



Exporting spices and herbs to Europe



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Europe offers interesting opportunities for companies that export spices and herbs. Here you'll find answers to important questions about how you can get spices and herbs on the market in Europe.

- **Sector information**

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

- **Tips**

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



1) What requirements should spices or herbs comply with to be allowed on the European market?

The European market for spices and herbs has strict requirements for food safety and quality. In addition, private requirements for sustainability are becoming more important for suppliers from developing countries.

1. [Food safety – traceability, hygiene and control](#)
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1. Food safety – traceability, hygiene and control:

Food safety means that food is safe to eat. It is a key issue in food legislation within the European Union.

The [General Food Law](#) is the legislative framework regulation for food safety in the European Union.

To guarantee food safety and to allow appropriate action in case of unsafe food, your spices and herbs must increasingly be traceable throughout the supply chain, while risks of contamination must be limited. This fact means that you should be more and more aware of where your products come from, provide information and keep records.

An important aspect to control food safety hazards is defining critical control points (HACCP) by implementing food management principles.

Tips:

- Have a look at the [Quality Minima Document](#) of the European Spice Association (ESA). It is the leading document for the most important European buyers, providing an overview of legal requirements and non-legal (for example, quality, food safety, labelling) requirements.
- European buyers will often ask you to implement a food safety management system based on HACCP principles. For more information, see below.
- Read more about hazard analysis and critical control points (HACCP) on the [European Commission Export Helpdesk website](#). You can consult the European Commission Export Helpdesk [for a full list of requirements](#). Select your specific product code under Chapter 09.



Control of food imported to the European Union:

Your products will be subjected to official controls. These controls are carried out to ensure that all foods sold on the European Union market are safe; for example, in compliance with the requirements applicable to them.

Due to repeated non-compliance, spices and herbs from certain countries (especially Indonesia and India) have been subject to additional and stricter custom controls in the European Union over the past years. Measures imposed by the European Union include requiring a health certificate and an analytical test report.

At this moment, dried spices and herbs are not subject to additional controls. However, due to continuing problems with excessive levels of aflatoxins and pesticides as well as salmonella contamination, it is likely that controls will become stricter in future.

Tips:

- Check regularly whether there are any increased levels of control for your product or country. The list of spices and herbs and their supplying countries is updated regularly. Check the website of [EUR-Lex](#) for the most recent list (see latest document under Amended by).
- Search in the [European Union Rapid Alert System for Food and Feed \(RASFF\) database](#) to see examples of spices and herbs withdrawn from the market and the reasons behind these withdrawals.
- Read more about [health control](#) on the European Commission Export Helpdesk.

2. Contamination of spices and herbs:

Contaminants are substances that may be present as a result of the various stages of growing, processing, packaging, transport or storage. Common forms of contamination are the following.

Pesticides:

The European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed or illegal pesticides will be withdrawn from the European Union market.

Pesticide residues exceeding the limits laid down in European Union legislation are not allowed on the European market. A problem for European buyers is that a large share of spice and herb crops worldwide do not comply with European Union limits. As a result, this issue is very important for them. To this end, the European spice and herb industry is extensively training suppliers in the safe use of pesticides.



Please note that buyers in several European Union Members States use MRLs which are stricter than the MRLs laid down in European Union legislation.

Moreover, most supermarkets have their own standards (codes of practices) for pesticides, which are stricter than legislation. If your buyers do business with these supermarkets, they will impose their standards on your products as well.

Tips:

- Do not interpret residues or detection limits yourself (for example, margins of error in testing). Discuss at length with your buyers what levels are acceptable for them.
- You can use the European Union [MRL database](#), in which all harmonised MRLs can be found. If you search for your product or the pesticide used, the database shows the list of the MRLs associated with your product or pesticide.
- To reduce pesticide levels, promote integrated pest management (IPM) among the farmers with whom you work. This agricultural pest control strategy uses complementary strategies such as good growing practices and chemical management. For [more information on Integrated Pest Management](#), see the FAO website.
- Read more about [MRLs](#) on the European Commission Export Helpdesk. You can consult the Export Helpdesk [for a full list of requirements](#). Select your specific product code under Chapter 09.

Mycotoxins:

For piper nigrum, capsicums, nutmeg, mace, turmeric, ginger and mixtures containing one or more of the spices mentioned, the maximum level of aflatoxin is between 5.0 µg/kg for aflatoxin B1 and 10 µg/kg for the total aflatoxin content (aflatoxins B1, B2, G1 and G2). For the same products, the maximum level of ochratoxin A (OTA) is set at 15 µg/kg.

For capsicum, a limit of 20 µg/kg was determined in 2015. This limit was initially set at 15 µg/kg. However, European research showed that this limit was unrealistic. Unfavourable weather conditions during growth and harvest make it hard to control the level of ochratoxin A.

Tips:

- Better understand growing, drying, processing and storage practices to prevent contamination and discuss them with your suppliers. Valuable sources are the guidelines on the [Code of Hygienic Practice for Spices and Dried Aromatic Plants](#) (Codex Alimentarius) and [Good Agricultural Practices \(GAP\) Spices](#) (IOSTA).



- For information on [safe storage and transport of spices and herbs](#), go to the website of the Transport Information Service.
- Read more about [mycotoxins](#) on the European Commission Export Helpdesk. You can consult the Export Helpdesk [for a full list of requirements](#). Select your specific product code under Chapter 09.

Salmonella:

Recent research shows that [7% of all spices imported into the United States were contaminated with salmonella](#). Of the 79 countries that were monitored, 37 had a problem with salmonella, which was found on basil, black and white pepper, oregano, paprika, chillies (capsicum), coriander, cumin and curry powder. It is therefore a serious and widespread problem, also for European buyers.

There are no specific requirements laid down in European Union legislation for salmonella contamination of spices and herbs as there are for other products. However, according to Article 11 of the [General Food Law](#), food products placed on the European Union market must be safe. To this end, food business operators are also testing spices and herbs for salmonella.

Food safety authorities can withdraw spices and herbs from the market or prevent them from entering the European Union when salmonella is found.

Tips:

- Salmonella can occur at all stages such as growing, harvesting, processing, storage, packaging and sale. The maintenance of good manufacturing and hygiene practices, together with the application of HACCP principles, is therefore of great importance while growing, harvesting and processing.
- Many buyers in Europe expect a test report on the microbiological contamination of your products. Providing this service makes it easier to find buyers in Europe.
- In the European Union, steam sterilisation is the preferred method to combat salmonella as well as other types of microbiological contamination. Providing this service yourself can be costly, but you may be able to receive a premium. Working together locally with reliable service providers can also be an option.
- You should take basic cleaning steps such as metal and stone detection, and measures preventing animal droppings in drying. European buyers highly appreciate excellent cleaning and preventing contamination.



- Read more about [contaminants on the European Commission Export Helpdesk](#). You can consult the Export Helpdesk [for a full list of requirements](#). Select your specific product code under Chapter 09.

Polycyclic aromatic hydrocarbons:

In 2015, new European Union legislation was introduced to set limits for polycyclic aromatic hydrocarbons (PAHs). PAHs are chemicals that are formed by the incomplete burning of coal, oil and gas, garbage and fossil fuels, among other things.

PAHs have been found in dried herbs and dried spices due to the application of bad drying practices. Artificial drying with fire can, for example, contaminate a product with PAHs when smoke is mixed with the product.

Traditional smoking and processing methods applied to smoked paprika and cardamom result in high levels of PAHs. However, these products are exempt from the maximum levels. Consumption of these spices is low, so this kind of contamination will not affect the health of consumers.

Tips:

- Teach farmers how to dry their product safely. As many farmers dry products artificially in their own house, it might be necessary to set up separate drying facilities.
- Read more about [polycyclic aromatic hydrocarbons](#) on the website of the European Commission.

Irradiation:

To control contamination caused by micro-organisms, viruses, bacteria or insects, it is allowed to use irradiation on dried spices and herbs.

Although irradiation is less damaging to the taste of spices and herbs than steam sterilisation, not all European consumers always accept irradiation. To this end, the treatment has to be agreed between buyer and seller.

European Union legislation requires that the irradiated product is declared at all levels within the food chain and irradiation is only permitted in irradiation plants approved by the European Union. In other buying countries (for example, the United States), there are fewer objections against irradiation.

Tip:

- Read more about [irradiation](#) on the website of the European Commission.



Food additives and adulteration:

Some herbs and spices or mixtures thereof may contain colourings, flavourings or sweeteners. There is specific legislation for [additives](#) (for example, colours or thickeners) and [flavourings](#) that list which E numbers and substances are allowed to be used. Many of the spices and herbs rejected by custom authorities or buyers have undeclared, unauthorised or excessive limits of extraneous materials (for example, colourants and flavourings).

Spices and spice blends may not contain added colours. Spices and herbs that contain illegal artificial colourants (azo-dyes Sudan I, tatzazine, butter yellow) are rejected and destroyed by European Union custom authorities. Although these substances may be approved by the food authority in your country, they may not be approved in the European Union.

Spices and herbs (especially those ground and crushed) can also be intentionally adulterated with cheaper varieties, salt, sand, synthetic varieties and products with a similar appearance. An important reason for intentional adulteration, a serious malpractice, is economic gain. Unintentional adulteration (for example, spillovers from fertilisers and insects) also happens.

Food adulteration is an important issue for European buyers. According to a panel of industry experts consulted for this study, this type of food fraud with spices and herbs occurs frequently. The European Union and national governments are becoming stricter in enforcing food fraud monitoring.

Tips:

- In the event that you use additives, make sure that they are legal and agreed with your buyers. Also make sure to mention them in the list of ingredients.
- It is impossible for buyers to test spices and herbs for every possible extraneous material. As a result, they will tend to refrain from buying processed spices and herbs from outside the European Union or will buy only from suppliers that they trust. The burden of proof is with suppliers. You will have to build a proven track record, and provide transparency and references if you are to succeed on this market.
- Read more about food additives, enzymes and flavourings on the [website](#) of the European Union.

Labelling:

Clear labelling of your product is important for both bulk and pre-packed consumer products. Product labels should inform about composition, manufacturer, storage methods and preparation of the spice or herb. European [labelling legislation](#) mainly applies to pre-packed consumer products; for example, spice mixtures.

The [allergen legislation](#) demands that pre-packed food products should state clearly whether they contain allergens. Spices and herbs or mixtures thereof can contain extraneous material (for example,



gluten, mustard or sesame seeds, milk, nuts – see Annex IIIa) that can cause allergic reactions and therefore have to be labelled as containing allergens.

Tips:

- Pay attention to potential cross-contamination within your company or in the supply chain. Cross-contamination might happen when different products are intentionally or unintentionally mixed during harvesting, processing or transport. Watch out especially for contamination with cereals containing gluten, peanuts (groundnuts), nuts, celery, mustard, sesame seeds and products containing these allergens.
- Always inform your buyer when your products contain allergens, even when you are not taking care of final packing. For bulk goods, the list of ingredients should be on the label or in the commercial documents. Read more about consumer labelling on the [Export Helpdesk](#) of the European Commission. You can consult the Export Helpdesk [for a full list of requirements](#). Select your specific product code under Chapter 09.
- Allergen-free spice and herbs can be an interesting niche market. There are already several suppliers such as [Dutch Spices](#) and [EHL Ingredients](#) that are active on this market.

3. Which additional requirements do buyers often have?

In addition to the legally binding requirements, you should also consider compliance with the following non-legal requirements which can be selection criteria for European buyers.

Food safety certification as a guarantee:

As food safety is a top priority in all European Union food sectors, you can expect many players to request extra guarantees from you in the form of certification. Many buyers in the European Union (for example, traders, food processors and retailers) require the implementation of an HACCPbased food safety management system.

The most important food safety management systems in the European Union are:

- [BRC](#) (British Retail Consortium);
- [IFS](#) (International Food Standard);
- [FSSC 22000](#) (Food Safety System Certification); [SQF](#)
- (Safe Quality Food Standard).

All the aforementioned management systems are recognised by the [Global Food Safety Initiative](#) (GFSI), which means that any of them should be accepted by major retailers. However, in practice, some buyers still have preferences for one specific management system.



Tips:

- As European market entry requires a food safety management system, it is important to familiarise yourself with them.
- Before you consider certification according to one of these standards, check which one your potential buyer prefers. Different buyers may have different preferences for a certain management system. For example, British retailers often require [BRC](#), while [IFS](#) is more commonly required in the rest of Europe.
- Choose a management system that is approved by the [Global Food Safety Initiative](#).
- Have a look at the Standards Map for [more information on the different Food Safety Management Systems](#).

Corporate social responsibility:

European buyers increasingly pay attention to their corporate responsibilities regarding the social and environmental impact of their business. This development also affects you as a supplier.

Common requirements include the signing of a suppliers' code of conduct in which you declare that you do your business in a responsible way. This procedure means that you (and your suppliers) respect local environmental and labour laws, stay away from corruption, and so on.

Important issues in the supply chain for spices and herb are the correct use of pesticides, child labour, healthy and safe working conditions, and fair payment.

Many European buyers already include the most important issues in their supplier audits. They follow common standards such as:

- [SEDEX](#)
- [ETI](#)
- [BSCI](#)

It is important for you to realise that European companies have different definitions, priorities and ambition levels with respect to corporate social responsibility. There is no single way to address these matters. The action to be taken may entail signing a code of conduct to ensure compliance with the most important issues, or mapping out and addressing all the relevant concerns in your entire supply chain.

Tips:

- Exporters interested in supplying to the European market should at least address the most important issues of corporate social responsibility. Many buyers are already using this aspect as a selection criterion for new suppliers.



- List relevant issues through the use of existing standards (for example, [ISO26000](#)) and ask your potential buyers what they considered the most important issues. Ask whether they are willing to provide their supplier audit form. This form will provide information on their most important issues.
- You can self-assess in order to determine to what extent you or the farmers with whom you work comply with different sustainability standards. See the International Trade Centre's [Sustainable Spice Initiative Equivalency Tool](#) for more information.
- Read our fact sheet about [sustainable spices and herbs on the European market](#) for more information about the market as well as the different trends and developments.

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

In addition to requirements that you have to comply with to be allowed on the European market or to find a buyer, complying with the following requirements could offer you a competitive advantage and makes finding a buyer easier.

Sustainable product certification:

There is a growing market for certified products with well-known consumer logos. A price premium needs to be paid for spices and herbs with a certificate of sustainability to compensate for the certification costs. These premiums are paid on some niche markets, but in large parts of the mainstream market buyers are unwilling to spend more.

It is important to understand that each certification addresses different issues (social, environmental, economic) and serves different niches. Refer to the International Trade Centre's [Sustainable Spice Initiative Equivalency Tool](#) for an explanation and comparison of sustainability standards.

The most popular sustainability certification systems are as follows.

Organic:

Organic spices and herbs are produced and processed using natural techniques (for example, crops rotation, biological crop protection, green manure, compost).

To market spices and herbs in the European Union as organic, they must be grown using organic production methods which are laid down in [European Union legislation](#). Growing and processing facilities must be audited by an accredited certifier. Traders and/or processors have to be audited in order to ensure a chain of custody.

Some buyers are prepared to pay more for organic spices and herbs because they believe that the cultivation of such products is better for the environment and that these products are healthier than conventional products. Although relatively small, the market for organic products is still growing in Europe.



[New organic legislation](#) is scheduled to be implemented in the European Union by mid-2017. The objective is to simplify the old organic legislation. However, new organic legislation will be a concern for small exporters and producers from developing countries. The completely different meteorological, environmental and structural conditions in these countries will make it [hard to comply with rules designed for European conditions](#).

In general, organic regulation and testing is expected to become stricter.

Tips:

- For more information, refer to our study of [Sustainable spices and herbs](#).
- To learn more and stay up to date on the new organic legislation, refer to the website of the [International Foundation for Organic Agriculture](#) Movements (IFOAM).
- Consult the International Trade Centre's [Standards Map database](#) to learn more about the different organic standards.

Fairtrade certification:

Spices and herbs traded according to Fairtrade principles ensure a certain price and premium for smallholders, which should help them to make a living. Examples are Fair Trade and FairWild (for spices and herbs collected in the wild).

Although it is growing, the market for Fairtrade certified spices and herbs is still a small market. The largest share is sold as spices and herbs in the retail channel. The food processing industry, the largest user of spices and herbs, is not a large buyer of certified spices and herbs at the moment.

There is increased cross-over between organic and Fairtrade. A large share of the Fairtrade products are also certified Organic.

Fairtrade has different standards depending on the place in the supply chain:

- the [Smallholder Producer Standard for Spices and Herbs](#) and [Trade Standard](#) for traders and processors; the [Standard for Herbs and Herbal Teas for Hired Labour](#), specifically for herbs destined for herbal teas grown by producers with numerous workers (i.e. hired labour).

Tips:

- If you are interested in addressing Fairtrade issues, also consider Organic certification.

Several Organic certifiers have developed their own Fairtrade standards. Examples are the

“organic and fair” schemes of the Institute for Marketecology ([IMO](#)), [EcoCert](#) and [Control Union](#). In these schemes, the role of exporters can be larger than in the



Fairtrade scheme, where they are merely seen as service providers. Exporters can lead the process, work together with the growers and become certificate holders.

- Consult the International Trade Centre's Standards Map for more information on the [Fairtrade](#) and [FairWild label](#).

Rainforest Alliance:

The [Rainforest Alliance standard](#) is relatively new to the spices and herbs market, but is commonly used as it is a mainstream sustainability scheme in which social as well as environmental issues are addressed. In 2017, the US-based organisation [announced](#) a merge with fellow standard-setting organisation [UTZ](#) based in Amsterdam, forming one of the largest organisations for sustainability standards in the world.

The [Sustainable Spice Initiative](#) (SSI), founded by a consortium of leading players on the European spices market and civil society organisations, has been an important driver behind Rainforest Alliance certification projects in several producing countries.

Although interest in Rainforest Alliance from buyers is reportedly growing, the volume of spices and herbs that are Rainforest Alliance certified is still low at the moment.

One reason is that food processors (which account for 80% of the European sales) are only able to use Rainforest Alliance certified ingredients such as spices and herbs. They cannot certify composite processed food products according to a Rainforest Alliance standard.

By contrast, composite food products with Organic and Fairtrade certification are sold on the European market.

Rainforest Alliance certified spices and herbs are therefore hidden ingredients with no added marketing value for food processors. As a result, buyers are less willing to pay price premiums for Rainforest Alliance certified products.

Tips:

- Find the local guidelines of the Rainforest Alliance for various spices and herbs on the website of the [Sustainable Spice Initiative](#). Traders and processors have to comply with the [Chain of Custody standard](#).
- Consult the [Standards Map database](#) for more information on the Rainforest Alliance standard.



Self-verification:

As mentioned above, many buyers on the mainstream market are unwilling to pay the premium for certified spices and herbs. For this reason, the sector is looking at different ways to address sustainability while at the same time keeping costs down. Self-verification is one such possibility.

In the self-verification approach, suppliers assess their own compliance with the sustainability code, after having received some instruction. Self-verification does not require expensive audits, but it does entail additional costs for suppliers; for example, due to the need for more administration. Although it is lower than for certified products, a premium will still have to be paid. On the one hand, this premium might be a barrier for some buyers. On the other hand, you or your buyer will often be able to communicate the self-verified sustainability practices to the consumers, which is generally adding value to the product.

The push towards self-verification is currently driven by large players in the spices and herbs sector, such as Unilever and Olam. These companies are able to implement sustainable practices throughout their entire supply chain, linking their name and quality directly to sustainability. Unilever's [Sustainable Agricultural Code \(SAC\)](#) and the [Olam Livelihood Charter](#) are two examples of self-verification systems that you can download free of charge. Self-verification will be less common for smaller players on the spices and herbs market.

Tip:

• See Unilever's [Implementation Guides](#) for more information on how to use self-verification systems.

2) Through what channels can you get spices and herbs onto the European market?

In Europe, spices and herbs are mainly used by the food industry for processing in food products. Most opportunities for you as an exporter are in supplying spices and herbs in bulk. While spice mixtures are becoming more popular among consumers, it is still very difficult to compete with European processors. As an exporter, you can best sell your spices and herbs either to a specialised trader or directly to a European processor or packer.

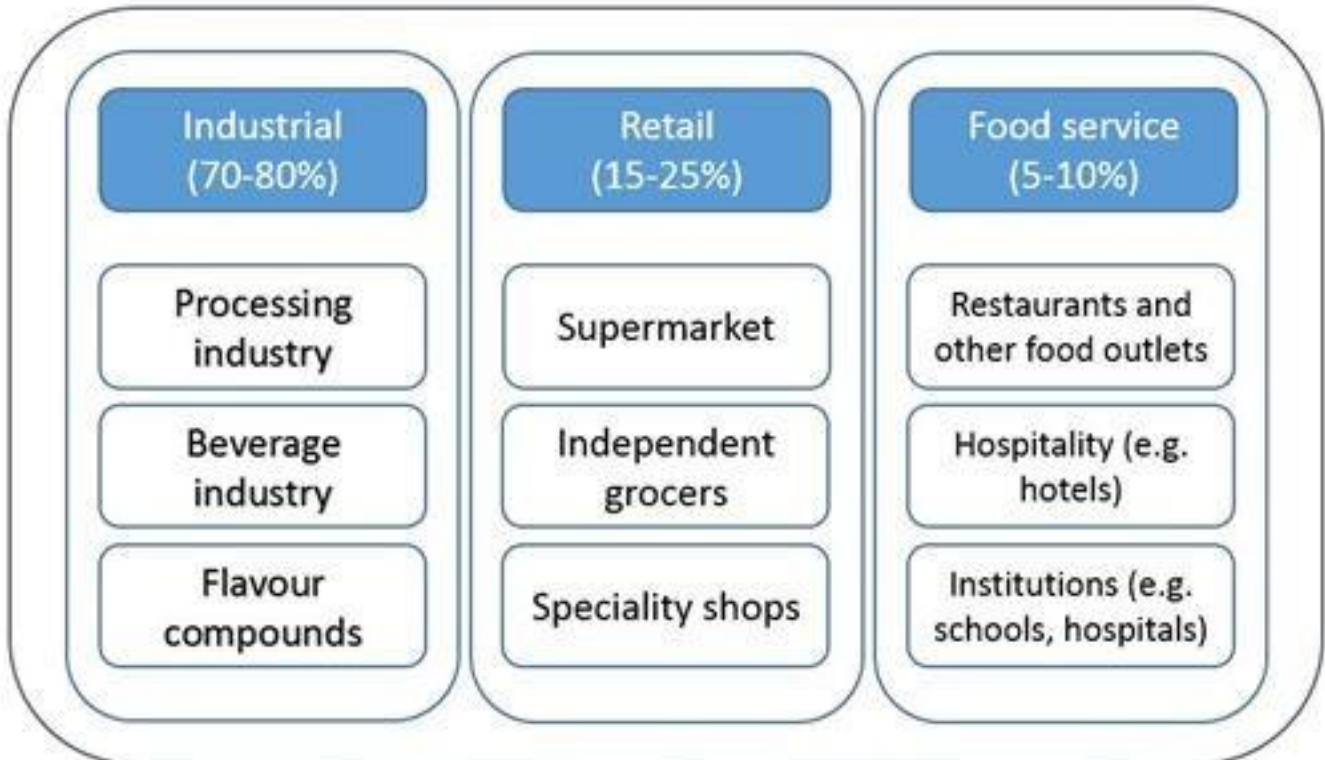
1- Which market segments to target?

2- Through which market channels can you get spices and herbs on the market?

1 -Which market segments to target?

The main European segments for spices and herbs, including examples, are illustrated in Figure 1.

Figure 1: Main European segments for spices and herbs



The industrial segment remains the largest user of spices and herbs:

Since it is the largest segment, the industrial segment is the most important segment to target.

However, only a small amount of spices are directly sourced in the country of origin. It is more likely that your product will end up in Europe through another market channel (see Figure 5). Within the industrial food segment, the processing industry is the largest buyer, comprising the meat, bakery and confectionery industries, for example. The beverage industry and the flavour compounds industry are smaller, but also important buyers.

The [share of turnover](#) from small and medium-sized enterprises in the European food and drinks industry was about 50% in 2016. This figure illustrates the diversity of the European food sector as well as the interest in products of different quality and origin. As a result, there are opportunities for you as an exporter.

In the industrial food sector, there is a clear trend towards ready-to-eat food and convenience food. This fact increases the industrial market for spices and herbs. European spice processors provide the food sector with ready-to-use spice mixtures, which are either used in processed food products or further processed into consumer sachets of specific spice and herb mixtures.

Figure 2 shows the different segmentations within the industrial sector. The figure shows that you will have to focus on a specific segment of the market, depending on whether you are able to supply higher- or lower-quality spices.

Figure 2: Segmentation based on presentation, quality and price within the industrial sector



Tips:

- See our study of [spices and herbs mixtures](#) for more information.
- Check the website of [Food Drink Europe](#) to learn more about the food processing industry in Europe.

The food retail sector is the second-largest segment in Europe and is highly concentrated in most European countries:

The food retail sector is the second-largest segment in the European spices and herbs sector and is therefore an important sector to target.

This sector can be further segmented into supermarkets, independent grocers and speciality shops. Most retailers sell individually packed spices or herbs, or they sell specific mixtures. Overall, spice and herb mixtures are becoming more popular in the retail segment, partly due to the increasing interest in ethnic food.

[Supermarkets](#) play a relatively large role in the retail sector but are highly concentrated. The market share of the top three supermarkets ranges from 30% to 50% in most European countries.

Important supermarkets located throughout Europe are:

- [Tesco](#)
- [Lidl](#)
- [Aldi](#)
- [Spar](#)

Since supermarkets often require large quantities, it is important to be able to sell in bulk. You could also sell to speciality shops, where high quality is more important than scalability. However, their market share is substantially lower. Speciality shops focused on high-quality spices are, for example:

- [De Kruidenbaron](#) (the Netherlands)
- [Just Ingredients](#) (the United Kingdom)
- [Apfelbacher's Gewürz-Express](#) (Germany)

Figure 3 shows the different segmentations within the retail sector. The figure shows that you will have to focus on a specific segment of the market, depending on whether you are able to supply higher- or lower-quality spices.

Figure 3: Segmentation based on presentation, quality and price within the retail sector



Tips:

- See our study of [Trends for spices and herbs](#) for more information on the European market developments.
- Check the website of the [Dutch company Verstegen](#) for examples of spice mixtures on the European market.

The food service industry is an important segment for high-quality spices and herbs:

The food service industry represents a smaller share of the European market for spices and herbs. The industry focuses on quality, taste and colour. If you can provide high-quality and/or certified spices and herbs, this sector is interesting to you.

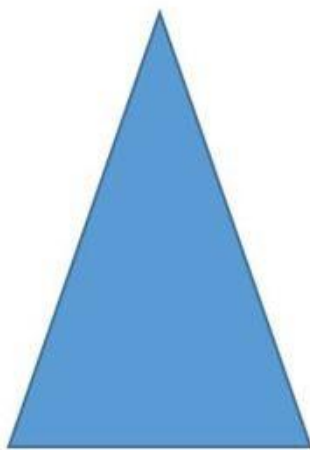
This industry is always looking for exciting new tastes and combinations. Spices and herbs, especially those not very well known in Europe, can therefore play a significant role in the search for the latest trends in this segment.



End-users of the food service industry generally buy their products from specialised food service distributors in Europe, who offer larger packaging sizes. This industry consists of businesses, institutions and companies responsible for any meal prepared outside the home. It includes hotels, restaurants, cafeterias, companies, schools and hospital canteens, and catering businesses. The size of these organisations ranges from small providers to large multinational enterprises. They use whole and processed spices and herbs in addition to mixes, sauces and wet pastes, similar to the variety in the retail segment.

Figure 4 shows the different segmentations within the food service sector. The figure shows that you will have to focus on a specific segment of the market, depending on whether you are able to supply higher- or lower-quality spices.

Figure 4: Segmentation based on presentation, quality and price within the food service segment



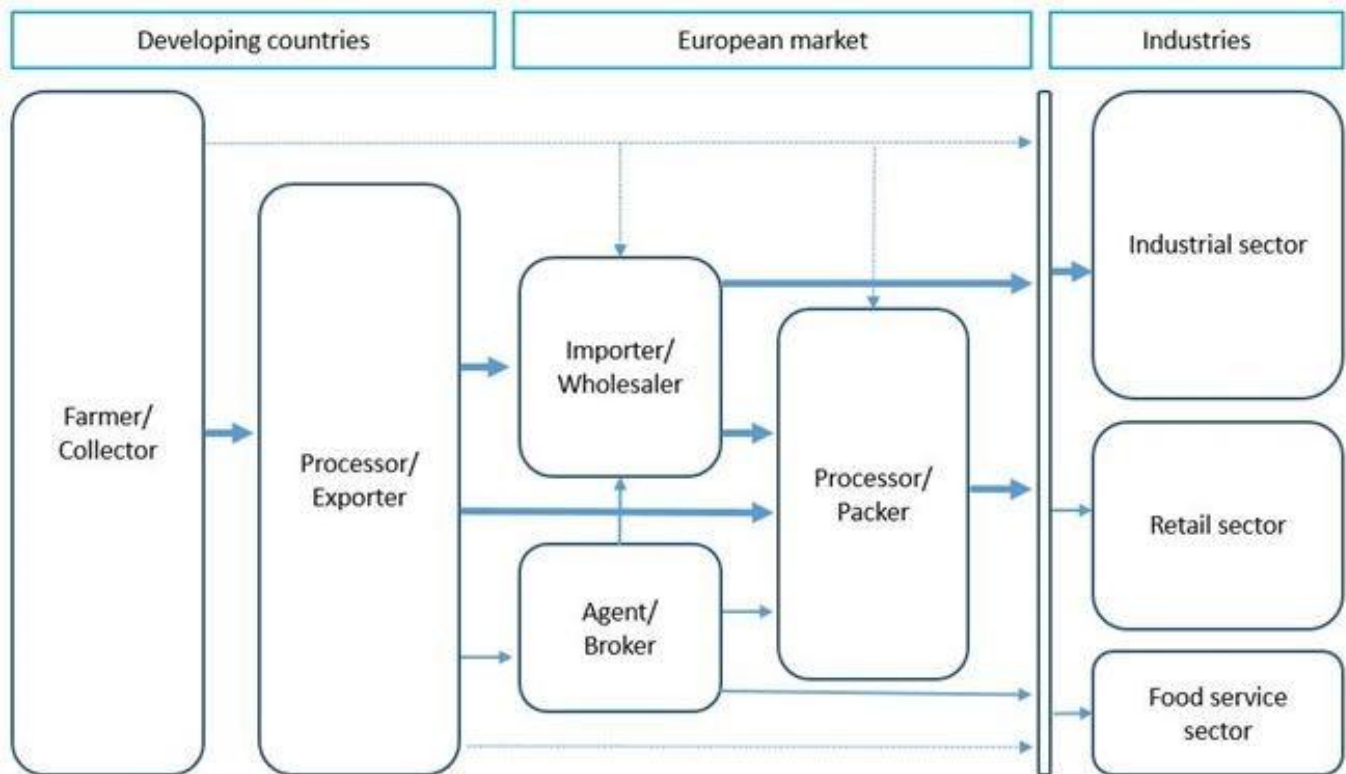
High
• Product: High quality spices and herbs (organic, fair trade, etc.) and custom-made products (for example: degree of pulverisation)
• Price: € 4.20 – 300 / 100g (mainly depending on the type of spices or herbs)
• Place: High-end outlets: restaurants, hotels and leisure industries
• Promotion: focus on high quality, sustainability, exceptional product characteristics (taste, colour) and new varieties
• Product: Standard quality spices and herbs
Medium
• Product: Standard quality spices and herbs
• Price: € 1.50 – 250 / 100g (mainly depending on the type of spices or herbs)
• Place: Mid-end outlets: food and hospitality industries, institutions such as universities, international institutions and prisons
• Promotion: Focus on price/quality ratio
Low
• Product: Lower quality spices (for example: oil content, colour, taste, weight class etc.)
• Price range: € 0.99 - 200 / 100g (mainly depending on the type of spices or herbs)
• Place: Low-end food outlets and the hospitality sector

Tips:

- See our study of Sustainable spices and herbs for more information on the development of this market.
- Collect information on food trends. Knowing how the taste of European buyers is developing can offer opportunities. For example, the [International Trade Centre \(ITC\)](#) gives an annual overview of the latest trends.

2 -Through which market channels can you get spices and herbs on the market?

Figure 5: Visual presentation of market channels for spices and herbs*



*Thickness of the arrow indicates the size of the trade flow for exporters from developing countries



As an exporter, you can use several channels to bring your spices or herbs on the European market. However, you should realise that if you are unable to supply at least one container within your buyer's short time frame, it is unlikely for you to supply to the European market. If you are unable to do so, you can work together with other suppliers interested in supplying to the European market.

Importers/wholesalers:

Traders act as the middlemen between exporters and their customers. They buy bulk quantities of spices and herbs and resell them at an increased price. An importer may also work with or perform processing and consumer packing activities.

In most cases, importers have long-standing contacts with their suppliers and they source from different origins to ensure supply year-round. To justify their presence, traders are specialising in certain commodities that spice processors and packers find harder to handle. Examples include black pepper because of the price volatility and the risks involved, or chilli peppers, which require a large scale of operation. Other examples are dried onions and garlic, which have specific quality concerns. Traders also tend to move closer to the countries of origin, in order to secure their share of good-quality supply.



Agent/broker:

Brokers and agents are intermediaries who bring buyers and sellers together. They charge a commission for their services. European buyers can be trading companies, but they are mostly processors. Agents and brokers are interesting in the event that you have a specialised product (such as high quality or sustainable) for which buyers are harder to find. The role of the agent is slowly diminishing due to the increased transparency demanded by the market.

Processors/packers:

Processors/packers purchase crude spices and/or herbs and perform cleaning, grading, grinding, blending and packaging. They distribute the ground or processed products to industrial users after this initial processing. Some of them manufacture end products to supply directly to retail or food service industries. These activities are often integrated into one company. Increasingly, processors/packers import their spices and herbs directly from supplying countries.

It is important to note that processors can be more demanding in terms of supply volume and continuity than traders, as they depend on continuous supply to produce their final products.

Processing in the supplying countries is providing more and more opportunities. However, European buyers are very reluctant to source further processed products from countries of origin due to concerns about quality, food safety and adulteration. As a supplier, you should be able to deliver constant quality, taste, aroma and colour. You should also be able to compete against European suppliers through an excellent knowledge of the taste preference on their domestic market.

Based on the segmentation presented in the first part of this document, different channels are relevant, as outlined below.

Industrial:

Food processors purchase their raw materials from processors or traders. The food-processing industry demands large quantities of spices and herbs to manufacture food products. In some cases, spices and/or herbs are purchased directly from producers in developing countries. The foodprocessing industry is most suited for companies that can meet the high standards demanded in terms of service level and sales volume (in addition to requirements for quality and food safety).

Retail:

The retail sector buys single spices and herbs from traders and processors, as well as further processed food products (for example, seasonings, wet pastes, meat or bakery products) from the industrial sector. Large retail chains often work with preferred suppliers and have demands in terms of order size and frequency, continuity and service. As a result, it is hard for exporters from developing countries to supply to these buyers directly. Smaller retailers provide some opportunities for direct selling, especially ethnic retailers.



Food service:

Food service providers mainly source locally from European producers, importers, wholesalers, food processors and retailers. Providers in the high-end segment (see Figure 4) might be interested in sourcing speciality products directly from suppliers.

Tips:

- See our studies of [Tips to find buyers](#) and [Tips to do business](#) on the market for spices and herbs.
 - See our study of [Buyer requirements](#) for the spices and herbs market to learn more about specific buyer requirements in Europe.
 - See our studies of [Crushed and ground spices and herbs](#), [Spice and herb mixes](#) and [Consumer packed spices and herbs](#) for additional insight into the opportunities for small and medium-sized enterprises from developing countries.
 - European spice and herb companies are often interested in exporting from countries with opposite seasons. As the production for that year stops in Europe, companies are willing to source from other regions where production is starting.
-

3) What competition do you face on the European spices and herbs market?

The power of buyers in Europe has traditionally been strong, but with increasing global scarcity and high prices, the power balance is slowly shifting to suppliers in countries of origin. High prices and growing scarcity will attract new suppliers over time. The expectation is that the European market for most spices and herbs will continue to grow. As a result, the European market will continue to provide opportunities for suppliers that are able to meet the high requirements for quality and food safety.

1. [Market Entry](#)
 2. [Product competition](#)
 3. [Company competition](#)
-



1. [Market Entry](#)

New entrants: hard to enter but easier to sell:

The strict buyer requirements that suppliers must comply with (such as quality, food safety and traceability) form a serious barrier to enter the market. Market entry requirements are increasingly becoming stricter because of technological advances and food safety scandals. In addition, nonlegal requirements imposed by European buyers are also getting stricter and require attention from suppliers.

Tips:

- Stay abreast of market access requirements. For more information, refer to our study [What requirements should my spices and herbs comply with?](#) For specific information about standards on the European market, see ITC's [Standard Map](#).
- ITC's [Sustainable Spice Initiative Equivalency Tool](#) compares various sustainability standards in Europe.

A growing sense of scarcity, increasing global demand and rising prices are changing the marketplace. Some buyers will focus more on whether their existing suppliers invest in increasing yields and improving quality. However, buyers will also be forced to look for other sources in order to secure and complement supply. They will have to be more flexible in price and payment terms, and they will encourage new entrants to access the market. This situation provides opportunities for new suppliers from existing origins and even from new origins.

Tips:

- Develop a transparent export strategy. Be clear about your preferences such as longerlasting relationships or selling for the highest price on spot markets. A long-term strategy offers the important advantage of stability, allowing you to build your business. This result can be reached by focusing on your most important buyers. One way of identifying them is by determining the 20% that is responsible for 80% of your turnover (the 80/20 rule).
- If you are unable to supply at least one container within your buyer's short time frame, it is unlikely to be cost-effective for you to supply to the European market. If you come up short, you can try to work together with other suppliers interested in supplying to the European market.



New suppliers may originate from existing supplying countries or from other regions. There is still reluctance to source from many sub-Saharan African countries (except for South Africa) due to concerns about the political and economic environment as well as the level of professionalism. However, the extensive availability of land and the low wages will make Africa a more important supplier in coming years.

New suppliers should pay attention to the preferences expressed by European buyers.

Requirements for quality, food safety and traceability are generally non-negotiable and are largely based on law. Sustainability is also increasingly demanded. For example, buyers might ask you to join their own sustainability scheme or to obtain a certain certification. In some cases, the preference for a particular origin is also added, which is related to taste profiles.

Spices and herbs from a specific origin often have a particular taste or colour. This aspect is relevant for pepper, vanilla and ginger, for example. It can be hard for buyers to switch to other origins, as this process could change the taste or colour of their product or that of their clients. In addition, business relations between suppliers and European buyers may go back several generations, creating a reluctance to switch. More often, an additional supplier will be included in the existing supplier range. As a new supplier, this option is often your best chance.

Tips:

- Gain an idea of potential buyers' preferences for origins and the reasons behind them. Giving your buyer safeguards such as certification and appropriate management systems to ensure traceability and food safety will dispel some of the reservations about switching. Refer to [our studies](#) for more information on the origins of imported spices and herbs.
- If you are new to the European market, it is recommended that you visit trade fairs and conferences to make business contacts. [Food Ingredients Europe](#), [SIAL](#) and [BioFach](#) (organic) are important trade fairs. For other trade fairs, visit the website of [EventsEye](#).

2. Product competition

Substitutes: preference for a natural product reduces risk:

There are several main sources of substitution for spices and herbs: synthetic, fresh and conserved products, as well as extracts of spices and herbs. The threat of other spices and herbs (such as ginger for pepper) is small.



Synthetic spices and herbs:

Some spices and herbs, such as vanilla and cinnamon, are susceptible to substitution with synthetic flavour and colours. Substitution is only a real threat in the food processing industry, particularly at the lower end of the market. Important advantages are that synthetic substitutes are cheaper than spices and herbs, that there are no supply problems, and that they are uniform and have stable product properties compared to natural products. The threat of permanent or temporary substitution is especially relevant for expensive spices and herbs that are in short supply, such as vanilla. Most food processing companies will, however, stick to the natural product. A large and growing share of the market prefers the real thing, as it is considered healthier and tastes better. Many brands are committed to using non-artificial additives in their products. Changing to synthetic spice substitutes would mean changing their recipes, packaging and marketing.

Tips:

- The higher end of the market is interesting to target for small and medium-sized enterprises that trade relatively small volumes. This segment has a strong preference for natural products and generally will only consider substitution when the supply of natural spices and herbs become constrained and prices increase.
- Manage expectations; be honest about your supply capability and inform your buyers immediately in the event of possible problems related to logistics and supply.

Fresh products:

The threat of substitution for fresh products is mainly relevant for dried herbs (such as basil, thyme and parsley), but it can also be relevant for certain spices such as chillies and ginger. A large market segment is moving towards fresh products. In southern European countries, fresh products (especially herbs) are often preferred to dried ones and opportunities for dried products can be fewer.

Conserved products:

There are various ways to conserve fresh products. The growing market for individually quick frozen (IQF) herbs and spices is an important development (for example, [Herbafrost](#)). IQF products combine freshness with convenience and improved shelf life. This is an important source of substitution for products that can be used fresh, but less so for tropical spices and herbs exported to Europe. The same applies to products conserved in other ways (such as different ways of freezing or spices and herbs in brine).



Extracts:

Spice and herb extracts can be an important source of substitution for suppliers to the food processing industry. They can be used to add flavour or colour to products. Producers of extracts can therefore be competitors as well as buyers of spices and herbs.

Tip:

- Determine whether it is interesting to supply fresh, frozen or conserved spices and herbs. Be aware that this may require significant investment and a different approach. For example, fresh products will have different market access requirements (such as [GlobalG.A.P.](#)), logistics (such as controlled temperature transport and storage) and trade channels.

Spices and herbs that are important in European diets (such as pepper or sweet peppers) are less prone to substitution. New and exotic spices and herbs are increasingly used in Europe. They are, however, more sensitive to changing consumer trends than those used in traditional dishes. As a result, the risk of substitution is higher.

Tip:

- Food trends in Europe are developing rapidly, so it is important to keep up to date. For more information, refer to our study of [Trends on the market for spices and herbs](#).

3. [Company competition](#)

Position on the market Many changes in the competitive environment:

The degree of rivalry on the market is generally high for uniform, whole products with low added value, such as the market for spices and herbs. This segment is often dominated by major suppliers able to deliver large quantities and to compete on price. It will be harder for small and medium-sized enterprises from developing countries to compete in these segments. For speciality spices and herbs traded in smaller volumes (such as specific varieties, high quality or sustainable), the degree of rivalry here is lower.

In the higher end of the market, there is more room for product differentiation. The focus is less on price and more on quality, taste, colour and/or sustainability. This segment generally provides good opportunities for small and medium-sized enterprises that can meet the strict demands on this market. For processed products (such as crushed, ground, blended and packaged spices and herbs), there is a lot of competition from European processors and major processors from large supplying countries (for example, Vietnam).



Tips:

- To a certain extent, your competitive position can be predicted. For any commodity, the general market situation is a given, which will inform your negotiating position. Look for crop reports online or visit events where these reports are shared by sector exports. Refer to the crop reports by [Jayanti](#) and [Nedspice](#) to learn about the expectations for harvests worldwide and stock levels in consuming and producing countries. It can also be useful to develop harvesting calendars for your competitors worldwide. Use the following sources for inspiration and complement them with information from other sources: [Nedspice](#), [Spice Board India](#) and [Martin Spices](#).
- Exporters interested in supplying to the EU market should consider implementing sustainable practices in their business. This is becoming a selection criterion for many buyers. Having your company or product verified or certified for compliance with sustainable principles can open new markets. This involves investments in time and money, and it should only be considered if it fits with your company's long-term strategy. Refer to our study of [Sustainable spices and herbs in Europe](#) for more information on the growing market for sustainable products.
- Try and differentiate your product to add value. You can do so by improving quality (improved cleanliness, other varieties or presentation). Another option is to customise your product (such as specific types of grinding).
- It is highly advisable first to be successful in supplying your domestic market with valueadded products before considering the European market.

The degree of rivalry can differ per European region or market. Major European buyers, such as the Netherlands, Germany and the United Kingdom, import a large share of imports directly from countries of origin. Competition in these countries will come mainly from suppliers of other countries of origins. Other European countries will, to a large extent, rely on European traders for supply. This applies mainly to northern and eastern European countries. Competition in these countries will come from European suppliers as well.

Another thing that determines the degree of rivalry is whether you supply in bulk or consumer packs. Some countries such as the United Kingdom import a large share of crushed/ground spices and herbs in consumer packs from developing countries, mainly for ethnic markets. For the mainstream market, importers prefer to do their own processing (for example, Germany) or to rely on other European countries which are considered more reliable. The issue of reliability is becoming more important. Food fraud and adulteration are at the top of the agenda in the European spice sector. A growing share of spices and herbs, especially ground and crushed products that have been adulterated either



intentionally (for example, with cheaper varieties, peanut shells or salt powder) or unintentionally (for example, by spillovers from chemicals such as fertilisers or pesticides, or by insects), were detected in the past year. In addition, reliability is an essential part of sustainable international trade.

Tips:

- Perform your own statistical analysis to monitor your country's trade with Europe or a specific Member State. For monitoring data on trade in specific spices and herbs within Europe, refer to [our studies](#).
- Increasing your direct exports to countries that currently rely strongly on European countries might pose additional challenges. You could be asked to provide the same service as European buyers (short supply times, small orders, steam sterilisation, further processing, and so on).
- Adulteration can, in some cases, only be detected by specific testing. Such testing is expensive and not always interesting for buyers, who will only buy processed spices and herbs if they trust you. Building trust will take time, and requires you to act in a professional and transparent manner.

In January 2014, significant changes were made to the European Union's [Generalised System of Preferences \(GSP\)](#). One relevant aspect for the spices and herbs market is that spices from China and Brazil will no longer benefit from preferential import tariffs. For many whole spices and herbs, the import tariff for all countries remains at 0%. For many products, this measure will not have an impact. For *whole* sweet pepper, vanilla, cloves and bay leaves, import tariffs are now higher for China and Brazil than for developing countries. This also applies to *crushed/ground* pepper, capsicums, vanilla, cloves, saffron, curry and thyme. For these products, the tariff depends on whether or not China and Brazil are suppliers.

It is also important to realise that can sometimes be difficult for European buyers to switch. They generally have specific requirements for taste, traceability, quality and food safety (in relation to pesticide residues, for example) that only few suppliers can meet. The recent changes in import tariffs can give suppliers which compete with China and Brazil an advantage. However, this relatively small price differential alone will often not be enough in order to motivate buyers to make the investments that are needed to support their search for other suppliers.

Tip:

- Refer to the [TARIC consultation database](#) to check the import tariffs for your own or competitive countries.



Position in the supply chain Buyer power: still significant but slowly decreasing:

Most spices and herbs are imported to Europe by specialised European importers, who may either be traders or packers and blenders. The size of these buyers varies, with few large multinational companies such as McCormick and Olam, many medium-sized businesses with a national or regional focus (Verstegen, Fuchs, Euroma) and numerous small companies. Such importers sell to the food industry and retailers. These two categories are becoming more powerful and dominant in the chain because of consolidation. The size of their operations allows them to dictate prices as well as requirements for quality and food safety that go beyond legislation. Importers will pass on these requirements and conditions to their suppliers (for example, to you as an exporter). Buyer power is stronger on commodity markets (such as lowly and uniform products) than on specialty markets (for example, sustainable and high-quality products). There is less focus on price on specialty markets, but the type of outlet can differ as well. Products are often sold by smaller and less consolidated buyers.

Tip:

- Keep up to date on prices. [Commodity Online](#), [Spices Board India](#) and [Public Ledger](#) (paid service) publish up-to-date price information. The [International Pepper Community](#) and the [Vietnamese Pepper Association](#) provide prices specifically for pepper. An analysis of prices is often provided by market and crop reports, such as those published by [Jayanti](#) and [Nedspice](#) or public sources such as [Business Standard](#).

In a global perspective, the power of European spice importers is decreasing, even if their requirements are becoming stricter. This development is mainly due to increasing scarcity on the world market, as a result of the increasing demand from emerging economies, which strengthens the position of exporters. For this reason, European importers find themselves squeezed between stronger exporters on the one hand and the increasing power and requirements of their suppliers on the other. Emerging markets (such as China, India and Brazil) that have less stringent buyer requirements and that are often located closer to producing countries are becoming more attractive for suppliers. European legislation will not become less stringent, so European importers may need to pay higher prices to keep suppliers interested in the European market.

Tips:

- The European market remains interesting due to its size and the prices paid. However, local emerging markets can also provide excellent market opportunities. [ITC's Trade Map](#) can provide you with interesting statistics on global trade.



- If you do not meet the strict quality requirements imposed on northern and western European markets, consider supplying to eastern European markets. The same legal requirements apply, but they will often accept lower-quality spices and herbs (lower oil percentage, dull colour or slightly damaged), and they may not always ask for additional guarantees such as food safety management systems.

Direct sourcing by European buyers is increasing in order to gain more control of their supply chain and to secure supply. This also involves new buyers and manufacturing industries that previously bought from importers. European buyers that have the resources are working more closely with suppliers and are even setting up their own facilities in countries of origin. Direct sourcing will become more common as global scarcity continues. For small and medium-sized enterprises in developing countries that are involved in trading and processing, this can either represent an opportunity to work together or a threat of being cut out of the supply chain.

Supplier power: low but improving :

Spices and herbs have traditionally been grown mostly by smallholders with limited resources, storage capacity and adequate processing facilities. In addition, as most suppliers provide a uniform product, it is easy switch. For this reason, their power as suppliers against exporters has been small. Supplier power is increasing, however, as a result of scarcity and better access to realtime price information. In addition, suppliers have become more professional through investments in facilities that provide a better holding capacity and a better organisation. This development is noticeable, for example, among Vietnamese pepper farmers and traders who currently control the market. The reasons for their strong position are the size of their operations, holding capacity, strong cooperation with the local sector and competitive prices.

Tip:

- With supplier power increasing, it is important to improve relationships with your farmers, collectors and other suppliers. Meet them in the field, order and pay on time, look out for interesting opportunities for them, and keep them up to date on your strategy and plans so they can anticipate them.

Increasing supplier power will lead to more cooperation between and integration of farmers, traders and processors in countries of origin. Cooperation and integration are important long-term survival strategies for traders and processors in countries of origin who might find their own position threatened by direct sourcing and backward integration from buyers in consuming countries. Some parties are even engaging in forward integration and taking over European companies to enter the market with their own products. Under the right conditions, these vertical integration strategies could also provide farmers with advantages such as increased security of prices and markets, as well



as presenting opportunities for added value. By contrast, there are examples of suppliers in countries of origin that are strong enough to compete with these foreign companies.

Tips:

- As a trader or processor, you can find yourself positioned between your own suppliers who are growing more powerful and buyers who are increasingly looking to secure supply. This changing dynamic can have a significant impact on your position within the supply chain. Assess your position in the supply chain and determine where you really are adding value or can add value in future.
- To improve your relationship with farmers, educate them on efficiency and agronomics. Training, particularly in the proper use of pesticides, fertilisers and sustainable agricultural practices, is important to improve yields and long-term profitability. Refer to the guidelines on [Good Agricultural Practices for spices](#) (IOSTA) and [Good Manufacturing Practices for spices](#) (IPC) for more information.
- To improve your relationship with your suppliers, it is recommended that you work with reliable collectors that have integrated sustainable practices (e.g. fair prices). If you are looking to gain more control over your supply chain, it is worth considering to set up your own collection stations.

4) Which trends offer opportunities on the European spices and herbs market?



The European demand for spices and herbs is growing. This fact is mainly due to trends such as healthy living, interest in new tastes and convenience. Due to high prices and a sense of scarcity, European buyers are continuously looking for new suppliers. You can find opportunities on smaller or niche markets focusing on special varieties, improved quality and sustainability. However, you should comply with strict requirements for quality, food safety and traceability to enter the European market..



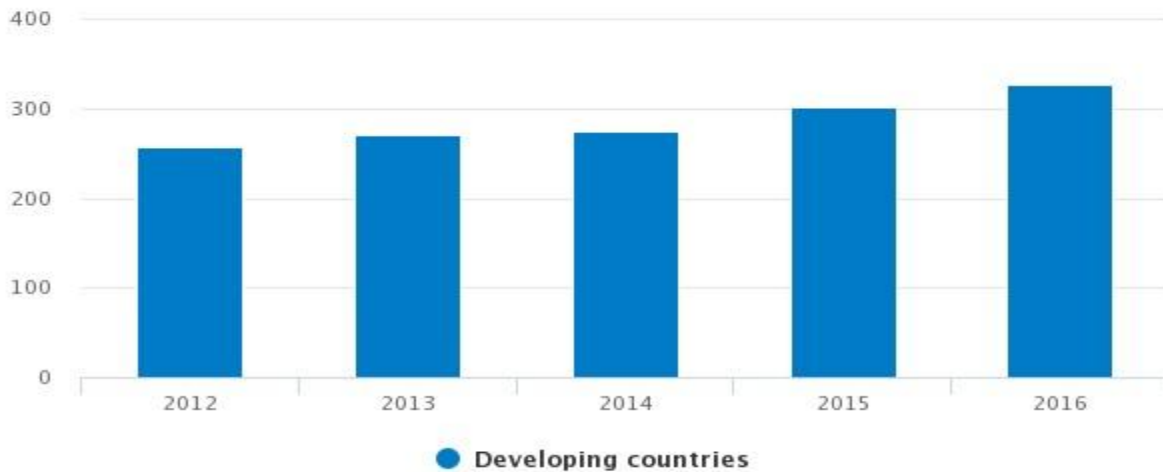
1. [Growing demand for spices](#)
 2. [Growing popularity of ethnic food](#)
 3. [Tight supply leads to high prices for most spices](#)
 4. [European buyers look for compliant suppliers](#)
 5. [Growing awareness of sustainability](#)
 6. [European consumers looking for convenience](#)
 7. [Healthy living](#)
 8. [Fluctuating exchange rates](#)
-

1. [Growing demand for spices:](#)

European imports of spices and herbs from developing countries have grown significantly in recent years, by 6.1% annually between 2012 and 2016 (see Figure 1). The global spices market is expected to grow by [5.1%](#) between 2017 and 2021.

Figure 1: European Union imports of spices and herbs from developing countries 2012–2016

in 1,000 tonnes



Source: Eurostat, 2017

The European market for spices will continue to grow, but due to the maturity of the industrial sector, the European growth is slower than in other regions according to [Market Watch](#).

Most direct European imports come from developing countries (97% of the total imported volume). The positive market conditions therefore make it possible for you to benefit directly. Volume-driven, uniform product markets could provide opportunities, but competition is higher and margins are lower on such markets.



As a small to medium-sized enterprise, you will find good opportunities in supplying so-called speciality spices and herbs that are traded in smaller volumes. Examples that could be interesting are:

- special varieties (e.g. Mexican chillies, Tellicherry peppercorns);
- a focus on product characteristics (e.g. better colour and taste);
- customisation according to buyer's preferences (e.g. very coarse grinding);
- sustainability.

Tips:

• Directly target countries that now rely mostly on other European countries for their supply

(countries other than the Netherlands, Germany, the United Kingdom, France and Belgium). These countries might, however, require further processing, packaging, smaller volumes and other services.

• Focus on local or regional markets as well, such as the Asia-Pacific region. This area is projected to grow at an annual growth rate of 7% from 2015 to 2020, the fastest-growing market for spices in the world.

2. Growing popularity of ethnic food:

The demand for ethnic food is rising in Europe. Reasons for this increase include the growing multicultural population in Europe and the fact that Europeans are travelling more and more to exotic destinations. As a result, the demand for spices and herbs used in exotic cuisine is also rising.

At this moment, the following tastes are especially popular:

- Chinese (pepper, ginger, anise);
- Indian food (curry, chillies, cardamom);
- flavours of Thai food (cassia cinnamon, cloves, nutmeg);
- Vietnamese cuisine (ginger, chillies, fennel, pepper).

The ongoing search for new tastes by cooks, food manufacturers and consumers will ensure that the market for spices and herbs continues to grow. This situation is the case on western European markets as well as in regions such as southern and eastern Europe, where the demand for ethnic food is still small.

Smaller food processors, retailers and brands specialised in ethnic food are strong forces on the growing market for ethnic food. However, large retailers and multinationals are also increasingly active on this market.

It is easiest for you to supply to smaller processors, retailers and specialised brands, as these parties are less demanding in terms of food safety, service and volume. They often import directly from



developing countries and have close relations with their home country, making it easier for you to connect with them.

The size and composition of ethnic communities differ strongly by country, so opportunities will also be different. For instance, within western Europe, there are large differences between:

- the United Kingdom (Indian, Pakistani and Bangladeshi);
- the Netherlands (Indonesian, Turkish and Moroccan);
- Germany (Turkish);
- France (Moroccan, Algerian, other communities in north Africa, French-speaking countries in west Africa).

It is also important to realise that ethnic food tastes vary by region, country and even buyer. Indian food in the United Kingdom tastes different from that in Germany, and uses different ingredients and mixes.

Tips:

- Be aware that the demand for specific spices and herbs differs by country. When selling composite products such as spice mixes, you might have to adjust your product to the region or even the buyer to which you are selling. See our fact sheet on [Spice and herb mixtures](#) and other fact sheets such as [pepper](#), [dried ginger](#), [cloves](#) or [nutmeg](#) for more information.
- If you want to learn more about the European market for ethnic food, please see the following paid studies by [Market Research](#) and [Mintel](#).
- See the [McCormick Flavour Forecast 2017](#) for more information on the latest global trends in taste.
- There are specific trade fairs for ethnic food in Europe. [Ethnic Food Europe](#) is a good example. The [exhibitors' list](#) provides interesting trade leads.

3. [Tight supply leads to high prices for most spices:](#)

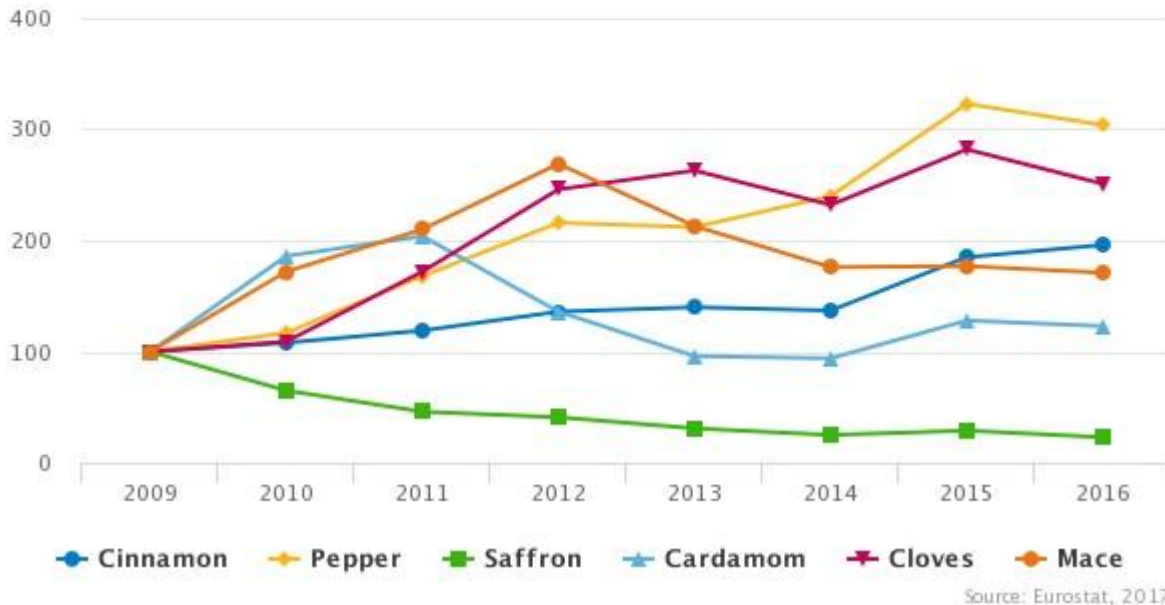
There has been an overall trend of increasing prices on the global market for spices and herbs. The increase is mainly due to a growing demand while production stays behind. Figure 2 illustrates the general increase between 2009 and 2016.

Saffron is an exception. The prices of saffron have decreased slowly over the years, which could be caused by the [illegal trade](#) and the [production of fake saffron](#) around the world.

In addition, the European import prices of vanilla increased significantly between 2012 and 2016 (by 55% annually). This fact is mainly due to production problems in one of the main producing countries,

Madagascar. The index of vanilla rocketed from 100% in 2012 to almost 700% in 2016. As a result, the data for vanilla were not included in Figure 2.

Figure 2: Fluctuations in European Union import prices of spices, 2009-2016, compared to Index (2009=100)



Looking ahead, it is questionable whether the supply will be able to keep up with the demand. New plantings of spices and herbs might not be able to satisfy the global demand and replenish low stock levels.

A structural challenge is to find new farmers. Despite the high prices, many young people are not interested in cultivating spices and herbs.

Industry experts expect prices to remain high or in some cases to continue to grow. The large price drops that we saw in the past are not expected to occur again in future.

It is interesting to see that the European demand has continued to grow despite the high prices. Spices and herbs are minor but important ingredients that contribute little to the total cost of the food in which they are used. The demand is relatively unaffected by price changes.

With a stable economic outlook, the European market will provide excellent opportunities for you to increase profitability and invest in your own company.

Tips:

- Keep yourself up to date on the global supply situation and prices. In this way, you can determine your competitive position and find the right moment to sell.
- Make sure that you have a good overview of short- and long-term price developments as well.



- See [ITC's Market Insider](#), [Nedspice](#), [Zobian](#) and [Public Ledger](#) (paid service) for crop and price reports.
- See our fact sheets for more product-specific prices and sources, as well as information on price developments. For example, you can consult our fact sheets on [cinnamon](#), [cardamom](#), [pepper](#), [vanilla](#), [dried ginger](#), [chillies](#) or [cloves](#).
- Use sector experts in your network to complement price information.
- See our study of [Exporting vanilla to Europe](#) for more information about the import price fluctuations on the vanilla market.

4. [European buyers look for compliant suppliers:](#)

The requirements of European buyers for quality, food safety and sustainability are among the strictest in the world. Only a small share of the total global spice and herb crops are compliant with European Union requirements.

Due to the high prices, there is also increased fraud with spices and herbs (e.g. cumin with peanut shells, oregano with olive leaves), causing major concerns for European buyers. European buyers have serious problems with finding sources for the products that they need.

Moreover, requirements are continuously becoming more strict. In 2015, for example, new legal requirements were introduced for polycyclic aromatic hydrocarbons (PAHs) for smoked spices and herbs as well as stricter requirements for ochratoxin A (OTA) for pepper, capsicums, nutmeg, mace, turmeric, ginger and mixtures.

European buyers are continuously looking for suppliers that can meet the strictest requirements. This fact can provide opportunities for you as an exporter. European buyers are looking to establish long-term relationships with reliable suppliers. They are also looking to source from other suppliers in order to complement and secure their supplies, including smaller suppliers.

In addition, European buyers are moving closer to the source of supplies in order to control their supply chain. They want to know more and more about the origin of their products as they are working towards a more traceable supply chain. In some cases, they will even want to know from which field their products come. In other cases, having the right papers (e.g. test reports, steam sterilisation certificates) is sufficient for buyers.

Some buyers are looking to work directly with farmers, avoiding middlemen that add no value. This development could offer opportunities for you, but it may also threaten your own position in the supply chain.

Because of increasing supply scarcity, exporters can easily sell their products on the world market. As a result, exporters are not always interested in supplying to strict European buyers. With the growing global demand, the influence of European buyers will decrease further.



At the same time, countries outside of Europe are adopting stricter requirements for food products as well. The [Codex Alimentarius Commission](#) is holding talks to harmonise global spices standards further. Various producing countries have submitted proposals for standards, including:

- India (standards for dried chilli, ginger and garlic);
- Egypt (standards for basil and coriander);-
- Indonesia (standards for nutmeg);
- Nigeria (standards for cloves and ginger).

It will still take years for such harmonisation to take effect. It is clear, however, that it is increasingly important to focus on quality and food safety, whether or not you want to supply to the European market.

Compliance with quality and food safety standards is also a strategy for adding value. Due to supply insecurity, products that comply with European Union requirements often fetch a higher price.

Tips:

- Invest in quality and food safety. As requirements on the European market and your local market are becoming stricter, strive to make continuous improvements.
- Ensure that you continue to add value in your supply chain by working together with other exporters and farmers in your region. It is very interesting for buyers if you can organise farmers and ensure their compliance with buyers' requirements. It might also be hard for you to supply a full container (minimum order size), but this situation could be possible when working together. Further areas of collaboration include collection, quality testing, storage and transport.
- See our study of [Buyer requirements in Europe for spices and herbs](#) for more information.

5. Growing awareness of sustainability:

European buyers pay more and more attention to their responsibility for the social and environmental impact of their activities. The most important issues that European buyers are concerned with include:

- child labour;
- healthy and safe working conditions;
- respecting labour laws;
- paying minimum wage;
- correct use of pesticides (if only to meet the legal limits for residues, so-called maximum residue levels).

While sustainability used to be an issue on niche markets only, it is now high on the agenda of the entire sector.



The most important European players are collectively working on making the spices and herbs supply chain more sustainable. One example is the [Sustainable Spice Initiative](#), with members such as [Unilever](#), [Olam](#) and [Verstegen](#). The sales of certified sustainable products are also growing on the European Union market.

In the coming years, sustainability will become an even more important topic in front-running regions such as western and northern Europe. At the same time, sustainability will also receive increased attention in southern and eastern Europe, as well as in developing countries.

The sustainable segment provides excellent opportunities for small and medium-sized exporters to set themselves apart. Whether you are successful depends on your approach, ambition and level of professionalism. It takes significant effort over a long period of time to be successful on this market. Nevertheless, small steps can already be taken towards a more sustainable approach.

It is important to realise that sustainability is still developing within the spices and herbs sector. Issues that would have given you a competitive advantage a few years ago are now considered common. Opportunities shift and it is important to move along with developments.

Tips:

- If you want to become more sustainable, start by addressing the most important issues mentioned above. From there on, look at more strategic choices. Determine with which core values you want to work (e.g. social, environmental or both).
- Monitoring your performance on sustainability through audits, verification or selfverification is a way to be rewarded for your efforts, either by opening up new markets and/or by receiving a price premium.
- Work together and build strong relationships with your buyers and suppliers. Look for European companies that can help to invest in the training and certifying of farmers. Work with NGOs, national and international governmental organisations to attract capital.
- Sustainability can provide opportunities for you locally as well as regionally, since sustainability is becoming more important all around the world. The quicker you move onto the market for sustainable products, the larger your competitive advantage will be.
- For more information, read our study of the [Market for sustainable spices and herbs in Europe](#).
- See our study of [Buyer requirements in Europe](#) for spices and herbs for more information on certification and other related topics.



6. European consumers looking for convenience:

The demand for easy-to-prepare and ready-cooked meals is increasing in Europe. European consumers are spending less and less time on preparing meals due to their busy schedules, while the number of single households is increasing.

Easy-to-prepare and ready-cooked meals rely on spices and herbs to retain and enhance food flavour (e.g. ready-to-use spices and herbs, seasonings and condiments).

In addition, these products increase the demand for crushed and ground spices and herbs, as well as spice and herb mixtures. Branch association Food and Drink Europe identified convenience as a [key innovation trend](#) in the European food sector. As a consequence, the demand for processed spices and herbs will continue to grow.

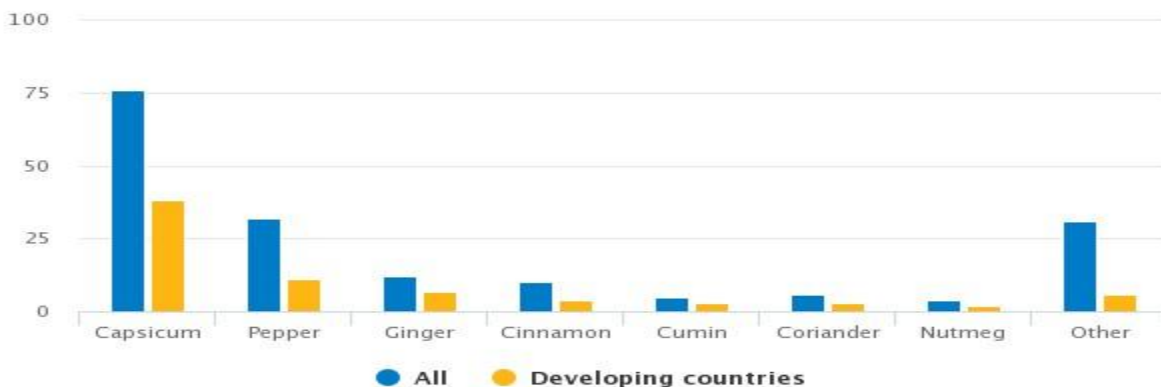
For you as an exporter from a developing country, the growing market for processed spices and herbs provides some opportunities. Grinding and crushing is already taking place on a large scale in developing countries, thanks to low wages as well as improved processing facilities and detection techniques. Imports of crushed and ground spices accounted for around 10% of all imports from developing countries in 2016 (see Figure 3 below).

As part of the growing demand for processed spices and herbs, the market for spice and herb mixtures is also growing. In 2016, about 13% of imports of spice and herb mixtures originated in developing countries. However, the market remains small and European processors are strong competitors. For this reason, your best chance is selling to buyers who are specifically interested in specialised ethnic food which is processed and/or packed in the country of origin.

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Figure 3: European Union import of crushed and ground spices and herbs 2016

in 1,000 tonnes



Source: Eurostat, 2017



Tips:

- Only consider crushing, grinding, blending and packing after you have taken value-adding steps such as cleaning and quality improvement. These last types of added value are easier to achieve, require less financial investment and earn you an interesting premium (usually around 5%).
- For more information, see our studies on [crushed and ground spices and herbs](#) and [consumer packed spices and herbs](#).

7. Healthy living:

Healthy living is one of the most important trends in Europe. Unhealthy food ingredients such as salt, sugar and synthetic additives are increasingly replaced by natural ingredients such as spices and herbs. An example is what [Unilever](#) and [Schwartz](#) are doing in this context.

Because of this trend, consumers want to know exactly what they eat. They expect clear labels on the product that they buy, indicating the exact ingredients and possible allergens. To this end, clean labelling and gluten-free labelling are gaining popularity, also on the spices and herbs market.

Another important trend is that the per capita consumption of meat in Europe has stabilised and is even decreasing in some European countries (see this article on [meat consumption in Europe](#) for more information).

A decreasing meat consumption means that the demand for other food products will grow, including products which imitate the taste of meat or which have a similar nutritional value. This so-called meat substitute market is expected to [grow globally by 6.4%](#) per year between 2014 and 2019.

Consumers often choose meat substitutes for sustainable motives. Many sustainable issues such as climate change, animal welfare and health are related to meat consumption. There are opportunities for sustainable spices and herbs (especially organic) in the meat substitute segment.

Tips:

- Target buyers in the growing healthy living, vegetarian and meat substitute segments, or develop products and ingredients to be sold on these markets. This strategy requires substantial product and market development, so work closely with buyers and sellers. Determine whether you can also service your local market with these products.
- Ask buyers for their recipes or look at recipes that are already on the market. Be aware that the price of salt is significantly lower than most ingredients. As a result, the cost price of your product might increase when substituting salt with spices and herbs.



- Talk to buyers and visit trade fairs to obtain more information about the vegetarian food market. [Veggie World](#) is a European trade fair specifically aimed at this market.
- Refer to the database of the Dutch blender Verstegen for [ideas on vegetarian and vegetable spice mixes](#).
- Allergen-free spices and herbs can be an interesting niche market. Several companies are already active in this market segment, such as [Dutch Spices](#) and [EHL Ingredients](#).
- Check the website of the [Food Standards Agency](#) in the United Kingdom to learn more about up-to-date labelling standards; for example, regarding [gluten-free labelling](#).

8. [Fluctuating exchange rates](#):

Exchange rate fluctuations are an important factor in international trade. International spice and herb prices are often quoted in US dollars. The value of the euro has fallen significantly in relation to the US dollar and other currencies during recent years. This situation makes it more expensive for European buyers to purchase.

Fluctuating exchange rates especially affect buyers that have long-term contracts with their suppliers in which price agreements have been made. Given the scarcity on the world market, buyers will still want to work with long-term relationships, but they might postpone purchases in hopes of a better exchange rate.

Tip:

- Use the Oanda website for [information on currency developments](#).

Steam sterilisation increasingly important:

European buyers are increasingly demanding steam-sterilised spices and herbs, as these products meet the strict requirements for microbiological contamination. Unfortunately, other types of contaminants such as pesticide residues and mycotoxins are not sufficiently affected by this treatment.

If you can use steam sterilisation on your spices and herbs at the source, you can earn a small premium. Investment in sterilisation facilities can be very costly, however (up to € 1 million). Be aware that some European importers will only perform the sterilisation themselves and thus will not rely on you for this service.

A downside of steam sterilisation is that it has a negative effect on the volatile oil content of spices and herbs, which is what produces their flavour. European buyers would switch to other methods if they were equally safe, acceptable to consumers and not too expensive.



At the moment, there are no alternatives to steam sterilisation that meet the requirements of buyers. However, research is being done, including the project commissioned by the European Union to [GreenFooDec](#).

Tips:

- If you do not have the means to invest in sterilisation facilities, look for local companies that can provide this service for you.
- Steam sterilisation is only useful if you also take food safety into account with drying, storage, processing, packaging and transporting.
- Keep in mind that mycotoxins and other contaminants are insensitive to sterilisation. Make sure that you check for these contaminants in all steps of the chain.
- Stay up to date on developments in steam sterilisation. Any investment should be carefully considered. If better technologies are developed, steam sterilisation will become a less interesting option for buyers.

10 tips for doing business with European buyers of spices and herbs

European buyers of spices and herbs expect excellent quality, food safety and a competitive price. In addition, some buyers are looking for guarantees as to the sustainability of the production process.

1. **Meet the required quality standards**
2. **Comply with food safety requirements**
3. **Provide clear product information**
4. **Develop a brand**
5. **Set reasonable prices**
6. **Choose your segment and channel carefully**
7. **Meet your buyers in person**
8. **Provide correct packaging and transport**



9. [Be aware of differences in business culture](#)
10. [Deliver what you promise](#)

Below, you will find ten tips for doing business with European spices and herbs buyers.

1. [Meet the required quality standards:](#)

The European market is very demanding when it comes to food quality. Many buyers will have quality managers who are responsible for monitoring the quality of the food and ingredients that they buy. These people have the power to make or break a deal. Make sure that you know what their requirements are, and ensure that you and your products can comply with them.

An important part of a good quality system is proper documentation. This factor will strengthen your position if you are facing problems later on, such as rejected shipments or complaints about quality.

[Tips:](#)

- Read our study of buyer requirements for [more information on quality and food safety requirements](#).
- Find out the [minimal quality and food safety requirements for dried herbs and spices](#) from the European Spice Association. These documents are important references for most of the leading market players in the European spices sector.

2. [Comply with food safety requirements:](#)

Food safety is a key issue in European food safety legislation. The [General Food Law Regulation](#) stipulates strict legal requirements with which you will need to comply.

You will also need to implement Good Manufacturing Practices, while a food safety system such as HACCP is strongly recommended. External certification of your food management system is a big plus, since it increases your credibility.

The European Commission has a portal dedicated to food safety alerts: [Rapid Alert System for Food and Feed](#). The alerts (recent or historic) on the notifications list will show you the common problems faced by suppliers during border controls and how they are handled.

Be aware that buyers may also have their own set of private requirements with which they will expect you to comply. In the ethnic segments and the lower end of the market, private requirements may be more limited. However, targeting these segments is a risky strategy, since requirements here are likely to increase as well.



Tips:

- If you do not have a quality and safety certification, you can try looking for countries that do not ask for these additional standards (buyers in eastern and southern Europe, for example).
- Read our study of buyer requirements for [more information on quality and food safety requirements](#).
- Read more about [HACCP](#) on the European Commission's Export Helpdesk.
- Find out more information on [Good Agricultural Practices for Spices](#) from the International Organisation of Spice Trade Associations (IOSTA).
- For more information on the different food safety management systems, check the International Trade Centre's [Standards Map](#).
- Find out the [minimal quality and food safety requirements for dried herbs and spices](#) from the European Spice Association.

3. Provide clear product information:

You will need to send clear product information to potential buyers. Your product specification is essential information to have at hand when order requests come in and when you wish to issue a quotation.

Product specifications define the characteristics of your products and may become part of your contract. They typically include a description of your product, the grade, purity, specific processes applied such as steam sterilisation and the applicable levels of contaminants. If your product has been in touch with any allergens, these substances should be declared as well.

You might find that a buyer in Europe expects further processing of spices and herbs, such as crushing, grinding and blending. This requirement is a growing trend, where produce is processed at the source before being exported to Europe. If you have these capabilities, make sure that you include them in your product information and on your website.

Other information such as laboratory analysis or quality and safety certificates will support your sales process.

Tips:

- Ask buyers for their product specifications and compare them with your own. Identify the gaps and discuss them before making a deal.



- Read our study of [Trends on the European market for spices and herbs](#) for more information about the further processing of spices.

4. [Develop a brand:](#)

While you will be dealing with businesses rather than consumers, it is still a good idea to develop a trade brand. This process involves consistent communication on all media platforms including your website, social media, your emails, newsletters, quotations, letters and business cards.

How you present yourself as a representative of your company is also very important.

Create one clear message in a consistent style. Explain what your company does, what your products are, how your processes work, what certification you have and what your company's mission is.

Target this information at your potential buyers. Choose words that they will understand, and relate to words and images that will attract them.

Remember to be honest. Do not advertise products or services that you cannot deliver.

[Tips:](#)

- Identify and promote your Unique Selling Points (USPs). These aspects could be your Corporate Social Responsibility (CSR) qualifications, Good Manufacturing Practices (GMPs), food standards such as [HACCP](#) (Hazard Analysis and Critical Control Point), and so on.

- Read our study of [Competition on the European market for spices and herbs](#) to help you identify your USPs.

- Sustainability is an important selling point. See our fact sheet for more information on [Sustainable spices and herbs in Europe](#).

5. [Set reasonable prices:](#)

Keep up to date on price fluctuations and market trends, so you know what prices to set and whether your buyers are offering market-acceptable prices.

When selling to Europe, you will initially have to depend on prices offered to you by traders. Once you are more familiar with market trends and better able to anticipate them, you may find it easier to set your own prices. Remember, however, that the prices of herbs and spices are dictated by the international market, and that the space for setting your own prices is very limited.



Diversifying your customer portfolio is one way to find a wider selection of buyers, who hopefully include buyers that pay slightly better. This process will take time and you must be careful not to compete on price with your own customers.

The scarcity of produce in the spice sector has created concern among spice traders and has led to increasing prices. While this is good news for farmers and exporters, it makes the sourcing of spices and herbs more difficult. Increasing quality requirements also make it difficult to source products of the correct quality. All these developments affect the price.

Tips

- For up-to-date prices of spices and herbs, see [Commodity Online](#) and [Spices Board India](#).

See the websites of the [International Pepper Community](#) and the [Vietnamese Pepper Association](#) for prices specifically for pepper.

- For an analysis of prices, see the market reports and crop reports published by [Nedspice](#) or public sources such as [Business Standard](#) and [ITC's Market Insider on spices](#).

6. Choose your segment and channel carefully:

When you start looking for buyers, stop to think about the profile of buyers with whom you would like to work. Not every buyer is equally interesting. For this analysis, think about the market segments that you want to target. Afterwards, think about the channels serving these market segments.

For example, if you are selling spices in bulk, your market segment is the industrial market of spice packers and food manufacturers using spices. You can address them either directly or through importers and agents.

If you are selling retail-packed spices, your market segment is either the consumer or the catering market. You should now look for distributors and agents who target this specific market.

If you are exporting organic spices and herbs, you will be targeting the market niche of organic food products. This segment is served by entirely different importers than the general spice market.

Tips:

- See our study of [Channels and segments on the European market for spices and herbs](#).



- Read our study of [European buyer requirements for spices and herbs](#) for more information on buyer requirements for niche markets.
- Prepare an export marketing plan, so your decisions on target markets and channels will be based on a systematic approach.

7. [Meet your buyers in person:](#)

Within the spices and herbs sector, personal contact is very important, especially if you want to build long-term business relationships. Try to meet your customers face-to-face at an early stage of the relationship. This approach will lay down the foundations for making agreements and solving problems later on.

If you cannot meet your buyers in person, try to arrange phone or Skype meetings.

Tips:

- When contacting buyers or prospects, make sure that you address them personally. Avoid general mailings.
- Use sector events such as trade fairs and conferences to meet your business contacts. For more information, see our [Tips for finding buyers of spices and herbs in Europe](#).

8. [Provide correct packaging and transport:](#)

Make sure that your products are well protected during transport. Heat, humidity and motion can damage your shipment. Your spices must be dried, packaged and stacked properly for the journey.

The terms under which bulk spices and herbs are generally shipped are:

Free on Board (FOB) – named origin. You will deliver products across the railing of the ship; sea freight is paid for by your buyer;

Cost and Freight (CFR) – named destination. This option means that you will deliver products to your export port or to the port of destination;

Cost Insurance Freight (CIF) – named destination. It is the same as the above, but with insurance added.

Insurance is always strongly recommended. Most buyers hire a forwarding agent to arrange further transport.

Lead times and delivery times are very important factors when managing your exports, as is timeliness. Make sure that you are punctual and do not make agreements which you cannot keep.



Tips:

- Learn about the major stages, relationships and terminology used in international logistics and supply chain management. Check the website of the International Chamber of Commerce for more information on [Incoterms rules](#).
- Have a look at the Transport Information Service website for more [information on packaging, cargo securing and transport risk factors](#), and so on.

9. Be aware of differences in business culture:

Business culture and communication differs considerably from one country to another. As a result, the way that you are used to do business may be quite different from the way that buyers do business in Europe.

To feel at ease dealing with European buyers, it is important to have a basic understanding of who they are. It is also important to adapt your business style to suit theirs.

Spices traders are not different from other European traders: most of them are professional, pragmatic and to the point. As with most people, they appreciate a personal touch in your contacts, but the professional aspects of the business come first.

If you are lucky enough to visit potential clients in their home countries, do your research on their culture before you go. If you do, your interaction with clients will be fun as well as fruitful.

Tips:

- Visit the Passport to Trade 2.0 website for more information on [international business culture and business etiquette across Europe](#).
- The [Kwintessential Etiquette Guide](#) gives you a country-by-country guide to languages, cultures, etiquettes and taboos throughout Europe.

10. Deliver what you promise:

The number 1 mistake to make with European buyers is to make promises that you cannot keep. You need to be realistic and honest about what you can offer; otherwise, your business relationship will soon turn bad.

Crucial issues here are making sure that you deliver your products according to the specifications which you have agreed with your buyer, agreed delivery times and packaging requirements.



If you are aware of any shortcomings in your product (unable to match the sample quality, for example), you must discuss this fact with your buyer straight away. Make sure that you inform buyers about problems quickly and make yourself part of the solution.

Since trading products all over the world is a lengthy process involving many different companies, things can go wrong. As the exporter, you will often be expected to take a leading role in solving these problems. Try to be proactive in this regard

8 tips for finding buyers on the European spices and herbs market

Finding buyers and contracting sales is a key priority of any company. These aspects provide proof that your intensive preparations and investments are being received well. Below, you will find eight tips to help you find buyers in an organised way.

1. **Start by conducting thorough market research**
2. **Decide on which countries you want to focus**
3. **Study market requirements and prepare yourself well before starting to sell**
4. **Review the websites of European sector associations**
5. **Participate in trade fairs and conferences**
6. **Network and meet buyers face-to-face**
7. **Use direct marketing**
8. **Make sure that you can be found online**

1. Start by conducting thorough market research:

In B2B trade (Business to Business), the number of buyers is more limited than in B2C trade (Business to Consumers). Still, there are several hundred importers of spices and herbs in Europe who are your potential buyers.

Before you start searching, think about the type of buyer for which you are looking:

- importers of raw materials; packers;
- distributors of pre-packed products.
-



Each of these buyers has different demands in processing, packaging, order size, supply time and service level.

In addition, do you focus on a specific niche such as organic, Fairtrade or sustainable, or do you offer conventional products? Your challenge will be to find a buyer that not only needs your products but also matches your capabilities.

Opportunities on the market for spices and herbs can be found in both the lower end and the higher end of the market.

At the higher end, organic, Fairtrade, sustainable and speciality products are in demand. Food safety requirements are also stricter at the higher end of the market and traceability is required.

At the lower end, spices without such differentiating characteristics can be traded, but this segment tends to become smaller over time.

In Europe, certain countries serve as trading hubs for herbs and spices; for example, Spain for chillies or the Netherlands and the United Kingdom for pepper. Find out which countries serve as a hub for your product(s). Then, focus your search for buyers on these countries.

Importers often serve multiple European countries and sometimes even the whole of Europe. This fact makes them a good starting point for first-time exporters.

Tips:

- Read our study of the [Market channels and segments on the European market for spices and herbs](#) for information about the different kinds of buyers.
- Identify to whom you want to sell: importers, packers or processors, distributors of prepacked products or directly to the retailers.
- Find out which countries offer opportunities in our study of [Trends for spices and herbs in Europe](#). Read our fact sheets on [pepper](#), [dried ginger](#), [nutmeg](#) and [vanilla](#) for information about the relationships between the products and particular geographical hotspots.
- Find buyers that match your capabilities in terms of size, organisational structure, product (e.g. mainstream or niche), and compliance with food safety and sustainability requirements.

2. Decide on which countries you want to focus:

If you are selling spices and herbs in bulk, your potential clients will be importers and packers specialised in this industry. Especially the importers will serve several European countries or even the whole of Europe. In this case, find out which countries serve as trading hubs for your products. This



area is where your initial focus should be. Packers may work at the European scale or nationally. In either case, you may select two or three priority countries. Focus your research on these countries.

Tips:

- See our product fact sheets on spices and herbs, which focus on Europe as a whole but highlight the most interesting markets within Europe as well. Have a look, for example, at our fact sheets on the [European market for dried ginger](#), the [European market for sustainable spices and herbs](#) and the [European market for culinary dried herbs](#).
- Have a look at the [studies of Trends and markets for spices and herbs](#), which focus on Europe as a whole but provide some details on the countries as well.

3. Study market requirements and prepare yourself well before starting to sell:

B2B trading is a small and close-knit world, and you have only one opportunity to make a first impression. Make sure that you are well prepared before you address the market.

Buyers are receiving dozens of emails with product offers every week and will only seriously consider your offer if it looks professional. Do not try to lure buyers with unrealistic or low prices.

They know what good quality should cost, so focus more on quality, food safety guarantees and supply capability in your communication.

Certifications for HACCP and GMP are an important plus or, more often, a must in the eyes of buyers; so try to know in advance what the buyer requires from a first contact.

Tips:

- See our [Tips for doing business on the European market for spices and herbs](#) for more information about how to prepare yourself thoroughly.
- Read our study of buyer requirements for [more information on quality and food safety requirements](#).
- You may have to upgrade your processing facilities and sourcing strategies to meet European requirements.
- If you do not meet the strict quality requirements imposed on northern and western European markets, try to look for buyers in eastern or even some southern European countries. The same legal requirements apply, but they will often accept lower-quality



spices and herbs (lower oil percentage, dull colour or slightly damaged) or they may not always ask for additional guarantees such as food safety management systems.

4. Review the websites of European sector associations:

Sector associations are a good place to find potential buyers. Some of the associations publish member lists on their website, where you will be able to find contact details for many European companies. Alternatively, it is often possible to request these lists by email.

The most important sector association in Europe is the [European Spice Association](#) (ESA).

Most European countries have their own national associations for the spices and herbs trade as well, such as:

- [Fachverband der Gewürzindustrie e.V.](#) in Germany;
- [Association of Processors and Packers of Spices and Seasonings](#) (AEC) in Spain;
- [Dutch Spice Trade Association](#) in the Netherlands.

Tip:

- Download the [full member list of the European Spice Association](#), which includes contact details of national sector organisations and affiliated companies.

5. Participate in trade fairs and conferences:

Trade fairs are a great place to meet potential buyers. You will find that many trade fairs include a section dedicated to spices and herbs. There is no international event solely focused on the spice and herb sector yet.

Many countries exhibit in these trade fairs with a national pavilion. If your country is one of them, you may be able to exhibit in this pavilion at a reduced cost. Alternatively, you can book an individual stand directly with the organisers.

For the first time at an event, it is a good idea to participate as a visitor instead of as an exhibitor. This approach is a good way of getting to know your target market.

The most important international trade fairs are:

- [Anuga](#), the largest trade fair for food and beverages in Europe. It is held every other year in Cologne, Germany and hosts relevant sections for spice exporters: Fine Food, Bread and Bakery, and Organic Food;
- [Salon International de Alimentation](#) (SIAL), held every other year in Paris, France. It is a general trade fair for food and beverages, with a strong focus on France. It has more diverse sections including relevant sections for spices and herbs: Pavilions of the World, Infood and Organic Food;



- **[Food Ingredients Europe \(FIE\)](#)**, a smaller trade fair focusing exclusively on ingredients, including raw materials and semi-finished products offered for sale to the food industry. The trade fair is held at different locations in Europe every year.
- **[Natural Ingredients Europe \(NIE\)](#)** is a trade fair organised by the same organisers as FIE and is held every year, either together with FIE in odd years or with the other trade fair Health Ingredients Europe (HIE) in even years.
- **[Biofach](#)**, a trade fair focused exclusively on certified organic products. It is surprisingly large for such a specific niche and held in Nuremberg, Germany every year in February. Spice exporters can be accommodated in the sections with international pavilions. Biofach also includes an annual conference on developments in the global organic industry.

Tips:

- Trade fairs often publish lists of exhibitors. These lists are a good source of contact details for potential buyers. See, for example, the option to [search for exhibitors](#) on the Anuga website.
- Prepare well before visiting or exhibiting at a trade fair. Make appointments in advance, use email and other media to inform people that you are coming, and prepare samples, brochures, business cards, websites and price lists.
- Some trade fair organisers host local or national events to which international buyers are also invited. In Asia, for example, FIE organised trade fairs in Vietnam, Indonesia and Thailand over the past few years, and it will continue to do so in the coming years. See the [Fi Asia](#) website for more information. In Peru, the [Expoalimentaria](#) has become a major commercial event (held in Lima annually in September).

6. Network and meet buyers face-to-face:

On top of international trade fairs and conferences, you will find smaller events being organised by sector associations. One example is the annual conference of the [European Spice Association \(ESA\)](#). This event is for members only, but it is a great opportunity to meet buyers.

This conference is not a trade fair, though, and it is probably most suitable for more experienced exporters. The trading community present here may have little time for meeting small start-up companies.

It is also a good opportunity for finding out the latest developments in the industry.



Other examples of this kind of event are the [World Spice Congress](#), the meetings and exhibits organised by the [American Spice Trade Association](#) (ASTA), trade missions and smaller B2B meetings. However, the primary purpose of these events is to resolve certain issues in the sector.

As a result, trading is not the main purpose of such events.

Tips:

- National governments may organise trade missions or B2B meetings. Contact the trade departments of European embassies in your country or the trade departments of your country's embassies in Europe.
- Contact national and international spice associations such as the [International Pepper Community](#) (IPC), [Vietnam Pepper Association](#) and [Spice Board India](#) to find out whether any events are being planned.

7. Use direct marketing:

Think about the best way to communicate with your potential buyers.

One cost-effective way is direct marketing via a promotional email. Email is a powerful tool to come into contact with potential buyers. You could write a short and professional email introducing your company and product offering.

In the email, include a link to your website. The link should be up to date, in English and consistent with your product offering. Even if you do not get a response, follow up the email with a phone or Skype call. This approach will increase the chances of success.

Tips:

- Be honest. Do not try to attract buyers with unrealistic or low prices. They know what good quality costs, so focus more on quality, food safety and your strongest capabilities.
- Send a presentation that introduces your company, your products, and your strengths and skills. This strategy is a good starting point, which can be followed by additional information such as quotations, packaging options or delivery terms.
- Do not send mass mailings. This practice is considered as spam (unsolicited commercial email) in Europe and is an unwelcome form of communication.



8. Make sure that you can be found online

Apart from actively searching for buyers yourself, it is also important that buyers can find you.

You need to have a website that contains basic information about your products, your facilities and relevant documentation, for example.

Make sure that your website is informative, accurate, well written and professional.

On your website, pay attention to the issue of sustainability, since this issue is receiving more and more attention in the spices sector.

Social media such as [LinkedIn](#) and [Facebook](#) are increasingly popular as a way to promote products and ideas. Adapt your style to your audience, but make sure that your message and the information which you distribute is consistent across all your chosen online and offline media.

Tips:

- It is a good idea to ask for or employ assistance from someone who can write well in English and understands your target audience. A professional editor is one choice. They will be able to help you find the right style, and remove or avoid spelling mistakes and grammatical errors. This aspect adds to your professional image; mistakes do not.
- It is also a good idea to post your product offerings on online trading platforms, yellow pages or databases such as [Alibaba](#). These sources are widely used by buyers and sellers. Often, buyers are not looking for a service but for contact details.
- [Organic Bio](#) is an interesting platform to find buyers if you offer organic edible preparations and spices.