



28 March 2024

Industry and Infrastructure Branch  
Labour Market, Environment, Industry and Infrastructure Division  
Treasury  
Langton Cres  
Parkes ACT 2600

Email: [NuisanceTariffs@treasury.gov.au](mailto:NuisanceTariffs@treasury.gov.au)

Dear Treasury

**Re: Tariff reform: removal of nuisance tariffs - 8 Digit HS Code – 15122100 & 15141900**

Cargill established a presence in Australia in 1967 and has continued to invest in Australian agribusiness ever since. Our main business operations include: grain and oilseed origination, storage and handling; malt barley and oilseed processing; vegetable oil refining; marketing of agricultural commodities in both the domestic and export; and a number of agribusiness and beef processing joint ventures.

Canola in Australia is well known for producing one of the world's healthiest vegetable oils and its importance as an environmentally friendly biofuel is growing. Cargill Australia's vegetable oil refinery is located in Newcastle, New South Wales. The operation refines canola and cottonseed oils. The Cargill refinery in Newcastle is fully integrated with existing multi-seed crush facility. Cargill also has a canola crush facility in Footscray, Victoria. The oil and meal produced at Footscray is sold to domestic customers and exported via the Port of Melbourne.

In 2023, Cargill announced that we will be investing \$US50 million in our crush assets. The investment includes; upgrading and restarting our Narrabri Plant to dehull cotton with the Cottonseed meals sent to Newcastle for processing; upgrading our Newcastle plant to become a cotton and canola switch plant, increasing the overall crush capacity of the plant; and finally upgrading the Footscray plant, increasing capacity and improving site access and site facilities.

Cargill is of the strong opinion that tariffs relating to cottonseed oil and canola oil, which includes High Oleic Canola (8 Digit HS Code – 15122100 & 15141900) should remain in place to support Australia's domestic edible oil processing industries which are under

increasing pressure due to current high costs for energy, transportation, and wages and cheaper edible oil imports.

The removal of the current tariffs on these imported edible oils will impact on the viability and growth of the Australia's domestic edible oil processing sector.

The current minor tariffs support the growth and development of the industry, Australian canola and cotton growers, the manufacturing sector, and ensure we can compete with imported edible oils in the domestic market.

The scale of Australia's cottonseed and canola edible processing industries is relatively small compared to key export orientated countries such as Canada, Malaysia, Argentina, and Brazil. The removal of the current tariffs will benefit these exporting countries to the detriment of Australia's domestic industry, viability, development, and growth.

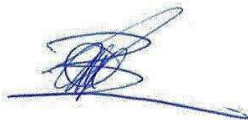
In addition, the High Oleic Canola processing industry in Australia is in its infancy and needs ongoing support (by way of tariff) ensures the industry can develop and grow to the benefit of Australian oilseeds growers, the economy and support Australian manufacturing sector and therefore jobs.

With the majority of Australian cotton seed & canola seed exported to be processed offshore, it is critical that the current tariffs on cottonseed oil and canola oil continue to ensure Australia's domestic processing sector remains competitive.

Cargill Australia, through its investments in Australia over many years, has demonstrated a long-term commitment to the success of Australian agriculture and food manufacturing.

Feel free to contact me, on 0417 662 451 or [peter\\_mcbride@cargill.com](mailto:peter_mcbride@cargill.com), if you have any questions regarding this submission.

Yours Faithfully

A handwritten signature in blue ink, appearing to read 'Peter McBride', with a horizontal line underneath.

Peter McBride  
Director Government Relations  
Cargill Australia Limited