# Export Promotion Support

Pacific Organic Policy Toolkit http://www.organicpasifika.com/poetcom

# **Export Promotion Support**

# **Political justification**

According to a report called Pacific: Agricultural trade policy developments and debates from the Technical Centre for Agriculture and Rural Cooperation (CTA, a joint ACP EU institution), larger economies in the Pacific region have traditionally exported undifferentiated commodities (such as sugar, palm oil and coffee). For other agricultural products, public interest in food security, low production volumes and technical/logistical challenges have limited the agricultural export trade from Pacific countries. Increasingly, however, efforts are under way to develop exports of value-added agricultural products, for example by developing sophisticated marketing strategies that target quality-conscious consumers. Indeed, given the scale of production possible in most Pacific ACP countries, the distances to market and the logistical constraints on trade, the export of high value, low volume, valueadded products is seen as increasingly the most relevant long-term option. The organic agriculture sector, which is mentioned in several parts of the ICT report, is a good fit for this product profile. In terms of public benefits increasing organic exports increase levels of organic production, thus delivering the social, environmental and economic advantages inherent in organic agricultural systems. This being the case, governments have a political basis to assist the organic sector to develop strategies and promotions for organic exports and overcome barriers.

### Suitable contexts

Stage of sector development: This action can be implemented at various stages of development of the organic sector. It will however be less suited to a context where the country is essentially an importing country for organic products, where the local production is not well developed despite high domestic demand.

Regulatory context: Export support can be implemented regardless of the organic regulatory context of the country. Some countries can be large exporters of organic goods without having a domestic organic regulation: their producers simply abide to the regulations of the importing markets. It will be clear which operators are certified organic for foreign markets and those can still be prioritized in the export support schemes.

Culture of government interventions: Export support is practiced to various degrees by almost all countries even those that are otherwise on the low side in terms of government culture of intervention on the agricultural sector.

Policy objectives: This support for organic businesses can contribute to the policy objective of earning foreign currencies, and to the objective of encouraging societal benefits from a wider adoption of organic agriculture on the national territory. It will not be relevant to the objectives of increasing self-sufficiency in organic production or to the objective of increasing access to healthy food for domestic consumers.

# Possible modalities of implementation

Regional approach: If the CTA analysis is accepted region-wide, there could be a case to prioritize regional cooperation on export strategies and promotion for Pacific organic products. This is also justified by the CTA report, which states that "Traditional approaches to delivering assistance through national government agencies to help overcome these constraints appear to no longer be up to the task. Regional initiatives launched with support from the European Development Fund (EDF), designed to augment national efforts, appear a logical progression towards Pacific regionalism." Branding Opportunities of the Organic Pasifika label (see strategic action "Development of National/Regional logo") also support regional strategies and supports for organic exports. Regional activities could include applied research and training programs to overcome technical barriers to organic exports (for example, meeting phytosanitary import requirements with allowed organic inputs), and could also include regional organising support for presence at key trade fairs (e.g. Fine Foods Australia, BioFachs in Germany, Japan, China) and hosting of foreign trade missions. Most countries would not individually have the resources to organize a high presence at some of these events, especially the organic fairs.

In some countries, there will remain opportunities for traditional government assistance in these areas. For example, organic business could be identified, recruited and integrated into the Ministry's agricultural export promotion activities.

Exports linked with tourism: The expanding tourism market is seen as offering first-world market opportunities closer to home to export Pacific products. Organic products offer an advantageous profile for countries to position these products in line with tourist images of many island nations as eco-friendly, natural, and offering high quality experiences. Linking resorts and restaurants in the domestic supply chain (see related strategic action) and facilitating tourist access to organic sources for "suitcase exports" is one option especially for those governments that are not engaged in more resource-intensive export promotion programs.

## **Countries examples**

<u>Tunisia</u>: Tunisia is one of the most pro-active governments in terms of encouraging its organic sector to export to foreign markets. The government also supports awareness and information, amongst its national producers, on new emerging organic market opportunities such as China (information day organized by the Tunisia-China cooperation council in 2016). In 2016, the Minister of Agriculture initiated the production of a documentary film on Tunisian organic products, to be used by Tunisian embassies and economic representations abroad. A large share of the export promotion strategy for Tunisan organic products is handled by the Agriculture Investment Promotion Agency (APIA), which also encouraged foreign

investment in Tunisian agriculture. APIA has facilitated the entry and penetration of the country's organic products in international markets by partaking at international organic fairs and exhibitions. With a view to creating Gulf markets for the country's organic products a promotional day known as the "Tunisian Organic Day" was initiated with assistance from the International Trade Center's EnACT project. The first Tunisian Organic Day was held in Dubai because it was designed to penetrate the Gulf organic markets by establishing a footprint in United Arab Emirates (UAE). It was jointly packaged and organized by the Tunisian Ministry of Trade and Handicrafts, MAHRF and the International Trade Center (ITC). Dubai is considered as the commercial hub in the Gulf region as it plays host to shoppers from nearly all Arab countries. It also offers the entry point to many international markets because it houses a large number of multinational stores, foreign companies and foreign experts from different parts of the globe. These factors underscore the strategic decision to stage the first Tunisian Organic Day in Dubai. The event was considered a huge success as some Dubai specialty stores with wide regional reach became patrons of some Tunisia's organic products (EnACT Team, 2012).

APIA also facilitated organic export trade development with the United States markets though a 2-year Tunisia Small and Medium Enterprise project, which was funded by USAID and implemented through the Volunteers for Economic Growth Alliance (VEGA).

Another related example is the partnership between the Tunisian and German Chambers of Industry and Commerce, whose focus was to foster Tunisia's organic products exporting activities in Germany.

<u>United States</u>: The USDA's Foreign Agriculture Service has a dedicated Organic Agricultural Specialist position to facilitate the development of exports for US organic products. Much of the work is done in close cooperation with the peak sector body in the United States, the Organic Trade Association (OTA). To promote United States organic products, the OTA and the USDA Foreign Agriculture Service jointly implement information and promotion services. With USDA funding, OTA prepares an online, publicly available export guide, profiling the organic market and regulations of other countries, and a globally accessible and searchable directory of US suppliers of organic products, and published them on its website. USDA's Foreign Agriculture Service furnishes deeper analysis of organic markets in selected countries through its Global Agricultural Information Network (GAIN). It also hosts pavilions for US organic businesses at relevant trade fairs and organic trade missions to targeted countries.

<u>Uganda</u>: The Uganda Export Promotion Board (UEPB), in recognition of the role of organic exports in the economy, and to foster competition among organic operators producing for export, introduced the Best Organic Exporter and Organic Fruits and Vegetable Exports Awards within the President's Awards for Exports. The UEPB also co-organized buyers' tours whereby European organic buyers visited the Uganda producers.

<u>Indonesia</u>: The district of Semarang has facilitated the certification of organic vegetables and access to export markets to Singapore and Malaysia.

Brazil: APEX- Brazil, the Brazilian Trade and Investment Promotion Agency, is a government agency responsible for promoting Brazilian products and services abroad and attracting foreign investment to strategic sectors of the Brazilian economy. Since 2005, Apex-Brazil maintains a special export program to foster Brazilian exports of organic products. As of 2014, Organics Brazil has gathered more than 70 Brazilian companies and more than 1.000 different products. The program has conducted promotional activities throughout the world, generating business worth an estimated USD 130 million in 2013. To facilitate this development, APEX collaborates with the NGO, Organics Brazil. Estimated business generation of this program in 2013 was circa U\$130 million.

The increased visibility of the program happens at international fairs where the Brazilian organic producers can showcase their products and catalogs and have direct contact with buyers, representatives, and agents, always with the support services offered by Organics Brazil. The program is present in the most representative sector fairs in Europe, North America, Asia and Latin America. Among the major exhibitions in which the Program regularly participates with promotional booths are:

Biofach - Nuremberg, Germany
Expo West - Anaheim, USA
N&OP Europe - Londres, UK
Sial - France and Canada
Biofach Latin America - Sao Paulo, Brazil
Biofach America - Baltimore, USA
Biofach Japan - Tokyo, Japan
Fine Foods - Australia
Seoul Food - Korea

Each year, the promotional calendar is planned in advance by the program managers. Companies interested can apply, subject to the general rules of each event.