

# FREE TRADE AGREEMENTS BOOST AUSTRALIAN FRUIT GROWER'S EXPORTS

FTA CASE STUDY | JUNE 2019

In 13 years, family-owned AGRIFresh has become Western Australia's largest citrus grower, packer and exporter. Australia's wide-ranging Free Trade Agreements (FTAs) are helping the company expand its global presence.

Joseph Ling, Co-Founder and Managing Director of AGRIFresh, describes himself as a farmer at heart.

Driven by a commitment to producing high-quality fruit and sharing the 'freshness of Western Australia' – this farmer and his team have built the company into one of the state's most important citrus players.

AGRIFresh grows oranges, mandarins, lemons and mangoes on what was once a mixed grain and sheep farm 200 kilometres north of Perth.

The family-owned business, which has 200,000 trees across two properties, supplies fresh citrus to the domestic market as well as 11 other countries, including Malaysia, Singapore, Indonesia, China, Canada, Oman, Saudi Arabia and Qatar.

## Exports boost business growth

In 2017–18, AGRIFresh's export sales grew by 80 per cent. Ling says Australia's FTAs have helped the company enormously by giving its products preferential access to overseas markets.

Since the China-Australia Free Trade Agreement (ChAFTA) entered into force in 2015, the tariff on oranges has gradually reduced from the initial level of 11 to 4.9 per cent in 2019, and it will be eliminated by 2023.

'The ChAFTA made a huge difference to our industry, for sure,' Ling says.



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Joseph Ling, Managing Director, AGRIFresh

AGRIFresh also exports to Indonesia with the help of the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA), which saw the tariff of 5 per cent on oranges eliminated in 2013.

'Everybody loves a bargain, including our buyers,' Ling says.

'We know we've got a good product already but if we can compete at the price point in overseas markets with the help of FTA tariff reductions, then immediately we've got orders.'

Ling is also looking to new opportunities in Japan under the Japan-Australia Economic Partnership



Australian Government

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Agreement (JAEPA), and the Philippines and Vietnam under AANZFTA.

'We have made a lot of trade visits to Japan and reverse trade visits so they understand what we do, that we'll comply and that we understand how to meet their demands,' Ling says.

'There's a little more work to be done with the Philippines and Vietnam but those countries are important to us.

'While China takes most of our premium produce, we do have other products, different oranges for example, that are of interest to other countries. So, we have to open our net a little bit wider.'

## The journey to export

Starting out in 2005, Ling planned to produce quality fruit for Australian consumption but a few years in, he realised the export potential.

'The first five years was all about getting trees into the ground, figuring out how to get the best yield per hectare,' he explains.

'The second five years was about restructuring and repositioning ourselves for the international market.

'We changed our business structure through organic growth and some acquisition. Then we tried markets like Hong Kong and Singapore just to get our feet wet, to figure out how to export something in a really, really small volume.'

The company started with eight and now has a permanent team of 20 staff. During the season, this number increases to more than 80 staff.

'When you start to tap into the export market, when orders start coming, you've got to be prepared to get your capacity right,' Ling says.

The company actively embraces innovative technologies to minimise costs and maximise efficiencies in the value chain.

'We expanded our production base very quickly, increased our packing facility from 4,000 square metres to 8,000 square metres and got in new equipment up to international standards,' he says.

'We also had to set up new offices and distribution models for exporting.

'We're exporting about 100-plus containers, but we've positioned ourselves to do 600 containers a year in about four to five years' time.'

## Choosing the right partners

Ling believes one of the keys to success is teaming up with the right partner because each country has a different way of doing things.

'It's probably the biggest challenge,' he says.

'In the early stages we used Austrade to make the initial introductions. They were instrumental because they were there on the ground and knew all the people in the trade that you could trust.

'We've always had this idea that you have to go on a number of dates before you kiss. Always remember that these guys are representing your brand.'

He admits it takes time.

'The gestation period for some countries and customers is one or two years. You can't go in there in a rush because it's going to be very painful if you make a mistake,' Ling says.

'I think the opportunity overseas is enormous, however, and we will continue to push that line.'

To learn more about Australia's FTAs, visit [www.austrade.gov.au/ftas](http://www.austrade.gov.au/ftas).

## About Austrade

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by helping Australian businesses, education institutions, tourism operators, governments and citizens as they:

- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
- › seek consular and passport services.

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