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Australia

Agricultural Situation

Ag Down Under Issue 1

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Report Highlights:

- **Appeals Delay New Zealand Apple IRA**
- **Reduced Apple, Pear Production in 2007**
- **Intense Grain Industry Consultations, Report By March 30, 2007**
- **Wheat, Barley, Rice Production Plummet; Strong Feed Demand**
- **Record Australian Beef Exports in 2006**
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Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1]
[AS]

Appeals Delay New Zealand Apple IRA

Biosecurity Australia has announced that three appeals have been submitted in response to the Final Import Risk Analysis for apples from New Zealand (issued November 30, 2006). Biosecurity Australia has also been advised that the chair of the Import Risk Analysis Appeal Panel (IRAAP) has decided that the appeals warrant consideration by an IRAAP, which is independent of Biosecurity Australia. The grounds for appeal are:

- There was significant deviation from the process set out in the IRA handbook that adversely affected the stakeholder; and
- A significant body of scientific information relevant to the outcome of the IRA was not considered.

Biosecurity Australia will await the outcome of the appeals process, including any advice on action arising from appeals, before submitting a final report and policy recommendations to Australia's Director of Animal and Plant Quarantine for a policy determination. The IRAAP will report within 45 of the closing date for appeals (which was January 12, 2007). If an appeal is allowed, there may be changes to the final IRA report. (Source: Biosecurity Australia Policy Memorandum 2007/02)

Reduced Apple, Pear Production in 2007

Both apple and pear production in CY 2007 are forecast to fall by about 20 percent due to the exceptionally poor seasonal conditions experienced in the lead up to the 2007 season. Current estimates represent the lowest level of production for over a decade. Apple exports for CY 2007 are forecast at 7,000 MT, the lowest level in over a decade and the result of reduced availability of apples suitable for export. (For further information See GAIN Report AS 7001)

Intense Grain Industry Consultations, Report By March 30, 2007

On December 5, 2006, the Australian government announced that an extensive consultation process would be undertaken to gather industry views on the future of the Australian wheat export industry in the wake of the Cole inquiry final report into the conduct of the Australian Wheat Board. On January 12, 2007, the Australian government further announced the appointment of the Wheat Export Marketing Consultation Committee to consult widely with the Australian grains industry, particularly growers, about their wheat export marketing needs and to report to government on the results of the consultation by March 30, 2007. Press reports the government intends to decide on any changes to the single desk by the end of June 2007.

Wheat, Barley, Rice Production Plummet; Strong Feed Demand

Wheat production for 2006/07 is estimated at 10.5 MMT, a decline of nearly 60 percent from the previous year level. Barley production in 2006/07 is estimated at 3.7 MMT, down sharply from the previous year level. Rice production in 2007/08 is forecast at 126 TMT, a decline of about 90 percent from the previous year and reflects the extreme shortage of irrigation water as well as the severity of drought conditions during the crop cycle. Despite the drought-reduced grain production, domestic consumption of grain is projected to increase driven by demand from feedlots. (For further information see GAIN Report AS 7004)

Record Australian Beef Exports in 2006

Australian beef exports rose 5 percent during 2006 to a record 953,932 MT; the majority of the increase was to Korea, up 41% to 149,663 MT. Almost 90 percent of total Australian exports were sent to three countries: Japan (43%); the U.S. (31%) and Korea (16%). Grainfed beef exports rose 75% to 41,200 MT. (Source: Meat and Livestock Weekly, January 12, 2007)

Mark Your Calendars: Fine Food Show, Sydney, September 24-27, 2007

Fine Food Australia is the premier food show in Australia and this year's event will be held in Sydney, September 24-27, 2007. Attending the only major food trade show in Australia, Fine Food, is the best opportunity U.S. exporters have of reaching most of the major players in this market. This year, USDA has endorsed Fine Food as one of its recommended trade shows and FAS/Canberra is coordinating a U.S. Pavilion at Fine Food to enable U.S. exporters to participate in a fully furnished, U.S. themed stand. (For further information see GAIN Report AS 7002)

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
AS7004	Grain Quarterly Update	01/25/07
AS7003	Tree Nuts Annual	01/11/07
AS7002	Promotion Opportunities Report	01/09/07
AS7001	Fresh Deciduous Fruit Annual	12/20/06
AS6081	Agriculture Minister Grants Two Bulk Export Permits	12/27/06
AS6080	Ag Down Under Vol. 18	12/08/06
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