

MARGARET RIVER VINEYARD GROWS ITS WINE EXPORTS TO THE WORLD

FTA CASE STUDY | JUNE 2019

Australia's Free Trade Agreements have helped Churchview Estate export their premium wines to the world.

Western Australia's scenic Margaret River wine region is home to passionate producers and some of the country's best wine.

In 1998, Spike Fokkema bought land and established Churchview Estate, exporting wine to Singapore several years later. Today it's still a family-run business, growing a diverse range of grape varieties in its organic vineyards and crafting award-winning wines.

Mr Fokkema's daughter, Sharon Bosveld, joined the family business as co-proprietor around 20 years ago. When she took charge of exporting in 2014, she saw an opportunity to expand into new markets, including China, Germany, the US and Canada. To help achieve this aim she set about expanding business operations to include a sales team in Perth.

In recognition of her achievements, Sharon was named WA Woman of the Year in International Business at the Western Australian Industry & Export Awards in 2016 and 2018. Churchview Estate was a national finalist for the Regional Exporter Award in 2016 and 2018, and awarded Exporter of the Year by the Hong Kong Australia Business Association of Western Australia.

FTAs provide a competitive edge

With demand for Australian wine among Chinese wine drinkers growing, China has become one of Churchview Estate's most important export markets. Prior to the China-Australia Free Trade Agreement (ChAFTA), the base tariff on imports of wine into China ranged between 14 to 30 per cent.



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Sharon Bosveld, Co-proprietor, Churchview Estate

In January 2019, these tariffs were eliminated due to ChAFTA, giving the company a significant competitive edge in the Chinese market.

Beyond China, Australia's FTAs are giving wine exporters like Churchview Estate gain a competitive edge around in other markets around the world. For example, Churchview is benefiting from reduced tariffs on wine exported to Canada.

'Once you're in the world market, you're not just competing with your neighbours, you are competing with countries that have lower labour costs,' says Sharon. 'We have high labour costs in Australia, so we're competing with countries that can price their products much lower. And we can't outsource production in the wine industry. By reducing tariffs applied to our exported products, the free trade agreements allow us to be more competitive.'



Australian Government

Australian Trade and Investment Commission



Sharon also says she has also been able to use reduced tariffs to negotiate product price increases with overseas clients.

Looking ahead, Sharon says Australia's FTAs with Japan, Korea and Vietnam may help open up new export opportunities for the business.

A boost from Austrade

Throughout Churchview Estate's export journey, the business has turned to Austrade for support. When Sharon's father first began exporting, Austrade was able to connect him with valuable contacts to support the company's entry into the Singapore market.

For Sharon, attending Austrade and other government seminars has helped her navigate the steep learning curve that comes with building export markets from the ground up.

Churchview Estate is also a recipient of the Export Market Development Grant. Administered by Austrade, the grant reimburses up to 50 per cent of eligible export promotion expenses. Sharon says the grant made it easier for Churchview Estate to break into new markets.

Export expertise: advice for going global

For other businesses looking to kick off their export journey, Sharon stresses the importance of taking a measured, strategic approach.

'You can't conquer the world all at once,' she says. 'I only try to enter one country at a time. So I generally focus for one or two years on breaking into a new market. Plus if you're too busy looking for new markets, you may fail to look after your existing customers, and that's not a good way to do business.'

She also recommends taking into account the cost of doing business in a particular country when deciding which markets to explore.

'We're a family business and we don't have a huge travel budget, so I travel a lot in Southeast Asia and China, which is more affordable for us right now than the UK and Europe,' she says.

By being strategic, spending time in market to build client relationships and taking advantage of free trade agreements to boost competitiveness, Sharon has taken Churchview Estate from local business to global success.

Churchview Estate now exports to 11 countries, including China, Hong Kong, Germany, the US and Canada. Key to Sharon's export success has been building and maintaining strong relationships with her overseas clients. 'Building your brand is only going to happen if you build a relationship,' she says. 'I will continue at my slow, steady pace of entering into one or two countries per year. But our ultimate goal as a wine exporter is to conquer the world.'

To learn more about Australia's FTAs, visit www.austrade.gov.au/ftas.

About Austrade

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- › 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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