Condiments & Sauces

Exporting to the EU

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Contents

1   Introduction

This Export Guide aims to provide the buyer requirements and the official import requirements which can be divided into (1) musts, requirements you must meet in order to enter the market, such as legal requirements, (2) common requirements, the ones you need to comply with in order to keep up with the market, and (3) niche market requirements for specific segments.

2   Requirements that are a Must

2.1   Food Safety and Correct Consumers Information

• Food safety and health control– applicable to all food products

• Contamination – applicable to all food products

• Irradiation– applicable to spices and herbs

• Consumer labelling – applicable to consumer packed spices and herbs and those that contain allergens

2.1.1   Food safety: Traceability, hygiene and control

Food safety is a key issue in EU food legislation. The General Food Law is the legislative framework regulation for food safety in the EU. 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. An important aspect to control food safety hazards is defining critical control points (HACCP) by implementing food management principles. Another important aspect is subjecting food products to official controls. Products that are not considered safe will be denied access to the EU.

Control of food imported to the EU. Your products will be subjected to official controls. These controls are carried out to ensure that all foods marketed in the EU market are safe, i.e. in compliance with the requirements applicable to them. In the event of repeated non-compliance of specific products originating from particular countries can only be imported under stricter conditions such as having to be accompanied with a health certificate and analytical test report. Due to food safety concerns some spices and herbs (e.g. capsicums, ginger, nutmeg, curry

powder) from certain countries (e.g. India, Indonesia) are subject to increased level of official controls. These are put on a list included in the Annex of Regulation (EC) 669/2009.

2.1.2   Contamination

Avoid contamination to ensure food safety

Contaminants are substances that may be present as a result of the various stages of its growing, processing, packaging, transport or storage. Common forms of contamination are:

2.1.2.1   Aflatoxin

For piper nigrum, capsicums, nutmeg, turmeric and ginger the maximum level of aflatoxin is between 5.0 µg/kg for aflatoxin B1 and 10 µg/kg for total aflatoxin content (aflatoxins B1, B2, G1 and G2). For other spices and herbs, you will have to check if whether individual EU member states.

2.1.2.2   Ochrotoxin A(OTA)

For the same piper nigrum, nutmeg, turmeric and ginger as well as mixtures thereof the maximum level of OTA is set at 15 µg/kg. From 1 January 2015 onwards, the limits will also apply to capsicums which are expected to cause problems for suppliers. OTA is hard to prevent as it has a lot to do with climatic conditions.

2.1.2.3   Pesticides

The EU has set maximum residue levels (MRLs) for pesticides in and on food products. Products containing more pesticides than allowed or illegal pesticides will be withdrawn from the EU market. Pesticide legislation is largely harmonized throughout the EU however different limits for a small amount of pesticides can still exist between EU countries. Refer to the website of the European Food Safety Authority for more information.

2.1.2.4   Salmonella

It was recently researched that 7%of all spices imported into the USA were contaminated with salmonella. It is therefore a serious problem, also for EU buyers. Salmonella contamination especially occurs often with pepper and capsicums. There are no specific requirements laid in EU legislation for salmonella contamination of spices and herbs as there are for other products. However according Article 11 of the General Food Law food products placed on the EU market

must be safe. Food business operators are therefore also testing spices and herbs for salmonella. Food safety authorities therefore can withdraw imported food products from the market or prevent them from entering the EU when salmonella is found present. Steam sterilisation and irradiation (see below) are two ways to combat microbiological contamination.

2.1.3   Irradiation

To control contamination caused by micro- organisms, viruses, bacteria or insects it is allowed to use irradiation on dried spices and herbs. The maximum overall average absorbed radiation dose is 10 kGy. In case you irradiate your spices and herbs tell your buyer. Irradiated products will have to be labelled as such.

2.1.4   Food additives

Some herbs and spices or mixtures thereof may contain colorings, flavorings or sweeteners. There is specific legislation for additives (e.g. colors, thickeners) and flavorings that list which E-numbers and substances are allowed to be used. Spices and spice blends may not contain added colors. Many of the mixtures rejected by custom authorities or buyers have undeclared, unauthorized or too high limits of extraneous materials (e.g. colorants and flavorings).

Especially crushed and ground spices and herbs and mixtures with illegal artificial colourants (azo-dyes Sudan I, tatrazine, butter yellow) are often rejected and destroyed by EU custom authorities. Although these may be approved by the food authority in the country of origin, some of them may not be approved in the EU.

2.1.5   Consumer labelling

Pre-packed spices & herbs sold to consumers must adhere to strict EU labelling requirements concerning labelling, presentation and advertising of foodstuffs

(Directive 2001/13/EC). Spices and herbs or mixtures thereof can contain extraneous material (e.g. gluten, mustard or sesame seeds, milk, nuts – see Annex IIIa) that can cause allergic reactions and therefore have to labelled as containing allergens. If nutrition or health claims are made these have to be approved in advance by the European Food Safety Agency (EFSA). In December 2014 Regulation1169/2011 will go into effect and will repeal the above-mentioned Directives. The new allergen legislation states that pre-packed food products should state even

more clearly whether they contain allergens. Spices, herbs or mixtures thereof are exempted from the requirement of the nutrition declaration.

Full overview of requirements for spices and herbs:
For a list of requirements, spices and herbs consult the EU Export Helpdesk where you can select your specific product code under chapter 09.

2.2   Common requirements:

Food safety management is crucial, addressing sustainability is gaining ground

2.2.1   Food Safety certification as a guarantee

As food safety is a top priority in all EU food sectors, you can expect many players to request extra guarantees from you in form of certification. Many EU 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 the EU are BRC, IFS, FSSC22000 and SQF. Different buyers may have different preferences for a certain management system, so before considering certification against one of these standards, it is advised to check which one is preferred (e.g. UK British retailers often require BRC and IFS is more commonly required on the mainland). All the mentioned management systems are recognized by the Global Food Safety Initiative (GFSI), which means that any of them should be accepted by several major retailers. However, in practice some buyers still have preferences for one specific management system.

Important to Take into Account

• The Quality Minima Document of the European Spice Association (ESA) is leading document for most important the European buyers. It provides an overview of legal requirements and non-legal (e.g. quality, food safety, labelling) requirements.

• Search in the EU's Rapid Alert System for Food and Feed (RASFF) database to see examples of withdrawals of spices and herbs from the market and the reasons behind these withdrawals.

• EU buyers will often ask buyers to implement a food (safety) management system based on HACCP-principles (see under Common requirements).

- Read more about HACCP and health control in the EU Export Helpdesk

- To help you answer key questions about health control refer to the guidance document of the EU.

- Check if there are any increased levels of controls for your product. The list of spice and herbs and their supplying countries is updated regularly. Check the website of EUR-Lex for the most recent list (see under Amended by).

- Read more about health control in the EU Export Helpdesk.

- Understand better growing, drying, processing and storage practices to prevent contamination and discuss them with your suppliers. Valuable sources are the guidelines on:

    Code of Hygienic Practice for Spices and Dried Aromatic Plants (Codex Alimentarius)

    Good Agricultural Practices (GAP) Spices (IOSTA)

    Good Manufacturing Practices (GMP) Spices (IPC).

- For information on safe storage and transport of spices and herbs go to the website of the Transport Information Service.

- Suppliers of capsicums should keep the developments regarding the OTA legislation. For more information go to the EU website on food contaminants/OTA.

You can use the EU MRL database in which all harmonized 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.

- To reduce the amount of pesticides, apply integrated pest management (IPM), an agricultural pest control strategy that uses complementary strategies including growing practices and chemical management.

- Read more about MRLs in the EU Export Helpdesk.

- 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.

• Many buyers in the EU will expect a test report on the microbiological contamination of your products. Providing this service will make it easier to find buyers in the EU.

• In the EU steam sterilization is the preferred method to combat salmonella as well as other types of microbiological contamination. Providing this service, yourself can be costly but you may be able to receive a premium. Working together locally with reliable service providers can be an option.

• Check the European Commission's factsheet on food contaminants "Managing food contaminants: how the EU ensures that our food is safe"

• Read more about contaminants in the EU Export Helpdesk

• Please note that irradiation is less damaging for the taste of spices and herbs than steam sterilization. However, consumers in the EU generally prefer non-irradiated products. Therefore, this method is not widely used. In other buying countries (e.g. USA) there is less objections against irradiation. Ethylene oxide fumigation to combat microbiological contamination is prohibited in the EU. It is however allowed in the USA.

• Read more about irradiation on the website of the EU.

• EU buyers fear adulteration of crushed and ground spices and herbs and mixtures with foreign material: natural (e.g. cheaper varieties) and synthetic substitutes and even metal parts. This increases weight but devaluates the product.

• 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.

• Read more about food additives, enzymes and flavorings on the website of the EU.

• When providing pre-packed products, good professional packaging is a must. Therefore, work closely together with your EU buyers to make sure it complies with their needs.

• Always inform your buyer when your products contain allergens, even when you are not taking care of final packing. For bulk goods the list of ingredients should be on the label or in the commercial documents.

• Allergen-free spice and herbs can be an interesting niche market. There are already several suppliers like Dutch Spices and EHL Ingredients that are active in this market. To prevent allergens coming into your products, refer to the website of Dutch processor Verstegen on procedures on how to prevent this.

• Click here for a practical guidance document on the new food labelling legislation published by Food and Drink Industry Ireland

• For more information on consumer labelling refer to the EU Export Helpdesk of the EU.

General requirements on packaging and liability
Note that there is also non product specific legislation on packaging and liability that apply to all goods marketed in the EU

IMPORTANT CONSIDERATIONS

• EU market entry preparation is more likely to include implementing a food safety management system than not, and it is therefore important to familiarize yourself with them.

• When you plan to target one or more markets, check which specific food safety management systems are most commonly requested. In any case choose for a management system that is GFSI approved.

• Please be aware that food safety requirements can differ, and ways of compliance can differ significantly per EU country or region. Generally, requirements are most in north western EU countries. However always ask your what their requirements are.

• Read more on the different Food Safety Management Systems at the Standards Map.

2.2.2   Corporate responsibility

EU buyers (especially those in western and northern EU countries) increasingly pay attention to their corporate responsibilities regarding the social and environmental impact of their business. This also affects you as a supplier. Common requirements are the signing of a suppliers' code of conduct in which you declare that you do your business in a responsible way, meaning that you (and your suppliers) respect local environmental and labor laws, stay away from corruption etc. Important issues in the spice and herb supply chain are child labour, health and safe working conditions, fair payment, deforestation and correct use of pesticides. Importers may participate in initiatives such as the Ethical Trading Initiative (ETI – mainly in the UK), Business Social Compliance Initiative (continental EU) and Sedex. These initiatives focus on improving social conditions in their members' supply chains. Many large retailers work only with suppliers (your EU buyer) that are audited. You must also be audited in order to work with these parties.

IMPORTANT NOTE

Be aware that many of the environmental and social sustainability issues take place at farm level (which may not be a part of your company). To test to what extent your farmers are sustainable you could ask them to fill in the Farmer Self-Assessment by the Sustainable Agriculture Initiative.

• Consider defining and implementing your own code of conduct. This is not required by buyers but may be a good way to show potential buyers your views on corporate responsibility.

• Implementing a management system such as ISO14000 (environmental aspects), OHSAS 18001 (occupational health and safety) or SA 8000 (social conditions) is a way to address sustainability and possibly gain a competitive advantage. Research with your buyer whether this is appreciated.

2.2.3   ITC's Standards Map

Check the International Trade Centre's Standards Map <http://www.standardsmap.org/identify>, an online tool which provides comprehensive information on over 130 voluntary sustainability standards and other similar initiatives covering issues such as food quality and safety. In Standards Map you can identify standards or codes of conduct relevant to your product, review the main features of the selected standards and codes and compare standards' requirements side-by-side. Furthermore, you can assess your

company's performance against standards requirements in a self- assessment module and generate your own company's "sustainability diagnostic report" which you can then share with the business community. Check the Standards Map videos <https://www.youtube.com/watch?v=hRghHKufMW8&list=PLVgDaw1NnOSAjK06sG6kWcpujCu tXRj Zg> to see how Standards Map can help you to determine which initiatives may be useful for your company.

2.3 Niche requirements: A growing market for certified sustainable products

Niche market certification

There is a growing market for certified products with well-known consumer logos. Certification costs can however be (partially) compensated by potential benefits of operating sustainable including increased yields, improved quality, higher prices and better relations with buyers and suppliers. The most popular sustainability certification systems are:

2.3.1 Fair Trade Certification

A niche market is the market for spices and herbs produced with extra focus on the social conditions in the producing areas. An example is Fairtrade which a way to prove your business performance for social conditions in your supply chain. After certification by an independent third party, you may put the Fairtrade logo on your product. In general, premium prices are paid for fair trade products. Although growing, the market for Fairtrade certified spices and herbs is still a niche market. The largest share is sold as spices and herbs in the retail channel. At the moment there is not a large share of Fairtrade food products (e.g. no Fairtrade meat). Therefore, the food processing industry, largest user of spices and herbs, is not a big user of certified spices and herbs.

2.3.2 Organic, Niche market

Organic spices and herbs are produced and processed by natural techniques (e.g. crops rotation, biological crop protection, green manure, compost). After years of growth, the market for organic spices and herbs is relatively small. To market spices and herbs in the EU as organic, they must be grown using organic production methods which are laid down in EU legislation and growing and processing facilities must be audited by an accredited certifier, before you may put the EU organic logo on your products, as well as the logo of the standard holder (e.g.

Soil Association in the UK, Naturland in Germany). Traders and/or processors will be audited to ensure a chain of custody. Example: Processor standard by Naturland.

2.3.3   Rainforest Alliance

The Rainforest Alliance (RA) standard is a mainstream sustainability scheme in which social as well as environmental issues are addressed. It is fairly new to the spice market however growing in popularity fast. The Sustainable Spice Initiative (SSI) was founded by a consortium of leading players in the EU spices market together with civil society organizations. It is a large driver behind RA certification projects in several producing countries. Its ambition is that in 2015 20% of all black and white pepper imported by the EU from Indonesia and Vietnam and 10% of three other spices imported from Vietnam, Indonesia or Madagascar should be sustainably produced. Although it is unlikely that this objective will be met the SSI fuels demand for sustainable spices and herbs significantly.

IMPORTANT NOTE

• Suppliers of certified sustainable products will have a hard time finding a market in case the premium is too high compared to a non-certified product. Part of the premium is dependent on the economy of scale that can be achieved.

• In some cases, double or triple certification

(e.g. Fairtrade/organic) can still be considered as it enables you to serve a larger market. Be aware that this may double or triple certification costs.

• Fairtrade has different standard depending on the place on the supply chain: Smallholder Producer Standard for Spices and Herbs and Trade Standard for traders and processors. The Standard for Herbs and Herbal Teas for Hired Labour is specifically for herbs destined for herbal teas grown by producers with numerous workers (i.e. hired labor). Please be aware that specific rules apply to composite products (such as spice mills or herbal tea).

• Consult the Standards Map database for more information on the Fairtrade label.

• Implementing organic production and becoming certified can be expensive. In the current market the return on investment may not be high. On the other hand, it can increase yields and improve quality.

- Check the Soil Association standard for Food and drink to get an idea of the requirements of organic production.

- Read the Marketing Manual and Web Directory for Organic Spices, Culinary Herbs and Essential Oils of ITC to get a better understanding of the market side.

- Consult the Standards Map database for the different organic labels and standards.

- See the SSI report for more background info on sustainability issues in the pepper chain and a roadmap towards a sustainable supply chain.

- Find the local guidelines of RA for various spices and herbs on the website of the SSI. Traders and processors will have to comply with RA's Chain of Custody standard.

- Consult the Standards Map database for more information on the RA standard

ADDENDUM I
EU Export Guide Rules of Origin Glossary

ADDENDUM II
Regulation (EU) No 1169/2011

ADDENDUM III
Council Directive 2001/111/EC of 20 December 2001

ADDENDUM IV
Regulation (EU) No 1169/2011; Food Safety and Consumer

ADDENDUM V
Regulation (EU) No 1169/2011 Food Labeling

ADDENDUM VI
Regulation (EU) Colours 1333/2008

ADDENDUM VII
Regulation (EC) No. 1334/2008