



MEDIA RELEASE, Wednesday 9<sup>th</sup> April 2014

## **Nut Tariffs Eliminated in Japan Free Trade Agreement**

Australian tree nut exports, currently worth \$600 million and expected to reach close to \$1 billion by 2020, will benefit significantly from the recently announced Free Trade Agreement with Japan. Already Australia's largest horticultural exporter, the nut industry enthusiastically welcomed the FTA which will see the elimination of all tariffs on nuts.

The FTA is a breakthrough for Australia's macadamia industry with Japan being the sector's second largest export market. The immediate elimination of the 5% tariff once the agreement comes into effect will take around \$500 off the price of a tonne of Australian macadamia kernel in Japan, thus enhancing the competitiveness of Australian macadamias and encouraging increased consumption and sales. Australia currently sells around 2,000 tonnes of kernel in Japan and the tariff elimination will compliment a strong promotional campaign by the Australian industry.

A duty-free Japanese market presents untapped opportunities for the Australian almond, walnut and pecan industries.

At present 65 per cent of Australia's 80,000 tonne annual almond crop is exported, with this figure expected to grow further over the next five years as trees mature. Japan is an established almond market in which Australia does not currently enjoy a meaningful share, however the removal of the 2.4% tariff will create an opportunity to renew efforts in this important market.

Australian walnuts will benefit from the elimination of a 10% tariff over five years. This is warmly welcomed by the industry as Japan offers an extremely appealing new export opportunity for Australian grown-walnuts over this timeframe. Similarly, the removal of a 4.5% tariff on Australian pecans will significantly enhance the competitive position of the local industry compared to much larger producers in North America and elsewhere.

Australian chestnut producers have an established presence in the discerning Japanese market that will be further enhanced by the elimination of a 9.6% tariff over 10 years.

The prospects offered to the Australian nut industry by this FTA, along with that recently announced with Korea, are genuinely exciting. The Australian Nut Industry Council congratulates the Government on achieving what has been in limbo for several years.

- ends -

*For more information, please contact Chaseley Ross on 0409 707 806*