



HD Trade Minister hits back at Japan deal criticism

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The Trade Minister Andrew Robb has hit back at critics of the free trade agreement he brokered with Japan earlier this month, saying he's bemused by the 'hysterical' reaction of some agricultural groups.

Some **dairy** industry leaders were particularly of the deal, calling it disappointing and a missed opportunity.

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The peak sugar industry body Canegrowers said their members had been in the agreement, while the said it was disappointed but not surprised to be left out of the Japan deal.

Mr Robb says much of that reaction 'beggars belief', and that the response from sections of the **dairy** industry, in particular, has been 'hysterical.'

"Despite a lot of the commentary, I had meetings with them a week before I left and they were very clear about the dimension of what could be achieved," he said.

"They have grossly understated so much of what was achieved in the **dairy** package. It's quite bemusing to me, as to whether they're playing just to their constituency.

"It really has opened up doors that were never open in Japan."

Dairy industry downplayed concessions from Japan: Minister

The agreement with Japan achieved an additional 20,000 tonnes of duty-free quota for processed Australian **cheese**, which will not be subject to a current requirement that all duty-free imports must be combined with local Japanese **cheese**, making it easier for Australia to export, Mr Robb says.

The Minister acknowledges that the 29 per cent tariff on **cheese sold** above that quota, was not reduced in the agreement. But he says he was instructed by the **dairy** industry not to push hard on that, but to lobby for the increased quota and other concessions instead.

Mr Robb says those other concessions were achieved.

"We got a halving of the 40 per cent tariff for processed **cheese** over 10 years, tariff reductions on grated and powdered **cheese**, 20 per cent tariff reduction on blue vein **cheese** with no volume restrictions, tariffs on **milk** protein concentrates and lactose eliminated immediately.

"They're all markets that could end up as \$100 **million** markets.

"There are gains for ice cream and yoghurt, a 50 per cent reduction of a 14.9 per cent tariff and increased quotas, and a review trigger if another country gets a better deal on **dairy**," Mr Robb said.

"As well, they also knew that **dairy** is likely to be the biggest winner in **China**. They knew that, and yet we've got this hysteria that came out of some sections of the **dairy** industry, and it just beggars belief."

Minister 'frustrated' by sugar industry reaction

The sugar industry has also been outspoken against the deal, which its peak lobby **group** called a 'bitter pill'.

Canegrowers chairman Paul Schembri said sugar was put in the 'too hard basket' in the Japan agreement, and that in turn put the industry, 'on the back foot for the upcoming Trans-Pacific Partnership'.

But Mr Robb says sugar got exactly what it asked for from Japan, and the industry's response has been 'frustrating'.

"[From Japan], their principal ask was preferential access for high polarity, or high quality, raw sugar. They got it," he said.

"Once we secured that, then they wanted other things. Now sure, in a perfect world, a lot of other things would have been nice.

"But that [concession] had particular advantages for them, because they had to separate sugar going to Korea and to Japan previously. Now they don't. So they don't need two lots of storages, they don't need two lots of costs.

"This was what was explained to me in great detail, and I understood it, and we got it."

Horticulture stands to boom under agreement: Robb

The Trade Minister argues that, while it's received less attention than the beef, **dairy** or sugar industries, the horticulture sector has done particularly well out of the Japan deal.

"Tariffs will be eliminated immediately on asparagus, which is our biggest [horticultural] export to Japan, [as well as for] carrots, potatoes, leeks, garlic, tomatoes, broccoli, cabbage, spinach, capsicum, pumpkins, and the list goes on.

"Tariffs also go on mangoes, raspberries, blueberries, cranberries, strawberries, cherries, grapefruit, pears, apricots, peaches, plums and so on. For a whole lot of the nuts, tariffs go.

"Almost everything in the horticulture area is now tariff-free in a country that is lived by high tariffs, and bearing in mind that the [Australian] horticulture industry is as big as the beef industry," he said.

"I do think the response from that sector has been, rightly, very welcoming, and I really hope they can take enormous advantage of what we've achieved in that Japanese deal."

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