

RATIFICATION OF INDONESIAN FREE TRADE AGREEMENT IS A WIN FOR FARMERS

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The ratification of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) by the Indonesian parliament creates significant opportunities for the Australian grains industry. The agreement will provide Australian farmers with a new market for feed grains. With winter planting soon to commence and recent rainfall events, growers are hopeful that they will be able to capitalise on this new market in 2020 and beyond.

“We would like to sincerely thank the Australian Government for the significant efforts directed towards this really positive outcome for grain farmers” said Brett Hosking, GrainGrowers Chairman. “In a period of global economic uncertainty, it is encouraging to see the Australian government take positive steps in shoring up trade opportunities. We hope that growers across the country will be able to take advantage of the opportunities IA-CEPA brings.”

Indonesia is traditionally Australia’s largest wheat market with annual trade volumes typically around 4.2 million tonnes, valued at around \$1.3 billion, although in 2018 and 2019 volumes have been hurt by poor Australian seasons and increased competition.

The agreement includes a new quota of 500,000 tonnes of Australian feed grain to Indonesia per year, growing at 5% per annum. This feed grain quota is equivalent to 12,000 b-double truckloads of grains.

The agreement also supports growth and development towards Indonesia’s food manufacturing, stockfeed and livestock sectors.

A critical component of IA-CEPA is the development of a grains-specific economic cooperation initiative, the Australia-Indonesia Grains Partnership. The partnership will ensure that Indonesian stockfeed and livestock industries have the right technical support when using Australian feed grains such as barley, maximising productivity for the sector.

“We look forward to working with the Australian government to ensure the partnership is appropriately funded and effectively implemented as quickly as possible”

“This agreement is critical for our farming businesses. We are looking forward to working with our Indonesian colleagues and gratefully acknowledge the contributions of many organisations whose hard work has brought about the successful ratification of IA-CEPA.” said Hosking.

About

GrainGrowers is a national grains representative organisation. We have around 17,000 grower members across Australia. We work to build a more efficient, sustainable and profitable grain production sector. Our key pillars are policy and research, alongside leadership and events designed to build on the knowledge and capability of our growers. Our growers are at the heart of all that we do and the focus of our work.

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