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

10 June 2014

Dear Madam or Sir

I am writing to you to support the recent signing of the Australia and Korea Free Trade Agreement.

With the signing of the agreement and it passing through both Parliamentary Systems, it will allow greater trade of Australian Cherries into Korea as the tariffs will drop from the current 23 % to Zero% or a reduction of about \$10 Australian per two kilo box to send fruit into Korea.

Currently only Australian cherries can be imported to Korea from the Pest Free Area of the Tasmania.

Over the past 5 years only small volumes, see table below, have gone into Korea for a number of reasons linked to the high Australian dollar, consumer demand and also competition from cherries from New Zealand, as we send fruit in counter season to countries like the USA.

Season	Tonnes
2009/10	6
2010/11	25
2011/12	15
2012/13	9
2013/14	5

However, since the announcement and signing of the FTA there has been renewed interest in Australian cherries going into the Korean market for their consumers.

We have had a range of enquiries from Korean importers:

- For cherries grown in Tasmania for the 2014/15 season;
- For importing cherries from other growing regions but this will need to be subject to agreed phyto-sanitary arrangements and this process has commenced; and
- For Korean investment into some of the orchard operations or for expanding orchards in some of the growing regions.

To assist in this process CGA have just recently had a brochure on the Australian Cherry Industry translated into Korean and this is attached for your information.

When the tariffs were dropped to zero for the importation of cherries from the USA to Korea, once their FTA was signed the size of the imports doubled in two years from \$45 million to \$80 million in value.

While the Australian exports will not reach that height over the next 5 to 10 years we could see 200 to 500 tonnes of cherries reach the Korean markets there at a value of \$5 million to \$10 million a season and this could further increase over time.

The Korean consumer, like most Asian consumers enjoy the Australian cherry fruit due to its quality and size and taste and Australian exporters will target the top end of the consumer market.

Our industry looks forward to the completion of all the necessary administrative matters so the FTA with Korea comes into operations as soon as possible and in time for our 2014/15 export season that will commence in December 2014.

If you need any more information, please contact me by email or by telephone.

Yours sincerely
Simon Boughey
Chief Executive Officer.