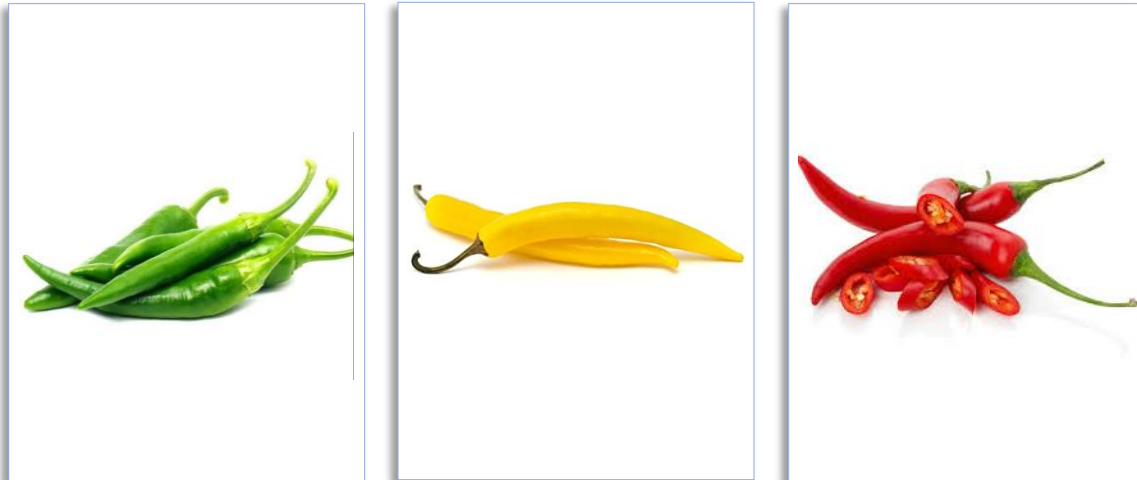


Product Focus

Chili Peppers - HS Code 07096099



The chili pepper is the fruit of plants from the genus *Capsicum*, members of the nightshade family, Solanaceae. They can be green, yellow, orange, red or black. There are more than 200 known varieties and they differ greatly in size, colour and level of hotness.

Red chilies contain large amounts of vitamin C and small amounts of carotene (provitamin A). Considerably lower amounts of both substances are contained in yellow and, especially, green chilies (which are essentially unripe fruit). Peppers are also a good source of most B vitamins, particularly vitamin B6. They are very high in potassium, magnesium and iron. The substances that give chili peppers their intensity are called capsaicinoids.

Chili peppers are primarily used as a spice and can be cooked or dried and powdered. Powdered, red chili peppers are known as paprika.

Fresh chili peppers are often considered ethnic foods. European countries such as France, the United Kingdom and Spain that have historical ties to tropical and subtropical countries, are naturally larger markets. This is due to their larger population of ethnic African, South American and Asian inhabitants.

OPPORTUNITIES

The global import of Chilies increased by 5% in the period 2014 to 2018 from US\$5.1 billion to US\$5.5 billion. The table below highlights major importers regionally and internationally.

| International Markets | | Regional Markets | |
|-----------------------|------------------|------------------|-------------|
| ✓ USA | ✓ Japan | ✓ Seychelles | ✓ Angola |
| ✓ Germany | ✓ Poland | ✓ Botswana | ✓ Mauritius |
| ✓ UK | ✓ Italy | ✓ South Africa | ✓ Ghana |
| ✓ France | ✓ Belgium | ✓ Cabo Verde | ✓ Eswatini |
| ✓ Canada | ✓ China | ✓ Namibia | |
| ✓ Netherlands | ✓ Spain | ✓ Lesotho | |
| ✓ Russia | ✓ Czech Republic | | |

USA, Germany and the United Kingdom are the leading importing countries of chili peppers. The United Kingdom is an important buyer of chili peppers originating from India, Kenya and Pakistan.

MARKET ANALYSIS

According to UN COMTRADE - Trademap statistics, COMESA's exports of Chilies to the world increased by 14% over the past four years, US\$6.4 million in 2015 to US\$7.4 million in 2018. The major export markets for COMESA include Saudi Arabia, Hungary, Russia, Netherlands, United Kingdom, Kuwait, Slovenia and Germany.

EXPORT POTENTIAL

In the past years COMESA countries who have been producing and exporting chilly peppers include:

| Country | | Potential & Existing Export Markets |
|---------|------------|---|
| 1. | Egypt | Hungary, Saudi Arabia, Russian Federation, Slovenia, Germany, Italy, Kuwait, Japan, Ukraine, Bahrain, Greece, Lebanon. |
| 2. | Tunisia | Netherlands, Libya, State of, Qatar, Saudi Arabia, Canada, France, United Arab Emirates, Russian Federation, Kuwait, Oman. |
| 3. | Kenya | United Kingdom, Somalia, Spain, Germany, Netherlands, Norway, Oman, Kuwait, United Arab Emirates |
| 4. | Madagascar | France, United Arab Emirates, Mauritius, Comoros |
| 5. | Zimbabwe | Netherlands, United Kingdom, Switzerland, Germany, France, South Africa, Finland, Czech Republic, Poland, Austria, Spain, Switzerland, Ireland. |

MARKET ENTRY

Certification and the need to fulfil both legal and non-legal requirements pose major obstacles to producers and exporters entering the market. As an exporter you depend a lot on the quality control of your buyer.

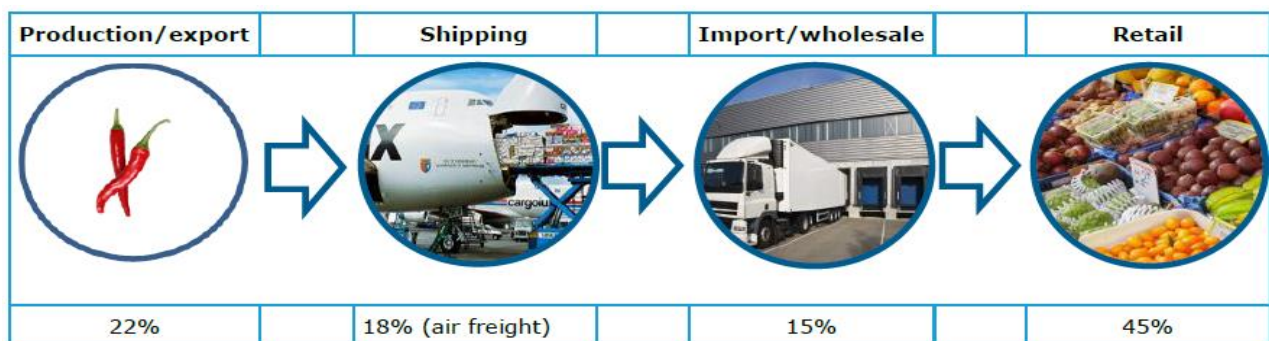
PRODUCT COMPETITION

Chili peppers are used for cooking, and the option of replacing chili peppers with other hot spices is limited. Nevertheless, fresh chili peppers are easily replaced by easy-to-use chili powder or ready-made sauces and curry pastes.

PRICE

In Europe, consumer prices are generally between €0.50 and €1.00 per piece. The best prices for consumers are found in Southern Europe and in street markets.

Temporary shortfalls in supply or demand (e.g. due to border closures) can have a major impact on prices.



PACKAGING



- Chili peppers should be packed in a way that ensures proper protection for the product.
- The visible part of the contents of the package must be representative of the entire contents.
- The materials used inside the package must be clean and of such a quality that it prevents any external or internal damage to the produce.
- The use of materials (*particularly paper or stamps bearing trade specifications*) is allowed, provided that the printing or labelling has been done with non-toxic ink or glue.
- Stickers individually affixed to the produce shall be such that, when removed, they leave neither visible traces of glue nor lead to skin defects.
- Packages must be free of all foreign matter.

Chili peppers can be divided in three classes according to quality: Extra Class, Class I and Class II.

Chili peppers in a package must be uniform and packages should contain only chili peppers of the same origin, variety or commercial type, quality and size (if sized).

Nevertheless, a mixture of chili peppers of distinctly different colours and/or commercial types may be packed together in a sales package, provided they are uniform in quality and of the same origin.

The size of chili peppers is determined by either length or diameter. The following bullet points apply to all classes:

Sized by length:

- Size Code 1: peppers < 4 cm
- Size Code 2: peppers 4–8 cm
- Size Code 3: peppers 8–12 cm
- Size Code 4: peppers 12–16 cm
- Size Code 5: peppers > 16 cm



Sized by diameter:

The difference between the diameters of chili peppers in the same package may not exceed 2 cm.

It is acceptable for about 10% percent of the product to be of the next lower size standard.

LABELLING

To protect the right of consumers, each package must bear the following details, in letters grouped on the same side, legibly and indelibly marked, and visible from the outside:

- a) information about the packer/dispatcher and or shipper
- b) nature of the product (including chilli peppers, if this is not visible from the outside)
- c) country of origin of the product
- d) class and size of the product
- e) If certified GlobalGap, use GG number.

PHYTOSANITARY REQUIREMENTS

Fruit and vegetables to be exported to various markets must comply with the legislation on plant health. Exporters are encouraged to consult with their Agriculture Ministries to be issued a relevant certificate/permit.

STANDARDS

Environmental and social issues are becoming more and more important in the supply of fresh fruit and vegetables. Social and environmental certification schemes include actions aimed at sharply reducing and registering the use of pesticides, taking action to ensure the safety of employees and/or even including price guarantees.

Exporters are urged to comply with food quality and safety standards such as Global GAP, Fair Trade and Sustainable Agriculture Network:

- a) **GLOBAL G.A.P. Crops (*Global Good Agricultural Practice*)**: the standard is primarily designed to reassure consumers about how food is produced on the farm by minimising detrimental environmental impacts of farming operations, reducing the use of chemical inputs and ensuring a responsible approach to worker health and safety as well as animal welfare.
- b) **HACCP (*Hazard Analysis and Critical Control Points*)**, Requirements for the hygiene of food is laid down and states the general hygiene procedures for food at all stages of the production process from primary production to the world consumer ("*from-farm-to-fork approach*").
- c) **Fair Trade International**: an independent, non-governmental, not-for-profit organization that promotes sustainable development and poverty alleviation and sets the Fairtrade standards. One organization (FLO-CERT) is responsible for auditing and certification of compliance against the Fairtrade standards.
- d) **Sustainable Agriculture Network - Rainforest Alliance**: network of conservation groups committed to community-based conservation initiatives and research. The certification program for SAN standards is operated by Rainforest Alliance.
- e) **BRC (*British Retail Consortium*)** - BRCGS' Standards guarantee the standardisation of quality, safety and operational criteria and ensure that manufacturers fulfil their legal obligations and provide protection for the end consumer. Certification to BRCGS' Standards is now often a fundamental requirement of leading retailers, manufacturers and food service organisations.
- f) **IFS (*International Food Standard*)** - The IFS comprise eight different food and non-food standards, covering the processes along the supply chain. However, IFS does not specify what these processes must look like but merely provides a risk-based assessment of them. The different standards are now used by manufacturers and retailers worldwide to meet new requirements for quality, transparency and efficiency resulting from globalisation.

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