The European market potential for baobab

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The European market for natural health products is showing healthy growth. Due to the COVID-19 pandemic, demand for products that can support immune health and general well-being has increased. This offers opportunities for baobab exporters because of the product's nutritional profile. Although consumer awareness of baobab is still low, European brands and exporters have developed initiatives to improve this.

Contents of this page

1. Product description
2. What makes Europe an interesting market for baobab?
3. Which European countries offer the most opportunities for baobab?
4. Which trends offer opportunities on the European market?

1. Product description

Baobab (*Adansonia digitata*) is the largest tree species of the genus *Adansonia*, from which its fruits are derived. Baobab is native to the African continent, typically found in sub-Saharan African countries. This is the only species authorised on the European market. Madagascar is home to several other species as well, such as *A. grandidieri* and *A. madagascariensis*. These species are considered novel foods and cannot be sold in Europe. The baobab tree takes around 16–23 years to mature and produce its flowers.

Baobab is a multi-purpose tree; its fruit pulp, seeds, leaves, flowers, roots and bark are used locally for human consumption. In 2008, the dried pulp harvested from baobab fruit was first approved for sale in the European Union (EU); it has seen high growth since then. Baobab fruit powder is made by grinding baobab dried fruit pulp, the only authorised baobab ingredient in food/health products on the European market. The fruit powder contains:

- A high share of vitamins, especially vitamin C
- Minerals, such as calcium, potassium and phosphorus
- Dietary fibre (almost 50%, soluble and insoluble)
- Carbohydrates (around 78%)
- Protein (2-3%)

Several health benefits have been associated with baobab powder. In Europe, it is commonly marketed as a food supplement that increases energy levels, supports immune health and improves digestive and general health. It is mostly sold as a fruit powder, while some companies sell baobab powder in capsules, such as the company Bao-Med (the Netherlands). Most baobab powder on the market is organic-certified, as Europe has a limited market for non-certified baobab.

Baobab powder is used in food supplements because of its nutritional qualities. The company Aduna (United Kingdom) markets baobab powder with the claims 'rich in vitamin C', 'high in fibre' and 'baobab is one of the most nutrient-dense foods in the world'. The company markets baobab as 'the feel-good fruit'. Golden Greens also highlights the vitamin C content of baobab, as well as labelling it 'high in fibre and antioxidants'. Many

companies market their baobab powder as 'suitable for vegans/vegetarians', as consumers are looking for products without animal-based ingredients.

Table 1: Example of Baobab dried fruit pulp nutritional content, in mg/100 g

Vitamins and minerals	Content (mg/100 g)
Vitamin C	74.00–163.00**
Calcium	257.00–370.00**
Phosphorus	56.10–73.30
Potassium	2010.00–2390.00

Source: sciencedirect.com
** Ascorbic acid compared with oranges of 51 mg/100 g and calcium compared with milk of 125 mg/100 g

The antioxidant content of baobab fruit pulp is higher than that of berries, cranberries and pomegranate. This fact is important, since the consumer demand for antioxidant products is increasing. The global antioxidant market was valued at US$ 4.1 billion (€ 3.8 billion) in 2021. This market is expected to grow at an average annual rate of 5.6% to reach US$ 6.1 billion (€ 5.7 billion) by 2028.

Baobab powder has no unique HS code. It is traded under HS code 11063090, which refers to flour, meal and powder of dried fruits, other than bananas. This study looks at baobab fruit powder and its applications in the health products industry.

Figure 1: Example of baobab products in the European health product market

Source: Aduna (organic baobab), Health Essentials Direct and Purasana (organic baobab)

Tips:

Determine the nutritional profile of your baobab. Work together with a local university or laboratory to test your baobab. Include the results in your product documentation. Various studies have been done on the chemical composition and effects of baobab, which you can use as a reference. Use scientific sources, such as those available on sciencedirect.com, as this gives you credibility.

Look for credible literature sources on the benefits of baobab. Use these references in your product documentation and marketing materials.

2. What makes Europe an interesting market for baobab?

Europe has an attractive market for baobab, since there is a growing demand for supplements as well as ingredients with high nutrient content and antioxidant properties. Consumers are increasingly looking for products that boost their overall health. However, the demand for baobab is hampered by low consumer awareness of baobab and its related health benefits.

According to Bullet Line Market Research Reports, Western Europe is the world's second-largest market for baobab powder, accounting for 25% of the global market in 2017. The baobab powder market in Western Europe is expected to grow by an average annual rate of 6.3% in terms of value and 2.6% in terms of volume from 2017 to 2027. The global market for baobab powder is expected to grow to US$ 10 billion (€ 9.3 billion) in 2027.

In addition to baobab powder, there is demand for other baobab ingredients, such as baobab oil, which is used by the cosmetics industry. The European market for baobab ingredients is expected to increase by about 4% in the coming years. The leading markets are in Germany, France and the UK. In 2019, researcher Innova Market Insights concluded that 52% of all food and beverage launches with baobab occurred in Europe. From 2013 to 2017, new product developments that include baobab grew by an average annual rate of 53%.

Figure 2 shows that European import volumes of flour, meal and powder of dried fruits other than bananas increased by an average annual rate of 9.3% from 2017 to 2021. In 2020, imports reached over 22,900 tonnes. It is estimated that Baobab powder accounts for about 2% of the total imports of fruit powder with HS code 11063090. Table 2 shows an estimation of EU baobab imports based on a 2% share of total fruit powder imports.

Figure 2: Imports of flour, meal and powder of dried fruits other than bananas and estimated baobab
In 1,000 tonnes

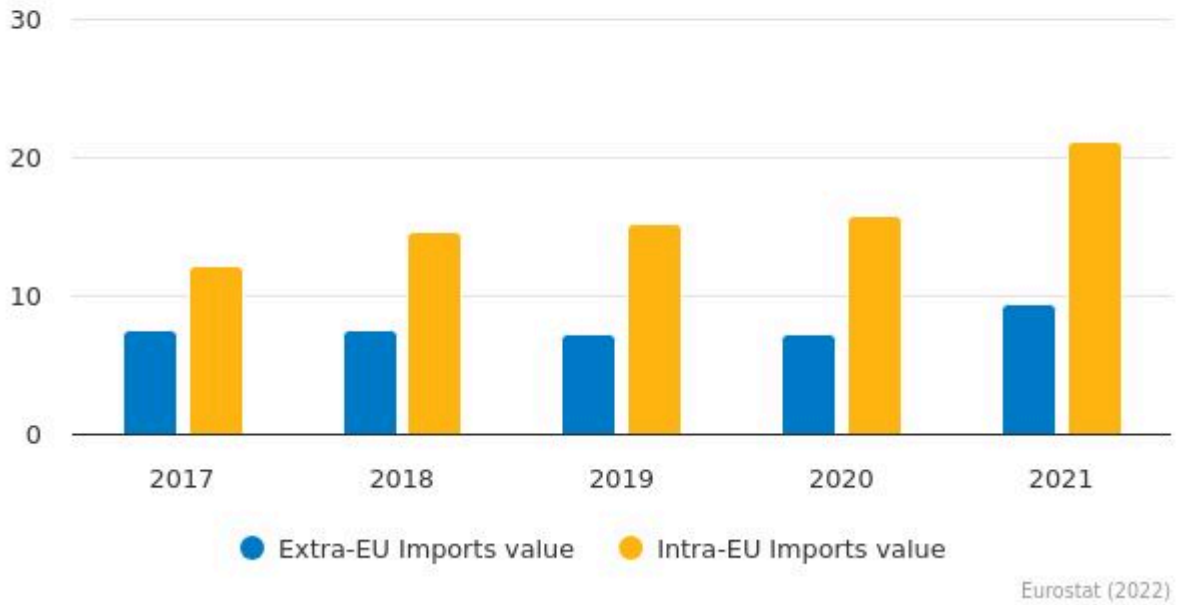

Table 2: Estimated EU imports of baobab powder at 2% of imports of flour, meal and powder of dried fruits other than bananas, in tonnes, 2017-2021

	Estimated Extra-EU imports of baobab volume (tonnes)	Estimated Intra-EU imports of baobab volume (tonnes)
2017	150	240
2018	150	290
2019	140	300
2020	140	310
2021	190	420

Although the market seems to be growing, low consumer awareness is a challenge to further growth. As a result, it can be harder for you to approach European buyers who would rather purchase ingredients consumers are familiar with, as well as those that are more visually appealing.

Another major challenge is the quality of baobab, particularly poor quality that can damage trust among European buyers. One baobab trader stated that quality issues in baobab mainly stem from a lack of quality control, as processing is not centralised and there is a lack of food safety experts involved in processing. Robust quality standards for baobab are therefore important to raising European demand for baobab.

As an exporter of baobab you might also find it challenging to set a price level for your product, as there is a range of different product varieties available on the market.

Baobab is wild-harvested and is manually collected by local villagers, often organic-certified. A single baobab

tree can produce over 1,500 baobab fruits per year. A case study developed by the ABS Compliant Biotrade in South(ern) Africa project (ABIOSA) indicates that Southern African exports of baobab reached 438 tonnes in 2020. The African Baobab Alliance has the ambition for the exports of baobab to reach 5,000 tonnes by 2025.

Climate change and the associated changes in rainfall pose another threat to baobab supply from Africa, with one European buyer of baobab on the European market stating in an interview: 'We are more conscious about the harvesting season, due to changing rainfall patterns'. Specifically, climate change could move up the timeline for transporting baobab out of Africa.

Tips:

- Always send European buyers samples of your product that are fully representative of your product quality. In addition, always send buyers a high-quality, consistent product, as they expect this; failure to do so could lead to the termination of your business relationship.
- See CBI study tips for finding buyers in the natural ingredients for health products sector, because it provides practical guidance on finding European buyers on the European market.
- See CBI trends study on the European natural ingredients for health product market. Here you can find further information about how to tap into trends on the European market, along with preparing for those posing a threat.
- See the CBI study Entering the European market for baobab for more information and tips on buyer requirements such as quality and food safety.

3. Which European countries offer the most opportunities for baobab?

Western Europe, and particularly the UK, Germany, France, the Netherlands, Italy and Spain, offer the most opportunities to baobab exporters in developing countries. These countries have a strong and growing natural health product industry, well-developed organic markets, as well as some of the largest consumer markets in Europe. The UK and Germany are home to several producers of baobab products, most of which are organic-certified.

In countries such as the UK and Germany, consumers have high awareness of the baobab fruit and its beneficial properties. This is demonstrated by many new baobab product launches in recent years. However, low awareness among European consumers is hindering growth of baobab products in Europe. European demand for baobab is expected to continue to increase in the coming years.

UK: product innovation with baobab ingredients

The UK is one of the most attractive country markets for exporters of baobab. According to Mintel, the UK food supplements market reached £494 million (around € 578.8 million) in 2020. Around 71% of UK consumers take supplements. In addition, sales of supplements increased in the UK in 2020 during the coronavirus pandemic.

The UK company Aduna specialises in baobab products and in other African botanicals. Other market players include Golden Greens, Superfood Outlet, Fit Delis, Minvita, MySuperfoods, KIKI Health and Global Product. The latter company offers supplement tablets based on baobab fruit powder. Forza Supplements also sells baobab capsules.

Some of the leading traders of baobab in the UK include the Organic Herb Trading Company, Super Nutrients and Green Origins. There are some contract manufacturers in the UK that produce baobab capsules; one company is the Supplement Factory.
In the UK, many new products have been introduced with baobab. In 2018, Yeo Valley Organic, a leading dairy

company, launched a yogurt containing organic baobab. The company Aduna offers organic baobab tea in its range of African super-teas. In addition, between January and March 2018 the UK online retailer Ocado recorded a 27% increase in the sales of baobab products. These product introductions and growing sales indicate that the UK is an important market for baobab products with higher awareness of baobab than other European countries. Thus, you should focus on finding UK buyers.

However, Brexit (UK's exit from the European Union) has created uncertainty for exporters, as it has disrupted international supply chains. For example, UK businesses face tariffs when re-exporting organic certified goods to the EU that were imported from outside of the EU without adding value. It also takes some time to renegotiate trade deals with developing countries. The UK has signed a Memorandum of Understanding with the African Continental Free Trade Area Secretariat, which promises to lower tariffs and increase market access.

Germany: growing market for sustainable and organic baobab

Germany has an attractive market for baobab from developing countries. The German baobab market is forecast to grow by an average annual rate of 3.1% from 2020-2027. Awareness of baobab is growing among German consumers who are health-conscious; growth is expected to continue in the future.

Moreover, the volume of German imports of flour, meal and powder of dried fruits other than bananas increased by an average annual rate of 5.2% between 2017 and 2021. This indicates a growing demand for such products in Germany.

Most sources estimate the German food supplement market to be worth between US$ 2.1 billion (€ 1.97 billion) and € 2.7 billion in 2021, a growth of 2.1% compared with the year before. German demand for health products and supplements is expected to continue increasing in the coming years.

Several baobab suppliers are active in the German market; they include Berlin Organics, Biotiva, Baola, Keimling, Hanoju and Govinda. All these suppliers offer organic baobab. Africrops is a major importer of organic-certified baobab.

There is growing demand for high-quality and environmentally friendly products in Germany. Germany has seen growing demand for organic products in recent years, which is expected to continue in the future. Thus, you should consider obtaining certification for your baobab to enter the German market.

France: organic food supplements are becoming more popular

France is an attractive market for exporters of baobab in developing countries. The volume of French imports of flour, meal and powder of dried fruits other than bananas increased by an average annual rate of 4.8% between 2017 and 2021. It is expected to continue growing in the coming years. France has one of the largest consumer markets in Europe and is also a leading importer of raw materials to Europe.

The French food supplement market reached € 2.31 billion in 2021, an increase of 6.3% compared with 2020, and the market is expected to grow in the coming years.

When it comes to food and health products, French consumers prefer products with high quality standards, such as organic. Sales of organic food supplements increased at a higher rate than sales of conventional food supplements. For products sold in pharmacies and beauty and health shops, this was an increase of 15%, compared with 6-9% for conventional supplements in the same channels. Total sales of organic food supplements in 2021 amounted to € 86 million in pharmacies and € 1.8 million in health and beauty shops. You should therefore consider getting organic certification, to increase your chance of entering the French market.

A survey by Synadet revealed stress, digestion and vitality are three reasons behind French consumers purchasing supplements. Approximately 70% of French consumers perceive supplements positively and around 24% consume supplements more than once per year. Thus, this research suggests demand for food

supplements is improving consumer well-being on the French market.

Nexira and Greentech are two major importers of baobab in the French market. Several brands, such as Savanature and Racines Bio offer (organic) baobab powder on the French market. Laboratoire D.Plantes produces a wide range of products containing baobab, including supplements.

The Netherlands: important baobab trade hub in Europe

The Netherlands is a leading importer as well re-exporter of natural ingredients to Europe. Most baobab powder imported to the Netherlands is imported by traders.

The volume of Dutch imports of flour, meal and powder of dried fruits other than bananas increased by an average annual rate of 29.9% between 2017 and 2021. The Dutch food supplements market is growing, with Nature and Health Products Netherlands (NPN) stating that the market size reached € 693 million in 2020. Around 66% of Dutch consumers take supplements.

The Netherlands also re-exports baobab and other natural ingredients to other European countries. One of the leading traders of organic ingredients, Tradin Organic, imports organic baobab. Prebiotica supplies baobab supplements. BAO-MED, Spiruella and Pit-Pit are other Dutch companies supplying baobab powder and supplements.

You should consider exporting to the Netherlands. When doing business with Dutch traders, you should be prepared to supply larger volumes, as traders usually deal with such. Because of its significant position as a major entry point for natural ingredients into Europe, the Netherlands is likely to remain an important export destination for baobab for the foreseeable future.

Italy: the largest food supplements market in Europe

For exporters in developing countries, Italy is an attractive market. The Italian food supplements market is by far the largest in Europe. It was valued at € 3.8 billion in 2020. In a survey conducted by FederSalus, the Italian Association of Health Products and Manufacturers, consumers indicated that the pandemic prompted them to take better care of their health and to improve their immune system.

Over 58% of the Italian population claim to be regular users of food supplements. Baobab fits well with supplement categories that showed the strongest growth in the 2020-2021 period:

- Immune stimulants (+30.2%)
- Vitamin supplements (+30%)

The volume of Italian imports of flour, meal and powder of dried fruits other than bananas decreased by an average annual rate of -3.1% between 2017 and 2021. Still, Italy has one of the largest consumer markets for conventional and organic products in Europe. From July 2020 to July 2021, Italian organic retail sales amounted to €4.6 billion. High-quality natural products are demanded by Italian consumers.

In Italy, baobab powder is mainly sold by specialist retailers. Cibocrudo, Gusto Vivo and Erbavoglio are baobab suppliers in Italy.

Spain: growing food supplements market

Spain is an attractive market for baobab suppliers from developing countries. In 2020, market researcher DBK valued the Spanish food supplements market at € 400 million. This market had been growing at a strong rate of around 6% before the COVID-19 pandemic. Around 75% of the Spanish population consume some type of nutritional supplements. Spanish consumers mainly take food supplements to support their health and general well-being. As baobab powder is used for similar health benefits, it could fit well within this market.

Spanish consumers are health-conscious and look for natural and environmentally friendly products. In 2021, Spanish organic retail sales reached € 361 million. Demand for organic products is expected to grow by an average of 4% per year between 2021 and 2026.

You should target Spanish buyers, especially those focusing on organic and natural products, as they offer the most promising opportunities.

Baobab products are available at specialist retailers and pharmacies. Baobab powder suppliers in Spain include Glorioso and SaludViva, which both use organic baobab powder in their products.

Tips:

- Target Western countries when exporting baobab powder to the European market, as they offer the most opportunities.
- Consider obtaining organic certification for your baobab powder as this will help you enter these markets. There is virtually no non-organic market for baobab in Western Europe; see the trends below for more information.

4. Which trends offer opportunities on the European market?

Baobab has been gaining popularity on the European market. However, its benefits are still known only to a relatively small part of the population. Most of the demand for baobab products is coming from health-conscious consumers who are willing to pay for high-quality products. Moreover, most baobab sold on the European market is organic-certified.

Increasing demand for organic baobab

According to industry sources, there is no sizable market for non-organic baobab in Europe. Consumers of food supplements are health-conscious. They look for products which support a healthy lifestyle and generally prefer natural and organic products. Key factors driving increasing consumer demand for organic products on the European market include the perception of organic products as being of higher quality, safer and free of synthetic chemicals. One European buyer revealed in an interview: “better customer awareness [that] fits in with health trends in the food market” was another driver.

Organic product sales in Europe have been growing at a faster rate than the overall food market. During the COVID-19 outbreak, demand for organic products received a further boost. In 2020, the EU organic market reached record high sales at € 44.8 billion. This was an increase of 15% compared with the year before.

Buyers are also demanding certified organic baobab as a sign of quality and reliability. For European buyers, quality and contamination are two major concerns. In developing countries, baobab powder is traditionally obtained by breaking the baobab fruit, after which its pulp is scooped out. The pulp is then pounded by a pestle in a mortar to separate the powder. Then, the baobab powder is sieved and packed. The processing and storage methods do not meet European standards as processing is often not centralised.

In addition, during its production process, baobab powder can be contaminated by dirt, stones, nuts and other foreign matter. Furthermore, inadequate storage facilities can lead to contamination by pests and insects along with causing mould growth.

You should consider obtaining EU organic certification as it may be difficult to enter the market without it. In a joint venture between EcoProducts and Bayoba, Baobab Exports is an example of a company in a developing country exporting organic baobab powder to the European market.

Figure 5: The EU organic certification logo

Source: ec.europa.eu

Tips:

- Visit the IFOAM website for further information on EU organic certification.
- Prepare and be ready to provide European buyers with a Certificate of Inspection; failure to do so means your natural ingredient cannot be traded as organic on the European market. Check the CBI study on Entering the European market for baobab for more information about organic certification.
- Look for companies that trade in certified organic baobab online or at trade fairs. For example, check exhibitors at the organic trade fair Biofach, or Vitafoods, or search organic importers on the website of the International Trade Centre (ITC).
- Promote the sustainable and ethical aspects of your production processes if your baobab is not certified. Buyers might ask you to support your claims with certification or documentation on your sourcing practices and/or your Corporate Social Responsibility (CSR) practices.

Increase in health-conscious consumers

Despite having high spending power, European consumers are faced with a range of chronic diseases. They are seeking preventative health options as well as products representing healthier options, something that is becoming increasingly popular. A changing understanding among consumers of what it means to be healthy is driving demand for health products. European consumers use health products to prevent diseases and to feel good, for example by adding supplements to their regular diet.

According to the International Nut and Dried Fruit Council (INC), around half of Europeans look for some kind of wellness benefit from the food they purchase. This is translated into a growing market for food supplements. Fortune Business Insights expects a 9% annual growth for the European food supplement market from 2020 to 2027. In 2027, they predict that the market will reach over US$ 33.8 billion (€ 31.4 billion).

Demand for ‘superfoods’ that are a rich source of nutrients is increasing due to this health-consciousness trend. In January 2022, sales of superfoods were significantly higher than in 2021, up 91% . The term ‘superfood’ is a marketing term and is considered an unauthorised health claim in Europe. European companies do use the term by making it part of their brand name. These types of foods typically have high concentrations of certain beneficial nutrients, like baobab. This trend offers opportunities to exporters of baobab due to the product’s nutritional profile.

Tips:

- Focus on baobab's nutritional profile when approaching European buyers. Particularly highlight baobab's high vitamin C content, which is a good selling point to buyers as consumers are looking for natural ways to increase their vitamin intake without taking vitamin supplements.
- To capitalise on the opportunities, familiarise yourself with baobab's beneficial properties for health. These are linked to its nutritional profile, such as its high content of vitamin C, phosphorus, calcium, fibre, carbohydrates, protein, potassium and lipids. Baobab Fruit Company Senegal is an example of a company that has capitalised on this trend by promoting the beneficial properties of baobab on their website.
- Do not make medicinal claims when approaching European buyers working in the supplement industry. Food supplements are not allowed to carry medicinal claims, and baobab is not authorised for use in medicinal products. See the CBI study Entering the European market for baobab for more information.
- Review the CBI study what requirements must natural ingredients for health products comply with to be allowed on the European market, as it provides information about mandatory requirements and additional buyer requirements to enter the European market.

Awareness about baobab products is slowly increasing

Although there have been many baobab product launches in Europe in recent years, there is still a lack of consumer awareness of the African fruit. European consumers are still not fully informed about baobab's health properties, such as boosting energy levels and supporting immunity and digestive health. This was confirmed by a European buyer of baobab who revealed in an interview, 'baobab's biggest challenge is a lack of awareness and visibility, consumers need to be educated'.

However, European brands are building awareness of baobab by means of marketing campaigns. An example of one such campaign is #makebaobabfamous by the company Aduna. There are also various websites and blogs dedicated to raising awareness of the baobab fruit. These efforts are most likely to be successful in countries with sophisticated consumer markets for health products, such as the UK, Germany, France, Italy, Sweden and Denmark.

You need to be aware that consumer awareness of baobab varies among European countries. In addition to targeting markets where awareness may be higher, exporters can also help build awareness of baobab. A good example of this is the exporter Baobab Exports. On the company's website and in its newsletters, importers can find a product development guide and applications for baobab in immune protection related to COVID-19.

New product launches also help build awareness of baobab among consumers and European buyers. Growing numbers of product launches in the UK following campaigns by Aduna could imply that consumer awareness is growing. In 2020, EcoProducts B'Ayoba launched 2 new baobab products that are unique in the sector. Its ready-to-use baobab paste, rich in fibres, can be added to food and beverages. The organic red baobab tea is made from the fibres of baobab fruit and has high levels of antioxidants. An importer of baobab products in the UK stated that the demand for baobab increased in 2020, as "*...people are more exploratory with their palates and new flavours...".* According to FMCG Gurus, 74% of global consumers liked to try food and beverage products with new and unusual/exotic flavours in 2021.

Tips:

- Inform prospective European buyers and invest in training and educating them on the benefits of baobab powder and its potential uses in products. Doing so is likely to increase your chances of success in entering the European market, as buyers are more likely to buy a product if they are aware

of its benefits.
- Consider joining the African Baobab Alliance to receive support when marketing baobab products.
- Show how your product can be used by consumers, by including recipes that list your product as an ingredient or demonstrating to manufacturers how they can use baobab in final products. For example, Aduna has recipes for baobab smoothies.

Increasing demand for immune boosting supplements

In 2020, the market for immune boosting products grew faster than ever, at a rate of 39.6%. Market researcher Fortune Business Insights predicts that the global immune-boosting health supplements market will continue to grow from US$ 20.2 billion (€ 18.8 billion) in 2021 to US$ 31.5 billion (€ 29.3 billion) in 2028, at an average annual rate of 6.6%. The market researcher also predicts that demand for plant-based ingredients, such as immune-boosting botanicals, will grow considerably.

The global COVID-19 pandemic is one of the main factors driving this trend, as consumers seek to boost their immune system. Following the outbreak, consumers started to pay greater attention to their diets and health as they tried to increase their personal immunity. As part of this trend, consumers have turned towards vitamins and supplements.

Although growth in the food supplement market is expected to slow down, the demand for immunity products is expected to be a long-term trend. You should capitalise on the opportunities this offers, as baobab has a high concentration of vitamin C – a common ingredient in immune supplements.

Tips:

Inform prospective European buyers about the uses of baobab in immune-support products. Support this information with test analyses that prove your product's nutritional profile and vitamin C content.

See CBI Study on Entering the European market for baobab, as it outlines quality parameters buyers look for in baobab.

See the CBI study on Exporting immune-boosting botanicals to Europe for more information on the immunity market in Europe.

This study was carried out on behalf of CBI by ProFound – Advisers In Development.

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