The European market potential for chickpeas

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The chickpea consumption in Europe is growing, from traditional consumption in Spain, Italy and Portugal, to trendy plant-based consumption in the United Kingdom, Germany and France. More and more consumers are valuing this healthy pulse, but fluctuation in the global production will continue to have a large influence on your profit margin.

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1. Product description

Chickpeas (Scientific name: Cicer arietinum L.) are a pulse crop that belongs to leguminosae family. The most common varieties are the desi and kabuli chick peas. These two types have different production requirements, markets and end-uses.

The larger, beige-coloured kabuli chick pea, also known as garbanzo bean, is commercially the most traded in Europe and the most widely grown throughout the Mediterranean. The desi chick pea, or Bengal gram, is smaller and darker than the kabuli chick pea and has a rougher coating. The desi variety is the most produced chick pea in the world, but more oriented to the Indian and Pakistani markets.

Chickpeas are a very versatile, healthy product and easy to cook. After being traded as a dry product, chickpeas can be transformed into a canned product or a flour. In Europe, chickpeas are used in ethnic cuisines and products (hummus, falafel, chana masala) as well as an ingredient for salads, stews and even snacks.

The HS code for dried, shelled chickpeas is HS 071320 (see table 1).

Table 1: Chick pea types and HS code

	HS 071320 Dried, shelled chickpeas "garbanzos", whether or not skinned or split	
Kabuli “garbanzo”	Large, round seeds White cream coloured Mostly used as whole seeds or in hummus 400mg	

Desi “Bengal gram”	Small, wrinkled seeds Brown, light brown coloured, as well as orange, green or black Used as whole, split or flour 120mg In India, desi chickpeas are also known as Bengal gram when sundried	

Source of images: pixabay

2. What makes Europe an interesting market for chickpeas?

Recent overproduction and price drops have made the chickpea trade less appealing. However, the consumption in Europe is increasing significantly. The growth of modern chickpea consumption in addition to the traditional demand, will drive future growth in Europe.

Market growth: Larger import against lower value

The European chickpea consumption is increasing fast. The import of chickpeas has seen strong growth, but so has the production. Suppliers can profit of a larger demand, but with a careful focus on production and price development.

Between 2015 to 2019, imports grew with 55%, which is exceptional for a pulse crop. At the same time, chickpea production in Europe is increasing; from 58 thousand tonnes in 2014 to 216 thousand tonnes in 2018. Spain, Bulgaria and Italy are responsible for over 90% of the production in the European Union. Based on the growing imports and production, consumption has likely doubled over five years, and is expected to further increase.

However, the market for chickpeas is volatile. Many producers have seen an opportunity in the global demand for chickpeas. This has resulted in higher production volumes in recent years. Meanwhile, the production in India, world’s largest chickpea producer, has been fluctuating as well, causing prices to go up in 2016 and crash down again in 2018 due to overproduction. Carry-over stocks in 2020 are still large and the market may remain volatile up to 2021.

As a supplier, it is important to take these fluctuations into account, plan ahead and stay up to date on agricultural forecasts. According to trade professionals, the long-term demand will remain strong.

Increasing modern consumption

The chickpea market in Europe can be divided into traditional consumption and a growing modern family demand. The market is diversifying and as a supplier, you need a wide scope to prepare for Europe’s full potential.

Chickpea consumption is primarily driven by the traditional consumer that uses chickpeas in cooking or typical ethnic products such as hummus and falafel. Although this consumption is mainly related to the Mediterranean and ethnic populations throughout Europe, modern consumption has had the most significant impact on the growth. Indications of a growing modern consumption of chickpeas are the increasing number of consumers who avoid meat and the number of new product launches with pea protein.

In most of the larger European countries between 7 and 10% of the population follows a vegan or vegetarian diet (see table 1 below). The number of ‘flexitarians’ (people that occasionally look for meat substitutes) is believed to be many times bigger. For example, in the United Kingdom, 92% of plant-based meals consumed in 2018 were eaten by non-vegans according to data from market insight company Kantar.

Products that are high in protein are the best substitutes for meat. The number of product launches in Europe with pea protein (not necessarily from chickpeas) has increased over the past decade, from 6 in 2008 to 139 in 2018 (see figure 2). Chickpeas are used in healthy snacks, ready-made meals, meat replacers, pastas, bakery products and even vegan ice cream.

When considering export to Europe, your focus must not only be on the traditional importers but also on buyers of special ingredients.

Tips:

- Stay up to date with market developments. Follow agricultural news, for example on Agriwatch about chickpea (chana) prices in India, and reports on chickpea innovations on Food Navigator.
- Listen to the "Ask the Experts" podcast about the kabuli chickpeas global outlook on Globalpulses.com. This website publishes regular news on the global chickpea market.
- Read the next CBI study on Entering the European market for chickpeas to gain more insight in market channels and potential buyers.

3. Which European countries offer most opportunities for chickpeas?

Southern Europe (Spain, Italy and Portugal) is an important region for traditional chickpea consumption and dominates the foreign import market. Future growth can also be expected in the United Kingdom, Germany and France because of an increasing demand for vegetarian/vegan food and product innovations with vegetable protein. The Netherlands is both a chickpea consumer and re-exporter, but as a market it has less potential than the aforementioned countries.

Table 2: Estimated number and percentage of vegetarians and vegans and the number of product launches with pea protein (2014 - July 2019) in European countries

	vegetarian	vegan	estimated number of vegetarians (x 1,000)	New product launches with pea protein	% share of product launches
Germany	10%	2%	8,000	98	18.2%
Italy	10%	3%	4,246	34	6.3%
France	5%	0%	3,300	120	22.3%

UK	7%	1%	3,250	87	16.1%
Poland	8%	7%	3,072	14	2.6%
Switzerland	10%	4%	1,176	19	3.5%
Sweden	10%	4%	969		
Belgium	7%		800		
Netherlands	5%	1%	800	30	5.6%
Austria	9%		765		
Spain	2%	0%	697	37	6.9%

Sources: Wikipedia "Vegetarianism by country" (different sources and dates 2016-2018) and Mintel in Agriculture and Agri-Food Canada (AAFC)

Spain: Leading in traditional consumption

Chickpeas are indispensable in the Spanish food culture. The country leads the consumption of chickpeas, which makes it the main export market for foreign suppliers.

Spain lacks some of the innovative power and plant-based demand compared to France, Germany and the United Kingdom, but in traditional consumption it surpasses all European markets. The country uses a large volume of chickpeas in its traditional cuisine, where it is used as an ingredient for stews or tapas, particularly during the winter. Nowadays, many of the traditional consumers are switching from dried to canned or jarred chickpeas, because they are easier to use.

The high consumption in Spain drives the largest European production and import of chickpeas. The country produced 91.5 thousand tonnes in 2018, a peak year for Spanish chickpeas, and registered an import volume of 57.0 thousand tonnes in 2019. Most imported chickpeas originate in the United States (25.2 thousand tonnes), Mexico (21.7 thousand tonnes) and Argentina (7.8 thousand tonnes). The majority of the chickpeas is destined for local use, either for direct consumption or processing.

According to Spanish news sources, legume consumption in Spain had been declining, but this seems to have changed in 2018 and 2019. This may be because chickpeas are becoming more popular as a nutritious food. The advantage of Spain is that it offers a strong base consumption and familiarity with chickpeas. The country will maintain a demand for foreign chickpeas, because their national crop fluctuates due to climate (legumes are often not irrigated) and competition with winter grain cultivation.

United Kingdom: Strong and diverse market

The United Kingdom (UK) has a significant ethnic consumption of chickpeas and a well-developed demand for plant-based food. This makes the UK market diverse and open for a wide selection of producer countries.

The import of both the desi and the kabuli chickpea has increased in the past five years, reaching 55.8 thousand tonnes in 2019.

- Australia (10.1 thousand tonnes) and India (8.8 thousand tonnes) mainly supply desi chickpeas;

- Import from Russia (8.3 thousand tonnes) included chickpeas for processing, such as the small B90 type;
- Italy (7.8 thousand tonnes) supplied several local and organic varieties;
- Canada, Turkey and Argentina (all between 4.5 and 5.5 thousand tonnes) are strong in Kabuli chickpeas.

Chickpea suppliers can connect to different ethnic and health-oriented market segments. Because of a large Indian and Pakistani population in the United Kingdom, there is a relatively strong demand for desi chickpeas. But the consumption growth is likely triggered by consumers looking for healthier food, which often includes kabuli chickpeas and all kinds of products that contain them.

The United Kingdom is a forerunner in plant-based consumption in Europe (mostly by 'flexitarians'). The demand for plant protein is high and expected to continue to grow. The supermarket chains Waitrose and Sainsbury's are leading the plant-based assortment with products such as salads, snacks, crackers, baby food, hummus and curries. Although the United Kingdom continues to have the highest retail sales of meat substitute products with plant-based proteins in Europe, the future growth of this segment will likely be slower than in Germany and France.

Tip:

Learn about the vegan trend in the United Kingdom by watching the Kantar video about the UK grocery sector (February 2020) and the Consumer Insights (July 2018) of the Agriculture and Horticulture Development Board (AHDB).

Italy: Import completes the necessary supply

Chickpeas (known as 'ceci' in Italy) are part of Italian's food culture. Despite of being one of the major producers in Europe, the country depends on import to fulfil the local demand.

Italy is Europe's third or fourth largest producer of chickpeas after Spain, Bulgaria, and possibly France, depending on the source of information. Like in the other countries, production has increased significantly, from 13.1 thousand tonnes in 2014 to a peak of 47.0 thousand tonnes in 2018. The production in 2019 seems to have moved to a more normal volume of around 35.5 thousand tonnes. Italy produces its own chickpea varieties such as the Sicilian black chickpea, and part of the production is organic.

Italy belongs to the strongest European importers of chickpeas, although less imports were needed in 2019 because of stockpiles. The chickpea import in 2019 dropped to 24.5 thousand tonnes from 36.5 thousand in the year before. The import from Argentina was mostly affected. Argentina is still the largest supplier to Italy (6.9 thousand tonnes in 2019) but struggled with crop issues. The rest of the import was mainly from the United States (5.2 thousand tonnes), Mexico (4.4 thousand tonnes), Turkey (4.2 thousand tonnes) and Canada (2.2 thousand tonnes).

The traditional kitchen is an important reason for the demand of chickpeas with dishes such as pasta with peas (pasta e ceci), flatbread (farinata di ceci), chickpea fritters (panelle), roasted chickpeas, and more. Further growth in Italy could come from an increasing interest in vegetarian and gluten-free food. Gluten-free is an important segment in Italy and well-supported by the government. Italian food companies, such as the Barilla company, have developed gluten-free pasta and are replacing wheat with legumes.

Portugal: Revival in chickpea consumption

Chickpeas are reviving in Portugal. The pulse crop is making a comeback in Portuguese consumption, providing opportunities for foreign suppliers.

Chickpeas used to be a major food in Portugal, but over the years, Portuguese farmers have moved away from legume production and consumption was at its lowest level. In the past five years, there has been a visible change in the attitude towards chickpeas, and today, they are back on the menu. The Portuguese cuisine uses chickpeas as a common ingredient in several soups, stews and salads.

With the low production volume and the consumption increasing again, import has become necessary. Surprisingly, most import does not come from neighbouring producer Spain, but from Mexico (14.8 thousand tonnes in 2019) and the United States (14.4 thousand tonnes), and smaller quantities from Canada (7.1 thousand tonnes) and Argentina (4.1 thousand tonnes).

Germany: Unexplored potential in vegetarian consumption

Germany is not very traditional in legume consumption, but with 83 million consumers and increasing attention for healthy and plant-based food, the potential for chickpeas is high.

There is hardly any production of chickpeas in Germany so the country completely depends on imported chickpeas. Germany has a good trade relationship with Turkey, partly thanks to a large Turkish community, and 4.0 of the 13.3 thousand imported tonnes in 2019 came from there. A large part of this import relates to ethnic consumption, which in turn also triggers other consumers.

Non-traditional consumption often includes the growing number of people that are looking for meat substitutes and healthier diets. Around 10% of the German population is vegetarian, which offers a potential market for protein-rich crops. A high number of product innovations with pea protein is a good indication for the interest in plant-based food and protein crops such as chickpeas. The expectation is that the interest in plant-based products will further grow. Health is an important driver, and organic certification has become an additional assurance to German consumers that the product is safe and healthy.

For chickpea exporters there is some unexplored potential in Germany, bearing in mind that the quality standards and organic (or residue-free) preference also make it one of the most challenging growth markets.

France: High consumption in despite of decreased import

Although the Netherlands was the 6th largest importer in 2019 and potentially a good trade hub, France is a more relevant market for chickpeas. To use the potential of France, it is crucial to monitor the local chickpea cultivation and product development.

Import volumes in 2017 and 2018 were around 12 thousand tonnes. In 2019, the French import of chickpeas dipped below 6.8 thousand tonnes, which is not surprising considering the recent volatile market circumstances and increasing stocks, although local production volumes may also have contributed to the dip in imports. Reliable data on French production are lacking, but French sources suggest a production volume in 2019 of 50 thousand tonnes. Around 13 to 14 thousand tonnes are being exported. This would mean that France is an important consumer of chickpeas, bigger than Germany and the Netherlands.

Table 3: Production and import of chickpeas in France

	2017	2018	2019
Production (hectares)	19,500	32,000	36,000
Production (tonnes)			50,000
Import (tonnes)	11,509	12,106	6,769

Export (tonnes)	14,070	13,192	13,786

Sources: Terres Inovia and ITC Trademap

According to a French buyer, there is a strong demand for organic and locally produced legumes. The European and French supply of (organic) chickpeas may be growing, but there is still a European deficit for chickpeas to fulfil the demand in France. In 2019, most imported chickpeas came from Mexico (2.0 thousand tonnes), India (1.5 thousand tonnes) and Spain (1.1 thousand tonnes). The import from the United Stated and Argentina were greatly reduced in 2019.

Tips:

Gain a better understanding about different markets and find potential buyers by talking to food developers and pulse traders at international food fairs in Europe, such as SIAL, Anuga and Biofach (for organic food).

Join one of the annual conferences of the Global Pulse Confederation to broaden your network.

4. Which trends offer opportunities on the European chickpea market?

Opportunities for the chickpea market come largely from consumers that (re-)discover chickpeas as a health food and plant-protein, especially when chickpea products address the consumer’s increasing preference for convenient food.

Consumers search for healthy food

Consumers in Europe are becoming more conscious about their health. This is impacting the demand for nutritious food, as well as ingredients that are vegan and free from allergens such as gluten.

Chickpeas have all the characteristics of an ideal nutritious health food, which is proving to be a great advantage for its consumption growth. Nutritionists and food developers promote the use of chickpeas as part of a growing demand for plant-based and convenient health food.

Plant-based goes mainstream

Strongly linked to the health food trend is the development of plant-based food. The demand for plant-based food is driven by an increasing number of vegans, vegetarians and certainly also ‘flexitarians’. People are eating less meat and more plant protein products, for which chickpeas are an ideal ingredient.

According to Innova Insights “plant-based innovation in food and beverages continues to flourish as a result of consumer interest in health, sustainability and ethics”. Plant-based is becoming part of a mainstream lifestyle and new products and brands are being launched.

Chickpeas are increasingly being used for their protein in new products and ingredients. The French company Épi & Co has introduced vegetarian gourmet specialties based on chickpeas and wheat as meat substitutes. However, the company uses locally sourced chickpeas. Other examples are chickpea flour, protein and a clean label emulsifier by Ingredion and chickpea protein concentrate by the Israeli company InnovoPro. Innovative start-ups such as ChickP Ltd have also developed a plant protein isolate from chickpeas to use as an alternative for dairy.

For you as a supplier, it is important to understand the potential for chickpeas in the protein-based trend, in which product knowledge and innovation are powerful assets.

Convenience is key for the modern consumer

The lifestyle of many European consumers is more and more oriented on convenience. And dried chickpeas are everything but a fast food; They require soaking and a long cooking time. To make chickpeas more appealing to the modern-day consumer, they are either canned (pre-cooked) or made available in processed food.

Chickpeas are becoming a more regular and convenient product in ready-made meals, salads and snacks. Even foreign brands such as the American based Hippeas have successfully introduced their chickpea snacks in the European market.

The growing popularity of these products provide opportunities for more imports as well as product differentiation. You can reach new consumer groups with convenient chickpea products. Meanwhile, you can expect the demand for sub-products such as chickpea flour to increase. However, for small and medium chickpea exporters it will be challenging to compete with chickpea processors in Europe.

Tips:

- Search the internet for online shops and retailers to explore new products with chickpeas or chickpea protein. This will give you an idea of what type of products are offered, but also which companies or brands are using chickpeas in their products.
- Consider the option to add value to your chickpeas yourself, for example through processing or product development. However, you must understand the costs and investments that are involved in developing and marketing an added-value product.
- Learn more about trends by reading the CBI study on which trends offer opportunities or pose threats on the European grains, pulses and oilseeds market.

ICI Business carried out this study on behalf of CBI.