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Tree Nuts

Annual

2008

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Report Highlights:

U.S. tree nut exports are indispensable to the European market. They are a primary source of EU almond, walnut, and pistachio imports. The value of U.S. tree nuts exports to the EU was 1.4 billion dollars in 2007; in value, tree nuts were the number one consumer-ready product sold in Europe. Production has increased for almonds, walnuts and especially for hazelnuts in the current marketing year due to excellent weather conditions and the resulting bountiful crop in Italy. Pistachio production has decreased incrementally, because it is an off-year in typically cyclic production in Italy. Production in Spain, France and Greece remain relatively stable from 2007.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1]
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Introduction

This report presents the outlook for tree nuts, and Production, Supply and Demand (PS&D) forecasts for the Marketing Year (MY) 2008/2009. Unless stated otherwise, data in this report is based on the views of Foreign Agricultural Service analysts in the EU and is not official USDA data.

This report would not have been possible without the valuable expert contributions from the following Foreign Service analysts:

Marie-Cecile Henard, FAS/Paris
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Stamatis Sekliziotis, FAS/Athens

Executive Summary

This report updates the April 2008 report on tree nuts. The production, supply and demand tables for producing countries through out the European Union (EU) are consolidated. In addition, the aflatoxin information was updated. The policy environment remains unchanged.

The EC policies generally permit policy application flexibilities at the Member State level. Information about Member State application of the EC policies will reside with USDA/FAS Member State analysts.

The supply and demand tables in this report include hectares planted, harvested, and production statistics from the respective Member State Ministries of Agriculture, and from FAS Member State analysts for the estimates and forecasts. We used Global Trade Systems trade data, excluding EU intra-trade except in the case of current-year estimates and out-year forecasts. We used reasonable yet variable stocks levels that facilitate continued and consistent per capita domestic consumption and the Eurostat population data base for EU-27 population estimates.

From time-to-time, we will feature U.S. tree nut market opportunities in specific Member States or point the reader to specific market opportunity reports generated from FAS offices in specific Member States. Otherwise, we will only reference the overall EU market, which we believe is ultimately the interest of major U.S. tree nut exporters, export associations and U.S. Government officials.

EU Tree Nut Production Policy

European Commission (EC) Regulation EC/1782/2003 establishes the over-arching rules for direct tree-nut production subsidies under the Common Agricultural Policy (CAP).

- Community Aid: Article 83 and 84, Paragraph 1
A Community aid shall be granted to farmers producing nuts under established conditions (Article 86). Almond, hazelnut, walnut, pistachio and locust bean producers will receive a general Community aid of 241.50 Euro per hectare; hazelnut producers will receive an additional aid of 105 Euros per hectare. Member States shall grant Community aid within the limit of a ceiling calculated by multiplying the number of hectares of its National Guaranteed Area (NGA) by the average amount of 120.75 Euro.
- Countries eligible and Hectare Limitations: Article 84, Paragraph 3

Country	National Guaranteed Area (NGA)
Belgium	100
Germany	1,500
France	17,300
Greece	41,100
Italy	130,100
Luxembourg	100
Netherlands	100
Austria	100
Portugal	41,300
Spain	568,200
United Kingdom	100

Unit : hectares

- National Aid: Article 87
Member States may grant a national aid, in addition to the Community aid, up to a maximum of 120.75 Euro/hectare/year.

EU Tree Nut Trade Policy

Tariff Rate/Quotas: Annex I - EC 973/2006 establishes tariff rate quotas (TRQs) bound under GATT.

Combined Nomenclature/ TARIC subheading	Description	Quota Period	Quota Volume (tonnes)	Duty rate (%)
0802 11 90 0802 12 90	Almonds, fresh or dried, whether or not shelled, other than bitter	1 January to 31 December	90,000	2

Special Measures for Aflatoxin Testing of U.S. almonds: EC Decision 2007/563/EC establishes special conditions for almonds and derived products originating in or consigned from the United States of America due to contamination risks of these products by aflatoxins.

The new regime applies to almonds in shell or shelled, roasted almonds and mixtures of nuts or dried fruits containing almonds, and foodstuffs containing a significant amount of almonds

(at least 10 percent). Member States are required to test approximately five percent of almond consignments that have been inspected under the California voluntary aflatoxin sampling program (VASP). For those shipments that do not carry a VASP certificate, Member States are required to test all shipments.

Currently, the EU Expert Committee on Contaminants is discussing the alignment of the EU aflatoxin legislation with the recommendations adopted in July by the Codex Alimentarius Commission (CAC). The recommendations adopted by the CAC for aflatoxin limits and the sampling plan for almonds, hazelnuts and pistachios are as follows:

Ready-to-eat: 10ppb total aflatoxin, based on 2x10 kg samples

For further processing: 15ppb total aflatoxin, based on a single 20 kg sample

The following special EC and Member State reports detail the effects of these special measures:

<http://useu.usmission.gov/agri/contaminants.html>

Add our reports:

EU-27 Tree Nuts Annual: [E48030](#)

Germany: [GM8007](#)

Spain: [SP7009](#)

EU Tree Nut Market Enhancement Policy

EC 3/2008 establishes promotion measures for agricultural products on the internal market and in third countries, including tree nuts.

Information and promotion measures: Article 2

The primary interest in promoting farm products lies with producers, wholesalers and retailers, the processing industry, exporters and Member States. Some promotion measures include public relations work, promotion and advertising, information campaigns, etc. On the internal market, the measures may take the form of participation in events, fairs and exhibitions of national or European importance. In third countries, the measures may include participation in events, fairs and exhibitions of international importance, studies of new markets, necessary for the expansion of market outlets and high-level trade visits.

Commodity Name: Almonds, Shelled

PSD Table

Country	EU-27									UOM
	Almonds, Shelled Basis									
Commodity	2006			2007			(HA)(1000 TREES)(MT)			
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
	USDA	Post	Estimate	USDA	Post	Estimate	USDA	Post	Estimate	
	Official	Estimate	New	Official	Estimate	New	Official	Estimate	New	
Market Year Begin		09/2006	09/2006		09/2007	09/2007		09/2008	09/2008	MM/YYYY
Area Planted	739669	739669	739669	738132	738132	738132	737300	737300	719930	(HA)
Area Harvested	642372	642372	642372	641085	641085	639085	587900	587900	637000	(HA)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	35000	35000	35000	45000	45000	45000	35000	35000	35000	(MT)
Production	103575	103575	103575	84000	84000	83666	108500	108500	89090	(MT)
Imports	174860	174860	174860	185000	185000	185000	195000	195000	195000	(MT)
Total Supply	313435	313435	313435	314000	314000	313666	338500	338500	319090	(MT)
Exports	7108	7108	7108	7000	7000	7000	7500	7500	7500	(MT)
Domestic Consumption	261327	261327	261327	272000	272000	271666	286000	286000	266590	(MT)
Ending Stocks	45000	45000	45000	35000	35000	35000	45000	45000	45000	(MT)
Total Distribution	313435	313435	313435	314000	314000	313666	338500	338500	319090	(MT)

Sources:

Area Planted/Area Harvested/Production – Ministries of Agriculture in Spain, Italy and Greece.
 Beginning and Ending Stocks/Domestic Consumption – FAS/Europe estimates/forecasts.
 Imports/Exports - Global Trade Atlas through 2006. FAS/Europe forecasts otherwise.

Trade Tables

Import Trade Matrix**Country**

EU-27

Commodity

Almonds, Shelled Basis

Time Period

Sept/Aug

Units:

Metric Tons

Imports for:

2006

2007

U.S.

167,067

U.S.

175,000

Others

Others

Australia	2,170	Australia	2,500
Morocco	1,445	Morocco	1,600
Syria	1,290	Chile	1,200
Chile	1,020	Syria	1,000
Iran	460	Iran	500

Total for Others

6,385

6,800

Others not Listed

1,408

3,200

Grand Total

174,860

185,000

Export Trade Matrix**Country**

EU-27

Commodity

Almonds, Shelled Basis

Time Period

Sept/Aug

Units:

Metric Tons

Exports for:

2006

2007

U.S.

1,511

U.S.

1,500

Others

Others

Switzerland	1,629	Switzerland	2,000
Ceuta	682	Ceuta	500
Japan	367	Japan	400
Norway	302	Norway	300
Algeria	276		
Turkey	241		

Total for Others

3,497

3,200

Others not Listed

2,100

2,300

Grand Total

7,108

7,000

Commodity Name: Walnuts, Shelled

PSD Table

Country	EU-27									UOM
	Walnuts, Inshell Basis									
Commodity	2006			2007			2008			
	Revised	Post	Estimate	Estimate	Post	Estimate	Forecast	Post	Estimate	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	MM/YYYY
Area Planted	40900	40900	22754	40900	40900	22970	40900	40900	22870	(HA)
Area Harvested	25000	25000	21495	25000	25000	21970	25000	25000	21970	(HA)
Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	40000	40000	40000	40000	40000	40000	30000	30000	30000	(MT)
Production	50000	50000	52235	36000	36000	44230	48500	48500	44500	(MT)
Imports	167963	167963	167963	170000	170000	170000	180000	180000	180000	(MT)
Total Supply	257963	257963	260198	246000	246000	254230	258500	258500	254500	(MT)
Exports	32850	32850	32850	20000	20000	20000	22000	22000	22000	(MT)
Domestic Consumption	185113	185113	187348	196000	196000	204230	206500	206500	202500	(MT)
Ending Stocks	40000	40000	40000	30000	30000	30000	30000	30000	30000	(MT)
Total Distribution	257963	257963	260198	246000	246000	254230	258500	258500	254500	(MT)

Sources:

Area Planted/Area Harvested/Production – Ministries of Agriculture in Spain and France.
 Beginning and Ending Stocks/Domestic Consumption – FAS/Europe estimates/forecasts.
 Imports/Exports - Global Trade Atlas through 2006. FAS/Europe forecasts otherwise

Trade Tables

Import Trade Matrix**Country**

EU-27

Commodity

Walnuts, Inshell Basis

Time Period

Oct/Sept

Units:

Metric Tons

Imports for:

2006

2007

U.S.

80,156

U.S.

83,000

Others

Others

Moldova	23,185	Moldova	25,000
India	22,194	India	25,000
Chile	15,790	Chile	20,000
China	14,044	China	15,000
Ukraine	6,485	Moldova	

Total for Others

81,698

85,000

Others not Listed

6,109

2,000

Grand Total

167,963

170,000

Export Trade Matrix**Country****Commodity**

Time Period

Oct/Sept

Units:

Metric Tons

Imports for:

2006

2007

U.S.

657

U.S.

800

Others

Others

Turkey	11,111	Turkey	10,000
Moldova	5,419	Moldova	6,000
Switzerland	2,692	Switzerland	3,000
Iraq	901		
Albania	892		
Norway	672		

Total for Others

21,687

19,000

Others not Listed

10,506

200

Grand Total

32,850

20,000

Commodity Name: Hazelnuts, Shelled

PSD Table

Country Commodity	EU-27 Filberts, Inshell Basis									UOM
	2006			2007			2008			
	Revised	Post	Estimate	Estimate	Post	Estimate	Forecast	Post	Estimate	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	09/2006	09/2006		09/2007	09/2007		09/2008	09/2008	MM/YYYY	
Area Planted	0	0	89622	0	0	89800	0	0	90000 (HA)	
Area Harvested	90833	90833	87720	91400	91400	88300	91400	91400	88500 (HA)	
Bearing Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Non-Bearing Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Total Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Beginning Stocks	20000	20000	20000	50000	50000	50000	35000	35000	35000 (MT)	
Production	144500	144500	144810	100700	100700	98000	144000	144000	158500 (MT)	
Imports	230167	230167	230167	250000	250000	250000	240000	240000	240000 (MT)	
Total Supply	394667	394667	394977	400700	400700	398000	419000	419000	433500 (MT)	
Exports	10132	10132	10132	10000	10000	10000	10000	10000	10000 (MT)	
Domestic Consumption	334535	334535	334845	355700	355700	353000	369000	369000	383500 (MT)	
Ending Stocks	50000	50000	50000	35000	35000	35000	40000	40000	40000 (MT)	
Total Distribution	394667	394667	394977	400700	400700	398000	419000	419000	433500 (MT)	

Sources:

Area Planted/Area Harvested/Production – Ministries of Agriculture in Spain and Italy.
Beginning and Ending Stocks/Domestic Consumption – FAS/Europe estimates/forecasts.
Imports/Exports - Global Trade Atlas through 2006. FAS/Europe forecasts otherwise.

Trade Tables

Import Trade Matrix**Country**

EU-27

Commodity

Filberts, Inshell

Time Period

Sept/Aug

Units:

Metric Tons

Imports for:

2006

2007

U.S.

4,237

U.S.

4,000

Others

Others

Turkey	193,428	Turkey	210,000
Georgia	22,306	Georgia	25,000
Azerbaijan	3,721	Azerbaijan	5,000
Chile	955	Chile	1,500
China	621	China	1,000
Vietnam	396		
Total for Others	221,427		242,500
Others not Listed	4,503		3,500
Grand Total	230,167		250,000

Export Trade Matrix**Country**

EU-27

Commodity

Filberts, Inshell

Time Period

Sep/Aug

Units:

Metric Tons

Exports for:

2006

2007

U.S.

112

U.S.

100

Others

Others

Switzerland	4,448	Switzerland	5,000
Norway	1,195	Norway	2,000
Croatia	806	Canada	1,000
Canada	753	Croatia	1,000
Turkey	554		
Serbia	520		
Brazil	384		
Total for Others	8,660		9,000
Others not Listed	1,360		900
Grand Total	10,132		10,000

Commodity Name: Pistachios, In shell

PSD Table

Country Commodity	EU-27 Pistachio, Inshell Basis									UOM
	2006			2007			2008			
	Revised	Post	Estimate	Estimate	Post	Estimate	Forecast	Post	Estimate	
	Official	Estimate	New	Official	Estimate	New	Official	Estimate	New	
Market Year Begin	09/2006	09/2006		09/2007	09/2007		09/2008	09/2008	MM/YYYY	
Area Planted	8407	8407	8407	8372	8372	8372	8352	8352	8352 (HA)	
Area Harvested	8307	8307	8307	8372	8372	8372	8352	8352	8352 (HA)	
Bearing Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Non-Bearing Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Total Trees	0	0	0	0	0	0	0	0	0 (1000 TREES)	
Beginning Stocks	20505	20505	20505	15000	15000	15000	14000	14000	14000 (MT)	
Production	9200	9200	9200	13000	13000	13000	9200	9200	9200 (MT)	
Imports	118194	118194	118194	118000	118000	118000	125000	125000	125000 (MT)	
Total Supply	147899	147899	147899	146000	146000	146000	148200	148200	148200 (MT)	
Exports	1886	1886	1886	2000	2000	2000	2000	2000	2000 (MT)	
Domestic Consumption	131013	131013	131013	130000	130000	130000	132200	132200	132200 (MT)	
Ending Stocks	15000	15000	15000	14000	14000	14000	14000	14000	14000 (MT)	
Total Distribution	147899	147899	147899	146000	146000	146000	148200	148200	148200 (MT)	

Sources:

Area Planted/Area Harvested/Production – Ministries of Agriculture in Italy and Greece.
 Beginning and Ending Stocks/Domestic Consumption – FAS/Europe estimates/forecasts.
 Imports/Exports - Global Trade Atlas through 2006. FAS/Europe forecasts otherwise.

Trade Tables

Import Trade Matrix**Country**

EU-27

Commodity

Pistachios, Inshell Basis

Time Period

Sept/Aug

Units:

Metric Tons

Imports for:

2006

2007

U.S.

63,393

U.S.

65,000

Others

Others

Iran	50,276	Iran	50,000
China	1,460	China	1,500
Turkey	1,334	Turkey	1,000
Total for Others	53,070		52,500
Others not Listed	1,731		500
Grand Total	118,194		118,000

Export Trade Matrix**Country**

EU-27

Commodity

Pistachios, Inshell Basis

Time Period

Sep/Aug

Units:

Metric Tons

Exports for:

2006

2007

U.S.

224

U.S.

200

Others

Others

Melilla	363	Melilla	500
Russia	222	Russia	300
Switzerland	218	Switzerland	200
Iran	174	Iran	100
Ceuta	107		
Serbia	87		
Total for Others	1,171		1,100
Others not Listed	491		700
Grand Total	1,886		2,000