

UNDERSTANDING:

Are You Ready to Export Vegetables?




VegExportNotes are designed by AUSVEG specifically for levy-paying vegetable growers to enhance industry trade knowledge. The content provided in VegExportNotes is based on the best available information at the time of publishing.

Exporting can be a beneficial way of expanding business operations, diversifying risks, and reducing reliance on the domestic market. Exporting vegetables is made easier if you have a clear understanding of your business goals, including your motivation to export and a concise export plan that details market opportunities and technical requirements.

Some companies start exporting based on a single enquiry from an overseas customer, but fail to ensure that all parts of the business are ready to export. If you are new to exporting, or are thinking about exporting in the future, refer to the following information as a guide to examine whether your business is export ready.

1. Why do you want to export?

Understanding why you have chosen to export your product is an important step in getting your business export ready.

- Are you intending to export as a short-, medium-, or long-term business goal?**
Your export approach should vary depending on your business goals. Understanding if your goals are short-term or long-term will help identify the best export approach for your business.
- Are you currently exporting your product, or have you exported in the past?**
Researching whether the business has exported in the past may help uncover challenges that need to be addressed. Your business' export history will help you understand why previous exporting ceased (or never commenced) and highlight what obstacles need to be overcome before you enter international markets.
- Are you and your management team committed to developing export as a long-term and sustainable business stream?**
It is important all parts of the business commit to the export strategy. Developing a sustainable export business takes time and all business functions need to work together to reach this goal.

2. What are your business success factors?

Before exporting, it is important you understand your business success factors and can clearly articulate them. In most cases, having a successful domestic business and an established Australian customer network provides potential customers with confidence that you are a reliable supplier.

- What is your competitive advantage?**
Identifying your product's unique selling proposition helps to identify your competitive advantage in the market. It is not just about price; consider your quality, reliability and after sales service as factors of your success in the domestic market.
- Does your company have a proven track record of meeting production and delivery deadlines?**
A proven record in meeting delivery deadlines increases your overseas customer's confidence when they purchase from you. Overseas customers are usually looking for a reliable supplier to create a long-term business relationship.

- **How do you differentiate yourself from your competitors in the domestic market?**

Exporting exposes your business and product to greater competition as you compete against the rest of the world in your target market. Clearly identifying your point of difference will help you be more competitive. Be sure to include your Australian provenance in your marketing but do not rely solely on this for your sales; there are other clean, green and safe exporting countries!

3. Do you have enough production capacity to service international markets?

Understanding your production capacity is important because if you do not routinely have surplus supply, then seeking overseas orders may not be a worthwhile investment of your time and resources.

- **Can you produce a yield to service your chosen target market?**

To service international customers, you must know your production capacity and be able to consistently produce supply greater than your domestic needs.

- **Can you alter production methods to meet international customer demands?**

Different markets require different product specifications. The specification you currently use to service the domestic market might not meet international customers requirements. For example, Australian customer prefers a long and full bunch of celery, whereas the Malaysian customer prefers the celery to be smaller and trimmed. You might need to alter your production method to meet the expectations of international customers.

- **Does your product comply with food safety standards in Australia and your target market?**

Product for human consumption must comply with food safety standards. It is important to make sure that your product is clean and safe for human consumption. If found non-compliant you risk damage to your business' reputation and potential detainment/rejection at the import border.

4. Can my product be exported?

Understanding market access is crucial to determine where you can send your product. If there is no technical market access then you are not legally allowed to export to that destination. Most Australian vegetables are exported to non-protocol markets, which means Australian vegetable growers enjoy less complicated regulatory access to over 50 countries.

- **Have you checked the Manual of Importing Country Requirements (MICO) to determine if there is market access for your product?**

The MICO website is a comprehensive database of known Importing Country Requirements (ICRs). The database identifies whether your target market is protocol or non-protocol and includes conditions that you will need to comply with prior to sending a shipment.

- **Does your chosen market require any import permit, licenses, or specific labelling on your product?**

It is critical to ensure your product packaging and labelling comply with the rules and regulations of your chosen market. Errors could lead to financial penalties upon customs clearance or rejection of the consignment.

5. Who is your target market?

Researching potential markets is a vital step in building a successful export strategy. Knowing how overseas markets work and who your competitors are will help you price your product effectively and competitively.

- **Have you identified your target market?**

You should perform preliminary desktop research on target markets as they will operate differently. Aim to short-list a handful of potential options where you believe you will be competitive and can comply with regulatory requirements.

- **Have you researched consumer preferences in your target market?**

Australian consumer preferences might be different to your target market. You need to research whether the market has a demand for your product, who your Australian and overseas competitors are, and how are they selling their product.

6. What are the freight and logistics options?

Selecting the best freight and logistics option is very important to export success. Freight and logistics will impact other export decisions such as pricing, insurance and payment methods.

- **Do you know which freight options are best for your product?**

Understanding freight options helps you make informed decisions about preserving the shelf-life of your product. Traditionally, root vegetables are often transported by sea and leafy vegetables are typically transported by air. Freight decisions are usually a trade-off between cost and time. If practical, you should investigate both air and sea options. This will give you and your customer flexibility to choose an arrangement most appropriate for your needs.

- **Have you identified a potential freight forwarder?**

Having a reliable freight forwarder will put your mind to ease as they are responsible for maintaining your cold chain logistics. The freight forwarder's services include customs clearance, export documentation and loading your shipment onto the transport vessels or aircraft.

7. What are other considerations in getting export ready?

You are one step further towards being export-ready if you have been able to successfully answer the questions on this info-sheet. Whilst this is a great first step, we recommend you also take time to consider, in detail, the following more complex issues:

- **Have you determined your export pricing?**
- **Do you have enough staff to support your export orders?**
- **Are you aware of the legal and financial risks you might face in exporting?**
- **Do you have promotional materials suitable for international customers such as a website and brochures?**
- **Do you have financial resources to support international marketing of your product i.e. promotional activities, cost of samples, or market visits?**

Assistance available:

There is a range of assistance available in getting you export ready. The information above should act as a starting point in preparation to export. Should you have any questions in exporting, please contact AUSVEG at 03 9882 0277 or email: export@ausveg.com.au



Export Readiness Checklist

When looking to export vegetable for the first time, it is important to ensure that your business has considered each part of the export process. This checklist is designed to highlight key focus areas for vegetable growers to investigate prior to export.

1. Your Intention			
a. Are you intending to export as a short-, medium- or long-term business goals?	<input type="checkbox"/> Short-term	<input type="checkbox"/> Medium-term	<input type="checkbox"/> Long-term
b. Are you currently exporting, or have you exported in the past?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
c. Are you and your management team committed to developing export as a long-term and sustainable business stream?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
2. Your Company			
a. Is your product selling in the Australian market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Does your company have a proven track record of meeting production and delivery deadlines?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
c. Can you confidently differentiate yourself from your competitors in the domestic market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
3. Your Production Capacity			
a. Can you produce a yield to service your chosen target market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Can you alter production methods to meet international customer demands?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
c. Does your product comply with food safety standards in Australia and your target market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
4. Your understanding of Technical Market Access			
a. Have you checked the Manual of Importing Country Requirements (MICO) to determine if there is market access for your product?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Does your chosen market require any import permit, licenses, or specific labelling on your product?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
5. Your Target Market			
a. Have you identified your target market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Have you researched consumer preferences in your target market?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
6. Your Logistics			
a. Do you know which freight options are best for your product?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
b. Have you identified a potential freight forwarder?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	

7. Your Next Steps

- a. Have you researched which path to market would best suit your business?
Potential paths to market include working with traders, supplying an existing grower-exporter or building your own direct export business. Yes No

If you tick 'No', you should research further into the best exporting approaches that suit your business.

- b. Are you aware that vegetables are 'prescribed goods' under the Export Control Act and you are required to meet the necessary requirements of the importing country? Yes No

- c. Do you need to register your packing shed or facilities with DAWE as a Registered Establishment? Yes No

Tick 'No' if you decided to export via agents or consolidators.

- d. Are you aware of the following documents might be required for you to export vegetables to the chosen international markets? Yes No

i. Phytosanitary Certificate Yes No

ii. Certificate of Origin Yes No

iii. Import Permit Yes No

iv. Additional declarations and/or endorsements Yes No

- e. Have you determined your export pricing? Yes No

- f. Do you have enough staff to fulfill export orders? Yes No

- h. Do you have promotional materials suitable for international customers such as a website and brochures? Yes No

- i. Do you have financial resources to support international marketing of your product i.e. promotional activities, cost of samples, or market visits. Yes No

8. Your Readiness

- a. Are you confident and ready to export? Yes No

- b. If you received an export order tomorrow, are you clear of the process to materialise the deal? Yes No

Assistance available:

There is a range of assistance available in getting you export ready. This checklist is not exhaustive but should form the first step in assisting vegetable growers to take advantage of export opportunities. Should you have any questions in exporting or how to study more on exporting, please contact AUSVEG at 03 9882 0277 or email: export@ausveg.com.au

Export Market Development Grant (EMDG)

The Export Market Development Grants (EMDG) scheme is a key Australian Government financial assistance program for aspiring and current exporters. The EMDG scheme aim to help SME Australian business to develop export markets and reimburse up to 50 per cent of eligible export promotion expenses above \$5,000 provided that the total expenses relating to export are at least \$15,000. To find out more on EMDG scheme, please visit www.austrade.gov.au/Australian/Export/Export-Grants