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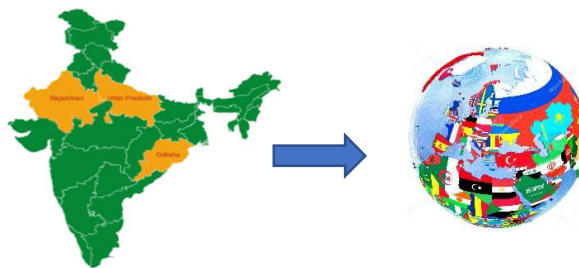


Federal Ministry
of Food
and Agriculture

by decision of the
German Bundestag



European Union Market Regulations and Specifications for exports of Spices



**Developed under the
Project**

**Indo-German Cooperation
on **Agricultural Market Development****

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Indian Spices

Background Information of Spice

This study report addresses the specific requirements for the selected spices: coriander, turmeric, ginger and cumin in the European Union. General market information and legal requirements for these spices have already been describes in previous study reports of the project. This report deals with additional, non-legal requirements of the market.

Spice importers usually deal with the entire range of spices and not with individual spices. This study does therefore not treat with spice companies of individual selected spices. The study comprises the European spice market and its specific requirements in general.

For general quality criteria please look at the European Spice Association Minima Quality Document: <https://www.esa-spices.org/index-esa.html/publications-esa> and the ISO specifications for individual spices: <https://www.iso.org>

The European Spice Market

Europe is one of the world's leading importing regions for herbs and spices. In 2020, Asia was the leading importer of spices and herbs with 47% of the market share, followed by Europe (26%), North America (17%), Africa (4.5%), Latin America, the Caribbean (3%) and Australia and Oceania (2.5%). The European spices market has become more concentrated in the last decades. This is due to frequent mergers and acquisitions. Since the late 1990-ties the leading spice company in Germany Fuchs has taken over Ostmann, Ubena, Wagner and Kattus. Similar mergers appeared later on all over Europe. **FRUTAROM Savory Solutions Austria GmbH, has united experience and knowledge of Gewürzmüller, Gewürzmühle Nesse, Mühlenhof-Gewürze, WIBERG and Frutarom.**

Germany is by far Europe's largest importer of herbs and spices. The import value amounts to 20% of total EU imports. Germany also is one of the leaders in the global spice trade. The port of Hamburg has long tradition in imports of spices. Hamburg is the third largest spice trading harbour worldwide after Singapore and New York¹ Strongest competitor for place three is Rotterdam. 80,000 tonnes of spices arrive in Hamburg every year. Some of the world's largest food processing companies are also based in Germany and generate strong demand for herbs and spices by the food industry.² Germany re-exports 40% of imported spices after refinement.

Germany has a strong spice refining industry. 60% of spice imports to Germany stay in Germany and the rest is re-exported after refinement.

Spice Consumption in Germany in 2020

¹ https://www.youtube.com/watch?v=HIZAd1KOq_Q

² [What is the demand for spices and herbs on the European market? | CBI](#)

Quantity in tonnes		Value in EUR	
Import	Export	Import	Export
146,867	49,706	542,742	329,330

(Source: German Spice Industry, Market Development 2020)³

In 2020, the average import price for spices in Germany had been 3.70 €/kg, while the average export price for spices from Germany had been 6.63 €/kg. This means that German companies managed to increase the average price per kg by 80% by refining.

The European Union covered 55% of its coriander demand by imports from Russia (35%) and Ukraine (20%). It can be assumed that due to the current war, importers are searching for new suppliers. This provides good opportunities for Indian exporters.

The war in Ukraine provides new opportunities for Indian coriander exporters

Twelve national European spice associations are member of ESA, the European Spice Association. <https://www.esa-spices.org/>. In addition, more than 80 European companies are full member of ESA.

94 spice processing and refining companies are member of the German Spice Association (Verband der Deutschen Gewürzindustrie e.V.). <https://www.gewuerzindustrie.de/>. They refine spices, produce spice blends, seasonings and other seasoning preparations and do retail packing. Important partner of the spice industry are the importers. Spices importers possess high knowledge on spices, trade experience, worldwide connections, special local knowhow and permanent observation of the market. Most of them have employees within major supplying countries.

Few large companies like Fuchs dominate the market. The Fuchs Group is the largest spice processing and retail packing company in Germany and the largest private-owned spice company worldwide. But most spice importers and refiners are owner-managed companies. Most of them are small or medium sized.

Some start-up companies like *Ankerkraut* in Hamburg and *Just Spices* in Duesseldorf, Germany have been able to gain considerable market shares. They target consumers who are interested in sustainability and health aspects. Their spice blends do not contain any food additives, but are pure spices = *just spices*. Both companies still mainly buy their raw material from spice importers or processors, who refine the spices and make them safe for use according to the EU Food Safety Legislation.

Spice companies can be grouped into:

1. **Spice importers and trader**, storage and refinement of spices, (sterilization, disinfestation and purification)
2. **Spice processing companies**, producing blends and seasonings, etc, according to specific demand of buyers, supplying meat and sausage and food industry (refining, grinding, mixing, blending, developing other spice preparations)
3. **Spice retail packers**, packing into retail packages under own brand name/-s, (single spices whole, grinded and blends)

³ German Spice Industry, Market Development 2020

Spice Importers

Spice importers have long tradition and are in the business for many decades and some even over 100 years. They import full range of spices, have long-term trade links to exporters in producing countries and very often employees on site. They possess a very good overview of the current market situation, like expected harvests and price fluctuations etc. Spice importers possess large storage capacity and can provide reliable spot business and deliveries. Most of them are refining the spices and offer additional services:

Their services are:

- Stringent selection of suppliers in worldwide sourcing
- Strategic purchasing
- Importing and import handling in containers loads
- Strict incoming goods inspection acc. to EU requirements in own laboratories or accredited external labs.
- Reduction of germs
- Subsequent cleaning, purification
- Disinfestation
- Grinding and calibration
- Packaging into a variety of package sizes
- Storage – for reliable spot business and deliveries.

Spice Processing Companies

Spice companies do grinding, calibration and produce blends, seasonings and other spice preparations. They supply the meat and sausage and food industry, but also the retail packing companies. They are able to produce customized seasonings of individual clients. Spice processing companies must to 100% fulfil the EU food safety legislation as they offer the spice products as ready to use. Many of the processing companies import directly from producing countries. They therefore need to carry out refining of the raw material, which includes purification, disinfestation and disinfection. Many of the German spice processing companies are also situated in Hamburg.

Spice Retail Packing Companies.

Spice packing companies produce retail packages for consumer use. These can be individual whole or grinded spices as well as blends. Besides large companies like the German Fuchs, most of them buy from importers or spice processing companies. The spices must fulfil the food safety legislation as the products are meant for consumption. Pure large organic companies like the German Lebensbaum U. Walter GmbH or Gewürzmühle Brecht carry out direct imports, but bring their raw material to service providers (importers or processing companies) for refinement to meet the food safety legislation.

Importers of Spices

The market for spices is divided into **a conventional and an organic market segment**. Most large spice processing companies in Europe manage both, besides conventional spices they also deal with an organic assortment. However, there are companies, who deal exclusively with organic spices.

The organic spice market in Europe

The organic food market share in Central and Western Europe is between 6.5 to 13.5 % of the entire food market depending on the country. No data exist for spices, but it can be assumed that the share is similar as for food in general. Germany is the largest organic market in Europe, followed by France and Italy.

To declare and label a product as “*organic*”, production, processing and handling must comply with the new **EU Regulation 2018/848 on organic production and labelling**. India is currently on the “Third Country List”. This means that the European Commission has approved India as having an equivalent regulation on organic production and labelling. However, equivalence agreement will end by December 2026. From 1st. January 2027 onwards Indian organic producer may also have to follow the EU Reg. 2018/848 to sell their products in the EU as organic. Each member of the supply chain must be inspected by an accredited and EU approved inspection body every year. Subject of inspection of pure trading companies is the product flow. As organic products generally fetch higher prices compared to conventional ones, the risk is high that conventional raw material is mixed to organic in order to increase the quantity and thus the profit. The audit therefore checks whether production complies with the regulation and that only products reach the organic market, which originates from organic production. Implementation of a strict traceability system is mandatory for the latter.

India and Indonesia are the main organic spice producers worldwide. India's exports of organic spices reached about 1,900 tons (2015-16) with USA, Germany and Netherlands being the major markets⁴ In 2022, India has become the largest exporter of organic spices and accounts for 4,339 shipments. India currently exports most of its organic spices to the [United States](#), [Australia](#) and [Canada](#).⁵

Turmeric and ginger are the most important organic spice products traded, followed by pepper. Health attributes are ascribed to both spices and this created an increase in demand.

⁴ Spice Board India

⁵ <https://www.volza.com/p/organic-spices/export/export-from-india/>



(Source: Triton Market Research)

The organic market is continuously growing and thus the demand for organic spices as well. Organic consumers prefer spice preparations without additives and this matches with the processing regulation of EU Regulation 2018/848. It can therefore be assumed that the market share for organic spices is even higher than for food in general.

The UK along with Germany is a leading spice seed importer in Europe and also imports ginger and turmeric in large quantities. 27% of turmeric to Europe is imported by the UK. Indian food is very popular in the UK, which is reflected in the high demand for turmeric.

The French are health-conscious people and are willing to pay premium prices for organic quality. France besides Germany is therefore an attractive market for organic spices.⁶

Major Players in the Organic Spice Market in Europe

DE	Lebensbaum U. Walter GmbH, (importer and manufacturer/retailer)	www.lebensbaum.com Dr.-Juergen-Ulдерup-Strasse 12 49356 Diepholz
DE	Gewürzmühle Brecht (importer and manufacturer/retailer, organic)	www.gewuerzmuehle-brecht.de Ottostrasse 1 76344 Eggenstein-Leopoldshafen
DE	Herbaria Kräuterparadies (importer and manufacturer/retailer, organic)	www.herbaria.com Hagnbergstrasse 12 83730 Fischbachau
DE	Ako GmbH (Importer conventional and organic)	www.ako-spice.com Chemnitzer Str. 14 30952 Ronnenberg
DE	Husarich GmbH (importer conventional and organic)	www.hurarich.de Peutestrasse 51-53 20539 Hamburg

⁶ Europe Organic Spice Market 2019 - 2028 Triton,

DE	Hamburger Gewürz-Mühle (importer, processor, conventional + organic)	www.hgmspice.de Grossmannstrasse 221 20539 Hamburg
DE	Worleé Naturprodukte (importer, refiner, organic and conventional)	www.worlee.de Grusonstrasse 26 22113 Hamburg
ES	Ramon Sabater SAU (Sabater Spices) (importer and manufacturer, organic)	www.sabaterglobal.com Av. A lot de las Atalayas 231 30110 Cabezo de Torres, Murcia
FR	Arcardie SA (importer, retailer and wholesaler of organic spices and herbs)	www.arcadie.fr 484 Rue Antoine Emile 30340 Méjannes-lès-Ales
FR	Herbier-du-diois (importer, and manufacturer/retail, organic)	www.herbier-du-diois.com Zone Artisanale, Guignaise 26410 Chatillon-en-Diois
NL	Natural Spices, (importer, processor, organic)	www.naturalspices.com Rendementsweg 3-B 3641 SK Mijdrecht
NL	Thyssen Trading (importer conventional and organic)	www.thyssentrading.com Herengracht 450 1017 CA Amsterdam
NL	Naturz Organics (importer and wholesaler of organic ingredients incl. spices)	www.naturzorganics.com Duizeldonksestraat 28 5705 CA Helmond
NL	Health Ingredient Trading (Importer and processor natural ingredients, organic)	www.healthingredientstrading.com Het Ambacht 10 6658 WNBenedenLeeuwen
NL	NutriBoost (importer and processor organic ingredients)	www.nutriboost.nl Scheepmakerstraat 6 2984 BE Ridderkerk
UK	<u>Bart Ingredients</u> (importer, processor, conventional and organic)	www.bart.co.uk York Rd. Bedminster Bristol BS3 4AD
UK	UK <u>Blending Ltd</u> (importer, processor, conventional and organic)	www.ukblendingmq.com 9Davy Rd. Clacton-on-Sea CO15 4XD
UK	Steenbergs, (manufacturer, conventional, organic, fair trade)	www.steenbergs.co.uk Steenbergs, 6 Hallikeld Close Barker Business Park, Melmerby, Ripon, HG4 5GZ

Although Italy is third largest market for organic products within the EU, Italy is not a spice importing country. Italy is therefore not a promising destination for Indian spice exporters.

The Conventional Spice Market in Europe

Most European countries have a national spice association, which are member of the European Spice Association (ESA): <https://www.esa-spices.org/>

Individual spice companies can be found on respective web-sites of the national spice associations.

Germany

Germany is by far Europe's largest importer of herbs and spices and reached around 20% of total spice imports to the EU. Almost 70% of these German imports come from developing countries. Germany has a long tradition in spice trade and the harbour of Hamburg is third largest reloading point for spices in the world.

Important importers for conventional spice are:

DE	Libra Food, DE-Hamburg	www.librafood.de Langenfelder Str. 121 22769 Hamburg
DE	Lizius & Stüff, DE-Hamburg	www.luzius-stuehff.de Kattrepel 2 200095 Hamburg
DE	Speicher & Consorten Hamburg	www.speicher-consorten.de Am Sandtorkasi 1 20457 Hamburg
DE	Bösch Boden Spies, DE-Hamburg,	www.boeschbodenspies.com Heidenkampsweg 74 20097 Hamburg
DE	Husarich, DE-Hamburg	www.husarich.de Peutzestr. 53D 20539 Hamburg
DE	Hamburger Gewürzmühle	www.hgm Spice.de Grossmannstr. 221 20539 Hamburg
DE	H.a.n.s. Spices GmbH, DE-Hamburg	www.spies-muenchen.de Cimbernstr. 91 81377 Muenchen
DE	Gewürz-Kontor Hamburg	www.gewuerzmuehlen.de Sternstr. 69 20357 Hamburgf
DE	AKO The Spice Company, DE-Ronnenberg	www.ako-spice.com Chemnitzer Str. 14/16 30179 Hannover

DE	Spice United, DE	www.spiceunited.de Am Borsigturm 100 13507 Berlin
DE	Fuchs Group	www.fuchsgruppe.com Dieter-Fuchs-Str. 10 49201 Dissen am Teutoburger Wald
DE	Heinrich Klenk,	www.klenk-naturkraft.de Aschenhof 35 97525 Schwebheim
DE	Jantzen und Deeken	www.janbe.biz Grimm 6 20457 Hamburg
DE	Hela Gewürzwerk	www.hela.eu Beimoorweg 11 22926 Ahrensburg
DE	RAPS Importer (mainly India!) and processor, has organic assortment	www.raps.com Adalbert-Raps-Str. 1 95326 Kulmbach

See: <https://www.gewuerzindustrie.de/en-index-gewuerzindustrie.html>

The Netherlands

The Netherlands is traditionally a leading spice trader with developing countries. Over the last decade, the country ranked either second or third on the list of leading importers. As a major spice trader, the Netherlands acts as an entry point into the EU market. This means, that Dutch spice importers usually re-exports refined spices to other European countries.

See the Dutch spice association: <https://www.specerijenvereniging.nl/>

NL	Verstegen	www.verstegen.nl Industrieweg 161 3044 AS Rotterdam
NL	Euroma	www.euroma.com Ravensburgstraat 4 8000 AP Zwolle
NL	Ned Spice (has company in Cochin, India)	www.nedspice.com Weena 260 3012 NJ Rotterdam
NL	Royal Polak Spices	www.royalpolakspices.com Broekslagen 16 8331 TJ Steenwijk
NL	AVS Spice Broker (intern. Spice brokerage)	www.avsspice.com Westersingel 104 3015 LD Rotterdam
NL	CATZ International	www.catz.nl Boompjes 40

The United Kingdom

The United Kingdom is a major importer of Indian spices. Spice imports are mainly for domestic market and only small amounts are re-exported. The UK is the largest importer for turmeric in Europe due to its large Indian population. Ginger also is among the main spices imported.

The British market for spices is characterised by the involvement of large-scale players, such as **Schwartz** (part of McCormick), **British Pepper & Spice** and **Natco Foods**. These companies have a large market share, controlling the trade, processing, packing and marketing of a wide range of spices in the United Kingdom.⁷

See the list of members of “The Seasoning and Spice Association of the UK (SSA)”. SSA represents the UK’s leading spice and seasoning processors. 23 companies are currently member of SSA.

<http://www.seasoningandspice.org.uk/ssa/memberslist.aspx>

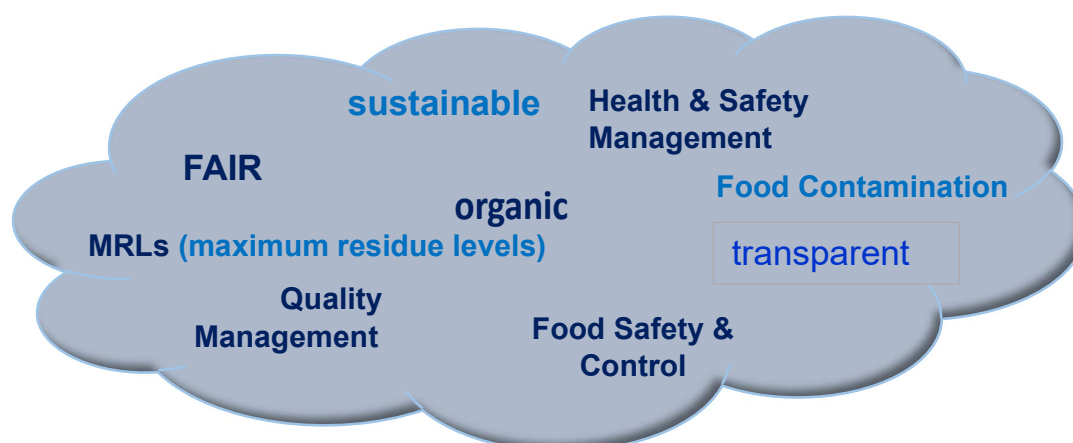
France

France is an important importer of spices in Europe, but mainly because it is the largest importer of vanilla from Madagascar. France imports most other spices from Germany and Spain.⁸

Specific Requirements of the European Spice Market

In order to export to the EU, you have to comply with specific requirements. However, there are some requirements that are set by the EU legislation and are thus obligatory. Other requirements are demand driven preferences of European importers, or market trends and consumer preferences. These are, although not obligatory by law, important, since they can improve your competitiveness and help you find purchasers in the European market.

Different requirements for spices in the European Market



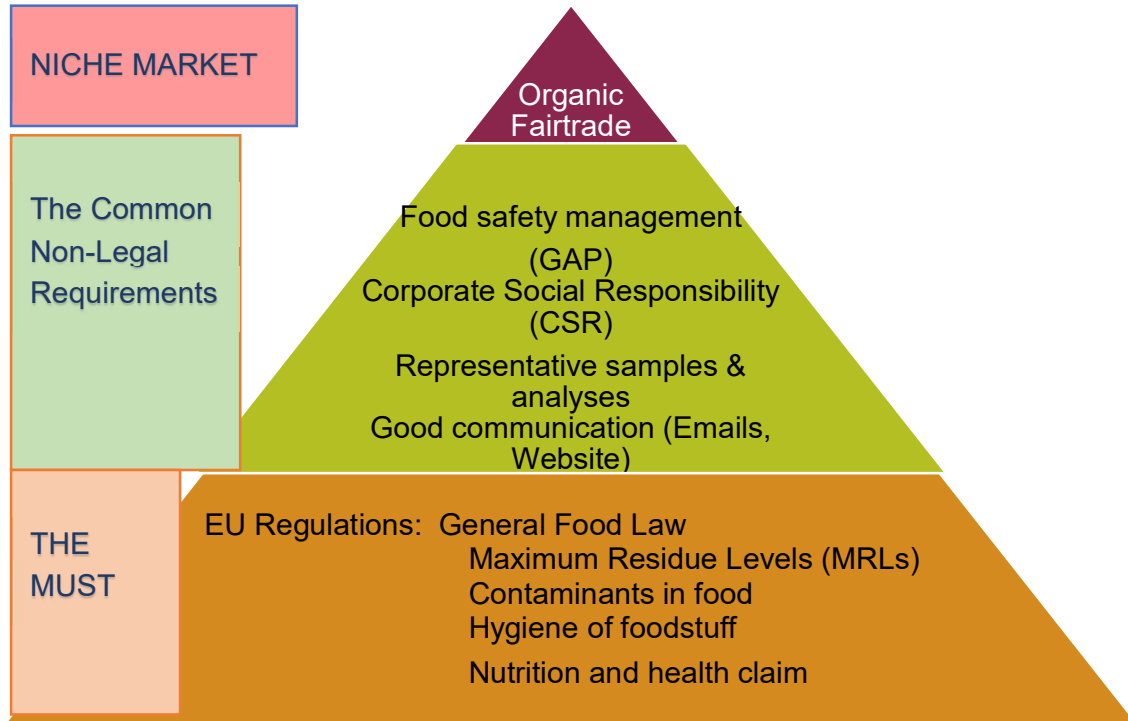
⁷ What is the demand for spices and herbs on the European market? CBI, Jan. 2022

⁸ <https://www.cbi.eu/market-information/spices-herbs/what-demand>

The market requirements can usually be divided into three sections:

1. **The Must have:** Legal requirements for food products
2. **The Common:** Requirements from the customer
3. **The Niche:** Organic and Fair

Which requirements to consider?



(Source: Legal and non-legal requirements in the EU, IPD presentation, 2018)

Legal Requirements – The Must Have for Spices

The MUST are legal requirements. Spices are categorized as food. A spice, which is ready for use must therefore comply with the European food safety legislations. As an exporter of retailed packed spices, blends or ground spices you must demonstrate that your product is safe for use. You must therefore comply with the **General Food Law of the European Union**, which ensures the safety and traceability of your product. In case of bulk exports, all parameters which can no more be improved like residue contamination and contaminants like aflatoxin, etc. must comply with the requirements of the EU Food Safety Regulation. In case an exporter can produce spices, which fully comply to the General Food Law, the exporter can fetch much higher prices as no refinement are required. The exporter can target spice companies, at the end of the spice industry value chain like retail packers.

Food Safety

Apart from customs procedures, almost all mandatory requirements related to the import of spices are related to food safety.

Importing to the EU requires proof of conformity. Compliance with regulations must be documented. Analysis regarding contaminants and residue levels is mandatory. Residues cannot be removed from spices in contrast to infestations with pests or contamination with pathogen germs. Correct classification and coding of the product (HS codes) is required in the export documents. Non-compliance results in withdrawal of products and penalties.

The one who places a food item on the consumer market is responsible for its food safety. Importing already retailed packed spices takes therefore high risks as the quality of the product can no more be checked. Reduction of microbial contamination and pest infestation is difficult in ground spices as this reduces the quality of the spice. The aroma given components are essential oils, which are volatile and stored in specific cells. Grinding destroys essential oil-bearing cells and the aroma is at risk to fade away. Sterilization treatment of ground spices reduces the aroma. Importers therefore import spices in bulk and mostly whole, no ground or crushed. They usually take representative samples from each shipment and carry out analysis in their own laboratories or in external accredited labs. Only when the products meet the food safety requirements they are released for processing and retail packing. As spices are usually produced by small holder farmers who individually carry out post-harvest handling, no homogeneous and absolute hygienic handling is guaranteed. Spices usually need to undergo disinfestation, disinfection and purification.

**Spices usually need to undergo refinement:
disinfestation, disinfection and purification**

Method of Disinfestation

In case of pest infestation and for prevention the following methods are feasible:

- **Radiation** – still allowed under certain conditions, (conventional, not for organic!) must be mentioned on label, disliked by EU consumers!
- **Fumigation with phosphines**, still allowed (conventional, but not for organic!) but undesirable in the EU
- **Microwave**: exposing the products to Microwave Radiation in a closed system to ensure the rapid killing of all the pests and larvae including the egg stage infestation.
- **Macro wave RF**: uses a high-frequency electric field to control pathogens and insect infestations
- **CO₂ pressure disinfestation (carbon dioxide)**

Pressure disinfestation with carbon dioxide (CO₂) is the most desired system and usually done for organic products.

Benefits of the pressurized disinfestation with carbon dioxide:

- Suitable for a wide range of raw foodstuff ingredients (e.g., grains, **spices**, dried fruit and vegetables, seeds, nuts), animal feed, tobacco, herbal teas and medicines
- Completely non-toxic: it leaves no residues, does not impair the product, is toxicologically safe
- Kind to the environment
- Improved occupational safety thanks to the high efficiency and ease of handling

Traditional methods using poisons or insecticides leave residues that are becoming increasingly unacceptable in today's ecologically aware society.

Cost for disinfestation is usually calculated per pallet (120 cm x 80 cm):

- Carbon dioxide (CO_2) pressure: ca. 50 € / pallet
- Phosphine (PH_3): ca. 40 € / pallet⁹

Disinfestation with phosphine is cheaper compared to CO_2 pressure treatment, but not liked in Europe.

Method of Disinfection

Sterilization refers to any process that eliminates, removes, kills, or deactivates all forms of life and other biological agents (such as fungi, bacteria, virus and spore forms). Sterilization can be achieved through various means, including: heat, chemicals, irradiation, high pressure and filtration.

Steam Sterilization

Of all the methods available for sterilization, **moist heat in the form of saturated steam under pressure is the most widely used** and the most dependable. Steam sterilization is nontoxic.

Cost for steam sterilisation is calculated per kg:

- In case that product specification is known to the service provider, costs may be around 1.10 €/kg
- In case that product specification is not known: the service provider will do a test treatment in pilot plant and will analyze result in lab; eventually has to do a second test, to adjust and receive figures for final treatment (pressure, time, etc.)¹⁰

**Disinfection is expensive; therefore
Implement high hygienic conditions along entire supply chain
to avoid these costs**

When a spice is contaminated with **mycotoxins** it is not marketable. It is very difficult to decontaminate mycotoxins in spices. Mycotoxins are metabolites of toxicological concern, build by mould and fungi. They are among the strongest natural toxins and cancer-causing substances. They especially populate oil-bearing and starchy seeds but also ginger particularly under high temperature (25 – 40 °C) and humidity. Careful and fast drying and proper storage (cool, dry and well aerated) is essential to avoid mycotoxin contamination such as aflatoxin and ochratoxin. **Improper drying and storage of ginger increase risk of aflatoxin and ochratoxin contamination.**

⁹ Interview of Biosteril in 2018 by B. Boor

¹⁰ Interview with Biosteril in 2018 by b. Boor

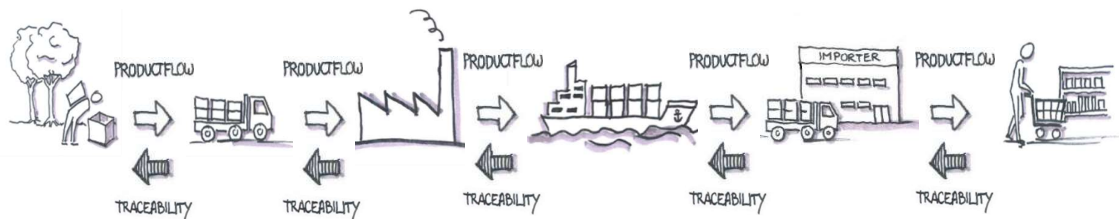


Mycotoxins are built by mould and fungus. Only the mould can be seen, but not the toxin. The contamination is not visible. Only certain batches/sections are contaminated. Representative sampling is therefore important. **Improper drying of ginger increase risk of aflatoxin and ochratoxin contamination.**

Traceability

Another important issue regarding the must is **traceability**. It must be feasible to track any food or related substance used for consumption throughout all stages of production, processing and distribution.

Traceability of agriproducts



(Source: B. Boor, IPD training on traceability in 2020)

Over the past two decades, food safety related issues and various food scandals in the agribusiness sector have highlighted the importance of traceability, which supports health and food safety by increasing the possibility to track the origin of defective goods by tracing food through the production and distribution chain. Traceability is mandatory within the EU. Today, traceability is furthermore important because the demand for organic, fair trade and environmentally friendly products is increasing. Certification according to any of these standards demand implementation of a traceability systems, even in producer countries. Producer must prove to consumers where and under what circumstances their products have been produced.

Traceability is a risk management tool. It allows a quick detection of the source of quality problems within the production chain. The problem can be isolated by withdrawing or recalling and then preventing that unsafe products reach consumers. Due to identification of problems, measures can be taken to overcome the problems in future. Exporters, who can proof implementation of a traceability system do have advantages to their competitors. They can fetch higher prices and can keep long-term trade links.

The EU has one of the highest food safety standards in the world. Already in 1979, the EU has created RASFF (Rapid Alert System for Food and Feed). It is a system which enables information to be shared efficiently between the food safety authorities of its members states. Thanks to RASFF, many food safety risks had been averted before they could have been harmful to Europe consumers. For recalling unsafe products traceability is indispensable.

Packaging and Labelling Requirements for Spices

Packaging not only depends on legislative requirements. Often, customers have specific demands which can be considered as individual business requirements.

Any Importer demands packaging materials that are:

- ✓ **Free from damage and clean**
Packaging material may also be a source of contamination. To prevent it, always use clean and proper materials and test them for possible contamination.
- ✓ **Adequate for the product:**
Use packaging materials that ensure that the products arrive on the destination market as fresh and intact as possible

Packaging is ruled under Regulation (EC) 1935/2004 “on materials and articles intended to come into contact with food”, in order to protect human health. Such materials shall be manufactured in compliance with good manufacturing practice according to Regulation (EC) No 2023/2006. Materials (e.g., packaging) may not transfer their constituents to food in quantities that could endanger human health, change the composition of the food in an unacceptable way or impact upon the taste and odor of foodstuffs.¹¹

If pallets are used, attention should be considered to the **International Standard for Phytosanitary Measures (ISPM) 15** on international trade with wood packing material made from raw wood and to **Regulation (EU) 2016/2031** on protective measures against plant pests, which is based on the ISPM 15 and sets requirements for non-EU imports into the EU of wood packing material.

According to both regulations, pallets must be heat treated or fumigated to kill insects or fungus conforming to EU organic rules. Consider that fumigation can indirectly contaminate your product with residues! The heat treatments must meet the parameters specified in Annex I of the ISPM 15; marked with the ISPM15 stamp consisting of 3 codes (country, producer and measure applied) and the IPPC logo. Fumigation with fungicides and pesticides bears the risk of residue contamination.

Optimal export packaging is a fundamental aspect in the spices trade. Packaging used for spices must:

- protect the organoleptic and quality characteristics of the product;
- protect the product from bacteriological and other contamination (including contamination from the packaging material itself);
- protect the product from hydration (spices are hygroscopic goods, meaning that they easily absorb moisture from the air);
- not pass any odour, taste, colour or other foreign characteristics on to the product.

There are many different materials used for export packing of spices, but some of the most common options for bulk packing are the following:

- Polypropylene and polyethylene bags
- Multi-wall laminated paper bags
- Woven bags or big bags (increasingly used in the industry)
- Cloth laminated with polyethylene or polypropylene
- Jute bags (almost not used anymore by the industry), consider that jute may contaminate your spices with residues!

¹¹ <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32004R1935>

In general, it is recommended to ask your customers for the best most suitable packaging.

Apart from legal regulations, packaging is defined by customer 's needs

Bulk export need at least the following information on the label:

- Name of the product
- Country of origin
- Company name and address
- Net weight
- Minimum durability
- Storage condition

The **labelling** of products must comply with the EU legislation. General labelling requirements for pre-packed food are laid down in **Regulation (EU) 1169/2011**.

In case of **organic spices**, the label must comprise additional information:

Obligatory Data for a complete organic labelling

1. Name/Address of owner or seller
2. Name of product
3. Product-related organic indication (e.g.: "Organic Coriander")
4. Code number of certifier
5. In addition, the lot / batch number must be indicated for reasons of traceability.

The Common - Non-Legal Requirements for Spices

The common non-legal requirements are often demanded by buyers.

Many buyers require additional food safety certifications according to private standards. Different buyers may have different preferences, but exporters should have one of these before targeting the German or EU market.

The main demanded private standards for food safety are listed below:

- ❖ HACCP – as a basic standard for safety management
- ❖ BRC – Global Standard for Food Safety (British Retail Standard)
- ❖ IFS – International Food Standard
- ❖ ISO 22,000 – management standards for food safety
- ❖ FSSC – Food Safety System Certification = ISO + additional technical requirements

Some importers demand additional certificates, which are beyond food safety. These could be related to organic, fair trade or other social and environmental standards.



Source: IPD Presentation, Legal and non-legal Requirements in the EU, 2018¹²

Check www.standardsmap.org for more information on individual food safety standards

CSR - Corporate Social Responsibility

Sound social and environmental performance has become an integral part of international trade and exports to the European Union. End-consumers, but also European governments increasingly expect retailers and importers to identify and mitigate social and environmental risks in their supply chains.

Corporate social responsibility (CSR) is defined as a management concept. It is the way through which a company achieves a balance of economic, environmental and social imperatives, while at the same time addressing the expectations of shareholders and stakeholders.¹³

CSR describes the social and environmental responsibility of companies as part of a sustainable business. CSR involves going above and beyond what is legally required to contribute positively to the environment, the workforce and communities. It includes both what the company can control and what it can influence, the latter by collaborating with partners on joint social or environmental initiatives. CSR oriented companies take accountability for their environmental and social impacts and are transparent

Several European and national initiatives and laws on sustainability and e.g., human rights due diligence are currently being lobbied for or even implemented. This has lately been highlighted by the passing of the **German Act on Corporate Due Diligence in Supply Chains**. As of January 2023, companies operating in Germany will be required to implement measures in their own business operations as well as in the context of a direct supplier's business operation on human right issues. The law will hold German companies – at least to a certain extend – accountable for human rights violations in their international supply chains. France and the Netherlands have implemented similar legal frameworks and more European countries are following¹⁴

¹² IPD Presentation, Legal and non-legal Requirements in the EU, 2018

¹³ What is CSR?, UNIDO

¹⁴ IPD, Requirements regarding Corporate Social Responsibility

Even though small and medium sized companies in non-EU member-state countries do not fall under the new regulations and obligations, it is expected that the new law will impact them indirectly through changed sourcing criteria of importers emphasizing social and environmental sustainability. If exporters do not address issues touched by these new requirements, they may find access to the German and European market difficult.¹⁵ The European trade promotion programmes like the Dutch CBI, the Swiss SIPPO and the German IPD attach high importance to CSR. Exporting companies, who have developed a CSR strategy, including a Code of Conduct and a CSR action plan possess advantages compared to their competitors.

CSR covers among others issues like:

- Respecting Human Rights
 - Fair wages
 - Decent working time
 - Prevention of forced labour
 - Prevention of child labour
 - Stable employment relationships
 - Etc.
- Labour Practices
 - Health and safety at work
 - Development and training in the workplace
 - Etc.
- The Environment
 - Prevention of Pollution
 - Responsible for waste, water and energy management
 - Limiting greenhouse emissions
 - Compliance with local and (inter-)national regulations
 - Etc.
- Fair Operating Practices
 - Anti-corruption policy
 - Etc.

Good Business Practices

However, besides legal and non-legal standards and certificates, European importers are looking for **long-term trade links**, today. They select business partners based on **good business practices**. They do not what surprises, but expect deliveries as agreed. They demand clear, honest and fast communication. Even when a supplier cannot answer a question at the time being, he should answer within 2 days latest and inform, when he will be able to give precise answer. Exporters should understand themselves as part of a supply chain. Only when communication is good, fast and reliable all members of the chain will profit. For example, when months before harvest the exporter already realises that he is not able to deliver the agreed quantity of a specific spice due to unfavourable weather conditions and harvest failure, he should inform the importer as soon as he knows this and not only at harvest time or even worse when the container is expected to arrive at the importers place. This is important so that the importer has sufficient time to look for another supplier this time/season to satisfy his needs. New exporters in the international trade do often not provide required information in time as they are afraid to lose their clients. The opposite

¹⁵ https://single-market-economy.ec.europa.eu/industry/sustainability/corporate-social-responsibility-responsible-business-conduct_en

however is true. A supplier, who provides the right information in time, has proven to be reliable and the importer will definitely come back to him.

The German import promotion programme Import Promotion Desk (IPD) has carried out a survey among importers on their satisfaction of businesses with new exporters. The result is shown below in figure.

While the importers had been satisfied with the product qualities and the prices, almost 50% had been unsatisfied with the delivery process and logistics and nearly 60% with reliability of exporters regarding communication and contract details.

Perfect Communication is a key: clear, honest, fast
Reliability is a must!



Importers survey –RESULTS

If you did make a deal, how content are you regarding the quality of the deals closed?



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Durchgeführt von
BGA  Bundesagentur für Außenwirtschaft
sequoia  Partner für den Export

Seite 30 Martinez, Angie / Seelige, Kathrin

Furthermore, importers want suppliers to properly understand quality parameters and to implement quality assurance systems.

Representative Samples and Analysis

Developing a first consignment usually takes lots of action and time. Importers require a great deal of information on products and the supplier. This is part of the selection process of a new business partner. After this arduous process, they usually first order just a test delivery to see and check the export and communication procedure of the supplier. When anything goes well, larger orders will be placed and procedure will go much easier and faster. After having done a pre-selection, importers often visit new potential business partners to see and check facilities.

Before an importer places an order, he demands a representative sample. The importer will carry out organoleptic analysis and bring part of the sample to a laboratory for residue and quality analysis. Another part of the sample is kept as retain sample. In case the sample meets the requirement, the buyer will place an order of a defined quantity and according to the product specification and quality of the sample. When the delivery arrives at the importer's place, a representative sample is taken by the buyer and compared to the retain sample. In case that the sample is different, of poorer quality than the first sample on which the order was placed, the importer will reduce the price or even reject acceptance of the shipment. The exporter is responsible to bear the costs for destruction or reshipment of the goods. It is therefore very important to compile and send representative samples and not a whitewashed one. Exporters ought to keep a retail sample of each shipment or lot as well.

Contract = Contract!

Importers expect deliveries as agreed.

This comprises: time, specification and quality

Exporters shall develop a company profile and a product specification or Technical Data Sheet (TDS) and ensure that the delivery exactly meets the agreement / contract.

Minimum requirements for a general business offer should include:

- ✓ A precise product description- Technical data sheet (TDS) or product specification
- ✓ Attached photos of the product(s)
- ✓ Representative sample(s), only when potential buyer shows interest.
- ✓ A price quotation, preferably according to Incoterms 2000
- ✓ Delivery capacity per year
- ✓ Window of supply (seasons)
- ✓ Possible delivery date(s)
- ✓ Export references
- ✓ Quality certificate (HACCP, BRC, IFS or others)
- ✓ Name of contact person
- ✓ Contact details: address, telephone, fax and e-mail address

A guideline on how to develop a technical data sheet can be found on the web-side of CBI:

[How to prepare technical data sheets, safety data sheets and sending samples for natural food additive? | CBI](#)

Importers in the EU do usually not accept analysis results from India. The laboratory needs to be ISO/IEC 17025 certified. **Intertek Acucert** based in Mumbai is the first lab in India accredited according to this standard and has achieved accreditation in February 2022. However, the result of analysis furthermore depends on the sampling procedure. Sampling is a critical factor in the testing of a product. Failure to sample correctly, or to understand the variability associated with sampling, may invalidate the overall test result and lead to an incorrect conclusion. Importers therefore prefer to take representative samples themselves and carry out analysis in external accredited labs.

Carrying out residue analysis is nevertheless recommended, in order that exporter s know whether the lot meant for export is residue free.

The Niche – Organic and Fair-Trade

Growing environmental, health and ethical concerns call for specific standards. Products certified according to these standards are targeted to different market segments. Organic and fair-trade markets are still niche markets, although organic is on the way to become mainstream. While the market for organic product is regulated by public law, the market for fair trade is not. Both markets have in common, that higher prices can be achieved, when the respective standards are met and production is certified. Importers demand a certificate.

The Organic Market

The organic market in Europe is continuously growing. Between 2014 to 2018 organic sales increased by 3.7-times. During the corona pandemic the organic market in Europe experienced a record increase. It increased by 15 % and reached 52.0 billion € in 2020. The value in the European Union had been 44.8 billion. This shows that other European markets besides Switzerland are comparatively small.¹⁷ According to Globenewswire the global organic food market was expected to grow from \$227 in 2021 to \$259 in 2022.¹⁸

In 1993, the EU had been first to enforce a legislation on organic production and labelling. Since then, products may only be sold in the EU, when they have been produced and certified by accredited and approved certification body. India is currently approved by the European Commission under the Equivalence Agreement as having an equivalent regulation fully implemented. However, **the new Regulation (EU) 2018/848 on organic production and labelling of organic products** has come into effect beginning of 2022. According to the new regulation third-country producers will have to fully comply with the same set of rules as producers within the European Union. Equivalence agreement has ceased. There is currently a transition period and countries which are currently approved as equivalent with the EU will have to renegotiate the terms of their trade agreement by 31 December 2026.

Companies who strive for organic certification shall look for accredited and approved certification bodies (CBs). The competent authority in India; Agricultural and Processed food products Export Development Authority (**APEDA**) can provide a list of approved CBs. Nevertheless, it has to be considered, that the name of a CB is like a trade mark. Some have good reputation while other have not. It also depends on the target market. When it is the

¹⁷ <https://www.fibl.org/en/info-centre/news/exceptional-growth-of-the-european-organic-market-2020>

¹⁸ <https://www.globenewswire.com/news-release/2022/06/13/2461369/0/en/Organic-Food-Global-Market-Report-2022.html>

USA, a US CB is preferred, when it is Germany a German one is preferred, etc. Although India is on the “Third-Country-List”, the European Commission has lately suspended five certification bodies in India due to their failure to comply with European Union standards and ensure contamination-free products. These are Ecocert India, Control Union India, Indocert, Lacon India, and OneCert International.¹⁹

A number of private organic standards exist besides the public standards. Depending which market segment is targeted a private standard certification may be demanded in addition to the public standard certification. Certification according to the public standard is in any case obligatory. The public standard is the minimum standard and private standards are considered as higher standards. Pure organic companies, who sell to special organic retail markets prefer private label certification like Naturland or Demeter in Germany or KRAV in Sweden and BioSuisse in Switzerland.



Public EU Organic Label
The Must have



Private label for
bio-dynamic standard



Privat organic label

Fair-Trade Market

Fair-Trade is a product certification and is based on ethics especially on labour, but also environment. A product with a fair-trade mark means that the producers and businesses have met the stringent fair-trade social, economic and environmental standards. The demand for fair trade labelled products is steadily increasing. Although fair trade is still a niche market, it can provide good opportunities for smaller Indian companies.

According to a 2021 GlobeScan survey of consumers in 15 countries, more than 60% of consumers are familiar with the fair-trade mark and of those, 80 % say they have a positive perception of brands that carry it.²⁰

As of January 2011, there were more than 1,000 companies certified by FLO International's certification and a further 1,000 or so certified by other ethical and fairtrade certification schemes around the world.²¹ Since then the sales have steadily increased.

FLO Cert is by far the largest certifier, but there are a number of others.



¹⁹ <https://krishijagran.com/agriculture-world/european-commission-to-suspend-five-organic-certification-agencies-from-clearing-exports-of-processed-products-from-india/#:~:text=The%20EC's%20action%20follows%20its,or%20ratifying%20organic%20product%20exports.>

²⁰ FLO Cert, 2022

²¹ FLO Cert list of companies in 2011



How to Find Access to the European Spice Market

It is not feasible to describe individual importing companies and their special requirements or preferences. This is too diverse and depends on specific situations. The market works the other way round. The exporter has to make the first step and approach the market. However, before doing so the exporter has to properly study the requirements of the market and to define the product/-s and himself to clearly identify what he can offer to whom and then only contact selected potential importers.

Before an exporter targets a potential importer, he shall first study in detail the legal and non-legal quality requirements of the market. This may already provide some information on the potential market segment, where the product/-s may find a buyer. This may be the organic or conventional market, but also -depending on the quality and certificates the exporter can show-, at the beginning or end of the supply chain in the importing country.

As a next step the product/-s you want to export need to be defined in measurable terms such as factors including product description, exact quality, quantity, relevant technology, certificates, prices and delivery terms. Defining the product limits the number of potential buyers. For example, if you can offer ten tonnes of your product, you can remove all buyers that only deal with full containers from your long list. Some buyers may require a specific variety or quality that you cannot offer. And if you can offer specific products, such as organic products, you should not focus on buyers who only trade in conventional products.

As a next step, investigate the market. This can be done by studying the exhibitor list of relevant large trade fairs like ANUGA: <https://www.anuga.de>, SIAL: <https://www.sialparis.com>, Biofach: <https://www.biofach.de> or Food Ingredients: <https://www.figlobal.com/fieurope/en/home.html>, and the member's list of the European Spice Association www.esa-spices.org. Based on this a priority list of potential buyers can be drafted.

Next, create a unique selling proposition. In other words: show your buyers why your offer is unique and different from the competition. Importers have their major suppliers already contracted, but receive numbers of offers every week. These offers often get on their nerves and most of them are just dumped in the waste bin. Importers are looking for long-term trade links and demand besides good quality and competitive prices good communication and reliability from new potential suppliers. Cold calling is therefore very difficult. Why should importers be interested in you as a supplier as there are so many others? A number of documents must be developed to demonstrate professionalism. These are among others: a company brochure, a professional web-site, TDS (or product specification) of individual products to offer, all relevant certificates and price offers.

Final step is to contact potential buyers. This requires good preparation. After definition of your product/-s and analysis of the market develop a list of potential buyers. It is better to have a short list with importers, that really fit with your offer than having a long list

comprising many importers, who do not fit. Only communicate with a selected list of potential customers. Your resources should be focused on the ones that are most likely to be converted into actual customers. You may contact potential buyers by email. Certificates should be listed and offered to be transmitted in case of interest. The same is with samples. Only send samples, when a potential buyer shows interest and asks for it. A week after the email you may contact the company by phone call. A telephone call allows you to personally give a brief introduction of yourself and the company, and it is more effective in catching the target's attention than an email or letter.

The best way however to contact potential buyers, but also to get an overview of the market, the requirements and competitors is by visiting trade fairs. Trade events are perfect place to promote yourself among other companies in target markets. Food trade events in Europe are important platforms for spices and herbs companies. Trade fair participation is specifically important because it enables potential buyers to see, smell and taste your products.

Here you have the chance to speak to potential buyers and analyse the market, specific quality requirements and your competitors. Relevant trade fairs in Europe are Anuga; Sial; Biofach, Food Ingredient. European buyers not only visit nearby fairs but also travel to places outside of Europe to look for new suppliers. The most relevant trade fairs attended by European spices and herbs traders outside Europe include the Gulfood <https://www.gulfood.com> or a relevant fair in India.



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