



## FACT SHEET

### PORK AND EXPORTS

#### The Australian Pork Industry

The pork industry contributes approximately 2.13 per cent of total Australian farm production with around 1500 pig farmers producing 4.7 million pigs annually.

The Australian pork industry employs more than 20,000 people in Australia, contributes approximately A\$2.8 billion in gross domestic product to the Australian economy, and more than A\$1.3 billion in household income. This equates to 0.20 per cent of gross domestic product and 0.21 per cent of FTE jobs in Australia.

#### Exports

Australia exported pork worth approximately A\$101.1 million (MAT) to December 2013, principally to traditional markets Singapore and New Zealand.

Industry has identified four priority Asian markets: China, Japan, Taiwan and Korea as markets which offer the best opportunity to increase Australia's pork exports.

#### Competitors and Subsidies

The Australian pork industry firmly supports the principles of free trade, as Australian pig producers operate without the benefit of subsidies or tariff barriers.

Our competitors employ a range of discretionary subsidy spending to support domestic agriculture, which when applied to pork production equates to:

- Brazil: US\$11.77 bn p/a, or US\$3.56 per kg;
- USA: US\$23 billion p/a, or US\$2.42 per kg/pork;
- Canada: US\$2.2 bn p/a, or US\$1.11 per kg;
- Denmark: US\$1.35 bn p/a, or US\$0.67 per kg.

In an Australian context, the rolling annual average wholesale pork price (to March 2014) was A\$5 per kg/pork or approximately US\$4.53 (as at 21 March 2014). Using the above figures, our competitors receive subsidies of 79 per cent, 53 per cent, 25 per cent and 15 per cent respectively.

#### Asian Trade and FTA Potential

As Asia's large and rapidly growing middle class demand higher quality pork with guaranteed health and hygiene status, the Australian pork industry, with its high quality, clean and safe food is well positioned to meet this need.

#### Principles

Free trade agreements (FTA) should deliver comprehensive tariff elimination and commercially meaningful outcomes for pork producers and processors, addressing both at the border tariffs and the associated levies and surcharges.

Government must also address Technical Barriers to Trade (TBT) and non-tariff barriers such as export protocols that inhibit trade.

#### The Australia-Japan FTA

Australia's current exports to Japan face levies and surcharges averaging above 400 yen/kg on imported pork product, severely restricting trade. The FTA with Japan must remove these levies.

#### The Australia-China FTA

An FTA which will likely see tariffs reduced to zero, whilst welcome, will not provide benefits to Australian pork in the absence of an export protocol. Industry believes the government must address the lack of a pork export protocol, as part of negotiations.

#### The Trans-Pacific Partnership

The Trans-Pacific Partnership (TPP) must deliver comprehensive tariff liberalisation and commercially meaningful outcomes, avoiding exclusions of 'sensitive' agricultural products.

#### Biosecurity

Other pork producing nations look with considerable envy at Australia's success in keeping diseases such as Porcine Reproductive and Respiratory Syndrome (PRRS) out of our country.

The maintenance of Australia's science-based biosecurity protocols must be protected as a top priority, as our disease-free status means Australian producers can make the most of new and improved market access opportunities by supplying our customers some of the world's best quality food and agricultural produce for which there is growing demand.

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