

Which trends offer opportunities or pose threats on the European grains, pulses and oilseeds market?

Grains, pulses and oilseeds have many opportunities in the food sector, tapping into consumer interest in healthy diets including plant proteins and convenient gluten-free pastas and ancient grain mixes. This broad industry offers opportunities for new nutritional ingredients from different origins, but only when supply is safe and sustainable.

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1. Consumers buy more grains, pulses and oilseeds

European consumers are growing increasingly conscious of healthy eating habits and dietary needs. Consumers want to feel good about their lifestyle and look for ingredients with nutritional benefits. This provides commercial potential for a large range of grains, pulses and oilseeds, such as quinoa, chia and food-grade peas.

Food journalists, online recipes, celebrities and social media have considerable influence over new food trends and health ingredients. This influence turns ingredients into popular 'superfoods', relating them to [famous health gurus](#) or the [beauty of celebrities](#). Consumers are also better informed about food ingredients nowadays than in the past.

Consumer awareness has led to a number of health trends that also include grains, pulses and oilseeds to a large extent:

- natural: organic, residue-free, raw food, unprocessed or minimally processed;
- plant-based: vegan products, plant-based protein, vegetarianism, flexitarians;
- functional: functional foods, superfoods, health benefits, nutrients, dietary fibres, vegetable and pulse protein and omega-3;
- free-from: free from products, free from allergens, less sugar, gluten-free, nut-free, clean label, no additives.

Consumer health awareness will continue to grow. As [more food companies get on the health](#) bandwagon, there will also be more opportunities for healthy ingredients. You can expect continuing demand for grains, pulses and oilseeds with specific nutritional advantages and multiple uses in healthy diets and food products.

As a supplier, it is important to keep in mind that healthy ingredients require more attention in terms of preserving nutritional value and cleaner producing conditions. Smaller high-value crops can be very profitable, but in markets that are not fully mature, prices can be volatile and demand easily oversupplied.

Tips:

Focus on products with specific nutritional benefits when you want to step into healthy foods. You must have a clean production with food safety in place, no cross-contamination, no use of chemicals and preferably organic certification. Check also the [CBI buyer requirements for grains and pulses](#).

Plan your production and supply carefully. Do not produce without having assessed the market. Find market information and related sources on the CBI market statistics and outlook study.

What attracts consumers to organics?

Assumed health benefits and sustainable production are common reasons behind the [double-digit sales growth of organics in Europe in 2017](#), according to the latest data from FiBL. Organics are associated with [minimally processed](#) products without artificial ingredients, which contribute to a healthy and natural lifestyle.

About 70% of Europeans think that [organic products are safer](#). Almost 80% of [Europeans consider organic foods to be better for the environment](#) and produced with a very restricted use of pesticides. Avoiding pesticides is often a main reason for purchasing organic products.

Tip:

Follow the [news on organics on the FiBL website](#) to stay up-to-date with the latest developments in the organic sector.

How important is plant-based food in Europe?

Plant-based food is the biggest trend since organics. It is not only the vegan and vegetarian population who make it a major trend. Europeans in general are eating less meat, with many consumers replacing part or most of their meat consumption with alternative protein food, in what is called a flexitarian diet.

The fact that many supermarkets in Europe have their own vegan brands, shows that they take it seriously. In the United Kingdom, Tesco was rated the [best vegan supermarket](#), introducing for example [Wicked Kitchen](#), a range of plant-based meals.

Innovation and research play an important role in the application of healthy grains, pulses and oilseeds, but also in making healthy products attractive to consumers. For example, the European Union funded the project [Protein2Food](#), which aims to develop high-quality food protein from several kinds of seed crops, such as quinoa and amaranth, and grain legumes, such as lupin, fava beans and lentils. [The Protein Cluster](#) in the Netherlands assists its members with developing and commercialising innovative products, such as a [100% plant-based kebab](#) with a meat-like structure based on soybean. [Research](#) supports the suggestions that mouthfeel and consumer experience are necessary for the success of meat substitutes.

An upcoming trend at increasing the nutritional value of plant-based foods are [sprouted grains](#) and pulses, which are used in bakery products or as a fresh vegetable. Sprouting increases key nutrients in pulses, such as protein, and vitamins and minerals in grains. Sprouting is a precise process and food safety is crucial, which is the reason why local sourcing from trusted suppliers is preferred.

Pulses can play a major role in providing consumers with an alternative protein source. At the moment, the potential in pulses is underutilised, but it could be a good opportunity in time to introduce more variety and shift away from mainstream protein crops, such as soybean and peas. The right product branding may open opportunities for new source countries that can offer attractive bean varieties with constant quality.

Tips:

Make sure to offer continuity through reliable, constant quality when you want to offer niche bean varieties. Prioritise organic cultivation, if possible, and select the beans for export.

Use extreme caution and the highest safety standards when exporting dried sprouted grains or pulses, using a HACCP-based food safety system such as [ISO22000](#) or [BRC Global Standards](#), and [UV-C disinfection](#) to avoid the risk of salmonella and E.coli.

What type of ingredients can you find in functional food?

Functional foods have ingredients with a demonstrable effect on a function in the body or against diseases. There are several grains, pulses and oilseeds that can be used in functional foods or supplements, for example:

- Barley and oat grain fibre contribute to an increase in faecal bulk, improving digestion.
- Alpha-linolenic acid (ALA) found in [linseeds](#), [chia](#) and [sacha inchi](#) contributes to the maintenance of normal blood cholesterol levels.
- Plant sterols and plant stanols, which are commonly found in vegetable oils, contribute to the maintenance of normal blood cholesterol levels.
- Protein in pulses contributes to muscle mass growth and maintenance, and bone health.

When you supply an ingredient with special health properties, you can use this quality to target companies which produce functional foods or supplements. You can also process your product and separate the dietary element to make it easier to use in products, for example, by pressing the oil from seeds. When you produce your own consumer brand, you can only use [nutrition and health claims](#) that are approved by the European Commission.

Many commercial brands use a special ingredient in their presentation to [promote a product's premium health image](#), although in some cases the actual ingredient is only at a very low concentration.

Tips:

Focus on the characteristics and elements that appeal to consumers when marketing a functional food. Do not focus only on your product itself. Explain to your buyer why your product is a good source of protein, dietary fibre or healthy fatty acids.

Be careful when making a health claim in Europe. Find out which claims you are allowed to use according to [Regulation \(EU\) No 432/2012](#) and the conditions that apply to them according to the annex to [Regulation \(EC\) No 1924/2006](#).

Visit the [Food ingredients Europe](#) fair when you decide to specialise in sub-ingredients and natural additives. Check out the [exhibitor list](#) to see what types of ingredients are presented.

How does free-from affect the consumption of grains, pulses and oilseeds?

To address interest in healthy foods, manufacturers develop new products and reformulate existing ones. Less sugar, salt, fat, free from allergens and adding healthy substitutes are key elements. These efforts often go together with a 'clean label' showing that chemical additives are being avoided.

Free-from covers the whole segment of foods that do not include unhealthy or allergenic ingredients. For example, wheat is increasingly being replaced with quinoa, [buckwheat](#), or other gluten-free grains and pulses. Italian company Pedon has developed [rice grain shaped pulses](#) and [pastas made of peas, lentils and chickpeas](#). Belgium brand Alpro uses soybean in their lactose-free [ice cream](#) and [drinks](#). Ethiopian company [Mama Fresh](#) has tapped into the gluten-free trend with the traditional product injera, a pancake-like bread made of teff. Alternative ingredients, such as gluten-free grains, can be profitable. But to benefit from the free-from market,

you must be able to completely separate production from allergenics and other contaminants.

Tip:

Always consider alternative ingredients as a separate business or specialisation, especially if your main business is commodity grains or seeds. Alternative ingredients need special attention and are not expected to entirely replace the main commodities due to higher price and limited supply.

2. Sustainability and social compliance have become standard practice

Sustainable and ethical production are major concerns in Europe when dealing with agricultural cultivation. The required transparency in the trade of grains, pulses and oilseeds puts great pressure on its producers and suppliers. You must be competitive and sustainable at the same time.

More exposure in the media can make certain food products gain in popularity, but also make them susceptible to becoming targets of sustainability and social issues concerns. For example, when prices and exports of quinoa increased rapidly in 2013, it raised concerns about [food security](#) in Bolivia, and the same goes about [deforestation](#) related to soybean production in Brazil and [poor labour conditions](#) in the palm oil trade. These debates have caught the attention of consumers and politicians, and become a serious concern of many businesses.

Justified or not, negative marketing can affect the consumption of a specific ingredient as well as the reputation of a brand. Buyers in Europe are increasingly paying attention to their corporate responsibilities with regard to the social and environmental impact of their businesses. That is why businesses require more proof of good conduct from your side, the producer or exporter, as well.

Leading traders, food brands and retailers are increasingly in the forefront of sustainability initiatives. For example, in the grains, pulses and seed industry:

- Food retail chain [Coop](#) and multi-brand owner [Unilever](#) were part of the founding members of the Round Table on Responsible Soy ([RTRS](#)), an initiative to facilitate a global dialogue on soy that is economically viable, socially equitable and environmentally sound.
- More than 4,000 companies have committed to produce, source or use sustainable palm oil certified by the Roundtable on Sustainable Palm Oil ([RSPO](#))
- Waitrose and Sainsbury are the British supermarkets that [score best on the Ethical Consumer rating](#) for their approach to palm oil.
- There are multi-stakeholder initiatives such as [IDH the Sustainable Trade Initiative](#) for [soya](#) and [palm oil](#) to make trade 100% sustainable with zero net deforestation.
- Almost every trader dealing with high risk products, including tropical grains, pulses and oilseeds, has implemented social and sustainability policies, like the [Louis Dreyfus Company](#), for example.
- Rice companies worldwide have joined the [Sustainable Rice Platform](#) (SRP). [AMRU Rice](#) in Cambodia, for example, helps farmers implement the [SRP standard](#).

Sustainable and social actions are not limited to large companies. Many smaller buyers have incorporated social and sustainable practices into their business policies too. This can have significant implications for you as a supplier. Buyers will likely ask you to sign a code of conduct declaring that you run a responsible business with respect for the local environmental and labour laws. You can expect increasing pressure to show additional documentation and certification as proof of your good conduct.

You can turn the demanding market to your advantage by making sustainability a core competence and stand out from other suppliers. However, other purchase criteria have more value, such as price, on-time delivery and food quality, as pointed out by the [Swedish Handelsradet](#). As a producer or exporter, you must remain price competitive while complying with increasing standards.

Tips:

Anticipate the growing importance of social and environmental compliance by making your own social responsibility policy and code of conduct. You can do this relatively easy by reading the published values of leading companies and referring to common standards such as the [international labour standards](#).

Find out what is important and implement an environmental policy by using the [Environmental Implementation Guidelines](#) of the Global Social Compliance Programme (GSCP) and the [Consumer Goods Forum \(CGF\)](#).

Read the [CBI buyer requirements for grains, pulses and oilseeds](#) to see what actions you can take and what type of evidence and certifications buyers require.

3. Health, authenticity and convenience drive the market for value-added products

Food developers constantly search for new flavours and healthy ingredients that are easy for consumers to meet their interest in authentic, conscious food which fits their modern lifestyles. This continuous search opens up possibilities for a whole range of grains, pulses and oilseeds. As a supplier, it may be interesting to join this trend if you can meet the specific requirements of food manufacturers.

Authenticity

Consumer experience starts with an [authentic product](#). Ethnic or traditional foods such as couscous (milled durum), risotto (arborio rice), dal (bean paste), hummus (chickpea paste) and tahini (sesame paste) have a close relation with authenticity. But the story behind the product and its maker, reflecting craftsmanship also matters. You are expected to be transparent at how the product came about: the composition, its ingredients and the origin of food products.

Ancient grains are a good example of an authentic product that requires storytelling. Ancient grains refer to ancestral grain varieties that often have superior nutritional value, such as [quinoa](#), spelt and einkorn. An ancient grain that is gaining popularity through a strong branding strategy is Khorasan wheat under the trademark [Kamut](#), which has excellent traceability and storytelling.

Brands and food crafted with these ancient grains are gaining space in the market. There is potential for the promotion of new ancient grains such as fonio and [teff](#). Since 2019, Italian company [Obà](#) has received [approval](#) from the [European Food Safety Authority](#) (EFSA) to commercialise fonio grains as a food ingredient.

The variety of food products will continue to expand. Using original and authentic ingredients are a good way to offer a unique product. By adding a story to your product you can make your product stand out and influence the consumer's choice. [Amazon Health Products](#), for example, has used the history of sacha inchi seeds and their positive impact on the tropical rainforest in the presentation of their product.

Tips:

Make use of the historic value of your product, its traditional consumption, its unique characteristics and the identity of its farmers to brand your authentic product. A well designed website is a good first step in your branding strategy.

Check the [EU Novel Food Catalogue](#) for restrictions to marketing your specific product. If your ingredient has not been marketed in Europe before, it may be a novel food.

Convenience

Convenience and health were among the top priorities during the [Product of the Year Awards 2017](#) in London. Food brands try to get the most out of grains, pulses and oilseeds and adjust them to modern-day consumer lifestyles.

The preference for convenience influence the sales of many healthy snacks, product mixes and prepared foods. In the snack segment, you can find [cereal bars with chia](#), [roasted peas](#) and [beans](#). For cooking, there is an increasing creativity in mixing grains and pulses, such as [Lassie cereal mix with whole grain rice and quinoa](#).

Convenience is normally challenging for traditional dry beans, which need soaking and preparation time. But companies are finding easy and attractive applications, such as [precooked microwave stew in pouches](#) to help consumers choose pulse products.

Supermarkets have also added grains and pulses to their private label assortments, for example, [Tesco's bulgur wheat, green lentils and barley](#) and [AH organic bulgur & quinoa mix](#). The development of private label products is a good indication of the potential and growth of these products in mainstream markets, as is the adoption of other large food business, such as McDonald's, which will launch a [vegan burger](#) in Germany in 2019.

Expect further diversification of convenience products in the future. As a supplier, there may be interesting opportunities to explore in adding value for convenience brand products by pre-mixing or semi-processing ingredients.

Tips:

Visit European trade fairs such as [SIAL](#), [Anuga](#) or [Biofach](#) to find food brand companies that use grains, pulses or oilseeds and explore the advantages of adding value at origin.

Keep track of product innovations by regularly reading news sites such as [FoodIngredientsFirst](#), [FoodNavigator](#) and [New Food](#).

Added value from developing countries

As health ingredients and authenticity remain in evidence, expect to see more value-added products and non-mainstream brands. Smaller brands are often also early adopters of new ingredients, which indicate that there may be enough opportunities to supply independent market channels.

Product brands are usually developed within Europe and added value from supplying countries is often limited to basic processing including cleaning, milling, crushing or popping. However, if you are able to make a consumer product that is suitable for the European market, you can target specialised distributors that are open

to engage in such ventures. Bolivian company [Coronilla](#), for example, has introduced pastas made with local Bolivian quinoa and amaranth in Germany, the United Kingdom and Spain.

Image: Bolivian pasta brand made from brown rice, amaranth and quinoa



Source: Coronilla

Tips:

When marketing a finished product target distributors specialised, for example, in fair trade, organic, ethnic or health products. Read the [CBI's tips on how to find buyers](#) for your product.

Be prepared to invest in international marketing activities, such as participating in trade fairs, and logistics, such as warehousing, when introducing a final product in Europe. Also adjust your product presentation to European style. Get inspiration from existing and successful brands you like.

Remain flexible towards the option of private labelling. This can be a preference of your client, but it also saves you on branding and marketing costs. Check out the [PLMA trade fair](#) for private labelling.

4. Stricter food safety requirements change the role of importers

Europe is a difficult market in terms of food safety rules. These requirements will only become stricter, especially when healthy grains, pulses and oilseeds enter the mainstream markets. Compliance has become a main hurdle for exporters and having the right experienced partners can make a great difference.

Trade platforms such as [Alibaba](#) along with easily accessible information online have made the trade of dry food ingredients become seemingly easy, but the reality is often very different.

New grain and pulse products find their way faster into mainstream market channels, where large retailers raise supply standards, demanding full traceability. For retailers, traceability is a big issue, even more so in organic products, but it is often poorly managed by actors in source countries.

The growing focus on food safety and traceability is gradually changing the role of traditional traders into specialised food supply chain managers. They now pursue food safety protocols and certifications, implementing innovative processing to ensure high-quality and clean food products for their clients. Rigorous laboratory checks for chemical and allergenic residues are part of today's reality. Food safety is an evolving issue that will only become more precise in the future.

The knowledge of specialised importers about products and market requirements is indispensable for exporters of niche products. As an exporter you must also become experienced in all food safety aspects, but also look for buyers that can manage your product well.

Tips:

Implement a HACCP-based traceability and food management system such as [ISO22000](#) or [BRC Global Standards](#). This will be a basic assurance for buyers in Europe.

Check your product for potential contamination and chemical residues before exporting. Rice and dry beans are among the products [most commonly exceeding](#) maximum residue limits.

5. Buyers search for local sourcing

There is an increasing preference in the market for locally sourced ingredients. This is a hot topic especially for organic and pulse crops. The need for imported grains, pulses and oilseeds will remain, but they will often be second choice to product from European producers. As an external supplier, you must take advantage of the demand that European suppliers cannot meet or differentiate your product in variety or quality.

Food operators focus more and more on sustainability. Local products offer a higher level of trust to consumers who also care for sustainability. Traceability of organic crops is also considered to be more complicated outside Europe.

European companies believe that local production of organic pulses will increase in the near future, as is the case with other crops that are not typically European. [Quinoa](#), for example, an Andean pseudo-grain, is nowadays grown in Europe thanks to seed breeding.

However, Europe has limitations in climate diversity and agricultural area. Local varieties also sometimes do not fit the expectations of ethnic markets, or the volume of organic production is not sufficient and certain tropical crops are just not feasible for cultivation in Europe.

Europe will continue to depend on imported crops, but expect buyers to become selective at choosing their suppliers or shifting to new supplying countries. Besides the increasing demand for European production, buyers also have interest in new sources of high-quality beans or unique varieties, to become less dependent on China and India.

Tip:

Focus on high-quality products which are generally not available from European producers. For example, organise your supply around mung beans and black-eyed peas rather than peas and fava beans. Check the CBI Market Statistics and Outlook study to analyse some of the grains, pulses and oilseeds that have potential from your country.

6. Brexit could be a motive for more direct imports

The decision of the United Kingdom to exit the European Union after a referendum vote (Brexit) resulted in serious concerns among many business owners, but the exact consequences are still unclear. In the short term, you might not directly find new opportunities in the United Kingdom, but there may be possibilities in the future to develop new trade relations with the country.

The United Kingdom is an important market for exporters from developing countries. For pulses, the United Kingdom is Europe's third largest importer. But the current devaluation of the British pound and the overall pressure on prices make the United Kingdom a less attractive market.

If the United Kingdom leaves the European Union without an agreement with the European Union, British importers are likely to search for new supply routes and more direct import. The United Kingdom also [intends to continue the market access](#) and trade preferences for developing countries.

As a supplier from a developing country, you can start establishing partnerships in the United Kingdom, although for basic products the advantage is limited. For example, for many varieties of pulses there are no import tariffs. On the other hand, the intention of the British government to maintain its international trade relations can still be beneficial to increase direct trade, for example, for kidney bean exporters from [Ethiopia](#) or chickpea exporters in India.

In other product groups, exporting could become more difficult, especially for products such as wheat and barley, which are also produced and exported by the United Kingdom. Outside the European Single Market, British producers are unable to [compete with other wheat producers, such as Russia, Ukraine, the USA or South American](#) countries, so these cereals are likely to stay within the United Kingdom, decreasing the need for external supplies.


Tip:

Check your export advantage in supplying to the United Kingdom as a non-European supplier on the [GOV.UK website](#) and stay up to date with the [trade negotiation between the European Union and the United Kingdom](#).


This study has been carried out on behalf of CBI by [Autentika Global](#) and [ICI Business](#).

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