

The Scandinavian market potential for cocoa

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Consumers in Scandinavia increasingly demand healthy, high-quality and sustainable cocoa products. In fact, sustainability is a key theme and an important decision factor for purchasing food products in Denmark, Norway and Sweden. This means that cocoa beans traded using transparent, sustainable, and ethical practices may find most opportunities in the Scandinavian market. Among other indicators, organic products have a particularly large market share in Scandinavian countries.

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1. Product description

This report focuses on cocoa beans (whole or broken, raw or roasted) under HS code 1801. Harmonised System (HS) codes are used to classify products and to calculate international trade statistics, such as imports and exports.

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 beans (which are in fact the tree's seeds) are fermented and dried. A cocoa producing tree can deliver on average 7 kg to 9 kg of dry beans per year.

The three main varieties of the cocoa tree on the international cocoa market are the following:

1. *Forastero* is the predominant cocoa variety. It is mainly cultivated in Africa, but also in Central and South America. It accounts for approximately 80% of the global cocoa production. *Forastero* trees grow faster and produce higher yields than other cocoa varieties. These beans have a strong, earthy flavour. Generally, bulk cocoa beans come from *Forastero* trees. Well-known *Forastero* subspecies are *Amelonado* and *Nacional*. *Nacional* trees in Ecuador produce fine flavour cocoa.
2. *Criollo* is mainly grown in Central America, northern South America, the Caribbean and Sri Lanka. *Criollo* makes up approximately 5% of the global cocoa production. These beans have a delicate and sweet flavour. *Criollo* is often mixed with other varieties when making chocolate, given that 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. These beans are a hybrid of the *Criollo* and *Forastero* trees. This variety represents 10%–15% of the global cocoa production. These beans have a floral, fruity flavour. The cocoa beans from *Trinitario* trees are classified as fine flavour cocoa. There are exceptions, however, such as Cameroonian cocoa beans, which are produced from *Trinitario* trees and classified as bulk cocoa beans. Well-known varieties are *Carenero*, *Rio Caribe* and *Sur del Lago*.

Our [study on semi-finished cocoa products in Europe](#) covers cocoa bean derivatives, such as cocoa paste, cocoa butter and cocoa powder.

2. What makes Scandinavia an interesting market for cocoa?

Scandinavia is a relatively small player in the European cocoa market. Scandinavian cocoa bean imports are relatively small, and so is the chocolate manufacturing industry in the region. When exploring opportunities in this market, look for niche markets and smaller buyers focused on high quality and sustainability.

Scandinavia: very small cocoa bean importing region in Europe

Scandinavia is a very small cocoa bean importing region in Europe. In 2020, total Scandinavian cocoa bean imports reached 829 thousand tonnes, representing less than 0.5% of total European imports. In 2020, Denmark imported 773 tonnes of cocoa beans, Sweden 43 tonnes and Norway 13 tonnes.

Denmark's 2020 cocoa bean imports (773 tonnes) marked a sharp drop from the 3,160 tonnes imported in 2019. Danish imports are mainly sourced from the United Kingdom: 99% in 2019 and 93% in 2020. The drop in imports between 2019 and 2020 is most likely a direct effect of Brexit. In 2021, import levels are expected to return to 2019 volumes.

Cocoa bean imports by both Norway and Sweden increased at an average annual rate of around 17% between 2016 and 2020. In 2020, 60% of Swedish imports came from Denmark. Although Norwegian imports are very small at only 13 tonnes, it is interesting to note that 85% of it is sourced directly from origin, mainly Peru. Growth in the bean-to-bar market and the growing consumer demand for traceability and storytelling may lead to further increases in direct imports by Scandinavian buyers from a wider range of origins in the long term.

Most cocoa beans enter Scandinavia via neighbouring countries. Direct imports are mostly cleared into the ports of [Oslo](#) (Norway), [Aarhus](#) (Denmark), [Göteborg](#) or [Stockholm](#) (Sweden).

Chocolate manufacturing industry in Scandinavia is relatively small

The European Union's total chocolate production reached an estimated [3.7 million tonnes](#) in 2019. Denmark produced 21 thousand tonnes of chocolate products in 2019, accounting for only 0.6% market share. The largest chocolate producing EU countries in volume were Germany and Italy, with 1,159 thousand tonnes and 553 thousand tonnes respectively. The chocolate production volumes of Sweden and Norway are not published.

Sweden is the largest chocolate product exporter in Scandinavia with 75 thousand tonnes of chocolate products exported in 2020, equivalent to 1.8% of total EU exports. Half of Swedish exports were destined to neighbouring countries: Finland, Norway and Denmark each imported approximately 12 thousand tonnes of chocolate products from Sweden in 2020. Denmark's total chocolate product exports reached 22 thousand tonnes in 2020, while Norway exported only 6.7 thousand tonnes.

The chocolate manufacturing industry in Norway is dominated by [Orkla](#) and [Mondelez](#), which produces the popular Norwegian chocolate brand [Freia](#). In Sweden, the largest chocolate confectionery manufacturers are [Cloetta](#) and [Mondelez](#) which produces the popular [Marabou](#) brand. [Barry Callebaut](#) also has a factory in Sweden, producing about [25 thousand tonnes](#) of specialty compound chocolate, fillings and inclusions. The largest manufacturer in Denmark is [Toms Group](#), which also has chocolate factories in Norway, Sweden, Germany, Poland and Singapore.

When exploring opportunities in this market, look for niche markets and smaller buyers focused on high quality and sustainability.



Tips:

Learn more about the Scandinavian chocolate market on publications and updates provided by sector associations and databases. The [Food from Denmark](#) website, for example, can be helpful to find which players are active in the chocolate confectionery industry in Denmark.

Activate the translation function of your browser to read studies in your preferred language.

Access [EU Access2Markets](#) to analyse European and Scandinavian trade dynamics yourself and to build your export strategy. By selecting Denmark or Sweden as a reporting country, you will be able to follow developments, such as trade flows with established suppliers, emerging new suppliers and changing patterns in direct and indirect imports. Access [ITC Trade Map](#) to find similar data for Norway.

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

3. Which trends offer opportunities or pose threats on the Scandinavian cocoa market?

Consumers in Denmark, Norway and Sweden increasingly demand healthy, high-quality and sustainable cocoa products. Organic products have also gained popularity — Denmark and Sweden are among the largest markets for organics in the world. Sustainability has become a leading theme in purchasing decisions for a large share of the Scandinavian population.

Health trend shapes chocolate consumption in Scandinavia

Consumers in Denmark, Sweden and Norway have been paying [increased attention to the impact of food on their health](#), which has helped to explain the greater popularity of chocolate products with lower sugar content in these markets. At the same time, the focus on health and wellbeing has [weakened demand for certain confectionery products](#), especially mass-produced chocolate products with high sugar contents. In Norway, for example, chocolate consumption dropped slightly over the years, from [9.2 kilos per year](#) in 2015 to 8.3 kilos in 2018.

The COVID-19 pandemic has further driven up the importance of health in food purchasing decisions. However, the pandemic has also [increased consumption of snacks and indulgence products](#). As a result, the growing range of healthier chocolate options gained more popularity, such as lactose-free, gluten-free and sugar-free options.

Examples of Scandinavian players moving towards healthier products include [Green Star](#) with its vegan chocolates and [Nick's](#) (Sweden) with a large assortment of sugar-free chocolate products. Retailers also tap into this trend offering an assortment of gluten-free, vegan and sugar-free options. One good example is [Eldorado's organic sugar-free dark chocolate product](#) for sale at Spar (Norway). Other retailers include a section on healthy habits in their sustainability policy, in addition to expanding their ranges of healthier products. [Axfood](#) (Sweden), for example, has committed to reducing the amount of salt, sugar, and unnecessary additives in their private label products.

The mainstreaming of organic products in Scandinavia

Scandinavian countries rank among the largest retail markets for organic food in Europe and worldwide. In terms of annual per capita spending, Denmark ranked as the number one worldwide in 2019, with [€344](#) per capita per year. Sweden ranked as the world's fifth with €215, and Norway ranked tenth with €83 per year. To put this into perspective, the world average per capita consumption in 2019 was €14.

Sweden has the largest organic retail market in Scandinavia with €2.1 billion in 2019, making up approximately 9% of all retail sales. In Denmark, the share of organic retail sales was even higher with 12% in 2019, when total organic retail sales reached €2 billion, marking a growth of 9.4% compared to the previous year. The Norwegian organic market is a lot smaller, with organic retail sales amounting to €441 million in 2019, and only 1% of total retail sales estimated to be organic. Organic food consumption in Norway increased by 8% in 2019.

In all three markets, however, the organic market is relatively large and growing. This is mainly the case because of [growing health awareness among consumers](#). In addition, there has been an increase in organic product availability in Scandinavia in recent years, creating a much more interesting product offer for consumers. Today, all major brands and retailers' private label brands have a range of organic chocolates. Some private label brands are even entirely dedicated to organic products, such as [Änglamark](#) of [Coop Denmark](#)'s.

Sales of organic chocolate products increased at an average annual rate of 11% in Denmark since 2015, reaching 973 tonnes in 2019. In general, interest in organic products is expected to continue to grow in the region. Access the [Organic Denmark](#) website for examples of organic chocolate products.

Examples of certified organic cocoa exporters that have entered the European market successfully include [El Ceibo](#) (Bolivia), [Grupo Conacado](#) (Dominican Republic), [Cooperativa Norandino](#) (Peru), [Fedecovera](#) (Guatemala) and [Ingemann](#) (Nicaragua).

Sustainability is a key concept in the Scandinavian cocoa market

As in all of Europe, sustainability has also become very important in the Scandinavian market. [Danish consumption habits have changed as environmental awareness has grown](#). Sustainability has become a leading theme in purchasing decisions in 2020 for 74% of consumers in Sweden, 73% in Denmark, and 68% in Norway, the latter growing from 62% in 2018. As a result, products traded under transparent, sustainable and ethical practices have gained popularity in the region.

This trend has also led large retailers in Denmark, Norway and Sweden to adopt strong sustainability policies highlighting strict demands for quality, food safety and hygiene, as well as environmental and ethical standards. Most retailers in Scandinavia go beyond the minimum EU legislation. Look into, for example, the social responsibility policies of [Norgesgruppen](#) (Norway), [Salling Group](#) (Denmark) and [ICA Gruppen](#) (Sweden).

Some retailers exclusively source certified cocoa for their private label chocolate assortment, like the Salling Group sources [Fairtrade cocoa](#). In general, Fairtrade has a relatively strong position in the Scandinavian market. The [Swedish Fairtrade retail market is the largest of the three countries](#), followed by Denmark and Norway. However, Denmark is growing fastest. In 2019 alone, Fairtrade cocoa sales in Denmark increased by 13%. An example of a company producing and distributing Fairtrade-certified chocolate products in Scandinavia is [Malmö Chokladfabrik](#) from Sweden.

Other retailers, such as ICA Gruppen, have committed to only sourcing [UTZ-certified cocoa](#) (currently part of Rainforest Alliance) for its private label chocolate assortment. [A wide range of supply chain actors in both Sweden and Denmark are also UTZ/Rainforest Alliance certified](#). Popular brands that hold UTZ/Rainforest Alliance certification in the region include [Cloetta](#) and [Cornetto](#).

Sustainability issues are pressing for both producers and buyers, and Scandinavian consumers are generally well aware about this. All this means that sustainability will remain high on the Scandinavian agenda. Buyers will continue to require sustainability activities at origin and will work towards more sustainable sourcing practices, either through purchasing certified cocoas or through direct projects at origin.

High-quality products gain popularity in the Scandinavian chocolate market

The Scandinavian market is generally geared towards high-quality products. This is mainly the result of a combination of [high purchasing power and high living standards](#) in Denmark, Norway and Sweden. In Norway, [consumers indicated to be willing to pay more for quality goods](#). In Denmark, consumers seem to be more price-

sensitive, as [they are mainly looking for high-quality yet affordable products](#).

Given these consumer preferences, the high-quality chocolate segment in Scandinavia is consolidating and is expected to see further growth in the near future. In Denmark, for instance, a group of professionals involved in chocolate making started the [Chokoladeselskabet Association](#). This association educates chocolate consumers in Denmark about quality chocolate and organises the annual [Chocolate Festival](#) in Copenhagen. Sweden also has an annual event: the [Pastry & Chocolate Festival](#), which celebrates high-quality products.

The bean-to-bar segment is also a good indication of the presence of high-quality chocolate products. Examples of bean-to-bar makers in Scandinavia include [Friis Holm](#), [Oialla](#) and [Mellow](#) (Denmark), [Malmö](#), [Standout Chocolate](#), [Österlenchoklad](#) and [Svenska Kakao](#) (Sweden), [Fjåk Sjokolade](#) and [Bonnhort](#) (Norway). Many of them source beans from specialised importers, such as Uncommon Cacao, which is a trading company linking smallholder farmers to the specialty cocoa and chocolate industry in the United States and Europe.

Tips:

See [our study on trends for cocoa](#) to learn more about current trends and developments in 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 that this particular label has sufficient demand in your target market in consultation with your potential buyer, and whether it will be cost beneficial for your product.

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

Look up the [Nordic Organic Food Fair website](#) to stay up to date on the region's latest developments in organics.

If you're looking at selling premium cocoa to the Scandinavian market, try to establish direct trade relationships with smaller traders and chocolate makers. See the section on market segments and trade channels in the [Entering the Scandinavian Cocoa Market study](#) for more information.

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

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