AgForce Briefing Paper

Fuel and Fertiliser Supply - Queensland Solutions

27 March 2026

To whom it may concern,

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 5,000 farmers, individuals and businesses provide support to AgForce through membership. Our members own and manage around 53 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.

Key Message

AgForce seeks urgent short-term government intervention and implementation of short-term measures to stabilise fuel and fertiliser supply within agriculture and formally recognise the sector and its critical inputs as a priority in national crisis response frameworks, while progressing long-term sovereignty solutions to secure Australia's food production system, which underpins domestic and global food security.

Decisions Required

The Australian and Queensland Governments are requested to:

1. Recognise agriculture as a priority sector for fuel allocation and critical input supply
2. Direct fuel supply to regional and agricultural users as an immediate priority
3. Establish a national and state fertiliser taskforce (with ACCC oversight)
4. Prioritise fertiliser supply (urea, phosphate, potassium) to production regions
5. Implement temporary regulatory relief measures to maintain production capacity
6. Progress a coordinated national fuel and fertiliser resilience strategy, including domestic production and sovereignty measures

Executive Summary

Australia's agricultural sector is an essential service, underpinning national food security, regional, rural and remote economies and export supply chains that provide balance to our trading partners.

Current disruptions to fuel and fertiliser supply present an immediate and material risk to the continuity of food and fibre production systems, with flow-on impacts to human welfare, animal welfare, domestic food prices, and global trade obligations.

AgForce producer surveys (see appendix A), data confirms fuel supply failures, contract breaches, rationing and price escalation are already impacting operational decision and production capacity across regional Australia, placing immediate pressure on production systems and supply chains.

AgForce producers have directly contributed to the urgent short-term priorities – *immediate fuel and fertiliser volumes required to maintain production*; key risks, medium and long-term - sovereign strategic solutions required to stabilise production systems and safeguard Australia's food security.

Key Position

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.
Emerging evidence indicates early-stage supply system stress and failure, particularly across regional fuel distribution networks servicing agriculture.
Elevate agricultural food and fibre product to the same level as defence in the decision-making framework, as highlighted in the in the national food security preparedness Green Paper[1], and supported by the national food council and Queensland state food commissioner[2].

Pathway Forward

AgForce proposes a staged response framework:

- **Immediate (Short-Term):** Stabilise fuel and fertiliser access and prioritisation
- **Medium-Term:** Provide economic relief and maintain system viability
- **Long-Term:** Implement structural reforms to ensure national resilience and sovereignty

Short-Term Immediate Priorities

Human Welfare: Ensure rural, regional and remote communities have reliable access to essential diesel to maintain critical services, including power supply for homes, hospitals and medical centres. This includes the availability of aviation fuel to support helicopters and aircraft used for medical and emergency response.

Animal Welfare: Prioritise fuel allocation to support livestock welfare, including access to feed, water and transport across supply chains. Ensure availability of aviation fuel for mustering operations and maintain access to essential agricultural and veterinary (AgVet) chemicals required for animal health and production.

Fuel Supply to Regional Areas: Prioritise and direct fuel supply to rural and regional areas to support agricultural production and essential services. This includes intervention to stabilise short-term supply arrangements, particularly for independent fuel distributors.
Implement oversight mechanisms to monitor fuel pricing and prevent price gouging and introduce measures to discourage panic buying. Ensure regional fuel supply is prioritised, with agriculture recognised as a critical user.

[1] https://www.aspi.org.au/report/national-food-security-preparedness-green-paper/
[2] Office of the Food Farmers' Commissioner Queensland

Fuel used in Queensland broad-acre agriculture per annum

	Cattle	**Cane**	**Grain**	**Sheep and goats**
Fuel used on farm (million litres)	273,000,000	50,000,000	28,800,000	4,100,000
Fuel used in transport (million litres)	TBA	TBA	TBA	TBA

Fertiliser Supply and Prioritisation: Prioritise fertiliser distribution to regions with immediate production needs, including access to urea, phosphate, potassium and molasses.
Ensure certainty and continuity of supply, supported by improved market transparency and pricing oversight. Maintain affordability of fertiliser to sustain the production of essential food and fibre, including vegetables, grains, poultry, beef, sheep and pork.

Fertiliser Taskforce: Establish a national fertiliser taskforce, aligned with fuel supply coordination mechanisms, to oversee supply, distribution and pricing.

Fertiliser used in Queensland broad-acre agriculture per annum

	Cattle	Cane	Grains
Urea-based fertiliser and feed supplements (tonnes)	24,000	141,375	360,000
Phosphate fertiliser (tonnes)	24,000	7,540	21,600

ACCC – **Australian Consumer Competition Commission** involvement to ensure market transparency and address potential supply or pricing distortions. Recognise fertiliser as a critical input to agricultural production systems.

Regulatory Flexibility (Emergency Measures)
Introduce temporary regulatory relief to support continued agricultural production during supply disruptions. This includes EPBC "safe harbour" provisions to extend regulatory compliance timeframes of producers. For example:

- Allow producers flexibility to manage vegetation, including clearing of regrowth outside 15-year limit, allowance for harvesting of mulga for fodder;
- Temporary cessation of mandatory reporting on non-critical compliance activities;
- Reduction or removal of regulatory burden ("red and green tape");
- A moratorium on the review of essential agricultural chemicals where no viable alternatives exist.

Medium-Term Recommended Actions

Economic Relief (Stabilisation Measures)

Implement targeted economic relief to maintain farm viability, solvency and ensure continuity of food and fibre production during input supply disruptions.

- **Price mechanisms** to offset fuel and fertiliser costs above a defined baseline, i.e., Fixed-Price with Economic Price Adjustment (FPEPA) clause.
- **FarmKeeper**: establish a "Covid-style" support program to provide direct financial assistance to producers, workers, and support regional, rural and remote communities.
- **Financial Banking Support**:
    - Implement a temporary moratorium on foreclosures,

  - Expand access to concessional loans programs for producers experiencing financial stress
  - Extend and enhance low-interest and interest-free loan facilities through the Regional Investment Corporation (RIC) and the Queensland Rural and Industry Development Authority (QRIDA)
  - Ensure processing of loan application approval is accessible, timely and responsive to emerging on-farm cash flow pressures and in high demand conditions.
- **Electricity and water**, cost of production relief in the form of reduced tariffs or targeted subsidies as inflationary mitigation aid.
- **Manufacturing Processors**, ensure ongoing operation of processors and supply chain infrastructure to avoid system disruption and keep food production systems output.
- **Foreign Investment**, oversight of international investment during crisis conditions, to protect national interest and supply chain resilience.

Long-Term Strategy Solutions

Strategic Requests

Prioritise agriculture within national crisis frameworks: Current frameworks should be amended to ensure that agriculture is treated as a priority area.

Maintain open export channels: Exports must be maintained to protect global food and geopolitical security and maintain trade relationships.

Prioritise enabling sectors (energy, mining, health): Continuing energy provision, healthcare services and inputs from mining are essential to maintaining agricultural production.

Fast-track a national food security framework: The development of a national food security framework will ensure that Australia is better prepared and ready to respond to disruptions that may impact food security.

Reduce regulatory barriers: Regulation including red and green tape acts as a barrier to agricultural production. Removing unnecessary regulatory barriers will help grow agricultural production.

Strengthen fuel resilience with E10: The enforcement of state mandates on E10 will reduce reliance on foreign fuel imports and strengthen Australia's fuel resilience.

Sovereignty Solutions

Fuel Security: Australia's heavy reliance on offshore oil refineries creates a level of risk that outweighs any short-term financial benefit. To address this, the government should invest significantly in the refining sector, reopen recently closed refineries and modernising existing facilities, with the goal of achieving self-sufficiency. Additionally, the government should establish and manage fuel storage infrastructure to ensure compliance with fuel reserve obligations under the International Energy Agreement.
Fertiliser Security: AgForce supports the expansion of domestic fertiliser production. Existing facilities must remain operational including phosphate hill and receive government investment if required. To further develop Australia's domestic production capabilities, access to affordable gas is required. To facilitate this, the government should expand their domestic gas reservation policy to cover existing projects.
Onshore Manufacturing: Rebuild Australia's domestic manufacturing capability for critical inputs and

reduce reliance on imports for fuel, fertiliser and agricultural chemicals.
Biofuels and Energy: The federal government should make use of Australia's significant feedstock and support the development of a domestic biofuels industry. This should be done, through progressing key infrastructure developments and direct investment in the sector.
Risks

Short-Term Risks

- Shortage of fuel inhibiting most farm businesses from operating
- Inability to access fertiliser prevents producers from planting most crops
- Significant variance in commodity/ animal prices

Cattle: Fuel supply shortage leading to inability to transport cattle, flood affected areas, mustering season, transport, home generators, drought fodder (mulga), animal welfare, energy, road access.

Cane: Profitability risk with prices needing to keep up with inputs; Cost of inputs/fuel; no access to fuel/urea at a critical time with yield potential falling by 50% if no nitrogen fertiliser available.

Grain: Prices need to keep up with inputs; cost of inputs/fuel, no access to fuel/urea at a critical time with yield potential falling by 50% if no nitrogen fertiliser available.

Sheep, Wool & goats: Lambs unable to be turned off; inability to access slaughter facilities; fluctuations in price over supply changes.

Medium-Term Risks

- Oversupply leading to price collapse
- Reduced planting decisions and crop switching
- Workforce impacts and regional economic decline
- Rising food prices

Cattle: Oversupply of stock leading to a price crash; vegetation management/land care; workforce impacts; over-grazing; increased food costs; workforce impacts, regional economies

Cane: Ability to harvest; economic viability; ratio of fuel to sugar cost, increased food costs; workforce impacts/ regional economies.

Grain: Ability to harvest; economic viability; ratio of fuel to sugar cost, increased food costs; workforce impacts/ regional economies.

Sheep, Wool & Goats: Oversupply of stock onto market; vegetation management/ land care, access to shearers and other workers; increased food costs; workforce impacts; lamb turnoff.

Long-Term Risks

- Structural production decline
- Loss of export competitiveness

- Increased reliance on imports (biosecurity risks)
- Business failures and regional instability

Cattle: Lack of supplements may lead to a 10-25% reduction in calving rates; risks to animal welfare; food security; workforce regional stability; export market compromised; potential price crash due to oversupply. Queensland represents 49% of the national herd.

Cane: The economics of high input prices; export market compromised; delayed season start and impacts on next season's productivity; contract harvesters going out of business; workforce; stability of all businesses in cane growing areas.

Grain: Economics of high input prices; Food Security affecting animal feed market; export markets compromised; imports from new countries required, creating biosecurity risk.

Sheep, wool & goats: Lamb turnoff, animal welfare; food security; workforce; regional stability. Producer evidence indicates that fuel availability and pricing volatility are already influencing operational and planting decisions, signalling escalation of these risks.

Conclusion

Australia is experiencing emerging supply disruption in critical agricultural inputs, with clear evidence of fuel system stress already impacting production.

This is both an immediate operational issue and a structural vulnerability, highlighting Australia's reliance on imported fuel and fertiliser.

Without immediate and coordinated intervention, there is a credible risk of system-wide disruption to food and fibre production, with long-term consequences for food security, regional communities and the national economy.

Yours Sincerely,

Niki Ford
Chief Executive Officer
AgForce Queensland Farmers Limited

Appendix A – Producer Evidence Summary - Fuel

- 116 producers surveyed across regional Queensland
- 77% reliant on independent fuel suppliers

Reported issues:

- No supply (32 responses)
- Contracts not fulfilled (11)
- Contract cancellations/ invoking force majeure clauses
- Rationing, delivery delays, price escalation

Key themes:
· Supply shortages
· Contract failures
· Price volatility
· Operational disruption
Producer evidence confirms current impacts on production decisions, with escalation likely without intervention.