



CATTLE COUNCIL OF AUSTRALIA

Geographic Indicators submission to the Department of Foreign Affairs and Trade

Cattle Council of Australia (Cattle Council) appreciates the opportunity to provide input into the Department of Foreign Affairs and Trade's consultation on the European Union (EU) geographical indications (GI) objection process. Cattle Council is supportive of the negotiation of a comprehensive Australia-EU Free Trade Agreement (A-EU FTA) and welcomes this process to enable market access negotiations to commence.

We welcome the Minister for Trade, Tourism and Investment's statement that the Australian Government will not conclude an FTA with the EU that does not deliver clear wins for Australian agricultural industries, and recognize that these negotiations represent the first real opportunity in over forty years to improve market access into the EU for Australian grass-fed beef producers.

Summary

- Cattle Council is the prescribed peak industry council representing Australia's grass-fed beef cattle producers.
- Cattle Council supports the negotiation of a comprehensive A-EU FTA.
- Cattle Council does not support the implementation of the proposed EU GI system and opposes it on the basis of considering it protectionist and providing an additional barrier to trade.
- Cattle Council asserts that adoption of an EU GI system will cause significant impact on the Australian agricultural industry, and considerable gains in market access and tariff reduction is needed to mitigate these impacts.
- Cattle Council is a member of the EU Red Meat Market Access taskforce and as a supply chain the red meat industry are aligned on improving Australia's market access to Europe.

Background

Cattle Council of Australia

The Cattle Council is the peak producer organisation representing Australia's grass-fed beef cattle producers. Cattle Council was established in July 1979, representing and progressing the interests of Australian grass-fed beef cattle producers.

**40
YEARS**

**CELEBRATING 40 YEARS OF REPRESENTING
AUSTRALIAN BEEF CATTLE PRODUCERS**

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Australia EU Trade imbalance

There are significant opportunities for Australian beef producers in a comprehensive A-EU FTA. For several decades, Australian farmers have been dismayed at EU agricultural production and export subsidies, high tariffs and small quotas. This is particularly evident in recent changes (acknowledged in 2019 and to be implemented in 2020) to the Australian beef quota under the 481-quota provision. These measures have restricted access to the EU market for Australian beef products, while in contrast Australia has opened our market to EU agricultural and food products.

Australia has a long history of trading with Europe; with Australian producers responding to our European customers by developing dedicated supply chains, focused on meeting market specific requirements (e.g. EUCAS). Today, the EU exports almost twice as much product to Australia as Australia exports to the EU, despite Australia exporting two-thirds of its entire agricultural production.

Unlike EU farmers, Australian farmers do not receive production or environmental payments. Cattle Council is concerned that FTA negotiations between Australia and the EU, that should be removing the significant trade barriers to Australian agricultural exports to the EU, rather, are seeking to have Australia introduce a GI system that effectively extends the EU system of agricultural protection. Cattle Council asserts the proposed EU GI system is protectionist and provides an additional barrier to trade.

Implementation of an EU GI system in Australia

At a time when Australian producers are facing what some are calling '*the worst drought in living memory*', the EU are looking to introduce a system of protection for some of their agricultural products, that will require significant administrative resources, that the Australian taxpayer will be asked to fund from the moment the agreement comes into force.

Considerable Australian government resources will be needed to set up and extend a GI system for food, and Australian taxpayers will bear the cost of not only setting it up but administering and enforcing it into the future. Cattle Council is also concerned that the EU will continue to add to the GI list and effectively extend the EU's contested GI protection system to Australia.

Trademark system

Cattle Council asserts that Australia currently has an effective trademark system that provides strong protection for food product names. These protections currently provide the equivalent protection that GI's would provide at a fraction of the cost, do not impose an additional burden on taxpayers, and is available for EU food producers to use now. There are already a number of EU products that enjoy trademark protection in Australia. Establishing a duplicate GI system is likely to undermine trademark protection in Australia and threaten existing trademarks.

Beef specific GI terms

There are around 10 items that relate to beef for which the EU is seeking protection. Cattle Council holds particular concerns with regard to claims to provide protection for 'West Country Beef', 'Scotch Beef', and to a lesser degree 'Bœuf charolais du Bourbonnais', and will limit our commentary to these three GI claims.

In regard to West Country Beef and Scotch Beef, Cattle Council contends that both are common descriptive names currently used within Australia. Furthermore, both GI's have poorly defined attributes or geographies to justify their use as GI's.

Scotch fillet is a term commonly used in Australia and New Zealand for a fillet cut from the rib tenderloin portion of beef. It is not unreasonable to assume that the Australian public will continue to recognise and name this cut of meat 'scotch fillet' beef. Australian consumers are highly likely to have difficulty differentiating between 'scotch fillet' and 'scotch beef'. Scotch fillet is a primal cut of meat, typically succulent, tender and full of flavour and is considered one of the most valued and highest quality cuts of beef in the domestic market.

For this cut of meat to be identified as a GI would result in significant disruption and confusion amongst the Australian public. It would also impose costs with regard to rebranding and remarketing product with the new branding, as well as with regard to re-educating the public as to the new term's meaning.

The term 'West Country Beef' is vague in its geographical reference. It is also generically descriptive and typically could be interpreted by the average Australian as a product that originated in the west of anywhere in Australia. In the case of the Eastern seaboard states, there are currently areas of production referred to as 'Western downs', 'Western district', 'out West' to name a few. Cattle Council contends that this GI fails in identifying a unique territory, region, area or locality and is a common descriptive term used in Australia.

There are additional concerns around the GI 'Bœuf charolais du Bourbonnais', as Charolais beef cattle are bred within Australia and any measures to protect this GI could have ramifications for those breeding this variety in the cattle industry in Australia.

Evocation Principle

Provisions relating to the draft text regarding evocation are also a concern for Cattle Council. Current text reads as if this provision could cover products whose name, packaging or labelling are judged to evoke an image of a particular GI product in the mind of consumers, which would further limit the ability of Australian beef producers to market their product. Cattle Council contends that provisions of evocation should be limited to cognitively linked concepts (such as flags etc.) and should not be based on subjective interpretations (such as landscapes or colors).

Conclusion

Cattle Council would also note that the list of GIs' is likely to change given the United Kingdom's (UK) decision to leave the EU. We request that industry be closely engaged in any developments regarding further changes to the list of UK GIs.

Cattle Council proposes that any imposition of a GI system onto the Australian public must be valid, be able to be implemented without significant disruption to custom and practices and brings significant improvement to Australian agricultural market access.

Cattle Council notes that the EU has said it will not conclude the A-EU FTA without Australia agreeing to some form of GI protection. As the adoption any GI system in Australia will negatively impact on both grass-fed beef producers, the Australian agricultural industry and the Australian public in general, the Australian Government can only agree to any form of GI protection that is accompanied by duty free and quota free beef market access and other trade facilitating rules. While the EU has said it will not agree to fully opening its beef market, Cattle Council calls on the Australian Government to ensure an outcome as close as possible to this goal.