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SUCCESS STORIES

IN ATLANTIC CANADA

ATLANTIC CANADA-ASIA SUCCESS STORY: MUWIN ESTATE

In a small red barn just outside of New Ross, in rural Nova Scotia, business partners Dominic Rivard and Germain Bergeron are crafting cider, fruit wine and liquor with handpicked apples and grapes from the nearby Annapolis Valley. The pair bought Muwin Estate in 2010, and began producing and shipping their products the following year. They supply the local market, sell across Canada and to the United States, and are exporting the remaining 30 to 35 per cent of their production almost entirely to Asian markets. Their main export markets in Asia are South Korea, China, Hong Kong, Taiwan, and Japan.



After spending many years in Asia—making wine in China and owning a winery in Bangkok—the two business partners chose Nova Scotia to start their winery in Canada. With the lower cost of land, the quantity and quality of fruits, and an ideal climate and soil conditions to craft their products, they found a perfect fit in New Ross. Nova Scotia already had a reputation for quality wine products, and the proximity to the Port of Halifax was also a major advantage for the winemakers, as exporting their product—to Asia in particular—has always been part of the business plan.

The company has experienced tremendous success in exporting to international markets and has been particularly successful in growing its exports to markets in Asia.

GROWING IN ASIA

As Rivard explains, “We’re not a retail-type winery open to the public. We’re not catering to people that will buy just one bottle. We ship by pallets and truckloads and containers. So exporting was in our business model from the get-go.”

In order to get their goods to Asian markets, the partners mainly export their products through the Port of Halifax, but they sometimes have to ship their products across Canada to the Port of Vancouver when they cannot fill a full container load in Halifax.

For the pair, exporting to Asia “was by far the easiest thing to do,” says Rivard. They already had a few loyal existing customers in Asia with whom they wanted to keep working. Rivard explains that once you have developed contacts and have good relationships with buyers in Asia, “When you do have changes, or if you have problems, there is a bit more forgiveness—they’ll wait for you, they’ll stick with you. And we’ve been able to develop that with some of the key buyers.” If relationships always matter when doing business, they are particularly important in Asia, adds Rivard.

Using existing contacts made it easier for the Muwin Estate team to begin exporting to Asia, and they soon expanded their client list. But the winery’s growth in Asian markets happened even more quickly than the two owners had expected. It also helps that one of the two business partners lives half of the year in Asia, which makes it easier to follow up with existing customers and to develop new ones. And because of their familiarity with Asia, the partners are accustomed to the ways of doing business in various parts of the region.

DOING BUSINESS IN ASIA

For new exporters to Asia, Rivard notes that having previous exporting experience is extremely useful



when attempting to penetrate Asian markets. He explains that you have to have the right mindset to export to Asia, and that you have to be prepared to put in the time needed to grow your business by developing your contacts and business relationships. Once you are ready to go in these new markets, you have to do more than just attend a trade show and hand out samples.

In order to develop your client list, says Rivard, “You have to follow up. You have to be willing to go outside of trade shows—to go to their offices, meet them, invite them to go for dinner. You need to develop that kind of friendship—they buy from people they trust, and people don’t trust on sight. It takes a bit of time.”



In order to help businesses engage with Asian markets, the federal and provincial governments and other organizations and agencies provide useful information and advice. These resources are helpful even to seasoned exporters like the owners of Muwin Estate. The services offered by trade missions and Canadian embassies and consulates throughout Asia are also extremely helpful, and they are the first go-to for many Canadian businesses ready to make the leap into Asian markets.

Once the initial steps of market research and due diligence have been taken, it is time for a company to test a new market. The owners of Muwin Estate warn that businesses should always study an export market before investing money to ensure that there is a demand for what they are producing. Rivard says, “You learn a lot more when you’re in the field, once you’re there.”

Unlike many export businesses, Muwin Estate did not have to adapt its products to sell them in Asia; the pair knew that the fruit wine and cider they produce would be of interest in Asian markets straight away. Their ice wine, for example, sells very well in China. In fact, China is Canada’s most important destination for all sorts of fruit wine, accounting for more than one-third of Canada’s total fruit wine exports. But Muwin Estate is always adapting its business strategy, and the owners are always looking for new ways to lower costs and be more competitive. For example, the winery is looking at other logistical options for transport to get its products to markets, and to expand to new markets as well, including Southeast Asia.

PERSPECTIVES IN ASIA FOR THE FUTURE

Due to population and income growth, the demand for value-added agri-food products is increasing tremendously across Asia; the owners of Muwin Estate are aware of the Asian region’s potential and they are capitalizing on these opportunities.



Dominic Rivard and Germain Bergeron take satisfaction in selling their products in Asia, and would like to dedicate even more resources to these markets. They say they face less competition in many countries in Asia than in the United States, and that the margins for their products are better in Asia. The pair is still trying to expand the winery’s global footprint, and recently landed a major deal in the U.K. for their cider products. But Asia remains a steady, growing market for the New Ross winemakers, and with their passion for the Asian region, customers in Asia can look forward to buying their products for a long time.



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The Asia Pacific Foundation of Canada (APF Canada) is a not-for-profit organization focused on Canada's relations with Asia. Our mission is to be Canada's catalyst for engagement with Asia and Asia's bridge to Canada.

A leader in research and analysis on Canada-Asia relations for over 30 years, APF Canada partners with government, business leaders, academics, and opinion makers in Canada and across the Asia Pacific region to offer clear, specific, and actionable policy advice.

Established by an Act of Parliament in 1984, APF Canada's thematic priorities include: promoting trade, investment, and innovation; mobilizing energy assets; building skills and competencies; and, understanding Asia now.

**Asia Pacific Foundation of Canada
Head Office**

900-675 West Hastings St.
Vancouver, BC
Canada V6B 1N2
Tel: 604-684-5986
Fax: 604-681-1370

**Asia Pacific Foundation of Canada
Toronto Office**

205-375 University Ave.
Toronto, ON
Canada M5G 2J5
Tel: 416-597-8040
Fax: 416-597-1162