

# Exporting Cinnamon to Europe

The European market currently provides excellent opportunities for trading in cinnamon, due to continued rises in import levels and favourable prices. Europe is mainly a cassia market, but opportunities for Ceylon cinnamon are present in specific countries and segments. The United Kingdom, Italy and Belgium import a much larger share of Ceylon cinnamon than the European average. There are also good prospects for sustainable suppliers and those supplying processed cinnamon.

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## 1 . Product description

There are two main types of cinnamon traded in Europe: (1) Ceylon cinnamon (*Cinnamomum zeylanicum*) and (2) cassia (*Cinnamomum cassia*). The former comes from the bark of the cinnamon tree and is regarded to be of high quality. It is finer and has less coumarin than cassia. Cassia, the bark of the evergreen cassia tree, is a similar spice to cinnamon but the coarser and less fragrant and therefore considered to be of lower quality. In the following text, the word cinnamon is used as a general term for both species. When a specific species is meant, this is indicated specifically (as cassia or Ceylon cinnamon).

The statistical data in this document are based on Combined Nomenclature (CN) codes. The CN uses Harmonised System (HS) codes to classify products. The codes used for this study are listed below. The second code includes cassia. The cinnamon-tree flowers mentioned there are covered in this study and their share in the trade is expected to be insignificant. The third code, for crushed and ground cinnamon, includes both cassia and Ceylon cinnamon.

CN Code	Description
09061100	Cinnamomum zeylanicum blume, neither crushed nor ground
09061900	Cinnamon and cinnamon-tree flowers (excluding Cinnamomum zeylanicum blume), neither crushed nor ground
09062000	Cinnamon and cinnamon-tree flowers, crushed or ground

## 2 . Product specification

### Quality

*Product quality* is a key issue for buyers in Europe and includes food safety as well as product quality. The [European Spice Association](#) (ESA) has published the [Quality Minima Document](#), which is leading for the national spice associations affiliated with the ESA and therefore for most importers in Europe. It specifies the legal European requirements for *unprocessed* cinnamon (excluding crushed/ground cinnamon and cinnamon treated for microbial reduction) as well as additional buyer requirements not laid down in legislation. The document can be used to find out which chemical and physical parameters unprocessed cinnamon (both Ceylon cinnamon and cassia) needs to comply with when sold in Europe before crushing and grinding:

- Ash: maximum 7%
- Acid Insoluble Ash: maximum 2%
- Moisture: maximum 14%
- Volatile oil: minimum 0.7-0.1% (depending on botanical species)

Cinnamon is graded in accordance with the relevant national standard of the country of production. In addition, [ISO standard 6538-1997](#) (cassia) and [6539-2014](#) (Ceylon cinnamon) provide some general guidelines on the grading, handling and packing of cinnamon.

Quality is mainly determined by the volatile oil content. There are different quality grades depending on the type of product. For example, Indonesian cassia quills come in three main grades:

- KA: 2.5% - 3.0%
- KB: 2.0 – 2.5%
- KC: below 2.0%

### Labelling

Incorrect labelling is a major source of frustration for European buyers. Therefore, you must be sure to do this properly. See our study on [European market for value-added spices and herbs](#) for information on consumer packaging requirements. Bulk products have to include the following information:

- the name of the product
- details of the manufacturer (name and address)
- batch number
- date of manufacture
- grade of the product
- producing country
- harvest date (month-year)

- net weight
- any information that exporting and importing countries may require: bar, producer and/or packer code, any extra information that can be used to trace the product back to its origin.

## Packaging

Whole cinnamon must be packed in new, clean, sound and dry bags of jute, cloth laminated with polyethylene or polypropylene or high-density polyethylene bags/pouches. Cinnamon powder can be packed in new, clean, sound and dry containers made of glass, tin, or aluminium or in pouches made of laminated, metallised, multilayered food grade plastic material. The containers have to be free from insect infestation, fungus contamination, undesirable or bad smells and substances that may damage the contents. Strong smelling foods, detergents and paints have to be stored in the same room, as they will spoil the delicate aroma and flavour of the cinnamon.

## 3 . Buyer requirements

What legal requirements must cinnamon comply with?

Please be aware that your product will have to comply with European legislation the moment it enters the European Union. Compliance is therefore a must. Consequently, only consider exporting to Europe when you are able to comply.

### **Food safety: Traceability, hygiene and control**

Food safety is a key issue in European food legislation. The [General Food Law](#) is the legislative framework regulation for food safety in Europe. To guarantee food safety and to allow appropriate action in cases of unsafe food, food products must be traceable throughout the entire supply chain and risks of contamination must be limited. One important aspect for controlling food safety hazards is to define critical control points ([HACCP](#)) by implementing food management principles. Another important aspect is that your food products can be subjected to official controls. Products that are not considered safe will be denied access to Europe. Some products are subject to increased controls but cinnamon is currently not on the [list](#).

### **Tips:**

- European buyers will often ask buyers to implement a food (safety) management system based on HACCP-principles (see under Common requirements).
- Check for increased levels of controls regarding your product. The list of spices and herbs and their supplying countries is updated regularly. Check the [EUR-Lex website](#) for the most recent list (see latest document under Amended by).

- Read more about [HACCP in the EU Export Helpdesk](#)

## Contamination of cinnamon

Contaminants are substances that can be present as a result of the various stages of its growing, processing, packaging, transport or storage.

### Mycotoxins

Although there are no specific maximum limits set for [mycotoxin contamination](#) in cinnamon may develop especially during prolonged storage in poor conditions without temperature and moisture control. Styrene occurs naturally in cinnamon (0.1 mg/kg). The level of styrene can increase significantly (up to 40 mg/kg) when cinnamon is subjected to high temperatures and humidity during drying, storage and transport. Styrene is not considered dangerous at normal levels of daily intake. Therefore, no limits have been set in the European Union. However, if levels rise above 20 mg/kg it affects the flavour of cinnamon caused by a foreign, solvent-like odour. Affected batches are less attractive for buyers.

### Tips:

- Implement better drying, processing and storage practices and discuss them with suppliers. Valuable sources are the guidelines on [Good Agricultural Practices for Spices](#) from the International Organisation of Spice Trade Associations
- Make sure that during transport, cinnamon is either dried or there is sufficient ventilation. For more information refer to the [website](#) of the Transport Information Service.
- To read more about styrene contamination read the [article](#) of the German Food Safety Authority

## Pesticides

Pesticides are generally not used for growing cinnamon. However, contamination can occur due to the proximity to other crops that are treated with pesticides. The European Union has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed will be withdrawn from the European market.

### Tips:

- You can use the [MRL database](#) of the European Union in which all harmonised MRLs can be found. You can search on your product or pesticide used and the database shows the list of the MRLs associated to your product or pesticide.
- Read more about MRLs in the [EU Trade Helpdesk](#).

## Salmonella

The reason for the most rejections of cinnamon by European custom authorities is the presence of salmonella (whole, crushed and ground). There are no specific salmonella requirements defined in European legislation for spices and herbs as there are for other [products](#). However according to Article 11 of the [General Food Law](#), food products placed on the European market must be safe. Therefore cinnamon is banned from the market if salmonella is found. In Europe steam sterilisation is the preferred method to combat salmonella as well as other types of microbiological contamination, especially for cinnamon destined for the retail market. Whether this is demanded depends on your buyer, the use made of the cinnamon and the type of cinnamon involved. Steam sterilisation is more important for *Cinnamomum zeylanicum* than for cassia. Buyers often want their cinnamon to be steam sterilised but change their minds when they realise how much this treatment costs.

### Tips:

- Salmonella can occur at all stages including growing, harvesting, processing, storage, packaging, and sale. The maintenance of good manufacturing and hygiene practices, together with appliance of HACCP principles, is therefore of great importance during growing, harvesting, and processing.
- Steam sterilising yourself can be costly but you can receive a premium. Working together locally with reliable service providers can be an option.
- Many buyers in Europe will expect a test report on microbiological contamination. Providing this service will make it easier to find buyers in Europe.
- Read more about [contaminants in the EU Trade Helpdesk](#).

## Food additives and adulteration

Many of the spice and herbs rejected by custom authorities or buyers have undeclared, unauthorised or too high limits of extraneous materials. There is specific legislation for [food additives \(such as colours, flavours and thickeners\)](#) that lists which E-numbers and substances are allowed to be used. Spices and spice blends cannot contain added colours. The use of sulphur dioxide (SO<sub>2</sub>) fumigation in the processing of Ceylon cinnamon is allowed but the maximum residue level is 150 mg/kg. Its use is not allowed for other cinnamon varieties.

Cinnamon can also be intentionally adulterated with such substances as low-grade bark. An important reason for intentional adulteration – which is a serious malpractice – is economic gain. Unintentional adulteration, due for example to fertiliser spill-over or insects, may also be encountered. Food adulteration is an important issue for European buyers. According to a panel of industry experts consulted for this study, this type of food fraud is quite common in spices and herbs. The European Union and national European governments are also

becoming stricter in the enforcement of food fraud legislation. The Dutch government [increased the fines](#) on operators wilfully tampering with food from €4,500 to a maximum of €810,000 in April 2015.

### Tips:

- In case you use additives make sure it is legal and agreed with your buyers. Also make sure to mention them in the list of ingredients.
- You will have to build up a track record, provide transparency and references if you want to sell processed cinnamon to European buyers. It is impossible for buyers to test cinnamon for every possible extraneous material. They will therefore tend to refrain from buying processed cinnamon outside Europe or will buy only from suppliers they trust. The burden of evidence is on suppliers.
- Refer to the [Adulteration Awareness](#) document of the European Spice Association for further information on food adulteration.
- See our study on [buyer requirements for natural food additives](#) and the [website of the European Commission](#) for more information on requirements for food additives.
- Read more about [contaminants in the EU Trade Helpdesk](#).

### Irradiation

Irradiation of spices & aromatic herbs is allowed. It is a safe way to kill organisms and affects the taste of spices and herbs less than steam sterilisation. The maximum overall average absorbed radiation dose is 10 kGy. Consumers generally prefer non-irradiated products. Therefore, this method is not widely used.

### Tips:

- Irradiation is less damaging for the taste of spices and herbs than steam sterilisation. However, consumers in Europe generally prefer non-irradiated products. Therefore, this method is not widely used. In other buying countries (for example the United States) there are fewer objections to irradiation. Ethylene oxide fumigation for combating microbiological contamination is prohibited in Europe. It is however allowed in the United States.
- Read more about [irradiation](#) on the website of the European Commission. The burden of evidence is on suppliers.

What are additional requirements buyers often have?

### Food safety management and traceability

As food safety is a top priority in all European food sectors, you can expect many players to request extra guarantees from you in form of certification. Many European buyers (e.g. traders, food processors, retailers) require the

implementation of a (HACCP-based) food safety management system. The most important food safety management systems in Europe are [BRC](#), [IFS](#), [FSSC22000](#) and [SQF](#). All the mentioned management systems are recognised by the [Global Food Safety Initiative \(GFSI\)](#), which means are accepted by major retailers.

### Tips:

- European market entry is more likely than not to include implementing a food safety management system, and it is therefore important to familiarise yourself with them.
- Different buyers have different preferences for a certain management system. Check which one is preferred (e.g. British retailers often require BRC, IFS is more commonly required on the mainland).
- Read more on Food Safety Management Systems at the [Standards Map](#).

### Corporate social responsibility

European buyers increasingly pay attention to their corporate responsibilities regarding the social and environmental impact of their business, especially in northwestern Europe. This also affects you as a supplier. Important issues in the cinnamon supply chain are soil degradation, waste water treatment and the impact on biodiversity. European companies have different definitions of CSR and different priorities and ambition levels in this field. Hence, there is no single way to address CSR issues. The right approach could range from signing a code of conduct to ensure compliance with the most important requirements to mapping out and addressing all the CSR issues in your entire supply chain.

### Tip:

- Exporters interested in supplying the European market should at least address the most important CSR issues. Many buyers already use this as a selection criterion for new suppliers. Prioritise CSR in your operations by considering your impact on various social and environmental factors, what you can feasibly do to improve your impact and what is appreciated by European buyers. List the relevant CSR issues with, [ISO26000](#) provides guidance.

What are the requirements for niche markets?

### Sustainable product certification

There is a growing market for certified products with well-known consumer logos. Organic products focus on land use and inputs. [Fairtrade](#) focuses

specifically on improving the living conditions of smallholders in developing countries by paying them a premium. [Rainforest Alliance](#), a mainstream sustainability scheme with a focus on social as well environmental issues has recently developed a standard for several spices and herbs.

Processors and exporters can play an important role in the certification process by coordinating the activities of smallholders. If they handle certified sustainable cinnamon they will have to be certified themselves to ensure a reliable chain of custody. There are specific certifications for traders, such as Fairtrade's [Trade Standard](#) or the Rainforest Alliance's [Chain of Custody standard](#).

### Tips:

- To find companies in Europe or in your own country that supply organic spices and herbs: see The [International Trade Centre](#) and [Organic Bio](#). Refer to the Fairtrade [producer database](#) to find certified suppliers. The [price list](#) will give you an indication of the price you will have to pay farmers for Fairtrade or Fairtrade/Organic spices and herbs.
- Refer to the ITC [Sustainable Spice Initiative Equivalency Tool](#) for an explanation and comparison of sustainability standards.

### Supplier assessment

As an alternative to product certification, European buyers conduct a supplier assessment. They use supplier assessment questionnaires that contain questions on both quality and CSR, for example on child labour. Such supplier assessments are used widely.

Suppliers can also assess their own compliance with a sustainability code of their buyer; for example, with Unilever's [Sustainable Agricultural Code](#) (SAC) or the [Olam Livelihood Charter](#). In addition, Olam has recently also launched an ambitious sustainability programme called [AtSource](#).

### Tip:

- Refer to Unilever's [Implementation Guides](#) for further information.

## 4 . Trade and Macroeconomic Statistics

The European cinnamon market continues to provide opportunities for exporters from developing countries to do business. Imports and prices will continue to increase in the coming years.

Imports of cinnamon remained stable throughout the economic recession that swept through Europe from 2008 onwards and continues to affect the European economy. In addition, imports do not drop when prices rise. Cinnamon is a



minor but important ingredient that contributes little to the total cost of the food in which it is used. The demand is inelastic to price changes.

### Tip:

- The profitable market conditions make it a good time to invest in your business. Invest or look for investments to improve post-harvest processing, quality, extra cleanliness (depending on your current level of professionalism). It can get you a significant premium (2-5%).

### Imports

Countries other than European or developing countries are negligible and excluded from this graph. In 2017, these only accounted for 0.4% of total European imports.

Between 2013 and 2017, the volume of European imports increased by 6% per year. In the same period, the value of imports increased by 19% per year. This indicates a strong price increase. The average unit import price fluctuated around €3 per kg over the last five years. In 2017, this went up to almost €3.50 per kg, due to the rising prices.

European imports of cinnamon from developing countries amounted to 17 thousand tonnes in 2017, with a value of €51 million. In 2017, developing countries accounted for 64% of European imports of cinnamon. The remainder comprised of European re-exports (9,231 tonnes).

The cinnamon tree takes a long time to become productive (up to 15 years for cassia), which gives this product a long price cycle. Consideration of the long-term price development shows clearly that prices have been low for a long time and have only become more attractive for farmers in recent years.

An important reason for the price increase is the rising global demand in such countries as India, China and Brazil in combination with slowly growing production (see the section on Production below). Stock levels have also fallen significantly, which causes prices to react more directly to market trends and to fluctuate more strongly in the short term. Although prices are expected to increase in the long term, price drops are still possible from time to time. Exporters with significant stocks of cinnamon and farmers will base their decisions concerning product retention on the current price levels.

### Tips:

- Keep up to date on prices. You can use online sources such as [International Trade Centre \(ITC\) Market Insider](#) or [IEG Vu](#) (paid service).
- With global demand increasing it is becoming harder for European buyers to secure supply. It is therefore a good time to establish long-lasting

relationships with serious buyers. Buyers are willing to pay higher price to suppliers that are able to help secure supply, comply with delivery times as well as food safety requirements. They will also be more willing to invest in your partnership.

- Be careful however not to commit to prices far in advance. This could have an adverse effect on your profitability, in view of the current favourable price trends.
- Refer to the section *Exports* to learn more about (re-)exports by European countries.

Of the leading importers of cinnamon, the Netherlands, Germany and the United Kingdom import high shares of cinnamon from developing countries (49–93% of total imports). As such, these countries offer good opportunities for exporters of cinnamon.

Most European countries increased cinnamon imports from 2013 to 2017. Exceptions are the United Kingdom and smaller importers Greece, Iceland and Finland.

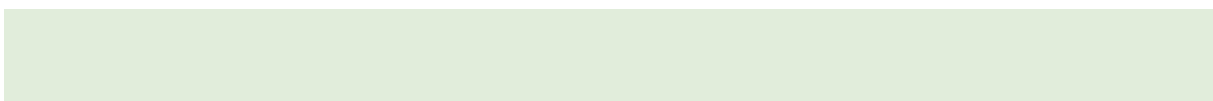
European imports of cinnamon cover whole cassia and whole *Cinnamomum zeylanicum*, as well as ground cinnamon (see section on suppliers below). Cassia and *Cinnamomum zeylanicum* have different flavour profiles. The latter is often considered to be the 'real' cinnamon and of better quality.

Only in Belgium, Italy and the United Kingdom the majority of imports consists of *Cinnamomum zeylanicum*. Other European countries import larger shares of cassia. The cheaper cassia is a good substitute in many applications at times of economic recession and rising prices. In most applications, the taste difference will not be noticed by consumers. Besides, the bitter taste of cassia has become more popular in recent years.

The Netherlands imports large volumes of whole other cinnamon (including cassia) but hardly exports any of this. This means it is used for processing and/or consumption. The Netherlands does however re-export a large part of the whole *Cinnamomum zeylanicum* it imports.

European processors may focus on improving their downstream activities, such as blending and the development of new tastes, or on the upstream activities, strengthening their cooperation with exporters in developing countries. Such cooperation can consist of transfer of knowledge and resources or European companies integrating companies in developing countries.

European processors add a lot of value. The average price of crushed/ground cinnamon exported by European countries to other European countries is twice as high than that coming from developing countries.



## Tips:

- Explore opportunities to work together with European processors, especially large ones that have the size and resources to invest. Find European processors in the member lists of the national spice association in Europe. Refer to the member section of [European Spice Association](#) (ESA) for an overview of associations.
- Make a statistical analysis to get an insight into the differences between leading European importers. Create a free account for statistical databases such as [Eurostat](#) and [ITC Trademap](#). Complement your statistical analysis with an analysis of your own position to ensure a strategic fit with your buyer concerning such matters as scale, level of organisation, product (mainstream or niche) and ability to comply with extra-legal food safety and sustainability requirements.

## Suppliers

The developing countries supplying cinnamon to Europe form a select group of countries. Changes often result from the quality of harvests worldwide, global price levels and the development of demand and production in the country of origin.

## Tip:

- Adulteration (i.e. mixing with extraneous material) and using lower quality product when not agreed upon are two practices that European suppliers often fear when dealing with suppliers of ground product from developing countries. Only use these practices when specifically agreed upon and when in accordance with European law.

Excluding Norway, Switzerland and Iceland as data on whole and crushed cinnamon is incomplete for these countries.

In 2017, 44% of European imports from developing countries consisted of 'other' whole cinnamon, 27% was Ceylon cinnamon and the remaining 29% was crushed/ground cinnamon.

The market for crushed/ground cinnamon is opening as European buyers are increasingly buying cinnamon processed at the place of origin. European imports of crushed/ground cinnamon from European countries are increasing at a faster rate (+10% per year between 2013 and 2017) than imports from developing countries (+5%).

Indonesia is currently the largest developing country supplier of crushed/ground cinnamon. In 2017, this country accounted for 23% of European imports of crushed/ground cinnamon. Indonesian exports of crushed/ground cinnamon to Europe slightly decreased by 1% per year between 2013 and 2017. Exports from smaller suppliers grew by 9–28% annually. The exception was India,

where exports of crushed/ground cinnamon decreased by 4% from 2013 to 2017.

### Tips:

- Harvesting periods of different cinnamon producing countries differ strongly. This has a large influence on your competitive position throughout the year. Refer to the harvesting calendars by [Nedspice](#) to see the different harvesting periods of large producing countries.
- Addressing quality issues is a great way to add value and open up markets and should be explored before other methods of adding value.
- It is more costly to clean contaminated ground cinnamon than those in whole form. Your buyer will transfer costs to you if your products do not comply with requirements.
- See our studies on [value added spices and herbs](#) and [oleoresins](#) for more information.

### Exports

European exports amounted to 12.7 tonnes with a value of €53 million in 2017. The volume of exports rose by an average of 14% per annum between 2013 and 2017. In the same time frame, the value of exports rose by 21% annually due to the strong increase in the global price of cinnamon.

In 2017, 92% of all European exports of cinnamon ended up in other European countries. The main exporters are:

- The Netherlands (57% of total exported volume)
- Germany (13%)
- France (5%)

### Tips:

- Investigate buyer requirements in your target market and deal with buyers' potential reservations in advance. Buyers who do not deal directly with suppliers in countries of origin may have reservations regarding quality, food safety and supply security.
- Get references from your other European buyers. You should also be aware that you may be asked to provide the same service levels as European buyers (short supply times, small orders, steam sterilisation, further processing, etc.).

### Production

In 2016, global cinnamon production amounted to 224 thousand tonnes, representing an average annual increase of 2.3% since 2012. The increase in global demand led to lower global stock levels and rising prices.

## Tips:

- Refer to [FAOSTAT](#) for production statistics of cinnamon production.
- Look for crop reports to learn about the expectation regarding harvest worldwide and the level of stocks in consuming and producing countries. These are often shared by industry players during specific spice events.

Cinnamon processing and heat treatments such as steam sterilisation are increasingly being done in countries of origin. Heat treatment is quickly becoming an important buyer requirement. At the moment European processors still do most of the heat treatment.

## Tip:

- Cinnamon farmers often harvest their entire crop once prices rise. In order to secure supply, train your farmers to integrate more long-term practices.

## Consumption

Consumption is calculated as Imports – Exports. The figure thus includes both industrial and household use of cinnamon.

Apparent consumption of cinnamon in Europe amounted to 12,700 tonnes in 2017. Since 2013, it increased by 14% annually.

Cinnamon is consumed throughout Europe. The per capita consumption is especially high in northwest Europe where cinnamon is traditionally widely used in different sweet products (e.g. cookies, rolls, cakes) as well as savoury ones (e.g. spice mixes).

## Tip:

- Check the [economic forecasts](#) for European Member States by the European Commission to see which countries will provide an attractive economic climate in the coming years.
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## 5 . Market Trends

***Internationalisation of eating habits:*** cinnamon is commonly used in foods and beverages throughout Europe, e.g. in bakery products, cereals, sweet, tea and curries. In Europe, a large South Asian community uses cinnamon in its cuisine. This community (most notably in Western Europe) is still growing steadily, also in other regions. Therefore, demand in these segments is likely to increase.

### Tip:

- Refer to our study on [trends in the spice and herb market](#) for more information on trends.

**Limited innovation in processing:** cinnamon harvesting is labour intensive and can account for up to 60% of the total cost of production. The peeling of the bark from stems is usually done by hand by skilled peelers. Machines are being developed that might bring down processing costs, but usually this affects the quality of the cinnamon. As the quality of cinnamon is also judged by its appearance (broken or entire quills) hand-peeled cinnamon is aimed at the high-end market.

### Tip:

- Investments in new technology are not always necessary. Small improvements in processing (e.g. drying) can already lead to a significant increase in quality. It makes sense to help your suppliers with these practices. Practical Action offer advice on [cinnamon drying](#) and a list of suppliers of drying equipment. Other valuable resources are the guidelines on [Good Agricultural Practices for Spices](#) from the International Organisation of Spice Trade Associations.

**Steam sterilisation** is an effective way of combating microbiological contamination. It can earn suppliers a significant premium if they are able to supply steam-sterilised cinnamon, sterilised at source. Investment in sterilisation equipment can be very costly (up to €1 million). An important downside of steam sterilisation is that it negatively affects the volatile oil content, which produces the flavour. In addition, it can change the colour and properties of cinnamon. For example, the food thickening properties of cassia are impaired by steam sterilisation. It therefore depends strongly on your buyer whether he/she will require steam sterilisation and is willing to pay for it.

### Tips:

- Determine whether your (potential) buyers want steam sterilisation before considering providing the service.
- Keep up-to-date with the development of steam sterilisation alternatives [GreenFoodDec](#).

**Sustainability is on the rise:** sustainable sourcing is an important trend in Europe, especially in the United Kingdom, the Netherlands and Germany. Important issues in the supply chain are child labour, healthy and safe working conditions and loss of biodiversity. As a supplier you will be increasingly faced with sustainability requirements from your buyer. Although sustainable cinnamon is still a niche market, demand for products certified for compliance with sustainability standards is increasing. Organic and Fairtrade cinnamon have been on the market for some time. [Cassia Co-op](#) was the first to introduce

Rainforest Alliance-certified cassia to the European market, in 2013. A major challenge for the market for certified sustainable spices and herbs is that they have to be sold at a higher price to cover some or all of the certification costs. This has resulted in an ongoing debate in the sector concerning the best way forward in implementing sustainability in the mainstream market. The option of third-party certification is still under debate. As mentioned above, self-verification is expected to become more common in the future in the mainstream market.

### Tips:

- Governmental and non-governmental organisations in developed countries often have programmes and subsidies available for investments in sustainability. You should therefore look for partners in the promotion of sustainability with the aid of these funds. Further information is available on such websites as the [Sustainable Spice Initiative](#), [Netherlands Enterprise Agency](#), [German Ministry for Economic Cooperation and Development](#) and [Cordaid](#).
- SMEs in developing countries will find it hard to operate independently in this field. A certain scale is often required to make certification economically feasible. European companies may be willing to invest in the training of farmers in the country of origin and in helping them to obtain certification. As small farmers often do not have the capacity needed to process, store and export their product, exporters can play a vital role in this process. Working with NGOs and national or international governmental organisations is also a good way of attracting capital.

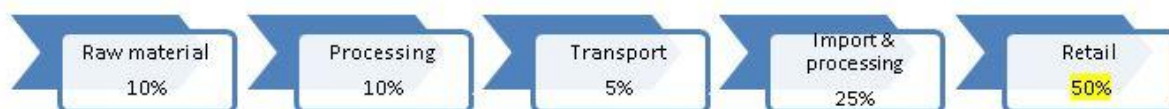
***Coumarin consumption subjected to more stringent scrutiny:*** coumarin is a moderately toxic, fragrant organic chemical compound found in cinnamon, especially in cassia. In response to health concerns, the amount of coumarin in foodstuffs is limited by [European legislation](#). A recent study by the Danish food safety authority has shown that the [famous Danish cinnamon roll significantly exceeds the limit for daily intake](#). The Danish Bakery Association was able to react to these concerns by getting cinnamon rolls reclassified as traditional food so that they can maintain their current product composition. The effect on the demand for cinnamon (especially in Denmark) is not measurable, but consumers are likely to be more cautious in future.

### Tips:

- See our study on [exporting Sustainable Spices and Herbs to Europe](#) for more information about long-term expectations of the market for certified sustainable products.
- To keep up with the latest news regarding European food regulation, hygiene and food alerts, regularly check the website of the [European Food Safety Agency](#).
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## 6 . Price

### Indicative price breakdown of cinnamon, sold in spices and herbs section of supermarkets



*Please be aware that this price breakdown for cinnamon is only a general indication. It is influenced by many different factors. These include the country of origin, the current and expected future harvest situation, quality of the raw material, level of processing, level of demand and the trend in prices.*

In mid-2016, ground cassia (sold in small consumer packages weighing 35-50 grams) in the multiple retail market was priced at around €16–53 per kilo depending on brand, quality and outlet. Whole cassia is often more expensive (up to €74 per kilo). An important reason is that the labour costs for production of cinnamon sticks are significantly higher than those for ground cinnamon. In addition, cinnamon sticks come from younger trees. The retail price of sustainable or organic cinnamon can be significantly higher than that of conventional cinnamon. For example, organic cinnamon can attract a premium of 20-40%. Margins are generally lower for cinnamon with Rainforest Alliance certification.

#### Tip:

- Keep up to date on prices. The [Indian Spice Board](#) publishes weekly and monthly prices for cinnamon (Indian as well as international prices). An analysis of prices is also often provided by market and crop reports such as those published by [McCormick](#) and [Nedspice](#) or public sources such as [Business Standard](#).

International prices are often given in US dollars. The changing value of the Euro thus affects European importers who have long-term contracts with their suppliers. Whether fluctuating exchange rates are beneficial for exporters from developing countries depends on the value of their own currency relative to that of the US dollar.

#### Tip:

- Keep up to date on exchange rates, with the aid of websites such as [Oanda](#).



## 7. Useful sources

- European Spice Association - <http://www.esa-spices.org> - provides information on its national spice association members
- Food Ingredients Europe - <http://www.foodingredientsglobal.com> - important international trade fair for the food ingredient and health sector in Europe
- SIAL - <http://www.sialparis.com> - large international food fair held in France every year
- Biofach - <http://www.biofach.de> - largest European organic food trade fair held in