

Almond Board of Australia

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Friday, 10 June 2014

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

Trade Agreement between Australia and Korea

The Almond Board of Australia (ABA) is a membership based organisation representing the interests of Australian almond growers, processors and marketers. Our membership covers 98% of production and sales. As the Australian almond industry's peak body, the ABA facilitates further growth of the industry, seeks to maximise its profitability and ensure its sustainability, by developing and implementing the industry's strategic plan. The ABA is the platform for industry members to collectively respond to industry-wide issues, invest in market development and research, share knowledge and interact with government and other stakeholders.

The Australian almond industry currently produces 74,000 tonnes of almonds with a farm gate value of \$500 million dollars. Exports sales in the 2013/14 marketing year were valued at \$370 million dollars, making almonds Australian horticulture's most valuable export industry. The four major export marketers are represented on the ABA board of directors and all exporters are active members of the ABA's Market Development Committee.

The Australian almond industry is the world's second largest producer accounting for 7% of global production and is still growing rapidly but remains well behind the US industry that has the productive capacity to have an annual crop of one million tonnes or over 80% of world production.

The Australian almond industry supports the Trade Agreements with the Republic of Korea.

The Republic of Korea currently place an 8% tariff on Australian almonds and this puts our industry at a significant disadvantage compared to Californian producers. Consequently Korea is 33rd on the list of 47 export destinations for sales of Australian almonds with total sales in the 2013/14 marketing year of \$341,580.

With the volume of Australian almond set to increase by a further 20% in the next few years the industry is aiming to improve exports to Asian markets. By putting the Australian industry on an equal footing with the US in terms of tariffs, the Korean market will expand as we are very competitive on quality.

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The Almond Board of Australia of Australia raises funds for market development based on a \$20 per tonne voluntary marketing levy collected on 98% of sales. The ABA's Market Development Committee has allocated funds to attend and display at the Korean Food Fair in Seoul in November as a step towards building this market into a more important one for Australian almonds given the Trade Agreement with the Republic of Korea removes the tariff impediment to supplying this market.

The Almond Board of Australia fully supports the ratification and finalisation of the Trade Agreement with Republic of Korea.

Yours sincerely

Ross Skinner
Chief Executive Officer