



Australian Government

Department of Foreign Affairs and Trade

FACT SHEET – DAIRY PRODUCTS

ASEAN represents a very significant market for the Australian dairy industry, worth about \$856 million in annual exports, and accounts for 34% of our total exports of dairy products. It is a particularly important market for milk powders and other concentrated milk, taking about \$578 million in average annual exports, and accounting for over 50% of Australia's total exports of these products. In all major ASEAN markets most tariff lines will be bound at 0% or phase to 0%, with the remainder generally reduced to low levels (4% or 5%) or subject to improved tariff quota access. The Australian dairy sector should benefit from reduced barriers to trade with ASEAN countries and greater certainty in market access. Benefits will commence on entry-into-force (EIF) of the Agreement, with further reductions and elimination of tariffs implemented in following years depending on the different commitments for individual countries.

Australia's Exports to ASEAN (Australian Produce)

Product (HS 0401-0406, ex 1901.10, ex.1901.20, ex 1901.90, 2105, 3501.10)	Exports to ASEAN 3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Global Exports of Each Product 3 Year Average 2006- 2008 %
Milk powder, other concentrated milk (HS0402.10, 0402.21, 0402.29)	578.7	53.0
Milk and cream, not concentrated or sweetened (HS0401)	32.4	34.9
Other milk and cream (HS 0402.91, 99)	4.3	10.4
Cheese (HS 0406)	87.2	10.0
Butter, dairy spreads, fats and oils (HS 0405)	62.4	31.7
Whey (HS 0404.10)	54.7	47.8
Yoghurt (HS 0403.10)	5.7	53.0
Ice Cream (HS 2105.00)	2.6	7.1
Casein (HS 3501.10)	2.9	8.0
Other	24.5	57.9
TOTAL	855.5	33.7

NB: Export figures do not include exports under HS1901

Summary of Outcomes

Australia

- **All dairy products:** tariffs bound at 0% on EIF.

Brunei

- **All dairy products:** tariffs bound at 0% on EIF.

Cambodia

Tariffs on most lines phase to 0% or 5%, but a few lines are excluded from tariff commitments.

- **Milk:** liquid milk excluded from tariff commitments; 7% tariffs on cream (fat content exceeding 6%) bound on EIF and reduced to 5% in 2023.
- **Milk powder:** tariffs of 15% phase to 0% by 2021 or 5% by 2024, except for 1 line (unsweetened skim milk powder (SMP), fit for human consumption) which is bound at 15%.
- **Whey:** 35% tariffs phase to 0% by 2021.
- **Butter:** excluded from tariff commitments.
- **Dairy spreads, fats and oils:** 35% tariffs phase to 0% by 2021 or 2024, or to 5% (for 1 line).
- **Cheese:** 35% tariffs on most cheeses phase to 0% in 2021; but for fresh cheese phases to 5% in 2024, and 'other' cheese (040690) excluded from tariff commitments.
- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** 35% tariffs phase to 0% by 2021 (ice cream and casein) or by 2024 (some yoghurt) or to 5% by 2024 (some yoghurt).

Indonesia

Tariffs on 39 tariff lines phase to 0% by 2019, and on the remaining 11 lines phase to 4%.

- **Milk:** tariffs of 5% reduce to 4% in 2015 and, for cream (fat content exceeding 6%), will be eliminated in 2018.
- **Milk powder:** tariffs of 5% bound on EIF, and, for SMP (not fit for human consumption) and whole milk powder (WMP) (unsweetened) will be eliminated in 2010, and for SMP (for human consumption, unsweetened) and WMP (sweetened) reduce to 4% in 2015 and 0% in 2019. Tariffs on remaining milk powder tariff lines either eliminated or reduced to 4%.
- **Whey:** tariffs of 5% bound on EIF, reduce to 4% in 2015, and for whey fit for human consumption will be eliminated in 2017.
- **Butter, dairy spreads, fats and oils:** tariffs of 5% will be eliminated in 2010, except for one line with tariff elimination in 2017.
- **Cheese:** tariffs of 5% will be eliminated in 2010, except for grated/powdered cheese which reduces to 4% in 2015.

- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** 5% tariffs on yoghurt, milk preparations and ice cream will be eliminated in 2010; 0% tariff on casein bound at EIF.

Malaysia

Tariffs phase to 0% by 2010 or 2011, except for 3 liquid milk lines subject to improved tariff quota access.

- **Milk:** three specific annual tariff quotas provided for Australia, of 600,000 litres (milk not exceeding 1% fat), 3 million litres (exceeding 1% fat but not exceeding 6%); and 20,000 litres (exceeding 6% fat), with some increase in the tariff quota volumes annually to 2020. The in-quota tariffs phase from 20% to 0%, and the out-of-quota tariffs phase from 45% to 20%, by 2013.
- **Milk powders:** 0% tariff bound at EIF.
- **Whey:** 0% tariff bound at EIF.
- **Butter, dairy spreads, fats and oils:** tariffs of 2%-3% will be eliminated at EIF.
- **Cheese:** tariffs generally 5% or 10% and all will be eliminated at EIF.
- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** tariffs will be eliminated either at EIF or in 2010, except for some milk preparations on which tariffs of 7% phase to 0% by 2011.

New Zealand

- **All dairy products:** tariffs bounds at 0% on EIF.

Note: these tariff commitments are the same as in ANZCERTA.

Philippines

Tariffs phase to 0% by 2019 except for tariffs on two tariff lines (dairy spreads and liquid yoghurt) which will phase to 5%.

- **Milk:** tariffs of 3% on liquid milk and cream reduce to 2% in 2015 and will be eliminated in 2019.
- **Milk powders:** tariffs of 1% will be eliminated in 2010.
- **Whey:** 1% tariff will be eliminated in 2010.
- **Butter, dairy spreads, fats and oils:** 7% tariff on butter reduces to 5% in 2012 and will be eliminated in 2019; 7% tariff on dairy spreads reduces to 5% in 2012; 1% tariff on butter oil will be eliminated in 2010.
- **Cheese:** 7% tariffs on processed cheese reduce to 5% in 2012 and will be eliminated in 2019; 3% tariffs on fresh cheese, bulk grated cheeses and blue-vein cheese will be eliminated in 2010; 7% tariffs on other cheese phase to 0% by 2011.
- **Other dairy products (including milk preparations, yoghurt, ice cream, casein):**
 - 10% tariff on ice cream phases to 0% by 2012;
 - 7% tariff on filled milk reduces to 5% in 2012 and will be eliminated in 2019;
 - 1% tariff on casein will be eliminated in 2010;
 - 7% tariff on liquid yoghurt reduces to 5% in 2012, with tariffs on other yoghurt phasing to 0% by 2015.

Singapore

- **All tariffs bounds at 0% on EIF.**

Note: these tariff commitments are the same as in SAFTA

Thailand

All tariffs phase to 0% by 2020, except for liquid milk and SMP which are excluded from tariff commitments.

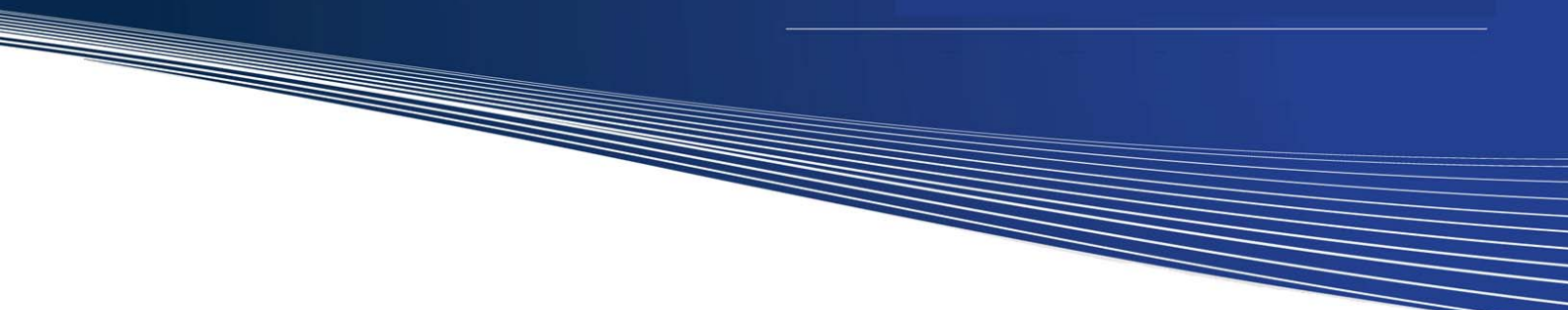
- **Milk:** excluded from tariff commitments.
- **Milk powders:** SMP excluded from tariff commitments. Tariffs of 18% on most WMP bound on EIF and will be eliminated in 2020.
- **Whey:** 30% tariff bound on EIF and will be eliminated in 2020, while 5% tariff will be eliminated on EIF.
- **Butter, dairy spreads:** 30% tariff on butter bound on EIF and will be eliminated in 2020; 20% tariff on dairy spreads phases to 0% in 2019.
- **Cheese:** 30% tariffs on most cheese bound on EIF and will be eliminated in 2020; 30% tariff on blue-veined cheese phases to 0% in 2013.
- **Other dairy products (inc milk preparations, yoghurt, ice cream, casein):**
 - 30% tariff on ice cream phases to 0% by 2013;
 - 5% tariff on yoghurt will be eliminated on EIF or phased to 0% by 2013;
 - 5% tariff on casein will be eliminated on EIF;
 - 5% tariff on milk preparations will be eliminated 2010.

Note: for some products the tariff commitments are better in TAFTA (e.g. all tariffs will be phased to 0% under TAFTA).

Vietnam

All tariffs phase to 0% by 2020.

- **Milk:** tariffs of 20% phase to 0% by 2017 or 2019, with reductions commencing in 2010.
- **Milk powders:** 10% tariff on SMP (for human consumption, unsweetened) and the 15% tariff on WMP (unsweetened) phase to 0% by 2016, with reductions commencing in 2011 or 2012; 30% tariffs on SMP (for human consumption, sweetened) and WMP (sweetened) phase to 0% by 2019, with reductions commencing in 2010.
- **Whey:** tariff of 20% phases to 0% by 2017 or 2018, with reductions commencing in 2010.
- **Butter, dairy spreads:** tariffs of 20% phase to 0% in 2017 (butter) or 2019 (dairy spreads), with reductions commencing in 2010.
- **Cheese:** 10% tariffs phase to 0% by 2016 or 2017, except for fresh cheese (phases to 0% by 2019) and blue-veined cheese (phases to 0% by 2020), with reductions commencing in 2012.
- **Other dairy products (inc milk preparations, yoghurt, ice cream, casein):**
 - 50% tariff on ice cream phases to 0% by 2018;

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- tariff of 30% on yoghurt phases to 0% by 2017, with reductions commencing in 2010;
 - tariffs of 15% and 30% on milk preparations phase to 0% by 2016, 2018, 2019 or 2020, with reductions commencing in 2010 or 2011;
 - 10% tariff on casein phases to 0% by 2019, with reductions commencing in 2012.