

ASIA WARMS TO AUSSIE FREEZE-DRIED FOOD

EXPORT CASE STUDY | AUGUST 2018

Steeped in a rich family heritage of farming and food production, The Forager Foods Co. is one of Australia's leading freeze-dried food producers. Thanks to Australia's North Asia Free Trade Agreements, the company is now expanding its business to international markets.

The Forager Foods Co. has been freeze-drying locally sourced produce since 2009. Located in Tasmania's northern town of Deloraine, the company preserves various fruits, vegetables and herbs at its world-class facility, turning them into snack foods, dried meals and cooking powders.

Over the past nine years, The Forager Foods Co. has successfully established itself in the domestic market, supplying a selection of products to the IGA network and major supermarket chains across Australia.

The company currently employs 16 people who help produce its range of over 30 products.

Asia's demand for Australian produce

Looking to expand the business to international markets, The Forager Foods Co. began exporting to Asia a few years ago.

Managing Director John Ranicar says growing demand and word-of-mouth initially led the company to explore markets within the region.

'As our products became better known in Australia, many of our customers began sending them back to friends and family in Asia, increasing overseas enquiries from distributors and customers,' he says.

'With the increased interest, we decided to attend Australia Week in China (with Austrade) to get a



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John Ranicar, Managing Director, The Forager Foods Co.

sense of the market's demands and to meet with potential distributors and partners. This helped us identify a big opportunity in Asia and reaffirm the company's decision to start exporting to the region.'

Since then, The Forager Foods Co. has secured exports to China and Japan, which Ranicar says will continue to provide economic growth for the business.

'We are only new to the game, but already exports represent almost 10 per cent of our overall revenue. As we continue to expand our international presence in the coming years, we hope to see this figure increase to 50 per cent,' he says.



Australian Government

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FTAs opening the door to global markets

Australia's Free Trade Agreements (FTAs) with North Asia have played a key role in The Forager Foods Co's export journey, reducing tariffs on a number of its products.

Under the China-Australia FTA (ChAFTA), the tariff on freeze-dried products has dropped from 30 per cent to six per cent. Similarly, the Japan-Australia Economic Partnership Agreement (JAEPA) has reduced the tariff from 12 per cent to two per cent. The tariff on freeze-dried products is due to be eliminated on 1 January 2019 under both ChAFTA and JAEPA.

Ranicar says tariff reductions under Australia's FTAs have provided significant benefits to The Forager Foods Co. and given the company a competitive advantage among other market players.

'Many countries in Asia currently apply high tariffs on freeze-dried products, making them less affordable for our customers,' he says.

'The tariff reductions are extremely important to our business as they allow us to lower the cost of our products, provide us with a competitive edge in selling to that market and help us grow the company through exporting.'

Ranicar says the FTAs have also helped raise awareness of the company's products, especially in China.

'ChAFTA has done a great job in driving interest among Australian goods in China,' he says. 'This has helped our products enter the market with high demand.'

Attention to detail is key

The export process hasn't always been easy for The Forager Foods Co., with Ranicar admitting the company faced a steep learning curve when exporting its first shipment to Asia.

'On one of our first deliveries to Asia, we mistakenly included the wrong documentation which resulted in the delivery being shipped back to Australia,' he says.

'We had accidentally listed the products under the wrong HS code because at the time there wasn't a code available for our product to be listed under.'

Ranicar says the company was able to resolve the issue, but it did result in a delay to its shipment.

'It took us six months, working with DFAT and Customs to establish a new HS code and get the correct documentation before we could export our product,' he says.

'We have now learnt to double-check all our paperwork before any shipment is sent off.'

Visit your market frequently

For others considering exporting, Ranicar says it's important to make frequent visits to the market before entering into any business deals.

'Be sure to buy a plane ticket and set foot in the country before making any decisions,' he says.

'This allows you to get a feel for the market, meet with potential distributors, partners and customers and troubleshoot any issues that may arise.'

To learn more about ChAFTA, visit austrade.gov.au/fta

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- › develop international markets
- › win productive foreign direct investment
- › promote international education
- › strengthen Australia's tourism industry
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