

Exporting specialty oilseeds to Europe

This study covers a group of oilseeds such as poppy, mustard, hemp and pumpkin which are traded in low volumes and at a high value in Europe. The direct consumption of these oilseeds in Europe is increasing, driven by the health and wellness trend, and growth in fine foods. Consumers are also seeking protein alternatives, opening opportunities for innovative products and new players. Suppliers from developing countries can benefit from the growing demand if they can meet buyer requirements and establish sustainable partnerships.

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1. Product description

The specialty oilseeds described in this study are poppy seeds, mustard seeds, hemp seeds and other specialty oilseeds such as pumpkin seeds. Their HS codes and elaborative description can be found in the table below.

Type of seeds	HS code	Description
Poppy seeds	1207 9190	Poppy seeds come from the pods of the opium poppy plant (<i>Papaver somniferum</i>). Poppy seeds are produced in various countries, mostly in Central Europe and Asia. The seeds are added to foods such as breads and muffins as a topping. Poppy seeds can also be crushed for oil. They are also used as feedstuff and for health products.

Mustard seeds	1207 5090	<p>Mustard seeds are cultivated in Canada, China, Russia, Nepal and in temperate climates of Europe as well. There are three different types of mustard seeds:</p> <p>The yellowish white mustard seeds are obtained from the white mustard plant (<i>Brassia hirta</i> / <i>Sinapis alba</i>). They are used primarily in the food industry to make mustard.</p> <p>Brown mustard seeds are obtained from the brown mustard plant (<i>Brassia juncea</i>) and are commonly ground into flour which is used to produce hot mustard.</p> <p>Black or 'oriental' mustard seeds are obtained from the black mustard plant (<i>Brassica nigra</i>) and are used to produce spicy cooking oils.</p>
Hemp seeds	1207 9991	<p>Hemp seeds are derived from the hemp cultivars of the Cannabis plant (<i>Cannabis sativa</i> L.). They are used raw (whole or ground). In recent years, hemp seeds have been promoted as a functional food due to their high levels of protein, unique fatty acid profile and dietary fibre, mineral and vitamin content. The leading producer of hemp seeds is France, followed by China. There is smaller production in other European countries, Chile and North Korea.</p>
Pumpkin seeds	1207 9996 (Other oilseeds, including pumpkin seeds)	<p>Pumpkin seeds are edible kernels of the pumpkin fruit (<i>Cucurbita maxima</i>). The seeds are commonly used in foods for their sweet, creamy and nutty flavour as well as for their nutritious value. The seeds are mainly used in baking and salads, and as an oil. China is the main producer of pumpkin seeds. India, Russia, Ukraine, Mexico, and the United States are also major producers.</p>

2. What makes Europe an interesting market for exporters of specialty oilseeds?

The European market for specialty oilseeds is growing, fuelled by the health and wellness trend. The most interesting countries for you as an exporter are Western European countries, such as the Netherlands, Germany, and Belgium.

Consumption

The total apparent consumption of mustard, poppy and hemp seeds in Europe amounted to 279 thousand tonnes in 2016.

The consumption of poppy seeds increased at an average annual rate of +27.6% since 2013 and amounted to 55 thousand tonnes in 2016.

The mustard seed consumption amounted to almost 127 thousand tonnes in 2016, having increased at an average annual rate of around 2.6% between 2013 and 2016. This includes industrial demand coming from mustard production.

Hemp seed consumption increased at an annual rate of +7.5% since 2013, amounting to 97 thousand tonnes in 2016. The growing consumption of hemp seeds also includes demand from the crushing industry (hemp seed oil).

Tips:

Check the website of [FoodDrinkEurope](#) to understand consumption patterns of food products, including the use of oilseeds, across different European countries.

The websites of [Food Navigator](#) and [Innova Market Insights](#) can also give you a good overview of market developments for food ingredients like oilseeds in Europe.

See the website of [Baking Europe](#) and of the [European Confederation of National Bakery and Confectionery Organisations](#) for more information on the market for bakery and confectionery in Europe.

Production

The total European production of hemp, poppy and mustard seeds reached 197 thousand tonnes in 2016:

- The production of *mustard seeds* decreased at an annual rate of -3% between 2012 and 2016. The main producers of mustard seed in Europe are Czech Republic and France. Of the total European production of nearly 45 thousand tonnes in 2016, France accounted for 31% and Czech Republic for 28% of the total production volumes.
- The production of *poppy seeds* increased with +18% annually since 2012. The main producer of poppy seeds in Europe is the Czech Republic, accounting for 40% of total European production in 2016.
- The production of *hemp seeds* decreased with -4% annually between 2012 and 2016. The main European producer of hemp seeds in 2016 was France. With a total production volume of nearly 81 thousand tonnes, the country accounted for 99.6% of total European production volumes. The production of France decreased with -4%. In recent years, [other European countries started or expanded their hemp cultivation](#) to serve a growing industry for this product.

Other large producers of these specialty oilseeds worldwide (FAOSTAT, 2018):

- Mustard seeds: Canada (250,500 tonnes in 2016), Nepal (171,499 tonnes), Russia (72,993 tonnes), Myanmar (48,384 tonnes) and United States of America (43,670 tonnes)
- Poppy seeds: Turkey (18,205 tonnes in 2016) and Palestinian Territories (1,910 tonnes)
- Hemp seeds: China (9,821 tonnes in 2016), Chili (1,507 tonnes), Russia (589 tonnes) and Ukraine (586 tonnes)

Tip:

Access the production statistics for oilseeds on the website of [FAOSTAT](#) to learn more about the

largest producers in Europe and historical trends.

Import

West European countries (especially the Netherlands and Germany) account for the largest share of total European imports for all four oilseed categories covered in this factsheet. They are important trade hubs and, in some cases, home to crushing and processing industries.

Total European imports of poppy, hemp and mustard seeds amounted to 200 thousand tonnes in 2017. Imports of 'other oilseeds' (including pumpkin seeds) added another 144 thousand tonnes total imports. Mustard seed imports increased at an annual rate of +2% between 2013 and 2017, and imports of hemp seeds increased annually by +7%. Imports of poppy seeds decreased at an annual rate of -1%.

Next to being the main European importer of hemp seed in 2017, the Netherlands was the second largest distributor of hemp seeds to other European countries in the same year. It also has a hemp-crushing industry. Germany was the main importer of mustard seeds as well as the main exporter of mustard seeds in 2017. In addition, it is the third-largest mustard-producing country in Europe, after France and Czech Republic.

Main suppliers from developing countries

The specialty oilseeds covered in this study are produced in temperate areas, and to a great extent in (East) European and North American countries. Only part of the supplies are sourced in developing countries.

In 2017, the largest shares of oilseeds sourced directly in developing countries were recorded for mustard seeds (23% of total European imports, mainly because of Ukrainian supplies) and the product group 'other oilseeds, including pumpkin seeds' (55% of total imports, mainly because of China) (Table 1).

Table 1: Main developing-country suppliers of poppy seeds, mustard seeds, hemp seeds and 'other seeds'

<i>Poppy seeds</i> (5% of imports sourced directly in developing countries, 2017), of which:	
Turkey	63%
China	19%
Ukraine	13%
<i>Mustard seeds</i> (23% of imports sourced directly in developing countries, 2017), of which:	
Ukraine	73%
Kazakhstan	13%
Moldova	8%

<i>Hemp seeds</i> (22% of imports sourced directly in developing countries, 2017), of which:	
China	94%
Ukraine	6%
<i>Other seeds, including pumpkin seeds</i> (55% of imports sourced directly in developing countries, 2017), of which:	
China	54%
Paraguay	7%
Ethiopia	6%
Smaller but growing suppliers of other oilseeds are Ukraine (5.5%), Bolivia (5.5%), Argentina (4.8%), Peru (4.1%), Myanmar (4.1%) and India (2.5%)	

Source: Eurostat, 2016

Tips:

Identify your potential competitors. Learn from them in terms of marketing (website, social media and trade fair participation), product characteristics (origin, quality and oil content) and value addition (certifications and processing techniques). Well-structured websites are for example: [Earthen Delight \(India\)](#), [Dalian Spring Agricultural Products \(China\)](#) and [Etna \(Turkey\)](#).

Identify your niche market and invest in quality. Most of the oilseeds covered in this study are produced in (Eastern) Europe; this makes it difficult for you to compete on the mainstream market. More than volume and prices, your competitive edge should lie on quality and adherence to buyer specifications. It is also important to create long-term relationships with buyers in order to become a preferred supplier. Read more about this on [our study on doing business with oilseed buyers in Europe](#).

Export

The largest European exporters of specialty oilseeds are:

- the Netherlands
- Germany
- Czech Republic
- Austria
- Hungary

Most of the export destinations for these oilseeds are also located within Europe, which shows the importance of intra-European trade for these products.

In 2017, the total European exports of poppy, hemp and mustard seeds were 125 thousand tonnes. Exports of 'other oilseeds', including pumpkin seeds, were at 76 thousand tonnes (€164 million).

Tip:

See our [market information platform on oilseeds](#) for more information on oilseeds consumption, production, imports and exports in Europe.

3. What trends offer opportunities on the European market for specialty oilseeds?

Increasing demand for oilseeds as health products

Increased scientific and public awareness about the importance of a healthy diet has created new opportunities for the oilseed industry in recent years. Many of these specialty oilseeds are now sold in mainstream supermarkets, which was not the case in the past.

In addition, a growing number of Europeans are eating less meat products. They are searching for plant protein alternatives. For example, the use of hemp seeds as a protein supplement is growing (see for example [Superfood \(Netherlands\)](#) and [Good Hemp \(United Kingdom\)](#)).

Tips:

See our study on [trends for oilseeds](#) for more information about this health trend.

Make sure your product characteristics and quality match your target market and end-user. Think about taste, odour, purity level and uniformity.

It is important that you provide your buyer with complete and correct documentation. Follow good practices in presenting your technical information (example: [Dutch company DO-IT](#)).

Growth in new product launches containing specialty oilseeds

[Product launches with specialty oilseeds such as hemp seeds have increased significantly between 2008 and 2017](#). This shows market opportunities for these and other oilseeds in the upcoming years. The British company Meridian has for example launched an [organic pumpkin seed butter](#). The Austrian company Hamlitsch uses [pumpkin seed as an ingredient in pesto and mustard](#).

In addition, the food industry continues to introduce innovative oilseeds. Basil seed is a good example. It is originally used in the Asian cuisine and is now [promoted as a health product](#). While basil seeds are not yet available in most health shops or mainstream supermarkets, some companies are starting to use it in their products. For example, the Austrian company Friya is selling a [superfood drink](#) with basil seeds as the main ingredient.

Another example is nigella seed (black cumin), traditionally used as a spice in Middle Eastern and Indian cuisines. The use of its extracts in health and cosmetics industries builds on nutritional claims on its anti-oxidant and flavonoid content, [a market which is expected to witness substantial growth in coming years](#). Within the food industry, an innovative example is [Smakosz Traditio \(United Kingdom\)](#), which incorporates nigella seeds in

its [pure-grain breads](#). Nigella seeds are also offered by some health shops and supermarkets in Europe as a single ingredient, under private label (example: [Tesco - United Kingdom](#)) or brands such as [Steenbergs \(United Kingdom\)](#) and [Sonnentor \(Austria\)](#).

Tips:

Check the website of Mintel for global information on [food trends and new product launches](#). Our study on [trends on the European oilseeds market](#) also gives a few examples.

Browse the Internet for innovative European companies. Learn more about their sourcing strategies and requirements. Find out if they are interested in sourcing directly from you and what their requirements are to do so.

4. What requirements must specialty oilseeds meet to be allowed on the European market?

Buyers in the European Union have strict requirements for oilseeds. You will only be able to successfully market your product in Europe when you comply with these requirements. See our study on [buyer requirements for oilseeds](#) for a detailed analysis of these requirements. They deal with the following topics:

Legal requirements

You must follow other legal requirements applicable to oilseeds, mainly dealing with food safety. Traceability, hygiene and import controls are the most important themes.

Contamination is one of the most serious issues faced by suppliers of the oilseeds addressed in this study. For example, hemp seeds may be contaminated during maturation, harvesting and processing, causing high levels of tetrahydrocannabinol (THC). In the 2009, the European Union developed a regulation for hemp food, which indicates that the maximum content of THC allowed in hemp plants must be lower than 0.2%.

Poppy seeds face a similar issue. Suppliers must be aware of the risk of morphine contamination during cultivation, harvesting and processing. While there is currently no European Union regulation on morphine content in poppy seeds used in food, the European Food Safety Authority is [researching the issue](#).

Other examples of contamination are [mycotoxins in Pumpkin seeds in the Netherlands](#) and [salmonella in pumpkin, poppy and hemp seeds](#).

Tips:

Invest in production and processing practices that guarantee that the seeds are not contaminated by other parts of the plants. This will help you to reduce THC contamination of the hemp seed to a minimum.

Check the codes of the Food Standards Agency (FSA) regarding washing, soaking and heat treatment of poppy seeds for more information on [how to avoid morphine contamination](#).

Check the website of Rapid Alert System for Food and Feed (RASFF) for [various border rejections and alerts for specific oilseeds](#). See the category 'nuts, nut products and seeds'. Through the website you can learn about common problems faced by suppliers during border controls and adopt appropriate measures to avoid them.

Additional requirements

Food safety certification is probably the most relevant additional requirement for specialty oilseeds. Some buyers might minimally require a [Hazard Analysis and Critical Control Points \(HACCP\)](#) certificate to ensure that you implement food safety procedures. Other buyers will also require additional standards such as [International Featured Standards \(IFS\): Food](#) or [British Retail Consortium \(BRC\)](#) – or a similar standard such as [FSSC 22000](#).

Corporate responsibility and sustainability are growing issues within the oilseed sector. Adopting codes of conduct or sustainability policies related to your environmental and social impacts can give you with a competitive advantage.

Quality requirements

If you want to enter the European market, your oilseeds must meet several quality requirements:

- They should be uniform in size, shape and colour.
- Different varieties should not be mixed.
- You should be aware of the different seed conditions required by buyers such as hardness, moisture content, oil content (including fatty acid composition), odour, colour and flavour.
- They should be clean (no moulds, weevils, obnoxious smell, insect infestation and artificial colouring matter).
- They should not contain foreign matter (such as: dust, lumps of earth, dirt, stones, stems, straw) or any other impurity or any other seeds.

Labelling requirements

Labels for bulk products should be in English (unless specified otherwise by your buyer).

The label should include the following:

- Product name
- Manufacturer's lot or batch code
- Whether or not the product is destined for use in food products
- Name and address of exporter
- Product's country of origin
- Shelf life: Best-before date / use-by date
- Net weight / volume in metric units
- Recommended storage conditions
- *For organic-certified products:* Name / code of the certifying body and certification number

Figure 3: Example of a label for your bulk packaging



Source: PetzRus

Packaging requirements

Poppy, mustard, hemp and pumpkin seeds are usually transported in natural bags (such as jute) or paper bags.

Figure 4: Example of a paper bag for bulk packaging



Source: IMCO Premium Ingredients

Tips:

Ensure preservation of the quality of your oilseeds during transportation.

Thoroughly clean and fumigate containers before loading the seeds.

Protect the cargo from moisture during loading, as to avoid mould, spoilage and self-heating

Ensure appropriate temperature, humidity/moisture and ventilation conditions during processing and transportation.

Protect the cargo from pests such as beetles and moths.

Prevent contamination of seeds by foreign materials (such as dust) by keeping facilities and equipment clean.

Read more about transportation of oilseeds on [Cargo Handbook](#).

Requirements for niche markets

Organic certification is growing in importance for specialty oilseeds. This is because of an increase in organic food markets, especially those related to high-quality and health products. For example, bread and bakery products (one of the main segments for specialty seeds) are very important in the organic product range. They have a growing [market share of up to 10%](#) in Switzerland, the Netherlands, France, Sweden, Finland, and Germany.

Organic can be an important competitive advantage for you. It may also be a minimum requirement of some buyers. For example, specialized importers that only import organic ingredients, such as [DO-IT](#), [Naturkost Übelhör](#) and [Tradin Organic](#). The rules for organic certification are described in our study on [buyer requirements for oilseeds](#).

Fair trade certification is not expected to become specifically important in the future for the oilseeds covered in this study.

Tip:

Search for a certifier whose standards are recognised by the European Union to make sure your organic certification is recognized. The European Commission's [Agriculture and Rural Development](#) website provides a thorough explanation of import regulations and other related issues.

5. Through what channels can you get specialty oilseeds on the European market?

Market segments

In general, the European market for poppy, mustard, hemp, pumpkin and other specialty oilseeds can be segmented based on their end-use within the food sector: the edible seed industry and the crushing industry.

Edible seed industry

The edible seed industry can be sub-divided into two segments:

- *Food processing*: The bakery and confectionery industry is by far the largest market segment for the oilseeds covered in this factsheet. Only a small share of these oilseeds is used in other processed food products, except for mustard seeds which is widely used in the manufacturing of mustard.
- *Direct consumption market (packaging)*: Oilseeds are sold whole or broken / ground to consumers. Consumers use it to sprinkle it over foods such as yoghurts and salads. This segment is growing in importance, as the availability of specialty oilseeds at supermarkets is increasing. For example, mainstream

supermarkets are now also selling hemp seeds in consumer packages (example: [Dutch supermarket Albert Heijn](#)).

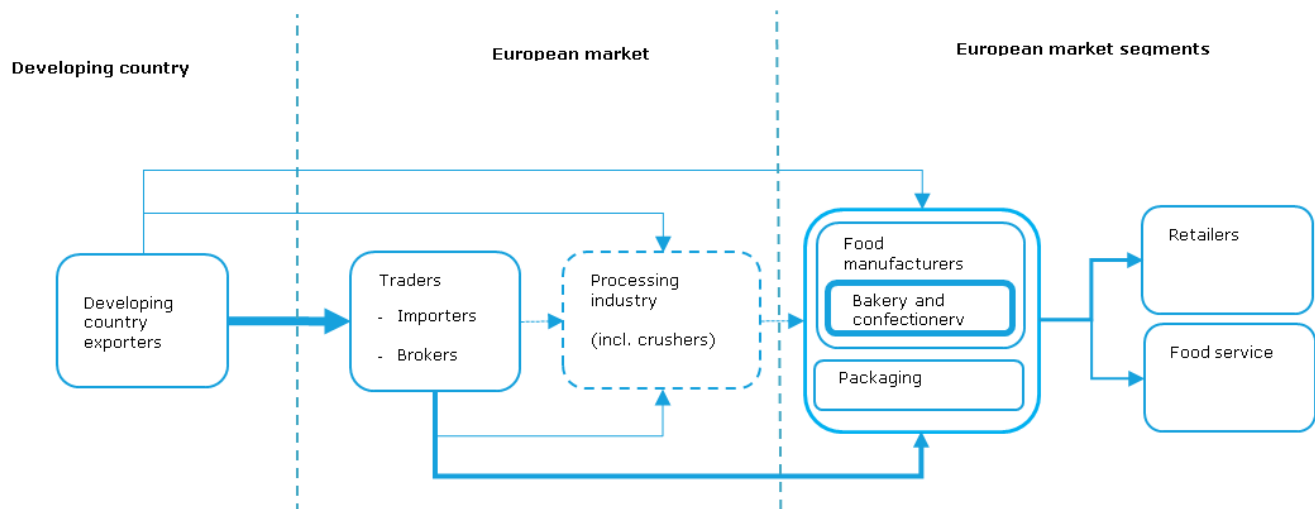
Crushing industry

The crushing industry produces vegetable oil. For specialty oilseeds, this segment is not significant. Hemp seeds are an exception: around 15% of the hemp seed production is crushed into oil and [its industrial applications are growing](#). However, this is still a small share when compared to the 80-95% of sunflower seeds crushed for oil.

The oilseeds can be further segmented into non-certified high quality seeds and certified high quality seeds. The main certification for poppy, mustard, hemp and pumpkin seeds is organic.

Market channels

Figure 5: Trade channels for specialty oilseeds in Europe



Specialized importers may be the most suitable entry point for specialty oilseeds into the European market. This is because the exported volumes are generally small and are directed to a specific (niche) market. These importers can provide their customers with a mix of products and are able to create scale by sourcing from different origins.

Targeting the bakery and confectionery industries directly is less common. It will require a reliable and stable supply, as well as consistent quality. The food industry often requires more detailed documentation on your product, as well as certificates assuring food safety such as HACCP, BRC and IFS. Read more about these standards in the buyer requirements section.

Tips:

Make sure to provide your trader with the appropriate product documentation and be realistic about the volumes you can deliver.

Target specialized importers as they are the most suitable entry point for high-value, low-volume oilseeds. Importers especially are an important intermediary when you are not able to supply large quantities and a stable supply directly to manufacturers.

Investigate the product characteristics which match your target market. For example, the bakery and confectionery segments require uniformity in colour, shape and a very high purity level.

6. What are the end-market prices for specialty oilseeds?

End market prices for the different oilseeds are specified in Table 2 and are based on prices by several European retailers. Examples are:

- [Poppy seeds at Sainsbury's](#) (United Kingdom)
- [Hemp seeds at Albert Heijn](#) (Netherlands)
- [Pumpkin seeds at REWE](#) (Germany)
- [Mustard seeds at COOP](#) (Switzerland)

Table 2: Range of retail prices for poppy, hemp, mustard and pumpkin seeds (2016)

Oilseed	Lower range	Higher range
Poppy seeds	€10.00 / kg	€37.00 / kg
Mustard seeds	€17.00 / kg	€46.00 / kg
Hemp seeds	€8.00 / kg	€25.00 / kg
Pumpkin seeds	€10.00 / kg	€20.00 / kg


Source: Webshops - Albert Heijn (the Netherlands), REWE (Germany) and Morrisons (the United Kingdom).


Tip:


It is important to understand that retail prices do not directly reflect wholesale prices. Use the above-given prices to calculate how much value is added throughout the chain. This can help you in arriving at a better pricing strategy and proposition to your buyer.

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