



Australia-European Union Free Trade Agreement

Benefits for agriculture and fisheries

The Australia-European Union Free Trade Agreement (A-EU FTA) will deliver unprecedented new opportunities for Australian farmers, fishers, and other agricultural producers. It will diversify and expand trade to the valuable high-income EU market of around 450 million people.



The agreement will open doors into the EU for premium, sustainable Australian agricultural products and processed foods – including for key commodities such as beef, sheep meat, sugar, grains, nuts, horticulture, dairy, seafood and wine.



Australian Government

March 2026. More information on the Australia-European Union Free Trade Agreement is available at

dfat.gov.au/aeufta

Overview

Historically, Australia's access to the EU market has been constrained by prohibitively high tariffs on agricultural products, as well as small, restrictive tariff rate quotas (TRQs) on beef, sheep meat, sugar, cheese, and rice. Australia's access under these TRQs was reduced even further as a result of Brexit.

The A-EU FTA significantly reduces these barriers, and for some products, effectively opens the EU market to some Australian exports for the first time.

The A-EU FTA provides new commercially meaningful market access, puts Australian exporters on a fairer footing with EU producers and other competitors, streamlines customs processes, and unlocks export opportunities for Australian farmers, fishers, and agricultural producers for decades to come.

On entry into force (EIF), the agreement will see 93.9 per cent of the value of Australia's agricultural exports enter the EU duty free, rising to 94.8 per cent upon full implementation after 7 years. The AEU FTA will ensure that 68.5 per cent of agricultural products (by tariff line) will be duty-free into the EU, rising to 92.8 per cent upon full implementation.

Key outcomes

Elimination of the vast majority of EU tariffs on agricultural products, processed food and seafood, including immediate elimination of tariffs for a significant number of products such as wine, nuts, seafood, and onions.

Guaranteed new commercially-meaningful access for key agricultural products through annual TRQs, including beef, sheep meat, milled/semi milled rice, sugar, ethanol, wheat gluten, natural butter, skimmed milk powder and high protein whey.

Simpler documentation requirements for traders to demonstrate the originating status of their goods.

Commitments to reduce non-tariff barriers.

Reducing the cost of agricultural inputs sourced from the EU, for example, by removing Australia's tariffs on tractors, pesticides, and farm machinery.

New opportunities to showcase Australian farmers and fishers as world-class leaders in developing and adopting innovative and sustainable production practices.

Greater certainty for Australian farmers, fishers, agricultural and seafood producers and traders through expanded transparency commitments.





Beef

Australia is one of the largest global exporters of **beef**, exporting \$18.7 billion in 2025.

Australian beef exports to the EU have been constrained by the volumes that could be exported under Australia's existing WTO 'Hilton' country specific quota (CSQ) of 3,389 tonnes shipped weight (swt) [or 4,400 tonnes carcass-weight equivalent (cwe)], which has a 20 per cent in-quota rate, and the global high-quality beef grain-fed TRQ.

Australian beef exports to the EU were valued at \$197 million in 2025.

The A-EU FTA will deliver guaranteed preferential access of **35,000 tonnes (cwe)**, worth up to \$661 million per annum into the EU market - including **new preferential access of 30,600 tonnes (cwe)**, worth up to \$578 million - through two new TRQs and improvement to the existing CSQ:

- ▶ duty-free access for **16,830 tonnes of grass-fed/grain-finished (up to 70 days) beef** after 10 years, starting at 5,610 tonnes on EIF with a 5 year grace period
- ▶ **13,770 tonnes of any beef** after 10 years, starting at 4,590 tonnes on EIF with a 5 year grace period – at a 7.5 per cent in-quota rate
- ▶ **elimination of the 20 per cent in-quota rate** for Australia's existing WTO 'Hilton' CSQ on EIF, resulting in a tariff savings of up to \$16.6 million per annum.

Australia may request a review of the beef TRQs no earlier than 5 years after EIF. Australia may also request consultations with the EU if there is persistent or systemic underfill of the TRQs to address the underlying causes.

Sheep meat (including goat)

Australia is the largest global exporter of **sheep and goat meat**, exporting \$6.5 billion in 2025.

Australian exports to the EU have been constrained by the volumes that could be exported under Australia's existing duty-free WTO CSQ of 5,851 tonnes (cwe).

Australian sheep meat exports to the EU were valued at \$81 million in 2025.

The A-EU FTA will deliver **new access of 25,000 tonnes (cwe)**, worth up to \$218 million per annum, into the EU market through two new duty-free TRQs:

- ▶ **18,125 tonnes of any sheep meat** after 7 years, with a third of the volume at EIF
- ▶ **6,875 tonnes of frozen sheep meat** after 7 years, with a third of the volume at EIF.

This means Australian exporters will have **guaranteed access of 30,851 tonnes**, worth up to \$269 million per annum, including Australia's existing WTO CSQ of 5,851 tonnes (cwe).

Australia may request a review of the sheep meat TRQs no earlier than 5 years after EIF. Australia may also request consultations with the EU if there is persistent or systemic underfill of the TRQs to address the underlying causes.

Dairy products

Australia exported \$4.2 billion of dairy products globally in 2025.

However, Australia's dairy access to the EU has been limited to small volumes of cheese through two WTO CSQs on cheddar (1,113 tonnes), and cheese for processing (150 tonnes). Both CSQs have an in-quota rate of \$299/tonne (€170.6/tonne).

The A-EU FTA will see the EU eliminate tariffs on 87.3 per cent of its dairy tariff lines.

While Australia's current trade in dairy products to the EU is negligible at only \$25.8 million in 2025, the A-EU FTA will eliminate EU tariffs on dairy products that account for 74 per cent of the volume of Australia's global dairy exports, and 65 per cent of the value of Australia's global dairy exports (based on 2022-24 average).

The EU dairy outcomes include:

- ▶ tariffs on **cheese** of up to \$3,872/tonne (€2,212/tonne) eliminated over 3 years
 - including elimination of the in-quota rate of \$299/tonne (€170.6/tonne) on the two WTO cheese CSQs at EIF
- ▶ tariffs on **dairy spreads, and fats and oils** of up to \$4,049/tonne (€2,313/tonne) eliminated over 3 years
- ▶ tariffs on **yogurt** of up to 8.3 per cent plus \$2,955/tonne (€1,688/tonne) eliminated over 3 years
- ▶ tariffs on **ice cream** of up to 8 per cent plus \$674/tonne (€385/tonne) eliminated immediately on EIF
- ▶ tariffs on **buttermilk and curdled milk or cream** of up to 8.3 per cent plus \$2,955/tonne (€1,688/tonne) eliminated over 3 years
- ▶ tariffs on **whole milk powder** of up to \$2,927/tonne (€1,672/tonne) eliminated over 3 years
- ▶ for **natural butter**, an annual duty-free TRQ of **5,000 tonnes** at EIF, worth up to \$46 million per annum
- ▶ for **skimmed milk powder**, an annual duty-free TRQ of **8,000 tonnes** at EIF, worth up to \$32 million per annum
- ▶ for **high protein whey** (including a small number of processed agricultural products), an annual duty-free TRQ of **2,000 tonnes** at EIF.

Australian cheese tariffs

As part of the FTA, Australia has agreed to eliminate the existing tariff on EU cheese imports of \$1.22 per kilogram over 3 years. Australia's existing WTO global cheese TRQ of 11,500 tonnes remains unchanged.





Sugar

Australia's total global sugar exports were estimated to be valued at around \$2 billion in 2025.

Australia's historical access to the EU market has been limited. Australia has been unable to utilise the small raw cane sugar for refining CSQ of 9,925 tonnes due to a prohibitive \$172/tonne (€98/tonne) in-quota rate.

The A-EU FTA unlocks new duty-free access for sugar exporters including:

- ▶ a new annual TRQ of **35,000 tonnes after 3 years**, worth up to \$34 million per annum, starting at 17,500 tonnes, for raw sugar cane for refining
- ▶ a new annual TRQ of 4,000 tonnes for processed sugar products
- ▶ **elimination of the in-quota rate of \$172/tonne (€98/tonne)** on Australia's WTO CSQ of 9,925 tonnes at EIF.

These outcomes mean that Australian sugar exporters will have duty-free access for raw cane sugar for refining into the EU market for a **total of 44,925 tonnes**, worth up to \$44 million per annum.

Rice

Australia's total global rice exports were \$371.2 million in 2025.

Australia's rice access to the EU has been limited to small volumes through country allocated shares of two WTO TRQs on semi-milled/wholly milled rice (240 tonnes – post-Brexit, 1,019 tonnes – pre-Brexit), and broken rice (14,993 tonnes – post-Brexit, 16,000 tonnes – pre-Brexit).

Key A-EU FTA outcomes on EU rice include:

- ▶ tariffs on **paddy rice** of up to \$369/tonne (€211/tonne) will be eliminated over 5 years
- ▶ tariffs on **husked (brown) rice** of up to \$74/tonne (€42.50/tonne) will be eliminated over 3 years
- ▶ tariffs on **broken rice** of up to \$114/tonne (€65/tonne) will be eliminated over 3 years
- ▶ tariffs on **processed rice products** of up to \$410/tonne (€234/tonne) will be eliminated over 3 years
- ▶ for **semi-milled/milled rice**, a duty-free quota of 5,000 tonnes at EIF, rising to **8,500 tonnes** over 5 years, worth up to \$18 million per annum at full implementation.

Wine

Australia exported \$2.4 billion worth of wine in 2025, with \$159.3 million going to the EU. The EU's existing tariffs on wine are up to \$56/100 litres (€32/100 litres).

The A-EU FTA will eliminate EU tariffs on wine immediately on EIF.

Rum

Globally, Australia exported \$8.2 million worth of rum in 2025, including \$123,000 exported to the EU. The agreement will eliminate EU tariffs on bottled rum of up to \$1.05 (€0.6)/% vol/ hectolitre + \$5.60 (€3.20)/ hectolitre over 5 years.

For 'heavy' bulk rum (in containers over 2 litres), there will be immediate access to an annual duty-free TRQ into the EU market of **750 hectolitres**.

Seafood

Australia exported \$1.5 billion of seafood globally in 2025, which includes \$7 million exported to the EU. The A-EU FTA will eliminate EU tariffs of up to 26 per cent on Australian seafood exports, immediately on EIF.

This includes the immediate removal of EU tariffs at EIF of up to:

- ▶ 15 per cent on **kingfish**
- ▶ 12 per cent on **prawns**
- ▶ 11 per cent on **abalone**.

The A-EU FTA also contains origin quotas, which allow more flexible rules of origin for specific products within set annual volume limits. These quotas enable seafood exporters to access preferential tariff treatment under the FTA even when their products do not meet the standard rules of origin and vessel condition requirements.

A comprehensive guide for seafood exporters on how to apply the rules of origin will be available closer to implementation of the agreement.





Tree nuts

Globally, Australia exported \$1.6 billion worth of tree nuts in 2022, including \$119.2 million exported to the EU.

The A-EU FTA will eliminate EU tariffs of up to 5.6 per cent on Australian exports to the EU, immediately on EIF.

This includes the immediate removal on EIF of EU tariffs of up to:

- ▶ 5.6 per cent on **almonds**
- ▶ 5.1 per cent on **walnuts**
- ▶ 2 per cent on **macadamia nuts**.

Fruit

Australia exported \$1.7 billion worth of fruit globally in 2025, but only \$16.1 million in exports to the EU, partly due to trade barriers.

The A-EU FTA will eliminate the 'ad valorem' components of the EU's Entry Price System. While the EU's Entry Price System will be maintained, due to the relatively high value of Australian produce, this will effectively result in duty-free treatment at EIF.

Key A-EU FTA outcomes include:

- ▶ EU seasonal tariffs on **apples** of up to 9 per cent eliminated over 7 years
- ▶ EU seasonal tariffs on **pears** of up to 10.4 per cent eliminated over 3 years.

Cereal and grain

Australia is one of the largest cereal and grain exporters in the world, exporting \$15 billion in 2025.

Key A-EU FTA outcomes include the following on EU tariffs:

- ▶ tariffs on **wheat** and **meslin** of up to \$166/tonne (€95/tonne) eliminated over 5 years, and eliminating potential tariffs on **durum wheat** of up to \$259/tonne (€148/tonne) when EU prices are low
- ▶ tariffs on **barley** of \$163/tonne (€93/tonne) eliminated over 5 years
- ▶ tariffs on **wheat starch** of up to \$392/tonne (€224/tonne) eliminated over 5 years
- ▶ for **wheat gluten**, immediate access to an annual duty-free TRQ of **20,000 tonnes** at EIF, worth up to \$70 million per annum.

Vegetables and pulses

Australia exported \$3.5 billion worth of vegetables and pulses globally in 2025, including \$14.1 million to the EU.

The agreement will eliminate the 'ad valorem' component of the tariffs in the EU's Entry Price System on vegetables (excluding sweetcorn). While the EU's Entry Price System will be maintained, due to the relatively high value of Australian produce, this will effectively amount in duty-free treatment.



Key A-EU FTA outcomes on EU tariffs on EIF of the agreement include:

- ▶ 9.6 per cent tariff on **onions** eliminated
- ▶ 13.6 per cent tariff on **carrots** eliminated
- ▶ tariffs of up to 11.5 per cent on **potatoes** eliminated¹.

Honey

Australia exported \$62.3 million worth of honey globally in 2025, including \$1.2 million in exports to the EU.

The A-EU FTA will eliminate the EU tariff on honey of 17.3 per cent over 3 years.

Olive oil

Australia exported \$18.6 million worth of olive oil globally in 2025, including \$89,500 to the EU.

The A-EU FTA will eliminate the EU tariff on olive oil of up to \$2,356/tonne (€1,346/tonne) over three years.

Ethanol

Globally, Australia exported \$133.8 million worth of ethanol in 2025, including \$1.6 million worth of exports to the EU.

The A-EU FTA will provide immediate access on EIF to an annual duty-free TRQ into the EU market of **10,000 tonnes**.

Making use of the A-EU FTA

Goods exported to the EU seeking to claim preferential tariff treatment under the agreement will need to meet the applicable rules of origin.

A comprehensive guide for businesses on how to apply the rules of origin for goods will be made available closer to implementation of the agreement.

¹ Subject to future technical market access.