



## Exporting value-added spices and herbs

The European market for value-added spices and herbs directly sourced in developing countries, such as crushed or mixed, is growing, but competition with European processors remains fierce. Especially for consumer-packaged spices and herbs, competition from European companies is very strong. As an exporter already supplying whole spices and herbs, the first step in adding value to your product would be to try and sell crushed or ground spices and herbs. You can then choose to also sell mixtures or even a consumer-packaged variety. An important first step to value addition is investing in the quality and food safety of your product.

### Contents of this page

1. [Product description](#)
2. [With which requirements must value-added spices and herbs comply to be allowed on the European market?](#)
3. [What competition do you face on the European value-added spices and herbs market?](#)
4. [Which channels can you use to put value-added spices and herbs on the European market?](#)
5. [What are the end-market prices for value-added spices and herbs?](#)

## 1 . Product description

This study focuses on value-added spices and herbs. Value addition to products can be done in several ways. You could start by investing in the quality and food safety of your product. Working on the traceability and sustainability is another emerging trend which adds value to your spices and herbs. See our study on [sustainable spices and herbs](#) for more information. Further processing of your spices and herbs can also add value to your product.

This study covers the following value-added spices and herbs products from developing countries:

- Crushed or ground spices and herbs, such as pepper, capsicum, vanilla, cinnamon, cloves, nutmeg, cardamoms, coriander seeds, cumin seeds and ginger.
- Curry mixtures (registered under code 0910.9105 in the Harmonised System (HS)) and mixtures of spices and herbs (whole spices and herbs mixtures and crushed/ground spices and herbs mixtures, registered under HS code 0910.9110 and HS code 0910.9190, respectively).
- Consumer-packaged whole, crushed, ground and mixtures of spices and herbs (such as [Goya Seasoning with pepper from Latin America](#)), which are not traded under a specific HS code.

These three categories form a subsequent chain of value addition:

Figure 1: Three main steps in value addition for spices and herbs



There are companies that sell consumer-packaged spices that focus on all these steps, while other

companies only focus on crushing/grounding and/or mixing.

The study discusses the opportunities to enter these markets and the challenges that you need to overcome.

What makes Europe an interesting market for value-added spices and herbs?

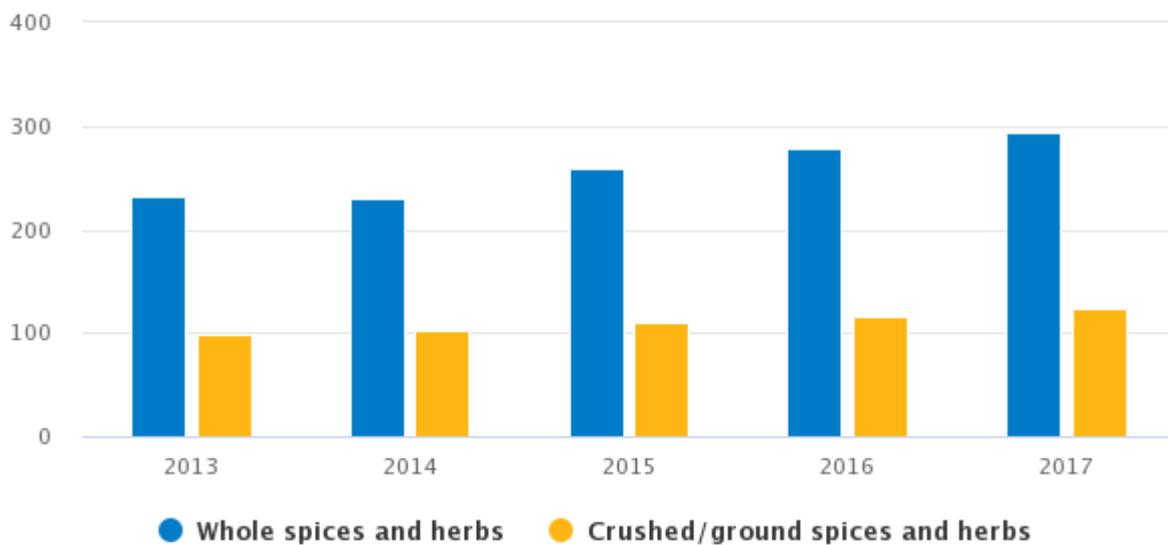
The market for crushed and ground spices and herbs is growing significantly

The market for whole spices and herbs is still the largest and is growing significantly at a rate of 6% per annum between 2013 and 2017.

However, imports of value-added spices and herbs are becoming more popular as well. Figure 2 illustrates the growth of the crushed/ground spices and herbs market compared to the whole spices and herbs market. In line with the growth in the whole spices and herbs market, between 2013 and 2017, imports of crushed/ground spices and herbs also showed an annual increase of 6%.

Figure 2: Developing country supplies of whole and crushed/ground spices and herbs 2013–2017

in 1,000 tonnes



Source: Eurostat, 2018

### Tips:

- Visit or participate in trade fairs to test if the market is open to your product, acquire market information and find potential buyers. The most relevant trade fairs in Europe are [Food Ingredients Europe](#), [Biofach](#) (for organic products), [SIAL](#) and [Anuga](#).
- See our tips on [finding buyers](#) and [doing business](#) for additional information.

The United Kingdom remains the largest importer of spices and herbs mixtures from developing countries

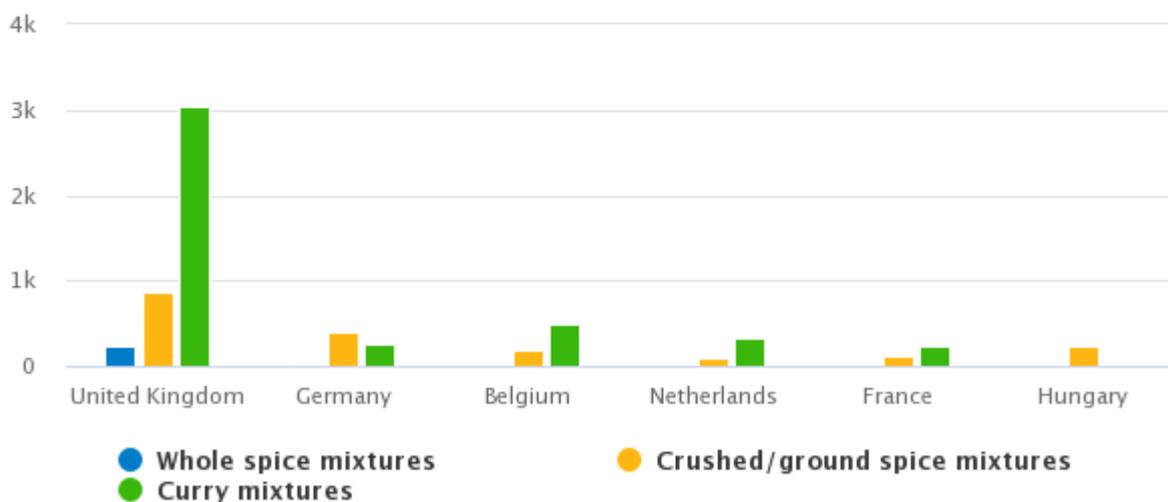
Figure 3 gives an overview of all European importers of several types of spices and herbs mixtures:

- The United Kingdom is the main importer of all types of spices and herbs mixtures supplied directly by developing countries. The high popularity of curry mixtures is mainly related to the

[large South Asian diaspora](#) in the country. It appears that the imports of crushed and ground spices is thus closely related to the ethnic market.

- Germany, Belgium and the Netherlands are other significant European importers of value-added spices and herbs. However, compared to crushed/ground spices and herbs, the imports of other value-added products are very low. These three countries play important roles as trade hubs in Europe and re-export a large part of the imported spices and herbs to other European countries. Other smaller but still significant importers are France and Hungary. These countries are especially interesting if you are able to supply crushed/ground spices and herbs and crushed/ground spice mixtures.

Figure 3: Main European importers of whole spices mixtures, crushed/ground mixtures and curry mixtures 2017  
in tonnes



Source: Eurostat, 2018

### Tips:

- Conduct additional market research to gain 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 Trademap](#).
- Stay up to date on market developments and keep an eye on your biggest competitors. Consult multiple sources. For example check the market and crop reports from the [European Spice Association](#), [Nedspice](#) or public sources such as [Business Standard](#). Estimates and projections are only valid for 4-6 months and can be incorrect. Moreover, production prognoses and market conditions can change quickly.

The ethnic market is specifically interested in consumer-packaged products

The expansion of ethnic cuisines in Europe is leading to a growing interest in lesser-known and exotic food products among European consumers. With that development comes an increasing interest in exotic spices, herbs and mixtures.

Most of the consumer-packaged products and brands from developing countries are available in the ethnic food shop market. These shops sell spices and herbs traditionally used in countries outside

of Europe and used to primarily serve ethnic communities in Europe. As an example, have a look at the website of [Amazing Oriental](#) which sells a range of consumer-packaged products from developing countries. Buyers linked to these shops and web shops are experienced in trading consumer-packaged foods and are an interesting target for you.

However, you should be aware that it is very difficult to enter the European market with your consumer-packaged products. European buyer requirements are very strict and the competition on the European market is strong. See the sections on buyer requirements for consumer-packaged spices and herbs and the competition for more information.

### Tips:

- Provide information on your product's background. Where does it come from? In what dishes is it traditionally used? Can you include a recipe describing how to use the spice or herb?
- Emphasise product characteristics that are related to your country or region, such as taste, quality and authenticity. Use these aspects to build a marketing story around your product.
- See the section on market channels below for more information on reaching this channel.

## Spices and herbs with a story are becoming more and more popular

European consumers are interested in exotic products with an appealing story. They are inspired by new spices and herbs in the supermarkets with exotic recipes on the product label. This can be a story about, for example, the region of origin of the spice, its traditional use, the people growing the spice, or a combination of these elements.

European companies therefore often add a story to their products. An example is the [Jonnie de Boer range by Euroma](#). They offer a variety of spices and herb mixes from different regions in the world. Examples include:

- [Caribbean spice](#)
- [Chinese 5spice](#)
- [Thai green curry](#).

### Tips:

- Make sure you are able to market your product according to the demand on the European market. Identify this demand by checking which of your spices or herbs are used in popular mixtures. Have a look at websites of European spices and herbs companies such as [Verstegen](#) or [Euroma](#).
- Determine from the angle you would like to take with your story; do you want to emphasise the region and/or country of origin, traditional use, or something else?

## More and more European companies are sourcing locally

European companies are increasingly linking directly with sourcing regions. This has several reasons:

- The companies want to spread their risks. If a certain producing region has problems with production and fewer supplies are available, the company will be able to quickly shift to other suppliers within their strong network.
- Corporate social responsibility (CSR) is becoming more important in Europe. Consumers are demanding that companies know how the product is produced. Companies therefore want to have (direct) contact with the players in the chain and focus on the local production of the product they buy. When doing so, their whole supply chain becomes more transparent.

As an exporter, you can benefit from these direct links between exporter and European companies. Having direct contacts with these buyers means that there are fewer players in the chain, often resulting in higher margins and more stable relationships. Buyers are also more willing to invest locally. Therefore, make sure you invest in long-term relationships with these companies.

### Tips:

- Check our studies on [how to find buyers](#) and [how to do business](#) to learn more about linking directly to interesting buyers.
- See our study on [buyer requirements for spices and herbs](#) for additional information on corporate social responsibility requirements of European buyers.

## Growing awareness of sustainability

Sustainability is becoming more important on the European spices and herbs market and it is an important value-addition to your product: consumers want to know under which social and environmental conditions their product is produced. As a supplier, you will face increasingly stringent buyer requirements on sustainability as well as traceability to prove sustainability throughout the chain. For example, buyers often want to source more directly to make sure their product is produced sustainably.

These requirements depend largely on your buyer. Buyers will demand that you comply with their supplier codes or certification standard. The use of self-verification systems is expected to grow. The latter entails that you assess your compliance with your buyer's sustainability code.

You can use sustainability certification as proof to demonstrate traceability to your buyers. You can also use these labels to demonstrate the sustainability of your products to European consumers. However, certified products are still a niche market in Europe.

Most buyers and European consumers in the mainstream spices and herbs market are unwilling to pay more for sustainability. Moreover, spices and herbs are often added to processed foods in small amounts. [In Europe, only 95% of ingredients have to be certified organic for a product to be labelled as organic certified.](#)

The main certifications on the European market are Rainforest Alliance, organic and fair trade. Especially for consumer-packaged spices and herbs, you will find most opportunities in fair-trade certification.

When you pack spices and herbs yourself, you will also be responsible for producing sustainability codes for your suppliers. Moreover, you need to ensure that your packaging is sustainable. Options for sustainable packaging include:

- Finding alternatives to polluting materials, such as polyvinyl chloride (PVC), polyurethane (PU) or polystyrene (PS).
- Using sustainable packaging materials, such as biodegradable and compostable packaging, or FSCcertified wooden pepper mills.

- Using a functional design, which improves shelf life, reduces spillage and optimises space use during transport.

### Tips:

- Find out what your buyers expect from you in terms of sustainability. Always verify whether they are interested in certified spices and herbs. European companies have different definitions, priorities and ambition levels when it comes to sustainability. Some may want you to comply with their code of conduct or sustainability code, while others expect product certification.
- Look for possible partners to promote sustainability. You can use available programmes and subsidies from governmental or nongovernmental organisations in developed countries for investments in sustainability. For more information, see websites such as the [Sustainable Spice Initiative](#), the [Netherlands Enterprise Agency](#), the [German Ministry for Economic Cooperation and Development](#) or [Cordaid](#).
- See our study on [exporting sustainable spices and herbs to Europe](#) for additional information.
- Check the website of [Frontier Coop Packaging Standards](#) for more information on sustainable packaging. You can also look for packaging solutions online.
- Learn more about what European companies do in terms of sustainability. See, for example, the sustainability pages of companies such as [Olam](#) or [Nedspice](#).
- See our study on [the European market for sustainable spices and herbs](#) for more information.

## 2 . With which requirements must value-added spices and herbs comply to be allowed on the European market?

You can only export spices and herbs to Europe if you comply with the [buyer requirements for spices and herbs](#). For value-added spices and herbs products, requirements are even stricter, especially for consumer-packaged spices and herbs since these are sold directly to European consumers.

### 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. Note that European retail companies, especially large chains, can demand compliance with requirements that go beyond the legal requirements listed below.

When exporting to Europe, you have to comply with the following legally binding requirements.

- **Food safety:** traceability, hygiene and control as specified in the [General Food Law](#).
- **Mycotoxins contamination:** this is a risk for many spices. The European Union sets maximum levels for mycotoxins for specific spices. For example, for pepper, capsicums, ginger, turmeric or nutmeg the maximum level of aflatoxin is between 5.0 µg/kg (aflatoxin B1) and 10 µg/kg (total aflatoxin content B1, B2, G1 and G2).
- **Maximum residue levels of pesticides:** this is one of the main issues for spices and herbs exports.
- **Microbiological contamination:** the presence of salmonella is the main reason for banning spices and herbs from the European market.
- **Food additives and adulteration:** custom authorities reject spices and spice blends for containing undeclared, unauthorised or too high amounts of extraneous materials.

- [Maximum levels of polycyclic aromatic hydrocarbons](#): contamination with PAHs is the result of bad drying practices.
- [Irradiation](#): this is allowed, but not commonly used, as consumers do not always accept this treatment. Discuss this option with your buyer.

### Tips:

- Check the [Rapid Alert System for Food and Feed \(RASFF\) database](#) for examples of withdrawals of spices and herbs from the market and the reasons behind these withdrawals. Common causes are contamination with *Salmonella*, ochratoxins or aflatoxins, and unauthorised additives.
- Comply with requirements as listed above. Your product can be withdrawn from the market if you do not.
- Compare your company with your buyer or potential buyer to find a strategic fit. Can you comply with extralegal food safety and sustainability requirements? What quantities of product can you deliver? What type of product do you produce, mainstream or niche?
- Regularly check the website of the [European Food Safety Agency](#) to keep up with the latest news on European food regulation and food alerts.

## Additional legal requirements for consumer-packaged spices and herbs

### Food labelling

Consumer-packaged spices and herbs must adhere to [strict European Union food labelling requirements](#). These are requirements related to labelling, presentation and advertising of foodstuffs as well as providing information on the nutrient content (such as protein, fat, fibre and carbohydrates content). This legislation was updated in December 2016 in [Regulation \(EU\) No. 1169/2011](#). Key changes include:

- making information easier to read and understand, with a minimum font size for mandatory information;
- ensuring you clearly indicate any allergens in the food product;
- including information on the content of certain nutrients in pre-packed processed foods, such as vitamins, minerals, sugars, salt and fat;
- using identical labels for products sold online (i.e. product labels in a shop and for distance-selling must meet the same requirements).

The focus of labelling requirements lies on providing as much information as possible to the consumer, including:

- Name of the food
- List of ingredients
- Ingredients or processing aids causing allergies or intolerances
- Quantity of ingredients or categories of ingredients
- Net quantity
- "Use by" date
- Storage conditions and/or conditions of use
- Name and address of business
- Country of origin
- Lot number
- Nutrition information.

In addition, any certification logo, or retailer logo in the case of private label products, should be

displayed on the label.

The information above needs to be in the language of the country which you are selling to. You can also use multi-language labels, if you sell your products in more than one country. Pay attention to other aspects like minimum font size.

### Tip:

- See the website of the European Commission for additional information on [food labelling legislation](#).

## Product liability

As you are selling products which directly target European consumers, you are responsible for the safety of the product and can be held liable if there are any defects in your product. If your product is unsafe for consumption and results in injuries to European consumers, they can hold you responsible for the injury. You may also be required to recall and/or destroy products which are unsafe.

Your buyer can pass the claim on to you, especially if you are supplying retailers directly. You will then have to reach an agreement with the consumer about compensation. You need to have logistics in place to resolve these issues. For example, make an agreement with your buyer that they will act as your agent. In case of problems, they can act on your behalf and transfer the costs back to you.

### Tips:

- Only accept contractual requirements when you are certain that you can meet the requirements. Otherwise, you can be held liable for consumer injuries from unsafe products.
- Obtain insurance for product liability if the risk of liability claims is big, for example when you supply directly to retailers or when you have a valuable brand or reputation. In other situations, European importers will often be held liable.
- See our [guide on dealing with liability claims from European buyers](#) for additional information.

## Steam sterilisation to prevent microbial contamination

If you want to export consumer-packaged spices and herbs to Europe, you are responsible for combatting microbiological contamination of your spices and herbs. [Contamination with aflatoxins and ochratoxins](#) are among the main reasons to reject spices and herbs at European Union borders. Once the products are packed, you can no longer treat microbiological contamination. European companies commonly use steam sterilisation, since it remains the cheapest and safest method to combat contamination.

You could choose to invest in the necessary equipment to do steam sterilisation yourself. This can be very costly, at up to €1 million. If this investment is too high for you, you need to look for local sterilisation companies.

You can also look for buyers that do steam sterilisation themselves, ones that do not require steam

sterilisation or that use another company. However, be aware that if your product has not been sterilised, it will become difficult to sell consumer-packaged spices and herbs to your buyers. Your buyer would then need to re-pack your products, after they have applied steam sterilisation.

### Tips:

- Comply with food safety requirements during drying, storage, processing (such as sieving, mixing, grinding or crushing), packaging and transport. If you do not, steam sterilisation will not work.
- You also need to prevent contamination with mycotoxins and other contaminants because steam sterilisation cannot remove these.
- Be aware that steam sterilisation could be damaging to the crop. It can harm the taste of the spices and herbs. Research is conducted into alternatives to this method. Currently, it is still the cheapest and safest method to combat microbiological contamination. Check the website of the [European Spices Association](#) for more information.
- Keep up to date on the development of steam sterilisation alternatives by checking online sources, such as [GreenFoodDec](#).

## Additional non-legal requirements

If you want to have an advantage over your competitors, you should consider complying with non-legal requirements. European buyers can use these as selection criteria when they look for suppliers. European retailers can also require their suppliers to comply with some of these systems.

- Food safety certification: these are used as a guarantee that the product is safe and are especially important if you target retailers directly. The most important food safety management systems in Europe are the BRC Global Standard for Food Safety of the British Retail Consortium ([BRC](#)), the International Featured Standards ([IFS Food](#)), Food Safety System Certification ([FSSC22000](#)) and the Safe Quality Food Program ([SQF](#)). 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 was developed by retailers in the United Kingdom and more commonly demanded in this market, so if you want to target the United Kingdom, BRC may be more important.
- Quality management: If you certify your organisation with ISO 9000, you can show your buyers that you are taking quality seriously. Discuss this option with your buyers.
- Corporate social responsibility (CSR): Companies have different requirements for CSR, for example, signing their code of conduct or following common standards, such as Supplier Ethical Data Exchange ([SEDEX](#)), Ethical Trading Initiative ([ETI](#)) or the Business Social Compliance Initiative Code of Conduct ([BSCI](#)).

## Niche requirements

Complying with the following standards can help you access specific market segments and buyers in Europe:

- Sustainable product certification: these standards can help to demonstrate traceability to your buyer. However, the market for certified spices and herbs is very small. The main certification standard for consumerpackaged spices and herbs is [Fairtrade](#).
- Supplier assessment: Suppliers assess their own compliance with the sustainability code of buyers. Examples include Unilever's [Sustainable Agricultural Code](#) (SAC) and the [Olam Livelihood Charter](#).

## Quality requirements

The quality requirements for ground, crushed or mixed spices and herbs can be found in the [buyer requirements for spices and herbs](#). Investing in quality of your product is one of the first steps of value addition.

If you are selling spices and herbs directly on the consumer market, the quality of your products is even more crucial. However, it is difficult to determine the quality of consumer-packaged spices and herbs. For this reason, buyers often prefer to have the processing and packaging done in Europe.

Quality requirements in western and northern European countries can be stricter than in the rest of Europe. Their food safety requirements can also go beyond the legal requirements specified above. These additional requirements should be discussed with your buyer.

The [Quality Minima Document](#) from the [European Spice Association \(ESA\)](#) specifies legal European requirements for unprocessed spices and herbs, as well as additional buyer requirements not laid down in legislation. This is the main point of reference for the national spice associations in Europe and for most key players in the market. Although this document does not cover consumer-packaged spices and herbs, you can use it to understand the chemical and physical parameters for unprocessed products.

The [International Standard Organisation \(ISO\)](#) provides guidelines on general chemical and physical parameters for ground spices. ISO standards also give general guidelines on grading, handling and packaging spices and herbs. These standards come closest to internationally agreed-upon standards. However, quality standards may differ per country, segment and buyer.

The American Spice Trade Association (ASTA) has developed [cleanliness specifications](#) for spices and herbs. European buyers often use these specifications, as the European Spice Association has not developed similar specifications.

### Tips:

- Ask your buyers for their specific quality requirements for your product.
- Ensure a sustainable quality of your product that conforms to your buyer's specifications.
- Use detection and prevention methods to ensure that your spices and herbs are not contaminated with metal, stone or animal droppings.
- Use sophisticated cleaning methods to ensure product quality.
- Check the [ISO website for standards](#) on the spice or herb you produce. Ask your buyers which specification they work with.

## Packaging requirements

The packaging requirements for ground, crushed or mixed spices and herbs can be found in the [buyer requirements for spices and herbs](#). For consumer-packaged spices and herbs requirements are stricter:

The most common types of consumer packaging for spices and herbs are listed in the table below. Packaging ranges from 5 to 100 grams, but can reach up to 2 kilograms in ethnic food shops. Packaging needs to be:

- functional, to protect the products from infestation, spoilage and quality loss
- of high quality, to enhance the sales appeal of the product.

Professional and attractive packaging of your spices and herbs is a must when you sell your products to consumers. The design and feel of the products are just as important as the quality of packaging materials. Moreover, packers can add website links and QR codes to provide more information on the product. As a rule of thumb in consumer marketing of food, the type of packaging accounts for half of the product value.

Table 1: Common forms of consumer packaging for spices and herbs

Glass bottles	These come in various shapes and sizes, with metal or plastic caps. They often have additional features to dispense or grind spices. Glass bottles are popular in the high-end market. They contain whole or crushed spices and herbs, or mixtures.
Printed plastic pouches	These are popular because they are very cost-effective. Companies can produce these with machines and easily adapt them to their preferences. Companies that pack their spices and herbs at the source for ethnic food shops commonly use this form of packaging. Polyester and Polypropylene laminate are especially popular in this type of packaging. These and other plastics are lightweight and hygienic, can be heat-sealed and are easily available.
Printed tinplate containers	These come in various sizes. Some tinplate containers also have a dispensing system.
Plastic and composite containers	These often contain ground or crushed spices and herbs. They have caps to dispense the product as well as a seal that shows if the packaging has been tampered with.
Lined cartons	Lined cartons often contain small quantities of whole spices.

The packaging must be free from:

- insect infestation
- fungus contamination
- undesirable or bad odours
- substances that may damage the contents.

### Tips:

- Find out for your product what European consumers are looking for in terms of packaging. Check online retail stores for examples and talk to potential buyers.
- Store packaged spices and herbs in a dry, cool place to prevent quality deterioration.
- Physically separate certified sustainable spices and herbs from any noncertified or non-sustainable spices and herbs you produce.
- Make sure you can identify all your products throughout all stages of the supply chain, such as storage, transport, processing, packaging, labelling and handling. Also include this in your documentation.
- See the certification standards [organic](#), [Fairtrade](#) (chapter on traceability) and [Rainforest Alliance](#) (chain of custody) for information on their specific packaging and labelling requirements.
- Check the [German Transport Information Service](#) for additional information on packaging, storage and transport of specific spices and herbs.

### 3 . What competition do you face on the European value-added spices and herbs market?

#### European companies are strong competitors

European processors are your main competitors in the European value-added spices and herbs market. They produce value-added spices and herbs products under their own brand or for private labels.

The European processing industry adds value to imported spices and herbs through processing, packing and branding. Processing steps include:

- cleaning
- sterilisation
- grinding
- blending
- packing.

European processors have several competitive advantages over you, including:

- knowledge about their domestic markets (in terms of consumer taste preferences and buyer requirements);
- proximity to and close relationships with their buyers;
- a strong reputation among buyers of producing unadulterated products that comply with European food safety requirements.

However, processing costs in Europe are relatively high. You can try to compete with European companies if you are able to supply similar quality products at a competitive price.

#### Tips:

- Learning from success stories can help you to enter the European market. For example, the companies [Laziza](#) and [Shan Foods](#) from Pakistan have successfully entered Europe with consumer-packaged spices and herbs. These companies offer several spice mixes and other condiments.
- Work with reliable collectors and farmers. Make sure you or the collectors you work with integrate sustainable practices to improve supply continuity. Educate your suppliers on efficiency and agronomics. This can help to show your buyers that you are a reliable supplier of spices and herbs and can deliver a stable supply quantity.
- Work closely with your suppliers to ensure transparency and traceability.
- See our study on [oleoresins for the European food industry](#) for more information on valueadded spices and herbs products.

#### Most developing country competitors are from Asia

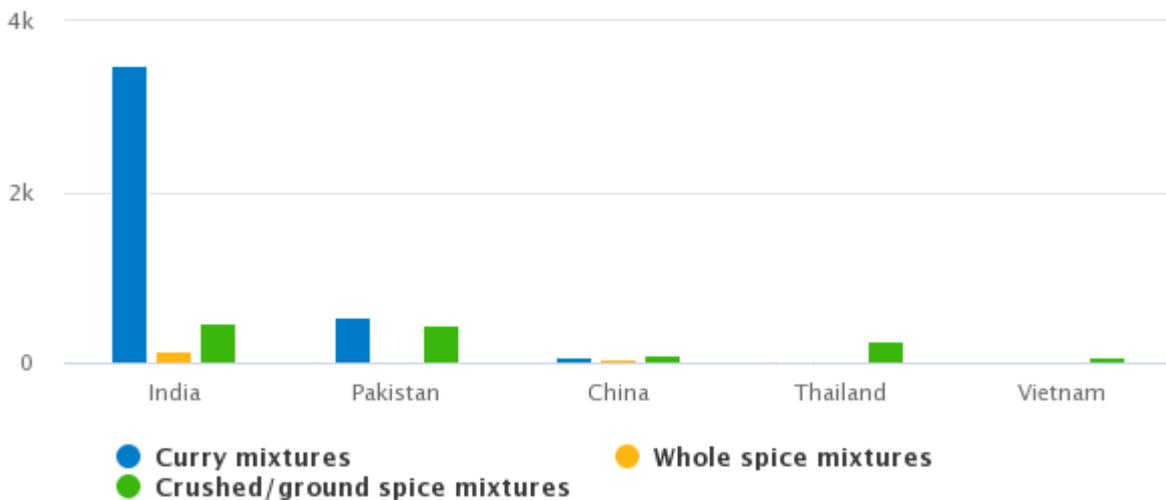
Most developing country suppliers of value-added spices and herbs are based in Asia. Figures 4 and 5 show these main suppliers of value-added spices and herbs to the European market. While crushed/ground spices and herbs is the largest group, other smaller value-added products are starting to play a more significant role.

Your main non-European competitors include:

- China is the main supplier of crushed/ground spices and herbs, mainly paprika and ginger (87% and 11% respectively). China plays a much smaller role regarding the other valueadded products.
- India is the second largest supplier of crushed/ground spices and herbs. In addition, it is the largest supplier of all types of mixtures to Europe. An example of an Indian company selling ground and mixed spices is [M.V. Spices](#).
- For spice and curry mixtures, Pakistan plays a relatively major role as the second largest supplier. An example of such a Pakistani company is [Zaiqa Food Industries](#).
- While Indonesia is a relatively large developing country supplier of crushed and ground spices, its supplies of other valueadded spices and herbs is very low to non-existent. An example of an Indonesian company exporting crushed and ground spices is [QSpicIng](#).
- Vietnam and Thailand are smaller but still significant suppliers of valueadded spices and herbs. They mainly supply crushed/ground spices.

Figure 4: Developing country suppliers of crushed/ground spices and herbs, whole spices mixtures, crushed/ground mixtures and curry mixtures 2017

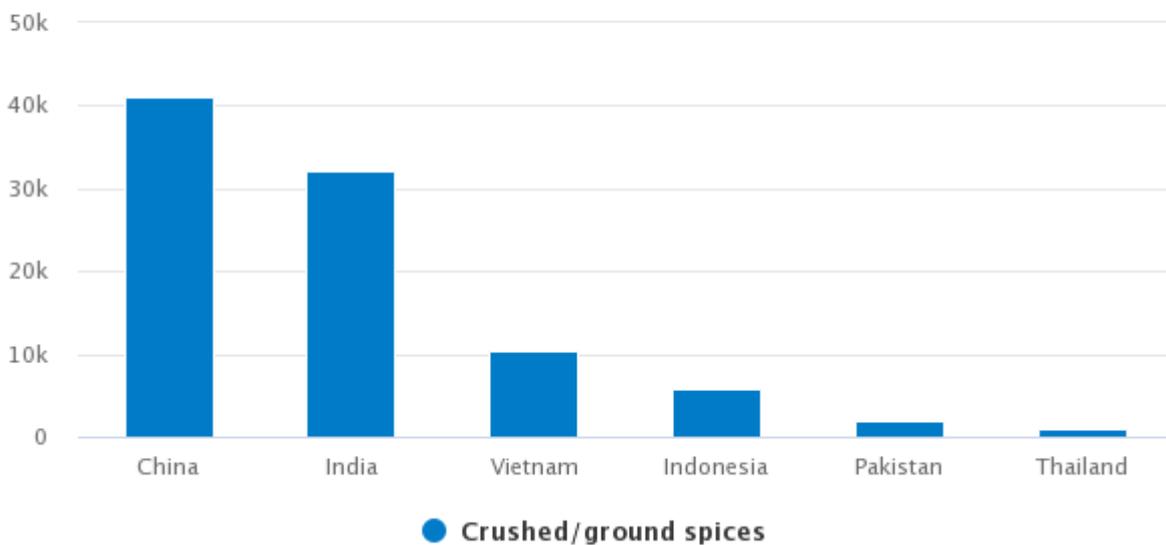
in 1,000 tonnes



Source: Eurostat, 2018

Figure 5: Developing country suppliers of crushed/ground spices and herbs 2017

in 1,000 tonnes



Source: Eurostat, 2018

### Tips:

- See the website of [Practical Action](#) for more information on processing crushed spices and herbs. Go to the website's section on Technical Information Service for more information on food processing.
- See our studies on specific spices for additional information on the main producers and exporters, for example [pepper](#), [cardamom](#), [ginger](#) and [dried chillies](#).

## It is particularly difficult to enter the market with consumer-packaged spices and herbs

The consumer-packaged spices and herbs market is the most difficult to enter. It is a market which is dominated by European companies that set the standards for cleanliness, quality, sterilisation, branding, marketing, packaging and price. To enter this market, you need to be able to compete with these European companies.

If you target the ethnic food shops with your consumer-packaged spices and herbs, you also face competition from producers in Asia. Chinese, Indian and Indonesian suppliers of consumer-packaged spices and herbs are already quite common in ethnic food shops. For example, the [Amazing Oriental](#) online retailer stocks various products from these countries, including spice mixes for traditional dishes.

Before you consider consumer packing, make sure you can ensure:

- excellent cleanliness
- high and consistent quality
- steam sterilisation
- grinding and blending, depending on the specific product.

Branding and marketing are key if you want to supply consumer-packaged spices and herbs.

Moreover, packaging requires serious attention. You need to make sure that your logo and packaging design fit the European market and match your buyer's preferences.

Since it is difficult to enter the European market with consumer-packaged spices and herbs, the threat of new entrants is low as well. There are only a few developing country suppliers who can supply this market. Moreover, a large share of the spices and herbs market is controlled by established brand owners. Therefore, it is not likely that new suppliers will enter the market.

You should do a price analysis of consumer-packaged spices and herbs currently on the market, to determine if you could offer lower prices. Check online retailers such as [Amazing Oriental](#), which sells consumer-packaged spices and herbs from both European and developing country producers. Be aware that your buyers and retailers will add a margin on top of your selling price. See the chapter on price for more information.

### Tips:

- Provide your buyers with references, credentials and any other assurance that shows that you understand and are capable to comply with market entry requirements. Your buyers need to trust your capabilities. You need to take away any possible concerns.
- Use your national or regional markets as a stepping stone for the European market.
- Emphasise product characteristics that are related to your country or region, for example taste, quality and authenticity. Use these to build a marketing story around your product.
- Look for information on branding and marketing; you can find a lot online. Also have a look at YouTube, such as the video on [Building Brands and Empowering Communities in Uganda](#).
- Look for products on the market to learn more about packaging demands in Europe. Work with a designer or industry player on your packaging and logo design.
- See our study on [competition on the European spices and herbs market](#) for more information.
- Define your unique selling points (USPs). Give buyers and, ultimately, consumers a reason to prefer your product over competing products. Differentiate your product and possibly brand clearly from the competition. Decide whether you want to compete on price or value.

## 4 . Which channels can you use to put value-added spices and herbs on the European market?

European buyers of value-added spices and herbs have a strong negotiating position, especially large retailers. You will have a better negotiating position with relatively small buyers from niche market segments, such as ethnic food channels. These require smaller volumes and are more likely to buy directly from developing countries.

### The main buyers are importers, distributors and wholesalers

In general, the main buyers for value-added spices and herbs are European importers, distributors and wholesalers that import spices and herbs themselves.

However, importers are also a source of competition. Some have their own processing and

packaging facilities. If value-added products are beyond your scope, you could supply these companies with non-processed or non-packed spices and herbs in different forms, such as whole, crushed, ground or mixed.

You can also work with agents or brokers. They work on a commission basis to help you sell your product in Europe.

## Different channels apply for different value-added products

As a supplier of whole spices and herbs, you can start to offer ground or crushed spices and herbs if you have the capacity to do so. It is best to first talk to your current buyer and discuss the opportunities and strict requirements you will have to comply with. You can sell your ground or crushed spices and herbs to importers or processors who can package or use your product in other food products.

If you want to supply mixtures, you should discuss this with your current buyer and discuss the opportunities and strict requirements. You should note that most spices and herbs are mixed in Europe. European processors are therefore strong competitors, since they are already familiar with the strict regulations and have a strong network. You can sell your ground or crushed spices and herbs to importers or processors who can package or use your product in other food products.

If you are able to supply ground, crushed or mixed your spices and herbs, and these products have proven to meet all European buyer requirements, you can look into selling consumer-packaged spices and herbs. Again, it is important to note that the competition for consumer-packaged spices and herbs is very strong. Most spices and herbs sold by European retailers are packaged in Europe.

When selling consumer-packaged spices and herbs, there are two main channels:

- If you already supply ground, crushed or mixed spices, contact your current buyers to see whether they are interested in your consumer-packaged products.
- Deliver directly to specialised importers and/or specialised (ethnic) retailers, such as [Amazing Oriental](#).

### Tips:

- Educate your suppliers in improving efficiency and agronomics to improve your supply continuity.
- Cooperate with other spice and herb suppliers in your country to reach sufficient supply volumes of your product, before packing it for the consumer market.

## Selling to retailers directly

If you want to sell to retailers directly, your best chance is to target niche, ethnic trade channels. These have a significant presence in Europe. Many Asian and Arabic communities have their own retail shops, which sell a wide range of products from various regions. They mostly buy products packed in Europe, but also source consumer-packaged products from countries of origin.

An advantage of targeting these retailers is that you often will not need to adapt your product to the mainstream European market, in terms of taste and packaging design. You will need to comply with legal requirements as discussed in the buyer requirements section above.

It will be difficult to sell your products to mainstream multiple retailers directly. Food products sold here carry private retailer labels or national or regional brands. If you want to target these buyers, you need to ensure that you can:

- deliver large quantities in the course of a year, at least one container;

- comply with strict buyer requirements and demonstrate compliance to your buyers. Buyers are very untrusting towards spices and herbs packed at origin; you need to convince them that your products comply. Buyer requirements from mainstream retailers are commonly much stricter than the legal requirements;
- compete with strong European suppliers. These are often preferred suppliers to retailers. They consider spices and herbs processed and packed in Europe to be safer. Moreover, these suppliers offer a full product range with spices and herbs from all over the world;
- deliver supplies on a shortterm basis. Just-in-time delivery is becoming more common in the European market, often on a pallet basis. Companies keep a very low inventory. You need to organise your supply chain to fill a container in the short time frame that is required by buyers;
- have a clear value proposition, which is attractive to potential buyers, for example, a range of distinctive products with a strong brand. If you focus on the lower segment, make sure you have a very competitive range in price.

### Tips:

- Determine whether you can sell to retailers directly. Can you supply full container loads in a short period of time, with a consistent quality? Can you prove to your buyers that all your products comply with legal and strict buyer requirements? Can you compete with European suppliers?
- You can also combine different orders of your company in one container. Some buyers find it an interesting service to buy a container with a variety of spices and herbs.
- To help you enter the market, consider working with an agent or representative with a good reputation. You can look for commercial agents at the website of [Internationally United Commercial Agents and Brokers \(IUCAB\)](#).
- See our study on [market channels and segments for on the European spices and herbs market](#) for more information.

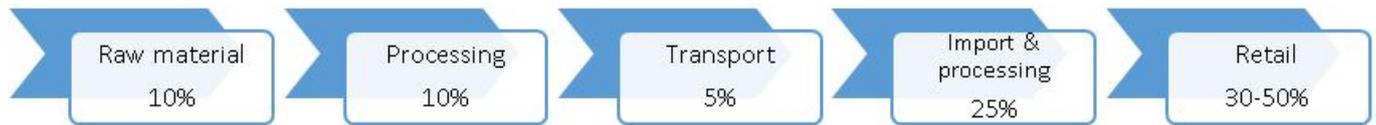
## 5 . What are the end-market prices for value-added spices and herbs?

European retail prices for spices and herbs are much higher than global trade prices. However, exporters from developing countries do not necessarily profit from these trade prices. European processors and retailers add large price margins. If you manage to add more value to your product, you are able to ask for a higher price. However, this really depends on the quality and level of processing you are able to provide.

Figure 6 gives an indicative price breakdown for spices and herbs. Actual margins differ, based on various factors such as the:

- country of origin;
- current and expected future harvest situation;
- quality of the raw material;
- level of processing (especially for valueadded products, the level of processing has a very large influence on the price you are able to receive: in general, the higher the level of processing, the higher the price, although you should note that competition is also stronger);
- level of demand.

Figure 6: Indicative price breakdown for spices and herbs



Source: ProFound

The table below gives an overview of price examples for spices and herbs sold in the European retail market. Although not all of these are packed in countries of origin, they give an indication of the prices you can expect at the retail level in Europe.

Table 2: Price examples for spices and herbs on the European retail market (2018)

Product	Brand	Place of Packing	Price per unit	Price per kilogram
Hot Curry powder	Verstegen	Packed in Europe	€1.99 per 35g	€56.86
Curry Madras	Euroma	Packed in Europe	€3.66 per 90g	€40.67
Thai Green Curry paste	Aromax, Thai brand	Packed in Thailand	€1.75 per 77g	€22.73
Spice mix with cumin	Goya Adobo	Packed in Europe	€2.20 per 226g	€9.73

Source: [Albert Heijn](#), [Amazing Oriental](#)

### Tips:

- Make sure that your prices reflect the quality and level of value addition of your product.
- Check how the prices for spices and herbs on the market develop. Search the internet for recent reports. [Nedspice](#), [PBA brokerage](#), [Indian Spice Board](#) and the [International Trade Centre](#) regularly publish useful crop and price reports.
- Keep up to date about currency developments, for example on websites such as [Oanda](#).
- See our studies on [specific spices and herbs](#) for additional information on prices of spices and herbs.

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