

The Italian market potential for cocoa

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Italy is a large importer of cocoa beans, sourcing a high share of its imports directly from cocoa-producing countries. The country is among the largest chocolate producers and exporters in Europe and ranks as the largest European chocolate supplier to China. The market for certified chocolate is increasing steadily in Italy, following a consumer and industry trend towards sustainability.

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1. Product description

The cocoa tree (*Theobroma Cacao*) grows in tropical areas between 15 and 20 degrees latitude north and south of the equator in Africa, Asia and Latin America. Cocoa pods grow directly from the trunk and thicker branches of the tree. After extraction from the pod, cocoa seeds (beans) are fermented and dried or sun dried. A cocoa producing tree can deliver 7 to 9 kg of dry beans per year on average.

The three main varieties of the cocoa tree are distinguished by the international cocoa market as follows:

1. *Forastero* is the predominant cocoa variety. It is mainly cultivated in Africa but also in Central and South America. It accounts for around 80% of global cocoa production. *Forastero* grows faster and gives a higher yield than other cocoa varieties. The beans have a strong, earthy flavour. Bulk cocoa beans generally come from *Forastero* trees. Well-known *Forastero* subspecies are *Amelonado* and *Nacional*. *Nacional* trees in Ecuador produce fine flavour cocoa.
2. *Criollo* (original cocoa tree) is mainly grown in Central America, northern South America, the Caribbean and Sri Lanka. *Criollo* makes up around 5% of global cocoa production. The beans have a delicate and sweet flavour. *Criollo* is often mixed with other varieties when making chocolate, since it is scarce and expensive. Fine flavour cocoa beans are produced from *Criollo* cocoa trees. Well-known varieties are *Chua*, *Porcelana* and *Ocumare*.
3. *Trinitario* is mainly cultivated in Central and South America, the Caribbean and Asia. The beans are a hybrid of the *Criollo* and *Forastero* trees. This variety represents around 10 to 15% of global cocoa production. The beans have a floral, fruity flavour. The cocoa beans from *Trinitario* trees are classified as fine flavour cocoa. There are exceptions, however, as Cameroonian cocoa beans produced from *Trinitario* trees are classified as bulk cocoa beans. Well-known varieties are *Carenero*, *Rio Caribe* and *Sur del Lago*.

The focus of this document is on cocoa beans (whole or broken, raw or roasted), corresponding with HS code 1801. Harmonised System (HS) codes are used to classify products and calculate international trade statistics, such as imports and exports.

Cocoa bean derivatives (cocoa paste, cocoa butter and cocoa powder) are covered in [our study on semi-finished cocoa products in Europe](#).

2. What makes Italy an interesting market for cocoa?

Italy ranks as the seventh-largest cocoa bean importer of Europe. Almost all imported cocoa beans are locally processed and only about 1.4% are re-exported to other countries. Italy is the second-largest chocolate manufacturer of Europe, and Italian chocolate makers are the largest global suppliers to the growing Chinese market.

Italy is among the largest cocoa bean importers in Europe

Italy is the seventh-largest cocoa bean importer in Europe. With over 99 thousand tonnes in 2019 at a value of €221 million, Italy makes up approximately 4.1% of all European imports of cocoa beans. The vast majority of these imports (86%) are sourced directly from producing countries. Between 2015 and 2019, Italian cocoa bean imports remained stable.



Italy is Europe's second-largest chocolate producer

With several large multinational chocolate manufacturers in Italy, the country ranks as [Europe's second-largest chocolate producer](#). Only 1.4% of imported cocoa beans are re-exported by Italy, while the remaining amount is processed domestically. With 700 thousand tonnes of chocolate produced in 2017 (18% of total European production), Italy's chocolate industry is only smaller than Germany's, which accounted for 32% of total European chocolate production in the same year.

Italy's chocolate exports are estimated at around 346 thousand tonnes in 2019. That is 8.6% of the total European export volume and ranks Italy as the fifth-largest chocolate exporter in Europe. Between 2015 and 2019, Italy's exports increased in volume at an average annual rate of 6.9%. [Ferrero](#), [Elah Dufour Group](#), [Nestlé](#), [Barry Callebaut](#) and [Perugina](#) are examples of companies with manufacturing facilities in Italy.

Italy's prominent position in the European chocolate manufacturing industry, in combination with the [growing demand for chocolate worldwide](#), continues to make Italy an interesting destination for cocoa exporters.

Italy is the largest European supplier of chocolate to China

China is one of the fastest-growing markets for chocolates in the world. Industry estimates indicate that the chocolate market's turnover in [China will reach US\\$3.65 billion by 2022](#). Italian chocolate makers have tapped into this opportunity as Europe's largest supplier of chocolate to the Chinese market, with almost 11 thousand tonnes in 2019. Belgian chocolate makers are in second place, with 8 thousand tonnes. Italian chocolate producer Ferrero is the [second-largest player in the Chinese chocolate market](#), after Mars.

Italian chocolate exports to China may see a decline in the coming years, as [Ferrero continues to invest in local production plants](#). Also, Chinese players are increasingly investing in chocolate production facilities to boost national production, resulting in a fierce [competition for international brands](#).

The COVID-19 crisis will also have had an impact on Italian chocolate exports, due to lockdowns and other trade barriers. In addition, due to the COVID-19 crisis, China registered [falling chocolate sales during Chinese New Year](#), which usually represents a peak time for chocolate sales. Despite this drop, however, the demand for chocolate products started to bounce back rather rapidly, [boosted by online shopping](#).

Tips:

Activate the 'Translation' function of your browser to make the studies available in your native language.

Access the [EU Trade Helpdesk](#) to analyse European and Italian trade dynamics yourself and to build

your export strategy. By selecting Italy as your reporting country, you will be able to follow developments such as the emergence of new suppliers and the decline of established ones.

See our study of [trade statistics for cocoa](#) for more detailed information about the European trade in cocoa beans.

3. Which trends offer opportunities on the Italian market?

Italian consumers like their chocolate dark and increasingly look for high-quality products. Chocolates appealing to health-oriented consumers, such as sugar-free or gluten-free chocolates, are growing in popularity. Sustainability is also growing in importance, and fair trade and organic-certified chocolates are more widely in demand in Italy. The increasing importance of certification to promote sustainability in Italy provides an interesting entry point to exporters that have significant volumes and a wide assortment of certified cocoa.

Italian consumers increasingly value high-quality chocolate

Italians [consume an average of 4 kg of chocolate per year](#), marking a lower chocolate consumption than the European average (5 kg). However, consumption of chocolate in Italy is marked by a strong preference for dark chocolate, [which makes up 40% of all chocolate consumed in Italy](#). Italian consumers have a marked preference for chocolates made from high-quality cocoa beans. These cocoa beans are often traded at premium prices, thus offering potential for producers to attain more value for their product.

The Italian chocolate industry has a long tradition of high-quality products. Italy is home to some of the most traditional chocolate companies in the world. The country's artisanal chocolate makers are organised under the [Association of Italian Artisan Chocolatiers \(ACAI\)](#), while the larger industry is represented by the [Italian Association of Confectionary Industry and Pasta Industries \(AIDEPI\)](#). Both of these bodies promote high-quality and pure ingredients in the production of chocolate. Members of [ACAI](#) and [AIDEPI](#) have made specific commitments to use 100% cocoa butter in 'pure' chocolates, which means no substitutes such as vegetable oils may be added.

Examples of Italian craft chocolate makers are [Buffa Cioccolato](#), [Staccoli](#) and [Lorenzo Zuccarello Fine Chocolate](#). Besides these chocolate makers, Italy has several high-quality bean-to-bar chocolate makers with larger operations, such as [Amedei](#), [Domori](#) and [Guido Castagna](#).

Single-origin chocolates are gaining ground in Italy

[Single-origin chocolate products are gaining popularity in Italy](#). Popular origins include the Dominican Republic and Ecuador. This development has much to do with how much Italian chocolate consumers appreciate high-quality and darker chocolate. Single-origin products tend to be characterised by higher cocoa content, which is important for the flavour and uniqueness of the product. Examples of Italian brands offering single-origin lines include [Cioccolato Gourmet](#), [Vanini](#) and [Agostoni](#).

While the largest Italian chocolate brands are investing in products from single origins, retailers are slowly starting to tap into this trend as well. An example is [Despar Italia](#), which offers a premium private label chocolate line in its own shops.

The growing interest in origin means that Italian consumers are increasingly starting to pay attention to the agro-climatic features of cocoa production areas and the stories of producers and their communities. As such, it is becoming important for cocoa exporters to know the specifics regarding their origin and to highlight these characteristics in their storytelling.

The trend for [single-origin chocolates](#) is not expected to slow down any time soon, especially as it is [linked to an interest in higher-quality chocolates](#) – a segment that is increasingly popular among Italian consumers.

Italians value healthy chocolate products

Italian consumers are [increasingly looking for healthier products](#). The chocolate industry is reacting to this trend by introducing gluten-free or vegan chocolates, as well as products with a lower sugar content. This trend also explains the growing popularity of dark chocolate in Italy.

In 2018, nearly 20% of Italian consumers bought gluten-free products. An example of an Italian chocolate maker tapping into this trend is [Grezzo](#), which has an entire assortment of only gluten-free, organic and raw chocolate products.

Sustainability is an increasingly important issue for Italian consumers

In general, the market for certified chocolates is smaller in Southern Europe than in Northern Europe. But Italian consumers are showing increasing interest in sustainably-sourced products.

The Italian industry for Fairtrade cocoa used an [estimated 4,353 tonnes of Fairtrade-certified cocoa beans](#) in 2018, marking a steep increase of 101% when compared to 2017. The decision of [Coop Italia](#) to only sell Fairtrade-certified chocolates illustrates this growth. The retail sales value of all Fairtrade-certified products in Italy reached [€145 billion in 2018](#), showing an average annual increase of 13% since 2014.

The organic food market in Italy is also growing. The popularity of organic certification for cocoa usually follows the general market developments for organic products. Italy is the third-largest European market for organic food, with organic retail sales reaching nearly [€3.5 billion in 2018](#), only behind Germany and France. Between 2014 and 2018, the Italian organic market grew by 13% each year on average.

Italian chocolate confectionery company [ICAM](#) is a pioneer in the organic market and [one of the largest global manufacturers of organic chocolate](#), owning premium organic chocolate brands like [Vanini](#). Chocolate products certified as both Fairtrade and organic are also very common in Italy. Examples include the chocolate products of [Otto Chocolates](#) and [Alce Nero](#).

The increasing importance of certification to promote sustainability in Italy provides an interesting entry point to exporters that have significant volumes and a wide assortment of certified cocoa. As such, promoting the sustainable and ethical aspects of your production process is becoming more and more important, for instance through certification. Examples of successful cocoa exporting companies that provide information on their sustainable production practices and certifications include [CABRUCA](#) (Brazil), [Ecookim](#) (Ivory Coast) and [Grupo CONACADO](#) (Dominican Republic).

Tips:

See [our study on trends for cocoa](#) to learn more about current trends and developments on the European market for cocoa and cocoa products.

See [our study on doing business with European buyers of cocoa](#) for more tips on marketing and promotional aspects of your cocoa.

Before engaging in a certification programme, make sure to check (in consultation with your potential buyer) that this label has sufficient demand in your target market and whether it will be cost beneficial for your product.

Find potential business partners in Italy by checking the lists of [Fairtrade-certified operators](#), [Rainforest Alliance/UTZ-certified cocoa supply chain actors](#) and [organic chocolate producers](#).

See the website of the [Italian Association of Confectionary Industry and Pasta Industries \(AIDEPI\)](#) for

[more information about the chocolate industry in Italy.](#)

This study was carried out on behalf of CBI by [ProFound – Advisers In Development](#).

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