

10 tips for doing business with European buyers of vegetable oils

The European market for vegetable oils is very competitive, relying on a multitude of supplies from various countries. As an exporter from a developing country, make sure to go beyond minimum standards. Set yourself apart from your competition, for example by focusing on quality and quality management, sustainability and business integrity. The following tips can help you do business with European buyers.

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1. Meet your buyers' requirements

Meeting your buyer's requirements starts with compliance with mandatory European Union legislation.

What specific requirements are vegetable oils subject to? Take the level of erucic acid for example, or requirements relating to composition, labelling, food contact materials and extraction solvents.

Health control procedures are also very strict, especially the risk of contaminants (e.g. PAHs, dioxins). You must ensure that your processes and products comply without deviation.

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

Similarly, European buyers will expect you to have a quality/food safety management system in place. With such a system you will demonstrate your ability to control food safety, prevent hazards and ensure that your food products are safe for human consumption. To your buyers, certification is proof of your reliability.

European buyers also demand traceability. Buyers want to know what the social and environmental conditions are of your oil production.

Tips:

- [Search the notifications for vegetable oils](#) using product category 'fats and oils' on the [Rapid Alert System for Food and Feed \(RASFF\)](#) website.
- [Go to the EU Export Helpdesk website](#) for further information on legal requirements.
- [Read the our study about buyer requirements for vegetable oils.](#)

2. Respect contractual agreements

You need to be clear about requirements and expectations before entering into a contract with a buyer. You have two options:

- Adhere exactly to what your buyer specifies or
- Make very clear to your buyer which requirements/conditions you cannot comply with, and then propose an alternative.

However, European buyers will not negotiate on quality or food safety. Traceability is essential as well.

The European market for vegetable oils is highly competitive and you will need to go beyond minimum standards to differentiate yourself from the competition. Simply *doing what you can* is not enough.

There may be room for negotiation with buyers in terms of price or payment conditions for example.

Tips:

Do not default on your contracts. If you fail to meet the terms of a sales contract, you will potentially damage your reputation and jeopardise future business opportunities.

Agree on very clear payment conditions! Some buyers will only pay new suppliers after the products have arrived, and having checked and approved the quality of the consignment. Once you have established a relationship with them, you will be able to negotiate better conditions.

3. Provide clear product information

Ensure that you have clear product information for your buyers. This information must include the following:

- Technical Data Sheet (TDS) or Specification including CAS number (see these examples of [virgin sesame oil](#) and [virgin coconut oil](#))
- Safety Data Sheet (SDS) (see the following example of an SDS for [groundnut / peanut oil](#))
- Certificates of analysis to support the claims of the specifications (see this example of [virgin coconut oil](#))
- GMO certificate (if requested) (see this example of [virgin coconut oil](#))
- Certificate of Origin
- Product information sheet
- Allergen declaration (protein content)

Tip:

For new oils, you will need to [apply for a CAS number](#).

4. Keep up with innovation and technology

It is always a good idea to keep up to date with technological innovation. You can do this by monitoring general market developments, or even better, developing your own innovations.

If your technology allows it, you could develop a product range that contains different fractions of the same oil.

This is a way of diversifying your product portfolio.

You could investigate the possibilities for developing and promoting environmentally-friendly production processes, e.g. enzymatic processing instead of hydrogenation. This may give you a competitive advantage.

It is also a good idea to follow the latest technological developments so that you can advise your clients on how to handle and process your vegetable oil(s).

Tips:

Check the [FEDIOL](#) website. This is the federation representing the European vegetable oil and proteinmeal industry. On the website you can find news on legal and technical developments in the sector.

Consult [Food Ingredients 1st](#). This is the online daily source for news, analysis and insights on the food ingredients sector. Here, you can find general news on food ingredients, but you can also select specific news on vegetable oils.

Consult [Food Navigator](#). This is an online source of daily information on food ingredients in general (but you can also select vegetable oils).

Consult the website of [Oils and Fats International](#). It specialises in news and market intelligence in the global edible oils and fats industry. Consider a subscription to the Oils and Fats International.

5. Provide correct packaging and transportation

You must always ask your buyer what their specific packaging requirements are. However, in general, you need to use protocols that will maintain the quality of your vegetable oil, e.g.:

- Clean and dry the container before loading the oil.
- Do not load rancid vegetable oils.
- Fill the tanks or drums as full as possible to avoid air pockets and light. This will prevent oxidation, thus rancidity.
- Fill the headspace in the container with a gas that does not react with the oil's components (e.g. nitrogen or carbon dioxide).
- Avoid solidification (depending on the oil) by ensuring appropriate temperature control during loading, transportation and pumping.

Packaging materials need to be recyclable. Use containers made of recyclable materials (e.g. steel). Store containers in a cool, dry place to prevent deterioration of the product's quality, and make sure you keep certified organic vegetable oils separate from conventional vegetable oil.

Tips:

Read our product factsheet [for vegetable oil-specific packaging information](#).

[Cargo Handbook](#) and [Transport Information Service](#) are good resources for information about general handling and transportation of vegetable oils.

6. Keep an eye on prices and price developments

Most vegetable oils are subject to price volatilities. You need to be aware of this when negotiating on price. Keep an eye on global prices of vegetable oils and you will notice that commodity oils follow prevailing world market price levels. [Public Ledger](#), [Index Mundi](#) and [World Bank pink sheet](#) are good online platforms for watching these price developments. It is also prudent to remember the influence the demand from the growing biofuel market has on prices.

Tips:

When it comes to speciality or exotic oils, there is more room for negotiation on price.

Go to [Oil World](#). This is a forecasting service, with price information and market intelligence.

Go to [The Public Ledger](#) for prices, news items, etc. You will need to subscribe.

Go to [Index Mundi](#) for prices and news items.

Go to [World Bank pink sheet](#) for prices and price developments.

7. Consider sustainability and Corporate Social Responsibility

European buyers will be looking for suppliers that implement ethical and socially-responsible business practices. It is a good idea to implement quality management systems relating to environmental aspects, (ISO 14000), occupational health and safety (OHSAS 18001) or social conditions (SA 8000). This will help you address the issue of sustainability and socially-responsible business and possibly gain a competitive advantage.

Be aware that many of the environmental and social-sustainability issues take place at farm level. You can ask your farmers to fill in the [Farmer Self-Assessment](#) (log in required) from the Sustainable Agriculture Initiative. This will test how sustainable they are. You can also research developments in sustainable farming in your region for example, and read news items published by relevant sector associations.

Tips:

Take a look at the International Labour Organization's website. The International Labour Organization (ILO) has developed a system of [international labour standards](#) which many countries have adopted globally. These conventions and recommendation also form the foundations for responsible business practices (CSR).

Go to sector associations' websites like the [EU Vegetable Oil and Proteinmeal Industry](#) association (FEDIOL), [specialist trade fairs, conferences and meetings](#).

Industry magazines like [The Public Ledger](#), [Food Navigator](#), [Food Ingredients First](#) are also good sources of information on sustainability.

The [Supplier Ethical Data Exchange \(Sedex\)](#) is a valuable tool for buyers who want to verify your sustainability claims.

8. Use online and offline marketing

Marketing is essential when you are introducing vegetable oils to the European market. This is especially important for companies dealing with novel and/or exotic oils. You will need a strong marketing campaign that focusses on the origin and nutritional properties of your product(s).

On your website and marketing materials, include information about:

- your facilities and equipment
- your (strategic) location
- Quality Management Systems (QMS)
- reliability
- Corporate Social Responsibility (CSR) policies
- your company's mission
- ecological goals and standards

Be sure to promote the health properties of your product(s). But only make claims to health benefits if you can back them up with scientific evidence.

Don't forget to promote any certification that your company has attained, as well as your company's goals for sustainability, ecology etc.

Tip:

Go to the [European Commission](#) website for an explanation about Corporate Social Responsibility (CSR).

9. Be honest and transparent

There is a high degree of substitution in the vegetable oil sector, which means you need to be realistic about the quality, volume and delivery of your products. Invest in quality management systems and develop customer-oriented services. This will reduce financial risks for both you and your client.

European buyers attach great importance to reliable business partnerships and trust. You can build trust by providing customer-oriented services: communicating problems straight away, responding promptly to e-mails and questions, and following up when you have promised to do so.

You can also do your utmost to comply with your buyers' requirements and you can invest in quality management systems.

Above all, your buyers will expect you to keep your promises. Honesty and transparency in contractual agreements is the safest way to do business in Europe.

Tips:

- Be clear and open about your Quality Management systems.
- Come across as genuinely interested in your buyers.
- Research your buyers' markets and products.

Be honest about what you can deliver and when.

Consult with your partners for help answering buyers' questions.

10. Consider differences in business cultures

You need to be aware of the differences in business etiquette across Europe. When it comes to doing business, Europe can be divided into the following cultural regions:

- **Northern Europe:** Here, there is a very good command of English amongst the business community. Business people do not appreciate excessive use of emotions, lively gestures or touching. They like facts and technical details. They use the Internet a lot as well as other technologies.
- **Western Europe** has a highly-educated workforce. Most professionals are able to conduct business in English and often in German. French is only regarded as the primary language of business, in France. Formal agreements supported by documentation and protocols over personal relationships are important. There is a strong regard for punctuality and interest in solving problems together with suppliers.
- **Southern Europe:** Generally warm and open in how they conduct business here. Hierarchical business structures are common as is a strong regard for traditions and family. It is important to develop a personal relationship with your contacts here. Make sure you contact the right person within a company. Trustworthiness, respect and loyalty are important values. Social media as a way of conducting business is a growing trend.
- **Eastern Europe** has a highly-educated workforce. There is a preference for face-to-face communication. Business partners usually address each other formally using their educational or professional titles. Punctuality is regarded as a sign of reliability. When it comes to social media, the interest is high but slow to lift off in comparison to Northern and Western Europe.

Tip:

[Business Culture.org](https://www.businessculture.org/) is a recommended website for studying cultural and business etiquette across Europe.

Please review our [market information disclaimer](#).