



Australian Dairy Industry Council Inc.

Media Release

Monday 7 April 2014

Australia – Japan Free Trade Agreement a dud deal for dairy: ADIC

For immediate release

The Australian Dairy Industry Council (ADIC) has expressed its extreme disappointment about the proposed Australia – Japan Free Trade Agreement (FTA) announced by Prime Minister, Tony Abbott, this evening.

Japan is the single most important market for the Australian dairy industry, with \$511 million in exports in 2012/13¹ 19% of our dairy exports by value.²

Under the terms of the agreement, the Australian dairy industry will save just \$4.7 million in the first year of its implementation rising to an estimated \$11.6 million by 2031, out of a total export market of \$511 million. [This is just 0.1 of a cent per litre for Australian farmers in 20 years' time.]

ADIC Deputy Chair, Robert Poole, said the agreement fell well short of the industry's expectations with minimal progress having been achieved in reducing a range of trade barriers.

"We are extremely disappointed with the deal announced this evening by the Prime Minister," Mr Poole said.

"We were hopeful Government had heeded the industry's message in regards to freeing up market access in Japan, however it now appears our words fell upon deaf ears.

"There has been no movement in this agreement on fresh cheese – the number one objective for Australian dairy, with tariffs to remain at 29.8%. A successful outcome on this tariff line would have delivered approximately \$60 million in tariff savings – instead we have received nothing and the tariff stays in place.

"This has been an agreement over six years in the making and sadly from the dairy industry's perspective, will end up providing no meaningful benefit.

"This deal sends all the wrong signals to our key trading partners and is particularly troubling in the context of the upcoming FTA negotiations with China.

"As we seek to grow dairy exports to China we have one opportunity to get a China trade agreement right and it's time for the Federal Government to recognise the potential in dairy food export growth and prioritise this in trade negotiations."

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For further information please contact:

Karl Liebich
Media Officer

Tel: (03) 8621 4200 Mobile: 0409 296 339



@AusDairyFarmers

Email: media@australiandairyfarmers.com.au

¹ Australian Dairy in Focus 2013

² Australian Dairy in Focus 2013