



Australian Dairy Industry Council Inc.

Media Release

Friday 28 August 2015

Failure to ratify China FTA will damage dairy's confidence

For Immediate Release

Failure to ratify the China-Australia Free Trade Agreement (ChAFTA) before the end of the 2015 calendar year will deliver an enormous blow to the confidence of the entire dairy value chain, said the Australian Dairy Industry Council (ADIC) in a submission to the Senate Foreign Affairs, Defence and Trade References Committee inquiry today.

ADIC Chair, Noel Campbell said that any delay in implementation of the ChAFTA will irreparably damage industry confidence on farms and in factories.

"The ChAFTA is a good deal for Australian farmers and it's a good deal for the broader community. It provides increased opportunities for Australian businesses to grow by opening up access to the world's largest dairy import market," Mr Campbell said.

"If we fail to implement this deal by 31 December 2015 the Australian dairy industry will unnecessarily incur tens of millions of dollars in tariffs that would otherwise be avoided."

If the ChAFTA is ratified this year, the dairy industry will see a growth in job creation across the value chain, both on farm and in the processing plants. The ADIC expects that around 600-700 jobs will be created within the first year of ratification. The flow-on effects of this growth would undoubtedly benefit the rural and regional communities where dairy plays an important role.

Implementation this year would also mean the elimination of tariffs on Australian dairy products to China worth approximately \$60 million. Mr Campbell said the decline in bipartisan support for the ChAFTA's ratification was deeply concerning.

"The longer we wait to ratify this deal the further we will fall behind key global competitors in this important export market. It is also likely that our reputation as an open trading nation with low levels of sovereign risk will be jeopardised.

"Above all if the ChAFTA is not ratified this year it will severely damage the confidence of our producers, setting our industry back for years to come."

The Australian dairy industry has fought hard for the ChAFTA, and remains committed to working with both sides of parliament to ensure the deal is ratified before the end of the 2015 calendar year.

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