



Indonesia fruit market ripe for premium Tasmanian cherries

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The [Indonesia–Australia Comprehensive Economic Partnership Agreement \(IA-CEPA\)](#) has reduced or eliminated tariffs on almost all fruit exports to Indonesia. One company that’s steadily built a premium fruit-export business in Indonesia is Tasmania’s Reid Fruits – with its stunning presentation-box cherries.

Reid Fruits is a fifth-generation, family-owned company with deep roots in Tasmania. Founded in 1856 the company is renowned for its premium cherries. In a usual year, Reid Fruits air-freights hundreds of thousands of kilos to Asia and around the world. In 2019–20, exports topped 650 tonnes.

According to Tony Coad, Manager for Marketing and Sales, the company’s reputation for large, sweet cherries is the result of late-season production.

‘Our fruit ripens from December to February and we export in 1 kilo, 2 kilo or 5 kilo packaging depending on customer requirements,’ he says. ‘Last season we exported to approximately 20 countries worldwide and our strategy is to keep diversifying.’

What makes Reid Fruits cherries stand out is the stunning packaging. By creating a premium offering the company has turned its fruit exports into a luxury gift. It has also carved out fresh markets in Asia where cherries are not readily available.

Fruit, regulations and the [IA-CEPA](#)

In 2016, the company’s chief executive Tim Reid visited Indonesia to assess export potential. Indonesia is home to hundreds of ethnicities including a large Chinese–Indonesian community. This creates an attractive target market for Reid Fruits because Chinese New Year falls between January 21 and February 20 each year – bang in the middle of Reid Fruits’ picking season.

Exporting to Indonesia presented several challenges, however. Some of these involved viability: was the target market large enough to sustain a premium product; and were the necessary logistics in place to ensure that products arrived in pristine condition?

‘Indonesia can appear a challenging market for fruit exporters because there is a large volume of relevant regulation,’ says Tim Martin, Trade Commissioner, Jakarta. ‘Complex documentation is required and some fruit imports require treatment.’

According to Martin, reliable distribution has often been a challenge because of limited refrigeration in the supply chain. However, he reports that Indonesian importers have recently upgraded cold storage infrastructure and introduced more refrigerated trucking. As a result, he’s observed increased imports of strawberries and blueberries.

‘The regulatory environment for cherries is currently quite relaxed and there are fewer NTBs [non-tariff barriers] than for other fruit,’ he says. ‘And where other fruits are concerned, the

new [IA-CEPA](#) [Indonesia-Australia Closer Economic Partnership Agreement] lowers tariffs and makes imports easier.'

IA-CEPA came into effect in July 2020. It reduces tariffs on citrus exports including mandarins, and increases tariff-free quotas on exports of lemons and oranges. Tariffs on avocados, mangoes and strawberries will be eliminated in 2025–6, while almost all other fruit is now tariff free.

Finding reliable distributors

According to Coad, one of the principal challenges to growing fruit exports to Indonesia is finding the right logistics partners. So on each visit, Reid Fruits has engaged Austrade to help find qualified commercial partners.

'Each time we visit, Austrade helps plan the schedule,' says Coad. 'We can normally only travel for two to three days, but with Austrade's help we make contact with potential new partners, including importers, distributors and retailers.'

'Success is about making the right contacts in-market and being proactive. Austrade's Jakarta-based staff research these potential partners before our visit, so we know we are dealing with a viable commercial proposition.'

Exports have gradually built up. In the 2019–20 season Reid Fruits exported 2 kilo and 5 kilo presentation boxes and market reception has been excellent.

'During the export season Austrade personnel are always on-hand to help,' says Coad. 'If there are issues with documents, Austrade coordinates Australian embassy assistance. If we are having trouble getting an issue resolved, Austrade can help find out what's happened and find the right contact.'

Gearing up for 2021

As Reid Fruits gears up for the 2021 season, the company is in regular contact with Austrade. Reid Fruits' objective: to ensure exports can commence efficiently and on time. This includes asking Austrade to help explore market trends and identify fresh opportunities.

'Austrade are very open: During our off season, if we want anything checked we call up the advisors in Jakarta,' says Coad. 'For example we are currently working with Austrade to further diversify and expand our markets.'

Coad is also monitoring the International Freight Assistance Mechanism (IFAM), which has now been [extended](#) into mid-2021.

'Indonesia has become a great market for premium cherries, and Austrade has been incredibly helpful on every visit,' he says. 'For us it's about continuous engagement.'

About Austrade

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We also introduce foreign investors to Australian partners, strengthening global supply chains, creating local jobs and boosting the economy.

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