

# Are you export ready?

## Essential considerations for anyone considering international trade

By **QUENTIN KENNEDY**

In recent editions I have overviewed the various export markets and the growth which has occurred in them. Given this growth, many companies are investigating the options which may lie in exporting - this is not a simple task, particularly when further influenced (or confused) by being 'certified organic'!

So where does a potential exporter start in order to best position themselves to enter the export market?

In addition to the requirements for organic exports, the following check-list will assist you in determining if you are export ready:

**Commitment and resources:** Do you have sufficient skills to attempt to break into an export market or will you require an external consultant? Are you familiar with your target country's import protocols, labelling requirements - or even local customs and cultures?

**Product/service:** Your product or service needs to meet and better international competition - are you familiar with similar products from other countries which may become your competition? The organic industry may allow you to compete in niche markets and this will possibly require adjustments in your approach to packaging - which in turn may not work for your domestic market.

**Marketing and promotion:** A strong grasp of marketing is vital in export. Does your company have solid marketing knowledge and experience gained by successful selling in a number of Australian states? There is also a growing number of international trade fairs focussed on the organic industry at which you can display - see page 46 for further information on these.

**Management:** Exporting will require considerable management time and can be a major distraction from the domestic business. Does your company have the available management capacity, which will be required to develop and service exports? Is it necessary to strengthen the management team to service overseas exports properly?

**Supply capacity:** A big issue with the organic industry is continuity of supply - if you obtain export orders they must be filled correctly and promptly. Does your company have the supply capacity to develop export distribu-

tion and maintain it on a consistent basis - if you are limited by seasonal influence how will you overcome this barrier?

**Finance:** As with any new market - it ends up costing twice as much and taking twice as long - so the issue of finance is a major consideration. Depending also in the terms of trade negotiated with your client, you may not be paid for 180 days, unless you wish to discount your invoice. Costs before the first sale are considerable - and may include airfares, accommodation, advertising, sales promotion, new brochures, and training of overseas sales agents, consultants or translators.

**Research capability:** Accessing information and making the right decision about which country to enter first when you are convinced you are ready is important. Bodies such as your relevant State trade department and Austrade are excellent sources of information to assist here. The internet abounds with reports on the organic industry, and a good place to start in terms of an overview of the whole world, broken down into regions, is 'The World of Organic Agriculture - Statistics and Future Prospects 2003' which can be found at [http://www.ifoam.org/statistic/statistics\\_studie.pdf](http://www.ifoam.org/statistic/statistics_studie.pdf). This report is useful in gaining a rough overview of the significance of different countries - both in terms of production and consumption.

**Import Requirements:** A major consideration is the importing country requirements - as this is something which may differ from country to country this issue is made even more difficult as a result of international organic equivalency arrangements. For example the USDA mark cannot be used on product unless it is certified by a body which is accredited directly with the USDA - of which there are only two in Australia - ACO and NASAA - and this is done only by specific application and has ramifications along the entire value chain.



German Retailers sampling Jam at BioFach Germany held annually in February - one of a growing number of international trade fairs focussed on the organic industry

The other issue to investigate is the import protocols for product coming from Australia. Into Japan, for instance, there is a requirement to fumigate some fresh produce - which in turn negates any certified status. A good place to start is the web site of the governing bodies who oversee import requirements:

[www.ams.usda.gov/hop/indexIE.htm](http://www.ams.usda.gov/hop/indexIE.htm)  
[www.defra.gov.uk/farm/organic/default.htm](http://www.defra.gov.uk/farm/organic/default.htm)  
<http://europa.eu.int/>  
[www.fao.org/](http://www.fao.org/)  
[www.fda.gov/](http://www.fda.gov/)  
[www.maff.go.jp/eindex.html](http://www.maff.go.jp/eindex.html)  
[www.nra.gov.au/](http://www.nra.gov.au/)  
[www.maf.govt.nz/mafnet/rural-nz/sustainable-resource-use/index.htm](http://www.maf.govt.nz/mafnet/rural-nz/sustainable-resource-use/index.htm)  
[www.organic-europe.net/](http://www.organic-europe.net/)  
<http://scaleplus.law.gov.au/>  
[www.blw.admin.ch/](http://www.blw.admin.ch/)  
[www.access.gpo.gov/nara/cfr/index.html](http://www.access.gpo.gov/nara/cfr/index.html)  
[www.ams.usda.gov/hop/indexIE.htm](http://www.ams.usda.gov/hop/indexIE.htm)  
[www.accc.gov.au/](http://www.accc.gov.au/)

Your certifier can advise on the organic requirements for different countries. ■



### About the author

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