

# MemberUpdate

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**TOPIC: Indonesia Feed Grains Tariff Rate Quota**

**DISTRIBUTION: GTA Members – primary contact list. Please circulate to all appropriate internal parties.**

## 1. Purpose

- To provide information to GTA Members on the management of the Tariff Rate Quota (TRQ) applied on exports of Australian Feed grains under the Indonesia - Australia Comprehensive Economic Partnership Agreement (IA-CEPA).

## 2. Background

- Australia and Indonesia have entered into a comprehensive economic partnership known as the Indonesia – Australia Comprehensive Economic Partnership Agreement (IA-CEPA).
- The IA-CEPA creates a framework for Australia and Indonesia to unlock the vast potential of economic cooperation between business, communities and individuals.
- IA-CEPA will reduce non-tariff barriers to trade, simplify paperwork and will allow 99% of Australia's goods to enter Indonesia duty free or with significantly improved preferential arrangements.
- It includes the introduction of volume quotas on the export of Feed grain to Indonesia. The **initial quota is for 500kt of Feed grains.**

## 3. Tariff Rate Quota Arrangements

- The Department of Agriculture, Water and the Environment (DAWE) will manage the Indonesian feed grains tariff rate quota. The tariff in the initial year was to be 500,000 tonnes of feed grain of either wheat, barley or sorghum. As the agreement is commencing part-way through year one the 2020 quota year volume is a revised pro rata volume of **244,535 tonnes**.
- DAWE has released an [Industry Advice Notice \(IAN\)](#) to notify interested exporters that applications for reservations of tariff rate quota for feed grain exports to Indonesia open on **22 June 2020**.
- Quota will be available on a first come, first served basis on provision of a valid contract for the consignment(s) and a complete application.
  - The feed grain TRQ uses a contract-based reservation system where exporters can apply to receive a reservation of quota (an entitlement) when they have a contract in place with an Indonesian consignee for a TRQ-eligible product.
  - Reservations are granted on a first come, first served basis where complete applications (including all supporting information) are provided.
  - A reservation can then be accessed when exporting a consignment for the contract.
- **Remainder of 2020:**
  - Applications for the 2020 pro rata volume of **244,535 tonnes** will be accepted from **22 June 2020** ahead of the initial part-year **starting 5 July 2020**
- **Forthcoming Years:**
  - Applications will be accepted from 1 November ahead of the new quota year starting 1 January
  - DAWE has provided an [Industry Guidance Document](#) with the full details of the Tariff Rate Quota. This document should be reviewed prior to making an application under IA-CEPA. A summary of the application process is provided here:

- For contracts that are to be associated to IA-CEPA:
  - a) The exporter must apply to the Department of Agriculture, Water and the Environment (the department) to request a reservation. Applications will be accepted from 22 June 2020.
  - b) The application must include a completed application form (which will be available on the [feed grain quota webpage](#)). The form includes:
    - exporter details
    - importer details (including Importer number and Tax ID number)
    - the amount of quota being requested.
  - c) The application must include a sales contract between the exporter and consignee. The contract must:
    - be signed by both parties
    - specify the product and intended number of consignments
    - specify the weight
    - specify a date range, no longer than two months, in which applications for TRQ certificates for the consignments will be made.
  - d) The application form must be emailed to the Quota Unit email address specified in the form.
- An application must be complete to reserve its place in the order of applications received.
- If quota is available and the application is complete, the exporter will be notified by DAWE of success and the tariff quota reservation that is approved, including the time period/date range and their responsibilities.
  - This is to incentivise exporters advising the department where quota is not needed (see *Returns*, above).

## 4. Export Documentation Process

- After successfully applying for a tariff quota reservation and in preparation to export under the Tariff Rate Quota the exporter must apply for a **IA-CEPA feed grains TRQ certificate** application form (available on the department's [feed grain quota web page](#)) when commencing the export documentation process.
- The application will need to include the following information:
  - exporter details
  - importer details (including Importer ID and Tax ID numbers)
  - contract reference number – so the department can match it to your reservation
  - RFP number
  - product information
- When the completed certificate application form is received it will be matched against the RFP in QMS and an **IA-CEPA quota certificate** will be generated for eligible product. A .pdf copy of the certificate will be sent to the email address the exporter has supplied on their application form. At the same time a copy of the certificate will also be emailed to the Indonesian authorities for their information.
- The certificate is required to pass import requirements in Indonesia.

## 5. Annual Volume Applicable under the Proposed TRQ

Table 1: Quantity of the Tariff Rate Quota

Year	Quantity of the Tariff Rate Quota (tonnes)	In-quota tariff	Out-of-quota tariff
1	500,000	0%	AANZFTA rate
2	525,250	0%	AANZFTA rate
3	551,250	0%	AANZFTA rate
4	578,813	0%	AANZFTA rate
5	607,753	0%	AANZFTA rate
6	638,141	0%	AANZFTA rate
7	670,048	0%	AANZFTA rate
8	703,550	0%	AANZFTA rate
9	738,728	0%	AANZFTA rate
10	775,664	0%	AANZFTA rate

**END.**