Leveraging Voluntary Food Standards to Enhance Export Competitiveness: Evidence from Sri Lanka's Coconut-Based Processed Food Industry

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The expansion of global food trade has heightened the importance of Voluntary Food Standards (VFS) in ensuring food quality, safety, and international market access. Although Sri Lanka possesses a strong coconut resource base and established processing capacity, its coconut-based processed food industry continues to demonstrate underutilized export potential, partly due to limited alignment with evolving buyer requirements and market-specific certification expectations. This study examines how VFS can be leveraged to enhance export competitiveness in Sri Lanka's coconut-based processed food industry. Export competitiveness is defined as the ability of firms to access, maintain, and expand their presence in international markets through compliance with buyer requirements, product differentiation, strengthened buyer confidence, and improved market positioning. The study provides sector-specific evidence on how exporters apply food standards across different destination markets. A qualitative research design was employed to generate in-depth insights into certification practices, buyer expectations, and market-specific requirements. Primary data were collected through purposive sampling from 34 direct exporters and 25 industry experts representing the coconut-based processed food sector. Structured questionnaires, semi-structured interviews, and focus group discussions were used to gather data. The study considered major export destinations, including the United States, European Union, Middle East, Canada, India, and Australia. Thematic analysis was applied to identify recurring patterns relating to certification adoption, export strategies, and competitiveness. The findings indicate that VFS play a central role in facilitating access to high-value markets, supporting product differentiation, and strengthening buyer confidence. All surveyed exporters held ISO 22000 certification, while 93% also possessed organic certification, reflecting a strong industry commitment to food safety and sustainability-related standards. However, the strategic use of VFS varied across firms. High certification costs, infrastructure limitations, and gaps in technical expertise constrained the ability of some exporters to fully capitalize on certification benefits. The study concludes that VFS extend beyond compliance requirements and function as strategic instruments for unlocking Sri Lanka's underutilized export potential in coconut-based processed foods. Strengthening institutional support, improving technical capacity, and reducing financial barriers to certification adoption will be essential to enable broader participation and enhance the global competitiveness of the sector.

Keywords: voluntary food standards, export competitiveness, market access, certification adoption, coconut-based processed foods