



David Littleproud MP

Federal Member for Maranoa

Media Statement

September 4, 2018

Indonesia trade boost for Maranoa producers

- **Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) signed this week**
- **Improves market access for Australian livestock, beef and sheepmeat, grains, sugar, dairy, citrus and horticulture**
- **Allows farmers to grow their \$3.5 billion share of the Indonesian market**

Producers in Maranoa will have tariffs reduced and be able to export more livestock, beef and sheep meat, grains, sugar, dairy, citrus and horticulture produce to Indonesia after the Coalition Government signed the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA).

Minister for Agriculture and Water Resources David Littleproud said the Coalition Government continued to deliver farmers better access to more markets.

“This agreement improves access for industries which trade most to Indonesia, including our livestock, beef and sheepmeat, grains, sugar, dairy, citrus and horticulture,” Minister Littleproud said.

“We’re a nation of almost 25 million people. We produce enough food for 75 million people. Let me tell you that if we don’t trade with the world, if we don’t engage the world, then I won’t have rural communities like those in my electorate.

“The prosperity of our region lies in our ability to negotiate trade deals and agreements – particularly with growing global economies, like Indonesia.

“Whether it’s beef grown and sold at Australia largest cattle-selling centre in Roma; fruit from the Granite Belt; or Western Downs grain – this agreement is great news for our Maranoa communities.

“This agreement delivers duty free access for half a million tonnes of feed grains per year. This is very important, particularly as we’re faced with trying to compete with wheat countries overseas.

“Australia’s wheat industry exported \$1.3 billion worth of produce to Indonesia in 2016-17 and this will grow that further.

“The agreement will increase duty free access for live male cattle by 4 per cent a year to 700,000 head annually.

“Tariffs on most lines of beef and sheepmeat will be reduced from 5 to 0 per cent immediately, with all remaining tariffs to be removed after five years. This will help us build on the \$261 million that these exports were worth to Australia in 2016-17.

“Our grain farmers will get guaranteed duty free access for 500,000 tonnes of wheat, barely and sorghum grains per year increasing at 5% per year to 775,664 tonnes.

“Tariffs on our sugar cane will drop from as high as 12 per cent to 5 per cent.

“Oranges and limes will get increased duty-free access while dairy, mandarins, potatoes and carrots will get reduced tariffs.”

Minister Littleproud thanked former trade Minister Steve Ciobo for his hard work on this agreement, and also thanked the trade division of the Australian Department of Agriculture.

The conclusion of substantive negotiation of IA-CEPA was signed today in Indonesia by Australian Prime Minister, Scott Morrison.

Background facts:

• **Indonesia is our fourth most important agriculture market**

* **Agriculture makes up almost half of our total exports to Indonesia - worth \$3.5 billion to our economy.**

* **Australia’s top agriculture exports in 2016-17 to Indonesia include wheat (\$1.3 billion), sugar (\$541 million) and live feeder/slaughter cattle (\$620 million).**

Key agricultural outcomes from the IA-CEPA include:

More than 99% of Australian goods exports to Indonesia will enter duty free or under significantly improved and preferential arrangements.

- **Duty free access for 575,000 head of live male cattle per year, growing at 4% per year to 700,000 at year five of the agreement.**
- **Remaining tariffs on all Australian exports of frozen beef and sheepmeat into Indonesia reduced to 2.5% immediately, and eliminated after 5 years.**
- **Guaranteed duty free access for 500,000 tonnes of feed grains per year (wheat, barley, sorghum), increasing at 5% per year to 775,664 tonnes.**
- **Reducing the tariff on Australian sugar cane from 8-12 % to 5%.**
- **Immediate elimination of 5% tariff for milk and cream, concentrated or containing added sugar or other sweetening matter.**
- **Immediate elimination of 5% tariff for grated or powdered cheese, of all kinds.**
- **Immediate tariff cut mandarins from 25% to 10% for 7,500 tonnes per year; down to 0% after 20 years for an unlimited volume.**
- **Duty free access for 10,000 tonnes of oranges per year, increasing 5% each year.**
- **Duty free access for 5,000 tonnes of lemons and limes per year, increasing 2.5% each year.**
- **Immediate tariff cuts for potatoes from 25% to 10% for 10,000 tonnes per year; after five years tariff further reduced to 5% for 12,500 tonnes per year, increasing by 2.5% per year.**
- **Immediate tariff cuts for carrots from 25% to 10% (from 25%) for 5,000 tonnes per year; down to 0% after 15 years for an unlimited volume.**
- **Progressive elimination of 5% tariff on Australian honey after 15 years.**

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