CBI Product Factsheet:
Stevia in Europe
Introduction
Stevia is a new product in Europe. Food and beverage manufacturers are rapidly developing new products with stevia and reformulating existing products. Their need for stevia supplies is growing strongly and they welcome reliable suppliers who can help them to benefit from all the opportunities that stevia has to offer.

Product description

Quality:
General specifications for food additives are defined by the European Commission in Regulation 231/2012 (Steviol glycosides: page 270)

The major steviol glycosides included in stevia include: Steviol, Stevioside, Rebaudioside A to F, Rubusoside and Steviolbioside.

Most buyers are interested in extracts with a high concentration (>97%) of Rebaudioside A, as it is said to have the best sensory properties (sweetness, bitterness) of the major steviol glycosides in stevia.

Apply extraction technology that focuses on isolating the positive glycosides to optimise the taste profile.

Prevent adulteration (particularly by aspartame and saccharin) and contamination by foreign materials (e.g. dust) by keeping facilities and equipment clean.

Buyers generally prefer a white colour over a light yellow colour.

Most food manufacturers and especially beverage manufacturers require a high solubility. You can improve solubility by using a smaller mesh size for pulverisation or by spray-drying.

Apply highly standardised production processes to minimise batch variance, as buyers require consistent quality. Small variances can have big implications on the flavour and especially sweetness of the end-product.

Labelling:
Enable traceability of individual batches

Use the English language and EU measures (e.g. grams) for labelling
- Labels must include the following:
  - Product name
  - Batch code
  - Name and address of exporter
  - Best before date
  - Net weight
  - Recommended storage conditions

Organic, Kosher and Halal markings are optional and subject to certification.
Provide information on labelling options for manufacturers. For example, they cannot use the single term stevia on consumer packaging, but they can say: ‘with sweetener from stevia’.

Packaging:
Stevia should be packaged in food-grade material, such as plastic bags in a carton box.
Enable re-use or recycling of packaging materials by, for example, using boxes made of recyclable material (e.g. carton).

What is the demand for stevia in Europe?

Consumption
For 2013, Euromonitor, a major research company, forecast a global consumption of 1,278 tonnes (Wall Street Journal, 2013). In 2014, the European market for stevia was estimated at 100-150 tonnes. In 2014, stevia’s global market was valued at USD 336 million, while industry specialists expect it to climb to USD 578 million by 2017.
Stevia extracts were only approved for use in the European Union in November 2011. Therefore, consumption of stevia is still very low. However, food and beverage manufacturers are rapidly developing products containing stevia.

The French and Swiss stevia markets had a head start compared to other European markets, as stevia was already allowed in these markets in 2009 and 2008 respectively.

According to Cargill, between 2012 and 2013, stevia sweeteners appeared in about 1,200 products, 700 of which were launched in 2013. Beverages lead the way in the new products, accounting for about 28% of new product launches.

On an international level, stevia launches were continuing in 2014, recording a 23% increase compared to 2013 (Foodnavigator, 2015).

For 2012, EU stevia extract sales were estimated at 50 tonnes, with a value between €30 and €80 million, depending on qualities sold.

In 2013, the European stevia market continued to develop at high speed. Europe accounted for around 40% of new product launches worldwide (Foodnavigator, 2013).

Development of stevia markets differs between European countries. For example, anti-stevia campaigns by Austria’s single largest sugar producer AGRANA have slowed down stevia adoption in Austria.

Leading players in the stevia market are providing information to consumers on stevia to help them understand what it is. This consumer education aims to speed up the uptake of stevia products, as consumers generally favour known products or products with familiar ingredients. Despite this increased media attention for stevia, many European consumers still do not know what stevia is or what its benefits are. This slows down market development.

Consumer perception of the naturalness of stevia extract is a particularly important factor in the success of stevia. The current debate on the naturalness of stevia, due to the use of ethanol in some extraction methods, can harm the natural image of stevia. The debate is ongoing and the CEO of Stevia Natura, a major stevia company, emphasises how such claims can impact negatively the performance of stevia in the EU (Foodnavigator, 2015).

The World Health Organisation estimates that stevia may gain a considerable share (25%) in the global dietary sweeteners market (Wall Street Journal, 2014). This implies continuous growth for at least the next five years. Based on developments in other markets (e.g. USA), table top sweeteners will lead market development, followed by new non-alcoholic beverages (e.g. soft drinks) and snacks. Nonetheless, in Europe, several big brands (e.g. Coca-Cola company) have already reformulated existing products (e.g. Sprite) assuming rapid acceptance of stevia extract by consumers.

**Tip:**
- Promote your stevia extract as a natural product to benefit from consumer demand for natural products. Use water as a solvent for extraction to support the claim that your product is natural. There are already several companies that are managing to obtain extracts with high Reb A concentrations using water as a solvent.

**Production**

The production of stevia plants does not take place within Europe; European producers of stevia sweeteners import stevia leaves and process them using extraction methods, in order to obtain the pure stevia sweetener.

The French company Stevia Natura is one of the biggest producers of stevia in Europe. In 2012, the turnover of Stevia Natura amounted to €2 million (Dutch Ministry of Economic Affairs, 2013). The company sources stevia leaves and primary extracts from South America and India and has built a new processing facility with a capacity of 400 tonnes. According to the company’s CEO, the effort is now focused on cost reduction at every level, in order to survive the Chinese competition (Foodnavigator, 2015). In fact, producers are working on reducing the cost of the stevia leaves, since they account for 70% of the cost of stevia production.

**Imports**

As Europe does not grow stevia leaves, it is very dependent on imports to cover its growing stevia needs.

Since approval of stevia in France in 2009, successful new product launches have stimulated demand for stevia imports to Europe. Examples include Coca-Cola Life, Activia Fat Free and Goba cola.
Although Spain, Germany and other European countries are rapidly launching new products with stevia, France maintains a strong position in the European stevia market. The French stevia market is most developed and its stevia industry has established strong trade relationships with suppliers in developing countries.

China is the main stevia supplier to Europe. China is the main producer of stevia leaves in the world and is also increasing its stevia extraction capacity. In 2014, there was a short term decrease in leaf supply from China which led to an increase in leaf prices. Malaysia, where major stevia producer PureCircle is located, is another large supplier.

**Exports**

France, Spain, Germany and Sweden play a particularly large role in intra-European stevia trade. Several companies in these countries produce or import raw materials and export flavours and sweeteners based on stevia to other European countries.

The countries with the biggest food industries in Europe are expected to be the main destinations for European stevia exports. In terms of turnover, the biggest food industries are in Germany (£163 billion), France (£157 billion), Italy (£127 billion), United Kingdom (£88 billion) and Spain (£83 billion) (FoodDrinkEurope, 2013).

Please refer to [CBI Trade Statistics](#) for more statistics for the natural colours, flavours and thickeners markets.

**What trends offer opportunities on the European stevia market?**

**Sugar reduction:** Labelling opportunities are the main argument for manufacturers to switch to stevia for sweetening. Consumers are very sensitive to sugar reduction claims on product labels. For most consumers, products do not need to be completely sugar-free.

**Tip:**
- Target both manufacturers of ‘regular’ products and ‘sugar-free’ products. Use the labelling opportunities for manufacturers in your promotion.

**Formulations:** Manufacturers often combine stevia with sugar and other sweeteners to obtain suitable sweetness profiles. Many consumers do not accept products with stevia as the only sweetener, because they find the taste strange.

**Innovative SMEs:** Small and Medium-sized Enterprises are particularly innovative in the European food and beverages industry. They account for many of the new product launches. Big companies with big brands are generally more careful, as they risk brand value losses when consumers are disappointed by the new products.

**Tip:**
- Target European distributors which can break bulk shipments into small lots to cater to the needs of SMEs.

**Stevia fermentation:** New biotechnology is bound to change the stevia market. The Swiss company Evolva has announced that by 2016 they will be able to produce steviol glycosides without the stevia leaf, but derived from fermentation. This will allow the production of steviol glycosides without the cultivation of stevia plants.

It remains to be seen if consumers will perceive stevia from fermentation as a natural product. If not, then producers of natural stevia from leaves have a great competitive advantage.

**Tip:**
- Monitor developments in biotechnology to anticipate possible market changes.

Please refer to [CBI Trends](#) for more trends in the natural colours, flavours and thickeners markets.
**Buyer requirements**

What are the legal requirements my product must comply with?

**Food safety:**

Food processors must have a food safety management system in place based on HACCP principles. These systems require companies to demonstrate their ability to control food safety hazards in order to ensure that food is safe at the time of human consumption. Furthermore, products must be traceable throughout the supply chain. If European companies or authorities find out that the safety of your product cannot be guaranteed, they will take the product off the market and will register it in the EU’s Rapid Alert System for Food and Feed.

**Tip:**
- Search in the EU’s Rapid Alert System for Food and Feed (RASFF) database to see examples of withdrawals from the market and the reasons behind these withdrawals.

**Contamination:**

Producers of stevia extracts must minimise contamination of their product during growing, processing, packaging, transport and storage. They must not make excessive use of chemicals and must safeguard hygiene in their facilities.

**Tip:**
- Use the EU Maximum Residues Level (MRL) database to find out which MRLs are relevant for your product. You can search on your product or pesticide used and the database will show a list of the MRLs associated with your product or pesticide.

**Extraction solvents:**

There are EU rules on the marketing and application of extraction solvents used in the production of foodstuffs and food ingredients.

**Tip:**
- Minimise residues of extraction solvents in the stevia extract and ensure that they do not present a danger to human health. Learn more about this topic from the EU export helpdesk: extraction solvents used in foodstuffs.

**Substances allowed in the EU:**

In November 2011, the European Commission approved the use and sale of stevia as a sweetener. Sweeteners are considered a functional class within food additives by EU regulation and their use is therefore strictly regulated. The approval of stevia’s use is indicated by the E-number (E960) that stevioside (an extract from the Stevia plant) received.

**Tip:**
- For more information on stevia specifications, please refer to Annexes II and III of Regulation 1333/2008 concerning the safety of food additives.

**What additional requirements do buyers often have?**

**Food safety certification:**

As food safety is a top priority in all EU food sectors, you can expect many players to request extra guarantees from you in the form of certification. Particularly many European food manufacturers require their suppliers to implement one of the following (HACCP-based) food safety management systems: BRC, IFS, ISO 22000 or SQF.

**Tip:**
- Visit the website of the Global Food Safety Initiative and the Standards Map for more information on food safety management systems. Also find out if the buyers you target require certification and which food safety management system they prefer.
Sustainability:

Sustainability is a hot topic in Europe. Buyers are taking responsibility for the effects of their purchasing behaviour on the people involved in their supply chain and the environment. Moreover, they protect their own business interests by improving the long-term sustainability of their supply chains. For example, major stevia extracts supplier PureCircle has three sustainability principles:

- Reduction of carbon footprint and water use
- Protection of ecosystem which hosts the production area (including fair working conditions for employees)
- Reduction of calorie intake by consumers

Tips:

- Take action to improve the sustainability of your business. For example, you can reduce waste, water use and energy use, implement an Integrated Pest Management system and use recycled packaging materials. Show your buyers how you improve sustainability through your promotion.
- Find out through your sector’s association if there is a Code of Conduct for your sector and, if there is, adhere to the code. Alternatively, you can develop your own Code of Conduct in consultation with your buyers. Also consider OHSAS 18001 certification for occupational health and safety or SA 8000 certification for social conditions.

Religion:

European buyers commonly require certificates for compliance with Kosher and Halal requirements. This enables the food and beverage industry to use the ingredient in products targeted at a wide consumer group, including Jews and Muslims.

Tip:

- Obtain Kosher and Halal certificates.

Documentation:

Buyers need well-structured product and company documentation. Buyers generally require detailed Technical Data Sheets (TDS) and Material Safety Data Sheets (MSDS).

Tip:

- Make sure you have documentation (e.g. certificate of analysis, MSDS, food safety management certificates) available upon request. Buyers generally require a detailed TDS, which presents details of the composition of steviol glycosides, solubility, purity etc. Prepare your TDS and MSDS in compliance with annex II of EU Regulation No 1907/2006. Here you can find an example of an MSDS.

Representative samples:

Your sampling method should result in lot samples that represent what you can deliver in the quantities, quality and lead time as specified by the buyer.

Delivery terms:

Pay attention to strict compliance with delivery terms as agreed upon with your buyer.

Tip:

- Familiarise yourself with international delivery terms.

Website:

European buyers look for credible suppliers. You can improve the perceived credibility of your company by developing your website accordingly.

Tip:

- The website of Synthite provides a good example of a website that enhances the credibility of a company.
What are the requirements for niche markets?

Certified sustainable:

Although many European buyers require their suppliers to address sustainability, only few of them require corresponding certificates. For example, demand for organic certified stevia is still very small.

Tips:
- Only consider certification of organic or otherwise sustainable production if you specifically target the niche market for these products. In that case, you will have to comply with requirements in EU legislation 834/2007.
- Visit the ITC’s Standards Map for more information on certification schemes for sustainable production.

What competition do I face on the European market for stevia?

Bigger is better:

Small stevia suppliers have difficulty coping with the high requirements of European buyers. For example, many buyers require sustainability measures, such as good working conditions for employees. Bigger suppliers can benefit from economies of scale to obtain certificates.

Tip:
- Partner with other suppliers to achieve a large scale. The partnership can be a merger, an acquisition by another company or a supplier-buyer relationship in which your company serves as an independent out-grower.

Please refer to CBI’s Competition and CBI’s Top 10 tips for doing business in Europe for more information.

What do the trade channels and interesting market segments look like in the European market for stevia?

Market channels

Sugar companies occupy a prominent position in the stevia trade. In 2010, globally, 60% of new stevia-sweetened products still contained sugar. Consequently, sugar companies supply many of the sweeteners combining stevia and sugar. They sometimes partner with distributors (e.g. Lavollee) and flavour manufacturers (e.g. MANE) to provide specific sweetening solutions tailored to the needs of their buyers. Distributors of specialities play a major role in consulting users of stevia on applications while flavour manufacturers provide knowledge of the creation of suitable flavour profiles, possibly using masking agents and other ingredients.

Tip:
- Use an agent or distributor in Europe with a lot of knowledge of the formulation of foods and beverages with stevia and a wide sweetener range. This enables convenient one-stop shopping for manufacturers who want to buy a suitable sweetening solution for their products based on stevia.
Market segments

Stevia extracts are sold to a wide variety of segments in the food and beverage industry. Soft drinks comprise the main segment.

### Figure 2: Global product launches in 2014

- Soft drinks: 26%
- Snacks: 14%
- Sugars & sweeteners: 12%
- Confectionary: 12%
- Dairy: 9%
- Others: 7%

### Figure 3: Top 5 countries with most products launches in 2014

- US: 38%
- China: 24%
- Japan: 16%
- Spain: 12%
- Germany: 12%
- Other: 5%


Many new drinks benefit from synergistic effects of stevia/sweeteners and adjustment of acid profiles.

Please refer to CBI Market Channels and Segments for more information on market channels and segments in the natural colours, flavours and thickeners market.

### Price

Until 2008, when stevia was not yet allowed in the USA and the EU, prices of stevia were relatively high. Since the introduction of stevia in the new markets, major suppliers have invested heavily in their supply chains and have driven prices down. In 2010, the CIF price of Rebaudiana A extract amounted to €150/kg. According to industry sources, prices of stevia will continue to fall rapidly after EU-wide adoption of the ingredient. Since November 2011, when stevia extracts were approved in the EU, manufacturers have already developed many new products with stevia extracts. The CIF price of Reb A extract is expected to decrease to €120 in the next few years. This will make stevia a commodity which offers very low margins.

Producers of stevia extracts must also keep in mind that extracts with a high Reb A content will fetch notably higher prices than extracts with a low Reb A content.

### Figure 2:

Source: ProFound, 2015
Main sources

- Biofach ([http://www.biofach.de](http://www.biofach.de))
- Anuga ([http://www.anuga.com](http://www.anuga.com))

More information

CBI market information: Promising EU export markets.
International Trade Statistics - [http://www.trademap.org](http://www.trademap.org) – you have to register
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