

CBI MARKET SURVEY

The spices and herbs market in The Netherlands**Publication date: March, 2010****Report summary**

This CBI market survey discusses the following highlights for the spices and herbs market in The Netherlands:

- The Netherlands was the sixth-largest market for the selected spices and herbs in the EU in 2008. Between 2004 and 2008, consumption decreased slightly by 1.3% annually, amounting to 21 thousand tonnes in 2008.
- Production of spices and herbs is limited in The Netherlands.
- The Netherlands was the third-largest EU importer of spices and herbs in 2008, accounting for 12% of total EU imports (in value). In the period 2004-2008, The Netherlands' imports of spices and herbs increased slightly, by 1.9% annually in terms of volume. Strong price increases resulted in a strong increase of import value between 2006 and 2008.
- The Netherlands is the largest exporter in the EU, particularly because, as production is limited, of its prominent role as re-exporter of spices and herbs throughout the EU. Exports increased considerably in recent years.
- Because of the substantial imports and (re-)exports, The Netherlands is an interesting market for developing countries. Developing countries supplied 75% of the import volumes in 2008, which was considerably higher than their share in total EU imports. Furthermore, imports from developing countries increased in value as well as in volume terms during the review period.
- Although The Netherlands is officially out of recession, there are still many uncertainties and confidence has not been restored. Buyers have been running down stocks and buy only when needed. It is difficult to make any reliable predictions for the nearby future.

This survey provides exporters of spice and herbs with sector-specific market information related to gaining access to The Netherlands. By focusing on a specific country, this survey provides additional information, complementary to the more general information and data provided in the CBI market survey 'The spices and herbs market in the EU', which covers the EU market in general. That survey also contains an overview and explanation of the selected products dealt with, some general remarks on the statistics used, as well as information on other available documents for this sector. It can be downloaded from <http://www.cbi.eu/marketinfo>.

1 Market description: consumption and production**Consumption**

In this chapter, data from the statistical database of the Food and Agriculture Organization of the United Nations (FAOSTAT) and the statistical office of the EU (Eurostat) are used to indicate apparent consumption (production + imports - exports). One of the limitations of this calculation is that strong fluctuations are sometimes seen between years. Therefore, apply these data with care, as they can only be used as an indication of the market. Also see chapter 1 of the CBI survey 'The spices and herbs market in the EU'.

Total market size

In 2008, The Netherlands was the sixth largest market for the selected spices and herbs in the EU. The leading markets were the UK, Germany, Romania, Hungary and France. Total apparent consumption in The Netherlands amounted to close to 21 thousand tonnes in 2008, indicating a slight average decline of 1.3% between 2004 and 2008. However, apparent consumption has been fluctuating.

Although the Dutch economy is officially out of recession, industry sources indicate that there is still a lot of uncertainty on the market and that they are still reluctant to build stocks. They are very hesitant in making predictions on how the spices and herbs market will develop in the coming years.

Product groups

Of the most-consumed product groups, only the apparent consumption of ginger and pepper experienced average annual growth between 2004 and 2008, although demand for ginger declined somewhat between 2006 and 2008. In the case of pepper, it is interesting to note that, contrary to other EU consumers, Dutch consumers prefer white pepper over black pepper, due to the mild taste of white pepper. The fall in pepper consumption in 2007 might be explained by the sky high price of pepper that year, which resulted in declining Dutch imports and increasing Dutch exports of pepper compared to the previous year. Apparent consumption of paprika, chillies & allspice, spice seeds, cinnamon and nutmeg, mace & cardamom all decreased.

The highest average annual growth rate was seen in the apparent consumption of cloves. Also, demand for saffron increased considerably. The substantial decline in the apparent consumption of vanilla is surprising. In most EU countries, demand for vanilla has increased considerably after a period of sky high price levels.

Table 1.1 Apparent consumption of selected spices and herbs in The Netherlands 2004-2008, in tonnes

	2004	2005	2006	2007	2008	Average annual change
Total spices & herbs	21,939	24,953	21,520	22,681	20,821	-1.3%
Ginger	4,722	4,885	6,533	6,411	6,365	7.8%
Paprika, chillies & allspice	5,946	4,069	2,706	3,794	3,941	-9.8%
Pepper	2,346	2,610	3,376	1,136	3,386	9.6%
Spice seeds	2,181	3,654	2,693	5,160	2,021	-1.9%
Cinnamon	1,426	3,206	2,177	1,698	1,242	-3.4%
Nutmeg mace & cardamom	1,778	1,896	1,223	1,498	1,200	-9.4%
Turmeric	626	752	798	836	801	6.4%
Cloves	118	199	176	522	405	36%
Saffron	n.a.	20	26	52	30	15% ¹
Vanilla	445	704	507	181	n.a.	-26% ¹
Mixtures	n.a.	n.a.	n.a.	n.a.	n.a.	-
Other spices and herbs	2,352	2,959	1,306	1,393	1,429	-12%

Source: own calculations based on Eurostat and FAOSTAT data (2009)

¹ Average annual change calculated between first and last year available.

Until recently, market experts indicated that growth was expected in the consumption of spices and herbs. This growth was, for most EU member states, in line with developments on the food markets. However, the effect of the economic crisis on spending has been apparent across Europe. Consumers are reducing their spending on food. However, in some countries this development will not be as apparent as in countries where the economic crisis hit hardest, as for example in the UK. In The Netherlands, the crisis did not hit as hard as expected and it is officially out of recession. Furthermore, consumers have switched to cheaper food sources, but these cheaper foods also require seasoning, resulting in a continuous demand for spices and herbs from the food industry.

Market segmentation

Although spices and herbs can be used for the non-food market, such as the pharmaceutical and perfumery, the largest end-user group of spices and herbs is the food-processing industry. In the food market, the consumption of herbs and spices is divided into 3 sectors:

- Industrial, in which spices are used particularly in the processing of meat, fish, canned products, sauces, soups, bakery goods and other prepared and convenience food.
- Retail, where developments are usually triggered by experimental and ethnic consumers.

- Catering, which is small but growing.

Similar to other EU countries, the Dutch food industry sector is by far the largest consumer of spices and herbs, as indicated in the CBI survey covering the EU market for spices and herbs. However, the exact shares specifically for The Netherlands are not available.

For more information on market segmentation, please refer to the CBI survey covering the EU market for spices and herbs.

Major consumption trends

Industry sources indicate that the consumption of spices and herbs will grow in the future, although apparent consumption has declined somewhat in recent years. Population growth and the increased multi-ethnic population in The Netherlands are among the factors responsible for this forecast. Intercultural contact is increasing, and this means that people are confronted more with 'exotic' tastes and dishes. This is expected to have a positive effect on the consumption of (exotic) spices and herbs.

The demand for convenience food has also been growing over the few last years. The adding of ingredients, including spices and herbs to convenience food, is already common practice.

The usage of spices and herbs by consumers is also mounting because, as Dutch consumers are becoming increasingly health-conscious, these products are appreciated as completely natural ingredients, rather than artificial additives. Herbal drinks, particularly herbal teas and infusions, are also becoming increasingly popular. Herbal infusions, for example, accounted for 17% of total tea consumption in The Netherlands in 2007, an increase of almost 27% in relation to 2003 (Vereniging van Nederlandse Koffiebranders en Theepakkers, 2009).

Increased health-consciousness, as well as environmental concern, led to increased interest for organic products. In 2007, Dutch consumers spent more than € 500 million on organic products, an increase of 13% over the previous year. In The Netherlands, the market share of organic products in total food sales is approximately 2%. This share is roughly equal to the average level in the EU, but considerably smaller than more mature markets like Denmark, which has a share of approximately 5%. However, the demand for organic products in The Netherlands is still larger than the supply. Furthermore, according to industry sources, it is expected that the consumption of organic spices and herbs in The Netherlands will continue to grow. New business initiatives by wholesalers and individual health food store owners drive market growth. However, it should be noted that, although there is an increasing demand for healthy and environmental friendly food, Dutch consumers are still very sensitive when it comes to price.

Another clear trend is the strongly growing market for Fairtrade certified products. Dutch retail sales of Fairtrade products increased by 28% between 2007 and 2008, to € 61 million in the latter year. This is the equivalent of 3% of the total EU Fairtrade retail sales. An increasing number of Fairtrade spices, herbs and mixtures are offered in large supermarket chains.

However, in this period of economic instability, it is not clear how the economic crisis will influence these trends in the spices and herbs market. Therefore it is crucial to follow the news closely to stay up to date and be well informed about the most recent developments.

For more information on consumption trends, please also refer to the CBI survey covering the EU market for spices and herbs.

Production

Total production

The Netherlands is a relatively small producer of spices and herbs in the EU. According to FAOSTAT, The Netherlands produced a total of 280 tonnes of spice seeds in 2008, which was

an increase compared with 2004 of on average 8.8% annually. Eurostat reports another 0.1 thousand tonnes of caraway production in The Netherlands. Although other figures are not available Dutch production of herbs also consists of parsley, thyme, basil, coriander leave, dill and celery, amongst others.

Interesting players

- With respect to herbs, it is interesting to visit the website of the Dutch Association of Herbs/ De Vereniging Nederlandse Kruiden (VNK) - <http://www.vnk-herbs.nl/indexengels.html>. This association specialises in the cultivation, trade and processing of herbs.
- With respect to spices, exporters could consider contacting the Dutch Association for Southern Fruits / Nederlandse Zuidvruchten Vereniging (NZV) - <http://www.zuidvruchten.nl>. This association specialises in trade of dried southern fruits, spices and other related products.
- Verstegen Spices and Sauces - <http://www.verstegen.nl/en/verstegen> - a leading producer and supplier of spices, herbs and mixtures (conventional, organic, Fair Trade)
- Schuurman specerijen - <http://www.schuurman-specerijen.nl/catalog> - producer and supplier of herbs, herbal mixtures and spices.
- Hela - <http://www.hela.nl> - producer and supplier of herbs and spices.
- Epos specerijen - <http://www.epos-specerijen.nl> - producer and supplier of herbs and spices.
- Organic Flavour Company - <http://www.ofc.nl/ofc/en/ofc-en-home/> - producer and supplier of organic spices, herbs, mixtures and organic herbal teas.

Major production trends

Organic production of herbs in The Netherlands has increased considerably over the recent years, but it is still smaller than demand. According to Eurostat, the organic production of officinal herbs, aromatic plants, plants for seasoning increased by an average annual rate of 47% between 2005 and 2008, to 92 ha.

For more information on trends in production, please also refer to the CBI survey covering the EU market for spices and herbs.

Opportunities and threats

- + The Netherlands has a medium-sized market for spices and herbs. Although the apparent consumption of spices and herbs in The Netherlands declined somewhat, expectations, supported by several trends, are positive. Also, production is far below consumption. This offers opportunities for DC suppliers.
- + Furthermore, production of organic spices and, to a lesser extent, of herbs is limited, while demand for these products is increasing. This also creates opportunities for exporters to meet the demand of the Dutch market. Also Fairtrade spices and herbs could be of interest.
- + Interesting products could be ginger and pepper, because they are the first and third most demanded products in The Netherlands and have experienced quite good growth rates. Apparent consumption for cloves and saffron is a lot smaller, but growth rates have been very interesting.
- +/- The economic crisis has brought many uncertainties and this made importers very cautious. Although the recession is officially over it is not clear how, and to what extent, this will affect the demand for spices and herbs in The Netherlands.

Note that the same development or trend can be an opportunity for one exporter and a threat to another. Exporters should therefore analyse if the developments and trends discussed in the previous chapters provide opportunities or threats. The outcome of this analysis depends on the specific situation of an exporter. Refer to chapter 7 of the EU survey for an example of such an analysis.

Useful sources

Interesting sources for obtaining information on consumption and production of herbs and spices are firstly encountered in the survey covering the EU. More information can be found at:

- Trade associations in The Netherlands mentioned in Chapter 6, and the statistical agency - <http://www.cbs.nl> - can be sources of information.
- FAO's statistical database FAOSTAT - <http://faostat.fao.org> - is a valuable source.
- Eurostat - <http://epp.eurostat.ec.europa.eu> - official statistical office of the EU.

2 Trade channels for market entry

Trade channels

Most direct imports from DCs of spices and herbs concern whole, un-ground products, while processed and packed spices only rarely come from developing countries. It is important to note that a more substantial part of spices and herbs is imported into The Netherlands from DCs than is common in the EU at large. Much of the imported and processed products is re-exported to other EU countries. This demonstrates the significant role of The Netherlands, and especially the port of Rotterdam, in the trade and processing of spices and herbs. Spices and herbs share the same trade channels, with the bulk of trade entering the EU through a small number of importers and brokers. The most important Dutch spices and herbs trading companies are Man Produkten Rotterdam BV, Catz International BV, Verstegen International BV and Van Eeghen International BV (especially for herbs).

Direct trade by processors and, to a lesser degree, food processors has become more prevalent, although processors increasingly work with companies which combine steady high quality and large volumes, instead of several small companies. However, distinctions between different trade channels are becoming increasingly blurred, with different activities now carried out within one company. The leading Dutch processor/packer is Silvo BV, now part of the McCormick group, followed by Verstegen BV (also organic) and Euroma Netherlands BV.

The main trade channels for spices and herbs are shown and further explained in the CBI market survey covering the EU market for spices and herbs.

Within The Netherlands, the largest end-user group for spices and herbs is the food-processing industry, which purchases either from processors or directly from importing/trading companies. A considerable share of the processed and packed spices and herbs is then re-exported to other EU countries or other parts of the world. Other end-user groups within The Netherlands are the retail sector and the catering sector, purchasing spices and herbs directly from grinders or processed products from food industries.

Organic

Producers and exporters of organic spices and herbs supply their organic products mostly to specialised traders/importers and/or sometimes to grinders/processors. In most markets, a few traders specialised in organics tend to be the dominant customers for foreign producers. They often have an organic specialisation, focusing on a broad range of products. Several organic traders have a European-wide focus, a few of which are located in The Netherlands. The Dutch companies Euroherb and Doens Food Ingredients are major international traders in organic spices and herbs. Direct purchases from foreign organics producers made by purchasing units of retailers, the catering sector and food processors are very rare, but might increase due to increasing organic sales and market entry by conventional players.

Retail trade

The retail trade of spices and herbs is dominated by supermarkets. They mostly sell spices, herbs and mixtures of the larger brands. In The Netherlands, those are for example Silvo, Verstegen, but supermarkets also sell under their own private label. The buying organisations of large supermarkets have strong buying power, and there are not many opportunities for small and medium-sized DC exporters to trade directly with them. Niche markets might provide better prospects.

Many of the supermarkets in The Netherlands also sell a significant number of organic spices and herbs. The main supermarkets selling organic products are Plus, Jumbo and Albert Heijn. In 2007, supermarkets accounted for 46% of the total organic food market, while more than 40% of the organic products in The Netherlands were sold through health food shops and specialty shops. However, although the organic food market is dominated by these two channels, various other channels exist and experience considerable growth, like discounters and the catering sector. As a result, organic products are increasingly easily accessible (Platform Biologica, 2008).

Trends

Increasingly strict governmental regulations and the high quality standards demanded by the food industry, especially for processed spices and herbs, make it difficult for DCs to enter these markets.

Along with expanding marketing under private labels, supermarkets exert downward pressure on processors' margins and further down the value-chain, because the buying organisations of large supermarkets (sometimes representing multiple chains) have such strong buying power.

In the organic food sector, supermarkets are increasingly looking for suppliers outside The Netherlands, because Dutch producers cannot offer a constant supply all year round.

Useful sources

Interesting companies in The Netherlands include those listed below.

- Van Amstel, Visser & Co - <http://www.amstelvisser.nl> - importer of vanilla.
- Blok BV - <http://www.blokspecerijen.nl> - processor / packer of spices and herbs for butchers / food industry.
- Catz International BV - <http://www.catz.nl> - leading importer and distributor of many spices.
- Doens Food Ingredients B.V. - <http://www.doensfood.com> - major importer and exporter of organic food ingredients
- Van Eeghen International B.V. - <http://www.vaneeghen.com> - major importer of herbs and spices.
- Euroherb B.V. - <http://www.euroherb.nl> - leading importer / trader organic spices and herbs.
- Euroma Netherlands BV - <http://www.euroma.nl> - importer / blender / packer of spices and herbs of the brands Euroma and Spice Islands.
- Jacob Hooy & Co BV - <http://www.jacobhooy.nl> - importer / processor / packer of spices and herbs.
- Huijbregts Groep - <http://www.huijbregts.nl> - major importer / processor / packer of spices and herbs.
- Inproba BV - <http://www.inproba.nl> - food processor of Chinese and Indonesian products.
- Man Producten BV - Tel: 0031-10-2801380/email: info@manproducten.nl - leading multinational importer / trader in spices and herbs.
- J.S. Polak Kon. Specerijmaaldereij BV - <http://www.polak.nl> - importer / processor of spices and herbs for bakery and retail trade.
- Silvo BV - <http://www.silvo.nl> - importer / processor / packer of spices and herbs, part of McCormick group.
- Steensma B.V. - <http://www.steensmabv.nl> - importer / processor / packer of candied fruits and spices & herbs for bakery and wholesale trade.
- Unifine Industry BV - <http://www.unifine.nl> - large importer / processor and trader of spices and herbs.
- Verstegen Spices & Sauces BV - <http://www.verstegen.nl> - major trader/processor/packer of spices and herbs.

Furthermore, the Dutch trade associations can also be of interest for finding relevant companies. These are mentioned in chapter 6.

Price structure

Prices of spices and herbs can be found in the CBI market survey covering the EU market, as the indications of prices given there do not differ from those in The Netherlands. Prices of spices and herbs are to a large degree dependent on origin, and buyer preferences regarding quality demanded, order size etc. Therefore, actual prices are dependent on negotiation with partner companies, and prices provided in the market survey covering the EU should be used as a reference point only.

Exporters need to have detailed production costs/volume price breaks for the spices and herbs they supply. This will give them a valuable reference point for any negotiations with buyers. The margins charged by different intermediaries in the spices and herbs trade are influenced by many different factors. These include the type of spice or herb, the current and expected future harvest situation, the availability or number of sources for the particular spice, the level of demand and the trend in prices.

Finding a suitable trading partner

Finding a trade partner in The Netherlands should not deviate from the general EU method as described in the CBI market survey covering the EU market. Buyers and suppliers often find each other at trade fairs. Especially the BioFach trade fair is of importance for organic spices and herbs, whereas Anuga, SIAL, FI Europe are of principal importance for conventional products. Establishing contact through export directories or by directly contacting interesting companies you encounter can also be useful. Brokers also fulfil an important function in market linking, while websites offer another opportunity to find trade partners.

For more information on prospects for the spices and herbs market in The Netherlands, refer to the websites below.

General information:

- The Canadian Agriculture and Agri-Food website provides market information, including country information, product reports and market access - <http://www.ats-sea.agr.gc.ca/intro/index-eng.htm>
- The International Trade Centre provides information on trends in organic consumption within EU member countries - <http://www.intracen.org/organics>
- Furthermore, Dutch trade associations mentioned in Chapter 6 of this survey, and the Dutch statistics agency - <http://www.cbs.nl/en-GB/default.htm> - can be sources of information.

Sector specific information:

- FAO's statistical database FAOSTAT - <http://faostat.fao.org> - is a valuable source.
- The 2004 IENICA report is somewhat outdated but still offers relevant information. It describes the situation for the spices and herbs market in The Netherlands and other EU member countries - <http://www.ienica.net>

On-line company databases for finding companies working in the spices and herbs market are:

- Food world - <http://www.thefoodworld.com> - an extensive on-line food business directory, with full EU coverage. Condiments, spices and herbs are a separate product group.
- Europages - <http://www.europages.com> - on-line business directory, with full EU coverage. Condiments, extracts and spices are a separate product group, falling under the category of 'Food & related products'.
- HerbImporters.com - <http://www.herbimporters.com> - provides contact information of 135 European importers of herbs and herbal medicine products at a cost of US\$15 (updated in 2009).

- SpiceImporters.com - <http://www.spiceimporters.com> - provides contact information of 220 European importers of spices, seasoning and flavouring at a cost of US\$20 (updated in 2009).

Business-to-business sources include the following;

- Agronetwork.com - <http://www.agronetwork.com/global>
- Organic-market.info - <http://www.organic-market.info> - on-line magazine for organic trade.
- Spices Trade world - <http://spices.tradeworlds.com>
- Ingridnet - <http://www.ingridnet.com> - marketing instrument for companies supplying ingredients to, among others, food industries. The database includes contact details of 15,000 ingredient suppliers.

3 Trade: imports and exports

Imports

Total imports

In 2008, total imports of spices and herbs by The Netherlands amounted to close to € 132 million and 66 thousand tonnes. While import volumes have been increasing steadily by a moderate annual average rate of 1.9%, import volumes decreased somewhat between 2004 and 2006 and then increased strongly up to 2008. This was mainly caused by strong price increases for most products throughout 2008.

The Netherlands was one of the leading EU importers of spices and herbs, accounting for nearly 12% of total EU import of spices and herbs in 2008. The country was third only after Germany and the UK, which were responsible for 21% and 12% of total EU imports.

The Netherlands was also the third largest importer of these products from DCs. It sourced a relatively high share of spices and herbs directly from DCs, 68% in value and 75% in volume. DC supply increased by an average annual rate of 5.7%, at the expense of extra-EU supply.

Leading DC suppliers were Indonesia, China and Vietnam, accounting for 13%, 13% and 12% respectively. However, while Vietnamese and especially Chinese supplies increased substantially, Indonesian supply decreased, in value as well as in volume. Imports from India, Turkey, Madagascar and Morocco have also shown considerable growth rates.

Imports by product group

With an import share of 29% of the total import value, pepper is by far the largest product group imported. Overall pepper imports increased strongly between 2004 and 2008, mainly caused by strong price increases from 2006 onwards. These price increases led to a moderate annual average decrease in import volume. Compared to other EU countries, the share of white pepper imports in relation to black pepper imports is much higher in The Netherlands, since the Dutch prefer the mild taste of white pepper. Most pepper imports originated in developing countries (85%). However, the share of imports from other EU countries is increasing. While import volumes from Germany and France increased strongly, imports from Vietnam, Indonesia and Brazil decreased. The intra-EU imports mainly concern re-export of pepper which also originates in DCs. News magazine The Public Ledger reported a considerable increase of pepper imports from Brazil in 2009.

Just like pepper, the imports of nutmeg, mace & cardamom also increased in value terms, but decreased in volume terms, again mainly influenced by strong price increases during the review period. Total imports of nutmeg, mace & cardamom accounted for almost 19% of the total spices and herbs imported by The Netherlands. The great majority is supplied by developing countries (71%). However, imports from these countries decreased in volume terms (-6.2%), in favour of imports from intra-EU countries, which increased strongly (54%).

Table 3.1 Imports of spices and herbs 2004 - 2008, € thousand/ tonnes

Product	2004		2006		2008		Average annual % change	
	value	volume	value	volume	value	volume	value	volume
Total	107,789	61,397	102,731	63,243	131,636	66,282	5.1%	1.9%
Pepper	23,826	14,271	26,198	15,437	38,100	13,090	12.5%	-2.1%
Nutmeg, mace & cardamom	18,146	4,849	16,917	4,400	24,287	4,664	7.6%	-1.0%
Ginger	14,564	12,139	13,073	15,415	15,049	17,197	0.8%	9.1%
Paprika, chillies & allspice	15,627	9,701	12,671	6,841	13,752	8,257	-3.1%	-3.9%
Spice seeds	5,455	6,607	5,538	6,816	11,603	9,139	20.8%	8.5%
Mixtures	7,660	2,604	5,646	2,289	9,079	2,603	4.3%	0.0%
Cinnamon	2,734	3,714	3,463	4,951	3,610	3,877	7.2%	1.1%
Cloves	1,419	652	1,860	708	2,443	976	15%	11%
Vanilla	3,650	533	2,811	527	2,313	216	-11%	-20%
Turmeric	1,215	1,365	1,289	1,682	1,543	1,753	6.2%	6.5%
Saffron	137	6	301	29	563	39	42%	60%
Other spices and herbs	13,356	4,957	12,963	4,148	9,295	4,471	-8.7%	-2.5%

Source: Eurostat (2009)

Development of ginger imports has been different. Although import values fluctuated somewhat, volumes grew steadily and strongly, mainly caused by DC supply which accounts for 93%. Especially imports from China, responsible for more than half of the total supply, grew strongly. Vietnam is an important newcomer in ginger supply to The Netherlands. Of the larger DC suppliers, Brazil and Nigeria experienced a sharp decrease in their supply to The Netherlands. Intra-EU imports of ginger decreased in both value and volume terms.

Paprika, chillies and allspice imports decreased moderately, leading to a market share of 10%. Total paprika, chillies and allspice imports reached € 14 million/ 8.3 thousand tonnes in 2008. Less than half (44%) is supplied by DCs. Paprika imports from these countries decreased. Nevertheless, imports from the largest DC suppliers, Thailand and China, increased considerably. The fastest growing supplying country of importance is Israel.

Of the larger imported product groups, only the import spice seeds increased considerably in both value and volume. In 2008, spice seeds imports reached almost € 12 million/ 9.1 thousand tonnes. Around 28% of the spice seeds was imported from other EU countries, mainly Finland and Bulgaria. DCs supplied 65% of the spices seeds, which mainly came from India, Turkey and Morocco.

Of the other product groups, the imports of cinnamon, cloves, turmeric and saffron all increased both in value and in volume. Imports of mixtures increased in value, but fluctuated in volume terms. The imports of saffron increased the fastest. However, the quantities imported are limited and mainly supplied by other EU countries, just like mixtures. In the case of cinnamon, cloves and turmeric, developing countries do supply the largest part, 80%, 73% and 96% respectively. However, intra-EU imports are rising for all three product groups.

Only vanilla and other spices and herbs experienced negative growth rates, in both terms of value and volume. In both cases, this deviated from overall EU developments. Due to strong price decreases of vanilla, import values diminished EU-wide. Of the larger vanilla importers, The Netherlands was the only country which saw its import volumes decline. Furthermore, more than half of the vanilla imports are supplied by other EU countries. Only extra-EU imports of vanilla experienced annual average growth.

The product group 'other spices and herbs' accounted for 7% of total imports of spices and herbs by The Netherlands. Imports decreased by 8.7% in value terms and 2.5% in volume

terms, reaching € 9.3 million/ 4.5 thousand tonnes in 2008. However, imports from developing countries increased, reaching a market share of 59%.

Table 3.2 Imports by origin and leading suppliers 2004 - 2008, share in % of value, average annual growth in % of value

Product	Origin	Leading suppliers in 2008 (share in %)	Share ¹	Average annual % change
Total spices and herbs	Intra-EU	Germany (12%), Belgium (5.9%), Spain (3.5%), UK (2.4%), France (2.2%)	29%	10%
	Extra-EU, ex DC*	-	2.3%	-25%
	DC*	Indonesia (13%), China (13%), Vietnam (12%), Brazil (5.0%), India (5.0%)	68%	5.7%
Pepper	Intra-EU	Germany (4%), France (2%), Belgium (2%)	15%	28%
	Extra-EU, ex DC*	-	0.8%	-16%
	DC*	Vietnam (31%), Indonesia (16%), China (16%), Brazil (13%), India (3.4%)	85%	11%
Nutmeg, mace & cardamoms	Intra-EU	Germany (16%), Belgium (11%)	29%	58%
	Extra-EU, ex DC*	-	0.5%	-45%
	DC*	Indonesia (38%), Guatemala (22%), Grenada (4.8%), Vietnam (3%), India (1%)	71%	2.2%
Ginger	Intra-EU	Spain (4%), Germany (3%), France (1.1%)	5.8%	-5.0%
	Extra-EU, ex DC*	-	1.0%	22%
	DC*	China (53%), Thailand (17%), Brazil (10%), Nigeria (5.8%), Vietnam (4.3%)	93%	1.1%
Paprika, chillies and allspice	Intra-EU	Spain (21%), Germany (11%), Belgium (8.7%), Denmark (2.5%)	49%	-1.0%
	Extra-EU, ex DC*	Israel (6.1%)	6.4%	33%
	DC*	Thailand (9.4%), China (8.8%), México (5.8%), Peru (4.4%), India (3.8%)	44%	-7.4%
Spice seeds	Intra-EU	Finland (8.8%), Bulgaria (6%), Spain (4.6%), Germany (3.9%), France (1.3%)	28%	16%
	Extra-EU, ex DC*	Canada (5.4%)	7.7%	3.1%
	DC*	India (19%), Turkey (13%), Morocco (9.4%), China (8.5%), Syria (6%)	65%	27%
Mixtures	Intra-EU	Germany (36%), UK (19%), Belgium (17%), Italy (12%), Spain (5.3%)	95%	4.7%
	Extra-EU, ex DC*	-	0.8%	-1.0%
	DC*	Morocco (2.5%), Turkey (0.6%)	4.6%	-0.6%
Cinnamon	Intra-EU	Germany (14%), Belgium (2.4%), France (1.4%), UK (1.3%)	20%	14%
	Extra-EU, ex DC*	-	0.4%	21%
	DC*	Indonesia (34%), Madagascar (21%), Vietnam (10%), Sri Lanka (7.2%), China (2.9%)	80%	5.7%
Cloves	Intra-EU	Belgium (11%), France (6.0%), Austria (5.0%), UK (2.4%), Germany (2.1%)	26%	67%

¹ Due to rounding off, shares might not add up to exactly 100%.

Product	Origin	Leading suppliers in 2008 (share in %)	Share ¹	Average annual % change
	Extra-EU, ex DC*	USA (0.6%)	0.6%	58%
	DC*	Madagascar (31%), Comoros (23%), Brazil (9.1%), Indonesia (6.9%), Mauritius (1.3%)	73%	7.7%
Vanilla	Intra-EU	Germany (29%), France (17%), Belgium (5.4%), Ireland (1.8%), UK (0.6%)	54%	-12%
	Extra-EU, ex DC*	USA (6.9%), French Polynesia (1.3%)	8.3%	12%
	DC*	Madagascar (36%), Indonesia (4%), Papua New Guinea (0.8%)	38%	-11%
Turmeric	Intra-EU	Belgium (2.1%), UK (1.2%), Germany (0.4%)	3.7%	-1.7%
	Extra-EU, ex DC*	-	0.0%	-100%
	DC*	India (92%), Indonesia (2.4%), Vietnam (1.0), El Salvador (0.2%), Thailand (0.2%)	96%	6.5%
Saffron	Intra-EU	Spain (77%), France (9.5%), Belgium (5.8%), Germany (2.4%), Italy (0.2%)	96%	46%
	Extra-EU, ex DC*	-	0.0%	-35%
	DC*	Iran (3.2%), Brazil (0.5%), Turkey (0.2%)	3.9%	6.0%
Other spices and herbs	Intra-EU	Germany (14%), UK (6.5%), Belgium (6.2%), France (4.6%), Spain (2.3%)	37%	0.6%
	Extra-EU, ex DC*	Israel (3%), USA (0.5%), Australia (0.3%), U.A. Emirates (0.3%), Hong Kong (0.2%)	4.0%	-50%
	DC*	Thailand (22%), Turkey (15%), China (8.2%), India (6.1%), Morocco (1.5%)	59%	8.3%

Source: Eurostat (2009)

*Developing Countries

Exports

At a value of almost € 161 million and a volume of 58 thousand tonnes, The Netherlands is the largest EU exporter of spices and herbs, accounting for 23% of total EU spices and herbs imports. Germany follows with a market share of 20%. Dutch exports increased considerably, by 13% in value terms and by 7.8% in volume terms, showing significantly higher rates than the average growth rates in the EU, 6.9% and 2.4% respectively.

A large part of the exports concerns re-exports distributed to neighbouring countries. Most of the exports of spices and herbs by The Netherlands go to Germany (31%), followed by the UK (17%) and Belgium (10%) and, to a lesser extent, France (5.5%) and Austria (4.1%). However, a significant part also goes to The Netherlands Antilles (2.7%).

The largest product groups exported by The Netherlands are mixtures (30%) and pepper (20%), followed by nutmeg, mace and cardamom (14%), ginger (9.4) and spice seeds (8.4%). Especially the exports of mixtures increased considerably, by 25% in value terms and 24% in volume terms. Of all product groups described here, the export of pepper and saffron declined in volume terms, while vanilla exports declined in value in the period reviewed.

Spice traders face difficult trading conditions in times of crisis. There is much uncertainty and confidence is low. Buyers have been running down stocks and buy only when needed. According to the International Trade Centre (ITC), it is not realistic to make predictions for the near future. On the one hand, major economies will continue to be in recession, of which it is not clear how this impacts the spice market. On the other hand, some trading conditions are improving; shipping costs are have decreased, interest rates have come down considerably and industries will soon need to restock.

Opportunities and threats

- + The Netherlands is a relatively large trader in spices and herbs, being the third-largest importer and the largest exporter in the EU. Imports and exports both increased in value and volume. As the market for spices and herbs in The Netherlands is only average-sized and apparently has declined in recent years, it is clear that the added value of its market lies particularly in its prominent role as re-exporter, distributing spices and herbs throughout the EU. This offers interesting opportunities to DC suppliers.
- + Furthermore, imports of spices and herbs from DC have been increasing. The share of imports of spices and herbs from DCs is considerably higher than its share in the EU as a whole.
- + Interesting products could be ginger, cloves and saffron. They all show considerable growth rates, although cloves and especially saffron are imported in small quantities. Pepper, again ginger, cinnamon and turmeric are interesting since at least 80% is supplied directly by DCs.
- Less interesting are vanilla and other spices and herbs, as imports figures of both products showed declines in value as well as in volume terms.
- Although The Netherlands is officially out of recession, it is not clear how and to what extent this will affect the trade in spices and herbs to, and within, the EU.

Note that the same development or trend can be an opportunity for one exporter and a threat to another. Exporters should therefore analyse if the developments and trends discussed in the previous chapters provide opportunities or threats. The outcome of this analysis depends on the specific situation of an exporter. Refer to chapter 7 of the EU survey for an example of such an analysis.

Useful sources

- EU Expanding Exports Helpdesk - <http://exporthelp.europa.eu>
→ go to: trade statistics
- Eurostat - <http://epp.eurostat.ec.europa.eu> - official statistical office of the EU
→ go to 'themes' on the left side of the home page
→ go to 'external trade'
→ go to 'data - full view'
→ go to 'external trade - detailed data'
- Understanding Eurostat: Quick guide to Easy Comext
→ http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_200905_13.pdf

4 Price developments

There are no specific developments for prices of spices and herbs in The Netherlands.

Useful sources for price information are:

- The International Trade Centre Market News Service (MNS) - <http://www.intracen.org/mas/mns.htm> - fortnightly bulletin.
- The Public Ledger - <http://www.agra-net.com>
- The International Pepper Community Weekly Price Bulletin - <http://www.ipcnet.org/>
- The Indian Spices Board - <http://www.indianspices.com> - offering domestic and international prices for spices.

5 Market access requirements

As a manufacturer in a developing country preparing to access The Netherlands, you should be aware of the market access requirements of your trading partners and the Dutch government. Requirements are demanded through legislation and through labels, codes and management systems. These requirements are based on environmental, consumer health and safety and social concerns. You need to comply with EU legislation and have to be aware of the additional non-legislative requirements that your trading partners in the EU might request.

For information on legislative and non-legislative requirements, go to 'Search CBI database' at <http://www.cbi.eu/marketinfo>, select spices and herbs and The Netherlands in the category search, click on the search button and click on market access requirements.

Additional information on packaging can be found at the website of ITC on export packaging: <http://www.intracen.org/ep/packit.htm>

Information on tariffs and quota can be found at <http://exporthelp.europa.eu>

The general VAT rate in The Netherlands is 19% (as from February 2006). Foodstuffs such as spices and herbs fall under a reduced VAT rate of 6%.

More information on taxes can be found at:

- Taric Homepage - http://ec.europa.eu/taxation_customs/dds/cgi-bin/tarchap?Lang=EN
- Directorate General XXI - http://ec.europa.eu/taxation_customs/common/publications/info_docs/taxation/index_en.htm

6 Doing business

General information on doing business like approaching potential business partners, building up a relationship, drawing up an offer, handling the contract (methods of payment, and terms of delivery) can be found in CBI's export manuals 'Export Planner' and 'Your image builder'. Furthermore cultural awareness is a critical skill in securing success as an exporter. Information on cultural differences in the EU can be found in chapter 3 of CBI's export manual 'Exporting to the EU'. These manuals can be downloaded from <http://www.cbi.eu/marketinfo> - go to search publications.

Useful sources

Assistance with market entry can also be sought through local business support organisations, import promotion organisations such as CBI and branch organisations focusing on the spices and herbs, or food ingredients sector. Interesting *trade associations* in The Netherlands are:

- The Netherlands Association for Spice trade / Nederlandse Vereniging voor de specerijhandel - Tel: +31 (0)786151755
- The Netherlands Federation of Foodstuff Industries / Federatie Nederlandse Levensmiddelen Industrie (FNLI) - <http://www.fnli.nl>
- Association of organic production and trading companies / Vereniging van Biologische Productie- en handelsbedrijven (VBP) - <http://www.vbpbioologisch.nl/>

Trade fairs offer companies in developing countries the opportunity to establish contacts, promote their products and conduct EU market orientation. Major fairs of EU-wide significance are mentioned in the survey covering the EU.

Trade fairs of interest in The Netherlands are:

- AGF Totaal - <http://www.agftotaal.nl> - International Trade Fair for Fruit and Vegetables. The next event will be held 19 - 21 September 2011 in Rotterdam, The Netherlands.
- Horeca and Autotron - http://www.easyfairs.com/events_216/horeca_8079/horeca_8111/exhibitors_8125/welcome_8140/ - International trade fair for the catering sector. The next event will be held 25-26 October 2010 in Rosmalen, The Netherlands.
- Horecava - Trade fair for the catering industry. The next event will be held 10-13 January 2011 in Amsterdam, The Netherlands.
- Please also refer to the Export Marketing Guidelines on spices and herbs.

Trade press can function as a means for gaining insight into market developments and competition, but can also have a promotional function. This concerns finding potentially interesting companies, as well as promotion of your own activities and products. Major trade press of EU-wide significance is mentioned in the survey covering the EU.

Trade press of interest in The Netherlands is:

- De Levensmiddelenkrant - <http://www.levensmiddelenkrant.nl/>
- Distrifood - <http://www.distrifood.nl>
- Foodmagazine - <http://www.producten.reedbusiness.nl/producten/211/redirect/index.aspx>

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