

2014 ACBA Award Winner Lynch Group Continues to Grow in China

LYNCH GROUP won the AustCham Westpac Australia China Business Award for Business Excellence in Primary Industries in 2014. Scott Salter, Manager Lynch Group, caught up with AustCham Shanghai while in Yunnan this month.



In the past 2 years since then how has your business changed, if at all? (Size, market etc)

Over the last 2 years our business has seen a number of changes. Lynch Horticulture, based in rural Yunnan province, has completed phase 2 of a multiphase rollout of the flower farm, and been officially opened in late 2014. Since that time, the quantity and quality of roses, lisianthus, asters, gypsophila and statice has increased substantially, to now being produced in the hundreds of thousands of stems per week. In terms of scale, it is a large farm by Australian standards. Our efforts to harness world class genetics and innovation for the benefit of the Chinese market has continued. Enlisting the premier breeders of the world to join our efforts has been enormously challenging but enormously satisfying aspect of the last few years.

Has the ACBA 2014 Business Excellence Award for Primary Industry helped or changed your business? If so how?

The 2014 ACBA award was a fantastic moment for our company. We believe the most immediate benefit of the award was to provide recognition to our hardworking people that our efforts were being noticed and recognized. Our shared values, which include the quiet pursuit of excellence and of in every instance maintaining high integrity in our dealings were, by that award, well validated in the eyes of our people. Our main business activities are in rural and remote locations in central China, and it is heartening to know that a community of business people with a common experience is with us. It is a source of great pride in our company. Second to this, it has also been instrumental in opening opportunities and conversations with partners in the commercial or supply chain world that may otherwise not have happened.

When you look back at the [economic or broader?] challenges facing Lynch in 2014, how are they different to the challenges you are now facing in 2016?

An interesting question. Certainly the changes in the value of the AUD has had an impact on our global strategies, and in some respects on our behaviors on the ground. However probably the most significant changes have been in terms of the regulatory environment which have been generally favorable to our trade. Via a thorough and collaborative approach with Chinese and Australian governments, we have been able to provide good confidence in the bilateral trade pathways, which has encouraged suppliers to join us and allowed us to grow with confidence. New challenges ahead will be in the ramping up of our capacity building efforts in Yunnan, and in maintaining a unified and well integrated approach despite a diverse range of interests in China and elsewhere.

The introduction of ChAFTA is set to make significant changes to trade in agriculture between Australia and China over the next few years. What do you think will be the most significant change for the Lynch business?

Most prominently, the removal of tariffs for fresh flower commodities, on a bilateral basis, will certainly be of benefit. The ever closer development of ties, service delivery and spirit of capacity building between Australia and China are always beneficial.

What advice, if any, would you have for a business looking to enter the Chinese market in 2016?

Each company and situation is different, however, our mantra of maintaining a gritty brand of perseverance while staying true to your core values have been instrumental in achieving a foothold in the Chinese market. Be prepared to forego opportunities that do not fit your core business. China is a wonderful environment full of opportunities. Staying very close to Chinese culture and cultivating a wide array of friends in China has also been of great benefit.

