

Joint Statement from:

**Grains Industry Market Access Forum
 Australian Grain Exporters Council
 GrainGrowers
 Grain Producers Australia
 Grain Trade Australia**

Uncertainty continues from China anti-dumping investigation against Australian Barley

15 November 2019

Key Messages:

- **China's anti-dumping investigation against the Australian barley industry is continuing and the potential outcomes remain uncertain.**
- **Australian growers should be aware of this market risk as they approach the upcoming harvest and next year's planting period.**

The Australian barley industry has expressed concern with the announcement by the People's Republic of China, extending its anti-dumping investigation into Australian barley exports to China.

Under the WTO process, anti-dumping investigations can be extended for a further 6 months beyond the initial 12 months of the investigation. China have indicated the investigation will now be finalised on 19 May 2020.

The People's Republic of China initiated an anti-dumping investigation regarding Australian barley exports in November 2018. The World Trade Organisation definition of dumping is when exports are sold at a price lower than the exporting country's domestic market, and/or lower than production costs which results in 'injury' to the importing country's domestic production.

Although the Australian grain industry is confident that dumping has not occurred, the likely outcome of this anti-dumping investigation is unknown at this point in time. Possible outcomes could include the imposition of provisional import tariff/duties on Australian barley exports to China. Australian growers should be aware of this market risk as they approach harvest and next year's planting period.

China is Australia's largest barley export market and Australia is the largest supplier of barley to China. This investigation has created uncertainty within the Australian grain market, that has resulted in downward pressure on Australian barley prices.

The organisations making this statement; Grain Trade Australia, Grains Industry Market Access Forum, Australian Grain Exporters Council, GrainGrowers Limited and Grain Producers Australia fully respect China's right to conduct these investigations under WTO rules and have cooperated fully with China's investigation and the WTO process.



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Australian exporters, industry bodies and government provided extensive responses to China's Ministry of Commerce (MOFCOM) as part of the investigation. We are confident that the information provided confirms that:

- The claim of dumping, causing injury to China's domestic barley industry is unsubstantiated;
- The Australian grain industry operates in an open, commercial and competitive global market; and
- The notion of dumping is not consistent with the commercial realities of the Australian grain industry.

The outcome of this investigation process remains uncertain, and several potential scenarios exist. The outlook is difficult to predict.

Growers should also be aware of the broad range of factors that may also impact barley prices over the coming season. While the issues surrounding the China export market are uncertain, other factors would include issues such as global weather and plantings for grain crops in other countries.

Growers are encouraged to consider their specific circumstances and to seek advice from their independent market advisors or consultants in relation their grain marketing and crop rotation options.

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FACT SHEET



OVERVIEW

Australian grain growers should be aware of uncertainty and disruption in the market for Australian barley if the Chinese Ministry of Commerce (MOFCOM) imposes provisional import tariff/duties on barley imported from Australia.

China is Australia's largest export market for malting and feed barley.



KEY DATES

November 2018 – China initiates anti-dumping investigation into Australian barley

December 2018 – China announces 'countervailing' investigation against Australian barley imports

January and February 2019 – Response provided by Australian exporters and grains industry bodies

March 2019 – Australian industry awaiting the outcome of the anti-dumping investigation

November 2019 – MOFCOM announces 6-month extension on the deadline for the anti-dumping investigation



2019 HARVEST AND LONGER TERM

MOFCOM's investigations and potential to apply provisional measures may have impacts on market opportunities for Australian barley.

Australian growers considering planting barley for the 2020/21 season are encouraged to be aware of these issues in coming months as they move closer to finalising their cropping plans for the year.

Any Duties could be in place for 12 months or more.



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