

# Indonesia-Australia Comprehensive Economic Partnership Agreement



## Tariff Rate Quota for Australian Feed Grains

The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will enter into force on 5 July 2020.

IA-CEPA provides access to the Indonesian market for 500,000 tonnes of **feed grains** (wheat, sorghum and barley) each year, increasing at five per cent per annum.

IA-CEPA offers win-win opportunities for business in both countries. Australian grains can complement the local feed grain consumption in Indonesia to meet the growing demand for feed and protein to meet increasing demand arising from Indonesia's economic growth.

For more information on IA-CEPA, please see: <https://www.dfat.gov.au/trade/agreements/in-force/iacepa/Pages/indonesia-australia-comprehensive-economic-partnership-agreement>

### Frequently Asked Questions - FAQs

#### Who is administering the tariff rate quota in Australia and Indonesia?

The IA-CEPA Operational Procedures for Tariff Rate Quotas<sup>1</sup> will include:



<ul style="list-style-type: none"><li>1. The Indonesian Ministry for Agriculture and Animal Husbandry is administering the 'request for import recommendation' that are submitted by the importer.</li><li>2. The Ministry of Agriculture will process and forward the request to the Ministry of Trade for Import Licensing.</li><li>3. After receiving and processing The Ministry of Trade will transmit the Import License to the importer by the system and make it available to the Indonesia National Single Window (INSW).</li></ul>	<ul style="list-style-type: none"><li>1. The Australian Department of Agriculture, Water and the Environment (DAWE) is administering the feed grain tariff rate quota under a sales contract-based reservation system.</li><li>2. Australian exporters will apply to DAWE for a reservation of quota once they have a signed export contract with their Indonesian buyer</li><li>3. Exporters will apply for the necessary tariff rate quota certificate on preparation of the consignment.</li></ul>
--	---



<sup>1</sup> Currently being finalised and will be available on the relevant websites

## What grains are eligible to be tariff-free under IA-CEPA?

Feed grains, including wheat, barley and sorghum are included under IA-CEPA.

Indonesian HS Code	Description of product
1001.99.99	Wheat and meslin – not fit for human consumption – other than meslin
1003.90.00	Barley – other than seed
1007.90.00	Grain sorghum – other than seed

### a) What volume is available for sale under IA-CEPA?

The tariff rate quota allows for 244,535 tonnes of eligible grains to be sold tariff-free in the first year of the agreement, increasing to 525,250 in year two with an allowance for 5% growth each year.

### b) A contract is required between the Australian seller and the Indonesian buyer for the Australian exporter to secure a tariff-free quota – what constitutes a contract?

A contract between the exporter and the buyer must: be signed by both parties; specify the product and intended number of consignments; specify the weight of the consignment, with a maximum 10% shipping tolerance; and specify a date range for delivery of no longer than two months.

The exporter will then apply to DAWE for an allocation of the tariff-free quota and confirmation will be provided to the exporter and the relevant Indonesian authorities.

### c) Can any changes be made to the contract after it has been signed?

For the purposes of the tariff rate quota reservations, the exporter, consignee and date range of intended consignment cannot be changed.

If the volume of a contract is changed the exporter must make an application to vary their quota reservation; the reservation volume will only be increased where quota is available, and the exporter has not reached the reservation limit.

If other detail change, including commodity, the exporter is encouraged to contact the department to ensure it does not impact their reservation.

### d) What happens after the Australian seller has loaded the cargo?

The Australian seller will apply to the Australian Government for a Certificate. This Certificate will be provided to the Australian seller and to the Indonesia National Single Window (INSW).

The Australian seller will provide a copy of the Certificate to the Indonesian buyer as the Certificate reference number must be included in the buyers Import Declaration. The INSW reconciles the Import Declaration to the Certificate and provide to Customs.

### e) What are the maximum volumes available per exporter?

Before 1 May in the quota year, an individual exporter is limited to reserving no more than 150,000 tonnes of grain across all their contracts. More than 150,000 tonnes can be reserved by an exporter from 1 May onwards.

### f) How will an exporter or buyer know if there is any tariff-free quota available?

Reservations for the tariff free quota are made on a first come, first served basis. The amount of quota used, and the amount of quote available will both be published on the feed grain quota webpage:

<https://www.agriculture.gov.au/export/from-australia/quota/feed-grains>