

AUSTRALIAN CHOCOLATE MAKER RAISES THE BAR IN ASIA

FTA CASE STUDY | JUNE 2019

Origin Chocolate started out in a small home kitchen in Orange in rural NSW four years ago. With the help of Australia's Free Trade Agreements (FTAs), the company is selling its bean-to-bar organic chocolate into overseas markets.

Matthew Chimenti's road to becoming an award-winning chocolate maker has had a few bends, including stints as a baker, pastry chef and fixed plant operator in a mine. It was only after he and his family moved from Western Australia to Orange, – the 'food basket' of NSW – that Chimenti was bitten by the cocoa bug.

'I really liked the vibe in Orange,' he says. 'I just wanted to do something and I started playing around with different concepts and chocolate got me hooked.'

Chimenti founded Origin Chocolate in 2015, making chocolates at home and selling them at local farmers' markets. As demand for the bean-to-bar chocolate grew, he began distributing nationally.

He makes his chocolate from 100 per cent organic ingredients ground together using a traditional stone mill. Processing is minimal and no artificial colours or flavours are used.

'Chocolate making in Australia really is pretty much a cottage industry at this point,' he says. 'There's probably about 28 of us Australia-wide, so it's very, very small.'

AANZFTA sweetens exports to Asia

Currently, Origin Chocolate imports coffee beans from around the world – especially South America and the Pacific – and exports chocolates to Singapore and Malaysia. This means the company benefits directly from the ASEAN–Australia–New



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Matthew Chimento, Owner and Managing Director, Origin Chocolate.

Zealand Free Trade Agreement (AANZFTA), which eliminates tariffs on imports of Australian chocolate into those markets.

'FTAs open up a number of opportunities and play a role in helping us identify potential markets,' Chimenti says.

Removing barriers to trade and promoting stronger commercial ties between participating nations are key benefits of FTAs.

Besides Malaysia and Singapore, several other trade partners have eliminated tariffs on imports of Australian chocolates, as part of their free trade agreements with Australia.



Australian Government

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These include the China-Australia FTA (ChAFTA), the Korea-Australia FTA (KAFTA) and the Japan-Australia Economic Partnership Agreement (JAEPA).

Further down the track, the company is hoping to capitalise on tariff reductions under the on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) by exporting chocolates to Canada.

Useful tools for new exporters

To build exports, Chimenti works directly with the Department of Foreign Affairs and Trade, Austrade and the TradeStart network, gleaning market information and insights. He encourages budding exporters to do the same.

‘Back in 2015, I was at a big trade event in Kuala Lumpur in Malaysia and there were a number of enquiries,’ he says. ‘I had all these prospects coming my way and it was overwhelming for me, there’s no doubt about it. I reached out to Austrade for help.’

The strategy bore fruit. Currently, Origin Chocolate has an Australian client that has set up shop in Singapore, supplying Origin chocolates to the local market.

‘At the moment we are focussed on this customer in Singapore,’ he says. ‘They’ve got their flagship store on Orchard Road, right in the heart of Singapore, and that presents a spectrum of opportunities,’ he says.

Austrade help with challenging markets

Chimenti acknowledges that exporting can be difficult, emphasising the importance of establishing credibility with new buyers while at the same time enlisting specialist help to vet potential candidates.

‘There are also challenges with e-commerce overseas, especially in the Chinese market,’ he says. ‘You’ve got firewalls in place so you need Chinese-hosted websites and that can be very, very expensive.’

Above all, he warns new exporters to consider the market they’re going into and the time and money that’s going to be involved.

Build the domestic market first

Chimenti recommends establishing a profitable and sustainable business before moving forward into exporting.

‘Before considering exports, build that domestic market and analyse your business,’ he says. ‘A number of export opportunities came my way very, very early in the business and it was a little bit overwhelming initially, but it was something that I wanted to pursue.’

‘There are a lot of leads out there but not all of them bear fruit. There’s no doubt you need to be persistent.’

With a distinctive brand, and a commitment to organic, fair-trade beans, Origin’s chocolate is picking up awards, including silver and bronze medals in the fine food division at Melbourne Royal Show and in an international food competition in Malaysia.

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

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