



AgForce Queensland Farmers Limited

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Department of Foreign Affairs and Trade
R.G. Casey Building
John McEwen Crescent
Barton ACT 0221 Australia

By email: ftamodernisation@dfat.gov.au

To Whom It May Concern,

RE: General Review of the China-Australia Free Trade Agreement – AgForce Submission

AgForce Queensland Farmers Limited (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's purpose is to advance sustainable agribusiness 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.

AgForce welcomes the opportunity to provide a submission to the general review of the China-Australia Free trade agreement (ChAFTA). Queensland's agriculture industry relies on access to stable export markets, with over \$16 billion worth of agriculture and food products exported in the year to November 2025. When the ChAFTA agreement was first negotiated, focus from industry was centered on improved trade terms. Recent geopolitical uncertainty has led to a shift towards a more holistic approach where consistency and continuity are considered as key priorities alongside terms in trade agreement. With this in mind, AgForce's submission covers improvement's to both the mechanisms facilitating the agreement and the agreement terms relevant to our producers.

AgForce Summary of Key Recommendations:

- Establish a structured forum to discuss and resolve sanitary and biosecurity matters and anti-dumping disputes in a timely and transparent manner.
- Improve the management and administration of non-tariff barrier and broader trade management processes to improve functionality, efficiency and predictability of trade.
- Expand duty free quota access for beef exports and reduce safeguard tariffs applied to volumes exceeding quota thresholds.
- Maintain tariff free access on Australian beef, sheep and goat meat, wool, grain and pulse exports
- Expand duty free quota access for Australian wool exports.

- Improved market access and competitiveness of Australian sugar based exports, by prioritisation of sugar and sugar based low carbon liquid fuels within ChAFTA tariff liberalisation schedules or secure expanded, commercially meaningful access quotas.
- Involve Industry in direct discussions on trade and in the promotion of Australian agriculture as clean and sustainable through farm visits and industry hosted functions

Mechanism of the Agreement

Trade with China over the past decade has been highly volatile, with exports, particularly agricultural produce subject at time to restrictions, tariffs and in some instances complete prohibition for a period. Key examples of this occurred in 2020 with the restriction on beef exports from certain Australian beef processors, the 80.5% tariff imposed on barley and the ban on lobster exports.

The rationale given for each of these trade obstructions varied, from sanitary concerns over chemical contamination, to allegations of dumping given to justify tariffs. On each occasion, Australia was informed after the decision had been made domestically, with no resolution process or forum to discuss the matter present within the agreement.

Whilst not a surefire way to prevent future obstructions given the possible political nature behind the aforementioned decisions, the establishment of a structured forum within the agreement, would potentially assist to de-escalate trade disputes and allow for a forum where issues, if they are genuine can be raised and resolved.

In addition to the establishment of a forum, current non-tariff barrier management processes could be greatly improved. An increase in electronic documentation acceptance, support for allowing processing of exports prior to arrival and live updates to Australian exporters on changes to Chinese import processes are just some examples of changes that could be sought to resolve non-tariff barriers and inefficiencies.

Overlap with Other Agreements

The Regional Comprehensive Economic Partnership (RCEP) is the only trade agreement both China and Australia have entered into together since the signing of ChAFTA. The RCEP did not provide any improved tariffs for Australian agricultural commodity exports to China, however did amend rule of origin requirements such that Australian export goods to China can now contain inputs from Countries party to RCEP and still be eligible to qualify for preferential tariffs to China.

Under ChAFTA, goods exported from Australia to China could only qualify for preferential tariffs if they contained inputs from either Australia or China.



Beef

ChAFTA set out that a tariff of 0% be applied to Australian beef imports up to a safeguard quota, whereby China would then have the right to impose a tariff on exports above this volume. At the signing of the agreement, the quota was set at 170,000 tonnes and was scheduled to rise each year till it reached 249,000 tonnes in 2031.

In 2025, Australia exported over 272,000 tonnes of beef to China, our second largest market at 17.7% of total exports, behind the US (29.4%) and ahead of Japan (16.3%) and South Korea (14.5%).

At the start of 2026, China announced a 55% tariff on Australian beef imports above a quota of 205,000 tonnes, well below the 2025 export volume and short of the agreed escalation schedule. The prior safeguard quota tariff under ChAFTA was 12%, making this a significant departure from how trade had operated.

Based on approximately 76,000 tonnes shipped to China by early April, Australia is on track to exhaust its full-year quota well before year's end, after which significant volumes will need to find alternative markets at short notice.

Australia's duty-free quota sits well below Brazil (1.1 million tonnes), Argentina (510,000 tonnes), and Uruguay (320,000 tonnes), with all countries subject to the same 55% above-quota tariff. This comparison does not reflect Australia's superior food safety standards, traceability through the National Livestock Identification System, and biosecurity credentials; competitive strengths that should command better market terms.

AgForce supports exploring whether the duty-free quota can be expanded and the 55% above-quota tariff reduced to the preexisting ChAFTA safeguard provisions with the establishment of consultation obligations before future measures of this kind are activated to ensuring industry has the opportunity to engage before significant changes to market access take effect. If this cannot be not achieved, additional beef export pathways and markets should be sought out to ensure the industry is not hampered.

Sheep, Wool and Goats

Under the ChAFTA, import tariffs on Australian sheep and goat meat to China were removed entirely by 2023. This facilitated the growth of sheep and goat meat exports to China, with China currently the second largest market for Australian goat and sheep meat exports behind the United States.

AgForce supports the maintenance of tariff free terms on Australian sheep and goat meat exports to China.

Under ChAFTA, Australia has access to a duty free specific country quota of 44,324 tonnes of clean wool exports to China. In addition, there is a broader 287,000 tonne WTO quota, which is available to all countries at a tariff rate of 1%.

Once imports exceed both these volumes, China retains the ability to impose a tariff of 38% on wool imports, although does not typically choose to enforce this mechanism. Australian wool production totaled 173,529 tonnes in 2024/25, indicating that there is no near term risk that our exports to China will exceed the available quota allocations.

China is the largest export market for Australian wool. Constituting over 84% of Australian wool exports in 2024-25 export figures. AgForce supports exploring whether the duty free quota for Australia wool imports can be expanded.



Grains and Pulses

ChAFTA eliminated tariffs on the export of Australian barley, sorghum, cotton seed, malt, oats, buckwheat, millet, quinoa, pulses and wheat gluten to China. A tariff of 1% remains on Australian wheat and maize exports.

China is a significant market for Australian grain exports taking the majority of Australian Barley, Oats, Sorghum. China has traditionally been a large market for Australian wheat but in recent years, Australian wheat exports to China have declined with China the 8th largest Australian wheat export market in 2025 with just over 1 million MT of Australian wheat exported to China, down from a previous high of over 6 million metric tonnes in 2023.

China is also a significant market for Australian pulses, receiving a substantial share of Australian pulse exports, especially when Indian production figures are high and they impose tariffs on Australian imports.

AgForce supports the maintainance of low tariff and tariff free terms on Australian grain and pulse exports.

Sugar

China administers sugar imports through a tariff rate quota (TRQ) system with a import quota volume of 1.945 million tonnes where the 15% tariff is applied. China allocates a share of this volume to both state linked and private importers. Sugar imported outside of this scheme is subject to a 50% tariff.

Australian sugar is not currently included within ChAFTA tariff liberalisation schedules and remains subject to a 15% tariff under China's TRQ system.

China's system governing sugar imports is fairly resolute, in order to protect their domestic industry. This has limited Australia's ability to participate meaningfully in the market with the tariff acting as a major constraint to commercially viable export opportunities despite Australia's capacity as a reliable and competitive supplier. As a result, less than 1% of Australian sugar production is exported to China.

Beyond its use to produce sugar, Australian sugarcane also has potential uses as an industrial feedstock, particularly in the production of ethanol and sustainable aviation fuel (SAF). As countries, including China seek to expand their use of low carbon liquid fuels, Australia may be positioned to take advantage of the situation and make use of China's demand for sugar based low carbon liquid fuels and increased demand for sugar overall as a result to push for improved trade terms.

AgForce recommends support for inclusion of sugar and sugar based low carbon liquid fuels within ChAFTA tariff liberalisation schedules, or negotiate preferential quota access arrangements, to reduce constraints imposed by TRQ system.

This review presents an opportunity to ensure ChAFTA evolves from a tariff-based agreement into a modern, resilient and enforceable framework that delivers practical, reliable and commercially meaningful outcomes for both nations.

AgForce appreciates the opportunity to make a submission to the General Review of the China-Australia Free Trade Agreement. We look forward to further opportunities to engage with DFAT on trade matters to ensure optimal outcomes for producers and the wider community.

If you have any questions or require further information please contact Alexander Desses, Policy Director – Sheep, Wool and Goats by email desses@agforceqld.org.au or via phone at 0428 889 052.



Sincerely,

Niki Ford
Chief Executive Officer

Ends

