AgForce Report

For the Australian Prime Minister, State Premier, Ag Ministers

Agricultural Critical Supply Response

Protecting Food Security, Regional Communities and Agricultural Production Resilience

Date: 27 April 2026

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ABOUT THIS REPORT

Joint industry Statement

This report has been developed collaboratively by AgForce Queensland Farmers Limited, the Australian Lot Feeders' Association (ALFA), and the Livestock and Rural Transporters Association of Queensland (LRTAQ), informed by producer feedback and cross-sector industry engagement.

It outlines emerging risks to Australia's food and fibre production systems arising from fuel, fertiliser, freight and other critical input cost pressures, and provides practical measures and recommendations that ensure supply continuity, strengthen national preparedness, and enhances long-term food production, and food security.

The signatory organisations remain committed to constructive engagement with State and Federal Governments and welcome a seat at the table to work collaboratively for improved policy outcomes, future preparedness and response frameworks affecting Australia's food production system, farm businesses, and regional communities.

Yours faithfully,

Niki Ford	**Lauren Hamilton**	**Christian Mulders**
Chief Executive Officer	Chief Operating Officer	Chief Executive Officer
AgForce	**LRTAQ**	**ALFA**

About Us

AGFORCE THE LEADING VOICE FOR QUEENSLAND PRODUCERS

Agforce is a peak organisation representing Queensland's cane, cattle, grain and sheep, wool & goat producers. The cane, beef, broadacre cropping and sheep, wool & goat industries in Queensland generated around $11.2 billion in on-farm value of production in 2022-23. AgForce is the leading voice for Queensland producers and strives to ensure the long-term growth, viability, competitiveness and profitability of these industries. Over 6,000 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 55 million hectares, or a third of the state's land area. Queensland producers provide high-quality food and fibre to Australian and overseas consumers, contribute significantly to the social fabric of regional, rural and remote communities, as well as deliver stewardship of the state's natural environment.

The Australian Lot Feeders' Association (ALFA) is the peak national body representing and promoting the views of the Australian cattle feedlot industry. ALFA's members represent over 90% of cattle on feed nationally with almost 60% of feedlots residing in Queensland. ALFA appreciates the collaborative approach Agforce has taken in developing this response.

LRTAQ – THE LEADING VOICE FOR QUEENSLAND'S LIVESTOCK AND RURAL TRANSPORTERS

The Livestock and Rural Transporters Association of Queensland (LRTAQ) is the peak industry body representing livestock and rural transport operators across Queensland. LRTAQ advocates on behalf of its members to support a safe, efficient, and sustainable transport industry that underpins Queensland's agricultural supply chains. Our members play a critical role in connecting producers with markets, processors, ports and communities, ensuring the reliable movement of livestock and rural freight across regional, rural and remote Queensland. LRTAQ works closely with government, industry partners and the national association to influence policy, improve access and infrastructure outcomes, and support the long-term viability, productivity and professionalism of the livestock and rural transport sector.

EXECUTIVE SUMMARY

Australia's agricultural sector is a critical national asset that underpins domestic food security, regional employment, export earnings and the nation's reputation as a reliable global supplier of food and fibre. The fuel and fertiliser supply crisis and price shocks pose a material risk to the continued operation of Queensland's food production system and broader supply chains.

Agriculture is uniquely exposed to disruptions in fuel and fertiliser, as essential imports in both the production process and transportation of agricultural goods. Fuel is required to plant, fertilize, spray, harvest and transport crops and move feed, supply water and transport livestock. With urea, cattle supplements and lick, required to obtain viable crop yields and as an essential source of protein for livestock during the dry season in the form of feed supplements.

If either input is constrained, impacts escalate rapidly and have implications to farm business viability, animal welfare, employment, regional communities and food availability. Once production windows are missed or livestock systems destabilised, losses cannot be quickly recovered.

Modelling indicates that:

- A 14-day disruption affecting 30% of the agricultural workforce results in approximately $790 million in foregone economic output.
- A 30-day disruption at 60% impact results in approximately $3.39 billion in foregone output

These estimates do not include direct livestock losses, forced exits across $29.37 billion in rural debt, or permanent business closures in regional communities.

This paper recommends that food-producing agriculture, freight transport and processors be recognized as Tier 1 priority users within all fuel allocation frameworks and treated as essential services under emergency response settings, including the Liquid Fuel Emergency Act 1984.

The paper also recommends establishing priority access and continuity protocols for fertiliser and the removal of all obstacles to supply.

Immediate action is also required to support business viability across all of Queensland's primary production sectors. Many producers face heightened input costs without corresponding increases in revenue, placing pressure on cash flow, debt servicing and production decisions. Targeted stabilization measures including concessional finance, rebates, payroll tax deferrals, hardship grants and accelerated depreciation and instant asset write offs are necessary to keep viable businesses operating, protect jobs and sustain regional economies.

Animal welfare and human health must remain central to any response framework. Intensive and extensive livestock systems depend on reliable fuel, feed, water, veterinary access and transport continuity. Regional, rural and remote communities are similarly dependent on agricultural continuity for employment, local services and economic stability. Protecting these communities is inseparable from protecting food security.

Transport reform is also vital. Under stable conditions, transportation represents a significant farm business cost in some commodities. Fuel surcharges of20-40% are currently being applied across the supply chain, compounding producer pressures. Expansion of Queensland's High Productivity Vehicle network, improved farm-gate and last-mile access, registration rebates and streamlined approvals are all immediate reforms that can reduce freight costs and strengthen supply chain resilience.

Temporary red tape and environmental regulatory relief, including targeted safe harbour provisions and deferral of low-risk compliance obligations, should also be implemented for the duration of the crisis to reduce unnecessary cost and delay while maintaining practical environmental outcomes.

This paper recommends that food-producing agriculture, freight transport and processors be recognised as Tier 1 priority users within all fuel allocation frameworks and treated as essential services under emergency response settings, including the Liquid Fuel Emergency Act 1984. The paper also recommends establishing priority access and continuity protocols for fertiliser and the removal of all obstacles to supply.

Finally, government should establish a formal Sector Collaboration group to focus coordinate early decision making and on a Food Security Framework, involving state and federal governments, producers, processors, freight operators, input suppliers and industry stakeholders. Early, coordinated intervention is essential to prevent escalation to wider system failure and to embed agriculture within national preparedness planning, consistent with the National Food Security Preparedness agenda.

The central proposition is clear: protecting agriculture protects people, communities, food supply and national resilience. Acting early will cost less than responding late.

Key Recommendations

Australia's agricultural sector underpins domestic food security and the nation's obligations to trading partners and global food supply. The measures below are required to maintain the operation of Queensland's food production system and to limit cascading impacts across animal welfare, farm business, regional economies, and national food security.

1. **Classify food-producing agriculture, transport and processors as a Tier 1 priority** within all fuel allocation frameworks; and as an essential service within the *Liquid Fuel Emergency Act 1984.*
2. **Guarantee access** of fuel at a stable, controlled price for food-producing industries.
3. **Animal Welfare**, early intervention and logistic response to pre-empt production system failure.
4. **Implement fertiliser access protocols** that recognise the lag between input disruption and subsequent food production shortfall and establish fertiliser system and rebate to improve farm business viability.
5. **Human Health and Emergency Services** must remain the highest priority in regional, rural and remote communities, compounded by vast distances. Maintaining stable agricultural production is critical to safeguarding jobs, local economies, community wellbeing, domestic food security and Australia's export reliability.
6. **Transport Network,** expansion of Queensland's High Productivity Vehicle network, improve first-mile and last-mile access, and reduce transport costs, i.e., permitting, to ensure transport and freight networks remain operational, affordable and reliable to maintain connectivity across Queensland's vast distances and ensure human health, animal welfare and food supply chains are not compromised.
7. **Temporary Regulatory Halt,** compliance monitoring, reporting and administrative obligations for the duration of the supply crisis.
8. **Halt red and green tape**, pausing non-essential compliance activity, whist review long term duplications across local, state and federal jurisdictions to improve productivity.
9. **Pause and backdate EPBC Act continuous use -** 15-year regrowth management timeframe for producers impacted by elevated critical input supply disruptions, to prevent unfair penalties and allow deferred land management works.
10. **Economic stabilisation measures** are required to maintain the operation of food and fibre production system and to limit cascading impacts across animal welfare, workforce, regional economies, and national food security.
11. **Establish a formal Sector Collaboration** to contribute to the food security Framework bringing together State and Federal Governments, agricultural producers, industry stakeholders and supply chain participants to inform coordinated decision-making and planning that secures Australia's food and fibre production for domestic food security and reliable global supply.

POTENTIAL LOSS

Food security

This cannot be understated. Without production, there is no food.

Australia exports ~80% of its agricultural production by value. Queensland's beef sector contributes ~$10 billion in annual export value1.

All food production systems are diesel-dependent at every stage. Without fuel, the production systems that supply our food will be destroyed, and those systems will take years to rebuild.

Feedlot capacity built over a decade cannot be restocked in months. A dairy herd decimated by welfare collapse, takes years to recover. Producer confidence, already thin, does not return easily.

These production systems stop. Livestock is at risk. Trucks have no livestock or reason to transport. Food does not go to supermarkets. Without production, there is no food.

The Iran war has also produced an immediate and severe input cost shock. According to CommBank, diesel prices are currently up approximately 93% and domestic urea prices up approximately 69% against pre-war levels. CommBank estimates that a blended 85% rise across affected input costs would add approximately $9 billion to the sector's national cost base, cutting total agricultural sector income by approximately one-third, before any production loss is counted.[2]

The fertiliser disruption adds a second, slower-moving food security threat, invisible in the short term. Producers who cannot access urea at viable prices in April and May 2026 are making planting decisions right now that will determine grain and feed availability in late 2026 and early 2027.

Australia consumes~91.4 million litres of diesel every 24 hours (derived from 2,742ML of national reserves divided by a 30-day stockholding obligation)[3]. The agricultural sector accounts for roughly 5% of total national consumption, representing over 80% of on-farm energy use, making it a non-discretionary foundation of the food supply.

1. Recommendation:

AgForce recommends agriculture, food production, transport and supply chain manufactures must be formally recognised and **treated as a priority (Tier 1)** sector within the Liquid Fuel Emergency Act 1984 and national crisis response frameworks, with guaranteed access to critical inputs, particularly diesel and fertiliser to maintain uninterrupted production, processing and supply chains to avoid long-term sector fragmentation without recovery.

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[1] https://www.linkedin.com/posts/queenslands-agricultural-exports-have-grown-share-7424335913155186688-jUqx/

[2] CommBank Business and Industry Insights, 'Stuck behind the Strait: fertiliser and diesel report'.

[3] https://www.dcceew.gov.au/energy/security/australias-fuel-security/minimum-stockholding-obligation/statistics#:~:text=1631%20ML%20for%20gasoline%20(petrol,the%20MSO%20were%20equivalent%20to:

Animal welfare

Animal welfare impacts are immediate, time-bound, and governed by statutory obligations.

Under the *Animal Care and Protection Act 2001*, producers are required to provide adequate food, water, and care. These obligations remain in force during supply disruption.

Livestock production systems operate within defined biological limits:

- Grain-fed cattle require continuous feed delivery. Disruption beyond 48–72 hours can result in acidosis and bloat, leading to rapid mortality.
- Sheep lose weight rapidly without access to feed and require a two-to-three-week period to transition back to pasture from a grain-based diet, this places them at an increased risk of mortality in feedlots if disruption occurs.

Disposal capacity is constrained. National rendering capacity is approximately 4,000 head per day, with on-site alternatives dependent on fuel. In disruption scenarios, mortality volumes exceed available disposal pathways, creating compounding animal welfare, environmental, and biosecurity risks.

There could be widespread non-compliance with animal welfare obligations and the inability to meet minimum standards of care.

On the horizon is the potential for a strong El Niño, which would put 2027 in the running to break global heat records, increasing the increasing the likelihood of drought conditions across eastern Australia.4 Under normal conditions, graziers respond to pasture dieback by purchasing hay and forage crops. However, fertiliser constraints in 2026 are likely to have reduced plantings of cereal and forage crops, limiting the volume of hay available at the point when demand increases.

At the same time, reduced grain supply, driven by fuel and fertiliser disruption, is likely to place upward pressure on prices. Higher feed costs reduce the commercial viability of feedlot placement, leading some producers to retain cattle for longer periods. This increases reliance on on-farm or purchased fodder.

The result is a convergence of pressures: reduced fodder availability, increased demand, and higher transport costs driven by elevated diesel prices, particularly for remote properties. Producers who retain herds through the 2026 disruption period may then face the need to destock into a constrained market, where neighbouring producers are making similar decisions under the same conditions.

Here is modelling on how the following animal sectors will be affected by reduced or no fuel:

4 https://www.theguardian.com/environment/2026/apr/13/el-nino-explainer

Feedlot Cattle

Queensland holds ~920,000 cattle in feedlots as of December 2025, a record high, representing 55% of national feedlot capacity, with utilisation at 94%. [5]These animals are dependent on mechanised, diesel-powered feed delivery. Unlike grazing cattle, feedlot animals cannot revert to pasture, the transition from high-grain feedlot rations requires managed veterinary oversight, a minimum 10–14-day transition period, and available pasture capacity. None of these conditions exist in a crisis scenario at scale. Rapid dietary disruption in grain-fed cattle causes clinical acidosis and bloat, documented, well-established causes of rapid mortality that are not reversible once established.

- Scenario A — 14-day disruption, 30% of Queensland feedlots affected:

~276,000 animals experience significant feed disruption. At a conservative 10% welfare mortality rate, this produces an estimated 27,600 head lost. At current average values of ~$3,000 per head, direct livestock loss in this scenario is ~$83 million in Queensland feedlots alone.

- Scenario B — 30-day disruption, 60% of Queensland feedlots affected:

~552,000 animals experience disruption. At a 20% mortality rate reflecting prolonged dietary collapse and inability to transport to processing, estimated direct livestock loss is ~110,000 head, valued at ~$330 million. This does not include the cost of animals that survive but are permanently compromised in production value.

Sheep

Queensland is home to just under five percent of the national sheep flock with 2,500,000 sheep. The number of sheep kept in feedlots varies over time; however, estimates range from between 40,000-60,000 sheep.

Sheep lose weight rapidly without access to feed and are at increased risk of mortality if this occurs. Like with cattle, sheep require an introduction to grain based diets, with a 2-to-3-week transition period back to pasture if required. In a crisis scenario, this may not be possible and thus sheep mortality will increase. A loss of 10% of the 50,000 sheep in feedlots at an average weight of 25kg and price of $11.5/kg would result in a cost of $1,437,500 to the industry in QLD.

2. Recommendation

AgForce recommends prioritised, guarantee, stable and affordable fuel access, freight continuity and processing capacity; essential to maintain feed, water, livestock (veterinary) care, emergency services and community wellbeing.

3. Recommendation

AgForce recommends animal welfare - early intervention and logistic response protocols, to will avert production system failure during supply disruptions, and within each level of National Fuel Security Plan, which protect Human and Animal Welfare conditions.

[5] https://www.beefcentral.com/lotfeeding/feedlot-numbers-crack-new-record-hitting-1-6m-head-in-december-quarter/ & https://www.feedlots.com.au/post/australian-grain-fed-beef-sector-maintains-strength-with-record-capacity-and-exports-1

Broadacre Business viability

AgForce seek to highlight the interconnectedness of the agricultural food and fibre production and supply chain network, to ensure the continuity of domestic and global food security.

Beef Cattle

Queensland cattle producers use more than 270,000,000 litres of fuel on farm each year across a number of operations including transporting animals, moving feed, planting fodder crops, pumping water and maintaining their properties. All these processors are essential and there is likely to be limited scope to reduce diesel use without impacting on farm operations.

Significant urea is used in beef cattle farming operations, with over 24,000 tonnes of urea-based feed supplement, molasses and lick used annually, in addition to urea fertilizer used to grow fodder crops for feed. An inability to source urea-based feed supplement would be disastrous for producers, with cattle facing weight loss and businesses forced to destock.

Grain

Queensland grain producers use an estimated 28,800,000 litres of diesel on farm per annum. The majority of this use occurs during key operations such as planting, spraying, fertilising, harvesting, and irrigation. Whilst small variations could occur depending on the crop type and the number of spray or fertiliser applications required, overall diesel use is largely fixed, with limited scope to reduce consumption without negatively impacting crop yield and quality.

Grain producers apply an estimated 360,000 tonnes of urea-based fertiliser and 21,600 tonnes of phosphate-based fertiliser annually. This fertiliser is essential to producers growing conventional grain crops to achieve yields necessary to run profitable farm businesses. Without supply of this fertiliser or at prices outside of viability, many grain producers will decide to hold off planting.

Sheep, Wool and Goats

Queensland Sheep, Wool and Goat producers use an estimated 4,100,000 litres of fuel on farm per annum. This includes use of farm machinery to move feed, plant fodder crops and maintain land, on farm transport and powering generators. All these processors are essential and there is likely to be limited scope to reduce diesel use over the medium to long term.

Some Sheep, Wool and Goat producers use feed supplements with a small volume of urea added to ensure adequate protein and nutrient uptake in their animals during dry periods. The volume of urea used for feed supplement purposes is relatively minimal as recommended nitrogen feed supplement intake for sheep is about 10% of the volume recommended for cattle with well short of 1000 tonnes of urea used annually for this purpose. Whilst this is the case, an inability to source this feedstock would impact producers and potentially lead them to have to alter their business plans and destock.

A portion of producers make use of urea fertiliser to fertilize fodder crops for their flock, although this use varies year on year based on environmental conditions.

Cane

The Queensland sugarcane sector contributes over 3 billion dollars in revenue annually to the economy and employs more than 20,000 people; the sector represents source livelihood for regional communities along the Queensland coast.

As a foundational source employer, and revenue generator at current unstable and heightened input costs above cost of production (due to low global sugar price), means business are unviable which threatens sector employment; with labour costs estimated at $1.2 million per day, or $193 million for the year.

Queensland sugarcane producers use around 50,000,000 litres of diesel on farm each year with over 100,000,000 litres used across the whole industry annually. Like with grain producers, significant use is expended planting, fertilising and spraying with an even higher use with harvesting. There is very little practice change that could enacted to reduce this figure as most of the fuel is used during the harvest and any other changes would reduce cane yield.

About 150,000 tonnes of urea fertiliser utilized each year, in addition to other fertiliser types. Like with grain, this fertiliser is essential to obtaining viable yields of cane, with reduced application likely to result in quality and production capacity losses, impacting operating revenue in 2026 and 2027.

The impact of input price rises and supply issues on sugarcane producers, the milling sector will be significantly, with mills profitability tied to the volume of cane supplied. Any reduction in cane supply as a result of the input price and supply crisis, poses a challenge to the milling sector with mills requiring a minimum throughput of cane to remain viable.

Prior to commencement of input disruptions, producers faced input cost above the cost of production, compounded since the crisis and assurance required should production occur in 2026.

AgForce Member Survey Responses

AgForce member survey results indicate, diesel at above $2.20 creates serious financial strain, and erodes profits available for future production, while between $2.70 and $3.20, almost 80% of producer business become unviable.

Fertiliser between $1,000 and $1,400 per tonne, 70% of producers placed under significate future production viability pressure.

Without intervention, increased like hood of reduced production, forced destocking, lower regional employment and downstream impacts on processors, exporters and national food security.

Fertiliser Access

Feedback from our commercial fertiliser suppliers have confirmed tight fertiliser availability, elevated procurement costs, cargo delays and ongoing uncertainty into the peak seasonal demand period, validating producer concerns and the need for coordinated government response.

Call to Action: The current disruption highlights the strategic importance of restoring sovereign fertiliser capability, including domestic nitrogen manufacturing, diversified import pathways and strategic reserves.

In the short-term, Australia must establish priority access and continuity protocols for fertiliser and remove all obstacles to supply. This is achieved through following measures:

A) Prioritizing quality fertiliser shipments through ports and the fast tracking of clearance at customs

Australia should ensure fertiliser imports are delivered to producers as soon as possible. With the current urea fertiliser shortage and price increase, even short delays at port can contribute to missed planting or top-dressing windows, with downstream impacts on yields and national production. This action would ensure delays with custom clearance and offloading at port would are removed with domestic access of fertiliser fast tracked.

B) Prioritization of Fertiliser transportation domestically

Fertiliser should be classified as essential freight product, with preferential access given to rail slots and trucks transporting fertiliser subject to fast tracked permit approvals and reduced regulatory enforcement. This will help fast track fertiliser deliveries to producers across the state.

C) Removal of sanctions on foreign fertiliser Supply

The government should seek to immediately remove sanctions on fertiliser imports to increase supply and resolve the supply shortage. This will enable producers to access fertiliser needed to plant crops. With current supply shortages, the impact of sanctions is significant with, 15% of global supply that is unaffected by the current strait closure, subject to sanctions.

D) Ensure Transparency in the supply chain.

Transparent information on fertiliser availability is essential to support effective prioritisation and avoid distortion of the fertiliser market. Australia should implement temporary supply chain reporting requirements during the current crisis requiring distributors to provide regular data on stock levels, shipment timing, and regional allocation.

4. Recommendation

Implement broadacre fertilizer access protocols that recognise the lag between input disruption and subsequent food production shortfall. Guaranteed access of fuel and fertiliser at affordable prices, with removal of barriers to accessing urea, nitrogen fertilizer, supplements, lick, molasses including support for supply and establish targeted rebate system for producers to ensure the economic viability of farm businesses, at pre-disruption levels.

Human health and regional economies

AgForce member survey of the sectors highlights confidence along the supply chain is at all time low, with 85% of respondents feel, either external constrains with limited options or have no confidence – business decisions will make a difference.

The state of mind is severely impact in these situations. Psychologically, producers who have weathered drought, flood, and years of input cost inflation. They do not have infinite reserves of resilience and currently absorbing cost inputs within financial lending models, which will see impacts 12-24 months' time. A crisis of this magnitude, arriving on top of everything that has preceded it, could remove people from the land permanently, and reshape regional economic communities.

Queensland's primary industries and their supply chains directly employ 385,900 people, 13% of Queensland's entire workforce, across 68,500 businesses[6]. Of those, 65,200 are directly employed in primary industries themselves. The remainder, over 320,000 Queenslanders, work in businesses whose existence depends on agricultural production continuing: transport operators, processing facilities, rural supplies, machinery dealers, agronomists, vets, fuel distributors, and the broader service economy of every regional town in the state.

The employment multiplier embedded in these figures is ~5.9. Every direct agricultural job supports nearly six additional jobs in the supply chain. A disruption to primary industries does not affect 65,200 workers. It affects 385,900 workers, simultaneously.

The Iran war has already produced a direct income shock for Queensland producers. Input cost increases, driven by diesel up approximately 93% and urea up approximately 69% against pre-war prices, are not being offset by equivalent rises in commodity prices. Wheat, barley, and canola prices have risen by only 8%, 8%, and 4% respectively since the conflict began.[7] CommBank estimates that affected input cost rises could cut total national agricultural sector income by approximately one-third.[8] For producers already carrying significant debt, a sustained income reduction of this magnitude is not an operational inconvenience — it is a solvency question.

Queensland's 2023 Rural Debt Survey records $17.9 billion in beef debt alone across 7,491 borrowers, with an average debt per borrower of $2.39 million. Total Queensland rural debt across all industries is $29.37 billion9. These are farming businesses with land, livestock, and livelihoods collateralised against their ability to produce. A fuel crisis that disrupts production also threatens the servicing of $29 billion in debt across 16,799 borrowers simultaneously.

The choice for producers is between operating at a loss or exiting. For properties already carrying significant debt, there is no choice. It is a trigger event.

Forced exits at depressed valuations, in a market where potential buyers face the same economic conditions, do not produce orderly industry transitions. They produce distressed sales, likely to superfunds, collapsed land values, and the permanent contraction of regional towns that have no economic base without the farms that surround them. The mechanic, the rural supplies store, the roadhouse, the school, are all helped by agricultural production. When that stops, they close. And unlike the agricultural sector itself, which can theoretically recover given time and investment, a regional town that loses critical mass does not come back.

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[6] https://www.dpi.qld.gov.au/news-media/campaigns/data-farm/employment-business
[7] CommBank Business and Industry Insights, '**Stuck behind the Strait: fertiliser and diesel report'.**
[8] CommBank Business and Industry Insights, '**Stuck behind the Strait: fertiliser and diesel report'.**
[9] https://www.qrida.qld.gov.au/queensland-rural-debt-survey

Indicative economic impact modelling:

These figures are based on 385,900 workers and average full-time equivalent Queensland wages of $87,000 per year. Three measures are presented because each captures a different dimension of the loss, and wages alone understate what is at stake.

Lost wages

- Scenario A: 30% of the agricultural workforce affected for 14 days: ~115,770 workers, **estimated lost wages of $387 million.**
- Scenario B: 60% of the agricultural workforce affected for 30 days: ~231,540 workers, **estimated lost wages of $1.66 billion.**

GDP per employed person

Wages measure what workers take home. They do not measure the full economic output those workers generate, the capital, production value, and multiplier effects that flow from their labour. A more complete measure is GDP per employed person, which in Queensland is roughly $178,000 per year[10].

Applied to the same disruption scenarios:

- Scenario A: 115,770 workers affected for 14 days: **$789.8 million in total economic output foregone.**
- Scenario B: 231,540 workers affected for 30 days: **$3.387 billion in total economic output foregone.**

Foregone export production value

Queensland's agricultural sector contributes approximately $11.5 billion in annual export value, nearly $31.5 million per day. A disruption affecting 60% of production capacity produces the following in foregone export output:

- Scenario A: 14 days at 60% disruption: ~**$265 million in foregone export production value**
- Scenario B: 30 days at 60% disruption: ~**$565 million in foregone export production value**

What these figures do not capture

Each measure above is calculated independently. In a real disruption it is likely they compound rather than add. None of the above figures include direct livestock losses, forced debt exits across $29.37 billion in Queensland rural debt, permanent business closures in regional towns, or the long-term structural damage to producer confidence, regional communities and food sovereignty. The true economic cost of Scenario B, fully measured, is a multiple of any single figure presented here.

AgForce members surveys

Stated that 21% of respondents are unable to absorb further increases and considering exiting or major downsizing, 11% are struggling to cope, and almost 30% of businesses in financial distress depending on how long input disruption continues.

For this reason, implement a dedicated Human Health and Regional Community Response, providing priority access to fuel, fertiliser, emergency services and welfare support in regional, rural and remote communities. These communities are most vulnerable to agricultural disruption, with flow-on impacts to jobs, essential services and local economic viability.

5. Recommendation

Human Health and Emergency Services must remain the highest priority in regional, rural and remote communities. Maintaining stable agricultural production is critical to safeguarding jobs, local economies, community wellbeing, domestic food security and Australia's export reliability.

[10] ABS, *Australian National Accounts: State Accounts, 2024–25*, released November 2025. Queensland GSP at current prices: $531,007 million. Employment figure: ABS Labour Force, Queensland, 2024–25 average (~3.0 million employed persons).

STABILISATION RELIEF MEASURES

introduce targeted regulatory relief measures to maintain farm viability, solvency and ensure continuity of food and fibre production during input disruption crisis; with interventions triggered at the 4 levels of the National Fuel Security Plan[11]

LEVEL 2 RESPONSE: Keeping Australia Moving (current stage)

Fuel priority

***Call to Action 1**: Classify food-producing agriculture, transport and processors as a Tier 1 priority within all fuel allocation frameworks; and as an essential service within the Liquid Fuel Emergency Act 1984.*

Food-producing agriculture, and the transport and processing systems that support them, should be formally classified as Tier 1 within the National Fuel Security Plan and relevant state frameworks, alongside other essential services.

This classification should be clearly defined, binding on fuel distributors, and supported by an operational coordination mechanism with the ability to prioritise supply to critical production regions.

Consideration should be given to establishing a dedicated coordination function with the capability to:

- identify critical production, processing, and transport nodes.
- prioritise fuel allocation based on system importance.
- sequence delivery to maintain continuity of supply chains.

Fuel access

***Call to Action 2:** Guarantee fuel access at a stable, controlled price for food-producing industries.*

Tier 1 classification supports allocation but does not address affordability. Producers are reporting substantial fuel surcharges and levies ranging from 20-40% on all transport movements in addition to the significant price increases faced at the pump.

Where fuel is available but priced at levels driven by supply disruption, production viability is affected in the same way as a physical shortage. Access alone does not maintain production as the increased price of fuel means that production will not cover the variable costs and producers cannot adequately plan to produce.

The simplest mechanism to achieve this objective would be via the existing fuel tax credit system, with amendments made to provide a direct rebate to producers and transporters for fuel costs exceeding a set threshold. In this case, pas fuel purchases made after the initial price increase would be captured, ensuring that all businesses are operating on the same terms and businesses who had chosen to purchase fuel prior to the establishment of the mechanism at inflated prices covered.

This mechanism would also avoid the need for the government to coordinate with fuel suppliers or establish a new administrative framework, saving time in what is a time critical process. Producers would be required to take on an immediate cashflow burden prior to reimbursement, although with certainty around price after the rebate be confident to plant and continue operation.

There are inefficiencies with all approaches, however, given the time critical nature of the present circumstances, this mechanism would enable relief to be opened up immediately and give producers confidence to farm during the planting window.

[11] National Fuel Security Plan | PM&C

Transportation

Transport and road freight networks, particularly heavy vehicle operators, primary producers and regional supply chains, continue to operate amid unprecedented cost pressures, restricted access to fuel and burdensome approval processes.

Under stable conditions, transportation for Queensland primary producers is a significant business cost, representing up to 40% of total farm business costs in some industries. Fuel price rises, pose a significant challenge to business viability, with producers having transport operator cost increases passed on, at the same time as their internal costs rise.

Alongside the provision of fuel access at a stable, controlled price, there are several mechanisms that can be looked at to improve transport operations and reduce costs across the industry.

High Productivity Vehicle (HPV) access approval has been identified as an immediate, practical solution, enabling fewer vehicles to move the same freight task, reducing fuel consumption per tonne, lowering costs, and improving overall supply chain efficiency. However, these gains cannot be fully realised without addressing first-mile and last-mile access constraints, which currently force inefficiencies and undermine productivity outcomes.

To do this and increase access more broadly, the government should undertake engineering assessment of infrastructure to determine additional access options and where high productivity vehicles can operate.

Further to this, the removal of road user and permitting charges for businesses and registration rebates for trucks this year would serve to reduce transport sector business costs and thus improve business viability for primary producers and the transport sector.

These measures could be further supported by a temporary change to permit assessments with the state government taking temporary control of route approvals from individual road managers, likely to increase efficiency in the sector and assist businesses operate.

Failure to act, risks increased freight costs, reduced supply chain efficiency, and declining competitiveness of agricultural sector, particularly in a high-cost operating environment. More broadly, constrained transport networks will impact the movement of essential inputs and outputs, placing pressure on food production systems, regional economies, and Australia's ability to maintain reliable domestic supply and export performance.

Persistent difficult operating conditions will see farm business and operators lose their livelihoods.

6. **Recommendation:** Implement immediate (transitional) freight network access to keep Queensland's agricultural supply chains operational, affordable and efficient. This should include accelerated expansion of the High Productivity Vehicle (HPV) livestock and grain vehicle network, improved farm-gate and last-mile access, streamlined route approvals, and temporary cost relief through permit, registration and road user charge reductions. Also, enable fewer vehicles to move larger freight tasks will reduce fuel use, lower costs, improve animal welfare outcomes, strengthen regional transport resilience and protect domestic food security and export reliability – ensuring connectivity across Queensland's vast distances and ensure human health, animal welfare and food supply chains are not compromised.

LEVEL 3 REPONSE: TAKING TARGETED ACTION

Halt Regulatory Compliance Monitoring and Reporting

In a period of fuel and fertiliser disruption, producers should not be burdened by unnecessary compliance monitoring, reporting obligations or administrative processes that divert time, labour and capital away from food production. Many environmental and operational reporting requirements require specialist advice, travel, approvals and documentation, creating additional cost pressures when farm businesses are already managing elevated input costs and constrained supply access.

Agricultural production operates within narrow seasonal windows. Delays to land preparation, water management, fodder access, harvesting or infrastructure maintenance can reduce output, increase risk and undermine business viability. Temporary relief from non-essential compliance activity would allow producers to prioritise production continuity while continuing to manage environmental outcomes in a practical and risk-based manner.

Responsive regulatory settings during crisis conditions are essential to maintaining domestic food security, supporting regional communities and preserving Australia's reputation as a reliable supplier of food and fibre.

The Australian producers are acknowledged as the most sustainable farmers globally, as highlighted in the recent CropLife report12, revealed at COP30, in Brazil. While Australian producers are achieving large-scale sustainability outcomes under some of the toughest climatic conditions on Earth, in the least subsidised market on in the world, they have earned regulatory reprieve, support and assistance in times of crisis.

7. **Recommendation:** Temporarily Regulatory Halt - compliance monitoring, reporting and administrative obligations for the duration of the supply crisis, allowing producers to prioritise time-critical food and fibre production while maintaining practical production outcomes.

[12] CropLife Australia | Australia Leads the World in Climate-Smart Farming: Landmark Report Released at COP30

Red tape and green tape

Regulation that increases cost, delays operations or diverts resources from core production should be paused or streamlined during the current crisis. This includes duplicative processes, licensing, permitting, multi-level applications, approvals, compliance activities and reporting obligations that detract or do not directly contribute to immediate safety, welfare, environmental risk management or food production.

Priority reforms should include automatic extensions of existing licences and permits, temporary suspension of non-critical compliance actions, extended timeframes for transport records and vehicle inspections, and practical relief for export accreditation and livestock traceability reporting where appropriate.

Governments should also use the current crisis as an opportunity to accelerate longer-term deregulation and remove duplication across Commonwealth, State and local jurisdictions. Reducing unnecessary regulatory burden improves productivity, lowers business costs and strengthens resilience across the food production system. This should include:

A) The removal of licensing and permit renewal requirements, with existing licenses held by producers extended alongside permits that have been granted for on farm activities and farm machinery and vehicle movement.

B) Immediate end to compliance activities associated with Federal and State based vegetation management and water quality legislation, i.e., reef compliance, monitoring and reporting

C) An expansion of the allowable timeframe to produce transport records and vehicle inspections and compliance, when requested by NHVR.

D) An extension to export accreditation and livestock traceability system reporting requirements so that producers can focus on the practical components of running their farm business.

E) **Commit to a 25 per cent reduction in unnecessary regulatory burden by 2030,** starting with an economy-wide stocktake and coordinated action to remove duplication across federal, state and local jurisdictions.[13], which would allow fast track development of energy projects.

8. **Recommendation:** Halt red and green tape during the crisis by extending licences and permits, pausing non-essential compliance activity, and streamlining reporting requirements to reduce cost and maintain production continuity, whist review long term duplications across local, state and federal jurisdictions to improve productivity.

[13] https://nff.org.au/media-release/business-leaders-call-for-25-red-tape-reduction-amid-rising-costs/

Environment Works ("Stop the Clock")

Current fuel shortages and sustained elevated fuel prices are constraining producers' capacity to undertake non-immediate but essential land management activities, including regrowth management critical to long-term productivity, resilience and environmental stewardship.

While animal welfare, core operational needs and food production must rightly take precedence during periods of supply disruption, deferred management can create unintended consequences, particularly where native woody species act invasively, and management windows are time sensitive.

AgForce recommends the Australian Government implement a temporary 'stop-the-clock' mechanism on the EPBC continuous use 15-year timeframe for the duration of sustained fuel market disruption. This needs to be accompanied by a minimum recovery extension equal to at least twice the period of disruption to allow deferred management to be practically undertaken.

This recovery extension is necessary because impacts do not end when fuel supply or prices begin to stabilise. Producers will face:

- A backlog of deferred management activities accumulated during the disruption period.
- Competition for contractors, machinery and fuel, creating bottlenecks that limit immediate resumption of works.
- Lagged financial recovery, where cash-poor businesses may be unable to undertake management as soon as disruption eases; and
- Compounding compliance risk, where producers could otherwise lose regulatory flexibility solely due to extraordinary market conditions.

Without this adjustment, producers' risk being doubly penalised, first through external input cost and supply shocks that prevent timely management, and second through the loss of continuous use flexibility because those activities could not be undertaken when intended.

The current self-assessment process for regrowth management where woody vegetation is over 15 years of age, represents 80+ hours of producer time and may lead to an EPBC referral for larger areas of land typical of Queensland conditions. A current EPBC referral would cost producer between $79-149 000 representing a significant burden on an industry already pressured industry.

A time-bound, proportionate adjustment would provide practical implementation relief, avoid perverse environmental outcomes arising from deferred management, and ensure exceptional fuel and fertiliser pressures do not translate into long-term productivity, compliance and land management risks.

AgForce Member Survey Responses

AgForce member survey responses indicate that rising input costs and current operating pressures are materially affecting on-farm land care capacity. 32% of respondents reported they are unable to maintain current land care practices, 11% have significantly reduced activity, and a further 42% have made moderate changes to environmental and land management programs. These results demonstrate that farm profitability and practical environmental outcomes are closely linked.

9. **Recommendation:** Temporarily pause and backdate the *Environment Protection and Biodiversity Act* (*EPBC act) Reforms* continuous use 15-year regrowth management timeframe for producers impacted by elevated fuel costs and supply disruptions. This should be coupled with a minimum recovery extension equal to at least twice the disruption period to enable deferred management to be undertaken. Current fuel cost and supply pressures are constraining essential land management, including lawful regrowth management, creating a risk to producers; therefore, unfairly penalised under EPBC timeframes for circumstances beyond their control.

Economic measures

The government should employ a range of economic measures to enable the continued servicing of rural debt during production disruptions, limit producer hardship and ensure the continued viability of farm businesses. These measures should include:

1. **Interest free Essential Working Capital (EWC) and Farm Business Loans.** Sharp increases in fuel and fertiliser prices have led to a substantial increase in farm business costs without an associated increase in revenue. This has made it harder for producers to maintain normal production levels and cash flow. Upwards of 20% of producer respondents to our survey indicated they were reducing production in response with many destocking livestock and increasing borrowing.

Interest-free or concessional loans through government bodies such as the Queensland Rural and Industry Development Authority and Regional Investment Corporation would allow farmers to continue operations and cover essential expenses without being forced to alter operations. This measure will prevent otherwise viable farm businesses from failing or making business altering decisions as a result of the crisis.

2. **payroll tax deferral for agricultural producers, processors, and transport operators for the duration of any declared fuel security emergency.** The fuel and fertiliser crisis has increased business costs across the entire supply chain. This has placed pressure on producers and transporters to cut staff, with a majority of producer respondents indicating they were expecting to have to reduce staff if the current crisis continues or worsens.

Deferring payroll tax will reduce immediate financial strain on eligible employers, helping them retain workers and sustain operations despite rising input costs. This is particularly important in agriculture, where disruptions to labour can quickly translate into reduced output and higher food prices.

3. **Instant Asset write-off or allowable acceleration of farm machinery depreciation.**

Allowing instant asset write-offs or accelerated depreciation will improve short-term cash flow for farm businesses and provide an incentive for additional investment. This will assist businesses under pressure and stimulate regional economies.

4. **Assistance grants to impacted producers.** Surging fertiliser and fuel prices have significantly altered business practices for producers, with many reducing production and destocking. A grant to producers facing business hardship will enable key agricultural production to continue and prevent exit from the industry.

5. **Direct input cost relief,** Implement direct input cost relief measures, including temporary assistance for electricity and water charges, council rates, lease and property rents, and other essential operating costs, to ease immediate cashflow pressure on farm businesses and maintain food and fibre production during the current crisis.

6. **Contract for Difference (CfD) – Input Cost Protection -** Government should implement a temporary Contract for Difference (CfD) scheme for essential agricultural inputs, whereby producers continue to purchase fuel, fertiliser or freight services through the market, but receive a rebate when prices rise above an agreed benchmark rate. This mechanism allows markets to continue functioning while protecting farm businesses from extreme price shocks that threaten solvency and production continuity. A CfD model would support cashflow, reduce the risk of distressed sales or business failure, and ensure producers can continue operating through periods of volatility without bearing unsustainable crisis-driven costs alone. When implementing the CfD mechanism for the fertiliser market, the government should ensure adequate supply is present to avoid perverse outcomes.

7. **Floor Price for Critical Inputs**: Government should establish a temporary administered price cap or effective floor-price support mechanism for critical agricultural inputs such as diesel, fertiliser and freight during declared supply emergencies. Where global shocks or domestic shortages drive prices beyond workable production thresholds, producers are forced to reduce planting, destock livestock, defer maintenance or exit otherwise viable businesses. Stabilising input prices at sustainable operating levels would provide immediate certainty for production decisions, preserve employment across regional communities, and maintain domestic food and fibre supply during crisis conditions.

10. **Recommendation:** Implement targeted economic stabilization measures required to maintain the operation of food and fibre production system and to limit cascading impacts across animal welfare, workforce, regional economies, and national food security.

LEVEL 4 RESPONSE: PROTECTING CRITICALS SERVICES

AgForce supports continued provision of energy, healthcare services, heavy vehicle transport, inputs from supply chain and mining essential to maintaining agricultural food production and food security system more broadly. To achieve this objective, agriculture must be formally recognised and treated as a priority sector in national crisis response frameworks, with guaranteed access to critical inputs—particularly diesel and fertiliser to maintain uninterrupted production, processing and supply chains.

Call to action: *The inclusion of Agriculture and interconnective sector as critical industries/service under the Liquid Fuel Emergency Act 1984.*

At level 4 response, all strategic measures previously highlighted, and available must have been either triggered or enacted - without targeted and coordinated intervention, there is a credible risk of system-wide failure to food and fibre production system, with long-term consequences for human and animal welfare, food security, economic communities and the national economy, resulting in prolonged recovery droughts and in some case permanent losses will occur.

Agricultural food and fibre production should be elevated within national decision-making frameworks to the same strategic priority as other critical sectors, defence, and health, consistent with the National Food Security Preparedness Green Paper and supported by calls for stronger food system governance, supported through a National Food Council and Queensland Food Commissioner.

Call to action: *Agricultural food and fibre production should be recognised as a sovereign capability* and elevated with the nations decision making frameworks.

Effective sector collaboration between State and Federal Governments, agricultural producers, industry stakeholders and supply chain participants is essential to forming the foundation of a coordinated decision-making framework and preparedness plan that secures Australia's food and fibre production capacity for the benefit of domestic food security and reliable global supply.

11. Recommendation

Establish a formal Sector Collaboration to contribute to the food security Framework bringing together State and Federal Governments, agricultural producers, industry stakeholders and supply chain participants to inform coordinated decision-making and planning that secures Australia's food and fibre production for domestic food security and reliable global supply.

COST OF IN ACTION

Without a priority fuel allocation framework, fuel will be rationed by price and proximity. Queensland's agricultural sector, being dispersed, regional, and heavily freight-dependent, is unlikely to compete with urban and industrial demand under those conditions.

Feed delivery begins to fail. Grain-fed cattle begin experiencing welfare decline within days. Dairy cows go unmilked. Broiler and pig production systems exceed their processing windows. Processing throughput falls as transport becomes less reliable. Mortality rises, while disposal capacity is exceeded.

At the same time, producers remain legally responsible for animal care and financially responsible for existing business debt. Queensland's rural sector carries $29.37 billion in debt across 16,799 borrowers. Where production is interrupted, income falls but repayment obligations remain. Some businesses will be forced into distress sales or exit, with impacts flowing through transport operators, processors, input suppliers, and regional service economies.

The effects do not end when fuel supply stabilises. Reduced fertiliser access and forgone planting decisions in 2026 will affect grain and fodder availability into 2027, extending pressure on food production, livestock systems, and input prices well beyond the initial disruption period.

The measures proposed in this paper are administrative and can be established in advance. Delay increases the likelihood that impacts will compound across animal welfare, producer viability, regional communities, and food security, while reducing the prospect of a timely and orderly recovery.

Closing statement

AgForce has collaborated with industry stakeholders in the development of this paper, and we remain committed to ongoing sector wide collaboration between state and federal governments, agricultural producers, industry stakeholders and supply chain participants. This engagement is essential for fact-based decision-making and coordinated planning across the food and fibre production system.

The agricultural sector must be represented at the decision-making table to help shape effective responses, deliver practical operational outcomes for food production systems and communities, and Australia's national food security preparedness.

End.

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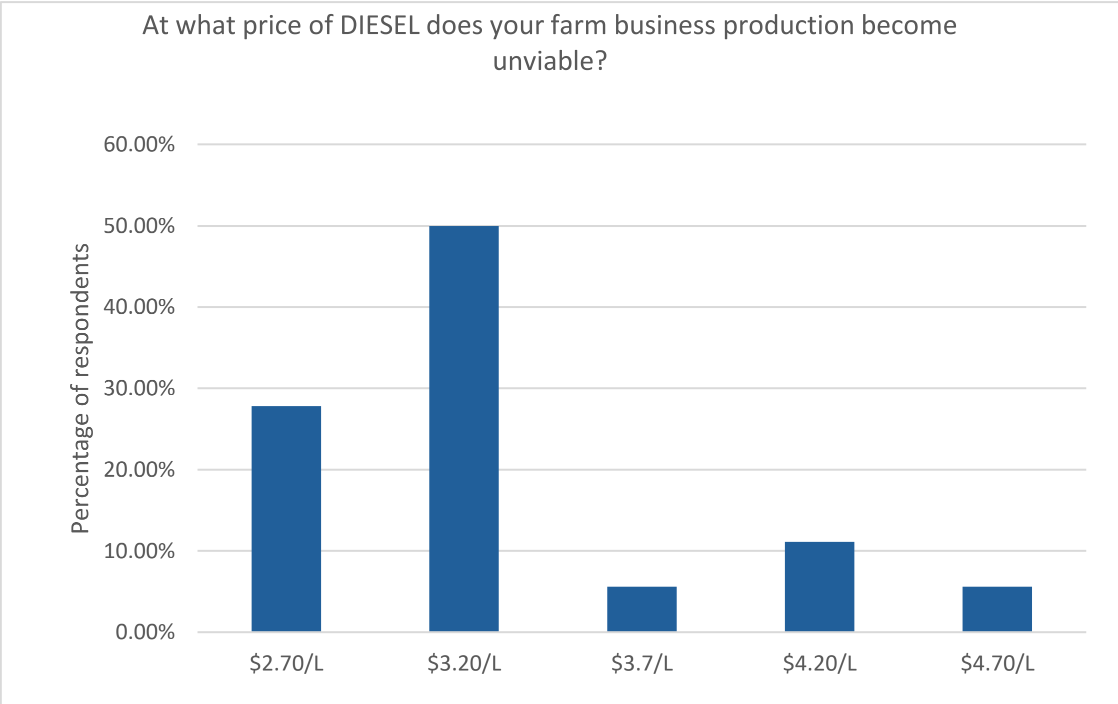
Appendix 1

Member sentiment survey results analysis

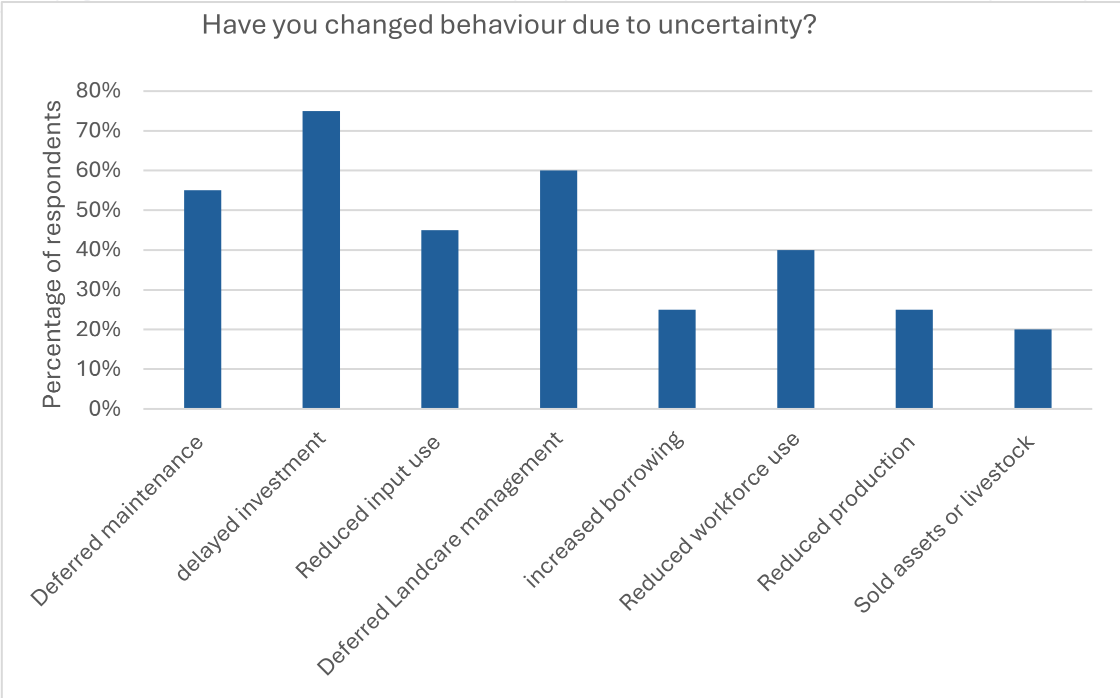
The majority of respondents to our survey indicated that changes to fuel and fertiliser price and availability had impacted their farm business. This was observed directly with respondents indicating that they had made changes to crop production, destocked livestock, reduced farm maintenance and Landcare and delayed investment.

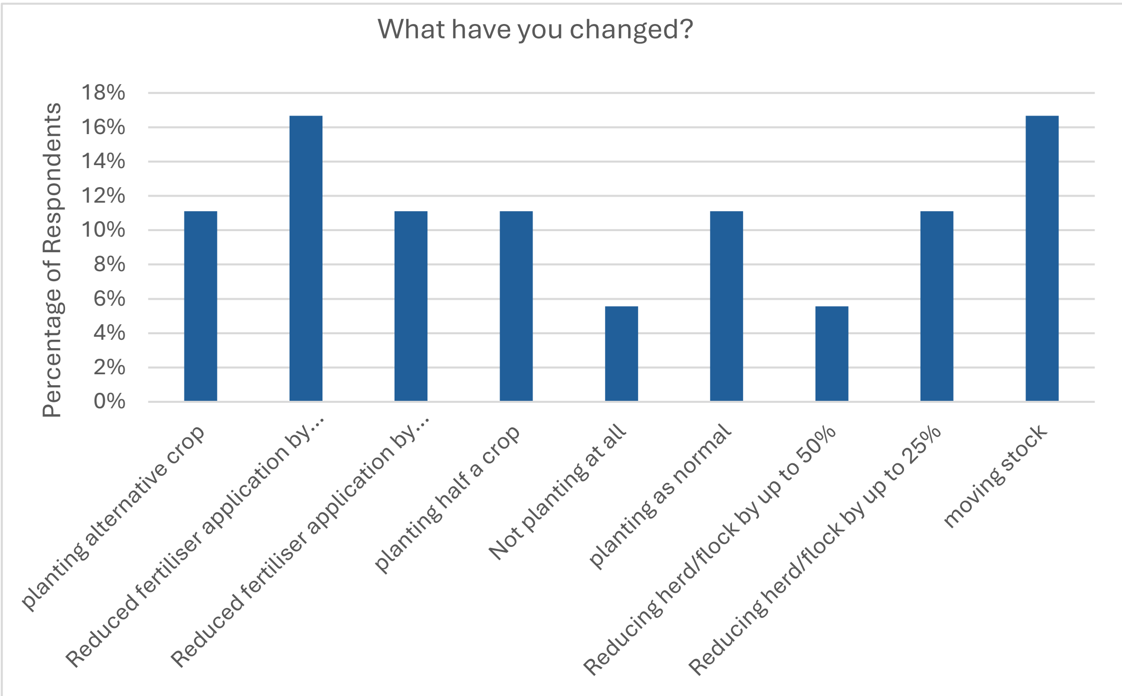
These results have been presented in the following tables and figures:

Fuel viability

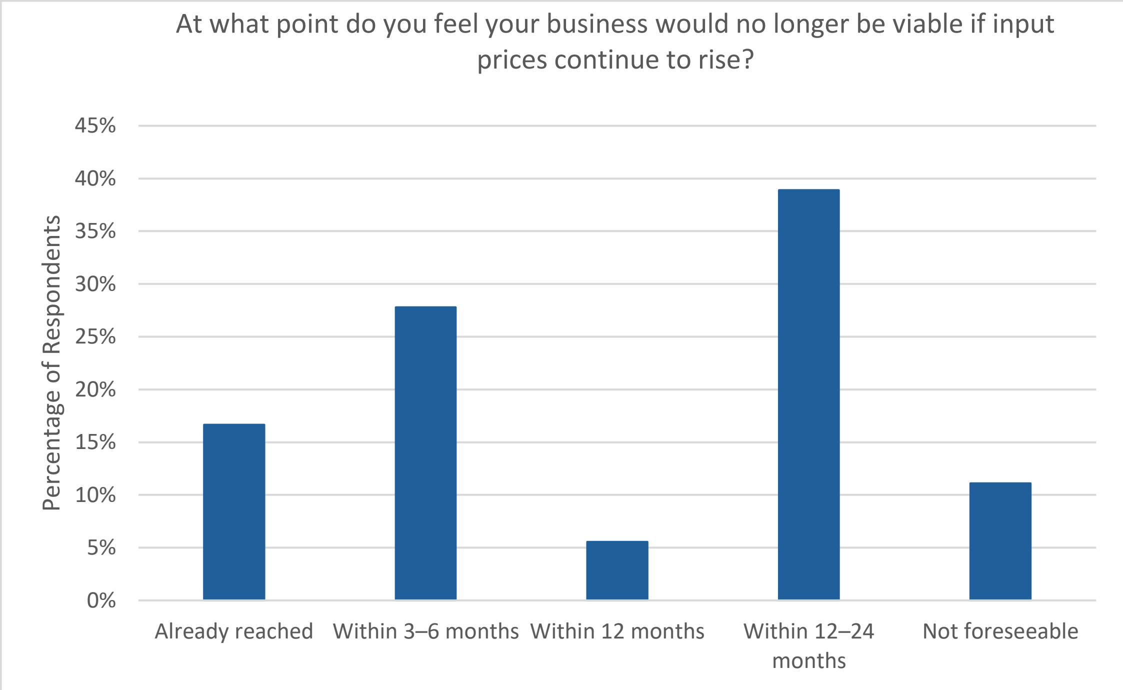


Practice Changes

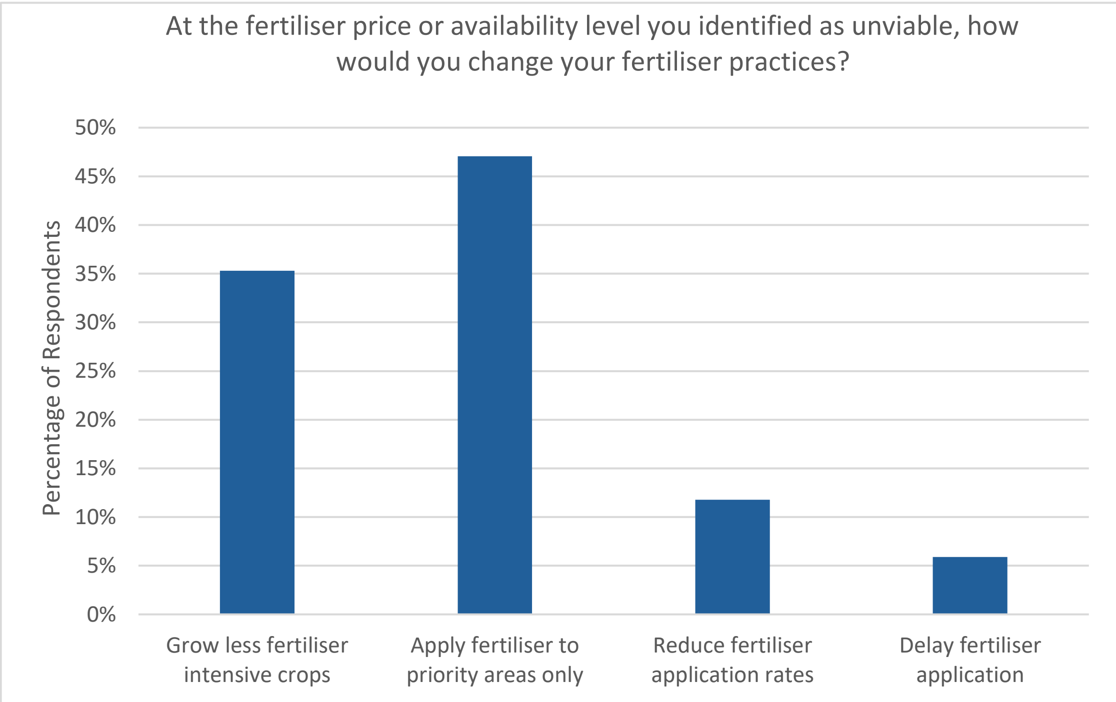




Business Viability



Fertiliser application



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