

AUSSIE MUESLI RAISING THE BAR IN CHINA

EXPORT CASE STUDY | AUGUST 2018

For 25 years, Carman's Fine Foods has been supplying high-quality, locally sourced muesli products to consumers across Australia. After successfully launching its products overseas in 2002, the company is now taking advantage of Australia's Free Trade Agreement with China to build its business in a market hungry for healthy, delicious food.

Carolyn Creswell was only 18 years old when she bought a tiny muesli business, Carman's Fine Foods, in 1992. Armed with the belief that nuts and seeds are the key to health and wellbeing, it didn't take long for Carolyn to transform Carman's into a market-leading muesli brand.

Fast forward five years, and Carman's is a household name in Australia. The company's product range, including muesli bars, porridge oats, oat slices, nut bars and protein bars, is available in supermarkets across the country. Its products can also be found on Australia's airlines.

China's demand the key to success

After 10 years of success in Australia, Carman's went global in 2002. Initially exporting to nearby countries such as Malaysia and Singapore, the company now exports to 32 markets.

Carman's International Sales Manager, Scott Koetsier, says tariff reductions for the company's exports have played a key role in its business growth.

'Our exports have doubled over the past two years, allowing us to employ more people. We now have over 35 permanent staff and various contractors who work with the brand,' he says.



'The tariff reductions under ChAFTA have allowed us to apply a discount to our products from the get-go, making them more appealing to customers.'

Scott Koetsier, International Sales Manager, Carman's Fine Foods

Recently, Carman's has turned its focus to China, a decision Koetsier says was based on thorough research and market insights.

'Before exporting to China, we conducted in-depth consumer research and found there was a high demand for healthy food products among China's growing middle class,' he says.

'Based on the research, we realised there was a big opportunity for us in the market and could identify particular products within our range that suited China's needs.'



Australian Government

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FTAs offer a competitive advantage

Helping Carman's in its quest to successfully enter international markets are Australia's Free Trade Agreements (FTAs).

Tariffs for Carman's products into China were previously set at 25 per cent, but under the China-Australia Free Trade Agreement (ChAFTA), the tariff has reduced to five per cent, with this tariff due to be eliminated on 1 January 2019.

Koetsier says tariff reductions under Australia's FTAs have given Carman's a competitive advantage by helping the company establish important partnerships in key markets and allowing it to offer high-quality products at a reduced price.

'The tariff reductions under ChAFTA have allowed us to apply a discount to our products from the get-go, making them more appealing to customers,' he says.

'We have also been able to build a network of contacts with suppliers and partners that I don't think would have been possible without the FTAs.'

Koetsier says the FTAs also promote the high quality of Australian products, allowing brands to enter markets with an established reputation.

'The FTAs have helped emphasise that Australian products are high quality, clean and safe. It's been helpful to enter new markets knowing you already have a good reputation and a high demand for your products,' he says.

Know your export requirements

As with most export journeys, Koetsier says Carman's has experienced its fair share of challenges along the way.

'One of the biggest challenges we've faced during the export process is navigating the paperwork requirements,' he says.

'When you change the packaging of your products, some countries require a special certificate for clearance through customs. There have been a few instances where our products have almost been denied entry to the market because we didn't know about these certificates, so it's really important to do your homework, know the processes and have the right paperwork ready.'

Think global, act local

For those starting their own export journey, Koetsier says it's important to do your research and understand the market you are entering.

'One of the best pieces of advice I have ever received is to think global and act local.'

'You need to approach your export market like you would with your home market, by understanding the ins and outs and researching consumer demands,' he says.

'Invest time and effort into visiting the market often to meet with potential partners and learn about the culture.'

Koetsier also says new exporters should consider working with Austrade when starting out.

'We have relied heavily on Austrade throughout the export process. They have provided us with valuable market insights, including information on cultural differences and processes, while also exposing us to a network of distributors and partners.'

To find out more about the benefits of Australia's FTAs visit: austrade.gov.au/fta

About Austrade

The Australian Trade and Investment Commission – Austrade – contributes to Australia's economic prosperity by supporting 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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