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Australia

Agricultural Situation

Ag Down Under Vol. 18

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Report Highlights:

- Australian Parliament Transfers AWB Veto Power to Ag Minister Until June 30
- Importation of Grain For Processing at AQIS-Approved Facilities Approved to Overcome Shortages Because of the Drought
- Proposal to End South Australia Barley Monopoly
- Final Import Risk Analysis Report for Apples from New Zealand Released
- Domestic Sugar Levy Abolished
- Upcoming Changes to Nutrition, Health & Related Claims Requirements

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1]
[AS]

Australian Parliament Transfers AWB Veto Power to Ag Minister Until June 30

On December 7, both Houses of Australian Parliament voted to approve the Wheat Marketing Amendment Bill 2006, which gives Agriculture Minister Peter McGauran the power to veto applications for bulk wheat exports until June 30 next year. The Australian Wheat Board previously held veto authority on all bulk exports of Australian grain. The Howard government will spend the next three months consulting with the industry on the future of grains marketing in Australia. (Source: news.com.au; For further information see GAIN Report AS6079 and previous.)

Importation of Grain For Processing at AQIS-Approved Facilities Approved to Overcome Shortages Because of the Drought

Biosecurity Australia has assessed low risk sources of bulk grain and recommends that imports of wheat from selected sites in Canada and the United Kingdom and sorghum and corn from U.S. selected be allowed, subject to strict quarantine conditions, including processing at AQIS approved facilities in metropolitan areas. The conditions for entry are very similar to those permitted during the 2002/03 drought. Processing procedures include hammer milling and steam pelletization. AQIS is now working closely with importers to make certain all requirements can be met before it issues import permits. (Biosecurity Australia Policy Memorandum 2006/36).

Proposal to End South Australia Barley Monopoly

The South Australian Barley Marketing Working Group had presented its recommendations calling for the deregulation of the bulk export market in that state following a three-year transition period. South Australia's Agriculture Minister Rory McEwen will present the working group's report to Cabinet in January for consideration. Enacting the legislation would remove ABB Grain's barley export monopoly. The South Australia Grains Council unanimously agreed to adopt the report's recommendations as being "the most effective way forward for bulk export barley marketing in South Australia in light of the changed political and industry environment". South Australia is the only remaining Australian state with a monopoly barley exporter. (Source: December 7, 2006 Stock Journal)

Final Import Risk Analysis Report for Apples from New Zealand Released

Biosecurity Australia has released the final Import Risk Analysis Report (IRA) for Apples from New Zealand. Stakeholders have until January 12, 2007 to lodge an appeal in response to the final IRA Report. The full IRA Report and the Eminent Scientists Group report to the Director of Quarantine in response to its review are available on the Biosecurity Australia website – www.biosecurityaustralia.gov.au. (For further information see GAIN report AS6078).

Domestic Sugar Levy Abolished

The domestic sugar levy, which was originally introduced on January 1, 2003 to partly fund the Sugar Industry Reform Program, was abolished on November 30 2006. The removal of the \$A0.03/kilogram levy is a cost reduction for sugar users such as Australia's food manufacturing and beverage industries. The levy was introduced at a time when sugar prices were low, to fund an exit and restructuring package for growers. The levy was originally scheduled to expire on December 31, 2007; the accelerated elimination is intended to offset the cost of inputs for food manufacturers as world sugar prices have been steadily high since 2003. (Source: Farmonline December 1, 2006)

Upcoming Changes to Nutrition, Health & Related Claims Requirements

A Preliminary Final Assessment Report concerning Nutrition, Health and Related Claims will be released for public comment early in 2007. Following this, a Final Assessment Report will be prepared for the FSANZ Board and subsequently presented to the Ministerial Council in October 2007. A Draft Assessment Report (DAR) on Nutrition, Health and Related Claims was released in November 2005 (For further information see GAIN report AS5046). (Source: Food & Beverage Importers Association & Food Standards Australia New Zealand, Food Standard News)

Recent Reports from FAS/Canberra

The reports listed below can all be downloaded from the FAS website at:

<http://www.fas.usda.gov/scriptsw/AttacheRep/default.asp>.

Report Number	Title of Report	Date
AS6079	AWB Veto Power Transferred to Ag Minister for Six Months	12/08/06
AS6078	Final Import Risk Analysis Report for Apples from New Zealand Released	12/01/06
AS6077	Cotton Quarterly Update	11/30/06
AS6076	AWB Proposes Split; Prime Minister to Propose Reform Next Week	11/30/06
AS6075	Cole Inquiry Into AWB Conduct Under Oil-For-Food Program	11/28/06
AS6074	Citrus Annual	11/27/06
AS6073	Ag DownUnder Vol. 17	11/17/06
AS6072	Dairy Annual	11/17/06
AS6071	AWB Rejects Export Applications for 3 MMT, Sparks Controversy	11/09/06
AS6070	Australia Revises Import Conditions for California Table Grapes	11/06/06
AS6069	Ag DownUnder Vol. 16	11/03/06
AS6068	Australia Considers Grain Imports; Additional Drought Aid Announced	10/31/06
AS6067	Government Announces Changes to Import Risk Analysis Process	10/31/06