

# Media Release



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## ADF urges swift ratification of the Korea-Australia FTA

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### For immediate release

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[Australian Dairy Farmers \(ADF\)](#) has welcomed the Joint Standing Committee on Treaties (JSCOT) [recommendation that Australia ratify the Korea-Australia Free Trade Agreement \(KAFTA\)](#) – an agreement that could deliver millions of dollars in additional export value to the Australian economy.

ADF President Noel Campbell said the deal recognises dairy as one of the nation's export strongholds and must be ratified as soon as possible to open up markets for Australian dairy farmers.

"We were pleased that the Korean and Australian Governments reached an agreement in December 2013 after four years of intense negotiations. This was a major step forward in securing Australia's trade within the Asian region, and we congratulate the Government on its achievement.

"The challenge now is moving from words to action. Key commercial rivals such as the USA and EU already have FTAs with Korea and Australia's FTA with Korea is vital to stop continued market erosion," Mr Campbell said.

"Korea is a significant dairy market for Australia and currently ranks 10th by value with \$88 million worth of exports in 2012/13," he said.

In 2011/12 Australian exports to Korea were \$116 million. To arrest this decline, Mr Campbell stressed that KAFTA must be ratified before the end of 2014.

"The agreement, when implemented, will set most Australian dairy products on a path to eventual full trade liberalisation into Korea," Mr Campbell said.

Key benefits for dairy in the agreement include:

- Some dairy products with zero tariffs on entry into force, while the majority will see tariffs phased down over varying periods of time; and
- Tariff-free access for specified volumes of cheese, infant formula, and butter under Country Specific Quotas (CSQ) from day one of the agreement.

Mr Campbell said that Dairy Australia estimates indicate that the first year benefit of tariff savings for Australia under KAFTA will be in the order of US\$7.6 million, with this figure set to grow year on year as the CSQ volumes increase and the out of quota tariffs reduce.

"Ratifying the agreement before the end of the year will mean that Australian dairy can take advantage of the tariff reduction timeline as of 1 January 2015. Any delay in the parliamentary process will cost the Australian dairy industry another year of benefits.

"It's vital that Australia acts quickly to seize the opportunity for early implementation of this agreement. We must get the ball rolling – every day of unnecessary delay holds Australia's growth and prosperity back," Mr Campbell said.

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