

# The European market potential for fresh coconut

The European market for coconuts is gradually growing. Health, convenience and innovation contribute to a larger consumption of fresh mature and young coconuts. Opportunities are diverse, both in the type of fresh coconut as well as in mature markets such as the United Kingdom and Italy and growth markets such as France and Spain.

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## 1. Product description

Coconut (scientific name: *Cocos nucifera*) is a stone fruit with a liquid and solid endosperm inside its core. A full-grown coconut fruit weighs almost 1.5 kilos. Coconut trees are highly tolerant of salty soils and grow best in warm climates with high humidity.

There are only two distinct types of coconut, the tall and the dwarf variety. The tall variety takes more years to bear its first fruit but has a longer lifespan. Hybrid varieties (tall x dwarf or dwarf x tall) are often used in commercial cultivation to get high and consistent yields.

Coconuts in Europe are sold in many forms, both fresh and processed:

- fresh mature coconut: husked coconut in the inner shell with mature flesh
- fresh young coconut: soft outer shell (often trimmed), soft flesh and high liquid content
- freshly cut coconut: packaged coconut in pieces
- frozen coconut (chunks)
- dried or desiccated coconut (often grated)
- coconut cream or milk (often canned)
- coconut water (often bottled and mixed)
- coconut oil (often in jars)

It also forms an ingredient for many applications in health food, cooking and cosmetic products.

This product study focuses on all fresh coconut varieties. Mature or fresh brown coconuts are sometimes mistakenly referred to as dry or desiccated coconut. It is not sure to what extent this influences trade data.

Harmonized System (HS) code	08011200 Coconuts in the inner shell “endocarp” 08011900 Coconuts, whether or not shelled or peeled
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Examples of commercial varieties	<ul style="list-style-type: none"> <li>• Grand Ovest Africain (GOA/West coast tall – oval nut from tall variety from West Africa)</li> <li>• Port-Bouet 121 (hybrid, round nut, in Ivory Coast)</li> <li>• Nam Hom (aromatic, for coconut water, Thailand)</li> <li>• King coconut (sweet, high liquid content, Sri Lanka)</li> <li>• Malayan yellow dwarf (high yielding, medium size coconut)</li> <li>• Dwarf orange (sweet, high flesh content)</li> <li>• Golden Malay (good drinking water and flesh)</li> <li>• Maypan (strong hybrid, resistant to Lethal Yellowing disease)</li> <li>• East coast tall (high oil content)</li> <li>• Macapuno (mutated dwarf, soft flesh)</li> <li>• Fiji dwarf (resistant)</li> </ul>
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For other coconut applications see the CBI's market information on:

- [Exporting desiccated coconut to Europe](#)
- [Exporting virgin coconut oil to Europe](#)
- [Exporting coconut water to Europe](#)

## 2. What makes Europe an interesting market for fresh coconut?

### Coconut imports increased over 30% in five years

Europe's coconut imports continue to grow year by year, which indicates there is a steady demand that sustains future growth. As an exporter you can benefit from the developing demand in Europe, but you can maximise your chances by maintaining flexibility in the type of coconut products you supply (fresh, frozen, cut) and use the strengths of your coconut variety (for its fresh flesh or for liquid content).

European imports of fresh coconut increased by 32% in volume over the past five years, to a total of 46,600 tonnes in 2018. The average trade value was 42% in the same period, but prices for coconut fluctuate according to annual availability. Coconuts come almost exclusively from developing countries such as Ivory Coast, Thailand and India, and Vietnam is also a fast-upcoming supplier (see competition in 'Entering the European market for fresh coconut').

Fresh coconuts are registered under two statistical HS codes, which are often used interchangeably. Therefore it is difficult to estimate the exact volume of fresh coconut against frozen, mature coconut against young and inner-shell coconut against whole ones. However, premium young coconuts are becoming more popular, so you can expect more of these to be imported combined with an increasing average price throughout the coconut segment over the next few years.

### Tips:

Explore the opportunities for different coconut products and focus on your strengths as a company to confront the competition. Find out who are your main competitors in fresh coconuts in 'Entering the

European market for fresh coconut’.

Stay up to date with the European coconut market, for example by following news items on [Freshplaza](#), [FruiTrop](#), and [FreshFruitPortal](#).

## Health awareness and a stable supply can boost consumption

Coconuts in Europe have moved from being a traditional exotic product to a hip health fruit. As long as the supply can be guaranteed, you can expect long-term growth for coconut in Europe.

Coconut used to be an exotic product in Europe, but with the promotion of all kinds of healthy by-products coconut is not a strange fruit to consumers anymore. For example, the [coconut water market has an expected growth of 25% \(CAGR\)](#) during the period 2017-2021. However, the consumption of fresh whole coconuts is still underdeveloped, probably due to the lack of knowledge about how to open a coconut.

Europe is responsible for only 3-4% of the total coconut trade worldwide. Europe may not be a traditional consumer of coconut, but considering its small share in the worldwide volume it offers potential for growth. Today's consumption is relatively steady throughout the year with slightly higher imports during the summer and towards Christmas in December. While demand is higher, the supply of young coconuts is scarcer in summer due to slower production in Asia, which can drive up the prices.

The future consumption growth of coconut will depend on a stable supply. The main concerns are the stabilising global production and the increasing demand for coconuts in China. The world production is around 60 million tonnes but does not (yet) show signs of growth. In 2017 it was suggested that [Asia would produce 80% less coconut in the next decade](#). Still, with new coconut plantations being set up it is unlikely that production will fall short. But importers in Europe will have to compete more to meet the increasing demand and to get a quality product. Opportunities will increase for new suppliers and origin countries that can match the quality and buyer expectations.

### Tip:

Get familiar with how buyers do business and how you can make your coconuts available to them. Read the study on [Doing business in the European market for fresh fruit and vegetables](#).

## 3. Which European countries offer most opportunities for fresh coconut?

Fresh coconut imports in European markets are developing with different growth rates. Mature markets such as the United Kingdom and Italy absorb a relatively large volume, and France is catching up fast in becoming a mature market as well. Some countries, such as Germany and Spain, offer relatively good markets for young, drinkable coconuts. Most of these European markets import both from origin and via the Netherlands, from where coconuts are re-exported.

### Netherlands: trading coconuts as main business

A majority of the imported coconuts finds its way to Europe through the Netherlands (see Figure 2). From there other important markets are supplied, such as Germany, France and Italy. But it also functions as a distribution

hub for smaller markets throughout Europe. This means you can reach different markets via the Netherlands.

Exotic fruits, including coconut, is often a specialty of Dutch trade. There are a number of specialised Dutch importers that deal with fresh coconut such as [Joko Impex](#), [Exotimex](#) and [Nature's Pride](#). These specialists purchase mostly fresh coconuts from Ivory Coast (11,600 tonnes in 2018, mostly mature coconut) and an increasing amount from Thailand (4,200 tonnes, mostly young coconut).

Coconut is expected to remain a specialty product for several years to come, which means that Dutch companies will maintain a strong position in the coconut trade.

### **Tips:**

Make use of Dutch traders when you have difficulties in entering different European markets. Dutch importers often have wide experience in trading and there are several companies that are familiar with exotic fruit. Dutch fruit companies have a no-nonsense mentality, so calling or visiting them often works better than e-mailing.

Find some of these importers on the [member list of the Dutch GroentenFruit Huis](#) (in Dutch), the organisation that looks after the interests of the fresh fruit and vegetable sector in the Netherlands.

## **United Kingdom: an interesting end market**

With 11,000 tonnes imported in 2018, the United Kingdom consumes a large amount of coconuts (see Figure 2). It is an interesting end market that can be supplied directly from origin, although you must be able to manage low margins.

Despite its market size for fresh coconuts, you have to be aware of low prices. The departure of the United Kingdom from the European Union ([Brexit](#)) influences exchange rates and inflation, as well as the prices people are willing to pay for imported exotic fruit. Currently (December 2019) mature coconuts are sold for as low as 0.50 British pounds (approximately 0.42 euro).

The market in the United Kingdom is relatively well developed. It will have less potential for strong growth in the near future, but it is a market that can be directly supplied from the origin country. The United Kingdom has a strong connection to India from where 3,500 tonnes were imported in 2018, giving Indian suppliers an advantage over other origins.

### **Tip:**

Get an idea about the coconuts on offer and their current [retail prices on mysupermarket.co.uk](https://mysupermarket.co.uk) and estimate if you can compete on price and quality.

## **France: growing fast towards maturity**

France has experienced strong growth in coconut import. Especially African suppliers can profit from the increasing demand for coconuts.

France is showing a promising future for fresh coconuts. Coconuts were much more ignored before, but recent trend shows an increasing demand for all kinds of coconut products, both fresh and processed products such as

desiccated coconut and coconut water.

French imports of fresh coconut increased from 3,000 tonnes in 2014 to 8,000 tonnes in 2018. Together with Spain, import growth has exceeded that of other countries in Europe (see Figure 2). Most of the growth is realised by mature coconut. A minor estimated volume of between 800 and 1,500 thousand tonnes were young coconuts.

Ivory Coast supplies the majority of the coconuts destined for France (6,500 tonnes in 2018). France is commercially well connected with the French-speaking Ivory Coast. The growing demand for coconuts will offer opportunities for Ivorian suppliers as well as other exporters that have a competitive offer. Especially French-speaking suppliers in West Africa can take advantage of this growth.

### Tip:

Visit the [Rungis wholesale market in Paris](#) if you have the chance. Here you will find a wide variety of wholesalers and exotic fruits. It is a good starting point to get to know the French market.

## Italy: a long-term consumer of coconuts

Italy has been a prominent and long-term buyer of coconuts. Most imported coconuts stay in the country so in terms of consumption Italy is a relevant market.

Italy imports a relatively large and stable quantity of coconuts: 8,000 tonnes in 2018 (see Figure 2). Italy typically imports mature coconuts in the inner shell. It is a popular summer fruit and regularly sold to tourists on the beach, where it is sold in broken pieces (often two euros per piece).

A significant share of the supply is directly shipped from origin, making Italy one of the larger importers of coconuts from developing countries, especially from Ivory Coast (3,400 tonnes in 2018). This makes it an interesting market for exporters to explore. However, the Netherlands functions as a logistical or commercial hub for 1,700 tonnes of the coconuts imported by Italy.

The volume is likely to stay stable in the years to come. You can approach the Italian market directly or via partnerships in trade hubs such as the Netherlands.

### Tip:

Walk around on the [Macfrut trade fair in Rimini](#). The fair is mainly focused on the Italian market and you can find several specialised companies in exotic fruits that import for local demand.

## Spain: recent interest in coco-water

Since 2016 Spain seems to be catching up with the rest of the European coconut market. This recent development is related to the increasing interest in coconut water, offering specific opportunities for suppliers from Thailand and Vietnam.

Spain has seen a recent interest in young coconuts and coconut water. Companies such as [Coco Wilson](#) and [Genuine Coconut](#) commercialise young coconuts with coconut water. But also mayor drink brands such as [Goya](#)

have adopted [coco-water](#) as one of their principal sales items.

The interest in young coconut is confirmed by the increasing imports from Thailand (1,100 tonnes in 2018) and more recently from Vietnam (3,100 tonnes), replacing some of the imports from Thailand. These countries barely had any commercial relation with Spain in fresh coconuts before the year 2015.

Spain already took a giant step forward, almost tripling its import volume of fresh coconut. It will be interesting to see if they can keep up these growth rates. This will mainly depend on the success of coconut marketing companies.

### Tip:

Meet with potential buyers on the [Fruit Attraction trade fair in Madrid](#), the second-largest fair for fresh fruit in Europe.

## Germany: moving towards young coconuts

With the largest population of 82 million inhabitants, Germany will be among your target countries with the most export potential. A focus on health, natural and exotic products could help increase the consumption of fresh coconut too.

The German coconut market is relatively open for suppliers of different regions. Germany does not have a principal source for fresh coconuts as supplies come from different supplying countries such as the Dominican Republic (1,800 tonnes in 2018), Indonesia (1,400 tonnes), Ivory Coast (1,400 tonnes) and Thailand (1,200 tonnes). Several thousand tonnes are shipped through the Netherlands, but not registered by German statistics.

In consumption of fresh coconut Germany seems to lag behind compared to other large European countries. However, it is the [largest market for desiccated coconut](#) and it is one of the few countries that offers [more year-round opportunities for young coconuts](#). For German people fresh young coconuts are a reminder of their holidays and its consumption often goes together with a special event, such as a consumer fair or Christmas.

A main trend that predicts a growing demand for coconut in the future is the focus on healthy nutrients and ingredients for vegans. Thus, fresh coconut is not only linked to an exotic holiday memory, it also offers an answer to the consumer's healthier lifestyles. Several coconut promoters and brands such as [Dr. Goerg](#) and [Kalua](#) will contribute to a variety of coconut products and be a stimulant for the consumption of fresh and natural coconuts. Because of the association of coconut with health, exporters with an organic supply will have an advantage.

### Tips:

Supply Germany through the Netherlands. Young coconut is a small niche that needs an efficient supply chain. The Netherlands is specialised in logistical services and shares a border with Germany.

Participate in the [Fruit Logistica trade fair in Berlin](#). At this International fresh trade event you will find not only coconut buyers from Germany but also from many other European countries.



## 4. What trends offer opportunities or pose a threat on the European fresh coconut market?

### Young coconuts promote health benefits

Consumers in Europe are becoming more aware of their health and have started to pay more attention to their diet. This trend has a positive impact on the marketing of coconut products, including fresh coconuts.

Coconuts are associated with health benefits thanks to their fibres and minerals. The promotion of these health benefits is of major influence on the commercial success of coconuts. A wide diversity of coconut products is being marketed such as coconut water, coconut oil and desiccated coconut. The most natural way to consume coconut water is from the coconut itself, which is an interesting selling point for young coconuts (see image 1).

Traditionally Europe markets mature coconuts because of their high flesh content. In recent years you can see an increasing demand for young coconuts, which is mainly sold for its liquid. This trend started in northern Europe with exotic fruit specialists, but is gradually expanding to other markets. The flesh of young coconuts is much thinner and softer, but their principal selling point is the coconut water.

Keep in mind that fresh coconut is still a niche market, especially for young coconuts. It offers opportunities for suppliers of quality products, but there is not yet room for many large-scale operations.

Image 1: Example of young coconut brand in a Dutch supermarket



Image by ICI Business

### Tip:

Establish sufficient buying relations in and outside Europe before investing in a high-quality supply chain of trimmed, young coconuts. It is still a niche product in Europe and it is best to first secure your market.

## Companies make coconut easy for consumption

Coconuts can be a difficult product for consumers to open and to prepare for consumption. Innovative solutions and packaging are making coconut more accessible.

Food companies are finding new ways to transform coconut into a convenient, easy-to-consume product. [Special tools such as the Italian Coco Crack](#) are invented to open coconuts and make its flesh easily accessible. Coconut brands such as [Tic Toc Coco](#) include [instruction on how to open and how to use coconuts](#).

Retailers more and more offer packaged, freshly cut coconut (see image 2). Freshly cut coconut has seen strong growth just like other freshly cut, tropical fruit, such as mango, pineapple and papaya. It is convenient and practical in logistics and distribution. Therefore you can expect this segment to increase for mature coconut flesh. A supplier that has successfully tapped into the freshly cut trend is [INI Farms in India](#) that works exclusively with [Sous Fresh](#) (part of the [Best Fresh group](#)) for the distribution to wholesalers and food services in Europe.

Young coconuts often come with [innovative opening systems](#) and [ready-to-drink packaging](#), making them an attractive and easy product for consumption.

As an exporter you can increase your success by ensuring you are well in line with these developments and cooperating with buyers to supply convenient solutions.

Image 2: Example of fresh-cut coconut in an Italian supermarket





Image by [ICI Business](#)

**Tip:**

Share ideas with your clients on making coconut more convenient for consumers. You need both supplier and buyer to realise creative ways to present coconuts to the European consumer.

## Innovation is important to improve quality and profitability

Coconuts are a very diverse product, but also difficult to handle due to its size and, in case of young coconut, its shelf life. To maintain its value and profitability you can find inspiration in innovations that improve the quality and efficiency of coconuts.

Innovation can help maintain the quality of coconuts, for example improving the shelf life of young coconuts. The Brazilian agro-technological company [Embrapa developed a biodegradable coating for young, green coconuts](#). This innovation can extend the shelf life up to four times, allowing Brazilian coconuts to travel further than before. The company [Genuine Coconut uses a similar, but plastic-based film](#) for their trimmed coconuts to protect it from exterior contamination and maintain freshness.

Another example that can make coconut more efficient and profitable is the use of its by-products. Harvesting and trimming coconuts will result in a high quantity of organic waste. By finding solutions for coconut husk, instead of burning, you can make coconut business more sustainable and possibly create a side business. The Dutch startup company [CocoPallet has developed a pallet from pressed coconut husk](#).

As exporter you can keep ahead of your competitors by being inventive and continuously offering new sustainable solutions that improve the quality of your coconut and the image of your business.

### Tips:


Make coconut exports more profitable through diversification and innovation. Try to make use of all parts of the coconut and offer both fresh and processed coconut, depending on the quality of your product and the strengths of your company.

Read the [CBI Trends in fresh fruit and vegetables](#) to get more insights into fresh fruit trends.


This study has been carried out on behalf of CBI by [ICI Business](#).

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