

Exporting walnuts to Europe

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Europe is the largest walnut import market in the world, representing almost half of all imports. Driven by a consumer trend towards healthy eating, European walnut imports are growing. Walnuts are marketed as 'good for the brain' and rich in omega-3 fatty acids. Italy, Germany and Spain offer exporters the most opportunities. Introduction of light kernel varieties, food safety certification, and following corporate social responsibility standards can provide you with large advantages over your competitors.

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1. Product description

In botanical terms, a walnut is the large wrinkled edible seed of a deciduous tree (*Juglans regia* species). It consists of two halves in a hard shell, which is enclosed in a green husk. However in commercial terms, walnuts are rarely traded in their husks. The husks have usually been removed and the nuts dried naturally. Walnuts can be traded in-shell, which makes up approximately one-third of international trade, or shelled, which accounts of the remaining two-thirds of international walnut trade.

After the shell has been removed, the kernels are inspected and sorted, and can then be traded in different forms, such as halves, quarters, or pieces. Walnut kernels can be eaten either raw or baked as a snack, but in Europe they are more often consumed as an ingredient in home cooking and in food production. The popularity of walnuts has grown considerably in recent years, due to their various health benefits being promoted in the media.

Walnuts are grown in many different countries, but the world's leading producers are China and the United States. Walnuts are harvested in autumn, when the green outer husks are starting to dry and split. The Northern Hemisphere crops in the United States, India, China, France, Italy and Eastern Europe are harvested between August and November. The Southern Hemisphere crops in Chile and Australia are harvested between March and April. Producing countries grow many different local varieties, but one of the world's leading varieties is the American variety Chandler.

Picture 1: Walnut kernels - halves

Picture 2: In-shell walnuts

Source: Public Domain Pictures

Picture 3: Walnut packaging in bags of 25 kg

Source: UNECE

Picture 4: Retail packaging of in-shell walnuts

Source: UNECE

This study covers general information regarding the walnut market in Europe, which should be of interest to producers in developing countries. Please see Table 1 for the products and their product codes.

Table 1: Products in the product group of walnuts

Combined Nomenclature Number	Product
08023100	Fresh or dried walnuts, in shell
08023200	Fresh or dried walnuts, shelled

Product specification

Quality

The basic quality requirements for walnuts are:

- When walnuts are traded in-shell, the shell must be whole and not broken. However, small surface cracks are allowed.
- Both shelled and in-shell walnuts must be practically free of any visible foreign matter. For in-shell walnuts, small pieces of adhering husk (not more than 10%) are allowed.
- Absence of insects, mould, rancidity or damages.
- Moisture content: At least 20% for fresh in-shell walnuts; maximum of 12% for dried in-shell walnuts; maximum of 5% for walnut kernels.
- Style: Walnut kernels are classified into five categories: halves, chipped kernels (a portion representing at least three-quarters of a half), quarters, large pieces and broken pieces.
- Characteristic taste and free from foreign smell or taste.

Specific walnut quality requirements are:

- Class — Classification of walnuts is not officially defined in the European Union. However, the classification by the United Nations Economic Commission for Europe (UNECE) is widely used, where walnuts are classified into three main classes: Extra Class, Class I and Class II. This classification is based on the allowed defects. Walnuts are additionally classified into three classes according to the colour of the kernel.
- Sizing — Grading categories for walnuts are not officially defined in the European Union. The most frequently used grading classification is also by UNECE. Sizing is mandatory for Extra Class and Class I, but optional for Class II. For in-shell walnuts, the minimum size is 26 mm for Extra Class and Class I. Class II, when sized, has a minimum size of 24 mm.
- Special characteristics — In practice, quality and price are usually determined by a combination of the style of the product (whole, mixtures or pieces), the look of the kernel, the grade and the variety. Generally, higher prices are achieved with light-coloured kernel varieties, such as Chandler, and bigger sizes.

- American traders still frequently use a different type of grading. They classify walnuts by colour and percentage of halves, for example LHP80% stands for Light Halves and Pieces with a minimum of 80% halves.

Tip:

- Refer to the [UNECE standards](#) for quality requirements for walnuts.

Labelling

The name of the product must be shown on the label, and read either 'walnut kernels' or 'in-shell walnuts'. It is common practice to place variety, class, size and crop year on the label. The number of halves per kg and a best-before date are optional.

Information about non-retail packaging must be given either on the packaging or in accompanying documents. Bulk packaging labelling must contain:

- name of the product;
- lot identification;
- name and address of the manufacturer, packer, distributor or importer;
- storage and transport instructions are very important due to the high oil content, which can negatively influence the quality of product if not handled properly.

Lot identification and the name and address of the manufacturer, packer, distributor or importer may be replaced by an identification mark.

In the case of retail packaging, product labelling must comply with the European Union Regulation on [the provision of food information to consumers](#). This regulation defines nutrition, origin and allergen labelling as well as legibility (minimum font size for mandatory information). Please note that this regulation lists walnuts as products causing allergies or intolerances, and therefore allergen advice must be clearly visible on the retail packaging.

Packaging

Walnuts are packed in different types of bulk or retail packaging. In-shell walnuts are packaged in, for example, net bags, polybags, cartons and flat jute fabric bags. Shelled nuts are typically packed in vacuum bags of 5 or 10 kg placed in cartons.

Walnuts should preferably be kept in airtight bags, to reduce the risk of oxidation and maintain freshness during shipping and storage. Kernels are ideally stored at a water content of 2–3%, in packaging that is impermeable to water. Vacuum packaging excludes atmospheric oxygen, which can cause rancidity.

During storage, the ideal temperature for achieving the longest possible storage life is around 0° C. However, during transport, walnuts can be kept at temperatures up to 25° C depending on the duration of the trip, but not higher than 30° C for too long.

Tip:

- For more information about labelling and food contact materials, see our study about [buyer requirements for processed fruit and vegetables](#).

2. Which European markets offer opportunities for exporters of walnuts?

Italy, Germany and Spain are currently the largest import markets for walnuts and they offer you good opportunities. Markets with high consumption per capita, such as the Netherlands and Austria offer further opportunities. The growing markets of Central Europe, such as Poland and the Czech Republic, are also promising.

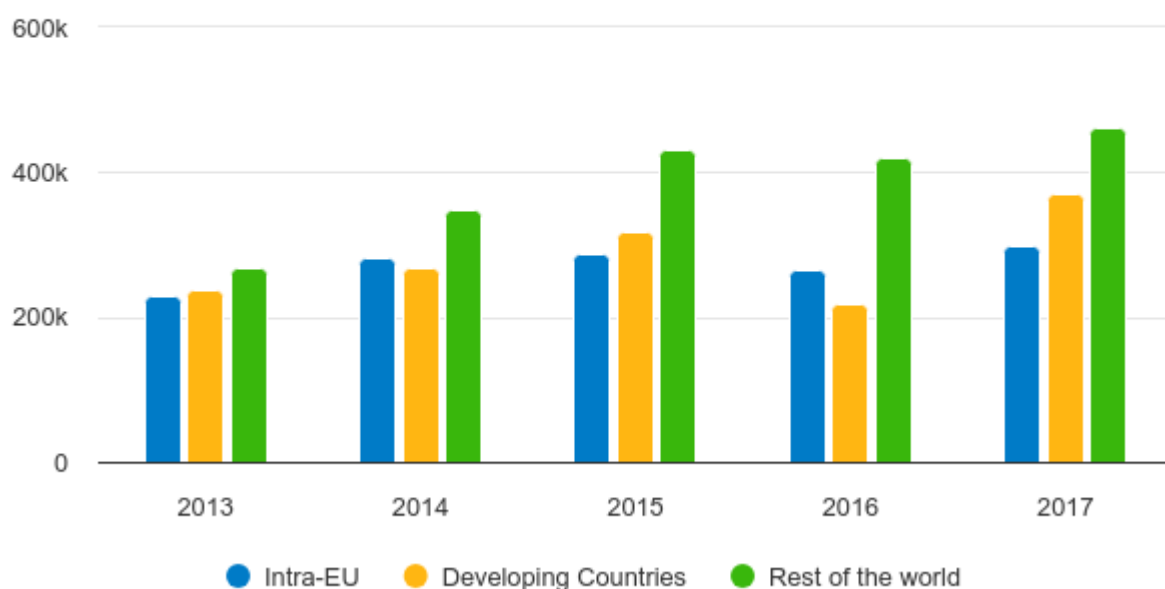
Imports

Growing imports from developing countries

- In the medium and long term, the European market for walnuts is expected to grow. This growth is likely to be driven by changes in consumption patterns of European consumers, including a rising demand for non-meat sources of protein. Walnuts are a popular source of healthy proteins and omega-3 fatty acids for European consumers, but also a traditional ingredient used in baking.
- Fluctuating crop harvests in the leading supplying countries will continue to cause fluctuations in import prices and volumes.
- In the last five years, European imports of walnuts increased at an average annual rate of 11% in both value and volume. In 2017, imports reached a record value of €1.1 billion and 207 thousand tonnes for shelled and in-shell walnuts combined.
- Between 2016 and 2017, imports from developing countries increased much more significantly than imports from the United States. This was mainly due to increased imports from Chile.
- An average 73% of walnuts are imported into Europe as kernels and the remaining 27% as in-shell walnuts. The United States, France, Chile and Australia supply almost 90% of in-shell walnuts, while much smaller quantities are imported from developing countries. This is because developing country suppliers have difficulties to obtain uniform kernels inside the shells due to their heterogeneous walnut cultivars.

Figure 1: European imports of walnuts, by main origin

in € thousand



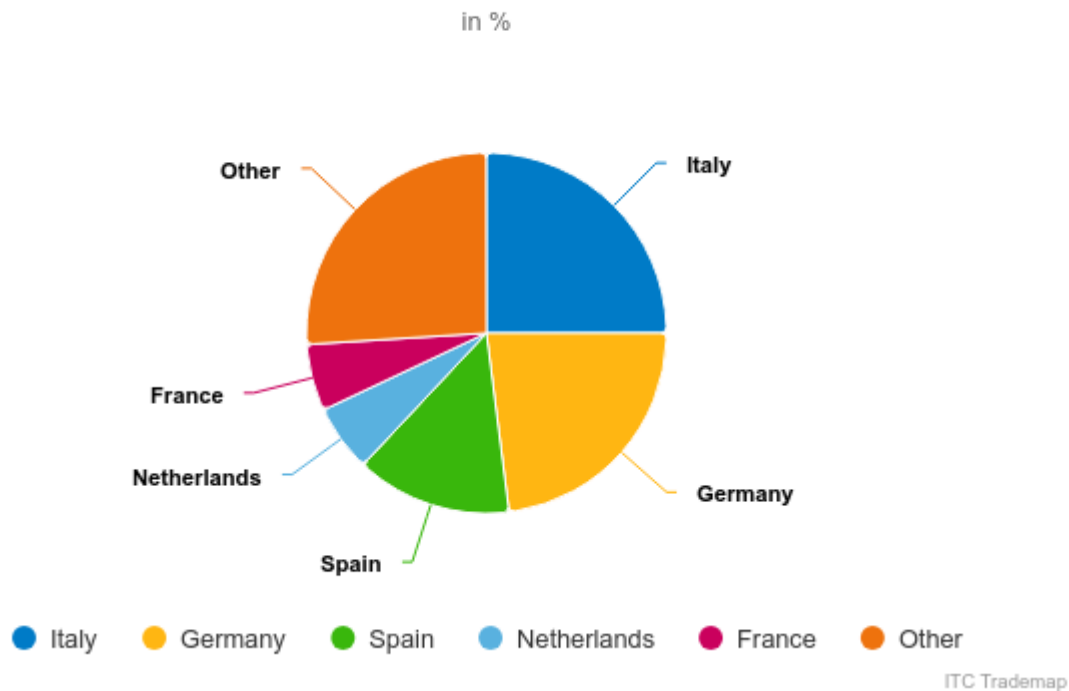
ITC Trademap

Italy, Germany and Spain are the leading European importers

- The European import market for walnuts is quite concentrated. The three largest importers (Italy, Germany and Spain) accounted for more than 60% of total imports. Italy is an especially large importer of in-shell walnuts, which are shelled and further processed within the country.
- The Benelux countries, in addition to Poland and Czech Republic had the highest annual growth in walnut

import volume in the last five years. Since 2013, the average annual import growth in volume was 53% in Poland, 22% in Belgium and 22% in the Czech Republic.

Figure 2: European imports of walnuts by country in 2017, share of imported quantity

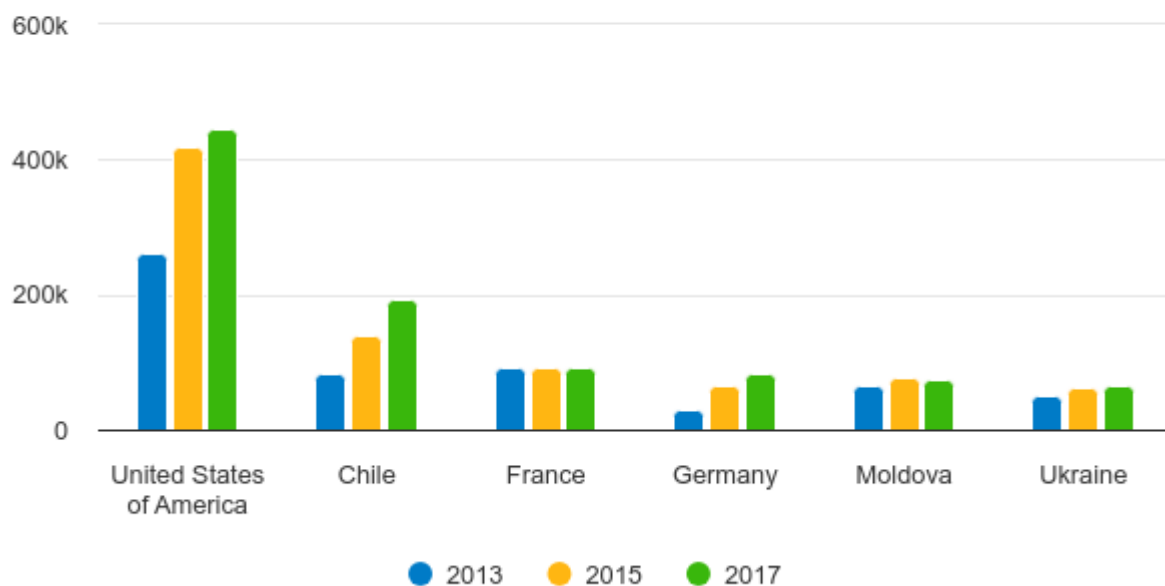


Chile is strongly increasing its presence in the European walnut market

- The leading supplier of walnuts to Europe is the United States, followed by Chile and France.
- In terms of value, the United States increased exports to Europe in 2017. However the export volume was around the same as in 2016 (88 thousand tonnes), indicating an increase in export prices. Meanwhile, Chile gained some European market share over the United States, increasing its walnut exports from 16 thousand tonnes in 2016 to 28 thousand tonnes in 2017.
- The leading developing country supplier of walnuts to Europe is Chile, followed by Moldova, Ukraine, China and India.
- Among the leading non-EU walnut suppliers to Europe, the most significant annual export growth rate between 2013 and 2017 was from Uzbekistan (28% annual growth), Australia (24%) and Chile (24%).

Figure 3: Leading suppliers of walnuts to Europe

in € thousand



ITC TradeMap

Tips:

- Besides aiming to export to Italy, Germany and Spain (the largest European importers), consider countries showing import growth, such as Poland and the Czech Republic.
- Closely cooperate with fruit-growing institutes in your country and work on the introduction of new varieties that provide uniform kernels inside the shell. Developing country suppliers usually cannot offer in-shell walnuts to final consumers because they cannot guarantee kernel uniformity inside the shells.
- Learn from the leading suppliers of walnuts to Europe, such as the United States and France. Find information about the walnut industry and export strategies of fast-growing countries on the websites of their sector associations, for example: [ChileNut](#), [California Walnut Commission](#), [Noix du Périgord](#), [Noix de Grenoble](#) or [Australia Walnut Industry Association](#).
- Invest in mechanised shelling and electronic sorting equipment to add value to your product and increase your chances of supplying European countries directly, rather than through major processing countries. In the long term, hand-shelling walnuts is expected to increase production costs due to the cost of labour.

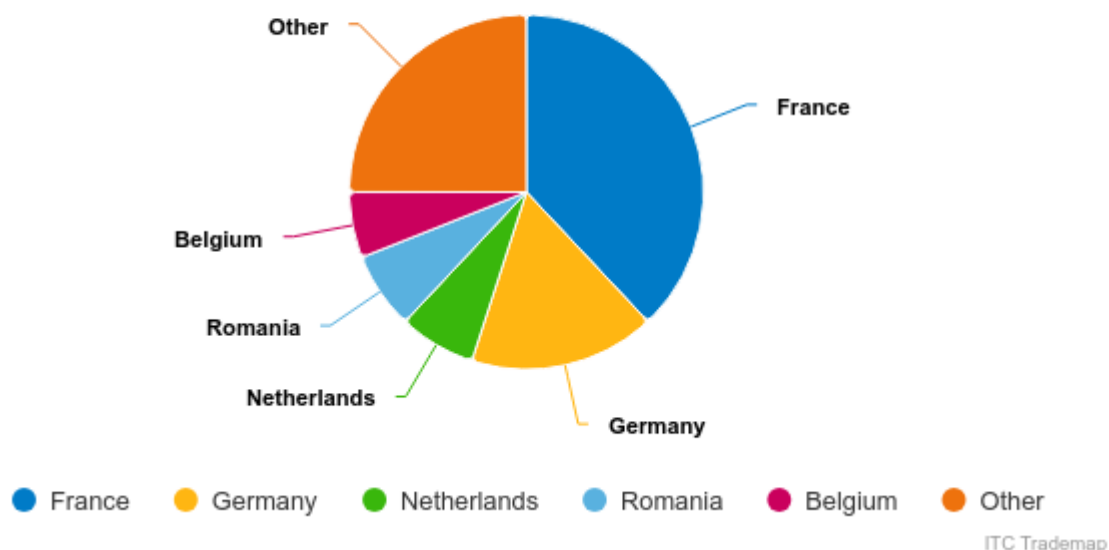
Exports

France - The largest European exporter of walnuts

- European exports of walnuts are very concentrated, as France alone represents nearly 40% of total exports. Germany and the Netherlands follow, but exports from these two countries mainly involve the re-export of walnuts imported from other countries.
- Including intra-European trade, European exports have grown at an average annual rate of 7% in value since 2013, reaching €412 million in 2017. In the same period, export volume grew at an average annual rate of 4%, reaching 77 thousand tonnes in 2017. The faster growth rate of export value than of export volume indicates a rise in export prices.

Figure 4: European Union walnut exports by country 2017, share of exported volume

in %



Switzerland - The main destination for EU exports

- In 2017, the main walnut export destination outside of the European Union was Switzerland, followed by Moldova, United States and Norway.
- Moldova is not a consumption market for European walnuts, although it is listed as one of the key export destinations. Due to high domestic processing costs, part of the walnuts produced in France are shelled mainly in Moldova and then re-imported.
- Among the largest export destinations, the highest annual increase in value of walnut exports from the European Union in the last five years was to Macedonia (51%), Morocco (43%) and Switzerland (6%).

Tips:

- Besides targeting your walnut exports to the main European destinations (Germany, Italy and Spain), you can also learn from French exporters and their growing exports within Europe. European target markets for French walnut exports include Belgium, Austria and Slovenia.
- You can also find opportunities in growing markets for walnuts supplied by EU traders and processors, such as Switzerland.
- Learn more about your competitors in our study on [competition in edible nuts and dried fruit](#).

Production

France and Romania - The largest European Union producers

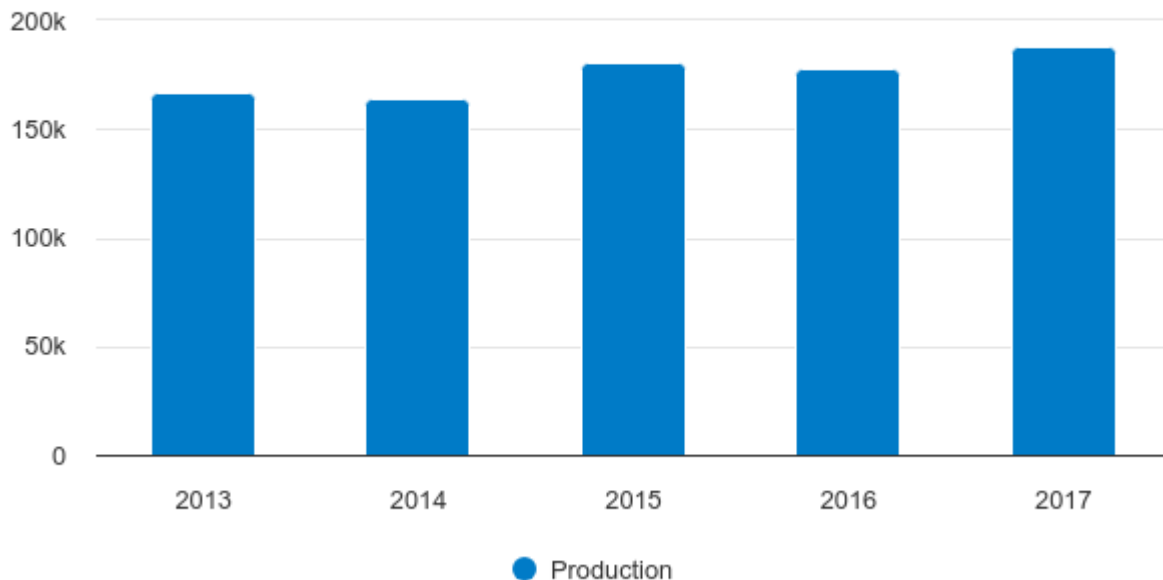
- Because the European Union is not self-sufficient in its production of walnuts, imports are needed to satisfy demand. The largest producing countries of in-shell walnuts in Europe are France and Romania, followed by Greece, Germany, Spain and Italy. However, not all the in-shell walnuts that are produced are shelled and further processed into kernels. The main kernel producing countries within Europe are France, Romania and Italy.
- European walnut orchards continue to grow slowly, driven by both export demand and an increased consumption of both in-shell and shelled walnuts.
- In Eastern Europe, Romania and Bulgaria are increasing their walnut production. However, their production

increase rate is still lower than the global average. The most significant production increase rate in 2017 was noted in Romania, which overtook France.

- The most popular walnut varieties produced in Europe are French (Noix de Grenoble, Noix du Périgord, Lara), Italian (Noce di Sorrento, Malizia) and Bulgarian (Sheinovo).

Figure 5: Total European production of walnuts in-shell

in tonnes



FAO

Chile and Ukraine are increasing production

- Global walnut kernel production was estimated at 871 thousand tonnes in the 2017-2018 season, which is 20% more than in the previous season.
- China and the United States led the global production, with a combined share of 78%.
- Chile and Ukraine have significantly increased their production during the last season by 20% and 92% respectively.

Tip:

- Consider directly supplying European walnut ingredient users, such as the bakery industry. Ingredient users are demanding when it comes to quality, logistics and service, but they are generally more open to new sources than packers and retail brands.

Consumption

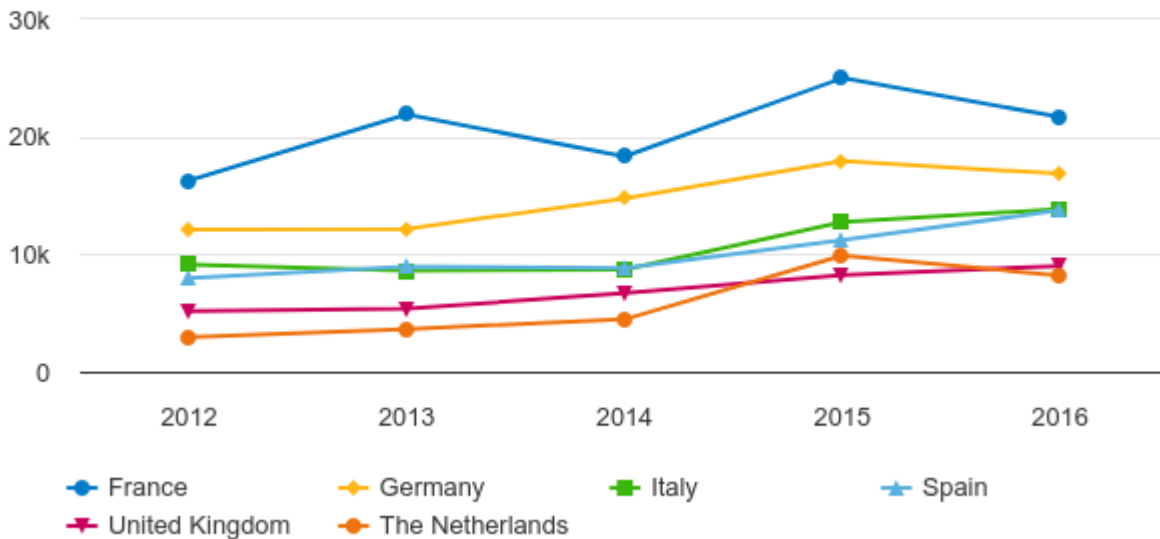
- The outlook for the consumption of walnuts in Europe is positive, with stable growth expected. A driving factor in this expected growth is an increased interest in healthy eating, as walnuts are a source of protein, omega-3 fatty acids, manganese, copper and biotin.
- In terms of volume, European walnut consumption increased at an average annual rate of 12% over the last five years. The largest increase in consumption was noted in the Netherlands, which increased consumption from 2,900 tonnes in 2012 to 8,200 tonnes in 2016, almost three times more.
- The largest estimated consumer country of walnuts per capita in Europe is the Netherlands (1.46 kg per capita per year) followed by France (1.02), Spain (0.90) and Romania (0.69).
- Walnut consumption as a snack is seasonal in Europe, peaking in winter months and dropping towards the summer. The winter walnut consumption peak is related to Christmas and New Year celebrations in European countries. However, import reaches its peak in November, as traders ready their supplies for the

winter holidays.

- Christmas traditions in Europe often involve walnuts. A bowl of walnuts with a nutcracker is part of many traditional winter holiday feasts. Also during winter holidays, walnuts are used as ingredients in pies, cakes and other food. Unshelled walnuts are also used as a decoration.

Figure 6: Leading European walnut kernel consumption countries

in tonnes



International Nuts and Dried Fruit Council

Tip:

- Check the website of the International Nut and Dried Fruit Council for [annual global walnut production, export, import and consumption data](#).

3. Which trends offer opportunities on the European market for walnuts?

Consumer demand for vegan, gluten-free and natural food offers you opportunities to sell more walnuts as a healthy snack.

Specific trends for walnuts:

- The growing popularity of healthier snacking and eating habits among European consumers is expected to continue to drive the positive trend in walnut consumption. The fight against cardiovascular disease and the promotion of general health and wellbeing, along with the publication of [scientific studies](#) reaffirming the benefits of eating nuts, are likely to increase the demand for walnuts.
- Manufacturers are focusing their strategies on launching [new value-added, innovative products](#), rather than increasing sales volume. New walnut products that are gaining a ground on the European and international markets are walnut milk, walnut butter, walnut snacks, walnut meat alternatives and walnut spreads similar to hummus. Businesses emphasise the health benefits of walnuts, both through advertising campaigns and on-pack information.
- Walnut oil is another product showing growth within Europe. The cosmetics industry uses walnut oil as an ingredient for creams and shampoos.
- There is a trend of vertical integration in the European walnut industry. Leading nut-trading companies are

investing in walnut orchards and processing facilities in other countries. For example, the Italian nut producer, processor and trader Besana Group [has announced plans](#) to expand its business across Europe and Central Asia. The group recently established an experimental production unit covering 25 hectares in Kazakhstan, where they now harvest 19 different high-quality and cold-resistant varieties of nut in collaboration with leading local nurseries.

- India is becoming a large importing country for walnuts. The import of walnuts in India has increased from only 215 tonnes in 2013 to more than 21 thousand tonnes in 2017, almost 100 times more. The United States and Chile, as leading suppliers, are investing in [the promotion of walnut consumption in India](#) through targeted marketing campaigns. Those campaigns include online social media advertising, seminars for importers and health professionals, and on-site promotions.

Tips:

- Monitor industry trends and find prospects in the leading European food trade fairs. Consider visiting or exhibiting at [Anuga](#), [SIAL](#) or [Food Ingredients Europe](#).
- See our study about [trends for processed fruit and vegetables](#) for more information about general developments in the European market. Also read our general studies about [dried fruits and edible nuts in Europe](#).
- Consider producing walnut oil. If walnut varieties produced in your country do not qualify as premium-price, light-colour kernels, consider producing walnut oil. Walnut oil is usually produced from darker kernel varieties that are richer in oil. Also consider producing walnut milk as an added-value product.

4. What are the requirements for walnuts to be allowed on the European market?

In addition to the quality requirements mentioned in the product description, please refer to our study about [buyer requirements for processed fruit and vegetables](#) for a general overview of the buyer requirements in Europe.

Legal requirements

All foods sold in the European Union must be safe, including walnuts. This applies to imported products as well. Additives must be approved. Harmful contaminants, such as pesticide residues, and excessive levels of mycotoxins or preservatives are banned. Labels should also clearly state whether a food contains allergens.

Food safety

The incidence of mycotoxins in walnuts is quite low compared to other crops, such as groundnuts or maize. However, walnuts can become infested with fungus, such as *Aspergillus flavus* and *Aspergillus parasiticus*, which thrive in hot and humid environments. This risk is increased if walnuts are left on the ground after harvesting for too long.

Mould seems to be one of the biggest issues for walnuts. Some research has indicated that the earlier the kernels split, the more likely it is that they will develop mould. Kernels that may be more susceptible to mould are walnuts with insect damage, sunburned nuts, kernels with large splits or shrivelled husks and walnuts that have been on the ground for over two weeks after harvest.

Since walnuts are rather oily, they can be more susceptible to rancidity. This occurs when the oils in the nut oxidise, meaning triglycerides in the nut are exposed to oxygen.

New pieces of legislation concerning various changes in pesticide residue limits were introduced in 2018. New residue limits relevant for walnuts are those for pesticide [Fosetyl](#).

Packaging requirements

Packaging used for walnuts must:

- Protect the appearance, taste, flavour and quality characteristics of the product. Walnut kernels should not be stowed together with fibres or fibrous materials, since oil-impregnated fibres accelerate self-heating processes and rancidity.
- Protect the product from bacteriological and other contamination, including contamination from the packaging material itself. When container transport is used, damage due to moisture may arise if the water content of the cargo is too high.
- Not pass on any odour, taste, colour or other foreign characteristics to the product, since walnuts are sensitive to unpleasant and pungent odours.

It is important to keep walnuts in air and watertight containers, ideally in cold store at 2–10° C and in relative humidity up to 70%, to avoid rancidity.

The safety of food contact materials must be evaluated to ensure there is no migration of unsafe levels of chemical substances from the material to the food.

The use of materials, particularly of paper or stamps bearing trade specifications, is allowed, provided the printing or labelling is done with non-toxic ink or glue.

Labelling requirements

[European Union Regulation on food labelling](#) forbids misleading consumers. Claims that a food can prevent, treat or cure a human disease may not be made. Allergens have to be highlighted in the list of ingredients. Requirements regarding information on allergens now also cover foods that are not pre-packed, including those sold in restaurants and cafés. The list of allergens includes walnuts.

Nutritional information is now also mandatory for walnuts.

Common requirements and niche requirements

- European importers often request food safety certification. The most common certification schemes accepted in the European market are [IFS](#), [FSSC 22000](#) and [BRC](#).
- Environmental protection, organic and fair-trade certification schemes are becoming more and more popular in Europe. To be allowed into the EU, your product must meet European [organic requirements](#).
- The European Union regulates both organic food and drink produced or processed within Europe and organic goods from non-EU countries. [Commission Regulation \(EC\) No. 1235/2008](#) details the rules concerning the import of organic products from third countries.
- Organic products can readily be imported from non-European countries whose rules on organic production and control are equivalent to the European Union's — currently Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, Tunisia, Switzerland and the United States.
- For all other non-European countries, importers can [have their organic products certified for export to the European Union](#) by independent private control bodies approved by the European Commission.
- If your country has wild walnut trees which are not cultivated, use this opportunity to implement a simplified organic certification procedure and offer your product as wild organic certified walnut. If a country allows wild collection, this will be internally regulated, but these areas are often not organically certified. In this case, certification of the whole area can improve the selling price of the wild walnuts.

Tips:

- Review your treatment practices to confirm that your walnut kernels will not contain pesticide residues above the newly set limits.
- Get food safety certification. However, check with importers and experts if your company's food safety certification is recognised by European buyers. Examples of independent international

accredited certification companies are [SGS](#), [CIS](#), [TÜV SÜD](#) and [Bureau Veritas](#).

- Consult the EU Trade Helpdesk where you can find [European Union legislation](#) for your selected products under the codes 08023100 and 08023200.
- For information on commonly requested standards, check the International Trade Centre's [Sustainability Map](#), an online tool which provides comprehensive information on more than 250 voluntary sustainability standards and other similar initiatives covering issues such as food quality and safety.
- Refer to the [Codex Alimentarius](#) for practical guidelines that can help you meet the requirements of European food safety legislation. For walnuts, consult the Code of Hygienic Practice for Tree Nuts.
- Read about private certification programmes on the [corporate social responsibility page](#) of Intersnack, a leading European company in the savoury snacks segment.

5. What is the competition like in the European walnut market?

There are two main sources of competition: the nut market in general and the primary producing countries within the walnut sector.

Product competition for walnuts on the European market includes all other types of edible nuts. Walnuts are less common as a salty snack than almonds, pistachios and cashew nuts.

Major company competitors come from the primary producing countries, such as the United States, Chile and France, but also from emerging walnut producing countries, such as China, India, and countries in Central Asia and Eastern Europe.

Examples of the walnut producers and exporters from the leading producing countries include: [Carriere Family Farms](#) (United States), [Empire Nut Company](#) (United States), [Sacramento Valley](#) (United States), [Subsole Nuts](#) (Chile), [Calbu](#) (Chile), [Coopenoix](#) (France), [Fen Yang Reel Food](#) (China), [Amar Singh & Sons](#) (India), and [Mastro Nut](#) (Moldova).

In the long term, Chile is expected to become the most significant competitor to other walnut supplying countries. Chile currently has more than 43 thousand hectares planted with walnut trees. The area devoted to walnut trees is growing at a rate of 1,500 to 2,500 hectares per year. Annual production is expected to grow by 15–20%, and volumes are expected to increase by five times in the next five years, amounting to around 500 thousand tonnes.

Tip:

- See our [competition study](#) for more information about competition in the European edible nuts market.

6. Through what channels can you get walnuts on the European market?

Many importers of walnuts are also packers and, in addition, engage in trading and wholesale activities. After importation, products go on to different segments of the market as described in Chart 1.

In some cases, you can also supply to different segments directly, without the importer as intermediary. However, in most cases specialised importers and wholesalers make the first entry point in the supply chain for

walnuts from developing countries. Examples of European walnut importers include [Besana](#), [Märsch](#), [Nutwork](#), [Global Trading](#), [Catz International](#), [Chelmer Foods](#), [Community Foods](#) and [Free World Trading](#).

Currently, walnuts are much more common as an ingredient than as a snack. The ingredient market provides a lot of opportunities to develop new salty and sweet snack products in the near future. Walnuts are a popular ingredient in fruit and nut snack mixes.

Walnuts are widely used as an ingredient in the bakery industry market segment. They are common ingredients in biscuits, breads and other baked goods. They are also becoming more popular as an ingredient in salads, soups and in the ice cream industry. Examples of European bakery companies include: [Finsbury Food Group](#) (United Kingdom), [Arytza](#) (Switzerland and other European countries), [Fossier](#) (France), [Paul](#) (France), and [Kuchenmeister](#) (Germany).

Compared to other fruit products, agents still play an important role in the trade in walnuts and other nuts in the European market. Specialised agents represent walnut exporters in the European market, but also supply the private label brands of European retailers. Examples of specialised agents include: [Alimex](#) (Italy), [MW Nuts](#) (Germany), [Fuster Nuts](#) (Spain).

Chart 1: European market channels for walnuts, 2017

Tips:

- Check the website of the [European Association of Dried Fruit and Nuts](#) (FRUCOM) for a list of national association members, including importers, wholesalers, producers, industry processors and service providers.
- Read our tips about [doing business](#) and [finding buyers](#) on the European market for processed fruit and vegetables.

7. What are the end-market prices for walnuts in the European market?

Calculating margins according to final retail prices for walnuts is not indicative, since the entire sector has varying prices for the various origins. From final prices alone, developing country exporters can only gain a very rough general overview of price development. Walnuts originating from the United States usually achieve the highest prices in Europe.

During 2018, there were indications of a decrease in price, mainly caused by the competition between the United States and Chile. Some of the new Californian crops were offered at competitive price levels, positioned well below the price levels of the previous two seasons, when FOB prices in California for in-shell walnuts fluctuated between US\$3.6 and US\$3.8/kg.

Average retail prices of packed branded walnut kernels in Europe during 2018 were usually between €10 and €35/kg.

The cost, insurance and freight (CIF) price of walnut kernels represents approximately 40% of the retail price of a small package of walnut kernels. In cases where a final retail product is sold directly to retail chains, this share is much higher.

Table 2 below shows an approximate breakdown of the prices:

Table 2: Walnuts retail price breakdown

Steps in export process	Price margins
Farmers, traders and shipping	11%
Shelling and processing	15%
Shipping and warehousing	18%
Packing and distribution	35%
Retail	100%

Please note that in many cases farmers not only produce raw in-shell walnuts, but also do shelling. The cost structure may vary considerably across countries, depending on the production and shelling technology. Manual shelling is common in China and India, while United States, Australia and Chile use mechanical shelling. Some developing countries take advantage of low labour costs to use manual shelling. As mentioned, Moldova is so competitive in shelling walnuts which come from France.

Also keep in mind that the share of the retail price that is paid to farmers varies a lot among producing countries. In countries where producers are united in farming and processing cooperatives, such as the United States and Australia, a much higher value share goes to farmers than in Eastern European or Asian countries.

If you add value to your produce through differentiated quality, food safety, certification and processing steps, your prices will be higher. For example, organic and fair-trade certification and improved operations, such as mechanised shelling, may add value to your products.

Tip:

- Monitor price developments through market information sources such as [ITC Market Price Information Portal](#) (free of charge) and [IEG Vu](#) (available upon subscription).

Please review our [market information disclaimer](#).