



*Australian Dairy Industry Council Inc.*

## Media Release

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**Wednesday August 28 2019**

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**Free trade deals crucial to dairy's success**

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**For Immediate Release**

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AUSTRALIA must ratify crucial trade deals with Hong Kong and Indonesia to secure market access for the \$3.4 billion dairy export industry, says the industry's peak body.

The Australian Dairy Industry Council (ADIC) appeared in front of the Senate's Joint Standing Committee on Treaties yesterday to urge all sides of politics to support agreements that will see a four per cent tariff removed on many Australian dairy products to Indonesia and a process established to resolve non-tariff barriers to both Hong Kong and Indonesia.

A 2015 Australian Food and Grocery Council (AFGC) report estimated the cost of non-tariff barriers to Australia's dairy industry at a staggering \$1.57 billion.

Indonesia is Australia's third largest dairy export market worth \$192 million each year, while Hong Kong is Australia's fifth largest market for liquid milk (over 15 million litres a year) and eighth largest overall for dairy, worth around \$100-150 million a year.

The ADIC has argued that trade deals with both regions would boost Australia's multi-billion-dollar dairy export industry, with 85 per cent of dairy exports currently going to Asia.

But the ADIC has warned that this could change if the federal Government doesn't seize the opportunity to ratify these agreements while Indonesia and Hong Kong both proceed to sign deals with Australia's competitors, including the European Union.

Australia's share in the global dairy market has slipped from 16 per cent in the 1990s to just 6 per cent last year, with the country now ranking fourth in dairy exports behind New Zealand (40 per cent), the European Union (28 per cent) and United States (14 per cent).

A 2015 study by Deloitte Access Economics identified Australia's dairy industry as one of five agricultural industries poised for growth, along with beef, lamb, oilseeds and aquaculture.

The ADIC is pushing the federal Government to pursue ambitious trade goals to help ensure the dairy industry realises these opportunities.

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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.