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Key agricultural outcomes of the Trans-Pacific Partnership Agreement

Matthew Hyde, Chloe White and Natasha Frawley

The Trans-Pacific Partnership Agreement (TPP) aims to lower barriers to trade and investment between 12 countries in the Asia-Pacific region. This box discusses the key agricultural market access outcomes of the TPP for Australia.

The TPP covers several issues and sectors and aims to improve agricultural market access for its signatories: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. The agreed outcomes will eliminate more than 98 per cent of tariffs on all trade between the TPP countries. The agreement also has scope for other Asia-Pacific countries to join in the future, which could further increase opportunities for trade.

Negotiations for the TPP concluded on 5 October 2015 and the text of the agreement was publicly released on 5 November 2015. Australia and the other 11 countries that negotiated the TPP will undertake their own domestic treaty-making procedures to bring the agreement into effect. The TPP will enter into force 60 days after all original signatories have notified completion of these procedures. If this has not occurred within two years of signature, the agreement will enter into force 60 days after the expiry of that two-year period if at least six original signatories, accounting for 85 per cent of the combined gross domestic product of the original signatories, have ratified the agreement.

For Australia, some TPP outcomes will co-exist with existing trade agreements. In these cases exporters may choose the agreement under which they will export according to the preferential tariff rate or quota. Australian exporters will be able to benefit from the agreement that has the best access arrangements in any given year.

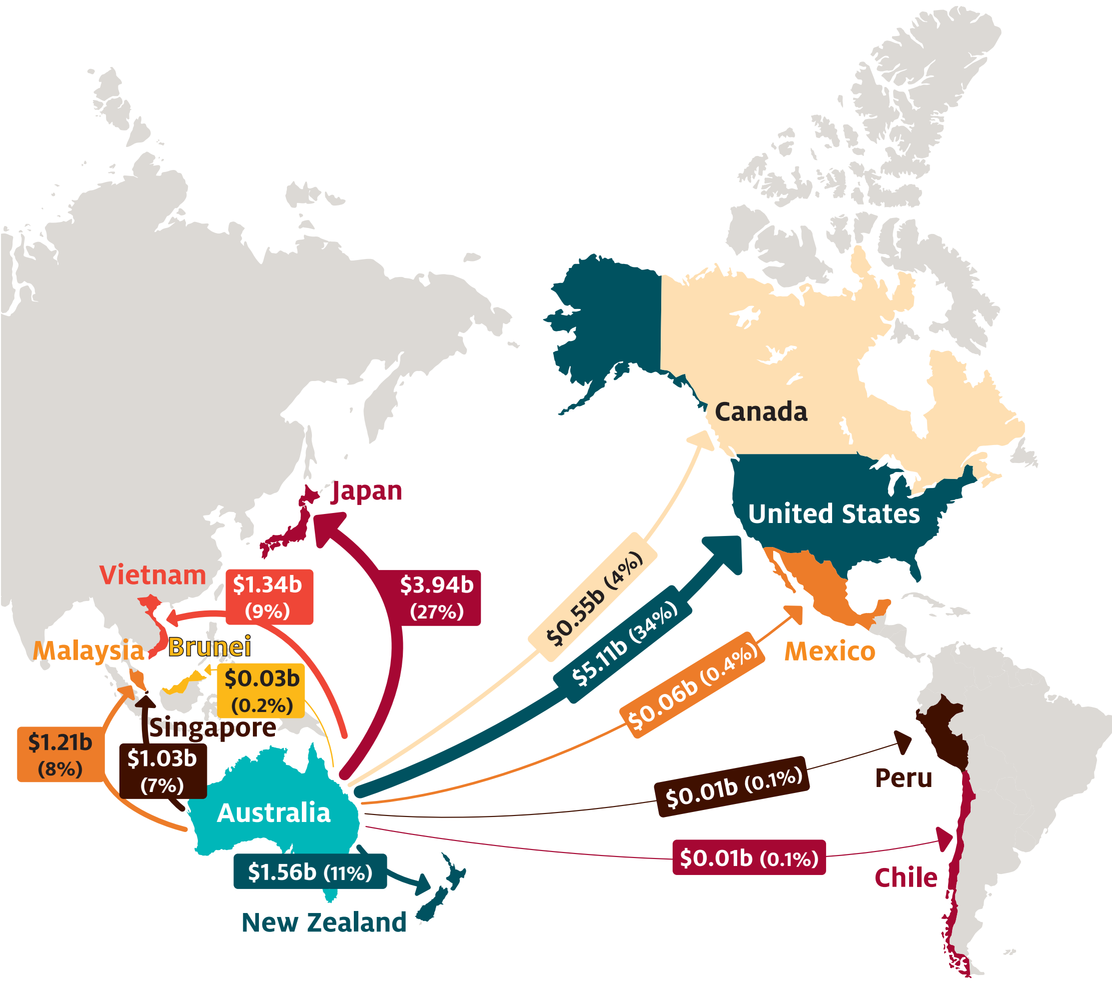
Summary tables of TPP agricultural outcomes for each country are provided at the end of this article.

Overview of Australian agricultural exports to Trans-Pacific Partnership countries

The 12 countries that negotiated the TPP account for a significant share of world agricultural trade—around one-quarter of the value of world agricultural and fisheries exports in 2014. Japan is the largest net importer of agricultural products among the TPP countries. Canada and the United States also import large volumes of agricultural commodities, including horticulture, seafood and wine.

In 2014–15 the value of Australia's agricultural exports to TPP countries was almost $15 billion, or 35 per cent of Australia's total agricultural exports. Four countries accounted for more than 80 per cent of this trade: the United States (35 per cent of Australia's TPP-bound exports), Japan (27 per cent), New Zealand (10 per cent) and Vietnam (9 per cent). In contrast, Australia's agricultural exports to Mexico, Brunei Darussalam, Chile and Peru together accounted for less than 1 per cent of Australia's TPP-bound exports at around $106 million.

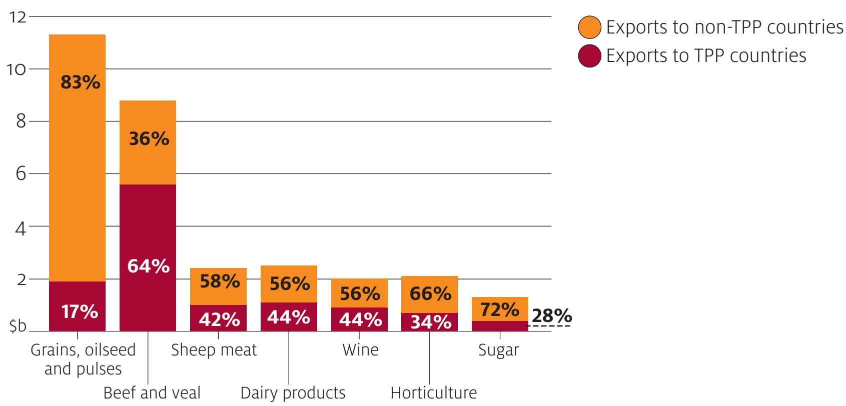
Australian agricultural exports to Trans-Pacific Partnership countries, 2014–15



Note: Percentages refer to the share of Australia's total TPP-bound agricultural exports destined for that country.
Sources: ABARES; ABS 2015; Department of Agriculture and Water Resources

Australia's most significant agricultural export to TPP countries in 2014–15 was beef and veal, which accounted for more than a third of TPP-bound trade in value terms. Other key products were grains, oilseed and pulses (13 per cent of TPP-bound exports), sheep meat (7 per cent), dairy products (7 per cent) and wine (6 per cent).

Major Australian agricultural exports to Trans-Pacific Partnership countries, 2014–15



Sources: ABARES; ABS 2015; Department of Agriculture and Water Resources

Outcomes for key Australian agricultural exports

The TPP includes multilateral tariff reductions that will apply to all TPP signatories, as well as bilateral outcomes, including country-specific quotas. Bilateral outcomes provide preferential access to Australia relative to other TPP signatories, while multilateral outcomes improve market access equally for all signatories.

Market access for Australia's exports of beef, dairy products, sugar, rice, grains and wine will be improved under the TPP, with lower tariffs and expanded quota access in the United States, Japan, Vietnam, Malaysia, Canada, Mexico and Peru. Import tariffs on many of these commodities will be removed over periods of up to 15 years, with some products becoming tariff-free when the agreement enters into force.

Australia's market access concessions under the TPP are limited, reflecting Australia's already low tariff rates. When the agreement enters into force, Australia will remove its $1.22 a kilogram tariff on most cheeses and its 5 per cent tariffs on other products, including potatoes, some vegetable oils, table grapes and fruit juices for TPP countries.

Beef and veal

Total Australian beef and veal exports were valued at around $9 billion in 2014–15, and more than 60 per cent were destined for TPP markets. The United States and Japan were Australia's two largest markets, with shipments valued at $3.2 billion and $1.9 billion respectively. Australia also exported beef and veal to Canada ($231 million), Malaysia ($68 million), Singapore ($67 million) and Mexico (around $6 million). Australia's beef and veal exports already enter Malaysia and Singapore tariff-free under existing agreements. No beef and veal exports to Peru were recorded in 2014–15.

Japan

Japan sourced almost all of its beef imports from TPP countries in 2014; Australia and the United States together supplied 91 per cent of Japan's total imports. Under the TPP, Japan's tariff on both chilled and frozen beef imports from all participating countries will be reduced from the current most favoured nation (MFN) rate of 38.5 per cent to 9 per cent over 15 years. By comparison, under the Japan–Australia Economic Partnership Agreement (JAEPA), tariffs on Australian chilled beef will be reduced to 23.5 per cent by 1 April 2031 and on frozen beef to 19.5 per cent by 1 April 2028. At 1 April 2015 tariffs on Australian chilled and frozen beef were 31.5 per cent and 28.5 per cent respectively.

The TPP will lower beef tariffs to 27.5 per cent for all signatories when it enters into force. However, if at that time the JAEPA tariff is below that rate, all signatories will be able to export beef at the JAEPA tariff rate.

Japan's beef imports from all TPP signatories will be subject to a volume-based safeguard measure. Safeguard measures are designed to protect a country's domestic industry from injury caused by imported product. In general, safeguard measures can be applied when the quantity of imports in a given year exceeds a pre-determined trigger volume or if the import unit price falls below a calculated import price. When the safeguard is triggered, the importing country has the option to increase the tariff rate for the remainder of that year. This is known as the safeguard tariff.

Japan's beef safeguard under the TPP will be calculated based on total beef imports from all signatory countries. The safeguard volume will start at 590 000 tonnes in the first year. The safeguard tariff will be set at the MFN tariff rate of 38.5 per cent when the agreement enters into force and will be reduced gradually over 15 years. From year 16 onwards the safeguard tariff will be reduced by 1 per cent a year provided it was not applied in the previous year.

Safeguards are also applied under JAEPA, but the safeguard volume for beef is lower than under the TPP (and only applicable to Australia). JAEPA safeguards for chilled and frozen beef are 131 700 tonnes and 196 700 tonnes respectively. If the multilateral TPP safeguard is triggered, Australia will still be able to export up to its JAEPA safeguard volume at the preferential tariff rate.

United States

The TPP will eliminate the US price-based beef safeguard measure created under the Australia–United States Free Trade Agreement (AUSFTA). The price-based safeguard would have been applied from 2023 onwards. Australian beef exports to the United States would have faced 17.16 per cent tariffs if the price of beef imported from Australia fell below a given trigger price for two consecutive months. The existing quantity-based beef safeguard (created under AUSFTA) will be unchanged under the TPP and will not apply from 2023.

Other Trans-Pacific Partnership countries

Canada, Mexico and Peru will eliminate all tariffs on beef imported from TPP countries over periods of up to 15 years. Current tariffs are 26.5 per cent in Canada, 25 per cent in Mexico and 17 per cent in Peru.

Grains, oilseed and pulses

Exports of Australian grains, oilseed and pulses to TPP countries were valued at around $1.9 billion in 2014–15, or 17 per cent of total exports of these commodities. Wheat accounted for most shipments to TPP countries, at $1.2 billion in 2014–15. This was 22 per cent of total wheat exports. Major markets were Vietnam ($416 million), Japan ($305 million) and Malaysia ($294 million).

Japan

Japan is the largest grain importer among the TPP countries and Australia, Canada and the United States all export to that market. Imported wheat and its products are subject to a multilateral tariff-free quota of 5.74 million tonnes, with an out-of-quota tariff of 55 yen a kilogram (approximately $576 a tonne). Imported barley and its products are subject to a tariff-free quota of 1.369 million tonnes, with an out-of-quota tariff of 39 yen a kilogram (approximately $408 a tonne).

Japan's Ministry of Agriculture, Forestry and Fisheries (MAFF) controls in-quota grain imports. MAFF imports wheat and rice through either a general tender process or the simultaneous buy–sell (SBS) system and barley solely through the SBS system. Imports under both systems are charged a mark-up, which is capped at a maximum of 17 yen a kilogram for wheat (around $178 a tonne at the 2014–15 average exchange rate) and 8 yen a kilogram ($84 a tonne) for barley. MAFF determines the mark-up in the general tender, and under the SBS system it is determined by a joint bid from the importer and end user.

Under the TPP, Japan will reduce the mark-up applied to both wheat and barley by 45 per cent over eight years, which will lower the maximum mark-up for wheat to 9.4 yen a kilogram (around $98 a tonne) and for barley to 4.4 yen a kilogram (around $46 a tonne).

For wheat, Australia will have access to a country-specific quota (CSQ) of 38 000 tonnes on entry into force, which will grow to 50 000 tonnes over six years. The United States and Canada will also have access to CSQs for wheat, with final volumes of 150 000 tonnes for the United States and 53 000 tonnes for Canada. These quota volumes are additional to the existing multilateral quotas. Japan will create a TPP-wide quota of 25 000 tonnes for barley imported under the SBS system. This will grow to 65 000 tonnes over eight years.

Under JAEPA, feed wheat and feed barley imported from Australia are permitted outside the MAFF state trading system and safeguard measures on these products have been removed. JAEPA also allows more varieties of Australian food wheat to be imported under the SBS system, which provides Australian exporters greater access to quotas created under that system in the TPP. The United States and Canada will obtain equivalent access under the TPP.

Japan's multilateral quota for rice is smaller than for wheat or barley, at 682 000 tonnes. Under the TPP, Japan will create a 6 000-tonne CSQ for imports of Australian rice and rice products, with the quota expanding to 8 400 tonnes over 12 years. By comparison, the United States (the main source of Japanese rice imports) will gain access to an exclusive quota of 50 000 tonnes, which will grow to 70 000 tonnes over 12 years.

Other Trans-Pacific Partnership countries

Vietnam and Malaysia will eliminate all applied tariffs on Australian grain by 2020 under the ASEAN–Australia–New Zealand Free Trade Agreement (AANZFTA). Under the TPP Vietnam will remove all tariffs on grain imported from all parties within five years, with tariffs on wheat removed on entry into force. Malaysia already applies zero tariffs on all grains except rice, for which tariffs of 40 per cent will be eliminated over 10 years under the TPP.

Australian exports of grains, oilseed and pulses were valued at around $7 million to Canada and less than $1 million each to Mexico and Peru in 2014–15. Under the TPP, these countries will eliminate most tariffs on imported grains, oilseed and pulses.

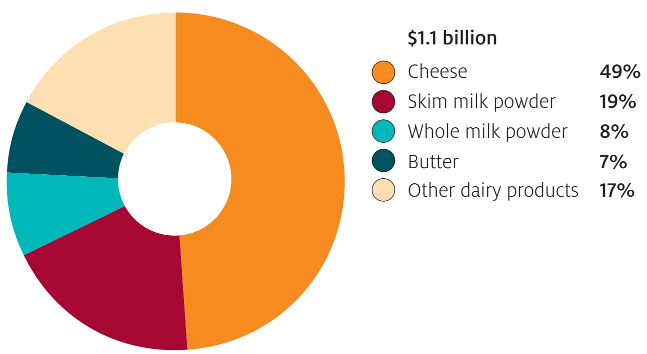
Dairy products

Australia exported $2.5 billion of dairy products in 2014–15, with around 44 per cent ($1.1 billion) destined for TPP countries. Cheese accounted for around half of Australia's dairy product exports to TPP signatories.

Japan is the largest TPP market for Australia (44 per cent of TPP-bound exports). Singapore (22 per cent) and Malaysia (15 per cent) are also important export destinations. Imports of dairy products into Japan are subject to various quotas, with diverse tariff rates and administrative arrangements. Singaporean dairy imports are tariff-free. Malaysia has a tariff-rate quota (TRQ) on fresh milk but all other dairy imports sourced from Australia are tariff-free under AANZFTA.

Australian dairy exports will gain additional market access to Japan, the United States, Mexico and Canada under the TPP.

Australian dairy exports to Trans-Pacific Partnership countries by product, 2014–15



Source: ABS 2015

Japan

Japan will eliminate or reduce several cheese tariffs, which are currently up to 40 per cent, and increase quota allocations for other cheese products. The TPP will also provide duty-free access for Australian fresh cheese (primarily mozzarella) to be blended with Japanese cheese and used for making shredded cheese. TPP quotas will be in addition to the country-specific quota for Australian unprocessed cheese under JAEPA. At 1 April 2015 the JAEPA quota for unprocessed cheese was 5 000 tonnes, and it will gradually increase to 20 000 tonnes at 1 April 2034.

JAEPA also created TRQs for other types of cheese, including grated and powdered cheese, processed cheese and unprocessed cheese for making shredded cheese. Quota limits will increase for the first 10 years of that agreement. Under the TPP, Japan's whey tariffs will be eliminated over five to 20 years (depending on protein content) and an Australia-only quota for mineral concentrated whey will be created. Japan will also create new quotas for butter and skim milk powder, with two TPP-wide TRQs starting at 3 188 tonnes and growing to 3 719 tonnes over five years. It will create quotas and reduce tariffs for other dairy products, including ice cream, whole milk powder, condensed milk, yoghurt and infant formula.

United States

The United States is a relatively small market for Australian dairy exports, accounting for 5 per cent of TPP-bound exports in 2014–15 ($51 million). Under the TPP the United States will eliminate tariffs on infant formula and ice cream over 15 years. It will also phase out tariffs on Australian milk powders over 30 years and on Swiss cheese over 20 years, with bilateral safeguard measures to remain in place for 35 and 25 years respectively. An Australia-only tariff-rate quota will also apply to cream and ice cream, condensed milk, butter, cheeses and other dairy products. Existing preferential access available to Australia under AUSFTA will be transferred to the tariff-rate quotas to be created under the TPP.

Mexico

Australian dairy exports to Mexico in 2014–15 were valued at $10 million. Mexican tariffs of 20 per cent on yoghurt will be eliminated on entry into force of the TPP. Mexico will create new import quotas, including for butter (current tariffs 20 per cent), cheese (tariffs between 20 per cent and 45 per cent) and milk powders (tariffs of up to 60 per cent). A new milk and cream quota will be set at 250 000 tonnes in the first year, increasing to 375 000 tonnes over 10 years. Imports that exceed the quota level will be subject to MFN tariff rates. This quota will be accessible to all TPP countries excluding Chile, Peru and the United States, which has fully liberalised trade with Mexico through the North American Free Trade Agreement (NAFTA). Smaller quotas have also been created for milk powder, evaporated milk, condensed milk, butter, cheese and other dairy products.

Canada

In 2014–15 Australia's dairy exports to Canada were valued at $2 million and comprised mostly whey. Under the TPP, Canada will create new quotas for several dairy products. It will eliminate tariffs on milk protein concentrates when the agreement enters into force, giving Australia the same market access as the United States. Canada and Australia have signed a bilateral agreement confirming that Australian milk protein concentrates can be used in Canadian food processing. This will protect Australian exporters from Canada imposing standards that require cheese to be made only of fluid milk.

Sugar

Australian sugar exports in 2014–15 were valued at $1.3 billion; ABARES estimates that TPP countries accounted for around 28 per cent. Australia's primary TPP markets were Japan (37 per cent of TPP-bound exports), Malaysia (20 per cent), Singapore (16 per cent) and the United States (16 per cent). Australian sugar already enters Singapore tariff-free.

The TPP will improve market access for Australian raw sugar in Japan because Japan will reduce the variable levy on high-polarity sugar for all TPP countries. The general levy on high-polarity sugar was 43 451 yen ($455) a tonne in the fourth quarter of 2015. Under JAEPA the levy was reduced to 42 128 yen ($441) a tonne for Australian sugar. Under the TPP the levy will be reduced by 1 500 yen ($16) a tonne for all TPP countries to 39 996 yen ($419) a tonne, based on current levies. Japan will also create a TPP-wide tariff-free quota of 500 tonnes for raw and refined sugar.

The Malaysian sugar industry is highly regulated. Malaysia applies price controls in both wholesale and retail sugar markets and a TRQ on imports. The TPP does not alter Malaysia's TRQ arrangements for any country but Malaysia will give TPP countries preferential access to the distribution of refined sugar for use in food and beverage manufacturing.

In the United States, Australian exports will have access to a country-specific quota (CSQ) of 60 500 tonnes for raw sugar on entry into force of the TPP. This will be in addition to the existing World Trade Organization (WTO) quota of 87 000 tonnes. The new total quota of 147 500 tonnes will be equivalent to 4 per cent of Australia's total sugar exports in 2014–15. The United States will also give Australia country-specific access to 23 per cent of any additional US sugar allocations above its existing trade agreement obligations, including its multilateral quota of 1.1 million tonnes. The Australian Government Department of Foreign Affairs and Trade estimates that Australia's raw sugar exports to the United States could exceed 400 000 tonnes by 2019–20 as a result (DFAT 2015a). Australia will also have access to a tariff-free CSQ of 4 500 tonnes for raw and refined sugar and sugar products.

Canada's C$30.86 ($31.57) a tonne tariff on refined sugar will be eliminated within five years under the TPP. Mexico currently only opens its TRQ for raw sugar when it identifies a domestic shortage. Under the TPP, Australia will also gain exclusive access to 7 per cent of that TRQ in the years it is available.

Wine

In 2014–15 Australian wine exports were valued at $2 billion, with nearly half destined for TPP signatories. The largest of these markets for Australian wine were the United States ($463 million) and Canada ($178 million). Australia also exported to New Zealand ($78 million), Singapore ($64 million), Japan ($44 million) and Malaysia ($42 million).

From 1 January 2015 all Australian wine exports to the United States have been tariff-free under AUSFTA. Chile, Canada, Mexico, Peru and Singapore also have tariff-free access to that market under existing FTAs. The TPP will benefit all wine-producing countries within 10 years of implementation, with the elimination of all tariffs on wine, beer and distilled spirits (currently up to around 12.4 per cent). New Zealand is the largest wine exporter in the TPP without an agreement with the United States. It has secured a bilateral concession to have several wine tariffs eliminated when the agreement enters into force. The remainder will be eliminated within three to five years.

In 2014–15 Canada was the fourth-largest export market for Australian wine by value. Australia does not have a bilateral trade agreement with Canada, so all wine exports face tariffs of between C1.87 cents and C4.68 cents (between 1.91c and 4.79c) a litre. These tariffs will be eliminated for all TPP countries when the agreement enters into force. Australia will then face the same tariffs as other large wine exporters, including the United States, and have an advantage over non-TPP wine exporters such as France, Italy and Spain.

Through AANZFTA and the Australia–New Zealand Closer Economic Relations Trade Agreement (ANZCER), all Australian wine exports to New Zealand and Singapore are tariff-free. For non-AANZFTA countries, New Zealand applies tariffs to wine imports of up to 5 per cent. It will eliminate these for all TPP countries when the agreement enters into force.

Under JAEPA, Australian wine exports face one of the lowest tariffs among TPP signatories, and Japan will eliminate these by 2025. Chile also benefits from its bilateral agreement with Japan. Within 10 years of the TPP entering into force, Japan will eliminate all wine tariffs—currently between 15 per cent and 29 per cent, or between 45 yen and 182 yen ($0.47 and $1.91) a litre. As a result both Chile and Australia will have a diminishing advantage in the Japanese market over other TPP wine exporters, such as the United States and New Zealand.

Australian exports of wine to Malaysia were valued at $42 million in 2014–15, making it Australia's 10th-largest wine export destination by value. Malaysian wine imports are subject to tariffs of between 7 Malaysian ringgit and 23 Malaysian ringgit ($2.43 and $7.98) a litre. Under the TPP, all Malaysian tariffs on wine from TPP countries will be eliminated within 15 years.

Vietnam, Mexico and Peru are the remaining TPP signatories that have made concessions on wine. Australia currently exports very little wine to these markets.

Horticulture

Total Australian horticultural exports in 2014–15 were valued at $2.1 billion, with 34 per cent exported to TPP countries. The largest TPP markets were New Zealand ($196 million), the United States ($136 million), Japan ($130 million) and Singapore ($105 million).

Through AANZFTA and ANZCER, all Australian horticulture exports to New Zealand and Singapore are tariff-free. New Zealand will eliminate all of its horticulture tariffs for all parties when the TPP enters into force. Most tariffs are zero but some products from countries without an existing trade agreement with New Zealand face tariffs of 5 per cent.

Under AUSFTA, most of Australia's horticultural exports to the United States have been tariff-free from 1 January 2015. For other TPP partners the United States has agreed to eliminate tariffs on several horticultural products within 15 years. This concession is likely to have little effect on Australian horticultural exports to the United States because other large horticultural exporters, including Canada, Mexico and Chile, already have tariff-free access.

Oranges, macadamia nuts and asparagus are the highest-value items exported from Australia to Japan. JAEPA eliminated many horticultural tariffs, including those on macadamia nuts (5 per cent) and asparagus (3 per cent). The out-of-season tariff on oranges (currently 16 per cent and applied for six months of the year) will be gradually eliminated for three of these months by 2025. Japan will eliminate many tariffs when the TPP enters into force, with the remainder to be eliminated within 15 years. The multilateral TPP concessions on oranges will be an improvement on the provisions in JAEPA. The 32 per cent in-season tariff will be eliminated within seven years. The lower out-of-season tariff will be immediately extended from six months to eight months and phased out within five years.

Malaysia, Vietnam, Canada, Mexico and Peru are the remaining TPP signatories that have made concessions on horticulture. Australia has free trade agreements with Malaysia and Vietnam, but its horticultural exports to those markets are limited. It also exports very little horticulture to Canada, Mexico and Peru.

Seafood

In 2014–15 Australian total seafood exports were valued at $1.3 billion, with 77 per cent destined for TPP countries. Vietnam and Japan were Australia's two largest TPP export destinations, with shipments valued at $716 million and $192 million respectively.

Vietnamese tariffs on seafood from all AANZFTA countries have been reduced significantly since the agreement came into force in 2010. Many tariffs are currently between 10 per cent and 35 per cent. They will continue to decrease to 5 per cent in 2022. All Vietnamese seafood tariffs will be eliminated when the TPP enters into force. This will lower tariffs faced by several other large seafood exporters, including the United States, Canada and Chile.

JAEPA eliminated all tariffs on prawns, rock lobster and abalone on 15 January 2015. Tariffs on other seafood products, such as southern bluefin tuna and Atlantic salmon, will be eliminated within 10 years. When the TPP enters into force, tariffs on several seafood products will be immediately eliminated. The remainder will be phased out over 15 years. At that time, Australian seafood exports will face increased competition from other large TPP seafood exporters, including Vietnam, the United States, Canada and Chile.

Cotton

Australian cotton exports to TPP countries in 2014–15 accounted for 14 per cent of Australia's total cotton exports of $1.5 billion. Vietnam was the main TPP market at $147 million. Exports to TPP countries other than Peru and the United States are currently tariff-free. Peru levies a 9 per cent tariff on raw cotton and the United States levies MFN tariffs of up to US31.4 cents (37.5c) a kilogram.

Australian exports of raw cotton to the United States are subject to tariffs of up to US12.2 cents (14.6c) a kilogram under AUSFTA. The TPP will not change these tariffs but they will be phased out by 2022. Peru's 2014 imports of raw cotton were valued at US$135 million ($161 million) and almost entirely supplied by the United States. The United States has had a free trade agreement with Peru since 2009, which has provided tariff-free access for its raw cotton exports. Peru will eliminate its tariff on raw cotton for TPP signatories when the agreement enters into force.

The TPP will remove tariffs on manufactured cotton products, including yarn and apparel. The United States is a major importer of apparel. It will remove import tariffs of up to 23.5 per cent on apparel for TPP countries over 10 years. This concession could lead to an increase in US cotton apparel imports from Vietnam, which could in turn increase demand for imported raw cotton in Vietnam.

Trans-Pacific Partnership outcomes by country

These tables summarise the main TPP outcomes for agricultural market access by country. The outcomes apply to all TPP signatories and existing rates refer to the MFN tariff rates (unless otherwise specified). Tables are not provided for Singapore and Brunei Darussalam because these countries do not apply tariffs on imports of any agricultural products.

TABLE 1 United States

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Beef and veal	$3 240 million	Elimination of price-based beef safeguard on imports of Australian beef created under AUSFTA.
Sugar	$60 million	Expansion of Australia's CSQ on raw sugar by 60 500 tonnes.
		Creation of CSQ of 4 500 tonnes for raw and refined sugar and sugar products.
		Exclusive access to 23 per cent of future WTO quota expansions.
Dairy	$51 million	Elimination of all in-quota tariffs for dairy products on entry into force.
		Elimination of all tariffs up to US$1.556 ($1.90) a kilogram on milk powders, infant formula, ice cream and some cheeses.
		Safeguards to be applied on imports of Australian milk powders and Swiss cheese.

AUSFTA Australia–United States Free Trade Agreement. **CSQ** Country-specific quota. **WTO** World Trade Organization.
Source: DFAT 2015b

TABLE 2 Japan

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Beef and veal	$1 922 million	Tariffs of 38.5 per cent reduced to 9 per cent over 15 years, with imports subject to volume-based safeguard.
Grains, oilseed and pulses	$714 million	Reduction of mark-up on wheat and barley by 45 per cent over eight years. Creation of CSQ for Australian wheat, starting at 38 000 tonnes and growing to 50 000 tonnes over six years. Imports under this quota remain subject to Japan's mark-up on wheat imports. Creation of TPP-wide quota for barley, starting at 25 000 tonnes and increasing to 65 000 tonnes over eight years. Creation of 72 000-tonne CSQ for unroasted malt and 3 000-tonne CSQ for roasted malt for Australia. Quota for unroasted malt will supersede the one provided under JAEPA (which commenced at 8 600 tonnes) until the JAEPA quota is higher than the TPP quota (1 April 2023), when the TPP quota will cease. Creation of 6 000-tonne CSQ for Australian rice and rice products. Quota will increase to 8 400 tonnes over 12 years.
Dairy	$480 million	Elimination of tariffs on some cheeses. Tariff reductions and additional quota volumes for remaining cheese products. Creation of quotas for butter and skim milk powder with in-quota mark-up eliminated over 10 years. Tariff reductions and new quotas for several other dairy products including ice cream, whole milk powder, condensed milk, yoghurt and infant formula.
Other livestock products	$294 million	Elimination of most tariffs currently up to 12.7 per cent on offal. Reduction of 30 per cent tariff on bovine cheek and head meat to 9 per cent over 15 years. Elimination of tariffs of up to 50 per cent on processed meat products within 15 years.
Seafood	$192 million	Elimination of all seafood tariffs, currently up to 10 per cent, within 15 years.
Sugar	$140 million	Elimination of 103.1 yen a kilogram ($1 079 a tonne) tariff and reduction of levy, currently 43 451 yen ($455) a tonne, on imports of high-polarity sugar. Creation of TPP-wide tariff-free quota of 500 tonnes for raw and refined sugar.
Horticulture	$130 million	Elimination of 16 per cent out-of-season tariff on oranges over five years. Tariff will apply for eight months a year (1 April to 30 November). Elimination of higher in-season tariff of 32 per cent on oranges over seven years. Elimination of tariffs of up to 23 yen a kilogram ($241 a tonne) on all fruit juices over 10 years.
Pig meat	$2 million	Elimination of ad valorem component, currently 4.3 per cent, of Japan's pig meat tariffs over nine years. Reduction of Japan's specific tariff on pig meat imports (currently 361 yen a kilogram; $3 779 a tonne) by 90 per cent over nine years.

CSQ Country-specific quota. **JAEPA** Japan–Australia Economic Partnership Agreement. **TPP** Trans-Pacific Partnership Agreement.
Sources: ABARES, ABS 2015, Department of Agriculture and Water Resources, DFAT 2015b

TABLE 3 New Zealand

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Grains, oilseed and pulses	$204 million	Elimination of 5 per cent tariffs on several products including flours, cereals, starches, oilseed and prepared foods on entry into force.
Horticulture	$196 million	Elimination of 5 per cent tariffs on several products including honey, mushrooms, coffee, spices, preserved foods and fruit juices on entry into force.
Wine	$78 million	Elimination of 5 per cent tariffs on entry into force.
Beef and veal	$73 million	Elimination of 5 per cent tariffs on offal, pig meat and meat preparations on entry into force.
Dairy	$71 million	Elimination of tariffs of 5 per cent on yoghurt, milk and cream and whey on entry into force.
Sugar	$39 million	Elimination of 5 per cent tariffs on several products including lactose, artificial honey, infant food and chewing gum on entry into force.
Seafood	$14 million	Elimination of 5 per cent tariffs on canned products and pastes on entry into force.

Source: DFAT 2015b

TABLE 4 Vietnam

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Seafood	$716 million	Elimination of tariffs of up to 35 per cent on all seafood on entry into force.
Wine	$10 million	Elimination of tariffs of up to 80 per cent over 10 years.
Sugar	No trade recorded	Elimination of in-quota tariffs of up to 25 per cent on entry into force.

Source: DFAT 2015b

TABLE 5 Malaysia

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Sugar	$75 million	Australia to be allowed to engage in wholesale distribution of refined sugar in Malaysia for use in the food and beverage industry.
Wine	$42 million	Elimination of tariffs of up to 23 ringgit ($7.98) a litre over 15 years.
Pig meat	$1 million	Elimination of 50 per cent pig meat tariffs over 15 years.

Source: DFAT 2015b

TABLE 6 Canada

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Beef and veal	$231 million	Elimination of 26.5 per cent beef tariffs over 10 years.
Wine	$178 million	Elimination of tariffs of between C1.87c and C4.68c (1.91c and 4.79c) a litre on entry into force.
Horticulture	$17 million	Elimination of tariffs of up to 19 per cent on all horticulture on entry into force.
Grains, oilseed and pulses	$7 million	Elimination of tariffs of up to 94.5 per cent on grains on entry into force.
Dairy	$2 million	Creation of TPP-wide quotas for cream, milk and cream powders, butter and cheese. Elimination of tariffs of up to 11 per cent on milk protein concentrates on entry into force.
Sugar	No trade recorded	Elimination of C$30.86 ($31.60) a tonne tariff on refined sugar over five years.

TPP Trans-Pacific Partnership Agreement
Source: DFAT 2015b

TABLE 7 Mexico

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Sheep meat	$23 million	Elimination of tariffs of up to 10 per cent on sheep meat over eight years.
Dairy	$10 million	Creation of TPP-wide tariff-free quotas for milk powders, butter and cheese, increasing over 10 years. Elimination of 20 per cent tariffs on yoghurt over 10 years.
Offal	$9 million	Elimination of 20 per cent tariff on other offal (excluding skirt steak) on entry into force.
Beef and veal	$6 million	Elimination of tariffs of up to 25 per cent on beef and veal over 10 years.
Grains, oilseed and pulses	$1 million	Elimination of 67 per cent tariff on wheat over 10 years. Elimination of 115 per cent tariff on barley over five years.
Wine	$1 million	Elimination of 20 per cent tariffs over three years for higher quality wine and 10 years for all other wine.
Horticulture	$34 000	Elimination of all horticulture tariffs of up to 20 per cent within 15 years, with most eliminated on entry into force.
Seafood	No trade recorded	Elimination of all seafood tariffs of up to 20 per cent within 15 years, with most eliminated on entry into force.
Pig meat	No trade recorded	Elimination of 20 per cent pig meat tariff on entry into force.
Sugar	No trade recorded	Allocation of 7 per cent of multilateral quota for Australian raw sugar.

TPP Trans-Pacific Partnership Agreement
Source: DFAT 2015b

TABLE 8 Chile

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Dairy products	$2 million	Elimination of 6 per cent tariffs on all dairy products within eight years, with exclusions for Canadian dairy products.
Grains, oilseed and pulses	$42 000	Elimination of 6 per cent tariffs on all grains and oilseed on entry into force, except wheat (exempt) and rice. Tariffs of 6 per cent on rice to be eliminated over eight years.
Sugar	$18 000	Elimination of 6 per cent tariffs on sugar preparations within eight years. Raw sugar imports to remain subject to arrangements under Chile's existing trade agreements.
Other agriculture	$8 million	Elimination of tariffs of up to 9.3 per cent on all other agricultural products within eight years.

Source: DFAT 2015b

TABLE 9 Peru

Commodity	Value of Australian exports (2014–15)	Market access outcomes
Grains, oilseed and pulses	$1 million	Elimination of 9 per cent tariffs on several grains and products, including malt extract, over five years.
Wine	$60 000	Elimination of 9 per cent tariffs on table wine on entry into force, with tariffs on other wine eliminated over five years.
Horticulture	No trade recorded	Elimination of many tariffs of up to 17 per cent for horticulture on entry into force, with the remainder to be eliminated over five years.
Beef and veal	No trade recorded	Elimination of 17 per cent tariff on beef over 10 years.

Source: DFAT 2015b

References

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