Exporting fresh coconut to Europe

In Europe coconuts have become a popular ethnic and health ingredient which has boosted the variety of available coconut products, including fresh coconuts. In the fresh sector the traditional mature coconut is complemented with the young, drinkable coconut. These trades in Europe are limited to a relatively small number of importers and fresh bulk is dominantly supplied by Côte d’Ivoire. New suppliers can best find opportunities by being innovative in processing or packaging, taste and shelf life preservation.

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1. Product description

The coconut 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 salinity and grow best in warm climates with high humidity.

There are only two distinct varieties 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 of fresh and processed. Fresh coconuts are not a common fruit for most European traders and often only imported by specialist companies.

Table 1: Harmonised System (HS) sub-codes

<table>
<thead>
<tr>
<th>Number</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>080112</td>
<td>Fresh coconuts in the inner shell &quot;endocarp&quot;</td>
</tr>
<tr>
<td>080119</td>
<td>Fresh coconuts, whether or not shelled or peeled</td>
</tr>
</tbody>
</table>
2. Which European markets offer opportunities for exporters of coconut?

Import of fresh coconut increases over 30% in five years

Coconuts come exclusively from developing countries. Imports increased over 30% in the last five years to 2017.

Although statistics indicate otherwise, the bulk import for consumption purposes concerns mature coconuts in the inner shell. In figure 1 you can see a growing market preference towards other fresh coconut products, which could include young coconuts, freshly cut or even for planting. It can be an indication that buyers are looking for new forms of fresh coconut products. It is also likely that inner shell coconuts are registered under both categories, which make these specific statistics less reliable.

Tip:
- Remain flexible in the options that you offer to your buyer. Verify their interest in the basic processing of fresh coconut.

![Figure 1: European import of fresh coconuts](image)

Note: Coconut products with and without shell are probably mixed in these statistics

The Netherlands offers good access to the European market

A majority of the re-exported coconuts finds their way through the Netherlands. From there other important markets are being supplied such as Germany, France and Italy. But it also functions as a distribution hub for smaller markets such as Belgium, Austria or Denmark.
Tip:
- Use the Netherlands as a commercial or a logistical hub. This will help you get access to a broad range of markets within Europe.

The United Kingdom is an interesting end market
With 13 thousand tonnes, the United Kingdom consumes a large amount of coconuts. It is an interesting end market that can be supplied directly.

Despite of 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 prices people are willing to pay for imported exotic fruit.

Tip:
- Include the United Kingdom in your focus, but make sure you have other markets to supply when prices are not favourable.

Consumption in Italy is relatively large
Italy imports a large quantity of coconuts. It is a popular summer fruit and regularly sold to tourists on the beach. Italy typically imports fresh coconuts in the inner shell.

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 Côte d’Ivoire. This makes it an interesting market for exporters to explore.
3. Which trends offer opportunities on the European market for fresh coconut?

From mature to young coconut

Traditionally Europe markets mature coconuts because of their high flesh content. In recent years you can see an increasing demand for young coconuts. The flesh of young coconuts is much thinner and softer, but their principle selling point is the coconut water.

Innovative opening systems and ready-to-drink packaging make coconuts an attractive and easy product for consumption.

Tip:
- Make sure to have excellent preservation and packaging when supplying young coconuts. They have to be fresh with sufficient shelf life on arrival.

Coconuts become convenient snacks or ingredients when processed

The Asian cuisine helped consumers get familiar with coconuts as an ingredient. But now food companies are using it as an ingredient as well as transforming it to a convenient snack or drink on a large scale.

Besides the inner shelled coconut, you can find coconuts as freshly cut products, as natural coconut water and in many different processed products, including desiccated coconuts, frozen coconuts (IQF), cream, oil and as an ingredient in all kinds of bakery products, sauces and desserts. Coconut is also a popular ingredient in non-food products, such as skin and haircare products. Product development contributes to the promotion of coconuts, also as a fresh product.

As an exporter you can increase your success by ensuring you are well in line with the developments and making use of the diverse possibilities of coconuts.

Tips:
- Get familiar with the diversity of new coconut products and determine if and how your fresh produce can contribute to these products.

- Explore your options for diversification. See also the CBI studies for 1) exporting coconut water to Europe, 2) exporting desiccated coconuts to Europe (dried coconuts) and 3) exporting virgin coconut oil to Europe.
Attention to health food
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 fresh coconuts.

Coconuts are often associated with health benefits thanks to its fibres and minerals. It is important to understand that the promotion of health benefits is a major influence on the commercial success of coconuts.

**Tip:**
- Work closely together with your buyer and explore the possibility to include the marketing of health benefits in your presentation.

Consumers expect a sustainable product
Supply chains are becoming more transparent and consumers are well informed about environmental and social issues. They expect your product to have a sustainable approach to production and processing. Campaigns such as the FairFood coconut campaign underline the importance of social responsibility in coconut production.

Buyers act on this by requiring transparency and certifications from your company. Social and environmental certification schemes include actions to strongly reduce and register the use of pesticides, take action on the safety of employees and/or even include price guarantees for producers.

If your certifications are in line with the Global Social Compliance Programme (GSCP), you will have a better chance of being accepted by European supermarkets.

**Tips:**
- Check the GSCP website for more information about social and environmental conduct.
- Read more about which trends offer opportunities on the European fresh fruit and vegetable market on the CBI market intelligence platform.

Opportunities for organic coconut
The increased attention to health and the environment generates interest in raw, natural and organic food. Coconuts fit very well with this trend as they also grow in the wild and are considered as an originally pure product. That is why an increasing amount of companies focus its organic cultivation. Suppliers use this as a selling point towards consumers.

For example, according to Innova Market Insights organic coconuts have experienced a much stronger growth in new product launches than conventional coconuts. This is also good news for the marketing of fresh coconuts, especially in regions where organic consumption is strong such as Germany, the Alpine region and Scandinavia.

**Tip:**
- Find specialised importers that understand the organic trade. Use, for example, the
4. Which requirements should fresh coconut comply with to be allowed on the European market?

Which legal and non-legal requirements must your product comply with?

Minimise pesticides

Pesticide residues are one of the crucial issues for fruit and vegetable suppliers. The European Union has set maximum residue levels (MRLs) for coconuts. Luckily for coconuts, the fruit is relatively well protected by its shell, which makes it less vulnerable to pests. However, with excessive foliar sprays and trunk injections to protect the tree itself, chemicals can end up in the coconut water as well.

Especially supermarkets in northern Europe tend to be stricter in residue levels than the European regulation. This means you have to control your production process very precisely.

Tips:
- Use the European MRL database to find out the MRLs that are relevant for fresh coconuts. You can search the database for your product or the pesticide used and find the list of the MRLs associated with your product or pesticide.
- Reduce the amount of pesticides by applying integrated pest management (IPM) in production. IPM is an agricultural pest control strategy that includes growing practices and chemical management.
- Read more about the European legislation on MRLs on the website of the European Commission and always check with your buyers if they have additional requirements on MRLs and pesticide use.

Quality and handling

There are no official marketing standards for fresh coconuts. But they still must comply with the same basic standards as any other fresh fruit, which means they have to be:

- Intact and sound;
- clean, practically free of any visible foreign matter;
- practically free from pests;
- practically free from damage caused by pests;
- free of abnormal external moisture;
- free of any foreign smell and/or taste.

Mature coconuts in the inner shells are normally expected to be:

- Brown, uniform and without excessive fibres
- Free from cracks, pests or fungus
- Without sunken or wet mouldy eyes

Young coconuts often have a trimmed husk and require extra attention to packaging and cooling to ensure shelf life. Young coconuts are often transported by air.
De-husked coconuts are susceptible to cracking and weight loss, and have a reduced shelf life. It is important you maintain coconuts fresh and prevent them from cracking:

- Take care during post-harvest handling.
- Avoid quick temperature changes of 8 degrees Celsius or more.
- Store and ship de-husked coconuts preferably in cool temperatures between 0 and 16 degrees Celsius. Young coconuts are usually held at 3-6 degrees. Higher temperatures will reduce shelf life significantly.
- Maintain a humidity level of around 80% for mature coconuts and 90% for young coconuts to prevent weight loss and evaporation.
- Make sure to apply sufficient ventilation to prevent mould.

The Association of Southeast Asian Nations (ASEAN) has developed a standard for young coconuts, which is recommendable to follow.

For aqueous and desiccated coconuts, see the Codex Alimentarius for their marketing standards:

- Marketing standard for aqueous coconuts
- Marketing standard for desiccated coconuts

**Tips:**

- Make sure you supply the quality as agreed in the product specifications and discuss with your buyer what is required additionally. Requirements vary between countries and market segments.
- Make sure the post-harvest handling, including cooling, is well organized to ensure product quality and shelf life. Read more about the handling of coconuts in the cargo handbook.

**Size**

The size requirements depend on your buyer and the type of processing; usually trimmed or de-husked, sometimes polished, and in theory also as whole coconuts.

Coconuts can have the following size codes according to the ASEAN standard for young coconuts:

**Table 2: Size codes and weight in grams**

<table>
<thead>
<tr>
<th>Size code</th>
<th>whole fruit</th>
<th>trimmed</th>
<th>polished</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>&gt;2,400</td>
<td>&gt;1,500</td>
<td>&gt;600</td>
</tr>
<tr>
<td>2</td>
<td>1,901-2,400</td>
<td>1,201-1,500</td>
<td>451-600</td>
</tr>
<tr>
<td>3</td>
<td>1,401-1,900</td>
<td>901-1,200</td>
<td>300-450</td>
</tr>
<tr>
<td>4</td>
<td>901-1,400</td>
<td>601-900</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>400-900</td>
<td>300-600</td>
<td></td>
</tr>
</tbody>
</table>

Source: ASEAN standard for young coconut
European buyers often require a minimum weight of 0.65 kilo for de-husked coconuts. Take into account minimum weight loss and ensure uniformity in quality and size for each shipment.

Packaging
Coconuts can be shipped in many different packaging sizes in bags or boxes.

- Boxes contain 15 up to 20 coconuts and approximately 15 kilos. For trimmed, young coconuts the number per box is usually lower.
- Bags contain 40 to 50 coconuts, approximately 24 to 32 kilos.

See also examples of packaging on the websites of coconut traders such as Joko Fruit.

Tips:
- Consider packaging to be part of your presentation. Discuss the packaging requirements with your buyer.
- See also the Recommended International Code of Practice for Packaging and Transport of Tropical Fresh Fruits and Vegetables (CAC/RCP 44-1995).

Labelling
Food placed on the European market must meet the legislation on food labelling.

On the label or marking of each box should at least be the following information:

- Name and physical address of the packer and/or dispatcher;
- Product name;
- Country of origin;
- Commercial specifications: Class, size and weight;
- Traceability code (for example Global Location Number);
- Officially recognised code mark such as a GLOBALG.A.P. number (GGN) (recommendable);

The name and address of the packer or dispatcher can be replaced by an official control mark.

For organic produce you must include the European organic logo and the code number of the control authorities.

Tips:
- For detailed information on labelling, see the Codex Alimentarius on food labelling and the European regulation (EU) No 1169/2011 on the provision of food information to consumers.
- Consult the EU Trade Helpdesk for a full list of requirements for fresh fruit, including coconuts, selecting the product code: 080112 and 080119.

5. Which additional requirements do buyers often have?
Certification as guarantee
Since food safety is a top priority in all European food sectors, you can expect most buyers to request extra guarantees from you in the terms of certification.

The most commonly requested certification for coconuts is globalg.a.p., a pre-farm-gate standard that covers the whole agricultural production process, from before the plant is in the ground to the non-processed product (processing is not covered). Whether globalg.a.p. is required also depends on the destination country, market conditions and market channel. For example, it has become nearly impossible to supply northern Europe without globalg.a.p. since it is a standard requirement for most supermarkets.

Examples of other food safety management systems that can be required are:

- BRC (British Retail Consortium)
- IFS (International Food Standard)
- FSSC22000 (Food Safety System Certification)
- SQF (Safe Quality Food Programme)

These management systems are supplemental to globalg.a.p. and are recognised by the Global Food Safety Initiative (GFSI).

Tips:
- Identify the food-safety management systems that are usually requested in your target market. Expect globalg.a.p. to be one of them.
- Read more on the various food-safety management systems at the Standards Map website.
- Always remember that food safety is a major issue. Work proactively with buyers to improve food safety, be transparent and remain up to date with regard to buyer requirements and regulations.

Social and environmental compliance
There is growing attention for the social and environmental conditions in the producing areas. Most European buyers have a social code of conduct which they will expect you to adhere to. As regards coconuts, social compliance is important, and for most large retailers this is a must, although product quality is top priority.

For coconuts it can be a plus to be GRASP certified, which is a social extension of the globalg.a.p. certification and more accessible than some of the other social certifications.

Because coconut cultivation is often located in poor countries, involving small producers, many of the European buyers spend more attention to your social compliance. You can increase your success with these buyers by being transparent in your production methods and cooperating in getting additional ethical certifications such as:

- Fair for Life
- Fairtrade
- Rainforest Alliance

Another good option is implementing standards recognised by the Sustainability Initiative Fruit and Vegetables (SIFAV). This comprises an initiative from traders and retailers to become 100% sustainable in sourcing from Latin America, Africa and Asia by 2020.
6. What are the requirements for niche markets?

A growing niche market for organic coconut

An increasing number of consumers prefer food products that are produced and processed by natural methods. Organic coconuts are a niche in what is already a small market. But the demand for organic coconuts is growing, especially in German speaking and Scandinavian countries.

In order to market organic products in Europe, you have to use organic production methods according to European legislation and apply for an organic certificate with an accredited certifier.

Tips:
- Consider organic as a plus, not as a must, and be prepared to comply with the whole organic process. Remember that implementing organic production and becoming certified can be expensive.
- Read more about organic farming and certification on the International Federation of Organic Agriculture Movements (IFOAM) website.

7. What competition do you face on the European coconut market?

Côte d’Ivoire dominates the supply to Europe

Côte d’Ivoire is an important supplier to the European market, especially for bulk and mature fresh coconuts. The country is not among the largest producers in the world, but it has the advantage of being on a good logistical route towards Europe. This makes sea-freighted mature coconuts a cost-beneficial trade.

The changes in supply are slow because plantations produce a stable amount of coconuts for many years. This means you either have to compete on low-cost volume or supply a differentiated quality.

Tips:
- Compare your product with those of the main supplying countries. Look for the advantages or added value you are able to provide with your product.
- Check the developments in trade and production with the Asian and Pacific Coconut Community and other sources such as the Coconut Development Authority in Sri Lanka.
Thailand focuses on young coconut

Thailand is a growing supplier of coconuts to Europe. Suppliers in Thailand aim to differentiate in taste and specialise in young coconuts, using aromatic varieties such as the Nam-Hom coconut. Young coconuts are usually more expensive because they need excellent freshness and are therefore often air-freighted.

Young coconuts have become more popular among consumers. But exporters are only able to enter this segment if they have high-quality varieties, excellent post-harvest preservation and access to efficient logistics.

Tip:
- Explore postharvest treatment and special packaging to extend shelf life of young coconuts. Taste and freshness are well appreciated features in Europe.

Potential competition from the Philippines and Indonesia

The Philippines and Indonesia are the world’s largest producers of coconuts and dominate the supply of desiccated coconuts and coconut oil to Europe. Their distance to Europe makes it more difficult to compete with fresh sea-freighted coconuts. But improving preservation techniques and logistics can potentially improve their competitive position.
Declining production in South-East Asia increases potential for other suppliers

The coconut tree population in the Asian Pacific region is aging. Low prices and lack of finance have not motivated farmers to replant coconut trees. It takes over 10 years before coconut trees become profitable, which means that the growing demand will depend more and more on other regions.

Scale and professional performance have become key

Although the European market for coconuts handles small volumes, it is difficult for smaller companies to compete. Entering the European market is a big hurdle primarily because of certification and meeting buyer requirements. Successful growers are very professional and have scaled up their production.

In Europe large retailers prefer larger suppliers because of supply certainty and compliance with quality requirements. When supplying fresh coconuts to European retailers you are not in a position to argue about the rules of the game.

Tips:

- Contact an experienced importer before entering the European market, especially if you are aiming for major retailers.

- Establish a credible track record including transparent information on your company and product quality. Being part of a stable partnership and supply chain can help you to establish and maintain your position on the market.

- Read the tips for doing business with European buyers on the CBI market intelligence platform.
Higher demand during summer and special holidays
Coconuts are exported to Europe year round. But the demand is particularly high during the summer months (July, August and September) and special holidays, for example Christmas. During these periods more countries step in to supply the European market so you can expect more competition as well.

Tip:
- Find more general information use the same platform to read about the competition you are facing on the European market for fresh fruit and vegetables.

8 . Through which trade channels can you get fresh coconut on the European market?

Producers and importers work together to supply supermarkets
Large retail organisations want to buy their fruit and vegetables as close to the source as possible. This way they have more control and transparency. This has led to supply chain integration where producers and importers are working closely together.

To become a successful supplier for large volume buyer, such as a supermarket chain, you have to be prepared to integrate your business. Supermarkets demand a reliable volume and full service in packaging and logistics.

Tip:
- Find partnerships with service providers that can strengthen your position and help you to enter major retail programmes. Check also the CBI tips for finding buyers on the European fresh fruit and vegetables market.

Specialised importers
Fresh coconuts are a typical product that is traded by specialised importers. Usually these importers hold an assortment of exotic fruit or even specialise specifically in coconuts, fresh and processed. Some of these companies have a dominant position in the coconut trade.

Importers can help you get your coconuts into supermarkets and wholesale markets. Working closely with an experienced importer is also a good way to reach many different segments such as smaller and ethnic shops and other niche segments.

Tips:
- Connect to importers by visiting international trade fairs such as the Fruit Logistica in Germany, Macfrut fruit and vegetable show in Italy and Fruit Attraction in Spain or use their online catalogues.
- Consult the CBI market intelligence platform with general information about the channels through which you can get fresh fruit and vegetables onto the European market.
Coconuts for the processing industry
Coconuts have many uses and are a popular ingredient in all imaginable forms; in fresh, desiccated, liquid or oil. The most logical place for adding basic value is in origin, to keep the logistics efficient.

Exporters or producers of fresh coconuts that are able to invest in processing methods can find opportunities in new supply channels. However, processing of coconuts is becoming more and more industrialised, which means that you must be able to supply volume and comply with high standards.

9. What are the end-market prices for fresh coconut?

Figure 5: Consumer price breakdown for sea-freighted mature fresh coconut (estimation)

The consumer prices for normal fresh coconuts vary around 1 to 1.5 euros per piece. For young, air-freighted coconuts the consumer price is easily twice as high.

As an exporter you have to be aware that there is not always a direct relation between trade prices and consumer prices.

Tip:
- Find information about consumer prices in the online assortment of supermarket chains such as Tesco (English: “coconut”), Albert Heijn (Dutch: “kokosnoot”), Rewe (German: “Kokosnuss”), Carrefour (French: “noix de coco”) and Mysupermarkt.co.uk.

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