



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



# Agricultural Outlook

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**Australian Bureau of Agricultural and Resource  
Economics and Sciences (ABARES)**

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# Overview

Macroeconomic conditions, input costs



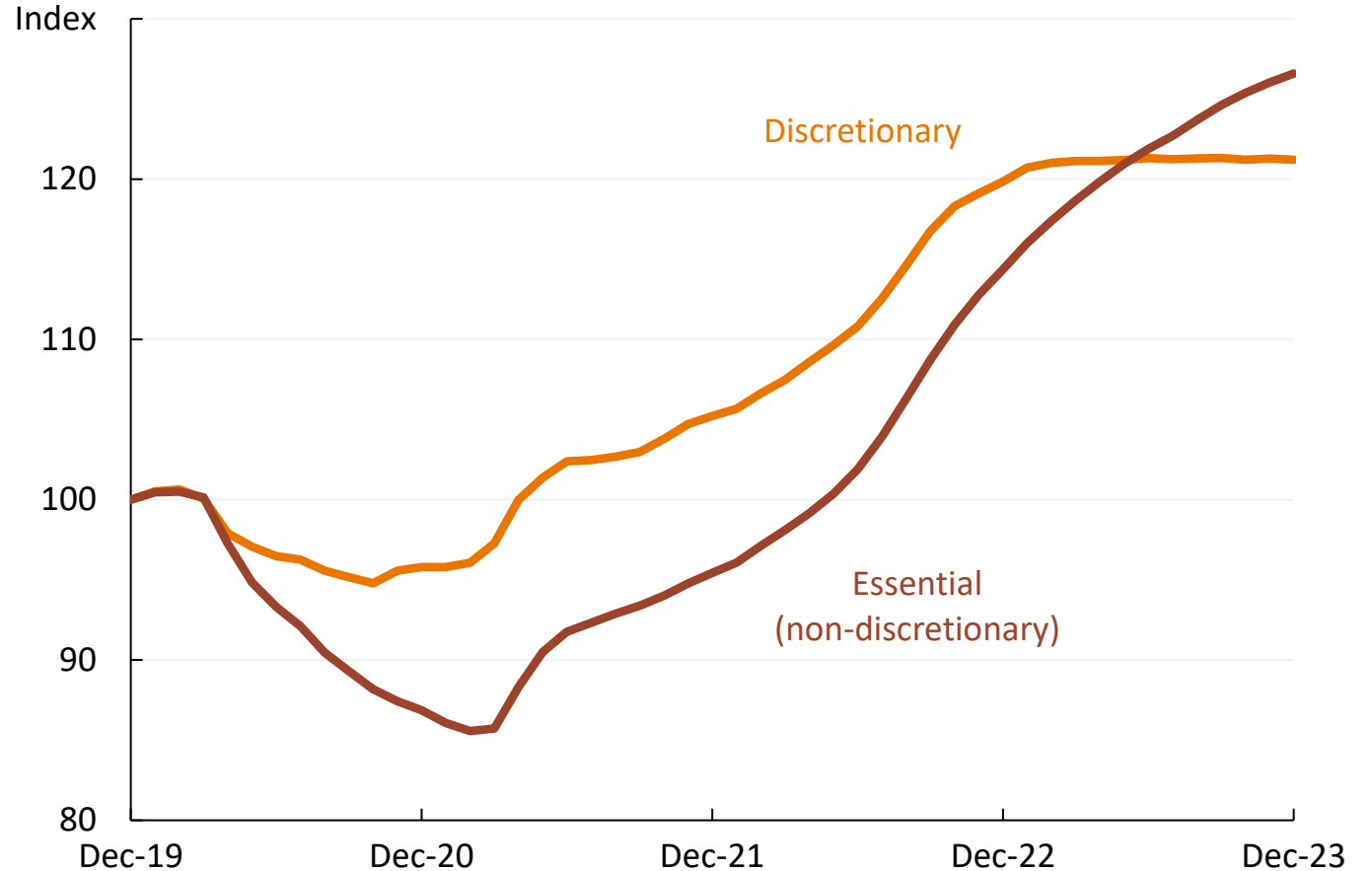
# Global economic outlook remains slightly subdued

**3.1%**  
Global economic  
growth in 2024



- Global economic prospects to remain subdued in 2024 reflecting sluggish consumption growth.
- Strong population and income growth in Asia to support aggregate food consumption over the outlook.
- The Australian Dollar is assumed to appreciate over the medium term.
- Global supply chain disruptions a risk for higher farm input prices.

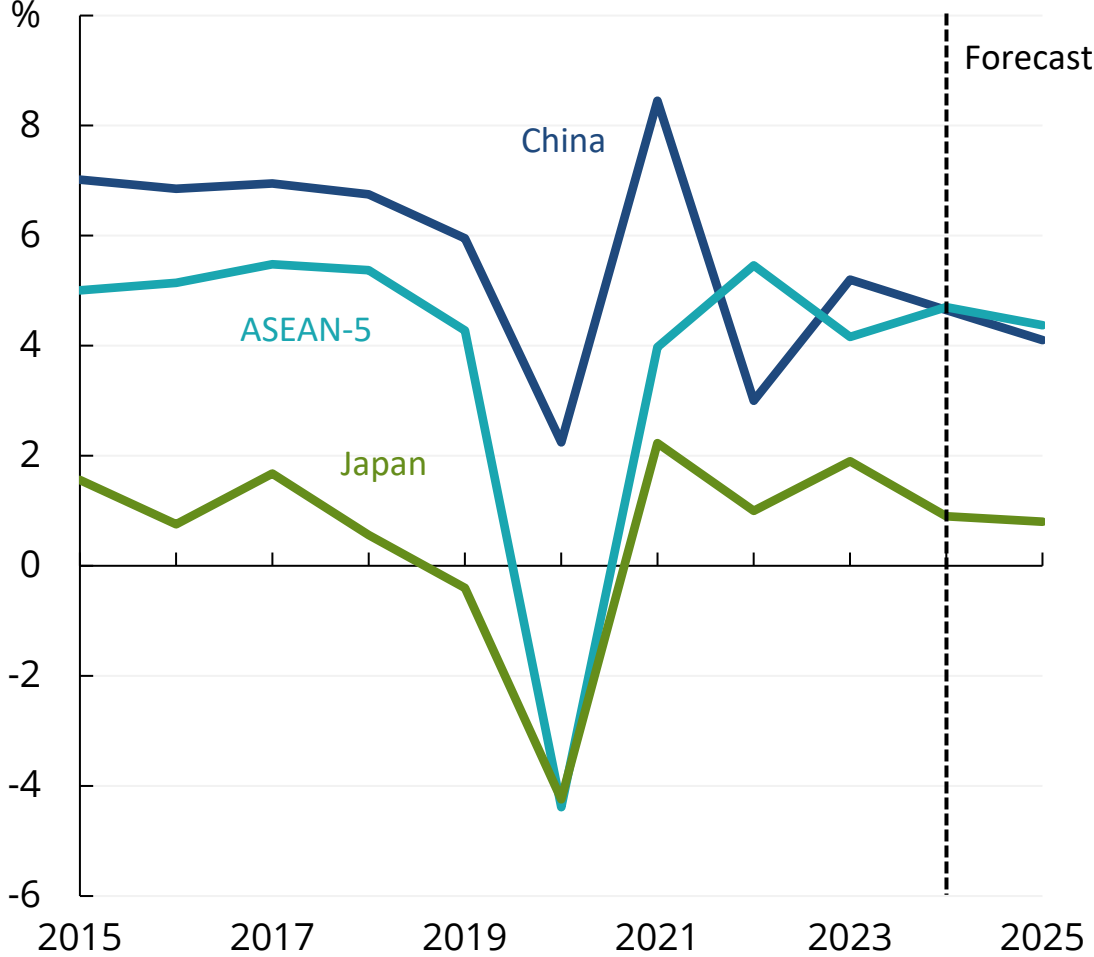
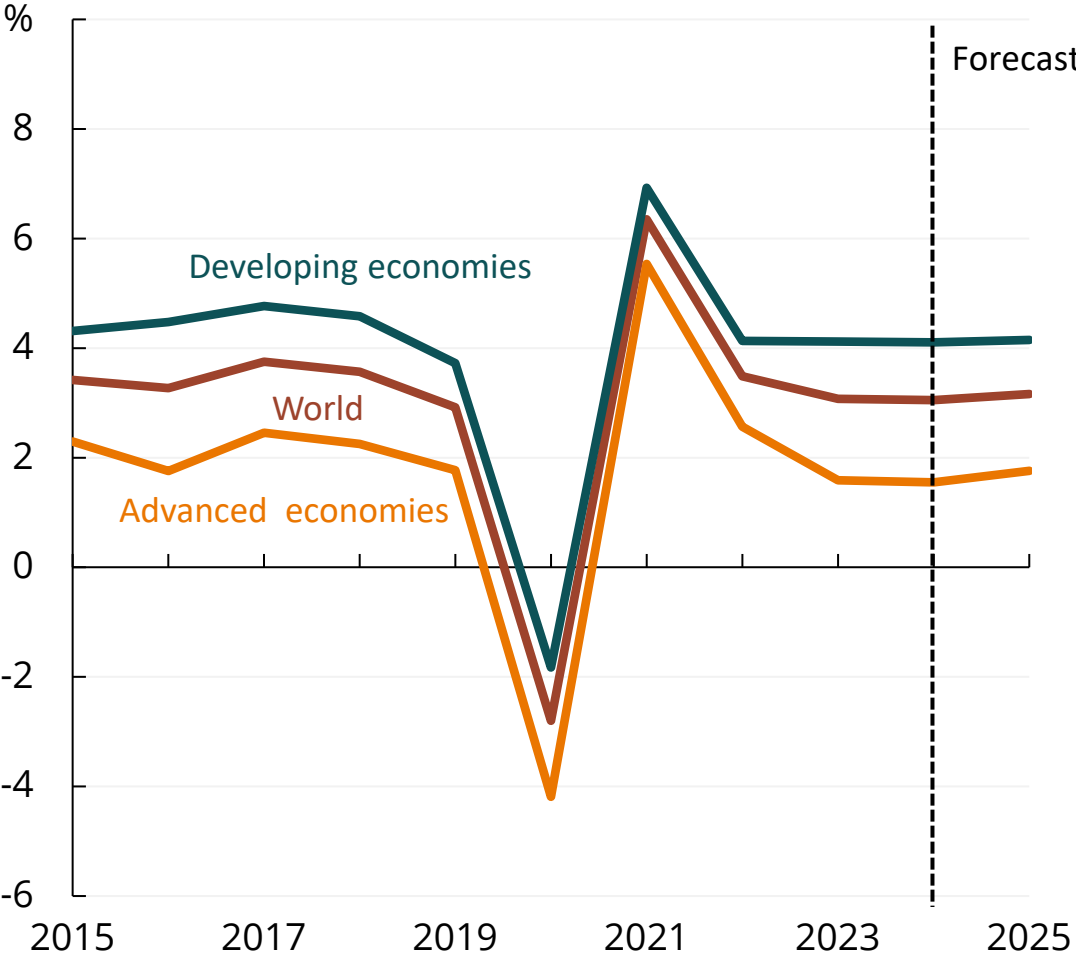
## Monthly household spending, Australia



Note: Rolling 12-month average. Index 2019 = 100. Food is a subset of non-discretionary spending, restaurants and takeaway meals is a subset of discretionary. Source: ABS

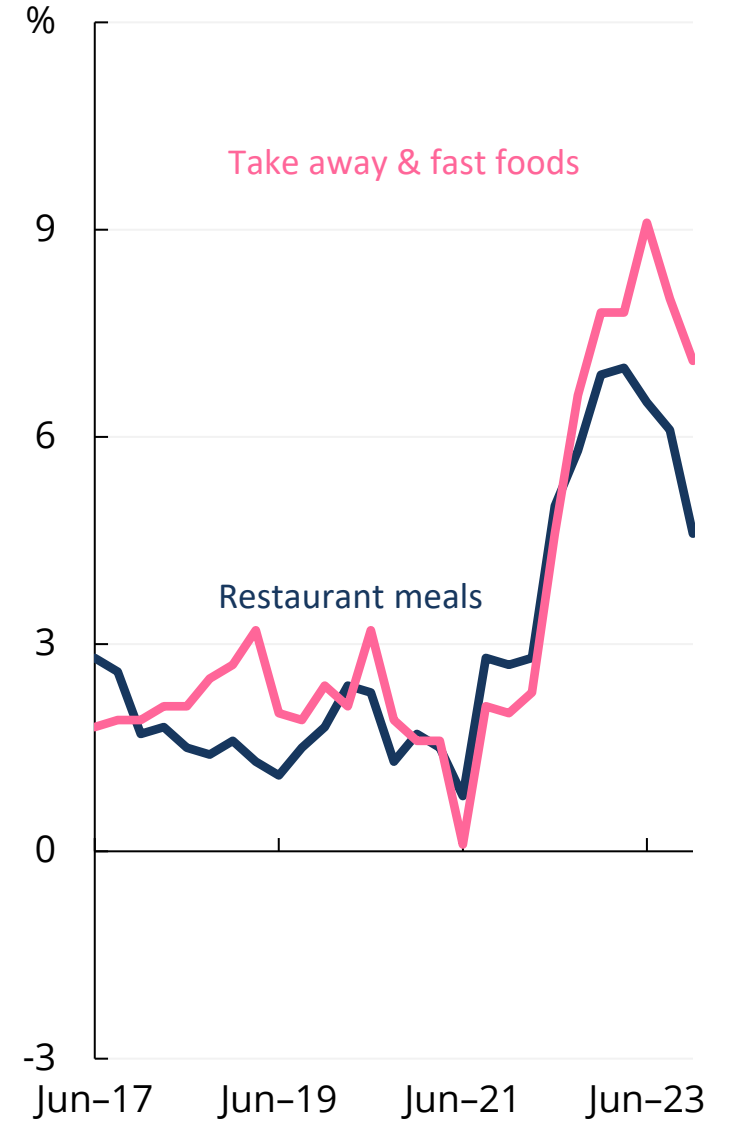
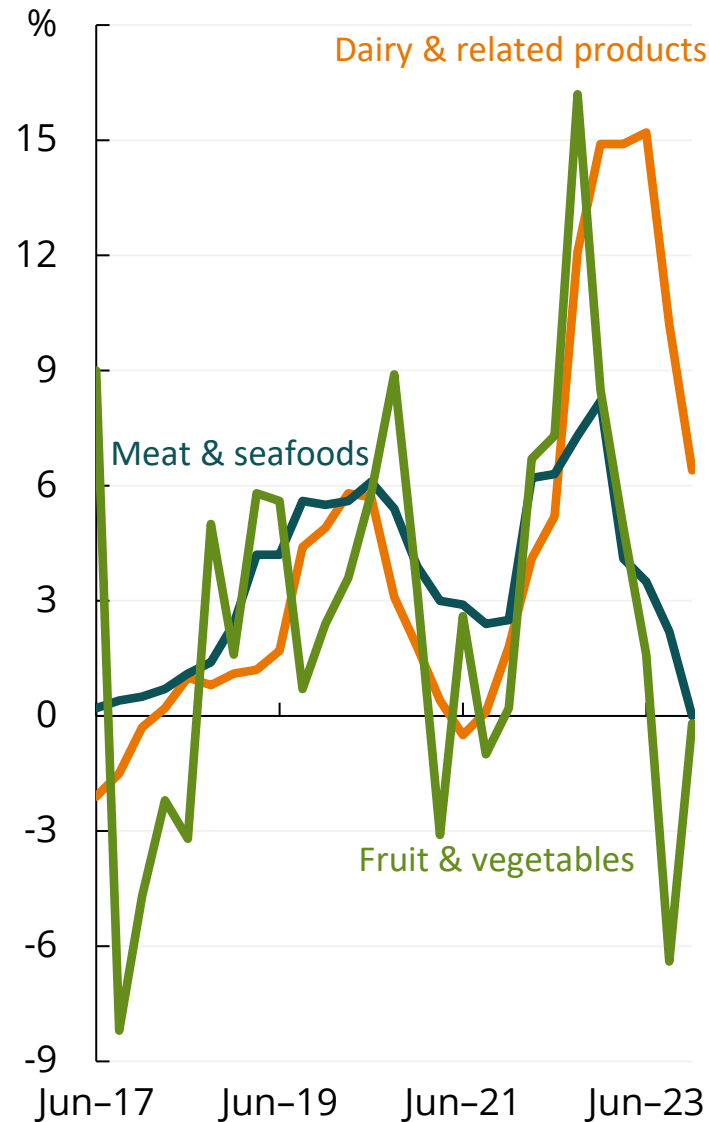
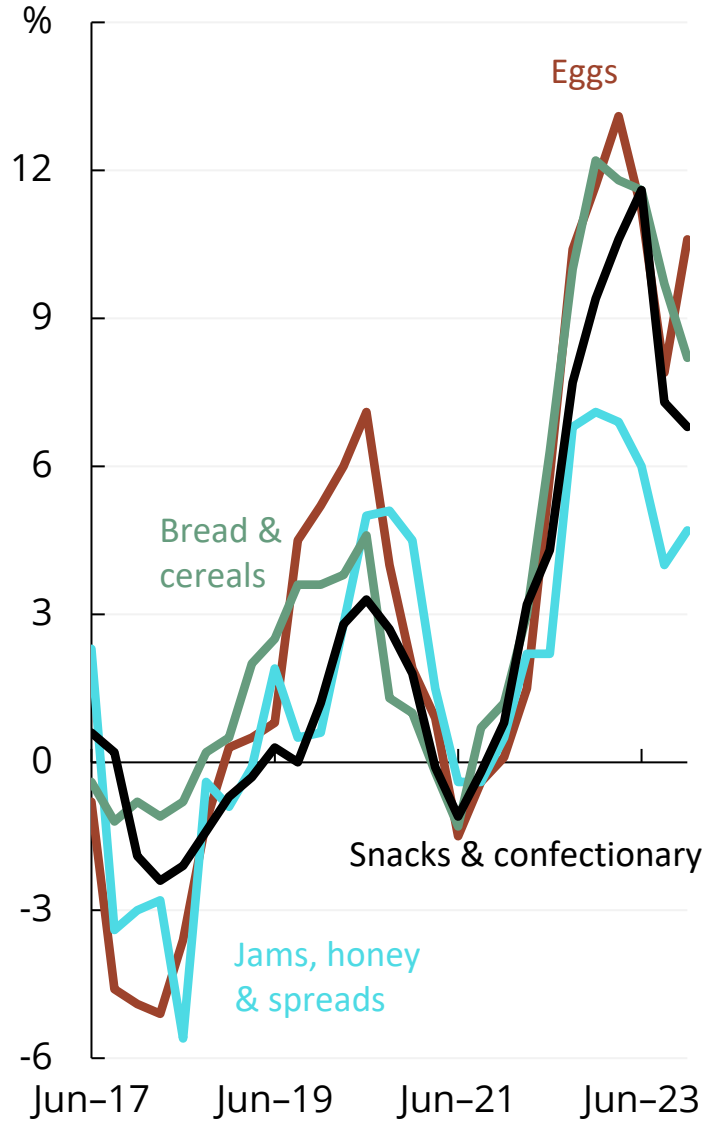
# Resilient demand outlook across major trading partners

Annual GDP growth



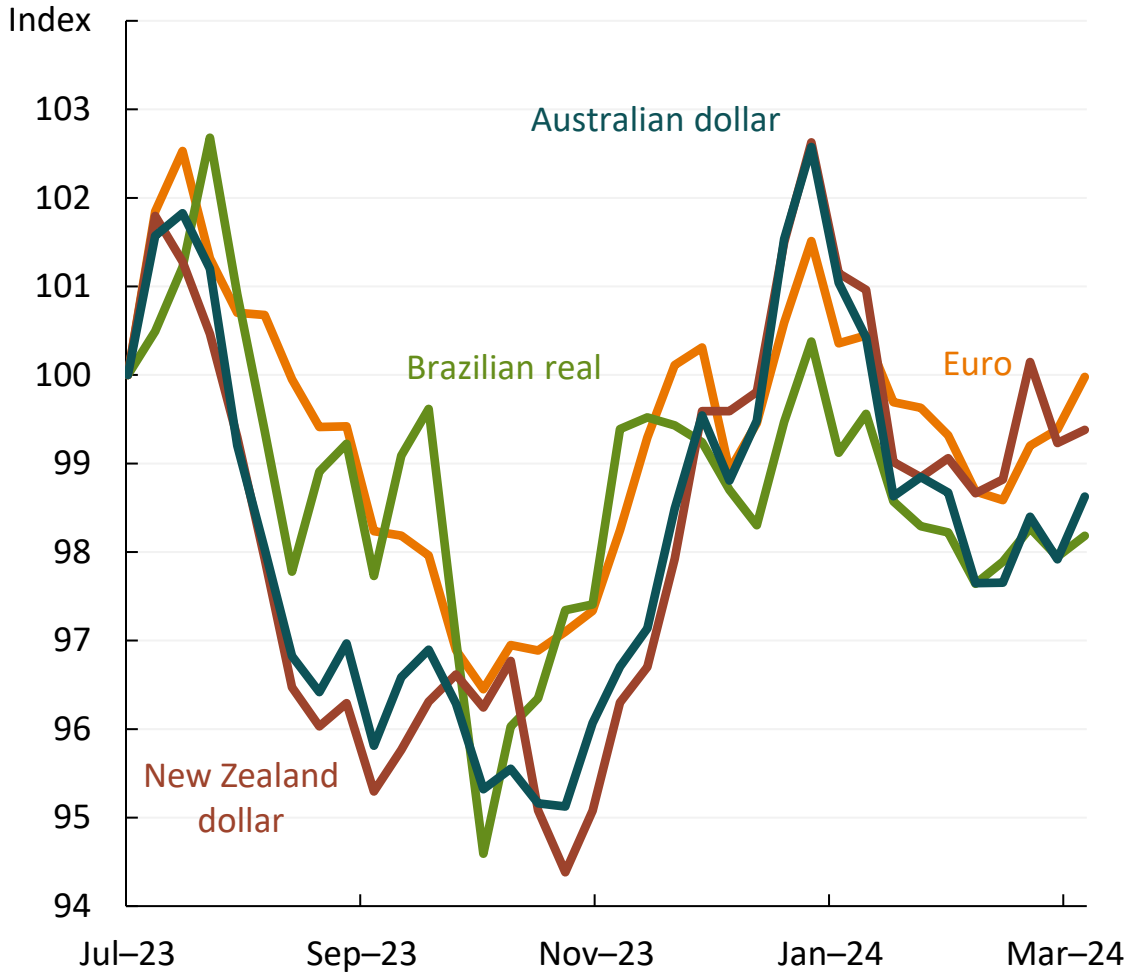
Note: Real GDP growth weighted using IMF 2022 purchasing power parity valuation of country GDP. ASEAN-5 includes Indonesia, Malaysia, Philippines, Singapore, and Thailand.  
Source: ABARES; IMF.

# Inflation mixed across food categories



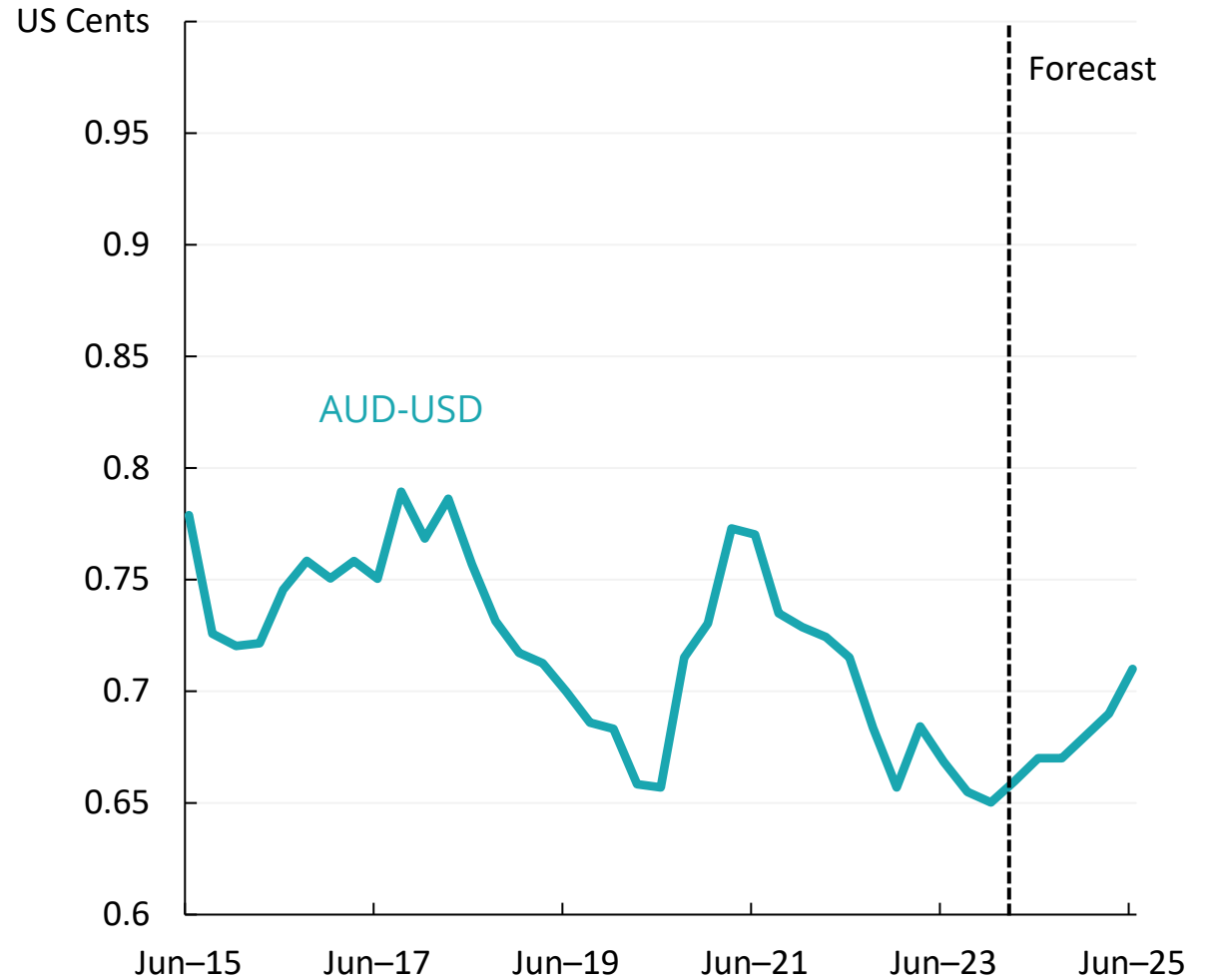
# A low Australian dollar is a double-edged sword

## Currencies relative to USD



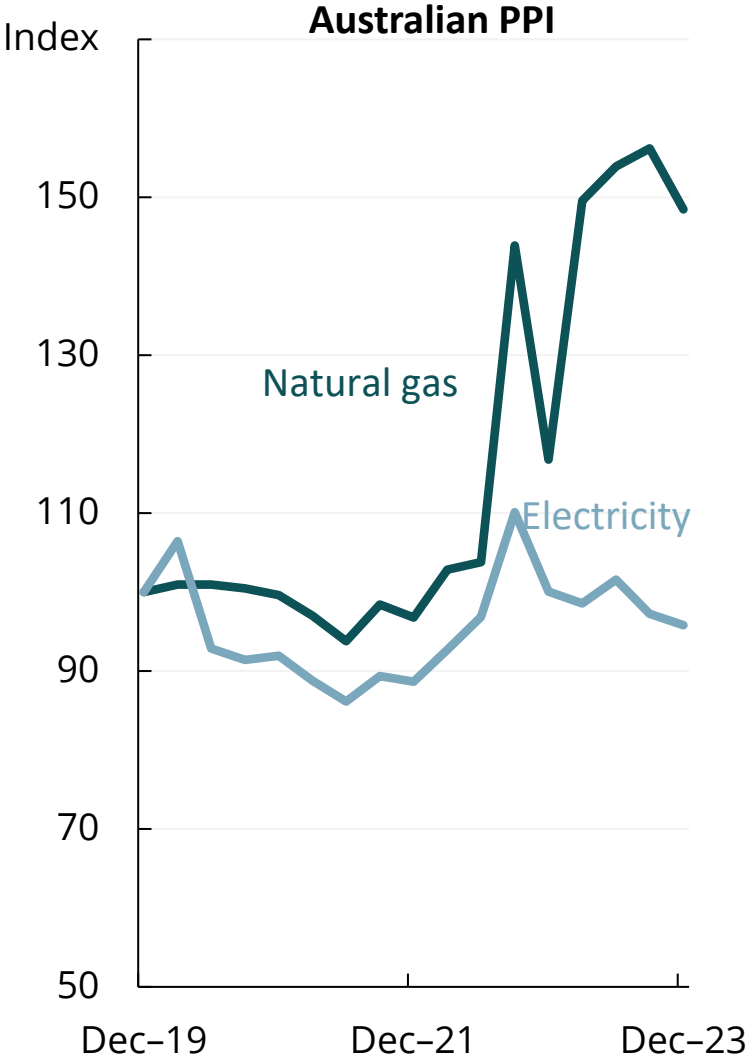
Source: US FRED

## Exchange rate

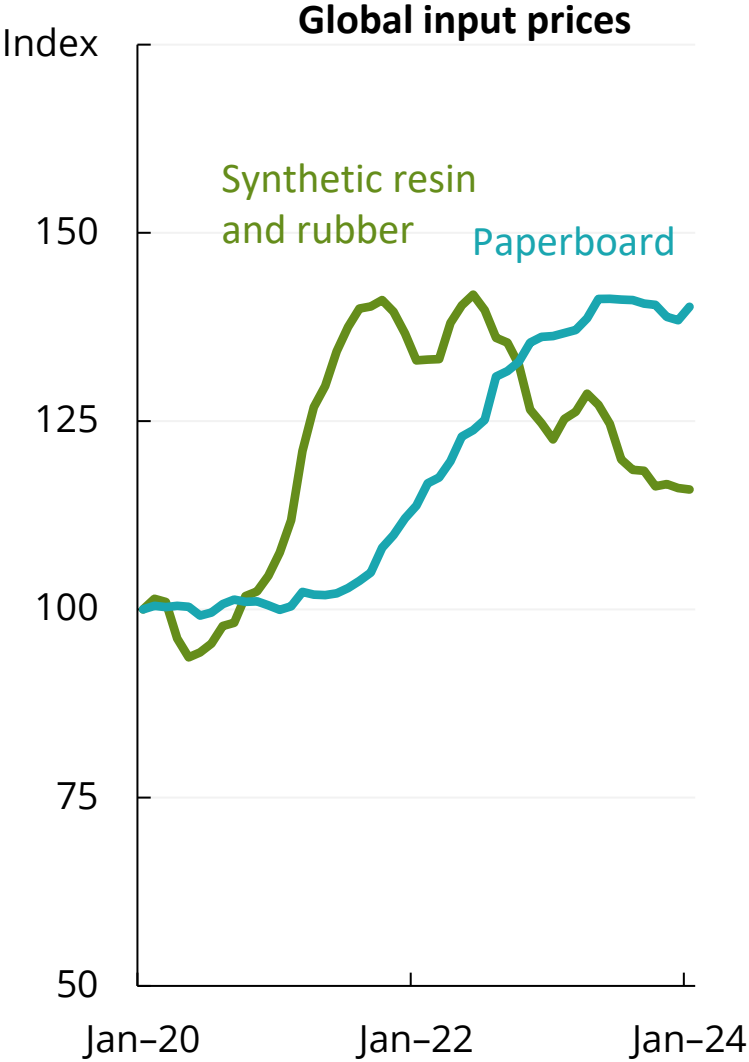


Source: ABARES; RBA

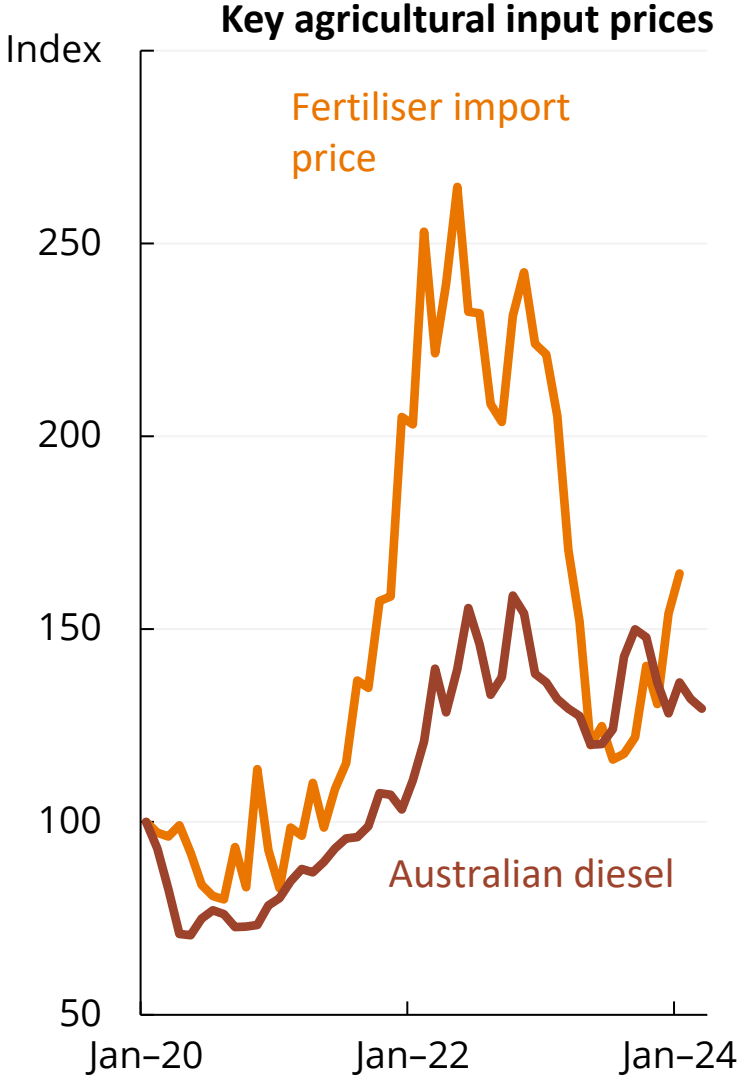
# Input costs remained elevated



Source: ABS (Quarterly)



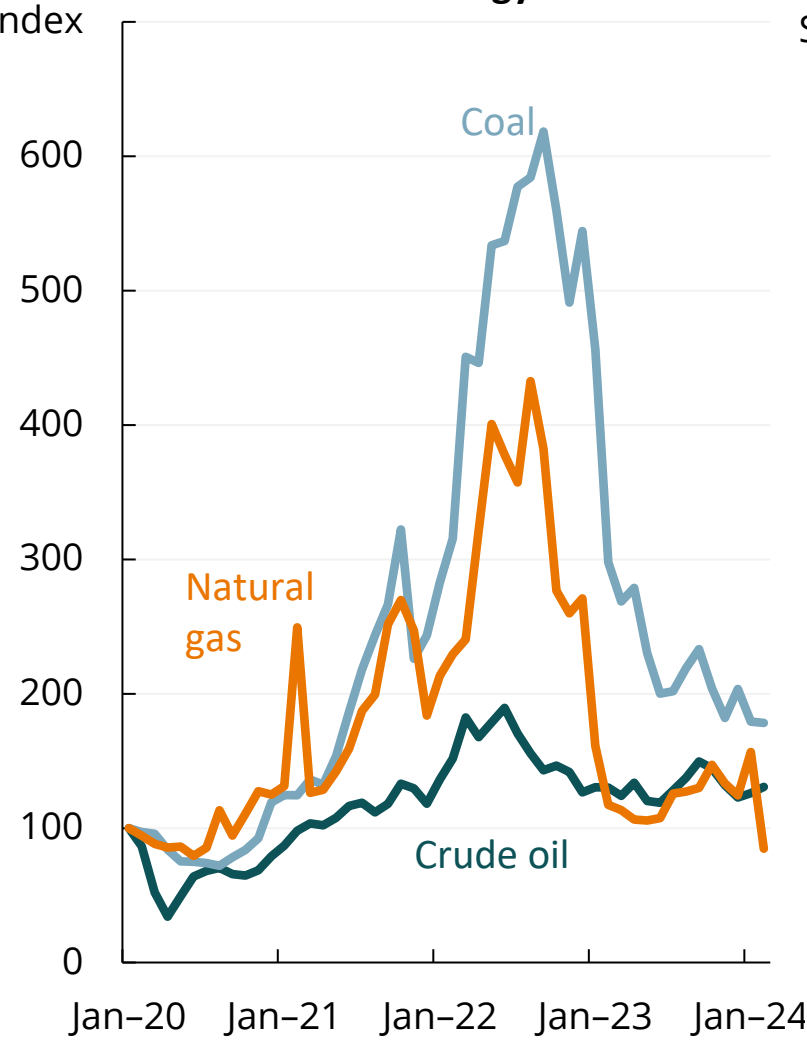
Source: US FRED



Source: Aust. Institute of Petroleum; ABS.

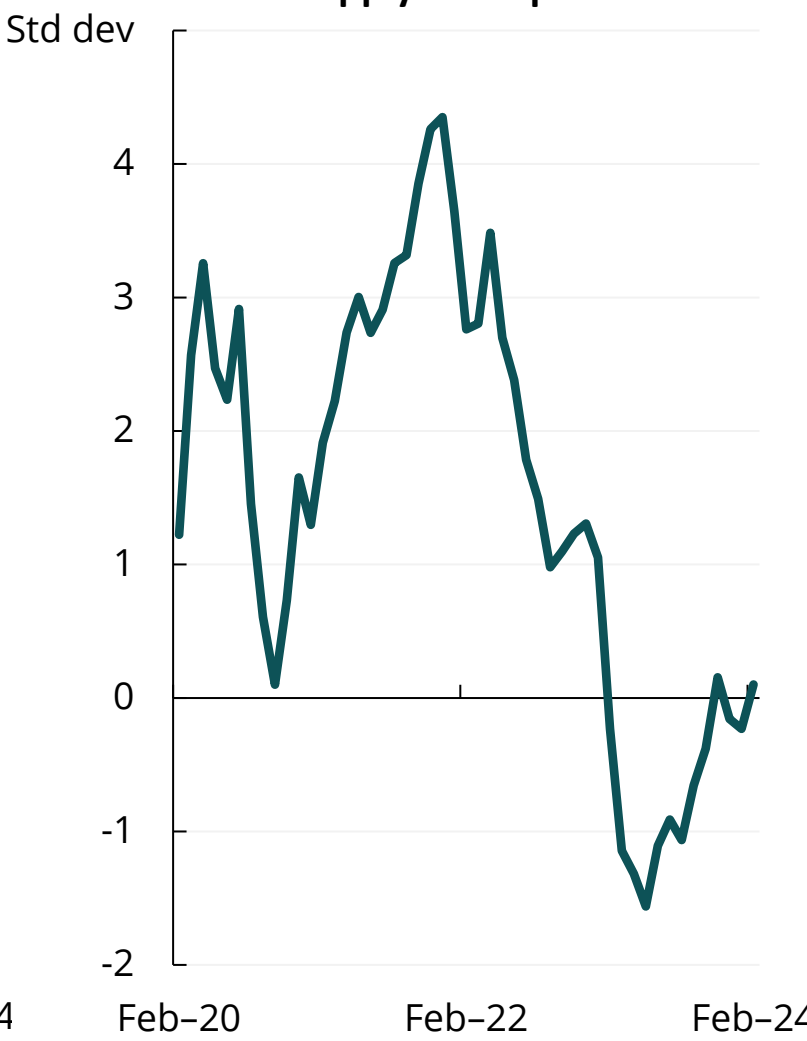
# Global price pressures have declined significantly

### Global energy costs



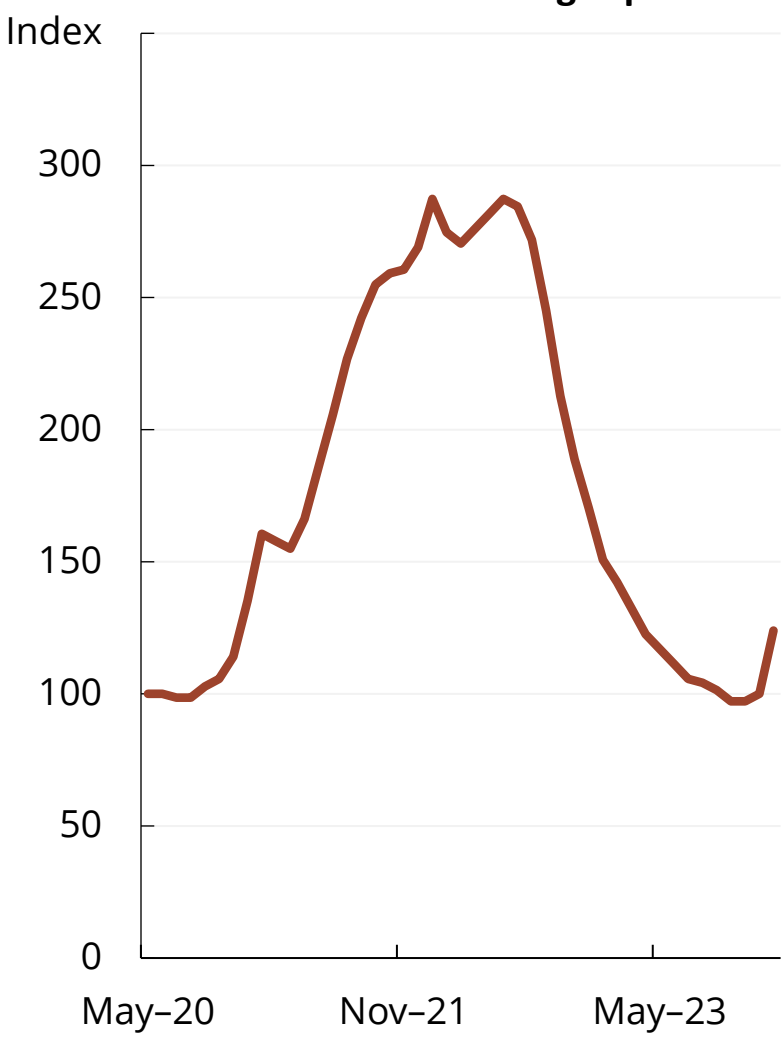
Source: World Bank

### Global supply chain pressure index



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

### Global container freight prices

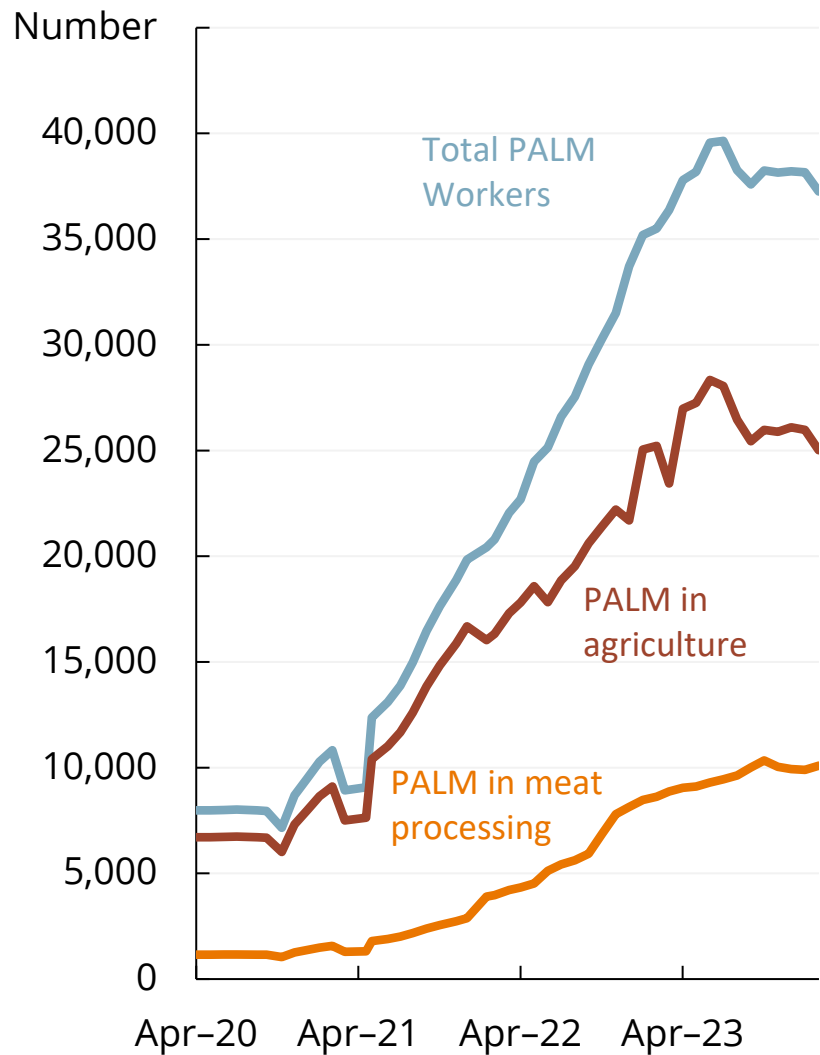


Source: Container Trade Statistics



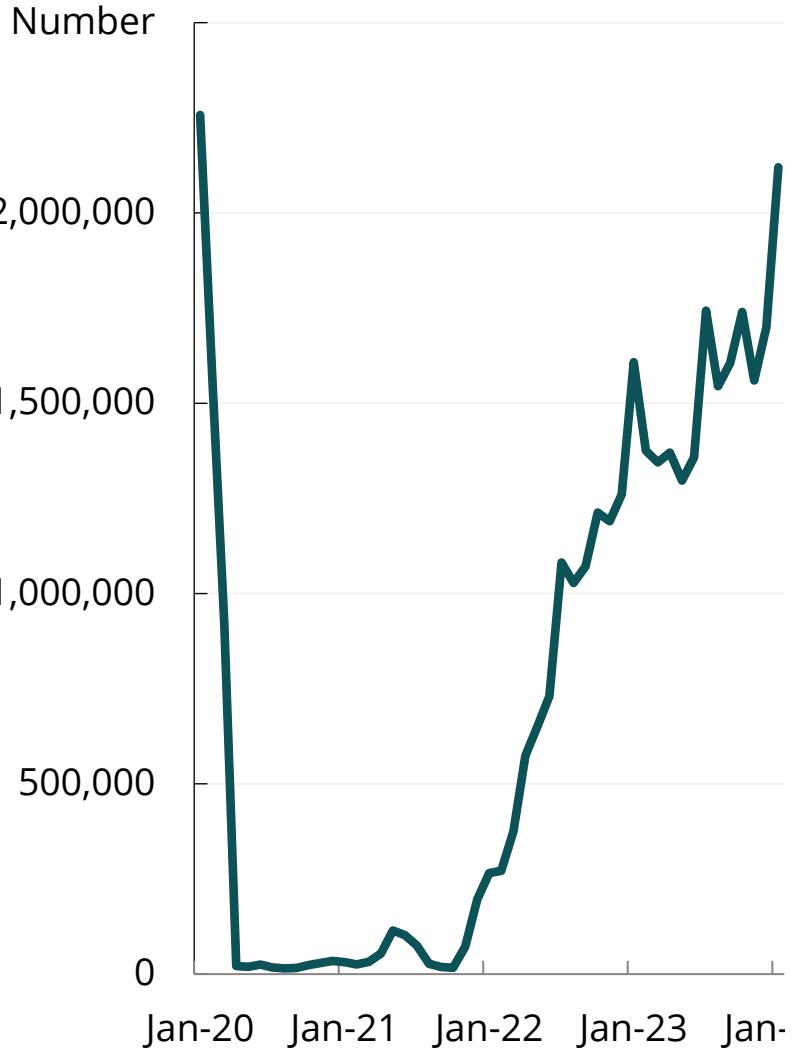
# Labour supply much improved

## Pacific seasonal workers



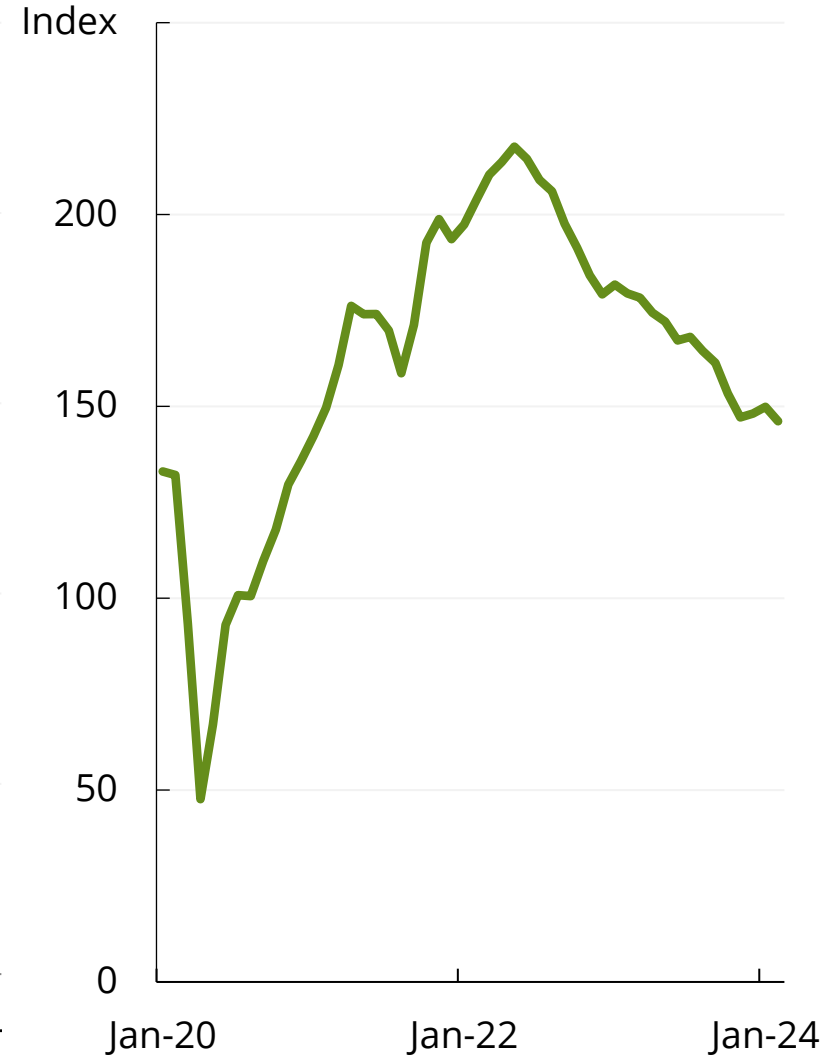
Source: DEWR

## Overseas arrivals to Australia



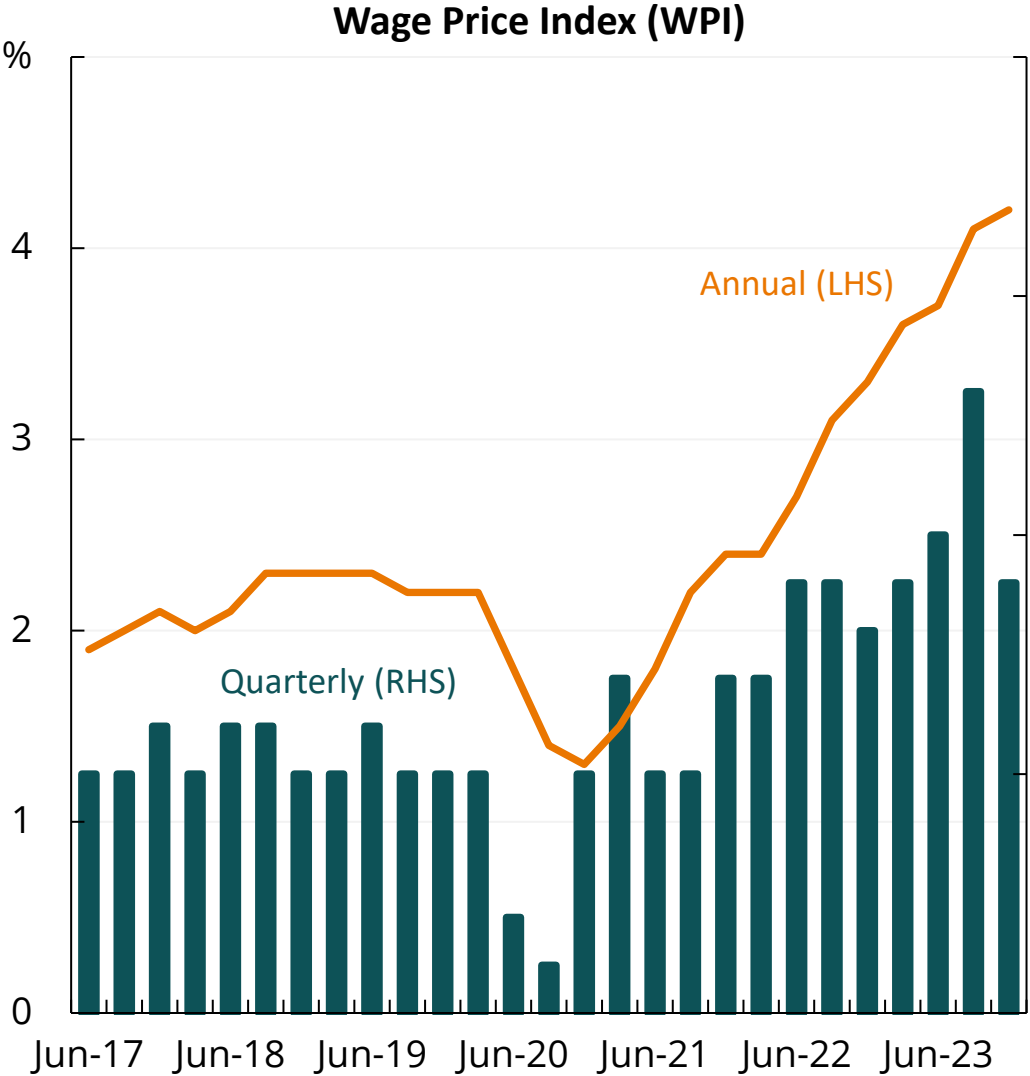
Source: ABS

## Seek job ads index

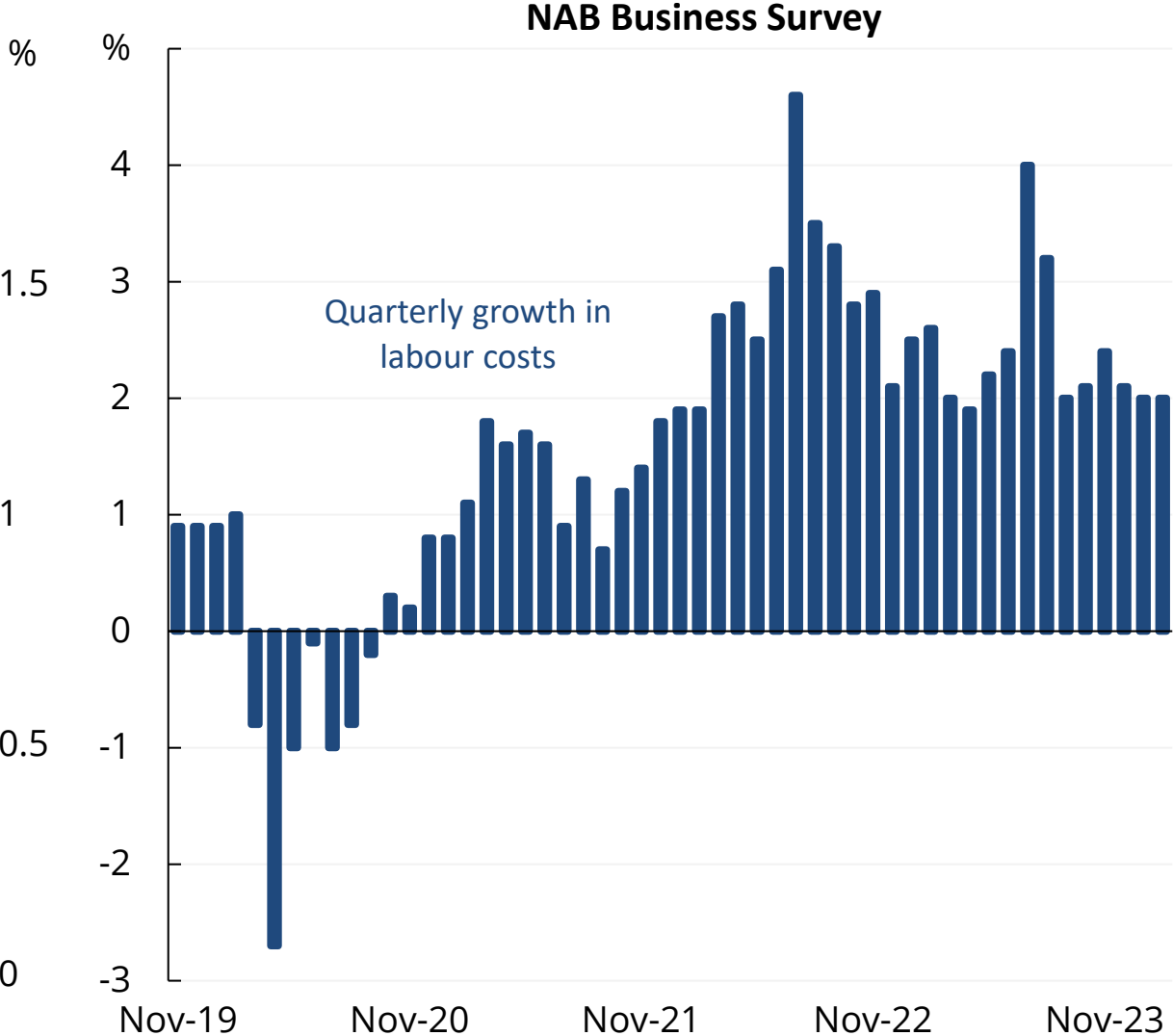


Source: Seek

# Labour costs have peaked yet remain slightly elevated



Source: ABS



Source: NAB

# Crop commodities

Broadacre crop and horticulture industries



# Higher than expected rainfall in spring and summer improved production

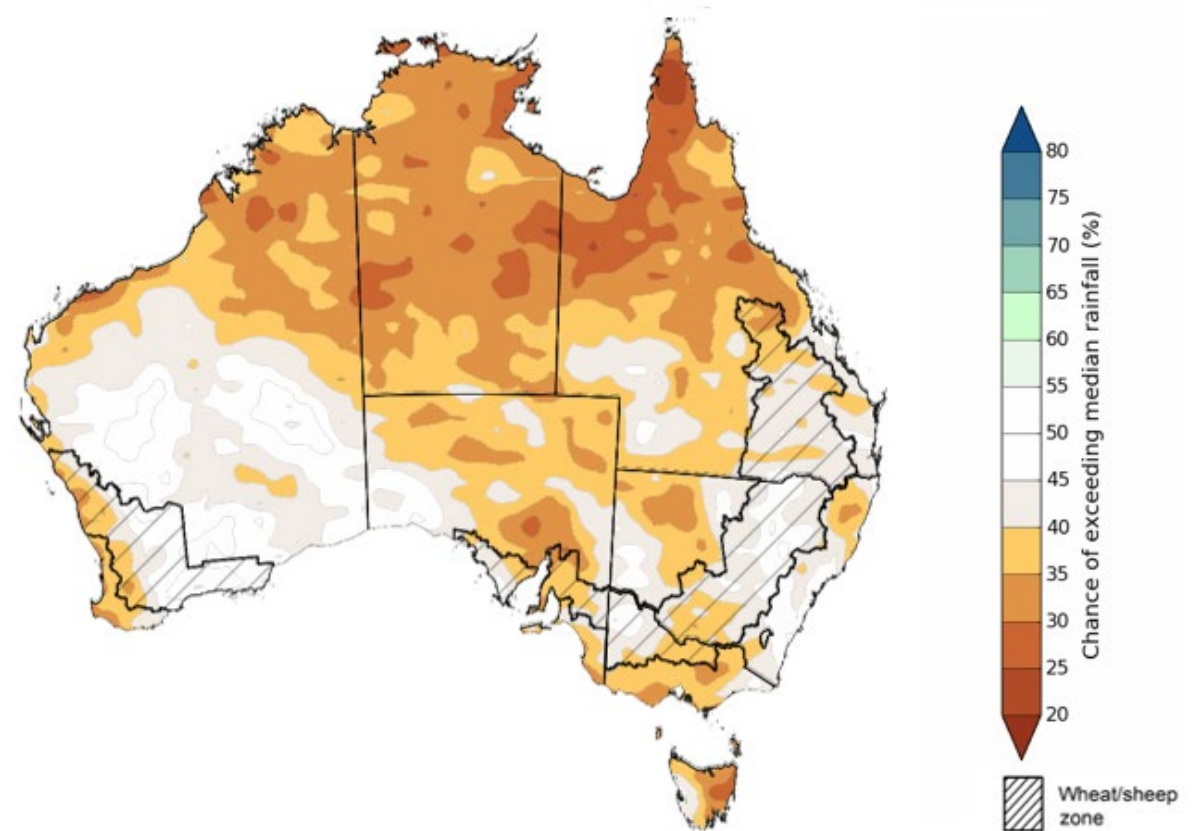


## Seasonal conditions

Higher than expected rainfall across eastern Australia delivers increased levels of Australian 2023–24 agricultural output.

- Global crop production in 2023–24 projected to remain above 2022–23 levels despite extreme heat in the northern hemisphere.
- Above average summer 2023–24 rainfall in eastern Australia is expected to provide a strong incentive for planting ahead of the 2024–25 winter crop season.

March to May 2024 rainfall is likely to be below median for much of northern Australia.



Bureau of Meteorology; Issued: 22 February 2024

# World wheat prices to ease reflecting high global grain supply

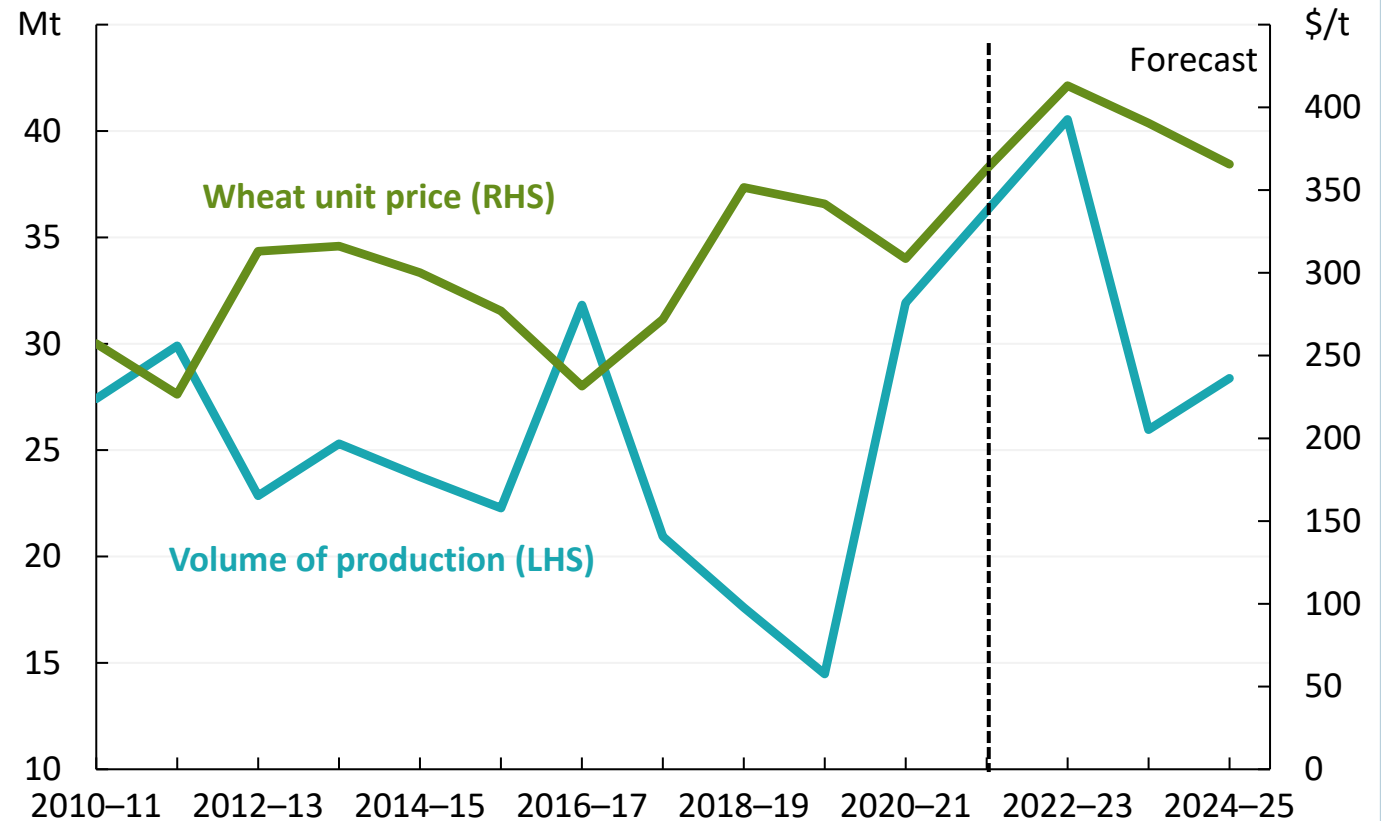
↓3%  
to US\$294/t<sup>a</sup>  
in 2024-25



<sup>a</sup> US no. 2 hard red winter, fob Gulf.

- Improved seasonal conditions expected to see Australian wheat production increase to 28.4 million tonnes in 2024–25, 7% above the 10-year average.
- Easing wheat prices reflect rising world grain supplies and reduced uncertainty surrounding trade flows from the Black Sea.

## Australian wheat production to increase



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

Source: ABARES; ABS

# Coarse grain prices easing following increased world supply

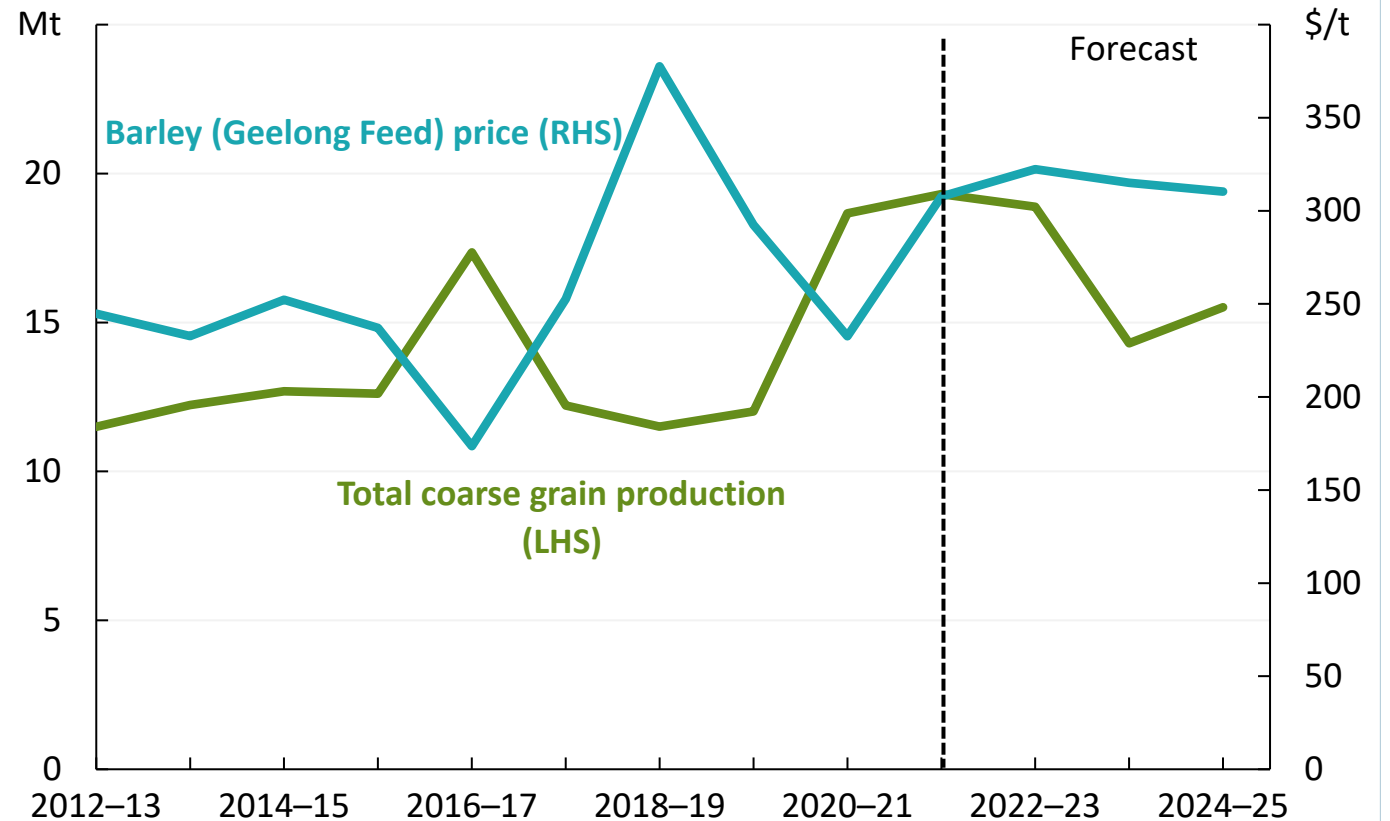
↓ 1%  
to US\$240/t<sup>b</sup>  
in 2024-25



<sup>b</sup> France feed barley, fob Rouen.

- Production to be slightly above the long-term average, reflecting a return to more favourable conditions.
- World coarse grain prices to soften as higher world corn production outpaces growth in demand.
- Australian exports to China increase significantly following reopening of market.

## Coarse grain production to increase



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

Source: ABARES; ABS

# Global oilseed prices to fall with rising global oilseed supply

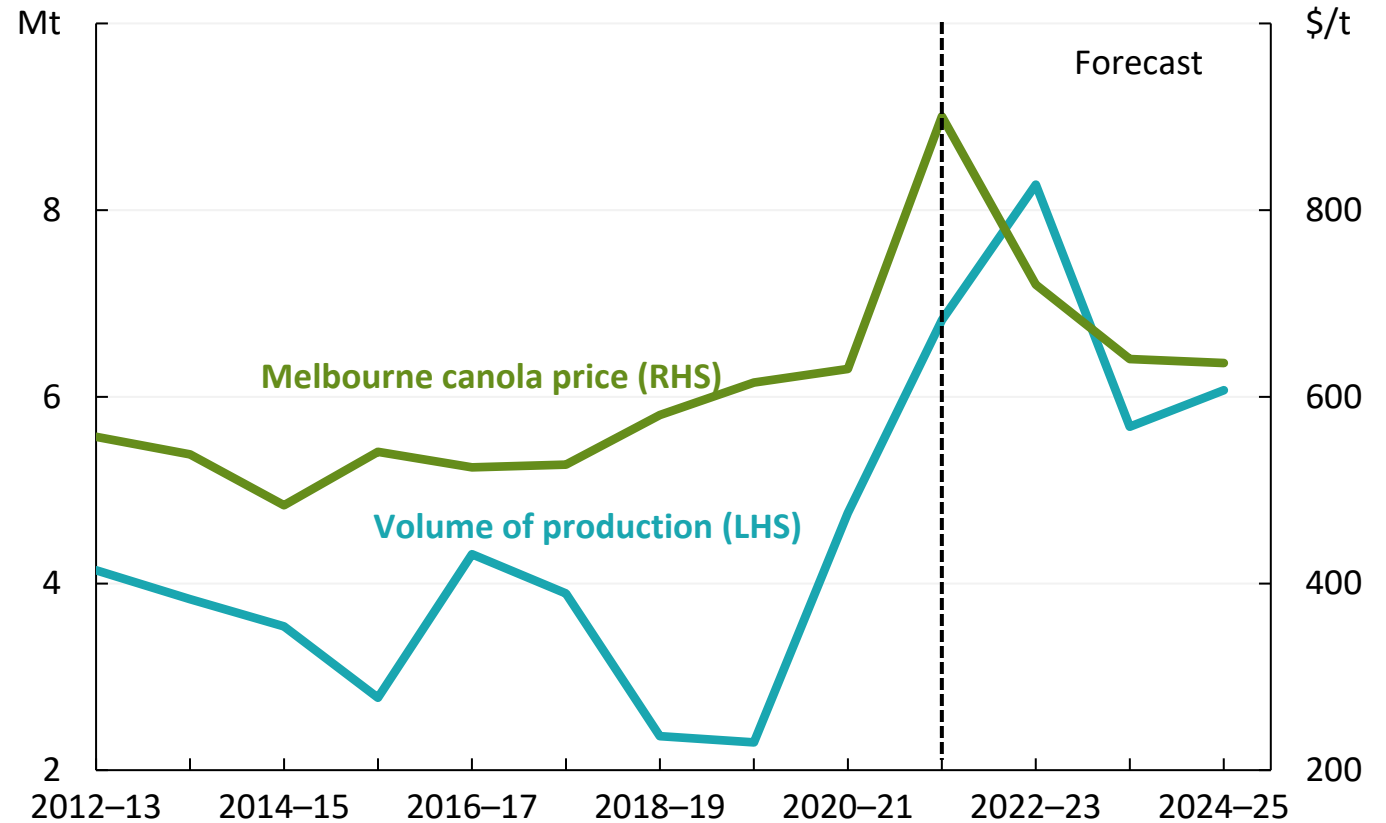
↓5%  
to US\$514/t<sup>c</sup>  
in 2024-25



c Canola, Canada, fob Vancouver.

- Australian canola production to increase in 2024–25 to 6.1 million tonnes with the expectation of more favourable conditions.
- World canola prices to soften in response to the easing of soybean prices within the oilseeds complex.

## Canola production to increase



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

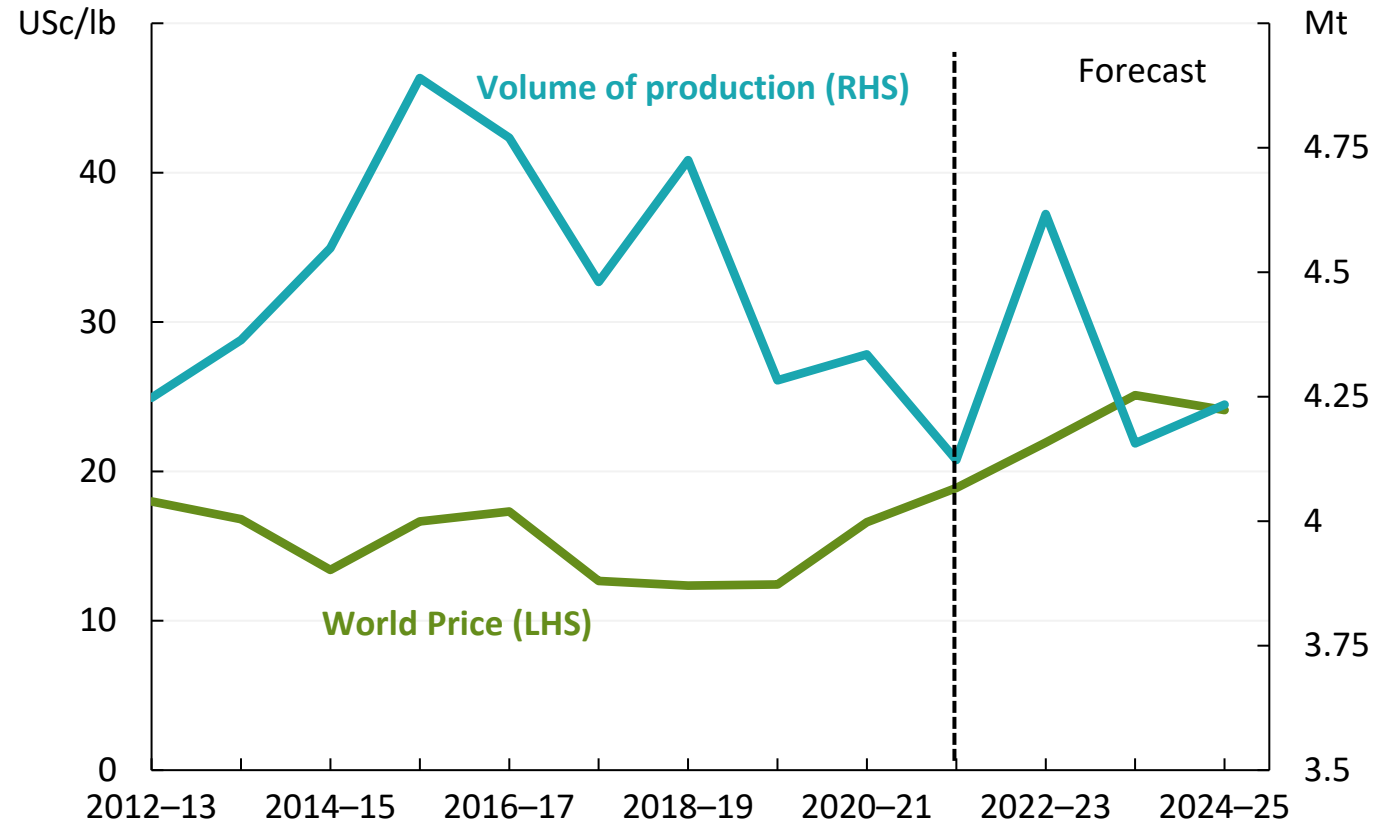
↓2%  
to 23.5 USc/lb<sup>d</sup>  
in 2024–25



<sup>d</sup> Intercontinental Exchange, nearby futures, no. 11 contract (October to September).

- More favourable seasonal conditions to slightly increase Australian sugar production in 2024–25.
- Global sugar prices to fall from elevated levels in 2023–24, reflecting growing world production.

## Sugar production value to remain steady



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



# Value of horticulture to rise with higher production volumes

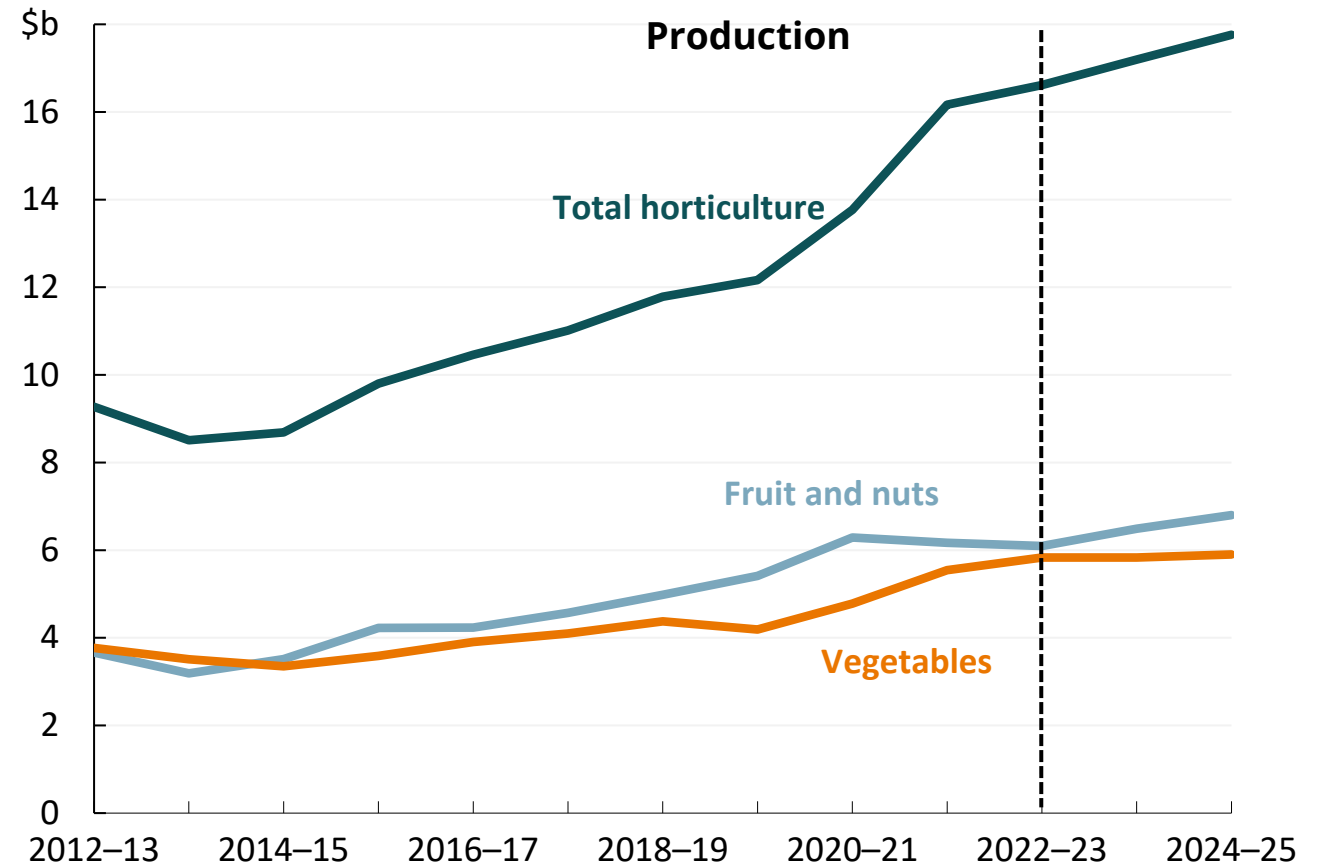
**\$18b**

Value of  
production  
in 2024–25



- Higher production volumes driven by more favourable seasonal conditions.
- Domestic prices to stabilise in 2024–25, after falling in 2023–24.

## Horticulture value to increase



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

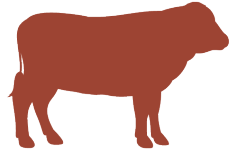
# Livestock commodities

Beef, lamb, dairy, pig and poultry



# Cattle prices to rise with improved seasonal conditions

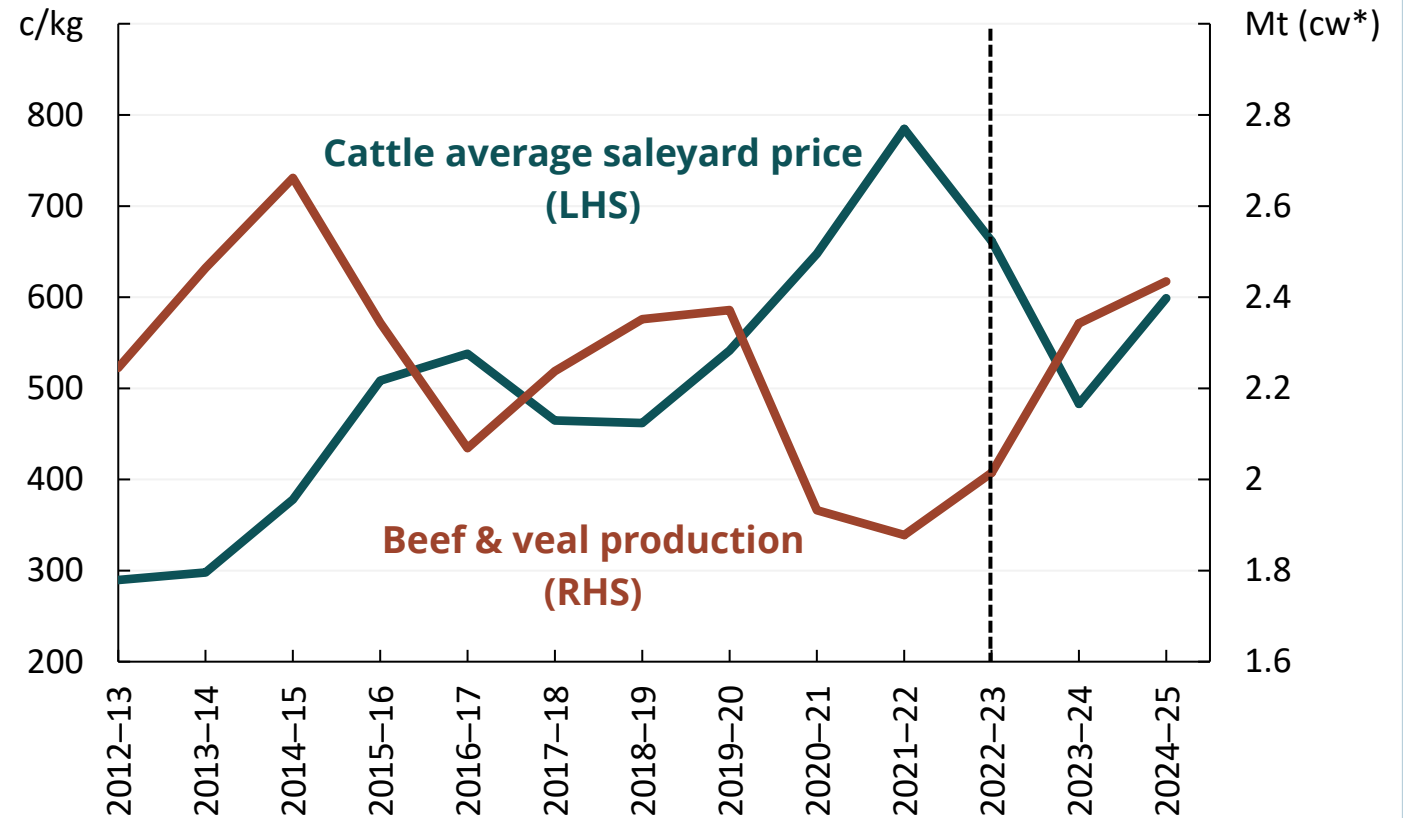
↑ **24%**  
to 599 c/kg<sup>h</sup>  
in 2024–25



<sup>h</sup> An average of heavy steer and processor cow saleyard prices.

- Average saleyard prices forecast to rise 24% to 599 c/kg in 2024–25 as improved seasonal conditions increase restocker demand.
- Large cattle herd size to drive increased slaughter (+4%) and production (+4%) in 2024–25.
- Live exports to increase with stronger demand from Indonesia.

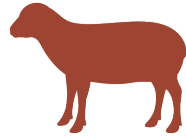
## Drier seasonal conditions to drive lower saleyard prices and higher production



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

# Sheep meat prices to rise due to improved conditions

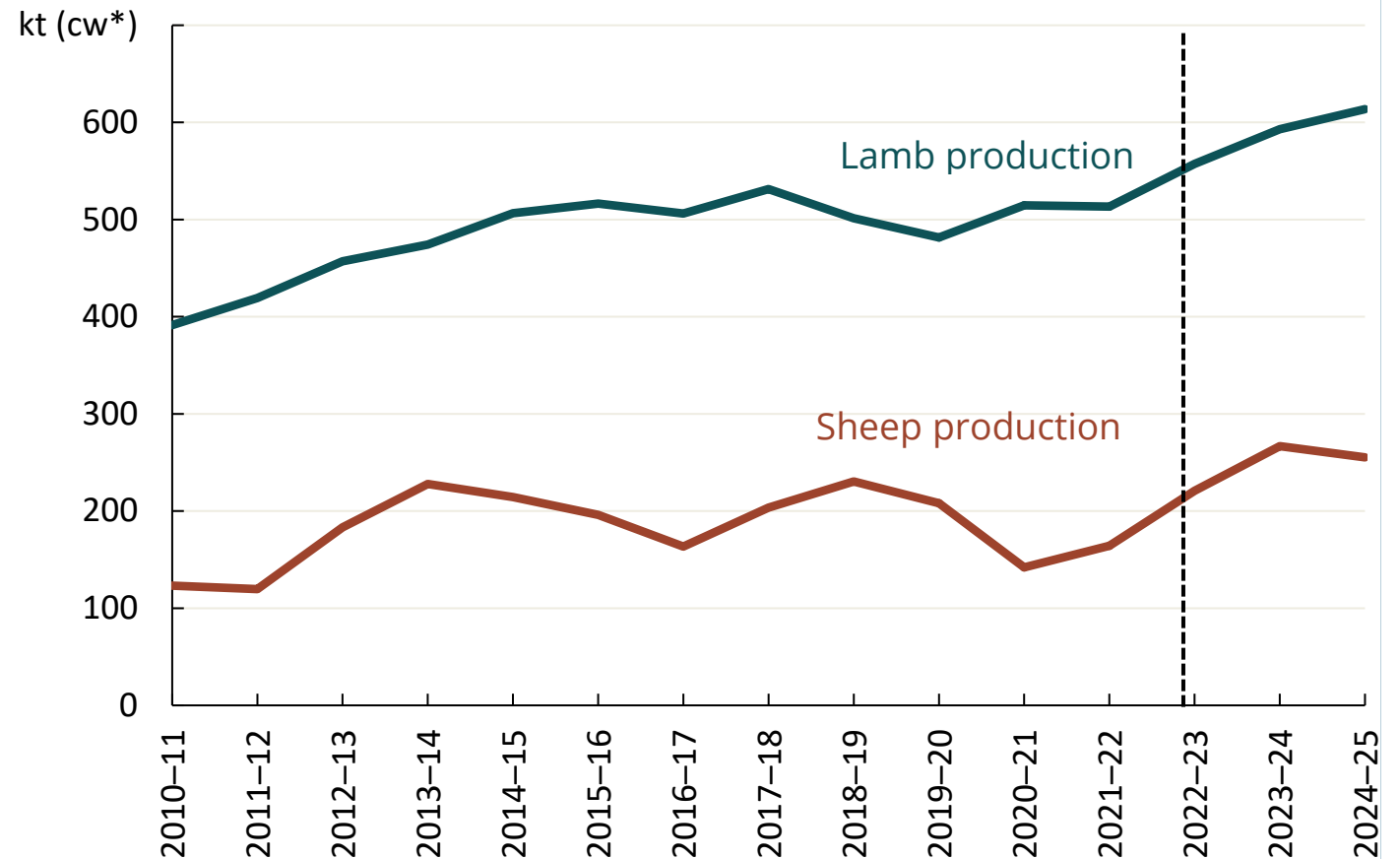
↑ **16%**  
to 640 Ac/kg<sup>i</sup>  
in 2024–25



<sup>i</sup> MLA national trade lamb indicator.

- Lamb and sheep saleyard prices forecast to rise to 640 c/kg (+16%) and 329 c/kg (+34%), respectively in 2024–25.
- Improved conditions expected to slow slaughter and domestic production in 2024–25.
- Demand across emerging economies in southeast Asia and China expected to increase.

## Production to rise as turnoff increases

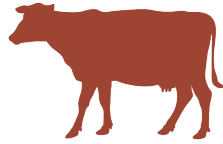


Note: Data to the right of dotted line indicate estimates and forecasts; \*carcase weight

Source: ABARES; ABS

# Farmgate milk price to fall but above the historical average

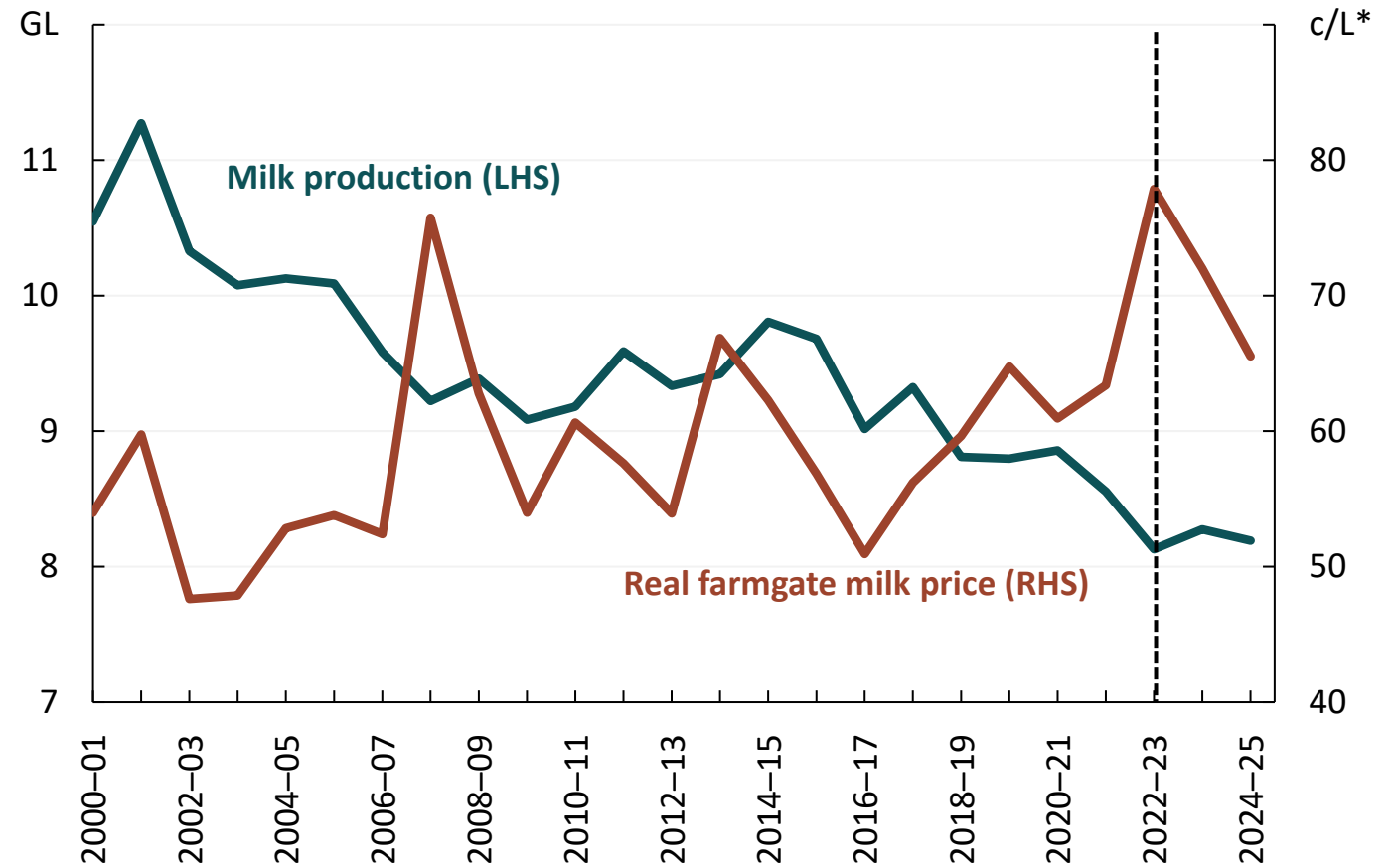
↓6%  
to 67.6 c/L<sup>k</sup>  
in 2024–25



<sup>k</sup> Australian average farmgate milk price.

- Milk production to fall in 2024–25 as falling cow numbers more than offset improved yields.
- Farmgate milk price to fall in 2024–25 due to relatively low prices for dairy exports.
- Global dairy prices to rise slightly as demand for dairy products from China improves and global milk production slows.

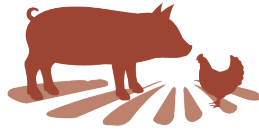
## Falling farmgate milk price and production volumes



Note: Data to the right of dotted line indicates estimates and forecasts; \*2023–24 Australian Dollars  
Source: ABARES; Dairy Australia

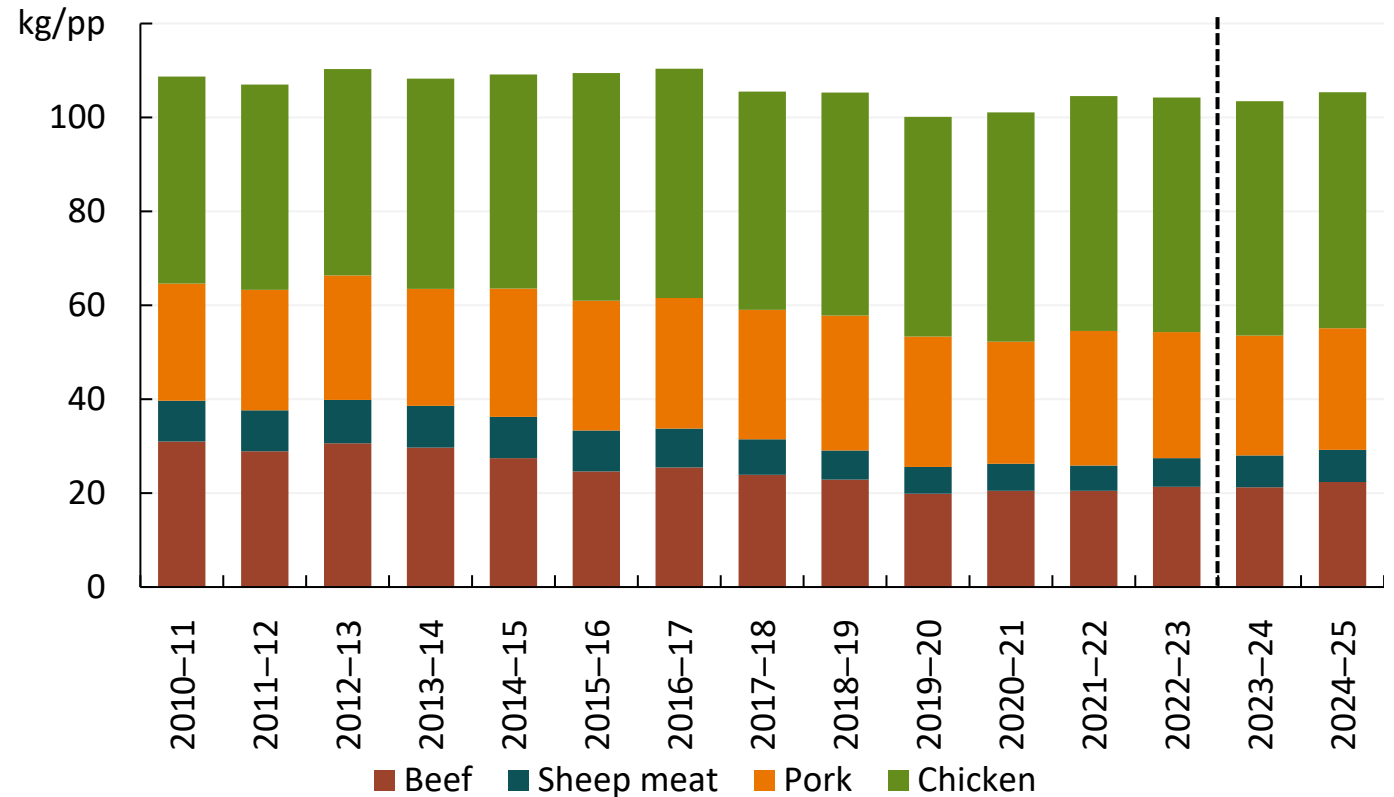
# Value of pork and poultry production to remain steady in 2024–25

**\$5.6b**  
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.

## Pork and poultry account for around 75% of per capita meat consumption in Australia



Note: Data to the right of dotted line indicate estimates and forecasts; Meat consumption calculated as the domestic disappearance of beef, sheep meat, poultry and pork in Australia.

Source: ABARES; ABS

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

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[agriculture.gov.au/abares](http://agriculture.gov.au/abares)

**For further information on the ABARES sustainability report, please see link below:**

<https://www.agriculture.gov.au/abares/products/insights/environmental-sustainability-and-agri-environmental-indicators>