



## **National Farmers' Federation**

### **Submission to the Department of Foreign Affairs and Trade Inquiry into the Free Trade Agreement Negotiations between Australia and the EU.**

February 2016

## NFF Member Organisations





## National Farmers' FEDERATION

The National Farmers' Federation (NFF) was established in 1979 and is the peak national body representing farmers, and more broadly, agriculture across Australia. The NFF's membership comprises all of Australia's major agricultural commodities.

Operating under a federated structure, individual farmers join their respective state farm organisation and/or national commodity council. These organisations form the NFF.

Following a restructure of the organisation in 2009, a broader cross section of the agricultural sector has been enabled to become members of the NFF, including the breadth and the length of the supply chain.

While our members address state-based 'grass roots' or commodity specific issues, the NFF's focus is representing the interests of agriculture and progressing our national and international priorities.

The NFF has for 36 years consistently engaged in policy interaction with government regarding a range of issues of importance to the sector including trade, education, environment, innovation to name a few.

The NFF is committed to advancing Australian agriculture by developing and advocating for policies that support the profitability and productivity of Australian farmers.

# Statistics on Australian Agriculture

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Australian agriculture makes an important contribution to Australia's social, economic and environmental sustainability.

## **Social >**

There are approximately 115,000 farm businesses in Australia, 99 percent of which are family owned and operated.

Each Australian farmer produces enough food each year to feed 600 people, 150 at home and 450 overseas. Australian farms produce around 93 percent of the total volume of food consumed in Australia.

## **Economic >**

The agricultural sector, at farm-gate, contributes 2.4 percent to Australia's total Gross Domestic Product (GDP). The gross value of Australian farm production in 2013-14 was \$51 billion – a 6 percent increase from the previous financial year.

Yet this is only part of the picture. When the vital value-adding processes that food and fibre go through once they leave the farm are added in, along with the value of all economic activities supporting farm production through farm inputs, agriculture's contribution to GDP averages out at around 12 percent (over \$155 billion).

## **Environmental >**

Australian farmers are environmental stewards, owning, managing and caring for 52 percent of Australia's land mass.

Farmers are at the frontline of delivering environmental outcomes on behalf of the Australian community, with 94 percent of Australian farmers actively undertaking natural resource management.

The NFF was a founding partner of the Landcare movement, which in 2014, celebrated its 25<sup>th</sup> anniversary.

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**Re: Potential Opportunities and Impacts of an Australian-EU FTA**

The National Farmers' Federation (NFF) welcomes the opportunity to provide a submission to the Department of Foreign Affairs and Trade inquiry into the potential opportunities and impacts of a Free Trade Agreement (FTA) with the European Union (EU).

The NFF supports the commencement of negotiations for an FTA announced by the Prime Minister together with representatives of the European Union in November 2015. Opening new export market opportunities for Australian agricultural produce and reducing distortions in global markets are key priorities for the NFF. The NFF is of the view that a successful bilateral agreement with the EU could potentially provide a significant increase in export value to Australian farmers.

Trade in agricultural goods with the EU is in the NFF's view underdeveloped. According to ABARES data, Australia exported approximately \$2 billion worth of food to the EU in 2014-2015 while importing over \$3 billion. This deviation from Australia's usual agricultural trade pattern is due to a variety of factors, including the Common Agricultural Policy (CAP) in the EU that highly subsidises European agriculture. An FTA that would create a more level playing field in the trade of agricultural goods between Australia and the EU would therefore necessitate detailed consideration of the impact of the existing CAP.

The NFF would support a comprehensive and high-quality trade agreement with the EU that provides improved market access outcomes in all of our important agricultural commodities including meat, dairy, horticulture, grains, sugar, cotton and wool. However, for market access opportunities in the EU to be profitable for a number of sectors within the Australian agricultural industry, there would need to be comprehensive reform of both tariff and non-tariff barriers to trade. Non-tariff barriers remain a significant impediment to international trade flows. Any trade agreement with the European Union must therefore include a focus on the development and implementation of a charter to address barriers, aiming to improve trade flows.

Key to ensuring that Australian agriculture benefits from a trade agreement with the EU will be the stance on Geographical Indications (GI). There may be a perception

that GIs will only impact on dairy; however, in NFF's view, there could be wider implications for food and non-food products should an EU style approach ever be applied as part of a trade agreement between Australia and the EU. Under the existing EU system, ever more products are being safeguarded including meat products, oils and processed food products; there are even suggestions that GIs could be extended to non-food items. The regime could result in the protection of generic food names such as parmesan, feta, prosciutto and salami. Consequently, Australian producers could not use these generic food names even if their produce disclosed the place of production.

The NFF is of the view that ongoing efforts by the EU to increase protection for GIs provide significant advantage for one set of food producers over others. This development is a significant concern and must be comprehensively considered as part of any agreement. The NFF remains supportive of the proper protection of Geographical Indications as provided for under the World Trade Organisation's (WTO) Agreement on Trade in Intellectual Property (TRIPs) agreement.

During trade negotiations with the EU, the NFF seeks government commitment to a strong, robust and science based approach to biosecurity that protects Australia's agriculture from pests and diseases. Biosecurity underpins the competitiveness of Australian produce overseas since export markets demand high-quality, safe food.

The NFF recognises the clear opportunity for forging deeper trade relations with the EU. Given the success the Australian government has achieved in recent times with free trade agreements, it is vital that the momentum is maintained. The NFF seeks a realistic resource allocation that enables the range of existing trade agreements and non-tariff barriers to be addressed, but that also provides for future improvements to markets such as the EU to be realised.

For further information on this submission please contact:

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