

# 2015

## Confectionery Market in the USA

Market Analysis & Consumer Trends

Produced by

**TRADE USA**  
Exploring Opportunities™



A Project of



# Contents

At a Glance .....	3
Chapter 1   About.....	5
1.1. Confectionery .....	7
• Chocolate Confectionery .....	7
• Sugar Confectionery .....	7
1.2. Harmonizing (HS) Codes.....	8
Chapter 2   International Competitive Landscape .....	11
2.1. Sugar confectionery (HS Code 170490).....	13
2.2 Cocoa & Cocoa Preparations (HS Code 18)	
Chapter 3   USA Market Analysis.....	49
3.1. US Confectionery Market.....	51
3.2. US Cocoa Market .....	52
3.3. Key Players.....	53
3.4. US Confectionery Exporting Market .....	57
3.5. Greek Confectionery Importing Market to the US .....	59
4.1. Mega Trends .....	63
4.2. Digital Footprint .....	64
4.3. Key Findings & Insights.....	73

## At a Glance

The confectionery industry includes a wide variety of sweets, candy, chocolate and gum and is generally divided into three main categories: bakery confectionery, sugar confectionery and chocolate confectionery products.

This report focuses on presenting the US confectionery industry and the recent bilateral trade patterns. The principal aim is to help Greek exporting companies primarily to understand and consequently to find their potential position within the US market.

The data which have been used to compile this report are pooled from a variety of sources the majority of which are from the International Trade Center (ITC), an organization which is a joint agency of the World Trade Organization and the United Nations Conference on Trade and Development (UNCTAD) which aims to act as a development partner for small exporting businesses (ITC) and the United States Census Bureau. Additionally, relevant sources which have been used include the Food and Agriculture Organization (FAO), the International Cocoa Organization (ICCO) and the Euromonitor International.

The report is divided into five main chapters which attempt to capture a complete picture of the US confectionery market, the importing market and its suppliers, as well as consumer trends and tendencies which aim to aid exporters.

It is importing to note that the US market is huge and promising but also extremely demanding and thorough preparation needs to be done before approaching potential importers and buyers for business.



## Chapter 1 | About

5





## 1.1. Confectionery

The International Trade Center (ITC) categorizes confectionery products into the following categories included in this report: chocolate confectionery, gum and sugar confectionery. Waffles and wafers are related products to the confectionery industry, implying that many of the trading companies engage in the production of these additional sub codes.

- **Chocolate Confectionery**

This is the major sub-category of confectionery analyzed in this report. It includes the aggregation of tablets, countlines, bagged selflines/softlines, boxed assortments, seasonal chocolate, chocolate with toys, alfajores and other chocolate confectionery (International Trade Center, ITC). Confectionery which is used for cooking purposes is excluded from this category, according to Euromonitor International.



- **Sugar Confectionery**

This category consists of the aggregation of mints, boiled sweets, pastilles, gums, jellies and chews, toffees, caramels, nougat, medicated confectionery, lollipops, liquorice and other sugar confectionery (ibid.).

## 1.2. Harmonizing (HS) Codes

HS Code	Product Label	Major Exporting Countries
17	Sugar and sugar confectionery	Mexico, Canada, China, Germany, Turkey
1704	Sugar confectionery (including white chocolate), not containing cocoa	
170490	Sugar confectionery nes <sup>1</sup> (including white chocolate), not containing cocoa	
17049030	Confections or sweetmeats ready for consumption. Not containing cocoa	
170490350	Confections or sweetmeats ready for consumption, nesoi <sup>2</sup> , put up for retail sale	
1704903590	Confections or sweetmeats ready for consumption, nesoi, not put up for retail sale	
1704909000	Sugar confectionery, not containing cocoa, not for retail sale, nesoi	
18	Cocoa and cocoa preparations	Canada, Mexico, Germany, Belgium, Switzerland
1801	Cocoa beans, whole or broken, raw or roasted	
1802	Cocoa shells, husks, skins and other cocoa 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 cocoa	
180610	Cocoa powder, containing added sugar or other sweetening matter	
180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg	
180631	Chocolate & food preparations containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg	
180632	Chocolate & food prep containing cocoa in blocks, slabs/bars, not filled, not over 2 kg	
180690	Chocolate and other food preparations containing cocoa nes	

Source: International Trade Center (ITC)

The respective harmonizing codes for the above categories and their products are summarized in the above table. The major exporting country to the US market for each category is listed in the final column. It can be noted that the main countries from which the US imports to satisfy the national demand are either North or South American nations or, Western European, with minor contribution from the Western Africa and Asia.

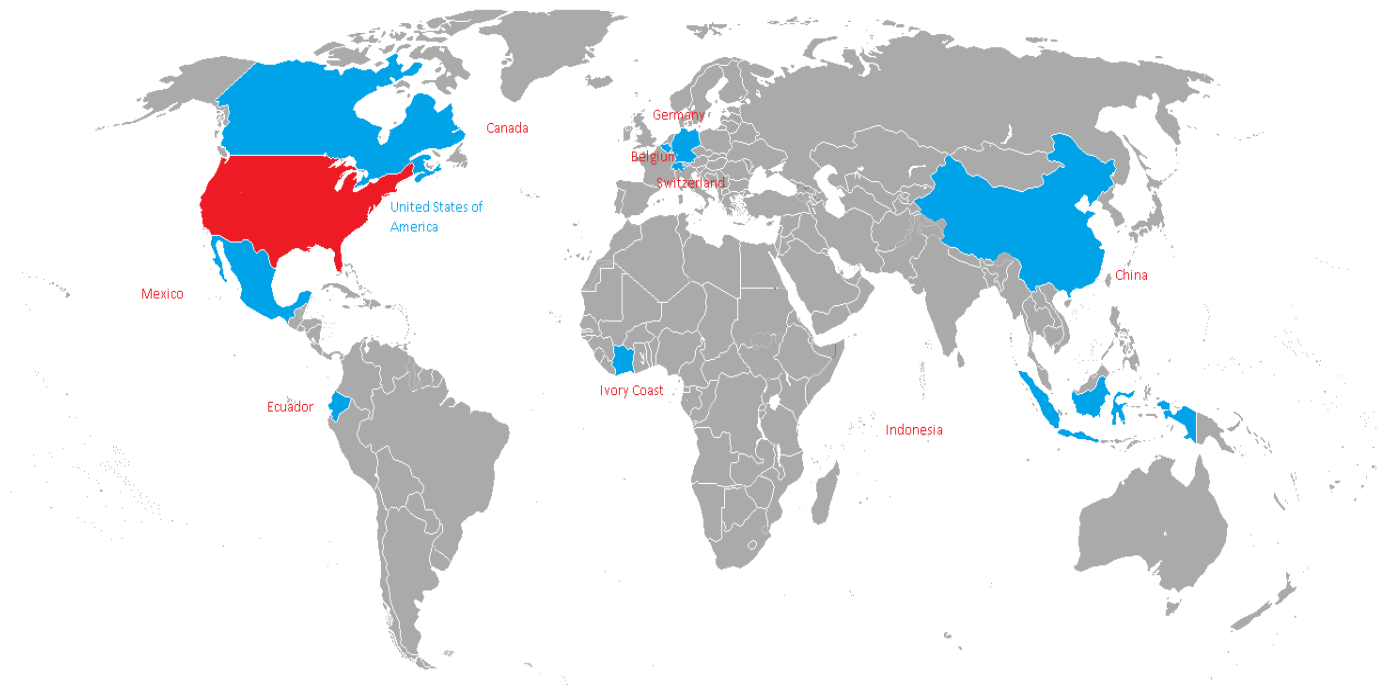
The following figures (figures 1 and 2) illustrate the bilateral trade patterns between the United States of America (USA) and the rest of the world (ROW) for the two categories of products defined above i.e. confectionery and waffles and wafers.

<sup>1</sup> Nowhere else specified

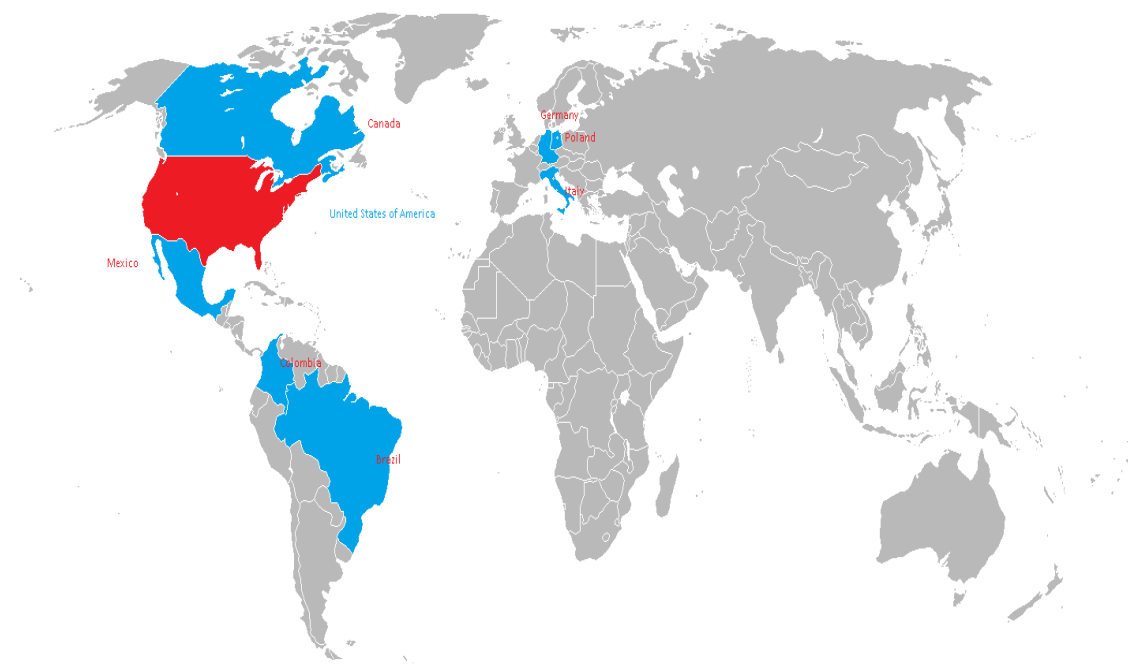
<sup>2</sup> Nowhere else specified or indicated



**Figure 1: Map of Major Exporting Countries of Confectionery (HS Codes 17, 18 & 21) to the USA in 2015**



**Figure 2: Map of Major Exporting Countries of Confectionery (HS Code 19) to the USA in 2015**



## Chapter 2 | International Competitive Landscape

11



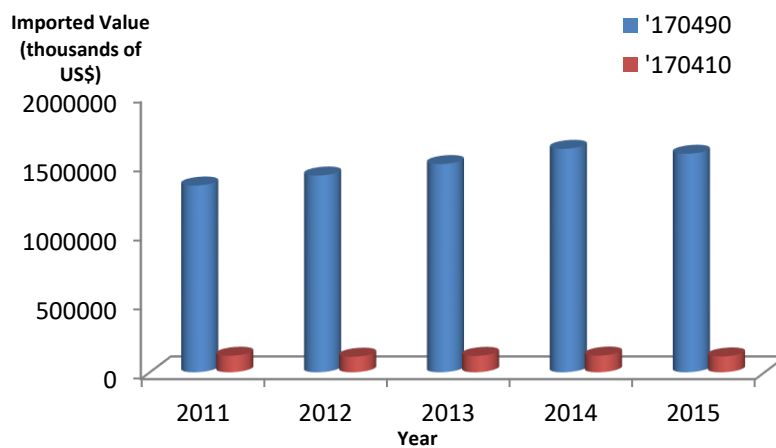




## 2.1. Sugar confectionery (HS Code 170490)

The majority of the sugar confectionery sub codes are included under HS Code 17. The following analysis examines the time period 2011 – 2015. Figures 3 and 4 below illustrate the primary exported product in the category and indicate that sugar confectionery which does not contain cocoa under HS Code 170490. Its imported value in 2015 reaches an approximate value of \$1,500,000, marking a slight decrease from the previous year. The second most highly imported HS Code to the USA is 170410, i.e. chewing gum containing sugar. However the imported value of this product is relatively low and comparatively insignificant to the trade pattern.

**Figure 3: USA Imported Value for HS Code 1704 (2011 - 2015)**

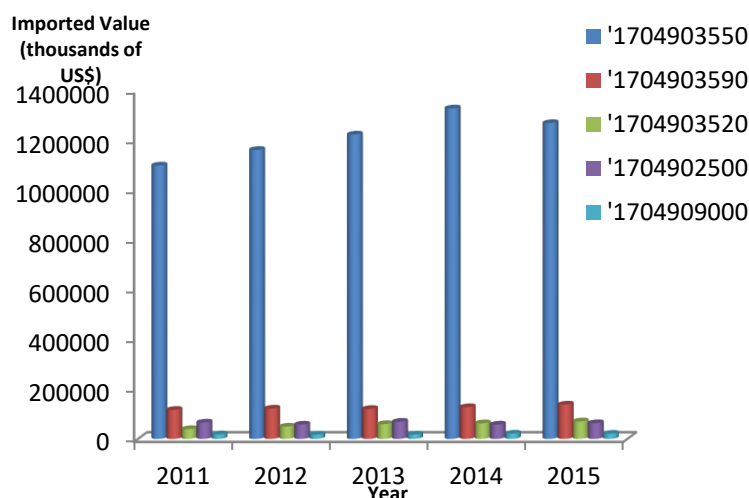


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'170490	Sugar confectionery nes (including white chocolate),not containing cocoa
'170410	Chewing gum containing sugar, except medicinal

**Source:** International Trade Center (ITC)

**Figure 4: USA Imported Value for HS Code 170490 (2011 - 2015)**



**Source:** TradeUSA- US  
CENSUS BUREAU – UN  
COMTRADE

HS Code	Product Label
'1704903550	Confections or sweetmeat ready for consumption, nesoi <sup>3</sup> , put up for retail sale
'1704903590	Confections or sweetmeat ready for consumption, nesoi, not put up for retail sale
'1704903520	Confections or sweetmeats ready for consumption, containing peanuts, peanut butter, or peanut paste, put up for retail
'1704902500	Cough drops
'1704909000	Sugar confectionery, not containing cocoa, not for retail sale, nesoi

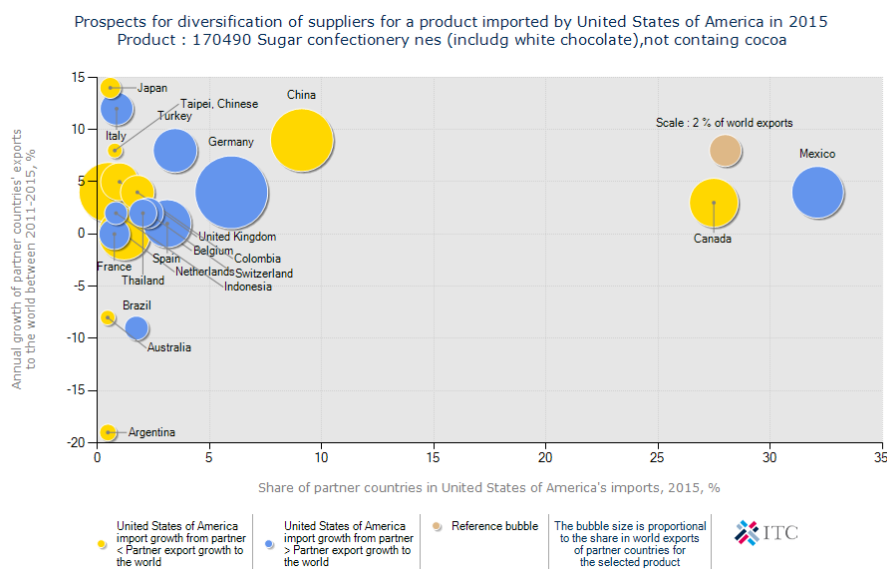
**Source:** International Trade Center (ITC)

Analyzing HS Code 170490 in terms of its sub codes for the given time period, confections or sweetmeat<sup>4</sup> which are ready for consumption and destined to retail are the most highly imported product, with an imported value reaching over \$1200,000. Other confectionery products found in the same category, i.e. cough drops and sugar confectionery not for retail, are in fact imported at significantly lower levels.

<sup>3</sup> Nowhere else specified or indicated

<sup>4</sup> a sweetened delicacy, such as a preserve, sweet, or, formerly, a cake or pastry (according to the Collins English Dictionary )

**Figure 5: Diversification of Suppliers in the USA for HS Code 170490 (2015)**



**Source:** International Trade Center (ITC)

Figure 5 presents an overview of the suppliers in the US market for the sugar confectionery under HS Code 170490, which includes products which does not contain cocoa as well as white chocolate.

Canada and Mexico represent the two major importers with the largest shares of importing market. Their geographical location as well as their involvement in the North Atlantic Free Trade Agreement (NAFTA) encourage and facilitate the bilateral trade patterns. For 2015, the import growth from Canada was superior to Canada's average export growth to the world.

The smaller suppliers are in their majority Asian and European markets, which do not have a competitive advantage in terms of international trade relationships. As indicated below certain European and Asian markets have managed to maintain a significant supply market for the US ranking amongst the top 5 suppliers.

**Table 1: Imported Value by Country to the USA**

**HS Code:** 170490 (Sugar confectionery nes (including white chocolate), not containing cocoa)  
**Unit:** thousands of US\$

Exporters	2011	2012	2013	2014	2015
<b>World</b>	1,349,001	1421,192	1,503,951	1,613,957	1,578,530
<b>Mexico</b>	388,150	419,933	450,584	486,182	506,977
<b>Canada</b>	387,011	418,382	434,680	445,614	433,885
<b>China</b>	145,842	130,243	136,335	154,844	143,957
<b>Germany</b>	58,046	64,099	71,690	89,324	94,427
<b>Turkey</b>	23,489	40,865	56,630	57,819	54,819

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

Table 1 summarizes the annual imported values in monetary terms of the top 5 importing nations for the examined period 2011 – 2015. Mexico has grown in terms of its imported value by 30, 6%. Germany, as the only European market has grown by a percentage rate of 63.7% during the given five year period. This is a strong indication of the European potential in the US importing market for sugar confectionery.

The Turkish importing market is relatively small. However it has grown by 233% compared to the estimated imported value in 2011. China is the only Asian market amongst the top 5 countries importing market which has contracted by 1, 29%.

Table 2 summarizes the respective top importing countries in terms of importing quantities. Spain holds the fifth place in the importing market and although it holds a small proportion of the market it is has grown significantly in the number of tons it has imported to the USA between 2011 and 2015 by 87%.

The three most interesting markets amongst the top importing counties for HS Code 170490 are analyzed independently in the following section.

**Table 2: Imported Quantity by Country to the USA**

**HS Code:** 170490 (Sugar confectionery nes (including white chocolate), not containing cocoa)  
**Unit:** tons

Exporters	2011	2012	2013	2014	2015
<b>World</b>	503,445	507,920	518,653	567,067	549,264
<b>Mexico</b>	192,838	200,835	207,202	226,148	239,182
<b>Canada</b>	136,498	137,481	138,606	147,216	126,750
<b>China</b>	38,496	32,544	32,587	36,606	34,045
<b>Germany</b>	14,099	15,039	17,183	24,068	24,202
<b>Spain</b>	11,969	17,827	17,235	25,354	22,412

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics



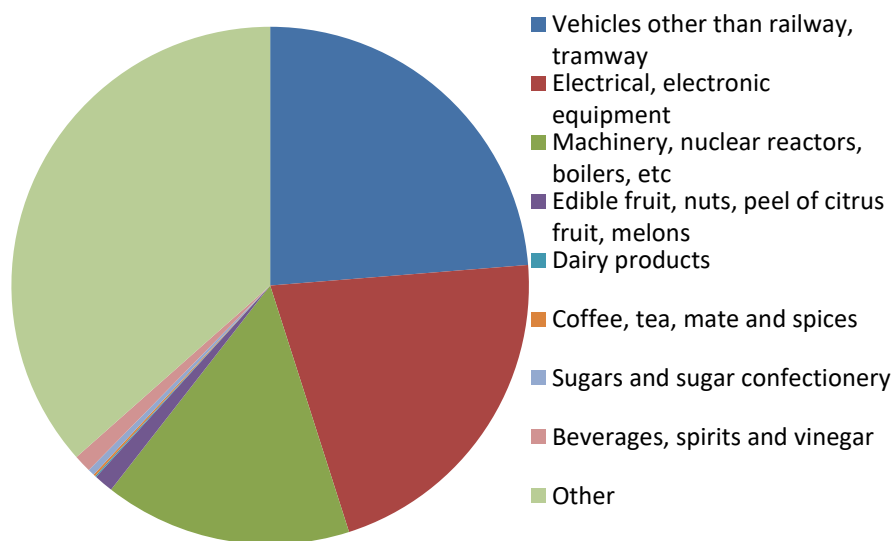


## Mexico

In 2013 the two-way trade between the two countries in both goods and services was more than \$550 billion with nearly 80% of Mexico's exports in 2013 going to the US. Mexico is the US's second largest export market after Canada and third largest trading partner after Canada and China (US Department of State, 2015).

Amongst the most highly imported food products to the US are edible fruits, nuts, peel of citrus fruit and melons under HS Code 08 and beverages, spirits and vinegars under HS Code 22. Mexico has a stronger global exporting presence in the automobile industry, machinery and electronic equipment.

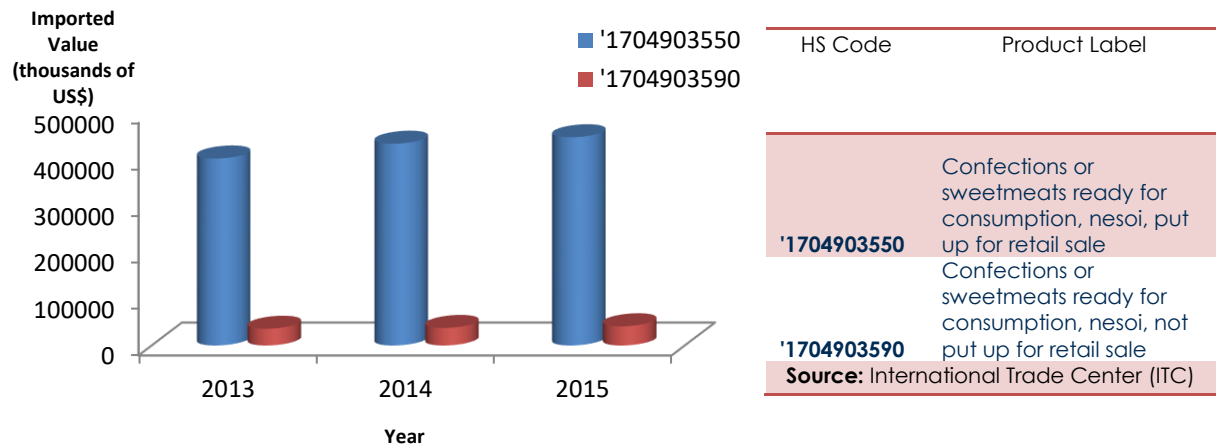
**Figure 6: Mexican Exports by Category (2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

As part of the North Atlantic Free Trade Agreement (NAFTA), Mexico is also able to import to the US an important amount of confectionery products put up for retail sale. The Bilateral trade of confectionery between the two countries which is not destined for retail sale is imported in much smaller quantities. The majority of the US demand is therefore in the area of retail.

**Figure 7: Bilateral Trade between USA and Mexico HS Code 170490 (2013 - 2015)**

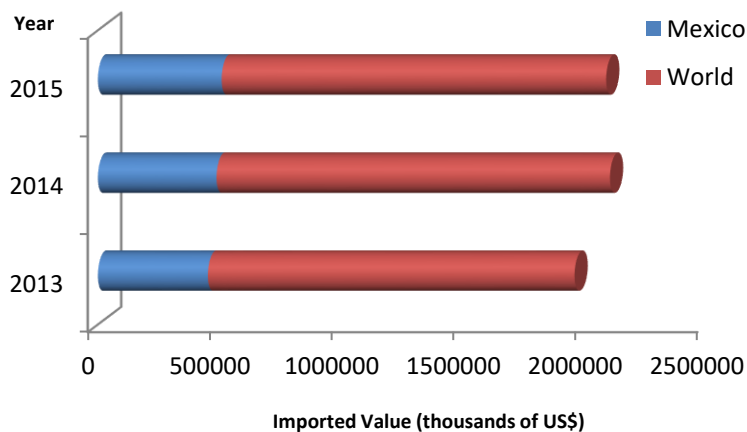


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

For the above two sub-codes analyzed figure 8 illustrates the proportion in imported value for the examined period 2013 – 2015, in relation to the total imported values from the world. Figure 8 illustrates that approximately 1/4 of the total imported value comes from Mexico.

18

**Figure 8: USA Imported Value Mexico vs. World (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

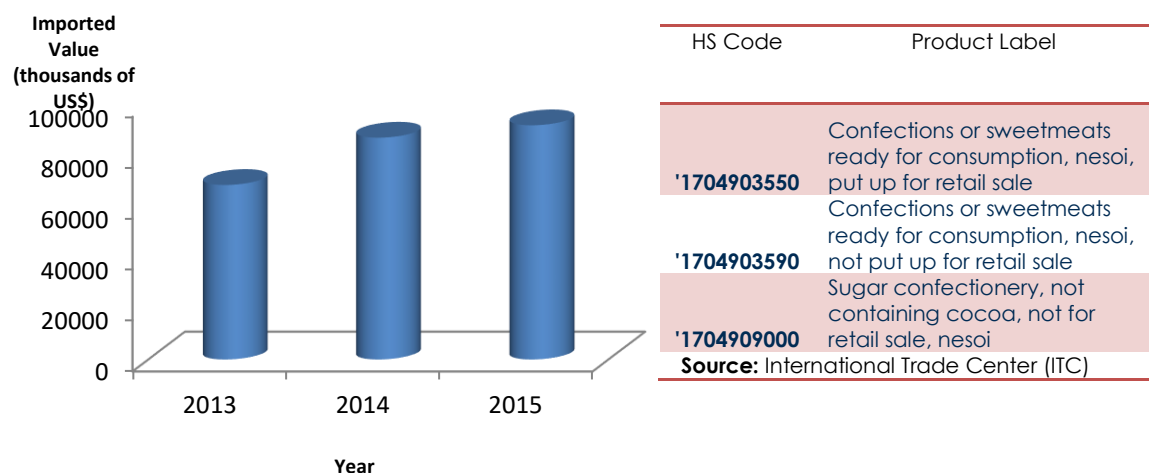


## Germany

Even though Germany is a heavily industrialized country and mainly focuses on exporting manufactured products i.e. vehicles, aircrafts and pharmaceuticals, it manages to maintain a relatively strong position in the confectionery industry. Germany is the only European country which is found amongst the top importing competitors in the given category under HS Code 170490, with Spain falling close behind.

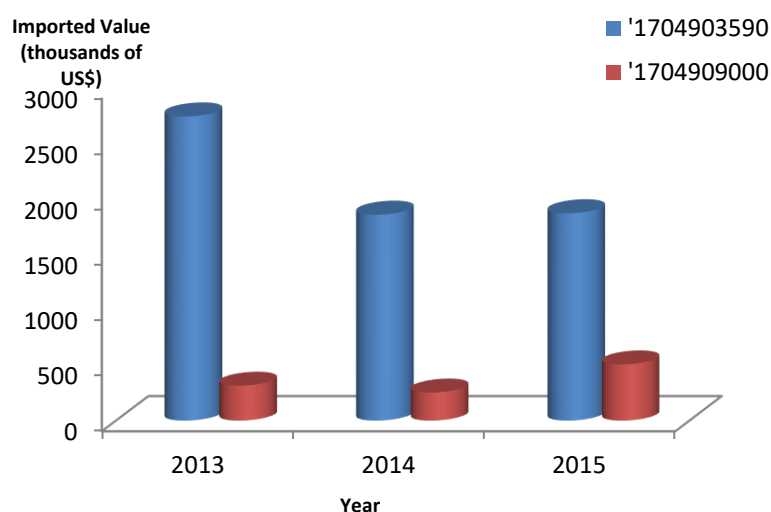
The bilateral trade pattern for the period 2013 – 2015 is contracting significantly (with a value reaching nearly \$100,000 in 2015) is constantly growing during this period. The most highly imported HS Code 1704903350 in figure 9A is confectionery put up for retail sale and is followed by that which does not contain cocoa and is not destined for retail sale. These HS Codes are illustrated in figure 9B.

**Figure 9A: Bilateral Trade between USA and Germany HS Code 1704903350 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

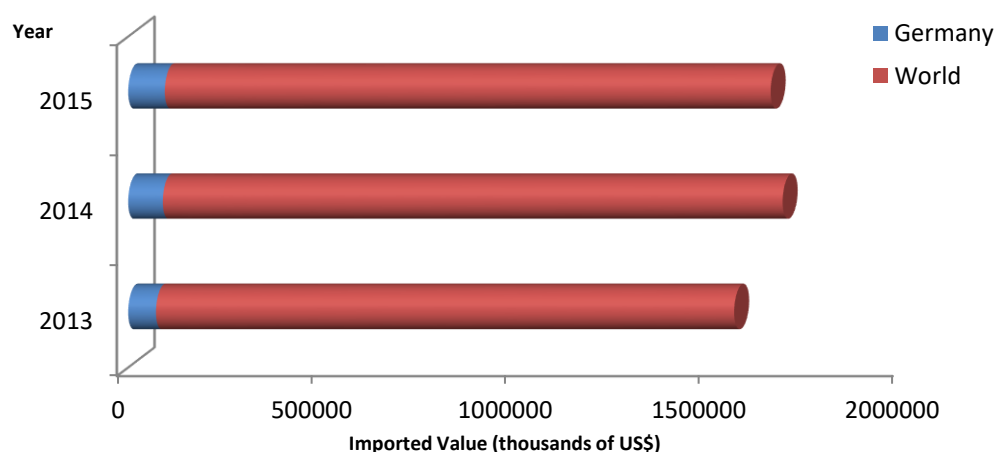
**Figure 9B: Bilateral Trade between USA and Germany HS Code 170490 (2013 - 2015)**



Evidently the difference in imported value between the two HS Codes is significant:

- Confectionery which is not put up for retail is imported in larger values; however it follows a declining trend over the 3 year period.
- Sugar confectionery is imported from Germany in minimal quantities but is following an increasing trend.

**Figure 10: USA Imported Value Germany vs. World HS Code 170490 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

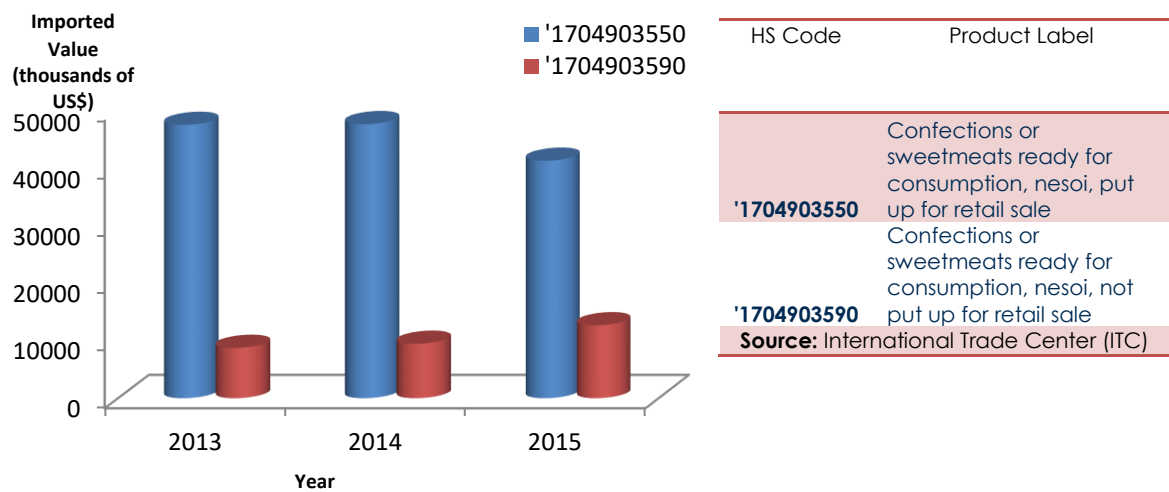
Figure 10 presents the imported value in terms of the total value imported from the world under HS Code 170490.

The proportion of the imported value from Germany is minimal; however it has grown since the beginning of 2013 and follows a positive trend.



Turkey is the 5<sup>th</sup> major importing market for sugar confectionery. It is interesting to examine since it has expanded and is continuing to do so. Figure 11 presents the bilateral trade patterns between Turkey and the USA for HS Code 170490.

**Figure 11: Bilateral Trade between USA and Turkey HS Code170490 (2013 - 2015)**



Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE

21

**Figure 12: USA Imported Value HS Turkey vs. World (2013 - 2015)**

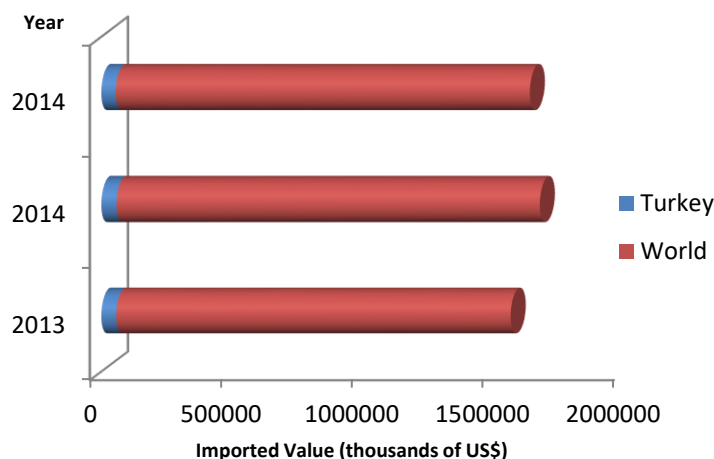


Figure 12 presents the imported value by Turkey in terms of the total imported value for the given period 2013 – 2015. It is evident that the contribution is minimal in the US supply market for HS Code 1704.

Turkey manages to maintain a position amongst the major competitors by differentiating its product (Turkish delight) from the European and Latin American markets.

Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE



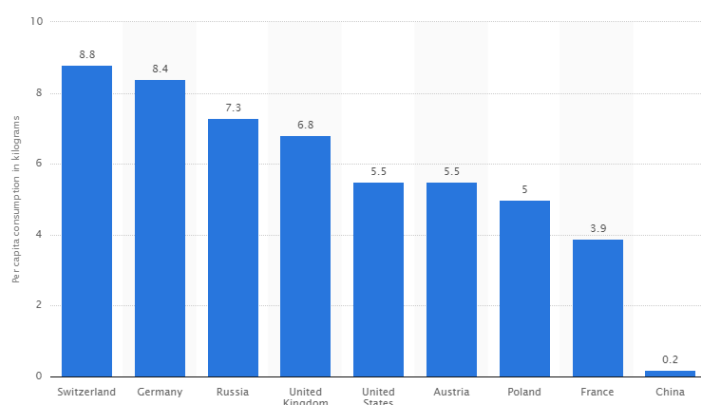


## 2.2 Cocoa & Cocoa Preparations (HS Code 18)

Cocoa and related preparations contribute significantly to the confectionery industry. The HS Codes included in this sector vary from the cocoa bean in its unprocessed form (whole or broken), powder, cocoa butter, cocoa paste and chocolate which is of most interest to the report.

Chocolate and other related food preparations containing cocoa (HS Code 1806) are the ones which are the most highly imported to the US from the rest of the world, followed by HS Code 1801, which is defined as "Cocoa beans, whole or broken, raw or roasted". The United States of America is amongst countries worldwide with the highest rates of chocolate consumption per capita; figure 13 below illustrates this trend.

**Figure 13: Per Capita Consumption of Chocolate Confectionery Worldwide (2015)**

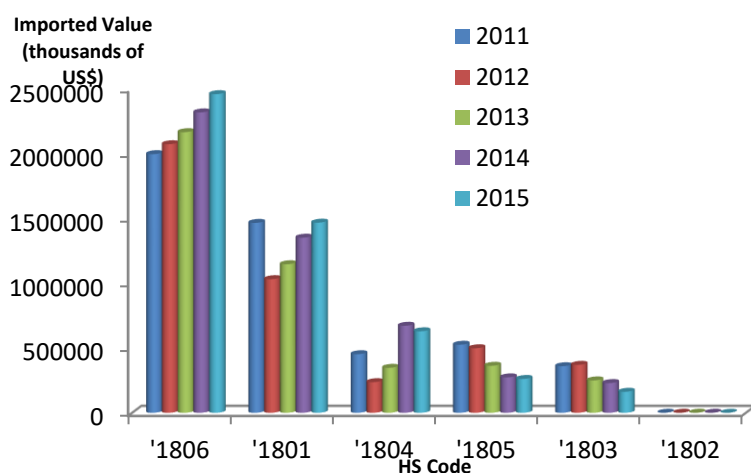


Source: Statista 2016

- In 2015 the average US citizen consumed 5.5 kilos of chocolate and is found in 5<sup>th</sup> position on a worldwide scale.
- The average Swiss and UK citizen consumed between 8.8 and 6.8 kilos respectively during the same year.
- The United States is the only American country amongst the top chocolate consuming nations.

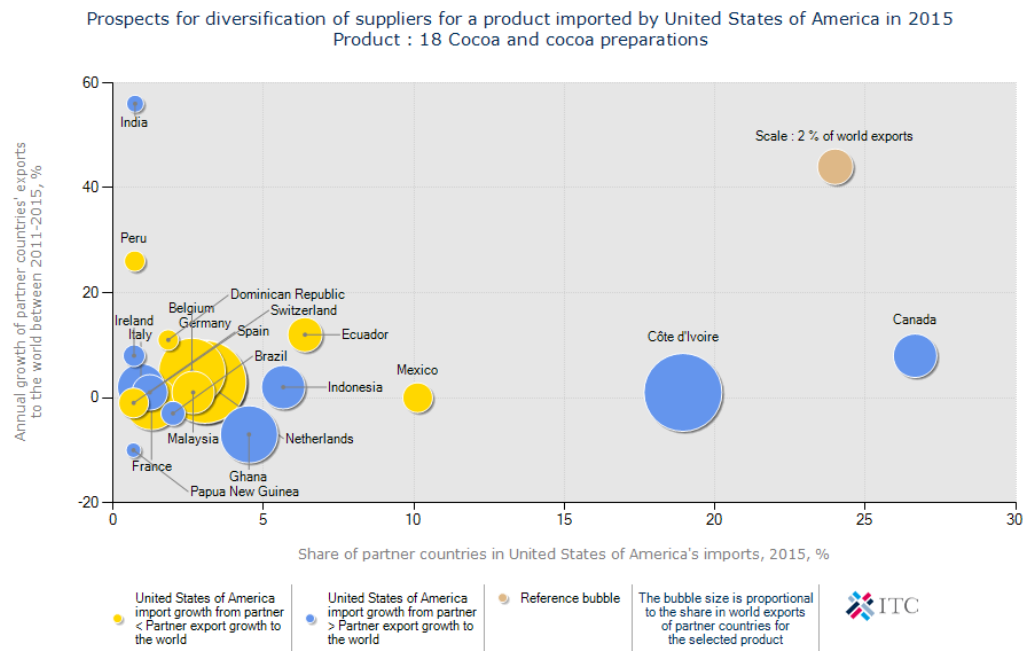
23

**Figure 14: USA Imported Value HS Code 18 (2011 - 2015)**



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

Source: International Trade Center (ITC)

**Figure 15: Diversification of Suppliers in the USA for HS Code 18 (2015)**

Source: International Trade Center (ITC)

24

The US supply market for HS Code 18 (cocoa and cocoa preparations) for 2015 is illustrated in figure 15. Canada and the Ivory Coast are the major importing countries, capturing approximately 50% of the total importing market, according to the data from the ITC. Table 3 summarizes the importing values in monetary terms for the period 2011 – 2015 and indicates that in 2015 Canada makes-up 26.7% of the market, the Ivory Coast 18.9% in the same year. The following importing countries capture smaller percentages of the US importing market, namely Mexico captures only 9.6% while Ecuador and Indonesia capture approximately 5%.

**Table 3: Imported Value by Country to the USA****HS Code:** 18 (Cocoa and Cocoa Preparations)**Unit:** thousands of US\$

Exporters	2011	2012	2013	2014	2015
<b>World</b>	4,806,674	4216,249	4279,325	4,851,677	4,985,134
<b>Canada</b>	948,622	996,854	1,052,272	1,184,175	1,328,830
<b>Côte d'Ivoire</b>	898,162	760,975	833,835	964,815	944,330
<b>Mexico</b>	537,476	519,233	503,301	481,212	481,212
<b>Ecuador</b>	253,220	136,769	191,316	264,992	264,992
<b>Indonesia</b>	215,885	164,598	182,074	257,679	257,679



**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

**Table 4: Imported Growth in Value by Country to the USA**

<b>HS Code:</b> 18(Cocoa and cocoa Preparations) <b>Unit:</b> Percentage (%)					
Exporters	2011-2012	2012-2013	2013-2014	2014-2015	Imported value in 2015 (thousands of US\$)
<b>World</b>	-12	1	13	3	4,985,134
<b>Canada</b>	5	6	13	12	1,328,830
<b>Côte d'Ivoire</b>	-15	10	16	-2	944,330
<b>Mexico</b>	-3	-3	-4	5	504,832
<b>Ecuador</b>	-46	40	39	20	318,170
<b>Indonesia</b>	-24	11	42	9	282,072

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

Table 4 presents the annual growth rate of HS Code 18 in terms of value and indicates that the market is growing overall, after a significant fall in demand between 2011 and 2012. Canada and Ecuador are growing the fastest and therefore are the strongest competitors, while the demand for cocoa products from the Ivory Coast in the US is unstable and decreasing.

Table 5 summarizes the annual imported growth rates for each sub-code and indicates that the imported value of chocolate is the only category which is growing in demand at a relatively stable rate. This HS Code is analyzed in the following section.

**Table 5: Imported Growth in Value by Product to the USA**

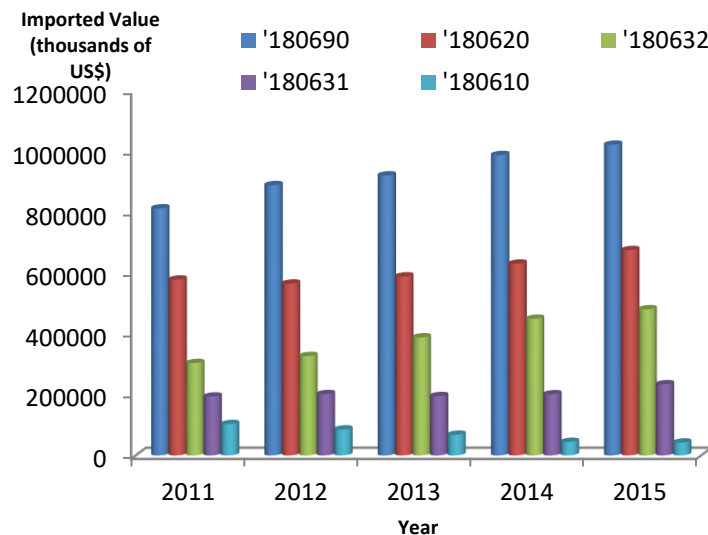
<b>HS Code:</b> 18 (Cocoa and Cocoa Preparations) <b>Unit:</b> Percentage (%)					
Product	2011-2012	2012-2013	2013-2014	2014-2015	Imported value in 2015 (thousands of US\$)
<b>Chocolate</b>	4	4	7	6	2,460,268
<b>Cocoa Beans</b>	-30	11	18	9	1,469,812
<b>Cocoa Butter</b>	-48	47	93	-6	630,532
<b>Cocoa Powder</b>	-5	-27	-25	-4	261,847
<b>Cocoa Paste</b>	3	-32	-8	-29	162,418
<b>Cocoa Shells</b>	15	14	1	-61	258

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

Figure 16 presents the trend of the imported value for chocolate and other cocoa preparations.

Amongst the top five products that are presented for the period 2011 – 2015, only the top three codes present a consistently increasing trend. On the contrary, cocoa powder is imported in significantly smaller quantities and with a decreasing trend.

**Figure 16: USA Imported Value HS Code 1806 (2011 - 2015)**



- HS codes 180690 and 180620 are both chocolate sub-codes and are growing steadily and reach an imported value at \$1,000,000 and \$600,000 respectively in 2015.
- There is also increase in demand for filled chocolate in blocks and not exceeding 2kg (HS Code 180632).

**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

The imported values in monetary and quantitative terms of the top five US supplying countries for chocolate and cocoa containing productions is summarized in Tables 6 and 7.

Canada and Mexico dominate the particular market; however three European players contribute significantly in terms of the percentage market shares:

- **Germany** – 5,3%
- **Belgium** – 5,2%
- **Switzerland** – 2,5%

HS Code	Product Label
'180690	Chocolate and other food preparations containing cocoa
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180632	Chocolate & food preparations containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180631	Chocolate & food prep containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter

**Source:** International Trade Center (ITC)

Table 8 presents the growth rates Canada is growing significantly, while Germany and the other European markets are contracting.

**Table 7: Imported Quantity by Country to the USA**

**HS Code:** 1806 (Chocolate and other food preparations containing cocoa)  
**Unit:** tons

Exporters	2011	2012	2013	2014	2015
<b>World</b>	571,100	574,404	605,112	583,996	576,139
<b>Canada</b>	265,488	274,855	291,603	305,772	304,579
<b>Mexico</b>	217,294	203,184	209,213	175,910	177,602
<b>Germany</b>	15,887	19,603	22,108	21,598	18,616
<b>Belgium</b>	19,282	20,769	20,272	18,405	15,798
<b>Switzerland</b>	7,202	6,055	6,895	7,163	6,889

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

**Table 6 : Imported Value by Country to the USA**

**HS Code:** 1806 (Chocolate and other food preparations containing cocoa)  
**Unit:** thousands of US\$

Exporters	2011	2012	2013	2014	2015
<b>World</b>	1,997,893	2,074,264	2,167,170	2,319,659	2,460,268
<b>Canada</b>	918,410	968,876	1,018,020	1,161,682	1,300,045
<b>Mexico</b>	515,769	503,258	488,479	455,391	493,125
<b>Germany</b>	118,443	140,306	160,262	164,335	131,511
<b>Belgium</b>	118,762	124,416	126,909	133,831	128,119
<b>Switzerland</b>	61,156	51,497	57,721	61,990	60,459

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

**Table 8: Imported Growth in Value by Country to the USA**

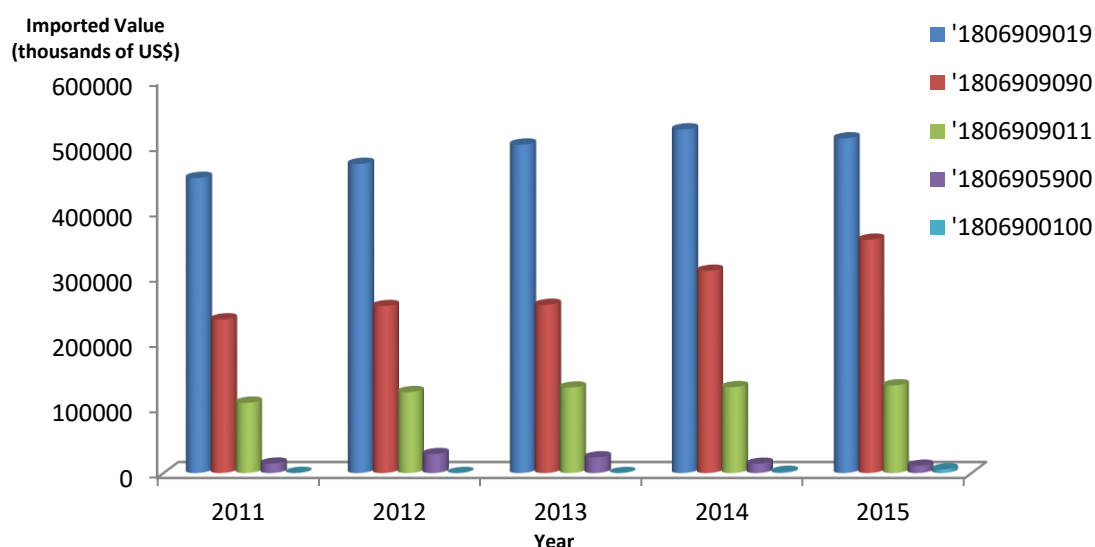
**HS Code:** 1806(Chocolate and other food preparations containing cocoa)

**Unit:** Percentage (%)

Exporters	2011-2012	2012-2013	2013-2014	2014-2015	Imported value in 2015 (thousands of US\$)
<b>World</b>	4	4	7	6	2,460,268
<b>Canada</b>	5	5	14	12	1,300,045
<b>Mexico</b>	-2	-3	-7	8	493,125
<b>Germany</b>	18	14	3	-20	131,511
<b>Belgium</b>	5	2	5	-4	128,119
<b>Switzerland</b>	-16	12	7	-2	60,459

**Source:** International Trade Center (ITC) calculations based on UN COMTRADE statistics

**Figure 17: USA Imported Value HS Code 180690 (2011 -2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
<b>'1806909019</b>	Cocoa preparations, nesoi, not put up for retail sale, confectionery
<b>'1806909090</b>	Cocoa preparations, nesoi, not put up for retail sale
<b>'1806909011</b>	Cocoa preparations, nesoi, not put up for retail sale, confectionery, containing peanuts, peanut butter or peanut paste
<b>'1806905900</b>	Cocoa preparations nesoi not in bulk forms, not for retail sale, articles containing gt 10% sugar described in additional notes to chapter 17
<b>'1806900100</b>	Cocoa preparations nesoi not in bulk forms, not for retail sale, described in general note 15 of the tariff schedule and provisional

**Source:** International Trade Center (ITC)

Analyzing HS Code 1806 further into its sub-codes cocoa preparations which are not put up for retail sale and are considered as confectionery are the most highly imported product within this category. The imported value reached \$500,000 in 2014 when the market peaked.

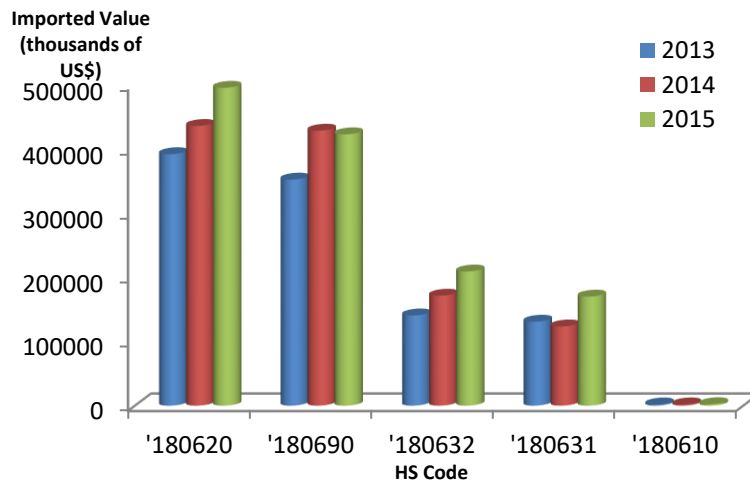
Cocoa preparations which are not put up for retail but are not considered as confectionery are the second most highly imported product. The imported value is increasing steadily during the five year period, during which it increased by approximately \$100,000. The rest of the HS sub-codes in this category are relatively insignificant in terms of the imported values. The following sections analyze the major importing markets of cocoa and chocolate products.





The bilateral trade patterns between the US market for HS Code 1806 is highest in the cocoa products which weigh more than 2kg and are increasing annually. The same trend can be observed for chocolate blocks and other food preparations containing cocoa. Trade is more intense for cocoa products in its processed form.

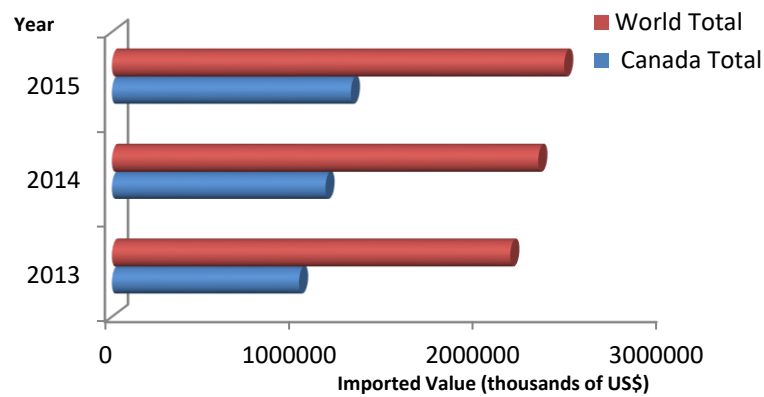
**Figure 18: Bilateral Trade between USA and Canada HS Code 1806 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

Figure 19 presents the total imported value from Canada and the world for the examined period and suggests a dominating presence in the market and a market strategy which could be studied, even though Canada is not a major producing country of cocoa.

**Figure 19: US Imports Canada vs. World HS Code 1806 (2013 - 2015)**



**Source:** TradeUSA- US  
CENSUS BUREAU – UN COMTRADE

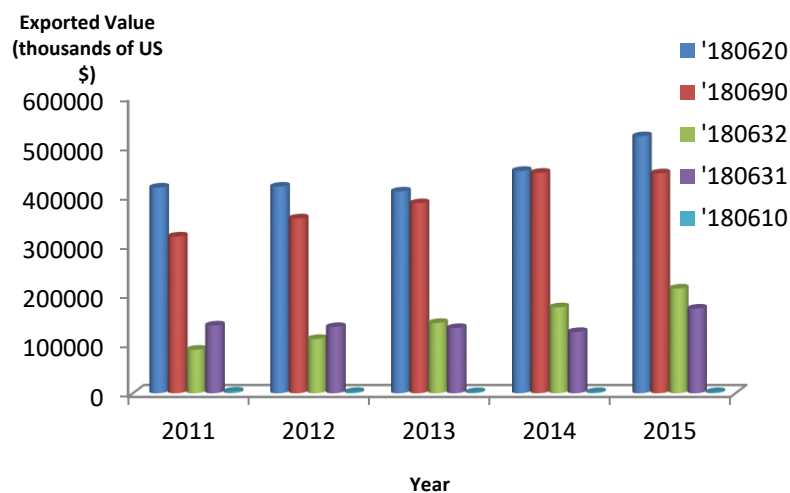
HS Code	Product Label
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180690	Chocolate and other food preparations containing cocoa nes
'180632	Chocolate & food prep containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180631	Chocolate & food prep containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter

**Source:** International Trade Center (ITC)

When examining the Canadian exports towards the world for the same five year period, there is an overall increase in the Canadian exports to the world. Cocoa powder is the product less exported from Canada to the world, while figure 21 shows the overall exporting value for HS Code 1806.



**Figure 20: Canadian Exports to World HS Code 1806 (2013 - 2015)**



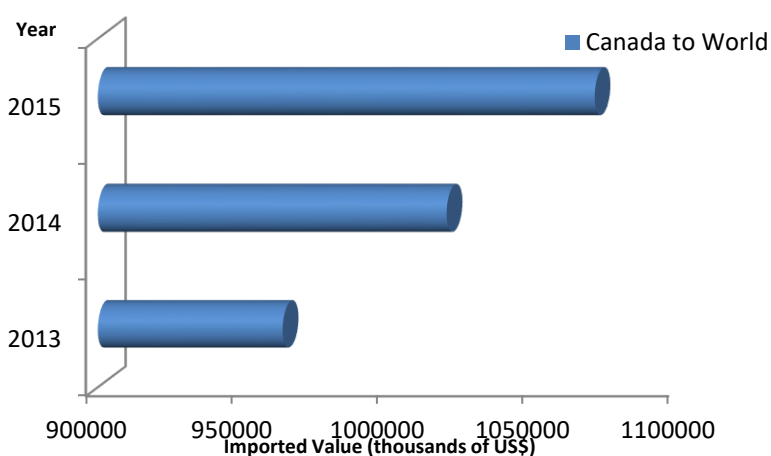
**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180690	Chocolate and other food preparations containing cocoa nes
'180632	Chocolate & food prep containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180631	Chocolate & food prep containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter

**Source:** International Trade Center (ITC)

**33**

**Figure 21: Canadian Exports to World HS Code 1806 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

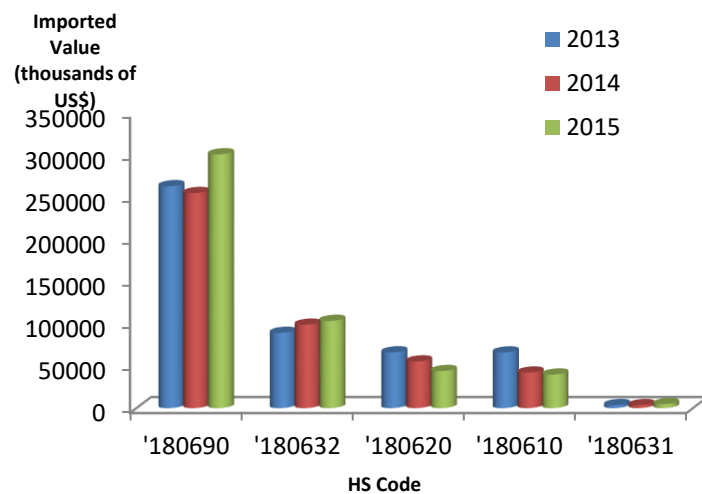




## Mexico

Mexico also captures an important part of the US supply cocoa market by importing the following HS sub-codes illustrated in figure 22. Although Mexico is found amongst the top 10 major cocoa producing countries, since the early 2000s total production has declined due to disease of the cocoa crop, and as a result Mexico imports more cocoa than it exports (FAO, 2016).

**Figure 22: Bilateral Trade between USA and Mexico HS Code 1806 (2013 - 2015)**



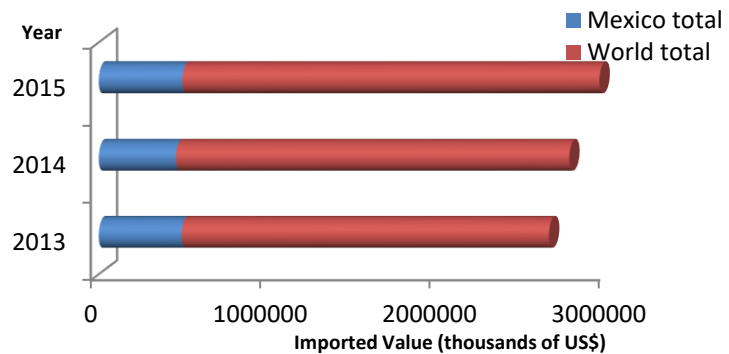
**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180690	Chocolate and other food preparations containing cocoa nes
'180632	Chocolate & food prep containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter
'180631	Chocolate & food prep containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg

**Source:** International Trade Center (ITC)

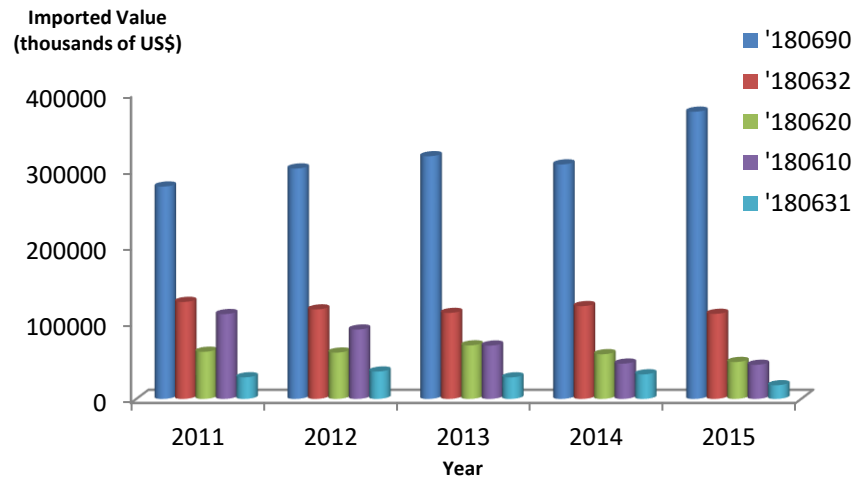
**Figure 23: USA Imported Value Mexico vs. World HS Code 1806**

- Mexico manages to maintain a dominating position in the US cocoa supply market, by differentiating itself from its major competitor (i.e. Canada) and supplying the market with HS Code 180690.
- Cocoa powder is also traded in small quantities between Mexico and the US, however in larger quantities than Canada.



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 24A: Bilateral Trade between USA and Mexico HS Code 1806 (2011 - 2015)**

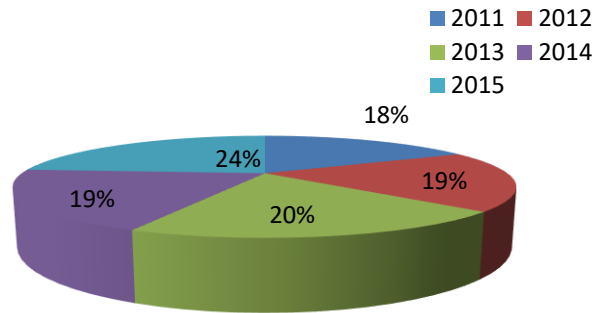


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180690	Chocolate and other food preparations containing cocoa nes
'180632	Chocolate & food prep containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter
'180631	Chocolate & food prep containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg

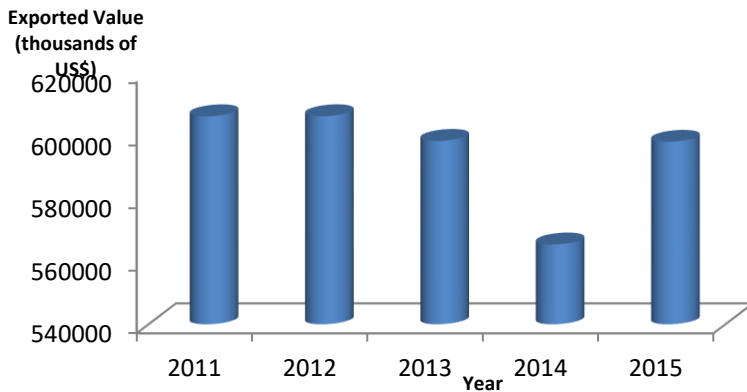
**Source:** International Trade Center (ITC)

**Figure 24B: Bilateral Trade between USA and Mexico HS Code 180690 (2011 – 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 25: Total Mexican Exports to World HS Code 1806**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

- On average the total value of Mexican exports under HS Code 1806 is estimated at \$600,000 for the five year period.
- 2014 marked a low point in exports, after which the market began to recover.

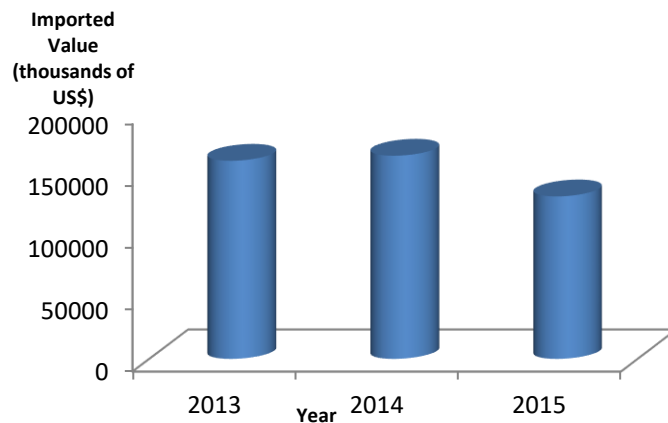




## Germany

Germany also exports to the US chocolate and cocoa products under HS Code 1806, as figure 26A indicates, even though Germany is not found amongst the top 10 cocoa producing countries, the majority of which are Latin American and African countries. The imported value is significantly higher than the rest of the HS 18 sub-codes illustrated in figure 26B.

**Figure 26A: Bilateral Trade between USA and Germany HS Code 1806 (2013 - 2015)**

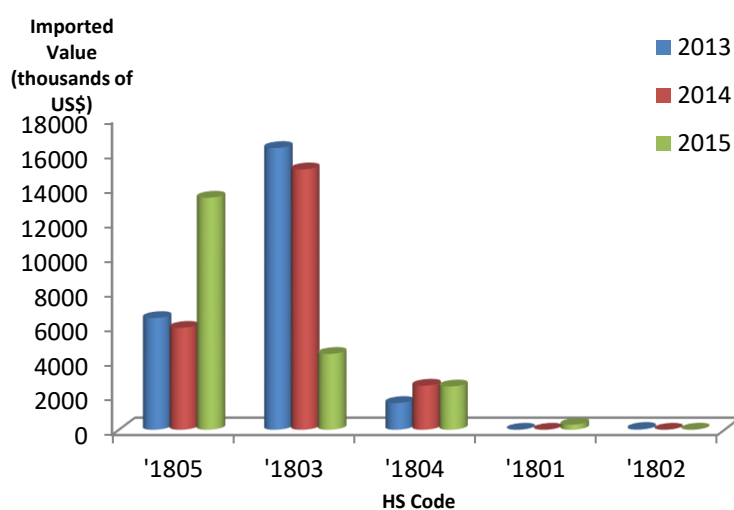


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'1806	Chocolate and other food preparations containing cocoa
'1805	Cocoa powder, without added sugar
'1803	Cocoa paste, whether or not defatted
'1804	Cocoa butter, fat and oil
'1801	Cocoa beans, whole or broken, raw or roasted
'1802	Cocoa shells, husks, skins and other cocoa waste
<b>Source:</b> International Trade Center (ITC)	

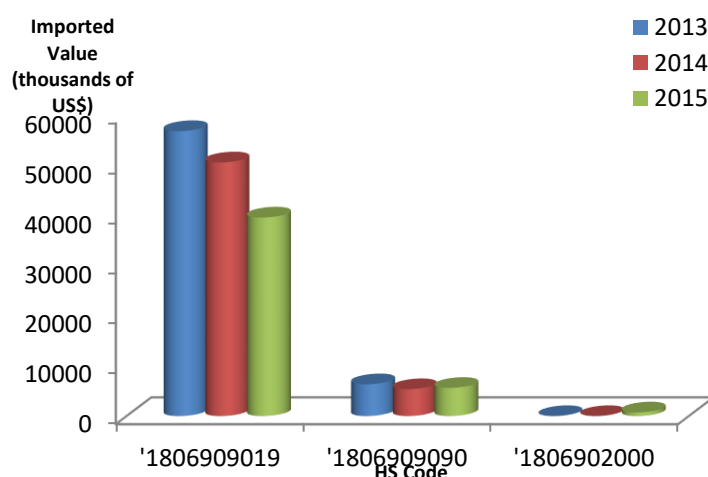
**Figure 26B: Bilateral Trade between USA and Germany HS Code 18 (2013 - 2015)**

- Cocoa powder and paste are imported in significant quantities.
- Importing value of cocoa butter fat and oil from Canada is gradually increasing.
- HS Codes 1801 (cocoa beans) and 1802 (cocoa shells) are relatively insignificant in value.



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 26C: Bilateral Trade between USA and Germany HS Code 1806 (2013 - 2015)**



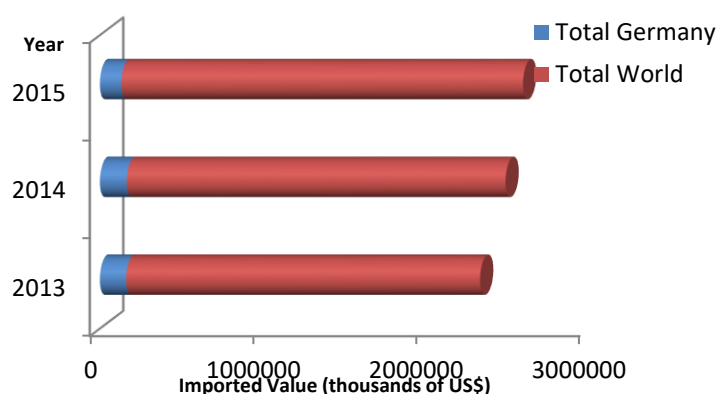
**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'1806909019	Cocoa preparations, nesoi, not put up for retail sale, confectionery
'1806909090	Cocoa preparations, nesoi, not put up for retail sale,
'1806902000	Cocoa preparations nesoi not in bulk forms, not for retails ale, containing over 5.5% by weight of butterfat

**Source:** International Trade Center (ITC)



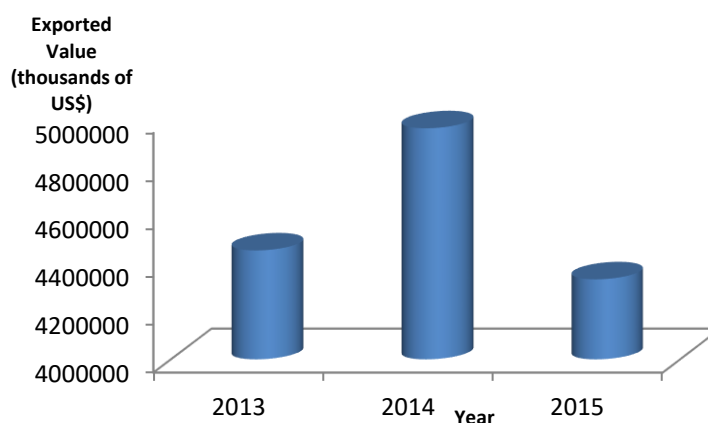
**Figure 27: USA Total Imported Value Germany vs. World HS Code 1806**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

- Germany imports to the US cocoa preparations which are not put up in retail.
- On a global sale, the contribution of Germany of HS Code 1806 to the US supply market is minor.

**Figure 28: German Exports to World HS Code 1806 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

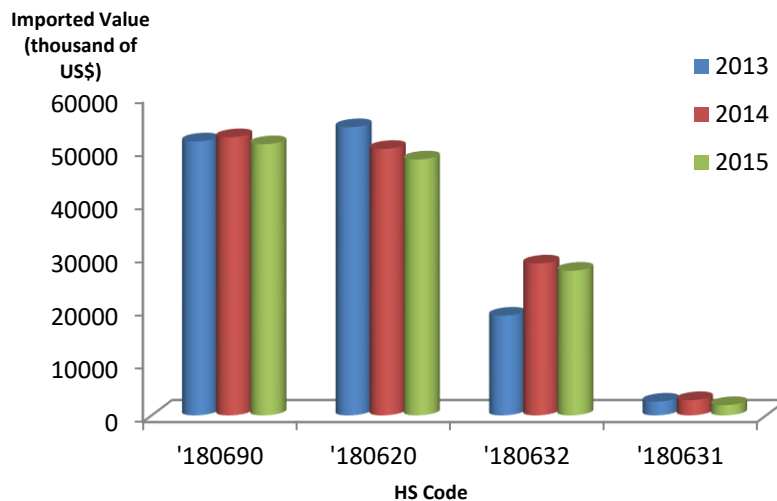
- In 2014 Germany exports to the world increased significantly for HS Code 1806, reaching a value of \$5,000,000.
- This trend may be a consequence of the decrease in Mexican exports of the same product during the same year.





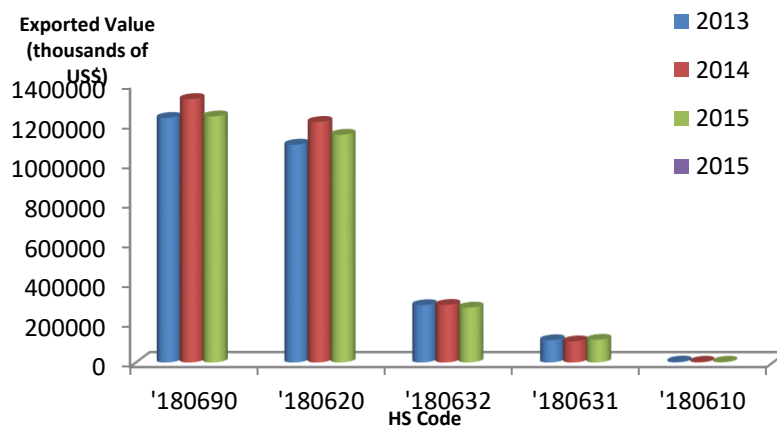
Belgium is the second most dominant European player in the cocoa and chocolate US supply market. Even though it traditionally produces chocolate, Switzerland and the UK have higher positions amongst the top consuming countries per capita on a global scale. The market has remained relatively stable for the past three years i.e. 2013 - 2015. Belgium mainly imports to the US chocolate under HS Codes 180690 and 180620, the latter of which has decreased slightly in their imported value during this period.

**Figure 29: Bilateral Trade between USA and Belgium HS Code 1806 (2013 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 30: Exports from Belgium to World HS Code 1806 (2013 – 2015)**

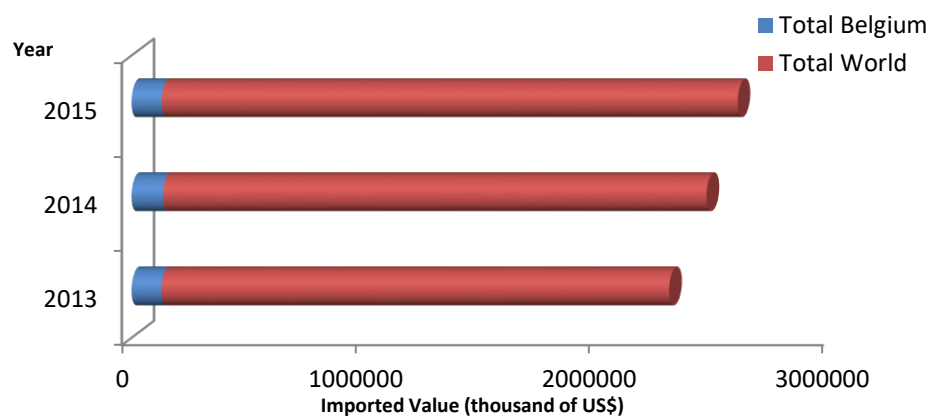


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180690	Chocolate and other food preparations containing cocoa nes
'180632	Chocolate & food preparations containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180631	Chocolate & food preparations containing cocoa in blocks, slabs/bars, filled, not exceeding 2 kg
'180610	Cocoa powder containing sugar or other sweetening matter

**Source:** International Trade Center (ITC)

**Figure 31: USA Total Imported Value Belgium vs. World HS Code 1806**



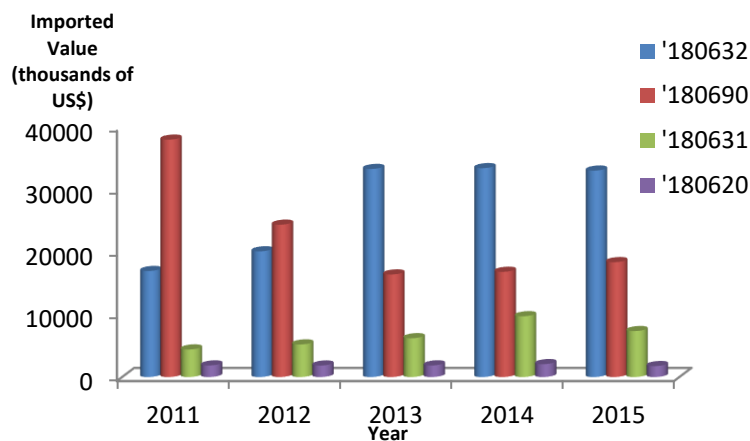
**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE



## Switzerland

According to Statista database, Switzerland has the highest consumption per capita globally in 2015. The imported value trends illustrated in figure 32 indicate that the bilateral trade pattern between the two countries is volatile. There has been a decrease in the imported value of HS Code 180690 during the five year period examined and an inverse relationship for HS Code 180632 which consists of chocolate in blocks, slabs or bars.

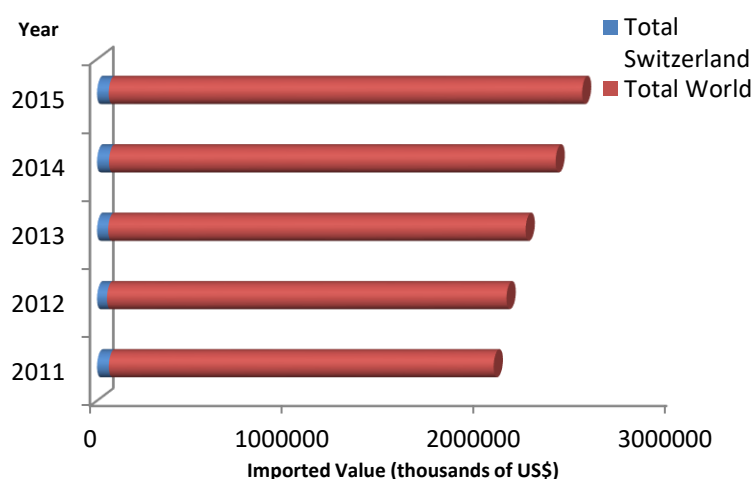
**Figure 32: Bilateral Trade between USA and Switzerland HS Code 1806 (2011 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180632	Chocolate & food preparations containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180690	Chocolate and other food preparations containing cocoa nes
'180631	Chocolate & food preparations containing cocoa in blocks, slabs/bars, filled ,not exceeding 2 kg
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
<b>Source:</b> International Trade Center (ITC)	

**Figure 33: USA Total Imported Value Switzerland vs. World HS Code 1806 (2011 - 2015)**



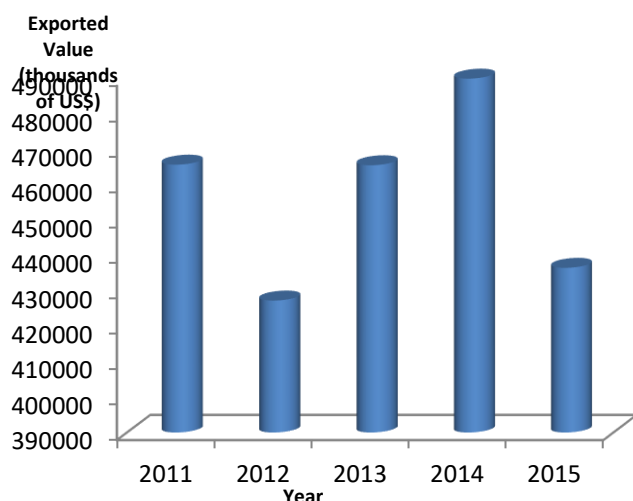
- Overall the imported value to the US of HS Code 1806 and Switzerland's contribution has remained minimal.

**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

Figures 34A and B demonstrate the exporting trends of Switzerland on a global level for the equivalent time period mentioned above. HS Codes 180632 and 180690 are the most highly exported products from Switzerland to the markets of the rest of the world. The other HS Codes which also include cocoa powder containing sugar or sweeteners are exported in minor quantities from Switzerland.

46

**Figure 34A: Total Exports from Switzerland HS Code 180632 (2011 - 2015)**

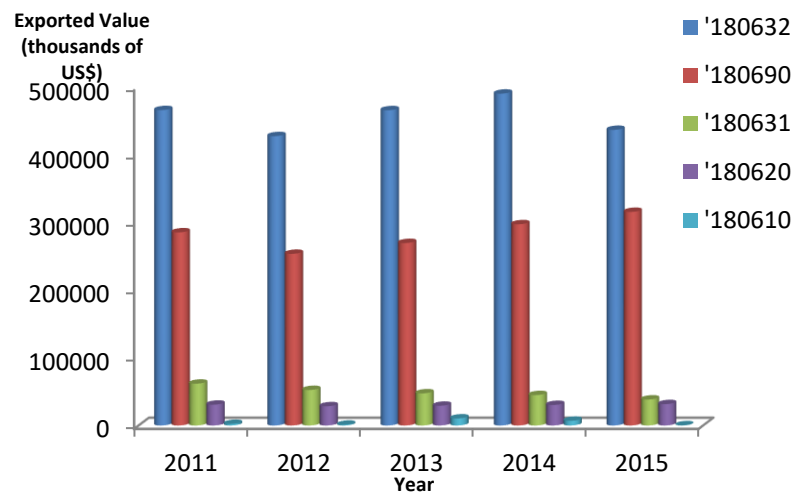


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'180632	Chocolate & food preparations containing cocoa in blocks, slabs/bars, not filled, not over 2 kg
'180690	Chocolate and other food preparations containing cocoa nes
'180631	Chocolate & food preparations containing cocoa in blocks, slabs/bars, filled ,not exceeding 2 kg
'180620	Chocolate & other food preparations containing cocoa weighing more than 2 kg
'180610	Cocoa powder, containing added sugar or other sweetening matter

**Source:** International Trade Center (ITC)

**Figure 34B: Total Exports from Switzerland HS Code 1806 (2011 - 2015)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE





## Chapter 3 | USA Market Analysis

49





### 3.1. US Confectionery Market

- **Chocolate** is the largest part of the \$34.5 billion US confectionery industry.
- Current sales value of **chocolate confectionery** increased by 4% in 2015 reaching a value of \$18.3 billion.
- Between 2015 and 2020 the market for confectionery chocolate is expected to grow at an **average of 2% to a value of \$20.2billion**.
- **Volume sales** of chocolate confectionery is expected to stagnate leading up to 2020, due to competition from snack bars, biscuits and other snacks.
- **Sugar confectionery** is expected to reach \$11.6 billion in 2015 led by mints, growing at 4% annually.
- **36% of sales** of the sugar confectionery industry comes from **pastilles, gums, jellies and chews** and forecasted to grow by 29% by 2020.
- Current sales of **sugar confectionery** increased by 3%, reaching \$10,7 billion
- For **every job created in confectionery another 7** are created in related industries (national confectionery association).

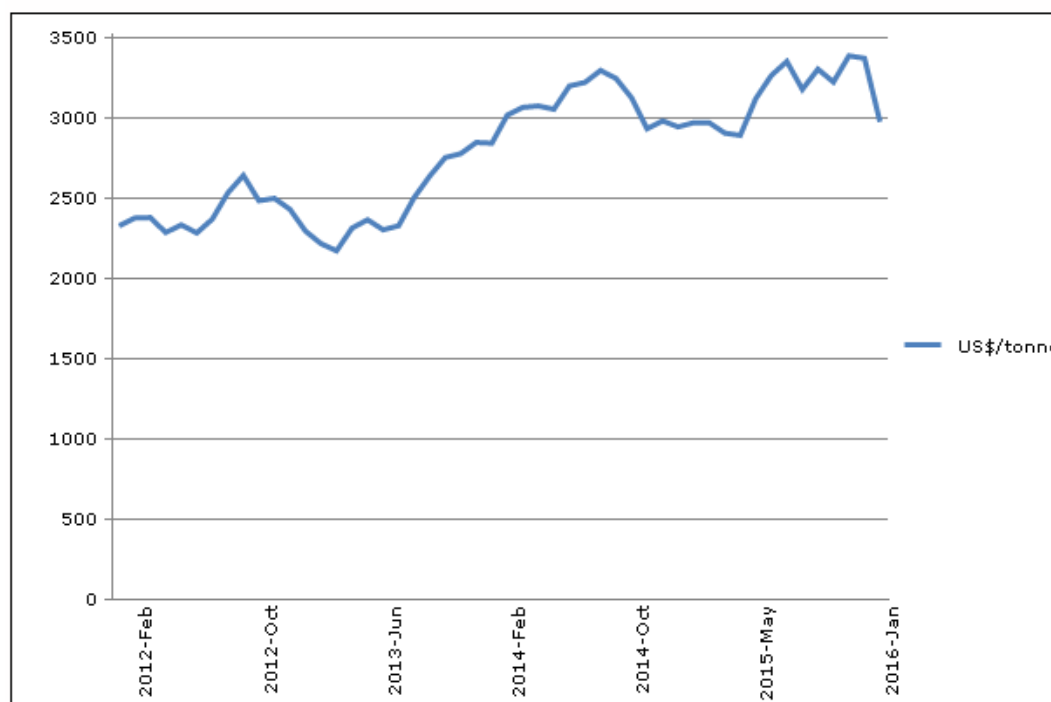
## 3.2. US Cocoa Market

In 2013 the total production of cocoa was estimated at 160,000 tons, over 70% of which originated from African countries. According to the International Cocoa Organization (ICCO) in 2013 global production of cocoa beans decreased by 3.7% compared to the previous season, mainly because of the fall in production from the Ivory Coast and Ghana (Annual Report ICCO, 2013). In Latin America production output fell mainly in the Dominican Republic and Brazil according to the same source. There has been an increase in America and Europe as far as the grinding and processing activities are concerned.

*For the season 2015-2016 production is expected at 4.1 million tons vs. 4.2 million tons in the previous year (ICCO)*

Trade and production of chocolate is directly influenced by prices of the cocoa bean in its unprocessed form. Figure 51 illustrates the monthly averages which indicate a fall in price levels.

**Figure 51: ICCO Monthly Averages of Daily Prices (2012 -2015)**



**Source:** International Cocoa Organization

### 3.3. Key Players

On an international level the top 10 manufacturers of chocolate are summarized below in terms of their annual net sales, three of which have their headquarters in the USA. This suggests that the US domestic market for confectionery chocolate is already a dominant player.

**Figure 52: Main Manufacturers of Chocolate Worldwide (2015)**

Company	Net Sales 2015 (US\$ millions)
Mars Inc (USA)	18,400
Mondelēz International (USA)	16,691
Nestlé SA (Switzerland)	11,041
Ferrero Group (Luxembourg / Italy)	9,757
Meiji Co Ltd (Japan)	8,461*
Hershey Co (USA)	7,422
Chocoladenfabriken Lindt & Sprüngli AG (Switzerland)	4,171
Arcor (Argentina)	3,000
Ezaki Glico Co Ltd (Japan)	2,611*
Yıldiz Holding (Turkey)	2,144

Source: USA Candy Industry, 2016

53

**Figure 53: Top Brand Shares of Sugar Confectionery (% Value)**

% retail value rsp Brand	Company	2012	2013	2014	2015
Halls	Cadbury Adams USA LLC	3.2	3.3	3.3	3.5
Airheads	Perfetti Van Melle USA Inc	1.1	1.3	1.6	2.0
Altoids	Callard & Bowser	1.6	1.7	1.7	1.7
	Suchard Inc				
Brach's	Ferrara Pan Candy Co Inc	1.4	1.3	1.4	1.3
Gummi Savers	Wrigley Jr Co, William	1.5	1.4	1.4	1.3
Haribo Gold-Bears	Haribo of America Inc	0.6	0.8	0.9	1.0
Farley's	Ferrara Pan Candy Co Inc	1.2	1.1	1.1	1.0
Breath Savers	Hershey Co, The	0.9	0.9	0.9	0.9
Charms Blow Pop	Tootsie Roll Industries	0.7	0.7	0.6	0.6

Source: Euromonitor International, 2016

**Figure 54: Sales of Pastilles, Gums, Jellies and Chews (% Value)**

% retail value rsp	2010	2011	2012	2013	2014	2015
Pastilles	29.3	29.2	29.0	28.4	28.1	27.6
Gums, Jellies and Chews	70.8	70.8	71.0	71.6	71.9	72.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

Source: Euromonitor International, 2016

**Figure 55: Sales of Sugar Confectionery by Category (% Volume Growth)**

% volume growth	2014/15	2010-15 CAGR	2010/15 Total
Boiled Sweets	-1.6	-0.8	-4.0
Liquorice	-9.4	-4.3	-19.7
Lollipops	-2.8	-2.6	-12.1
Medicated Confectionery	5.0	1.7	8.7
Mints	1.3	1.3	6.6
- Power Mints	4.1	5.7	32.2
- Standard Mints	0.5	0.3	1.3
Pastilles, Gums, Jellies and Chews	1.4	1.6	8.4
Toffees, Caramels and Nougat	-0.5	-0.4	-1.9
Other Sugar Confectionery	-2.0	-1.4	-6.9
Sugar Confectionery	0.0	0.2	1.1

Source: Euromonitor International from official statistics, trade associations, trade press, company research, store checks, trade interviews, trade sources

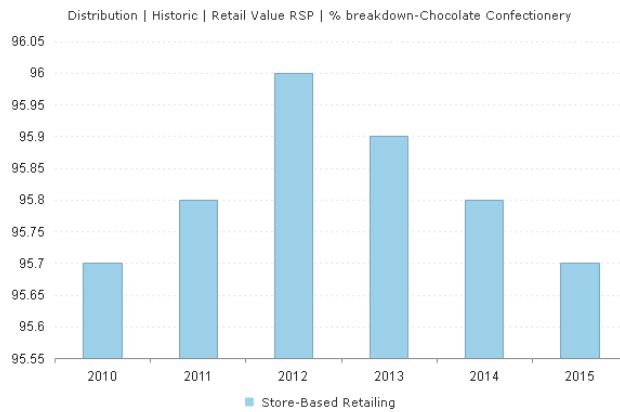
Source: Euromonitor International, 2016

**Figure 56: Brand Shares of Sugar Confectionery (% Value)**

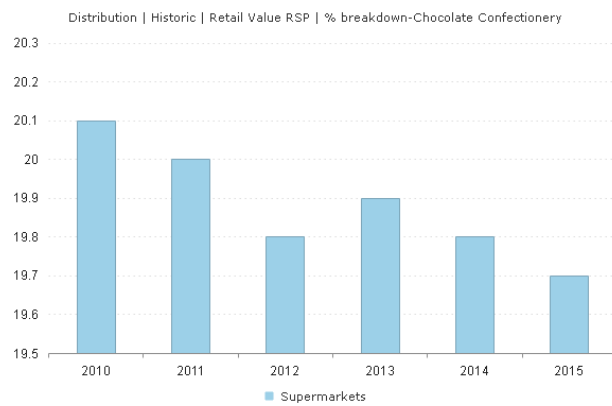
% retail value rsp	Company	2012	2013	2014	2015
Brand					
Halls	Cadbury Adams USA LLC	3.2	3.3	3.3	3.5
Airheads	Perfetti Van Melle USA Inc	1.1	1.3	1.6	2.0
Altoids	Callard & Bowser Suchard Inc	1.6	1.7	1.7	1.7
Brach's	Ferrara Pan Candy Co Inc	1.4	1.3	1.4	1.3
Gummi Savers	Wrigley Jr Co, William	1.5	1.4	1.4	1.3
Haribo Gold-Bears	Haribo of America Inc	0.6	0.8	0.9	1.0
Farley's	Ferrara Pan Candy Co Inc	1.2	1.1	1.1	1.0
Breath Savers	Hershey Co, The	0.9	0.9	0.9	0.9
Charms Blow Pop	Tootsie Roll Industries Inc	0.7	0.7	0.6	0.6

Source: Euromonitor International, 2016

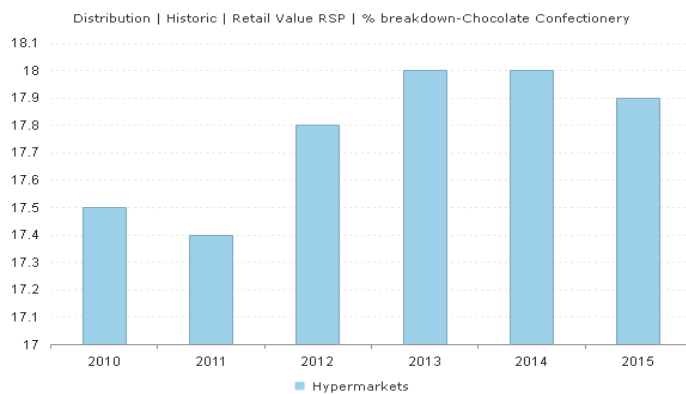
**Figure 57: Distribution of Chocolate Confectionery Channels Store-based Retailing**



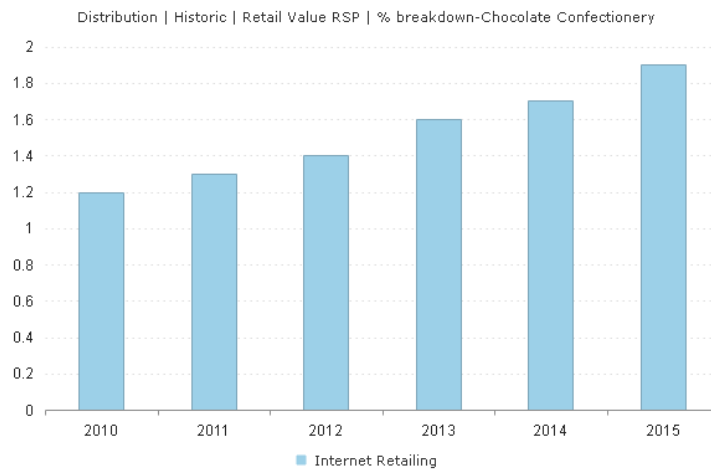
**Figure 58: Distribution of Chocolate Confectionery Channels Supermarkets**



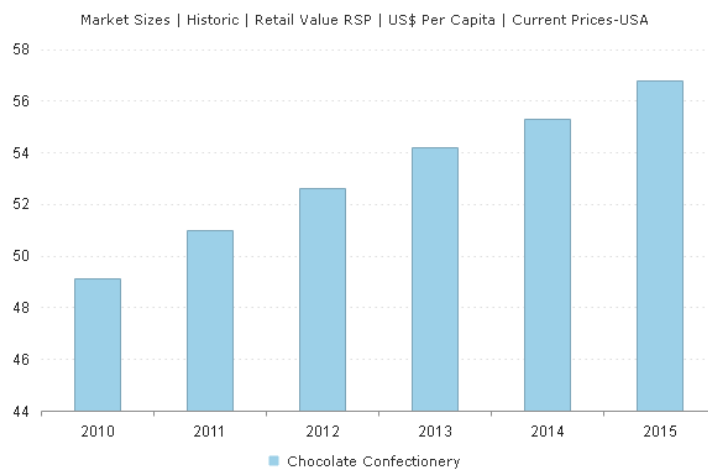
**Figure 59: Distribution of Chocolate Confectionery Channels Hypermarkets**



**Figure 59: Distribution of Chocolate Confectionery Channels Internet Retailing**



**Figure 61: Chocolate Confectionery Market Size (2010 - 2015)**



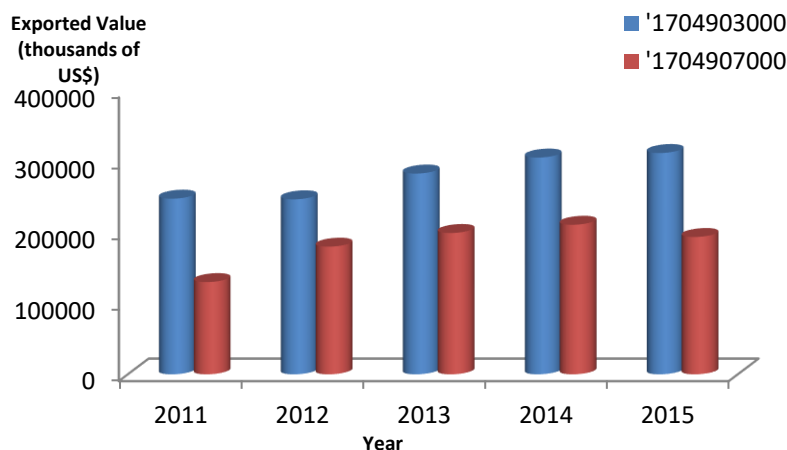
**56**

**All diagrams taken from:** Euromonitor International, 2016



### 3.4. US Confectionery Exporting Market

Figure 62: USA Exported Value for HS Code 170490 (2011 - 2015)

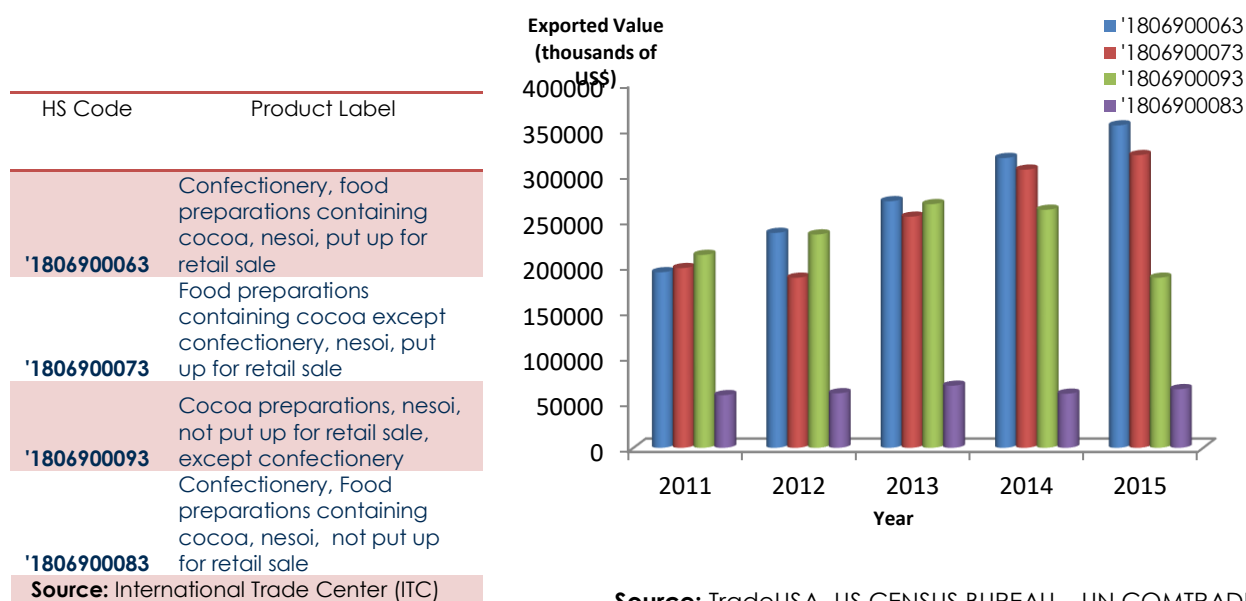


Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE

HS Code	Product Label
'1704903000	Confections or sweetmeats ready for consumption, not containing cocoa
'1704907000	Sugar confectionery (including white chocolate), not containing coca, nesoi
Source: International Trade Center (ITC)	

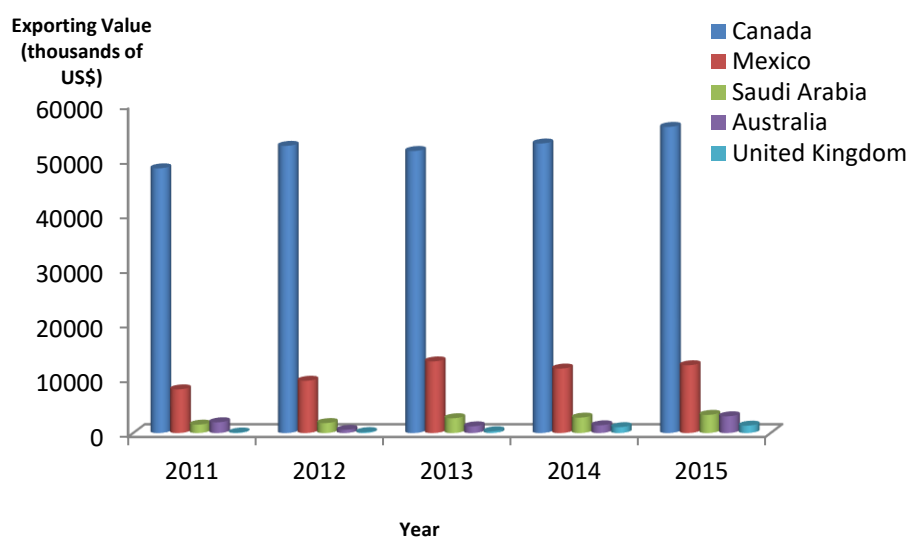
57

Figure 63: USA Exported Value for HS Code 180690 (2011 - 2015)



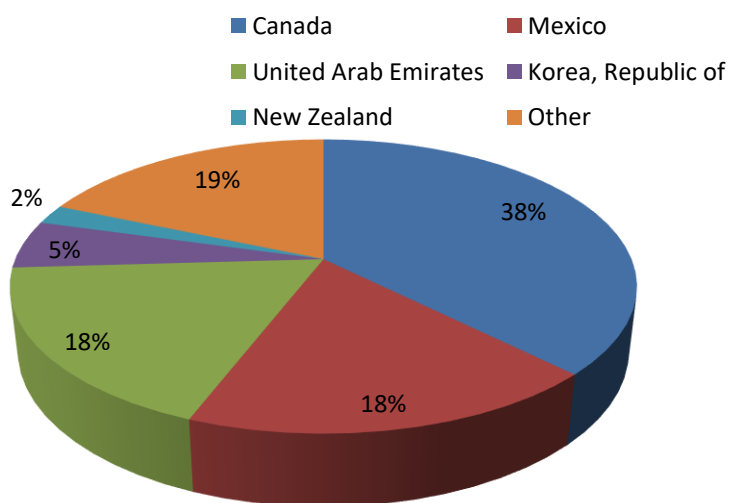
Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 64: USA Top Exporting Partners for Waffles and Wafers (HS Code 190532)**



**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

**Figure 65: Top 2015 Importing Countries from the US Gum Confectionery & Gum (HS Code 210690)**

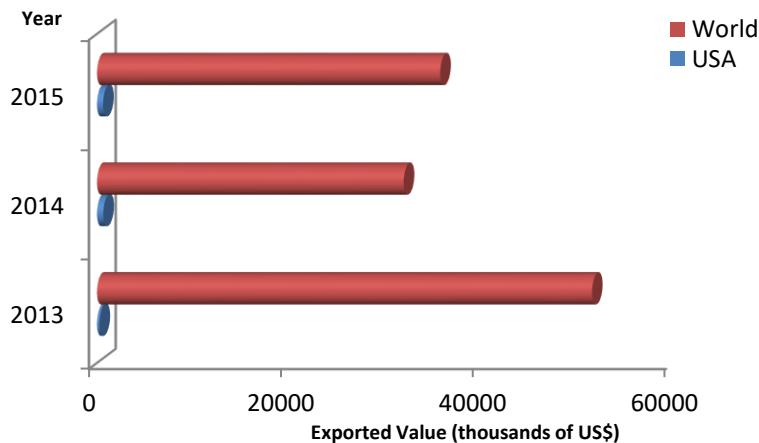


**Source:** TradeUSA- US CENSUS BUREAU – UN COMTRADE

### 3.5. Greek Confectionery Importing Market to the US

- Chocolate confectionery industry declined by 3% in 2015 and is expected to decline further, while sales shift from kiosks to supermarkets.

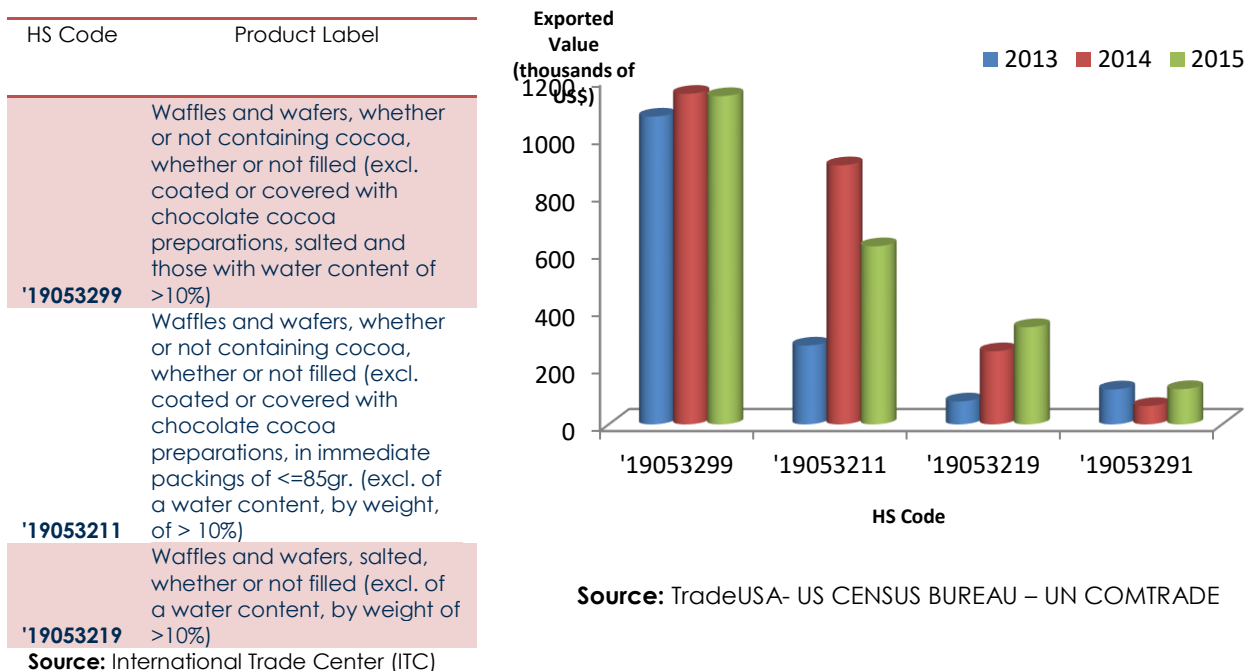
**Figure 66: Greek Exports to USA vs. World Chocolate & Other cocoa preparations (HS Code 180690)**



Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE

59

**Figure 67: Greek Exported Value to the USA for Waffles & Wafers (HS Code 190532)**



Source: TradeUSA- US CENSUS BUREAU – UN COMTRADE



## Chapter 4 | Consumer Trends

61





## 4.1. Mega Trends

In 2015 the USA consumers for confectionery chocolate presented the following trends according to the Euromonitor International:

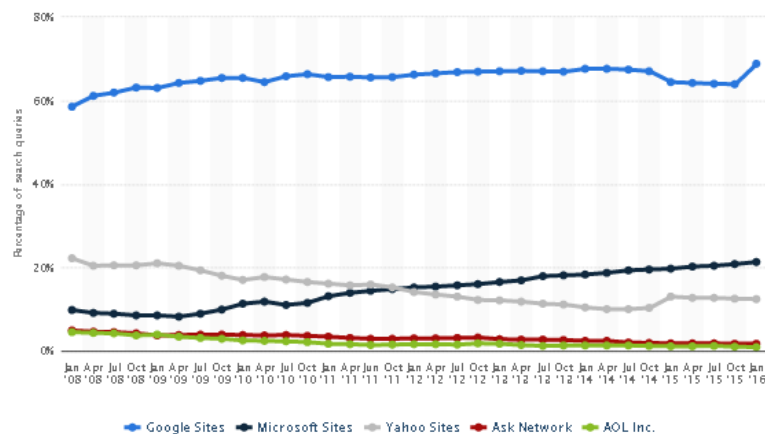
- Confectionery is one of the impulse items for consumers. The decline in petrol prices has also influenced the way in which these consumers have increased their spending in small shop chocolate.
- Overall increase in the market share reaches a value of  
Affected by increased consumer demand particularly in premium chocolate has influenced the market
- Plain dark chocolate (with inelastic demand) presented a strong growth in tablets, growing at a rate of 7% and gained market share at 21% and is the most popular amongst US consumers.
- New product launches with high cocoa content encouraged this trend and are preferred because of their potential health benefits and higher quality ingredients.
- New products, including filled chocolate tablets with new flavors, have encouraged the market to expand and grow.
- Seasonal chocolate has grown in terms of its current value 9% and 7% respectively during the past two years.

## 4.2. Digital Footprint

In order to understand average consumer tendencies in a complete manner, it is essential to consider the influence of modern technological advances and research methods since technology has become an essential tool in the everyday life of US consumers. The internet is a major way through which the average US consumer is informed. On average in 2008, US consumers' daily media consumption was approximated at 100,500 words or almost 12 hours, according to research at the University of California (Measuring Consumer Information, 2012).

Google was rated as the top US search engine provider for the past eight consecutive years<sup>5</sup> and in the beginning of 2016, Google as the market leader contributed to 68.8% of the total searches in the US (ibid.).

**Figure 68: Online Queries per Search Engine (2008 -2015)**



Source: Statista, 2016

"Google trends" is a useful tool which enables the user to calculate the popularity of the inserted term and is used in this section to analyze the online US consumer trends that are using Google as their search engine.

The method with which the number of searches is calculated is by dividing the number of queries for the keyword, by the total number of Google search queries. The results can be grouped geographically according to region, state, city or across time. They are updated on a daily basis.

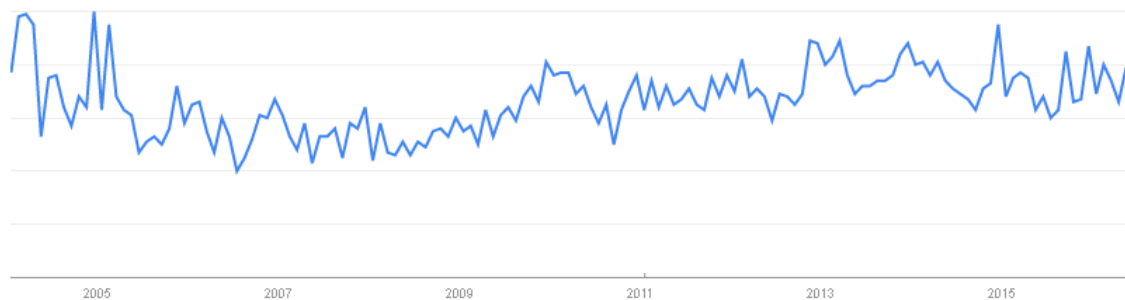
There are inaccuracies which may occur (approximations and sampling issues) which have to be taken into consideration when the relative results are analyzed (<http://whatis.techtarget.com/definition/Google-Trends>).

A graphical representation for each keyword searched is presented and analyzed below.

<sup>5</sup> Statista, 2016



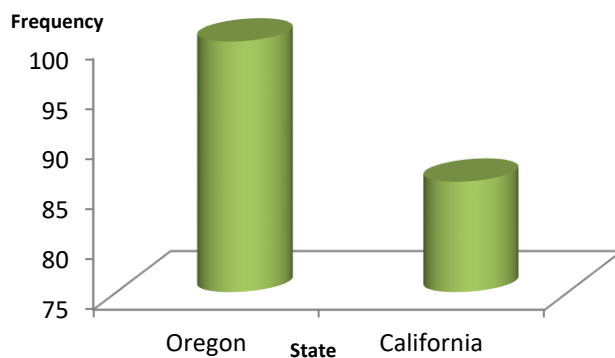
**Figure 69: “Confectionery” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

The results indicate a high tendency of US consumers to search the term confectionery throughout the 10 year period being examined. The fluctuations seem to follow a random pattern which may be seasonally adjusted.

**Figure 70: “Sugar Confectionery” by state**



**Source:** Google Trends, 2016

When searching the sub-category “sugar confectionery” the two bordering states of Oregon and California, on the West Coast were the ones in which the US consumers tend to search the term most frequently. California is a state which attempts to maintain a high demand of desserts by putting emphasis on healthy ingredients such as dates, coconut and gluten-free products.

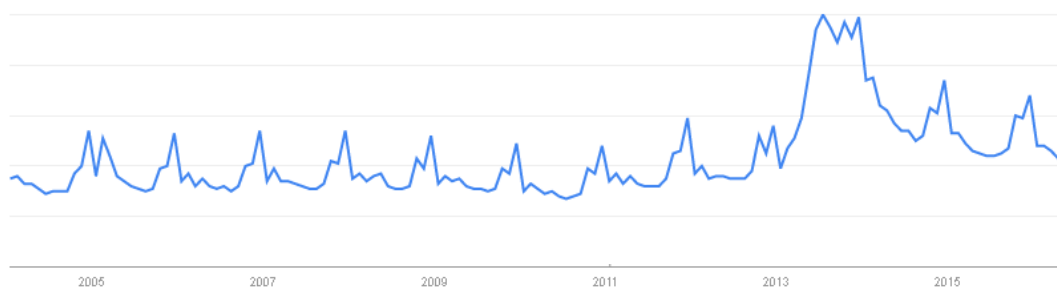
**Figure 71: “Gum” in the USA geographically**



Gum is part of the confectionery industry and is densely searched throughout the United State, as the figure above indicates. The darker shades of blue indicate the areas in which the term is most frequently searched.

**Source:** Google Trends, 2016

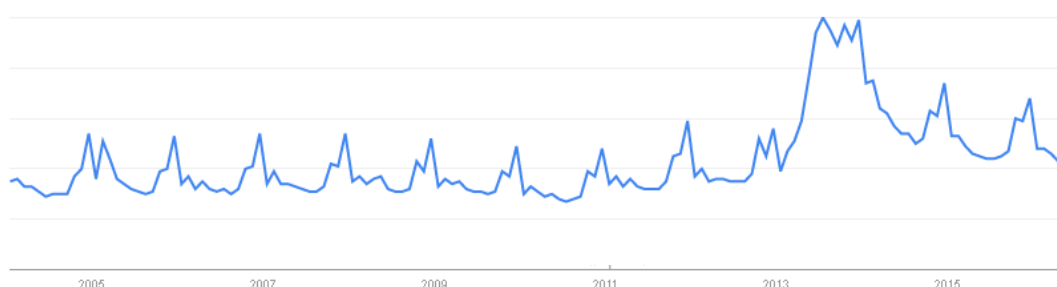
**Figure 72: “Candy” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

The searches for “candy” as a keyword peaked in 2014, after which the following years declined. In addition the searches follow a seasonal cycle which peaks in the final months of each year. Halloween candy is a particular type of seasonal candy the searches for which have also in 2014. It is interesting to note that many states have their preferred Halloween candies.

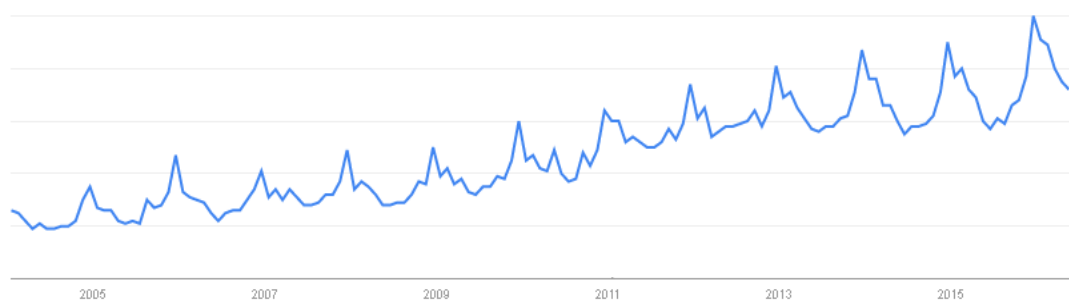
**Figure 73: “Halloween Candy” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

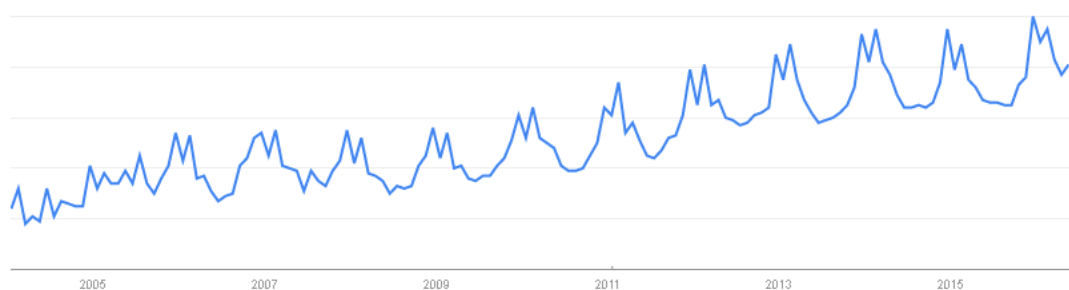
Chocolate is considered a separate section of the confectionery industry and in contrast to the consumer trends followed by the other confectionery sections. Milk chocolate has been increasingly searched seasonally and peaked once annually. It is also the case that during the festive months indicates that the consumers are more inclined to search for chocolate related products. Both figures 75 and 76 support this empirical trend in the sense that they follow an upward trend and a seasonally standardized pattern amongst consumers.

**Figure 74: “Milk Chocolate” in the USA empirically (2005 - 2015)**



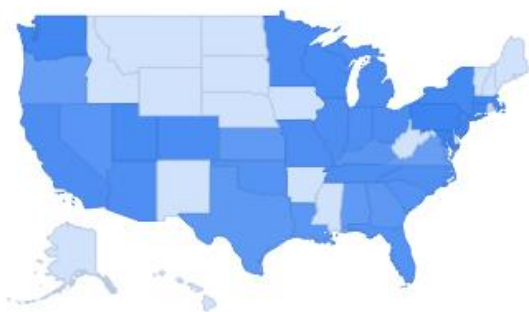
**Source:** Google Trends, 2016

**Figure 75: “Dark Chocolate” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

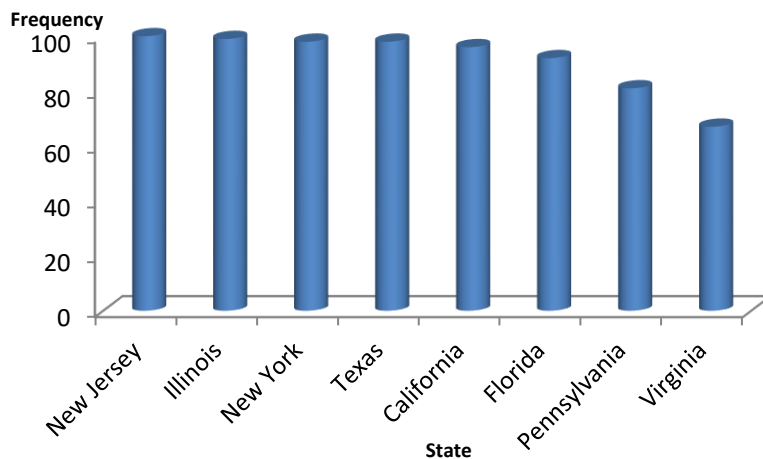
**Figure 76: “Dark chocolate” geographically in the USA**



The consumer tendency of “dark chocolate” also follows a seasonal upward trend, indicating an increased interest from US consumers to become familiar with the product. The internet allows the consumer to know the product and its benefits, as well as whether it is domestically produced or

**Source:** Google Trends, 2016

**Figure 77: “Dark chocolate benefits” by state**

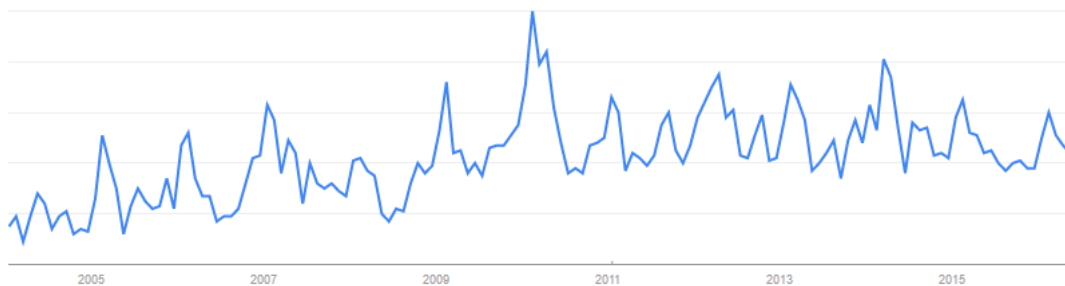


The states in which citizens searched for the benefits of dark chocolate, the most popular chocolate amongst US consumers, are presented in figure 77.

Overall the frequency of the results is particularly high in states across the whole of the US. Figure 78 presents the trend empirically and marks a clear peak in 2010.

**Source:** Google Trends, 2016

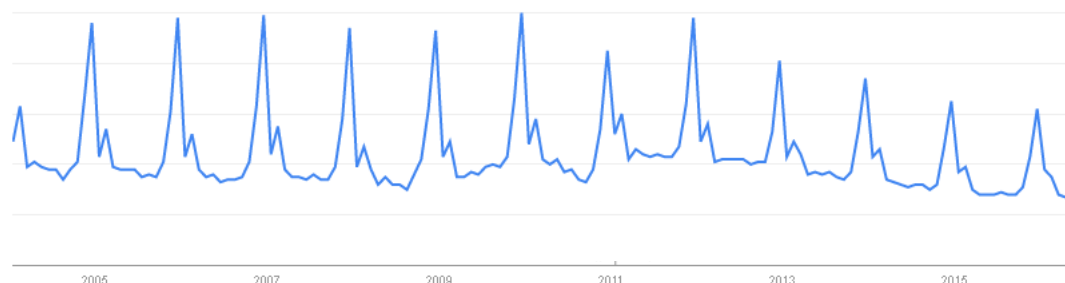
**Figure 78: “Dark chocolate benefits” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

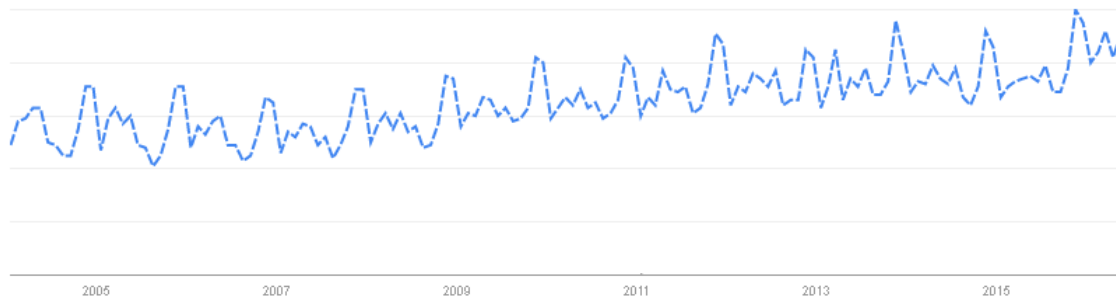
When searching for the keyword chocolate recipes the annual cycle peaking in the Christmas season is repeated during the 10 year period examined below.

**Figure 79: “Chocolate Recipes” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

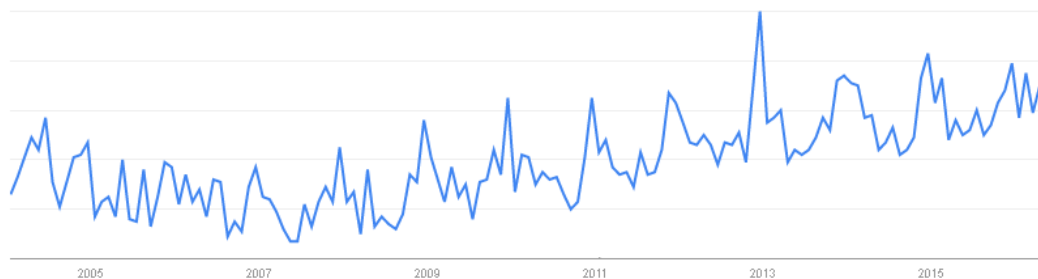
**Figure 80: “Dessert” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

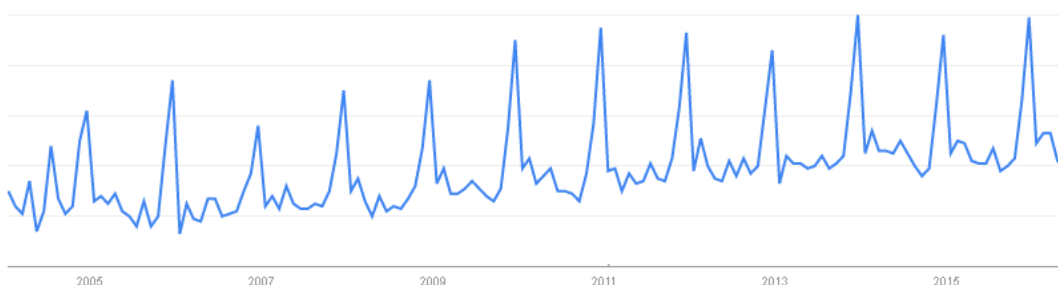
On the contrary the searches for the term dessert are following a stable linear upward trend during the same period, indicating that the lifestyles and eating habits of the US citizens are going to include confectionery and related products. Figures 81 and 82 support the existence of this trend.

**Figure 81: “Chocolate with almonds” in the USA empirically (2005 - 2015)**



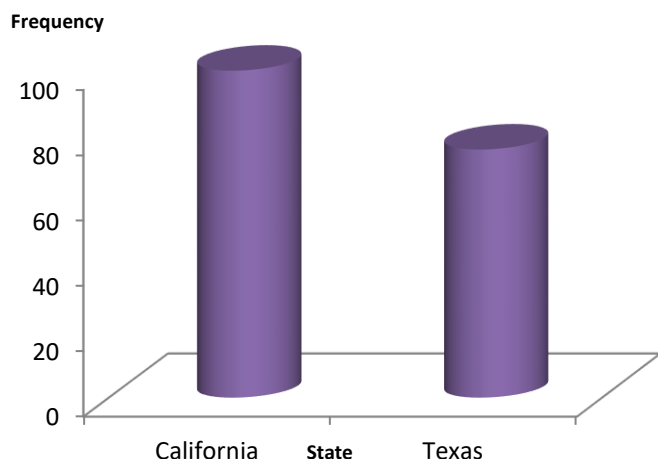
**Source:** Google Trends, 2016

**Figure 82: “Chocolate Wafers” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

**Figure 83: “Assorted chocolate” by state**



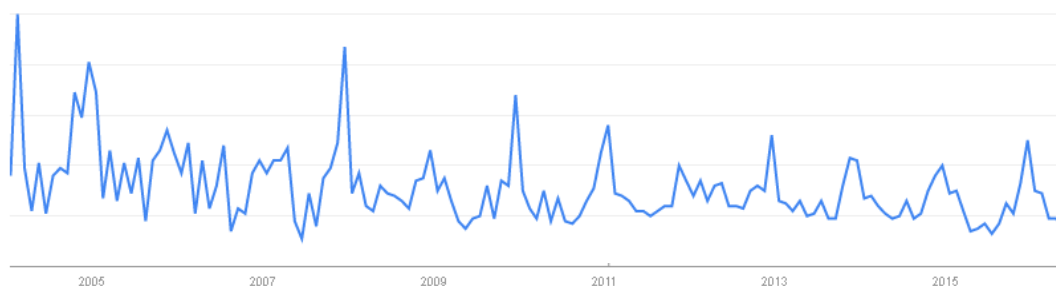
The top states for the term “assorted chocolate” are presented in figure 83.

Both Texas (Chocolate Festival of Texas) and California (Ghirardelli Chocolate Festival) hold chocolate festivals in 2016 and 2017.

On the contrary the term chocolate beverages online, is searched less across time by the average US citizen according to “Google Trends”. Figure 85 identifies in the states in which “moka” is most frequently searched amongst US consumers.

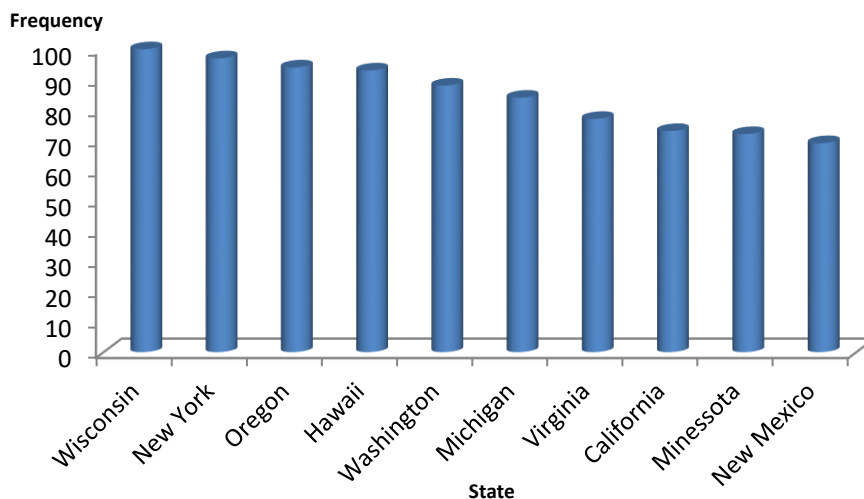
**Source:** Google Trends, 2016

**Figure 84: “Chocolate Beverage” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016

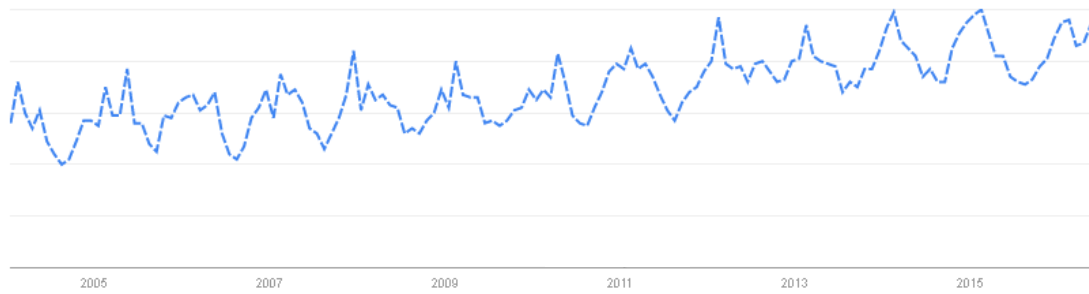
**Figure 85: “Moka” in the USA by state**



**Source:** Google Trends, 2016

The cocoa bean from which cocoa butter and powder is extracted, continues to be of major interest to the average US consumer. Figure 86 presents this trend and suggests that in the long-run the cocoa bean and its related products will continue to be popular in the US market.

**Figure 86: “Cocoa bean” in the USA empirically (2005 - 2015)**



**Source:** Google Trends, 2016





### 4.3. Key Findings & Insights



- Canada, Latin American and Europe are the US's major trade partners for the confectionery industry.
- For all of the confectionery groups, the Canadian supply market is amongst the first, if not the most dominant importing market.
- Western Africa has the majority of the global cocoa production, however the US imports are mainly from Latin America and European countries, indicating that trade relationships and transportation costs play an essential role in the formation of bilateral trade patterns.
- The European market has potential to engage further in trade. Switzerland, Belgium, Poland Denmark and Germany already capture important market shares in the confectionery industry.
- The Transatlantic Trade and Investment Partnership (TTIP) agreement, which aims to promote trade and multilateral economic growth once implemented may enhance and boost bilateral trade patterns between the US and Europe by harmonizing regulations and simplifying trade procedures.
- The confectionery market in the US is a closed market since it has various barriers to entry. The potential exists for those who are supplying the market with differentiated products.
- Demand of cocoa and confectionery products with cocoa content in the US is expected to continue to rise , particularly since recent research has highlighted the health benefits of dark chocolate (which is rich in antioxidants) including the prevention of heart disease amongst others.

73