

What is the demand for natural food additives on the European market?

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Europe has one of the largest food and drink markets in the world. There is high demand for natural food additives as food companies shift away from synthetic ingredients and consumers look for products with natural ingredients. Many food additives are from developing countries, so there are good opportunities for exporters. The most promising natural food additives include stevia, coconut sugar, gum arabic, black pepper oleoresin, carrageenan and agar-agar.

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1. Product description

According to the European Food and Safety Authority (EFSA), food additives are substances added intentionally to foodstuffs to perform certain technological functions, for example to colour, to sweeten or to help preserve foods. This study focuses on natural ingredients for food additives that are produced in developing countries. There are various groups of food additives:

- Food colourants - Preservatives - Antioxidants - Sweeteners - Flavour enhancers - Emulsifiers, stabilisers, thickeners and gelling agents

2. What makes Europe an interesting market for natural food additives?

The European food and drink market is growing at a healthy pace. The European market is one of the biggest in the world and is highly competitive. The sizeable market and its healthy growth rates make the European ingredients market attractive. This creates an opportunity for suppliers of natural food additives from developing countries.

According to [The Business Research Company](#), the global food and drink market was worth USD 5.83 trillion in 2020. The market is expected to grow at a 7% compound annual growth rate to reach USD 8.16 billion by 2025.

[Data & Trends 2021](#) shows that the European food and drink industry employs 4.5 million people, generates a turnover of EUR 1,093 billion and creates EUR 222 billion in added value, making it one of the largest manufacturing industries in the European Union (2018 data by Eurostat). Europe is also a significant exporter of food and beverage products, with EUR 166 billion of exports in 2020. Figure 1 shows the value of food, beverage and tobacco product exports from the EU has been increasing. This indicates growing opportunities for suppliers of natural food additives in developing countries, as both domestic consumption and exports of food and beverage products from the EU are increasing.

Table 1 shows the main exporters of food and drink products to the EU in 2020. After the UK's exit from the EU,

it became the largest exporter, followed by Brazil and China. However, the value of exported food and drink products has decreased. Other developing countries that are major exporters of food and drink products to the EU are Argentina, Indonesia, Ukraine and Turkey. The table shows that a substantial part of EU food and drink imports come from developing countries.

Table 1: Origins of EU food and drink imports

	2020 (in millions of euros)	% change 2019-2020
UK	13,545	-8%
Brazil	4,722	-6%
China	4,508	-9%
Switzerland	4,421	0%
US	3,764	-6%
Argentina	3,516	-8%
Indonesia	3,249	13%
Ukraine	2,749	5%
Turkey	2,688	9%
Norway	2,381	4%

Source: Eurostat, Food and Drink Europe

As highlighted in the CBI [trends report](#), one of the main trends in food and drink is the increasing demand for organic food and drink products. Figure 2 shows that the European market for organic food and drink continues to expand. This trend is expected to continue in the future, thanks to the growing availability of organic food and rising consumer awareness.

The main driver of organic food and drink sales in Europe is rising consumer awareness. European consumers want to avoid synthetic chemicals and pesticides in the food they eat. Many are also concerned about the environmental impact of conventional farming and want to support organic production methods.

Furthermore, organic food and beverage products avoid the use of synthetic food additives. This creates an opportunity for natural food additive suppliers in developing countries. As the organic food market continues to expand, there is higher demand for natural food additives.

Many large food companies and supermarkets are launching organic product lines. In January 2021, Nestlé and Cereal Partners launched the first [organic Cheerios](#) with flavours such as organic honey and chocolate. In July 2021, Nestlé-owned Nespresso introduced an [organic coffee blend](#) to the market. The certified organic coffee comes from the Democratic Republic of the Congo. In September 2021, the Austrian division of the supermarket

chain Spar launched an [organic food line for children](#) with no added sugar. Its product range comprises around 200 products.

Ethical consumers are also generating demand for vegan and vegetarian products. Figure 3 shows the European plant-based market has been growing at a healthy rate. This trend is expected to continue over the forecast period.

Growing demand for vegan and vegetarian food products presents an opportunity for suppliers of natural food additives in developing countries.

Some major conventional food companies are tapping into this trend. In April 2021, one of the largest Brazilian meat processing companies, [JBS SA](#), [agreed to acquire Viverra](#), a European plant-based food company for EUR 341 million (USD 410 million). In November 2021, [Royal DSM](#) agreed to purchase Norwegian plant-based protein ingredients manufacturer [Vestkorn Milling](#) for EUR 65 million (USD 73 million). More such acquisitions of plant-based food/ingredient companies are expected in the future.

Many large food companies are launching plant-based products. In December 2020, Heinz launched vegan versions of its mayonnaise and salad cream in the UK. In June 2021, Nestlé launched a vegan version of its popular Kit Kat chocolate.

In April 2020, Nestlé announced that it is focusing on improving health and nutrition in its products. In the first quarter of 2020, the company had already added about 750 million portions of vegetables, 300 million portions of nutrient-rich grains, pulses and bran, and more nuts and seeds to its products.

Demand for natural ingredients is coming from the conventional food sector as well as the organic food sector. According to Euromonitor, natural ingredients are leading consumer trends: approximately 47% of global [consumers ask for natural products](#), and 55% of respondents look for natural features when buying products in at least one category.

Figure 4 shows that the global food additives market was worth USD 26 billion in 2020. The biggest product category are food thickeners and stabilisers, which account for around 33% of the total market. Modified starches and colourants follow with a 12% share each.

The European [food additives](#) market was valued at USD 12.23 billion in 2018. The market is projected to show a compound annual growth rate of 5.1% between 2018 and 2023. The upward trend creates opportunities for suppliers of natural food additives in developing countries.

Demand for natural food additives in Europe is increasing because of an increasingly health-conscious population. Robust EU regulations on the use of synthetic additives also generate demand for natural food additives. European food manufacturers are investing in R&D and developing innovative products.

Interesting product groups for suppliers in developing countries include natural sweeteners, emulsifiers, stabilisers, thickeners, gelling agents, and natural flavours. High demand for natural sweeteners is coming from the organic food sector, since consumers of organic food are more health conscious and look for products that have a low sugar content. Natural sweeteners have a diverse range of applications on the European market, including confectionery products, beverages, breakfast cereals, and dairy products.

Other natural sweeteners, such as coconut sugar, are also gaining popularity on the European market. Coconut sugar is a popular sweetener in many vegan diets, as it is plant-based and minimally processed. Natural emulsifiers, stabilisers, thickeners, and gelling agents represent a good opportunity for suppliers in developing countries, thanks to a growing demand for healthier products from European consumers. Hydrocolloids have a

wide range of applications, such as bakery products, confectionery products, meats, and beverage products. The rising demand for ready meals and processed foods also generates demand.

Natural flavours are in high demand on the European market partly because of their relatively low costs and rising consumer demand for natural products. Natural flavours have become mainstream in some European countries, partly because of the burgeoning organic food market and the rising demand for processed foods.

Tips:

- Stay up to date on the European food and drink market by visiting [FoodandDrinkEurope.eu](https://www.foodanddrinkeurope.eu).
- Do research on EU regulations on novel foods and ingredients on the website of the [EFSA](https://www.efsa.europa.eu). See the CBI buyer study on [requirements for natural food additives](#) on the European market, which has details on the regulations for exporting to the EU.
- Learn more about the European flavourings market on the website of [EFFA](https://www.effa.eu).
- Visit [SpecialtyFoodIngredients.eu](https://www.specialtyfoodingredients.eu) for more information on specialty ingredients in Europe. Specialty food ingredients have wider functional and technological benefits and are often used in processed food products with specific nutritional qualities, such as low sugar, fat, or sodium content. Many natural food additives imported from developing countries fit the specialty food ingredients label, including natural sweeteners, gums, and oleoresins. Use this information about your ingredients when targeting buyers.
- Learn more about food ingredient trends and developments and meet industry operators at the main food ingredients trade show in Europe, [FI Europe](#).

3. Which European markets offer most opportunities for natural food additives?

Europe has a significant food and beverage manufacturing industry. Suppliers of natural food additives from developing countries should target countries with a strong food manufacturing industry, such as Germany, France, the Netherlands, Italy, the UK and Spain.

These country markets are the leading importers of natural food ingredients in Europe. Germany, France and Italy also have significant food processing sectors.

According to [Food and Drink Europe](#), approximately 64% of the total food and drink industry turnover comes from the EU's four biggest food and drink producing countries. These countries are France, Germany, Italy and Spain, suggesting that these countries are the most important markets for food additives.

Table 2: The largest food & drink markets in Europe

Country	Food and drink market 2019 (in billions of euros)	Organic food and drink market 2019 (in billions of euros)	Plant-based food market 2020 (in billions of euros)
Germany	185.3*	11.97	817
France	213.1*	11.29	335

Italy	145	3.63	490
The UK	122.3	2.68	750
The Netherlands	76.2	1.21	291
Spain	119.2	2.13	448

Source: Food and Drink Europe, FiBL, European Alliance for Plant-based Foods, Food and Drink Federation *2018 Data

Germany

According to Food and Drink Europe, Germany is the second largest food and drink market in Europe in terms of turnover. The food industry is one of the most important sectors in the country. Important sectors include meat and meat processing, dairy, confectionery, bakery and alcoholic beverages. The country has a robust processing sector and many importers of natural food additives.

The German organic food market is the largest in Europe, worth roughly EUR 12 billion in 2019. Organic foods are widely accessible to consumers in Germany, with approximately 60% sold via mainstream retailers. Plant-based products are also popular among German consumers. Germany has the largest plant-based products market in Europe, worth EUR 817 million.

Germany is a leading importer of natural ingredients, such as seaweed extracts and guar gum, and the second leading importer of ingredients such as essential oils, oleoresins and glycosides, including stevia. Germany is also an important re-exporter of natural ingredients to other European countries.

France

According to Food and Drink Europe, France was the largest food and drink market in terms of turnover in 2018. The most important sectors are meat, dairy, beverages and confectionery. France is also one of the largest organic food and drink markets in Europe. The demand for organic products has been increasing over the last decade. In terms of plant-based foods, France ranks fifth in the European table.

France is a leading importer of food ingredients. The country has a large food processing sector, but is also an important re-exporter of natural ingredients to other European countries.

France is a major importer of gums, essential oils and natural sweeteners. France is a leading importer of natural food additives, such as gum arabic. An important trader of gum arabic is [Nexira](#), which has the largest market share in Europe. Other importers of gum arabic include [Alland & Robert](#). The country is also a leading importer of essential oils and glycosides, such as stevia.

The country has an important flavouring sector, including major flavouring companies such as [MANE](#) and [Naturex](#) (Givaudan), which are based in France.

France has an important market for natural sweeteners, such as stevia. French consumers [demand high-quality, innovative and healthy products](#).

The French organic food market was worth EUR 11.3 billion in 2019. French consumers spend around EUR 174 on organic products per annum. Demand for organic foods in France is expected to continue. Mainstream retailers are highly active in marketing organic foods and improving accessibility to consumers.

The Netherlands

The Netherlands is a significant entry point for food ingredients. This is partly because most raw materials are re-exported to other European countries. The country is the second leading importer of guar gum and the third leading importer of essential oils, gum arabic, oleoresins and natural colourants, such as turmeric, to Europe. It is also a leading importer of natural colourants and essential oils.

According to Food and Drink Europe, the Dutch food and drink market was worth EUR 76.2 billion in 2019. The Dutch organic food market was valued at EUR 1.2 billion in 2019. According to the Food Economic Report of the Netherlands, total spending on sustainable foods reached EUR 4.5 billion in 2017, a 19% increase compared to 2016.

The UK

The UK has one of the largest consumer markets in Europe. According to the Food and Drink Federation, the market generated about EUR 122.3 billion in revenue in 2019. There is rising consumer awareness and growing demand for natural and healthier food and drink products.

The UK market for organic food and drink is increasing. The UK market is the fourth in Europe, worth EUR 2.68 billion in 2019. Supermarkets are the most important sales channels, followed by specialist retailers. Dairy products, fruit and vegetables and packaged foods are popular product categories.

The UK is the second largest plant-based products market in Europe. A wide range of plant-based alternatives to meat and dairy products are available in British retailers.

The UK is a leading importer of natural ingredients, such as oleoresins, and natural colourants, such as turmeric. The country is the third-largest importer of mucilages and thickeners, such as carrageenan, and the fourth-largest importer of glycosides, such as stevia.

Brexit (Britain's exit from the European Union) is disrupting supply chains for natural food additives. The UK government is in the process of re-negotiating trade deals with developing countries. Tariffs on goods imported into the UK may differ to those for European Union (EU) countries.

Italy

Italy is the third largest food and beverage market in Europe. In 2019, the market was worth EUR 145 billion.

The Italian food processing industry is dependent on food ingredient imports. The [most important food sectors in Italy](#) are bakery products, dairy products, processed meats and seafood. Italy is also a significant importer and manufacturer of food and drink products in Europe.

Italy has one of the largest markets for organic products, which is growing at a healthy pace. Italian consumers tend to seek out high-quality natural products. In 2019, the Italian organic food market was worth EUR 3.6 billion in 2019. Italy has the third largest plant-based food market in Europe.

Specialist retailers and farmers' markets are the most important sales channels for organic foods in Italy. However, mainstream retailers are gaining market share, especially in packaged foods.

Italy is the third leading importer of guar gum, the fourth leading importer of oleoresins and the sixth leading importer of glycosides, such as stevia. Italy often obtains imports through intra-EU trade.

Spain

The Spanish food industry generated EUR 119.2 billion in 2019. There is a [growing trend](#) of organic and sustainable foods in Spain. According to FiBL, the Spanish organic food market was worth EUR 2.13 billion in

2019.

Spain is the second largest importer of seaweed extracts and the fourth largest importer of guar gum. Spain is a leading a re-exporter of food additives to Europe, including seaweed extracts.

Tips:

- Focus on western European countries when targeting the European market, because they are the biggest importers of food additives in general and natural food additives in particular.
- See the CBI study on [how to find buyers](#) when exporting natural food additives to Europe. You can find more information and tips here on how to improve your chances when approaching European buyers.
- Visit European trade shows when looking for European buyers. Examples of trade shows include [Food Ingredients Europe](#) and [Anuga](#). You can also attend virtual events if physical trade shows are cancelled because of the COVID-19 pandemic.
- Read the [2021 edition](#) of the 'Data & Trends EU food and drink industry' report.

4. Which products from developing countries have most potential in the European Market?

There is a strong demand on the European market for natural food additives. There are opportunities for exporters in developing countries in categories such as natural sweeteners, natural emulsifiers, stabilisers and thickeners, essential oils, oleoresins and food colourants. Natural food additives with a high potential are stevia, coconut sugar, gum arabic, agar-agar, carrageenan, black pepper oleoresin and turmeric.

Natural sweeteners

Natural sweeteners are increasingly used in place of sugar in food and beverage products. The World Health Organization's (WHO) [sugar intake for adults and children](#) guideline strongly recommends reducing the intake of free sugars to less than 10% of the total energy intake for adults and children.

However, the [International Diabetes Federation Europe reports](#) that levels of sugar consumption range from about 12% in Denmark, Slovenia and Sweden, 16-17% in the UK and Spain and up to almost 25% in Portugal. The natural sweeteners in Table 3 below are now approved for use in the EU.

Table 3: Natural sweeteners allowed in the EU

E numbers	Additives	HS code
E420	(i) Sorbitol	290544
	(ii) Sorbitol syrup	
E421	Mannitol	29054300
E957	Thaumatococin	350400
E959	Neohesperidine DC	29389090
E960	Steviol glycoside	29389090

E968	Erythritol	29054900
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Stevia

Stevia is one of the most popular natural sweeteners. The [global stevia market](#) was worth USD 539 million in 2019 and is expected to grow to USD 900 million by 2025, according to the IMARC group. [Product launches with stevia increased](#) from 479 in 2010 to 3,526 in 2017. Demand has been particularly strong in the drinks sector.

In August 2021, the Stevia supplier [PureCircle](#) received a positive safety opinion from the [European Safety Authority](#) for its Reb M, Reb D and Reb AM stevia ingredients produced through bioconversion of stevia leaf extracts. This positive development means that food and beverage manufacturers now have access to more cost-effective ways to reduce sugar in products. This will boost the demand for stevia and create opportunities for suppliers in developing countries.

Figures 5 and 6 show imports of other glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives with HS code 29389090, under which stevia extract is usually traded. It shows that there was an increase in volume and value into Europe from extra-EU trade from 2016 to 2020. However, this product category also includes other glycosides than stevia.

Some of the most important cultivation regions are Africa, South America and Asia-Pacific. However, some cultivation is also taking place in Europe.

Other natural sweeteners

Other natural sweeteners include monk fruit, palm sugar, coconut sugar and yacon syrup. These types of natural sweeteners are not as widely used by European food companies. The demand for these sweeteners depends on the willingness of R&D departments to use them as ingredients.

Coconut sugar is a sweetener cultivated from the sap of the flower bud stem of the coconut palm. The Philippines, Indonesia, and Thailand are major producers, accounting for about 80% of global production. This is because these countries have favourable conditions for cultivation.

Coconut sugar is considered a healthier alternative to traditional sugar because of its nutritional properties. Coconut sugar contains vitamin C, iron, zinc, potassium, phosphorus and phytonutrients. Consumers are moving to coconut sugar as they look for natural sweeteners (alternatives to conventional sugar). One German importer of coconut sugar stated: *"I think consumers select coconut sugar for certain health purposes and they try to avoid the normal sugars."* Coconut sugar has a lower glycemic index (GI) compared to traditional sugar. Consumption of coconut sugar reduces the risk of diabetes and other sugar-related diseases.

According to Technavio, the [global coconut sugar market](#) is set to grow by USD 253 million between 2019 and 2023. Demand for coconut sugar in Europe is also driven by the increasing popularity of vegan and plant-based foods. Coconut sugar is considered a vegan alternative to traditional sugar, as bone char is used during sugar processing.

Tips:

- Target companies that produce healthy food and beverage products. These companies are more likely to use natural sweeteners in place of sugar. Such companies usually exhibit at organic and natural product trade shows, such as [BioFach](#), [Natural & Organic Products Europe](#) and the [Nordic Organic Food Fair](#).

- Read the CBI studies on [stevia](#) and [coconut sugar](#), which provide further information about exporting these two products to the European market.

Emulsifiers, stabilisers, thickeners and gelling agents

Emulsifiers, stabilisers, thickeners and gelling agents are used as food additives to prevent ingredient separation and maintain consistent product texture. They are used in a wide range of products, such as condiments, dairy products and confectionery.

Many emulsifiers, thickeners, stabilisers and gelling agents are derived from natural sources like plants and seaweeds. They can also be made by bacterial fermentation or chemical modification of natural cellulose to produce a synthetic version of the natural product.

Table 4: Natural emulsifiers, stabilisers, thickeners and gelling agents allowed in the EU

E numbers	Additives	HS code
E322	Lecithins	29232000
E400	Alginic acid	39131000
E401	Sodium alginate	39131000
E402	Potassium alginate	39131000
E403	Ammonium alginate	39131000
E404	Calcium alginate	39131000
E406	Agar	13023100
E407	Carrageenan	13023290
E407a	Processed eucheuma seaweed	12122100
E410	Locust bean gum; carob gum	13023210
E412	Guar gum	13023290
E413	Tragacanth	13019000
E414	Acacia gum; gum arabic	13012000
E415	Xanthan gum	13019000
E416	Karaya gum	13019000

E417	Tara gum	13019000
E418	Gellan gum	13019000
E425	Konjac	13021970
E426	Soybean hemicellulose	
E427	Cassia gum	13019000
E440	Pectins	130220
E460	Cellulose	3912
E1103	Invertase	350790

Table 4 shows a list of natural emulsifiers, stabilisers, thickeners and gelling agents allowed in the EU.

Gum arabic

Natural ingredients such as gum arabic or acacia gum, guar gum and locust bean gum are in demand because of their unique properties. They are used as a substitute for fat in low-fat and fat-free food products. Other applications and functionalities depend on the individual type of gum.

Figures 7 and 8 show the imports of gum arabic to Europe. Imports have been increasing in volume, but decreasing in value. This is due to price fluctuations and also the improving political situation in Sudan.

European importers are heavily dependent on Sudan for the supply of gum arabic. Figure 9 shows that that Sudan accounts for around 54,000 tonnes of natural gum arabic, which was 82% of the supply in 2020. Due to political instability in Sudan, European exporters are open to finding new suppliers. Nigeria, Chad, Senegal and Mali are other suppliers of gum arabic. Despite significant progress in recent years, producers in these countries face many obstacles, including infrastructure, production disruptions and quality issues.

The market for gum arabic is highly concentrated. The French processor and importer [Nexira](#) is estimated to control [50% of the global market](#). According to Eurostat, France accounted for almost 84% of European imports in 2020 with 55,100 tonnes. Another important French importer is [Alland & Robert](#). Most demand for gum arabic comes from Germany, France, the UK and Italy.

Demand for gum arabic is expected to continue to grow at a stable pace as food companies look for natural ingredients.

Tips:

- Read the [CBI report on gum Arabic and guar gum](#). You can find more information here on market potential and market entry guidelines for natural gums when exporting to Europe.
- See [EU Directive 95/2/EC \(20 February 1995\)](#) for more information on emulsifiers, stabilisers,

thickeners and gelling agents.

- Document and promote the ability of your gum to replace fat and other contentious ingredients. Make sure to promote all the positive properties of gums to buyers. Your claims have to be in line with [Regulation \(EC\) No 1924/2006](#) on nutrition and health claims made on foods.
- Help food manufacturers to change their formulas by telling them about processing characteristics.

Other natural gums

Other natural gums, such as guar gum, locust bean gum, tara gum, tragacanth gum and konjac gum, are also present on the European market.

Guar gum is used in a variety of industries, including food. [The global guar gum market](#) was worth USD 824.3 million in 2021, according to Market Data Forecast. It is expected that the market will reach USD 1.2 billion by 2026. The market is forecast to grow at a compound annual growth rate of 7.9% between 2021 and 2026. [India is the main international supplier](#) of guar gum, supplying approximately 80% of the total market, followed by Pakistan.

Locust bean gum (LBG) is commonly used as a thickening and gelling agent in the food industry. There is high demand from the food and beverage industry, especially the dairy sector. The majority of LBG is produced in the Mediterranean region: Spain, Portugal, Italy, Morocco, Algeria, Cyprus and Crete.

Tara gum is a less popular additive, often used as an alternative to guar gum and LBG. The food industry is the main end user of tara gum. It is used in low-fat and low-calorie foods. Peru is the major supplier of tara gum, but it has also been introduced to Africa, the Middle East and Asia.

Tara gum faces competition from guar gum and LBG, as well as some other synthetic gums. Demand for tara gum depends on the willingness of R&D departments to reformulate their products and use new ingredients. Competing products have been on the market much longer and are better known to formulators and importers of gums to Europe. The success of tara gum will also depend on the marketing activities of tara gum suppliers.

Tragacanth is a form of dietary fibre used as a natural emulsifier, thickener, stabiliser and texturing additive. It has good properties in the presence of heat or low pH and has a long shelf life. In the food industry, it is used in dressings, sauces, relishes, beverages, bakery products, broths, confectionery, ice creams, soft jellied products, condiment bases and sweet pickle liquors.

Konjac gum, also known as konjac glucomannan, is used as a dietary fibre and gelling agent in the pharmaceutical industry. In the food industry, it is used as a thickener, texture stabiliser, emulsifier, gelling agent and preservative. Konjac gum can be found in dairy products, bakery products, pastries, confectionery, dressings, drinks, spreads, processed meat products and frozen food.

According to industry feedback, gums have a lot of potential on the European market, especially for free-from food products, such as gluten-free and vegan. For certain applications, many gums can be used as a substitute for gelatine, which makes them an attractive ingredient for vegan food products.

Tips:

- Consider obtaining organic certification for gums, which can help you access niche markets. Look up information on [EU organic certification and regulations](#). Organic certification can make food additives more competitive on the European market.
- Adopt measures to improve the sustainability of your production system, such as energy reduction, reduced water consumption and proper waste management. These practices can help you gain the trust of buyers. Promote this information on your website and marketing materials.

Seaweed extracts

Seaweed extracts, or seaweed hydrocolloids, are used as gelling and thickening agents. They have applications mainly in food, health products and biotechnological sectors. Seaweed extracts are made of a number of seaweeds sourced from various countries, such as Indonesia and China. Common seaweed extracts are agar-agar and carrageenan.

Agar-agar is a gelatinous substance derived from red seaweed, such as the gracilaria kind. Agar-agar is a source of iron and magnesium. The nutritional benefits of agar-agar include digestive, bone and brain health benefits.

There has been a decline in imports of agar-agar to Europe because of decreasing demand from non-food industries. In 2015, the agar-agar supply was negatively affected by raw material shortages, which caused prices to increase. The price has been declining since as the supply situation has improved.

Carrageenan is derived from red edible seaweeds. The nutritional benefits of carrageenan include it promoting gut health, having a high level of antioxidants, and having a positive effect on treating cholesterol, flu and colds.

The [global carrageenan market size](#) was valued at EUR 692.7 million (revenue) in 2020 and is expected to expand at a compound annual growth rate (CAGR) of 6.0% from 2020 to 2028. The food and beverage segment dominates the market, with a value share of 72.1% in 2020. Carrageenan finds applications in bakery, dairy, and meat products and beverages. Carrageenan is added to these products to alter viscosity or texture, which, in turn, improves their sensory properties. The European carrageenan market size was estimated at EUR 214.7 million (revenue) in 2020, which was about 30% of the global market.

Tip:

- Read the [CBI study on market potential and market entry of seaweed extracts to Europe](#). You can find more information here on market demand and requirements that you have to meet when exporting to Europe.

Essential oils

Food grade essential oils can be used as flavouring in food products. Essential oils such as peppermint, lemon, orange lavender and bergamot are commonly used in sweets, frostings, baked goods and marinades to enhance or add flavours. Thyme and marjoram are used in savoury foods.

Figures 12 and 13 show imports of essential oils to Europe between 2016 and 2020. They show that the volume of imports has been increasing. The inconsistency in the value of imports is due to price volatility and changes in imports of different types of essential oils. Substantial volumes of essential oils are used by the flavouring sector.

The global essential oils market reached USD 8.74 billion in 2020. The market increased by more than 14% in 2020 because of higher demand during the COVID-19 pandemic. The most popular essential oil types are orange and other citrus oils, which are used to add freshness to finished products. Most citrus essential oils are a by-product of the juice industry and the market is dominated by big suppliers from Brazil, Argentina, China,

etc. There is a citrus industry in Europe as well.

Oleoresins

Oleoresins as natural flavouring additives are a viable alternative to spices and essential oils. They are much more stable and dissolve in oils, fats and lipids, as opposed to essential oils.

The [global oleoresin market](#) was worth USD 1.44 billion in 2018 (EUR 1.22 billion). The most common oleoresins used in the food industry are paprika, black pepper, capsicum, turmeric, ginger and garlic. Demand is increasing because of their growing use in ethnic cuisine and businesses shifting towards natural ingredients.

India is the main oleoresin producer, followed by China, the US, Sri Lanka and South Africa. The price and availability of oleoresins fluctuates depending on the harvest.

Black pepper oleoresin is also prospective. According to Market Watch, the [global black pepper oleoresins market](#) reached USD 100.6 million in 2020. The market is expected to grow at a compound annual growth rate of 4.2% to USD 128.8 million by 2026. Growth on the European market is mainly driven by a growing demand for natural ingredients from the food sector. Black pepper has antioxidant and anti-inflammatory properties.

Its main applications include as a flavouring agent and in the production of various health products. Black pepper oleoresin can be used as a colourant and a food preservative due to its antimicrobial properties. Black pepper oleoresin is produced in countries such as India, Vietnam, Sri Lanka and Indonesia.

Demand for oleoresins is expected to continue to increase in the future, opening opportunities for suppliers in developing countries. Oleoresins such as black pepper, paprika and turmeric are becoming popular among European food manufacturers. The main demand is coming from meat and processed food industries, as well as ethnic cuisine.

Tips:

Read the CBI report with [tips for doing business with European buyers](#).

Read the CBI report on [what requirements natural food additives must comply with](#) to be allowed on the European market.

Food colourants

Food colourants are food additives which are added to foods to enhance natural colours, to make up for colour losses and to add colour to foods that would otherwise be colourless or coloured differently. Food colourants are used in a wide range of products, including dairy products, snacks, margarine, beverages and condiments.

Table 5: Natural colourants allowed in the EU

E numbers	Additives	HS code
E100	Curcumin	09103000

E101	(i) Riboflavin	29362300
	(ii) Riboflavin 5'-phosphate	29362300
E120	Cochineal; carminic acid; carmines	3204
E140	Chlorophylls and chlorophyllins	320300
E153	Vegetable carbon	28030000
E160a	Carotenes	32041990
E160b	Annatto; bixin; norbixin	12119086
E160c	Paprika extract; capsanthin; capsorubin	330190
E160d	Lycopene	32030010
E160e	Beta-apo-8'-carotenal (C30)	32129000
E161b	Lutein	320300
E161g	Canthaxanthin	32041900
E162	Beetroot Red; betanin	32030010
E163	Anthocyanins	320300
E170	Calcium carbonate	28365000

The use of natural colourants is on the rise as food companies look to replace synthetic ingredients with natural variants. Some natural colourants are likely to be in demand from developing countries, including E100 curcumin, E160b annatto and E160d lycopene.

The global natural food colours market was worth USD 1,794 million in 2019 according to Polaris Market Research. It is expected to grow at the compound annual growth rate of 7.5% by 2026. This presents an opportunity for natural food colorants from developing countries, as the demand is expected to continue to grow in most regions, including Europe.

Curcumin is derived from the turmeric plant root. It is used in beverages, condiments, confectionery, dairy products, fish products, dietary supplements, processed meats and vegetables.

Figure 16 and 17 shows imports of turmeric to Europe. It shows that the volume and value of imports has increased in Europe. The majority of European imports come from extra-EU trade, mainly India. Europe is dependent on turmeric imports from developing countries.

Annatto (E160b) seed is harvested in countries such as Peru, Brazil, Bolivia, Ecuador, Jamaica and the Philippines. It is mainly used in cheese, margarine and tofu. According to Fortune Business Insights, [the global annatto market](#) was valued at USD 196.55 million in 2019. It is projected the market will grow at a compound annual growth rate of 5% to reach USD 281.97 million by 2027. Lycopene (E160d) can be sourced from papayas and watermelons and is used in tomato-based foods.

Tips:

For more information on natural food pigments and colourants, visit [ScienceDirect.com](#).


Read the CBI study with [tips for doing business with European buyers](#).


Read the CBI study on [exporting turmeric to Europe](#)


This study has been carried out on behalf of CBI by [Ecovia Intelligence](#).

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