The European market potential for dried ginger

Europe is an interesting and growing market for exporters of dried ginger. The demand is expected to grow in the coming years and prices are slowly rising. The most interesting markets are the top three markets in Europe: the Netherlands, the United Kingdom and Germany. These countries import huge volumes of ginger from developing countries, which makes them good focus markets. In addition, also Italy and Spain could be interesting for reasons of size and direct imports coming from Developing Countries.

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1. Product description

Ginger is the irregularly shaped root (rhizome) of the ginger plant (Zingiber officinale). The plant is cultivated in the tropics. The main producing country is China, while production also takes place in India, Pakistan, Nigeria, Peru, Vietnam, Burkina Faso, Thailand and Myanmar.

Ginger is mainly used in:
- oriental and Indian cooking;
- bakery and confectionery products;
- liqueurs.

This fact sheet focuses only on dried ginger (both whole and crushed/ground). Fresh ginger is not included in this fact sheet, since it belongs to the fresh fruit and vegetables market. It is included in our studies of Fresh fruit and vegetables. The markets for fresh and dried ginger are closely
connected, however, and fresh ginger exports are even larger than dried. Drying of fresh ginger generally takes place in the countries of origin.

Within the Combined Nomenclature (CN) classification, dried ginger is covered under the following codes.

- 0910.1100: ginger, neither crushed nor ground
- 0910.1200: ginger, crushed or ground

Note that fresh ginger is also traded under the same code of 09.10.1100. This means that the statistics presented in this study also incorporate fresh ginger.

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

Growing imports of dried ginger in Europe

The worldwide consumption of ginger is forecast to continue to grow in the next 3 to 5 years. This is mainly because ginger is considered to be a healthy ingredient (see “Search for healthier ingredients”). Especially in the winter of 2016/2017, the European demand for ginger peaked due to the cold weather. Consumers buy ginger during the winter mainly because they use it to relief a sore throat or flu symptoms.

The growing ginger market in Europe provides opportunities for you as an exporter. Buyers are increasingly willing to invest in long-term relationships or collaborations with their suppliers to ensure sufficient supplies. In 2018, the European direct imports of dried ginger from developing countries reached 127 thousand tonnes. Since 2014, the import volume has increased by 12% annually. In that same period, the (direct) import value increased by 2.6% annually, reaching €160 million in 2018.

In 2018, more than 70% of the total European imports were sourced directly from developing countries. Please note that Figure 1 below excludes countries other than European or developing countries. Since ginger cannot be produced in Europe, the European supplies illustrated in Figure 1 are based on re-exports. European re-exports accounted for 27% of the total imports in 2018.

![Figure 1: European dried ginger imports from developing countries and other European countries (re-exports)](image)

Source: Eurostat (2019)
3. Which European countries offer most opportunities for dried ginger?

The Netherlands, the United Kingdom and Germany are together the top six most interesting markets for dried ginger in Europe. The Netherlands’ #1 position is only because the country is an important European trade hub for spices, while the UK and Germany are simply the two largest markets in Europe for dried ginger. The UK is traditionally the largest market in Europe because the large Asian diaspora living in the country typically consume a lot of ginger. In Germany, Italy, the Netherlands, Spain and France, the market has grown considerably in recent years because of the increasing popularity of ginger as a healthy ingredient in dishes and other food or drinks, such as fruit and nut bars, or tea.

Additionally, it is worthwhile to mention that two of the “larger” small importers are increasingly importing ginger directly from developing countries over the period under review: Greece (+48%) and Denmark (+16%). These countries might also be interesting for you.

The Netherlands

The Netherlands is the largest importer and trader of ginger in Europe by a long way. Its imports have increased significantly in volume by 20% annually between 2014 and 2018. In 2018, 97% of Netherlands imports were sourced directly in developing countries. The country is the leading trade hub for spices in Europe and therefore also the leading intra-European supplier of ginger within Europe.

The Netherlands has a particular high share of imports coming from Peru. In 2018, imports from
China dominated with 45 thousand tonnes, but imports from Peru took a firm 2nd position with 5.4 thousand tonnes. Brazil and Thailand exported 4.6 thousand and 1.8 thousand tonnes to the Netherlands respectively. Imports from within Europe are small with Belgium at 621 tons and Germany and France at between 400-700 tonnes per year. The Peruvian volume of 5.4 thousand tonnes developed quickly, as in 2014 Peru only exported 61 tonnes to the Netherlands yet.

The Netherlands has a tradition of spice trade, dating back to hundreds of years ago. This tradition has remained in place until today, as in 2018 Dutch exports of ginger reached almost 49 thousand tonnes. This volume is equal to 80% of the country’s import volume. Leading destinations are all European countries with Germany taking the 1st position (12 thousand tonnes, 25% share), followed by France (3.8 thousand tonnes), Poland (3.3 thousand tonnes), Sweden (3.1 thousand tonnes), and Belgium, Italy, Austria and Denmark (each between 2.1-2.7 thousand tonnes each).

In the Netherlands, sustainable sourcing of spices is strongly supported by the Dutch Spice Association.

The United Kingdom

Since the United Kingdom sources 93% of its ginger from developing countries, it is an interesting export market for your products. The country is also the second largest importer of ginger in Europe, which is probably the result of the relatively substantial population of Asian descent (Indians, Chinese) in the United Kingdom. Because of the UK’s large Asian diaspora, the country has the highest per capita consumption of ginger in Europe.

84% of the ginger is imported directly from China, while the Netherlands and India take a second place with each 3% share. Germany is also an important intra-European supplier of ginger to the UK (2.6% share). In addition to China and India, the UK also sources ginger from Pakistan (391 tonnes in 2018), Nigeria (238 tonnes), Vietnam (204 tonnes), Indonesia (66 tonnes), Thailand (35 tonnes), and Peru (24 tonnes).

The export volume of the UK is rather limited when compared with the import volume; with 1,166 tonnes in 2018 it was good for less than 5% of the import volume. The two leading export destinations are Germany (368 tonnes) and Ireland (351 tonnes). Other destinations receive relatively small quantities.

The export volume of 1,166 tonnes in 2018 was actually a drop from the 1.2-1.5 thousand tonnes per year in 2015-2017. It is unclear what situation caused this reduction in export volume.

Germany

Germany is the third largest importer of ginger. Its total imports in volume increased by 8.4% annually since 2014 to a volume of 22.6 thousand tonnes in 2018. Almost 90% of Germany’s imported ginger comes directly from developing countries.

Half (or 11.3 thousand tonnes) of the German import volume is sourced in China, while also Peru has a relatively large share (22%) in German imports. Nigeria is the third large supplier to Germany, good for 12% of Germany’s imports. Much smaller volumes come from India (401 tonnes), and Burkina Faso, Brazil, Indonesia, Costa Rica, Nepal Vietnam, Sri Lanka, and Myanmar (ranging from 145 to 66 tonnes). This shows that Germany’s supply of ginger is quite diversified, for example much more than in the United Kingdom. With other countries such as Madagascar, Laos, and Uganda also supplying small volumes to Germany, Germany can be listed as a very high potential market for small supplying countries of ginger.

The only substantial supplying country from within Europe is the Netherlands, with 6.7% share in total German ginger imports. Italy comes far behind in second place (1.8% share).

One sixth of the import volume is re-exported to predominantly European countries. Germany’s neighbouring countries are the leading destinations: Poland (27% share), Czech Republic (12%), the Netherlands (9%), Austria (7%), Switzerland (4%) Denmark and France (3% each) together are good for 64% of German exports.
France, Spain and Italy

France, Spain and Italy are medium-sized importers of ginger in Europe. Their shares of direct imports are 34%, 83%, and 74% respectively. Highest growth of direct imports was registered by Italy (+44% per year), followed by Spain (+31%), and France (+8%). Conclusion that can be drawn from these data is that France seems to be a bit reluctant to import directly from developing countries until now. For that reason, you could better focus on Spain and Italy.

Spain’s import volume of 7.6 thousand tonnes in 2018 was more than double the volume of 2014 (2.9 thousand tonnes). In that period, direct supplies from China grew sharply (from 1.4 to 5.5 thousand tonnes), while the volume from Peru was under pressure and even declined a bit (484 tonnes in 2018). Other direct supplies came from Nigeria (174 tonnes), Brazil (59 tonnes), India (39 tonnes), and Thailand (5 tonnes).

Intra-European supply is dominated by the Netherlands (787 tonnes in 2018). Belgium came far behind (234 tonnes) and the same goes for Germany (90 tonnes).

Spain’s export volume was 2.9 thousand tonnes in 2018 (equal to 38% of the import volume). The range of destinations changed over the period 2014-2018, but on average the top destinations were France, Portugal, Germany, Morocco, Netherlands, and Italy.

Italy shows some similarities with Spain. But where Spanish imports showed a consistent growth (which might be caused by the severe effects of the economic crisis in Spain that impacted the Spanish economy until 2014), in Italy imports have remained relatively stable since 2016. Italy’s main source is China; Chinese exports of ginger to Italy grew from 1.1 thousand tonnes in 2014 to 5.7 thousand tonnes in 2018. Peru only managed to develop exports to Italy recently, with volumes of 385 and 334 tonnes in 2017 and 2018 respectively.

Italy’s imports of ginger also come from many other production countries: Thailand (136 tonnes in 2018), Brazil (116 tonnes), India (54 tonnes), and Nigeria (41 tonnes).

With 1.6 thousand tonnes, Italy’s exports are small compared to its’ import volume of 8.7 thousand tonnes. The leading destination of Italy’s exports is Germany (650 tonnes, 41% share), followed by France (276 tonnes, 17%), and the Netherlands and the United Kingdom (each 128 tonnes, 8% share).

Tips:

- Check the latest developments on ITC Trademap or the Indian Spices Board. ITC Trademap offers details of trade volumes and values per year and per importing and exporting country. The Indian Spices Board’s data predominantly cover details of Indian production and exports.

- Target leading Western European importing countries of ginger from developing countries. The most interesting are the Netherlands, the United Kingdom and Germany, while Italy and Spain could also be interesting.

- Also consider targeting smaller, fast-growing importers of ginger. In the period between 2014 and 2018, Greece and Denmark increasingly imported directly from developing countries. This shows that direct exports to markets other than the largest ones are certainly achievable. Although their import volumes are smaller, they may still be interesting, particularly for small to medium-sized exporters.
4. What trends offer opportunities on the European dried ginger market?

Search for healthier ingredients

Consumers searching for healthier ingredients stimulate the growing demand for dried ginger on the European market. This is not a surprise, as healthy living is one of the most important trends in Europe. Consumers perceive food ingredients such as salt, sugar and synthetic additives as unhealthy. Other products that also add flavour, such as spices and herbs, increasingly replace these products. This trend is not only visible in food, but also cleaning products and cosmetics are increasingly based on spices and herbs, fruits and plants.

For this reason, consumers increasingly use dried ginger for its promoted beneficial effects to health. For example, journals and food bloggers state that the consumption of ginger helps with digestive problems, the flu and stress. Due to its growing popularity, ginger is also increasingly used as a health supplement as well as in other food products such as tea, beer and snacks. Examples are:

- Ginger root health supplement at Holland & Barrett (the United Kingdom);
- Organic ginger tea at Albert Heijn (the Netherlands);
- Ginger Nuts (biscuits) at Morrisons (the United Kingdom).

In addition, ginger is also increasingly used in aromatherapy and wellness, such as essential (massage) oils and diffusers. Examples are:

- Ginger Pure Essential Oil at Holland and Barrett (The United Kingdom)
- Scent sticks – Ginger and Lime at Bol.com (The Netherlands)

Tips:

- Focus on the application of your dried ginger in healthy product ranges, such as herbal teas.
- Promote your product as healthy ingredient and stress the benefits of your ginger in people’s diets.

Growing popularity of ethnic cuisines

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

Examples of Asian recipes that are popular in Europe and that contain ginger are:

- hot meals such as Ginger and Hoisin Glazed Pork and Ginger Beef Stir-fry;
- snacks such as ginger cookies, often consumed during the Chinese New Year.

Consumers who like to discover new tastes, new cuisines, exotic products, etc further drive this development. This goes hand in hand with some other developments, such as:

- Growth of global tourism. More Europeans travel to Asian destinations every year, and more foreigners come to Europe every year.
- Growing consumption of so-called ‘superfoods’. Superfoods are ingredients with a particular benefit and ginger is one of them.
- Ongoing popularity of TV cuisine programs or social media influencers like Master Chef encouraging cooking at home and experimenting with different products.
- The increase of Asian (managed) restaurants Europe, which results in an increase of Europeans
becoming acquainted with Asian dishes and flavours.

Sustainability is on the rise

Sustainable sourcing is an important trend in Europe, especially in the United Kingdom, the Netherlands and Germany. As a supplier, you will be increasingly faced with sustainability requirements from your buyer. Many buyers see sustainable sourcing as a must. By certifying your ginger, you can prove your compliance with sustainable sourcing. However, certified ginger is still a niche market. It represents only a small (less than 5%) section on the total European market for ginger. In addition, most buyers in 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 become certified.

Certification does give you a competitive edge. For dried ginger, the main certifications are Organic and Fairtrade. For organic certified ginger, the most interesting markets are Germany and Switzerland, since these countries are leading organic food markets in Europe. For Fairtrade certified ginger, the most interesting market is the United Kingdom, as that is the #1 country for Fairtrade products. However, ginger represents only less than 5% of all spices and herbs certified by Fairtrade International in Europe.

One example of an exporter that has become very successful in exporting organic and fairtrade certified ginger to Europe, is the Peruvian cooperative La Campina. Take a look at their website. In the menu of webpage, you can already see that people are the most important for them, as ‘People’ comes in the first place, and only then their products.

Tips:

- Have a look at the website of FoodNavigator to learn more about food health trends and other developments in the food sector.

- Do not make any health claims regarding the consumption of ginger if you cannot use reliable and scientific sources. European legislation is very strict in terms of health claims on consumer packaging.

- See our study of Trends for spices and herbs for more information on trends on the European market for spices and herbs.

5. Entering the European market for dried ginger

Exporters from new and/or unknown ginger supplying countries should certainly look at the European market, like the Peruvian spices exporters did few years ago. Within 5 years, Peruvian exporters have developed their ginger exports to Europe to an impressive extent. They are particularly successful with organic and fairtrade-certified produce because their volumes are good and the promotion is attractive. The quality of the Peruvian export product is very good and apparently more than compensates for the high prices.

6. Which requirements should dried ginger comply with to be allowed on the European market?

What are mandatory requirements?

All foods, including dried ginger, sold in the European Union must be safe. This applies to imported products as well. Additives must be approved. Harmful contaminants, such as pesticide residues, and excessive levels of mycotoxins or preservatives are banned. It should also be readily obvious from the labelling whether a food contains allergens.
Official border control for dried ginger imported to the European Union

Official food controls include regular inspections that can be carried out at import or at all further stages of marketing. In case of non-compliance with the European food legislation, individual cases are reported through the Rapid Alert System for Food and Feeds (RASFF), which is freely accessible for the general public.

You should be aware that repeated non-compliance with the European food legislation by a particular country might lead to special import conditions or even suspension of imports from that country. Those stricter conditions include laboratory test results for a certain percentage of shipment from specified countries.

The European Parliament and Council adopted the New Official Controls Regulation, which will enter into application in December 2019. New official controls regulation will extend its scope to organic products. Exporters from third countries will use the single standard Common Health Entry Document for the prior notification of exports.

Contaminants control in dried ginger

European Commission Regulation sets maximum levels for certain contaminants in food products. This regulation is frequently updated and apart from the limits set for general foodstuffs, there are a number of specific contaminants limits for specific products including dried ginger. The most common requirements regarding contaminants in dried ginger are related to presence of pesticides residues, mycotoxins, heavy metals, microbiological organisms and food additives. Contaminant levels shall be kept as low as can reasonably be achieved following recommended good working practices.

Mycotoxins

Presence of mycotoxins (aflatoxins and ochratoxin A) was the main reason for banning dried ginger from the European market until 2012. The maximum level of aflatoxin for dried ginger must be 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 (CELEX 32006R1881).

Pesticides Residues

The European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticide residues than allowed will be withdrawn from the European market. However, excessive residues of pesticides are not very frequent case in trade with dried ginger. The European Union regularly publishes a list of approved pesticides that are authorised for use in the European Union. This list is frequently updated.

Microbiological contaminants

There were 9 notifications of ginger issues in the RASFF database in the first 8 months of 2019. One of them was a border rejection because of 0.09mg/kg-ppm of hexchlorohexane in fresh ginger root from China. Other notifications were related to salmonella in organic ginger slices, lead in organic ginger, bacillus cereus in powder, aflatoxins in ground ginger (twice), and polycyclic aromatic hydrocarbons in ground ginger (twice). This shows that in practice, most microbiological contamination happens with salmonella and aflatoxins.

Steam sterilisation is the best way to combat contamination. However, this treatment negatively affects the taste of ginger. Therefore, research is being conducted into alternatives to steam sterilisation. Since it is still the cheapest and safest method to combat microbiological contamination, European buyers usually require their suppliers to use steam sterilisation. You could earn a significant premium if you can supply ginger that is sterilised at the source. However, investments in the necessary equipment can be very costly, at up to €1 million.

Food additives

Buyers and European authorities can reject products if they have undeclared, unauthorised or too
high levels of extraneous materials. There is specific legislation for additives (like colours, thickeners) and flavourings that list what E-numbers and substances are allowed for use. Additives that are authorised are listed in Annex II to the Food Additives Regulation.

Although you might consider using food additives in the production of dried ginger, keep in mind that European traders and consumers prefer spices that are additive-free.

**Tips:**

- Follow Codex Alimentarius Code of practice for the prevention and reduction of mycotoxins in spices and Code of Hygienic Practice for Low-Moisture Foods. 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.

- Always discuss with your potential buyers whether they want steam sterilisation. If you cannot sterilise your ginger yourself, look for local sterilisation companies that can provide this service for you. Keep up-to-date on the development of alternatives to steam sterilisation by checking online sources such as GreenFooDec.

- For the control of contaminants use only services of laboratories that are ISO/IEC 17025 accredited. Presence of aflatoxins must be tested according to the EU regulation on methods of sampling and analysis for the official control of the levels of mycotoxins in foodstuffs.

- Read more about MRLs on the European Commission website on Maximum Residue Levels. To be prepared for potential new changes in the MRLs, read the Ongoing Reviews of MRLs in the European Union.

- Check the Rapid Alert System for Food and Feed (RASFF) database for examples of dried ginger withdrawn from the market and the reasons behind these withdrawals. However, you should keep in mind that withdrawals can occur and avoid them at all costs. A withdrawal will influence the reputation of your company as well as the reputation of your country as a dried ginger supplier.

7. What additional requirements do buyers often have?

Consider complying with the following non-legal requirements to ease market access. European buyers can use these requirements as selection criteria.

- Food safety certification as a guarantee: Many EU buyers (e.g. traders, food processors, retailers) require the implementation of a (HACCP-based) food safety management system.

- The most important food safety management systems in Europe are British Retail Consortium (BRC), International Featured Standards (IFS), Food Safety System Certification 22000 (FSSC 22000) and the Safe Quality Food programme (SQF). Always verify your buyer’s preference for a specific food safety management system, as some may prefer one system to the other. For example, retailers in the United Kingdom have developed BRC. For that reason, BRC is more commonly demanded in the United Kingdom than in other countries. 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 the Business Social Compliance Initiative code of conduct (BSCI).
Quality requirements
Product quality is a key issue for buyers in Europe. You need to comply with the Quality Minima Document published by the European Spice Association (ESA). This document is leading for the national spice associations affiliated with the ESA and for most key buyers in Europe.

The Quality Minima Document specifies the chemical and physical parameters dried that ginger needs to comply with when sold in Europe before crushing and grinding (after drying):

- ash: maximum 8%
- acid insoluble ash: maximum 2%
- moisture: maximum 12%
- volatile oil: minimum 1.5 ml/100 gr
- SO2: maximum 150 ppm

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:
- Check the main page of ISO’s Technical Committee #34/SC 7 from time to time. This committee develops standards for spices, culinary herbs and condiments, and the page offers an overview of which standards the committee is working on. Also the finished standards can be found there.
- Check ESA’s Quality Minima Document for more information on the chemical and physical parameters that your unprocessed ginger needs to comply with when it is sold in Europe.
- In addition to the quality requirements mentioned here, please refer to our study about buyer requirements for spices and herbs for a general overview of buyer requirements in Europe.

Labelling requirements
Correct labelling is important for European buyers. To this end, pay extra attention to labelling your product.

For bulk ginger, you have to include the following information:

- name of the product
- details of the manufacturer (name and address)
- batch number
- date of manufacture
- product grade
- producing country
- harvest date (month-year)
- net weight.

Other information that exporting and importing countries may require include the bar, producer and/or packager code, as well as any extra information that can be used in order to trace the product back to its origin.

Packaging requirements
For shipping, bulk whole dried ginger roots should be packaged in jute sacks (36-65 kg). It is less common but also possible to pack the roots in wooden boxes or linen corrugated cardboard boxes (60 kg). The mostly applied packaging sizes depend on what the customer demands, and on what is
common in the supplying country. For example, in Nigeria ginger is typically packed in 50kg bags.

Ginger processed in the form of slices or powder is packaged in multi-wall laminated bags of different weights ranging from 1 to 25 kg. Common weight classes are 12.5 kg and 25 kg.

**Tips:**
- Ask your buyer for their specific packaging requirements.
- Store packaged ginger in a dry, cool place to prevent quality deterioration. If you offer organic certified ginger, physically separate it from ginger that is not certified.
- See the website of [Practical Actions](https://www.practical-actions.org) to learn more on improving pre-harvest handling and processing for ginger. For the information on post-harvest practices and packaging read [Ginger farming guide](https://www.practical-actions.org/growing/ginger).

8. What are the requirements for niche markets?

**Organic Curcuma longa**

If you want to sell Curcuma longa as organic in Europe, they must be grown using organic production methods that meet the [European legislation](https://ec.europa.eu/food Grades/organic/index_en.htm). Growing and processing facilities must be audited by an accredited certifier. Only after certification you may put the European Union’s organic logo on your products, as well as the logo of the standard holder, for example, [Soil Association](https://www.soilassociation.org) in the United Kingdom or [Naturland](http://www.naturland.de) in Germany.


**Sustainability certification**

Two most commonly used sustainability certification schemes are [Fair Trade](https://www.fairtrade.net) and [Rainforest Alliance](https://www.rainforestalliance.org). Fair Trade international has developed a specific [standard for herbs, herbal teas and spices](https://www.fairtrade.org.uk/) for small-scale producer organisations. According to this standard, a premium price of 15% over and above the negotiated price between producer and seller must be established.

In order to improve sustainable production and sourcing of spices, a group of mainly European companies and organizations formed the [Sustainable Spice Initiative](https://www.sustainable-spice-initiative.org) in 2012. The major objective of this initiative is to strive for fully sustainable spice production and trade in the sector.

**Tips:**
- For the overview of the developments of the sustainability initiatives in the European spices market read our study on [Trends on the European Spices and Herbs Market](https://www.practical-actions.org/trends-european-spices-herbs-market).
- Work together with European buyers, non-governmental organisations, national or international governmental organisations to make it economically feasible for you to receive certification. Further information is available on websites such as the Sustainable Spice Initiative, the [Netherlands Enterprise Agency](https://www.nlви.org), the [German Ministry for Economic Cooperation and Development](https://www.giz.de) and [Cordaid](https://cordaid.org).
- Check the [guidelines for imports of organic products into the European Union](https://ec.europa.eu/food/imports/organic/organic_products_en) to familiarise yourself with the requirements for European traders.
Seriously consider organic ginger production. Although the organic ginger market is still small, organic certification can offer opportunities for ginger producers. Several companies from Peru have jumped into this market in the past years, and they booked good successes.

Familiarise yourself with the concept of self-verification. Self-verification means that suppliers assess their own compliance with the sustainability code of buyers. Examples include Unilever’s Sustainable Agricultural Code (SAC) or the Olam Livelihood Charter.

9. Through what channels can you get dried ginger on the European market?

Of course, dried ginger is used at home as a spice in Asian-style food dishes, and to a lesser extent also to spice self-baked cookies etc. In addition, ginger pieces are used to make tea or extracts for cold treatments. Consumer use at home of ground ginger or ginger pieces accounts for between 15-25% of the total market.

However, the main market segment of ginger is the food processing industry with 75-90% of the market. The leading segment is bakery products (such as gingerbread and cookies and other sweet pastry products), but also Asian food products, soups and sauces, and various drinks or infusions (e.g. ginger ale, ginger beer, tea).

How is the end market segmented?

The largest user of dried ginger in Europe is the food processing industry, followed by retail, foodservice and food ingredients (additive segments).

Figure 3: End market segments for ginger in Europe
Food and drinks

The food and drinks processing industry is roughly estimated to use 75-90% of usage of dried ginger on the European market. The largest users within this segment include spice mixture producers, convenience food and snacks, culinary, bakery products, the sauces, seasonings and soups industry, the drinks and beverages industry, and the confectionary and chocolate industry.

Spice mixture producers are companies specialised in production of spices and seasonings for different applications. Those companies are constantly investing in research to develop custom formulations for food processing companies and help launching new attractive tastes. They produce either dried or liquid spice ingredients. Some examples of such companies in Europe are AVO (German producer, also one factory in Poland and in France), Meat Cracks, Kerry Ingredients, Frutarom (part of IFF), Farevelli Group, Food Ingredients Group, Kalsec, EHL Ingredients or Ion Mos.

The meat industry is an important user of dried ginger but very often not supplied directly but through spice and food ingredient companies. However, larger groups of companies may import dried ginger directly. Example of such a group includes OSI Food Solutions. Mostly, the curcuma is part of a customised mixture to spice chicken meat.

The European sauces, seasonings and soups industry is also an important user of dried ginger. However, this market is dominated by international brands such as Kraft Heinz, McCormick, and Maggi (Nestle).

Retail segment

The retail and food-service segments for spices and herbs are dominated by European (often national) spice brands/companies, such as Fuchs in Germany, Verstegen and Euroma in the Netherlands, Santa Maria (Scandinavian countries) and multinational brands such as McCormick, Kraft Heinz, etc. For example, the Dutch spice specialist Silvo is part of McCormick since 2004. Also, some strong brands are developing in South East Europe, such as Prymat Group. These spice
companies import directly spices from all over the world and have in-house processing and R&D facilities.

Private label (supermarket) brands are important as well. European spice packers and blenders conduct production for all these brands. Since supermarkets often require large quantities and have very specific requirements regarding packaging, it is very difficult to supply them directly from outside Europe. Products already packed in origin countries are mainly found in European ethnic supermarkets, open-air markets, and webshops.

The retail sector can be further segmented into supermarkets, independent grocers and specialty shops. Most retailers sell individually packed spices or herbs and also a range of specific mixtures. Overall, tailored spice and herb mixtures are becoming more popular in the retail segment, partly due to the increasing interest in ethnic food but also due to the growing demand for convenience.

Leading supermarket chains in Europe include Tesco, Carrefour, Lidl, Metro, Aldi, Delhaize, Rewe, Edeka, Auchan and Albert Heijn.

**Foodservice segment**

The foodservice channel (hotels, restaurants and catering) is usually supplied by specialised importers or wholesalers. These companies are sometimes the same as the brands that supply the retail segment. The foodservice segment often requires larger packaging sizes of dried ginger, e.g. cans from 300 to 500 grams or sacks of a few kg.

World cuisines, healthy food and food enjoyment are the major driving forces in the foodservice channel in Europe. The fastest-growing business types are likely to be new (healthier) fast food, street food, pop up restaurants, international cuisines and sandwich bars.

**10. Through what channels does the ginger reach the consumer?**

Specialised spice importers represent the most important channel for dried ginger in Europe by a long way. However, sometimes, dried ginger can be placed on the market through an agent or directly supplied to food processors or food service companies. Some wholesalers also have packing facilities and usually supply private label spices and herbs.

Importers and wholesalers can be general spice importers or further specialising in specific roles. Some now exclusively deal with ingredients aimed at the food-processing industry while others pack spices and spice mixes for retail chains. Some importers also deal with a broader range of products apart from spices, such as beans, seeds, dried fruits and nuts.

An important trend is the growing pressure that retailers put on their suppliers (importer and food manufacturers). The higher requirements from the retail industry determine the supply chain dynamics from the top down the chain. Pressure is translated into lower prices but also added value aspects such as “sustainable,” “natural,” “organic”, or “fair trade” products. Transparency in the supply chain is needed. To achieve this, many importers develop their own codes of conducts and build long-lasting relationships with preferred developing country suppliers.

Examples of bulk importers of dried ginger in Europe include Albarracin (Spain), Nedspice (the Netherlands), European Spice Services (the Netherlands), Husarich (Germany) or Saran Enterprises (Poland).

Examples of specialised importers that are using dried ginger in different spice mixtures include Culinär (Sweden), Epos (the Netherlands; the only producer in Europe with a range of allergen-free blends), and Colin Ingredients.

Examples of spice importers that are supplying several different segments include Isfi Spices (Belgium) and Verstegen (Netherlands).

*Figure 4: Trade channels for dried ginger in Europe*
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 when you have a specialised product (such as high quality or sustainably certified) for which buyers are harder to find. The role of the agent is slowly diminishing due to the increased transparency demanded by the market.

Tips:

- Download the [members list](#) (PDF file) of the European Spice Association (ESA). The first pages list the several national spices associations that are member of the ESA. From page 2 on there is a long list of so-called ‘full member companies’. Many of these companies are dedicated spices and herbs traders and packers. In the document these companies are grouped per European country.

- Search the list of exhibitors of the specialised trade fair [Fi Europe](#). This fair is the leading event in Europe where all ingredients companies in Europe gather. It takes place every year. In even years the FI takes place in Germany, in uneven years it takes place in France.

11. What is the most interesting channel for you?

Specialised importers seem to be the best contact for placing dried ginger on the European market. This is specifically relevant for new suppliers as supplying the retail segment directly is very demanding and requires a lot of quality and logistical investments.

However, for the well-equipped and price competitive producers, packing for private labels can be an option. Until now, importers often do private label packing for European supermarkets. As the cost of the workforce in Europe is increasing, importers of dried ginger sometimes search for opportunities to pack in supplying countries if they can assure full traceability and quality control.
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 that you will successfully manage 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.

**Tips:**
- See our [Tips for finding buyers](#) on the European market for spices and herbs.
- Benefit from the experience and knowledge of specialised European importers and agents instead of approaching manufacturers directly.
- To help you enter the market, consider working with an agent or representative with a good reputation. You can look for commercial agents on the website of [Internationally United Commercial Agents and Brokers (IUCAB)](#).
- Visit or participate in trade fairs to test whether the market is open to your product, to obtain market information and to find potential buyers. The most relevant trade fairs in Europe are [ANUGA](#), [SIAL SANA](#), [Health Ingredients Europe](#), [Biofach](#) (for organic products) and [Vitafoods](#).

12 . What competition do you face on the European dried ginger market?

Your main competitors are other suppliers from developing countries. In 2018, these suppliers exported 127 thousand tonnes of dried ginger to Europe, accounting for €160 million. More than 90% was whole ginger, of which (as mentioned before) also a part is fresh ginger. More details are revealed in Figure 4. Note that the export volumes from several countries show quite some fluctuations from year to year. The foremost reason for these fluctuations is that harvest volumes differ from year to year.
China is king ginger

China is Europe’s main supplier of ginger and also your most important competitor. The country accounted for almost 80% of all supplies from developing countries to Europe in 2018. About 90% of the Chinese ginger is exported in uncrushed / unground form; only 10% is crushed or ground product.

Ginger production in China is mainly mechanised. Most of the Chinese offer is both fresh and dried ginger that comes from the #1 ginger production province Shandong (though you should note that ginger is produced in several other provinces as well). While China is the world’s largest exporter of ginger, it is also the largest market for ginger, as ginger is an important spice in the Chinese kitchen.

Superfood ginger from Peru

Peru is the second supplier with 8.4% share of European imports coming from developing countries. Peru’s ginger exports to Europe and thus its’ market share has increased significantly in the period 2014-2018, though its supplies are still small compared to China. Virtually all of Peruvian exports to Europe are dried product of high quality, not crushed nor ground product and a lot is organically certified.

Peruvian ginger production grew slowly but gradually until 2015. In 2015, exports totalled a volume of 11 thousand tonnes. Production and exports really took off in 2016-2018, when export volumes of 15-26 thousand tonnes were recorded by Peru. The lion share of production is exported with the #1 and #2 destinations the USA and the Netherlands. The export volume to the Netherlands was 6.5 thousand tonnes in 2018, while other European countries only received 750 tonnes (Belgium), 546 tonnes (Spain), or 491 tonnes (Germany).

Exports are strongly promoted and supported by the national export promotion organisation, PromPeru. PromPeru has created a national brand “Superfood from Peru” – ginger is one of them – which is promoted on all leading international trade fairs. Peruvian exports of ginger are expected to continue to grow in the next years.

Brazil

Brazil is the third supplier with 5.0% share of European imports coming from developing countries.
After China, Brazil is the 2nd largest supplier of fresh ginger. All exports are fresh produce of high quality, also because a large share of the Brazilian ginger is exported by plane. Until 2017, most of the Brazilian ginger was conventional, but in 2019 a part of exports is organically certified.

Nigeria

Nigeria is the fourth supplier with 3.7% share of European imports coming from developing countries. All exports are of dried ginger that is neither crushed nor ground. The Nigerian season for ginger runs from May to October and the supply season runs a little longer, totalling 9 months. Production takes place in the northern part of Nigeria, predominantly in the Kano state.

The Nigerian Export Promotion Council is responsible for Nigeria’s export promotion. This is an important fact also in light of the fact that Nigeria identified ginger as one of its focus products for export diversification (away from oil).

Thailand

Thailand is the fifth supplier with 1.9% share of European imports coming from developing countries. Thailand predominantly exports fresh and organically certified ginger. In the period of August to December Thai organic ginger is more or less the only available organic ginger, while the rest of the year, Peru is dominating the organic ginger market in Europe.

India

India is Europe’s main supplier of Curcuma longa by a long way, but for ginger this is different. Although India is one of the largest producers of ginger in the world, India in fact only exports dried, ground ginger to Europe. Exports of Indian crushed ginger have shown a relatively stable pattern in the period 2014-2018 with 1.4 to 1.5 thousand tonnes of exports to Europe per year. Virtually of ginger is conventional product.

13. Which companies are you competing with?

Companies from China

The production of ginger in China is mainly mechanised. Examples of companies from China that are reflecting China’s position as leading supplier of relatively cheap ginger at large volumes, are the following:

- Shandong Anqiu Baisheng Food Co. This company exports to mainly European countries such as the Netherlands and Spain. Their products and production comply with GAP, GRASP, BRC and SMETA, plus organic certification.
- Anqiu Luxing Food Co. This company’s export portfolio is more diversified in terms of geography. They export to Europe, America, and the Middle East.
- Qingdao Serve Nature Future. This company (also) mostly exports to Europe.

Most of the Chinese companies sell both fresh and dried ginger that comes from the #1 ginger production province Shandong (note that ginger is produced in several other provinces too).

Other small suppliers, such as Peru, conduct their production manually. As a result, China is able to produce and export large volumes of ginger compared to the other suppliers from developing countries. This fact makes it difficult to compete with China if you are a smaller supplier. If you want to compete with China, you should be able to:

- Deliver stable supplies of ginger, both in quantity and in quality;
- Comply with delivery times;
- Comply with food safety requirements.

You can also explore opportunities on niche markets such as organic and Fairtrade, or for specific applications such as beverages, which have specific requirements.

If you want to sell your ground ginger to Europe, you are competing directly with European processors. Your buyers could ask you to provide the same service as European re-exporters. You
will have to make sure that you comply with their requirements such as short supply times and steam sterilisation.

**Tips:**

- Check the harvesting calendars at the website of [Nedspice](#) to understand the different harvesting periods in large producing countries. This information is important to know, as harvesting periods in different ginger producing countries vary considerably, which has a major impact on your competitive position throughout the year.

- 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 up-to-date information on national and international prices for ginger.

- 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 the national spice association 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](http://www.fao.org) (FAOSTAT) website for ginger production data.

**Companies from Peru**

Peruvian exporters of ginger mostly export a range of agricultural products. In the first place, often they export both ginger and curcuma, the two leading spices produced in Peru. Other products that might be part of the range are cacao, dried berries, etc. Some examples of such Peruvian exporters are [Agro-Expo-Llacta SAC](#), [SupraCorp SAC](#), and [Fito Export](#).

**Companies from Nigeria**

Exporters from Nigeria typically export the whole range of Nigerian agricultural outputs. Examples are [Enkay Indo Nigerian Industries](#), and [Tinker and Bell](#).

**Companies from India**

Companies from India will be your main competitors when you would like to export ground ginger. Indian exporters can offer products at a low price, but at the same time, there are concerns among buyers regarding quality and quality consistency, including adulteration.

There are many companies in India that export spices. Ginger is in the top is in the top 3 of spices produced in India, so virtually all Indian spice exporters can export ginger. Most Indian exporters are small or medium-sized local companies, such as [DeepKamalExports](#), [Shiva Export](#), [Herbcyte](#), [PMRC corporation](#), and [Grover Sons](#).

Competition among the many companies is considerable, which gives buyers a clear advantage when it comes to price negotiation.

**What are substitute products for dried ginger?**

Ginger has a typical flavour and taste; therefore real substitution is not possible. The only substitution that one can think of is the use of fresh ginger instead dried ginger. Fresh ginger is used for cooking, at home or in restaurants, and also in food and beverage manufacturing.

**14. What are the prices for dried ginger?**

Ginger is an annual crop. Its prices fluctuate from harvesting season to harvesting season. The
price of dried ginger also depends on the price of fresh ginger. Also, there are different prices for the different product varieties and origins. For example, in July 2019, the price for dried Indian ginger whole was about USD 4,000 per tonne, while Chinese ginger sliced was about USD 3,000 per tonne and Nigerian ginger split was sold at about USD 2,000 per tonne FOB (Free on Board). Another (Nigerian) source mentions that average prices for exported dried ginger from Nigeria are between USD 2,250 and 2,600 per metric ton in July 2019.

Global market prices for ginger are strongly influenced by the largest producer of both fresh and dried ginger, China. However, traders often prefer ginger from more expensive suppliers in Peru and Brazil, for example. They prefer these suppliers because of their higher quality.

The price of ginger that consumers buy in the supermarket is comprised of:

- Raw materials: 5-15%.
- Processing: 5-15%
- Transport costs: 2-5%
- Import and processing in Europe: 15-30%
- Retail margin: 30-60%

A few examples of dried ginger available across Europe are the following:

- **Dried ginger, as a snack, 1kg, UK, GBP 15.00**, about €17 per kg.
- **Dried ginger pieces in different packaging sizes, UK**. Price per kg varies from €31-68.
- **Dried ginger for tea, 100 gram in a bag for €3.69, Netherlands**, Price per kg €36.90.
- **Ground ginger, Germany, prices vary from €12 to €120 per kg depending on the packaging size**.
- **Dried ginger, freeze-dried, 14 grams in a pot for €2.96**, Netherlands (price per kg €211.43).

The margins that you can receive as an exporter may differ. These margins are influenced by various factors such as:

- Country of origin;
- Current and expected future harvest situation;
- Quality of the raw material;
- Level of processing;
- Level of demand;
- Trends in prices.

Margins and profits can be higher for you as an exporter if you are able to add value locally. For example, by further processing or certification, you can create a competitive edge and benefit more.

**Tips:**

- See the websites of [Spices Board India](https://www.spicesboard.gov.in), [Nedspice](http://www.nedspice.com) and [ITC Trade Map](https://www.itctrademap.com) for up to date information on national and international prices for ginger.

- Establish long-lasting relationships with your buyers. Buyers are willing to pay higher prices to suppliers that are able to help secure supply and comply with delivery times as well as food safety requirements. They will also be more willing to invest in your partnership.

This study has been carried out on behalf of CBI by [Autentika Global](http://www.autentika-global.com).

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