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## **Grains industry report assists industry & Government action on non-tariff measures (NTMs)**

The results of the second industry survey of non-tariff measures (NTM) which affect the Australian grains industry were released today.

The grains industry undertook the first comprehensive study of NTMs impacting the grains industry in late 2017. This landmark report enabled the industry to prioritise and communicate the impact of NTMs on the grain trade to government and other stakeholders for the purpose of improving market access for Australian grains and delivering improved returns for Australian grain growers.

This report, jointly led by Grain Trade Australia, GrainGrowers and GIMAF, has identified that NTMs, particularly MRLs and technical barriers to trade continue to be a major focus for the industry, increasing the compliance risk and cost of doing business, and in some cases, inhibiting access to markets. The 2019 report has clearly identified that MRLs are becoming an increasingly significant barrier for Australian grains exporters.

“Market access is critical for the Australian grains industry,” said GrainGrowers’ General Manager Policy and Research, Luke Mathews.

Despite the grains industry facing very challenging seasonal conditions, the industry remains export focussed and is a major contributor to Australian farm sector exports. “Continued and improved market access is essential for the future success of the industry and grower profitability.”

Pat O’Shannassy, Grain Trade Australia CEO, noted that successive Australian governments have been highly effective in liberalising international trade with key grains trading partners.

“Free Trade Agreements and World Trade Organisation reforms have delivered a reduction in tariff rates across a range of export markets, resulting in the expansion of export market opportunities,” said Mr O’Shannassy.

“While tariffs and quotas are still important in some markets, in general they are now less restrictive and harmful for the grains sector than the emerging and growing NTMs that affect trade.”

Mr O’Shannassy said that the industry’s ability to prioritise and communicate NTMs and their impact to Government has helped to focus resources to high priority area. This report identifies over 100 NTMs across almost 20 markets, including many of Australia’s most important markets.

“NTMs have been found to affect virtually all grains, although the greatest number are for wheat, barley and canola. And while smaller crops may show fewer NTMs, the impact can be significant if the

NTM represents a major restriction in a major market, placing almost all of the trade for that commodity at risk.”

Tony Russell, Executive Manager of GIMAF said that for the grains industry, many of the NTMs identified were Sanitary and Phytosanitary (SPS) measures, in particular Maximum Residue Levels (MRLs).

“The industry is facing diverging and tightening MRLs in a number of markets which is limiting export opportunities and hurting Australian grain farmers”, Mr Russell said.

“Technical Barriers to Trade (TBTs) such as restrictive import permits and certification requirements, are affecting the grains industry, while emerging NTMs include regulation of biotechnology and plant breeding of innovative products.”

Mr Russell said the project found that NTMs could be highly trade restrictive and harmful for the industry.

The impacts of NTMs can be broad and include higher operational and commercial risk for exporters, increased risk of trade bans or restrictions and increased cost of compliance. “More than 60 per cent of NTMs result in either increased compliance costs or risk, and around 10% restrict market access for Australian grains.”

Matt Worrell, First Assistant Secretary, Department of Agriculture, said the Government and the grains industry invest significantly to assist trade and market activities.

“Most NTMs are a normal part of doing business, but Government and industry must work together to address the current and future market access challenges where they form a barrier to trade. This project has been a welcome joint initiative and will help prioritise and develop a workplan for the industry,” Matt Worrell said.

Mr Mathews said the grains industry continues to work closely with the Australian government on opportunities to practically address many of the NTMs identified.

“Addressing NTMs provides the greatest opportunity for the industry to increase trade and increase value for the industry, growers and the economy. It is critical that trade agreements, such as the Australia-EU agreement that is currently being negotiated, address both tariff and non-tariff barriers to trade” Mr Mathews said.

Mr O’Shannassy commented that the grains industry had recognised the need to increase the resources that it allocates to trade and market access activities and had been proactive over the past twelve months in working with global industry colleagues to help progress regional and multi-lateral outcomes on NTMs. “The Australian Government has shown great leadership on regional initiatives through forums such as APEC and ASEAN and the grains industry has welcomed the opportunity to be part of these activities”.

The report, *The Grains NTM Project*, is available here: [NTM Project Report](#)

## **MEDIA CONTACTS**

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**About GIMAF:** Grains Industry Market Access Forum (GIMAF) represents the whole supply chain in the task of identifying, prioritising and actively responding to market access issues that impact the Australian grains, fodder and seeds industries. GIMAF works closely with the Australian Government and its agencies to develop responses to market access issues that impact current trade arrangements and strategic plans to develop new market access opportunities for the Australian grains industry.

**About GrainGrowers:** GrainGrowers is an independent and technically resourced, grain farmer representative organisation with 17,000 members across Australia. GrainGrowers' goal is a more efficient, sustainable and profitable grain production sector that benefits all Australia grain farmers and the wider grains industry. GrainGrowers has three divisions which work to achieve improved grain industry outcomes: (1) Capability Building; (2) Industry Engagement; and (3) Policy and Innovation.

**About GTA:** Grain Trade Australia (GTA) is the focal point for the commercial grains industry within Australia. GTA members are responsible for over 95% of all grain storage and freight movements made each year in Australia. Over 95% of the grain contracts executed in Australia each year refer to GTA grain standards and/or trade rules.