



The Hon. David Littleproud MP

Minister for Agriculture and Water Resources

M E D I A R E L E A S E

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Tariff cuts and better access for Aussie farmers on Jan 1

- Tariff cuts and better overseas access for Australian farmers from Jan 1
- Coalition continues to deliver trade wins for farmers
- Giving farmers choice when they want to sell their produce

Australian farmers exporting overseas will be better off as tariffs are slashed or abolished under the Trans Pacific Partnership and the China-Australia Free Trade Agreement (ChAFTA), Minister for Agriculture David Littleproud said today.

“Tariffs our on our farm produce going into China will be largely eliminated on January 1,” Minister Littleproud said.

“Key exports including wine, most fruit and vegetables, seafood and some dairy will no longer cop a tariff in China, which means our produce will be more affordable for Chinese consumers.

ChAFTA has contributed to significant growth in exports over the last 12 months; beef exports increased 34.5 per cent to \$1 billion, wine exports increased 65.1 per cent to \$982.7 million, dairy exports increased 38 per cent to \$818.8 million, and navel orange exports increased 57.5 per cent to \$87.2 million.

The Comprehensive and Progressive Agreement for Trans Pacific Partnership (CPTPP-) entered into force on 30 December 2018.

“Just some of the benefits are our farmers will sell more dairy into Canada through a new quota, more rice into Japan and no longer face tariffs on sheepmeat or pork into Mexico,” Minister Littleproud said.

“We’re giving our farmers more options overseas so they can sell where they choose - not just to the supermarkets here in Australia.

“Australia exported more than \$12.5 billion of agricultural produce to CPTPP countries last financial year, representing almost a quarter of Australia’s total ag exports.”

With the CPTPP entering into force on 30 December 2018, exporters will receive two tariff reductions within three days.

The first on 30 December—reductions associated with the entry into force of the agreement—followed by the annual tariff reduction rate on 1 January 2019 in those countries which ratified the CPTPP (Japan’s second tariff cut will take effect on 1 April 2019).

Australia’s ratification of the CPTPP meant Australian exporters benefitted from immediate tariff cuts on entry into force of the CPTPP on 30 December 2018 for Canada, Japan, Mexico, New Zealand and Singapore, and further tariff cuts into Canada, Mexico, New Zealand and Singapore on 1 January 2019 (Japan’s second tariff cut will take effect on 1 April 2019).

Australian exporters will benefit from two tariff cuts for Vietnam on 14 January 2019 (when the CPTPP enters into force for Vietnam).

Since January 2016, the Australian Government has delivered 92 key market access gains or restorations and 87 key market access improvements or actions to maintain market access for Australian agriculture.

FAST FACTS:

CHAFTA

- Under ChAFTA, tariffs of 14 to 20 per cent on Australian wine imports are being eliminated by 1 January 2019
- Tariffs of up to 65 per cent on other alcoholic beverages and spirits are being eliminated by 1 January 2019.
- Elimination of the 9 per cent tariff on kangaroo hides and skins and the 14 per cent tariff on kangaroo leather by 1 January 2019
- Elimination of tariffs between 5 and 14 per cent on a range of other leather products, either immediately or by 1 January 2019.
- Elimination of the 10 to 25 per cent tariff on macadamia nuts, almonds, walnuts, pistachios and all other nuts by 1 January 2019
- Elimination of the 10 to 30 per cent tariff on all non-citrus fruit by 1 January 2019
- Elimination of the 10 to 13 per cent tariff on all fresh vegetables by 1 January 2019.
- Elimination of the 15 per cent tariff on cotton seeds - exports worth \$100 million in 2017 - by 1 January 2019
- Elimination of the 10 per cent tariff on malt and wheat gluten by 1 January 2019
- Elimination of tariffs of up to 7 per cent on pulses by 1 January 2019.
- Elimination of the 10 to 14 per cent tariff on abalone by 1 January 2019
- Elimination of the 15 per cent tariff on rock lobster by 1 January 2019
- Elimination of the 12 per cent tariff on southern bluefin tuna, salmon, trout and swordfish by 1 January 2019
- Elimination of the 14 per cent tariff on crabs, oysters, scallops and mussels by 1 January 2019
- Elimination of the up-to-8 per cent tariffs on prawns by 1 January 2019.
- Elimination of the 7.5 to 30 per cent tariff on orange juice by 1 January 2022, and elimination of tariffs of up to 30 per cent on other fruit juices by 1 January 2019
- Elimination of the 15 per cent tariff on natural honey, and the up-to-20 per cent tariff on honey-related products, by 1 January 2019
- Elimination of the 15 per cent tariff on pasta by 1 January 2019
- Elimination of the 8 to 10 per cent tariff on chocolate by 1 January 2019
- Elimination of the 15 to 25 per cent tariff on canned tomatoes, peaches, pears and apricots by 1 January 2019
- Elimination of the 15 to 20 per cent tariff on biscuits and cakes by 1 January 2019.
- Elimination of all tariffs on live animal exports by 1 January 2019, including the 10 per cent tariff on live cattle (pure-bred breeding cattle already enter China duty free).
- Elimination of the 15 per cent tariff on infant formula by 1 January 2019
- Elimination of the 10 to 19 per cent tariff on ice cream, lactose, casein and milk albumins by 1 January 2019
- Tariffs of up to 20 per cent on pork will be eliminated by 1 January 2019.
- CPTPP

- Elimination of Mexico's tariff (currently 20 per cent) on "other offal" (used for taco meat) from entry into force of the CPTPP. Australian exports of this product were valued at around \$4.6 million in 2017.
- Tariffs on sheepmeat exports to all other (apart from Mexico) CPTPP countries will be eliminated upon entry into force of the CPTPP.
- The CPTPP will eliminate all remaining tariffs on Australian raw wool exports to CPTPP countries from entry into force of the Agreement.
- Elimination of Mexico's 20 per cent pork tariff on entry into force of the CPTPP.
- Elimination of all Canadian tariffs on cereals and grains upon entry into force of the CPTPP.
- Preferential access into the highly protected Canadian market with new quotas for dairy products including, cheese, milk powders and butter. Tariffs on milk protein concentrates will be eliminated on entry into force; and
- For the first time since 1995, new quota access for Australian rice into Japan with a new 6,000 tonne quota from entry into force of the CPTPP,
- Mexico will also apportion Australia a guaranteed 7 per cent of any tariff rate quota for raw sugar in the years in which it is offered. Australia is only the sixth country Mexico has offered such an outcome;
- Elimination of in-quota tariffs on Vietnam's World Trade Organization (WTO) sugar quota on entry into force;
- Malaysia has committed to allow Australia to engage in the wholesale distribution of refined sugar in Malaysia for use in the food and beverage industry.
- Total Australian exports of cotton were valued at nearly \$2.1 billion in 2017, and 15 per cent of cotton exports (valued at \$445 million) were sent to CPTPP countries.
- All tariffs on Australian cotton exports will be eliminated under the CPTPP, with most eliminated from entry into force.
- Elimination of Canada's tariffs on wine (currently 1.87 ¢/litre and 4.68 ¢/litre) upon entry into force of the CPTPP. Australian wine exports to Canada were valued at \$187 million in 2017;
- Elimination of all Canada's horticulture tariffs upon entry into force of the CPTPP. Australia horticultural exports to Canada were valued at \$38 million in 2017; and
- Elimination of most of Mexico's horticulture tariffs upon entry into force of the CPTPP
- Vietnam's seafood tariffs will be eliminated within 4 years of entry into force of the CPTPP, with the majority eliminated on entry into force;
- Elimination of beef tariffs into Canada within 5 years of entry into force and Mexico within 10 years of entry into force of the CPTPP; and
- Mexico's seafood tariffs will be eliminated within 15 years of entry into force of the CPTPP, with the majority eliminated on entry into force.