

Experience of food export promotion in developing countries

Andriy Yarmak Economist, TCIC, FAO

> Halle, Germany 24 May, 2016

EXPERIENCE

- Export promotion for Polish dairy and oilseeds (for private clients);
- Export promotion of Ukrainian vegetable oils;
- Export promotion for Ukrainian fruits & vegetables;
- Export promotion in Eastern Europe and Central Asia for Chilean Fresh Produce;
- Export promotion for Serbian fruits & vegetables;
- On going export promotion projects:
 - + Export promotion in Ukraine for meat & dairy products (export diversification)
 - + Export promotion for Tajik fresh produce;
 - Export promotion for Moldovan fresh produce.

KEY QUESTION TO ADDRESS BEFORE



POSSIBLE ANSWERS

- Local market size limits further development of company;
- Local currency is unstable getting a source of more stable currency revenue would help ensure business development;
- Source of hard currency is required to pay for imported equipment and technologies (in some countries);
- My product could be really competitive worldwide or in particular regions (similarly to the first point – leads to development of the business);
- No reason just thought it might be a good idea;

INVEST IN INVESTIGATION (BEFORE VISITING TRADE SHOWS)

- What is the target market(s) for your product? (select no more than 2-3 focus always pays back);
- ★ Is it at all accessible? (Various countries impose prohibitive import tariffs, quotas or non-tariff barriers for various products or costs of logistics could be way too high).
- Do consumers at the target market accept this type of product? (if people love cheese in France it doesn't automatically mean they would love it in China);
- Would you be price competitive? (Check the prices through your contacts. On-line shops are of great help nowadays!)
- Could you assure necessary quality, packaging, safety, seasonality (investments into these characteristics could be prohibitively expensive);
- Do you have necessary resources? (unless you are really price competitive, exports, in most cases, will require financing or investments into HR, equipment, packaging, logistics, etc.)

WORK ON PROMOTION MATERIALS AND PRODUCT NAMES



WORK ON PROMOTION MATERIALS AND PRODUCT NAMES



WORK ON PROMOTION MATERIALS AND PRODUCT NAMES



- **Trade shows** good for *newcomers* and companies actively penetrating the market assuming homework was done well:
 - Trade show profile and feedback double-checked;
 - Market study carried out;
 - Interpreter hired;
 - Meetings with potential buyers pre-scheduled;
 - Promotional materials in the local language prepared;
 - During the show, make sure to also talk to competitors;
 - Make sure to follow up after the visit!!
 - + Good for companies already established on the market to sustain its image of the market leader (assuming the trade show is high profile)
 - + Usually organized in importing countries

Buyers' missions to supply country

- + Great tool assuming the first contact has been already made (e.g. at the trade shows)
 - Vise it to demonstrate the best of your facilities (safety, high standards, etc.);
 - x Assure buyers have first hand experience of the product as it is consumed in your country;
 - Promote general positive image of the country;
 - Prepare contracts upfront and suggest signing it at the end of the mission;
 - Invite only interested buyers. Usually 3-5 companies is enough;

- Trade mission of exporters to countriesimporters
 - Only works if you have a very good local partner who knows the industry and could organize meetings;
 - + Could be a great alternative to the trade shows;
 - Preparation is very similar to the one described for the trade shows;
 - + Make sure to follow up after the visit even if the company showed no sign of interest!

- Buyers' forums relatively new format where selected group of retailers and large importers have 10-20 min minutes meetings with selected potential suppliers
 - + Great tool to reach retail, assuming you are ready (consider Private Label first);
 - + Usually costly but is well worth the money;
 - + Preparation is very similar to the one described for the trade shows but should also include investigation of the retail sector and be more comprehensive overall;

CONFERENCES, SEMINARS, FORUMS

- Could be very efficient assuming you have the target audience (specifically in B2B trading)
- Doesn't usually work for B2C FMCG products unless for reputational reasons for very wellknown brands;

Thank you for your attention!

Andriy Yarmak
Economist, TCIC, FAO
Andriy.yarmak@fao.org