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Australian grain farmer bodies on China tariffs

Growers response to China tariffs on Australian barley exported to China

Grain Producers Australia with the State Farming Organisations, AgForce QLD, Grain Producers SA, NSWFarmers, Tasmanian Farmers and Graziers Association, Victorian Farmers Federation, WA Farmers Federation and WA Grains Group, and Grain Growers Limited are deeply concerned and disappointed with the decision to impose duties on Australian barley exported to China.

The dumping margin of up to 73.6% and subsidy margin up to 6.9% is imposed from today on all barley for 5 years, in response to the investigations initiated by China in November 2018.

Grain producers are concerned about the impact the tariffs will have on the barley prices. A significant issue given estimates of 12 million tonne production this season. The tariffs will likely cost the Australian grains industry \$500 million on this season's crop.

Mr Andrew Weidemann, Chair of Grain Producers Australia and farmer in Victoria said, "we are disappointed that after 18 months of work to avoid this outcome, we have now got tariffs imposed by our biggest barley customer."

Grain Producers SA CEO Ms Caroline Rhodes said, "South Australian grain industry has had a deep and longstanding relationship with its Chinese customers thanks to the high-quality malting grade barley it produced. Barley production in South Australia is entirely rain-fed and we have built an enviable reputation for supplying quality and safe food. We are proud of our local industry."

"The disruption to Australia's barley trade with China will negatively impact other commodities, and growers will need to carefully manage price risk in the coming months in a volatile market," said Ms Rhodes.

Mr Mic Fels, WAFarmers grains section President said, "WA is the largest barley exporting state in the largest barley exporting nation. For most farmers it is now too late to reduce barley planting, so our focus now in the face of this decision is shifting to shoring up new premium paying markets for our grain, which is renowned as the highest quality barley anywhere in the world, both for malting and as feed grain. We have the highest quality standards; the most effective and compliant regulation system in the world; the lowest level of government intervention; and the most organised and efficient logistical supply chain from farmgate to port through our state-wide, farmer owned cooperative, CBH."

"We urge government to continue to work closely with China to negotiate a removal of the tariffs announced yesterday. While this news is a hard blow for grain farmers in Western Australia, we are a resilient bunch as we deal with a wide range of risks on a daily basis as our stock in trade," said Mr Fels.

Mr Fels said, "here's hoping for a kind season in 2020, which despite trade disputes and global disease pandemics, is still the number one profit driver for farmers in our state."

Mr Matthew Madden, NSW Farmers Grains Committee Chair said "we are hoping for a quick resolution, either in rolling back or having allowances for Australian barley. Industry will move forward and we are looking forward to a good season in 2020."

Victorian Farmers Federation Grains Group President Mr Ashley Fraser said, “we will continue to work with Government, departments and the grains industry to secure a way forward.”

Mr Doug Smith, WA Grains Group Chair said “It is very disappointing that after years of working hard with our Chinese customers to develop a market that was valuable to all participants that both the maltsters and growers seem to be thrown under the bus through no fault of our making.”

AgForce Queensland Grains President Mr Brendan Taylor said, “unfortunately grain producers across Queensland are desperately needing rain to sure up the current winter crops, focusing on getting a crop to harvest. Queensland has a strong domestic feed barley market, so growers are concerned about feed prices with the instability in export markets.”

Grain Growers Limited Chair Mr Brett Hosking said, “We are deeply disappointed by this decision and want to reassure our growers that we and the whole of the Australian barley industry will continue to champion this on their behalf. On behalf of Australian farmers, GrainGrowers and GPA undertook a comprehensive review for the investigation and were confident that the vast body of evidence submitted demonstrated there was no dumping of Australian barley or evidence of countervailing subsidies.”

We have continued to engage with relevant Federal Ministers and Government agencies in Australia and will continue to ensure farmers are at the front of their considerations and they are doing all they can to help resolve this issue,” said Mr Hosking.

The industry will continue to work with Government on considering our options for a resolution while also exploring alternative market opportunities for Australian barley.

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