

Entering the Scandinavian market for cocoa

Last updated:

14 July 2021

Sustainability and quality are important concepts in the Scandinavian food market. Expect strict requirements for food safety and sustainability from your buyers when exporting to Scandinavia. The organic market is highly developed in Scandinavia, especially in Denmark and Sweden. Having organic certified products can facilitate your entry into certain segments. However, always consult with possible buyers before engaging in certification programmes.

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1. What requirements and certification must cocoa comply with to be allowed on the Scandinavian market?

Sweden and Denmark are members of the European Union, Norway is not. However, Norway takes part in the European Economic Area (EEA), which extends the European Union's single market to non-EU countries in the European Free Trade Association (EFTA), which includes Iceland, Liechtenstein, Switzerland and Norway. In practice, this means that Norway's food laws and regulations to a large extent mirror European Union rules. Hence, EU legislation can be used as a basis for all three countries.

To export cocoa beans to Scandinavia you need to comply with strict European Union requirements. For a complete overview of these standards, see our study on [buyer requirements for cocoa](#) or consult the specific requirements for cocoa on the European Commission [Access2Markets](#) website.

Buyer requirements can be divided into:

1. Musts: legal and non-legal requirements you must meet to enter the market
2. Additional requirements: those you need to comply with to keep up with the market
3. Other requirements: applying to specific markets

Highlights for these requirements can be found below, specified for the Scandinavian market where relevant.

1. Legal and non-legal requirements you must comply with

Legal requirements

You must comply with the European Union legal requirements for cocoa, which refer mostly to food safety and hygiene. In this regard, the most common applicable legal limits for food contaminants are:

- Pesticides: consult the [EU pesticide database](#) for an overview of the maximum residue levels (MRLs) for each pesticide
- Mycotoxins: [ochratoxin A](#) is of special relevance for cocoa

- Polycyclic-aromatic hydrocarbons ([PAHs](#))
- [Microbiological contamination](#) such as from [salmonella](#) (although cocoa is considered low risk)
- Heavy metals such as [cadmium](#), which is a particular problem for cocoa from some Latin American countries due to factors like volcanic activity and forest fires

Quality requirements

If you want to access the Scandinavian market for cocoa beans, you will have to meet your buyer's quality standards. These quality standards are particularly high within the specialty segment for fine flavour cocoa beans.

Buyers in Scandinavia and elsewhere currently assess the quality and flavour of cocoa beans in different ways and often use a combination of two or more methodologies. The guide [Cocoa Beans: Chocolate & Cocoa Industry Quality Requirements](#) provides recommendations on cocoa growing, post-harvest practices and quality evaluation methods that contribute to cocoa quality.

Other cocoa quality assessment methodologies and international cocoa standards commonly used by chocolate makers and cocoa traders include the following:

- ISO's [Standards on classification and sampling for cocoa beans](#)
- The Fine Cacao and Chocolate Institute (FCCI): check their [website](#) and contact FCCI for their sampling protocol and grading form
- Heirloom Cacao Preservation's [genetic evaluation of cocoa](#) to identify and value cocoa and its flavour
- Equal Exchange/TCHO's [quality assessment and tasting guide](#) to assess the quality of cocoa along the value chain

In addition, a workgroup, coordinated by the [Cocoa of Excellence Programme](#), has launched the [International Standards for the Assessment of Cocoa Quality and Flavour website](#), where you can download the [first protocols on the quality standards](#).

These protocols describe step by step how to: 1) sample cocoa beans for evaluation; 2) assess their physical quality; 3) process them into coarse powder, liquor and chocolate, and 4) establish a sensory evaluation of the flavours expressed in these three products.

Labelling requirements

The labelling of cocoa beans exported to Norway, Sweden and Denmark should comply with [the general food labelling guidelines of the European Union](#). The information provided on labels must be easy to understand, easily visible, clearly readable, and should be written in a language easily understood by the purchaser. In most cases, this means labels should be written in English.

The label should include the following topics to ensure traceability of individual batches:

- Product name
- Grade
- Lot or batch code
- Country of origin
- Net weight in kilograms

In case your cocoa is organic or fair trade certified, the label should contain the name and code of the inspection body and certification number.

Figure 1: An example of cocoa bean labelling



Source: Chocolate Cortés

Packaging requirements

Cocoa beans are traditionally shipped in jute bags, which can weigh between 60 kg and 65 kg. In the mainstream market, bulk shipment of cocoa beans has become more popular. This means cocoa beans are loaded directly into the ship's cargo hold or in shipping containers containing a flexi-bag (see Figure 2). This mega bulk method is often adopted by larger cocoa processors, which handle cocoa beans of standard qualities.

In the specialty cocoa segment, jute bags are still commonly used. For very high-quality micro lots, vacuum-sealed [GrainPro](#) packaging can be used.

Figure 2: Examples of packaging for cocoa: jute bag, container-sized flexi bag and GrainPro



Sources: [Osu.edu](#), [Bls.bulk.com](#) and [GrainPro](#)

Tips:

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

Read the study on [buyer requirements](#) for cocoa in Europe for the full buyer requirements.

Check the website of [EURO-Lex](#) for more detailed information about the regulations concerning cocoa products.

Read more about the quality requirements of the European industry for cocoa beans on the [Cocoa Quality website](#).

Learn more about maintaining the quality of your cocoa during transportation on the website of [the Transportation Information Service](#).

Read more about delivery and payment terms for your cocoa bean exports in our study [Organising Your Cocoa Bean Exports to Europe](#).

2. Additional requirements to keep up with the market

Additional food safety requirements

Expect buyers in Scandinavia to request extra food safety guarantees from you. Regarding production and handling processes, consider the following:

- Good agricultural practices (GAPs): The main standard for good agricultural practices is provided by [GLOBALG.A.P.](#) This is a voluntary standard for the certification of agricultural production processes for safety and traceability of products. Note that certification organisations such as Rainforest Alliance/UTZ often incorporate GAP in their standards.
- Quality management system (QMS): A system based on [Hazard Analysis and Critical Control Points \(HACCP\)](#) is often a minimum standard required at the level of storage and handling of cocoa beans. If you export semi-finished cocoa products, some buyers will also expect you to have certifications for your manufacturing facilities, such as [International Featured Standards: Food \(IFS\)](#), [Food Safety System Certification \(FSSC 22000\)](#) and [British Retail Consortium Global Standards \(BRC\)](#).

Note that the Scandinavian market is generally stricter regarding food safety measurements than other markets. For example, in response to consumer concern over pesticide levels found in food, the [Danish shops of](#)

Coop, Lidl and Aldi demanded their suppliers to go beyond legal EU requirements on maximum pesticide levels in 2019. Lidl set the pesticide residue standard 66% below legal requirements, Coop 50%, and Aldi 20%–30% below applicable limits.

Additional sustainability requirements

Corporate responsibility and sustainability have become very important in the entire European cocoa sector, and even more so in Scandinavia. All of the leading companies active in the chocolate market, such as [Axfood](#) (Sweden) and [NAF Trading](#) (Denmark), have sustainability policies highlighting their relationship with farmers, transparency in their operations, as well their social and environmental impact at origin.

As an exporter, adopting codes of conduct or sustainability policies related to your company's environmental and social impacts may give you a competitive advantage. In general, it is likely that buyers require you to comply with their own code of conduct and fill out supplier questionnaires about your sustainability practices.

Certification standards are usually part of the sustainability strategy of traders, cocoa processors, chocolate manufacturers and retailers. As such, a standard like Rainforest Alliance/UTZ has become increasingly important in the mainstream cocoa market. More than 60 cocoa supply chain actors operating in Scandinavia are [Rainforest Alliance/UTZ certified](#), most of them in Sweden and Denmark.

Although not common for Scandinavian cocoa actors, it is good to keep in mind that your importer might re-export cocoa or processed cocoa products to other destinations in Europe. These other buyers will push their requirements forward to other players in the supply chain. This might increase the need for you to adopt specific certifications or standards, depending on the final market and market channel used.

Initiatives to develop legally binding measures for the use of sustainable cocoa at the EU level are ongoing. The European Commission is working on due diligence laws [to protect and restore global forests](#). These regulations are [expected to become operational in 2022](#). These laws will include measures to minimise the impact of EU consumption on the cocoa sector, which is seen as a risk commodity for deforestation. The largest cocoa companies, such as Barry Callebaut, Mars and Mondelez, [support the call for the EU to adopt due diligence regulations](#). Once operational, buyers might download some of the regulation requirements to cocoa suppliers and exporters. The European Union also has plans to [boost sustainable cocoa production in Ivory Coast, Ghana and Cameroon](#), providing training opportunities as well as specific requirements for exporters from these countries.

Tips:

Refer to the [International Trade Centre Standards Map](#) or the [Global Food Safety Initiative website](#) to learn about the different food safety management systems, hygiene standards and certification schemes.

Find out which standards or certifications are preferred by potential buyers in your target segment. Buyers may have preferences for a certain food safety management system or sustainability label, depending on their end clients and distribution channels.

Carry out a self-assessment to measure how sustainable your production practices are. You can fill out [this online self-assessment form by Amfori BSCI](#) to assess your social performance. This [Excel form by the Sustainable Agriculture Initiative Platform](#) can be used to assess the sustainability performance of your farm.

See our [study on certified cocoa](#) for more information about the demand for sustainable cocoa in the European

market, trends and specific trade channels.

3. Other requirements

EU Organic

Scandinavia is an important market for organic cocoa. In order to market your cocoa as organic in the Scandinavian market, it must comply with [the regulations of the European Union for organic production and labelling](#). Obtaining the [EU Organic label](#) is the minimum legislative requirement for marketing organic cocoa in the EU.

Note that the new EU organic regulation came into force on 1 January 2021. This means that producers in third countries will have to comply with the same set of rules as those producing in the EU. Also, inspections of organic production and organic products has become stricter to prevent fraud.

Before you can market your cocoa beans as organic, an accredited certifier must audit your growing and processing facilities. Refer to [this list of recognised control bodies and control authorities](#) issued by the EU, to ensure that you always work with an accredited certifier. To become organic certified, you can expect a yearly inspection and audit which aims to ensure that you comply with the rules on organic production.

Note that all organic products imported into the EU must have an appropriate electronic [Certificate of Inspection](#) (COI). These COIs must be issued by control authorities prior to the departure of a shipment. If this is not done, your product cannot be sold as organic in the European Union and will be sold as a conventional product. COIs can be completed by using the European Commission's electronic [Trade Control and Expert System](#) (TRACES).

National organic standards in Scandinavia

Sweden's [KRAV](#), an association that has its own standard and label certifies approximately 80% of the organic products in the country. The KRAV [standards](#) are adapted to IFOAM standards, and in some cases, they are stricter than the EU standards. In general, [KRAV has better consumer recognition in Sweden](#), although the obligation to include the EU organic logo on all organic products sold in the EU has increased recognition for the EU logo as well.

Denmark has a state-owned ecolabel called the [Danish organic logo](#) or the red Ø mark. Cocoa certified according to EU organic legislation, which is then further processed, packed or labelled in a Danish company and inspected by public authorities, can be labelled with the Ø-label, in addition to the EU logo. More than **95%** of the Danish consumers are familiar with the red Ø mark, and approximately 90% highly trust the Ø-label.

Norway's official national organic logo is the [Ø-label](#), issued by Debio, Norway's national organic farming association. Debio's Ø-label can be applied to imported products that are certified by an accredited body in the country of origin, in accordance with Norwegian rules and regulations.

Figure 3: Organic labels from Sweden (KRAV), Denmark (red Ø), Norway (Debio Ø) and the EU logo



Sources: krav.se, organicdenmark.com, debio.no, ec.europa.eu/info/food-farming-fisheries/farming/organic-farming/organic-logo

Fair trade

The market for fair trade cocoa is growing in Scandinavia. The most common fair-trade standard in the Scandinavian market is [Fairtrade](#), whose accredited certifier is [FLOCERT](#). Another much less common fair-trade standard specifically in the Swedish market is [SPP](#) (Small Producers' Symbol).

Tips:

Learn more about organic farming and organic guidelines on the [European Union website](#) and the [Organic Export Info website](#).

Familiarise yourself with the range of organisations and initiatives that offer technical support to help you switch to organic farming. Start your search with the organic movement in your own country and ask if they have their own support programmes or know about existing initiatives. Refer to the [database of affiliates of IFOAM Organics](#) to search for organic organisations in your country.

Find companies that specialise in organic products on the [website of Organic-bio](#).

Try to visit trade fairs for organic products, like [Biofach](#) in Germany and [Nordic Organic Food Fair](#) (Sweden). Check their websites for lists of exhibitors, seminars and other events at these trade fair.

If you produce cocoa according to a fair-trade scheme, find a specialised Scandinavian buyer familiar with sustainable and fair-trade products. Check the [FLOCERT customer database](#).

If you have more than one certification, try to combine audits to save time and money. Investigate also the possibilities for group certification with other producers and exporters in your region.

2. Through what channels can you get cocoa on the Scandinavian market?

Cocoa and cocoa products are used for processing in four different industries: confectionery, food, cosmetics and pharmaceutical. This document focuses only on the confectionery industry, which is the [main segment for cocoa beans](#). The confectionery industry mainly processes cocoa liquor and butter into chocolate products, such as bars, candy bars and bonbons.

How is the end market segmented?

The confectionery industry can be segmented according to the quality of the end products. For cocoa beans, the end products mainly consist of candy bars and chocolate bars.

Figure 4: Chocolate market segmentation by quality



Source: ProFound

Supermarkets, hypermarkets and convenience stores are the leading sales channel for chocolates in Scandinavia. In Sweden, for example, **78%** of chocolate sales occurred in one of these channels in 2019, highlighting the importance of private label chocolate brands, which are widely available and popular products.

The largest retailer groups in Norway are:

- [Norgesgruppen](#), with a market share of **44%** in 2019, operates the shops [Kiwi](#), [Joker](#), [Meny](#) and [Spar](#);
- [Coop Norway](#), market share of 30%, runs the stores [Obs](#), [Extra](#) and [Coop Prix](#);
- [Reitangruppen](#), market share of 23%, includes [Rema 1000](#) and [Narvesen](#).

The largest retailer groups accounting for nearly **70%** of the Danish market in 2019 are:

- **Coop Denmark**, which operates the stores **SuperBrugsen**, **Kvickly**, **Fakta** and **Irma**;
- **Salling Group**, which includes the stores **Netto**, **Føtex**, **Salling** and **Bilka**.

The largest retailer groups in Sweden are:

- **ICA**, with a market share of **52%** in 2019, includes ICA Supermarket, ICA Nära, ICA Maxi and ICA Kvantum;
- **Kooperativa Förbundet**, market share of 19%, operating the **Coop** shops in Sweden;
- **Axfood**, market share of nearly 19%, operates **Hemköp**, **Willys**, **Eurocash**, **Handlar'n** and **Tempo**.

Low end: The low-end segment offers cheap chocolate products with low cocoa content. The products are often produced by large chocolate manufacturers, using mainly bulk cocoa from West Africa (*Forastero* variety). Bulk cocoa is characterised by high volumes, low value and standard quality. Rainforest Alliance/UTZ certified cocoa is often used to certify low-end products.

Low-end chocolate products are mainly sold in supermarkets, normally consisting of mass-market products of big brands and low-quality private label products from retailers themselves.

The following table provides examples of some brands of low-end products and an indication of their consumer prices based on Sweden's **Hemköp** and **ICA** 2021 retail prices:


	Product	Pictures*	Price (€/kg)
Low end	Dazzley (Private label, dark chocolate, 50%, UTZ certified, 100 g) – manufactured by Axfood		7.84
Marabou (Dark chocolate, 185 g) – manufactured by Mondelez		10.38	
Fazer (Milk chocolate, 145 g) – manufactured by Fazer		13.25	

Source of pictures: <https://www.hemkop.se/sok?q=choklad> and <https://www.ica.se/>

Middle range: The middle-range segment includes chocolate products of good quality, which are commonly certified for sustainability. Storytelling and cocoa bean origin are important in this segment, mainly for marketing purposes.

Middle-range products are also mainly sold through supermarkets, usually the high-quality retailer category. Supermarkets increasingly offer their own premium private label chocolate products. These products offer similar quality and characteristics as branded products but are usually offered at more competitive prices.

The table below provides some examples of middle-range chocolate brands and an indication of consumer prices for these products based on Sweden's 2021 **Hemköp** retail prices:


	Product	Pictures*	Price (€/kg)
Middle range	Garant (Private label, dark chocolate, 70%, Dominican Republic & Peru, Fairtrade, 100 g) – manufactured by Axfood		19.68
Marabou Premium (Dark chocolate, 70%, 100 g) – manufactured by Mondelēz		21.65	
Anthon Berg (Extra dark chocolate, 77%, 80 g) – manufactured by Toms Group		29.53	


Source of pictures: <https://www.hemkop.se/sok?q=choklad>

High end: Small specialised chocolate makers produce high-end chocolate products, mainly using fine flavour cocoa (usually *Criollo* and *Trinitario* varieties, and *Forastero* to a lesser extent). These products are characterised by their high cocoa content. Single-origin cocoa beans are important both for taste and traceability of cocoa. Bean-to-bar is one category in the high-end chocolate market, featuring brands such as [Friis Holm](#) and [Mellow](#) (Denmark), [Malmö](#) and [Svenska Kakao](#) (Sweden), [Fjåk Sjokolade](#) and [Bonnhort](#) (Norway).

The number of Scandinavian high-end chocolate makers is growing. The website of the [Fine Cacao and Chocolate Institute](#) and [this bean-to-bar website](#) provide you with a good list of chocolate makers working with high-quality cocoa in Scandinavia.

High-end products are mainly sold at chocolate events and in specialty and delicacy shops. [Kakaw](#) is an example of a online specialty chocolate shop in Sweden. An example of a delicacy shop is [Colonialen](#) in Norway. The table below provides examples of products and consumer prices for high-end chocolate based on [Cocoa Runners'](#) 2021 retail prices:

	Product	Pictures*	Price (€/kg)
High end	Oialla, Denmark (Dark chocolate, 72%, Beniano Bolivia, organic, 90 g)		102.94

Friis Holm, Denmark (Dark chocolate, slow dried, 64%, Madagascar, organic, 100 g)		123.72	
Standout Chocolate, Sweden (Dark chocolate, 70%, Guatemala Lachuá, organic, 60 g)		135.00	
Fjåk, Norway (Dark chocolate, 70%, Bejof Estate, Madagascar, 53 g)		152.81	

Source of pictures: <https://cocoarunners.com/>

Note that trade prices and retail prices are not directly linked. As the below figure shows, only 6.6% of added value generally goes to farmers. Cocoa bean export prices and the share kept by cocoa producers will generally depend on cocoa bean quality, lot sizes and relationship with buyers. Chocolate companies and retailers keep the largest shares.

Prices for speciality cocoa have a reference on the international London and New York cocoa market prices but will command differentials. As such, in the speciality segment, these shares of added value for farmers tend to be higher than in the mainstream cocoa market. In the mainstream market, only 6.6% of added value per tonne of sold cocoa goes to farmers, as the figure below shows. Speciality cocoa usually fetches higher prices than bulk cocoa, as chocolate makers are willing to pay a premium for good quality and unique products. For speciality cocoa, the premiums can go up from €300 to €5,000 per tonne on top of the London or New York stock market prices.

Tips:

Check the websites of mainstream Scandinavian supermarkets, such as [Hemköp](#), to learn more about how they promote and price standard quality and speciality chocolate products. Compare their product assortment and price levels with specialised stores, such as [Kakaw](#) and [Cocoa Runners](#). Note that the prices at Hemköp are in Swedish krona (SEK), and the prices at Cocoa Runners in pound sterling (GBP).

Read our study on [trends in the cocoa sector](#) to learn more about developments within different market segments.

If you want to sell high-quality cocoas to the Scandinavian market, try to establish direct trade relationships with small traders and chocolate makers to find shorter entry channels into the market. Learn more about cocoa quality, for example, by participating in one of the [cocoa programmes of the Chocolate Institute](#), such as the cocoa grading course or the specialty cocoa growing training.

Through what channels does cocoa end up on the end market?

As an exporter, you can use different channels to bring your cocoa to the Scandinavian market. Entering the market will vary according to the quality of your cocoa beans and your supply capacities. Direct imports to

Scandinavian countries are, however, generally less common when compared to some other European countries.

Most cocoa beans enter Scandinavia through other European entry ports, such as Liverpool (United Kingdom), Amsterdam (Netherlands) and Hamburg (Germany), then are farther distributed to other European countries, including Denmark, Sweden and Norway.

The European market is moving towards shortened supply chains, which means that retailers and cocoa processing companies are increasingly sourcing cocoa beans directly at origin. The figure below shows the most important channels for cocoa beans in Scandinavia.

Figure 6: Main cocoa export channels to Scandinavia



Source: ProFound

Cocoa bean processors and grinders

Large processors and grinders source cocoa beans directly from producing countries. They process the raw material into cocoa mass, cocoa butter or cocoa powder, which they distribute to the confectionery, food, cosmetic and pharmaceutical industries throughout Europe. Some cocoa processors also manufacture end products to supply directly to the retail or food service sectors.

Among the largest players, [Barry Callebaut](#) has processing plants and sales offices in Sweden, and sales offices in Denmark as well. Another giant of this sector, Cargill does not have direct production facilities in Scandinavia, but an agreement with [Caldic Ingredients Nordic](#) for exclusive distribution in the region of Cargill's complete cocoa and chocolate product range for food manufacturers.

For whom is this an interesting channel? If you are a high-volume bulk cocoa bean exporter, then your direct trading partner is usually a cocoa grinder or processor. These companies tend to buy high volumes of standard quality beans. They usually have buying stations in producing countries where you can sell your cocoa beans directly.

Importers

Bulk cocoa bean importers normally handle large quantities and have direct contact with exporters in producing countries. In most cases, importers have long-standing relationships with their suppliers. Importers either sell cocoa beans to companies in Scandinavia or reexport them to other European buyers. However, cocoa bean reexports from Scandinavia are not substantial.

Barry Callebaut imports cocoa beans directly from origin. Other examples of importers with cocoa beans in their portfolio include [Caldic Nordic](#), [NAF Trading](#) (Denmark), [Harlemgruppen](#) (Norway) and [KåKå](#) (Sweden). KåKå, which belongs to the multinational [Orkla](#), is one of Sweden's largest suppliers of ingredients for the baking and pastry industries. [Bodén & Lindeberg](#) is another large natural ingredient importer in Sweden that imports cocoa products, supplying them to the bakery, confectionery, and foodstuff industries in Scandinavia.

Large retailers are often also large importers. [Coop Trading](#), for example, is the sourcing company for cooperative retailers in Denmark, Norway and Sweden. In other sourcing models, such as the non-profit strategic-buying alliance [AMS](#) (based in the Netherlands), which does private label sourcing on for 10 large European food retailers, including Denmark's [Salling Group](#) and Sweden's [ICA](#).

Only a few specialised cocoa bean importers are active in the Scandinavian specialty segment, such as Q-

[organic](#) (Denmark), which imports small batches of high-quality organic cocoa beans directly from farmers in Peru. Most high-quality chocolate makers in Scandinavia, however, buy cocoa beans from other European specialty cocoa importers, such as [Daarnhouwer](#) (Netherlands), [Silva Cacao](#) (Belgium) and [Twenty Degrees Cacao](#) (United Kingdom, part of [Olam Cacao Group](#)). These specialised importers usually handle small quantities and often work directly with producers and producer cooperatives. They often work on projects with cocoa-producing cooperatives in origin countries.

Specialised importers may also be interested in value-added cocoa products processed at the country of origin, as described in [our study on the European market for semi-finished cocoa products](#).

For whom is this an interesting channel? For exporters working with high volumes of bulk beans from producers or cooperatives, large companies that engage in cocoa processing activities and importing can serve as a gateway into the Scandinavian market. If you deal with bulk cocoa, discuss certification possibilities with your buyer.

Farmers and farmers' cooperatives with specialty or certified cocoa can best sell cocoa beans directly to specialised cocoa importers, since many specialised importers prefer to work directly with producers and cooperatives and not through exporters.

In addition, if you produce or have very high-quality cocoa beans and are working through an importer, it might be interesting to discuss the possibilities to directly link up with high-end chocolate makers. This is mainly an opportunity for those that have the financial means and technical know-how to access the market directly.

Large and private label chocolate manufacturers

The world's largest industrial chocolate producer is Barry Callebaut, which has production facilities in Sweden. Other large multinational chocolate manufacturers active in the Scandinavian market, mostly through local administration and sales offices in each country, are [Mars](#), [Ferrero](#) and [Lindt & Sprüngli](#). [Mondelez](#) is also present in all three countries, having chocolate factories in Norway and Sweden. These companies all have their own importing departments and source their cocoa beans directly from producing countries.

Many larger Swedish, Norwegian and Danish chocolate and confectionery manufacturers are present in all three countries, like [Toms Group](#) and [Frellsen Chokolade](#) (Denmark) and [Cloetta](#) (Sweden). [Fazer](#) is a Finnish food manufacturer with a large presence in Denmark, Norway and Sweden. Other examples of medium-sized Scandinavian chocolate confectionery companies include [Nidar](#) and [Freia](#) (Norway) and [Willys](#) (Sweden).

Private label manufacturers may also be an interesting entry point for your cocoa beans. Private label is growing across Europe, including in Scandinavia. The market share of private label in Sweden and Norway reached approximately [one-third of the entire brand market](#) in 2019.

Chocolate manufacturers such as [Kathrine Andersen Chokolade](#) (Denmark) and [Hval Sjokolade](#) (Norway) produce private label products in addition to their own products.

For whom is this an interesting channel? Selling to these players is interesting if you have a steady supply of cocoa beans of standard quality, available in large volumes and preferably certified.

Small chocolate makers

Especially in the specialty and fine flavour segment, cocoa beans are increasingly traded directly from farmers or farmer associations and cooperatives to chocolate makers. Direct trade is growing, but it still represents a very small part of the cocoa market. Not all chocolate makers are able to sustain direct trade and meet all the responsibilities usually outsourced to traders, such as logistics, documentation, and pre-financing.

Direct trade can also happen with an importer as intermediary, acting as a service provider and contact point in

transactions between producers and chocolate makers. Importers can also safeguard traceability and communicate the story behind the cocoa beans accurately along the chain.

Examples of specialised chocolate makers in Scandinavia include bean-to-bar producers [Friis Holm](#), [Oialla](#) and [Mellow](#) (Denmark), [Malmö](#), [Standout Chocolate](#) and [Svenska Kakao](#) (Sweden), [Fjåk Sjokolade](#) and [Bonnhort](#) (Norway).

For whom is this an interesting channel? Targeting specialty chocolate makers directly is recommended for producers and exporters dealing with specialty cocoa beans. However, it requires financial means and technical know-how to organise export activities. You could also consider setting up local processing facilities to add more value to your cocoa beans. [Our study on the European market for semi-finished cocoa products](#) discusses this subject more in depth.

Intermediaries and agents

Agents act as intermediaries between you, cocoa importers and chocolate makers. Some agents are independent, but others are hired to procure cocoa beans on behalf of a buyer. An agent acts as an intermediary and has the knowledge to evaluate and select interesting buyers for you. An example of an agent or broker with presence in Norway is [Marex Spectron](#) (United Kingdom, with offices in 14 countries, including in Norway). Agents in other European countries include [H.C.C.O Hanseatic Cocoa & Commodity Office](#) (Germany) and [Amius](#) (United Kingdom).

For whom is this an interesting channel? If you have limited experience exporting to European countries, agents can play a very important role. Agents are also interesting if you have limited quantities of non-specialty cocoa or if you lack financial and logistical resources to carry out trade activities. Working with an agent is also useful if you need a trusted and reputable partner within the cocoa sector. Be prepared to pay a commission for their work.

Tips:

Find buyers in Scandinavia that match your business philosophy and export capacities in terms of quality, volume, certifications, etc. For more tips on finding the right buyer for you, see our study on [finding buyers in the European cocoa market](#).

Attend trade fairs in Europe to meet potential buyers. Interesting trade fairs include [Salon du Chocolat](#) (France), [Chocoo](#) (Netherlands) and [Biofach](#) (Germany, for organic products). Interesting chocolate events include the [Swedish Chocolate Festival](#) and the [Danish Chocolate Festival](#). Attending these events in person or online can provide you with additional insight into the preferences of Scandinavian buyers and consumers with regard to origin, flavour and sustainability certification. By understanding the market better, you can ensure that your specific product corresponds to the demand and requirements.

Invest in long-term relationships. Whether you are working through an importer or directly with a chocolate maker, it is important to establish a strategic and sustainable relationship with them. This will help you manage market risks, improve the quality of your product and reach a fair quality-price balance. For more tips, read [our study on doing business with European cocoa buyers](#).

3. What competition do you face on the Scandinavian cocoa

market?

Competition in the market for bulk cocoa with low added value is generally intense. This segment is dominated by major suppliers and cooperatives able to deliver large quantities, so they can compete on price. It is difficult for small and medium-sized companies to compete in this segment. In the specialty cocoa market, there is more focus on quality, taste and sustainability, reducing competition.

Table 1: Main suppliers of cocoa beans to Scandinavia 2020, in tonnes

	Denmark		Sweden		Norway
Total	773	Total	43	Total	13
United Kingdom	722	Denmark	26	Peru	7
Germany	28	Germany	4	Belgium	1
Nicaragua	9	Netherlands	3	Ecuador	1
France	8	Peru	3	Mexico	1
Peru	2	United Kingdom	3	Netherlands	1

Source: ITC Trade Map 2021

Direct cocoa bean imports by Scandinavian countries relatively low

Direct cocoa bean imports into Denmark, Norway and Sweden are very low. Market actors in the Scandinavian cocoa and chocolate industry commonly source their products from other European importers, which in turn are engaged in direct imports from origin. These importers in neighbouring countries import large volumes of beans which they redistribute across Europe. European countries with cocoa importing hubs and strong infrastructure include the [Netherlands](#), [Germany](#), [Belgium](#) and the [United Kingdom](#).

In 2020, Denmark imported only 1.4% of its 773 tonnes of cocoa bean imports directly from origin. Nicaragua supplied 9 tonnes, while Peru exported 2 tonnes directly to Denmark. Sweden's total imports reached 43 tonnes in 2020, of which only 7.0% was sourced directly from Peru. Norway's total import volumes are the lowest of the three countries, but among them, it's also the most engaged in direct imports from origin. About 77% of the 13 tonnes of cocoa beans Norway imported in 2020 were sourced directly from origin. Peru supplied 7 tonnes, followed by Ecuador, Mexico and Tanzania, each with 1 tonne.

Integrated supply chain puts Nicaragua on the Danish cocoa map

Nicaragua is the largest direct cocoa bean supplier to Denmark and the social enterprise [Ingemann](#) is the driving force behind this, supplying fine flavour cocoa beans to the [Ingemann Chocolate](#) factory in Denmark. This integrated supply chain explains why Nicaragua ranks as the largest direct supplier to Denmark. Ingemann's manufacturing operations in Denmark make the company more competitive in the European market, with potential to increase its market share in semi-finished cocoa products and chocolate.

According to FAOSTAT data, Nicaragua is Central America's second-largest cocoa producer, after Guatemala, reaching [7 thousand tonnes](#) of cocoa beans in production volume in 2019. Approximately [80%](#) of total

Nicaraguan cocoa bean exports is classified as fine flavour according to the International Cocoa Organization (ICCO).

The Nicaraguan cocoa sector has received [relatively large investments from private European companies](#), such as Ingemann, [Ritter Sport](#) (Germany) and [Exportadora Atlantic](#) (part of ECOM Agroindustrial, Switzerland). Ritter Sport has its own cacao plantation in Nicaragua, called [El Cacao](#); its single-origin bar [61% Fine Dark Chocolate from Nicaragua](#) raises the country's exposure in the European market and adds to its reputation as a cocoa origin.

Peru and Ecuador: suppliers of high-quality cocoa, often backed by sustainability claims

Sustainability is a key concept in the Scandinavian chocolate market, where consumers increasingly demand high-quality cocoas. This may give Latin American countries a competitive advantage over West African origins, for instance.

Peru supplied approximately 12 tonnes of cocoa directly to the Scandinavian market in 2019, according to FAOSTAT statistics that ranked Peru the world's [eighth-largest cocoa producer](#) that year. Peruvian cocoa stands out because approximately [75%](#) of the country's total cocoa exports are registered as fine flavour cocoa and Peru is also known as a main supplier of organic cocoa. Peru was the [world's fourth-largest](#) organic cocoa producer in 2019, after the Dominican Republic, Sierra Leone and Democratic Republic of the Congo. The high share of organic cocoa in combination with high-quality cocoa gives Peru a strong competitive advantage.

Peru has also managed to strongly promote the quality and unique origin of its cocoa beans. Peru's cocoa association [APPCACAO](#) is a driving force in developing the cocoa sector through a countrywide coordinated effort between cocoa associations, cooperatives, companies, support organisations and the government.

Ecuador is another important cocoa bean supplier: the [world's fifth-largest cocoa producer](#) in 2019, according to FAOSTAT data, having approximately [75%](#) of its cocoa exports classified as fine flavour. Ecuador strongly promotes its cocoa beans' origin, an important promotional element that may help raise retail prices by [51%](#) and improve consumer appreciation in the growing European online retail space.

The [European Union regulation](#) limiting the maximum amounts of cadmium in cocoa products has affected both Peru and Ecuador heavily, since [cadmium contamination is high in some cocoa-growing regions in both countries](#), which has led buyers to source from alternative origins. The issue is ongoing and continues to be investigated, especially in terms of how [it can be mitigated](#). Several programmes have been implemented in Latin America so far, such as a [project sponsored by the European Union](#) to develop a regional strategy for handling cadmium contamination in cocoa beans in Colombia, Ecuador, Peru and Trinidad and Tobago.

Organic suppliers may find interesting opportunities in Scandinavia

The organic food market has become mainstream in Scandinavia, so exporters of organic cocoa beans might find interesting opportunities in Denmark, Norway and Sweden. However, always consult with possible buyers about what they expect before engaging in certification programmes.

The largest organic cocoa suppliers to Europe are the Dominican Republic and Peru. The Dominican Republic is the [EU's largest organic cocoa bean supplier](#) and the world's largest organic cocoa producer, with approximately [90 thousand hectares](#) of cocoa harvest area certified as organic in 2019. A large share of organically produced cocoa from the Dominican Republic is [also Fairtrade certified](#). The Dominican Republic adopted national strategies to distinguish its cocoa from its competitors, with a focus on quality and sustainability.

After the Dominican Republic and Peru, the largest organic cocoa bean suppliers to Europe are Sierra Leone and DR Congo. Sierra Leone is the third-largest organic cocoa supplier to Europe, with [11 thousand tonnes](#) in 2019. Sierra Leone is the second-largest organic cocoa producer in the world, with a dedicated organic cocoa

production area of nearly [80 thousand hectares](#) in 2019. The organic cocoa sector in Sierra Leone has been boosted by Dutch importer [Tradin Organic since 2015](#), which established its own cocoa sourcing company in the country later in 2017.

In 2019, DR Congo supplied an estimated 5.7 thousand tonnes, equivalent to [8.6%](#) of total EU organic cocoa imports. This makes DR Congo the fourth-largest supplier of organic cocoa to the EU. DR Congo is the world's third-largest organic cocoa producer with an estimated [72 thousand hectares](#) for organic cocoa production in 2019.

DR Congo has grown from an emerging to an established organic cocoa supplier to the European cocoa market, after [heavy investments in the country's cocoa sector by donors and companies](#), in addition to initiatives to profiling [DR Congo as a destination for fine flavour cocoa](#).

Both DR Congo and Sierra Leone attract greater interest from buyers as alternative sources of organic cocoa beans because of the lower cadmium contamination than Latin American sources.

West Africa is the main supplier of bulk cocoa

Ivory Coast and Ghana are the world's largest cocoa bean producers; together they roughly produce up to two-thirds of the global cocoa supply. Both countries mainly produce *Forastero* cocoa beans and focus on the production of large volumes and low quality. Ghana and Ivory Coast have well-established cocoa supply chains with a large presence of multinational processing companies, such as [OLAM](#) and [Cargill](#), strongly linked to small cocoa producers and cooperatives.

These multinationals are also a driving force behind the growing cocoa-grinding industry in both countries. Ivory Coast was the world's second-largest cocoa grinder in 2019/20, with [610 thousand tonnes](#) or 13% of global grindings. [Ivory Coast aims to grind 1 million tonnes of cocoa beans by 2022](#), almost doubling its current output. Ghana's grinding industry consumed an estimated [300 thousand tonnes](#) in 2019/20, accounting for 6.5% of global grindings. Note that most grinding facilities at origin are owned by multinationals, such as Cargill, Olam and Barry Callebaut.

A large share of cocoa produced in Ivory Coast is Rainforest Alliance/UTZ certified, which is a common market entry requirement of large manufacturers and retailers operating in mainstream markets. About [46%](#) of the total [4.6 million](#) hectares of cocoa production in Ivory Coast was Rainforest Alliance/UTZ certified in 2018. In comparison, approximately [16%](#) of Ivory Coast's cocoa production area was Fairtrade-certified in 2018. [This article](#) compares the Rainforest Alliance and Fairtrade standards.

Despite certification efforts, there are widespread sustainability concerns regarding the cocoa sector in Ivory Coast. For instance, cocoa farming has been identified as a [main driver of deforestation](#), which contributes to climate change. As a response, industry players, donors and the governments of Ivory Coast and Ghana launched the [Cocoa and Forests Initiative](#). In addition, [child labour](#) is a recurring concern in both countries, where [an estimated 2.1 million children still work in cocoa fields](#).

In a bid to tackle farmer poverty, the governments of Ghana and Ivory Coast have raised the minimum export prices for cocoa to US\$ 2,600 per tonne, with the addition of a fixed 'living income differential' on all their cocoa sales at US\$ 400 per tonne), applicable from the 2020/21 crop.

Tips:

Identify your potential competitors. To be successful as an exporter, it is important to learn from them. Focus on their marketing strategies, the product characteristics they highlight and their value addition approaches. Successful companies that already export to the European market from which you can learn include [Casa Franceschi](#) (Venezuela), [Hacienda Betulia](#) (Colombia), [Ingemann](#)

(Nicaragua) and [Xoco Gourmet](#) (Honduras, Guatemala, Belize and Nicaragua).

Identify and promote your unique selling points. Give detailed information about your cocoa growing region and origin, the varieties, qualities, processing techniques and certification of the cocoa you offer. You can also tell the history of your organisation, your cocoa growing farm(s) and the passion and dedication of the people working there. These are all elements that make your company unique. Read our study on [how to do business with European cocoa buyers](#) to find more tips on how to market your cocoa.

Actively promote your company on your website and at trade fairs. Flavour quality competitions also provide good opportunities to share your story, such as the [International Chocolate Awards of the Cocoa of Excellence Programme](#).

Work with other cocoa producers and exporters in your region if your companies or product volumes are small. Together you can promote good-quality cocoa from your region and be perceived as more attractive and more competitive in the European market.

Develop long-term partnerships with your buyers. This implies always complying with buyers' requirements and keeping your promises. This will provide you with a competitive advantage, more knowledge and stability in the Scandinavian market.

Check possible programmes to support your crop and crop productivity. Check for possibilities with the ministry of agriculture in your country and other local programme providers. Check also if there are local support programmes in your region managed by the [Food and Agriculture Organization](#) (FAO), [International Finance Corporation](#) (IFC), [World Agroforestry Centre](#) (ICRAF) or other organisations.

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

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