

25 March 2026

FTA Modernisation - General Review of IA-CEPA
Regional Trade Agreements Division
Department of Foreign Affairs and Trade

Via email: ftamodernisation@dfat.gov.au

To Whom it May Concern

RE: General Review of IA-CEPA

The Australian Oilseeds Federation (**AOF**) welcomes the opportunity to provide a submission on the General Review of the Indonesia Australia Comprehensive Economic Partnership Agreement (IA-CEPA)

1. AOF's remit

AOF is the peak industry body for the Australian oilseeds industry. Established in 1970, AOF represents the common interests of all Australian oilseed industry participants, and promotes the development, expansion and improvement of Australian oilseed production, processing and trading.

AOF members include seed technology companies and plant breeders; researchers, R&D providers and end users of seed technologies; growers and agronomists; crushers and refiners; exporters, traders and bulk handlers; and end users of oil and meal.

AOF provides a range of services focussed on enhancing industry growth, including advocacy and representation (policy, technical & regulatory); market access and trade strategy; shaping R&D and innovation priorities; industry standards and protocols; and stewardship of sustainability programs (Sustainable Grain Australia).

AOF's submission is focused on commenting on issues most relevant to the remit of its membership base and the Australian canola industry, that is, the sustainable, science driven, market-led and grower engaged, development of the Australian oilseeds industry.

Accordingly, AOF highlights the below themes for consideration:

Theme 1 - Expanding the role of Australian oilseeds and canola meal in Indonesia's growing feed sector

Theme 2 – Balancing domestic self-sufficiency policies with the benefits of agricultural trade

Theme 3 – Modernising IA-CEPA to facilitate future trade opportunities

2. Expanding the role of Australian oilseeds and canola meal in Indonesia's growing feed sector

There is significant potential to expand the trade of Australian canola meal into Indonesia, particularly as Indonesia's livestock sector continues to grow. The Australian oilseed industry is therefore keen to see the continued enhancement and effective implementation of the IA-CEPA to support future trade.

IA-CEPA eliminated or reduced Indonesian tariffs on a range of Australian agricultural products. For the oilseed sector, this is particularly relevant for:

- Canola meal and other oilseed meals, used in livestock feed
- Vegetable oils, including refined canola oil

These tariff reductions improve the competitiveness of Australian canola products relative to other suppliers.

Indonesia has a large and expanding livestock sector, particularly in poultry, aquaculture and dairy. This growth is driving increasing demand for high-protein feed ingredients, including oilseed meals such as canola meal. Indonesia is also characterised by strong population and income growth, resulting in rising demand for animal protein and therefore increased demand for food and feed inputs. The Indonesian Government's Nutritious Meals Program will be a critical driver for the growth of the dairy industry and associated feed inputs, and AOF is keenly interested in the development of this program.

Australia already benefits from preferential market access through both the ASEAN–Australia–New Zealand Free Trade Area and IA-CEPA. Under AANZFTA, tariffs on grains and oilseeds were bound and reduced to zero per cent upon entry into force, providing a strong foundation for trade between the two countries.

Approximately 21,000 tonnes of Australian canola meal have been exported to Indonesia over the past five years. As noted above, the industry believes this trade has the potential to increase, particularly with targeted engagement in sectors such as dairy, including initiatives such as the Indonesian Government's Nutritious Meals Program (NMP).

3. Domestic policy settings limit the realisation of this opportunity

Despite these opportunities, trade growth remains constrained by Indonesia's focus on domestic self-sufficiency in feed grains, particularly corn.

While Australia has tariff-free access for most grains and oilseeds, Indonesia maintains import controls and quotas on feed grains as part of policies designed to support its domestic corn industry.

Canola products are treated somewhat differently within these arrangements. Canola meal is imported primarily for use in dairy rations and specialised feed applications. Nevertheless, broader restrictions on feed grain imports can indirectly limit the growth of oilseed-based feed ingredients.

There is therefore an opportunity for the mutual benefits of agricultural trade between Australia and Indonesia to be more fully recognised. A more trade-facilitative approach to feed ingredient imports would support Indonesia's livestock productivity while enabling Australian suppliers to contribute to growing feed demand.

4. Areas for modernisation of IA-CEPA

There has been considerable development in the trade environment since the IA-CEPA was signed and there are a range of areas where the agreement could be modernised and enhanced.

As discussed above there is opportunity to create a more trade facilitative environment through creating a greater understanding of the mutual benefit of trade to support Indonesia's self-sufficiency and/or food

security ambitions and support economic resilience. This would demonstrate that Australian imports will not displace local production but rather complement and improve the productivity of local livestock and food processing industries that will support both domestic food security and export of value-added products.

Key areas where believes that the IA-CEPA could be modernised for the benefit of both parties are:

- a) **Sustainability** – there is increasing incorporation of sustainability references in trade agreements, however this can present challenges for the grains industry, in particular, where one country attempts to impose their standards and practices on another without recognising the unique and/or different characteristics of the environments in which each party operates i.e. one size does not fit all. Further, when importing countries apply their environmental requirements to producers in exporting countries, these can be discriminatory and burdensome and add complexity to the regulatory landscape, increasing compliance costs for businesses and be of no commercial value. We take the opportunity here to also note the role of Sustainable Grain Australia (SGA). SGA is a readily proven industry model to facilitate the sustainability certification of Australian grain, oilseeds and pulses. Currently, SGA facilitates the sustainability certification of Australian grain, oilseeds and pulses under the International Sustainability and Carbon Certification (ISCC) scheme. SGA is, however, certification agnostic i.e. the model could use other certifications. These efforts have reinforced Australia’s reputation as a reliable supplier of sustainably produced canola and have positioned the industry well to meet the global sustainability expectations.
- b) **Seed innovation** – these tools are rapidly evolving, and it is important that trade agreements reflect, facilitate and support ongoing innovation. Seed innovation has the potential to deliver global benefits in terms of resource use, food security, climate change and sustainable and resilient food systems. However, the oilseed and canola meal trade needs regulatory pathways that are workable and do not create unnecessary risks and trade barriers. Clear and predictable import policies for grain are critical. Gene-edited crops are currently subject to pre-market requirements in some jurisdictions, and voluntary processes in others. Importers and exporters are increasingly expected to understand and navigate these frameworks. There is an opportunity to build in principles that enable import policies and procedures for grain that are transparent, science-based, and aligned with international trade commitments, while also being achievable by grain traders.
- c) **Digitalisation** - The use of e-certificates has demonstrated benefits in the efficiency of SPS compliance verification processes time and cost and potentially reducing the risk of fraud. A modernised FTA should promote the use of e-Phyto and other digital documentation.

5. Conclusion

AOF is very supportive of the IA-CEPA to strengthen trade and economic ties with a key trading partner.

Market access will be maximised through active, ongoing collaboration between Government and industry, effective implementation of agreements, and sustained reform of both tariff and non-tariff barriers. The relationship between the Australian and Indonesian grains industry is strong and goes beyond just trade.

AOF welcomes the opportunity to further discuss the above key themes forming its submission. AOF Manager, Courtney Draper, can be contacted on Courtney.draper@australianoilseeds.com.

Yours sincerely,

A handwritten signature in black ink that reads "Courtney Draper". The signature is written in a cursive, flowing style.

Courtney Draper
AOF and Sustainability Manager