

CBI  
*Ministry of Foreign Affairs*

**Exporting grains and pulses to**  
**Europe**



# Exporting grains and pulses to Europe

Europe offers opportunities for exporters of grains and pulses. The information you find on this page can help you get grains and pulses on the European market.

- **Sector information**

- 1) What requirements should your product comply with?
- 2) What is the demand?
- 3) Which trends offer opportunities?
- 4) What competition do you face?
- 5) Through which channels can you get your product onto the European market?

- **Tips**

- 10 tips to find buyers
- 10 tips to do business



## 1) What requirements should grains and pulses comply with to be allowed on the European market?

If you want to get grains and pulses on the European market, you must comply with strict requirements. Requirements that are especially important are those related to food safety, use of pesticides and contaminants. Complying with additional requirements (for example having GLOBALG.A.P.) or niche quality standards (for example having fair trade or organic certification) can help you distinguish your company from your competitors.

1. [With which legal and non-legal requirements must your product comply?](#)
2. [What additional requirements do buyers often have?](#)
3. [What are the requirements for niche markets?](#)

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### 1 . With which legal and non-legal requirements must your product comply?

When exporting grains and pulses to Europe, you must comply with the requirements listed below. Detailed information about European Union (EU) requirements can be found on the [Export Helpdesk website](#). The obligatory requirements discussed in this section are as follows:

- Food safety in general (incl. traceability)
- Pesticides
- Contaminants (incl. mycotoxins)
- GMO
- Food control
- Labelling

### **Food safety: Traceability, hygiene and control:**

Food safety is a key issue in EU food legislation. The [General Food Law](#) is the legislative framework regulation for food safety in the EU. To guarantee food safety and to allow appropriate action in cases of unsafe food, food products must be traceable throughout the entire supply chain, and risks of contamination must be limited. One important aspect involved in controlling food-safety hazards is defining critical control points (HACCP) by implementing food-management principles. Another important aspect involves subjecting food products to official controls. Products that are not considered safe will be denied access to the EU. Products that are new in the European food market (e.g. those not widely consumed prior to 1997) are considered 'novel foods' and have specific legislation.

### **Tips:**



- Read more about [Food Safety and Risk Management](#) on the website of the Food and Agriculture Organization (FAO).
- When introducing a novel product in the EU, consult with the EU food safety authorities to determine whether your product is actually considered a [novel food](#). Novel food requires a special authorisation or notification.

### Limited use of pesticides:

The EU has set maximum residue levels (MRLs) for pesticides in and on food products. Strict compliance with MRLs and the prevention of microbial contamination are preconditions for entering the European market. Products containing illegal pesticides or excessive amounts of other residues will be withdrawn from the EU market. Note that the MRLs applied by buyers in several Members States are stricter than those specified in [EU legislation](#).

### Tips:

- Use the [MRL database](#) to identify the MRLs that are relevant for your products. After selecting a product or pesticide used, the database returns the list of the MRLs associated with them.
- Apply integrated pest management (IPM) to reduce the amount of pesticides. This agricultural pest-control strategy uses natural control practices. The fewer chemicals you use, the better your marketing position will be. The FAO website provides [information about IPM](#).
- Check with your buyers to determine whether they require additional requirements relating to MRLs and pesticide use. Expect your product and product samples to be subjected to thorough testing. The laboratory tests in Europe may be more extensive than those in your own country.

### Contaminants:

Contaminants are substances that have not been intentionally added to food, but which may be present as a result of the various stages during production, packaging, transport or holding. To avoid negative impact on the quality of food and risks to human health, the EU has set [limits](#) for several contaminants. These limits include heavy metals and mycotoxins, which are natural byproducts of mould and very common on grains and pulses cultivated in humid climates.

### Tips:



- Find the legal limits of relevant contaminant levels in your product or product group in the annex of [Regulation \(EC\) 1881/2006](#) (starting on page 20).
- Check the European Commission's factsheet on food contaminants '[Managing food contaminants: how the EU ensures that our food is safe](#)' and the FAO publication '[Mycotoxin prevention and control in food grains](#)'
- Avoid product rejection due to mould (mycotoxins) or salmonella. Maintain excellent postharvest and storage methods.

### No GMOs:

The European Union adopts a very cautious stance towards genetically modified organisms (GMOs). Only a few genetically modified grain varieties have been authorized for soybeans, rapeseed and maize, and they are used primarily in the animal feed sector. For human consumption, most food businesses choose not to sell GM food at all.

### Tips:

- Sell only non-GMO products if your product is destined for human consumption. In general, genetically modified crops are not accepted.
- For additional information, consult the [EU register on GMOs](#) to determine which GMOs are allowed and the [EU factsheet](#) to review current legislation.

### Control of food imported to the EU:

To ensure food safety and avoid environmental damage, the EU has restricted the use of certain chemicals (MRLs) in several Regulations and Directives. Your products will be subjected to official controls, which are conducted in order to ensure that all food marketed in the EU is safe (i.e. in compliance with the requirements applicable to particular products). There are three types of checks:

- a) Documentary checks
- b) Identity checks
- c) Physical checks

In the event of repeated non-compliance of specific products originating from particular countries, the EU can decide to conduct more intensive controls or impose emergency measures. Although controls can be carried out at all stages of import and marketing in the EU, most take place at the points of entry into the EU.

For importers of food products, the [traceability](#) of a product is compulsory. To this end, importers in the EU require exporters to show proof of origin and take traceability measures.



## Tips:

- Make sure that the accompanying documents (e.g. bill of lading) correspond exactly with the food products contained in the consignment, including the indicated volumes, number of pallets and boxes, and names of growers.
- Consult the [EU control measures](#) to determine whether there are any increased levels of control for your specific product.
- Read more about [health control](#) in the EU Export Helpdesk.

## **Labelling:**

Food placed on the EU market must conform to the following legislation with regard to food labelling:

- Generic name and, if applicable, its treatment;
- List of ingredients, including allergens;
- Net quantity;
- Date of minimum durability;
- Special conditions for keeping or use;
- Name and address of the manufacturer, packager or importer;
- Place of origin;
- Lot marking on pre-packaged foodstuffs.

Novel food and genetically modified foods require additional labelling (e.g. with regard to composition, nutritional value, intended use and materials that may have health implications and/or raise ethical concerns).

## Tips:

- Make sure that all mandatory information is mentioned, in addition to considering other useful information (e.g. logos of importers or certificates). Read more about [food labelling in the EU Export Helpdesk](#).
- When targeting several countries within the EU, labelling must be in the language of each country.
- Avoid making health or nutrition claims that are not supported by European legislation. Check first with the [EU Register of Nutrition and Health claims](#).



## Full overview of requirements for your grains and pulses:

For a full list of requirements, please consult the [EU Export Helpdesk](#). Specific product codes can be selected under Chapters 07.13 (Pulses), 10 (Cereal grains) and 12 (Seeds)

## General requirements on packaging and liability:

Note that non-product-specific legislation on [packaging](#) and [liability](#) also applies to all goods marketed in the EU.

## 2 .What additional requirements do buyers often have?

European buyers often have specific requirements, depending upon their sales channels and product segments. Common buyer requirements include the following:

### Marketing standards

Each product has its own characteristics which are often documented as a marketing standard. The [Codex Alimentarius](#) provides standards for several grains and pulses, such as [couscous](#), [sorghum](#), [rice](#) and [certain pulses](#). These standards cover characteristics such as moisture, purity, grain quality and appearance. Not all products are covered. However, this does not mean that buyers of such products operate without a standard.

### Tip:

- Ask your (potential) buyer for technical data sheets. This will give you an indication of the product characteristics you have to supply.

## Certification as guarantee:

Given that food safety is a top priority in all EU food sectors, most buyers are likely to request additional guarantees in the form of certifications. For European food businesses it is a legal requirement to have a food safety management system based on the principles of HAZARD ANALYSIS AND CRITICAL CONTROL POINT ([HACCP](#)). Many EU buyers (e.g. traders, food processors, retailers) require the same from their foreign suppliers.

Food safety management systems and certifications that are recognized by the [Global Food Safety Initiative \(GFSI\)](#) are widely accepted throughout Europe. The following are the most significant certifications:

[GLOBALG.A.P.](#) – a pre-farm-gate standard covering the process from farm input to non-processed product

[FSSC 22000](#) / ISO 22000 – International standard for food safety management. FSSC 22000 is based on ISO 22000 and targeted specifically at food manufacturers. These certifications include HACCP.

[BRC Global Standard for Food Safety](#) provides technical standards for food safety, consumer products, packaging, storing and distribution. It is a widely accepted standard in Europe.



**[IFS](#)** – Safety standard for food processors and packers

**[GMP+](#)** – International standard for feed safety and responsibility throughout the supply chain for animal feed

### **Tips:**

- Check the [FAO Guidelines for the implementation of HACCP](#).
- Read more on the different Food Safety Management Systems and hygiene standards in the [Standards Map](#), or consult the [Global Food Safety Initiative \(GFSI\)](#). The Standards Map contains a [benchmark](#) for relevant additional standards.
- Become familiar with [A.P.](#), as your preparation for EU market entry is likely to include GLOBALG.A.P. certification, especially when targeting supermarkets as the end market.
- Different market channels and EU regions may have different preferences for particular food safety management systems. Check with your buyers to determine which systems they prefer.

### **Social and environmental practices:**

Buyers in the EU are increasingly paying attention to their corporate responsibilities with regard to the social and environmental impact of their businesses. This has led a number of supermarket chains and large industrial players to develop their own Corporate Social Responsibility (CSR) and sourcing policies. In addition, many smaller buyers have incorporated social and sustainable practices into their business policies. This has implications for suppliers as well. Common requirements include signing a code of conduct for suppliers, in which you declare that you conduct your business in a responsible manner (e.g. you and your suppliers respect local environmental and labour laws and avoid corruption). Social compliance is supported by several important initiatives, including the following:

#### **[Business Social Compliance Initiative](#) (BSCI)**

The BSCI is a leading business-driven initiative for companies committed to improving working conditions in the global supply chain by adopting a common code of conduct. It is particularly prominent in Western mainland Europe. The initiative of BSCI is in the hands of European companies that share a common code of conduct, improving working conditions of supplying factories and farms.

#### **[Ethical Trading Initiative](#) (ETI).**

Originating in the UK, the ETI is an alliance of companies, trade unions and NGOs promoting respect for workers' rights around the globe.





### [Global Social Compliance Programme \(GSCP\)](#)

The GSCP is a business-driven programme for the continuous improvement of working and environmental conditions in global supply chains.

### Tips:

- Check the current performance of your company (e.g. by completing [a self-assessment on the BSCI website](#)). This will help you focus on specific improvement points.
- The implementation of new certification systems can be very time-consuming. Plan ahead and focus on the ones that are most relevant to your product and target market.

### [3 .What are the requirements for niche markets?](#)

In addition to the official and common requirements, specific requirements apply to niche markets (e.g. for organic grains and pulses or fair trade products). These requirements can be particularly important for specific consumer groups or in the health-food segment.

#### **Organic, a growing niche market:**

Consumers in the EU increasingly prefer food products that are produced and processed using natural and sustainable methods. Organic certification is often used for food products associated with health benefits. For example, the European market for quinoa has been developed entirely by organic trading companies.

In order to market organic products in the EU, you must use organic production methods, which are specified in [EU legislation](#). You must have used these production methods for at least two years before you can market grains and pulses as organic. In addition, you (or your EU importer) must apply for import authorization from an EU organic control body. After being audited by an accredited certifier, you may affix the [EU organic logo](#) on your products, along with the logo of the standard holder. Examples include the [Soil Association](#) (especially relevant in the UK), [Bio-Siegel](#) (Germany), [Agriculture Biologique](#) (France) or [BioSuisse](#) (Switzerland). Although there are slight differences between these standards, they all comply with EU legislation concerning organic production and labelling.

### Tips:



- Implementing organic production and becoming certified can be expensive. Assess the market potential for your organic product.
- Read about [organic farming and guidelines in the EU](#).
- Find importers specialized in organics through such directories as the [International directory of organic food wholesale & supply companies](#) (Organic-bio) or the [International Trade Centre](#) (ITC).
- Participate in trade fairs for organic products to get in contact with companies specialised in organic products (e.g. [Biofach](#) in Germany).

### Fair trade and environmental certification:

Fair trade and sustainable certification is a niche requirement that can distinguish your product from the mass and attract the more conscious consumers. These certification labels are consumerfocussed and best applicable to products from smallholder farms. Well-known labels include [Fair for Life](#), [Rainforest Alliance](#) and [Fairtrade](#). Fairtrade International (FLO) introduced a new [fair trade standard for cereals](#) in 2016.

### Tips:

- Consult the [Standards Map database](#) for a list of labels, along with their similarities and differences. Enter your product, country and destination country to find certification schemes that fit your product.
- Find a specialized European buyer who is familiar with sustainable or fair trade products.

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## 2) What is the demand?

### CBI Trade Statistics: Grains and Pulses in Europe

#### Introduction:

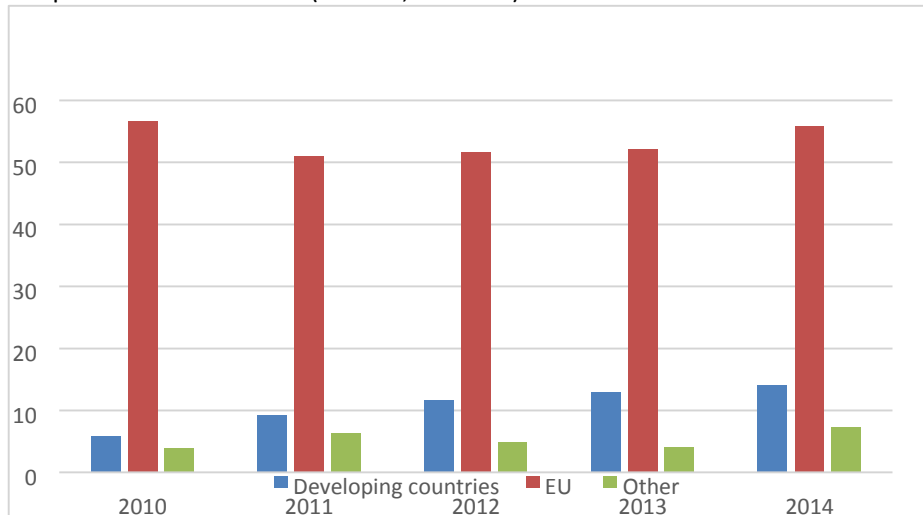
Cereals, seeds and pulses are generally major commodities that are widely cultivated and traded within the European Union (EU). The supply market for major staple foods is very locally oriented, with relatively stable levels of supply and demand. Opportunities for small and medium-sized suppliers from developing countries are best found in smaller-scale products, product differentiation (organic) and specific consumer trends (healthy, authentic, gluten-free). It is

important to note, however, that smaller niche markets are accompanied by greater risk and volatility.

## Import :

### Cereals

EU Import of cereals in millions of tons (incl. wheat, rice and corn)

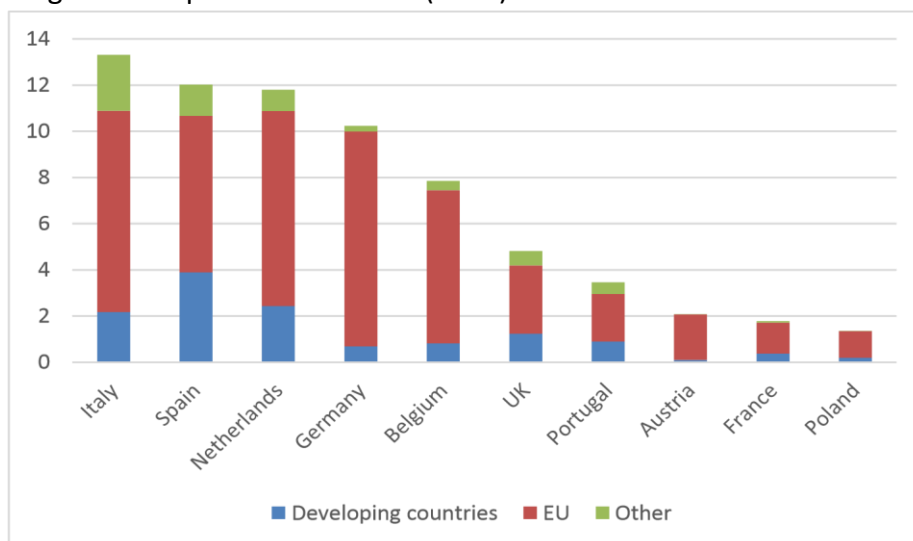


Source: Eurostat (Comext); figure created by ICI Business

\*Statistics for 'EU' refer to the [EU-28 member states](#)

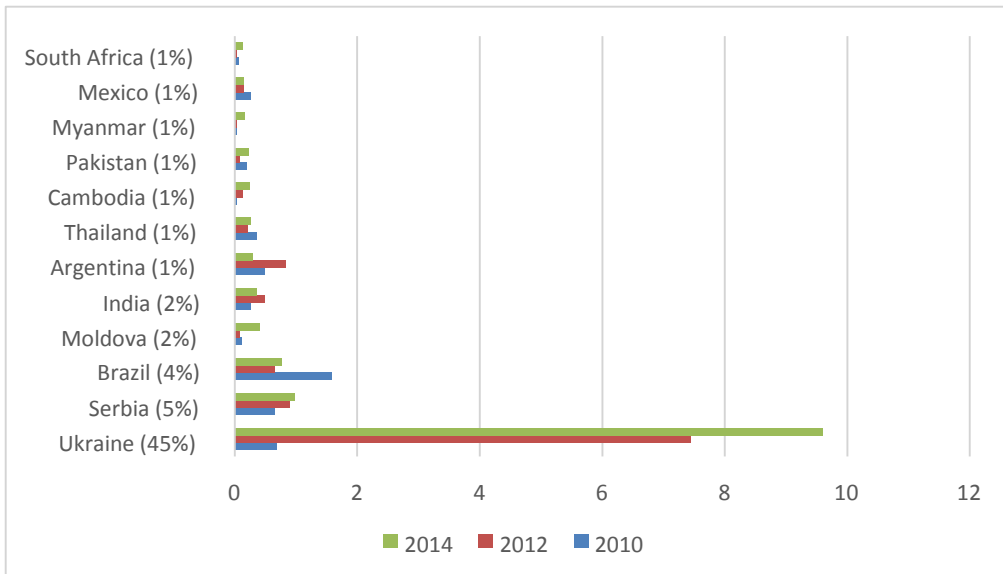
\*Developing countries are defined by the [OECD DAC list of 2014](#)

Largest EU importers of Cereals (2014) in millions of tons



Source: Eurostat (Comext); figure created by ICI Business

Largest suppliers of Cereals from developing countries to the EU, in millions of tons



Source: Eurostat (Comext); figure created by ICI Business

## Interpretation & opportunities :

The EU market for cereals is valued at nearly €18 billion. Although cereals are sourced predominantly within the EU, the import of cereals from developing countries is increasing. This is largely affected by growth in the import of maize (from 3.4 million tons in 2010 to 10.8 million tons in 2014). The primary corn-supplying developing countries include Ukraine, Moldova, Serbia, Brazil and Argentina.

Spain, the Netherlands and Italy are the largest cereal importers from developing countries. Corn and especially wheat are typically supplied by nearby developing countries; rice is imported predominantly from India, Pakistan and South-East Asia. Belgium and Germany are also large importers of cereals, but they import primarily from other EU countries. Ukraine is the most important developing country that supplies cereals to the EU, with corn and wheat being its largest export commodities.

While the total EU import of cereals has been showing a stable increase, the import volumes from supplying countries have been fluctuating more vigorously.

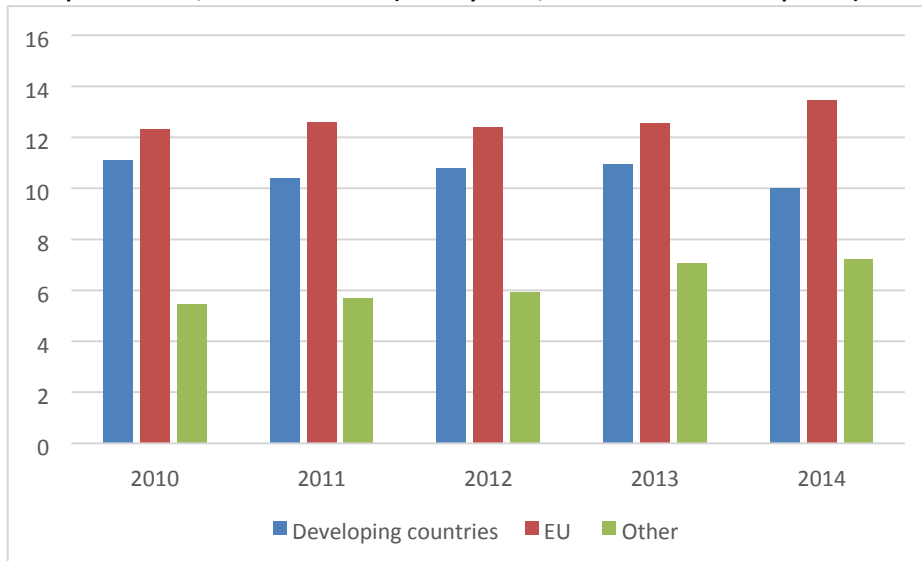
Relative to the major commodities, other cereals (e.g. buckwheat and millet) continue to be regarded as highly specialized niche markets. Nevertheless, some pseudo-cereal types have shown strong growth in the past few years. Quinoa is one example (now at 15,000 tons). These commodities are paving the way for other future cereal prospects, including amaranth and teff. See also [CBI trends for grains and pulses](#).

## Tips:

- Focus on specific cereals that correspond to the growing needs and market trends of specific consumer groups (e.g. healthy or gluten-free products).

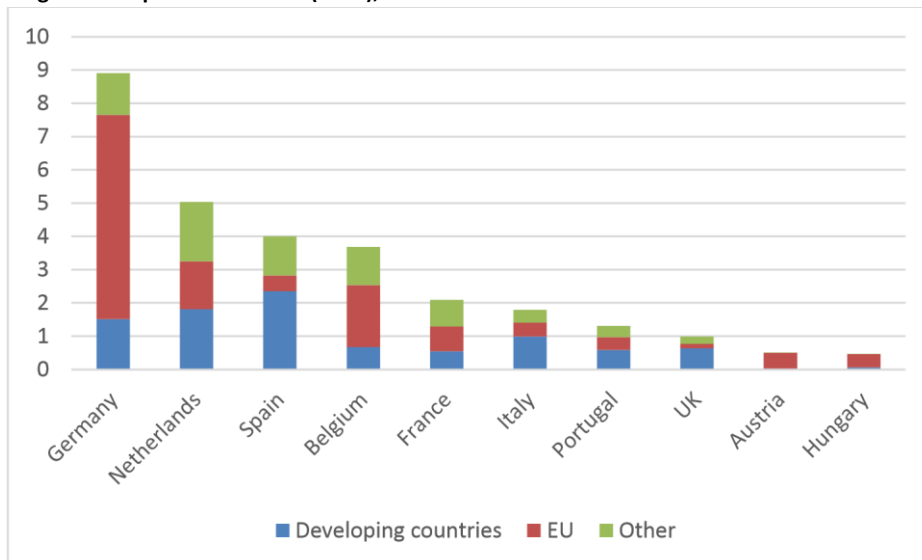
## Seeds :

EU Import of Seeds, in millions of tons (incl. soybeans, sunflower seeds and rapeseed)



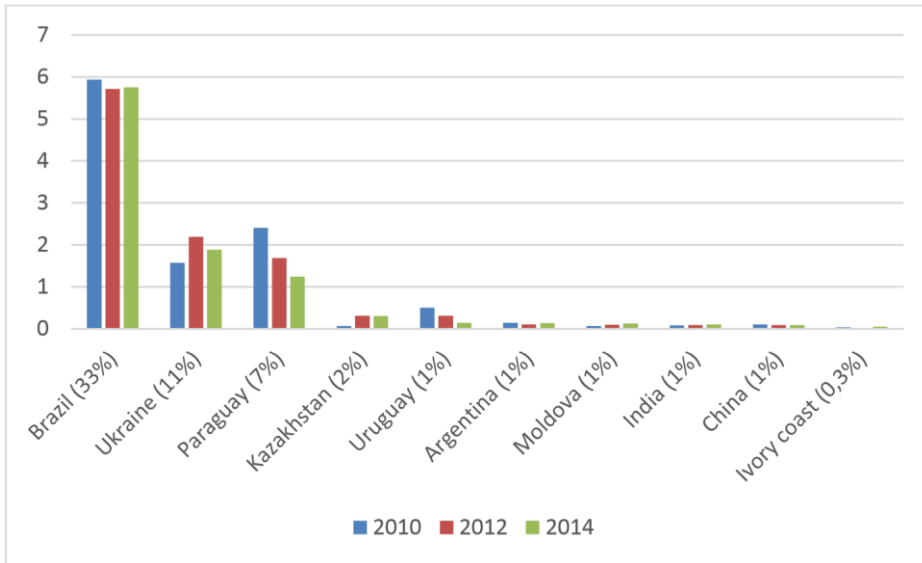
Source: Eurostat (Comext); figure created by ICI Business

Largest EU importers of Seeds (2014), in millions of tons



Source: Eurostat (Comext); figure created by ICI Business

Largest suppliers of Seeds from developing countries to the EU, in millions of tons



Source: Eurostat (Comext); figure created by ICI Business

### Interpretation & opportunities :

The EU seed market is valued at more than €13 billion, with a steady rate of growth and a relatively large import volume from outside the EU. Germany is the largest overall importer of seeds in the EU, although the Netherlands and Spain import a greater share from developing countries.

The main seed imports are soybeans (Brazil, Paraguay), rapeseed (EU, Australia, and Ukraine) and sunflower seeds (Eastern EU, France). These seeds are primarily destined for the processing industry (e.g. vegetable oil).

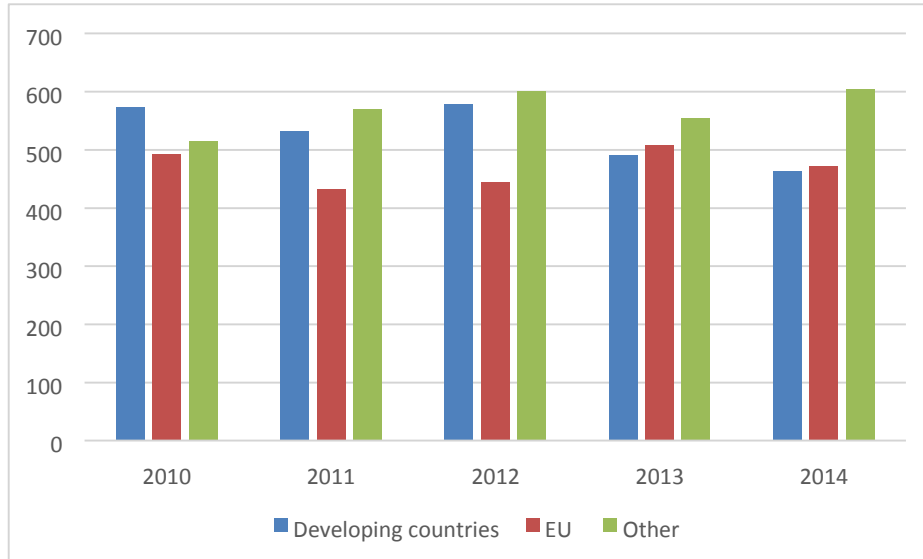
Edible seeds on a smaller scale include linseeds (around 800,000 tons), sesame seeds (160,000 tons), hemp seeds, pumpkin seeds, chia seeds and poppy seeds.

### Tip:

- If you are not a large exporter, look for niche markets and find partners that fit your company profile. Large commodities are related to large-scale production, while very small niche products can be more profitable. It is important to bear in mind, however, that these markets may pose higher risks and be less stable.

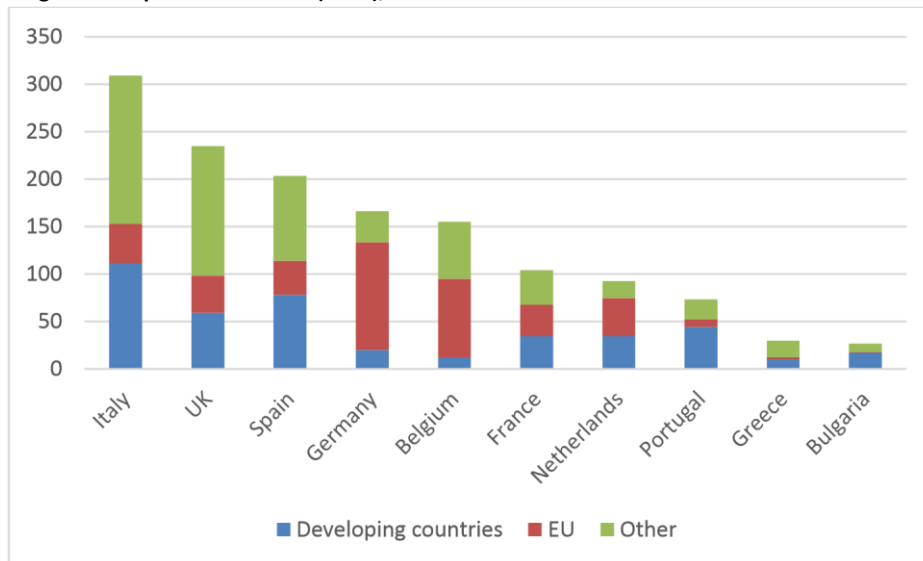
## Pulses :

EU Import of Pulses, in thousands of tons

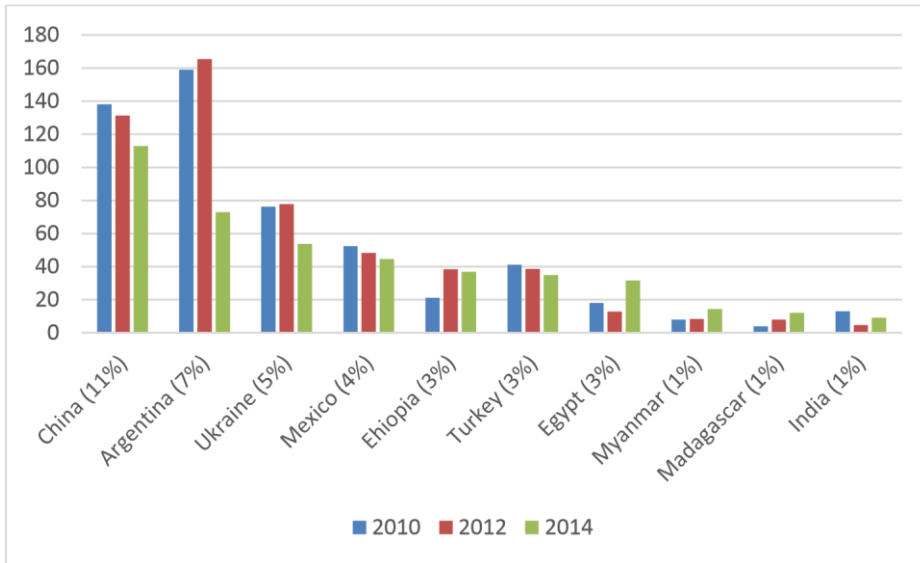


Source: Eurostat (Comext); figure created by ICI Business

Largest EU importers of Pulses (2014), in thousands of tons



Source: Eurostat (Comext); figure created by ICI Business Largest suppliers of Pulses from developing countries to the EU, in thousands of tons



Source: Eurostat (Comext); figure created by ICI Business

## Interpretation & opportunities :

The total import value of pulses has been increasing each year, reaching €1.2 billion in 2014. The import volume has remained relatively stable at slightly more than 1.5 million tons. In 2014, developing countries supplied around 30% of the pulses to Europe.

Italy, Spain and the UK are the largest importers of pulses from developing countries. Their imports consist mainly of kidney beans and white pea beans, which together with chick peas represent more than 70% of the total import value from developing countries.

Pulses are imported from many different regions in the world. China, Argentina and Ukraine are the largest suppliers, providing around 23% of the total supply of pulses to the EU.

Despite the scale of these large commodities, the market for pulses in Europe (especially Northern and Western EU) is underdeveloped compared to worldwide trade. There is room for growth in both common pulses (kidney beans, chick peas, lentils) and growing niches, including cow peas (over 6,000 tons) and pigeon peas (1,600 tons). See also [CBI trends for grains and pulses](#).

Large commodities are accompanied by heavy competition. For example, it would be difficult to match the competitive position of Turkey in lentils. In this case, product differentiation is important (e.g. by producing organic lentils or niche varieties).

## Tip:

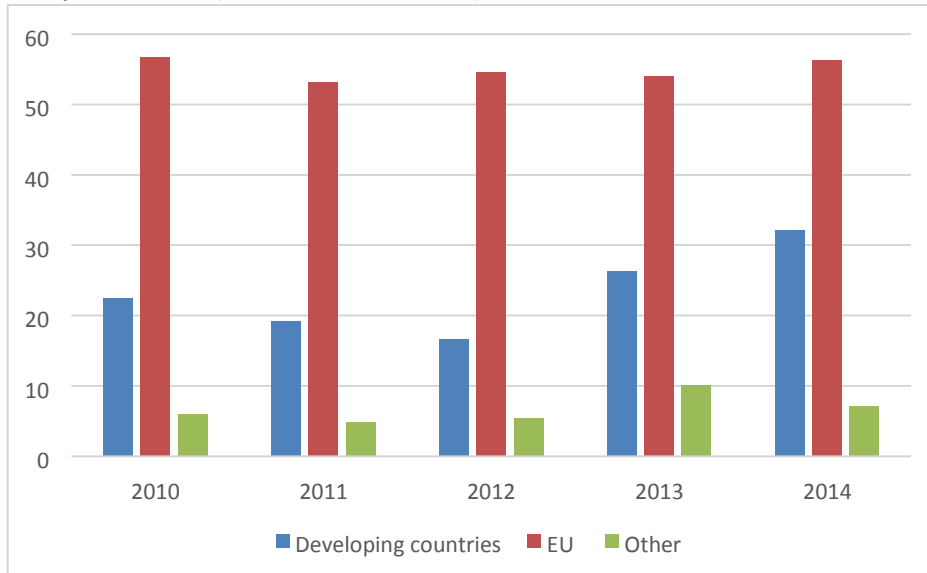
- Pulses are produced worldwide. Check with experienced EU buyers to identify which pulses and niches have higher demand or potential.



## Export

### Cereals:

EU Export of Cereals (incl. wheat, rice and corn), in millions of tons

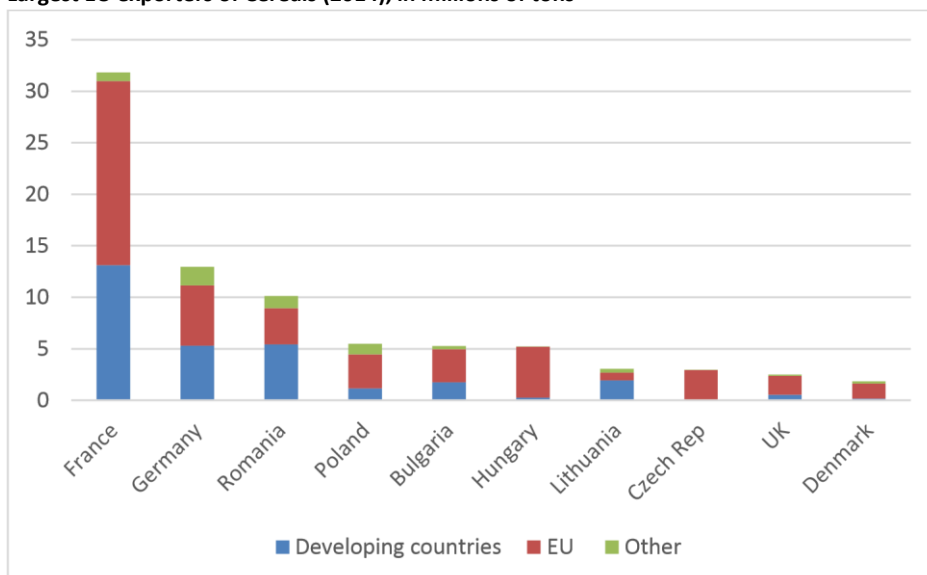


Source: Eurostat (Comext); figure created by ICI Business

\* Statistics for 'EU' refer to the [EU-28 member states](#)

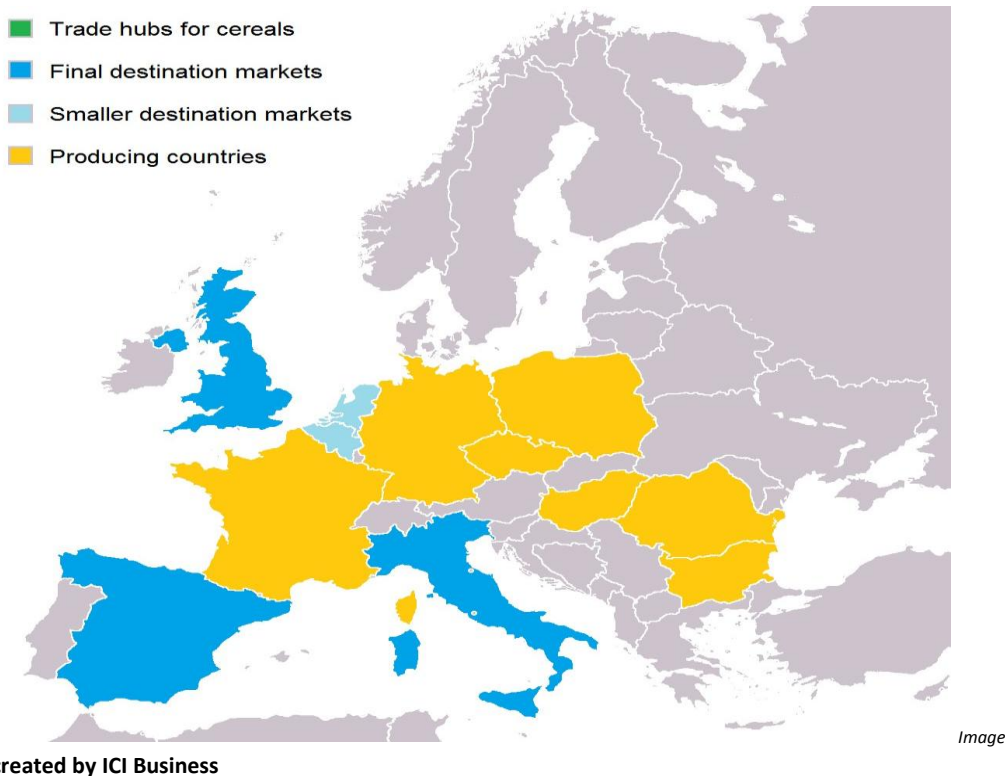
\*Developing countries are defined by the [OECD DAC list of 2014](#)

Largest EU exporters of Cereals (2014), in millions of tons



Source: Eurostat (Comext); figure created by ICI Business

Trade hubs and destination countries for cereal grains



### Interpretation & opportunities:

France, Germany and Romania are the largest exporters of cereals in the EU. Their exports consist predominantly of locally produced wheat and corn. With regard to rice, another large commodity, Spain and Italy are large exporters (local production), as are the Netherlands and Belgium (trade).

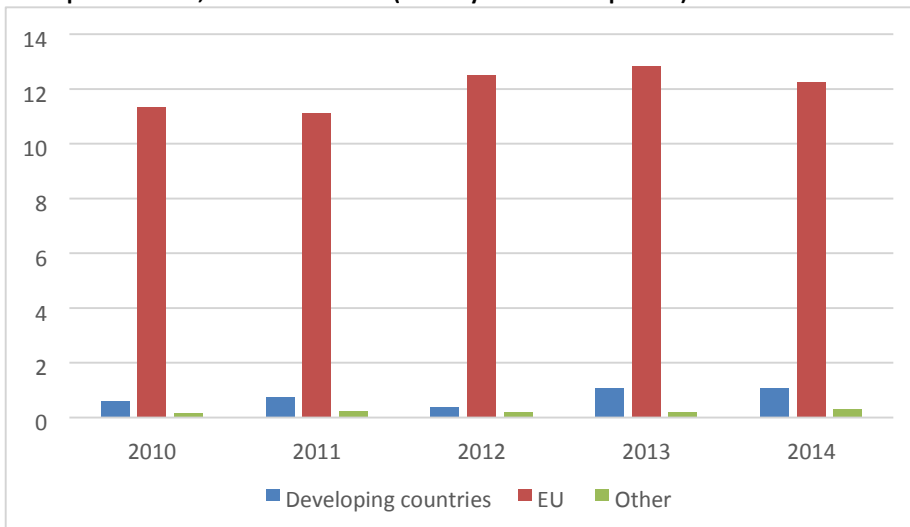
Most cereals are produced within the EU and do not have well defined trade hubs. The Netherlands and Belgium are the primary points of entry for the shipping of niche products.

### Tips:

- For major commodities, focus on the countries with high demand and low internal production.
- Suppliers of more exotic grains or pseudo grains should look for specialized EU markets and importers (e.g. through the following website: <http://www.organic-bio.com/en/directory/cereals>).

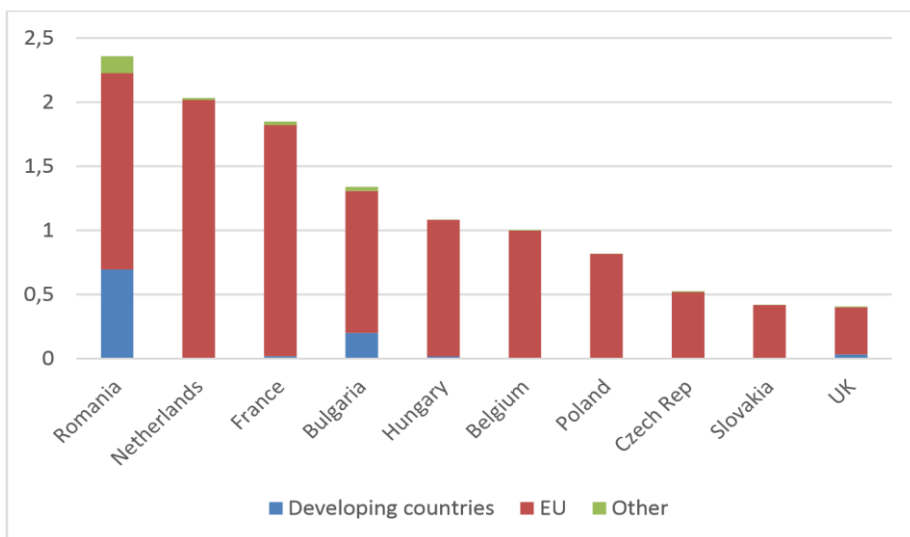
### Seeds :

**EU Export of Seeds, in millions of tons (incl. soybeans and rapeseed)**



Source: Eurostat (Comext); figure created by ICI Business

**Largest EU exporters of Seeds (2014), in millions of tons**



Source: Eurostat (Comext); figure created by ICI Business Trade hubs and destination countries for Seeds



- Trade hubs for seeds
- Final destination markets
- Smaller destination markets
- Producing countries



Image created by ICI Business

### Interpretation & opportunities:

The total export value of seeds was nearly €6 billion euros in 2014. The main destination markets for seeds are Germany (rape, soy), Spain (soy, sunflower) and Italy (mainly soy).

The Netherlands and Belgium are trade hubs for more exotic seeds.

Some products pose difficult competition, including rapeseed, which is exported predominantly from France and Poland, and sunflower seeds, which are supplied largely by Romania and Bulgaria.

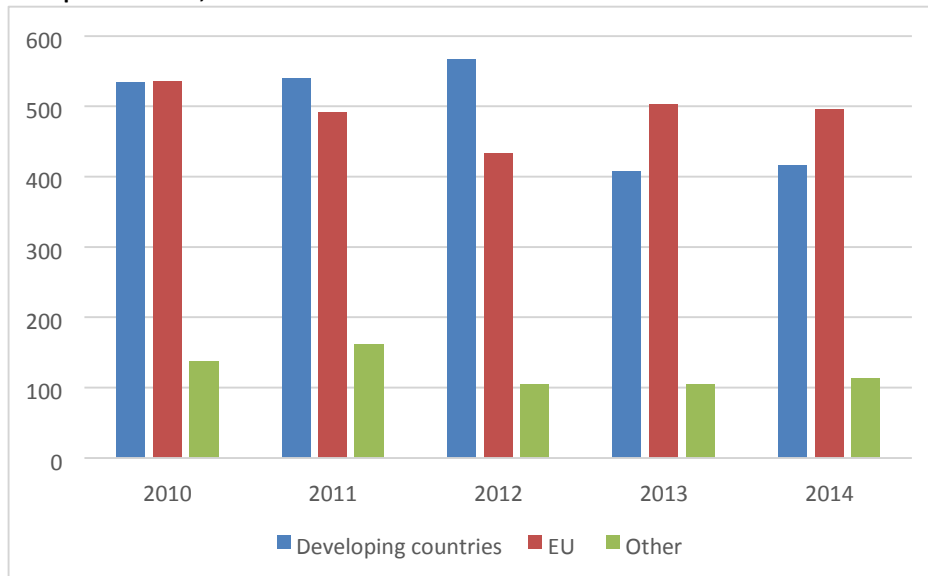
### Tip:

- It is easier to supply seeds that are less likely to be produced in or near Europe, such as sesame seeds, soybeans or chia (niche).



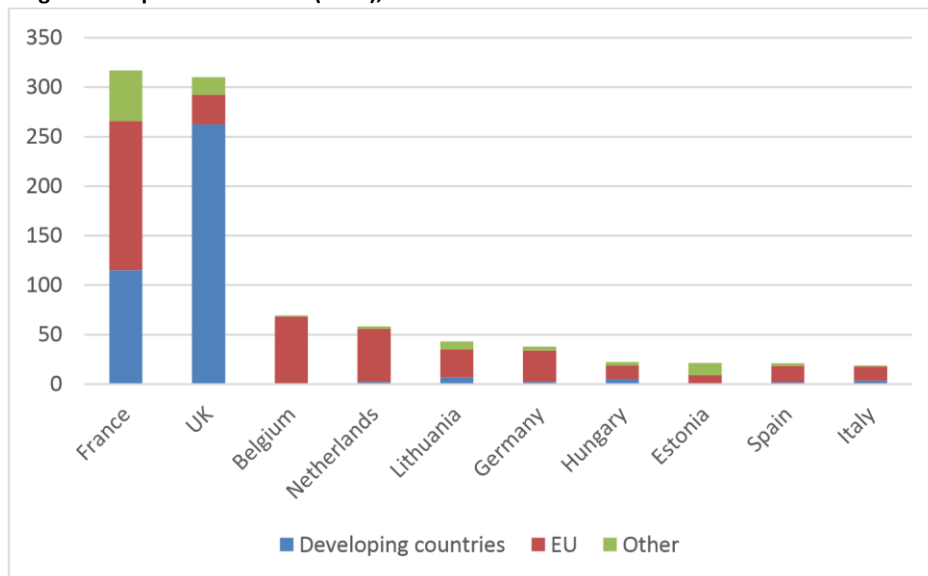
## Pulses :

EU Export of Pulses, in thousands of tons



Source: Eurostat (Comext); figure created by ICI Business

Largest EU exporters of Pulses (2014), in thousands of tons



Source: Eurostat (Comext); figure created by ICI Business



### Trade hubs and destination countries for Pulses

- Trade hubs for pulses
- Final destination markets
- Smaller destination markets
- Producing countries



Image created by ICI Business

### Interpretation & opportunities :

The UK and France are by far the largest exporters of pulses, especially broad beans. Egypt is one of their principal buyers, in addition to being a major producer itself.

Potential competition can be expected from France, which is both a major producer and major consumer, in addition to being a net exporter to other EU countries. Poland is a significant producer, although its exports remain small. Trade hubs for pulses include the Netherlands and Belgium.

### Tip:

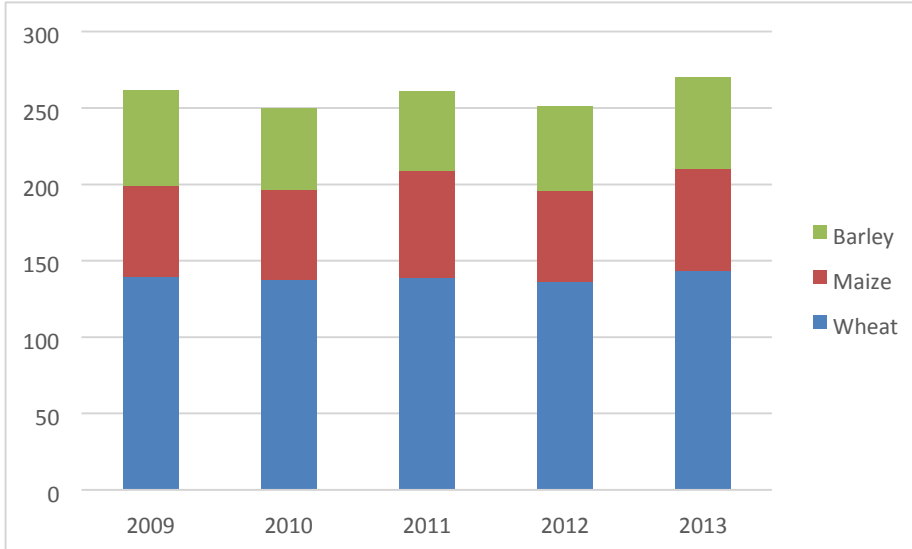
- Pulses that are not produced and exported by the EU offer the best opportunity for exporters from developing countries. The most promising types of pulses include kidney beans and chick peas, as well as the more exotic types (e.g. cow peas, pigeon peas, black-eyed peas and lima beans).



## Production :

### Cereals:

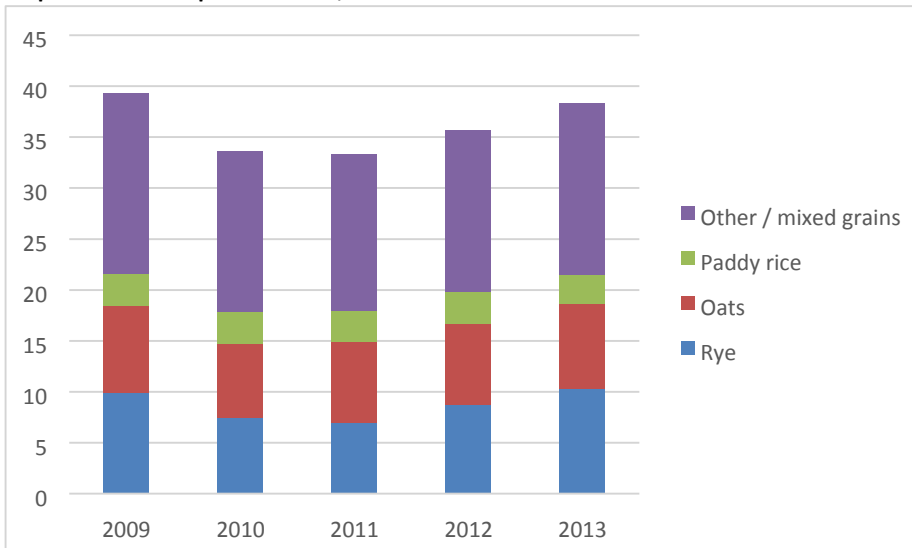
EU productions of major cereals, in millions of tons



Source: Faostat; figure created by ICI Business

\*Statistics for 'EU' refer to the [EU-28 member states](#)

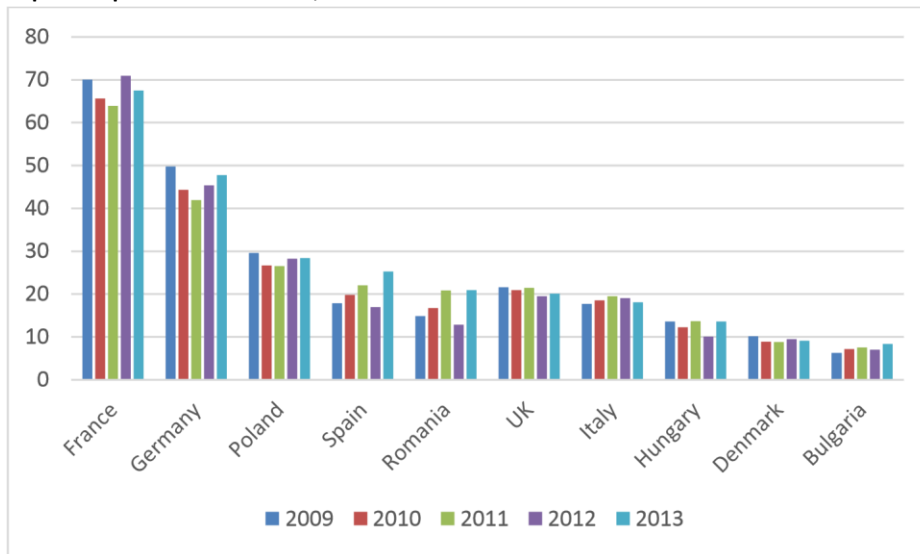
EU productions of specific cereals, in millions of tons



Source: Faostat; figure created by ICI Business



Top 10 EU producers of cereals, in millions of tons



Source: Faostat; figure created by ICI Business

### Interpretation & opportunities :

Wheat and maize are staple foods that are produced extensively in Europe. The production of cereals such as wheat, maize and barley is especially high in France and Germany. Italy and Spain produce more than 2 million tons of rice.

With large-scale, stable local production of cereals, the EU is not an attractive market for small and medium exporters from developing countries to compete in staple foods. Niche cereals (e.g. black corn, quinoa and amaranth) that are not produced in or near the EU provide better opportunities for developing countries.

The growing interest in authentic and ancient grains in the EU market is likely to increase European production of such products as spelt and oats. Some European growers have already succeeded in cultivating native grains from other regions as well, including quinoa from the Andean region and teff from Ethiopia. See also [CBI trends for grains and pulses](#) for information about the increasing interest in ancient grains.

### Tips:

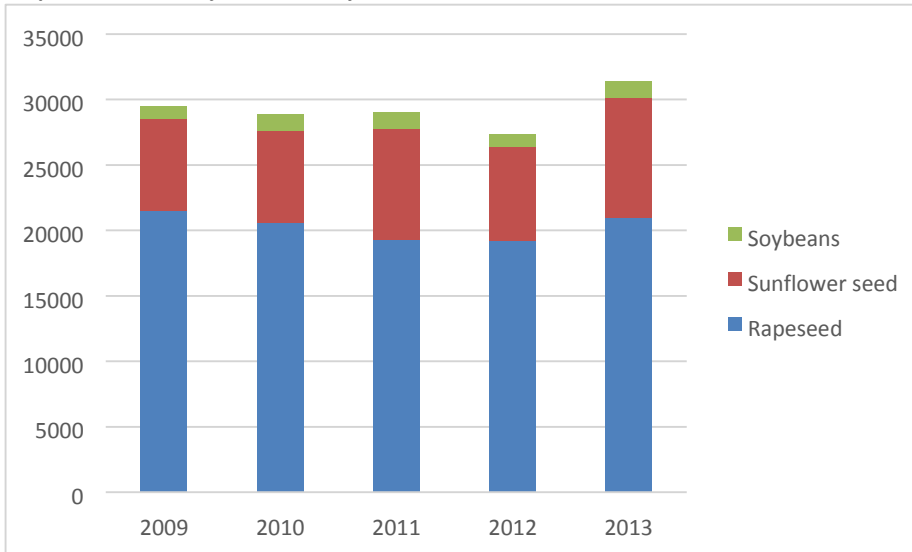
- Stay informed about production initiatives for 'new' grains in Europe. Such initiatives provide a good indication of future interest and demand. New grains will take years before they can be cultivated on a large scale in Europe. Informative news websites include <http://www.foodmanufacture.co.uk> and <http://www.foodnavigator.com>.
- Use pulses as a rotational crop. They enrich the soil with nitrogen and are ideal as a rotation crop for cereals.





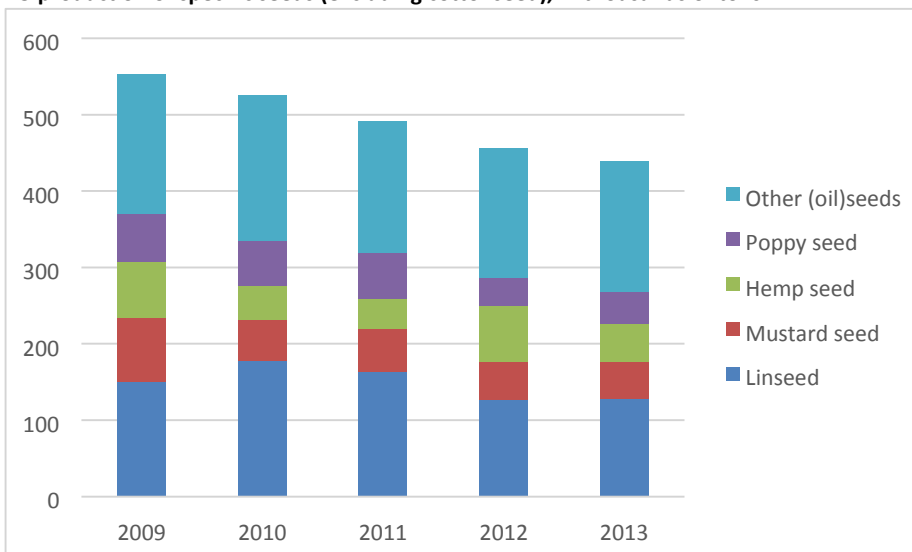
## Seeds :

EU production of major commodity seeds, in thousands of tons



Source: Faostat; figure created by ICI Business

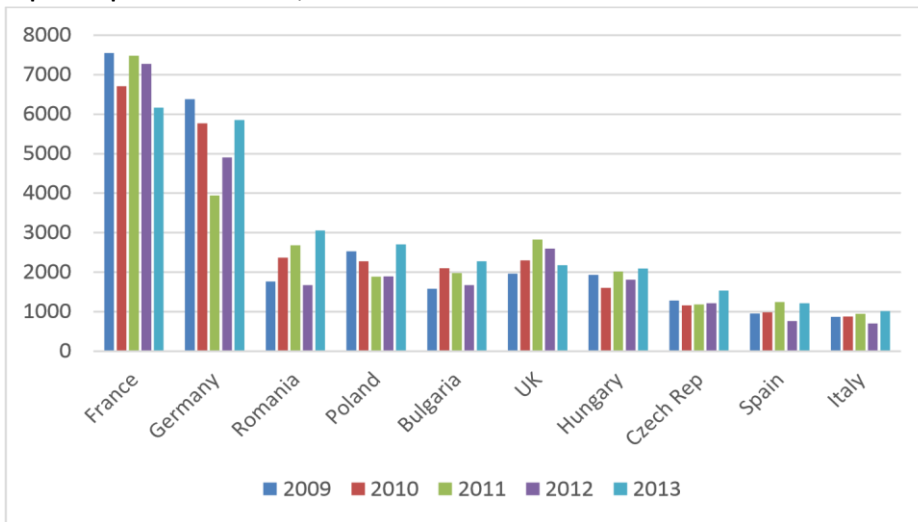
EU production of specific seeds (excluding cottonseed), in thousands of tons



Source: Faostat; figure created by ICI Business



### Top 10 EU producers of seeds, in thousands of tons



Source: Faostat; figure created by ICI Business

### Interpretation & opportunities:

Annual European production of the major seed commodities (rapeseed, sunflower, soybeans) is stable between 27 and 32 million tons.

The production of lower-volume seeds (e.g. linseed, mustard seeds and poppy seeds) is decreasing and could eventually evolve into an opportunity for external suppliers.

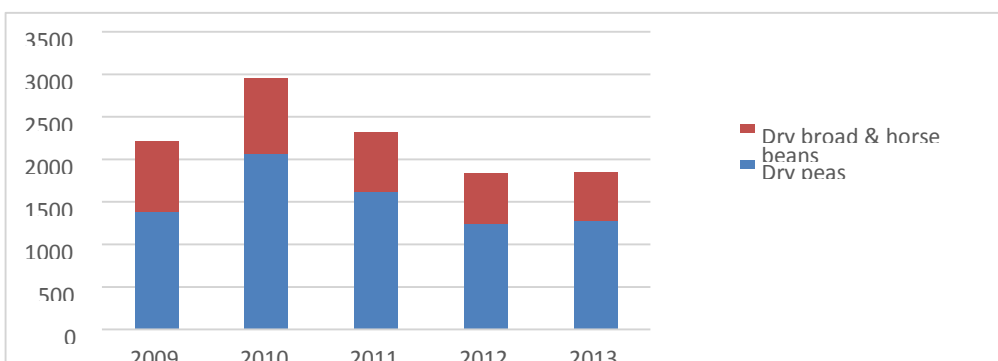
France and Germany are the leading producers of seeds, although rapeseed accounts for more than 85% of their production. Eastern Europe is also very productive in rapeseed and sunflower seed. Seeds that are not commonly cultivated in Europe include sesame, safflower and chia.

### Tip:

- Production and prices of seeds can be volatile, especially for newer niche products. Try to arrange supplying contracts with your buyers.

## Pulses

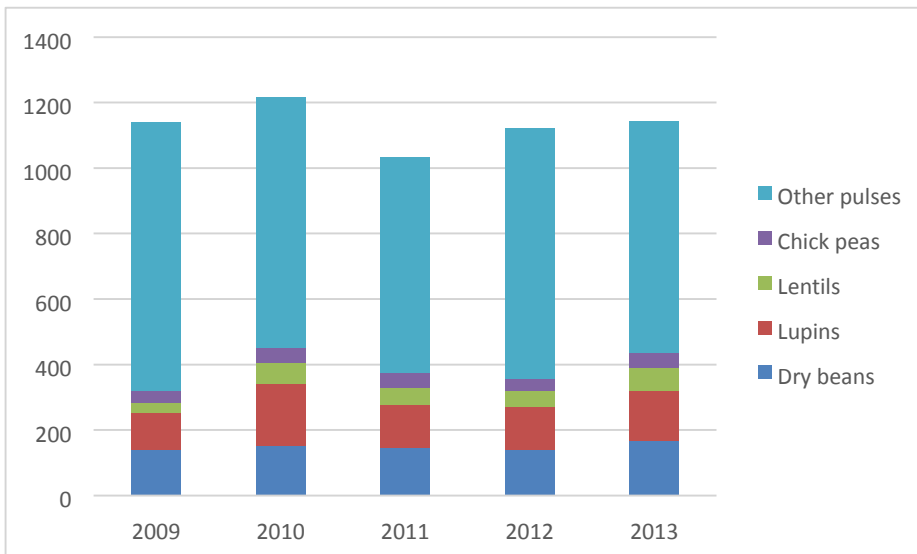
### EU Production of major pulses, in thousands of tons



Source: Faostat; figure created by ICI Business

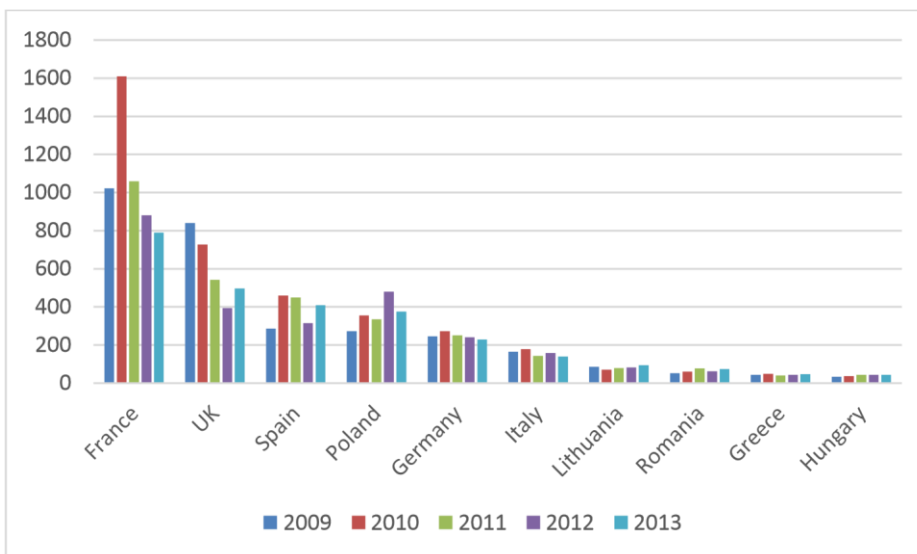


### EU Production of specific pulses, in thousands of tons



Source: Faostat; figure created by ICI Business

### Top 10 EU producers of pulses, in thousands of tons



Source: Faostat; figure created by ICI Business

### Interpretation & opportunities :

Beans and peas come in many varieties, and they are widely produced throughout the world. Dry peas and broad beans are the most common varieties in the EU. The health-food trend is likely to increase the popularity of pulses, potentially pushing internal EU production as well.

### Tip:

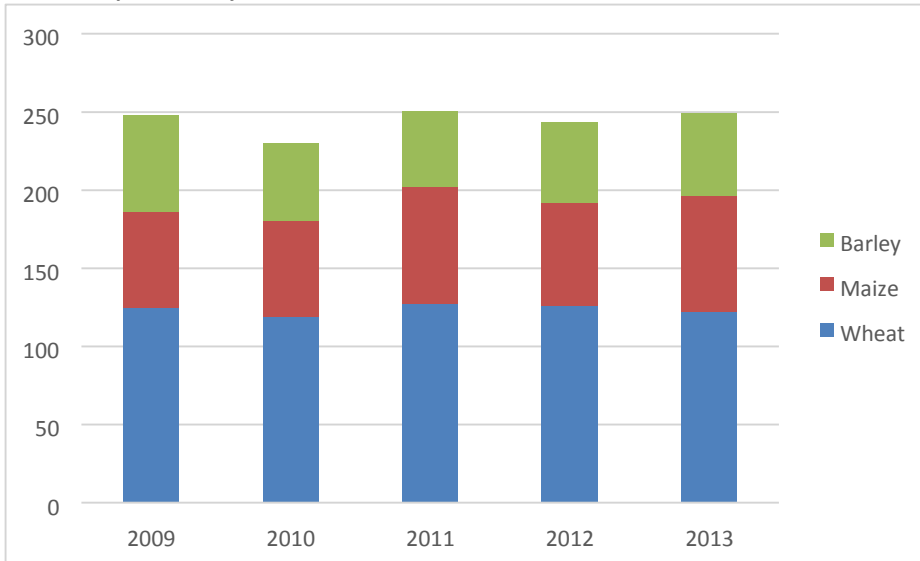


- Use pulses as a rotational crop. They enrich the soil with nitrogen and are ideal as a rotation crop for cereals.

## Consumption :

### Cereals:

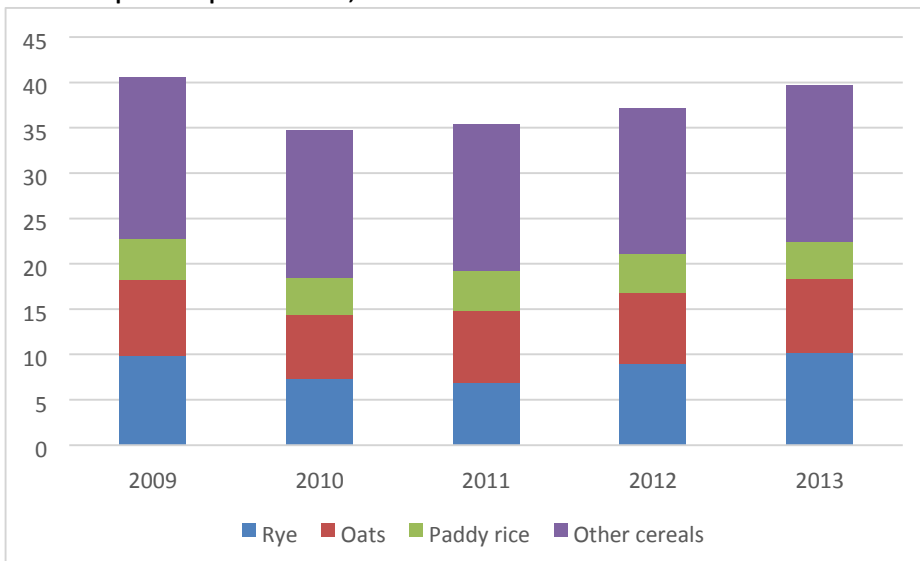
EU consumption of major cereals, in millions of tons



Source: Faostat and Eurostat (Market Access Database); figure created by ICI Business

\*Statistics for 'EU' refer to the [EU-28 member states](#)

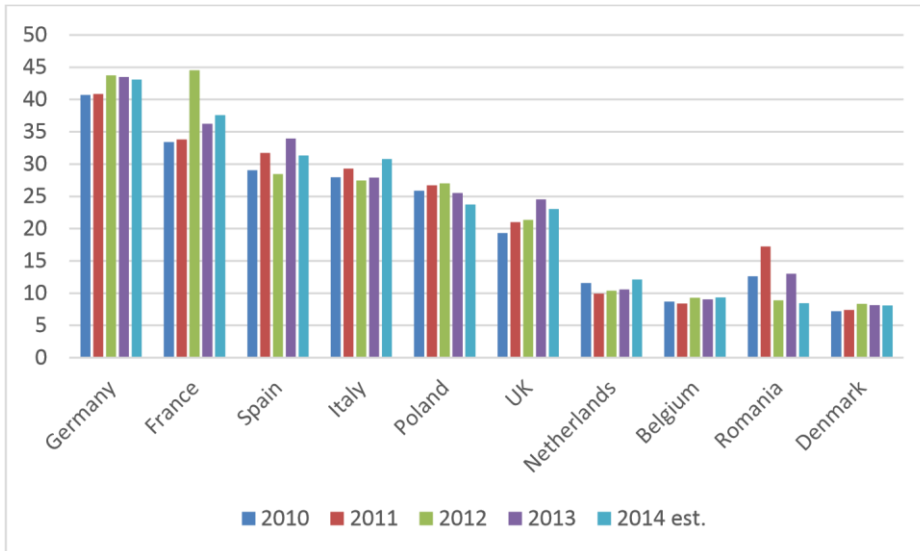
EU consumption of specific cereals, in millions of tons



Source: Faostat and Eurostat (Market Access Database); figure created by ICI Business



EU consumption of cereals, in millions of tons



Source: Faostat and Eurostat (Comext); figure created by ICI Business

### Interpretation & opportunities :

Western Europe consumes the largest amount of cereals (especially wheat). Quantities correspond largely to the size of the markets.

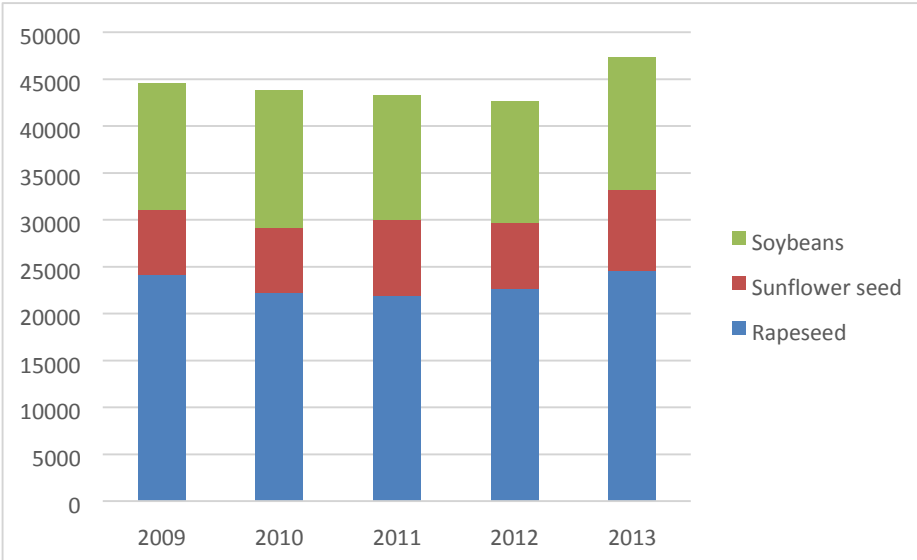
Consumption of smaller-scale cereals (e.g. oats and rye) has been increasing for the last three years.

### Tip:

- Stay abreast of consumer trends through such informative websites as Organic Wellness News, Food and Drink Europe or Food Navigator.

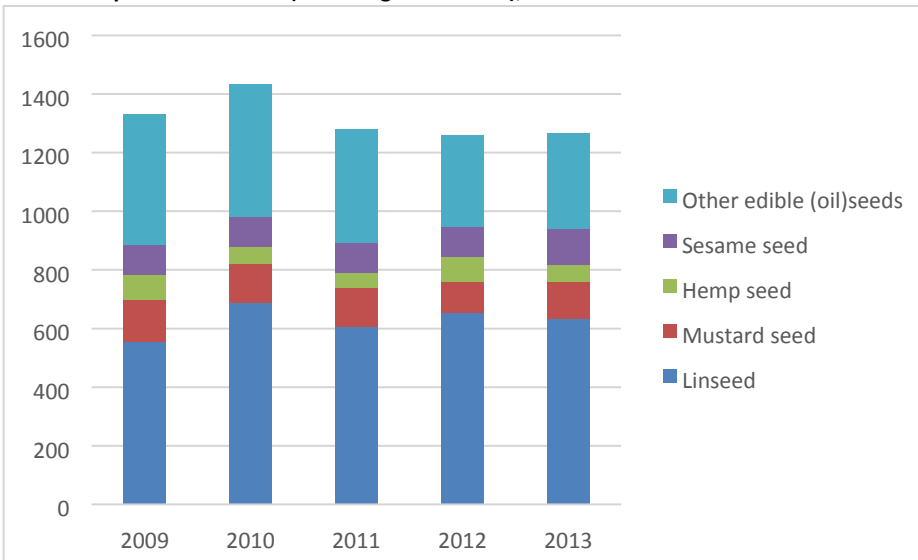
### Seeds :

EU consumption of oil seeds, in thousands of tons



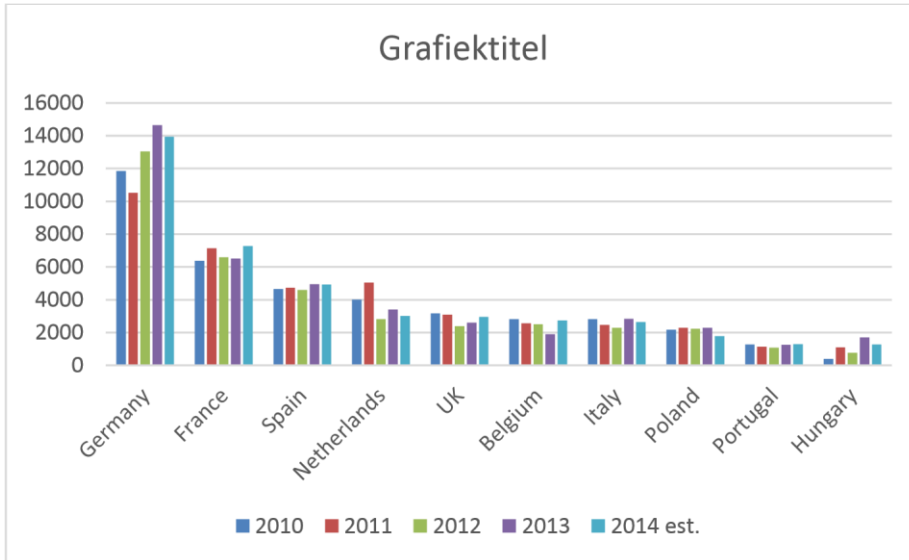
Source: Faostat and Eurostat (Market Access Database); figure created by ICI Business

EU consumption of oil seeds (excluding cottonseed), in thousands of tons



Source: Faostat and Eurostat (Market Access Database); figure created by ICI Business

EU consumption of oil seeds, in thousands of tons



Source: Faostat and Eurostat (Comext); figure created by ICI Business

### Interpretation & opportunities:

Germany is an important market for seed consumption and processing. In all, the EU consumes between 42.5 and 47.5 million tons of rapeseed, soybeans and sunflower seeds each year. Other seed volumes are below 700 thousand tons.

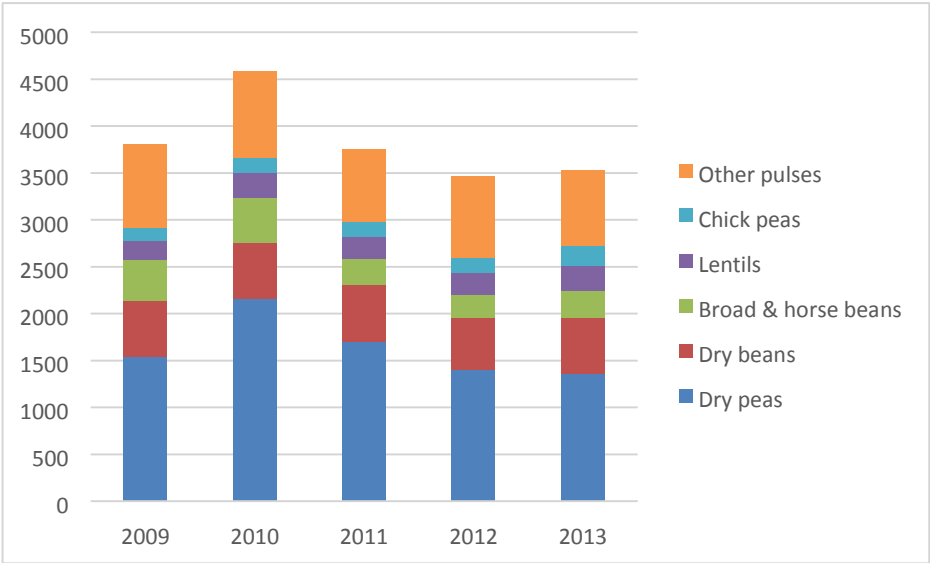
The consumption of edible seeds with healthful characteristics (e.g. omega3 fatty acids) is expected to increase. Healthy edible seeds for snacks or cereal mixes are highly specialized niche products, as compared to the large volumes of oil seeds intended for processing and for the food industry. Nevertheless, they could offer interesting business opportunities for exporters of innovative quality products from developing countries. See also [CBI trends for grains and pulses](#).

### Tip:

- Promote the health benefits or other interesting aspects of your products when targeting specific consumer groups.

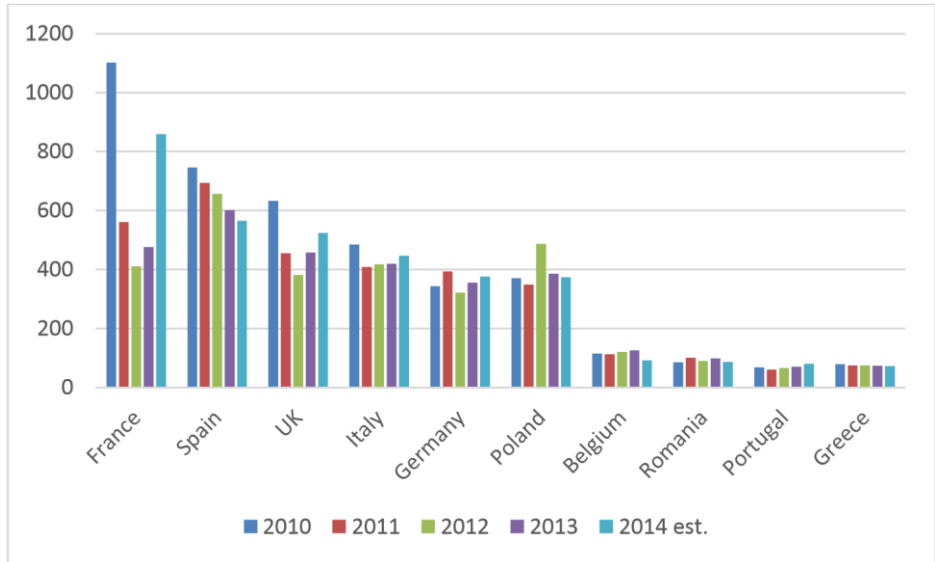
### Pulses :

EU consumption of pulses, in thousands of tons



Source: Faostat and Eurostat (Market Access Database); figure created by ICI Business

EU consumption of pulses, in thousands of tons



Source: Faostat and Eurostat (Comext); figure created by ICI Business

Interpretation & opportunities:

Dry peas (*Pisum sativum*) and dry beans (*Phaseolus vulgaris*) are the most commonly consumed pulses in Europe. France, Spain and the UK are the leading consumers of pulses.

Compared to other regions, the consumption of pulses in Europe is low, and pulses are usually sold as canned products.

Dry beans do not fit the trend of convenience and lack a modern image. Increased publicity, the promotion of health benefits and product innovation will be key drivers in helping to develop consumption in the coming years.

The Food and Agriculture Organization (FAO) has designated 2016 as the [Year of the Pulses](#). This means that pulses will be promoted worldwide, thus potentially increasing their consumption in Europe as well.





## **Tip:**

- **Differentiate your product from the standard canned beans. Try to focus on the health-food trend or add value through storytelling.**
- **Keep in mind that new product innovations in Europe demand top-quality ingredients, great flavours and outstanding presentation.**

## **Useful resources**

### **Branch-specific organizations**

#### [Coceral](#)

European association representing trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats, and agro supply

#### [Health Grain Forum](#)

Initiative for the promotion of science and communication concerning the production and consumption of healthy cereal foods

### **Databases**

#### [European Grain](#)

Platform connecting buyers and sellers of grains

#### [Organic-Bio](#)

Database containing buyers and suppliers of organic food ingredients and products

#### [Europages](#)

European business database

#### [Kompass](#)

International business database

### **Trade fairs**

#### [Eventseye](#)

Database containing trade fairs and expositions

#### [SIAL](#)

Trade fair for food products

#### [Anuga](#)

Trade fair for food products

#### [Biofach](#)

Trade fair for organic food products



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### [Certified Food](#)

Trade fair for certified raw materials and semi-finished products

News sites

### [Organic & Wellness News](#)

News site containing news about organic and sustainable trade

### [Food Navigator](#)

News site containing trends and developments in the food industry

### [Food Manufacture](#)

Online news service about food and beverage developments in Europe

Export requirements

### [ITC Standards Map](#)

Overview of various standards and certification schemes

### [EU Export Help](#)

Information about exporting to Europe

## Statistics

### [Market Access Database](#)

European trade statistics

### [ITC Trademap](#)

Global trade statistics

### [FAOSTAT](#)

Production statistics

CBI Market Intelligence

P.O. Box 93144

2509 AC The Hague

The Netherlands

[www.cbi.eu/market-information](http://www.cbi.eu/market-information)

[marketintel@cbi.eu](mailto:marketintel@cbi.eu)

This survey was compiled for CBI by ICI Business | Michel Peperkamp in collaboration with CBI sector expert Paula Salazar.

Disclaimer CBI market information tools: <http://www.cbi.eu/disclaimer>

October 2015

## 3) What trends offer opportunities on the European market for grains and pulses?



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European consumers are becoming more aware of health issues and are getting more interested in authentic and clean products. You as a supplier from a developing country can anticipate these trends by focusing on nutrition, organic products, veganism, food intolerances and 'ancient' grains. There are many opportunities for exporting new and higher value products to Europe, such as quinoa, amaranth, chia and freekeh. However, new products and niche markets are often accompanied by greater risk and volatility.

1. [Growing demand for high-value products](#)
2. [Grains and pulses are diversifying](#)
3. [Consumers are looking for authenticity](#)
4. [Attention to social aspects is increasing](#)
5. [Healthy eating habits](#)
6. [Organic market continues to grow](#)
7. [Convenience in food](#)

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### 1. [Growing demand for high-value products:](#)

Most grains and pulses are large commodities. Many of them are produced in and around Europe. As small to medium-sized exporters from a developing country, you can find most opportunities in specific and lower volume products.

### **Promising cereal grains and pseudo-cereal grains:**

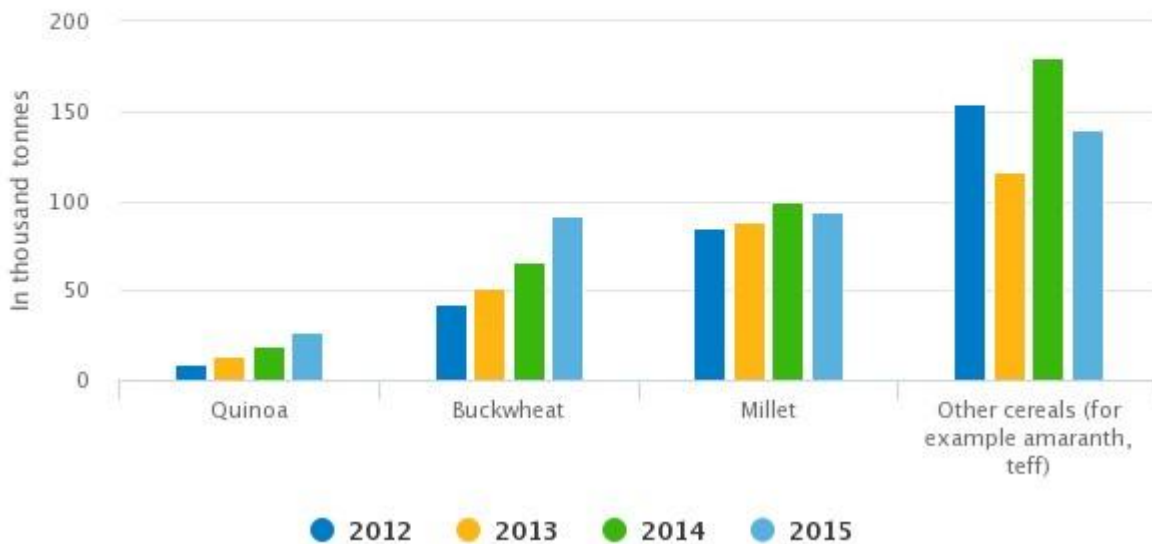
The European import market for cereals is valued at €18.6 billion. Although most cereals such as rye and oats are sourced predominantly within Europe, imports of specific cereals from developing countries are increasing. These are often cereals sold in niche markets, such as grains with a specific origin or healthy characteristic. See also the trend for health food below.

The following typical products from developing countries have caught the attention of European consumers:

- Look for niche markets or differentiation in type or quality. It will be too difficult to compete with large producers of commodities, where efficiency and economy of scale is key. Smaller high-value crops are more profitable.

Figure 1: Internal and external import of cereals in Europe  
2012–2015

in thousand tonnes



Source: ITC Trademap

The supply of niche cereals can vary, but certain products have become popular ingredients and continue growing in production, as can be seen in quinoa and buckwheat.

### **Tip:**

• Look for niche markets or differentiation in type or quality. It will be too difficult to compete with large producers of commodities, where efficiency and economy of scale is key. Smaller high-value crops are more profitable.

### **Specialty rice varieties:**

The consumption of certain rice varieties is also gradually increasing on the European market. This is thanks to new cuisines, increasing interest in aromatic varieties and duty-free imports from India, Pakistan, Cambodia and Myanmar. Examples include:

- jasmine rice;
- basmati rice;
- glutinous rice;
- wild rice;
- black, brown and red rice.

### **Tip:**

• Read our study about the [European market for specialty rice](#).



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## Ancient grains:

A recent trend in the specialty grains sector is a growing interest amongst consumers in ancient grains, referring to their ancient origin. European consumers often consider ancient grains healthier and superior to other grains. These grains usually have an additional advantage in nutritional value and sometimes gluten-free characteristics.

Many promising grains from developing countries mentioned above are considered ancient grains. Other popular varieties include:

- spelt;
- kamut (Khorasan);
- farro;
- oats.

These ancient grains are often used for product innovation, for example in cereal bars, new mixes and drinks. European companies use ancient grains in these products for their marketing value.

The growing interest of European consumers in ancient grains has paved the way for the introduction of new varieties, such as fonio and teff.

## High-value seeds:

Europe's seed market is dominated by commodity seeds such as soybeans, rapeseeds and sunflower seeds. These seeds are mainly used for the processing industry and animal feed.

Some of the higher value seeds such as chia have growth potential, but are still relatively small. Chia imports totalled approximately 15,000 tonnes in 2015. Sesame seeds are more established, amounting to 168,000 tonnes in 2015. That is still a fraction compared to the main commodities such as soybeans.

For small and medium-sized companies from developing countries, high-value seeds are more interesting. The market value for most of these seeds is volatile, but consumers' interest in new products and product development often has a positive impact on future growth.

Higher value seeds include, for example:

- [sesame](#);
- hemp;
- pumpkin;
- [chia](#).

## Tips:

- Try to develop your export for different products. Avoid dependence on one single product, especially when it is a relatively new product; the fluctuation in product value and demand is an unnecessary risk you take.



- Try to secure your profit through supplying contracts with your buyers. Production and prices of small varieties can be volatile, especially for niche products.
- Read our studies about the [European market for sesame seeds](#).

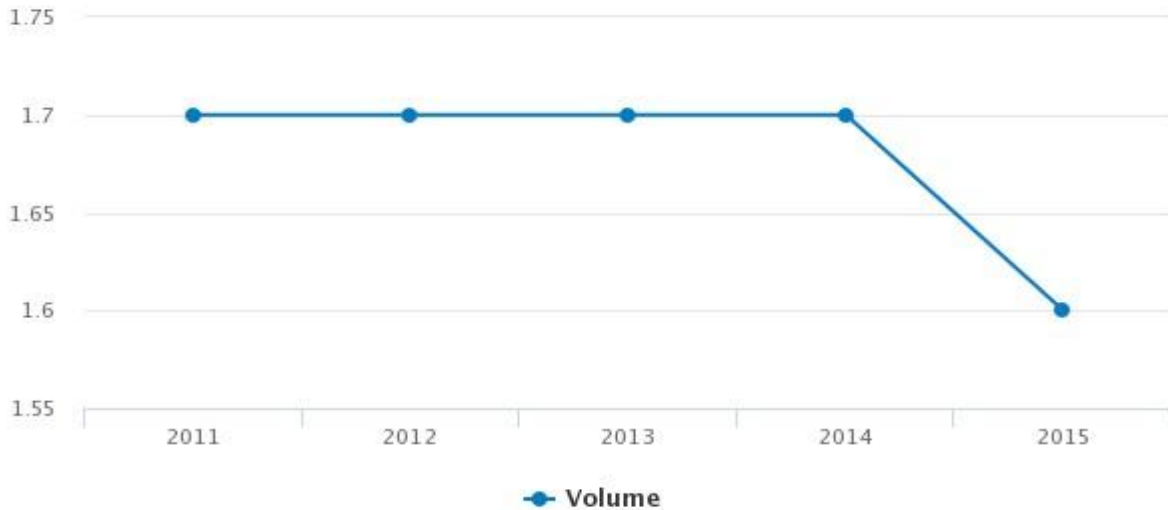
### **Increasing value of pulses:**

The European market for pulses (especially that in Northern and Western Europe) is relatively small compared to other parts of the world. However, trade of pulses has grown faster than the supply. This has increased the value of these products.



Figure 2a: Internal and external import of pulses in Europe  
2011–2015

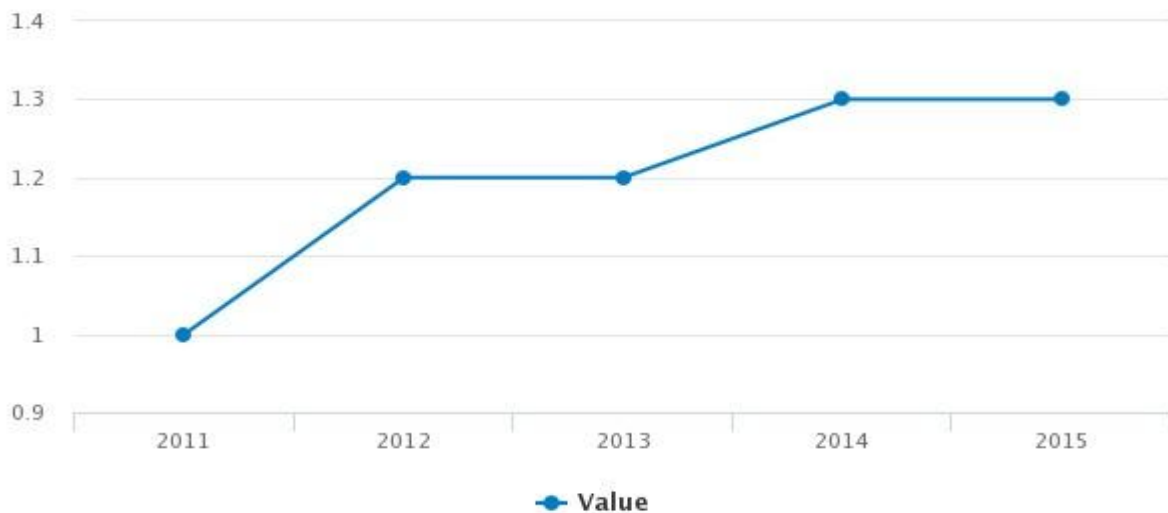
in million tonnes



Source: ITC Trademap

Figure 2b: Internal and external import of pulses in Europe  
2011–2015

in billion euros



Source: ITC Trademap

Import volumes in Europe are relatively stable between 1.6 and 1.8 million tonnes, with an increasing value reaching 1.3 billion euros in 2015. This suggests higher prices in the sector of pulses. About 36% of the import value can be ascribed to developing countries.

The most common pulses in Europe are dried peas and dried beans (*Pisum sativum* and *Phaseolus vulgaris*).



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France, Spain and the United Kingdom are the leading consuming countries. Italy, Spain and the United Kingdom are the largest importers of pulses from developing countries. Their imports consist mainly of kidney beans and white pea beans.

More than 70% of the total import value from developing countries consists of kidney beans, white pea beans and chickpeas. The most significant import growth from developing countries is seen in the smallest varieties, such as cowpeas and pigeon peas.

2016 is the International Year of Pulses [H2]

The growth of the European market for pulses has been hindered by insufficient product innovation and the fact that pulses often do not match modern consumer habits (with increasing attention to freshness and convenience). The promotion of pulses as a nutritious and healthy product will help increase consumption.

The United Nations Food and Agriculture Organization (FAO) has designated 2016 as the [International Year of Pulses](#). The goal of the International Year of Pulses is to help develop worldwide consumption of pulses through increased publicity, the promotion of health benefits and product innovation.

In particular, varieties that are suitable for product development and product mixes are expected to increase. Examples include lentils (as they do not require soaking before cooking) and pulse flour used in pastas or snacks.

The increased attention to pulses can lead to opportunities for developing countries for main pulses such as:

- kidney beans (current European import 493,000 tonnes in 2015);
- chick peas (161,000 tonnes);
- [lentils](#) (249,000 tonnes).

It can also lead to opportunities for smaller varieties:

- cowpeas (11,000 tonnes);
- pigeon peas (2,500 tonnes);
- black-eyed peas.

### **Tip:**

• Encourage farmers to rotate their crops. Good crop rotation and alternating the cultivation of grains and pulses will improve production and increase yields in the long term.

## **2. Grains and pulses are diversifying:**

The introduction of new food ingredients and products suggests that interest in less traditional food is increasing. Grains and pulses that have proven their success are being further exploited in product development and innovation.





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## New varieties & mixes:

The assortment of products on the European market is becoming more diverse. Newly introduced products such as quinoa, wild rice and bulgur are marketed in product mixes or as niche substitutes for regular commodities such as Indica rice.

Products in which grains and pulses are mixed also appear more often, as these complement each other well on a nutritional level. Examples are [brown rice with lentils](#) and [quinoa with lentils](#). It is important to note, however, that niche products are not expected to replace main commodities, due to higher price and limited supply.

For exporters from developing countries, offering new products can be profitable. However, offering new products can also pose higher risks. Most of these niches are not yet part of a mature supply chain, therefore price fluctuations can be more radical.

### Tip:

- Try to find interesting product combinations for export to Europe, which you are able to produce or offer from your country.

## Ingredients and product innovation:

The European market is constantly expanding with new food products and innovations. Spelt, quinoa, buckwheat, amaranth and chia are popular ingredients for new product introductions. Food brands use these ingredients as part of a marketing strategy.

Examples of products developed with specific grains and pulses include:

- breakfast cereal mixes;
- muesli bars;
- bread and crackers;
- baby food;
- fresh salads;
- drinks (soy milk, quinoa beer).

Several ingredients are also used in non-food products, for example quinoa and chia as ingredients in personal care products and cosmetics.

Product brands and added-value products are generally developed within Europe, with basic processing such as milling, crushing or popping sometimes taking place in countries of origin. Import taxes for processed products usually make it unattractive to perform anything more than basic processing in the country of origin.

When trading volumes of niche products go mainstream, large food companies tend to take over. This leaves less room for specialised importers and retailers to commercialise these products.

### Tip:



- 
- Read our study about competition on the European market for grains and pulses to find out more about your competitive position in comparison to larger food companies.

### **Sprouted grains:**

Sprouted grains ([grains that are germinated](#)) are upcoming in Europe. Sprouted grains fit the general health trend, thanks to their high level of proteins. Sprouted grains also make for a better assimilation of vitamins and minerals by the body.

After germination (sprouting), the grains are either further processed or dried. In Europe, sprouted grains are mostly used as flour in bakery products such as bread and snacks.

### **Tips:**

- Look for grains or pulses that fit well with product developments in Europe.
- Importers and processors are regularly looking for new ingredients. Discuss with them the potential demand for specific products.
- Keep in mind that product innovations in Europe demand top-quality ingredients, great flavours and outstanding presentation. Make sure you are able to match these quality standards.
- Keep yourself updated about consumer trends and new ingredients through websites such as [Organic Wellness News](#), [Food Ingredients First](#), [Food and Drink Europe](#), [Food Navigator](#) and [Food Manufacture](#).

### **3. [Consumers are looking for authenticity:](#)**

The appreciation in Europe for authentic products is increasing. These include ‘ancient grains’ as well as ethnic products such as:

- [couscous](#);
- Bulgur;
- Japanese rice (for sushi).

Migrants have contributed to the increased attention to these products. Another factor that plays a role is the fact that European consumers travel more, and therefore more often come into contact with different cultures. Even though this trend is not new, it allows for authentic and ethnic products to be introduced on a regular basis.

### **4. [Attention to social aspects is increasing:](#)**



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European consumers are becoming increasingly interested in the stories behind the products they buy. Preference for socially engaged products is growing amongst consumers.

Consumers in Europe are willing to pay more for products with a story, and they reward such products with loyalty (buying the same products they feel attached to).

At the same time, European retailers put an emphasis on sustainable aspects in their stories, including Corporate Social Responsibility (CSR) and good agricultural practices. This demands a different approach from exporters and buyers. In addition to a well-organised and responsible supply chain, storytelling can be an added value. However, offering a good quality product is most important and trade is still determined by price.

A good example of showing a story is the initiative '[These are my pulses](#)' of the Global Pulse Confederation.

### **Tips:**

- Explain to your potential buyers what makes your product or company different. Focus on, for example: the origin of your product, your impact on the environment or the traceability systems that have been implemented.
- Demonstrate how your product is produced according to high ethical standards. Use storytelling and images on your website and social media to present your producers and their work.
- See our study about the [requirements](#) of European buyers of grains and pulses for more information about social and environmental certification schemes.

## **5. Healthy eating habits**

European consumers are becoming increasingly conscious of healthy eating habits and addressing dietary issues. This has led to trends such as superfoods, raw foods, vegan products, healthy snacks, functional foods and products that are free of specific allergens such as gluten.

Food journalists, online recipes, celebrities and social media have a considerable influence on new food trends and health ingredients. This influence turns ingredients into popular 'superfoods' by relating them to [famous health gurus](#) or the [beauty of celebrities](#).

### **Healthy nutrition: fibres and protein:**

The increased awareness of healthy nutrition has translated into a market for new product ingredients with vegetable protein, dietary fibres and good fats.

Grains and pulses complement each other well, giving substance to the demand for both protein and fibres.



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Seeds such as chia and linseed provide a good amount of essential omega-3 fatty acids that are not reproducible by the human body.

As an exporter of health-related or nutritious grains and pulses, you can benefit from the increasing health awareness in Europe.

### Tip:

• Communicate the health benefits of your products, But avoid making health or nutrition claims that are not supported by European legislation. First check the [EU Register of Nutrition and Health claims](#).

### **Flexitarians, vegetarians and vegans:**

The number of Europeans that are reducing their meat consumption is increasing significantly. Health, animal welfare and money are underlying motivations.

BioFach, one of the most important European trade fairs for organic and natural products, dedicated part of their February 2016 trade fair to [experiencing the world of vegan](#). This shows the potential and possibilities for future product development.

Part-time vegetarians or '[flexitarians](#)' are an interesting target group for vegetable protein sources such as soybeans and pulses.

The highest percentage of vegetarians, up to 10%, can be found in Germany, Italy, Austria, Sweden and the United Kingdom. Exact data is not available, but [various studies suggest](#) the number of vegetarians in these countries is gradually increasing.

### Tip:

• Consider Germany, Italy or the United Kingdom if looking into the protein alternatives market.

### **Gluten-free:**

The market for gluten-free products is expected to [increase in value by 5.5% annually over the next five years](#). The key drivers for people to buy gluten-free products are food intolerance, health and weight.

The most important segment for gluten-free products is the bakery segment, but there are also opportunities for gluten-free pasta and baby food. These products require grains such as buckwheat, millet, [quinoa](#), [amaranth](#), sorghum or [teff](#).

The gluten-free industry in Europe is exceptionally strong in Italy and the United Kingdom.

### Tips:



- Focus on cereals that meet the growing needs of specific consumer groups (e.g. nutrition, vegan or gluten-free) and market trends.
- Avoid cross-contamination of allergens. For example, a processing line for gluten-free ingredients should be strictly separated from any product containing gluten.

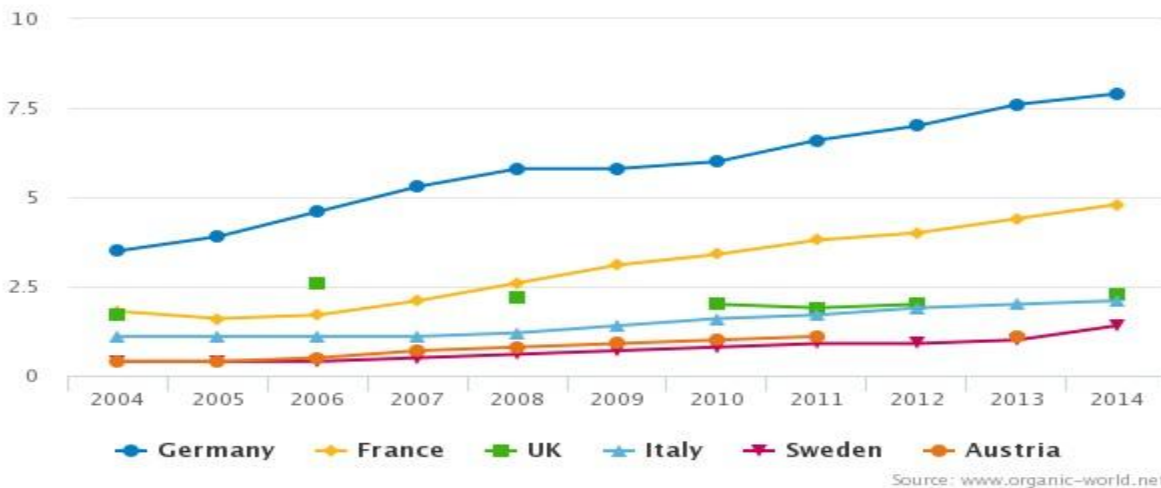
## 6. Organic market continues to grow:

European consumers' increasing attention to health issues, the environment and social responsibility are stimulating the rapid growth of the organic market.

The organic market in Europe grew by 7.4% in 2014. The market share for organic food in Europe varies between 2 and 8%, with Denmark, Switzerland, Austria and Sweden as leading countries. In terms of market size, the total retail sales of organic products are highest in Germany and France, with increases of 10-11% in 2015. Organic consumption in Sweden even grew 40% in 2014 and 2015.

Although still considered a niche, the organic market is expected to grow over the coming years. Research company Technavio predicts a combined average growth rate of organic food and drinks of approximately 7% in Europe until the year 2020. For 2015 they identified the following top vendors in Europe: Tesco, Metro, Carrefour, Ahold and REWE group.

Figure 3: Retail sales of organic products 2004–2014  
in billion euros



For some grains and pulses, the market share is significantly higher in the organic food segment. Quinoa for example, was first developed by mainly organic traders. For chia, the organic market share is believed to be up to 40%.

The organic market can be interesting for you as a small or medium-sized exporter from a developing country. In addition to the fact that the organic market is growing, consumers are willing to pay significantly more for organic products. At the same time, European buyers have difficulties finding good quality organic suppliers.



## **Tips:**

- Make sure your organic products are clean and free of pesticides and chemical residues. Separate your organic production from other crops and avoid cross-contamination. When residues are too high, your product will be sold as conventional or re-routed to other markets. Non-compliance is timely and costly business and can affect the relationship with your buyer.
- For more information about European legislation related to organic products, see our study about [buyer requirements for grains and pulses](#).
- Visit specialised trade fairs to get to know the organic market, such as [BioFach](#) in Germany. Also have a look at the organic database [Organic-Bio](#).
- For statistics on organic agriculture and trade, consult the FiBL website [Organic-World](#).

## **7. [Convenience in food:](#)**

Europeans often lead a busy life. This increasingly makes them choose food that is easily accessible and easy to prepare.

The convenience trend could potentially increase the sales of several grains and pulses as ingredients.

In North-western Europe in particular, consumers are able to choose from a variety of ready-made meals, with all sorts of grains and pulses. Others prefer to buy healthy snacks or pre-packed salads with quinoa, lentils or bulgur.

A development tapping into the convenience trend is the growing online market. Many high-end dry foods that are associated with good health or 'superfood' can be purchased online. Examples of shops that tap into this online market include:

- [Alnatura](#) (Germany)
- [RealFoods](#) (UK)
- [Puur&Fit](#) (Netherlands)

## **Tip:**

- Maintain open communication with your buyers. Learn about the end markets for your specific products. This will help you to understand developments in terms of convenience and adjust your marketing strategy accordingly.



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## **4) What competition do you face on the European grains and pulses market?**

The European Union (EU) has strict regulations, in which competition for various types of grains and pulses depends on where and how they are to be used. There is considerable variation in rivalry and supply power between large suppliers of commodities and exporters from developing countries working with products on a medium to large scale or those with a more exotic character. The potential for new specialty products and varieties is increasing, although competition should be countered by excellence in quality and product differentiation. This section explains the competition existing within the field of grains and pulses. For specific information on oilseeds, see CBI Competition for oilseeds.

1. [Market entry: Which opportunities and barriers will I face when trying to enter the market?](#)
2. [Product competition: What are substitute products?](#)
3. [Company competition: Who are my rivals?](#)

- 
1. [Market entry: Which opportunities and barriers will I face when trying to enter the market?](#)

The European market for bulk grains and pulses is quite mature and well structured by legislation and certifications. Competition is best challenged by offering an accurate response to market needs, good compliance with buyer requirements, product differentiation and niche products.

### **European requirements are an obstacle for new entrants:**

While rules are becoming stricter, supply chains become shorter and more transparent. These developments have increased the importance of good suppliers. Compliance with European quality and safety requirements and maximum residue limits for grains and pulses can be an obstacle for new external suppliers. At the same time, however, it can also allow suppliers to demonstrate their professionalism and differentiate their companies from competitors. New entrants often underestimate the rigorous quality control and extensive laboratory testing demanded by buyers, the level of EU border control and the risk of rejection.

### **Tips:**

- For detailed information on contamination and pesticide usage, see also [CBI buyer requirements](#).
- Learn from other suppliers, and identify common mistakes through the [RASFF \(Rapid Alert System for Food and Feed\) Portal](#), which registers shipments that have been rejected.



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## Buyers have different profiles:

While importers are always interested in serious suppliers, they are also a source for comparing products and prices. Buyers who have already established business relationships with suppliers who can assure them of steady quality and competitive prices have little reason to change suppliers.

The likelihood of changing suppliers depends upon the type of buyer. Some buyers are importers with typical trading profiles, buying and selling in response to trade opportunities. These trading companies shift between suppliers relatively easily, and they buy from suppliers in developing countries as well as from other European importers. Other buyers are sourcing companies, focusing more on the expertise of sourcing and demanding long-term commitment. Sourcing companies are well equipped to import exotic or new types of grains and pulses from developing countries, and they often plan local site visits.

With an increasing need for transparency and food safety, they will put more emphasis on the business relation with exporters.

### Tips:

- Demonstrate that you are a reliable supplier in order to establish long-term trade relationships. Efficient communication and honouring agreements are essential to building trust.
- Evaluate whether a joint venture or exclusive partnership would be an option for you and your trusted buyers. Integrated cooperations can strengthen your position on the European market and decrease the risk of losing the connection to your buyer. They can also offer the opportunity to dedicate your company's efforts in the areas of sourcing and compliance instead of export marketing.

## Specialization as a market-entry strategy:

Trade in bulk grains and pulses is price competitive. If your product merely complies with obligatory standards, price is about the only area in which you can make it stand out from the crowd. Large suppliers often have the advantage of scale, as they are able to produce and export efficiently at the industrial level.

In order to compete with large bulk suppliers, small and medium exporters can realize advantages through specialization or adding value. Adding value to your product will not necessarily make it easier for you to enter the market. For example, food processing is very common in Europe, and processed products are likely to be subject to high tariffs or other trade barriers.

Many other options can be considered, however, including targeting specific buyer groups, combining local niche products and specializing in specific varieties, organic products or social certification.

### Tip:





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Assess opportunities in your target market and try to differentiate. Visit trade fairs (e.g. [SIAL](#), [Anuga](#) and [Biofach](#)), and discuss your ideas with European exhibitors.

## 2. [Product competition: What are substitute products?](#)

This section describes the existence and competing power of substitutes for grains and pulses.

### **Risk of substitution depends upon application and market channel:**

At a trade level, niche products are more easily substituted or discontinued than are commodities (e.g. rice, corn) or food ingredients for the industry.

At the same time, smaller products can offer valuable alternatives or additions to major commodities, and they are therefore interesting options for small and medium exporters. Product substitution for grains and pulses depends upon consumer preferences, functionality and specific market channels.

• **Functional food** is a niche in which substitution is difficult, as consumers tend to buy specific products for specific reasons. Examples of functional food include gluten-free grains (e.g. teff, quinoa), omega3 products (e.g. chia, linseed) and protein sources (e.g. soybeans, pulses). Pulses can be used as a substitute for meat and, in the health-food segment, higher-value grains can become interesting alternatives for commodity grains.

• **Consumer choice** can easily be shifted between the many packaged grains and pulses available (e.g. pasta, quinoa, bulgur, kumut, couscous and various types of rice). Food brands are increasingly combining ingredients to offer attractive alternatives (e.g. brown rice with quinoa or spelt) or nutritious products (e.g. rice with lentils).

• **Food manufacturers** (for specific ingredients) cannot easily substitute ingredients, because they are part of specific formulas. If price or availability becomes a serious issue for a smaller-scale ingredient, it could eventually be substituted, or the product could be removed from the retail market. Although supplying your product to the food industry can provide stable demand for your product, the supply requirements are generally high.

• **The bakery industry** is an important channel for cereal grains and seeds, but is also very price competitive. Spelt, rye, quinoa and other special grains are minor substitutes for wheat in bakery products, although they can be easily replaced when prices rise. The same applies to seeds, including poppy, sesame, pumpkin, sunflower seeds, linseed and chia. As noted above, gluten-free products constitute an exception to the competitive bakery sector.

### **Tip:**



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- Make sure that you can guarantee a minimum level of availability, and be honest about your capacities as a supplier, especially when targeting the food industry or when working with relatively new products.

### 3. Company competition: Who are my rivals?

The European market is a buyers' market, in which many suppliers compete and in which price is often the determining factor. Nevertheless, standards of quality and sustainability are becoming increasingly important as a way for suppliers to distinguish themselves from their competitors.

#### **Supermarkets as dominant buyers:**

The purchasing power of European supermarkets is strong, especially in Western Europe, and it is expected to increase even further in the future. This is evident in the requirements and conditions that supermarkets set. It is easy for supermarkets to shift to other suppliers if their current suppliers do not adhere to these demands. Because competition for non-specialized products is based primarily on price, EU buyers can be characterized by a high level of price sensitivity. This subsequently translates into greater pressure on other actors closer to the producer level, including sourcing companies and exporters from developing countries.

#### **Tips:**

- Try to become part of long-term contracts with large retailers (either directly or with the help from an importer), but only if your company is ready for such commitments.
- For additional information on the role of the different players in the supply chain, see [CBI Market Channels and Segments](#).

#### **Strong suppliers in commodity market:**

In the commodity market for cereal grains and seeds (including oilseeds), supply is dominated by such multinationals as [ADM](#), [Bunge](#), [Cargill](#), [Glencore](#) and [Louis Dreyfus](#). These companies cover the food, feed and non-food industries, with offices throughout Europe, steady contracts and, in many cases, their own production. The supply power of local exporters is significantly lower. Buyers easily switch between suppliers without excessive costs, as production and trade are well organized. The market for pulses is less developed in Europe, and its demand does not reach the level achieved by grains. Pulses therefore offer more opportunities for independent and medium-sized exporters. In this market, exporters with less commoditized ingredients are able to exert much greater influence on their buyers. Many importers specialize in alternative grains,



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exotic seeds and healthy pulses, and they are dependent upon good relationships with their suppliers.

### **Tip:**

- Avoid competition with multinational suppliers. Find potential trading partners on such online databases such as [Europages](#), [Kompass](#) or [ITC Trademap](#), and compare their product range to that offered by your company.

### **Supplier power is regional and product-specific:**

European trade in commodities is dominated by large suppliers. Most of their production is located in or nearby Europe. For example, in Turkey, major suppliers hold a very strong position in lentils and, in the Ukraine, they dominate the supply of sunflower seeds. Their regional bargaining power is much stronger than that of exporters from developing countries who offer the same products. This is quite different for climate-specific crops and exotic varieties that are traditionally associated with specific regions (e.g. sesame, quinoa, chia, teff and pigeon peas).

Demand for authentic and specialty products is increasing, and the level of competition in this area is more likely defined by quality and product variety.

### **Tips:**

- Consult production figures on [FAOSTAT](#) and verify the potential competition from other producing countries.
- Stay abreast of new food trends in Europe by following [Food Navigator](#) or other news sites.

### **Future competition in specialty products:**

The European consumer market is changing. Along with increases in the demand for specialty products, quality and sustainability are becoming more prominent values. This offers an opportunity for exporters who maintain high standards and who are well prepared for this new mind-set. Competition will automatically increase along with developments in the demand for specific products. Nevertheless, exporters will have many options to distinguish themselves from their competitors in terms of quality and sustainability.

### **Tips:**

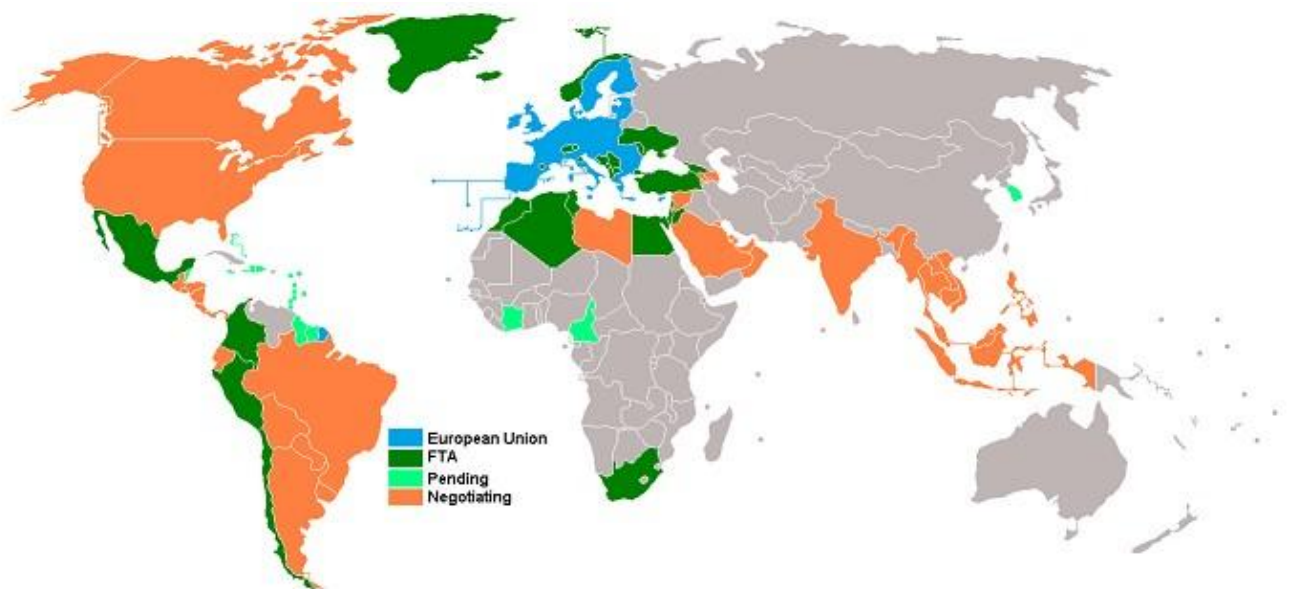
- Anticipate future changes by becoming a forerunner in quality, sustainability and product originality. For example, add value by accentuating sustainability aspects, including fair production and fair prices to farmers.



- Use the [Standards Map](#) to identify certification standards that correspond well to the values of your company. Additional suggestions are available in [CBI buyer requirements](#).

### EU Free Trade Agreements:

The European Union has identified the creation of business opportunities for EU exporters as a key priority, which is facilitated by Free Trade Agreements (FTAs). In return, partner countries can negotiate preferential tariffs for the export of agricultural (or other) products to the EU. Important suppliers of grains and pulses (e.g. Turkey, Ukraine and Mexico) have FTAs with the EU. Depending upon their content, such agreements can provide potential advantages in the trade of grains and pulses. For a complete overview of FTAs with the EU, see the [European Commission website](#).



Source: [Wikipedia](#)

### Tips:

- Determine whether your country has a [Free Trade Agreement with the EU](#) and whether your product qualifies for a preferential tariff. In addition, find out whether your competitors from other countries have beneficial agreements with the EU.
- Consult the [EU Export Helpdesk](#) to find the import tariff for your product, as well as those from other supplying countries.



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5) **Through what channels can you get grains and pulses onto the European market?**

The grains and pulses sector consists of a varied group of processed and nonprocessed food, traditional and new products. These are sold in outlets ranging from bakeries to health shops. Supermarkets hold a dominant purchasing position, although niche products are often introduced by specialized retailers. For products that are not bulk commodities, the supply chain is less integrated. In this case the role of importers is significantly more important in sourcing and quality control.

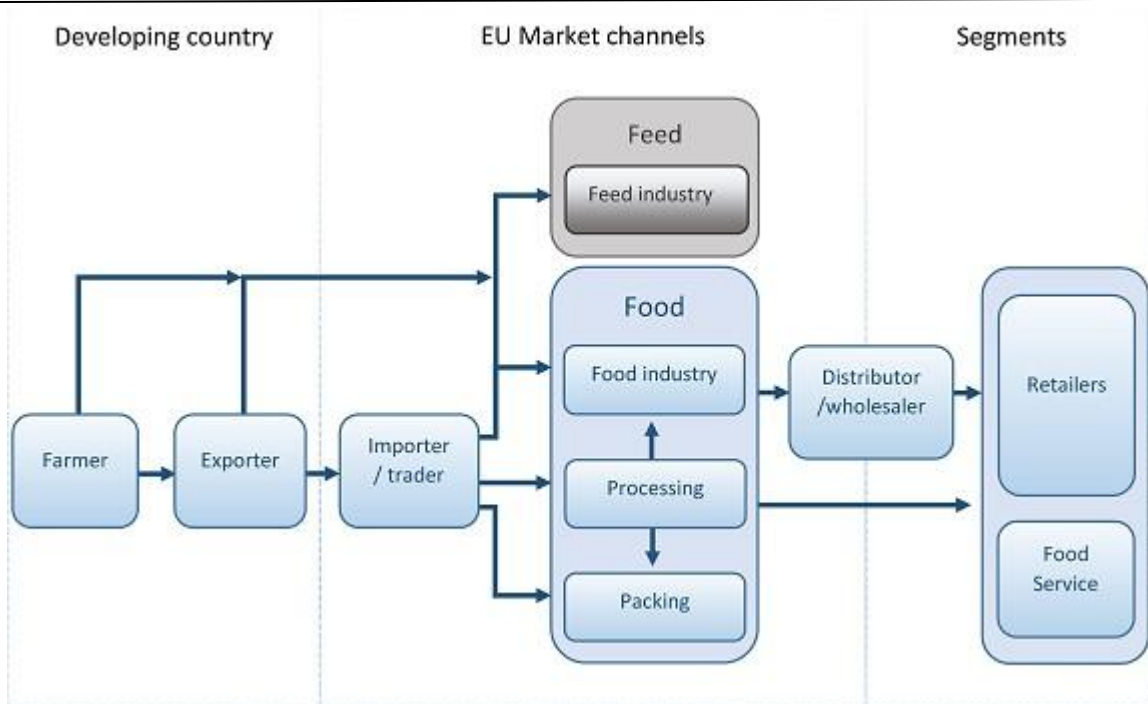
1. [Trade structure for grains and pulses](#)
2. [Which are the main trade channels for grains and pulses?](#)
3. [Which segments offer opportunities?](#)

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1. [Trade structure for grains and pulses:](#)

Trade channels for grains and pulses are highly diverse, covering products ranging from nonprocessed to processed, from bulk to niche and from traditional to innovative. Some grains (e.g. wheat and corn) can be found as ingredients or additives (e.g. starch) in nearly every processed food product, and the animal-feed industry consumes an enormous quantity of these bulk products. For a description of each stakeholder in the supply chain, see the annex of this study. There is also a separate CBI market-intelligence resource for [trade channels and segments for oilseeds](#).

Figure 1: Market channels in Europe for grains and pulses (for an explanation of the boxes, see Annex 1)



## 2. Which are the main trade channels for grains and pulses?

### Role of importers - Bulk vs niche:

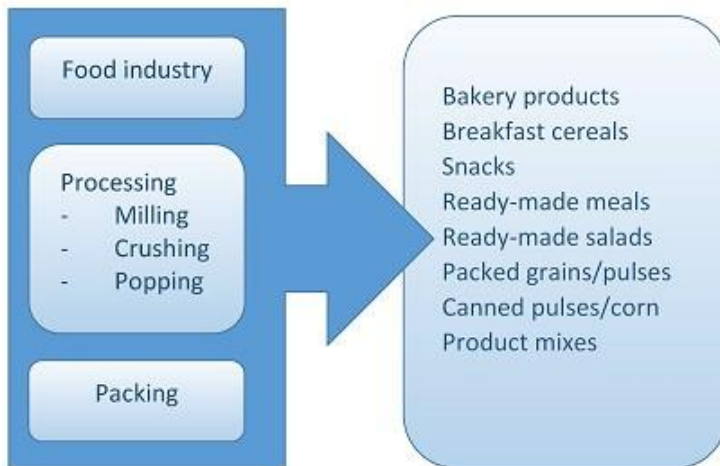
Bulk commodities (rice, corn, soybeans) are traded by large importers or directly sourced by multinational companies. In general, many of these commodity crops are supplied by large farmers under contracted production. Specialized importers play a much more important role in the trade of medium-scale and niche products (e.g. quinoa, chia, sesame, organic foods), especially when products are sourced from small farmers or cooperatives.

Niche products are more vulnerable to volatile changes in supply and demand. In addition, the companies in the trading channels for organic and gluten-free grains often differ from those used in conventional trade. Importers specializing in these types of products are experienced in managing high quality and reliable supply.

### Tip:

- Use the experience of importers in order to understand the European market and to ensure that your specific product corresponds to the demand and [requirements](#).

Figure 2: Segmentation of the food-industry channels for grains and pulses in Europe



## Product innovation:

The European food market for grains and pulses is diversifying. New products, ingredients and mixes are being introduced into a growing market, and brand development is no longer an exclusive activity of large food enterprises. More and more small specialized products are emerging, particularly in the health and organic segments. Small brand owners usually outsource their production to external packers and service providers.

Added-value market channels exist at several different levels, from packing and basic processing (e.g. milling, crushing and popping) to full product development (e.g. ready-to-eat meals/salads, cereal bars).

The food industry demands highly reliable supply, continuity and excellent food safety –all of which are preconditions for product development. Although some level of basic processing can occur in the country of origin, the marketing of a consumer product or brand from a developing country can be very complicated. Import tariffs are higher, and experienced food marketers in Europe leave little room for foreign brands. Nevertheless, product innovation and differentiation can offer opportunities for smallholder farmers who can supply semi-processed or new types of grains and pulses that conform to industrial requirements.

## Tips:

- In order to supply the food industry, make sure that your supply volume and quality are constant and reliable.
- Investigate whether basic processing in your home country could be attractive and cost-effective for European buyers. Look into import tariffs via the [EU Export Helpdesk](#) and check the types of [competition](#).



## Supply-chain integration:

Large retailers have developed a very strong influence on the entire supply chain, which is facilitated by vertical integration. This means that they control pricing, in addition to imposing strict quality requirements on their suppliers. A mature market for private-label products and recent price wars have placed additional pressure on suppliers.

Market channels are becoming more integrated in order to ensure transparency and compliance with requirements, as well as to remain competitive. Supermarkets are investing in distribution, retail outlets, fulfilment centres and pick-up points, in addition to becoming multi-channel retailers.

Importers often have their own packing and basic processing facilities and expect full transparency from their suppliers. Close cooperation and joint ventures increase the reliability of high-quality supply chains. In recent years, traditional trading has typically been converted into sustainable sourcing.

### Tips:

- Maintain a high level of professionalism and communication. Supply contracts can provide financial security and help to establish long-term relationships, but they are only valuable if you live up to them.
- Implement a traceability system that allows you to become a transparent and serious supplier in the eyes of European importers.

### 3. Which segments offer opportunities?

Figure 3: Segmentation of the retail and food-service markets for grains and pulses in Europe

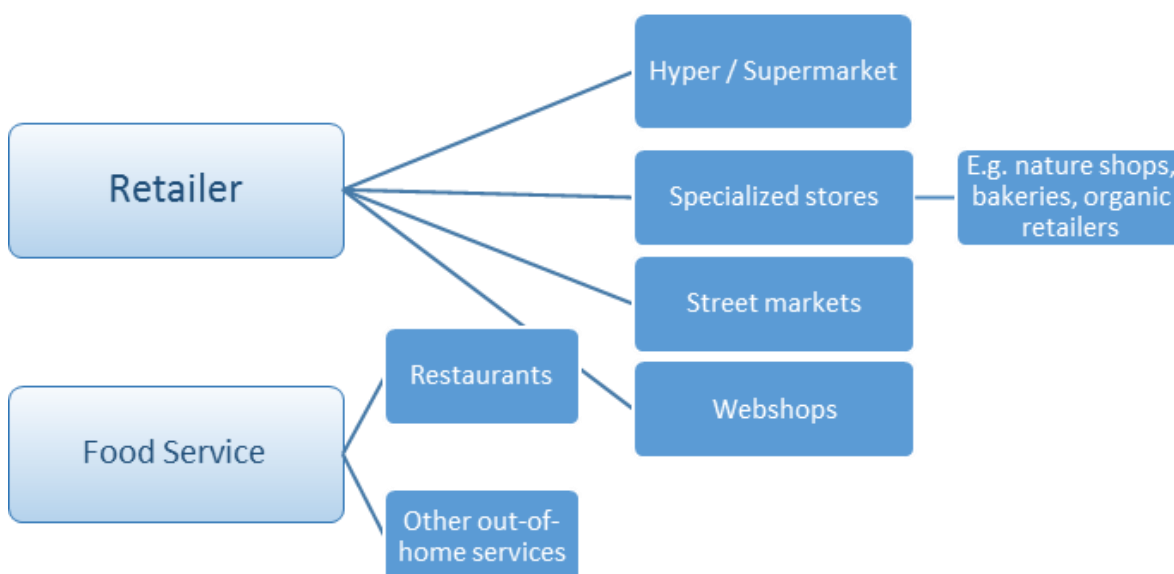




Figure 4: Characteristics of various segments for grains and pulses



### Dominance of supermarkets:

Supermarkets have a large market share in the sale of grains and pulses, especially in NorthWestern Europe. Their centralized purchasing and convenience shopping have placed supermarkets and hypermarkets in a very strong position. At the same time, competition between supermarkets is fierce. A remarkable trend has emerged in which supermarkets are becoming further segmented into discounters and high-end grocery stores.

Traditional retailers (e.g. bakeries), which constitute an important segment for cereal grains and seeds, are facing increasing challenges from the large non-specialized retail outlets with industrial bakery contracts and in-store bakeries. For example, in the UK and the Netherlands, the industrial sector holds a [market share of around 80% in the bakery segment](#). In France and Germany, supermarket shares amount to 35-40% and, in Spain, 19%.

Although supplying directly or indirectly to large retail chains ensures significant market coverage, it can be quite demanding in terms of quality, price, volume and delivery obligations.

### Tips:



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- In order to deal with the purchasing power of large retailers, prove yourself to be a very reliable supplier and be prepared to accept a lower price in return for a larger market share.
  - Supermarkets are demanding customers. Take advantage of the knowledge of importers and work together with them to move your product into the larger retail channels.

### Specialized retail in health and nutrition:

Europe has a growing number of specialized shops in health and nutritious food. These retail concepts tend to be more progressive than conventional supermarkets are in adapting niche products. For example, nature shops, organic grocery stores and ethnic shops specialize in products that are organic or free of particular substances (e.g. gluten), in addition to food supplements and exotic products. These products are sold in both physical shops and online stores. Street-market vendors of nuts and dried fruit sometimes sell a variety of seeds as well.

Supermarkets follow the same health trends, and they are embracing organic, ethnic and allergenfree products as well. Some have special sections for ethnic foods or foods that are free of particular substances (e.g. gluten-free). Organic retail chains often demand that brands be sold exclusively in the organic segment, thereby avoiding competition from non-specialized supermarkets.

### Tips:

- If you export organic, ethnic or niche products, extend your focus to importers who supply specialized stores.
- Become familiar with various types of consumers and potential target groups in Europe.

For example, visit specific trade fairs such as [SIAL](#), [Anuga](#) and [Biofach](#).

### Food service increases familiarity:

Although the food-service segment for grains and pulses is smaller than the retail segment, restaurants and their chefs can help to promote new products. It is an interesting segment for making people familiar with the taste and usage of relatively unknown products. In this way, they reinforce the efforts of food specialists and media. Ambassadors of niche products could increase the overall demand for them, thereby benefitting the supply chain as a whole.

### Tip:



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- Discuss strategies for influencing food specialists with your buyer or industry association, and use the food-service channel as a promotion tool.

### Creating added value:

For bulk commodities and ingredients in common consumer products, price is a determining factor (e.g. bread, flour, canned corn, canned beans and consumer-packaged rice). Higher-end segments are frequently explored by food companies. The range of luxury processed food, exotic varieties and organic or social certified grains and pulses is expanding.

Some high-end food segments are small, but have higher margins. Specific growth has been observed for products with grains and pulses offering specific nutritional value or health benefits. To reach these segments, supply needs to be of a premium quality. Less esthetical or conformable qualities are more suitable for milling or other types of processing.

### Tips:

- Consider adding value to your products and targeting a higher segment by using organic, social or environmental certifications or supplying a premium product.
- Communicate the attractiveness of your product to customers, and learn to be responsive to the sales strategies of your buyers.

This survey was compiled for CBI by Michel Peperkamp | ICI Business in collaboration with CBI sector expert Freek Jan Koekoek.

Disclaimer CBI market information tools: [disclaimer](#)

Annex 1: Information boxes for the trade structure (Figure 1)

### Farmer :

Farmers of grains and pulses exist in many sizes. Industrial-sized farmers offering bulk products (e.g. soybeans, corn) can have direct links to the larger European food industry, without using independent exporters or importers. Small and medium-sized farmers and farmers offering niche products are dependent upon local cooperatives or exporters.

### Exporter:

Exporters collect products from farmers and add value by financing, storing and, in some cases, basic processing (e.g. cleaning, drying, crushing, milling) and packaging for grains and pulses. Exporters have an important responsibility in product traceability and quality.

### Importer/trader :



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For many grains and pulses, importers occupy a very important position in terms of providing market access and ensuring product quality and compliance. Importers usually have longstanding relationships with customers and excellent knowledge of quality requirements, logistics and the formal administrative processes. Their role is slowly shifting from traditional trading towards sustainable sourcing companies. Some importers specialize in organic or fair trade products, although they can also be very helpful in introducing novel grains or pulses.

### **Processor/packer:**

Grains are often processed before being packed or supplied to the food industry. Processing includes milling, popping (grains), crushing (oilseeds), among other processes. Basic processing is often integrated into the activities of the food-packing industry. Advantages of processing in Europe instead of at the place of origin can be either economic (e.g. lower import duties) or related to greater direct control on food safety or efficiency.

### **Food industry :**

The food industry is the most important driver of food innovation and brand development. Major brands require a constant supply of raw materials and an excellent food safety record, before launching a new product or ingredient. Bulk products can be directly sourced by these industries, but for niche products, they often depend on the expertise of importers.

### **Feed industry:**

The feed industry absorbs enormous quantities of raw material from the grains and pulses sector. The market channel for animal feed works with lower prices and quality standards than is the case in the food industry, although food safety requirements are very similar. Suppliers can profit from the feed trade when supplying high volumes or specific nutritious additives.

### **Distribution/wholesale :**

Distributors or wholesalers can maintain stock and supply flexible quantities to retailers and foodservice companies. Supermarket chains usually have their own distribution centres, while other retailers depend upon independent wholesalers.

### **Retail :**

The retail segment consists primarily of non-specialized supermarkets and specialized retailers (including e-commerce and street markets). Supermarkets sell a large variety of processed and consumer-packed products. Examples of large supermarket chains include Rewe (Germany), Carrefour (France), Tesco (UK) and Ahold (Netherlands). Because of their purchasing power, these chains hold a highly dominant position throughout the entire supply chain, and they usually work with preferred suppliers or service providers that are responsible for importing, contracting and combining products from various countries. Their segment is especially strong, if not saturated, in North-Western Europe. The [Retail-index](#) provides a ranking of European supermarkets.

Specialized retailers include traditional shops (e.g. bakeries), as well as health shops, ethnic stores and organic grocery stores. Specialized retailers attempt to distinguish themselves from



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nonspecialized supermarkets by selling unique products and providing additional product knowledge.

### **Food service:**

Food service constitutes a smaller segment for grains and pulses, including out-of-home consumption (e.g. restaurants, catering, company cafeterias, hotels, schools, hospitals and care homes). Most of these businesses are supplied by wholesalers.

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## **10 Tips for Finding Buyers in the European Grains and Pulses Sector:**

How can I find European buyers for my product?

When entering new markets, many sources can be used to find buyers. For example, you can approach sector associations to obtain contact details. But it is equally important that buyers can find you, especially online. Trade fairs offer a very good platform to interact with buyers in person. Whatever promotion tools you use, make sure they are consistent and leave a professional impression. Have a look at the following tips and apply them to your company.

1. [Do your market research](#)
  2. [Attract buyers to your website](#)
  3. [Make connections by networking on different social media channels](#)
  4. [Visit and exhibit regularly at trade fairs](#)
  5. [Get in touch with support organisations](#)
  6. [Check the information that sector associations offer](#)
  7. [Register with trade directories](#)
  8. [Engage with your business contacts](#)
  9. [Seek free publicity or advertise at trade shows](#)
  10. [Understand your buyer's mindset](#)
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## 1. Do your market research:

Plan your market entry by doing a comprehensive analysis of your target market. Take the time to investigate where your products will have better chances, in which countries and in which segments. This way you will target the right buyers for your products.

### Tips:

- Do thorough research on market statistics, comparative market sizes and background information from each country, specific to your product. Check our studies on [Trade Statistics](#) and [Market Channels and Segments](#), and other interesting sources such as [European trade statistics](#), [ITC Trademap](#) and [FAOSTAT](#).
- In-market visits are also valuable once you are done with your desk research. This way you can test your assumptions, identify opportunities and find potential buyers.
- Keep up to date with the latest information about grains and pulses, for example on the websites of [Health Grain Forum](#) and [Food Navigator](#) and [World Grain](#).

## 2. Attract buyers to your website:

Web searches are very popular among buyers, so be sure that your company can be found by using the most common search engines. Normally, this is the first place where buyers will see whether you have a well-established company. If you do not appear in their web searches, they may assume you are a small exporter that is unable to fulfil their demand. Remember that your website is the main online communication channel which should fully reflect your business and communications.

### Tips:

- Websites get out of date very quickly. Buyers look for an updated website that represents your business and products, and also offers information about your international activities.
- Be sure that your website is organised, with attractive content and pictures that offer clear information. Do not forget to include good graphic design that fits your target market.
- Websites should be written in good English as well as in the language of your target market(s).
- Create your own blog to bring the customers' attention to interesting topics.
- Use SEO (Search Engine Optimisation) to get more traffic to your website. To do this, you can register for [Google Webmaster Tools](#).



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### **3. Make connections by networking on different social media channels:**

In order to find buyers across Europe, you can use business networking platforms such as [LinkedIn](#) and [Google+](#). LinkedIn is the most important for professional use and includes relevant groups for many industries. Other country-specific sites such as [Xing](#) in Germany and [Viadeo](#) in France are used as well, but on a much smaller scale. When you are active on social media, make sure that your contributions are professional and enhance your company's image. Do not spam many sites randomly with information that is not relevant. All sites operate on the basis of implicit codes of conduct about how they should be used. When you are active on social media channels such as Twitter, WhatsApp and Facebook, or if you run a blog, the same caveat applies: be professional and selective in your posts.

### **4. Visit and exhibit regularly at trade fairs:**

Whether you are a visitor or an exhibitor, trade fairs are the first place to meet in person with your potential buyers. This is a great opportunity to talk to other companies and get a bigger picture of how the market is developing. For grains and pulses in Europe, Anuga, SIAL, FIE and BioFach are major trade fairs. Before deciding which show to exhibit at, take the time to visit the website, check who the attendees are and see if your product(s) and company are the right fit for this particular trade fair.

#### **Tips:**

- Design an eye-catching stand, as marketing starts with the visual aspect of your company. You can re-use your stand design and infrastructure at several trade shows.
- If you prefer not to bring your own stand because of its size, weight and so on, there is also the option to rent a stand and set up the configuration according to your needs. Check with the trade show organiser whether this option is offered.
- Some trade shows schedule matchmaking meetings for buyers and suppliers to evaluate collaboration interests. These one-to-one meetings can take place in a conference room. Sometimes a fee will be charged to be able to participate. Do not forget to register in advance.
- Prepare for your visit well in advance by checking details of the exhibitors list and making appointments beforehand by email, post or telephone.
- As trade fairs take place in different countries in Europe throughout the year, it is costly for small and medium-sized exporters to attend all of them. Consult with experts to select the fairs that offer the most benefits to your company. Trade fairs also publish statistics and profiles of visitors and exhibitors that will help you to



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decide. To increase your impact, you may combine your participation with a visit to clients and perform in-market visits.

- Do a [trade fair benefit check](#) after your exhibition. This software, free of charge, is a tool to calculate cost/benefits for exhibitors. It is available in different languages.
- Do not forget to do your trade show follow-up!

Here you can find a selection of the most attractive EU trade shows in the sector. Please note that these shows are often international and not country-restricted. France

[SIAL](#) Paris. Trade fair for food products.

[Natexpo](#). Paris. Trade fair for organic products.

Germany

[Anuga](#). Cologne. World's leading international food fair for the retail trade, food service and catering market.

[BioFach Vivaness](#). Nuremberg. Largest trade fair for organic food products.

[Certified Food](#). Hamburg. B2B trade fair for certified raw materials and semi-finished products.

Spain

[BioCultura](#). Held in different cities. Spanish international trade show for organic products and responsible consumption.

Scandinavia

[Natural Products Scandinavia](#). Malmö, Sweden. Trade show co-located with the Nordic organic food fair specialised in organic and natural products.

United Kingdom

[Natural Organic Europe](#). London.

[IFE](#). London. Largest food and drink exhibition taking place in the UK.

Global: [www.biztradeshows.com](http://www.biztradeshows.com) and [www.tofairs.com](http://www.tofairs.com) are two examples of websites to search for any trade show in the world. Just filter your target country in Europe and your sector.

## 5. [Get in touch with support organisations:](#)

Contact your country's chamber of commerce, government agencies or Business Services Organisations (BSOs), which promote exports from your home country and are in contact with overseas buyers.

Commercial attaches working in your country's embassy in Europe are a point of contact as well. They often have useful information about the market.





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There are also governmental organisations in Europe which promote imports from developing countries. Check with them to see whether there are specific programmes for your country and sector. For instance:

[CBI](#). CBI runs export coaching programmes in many developing countries, but they are now always open for application. Check the country pages for the latest details.

[SIPPO](#). Switzerland global enterprise. SIPPO helps SMEs in selected partner countries and sectors to export their high-quality products to Europe.

[Ixpos](#). The German business portal.

[Finnpartnership](#). Its mission is to increase commercial cooperation and promote business partnerships between companies in developing countries and in Finland.

[BTC](#). The Trade for Development Centre is a Belgian Development Agency (BTC) programme.

## 6. [Check the information that sector associations offer:](#)

Support organisations for the international trade of grains, oilseeds, rice, pulses and derived products are available and offer useful information for you to find importers, exporters and distributors. Go to the members link and there you will find associations for several of the EU countries. In each of the countries you can also find traders who are the members of the association and you can get in touch with them. For example, have a look at:

### [GAFTA](#)

GAFTA is the only worldwide trade association representing the interests of members who trade in grains, feeding stuffs, pulses and rice internationally, with over 1,400 members in 86 countries.

### [COCEREAL](#)

COCEREAL is the European association representing trade in cereals, rice, feedstuffs, oilseeds, olive oil, oils and fats and agro supply. It has members in most of the 28 EU member countries. [List of members](#).

Governmental organisations within the European Union support trade between nations by helping them to find business partnerships. For example, [Enterprise Europe Network](#) offers a very interesting database where you can look for local contact points in all EU and some non-EU countries.

## 7. [Register with trade directories:](#)

Trade directories usually charge for membership to get information on their databases and to contact other traders. After your registration, you can either join as a supplier or directly look for buyers. Be selective in the directories you are using and make sure you leave a professional impression. Posting randomly on many sites may look cheap and even desperate.

You can use a free trial to start with and then see if it is worth paying the annual fee. Here are some interesting online trade organisations:



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[Green trade](#). Marketplace for organic products.

[Grains1](#). International B2B portal for the grains industry.

[Organic Bio](#). International directory of organic food wholesale and supply commodities in the EU.

[European grain](#). European trade platform for grains.

[Organic Business](#). Natural trade directory for the UK market only.

[Kompass](#). Global B2B.

[Global buyers online](#). Search for the latest trade leads from buyers and importers from all over the world.

[Europages](#). Directory of European companies. This is a professional portal that encourages business-to-business exchanges.

[Food Companies](#). Directory and marketplace for food companies.

## 8. [Engage with your business contacts:](#)

It is important to be consistent with the contacts that you make in order to obtain potential buyers. In the initial stages of selling, it is imperative to have good commercial negotiation skills, but in the long term you will have to maintain a good relationship with your clients and potential customers. [Customer Relationship Management](#) (CRM) programmes help you to have an organised overview of your contacts, opportunity management, lead generation and customer service, among other areas. There are several online options irrespective of the size of your business.

### [Tips:](#)

- Build a database using a CRM solution and make lists of your clients based on their interests.
- Keep your clients informed about your business developments. This does not need to be long, so keep it short, precise and clear. For instance, sending an e-newsletter to your clients between two and four times a year will be fine.
- Find special dates during the year to keep in touch with your clients, like Christmas or Easter holidays.

## 9. [Seek free publicity or advertise at trade shows:](#)

When you have an interesting story to tell about your product or company, you may seek free publicity. If you have the budget, advertising pays off when you are starting your business. You can use a trade show to position your firm. Trade shows have their own marketing departments that are responsible for advertising and promoting exhibitor companies. Adverts range from flyers and



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banners to personalised ads which can be placed either on paper, online or on mobile platforms in the exhibition media.

### **Tips:**

- Select the right material publicise when you have everything ready to compete in the market.
- You can usually find a press room in the fairgrounds where you can present a press release of your company and products.
- Contact the event organiser and request more information on ad sizes, resolution, prices and so forth.

### **10. Understand your buyer's mindset:**

Buyers are contacted each day with offers from suppliers, therefore you should highlight what makes your product and company special. Before contacting your prospects it is important to take the time to understand their way of doing business. Since you will be dealing with people from different countries in the EU, it is recommended to adapt to their cultural mindset and expectations. Check out our study [Top 10 Tips for Doing Business with European Buyers](#).

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## **10 tips for doing business with European Buyers of Grains and Pulses:**

What needs and wishes of European buyers should I take into account if I want to build a fruitful business relationship with them?

When you want to enter a new country, it is key to understand the way that people there do business. Since you will be dealing with people from different countries in the EU, it is recommended to adjust to their culture, requirements and expectations. It is also important to be selective when you choose the countries to penetrate, and tackle them one by one.

1. [Try to build long-lasting relationships](#)
2. [Be aware of differences in business culture and communication](#)
3. [Keep your certifications up to date and comply with legal requirements](#)
4. [Make sure you have a good sales agreement](#)
5. [Work on your product differentiation](#)
6. [Get ready with the best product conditions](#)



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7. [Be selective when targeting your export market\(s\)](#)
  8. [Implement a good after-sales service](#)
  9. [Identify the business model that suits you best](#)
  10. [Promote your social and environmental efforts](#)
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### 1. [Try to build long-lasting relationships:](#)

Making the effort to build strong and long lasting relationships is critical in order to remain in the market. Hard sell techniques do not always work.

Do not expect to get orders on the first meeting or discussion, as this can take a couple of months. Instead, build trust over a period of time, be patient, keep promises and be honest.

#### **Tips:**

- Be aware that buyers can sometimes be opportunistic, in the sense that they will only buy your product when it is convenient for them. This can mean they are not looking to build a long-term relationship. If the conditions are not favourable for you, you can decide to protect your business by declining to sell to this buyer.
- Buyers tend to do an initial trial prior to importing your product regularly. This is done before they trust you. They want to know more about you, your quality, consistency and commitment. Plan on-site visits to your farm or facilities and invite your potential buyers. This might help to get to know each other better and show that you have a stable business environment and the capacity to export the quality and volume required.

### 2. [Be aware of differences in business culture and communication:](#)

A good communication style is necessary in order to avoid misunderstandings. Each country is different in Europe. Be flexible and adapt to the circumstances. Understand the business culture and try to adapt to the local way of doing business. This does not imply that you have to do what the buyers ask you to do, but instead means that you should follow their business etiquette.

Dealing with more than one language in Europe can make negotiations challenging. However, English is the main business language. It is not uncommon for your buyer to have knowledge of your country's language too.



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## Tips:

- Europeans tend to be formal in doing business. Meetings are scheduled weeks in advance, and run according to a set agenda. Greet with a firm handshake and make eye contact. Punctuality is important.
- Be sure that you and your office members have a good command of English to be sure that nothing gets lost in translation.
- It is important that all your business documents are written in English. Should you have labels on your products (in case of consumer products), it is very important to have them written in the language of the country you are selling to. There is also the possibility to create a multi-lingual label.
- If you want to know more about business culture in each of the European countries, see resources such as the [Kwintessential Etiquette Guides](#).

## 3. Keep your certifications up to date and comply with legal requirements:

Compliance with European quality and safety standards is a must. In addition, Europeans are very keen to protect the environment, and are concerned about climate change as well as social and human rights. Therefore, certifications concerning environmental and social issues may also be useful.

For quality and food safety, HACCP, ISO22000, BRC and IFS are the most important standards in grains and pulses. For environmental and social issues, individual company standards are often used, but general standards such as BSCI, Utz, ETI and Rainforest Alliance may be used as well. Certifications such as organic, Fair Trade, non-GMO, gluten free, halal and kosher open the door to specific niche markets.

## Tips:

- As certifications are renewed each year, keep your records up to date and send the renewal certificates before they are due to your clients.
- Show that you care about the environment by implementing good policies. For example, promote the programmes that you implement at your farms related to crop rotation, waste management and carbon print reduction.
- There are different types of documents that you might have to prepare when you start exporting your products. Check this beforehand to avoid delays on deliveries. Typically, you will need your commercial invoice, bill of lading, shipping notes, pro forma invoice, transit documentation and last but not least, pre-shipment



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inspections which are specific to your products. For more information, see [Documents for customs clearance](#).

• For more detailed information on certifications and requirements, see our study on [buyer requirements on the European grains and pulses market](#). Find out which types of certifications are more relevant for your target countries. Please check [Standards Map](#).

#### **4. Make sure you have a good sales agreement:**

As in any business relationship, both parties should be happy with each other. It is therefore important to have the right contract terms that will protect you and your business. You should have laid down a consistent legal framework, clear payment terms, terms of delivery, trade currency and so on. Some buyers prefer to have long-term (annual) contracts and even are able to help with financing your crop production. However, when you fix prices in advance, you should be aware of the (price) risks involved: the prices of either your raw materials or of the product you sell are likely to change during the course of the contract, complicating its fulfilment.

Contracts can be closed verbally with a firm order which is accepted by the other party, or by signing a contract. In any case, make sure that your agreements are properly confirmed in writing and are legally signed.

#### **Tips:**

• Before closing a deal, it is important that both parties agree on all conditions; this way you will avoid misunderstandings during trading.

• Payment terms vary widely, ranging from 'advance payment upon signing of the contract' or 'cash against documents' to 'open account', when the payment is only effected after delivery and acceptance of the goods. Try to negotiate advantageous terms of payment for your company, but be realistic. Trust is also a major issue. If you do not know your buyer yet, be careful in granting terms such as open account where the risk is largely on your side.

• Fulfil any sale conditions in your contract. It is not considered correct to break a contract due to increase in sale prices, for instance.

#### **5. Work on your product differentiation:**

Selling grains and pulses in Europe is a competitive business because of the vast offer of commercial commodities which have been traditionally traded. In this competitive market, niche products will have greater chances of success for small and medium-sized exporters from



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developing countries. In general, grains and pulses that are organic or fair trade certified are very attractive for niche markets.

### Tips:

- Highlight what makes your product special for the international market. The special attributes of niche products offer exporters the possibility to gain market share and attract specific consumer groups. For example, amaranth, quinoa and cañihua are interesting as gluten-free products, and sesame and chia are high in omega-3 fatty acids.
- Apply basic food technology to your products. Although most grains and pulses are traded as bulk products and there is little room for end products, which are normally processed in Europe for the local needs and taste, basic food technology is sometimes applied at origin. This includes grain-flaking processes or flour making from both grains and pulses (e.g. quinoa flour, lentil flour).
- Generally, semi-processed or processed grains and pulses will be packed in Europe for retailer sizes. It is certainly good to find out first from your buyer any requirements before performing food processing. See [CBI Buyer Requirements](#) for more information.

## 6. Get ready with the best product conditions:

European buyers and consumers are very stringent and expect your product to comply with quality and safety standards. Be sure that you can supply the level of quality as expected by your buyer and as agreed in the sales contract. This way you will avoid the risk of goods being rejected upon arrival to Europe. The presence of contaminants such as pesticide residues, heavy metals and aflatoxins present an especially large hurdle for imports into Europe, and both the competent authorities and private operators exercise strict controls.

### Tips:

- Implement good traceability and quality control systems at your facilities, which assure that your food products are safe and produced to the European standard.
- Submit on-time laboratory results for pesticide residues, mycotoxins, fungi or any other substances required.
- Each product category within Grains & Pulses has its own quality requirements. Check this ahead of time. For more information [see CBI Buyer Requirements](#).



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• Keep in mind that your customers need your products to arrive on time, as they also have agreements with their clients to fulfil. Therefore, it is important to allow plenty of time to get your products ready to be shipped. If there is any problem with your harvest, packaging, shipping and so on, inform your clients in advance. This way both parties can look for alternatives and you can avoid losing your buyers.

## **7. Be selective when targeting your export market(s):**

Start small. The European Union is very large and diverse, and it will be very challenging to enter several countries at once. For instance, in North-western Europe people are concerned about their health and prefer to choose natural and highly nutritious food. Traditionally, pulses have been consumed in Southern Europe as a great source of low-fat protein and as an alternative to meat. They are very well received, and now are becoming more popular in the rest of the EU. Gluten-free grains that are substitutes for wheat are also in high demand.

### **Tips:**

- Try to get to know the country you are targeting first, for instance by travelling there on business or on holiday. Take your time to observe the market and exchange information with locals.
- Choose which countries to export to. It is advisable to select the countries before developing a sales strategy, for example based on your preferences, the results of your market research, trade statistics or connections you may already have. See more details on [CBI Market Trends for Grains and Pulses](#).

## **8. Implement a good after-sales service:**

After your product has been shipped, maintain good communication with your buyer. This is not only to ensure the product has arrived without any problems, but also to know whether there is room for improvement on quality or service. The way that you communicate with your buyer is key to maintaining a good business relationship.

### **Tips:**

- Have people in charge to answer technical questions at your company, such as a quality manager to answer questions about any part of the process or quality issues that may arise. Follow up on any queries diligently.





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- **Quick response time and consistency:** in order to keep the business running, it is important to get in the habit of replying quickly to emails, phone calls or any other form of communication. Not responding within one or two business days shows a lack of interest. Even if there is bad news, it is advisable to inform buyers of what is happening in a timely manner.
  - Use social media and online tools which help to keep your business sales running round the clock.

## **9. Identify the business model that suits you best:**

Ideally, how you manage your sales in a foreign country should be defined before starting to offer your product. Your options include appointing an agent, choosing a sole distributor, selling directly from your country of origin to many customers, or opening a sales office. Often, this market entry strategy will also take shape over time. Generally, your potential customers are traders/distributors and (food) manufacturers. Retailers in Europe buy from wholesalers, distributors or importers.

### **Tips:**

- Setting up your selling force in a country does not necessarily mean that you need to establish your own company there. You can have your own distributor or agent to do the sales for you. If you decide to contact buyers personally, the best way to do so is while exhibiting your products at a trade show or through networking. See more information on [CBI Market Channels and Segments for Grains & Pulses](#).
- Discuss with your buyer the [Incoterms](#) and the best means of transportation to deliver your goods on time in the EU. Although you may be selling on FOB conditions, it is common to receive help with the coordination of sea transport to a European port.
- To deliver your goods on schedule, allow plenty of time for the preparation for shipment. As grains and pulses are dry products, there is also the possibility to obtain a storage facility in a warehouse in Europe and distribute to other countries within the EU from there.

## **10. Promote your social and environmental efforts:**

More and more European consumers are aware of social, ethical and environmental schemes. Therefore, implementing Corporate Social Responsibility (CSR) at your company will be rewarded at the end of the supply chain.



## **Tips:**

- If you have implemented your own programmes at your farms that benefit your farmers, families and communities (e.g. educational programmes, health services), talk about them with your buyers and promote them on your website or through social media.
- In general, all practices in the area of sustainability will improve your international performance and make your company stand out from your competitors, thus helping you gain market entrance.

