

Geoff Masters <Geoff.Masters@abb.com.au>

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Dear Cathy,

Thank you for the opportunity to discuss the Trans-Pacific Partnership Agreement.

ABB Grain Ltd supports Australia's participation in the Trans-Pacific Partnership Agreement. We believe that our involvement in this agreement is necessary to ensure we are seen as a key partner in the region and can influence the structure of trade discussions relevant to the region.

As we discussed, there are a number of areas that cause concern to ABB in respect to trade within the region. While some of these may be outside of the current scope of the agreement, it may be worthwhile highlighting them for your future reference.

Japan

ABB would like to have the ability to directly market grain to end-users in Japan rather than through the existing MAF tender processes and Simultaneous Buy and Sell (SBS) system. We believe this would provide significant opportunities for both Australian exporters and Japanese buyers through normal commercial trade which would be more efficient.

The Japanese government recently introduced a very stringent pesticide residue testing program that has caused difficulties for many exporters. In some instances exporting grains to Japan has become a very high risk business due to the potential of produce being rejected by the Japanese on arrival in Japan. To eliminate these shipping risks, ABB would like to work with the Australian and Japanese governments on an agreed system of pre-clearance of grain cargoes for pesticide residues before shipment from Australia.

New Zealand

The New Zealand MAF have a requirement for weed seeds to be identified and a certificate issued before grain cargoes from Australia can be discharged in New Zealand. Due to the short shipping times between Australia and New Zealand, this has often led to delays in discharge and the associated extra costs. This analysis certificate is a requirement even though the grain is being discharged into NZ MAF approved quarantine facilities. This issue has been discussed previously with NZ MAF and they have agreed to review the procedures, however to date there hasn't been any resolution/

China

China manages its grain reserves very tightly and imposes quotas on the import of grain. They also impose import tariffs on products such as Malt. ABB believe these policies are restricting trade and would like to see these removed.

Tariffs

As a general rule, ABB would like to see tariffs in the region removed so that products can be sold into the region with additional costs.

Please don't hesitate to contact me if you would like discuss any of the issues further.

Regards,

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