

# The European market potential for tree-to-bar chocolate

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Europeans are the world's main consumers of chocolate, and increasingly demand high-quality chocolates, as well as products that hold aspects proving sustainable and ethical trade. This provides opportunities for tree-to-bar exporters. Also, there is a growing number of specialised (online) chocolate shops across Europe through which tree-to-bar products are sold. Despite the opportunities, entering the European market is still difficult. As a tree-to-bar chocolate maker you compete with the bean-to-bar segment and chocolate makers from Europe who have excellent market and consumer knowledge as well as wide networks.

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## 1. Product description

There is no harmonised industry definition of tree-to-bar chocolate. For some, tree-to-bar refers to chocolate makers in cocoa producing countries who have close relationships with local cocoa farmers. Others say that tree-to-bar refers to chocolate makers that also grow their own cocoa. In this factsheet, we include both categories. As such, tree-to-bar is defined as final chocolate products that are made within the same cocoa-producing country as where the cocoa beans are produced.

Tree-to-bar is different from bean-to-bar, as bean-to-bar makers are not necessarily located in cocoa-producing countries. Similar to tree-to-bar makers, however, bean-to-bar makers control the whole process of making chocolate: from roasting, shelling and grinding to tempering and packaging.

An exception to our definition are cases where companies own the cocoa plantations but produce their chocolate products using their own cocoa beans elsewhere. One example is [Åkesson's](#): this chocolate maker owns cocoa plantations in Brazil, Indonesia and Madagascar, and makes its chocolates in France.

All tree-to-bar chocolate makers have complete control over how their cocoa beans are grown and processed. This implies that tree-to-bar companies tend to safeguard transparency and traceability along the chain.

Tree-to-bar chocolates are usually traded under HS-code 180690 (Chocolate and other preparations containing cocoa, in containers or immediate packings of  $\leq$  2 kg, excluding in blocks, slabs or bars and cocoa powder).

## 2. What makes Europe an interesting market for tree-to-bar

# chocolate?

Europeans are the world's main consumers of chocolate, and demand high-quality chocolates as well as products that hold aspects proving sustainable and ethical trade. The combination of these factors offers opportunities for tree-to-bar makers aiming to enter the European market.

## Europeans are the world's main chocolate consumers

Chocolate exporters will find an interesting chocolate market in Europe. The world's average chocolate consumption is estimated at **0.9 kilogrammes per capita per year**, while average per capita consumption in Europe is estimated at **5.0 kilogrammes**. The world's highest chocolate consumption nations are all found in Europe. The Swiss consume the most chocolate with a per capita consumption of **11 kilogrammes per year**, followed by Germany with 9.1 kilogrammes per capita and Estonia with 8.3 kilogrammes.

Europe is the **world's largest chocolate producer and exporter**. It houses chocolate manufacturers of all sizes: from large multinationals mainly handling bulk cocoa to craft chocolate makers working with unique, high-quality cocoas. As a result, tree-to-bar makers aiming to export their chocolates to Europe will find strong competition from European chocolate makers.

Data from ITC Trade Map show that, in 2020, Europe imported 1,521 thousand tonnes of chocolate products packed in volumes below 2 kilogrammes. This includes tree-to-bar chocolates, but largely consists of other types of chocolate products like spreads and sugar confectionery. This makes it difficult to determine the exact size and development of tree-to-bar imports into Europe.

Between 2016 and 2020, European imports of these chocolate products increased slightly at an average annual rate of 1.9%. The largest European importers of <2 kilogrammes chocolate products in 2020 were Germany (13% of total European imports), the United Kingdom (13%), the Netherlands (10%) and France (10%).

## Ethical consumption and trade are growing in Europe

Ethical buying practices are becoming increasingly important on the European cocoa and chocolate market. The need for sustainability and ethical trade has gained ground through increased awareness of unfair and unsustainable trading practices, both for consumers and industry players. A **changing legislative landscape** in which traceability and transparency are becoming minimum requirements to enter the European market underlines the importance of this shift in trading practices.

Consumers are also changing habits. They are increasingly willing to purchase more sustainable and ethical products. The global COVID-19 pandemic spurred this trend even further. In 2020, **60%** of consumers reported buying more sustainable products and wanting to continue to do so. Flavour and price are however still the **most important purchase decisions** for most European chocolate consumers.

This creates interesting opportunities for high-quality tree-to-bar chocolates. Although the market for tree-to-bar is still very niche, it holds many aspects of ethical trade: high traceability, transparency and close relationships between farmers and chocolate makers. For tree-to-bar makers it also provides an opportunity for value addition at origin. But higher prices for tree-to-bar products make it difficult to gain scale in the mass consumption market in Europe, thus limiting the expansion of this product category.

## Consumer demand for high-quality chocolates growing across Europe

The demand for specialty or premium chocolate products is growing worldwide. The European market for premium chocolate is expected to grow at an average annual rate of **8.1%** between 2022 and 2027. The premium product segment is the fastest-growing segment in the chocolate market.

Premium chocolates refer to an array of products, ranging from lower-quality to high-quality products, offered at different price levels. Lower-quality premium products are usually developed by mainstream chocolate

manufacturers and retailers, which have increasingly invested in premium chocolate lines. On the high-end spectrum you find a growing number of European craft (bean-to-bar) chocolate makers, offering chocolate products made of high-quality cocoa.

The number of bean-to-bar makers [has increased rapidly in recent years](#). In 2020, the Fine Cacao and Chocolate Institute estimated that Europe had [over 90](#) high-quality chocolate makers and manufacturers.

Examples of European bean-to-bar makers include [Blanxart](#) (Spain), [Georgia Ramon](#) (Germany), [Heinde & Verre](#) (Netherlands), [Domori](#) (Italy) and [Zotter](#) (Austria). Check [this list](#) for more examples of bean-to-bar makers in Europe.

The growing demand for high-quality chocolates in Europe brings an interesting opportunity for high-quality tree-to-bar products. At the same time, the growing number of craft chocolate makers means that competition for tree-to-bar makers aiming to enter the market is fierce.

### Tips:

Activate the “Translation” function in your browser to make the studies available in your native language.

Access [ITC Trade Map](#) to analyse European trade dynamics yourself and to build your export strategy. By entering the product code (180690) and by selecting a specific region or country, you will be able to follow developments such as trade flows with established suppliers, the emergence of new suppliers and changing patterns in direct and indirect imports.

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

## 3. Which European countries offer most opportunities for tree-to-bar chocolate?

Countries where higher-quality chocolates and ethical products are gaining market share offer most opportunities for tree-to-bar chocolate makers. Market demand for tree-to-bar chocolates is also driven by educated and aware consumers who are interested in the origin of their products. In the case of chocolate, these consist of countries with more mature but dynamic markets, where consumers welcome new business models and are willing to try new products. The most outstanding markets offering these opportunities are Germany, the United Kingdom, the Netherlands and France. In spite of the opportunities, entering these competitive markets is still difficult, as tree-to-bar chocolates rival with the bean-to-bar segment and chocolate makers from Europe, who have excellent market and consumer knowledge as well as wide networks.

Although this section points at opportunities at country levels, note that you may still find interesting buyers in other European markets.

### Germany: large chocolate market with growing ethical consumption

With [9.1 kilogrammes per year per capita](#), Germans are among the biggest chocolate consumers in the world. Germans have relatively [high purchasing power](#), allowing consumers to spend more money on high-quality chocolate. Still, the leading [purchasing decision](#) for most German chocolate consumers is price, followed by [taste](#). Nevertheless, chocolate with [high cocoa content and of higher quality is growing in popularity](#) in Germany.

Sustainability is a very important topic on the German market, also [for chocolate consumers](#). Chocolate

products with environment-friendly packaging and products adhering to fair trading principles are growing in popularity. Germany is also home to several alternative trading organisations that promote value addition at origin, including [Gepa](#) and [El Puente](#). It is an interesting niche market catering for German consumers that have interest in impact-driven purchases.

Tree-to-bar chocolate makers who adhere to social and environmental-friendly practices, and who know how to market their message, could tap into this trend. These products are usually sold in specialty chocolate shops such as [Chocodays](#), [Xocoatl](#), [Xóco Klub](#), [Feine Schokolade](#) and [Chocolats de Luxe](#). They offer a wide range of products and origins available to Germany consumers, such as: [Kuná](#) (Ecuador), [Definite Chocolate](#) (Dominican Republic) and [Meybol Cacao](#) (Peru/Germany).

## **The United Kingdom: a big market for ethical consumption and fine foods**

[Awareness about sustainability issues](#) and the relation to the production of food has grown among British consumers. In 2021, [almost a third of UK consumers](#) chose brands with (perceived) ethical practices and values. As a result, consumer spending on ethical food and drink has [significantly increased](#) over the years. About [59%](#) of Fairtrade consumers confirmed in 2021 that they were willing to pay more for a product that pays producers a fair price. This is an important trait that indicates consumer interest for impact-driven companies and products, and potential for products like tree-to-bar chocolates.

Also, the UK is known for its fine food market. The country has its own [Speciality Fine Food Fair](#). The [Great Taste Awards](#) of the Guild of Fine Food is a globally recognised initiative founded in the UK. Great Taste awards the highest-quality food, including chocolates. Tree-to-bar brands that have won the Great Taste Awards include [Auro Chocolate](#) and [Åkesson's](#).

The UK is also where [The Academy of Chocolate](#) was founded. This independent body aims to showcase great taste in chocolate, while encouraging sustainable and ethical production, and providing educational opportunities. It does so by working with manufacturers, producers and retailers to raise awareness and understanding of the role chocolate plays in society and overall wellbeing. Companies like [Cocoa Runners](#) also aim to support the craft chocolate scene in the UK. They offer a monthly craft chocolate subscription to its consumers, as well as an offer of virtual tastings to help educate consumers.

## **France: high appreciation of fair trade and premium chocolates**

French consumers [highly value premium chocolates](#), especially dark chocolate. About [30%](#) of all chocolate consumed in France is dark chocolate, which is high compared to the [5%](#) on average for the rest of Europe. In 2019, [36%](#) of French consumers indicated that the taste of the chocolate is the most important selection criteria when buying chocolate. Tree-to-bar belongs to a higher-end market segment that attracts such consumers.

There are also some market dynamics that reflect the interest of market stakeholders in France for local value addition. For example, the [Agency for Valorization of Agricultural Products \(AVPA\)](#) is a French association that aims to enhance the value of agricultural products and recognise the excellence of producers and producing countries. As part of their programme, AVPA organises the [Chocolates processed at Origin International Contest](#).

France has also been a historically important market for fair trade concepts. Belgium-based organisation Enabel states that [“the development of local fair trade has been the result of both South-North trade initiatives, such as Ethiquable or Alter Eco, and the French small farmers movement”](#). While there is an interest in locally-produced items, French consumers also observe the impact of their purchases at origin countries. This may also be triggered by historical, commercial and cultural ties with former French colonies such as Ivory Coast and Madagascar, important cocoa-producing countries and origin of some tree-to-bar initiatives.

## **Netherlands: dynamic and innovative chocolate market**

The Netherlands is home to a very large cocoa market and a considerable chocolate market. It has an advanced cocoa culture in the sense that shops, including mainstream retail channels, offer a wide range of chocolate

products highlighting different origins. This means that consumers in the Netherlands are becoming increasingly familiar with the diversity of chocolate products and their characteristics.

In addition, Dutch consumers are fond of bold ingredient combinations and do not shy away from trying new flavours. One Dutch brand in particular has opened up this market: [Tony's Chocolonely](#). This social enterprise offers chocolate products with innovative flavour combinations, in combination with a slave-free chocolate mission.

However, as anywhere else, most chocolate consumption in the Netherlands is of mainstream quality, at relatively low costs and with little to no value addition for cocoa growing communities. There are organisations in the Netherlands trying to educate consumers about more honest chocolate consumption. This will help a small group of consumers to become more aware and conscious of their chocolate consumption. Still, mainstream chocolate products will remain popular, even more so as chocolate manufacturers increasingly offer premium products of mainstream quality mimicking the high-end chocolate offer. These two markets (mainstream premium products and high-quality, value-added-products) exist alongside each other.

One example is [Into Choco](#). This organisation aims to empower consumers to make positive choices when purchasing chocolate products. Another example is the Dutch [FairChain Foundation](#). They support business models that contribute to a fair distribution of wealth across all participants in the value chain. One of their projects was the creation of [The Other Bar](#); a chocolate product sold in Europe, produced by local company [Hoja Verde](#) in Ecuador. The Other Bar was an [experiment](#) in which consumers got to choose between funding the planting of cocoa trees in Ecuador or getting a discount on their next purchase. Consumers got a voice in how to invest, while farmers were benefited regardless of the decision.

This combination of aspects creates an interesting market for tree-to-bar chocolate makers, including chocolates with unique inclusions. There is also a wide range of (online) shops with a specific offer of craft chocolates in the Netherlands. These include: [ClearChox](#), [Craft Chocolate Shop](#), [Chocoladeverkopers](#), [Chocolátl](#) and [The Chocolate Shop](#).

## **Another possibly interesting market for tree-to-bar: Scandinavia**

Scandinavia is interesting as consumers in the region [increasingly demand high-quality and sustainable cocoa products](#). Sustainability is an important decision factor for purchasing food products in Norway, Denmark and Sweden. In addition, Scandinavia might also be interesting because, due to its smaller scale, the high purchasing power of its inhabitants and its high-awareness for ethical consumption, it is a good market to test products on. An example of a tree-to-bar product for sale in Sweden is [Wermlands Choklad](#) (Ecuador/Sweden). Tips:

- Refer to our [specific country studies](#) to read more about the speciality markets and cocoa and chocolate opportunities in France, Germany, the Netherlands and the United Kingdom.
- Consider joining competitions like AVPA's [Chocolates processed at Origin International Contest](#). Participation in such events may be an interesting way to test and showcase your tree-to-bar products on the European market.
- Explore different web shops in Europe, and search for tree-to-bar (and bean-to-bar) chocolates in each potential European market. This way you can learn more about consumer preferences, most popular origins, packaging and marketing messages. Examples of such shops are mentioned in the text above.

## **4. Which trends offer opportunities or pose threats on the European tree-to-bar chocolate market?**

Inclusions in chocolate products such as spices and herbs, coffee and tea, nuts, fruit and grains, are becoming mainstream on the European market. Offering innovative flavours unique to your origin helps differentiate your product. The slowly growing number of (online) specialised chocolate shops through which tree-to-bar products

are sold also provide opportunities. Again, competition is fierce, and entering the market will require careful planning and strong determination.

## Chocolate with innovative flavours associated with origin

There is an increasingly diverse offer of chocolate bars with unique ingredients on the European market. Chocolate bars with [flavour combinations have become mainstream](#). Examples include: [Lavendel & Caramel](#), [Blueberry & Viola](#) and [Strawberry & Balsamico](#) chocolate from Delicata and [Hazelnut, Almond & Cranberry milk chocolate bar](#) from Nestlé's L'Atelier.

The [origin of a chocolate product and the story around it](#) are increasingly important in the craft chocolate segment. One way to position yourself in the European chocolate market is therefore to combine your cocoa with innovative flavours associated with your origin.

Several successful tree-to-bar brands already penetrated the market with their offer of high-quality bars with unique local flavour combinations. [Fu Wan Chocolate](#) is an example of this. This tree-to-bar maker from Taiwan offers a range of products with locally sourced ingredients or flavours. Examples include their chocolate with [Taiwan Tie-Guan-Yin Tea](#) or local [Kaoliang Liquor](#). Other examples include the [Pure Chocolate Company's bar with local jerk seasoning](#) and [Menakao's chocolate bar with Madagascan vanilla](#).

## Increasing number of (online) specialised chocolate shops in Europe

Given the growing popularity of bean-to-bar chocolate in Europe, the market is experiencing a growing number of (online) specialty chocolate shops across Europe. Although there are no specific European-wide data on the number of these shops, the number of shops is growing, though still very small.

Specialty chocolate shops usually offer a wide range of high-quality chocolate products, made by craft chocolate makers. As [Bar and Cocoa](#) put it: in their shop "you can taste the uniqueness and complexity of different cocoa origins with nuanced flavours, unlike mass-produced chocolate". Tree-to-bar products are often sold through these same channels. This means that tree-to-bar products profit from the growing popularity and availability of bean-to-bar products on the European market.

Examples of specialised chocolate shops in Europe are: [Kakaw](#) (Sweden), [Club del Chocolate](#) (Spain), [Schokov Shop](#) (Austria), [Cocoa Runners](#) (United Kingdom), [Feine Schokolade](#) (Germany) and [Clear Chox](#) (the Netherlands).

## Organic high-quality craft chocolate bars find their niche in the market

Sustainability is a key issue on the European market. As a result, there is a large [offer of certified chocolate products on the market](#). But in the high-quality cocoa segment certification schemes are less commonly used. This is because craft chocolate products like bean-to-bar and tree-to-bar already include and exceed certification in many aspects of a sustainable and transparent supply chain, thus making certification redundant.

The exception to this is organic certification. There is a growing number of craft chocolate makers that adhere to organic certification for their brand. Organic is perceived as healthier, as pesticides and fertilisers have not been used during cocoa farming practices. Examples of tree-to-bar makers that offer organic chocolate products include [Amazona Chocolate](#) (Peru), [Amma Chocolate](#) (Brazil) and [The Grenada Chocolate Company](#) (Grenada).

For those tree-to-bar makers that produce/work with organic cocoa beans, the growing popularity of organic products may be a benefit. It may open up opportunities to enter into specialised organic retail outlets, for instance. As the tree-to-bar/high-quality chocolate market is still a small, developing niche market, exporters of such products will have to look for their own place within the market.

## More educated consumers might drive up interest in tree-to-bar

Consumer education is an important driver to increase interest in high-quality chocolate products. Within Europe, there is a growing number of educational programmes about chocolate with the aim to create awareness among consumers about specific flavour profiles of chocolate. This is done through specific chocolate tastings and cross-product pairings like chocolate with coffee, spirits or cheese, among others.

Examples of these initiatives in Europe include the [Virtual tastings with ethically sourced chocolates](#) from Into Choco (the Netherlands), [Bean-to-bar experiences](#) by Hotel Chocolat (United Kingdom) or [Chocolate and cheese pairings](#) offered by Helen Chocolate (Spain).

These efforts help consumers better understand the product and process of chocolates. This might slowly increase the appreciation of unique high-quality chocolates, making the higher price less of a purchasing hurdle.

## Single-origin chocolates becoming mainstream in Europe

The origin of a product has become very important in the food and ingredient sector, [both for taste as well as for marketing purposes](#). Traceability plays an important role in the claims around origin. In fact, traceability has become [one of the key trends driving the cocoa sector](#) today. So much so that single-origin chocolate bars have [become mainstream](#) on the European market. About [75%](#) of consumers think of single-origin chocolate as more sustainable compared to standard chocolate.

Single-origin or single-estate chocolate products are widely for sale in Europe, across all segments. These products are often produced on the European continent itself. However, as consumers are increasingly informed about and interested in the origin of their chocolate, this trend also contributes to the growing interest in chocolate products produced at origin.

### 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.

Consider becoming a member of the [Fine Chocolate Industry Association](#) (FCIA). FCIA publishes industry trends, and through the platform you can gain access to knowledge and build a network with industry partners to build your tree-to-bar chocolate business.

Promote the sustainable and ethical aspects of your production process. Note that, in addition to certification, transparency of the supply chain is key in the high-quality chocolate segment. This means you should be able to provide evidence of and communicate a traceable chain for your product. Traceability entails knowing who your producers are, keeping products segregated (for instance through assigning lot numbers) and knowing where your cocoa is produced (for instance through the use of GPS systems).

Read this technical brief on [Cocoa traceability in West and Central Africa](#) by IDH for an overview and recommendations on enhanced cocoa traceability. Even if you are not located in West or Central Africa, the publication might be insightful for your cocoa farming and processing practices.

Promote the story behind your product. Where do your cocoa and other ingredients grow? How do you roast your beans? Which specific ingredients do you use – and if they are local, what is the story behind them?

Learn more about how you can use social media to increase your visibility. For instance, see the series published by Dame Cacao, which includes articles on: 1) [social media basics for growing a small business](#); 2) [how to use Instagram for your small business](#); 3) [creating better content on Instagram](#); 4) [crafting an engaged Instagram audience](#); 5) [how to make effective ads on Instagram](#). Although the focus is on chocolate as an end product, it gives relevant tips that you can use for any cocoa product.

Visit the websites of the [Cocoa of Excellence](#) and [Heirloom Cacao Preservation](#) to learn more about industry initiatives and awards related to cocoa diversity and excellence, which you may use in your storytelling.

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

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

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