



Australian
Farm Institute

The Australian Farm Institute Capital Fund





How can Australian agriculture achieve better international market access?

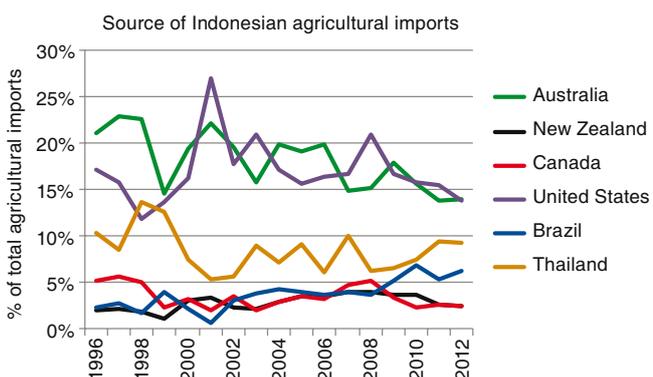
For a nation with an agricultural sector that depends on exports, Australia has a very ordinary track record when it comes to securing better access to international markets. While competitors such as New Zealand, the United States (US) and Canada have negotiated preferential trade access to major markets, Australia is still mired in endless rounds of negotiations, some of which commenced more than a decade ago.

The reason Australia's agricultural trade performance is so poor, is that Australian Government negotiators are torn between the interests of different sectors of the economy, and the manufacturing, services and mining sectors are much better at convincing the government to protect their interests.

To turn this around, the Australian agriculture sector needs to convince governments and the community about the benefits better agricultural trade access could bring to agriculture, food manufacturing and regional Australia. This requires high quality economic research and information, and a sustained effort over a number of years – all of which costs money.

It is for purposes like this that the Australian Farm Institute (AFI) has established the AFI Capital Fund, and you can help support efforts to obtain better international market access for Australian agriculture by contributing to the fund.

The economic research that the AFI Capital Fund supports will deliver the critical information that will be required to convince policy-makers and the wider community about the need for agricultural trade reform. Most importantly, that information will be delivered not just once, but year after year. By contributing you will be helping the sector to roll up its sleeves and tackle this challenge head on.



Australia's recent agricultural trade performance

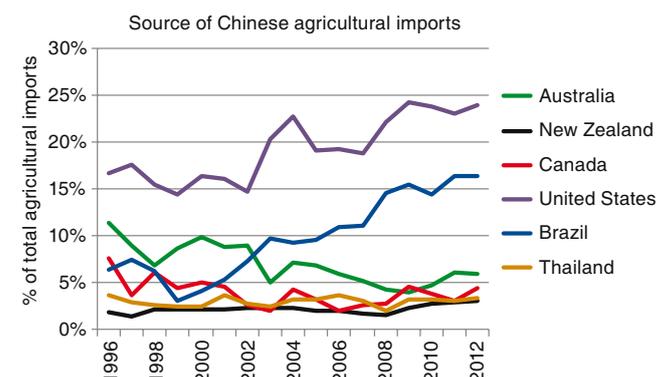
Australia has not been successful over recent years in achieving trade agreements that improve access for Australian agricultural exports. Australia's lack of progress is highlighted by the list of trade negotiations that are currently underway:

- China Free Trade Agreement (negotiations commenced 2005)
- The Gulf Cooperation Council (Saudi Arabia, Qatar, Bahrain, Oman, Kuwait, United Arab Emirates) (negotiations commenced 2007)
- Japan Free Trade Agreement (negotiations commenced 2007)
- Trans-Pacific Partnership members (Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, US, Vietnam) (negotiations commenced 2008)
- Republic of Korea Free Trade Agreement (negotiations commenced 2009)
- India Free Trade Agreement (negotiations commenced 2011)
- Indonesia (negotiations commenced 2012).

Some of Australia's major agricultural export competitors – such as New Zealand and the US – have already concluded free trade agreements with many of the above nations.

This means agricultural exports from those nations face much lower tariff and other trade barriers than Australian agricultural exports. For example, beef from the US faces Korean import tariffs that are 5.3% lower than those faced by Australian beef, and the gap is increasing every year.

Australia's lack of success in achieving improved agricultural trade access is evident in recent trade



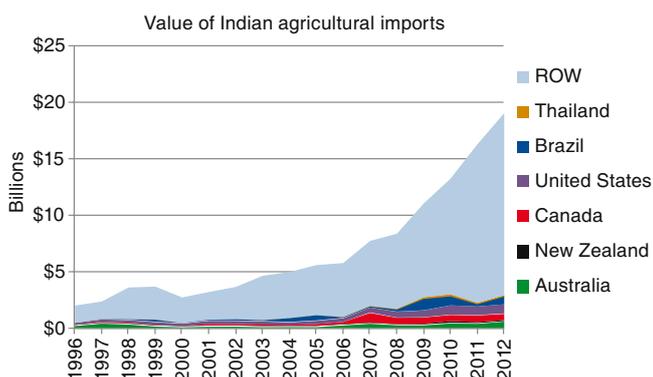
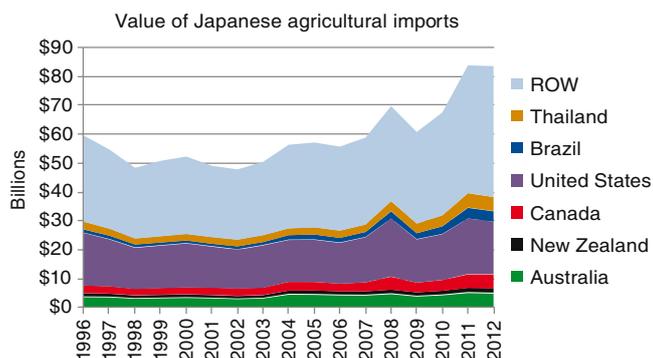


statistics. While the US and New Zealand have both been able to increase their share of total Chinese agricultural imports, Australia has lost almost half the market share it previously held.

Even in markets like Japan where Australia has a longstanding presence, the value of Australian agricultural exports has remained relatively static, while the total value of Japanese agricultural imports has increased significantly. Perhaps the most telling statistic is that while New Zealand has increased the value of its exports to the five major Asian importers (China, Japan, Korea, India and Indonesia) four-fold over the past 15 years, Australia has only managed to double the value of its exports to these nations during the same period.

Australia's sluggish agricultural trade performance arises from a lack of industry focus on these issues, which in turn has meant that governments feel no great pressure to achieve better outcomes.

To get better and more rapid progress, there is a need to regularly research agricultural trade issues, and to communicate the resulting information to the farm sector, the wider community and policy-makers to inform them about the benefits that improved agricultural trade access can bring.



The AFI Capital Fund

The Australian Farm Institute Board of Directors has set a target of \$4 million for the Capital Fund. Achieving that target would mean that sufficient financial resources would be available annually to support a continuing program of agricultural trade research, conferences and seminars to heighten awareness of the need to achieve better trade outcomes for Australian agriculture.

The Australian Farm Institute is recognised by the Australian Tax Office as an accredited research institute, which means that contributions to the Institute's Capital Fund are fully tax-deductible. The Capital Fund will be invested securely, and the aim will be to grow the fund over time. The investment returns arising from the Capital Fund will be used solely to fund multi-year Institute research programs, under the direction and guidance of the Institute's Research Advisory Committee.

Contributors to the Capital Fund will be permanently acknowledged in all Institute publications, presentations and on the Institute's website. Contributors to the Capital Fund in excess of specific thresholds will also be recognised in other ways, including complimentary copies of Institute reports and publications, and complimentary attendance at Institute conferences and events.

Everyone involved in Australian agriculture has a vital interest in securing better trade outcomes for the sector. History shows that will not happen unless the sector becomes much more actively engaged in public debate, and comes to those debates with objective and credible information.

Contributing to the AFI Capital Fund is one very concrete way of ensuring that credible and objective information is available on these issues, and can be used to ensure policy-makers understand that improved agricultural trade access is an urgent priority.

If you or your organisation can help with a financial contribution, please contact the Institute.



Suite 73, 61 Marlborough St
 Surry Hills NSW 2010
 T 61 2 9690 1388
 F 61 2 9699 7270
 E info@farminstitute.org.au
 W www.farminstitute.org.au



Australian Farm Institute

The Australian Farm Institute

The Australian Farm Institute is an independent, not-for-profit organisation that conducts research into strategic policy issues impacting on the Australian agricultural sector. The aim of the research is to identify public policy outcomes that will maximise the opportunities for those participating in the agricultural sector to operate in a profitable and sustainable manner.

Over the past decade, through the generous support of corporate and individual members, the Institute has been able to complete research into a wide range of different issues, and the outcomes of many of these research projects have been taken up by governments in policies and programs.

Issues on which Australian Farm Institute research outcomes have had a significant influence include climate change policy relating to the agriculture sector; national research, development and extension policies for the agriculture sector; and natural resource management policies relating to native vegetation and water management.

Fundamental to the research carried out by the Australian Farm Institute is the Institute's Research Advisory Committee. This committee, consisting of some of the most senior and experienced agricultural academics working in major universities and government research agencies in Australia and New Zealand, has the role of both identifying issues to be researched, and also reviewing research findings to ensure they are supported by objective analysis and robust data.

The commitment of the Institute's Board and Research Advisory Committee to high quality research is one reason that the Institute has a large number of international and Australian government agencies as subscribers and members. It is also the reason that the Institute is able to attract papers and research contributions from renowned Australian and international experts, and regularly has Ministers and senior government officials in attendance at Institute conferences.

Board of Directors

David Anthony, Chairman – Chairman and former CEO of Auscott Limited; Chairman of Cotton Catchment Communities CRC; Chairman of Career Harvests Inc; Council member NSW Minister for Primary Industries Ministerial Advisory Council.

David Clarke – Treasurer, NSW Farmers' Association. Over 30 years' experience in agriculture, the past

14 years managing partner of the family property 'Mt Brace', Rylstone district. Now specialising in beef production, formerly fine merino wool and mixed farming enterprises.

Wendy Craik – Commissioner of the Productivity Commission (2009 to 2014); Executive Director of the National Farmers' Federation (1995 to 2000); Chair of the Australian Rural Leadership Foundation; Deputy Chancellor for the University of South Australia; Chair of the NSW Marine Estate Management Authority.

Andrew Spencer – Chief Executive Officer, Australian Pork Ltd. Director, Pork CRC Ltd. Twenty-five year career in agribusiness, both in Australia and internationally. Worked in France, in the agricultural biotechnology and seeds markets.

Mick Keogh – Executive Director, Australian Farm Institute. Mick holds Bachelors and Masters Degrees in Agricultural Science (UNSW) and has previously had roles as a research scientist, agribusiness consultant, industry lobbyist and farm manager. He is involved in family farming interests in southern NSW.

Research Advisory Committee

Professor Snow Barlow – Head, School of Agriculture and Food Systems, The University of Melbourne

Professor Les Copeland – Professor of Agriculture, Faculty of Agriculture and Environment, The University of Sydney

Wayne Dunford – Vice President of the NSW Farmers' Association. Operates a mixed farming business west of Parkes, and a beef cattle enterprise north of Brewarrina

Professor Ross Kingwell, Chairman – Professor, School of Agricultural and Resource Economics, University of WA; Chief Economist, AEGIC, Department of Agriculture and Food WA

Professor Jim Pratley – Professor of Agriculture, School of Agriculture and Wine Sciences, Charles Sturt University

Dr Michael Robertson – Science Director, CSIRO Agriculture

David Sackett – Managing Director, Growth Farms Australia; Board member of Future Farm Industries CRC

Dr Mal Wegener – Honorary Research Fellow, School of Agriculture and Food Sciences, The University of Queensland

Mick Keogh – Executive Director, Australian Farm Institute