

QUICK GUIDE: AGRICULTURE AND PROCESSED FOOD

Japan is Australia's second-largest agricultural market, worth around \$4 billion in 2013. It is Australia's largest market for beef, cheese and animal feed and an important destination for sugar, seafood and horticulture. But Japan has high tariffs of up to 219 per cent on agricultural imports and Australian exporters have to navigate a complex regulatory framework including levies, tariff rate quotas, state trading arrangements and automatic safeguards.

Australia is the first major agricultural exporter to secure a bilateral trade agreement with Japan - delivering a first-mover advantage and future-proofing exports against future trade deals our competitors are seeking with Japan. The EPA provides a base for further liberalisation through renegotiation provisions for some key market access outcomes and further negotiations under the Trans-Pacific Partnership negotiations. Key agriculture outcomes on entry into force include:

Beef: Rapid reduction of the high 38.5 per cent tariff on beef, Australia's largest agricultural export to Japan worth \$1.4 billion in 2013.

Wine: Elimination of the 15 per cent tariff on bottled wine over seven years and immediate elimination of the tariff on bulk wine.

Dairy: Immediate duty-free quotas for Australian cheese, immediate duty-free access for the growing trade in milk protein concentrates, lactose and casein and new opportunities for ice-cream and frozen yoghurt.

Seafood: Immediate elimination of tariffs up to 9.6 per cent on lobsters, prawns, oysters, crabs and abalone and elimination of tariffs on tuna and Atlantic salmon over 10 years.

Horticulture: Immediate elimination of tariffs up to 6 per cent on asparagus, macadamia nuts, almonds, mangoes, and many other products. High tariffs on walnuts (10 per cent) and onions (8.5 per cent) will be eliminated in five years, while tariffs on apples (17.5 per cent) will be eliminated over 10 years. Taking advantage of counter-seasonal production, tariffs on oranges (16 per cent), table grapes (7.8 per cent) and cherries (8.5 per cent) will be eliminated during our exporting season.

Grains: Immediate duty-free and quota free access for Australian wheat and barley for animal feed and streamlined export arrangements for some Australian wheat varieties. Elimination of the 21.3 per cent tariff on wheat gluten and tariffs on canola and vegetable oils over up to 10 years.

Sugar: Immediate tariff elimination and reduced levies for international standard raw sugar.

Processed Foods: Tariffs up to 19 per cent on juice, canned fruit, soup, jam, peanut butter, tea and pet food will be eliminated and Australia will receive preferential access for chocolate, honey, biscuits, cakes and breakfast cereals.