



Australian Government
**Department of Agriculture,
Fisheries and Forestry**



Agricultural Outlook

June 2024

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Economics and Sciences (ABARES)**



Overview

Macroeconomic conditions, input costs



Australian economic outlook to improve in 2024–25

2.0%

Australian
economic
growth in 2024



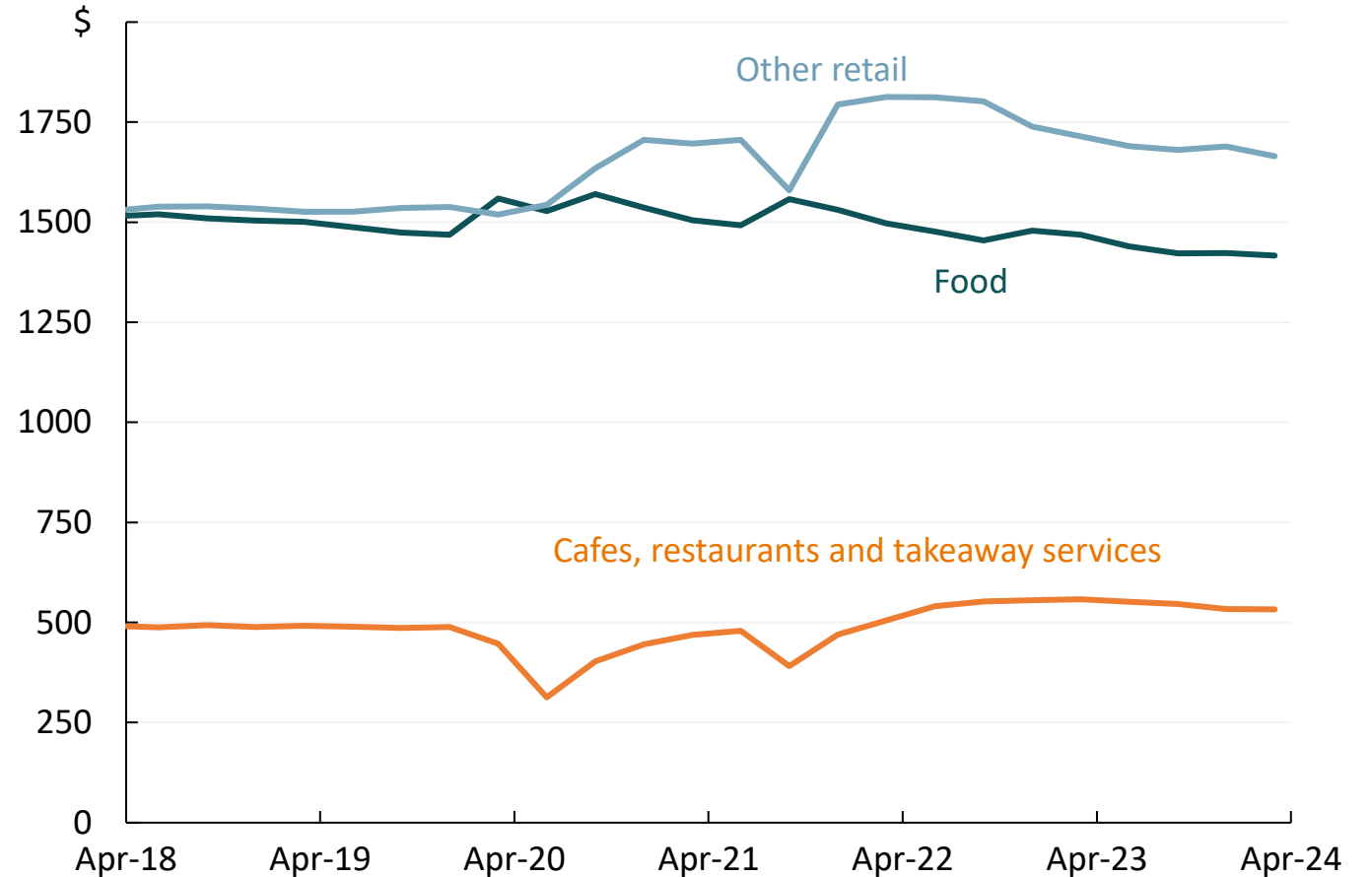
2023–24

- Economic growth 1.7%
- Weak disposable income growth
- Falling food consumption

2024–25

- Economic growth 2.0%
- Lower inflation, tax cuts
- Higher disposable income growth

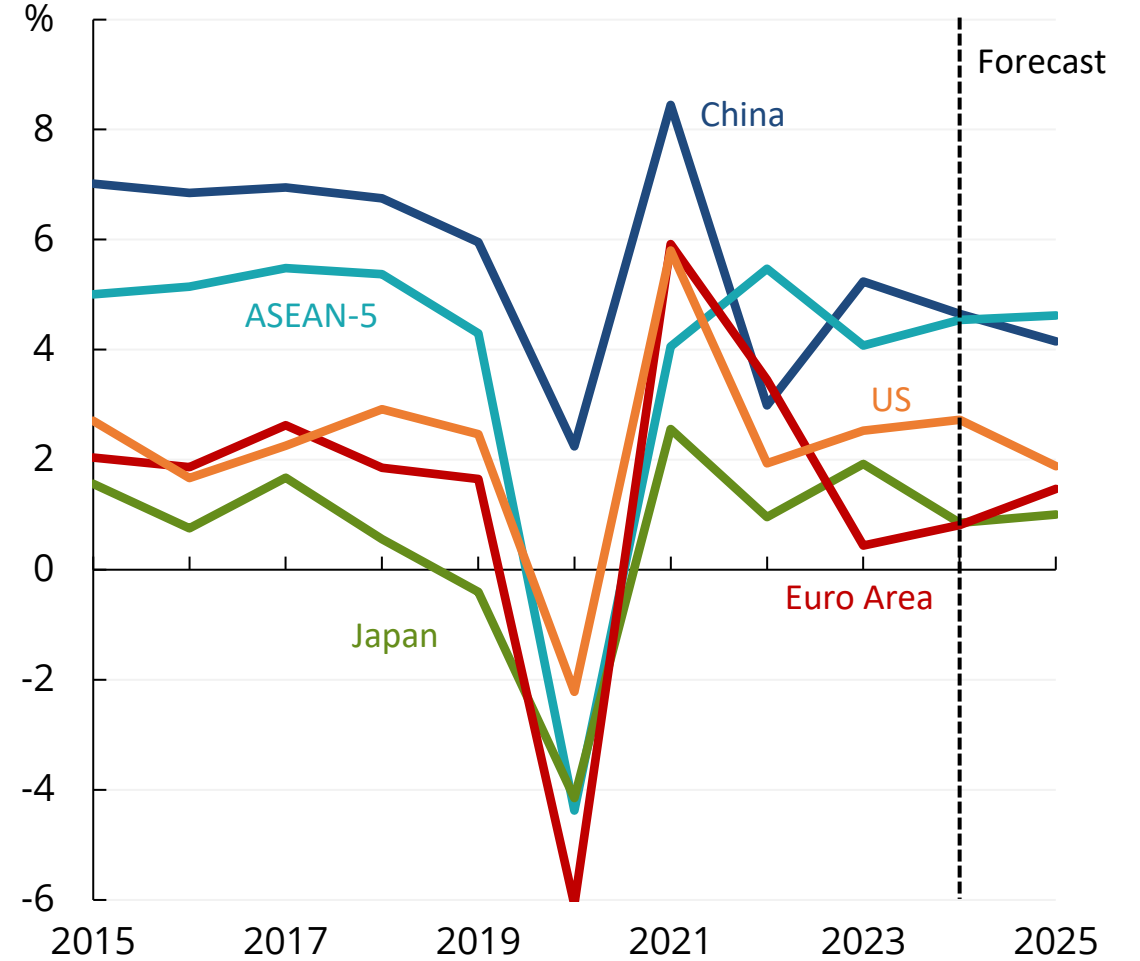
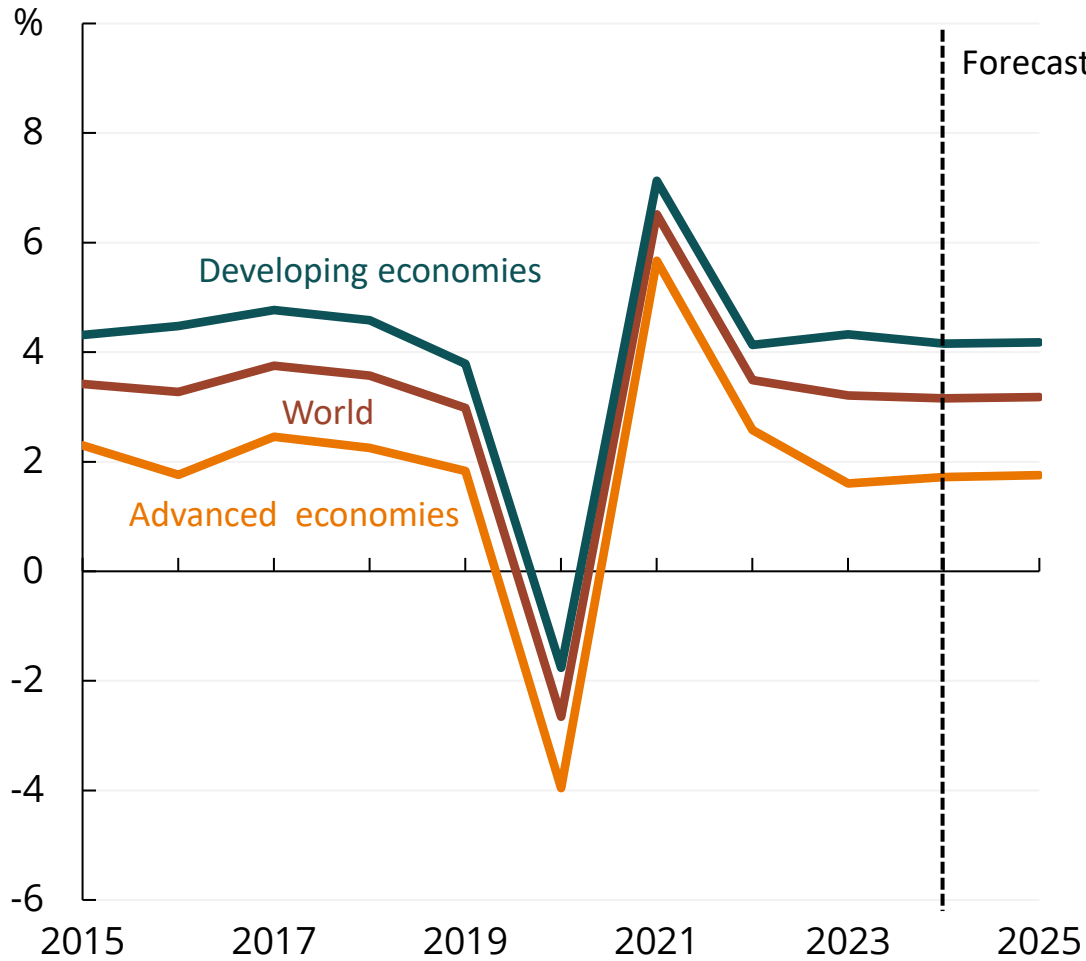
Quarterly Australian retail turnover per capita, chain volume



Note: Seasonally adjusted. Source: ABS, ABARES.

Global economic growth to remain steady in 2025

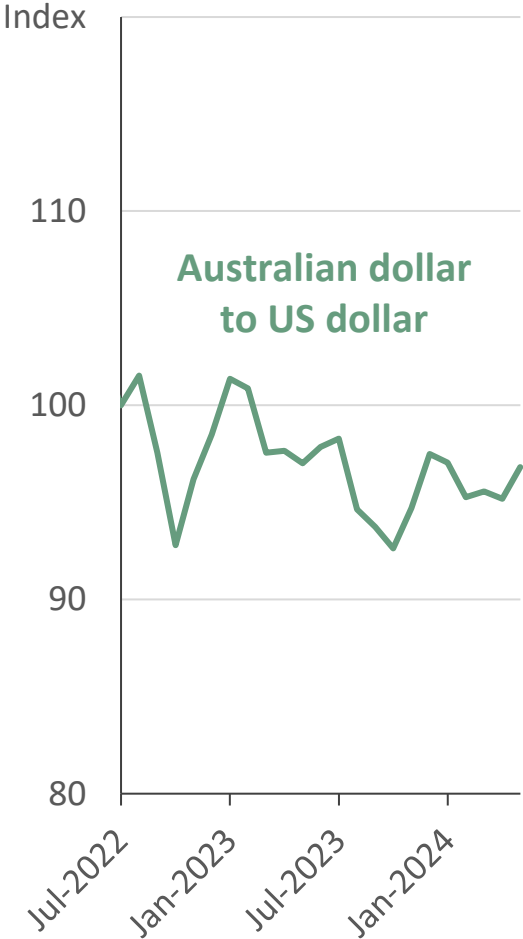
Annual GDP growth



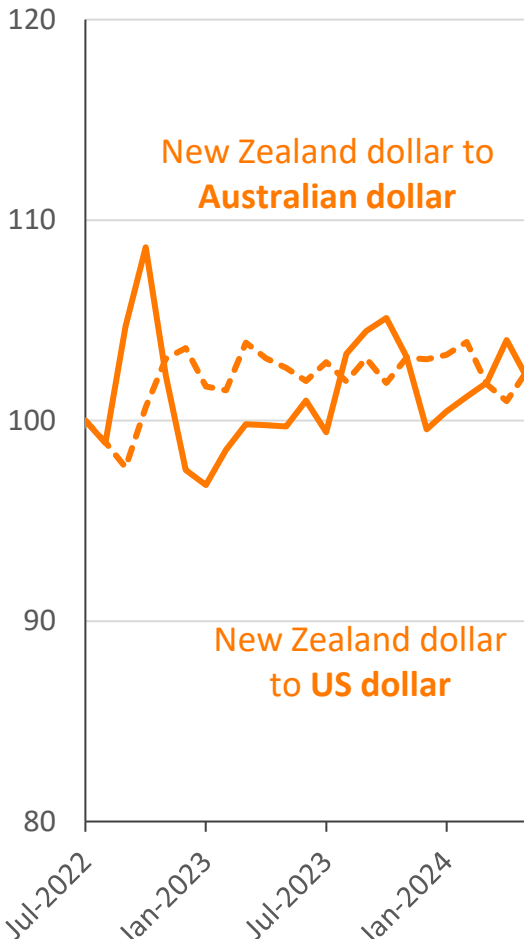
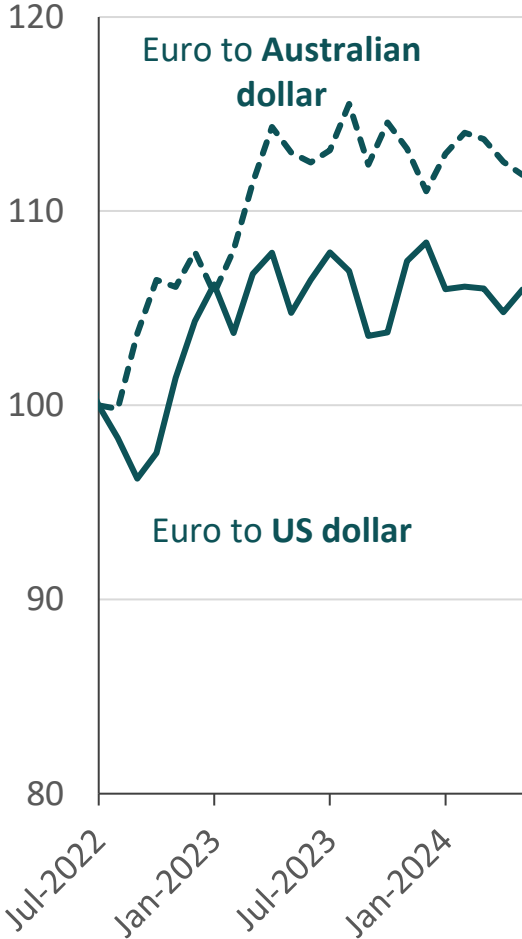
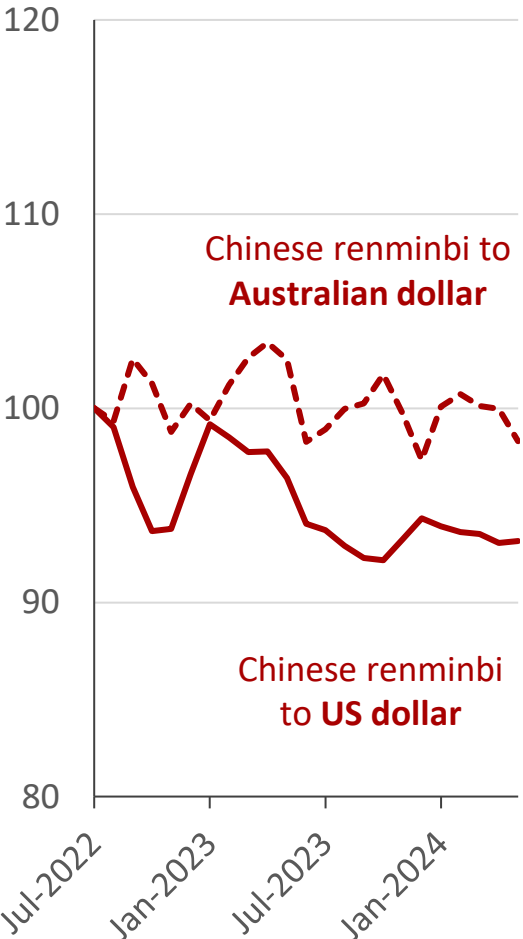
Note: Real GDP growth weighted using IMF 2022 purchasing power parity valuation of country GDP. ASEAN-5 includes Indonesia, Malaysia, Philippines, Singapore, and Thailand.
Source: ABARES; IMF.

Relatively low Australian dollar supporting exports

Australian to US dollar



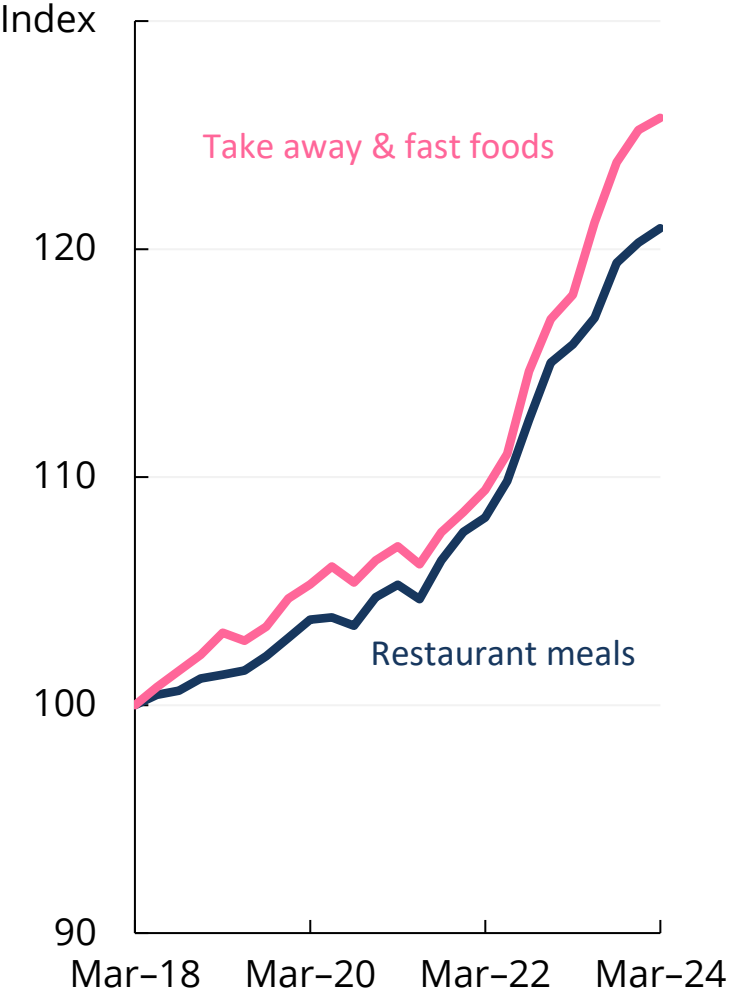
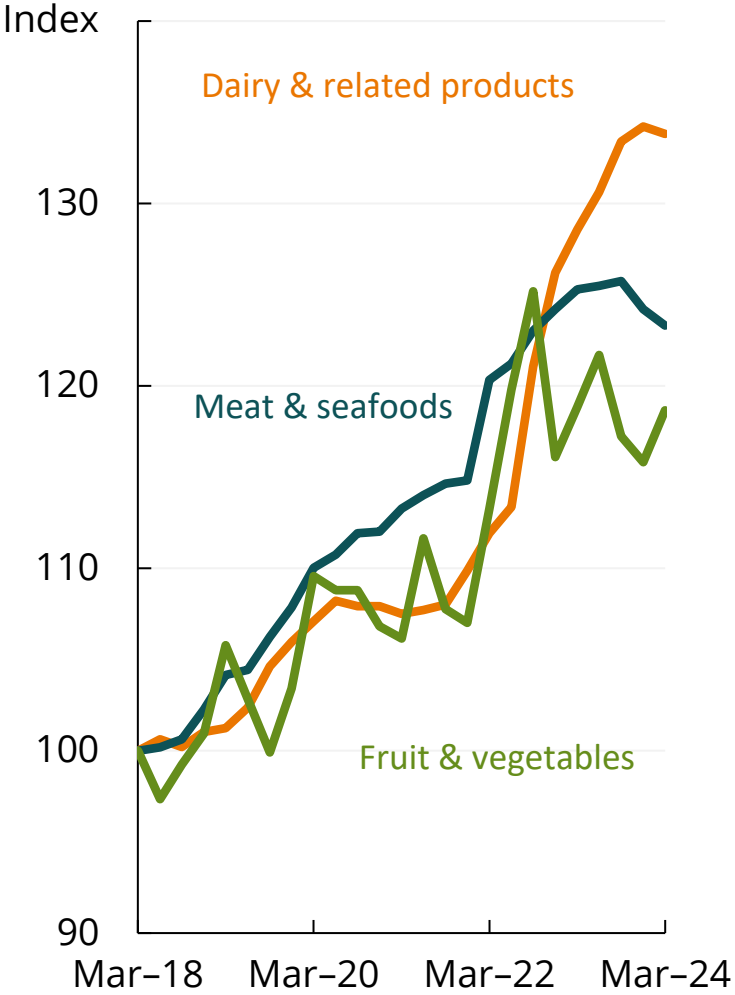
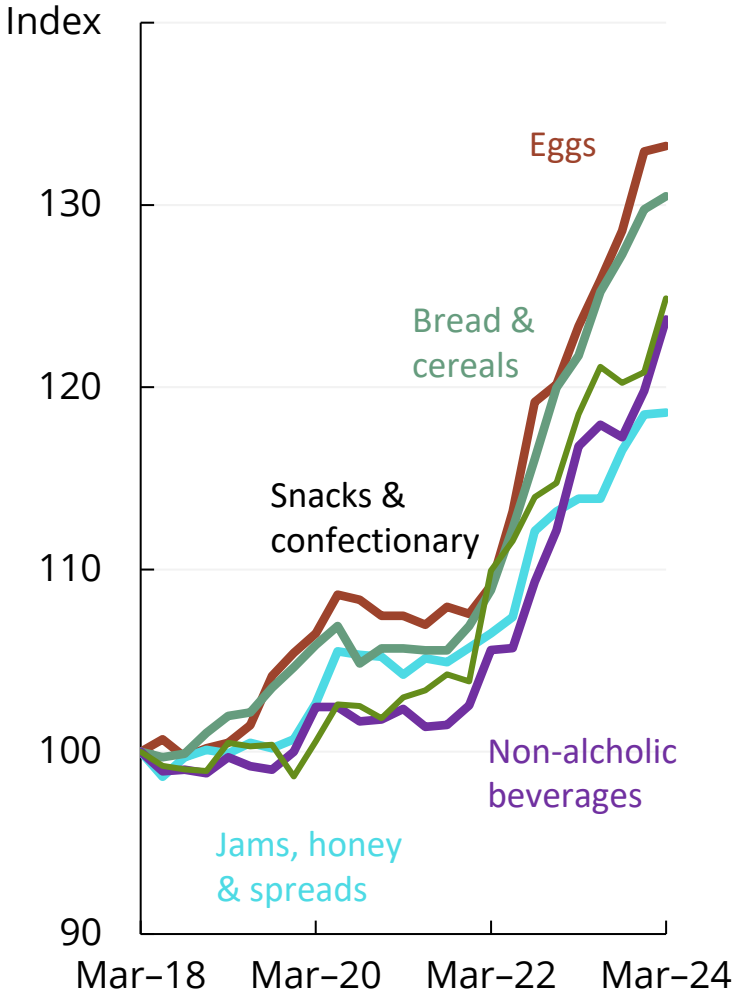
Relative monthly exchange rates against Australian and US dollars



Note: Index Jul-2022 = 100, monthly exchange rates. Source: ABS, ABARES, US FRED.
 Department of Agriculture, Fisheries and Forestry

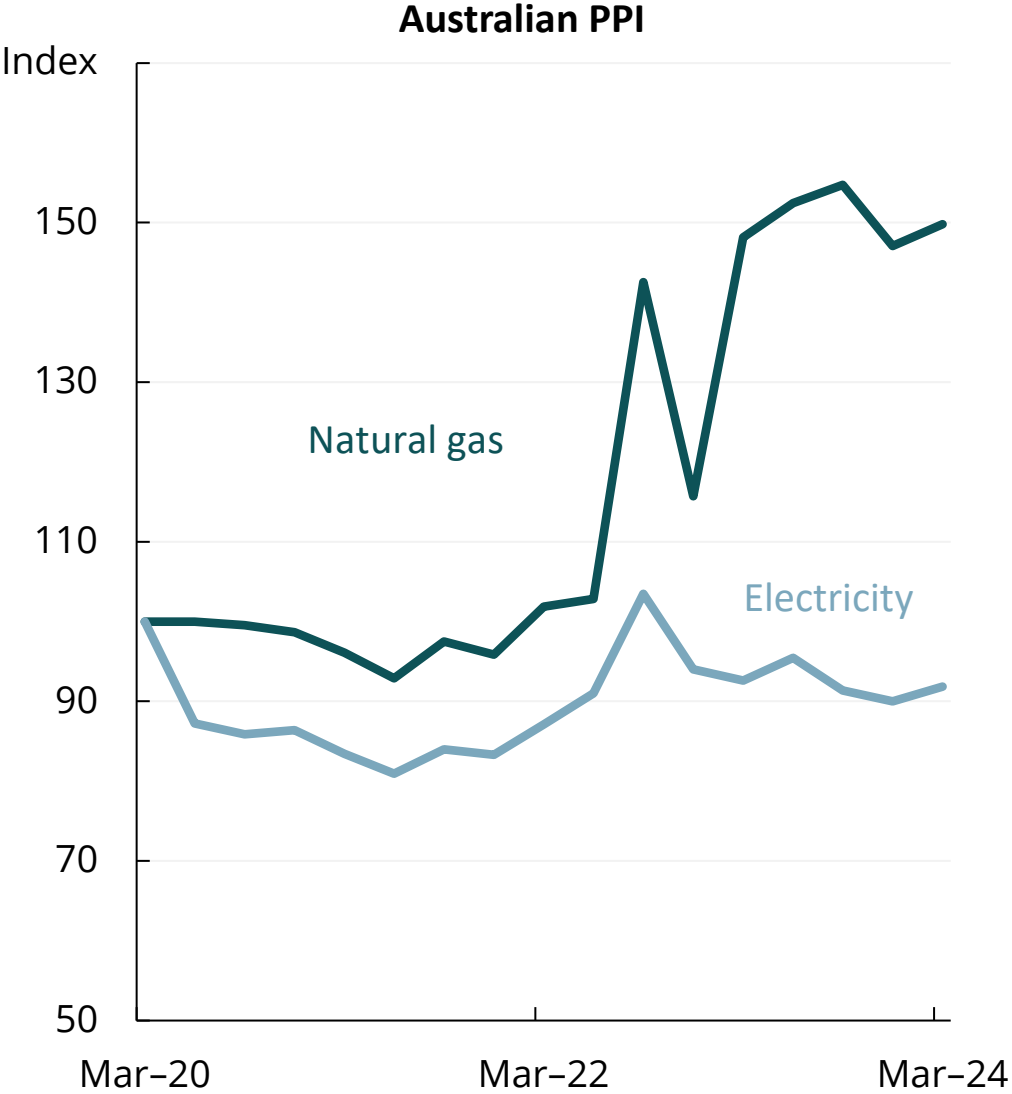
Inflation mixed across food categories

Headline inflation forecast to average 3.1% in 2025, down from 4.2% in 2024.

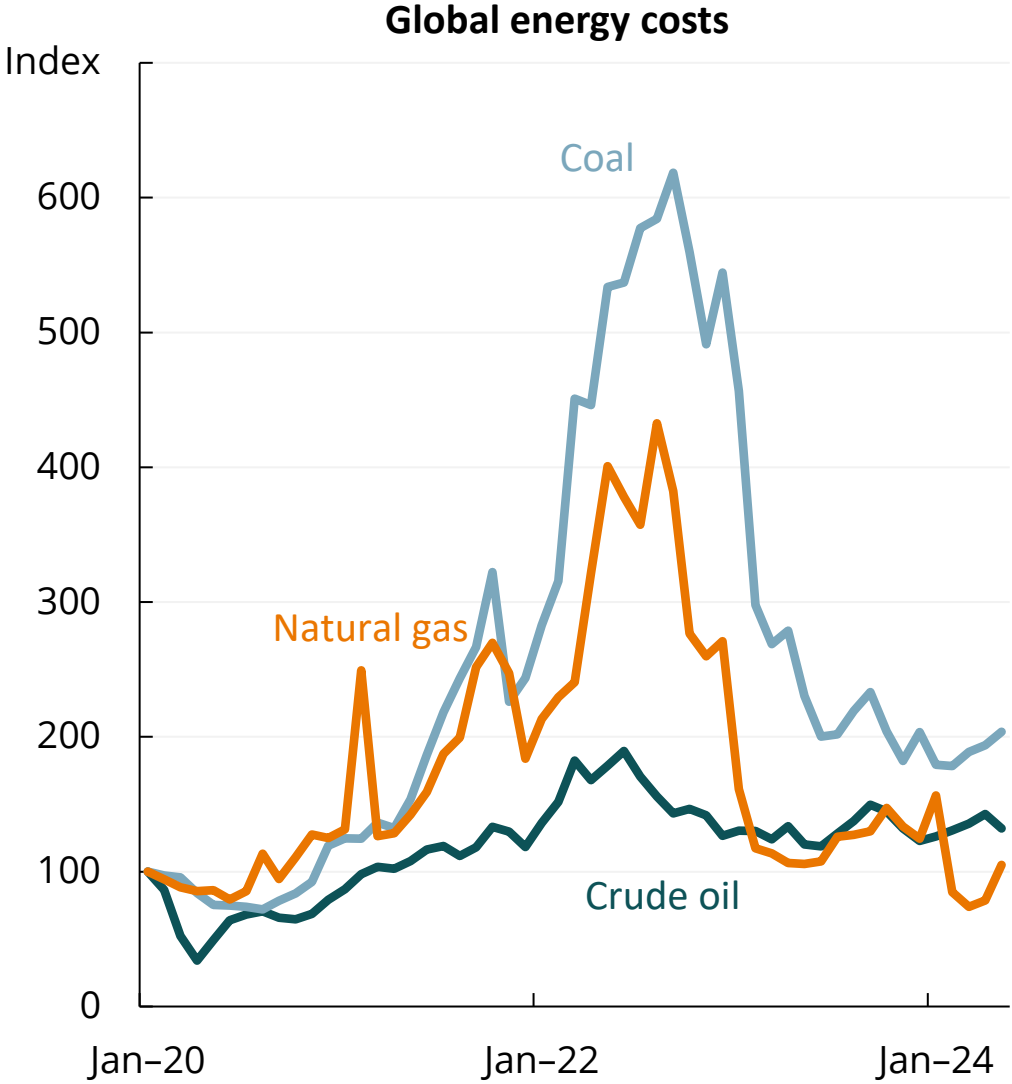


Note: Index = March 2018. Source: ABS

Mixed outlook for energy costs



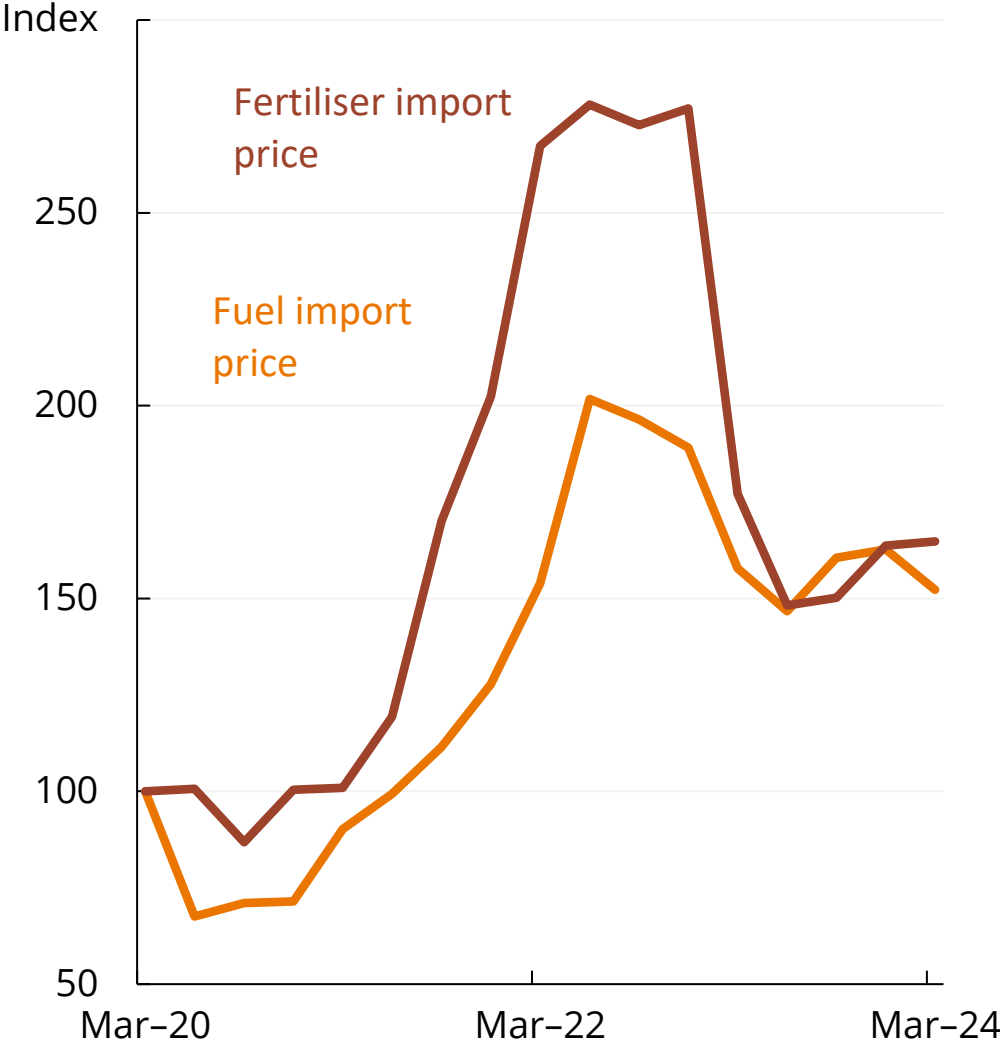
Note: Index = March 2020. Source: ABS (Quarterly)



Source: World Bank

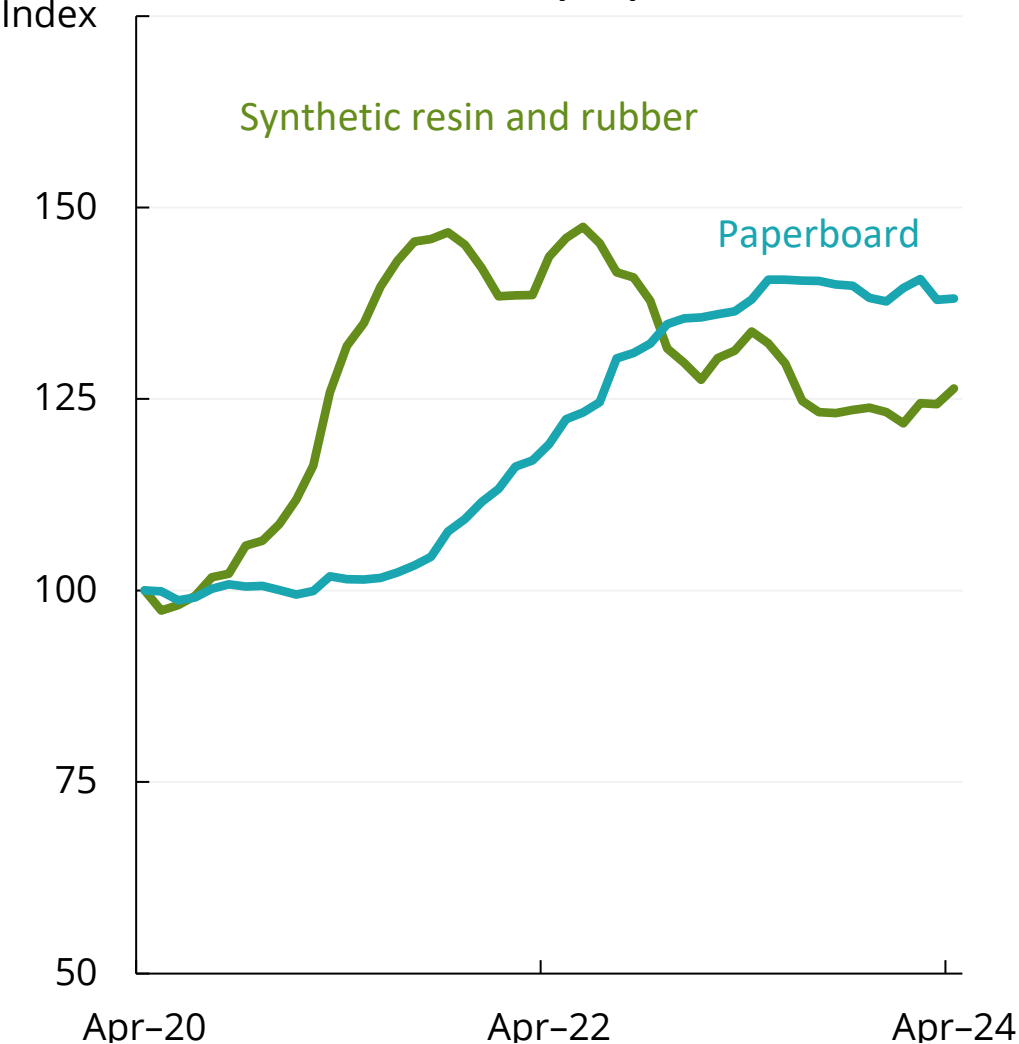
Input costs remain elevated

Key agricultural input prices



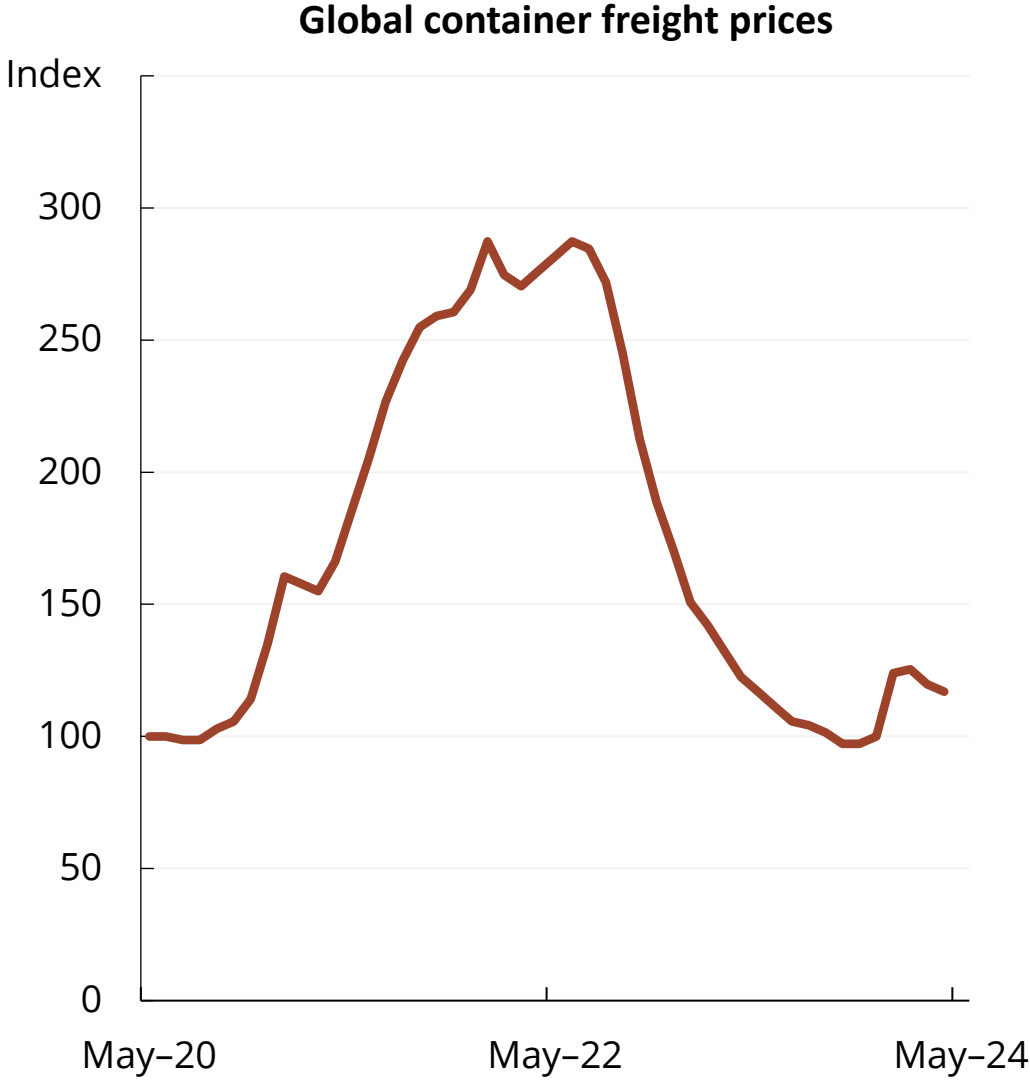
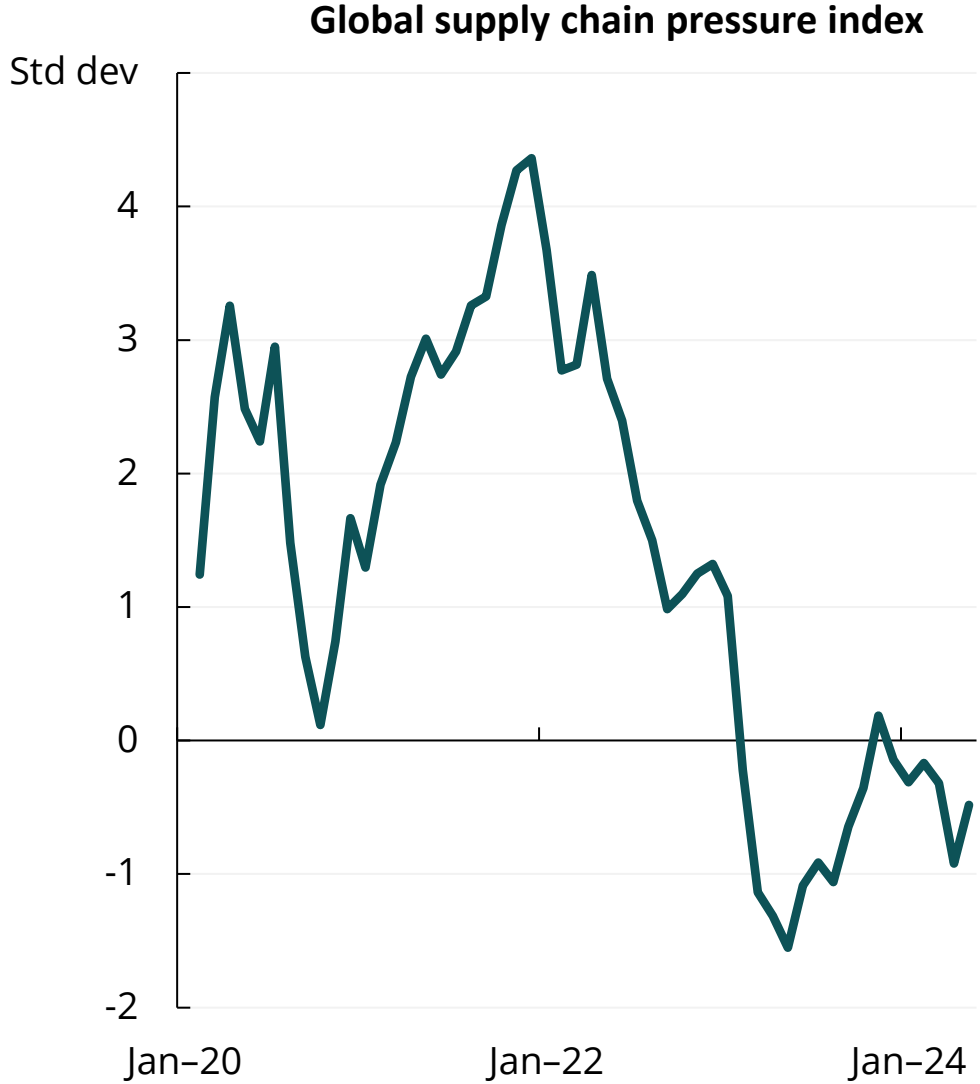
Source: US FRED

Global input prices



Source: Aust. Institute of Petroleum; ABS.

Global supply chain pressures not what they were

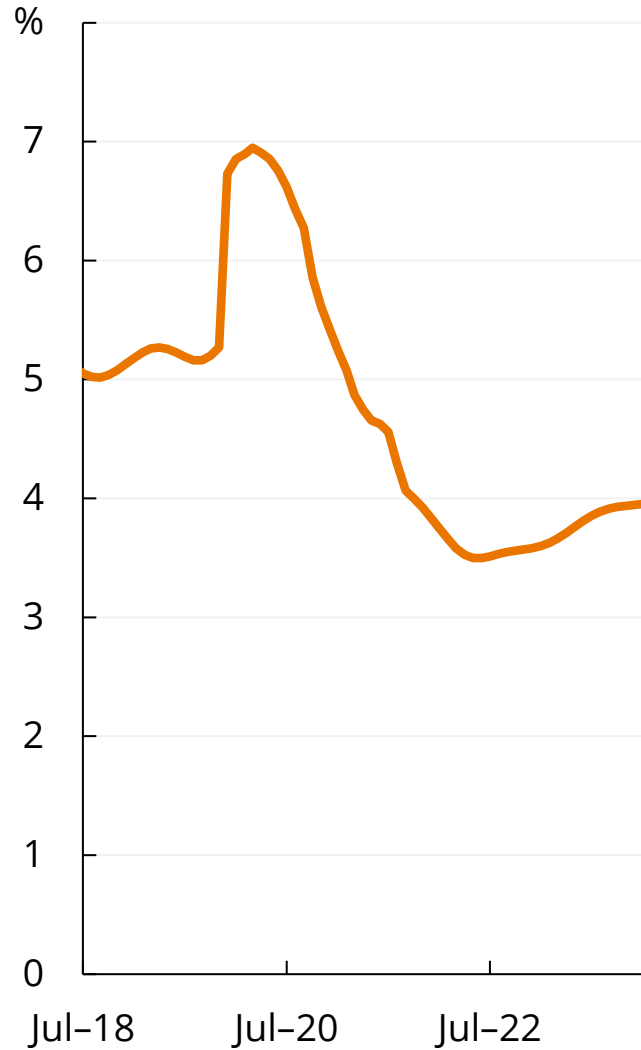


Note: Captures the number of standard deviations from the historical average. Source: New York FED

Source: Container Trade Statistics

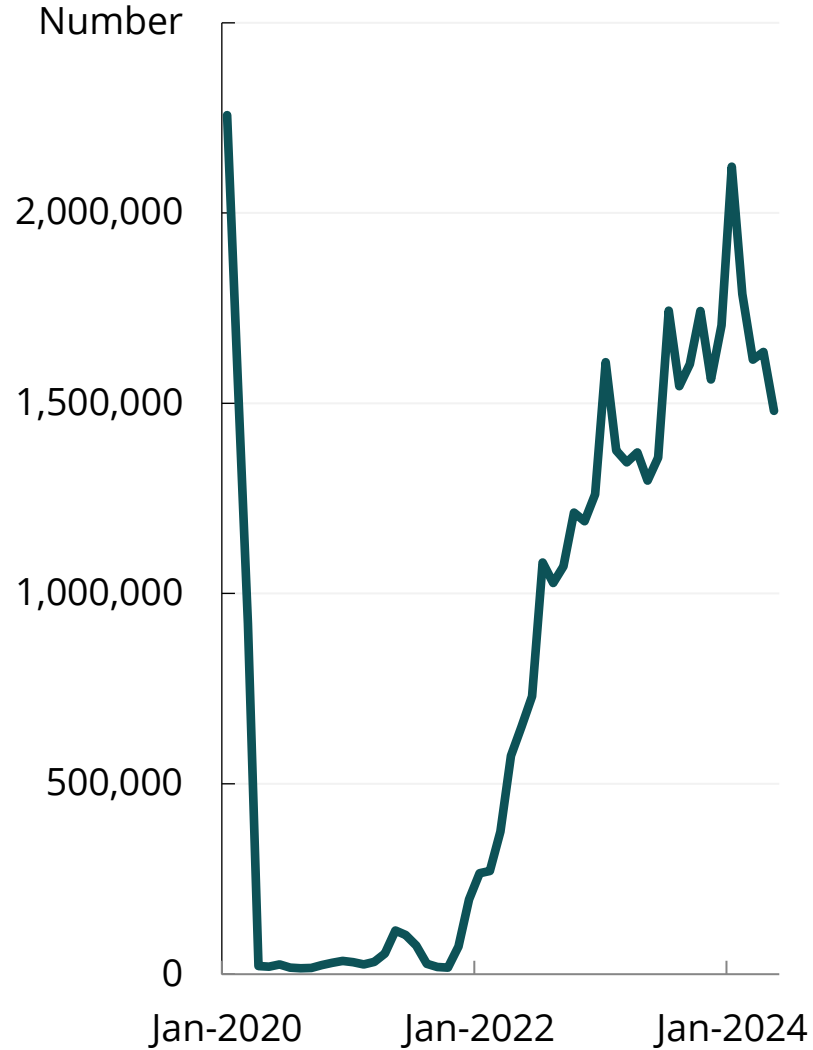
Labour market returning to pre-Covid levels

Unemployment rate (trend)



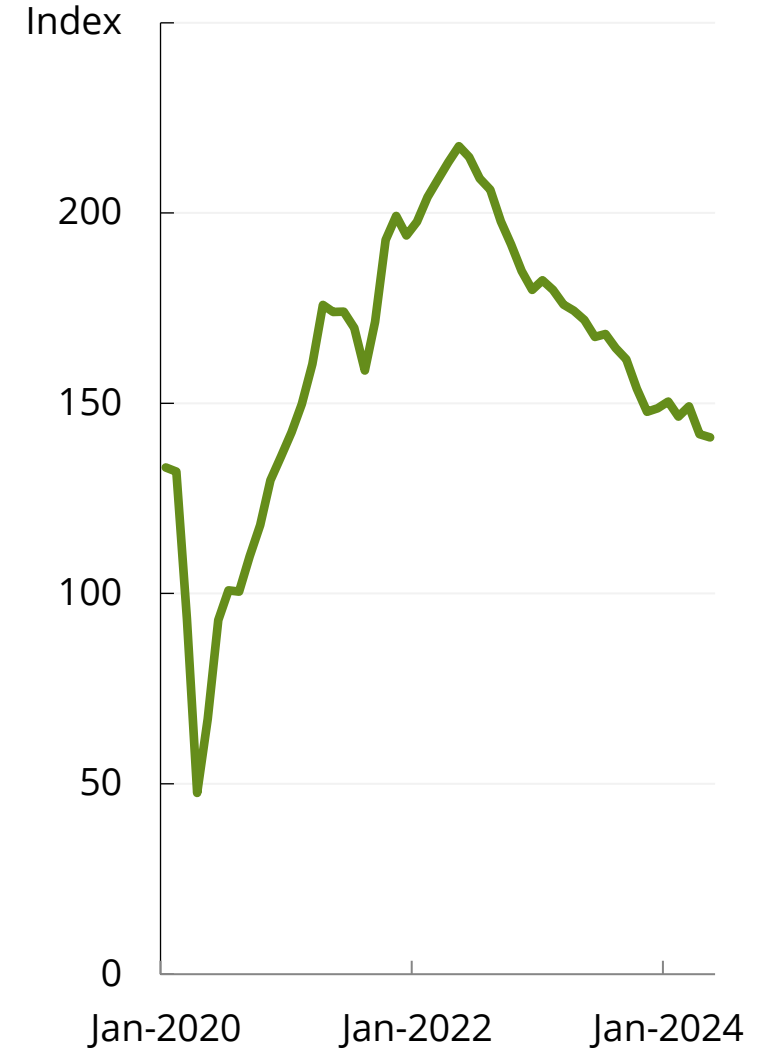
Source: ABS

Overseas arrivals to Australia



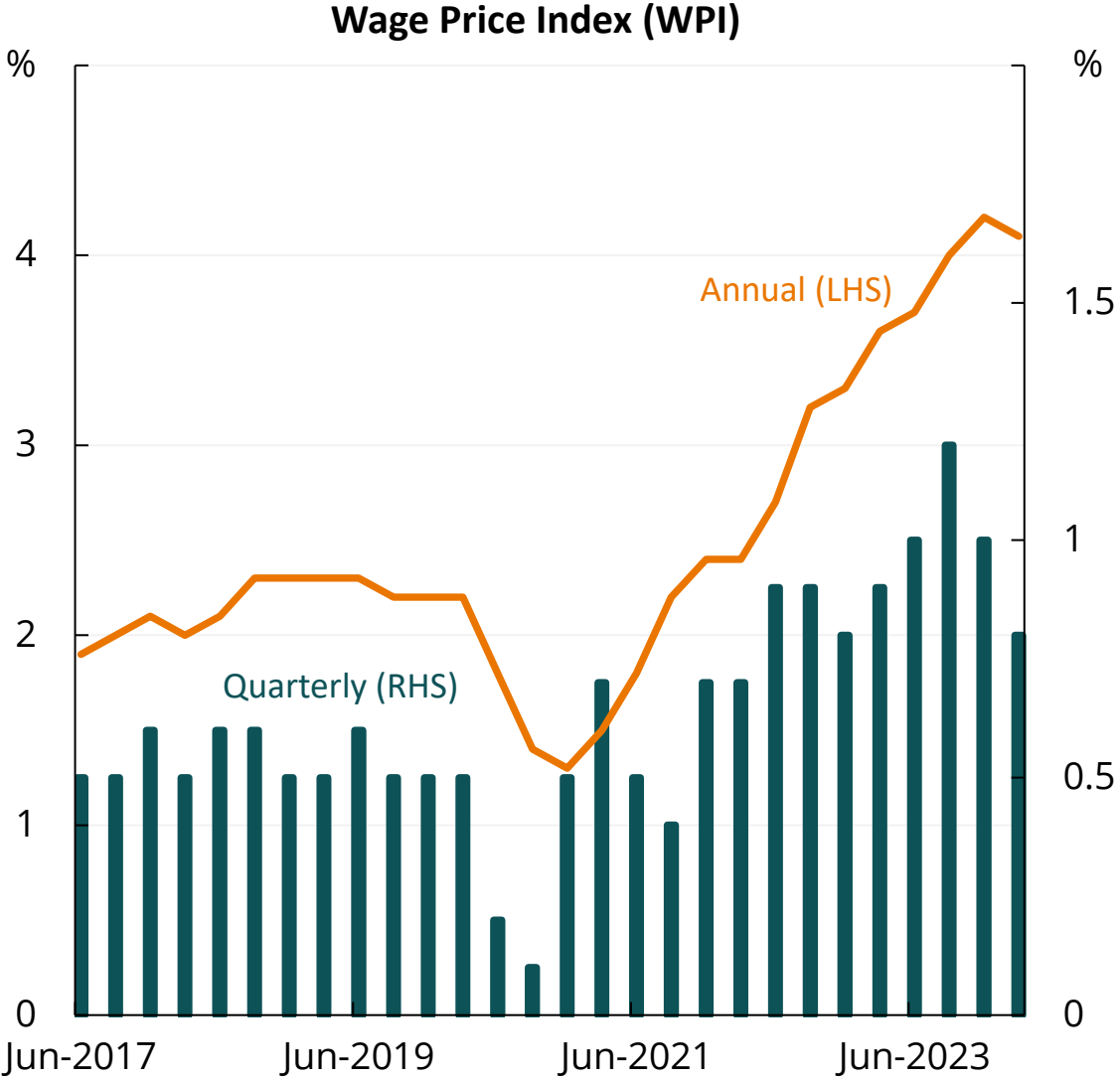
Source: ABS

Seek job ads index

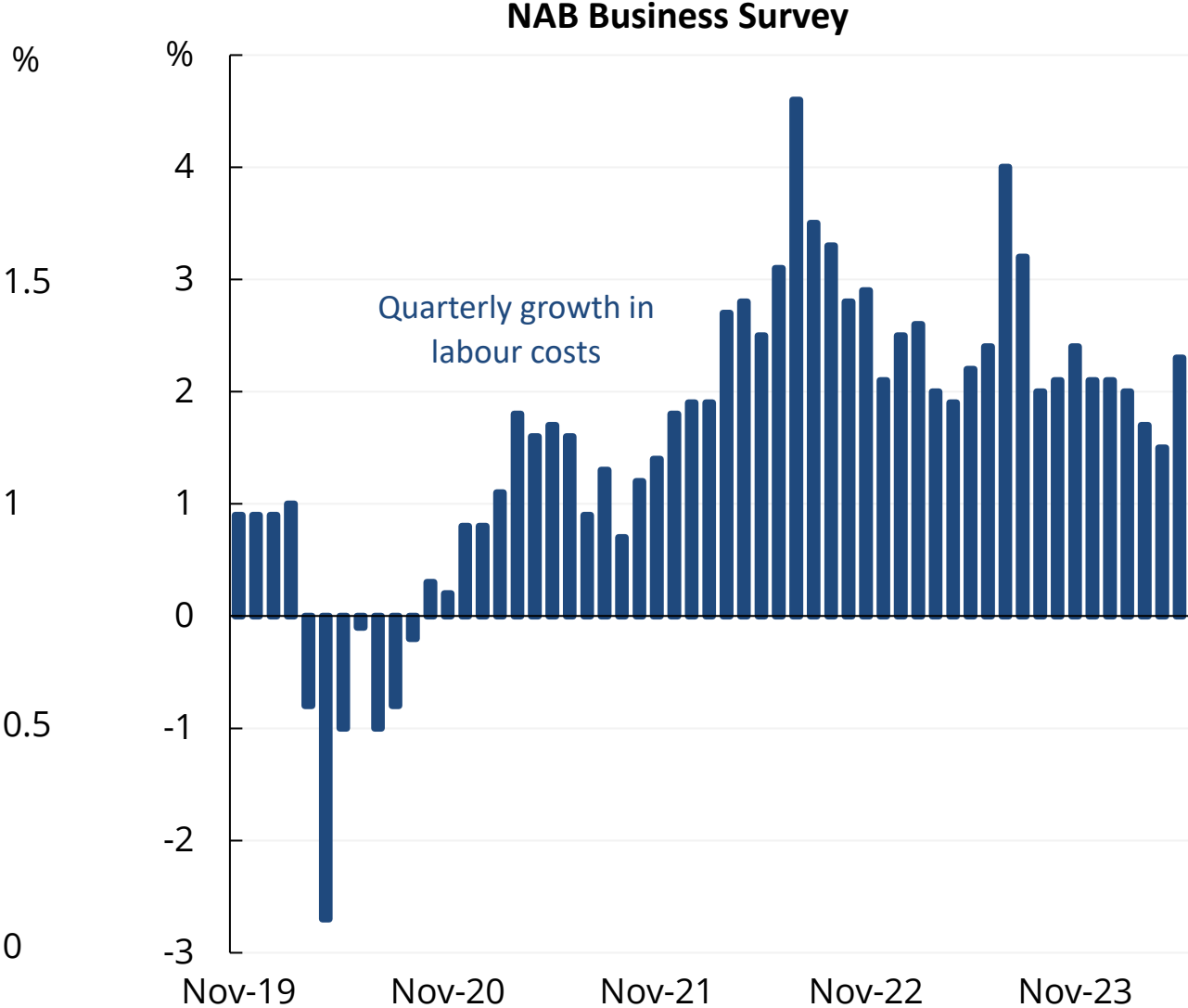


Source: Seek

Labour costs have peaked yet remain elevated



Source: ABS



Source: NAB

Crop commodities

Broadacre crop and horticulture industries



Favourable winter rainfall outlook to support crop growth

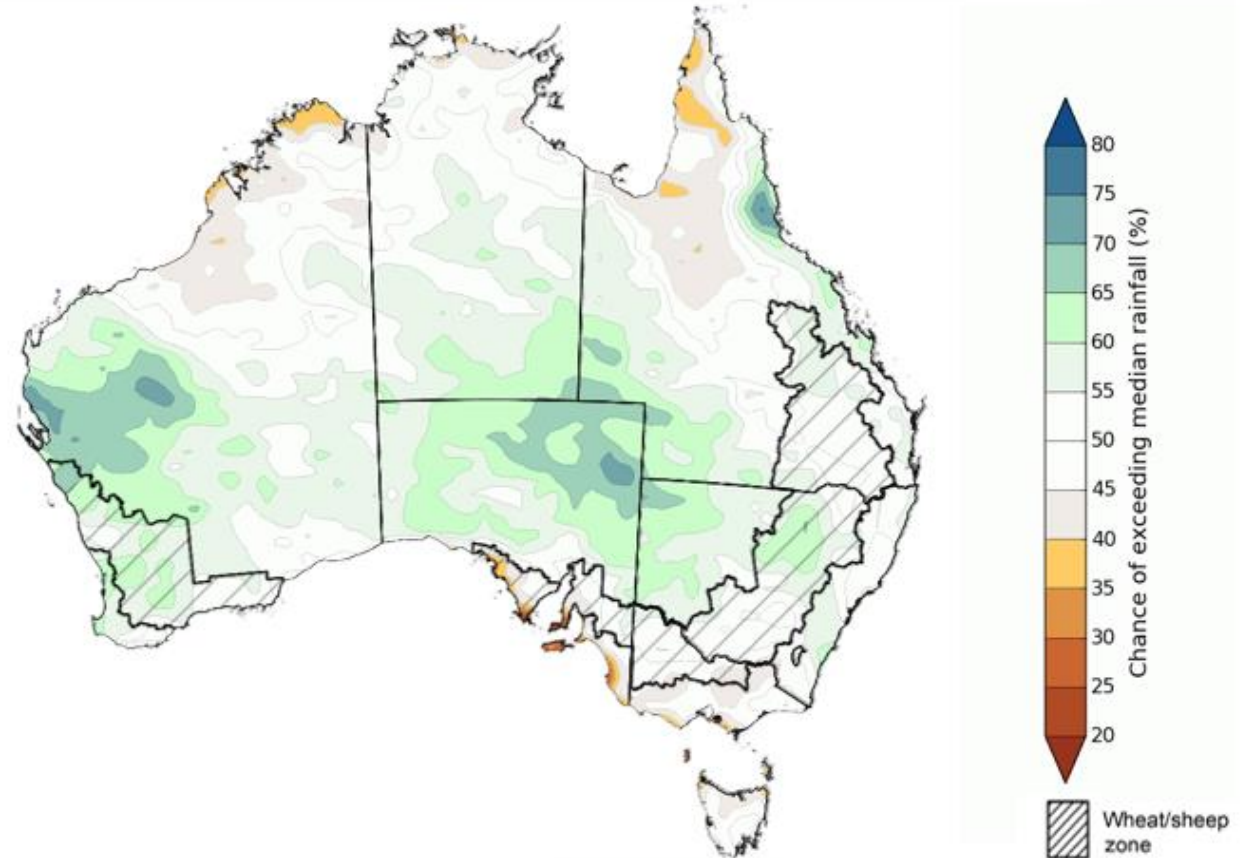


Seasonal conditions

Neutral winter rainfall outlook likely to benefit Australian 2024–25 crop production.

- Average to above average summer and autumn rainfall across much of New South Wales and Queensland.
- Low soil moisture level and limited autumn rainfall in Western Australia, South Australia and western Victoria.
- Average to above average rainfall forecast for June to August 2024 is expected to boost Australia's production in 2024–25.

June to August 2024 rainfall is likely to be above median for much of southern Australia.



Source: Bureau of Meteorology (Issued: 30 May 2024)

World wheat prices to ease reflecting high global grain supply

↓5%
to US\$280/t^a
in 2024-25



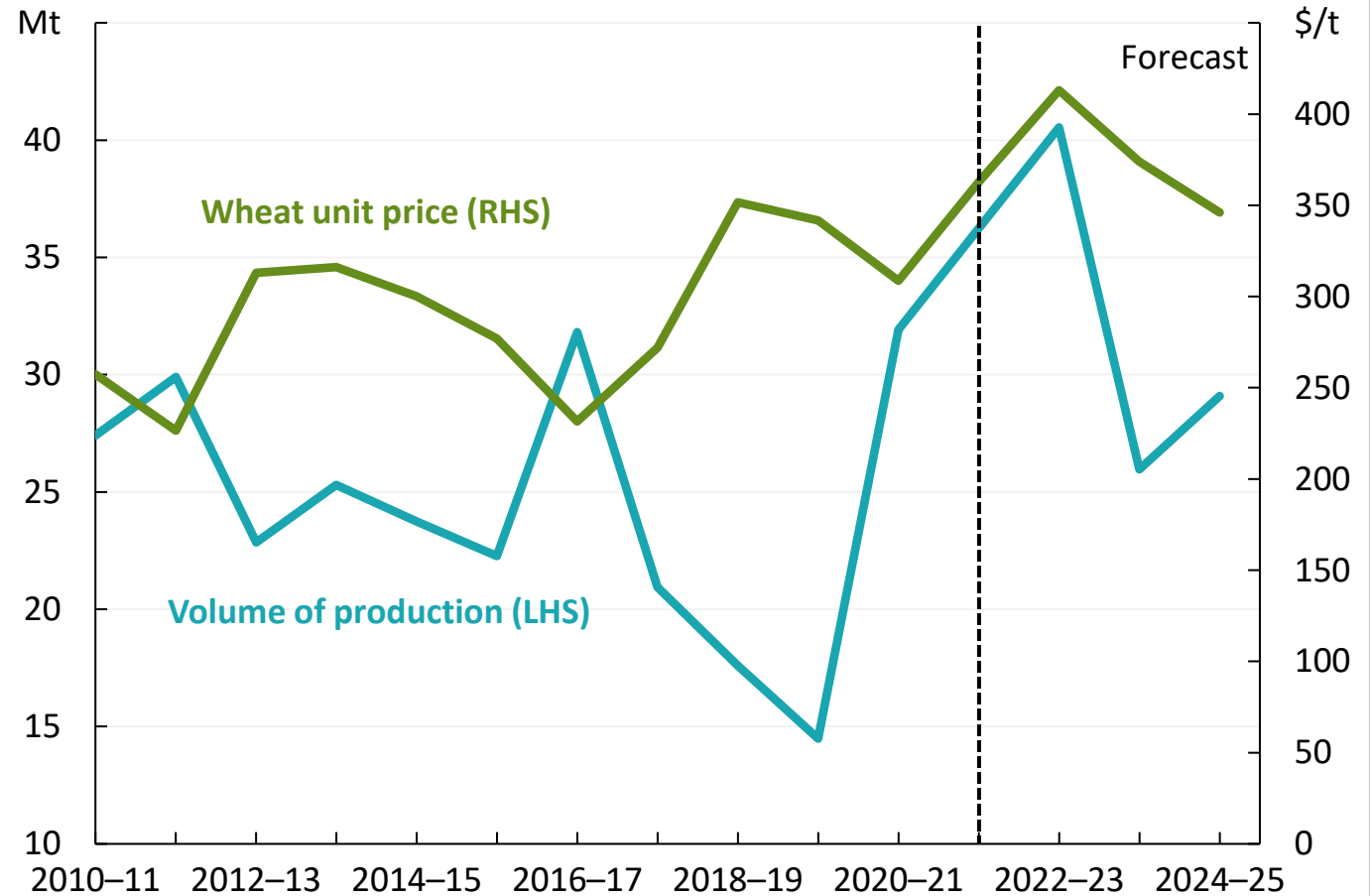
^a US no. 2 hard red winter, fob Gulf.

Australia

- Wheat production to increase to 29.1 million tonnes.
- Wheat unit price to fall 7% to \$346 per tonne.
- Export volumes fall but remain above average

World

- Easing prices with rising world grain supply
- Reduced uncertainty surrounding trade flows from the Black Sea.



Note: Data to the right of dotted line indicate estimates and forecasts.

Source: ABARES; ABS

Coarse grain prices easing, driven by increased world supply

↓5%
to US\$203/t^b
in 2024-25



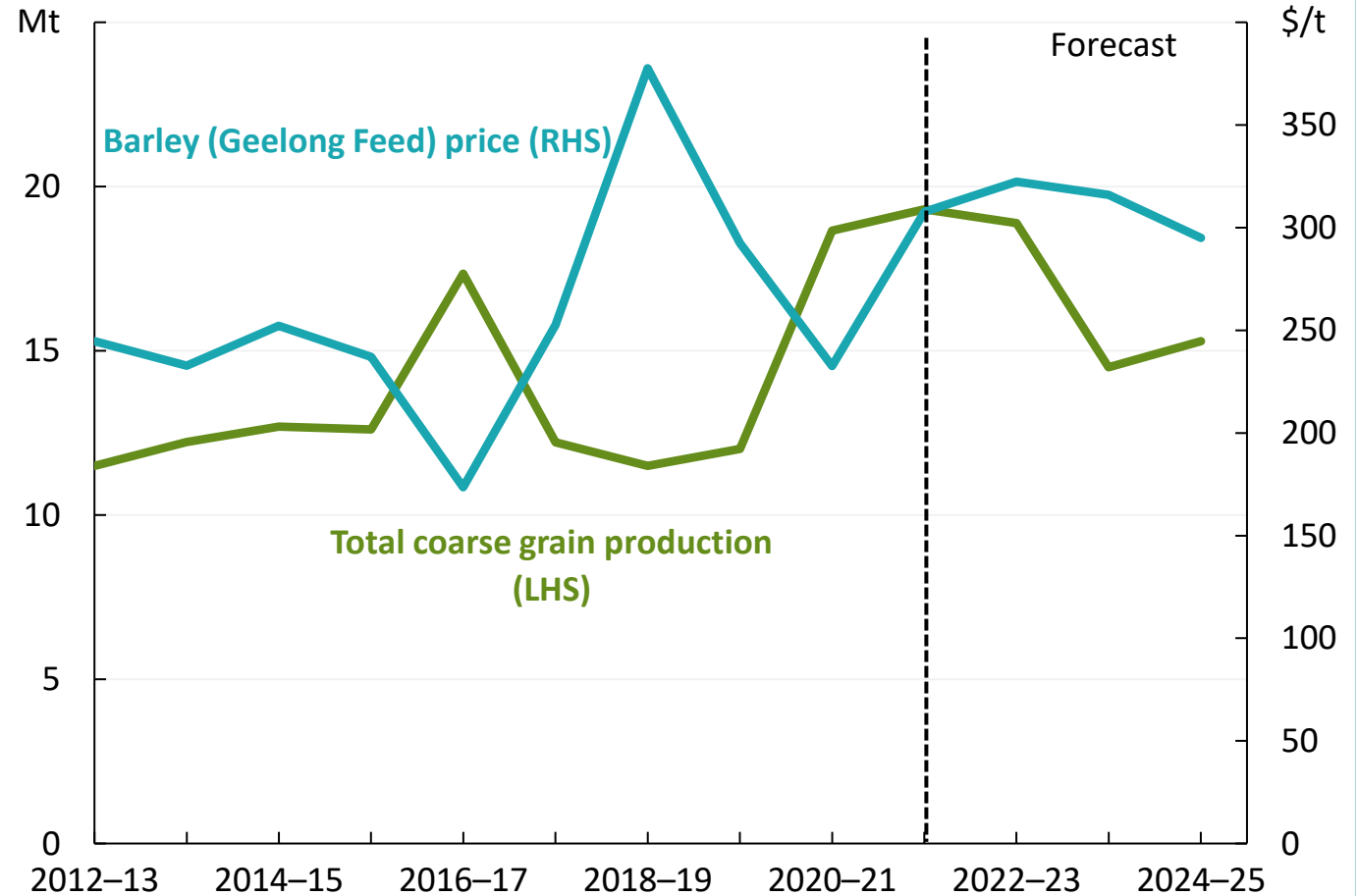
^b France feed barley, fob Rouen.

Australia

- Barley production to rise 7% to 11.5 million tonnes
- Sorghum production to fall 16% to 2.2 million tonnes
- Feed barley price to fall 7% to \$313/t.
- Grain sorghum price to fall 3% to \$402/t.

World

- Coarse grain prices to soften with higher supply.
- China removes tariffs on Australian barley exports.



Note: Data to the right of the dotted line indicate forecasts. Mt = million tonnes.
Source: ABARES; ABS; Jumbuk AG

Global oilseed prices to fall with rising global oilseed supply

↓5%
to US\$514/t^c
in 2024-25



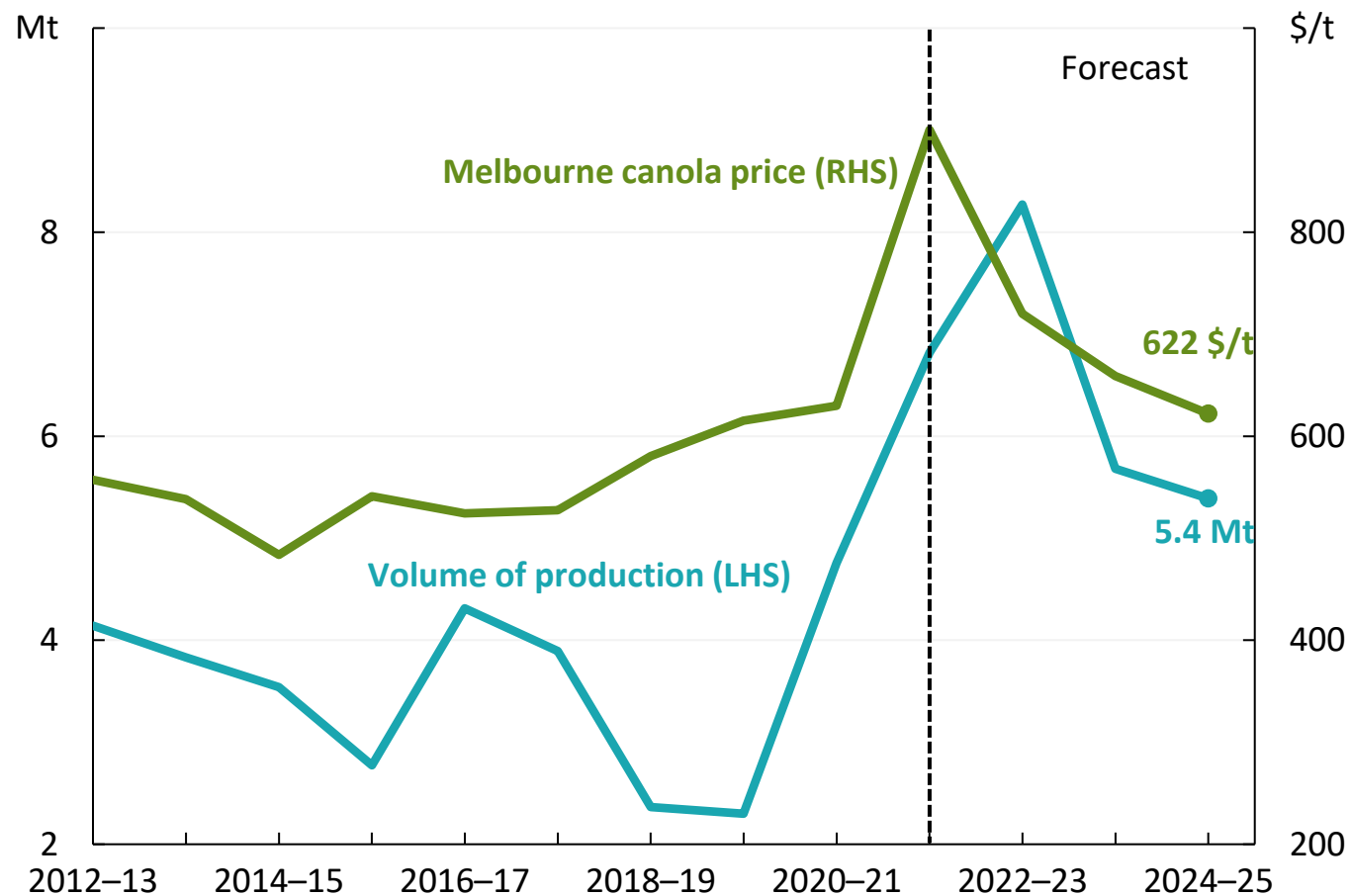
c Canola, Canada, fob Vancouver.

Australia

- Canola production to fall 5% to 5.4 million tonnes.
- Canola price to drop 6% to \$622/t.
- Export volume and price to fall but remain above average.

World

- Higher global supply, particularly soybeans.
- Soybean price fall 5.3% to US\$467/t.
- Canola price to fall 4.8% to US\$514/t.



Note: Data to the right of dotted line indicate estimates and forecasts.

Source: ABARES; ABS; Jumbuk AG

Global sugar price to fall but remain elevated in 2024–25

↓6%
to 22.7 USc/lb^d
in 2024–25



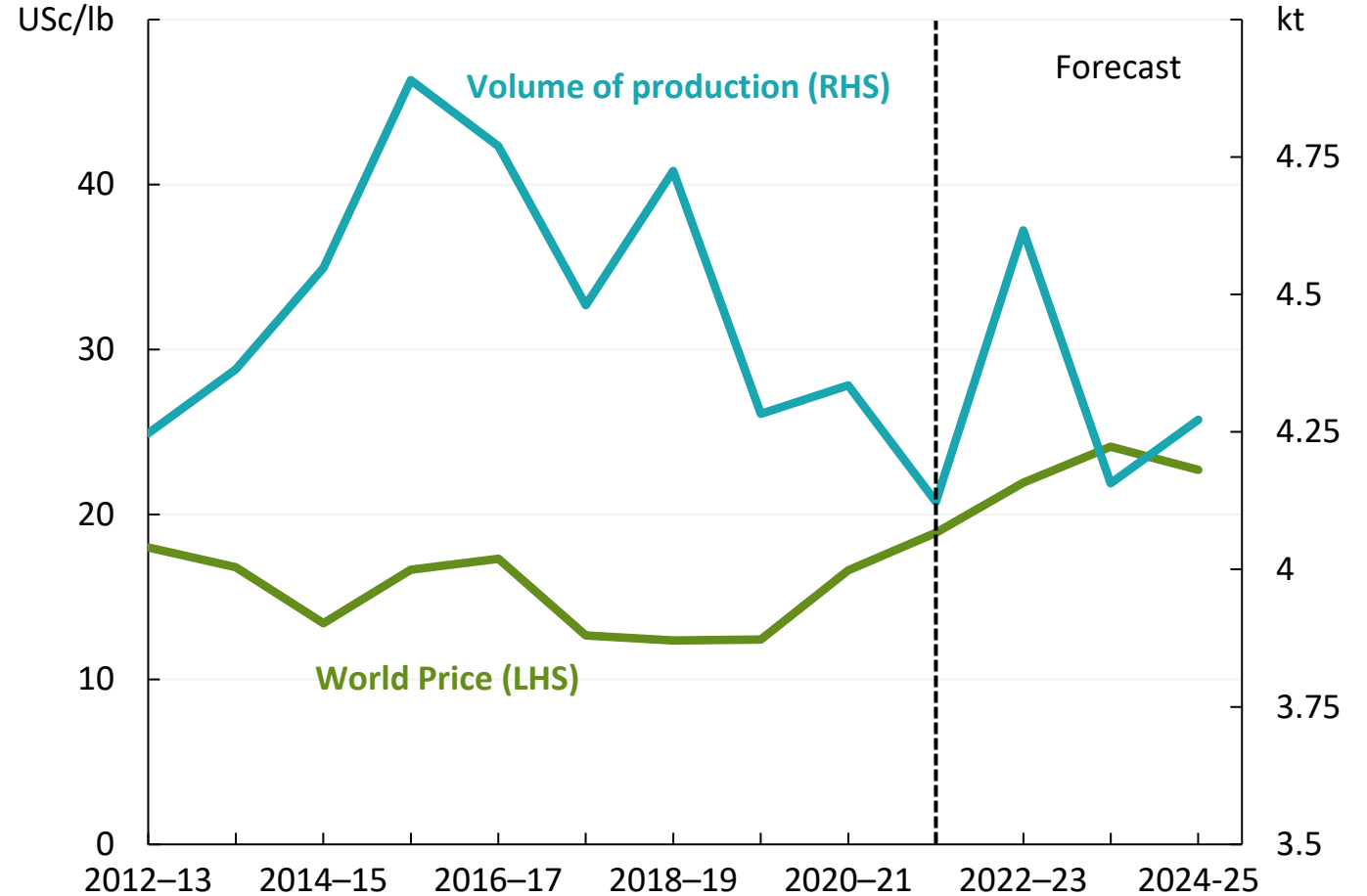
^d Intercontinental Exchange, nearby futures, no. 11 contract (October to September).

Australia

- Production to increase 3% to 4.3 million tonnes.
- Australian sugar price to fall to \$783/t.
- Export volumes to increase 4% to 3.4 thousand tonnes.

World

- High world sugar production, particularly in Brazil.
- Global sugar prices to fall but remain elevated due to strong consumption.



Note: Data to the right of dotted line indicate estimates and forecasts.
Source: ABARES; ABS

Value of horticulture to rise with higher production volumes

\$17b

Value of production in 2024-25



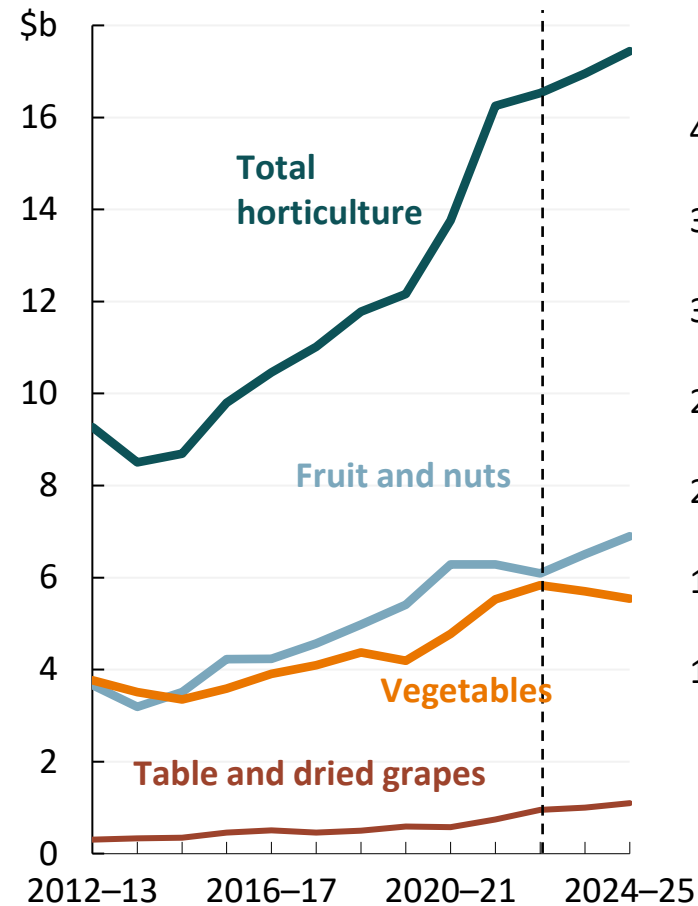
Australia

- Production volumes to increase, driven fruit and nuts.
- Vegetable prices to fall slightly, while fruit prices to remain steady.

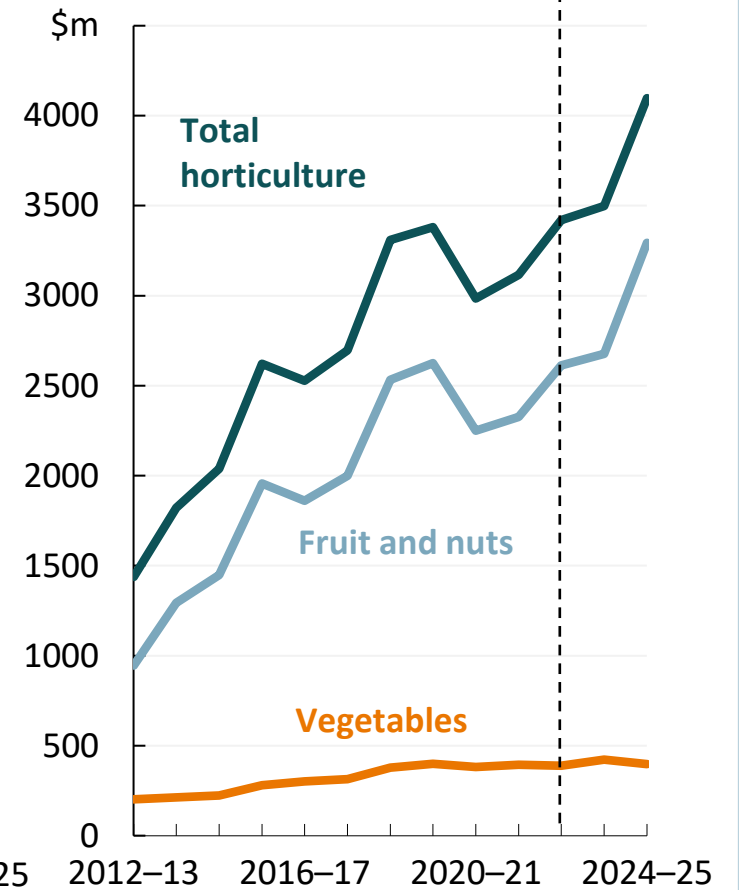
World

- Almond and macadamia prices to recover but remain below average, with high global supply.
- Citrus and table grape supply to increase, driven by strong global demand, particularly in China.

Production value



Export value



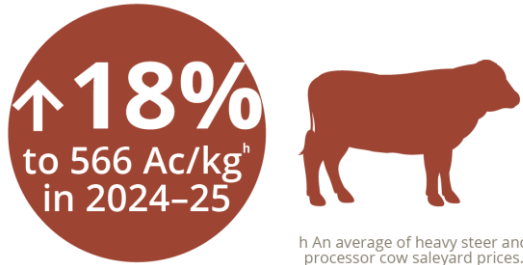
Note: Data to the right of dotted line indicate estimates and forecasts.
Source: ABARES; ABS; Hort Innovation

Livestock commodities

Beef, lamb, dairy, pig and poultry



Cattle prices to rise with higher saleyard demand

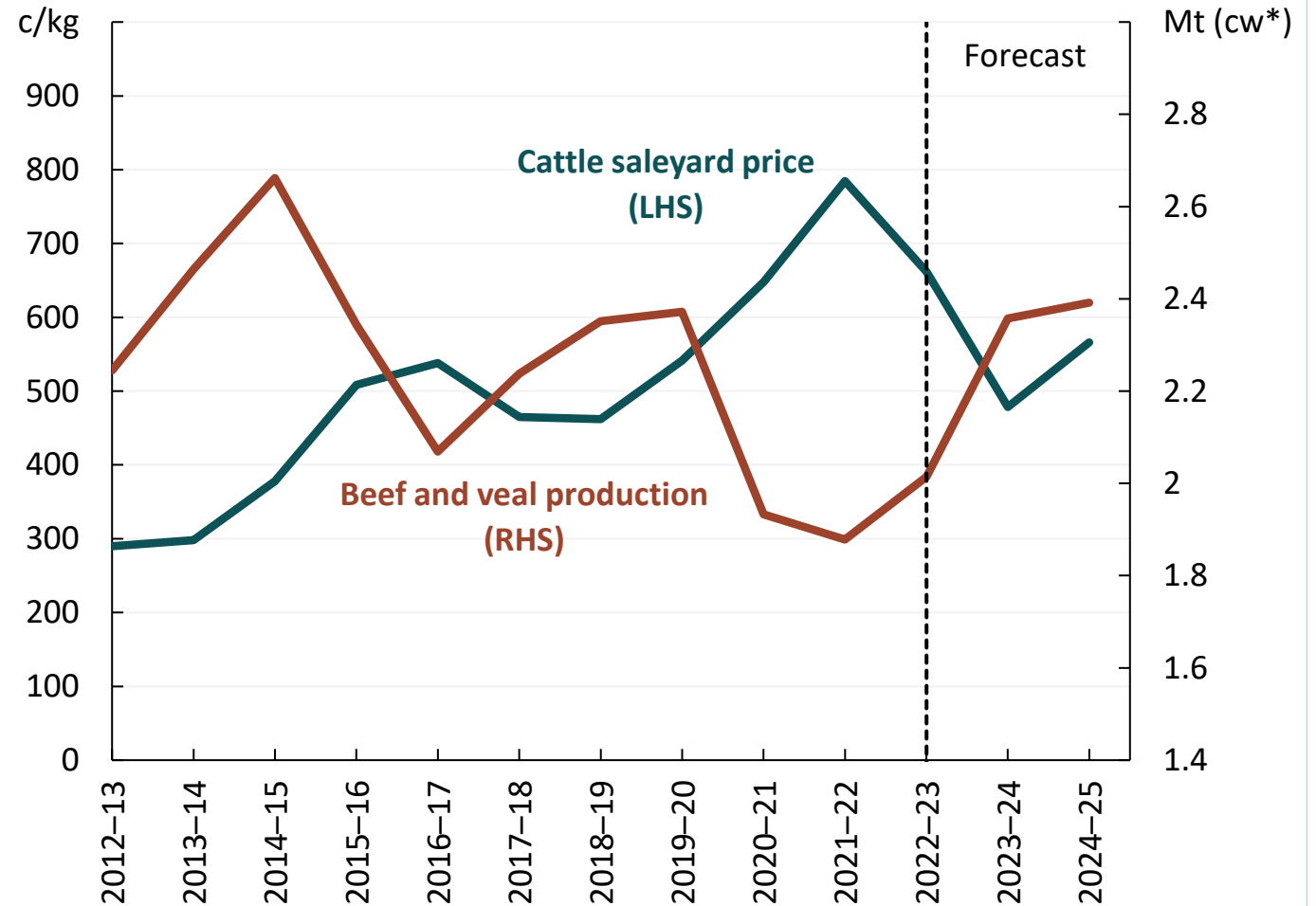


Australia

- Beef and veal production to increase 1.4% to 2.4 million tonnes.
- Average saleyard prices to rise 18% to 566 Ac/kg, driven by processor demand.
- Export volumes to increase.

World

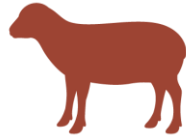
- Beef prices to remain high at 597 USc/kg
- Strong global demand outpacing supply, particularly US import demand.



Note: Data to the right of dotted line indicate forecasts; *carcase weight
Source: ABARES; ABS; MLA

Sheep meat prices to rise due to higher demand

↑7%
to 620 Ac/kgⁱ
in 2024-25



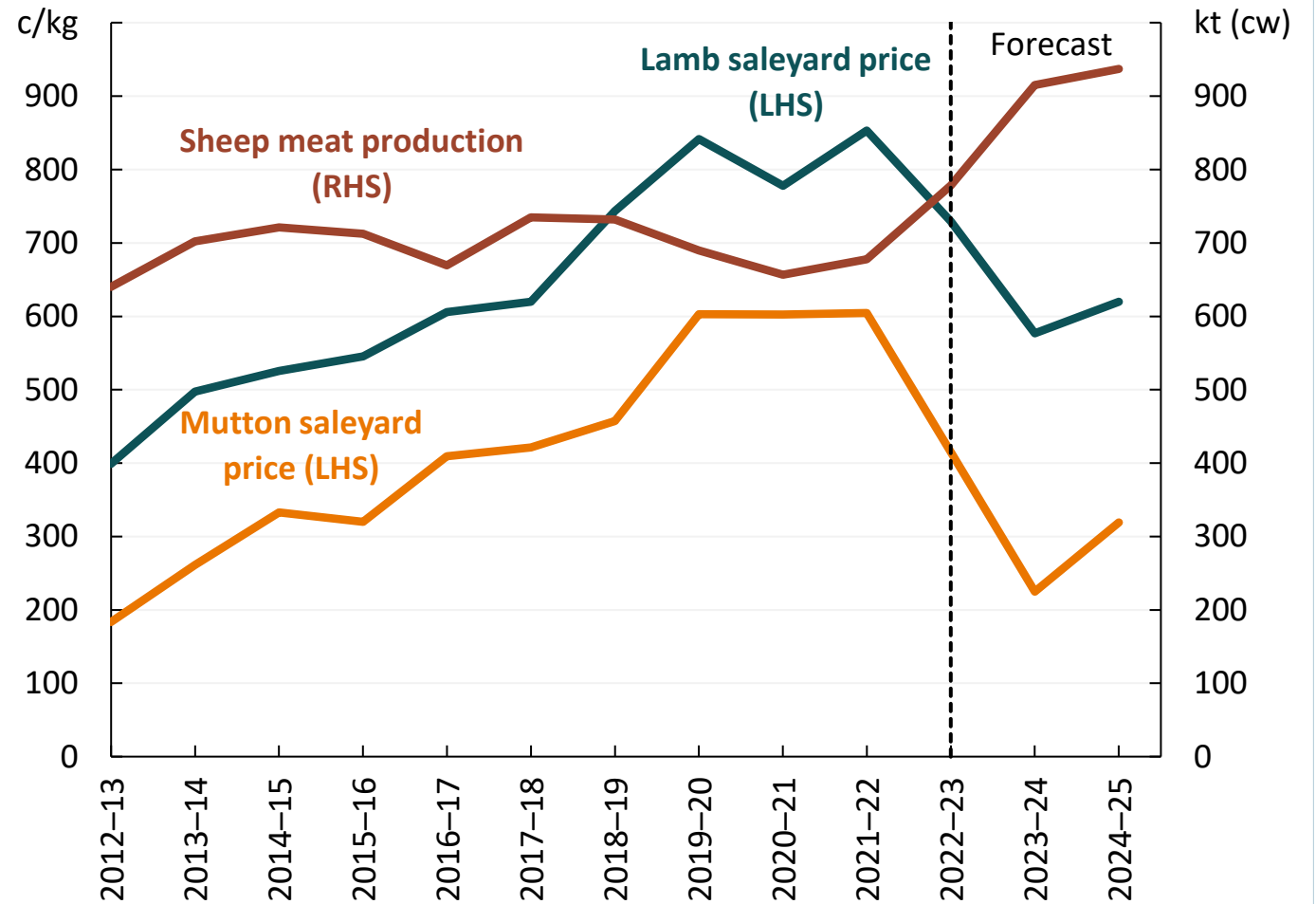
ⁱ MLA national trade lamb indicator.

Australia

- Sheep meat production to rise 2% to 937 thousand tonnes.
- Higher saleyard prices driven by higher processor and restocker demand.
- Export prices and volumes to increase.

World

- World supply to increase driven by Australian production.
- Prices rise with strong demand from US, China and the Middle East.

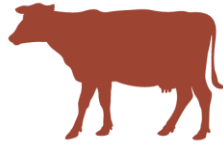


Note: Data to the right of dotted line indicate estimates and forecasts; *carcase weight

Source: ABARES; ABS

Farmgate milk price to fall but above the historical average

↓6%
to 67.6 c/L^k
in 2024-25



^k Australian average farmgate milk price.

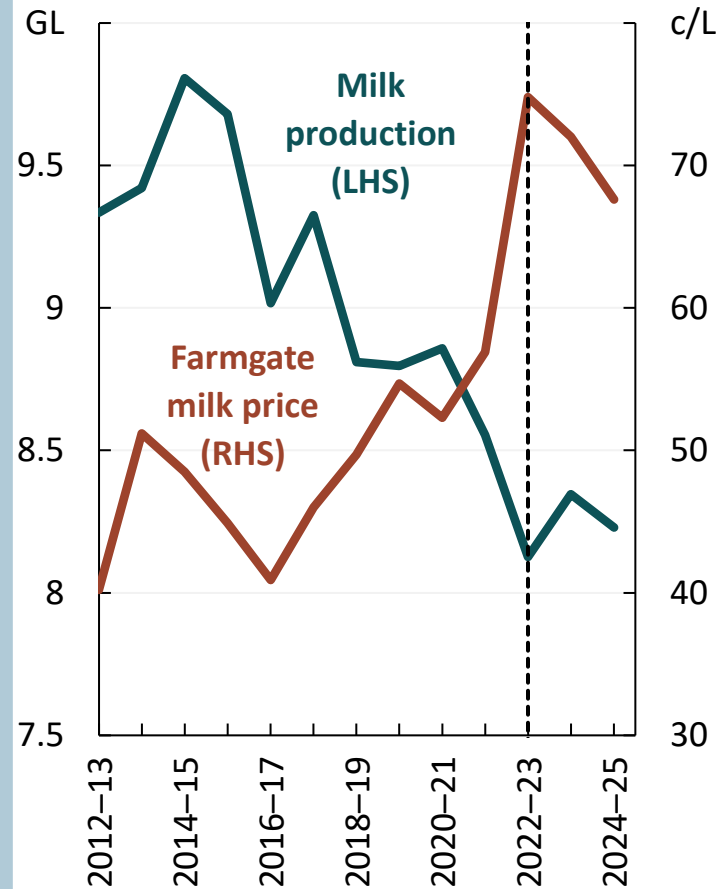
Australia

- Milk production to fall 1.4% to 8.2 billion litres.
- Farmgate milk prices to forecast to fall 6% to 67.6 cents per litre (\$8.60 per kilogram milk solids).
- Export prices to improve.

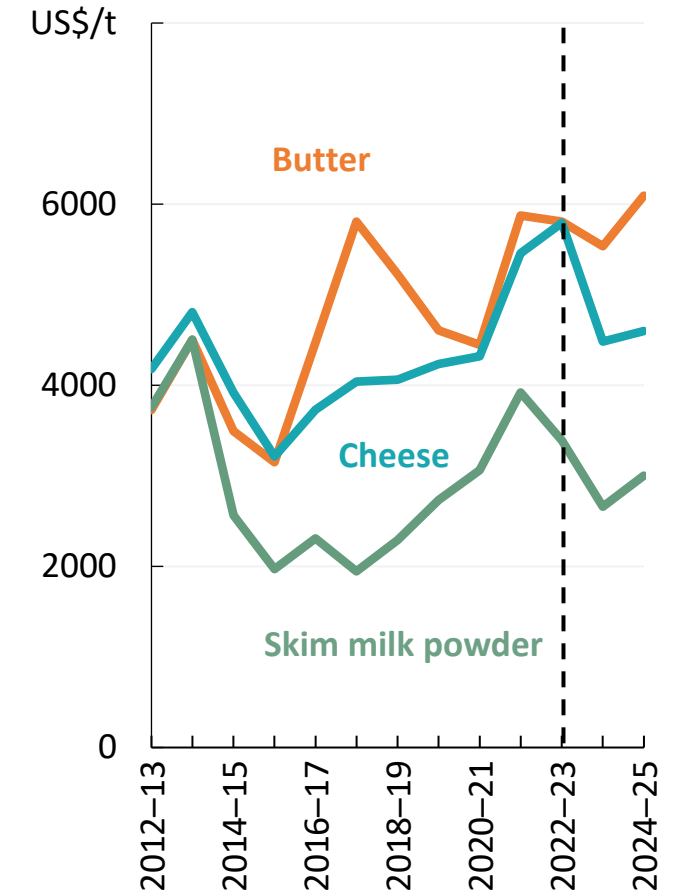
World

- Global dairy prices to rise slightly with improved demand from China.

Australian production and price



World indicator prices

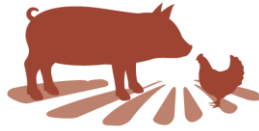


Note: Data to the right of dotted line indicates estimates and forecasts. Global indicator prices are weighted averages of traded prices. Source: ABARES; Dairy Australia, New York Board of Trade; USDA

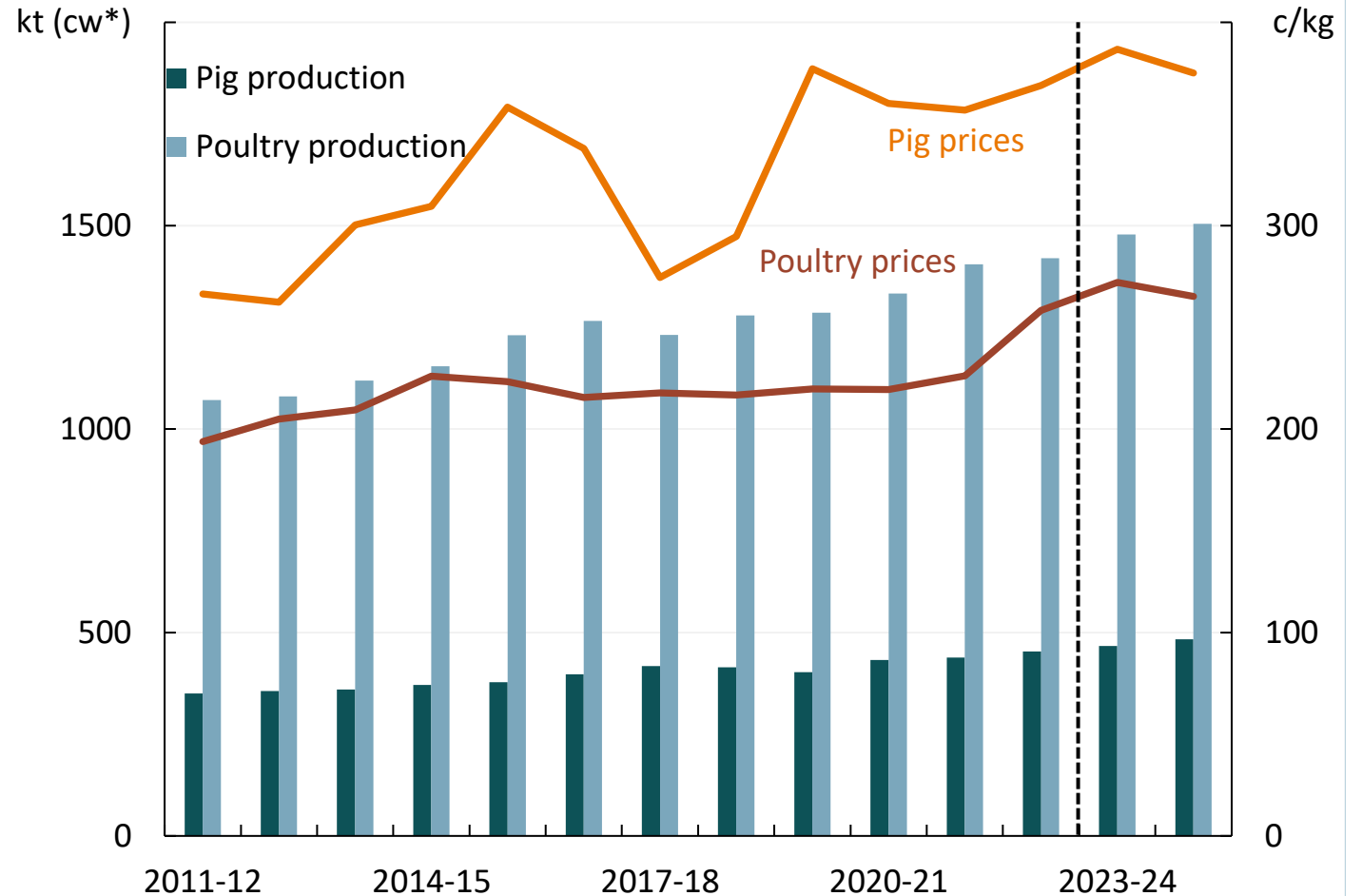
Pork and poultry prices to fall slightly in 2024–25

\$5.8b

Value of production in 2024–25



- Pork and poultry meat production volume forecast to rise in 2024–25.
- Prices forecast to decline slightly from recent highs.
- Rising domestic prices for beef and lamb are expected to result in some consumer substitution towards pork and poultry meat.
- Avian flu a downside risk.



Note: Data to the right of dotted line indicates estimates and forecasts. Source: ABARES; ABS

If you have any further queries, please feel free to email:

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ABARES *Agricultural Commodities Report* contains forecasts for the value, volume and price of Australia's agricultural production and exports.

<https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook>