

General Review of the China- Australia Free Trade Agreement



1 INTRODUCTION

CropLife Australia (CropLife) is the national peak industry organisation representing the agricultural chemical and plant biotechnology (plant science) sector in Australia. CropLife represents the innovators, developers, manufacturers, formulators and suppliers of crop protection products (organic, synthetic and biological based pesticides) and agricultural biotechnology innovations. CropLife's membership is made up of both large and small, patent holding and generic, Australian and international companies. Accordingly, CropLife advocates for policy positions that deliver whole of industry and national benefit. CropLife Australia is a member of CropLife Asia and part of the CropLife International Federation of 91 CropLife national associations globally. Our focus is specifically on sustainable environmental land management and an Australian farming sector that is internationally competitive through globally leading productivity and sustainability practices. Both of these outcomes are achieved through access to the world-class technological innovation and products of the plant science sector.

The plant science industry contributes to the nation's agricultural productivity, environmental sustainability and food security through innovation in plant breeding and pesticides that protect crops against pests, weeds and disease. More than \$31 billion of the value of Australia's agricultural production is directly attributable to the responsible use of crop protection products, while the plant science industry itself directly employs thousands of people across the country.¹

CropLife appreciates the opportunity to make a submission to the Australian Government's General Review of the China-Australia Free Trade Agreement (ChAFTA).

2 GENERAL PRINCIPLES

CropLife Australia supports the Australian Government's use of free trade agreements (FTAs) to pursue the national interest. Specifically, FTAs provide the opportunity for Australia to enhance our advantages as an agricultural trading nation and to create commercially meaningful outcomes for members of Australia's agricultural industry.

Critical to achieving this is ensuring that FTAs address non-tariff measures (NTMs) affecting agricultural trade. These NTMs exist in the regulation of innovative agricultural products, including biotechnology and crop protection products. A lack of predictability, transparency and a risk-based approaches to these products create unnecessary cost and increases trading risks for Australian innovators and exporters of agricultural commodities. Modelling from ABARES has concluded that NTMs in agriculture are restricting trade more than tariffs and their impact is getting worse.²

¹ Deloitte Access Economics. *Economic Contribution of Crop Protection Products in Australia*. August 2023. <https://www.croplife.org.au/resources/reports/economic-contribution-of-crop-protection-products-in-australia/>.

² Fell, J, Creed, C, 2024, *Non-tariff barriers: a multi-billion dollar burden*, ABARES Insights, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra, December.

Almost half of NTMs applied to agricultural products are Sanitary or Phyto-Sanitary (SPS) measures.³ The recently released report, *The Economic Impacts of Non-Tariff Measures on Australian Grain Exports*, prepared by Grains Australia in collaboration with economists from the Australian National University and partners, identifies the real cost of NTMs to Australia's grain trade. Modelling in the report shows NTMs created by technical barriers to trade (TBTs) and Maximum Residue Levels (MRLs) are equivalent to tariffs of 20.3 per cent and 71.5 per cent, respectively, on Australian grain exports.⁴

Experience has shown that dialogue-based approaches alone, such as technical working groups or regulator-to-regulator exchanges, are insufficient to resolve these issues. While such mechanisms can facilitate information-sharing, the lack of binding commitments, timelines, or obligations to improve regulatory practices, has allowed NTMs to persist over time.

As a general principle, CropLife recommends that Australia should pursue a more ambitious and targeted approach to NTMs through its negotiation and maintenance of free trade agreements. In addition to strong and enforceable SPS provisions, FTAs should include dedicated and robust provisions on biotechnology and pesticides.

Towards this outcome, CropLife recommend that SPS chapters of FTAs should integrate the following objectives:

- Ensuring that SPS measures do not create unjustified barriers to trade and do not constitute disguised restrictions on international trade.
- Encouraging the development and adoption of science-based international standards, guidelines and recommendations.
- Advancing and further promoting science-based decision making.

These objectives should be supported by mechanisms within SPS chapters that will systematically reduce the risk of NTMs being entrenched within the trade of agricultural commodities under an FTA. These mechanisms should include:

- **Science-Based, Predictable Biotechnology Approvals:** FTAs should establish clear, timely, and transparent procedures for biotechnology approvals, with commitments to science-based decision-making, information-sharing, management of asynchronous approvals to reduce trade disruptions and, clear, risk-based approach to manage low-level presence (LLP).
- **Risk-Based, MRLs and Import Tolerances:** Maximum Residue Levels (MRLs) and Import Tolerances (ITs) should be based solely on dietary risk assessments using internationally accepted principles, without considering non-dietary factors, such as environmental or hazard-based classifications.
- **Transparency and International Alignment:** Trade partners should publish complete, up-to-date lists of MRLs/ITs in English, provide clear regulatory procedures and timelines, and

³ Fell, J, Creed, C, 2024, *Non-tariff barriers: a multi-billion dollar burden*, ABARES Insights, Australian Bureau of Agricultural and Resource Economics and Sciences, Canberra, December.

⁴ <https://grainsaustralia.com.au/wp-content/uploads/2026/02/Grains-Australia-NTM-full-report-FINAL-16-February-2026.pdf>

recognize Codex MRLs where national limits are absent, or Australian MRLs where no Codex standard exists, to provide predictability for exporters.

- **Advance Notice, Structured Technical Fora and Transitional Periods:** Proposed reductions in MRLs/ITs should include prior notification and reasonable and predictable transitional period. Structured fora to enable technical engagement between governments and commercial actors should be put into place to assist in preventing issues escalating into trade barriers.

The role of domestic regulatory settings in liberalised trade

Australia has committed itself to work with other like-minded countries to strengthen and uphold the rules-based trade order.⁵ With scientific regulation of SPS conditions underpinning the rules-based trade order for global trade in agricultural and food commodities, Australia should strive to be an exemplar nation as it promotes the benefits of liberalised trade. Towards this outcome it is incumbent on Australia to ensure that its regulatory settings not only reflect contemporary science but are administered in a manner that provides confidence to our trading partners.

Delays in reforming the regulation of gene technology in accordance with the recommendations of the Third Review of the Gene Technology Scheme and regulatory delays at the Australian Pesticide and Veterinary Medicines Authority (APVMA) impede the ability of innovative businesses to engage in liberalised trade with Australia. As such, these delays act in a similar manner to the NTMs that Australian industry is seeking to be removed through the development of bi-lateral FTAs and multi-lateral agreements. Failure to ensure modernised, scientific risk-based, timely and cost-efficient regulatory schemes for agricultural chemicals and gene technology deteriorates the leadership status Australia aspires to.

3 CHAFTA

China is an important market for Australian agricultural commodities in both volume and value, with the significance of the market growing as a result of the tariff reductions achieved under ChAFTA. However, asynchronous authorisation of GM crop events, unworkable tolerances for the presence of genetic modification in canola grain and oil shipments and restrictive chemical residue limits continue to impede the benefit sought through ChAFTA.

In addition to frustrating agricultural trade, the denial or delay of access of new plant biotechnology to the Chinese market also impact the ability of Australian developed plant biotechnology innovations to achieve global scale of revenue.

China is a dominant player in the global manufacture of pesticide active ingredients and formulated product. Over a third of the world's factories producing active ingredients are located in China. 29 of the top 50 companies by sales volume are also located in China, representing

⁵ Senator the Hon Don Farrell, *National Press Club Address – “The Missing Piece in the Trade Puzzle”* (Speech, National Press Club of Australia, 30 March 2026) <https://www.trademinister.gov.au/minister/don-farrell/speech/national-press-club-address-missing-piece-trade-puzzle>.

42 per cent of global sales.⁶ This creates a vulnerability in the market to strategic behaviours, such as the dumping of below cost products in Australia, the impact of which could threaten the viability of legitimate businesses operating in Australia, including those undertaking domestic manufacture of pesticides. This is exacerbated by trade distorting measures, such as the export rebate scheme provided by the Chinese Government for fully formulated glyphosate-based crop protection products.

The review of ChAFTA should examine the impact of strategic behaviours and policies on the resilience of the supply chains that are vital to Australia's food security. They should be investigated with the aim of negotiating an end to the distortionary practices through the FTA and/or progressed through the existing anti-circumvention framework. Such action is important for Australia to maintain functional pesticide supply chains that support Australia's food security, including maintenance of domestic pesticide manufacture to support enhanced resilience to input shocks.

⁶ S Thomas, 'The Four Forces Reshaping the Crop Protection Industry and What Comes Next', *Upstream Ag Insights*, <https://upstream.ag/>.