

The European market potential for nutmeg

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Nutmeg is traditionally used in several foods, ranging from gingerbread to sausages. The demand for nutmeg is partly due to the popularity of international cuisines. Germany is the largest importer of nutmeg because of its strong processed meat and bakery industry. The need for a sustainable supply chain is shaping the nutmeg trade. Exporting companies that can demonstrate they are sustainable can benefit from this trend.

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1. Product description

Nutmeg is the seed of the nutmeg tree (*Myristica fragrans*). It is local to South Pacific. It is also commonly grown on several Caribbean islands, India, Sri Lanka and Malaysia. Nutmeg trees yield fruit around seven to nine years after planting, providing they are grown in the right climate and soil. This means they require a significant time investment. After harvesting the fruit, the seeds are left to dry, then hulled and graded. After that, the seeds can be exported whole or they ground and sold as powder.

Other varieties of nutmeg include *Myristica argentea* (Papua) and *Myristica malabarica* (India). Both of these varieties are used as adulterants, substances that are added to a food and medicines to them less effective or unsafe. The nutmeg tree produces fruits with egg-shaped seeds that are covered in a red layer called 'mace'. Mace is also a spice, but it has a slightly more delicate flavour than nutmeg.

This study focuses on the nutmeg seed in various forms (whole or ground) and not on mace and its extract (oleoresin).

The statistical data in this document is based on the Combined Nomenclature (CN) codes of the European Union, which use international Harmonised System (HS) codes for product classification. The specific CN codes for nutmeg can be found in the table below.

Table 1: Types of nutmeg and product codes

CN Code	Description
09081100	Nutmeg, neither crushed nor ground
09081200	Nutmeg, crushed or ground

Common uses of nutmeg in the European market are:

- Seasoning for cured meats, sausages and ready-to-eat products, among others
- Flavouring of sauces
- Flavouring of baked goods, confections, puddings and beverages
- Production of spice mixes
- Sale as a single spice for the food and retail industries

2. What makes Europe an interesting market for nutmeg?

In 2021, Europe was responsible for importing around 25% of nutmeg exports worldwide. Eastern Asia was the main importing region, making up 29%. Nevertheless, the consumption of nutmeg in Europe is lower than in Eastern Asia and the Middle East.

Nutmeg is used in Europe mainly as an ingredient in spice mixtures, marinades, sauces, ready-to-eat foods and bakery products. Nutmeg is also used in a wide variety of sweets, especially during the Christmas season. Nutmeg is also sold as single spices in food retail and food service channels, both whole and crushed. Important European users are companies that produce spice mixtures and certain Christmas products and restaurants.

Over the next five years, European nutmeg imports are expected to stay stable, with a yearly growth rate of up to 1%. Nutmeg is a very well-known spice that has been used in Europe for centuries. Import and consumption will be driven by the increasing popularity of international cuisines. Households are increasingly cooking curries and other dishes that use spice mixes that contain nutmeg. The food industry is also producing more processed foods inspired by Asian cuisines. However, nutmeg is used in very small amounts. This means the impact of these trends in the nutmeg market is still small compared to other spices.

Source: UN Comtrade

The 2018–2022 period showed fluctuations in the European imports of nutmeg from developing countries. Imports grew from 5,400 tonnes in 2018 to 5,600 tonnes in 2019. In 2020, imports dropped to 4,900 tonnes and remained stable in 2021. In 2022, nutmeg imports started improving and reached 5,200 tonnes (45 million EUR).

This development can be explained by the COVID-19 pandemic, which affected worldwide markets significantly, specifically those of developing countries. As a consequence of international trade restrictions, imports dropped notably in 2020 and remained relatively stable in 2021. In 2022, the import levels started to return to normality.

The intra-European imports (imports coming from other European countries) showed an opposite trend in the same period. Imports grew steadily from 1,800 tonnes in 2018 to 4,100 tonnes in 2021. In 2022, intra-European imports dropped to 2,900 tonnes (22 million EUR).

Nutmeg is not produced in Europe. Therefore, intra-European imports of nutmeg are re-exports from importing countries to other European partners. The increase of intra-European imports shows that, during the pandemic, companies relied on European partners with stocks and strong supply chains instead of importing nutmeg directly from origin countries.

This development was primarily driven by Spain, which increased its nutmeg imports from European partners by 1,500 tonnes between 2018 and 2021. France and Belgium also significantly increased their intra-European imports during this period. After the pandemic, companies resumed direct imports and decreased their dependence on European intermediaries. European imports from the rest of the world are negligible, accounting for less than 1%.

3. Which European countries offer most opportunities for nutmeg?

Germany is Europe's leading importer of nutmeg. It is an interesting market because it has a large food industry that uses many different ingredients. Germany is closely followed by the Netherlands, which is known for being Europe's spice trade hub. Spain has shown the strongest growth in the past five years. Spain has a strong meat processing industry that uses nutmeg. Other slightly smaller yet interesting markets can be found in Italy, France and the United Kingdom.

Source: UN Comtrade

Germany: Strong food industry drives the demand

Germany is the main importer of nutmeg in Europe, with almost 1,600 tonnes (15 million EUR, 19% share). These imports have been declining between 2018 and 2022, with an average yearly variation of -3.3%. These imports reached their lowest point in the last five years in 2022. Still, they were higher than the imports of the rest of the European countries in this period, except for a peak in Spanish imports in 2021.

Between 2018 and 2022, over 90% of Germany's nutmeg imports came from developing countries. This percentage has decreased slightly over time. In 2018 and 2019, 97% of Germany's imports of nutmeg came directly from developing countries. This percentage dropped to 92% in 2020, 25% in 2021, and 92% in 2022.

The decline of German nutmeg imports is due to lower import rates of whole nutmeg, which account for 38% of total imports. The imports of whole nutmeg have been declining by 16% per year, going from 1,200 tonnes in 2018 to 600 tonnes in 2022. Indonesia and Grenada are the main suppliers of whole nutmeg to Germany, with a 79% and 11% share respectively. Between 2018 and 2022, imports of whole nutmeg from Indonesia have declined by 13% yearly. In the case of Grenada, the yearly decrease is 29%.

The amount of ground nutmeg imported from Germany stands at over 900 tonnes, making up 62% of total nutmeg imports. These imports have been growing at a yearly growth rate of 12%. Indonesia is Germany's main supplier of ground nutmeg, with almost 200 tonnes in 2022 (74% share) and a yearly growth rate of 8.2%. Sri Lanka is the second largest supplier, which supplies over 65 tonnes (6.9% share) and a yearly growth of 28%. This is followed by the Netherlands, providing over 60 tonnes (6.3% share) and a yearly growth of 40%.

As can be seen in the table below, German imports of ground nutmeg from other suppliers are also growing. Thus, the German market might offer more opportunities for ground nutmeg for new entrants.

Table 2: German imports of ground nutmeg per origin, in tonnes

Origin	2018	2019	2020	2021	2022	Share 2022	CAGR
Indonesia	534	568	514	618	731	77%	8%
Sri Lanka	25	35	81	116	66	7%	28%
The Netherlands	16	35	73	28	60	6%	40%
Vietnam	2	3	31	50	23	2%	85%
Belgium	0	0	5	17	21	2%	-

Spain	2	2	19	20	16	2%	60%
Austria	9	11	11	11	16	2%	14%
India	4	3	4	5	9	1%	24%
Others	8	7	11	16	12	1%	10%
Total	600	663	749	881	955	100%	12%

Source: UN Comtrade

The German food industry is mainly responsible for the high nutmeg imports. The industry uses ground nutmeg for food preparation, which explains the growth of the imports. Most ground nutmeg is imported from developing countries.

The main end market for nutmeg in Germany is the food industry. The main application for nutmeg in the industry is the seasoning of sausages.

The average [German consumes around 30 kgs](#) of sausages and other meat products per year. German sausages are also exported to other destinations worldwide. A lot of these sausages are seasoned with several spices, including ground nutmeg. The [Zur Mühlen Gruppe](#) is one of the biggest cold cuts producers in Germany. It produces two billion consumer packages of cold cuts every year and exports 25% of its products to 40 countries worldwide.

Often, companies that produce sausages, cured meats, marinated meats and other meat products get their seasonings from companies that are specialised in creating spice mixtures. For example, the German company [Nubassa](#) sells seasoning mixes for the production of meat products. This company has over 20 different seasoning mixes that contain nutmeg.

Other industrial uses that influence the demand for nutmeg is the production of Christmas sweets. Germany has a tradition of producing spiced bakery goods. These are traditionally sold during the Christmas season. These goods are available throughout the year and also exported as a German speciality. A mix of spices containing nutmeg is often used to produce these bakery goods. [Lambertz](#), the main producer of 'seasonal' bakery goods, produces over 600 tonnes of bakery products a day, and almost half of it is exported.

Nutmeg is also sold in the retail sector. The spice is sold in whole and ground form by brands like [Ostmann](#) and [Fuchs](#). The [Fuchs Gruppe](#) (DF World of Spices GmbH) is the most popular among the independent brands. Their brands include Fuchs, Ostmann and the organic brand [BioWagner](#).

Supermarket chains also sell nutmeg under their private labels, including Kania ([Lidl](#)) and [REWE Beste Wahl](#) ([REWE](#)). REWE, a supermarket chain targeting the mid segment and high segment, offers both ground and whole nutmeg. Discounters like Aldi and Lidl focus on selling ground nutmeg. Some private labels also include spice mixes that contain nutmeg, like Aldi Süd's [Organic Baharat spice mix](#).

Figure 3: Ground nutmeg from private label Le Gusto, Aldi Süd



Source: Globally Cool

Germany is the [largest European market for organic food](#), so it offers opportunities for exporters of organic nutmeg. Organic-certified nutmeg is sold mostly in organic retail chains as a stand-alone spice or as an ingredient in spice mixes. There are also several online brands that sell organic nutmeg. Spice specialist like [Hansepepper](#) and [Kräuter Kontor](#) sell organic nutmeg online. German consumers can also find several brands of organic nutmeg in different sizes, packaging, ground or whole on [Amazon](#).

Specialised organic food retailers like [Alnatura](#) also carry nutmeg in their assortment. These chains are responsible for a considerable amount of the sales of organic nutmeg in the German market.

Germany is the second biggest market in the world for fairtrade products. Nevertheless, there is very little presence of fairtrade-certified nutmeg. Companies that specialise in fairtrade products offer opportunities in this niche. For example, El Puente GmbH sells [fairtrade nutmeg with its shell](#) from Sri Lanka. [Weltpartner](#), a key importer and distributor of fairtrade products in Germany, also sells [fairtrade nutmeg](#).

The Netherlands: Europe's spice trade hub

The Netherlands is the second largest importer of nutmeg in Europe. Dutch imports account for 18% of the total European imports. In the 2018–2022 period, Dutch imports were quite stable. Imports dropped slightly in 2021 but recovered again in 2022. Although imports remained stable, the Netherlands is one of the few top European importers that showed a growth in imports between 2021 and 2022. In 2022, imports amounted 1,500 tonnes, worth 12 million EUR.

The Netherlands is an important spice trading country. It is the largest re-exporter and the second largest supplier of nutmeg to Europe in terms of volume, behind Indonesia. In 2022, it re-exported 56% of its imported nutmeg, leaving 657 tonnes for domestic consumption. The largest part is exported to Belgium (41%), France (17%) and Germany (7.2%). Most of nutmeg is exported in ground form.

In 2018, the imports share of ground nutmeg versus whole nutmeg was 50/50. However, more than two-thirds (70%) of the nutmeg was imported in ground form in 2022; the remaining part was imported whole. This shows that ground nutmeg has become more and more important for Dutch importers.

Indonesia is the main supplier of nutmeg to the Netherlands, with a 55% share. It exports whole and ground nutmeg. Exports of whole nutmeg have decreased by 3.2% on average, while ground nutmeg has increased by 24%. Vietnam and Grenada are the second and third largest suppliers to the Netherlands and have a share of 25% and 6.7% respectively. Vietnam exports ground nutmeg but saw its exports decrease. Grenada used to solely export whole nutmeg, but it recently started exporting ground nutmeg.

The Dutch spice market is dominated by a few large players, such as [Catz International](#), [Euroma](#) and [Nedspice](#). They offer nutmeg in whole, cracked, and ground form. In the Netherlands, traders are organised within the Dutch Spice Association. The [member list](#) is published on their website.

In the retail segment, most Dutch retail chains sell nutmeg under private labels, such as [Albert Heijn](#), [Jumbo](#), [Kania \(Lidl\)](#) and [Plus](#). Supermarkets also offer whole and ground nutmeg from other brands. The most important ones include [Verstegen](#), [Silvo](#) (McCormick) and [Drogheria & Alimentari](#).

In the Netherlands, nutmeg is used to season vegetables, such as cauliflower and green beans. It is also commonly used to season mashed potato-based dishes like 'hutspot' and 'boerenkool met worst'. Nutmeg is also a major ingredient in 'speculaaskruiden'. Speculaaskruiden is a popular and traditional spice mix used in the bakery industry to produce a variety of Dutch baked goods. Spice mixes for meat products like minced meat and sausages also often contain nutmeg.

Sustainability and transparency are important aspects in the Netherlands. For example, Verstegen wants to have a [transparent supply chain](#) and started using blockchain technology. When scanning QR codes on the packaging of its nutmeg, you can see where the nutmeg comes from, who the farmers are, if they received a

fair price and the quality of the product. A group of Dutch spice importers have also established the [Sustainable Spices Initiative](#) with the goal of changing the spice sector and encouraging economic growth in producing countries.

Exporters with established sustainability practices can gain a competitive edge by making it easier for buyers to meet their sustainability goals. For instance, showing clear supplier mapping and product traceability can help you become part of advanced sustainability initiatives.

Spain: Strongest growing market for nutmeg

In the 2018–2021 period, Spanish nutmeg imports skyrocketed from 343 tonnes in 2018 to 1,900 tonnes in 2021. However, in 2022, imports dropped by 42% to 1,100 tonnes. The rise and drop in imports are mainly caused by nutmeg imports from Portugal, which started exporting to Spain in 2019. Over the past five years, the average annual growth has been 34%. In 2022, the total value amounted 4.7 million EUR.

Compared to other European countries, Spain imports a rather low amount of nutmeg from developing countries (33%). Portugal is the leading supplier of nutmeg to Spain, accounting for 57% of total imports. Indonesia is Spain's second largest supplier, with a share of 31%. Together, Portugal and Indonesia account for 88% of the total imports. 78% of nutmeg is imported whole. While Portugal only exports whole nutmeg, Indonesia supplies whole and ground nutmeg. Almost all nutmeg is used for domestic consumption.

Nutmeg is used in a variety of dishes. For example, nutmeg is used in béchamel sauce. Although this is a French sauce, it is also commonly used in Spain. Because of its proximity to Spain, French cooking has influenced Catalan and Spanish cuisines. One traditional dish is cannelloni with béchamel sauce. It is served on special holidays in Catalonia. Moreover, béchamel sauce is the base for the popular Spanish dish 'tapa croquettes'.

In addition, Spain has a strong meat processing industry. Nutmeg is used to season cured meats such as 'salchichón' and 'longaniza de Aragón'. Some examples of Spanish producers of cured meats and cold cuts are [Fermin](#) and [Charcutería Noel](#). More producers can be found on the website of [The Spanish Chorizo Consortium](#).

Spanish retail chains offer nutmeg by private labels and independent brands. [Ducros](#) (McCormick) and [Carmencita](#) (Jesús Navarro) are important brands that are sold in a variety of retail chains. Many retail chains sell nutmeg under their private label, such as Auchan ([Alcampo](#), part of Auchan), Carrefour Classic ([Carrefour](#)), Hacendado ([Mercadona](#)) and Kania ([Lidl](#)). Both whole and ground nutmeg are available. Organic nutmeg is not very common. Artemís Bio from [Herbes del Moli](#) is an organic brand that is available in a few supermarkets.

Several traders of spices are [Carmencita](#), [Dani](#) and [Ramón Sabater](#).

Italy: 90% share for direct imports from developing countries

Italy is the fourth largest importer of nutmeg in Europe. Italian imports reached over 900 tonnes in 2022, worth over 7 million EUR. These imports accounted for 11% of total European imports. Between 2018 and 2022, these imports showed an average growth rate of 8.8% per year. In 2018, Italy imported over 600 tonnes of nutmeg. In 2019, imports reached over 700 tonnes and remained stable until 2021. In 2022, imports grew by 28%, reaching over 900 tonnes.

Nutmeg is used in the traditional Italian cuisine. It is often used to cook leafy greens like spinach and other vegetables, bechamel sauce, mashed potatoes and the filling of tortellini, ravioli and cannelloni. The Italian mulled wine 'vine brule' and other desserts like 'panforte' also contain this spice.

The share of the imports coming from developing countries fluctuated between 89 and 95% in the 2018–2022 period. In 2021, the share dropped to 84%, but bounced back to 90% in 2022.

Almost 700 tonnes of whole nutmeg were imported in 2022, accounting for 75% of total imports. In the

2018–2022 period, imports showed a yearly growth rate of 10%. In 2022, Indonesia was the main supplier of whole nutmeg. It exported almost 600 tonnes (85%) of whole nutmeg to Italy. Grenada was the second main supplier of whole nutmeg, exporting 75 tonnes (13%). For companies looking to sell whole nutmeg, Italy is one of the top importers in Europe.

The import of ground nutmeg has been growing by 5.6% between 2018 and 2022, reaching over 200 tonnes in 2022. Vietnam and Indonesia were Italy's main suppliers of ground nutmeg, exporting around 80 tonnes. This accounts for a share of 35% and 34% respectively.

Intra-European imports of nutmeg reached over 86 tonnes in 2022 and showed an average yearly growth of 11%. Italy imported mainly ground nutmeg from other European partners, making up 30% of its ground nutmeg imports. The Netherlands (30 tonnes), France (20 tonnes) and Germany (20 tonnes) are Italy's main European suppliers.

Italy is also the fourth re-exporter of nutmeg in Europe. In 2022, 35% of its imports (almost 300 tonnes) were re-exported to other European countries, including the United Kingdom, France, Spain and the Netherlands.

Italy has a strong food industry. Nutmeg is also used to produce processed foods. Companies like [Yes Spices](#) or [Aromi Mediterranei](#) import nutmeg and sell it to food companies that produce anything from salami to ready-to-eat cannelloni.

In the retail segment, whole and ground nutmeg is available under independent brands as well as private labels of Italian retail chains, such as [Conad](#), [Selex](#) and [Europspin](#). Independent brands include [Drogheria](#) (McCormic), [Canamella](#) ([Gruppo Montenegro](#)) and [Ubena](#) (Fuchs).

Italy is the third largest market for organic food in Europe. This offers opportunities for organic nutmeg. The traditional brand [Canamella](#) also has organic and even fairtrade-certified nutmeg in its portfolio. Nevertheless, the market for organic nutmeg is still very small.

France: Stable, slightly growing market

France is a rather stable market when it comes to nutmeg imports. Except for a small dip in 2019, imports grew slightly in the past five years. The average annual growth was 3.8%. In 2022, the total imported volume was 725 tonnes, with a total value of 6.5 million EUR.

Over the past five years, the import share from developing countries decreased. In 2018, France imported 62% of its nutmeg from developing countries. In 2022, this share decreased to 42%. Imports from developing countries decreased by 5.7% on average per year, while imports from Europe grew by 16%. In 2020, imports from Europe started to increase. This change might be explained by the COVID-19 pandemic, which made it more difficult to import products from certain countries.

Another potential reason for this increase might be that France is increasingly importing ground nutmeg. In 2022, ground nutmeg accounted for 90% of imports. Specialisation and big volume trading allow European companies to offer good quality products at good prices to other Business to Business (B2B) buyers. French companies that use ground nutmeg for industrial purposes might prefer purchasing it from European companies instead of importing it directly because this means they can avoid extensive quality control, import procedures and other difficulties associated with imports from overseas.

Indonesia is the leading supplier of nutmeg, accounting for 39% of France's total imports. The remaining nutmeg is mainly imported from surrounding European countries, such as the Netherlands (20%), Belgium (14%), Italy (11%) and Germany (9.4%). France is almost solely interested in ground nutmeg (89%) and uses nutmeg mostly for its domestic market.

Nutmeg is used in various sweet and savoury dishes. For example, nutmeg is a key ingredient in béchamel

sauce, a French classic white sauce. Nutmeg is also used to season quiches, potato-based dishes like mashed potatoes, French soups, stews and bakery products, especially during the Christmas holidays.

In France, there is a wide variety of spice brands available. France is home to large and smaller spice companies. Popular brands sold in the French retail chains include [Ducros](#) (McCormick), [Sainte Lucie](#), [Albert Ménès](#) and [Fuchs](#) (German brand). Other brands are Cigalou, [Samia](#) and [Marcel Senchou](#). Some retail chains also sell nutmeg under their own label. These include [Carrefour](#), [Système U](#) (U), [Auchan](#) and [E.Leclerc](#) (Rustica).

Organic and fairtrade-certified nutmeg play a minor role in large retail chains. Carrefour sells nutmeg under its private label Carrefour Bio. Albert Ménès also offers organic nutmeg. A company that taps into the social sustainability aspect of nutmeg is [Fiers](#). Their products are made by people with a disability and are sold in Carrefour and [Intermarché](#).

More spice companies can be found on the [FEDALIM](#) website. FEDALIM brings together six professional organisations in the food industry, including the National Union of Processors of Pepper, Spices, Herbs and Vanilla (SNPE).

The United Kingdom: Large market for ethnic cuisine

The United Kingdom's imports of nutmeg have decreased with 3.6% on average per year, from 796 tonnes in 2018 to 687 tonnes in 2022. In 2021, the United Kingdom was the fourth largest importer of nutmeg in Europe. However, it dropped to the sixth position in 2022. The total imported value amounted 5.8 million EUR.

In 2022, 67% of nutmeg was imported from developing countries. Imports from developing countries increased by 6.1% on average in the past years, while imports from European countries decreased by 15% on average. 57% of imported nutmeg comes from Indonesia. Italy (15%) and Spain (8.4%) are the second and third largest suppliers to the United Kingdom. Almost all nutmeg is imported as ground nutmeg (93%) and it is mainly used for domestic consumption.

In the British retail chains, nutmeg is mainly sold under private label brands, such as Tesco ([Tesco](#)), Sainsbury's ([Sainsbury's](#)), COOK by ASDA ([ASDA](#)) and Morrisons COOK IT ([Morrisons](#)). Only a few brands sell whole and ground nutmeg in the large chains, mainly [Schwartz](#) (McCormick). In addition, nutmeg is added to several spice mixes (festive spice mix, ground spice mix, Garam Masala). Indian seasoning like Garam Masala is widely available in the British supermarkets and offered by many brands, such as Schwarz, [East End](#), [Natco](#), [TRS](#), Indus ([AIB foods](#)) and [Rajah](#).

Nutmeg is commonly used in Indian cuisine, which is quite popular in the United Kingdom because of the large number of people with Indian backgrounds in the United Kingdom (around 1.5 million). Among the rest of the British population, the demand for South-Indian cuisine is also growing. This is driven by vegan diets. In the curry sauces industry, nutmeg is used by brands such as [Patak's](#) and [Rajah](#), by the thousands of Indian restaurants present in the United Kingdom and by the British population when cooking at home.

The leading suppliers of spices, herbs and seasonings in the United Kingdom can be found on the [Seasoning and Spice Association](#) (SSA) website.

Tips:

Explore the national associations member lists to find leading importers of nutmeg, such as the [German Spice Association](#) (Germany), the [Dutch Spice Association](#) (the Netherlands), the [National Union of Pepper, Spices, Herbs and Vanilla Processors](#) (France) and the [Seasoning and Spice Association](#) (the United Kingdom).

Visit the [Spanish Chorizo Consortium](#) website to find producers of the Spanish meat industry.

Find out more about the developments in the European spice sector by reading our study '[What is the demand for spices and herbs on the European market?](#)'

4. Which trends offer opportunities or pose threats to the European nutmeg market?

The growing interest in ethnic cuisines combined with buyers' need for stable and sustainable sourcing are shaping the demand for nutmeg in Europe.

Growing pressure for traceability and sustainability in the supply chain

Nutmeg is produced mainly by small farmers. These farmers often do not have enough information to improve product quality and environmental sustainability. They also often have insufficient information about prices and no negotiation power. This often leads to low income.

Companies in Europe are looking for ways to improve their supply chain to comply with consumer demands in terms of fairtrade practices and new legislation, like the [Supply Chain Act](#) in Germany or the upcoming [Corporate Sustainability Due Diligence Directive](#) at EU level.

The Dutch company [Verstegen](#), for example, has implemented a [project to trace their nutmeg supply chain](#) in Indonesia. In this project, Verstegen provided quality training to the farmers. This allowed them to have a higher quality product that can be sold for a higher price. Verstegen also provided individual cards to the farmers. These cards are scanned with every nutmeg transaction. This method provides traceability to Verstegen and visibility for their transactions for farmers.

Figure 4: Verstegen's nutmeg chain from plant to plate

The nutmeg farmers that participate in this initiative grew their income by 4% thanks to a premium for both quality and for sharing transaction data.

Exporting companies in developing countries can start by mapping their own supply chain to have a clear base for product traceability. Having clarity of which farmers are your suppliers is the first step. Then, you need to develop a system to be able to know where suppliers come from. Versteegen, for example, gave the farmers electronic cards to register their delivery at certain collection points. This way they digitalised this process and made it more transparent.

The Indonesian nutmeg exporter [Multi Rempas Sulawesi \(MRS\)](#) has already integrated the sustainability component in his expansion plans. MRS has partnered with the non-governmental organisation (NGO) [ICCO](#) and the social enterprise [IDH-Sustainable Trade Initiative](#) to offer [technical expertise and market access](#) to around 5,000 farmers. This boosts their income and encourages them to change to organic production. At the same time, MRS has benefited from this partnership because they increased their access to high quality nutmeg.

International influences in food and drinks opens market for nutmeg

Nutmeg is part of many spice mixes, sauces and dishes in various cultures. Nutmeg is still consumed by people in Europe who have Bangladeshi, Indian, Pakistani and Indonesian backgrounds, but also by people with North African and Middle Eastern backgrounds. These international households are important to the consumption of nutmeg in Europe.

On the other hand, non-European cuisines have become part of the European diet. European households, especially in Western Europe, are increasingly interested in trying international recipes that call for several spices. Trendy international drinks like Chai lattes have also made their way to the menu.

Several types of spice mixes and dishes that increase the consumption of nutmeg include:

- Ras el Hanout: A popular spice blend from North Africa. This mix is used for multiple dishes, from meat to couscous or pasta.
- Advieh: Persian spice mix typically made with dried rose petals, nutmeg and other spices. This mixture is particularly used for stews and rice dishes.
- Pumpkin Pie Spice: A popular American spice mix with a warm, sweet and spicy flavour. It is a key seasoning for pumpkin pie, pumpkin spice lattes and other fall desserts.
- Garam masala: this Indian spice mix is used in countless recipes.

Figure 5: Organic Garam Masala mixture in a German discount retail chain



Source: Globally Cool

Ayurvedic inspired drinks that contain nutmeg, like the [Bedtime](#) tea blend from the German company [Yogi Tea](#) and the [NamasTee Gold des Kurkuma](#) from [TEEKANNE](#) have grown in popularity in Europe as well.

The Sri Lankan spice exporter [Cinatopia](#) sells organic spices, including nutmeg. The company offers whole nutmeg as well as ground nutmeg and nutmeg cut for tea bags. This presentation variety allows the company to use different quality products for different types of applications. High quality whole nutmegs can be sold in the retail while broken nuts can be grounded or cut to be used in spice mixes and spice infusions.

Tips:

Read the CBI's studies on [how to go green](#) and [how to become a sustainable exporter of spices](#) to get

tips to become more sustainable.

Offer your nutmeg in whole, ground and teabag-friendly sizes to cater for different applications.

Read our study on [trends in the European spices and herbs market](#) to find out more about general trends.

[Globally Cool](#) carried out this study on behalf of CBI.

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