

Market studies: quinoa and tara

The Trade for Development Centre and the market consultants of Globally Cool conducted a market study for which Autre Terre provided useful input about the quinoa and tara value chains. The results should help tara and quinoa cooperatives to gain (better) access to domestic and international markets.

The study maps the current market situation for quinoa, tara gum and tara powder and also gives a forecast. This gives producers all the information they need to develop a good marketing strategy.

Quinoa

Current situation (2012-2015)

- The world's major suppliers of quinoa are Peru and Bolivia.
- The international trade volumes for quinoa are still relatively small (85 thousand tonnes), certainly if you know that 55 thousand tonnes are consumed in Bolivia and Peru and if you compare it to the world trade volume of rice (more than 40 million tonnes).
- The relatively high price for quinoa has resulted in a select group of rich importing countries (USA, Canada and a number of Western European countries).
- 85% of traded quinoa is unprocessed. Most Bolivian quinoa is assumed to be organic, whereas Peruvian quinoa is mostly conventionally grown. Only a small share is fair trade quinoa (5% of world trade).
- In most countries, quinoa was introduced via the organic market; it then caught the attention of food specialists. Its popularity is a direct result of increasing consumer awareness of the need for healthier diets.

Forecast (2025)

- Quinoa consumption will rise. There is a potential growth for quinoa as an ingredient in bakery products, pastas, snacks, etc. Quinoa will gradually expand into the mainstream food retail channels.
- Peru and Bolivia will continue to dominate global production of quinoa. Australia and a number of European countries are among the new quinoa producers aiming to supply local markets. 'Rice-nations' such as Japan and South Korea will also embrace quinoa.

Tara (gum and powder)

Current situation (2012-2015)

- Peru supplies practically all tara gum and powder on the world market. Production is driven by international demand. Germany, Argentina and France are the world's main importers of tara gum. China is the largest importing country of tara powder by a long way.
- 60 to 70% of tara gum production is used in food processing, particularly as a natural food thickener (E417).
- Tara powder is mostly used in the vegetable tanning of leather (car interior leathers, shoes, garments, etc.). It is also used in niche market segments, such as wine making.

- In recent years, global tara gum exports have increased from 1,600 tonnes in 2007 to 2,000 tonnes in 2014. Tara powder exports have increased even more, from 15 thousand tonnes in 2007 to 25 thousand tonnes in 2014. A major reason for this was the sharp increase of Chinese demand.

Forecast (2025)

- While the food industry is expected to remain the largest market segment for tara gum, the pharmaceutical and cosmetics industries are forecast to show highest growth.
- Tara powder has a bright future as a vegetable alternative in tanning leather. Growing environmental awareness gives room for more use of vegetable tanning agents.
- For both tara gum and tara powder opportunities in organic or fair trade niche markets are rather limited.
 - So far, no organic certification exists for leather. There is a fair trade certification, but this concerns the working conditions under which the leather products are made, which means tara powder does not play a role in this.
 - Tara gum usually makes up less than 1% of a final product, which means the tara gum does not necessarily have to be organic/fair trade for the product to be certified (In Europe a food product must contain 95% organic or fair trade (agricultural) ingredients to be certified as such).

The Trade for Development Centre (TDC – www.befair.be) of the Belgian Development Agency (BTC) promotes fair and sustainable trade.

In developing countries, TDC aims to economically and socially empower MSMEs (micro, small and medium-sized enterprises/organisations) by enhancing their business and marketing knowledge and improving their access to markets. This is done by conducting market researches allowing these MSMEs to better understand and capture market opportunities, be it nationally or internationally. These market studies are either used directly by MSMEs or by partner organisations (business support organisations, certification bodies, producer networks,...) in their day-to-day work to strengthen these MSMEs. Additionally, with its producer support programme TDC provides financial and marketing assistance to MSMEs.

Lastly, TDC closely observes the evolution of sustainable markets to inform authorities, civil society, consumers and other economic actors as objectively as possible on the relevance and potential of sustainable trade in Europe and in the South.