

8 tips for doing business with European natural food additives buyers

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Europe is a large and competitive market for natural food additives. As an exporter, you need to know and understand the wishes and needs of buyers in order to export successfully. Buyers expect you to go beyond the minimum requirements. Use the following tips as a guide on how to do business with European buyers, to increase your chances of becoming a successful exporter to Europe or to improve your relationship with your current buyers.

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1. Meet minimum buyer requirements and go beyond

To be able to do business in the European market, you must comply with the minimum requirements (regulations) set by the European Union (EU), as well as with the specific requirements of your buyers. Special attention should be paid to requirements related to ingredients/food safety, as failure to comply with legislation and safety standards will prevent you from accessing the European market.

Complying with mandatory requirements, being transparent about your supply chain, and showing your commitment to sustainability are all crucial to increase your chances of establishing and maintaining successful business relationships in the European food market.

Tips:

Check our study on the [requirements for natural food additives to be allowed on the European market](#). You will find detailed information about mandatory and additional requirements that you must comply with to enter the European market.

Carefully review and understand your buyer's requirements, including product specification, quality standards, packaging, labelling, and delivery timelines. If you have questions on the requirements or how to meet them, talk to your buyer directly.

Refer to the [Access2Markets](#) portal for more information about the requirements for exporting your products to Europe.

2. Provide all necessary documentation in a well-prepared and structured technical dossier

In recent years, the EU has enacted stricter regulations and increased quality standards, leading to more pressure on European buyers. As a result, European buyers demand well-structured and organised product and company documentation from their suppliers. As an exporter, it is important to make sure that all your documentation is organised and available for sharing before you approach a buyer.

You should prepare a technical dossier which explains all technical data and specific product information. The dossier must be tailored to the needs and expectations of the natural food additives industry. By doing this well you can increase the credibility of your business and establish yourself as a reliable business partner.

A [technical dossier](#) organises all relevant data and the latest available information on your natural food additives. Your dossier should contain data sheets and other technical documentation about effectiveness, traceability, sustainability, production methods, claims, patents, health and safety. All of this is essential for promoting your ingredient in Europe and complying with European market requirements. Make sure to provide a detailed description of your product (including product name, composition, origin), along with a clear overview of your supply chain. Also, outline the manufacturing process, from sourcing to final product. Include details on the extraction method used, the equipment employed, and quality control measures implemented throughout the production process.

Three key documents should at least be included in the dossier:

- The latest versions of all your Technical Data Sheets (TDS) ([see example](#));
- Safety Data Sheet (SDS) ([see example](#)); and
- Product Data Sheet (PDS) ([see example](#)).

In addition to these data sheets, other supplementary technical information is required, including:

- Certificates of Analysis (CoA) of a batch outlining the specifications and quality parameters of your product, including details on physical characteristics, chemical composition, and microbiological criteria ([see example](#));
- Certificates of conformity, as European buyers might want products to meet certain quality rules. These rules could be set by international groups such as [FAO](#) or [ISO](#), or they could be guidelines from a European trade organisation;
- Allergen declarations;
- Documentation of compliance, certifying your business registration, validity, and authorisation to operate in the EU; and
- Relevant documentation on further certifications.

Be prepared to invest time and resources into compiling the documentation required by European buyers. It is important that you keep your technical dossier organised, updated, and readily adjustable. Doing this will allow you to respond quickly and effectively to requests from potential buyers.

Tips:

Read CBI's [workbook on preparing a technical dossier for natural food additives](#) for further information, guidance, and practical tips.

Develop a checklist of all required documents for export. This should include all the documents outlined above and any special documents requested by your buyer.

Seek expert advice if you are preparing a dossier for the first time. Learning about the whole process from an expert will help you do it correctly at all times in the future.

3. Implement a traceability system to substantiate your claims

In Europe, there is growing consumer demand for products that have been produced under environmentally and socially sustainable conditions. In addition, under the [Corporate Social Responsibility Directive](#) (CSDR) and the [European Green Deal](#), European companies are increasingly required to provide evidence of transparency and traceability throughout their supply chain, as well as sustainable production methods, packaging and transportation. This means buyers want to know more about the sourcing location, environmental impact, and social responsibility practices associated with your product.

Whether you are an exporter who works directly with producers or purchases natural ingredients through an intermediary, you must be able to provide European customers with detailed information about the steps of your supply chain, the actors involved, and the environmental and social compliance aspects. A traceability system is a good way to track and trace the origins and production journey of your products. It offers reassurance to buyers about what they are purchasing.

There are many methods that you can utilise to implement a traceability system. If you have never done this before, start with a simple and clear system. Below is a roadmap you can follow:

1. Identify the key stages or locations (critical traceability points) in your supply chain where you can track and trace your products. These stages/points are usually found at the farm level, when products are harvested, processed, packed, stored, and transported. Identifying these key points allows for better monitoring and quality control throughout the entire chain.
2. Assign unique identifiers to each batch of produce; this can be a QR code, a barcode, or a serial number. These identifiers will be used to track and trace the product through the supply chain.
3. Establish a record-keeping system that captures data such as batch number, date and time of each stage in the supply chain, location, quality control results, and any other information.
4. Ensure packages are clearly labelled with unique identifiers, as well as information such as product name, origin, date of packaging, and any certification marks.
5. Choose a method for data capture, either manually through logbooks or digitally using dedicated software or mobile applications.
6. Train employees involved in the traceability process to make sure everyone understands their roles in maintaining accurate records.
7. Regularly verify data accuracy and conduct audits to ensure compliance with standards and identify any gaps or issues. Consider doing your own audits or hire an independent consultant to help you with this. This decision depends on various factors, including the size of your business, your available resources, and specific buyer requirements and expectations.
8. Collaborate with suppliers to ensure they implement traceability practices and provide information regarding the origin and quality of the agricultural produce they supply.
9. Prepare traceability documentation, such as reports or certifications that can be ready to provide upon customer's request.
10. Continuously improve the system based on feedback, industry standards, emerging technologies and innovative practices that can enhance your capabilities.

Tips:

Implement the system gradually. Don't try to implement the whole system at once. Start with a small part of your supply chain and then gradually expand it. This will help you avoid problems and ensure that the system works properly.

Refer to the CBI studies on [Finding Buyers](#) and [Organising your Exports](#) for complementary information and additional tips on how to enter the European market for natural food additives.

4. Identify and use your USPs to create a winning sales pitch










The European natural food additives market is large and competitive. European buyers receive lots of offers from prospective suppliers in emerging market economies. As an exporter, you need to develop a good and compelling sales pitch that highlights your unique selling points (USPs) to stand out and increase your chances of success in this demanding market.

You should prepare your sales pitch based on who you are pitching to, so start by conducting thorough research on your target buyers. Understand their business operations, their target market, and pain points. Try to identify how your company and products can address their challenges and offer solutions. Also, look for similarities between your businesses and point them out. Make sure to understand the role of the person you are targeting within the company and tailor your sales pitch accordingly.

Next, articulate a clear value proposition that highlights the unique benefits of your natural ingredients and how they can meet specific needs of buyers. You could emphasise any certification schemes, quality management practices, traceability systems, sustainability initiatives, or community engagement efforts that differentiate your product. These are all good examples of value propositions.

When delivering the sales pitch, ensure you have a strong opening statement that grabs the buyer's attention. Use a relevant statistic, success story, or industry trend, etc., to pique their interest and encourage them to listen and continue the conversation. To make your sales pitch more convincing, you can use industry-specific language and examples to show that you understand your buyer's challenges and the actionable solutions you can provide. A well-structured and confident sales pitch can make the difference between you doing business with a new buyer or not. Figure 2 describes the steps to give a good sales pitch. You can use it as a guide to prepare yourself.

Figure 1: Steps in delivering your personalised sales pitch to European buyers

 <p>HOOK 1</p> <p>You can use a hook to get the attention of the buyer. Make sure it is something that is creative, like a story. It must be relevant and interesting to your buyer.</p>	 <p>PROBLEM 4</p> <p>What do you think the specific problem is that your client is facing? Make sure you do your research, and illustrate the problem with a story or statistics.</p>	 <p>SUMMARY 7</p> <p>You described the problem, and presented the solution and finally your product. Now clarify the three pillars so you are all up to speed.</p>
 <p>OBJECTIVE 2</p> <p>You must explain why the buyer will benefit from listening to you. How will you help them solve their sustainability issue? How can you become an important supplier to them?</p>	 <p>SOLUTION 5</p> <p>Now you can introduce your proposed solution to their problem. Explain how you can help them solve their problem and why they will benefit from working directly with your business.</p>	 <p>WHY YOU 8</p> <p>How are you different from your competition? What makes you unique in the export of natural ingredients: is it the product, the team, your commitment to sustainability, or quality?</p>
 <p>ROADMAP 3</p> <p>Show the client the map of the presentation you will give them: include the problem they may be facing, your proposed solution, and then your product.</p>	 <p>YOUR PRODUCT 6</p> <p>Present your product, its features and benefits, your unique selling proposition, how you are a sustainable exporter. Here you can include information on other clients you have worked with.</p>	 <p>CALL TO ACTION 9</p> <p>Finish the talk by finalising and establishing the next step in your relationship. This is extremely important! You will not get what you want unless you ask for it.</p>

Source: ProFound, adapted from [SlideShare](#)

For instance, organic practices and certification may be valuable unique selling points that could boost your sales prospects. If your natural food additives are organic certified, clearly state your certifications in your sales pitch and marketing materials. This could add credibility and even be seen as a sign of quality by buyers.

Marketing stories and provenance are also gaining traction in this sector, even though the importance of sustainability in the food additives sector is relatively new. European buyers are increasingly using these narratives to appeal to manufacturers and consumers. It is important that you include information about the sustainability aspects of your food additives in your sales pitch and marketing materials.

[HDDDES](#) from Sri Lanka is an example of a developing country SME that has successfully leveraged their unique selling points and marketing stories. This company manufactures and exports organic and conventional natural ingredients such as essential oils, flavours, and seasonings. The HDDDES website highlights several [international quality standards and certifications of the company's products and production facility](#). During [FI Europe 2023](#), this company effectively communicated its sustainability story, emphasising zero-waste production, water recycling, solar energy usage, and community social projects. Their wide product range further strengthens their USPs.

Tips:

Be honest. Do not claim to have any unique selling points that European buyers are looking for if you do not have them. You will need to prove you have them later.

Prepare a sales pitch with your team and ask for feedback from them on how you can improve your delivery. Adapt the pitch according to the impressions you get from buyers as well.

Include all information related to sustainability in your sales pitch and try and communicate to your potential buyer what makes you special.

5. Prepare a good quote and set your prices correctly

Before you start approaching potential buyers or start selling in the European market, it is important to figure out your prices and pricing strategy, as well as create a compelling quote. Failing to do so might make you appear unprofessional and could lead to under- or over-pricing your natural ingredients. Under-pricing can negatively impact your profits, while over-pricing can hinder your export efforts as competitors offer more attractive prices.

Setting the right price

To set your prices correctly, it is important that you find out the actual production costs and define the desired profit margin of your product. Make sure to use up-to-date and accurate cost information. Key questions to answer when setting your prices include:

- What does it cost to source, process, and deliver your goods to a certain point in the supply chain?
- What is the [break-even point for your business](#)? This is the minimum number of products you need to sell to at least cover your costs.
- What is the [profit margin you want to achieve](#) (i.e., add above the break-even point)?

At the same time, you should identify the competition you face and compare your offering to competitors before setting the price. Keep in mind that there are various factors that influence the price of a natural ingredient, which can vary significantly among suppliers. For example, you may want to consider:

- Whether the ingredients are unprocessed or processed;
- If the ingredients have been treated to get rid of insect pests and microbiological contamination, or not;
- If the ingredients have been tested at an accredited laboratory and have certificates showing they meet certain buyers' quality specifications;
- Whether the ingredients are conventional or follow certain sustainability standards, such as organic or fairtrade;
- How much is being bought and how the ingredients are going to be delivered;
- The chosen payment terms and the relationship and trade history between buyer and seller;
- The selected currency and currency exchange rate developments.

In addition, you may need to familiarise yourself with the different [International Commercial Terms \(Incoterms\)](#) for your products. They define the rights and obligations between buyer and seller and set out how costs and risks are allocated between the different parties to a transaction. Buyers often want to know the FOB (Free on Board) price for your goods, so ensure you include costs of transportation to the ship in this price. Preparing quotes for other incoterms like CIF (Cost, Insurance and Freight) and DDP (Delivered Duty Paid) is also recommended.

Creating a compelling quote

European buyers of natural food additives typically ask for quotes before doing business with you. Quotes you provide should be short and concise, and free of spelling and grammatical errors. The following information should be included in your quotes:

Product description

Provide basic information about the form, quality, and certifications of your natural ingredient. It is recommended to send documents such as your Certificate of Analysis (CoA) as a separate document (see this example of a [CoA of spirulina powder](#)). This serves as proof that your product complies with European regulations.

Shelf life

Indicate the typical shelf life of your ingredient when stored and handled correctly.

Price and payment terms

Quote in euros (EUR) or US dollars (USD), but keep in mind that European buyers often prefer the first. Specify the Incoterms used along with the weight (generally, on a per kg or per tonne basis). This applies to both liquid natural ingredients as well as solid natural ingredients. Don't forget to clearly outline the payment term.

Packaging

Provide detailed information about the packaging type (e.g., steel drum or kraft paper bag) and size (e.g., 25 kg per batch) of your natural ingredient.

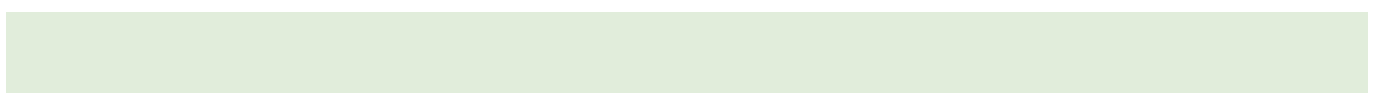
Quote expiry date

Set a quote expiry date to avoid or allow for potential price changes.

Table 1: Example of a quotation for garlic oil used in the natural food additives sector

Product description	Trade name: Garlic Oil Botanical name: Allium sativum variety sativum
Storage and shelf life	For up to 36 months from production date if sealed and stored correctly
Price	€275/kg FOB
Minimum order quantity	10 kg
Packaging	Stainless steel container
Payment terms	50% advance payment and 50% Letter of Credit
Estimated delivery time	3 weeks
Quote expiry date	Quote is valid for 30 days

Source: ProFound, 2023



Tips:

Ensure you have calculated your prices carefully before approaching potential buyers and sharing price information.

Seek to get paid in USD or EUR or try to take some kind of insurance if there is a high risk of currency devaluation between the moment you are paying your suppliers and when you are receiving payment from your buyer.

Consider giving discounts for larger orders, like 10% off for a 100 kg order when orders are commonly around 10 kg. Calculate these discounts based on the unit price for handling, transporting, and warehousing the goods. Also be sure to offer discounts only if you can afford to, as offering discounts that you cannot afford puts your business at risk.

6. Make sure to send high-quality samples to interested buyers

Samples are a big part of doing business in Europe. Often, buyers will only continue discussions with you once they have received and tested the samples you send them. Therefore, providing representative and high-quality samples to potential buyers is essential. When your customer receives a sample that is consistent with their expectations and requirements, they are more likely to want to do business with you.

Ensure that your samples accurately represent the product you intend to supply. This includes providing samples that match the specific species, plant parts, certifications, and other product identifiers requested by the buyer.

When a buyer requests a sample from you, make sure to follow their instructions/requests regarding product characteristics, quantity and presentation, packaging, expected delivery time, and expiration date.

As an exporter, it is important for you to get feedback on the quality of your products. You will be much better positioned to make changes to production if you know that your samples do not match the quality parameters of your customer. Collaborating with your customer on sample testing helps you refine your product based on factors such as colour, aroma, potency, and purity.

Be aware that many buyers test every batch of samples they receive, not just the first one. While the first batch determines whether they are willing to cooperate with you for further purchasing, testing all batches helps buyers to ensure that the quality consistently meets their expectations. Therefore, it is essential to maintain consistent production standards to guarantee that your natural ingredients always meet the pre-defined quality parameters of your buyer. By providing high-quality samples, actively seeking feedback, and maintaining consistent quality, you can establish yourself as a reliable and trustworthy supplier in the European market.

Tips:

Always prepare your samples in sturdy and good quality packaging. This is the first thing your potential customer will see, so it is important that you create a good first impression.

Include detailed documents with each sample you send, describing the product features, specification, and any other relevant information.

Refer to [Step 11 of the workbook on preparing a technical dossier for natural food ingredients](#) to read more about sampling procedures.

7. Be professional to keep up with Europe's general business culture

As a new supplier entering the European market, you should educate yourself on the local business culture. One common thread across Europe is the emphasis on professionalism and formality when dealing and interacting with buyers. Documentation and established procedures are valued over personal relationships, particularly in Western European countries.

The professionalism you display in your meetings will determine the willingness of buyers to work with you. Following this tip is therefore likely to help you in your dealings with European buyers and can significantly improve your chances of success in the European market for natural food additives.

Here are some key aspects to consider to be professional in business relations:

- **Professional appearance:** Dress appropriately for business interaction, both online and in person. Present yourself in a manner that aligns with the expectations of your industry and the cultural norms of your target market.
- **Timeliness:** Punctuality is essential in Europe's business culture. You must be respectful of the buyer's time by being on time for meetings and promptly communicating any unavoidable delays.
- **Preparedness:** Come prepared to your meetings with buyers. Research their business, needs and preferences beforehand. Gather relevant information such as product details, pricing, and documentation.
- **Formal and clear communication:** Communicate clearly and effectively. Maintain a polite and respectful tone and avoid using technical terms that may confuse the buyer – unless it is industry-specific terminology that you are both familiar with. Be responsive to inquiries and provide accurate and concise information.

English is the most widely used language for business in the European food industry. Always use formal English when speaking and writing to European buyers. Do not use slang, as it can make you appear unprofessional.

- **Active listening:** Practise active listening when engaging with buyers. Pay close attention to their needs, concerns, and feedback. Ask clarifying questions and demonstrate genuine interest in their perspectives.
- **Honesty:** Being honest and transparent in your interactions with buyers is of critical importance. Provide accurate information about your products, pricing, delivery times, and any limitations or risks involved. Avoid making exaggerated or false claims and take responsibility for any mistakes. Transparency builds trust, which is the most important aspect of successful and long-term business relationships.
- **Follow up and follow through:** Follow up on your promises promptly and keep your buyer informed of developments. Make it a priority to answer their requests in a timely manner. This demonstrates your commitment to collaboration and reflects positively on your company.

Tips:

Follow up after meeting with potential buyers. Do not wait for buyers to come back to you. Instead, be proactive and reach out to your potential clients via follow-up emails. Treat the potential customer with adequate attention and priority.

Keep in mind that Europe is a diverse market with different business cultures. Practices may differ between individual European countries. For example, punctuality is taken very seriously in countries like the UK and Germany, while a more relaxed approach may be prevalent in countries such as Italy and Spain.

8. Participate in export promotion programmes offered by governmental and non-governmental organisations

The European market is strictly regulated and highly competitive. To increase your chances of success in the European market, consider joining an export promotion programme or collaborating with industry groups that facilitate trade with European buyers. These programmes and groups offer support, coaching and market insights tailored to specific European industries, including the food and drink industry.

By participating in these programmes, suppliers from emerging market economies can obtain guidance on regulatory compliance, understand the relevant industry trends, and benefit from networking opportunities to connect with potential European buyers.

Figure 2: Business-support organisations in Europe offering trade promotion programmes



Source: Various, 2023

Numerous export agencies provide specialised knowledge and support to exporters seeking entry into new markets. Some of the most important agencies include:

- CBI: The [Centre for the Promotion of Imports from developing countries \(CBI\)](#) offers an extensive range of services to exporters from developing countries aiming to enter the European market. Their services include export coaching programmes, training, distance learning and guidance, company visits, market information and multiple participations in trade fairs. CBI focuses on sustainability and works with niche products. CBI is active in specific so-called [CBI countries](#), across Asia, East Africa, Middle East and North Africa, as well as West Africa and the Sahel.
- SIPPO: The [Swiss Import Promotion Programme \(SIPPO\)](#) provides support to selected Business Services Organisations (BSOs) helping exporters increase their exports to new markets. BSO employees receive expert training and coaching in their home country, which they then use to help exporters. It is important to check whether the BSO in your country is being supported by SIPPO. Note that SIPPO has offices in Albania, Bosnia and Herzegovina, Colombia, Indonesia, Morocco, North Macedonia, Peru, Serbia, South Africa, Tunisia, and Vietnam.
- IPD: The [Import Promotion Desk \(IPD\)](#) connects exporters from developing countries with European, particularly German, importers. The IPD also prepares market reports that help exporters to enter the European market.
- COLEAD: The [Committee Linking Entrepreneurship-Agriculture-Development \(COLEAD\)](#) is a Belgian-based organisation that offers tailored support, training, and market access, primarily to West African companies. COLEAD supports the transition to more 'sustainable agri-food systems' by facilitating and promoting good practices aligned with agroecological systems tailored to the local context.
- ITC: The [International Trade Centre \(ITC\)](#) is a developmental agency established by the United Nations

promoting sustainable trade. Their programmes and activities are aimed towards exporters. ITC offers export management, supply chain management, quality management, packaging, and marketing and branding programmes. The ITC has publications and an [SME Trade Academy](#) which offers online courses (some cost-free). If you want to become a successful exporter of natural food additives, courses such as '[Export Sales and Negotiation](#)' and '[Helping SMEs Generate Export Business](#)' may be relevant and useful for you.

- ICC: The [International Chamber of Commerce](#) promotes cross-border trade and investments, while offering various [tools and services to SMEs](#) such as the SME360X online platform.

Tips:

Involve your staff in training activities so they can acquire more skills and experience, something that will benefit your business in the long term as it is important to have a skilled and experienced workforce.

Check for export promotion agencies and/or BSOs in your country to help you grow your business by exporting.

[ProFound - Advisers In Development](#) carried out this study on behalf of CBI.

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