

Agribusiness Insights

PRODUCTION UPDATE 2024-25



GROW

Dry conditions brought into focus the importance of irrigation development and business resilience planning, while enhancing productivity in multiple agricultural sectors in a changing climate.



EXPERIENCE

Agri-tourism continues to grow, with farm-based experiences, wine trails, and food tourism creating new opportunities for producers to diversify income streams and strengthen Tasmania's premium brand.

Biosecurity and animal welfare remain priorities, with eID traceability, disease control, and preparedness for threats like Avian influenza and Varroa mite, working to protect Tasmania's agricultural assets.



PROTECT

Value-added production and strong exports, from wine to niche crops, continue to drive growth and new market opportunities.



MAKE

A year of challenges and opportunities

As of October, 2025

The 2024–25 production year was marked by mixed seasonal conditions, varying by location and enterprise. Some growers faced significant challenges due to a lack of rainfall, whereas other growers were well-positioned for dry conditions and experienced a year of good results. The dry conditions benefited some sectors, such as wine grape production.

Tasmania, in particular, King and Flinders islands, experienced drought conditions for much of 2024. Meat processors in collaboration with producers increased throughput to assist with destocking and management of animal welfare. Livestock producers also accessed supplementary feed and transferred animals to feedlot and agistment. In addition, investment in irrigation proved pivotal to the resilience of both pasture-based enterprises and horticulture. Tasmanian Irrigation water supply remained relatively strong in 2024-25 with 93,610 ML delivered (6.9 per cent less than 2023-24) after 177 per cent more delivery in 2023-24 compared to 2022-23.

An autumn break¹ anticipated by Tasmanian producers did not eventuate for 2025. Entering autumn, soil profiles were depleted of moisture, and the continued lack of meaningful rain as the season progressed stagnated pasture growth for a winter feed wedge. June to August 2025 rainfall was average to below average in most areas. Coming off the 2024 drought, prolonged rain events are needed to refill soil profiles to return to a normal season. The Bureau of Meteorology forecasts September to November to have above-average temperatures and rainfall to be average to above average. Looking forward, if agronomic conditions fall in Tasmanian producers' favour, the agricultural sector is potentially positioned well to gain from a changing trade environment and emerging market opportunities domestically and internationally. For all of Tasmania's producers, the availability of water will be critical in spring after a fairly warm winter with average rain preceded by an autumn with low rainfall.

¹ An autumn break is defined as having 25mm or more of rainfall over a period of less than three days or 30mm or more of rainfall over a period of less than seven days.

Climate change resilience and managing business risks remains an issue for agribusinesses and is a focus of programs under the national Future Drought Fund, including the TAS Farm Innovation Hub, Farm Business Resilience Program (FBR) and Regional Drought Resilience Program (RDRP).

Biosecurity is fundamental to the competitiveness of Tasmanian agriculture. Together with Biosecurity Tasmania, Tasmanian farmers and industry groups are focussed on biosecurity response and preparedness planning, including responses to recent events such as the occurrence of [potato mop-top virus \(PMTV\)](#).

The Tasmanian Government has initiated a \$200,000 project through the Tasmanian Institute of Agriculture to investigate the impact and management of PMTV in Tasmania, with the aim of improving disease understanding, risk assessment and biosecurity outcomes for the Tasmanian potato industry. The project is enabled through the government's Agricultural Innovation Fund and has the potential to leverage additional research and investment.



Photograph - Moon Cheese Studio | Carrot Farm

Economic outlook

Trade policies will be key in shaping economic conditions for 2025-26, in particular agri-food exports. Tariffs will potentially reorder global trade flows and, reassessments of trade partnerships at a global level will likely impact the agri-food sector. Tasmanian red meat, seafood, dairy, and select horticultural products are more exposed to global trade conditions than other Tasmanian produce. The US tariff of 10 per cent² on Australian imports presents a modest but growing risk to Tasmania's \$104 million (2022-23) beef export trade to the US, with potential to soften prices for US meat exports. Exporters may face reduced margins and could be prompted to explore alternative markets to maintain profitability and manage risk. Despite the downsides of the new trade environment, new opportunities could also arise. Of note are the restarted negotiations on a European Union - Australia Free Trade Agreement; Tasmanian sheepmeat gaining access to the Chinese market; and potential increased trade with south-east Asia.

The Australian Government's commitment to provide additional funding for the Tasmanian Freight Equalisation Scheme (TFES) will also support market access.

The Australian Bureau of Agricultural and Resource Economics and Sciences (ABARES) forecasts the following for the global economy:

- Global economic outlook assumed to be subdued in 2025 and 2026.
- Strong population and income growth to support the medium-term outlook in Australia's key export markets.
- The Australian dollar is assumed to remain relatively low against the United States (US) dollar in 2025-26.
- Australian consumer spending to improve with growth in household disposable income.

² Australian aluminium and steel is subject to a 50% tariff and selective automotive products (automobiles, light trucks and certain automotive parts) are subject to a 25% tariff.



Photograph - Nick Hanson | *Vineyard*

Economic outlook continued

If the global economy does face more downward risks due to volatile trade policies, it is expected that there will be impacts on inflation, economic growth, consumer confidence, and business sentiment. Tasmanian programs to support producers with international trade include:

- **Accelerating Trade Grant Program** – providing up to \$10,000 towards specific off-island activities that support market growth and diversification opportunities for Tasmanian businesses. Activities include promotional events or campaigns, market research and inbound buyer visits.
- **Export Essentials Program** - created in partnership with the Export Council of Australia. Recently relaunched and free to Tasmanian businesses, it offers two in-depth self-paced courses: the National Exporter Program for businesses looking to start or expand their domestic exports; and the International Exporter Program for businesses looking to begin or grow their exports in international markets.
- **Trade with Tasmania** - a directory which businesses can join to generate exposure to interstate and overseas opportunities.
- **Tasmania 2024-27 Trade and Investment Mission Plan** – providing a platform for businesses to explore, expand and maintain international trade partnerships.

Despite the near-term challenges and risks, there will still be strong demand for Tasmanian agri-food produce domestically and globally, due to a growing population and affluence in East Asia. The Organisation for Economic Cooperation and Development (OECD)³ and the Food and Agriculture Organisation (FAO) expects solid demand for food, particularly proteins, in East Asia. Australia's population is expected to reach between 29.2 and 30.8 million by 2032, by which time Tasmania will

have a population of between 579,600 and 645,600, according to Australian Bureau of Statistics (ABS) estimates.

A recent Rabobank Report⁴ reflects that Tasmania's vibrant and diverse agricultural sector has experienced sustained and widespread growth over recent decades and has emerged as a standout success story. However, competitiveness is an ongoing challenge. A 25 per cent increase in Commonwealth financial assistance to the Tasmanian Freight Equalisation Scheme (TFES) effective from 1 July 2025 is being followed by a comprehensive review of the TFES to see if it remains fit for purpose. ABARES forecasts that input prices for fuel and feed will moderate in 2025-26, while prices are expected to rise for fertiliser, chemicals, services, and labour.

Continued growth in confidence within the agribusiness sector will support growth and investment. According to the 2nd quarter [Rabobank rural confidence survey](#), positive sentiment has further increased on the back positive expectations for favourable seasonal conditions and strength of commodity markets. Positive expectations are fuelling investment in water infrastructure, plant and machinery, and the appetite to acquire property to expand operations. Agronomic conditions will likely influence the results of the next and following confidence survey results. Tasmanian agriculture is the most productive in the country with agriculture, fisheries and forestry having a \$20,960 productivity advantage per worker over the national average, according to Regional Development Australia⁵.

³ [Members and partners | OECD](#)

⁴ Rabobank [Gearing up for mature growth in Tasmanian agriculture](#)

⁵ Regional Development Australia [Tasmania Economic Review 2025](#)



RED MEAT

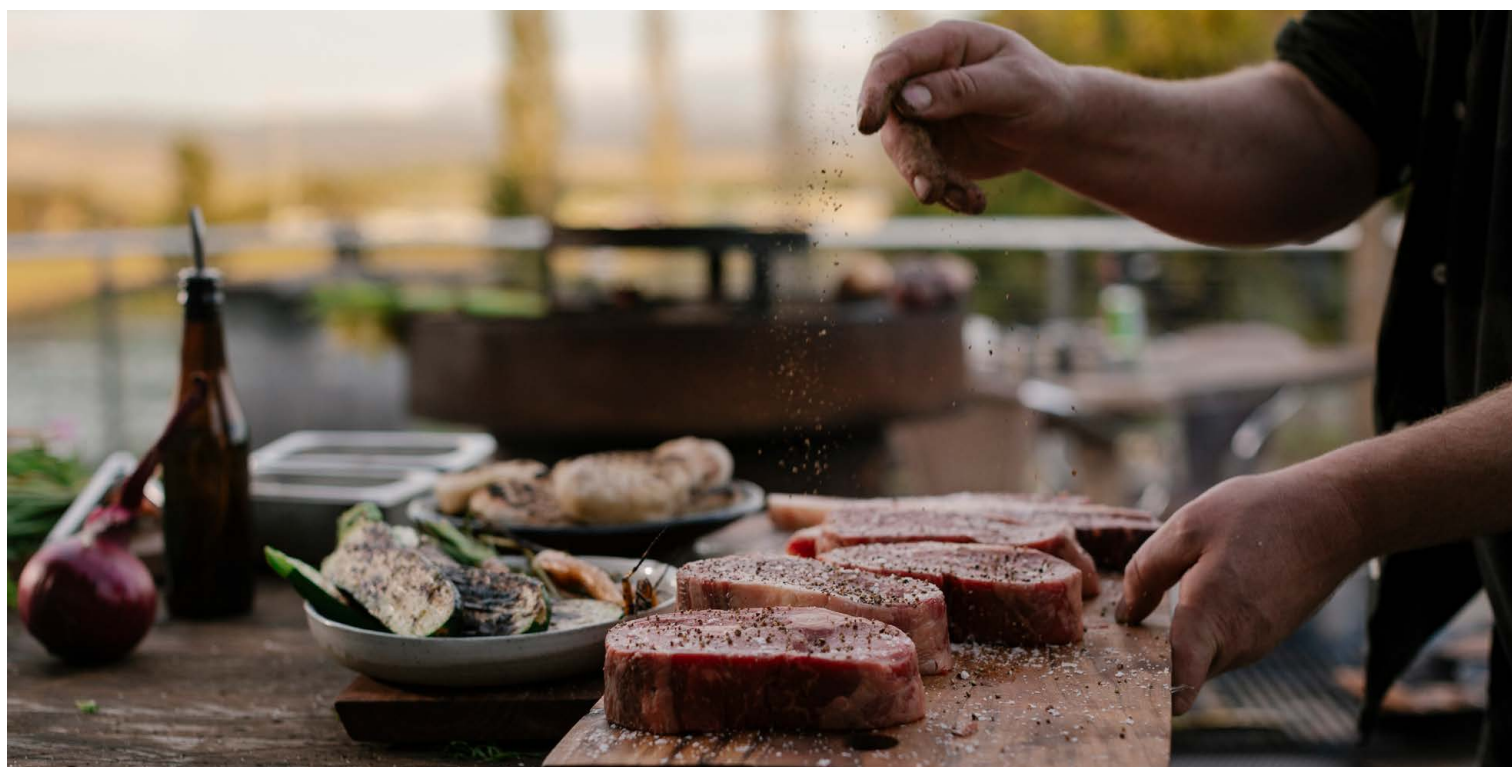
Timely rains to shape the next season

Most of Tasmania has been drier than usual and timely rains for many production areas have been absent. Considerations relating to the cost and the availability of feed and fodder increased pressure for some farmers to rationalise cattle and sheep numbers. In many instances, positive stock prices have made the decision to rationalise easier.

To close out 2025, producers will be looking for critical spring rains to recharge soil moisture. This will set up pasture growth into the next season and allow stored fodder supplies to be replenished. Water for stock was also a concern for red meat producers in parts of the State, including the Bass Strait islands. Good spring rain would alleviate this concern.

Demand for processing has been strong and is likely to remain so through spring. Seasonal conditions and the affordability of feed across much of southeastern Australia are considerations for producers deciding whether to hold stock or sell into a processing market currently offering strong prices.

The value of sheepmeat is expected to remain robust, particularly for mutton. China has provided export licences to several Australian meat processors including Tas Quality Meats (TQM). Improved seasonal conditions in Victoria and South Australia are expected to support stable sheep prices, with producers likely to re-enter the market to rebuild flocks following earlier destocking. In addition, consumer demand continues to be robust which will also support price stability. The United States (US) tariffs are expected to have minimal impact on Tasmanian sheepmeat as it is less exposed to the US market compared to other states.



Photograph - Moon Cheese Studio | *Chef cooking meat*



RED MEAT

Timely rains to shape the next season

The phase out of the live sheep export trade in Western Australia (WA) is expected to have minimal impact on Tasmanian producers. It is anticipated that WA producers will continue decreasing herd numbers and diversify their businesses in various ways, such as expanding cropping. In addition, the great distance between the western and eastern seaboard is likely to mitigate against any dramatic increase in movement of sheep from WA to the eastern seaboard.

The Australian Government's decision in July 2025 to remove restrictions on US beef imports is not expected to significantly impact Tasmanian beef exports to the US, as the majority of beef trade flows in the opposite direction—primarily with the US importing lean beef from Australia.

The TasFarmers Tasmanian Red Meat Industry Strategic Plan 2025-2030 will help to drive growth in Tasmania's red meat sector. The Plan contains strategies for sustainability, profitability, and market competitiveness across the entire red meat supply chain in Tasmania.

Sprout's Tasmanian Livestock Service-Kill Processing Investigative Report⁶ also provides a platform to direct government and industry efforts to reduce barriers to small-scale meat processing, helping to increase viability and value in this sector.

Both the Red Meat Industry Strategic Plan and the Service-Kill Processing Investigative Report were supported by Tasmanian Government funding through the Strategic Industry Partnership Program (SIPP).

A task force is working to develop guidelines for small scale and mobile livestock processing that will provide an overview of the business planning and regulatory requirements for establishing and operating a domestic micro or mobile livestock processing operation.

For Red meat sector data please refer to the: [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

Trade tariffs and their impact on red meat exports will remain an area of interest, particularly the impact of tariffs on beef exports to the US, which accounts for more than half of Tasmania's beef exports.

Spring seasonal conditions will impact pasture availability, which in turn will influence grower decisions on herd and flock rebuilding or destocking. A return to average seasonal conditions will likely mean cautious restocking.

Continuation of dry conditions in Victoria and South Australia and their impact on saleyard prices for cattle and sheep.

Continued implementation of the Tasmanian Red Meat Industry Strategic Plan and outcomes from the small scale and mobile livestock processing guidelines.

⁶ Sprout Tasmania [Meat report - 2025](#)



DAIRY

Strong productivity and investment continue despite challenging seasonal conditions.

Tasmanian milk production remained strong in 2024–25, with 901 million litres produced—a 3.6 per cent decrease compared to 2023–24. Despite a slight decline following a challenging early spring in 2024, Tasmania maintained its 11.2 per cent share of the national milk pool. According to ABARES, national milk production is expected to fall further in 2025–26.

In 2025, [ABARES](#) reported that Tasmania is one of Australia's most productive dairy regions. Strong land prices in Tasmania's dairy areas reflect the land's productivity for dairy and other farming activity. This is attracting investment in both dairy and other agriculture in dairy regions.

The opening milk prices are up slightly from last year, ranging between \$8.05 and \$9.94 per kilogram of milk solids. Further step-ups may be limited if milk production increases as the season progresses.

The continuing dry conditions experienced in dairy regions in the spring of 2024 impacted the peak production period following spring calving. Farms with access to irrigation water extended their usual irrigation period to keep pastures growing.

Assisted by the Tasmanian Government, the sale of King Island Dairy, from Saputo to King Island Dairy 2, has provided a confidence for the King Island community and the overall Tasmanian dairy sector.

The decision of Fonterra to sell its consumer and associated businesses is progressing with Lactalis being the buyer. Fonterra has a large supplier pool and two processing facilities in Tasmania.

Meanwhile, the rationalisation of processing on the mainland continues. Of note is the recent entry into administration of two processors, highlighting the evolving nature of Australia's dairy supply chain and industry structure.

Export prices of dairy products are expected to moderate in 2025–26, reflecting both rising supply—as the US and European Union (EU) dairy herds recover from biosecurity events—and lower demand, as increased Chinese milk production constrains its import demand.

Dairy Australia has released the CalfWays Report: a strategic document to guide industry on finding viable options to manage non-replacement dairy calves. A Tasmania-specific project is underway.

For Dairy sector data please refer to the [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

The progress of the sale of Fonterra's Australian operations to Lactalis.

Management of non-replacement dairy calves continues to be a focus for industry. Outcomes from the strategic roadmap will be key to shaping the Tasmanian dairy industry.

Spring seasonal conditions and impacts on pasture growth.



FRUIT

Overall, a good season but commodity prices continued to be a challenge.

Tasmania's strawberry, raspberry, and blackberry season continued into autumn, with reports of good yields particularly for rubus and blueberries. Mid-late summer and autumn weather was very settled, dry, and warm, which somewhat suited late production and disease management. Berries are reporting better results than last year.

Orchards started picking apples about a week early compared to an average season, with no significant weather damage reported. The harvesting of late-season varieties finished at the end of May 2025. The quality of apples was again very good this year, with local weather conditions being favourable for colour.

Apple prices improved slightly; however, remain low relative to rising input prices and cost of production. Some growers will need to implement long-term strategies aimed at improving future profitability. The Fruit Growers Tasmania: Future Fruit Development Program, funded by the Tasmanian Government's SIPP, is supporting producers to make that structural change. Labour supply was good this season, although there continues to be unmet demand for skilled labour.

The cherry season was characterised by good yields and quality, despite localised weather events impacting some early season varieties. The domestic market had greater supply of fruit with better seasonal conditions being experienced by mainland growers this season. Positively, Tasmanian exports were robust with strong demand from Asian markets.

As the berry sector continues to mature, producers are now taking a considered approach, pursuing growth in domestic markets to ensure profit sustainability. However, international exports are an emerging opportunity in part supported by the development of new varieties.

For Fruit sector data please refer to the [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

How the recommendations from the Australian Competition & Consumer Commission Supermarket Inquiry 2024-25 will be implemented nationally.

Access to labour continues to be an ongoing issue for the sector.

Profitability remains a challenge for some commodities within the sector.



VEGETABLES

A year marked with good yields, but business environment presents different challenges.

As of August 2025, Biosecurity Tasmania has been responding to multiple detections of potato mop-top virus across the state. A biosecurity incident was declared, and an Incident Management Team was established to coordinate the response. As at end of September, the response transitioned to a management phase, as the virus is considered non-eradicable. Consequently, the incident response will be scaled down with a plan to move to industry led management of PMTV in Tasmania.

Prior the identification of the potato mop-top virus, potatoes had an exceptional year with very good yields due to conducive seasonal conditions and access to irrigation water. There were some minor reports of rot in low-laying areas of paddocks that sat wet from significant December 2024 rainfall events.

In 2023-24, Tasmania's potato industry had a farmgate value of \$325 million for processing potatoes, \$21 million for fresh potatoes, and \$33 million for seed potatoes. In 2022-23, approximately 490,285 tonnes of potatoes were produced, including seed potatoes. Of the total volume of potatoes produced, 88 per cent was processed potatoes, 6 per cent was potatoes for fresh supply, and 6 per cent was seed potatoes. Tasmania exported 18,000 tonnes of its fresh potatoes interstate in 2022-23. Industry estimates that approximately 1,000 tonnes of seed potatoes were exported interstate before the identification of the potato mop-top virus. Tasmanians consumed 18 per cent of the potatoes grown in Tasmania in 2022-23. Tasmania has negligible international exports of potatoes.

Onions and carrots are performing relatively well, with growth in both price and volume. Leafy Asian vegetables experienced strong price growth. Some select vegetable sub-sectors are experiencing a challenging operating environment with tight profit margins, high input prices, increasing labour costs and regulatory compliance requirements for food safety and quality assurance schemes. The outlook for these sectors is that profitability will likely continue to ease. Moderating consumption of vegetables is also impacting domestic sales.

On-farm water storages will impact the next season if spring rainfall is not sufficient to fill on-farm dams.

For Vegetables sector data please refer to the [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

Spring rainfall and its impact on irrigation water demand.

How the recommendations from the Australian Competition & Consumer Commission (ACCC) Supermarket Inquiry 2024-25 will be implemented nationally.

Profitability continues to be a challenge for selected commodities and is putting pressure on business viability for some producers.

Impact of the potato mop-top virus on the potato industry, particularly on seed potato and fresh potato interstate exports.



FIELD CROPS

Good season and emerging opportunities will support growth.

Winter cereals, wheat and barley, had their harvest late this season due to cooler weather, but yield and quality were good. The price for wheat and barley is expected to be strong in 2025-26 due to dry seasonal conditions in global wheat and barley growing regions and lower global stocks. There are reports that local processors and marketers of canola continue to look for more local growers, and to source more Tasmanian grown canola, to meet their demand.

Pharmaceutical poppies had an increased growing area in 2024-25, with 7,564 hectares sown. However, seasonal conditions affected planting and yields with rains causing some paddocks to be resown, leading to a reduction in yields and harvested area. Global demand for alkaloids from poppies is increasing due to falling global inventories and demand from pain and weight-loss medication manufacturers. There is an expectation that approximately 13,000 hectares will be sown in the 2025-26 season.

The US is proposing a potential 200 per cent tariff on pharmaceuticals. The proposed tariff will likely have no direct impact on poppies, but might have negative indirect impacts. An indirect impact may arise if pharmaceutical manufacturers reduce demand for alkaloids due to rising costs of other drug inputs, particularly where substitutes are available. While there is potential for substituting poppy alkaloids with emerging bio-synthetic sources, bio-synthetics are yet to reach commercial-scale viability. The USA does not produce poppy alkaloids, so the US market will continue to be reliant on imported alkaloids for the foreseeable future.

The Department of Natural Resources and Environment Tasmania (NRE Tas) has released the 2025 [Genetically Modified Organisms \(GMO\)](#)

[Environmental Scan](#). It noted that to remain competitive in the global environment, the opiate industry needs certainty of access in Tasmania to new tools and techniques as and when they become available. These innovations might include both GMO poppies and non-GMO poppies bred through SDN-1 techniques. Desired traits include improved alkaloid yield per plant, greater disease resistance to reduce pesticide usage, improved ability for the plant to utilise nutrients and drought tolerance, among others. Tasmania's Gene Technology Policy allows for the use of GMOs in pharmaceutical poppies with qualifications. If the industry is to invest in GMOs or new non-GMO breeding techniques such as SDN-1 to maintain competitiveness within Tasmania, it needs a high degree of certainty that it can commercialise all forms of the potential end product.

Industrial hemp experienced an uptick in 2024-25 with increased hectares being committed to the sector. The wet start to the hemp growing season had minimal impact on planting, however, insect damage was higher than previous seasons due to the warm growing conditions.

The pasture seed industry had a strong year with good harvests leading to high demand for seed cleaning services. Seed cleaning demand exceeded capacity, with one operator functioning 24 hours per day for 6 days per week.

For Field Crops sector data please refer to the [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

If a return to average seasonal conditions in the winter cereal growing regions in the Northern hemisphere will moderate prices through increased supply, it will have flow-on impacts on local prices.

The potential impact of the upscaling of bio-synthetics competing with demand for pharmaceutical materials derived from poppies.



WINE GRAPES

An exceptional year but managing growth will be key to maintaining industry sustainability.

Wine grape harvest and crush volumes was 37 per cent higher for the [2025 vintage](#). Seasonal conditions supported record-breaking yields. Warm conditions across the State meant that the harvest in some areas started approximately two weeks earlier than usual. Harvesting was also required to be completed at pace due to warmer temperatures, which put some pressure on growers. Higher yields (for the first time since 2018) also applied some pressure to processing capacity. Increased wine availability due to higher yields is expected to bolster opportunities to expand the Tasmanian wine sector into new markets.

Wine Tasmania reports that there have been some challenges throughout the season, including localised frost and hail events. Smoke from the February 2025 West Coast fires appeared to have had little impact on vineyards.

ABARES forecasts that wine export prices will increase due to the re-opening of the Chinese market, with strong demand for cool climate and premium wines. Although Tasmania currently exports only small volumes of wine, Wine Tasmania reports that the sector is looking to expand in the export market from the current 5 per cent of wines to about 15 per cent over coming years. Wine Tasmania has received \$3 million in Tasmanian Government funding over three years for export market development and domestic market promotion activity, along with research and development and related activities. Singapore and South Korea are identified as new target markets.

Agri-tourism is an important avenue for wine consumption. Visitation to Tasmanian cellar doors is a priority for the sector. [Tourism Research Australia](#) projects a 41 per cent increase in international visitors to Australia over the next five years. Domestic tourism will also continue to grow over the same period. Visitor night growth (duration of stay) of 2.1 per cent is expected for the next five years with visitor nights expected to surpass pre-pandemic levels in 2025. 22 per cent of all visitors to Tasmania in 2024 called into a cellar door during their stay, travelling into the island's regional areas, spending more, and staying longer than other visitor segments.

For Wine Grapes sector data please refer to the [Tasmanian Agri-Food ScoreCard Dashboard](#)

What to monitor

Smoke taint risk continues to be an ongoing issue for the sector and research by Tasmanian Institute of Agriculture is being undertaken to improve usability of smoke-affected grapes.

With the sector experiencing accelerated growth in vineyard plantings, a critical focus is ensuring demand for Tasmanian wine continues to exceed supply, building on the current strong quality-and-value platform.

With this accelerated growth in vineyards, constraints in processing capacity are being monitored, with a strategic focus on capturing as much as possible of the wine supply chain on-island.

Other Products

Tasmanian chicken and egg producers service the local market. Nevertheless, a complex national supply chain can affect the availability of eggs and poultry meat for Tasmanian consumers who shop at the major supermarkets. In 2023-24, Tasmania's chicken meat sector had a farmgate value of \$47.8 million, and eggs had a farmgate value of \$14.8 million. Tasmania's flock size for 2023-24 was 4.9 million birds.

Avian influenza (bird flu), the H5N1 and H7N1 strains, continue to be a key risk for the Tasmanian egg and poultry industry, which includes a mix of large and smaller operations, including free-range birds. Outbreaks of H7 bird flu on the mainland in 2024 and early 2025 affected egg supply nationally.

The Tasmanian Government is working with the poultry industry and other stakeholders to prepare for a bird flu outbreak. Importantly, the H5 strain of concern that has spread across other parts of the world in the past few years has not been detected in Tasmania or elsewhere in Australia, but that may change at any time.

NRE Tas has developed the [Tasmanian Avian Influenza Readiness and Response Plan](#) which outlines how government will respond to an outbreak of bird flu and how industry and the community can prepare.

Total honey production was reportedly down at least 40 per cent from the previous year. The reduced production was due to a range of factors including, climate, low inflorescence of leatherwood trees, and having to shift hives during the bushfires. Of particular concern were the West Coast fires in February 2025. Although minimal hives were lost to the fires, the extent of the impact on the leatherwood resource is currently unknown. NRE Tas is in process of finalising the latest bee industry survey for 2025 which was last produced in 2021 and values the contribution from honey and pollination services and provides an update on the status of the

industry. Further details will be included in future NRE Tas AgriFood Scorecard and Agribusiness Insight Reports.

Biosecurity Tasmania has released [Tasmania's Varroa Mite Action Plan 2024 – 2034](#), following substantial consultation with stakeholders (including commercial and recreational beekeepers as well as pollination-dependent industries). At the time of publication, Tasmania remains free of Varroa mite.

What to monitor

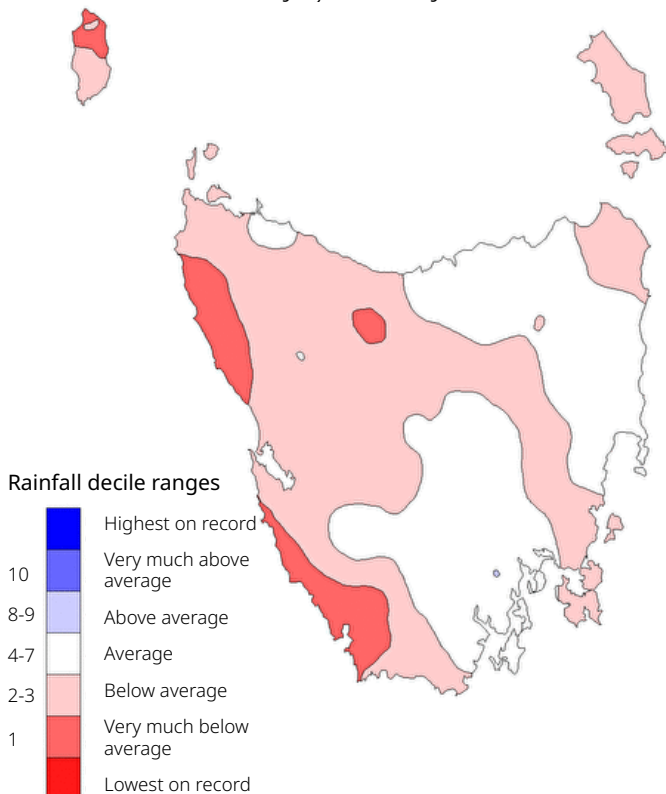
Biosecurity Tasmania continues preparedness work with industry and the community to rapidly detect and respond to a potential incursion of Avian influenza.

NRE Tas will soon release the 2025 Tasmanian bee industry survey report.

Water and Irrigation

During 2024-25 irrigation water was critical during the spring and summer season for both cropping and pasture. The dry conditions that persisted through the spring after low rainfall in winter put pressure on water needs. The amount of irrigation water accessed from Tasmania Irrigation schemes was 93,610 ML, a 6.9 per cent decrease on the previous year, which had below average rainfall across all agricultural production districts. However, Tasmanian Irrigation's water delivery in 2024-25 was 34 per cent higher than the average annual delivery in the six years from 2017-18 to 2022-23. For most Tasmanian Irrigation Schemes the 2024-25 irrigation season was extended to support farmers, especially later in the season.

Rainfall - 1 July 2024 to June 30 2025



© Commonwealth of Australia 2025, Bureau of Meteorology

In the first eight months of 2025, water licence access activity in Tasmania was higher across most access types compared with the same period in 2024, reflecting dry seasonal conditions and low run-off to fill on farm water storages.

Rainfall in spring will be important set up the next production season. Winter rainfall for June to July 2025 was average to below average in key production regions. The Bureau of Meteorology is projecting a warm spring with average to above average rainfall from September to November.

The Rural Water Use Strategy (RWUS), released in March 2021, is the Tasmanian Government's blueprint for managing the State's water resources. It was developed to meet emerging and future challenges including increasing demands and competition for water resources as some catchments approach full allocation, expanding demand for water-dependent industries and population growth, and balancing the needs of the environment along with the impacts of climate change on water reliability. Key initiatives underway include:

- Improving the understanding of our groundwater resources
- Incorporating contemporary climate change projections into our water management allocation and assessment processes
- Establishing collaborative sharing of water data across all water entities
- Improving our surface water and groundwater monitoring networks
- Reviewing our water accounting and water planning processes.

The Tasmanian Government has invested a total of \$7.7 million to implement the RWUS and the Australian Government has also committed \$54.1 million for the delivery of key science projects and small water infrastructure projects.

In addition to the key science projects and smaller water infrastructure projects delivered under the RWUS, the Tasmanian Government is committed to delivering agricultural water security through investment in irrigation infrastructure.

Water and Irrigation

Continued investment and development of Tasmanian Irrigation's, Tranche 3 Irrigation Schemes, throughout the 2024-2025 period includes:

- Significant progress on construction of the 25,500 ML Northern Midlands Irrigation Scheme which commenced construction in August 2024 and is expected to deliver water from the 2026-27 summer season:
- Approvals for the Sassafras-Wesley Vale Irrigation Scheme Augmentation almost complete with construction expected to commence in late 2025 which, when complete, will deliver a further 9,200 ML of high-surety summer water.
- Capital funding for the development of the Greater South East Irrigation Scheme secured, which is expected to deliver water from 2030.

These projects are being delivered by Tasmanian Irrigation through the successful partnership funding model between the Tasmanian Government, irrigators, and the Australian Government.

What to monitor

Recharge of catchment runoff and irrigation storages to replenish reserves for the 2025-26 irrigation season.



Photograph - Natasha Mulhall | *Irrigation in the North West*

Climate Change Impacts

Tasmania's [Agriculture Emissions Reduction and Resilience Plan](#), includes the commitment to consider climate change impacts as part of Tasmania's annual Agribusiness Insights Report. This consideration will help track developments, issues, and opportunities for the sector over time and increase Government and industry awareness to inform industry development and government policy. Accordingly, this is the first Agribusiness Insights Report that considers climate change impacts.

Developments, issues, and opportunities

The Tasmanian Greenhouse Gas Emissions Report 2025 showed that, for the 2023 reporting year, Tasmanian agriculture accounted for 32.9 per cent of the State's emissions, excluding the emissions from the land use, land use change, and forestry sector. Tasmania's agriculture emissions have been trending upwards over the last five years. The main drivers for emissions of methane and nitrous oxide from primary production are the enteric fermentation of livestock, decomposition of manure and from cropping and pastureland management practices.

To enable development of resources to reduce agricultural emissions, NRE Tasmania and the Tasmanian Institute of Agriculture (TIA) have invested as partners in the Zero Net Emissions Agriculture Cooperative Research Centre, with Tasmania's research farms at Forthside and Elliot being key sites. The TIA Forthside Zero Net Emissions (ZNE) horticultural demonstration farm project received \$460,000 from the Tasmanian Government's Agricultural Innovation Fund. Supporting the establishment of Australia's first dedicated zero-net emissions horticultural demonstration farm. The trial at Forthside will capture emissions and productivity impacts of different fertiliser management strategies across a four-year crop rotation, comparing the industry standard levels for synthetic fertiliser

inputs with reduced and zero fertiliser scenarios. Importantly, the trial will also complement these treatments with emission-lowering alternative input strategies, including new net-zero fertilisers, biological soil amendments, cover crops and alternative crop rotations, reduced tillage practices, and precision agriculture techniques.

TIA scientists will collect data on emissions production, crop productivity and performance, as well as monitor the economic costs associated with each management scenario to understand their impacts.

In addition, to support farmers, Tasmania has invested as a partner in the [Farm Business Resilience Program](#) (FBR) under the Australian Government's Future Drought Fund funding arrangement, to support Tasmanian producers build resilience across all aspects of their business and take advantage of emerging opportunities.

The program commenced in late 2022 with a small pilot. In 2023, the program was expanded to all Tasmanian primary producers via the delivery partners DairyTas and RM Consulting Group.

The \$4.7 million FBR program continues to roll-out and is scheduled to end in November 2025. The program has seen over 200 farming businesses participate in the development of formal resilience plans. In addition, over 850 participants have engaged in 62 complementary activities such as field days, workshops, and webinars.

Negotiations are continuing between the Australian Government and States for the next phase of the FBR program to begin in early 2026.

Tasmania has also invested in the [Regional Drought Resilience Planning \(RDRP\) Program](#) that aims to help communities across Australia be better prepared for and resilient to the impacts of future drought and climate variability events, through the development and implementation of regional drought resilience plans. Over the past two years, three regional plans have been developed for the north, north-west and southern areas of Tasmania.

Climate Change Impacts

Reflecting the outcomes of a comprehensive community engagement process that involved approximately 1,000 Tasmanians, the plans provide a roadmap of actions to help communities prepare for and manage future drought and climate variability events. Following a peer review from CSIRO, the community-led plans were finalised and received final approval from State and Commonwealth governments in May and June 2025, respectively.

To support the first phase of implementation, a grants round ('QuickWins') was held in May 2025 to kickstart priority community actions supporting the regional drought and climate resilience goals and action areas. In total, 37 applications were received.

From this, 26 projects were funded, totalling \$456,000.

Planning for the second phase (2025-2029) of the RDRP program is currently underway, with the focus to be on the delivery and refinement of the regional plans over the next four years.

Provision of contemporary information on agronomic conditions is important in supporting producers to be adaptive to a changing climate. LISTmap includes several map layers to support producers in making informed agronomic decisions. In the table below is the list of layers accessible to producers on [LISTmap](#) to inform farming decisions.

LISTmap Decision Support Tools

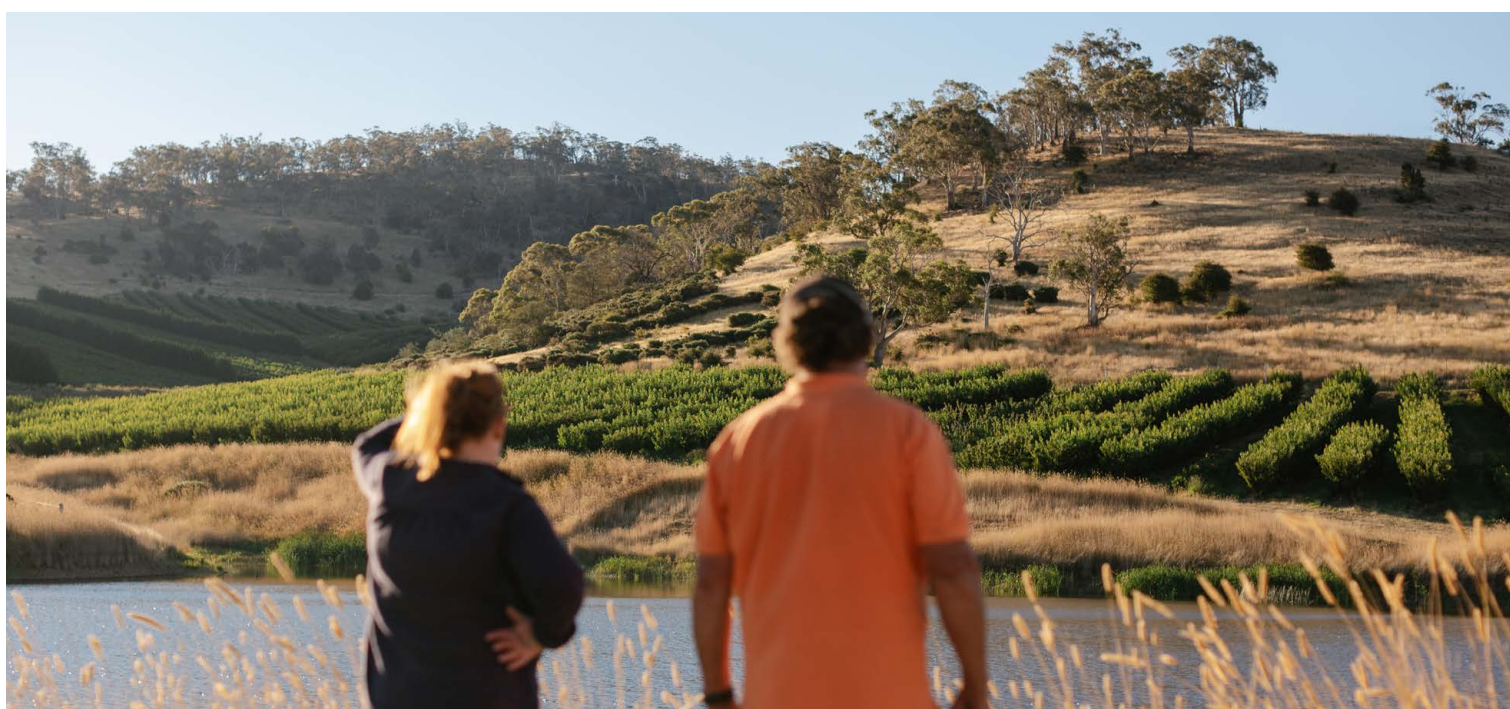
Map/layer type	Description
Air Temperature Maps	Half-Hourly Air Temperature (°C) <ul style="list-style-type: none">High-resolution (80m) statewide maps showing near real-time air temperature across Tasmania.Updated every 30 minutes using data from Bureau of Meteorology and third-party weather stations.More information Daily Minimum Air Temperature (°C) <ul style="list-style-type: none">As above, but maps represent the daily minimum temperature, updated once per day. Daily Maximum Air Temperature (°C) <ul style="list-style-type: none">Maps represent the daily maximum temperature, updated once per day.
Rainfall Maps	Hourly Rainfall Accumulation <ul style="list-style-type: none">Statewide 80m grid maps showing rainfall totals (mm since 9am), updated hourly.Data sourced from Bureau of Meteorology and third-party stations.More information 24-Hour Rainfall Accumulation (to 9AM) <ul style="list-style-type: none">As above, but maps show 24-hour rainfall totals up to 9am, updated daily.

Climate Change Impacts

Map/layer type	Description
Climate Monitoring Indicators	<p>Site Indicators</p> <ul style="list-style-type: none"> • Interactive climate trend information at key locations statewide. • Users can access timeseries plots for rainfall anomalies, degree day heat accumulation, soil dryness/moisture, and drought indices. • Visualised using a 3-month rainfall anomaly rating. <p>Catchment Indicators</p> <ul style="list-style-type: none"> • Same metrics as site indicators but aggregated by catchment for a broader overview. • Visualised using a drought index rating.
Soil Moisture and Dryness	<p>Soil Dryness Index (SDI)</p> <ul style="list-style-type: none"> • Daily statewide 80m grid maps showing SDI, a key measure for fire danger and soil dryness. • Indicates the amount of rainfall needed to saturate the soil; higher SDI means drier soil and increased fire risk. • More information <p>Soil Dryness Index Anomaly</p> <ul style="list-style-type: none"> • Daily maps comparing current SDI to the 10-year average. • Negative values: wetter than average; positive values: drier than average. <p>Soil Moisture (0–30cm)</p> <ul style="list-style-type: none"> • Daily 80m grid maps estimating soil moisture in the top 30cm of soil, using AI models trained on statewide monitoring stations. • More information <p>Soil Moisture (30–60cm)</p> <ul style="list-style-type: none"> • As above, but for the 30–60cm soil depth.
Growing Degree Days (GDD)	<p>Current Season Tracker</p> <ul style="list-style-type: none"> • Daily 80m grid maps showing degree day heat accumulation for the Tasmanian growing season (October–April). • More information <p>10-Year Average Tracker</p> <ul style="list-style-type: none"> • Daily maps showing the 10-year average GDD for comparison. <p>GDD Anomaly</p> <ul style="list-style-type: none"> • Daily maps showing the difference between current season and 10-year average. • Negative values: cooler than average; positive values: warmer than average.

Climate Change Impacts

Map/layer type	Description
Chill Hours	<p>Current Season Chill Hours</p> <ul style="list-style-type: none">• Daily 80m grid maps tracking chill hour accumulation (hours between 0–7°C) for winter (May 1 – August 31).• More information <p>10-Year Average Chill Hours</p> <ul style="list-style-type: none">• Daily maps showing the 10-year average chill hour accumulation. <p>Chill Hours Anomaly</p> <ul style="list-style-type: none">• Daily maps showing the difference between current season and 10-year average.• Positive values: cooler than average; negative values: warmer than average.
Enterprise Suitability Maps	<p>State-wide Enterprise Suitability Maps are available for a range of agricultural commodities, including:</p> <ul style="list-style-type: none">• vegetables• cereals• pharmaceuticals• perennial horticulture• pastures• forestry. <p>The maps are currently being updated with new climate projection models (to 2070 and 2100) and are due to be released by year end.</p>



Photograph - Moon Cheese Studio | *Dam on a cherry farm*

Case study

Responding to the 2023-24 drought

During 2023-24, Tasmania experienced dry and drought conditions that particularly impacted King and Flinders Islands. These islands are significant meat-producing regions, particularly for beef. Producers on the islands faced supply issues of both feed and stock water availability. Parts of the northwest and central highlands also experienced drought conditions.

Across the supply chain, livestock industry stakeholders worked together to support drought affected farmers with increased transportation of supplementary feed and the destocking of animals to feedlots and processing facilities.

In addition to the livestock industry's actions, several State Government programs assisted livestock farmers during 2023-24 and helped build resilience amongst affected producers. Over \$11 million has been invested to support and assist producers become more resilient to climate change. The measures are listed in the table below.

Drought Support Measures and Initiatives

Initiatives	Description
Bass Strait Islands Water Resilience Program	\$1.5 million Bass Strait Islands Water Resilience Program initiative supports long-term climate resilience on King and Flinders Islands.
Farm Household Allowance	A national income support payment. More information is available on the Federal Government's agriculture website .
AgriGrowth Loan Scheme - including young farmer support package	The AgriGrowth Loan Scheme provides low interest loans to Tasmanian farm businesses and agri-food businesses. The scheme provides loans ranging from \$100,000 to \$3 million to fund projects that otherwise could not be brought forward and/or financed under normal banking arrangements.
Rural financial counselling	The nationwide Rural Financial Counselling Service (RFCS) Program, provides free, independent and confidential counselling to primary producers, fishers and small rural businesses that are experiencing, or at risk of, financial hardship.
Drought Resilience Coordinators	\$250,000 was allocated to TasFarmers to host two Drought Resilience Coordinators for King Island, and Flinders Island and mainland Tasmania. This comprises \$150,000 from the Tasmanian Government and \$100,000 from the TAS Farm Innovation Hub.
Rural Alive and Well counselling support	\$200,000 for the 2024-25 period was allocated to Rural Alive and Well to contract more counselling support for farmers.

Case study

Responding to the 2023-24 drought

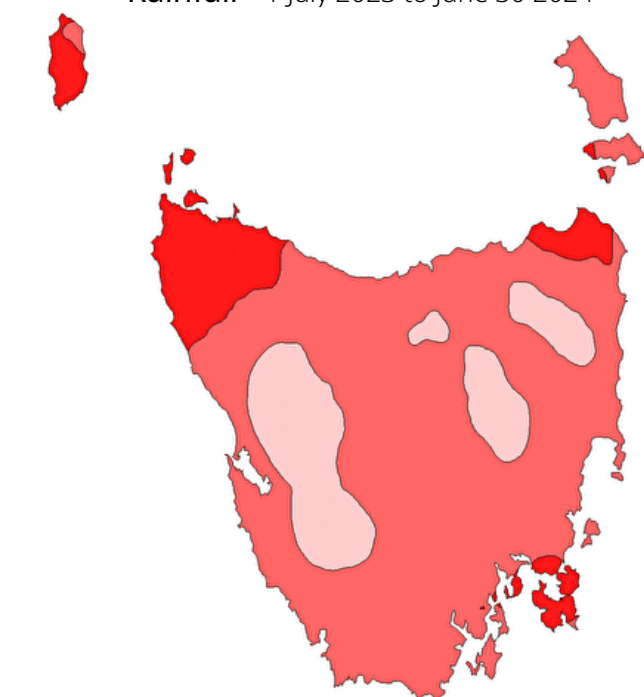
Initiatives	Description
Future Drought Fund programs	<p>Tasmania's partnership with the Australian Government through the Commonwealth Future Drought Fund is preparing farmers and rural communities to be more resilient in a changing climate and managing risks such as drought.</p> <p>The 2021-22 Tasmanian Budget included a Rural Business Resilience Package commitment of \$2.6 million over three years to support Future Drought Fund activities in Tasmania. Of this:</p> <ul style="list-style-type: none">• \$1.672 million (plus in-kind) was allocated for NRE Tas to deliver the Farm Business Resilience (FBR) Program which provides subsidised coaching and tools to help farmers make better business decisions, manage risks, and progress new business opportunities. Including Commonwealth and in-kind funding, the total FBR budget is \$4.7 million. The program is open to Tasmanian primary producers until 31 October 2025.• \$727,710 was allocated to the development of community-led Regional Drought Resilience Plans which are being coordinated by the Department of Premier and Cabinet. So far, three plans have been developed for the Southern, Northern, and North-West regions of Tasmania.• The 2024-25 Tasmanian Budget includes a further \$1 million Drought Support – Regional Drought Plan Implementation initiative to help communities and organisations kick-start priority actions that support the regional drought and climate resilience goals detailed in the plans. Including Australian Government funding, the total budget for this Regional Drought Resilience Planning (RDRP) project is \$2.6 million. <p>The 2024-25 Tasmanian Budget allocated a further \$2.13 million over three years for a Drought Resilience Package to extend the FBR and RDRP. Negotiations with the Australian Government regarding co-funding are ongoing.</p>
Farmer extension program	<p>The Farmer extension program – King and Flinders Islands and mainland Tasmania statewide – continues. Future workshops, one-on-one coaching sessions, information, and resources to support decision making in dry times, feed budgeting, animal nutrition will continue to be covered. TAS Farm Innovation Hub in collaboration with NRE Tas, along with Rural Business Tasmania and Rural Alive & Well will participate as needed.</p>
Community drought support	<p>\$171,000 through a joint funding initiative between NRE Tas, and the TAS Farm Innovation Hub, an Australian Government Future Drought Fund initiative to provide community drought support, including the employment during 2024 of a King Island Community Drought Coordinators and an online Tasmanian Fodder Hub.</p>
Seasonal Conditions Scheme	<p>More than 500 payments under the Scheme totalling nearly \$4million were paid to farmers on both King and Flinders Islands as well as mainland Tasmania.</p>
Rural Relief Fund	<p>\$750,000 to the Rural Relief Fund administered by Rural Business Tasmania. The Rural Relief Fund made grants of up to \$2,500 per household available across Tasmanian agricultural sectors for rural families experiencing hardship due to drought or extreme unseasonably dry conditions.</p>

Case study

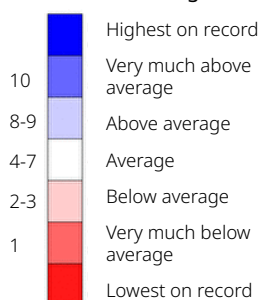
Responding to the 2023-24 drought

Initiatives	Description
Biosecurity Tasmania support	Certification of permit holders for import of fodder; animal welfare support services; livestock transport guidelines interpretation.
Infrastructure Tasmania support	Direct logistic, transport and supply chain (shipping) support and coordination.
Shipping availability	Additional sailings of Bass Island Line to King Island.
Industry roundtables	King Island Livestock Supply Chain Roundtables.
Contact point	FarmPoint Hotline – NRE Farmpoint website and support from Agricultural Liaison Officers – <i>“If you don’t know where to start, phone FarmPoint”</i> .

Rainfall - 1 July 2023 to June 30 2024



Rainfall decile ranges



© Commonwealth of Australia 2024, Bureau of Meteorology



Photograph - Moon Cheese Studio | *Irrigating vegetables*

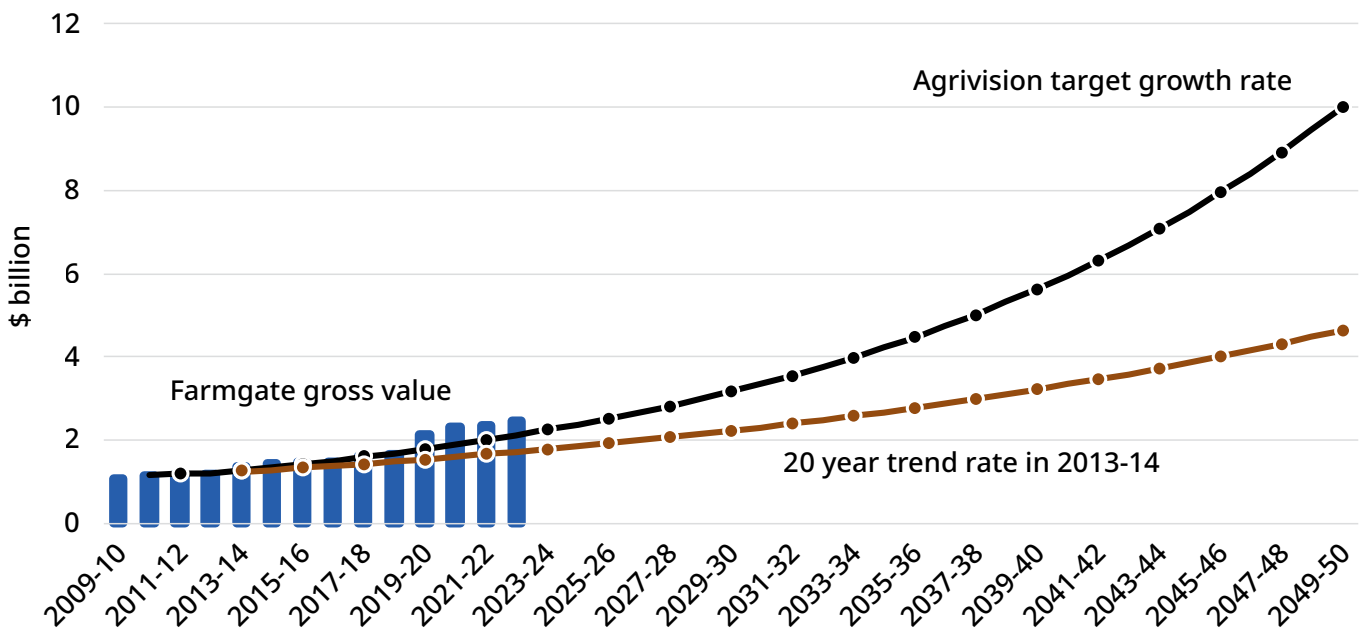
Underpinning industry competitiveness

Progress against the AgriVision Target

The AgriVision 2050 target is a shared goal to grow the farm gate value of Tasmanian agriculture to \$10 billion by 2050.

The latest edition of the Tasmanian AgriFood ScoreCard shows that 2022-23 was another year of strong growth, with the gross value of agriculture reaching \$2.46 billion, compared with \$2.34 billion in 2021-22 – a 5 per cent increase. The graph below charts progress towards achieving that target.

Gross farm gate value of food and non food agriculture



Photograph - Moon Cheese Studio | Apple harvesting

Highlights

some initiatives under the Government's Agricultural Competitiveness for 2050 White Paper

The Government has committed to drive future expansion of Tasmania's agriculture industry and grow the farm gate value of the state's agriculture sector to \$10 billion by 2050, with a new [Agriculture strategy](#), supporting AgriVision 2050. The strategy will focus on growth and boosting productivity and will consider all aspects of the supply chain including freight, logistics, agritourism, accommodation and education. The new Agriculture Strategy will build on the current policy framework set out in the [Agricultural Competitiveness for 2050 White Paper](#) and the [Agricultural Research Development and Extension for 2050 White Paper](#).

The following highlights arose in 2024/25 under the Competitiveness White Paper's existing focus areas.

Smarter Regulation

Poppy licence amendments

In consultation with industry, the Poppy Advisory and Control Board has amended the poppy grower's licence to simplify crop approval processes and paddock fencing requirements, while upholding the same high standard for safety and security of the industry. From the 2025-2026 growing season, most poppy licence holders will need only to supply the Board with their property details and the proposed poppy crop prior to sowing. They will then have up to 21 days to provide a sowing report with final crop details, including variety, location, and area. Licence holders will also have clearer, contemporary fencing standards, with a focus on roadside crops. These include practical requirements for maintaining stock-proof, upright fencing, closed gates, and poppy warning signs to reduce the risk of trespass and poppy material thefts.

Small-scale meat processing

In July 2025, Sprout Tasmania released their Tasmanian Livestock Service-kill Processing Investigative Report that mapped out the landscape of the small-scale meat processing sector and made recommendations as they relate to the service-kill sector. Alongside this report by Sprout Tasmania, Biosecurity Tasmania is reviewing the small-scale meat processing planning, regulation, and approval process with the aim of developing materials to guide the establishment and operation of small-scale meat processing facilities.

Investing in people

Tasmanian Agricultural Education and Training Partnership, led by the TIA, is progressing on developing a high-impact marketing campaign and digital platform to change the image of agricultural careers. The Partnership includes \$340,000 funding by the Tasmanian Government.

As of July 2025, a sub-committee has been formed to ensure the project remains fit-for-purpose, and the tender process for securing creative and media agencies for the project is in the final stages. The initial marketing campaign has been scheduled for early 2026 to capture the interest of learners as they return to school, TAFE, and University.

Agriculture Industry Skills Compact

Under the Agriculture Industry Skills Compact, there has been progress on the development and refresh of learning resources, starting with the Tractor Unit. In conjunction, there has been a focus on upskilling tractor teachers. Industry has recently provided feedback on the proposed occupation inclusion for the Tasmanian Designated Area Migration Agreements (DAMA) review. In addition, industry is actively engaging in the Training Package Reviews relevant to their sectors.

Highlights

some initiatives under the Government's Agricultural Competitiveness for 2050 White Paper

Centre of Excellence for Shearing and Wool Handling

The Midland Agricultural Association is establishing Tasmania's first Centre of Excellence for Shearing and Wool Handling. A new handling and shearing innovation centre at the Campbell Town Showgrounds opened in September 2025. Skills Tasmania has also executed a grant deed with Shearing Contractors Association Australia (SCAA) for Shearer Wool Handler Training to support training opportunities for the wool industry. This training will see up to 40 learners undertake a Certificate II in Shearing and Certificate II in Wool Handling over 2025 and 2026.

The Farm Based Education Plan

The Farm Based Education Plan aims to improve farm-based education in schools by investing an additional \$800,000. This funding will make these programs more accessible and help students learn about career opportunities in agriculture, guided by the Tasmanian Agricultural Education Framework (TAEF). The initiative targets students from primary school to high school and beyond, providing engaging experiences that highlight agriculture as a viable career path.

Climate ready agriculture

This is the first Agribusiness Insights since the launch of Tasmania's Agriculture Emissions Reduction and Resilience Plan, which seeks to guide industry and government policy to support development of climate ready agriculture. Refer to the Climate Change Impacts section of this report for developments, opportunities, and issues

Capitalising on our brand

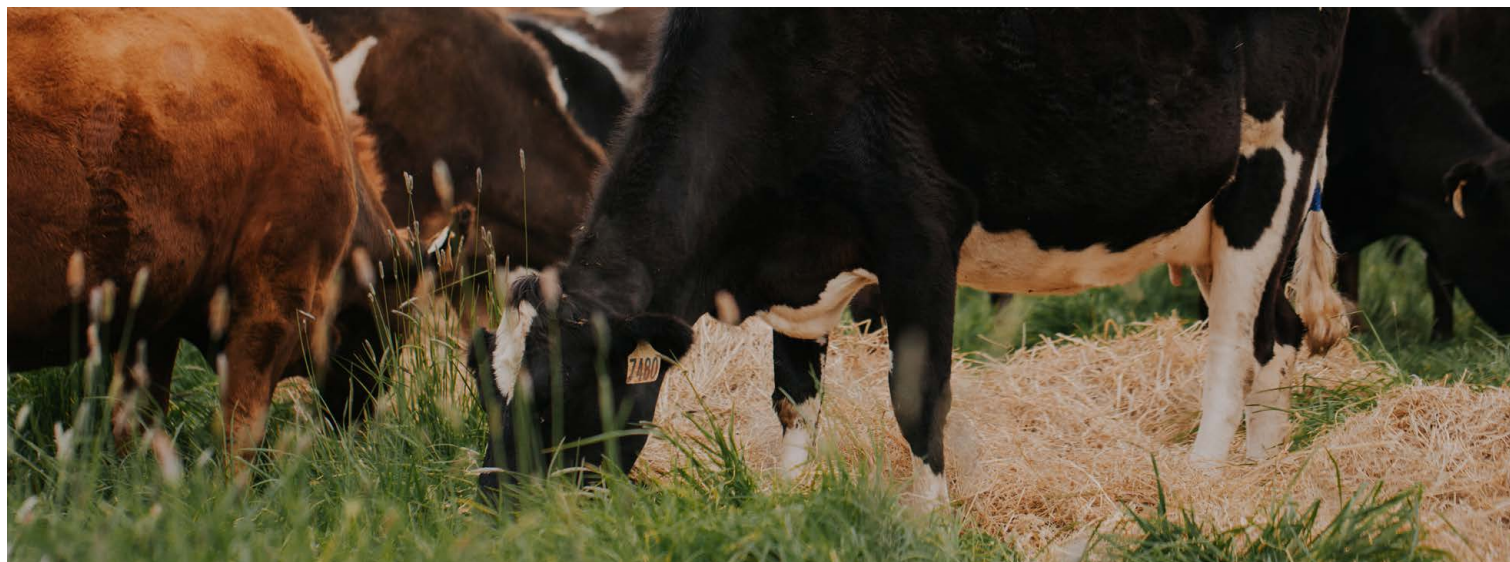
The first [Tasmanian Trade Strategy 2019 – 2025](#) is in its final year. Work is underway to create a revised strategy. The revised Strategy will aim to build on the success of the first strategy to strengthen Tasmania's brand and continue diversifying export markets to help protect local businesses from the growing complexity of geopolitical trade tensions.

This will help to support increasing export trade, supporting the growth Tasmania's agricultural industry to \$10 billion by 2050.

The revised strategy is expected to be released in the first quarter of 2026.

Drought response and resilience

Work under this theme is covered in the Climate Change section above.

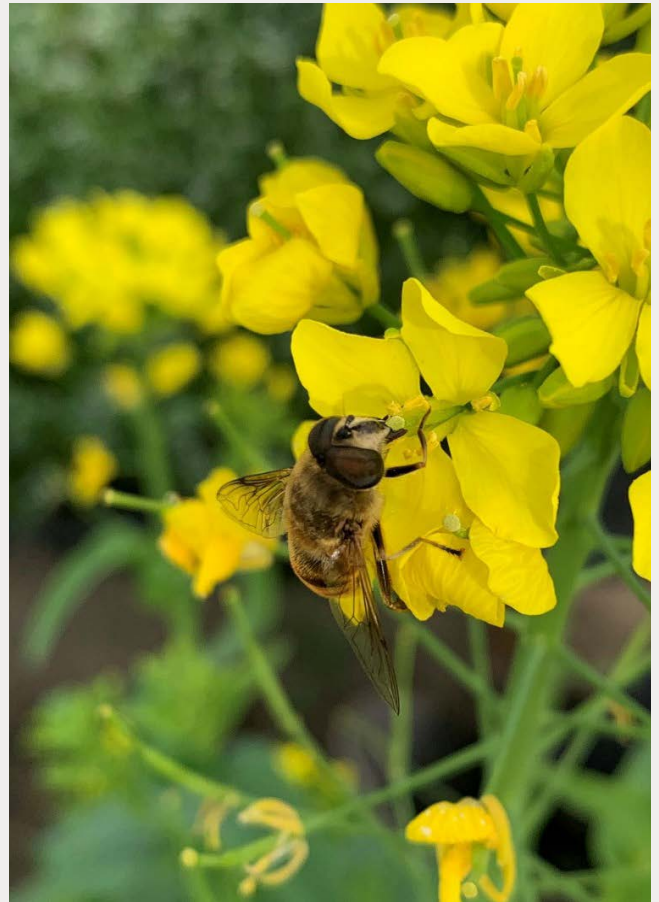


Photograph - Moon Cheese Studio | Dairy cows

Case study

Emerging agribusiness opportunities supporting industry's competitiveness

Tasmania relies on honeybees for pollination-dependent crops worth up to \$400 million. Given the increasing risk of incursion of pests that may impact the Tasmanian honeybee population, research is underway into potential alternative pollinators. One of these projects has identified a hoverfly species (*Eristalis tenax*) as a viable alternate pollinator for vegetable crops and work is underway to test commercial rearing of the hoverfly. Success of this project would strengthen the current pollination-dependent cropping sector and create a new agribusiness industry.



Photograph - Raylea Rowbottom | *Eristalis tenax* (male) on *Brassica*

References

ABARES 2025, Agricultural Commodities Report: March quarter 2025, ABARES, Canberra, DOI:

<https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/march-2025>.

ABARES 2025, Agricultural Commodities Report: June quarter 2025, ABARES, Canberra, DOI:

<https://www.agriculture.gov.au/abares/research-topics/agricultural-outlook/june-2025>.

Bendigo Bank Monthly Agricultural Insights reports. DOI:

<https://www.bendigobank.com.au/business/industries/agribusiness/agriculture-insights/>

Chancellor, W. and Greenville, J. 2025, The 'multi-speed' industry: Dairy productivity in the spotlight, ABARES Insights, Canberra, November. DOI: https://daff.ent.sirsidynix.net.au/client/en_AU/search/asset/1036783/0.

Dairy Australia Limited (2025), CalfWays – Sustainable Dairy Calf Management Roadmap First Edition. February 2025

OECD/FAO (2024), OECD-FAO Agricultural Outlook 2024-2033, Paris, and Rome, <https://doi.org/10.1787/4c5d2cfb-en>.

Productivity Commission 2025, Annual productivity bulletin 2025, PC productivity insights, Canberra.

Tourism forecasts for Australia: 2024 to 2029, Tourism Research Australia, Austrade, Canberra. DOI:

<https://www.tra.gov.au/en/economic-analysis/tourism-forecasts>.

Rabobank (2025), Rural Confidence Survey Second Quarter 2025. DOI:

<https://www.rabobank.com.au/knowledge/rural-confidence-survey/>.

Rabobank 2025, Gearing up for mature growth in Tasmanian agriculture DOI:

[Gearing up for mature growth in Tasmanian agriculture - Rabobank](#)

Renewables, Climate and Future Industries Tasmania, 2024, Agriculture Emissions Reduction and Resilience Plan 2024–2029, Climate Change Office, Department of State Growth, Hobart. DOI:

https://www.recfit.tas.gov.au/_data/assets/pdf_file/0015/553002/Agriculture-Emissions-Reduction-and-Resilience-Plan.pdf.

Regional Development Australia & Strategic Economic Solutions, 2025, Tasmania Economic Review 2025, April 2025. Available at <https://rdatasmania.org.au/volumes/documents/RDAT-Tasmania-Economic-Review-2025-v2.pdf> [Accessed 2 July 2025]

Smith, L., (2025), Demand for weight-loss treatments opens new markets for Tasmania's poppy industry, 11 May 2025 [Online]. Available at <https://www.abc.net.au/news/2025-05-11/poppy-production-tasmania-increases-in-drug-ozempic-shortage/105257466> [Accessed 13 May 2025].

Sprout Tasmania, (2025) Tasmanian Livestock Service-Kill Processing Investigative Report DOI:

[Meat report - 2025 DRAFT](#)

Tasmanian Irrigation (2024) Tasmanian Irrigation Annual Report [TI-Annual-Report-2023-24.pdf](#).

Tasmanian Irrigation (2025) Tasmanian Irrigation Annual Report [TI-Annual-Report-2024-25.pdf](#)