

What is the demand for Spices and Herbs on the European market?

The European imports of Spices and Herbs grew constantly in the period 2014-2017, but have declined in 2018. A considerable share of imports comes from developing countries. The leading importers Germany, the United Kingdom, The Netherlands and Spain offer you particularly good opportunities. From a product perspective, ginger, uncrushed pepper, dried capsicum/pimenta, curcuma, cinnamon and cloves have the most potential. These spices are thought to contribute to a healthy lifestyle and these imports will therefore continue to grow in the years ahead.

Contents of this page

1. [What makes Europe an interesting market for Spices and Herbs?](#)
2. [Which European markets offer the most opportunities for Spices and Herbs?](#)
3. [Which products from developing countries have the most potential on the European Spices and Herbs market?](#)

1. What makes Europe an interesting market for Spices and Herbs?

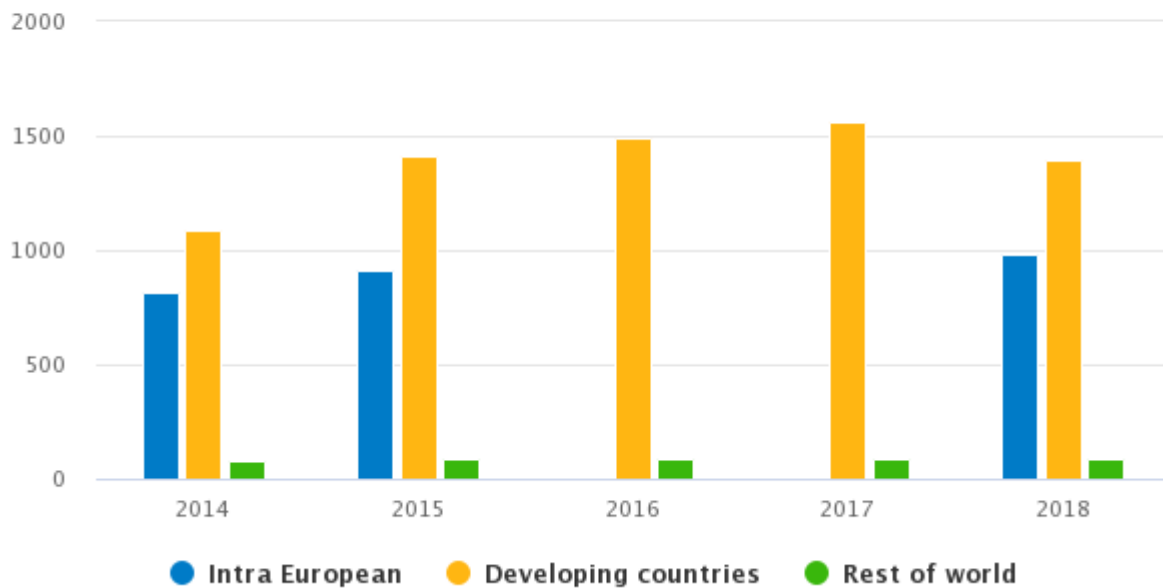
European imports of spices and herbs increased every year in the period 2014-2017, mainly because of a few spices – most notably vanilla – that had a considerable impact on total imports. More than 95% of imports from outside Europe come from developing countries. Virtually all the intra-European trade consists of re-exports of spices and herbs that originally came from developing countries.

While imports are likely to increase in the next years, growth in Europe is forecast to remain lower than in other regions worldwide, such as South and South-East Asia, where economic growth is much higher and markets are expanding rapidly.

Small growth for European imports expected

Figure 1: European imports of Spices and Herbs, by origin

in € million



Source: TradeMap (2019)

Between 2014 and 2017, European import values of Spices and Herbs grew every year by 11% on average, to a value of €2.7 billion in 2017. 2018 showed a considerable drop in import values (-8.4%).

The increase in value between 2014 and 2017 is a little bit misleading, as the overheating of the vanilla market since 2012 was the main driver of this growth.

Overall, because of the price hike of vanilla between 2012 and 2017, the development in import volumes has been lower than the import value growth. Still, it has shown a positive trend; import volumes grew by 6.3% per year in 2014-2017, and also went up 5% in 2018.

Because of the ongoing trend of the growing demand for natural ingredients, which has been the major stimulus of growing import values since 2012, industry experts forecast a small to moderate growth for European import values of Spices and Herbs in the coming years.

Developing countries play a key role in supply

As European countries do not have suitable agro-climatic conditions to cultivate most spices and herbs, they depend heavily on imports from tropical and semi-tropical countries. Only some specific spices and herbs are produced in Europe, mainly in Eastern Europe but also in some Southern European countries. Romania, Hungary, Bulgaria and Spain are the leading producers within Europe, most notably because of their production of (dried) paprika and chillies (fruits of the genus *Capsicum*), but some other spices are produced in these countries as well.

Production of dried herbs is also taking place in Europe, most notably in France, Italy and Greece. Parsley is the most popular dried herb; others are basil, bay leaves, celery leaves, chives, coriander, dill tips, chervil, fennel, juniper, marjoram, oregano, rosemary, sage, savory, tarragon and thyme.

European imports from developing countries peaked in 2017 at a value of €1.6 billion. 2018 was the first year with a decline in aggregate import values since the natural vanilla hype took off in 2011/2012. The reason was basically twofold:

- Vanilla import value growth decreased to only +5.7% in 2018 because of an improved balance between supply and demand.
- The import value of (unprocessed) pepper decreased strongly after the price peaks due to supply scarcity in the years 2015-2016 (-36% in 2018, after -22% of 2017). At the same time, import volumes continued to increase (6.4%), leading to an average import price drop of 30%.

The yearly growth of import values for the top 10 spices and herbs (6-digit HS codes) in the period 2014-2018 can be seen from the table below. The table shows that, in 2018, the #1 product imported to the EU, vanilla beans, did not show double-digit growth figures anymore. The main contribution to growth came from vanilla, crushed or ground, and from miscellaneous other spices and herbs. At the same time, the #2 product, pepper, experienced a strong decline, and the same went for saffron.

Table 1: Average annual growth of European import values between 2014-2018.

	Annual growth '15	Annual growth '16	Annual growth '17	Annual growth '18	Share '18
Spices and Herbs	22.0%	7.5%	3.5%	-8.4%	
Vanilla, neither crushed nor ground	65.1%	85.2%	44.9%	5.7%	19%
Pepper, unprocessed	42.1%	-4.5%	-22.0%	-36.4%	12%
Spices	9.9%	12.6%	4.7%	0.1%	10%
Ginger, unprocessed	-16.7%	-6.3%	28.2%	4.1%	9%
Mixtures of different types of spices	12.8%	11.8%	2.8%	-3.1%	9%
Fruits of the genus Capsicum or of the genus Pimenta, crushed or ground	19.2%	6.7%	5.4%	2.2%	8%
Pepper of the genus Piper, crushed or ground	38.7%	-2.4%	-14.3%	-30.0%	6%
Capsicum or Pimenta, dried, unprocessed	15.1%	1.8%	2.4%	-12.9%	5%
Saffron	33.2%	5.9%	-5.4%	-25.9%	3%

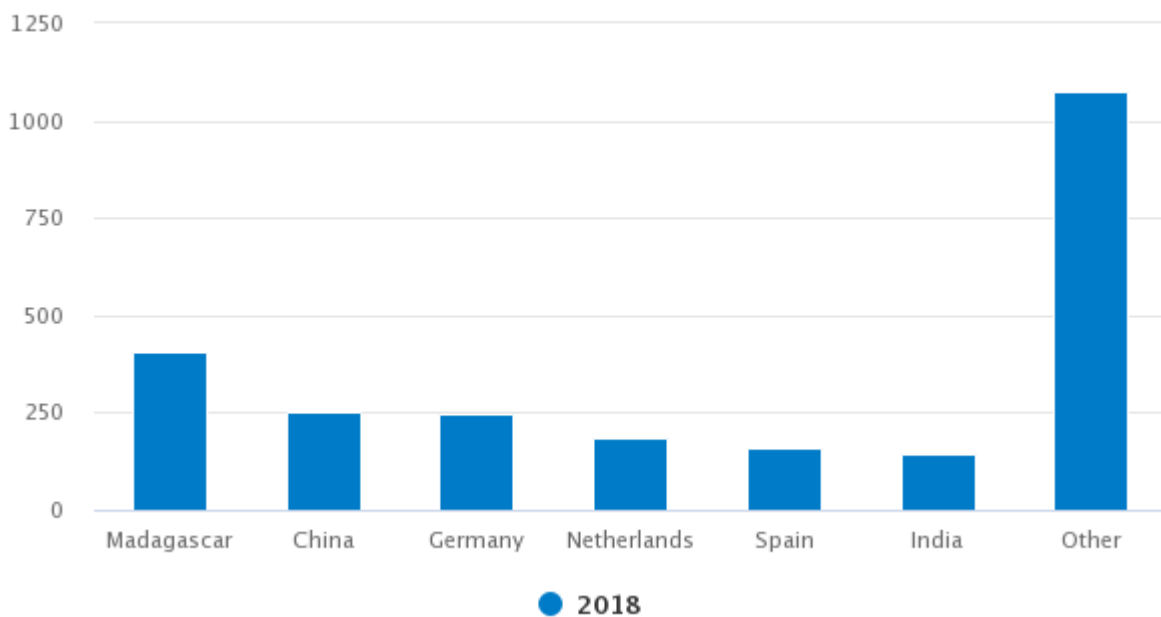
	Annual growth '15	Annual growth '16	Annual growth '17	Annual growth '18	Share '18
Vanilla, crushed or ground	18.1%	65.8%	51.3%	34.3%	2%
Other	16.1%	14.6%	13.8%	14.8%	17%

Source: Trademap (2019)

In the coming years, imports from developing countries are expected to grow slowly to moderately. This will strongly depend on the development of “star performers” (like vanilla in 2015-2017), or underperformers (like pepper since 2016).

Madagascar's vanilla supply rules the market

Figure 2: Leading suppliers of spices and herbs to Europe



Source: TradeMap (2019)

Madagascar holds a firm #1 position as a supplier of spices and herbs to the EU market, followed by China and Germany at quite some distance. Like Germany, the Netherlands is an important hub for spices and herbs in Europe. Several trading houses are located in these two countries. To a lesser extent, this also goes for Spain, as Spain also has domestic production of spices and herbs.

A closer look at supply from developing countries shows that a clear development is visible when comparing the current sourcing countries to 10 years ago. The most striking factor is that, before 2012, Madagascar did not hold an impressive stake of European imports. At that time, the use of natural vanilla had largely been replaced by artificial flavour. Leading suppliers were Vietnam, China, Iran (for its saffron), India and Indonesia.

Tips:

Compare your products and company to competitors from other supplying countries. You can use the [ITC Trademap](#) to find exporters per country. Compare on aspects like market segment, price, quality and target countries.

See CBI's [studies per spices and herbs product \(group\)](#) to determine the competition for your specific products.

Stay updated on market developments with the [Nedspice Market Updates](#) and the [PBA Brokerage Market Updates](#).

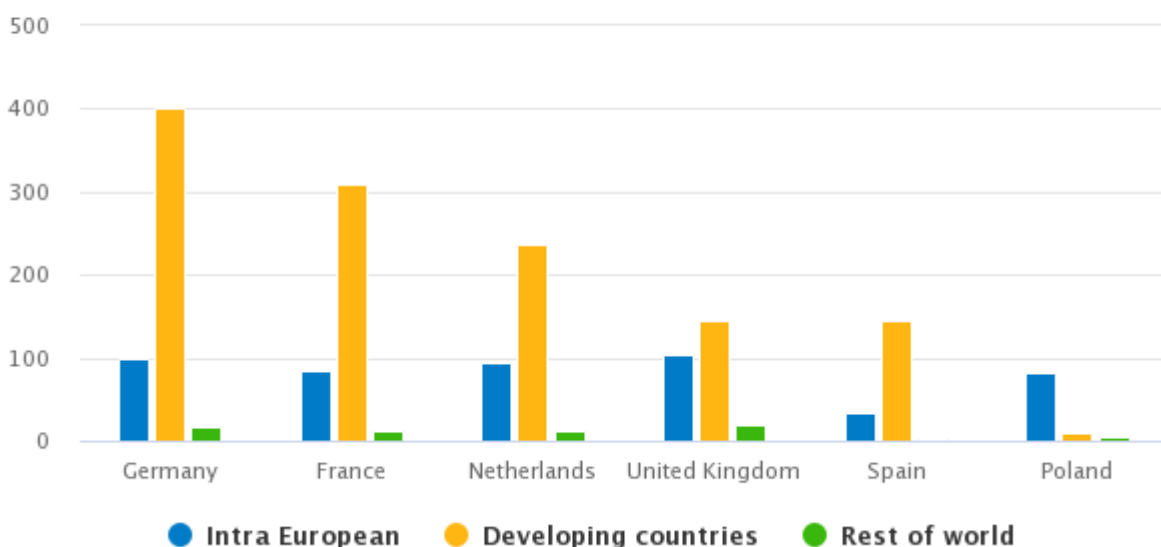
2. Which European markets offer the most opportunities for Spices and Herbs?

As Europe's main importer of Spices and Herbs, Germany is an interesting focus market. France and the Netherlands are also promising leading markets with a relatively large share of imports from developing countries. The UK and Spain, as well, are important markets with substantial values of imports from developing countries.

Germany is the spiciest market in Europe

Figure 3: Import values of Spices and Herbs in selected European countries, 2018, by origin

in € million



Source: TradeMap (2019)

Germany is by far Europe's largest importer of Spices and Herbs. Germany's import value was €515 million in total in 2018, representing 20% of total EU imports. Almost 80% of these German imports came from developing countries, while imports from within Europe reached almost 20%.

The other markets can be shortly characterised as follows:

- In four years, France has grown to become a strong #2 importer of spices from developing countries in Europe, replacing the Netherlands. Average annual growth of French imports was more than 25%. The main

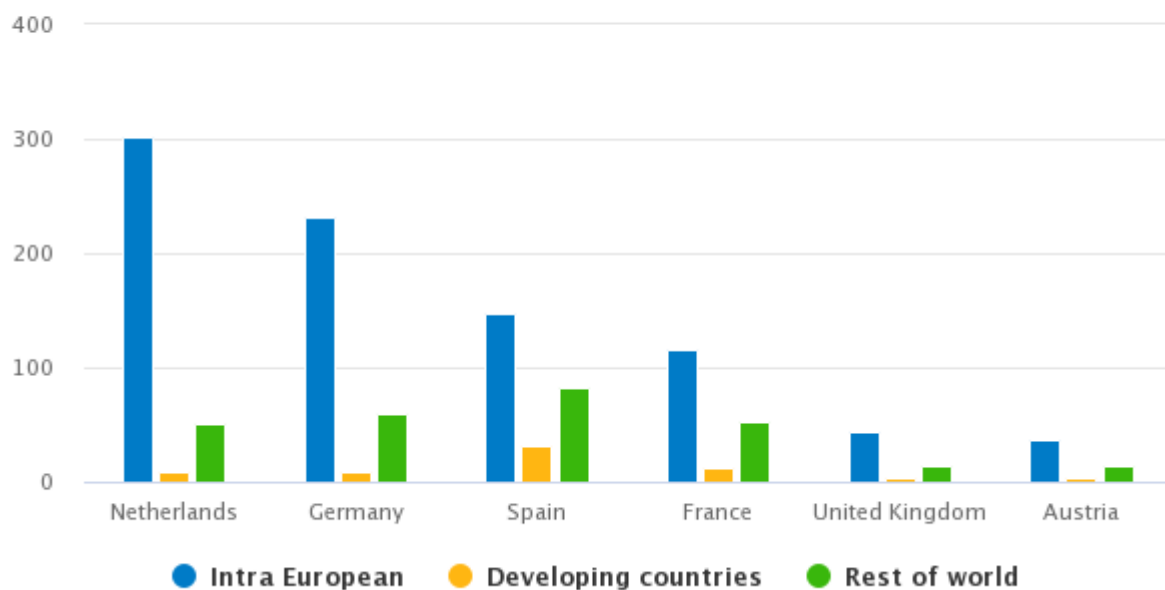
reason for this growth was the boost in imports of vanilla from Madagascar. France, along with Germany, is dominating EU imports of vanilla, and the strong growth in demand since 2011 has led to a sharp increase in vanilla prices since 2012.

- Traditionally, the Netherlands has been a leading trader of spices from developing countries. If vanilla were not included in the aggregated figures, the Netherlands would be the #2 importer in Europe, after Germany.
- The UK is the #4 importer of spices and herbs, but unlike Germany, the Netherlands and France, the UK imports are predominantly destined for the local market, and re-exports are small (which is also shown by Figure 4).
- Spain completes the list of the top 5 European importers of spices and herbs. Spain is different from the top 4 because it has a very low share of imports from within Europe.
- Poland is the sixth-largest European importer of spices and herbs, but imports from developing countries are negligible compared to the top 5. Almost 60% of Polish imports come from Germany and France.

Exports of European countries predominantly go to other European countries, as shown by Figure 4. The mix of products of these exports is roughly the same as what these countries import. In some cases, there might be small differences caused by locally produced spices/herbs being traded, or local market specifics. The first situation obviously only applies to production countries such as Bulgaria and Hungary, while one example of market specifics is the Czech Republic, where caraway seeds are a typical component of bread.

Figure 4: Main European exporters of spices and herbs

in \$ million



Source: TradeMap (2019)

Tips:

Study your options in the relatively large import markets of Germany, France, the Netherlands, the UK and Spain. The combination of market size and the strong performance of developing countries makes these markets especially interesting.

The upcoming [Brexit](#) (the United Kingdom leaving the European Union) has decreased the value of the British Pound. Industry experts report that, as a result, more British buyers have started importing directly from developing countries, rather than buying from European importers. However, as the situation is still fluid and insecure, you should keep a close watch on the developments.

See our [studies per spices and herbs product \(group\)](#) for more details on interesting markets, segments and specifics.

Medium-sized and small importing countries: worth focusing on?

Only three countries can be considered medium-sized importers: Italy, Belgium and Sweden. Italy's imports reached €35 million in 2018, followed by Belgium (€22 million) and Sweden (€19 million). Their imports from developing countries showed a decline in the period 2014-2018 (between -1 and -7% per year on average), but the absolute import values are solid enough to make focussing on one of these countries worth reflecting on.

Most of the small importing countries in Europe come from the Central and Eastern European region. Of these countries, Poland is the largest importer of spices and herbs from developing countries, with €10 million in 2018. Estonia follows with €9 million. Still, these values are substantial enough to make it worthwhile to explore opportunities to export to these countries directly.

Tips:

Explore opportunities in the medium-sized and smaller markets in Europe.

Visit European trade fairs to find trading partners. Start with the leading trade fairs in Europe: [Anuga](#) in Germany, [Sial](#) in Paris and [Biofach](#) for the organic market segment. Another fair dedicated to food ingredients that might also be interesting is [FI Europe](#).

If you are from a French-speaking country, study your options in France, as this may give you a competitive advantage.

Competition from local production is limited

Europe's production of spices and herbs is limited, although some countries have substantial production of certain spices and herbs. The most important producing countries are Bulgaria, Romania and Hungary.

Bulgaria is the clear #1 producing country in Europe. Bulgaria's production reached more than 80 thousand tonnes in 2017. Two-thirds of production was pepper (*piper spp.*), while anise, badiane, fennel and coriander accounted for 29% of production. The balance was left for chillies and peppers, mustard seed and other spices (1% each). However, Bulgaria's exports to the European Union are rather small (3.6 thousand tonnes), because most is consumed locally and exported to other countries (12 thousand tonnes).

Romania holds second place with more than 58 thousand tonnes of production output in 2017. The lion's share of Romania's output is chillies and peppers (80% share), with the balance equally divided between anise, badiane, fennel and coriander, and mustard seed. Romania exports less than 700 tonnes to other European countries.

Hungary's output in 2017 was more than 34 thousand tonnes. Chillies and peppers accounted for 60% of this volume, paprika (fruit of the genus *Capsicum* or *Pimenta*) for 20% and anise, badiane, fennel and coriander, on the one hand, and mustard seed, on the other, both had a 10% share in the output. Hungary's exports to other European countries do not exceed 1,500-1,700 tonnes per year.

Within the European Union countries, the fourth country with substantial production volumes is Spain; in 2017, output reached almost 14 thousand tonnes, of which 41% in chillies and peppers.

3. Which products from developing countries have the most

potential on the European Spices and Herbs market?

There are several countries worldwide that are important suppliers of spices and herbs, but most of them only offer a limited range of products.

Based on the following analysis and the data captured in Tables 2, 3 and 4, ginger, uncrushed pepper, dried capsicum/pimenta and curcuma have the most potential. This is based on the assumption that the strong performance of these products since 2014 will continue in the coming years. This assumption is at least reasonable, as these spices are thought to contribute to a healthy lifestyle.

The same is true for spices that are traded in lower volumes, but still offer potential: cinnamon and cloves.

Below is a further analysis of European imports by product in three classes;

1. large trade volumes of more than 10,000 tonnes;
2. medium-sized volumes between 1,000 and 10,000 tonnes;
3. small volumes of less than 1,000 tonnes.

As this section primarily focusses on the selection of priority spices and/or herbs, we have used tonnes as the unit of measurement, as market price developments for individual spices can have a substantial impact on import values (this is the case for vanilla and pepper in the period under review).

Please note the following:

- This volume analysis is only feasible with the help of the Eurostat database, and not with Trademap.
- Volume shares of individual supplying countries are roughly in line with value shares; differences are negligible.

Top 6 products - more than 10,000 tonnes

The table below gives the details for the six largest products, all of which reach an EU import volume of more than 10,000 tonnes. Within this top 6, ginger, pepper (not crushed nor ground) and dried fruit of the genus Capsicum/Pimenta contributed most to the growth of EU imports. Curcuma's contribution was lower, but still substantial, while crushed or ground pepper experienced a decline in imports from developing countries. Imports of uncrushed pepper are the most diversified, with the #1, Brazil, accounting for less than 40% of the developing country total. This means that, while there is already some competition in terms of supplying countries, there might be opportunities for new supplying countries too.

Table 2: European import volumes (in tonnes) from developing countries for the top 6 products, including leading suppliers and shares (suppliers from other regions are underlined; the accompanying share of the DC aggregate volume gives an indication of their share in EU imports).

Product	2018 Import Volume from DCs	Absolute growth '14-'18	#1 supplier and share	#2 supplier and share	#3 supplier and share	#4 supplier and share	#5 supplier and share	#6 supplier and share	#7 supplier and share
09101100 ginger, neither crushed nor ground	118,841	55,389	China 80%	Peru 9%	Brazil 5%	Nigeria 2%	Thailand 2%		

09041100 pepper of the genus Piper, unprocessed	58,900	9,311	Brazil 38%	Vietnam 37%	Indonesia 10%	India 7%	Sri Lanka 2%	Madagascar 1%	China 1%
09042190 dried fruit of genus Capsicum or Pimenta, unprocessed (excl. sweet peppers)	42,080	10,006	China 77%	Peru 10%	Mexico 5%	South Africa 2%	Honduras 1%	Uganda 1%	India 1%
09042200 fruits of the genus Capsicum or of the genus Pimenta, crushed or ground	42,506	11,878	China 62%	India 19%	Thailand 8%	Hungary 4%	Turkey 4%	Tunisia 2%	Serbia 2%
09103000 turmeric "curcuma"	19,235	8,374	India 87%	Peru 5%	Madagascar 2%	Thailand 1%	Vietnam 1%		
09041200 pepper of the genus Piper, crushed or ground	11,364	-1,891	Vietnam 73%	India 13%	Indonesia 5%	China 4%	Turkey 2%		

Source: Eurostat (2019)

Top 7-25 products - between 1,000 and 10,000 tonnes

In the group of products that account for between 1,000 and 10,000 tonnes of EU imports (also refer to Table 3), the following products contributed to growth substantially:

1. ginger, crushed or ground;
2. spices, crushed or ground;
3. cinnamon crushed or ground.

Ginger (crushed or ground) especially shows a quite diversified supply, as the #7 supplying country, Indonesia, still has a 2% share of European imports. Although there is already some competition in terms of supplying countries, there might be opportunities for new supplying countries too. Also, for crushed or ground ginger, there are better opportunities as compared to unprocessed ginger, where the supply is dominated by China.

Other products worth mentioning, as they also contributed to growth, are coriander seeds, mixtures of spices and thyme. For coriander seeds, there is strong competition from Poland and Russia, while mixtures only come from four developing countries and thyme predominantly comes from Poland, with Spain as another important supplier.

Table 3: European import volumes (in tonnes) from developing countries for the top 7-25 products, including leading suppliers and shares (suppliers from other regions are underlined; the accompanying share of the DC aggregate volume gives an indication of their share in EU imports).

Product	2018 Import Volume from DCs	Absolute growth '14-'18	#1 supplier and share	#2 supplier and share	#3 supplier and share	#4 supplier and share	#5 supplier and share	#6 supplier and share	#7 supplier and share
09109991 SPICES, UNPROCESSED	6,771	145	Thailand 26%	India 15%	Egypt 14%	Turkey 10%	Brazil 7%	Vietnam 6%	Morocco 5%
09042110 DRIED SWEET PEPPERS (EXCL. CRUSHED OR GROUND)	9,781	-2,215	China 55%	Brazil 23%	Peru 7%	Zimbabwe 3%	South Africa 3%	Uzbekistan 2%	Serbia 2%
09101200 GINGER, CRUSHED OR GROUND	8,418	2,483	China 45%	Nigeria 24%	India 15%	Pakistan 5%	Vietnam 3%	Burkina Faso 2%	Indonesia 2%
09092100 CORIANDER SEEDS, UNPROCESSED	5,152	-2,656	Bulgaria 33%	Ukraine 33%	India 27%	Romania 21%	Morocco 15%	Argentina 10%	Turkey 3%
09061900 CINNAMON AND CINNAMON-TREE FLOWERS	7,517	-1,296	Indonesia 64%	Vietnam 15%	Madagascar 9%	China 5%	Sri Lanka 4%	India 2%	
09109999 SPICES, CRUSHED OR GROUND	5,576	2,013	Turkey 35%	India 29%	Egypt 6%	South Africa 5%			
09062000 CRUSHED OR GROUND CINNAMON AND CINNAMON-TREE FLOWERS	6,158	1,639	Indonesia 45%	Vietnam 27%	Sri Lanka 10%	India 7%	China 5%	Mada-gascar 5%	
09109105 CURRY	4,559	394	India 82%	Pakistan 8%	Sri Lanka 6%	China 1%	Malaysia 1%		
09061100 CINNAMON "CINNAMOMUM ZEYLANICUM BLUME" (EXCL. CRUSHED AND GROUND)	4,261	-243	Indonesia 28%	Madagascar 26%	Sri Lanka 17%	China 13%	Vietnam 12%		
09109910 FENUGREEK SEED	3,388	-286	India 94%	Egypt 3%	Thailand 1%				
09092200 CORIANDER SEEDS, CRUSHED OR GROUND	3,059	664	India 69%	Poland 28%	Russia 23%	Ukraine 12%	Turkey 9%	Vietnam 5%	Morocco 3%
09081100 NUTMEG, UNPROCESSED	2,362	-209	Indonesia 79%	Sri Lanka 2%	India 2%				
09109190 CRUSHED OR GROUND MIXTURES OF DIFFERENT TYPES OF SPICES	2,577	859	Pakistan 27%	Turkey 17%	India 14%	Lebanon 11%			

Product	2018 Import Volume from DCs	Absolute growth '14-'18	#1 supplier and share	#2 supplier and share	#3 supplier and share	#4 supplier and share	#5 supplier and share	#6 supplier and share	#7 supplier and share
09081200 NUTMEG, CRUSHED OR GROUND	2,132	415	Indonesia 88%	Vietnam 9%	Sri Lanka 2%				
09109950 BAY LEAVES	2,203	135	Turkey 90%	Spain 12%	Georgia 4%	Romania	Albania 2%	Slovakia 2%	
09083100 CARDAMOMS, UNPROCESSED	2,288	99	Gua-temala 86%	India 8%	Honduras 4%				
09071000 CLOVES, WHOLE FRUIT, CLOVES AND STEMS, UNPROCESSED	2,066	-145	Madagascar 46%	Indonesia 24%	Sri Lanka 19%	Tanzania 7%	India 2%	Brazil 2%	
09109933 THYME (EXCL. CRUSHED OR GROUND AND WILD THYME)	1,663	608	Poland 89%	Morocco 47%	Spain 12%	Egypt 19%	Turkey 14%	Kenya 8%	Jordan 2%
09109939 CRUSHED OR GROUND THYME	1,031	385	Poland 89%	Turkey 29%	Egypt 15%	Lebanon 14%	India 11%	Albania 9%	Morocco 7%

Source: Eurostat (2019)

Products with less than 1,000 tonnes of EU imports

Details for the group of products with less than 1,000 tonnes of European imports are shown in Table 4. The largest product, unprocessed vanilla, experienced a very strong decline and therefore had a strong impact on aggregate growth for this group. The strongest contributors to growth were crushed or ground vanilla and cloves. Five developing countries supplied cloves to Europe, with Vietnam and Sri Lanka together accounting for more than 55% of European imports.

Table 4: European import volumes (in tonnes) from developing countries for the top 26-35 products, including leading suppliers and shares (suppliers from other regions are underlined; the accompanying share of the DC aggregate volume gives an indication of their share in EU imports).

Product	2018 Import Volume from DCs	Absolute growth '14-'18	#1 supplier and share	#2 supplier and share	#3 supplier and share	#4 supplier and share	#5 supplier and share	#6 supplier and share	#7 supplier and share
09051000 VANILLA, UNPROCESSED	976	-414	Mada-gascar 87%	Indonesia 3%	Uganda 1%	India 1%	French Polynesia 1%		
09102010 SAFFRON (EXCL. CRUSHED OR GROUND)	498	10	China 86%	Iran 14%					
09082100 MACE, UNPROCESSED	490	-105	Indonesia 92%	Sri Lanka 3%	India 1%				

Product	2018 Import Volume from DCs	Absolute growth '14-'18	#1 supplier and share	#2 supplier and share	#3 supplier and share	#4 supplier and share	#5 supplier and share	#6 supplier and share	#7 supplier and share
09082200 MACE, CRUSHED OR GROUND	376	11	Indonesia 56%	Vietnam 40%	India 2%	Sri Lanka 1%			
09109110 MIXTURES OF DIFFERENT TYPES OF SPICES (EXCL. CRUSHED OR GROUND)	349	8	India 45%	China 16%	South Africa 13%	Sri Lanka 3%			
09072000 CLOVES, WHOLE FRUIT, CLOVES AND STEMS, CRUSHED OR GROUND	162	42	Vietnam 31%	Sri Lanka 25%	Mada-gascar 18%	Indonesia 15%	India 8%		
09052000 VANILLA, CRUSHED OR GROUND	189	45	Mada-gascar 70%	India 11%	South Africa 5%	Indonesia 1%	Mauritius 1%		
09109931 WILD THYME "THYMUS SERPYLLUM" (EXCL. CRUSHED OR GROUND)	124	16	Spain 45%	Morocco 30%	Egypt 15%	Albania 14%	Kenya 8%	Ethiopia 2%	
09083200 CARDAMOMS, CRUSHED OR GROUND	26	-25	India 50%	Turkey 8%	Lebanon 6%	Guatemala 4%			

Source: Eurostat (2019)

Organic can be interesting too

While no statistics are available for organic spices and herbs, it is generally believed that the spices and herbs that are traded the most – such as chillies and ginger (garlic too, but mostly consumed as fresh) – are also the most relevant spices in the organic market segment.

The next decade will be marked by impressive growth figures for organic spices and herbs, along with the trend of the fast-growing organic food market. Another important driver is the growing attention for medicinal properties of spices; spices sold in this market segment are principally organic, as pesticides are not considered contributors to healing. The largest growth will take place in Western and Northern European countries, led by Germany and Switzerland.

Tips:


Read CBI's trends report as well.

Learn more about the various possible products in CBI's Product Factsheets.


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