Monthly Commodity Update

April 2026

Bendigo Bank Agribusiness

Monthly Commodity Update – April

Bendigo Bank Agribusiness

Headline Insights:

High input and freight costs are here to stay over the short term which may begin to drive up prices at the checkout, particularly for fruit and veg. Meanwhile recent rains have seen farmers look to get an early start sowing winter crops, with a favourable bank of soil moisture to get crops off to a strong start.

Cattle: ***pg. 7-8***

The rising costs of freight, dry weather outlook and higher supply at local markets all weighed down prices across March.

Cropping: ***pg. 9-10***

Local grain markets have firmed into early April as volatility created pricing opportunities, with northern wheat and barley leading the move while canola rebounded as offshore oilseed support flowed back into domestic values.

Dairy: ***pg. 11-12***

A stabilising milk pool, strong global supply, higher processing costs, as well as the potential for a deeper global downturn will ultimately lead to conservative opening prices for the 2026/27 season, landing around this season's estimate of $9.40/kg MS (southern indication).

Horticulture: ***pg. 13-14***

Planting decisions for vegetable producers are firmly in focus as cost pressures impact growers. At the checkout, freight costs are beginning to impact prices with Queensland and Tasmania key suppliers in April.

Sheep: ***pg. 15-16***

Lamb and mutton prices have continued higher in March, with the recent projections from MLA indicating tighter supply may be here to stay.

Wool: ***pg. 17-18***

Wool prices had a volatile month in March with prices correcting after successive increases. Despite freight cost concerns demand looks to hold steady.

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Next report: *Tuesday 9th May*

Carbon and Climate

Planning for change in a volatile world

Bendigo Bank Agribusiness

Key Watchpoints:

- Bendigo Bank Agribusiness' new *Planning for change – Climate report 2026* released on Tuesday 21st April discusses Australia's leading position in low emissions production. The report provides information on where the market and climate pressures and opportunities are. Make sure you're subscribed to receive this in your inbox on release!
- Australia and the European Union have finished negotiations on a new free trade agreement (A-EU FTA). This will come into effect over the next two years, focusing on renewable energy, climate, and the environment.
- A warmer and drier Autumn is expected across much of the country as Australia transitions from a La Niña phase to El Niño at the end of Winter.

Planning for change – Climate report 2026

While increasing fuel and fertiliser prices resulting from the Middle Eastern conflict have understandably drawn focus recently, there is still an underlying spotlight from government, export markets and consumers on sustainability. Bendigo Bank Agribusiness will be releasing the new *Planning for change – Climate report 2026,* providing insight into Australia's position in low emission and sustainable agriculture production and the role of climate variability and pressure from climate policies in Australian agriculture. The introduction of climate-related financial disclosure laws and international trade measures are placing the onus on all members of the value chain to have knowledge of their emissions and impacts. This report will include methods to measure emissions and prepare for a changing future.

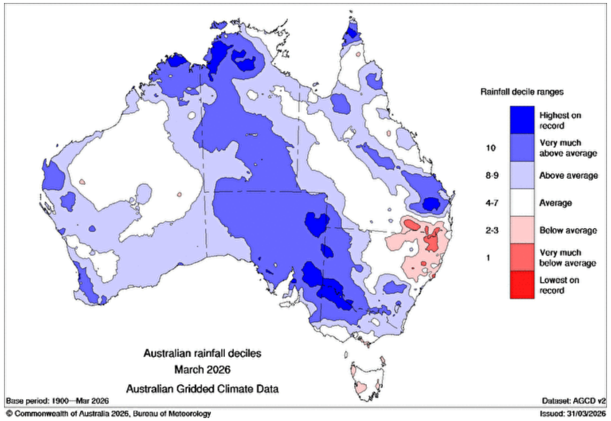
Australia-European Union Free Trade Agreement

Negotiations have concluded for a free trade agreement between Australia and the European Union, which will come into force within two years. It is the first agreement of its kind to include climate change obligations under the Paris Agreement. The A-EU FTA will support sustainable agriculture and food systems and will not require any additional regulatory changes. It will cooperate on improving sustainability, resilient food supply chains, and addressing environmental and climate impacts through collaboration on research and joint projects. Deforestation regulation requirements are not included, though will continue to be addressed outside the scope of the FTA.

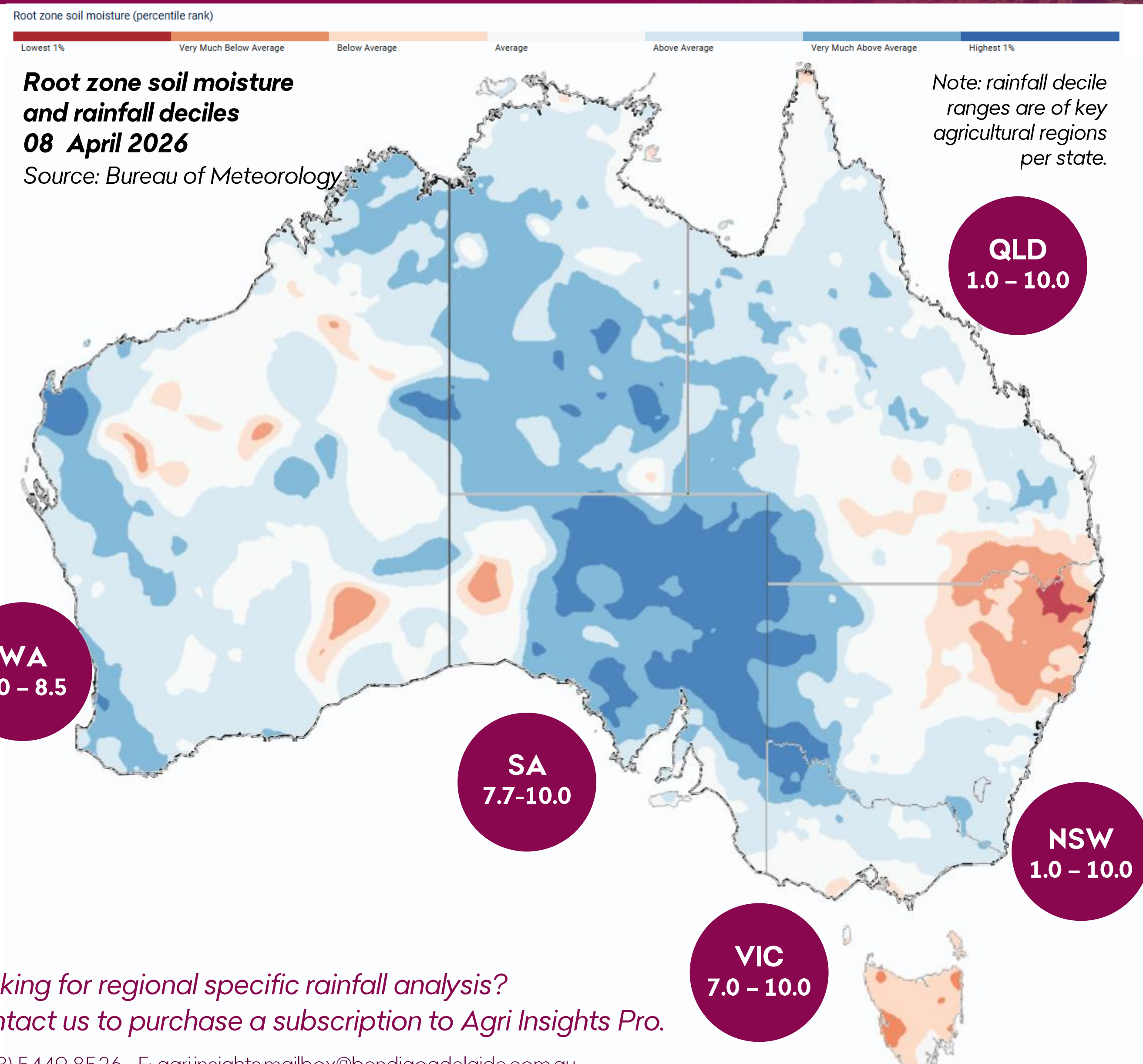
The word on weather

Widespread rainfall throughout March, including some large tropical systems, brought floods in the north and welcome rain to some drought-affected southern areas. This has resulted in above average soil moisture for much of the country, except in parts of NSW and Tasmania where the ground is drier than usual.

Looking to the next three months, the Bureau of Meteorology indicates below-average rainfall is likely for most of Australia, particularly across southern regions. Additionally, the current La Niña event is expected to transition to El Niño by the end of Winter, contributing to the outlook of a drier and warmer Autumn.



Climate and Carbon



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Water storages in the Murray Darling Basin

	March 2026	YoY %
Whole of Basin	47%	-8%
Southern basin	43%	-10%
Northern basin	59%	2%

Catchment	Location	March 2026	YoY %
Macquarie	Lake Windamere	85%	-5%
	Lake Burrendong	31%	-22%
Namoi	Split Rock Reservoir	95%	26%
	Lake Keepit	60%	14%
	Chaffey Dam	95%	-2%
Gwydir	Lake Copeton	62%	11%
McIntyre	Pindari Lake	44%	8%
Upper Murray	Lake Hume	27%	0%
	Lake Dartmouth	65%	-18%
Goulburn	Lake Eildon	43%	-24%
Murrumbidgee	Lake Burrinjuck	37%	-9%
	Blowering Reservoir	20%	-12%
Lower Murray	Lake Victoria	59%	26%
Lower Darling	Menindee Lakes	37%	2%
Lachlan	Lake Wyangala	66%	-16%
	Carcoar Lake	89%	-5%
	Lake Cargelligo	68%	-29%

As at 25 March 2026

Source: MDBA, BOM

Production costs

Fuel and fertiliser prices skyrocket

Bendigo Bank Agribusiness

Key Watchpoints:

Fuel and fertiliser prices have lifted sharply in response to the ongoing conflict in the Middle East and the closure of the Strait of Hormuz. Diesel prices have consistently exceeded $3/l, while urea prices have also lifted sharply. Supply of both key inputs remains a major focus of the industry as winter crop planting ramps up.

Temporary water prices have eased slightly following widespread rainfall across the southeastern growing regions.

The Australian Dollar briefly lost ground throughout March but has since rebounded back above 70 US cents.

IMPORT VOLUMES *vs 5yr Feb average*

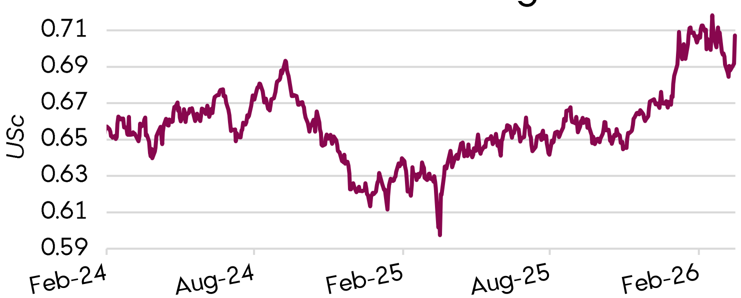
Chemicals	***Fertiliser***
Pesticides: *-8%*	**Urea:** *+18%*
Herbicides: *-34%*	***MAP*:** *+8%*

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

Eastern Aus (north)	Eastern Aus (south)	South Australia	Western Australia	Tasmania
$325/t *+0% MOM, -4% YOY*	$305/t *+0% MOM, +0% YOY*	$290/t *-2% MOM, -26% YOY*	$245/t *-3% MOM, +2% YOY*	$230/t *+0% MOM, -8% YOY*

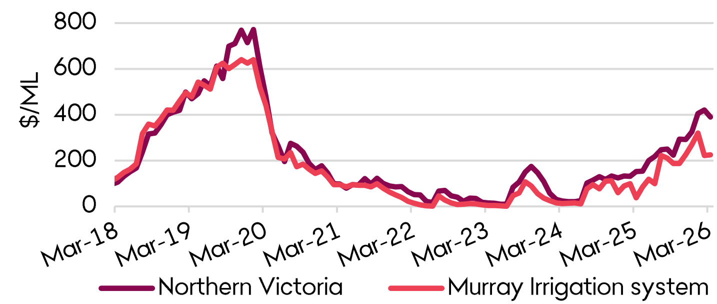
Source: AFIA

AUD/USD exchange rate



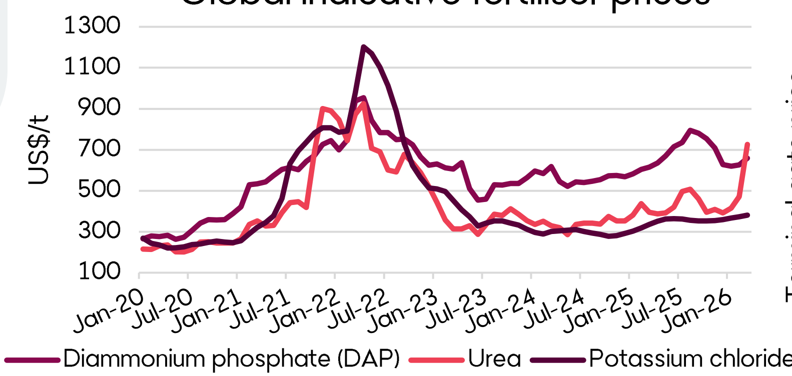
Source: RBA

Temporary water prices



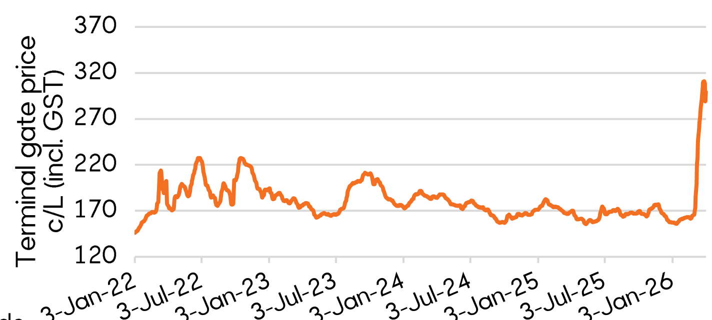
Source: Victorian water register, Murray Irrigation system

Global indicative fertiliser prices



Source: World Bank

National average diesel price



Source: AIP

Domestic market

Consumer confidence tanks throughout March

Bendigo Bank Agribusiness

Key Watchpoints:

The Reserve Bank of Australia (RBA) lifted the cash rate in March to 4.10 per cent, marking the second rate rise for the year. The RBA lifted rates in response to stubbornly high inflation, which is expected to be exacerbated by the conflict in the Middle East and the resulting lift in fuel prices. Consumer confidence has tanked in response which will see many looking to tighten their purse strings in coming months. Beef and lamb CPIs both lifted in the February data as higher saleyard prices were passed along the supply chain, while the uplift in pork and poultry prices was comparatively lower.

This month's *bang for buck:*

Apple season is almost here! Tasmanian orchards are starting to send fresh apples to market. Potatoes and leafy vegetables are also well priced, though higher freight costs are expected to begin showing up at the checkout throughout April which may impact pricing.

Total CPI
YOY Feb 2026
+3.7%

Cash rate
at 18 March 2026
4.10%

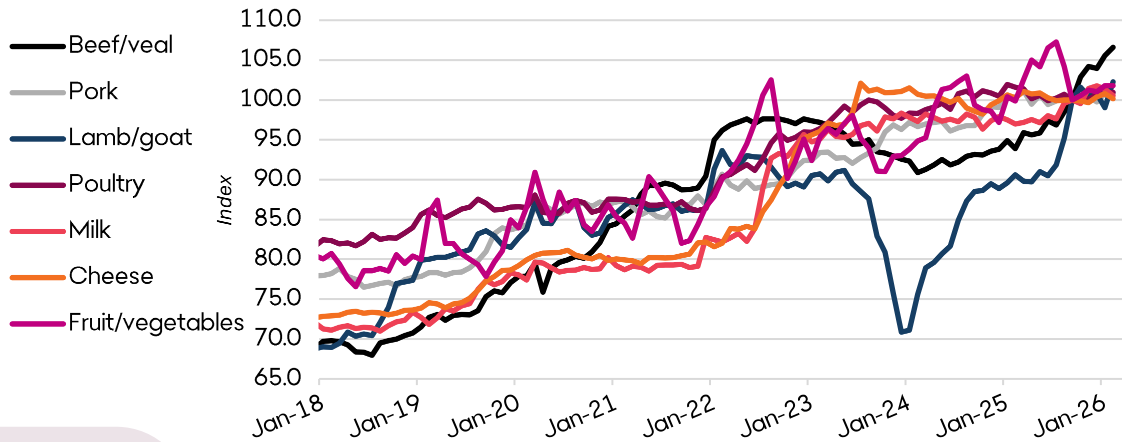
Source: ABS, RBA

HOUSEHOLD SPENDING
Feb 2026 vs LM (seasonally adjusted)
Source: ABS

Food (retail)
+1.0%

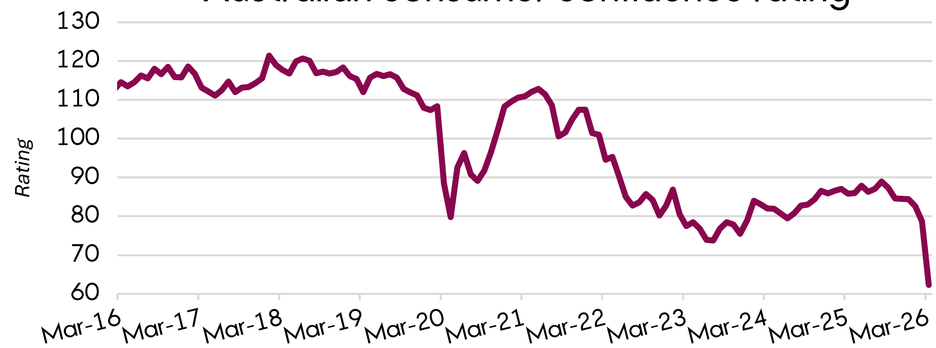
Hotel/café/restaurant
+0.4%

Consumer price indices for key food groups



Source: ABS

Australian consumer confidence rating



Source: ANZ/Roy Morgan

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

Cattle

Fuel costs, dry weather and weaker export forecast lowers prices

Tom Herbert
Agricultural Analyst

Key Watchpoints:

- Transport costs increased across the board in March and are expected to continue rising making them a key bargaining tool in cattle sales.
- A decrease in export demand once the tariff from China is implemented will push prices lower as exporters look to consolidate in a period of higher costs for the industry.

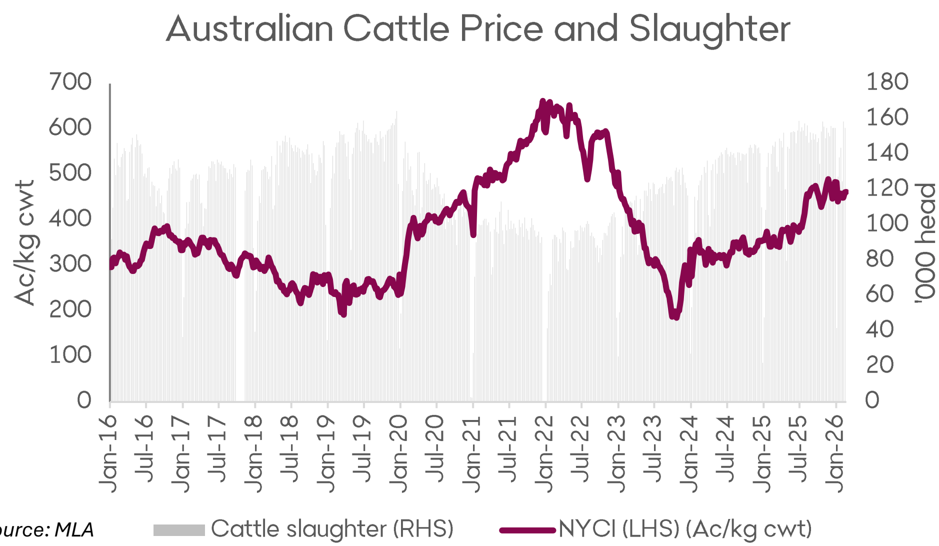
Australia's cattle prices will continue to be impacted by the increased cost of transport in the near term, along with China's import tariff quota which is expected to be triggered by the end of May. The rising cost of fuel is proving to be a significant constraint for producers and exporters as the price of fuel needed to move stock is impacting profitability. On top of this, Australia is approaching China's safeguard quote of 205,000 tonnes which will trigger a 55 per cent tariff. This will soften exporter demand and in turn lower the volume of stock purchased by processing centres. The decline in demand will leave cattle prices lower in the short to medium term due to less competition for stock at saleyards.

The immediate issue facing cattle markets is the rising cost of fuel. As a result of the conflict in the Middle East, the cost of fuel has increased significantly, and has impacted the profitability of many sales. This has been reported across all segments of the supply chain with producers looking to negotiate with processing centres on lower prices which include transport of their stock. This will become more prevalent as the market adapts to the higher cost of fuel. Whilst this trend has limited sample period of one month, the concept of transport becoming a bargaining tool presents an interesting shift for the industry. Should this become more concrete in April, the prices that are presented at saleyards may not completely reflect the state of trade.

Whilst the industry is adapting to the higher costs of fuel, the immediate pressure to finalise these transactions is on exporters. From the broader view, cattle prices locally and internationally present historically strong value, hence the urgency to purchase beef and capitalise. While Australian exporters do have some support from the high demand from the United States, where exports are at record levels and growing, the focus is on China. Australia will trigger the safeguard tariff before the end of June, sitting at 50 per cent of the allocation as at the end of March. Exporters are purchasing high volumes of beef to sell to China before the safeguard mechanism is implemented. In addition to this, the tariff from South Korea is expected to be triggered shortly after, leaving two of the largest four markets with significant tariffs for the second half of 2026. Once these tariffs are implemented exporters will become less inclined to purchase cattle at these historically high values and saleyards will see demand wane. In addition to this, the Bureau of Meteorology current three-month outlook suggests a dry winter is likely, should this eventuate, restocker demand will soften and apply further downwards pressure on prices.

The rising cost of fuel, transport and potentially dry winter along with a decline in export demand once the tariffs are triggered has weakened market confidence, but the ongoing strength in US exports is expected to limit significant declines as we move into Winter.

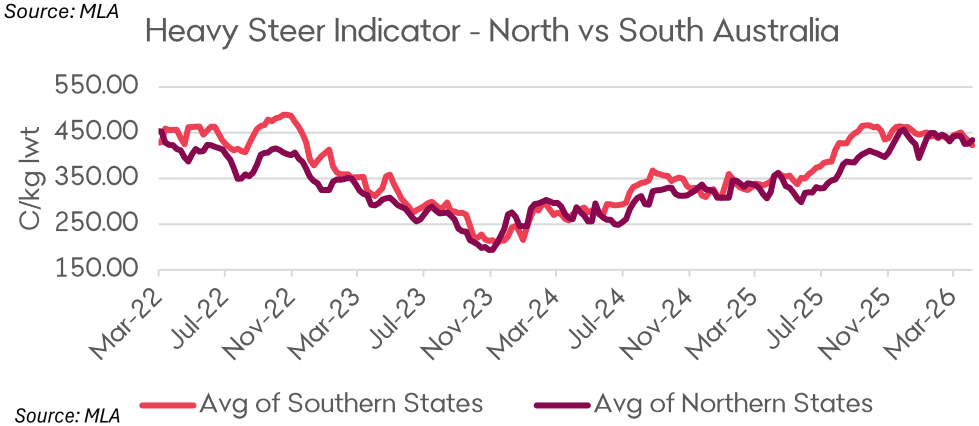
Industry Scan – Cattle



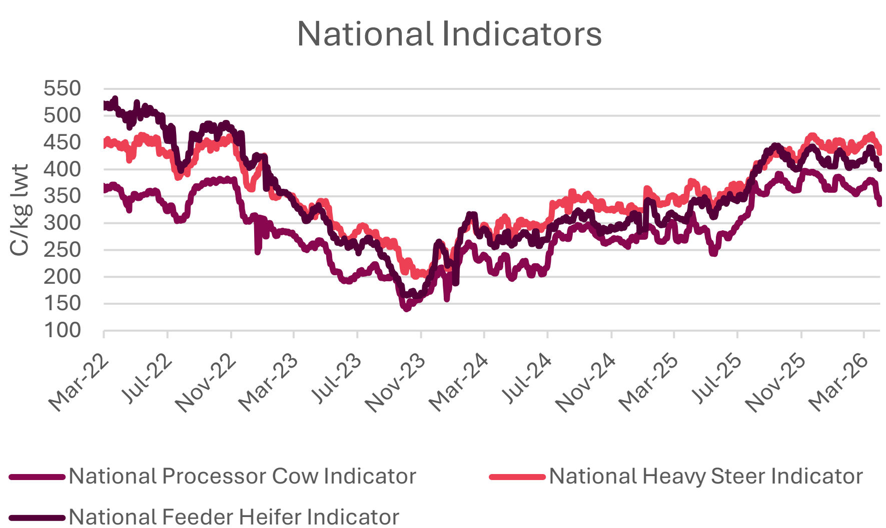
Source: MLA

National Indicators	Current Price	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
National Young Cattle Indicator	435	-9.5%	15.5%	435	7.12
Eastern Young Cattle Indicator	801	-9.1%	13.5%	767	7.93
US 90CL	1,159	0.4%	7.9%	915	9.94

Source: MLA



Source: MLA



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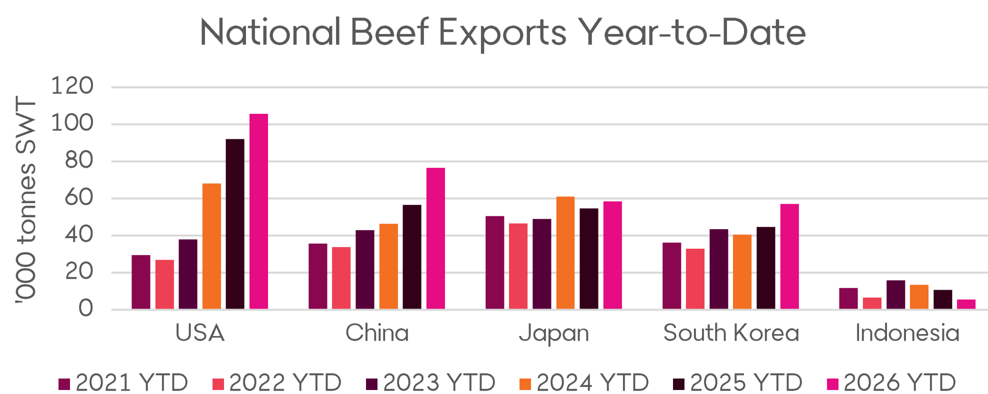


Source: DAFF

Cropping

Volatility opens the door to local price discovery

Bendigo Bank Agribusiness

Rod Baker
Agricultural Analyst

Key Watchpoints:

- Brisbane and Newcastle zones are leading the domestic grain story, as dry conditions tighten nearby supply and push northern prices back above southern markets.
- Volatility is creating short-lived pricing windows, rewarding growers who have grain offered, target prices set and the flexibility to move quickly.
- Canola remains supported by energy-driven oilseed volatility, but surging urea costs are emerging as a key constraint on new-crop planting enthusiasm.

Northern wheat leads domestic price discovery

Wheat moved through much of March with a softer domestic tone than global futures suggested, as Australian cash values responded only gradually to the offshore rally. A firmer Australian dollar, compressed basis and weak export competitiveness all limited how much of the global move flowed through to local APW markets. However, as March progressed into early April, underlying traded values increasingly pointed to firmer nearby demand than published bids implied, with buyers repeatedly paying above passive boards to secure prompt grain. Strength initially emerged in higher-protein grades, before broadening across more grades and port zones. The clearest example has been in Brisbane and Newcastle, where dry conditions and reluctant grower selling tightened nearby supply and helped reverse an unusual period in which northern wheat had traded at a discount to Geelong. The result has been a shift from subdued headline pricing to more active domestic price discovery, with northern markets now leading the local wheat story.

Feed barley reprices as nearby supply tightens

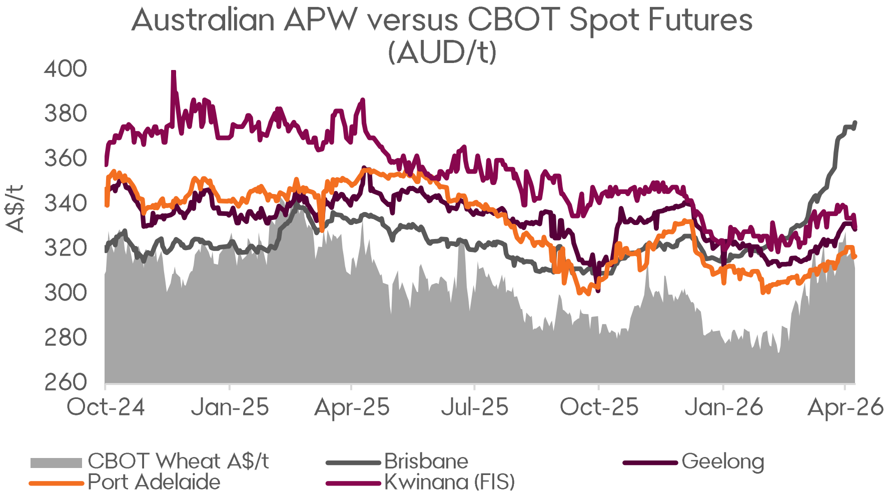
Feed barley strengthened through March and early April as tightening supply and a record export program pushed the market into a more active phase of price discovery. While the headline index showed only a moderate month-on-month lift, underlying traded values pointed to a firmer market, with buyers repeatedly paying above published bids to secure nearby grain.

Western Australia provided the clearest structural signal, with the malt/feed spread collapsing to parity in Kwinana by mid-March and season highs reached again in early April, highlighting how tightly priced the barley balance sheet had become. At the same time, northern markets such as Brisbane and Newcastle posted the highest outright values, reflecting dry conditions, reluctant grower selling and stronger nearby domestic demand. The result has been a barley market that is no longer just firm, but increasingly segmented and rationed, particularly where prompt physical supply is hardest to source

Canola recovers as buyers chase remaining tonnes

Canola recovered through March and early April, although much of the underlying strength was not always visible in published cash bids. Old-crop availability was already tight, particularly in non-GM, and observed transactions suggested buyers were still required to step up for remaining tonnage in what had become a thinly traded market. At the same time, the broader oilseed complex was being driven less by traditional supply fundamentals and more by energy markets, with crude oil volatility and biofuel demand helping support international values. That combination created a firmer floor under local canola prices and opened selective selling opportunities when volatility lifted bids. Looking ahead, the new-crop outlook is more mixed: good autumn conditions have improved planting sentiment in southern regions, but surging urea prices are a growing headwind for a crop with high upfront nitrogen costs.

Industry Scan – Cropping

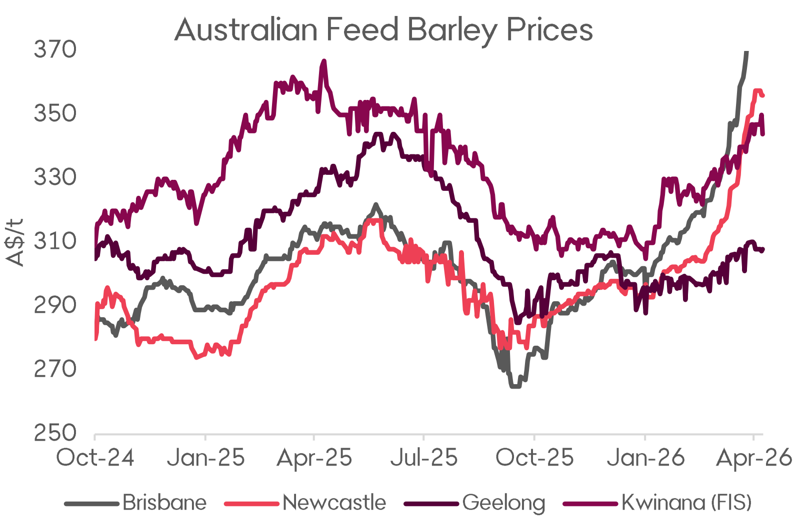


Source: BEN Agri Insights Pro & CME Group (CBOT)

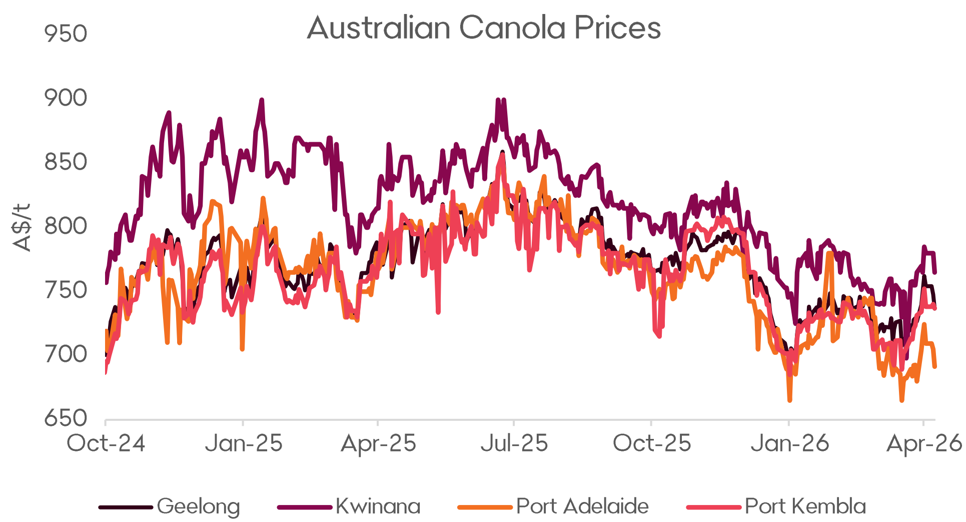
Grain and Oilseed Price Snapshot

Commodity	Price(A$/t)	10-Yr Decile	MoM	YoY
Australian APW Wheat (index)	**$335**	4.3	▲$12	▼$29
CBOT Wheat (spot)	$316	6.5	▲$17	▼$13
Australian Feed Barley (index)	**$324**	7.6	▲$13	▼$18
CBOT Corn (spot)	$258	5.8	▲$11	▼$47
Australian Canola (index)	**$747**	7.3	▲$13	▼$42
MATIF Rapeseed (spot)	$844	7.5	▲$29	▼$97
ICE Canola (spot)	$755	6.8	▲$34	▲$8

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



Source: BEN Agri Insights Pro



Source: BEN Agri Insights Pro

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Dairy

Calling conservative opening season milk prices

Eliza Redfern
Senior Manager
Industry Insights

Key Watchpoints:

- Australian milk production will likely stabilise in the 2026/27 season, with potential downside attributed to volatile input costs.
- Strong global milk flows and the potential for a deeper global downturn are weighing on the overall export market while higher manufacturing and distribution costs further squeeze farmer and processor margins.
- New season farmgate milk prices will likely open conservatively, ultimately landing in a similar position to today's estimates, around $9.40/kg MS (southern indication).

There are many questions around how long the Middle Eastern conflict and flow on effects will last, at a crucial point in the dairy calendar.

While producers try to get the most out of autumn, processors are shaping new season budgets and more crucially, what milk prices to offer. At this point the industry is staring down the barrel of a volatile and uncertainty market, and a likely stable milk pool that might limit milk price upside.

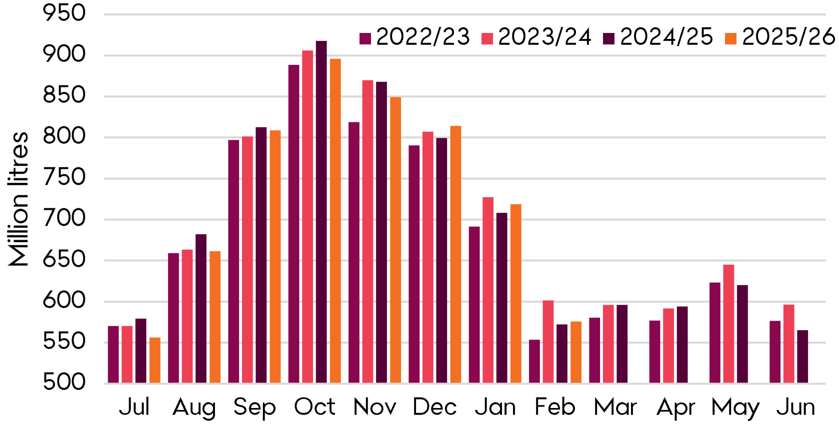
Australian milk production is on track to end this current season 1 to 2 per cent below 2024/25, with season to date volumes -1 per cent in February after dry conditions in several regions. Improved milk prices, rainfall in some areas that needed it and large volumes of homegrown feed produced helped sustain many operations through a dry summer. Assuming a lack of adverse weather conditions, Australian milk production will likely stabilise in the 2026/27 season, with potential downside attributed to volatile input costs. As end users, dairy farmers will not only have to pay higher costs for fuel and fertiliser, but for grain and fodder as well which will tighten profit margins in the new season.

Rising fuel, freight and energy costs, in addition to export disruptions, shortages of packing inputs, a volatile exchange rate and even a potential global downturn are all constraints past the farmgate, many of which will weigh on processing margins too. At the same time, global milk supply remains strong, and despite national production tracking below last season, several large companies have reported processing more milk than they had initially budgeted for. In anticipation of an export market drop, many processors have reported forward selling as much as possible, supported by importers purchasing larger volumes for near-term coverage in attempt to mitigate exposure to mounting supply chain challenges. However, as we've been warning, this buying activity is now slowing, resulting in all prices dropping on GlobalDairyTrade event 401 – the first overall decrease on the platform in 2026.

In the days leading up to June 1st, processors will likely open conservatively on the back of their own higher costs and weakened underlying fundamentals. To supplement the drop, they may offer additional benefits to support farmers in the high-cost environment, but with competition to secure milk likely dulled compared to previous years, full 2026/27 season pricing may ultimately land in a similar position to today's estimates, around $9.40/kg MS (southern indication). A price that will be above longer-term averages, but unlikely to greatly alleviate cost pressures on the ground.

Industry Scan – Dairy

Australian milk production

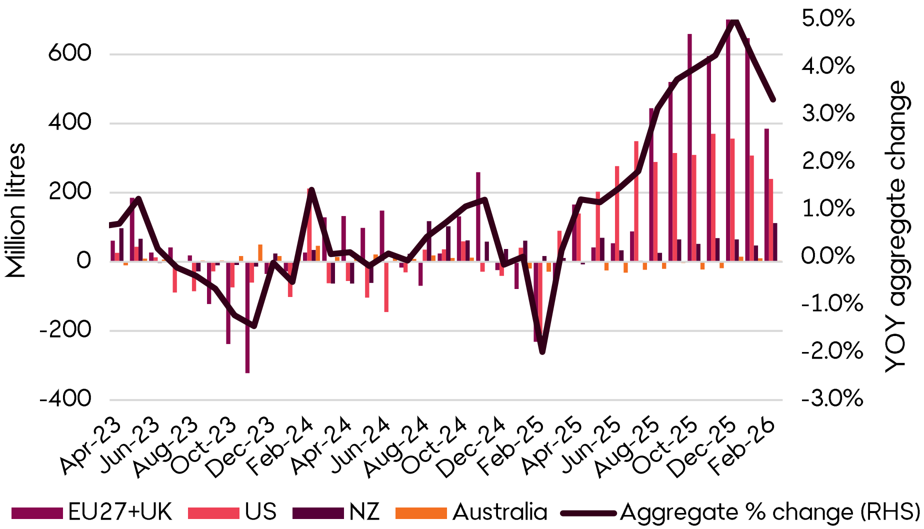


Source: Dairy Australia

Australian milk production	
	Season to Feb 2026
National	*-1.0%*
Queensland	*+3.0%*
New South Wales	*+2.4%*
South Australia	*-6.5%*
Western Australia	*-2.8%*
Tasmania	*+1.6%*
Victoria	*-1.7%*
Northern	*-2.2%*
Western	*-1.9%*
Eastern	*-1.2%*

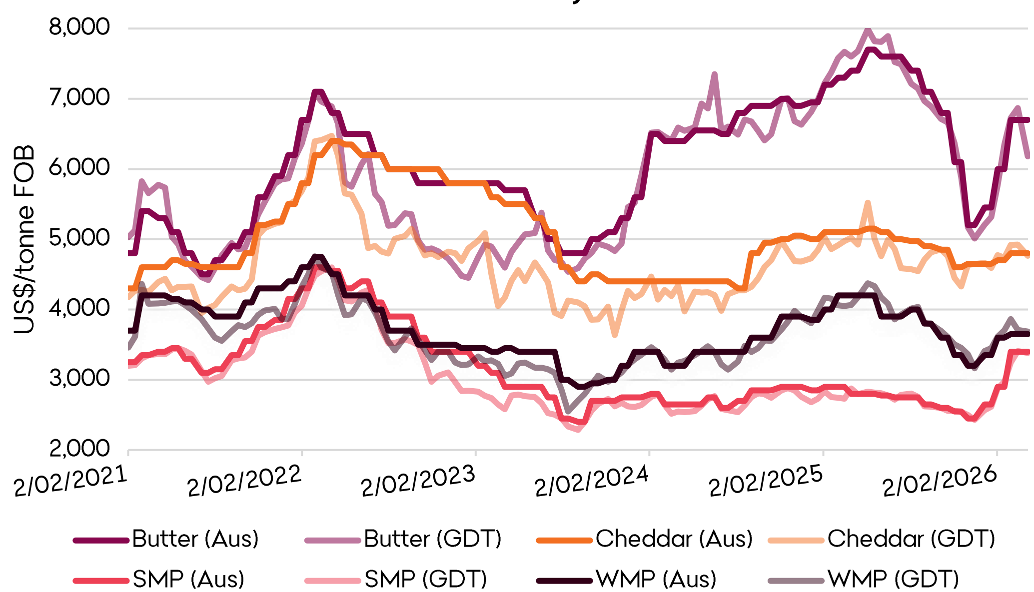
Source: Dairy Australia

Milk production in key exporting regions



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

Australian vs GlobalDairyTrade (GDT) indicators



Source: Dairy Australia, GDT

Horticulture

Cost pressures bring operational decisions into focus

Sean Hickey
Senior Agricultural Analyst

Key Watchpoints:

- Planting decisions for vegetable producers are firmly in focus as cost pressures weigh on viability for regional enterprises.
- Freight costs are beginning to push fruit and vegetable pricing higher with Queensland and Tasmania key suppliers of throughout April
- Horticultural export value across the first two months of 2026 has been mixed. Record exports across avocado and stone fruit sectors were been offset by a dip in the value of table grape exports.

Cost pressures to drive tough decisions for horticultural producers in coming months

The conflict in the Middle East is continuing to have wide reaching impacts on horticultural producers across the country. Cost pressures remain front of mind as fertiliser and freight costs surge, while broader uncertainty surrounding diesel availability in remote regions persists. With fruit and vegetable growers already operating within an increasingly thin margin environment, significantly higher costs are now seriously limiting the short-term viability of many enterprises. The ability for growers to receive higher returns to cover these costs are unfortunately not guaranteed in the near-term. Structurally, wholesale markets are more directly driven by the immediacy of supply and demand which provides limited avenues for growers to receive higher pricing other than some coverage of freight costs. In the retail space, supermarkets have been urged by the National Farmers Federation to accept cost-reflective price adjustments to provide confidence to growers and ensure ongoing investment in full production programs. While we anticipate most fruit and nut producers' will look to harvest their crops in the short term, the impact on the vegetable sector is much more immediate. AUSVEG have released recent survey results with 19 per cent of respondents choosing to leave vegetables unharvested in regional areas due to surging fuel and freight costs. The survey also found a quarter of all respondents will reduce upcoming plantings by an average of 30 per cent which will impact vegetable supply across a longer time horizon. The likelihood of reduced fertiliser/herbicide application and harvesting or sowing outside of preferred windows points to higher costs at the checkout across most sectors in coming months. From a shorter-term perspective, fuel and freight costs are starting to creep through into pricing, and with more produce now relying on northern growing regions, that pressure is likely to become more obvious through April.

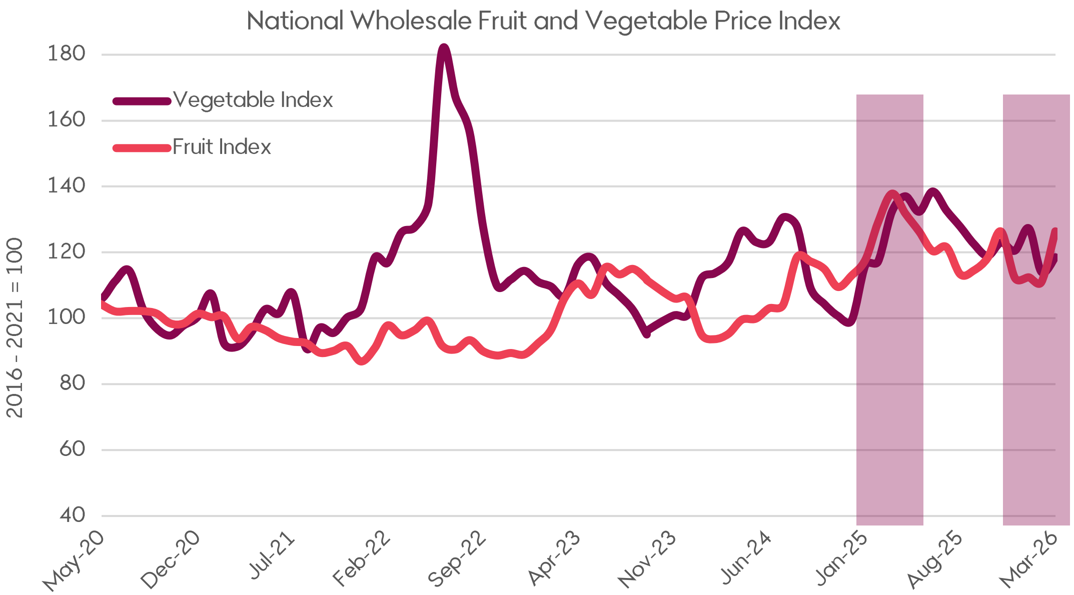
Lagging table grape exports offset record shipments of stone fruit and avocados

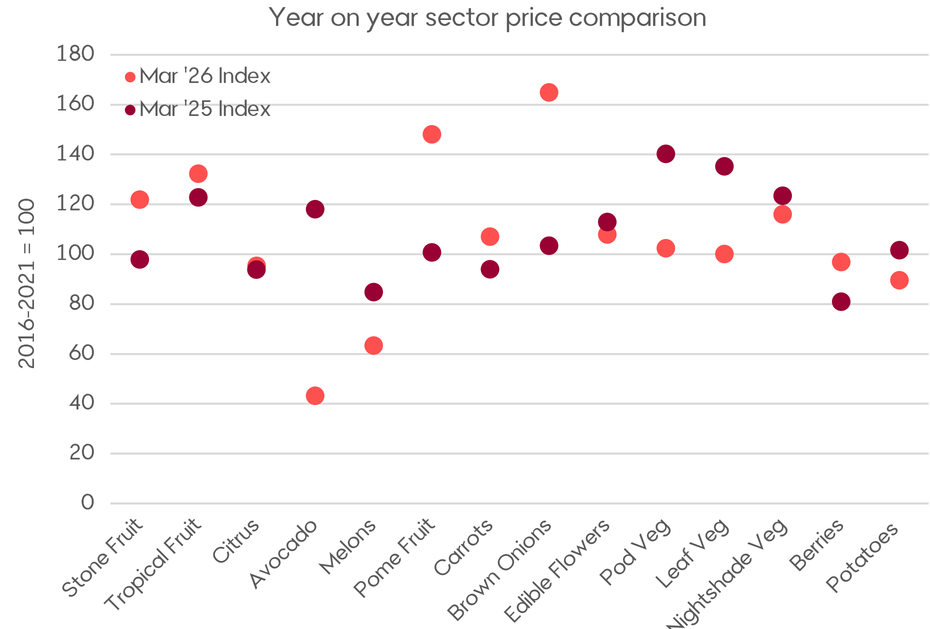
Horticultural export value across the first two months of 2026 have been mixed, though positives remain. Record export value was observed across both avocado and stone fruit sectors, although this was more than offset by lacklustre table grape and dried fruit exports. China have reduced year-to-date imports of Australian table grape by 42 per cent. Significant growth in avocado exports has been driven by a record year of Western Australian production which has enabled the industry to take advantage of recent efforts to expand market access. Avocado export markets remain relatively immature and are yet to catch up to the staggering domestic production growth seen over the last decade, which has resulted in avocado pricing sitting well below early 2025. Stonefruit exports have passed $125 million over the first two months of the year, led by the cherry sector which has already passed a record $82 million of export value following a fantastic season across Tasmania.

Industry Scan – Horticulture

State Fruit and Vegetable Price Index Comparison

		QLD	NSW	VIC	TAS	SA	WA
Fruit Price Index	Year-on-year %	-9%	-4%	-15%	21%	-10%	-2%
	vs 10 year Ave	27%	19%	14%	24%	0%	22%
Veg Price Index	Year-on-year %	-27%	0%	8%	0%	-12%	-24%
	vs 10 year Ave	-18%	-11%	28%	24%	-1%	-9%





Source: Ben Agri & Aus Market Consultants

Sheep

Are higher prices here to stay?

Joe Boyle
Agricultural Analyst

Key Watchpoints:

- Lamb and mutton prices continue to lift, as ongoing tight supply maintains upwards pressure on prices.
- The latest flock and production estimates from MLA indicate that a prolonged period of lower supply is ahead, which should keep prices elevated.
- How will processors (and consumers) adjust to this potentially new normal for pricing?

Lamb and mutton prices have continued to strengthen over the past month, underpinned by tight supply and strong competition from processors and restockers. Supply has been constrained since the middle of 2025, with the latest forecasts indicating that lower sheep and lamb numbers may be here to stay in the coming years. Does this mean that the historically strong prices we've been seeing over the past nine months could be the new normal?

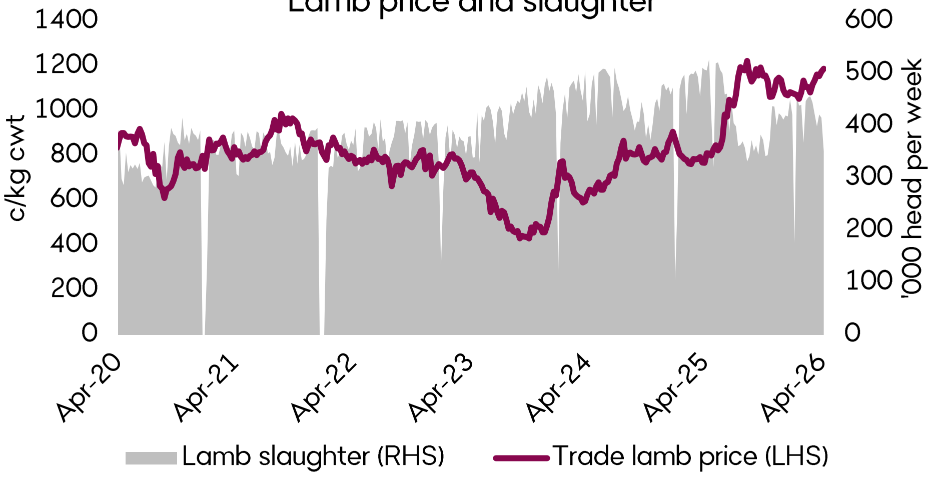
All the national lamb indicators continued higher over the past few weeks, with the restocker lamb indicator exceeding 1,200 c/kg for the first time. The National Mutton indicator also retained its recent strength, climbing above 800 c/kg and exceeding the record in October last year. The sharp decline in supply is evident within the March processing data, with combined lamb and mutton average weekly slaughter down -22.6 per cent compared to March 2025. This tighter supply trend is expected to continue over the next few months, which should keep both lamb and mutton markets elevated.

Seasonal conditions have been broadly favourable for sheep producing regions, which has sparked restocking activity across South Australia, Victoria and southern New South Wales. However, despite the recent improvement, the three-month outlooks paint a far less favourable picture, with most sheep regions expected to have drier conditions. Should this rainfall forecast eventuate, this would likely slow restocking efforts.

Meat and Livestock Australia (MLA) has released their updated industry projections, revising their flock estimates lower, in line with the Australian Bureau of Statistics. MLA now forecasts the national flock at 67 million head (as of June 30, 2026), down -9.5 per cent from the recent peak in 2023. MLA are also tipping the flock to decline further in 2027 and 2028, with processing rates forecast to be down significantly on the highs between 2023 and 2025. With all MLA's figures pointing towards tighter supply going forward, how high can prices go? This is likely to be determined by processor appetite, and how much of the price rise can be passed on down the supply chain. If processors are unable to pass these on, they may look to cut back on shifts and slow throughput – which could take some of the sting out of the market.

At this stage, it looks like high prices are here to stay, with all eyes on processors as to how they will adjust to a prolonged period of tight supply.

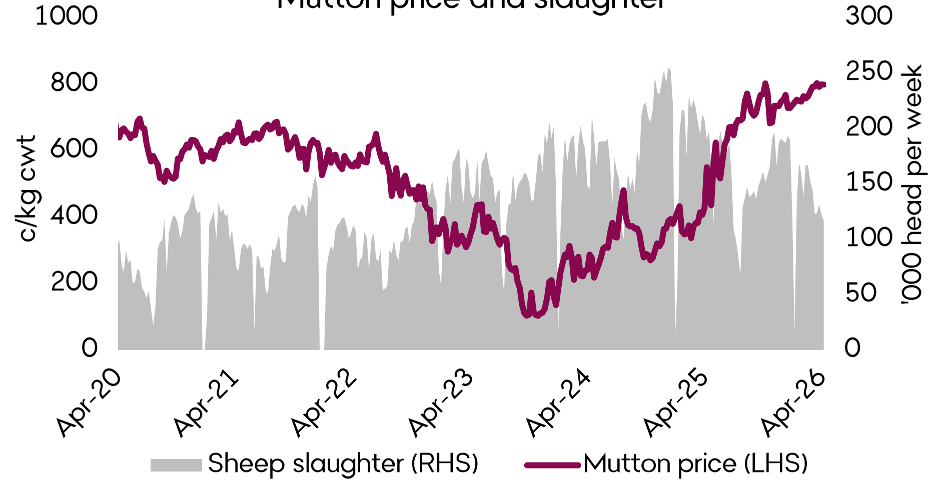
Industry Scan – Sheep



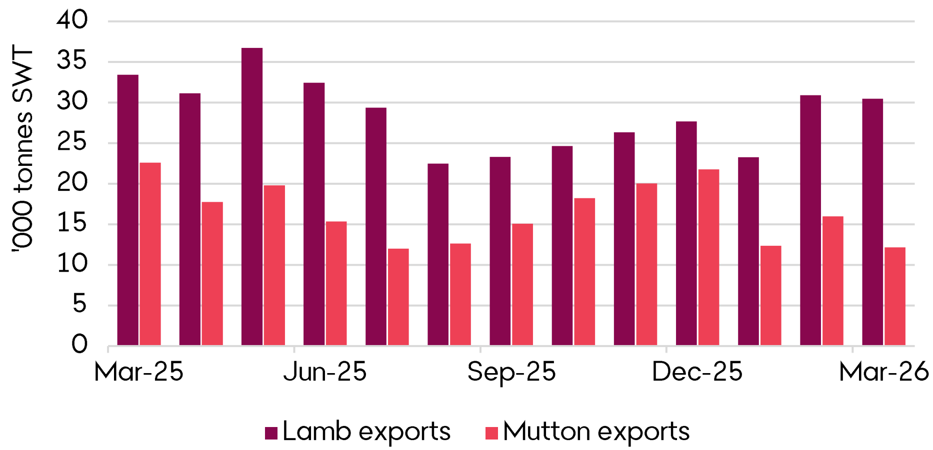
Source: MLA

National Indicators	8 April 2026	Month-on-Month	Year-on-Year	Five-Year Average	10 Year Decile
Restocker Lamb	1,204	50	445	728	10.0
Trade Lamb	1,200	62	393	809	10.0
Heavy Lamb	1,140	46	323	808	9.8
Mutton	814	21	284	478	10.0

Source: MLA



Source: MLA



Source: DAFF

Wool

Currency and conflict: challenging for wool markets or not?

Claire Adams
Agricultural Analyst

Key Watchpoints:

- Currency shifts between the Australian and US Dollar has been less influential than in previous seasons as steady demand supports prices.
- There was some price volatility across March, leading to some corrections as the wool market looks to set new trading ranges.
- Australia and China remain strong trading partners in wool, while the impact of the Middle Eastern conflict will be felt, it should be limited largely to freight and input costs.

Australian wool prices have had mixed results over the month of April with some weekly losses causing volatility in the overall trajectory of the market.
In recent years one of the main drivers of price movements were currency changes of the Australian Dollar (AUD) compared to the US Dollar (USD). However, the uplift in wool prices across the past six months has been predominantly demand driven, with currency playing a lesser role in early 2026. The lift in demand was accompanied by a lift in the AUD, resulting in the EMI in US cent terms having greater gains over the season. For the 2025/26 season to date the AWEX EMI when viewed in AUD terms is 43.0 per cent higher year on year, while in US cent terms it is 56.8 per cent higher.

As the conflict in the Middle East escalated through March and knocked the AUD back from its recent highs, currency looked to have greater influence on prices in the short term. Generally, a softer AUD encourages more buying from exporters, helping to lift prices, especially when coupled with tighter supply as we have seen recently. However, as the dollar eased back so did prices. This was largely just a market correction after so many successive rises in a short period, although some losses were softened by the AUD falling back.

For the remainder of 2026 there are forecasts for the AUD to hold some strength. The unknown element relates to the conflict in the Middle East and what influence that will have on the dollar longer term.

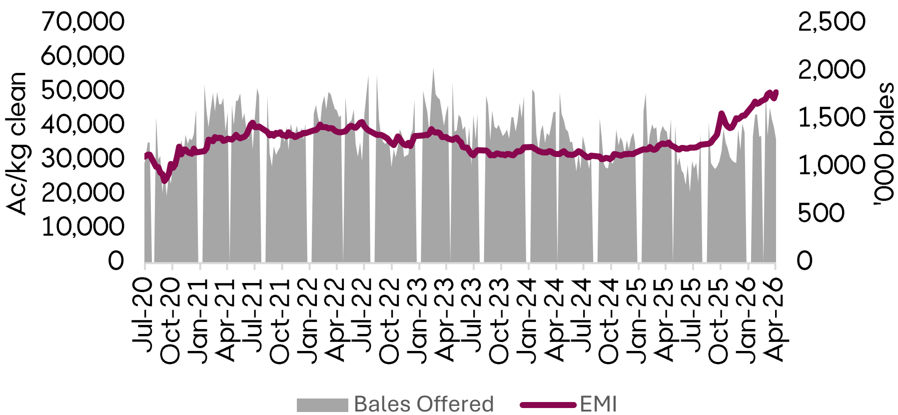
The conflict in the Middle East also looks to raise additional challenges to the market, by way of input cost rises. Fuel price increases are a concern for both producers and buyers, with freight costs for export a significant consideration with regards to immediate buying plans.

Australia's major wool export partner is China, with approximately 84 per cent of Australian wool destined for their market in 2025. When considering competition in wool for the Chinese market Australia is the largest supplier by some margin. In 2025 they imported US$1.91 billion dollars of wool, with US$1.39 billion (72.8 per cent) of that coming from Australia, and South Africa a distant second at US$176 million (9.21 per cent). While freight costs will increase with the rise in crude oil, there is no restriction to vessel movements between Australia and Asia. Processed wool from China is moved on to many places, including Japan and South Korea, however, internal consumption makes up a large portion, reducing the impact of freight costs.

The flow on effects of the conflict to these countries should be limited to freight and fuel costs in the general sense. There may be an increase to cost of living which would diminish consumer demand, but outside of these factors there should be continued strong demand for Australian wool throughout the remainder of 2026.

Industry Scan - Wool

National wool market Indicators

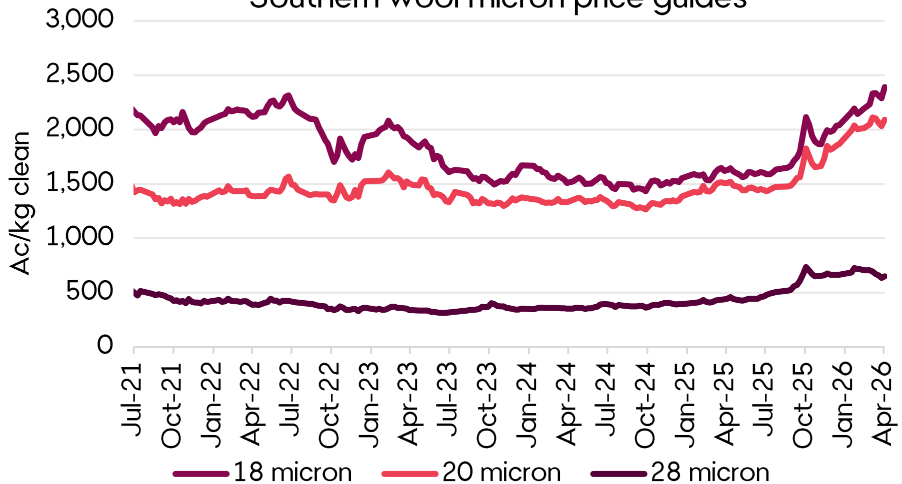


Prices (c/kg)	Current Price	Month-on-Month	Year-on-Year	Five-Year Average
AWEX EMI	1,786	19	537	1,293
18-micron	2,392	59	765	1,823
20-micron	2,091	-21	582	1,454
28-micron	650	-45	205	430
MC	1,052	23	307	807

**Southern selling centre*

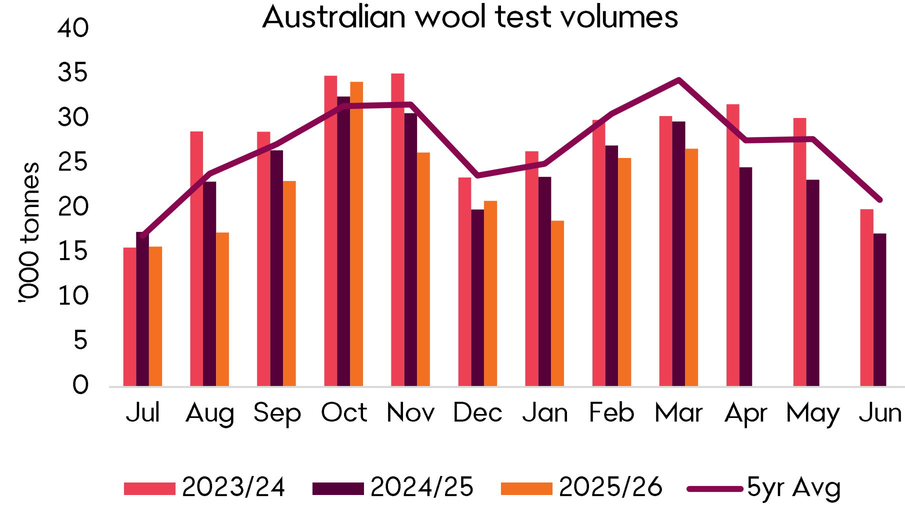
Source: AWEX

Southern wool micron price guides



Source: AWEX

Australian wool test volumes



Source: AWTA

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