



Beginning and Building Buyer Relationships

Ron Tanner

Food Export Consultant

Food Export -Midwest & Northeast

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Today's Presenter

Ron Tanner



- Former Vice President, Education, Content & Advocacy for the Specialty Food Association.
- Left the SFA after 33-year career to launch the Tanner Food Group in January 2021
- Ron served as the Specialty Food Association liaison with many associations and government organizations and has filled many roles over the years at the Association, helping its 3,900 member succeed in the food business.
- Ron managed SFA's Export Program, helping 600 specialty food makers start and build their export business



Beginning and Building Buyer Relationships

Webinar Agenda

- The Opportunities in International Trade
- Are You Export Ready
- Identifying the Right of Channel of Trade for Your Products
- Foreign Buyers Meeting Opportunities
- Preparing for a Buyer Meeting
 - Advance Contact Best Practices
 - Meeting Tips and Tricks
 - What Buyers Expect from Export-Ready Companies
- Helpful Resources



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The Potential in Exporting



The Potential in Exporting

Exports of U.S. goods increased \$333.2 billion to \$1.762 trillion in 2021

- U.S. agricultural exports were \$177 billion in 2021
- Agriculture represents 10% of U.S. exports
- Top 5 U.S. agricultural exports:
 - Soybeans
 - Corn
 - Tree Nuts
 - Pork & Pork Products
 - Beef & Beef Products



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The Potential in Exporting

Growth of U.S. Agricultural Exports

- Highest annual export levels ever recorded in 2021
- Exports in 2021 were up 18% over 2020
- Leading export markets:
 - China
 - Mexico
 - Canada
 - Japan
 - South Korea



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The Potential in Exporting

Growth in Upcycled Food

- Sales of upcycled food globally are \$53 billion and growing faster than plant-based food
- Upcycled food recorded a 122% compound growth rate from 2016 to 2021, according to Innova Market Insights
- 62% of consumers say they will pay more for upcycled food

Source: Upcycled Food Association



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Are you Export Ready?



Are You Export Ready

The Benefits of Exporting

1. Overseas markets are growing
2. Overseas markets continue to open
3. U.S. manufacturers have a competitive advantage
4. Support the U.S. agricultural economy
5. Increase sales and income
6. Diversify market risk and offset lags in domestic demand
7. Extend product life cycles



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Are You Export Ready

Determining Export Readiness

- Knowledge, resources, experience and perception of exporting
- Level of managerial commitment
- Focus: “Asia” or “Latin America” are not target markets
- Interest in carrying out required tasks
- Just “selling” is not likely to succeed
- Tolerance for ambiguity



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Are You Export Ready

Determining Export Readiness

- Access to marketing information and monitoring it as an ongoing practice
- Knowledge of the customer base for your product in export markets
- Information on the business climate and practices of your targeted markets
- The ability to target and select the most appropriate channel of distribution



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Are You Export Ready

Determining Export Readiness

- Is there product acceptance in its current condition?
- How will you decide on types of distribution for export?
- Under what conditions will you export?
- Which products will you export?
- To which countries will you export?
- How will you get paid?
- Expect a mix of both distribution and payment



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Are You Export Ready

Determining Export Readiness

- Company has character and capacity to export
- Company is proactive and willing to commit
- Export manager is task and detail oriented
- Company and manager takes and uses resources, information and assistance



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Are You Export Ready

Export Do's

- Be realistic about expectations
- Give yourself time to learn by osmosis
- Focus on target markets/segments
- Focus on building relationships instead of “selling”
- Appreciate cultural nuances
- Make education part of an annual agenda
- Appreciate export price escalation



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Are You Export Ready

Export Don'ts

- Think exporting is either easy or hard
- Be impatient or uninterested in learning
- Be confused over terms of trade
- Use inappropriate correspondence
- Use a “cookie cutter” approach to markets
- Ignore the metric system
- Obsess over one specific issue, as in “just ship it”
- Try and learn to export after getting an order



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Defining the Right Channel of Trade



Determining the Right Channel of Trade

Potential International Buyers

- Importer
- Distributor
- Retail Buyer
- Foodservice Buyer
- Ingredient Buyer



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Determining the Right Channel of Trade

Potential International Buyers

- Importer: An entity that brings food produced in the U.S. into their home country
- Distributor: Companies that purchase the food from you, then sell and deliver it to retail and foodservice establishments



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Determining the Right Channel of Trade

Potential International Buyers

- Retail Buyer: Purchase products to bring into a supermarket, natural food store, convenience store or specialty food store
- Foodservice Buyer: Purchase products for restaurants, cafes, hotels, universities and so on
- Ingredient Buyer: Purchase raw ingredients to manufacture food; good opportunity for upcycled suppliers



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Foreign Buyers Meetings Opportunities



Overview: Foreign Buyer Meeting Platforms

- On Your Own
- Tradeshow – International or “Domestic” (held in U.S.)
- Personal Visit (either direction)
- Email (be mindful of fraud)



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Overview: Foreign Buyer Meeting Platforms

- Food Export-Midwest & Food Export-Northeast
- Domestic:
 - Buyers Missions
 - Online Product Catalog
- International:
 - Tradeshows – Food Show PLUS!™
 - Trade Missions
 - Market Builder Program (Rep Finder component)
 - “Virtual Component” of any event



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Selecting the Right Buyers & Countries

- Carefully review the buyer profiles (if available)
 - ✓ Attributes and Products of interest
 - ✓ Capacity to import or not to import: (dairy, meat, alcoholic beverages, frozen, GMO)
 - ✓ Facilities, Industry Segments
 - ✓ Shipping and Quotation Preferences
 - ✓ Consolidator in the U.S. and location (term of sale)
- Industry clues: perishable, gourmet, ingredients
- Importance of secondary market research



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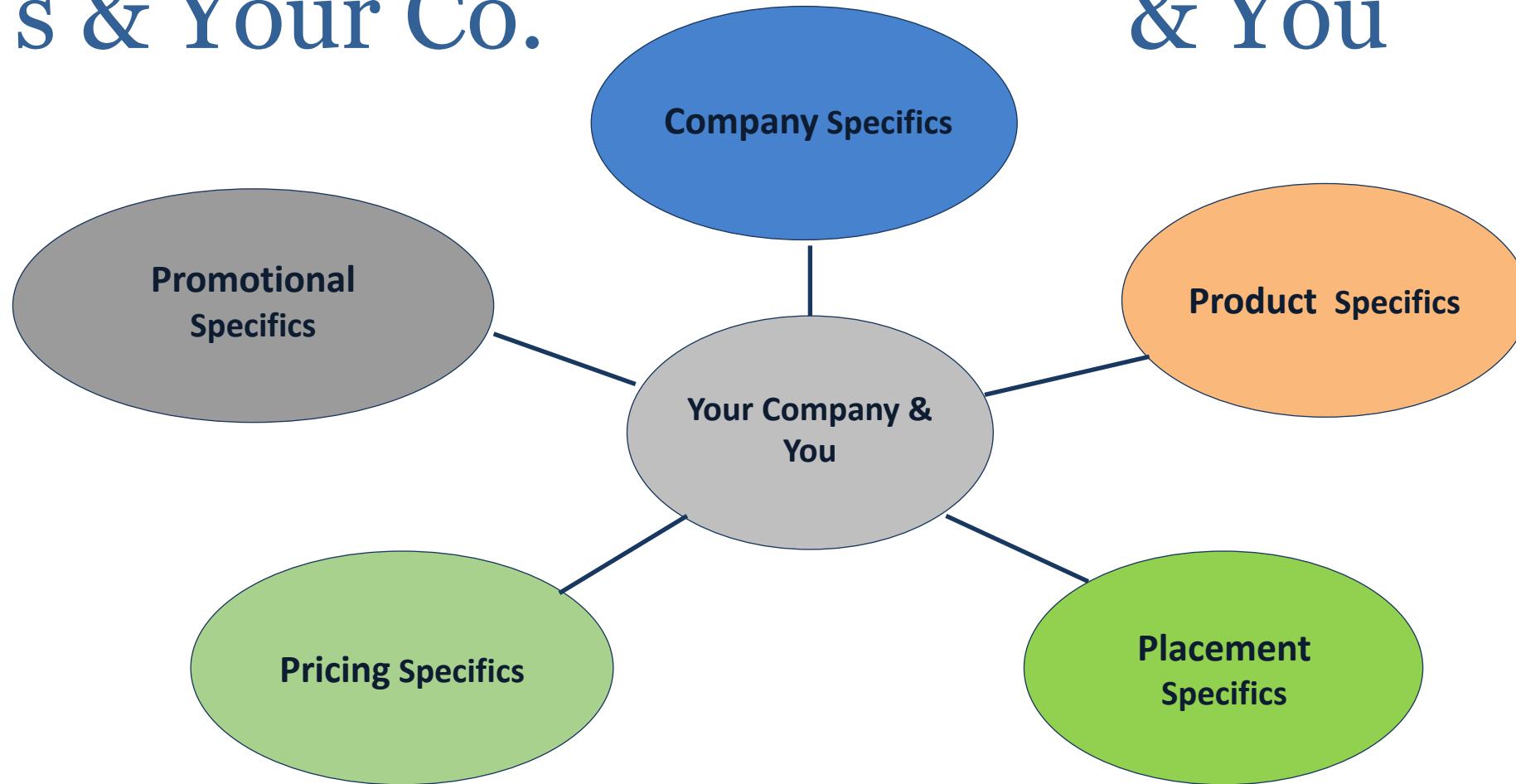


Preparing for a Meeting with a Foreign Buyer



4 P's & Your Co.

& You



Company Specifics

- Information about your firm, the length of time in business, ownership, location
- Vertical integration or traceability of supply
- Closest port of export or intermodal facility
- Product line, and its length, width and depth
- Samples, photos, news clips and any other goodwill items and public relations materials available



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Product Specifics

- Product, including the size, shapes, flavors and tastes
- Ingredients and comparative advantage
- List weights and dimensions using the metric system
- Type of packaging that is available



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Placement Specifics

- Transported condition such as dry, chilled or frozen
- Shelf life
- Methods of distribution in the U.S. market
- How handled and positioned for end use and end user
- Capacity to fill orders and capability in turn-around time



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Pricing Specifics

- Two types of pricing in export – together these are known as the “landed cost”
 - Price of product located at your facility
 - Price the buyer will pay to import it into their country
- Explain your U.S. pricing strategy at the distributor, wholesale and retail level (if applicable)
- Price may need to be more competitive if required for establishing export business



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Promotional Specifics

- Advertising
- Sales Promotions You Offer
- How Your Sales Force Operates
- What Trade Shows You Attend
- Information From Your Brochures Or Website They Could Take With Them To Review Later
- Participation In Branded Program



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Draft an Introductory Email



- To be done once a confirmed appointment to meet has been completed
- Study the buyer's company information carefully, especially the name, title and company specifics
- Be diplomatic but friendly although not "too" friendly – Avoid "Hey" or "Hi" or "Thanks!"
- Although an email consider it more of a memo – if more than 200 words, consider an attached document and introduce that in a shorter email
- Keep it "business like" – formal but friendly



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Who, Where, How and Why?

- Introduce your company and yourself as well as your product line
- Explain why and how you are getting in touch with them – name the city and date of the meeting – could be overseas
- Provide your geographic location and distance in miles and kilometers from nearest port – could be an inland port
- Identify your interest in meeting them based on their interest in sourcing like products



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Product Specifics & Logistics – “Export Essential”

- Attach spec sheet and product information
- Weights and measures in metric system
- Identify Incoterm used and specific location
- Quotations made available upon request
- HS code and tariff analysis – either FTA or Customs Tariff
- Offer samples & ask for routing instructions



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What Buyer's Expect from Export Ready Suppliers

- Harmonized System (HS) code of product/products @ six digits
- Assistance in qualifying products for Free Trade Agreements
- Some idea of business practices and food trends in their market
- Knowledge of labeling requirements, regulations and documentation
- Knowledge of international freight forwarders and wholesale food consolidators
- Correct use of terms of sale for pricing and quoting
- Sensitivity to export price escalation in transit and competitive pricing



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Closing & Contact

- Express willingness to attend to questions and/or issues in advance
- Provide all contact information available including website – social media content
- Thank them again for attending – mention “mutual cooperation and success”



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Market Research and Assistance from the Foreign Agricultural Service



Foreign Agricultural Service – “FAS” Research, Regulations & More


- International Marketing Arm of USDA
- One of many USDA’s divisions involved in export support
- Over 80 foreign offices w/ at least one U.S. officer
- Referred to as “ATO’s” or Agricultural Trade Offices
- Referred to as “OAA’s” or Office of Agricultural Affairs
- Internally referred to as “Post”
- Advocate for U.S. food and agricultural exporters
 - Includes getting shipments released from customs
- Publish dozens of marketing and regulatory reports



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Helpful Resources

- Export Essentials Online Training Modules
 - Module 11 – Prepare for Meetings with Buyers
 - Module 2 – Classify Your Products for Export
 - Module 3 – Use Market Research
 - Module 4 – Take Advantage of Free Trade Agreements
 - Module 5 – Price Your Products for Export Markets
 - Module 6 – Use International Terms of Sale



Complimentary Online Service

Select a Chapter and Go!

- [Module 1 – Exporting the Time is Right](#)
- [Module 2 – Classify Your Products for Export](#)
- [Module 3 – Use Market Research for Competitive Advantage](#)
- [Module 4 – Take Advantage of Free Trade Agreements](#)
- [Module 5 – Price Your Products for Export Markets](#)
- [Module 6 – Use International Terms of Sale](#)
- [Module 7 – Master International Logistics](#)
- [Module 8 – Navigate Export Regulation](#)
- [Module 9 – Prepare Commercial Export Documentation](#)
- [Module 10 – Get Paid for Your Export Sales](#)
- [Module 11 – Prepare for Meetings with Buyers](#)



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More Helpful Resources

- Recorded Videos/Webinars - This one (in a few days)
 - Sharpen Your Approach to International Leads
 - What's New? Incoterms 2020
 - What's New: 2022 Changes to the Harmonized System and Schedule B
 - How To: Review Buyer Profiles
 - How To: Draft an Introductory Email to International Buyers Ahead of a Trade Event
 - How To: Best Practices for Following Up After a Trade Event



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Thank You

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