



Australian Dairy Industry Council Inc.

Media Release

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Australian Dairy celebrates FTA with the world's largest dairy import market

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The Australian dairy industry has applauded the successful conclusion of the China-Australia Free Trade Agreement (FTA), welcoming an FTA with the world's largest dairy import market. China represents 30 per cent of global dairy imports.

China is Australia's fastest growing dairy market, with total dairy exports to the region totaling 1.9 million tonnes in 2013 alone, an increase of 40 per cent over the previous year. With demand for dairy in this region to rapidly increase in coming years, stable and open trade with China is a key in order for Australian dairy to capitalise on this opportunity for growth.

Australian Dairy Industry Council (ADIC) Chair, Noel Campbell said in the long-term the agreement will allow the industry to flourish and capitalise upon robust demand in the Chinese market.

"The FTA will strengthen Australian dairy's competitiveness by providing our industry with a significant advantage compared to other countries in the market that do not have a FTA with China," Mr Campbell said.

"It also puts the industry on a more level playing field against key competitors in the Chinese market, such as New Zealand."

Under the FTA, the Australian dairy industry will be able to further develop its long-term relationship with China to the mutual benefit of both our countries, with full tariff diminutions expected over the coming years.

The industry can expect positive flow-on effects throughout the supply chain, in particular through substantially reduced tariffs on key dairy products such as infant nutrition, cheese, milk powder and packaged milk.

While the ADIC has not yet been able to review the agreement in its entirety to fully quantify the benefits to dairy, Mr Campbell has commended the overall outcomes of the deal.

"This is truly a free trade agreement," he said. "Australian dairy has been a leading commodity in the negotiations with China; we have campaigned long and hard for a positive outcome and are thrilled to see this come to fruition."

The ADIC thanked Minister for Trade and Investment, Andrew Robb, the Australian government, industry and the broader dairy community for its ongoing support throughout the negotiations and for working hard to ensure that the China FTA was a commercially meaningful deal for dairy.

“We hope to see this FTA come into force quickly to allow the significant benefits to reach the Australian economy as soon as possible.”

In 2013 Australia exported 109,790 tonnes of dairy product worth AUD \$461 million to China, 16 per cent of total Australian dairy exports by value for the calendar year.

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The Australian Dairy Industry Council (ADIC) is the dairy industry's peak policy body. It co-ordinates industry's policy and represents all sectors of the industry on national and international issues through its two constituent bodies, Australian Dairy Farmers Ltd (ADF) and the Australian Dairy Products Federation (ADPF).

It aims to foster, promote and protect the interests of the Australian dairy industry by driving a whole of industry approach to dairy policy and the development of the dairy industry.

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