



National Farmers' Federation

Submission to

The Joint Standing Committee on Treaties

In response to:

**Review of the Japan Australia Economic
Partnership Agreement**



Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

15 August 2014

Dear Committee Secretary

The National Farmers Federation (NFF) welcomes the opportunity to provide comment on the Japan Australia Economic Partnership Agreement (JAEPA).

The NFF is a strong supporter of the principles of free trade and is committed to working constructively with government to eliminate trade barriers and liberalise global trade in agriculture. Growth in exports markets is vital to the future of Australian agriculture. We will continue to pursue opportunities in export markets that will deliver profits back to agribusiness and farmers.

Australian farmers compete very successfully on domestic and international markets without the benefit of producer subsidies or tariff barriers. Australian farmers have had this long held view confirmed by the OECD which reviews national agricultural policies, the results of which confirm that total government support measures for Australian agriculture are the lowest for any developed nation on earth, when expressed as a percent of national GDP.

The NFF recognises that the Australian government has demonstrated its commitment to complete agreements with our key trading partners, such as South Korea and Japan. We look forward to continuing to work closely with the government on the completion of the China bilateral agreement and the Trans Pacific Partnership agreement. We must get tangible commercial benefits for Australian agriculture from both of these agreements.

The NFF understands the difficulties involved with negotiating an economic partnership agreement, and acknowledges the efforts of the government in achieving its completion. We recognise the historical significance of the agreement and the sensitivities surrounding some parts of Japanese agriculture which made reaching an agreement more challenging. NFF welcomes the fact that Australia is the first major agricultural exporter to achieve some movement on some of Japan's high import barriers.

While the agreement has provided some concessions, the view of the NFF is that Australian farmers needed more commercial benefits from the agreement. While it is true to note that on day one of implementation of JAEPA, Australian agriculture will be better off, we remain disenchanted with the overall outcomes for

agriculture with a number of sectors facing marginal improvements or limited commercial gains. The agreement appears to be positive for Australian beef, horticulture and seafood, with a range of tariffs being reduced over time. We warmly welcome those gains and we look forward to those sectors taking advantage of the reductions.

The ultimate objective with any trade agreement is to obtain tangible benefits that contribute to improved returns for farmers. The NFF has always advocated for trade agreements that are comprehensive and deliver benefits across the board. In its truest form that means, no sector carve-outs and ultimate elimination of tariffs. The NFF is of the view that the Japanese agreement is compromised on a number of fronts in this regard. The NFF acknowledges that agriculture will always be a difficult part of any trade negotiations and it is clearly the case for Japan. Notwithstanding this we must continue to strive for and demand commercial outcomes so that we can continue to grow and invest in the sector.

The specific benefits from JAEPA are yet to be fully realised given the complexity of the market access outcome, in context and from a long term perspective, the NFF is of the view that the JAEPA is a solid step forward for Australia's food and fibre trade with Japan. The Committee should make no mistake - Japan is the second most important export market for Australian agricultural products with exports valued at approximately \$4 billion in 2012-13. It is crucial that the Australian agriculture sector continues to build trade with Japan and this economic partnership agreement will be good for Australian agriculture and for Australian farmers.

Despite the mixed outcome for Australian agriculture there should be no delay in implementing this agreement. The NFF supports the ratification of the Japan Australia Economic Partnership Agreement and urges the Committee to recommend this course of action.

For further information on this submission please contact:

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