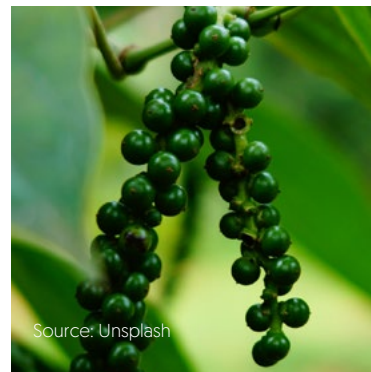


Exporting Pepper from Cambodia to Europe



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Source: Khmer Post Asia



The EU market for Pepper

Accounting for more than a quarter of total global imports in value, the European Union is the world's largest market for pepper. As imports volumes gradually increase, the area offers great opportunities for developing countries' exporters aiming to expand their businesses.¹

The consumption of pepper is expected to continue growing at a stable rate, following the European population growth. In the next five years, imports are likely to increase at a rate of 1-2% per year.² European markets offer a price advantage over Asian markets for high-quality and sustainably produced pepper exporters. In 2019 and 2020, the average export unit value of Vietnam to Germany (the largest European market) was 10% higher than to the USA and 20% higher than to China.

Today, most Cambodian pepper is directed to Vietnam and, to a minor extent, Thailand, which often process and re-export them.³ Cambodian producers and exporters have much to gain by cutting out these intermediaries and directly approaching end markets, such as Europe.

The objective of this guide is to raise awareness regarding opportunities in the European market for Cambodian pepper, as well as guide exporters on the basic steps they need to take to get their products on the market.

I Product definition⁴

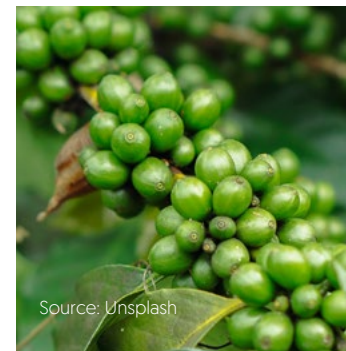
Pepper is the dried berry of *Piper nigrum*. The term “peppercorn” is often used to avoid confusion with “green pepper” and “red pepper”, which are also used to describe spices and vegetables. Most traded pepper berries are black, although green and white pepper also exist.

1 Presentation of the product



Black Pepper

Berries with unbroken pericarp (the flesh and skin surrounding the seed). In the production process, berries are harvested when they are still green, but they darken during drying due to enzymatic oxidation. In most producing countries, pepper is dried in the sun.



Green Pepper

Unripe berries. In the production process, blanching and controlled tunnel drying are commonly used to prevent oxidation and to preserve the green colour. For the European market, using sulphur dioxide as a color-preserving additive for dried green peppercorns is not allowed. This is important to underline, as the Codex Alimentarius and International Pepper Community pepper standard do allow the use of sulphur dioxide, in contrast to the EU legislation.



White Pepper

Ripe berries with the pericarp removed. These are basically the seeds of the peppercorns. White pepper is commonly produced by soaking fully ripe berries in water. This process decomposes the pericarp, which can then easily be removed.



Red Pepper

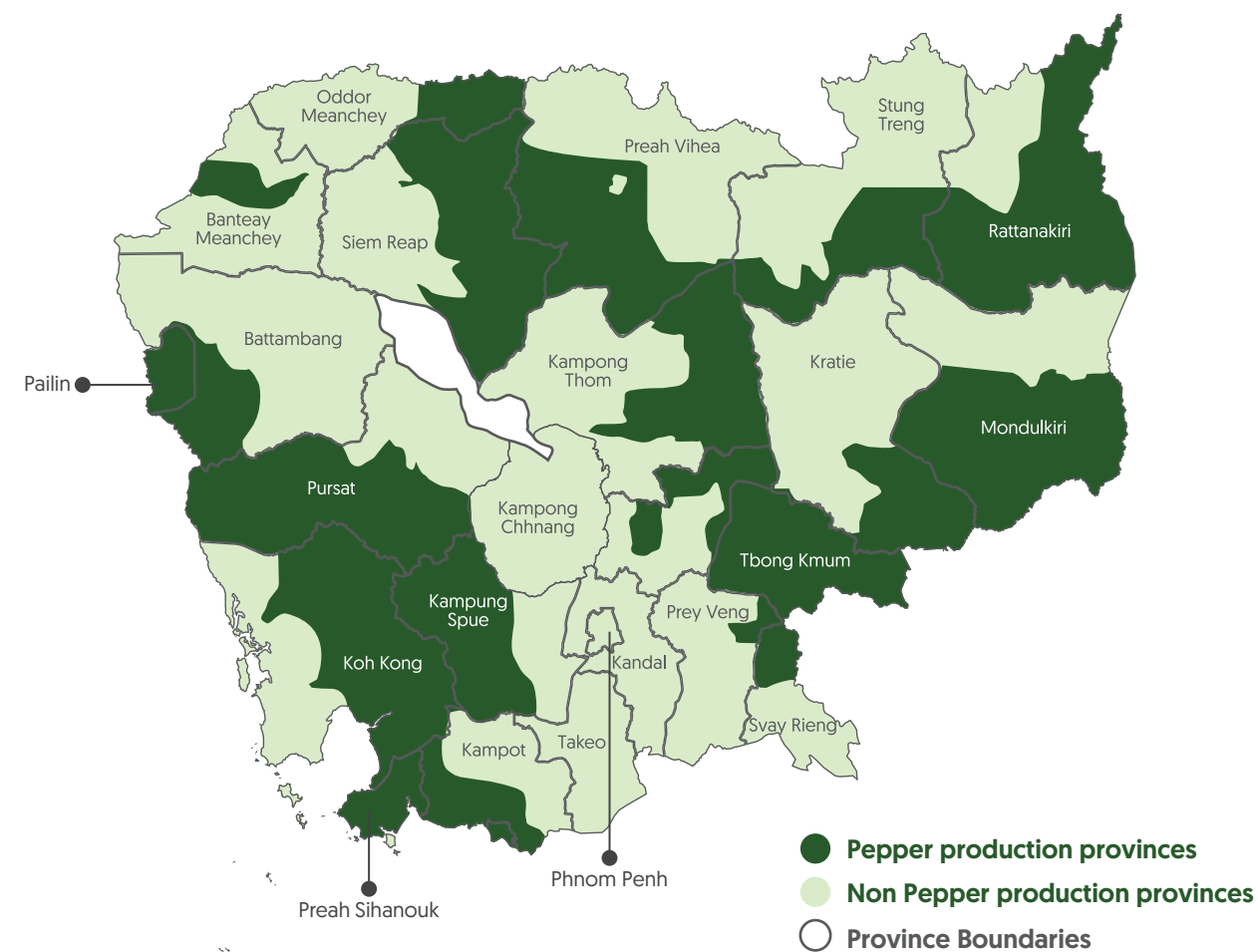
Green pepper that has reached full maturity. It is the *Piper Nigrum*, originating from the Southwest of India. This pepper is generally the priciest.

Pepper can be used whole, crushed, or ground. It is the most widely used spice in the world and is used to give pungency and flavour to food.

For more details, you can find here the ISO Standard for Pepper (*Piper nigrum* L.), whole or ground. <https://www.iso.org/obp/ui/#iso:std:iso:959:-1:ed-2:v1:en>

2

Cambodian product offer



Source: EuroCham, [2020]. Sourcing from Cambodia: Pepper

Due to favourable climate and soil, Cambodia is considered one of the best regions in the world to grow high-quality pepper.

Compared to other agricultural products in Cambodia, the volume of pepper production and export is relatively small. In 2020, 17,000 tonnes were produced within the country over 6,822 hectares. Approximately 3,500 tonnes were exported.

A. Varieties traded



- **Green pepper** is harvested while still young on the vine. Its mild pepperiness is ideal to use it with a grilled squid, shrimp, or crab dish.
- **Black pepper** is obtained by picking the green berries and letting them dry in the sun. This type has a strong aroma. Bordering Vietnam, it is perfectly located for exports.
- **Red pepper** can go with a wide range of food items, from meat seasonings to vanilla desserts. This type is quite rare and more expensive than the others.
- **White pepper** is extremely rare due to the difficulty of harvesting fully mature pepper berries. They are similar to red berries, with the difference that their skins have been removed, which is a laborious process.

B. Sector associations and Geographical Indications

Most of the pepper production in Cambodia is made by small-scale farms with limited infrastructure and labor-intensive processes. These farms are organised into approximately 20 cooperatives and producer associations.

Some of the most relevant associations have their details listed below.

Table 1: Selected pepper associations

| Company | Background | Website |
|---|--|---|
|  Cambodia Pepper and Spices Federation | Cambodia Pepper and Spices Federation (CPSF) have been established due to the decrease of pepper prices every year. It aims to make pepper producers more competitive and organised. | http://cpsfnet.org/home |
|  Kampot Pepper Promotion Association | Kampot Pepper Association Association (KPPA) is an inter- institute established to protect and promote Kampot pepper and Kampot pepper producer. | http://www.kampotpepper.biz/ |
| Da Memot cooperative | Da Memot cooperative is the first farmer organisation active in the area with more than 300 members. | https://www.facebook.com/PepperCambodia/ |

Here you can find additional cooperatives, though of lesser importance.

<http://cpsfnet.org/members>

Geographical Indications

An interesting thing to note is the development of Geographical Indications.

The Ministry of Commerce and its department of intellectual property rights are working closely with small and medium-sized enterprises, agricultural cooperatives, and other associations to create an identity for geography-related products, register them as trademarks and use intellectual property rights to stimulate, promote and develop production and businesses.

“Kampot pepper” is actually the first pepper in the world to be awarded Protected Geographic Indication (PGI) by the European Union.⁶ Kampot is known for its unique combination of climate, hydrology and soil that make it an exceptional terroir. The Kampot Pepper PGI specification requires the pepper to be 100% organically grown and produced from only one of two subspecies of piper nigrum, Kamchay and Lampong (or Belantoeung).



Source: <https://uopera.com/>

II Introduction to the EU Market



The EU internal market is one of Europe's major achievements and its greatest asset in times of increased globalisation.

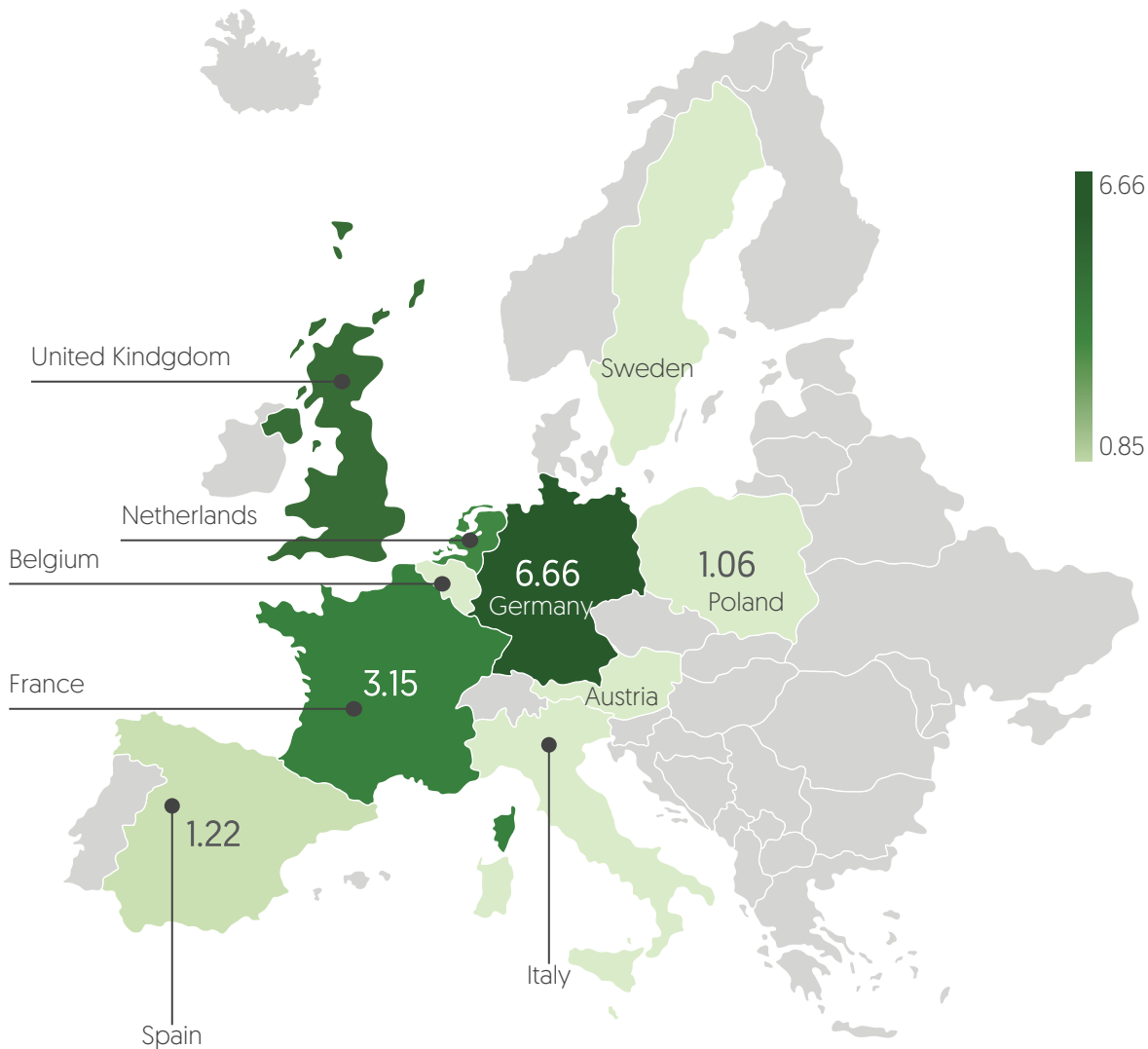
By allowing people, goods, services, and capital to move more freely, it opens new opportunities for European citizens, businesses, and consumers, but also for private businesses outside of Europe that can take advantage of the potential of this huge consumer market.

As one of the world's largest economies with a GDP of 17.1 trillion USD in 2020, the European Union accounts for more than 15% of the world's trade in goods. The total value of the EU's trade with third countries has reached 4,067 billion euros in 2020, making the EU the second trading power after China and ahead of the United States.

About 447 million people live in the EU in 2022. According to the European Parliament, more than 30 million of them have jobs that depend on foreign trade.⁷

1 European imports of pepper

Figure 1: Largest European imports of pepper in value, in percent of global imports



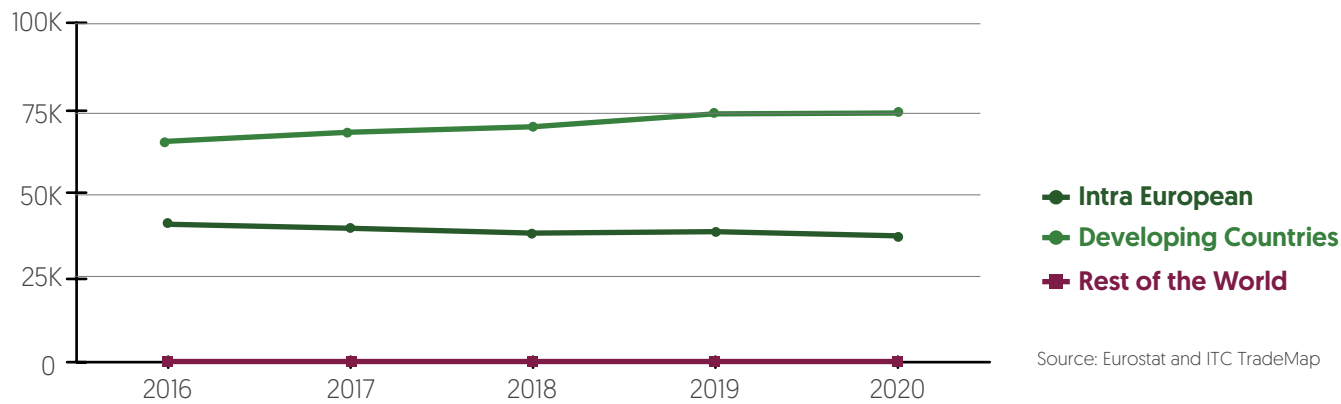
Source: <https://www.cbi.eu/market-information/spices-herbs/pepper/market-potential>

The EU is the largest importer of pepper in the world, accounting for more than a quarter of total global imports.

Although it can be found grounded, most pepper is actually imported as whole [90%]. Whole peppercorns make it easier for importers and retailers to test the quality and safety of the product, it is also the best way to preserve flavor and quality for a longer time.

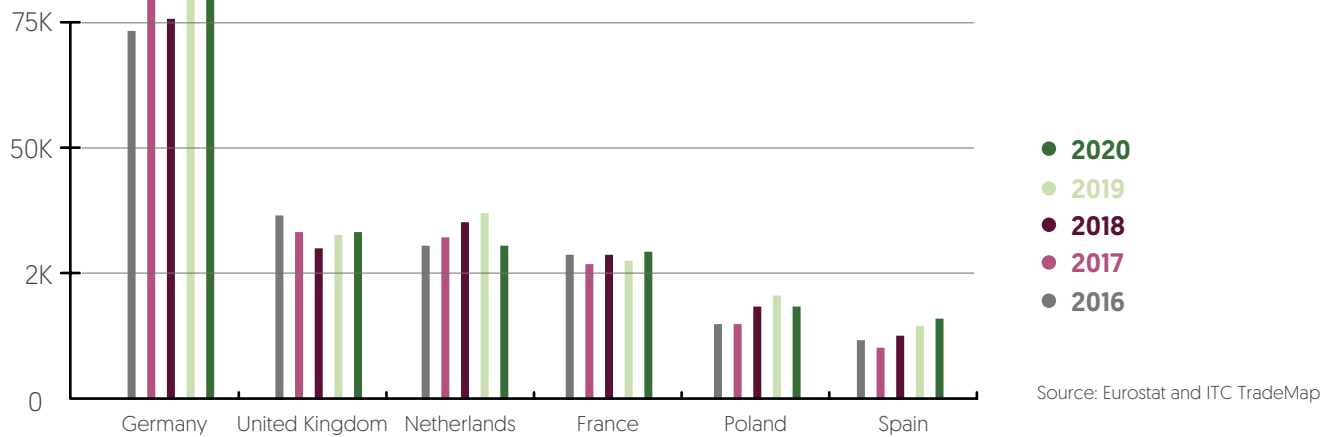
Because pepper isn't grown in Europe, its consumption is extremely similar to its imports. The difference between imports and exports, known as apparent consumption, is around 70 thousand tonnes.⁸

Figure 2: European imports of pepper by origin, in tonnes



The largest importing countries⁹

Germany is by far the European leading importer with a 30% share. Other large markets are the UK [12%], the Netherlands [11%], France [11%], Poland [6%] and Spain [5.6%].



Germany

Germany is by far the largest importer and consumer in Europe. Over the last few years, imports of pepper by Germany have seen an increase of 3% per year, reaching 87 million in 2020 [33 thousand tonnes]. Approximately 40 to 50% of imports are then reexported to other markets.

In 2020, Brazil was Germany's leading pepper supplier with a 43% import share, followed by Vietnam [38%], Indonesia [6%], Cambodia [3%], India [3%] and Sri Lanka [2%]. Cambodia is gaining market share in Germany, increasing its exports of pepper from only 45 tonnes in 2016, to more than 1.1 thousand tonnes in 2020.

The United Kingdom

Although its imports decrease by 3% every year, The UK is still the second-largest importer and consumer of pepper in Europe. In 2020, it imported approximately 13.5 thousand tonnes, for around €50.5 million. Only around 8% is re-exported to other European markets.

In 2020, Vietnam was its main supplier with a 40% share, followed by the Netherlands (22% via re-export), India (10%), and France (7% via re-export).

France

French pepper imports are growing at an average rate of 1% per year, reaching 12 thousand tonnes and 41.4 million euros in 2020.

In 2020, 40% of importer pepper came from Vietnam, followed by Brazil (23%), Germany (11%, via re-export), Indonesia (11%), and the

Poland

Poland's imports increase quickly with an average annual rate of 4% in the past few years, reaching 19.9 million euros and 7.2 thousand tonnes in 2020. Vietnam concentrates the vast majority of Polish imports with a 83% share.

The Netherlands

75% of Dutch imports are reexported to other markets. In 2020, it imported 12.3 thousand tonnes for a total value of 31 million euros.

With a 53% share, Vietnam is by far Netherlands' leading suppliers. Brazil (17%), Indonesia (12%),

Italy

Imports of pepper in Italy increase at an average rate of 1% per year, reaching 15.2 million euros in 2020 for 7.8 thousand tonnes.

Italy is an interesting importing market as it has

The UK, as the European largest fair-trade market, offer good opportunities for fair trade certified pepper. As of 2021, the UK pepper fair-trade market is shared by 5 companies, namely Bart Ingredients, Dani Organic Foods, British Pepper & Spice, Van Rees and Tchai Ovna.

Being fair trade certified will give you the advantage to avoid competing with leading suppliers and directly enter niche markets.

Netherlands (3%, re-export). Smaller suppliers include India, Madagascar, China, Ecuador and of course, Cambodia.

The country re-export more than half of its imports to other markets, especially to Poland, the USA, and Italy.

Spain (4%, via re-exports) and India (3%) follow.

Spice traders in the Netherlands are organised within the Dutch Spice Association, which strongly promotes sustainable sourcing of spices.

France as its leading supplier, with a 25% share. Vietnam accounts for 23%, followed by Brazil (23%), Germany (8%, re-export) and India (4%). Other suppliers include Indonesia, Ecuador, Madagascar, and China.

Tips and interesting readings:

To find potential importers, check the members list of the:

- [German Spice Association](#)
- [Seasoning and Spice Association \(UK\)](#)
- [Royal Dutch Spices Association \(the Netherlands\)](#)
- [National Union of Processors of Pepper, Spices, Herbs and Vanilla \(France\)](#).
- [Polish Chamber of Commerce](#).

See the CBI study on Market Statistics & Outlook for Spices and Herbs for more information about general trade developments within the European spices sector. <https://www.ceintelligence.com/files/documents/Herbs%20and%20Spices%20Sector%20-%20CBI%20Trade%20Statistics.pdf>

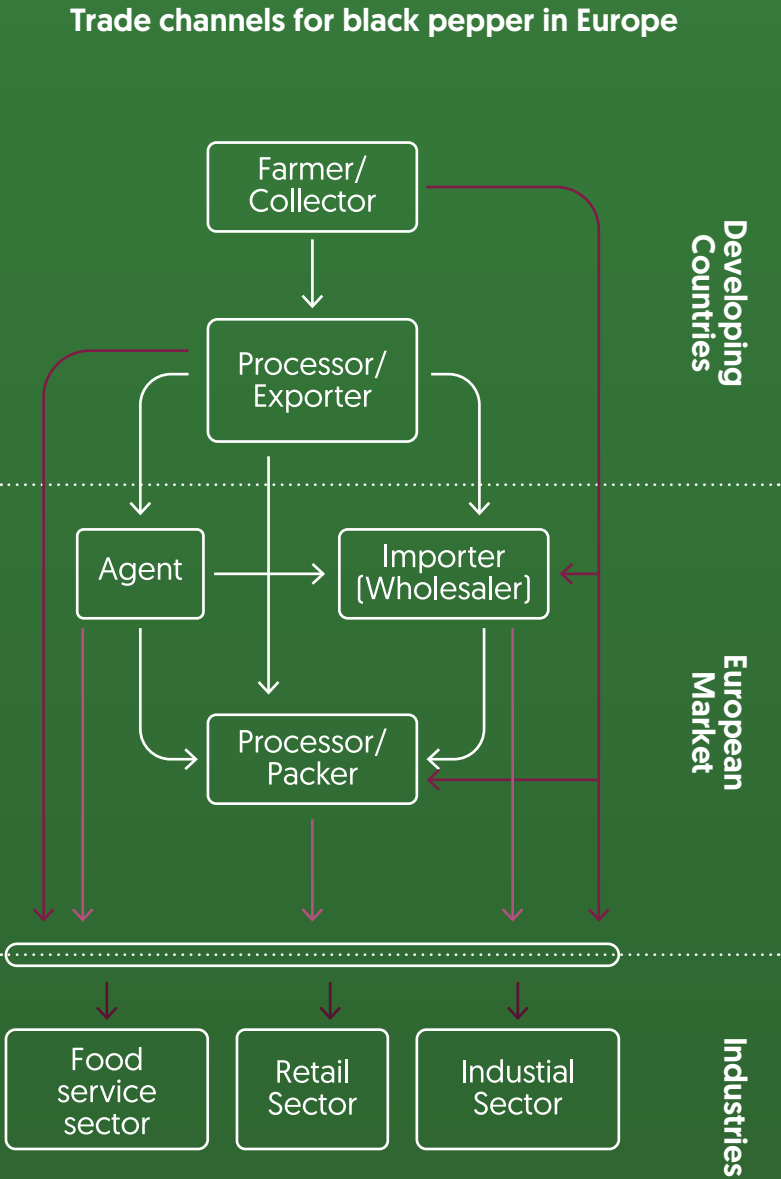


2 Distribution channels¹¹

The favoured channel to get your pepper on the European market is the specialised spice importers. Some of them are already present permanently in pepper-producing countries, either with established sourcing offices or even sometimes with their own production facilities.

It is also possible to work with spices specialised agents, or to directly supply food services companies and food processors.

Most leading wholesalers have their packing facilities and supply private labels pepper brands.



Source: Autentika Global

Importers/wholesalers

While some wholesalers and importers pack pepper for retail chains, others exclusively deal with ingredients intended for the processing industry.

Importers must continually adapt to the end consumers' changes in habits and needs, and are increasingly put under pressure by retailers,

who are at the forefront of these changes in demand. This pressure coming from consumers is converted into added value, as “organic”, “natural”, “fair-trade” and “sustainable” products. This results in a crucial need for transparency in the supply chain process and encourages many importers to build long-lasting relationships with their trusted suppliers.

Retail channel

Two different types of activities are usually performed by brokers and agents. They work as independent companies and act as the intermediary between buyers and sellers, negotiating on behalf of their clients and getting commissions of around 2 to 4%. Agents are well-positioned when it comes to supplying the private labels of the European retail network. For most exporters in supplying countries, this

is rather difficult to engage with the different tendering procedures. In cooperation with agents and brokers, you could be able to participate to these procedures implemented retail chains, which for reminder concentrate a large part of the European sales of pepper. Examples of agent brokers in Europe include Van der Does Spice Brokers and AVS Spice Broker Europe.

Tips

- To find potential buyers, have a look at the members list of the European Spice <https://www.esa-spices.org/index-esa.html/members-esa>

What is the most interesting channel for you?

To directly supply the retail segment can be attractive but is very time and cost consuming and requires a lot of logistical and quality investments.

Thus, the more suitable contacts to get your pepper in Europe seem to be the specialised importers.

Directly packing for private labels can also be considered for price competitive and well-equipped producers. Indeed, the European cost of workforce is increasing, and importers of pepper frequently search for opportunities to pack in developing countries, with the condition that they can ensure full quality control and traceability.

3 Segmentation of the end market¹²

The food processing industry is the largest user of pepper in Europe, followed by the retail and foodservice [hotels, restaurants, caterings, and institutions] sectors. Most pepper is imported as whole before being sterilised and crushed after imports. The European food industry uses considerable quantities of pepper in a wide range of products such as fish, meat, vegetables, sauces, spices mixtures and ready to eat meals.

End markets segments for pepper in Europe

Retail



Food Processor



Foodservice



Food processing segment

The food processing segment is the largest consumer of pepper in Europe and can be divided into subgroups.

- **Spice mixtures and ingredient producers.** These companies produce seasonings and spices and invest massively in research to create new and original flavours. Examples of such companies include [Meat Cracks](#), [AVO](#) (German producer, part of the European group), [IFF](#), [Kerry Ingredients](#), [Food Ingredients Group](#), [Faravelli Group](#), [Kalsec](#), [Ion Mos](#) and [EHL Ingredients](#).
- The **meat industry** uses an important quantity of pepper. Although they usually get supplied by spice and food ingredient companies, some large corporations sometimes import pepper directly, such as [OSI Food Solutions](#).
- The **European sauces and condiments industry** is also an important user of black pepper. The market is dominated by international brands such as Kraft Heinz, McCormick, Maggi (Nestle) and several brands of Unilever (eg. Colman's, Calve, Conimex, Knorr, and several others.)
- **Other industries** include ready to eat meals and many other products. For example, the vegan meal industry is developing quickly in Europe (e.g. [The Vegetarian Butcher](#) is a new plant-based food brand of Unilever).

Retail segment

The retail segment is shared by European brands and private labels such as Ostmann (Germany), Fuchs (Germany), Ducros (Spain, France, Belgium, Portugal), Cannamela (Italy), Schwartz (United Kingdom), Euroma (Netherlands), Santa Maria (Scandinavia), and Prymat Group (Poland).

The retail sector can be further segmented into several subcategories:

- **Retail chains** are gaining in importance thanks to the growth of private labels. Leading retail companies are Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeka, Leclerc, Metro Group, Rewe Group, Auchan, Intermarché, and Ahold (Delhaize and Albert Heijn brands).
- **Specialised spice shops** are mostly present in the high-end segment. They offer a large range of spices. Some of them have managed to grow into specialised chains such as Épices Roëllinger (France), Alfons Schuhbeck, Jacob Hooy (the Netherlands) or Spice Mountain (UK).
- **Specialised organic and healthy food shops** are relevant for suppliers of organic certified pepper. Examples are Biomarkt, DM, Alnatura, Holland & Barrett. Some organic retailers import directly.
- **Online retail** is concentrated around the leading retail chains. Specialised online retailers are still rare but growing, boosted by the COVID-19 pandemic. An example of a specialised online retailer is JustIngredients.
- **Ethical shops** are a niche segment that provides opportunities for ethical and fairtrade certified suppliers. Examples of such shops are Hecosfair (France) and RISC World Shop and Global Refills (UK).



Foodservice segment

The foodservice channel is mostly supplied by wholesale bulk importers. Distributors supplying the foodservice sector include Brake Brothers and Metro Cash & Carry.

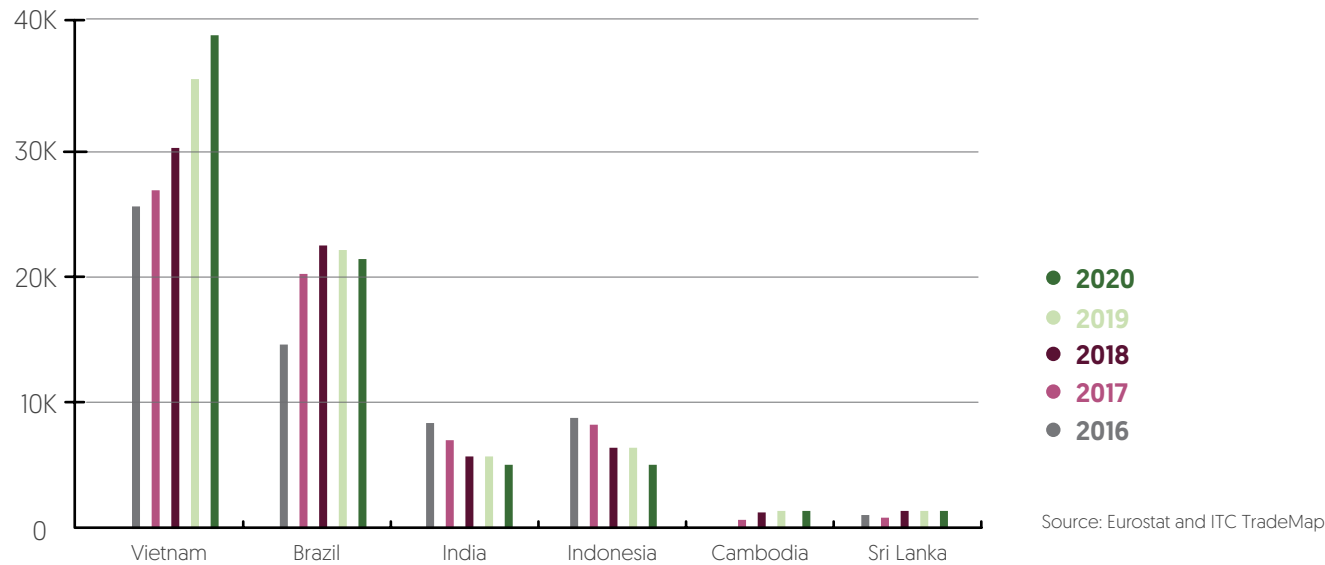
Tips

- Keep an eye on the exhibitor lists of large trade fairs, such as ANUGA, SIAL and Alimentaria, to find potential buyers for your pepper. If you intend to supply supermarket private labels, search for opportunities at PLMA, the world’s leading private label trade fair.
- To find potential buyers for your pepper in the food ingredient segment, search the list of exhibitors at the specialised trade fair Fi Europe.
- To supply to the foodservice segment, visit Sirha or/and Internorga.

4 Who are the main suppliers of pepper to the EU?¹³

Sharing more than 90% of the market, Vietnam, Brazil, India, and Indonesia are Cambodia’s largest competitors.¹⁴

Figure 4: Leading suppliers of pepper to Europe



Vietnam

Representing approximately 40% of total pepper exports worldwide, Vietnam dominates by far the market.

A problem the country is facing is its high price fluctuation, due to either over or undersupply. It thus relies on imports from Brazil, Indonesia, Cambodia, and Malaysia to maintain a relatively stable supply, which means that pepper

exported from Vietnam is often a blend of different origins.

Vietnam’s main clients are the USA with a 21% share, followed by China [18%], the United Arab Emirates [5%], India [5%] and Germany [4%].

Note that European imports of pepper are increasing at a high rate, reaching 39 thousand tonnes in 2020.

Vietnamese companies

Vietnam has approximately 200 pepper processing and trading companies currently operating, 15 of them represent 70% of the country’s total export volume.

Foreign-invested enterprises account for nearly 30% of the export market and include companies such as Nedspice [the Netherlands], Olam [Singapore headquartered] and Harris Freeman [a US-based company where the Harris Spice division is a part of the Indian Jayanti group].

Brazil

With a staggering annual growth of 30% over the past few years and 89 thousand tonnes exported in 2020, Brazil makes up around 25% of the global pepper trade.

Germany is its biggest client with a 15% share, followed by Vietnam [14%], the USA [13%], and Morocco [8%].

Thanks to the strong presence of Fuchs Gruppe in Brazil, Germany imports 60% of Brazilian

Olam International is the largest pepper supplier in the world and the only player in the pepper industry in Vietnam to have a fully integrated supply chain.

Vietnam’s second-largest pepper exporter is Phuc Sin. The company has advanced processing lines and exports to multiple European countries. Other Vietnamese pepper exporters include Sinh Loc Phat Corporation, Intimex, Petrolimex International Trading, Unispice and Haprosimex JSC.

pepper directed to Europe.

Other leading European importers of Brazilian pepper are France, the Netherlands, Italy, and Spain.

More than 98% of Brazilian pepper is exported as whole. One of the main issues limiting the Brazilian exports to Europe is the presence of Salmonella.

Brazilian companies

Over 50 companies export pepper from Brazil, many of them are not producers and act as trading companies. In addition to Vietnam, Olam Group is also present in Brazil.

The largest pepper exporter in the country is Grancafé. Other exporters include Sacconi [the second largest in Brazil], Tropoc [part of the Fuchs Gruppe], Katz spices, Medeiros, Agrospace, Almada, and Golden Agrícola.



India

Approximately 60 thousand tonnes of pepper are produced in India every year, which is not enough for its internal consumption. It therefore imports between 20 and 30 thousand tonnes of pepper per year. Over the past years, Indian exports have been fluctuating quite a lot and

reached around 18 thousand tonnes in 2020. Its main client is the USA with a 30% share. Sweden is the main market for Indian pepper in Europe (21% share), followed by Germany (19%), the UK (14%), Spain (14%), and the Netherlands (10%).

Indian companies

More than 150 companies export pepper from India. Jayanti - an integrated company acting as a farmer, processor, and exporter - is one of the leading Indian pepper exporters. AVT McCormick is one of the leading spice processors in India, exporting to more than 40 countries. The company is investing in sustainability activities such as helping local

communities, taking care of the environment [organic production and Rainforest Alliance certification] and educating farmers. Examples of other strong Indian pepper exporters are Bafna Enterprises Herbal Isolates, Kishor spices, PDS Organic Spices and Jabs International.

Indonesia

Indonesia is responsible for around 50% of the world's white pepper market. Although its exports have been increasing over the past years to reach 58 thousand tonnes in 2020, the country has seen its production of pepper slightly decrease, mainly due to low pepper prices which forced farmers to switch production to more profitable products. Vietnam was the main market for Indonesian pepper with a 36% export share, followed

by China (19%), the USA (11%), India (9%), and Germany (3%). White pepper accounted for more than 40% of Indonesian exports. Within Europe, the largest market for Indonesian pepper in 2020 was Germany with a 34% share, followed by the Netherlands (28%) and France (24%). Indonesian companies include Jaya Alam Sentosa, Tripper Bari, Indo harvest Spice, Perdana Syria Niaga and Platinum Citra Raya.

Sri Lanka

Total Sri Lankan production fluctuates around 20 thousand tonnes per year. Its pepper is particularly high in piperine, which makes it relatively pricey. In 2020, Sri Lankan pepper exports reached 8.9 thousand tonnes, most of it being directed to India (81%), followed by Germany (8%), and the USA. Export to Europe is still relatively

small, accounting for 981 tonnes in 2020. Within Europe, Germany is the largest importer of Sri Lankan pepper with a 70% share, followed by Spain (14%) and the Netherlands (6%). Sri Lankan pepper companies include Cinnatopia, CBL Natural Foods, Gruppo Canella, Bio Foods, Synthite and Ruhunu Foods.

Info on indirect export ¹⁵

Most of Cambodia's conventional pepper is exported to Vietnam and, to a minor extent, Thailand. This is often done informally, which makes the collection of official statistics difficult. From these countries, it is packaged as a local product and exported to the final import destinations, which include France and Germany. Only a fraction of the total pepper - the Kampot PGI variant (around 100 tonnes) - is exported directly from Cambodia to importing markets.¹⁶

Key takeaways:

- Competition is fierce. You must be well prepared to enter the EU market and provide a real value-added.
- Try to understand why EU buyers purchase from specific countries. What do they offer? How can you provide additional value?
- Study your competitors. To enter the market, you must be at least as good.
- Gather other Cambodian pepper producers and try to get support from the Cambodian government [promotional activities, presence at major trade fairs etc].
- Consider collaborating with EU companies.
- Fairtrade accreditations are very trendy and could give you a serious boost. Measure the finance required and consider getting one.
- Import volumes often fluctuate not because of varying demand but due to non-stable production levels in the countries of origin. Take advantage of this by always being ready to ship.
- Keep an eye on competing countries and companies. Some issues [climate, drought, political instability, logistics problems] might affect them. You should be able to take advantage of such situations.

5 European import of pepper from Cambodia

Cambodian exports to the world¹⁷

Under HS Code 090411 [Pepper of the genus Piper, whole] and 090412 [Pepper of the genus Piper, crushed or ground], Cambodian exports to the whole world have increased impressively in recent years.

The total value of exports shot up by 179%, from 3.548 million USD in 2016 to 9.886 million USD in 2020.

The growth of exported volume is even more impressive. From 438 tonnes in 2016 to 3482 tonnes in 2020, volumes rose by a staggering 696%.

Table 2: Cambodian exports of pepper to the world

| Cambodian exports to the world-USD thousand | | | | | |
|---|------------------------|------------------------|------------------------|------------------------|-----------------------|
| Exported value in 2016 | Exported value in 2017 | Exported value in 2018 | Exported value in 2019 | Exported value in 2020 | 2016-2017 growth in % |
| 3,548 | 10,874 | 7,839 | 9,366 | 9,886 | 178.63 |

EU + UK imports of Cambodian pepper¹⁸

In 2020, top export destinations already included major European economies. Germany was the top destination in value, importing amounts worth 3.35 million USD [1,088 tonnes], followed by Vietnam at 3.25 million [1,644 tonnes].

Other relevant European importers are France and Belgium, with 0.969 million USD [31 tonnes] and 0.343 million [16 tonnes] worth of imported value, respectively.

Table 3: Largest European importers of pepper from Cambodia

| Imports from Cambodia | | | | |
|-----------------------|---------------|---------------|---------------|---------------|
| USD thousand | Value in 2017 | Value in 2018 | Value in 2019 | Value in 2020 |
| EU 28 | 3,032 | 2,430 | 4,610 | 5,203 |
| Germany | 1,399 | 633 | 3,596 | 3,351 |
| France | 754 | 617 | 1,010 | 969 |
| Belgium | 10 | 108 | 103 | 343 |
| Italy | 0 | 211 | 30 | 0 |
| Netherlands | 1 | 38 | 31 | 179 |

III Trends and consumer needs¹⁹



The increased consumer interest in pepper in Europe is driven by many aspects including home cooking, a desire to consume more exotic products and the growing popularity of convenience food.

1 Sustainable sourcing

Sustainability has become one of the most important topics in the world, due to the risk of global nature loss in a short time and customers' interest in clean and healthy food.

This benefits the lucrative organic food industry in Europe. In 2020, the market reached 52 billion USD [of which 44.8 billion USD in the European Union], an increase of 15% compared to 2019.

In order to improve sustainable production and sourcing of spices, a group of companies and organisations formed the Sustainable Spice Initiative which aims to strive towards a fully sustainable spice production and trade in the sector. Several pepper suppliers in developing

countries are members of this initiative.²⁰ These companies are making additional efforts to support sustainable production, including organic production, food safety investments and support to farmers.

Market leaders are investing in sustainability not only to improve their image, but also because of economic benefits, such as cost reduction, shorter supply chains, and easier compliance with European regulations.

Important sustainability issues in pepper production involve the use of soil fertilisers, irrigation water, and pesticide residues.

2 Health and well-being

Apart from its traditional use as a spice, pepper is used as a quality food supplement. This can good offer opportunities in Europe as the consumption of food supplements is rapidly increasing on the continent, especially since the Covid-19 outbreak.

Here is a non-exhaustive list of pepper uses as food supplements:

countries are members of this initiative. These companies are making additional efforts to support sustainable production, including organic production, food safety investments and support to farmers.

Market leaders are investing in sustainability not only to improve their image, but also because of economic benefits, such as cost reduction, shorter supply chains, and easier compliance with European regulations.

Important sustainability issues in pepper production involve the use of soil fertilisers, irrigation water, and pesticide residues.

- Food supplements enhancer. Its active component - the piperine - allows better absorption of other supplements by the human body. These days, pepper is often combined with another trendy spice: curcuma. When curcuma is ingested alone, a significant quantity of it is not used by the human body and is lost. Combining it with piperine mitigates this loss. Other components, such as minerals, amino acids and vitamins are also better absorbed when combined with piperine.
- Essential oil. Pepper essential oil is used as a component of perfumes and massage oils. It is known for relieving stress, improving blood circulation and helping arthritis and rheumatism symptoms.
- Shampoo component. Piperine in shampoo enhances hair growth, helps fight dandruff, improves scalp circulation, and prevents grey hair.

Besides, reducing sugar in food favours the application of spices and herbs to generate good flavours.

3 Home cooking

As a result of COVID, Europeans spent more time at home and started cooking on a more regular basis. Home cooking became popular in Europe again and with it the interest in exotic and high value spices. “Food for pleasure” takes all its meaning here, and benefits exotic products.

4 Convenience food

Opposed to home cooking, convenience food is also experiencing a boost within the European market. As ready to eat meals become more popular, the food industry increasingly needs spices, including pepper.

Table 4: List of successful pepper companies you could be inspired by

| Company | Background | Website |
|---|--|--|
|  | <p>Khmer Organic Cooperative was established in 2014 to promote regenerative agriculture and to provide organic, locally grown food to consumers in Cambodia. They work along the whole agricultural supply chain from farm gate to markets. In cooperation with various stakeholders and development partners they promote sustainable agriculture and support small-holder farmers and farmer communities. Khmer Organic Cooperative’s exporting efforts are focused on premium Cambodian products.</p> <p>Highest grade pepper is sourced from Kampot province producers. Kampot pepper is an exceptional quality product with its specialty processing and distinctive flavor. Black, red, white and green pepper varieties are on offer for export markets. Carefully cultivated by local farmers, Khmer Organic Pepper is sustainably grown without the usage of pesticides or herbicides. Preserving the intense taste and unique history through careful cultivation and minimal processing.</p> | <p>https://khmer-organic.com/</p> |
|  | <p>Created in 2013, La Plantation, a family-owned project, produces, selects, processes, and exports the best quality spices and herbs from Cambodia.</p> | <p>https://kampotpepper.com/en/</p> |
|  | <p>Engaged in sustainable rural development, Confirel has developed numerous brands and product lines including palm sugar, Kampot pepper, herbal teas, mango (dried, puree, chips, and more), as well as vinegar, palm wines and spirits, candy, and more.</p> | <p>https://www.confirel.com/en</p> |
|  | <p>Specialised in both organic and conventional pepper products. It operates a pepper processing plant in the Cambodian province of Tbong Khmum, equipped with high-end facilities and an in-house laboratory. Certified with BRC, ISO 22000:2015, ISO 14001:2015, Organic (EU, USDA, and JAS), Halal and OU Kosher. The company works closely with 600 farmers who follow with Good Agricultural Practices (GAP) and organic standard.</p> | <p>www.selapepper.com</p> |



MAU Cambodian Spices and Fruits, the mother company to The Pepper Hill farm produces and supplies certified-organic Kampot Pepper and collaborates with Kampot Pepper farms where quality enhancement, climate-smart agriculture techniques, and risk reduction through diversification is promoted.

<https://www.facebook.com/thepepperhill>



Pepper Bay is a Kampot pepper and spice producer merging traditional cultivation methods and ancestral know-how with modern quality standards. To prevent damage to the peppercorns and to ensure unrivaled flavor, a significant part of the production process is done by hand. Kampot pepper is therefore not only the rarest, but it is also the most controlled pepper in the world.

<https://www.facebook.com/pepperbaykampot>

Sothy's Pepper Farm

For a century considered a unique product and since 2010 recognized by WTO with the Protected Geographical Indication seal due to its unique climatic conditions and territory. As a member of the Kampot Pepper Promotion Association, Sothy's Pepper Farm vouches for a chemical-free production and processing process of pepper as well as the natural soil the pepper is grown on.

<http://mykampotpepper.asia/>



Sindora was launched in 2015 with the mission to restore the ecosystem and create a forest conservatory on 10ha of degraded land in Kampot that was a previously dense forest. The sale of Sindora's premium pepper is meant to fund the ecosystem restoration project, all sales are therefore at the service of the project.

<https://www.sindora-kampot-pepper.net/>



KCCV is one of Cambodia's main fruit, vegetable, and spice producer, servicing many national supermarket chains and exporters to Asian markets. KCCV refrains from using any chemical or toxic substances on their farms to maintain the soil as organic as possible, and opt for natural pepper production methods to minimize their carbon footprint.

<https://bit.ly/3b20S2x>

IV Requirements

All foodstuffs sold in the European Union, including imported products, must be safe. Harmful contaminants, such as pesticides residues, salmonella and excessive amounts of preservatives or mycotoxins are strictly banned. Allergens should be clearly visible from the labelling.

The combination of food certification with reliable laboratory tests greatly helps creating a positive image for pepper exporters to Europe.

1 Legal requirements

A. Tariffs and rules of origin

The rules of origin determine the origin of goods, and their place of production and/or manufacture.

Cambodia is part of the EU's Generalised Scheme of Preferences, which aims to help developing countries expand their exports.

Thus, Cambodia enjoys preferential origin rules.

- 0% tariff - if imported directly
- 5.8% - if imported through a third country]

To benefit from a 0% tariff, the product must:

- Be wholly obtained and originate from Cambodia.
- Its sugar weight must not exceed 40% of the final product weight.

B. Value-added tax

Pepper imports are subject to a 7% value added tax when entering the European Union.

C. Official border control for black pepper imported to the European Union

Official food controls can happen at any time, from the moment of import and during all stages of marketing. In case of non-compliance with the European Food Legislation²¹, individual cases are reported through the Rapid Alert System for Food and Feed [RASFF]²², which can be consulted at any time by the general public.

It is important to know that special import conditions – or even a full import ban - can be decided for countries that repeatedly do not comply with the European Food Legislation. Those stricter conditions include laboratory test results for a certain percentage of shipments from specified countries. For instance, 50% of all pepper shipments from Brazil to the EU are under strict import control.²³

D. Contaminants control

Contaminants in food are undesirable and hazardous chemicals that can make people sick. These compounds can be found in food as a result of various stages of manufacture, packing, transportation, or storage.

To reduce pollutants in food, the European Union imposes strict regulations by establishing limits for specific pollutants.

- Find the European Commission Regulation here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02006R1881-20210831>
- For concrete values on certain contaminants, you may also check the list in the ANNEX of the EU regulation [e.g., aflatoxin in dried fruits, point 2.1.5.] <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32006R1881&from=EN>

The most common contaminants in pepper are usually related to microbiological contamination with foreign bodies, mycotoxins, pesticides residues and salmonella.

Heat treatment or fumigation may be recommendable [making sure you avoid using ethylene oxide (ETO)].²⁴

For the control of contaminants in black pepper, only use the services of laboratories that are ISO/IEC 17025 accredited.

E. Contamination with foreign bodies

This is one of the biggest food safety issues that pepper faces when entering Europe. It is crucial to verify the cleanliness of your product prior to exporting. Commonly found foreign bodies in pepper include metal particles from machinery, glass, mud, sand, insects, and excreta of animals. Extraneous substances such as leaves and dried stems are also often found.

As no official limit exists for foreign bodies in pepper shipments to Europe, it is common among buyers to either follow the American Spice Trade Association²⁵ requirements or impose their own.

The European Spice Association²⁶ forbids any foreign objects greater than 2mm in diameter, while extraneous matter should not be heavier than 1% of the product.

- You can find more detailed information on the European Spice Association's Quality Minima Document: <https://www.esa-spices.org/index-esa.html/publications-esa>

F. Mycotoxins

Bans of black pepper are sometimes due to high levels of mycotoxins (aflatoxins and ochratoxin A).

- Aflatoxin level must be below 5 µg/kg for aflatoxin B1 and 10 µg/kg for the total aflatoxin content [B1, B2, G1 and G2].
- Maximum level of ochratoxin is 15 µg/kg.

To prevent risks of mycotoxins, keep your drying below 12% moisture and store/transport your products in low humidity environment.

G. Pesticides residues

Maximum residue levels (MRLs) for pesticides in food products have been established by the European Union. If your product includes illegal pesticide residues or higher levels of pesticide residues than permitted, it will be removed from the European market. Samples and testing are often conducted by both government and non-governmental organisations, which frequently results in public blaming and shaming of the business if residues are discovered.

The European Union provides a regularly updated list of pesticides approved for use in the EU. The European Commission passed 12 new laws in 2019, requiring adjustments to over 80 different pesticides.

The European Farm to Fork Strategy²⁷ aims to reduce the use of pesticides by 50% before 2030.

- List of pesticides: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex:32011R0540>

H. Irradiation

Although largely disliked by the European consumers, irradiation as a steriliser is authorized by the European Union. It must be done in approved facilities and be labelled.

Radioactivity contaminations tests are increasingly demanded by buyers in Europe.

In practice, many buyers prefer to do the pepper sterilisation at destination in Europe. European buyers favour heat sterilisation over irradiation, as it is natural and chemical- and radiation-free.

To know more about basic regulations for laboratory tests related to radioactivity in pepper, read:

- Food irradiation legislation: [EUR-Lex - 01999L0002-20081211 - EN - EUR-Lex \[europa.eu\]](#)
- Maximum permitted levels of radioactive contamination: [EUR-Lex - 31987R3954 - EN \[europa.eu\]](#)
- European Commission's radiation protection legislation: [Radiation protection \[europa.eu\]](#)

I. Product composition

European authorities and buyers will reject items that contains unauthorised, undeclared, or too high levels of extraneous matter.

Although anticaking agents can be used for ground pepper, food additives are not allowed in the production and trade of whole pepper.

- The Food Additives Regulation's Annex II contains a list of approved additives: <https://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1478597149803&uri=CELEX:02008R1333-20160525>

J. Packaging and labelling requirements

Packaging should be strongly considered when exporting to Europe. It must protect the color, flavor, and other characteristics of the product.

If you are interested in selling to the retail sector, your packaging should comply with the European Union's regulation on the provision of food information to consumers²⁸, which defines origin/nutrition/allergen labeling, as well as the minimum font size [1.2mm] for such information. The language should be easily understandable for consumers, which is why European items often displayed information on multiple languages.

The indication of origin should also clearly visible.

Tips and further readings:

- Follow the Codex Alimentarius /Code of practice for the prevention and reduction of mycotoxins in spices https://www.fao.org/fao-who-codexalimentarius/sh-proxy/en/?lnk=1&url=https%253A%252F%252Fworkspace.fao.org%252Fsites%252Fcodex%252FStandards%252FCXC%2B78-2017%252FCXC_078e.pdf
- Follow the Code of Hygienic Practice for Low-Moisture Foods: <https://www.fao.org/fao-who-codexalimentarius/codex-texts/codes-of-practice/en/>
- Steam sterilisation has proven to be effective in reducing mould presence and is favoured by European buyers, as it is natural, and free of chemicals and radiation.
- Read more about MRLs on the European Commission websit: [Maximum Residue Levels \[europa.eu\]](http://europa.eu).

2 Additional requirements buyers often have

Quality requirements

There is no official quality standard for pepper in the EU. Thus, European pepper actors commonly use standards set by organisations such as the European Spice Association [ESA], the Codex Alimentarius Standard for Black, White and Green peppers²⁹, the International Pepper Community [IPC] standard specifications for Black, White and Green pepper, as well as and the ISO specifications for black and white pepper.

Ordinarily, good quality pepper should have a bulk density of 500–600g per liter.

It must have at least 3% piperine [contributing to the pungent taste] and 1.5% volatile oil [contributing to aroma].

The most common parameters for quality include:

- Cleanliness or purity: pepper must be free from foreign matters, foreign odors, diseases, and any other disorders. The European Spices Association proposes a maximum level of 1% of the weight for all spices.
- Size of peppercorns: Whole pepper is sorted by size, which influences the price of the product. The most detailed sizing classification was developed by Indian pepper producers, who classify peppercorns in more than 10 categories.
- Piperine content: According to the Codex Standard, piperine content in black pepper must be at least 2% for whole pepper and 3.5% for ground pepper, while for white pepper, the content should be at least 3% for whole pepper and 4% for ground pepper.
- However, buyers sometimes have higher expectations and may ask for higher piperine content.
- Ash content: According to the European Spice Association's Quality Minima Document³⁰, the maximum content of total ash for white and green pepper is 3.5%, while it is 7% for black pepper. The acid-insoluble ash limit is set at 1.5% for black pepper and at 0.3% for white and green pepper.
- Moisture content: Although the maximum moisture content set by the ESA's Quality Minima Document is 13% for green pepper and 12% for black and white pepper, be aware that buyers may request a lower content, commonly around 7-11%.
- Mesh or particle size: When pepper is exported in powdered form, it is ground to pass through a sieve of a specific diameter. Sieves are often specified in micron sizes and typical requirements demand that 95% to 99.5% of ground pepper passes through the specific size of the sieve.
- Volatile [essential] oils: To enter the EU market, the minimum essential oil content should be 2ml/100g in black pepper, 1.5ml/100g in white pepper and 1ml/100g in green pepper.



Check the ISO standard 55641982 for grading, handling and packing of pepper.

Packaging requirements

Polyethylene bags - often covered with paper bags or placed in carton boxes - is the favored packaging when exporting pepper to Europe. Although the size of packaging varies depending on the buyer, it is usually 25kg. The dimensions should conform to standard pallet sizes (800mm x 1,200mm and 1,000mm x 1,200mm).

Be aware that some European countries do not allow workers to lift packages weighting more than 20kg.

For retail, you should aim to packaging weighting between 20g and 40g. Common packages use plastic bags, glass containers and paper bags.

Useful readings:

- To know more about quality parameters, use the Appendix 2 of the Quality Minima Document: <https://www.esa-spices.org/index-esa.html/publications-esa>

V Certifications and certifiers

1 General certifications

Highly recommended certifications

Most of the mandatory requirements related to the import of pepper in Europe are related to food safety.

HACCP is not mandatory but compliance with EU regulations and laws is. HACCP proves that you follow these rules. It is thus strongly advised to get this specific certification.

Most European buyers will ask for certification recognised by the Global Food Safety Initiative (GFSI). For pepper, the most common certification programs are:



International Featured Standards (IFS) [common in Germany]



British Retail Consortium Global Standards (BRCGS) [Common in the UK]



Food Safety System Certification (FSSC 22000)

Please note that this list is not exhaustive and food certification systems are constantly under development. Most food safety certification programs are based on existing ISO standards like ISO 22000.

ISO 22000 is a very good starting point while FSSC 22000 includes some additional requirements and technical details on production. ISO 22000 can be easily upgraded to FSSC 22000, in many cases by the same certifier that does the ISO.

Useful readings:

- The General Food Law, legislative framework regulation for food safety in Europe. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32002R0178>
- The European Food Safety Authority <https://www.efsa.europa.eu/en> (EFSA), in charge of developing particular food safety regulations and establishing frameworks for official food controls

2 Organic certification

For an imported pepper to be sold as organic, it must meet standards equivalent to those of European products and be grown using organic production methods in accordance with European legislation. An audition by an accredited certifier is mandatory before you display the EU organic logo on your products.

Mandatory certification/certificate

- The EU Organic [EU Regulation EEC. No. 834/2007 of Organic Production] which regulates the production, processing, distribution, importation, and labelling of organic food and agricultural products - is mandatory.

<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32007R0834&from=EN>

This regulation is completed with additional rules, specifically Regulation (EC) 889/2008):

<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32008R0889>



This regulation covers the HACCP principles, which means you do not need to seek the HACCP certification if you already have the EU Organic one.

The Electronic Certificate of Inspection (eCOI), issued by your certifier in the supplying country and registered in the TRACES system, is mandatory for your products to be legally allowed in the EU.

Useful readings:

- Detailed rules concerning the import of organic products from third countries]. <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32008R1235>
- You can find the full new legislation on organic products here: https://ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/future-organics_en

3 Sustainability certification

Sustainability is one of the biggest trends in Europe, even more since the EU established the European Green Deals³¹ that includes the Biodiversity Strategy³² and the Farm to Fork Strategy³³. Aspects relevant for pepper exported from Cambodia are the reduction of pesticides use, the increase of organic production, and switching to sustainable packaging materials.

Sustainability certifications focus on different aspects such as environmental protection and ethical behaviors toward farmers, employees, and animals. Some certificates deal with one aspect only while some cover a broader range of aspects.

The two most commonly used sustainability certification schemes are Fairtrade and Rainforest Alliance.

You can check Fairtrade's specific standard for herbs, herbal teas and spices here : SPO herbs, herbal teas, spices - [fairtrade.net]

This standard defines issues related to labour conditions, production and management practices as well as traceability. According to this standard, a premium price of 15% over and above the negotiated price between producer and seller must be established.

Examples of certifications:

- Reducing CO2 emission – [Verified Carbon Standard](#), [MyClimate](#), [ICT Carbon Footprint Certification](#). Those certification schemes usually follow standards for measuring greenhouse gas emissions such as [ISO 14067](#).
- The preservation of forest resources - [Rainforest Alliance](#), [FSC](#), [PEFC](#). Those certification schemes are important for packaging materials.
- Biobased and recyclable packaging – [OK biobased](#), [DIN-Geprüft biobased](#), [OK compost](#), [RSB](#), [Recycled Content Certification](#).
- Social and ethical impact (Monitoring and auditing) - [FairTrade](#), [SMETA](#), [Ethical Trading Initiative](#), [amfori BSCI](#), [BCorp](#), and [Fair for Life](#).
- A wider range of environmental aspects – [Cradle to Cradle](#), [Planet Proof](#), [ISO 14000](#). These include private schemes of European retailers such as [ProPlanet](#) (REWE) or [Edeka Panda](#) (Edeka).
- Organic and pesticide-free food – [EU organic](#), [KRAV](#), [Naturland](#), [Demeter](#), [AB France](#), [Soil Association](#), [SCS Pesticide Free](#), [Zerya](#).

There are currently [as of October 2021] 28 [Fair-trade-certified pepper producers](#) in India, Sri Lanka, Madagascar, Thailand, Vietnam and Cameroon.³⁴

Useful readings:

- Use methods of analysis and sampling recommended by ESA in Appendix 2 of the [Quality Minima Document](#), to determine quality parameters for pepper.
- Read more about payment and delivery terms in the [CBI Tips for organising your spices and herbs exports to Europe](#).

4

Main guidelines to get certified

1. Find a buyer.

2. Select a certification scheme that suits operational and EU requirements.

• Make yourself familiar with the target market. Which certifications are required by your potential customers? Which may offer promising value-added?

• Determine the next steps. Assess the finance required to upgrade to such certification. [Price of the certification, modification of the production set up, future plans etc]

• To get yourself familiar with standards, you can use this website:
<https://standardsmap.org/en/identify>

• The Standards Map provides online access to a wide range of information related to sustainability initiatives, standards and trends, allowing businesses to pick the right certification or follow the right standards.

3. Develop and implement the certification system requirements in your organisation.

4. Conduct an internal audit.

5. Conduct a management review.

6. Adjust according to the output of the internal audit and management review.

7. Verify the corrective actions.

8. Contact a certification body that has the accreditation to issue a valid certificate.

9. Send an application to a certifying body [e.g., Control Union]

10. The application is reviewed by the certifying body.

11. Preparation of the contract.

12. Reviewing of the contract by the applicant.

13. Sign and send back the contract to the certifying body.

14. The certifying body officially registers the applicant as a ‘client’ and arranges the audit.
- Before the audit
- Some documents need to be sent to the certifying body. These are meant to provide a basic understanding of the company’s operation and its current quality management system. This information will be verified during the onsite inspection.
- Factory audit
- 3 components

• Observation of the factory

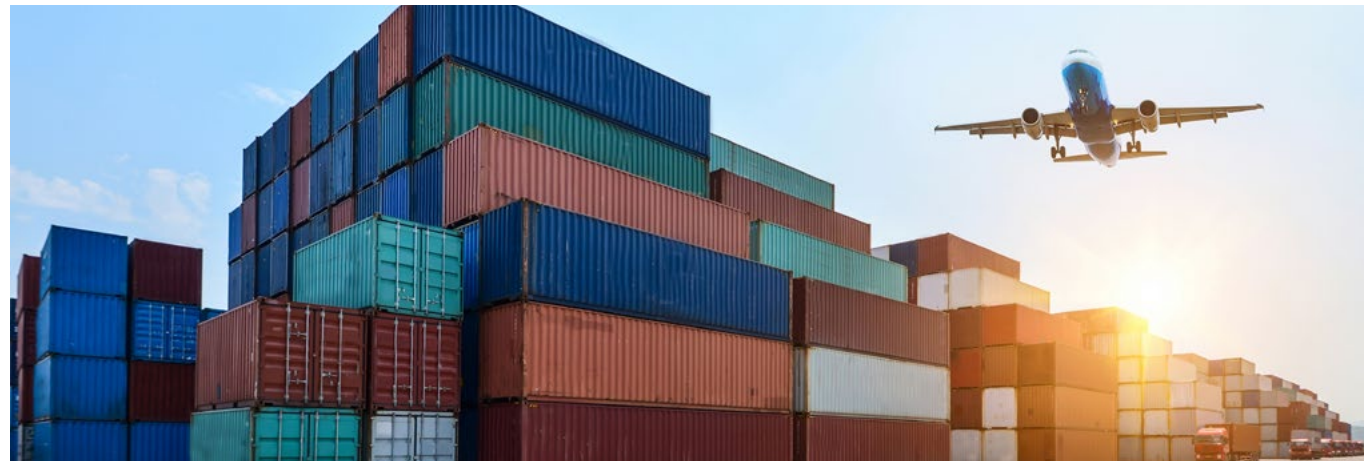
• Worker interviews

• Documents check
- If the client complies with the standards, the certificate is issued.
If not, some corrective actions need to be done.
-
- Time limit:
- Minor non-compliance:
2 months
- Major non-compliance:
1 month
- The certificate is then issued.
- Potential certifiers are Control Union and Bureau Veritas.
- Table 5: Potential certifiers in Cambodia
- ControlUnion
-
-
- N°28, Street 288, Sangkat Olympic, Chamkarmon, 12312 Phnom Penh
-
- 023 966 496
-
- cambodia@controlunion.com
-
- <https://www.petersoncontrolunion.com/en>
-
- Bureau Veritas
-
- #1186, St.371, Sangkat Steung Meanchey, Khan Meanchey, Phnom Penh, Cambodia.
-
- 017 555 638 / +85523 962 280
-
- sreymarch.seng@vn.bureauveritas.com
dwijenayaka@controlunion.com
-
- <https://group.bureauveritas.com/>
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VI Logistics

For pepper, transport is crucially important.

- It maintains your products in the best conditions (low moisture etc)
- It influences your image (rapid or late delivery can result in the start of a long-lasting relationship, or in a loss of clients)
- It influences the price (logistics costs can represent up to 40% of your sales price)
- When shipping pepper internationally, there are many different factors worth considering. Common issues related to the shipment of pepper from developing countries are:
- Pepper is not on the list of allergens, but peppercorns can sometimes come into contact with allergens (such as grains or nuts) during transportation and storage.
- Presence of mycotoxins. Storage and transport in a low-humidity atmosphere are strongly advised to decrease pepper's risk of mycotoxin contamination.



1 Transport/incoterms

Incoterms (international commercial terms) are a system of international rules that govern international trade operations.

These rules define the distribution of costs, risks, and import and export formalities between the seller and the buyer in the process of

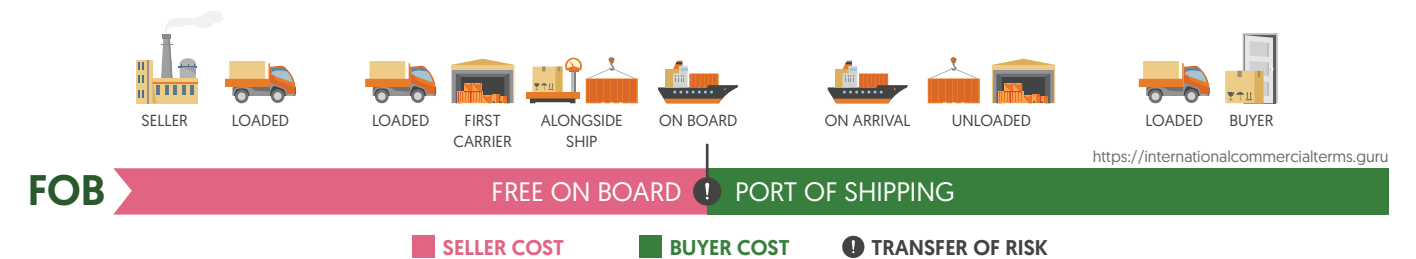
delivering the goods. It allows each party to make the necessary arrangements related to its obligations: insurance, costs (logistics, taxes...) and formalities (regulatory, customs...). Above all, it allows you to avoid disputes.

The most common incoterms are **FOB** and **CIF**.

- **FOB/Free on Board.** The seller must clear the goods through customs and deliver them on board a vessel designated by the buyer. The transfer of costs and risks takes place when the goods are on board the vessel at the port of departure.
- **CIF/Cost Insurance and Freight.** This incoterm requires the seller to conclude the contract of carriage on behalf of the buyer, but also to take out insurance on behalf of the buyer to cover the goods during the carriage. Thus, the goods are transported at the buyer's risk. According to this organisation, there is a gap between the transfer of the expenses which takes place at the port of arrival and the transfer of the risks which takes place at the port of departure.

It is frequently used because it allows the exporter to provide a complete solution (customs clearance, transport and insurance) without engaging its responsibility since it is the buyer who is responsible for the goods during transport.

FOB - INCOTERM® 2020



CIF - INCOTERM® 2020



Important:

- CIF price is higher than FOB
- FOB or CIF is negotiated between the buyer and seller
- Factors to choose FOB or CIF include the relations between the producer and the shipping companies, geostrategic location etc.
- It is recommended for companies to have both prices ready (FOB and CIF) when beginning to negotiate with buyers. Price is indicated usually in container loads.
- Usually, importers in Europe are happy to take over shipments at big ports.
- Big ports include Rotterdam, Hamburg, and Antwerp in continental Europe, other ports in the Mediterranean (Valencia, Genoa).

2 Logistics steps

Do your research to identify the right logistics provider. Competitive pricing, good services, reliability, and the ability to provide good insurance providers (if CIF) are parameters to look for. It is crucial that you familiarise yourself with some basic information before engaging

with a potential buyer. How long does it take to ship to EU? What is the best route or port of destination for your target market? How about combined loads, etc? Importers may have a lot of questions related to shipping options.

1. Do your research to identify the right logistics provider. Competitive pricing, good services, reliable, on time, and good insurance provider (if CIF) are parameters to look for
2. Before negotiating with your buyer, be sure to have FOB and CIF quotations ready. You may request these quotations from your logistics provider.
3. Negotiate with the buyer the terms of the shipment: products, volume, frequency of shipments, delivery time, testing, and payment. Importers often start with small orders (just a few pallets) as they want to run a trial first.
4. Usual payment instalment: 50% with all documents ready and product ready to ship, the other 50% when the product is sold.
5. Do your homework before negotiating with the buyer. Know the common length of the logistics process, how long does it take to produce one container load etc.
6. Understand the packaging. Good logistics depends on good packaging.
7. Arrange basic testing on anything relevant before shipping (MRLs, contaminants etc., organic if needed), to avoid liability issues and reinforce goodwill with the buyer.
8. Sign a contract with the buyer with payment and shipment terms.
9. Package the goods correctly (in compliance with EU law).
10. Send goods. You may have to track them. Be aware of when the product will arrive at the port of destination.

Tips and useful readings:

- For more information on incoterms: <https://www.velotrade.com/guides/what-is-incoterms-2020/>

3 Freight forwarding companies



DHL Express

571, 575 Russian Federation Blvd. [110], Phnom Penh, Cambodia
<http://www.dhl.com.kh/>



World Bridge Group of Companies

The Bridge level 38, Village, No 14 National Assembly Street, Phnom Penh, Cambodia
<https://www.worldbridge.com.kh/>



DHL Global Forwarding

11th Floor, Heng Asia Building #22, Mao Tse Toung Boulevard [245], 12305, Cambodia
<http://www.dhl.com.kh/>



CFS Cam Freight Services Co., Ltd.

313 Street, 85c Phnom Penh, 12152, Cambodia
<https://www.ups.com/kh/en/contact.page>



UPS Express Cambodia

Camkocity R1, Camko Street Kongkeo Phos Village 2 Commune, Phnom Penh, Cambodia
<https://www.ups.com/kh/en/contact.page>



Maersk (Cambodia) Ltd.

No. 298, Mao Tse Toung [St. 245], Next to InterContinental Phnom Penh, Room 8A, Mao Tse Toung Boulevard [245], Phnom Penh, Cambodia
<http://www.maerskline.com/>



SRVC Freight Services Cambodia Co., Ltd.



Tuol Kouk District Hall, Phnom Penh 12150, Cambodia



<http://www.srv-cambodia.com/>



DB Schenker (Cambodia) Limited



Ty Thai Heng Long Building, No. 78, 7th Floor, Mao Tse Toung Boulevard [245], Phnom Penh, Cambodia



http://www.dbschenker.com.kh/log-kh-en/company/contact_us.html



Swift Freight Logistics Limited



Plot 61, 570- St 331, Phnom Penh, Cambodia



<https://www.swiftfreightlogistics.com/>



CSKHA LINES CO., LTD.



2nd Floor, Kim Hap Bldg., #86EA2, Street 388, Sangkat Prey II, Toul Svay, Cambodia



<http://www.heung-a.com>

Endnotes

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- 3 EuroCham Cambodia. [2020]. Sourcing from Cambodia – Pepper.
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- 9 CBI. [2021] The European market potential for black pepper.
- 10 Home - KNSV (specerijenvereniging.nl)
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