

Agri-Food Supply Chains in Cross-Border Trade of Nuts and Dried Fruit

Quality production and management before export

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The Company

Identify strengths and weaknesses concerning your company's export objectives and tactical export marketing plan and consider evaluating your company's internal strengths in the following areas of expertise:

- Business experience over the past two years
- Experience selling outside of immediate geographical area
- Increased production capabilities - can I meet my current and expanded market needs
- Financial resources for expansion and new market development and to protect current one
- Internal company strengths - people, technology, product, reputation
- Sufficient human and communications resources and communication technology
- Can deliver after-sale service



The Product

Exporting food products is serious high risk business, therefore first evaluate:

- Can my product pass export market entry requirements - these can differ among countries/regions.
- Can they meet export market regulatory requirements and is my firm familiar with such requirements – Who in my firm is responsible.
- Tariffs / special rate quotas etc. that may apply.
- Can my product including packaging, marking, handling, labelling and transport meet foreign regulations/standards?
- Is the packing, marking, handling, labelling and transporting systems appropriate



The Product:

Exporting food products is a very competitive business, therefore evaluate:

- Competitors - are they selling same or variations of the same product/ their presentation/quality and payment method.
- Decide product placement (mass market or niche market), (year round or seasonal), (retail sale or hospitality sector) . evaluate pros and cons of all.
- Use international standards and safety protocols to facilitate quick foreign market entry.
- What is my sales pitch? What differentiates and presents my product in a favorable manner in the market place?
- How do I get to know my target consumers? Modern consumers want to feel /know that their views count - just as their money does.



EXPORT PREPARATION

Developing an export strategy based on scientific research:

- **Creating an export plan –**

This allows the company to know:

- where it is going?
- when necessary to make changes?
- tool for use by and for finding partners, financial institutions
- investors require an export plan.



- **Continuous market research –**

Markets are dynamic - consumer trends, fine-tuning the product , packaging, import regulations and importer requirements.

EXPORT PREPARATION

- **Micro targeting of specific markets**

It is impossible to initially target an entire market such as the E.U or even Germany. Targeting a state, city or municipality is best.

- **Developing contacts**

Industry associations and relevant government offices (export and import agencies/regulators) both domestic and foreign. Very helpful in answering export related questions and/or resolving issues arising from trade.



MARKET ENTRY AND DISTRIBUTION:

Considerations for establishing a presence in a foreign country

Key Questions:

1. Does my agent/importer have the ability, facilities and product knowledge to:
 - ❖ Successfully get my product in the marketplace in a timely manner.
 - ❖ Store and distribute it while maintaining it's quality, safety and reputation.
 - ❖ Provide to me in a timely manner verifiable accounts/reports and revenues.

2. Transportation and logistic services
 - ❖ What are my transportation services options?
 - ❖ What is the most appropriate and efficient shipping method - depending on lifespan of product, product placement.
 - ❖ Use of customs brokers and/or freight forwarders - the specialist at navigating the complex documentation process/requirements. Increasingly their services are becoming parts of many countries import requirements.

MARKET ENTRY AND DISTRIBUTION:

Potential market entry barriers include:

- ❖ Tariff and non-tariff barriers i.e. as physical, political, regulatory, cultural and economic, obstacles; distribution agreements.
- ❖ Payment methods: availability and acceptance of Letters of credit and other financial instruments. Consignment sales, payment cycles.

Foreign Market Risks:

- ❖ Economic, political instability, Legal structure, health, inflation, currency – exchange rates,

It is prudent to consider other forms of market entry as an alternate strategy to reduce risk:

Joint venture:- with domestic other producers/exporter; or, with importer or target market based parties having a financial interest in the product.



PRICING

How will my products be priced in the market place and what image should the pricing project. The Different pricing strategies are:

- Flexible: prices based on different market positioning
- Penetration: introductory low price to capture market share & consumer attention
- Prestige: consistent with the exclusive image of product created
- Skimming: high price maximizing returns before other enter the market
- Static: one price for all customers
- Value-based-price based on customers perceived value
- ❖ Factor additional costs of intermediate functions in determining product price
- ❖ Quote prices in an internationally accepted stable currency to avoid exchange rate/arbitrage losses; price fluctuations and to facilitates better planning.



PROMOTION

Creating customer/market awareness of product through:

- ❖ Use of in international trade/promotion events in your target market – for personal introduction and to establish foundation of relationship
- ❖ Find an agent/distributor experienced in target market and knowledgeable about product
- ❖ Create specific promotional plan and budget for target market specific promotional material- recipes, menus, posters, etc.
- ❖ Make samples and promotional literature available at all appropriate promotion events.
- ❖ Remember reputation is hard earned but very easily lost.



Export Questionnaire

This questionnaire highlights characteristics common to successful exporters. Many of these questions will guide you into areas of our homepage where you can obtain more information on exporting. You will receive a score once you complete the questionnaire, which will help you to assess your export readiness, as well as an identification of areas your business needs to strengthen to improve its export activities.

1. Does your company have a product or service that has been successfully sold in the domestic market? ☐ **Yes** ☐ **No**
2. Does your company have or is your company preparing an international marketing plan with defined goals and strategies? ☐ **Yes** ☐ **No**
3. Does your company have sufficient production capacity that can be committed to the export market? ☐ **Yes** ☐ **No**
4. Does your company have the financial resources to actively support the marketing of your products in the targeted overseas markets? ☐ **Yes** ☐ **No**
5. Is your company's management committed to developing export markets and willing and able to dedicate staff, time and resources to the process? ☐ **Yes** ☐ **No**
6. Is your company committed to providing the same level of service given to your domestic customers? ☐ **Yes** ☐ **No**
7. Does your company have adequate knowledge in modifying product packaging and ingredients to meet foreign import regulations and cultural preferences? ☐ **Yes** ☐ **No**
8. Does your company have adequate knowledge in shipping its product overseas, such as identifying and selecting international freight forwarders and freight costing? ☐ **Yes** ☐ **No**
9. Does your company have adequate knowledge of export payment mechanisms, such as developing and negotiating letters of credit? ☐ **Yes** ☐ **No**