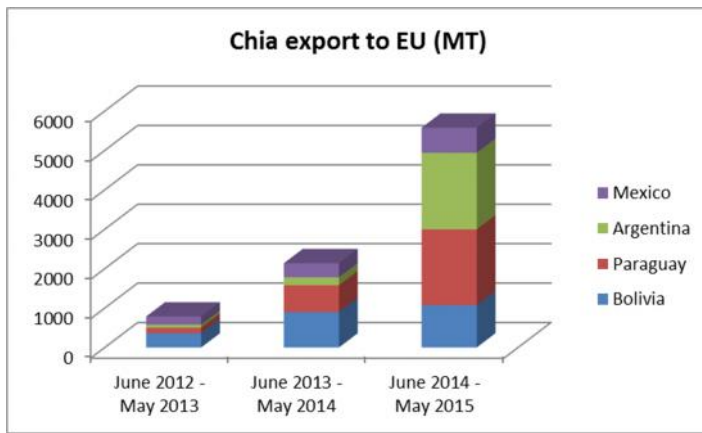


Chia Exports to European Union grow 161%

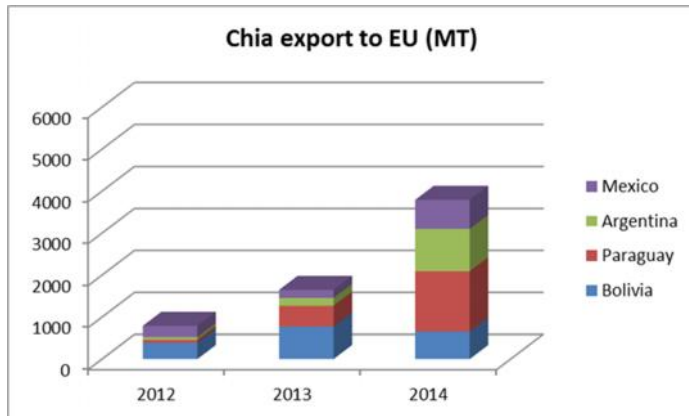
Chia exports to the European Union increased 161% in June 2014 to May 2015 compared to a year before (Graph 1). This tremendous increase is even higher than the growth of 130% in the calendar year 2014 compared to a year earlier (Graph 2).¹ In January 2013 the European Union approved an extension of the use of chia under the Novel Food law, which has clearly spurred the market to explode.

Graph 1: Chia exports to EU, including 2015 (Eurostat)



Source: European Union, Eurostat, 1995 - 2015²

Graph 2: Chia exports from Latin America to EU (Eurostat)



Source: European Union, Eurostat, 1995 - 2015.

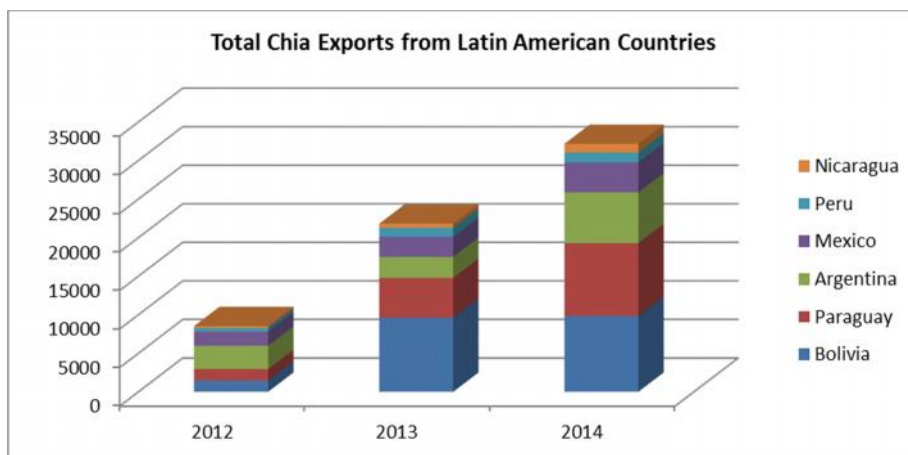
¹ There is no HS code solely for chia, therefore HS code 120799 is used for this analysis of trade figures; chia is the main product within this code for these countries (CBI, 2014).

² In the figures published by Eurostat we see a huge increase of exports with HS code 120799 from Peru. Main EU export from Peru as recorded by Eurostat are exports to Spain. As also noticed by the CBI study in 2014, these trade figures for Spain are likely to be inaccurate - The Spanish import figures do not correspond with Peruvian export figures. Peru is therefore not included in the graphs with data from Eurostat.



Total exports of chia from Latin America also increased but at a much smaller rate of 47% (Graph 3).

Graph 3: Total Chia exports from Latin America (ITC Trade Map)



Source: ITC Trade Map

The huge difference in growth between EU and the rest of the world is related to changes in the chia's regulatory status. Chia marketing in the EU was allowed in 2009 only, when it was approved as a novel food ingredient for use in bread at a maximum of 5%. In January 2013 the European Commission approved an extension of the use of chia, which allowed the market to grow faster. In the rest of the world there was no such restriction in chia trade, allowing demand and supply to develop naturally.

Chia has become very popular as 'superfood' and healthy food ingredient in bakery products and nut/seed mixes. The popularity encouraged farmers to grow chia, which led to an oversupply in international markets and a drop in prices in 2014 and 2015 (see also <http://mercadero.nl/turning-point-in-chia-market/>)

The major supplying countries of chia are Bolivia, Paraguay, Argentina and Mexico. Of these, Argentina, Paraguay and Mexico strongly increased their exports, whereas Bolivian exports showed little growth. We will analyse the development in market share in more detail shortly.

