



22 September 2023

Committee Secretary
Joint Standing Committee on Trade and Investment Growth
PO Box 6021
Parliament House
Canberra ACT 2600

Re: Inquiry into the Australian Government's approach to negotiating trade and investment agreements

GrainGrowers welcomes the opportunity to provide a submission to the Joint Standing Committee on Trade and Investment Growth inquiry into the Australian Government's approach to negotiating trade and investment agreements.

GrainGrowers is a national organisation working to enhance the profitability and sustainability of Australian grain farmers. We achieve this through our focus areas of policy and advocacy, grower engagement, thought leadership and active investment in future focused activities for all growers. Australian growers are at the heart of all that we do and the focus of our work.

As an export-orientated industry, effective trade agreements are critical for the Australian grain industry. In 2021-22, Australia exported a record of 65.7 million tonnes of grains, oilseeds and pulses. Wheat alone was Australia's sixth largest export.

It is vital that commercially meaningful agricultural market access is at the centre of trade negotiations. Australian growers are some of the least subsidised in the world, relying on a free and open trading environment to ensure ongoing profitability and sustainable growth.

With increasing global trade protectionism and negotiations at the World Trade Organization in a state of deadlock, free trade agreements are the key mechanism to removing trade barriers and increasing market access.

Capturing the ongoing benefits of liberalising trade will require Australia's trade negotiations to continue to focus on traditional barriers, such as tariffs and tariff-rate quotas, along with broader technical market access and multilateral engagement.

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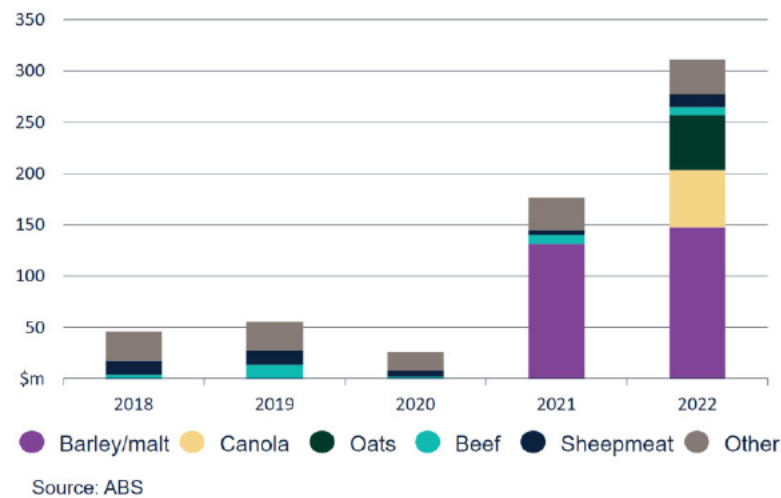
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Case study: signing of the CPTPP

The resilience of Australian growers in the face of duties applied by China on Australian barley is a key example of the value of increasing market access and diversification through free trade agreements. While losing Australian barley's biggest market undoubtedly impacted Australian barley prices, Australia's long-term investment into market expansion and diversification served the industry well. Australia joining the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2018 allowed trade to nimbly pivot to new markets such as Mexico. The elimination of Mexican tariffs on barley (originally 115 per cent) allowed it to become a key destination for barley and canola.

Australian agricultural forestry and fishery exports to Mexico, January 2016- April 2022

Figure 1: Australian AFF exports to Mexico, January 2016 to April 2022



Source: <https://www.austrade.gov.au/en/news-and-analysis/analysis/mexican-government-suspends-tariffs-on-agricultural-and-fishery-products.html>

GrainGrowers is deeply concerned by the recent trend of agricultural market access being negotiated at the 'eleventh hour' in bilateral trade agreements. Given the sensitivity of agriculture in many negotiations, it is critical sufficient time is allocated and negotiations are not rushed. Additionally, with many agreements now in place, it is crucial that existing FTAs are upgraded where possible to ensure they continue to support Australia's competitiveness.

GrainGrowers would welcome the opportunity to discuss these issues further. Should we be able to provide further assistance or if there are any enquiries relating to our submission, please contact Annabel Mactier, Policy Manager, Trade and Supply Chains

Yours sincerely,

Shona Gawel
Chief Executive Officer