USDA Foreign Agricultural Service
GAIN Report
Global Agricultural Information Network

Required Report - public distribution

Date: 9/12/2018
GAIN Report Number: SP1824

EU-28

Tree Nuts Annual 2018

The European Market Continues to Present Opportunities for U.S. Tree Nuts

Approved By:
Jennifer Clever, Agricultural Attaché

Prepared By:
Arantxa Medina, Marketing and Management Assistant

Report Highlights:
The European Union-28 (EU-28) is the largest export market for U.S. tree nuts. In 2017, tree nut shipments from the United States to the EU-28 reached $2.7 billion. Sales of U.S. almonds (both in-shell and shelled) totaled $1.5 billion, followed by pistachios with $446 million and walnuts with almost $344 million. The growing popularity of healthier snacking and eating habits among European consumers is expected to continue fueling consumption and sales of U.S. tree nuts.

Disclaimer: This report presents the situation and outlook for tree nuts (almonds, walnuts and pistachios) in the EU-28. This report presents the views of the authors and does not reflect the official views of the U.S. Department of Agriculture (USDA). The data are not official USDA data.

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

Lucile Lefebvre, FAS/Paris covering France

Mila Boshnakova, FAS/Sofia covering Bulgaria

Ornella Bettini, FAS/Rome covering Italy

Monica Dobrescu, FAS/Bucharest covering Romania

Marcel Pinckaers, FAS/The Hague covering the Benelux

Gerda Vandercammen, FAS/Brussels covering EU policy

Abbreviations and definitions used in this report:

Conversion factors: conversion factor is used to convert shelled to in-shell tree nuts.

Almonds: 0.6

Walnuts: 2.34

Pistachios: 2.0

GTA Global Trade Atlas

Ha hectare; 1 ha = 2.471 acres

HS Codes: Harmonized System codes for commodity classification used to calculate trade data.
Almonds: Shelled 080212; In-shell 080211

Walnuts: Shelled 080232; In-shell 080231

Pistachios: In-shell 080251, Shelled 080252 (since January 2012)

MT Metric ton = 1,000 kg

EU MS European Union Member State(s)

USD U.S. Dollar (Exchange rate at time of publishing €1=US$ 1.16)

Executive Summary:

EU and US: remain key trading partners

The European Union-28 (EU-28) is the largest export market for U.S. tree nuts absorbing 32 percent of total U.S. tree nuts in 2017. East Asia followed importing 27 percent of total tree nut exports while the Middle East imported 12 percent.

In 2017, tree nut shipments from the United States to the EU-28 reached $2.7 billion. Sales of U.S. almonds (both in-shell and shelled) totaled $1.5 billion, followed by pistachios with $446 million and walnuts with almost $344 million. Within the EU, the most important trade partners for U.S. tree nuts are (in order of importance) Spain, Germany and the Netherlands, accounting for almost 63 percent of total EU-28 imports.

The United States continues to be the largest supplier of tree nuts for Europe, with 37 percent of market share value in 2017. Turkey ranks second with a market share of 20 percent, followed by Vietnam, Chile and India. Almond continues to be the main imported tree nut with almost 22 percent of the total EU tree nuts imports.

Food processing and snack industry remain key buyers of tree nuts

The European food processing and snack industry are the large users of tree nuts both as an ingredient, for traditional sweets and pastries, and for re-processing and re-export to third countries. Almonds are mainly used as an ingredient for producing marzipan, nougat, turron (Spanish typical Christmas confection) and many other pastries and sweets. European food manufacturers also use walnuts and pistachio nuts as an ingredient for manufacturing ice cream and confectionary products.

The snacking industry is making efforts to offer consumers new products and new ways to consume nuts. However, industry insiders observe that introducing new products is not easy especially in traditional markets such as Spain and Italy, where consumers have shown that in most occasions they still prefer more familiar food options.

Thus, due to the mature nature of the European market, manufacturers are focusing their strategies on launching new value-added products rather than focusing on volume sales. They are also increasing to highlight the health benefits of tree nuts, both through advertising campaigns and in packaging.

Expanding business in the EU market

Since the EU remains a key export market for U.S. tree nuts, exporters continue to explore ways to expand their overseas business. Trade shows are an excellent opportunity both to get to know the market and to meet potential importers. Some of Europe's leading trade shows for tree nuts are:

<u>USDA-Endorsed Trade Shows</u>

SIAL	October 21-25, 2018	Paris, France

One of the largest and most important international marketplace for foodservice professionals, with 7,200 exhibitors and 160,000 visitors.

Fruit Logistica	February 6-8, 2019	Berlin, Germany

Europe's main international fresh produce trade show with more than 3,000 exhibitors and 78,000 visitors.

Biofach	February 13-16, 2019	Nuremberg, Germany

Leading trade fair for organic food covering food, drinks and non-food products, with 3,218 exhibitors and 50,000 trade visitors from 134 countries participating in the previous edition.

Anuga	October 5-9, 2019	Cologne, Germany

Trade fair for the international food industry. In 2017, 7,405 exhibitors from 107 countries and 165,000 visitors participated in this show.

Other Relevant (Non-Endorsed) Trade Shows

Snackex	June 27-28, 2019	Barcelona, Spain
Alimentaria	April 20-23, 2020	Barcelona, Spain
Food Ingredients	December 3-5, 2019	Paris, France
Health Ingredients	November 27-29, 2018	Frankfurt, Germany
Vitafoods	May 17-19, 2019	Geneva, Switzerland
PLMA	May 21-22, 2019	Amsterdam, Netherlands

New-to-market exporters interested in getting a better understanding of EU food regulations and market opportunities are highly encouraged to reference the EU-28 Food and Agricultural Import Regulations and Standards (FAIRS) reports and Exporter Guides produced at the various EU FAS Offices.

U.S. cooperators active in the EU

Trade associations like the Almond Board of California, American Pistachio Growers and California Walnut Commission continue to develop strategies for the EU market. These trade associations, or "cooperators," in cooperation with FAS offices all over Europe, continuously work to increase market opportunities for U.S. tree nuts.

Commodities:
Almonds, Shelled Basis

Production:

The European Union is one of the world's leading producers and consumers of almonds. Furthermore, the EU is the single largest export market for California almonds with Spain as the leading European importer. Every year, California almond production is exported to more than 100 countries with the EU-28 representing approximately one third of all California's almond exports.

Spanish almond production continues its upward trend. Currently, high almond prices are increasing the number of hectares of almond production as an alternative to less profitable crops. In recent seasons, new almond varieties, more modern irrigation techniques, and good prices have made the almond crop more profitable for investors and improved industry expectations.

For MY 2018/19, the latest official forecast published by the Ministry of Agriculture and Fisheries, Food and Environment (MAPAMA) estimates a production of 84,000 MT (shelled basis). This preliminary figure denotes nearly 9 percent increase compared to previous year's crop. New production areas with integrated irrigation systems, favorable weather conditions, and higher yield support the forecast increase.

Xylella fastidiosa represents a growing threat for Spanish tree nuts production. In response, Spain is putting in place contingency plans to limit the expansion of the outbreaks of this bacterium. *Xylella fastidiosa* can devastate fruit trees plantations, including tree nut groves. Following the requirement established in Article 6 of EU Commission Implementing Decision 2015/879 as amended, thus far, available phytosanitary solutions include destroying affected plant material, increased border control, and the ban on the movement of plant material from the affected regions. Please see link (Spanish language only) for Spain's containment plan. As of the date of this report, outbreaks in Spanish almond groves have been declared in the Balearic Islands and the Valencia Region (Valencia and Alicante).

Following Spain, Italy is the second largest EU-28 almond producer. Sicily and Puglia are the main almond-producing areas, cumulatively accounting for approximately 88 percent of Italy's total supply. Tuono, Pizzuta d'Avola, Fascionello, Filippo Ceo, Fragiulio Grande, Genco, Falsa Barese, Ferragnés are the leading varieties grown in the country. Italy's MY 2018/19 almond production is forecast to increase by approximately 2.6 percent compared to the previous marketing year due to new orchards operating in Puglia compensating for lower volumes in Sicily. Quality is expected to be excellent due to beneficial rains that occurred from May to August.

Table 1. Major EU Almond Producers by Volume in MT (Shelled Basis)

COUNTRY	MY 2016/17	MY 2017/18	MY 2018/19
Spain	60,212	77,424	84,000
Italy	26,000	15,600	16,000

Source: FAS Europe Offices

Consumption:

Almonds are an important food source in the Mediterranean diet. 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.

Tree nuts imports are indispensable for EU consumers. The growing popularity of healthier snacking and eating habits among European consumers is expected to continue driving consumption of tree nuts. Recent publications of scientific studies highlighting the health benefits of tree nut consumption in preventing cardiovascular disease are reportedly increasing consumer awareness. Traditionally, consumers prefer locally grown products mainly due to consumer loyalty and habits, but since local tree nut production is not enough to satisfy the enormous demand, imports aid in satisfying domestic consumption. Also, pricing plays a key role as domestic production leads to higher prices, pushing consumers to look for lower prices in imported varieties.

Trade:

Imports

In MY 2016/17, the United States was the main source of almonds for European importers. U.S. almonds face competition from locally grown almonds, particularly from Spain. The EU is consistently increasing their imports from Australia as Australian production increases, but their export numbers to Europe are still very far from becoming a threat. Highly competitive prices will likely allow U.S. almonds to maintain a prevailing presence in the EU market.

By volume, the main EU destinations for U.S. almonds were Spain, Germany and Italy. Many countries import large quantities of almonds destined both for domestic consumption and re-export markets, as well as for the food and snack industry.

Table 2. EU-28 Imports of Almonds by Origin in MT (Shelled Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
United States	206,842	213,869	243,027
Australia	19,107	20,812	25,783
Morocco	2,009	1,544	1,154
Canada	498	177	482
Chile	449	1,154	627
Others	1,368	2,305	2,545
TOTAL IMPORTS	**230,273**	**239,861**	**273,618**

Source: GTA

Exports

The top destinations for EU-28 almonds in MY 2016/17 were the United States, Switzerland and Norway. The largest almond exporter is Spain with its exports destined mainly for other EU Member States.

Table 3. EU-28 Exports of Almonds by Destination in MT (Shelled Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
United States	2,684	3,476	6,178
Switzerland	1,635	1,704	1,854
Norway	291	324	392
Ceuta	1,248	408	382
Algeria	285	378	202
Others	3,920	4,494	4,263
TOTAL EXPORTS	**10,063**	**10,784**	**13,271**

Source: GTA

Production, Supply and Demand Data Statistics:

Almonds, Shelled Basis EU-28	2016		2017		2018		
	2016/2017		2017/2018		2018/2019		
	Market Year Begin: Aug 2016		Market Year Begin: Aug 2017		Market Year Begin: Aug 2018		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	0	689,972	0	742,966	0	742,968	(HA)
Area Harvested	0	573,094	0	575,106	0	575,108	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	20,000	20,000	18,000	18,000	16,500	18,000	(MT)
Production	95,000	98,658	91,000	109,475	103,000	113,591	(MT)
Imports	264,500	273,618	291,700	280,000	300,000	295,000	(MT)
Total Supply	379,500	392,276	400,700	407,475	419,500	426,591	(MT)
Exports	14,800	13,271	15,500	14,000	16,000	15,000	(MT)
Domestic Consumption	346,700	361,005	368,700	375,475	387,000	393,591	(MT)
Ending Stocks	18,000	18,000	16,500	18,000	16,500	18,000	(MT)
Total Distribution	379,500	392,276	400,700	407,475	419,500	426,591	(MT)

Source: FAS Europe Offices

Commodities:
Walnuts, In-shell Basis

Production:

Despite low yields in 2017, French walnut production will continue to increase long term. In 2017, French walnut production decreased by 18 percent compared to previous year. The drop in production was due to a disastrous frost in the South West France resulting in exceptionally low yields. However,

yields are expected to go back to average levels in 2018, due to improved weather conditions. Walnuts intended for processing reportedly represent 7 to 10 percent of total production. Most walnuts are exported to Moldova in-shell, then imported back as shelled. Moldova remains France's leading export market outside of the EU.

In Romania, despite the cold spell in April 2017, growers harvested a record crop with 35 percent more than the previous year. In 2018, favorable weather conditions supported an adequate development of walnut production, which is expected to remain above the five-year average, but four percent below 2017 levels.

A few decades ago, Italy lost its leadership in the walnut market and now is a leading importer, buying mainly from the United States. Since farmers generally grow walnut trees for both timber and nuts, nut yields and quality have suffered. Most walnuts are cultivated in the Campania region (Southern Italy), where the main varieties are Sorrento and Malizia. Farmers in Northern Italy have established efficient and profitable walnut orchards planted with Lara and Chandler cultivars. Italy's MY 2018/19 walnut production is forecast to decrease by 20 percent compared to the previous campaign due to lower volumes in Campania (-26 percent), because of a sudden spring frost. Production in the North is forecast to be of good quality and remain stable at 3,000 MT.

In Spain, the main walnut growing regions are Extremadura, Galicia, Valencia, Castilla-La Mancha, Andalucia, Aragon and Murcia. As of the date of this report, the MAPAMA has not yet published the official walnut production data for MY2018/19. Therefore, if weather conditions are favorable, Post expects an average production of 16,000 MT for the current MY.

Table 4. Major EU Walnut Producers in MT (In-shell Basis)

COUNTRY	MY 2016/17	MY 2017/18	MY 2018/19
France	40,225	32,960	42,400
Romania	34,100	45,800	44,000
Spain	14,900	18,200	16,000

Source: FAS Europe Offices

Consumption:

Both in-shell and shelled walnuts are mainly purchased in winter time for fresh consumption, particularly during the Christmas holiday. Consumers are increasingly purchasing walnuts each year due to their perceived nutritional benefits. These healthy snacking trends are expected to drive consumption in the forecast period. The continued release of studies and research highlighting cardiovascular benefits have made walnuts very popular among health-conscious consumers.

In this sense, U.S. exporters continue to conduct very appropriate consumer advertising campaigns focusing on the health benefits of walnuts as well as the key messages of origin, quality and/or versatility. These actions have a very positive impact on the image of California walnuts and increased the education on the health benefits of the product.

Trade:

The vast majority of walnuts produced in France are exported in-shell. Production and exports are expected to increase in the long-term. Over the last ten years, French exports rose by 80 percent. However, France is a net importer of shelled walnuts. Given high domestic processing costs, some French walnuts produced in France are shelled abroad then imported back. Currently, imports and consumption of shelled walnuts are on an upward trend. Walnut production continues to grow slowly driven by both export demand and the increased consumption of shelled walnuts.

Imports

The wide gap between EU walnut production and imports provides excellent opportunities for walnut exporters. The United States continues to be the number one supplier of walnuts to the EU, both in-shell and shelled.

Table 5. EU-28 Imports of Walnuts by Origin in MT (In-shell Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
United States	97,555	119,789	154,745
Chile	21,973	31,546	36,918
Moldova	24,188	23,486	22,230
Ukraine	21,983	13,929	15,554
Australia	3,635	2,209	3,073
Others	10,255	9,062	9,047
TOTAL IMPORTS	**179,589**	**200,021**	**241,567**

Source: GTA

Exports

EU-28 exports of walnuts are limited. The top destinations for EU-28 walnuts in MY 2016/17 were Moldova, Switzerland and Turkey.

Table 6. EU-28 Exports of Walnuts by Destination in MT (In-shell Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
Moldova	2,573	3,347	3,674
Switzerland	2,609	2,871	3,346

Turkey	4,215	5,475	1,515
United States	699	638	896
Albania	744	695	599
Others	13,904	3,348	8,092
TOTAL EXPORTS	**24,744**	**16,374**	**18,122**

Source: GTA

Production, Supply and Demand Data Statistics:

Walnuts, Inshell Basis EU-28	2016		2017		2018		
	2016/2017		2017/2018		2018/2019		
	Market Year Begin: Aug 2016		Market Year Begin: Aug 2017		Market Year Begin: Aug 2018		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	0	57,432	0	60,004	0	60,163	(HA)
Area Harvested	0	43,495	0	43,189	0	43,348	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	35,000	40,000	40,000	40,000	40,000	40,000	(MT)
Production	117,928	117,884	116,670	120,969	115,000	129,449	(MT)
Imports	215,600	241,567	252,500	240,000	260,000	250,000	(MT)
Total Supply	368,528	399,451	409,170	400,969	415,000	419,449	(MT)
Exports	18,300	18,122	13,500	14,000	15,000	15,000	(MT)
Domestic Consumption	310,228	341,329	355,670	346,969	360,000	364,449	(MT)
Ending Stocks	40,000	40,000	40,000	40,000	40,000	40,000	(MT)
Total Distribution	368,528	399,451	409,170	400,969	415,000	419,449	(MT)

Source: FAS Europe Offices

Commodities:
Pistachios, In-shell Basis

Production:

Pistachio is a traditional crop in Italy, especially in Sicily (Bronte area) which accounts for approximately 90 percent of total supply. In recent years, pistachio production has slightly expanded to other areas in Sicily and Basilicata, where newer and input intensive orchards have been planted. Bianca (also called Napoletana) is the main pistachio variety grown in the country and is normally harvested in September. Since 2004, the European Commission has awarded pistachio from Bronte as a

PDO (Protected Designation of Origin), distinguishing it from all other pistachio varieties worldwide. Pistachio tree production is cyclical, bearing heavily in alternate years. Therefore, after the abundant MY 2017/18 campaign, MY 2018/19 will be a 'lower' bearing year. Quality is also not expected to be as good as last year due to humid conditions prevailing during the maturation period that favored the spread of Alternaria fungal disease.

Table 7. Italy Pistachio Production by Volume in MT (In-Shell Basis)

COUNTRY	MY 2015/16	MY 2016/17	MY 2017/18
Italy	200	2,500	250

Source: FAS Europe Offices

It is worth noting the fast upward trend of pistachio production in Spain as consumer interest in pistachio continues to grow in Spain. While pistachio is not a traditional crop in Spain, over the last decade, because of its profitability and demand, the number of trees planted has increased significantly. Local pistachio production is still relatively small in Spain, but it is growing dynamically (see table below). By region, Castilla-La Mancha has seen the greatest increase in the number of trees and, thus, in production. The current pistachio expansion is a long-term investment and it is expected to continue growing.

Table 8. Spanish Pistachio Production in MT (In-Shell Basis)

	2012	2013	2014	2015	2016	2017
Area Planted (ha)	5,274	5,754	7,334	10,529	14,974	20,415
Area Harvested (ha)	3,632	3,729	4,617	5,362	6,467	8,304
Production (MT)	2,681	2,489	4,052	4,764	5,618	7,545

Source: MAPAMA

Consumption:

Domestic EU pistachio production is not sufficient to cover domestic demand, resulting in significant imports from Iran and the United States. The overall use of pistachios can be split among many different ways starting from the in-shell pistachios basically traded as a snack food, or as an ingredient employed by restaurant, shelled pistachios used by bakeries and food companies (bakeries, cosmetic companies, sweet food companies), and milled pistachios used by ice-cream makers.

Trade:

Imports

Due to its very limited production, the EU's remains a net importer of pistachios. The main suppliers for the European market are the United States and Iran, who together account for more than 90 percent of total imports. Iran is the biggest rival to the United States for the EU market. The quality and reliability of U.S. pistachios are appreciated assets, making it the main origin of EU imports.

Table 9. EU-28 Imports of Pistachios by Origin in MT (In-shell Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
United States	51,993	38,714	49,846
Iran	16,539	18,069	17,923
Argentina	108	12	294
Turkey	93	83	117
Others	13,904	3,348	8,092
TOTAL IMPORTS	**69,011**	**56,937**	**68,291**

Source: GTA

Exports

EU-28 exports of pistachios are very limited. The top destinations for EU-28 pistachios in MY 2016/17 were the Spanish autonomous cities of Melilla and Ceuta.

Table 10. EU-28 Exports of Pistachios by Destination in MT (In-shell Basis)

Country of origin	MY 2014/15	MY 2015/16	MY 2016/17
Melilla	78	203	134
Ceuta	16	84	153
Belarus	112	56	67
Serbia	72	59	49
Others	420	637	365
TOTAL EXPORTS	**698**	**1,039**	**768**

Source: GTA

Production, Supply and Demand Data Statistics:

Pistachios, In-shell Basis EU-28	2016		2017		2018		
	2016/2017		2017/2018		2018/2019		
	Market Year Begin: Aug 2016		Market Year Begin: Aug 2017		Market Year Begin: Aug 2018		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	0	27,937	0	33,400	0	33,530	(HA)
Area Harvested	0	18,895	0	20,737	0	20,865	(HA)
Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Non-Bearing Trees	0	0	0	0	0	0	(1000 TREES)
Total Trees	0	0	0	0	0	0	(1000 TREES)

Beginning Stocks	1,500	1,500	0	1,500	0	1,500	(MT)
Production	8,400	8,348	0	15,075	0	10,780	(MT)
Imports	88,800	68,291	0	60,000	0	65,000	(MT)
Total Supply	98,700	78,139	0	76,575	0	77,280	(MT)
Exports	1,600	768	0	1,000	0	1,000	(MT)
Domestic Consumption	95,600	75,871	0	74,075	0	74,780	(MT)
Ending Stocks	1,500	1,500	0	1,500	0	1,500	(MT)
Total Distribution	98,700	78,139	0	76,575	0	77,280	(MT)

Source: FAS Europe Offices

Policy:
Almonds, Shelled Basis Walnuts, In-shell Basis Pistachios, In-shell Basis

EU Establishes Permanent MRL for Fosetyl-Aluminum on Tree Nuts

On June 6, 2018 the EU published permanent Maximum Residue Levels (MRLs) for fosetyl-al (the sum of fosetyl, phosphonic acid and their salts, expressed as fosetyl) on tree nuts. The new MRLs are set at 500 ppm and entered into force on June 26, 2018. Without this definitive MRL, the temporary level of 75 ppm that has been in place for the most commonly traded tree nuts would revert back to 2 ppm on March 1, 2019. For further details, please see GAIN report EU-28: EU Establishes Trade-Facilitative MRL for Fosetyl-Al on Tree Nuts.

Aflatoxin Certification for Tree Nuts

Aflatoxin certification is an import instrument for U.S. exports to the EU of almonds and pistachios. Information on the product specific programs is available from the respective commodity groups as well as from the USDA Agricultural Marketing Service (AMS).

Almonds
For additional information on aflatoxin certificates on almonds, please go to:

- Almond Board of California (ABC)
- USDA-AMS Laboratory Approval Service – Aflatoxin Program

Pistachios
For information on aflatoxin certification on pistachios, please visit:

- USDA-AMS Laboratory Approval Service – Aflatoxin Program
- Administrative Committee for Pistachios (ACP)

Pre-Export Controls on Aflatoxins in U.S. Almonds

EU legislation on official food and feed controls allows the EU to officially recognize a third country's system of pre-export checks (PEC) on feed and food prior to export as long as it meets the EU requirements.

EU approval of a third country's system of pre-export checks may only be granted on the condition that the controls carried out in the third country are considered to be sufficient so that the import controls upon arrival to the EU can be significantly reduced.

The FVO assessed the U.S. aflatoxin control system on almonds leading to the EU approval of the pre-export checks program for U.S. almonds in April 2015. EU accepted programs are combined in Commission Implementing Regulation (EU) 2015/949, as amended. Under the regulation, import authorities are directed to subject consignments covered by the regulation and accompanied by the appropriate U.S. Government Pre-Export Check (PEC) certificate to a less than 1% control level at the border. The PEC program is voluntary; a PEC certificate is not a requirement for import into the EU. Shipments without a PEC certificate do not benefit from the reduced inspection levels upon import in the EU.

Upcoming MRL reviews under Article 12 of Regulation 396/2005 for tree nuts

Plant protection products (PPPs) along with maximum residue levels (MRLs) and import tolerances are an increasingly important issue in the EU, since there is a significant reduction in the number of active substances that are available for use. Regulation (EC) No 1107/2009 and Regulation (EC) No 396/2005 regulate PPPs and MRLs respectively. There is a consistent review of active substances for which the approval is up for renewal, as well as their associated MRLs. Additionally, existing MRLs are also being reviewed through a process known as an Article 12 review. The first list below indicates the upcoming MRL reviews for the main tree nut commodities under this Article 12 process. The second list includes the active substances which are, or will soon be, up for renewal. It is important to note that these lists are not all-inclusive. Due to the complexity of the renewal process and the importance of the issue, stakeholders should actively engage early in these review processes by reaching out to the applicant. Together with the applicant, they can ensure that the necessary data are already available for

the review or if trials for data collection are in progress or should be initiated, especially if the substance is not used or authorized in the EU. It is highly recommended to contact the assigned "Rapporteur Member State" (RMS) which will carry out the first evaluation of the active substance and existing EU pesticide MRLs. Stakeholders are encouraged to engage with FAS on substances and MRLs of importance to their commodities.

	Almonds	Pistachios	Walnuts	RMS*	Start of Data Collection	Adoption of the RO** (expected date)
Fenbuconazole	x			UK (Sl)	10/11/2016	08/30/2018
Fluopyram	x	x	x	DE (AT)	10/13/2017	04/01/2019
Emamectin	x			NL	12/15/2017	12/12/2018
Hexythiazox	x		x	FI	12/21/2016	10/29/2018
Fenazaquin	x	x	x	EL (DE)	02/14/2018	
Sodium Hypochlorite	x	x	x	NL (IE)	03/15/2018	02/20/2019
Imidacloprid	x	x	x	DE	05/02/2016	11/29/2018
Fluxapyroxad	x	x	x	UK (FR)	06/15/2018	
Napropamide	x		x	DK (SI)	06/16/2017	08/30/2018
Myclobutanil	x			BE (AT)	06/23/2017	07/13/2018
Spirotetramat	x	x	x	AT	07/15/2018	
Acequinocyl	x	x	x	NL (DE)	08/15/2018	
Flubendiamide	x	x	x	EL	09/15/2018	

*RMS: Rapporteur Member State
**Expected date of Reasoned Opinion by the European Food Safety Authority (EFSA)

2) Active substances up for review

Last day of application 09/31/2018	
Triazoxide	DE/SK
Last day of application 12/31/2018	
1-Naphthylacetamide (1-NAD)	HU / FR

1-Naphthylacetic acid (1-NAA)	HU / FR
8-Hydroxyquinoline incl. oxyquinoleine	ES / NL
Acrinathrin	FR / ES
Azimsulfuron	EL / FR
Azoxystrobin	UK / NO
Fluazifop-P	FR / IT
Fluquinconazole	UK / SK
Fluroxypyr	SE / SI
Imazalil (aka enilconazole)	NL / BE
Kresoxim-methyl	SE / FR
Oxyfluorfen	ES / HU
Prochloraz	BE / DE
Prohexadione	FR / IE
Spiroxamine	AT / EE
Tefluthrin	HU / DK
Terbuthylazine	ES / HR

Maximum Levels for Contaminants in Food
Maximum levels of aflatoxins (aflatoxins B1, B2, G1, G2 and M1) are laid down in Commission Regulation (EC) No 1881/2006.

If you would like to read more on the subject, the European Commission's web page on contaminants provides further specific information on contaminants in general, and Plant toxins and mycotoxins and aflatoxins in particular.

Related Reports

Report	Title	Date
EU18043	EU Establishes Trade-Facilitative MRL for Fosetyl-Al on Tree Nuts	06/19/2018
PO18	Poland – Dried Fruit and Nut Sector	03/12/2018
IT1758	Italy Tree Nuts Annual 2017	01/12/2018

BU1721	Bulgaria Tree Nuts Annual 2017	10/19/2017
RO1720	Romania Tree Nuts Annual 2017	10/16/2017
SP1729	EU-28 Tree Nuts Annual 2017	09/21/2017
E17007	USEU – Phytosanitary Requirements for EU Import of Nuts	01/25/2017
These reports can be accessed through the FAS GAIN Reports website		