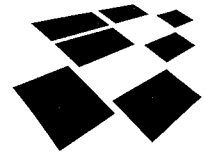


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28 APR 2004

BY:.....



Horticulture Australia

27 April 2004

The Committee Secretary
Joint Standing Committee on Treaties
Department of House of Representatives
Parliament House
Canberra ACT 2600

Dear Sir,

Re: The Proposed Free Trade Agreement between Australia and the United States of America

On behalf of Horticulture Australia Ltd, I am pleased to present the enclosed submission to JSCOT which is inquiring and reporting to Parliament on the proposed Free Trade Agreement between Australia and the United States of America.

The submission is in essence a review of the proposed FTA which has been undertaken in consultation with Australia's horticultural industries. This document has also been made available to these horticultural industries.

I would be pleased to answer any questions which the Committee may have either in writing or through appearance before the Committee where convenient.

Yours truly,

John Webster
Managing Director

HORTICULTURE AUSTRALIA LTD

REVIEW OF THE PROPOSED AUSTRALIA - USA FREE TRADE AGREEMENT

Date 15 April 2004

1. Introduction

This submission on the proposed Australia-USA Free Trade Agreement is provided by Horticulture Australia Limited (HAL) to the Joint Standing Committee on Treaties (JSCOT) which is holding a Public Inquiry into the Agreement.

The Australian horticulture industry has a gross value of production of \$A6.4 billion which is second in size among Australia's agricultural industries, behind the meat industry (\$A6.7 billion). One in five agriculture employees in rural Australia work within the horticulture industry (65,000 out of a total of 320,000).

HAL was established as a 'not for profit' company in January 2001 to implement an industry and Australian Government Memorandum of Understanding (MOU) to pursue research and development and also marketing and promotion on behalf of the horticulture industry.

HAL is an industry organisation representing growers in Australia's horticultural industries. The 29 individual horticulture industries, covering the vegetable, fruit, nut and nursery industries which signed the MOU, are the horticulture industry 'representative grower bodies' or associations which are the members of HAL.

2. The Australia - US Free Trade Agreement

Negotiations on an Australia US Free Trade Agreement (FTA) commenced following the announcement on 14 November 2002. At the end of the extended fifth round of talks between the negotiators, the negotiations were concluded in Washington on 8 February 2004 by Minister Vaile and US Trade Representative Zoellick.

Both the Australian and US governments are now completing their domestic approval processes before the Agreement can enter into force. In Australia the text has been referred to the Joint Standing Committee on Treaties (JSCOT) and to the Senate Select Committee on the Free Trade Agreement between Australia and the USA. Both committees are expected to report to Parliament by mid June 2004.

In addition to parliamentary approvals, necessary implementing legislation or regulations will also need to be passed by the appropriate federal or state legislatures as appropriate. Assuming support through the review and approval processes, the Agreement is most likely to come into force at the earliest date from 1 January 2005.

HAL has liaised both directly, and also indirectly through the National Farmers Federation (NFF), with the Australian agricultural trade negotiators and with the horticultural industry during the period of negotiations. This submission provides HAL's perspectives on the outcomes.

3. Overall View

The overall commercial impact of the Australia US FTA outcome depends on a number of assumptions and is difficult to estimate with accuracy. Immediate free trade is achieved for current fresh produce horticultural exports to the US. On the other hand free trade is not immediately achievable across the board, particularly for non-fresh items. Certain horticulture industries which are faced with loss of import tariff into Australia are expected to experience downside, depending on their circumstances.

On balance the Australia US FTA outcome is viewed as positive for horticulture and is given support by HAL. The outcomes provide an improved basis for the development of horticultural produce trade with the US which strengthens over time as the trade is fully liberalised.

4. Summary Observations

By way of summary of the outcomes for horticulture from the Australia US FTA, the following observations appear reasonable to make.

As positive outcomes:

- 1) The outcome for tariff reduction on fresh produce is close to immediate two way free trade. From entry into force over 99% of current Australian horticultural fresh produce exports in value terms, or around A\$71.7 million, will be tariff free, up from around 2% currently. The US will enjoy zero tariff on 100% of its fresh exports to Australia of around A\$92.5 million from commencement, up from around 70% currently.
- 2) Remaining tariffs will be eliminated following a transition period (up to 18 years in some cases), giving an end of period free trade outcome across the board on Australian horticultural export items.
- 3) Where tariffs reduce over time, exporters of certain of these items may find improved competitiveness prior to the zero tariff outcome.
- 4) Excluding that for peanuts in chapter 20, the single horticultural Tariff Rate Quota (TRQ) in this FTA, which is for avocados in chapter 8, is considered a positive outcome by the avocado industry.
- 5) The immediate zero tariff outcomes for a range of mostly tropical fruit which are currently seeking quarantine access to the States, while neither relating to quarantine access nor guaranteeing that trade will develop upon achievement of quarantine access, are nevertheless positive.
- 6) The zero tariff outcome will be supportive of future exports of citrus from east coast areas which are currently in process of seeking quarantine access.
- 7) The FTA acquiesces in the continuance of horticulture's Export Efficiency regulations and powers for citrus exports.
- 8) There is no alteration within this FTA to arrangements covering the negotiation of quarantine market access. Determinations will continue to be made strictly on the basis of science.
- 9) The FTA defines safeguards in face of serious injury or the threat of serious injury to a domestic industry from greatly increased imports arising from reduction in tariff.

As negative outcomes:

- 1) 14 of the 24 current items of prepared/processed items in chapter 20, accounting for trade currently valued at A\$7.5 million or 67% of the total value of current exports in chapter 20, although enjoying benefits of a reducing tariff, will need to wait either 10 or 18 years for total tariff elimination.
- 2) The phasing periods negotiated for tariff reduction appear to be less favourable than those negotiated between Chile and the US in their recent FTA.
- 3) The US appears to have been successful in securing recognition in various ways of its 'sensitive' items in chapter 20, such as through the tariff phasing in periods and other arrangements in respect of Australian exports into the States.
- 4) A number of Australian product codes are faced with immediate elimination of a 5% tariff on the agreement coming into effect. This will impact variously, depending on a range of different factors.
- 5) The price based safeguards successfully negotiated by the US regarding 29 chapter 20 items and 4 chapter 7 items appear of possible concern under certain limited circumstances. However there are a number of considerations which suggest that the actual impacts of these safeguards will be minimal. 17 of these items have not been traded by Australia over 5 years. While the remaining 16 items have an export value of approximately A\$3.5 million, historically on available data only 3 of these items, with an export value of around A\$650,000, would have been triggered over the 5 year period.

5. Australia - US Horticulture Trade

The structure of Australia- US horticulture trade can be seen from the following summary of trade statistics in 2002/03. Table 1 identifies the value of export and import trade by each of the four HS horticultural code categories: 06- plants, bulbs, roots and cut flowers; 07- vegetables; 08- fruit and nuts; 20- preparations of vegetables, fruit and nuts.

Table 1: Horticultural Trade between Australia & USA (2002/03)

HS Category	Australian Exports to USA (A\$m)	Australian Imports from USA (A\$m)
06 Plants, bulbs, roots & cut flowers	6.2	0.4
07 Vegetables	2.9	25.3
08 Fruit & nuts	63.2	66.7
Subtotal- fresh	72.3	92.4
20 Preparations of vegetables, fruit & nuts	11.5	29.3
Total	83.8	121.7

These figures show that:

- While numbers vary from year to year, overall horticultural trade in 2002/03 was in favour of the US by A\$122 million to A\$84 million.
- Overall fresh produce trade in 2002/03 was in favour of the US by A\$92 million to A\$72 million. Trade in fruit and nuts 2002/03 was fairly evenly balanced while the US exported more vegetables and Australia more nursery items.
- The US is also exported more in prepared/preserved horticultural produce trade, at A\$29 million to A\$12 million.
- Australian fresh exports are heavily dominated by citrus at A\$49 million (68%) and macadamias at A\$11.5 million (16%), or 84% of the total. The two major US fresh exports are citrus at A\$17 million (19%) and almonds at A\$13 million (14%), or 33% of the total.
- Australian horticultural preparations export items in chapter 20 are principally preserved ginger at A\$3 million (27 %) and tinned pears at A\$2 million (21%), or 48% in total. The two major US preparations export items are single fruit or vegetable juices at A\$5 million and frozen orange juice at A\$5 million, or A\$10 million (34%) of the total.

6. Australia - USA Horticulture Trade Tariff Outcomes

6.1 Current Australian Horticultural Exports to USA

The major items of Australian horticultural exports to the US, in terms of items to the value of over A\$1 million, are identified in the following Table 2.

Table 2 Major Items of Australian Horticultural Exports to USA 2002/03

	Code	Item	Value (A\$m)	Volume *1	Current tariff *2
Chapter 6					
	06031043	Fresh propagated native flowers	2.4	N/A	6.4%
	06031041	Fresh propagated cut wax flowers	2.2	N/A	6.4%
Chapter 7					
	07133120	Dried shelled beans (mungo)	1.7	1,581 t	Free
Chapter 8					
	08051010	Navel oranges	41.5	20,486 t	1.9c/kg
	08029022	Macadamia nuts shelled	11.6	991 t	5c/kg
	08052000	Mandarins	7.4	2,547 t	1.9c/kg
Chapter 20					
	20060030	Ginger, preserved by sugar	3.1	496 t	2.4%
	20084000	Pears, otherwise prepared/ preserved	2.4	221,000 c	15.3%
	20087000	Peaches, otherwise prepared/ preserved	2.0	93,999 c	17.0%
	20060010	Fruit preserved by sugar	1.9	211 t	8%
	20089215	Fruit salad, canned or bottled	1.1	36,054 c	14.9%

Source: ABS. Notes: *1 t tonnes; c cartons; *2 current ie prior to FTA outcome

Of the items in Table 2, 1 was already zero tariff before the FTA. 5 (fresh items) will achieve immediate removal of the tariff or levy when the agreement comes into effect and 5 (prepared/processed items) will face a phase down of the tariff over periods of up to 18 years.

Excluding existing free trade items, there are four applicable time categories of tariff reductions to zero negotiated between Australian and the US which are immediate, 4 years, 10 years and 18 years. This outcome is inferior to that negotiated between Chile and the US which covers periods which are immediate, 4 years, 8 years, 10 years, and 12 years.

The full tariff outcomes with respect to Australian current and other horticultural exports to the USA are available from the text of the Australia US FTA found on the DFAT web-site or from enquiry to the Horticultural Market Access Coordinator. The following Table 3 summarises the reductions negotiated for the currently exported items.

Table 3: Summary of FTA Tariff Outcomes for Australian Current Exports to USA (2002/03- 8 digit level)

	By Commodity Entries (no)	By Commodity Entries (%)	By Value A\$K	By Value (%)
Chapter 6				
Immediate elimination	15	93.7	6,106	99.0
4 years	0	0	0	0
10 years	1	6.3	60	1.0
18 years	0	0	0	0
TRQ	0	0	0	0
Total Chapter 6	16	100	6,166	100
Chapter 7				
Immediate elimination	13	92.9	2,925	99.7
4 years	1	7.1	5	0.3
10 years	0	0	0	0
18 years	0	0	0	0
TRQ	0	0	0	0
Total Chapter 7	14	100	2,934	100
Chapter 8				
Immediate elimination	13	81.2	62,665	99.2
4 years	2	12.5	393	0.6
10 years	0	0	0	0
18 years	1	6.3	99	0.2
TRQ	0	0	0	0
Total Chapter 8	16	100	63,157	100
Chapter 20				
Immediate elimination	7	29.2	3,759	32.6
4 years	3	12.5	78	0.7
10 years	8	33.3	3,095	26.9
18 years	6	25.0	4,580	39.8
TRQ	0	0	0	0
Total Chapter 20	24	100	11,512	100
All 4 Chapters				
Immediate elimination	48	68.6	75,455	90.1
4 years	6	8.5	476	0.6
10 years	9	12.9	3,155	3.7
18 years	7	10.0	4,679	5.6
TRQ	0	0	0	0
Total All 4 Chapters	70	100	83,765	100

6.2 Future Australian Horticultural Exports to the USA

There are a number of Australian horticultural produce items which have either recently been granted technical quarantine access or which are currently subject to application for quarantine market access. The tariff outcomes under the FTA for this produce, while neither guaranteeing trade as permitted by quarantine access nor ensuring market competitiveness, are nevertheless positive.

Table 4: Tariff Outcomes for Australian Horticultural Export Items under Quarantine Application

Item	Code	Current	Tariff Equiv. (% 02) *6	FTA Outcome
Oranges *1	08051000	1.9 c/kg	1.5	elim
Mandarins *1	08052000	1.9 c/kg	1.2	elim
Tomatoes *2	07020020	3.9 c/kg	1.4	elim
	07020040	2.8 c/kg	2.0	elim
Avocados *3	08044000	11.2 c/kg	10.6	see note 3
Mangoes *4	08045040	6.6 c/kg	9.1%	elim
	08045060	6.6 c/kg	13.1%	elim
	08045080	1.5 c/kg	0.5%	elim
Tropical fruits *5	see mangoes	6.6 c/kg	n/a	elim

Notes:

- *1 East coast areas with low prevalence of Queensland fruit fly, with or without black spot, where approval for quarantine access is or is intended to be sought
- *2 Greenhouse tomatoes attained quarantine access in 2003 . 07020020 covers produce entering 1/3 to 14/7 and 1/9 to 14/11 in any year. 07020040 covers produce entering 51/7 to 31/8 in any year
- *3 Fresh or dried. The outcome for avocados is two new seasonal tariff rate quotas. Beginning in year 2 of the agreement, between 1/2 and 15/9 1,500 tonnes may enter the US duty free. Between 16/9 and 31/1 2,500 tonnes may enter the US duty free. Together this gives an access amount of 4,000 tonnes which will grow at an additional 10% per year until year 18 of the agreement when free trade is achieved. Also over this 18 year period, the over quota tariff on avocados will be eliminated under a progressive formula
- *4 APHIS PRA completed. 08045040 is fresh produce entering 1/9 to 31/5. 08045060 is fresh produce entering 1/6 to 31/8. 08045080 is dried produce
- *5 Covering lychee, longan, mangosteen, rambutan, custard apple. APHIS PRAs for these items are not yet commenced but are expected to do so shortly on a priority basis. Assumes same tariff code as mangoes
- *6 Calculated on total US imports unit value

7. US Exports to Australia

The major items of US horticultural exports to Australia, in terms of items to the value of over A\$1 million, are identified in the following Table 5.

Table 5 Major Items of US Horticultural Exports to Australia 2002/03

	Code	Item	Value (A\$m)	Volume *1	Current tariff *2
Chapter 7					
	0712200022	Dried onions, kibbled	6.5	1,680 t	5%
	0703100031	Onions & shallots	2.9	2,897 t	free
	0712909078	Dried vegetables, whole, cut, sliced	2.6	541 t	5%
	0713330016	Dried kidney beans, shelled	1.8	2,166 t	free
	0713390008	Dried beans, shelled, exc. kidney	1.8	1,448 t	free
	0713320004	Dried shelled Adzuki beans	1.3	991 t	free
	0710300009	Frozen spinach	1.3	553 t	5%
	0709200022	Asparagus, fresh or dried	1.1	223 t	free
	0712200023	Dried onions, excluding kibbled	1.1	356 t	5%
Chapter 8					
	080212008	Almonds, shelled, fresh or dried	13.5	2,775 t	5%
	0805100023	Oranges, fresh or dried	11.1	8,034 t	free
	0809200006	Cherries, fresh	9.8	1,162 t	free
	0813200030	Dried prunes	6.9	2,434 t	5%
	0805500050	Lemons & limes, fresh or dried	5.4	2,112 t	free
	0811900022	Frozen fruit & nuts	5.3	1,544 t	free
	0806100028	Grapes, fresh	4.1	1,015 t	5%
	0806200031	Dried grapes, exc. currant/ sultana	3.3	2,056 t	5%
	0804100017	Dried grapes, dup	1.3	213 t	free
Chapter 20					
	2009800025	Juice of any single fruit or veg	5.5	633K l	5%
	2009110039	Frozen orange juice	4.8	2,092K l	5%
	2002900031	Tomatoes in packs exc 1.14 lit	2.8	2,507 t	5%
	2005200022	Potatoes, prepared/ preserved	2.3	1,387 t	free
	2008990046	Fruit & other edible parts of plants	1.9	540 t	5%
	2008190048	Nuts & other seeds, prep/pres.	1.7	265 t	5%
	2008600004	Cherries, prepared/ preserved	1.4	328K l	5%
	2009900045	Mixtures of fruit & veg juices	1.3	144K l	5%
	2008600050	Cherries, canned, prep/pres	1.1	298K l	5%

Source: ABS Notes: *1 t tonnes; l liters; *2 current ie prior to FTA outcome

Of the items in Table 5, 11 were already zero tariff prior to the FTA and 16 will achieve removal of the 5% tariff when the agreement comes into effect.

Virtually all US horticultural export items achieve an immediate zero tariff and have no limitations of any other nature into Australia when the agreement comes into force. From this viewpoint, it is reasonable to observe that the tariff access outcomes are not equally balanced between Australian access into the States and US access into Australia. The former have phase in periods to zero tariffs in a number of items, particularly chapter 20, but the latter do not.

8. Other Issues

8.1 Price Based Safeguard Measures

In Chapter 2, Annex 3-A, of the agreement the negotiators have included price based safeguard measures on 29 chapter 20 items and 4 chapter 7 items. These are detailed in the Attachment. The price based trigger mechanism works as follows. If the unit import price of the US imported item enters at below the trigger price, the greater the extent to which the unit price is below the trigger price, the further the FTA negotiated tariff (preferential rate) is adjusted back upwards towards the pre-FTA tariff (MFN rate). This can be demonstrated by the following Table 6:

Table 6: Additional Duties under Safeguard Measures in the Australian US FTA

1. Difference between the unit import price and the trigger price (as % of the trigger price)	2. Additional duty imposed as % of the difference between the MFN rate and the preferential rate
up to 10%	none
over 10 & less than or equal to 40%	30%
over 40 & less than or equal to 60%	50%
over 60 & less than or equal to 75%	70%
over 75%	100%

In considering the above, the following should be noted:

- The total tariff under the FTA, including any safeguard duty, will always be lower or equal to the pre-FTA tariff.
- The trigger price is defined as customs import value which is similar to a US\$ fob price.
- The trigger prices were calculated, for the most part, by taking the average of the lowest two years from the previous five from the customs import value data as defined in the World Trade Atlas.
- There were no Australian exports to the US in the last 5 years (to 2002) in the case of 17 of the 33 items identified as subject to these safeguards.
- In only 7 of the 17 cases of identified items, have exports to the US occurred in the last 5 years (to 2002) below the particular identified trigger price.
- Effectively the trigger price is 10% below the identified trigger price, as up to 10% difference there is no tariff claw back.
- On the above basis, the 7 items reduce to 3 where exports have occurred below the trigger price less 10%. These are exports of 2008929035 fruit mixtures with peach/pear; 2008929050 fruit mixtures nesoi and 2103204040 tomato sauces in containers holding 1.4kg or more. The annual export value of these three items is around US\$390,000.
- The Chile US FTA also includes horticultural price based safeguards, in that case 52. There are 23 same 10 digit code horticultural price based safeguards found in both the Chile and Australia FTA texts. The trigger prices in the Australia US FTA are below the trigger price for the same item in the Chile US FTA in 5 cases where there is Australian trade.

8.2 General Safeguards

Chapter 9 of the agreement provides a mechanism for protecting industries from injury from increased imports during the transition to free trade under the agreement. More specifically, where the product from the other country is being imported in greatly increased quantities and as a result of the reduction in the tariff under this agreement is causing or threatening serious injury to the domestic industry, one country is allowed to halt further reductions in tariffs for products from the other country and return to the tariff rate at one of:

- The rate that applies to the same good from all other countries (the MFN rate) at the time of the decision; or
- The rate that applied before the agreement came into force; or
- In the case of horticultural goods which could face a seasonal tariff, the rate which applied during the last corresponding season.

There are a number of conditions and limitations which apply, including for example time limitations and requirements for compensation in other areas where a transitional safeguard measure is imposed. In addition faster, provisional safeguard measures are permitted where a threat of damage to a particular industry is particularly urgent.

Our understanding is that the chapter 9 safeguard is equally applicable to Australian as to US products, at least to those where the original MFN tariff is more than zero. Even where tariff rates have been reduced to zero, irrespective of the fact that this might happen on entry into force, there is a period of 10 years in which the importing party can apply safeguard measures. 10 years is the transition period for the purpose of this chapter, unless the product has a longer transition period in which case the longer time applies.

8.3 Anti-dumping and Countervailing Action

Under the agreement both Australia and the US retain their WTO rights to anti-dumping and countervailing action, and no changes will be made to relevant legislation as a result of the agreement. The horticultural price based safeguards identified in the agreement are not linked to anti-dumping in any way.

8.4 Rules of Origin

Chapter 5 of the agreement sets out rules for determining which goods are originating and therefore eligible for preferential treatment under the agreement. Originating goods are those that are wholly obtained or produced entirely in the country, or produced in the country wholly from originating materials, or are produced in the country partly from non-originating materials. In the latter case the non-originating materials must meet the requirements of the origin rules in Annex 5-A. Basically the rules require that sufficient transformation has occurred to justify the claim that the good is a legitimate product of the country.

Also, if all inputs which fail the ROO test for a particular product account in total for less than 10 percent of the value of the product, the final product will still be considered an originating product. This particular principle does not apply to citrus fruit. This means that any exported citrus juices, which are not currently an exported item, would need to be purely a product of Australian fruit. This situation appears to be the principle application of this chapter to horticulture.

8.5 SPS Matters

Chapter 7 of the agreement reaffirms that decisions on matters affecting quarantine and food safety will continue to be made on the basis of scientific assessment of the risks involved in the commercial movement of plants and their products. In other words the existing rights and obligations under the WTO SPS agreement retain their primacy.

The chapter is mostly concerned with the description of the establishment of two committees, namely a Committee on Sanitary and Phytosanitary Matters and a Standing Working Group on Animal and Plant Health, which will enable Australia and the US to work together to improve their understanding of the other's SPS measures and associated regulatory processes. The Committee is described as concerned with measures and processes. The Working Group is described as designed to help with the resolution of specific animal and plant health matters through technical exchange and cooperation, and in particular through means of Work Plans.

There appears to be nothing in this SPS chapter as likely to be of concern to horticulture. To the contrary, improved facilitation of quarantine market access processes will be welcomed by industry. Advice has been received that no individual quarantine market access applications were discussed during the FTA negotiations.

9. Industry Positions on the Agreement

Media releases are available to date from individual horticultural industries further to the release of the full Australia US FTA text. So far these releases are those of HAL, Citrus, Macadamias, Avocados, Mangoes and Olives.

The following Table 7 provides a summary of the FTA outcomes for each of these industries and other industries which are known to have expressed views.

Table 7: Summary of US FTA Outcomes for Particular Horticultural Industries (incomplete as additional industry views to be added)

Industry	Outcomes
1. Citrus	<ul style="list-style-type: none"> ■ Elimination of current fresh fruit tariffs with an associated cost reduction ■ Continuing support for the export efficiency licensing arrangements ■ Expanded exports from additional areas will need await quarantine access approvals ■ Elimination of the tariff on imported citrus juice from the US but Brazil is the major supplier
2. Macadamias	<ul style="list-style-type: none"> ■ Elimination of the current tariff on raw macadamia kernel ■ Reduction of the current tariff on processed (value added kernel) over 4 years to zero ■ Liberal quota access with zero in quota tariff for chocolate coated macadamias of more than 5.5% butter fat ■ Progressive elimination of the current competitive advantage that sub Saharan countries enjoy for raw and further process kernel ■ Increase in the incentive to further process kernel in Australia and add scale to current value adding operations ■ A further marketing advantage for chocolate coated macadamias at the indicted butterfat level
3. Avocados	<ul style="list-style-type: none"> ■ A tariff free quota (two period quotas covering the year) with appreciable tonnages, increasing over the period of 18 years and with free trade at the end of the period ■ Substantial growth in production is forecast and new markets are vital to support this growth ■ Exports to the US will need to await quarantine access approval
4. Mangoes	<ul style="list-style-type: none"> ■ Elimination of current US tariff on the agreement coming into force assisting ability to compete with current competitors in the market ■ Exports to the US will need to await quarantine access approval
5. Nursery	<ul style="list-style-type: none"> ■ Elimination of current tariffs on virtually all nursery and garden lines in to the US, including the two current major export items, artificially propagated cut wax flowers and Australian natives
6. Olives	<ul style="list-style-type: none"> ■ Elimination of virtually all current tariffs on green and black olives and olive oil exported to the States ■ Support to current strategic targeting of the US in the above lines
7. Potatoes	<ul style="list-style-type: none"> ■ Subject to quarantine access, there could be potential to export fresh potatoes to the US during their winter. Reduction in tariffs of frozen potato products into Australia could negatively impact the Australian processing potato industry
8. Pistachios	<ul style="list-style-type: none"> ■ Removal of current 5% import tariff will strongly affect margins
9. Almonds	<ul style="list-style-type: none"> ■ Loss of any differential between import parity and domestic prices, resulting in reduced margins and significant increase in Californian competition on the domestic market.

10. Enquiries

Please direct any enquiries regarding this submission to John Webster, Managing Director of HAL on 02.8295 2300.

Attachment

ATTACHMENT: AUSTRALIA-US FTA. LIST OF PRODUCTS SUBJECT TO US PRICE BASED SAFEGUARDS

HSTC 10	Description	Trigger Price*1	Chile Price*2	Exports Y/N*3	Exports		Unit import prices exAust (US\$ per kg/l)					
					Val (\$K)*4	Year	98	99	00	01	02	
0712202000	Dried onion powder or flour	0.77	0.77	N								
0712204000	Dried onion except powder or flour	1.26	1.48	N								
0712904020	Dried garlic, powder or flour	0.53	0.56	Y	3	99		8.67				
0712904040	Dried garlic, except powder or flour	0.48	0.43	Y	175	02						0.77
2002100020	Tomatoes, wn whole prep/pres, nesoi cntnrs lt 1.4kg	0.41	0.47	Y	251	02	7.19	7.45	2.32	0.39	0.42	
2002100080	Tomatoes prep/pres in.cntrs 1.4kg or more, nesoi	0.43	0.35	Y	14	02	7.89	8.35	6.18	4.04	7.36	
2002908010	Tomato paste in containers holding less than 1.4kg	0.64	0.66	N								
2002908020	Tomato paste in containers holding 1.4kg or more	0.56	0.53	Y	799	99	0.87	0.80				
2002908030	Tomato puree in containers holding less than 1.4kg	0.46	0.61	N								
2002908040	Tomato puree, in containers holding 1.4kg or more	0.31	0.38	N								
2002908050	Tomatoes, nesoi prep/pres exc. by vinegar/acetic acid	0.69	0.65	N								
2005600000	Asparagus, prepared or preserved nesoi, not frozen	1.59	1.12	N								
2008400020	Pears, prep/pres nesoi, in cntrs less than 1.4kg	0.65	0.65	Y	32	02	0.72	0.59	0.90	0.69	0.96	
2008400040	Pears, prep/pres nesoi, in cntrs of 1.4kg or more	0.58	0.65	Y	234	02	0.66	0.67	0.53	0.58	0.57	
2008504000	Apricots, prepared or preserved, nesoi	0.90	0.90	Y	4	99		3.61				
2008702020	Peaches prep/pres nesoi, cntrs less than 1.4kg each	0.32		Y	1,493	02	0.98	0.85	1.11	0.57	0.58	
2008702040	Peaches prep/pres nesoi, cntrs 1.4kg or more each	0.54		Y	65	02	0.80		1.05	0.62	0.62	
2008929030	Fruit mixtures with peach/pear packed in liq lt 1.4k	0.83	0.81	Y	58	01	0.89	0.74	0.89	1.39		
2008929035	Fruit mixtures with peach/pear packed in liq gt 1.4k	0.75	0.77	Y	70	02	1.49		0.49	0.44	0.48	
2008929040	Fruit mixtures cont'g orange/grapefruit packd in liq cann	1.21	1.21	N								
2008929050	Fruit mixtures nesoi packd in liquid in airtight ctrir	0.80	0.92	Y	270	02	3.06	5.20		0.51	0.77	
2009110020	Orange juice, frozen, unfermented ctnr under 0.946 liter	0.23	0.25	N								
2009110040	Orange juice, frozen, unfermented ctnr 0.946 to 3.785l	0.23	0.25	N								
2009110060	Orange juice, frozen, unfermented ctnr over 3.785l	0.20		N								
2009124500	Orange juice, unfermented, n/frozen, nesoi < 20 Brix	0.49		N								
2009190000	Orange juice, unfermented, nesoi	0.49		N								
2009610020	Grape juice & must, unfermented, not concentrated	0.56		N								
2009610040	Grape juice & must, < 20 brix, concentrated, frozen	0.34		N								
2009610060	Grape juice & must, < 20 brix, concentrated, n/frozen	0.27		Y	5	02						0.83
2009690040	Grape juice & must, nesoi, frozen	0.32		N								
2009690060	Grape juice & must, nesoi, not frozen	0.25		Y	35	02						0.51
2103204020	Tomato sauces, nesoi, in containers less than 1.4kg	0.84	0.80	N								
2103204040	Tomato sauces, nesoi, containers hold'g 1.4kg or more	0.94	0.31	Y	47	02	0.81	3.09	0.48	0.78	1.25	

- Notes: 1 Yellow items are those traded in the last 5 years.
 2 Unit prices are fob US\$/kg or US\$ per liter
 3 Historical prices are as described by USDA FAS data