

FTAS SWEETEN THE DEAL FOR MANUKA HONEY PRODUCER

BIOSOTA ORGANICS | AUGUST 2018

With a rich history in beekeeping, Biosota Organics specialises in selling Manuka honey. Established only three years ago, the company has since expanded its business to international markets thanks partly to Australia's Free Trade Agreements.

Originally hailing from Russia, Biosota has a long history of beekeeping and bee farming. Its Australian operation was established three years ago in the northern Sydney suburb of Mount Ku-ring-gai, and the company has quickly become one of Australia's top producers of Manuka honey.

Sourced from bee farms along Australia's east coast, the family-owned business distributes its niche honey products to health and organic food stores, as well as duty-free stores in Australian international airports.

More recently the company has started to increase its exports and currently distributes products to: China, South Korea, Brunei, Singapore, Vietnam, the US and Canada. Biosota is also planning to commence exporting to Japan and Malaysia.

Honey on the up

Biosota Organics is headed by Andrey Zubko, who has been exporting since 1991, starting in the wine industry. He established Biosota after deciding to return to his honey-based heritage and pick up the reins of the family company.

The company currently has three full-time staff in Sydney and takes on casuals during busy periods.

'We've outgrown our current manufacturing facility in Sydney's Mount Ku-ring-gai and are setting up a new facility on the Gold Coast,' says Zubko.



'To continue to grow our production and business, Free Trade Agreements help provide new opportunities. FTAs will support us in our quest to expand into new markets.'

Andrey Zubko, Owner, Biosota Organics

'Having two manufacturing facilities in our key production locations works out better for us economically, and with sales growing as they are, this expansion is really important for us to sustain our production.'

Manuka honey: a health elixir

Manuka honey is widely produced throughout Australia. 'However, it's not well known that Australia has more varieties of Manuka honey than New Zealand,' says Zubko.

Manuka honey is prized for its antibacterial properties, which inhibits the growth of many pathogenic bacteria and fungi. Among its many qualities, Manuka honey is known to help support



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the immune system and maintain healthy digestion, as well as relieve sore throats, indigestion, mouth ulcers.

International markets helping grow Australian businesses

Manuka honey is becoming more popular around the world.

'We're getting repeat orders from all the markets we export to,' says Zubko.

'The US market is really strong for us, while we're seeing lots of interest in Vietnam and Brunei. But everywhere, the orders just keep growing.'

High tariffs produces new, innovative product range

In South Korea, Biosota's honey attracts a 234 per cent duty. In response to a suggestion from a South Korean customer, Biosota created a new creamed honey spread that attracts a significantly lower tariff under the Korea Australia Free Trade Agreement (KAFTA).

'This product development also led us to invest in new equipment and create an entirely new export range,' says Zubko.

Under Australia's FTAs with China (ChAFTA) tariffs on Biosota's honey exports will be eliminated on 1 January 2019.

For Biosota's creamed honey spread products, tariffs were previously 30 per cent for creamed honey spread going into China and Korea and 21.3 per cent into Japan. These have already been reduced under the FTAs; 6 per cent under ChAFTA, 20 per cent under KAFTA and 11.6 per cent under JAEPA.

These tariffs will continue to be reduced until they're eliminated.

New FTAs provide new opportunities

Zubko says the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (or TPP-11), the regional free trade agreement between Australia and ten other countries, represents some great opportunities to break into new export markets, as well as access larger supply chains and health food store chains.

For Biosota, that's a pretty sweet deal.

For more information on free trade agreements, visit: austrade.gov.au/fta

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