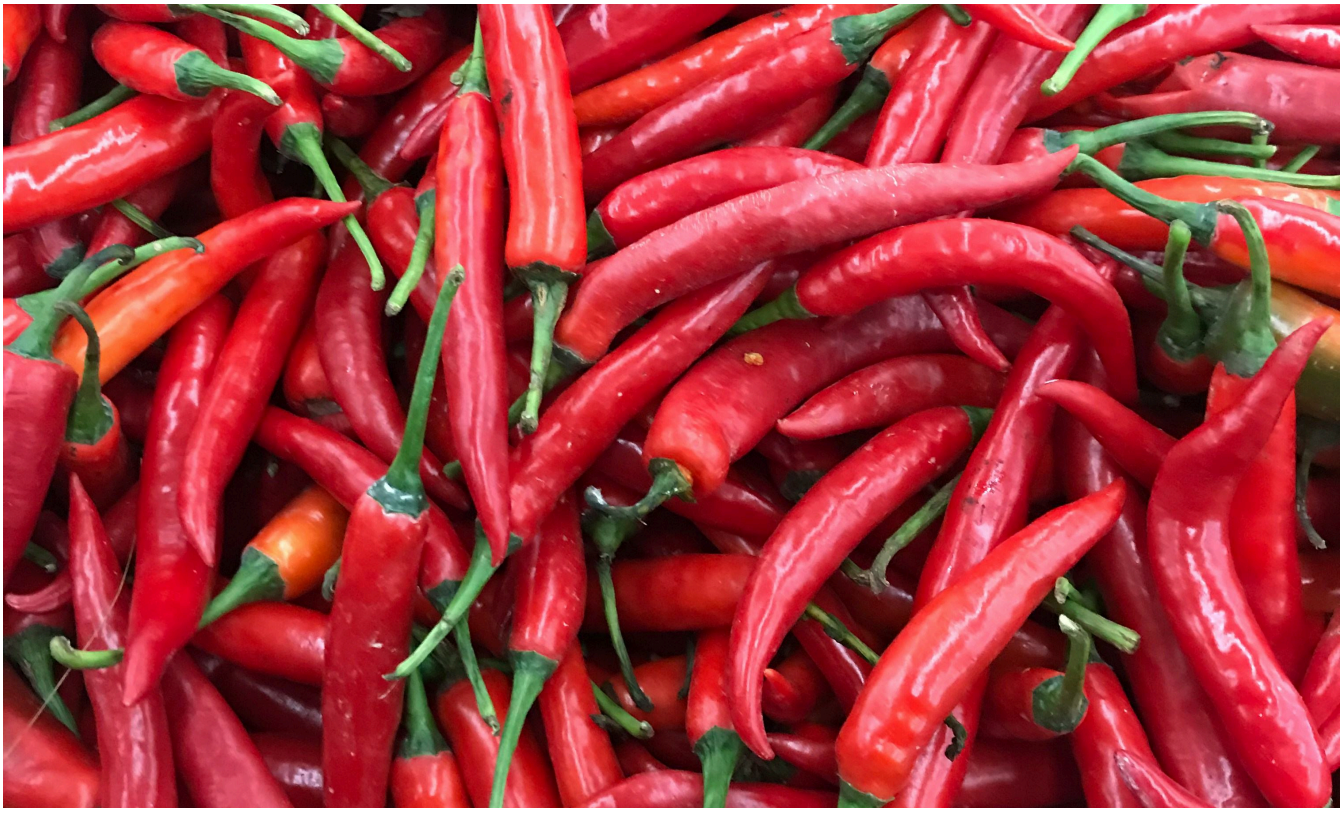
Africa's Share in a $5 Billion Dried Chili Trade:

A 4 Million-Tonne African Chili Market Inside a $40 Billion Industry



Chilli peppers (Capsicum species) are among the most widely traded spice crops globally. Their commercial value comes from capsaicin content, which determines heat (Scoville Heat Units), and from their versatility across food, pharmaceutical, and industrial markets.

Chilli combines strong global demand with relatively short production cycles, making it attractive for export-oriented agriculture when quality and drying are well managed.

The defining characteristic of chili is its heat, which comes from a compound called capsaicin. Capsaicin creates the burning sensation associated with chili and is measured using the Scoville Heat Unit scale. The higher the capsaicin content, the hotter the chili. This heat is not just a flavor trait; it determines commercial value, industrial use, and export demand.

Capsaicin makes
0.1%-1%
of dry chili's weight

Across Nigeria, Ethiopia, Egypt, and Tanzania, chilli has become a strategic cash crop due to its short production cycle and adaptability to warm climates. It offers smallholder farmers access to export markets and climate resilience.

Beyond food, chilli also serves industrial and security uses. Capsaicin extracted from chilli is used in pepper spray and animal deterrents in markets such as the United States and Europe, creating an additional regulated and specification-driven demand stream

Food and culinary markets

Chili is a core ingredient in sauces, seasonings, and packaged foods worldwide.
Demand is daily and repeat-based, driven by population growth and the expansion of processed food industries.

Spice and ingredients

Dried chili pods, flakes, and powder are used by spice blenders and food manufacturers at scale.
This segment values uniform color, heat level, and cleanliness, rewarding consistent suppliers.

Pharmaceuticals and nutraceuticals

Capsaicin extracted from chili is used in topical pain relief and digestive products.
Although smaller in volume, this segment pays higher margins for traceable, high-capsaicin raw material.

Industrial and security applications

Capsaicin is a key ingredient for pepper spray and animal repellents.
This demand is regulated but relatively price-insensitive, creating stable off-take for high-heat varieties.

Chili's value lies in its functionality, not its volume. A small quantity can flavor food, support pharmaceutical products, or serve industrial and security uses.

Chili Production Zones

Chilli thrives in temperatures between **18°C and 32°C**, with optimal rainfall ranging from **600 to 1,200 mm** annually, provided soils are well-drained. It performs best when moisture can be controlled during fruiting, and when drying conditions allow pods to reach **11%** moisture content for export quality.

As climate variability increases globally, African regions with stable warm temperatures and clearly defined dry seasons are becoming more competitive in supplying export-grade chilli.

Global Chili Production and Market Context

The global chili market for 2025 was valued at approximately **USD 10.88 billion**

It is expected to continue growing at a CAGR of 6.63%, reaching USD 17.06 billion by 2032. The global annual production is estimated to be about 40.9 million tonnes.

17.5%
global output from Africa

Asia remains the largest producer and consumer of chili, accounting for over **70%** of global output, with countries like China and India leading production.

Africa contributes roughly **17.5%** of global chili and pepper production, but its share of high-value dried and processed exports remains relatively limited. This positions Africa primarily as a production base with growing export potential to Europe, the Middle East, and North America.

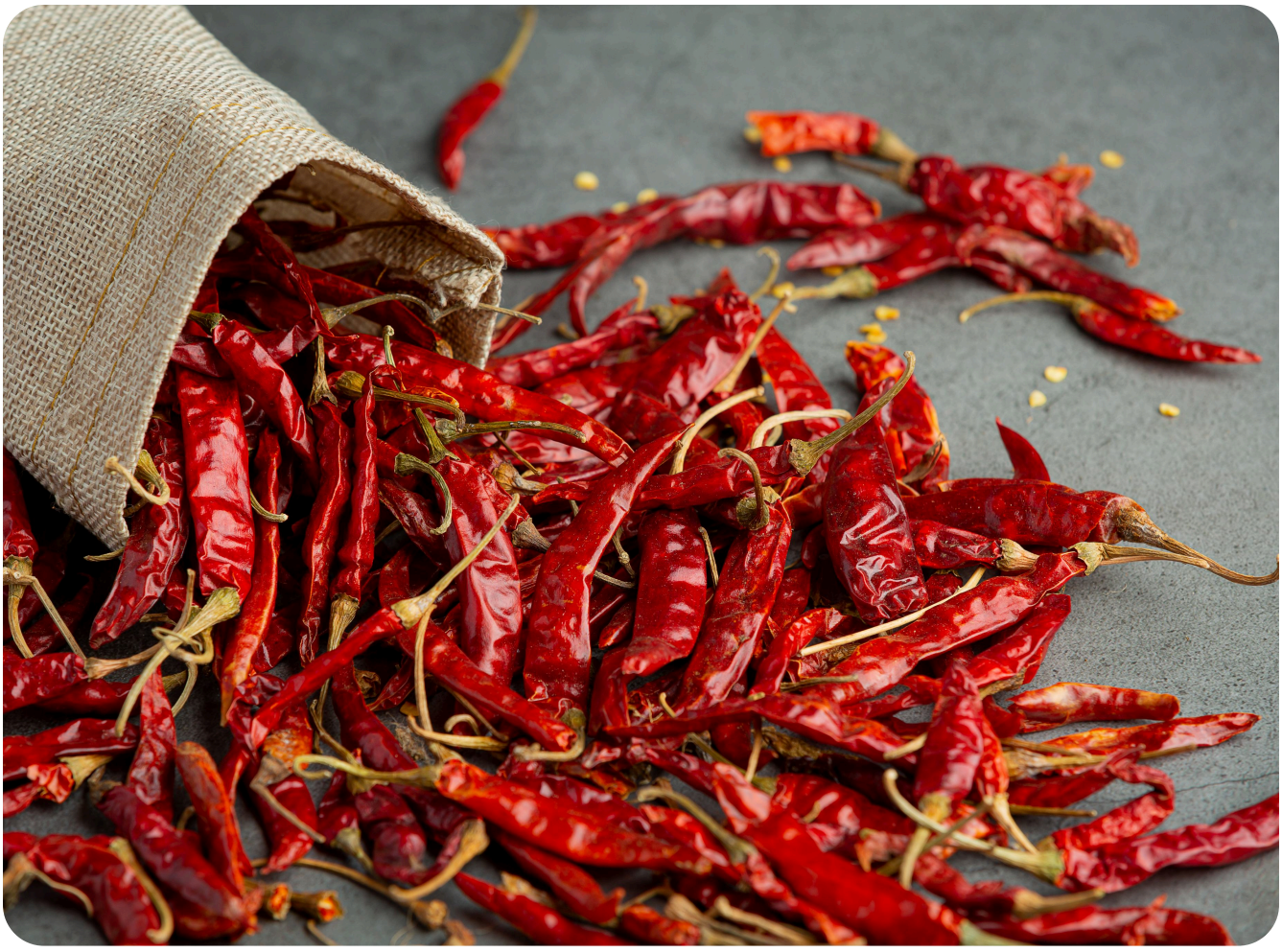
Several structural trends support global chili demand:

The expansion of global processed food industries is a primary driver of sustained chilli demand.

Population growth and rapid urbanisation are structurally increasing global consumption of chilli-based products.

The growing pharmaceutical and nutraceutical use of capsaicin is expanding non-food demand channels for chilli.

Global supply chain diversification is creating new sourcing opportunities for chilli outside traditional production hubs.



Major African Chili-Producing Countries

Algeria

486,636 tonnes

Focuses largely on domestic consumption, with some regional exports within North Africa and limited trade into Southern Europe.

Tunisia

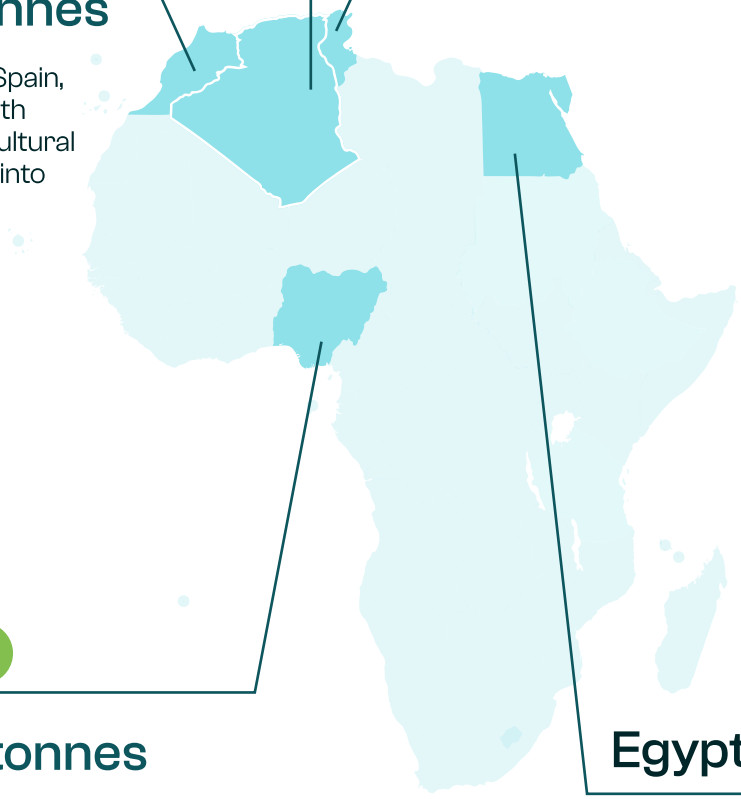
425,000 tonnes

Exports primarily to the European Union, especially France and Italy, supported by historical trade ties and geographic proximity.

Morocco

273,609 tonnes

A strong exporter to Spain, France, and the UK, with well-established agricultural export infrastructure into the EU market.



Nigeria

770,683 tonnes

Primarily supplies West African regional markets including Ghana, Niger, and Benin. Limited formal exports to Europe due to compliance constraints, with most trade occurring intra-Africa.

Egypt

681,149 tonnes

Exports mainly to European Union countries such as Germany, Italy, and the Netherlands, as well as to Saudi Arabia and other Middle Eastern markets, leveraging strong phytosanitary compliance.

Global Chili demand is consumption-driven, not speculative.

Annual demand
34M
tonnes

Market value
$9.0B

Africa's share of global exports
8–10%

Annual demand growth
4-6%

Demand growth tracks population growth, urbanisation, and food processing, rather than commodity cycles.

Major Demand Centres

15%
global Chili imports

United States

The Unites States imports an estimated amount of USD 650 million worth of Chili every year, which translates to about 15% of global imports. It is primarily used in sauces, processed foods, spice blends and industrial capsaicin extraction.

70k
tonnes annually

Germany

Germany imports about 70,000 tonnes of chili annually which translates to about USD 350 million.

200M
USD

The United Kingdom

The United Kingdom imports chilli primarily for processed food manufacturing, ethnic cuisine markets, spice blending, and limited pharmaceutical use, with demand driven by its large food industry and diverse consumer base.

Consumption-Driven Demand

Demand is embedded in global food systems, pharmaceuticals, and industrial uses, creating steady and repeat purchasing patterns.

High Value-To-Weight Ratio

Once dried, chilli is lightweight and shelf-stable, reducing logistics costs relative to revenue.

Short Production Cycle

Chili matures within 90–150 days, allowing multiple production cycles per year and faster capital turnover.

USD-Denominated Trade

Export sales are typically priced in dollars, offering natural currency advantages for African producers.

Multiple End Markets

Chili serves food, spice processing, nutraceutical, and security industries, diversifying demand risk.

Climate Suitability in Africa

Many African regions naturally meet optimal temperature and drying conditions, giving the continent a structural production advantage.

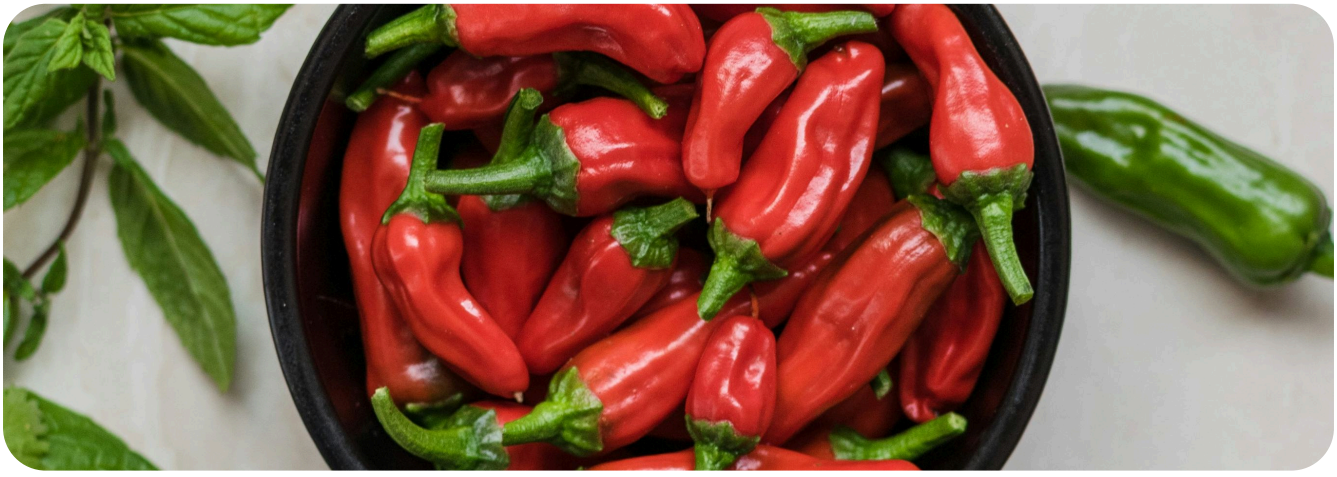
Threat of new entrants – Moderate
Growing chilli is easy, but exporting consistently requires discipline, compliance, and buyer trust.

Supplier power – High
Smallholders can side-sell easily, making relationship management and fast payment critical.

Buyer power – High
Buyers enforce strict specifications on colour, heat, moisture, and contaminants.

Threat of substitutes – Low
Capsaicin has no true substitute, limiting replacement risk.

Competitive rivalry – Moderate
The market is crowded at the farm level but thin at the disciplined exporter level.



Harvesting
Ripe red pods are harvested in multiple pickings to ensure uniform colour and optimal capsaicin levels. Timing directly affects quality and export value.

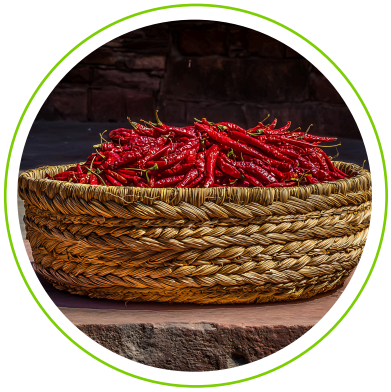
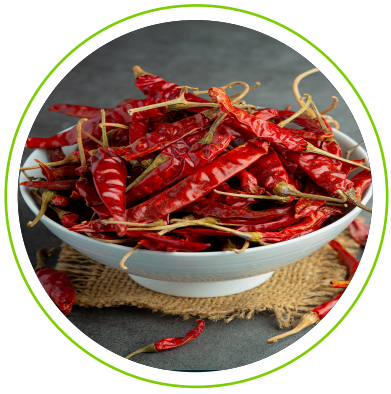
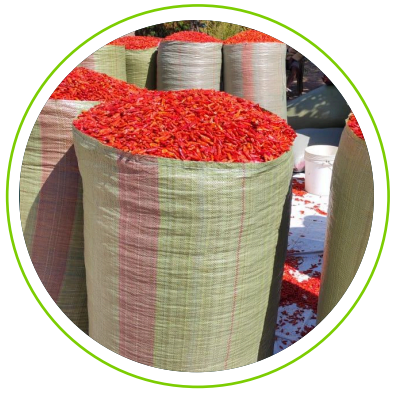
Sorting & Primary Cleaning
Damaged, diseased, or immature pods are removed. Foreign matter such as stones, stems, and debris is separated to meet food safety standards.

Drying
Pods are sun-dried or solar-dried until moisture falls to export-grade levels. Proper drying preserves color, heat, and prevents mold or aflatoxin contamination.

Secondary Cleaning & Grading
Dried chili is graded by size, color, heat level, and cleanliness. Some batches undergo mechanical cleaning to remove dust and light impurities.

Packaging & Lot Control
Chili is packed in moisture-proof export bags (often 25–50 kg). Lots are labeled by batch, variety, and harvest date to ensure traceability.



PHASE 1: Location & Strategy Setup

Objective

Select zones that meet climate, drying conditions and logistics requirements for export-quality production

Key biological requirements

Temperature	Rainfall	Crop Cycle
18–32°C	Moderate	90–150 days

Viable sesame belts in Africa

- Ghana (northern and middle belts)
- Nigeria (Central States)
- Ethiopia (Rift Valley)
- Malawi
- Tanzania

Strategic choice

Malawi is a low-risk entry point:

- Focuses on export-grade chilli
- Structured contract farming system
- Strong compliance alignment with European buyers.

PHASE 2: Land & Farm Structure

Objective

Learn before scaling.

Land strategy

- Lease, do not buy
- Lease duration: **1–3 seasons**
- Start small and controlled

PHASE 3: Inputs & Farm Setup

What you physically need

- Certified Chili seed
- A nursery for transplant setup
- Land preparation:
  a. Ploughing
  b. Ridging
- Minimal fertilizer
- Labour intensive fie for:
  a. Planting
  b. Weeding
  c. Harvesting

What you must understand

- Chili is sensitive to pest and water stress
- Heat levels depend onn both variety and growing conditions.
- Overwatering or excessive fertilizer reduces quality

Chili is quality-driven, not volume-driven.

PHASE 4: Farm Management

Key farm risks

- Pests
- Diseases
- Uneven Flowering
- Poor Fruit Set

Control actions

- Early Planting
- Frequent field scouting
- Timely harvesting

PHASE 5: Harvest & drying

Objective

Drying speed and cleanliness determine export acceptance

Immediate actions after harvest

- Harvest ripe red pods
- Dry rapidly on clean surfaces or solar dryers
- Reduce moisture to < 12% to prevent mould

Reality check:
More chili is rejected due to improper drying and contamination than poor field production

PHASE 6: Storage & Lot Control

Objective

Proper storage preserves quality from drying to export. Lots should be separated by variety and harvest batch with regular moisture checks to prevent spoilage

Non-negotiables

- Store bags off the floor
- Use dry, ventilated storage
- Separate lots by:
  a. Field
  b. Harvest date
- Track:
  a. Moisture
  b. Cleanliness per lot

TIP

Once lots are mixed, export traceability is lost.

Export scale comes from aggregation, not self-production.

PHASE 8: Export Readiness & Compliance

Objective

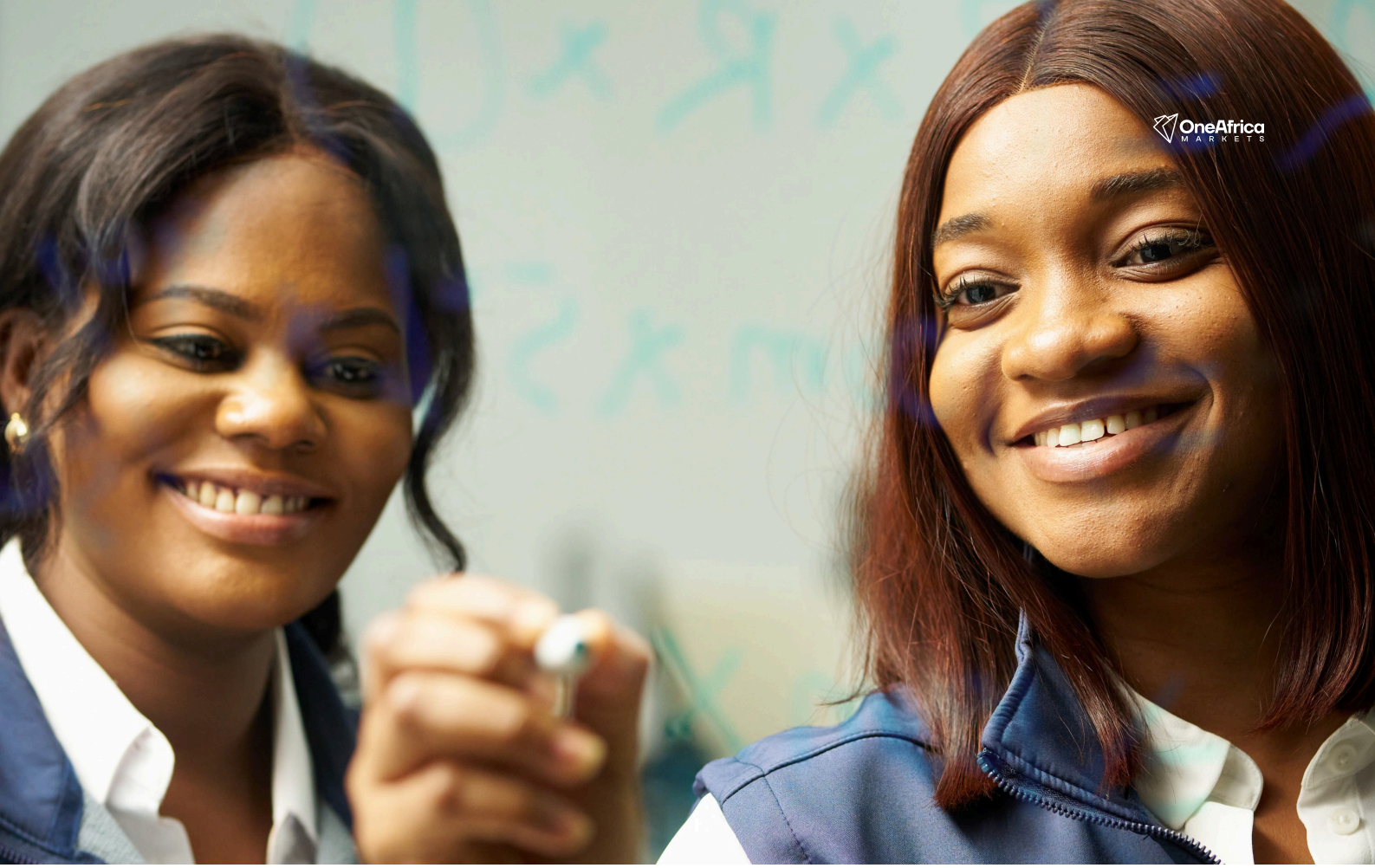
Become a formal exporter.

You must secure

- Dry chilli to 10–12% moisture content to prevent mould and aflatoxin contamination.
- Obtain phytosanitary certification and comply with pesticide residue limits required by target markets.
- Ensure proper cleaning and grading to remove foreign matter and meet buyer specifications.
- Maintain lot traceability by labeling batches by variety and harvest date.
- Use moisture-resistant export packaging suitable for international shipping.
- Complete all export documentation and align with agreed trade terms (e.g., FOB).

Production Risks and Mitigation

Poor Drying and Mould	Dry chili properly to 11% moisture, use clean drying surfaces, and test before export.
Pests and Diseases on the Farm	Use good seeds, check farms regularly, and control pests early.
Too Much Chemical Residue	Use approved chemicals only and stop spraying early enough before harvest.
Farmers Selling to Other Buyers	Select well-drained soils and avoid low-lying fields
Price Changes in the Market	Agree on prices early with buyers and sell to different markets, not just one.



About Us

One Africa Markets is a leading global financial services firm that bridges Africa's dynamic and rapidly growing financial markets with the rest of the world, while seamlessly bringing global markets closer to Africa. We combine world-class technology, institutional-grade execution, and a client-centric service model to deliver speed, reliability, and strategic insight across the financial value chain.

Our offerings span global payments, fixed income, commodities, foreign exchange, digital assets, technology solutions, data, and advisory services providing integrated solutions tailored to our clients' evolving needs. Over the past decade, we have built a trusted track record serving a diverse and sophisticated client base, including governments, multinational corporations, high-net-worth individuals, SMEs, fintechs, global and local banks, and leading investment institutions.

Rooted in Africa yet globally connected, we position ourselves as a true gateway to the continent. With a team of experienced professionals across key financial centers worldwide, we bring deep market expertise, local insight, and global best practices to deliver exceptional value to our clients at every stage of their journey.

Advisory | Commodities | Fixed Income | Payments | Research & Data | Technology

$18bn+
traded in fixed income & forex markets

140+
teams across our global offices

1000+
global client coverage

100+
global banking partnerships