



CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Cacao in Switzerland

Introduction

Swiss chocolates have earned an international reputation for high quality with many famous international brands, such as Lindt, Toblerone and Cailler (nowadays Nestlé). The high Swiss standards are especially related to chocolate processing techniques and less related to the bean quality. The Swiss have the highest per capita rate of chocolate consumption worldwide: 12 kg per annum in 2013.

Product definition

The cacao tree (Latin *Theobroma Cacao*, literally meaning "food of the gods") grows in humid, tropical climates, with cultivation limited to regions between 20° north and 20° south of the equator. Ripe cacao pods are harvested, each containing 30-40 cacao seeds. After extraction from the pod, the seeds are fermented and then sun-dried. A producing tree can deliver an average 0.5 to 2kg of dried seeds per year.

The statistical data in this document is based on Combined Nomenclature (CN) codes. The CN uses Harmonized System (HS) codes to classify products. See below the HS code used for this study.

HS Code	Description
1801	Cacao beans, whole or broken, raw or roasted
1802	Cacao shells, husks, skins and other cacao waste
1803	Cocoa paste, whether or not defatted
1804	Cocoa butter, fat and oil
1805	Cocoa powder, without added sugar
1806	Chocolate and other food preparations containing cacao

Production specification

Varieties:

The market distinguishes three main subtypes of cacao beans:

- High-grade Criollo cacao, the original cacao tree: originally grown in Venezuela, Central America and Mexico, it is now also grown in Ecuador, Colombia, Peru, Bolivia, Nicaragua, Guatemala and Sri Lanka. The beans have a delicately bitter, aromatic flavour and are easily processed. The beans are reserved for use in only the very finest chocolates.
- Common grade, or Forastero cacao: originally grown in the upper Amazon region, it is now the predominant variety cultivated in Africa and, consequently accounts for nearly 80% of world production. The beans have a less pronounced flavour than the more fruity and citric Criollo or Trinitario beans.
- High-grade Trinitario cacao: originally from Trinidad, this species is a hybrid between the Criollo and Forastero trees.

Quality:

As a generalisation, fine flavour cacao beans are those that have more pronounced organoleptic characteristics and are therefore sought after by chocolate makers looking for a distinctive flavour. These beans are usually produced from trees that contain to a lesser or larger degree the genetics of Criollo and/or Trinitario cacao-tree varieties, while bulk cacao beans for mass production are genetically derived from Forastero trees. However, harvesting (ripe fruits) and processing techniques (homogeneous fermentation and especially drying) are also important in order to harness the "fine" qualities of the cacao bean. The share of fine flavour cacao in the total world production of cacao beans is difficult to indicate, especially as its definition is highly subjective, though it has been estimated around 5% (Source: KIT, 2013). Fine flavour cacao beans fetch higher prices in the market than bulk cacao beans, due to their intrinsic quality but arguably also because of more niche marketing (richer stories, more transparency).

Grading/fermentation:

Cacao grading differs across producing and consuming countries. The Federation of Cacao Commerce Ltd (FCC) distinguishes two grades:

- Well-fermented cacao beans: less than 5% mould, less than 5% slate and less than 1.5% foreign matter
- Fairly well-fermented cacao beans: less than 10% mould, less than 10% slate and less than 1.5% foreign matter.

The product should be shipped shortly after harvesting, as extended storage (> 6 months) may result in losses due to the relatively high humidity in the tropics.

See the [Codex Alimentarius](#) for the general standard for food additives.

Packaging:

Traditionally, cacao beans are packed in jute bags. Each bag weighs 60-65 kg. The bags are loaded into containers carrying approximately 13 tonnes of cacao beans. Lined containers are also used, which contain the cacao beans without the need of jute bags. Prior to the use of containers, break-bulk was the most common way of shipping; cacao bags loose in the ship. Notwithstanding the advantages of containerised shipping, the quality maintenance of the cacao is more difficult, as the closed environment of the container stimulates humidity and fungi.

Over the last decade, the beans have been increasingly shipped in 'mega-bulk' parcels of several thousand tonnes at a time, or in smaller lots of around 25 tonnes in 20-foot containers. Shipping in bulk significantly reduces handling costs. Shipment in bags, however, either in a ship's hold or in containers, is still commonly found.

Swiss chocolate manufacturing

The Swiss chocolate-making standards are among the highest in the world, and are less related to the bean quality than to the chocolate processing techniques, such as the use of 5-roll refining machines, favoured for milk chocolate manufacturing.

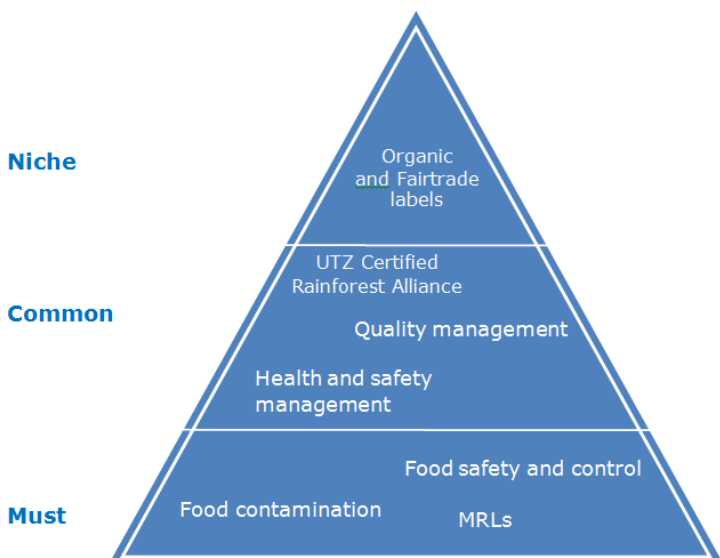
[Chocosuisse](#), the Association of Swiss Chocolate Manufacturers, is continuously verifying that the use of "Swiss-made" is legitimate. In its definition, "Swiss chocolate" is a completely guaranteed chocolate or chocolate mixture made of cacao beans, cacao mixture, cocoa butter, sugar and in some cases milk, manufactured entirely in Switzerland. Additionally, the use of the "Swiss chocolate" label at home and abroad must comply with the "clarity principle". This presupposes that any partial processing outside of Switzerland (e.g. shaping or packaging of the product) is explicitly stated on the package.

Buyer Requirements

Switzerland is not a member of the EU, though it is a member of the European Free Trade Association (EFTA). To facilitate free trade with the EU, Switzerland has adapted the Swiss food law to European law to a large extent. There may, however, be minor differences. Please note that EU legislation is given as the basis below. There are references to CBI documents on EU legislation that are included in the [Market Information database](#).

In some cases, the database also includes information on Swiss legislation, which will also be listed as a reference below when relevant. Please note that according to the Cassis de Dijon Principle, products complying with EU legislation and lawfully marketed there, may also be sold in Switzerland. This principle also applies to products produced in non-EU countries but complying with EU legislation, and marketed there.

Buyer requirements for cacao in Switzerland can be divided into (1) musts: legislative requirements you must meet in order to enter the market, (2) common market requirements, which are those already implemented by most of your competitors; in other words, the ones with which you must comply in order to keep up with the market, and (3) niche market requirements: these allow you to distinguish your product from most others in the same food category.



Musts

Food safety and food control

Are key issues in EU food legislation laid down in the General Food Law. To guarantee food safety and to allow appropriate action in cases of unsafe cacao, cacao must be traceable throughout the supply chain, and risks of contamination must be limited. An important aspect for the control of food safety hazards is the definition of critical control points by implementing food management systems following HACCP principles. This is relevant for all aspects of cacao processing, including building requirements, machinery, storage, and discarding of cacao waste. Another important aspect is the (in) existence of official food safety controls for cacao by relevant authorities.

Tips:

- For more information, refer to the CBI documents [Swiss legislation: General food law and food control](#) for more on the differences between EU and Swiss legislation.
- To ensure you are able to supply safe food, make sure you can always trace your cacao back to your producers.
- EU buyers will often request that buyers implement a food (safety) management system based on HACCP principles. For more information, refer to the CBI document [EU legislation: Hygiene of foodstuffs \(HACCP\)](#)
- Refer to CBI document [EU legislation: Food control](#) for more information.

Contaminants in food:

The EU has set maximum levels for certain contaminants. Besides pesticide residues (see below), monitoring may take place for:

Cadmium

In April 2013, the EU enhanced its [regulation](#) on cadmium in chocolate. Cadmium is found naturally in the soil. Pesticides and chemical fertilizers polluted with cadmium are other sources of contamination. Although the legislation will become effective in January 2019, Germany is already applying the norm, causing most importing countries to follow suit. Please note that the levels indicated in the table on the right relate to the final chocolate products: when translating the cadmium levels of chocolate into levels admitted in cacao, in practice, European importers will consider <0.5 ppm to be acceptable, in accordance with the norm of <0.3 ppm in chocolate already applied by Germany. Up to 0.8 ppm will still be accepted, while levels above 0.8 ppm will depend on the cocoa content of the chocolate, while 1 ppm will require chocolate makers to blend the cacao with other cacao with a lower cadmium content, which is not common practice in cacao from certain origins, such as cacao from Latin America.

Tips:

- For more information, refer to the CBI documents [EU legislation: Contaminants in food](#) and [EU legislation](#).
- [Here](#) (p.14) and [here](#) (scroll down) you will find some recommended first steps to control the cadmium levels in cacao beans. You can also contact the [Sustainable Trade Initiative](#).
- See the table below for maximum permitted cadmium levels:

• Specific cacao and chocolate products as listed below	• Maximum permitted cadmium levels (ppm)
• Milk chocolate with < 30% total dry cocoa solids	• 0.10 as from 1 January 2019
• Chocolate with < 50% total dry cocoa solids; milk chocolate with ≥ 30% total dry cocoa solids	• 0.30 as from 1 January 2019
• Chocolate with ≥ 50% total dry cocoa solids	• 0.80 as from 1 January 2019
• Cocoa powder sold to the final consumer or as an ingredient in sweetened cocoa powder sold to the final consumer (drinking chocolate)	• 0.60 as from 1 January 2019

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- Ask your Swiss importer whether Germany is an important market for his cacao products. If so, then make sure that your beans meet this new cadmium norm. The Germans are already applying it.
- If you export industrial cocoa powder (big bags of 25kg), the final level of cadmium in the resulting product will have to be calculated by the manufacturer as there is no norm yet.

Poly-aromatic hydrocarbons (PAH)

PAH can result from cacao beans coming into direct contact with smoke, for example during artificial drying using badly designed or poorly maintained driers.

Microbiological / Salmonella

Although considered a low-risk commodity by the [European Food Safety Authority](#), contamination with salmonella can occur in cacao. Annex I in the current [EU legislation](#) refers to cacao products and states "regular testing against the criterion is not required in normal circumstances for cacao". Food safety authorities can however withdraw imported food products from the market or prevent them from entering the EU when salmonella is found. Roasting (treatments of 15 min to 2 hours at 105-150°C) develops chocolate flavours and is the only processing step in chocolate production capable of destroying salmonella.

Foreign matter

Contamination by foreign matter such as plastic and insects is a threat when food safety procedures are not carefully followed.

Maximum Residue Levels (MRLs) of pesticides in food:

The EU sets maximum levels on the amount of pesticides allowed on imported foods, including cacao beans. The use of pesticides is permitted but must be strictly controlled. The difference between EU and Swiss legislation is that maximum residue limits (MRL) are listed in the EU. In Switzerland, limit values or tolerated values are used. Insect pests such as mirid bugs and the cacao pod borer are important threats to cacao farmers. A good way to reduce the amount of pesticides, is to apply integrated pest management ([IPM](#)), which is an agricultural pest control approach that uses crop management strategies and practices that help to minimise the use of pesticides.

Tips:

- Refer to the ICCO's [list of effective and permitted pesticides in cacao farming](#) and go to the [Manual on the Safe Use of Pesticides in Cacao Growing](#) to learn how to apply them. A training manual for [integrated pest and disease management for sustainable cacao production](#) is available.
- For more information, refer to [CBI's document on EU legislation regarding MRLs](#). Additional information about MRLs can be found in the [EU Export Helpdesk](#).

Chocolate products and consumer labelling:

When exporting cacao and chocolate products be aware that there are requirements regarding sales names, definitions, characteristics and labelling specifications. The [Swiss cacao and chocolate legislation](#) is almost in line with the [EU Directive 2000/36/EC](#), the legislation relating to cacao and chocolate products intended for human consumption. However, the Swiss have set some additional requirements for definition of double cream, dark and white couverture and chocolate confectionery goods (see Annex 5 and 6). In addition, the [Swiss legislation](#) sets stricter requirements regarding additives in cacao and chocolate products.

Tips:

- Vegetable fats can be used as substitutes for cacao butter, this could be a threat. However, you might consider exporting these fats as well.
- For more information, refer to the CBI document: [EU legislation: Cacao and chocolate products](#)

Common market requirements

Swiss buyers often have requirements which surpass existing legislation on food safety, quality and environmental issues. The responsibility policies of importers and retailers most often incorporate the following standards:

Quality**ISO 9000**

standards provide guidance and tools to ensure that products and services consistently meet customers' requirements, and that quality is consistently improved.

Tip:

- For more information, check the [ISO website](#).

FFA Levels, Moisture, Bean quality and size:

The quality of raw cacao beans depends widely on their free fatty acids (FFA) content. High FFA content is a serious quality defect and reduces the technical and economic value of the cocoa beans ([African Journal of Agricultural Research](#), pp. 174-179, 2008). Chocolate manufacturers generally seek a 1.25% FFA content limit in the bean, a limit of 7.5% moisture level on arrival at port of discharge, absence of off-flavours and homogeneous bean size distribution ([FCC](#)).

Health & safety

Food management and traceability:



Due to the growing attention for food safety, food management systems play a crucial role. Large retailers and other buyers, such as importers and processors in the EU, often ask their suppliers to implement these systems. The most important food safety management systems in the EU are [BRC](#), [IFS](#), [FSSC 22000](#) and [SQE](#), which are mainly relevant for processors (not so much for farmers or traders).

Tip:

- Read more on Food Safety Management Systems in the [Standards Map](#).

Global G.A.P.

GLOBALG.A.P.

Is a business to business standard setting body for the certification of agricultural products, including cacao, focused on good agricultural practices that helps to provide safe and traceable products. [Global G.A.P.](#) is focused on primary production of cacao. Global G.A.P. is widely used and requested by retailers worldwide.

Tips:

- For more information, refer to the ITC document: [Global G.A.P.](#)
- Ask your buyer exactly what certifications he requires from you. Certain schemes such as UTZ Certified, for example, are aligned with Global G.A.P., removing the need for separate Global G.A.P. certification.

Mainstream sustainable certifications



Sustainability covers environmental, economic and social aspects, including health and safety issues. Most EU companies have formulated minimum sustainability requirements addressing the most important issues (e.g. child labour, healthy and safe working conditions, deforestation, pesticide use) with which they will require you to comply. In addition, European companies increasingly adhere to mainstream certification schemes for their cacao, such as [UTZ Certified](#) and [Rainforest Alliance](#). In 2012, the market share of certified cacao (including the Organic and Fairtrade niche labels) reached an estimated 22% ([IISD](#), 2014). Nearly all compliant production came from Rainforest Alliance and UTZ. The growth in these mainstream labels is largely driven by private sector commitments of major confectioners such as Mars, Ferrero and Hershey's.

Tips:

- For more information refer to the CBI document [Labels and Standards: Sustainability in Coffee, Tea and Cacao](#)
- The [Certification Capacity Enhancement \(CCE\) project](#) is a true partnership for improvement of the living conditions of farmers. Its aim is to let the cacao sector in Western Africa benefit from sustainability certification.
- For more information about considerations on certification and differences between certification schemes, check: [Study on the costs, advantages and disadvantages of cacao certification](#).
- When opting for certification, consider multiple certification (organic, Fairtrade, UTZ Certified, Rainforest Alliance).

Niche Market requirements

Niche market sustainable certifications



Niche sustainability certification in cacao includes [Organic](#) and [Fairtrade](#) certifications. Fairtrade is especially popular on the Swiss market. The supermarket chain COOP for example, focuses on Fairtrade, whereas Migros sells all its chocolate under the (mainstream) UTZ certified label since 2014. Apart from these consumer labels, most Swiss companies have formulated minimum sustainability requirements (e.g. [Nestle](#)) addressing the most important issues (e.g. child labour, healthy and safe working conditions, deforestation, pesticide use).

Tips:

- If you want to trade organically certified cacao, you must meet the requirements as laid down in this [EU legislation](#). You are then allowed to include the EU organic logo on your products, as well as the logo of the standard holder (e.g. [Bio Suisse](#) or [Migros Bio](#)).
- See [here](#) for an overview of organic labels in Europe.
- If you want to trade Fairtrade Certified cacao, you must comply with the [Generic Fairtrade Standard](#) as well as the [Fairtrade Standard for cocoa](#).

Industry codes



Besides the consumer labels, the industry uses codes such as [BSCI](#) and [SA 8000](#), to guarantee and communicate their social compliance (business-to-business).

Sector initiatives

Various sector initiatives aim for a sustainable base for cacao production and trade. The International Cocoa Organisation ([ICCO](#)) is a global organisation, composed of cacao producing and consuming member countries. The [Roundtable for a Sustainable Cocoa Economy \(RSCE\)](#) is an initiative for dialogue and sustainability amongst all stakeholders in the cacao economy.

Tips:

- The latest International Cocoa Agreement (ICA, 2010), initiated by ICCO, can be found [here](#).

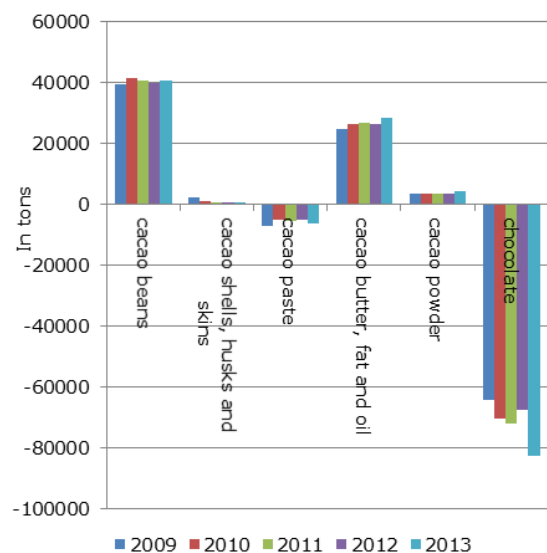
For more information on Buyer Requirements, refer to [CBI's BR document on Coffee, Cacao and Tea](#).

Trade and Macro Economic Statistics

Consumption

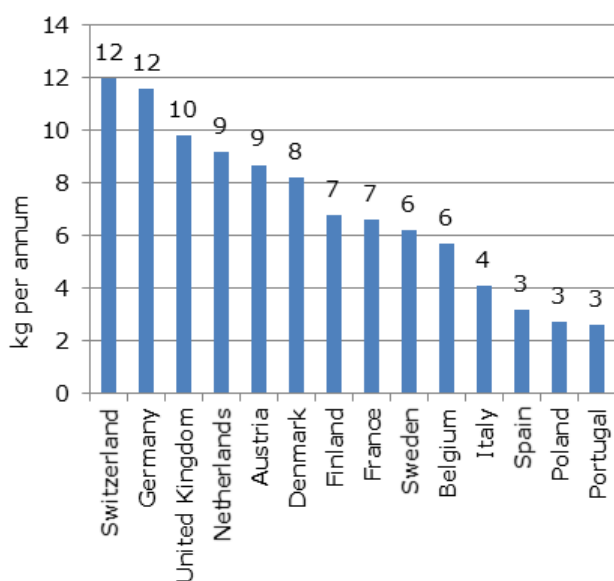
Consumption of cacao in Switzerland is calculated by the quantity of cacao imported in Switzerland minus that exported. Figure 1A provides an overview of the developments in consumption of the various cacao products in Switzerland, being chocolate, cocoa butter/fat/oil, cocoa paste, cocoa powder, shells/husks/skins of cacao and beans. The positive values relate to the net imports: the volume of cacao beans, husks/shells/skins and butter/fat/oil that remains in the country for further processing. The negative values relate to the net exports. Switzerland is a net exporter of cocoa paste and chocolate. Please note that this figure also includes intra-European trade numbers.

1A. Developments in consumption per cacao product in Switzerland (2009-2013)



Source: INTRACEN 2014

1B. Per capita consumption of chocolate in Switzerland (2013) and other European countries



Source: CAOBISCO Statistical Bulletin

Most important developments

Cacao bean processing:

Grinding of cacao beans in Switzerland has remained relatively stable since 2009. There has been a slight increase of only 0.6% on average each year between 2009 and 2013 (INTRACEN, 2014). Switzerland processes almost all of its imported beans for the manufacture of its own chocolates.

Tip:

- Switzerland has a very well developed chocolate industry, both for (cheaper) mainstream chocolates and the premium market. Your target market depends greatly on your bean quality: bulk beans for the mainstream market and fine flavour beans for the premium market.

Apparent chocolate consumption:

Swiss per capita chocolate consumption is [12 kg per annum](#), which is the highest in the world (see figure 1B). The share of milk chocolate versus total chocolate consumed in Switzerland amounts to approximately 70%, with dark chocolate accounting for approximately 25 % and white for 5%. These proportions have been shifting in parallel to changing consumer habits, with there currently being a trend towards darker chocolate; the share of dark chocolate rose from 22% in 2008 to 30% in 2013 ([KPMG](#), 2014).

Apparent consumption: this refers to the actual food being eaten (consumed) in a specific country.

Tip:

- If you are considering exporting certified beans, talk to your importer about the most preferred certification label for the Swiss market (or any of their export markets). If possible, try to connect with already existing certification programmes in your country: Organic and Fair Trade are especially relevant while UTZ Certified and Rainforest Alliance are currently also rapidly up-scaling their programmes.

Consumption of sustainable chocolate in Switzerland: the consumption of Fairtrade and Organic Certified chocolate is quite high in Switzerland. Other certification labels such as UTZ Certified and Rainforest Alliance are less well known. Unlike many of Switzerland's European counterparts, there is a lack of a coordinated and comprehensive approach to sustainable cacao. The Secretary of State for Economic Affairs (SECO) and the Swiss Agency for Development and Cooperation (SCD), provide support for projects in Indonesia and Ghana, in cooperation with Swiss companies and development NGOs.

Tip:

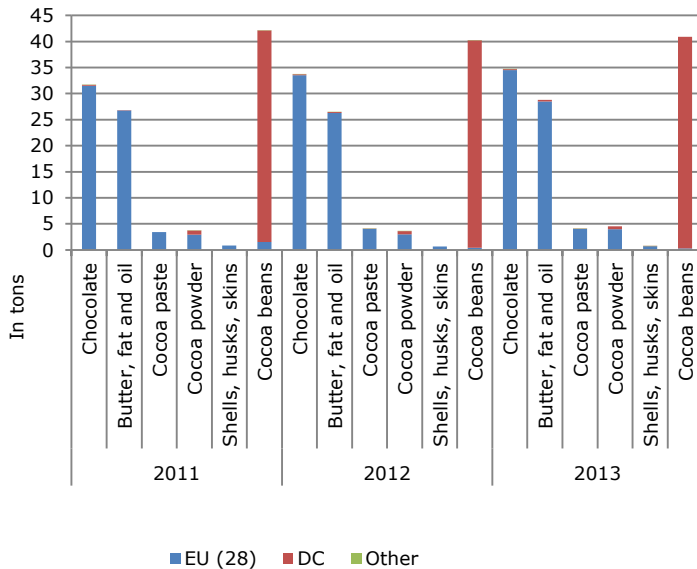
For the respective sustainability programmes and/or commitments of Swiss chocolate manufacturers refer to:

- Lindt: [Sustainability Strategy](#)
- Callebaut: [Cacao Sustainability](#)
- Nestlé: [Creating Shared Value strategy](#)
- Mondelez: [Sustainability: Protecting our resources](#)

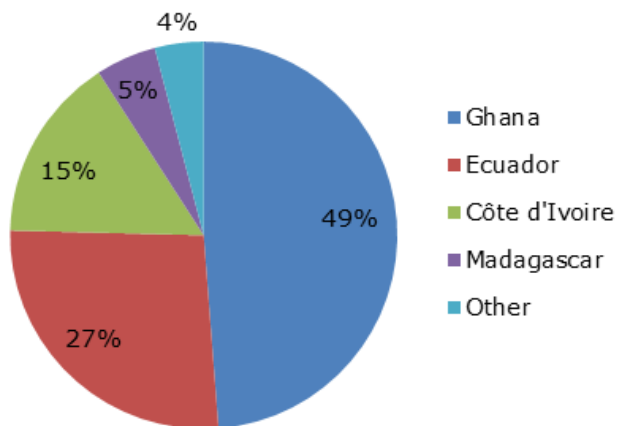
Import

The import figures for cacao are represented by the export of various cacao products, being chocolate, cocoa butter/fat/oil, cocoa paste, cocoa powder, shells/husks/skins of cacao and beans (figure 2A) and cacao beans (figure 2B) to Switzerland, based on the selected HS codes.

2A. Import of various cacao products to Switzerland



2B. Main supplying countries of cacao beans in Switzerland in 2013



Source: INTRACEN (2014)

Most important developments

Import developments.

Total Swiss imports of cacao beans in 2013 were 41 thousand tonnes volume. Imports of cacao beans have remained relatively stable, with a slight decrease of less than 1% each year on average since 2009. Of all cacao products imported into Switzerland, 36% are beans and 31% is chocolate confectionery. The remainder is husks, paste and butter.

Tips:

- Good quality beans with a specific quality or origin can attract smaller processors; particularly those who prefer to buy from the original source (read more about this in [CBI's Buyers' Black Box for Coffee, Tea and Cacao](#)).
- Especially regarding fine flavour cacao, be sure to ask whether a potential client is willing to buy directly from you. In this way, you can increase your margins.

Largest supplying countries.

Ghana is by far the most important supplying country to Switzerland, with a 49% share. Second ranks Ecuador with 27% and third the Ivory Coast with 15%. Note that Switzerland imports a relatively high percentage of fine flavour cacao (around 30%, versus approximately 5% in the EU).

Tip:

- Be aware of the relatively high quality requirements of the Swiss in relation to cacao. Ghana is the main supplier of (bulk) beans to Switzerland. So, as a reference, you may refer to the [Ghanaian quality specifications](#) for bulk beans. These are superior and therefore Ghana remains the producer of the best quality bulk cacao.

Manufacturer and exporter of chocolate.

Switzerland is a large manufacturer and a net exporter of chocolate. However, the country also imports chocolate from other countries. Almost all chocolate is imported from Germany (47%), the Netherlands (15%) and France (14%). The first country outside of Europe to export any chocolate to Switzerland is the USA (0.2%).

Tip:

- See the [reports](#) by the ICCO statistics office for market information and prognoses on prices, such as 'World Cacao Economy: Past and Present' or the monthly [Reviews of the Market](#).

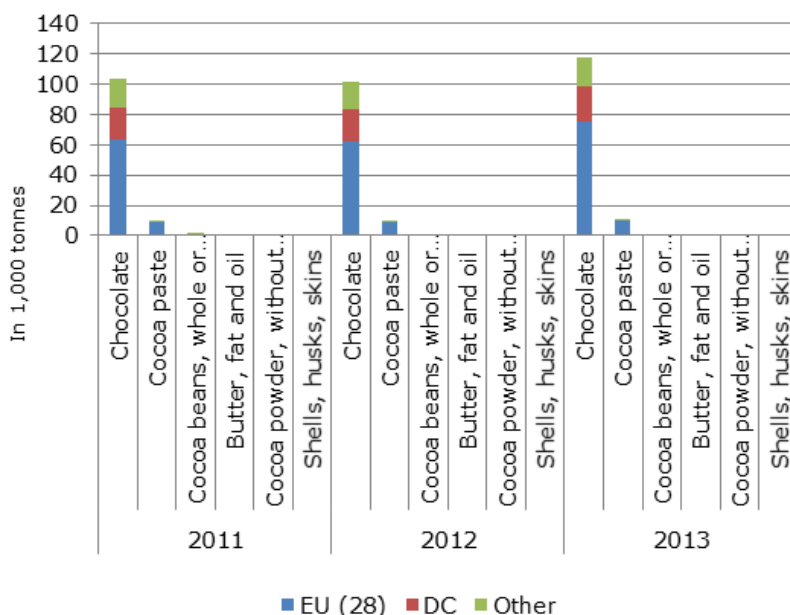
Import expectations.

Cacao imports are expected to remain stable during the coming years, as Switzerland has a strong position in the global chocolate industry.

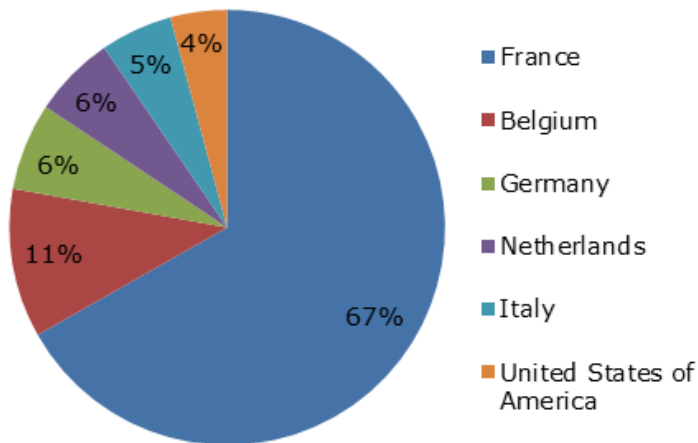
Export

The export figures of cacao are represented by the export of various cacao products, being cacao beans, cocoa butter/fat/oil, cocoa paste, cocoa powder, chocolate and shells/husks/skins (figure 3A) and cacao beans (figure 3B) to Switzerland, based on the selected HS codes.

3A. Export of various cacao products from Switzerland to EU (28), DC and other (in 1000 tonnes)



3B. Destination countries for cacao beans from Switzerland in 2013



Source: INTRACEN (2014)

Most important developments

Exports

Total export of cacao in 2013 were 128 tonnes. Switzerland mainly (91%) exports chocolate (117 thousand tonnes in 2013) and some cocoa paste (10.3 thousand tonnes in 2013). The export of cacao beans, butter and powder is negligible. This means that Switzerland processes all of its imported beans locally and uses them for the manufacture of their own chocolate products.

Tip:

- Note that your beans will most probably be processed and manufactured into chocolate in Switzerland. If you have the financial means and the necessary technical know-how to organise export activities, explore opportunities to work directly with the Swiss chocolate industry. This could be a good way of attracting capital destined for investments, for example in training for farmers and thus better quality produce. For an overview of Swiss chocolate manufacturers, refer to [Chocosuisse](#). Other interesting partners for exporters could be larger Swiss traders. The Cocoa Federation has a member [database](#) here, including Swiss (and non-Swiss) cocoa traders.

Most important destination countries.

Almost all chocolate products are exported to other European countries. France, Belgium, the Netherlands and Germany are the most important destinations, accounting for 67%, 11%, 6% and 6%, respectively. However, it should be noted that in the case of the Netherlands, much of the imported cacao is re-exported either as original cacao bean, cocoa liquor, butter or powder to other European countries and beyond.

Tip:

- For more information on how to enter Switzerland's export countries in Europe directly, refer to the specific [CBI Product Factsheets](#).

Export expectations.

Although the global market for chocolate confectionary is still dominated by Western Europe and North America, emerging markets clearly represent the future. The BRIC countries (Brazil, Russia, India and China) accounted for 55% of global confectionery retail growth in 2011 (KPMG, 2012). Other emerging economies with young populations and an acquisitive middle class are likely to develop a taste for chocolate and, as their disposable incomes grow, will represent important target markets for Switzerland with its large and influential chocolate industry.

Tip:

- Aim to learn more about consumer preferences of young people in the BRIC countries. For example, search the internet for latest consumer trends. See also the [reports](#) by the ICCO statistics office, such as 'World Cacao Economy: Past and Present' for market information and prognoses on prices or the monthly [Reviews of the Market](#).

For more information on statistics in the cacao market, refer to [CBI's document Trade Statistics in cacao](#).

Market Trends

Transparency.

There is increasing demand for transparency, both from consumers and chocolate makers. Both groups want to know the stories behind the cocoa beans and want to understand who earns what in the supply chain. Transparency comes with improved traceability and this is more easily managed in certified supply chains.

Tip:

- Discuss with your buyer what stories he would like to tell his customers. As an exporter, you should also know your story and thus know your farmers and the way they live and produce their beans.

Expanding market for premium chocolates.

In Switzerland, the premium chocolate segment is experiencing much higher growth rates than the mass market segment. The rising popularity of premium chocolates and thus dark chocolates goes hand in hand with an increased health awareness among consumers. The fact that the European Food Safety Authority (EFSA) recently confirmed the health benefits of cacao flavonoids is a boost for the premium chocolate market.

Tip:

- If you want to develop a healthy cacao product for the Swiss market, check for the latest trends and developments in this field. Being aware of the potential healthy and unhealthy benefits of cacao and chocolate products can give you a competitive advantage as an exporter.

Changing consumer preferences.

The four main trends in chocolate confectionery are sustainability, health, eventing (producing chocolates for special occasions such as Easter) and innovation (for example individualised packaging). All large chocolate manufacturers including Nestlé and Barry Callebaut have embraced certification and have launched best selling lines. In addition, major retailers have introduced sustainable chocolates under their own brands, including Migros and Coop Switzerland. Regarding innovation, Barry Callebaut, has developed a melt-resistant chocolate (particularly good in hot countries) and a lactose-free product. A much smaller company, myswisschocolate, offers their customers the possibility of creating their own bars online, with up to 450 million different combination options.

The European recession could have an impact on the demand for chocolate products. However, in Switzerland, chocolate consumption seems recession proof so far.

Tip:

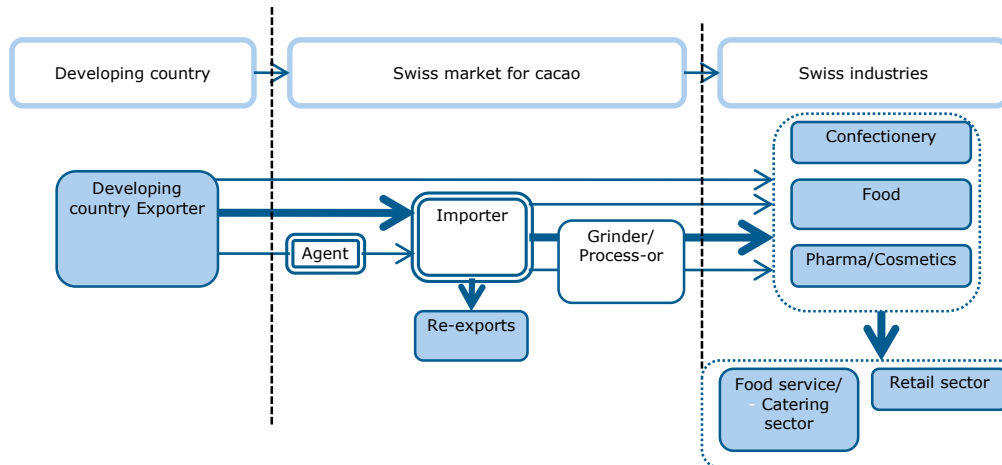
- In case of fine flavour beans, try to establish direct trade relationships: some large players are available on the Swiss market such as [Lindt](#) and [Barry Callebaut](#) (Barry Callebaut also produces a line of premium chocolates). However, if you want to increase your influence, create higher margins and aim to be involved in the development of the final product, for example, look for smaller chocolate manufacturers.

For more information on trends in the cacao market, refer to [CBI's document Trends in Cacao](#).

Market channels and segments

The cacao market is an international commodity market. A clear distinction has to be made between the actual or physical markets, and the futures or terminal markets. Nearly all cacao from producing countries is sold through the physical market. The structure and length of the cacao marketing channels differ from region to region within the same producing country as well as across the producing countries.

Figure 7: Visual presentation of market channel for cacao beans



When compared with the EU, Switzerland has a relatively large premium market for high quality chocolates produced from fine flavour cacao. This specialty market is generally characterised by direct trade relationships and stringent quality requirements, and thus a short and transparent supply chain.

Most important developments

Swiss made:

Swiss made refers to the fact that the actual production of the chocolate must take place in Switzerland. The cacao beans and other ingredients such as sugar can originate from outside of Switzerland. Switzerland's chocolate products have earned an international reputation for high quality, with many famous international brands.

Tip:

- Be aware of the relatively high quality requirements of the Swiss market. Regarding bulk beans, Switzerland imports the lion's share from Ghana: these beans have to meet higher quality standards than beans from the Ivory Coast.

Leading Swiss cacao companies:

[Barry Callebaut](#), the largest global chocolate maker, produces a huge range of recipes that manufacturers combine with other ingredients to turn into finished products. [Lindt&Sprüngli](#) is one of the leaders in the global premium chocolate sector, [Toblerone](#) is an instantly recognisable household brand, and the food giant [Nestlé](#) produces well-known bars, including Kit Kat.

Tip:

- In case of high volumes, note that [Barry Callebaut](#) may be an interesting They import beans from various origins, both bulk and fine flavour, and are very capable of tailoring chocolate recipes to their customers' needs.

Swiss chocolate confectionery industry:

[Migros](#) remains the leader in chocolate confectionery in 2012, with a 19% value share. Migros is the leading supermarket chain in Switzerland and offers a wide range of products, mainly private label, from economy to premium. Its most prominent private label is Frey, which sources its own cacao beans. [Lindt&Sprüngli](#) ranks second in 2012 with a 13% value share. [Ferrero Schweiz](#) and [Nestlé](#) rank third, with a 7% share.

Tip:

- As an exporter, try to establish direct trade relationships with Swiss cacao companies. Apart from the leading ones, medium sized companies include [Felchlin](#) (a quality couverture manufacturer), [PRONATEC](#) (leading trader in certified cacao) and [Walter Matter](#) (trader of (certified) cacao and coffee). Smaller cacao companies include [Bernrain](#) (manufacturer of its own brand – Chocolat Stella – and white label certified chocolate), [Läderach](#) (chocolate manufacturer that buys its beans mostly from Ghana, Venezuela and Ecuador) and [Chocolats Halba](#) (division of Coop Switzerland, buying cacao beans from cooperatives in Honduras, Peru, Ecuador and Ghana). Smaller Swiss chocolate and bonbon manufacturers such as [Karl Hug](#), [Favarger](#), and [Suteria](#) buy their couverture from either [Felchlin](#), [Lindt](#), or [Barry Callebaut](#).

For more information, refer to the CBI's document [Market Channels and Segments for Cacao](#).

Useful sources

- The Association of Swiss Chocolate Manufacturers, [Chocosuisse](#)
- [The International Cocoa Organisation \(ICCO\)](#)
- [Federation of Cocoa Commerce \(FCC\)](#)
- [European Cocoa Association \(ECA\)](#)
- [Fairtrade Labelling Organisations International \(FLO\)](#)
- [UTZ certified](#)
- [Rainforest Alliance](#)
- [Information on packaging](#) on the ITC website



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