

# Gourmet GROWTH

To get reasonable scale, speciality food makers find exporting is a necessity. But it's no cakewalk for small producers. **Amanda Cropp** talked to several that have found their place in a tough segment.

**N**elson company Eat Right Foods got off to a slightly shaky start in the U.S. market: It ended up donating \$25,000 worth of its low fat, low sugar cookies to American homeless shelters when a labeling error forced a product recall.

But for company co-owner Rebecca Douglas-Clifford the experience showed how "breakdowns are breakthroughs in

even stronger because of what we did," she says.

So when Whole Foods noticed Eat Right Foods' smaller packets of cookies were getting "lost" on the shelves, it suggested packaging them in larger tubs, resulting in a six-fold sales increase.

In New Zealand, where even the now ubiquitous olive oil was once considered exotic, there's been huge growth in locally

for the faint-hearted or the ill-prepared.

"They should be visiting the market at least once a year to support their buyers and if they can't afford to do that, they shouldn't really be in the game," says Evans. "Unfortunately we've had a couple of companies that have died trying."

Eat Right Foods was not one of them: Sales rose 65 percent last

North American market, Evans says NZTE has relationships with high-end U.S. outlets that don't charge slotting fees (which can be as high as US \$40,000 just to get a single product on the shelf). These outlets also work in volumes that are manageable for small New Zealand companies.

## Aussie entry point

Australia is regarded as a good stepping stone for gourmet food exporters because under Closer Economic Relations (CER) there are no duties or tariffs, provided country of origin requirements are met.

This year about 11 companies will visit the Fine Food Australia show in September as part of NZTE's Path to Market programme for new food and beverage exporters. As well as visiting the show and making contact with prospective buyers, participants took part in a "Dragons' Den" type session to practice their sales presentations. But despite its relative

**"It's knowing your place and going for it, not chasing every opportunity that comes along."**

disguise." She and husband Tim jumped on a plane to restock the shelves with 60 kilos of relabeled product packed in their luggage, and it earned them mega brownie points with their customer.

"At the time I thought it absolutely could have destroyed our company, but we fixed everything we needed to fast, and our relationship with Whole Foods (a leading retailer of natural and organic goods) has probably been

produced gourmet food products. Domestic consumers are keen for these products, but for boutique producers like Eat Right Foods, selling overseas provides the kind of scope they need for significant business expansion.

New Zealand Trade and Enterprise food and beverage sector director Leone Evans says anecdotal evidence suggests gourmet food exports are rising. But she warns that it's not a path

year, and turnover is expected to reach \$1 million this year.

It takes deep pockets to develop an international market for a speciality product, and Evans says a reasonable sized order can put a terrific strain on a small food manufacturer. "They have to buy in a whole lot of raw materials, packaging, and often they have to make labeling changes for different markets," she says.

To help ease entry into the key