# PATHS TO MARKET FOR HORTICULTURE EXPORTS

## **Overview of options for Australian producers**

Most businesses take one of these paths to market, or a combination. Consider which option is the best fit for your business, your products, and your capacity to take on responsibilities and risks.

# **STEPS IN** THE EXPORT **PATHWAY**

- **PREMISES** must meet export requirements Register:\*
  - production site
  - packing shed
  - treatment facilities
  - export facilities \*depending on the protocol requirements
- **PRODUCT** must meet market-specific protocol requirements including:
  - inspection
  - treatment, certification
  - labelling
  - packaging
- **SECURING FTA BENEFITS** where relevant, including tariff reductions claimed by the importer
- FINDING CUSTOMERS/ **IMPORTERS** in market Understanding market dynamics and marketplace competition
- **MAINTAINING CUSTOMER/ IMPORTER RELATIONSHIPS**

(including international travel)

- **RESPONSIBILITY FOR BRAND/MARKETING** MATERIAL including point-of-sale material, media and PR activities.
- **MANAGING FOREIGN CURRENCY TRANSACTIONS AND RISK**
- **RESPONSIBILITY FOR LOGISTICS SUPPLY CHAIN**

including preparation, freight movement and associated documentation (both domestically and in-market) - check INCOterms for more information

**ABILITY TO MEET** REQUIRED VOLUME, **QUALITY STANDARDS AND PRODUCT RANGE REQUIREMENTS** throughout the season/year

Exporter keeps all returns from the export activity but also accepts all the risks and responsibilities at each step in the supply chain

Exporter shares returns from the export activity, as well as the risks and responsibilities, with the partners in the supply chain



#### **INDIVIDUAL PRODUCER**

Growers can establish their own export operations and develop relationships with logistics providers, importers, distributors and retailers in overseas markets



#### **ONLINE**

Growers can sell their product through online channels

Online providers usually (but not in all cases) take ownership of the goods when they arrive in-market



# LARGE EXPORTER/

Growers can work with large exporters who will trade their product and export it under their own brand



#### TRADER/ **CONSOLIDATOR**

Growers can work with traders who will trade their product, consolidate it with other products and export it through their networks

You may need to register - check market specific & product specific protocol requirements on http://micor.agriculture.gov.au

You also need to meet Australian regulatory requirements for products and facilities even for non-protocol markets check www.agriculture.gov.au/export

#### Sole responsibility

Check importing country requirements on MICOR

Other market-specific and product-specific requirements may apply professional advice is recommended

#### Shared responsibility - to be negotiated

Usually undertaken by the large exporter/trader

#### Sole responsibility

Check market-specific and product-specific requirements on ftaportal.dfat.gov.au

Sole responsibility

Finding the right customer in terms of volume and positioning can take a long time

You may need to engage with multiple customers to meet your business needs

Face-to-face relationships with traditional retail and food service customers are very important and require regular attention

A strong company brand and 'story' are needed to help your customer sell your product

You may be expected to help cover costs of POS materials

You may only need to find one or two appropriate online platforms

If you are producing significant volumes, you may need to complement online activity with traditional retail or food service channels

Face-to-face relationships with online providers are less demanding and can require less frequent travel to the market

A strong company brand, 'story' and marketing materials are needed to help your customer sell your product

In the online environment, marketing is critical

### Shared responsibility - to be negotiated

Usually undertaken by the large exporter/trader

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## Sole responsibility

Sole responsibility

for guaranteeing specific volume at a specific grade to supply retail or food service channels

Producer must have sufficient resources to avoid shortfalls in any given season

# Sole responsibility

Responsible for

domestic arrangements

In-market arrangements are

typically undertaken by the

online platform

Typically only premium first-grade produce is required, but online allows smaller volumes to be traded (compared with retail or food service channels)

### Shared responsibility - to be negotiated

Usually undertaken by the large exporter/trader

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