

# Entering the European market for natural ingredients for Digestive Health products in Europe

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To access Europe, it is important to comply with requirements and find sectors in which your ingredients can be marketed. Sectors include food supplements, herbal medicinal products and infusions. Each have specific regulatory requirements. Importers and distributors are your primary entry point. Your main competitors are likely from India, China, Egypt and Morocco.

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## 1. What requirements and certifications must natural ingredients for Digestive Health products meet to be allowed on the European market?

You can only export natural ingredients to European Union (EU) members if you comply with the EU's strict requirements. For a complete overview of these standards, refer to our study on [buyer requirements for natural ingredients for health products](#) or consult the specific requirements for your product in the European Commission's [Access2Markets](#).

Buyer requirements can be divided into:

1. Mandatory requirements: legal requirements you have to meet to enter the market.
2. Additional requirements: requirements you need to comply with to stay relevant.
3. Niche requirements: requirements that apply to specific niche markets.

### What are mandatory requirements?

Natural ingredients have to be safe for human consumption to enter the European market. This is why legal requirements are mainly about [food safety](#), [hygiene](#) and [traceability](#). Food safety can be compromised by poor water quality, low fertiliser quality and overall poor cultivation management. You should avoid specific sources of contamination, namely:

- Pesticides: consult the EU [pesticide database for an overview of the maximum residue levels](#) (MRLs) for each pesticide.

- **Contaminants in food and microbiological contamination.** [Regulation \(EU\) 2023/915](#) sets maximum levels for certain contaminants in food, including mycotoxins, metals and processing contaminants. [Regulation \(EC\) No 2073/2005](#) sets out food safety criteria for microbiological contaminants, such as Salmonella.
- **Extraction solvents** for foodstuffs and food ingredients: Regulated by [Directive 2009/32/EC](#). Annex I contains a list of the authorised extraction solvents for use in food and the conditions of use. For example, sulphur dioxide extraction is not authorised. Remember that extraction processes can amplify even minimal pesticide residues in your product. It is, therefore, important to carefully monitor your lab tests to ensure you meet the MRLs.

If your natural ingredients are used in food supplements, you have to follow [EU food supplement laws](#). These laws set requirements for the composition and labelling of supplements.

If your ingredient is considered a novel food, the [Novel Food Regulation](#) is also important. It mandates that the safety of ingredients not consumed within the EU before 15 May 1997 is guaranteed. To determine if your botanical qualifies as a novel food, check the [Novel Food Catalogue](#), which is based on the [Union List](#).

Note that national positive lists for botanicals determine whether your ingredient is allowed in food supplements. Examples of positive lists include the [BELFRIT](#) (Belgium, France and Italy) and [Germany](#) lists. Annex III of [Regulation 1925/2006](#) determines whether your product has been prohibited, restricted or under scrutiny for use in the European Union.

If you target the herbal medicine market, you need to understand whether your ingredient is allowed on the market. This is because you cannot sell ingredients for herbal medicinal products if they are not officially accepted. The [European Medicines Agency](#) (EMA) is responsible for the testing, supervision and monitoring of the safety of medicines in EU Member States. The EMA has developed standards for the most commonly used and accepted ingredients for herbal medicinal products. These standards are called [EU herbal monographs](#).

You can only export natural ingredients for herbal medicinal products if you follow [European Union laws](#) ([Directive 2004/24/EC](#)). You also need to meet the detailed quality, documentation, labelling, packaging, certification and tracking standards set in [the rules that govern medicinal products in the EU](#).

If your ingredient is new to the European market, it should be registered as a 'Traditional Herbal Medicinal Product' (THMPD). Under Directive 2004/24/EC, the EU offers a [simplified registration procedure for herbal substances and preparations](#) that have long traditions of safe medicinal use in Europe.

Your ingredients also need to follow Good Agriculture and Collection Practices (GACP) for raw plant materials and Good Manufacturing Practices (GMP) if you supply active substances that are used as starting materials for medicinal products. GACP and GMP ensure that medicinal products meet all the identity, quality, effectiveness and safety requirements for medicinal-grade ingredients.

You also need to comply with the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES regulates the trade in wild-collected endangered plants and guides the species for which trade is prohibited or restricted. CITES provides an [overview of plant and animal species](#) that you cannot export/import (Appendix I) or where export/import is restricted (Appendix II).

You also need to determine whether the [Nagoya Protocol of the Convention on Biological Diversity](#) (CBD) applies. This protocol aims to make sure the benefits of genetic resources and traditional knowledge are shared fairly. It provides guidelines for accessing and using genetic resources and traditional knowledge in Access and Benefit Sharing (ABS) agreements.

## **What additional requirements and certifications do buyers often have?**

Buyers need proof that your product is safe and that it meets the quality and sustainability requirements before they buy from you. If European companies or authorities find out that the safety of your product cannot be guaranteed, they will take the product off the market.

## Quality requirements and documentation

Many buyers have quality requirements that go further than legislation. These can include active ingredient content, moisture content, maximum residue levels, nutritional profile and composition. Buyer specifications set out these requirements. To show that you meet their specifications, buyers require well-structured company and product information.

This means you should have the following documentation. The examples are common ingredients used in digestive health:

- Technical Data Sheet – TDS (e.g. [Senna leaf powder \[Senna alexandrina Mill.\]](#) TDS)
- Certificates of analysis – CoA (e.g. [Milk thistle extract \[Silybum marianum \(L.\) Gaertn\]](#) CoA)
- Safety data sheet – SDS (e.g. [Fennel tincture \[Foeniculum vulgare\]](#) SDS)
- GMO certificate (if requested)
- Certificate of origin

Note that European buyers regularly test the products they buy, usually on a per-batch basis. They do this to ensure that the products meet quality requirements and are not adulterated or contaminated. They also test the samples provided by new suppliers. Many European buyers will lose interest if a new supplier delivers a low-quality product. You have one chance to convince buyers of your company and product. You need to supply this quality consistently to keep the client.

## Food safety management

In addition to the required HACCP standard, European food industries increasingly want suppliers to follow more complete food safety standards or food safety management systems. [ISO 9001:2015](#) is an industry standard that sets out expectations for quality management systems.

Examples of food safety management systems include: [ISO 22000](#), [FSSC22000](#), [IFS](#), and [BRCGS](#).

## Sustainable practices

EU legislation is putting more and more pressure on European buyers to ensure their supply chains are transparent and traceable. This means buyers often look for transparent supply chains when selecting product suppliers. Buyers want guarantees that the products they buy match the product specifications and can be traced back to their source.

Buyers expect suppliers to provide them with all the necessary information. For exporters, this means it is important to have information on production and labour practices, as well as environmental issues. Implementing an environmental management system, such as [ISO 14001](#), will help you improve environmental sustainability by improving resource use and reducing waste.

## Labelling requirements

To export your ingredients to the European market, you have to comply with the following labelling requirements:

- Name, address and phone number of exporter
- Product name and identification, including Chemical Abstracts Service (CAS) number, if applicable
- Batch code
- Place of origin
- Date of manufacture

- Best before date
- Net weight
- Recommended storage conditions
- Hazardous symbols (if applicable)

If you supply organic-certified ingredients, your label needs to include the inspection body's name and code and certification number. Label your products in English unless your buyer wants you to use a different language.

## Packaging requirements

Packaging must be safe for consumer health and the environment. Specific packaging requirements may differ per buyer and product. Your packaging needs to maintain product quality and prevent contamination. There are some general requirements you will have to consider. These include:

- Always ask your buyer for their specific packaging requirements.
- Reuse or recycle packaging materials so you can meet the European Green Deal's requirements. For example, use bags or containers of recyclable material, such as [kraft paper](#) for powders and metal for extracts.
- If you produce powdered ingredients, package them in waterproof material. For example, use paper bags lined with plastic. Preferably, use an eco-friendly lining (e.g. biodegradable or recyclable lining).
- In the case of extracts, use containers made using materials that do not react with components of the extract (such as lacquered or lined steel, stainless steel or aluminium).
- Clean and dry the containers before filling them with ingredients to prevent contamination.
- Store bags or containers in a dry, cool place to prevent the quality deteriorating.
- If you offer organic ingredients, physically separate them from products that are not certified.

## What are the requirements for niche markets?

Verifying and certifying sustainable production represents being able to sell to a niche market in the health industry. However, it can add value to your product. Standards and requirements for social and environmental sustainability include the following.

- Organic production: Organic certification acts as a quality control system and can help improve your quality and traceability. [Regulation \(EC\) 2018/848](#) sets down the rules for organic production and labelling in Europe. Refer to [this list of recognised control bodies and control authorities](#) issued by the EU to ensure that you work with officially recognised accredited certifiers.
- Verification and certification of sustainable production: This includes standards for environmental sustainability, like [UNCTAD BioTrade Initiative](#) and [FairWild](#). Examples of social sustainability include [Fairtrade International](#), [Fair for Life](#), and [Union for Ethical BioTrade \(UEBT\)](#).
- Implementing rules based on [ISO 26000](#) guidance on social responsibility.
- Implementing an environmental management system based on [ISO 14001](#).

Figure 1: Examples of certification standards for sustainable production



Source: various certification standards

Tips:

Before you certify your products, find out whether there is a market for them. Can you earn your

investment back? Talk with buyers about whether they are interested in certified ingredients. Buyers in different market segments (e.g. food supplements and herbal medicine) will likely have different certification expectations.

Standardise and minimise significant variations in your product quality. Develop [Standard Operating Procedures \(SOPs\)](#) and train farm and processing staff. Always match these activities to your buyer's requirements. Use incentives to ensure that your actions are in keeping with your specifications on harvesting and post-harvest processes. It is important to monitor these practices to maintain product quality throughout the entire harvest and post-harvest stages.

Consider working together with a university to test your product's properties. They can help determine your product's composition, safety and efficacy of your ingredient, which should be included in your product documentation.

## 2. Through which channels can you get natural ingredients for Digestive Health products on the European market?

To enter Europe, importers and distributors are probably your primary entry point. They handle a wide range of ingredients and ensure compliance with European standards. They often serve as intermediaries to processors and end-product manufacturers.

### How is the end market segmented?

The end market can be segmented into two main segments: 1) Herbal medicine and 2) Food supplements. It is crucial to know which segment your target, as there are big differences in legislation, quality parameters and certification requirements.

Figure 2: Market segmentation for digestive health products



- Herbal medicinal products available in Europe include various options that support digestive health. Most herbal medicine manufacturers feature products for this in their portfolios. Innovation and new product introductions in Europe are quite limited in this segment. Key products like fennel and chamomile have a long history of use and consumer trust. As a result, considering legislative hurdles and established supplier-buyer relationships, it is challenging for new botanicals to compete. Examples of herbal medicine product manufacturers in Europe include [Salus Haus](#) (Germany), [Schwabe](#) (Germany), [A.Vogel](#) (Netherlands), [Aboca](#) (Italy), [HRI](#) and [Natures Aid](#) (UK) and [Tilman](#) (Belgium).
- Food supplements: Many digestive health products are marketed in this segment. Supplements often contain lower concentrations of the same active ingredients used in herbal medicinal products and aim to milder digestive conditions. Almost all supplement manufacturers offer digestive health products. Although food supplements are often based on traditional recipes, ever more companies are innovating and adding new ingredients that are unfamiliar as supplements in Europe. Examples include [Purasana](#) (Belgium), [FutuNatura](#) (Italy), [Essential Ayurveda](#) and [Simply Supplements](#) (UK) and [Les Trois Chênes](#) (France).

Food supplements are a faster-growing market than herbal medicines, and Research & Development (R&D) and product development are key. Herbal medicines are well established with proven effectiveness and consumer trust. This leads to less innovation and product development. There is more competition between suppliers in the supplement market. This makes it easier for new players to enter the market.

Consumers are also interested in herbal infusions to promote digestive health. Some keywords used in marketing these products include 'soothing', 'easing', 'stimulating', 'settling' and 'supporting'. Common ingredients include fennel (*Foeniculum vulgare*), ginger (*Zingiber officinale*), liquorice (*Glycyrrhiza glabra*), mint and peppermint (*Mentha* spp.), dandelion root (*Taraxacum officinale*), star anise (*Illicium verum*), anise (*Pimpinella anisum*), chamomile (*Matricaria chamomilla* and *Chamaemelum nobile*) and senna (*Senna alexandrina*).

- Herbal infusions usually have low concentrations of botanicals for digestive health. The popularity of [herbal infusions is steadily growing across Europe](#), driven by the demand for healthy lifestyles. Despite their contribution to the popularisation of digestive health ingredients, it is important to note that [claims about botanical ingredients used in tea and herbal infusions have yet to be evaluated by the European Food Safety Authority \(EFSA\)](#).

Figure 3: Digestive health products (from left to right): herbal medicine, food supplement and a herbal infusion



Sources: HRI, Bayer, Wilden.herbals

#### Tip:

Inform buyers on how your ingredients can help consumers improve their health and wellbeing by focusing on their nutritional or health aspects. Do not make medical claims. More information on [EU regulations on claims](#) can be found on the European Commission website.

## Through which channels does a product end up on the end market?

The figure below shows a simplified value chain for natural ingredients from production to the end market. Plants can be cultivated or collected from the wild. Exporters often perform processing activities and source raw materials either from local traders or directly from farmers and collectors.

Figure 4: Market channels for natural ingredients for health products



Source: ProFound, 2024

### Importers/Distributors

In general, European importers and distributors are the most important entry point into the market. Importers/distributors can trade in up to 500 species. Some supply a wide variety of conventional, organic and Fairtrade ingredient lines. Their clients include processors of ingredients and manufacturers of food, supplements, herbal medicine product and cosmetics.

Importers typically focus on establishing and maintaining relationships with suppliers to ensure a consistent and reliable supply of raw materials. They implement quality control measures to ensure ingredients meet the required standards and comply with relevant regulations, often conducting laboratory testing. Importers also

handle all necessary documentation, including specifications, certifications and compliance records. They ensure accurate and up-to-date documentation for each imported ingredient.

Specialisation is becoming less common, but some European players:

- Focus on only one sector. For example, they only supply ingredients for food supplements or herbal medicine products.
- Limit their product offering. For example, they only produce extracts or offer ingredients from particular regions.
- Focus on certified ingredients, such as organic, [FairWild](#) and Fairtrade labels.

You can trade your botanicals through general or specialised buyers. Both types of buyers can be interesting for you, depending on the size of your company, the type of products you supply, and the certification and documentation requirements.

European companies that source ingredients from emerging economies include:

- Importers, such as [Carlo Sessa](#) (Italy) and [Kräuter Mix](#) (Germany)
- Importers and processors, such as the [Martin Bauer Group](#) (Germany)
- Specialised organic importers, such as [Organic Herb Trading Co](#) (UK) and [Health Ingredients Trading](#) (the Netherlands)
- Distributors, such as [IMCD](#) (the Netherlands)

## Agent

**Export agents** are firms or individuals that undertake most of the exporting activities on behalf of an exporter, usually for a commission. In contrast to importers and distributors, **agents do not buy products themselves**. Instead, they contact potential customers on your behalf to sell your products. Agents can be found in producing countries and in Europe. As an exporter from a producing country, you can work with agents who represent and act on your behalf on the European market. You can look for commercial agents on the [Internationally United Commercial Agents and Brokers \(IUCAB\)](#) website.

## Processor and Manufacturer

Europe has a large processing industry. The industry mainly buys its raw materials from importers and distributors. Processing varies from basic steps to the isolation and modification of specific molecules. Processors sell ingredients to end-product manufacturers, sometimes through ingredient distributors.

More and more processors and end-product manufacturers source their key ingredients directly to guarantee quality, price and a sustainable supply for ingredients with high supply risks. These can be ingredients used in high-volume end products, that have a high-risk supply or that have crucial active components.

If you have enough staff to guarantee a consistent service level, you can consider supplying processors and end-product manufacturers directly. You need to have well-developed company and product documentation and ensure a consistent quality and volume. You also need adequate logistics so you can deliver small quantities at short notice if needed.

It may be easier to trade through smaller processors if you are a small supplier. They often require lower quantities and are still important to the industry. Moreover, the quantities required for many less-traded medicinal and aromatic plant (MAP) species are limited.

Examples of processors and manufacturers on the European market offering digestive health products that directly import raw material from origin include [Herbal Apothecary](#) (UK) and [PhytoFrance](#) (France).

#### Tips:

Consider whether you would be able to become a long-term trusted supplier for larger players on the European market. Ask potential buyers how they assess their suppliers and what their application process is like.

Be prepared to send high-quality samples to prospective buyers. They will test them to assess whether you are a credible exporter. Doing so will give you an advantage if you are seeking to enter the European market.

## What is the most interesting channel for you?

As an exporter of botanical ingredients in a producing country, importers and distributors are likely the most interesting channel.

It is important to note that European importers and distributors are getting bigger and more powerful. They can demand extra services from their suppliers (e.g. audits and certifications) at lower prices. Large buyers also want to limit the number of suppliers they source from by focusing on ones that offer reliable (large) quantities and (documented) qualities.

In general, large buyers work with suppliers that have passed a pre-assessment process. Becoming a buyer's preferred supplier can give you stability, boost your sales and improve your reputation. However, you will also need to meet demands of larger volumes and very high service delivery expectations.

If you can show you are a viable partner and offer a high-quality product that meets volume and delivery requirements, these companies can offer good opportunities. For exporters of smaller volumes that do not have a marketing and sales team, it can be better to work with smaller importers or agents who can represent you in the market.

#### Tips:

Visit or participate in trade fairs to test if the market is open to your product, get market information and find potential buyers. The most relevant trade fairs in Europe are [Vitafoods](#), [Nutraceuticals Europe](#), [Food Ingredients / Health Ingredients Europe](#) and [Biofach](#) (for organic products).

Find buyers that match your business philosophy and export capacities in terms of quality, volume and certifications. [See our study on finding buyers in Europe.](#)

Before you target large buyers, make sure that you can meet their demands for additional services. Can you meet their demands regarding quantity, delivery schedules, documentation, financial reporting and auditing, price and quality?

## 3. What competition do you face on the European market for



## natural ingredients for Digestive Health products?

China and India are global suppliers that offer a wide range of botanicals, both dried plant materials and saps and extracts. They compete in supplying botanicals and have large processing industries. These industries enable them to offer value-added ingredients. Egypt and Morocco are also significant competitors, particularly for Medicinal and Aromatic Plants (MAPs). Competition comes from established species and synthetic alternatives, vitamins and minerals, enzyme supplements and prebiotics and probiotics.

### Which countries are you competing with?

Major suppliers of botanicals include large and advanced producers of MAPs and extracts with long traditions and processing industries, such as China, India. Egypt (mainly focused on cultivation) and Morocco (mainly focused on wild collection) are also strong competitors for MAPs.

### India

India is a renowned supplier of botanicals used in the nutraceutical industry. It has a rich herbal medicine heritage ([Ayurveda](#)), abundant ingredient availability, a robust processing industry, strong manufacturing expertise and high-quality clinical research. India also has strong governmental support for the production and export of botanicals and low production costs. These factors facilitate exports to Europe. India produces a range of botanicals used in digestive health products, including senna (*Cassia angustifolia/Senna alexandrina*), ginger (*Zingiber officinale*), turmeric (*Curcuma longa*) and psyllium (*Plantago ovata*).

In 2023, India was the largest supplier of MAPs to Europe, accounting for over 12% of Europe's import value. The same year, India was the second largest developing country supplier of botanical saps and extracts, with a 6.9% share of the total European import value, only behind China.

However, India also faces challenges, such as concerns over quality and consistency and adulteration. The [EU's Rapid Alert System for Food and Feed \(RASFF\)](#) has reported multiple instances of pesticide residues and ethylene oxide being present in health product botanicals. This system tracks food safety risks flagged by national authorities across the Europe Union.

### China

China has a strong tradition of using medicinal plants [thanks to Traditional Chinese Medicine \(TCM\)](#). Beyond the use of botanical products, TCM practitioners use various psychological and physical approaches (e.g. acupuncture and tai chi). One of TCM's pillars is digestive health. It uses known botanicals [such as black pepper \(\*Piper nigrum\*\), fennel seeds \(\*Foeniculum vulgare\*\), cinnamon \(\*Cinnamomum spp.\*\), ginger \(\*Zingiber officinale\*\) and cloves \(\*Syzygium aromaticum\*\)](#), for which China is a major player in terms of production and exports. Chinese processors also handle non-native species. This enhances their competitive edge with a range of botanicals.

In 2023, China was the leading supplier of botanical saps and extracts to Europe. Its ability to offer high volumes at low prices, particularly for mechanised products, ensures a stable supply that meets European quality, delivery and safety standards. Supported by [government support and investments in agricultural technology](#), China is a strong competitor. However, Chinese producers also face challenges, including quality control concerns and [reported issues of non-compliance](#). In the past, [some Chinese herbal products have been found to be contaminated with undeclared plant or animal material, heavy metals \(e.g. arsenic, lead and cadmium\), drugs, pesticides, among other substances](#).

[A large number of medicinal plants in China are also under threat from human activities and climate change](#), which greatly affect species diversity, genetic resources and the sustainable development of the medicinal plant industry and its exports to global markets.

## Egypt

Egypt, with its long-standing tradition of botanical cultivation, is a significant supplier of MAPs, such as hibiscus (*Hibiscus sabdariffa*), mint (*Mentha* spp.), marjoram (*Origanum marjorana*) and chamomile (*Matricaria chamomilla* L.), all of which are used for digestive health products. The Egyptian MAP sector relies on small-scale farmers. However, competing with Egypt would require new exporters to achieve significant mechanisation, standardisation and economies of scale.

In 2023, Egypt was the fourth largest non-EU supplier of MAPs to Europe, after India, the USA and China. EU imports from Egypt amounted to 3.6% of its total import values. Imports registered an average annual growth of 7.4% between 2019 and 2023. This growth was supported by [government investments and land reforms aimed at strengthening the agricultural sector](#). However, Egyptian producers face sustainability challenges, including [recurring pesticide issues and reliance on polluted Nile water](#) due to limited access to treated alternatives.

## Morocco

Compared to Egypt, Morocco is [well-known for MAPs from wild collection rather than cultivation](#), which accounts for around 90% of its supplies. Due to the ecological and climatic variation in Morocco, the diversity of wild-collected plants is noticeable in comparison to other countries that export MAPs. Morocco is also [interesting in terms of its botanical diversity in traditional medicine](#). Some of the most common medicinal plants collected in Morocco that have a role in digestive health are [rosemary \(\*Rosmarinus officinalis\*\)](#), [mint \(\*Mentha\* spp.\)](#), [thyme \(\*Thymus\* spp.\)](#), [oregano \(\*Origanum\* spp.\)](#) and [sage \(\*Salvia\* spp.\)](#). However, there are many other plants too; a full 743 inventoried species are used in traditional Moroccan phytotherapy. Most medicinal and aromatic plants used in Moroccan traditional medicine have been [studied for their biological properties and pharmacological efficacy](#).

Morocco's strength and reputation in the European MAP market is reflected in the trade data. In 2023, it was the fifth largest supplier of MAPs to Europe of the emerging economies, increasing its exports from €38 million in 2019 to €41 million in 2023.

Despite Morocco's competitiveness, [it has points of concern regarding its MAP sector](#). These include the unsustainable exploitation of wild-collected MAPs and the limited resources of producers, producers' groups and companies to modernise production techniques, harvesting, processing and marketing.

### Tip:

Help EU buyers build their story by documenting and visualising your product and company's unique value proposition. You can base this on your country's reputation, your sustainable wild collection, how you support communities and your product's traditional uses. This will also help with your own marketing efforts. Final manufacturers can use this information to market the end product in Europe.

## Which companies are you competing with?

Many established companies export MAPs and extracts to the European market. For new suppliers that want to access the European market, it is important to learn from successful companies.

## India

[Cultivator's](#) was founded in 1988. It is a major supplier of herbs, botanicals, spices, nutraceuticals, supplements and oils. It is certified as organic, Fair for Life and Fairwild. Its processing facility has quality and food safety

management certificates, such as BRCGS, ISO22000 and ISO9001. Cultivator's has an in-house testing laboratory that is compliant with international standards. It has European distribution warehouses in Bulgaria and Spain, which facilitate logistics. Cultivator's supplies a wide range of botanicals used in digestive health products, such as aloe vera (*Aloe barbadensis*), senna (*Cassia angustifolia / Senna alexandrina*), cinnamon (*Cinnamomum zeylanicum*), turmeric (*Curcuma longa*) and chamomile (*Matricaria chamomilla* L.).

**Arjuna Natural** is a leading manufacturer of standardised botanical extracts with over 30 years of experience. Arjuna Natural produces **speciality, branded ingredients** and **standardised ingredients**. It has strict quality control for raw materials and a complete **CSR policy**. Its manufacturing practices comply with advanced international standards. It also has an in-house team of experienced scientists that has developed over 100 patents and a global sales and distribution network. Arjuna Natural's extracts cover a wide range of botanicals used in digestive health products, such as turmeric (*Curcuma longa*), ginger (*Zingiber officinale*) and green tea (*Camellia sinensis*).

## China

**Better World Naturals** is a subsidiary of the global flavour manufacturer Huabao. It specialises in high-quality botanical food and supplement solutions. The company has a transparent, vertically integrated supply chain. Better World's Naturals offers a wide range of products, including natural colours, functional ingredients, antioxidants and sweeteners. Its key strengths include its robust traceability system, advanced R&D lab, production facilities, and quality and food safety management certifications. Among its botanical extracts for digestive health are turmeric (*Curcuma longa*) and milk thistle (*Silybum marianum*).

**Green Spring Shop** offers a selection of products, such as standard herbal extracts, fruit powders and antioxidants derived from natural ingredients, like ginger (*Zingiber officinale*), liquorice (*Glycyrrhiza* spp.) and green tea (*Camellia sinensis*). The company has a large factory equipped with advanced extraction technology and is ISO 9001 certified. Green Spring Shop publishes knowledge articles and industry news on its website. The company ensures full transparency by providing comprehensive documentation. This includes Technical Data Sheets (TDS), Safety Data Sheets (SDS), Certificates of Analysis (COA) and composition sheets developed by its in-house testing facilities.

## Egypt

**United for Import & Export** exports botanicals to the European market, including anise (*Pimpinella anisum*), caraway (*Carum carvi*), chamomile (*Matricaria chamomilla* L.) and fennel (*Foeniculum vulgare*). The company has a strict quality management system, which complies with the ISO 22000 food safety management standard. This helps ensure high-quality products. The company also has organic, Fairtrade and Rainforest Alliance certifications. It also regularly conducts chemical analyses to maintain product integrity.

**Apotec Bay** offers a broad range of products, including essential oils and extracts for the food, beverage, nutraceutical and beauty markets. The company handles both small and large quantities of raw materials. It holds organic certifications for both the EU and US markets. Apotec Bay is also ISO 22000 certified for food safety management and ISO 9001:2015 certified for quality management. Its key strengths include its advanced extraction equipment and plant laboratory that conducts tests throughout the production cycle. Its powder extracts used in digestive health products include artichoke (*Cynaria scolymus*), anise (*Pimpinella anisum*), caraway (*Carum carvi*), fennel (*Foeniculum vulgare*) and liquorice (*Glycyrrhiza* spp.).

## Morocco

**Santis** is a producer and exporter of botanicals in Morocco. Santis' facilities are BRCGS certified and equipped with two steam sterilisation units. These facilities allow it to access the strictest international markets, including Europe. Besides a broad network of cooperatives, Santis has a farming subsidiary, which is GLOBALG.A.P. certified for traceability, and control over the production process. The company has its own laboratory for greater quality control. In addition to offering organic-certified products, Santis is also a Sedex member and audited by SMETA. Santis offers a wide range of botanicals used, such as rosemary (*Rosmarinus officinalis*),

chamomile (*Matricaria chamomilla* L.) and artichoke (*Cynaria scolymus*).

#### Tips:

Build long-term and sustainable trade relationships with your buyers. Trust is necessary for both the supplier and the buyer. Respond promptly and always follow up. A good website with information on your company, products and certifications can help with this. For an example, have a look at the website of [Arjuna Natural](#) (India) to learn from the type of information they display for each of their products. The [product list of Better World Naturals](#) (China) is also interesting. It clearly displays the health benefits associated with each of their products. The company has other interesting graphs and infographics that show their quality management processes.

For more tips on building trade relationships and finding buyers, read CBI's studies on [tips on doing business](#) and [tips on how to find buyers in the natural ingredients for health products market](#).

## Which products are you competing with?

The category of digestive health botanicals is competitive, with numerous options available that have similar benefits. For example, several botanicals are recommended to treat indigestion, so they compete against each other. These products include chamomile (*Matricaria* spp.), cinnamon (*Cinnamomum* spp.), ginger (*Zingiber officinale*) and liquorice (*Glycyrrhiza glabra*). The competitive edge of one species over the other is related to availability, accessibility, perception of efficacy, positive recommendations/testimonies and other customary elements.

Other product categories that you compete with as an exporter of ingredients for digestive health include the following.

### Synthetic medicine alternatives

Herbal medicine and food supplements are commonly used in Europe for mild and moderate digestive health conditions. However, most European consumers use non-herbal synthetic products to treat more severe and chronic disorders, like irritable bowel syndrome (IBS), bacterial infections, oesophageal and stomach ulcers. Inflammatory bowel diseases are often treated with non-steroidal anti-inflammatory drugs (NSAIDs), while bacterial infections are mostly treated with antibiotics.

General practitioners and specialists often prefer these treatments for their patients due to their reliability and efficacy. Consequently, outside of a small niche of consumers who do not use synthetic health solutions, herbal alternatives struggle to compete in this market.

### Vitamins and minerals

Vitamins and minerals represent approximately half of all food supplements sold in many European markets. They are also often synthetic. Synthetics offer advantages over botanicals, like lower production costs and greater product stability and shelf life.

Synthetic vitamins and minerals have a competitive edge over botanicals because they can carry authorised health claims. This is impossible for many botanical ingredients. Food supplement brands that include vitamins or minerals can feature health claims on their products without any disclaimers.

For instance, aluminium hydroxide and magnesium hydroxide are antacids that are commonly used together to

relieve heartburn and indigestion.

## Digestive enzymes

Digestive enzymes help break down food and speed up reactions that turn nutrients into substances that the digestive tract can absorb. Digestive enzyme supplementation plays a role in improving digestive health. These supplements can contain digestive enzymes that are released naturally by the digestive system to target specific nutrients, such as amylase, pepsin, lipase, lactase and trypsin.

### Tips:

Build a marketing story for your ingredients that shows how they are different from competing products. You can use histories about the ancient use of your ingredient or its nutritional content, or you can refer to studies and clinical trial results. For an example of how this can be done, look at the [KSM-66 ashwagandha](#) (India) website.

Do market research into potential substitute products. Find out how your ingredients compare in terms of scientific evidence, price, supply security, sustainability and ease/costs of substitution. Ensure you have these results prepared when you talk to potential buyers.

## 4. What are the prices of natural ingredients for Digestive Health products on the European market?

The price of ingredients depends on several different aspects. These include the following:

- The product and its properties: Botanicals with popular properties that are linked to health benefits can sell for a higher price if these claims are sufficiently substantiated in testing.
- Compliance with quality standards: Botanicals that comply with quality standards from production and collection (e.g. Good Collection and Agricultural Practices for Medicinal Plants) through processing are likely to attain higher market values when the adequate market and buyer segment is targeted.
- Level of processing: Botanicals that are processed into extracts or branded ingredients fetch higher prices.
- Cost price: Raw material prices and processing costs influence the export price of a botanical ingredient.
- Exclusivity and novelty versus availability: Popular botanicals with limited availability can sell for a higher price.
- Certification: Certified botanicals could sell for a higher price if you can find buyers who are willing to pay for the certificate.
- Buyer relations: The relationship between you and your (potential) client and your negotiation skills.

The general price structure considering different steps in the supply chain:

- Raw materials: 5-15%
- Processing: 5-15%
- Transport costs: 2-5%
- Import and processing in Europe: 15-30%
- Retail margin: 30-60%

### Tips:

Calculate your production costs with a detailed cost breakdown. Remember to include additional costs such as customs, loading, unloading, marketing, samples for chemical analysis and internal transport. Add your profit margins to the cost breakdown result to calculate the selling price.

When pricing your product, consider the maximum price that customers would be willing to pay for it, plus existing demand, your cost analysis and your break-even analysis. Ensure the price reflects the quality and delivery conditions.

Gustavo Ferro, associate expert of [ProFound - Advisers In Development](#), carried out this study on behalf of CBI.

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