate over the coming months as available stocks ease. Unsurprisingly, strong Chinese purchasing underpins these results, with year-to-date shipments already passing 40,000 tonnes. High price benchmarks have done little to dampen Chinese buyer appetite, largely because Australian product enjoys tariff-free access

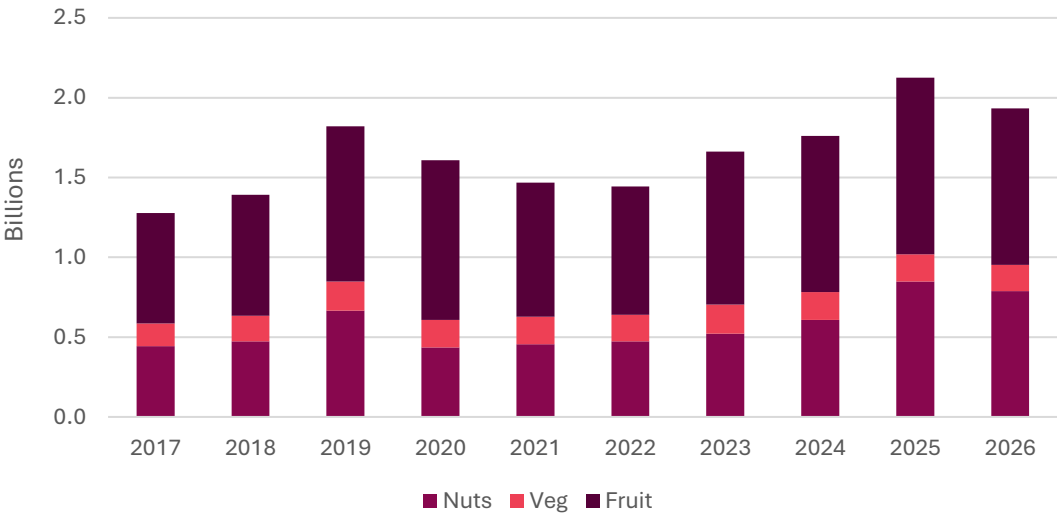
Industry Scan – Horticulture



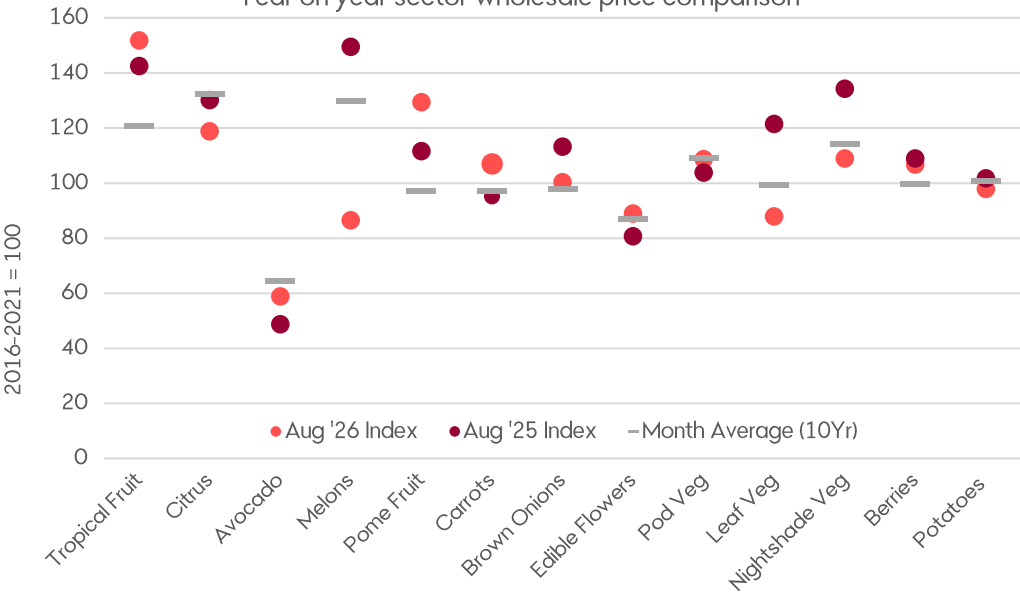
whereas competing US almond supply remains impacted by 35–45 per cent retaliatory duties. Positive developments between the US and China remain the greatest risk to export volumes and prices. While a sudden shift in this environment is not expected, any removal of Chinese tariffs on US almonds would allow US exporters to regain market share, which would trigger a downward correction in export premiums. A watchpoint following the US China summit in late September.

Secondary export destinations are also anticipated to offer further growth opportunities into 2027. The USDA are forecasting total Indian almond imports will reach 187,000 tonnes in 2026/27, a rise of 8 per cent year-on-year. This increased demand will continue to offer alternate growth opportunities for Australian processors and will aid in maintaining the strong almond pricing observed over the last two years as the increased Indian imports will also aid in absorbing the US supply.

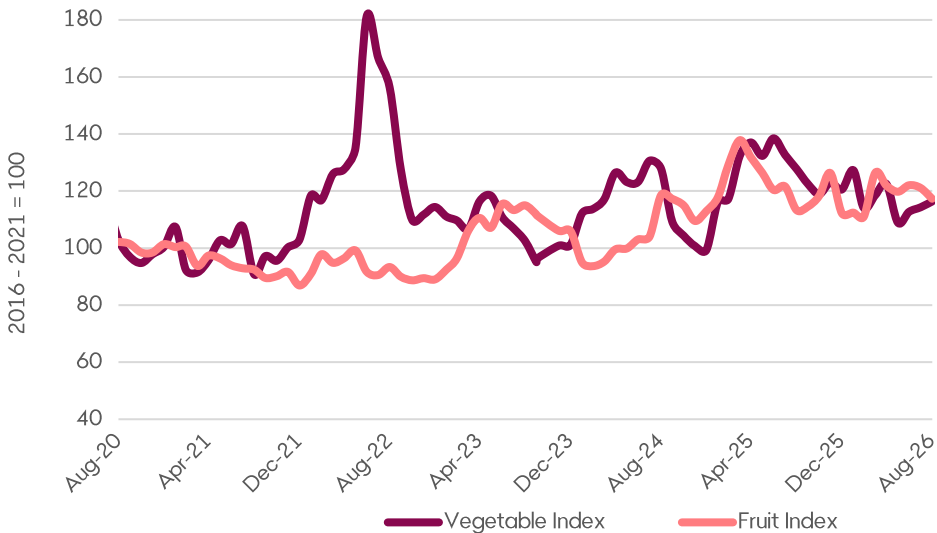
Year-to-date horticultural exports



Year on year sector wholesale price comparison



National Wholesale Fruit and Vegetable Price Index



Sheep

Big barley and bigger lambs



Joe Boyle
Agricultural Analyst

Key Watchpoints:

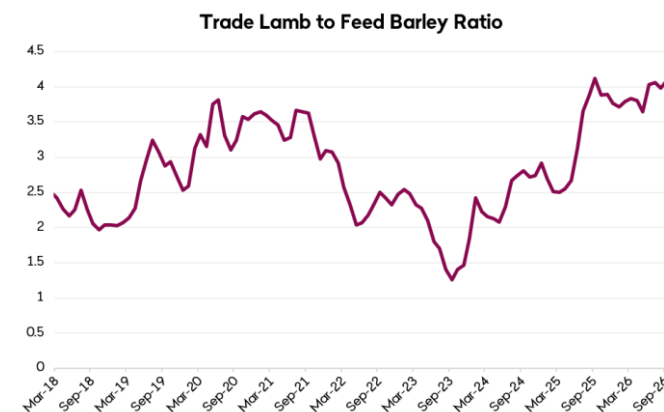
- Australian lamb and mutton prices have remained incredibly strong throughout 2026, well above decile nine levels.
- The relative pricing of lambs to feed barley are encouraging growers to put weight on lambs, with this favourable price spread to support lamb markets as supply increases through the spring flush.

Earlier in the year we looked at the increase in lamb carcass weights and how the ratio between barley and lamb prices had encouraged additional feeding of stock. In this month's update, we revisit how these ratios have changed over the past few months and what they mean for lamb markets with the spring flush around the corner.

Lamb feedlotting has become increasingly prevalent over the past few years, after what often began as a drought and soil management strategy (containment feeding), was found to drive further value for growers through intensive lamb feeding. The ratio between lamb and barley prices is a key indicator for the profitability of feedlotting lambs, and this ratio has strengthened over the past couple of months, climbing to 4.1x and is now just shy of the peak in September 2025. While lamb prices have eased slightly from the winter peaks, they remain historically strong, above decile nine levels. Meanwhile, barley prices have been on a downwards trajectory since May, with the monthly average price in Victoria easing \$40/t (-12.6 per cent). The combination of these factors has improved the lamb to barley ratio from the already strong position in the first half of the year, further encouraging growers to secure lambs to put on feed.

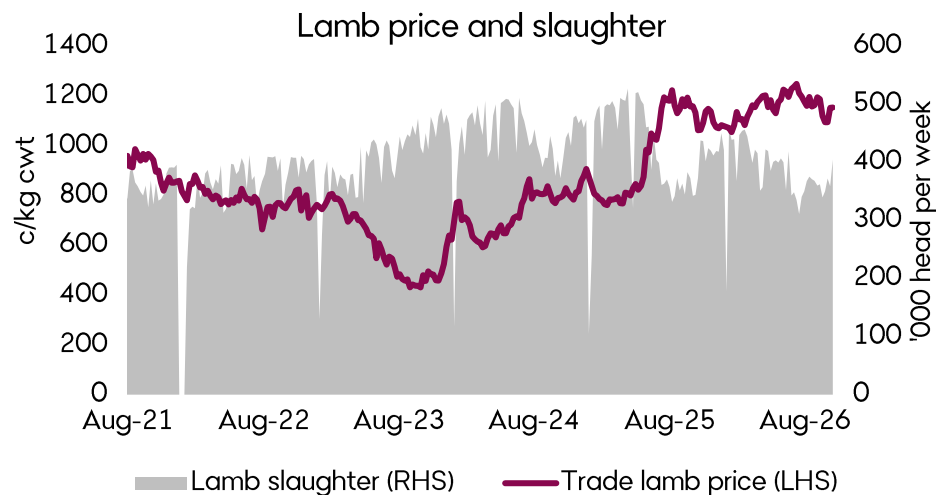
The next few months will see the seasonal increase in supply as the spring flush gains momentum. In 2025,

average weekly lamb yardings lifted by 34.2 per cent between September and December (with the December average being the largest in at least 10 years), as growers looked to take advantage of the strong pricing on offer. With current pricing broadly in line with last year's levels, we expect there to be a similar level of turn-off of stock over the coming months. However, the expectation of continued strong lamb pricing, alongside the forecast for record Australian barley production this season which will weigh on barley prices, should encourage growers to feed more stock over summer. This uplift in demand will continue to support lighter lamb prices as supply picks up over the coming months.

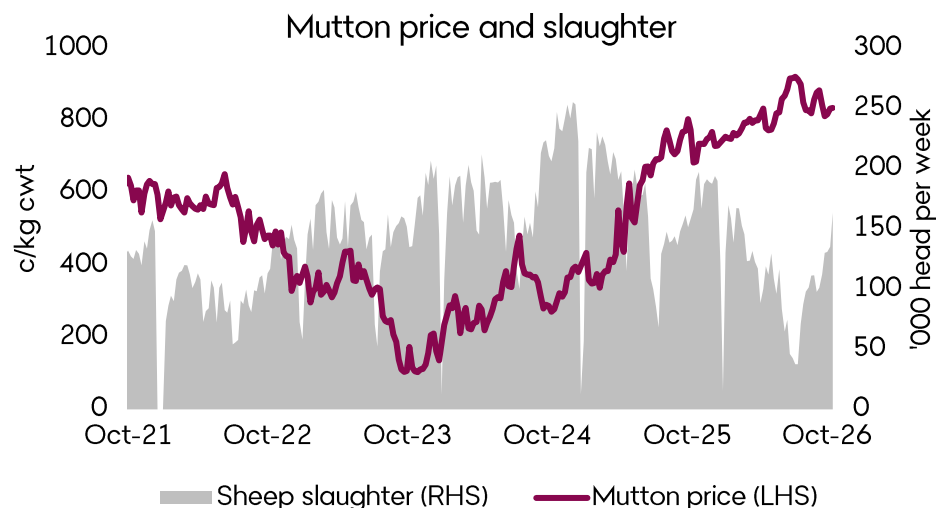


Source: Bendigo Bank Agribusiness

Industry Scan – Sheep



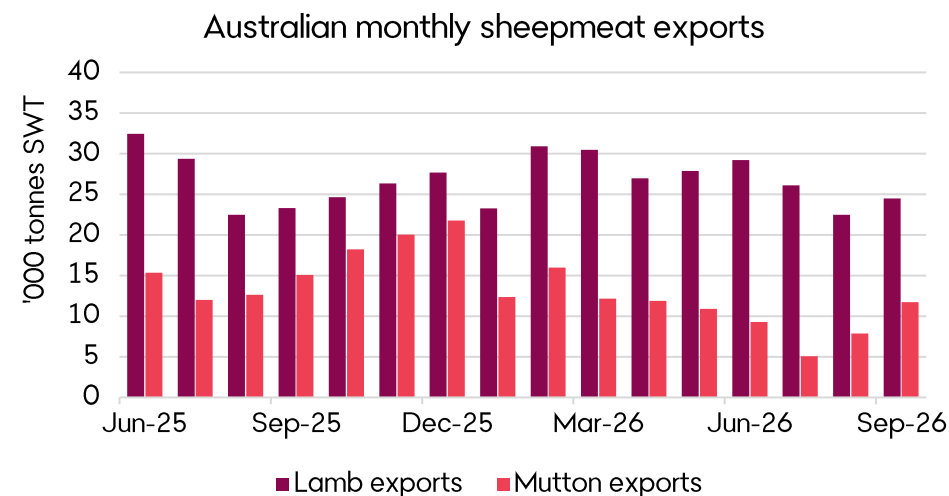
Source: MLA



Source: MLA

National Indicators	21 Oct 2026	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
Restocker Lamb	1,238	55	196	763	10.0
Trade Lamb	1,185	65	118	842	9.6
Heavy Lamb	1,113	9	53	839	9.3
Mutton	875	45	190	500	9.9

Source: MLA



Source: DAFF



A lift in wool breakage rates contributes to lower prices



Claire Adams
Agricultural Analyst

Key Watchpoints:

- The expected spring recovery in staple strength has yet to occur, with mid-break rates rising through October.
- Premium sound fleeces maintain steady price support at auction, while tender clips carry discounts as buyers turn selective.
- The EMI has lost 158 cents since the end of last season despite auction volumes continuing to tighten.

The traditional seasonal decline in wool tenderness has been disrupted this season, as national testing data reveals a prolonged rise in mid-break percentages across Australian clips. Under standard pasture regimes across southern Australia's key sheep-producing regions, mid-break figures typically increase through winter before declining as spring feed flushes, allowing fibre diameter to stabilise and strengthen. This year, however, the national average has continued rising sharply through to present, reflecting a nutritional change that is similar to the fibre metrics seen in 2020.

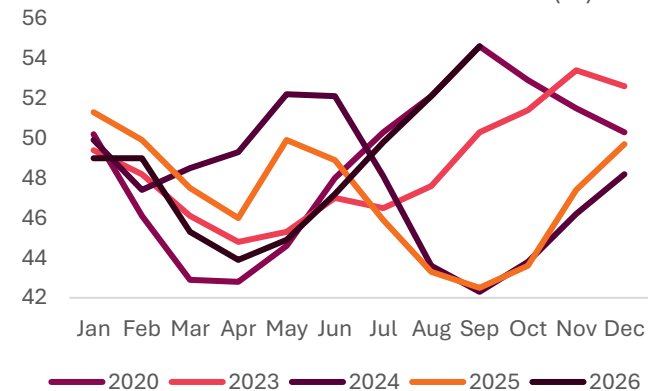
During 2020, eastern Australia transitioned out of a drought into multiple La Niña rain events, triggering a rapid flush of high-moisture green pasture. This quick change caused a sudden spike in the nutritional availability that increased the wool follicle diameter. The resulting sharp "step-up" along the wool shaft created a structural point of weakness which, under standard spring-shearing cycles, ended up exactly in the middle of the staple. Recent months have seen a comparable climatic driver, where delayed autumn breaks and consistent rain events across southern New South Wales, Victoria and South Australia, followed by sharp seasonal shifts and rapid feed transitions, have once again locked in elevated mid-break percentages mid-staple.

By contrast, Queensland's mid-break trends have historically behaved independently due to summer-dominant rainfall and sub-tropical pasture systems. Queensland's dry winter and spring months cure pastures and deplete protein levels, pushing Queensland's mid-break curves on a different trajectory, while having less

influence on national figures.

This unseasonable climb in national mid-break percentages is directly impacting auction outcomes, with a growing divergence in buyer support. While the Eastern Market Indicator has registered a downward trend, stylish, sound wools featuring favourable additional measurements including low mid-break percentages, high staple strength and low vegetable matter, continue to attract strong competition and command solid premiums. Conversely, fleeces with high position-of-break mid readings are selling at a discount as processors remain highly selective, prioritising yield and manufacturing performance. This separation underscores the role that staple soundness, and fleece quality in general, plays in insulating grower returns during periods of broader market easing.

Australian national wool mid-break (%)

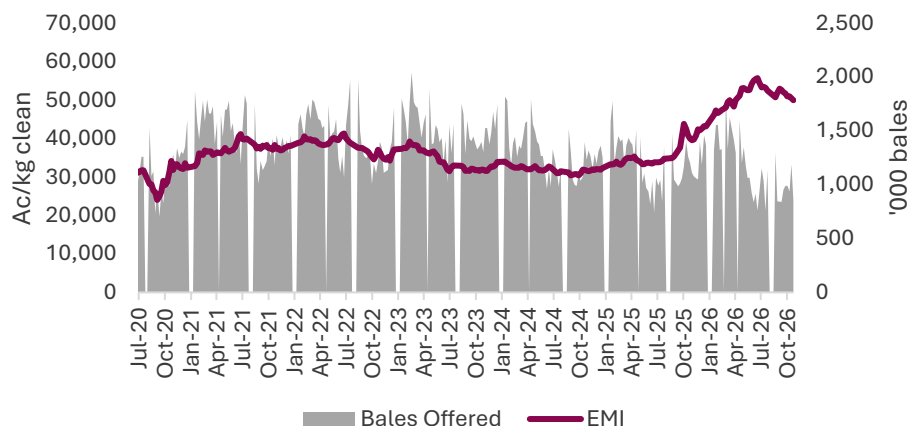


Source: AWTA

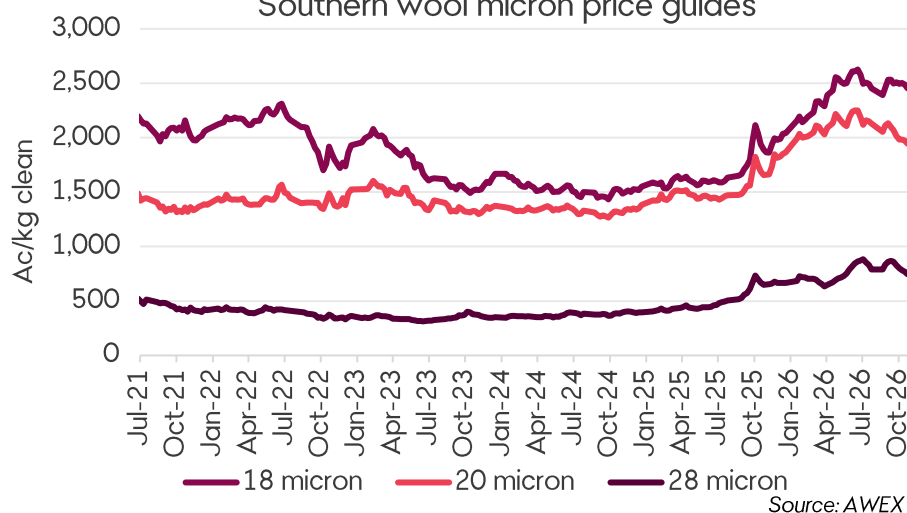
Industry Scan - Wool



National wool market indicators



Southern wool micron price guides



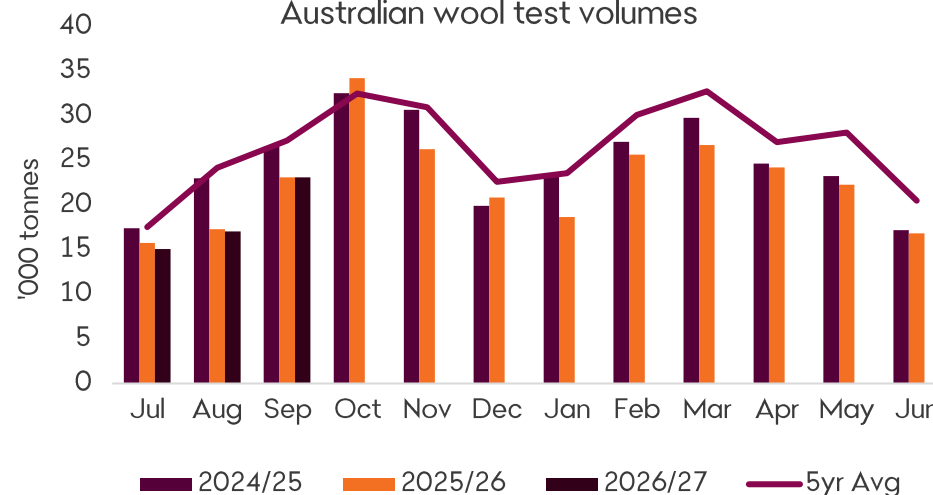
Source: AWEX

Prices (c/kg)	Current Price	Month-on-Month	Year-on-Year	Five-Year Average
AWEX EMI	1,785	-60	358	1,351
18-micron	2,455	-54	564	1,876
20-micron	1,946	-70	290	1,537
28-micron	747	-80	97	466
MC	1,101	-8	355	831

*Southern selling centre

Source: AWEX

Australian wool test volumes



Source: AWTA

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Monthly Commodity Update



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