

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 9/18/2013

**GAIN Report Number:** IT1367

## Italy

**Post:** Rome

### Tree Nuts Annual 2013

**Report Categories:**

Tree Nuts

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**Report Highlights:**

Italy is the second largest hazelnut producer in the world ahead of the United States, but behind Turkey, whose huge supply dominates the world market. Italian hazelnut producers have increasingly improved their production techniques (irrigation, fertilization, pesticide use, and mechanization) enhancing yield and maintaining Italy's competitiveness in the world market. Hazelnut production is cyclical, bearing heavily in alternate years. MY 2013 will be a "higher" bearing year, with 125,000 MT of hazelnuts produced. Quality is forecast to be exceptional.

## I. PISTACHIOS

### Production, Supply and Demand (MT)

Pistachios, In-shell Basis	2011	2012	2013
	Estimates 2011/2012	Estimates 2012/2013	Forecast 2013/2014
	Post Data	Post Data	Post Data
Area Planted	3,547	3,543	3,543
Area Harvested	3,522	3,501	3,536
Beginning stocks	200	200	200
Production	3,079	1,800	3,500
Imports	4,779	4,790	4,760
<b>Total Supply</b>	<b>8,058</b>	<b>6,790</b>	<b>8,460</b>
Exports	209	190	210
Domestic consumption	7,649	6,400	8,050
Ending stocks	200	200	200
<b>Total Distribution</b>	<b>8,058</b>	<b>6,790</b>	<b>8,460</b>

Sources: Unofficial estimates based on industry contacts; GTA (Global Trade Atlas)

### PRODUCTION

Pistachio is a traditional crop in Italy, especially in Sicily region (Bronte area), where more than 90 percent of the production is located. “Bianca” (also called “Napoletana”) is the main pistachio variety grown in Italy and is normally harvested in September. In recent years, pistachio production has slightly expanded to other areas in Sicily and Basilicata, where newer and input intensive orchards have been planted. Since 2004, pistachio from Bronte has been awarded by the European Commission as a PDO (Protected Designation of Origin), distinguishing it from all other pistachio varieties worldwide. Pistachio trees production is cyclical, bearing heavily in alternate years. MY 2013 will be a “higher” bearing year. Quality is forecast to be exceptional.

### CONSUMPTION

Italian in-shell pistachios are consumed as a snack food. Bakeries and food companies use shelled pistachios, while ice-cream makers mainly employ milled pistachios.

### TRADE

Italian pistachio production is not sufficient to cover domestic demand, resulting in significant imports from Iran (via Germany and Belgium) and the United States (1,051 MT).

## II. ALMONDS

**Table 2: Production, Supply and Demand (MT)**

Almonds, Shelled Basis	2011	2012	2013
	Estimates 2011/2012	Estimates 2012/2013	Forecast 2013/2014
	Post Data	Post Data	Post Data
Area Planted	75,453	68,437	68,000
Area Harvested	74,625	66,896	66,436
Beginning stocks	1,000	1,000	1,000
Production	5,000	7,500	5,000
Imports	34,649	33,394	33,398
<b>Total Supply</b>	<b>40,649</b>	<b>41,894</b>	<b>39,398</b>
Exports	7,686	7,693	7,687
Domestic consumption	31,963	33,201	30,711
Ending stocks	1,000	1,000	1,000
<b>Total Distribution</b>	<b>40,649</b>	<b>41,894</b>	<b>39,398</b>

Sources: Istat; Industry contacts; GTA

### Production

Italy's MY 2013 almond production is forecast to decrease from the previous year to around 5,000 MT. Due to strong competition from competitively priced Californian almonds, cultivation in Italy has become less profitable. Therefore, many farmers have been abandoning this crop or shifting to more profitable cultivations (i.e., citrus fruit, wine grapes, horticultural products). In addition, almond orchards are often located in areas where mechanization is not always feasible. For all these reasons, planted area is forecast to further decline in the years to come.

### Consumption

In-shell almonds are mainly sold for fresh consumption. Shelled almonds are milled and generally used as a raw material for confectionary and bakery food companies.

### Trade

In 2012, Italy imported 34,649 MT of almonds, mainly from the United States (21,482 MT) and Spain (9,009 MT). In 2012, Italy exported 7,686 MT of almonds mainly to Germany (3,051 MT), France (1,045 MT), and the United States (907 MT).

## III. WALNUTS

**Table 3: Production, Supply and Demand (MT)**

Walnuts, In-shell Basis	2011	2012	2013
	Estimates 2011/2012	Estimates 2012/2013	Forecast 2013/2014
	Post Data	Post Data	Post Data
Area Planted	4,000	4,000	4,000
Area Harvested	3,900	3,800	3,750
Beginning stocks	2,000	2,000	2,000
Production	18,500	16,000	13,800
Imports	40,611	40,800	40,850
<b>Total Supply</b>	<b>61,111</b>	<b>58,800</b>	<b>56,650</b>
Exports	4,160	4,145	4,140
Domestic consumption	54,951	52,655	50,510
Ending stocks	2,000	2,000	2,000
<b>Total Distribution</b>	<b>61,111</b>	<b>58,800</b>	<b>56,650</b>

Sources: Unofficial estimates based on industry contacts; GTA

## PRODUCTION

Italy lost its walnut market leadership a few decades ago and now is a major importer, mainly from the United States. Because farmers generally grow walnut trees for both timber and nuts, nut yields and quality have suffered. Higher input costs and lower prices have negatively affected crop profitability. As a result, Italian walnut production supplies about 20 percent of domestic requirements and the remainder is imported. Most walnuts are cultivated in Campania (Southern Italy), where the main varieties are “Sorrento” and “Malizia.” Some farmers in Northern Italy have established efficient and profitable walnut orchards planted with the “Chandler” and “Lara” varieties. Italy’s MY 2013 walnut harvest is forecast at 13,800 MT. Quality is expected to be good.

## CONSUMPTION

In-shell and shelled walnuts for fresh consumption are mainly purchased during the winter months. However, more consumers are increasingly purchasing walnuts all year round, due to their perceived nutritional benefits. According to a recent survey, walnuts account for more than 16 percent of total Italian large retailers’ tree nuts sales.

## TRADE

Italy mainly imports in-shell walnuts (mostly the “Hartley” variety) from the United States until June. Then, walnuts are imported principally from South America (Chile and Argentina) and Australia. France is also a major supplier to the Italian market. Additionally, Bulgaria has been gradually increasing its walnuts shipments to Italy in the past three years.

## IV. HAZELNUTS

**Table 4: Production, Supply and Demand (MT)**

Hazelnuts, In-shell Basis	2011	2012	2013
	Estimates 2011/2012	Estimates 2012/2013	Forecast 2013/2014
	Post Data	Post Data	Post Data
Area Planted	70,492	65,000	65,000
Area Harvested	67,308	61,000	62,010
Beginning stocks	7,000	5,000	1,000
Production	128,947	85,232	125,000
Imports	60,741	61,840	61,650
<b>Total Supply</b>	<b>196,688</b>	<b>152,072</b>	<b>187,650</b>
Exports	34,963	33,680	34,000
Domestic consumption	156,725	117,392	152,650
Ending stocks	5,000	1,000	1,000
<b>Total Distribution</b>	<b>196,688</b>	<b>152,072</b>	<b>187,650</b>

Sources: Istat; Industry contacts; GTA

### PRODUCTION

Italy is the second largest hazelnut producer in the world ahead of the United States, but behind Turkey, whose huge supply dominates the world market. Italian hazelnut producers have increasingly improved their production techniques (irrigation, fertilization, pesticide use, and mechanization) enhancing yield and maintaining Italy's competitiveness in the world market. The average farm net revenue fluctuates between €2,500 and 3,000/ha. Hazelnut production is spread around Italy with concentrations in Piedmont region (Northern Italy), Viterbo province (Central Italy), Avellino province, and Sicily region (Southern Italy). Hazelnut production is cyclical, bearing heavily in alternate years. MY 2013 will be a "higher" bearing year, with 125,000 MT of hazelnuts produced. Quality is forecast to be exceptional.

### CONSUMPTION

Hazelnuts in Italy are sold both in-shell and shelled shape. In-shell hazelnuts are generally sold as a snack for fresh consumption while shelled ones —both whole and milled nuts— are usually employed as a raw material for confectionary and bakery food companies. Furthermore, low quality shelled hazelnuts are often used by cosmetic companies. Approximately 90 percent of the Italian harvest goes to processing companies, whereas fresh consumption represents the remaining 10 percent.

### TRADE

In 2012, Italy imported 60,741 MT of hazelnuts, mainly from Turkey (46,770 MT), Georgia (7,592 MT), and Azerbaijan (3,887 MT). In 2012, Italy exported 34,963 MT of hazelnuts, mostly to Germany (14,789 MT), France (6,922), and Switzerland (3,251 MT).

### **Abbreviations and Definitions Used in this Report**

#### **MY Marketing Year**

Almonds, Hazelnuts and Pistachios: September/August

Walnuts: October/September

#### **HS Codes:**

Almonds: Shelled 080212; In-shell 080211

Walnuts: Shelled 080232; In-shell 080231

Filberts/Hazelnuts: Shelled 080222; In-shell 080221

Pistachios: 080250

#### **Conversion factors used to convert shelled to in-shell tree nuts:**

Almonds: 3.3

Hazelnuts: 2.03

Walnuts: 3.3

Pistachios: 1.5

Ha hectare; 1 ha = 2.471 acres

MT Metric ton = 1,000 kg

MS EU member state(s)