United States Department of Agriculture

Foreign Agricultural Service
Global Market Analysis
International Production Assessment Division
Web: https://ipad.fas.usda.gov

October 3, 2022

Commodity Intelligence Report

AUSTRALIA WHEAT PRODUCTION SECOND HIGHEST ON RECORD

Australia's wheat production is essential to world supplies, which have declined from last year. Australia is the largest wheat producer in the Southern Hemisphere. USDA forecasts Australia marketing year (MY) 2022/23 wheat production at 33.0 million metric tons (mmt), unchanged from last month, but down 3.3 mmt or 9 percent from last year's record (Figure 1). If realized, this will be the second-highest national wheat harvest on record, second only to the 36.4 mmt crop produced last year (2021/22). The forecast production of 33.0 mmt is 36 percent above the 5-year average of 24.3 million metric tons.

Harvested area is estimated at 13.2 million hectares (mha), unchanged from last month, and nominally above last year. Yield is forecast at 2.52 tons per hectare (t/ha), unchanged from last month, but down 10 percent from last year.

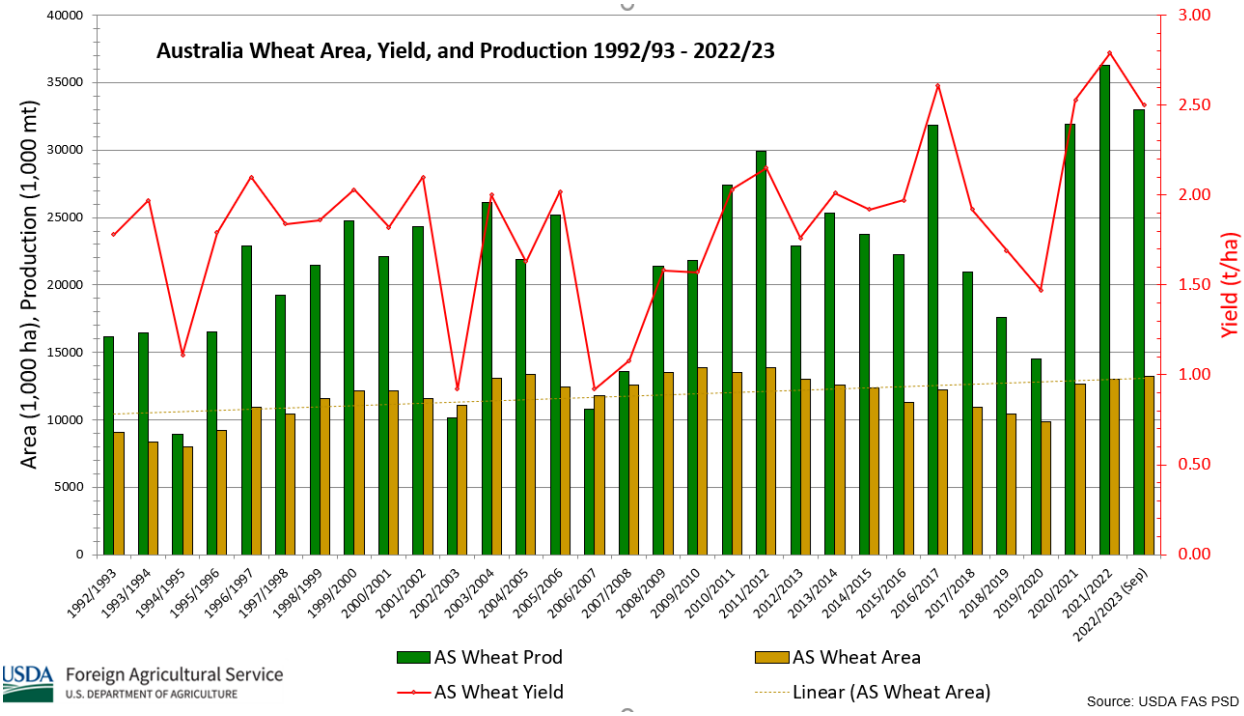

Figure 1. Chart of Australia Wheat Area, Yield, and Production 1992/93 - 2022/23. Source: USDA PSD Online

The start of the Australia winter crop season was very favorable in most wheat growing regions with February to April cumulative precipitation above average in eastern states and Western Australia, providing ample soil moisture profiles for planting and establishment. Conditions in South Australia were drier than normal and limited early planting. Overall cooler temperatures and adequate rainfall in May permitted most producers to reach their robust planting intentions. Wheat competes for area with other winter crops.The total area for major winter crops of wheat, barley, rapeseed, and oats is 21.7mha and is within 1 percent of the record set in 2020/21 (Figure 2).

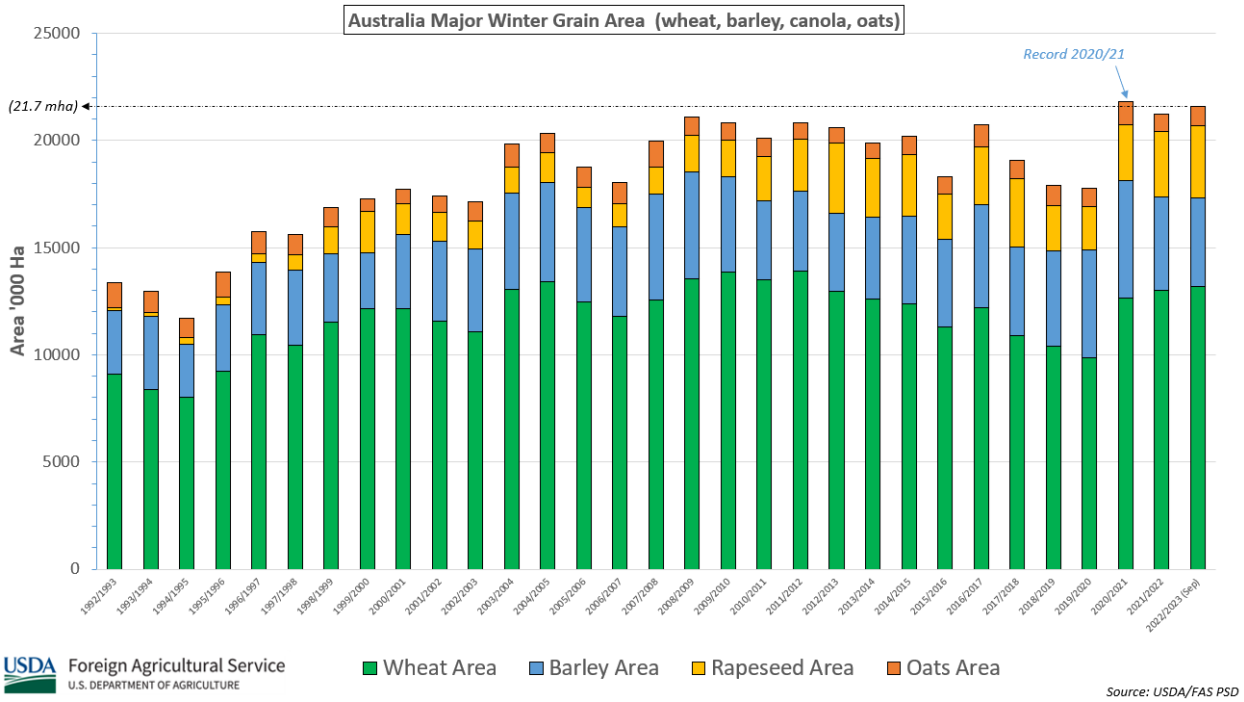

Figure 2. Australia Major Winter Grain Area (wheat, barley, canola, oats). Source: USDA PSD Online

Nationally, July was drier than normal, but temperatures were cool, resulting in low crop moisture requirements during mid-winter and as a result there was limited impact. In mid-August, wheat entered the early flowering (reproduction) crop stage. Peak flowering is typically early to mid-September. At present, root zone soil moisture is average to above-average for the major growing regions.

In localized parts of Queensland and New South Wales, recent heavy rainfall resulted in waterlogging. If the wet pattern were to continue it has the potential to interrupt harvest and negatively impact grain quality in some regions. This could result in a below-average proportion of milling grade wheat. However, overall, Australia wheat has excellent yield potential heading into the Australian spring following the strong start to the winter cropping season

The recent satellite-derived Normalized Difference Vegetation Index (NDVI) depicts above-average crop vigor (Figure 3), especially in the wheat belt of Western Australia, Victoria, and southern New South Wales

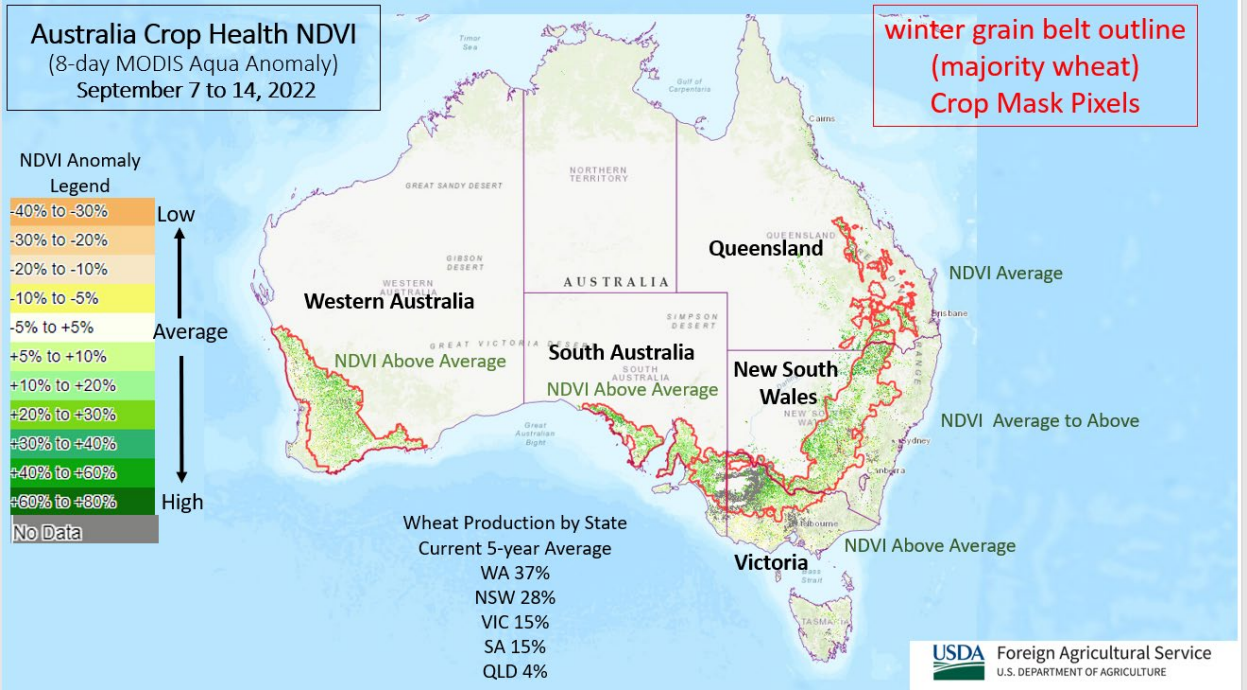

Figure 3. 8-Day MODIS NDVI Composite Terra Anomaly (GIMMS) from 2022-09-07 to 2022-09-14 Mask: GeoCover LandCover for Agriculture. Source: USDA/NASA NDVI Anomaly, Global Agricultural Monitoring (GLAM) System

Wheat production is distributed across the five main agricultural producing states. Western Australia produces the largest portion of Australia's wheat with 37 percent (5-year average) and the remaining production is split among New South Wales (28 percent), Victoria (15 percent) , South Australia (15 percent) and Queensland (4 percent). Harvest occurs from November through December.

Author contact information:

Jim Crutchfield
james.crutchfield@usda.gov

For more information and to access FAS databases and reports please visit:

Current World Agricultural Production Reports
https://www.fas.usda.gov/data/world-agricultural-production

Production, Supply and Distribution Database (PSD Online)
https://apps.fas.usda.gov/psdonline/app/index.html#/app/home

Global Agricultural Information Network (Agricultural Attaché Reports)
https://www.fas.usda.gov/databases/global-agricultural-information-network-gain

Crop Explorer
https://ipad.fas.usda.gov/cropexplorer/

Global Agricultural and Disaster Assessment System (GADAS)
https://geo.fas.usda.gov/GADAS/index.html