

Exporting fruit seed oils to Europe

The growing importance in Europe of marketing stories and the increasing use of natural ingredients lead to opportunities for fruit seed oils, especially since health-conscious European consumers associate fruits with freshness and health benefits. These oils are by-products of the fruit processing industry. Fruit seed oils are speciality oils used for their emollient and conditioning properties, as well as for their marketing value.

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1. Product description

Fruit seed oils are vegetable fats extracted from fruit seeds. Often, these seeds are a by-product of the fruit processing industry. Most fruit seed oils are produced by cold pressing the seeds. In some cases, the oil content of fruit seeds is too low for cold pressing. For these seeds, you need solvent extraction technology to produce the oil. For example, seeds from berries such as blackcurrant and sea buckthorn are commonly produced using CO2 extraction. According to natural certification standards, solvent extraction methods other than CO2 and solvents from plant origin are generally not accepted.

Examples of fruit seed oils include:

- grape seed oil;
- mango kernel butter;
- papaya seed oil;
- oils of the seeds of red berries such as raspberry and strawberry;
- apricot kernel oil;
- baobab seed oil.

At a basic level, fruit seed oils have similar functional properties to other vegetable oils: emollient (softening the skin) and conditioning. However, fruit seed oils differ in their fatty acid composition. This composition affects for which purpose and in which way they can best be used in formulations. For example, baobab seed oil is high in omega-9, passion fruit seed oil is high in omega-6 and strawberry seed oil is high in omega-3 fatty acids.

The European cosmetics industry uses fruit seed oils in a variety of skin care products such as face creams and body lotions. In these products, fruit seed oils are used to soften and condition the skin. Manufacturers also use these oils for their marketing potential.

See Table 1 for the classification of various fruit seed oils. These codes and ingredient names are used to identify a product in documentation (as listed in CosIng and with a CAS number) or in trade (through Harmonised System codes).

Table 1: Classification of fruit seed oils

Source	Classification
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<p>CosIng: European Commission database with information on the International Nomenclature of Cosmetic Ingredients (INCI) cosmetic substances and ingredients</p>	<p>CosIng lists numerous fruit seed oils, including:</p> <ul style="list-style-type: none"> • <i>Carica papaya</i> seed oil (papaya) • <i>Fragaria ananassa</i> seed oil (strawberry) • <i>Passiflora edulis</i> seed oil (passion fruit) • <i>Adansonia digitata</i> seed oil (baobab)
<p>Chemical Abstract Service (CAS) Registry Numbers</p>	<ul style="list-style-type: none"> • 84012-30-6 (papaya) • 97676-26-1 (passion fruit) • 91745-12-9 (baobab)
<p>Harmonised System codes (trade)</p>	<ul style="list-style-type: none"> • Vegetable oil: 1515.90 (other fixed vegetable oils and fats, refined or not, not chemically modified)

Source: [European Chemicals Agency](#), [CosIng](#)

2. What makes Europe an interesting market for fruit seed oils for cosmetics?

Growing European imports of speciality oils

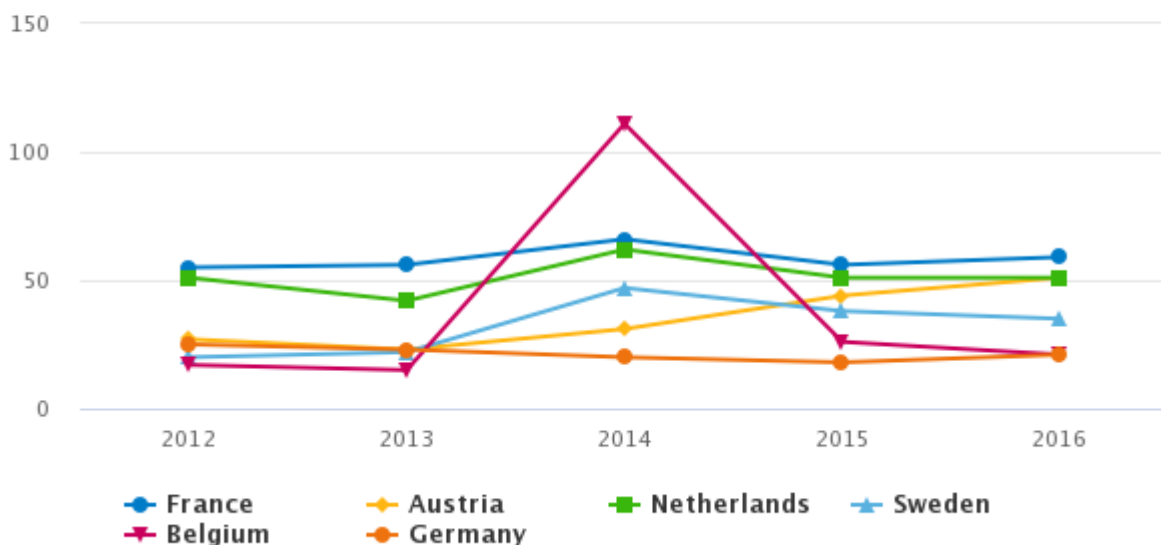
There are no specific trade data on fruit seed vegetable oils. However, trade data on non-commodity vegetable oils show an increase in imports. These speciality oils, which are traded in smaller quantities, are not elsewhere specified in trade statistics and are covered under Harmonised System code 1515.90.

European imports of these speciality vegetable oils grew by 6% annually from 2012 to 2016 in terms of volume. In 2016, the imports amounted to 321,000 tonnes at € 713 million.

Vegetable oils are used in a wide range of industries. Industry sources indicate that speciality vegetable oils are predominantly used in cosmetics. However, it is not possible to specify the share of imports used in cosmetic products.

**Figure 1: Leading European importers of speciality oils
2012–2016**

in 1,000 tonnes



Source: Eurostat

Figure 1 gives an overview of the six leading European importers of speciality vegetable oils:

- France is an interesting market for speciality vegetable oils used in cosmetics. However, only 9% of the country's imports in 2016 originated from developing countries. France's main suppliers are European vegetable oil producers (Spain) as well as traders and processors in the Netherlands, Germany and Belgium.
- Austria's imports from 2012 to 2016 grew more quickly than the European average. However, direct imports from developing countries are negligible. In 2016, Austria's main suppliers included Italy, the Netherlands, Germany and Lithuania.
- The Netherlands is the largest importer of vegetable oils from developing countries. In 2016, 63% of the country's total imports of speciality oils originated from developing countries. The Netherlands houses several large oil refineries and traders. Its main suppliers outside of Europe include Ghana, China, Burkina Faso and Benin.
- Swedish imports increased by 16% annually over the last five years. Over 95% of Swedish imports of speciality oils originate in Denmark. Denmark is home to large vegetable oil producers and refineries, such as [AAK](#).
- While Belgium's total imports of speciality oils increased by 6% annually, Belgian imports of such oils from developing countries more than tripled over the last five years. The imports from developing countries increased by 40% annually, which is much higher than the European average. Belgium's main suppliers outside of Europe are Ghana and India. The total imports of speciality oils increased at a much lower rate, with the exception of 2014. The high reported imports for this year are likely an anomaly in the trade data.
- Germany is an important trade hub for high-value vegetable oils. However, in the last five years, the country's imports of speciality oil decreased by 5% annually. Germany's main suppliers in 2016 included the Netherlands, Italy and Austria.

Although Italy, the United Kingdom and Switzerland are smaller importers of speciality vegetable oils, these countries are interesting markets for your oils. Italy and the United Kingdom import a relatively large share directly from developing countries, between 35 and 38% in 2016. Swiss imports from developing countries experienced a strong growth in the last five years (by 9% annually).

Tips:

Target countries with high or growing imports of speciality oils from developing countries, such as the Netherlands, Belgium, Italy, the United Kingdom and Switzerland. These countries also serve as trade hubs for other countries in Europe.

Approach French importers to determine their interest in importing directly from developing countries. This option might be a valid strategy for specialty oils traded in larger volumes.

Conduct additional market research for more insight into the differences between the countries mentioned above. Use free statistical databases such as [ITC Trademap](#) or the [EU Export Helpdesk](#). Look for trends on websites such as [Cosmetics Design Europe](#).

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. Relevant trade fairs in Europe are [Vivaness](#) and in particular [in-cosmetics](#).

European cosmetic industry finds inspiration in food ingredients

The [lines between cosmetic and food ingredients are increasingly overlapping](#). More and more, cosmetic brands use natural food ingredients in their formulations that are closely associated with foods. European consumers already know these ingredients. They associate fruits with freshness, natural food and health benefits. In a society that is increasingly aware of the importance of healthy lifestyles, fruit seed oils offer great opportunities for cosmetic brands to stand out from the competition.

Oils from superfoods or superfruits, such as baobab, açai and pomegranate seed oils, are especially popular in cosmetics. They usually have a rich nutritional composition and possible health benefits, such as high [omega-3 and omega-7 fatty acids](#).

Vegetable oils are one of the most important ingredients used in natural cosmetics. Cosmetic formulators like to choose from a range of different oils in order to stand out from their competition.

Tips:

If you produce an oil from a superfood, do not market your product as a superfood. This strategy is seen as an unauthorised claim. Perform some basic testing on skin or hair to find actual cosmetic benefits. Link these benefits to the composition of your fruit seed oil. Always consider the costs and benefits of such tests first. This information can improve the durability of your ingredient on the market. In other cases, you might be able to use data from public sources.

Attract the attention of your buyers by showing what claims they could make with your ingredients. Always substantiate these claims and ensure that they conform to cosmetic legislation. Very often, such claims are related to the fatty acid composition of your oil. Cosmetic brands decide which claims they make on final products. See the chapter on Competition for more information on how to stand out on the market.

Natural cosmetics continues going strong

European sales of natural cosmetics grow more rapidly than the sales of conventional cosmetics. This development offers opportunities for fruit seed oils. There continues to be a strong public perception in Europe that natural ingredients are safer and healthier than synthetic substitutes such as silicones.

According to the Kline group, the global market for natural cosmetics amounted to \$ 33 billion in 2015 (€ 29 billion). This figure is 13% of the total cosmetics market (Brands with a Conscience, Ind & Horlings, 2016). The market is predicted to grow to \$ 50 billion (€ 44 billion) in 2019. [Certified natural cosmetics make up 45% of this market](#), while the remaining 55% consists of near-natural cosmetics.

Germany, France and the United Kingdom have the highest number of natural product launches and a strong focus on innovation. Switzerland and Italy are also important markets for natural cosmetics.

Tips:

Find additional information on natural and organic cosmetics in our study of [Trends for natural ingredients for cosmetics](#).

See our study of [Buyer requirements for natural ingredients for cosmetics](#) for more information on certifications for natural ingredients. Always discuss these options with your buyers. It only makes sense to certify your fruit seed oils according to natural or organic standards if the final product is also certified.

Growing importance of marketing stories

European consumers are increasingly interested in the story behind the cosmetic products that they use. At the same time, cosmetic companies want their products to stand out from the competition. In addition to developing products that stand out, they use marketing stories to achieve this goal. For example, [Natura](#) (Brazil) and [RAIN](#) (South Africa) have been very successful in marketing their products on the basis of a key ingredient. Fruit seed oils can be an important component of such stories. Cosmetic brands commonly add these oils for their marketing value.

Consumers are especially keen on ingredients with an [interesting provenance](#). For example, there are oils that:

- come from a fascinating, exotic or mystical origin. Examples of such origins are Polynesia/Tahiti, the Amazon, the Andes and the Himalayas. Fruit seed oils include açai oil from the Amazon and baobab oil with its iconic tree;
- are produced with traditional or specific local production processes;
- are associated with traditional use or local beauty rituals;
- are associated with health, such as fruits (see the trend that the [European cosmetic industry finds inspiration in food ingredients](#));
- are ethically sourced. Ethical claims are increasingly important to consumers, who are also becoming more critical. Cosmetic brands need to get the story behind these ethical claims right. Wild-collected fruit seed oils are especially interesting in this respect, such as [marula](#), [ximenia](#) and [baobab](#). In their marketing, cosmetic brands emphasise the benefits to local communities of collectors.

Cosmetic producers communicate their best ingredient stories in different ways:

- showing pictures of the ingredient or its origin on the end product or in marketing materials;
- adding short stories on the end product;
- using stories to build their corporate image, reputation or brand.

Certification of your fruit seed oils can add to your marketing story. Organic certification in particular can be interesting for fruit seed oils. You could use this certification to target organic cosmetics.

Fair Trade certification is less relevant for fruit seed oils. However, you can use this certification to support your ethical claim. In addition, if buyers do not require Fair Trade certification right away, specialised buyers may ask

you to become certified in order to support your claims.

Tips:

Work out a marketing story for your fruit seed oil. What sets your oil or your company apart from competitors? For example, does it come from an exotic origin? Can you link it to a traditional use in cosmetics? Is it used in local beauty rituals? What benefits do you provide to local communities? Determine which story is the most attractive for your targeted market segment.

Provide your buyers with good-quality pictures or videos to support your marketing story; for example, pictures of the exotic origin of your fruit seed oil and traditional or local production processes.

If you make an ethical claim for your fruit seed oil, support this claim with evidence. Which benefits does your product offer to local communities, how many communities are you helping? Provide your buyers with specific information and figures. Be honest about your impact.

Be prepared to support statements that you make with documentation. You also need to prove your policies on Corporate Social Responsibility.

Popular fruit seed oils in 2017

Fruit seed oils from different fruits can be in fashion at different times. According to industry sources, it takes considerable investment and time to introduce completely new vegetable oils on the market. However, fruit seed oils can be “new” in terms of marketing, story or certification.

Exotic fruit seed oils are still going strong, such as mango kernel butter, papaya and passion fruit seed oil.

Pomegranate seed oil is also in demand for its antioxidant properties and superfruit image.

African fruit seed oils are trendy, such as marula and baobab. The demand for marula oil has increased sharply, as it is used in mainstream hair care products such as Tresemmé and Paul Mitchell products. At the same time, available supplies of baobab are growing rapidly from different parts of Africa, as more companies jump on the bandwagon. This development could mean that supply may outweigh demand in the coming years, creating surpluses and a drop in prices.

Tip:

Keep up to date with developments in fruit seed oils; for example, by checking the websites of [Cosmetics-Design](#) and [in-cosmetics](#). Make sure that the oils which you want to export are in demand on the European market.

3. Which requirements must fruit seed oils comply with to be allowed on the European market?

Requirements for cosmetic ingredients

You can only export your fruit seed oils to the European cosmetics market if you comply with the legal [requirements for natural ingredients for cosmetics](#). These requirements include:

- relevant [European cosmetics legislation](#) (Regulation (EC) 1223/2009);
- well-structured product and company documentation to supply to your buyers;
- [Registration, Evaluation and Authorisation of Chemicals](#) (REACH). Non-chemically modified vegetable oils do not need to be registered;
- [Classification, Labelling and Packaging of chemicals](#) (CLP). You can also discuss this requirement with the freight forwarder or transport company, who will usually be happy to advise you.

Tips:

See our [Tips for doing business](#) for additional information.

See our workbook on [Preparing a technical dossier for cosmetic ingredients](#) for more information and tips.

Allergen legislation for cosmetic products

The European Union Cosmetics Regulation lists 26 fragrance allergens with a well-recognised potential to cause allergy. However, in 2012, the Scientific Committee on Consumer Safety (SCCS) concluded that the current regulations on fragrance allergens are insufficient. They identified more than 100 additional individual substances and natural extracts as probable contact allergens. The SCCS recommends that consumers should be informed of whether cosmetic products include these additional allergens as well.

As a result, European buyers expect new, stricter legislation on the testing and communication of fragrance allergens. Although vegetable oils are not used as fragrance ingredients, the industry and legislators are increasingly aware of the risks that allergens pose. For vegetable oils, allergens are related to the protein content of the oil (see Labelling and documentation requirements below).

Tips:

Check the website of the [Scientific Committee on Consumer Safety](#) for updates.

For changes to the cosmetics legislation, see the [EUR-Lex website of the European Union](#), where legislation and amendments are published.

See our study of [Buyer requirements for natural ingredients for cosmetics](#) for additional information.

Access and Benefit-Sharing

You also need to comply with requirements derived from international treaties on using and trading plant resources.

The Nagoya Protocol contains terms and conditions for companies that want to carry out research and development on genetic resources or to benefit from traditional knowledge. It aims to make sure that the [benefits of genetic resources and traditional knowledge](#) are shared in a fair and equitable way. This process is called Access and Benefit-Sharing (ABS).

European companies are now legally required to follow those laws that are in force in your country regarding Access and Benefit-Sharing. Gradually, countries are implementing legislation in order to govern access to genetic resources.

You will need to find out whether the use of the genetic resources falls within the scope of the ABS legislation in

the country of origin. If it does, European companies will need evidence that the entire upstream supply chain in the country of origin complies with those national laws.

Anyone who carries out R&D, including the buyer downstream in your supply chain, has ABS obligations under the Nagoya Protocol. They will be responsible for compliance with ABS but might ask you for help. The national legislation in the country of origin also defines the specific meaning of R&D or “utilisation” of genetic resources.

Tips:

See our study of [Buyer requirements for natural ingredients for cosmetics](#) for more information.

Develop a procedure to check whether ABS applies to every new genetic resource or traditional knowledge that you want to develop. This process includes knowing the local context and officials.

Have a look at the [CBD website](#) for more information, which also includes country profiles.

Additional buyer requirements

Many buyers have additional requirements that can go beyond legislation and standards. These elements are established in buyer specifications and include the following requirements:

- delivering a good and reliable level of quality by following basic practices such as [Hazard Analysis & Critical Control Points](#), or [Good Manufacturing Practices of the European Federation for Cosmetic Ingredients](#) if you want to do more;
- being a sustainable supplier in order to ensure the future availability of your ingredients. Avoid overharvesting of wild plants, provide living wages to your collectors and ensure that you can deliver a stable quality and quantity of essential oils. Certification of these sustainable practices is only a requirement for niche markets;
- showing good Corporate Social Responsibility practices such as developing a code of conduct and improving your performance in key areas (for example, banning child labour and limiting damage to the environment).

Voluntary standards and certifications

Standards for cosmetic ingredients include:

- natural cosmetics, the largest and most important niche market – [NaTrue](#) and [Cosmos](#);
- organic cosmetics – [Soil Association](#) (the United Kingdom) and [Ecocert](#) (France) also certify according to the Cosmos standard for natural and organic cosmetics. [BDiH](#) (Germany) also has its own standard;
- the [ISO 16128 standard](#) as an alternative minimum self-certifiable standard, which covers definitions and criteria for natural and organic cosmetic ingredients and products. Buyers of cosmetic ingredients expect that private-sector standards will continue to remain the standard for natural and organic cosmetics in Europe, until Europe introduces legal standards. However, the ISO standards are an option for small producers for whom certification according to a private standard is too expensive or not required;
- fair production, a small niche market in terms of certified cosmetic ingredients – [Fairtrade](#) and [FairWild](#) (for wild-collected ingredients).

Quality requirements

The quality of fruit seed oil depends on the processing of the seeds. You need to dry the seeds in order to keep the moisture content low and you need to prevent contamination. European cosmetics manufacturers need oils with a minimum of impurities such as mineral matter, gums, and carbohydrate substances including vegetable fibres and protein.

The oil’s freshness and age strongly impact its quality, as does the proper storage of the oil and raw materials.

Proper packaging helps to prevent oxidation, which turns the oil rancid. See the tips for packaging below.

European buyers often test the peroxide level of the oil. If these levels are too high, it implies that the oil is old or has been left open.

Tips:

Keep the moisture content in seeds low to decrease the chance of moulds and rancidity during storage.

Process fruit seeds in a way that matches your buyer's preferences and specifications.

Keep facilities and equipment clean to prevent contamination with foreign materials. Produce your fruit seed oils with a minimum of impurities.

Filter your oil to remove press cake particles. Use plate and frame filters for unrefined oils. Make use of other filter systems to achieve an impurity of 2 microns or less for refined oils.

Do not blend or add additives to the oils unless your buyer requests them. Buyers prefer pure oils. They need to know whether any preservatives have been added.

Create a standardised product with a well-defined specification. Develop and monitor standard operating processes for harvesting and processing. Use seeds or oils from different crops to standardise your product's quality; for example, by combining early and late crops, or by using crops from different slopes or areas.

See our study of [Preparing a technical dossier for cosmetic ingredients](#) for additional information.

If you produce organic fruit seed oils, dedicate your processing plant or a specific processing line to produce only organic oils. This process helps to avoid contamination from non-organic particles. If you cannot do so, clean your machinery and equipment thoroughly between conventional and organic production.

Labelling and documentation requirements

You need to comply with the following requirements when labelling your fruit seed oils:

- Set up a registration system to identify and trace individual batches of your fruit seed oils, whether they are blends or not, and mark them accordingly to ensure traceability.
- Label your products in English, unless your buyer wants you to use a different language.

Your labels must include:

- product name/INCI name;
- batch code;
- place of origin;
- name and address of exporter;
- date of manufacture;
- best-before date;
- net weight;
- recommended storage conditions.

For organic fruit seed oil, include the name/code of the inspection body and the certification number.

You also need to provide your buyer with the following [documentation](#):

- Technical Data Sheet (TDS) (check [this example of a TDS for marula oil](#));
- certificates of analysis (check [examples for different vegetable oils and fats](#));
- Safety Data Sheet (SDS);
- GMO certificate (if requested);
- certificate of origin;
- product information sheet;
- 100% composition of the oil;
- Fatty Acid Profile – the primary indicator of the properties of a vegetable oil;
- allergen declaration (protein content; see [examples of a declaration for apricot kernel and blackcurrant seed oils](#)). This process is especially important if you are selling directly to a cosmetics manufacturer.

Tips:

See our study of [Buyer requirements for natural ingredients for cosmetics](#) for information on classification, labelling and packaging (CLP).

See our manual on [Preparing a Technical Data Sheet](#) for more information (it includes information on preparing a Safety Data Sheet).

Packaging requirements for fruit seed oils

Packaging requirements differ per buyer and fruit seed oil. However, there are some general requirements that you have to take into account in order to preserve the quality of the product. See the tips below.

Tips:

Always ask your buyer for their specific packaging requirements.

Use containers of a material that does not react with components of the oil, such as lacquered or lined steel or aluminium. You can also use polythene lined boxes (25 kg).

Clean and dry the containers before loading the oil.

Fill the headspace in the container with a gas that does not react with constituents of the oil, such as nitrogen or carbon dioxide.

Store containers in a dry, cool place to prevent quality deterioration.

If you produce Organic certified fruit seed oils, physically separate them from oils that are not certified.

See our study of [Buyer requirements for natural ingredients for cosmetics](#) for information on classification, labelling and packaging (CLP).

4. What competition do you face on the European market for fruit seed oils?

Market entry barriers

If you already produce fruit juice, you can add seed oil production to your activities in order to benefit from market diversification and add value to your waste materials. You need to determine whether fruit seed oil

production is feasible:

- Can you produce oils at a sufficient quality, quantity and price?
- Can you find sufficient interest from buyers?
- Which investments do you need to make and can you recover these investments?

Market entry barriers for most fruit seed oils are quite low in terms of the technology that you need and the European legislative requirements. You may need significant investments if solvent extraction is required, such as for mango seed oil. For most seeds, cold pressing technology should be adequate.

The type of equipment and technical know-how that you need in order to ensure the right product quality depends on the complexity of the extraction process.

To access the European market, you need to supply stable, regular quantities of oils at a consistent quality. Your buyer needs to be reassured of the stability of the supply. For small companies, 25 kg a year could be sufficient, whereas large buyers will need higher volumes. You should discuss this aspect with your potential buyer.

Market entry barriers are much higher in terms of differentiating your oil in the market. See the Product competition section below for more information.

Fruit seed oils also require a strong marketing campaign in addition to high quality. Cosmetics companies use these oils for their marketing benefits (see the trend for growing importance of marketing stories).

You need to show good practices in terms of the supply chain:

- processing
- use
- availability
- traceability

It is very important to have documented processes in order to understand how you manage risks on all of the above points. Ideally, you will certify some or all of those processes.

Adding fruit seed oils to your range of products widens your portfolio and boosts profitability. Fruit seed oils are interesting by-products of food or juice production. This fact also means that some fruit seed oils are traded in large volumes, such as citrus, mango, strawberry and passion fruit seed oils. It may be difficult to enter these established markets. You will need to be able to supply high and stable volumes of oils in order to enter the market.

If you produce fruit juice or other fruit products, investigate the fruit seeds to see whether they are interesting for fruit seed oil production. This decision depends on several factors:

- potential oil yield from the seeds;
- buyer interest and/or marketing potential;
- production possibilities and costs;
- interesting composition in terms of fatty acid profile, acid and iodine values, or peroxide levels;
- current market and market potential.

Tips:

Conduct a feasibility study to determine whether your fruit seed oil has sufficient potential on the market and is worth the investment. Through analysing the composition of the oil, examine the oil's functionality or efficacy, safety and market opportunities. Market opportunities should also be based on the price and availability of the raw materials.

Comply with market access requirements in terms of quality control, traceability and sustainability. You need to show where your oil comes from and where it is processed.

Determine which extraction method is required for your fruit seed oil and which investment you need to make. If you need a high investment, you can consider sharing the investment costs with other fruit seed producers.

Prepare detailed product documentation on the product, its technical, safety and efficacy data, as well as professional samples. Increase your capacity for safety testing and monitoring to do so.

Set aside sufficient funds for a marketing campaign. This process may be a costly part of your promotion activities, but it is important to demonstrate the benefits that your product can offer to new potential buyers.

Determine to what extent you can enter markets for established fruit seed oils. Can you supply sufficient volumes at a stable quantity and an attractive price?

For more information and tips, see our [Tips for doing business](#).

Product competition

You need to differentiate your fruit seed oil from competing products on the European market, such as:

- vegetable oils, fats and waxes – these products have similar properties to fruit seed oils. However, fruit seed oils can stand out from these oils with their marketing potential. Examples include high-volume oils such as coconut, palm and olive oil, as well as speciality oils such as argan oil;
- synthetic alternatives – several well-established ingredients are on the market, which have a proven effectiveness and have been standardised. Examples include silicones, petroleum jelly and synthetic emulsifiers;
- glycerine – a cheap humectant, derived from vegetable oils.

Invest time and money into a marketing campaign. Not all fruit seed oils will succeed.

Be aware that there are fashions in fruit seed oils (see the section above on what makes the European market interesting). As these oils are commonly used for their marketing appeal, what is popular at one point can be replaced with other oils when the trends change. Red berry seed oils, such as cranberry or raspberry seed oils, were very popular a few years ago. However, a European buyer indicated that there are few new cosmetic products building their marketing on these oils.

You have several options to stand out from the competition with your fruit seed oil, such as:

- developing an oil with popular properties (related to relevant market trends);
- developing interesting marketing stories, based on the oil's origin and marketing appeal;
- certifying your extracts, especially Organic. These certifications can help you to target high-end and organic cosmetic brands;
- excelling in Corporate Social Responsibility (CSR) – because buyers expect you to have some CSR, it is difficult to get a better price through this process. This aspect is becoming a basic market requirement;
- improving access to resources/sustainability of the resource;
- producing a fruit seed oil at competitive prices.

If a manufacturer has already included a particular fruit seed oil in a cosmetic product or product range and built up its market, they will not likely switch to a new ingredient. However, if a manufacturer is developing a new product or product range, they are more willing to buy new ingredients.

Table 2: Example of product substitution for fruit seed oils

	Marula seed oil	Passion fruit seed oil
Comparative profiles	<p>Both fruit seed oils when unrefined have significant antioxidant activities. Their composition of fatty acids is different: marula seed oil is high in omega-9 fatty acids, whereas passion fruit seed oil contains high levels of omega-6 fatty acids. Oils with a different fatty acid profile can have different skin feel characteristics.</p> <p>Both oils are used in a similar manner within cosmetic products.</p>	
Competitive advantages	<ul style="list-style-type: none"> • <i>Availability</i> of marula seed oil is lower, thereby increasing the risk of irregular supplies. It is difficult to obtain a stable supply. • <i>Marketing potential</i> for marula seed oil is higher. The oil is iconic to Africa, where the fruits are collected from the wild. The seed oil has a long-standing history of use as a cosmetic ingredient. 	<ul style="list-style-type: none"> • <i>Availability</i> of passion fruit seed oil is better. The fruits are cultivated and the oil is traded in large volumes. Oil can be a by-product of the juice industry. • <i>Price</i> of passion fruit seed oil is lower. • <i>Marketing potential</i> for passion fruit seed oil is lower, as it cannot show such an attractive provenance.

Tips:

Determine the chances of substitution for your product. Find out which competing ingredients you should include in your market analysis. Have a look at Table 2, which gives some considerations for product substitution by comparing the competitive advantages of two fruit seed oils: marula seed oil and passion fruit seed oil.

Investigate whether and show how your fruit seed oil can substitute other oils and butters. Compare the properties of your oil and the fatty acid composition with those of the oil's alternatives. Communicate this information in a clear and attractive way.

Use your promotional campaign to explain the benefits of your fruit seed oil compared to competing vegetable oils. For instance, focus on its origin or its more attractive properties. You can also stand out as an exporter; for example, by offering additional services, more attractive payment terms and price, or providing better delivery options.

Company competition

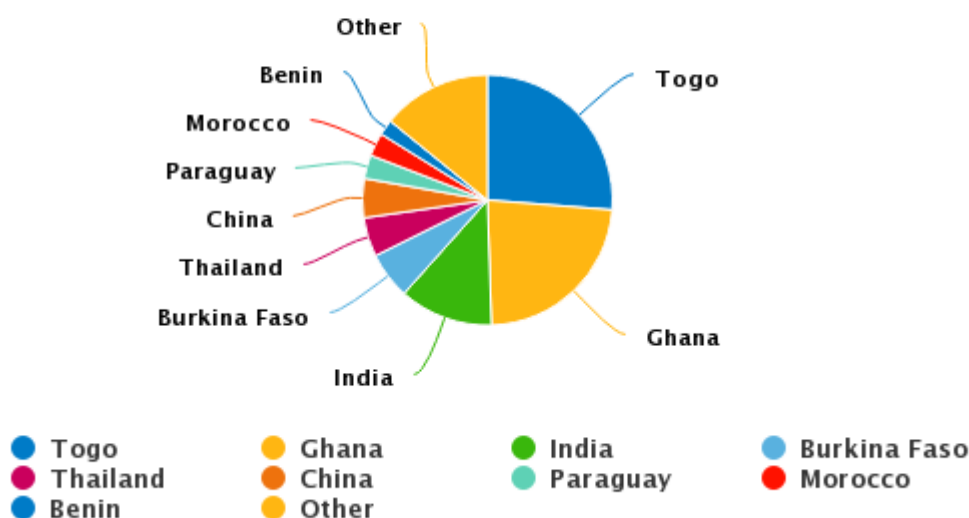
In most cases, other suppliers can deliver the same product as you. To differentiate your fruit seed oils from rivals on the market, you need to find your unique selling point. You can find more information under Product competition above.

Along with finding a unique selling point for your product, you should also build your company reputation to stand out from your rivals. Industry stakeholders indicate that companies increasingly use their reputation to stand out from the competition, instead of focusing on the individual products which they produce.

Having a strong company reputation based on trust may make it easier to stand out from the competition and improve your negotiation position. Buyers are less likely to switch to another supplier if they trust your company. This process also means that if you damage the relationship which you have with your buyers, they will be more susceptible to new suppliers.

**Figure 2: Leading suppliers from developing countries
2016**

in % of total share



Source: Eurostat.

These countries produce several speciality vegetable oils, not all of which are used in cosmetics or can be classified as fruit seed oils. However, as these oils can be used as substitutes, the countries that produce them are potential sources of competition. Examples of speciality oils from these countries include:

- Jatropha oil;
- Argan oil;
- Shea butter;
- Allanblackia seed oil;
- Kombo butter.

These countries are also known to produce several fruit seed oils such as mango seed oil, baobab oil and marula oil.

Expect strong competition from established suppliers, especially for large-scale products. Depending on the fruit seed oil that you produce, you can face competition from various sources:

- eastern Europe – red fruit and berry seed oils;
- India – mango butter;
- South America – passion fruit seed oil, açai oil, oils from other palm fruits;
- Africa – marula, baobab, passion fruit seed;
- Turkey, Pakistan and countries in the Middle East – pomegranate oils, apricot kernel oils, sea buckthorn.

Tips:

Promptly answer questions and requests from your potential buyers. Be open and honest in your communications. Keep your promises and be transparent about non-compliance.

Demonstrate that you are a reliable supplier in terms of quality consistency, delivery, packaging, service delivery and supply security.

Organise your supply chain to differentiate your company on the market. Make sure that your supplies are traceable, sustainable and well documented.

If you work with suppliers, give them clear standards on the collection and/or processing of seeds that you buy from them in your own specifications. If your suppliers lack technical or human resources capacities, include pictures in your specifications and train them on how to comply with these standards.

Establish clear agreements on the amount and quality of seeds that you buy from your suppliers. Build trust and be consistent in your purchases of raw materials.

See our study of [shea butter](#) for information and tips on this product.

5. Through which channels can you get fruit seed oils on the European market?

Which market segments to target?

In order to determine which market segment you should target with your fruit seed oils, you need to answer the following questions.

1.What does your fruit seed oil do?

You need to determine how the functionality of your fruit seed oil compares to the general functional properties of vegetable oils and fats. Does it have a similar function? In [CosIng](#), various fruit seed oils are registered with emollient (skin softening) and skin/hair conditioning properties. You can use the fatty acid composition of your oil as a basis to show that your oil has such properties.

In addition, similar to other vegetable oils, fruit seed oils are used for their claims of moisturising effects, provided that the levels of use in a finished product justify the claim.

2.For which industry segment is your fruit seed oil useful?

Fruit seed oils can be used in practically all industry segments:

- skin care;
- hair care;
- toiletries (such as soaps and body washes).

Of these segments, fruit seed oils are most commonly used in skin care products. Products include body and face creams, body lotions and lip balms.

If used as base oils, they make up a large part of the product. Percentages of fruit seed oils in a final product can reach up to 100% (such as massage oils). Most skin and hair care products contain lower percentages.

3. For which kind of market party is your fruit seed oil interesting?

Both natural and conventional cosmetic brands are interested in fruit seed oils. Examples include the small producer [Dr Jackson's](#) (the United Kingdom) and the large brand [Rituals](#) (the Netherlands). Fruit seed oils are already used in a wide range of products.

If you can ensure stable quantities and qualities, large cosmetic brands offer good opportunities. If you produce a speciality fruit seed oil, natural cosmetic brands can be a good choice.

4. What is your unique selling point?

As fruit seed oils are used for their marketing appeal, you need to find out how your product stands out from this competition in terms of its marketing story. What makes it different or special? For example, does it have an exotic origin or is it used in traditional beauty rituals? See the trend for growing importance of marketing stories for more information.

Your oil can also stand out because of an interesting composition; for example, an oil that is high in omega fatty acids, such as [sacha inchi oil](#). If your oil has low rancidity issues, such as marula oil, formulators can use fewer preservatives in their final product.

Tips:

Use the [properties of fruit seed oils as registered in CosIng](#) or as listed on websites of European manufacturers of cosmetics products in your promotional materials. Do not use terminology that is not used on the market.

Collaborate with a local university department or laboratory to determine the composition of your fruit seed oils, as well as the fatty acid profile, for a 100%. You need to include this information in your product documentation.

Determine the oxidation level of your fruit seed oil. This figure depends on the oil's content of free radicals and the oil's level of antioxidant activities. If you produce a stable oil with a low oxidation level, cosmetic producers might be able to reduce their use of preservatives. Use this aspect in your marketing message.

Have a look at websites such as [Cosmetic Analysis](#), where you can find cosmetic products that use fruit seed oils. This information can help you to determine what your fruit seed oil is used for and by what type of cosmetic producers.

See our study of [Doing business](#) in natural ingredients for cosmetics for additional information.

Fruit seed oils are mostly exported to Europe as crude or refined oil. European importers are your most important entry point into the market. They will supply the oil to refiners or processors, or directly to cosmetic manufacturers for certain products.

Most cosmetic producers prefer to use refined oil. However, some will accept oils that have undergone a good filtration process. Refining decreases the shelf life of an oil, as natural antioxidants are removed. Crude fruit seed oil goes to the refining industry in order to remove odour and colour. This process is commonly done in Europe. You can also research whether you can refine oils yourself.

However, various cosmetic manufacturers prefer to use crude oil directly. The reason is that the refining process also takes away attractive characteristics of an oil, such as active properties.

You can often do oil filtering at the source. Whether or not further processing steps, such as refining, are feasible in the country of origin depends on the follow points:

- Can you assure sufficient oil quality?
- Do you have sufficient volumes available in order to make refining profitable?
- What are your buyer's needs?
- Can you arrange the logistics?
- Is there sufficient demand for your refined oil?

It is very rare for small exporters from developing countries to supply processors and manufacturers directly. Reasons for this situation include the following:

- Small exporters cannot provide sufficient volumes.
- A high number of suppliers is an unattractive prospect to these buyers.
- Their delivery times are too long.
- The quality is too low to be used in cosmetic products directly.

Tips:

Supply a combination of fruit seed oils. This strategy can make you more interesting to potential buyers.

If you cannot produce sufficient quantity and quality of fruit seed oils yourself, link up with other producers.

Do a feasibility study in order to find out whether you could set up installations to refine fruit seed oils yourself. Find out which installations you would need in order to meet your buyer's requirements for refined oil and determine whether you can earn a return on your investment.

Benefit from the experience and knowledge of European importers instead of approaching end-users directly.

If you produce certified fruit seed oils, check the websites of buyers to find out whether they work with certified ingredients. Buyers that do not do so are unlikely to pay a premium for your certification.

Visit and participate in trade fairs to test market receptivity, to obtain market information and to find potential business partners. The most relevant trade fair in Europe for exporters of fruit seed oils is [in-cosmetics](#). Other options include [Beyond Beauty](#) (Paris, France), [SANA](#) (Bologna, Italy) or [Vivaness](#) for organic producers (Nuremberg, Germany).

Find potential buyers by identifying finished products on the market that already use fruit seed oils. For example, check websites such as [Cosmetics Analysis](#).

6. What are the end-market prices for fruit seed oils?

Similar to other vegetable oils, the price of fruit seed oils generally depends on:

- exclusivity and novelty of the oil vs. availability – popular oils with a limited availability can sell for a higher price;
- price of the raw material vs. oil yield – if the price of your raw material is high, it would increase the price of your oil. However, if the oil yield is high, this fact could allow you to improve your margins or decrease your price if needed;
- certifications – certified fruit seed oils could sell for a higher price, as long as you are able to find customers willing to pay for the certificate.

Quality also impacts the price, but it is a subjective factor. You need to comply with legal requirements as a minimum quality. Beyond that aspect, your buyer will decide how they define “high quality”; for example, in terms of the composition or properties for which they are looking. You need to find a buyer who values what you can offer and who is willing to pay more than other importers.

However, the market for fruit seed oils is less sensitive to price when compared to commodity vegetable oils. In this sector, high quality and marketing potential are also important to European buyers, and can merit a higher price. The higher the price, the less is it used in the final product.

Prices for fruit seed oils range between € 8 and € 50 per kg. Most fruit seed oils are placed at the lower end of this price range. However, prices can increase substantially for an exclusive and highly demanded oil that is in low supply. Some higher-priced fruit seed oils include:

- cherry seed oil (€ 30 per kg);
- strawberry seed oil (€ 50 per kg);
- cranberry seed oil (€ 50 per kg).

Tips:

For your specific fruit seed oil, monitor harvests in major production countries to anticipate price developments.

Calculate your production costs by using a detailed cost breakdown from raw material to market. Do not forget additional costs such as certification, marketing and chemical analysis. After the cost breakdown, add a profit margin to create your selling price.

Enhance your price competitiveness by improving production yields; for example, by drying the seeds before extraction, improving the efficiency of extraction techniques, or increasing the scale of production and transporting larger volumes.

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