



AgForce welcomes AJFTA, hopes for further tariff reductions in the future

AGFORCE has welcomed the finalisation of the Australian/Japan Free Trade Agreement (AJFTA) after many years of work from both Government and the cattle industry in securing an arrangement that reduces the tariff burden on Queensland beef.

However, despite these reductions for Australian product entering Japan, the organisation now looks to Government to continue to work to further rescind the trade disadvantage Australian beef producers have long experienced in the Japanese market.

AgForce Cattle President, Howard Smith, said the AJFTA was a positive first step towards taking full advantage of potential for heightened beef exports to the Asian region.

“For seven years the cattle industry, including AgForce and Cattle Council of Australia, have been working with Government to finalise this agreement and we certainly acknowledge this is the result of this hard work,” Mr Smith said.

“But despite the decrease a substantial tariff still remains which we should be targeting to have further reduced.”

Under the AJFTA, tariffs on frozen beef entering Japan will decrease from 38.5pc to 19.5pc over an 18 year period while chilled beef will decrease from 38.5pc to 23.5pc over 15 years. In the shorter term, once implementation of the agreement commences there will be a reduction of 8pc on frozen product and 6pc on chilled. It is hoped this will decrease the cost of beef for Japanese consumers and drive a spike in demand for Australian product.

Mr Smith said he understood the existing reduction marked a significant achievement for the Australian Government given this was the first FTA Japan had entered into with a major agricultural exporter, however more was needed.

“We acknowledge this is of clear benefit to the beef industry given the reduction will halve the tariff burden from \$590 million over 18 years.

“However we must point out that 19.5pc remains a substantial cost that ultimately must be absorbed by producers.

“What we now must see is continued work to build upon this good start so as to realise the market opportunities that exist and to capitalise on Australia’s potential to supply the world with a safe and premium product.”

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Who is AgForce? AgForce represents thousands of Queensland broadacre producers who recognise the value in having a strong voice. AgForce leads the way to ensure agriculture's social, economic and environmental contribution is recognised by all levels of government. AgForce works alongside landholders, encourages and supports the next generation, builds industry partnerships and skills and promotes agriculture - for secure, sustainable, progressive and profitable food and fibre into the future.