

The European market potential for coconut water

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In the long term, the European market for coconut water is expected to show stable growth. This growth is likely to be driven by changes in the consumption patterns of European consumers. This especially relates to the popularity of functional and plant-based drinks. Also, beverage industry users are coming up with new/innovative and healthier solutions with coconut water as one of the main ingredients. The United Kingdom, France, Spain, Germany, Italy and the Netherlands offer opportunities for developing country suppliers.

Contents of this page

1. [Product description](#)
2. [What makes Europe an interesting market for coconut water?](#)
3. [Which European countries offer most opportunities for coconut water?](#)
4. [Which trends offer opportunities on the European coconut water market?](#)

1. Product description

Coconut water is the juice found in the centre of coconuts, which are the fruits of the coconut palm (*Cocos nucifera*). Coconut water is also called coconut juice. Coconut water should not be confused with coconut milk or coconut cream, which are made from the grated fresh kernel.

Although coconut water can be consumed directly from young green coconuts without any further processing, this kind of consumption is insignificant in Europe. Most coconut water on the European market is processed and packed. On the contrary, consumption from young coconuts makes up the largest consumption share in the coconut growing countries.

Young coconuts, 6-9 months old, offer the highest quantity of water. In spite of this, processed coconut water intended for export is mostly obtained from the water (liquid endosperm) of more mature coconuts of 10-13 months old. Coconut water from matured coconuts often comes as a side product with the production of coconut milk, desiccated coconut and virgin coconut oil.

The meat/kernel from young coconuts has very limited processing applications, but the meat/kernel from matured coconuts can be used to produce various high-value coconut products. This means that coconut water can be used for additional income through integrated processing. The main income still comes from processing the coconut meat/kernel. However, in some countries (for example, Thailand and Brazil), a trend towards increasing production and export of coconut water from young coconuts can be observed.

Coconut water is mostly exported in a pasteurised or sterilised form. It is mainly traded in the following ways:

- Bulk single-strength or not-from-concentrate (NFC) coconut water – this type of coconut water is obtained from green or mature coconuts. It is packed in bulk packaging such as bags in drums. The usual Brix content (sugar content of a water solution) of NFC coconut water is between 3.5 and 8 degrees, depending on the variety and maturity, but most often around 4 degrees. After import, NFC coconut water is usually further

- repacked in aseptic consumer packaging or used as a beverage ingredient;
- Prepacked coconut water – this type of coconut water is mostly produced using [ultrahigh-temperature processing](#), but also with other forms of preservation such as [microfiltration](#). Processed water is packed in aseptic packaging such as laminated cartons or cans. When the water is packed shortly after the coconut is picked, the packaging preserves a natural flavour. Because of that, many European companies have started to pack coconut water in producing countries through subcontracting agreements;
 - Bulk concentrated coconut water – this type of coconut water is usually produced by [vacuum evaporation](#) and mostly concentrated to 60 degrees Brix, but it can be concentrated to lower Brix values too. In this way, transport costs for water and packaging can be saved. The concentrated product can be reconstituted with water or used as a mixing ingredient;
 - Frozen coconut water – this type of product is used in the same way as concentrated coconut water, but it is frozen in order to prolong the shelf life and chemical composition of the product;
 - Fresh coconuts - in producing countries, coconut water is commonly consumed directly from the fresh nuts. The green outer shell is often trimmed down to decrease weight and transport costs. The short shelf life of young coconuts makes them unsuitable for slow sea transport. Transporting the coconuts by air significantly increases the price of the product. Because of that, sales of young coconuts in Europe are low. To prolong shelf life, some companies use plastic wrapping or wax coating.

Pasteurisation or sterilisation requires an investment in processing facilities, and the most recommended technology is currently ultrahigh-temperature processing (UHT), which minimally deteriorates the quality and taste of coconut water. Emerging technologies such as [high-pressure pulsed electric field processing](#) or [ohmic heating](#) should still be investigated. Microfiltration can also be used instead of thermal pasteurisation to prevent a change in the taste of coconut water, but it requires a chilled supply chain.

The name ‘coconut water’ is reserved for 100% coconut water. If sugar, acid or sweeteners are added to fruit juice which is diluted with water, the product must be called nectar, soft drink or fruit drink.

Coconut water is not officially defined in the [international harmonised statistical system](#). The European [TARIC](#) database defines coconut water under the code 2009 8999 96. However, this code is used only to determine the applied tariffs for imports. For international statistics, coconut water is classified under [combined nomenclature](#) code 20098999, which commonly includes many other products. Therefore, it is not possible to present exact international trade data, only estimations based on industry inputs.

This study covers processed coconut water as described above. To find out more about other coconut products, read our studies on [Desiccated Coconuts in Europe](#) and [Fresh Coconuts](#). These products have sales potential on the European market, but in much smaller quantities.

2. What makes Europe an interesting market for coconut water?

Consumption of coconut water in Europe is still relatively small compared to Asia and South America. However, the European market is growing at a fast rate, driven by health-conscious consumers. Coconut water is becoming popular as a drink used for rehydration, but also as an ingredient in low-calorie beverages. Leading beverage companies are further boosting demand by creating innovative products based on coconut water.

Coconut water is perceived to be a healthy drink, fulfilling expectations of modern European consumers. It contains less natural sugar and therefore has a lower energy value compared to other types of juice. Coconut, rich in potassium, is also considered to be an isotonic drink, meaning that it contains naturally occurring electrolytes that help rehydration, especially after sweating during exercise. As such, it is considered a more natural solution compared to artificially produced isotonic drinks.

Because of its low energy value, coconut water is increasingly used as an ingredient in juice-based beverages, because it improves the nutritional profile of the final product. Based on [‘Nutri-score’ labelling](#), the majority of fruit juices sold in Europe are labelled with the ‘C’ score, meaning they have an average nutritional value. However, when coconut water is mixed with juices, the nutritional value of the drink is improved and reaches ‘B’

score. Because of that, European beverage companies increasingly use coconut water for healthy drink mixtures.

There are no precise statistical data on the physical consumption of coconut water in Europe, as several different sources report different consumption statistics. However, all industry sources agree that consumption of coconut water has increased over the last several years. Over the last five years, consumption of coconut water in Europe increased by an average annual rate of 15-20%. It is likely that European consumption will continue to increase in the next five years too, but at a somewhat lower rate of around 10% annually.

3. Which European countries offer most opportunities for coconut water?

Current global consumption of coconut water is estimated to be over 600 million litres annually. Estimations are based on coconut water retail sales. Actual world consumption is much higher, as estimations by analysts do not include direct consumption from young coconuts, which is significant in coconut production countries. European consumption is roughly estimated to be around 10% of the world sales. This means European consumers and the beverage industry currently use around 60-70 million litres per year.

Physical import of coconut water in Europe is smaller compared to the consumed quantity. This is explained by the fact that some quantities are imported as concentrated coconut water, which is further reconstituted with water or used as an ingredient by the European beverage companies. However, import of pre-packed coconut water is increasing, as many companies have started to directly pack NFC coconut water in producing countries. According to industry sources, European import is estimated to be around 30-40 million litres per year.

As Europe's main consumer of coconut water, the United Kingdom is an interesting focus market. Other large consuming countries include France, Spain, Germany and Italy. The Netherlands, as a trade hub, offers good opportunities for trade, due to the large number of specialised traders. Austria also offers trade opportunities, due to the presence of several important beverage processors.

The United Kingdom: the largest European coconut water market

The United Kingdom is the largest importer and consumer of coconut water in Europe. It seems that coconut water consumption in the United Kingdom increased significantly up to 2016, when it reached a peak of more than 25 million litres. After this period, consumption fluctuated and remained at a similar level until 2019. The main reason for market stagnation was strong competition from other types of soft drinks and smoothies. However, it is expected that consumption will increase in the coming years.

[Vita Coco](#), the leading brand in the United Kingdom, is the main developer of the market. Vita Coco is based in the United States and a global leader in the coconut water retail market with around 25% of global sales. The company's target was to sell 150 million litres in 2019. When Vita Coco started to develop sales in Europe, its marketing activities were first focused on the United Kingdom. The promotional activities were highly successful and made the United Kingdom a top European coconut water consumer.

The Vita Coco brand in Europe is owned by the company [All Market Europe](#), which is at the same time the leading importer of packed coconut water to the United Kingdom. Vita Coco coconut water products are packed through subcontracting in several destinations such as Brazil, the Philippines, Indonesia and Sri Lanka. Another strong brand present in the United Kingdom is [Innocent](#) by Coca Cola.

Examples of other coconut brands in the United Kingdom include [Naked](#) (by PepsiCo), [Grace](#) (by Grace Foods), [Tropical Sun](#) (by Specialist Foods), [Chi](#) (by Chi Ventures), [Coco Fina](#) and [Lucy Bee](#) (by Lucy Bee). Some packed coconut water is sold under brands of the exporting companies. Examples include brands packed by companies from Thailand, such as [UFC](#) (by Universal Food) and [Wonderfarm](#) (by Interfood Shareholding Company). The share of private labels (retail chain brands) is not so high and currently includes ASDA coconut water.

The United Kingdom is the largest European importer of pre-packed coconut water. Packing operations by [processors in producing countries](#) help to preserve better taste, as consumers perceive coconut water made from concentrate as weaker in flavour and taste.

Imported bulk coconut water is not often used for packing of retail products, but more as an ingredient for soft drinks and other beverages. Bulk importers include ingredient traders and processors like [Kiril Mischeff](#), [Döhler UK](#), [First Grade International](#) and [Jufa](#).

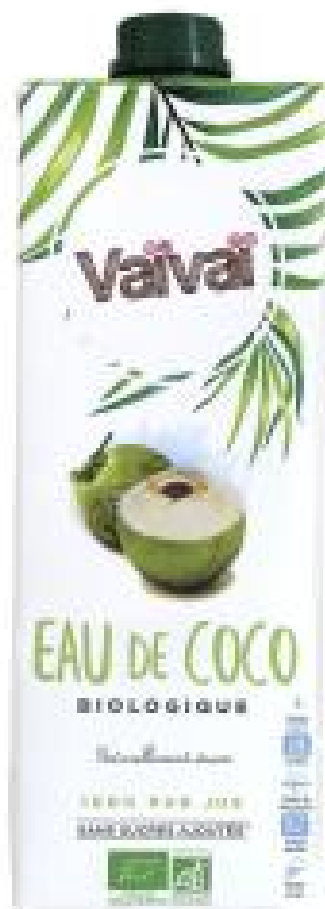
The United Kingdom market offers specific opportunities for suppliers of Fairtrade-certified products, as the country is the largest Fairtrade products market in Europe. Currently, there are around 5,000 Fairtrade-certified products on sale in the United Kingdom. Another opportunity lies in the usage of coconut water as the main ingredient of some functional drinks. For example, Vita Coco recently launched coconut water infused with Cannabidiol.

Picture 1: Vita Coco brand



Source: Tesco

Picture 2: Vaivai brand



Source: Carrefour

France: increasing consumer of coconut water

Consumption of coconut water in France is increasing significantly. Exact consumption data are not confirmed, but the industry estimates that consumption has increased at least five times during the last five years. Current consumption is estimated to be around 12-14 million litres. In the long term, consumption is likely to get to a similar level as in the United Kingdom. This high interest for coconut water in France is driven by the popularity of health ingredients but also by promotional efforts of the leading brand.

Currently, the leading brand in France is Vita Coco. Over the last three years, Vita Coco gained market share, overtaking the brand [Vaivai](#), which led sales for several years. Vita Coco is distributed in France by the Belgian distribution company [Chef Sam](#), while Vaivai is distributed by [Solinest](#). Other coconut brands in France include [Innocent](#) (by Coca Cola), [Chi](#) (by Chi Ventures) and [Force Bio](#). Coconut water is also sold under private labels (retail chain brands), such as [Carrefour](#) (Carrefour Bio label), [Super U](#) (U bio label) and [Intermarché](#) (Jafaden label).

Confronted with the decrease in juice consumption, many French juice and soft drinks processors started innovating and offering low-calorie solutions to French consumers. Fruit juice brand Joker (by company Eckes Granini) introduced a line of new fruit juices containing [30% less natural sugar from fruit](#). The major ingredient

used to decrease the sugar content is coconut water. By mixing fruit juice with coconut water, the nutritional labelling (through the [Nutri-Score](#) system) is improved from rank 'C' to rank 'B'.

Spain: fresh coconut water market development

Spanish companies were some of the first in Europe to introduce young coconuts in Europe as the best way to consume coconut water. The Spanish company World's Coconut Trading introduced easy-to-open [Genuine Coconuts](#) and won the innovation award at Fruit Logistica in 2016. Since then, the company has introduced this product to several retailers around Europe. Another example of young coconut trade is the specialised coconut trading company Yanog Barcelona, which created a brand of fresh coconuts, [Coco Wilson](#). Aside from young coconuts, Coco Wilson sells fresh coconut pulp, concentrated coconut water and packed retail water.

In 2019, Spanish consumption of coconut was roughly estimated to be 7-8 million litres. The popularity of coconut water consumption is recognised by the Spanish retailer Mercadona, which created its own coconut brand in cooperation with the Thai company Theppadungporn Coconut (bottler of brand [Chaokoh](#)). Also, leading Spanish fruit juice manufacturers have introduced coconut water in their offer, such as García Carrión ([Don Simon](#) brand) and [Juver](#) (part of Conserve Italia). Other Spanish coconut water brands include [Goya](#) (by Productos Goya Nativo), Vita Coco, [Eco Cesta](#) (by Biogran) and [Real Coco](#) (by Globia Foods).

Coconut water is also used as a main component in innovative, functional and sports drinks. [Zü Premium coconut water](#) is an example of an innovative drink. The product includes added collagen and was created by Spanish-based [AMC group](#). [Raw Organic Sport](#) is an example of a sports drink producer that uses coconut water in a wide range of isotonic drinks.

Picture 3: Genuine Coconut brand

Source: Genuine Coconut

Picture 4: coco brand

Source: Dr. Antonio Martins

Picture 3: Genuine Coconut brand



Source: Genuine Coconut

Picture 4: coco brand



Source: Dr. Antonio Martins

Germany, leader in organic coconut water

Germany was the first country to introduce coconut water on the market, as early as 2002. This was done by the company Green Coco. However, the market did not develop as fast as in the United Kingdom. However, the consumption rate is increasing now, and it is likely that Germany will get to the top three largest coconut water-consuming countries in Europe in the next three to five years. Annual coconut water consumption in Germany is estimated to be around 6-8 million litres. Two companies with a strong presence on the market are Coca Cola with its [Innocent](#) brand and Green Coco Europe with the [Dr. Antonio Martins](#) and [Aqua Verde](#) brands.

Green Coco Europe is bottling coconut water in Germany, packing private labels (such as REWE Bio) and selling bulk coconut water to the beverage industry in Europe, including the largest fruit juice companies. Aside from German sales, the company is one of the leading suppliers of coconut water in the Austrian market. Other German coconut water brands (many of them organic) include Solevita (private label by Lidl), [Morgenland](#) (by EgeSun), [Kulau](#), [Bio Company](#), [Dr. Goerg](#) and [Mal](#).

Germany is a particularly attractive market for organic coconut water, as the country is the [largest European market for organic food](#). Specialised organic retail chains sell their own brands of organic coconut water, like [Alnatura](#), [Basic](#) and [DM](#). Examples of organic labels of mainstream supermarkets include REWE ([REWE Bio](#) label) and EDEKA ([EDEKA bio](#) label). New suppliers should be aware that Germany is a very price-competitive market, and many organic brands do not have significantly higher prices compared to brands of conventional coconut water.

Some of the large German beverage companies, such as [Döhler](#), [Carrière](#) and [Eckes Granini](#), also trade coconut water or use it in their product and ingredient formulations.

Italy: variety of coconut water products

Industry experts estimate Italian consumption of coconut water to lie between 3 and 4 million litres annually. There are a lot of dynamics in the market, including new product developments and the presence of a wide variety of domestic and foreign brands. Some notable brands in Italy include [Santal](#) (by Lactalis) and [Yoga Tasky](#)

(by Conserve Italia). Distribution company Union Trade supplies the market with the [Foco](#) and [Grace](#) brands. [Green Coco Europe](#) (Germany) and [Pfanner](#) (Austria) are also present on the Italian market.

Offering organic-certified coconut water to Italy provides opportunities for emerging suppliers, as significant quantities of coconut water in Italy are sold as organic. The leading company selling organic plant-based drinks in Italy is [Isola Bio](#), which also provides a range of different coconut water drinks. Other organic coconut water brands in Italy include [Ococo](#) (by Mew), [Junoon](#) (by Rebel) and [Probios](#).

Coconut water is also used in coconut-flavoured drinks by Italian beverage producers such as [Cocco Esotico](#) (by Zuegg), [Vitasnella le Linfe](#) (by the Italian water bottling company Ferarelle) and [Derby Blue](#) (by Conserve Italia) and in several plant-based drinks by Isola Bio.

The Netherlands, the European trade hub

The Netherlands is not one of the largest European consumers of coconut water, but it imports and trades large quantities. Thanks to the network of trade connections established across Europe, the Netherlands can provide opportunities for emerging suppliers. It is estimated that the Netherlands imports more than 5 million litres of coconut water, with the Philippines and Indonesia as the leading suppliers. According to industry sources, around half of imported coconut water is re-exported, leaving around 2-3 million litres for domestic consumption.

Consumption of coconut water is increasing at a fast rate, and many new brands are appearing on the market. Aside from international brands such as Vita Coco and Innocent, a noticeable brand of coconut water is [Healthy People](#), acquired in 2020 by [Riedel](#), the leading juice blending and bottling company in the Netherlands. Other coconut water brands on the market include [Grace](#) (by Grace Foods), [Fix](#) (by Infra), [Mogu Mogu](#), [Iam Super Juice](#) and [Biologisch Kokoswater](#) (by Witsenburg Natural Products).

Albert Heijn, the leading retail chain in the Netherlands, accounts for a large share of the market with its own private label of coconut water. Brazilian brand [Obrigado](#) was introduced to Europe through the Dutch-based company Aurantiaca Europe. Although it is still possible to find the Obrigado brand in some of the Dutch supermarkets, it seems that the brand is having problems gaining ground on the European market.

Coconut water is also traded from the Netherlands by specialised juice ingredient suppliers such as [Prodalim](#) (with processing facilities in Brazil, Vietnam, Mexico and Poland) and [Santos Enterprise Food](#).

Tips:

Stay informed about developments on the market by visiting the website of the [European Fruit Juice Association](#) (AIJN).

Learn more about the fruit juices and soft drinks market in the United Kingdom by visiting the website of the [British Soft Drink Association](#).

4. Which trends offer opportunities on the European coconut water market?

The increasing popularity of healthy functional drinks, a desired decrease of sugar and energy intake and new flavour launches are the leading drivers behind the growing interest in coconut water in Europe.

To find out more about general trends, read our study about [Trends on the European Processed Fruit and](#)

Popularity of natural hydration drinks

Due to a higher content of minerals such as potassium, and the presence of carbohydrates, coconut water can be classified in the group of isotonic drinks. Isotonic drinks have quantities of minerals and carbohydrates similar to those in the human body. This lets them be absorbed more quickly than water. Sports drinks (isotonic, hypotonic and hypertonic) are regularly used after exercising to replace fluids lost through sweating.

The advantage of coconut water is that it is a completely natural drink, while most other sports drinks are artificially created. Strictly speaking, not every coconut water is classified as an isotonic drink according to the [official scientific opinion](#) of the European Union.

According to several sources, the market for sports drinks in Europe is forecasted to increase by [an average yearly rate of more than 5%](#). Coconut water is marketed as a 'health booster' in many different ways. Most often, it is marketed as a 'rehydrator' and 'anti-aging' product that opens sports drinks, health and beauty channels for developing country suppliers. Other health claims include stressbuster, natural diuretic, digestive soother, detoxifier, stomach comforter and cholesterol-lowering product.

Coconut water does not have a flavour profile and sweetness like fruit juices. In order to make it more attractive to consumers, it is often mixed with small quantities of fruit juices or purees to create more fragrant coconut water drinks.

Coconut water reduces sugar in fruit juices

Sugar consumption in Europe has gone down in the last few years, as consumers choose healthier, low-sugar diets and food processors reformulate their products to lower sugar content. The concerns of European consumers over sugar are negatively affecting the fruit juice and soft drinks industry. The European Soft Drink Association has influenced the soft drinks industry in Europe [to decrease sugar content by 10%](#) over the last five years. Juice producers have found a way to decrease calorie content by mixing juices with coconut water.

In terms of nutritional composition, coconut water can officially be labelled as 'low energy', because it contains 18 kcal per 100 ml. European Union legislation states that anything less than 20 kcal can claim to be [low energy](#). As most fruit juices contain more than 40 kcal, mixing with coconut water is a way to reduce calorie intake.

Juice companies already make use of the advantages of mixing juice with coconut water. For example, the company Döhler launched the '[next-generation apple juice](#)', which is made from apple juice and coconut water. It is defined as NFC juice, which is preferred by consumers, but it also contains less sugar and fewer calories than conventional NFC apple juice. Another example that was mentioned previously is that of Eckes Granini, which introduced a line of fruit juices with coconut water containing [30% less natural sugar from fruit](#).

Picture 5: Example of a low-calorie fruit juice with coconut water



Source: Joker

Picture 6: Example of a plant-based drink with coconut water as an ingredient



Source: Sainsbury's

Demand for plant-based drinks

Plant-based diets are becoming increasingly popular in Europe. In order to support production and consumption of plant-based food, several European companies formed the [European Plant-based Food Association](#) (ENSA). Some of the replacements for dairy drinks that are used most often are cereal, nut and coconut-based drinks. These drinks often have a higher sugar content than the dairy options, so ENSA members are committed to reducing the sugar content of their plant-based drinks. Similar to the fruit juice industry, they do that by adding coconut water.

Coconut water is also increasingly used as an ingredient in plant-based drinks, not only because of the reduction of sugar intake, but also because it improves the overall nutritional value of the final product. Coconut water also enhances the flavour profile of plant-based drinks. For coconut-based drinks, the ingredient that is used most is coconut milk, but coconut water is increasingly used in 'no-added-sugar' products to provide the necessary sweetness of the drink. Several plant-based drink manufacturers use coconut water in their products, such as [Alpro](#) and [Isola Bio](#).

Tips:

Read the [CBI Market Statistics and Outlook for Processed Fruit & Vegetables](#) to learn more about the general trade trends and sizes of specific market segments.

Check the websites of European trade shows and exhibitions to discover the newest trends. The most important trade fairs in Europe relevant to coconut water are [SIAL](#) (France, every even year in October), [Anuga](#) (Germany, every odd year in October) and [BioFach](#) (Germany, organic products, in February).

This study was carried out on behalf of CBI by [Autentika Global](#).

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