

MemberUpdate

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TOPIC: *Grain industry report assists industry & Government action on non-tariff measures (NTMs)*

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Grain industry report assists industry & Government action on non-tariff measures (NTMs)

The results of the third industry survey of non-tariff measures (NTM) which affect the Australian grain industry have been released.

This landmark report enabled the industry to **identify, 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 grain** and delivering improved returns for Australian grain growers. The grain industry undertook the first comprehensive study of NTMs impacting the grain industry in late 2017. The NTM report was updated and re-released in 2019.

Jointly led by Grain Trade Australia, and GIMAF, the report identified that NTMs, particularly relating to chemical Maximum Residue Limits (MRLs) and technical barriers to trade continue to be a major focus for the industry, increasing compliance risk and cost of doing business, and in some cases, inhibiting access to markets. The 2021 report has confirmed MRLs are becoming an increasingly significant barrier for Australian grain exporters.

Pat O'Shannassy, Grain Trade Australia's CEO, noted that "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".

"While tariffs and quotas are still important in some markets, in general they are now less restrictive and harmful for the grain 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 is important to focus resources to high priority areas. This report identifies over 80 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 grain 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 grain industry, while emerging NTMs include regulation of biotechnology and plant breeding of innovative products.”

Mr Russell said “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 grain.”

Mr Russell said the grain 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 Russell said.

Mr O’Shannassy commented that the grains industry has 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 grain industry has welcomed the opportunity to be part of these activities”.

The report, [The Grains NTM Project](#), is available [here](#).