Which trends offer opportunities or pose a threat on the European natural food additives market?

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The European natural food additives market is growing and is expected to keep growing in the coming years. This is due to a growing number of health-conscious consumers, increased consumption of packaged foods, expansion of the food and beverage industry, and a stronger preference for clean-label food. Additionally, substantial investments in Research & Development (R&D) to develop innovative products led to the growth of the natural additives market in recent years. Another factor behind the growth is the instability within non-natural food additives supply chains. This instability has forced European formulators and manufacturers to find alternatives, which has led to increased interest in natural food additives as there are generally more producers.

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1. Sector transformation is on the way

How natural food additives are produced, sourced, and used in the European industry will face changes. This is driven by Europe's growing demand for sustainable and healthy food products, undergoing evolving strict quality and food safety standards.

Sustainability is a key part of this transformation. The environmental impact and social responsibility of a supply chain are increasingly important. This brings changes for all actors in the chain, from farmer to consumer.

Key expectations for the natural food additives market include:

- The European market for natural food additives will grow, with consumers demanding more natural and fewer synthetic ingredients. Natural colourants, preservatives, and flavour enhancers will be in

higher demand.
- Transparency and traceability in the supply chain will become essential, as strict EU regulations require buyers to be familiar with the ingredients' origins and production processes.
- To adapt to climate change goals, buyers will increasingly seek suppliers committed to carbon neutrality, regenerative production, water conservation, and waste reduction.
- Food manufacturing innovation will further widen the range of products with new ingredients applications. The focus will be on health, minimal environmental impact, high convenience, and quality.

In the next decade, business models that emphasise environmental sustainability and social responsibility will likely dominate the growth of the overall European NFA market. Exporters leveraging these trends will get an advantage in the European market. Exporters must focus on sustainable production to exploit new opportunities and secure long-term competitiveness.

2. A rising role for natural food additives as dual-functional ingredients

Natural additives are increasingly used as dual-functional ingredients in the food industry. These additives enhance both flavour and appearance and provide benefits such as preserving freshness and extending shelf life. One example is rosemary extract, which has become popular for its natural preservative properties. Rich in antioxidants, rosemary can help prevent oxidation in food products, keeping them fresh for longer without the use of artificial preservatives.

This trend is the result of growing consumer demand for clean-label products. Today, more consumers are focused on natural and healthier food options, preferring products with ingredients they recognise and trust. Artificial preservatives and additives are often viewed with suspicion, leading food manufacturers to explore natural alternatives. Rosemary extract is one of many natural ingredients now being used to fulfil functional roles in food production.

Beyond preservation, natural additives can serve multiple purposes. For example, beetroot powder is used not only as a natural food colourant but also as a source of antioxidants and nutrients. This dual functionality allows manufacturers to market visually-appealing products and contributes to the health benefits consumers seek. Similarly, turmeric is a natural colourant with anti-inflammatory properties, making it a popular choice for functional foods.

Another key area where natural additives are making an impact is in replacing synthetic flavour enhancers. Ingredients like yeast extracts and mushroom-based additives are being used to enhance umami flavours in processed foods. These natural enhancers offer a healthier option than artificial flavourings like monosodium glutamate (MSG). This shift aligns with the broader trend of “better-for-you” products, where food manufacturers reduce synthetic ingredients and add natural ones.

Natural fibres, such as chicory root or psyllium husk, are also becoming popular as functional additives. These fibres improve the texture and stability of food products and offer digestive health benefits, appealing to consumers who want foods that contribute to their overall well-being. Incorporating these natural ingredients allows brands to draw attention to their products in a competitive market by highlighting health advantages alongside functionality.

With increasing consumer awareness of food ingredients, transparency has become a priority for manufacturers. Natural additives, often labelled "naturally preserved" or "plant-based colourants, " allow companies to be more transparent about their ingredient lists. This appeals to health-conscious consumers and supports the growing movement toward sustainability and environmental-friendly purchasing. Many natural additives are derived from renewable plant sources, further boosting their appeal in a market that values sustainability.

Tips:

- Research the functional benefits of your natural food additives, such as preservation, flavour enhancement, or nutritional support. Highlight these attributes in your marketing materials to align with buyer needs and preferences.
- Create examples of how your natural additives can be used in different food products. Provide potential buyers with innovative ideas and uses that demonstrate the versatility and effectiveness of your ingredients in various formulations.
- Be careful not to make claims about the functional properties of your product without performing tests. Not all varieties of plants have the same functional benefits.

3. Rising demand for ethnic food

European consumer demand continues to rise for the flavours of traditional dishes and ingredients from different cultures and regions around the world. This trend drives the demand for natural food additives, often an important ingredient in ethnic food products. Essential oils for food, oleoresins, and natural food colours (extracts) are particularly often used as ingredients. Ingredients like agar, commonly used as a gel texturiser in Asian foods, are also important natural food additives for ethnic dishes.

The global ethnic food market was valued at US$45.5 billion in 2024 and is expected to reach US$67.8 billion by 2029, with Europe being one of the fastest-growing markets. This growth is partly the result of immigration, a growing number of highly-educated people, and tourism. The UK is known to have a large ethnic food market. This is in part due to the country’s large multicultural population. Ethnic cuisines have also become popular in France, especially the various South American, Asian (Korean, Thai and Indian), and African cuisines. The rise of ethnic restaurants and street food stalls in France has in part driven the greater appreciation for global cuisines.

The popularity of frozen food products is a key driver of this growth. Initially, consumers were concerned about the freshness of frozen items, but increased awareness of advanced preservation technologies has shifted perceptions. As a result, demand for ethnic frozen food has risen, with manufacturers introducing new products in this category to attract more consumers.

This led to more ethnic food products being available to consumers in conventional and specialised supermarkets, contributing to the accessibility of exotic tastes at home.

The most prominent ethnic food categories are Asian cuisines (including Chinese, Indian, and Thai) and Italian dishes. In addition to these well-established cuisines, various African and Middle Eastern cuisines have gained in popularity in recent years.

Tips:

- Identify ethnic food manufacturers in your target export regions and research the formulators who supply them with natural additives. Contact these formulators to offer your products as potential alternatives or enhancements.
- Highlight the traditional uses of your natural additives to importers and formulators. This context can

inspire their product development and showcase the authenticity of your ingredients. This can help them craft new, market-relevant ethnic food products that resonate with consumers seeking authenticity.

Stay updated on developments in the ethnic food markets through webpages like Fortune Business Inside's Ethnic Food Market page.

4. Unstable supply chains make buyers diversify

The EU food industry is increasingly compelled to diversify its sourcing strategies in response to ongoing supply chain instability driven by global events. Factors such as climate change, logistics crises, and geopolitical conflicts significantly impact the production and distribution of food ingredients. It can lead to increasing costs and disruptions in the production and supply of food ingredients.

Food manufacturers and product formulators try to strengthen their sourcing by diversifying their supply chains. While the unstable environment, on the one hand, poses threats to exporters of natural food additives, this situation also creates opportunities to enter new markets as the demand for reliable and varied sourcing options grows. By addressing these needs and proving themselves a reliable and stable supplier, exporters can become key partners in building resilient supply chains in the EU food industry.

For example, Sudan is the world´s largest producer of gum Arabic, a product derived from the Arcadia tree. Sudan has lived through many years of political conflict and humanitarian and climate crises. Logistics in and out of Port Sudan have been blocked because of ongoing conflicts, which interrupted supply chains. For these reasons, prices for gum Arabic have skyrocketed. As a result, European suppliers have been looking for alternative sources to purchase gum Arabic from other countries in the so-called gum belt, the arid wood savannas of Chad, Nigeria, Somalia, Eritrea and Mauritania.

Another example can be found in the supply chains of essential oils, such as geranium or rosemary. Political instability in their main producing regions also widely affects the supply of these products.

In addition to political instability and supply chain vulnerabilities, global climate change also greatly impacts natural food additives' harvests and stable supply. For example, the shea harvests have been significantly impacted over the last few years by the effects of climate change in the Sahel region. The effects of climate change in the Sahel are expected to only grow more severe in the future, leading to more insecurity. Several initiatives by larger European importers of shea products aim to fortify the sector by providing training and introducing improved farming techniques to deal with the changing climate. For instance, Bunge (from the Netherlands) invests in local development and sustainability through its programme Where Life Grows. It directly works to preserve and protect the shea landscape.

So, while some companies are starting to look for alternative origins and suppliers, others are investing in their supply chains. Natural food additives processor Alland & Robert is engaged in preserving the Sahel environment and works on several regional projects to support local communities and assure the availability of acacia trees to obtain natural gums.

Tips:

Keep your buyers informed about the challenges affecting your supply chain. This transparency builds trust and helps them understand how these issues may impact delivery times and product availability. In return, your buyer may decide to invest to resolve issues.

- Negotiate fixed prices for your products whenever possible to reduce dependence on global market fluctuations.
- Use your reliability and stable production as a key selling point when approaching buyers. This assurance can help you stand out from competitors as buyers want to strengthen their supply chains.
- Read our study on shea butter for food to read more about its uses in the food sector, examples of products on the European market, and market drivers and trends that shape the sector.

5. Upcoming EU regulations will favour the usage of natural food additives

EU regulatory approaches to food safety, sustainability, and social impact, will create new opportunities for the use of natural food additives from developing countries in the European food and drink industry.

So far, the EU regulatory framework's approach to food safety has been key to the growth of the natural food additives market. For example, additives such as food colourants must continuously undergo safety evaluations by European scientific experts over the years. These evaluations have led the European food industry to ban certain food colourants, which is increasingly the case for non-natural colours. Due to these increasing regulatory limits, natural alternatives from fruits, vegetables, and other plants are being adopted in Europe for all colours and food categories.

In addition, the EU regulatory framework aims to reduce the potential impact of sugars on human health, leading to new policies and legislation favouring the use of alternatives like natural sweeteners. This is also true for the United Kingdom, where the government introduced its ‘sugar tax’ on soft drinks in 2018 to tackle childhood obesity. Around 50% of soft drink manufacturers have reduced their sugar content.

Also, the demand for sustainable sourcing is being strengthened and further extended among companies due to developments on the regulatory front, namely the European Green Deal (EGD) and the Directive on Corporate Sustainability Due Diligence (Directive 2024/1760). Sustainable buying has become an important expectation of all supply chains in the European food industry and beyond. EGD regulations such as the Farm-to-Fork Strategy, the Chemicals Strategy for Sustainability, and the Biodiversity Strategy expect companies to assume and play a key role in building a sustainable economy and society. The proposed regulatory changes will impact the food additives industry in multiple ways, and European companies' requirements may affect exporters as part of their global supply chains. These regulations create opportunities for exporters to produce food sustainably in developing countries where the impact on the environment and communities is often the most noticeable.

Tips:

- Align your business with the objectives of the European Green Deal and Corporate Sustainability Directive. For more detailed information, read our study on the EU Green Deal's impact.
- Read our study on buyer requirements for natural food additives for further information on certification and export regulations to the European Union (EU).
- Stay current on the European food and drinks market by visiting Food and Drink Europe.
- Learn more about food ingredient trends/developments and meet industry operators at the main food ingredient trade shows in Europe, such as BioFach in Nuremberg, SIAL in Paris, Fi Europe in

Frankfurt, Natexpo in Paris, and Anuga in Cologne.

6. Increasing industry and consumer demand for sustainable products

Following government legislation, the food industry and consumers have increased demand for sustainably-produced food products. Sustainability is now the top concern of consumers, forcing manufacturers and formulators to focus on sustainable products. People are becoming increasingly aware that trade and production have a high impact on climate change, food waste, and the use of resources. Sustainability has become mainstream and is a key concern in the industry.

Between 2018 and 2023, food and beverage launches with ethical or environmental claims increased by 13.8%. Europe leads in this area, accounting for more than half of all new products in this category. The fastest-growing product category with ethical claims was dairy substitutes, ahead of confectionery, hot drinks, soft drinks, and bakery.

Generation Z (born 1997–2012) drives the demand for sustainable and ethical products. About 10% of this group stated that they would even be willing to pay up to 50% more for sustainable food and drinks. This generation is highly aware of environmental and social issues and expects brands to be transparent about their practices. As Gen Z's buying power grows, businesses that do not prioritise sustainability risk losing their appeal.

There seems to be a disconnection between the intention to develop sustainable supply chains and the ability to realise sustainable products for the markets. According to the 2023 F&B Food and Industry Report, the main barriers for food and beverage manufacturers are the following:

- 60% of the brands have difficulties in sourcing ingredient partners
- 49% of the brands do not have enough supplier transparency beyond their main suppliers
- 42% reported that confusion about the labelling of sustainable food is challenging for them
- 39% did not have enough resources to search for compliant suppliers

This situation offers interesting opportunities for natural food additive suppliers to enter the European market. Exporters who opt for sustainable production practices and responsible buying can benefit from this trend. By providing clear information about their buying methods, sustainability certifications, and the environmental impact of their products, they can position themselves as valuable partners to the European food industry.

Leading food manufacturers and formulators increasingly focus on sustainable supply chains and responsible sourcing. Fuji Oil Europe, for instance, is investing in programmes in its supplier countries to ensure sustainable buying, fair wages, and social responsibility in the shea product supply chain.

An SME that effectively aligns with this trend is Arbor Oils of Africa. They ensure sustainable harvesting and have invested in creating a socially-responsible supply chain.

Tips:

Find and review the sustainability reports of potential buyers in your target market to learn what is important to them. Use this information to improve your production and processes. For example, look at EBRO’s sustainability reports.

Ensure that your supply chain is transparent and follows potential buyers' requirements regarding their sustainability targets.

Review CBI’s study on Requirements for Natural Food Additives to learn all about sustainability requirements.

When contacting formulators, ensure your sustainability level matches their requirements. For example, if your colouring products are highly sustainable, consider contacting GNT, which aims to lead the food colouring industry in sustainability.

Partner up with buyers willing to co-invest in making your supply chain more sustainable. These buyers can be new or existing partners. Collaborating on sustainability initiatives can strengthen partnerships and enhance your market position.

7. The plant-based food market is growing

Vegetarianism, veganism, and the flexitarian way of eating continue to gain popularity in Europe. This increases the demand for plant-based foods. In 2022, 24% of European consumers followed a flexitarian, 8% vegetarian and 4% vegan diet. As more Europeans choose plant-based foods, there are chances for natural food additives exporters, especially in categories such as:

- Flavours and colourants to mimic or add taste and look
- Thickeners/hydrocolloids to improve the texture.
- Acidulants to achieve the required pH or to influence taste, flavour, colour, and texture.

The top product categories for plant-based formulations are pizza, which experienced an average annual growth of 36% between 2018 and 2022, followed by prepared pasta and noodles, ready meals, and sandwiches. The production of those “non-meat” alternatives requires many natural food additives to ensure texture, taste, and colour.

Examples of plant-based companies active in the European market include Beyond Meat and Plantway. At the Anuga Fair 2023, Beyond Meat showcased a range of plant-based meat options and introduced its latest innovation, the “Beyond Steak.” Plantway introduced plant-based chicken chunks.

Fast food chains have translated positive perceptions and consumer demand for plant-based foods into plant-based offers. This has led to increased awareness and changes in the range of products available and what people want to eat.

For a long time, vegan products have not fulfilled consumers' expectations in terms of taste and experience. However, product innovations in this sector have generated some highly appreciated products. Companies such as Heinz and The Vegetarian Butcher are frontrunners in developing new products for the plant-based market.

In 2022, 69% of European consumers said that it is important for alternative meat sources to be naturally formulated. As a result, the plant-based food industry needs more natural ingredients such as vanilla, which is a very important flavour enhancer in plant-based alternatives. Moreover, hydrocolloids are gaining in demand as key ingredients for plant-based products such as burgers. They are produced from plants or seaweed and help bind the vegetable proteins used in plant-based products.

Figure 1: Mc^2 Burger by The Vegetarian Butcher

Source: De Vegetarische Slager, 2024

Tips:

- Explore the products available on the vegan market and see whether your natural food additives apply to existing or potential new products or new recipes.
- Contact formulators in this market to present your products, such as GNT for Colorants. This company is an important market player in the food colouring industry.

8. Rising demand for clean-label food products

Consumers in Europe are showing a growing preference for clean-label foods, driven by a desire to move away from lengthy ingredient lists that often contain synthetic food additives. Clean-label foods contain minimal, natural ingredients with clear, easy-to-understand labels and are free from artificial additives, preservatives, and unnecessary processing. Food manufacturers are following this trend by reducing or eliminating synthetic ingredients in favour of natural food ingredients. Aligned with this, manufacturers have started listing ingredients on product labels, such as “beetroot concentrate” for red food colouring, in addition to the E-number identification of accepted food additives.

Figure 2. Nakd clean-label snack bars

Source: Albert Heijn, 2024

Research from Ingredion shows that clean-label products are set to dominate the European food and beverage industry. They are expected to make up over 70% of portfolios in 2025 and 2026, up from 52% in 2021. According to the study, 99% of European manufacturers consider clean-label products essential to their business strategy, with 87% already putting them on the market. The study also indicates that adopting clean-label strategies leads to higher product quality, improved brand reputation, and greater appeal to new customers.

The clean-label trend responds to the growing use of synthetic or highly-processed ingredients but may also pose a risk to some natural food additives. The demand for shorter ingredient lists can lead to the removal of these additives from formulations. Regulations and policies that promote simplified listings of food additives instead of E-numbers may help soften this threat.

Common terms found on clean-label products include GMO-free, Natural, No Additives/Preservatives, and Organic. Manufacturers emphasise these labels to attract customers who are focused on healthy food choices. These consumers avoid unnatural additives because they associate them with artificial and less healthy foods. Clean-label foods also cater to consumers with allergies or sensitivities to certain ingredients.

Natural food additives are preferred to synthetic ingredients as they often meet clean-label standards. With the growing demand for clean-label food, the need for specific functional food additives is also rising.

For example, natural food additives like rosemary extract, turmeric, and chicory root fibre are becoming popular alternatives to synthetic ingredients in clean-label products. Rosemary extract is used as a natural preservative, replacing synthetic options like BHA and BHT to extend the shelf life of oils and processed meats. Turmeric is a natural colourant, offering a bright yellow hue as an alternative to synthetic dyes while providing potential health benefits and preservation. Chicory root fibre is a natural source of dietary fibre, replacing synthetic fibres in food products. These examples highlight how natural additives align with the growing demand for cleaner, healthier ingredients.

Tips:

- Do market research to explore which end-consumer formulations may provide a market for your natural food additive.
- Use Europages to find a list of European formulators or scan through the exhibitor list of the Dutch trade fair Free From Food Amsterdam to find formulators, brands and processors for natural food additives.
- Ensure your product can be used as a functional natural additive to replace synthetic alternatives before marketing it as such. The quality and active substances needed in an additive may differ between varieties.

9. Social media is boosting awareness about food ingredients

Social media is boosting greater awareness of food consumption in Europe. Consumers increasingly use platforms and online shops to check ingredient lists and learn about the products they buy. This heightened awareness pushes the industry to offer more products with clean labels, transparent ingredients, and options catering to evolving dietary preferences. Online tools make it easy for consumers to compare products, including natural and synthetic food additives, allowing them to make better-informed choices.

Plant-based products, in particular, are gaining attention on social media. Many consumers find inspiration for new food and beverage products through these channels, with food apps becoming more popular. 47% of European consumers scan plant-based product codes to check their ingredients. Shoppers are increasingly looking for labels that feel "closer to nature."

Social media and influencers are promoting initiatives like Veganuary, which has led to a surge in plant-based product development, especially in January. Influencers also highlight visually-appealing dishes and beverages, often featuring vibrant colours, which boost consumer interest.

Social media has also become a key way for brands to engage with customers. For example, German baby food company Hipp collaborates with influencers to share production processes and product experiences.

Tips:

- Use social media to follow emerging food trends, which could create demand for your natural food additives.

Visit platforms like foodrevolution.org, Easy Health Options, or FoodNerd to gather insights and prepare sales arguments for your products.

If you export natural food colourings, explore social media to monitor trends in the non-alcoholic beverage market across different regions.

10. Consumers look for convenience and ready-to-eat products

Natural food additives are seeing a growing market with products supporting individual well-being and consumers' challenges in everyday life. Non-meat products, non-alcoholic beverages, and ready-to-eat products, including snacks and sauces, are gaining popularity. All of these products require the right combination of taste, texture, colour, and flavour, making the use and right combination of natural food additives essential.

Since the COVID-19 pandemic, companies have continuously invested significantly in the innovation and development of ready-to-eat meals and convenience food products. In 2022, Europe was leading in the global market for ready-to-eat meals, accounting for 45% of global launches. This trend centres on catering to time-limited consumers who prioritise convenience in their food choices. As busy lifestyles become the norm, consumers increasingly seek products that offer quick and easy meal solutions and allow for personal customisation.

Compared to home-cooked meals, ready-to-eat meals and convenience food products contain more food additives with functional properties like colouring and conservation. Manufacturers increasingly opt for natural food additives instead of synthetic alternatives.

Figure 3: Ready-to-eat meal

Source: Beyond Meat, 2024

Tips:

Find out about the Food trend map and lifestyle trends in your target market to offer potential future natural food additives to formulators.

You may include consumer trends to find USPs (unique selling propositions) for natural food additives to support formulators such as Givaudan or Symrise with their product developments.

11. The European organic market is large and promising

The total European organic food and beverages market is projected to be valued at USD 141.3 billion in 2024, with expectations that it will grow to USD 273.8 billion by 2029. This reflects an average annual growth rate of 14% between 2024–2029. Europe is the second-largest market for organic products globally, just behind the United States. In 2022, organic product sales in Europe reached €53.1 billion, with Germany leading at €15.3 billion. However, the organic market saw a 2.2% decline in 2022 due to high inflation, which reduced consumer spending power.

Despite this dip, the market is expected to bounce back. Demand for organic products grew again in Germany in 2023, showing signs of recovery. As inflation eases, the European organic market will likely regain its growth, driven by consumers’ focus on healthier, sustainable choices.

Pesticide residue in food is among the main food safety concerns among Europeans. Consumers now want to avoid pesticides and other chemicals in the products they consume. Most consumers (81%) consider that products coming from organic agriculture are produced with better environmental practices, comply with specific rules on pesticides, fertilisers and antibiotics, and are of a better quality than other food products. Many are also concerned about the environmental impact of conventional farming and want to support organic production methods. This trend among consumers is boosting sales of organic and clean-label products.

There are strict rules regarding additives that can be used in organic-labelled foods. Only around 40 synthetic substances can be used in organic packaged food, and only after being reviewed by independent and government experts. This means that all other additives must be of natural and organic origin.

Therefore, organic food and beverages are interesting potential markets for natural ingredients, especially the organic vegan and organic plant-based food markets, as they all need food additives. There is also a potential market for organic beverages, natural antioxidants, and colours.

One example of a company that leverages the organic demand trend is Kelvin Natural Mint PVT Ltd. They supply peppermint, spearmint, piperita oils, menthol crystals, and eucalyptus oil; many of its essential oils are organic-certified quality.

Tips:

Go to the webpages of FiBL and IFOAM to learn about the European organic market.

Visit the BioFach (Germany) or Natexpo (France) trade fairs to explore organic products using Natural Food Additives. If you sell organic products, consider exhibiting at these fairs to attract new buyers worldwide.

Research which additives are allowed and requested by organic food manufacturers. The Polynt Group webpage has a list of additives that are allowed in organic food.

ProFound – Advisers In Development carried out this study on behalf of CBI.