



National Farmers'
FEDERATION

Media Release

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Farmers welcome early commencement of Korea-Australia Free Trade Agreement

The National Farmers' Federation (NFF) has welcomed the announcement by Trade and Investment Minister Andrew Robb that Australia's Free Trade Agreement with South Korea (KAFTA) will come into force on 12 December 2014.

NFF President Brent Finlay said the early commencement of the trade agreement was an important achievement and enabled many Australian farmers to benefit from a tariff cut before the end of 2014 and another tariff cut on 1 January 2015.

"These tariff cuts will make Australian products more attractive in the Korean market against our competitors like the United States. It provides a platform to continue to expand farm exports to what is our third largest export market," Mr Finlay said.

"Trade Minister Andrew Robb should be congratulated on what has been an outstanding year for trade agreements. The KAFTA, the Japan-Australia Economic Partnership Agreement and the recently completed China-Australia Free Trade Agreement will provide significant expanded opportunities for Australian farmers.

"In reality, this means more avenues to market for farm products and more potential for higher returns. As a sector, we need to ensure that we take full advantage of the South Korean agreement but also the agreements with Japan and China," Mr Finlay said.

Mr Finlay said KAFTA will immediately increase export opportunities across a wide range of industries: from beef, wheat, sugar, dairy, wine, and horticulture.

Key benefits of the KAFTA for Australian farmers include:

- Elimination of Korea's 40 per cent tariff on beef and 18 per cent tariff on bovine offal progressively over 15 years.
- Elimination of Korea's 3 per cent tariff on raw sugar from commencement.
- Elimination of Korea's high tariffs of 36 per cent on cheese and 89 per cent on butter, over 13 and 20 years respectively – this is an addition to growing duty free quotas for cheese, butter and infant formula.
- Elimination of Korea's 22.5 per cent tariff on sheep and goat meat over 10 years.
- Tariffs on key pork exports of 22.5 to 25 per cent will be eliminated in five to 15 years.

Ends.

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