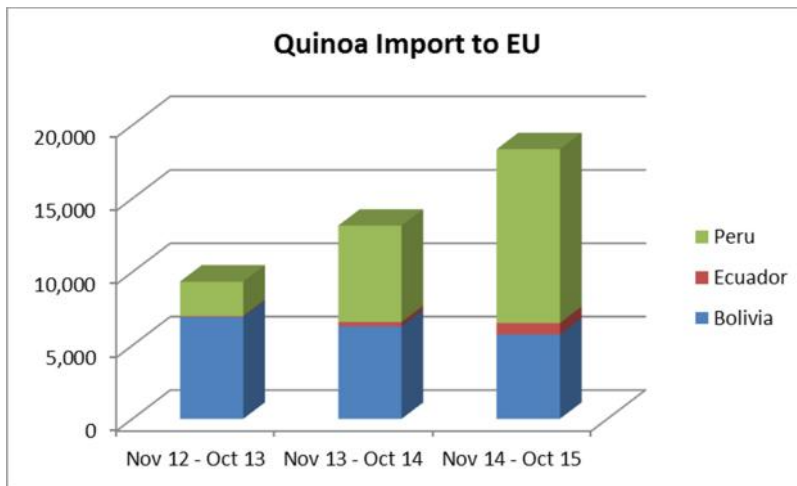


European quinoa market continues fast growth while prices have dropped

With the year 2015 coming to a close, import figures show that the quinoa market is still growing rapidly. In the Year Ending October 2015, imports increased by 40% compared to the year before (Figure 1). This is exactly the same growth rate as recorded a year earlier, from 2013 to 2014. In the Year Ending October 2015, European imports amounted to 18362 tons.

While imports continue to grow, European production has also become substantial. In 2015, 7000 tons of quinoa were produced in Europe, of which 5000 tons in France, and the remainder mostly in Spain and the Netherlands. However, consumption of European quinoa in 2015 was only 2000 tons (AbbottAgra, personal communication). Adding up both figures leads to a preliminary figure for apparent consumption of 20362 tons in 2015.¹

Figure 1: Quinoa imports from major producing countries into Europe, in tons



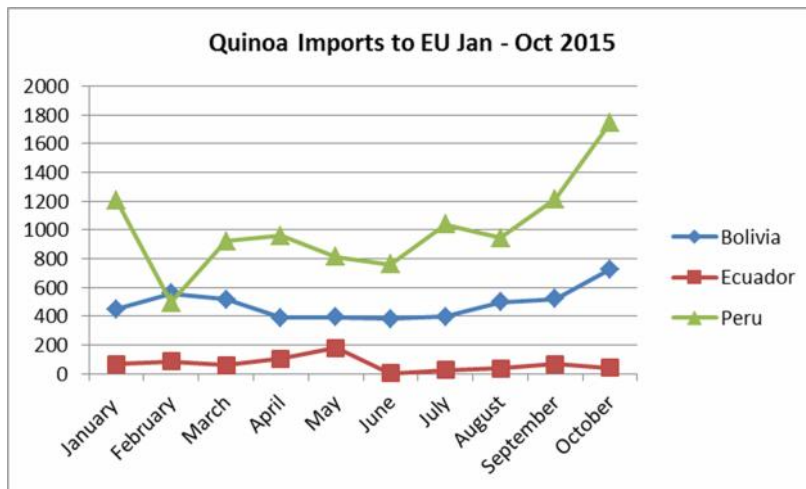
Source: Eurostat

¹ Apparent consumption is calculated as imports plus domestic production minus exports and minus changes in stock. While exports from Europe are negligible, most of the European production volume will only reach the market from 2016 onwards and thus enters the equation as an increase in stock. In 2015, 2000 tons of European production entered the market, from the 2014 harvest. The final figure will change depending on the development of imports in November and December 2015.



Zooming in on the monthly figures, we find that from August onwards imports from Peru have accelerated, and to a lesser extent from Bolivia (Figure 2).

Figure 2: Monthly quinoa imports from major producing countries into Europe, Jan – Oct 2015, in tons



Source: Eurostat

Peru consolidating as market leader

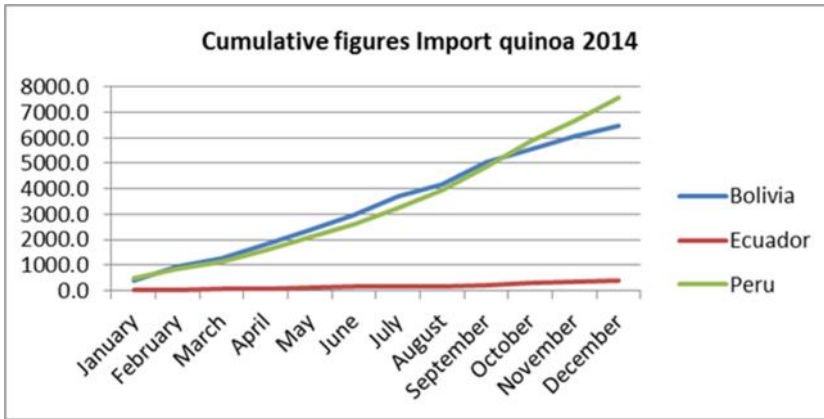
Whereas in 2014 Bolivia still managed to keep up with Peru (Figure 3) although it lost its position as market leader, in 2015 Peru has clearly taken the lead (Figure 4). In October 2015, cumulative quinoa imports from Peru to Europe were 10098 tons and from Bolivia 4832 tons, less than half of those from Peru. Throughout 2015 Peru has dominated the market with competitive prices, and Bolivia has been reluctant to follow suit.

Prices are falling, encouraging further growth

Quinoa was gaining a reputation for being expensive when trade prices fell dramatically in 2015. In the last quarter, according to industry sources, import prices of organic white quinoa fell to about US\$2300 per ton, while conventional was sold at US\$2000 per ton or less. At the beginning of the year prices of above US\$5000 per ton were common. The drop in prices was caused by the substantial increase in production especially in Peru, but also in Ecuador, and as mentioned above, Europe. For the producers these prices are obviously bad news. Some of the new entrants may become discouraged and stop producing quinoa. The traditional producers in the Andes mountains, both in Peru and Bolivia, will also be affected, since their yields are much lower than in the coastal areas. Consumers have not yet benefited much from the lower trade prices, but when they trickle down, the superfood will become much more affordable, spurring further market growth.

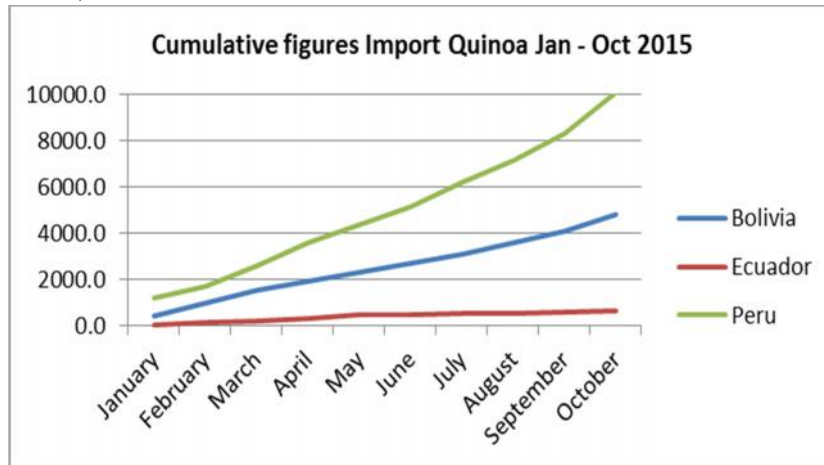


Figure 2: Cumulative imports from major producing countries into Europe, 2014, in tons



Source: Eurostat

Figure 2: Cumulative imports from major producing countries into Europe, 2015, in tons



Source: Eurostat

