# Postcards from Post: Interview with Tom Parnell, Australia’s agricultural counsellor in Japan

(Duration 11 mins 30 secs)

## Transcript

[Video begins]

**Tim Dawson (host)**: Australia exports over 70% of its agriculture, fisheries and forestry produce. And DAFF has a network of agricultural counsellors posted in Australian embassies across the globe to help make that trade happen.

In this series, we'll hear from those counsellors. Welcome to postcards from Post.

Japan has long been a really important export market for Australian agriculture. Welcome to postcards from Post today. We're speaking with Tom Parnell, our agricultural counsellor based in Tokyo, Japan. Good morning, Tom, and thank you for making the time to speak with us from Tokyo.

**Tom Parnell**: Good morning, Tim. Thank you. Thanks for having me.

**Tim**: I was just wondering whether you might be able to tell us a little bit about the Japan market.

**Tom**: Well, Japan, as you say, it's a very important market for Australian agriculture. Has been, over many years. It's a huge market for Australian beef but also other products that fly under the radar because we work very closely with Japanese industry. And so, a lot of our dairy goes to Japanese manufacturing. So, we don't really see so much in the market in terms of Australian dairy products, but, that they're underpinning a lot of Japanese dairy products.

Sugar is another big product. You know, most sugar consumed in Japan comes from Australia, and we don't really hear much about that, because the statistics don't really show it but, it's like something like 75% of sugar. A lot of a lot of grain goes into noodles. Some types of Japanese noodles are, you know, almost 100% Australian wheat. So, there's a lot of, a wide range of things, our horticulture important market for our horticulture industry. And that's where a lot of my work is in sort of. And that's probably the opportunities for new market access for expansion of horticulture products.

**Tim**: And something dear to my heart – beer. Japan makes excellent beer, don't they? So, malting barley is quite a big export.

**Tom**: Definitely. Barley is a big export here, as well as, as wheat. And also canola, is another big export that we have from the grains sector. I first came to Japan in 2003 and didn't really know much about it and was happy to discover the delights of Japanese beer. So, it's been, it's been good.

**Tim**: So, you talk about Japan being a mature market? Why is it then important that we still have

counsellors in place in Japan?

**Tom**: Yeah, well, those, ongoing relations are really important. We've got to maintain those networks, I suppose for two reasons. One, in the event that there was a crisis, you know, if we had a significant, disease outbreak in Australia, it would really threaten our exports. And, you know, I think we need to as a real insurance strategy to have, you know, sort of active and good networks, functioning here. And we also, we're under, I guess threat in terms of market share from other countries. And so, keeping, an eye on what's happening in terms of, you know, trends and the issues that they're dealing with successes that they have, I think is important to keep an eye on that, on what our competitors are doing here as well.

**Tim**: Can you see opportunities for Australian industry? Can you see, particular commodities that might be able to get into the Japan market or areas where certain products might be able to be increased.

**Tom**: So, I think the most obvious opportunities are around horticulture fresh fruit. Particularly, we we've got, you know, good access, I suppose, for some commodities in my time here, we've expanded our access for mangoes through all varieties, which was something that was restricted to a few, same with grapes is just going through now to open that up to all European varieties of grapes. We're looking at other historical approvals. Apparently, citrus exports are limited. So, we're gonna start working on citrus, I think in the near future.

There's other things you know, avocados and berries and things that we can expand apples and there's opportunities for a range of things there. We'll have some better access for rice. It's fairly well prescribed under our trade agreements in terms of the volumes of rice that we can get in here. But one of the things we've just negotiated was a change to remove a refrigeration requirement for rice.

But also, Japan's only produces about a third of the calories it needs, and it's very focused on food security and I was looking for stable supply partners, and I think that is a relationship and a again, a sort of a key part of my role here in terms of trying to foster that relationship. And one thing that's another unusual commodity or another situation is, rice straw, where Japanese beef producers want to feed their cattle. Rice straw. It's not a stock feed in Australia, it's sort of almost a waste. A waste product. So, Japan wants to import. They're particularly interested in goose blood and certifying goose blood, which they use for diagnostic purposes. And Australia is very well positioned, I suppose, being in the same time zone and not that far away from Japan being a stable democracy, it's a good trading partner for Japan to have.

**Tim**: What would your message be Australian producers who might want to export to the Japanese market.

**Tom**: Oh, God. If you want to export to the Japanese market, you really need to do your research. Understand the market and the market requirements and you've got to develop, the good business relationships. There's a saying in Japan that it's harder to lose a customer than it is to make it to make a customer. So, you know, we've really got to put in that work upfront, to establish those relationships and then, you know, stick by your agreements. You know, really Japanese business is very tough but very fair is my assessment of it. So, understanding that, and understanding the government requirements because they can be very strict. I don't really like using that word, that it can be hard to comply with. They've obviously got their rationale for why they have their requirements. Some of them we don't agree with, and they seem a bit strange to us. But we need to, you need to understand those requirements and particularly things around agricultural, veterinary chemicals can be something that can really bring you unstuck in this market. So, knowing the full width of the full range of requirements and having, you know, getting, establishing those business linkages coming to Japan, making those personal connections, make sure you bring enough business cards with you. You know, respect the cultures of the country. They're very polite people and, but they'll, you know, they respect people for progressing and pushing, their issues, but, doing it the right way.

**Tim**: Japan is renowned for its seafood, and they obviously produce a lot of their own. But we do export some to Japan. Can you tell us a little bit about that?

**Tom**: Yeah. So, it's a really important market, particularly for our tuna industry. We export some great tuna, up here to Japan. As you say, the seafood, the volume of seafood is consumed in this market is enormous. But also the variety of seafood.

There's things that I never knew you could eat coming out of the sea. One thing that I've learned here in my time here is all sorts of things that people eat. Which are delicious. And, yeah, so the tuna is a, really, a key export, that we have out of South Australia, particularly, in into Japan, and other seafood as well. I mean, I'm not across the specific details, but I'm sure we export some salmon here.

The other one that's a really interesting sort of thing in the ocean space is sea urchin. And there's a Japanese company that's establishing itself in Australia to farm sea urchin. So, we've got a bit of a plague of sea urchin in Australia, due to climate change and that caused environmental damage. It's not something that you can harvest and sell from the wild, but you can collect those sea urchins and essentially put them in the feed lot, like we do with tuna, fatten them up over a few years and then produce a viable product. And there's a company that’s investing in Australia to do that. They're just setting up at the moment. So, it's really, really exciting. I think it's a great story for both the, you know, the crossover you were saying from agriculture into an environment. So it'll help reduce the environmental load by taking sea urchins out of the wild where they're causing damage, put them into a pen, feed them. Hopefully that's not gonna cause any environmental damage. And then we'll export the product back to Japan and on to the Japanese market. So, sea urchin roe is delicious.

**Tim**: I absolutely love that. Making a problem into a product and eating the problem, I think is a great solution. That's excellent. Thank you for all your insights this morning into the Japan market and some of the opportunities for Australian producers. We've been speaking with Tom Parnell in Japan.

**Tom**: Alright, thanks, Tim.

[Video ends]

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