

# Product Focus

*Ginger - HS Code 09101100 & 09101200*

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Ginger is the irregularly shaped root (rhizome) of the ginger plant (*Zingiber officinale*). The plant is cultivated in the tropics.

Ginger is mainly used in:

- ⊕ oriental and cooking;
- ⊕ bakery and confectionery products;
- ⊕ liqueurs.

Consumers are searching for healthier food ingredients which is stimulating the growing demand for dried ginger on the market. This is not a surprise, as healthy eating is one of the biggest trends around the world at the moment. Consumers perceive food ingredients such as salt, sugar and synthetic additives as unhealthy; other products that also add flavour, such as spices and herbs, are increasingly replacing these products. This trend is not only visible in food, but also cleaning products and cosmetics, which are also progressively incorporating spices and herbs, fruits and plants in their products.

## OPPORTUNITIES

The global import of ginger increased by 24% in the period 2015 to 2018 from US\$ 857 million to US\$1.1 billion. The table below highlights major importers regionally and internationally.

International Markets		Regional Markets	
<ul style="list-style-type: none"> <li>• United States of America</li> <li>• Netherlands</li> <li>• Japan</li> <li>• Pakistan</li> <li>• Bangladesh</li> <li>• Germany</li> <li>• Malaysia</li> </ul>	<ul style="list-style-type: none"> <li>• United Kingdom</li> <li>• United Arab Emirates</li> <li>• Vietnam</li> <li>• Canada</li> <li>• Saudi Arabia</li> <li>• Russia</li> </ul>	<ul style="list-style-type: none"> <li>• Morocco</li> <li>• South Africa</li> <li>• Algeria</li> <li>• Egypt</li> <li>• Nigeria</li> <li>• Botswana</li> <li>• Tunisia</li> </ul>	<ul style="list-style-type: none"> <li>• Lesotho</li> <li>• Namibia</li> <li>• Seychelles</li> <li>• Libya, State of</li> <li>• Ghana</li> <li>• Mauritius</li> <li>• Angola</li> </ul>

**Source:** ITC Trademap and ExportPotentialMap

USA, Netherlands and Japan are the leading importing countries of ginger.

## MARKET ANALYSIS

According to UN COMTRADE - Trademap statistics, COMESA's exports of ginger to the world increased by 1% over the past five years, from US\$1,413 million in 2015 to US\$1,423 million in 2019. The major export markets for COMESA include, Germany, United Kingdom, France, Saudi Arabia, India, Malaysia, Brazil, Netherlands, Comoros and Belgium among others.

## EXPORT POTENTIAL

In recent years, the COMESA countries which have been producing and exporting ginger include:

	Country	Potential & Existing Export Markets
1.	Madagascar	Germany, France, Comoros, Italy, Canada, Mauritius, Netherlands, Singapore, Vietnam
2.	Uganda	Rwanda, Sudan, DRC, South Sudan
3.	Egypt	Libya, Germany, Saudi Arabia, Seychelles, United States of America
4.	Ethiopia	Kenya, Yemen, India, Somalia, Djibouti, Saudi Arabia, United Arab Emirates, United States of America
5.	Kenya	Uganda, USA, Israel

**Source:** ITC Trademap and ExportPotentialMap

## 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.

## PRICES

Ginger is an annual crop. Its prices fluctuate from harvesting season to harvesting season. The price of dried ginger also depends on the price of fresh ginger. Also, there are different prices for the different product varieties and origins. For example, in July 2019, the price for dried Indian ginger whole was about USD 4,000 per tonne, while Chinese ginger sliced was about USD 3,000 per tonne and Nigerian ginger split was sold at about USD 2,000 per tonne FOB (Free on Board).

## LABELLING

Correct labelling is important for buyers. To this end, pay extra attention to the labelling of your product.

For bulk ginger, the following information is important:

- ⊕ name of the product
- ⊕ details of the manufacturer (name and address)
- ⊕ batch number
- ⊕ date of manufacture
- ⊕ product grade
- ⊕ producing country
- ⊕ harvest date (month-year)
- ⊕ net weight.

Other information that exporting and importing countries may require include the bar, producer and/or packager code, as well as any extra information that can be used in order to trace the product back to its origin.

## PACKAGING

For shipping, bulk whole dried ginger roots should be packaged in jute sacks (36-65 kg). It is less common but also possible to pack the roots in wooden boxes or linen corrugated cardboard boxes (60 kg). The mostly applied packaging sizes depend on what the customer demands, and on what is common in the supplying country.

Ginger processed in the form of slices or powder is packaged in multi-wall laminated bags of different weights ranging from 1 to 25 kg. Common weight classes are 12.5 kg and 25 kg.

## PHYTOSANITARY REQUIREMENTS

Roots, fruits and vegetables to be exported to various markets must comply with the legislation on plant health. Most destination markets require ginger to go through plant health checks before entering or moving within their countries for example EU, USA and Asia.

Exporters are encouraged to consult with their Agriculture Ministries to be issued a relevant certificate/permit.

## QUALITY

Product quality is a key issue for buyers in Europe.

Most countries specify the chemical and physical parameters dried that ginger needs to comply with when sold before crushing and grinding (after drying):

- ⊕ Ash: maximum 8%
- ⊕ Acid insoluble ash: maximum 2%
- ⊕ Moisture: maximum 12%
- ⊕ Volatile oil: minimum 1.5 ml/100 gr
- ⊕ SO<sub>2</sub>: maximum 150 ppm

## STANDARDS

Environmental and social issues are becoming more and more important in the supply of roots, fresh and dried fruit. 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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