

As of 08 July 2019

Australia Bangladesh Trade Conference, Sydney, 2019

Date: 14 November 2019

Session: 14:00 hours ó 15:30 hours

Theme: Industry Session: Agricultural Commodity, Frozen Foods & Sea Foods

A. Background

Agriculture is the single most important sector of Bangladesh's economy. Raw jute and jute products, frozen shrimp and fish, and tea are the major agricultural export commodities. Foodgrains (rice and wheat), edible oil and oilseeds, raw cotton, milk and milk products, spices, sugar and coconut oil are the main agricultural imports. While the volume of agricultural exports (except raw jute and jute manufactures) has remained stable, frozen shrimp, frog legs and fish have emerged as significant export items.

B. Agricultural Commodities:

Agricultural products accounted for 15 per cent of Australia's total exports in 2016-17, with the top five export destinations being China, United States, Japan, the Republic of Korea and Indonesia. The top five commodities exported (by value) were beef and veal, wheat, wool, dairy and wine.

List of products exported by Australia

Unit: US Dollar Million

H S Code	Product label	value in 2017	value in 2018
'02	Meat	9,119.27	10,187.80
'10	Cereals	6,560.46	4,877.84
'51	Wool, fine or coarse animal hair;	2,872.53	2,984.39
'52	Cotton	1,605.18	1,784.90
'07	Edible vegetables and certain roots	2,452.63	984.37

Data Source: The International Trade Centre (ITC)

Usually, Bangladesh imports cotton (32.3% of total imported value in 2017), Edible vegetables (30.9%), Wheat (11.1%) from Australia. Australia is one of the world's largest exporters of raw cotton. More than 90% of its production is exported, mainly to spinning mill customers in Asia. Cotton occupies a significant portion in Australia's export basket to Bangladesh.

Nearly 80 per cent of total Australian wheat production is exported. Although Australia is a relatively small player producing only around 3 per cent of total world wheat production, Australia's strong export focus makes it the fourth largest exporter of wheat contributing approximately 12 per cent to total world wheat trade per annum. In 2017, Bangladesh imported wheat USD 1221.36 Million from the World and USD 101.67 Million from Australia. Bangladesh has been importing about 6 million tonnes of wheat in recent years.

Australia is one of the world's largest wool producers, producing around 25 per cent of greasy wool sold on the world market. The value of Australian wool exports in 2017 was to be around \$3 billion; this reflects the continuing strong global demand for Australia's wool, which is regarded as among the world's best. If Bangladesh enters the wool-based textile industry, a new horizon could open.

Australia Exports to Bangladesh of Chickpeas, Lentils, Peas ("Pisum sativum") and Leguminous Vegetables was US\$423.86 Million during 2017, according to the United Nations COMTRADE database on international trade.

Importation Agricultural Commodities by Bangladesh (from the world and Australia)

a) Cotton, Edible Vegetable and Wheat:

Unit: US Dollar Million

Particulars	Bangladesh's Import from World		Bangladesh's Import from Australia (% of Bangladesh's Import)		Australian export Market size (export to Bangladesh in %)	
	In 2017	In 2018	In 2017	In 2018	In 2017	In 2018
Cotton	6,197	6,573	296.94 (5.6%)	160.54 (5.6%)	1,600 (18.6%)	1,785 (18.6%)
Edible vegetables	555	497	283 (51%)	244 (51%)	2,450 (11.55%)	984 (11.55%)
Wheat	1,234	996	102 (8.4%)	21.65 (8.4%)	4,655 (2.2%)	3,100 (2.2%)

Data Source: The International Trade Centre (ITC)

b) Chickpeas, lentils and leguminous vegetables:

Unit: US Dollar Million

Product code	Product label	Australia's exports to Bangladesh			Bangladesh's Imports from World		
		In 2009	In 2013	In 2018	In 2009	In 2013	In 2018
'071320	Dried, shelled chickpeas "garbanzos"	67.94	123.47		50.08	159.37	
'071340	Dried, shelled lentils,	8.20	67.29		109.62	123.91	
'071310	Dried, shelled peas "Pisum sativum"	0.95	5.90		81.52	159.57	
'071390	Dried, shelled leguminous vegetables	-	0.37		-	0.26	

Data Source: The International Trade Centre (ITC)

C. Frozen foods & Sea Foods

Frozen food is one of the agricultural subsectors in Bangladesh. From the total agriculture export, frozen food contributes around 23% and out of total frozen food export, shrimp along contributes approximately 90%. The single subsector shrimp also adds near to 4.43% of the GDP along with its 12 million employment generation.

Primary Product of the frozen food industry is Fish. Most of the fishes are processed frozen, chilled, salted, dehydrated and crushed. There is about 148 number of shore-based export-oriented fish processing plants in Bangladesh.

Seafood demand in Australia has steadily increased over the last decade. In 2012-13 Australians each consumed an average of 15 kilograms (process weight) of seafood, compared with 13 kilograms in 2000-01 (Stephan and Hobsbawn 2014). Historically

Australia has been a net importer of fisheries products in volume terms. Australian fisheries imports mostly consist of lower value products such as frozen fillets and canned fish.

The total value of Australian fisheries imports has been relatively stable overall, staying around \$1.56-\$1.6 billion per year in real terms since 2000 to 2016-17, despite some year-to-year variation.

Trade between Australia and Bangladesh
Frozen shrimps and prawns, Frozen fish and Frozen crabs

Unit: US Dollar Million

Product code	Product label	Australia's imports from Bangladesh			Australia's imports from the world		
		2016	2017	2018	2016	2017	2018
'030617	Frozen shrimps and prawns	0.85	1.88	2.19	181.03	165.38	187.64
303	Frozen fish	0.19	0.48	0.42	29.02	36.11	32.89
'030614	Frozen crabs	1.02	0.92	2.28	15.86	14.74	15.35

New areas that can be explored may include export of live cattle from the top end of Australia (small-medium sized *Brahman/Bos Indicus* cattle) that are generally exported to South East Asia (Indonesia in particular). New options like large-pieces lean or light carcass may send to Bangladesh for further processing and re-export as Australian beef. This could also be an area for Joint-venture investment. Similarly, leather /hides can also be traded.

D. Australian Inspection System for Imported Foods:

The Australian Government Department of Agriculture inspects imported food, including seafood, to check that it meets Australian requirements for public health and safety and complies with Australian food standards as detailed in the Australia New Zealand Food Standards Code. Importers are responsible for ensuring that all food imported into Australia complies with relevant standards.

The Australian Customs and Border Protection Service refer foods to the department for inspection. The department initially inspects and tests risk food, at a rate of 100 per cent of consignments, against a published list of potential hazards including micro-organisms and contaminants. Once five consecutive consignments have passed inspection, the inspection rate is reduced to 25 per cent; after a further 20 consecutive passes, the inspection rate is reduced to 5 per cent. If any consignment fails inspection, the department will go back to testing 100 per cent of that product until a history of compliance is re-established for the producer of the food

E. The organisation of the session on Agricultural Commodity, Frozen Foods & Sea Foods :

14:00 hours to 15:30 hours

1. Moderator/ speaker to introduce the topic and discussants' names (Aided by Rapporteur) 05 Minutes
2. Lead Discussants (names or entities represented)
 - a. Representatives from Bangladesh (BFFEA, BAPA,) 20 Minutes
 - b. Representatives from Australia

(Dept. of Agriculture and Water Resources/

Australian Prawn Importer Association) 15 Minutes

c. Australian expert on Frozen Foods/Sea Foods 10 Minutes

3. Open discussion 30 Minutes

In the open discussion, the discussants may deliberate on the above or other relevant points and difficulties, but not exclusive to:

- Potential of Australia-Bangladesh trade in Agriculture Commodities (Cotton, Wheat, Chick Peas, Lentils, Leguminous Vegetables, Beef);
- The strength of Bangladesh Frozen foods and Seafood and comparative benefits of importing Frozen Prawn and Crab from Bangladesh;
- The issues affecting the Frozen Foods and Sea Foods industry in Bangladesh;
- Comparative analysis of importing Agricultures Commodities from Queensland and northern part of NSW;
- Issues/barriers affecting trade in Agriculture Commodities, Frozen Foods and Sea Foods between Australia And Bangladesh.

4. Summation by the Moderator/ Chair 05 Minute
