



Joint Statement from Grain Trade Australia, Grains Industry Market Access Forum, Australian Grain Exporters Council, GrainGrowers and Grain Producers Australia.

Industry Update: Uncertainty continues from China countervailing investigation against Australian Barley

19th December 2019

Key Messages:

- China's countervailing investigation against the Australian barley industry is continuing and the potential outcomes remain uncertain.
- Australian growers should be aware of this market risk as they finalise harvest and move onto next year's planting period.

The Australian barley industry has expressed concern with the announcement by the People's Republic of China, extending its countervailing investigation into Australian barley exports to China.

Under the WTO process, countervailing investigations can be extended for a further 6 months beyond the initial 12 months of the investigation. China has indicated the countervailing investigation will now be finalised on 21st June 2020.

The People's Republic of China initiated a countervailing investigation regarding Australian barley exports in December 2018. The World Trade Organisation definition of countervailing is when a foreign country subsidises its exports, which results in 'injury' to the importing country's domestic production.

Though the Australian grain industry and Australian Government are confident that subsidies have not been provided to Australian barley growers, the likely outcome of this investigation is unknown at this point in time. Possible outcomes could include the imposition of provisional import tariff/duties on Australian barley exports to China. Australian growers should be aware of this market risk as they finalise harvest and move onto next year's planting period.

China is Australia's largest barley export market and Australia is the largest supplier of barley to China. Along with the related Anti-Dumping investigation this investigation has created uncertainty within the Australian grain market, that has resulted in downward pressure on Australian barley prices.

The Australian barley industry continues to access and develop new markets like Thailand and Indonesia to ensure Australia has a diverse range of customers for both malt and feed barley. This is in addition to our long-standing and valued barley customers in China and Japan.

The organisations making this statement; Grain Trade Australia, Grains Industry Market Access Forum, Australian Grain Exporters Council, GrainGrowers Limited and Grain Producers Australia fully respect China's right to conduct these investigations under WTO rules and have cooperated fully with China's investigation and the WTO process.

ENDS

Media contact: Pat O'Shannassy, CEO Grain Trade Australia, 02 9235 2155

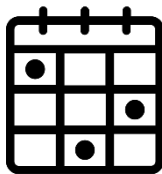
Fact sheet for Australian grain growers



Overview

Australian grain growers should be aware of uncertainty and disruption in the market for Australian barley if the Chinese Ministry of Commerce (MOFCOM) imposes provisional import tariff/duties on barley imported from Australia.

China is Australia's largest export market for malting and feed barley.



Key dates

November 2018 – China initiates anti-dumping investigation into Australian barley

December 2018 – China announces 'countervailing' investigation against Australian barley imports

January 2019 – Response provided by Australian exporters and grains industry bodies

March 2019 – Australian industry awaiting the outcome of the anti-dumping investigation

November 2019 – MOFCOM announces 6-month extension of the deadline for the anti-dumping investigation

December 2019 - MOFCOM announces 6-month extension of the deadline for the countervailing investigation



2019 harvest and longer term

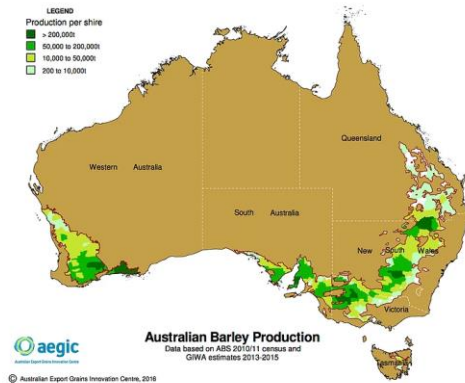
MOFCOM's investigations and potential to apply provisional measures may have impacts on market opportunities for Australian barley this harvest.

Australian growers considering planting barley for the 2019 season are encouraged to be aware of these issues in coming months as they move closer to finalising their cropping plans for the year.

Investigations and duties could be in place for 12 months or more.

Fact sheet for media

Australian barley producing regions



Key facts

- China has been Australia’s largest export marketing for malting barley for decades and in more recent years, Australia’s feed barley
- Australia’s research and malting barley breeding has been developed in cooperation with China’s malting & brewing industry
- If provisional measures are imposed as part of an anti-dumping investigation Australian barley may become uncompetitive in China.

Figure1: Volume of Australian exports of barley by destination (000 tonnes)

	2011–12	2012–13	2013–14	2014–15	2015–16	2016–17	2017-18 s
China	1,686	1,712	3,711	4,560	2,610	5,934	5,748
Japan	1,075	952	810	496	679	1,206	1,184
Sth Korea	232	215	257	234	179	169	215
Philippines	89	89	32	17	41	86	75
Taiwan	34	48	40	31	39	55	38
Thailand	167	178	169	177	138	100	254
Vietnam	186	174	176	184	176	284	287
Kuwait	332	141	134	44	304	366	0
Saudi Arabia	1,892	1,148	1,272	-	773	794	-
UAE	311	155	145	143	361	304	54
Other	564	354	378	321	196	239	143
World	6,568	5,165	7,124	6,208	5,498	9,537	7,997

Source: ABARES ACS Dec 2018, Table 4.8 <http://www.agriculture.gov.au/abares/research-topics/agricultural-commodities/agricultural-commodities-trade-data#2017>

About GIMAF: Grains Industry Market Access Forum (GIMAF) represents the whole supply chain in the task of identifying, prioritising and actively responding to market access issues that impact the Australian grains, fodder and seeds industries. GIMAF works closely with the Australian Government and its agencies to develop responses to market access issues that impact current trade arrangements and strategic plans to develop new market access opportunities for the Australian grains industry.

About AGECE: The Australian Grain Exporters Council (AGECE) is a Council of Grain Trade Australia (GTA). It is formed of GTA members with significant involvement in the export market. It monitors local and international grain environments and policies and develops appropriate responses for the Australian grain industry where required.

About GrainGrowers: GrainGrowers is an independent and technically resourced, grain farmer representative organisation with 17,000 members across Australia. GrainGrowers' goal is a more efficient, sustainable and profitable grain production sector that benefits all Australia grain farmers and the wider grains industry. GrainGrowers has three divisions which work to achieve improved grain industry outcomes: (1) Capability Building; (2) Industry Engagement; and (3) Policy and Innovation.

About Grain Producers Australia: Grain Producers Australia (GPA) represents Australia's broadacre, grain, pulse and oilseed producers at the national level. GPA works in partnership with its Policy Council – comprised of Agforce Grains, Grain Producers SA, NSW Farmers Association, Victorian Farmers' Federation Grains Group, Tasmanian Farmers and Graziers Association, WA Farmers, WA Grains Group – to foster a strong, innovative, profitable, globally competitive and environmentally sustainable Australian grains industry.

About GTA: Grain Trade Australia (GTA) is the focal point for the commercial grains industry within Australia. GTA members are responsible for over 95% of all grain storage and freight movements made each year in Australia. Over 95% of the grain contracts executed in Australia each year refer to GTA grain standards and/or trade rules.