

The herb and spice trade— What is it all about?

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Throughout recorded history, man's fate has been closely linked with the hunger to obtain spices. To most people, the word *spices* still stirs thoughts of vague and dramatic adventure. Indeed, we still refer to the "spice of life."

History of the trade

For many thousand of years insignificant pieces of bark, dried seeds and leaves, and misshapen roots have found their way along trade routes to establish an important place in both legend and history. Over the centuries the quest for spices has sent thousands of people to their deaths, venturing into the unknown and sometimes discovering undreamed-of continents.

At the time when the great civilisations of Greece and Asia Minor had developed, many centuries before the birth of Christ, a flourishing spice trade had begun between the East and the main ports of the Mediterranean region. Spices were brought from their origins to various points where they were loaded on caravans for the long overland journey to the markets of the Middle East. The Bible makes numerous references to the importance of the spice trade. It tells of the Phoenicians, who were renowned navigators and traders, and of Tyre—their busiest port, trading "of all spices and with all precious stones and gold." Around 1000 B.C. King Solomon was visited by the Queen of Sheba and in the First Book of Kings, Chapter 10, the Bible tells that she brought as a gift "a very great train with camels that bear spices." The Roman Emperor Augustus sent expeditions to discover the sources of spices, but even the Romans learned nothing of their true origin.

The tremendous wealth of Rome was accompanied by an insatiable demand for spice. The Romans crowned their emperors with laurel, embalmed their heroes with cinnamon, and had great faith in the medicinal value and healing properties of all herbs and spices then known. At that time in Rome, in fact, the adulteration of spices was punishable by death.

As the Greek and Roman colonisers spread their civilisations throughout Europe, they took with them their scant knowledge of spices. It is on record that the first mustard seed was brought to England by Roman soldiers in the year 50 B.C. Fantastic prices were paid for a few grains of spice. The diet at that time was unpalatable by modern standards; food spoiled quickly and spices served well in the dual role of not only adding flavour but also as antioxidants, a quality in some spices, which inhibited spoilage, particularly of meat.



When the great civilisations of the ancient world declined, the trade between Europe and the Orient was broken. Early in the 5th century A.D. the dark ages spread across Western Europe. Meanwhile, the religion of Islam was spreading through Asia from its Arab bases on the shores of the Red Sea. It was the Islamic Empire that controlled all the spice traffic with the Far East.

The Islamic Empire derived its strength from both religious and commercial considerations. For several hundred years the Moslems enjoyed a complete monopoly of the spice trade. By the 10th century a

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revival of trade began in Europe, and Moslem merchants brought their spices north to such ports as Venice and Seville, where they sold them for tremendous profit. They would not tell where the spices had come from and grossly exaggerated the dangers of the trails along which they had been carried. These tales served their purpose well in helping to preserve their monopoly and adding to the mystery and romance already associated with the trade.

The value of spices in the Middle Ages in Europe can hardly be imagined today, although we are fast approaching their valuations for spices such as cloves, which are currently valued at more than £4 a kilo. Many a slave was bought for a few ounces of peppercorns. Pepper was counted by the berry, and used to pay taxes, tributes, dowries, and rents. The phrase "a peppercorn rent" lingers today—it had a very different meaning in those days.

In Europe, the sources of spices were still not known and at this time nine crusades of feudal lords set out to carry the cross to win the Holy Land from the Moslems. The Crusaders, however, brought East and West closer together in the trading centres of Constantinople, Cairo, and Baghdad. Western linens and woolsens were exchanged for Eastern spices and silks, and Venice became the most important commercial city in the Western world. Invaluable cargoes found their way overland through Europe, but the Crusaders returned with as little knowledge of the location of the spice-lands as had their Roman ancestors long before.

Breaking the monopoly

It was the Venetian Marco Polo who helped to break the spice monopoly. During the years 1271 to 1295 he travelled extensively through the Near East, central and southern Asia, and many of the then unknown islands of the Pacific. On his return to Venice, Marco Polo published an account of three of his trips to the Orient and in doing so divulged the great secret on which he had stumbled, the source of spices. He told of seeing ginger growing in China, cinnamon in Ceylon, pepper in Borneo, and nutmeg clove trees growing on volcanic islands in the Indian and Pacific Oceans.

He had returned from his last trip part of the way by sea and thus proved there might be a sea route that was less perilous than the allegedly dangerous land passage. For the next two hundred years, expeditions were mounted and sailed out of European ports in search of sea lanes that might give easier passage to the mysterious islands where flourished the spices that the Western world valued so highly. Sea voyages were unbelievably dangerous; what maps existed were unreliable and shipboard diets deficient; these were conditions almost certain to take the lives of many of a crew on a long sea voyage. Crews were impressed from prisons and many of the expeditions that set out were never heard of again. Nevertheless, navigators sailed into the unknown in search of a practical route to the East, and in their search they opened new continents to exploration and settlement.

Pioneers

The names of a few who returned are well-known in history. Columbus, seeking a westward passage to the Indies, thought he had touched the outposts of these fabled islands when he reached the islands of the Caribbean.

Vasco da Gama, the Portuguese navigator, finally rounded the continent of Africa in 1498 and reached the spice-rich port of Calicut in India. To this day a certain type of ginger is still called Calicut. His success encouraged others, but it was Magellan, on his round-the-world expedition in 1519, who finally charted a course to the spice islands. With a fleet of five ships he left Spain and after two years of adventure and hardship dropped anchor in Philippine waters. Here Magellan was killed by natives, but the remnants of his expedition continued south and discovered the islands west of New Guinea where cloves, cinnamon, nutmegs, pepper, and other spices grew in profusion. The expedition returned to Spain after four years with news of the discovery that was so important to the spice trade. Of the five ships and 265 sailors that set out, only one vessel and 18 sailors returned.



In 1577 Sir Francis Drake set out in his ship the "Golden Hind," followed Magellan's route, and succeeded in reaching the East Indies. He filled his holds with spices and returned via the Cape of Good Hope, arriving back in England three years later. There followed a series of voyages by other English ships, but the cargoes they brought back from the East were not always obtained by peaceful means. At the end of the reign of Elizabeth I the East India Company was formed. The spice islands that had been discovered by Spain were given to the Portuguese to administer under Papal Treaty, and they carried on a profitable trade for almost two hundred years.

At the start of the 17th century the Dutch influence was felt when Dutch navigators reached the spice islands and established trading posts. Together the British and the Dutch ousted the Portuguese before opposing each other. The Dutch gained control of the East Indies with the exception of Borneo, and the East India Company concentrated its activities in India. At about this time our existing records identify companies now forming The British Pepper & Spice Company as being involved in the spice trade.

By 1800 the Dutch had been pushed out of the Indian Continent and also from Ceylon. The cloves and

nutmegs that still grew predominantly in Dutch territories were taken to other locations. Cloves were taken to Mauritius by the French; from there they were taken to Zanzibar and Madagascar. Nutmegs and cloves were taken by the British to Penang. By the middle of the 19th century nutmegs were being introduced into Grenada in the British West Indies.

So, briefly, the spice traders were: first, the camel trains from Mesopotamia, then the Arabs, the Egyptians, the Phoenicians, the Venetians, the Spanish, the Portuguese, and finally the Dutch and the British.

Changes in modern times

At the beginning of the twentieth century, practically all countries exporting spices, with the exception of the Dutch East Indies and Madagascar, were under British jurisdiction and most of their produce was sold through the London market. Singapore was the largest transit port in the world for Eastern produce, and British merchants were firmly established. Buyers all over the world made their purchases in London. Weekly auctions of spices were held at Mincing Lane until just after the First World War, when the pattern of trade began to change.

After the end of World War I, the world's politics began to evolve at an ever-increasing rate. It is probable that this political evolution created more divergence and change in the control of the spice trade than any event of the past. Nations became independent and broke away from former political and commercial associations. Other countries were annexed or merged to form trade and commercial entities. We saw the beginning of an East/West polarisation and a period of American isolationism.

During this period spices were in the doldrums, with only two notable exceptions. These were the highly speculative attempts to corner the market in pepper in 1932 and 1936. No one really knows how or where these manoeuvres started, but the results were startlingly obvious, with many bankruptcies for small brokers and merchants in Europe.

There were not too many problems of this kind at the trading origins such as Singapore. People just didn't honour contracts, changed the name of the company, or simply disappeared. There was no Concorde service to Singapore in those days. It was a very wearing four days and nights adventure. There was also little one could do to persuade reluctant shippers to honour contracts at prices less than half the ruling market value.

During the period of the Second World War, international trade in spices virtually ceased, although possibly some of our fathers, and I dare say perhaps some of our contemporaries, gained a taste for curry and garam masala while on His Majesty's service in the Far East.

An interesting tale is told of a merchant who after the recapture of Singapore bought all the "sandbags" used in protecting public buildings. He had remembered that, lacking sand and in haste to create blast protection for windows and doors, the authorities had

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commandeered the vast stocks of pepper held in warehouses and had used this commodity to good effect. The war years had created a scarcity in pepper, and the subsequent appreciation in value made that merchant the very first post-war Singapore millionaire.

Growth of the trade

Since 1945, the demand, variety, distribution, presentation, and use of spices has grown explosively. Our records dating from 1936 show pepper being sold in paper "twists," packed by the small shopkeeper at the counter. What a contrast to today. The consumer can now choose among polypropylene drums, foil sachets, aluminium or superbly printed metal containers, and an infinite variety of attractively presented glass jars. Spice shelves, racks and wheels as well as curry kits and pepper mills are frequent wedding gifts.

Quite remarkably, with this growth in the spice trade in the past three decades, there has been a substantial reduction of the number of companies processing and distributing spices in developed countries, and a proliferation of what we term "middle men" in countries of origin.

Influences on supply

If we now look at the present day situation in the international spice trade, we realise that control of any aspect is not total. Much of the commercial trading takes place in the financial and business centres of New York and Hamburg. London has lost its dominance during the last twenty years, although much business is transacted on London General Produce Brokers' Association forms of contract.

Many of the spice origins are still underdeveloped countries. Some are former colonies of the Spanish, Portuguese, Dutch and British adventurers, but having a well-developed international spice trade. Many newly independent nations are striving to develop any form of agriculture or horticulture to create employment and income from exploitation of natural resources. In many of these countries, there is some form of state or government influence or control in the production, quality control, and marketing of spices. We have yet to see effective or successful involvement by such authorities resulting in the benefit to either grower or eventual consumer.

India, probably the major source of spices in the world, would appear to have a free market and yet supply and prices are greatly affected by international political decisions and external pressures. Export duties are levied on some spices, export restrictions used to control inflationary domestic demand, and supply affected by government to government commodity barter deals. We have seen amazing consequences of some of these manoeuvres.

Substantial quantities of pepper, sold within a barter deal, have subsequently reappeared on free world markets, depressing prices to below the nominal value of the deal. Countries having an urgent need for Western currencies have resold spice commodities back to origins through several channels and in doing

so, temporarily created havoc in supply, demand and value levels.

In late 1978, during the Indian national elections, an aspiring politician promised action to stabilise food prices if elected to power. Turmeric was somehow mentioned in the speech, although it is hardly a basic foodstuff. With the change in government, a promise had to be honoured—or at least some action taken. As a result of this speech, the incoming government banned the export of turmeric without notice. Contracts were cancelled, arbitrations invoked to no avail, and the price of anything which even looked like turmeric rocketed. We had a value increase of \$1,000 per ton in less than three weeks. Consumers eventually explored and obtained supplies from origins unheard of before and of course stimulated these new producers to stake their claim to a proportion of this hitherto virtual Indian monopoly.



Stocks built up in growing and processing areas and in shippers' warehouses. I am told that the ban had not the slightest effect on domestic food prices. They still went up, and so did turmeric.

Japan, a large user of turmeric, sent a government to government trade delegation to India to obtain a concessionary lifting of the ban for its domestic requirements. A sale was agreed on at the then-ruling world values. There were delays in procuring the quantity and further delays in effecting shipments. By the time the first consignments reached the food trade, the ban had been lifted. The market was overloaded with turmeric from all origins, including a very substantial supply from India. Values plummeted by \$2,000 per ton within a very short period. India didn't make too many friends in the Japanese food trade on that episode.

When other origins of turmeric started to ease the supply position, India partially relaxed its ban and allowed the licensed export of ground turmeric in consumer packs. Despite being shipped under the auspices of the Agmark label—the state administered quality inspection control—we received turmeric adulterated with 10% pulse flour in totally inappropriate packaging. It was packed in polythene bags that stuck together like glue. We also experienced shipments of ground turmeric, not necessarily of Indian origin, with up to 40% adulteration of galangal root, rhubarb root, and cereal flour. These are instances of

government action working against its citizens' interests and the ineffective operation of an involvement in quality control.

I think it was an *indication of initiative* by traders in India to avoid the letter of the partial ban when I heard of plans to ship ground turmeric in bulk with the sack to contain the appropriate number of empty polythene bags—thus complying with official requirements of exporting only 2 kilo ground turmeric bags—no one said they had to be full!

Problems with quality control and supply

While talking about turmeric and government involvement in quality control: I was inspecting the growing of turmeric in India early last year and to my amazement, saw turmeric still being boiled in a mixture of cow dung and water—a procedure I thought had ceased many years ago. It is this aspect of quality control in which I would like to see government's involvement, for their action could be more effective than was my subsequent attempt to publicise and thus terminate this unacceptable practise. I am pleased to say that action is now being taken at producing areas to up-date and standardise hygienic method of processing—but not before time.

We have further instances, currently before our trade association, of a state trading authority having defaulted on the supply of a substantial quantity of expensive spices, properly contracted *under acknowledged contract forms*. Arbitration procedures have been duly invoked, awards made and yet the state authority *declines to recognise the awards* or to reply to any correspondence on the dispute. What does one do in these circumstances, and how does one take effective action against what in reality, is a foreign sovereign power? My own company has outstanding claims, for default on contracts against domestic and overseas suppliers, amounting to £37,000.

I would add that probably every company operating in spices in Europe could identify similar claims of unsatisfactory or abortive dealings with spice origin countries. Despite sophisticated communications, government commercial councillors, trade organisations, chambers of commerce, multinational banks, and two thousand years of documented trade in spices, we are still buying title to consignments alleged to be the commodity described, but with no guarantee whatsoever that the purchase complies with any requirement of our country's Food and Drugs Act.

If there is a problem, then there is an arbitration procedure which may give you a financial allowance because of deviation of a shipment from the described quality at the time of sale, but there is certainly no implied warranty that a commodity has a minimum oil level or a recognised flavour or appearance. We trail years behind North America in establishing quality standards for spices. This must be corrected. Our progress in Europe is excruciating slow. We have been full members of the E.E.C. for three years, but although some of our national spice associations have

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met informally in Brussels on three occasions, we are still only talking of arranging a meeting to discuss the possibilities of creating a European organisation. This in turn is only a first step to decide what quality we want, what quality our consumers require, what our legislators think we ought to have, and the deciding factor: what quality is available at origin.

I can't accept that in the closing decades of the 20th century, we should continue to experience cyclical periods where our complaints of iron filings in pepper, very high moisture content, dust, and foreign matter in other spices, cloves without buds, and quality complaints ad infinitum, should make such repetitive reading without some hope of an end to these problems.

Problems with governmental regulations

So much for some of our troubles in purchasing raw materials. But what do we find once we have overcome the inevitable shipping delays, dock strikes, damage claims, currency exchange variations, and the vagaries of Her Majesty's Customs and Excise's differing interpretation of classifications? I was amused at the object of a recent International Spice Seminar held in London in October—and I quote: "The long-range objective of the Symposium is to develop markets for spices, with particular emphasis on processed spice products, and thereby generate additional foreign exchange earnings and increase employment opportunities in the producing and exporting countries by initiating and implementing action-orientated marketing and promotional programmes."

How very grand how totally unrealistic! As an old established company having a number of years experience in the spice trade, considerable financial resources, a well equipped technical centre with qualified and experienced staff and an established sales and marketing force, we have great difficulty in coping with the rate of change and development in an extremely sophisticated European food market. What a nasty shock it will be when the inevitable "action-orientated marketing and promotional" consultant reports back that legislation requires printing on packages to be of certain size in relation to the package dimensions. That there are requirements on the suitability of packaging materials in relation to foodstuffs. That the explanatory information relating to weight contents runs to 10,000 words and that Einstein would have difficulty in understanding it.

He will report back that packaging must not mislead; that you can be in trouble if a product settles after packing and only half fills a container. That irrespective of the contents of a packet or container of spices, the weight must be shown even down to hundredths of a gram—and with a product like saffron, that is not an unusual weight content. Spices must be exactly described—one of the members of our spice association has recently had to change the description of a product from steak spice to spices for steak. The official complaint was that the mixture contained no steak! Every pack might require a "sell by" date, pre-

pricing, and a standard volume fill, price per 100 gram or per kilo marking. That's great fun if packs are odd weights.

They will shudder when they find that many customers require different packs and different qualities of spices, and that most supermarkets have their own house label, or that display racks are serviced at least every month. Mouths will gape when they hear that trading standards authorities frequently go to the extent of comparing the weight ratio content in a drum of whole pickling spice with the descending order by weight-ingredient-content-declaration, which has to be shown on the drum label. This small exercise requires the sorting by hand (or rather by tweezers) of up to 400 seeds, pieces of root, fragments of mace, pods, silvers of bark and berries, into eleven types of ingredient. Then identifying the ingredients (probably under a microscope), weighing, and listing in descending weight order and comparison with the drum label. Our authorities do not understand the practical or commercial implications of guaranteeing the subdivision of a one ton bulk ingredient mix into 50,000 20-gram units, each with the exact ingredient weight ratio of the original bulk.



When Spain joins the E.E.C. in two years' time, we can assure them that their legendary figure of Don Quixote is alive and well in the imagination of our legislators, for Quixote's fixation of tilting at windmills is described in the *Oxford Dictionary* as "pursuing lofty but impracticable ideals." During my past year as Chairman of the Spice Section of the United Kingdom's Food Manufacturers' Federation, and indeed as a member of the council, I appeared to have spent every meeting discussing how to combat, moderate, change or comply with an overwhelming volume of new E.E.C. legislation.

The Bible contains more than three-quarters of a million words and took centuries to compose. However, in comparison to E.E.C. enacted and proposed legislative publications, the Bible would represent but a paragraph. "The Packer's Guide," relating solely to a relatively minor change in the method of weight marking contents of prepacked commodities, and the change is only optional—not obligatory, is a typical piece of gobbledegook.

Some of you know how unpleasant it is to handle chillies. We grind considerable quantities in our spice mill, and use this as a punishment for misdemeanour. We now have an alternative punishment—reading

"The Packer's Guide"! To add this, not satisfied with legislation already created and in the pipeline, we are advised of a long list of future proposals which should keep civil servants involved well into the twenty-first century. This is really when I ask myself, "What's it all about?" I just don't see the relevance of one half of this legislation.

Forecast for the future

And what for the future? Well, I think we have seen the last of cheap prices for the main spice commodities. There is a realisation and a growing awareness by producers of the importance of their products to developed countries. I have heard comments that if the OPEC organisation can boost prices for oil, then spice producers should be able to do likewise.

We are seeing fewer and fewer spice commodities in surplus. With government finance and marketing, growers do not have to dispose of their produce as quickly as they had to in the past. Consumption in all developed countries is increasing and as standards rise, underdeveloped nations show the same trend. Demand has not reduced. Generally higher prices have been experienced during the past two years, and *new uses are being found for several spice varieties.*

We are finding, particularly with herbs, that there is a reluctance to commit land where there is perhaps a slight risk. There are so many crops where subsidies virtually guarantee a good profit.

Former abundant sources of supply such as Yugoslavia, Spain, and Portugal are having difficulty finding labour to cultivate and harvest herbs. Currently, two major herbs, sage and thyme, are in very short supply. We have a recent market report that total estimated pepper production for the July to February season is maximum 96,000 tons, against a minimum world consumption demand of 110,000 tons. I don't want anyone to run away with the idea that there is going to be a pepper famine, because no one knows what the carry-over is from one season to the next, or indeed what stocks are being held in consuming countries.

We do believe, however, that the estimates are based on sound reasoning, and we think that because of world-wide high interest rates and the relative weakness of the dollar—the major commodity trading currency—there has been little incentive to hold buffer stocks.

Again, in consuming countries, there is a growing demand for savoury food products. The increase in consumption of curry powder and curry products has *been outstanding, particularly in the United Kingdom*, and there has been a welcome resurgence in food company development activity.

I am certainly very optimistic that the forecasted recession should not have too much of an impact on our general spice trade.

Spice drawings are used courtesy of the American Spice Trade Association.