

Exporting sacha inchi oil to Europe

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You can find good opportunities in the European cosmetics industry for sacha inchi oil. Sacha inchi oil is increasingly popular in Europe, because of its fascinating marketing story and high Omega-3 content. But there are a lot of competitors and challenges with securing sufficient supplies. You need to get access to sufficient supplies and finance a marketing campaign. Most supplies come from Peru, but other countries, including Colombia and especially Thailand, are growing competitors for Peruvian producers, including Colombia and especially Thailand.

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1. Product description

Sacha inchi (*Plukenetia volubilis*) is native to Peru, Ecuador and Colombia. Indigenous people have been cultivating the plant for centuries, but it can also be found in the wild. However, for sustainable trade sufficient volumes are not available in the wild.

The fruits of the plant are star-shaped and contain seeds. By cold-pressing these seeds you extract sacha inchi oil.

The oil is a clear to dark pale yellow liquid, which contains Omega -3, -6 and -9 fatty acids.

Sacha inchi oil is used in several cosmetic product categories, as discussed in the section on market segments [market segments](#). The oil is now also allowed for use in foods in Europe, such as a gourmet oil for salads. For more information on this market, see our study on [sacha inchi oil for food](#).

You need to make sure that the raw materials you buy can be verified as *Plukenetia volubilis*.

See table 1 for an overview of classification names and codes for sacha inchi oil.

Table 1: Classification of sacha inchi oil

Source	Classification
Cosmetic Ingredient Database (CosIng): European Commission database with information on cosmetic substances and ingredients	International Nomenclature Cosmetic Ingredient (INCI) name: Plukenetia Volubilis Seed Oil
Chemical Abstracts Service (CAS) number	Not assigned
Harmonised System codes (HS) (trade)	There is no separate code for sacha inchi oil, instead it is included, with other products, under: Vegetable oil: 1515.90 (other fixed vegetable oils and fats, refined or not, not chemically modified) Extract: 1302.19 (other vegetable saps and extracts)

2. What is the demand for sacha inchi oil in Europe?

The overall European cosmetics market is fairly stable, estimated at € 74 billion in 2017 (Cosmetics Europe). This market grew by about 0.8% from 2015 to 2016.

Europe is the largest cosmetics market in the world, followed by the United States of America, China and Japan.

Because sacha inchi plants do not grow in Europe, buyers of the oil need to rely on imports.

In 2013, the European Union approved the use of sacha inchi oil for food products. An increasing number of companies from Peru have been heavily promoting sacha inchi in Europe. Demand for the oil from the food sector has outstripped demand for cosmetics use. This will probably increase demand further, together with growing demand from the cosmetics sector.

Demand for sacha inchi is growing not just growing in Europe. There is a spike in consumer interest in both the seed and the oil in the United States and Asia as well.

Currently, Peru is still the largest exporter of sacha inchi oil.

Although production of the oil in Ecuador and Colombia is growing, their role on the international market for sacha inchi oil is still negligible.

Because of the oil's international popularity in both food products and cosmetics, countries outside of South America have started cultivating the sacha inchi plant, most notably in Southeast Asia.

Currently, companies are currently producing sacha inchi seeds and oil in China, Myanmar, Laos and Thailand, such as include [Nathan Trading Co.](#), [Mai Savanh Lao](#) and [Zenda Life Foods](#). Several of these companies They are now producing sufficient volumes to start marketing the product and compete with businesses in South America, from where sacha inchi originated. Thailand is the main source of commercial cultivation of sacha inchi outside of Southern America. However, European buyers interested in provenance

prefer oil from LatinSouth America. Up to this point, it appears that Asian producers are mostly targeting regional markets.

Moreover, there is a call for support to start a [cultivation project in Myanmar](#), and the Agro-Ecology Learning Alliance in South East Asia is [supporting a sachu inchi plantation since 2013](#).

Tip:

- Keep up with developments in sachu inchi cultivation around the world. TheseThere are competitors for products from Peru, Colombia and Ecuador.

Figure 1 above shows the main European importers of sachu inchi from Peru. Of these countries, imports by Germany and the Czech Republic grew the strongest from 2013 to 2017, at +60% and +7%, respectively.

Other smaller, but fast-growing European importers of sachu inchi oil from Peru include: (in annual growth since 2013):

- Belgium (+156% annually since 2013),
- the United Kingdom (+60%) and
- the Netherlands (+66%).

Outside Europe, South Korea, the United States and Japan were the largest importers, accounting for 85% of Peruvian exports.

In Europe, Spain, France and Belgium are expected to have the highest share for imports of sachu inchi as a cosmetic ingredient. These can be interesting markets for your sachu inchi oil. Particularly France is an important market for the cosmetic use of sachu inchi oil, because it is the largest European (natural) cosmetics producer.

Moreover, France and Germany are important trade hubs for sachu inchi, accounting for a high share of intra-European trade.

Tips:

- If you are based outside Peru, tell your (potential) buyers that you offer an alternative source of sachu inchi oil.
- Target important and growing European buyers of sachu inchi oil in France, Germany, Spain, Belgium, the United Kingdom and Switzerland.
- See our study on [finding buyers for the natural ingredients for cosmetics](#).

3. What trends offer opportunities for sachu inchi on the European cosmetics market?

Growing demand for anti-ageing cosmetics

The European market for functional/ and active cosmetic ingredients continues to boom. In that sense, the [fast-growing product group of anti-ageing cosmetics](#) holds strong opportunities for sachu inchi oil. The oil's Omega-3 fatty acids are believed to give skin a youthful look. What's more, the oil has traditionally been used for that purpose. Cosmetic producers can use both aspects in their marketing.

The healthy connotations that consumers have with Omega-fatty acids fit very well in anti-ageing products. Cosmetic brands are [changing the way they market anti-ageing products](#) into more positive language. This is a result of the changing consumer perception of what it means to be healthy. They see health as feeling good and looking radiant.

Cosmetic brands market products to 'age well'; feeling good and looking great later on in life. To sell that message, they use terms such as 'radiating skin', 'rejuvenating', and 'returning skin to a balanced, healthy state'.

Tips:

- In the information you provide your buyers, discuss the potential of sacha inchi oil for anti-ageing purposes. Refer to its high Omega 3 content and traditional use in cosmetics.
- Show your buyers that you understand the changing perceptions to health and aging amongst European consumers.
- Use the appropriate terminology in your marketing materials and your verbal communication. How can your sacha inchi make consumers feel and look good? Does it have properties or components that people look for to do this?
- Connect the marketing terms you use to the correct technical terminology.
- See our [study on anti-ageing extracts](#), which includes additional information on the anti-ageing market in Europe.

Growing demand for natural cosmetic products and ingredients

European consumers recognise that natural ingredients can work as well as synthetic alternatives. Moreover, they increasingly believe that natural ingredients are better and safer than synthetic substitutes.

This has led to a growing demand for natural cosmetics. According to the Kline group, the natural cosmetics market amounted to \$ 33 billion globally in 2015 (€ 29 billion). The figure is estimated to be 13% of the total cosmetics market (Brands with a Conscience, Ind & Horlings, 2016). This market is predicted to grow to \$ 50 billion (€44 billion) in 2019. However, it is notoriously difficult to calculate the figure as there is no legal definition, nor an agreed upon definition by industry or voluntary standards that determines what a natural cosmetic is.

Germany, France and the United Kingdom have the most launches of natural cosmetic products and a strong focus on innovation.

At the same time, conventional cosmetic brands increasingly use natural ingredients at low percentages to make a marketing claim.

Popularity of omegas is questioned

Omega fatty acids are not just popular among European consumers for their anti-aging potential. European consumers see omega fatty acids as something which is good for their health.

In food products, omega fatty acids are already being marketed as being healthy. As a result, cosmetic manufacturers are starting to use these associations in their cosmetic products as well. Care is needed when claiming benefits for cosmetics based on such associations, in particular as new research into omega fatty acids have further nuanced their health effects. The research has focused, for example related to, on the amount/amounts needed to have effect/produce any effects, the particular fatty acids of interest, as well as the entire composition of oils.

In their marketing, European companies at the 2016 in-cosmetics fair stressed that sacha inchi oil is rich in Omega-3 fatty acids and antioxidants. For example, they mentioned that it can be used on dry skin, for damaged hair and that sacha inchi oil has both nutritional and cosmetic benefits.

Tips:

- Educate your buyers in the uses of sacha inchi oil if they do not know it yet. Emphasise their novelty, and its benefits in cosmetic applications.
- In your promotional materials, stress that sacha inchi is a natural and vegetable source of Omega-3.

- Do not claim health benefits for the oil. These claims are not allowed for cosmetic products.
- For more information about the changing perception of health among European consumers, see our study about [trends on the natural ingredients for cosmetics market](#).

Growing demand for ingredients with an interesting or exotic origin

Because European consumers look for cosmetic products with exotic ingredients, producers use a product's origin in their marketing. Consumers associate these ingredients with the rich biodiversity of the regions where they come from, for example with the biodiversity of the Amazon or the Andes. Consumers are also interested in a product's origin traditional or specific local production processes, traditional use and local beauty rituals.

Cosmetic producers use exotic ingredients in their marketing. At the 2018 in-cosmetics fair, the origin of sacha inchi was heavily marketed together with the oil's properties. For example:

- sacha inchi oil as a treasure of the Incas;
- has been cultivated in the Amazonian rainforest by rural and indigenous people for thousands of years;
- the plant grows at high altitudes of the rainforest in South America.

Tip:

- Stress the Amazonian origin of sacha inchi oil in your marketing materials. Include pictures of the region where the plant comes from or where it still grows in the wild.

Demand for ethical products continues to grow

European demand for ethically produced cosmetics continues to grow, even though the share of the total cosmetics market is still low. The main reason for this growth is an increasing concern amongst European consumers about where ingredients come from and whether they are produced sustainably. This trend offers opportunities for sacha inchi.

You can either demonstrate ethical and sustainable production in your marketing materials or certify your oil as organic or fair trade.

The main European markets for organic cosmetics are Germany and France, followed by Switzerland, Italy and the United Kingdom. The European market for fair trade cosmetics is growing as well, especially in the United Kingdom.

European cosmetic producers can choose to either certify their final product or to use fair trade ingredients without certifying the final product (, which is more common).. This choice has led to an increase in demand for fair trade certified ingredients. These fairtrade certified ingredients are often combined with natural or organic labels.

Tips:

- Discuss certification options with your buyers. Check their interest in fair trade or organic certified sacha inchi oil. If you want to obtain organic or Fairtrade certification, see our [study on buyer requirements for natural ingredients for cosmetics](#) for more information.
- Provide your buyers with stories, pictures or videos to show the social aspects of your sacha inchi, if you choose not to certify your sacha inchi.
- Build a marketing story around the ethical production of your sacha inchi oil. You can also link this to the traditional use of sacha inchi in cosmetics. Help cosmetic producers to communicate these stories in their marketing. For example, give them good quality pictures that show how your sacha inchi is harvested or processed. Or give them information on how your product helps local communities collecting the sacha inchi nuts, if it is wild-collected.
- Check the websites of potential buyers to find out if they work with certified ingredients. Buyers that do not, are unlikely to pay a premium for such certification.
- Have a look at our study about [trends on the European market for natural ingredients for cosmetics](#) for more info about relevant trends.

4. What requirements must sacha inchi oil meet to be allowed onto the European market?

You can only export your sacha inchi oil to Europe if you comply with [buyer requirements for natural ingredients for cosmetics](#).

If you want to export sacha inchi oil as a vegetable oil for food, you need to comply with the [requirements for food](#).

Requirements for cosmetic ingredients

Legal requirements for cosmetic ingredients include:

- Relevant [European cosmetics legislation](#) (Regulation (EC) 1223/2009) which includes criteria for the [substantiation of claims](#) on finished products;
- well-structured product and company documentation to supply to your buyers;
- [Registration Evaluation and Authorisation of Chemicals](#) (REACH), although unmodified vegetable oils are exempt;
- [Classification, Labelling and Packaging of chemicals](#) (CLP). You can also discuss this requirement with the freight forwarder or transport company, who will usually be happy to advise you.

Tips:

- Comply with market access requirements in terms of quality control, traceability and sustainability. You need to show where your extract comes from and where it is processed.
- See our [Tipstips for doing business](#) for additional information.
- See our workbook on [Preparing a technical dossier for cosmetic ingredients](#) for more information and tips on documentation requirements.

Access and Benefit-Sharing (ABS)

You also need to comply with requirements derived from international treaties on using plant resources. The European Union has translated guidelines on ABS into European law. Most likely, these are also part of your national law.

The Nagoya Protocol provides guidelines for accessing and utilising genetic resources and traditional knowledge and the [fair and equitable sharing of the benefits](#), called Access and Benefit-Sharing (ABS). Where the provisions of ABS apply, European companies are legally required to ensure that the ABS legislation has been followed in the country of origin and downstream to their business. es.

The European Union has translated guidelines on ABS into European law. Most likely, these are also part of your national law.

Tips:

- See our study about [buyer requirements for natural ingredients for cosmetics](#) for more information on ABS.

Additional buyer requirements

Many buyers have additional requirements that can go beyond legislation and standards. These are established in buyer specifications and include the following requirements:

- Deliver a good and reliable level of quality, by following practices such as [Hazard Analysis & Critical Control Points](#) or [Good Manufacturing Practices of the European Federation for Cosmetic Ingredients](#) if you want to do more.
- You need to be a sustainable supplier, but you do not necessarily need to certify sustainable practices
- Showing good standards of social and environmental responsibility and your performance in Corporate Social Responsibility (CSR), for example by developing a code of conduct and improving your performance in key

areas (such as verifying that there is no child labour in your supply chains and limiting damage to the environment).

- Consider subscribing to social responsibility platforms such as the [Supplier Ethical Data Exchange \(SEDEX\)](#). These provide a template of the typical information required. They also facilitate the sharing of this information with potential customers.

Voluntary standards and certifications

Standards for niche markets include:

- Natural cosmetics: the largest and most important niche market — [NaTrue](#) and [Cosmos](#);
- Organic cosmetics: [Soil Association](#) (the United Kingdom) and [Ecocert](#) (France) also certify according to the Cosmos standard for natural and organic cosmetics. [BDiH](#) (Germany) also has its own standard;
- You can also use the International Organization for Standardization (ISO) 16128 standard [part I](#) and [part II](#) as an alternative minimum self-certifiable standard for natural and organic cosmetic ingredients and products. This is especially interesting for smaller producers, if certification according to a private standard is too expensive or not required;
- Fair production: a small niche market in terms of certified cosmetic ingredients – [Fairtrade](#) and [FairWild](#) (for wild-collected ingredients).

Quality requirements

- The quality of sachu inchi oil mainly depends on its fatty acid profile, acid value, iodine value and content of peroxide and moisture. See this example of a [sachu inchi oil brochure](#) for more information. Table 2 gives a typical composition of sachu inchi oil. In addition to its fatty acid content, sachu inchi oil is high in vitamins A and E

Table 2: Composition of sachu inchi oil

Component	Typical content in sachu inchi oil
Omega-3	48%
Omega-6	37%
Omega-9	8%
Saturated fatty acids	6%

Importers of sachu inchi test for adulteration of the oil, for example with other vegetable oils.

Most cosmetic producer prefer odourless and colourless sachu inchi oil. However, you do not necessarily need to offer it as such. Sachu inchi oil is commonly deodorised in Europe according to specific requirements of formulators. Cosmetic companies prefer to use odourless vegetable oils in their products.

Tips:

- Dry the seeds before pressing to minimise moisture content, to improve oil extraction and reduce risk of microbial contamination.
- Keep your facilities and equipment clean to prevent adulteration and contamination by foreign materials (such as dust).. Filter the oil to remove particles of press cake. Use plate and frame filters for unrefined oils and other filter systems to achieve 2 microns or less for use in manufacture. Which exact filters you need depends on your buyer's specification and which downstream processing takes place.
- Your buyers want sachu inchi oil with a minimum of impurities. Make sure you use post-harvesting and processing practices that limits foreign mineral matter, gums, carbohydrates (including vegetable fibres) and

protein.

- Some European buyers may require a refined oil, especially if they want to use the oil directly for a cosmetic formulation. If it is commercially viable and if the technology is available you can refine the oil yourself. If not, you can work with a (European) toll refiner.
- Work together with a local university or laboratory to determine the fatty acid profile of your sachachi oil. You need to include this profile in the product documentation you send to your potential buyer.
- Create a standardised product with a well-defined specification, as buyers want a product of a consistent quality. Monitor cultivation and harvesting practices and blend seeds or oils from different crops (such as early and late crops, or crops from different slopes or areas) to standardise your product's quality. Also give your suppliers clear specifications for the seeds and/or oil you buy from them. Make sure that the raw materials you buy can be verified as *Plukenetia volubilis*.

Labelling requirements

You need to include product documentation and labelling to comply with legal and buyer requirements. Your product documentation needs to include:

- Technical data sheet (TDS,) — check [this example](#) for sachachi
- Chemical Abstracts Service (CAS) number (if available)
- Certificates of analysis, — check [this example for sachachi oil](#)
- Safety data sheet (SDS)
- Genetically Modified Organism (GMO) certificate (if requested)
- Certificate of origin
- Product information sheet

If you send sachachi oil to European buyers, the product must contain the following documentation:

- Product name/ or International Nomenclature Cosmetic Ingredient (INCI) name
- Batch code
- Place of origin
- Name and address of exporter
- Date of manufacture
- Best before date
- Net weight
- Recommended storage conditions

Tips:

- Set up a registration system for individual batches of your oil, whether they are blends or not, and mark them accordingly to ensure traceability.
- Label your products in English, unless your buyer wants you to use a different language.
- Refer to our study on [buyer requirements for natural ingredients for cosmetics](#) for information on legal requirements on classification, labelling and packaging (CLP).
- If you produce organic sachachi, include the name/ or code of the inspection body and certification number.

Packaging requirements

Along with legal requirements on packaging of chemicals, European buyers have their own packaging requirements. One of the main requirements is to preserve the quality of the product. You need to:

- Use containers of a material that does not react with components of the extract (such as lacquered or lined steel, aluminium or others as specified by your buyer).
- Clean and drying the containers before filling them with sachachi oil.
- Fill the headspace in the container with a gas that does not react with constituents of the extracts (such as nitrogen or carbon dioxide) to reduce the oxygen content.

Tips:

- Always ask your buyers for their specific packaging requirements.
- Re-use or recycle packaging materials, for example, use containers of recyclable material (such as metal).
- Store containers in a dry, cool place to prevent quality deterioration.
- Physically separate organic certified sachai oil from sachai oil that is not certified.
- See our study on [buyer requirements for natural ingredients for cosmetics](#) for information on legal requirements on classification, labelling and packaging (CLP).

5. What competition do you face on the European market for sachai oil?

Market entry

European legislative requirements are a growing barrier to enter the European cosmetic ingredients market.

You need to prove and document the safety and efficacy of your sachai oil. However, because most of the cosmetic properties of the oil are related to its composition, you probably do not have to do additional efficacy tests.

You also need to show good practices in terms of the supply chain, processing, use, availability, Corporate Social Responsibility and traceability.

If you are a new producer of sachai oil, access to the seeds is a major barrier. You will need to find new suppliers and face competition from existing producers wanting to expand their production.

Although you can cultivate the plants, there are still some pest control problems.

You also may need to finance a marketing campaign to enter the European sachai oil market. Although the oil is increasingly used, you would need to convince prospective buyers of its benefits.

Because sachai oil is becoming more popular, more and more new players are entering the market, and these are not limited to Peru. Countries such as Laos, Thailand and China are also already producing sachai plants. This offers opportunities for new entrants from other countries, while it can also be a threat if you already export sachai to Europe.

If you can already meet European buyer requirements, you can gain a competitive advantage over new entrants. It will be hard for them to keep up. This is especially the case if you can go beyond European buyer requirements.

Tips:

- If your sachai seeds are wild harvested, find out if you can cultivate the plant to secure future supplies of the raw material. Explore cultivation conditions and make sure that you can resolve pest control problems. Contact local organisations such as [Promperu in Peru](#), or [ProEcuador in Ecuador](#) for advice.
- Set aside enough money for a marketing campaign. Obtain market information with desk research and interviews. Also visit European companies or go to trade fairs in Europe, such as [in-cosmetics](#) (a travelling trade fair), [Beyond Beauty](#) (Paris, France), [SANA](#) (Bologna, Italy), or [Vivaness](#), for organic producers [Vivaness](#) (Nuremberg, Germany). Develop promotional materials and a website, or social media. This may be expensive, but is essential to promote your product. For more information, refer to local sector or trade promotion organisations.
- Comply with market access requirements, including those related to quality control, traceability and sustainability.
- Prepare detailed documentation on product, technical, safety and efficacy. Also send professional samples. Increase your capacity for safety testing and monitoring to do so.

Product competition

It is relatively difficult to introduce new vegetable oils in Europe, and the threat of substitution is quite high. Many vegetable oils are already available for use in cosmetics. At the same time, it is difficult for vegetable oils to stand out; their functionality is generally the same.

Whether your sacha inchi faces competition from other natural ingredients depends on:

- its properties;
- its origin;
- relevant market trends;
- price level;
- what the manufacturer plans to use the ingredient for;
- the positioning of his brand and
- company image.

Sacha inchi has a competitive advantage, because it has a rare and popular fatty acid composition. This reduces the threat of substitution. It also has an interesting marketing story, with its exotic origin and traditional production by local communities.

See table 3 for a comparison of sacha inchi oil and argan oil, which are both high in Omegas and have an interesting marketing potential. Rosehip oil is also a competing product, as it is high in Omega-3. The most commonly used Omega-3 oils are fish oils.

Once a manufacturer has included an ingredient in a cosmetic product, substitution with new ingredients becomes more difficult and expensive. This means that you will face limited product competition from alternatives if your sacha inchi is used in a cosmetic product.

Table 3: Example of product substitution and competitive advantages for sacha inchi oil

	Sacha inchi	Argan
Which other ingredient(s) could be used for a similar purpose as sacha inchi oil?	Because sacha inchi is mostly used for its high content of omega fatty acids, you can find substitute products by looking at their composition. Sacha inchi is high in Omega-3 fatty acids (around 49%), Omega-6 and Omega-9 fatty acids.	Argan oil could be a competitor. The product has a similar content of Omega-6 fatty acids and a much higher content of Omega-9 fatty acids (43%). However, Argan oil contains very little Omega-3 fatty acids (<0.5%).

<p>How does your ingredient compare to the competition? (price, ease/costs of substitution, legislation)</p>	<p>Sacha inchi has a competitive advantage in <i>chemical composition</i> because argan oil does not contain Omega-3 fatty acids. To replace argan oil with sachu inchi, cosmetic manufacturers may need to reformulate their products. The <i>marketing potential</i> is similar: Sachu inchi comes from the Amazon and consumers already associate that region with exotic ingredients.</p>	<p><i>Availability</i> of argan oil is higher, as it is produced on a larger scale by a very well-organised value chain. <i>Price</i> of argan oil is (slightly) lower. The <i>marketing potential</i> is similar, but argan oil is more widely known: Argan oil from Morocco has a long-standing traditional use as a cosmetic ingredient, especially in hair products. Moreover, its production by women is used extensively in the oil's marketing.</p>
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Tips:

- Determine the chances of substitution and which competing ingredients should be included in your market analysis. Have a look at table 3, which gives some considerations for product substitution by looking at a potential competitor for sachu inchi.
- Differentiate your product by excellence in terms of CSR, sustainability and traceability or by providing additional services compared to your competitors.
- Clarify the unique properties of sachu inchi oil to your buyers and its potential in cosmetic products.
- Investigate if and show how sachu inchi can substitute other oils used by European manufacturers, by comparing the properties of sachu inchi oil and its alternative.
- If you want to compete with other high Omega vegetable oils, offer a competitive price.

Company competition

Peruvian sachu inchi oil exporters are facing growing competition from other countries. Because of the growing popularity of the oil, producers in other countries have started cultivating the plant. Producers in these countries, mostly in Southeast Asia, will become stronger competitors in the future.

At the same time, you can also expect strong competition from Peruvian companies and other companies in the region. They will compete with you on the market for sachu inchi oil, but also in terms of getting access to sufficient raw materials.

The European Union has a [preferential trade agreement with Peru and Colombia](#). This means that it will be easier to export to Europe if you are located in these countries and you have an advantage over countries without such a trade agreement. The European Union has also negotiated an agreement with Ecuador, but this is not adopted yet.

Tips:

- If you are based in Peru, use your competitive advantage. Secure sufficient supplies of the seeds, to stay ahead of your competition. For example, adopt professional and regulated cultivated methods.
- Organise your supply chain to differentiate your company on the market. Make sure that your supplies are traceable and well-documented.
- If you are based in other countries, [keep up to date on the development of free trade agreements](#) between your country and the European Union. Check the website of the European Commission on trade negotiations

and agreements.

6. Through what channels can you get sachai inchi on the European market?

Market channels

Sachai inchi is commonly exported to Europe as crude oil.

Vegetable oils are often filtered in the country of origin, but oil refining is done in Europe. Whether further processing in your country is feasible depends on the quality of your oil, available volumes and your buyer's needs.

European importers are your most important entry point into the market. The main reason is that sachai inchi is a speciality product and is traded in smaller volumes. These European importers will supply the oil to refiners or processors, if the oil needs to be refined. Or they supply directly to cosmetic manufacturers for certain products.

Aside from importers, agents are important in speciality niche products such as sachai inchi. Especially if you have limited experience with exports or lack knowledge on finding interesting buyers.

Organic oils are often used directly in cosmetics, because chemical processing is restricted for such certified ingredients. Therefore, these oils are commonly not refined. Even though further processing is restricted for organic oils, allergens do need to be removed from allergenic oils.

Small exporters from developing countries rarely supply refiners directly. Usually small exporters can't provide sufficient volumes. Small exporters also don't supply derivatives industries directly, because their requirements are often too high (for example, quality, price, delivery). Derivatives include thickeners, foaming agents and surfactants.

Tips:

- Meet your buyer's requirements in terms of quality, composition, quantity and cost of your sachai inchi oil.
- Find out if your buyers prefer refined oil, something which depends on their final products. Then find out if it would be commercially feasible to set up your own refining facility. Explore other options like outsourcing the refining of your oil.
- Trade through European importers and agents to benefit from their experience and knowledge, instead of approaching end-users directly.

7. Which market segments offer the most opportunities?

For which type of cosmetics products is sachai inchi used on the European market?

Skin care products offer most opportunities for sachai inchi oil, especially in anti-ageing products. This is based on the oil's physical properties (soluble in oils) and its high omega content. Sachai inchi oil is [registered with moisturising and skin protecting properties](#). In skin creams, the oil reduces skin dryness and makes the skin soft.

Hair care products offer opportunities as well. Some cosmetic manufacturers already use sachai inchi in shampoos and conditioners. Other high-omega oils, such as argan oil, are also used in hair care products. In hair care, sachai inchi can renew dry hair and give hair a soft and shiny look.

Sachai inchi oil can also be used in soaps, as a natural binding agent, and in massage oils, in relaxing therapies or to massage painful or stressful areas.

For what type of market player is your sachu inchi interesting?

Both natural and conventional cosmetic brands in Europe can be interested in your sachu inchi oil. However, natural cosmetic products offer most opportunities for this relatively new ingredient. Once sachu inchi is more established, conventional brands can become interesting as well. They use smaller quantities per product, but their higher product sales would need a larger total volume of sachu inchi.

It can be more interesting for you to target niche brands than big brands. These niche brands are trendsetters and buy lower volumes of ingredients. These lower volume requirements can be useful if it is difficult to secure sufficient supplies.

Tips:

- Use the [properties of sachu inchi oil registered in CosIngCosIng](#) in your promotional materials.
- Have a look at websites such as Cosmetic Analysis, where you can [find cosmetic products that use sachu inchi oil](#). This can help you to determine what the oil is used for and by what type of cosmetic producers.
- Target European ingredient importers or refiners that specialise in small, speciality oils.
- See our [tips to finding buyers](#) and [tips for doing business](#).

8. What are the end-market prices for sachu inchi?

Sachu inchi oil is a still relatively new speciality vegetable oil. Therefore, there is no set international price for the oil. It is common for buyers and sellers of speciality oils to agree on a price together.

To set your price, add a profit margin to your production costs. To calculate your production costs, use a detailed breakdown of all the costs you make in producing sachu inchi oil. Also include additional costs such as:

- customs;
- loading/unloading;
- marketing;
- samples for chemical analyses and
- internal transport.

The prices European buyers are willing to pay for vegetable oils generally depend on:

- Availability;
- Variety;
- Quality;
- Novelty and
- exchange rates.

If your sachu inchi oil is sold as certified oil, it can be sold at a higher price.

Given that since sachu inchi oil has been [allowed in Europe as a food ingredient](#) since 2013, demand and resulting prices have increased, while supply is catching up. If you have enough available supplies, you can profit from this development.

Speciality oils are very trend-sensitive. There is a risk that product margins drop if trends change or if there is an oversupply when a lot of new producers enter the market.

Have a look at the following price breakdown for an indication of costs and margins at different steps of the value chain of sachu inchi oil:

Figure 2: Price breakdown for sachu inchi oil, markups in %

Export price	Air freight	Import	Sales
	+30-40%	+5%	+30%

Source: ProFound

Tips:

- Monitor harvests in Peru to anticipate price developments.
- You can ask your buyers for information about price developments.
- Obtain sufficient supplies of sachu inchi oil for your cosmetic ingredient buyers. If demand for sachu inchi grows, food ingredient buyers will become stronger competitors and prices may increase.
- Don't depend on one sole product. Keep a diverse product range, to avoid the risk of changing popularity and prices.
- Make sure you are ready for future price decreases if availability increases.
- Reach a sufficient scale and improve the efficiency of your operations and processing to keep costs down. Or make sure your product differs from the product of your competitor, for example with certifications This can get you a higher price for your product.

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