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**Working Party on State Trading Enterprises**

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**STATE TRADING****NEW AND FULL NOTIFICATION PURSUANT TO ARTICLE XVII:4(A) OF THE  
GATT 1994 AND PARAGRAPH 1 OF THE UNDERSTANDING ON  
THE INTERPRETATION OF ARTICLE XVII**

AUSTRALIA

The following communication, dated and received on 29 April 2022, is being circulated at the request of the delegation of Australia.

Pursuant to Article XVII:4(a) of the General Agreement on Tariffs and Trade 1994 (GATT 1994) and paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994, Australia makes the following new and full notification of its state trading enterprise for the years 2019/20 and 2020/21.

**I. ENUMERATION OF STATE TRADING ENTERPRISES****A. IDENTIFICATION OF STATE TRADING ENTERPRISES**

The Rice Marketing Board for the State of New South Wales (NSW).

**B. DESCRIPTION OF PRODUCTS AFFECTED (INCLUDING TARIFF ITEM NUMBER(S)  
ENCOMPASSED IN PRODUCT DESCRIPTION)**

Rice grown in the State of New South Wales (HS 1006). Rice grown in other Australian States or Territories is not affected.

**II. REASON AND PURPOSE****A. REASON OR PURPOSE FOR ESTABLISHING AND/OR MAINTAINING STATE TRADING ENTERPRISE**

The objectives of the Rice Marketing Board for the State of New South Wales are:

- to encourage the development of a competitive domestic market for rice;
- to ensure the best possible returns from rice sold outside Australia based on the quality differentials or attributes of Australian grown rice;
- to liaise with and represent the interest of all NSW rice growers in relation to the Board's functions and objects.

**B. SUMMARY OF LEGAL BASIS FOR GRANTING THE RELEVANT EXCLUSIVE OR SPECIAL RIGHTS  
OR PRIVILEGES, INCLUDING LEGAL PROVISIONS AND SUMMARY OF STATUTORY OR  
CONSTITUTIONAL POWERS**

The legal basis for the Rice Marketing Board (the Board) for the State of New South Wales is provided by the State of New South Wales Rice Marketing Act 1983. Rice produced in NSW is vested in the Board, however rice can be traded on the domestic market pursuant to the issuance of an

Authorised Buyer's license by the Rice Marketing Board. A single export license has been issued by the Board to Ricegrowers Limited (trading as SunRice).

### **III. DESCRIPTION OF THE FUNCTIONING OF THE STATE TRADING ENTERPRISE**

#### **A. SUMMARY STATEMENT PROVIDING OVERVIEW OF OPERATIONS OF THE STATE TRADING ENTERPRISE**

All rice grown in the State of New South Wales is divested from producers and becomes the property of the Rice Marketing Board for the State of New South Wales under a vesting proclamation. The Board exercises its rights as the legal owner of all rice produced in NSW to determine who is allowed to trade NSW rice on the domestic and export markets, pursuant to the issuance of an Authorised Buyer's license. Authorised Buyers are appointed by the Board and all applicants are eligible to become Authorised Buyers, subject to the Board's discretion to refuse an application where it has reason to believe that the applicant will breach the conditions of appointment. Authorised Buyers have a condition of appointment prohibiting the exporting of rice where another Authorised Buyer has already been granted permission to export. The Board is therefore restricted to issuing a single export licence, which is currently issued to Ricegrowers Limited, trading as SunRice Australia. The Board has also entered into a related but separate Sole and Exclusive Export Licence (SEEL) Agreement with SunRice that it will not issue any other export licences.

The Rice Marketing Board for the State of New South Wales does not negotiate contracts for the sale of rice. All rice trading is conducted on behalf of the Rice Marketing Board for the State of New South Wales by Authorised Buyers. Authorised Buyers are able to freely buy and sell rice grown in New South Wales on the domestic market in Australia. All sales contracts are entered into on a commercial basis.

The Rice Marketing Board for the State of New South Wales has appointed Ricegrowers Limited (trading as SunRice) as its sole exporter. SunRice has no obligation to set a benchmark price and has not done so.

It is the Board's responsibility to ensure that these export arrangements generate the best possible returns based on quality differentials or attributes on behalf of all New South Wales rice growers.

#### **B. SPECIFICATION OF EXCLUSIVE OR SPECIAL RIGHTS OR PRIVILEGES ENJOYED BY THE STATE TRADING ENTERPRISE**

The State of New South Wales *Rice Marketing Act 1983* entitles the Rice Marketing Board for the State of New South Wales to award an Authorised Buyer with the exclusive right to export rice grown in the State of New South Wales.

#### **C. TYPE OF ENTITIES OTHER THAN THE STATE TRADING ENTERPRISE THAT ARE ALLOWED TO ENGAGE IN IMPORTATION/EXPORTATION AND CONDITIONS FOR PARTICIPATION**

Rice can be imported into Australia by any entity.

Ricegrowers Limited (trading as SunRice) is the sole exporter of rice grown in New South Wales. The Board does not have special or exclusive privileges to import rice.

There are no statutory restrictions on the export of rice grown in other Australian states.

#### **D. HOW IMPORT/EXPORT LEVELS ARE ESTABLISHED BY THE STATE TRADING ENTERPRISE**

Australian rice import and export levels are determined by market forces on a commercial basis. There are no tariffs or quantitative restrictions applied on the import of rice (HS 1006) into Australia. The Rice Marketing Board for the State of New South Wales has no role in regulating imports of rice into Australia.

*E. HOW EXPORT PRICES ARE DETERMINED*

Export prices are determined by the market for Australian rice at levels influenced by the quality of the rice and prevailing world prices.

*F. HOW THE RESALE PRICES OF IMPORTED PRODUCTS ARE DETERMINED*

Not applicable. The arrangements for rice grown in New South Wales do not cover imports.

*G. WHETHER LONG-TERM CONTRACTS ARE NEGOTIATED BY THE STATE TRADING ENTERPRISE. WHETHER THE STATE TRADING ENTERPRISE IS USED TO FULFIL CONTRACTUAL OBLIGATIONS ENTERED INTO BY THE GOVERNMENT*

All sales contracts are entered into on a commercial basis. The Rice Marketing Board for the State of New South Wales is not used to fulfil contractual obligations entered into by the government nor does the government enter into any obligations on behalf of the Rice Marketing Board for the State of New South Wales.

*H. BRIEF DESCRIPTION OF MARKET STRUCTURE*

The Australian market is open to competition from imports and significant quantities of rice are imported. There are no tariffs or quantitative restrictions applied on the import of rice (HS 1006) into Australia.

About 99% of total rice grown in Australia is grown in the State of New South Wales.

Effective from 1 July 2006, the domestic marketing arrangements for rice grown in New South Wales were changed so that multiple Authorised Buyer permits could be issued for sales of NSW rice within Australia. Entities wanting to participate in the domestic market for rice grown in New South Wales must apply to the Rice Marketing Board for the State of New South Wales to become an Authorised Buyer.

Authorised Buyers are able to buy and sell rice grown in New South Wales on the domestic market in Australia.

**IV. STATISTICAL INFORMATION (SEE ATTACHED TABLES I - III)**

The data contained in the attached tables is not available on a consistent basis and figures in different columns are generally not comparable. In particular, no adjustments may have been made for factors such as quality, transport terms, and different time periods (e.g., marketing year versus fiscal year). Differing sources may have been used, also resulting in non-comparability. In addition, some portions of the data are not collected or are otherwise not available.

Key to notes:

N/A Not applicable.

**V. REASON WHY NO FOREIGN TRADE HAS TAKEN PLACE (AS APPROPRIATE)**

Not applicable. The Australian market is open to competition from imports and significant quantities of rice are imported. There are no tariffs or quantitative restrictions applied on the import of rice (HS 1006) into Australia.

**VI. ADDITIONAL INFORMATION (AS APPROPRIATE)**

On 20 April 2022 the New South Wales Minister for Agriculture, and the Deputy Premier, jointly announced that the NSW Government was extending the vesting powers of the NSW Rice Marketing Board, with vesting in the Rice Marketing Board extended until 30 June 2027.

**TABLE I**

## STATISTICAL INFORMATION, IMPORTS

Description of product(s) (including HS number(s))	Unit	Year	Total quantity imported <sup>1</sup>	Quantity imported by state trading enterprise	Average import price <sup>2</sup>	Average representative domestic sales price	Mark-up	National production <sup>3</sup>
1			2	3	4	5	6	7
Rice (HS 1006)	'000 tonnes	2017/2018	165.2	Nil	1.23 \$A per kilo	N/A	N/A	635
Rice (HS 1006)	'000 tonnes	2018/2019	183.9	Nil	1.40 \$A per kilo	N/A	N/A	66.8
Rice (HS 1006)	'000 tonnes	2019/2020	234.4	Nil	1.39 \$A per kilo	N/A	N/A	50.2
Rice (HS 1006)	'000 tonnes	2020/2021 <sup>4</sup>	289	Nil	1.33 \$A per kilo	N/A	N/A	457.8

<sup>1</sup> ABARES Agricultural Commodity Statistics 2021. Marketing year (April to March) basis.

<sup>2</sup> As above.

<sup>3</sup> As above.

<sup>4</sup> Figures for 2020/2021 are ABARES estimates.

TABLE II

## STATISTICAL INFORMATION, EXPORTS

Description of product(s) (including HS number(s))	Unit	Year	Total quantity exported <sup>5</sup>	Quantity exported by state trading enterprises <sup>6</sup>	Average procurement price	Average representative domestic sales price	Average export price <sup>7</sup>	National production <sup>8</sup>
1			2	3	4	5	6	7
Rice (HS 1006)	'000 tonnes	2017/2018	372	N/A	N/A	N/A	0.95 \$A per kilo	635
Rice (HS 1006)	'000 tonnes	2018/2019	287	N/A	N/A	N/A	1.22 \$A per kilo	66.8
Rice (HS 1006)	'000 tonnes	2019/2020	114	N/A	N/A	N/A	1.23 \$A per kilo	50.2
Rice (HS 1006)	'000 tonnes	2020/2021	31	N/A	N/A	N/A	1.42 A\$ per kilo	457.8

<sup>5</sup> ABARES Agricultural Commodity Statistics 2021. Marketing year (April to March) basis.

<sup>6</sup> The Rice Marketing Board for the State of New South Wales has vested exclusive exporting powers in Ricegrowers Limited (trading as SunRice), which is the sole exporter of rice grown in New South Wales.

<sup>7</sup> ABARES Agricultural Commodity Statistics 2021. Marketing year (April to March) basis.

<sup>8</sup> As above.

**TABLE III**

STATISTICAL INFORMATION, DOMESTIC ACTIVITIES

Description of product(s) (including HS number(s))	Unit	Year	Domestic purchases by state trading enterprise	National production <sup>9</sup>	Domestic sales by state trading enterprise	National consumption <sup>10</sup>
1			2	3	4	5
Rice (HS 1006)	'000 tonnes	2017/2018	N/A	635	N/A	329
Rice (HS 1006)	'000 tonnes	2018/2019	N/A	66.8	N/A	335
Rice (HS 1006)	'000 tonnes	2019/2020	N/A	50.2	N/A	340
Rice (HS 1006)	'000 tonnes	2020/2021	N/A	457.8	N/A	345

<sup>9</sup> ABARES Agricultural Commodity Statistics 2021. Marketing year (April to March) basis.

<sup>10</sup> ABARES Agricultural Commodity Statistics 2021. Financial year (July to June) basis.