



[Exporting dried chillies to Europe](#)

The growing popularity of spicy food has resulted in an increasing demand for dried chillies in Europe. Spain is the most important trader and processor of dried chillies in Europe. The country mainly imports whole chillies and supplies processed chilli products to other European markets. Other interesting markets are Germany, the United Kingdom and the Netherlands.

Contents of this page

1. [Product description](#)
2. [What makes Europe an interesting market for dried chillies?](#)
3. [Which requirements should dried chillies comply with to be allowed on the European market?](#)
4. [What competition do you face on the European market for dried chillies?](#)
5. [What are the end-market prices for dried chillies?](#)

1 . Product description

Chillies refer to the chilli pepper (also chile or chili pepper), which is the fruit of plants from the Capsicum genus, members of the nightshade family Solanaceae. The chilli pepper originates in the Americas. Chillies are available whole, as flakes, as ground powder, preserved in oil or made into hot sauces.

Dried chillies are traded under two different Harmonised System (HS) codes. The HS code for dried chillies that are neither crushed nor ground is 090421. Crushed and ground chillies are included in a HS code with all other capsicums, including sweet peppers (090422).

This fact sheet focuses only on dried chillies (both whole and ground). [Fresh chillies](#) are not included in this fact sheet.

2 . What makes Europe an interesting market for dried chillies?

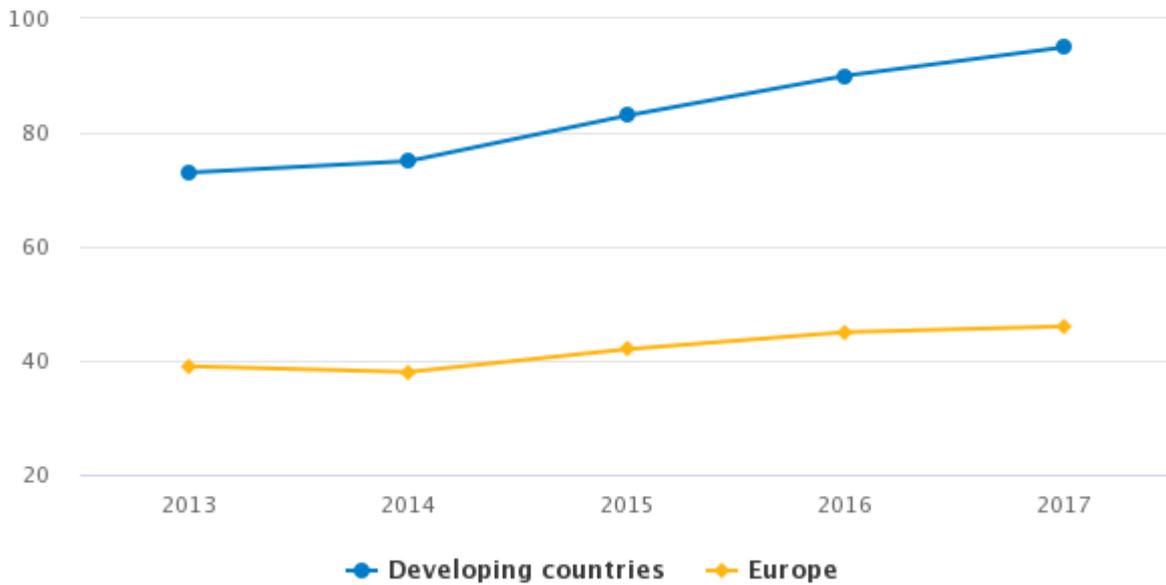
The global and European demand for dried chillies and chilli sauces is growing, mainly due to the increasing demand for exotic food in western cuisine.

Steady growth of imports

European imports of dried chillies increased in the last years. Data show that imports increased annually by 6% in volume and by 7% in value between 2013 and 2017. In 2017, 67% of imports originated in developing countries. Please note that Figure 1 below excludes imports from countries other than European or developing countries. In 2017, these sources only accounted for 1% of the total European imports.

Figure 1: European imports of dried chillies 2013–2017

in 1,000 tonnes



Source: Eurostat, 2018

As an exporter, you can benefit from this steady growth in imports. Contact European chilli traders and invest in establishing long-term trade relationships with them. It is important that you can deliver stable supplies that meet the requirements for food safety and product quality.

Tips:

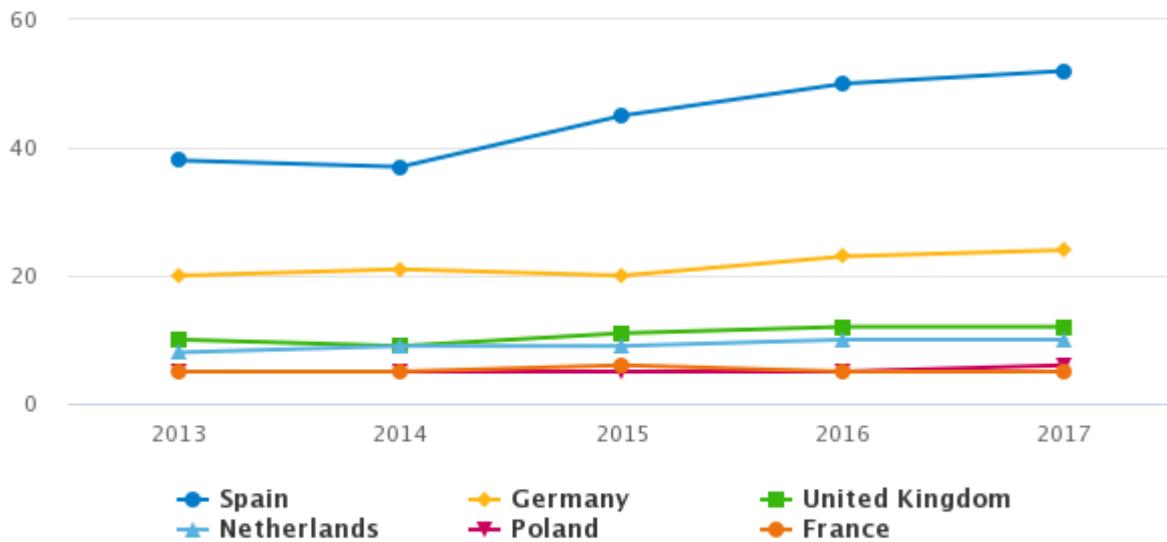
- See our tips on [Finding buyers](#) and [Doing business](#) for more information about investing and maintaining relationships with traders.
- See our study of [Buyer requirements](#) for more information on the specific requirements in Europe.

Spain, Germany and the United Kingdom are the most interesting target countries

Figure 2 gives an overview of the leading importers of dried chillies in Europe. The main importers of dried chillies are Spain, Germany and the United Kingdom.

Figure 2: Leading European importers of dried chillies
2013-2017

in 1,000 tonnes



Source: Eurostat, 2018

Interesting markets for you as an exporter include the following:

- Spain is the main European importer of dried chillies. The country is responsible for 36% of all European imports. Spain's imports increased annually by 8% in volume between 2013 and 2017. However, it is also a relatively large producer. See the next section for more information about the strong role of Spain on the European chillies market.
- Germany offers good opportunities as the secondlargest importer of chillies in Europe. In 2017, 67% of its imports originated in developing countries. Imports increased by 4% annually in both value and volume between 2013 and 2017.
- The United Kingdom is the thirdlargest importer of dried chillies. In comparison to Germany and the Netherlands, the United Kingdom is a small exporter and a large consumer. This fact is mainly due to the large Indian community in the country; dried chillies are often used in traditional Indian recipes.
- The Netherlands is an important importer of dried chillies. Its imports increased annually by 6% in volume and by 7% in value between 2013 and 2017. The Netherlands plays an important role as a trade hub in Europe. See the next section for more information.
- France and Poland are also important and stable importers of dried chillies. Between 2013 and 2017, both French and Polish imports increased annually by 3% in value.
- There are some relatively small importing countries which are growing rapidly and are increasingly importing chillies directly from developing countries. Examples include Italy (growing by 14% annually over the last five years), Bulgaria (12%) and Romania (11%).

Tips:

- Conduct additional market research to gain an insight into the differences between the various European markets mentioned above. For example, create a free account for statistical databases such as [Eurostat](#) or [ITC Trade Map](#).
- Visit or participate in trade fairs to test whether the market is open to your product, obtain market information and find potential buyers. The most relevant trade fairs in Europe for you are [Food Ingredients Europe](#), [Biofach](#) (for organic products), [SIAL](#) and [Anuga](#).

Strong role for European market players, but the role of suppliers from countries of origin is increasing

European producers, traders and processors play a relatively strong role on the European market for chillies. While imports from developing countries play an important role in supplying Europe with dried chillies, Spain is also an important supplier. Although Spain is the largest chillies importer and an important consumer, the country exported more dried chillies than it imported in the last years. Imports were 52 thousand tonnes, while exports amounted to 56 thousand tonnes.

Other important European traders are the Netherlands and Germany. Their re-exports are relatively high compared to other importing countries. For example, the Netherlands re-exported 60% of its dried chilli imports to other European countries in 2017.

European exporters or re-exporters add a lot of value to re-exported chillies by further processing and packaging. Currently, European processors are mainly doing the processing and heat treatments of spices and herbs. However, companies in the countries of origin are now also taking over such activities. This trend offers opportunities for you, if you can comply with European buyer requirements - in particular regarding heat treatment, since that process is becoming an important buyer requirement.

European processors focus on improving activities:

- downstream, such as blending or developing new tastes, which means that they might be interested in new and exotic spices and herbs;
- upstream, by strengthening the cooperation with exporters in developing countries. Such cooperation entails transfer of knowledge and resources or European companies integrating companies in developing countries.

Tips:

- Search for European processors in the member lists of the national spice associations in Europe. Go to the member section of the [European Spice Association](#) (ESA) for an overview of associations.
- See our study of [Fresh chilli peppers](#) for more information on the trade and market trends for fresh chillies.
- See our study of [Buyer requirements for spices and herbs](#) for more information.

Growing popularity of ethnic cuisines and spicy food

The demand for ethnic food in Europe is rising. Since dried chillies are an important ingredient in Asian dishes, it is becoming increasingly popular on the European market.

Examples of ethnic recipes that are popular in Europe and contain chillies are:

- [“IndoChinese stir-fried chicken with dried chillies”](#);
- [“Keralan chicken curry with chillies and coconut milk”](#).

Integral to ethnic cuisine is spicy food. In the last years, the demand for chilli and hot sauces [increased significantly](#). As a result, brands have developed new flavours and sauces. For example, Heinz launched the “Heinz Chili Sauce Range” with products such as:

- [Fiery Sriracha](#): a hot Thai sauce with chillies;

- [PeriPeri](#): a hot sauce with lemon and chillies;
- [Sweet Chilli](#): a sweeter chilli sauce.

Tip:

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

Sustainability is becoming an important requirement

Sustainable sourcing is an important trend in Europe, especially in the United Kingdom, the Netherlands and Germany. As a supplier, you will increasingly face sustainability requirements from your buyer. Many buyers see sustainable sourcing as a must.

Several of the large spice traders and processors are part of the [Sustainable Spices Initiative](#). As part of the initiative, the companies have made a commitment to source their spices sustainably. [Sabater Spices](#), the largest Spanish importer and processor of chillies, was the first Spanish company to join the Sustainable Spice Initiative (SSI) in 2013. Other companies and other parties that have joined are Unilever, McCormick, Olam, Intertaste and Nedspice.

As a supplier or exporter, you can certify your chillies to comply with sustainable sourcing requirements. While certification gives you a competitive edge, certification for dried chillies is still very rare and chilli products with certification are not sold in most mainstream supermarkets. In addition, most buyers on the mainstream market are unwilling to pay more for certified products. As a result, it is important to discuss the opportunities for certification with your buyers before you decide to invest in it.

However, because of the growing importance of sustainability, this demand is expected to increase. In Europe, the most important certifications are Rainforest Alliance, UTZ, Organic and Fair Trade. In January 2018, [Rainforest Alliance \(headquarters in USA\) merged with fellow standards organisation UTZ](#) (headquarters in the Netherlands), forming a new social and environmental standards organisation.

Tips:

- Check the website of the [Sustainable Spice Initiative](#) to find European companies that are interested in sustainable sourcing.
- See our study of [Exporting sustainable spices and herbs to Europe](#) for additional information. This document also includes longterm expectations of the market for certified sustainable products.
- Determine whether it is feasible for you to certify your dried chillies. Can you find enough buyers for your product to offset your investments? You can look for buyers online; for example, on the website of the [International Trade Centre](#), or by looking for exhibitors at the organic trade fair [BioFach](#).
- See our study of [Buyer requirements for spices and herbs](#) for additional information on requirements for sustainable sourcing and certification standards.

3 . Which requirements should dried chillies comply with to be allowed on the European market?

You can only export dried chillies to Europe if you comply with the [buyer requirements for spices and herbs](#).

Legal requirements for all spices and herbs

If you do not comply with European legal requirements, your product can be refused at the border or withdrawn from the market. When exporting to Europe, you have to comply with the legally binding requirements for the following topics.

- food safety: traceability, hygiene and control as specified in the [General Food Law](#)
- [mycotoxins contamination](#): for chillies, maximum levels of mycotoxins are set for aflatoxin (between 5 µg/kg for aflatoxin B1 and 10 µg/kg for the total aflatoxin content B1, B2, G1 and G2). For ochratoxin, the maximum level is 15 µg/kg
- [maximum residue levels of pesticides](#): residues of anthraquinone residues may be found in spices and herbs such as smoked capsicums as a result of artificial drying with fire. The smoke contains anthraquinone, which can end up in the product if appropriate precautionary measures are not taken
- [microbiological contamination](#): the presence of salmonella is the main reason for banning dried chillies from the European market
- [food additives and adulteration](#): spices and spice blends are rejected by custom authorities for containing undeclared, unauthorised or excessive levels of extraneous materials
- [maximum levels of polycyclic aromatic hydrocarbons](#): contamination with PAHs stems from bad drying practices
- [irradiation](#): this process is allowed but not commonly used, as consumers do not always accept such treatments. Discuss this option with your buyer.

European buyers are increasingly requiring their suppliers to use steam sterilisation in order to combat the microbiological contamination of dried chillies. You could earn a significant premium if you can supply dried chillies that are sterilised at the source. However, investments in the necessary equipment can be very costly, at up to €1 million.

Steam sterilisation could be damaging to the crop, as it can harm the taste of the dried chillies. Research is conducted into alternatives to this method. Currently, it is still the cheapest and safest method to combat microbiological contamination.

Tips:

- Comply with the requirements listed above. Your buyer will transfer the costs for cleaning contaminated dried chillies to you if you do not.
- Check the [Rapid Alert System for Food and Feed \(RASFF\) database](#) for examples of dried chillies withdrawn from the market and the reasons behind these withdrawals.
- Compare your company with your potential buyer to find a strategic fit. Can you comply with extralegal requirements for food safety and sustainability? What quantities of supplies can you deliver? Which type of product do you supply, mainstream or niche?
- Always discuss with your potential buyers whether they want steam sterilisation. If you cannot sterilise your dried chillies yourself, look for local sterilisation companies that can provide this service for you.
- Comply with food safety requirements during drying, storage, processing (such as sieving, mixing, grinding or crushing), packaging and transport. If you do not comply, steam sterilisation will not work.
- You also need to prevent contamination with mycotoxins and other contaminants, because

steam sterilisation cannot take these substances out.

- Keep up to date on the development of alternatives to steam sterilisation by checking online sources such as [GreenFoodDec](#).

Additional requirements

Consider complying with the following non-legal requirements to ease market access. By complying with these requirements, you can create a competitive advantage for your company or product offering. European buyers can use these requirements as selection criteria for their new suppliers.

- food safety certification: the most important food safety management systems in Europe are British Retail Consortium ([BRC](#)), International Featured Standards ([IFS Food](#)), Food Safety System Certification ([FSSC 22000](#)) and the Safe Quality Food programme ([SQF](#)). Each of these standards is part of the [Global Food Safety Initiative](#). Always verify your buyer's preference for a specific food safety management system, as some may prefer one system over the other. For example, BRC is developed by retailers in the United Kingdom and more commonly demanded on this market. If you want to target the United Kingdom, BRC may be more important;
- Corporate Social Responsibility (CSR): companies have different requirements for CSR, such as signing their code of conduct or following common standards including the Supplier Ethical Data Exchange ([SEDEX](#)), Ethical Trading Initiative ([ETI](#)) or Business Social Compliance Initiative code of conduct ([BSCI](#)).

Requirements for niche markets

Complying with the following standards can be essential to access specific market segments and buyers in Europe.

- sustainable product certification: the major certification systems are [Organic](#), [Fair Trade](#) and [Rainforest Alliance](#);
- selfverification: suppliers assess their own compliance with the sustainability code of buyers. Examples include Unilever's [Sustainable Agricultural Code](#) (SAC) or the [Olam Livelihood Charter](#).

Quality requirements

Product quality is a key issue for buyers in Europe. You need to comply with the [Quality Minima Document](#) from the [European Spice Association](#) (ESA).

The Quality Minima Document specifies the chemical and physical parameters that dried chillies needs to comply with when sold in Europe before crushing and grinding.

- ash: maximum 10%
- acidinsoluble ash: maximum 1.6%
- moisture: maximum 11%

The ESA has not developed cleanliness specifications. As a result, European buyers often use the specifications for cleanliness stated by the [American Spice Trade Association \(ASTA\)](#).

Tips:

- Use detection and prevention methods to ensure that your dried chillies are not contaminated with metal, stones or animal droppings.
- You can also use more sophisticated cleaning methods in order to add value to your product, such as steam sterilisation.
- Check [ISO standard 75431:1994](#) for general guidelines on the grading, handling and

packing of dried chillies.

- Follow ESA's [Quality Minima Document](#) on the chemical and physical parameters that your unprocessed dried chillies need to comply with when they are sold in Europe.

Labelling requirements

Pay extra attention to the labelling of your product, as this aspect is important for European buyers.

For bulk dried chillies, your product label must include:

- the name of the product;
- details of the manufacturer (name and address);
- batch number;
- date of manufacture;
- expiry date;
- weight of contents;
- other information that the exporting and importing countries require, such as the bar, producer and/or packer code, as well as all extra information that can be used in order to trace the product back to its origin.

Tips:

- See our study of [Consumer packed spices and herbs](#) for requirements for consumer packaging and labelling.
- See the website of the European Commission for additional information on [food labelling legislation](#). This requirement only applies to final products that are sold directly to consumers.

Packaging requirements

Chillies are commonly packaged in jute or polypropylene bags (ground chillies in particular).

Polythene cannot be used, as the flavour components diffuse through it. The packaging must not be a source of contamination and must protect the product quality during transport and storage.

Tips:

- Always ask your buyer for their specific packaging requirements.
- Store your packaged dried chillies in a dry, cool place to prevent quality deterioration.
- If you offer Organic certified dried chillies, physically separate them from chillies that are not certified.

4 . What competition do you face on the European market for dried

chillies?

China, India and Spain are your main competitors

India is the largest producer of dried chillies in the world. According to [production data](#), India produced around 1.4 million tonnes in 2016. However, a large part of this production is used for the national demand; chillies are an integral part of Indian cuisine. For this reason, other large producers such as China play a larger role in the supply to Europe.

China is the main supplier of dried chillies to Europe with a market share of 43% in 2017. Its supplies showed an annual increase of 9% in volume between 2013 and 2017, growing from 43 thousand tonnes to 61 thousand tonnes.

As discussed above, Spain is also an important European producer of dried chillies and is therefore a significant supplier to European countries with a market share of 19%. Supplies from Spain increased annually by 7% in volume between 2013 and 2017.

Other smaller suppliers are:

- Peru (market share of 7% in 2017)
- India (6%)
- Thailand (3%).

Tips:

- See our study of [Competition for spices and herbs](#) for an overview of competitive sources and tips.
- Use [FA|OSTAT](#) to learn more about the production statistics of dried chillies.

Growing European imports of ground dried chillies lead to opportunities for local value addition

Ground dried chillies offer opportunities for value addition in the country of origin. These opportunities are growing, as long as you can comply with quality and buyer requirements. Over the last five years, imports of ground dried chillies from developing countries grew by 11%. At the same time, imports of whole chillies from developing countries grew by 4%.

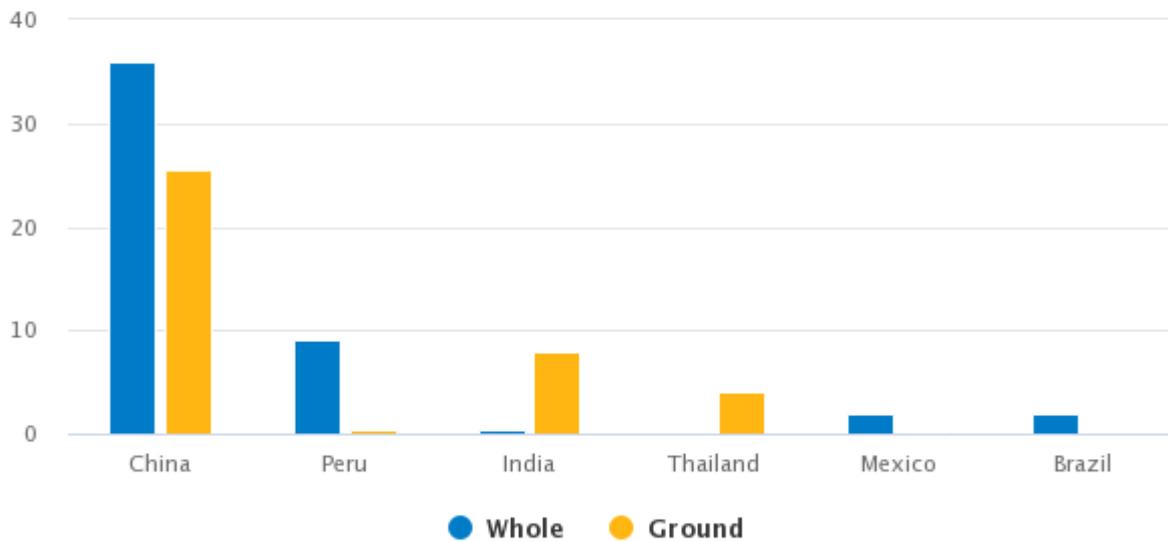
One of the difficulties of exporting ground chillies is that you will need to control the heat level. This process is often achieved by mixing various varieties with different heat levels.

In 2017, suppliers from developing countries exported 95 thousand tonnes of dried chillies to Europe with a value of €194 million. Of this amount, 56% consisted of whole chillies, while 44% were ground.

Figure 3 below gives an overview of the main suppliers to Europe in terms of whole and ground dried chillies.

Figure 3: Suppliers of dried chillies in developing countries to Europe, by processing level 2017

in 1,000 tonnes



Source: Eurostat, 2018

China is the main supplier from a developing country, with a 61% share of all imports of ground chillies from developing countries. Between 2013 and 2017, European imports from China increased annually by 14% in volume. India and Thailand are also important suppliers from developing countries with a share of 19% and 10% respectively. While India's supplies increased by 5% annually over the past five years, Thailand's supplies increased as well by an impressive 12%.

Exports of ground chillies from smaller supplying countries are growing as well, such as (on an annual basis):

- Turkey (+47%)
- Tunisia (+29%)
- Zimbabwe (126%).

Together, these countries accounted for 3% of the European imports of ground chillies.

Tips:

- Stay up to date on worldwide harvests and stock levels. Look for crop reports, which are often shared by industry players during specific spice events. [Nedspice](#) and [ITC Trade map](#) also publish upto-date information on national and international prices for dried chillies.
- Explore opportunities to cooperate with European processors, especially large ones that have the size and resources to invest. You can find European processors in the member lists of national spice associations in Europe. See the [member section of the European Spice Association](#) (ESA) for an overview of associations.
- Check the [Food and Agriculture Organization of the United Nations](#) (FAOSTAT) website for production data.

Through which channels can you get dried chillies on the European market?

See our study of [Market channels and segments for spices and herbs](#) for an overview of channels,

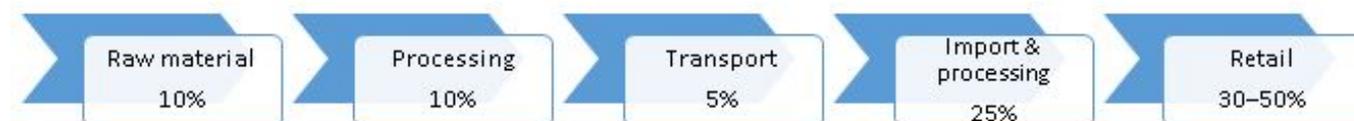
segments, trends and developments. The channels for dried chillies do not differ significantly from this general overview.

5 . What are the end-market prices for dried chillies?

The global prices of dried chillies are fluctuating. These fluctuations are dependent on several factors, as mentioned in the list below.

The retail prices of ground chillies can go up to €62,57 per kilo when sold in small containers within the spice and herb section of supermarkets (May 2018). Dried chilli flakes can go up to €100 per kg, while whole chillies can be priced up to several hundred euros per kg.

Figure 4: Indicative price breakdown for dried chillies sold in the spice and herb section of supermarkets



Source: ProFound

Figure 4 gives an indicative price breakdown for dried chillies. Actual margins may differ, since these prices are influenced by various factors such as:

- country of origin as well as current and expected future harvest situation. For example, at the end of 2016, the prices in India [decreased](#) significantly as most of the cold storages in the country were full. By contrast, the prices in China [increased](#) significantly at the end of 2016 due to reduced production;
- quality of the raw material. For example, the higher the quality of your processed chillies, the better your competition on the market and the higher your price could be;
- level of processing. For example, there is a difference whether you can supply whole chillies or ground chillies; for high-quality ground chillies, you are often able to receive a higher price;
- level of demand. For example, prices are affected by the growing demand for chillies in Europe.

Tips:

- Check how the prices for chillies on the market develop. Search the internet for recent reports. [Nedspice](#), [PBA Brokerage](#), [Indian Spice Board](#) and the [International Trade Centre](#) regularly publish useful reports on crops and prices.
- Keep up to date about currency developments on such websites as [Oanda](#).

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