



Submission to the

**Foreign Affairs, Defence and Trade
References Committee**

regarding the

**Proposed Trans-Pacific Partnership
Agreement**

23 October 2016

About AUSVEG

AUSVEG is the national peak industry body representing the interests of Australian vegetable and potato growers and is committed to securing the industry's future.

We advocate for growers to all levels of government and ensure that the industry has a strong, active voice in the public sphere. We also communicate industry issues and perspectives to government, media and the public.

AUSVEG is also a service provider for a number of levy-funded research projects that are funded by Horticulture Innovation Australia using levy and government funds.

Ensuring the results from these research projects are made available to Australian vegetable and potato growers is vital for the vegetable and potato industries to remain on the forefront of global horticulture production and for local growers to be able to operate an efficient, productive and profitable growing operation.

Queries

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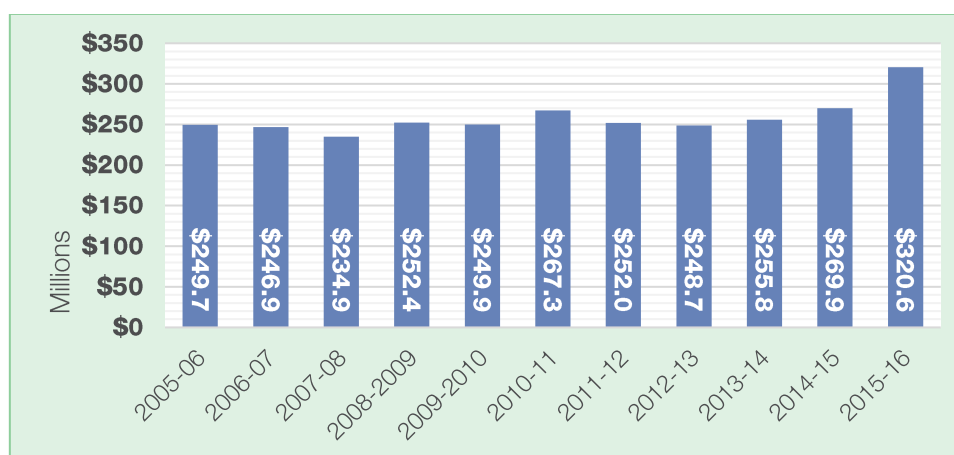
Submission

AUSVEG strongly supports the continued efforts by successive Australian governments to enhance Australia's relationships with key trading partners ■

The rise of the middle class in valuable international markets across Asia and the Middle East, like China and the United Arab Emirates, is leading to an increased demand for high-quality fresh produce. With the Australian vegetable industry enjoying an excellent reputation in these (and other) markets for freshness, safety and overall quality, Australian growers are increasingly looking overseas to increase their profitability.

Increased trade liberalisation means that Australian growers are able to capitalise on the increasing demand in export markets for high-quality produce, and the Australian vegetable and potato industries continue to expand their involvement in exporting, supported by the increasing suite of trade agreements entered into by Australia.

Figure 1: Value of Australian exports of vegetable products, last ten years



Source: Global Trade Atlas (accessed 18 October 2016)

However, the Australian vegetable industry's export potential is primarily covered by other Free Trade Agreements (FTAs) already in effect.

For example, while Japan is a signatory to the TPP, Australia has already established an agreement with Japan (the Japan-Australia Economic Partnership Agreement, or JAEPA) which has already eliminated tariffs on many horticultural exports, and will eliminate most remaining tariffs over time.

JAEPA, along with continued market access negotiations, has enabled Australian growers to export pumpkins and melons to Japan since September 2016.

A similar case exists in Australia's FTA with Singapore. Combined with a lack of market access restrictions, such as phytosanitary protocols, for Australian vegetables into Singapore, this has seen Singapore become Australia's second-most valuable destination for vegetable exports in the financial year 2015-16, with a total value of AUD\$43.3 million in fresh, frozen and processed Australian vegetable exports.

Some countries involved in the TPP will also not result in any meaningful improvement to the export potential of Australian growers. For example, due to the strength of Chile's domestic vegetable industry and the level of its production, there is very little chance that Chile would become an export market for the Australian vegetable industry.

Beyond trade benefits, the TPP could also offer limited benefits to the labour force available to the Australian vegetable industry. The mutual understandings reached between the Australian Government and the Government of the Socialist Republic of Viet Nam regarding the Work and Holiday Arrangement between our two countries, which could increase the labour force available the industry by 1,300 visa holders, may offer additional value to our industry. With significant expatriate Vietnamese growing communities present in Australia, existing communities and networks could help growers leverage this opportunity.

Overall, as the national body representing Australia's vegetable and potato growers, AUSVEG welcomes the proposed TPP as an addition to the suite of trade agreements established by this and former governments. While the benefits delivered to our industry by the TPP in isolation are relatively few at this time, the continued work being performed to enhance Australia's relationships with key trading partners supports Australian growers' expansion of their export capabilities, and we look forward to future export development into the future.