



Australian Dairy Industry Council Inc.

Media Release

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China FTA timing of the essence

For Immediate Release

The Australian Dairy Industry Council (ADIC) has reiterated the importance of ratifying the China-Australia Free Trade Agreement (ChAFTA) within the 2015 calendar year, to ensure the benefits can reach Australian producers as quickly as possible.

Appearing at the Joint Standing Committee on Treaties (JSCOT) inquiry into the ChAFTA this morning, ADIC Chair Noel Campbell said any delay in implementation of the deal would cost the industry tens of millions in lost tariff savings and potentially 600-700 industry jobs.

“We were pleased that the Chinese and Australian Governments reached an agreement in November 2014 after over a decade of negotiations. This was a positive step toward securing Australia’s trade within the growing Chinese market and recognises dairy as one of the nations export strongholds,” Mr Campbell said.

“It is now essential that we move from words to action. Any delay in the parliamentary process will cost the Australian dairy industry another year of benefits. This will make it more difficult for our industry to compete and gain further market share.”

Mr Campbell said that parliamentary support for the agreement, that sees the removal of all tariffs on dairy imports over a decade, remains essential.

“This agreement has been ten years in the making and will bring substantial market access benefits to not only dairy, but Australian agriculture more broadly. We urge all those indicating concerns with the ChAFTA to recognise the opportunities the agreement offers to the Australian community and economy as a whole.”

With a long record of innovation and adaptation to changing conditions and markets, Australia’s dairy producers are in a strong position to meet the particular demands of boosting exports to China and growing its market share.

Until the ChAFTA is ratified, however, Australian dairy remains at a competitive disadvantage to key competitors that already have trade agreements with China. In particular, after achieving an FTA in 2008, NZ has seen a more than eight-fold increase in the total volume of its dairy exports to China.

“We need the ChAFTA to be ratified as soon as possible to ensure we do not fall further behind,” Mr Campbell said.

“The ADIC looks forward to working with both sides of Parliament to ensure the implementation of the ChAFTA by 31 December 2015.”

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Australia's dairy industry is a \$13 billion farm, manufacturing and export industry. Australia's 6,300 dairy farmers produced over 9.7 billion litres of milk with a farmgate value of \$4.7 billion in 2014/15. 43, 000 Australians are directly employed on dairy farms and in dairy processing. A further 100,000 Australians are indirectly employed throughout the dairy value chain.

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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