

Tree Nuts: Walnuts and Hazelnuts

World Markets and Trade

Walnuts: 2009/10 Forecast Overview

Strong U.S. Exports to Continue

U.S. walnut exports are forecast at 230,000 metric tons (MT) in-shell basis for 2009/10, up 2 percent due to continued strong shipments to non-European markets. With lackluster EU demand, U.S. exporters shifted attention to other markets such as Mexico, Turkey and China. Global exports are forecast at a record 385,000 MT, with the United States accounting for 60 percent.

Global Production Forecast to Expand

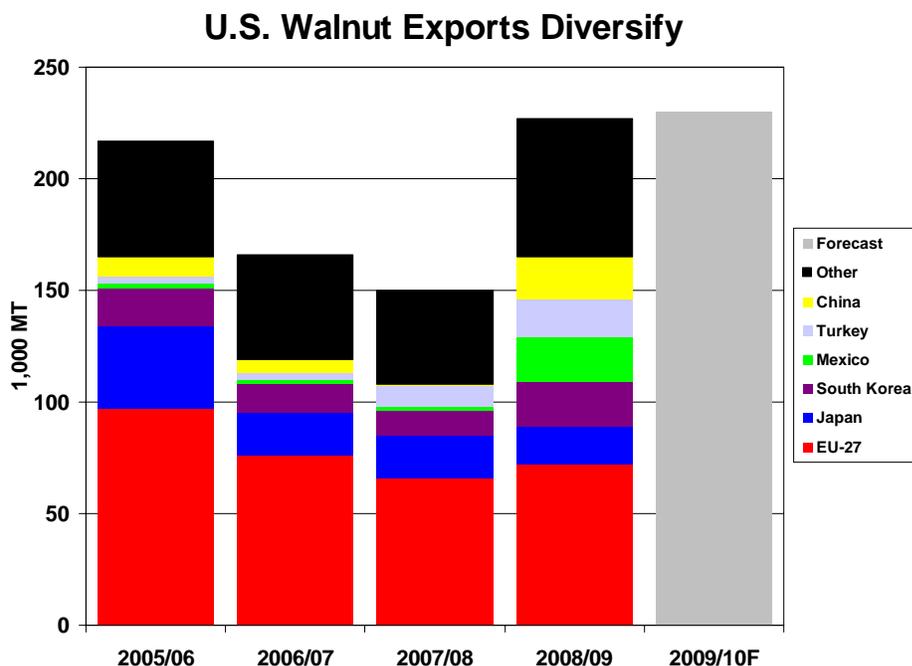
Production is forecast at 1.2 million MT, up 5 percent mostly due to a larger crop in China, which accounts for over 45 percent of world production. China consumes nearly all that it produces. U.S. production is forecast to fall 5 percent to total 376,000 MT as the trees enter the off-cycle of the alternate bearing production cycle.

Top Import Markets

Imports by top markets are forecast at a record 335,000 MT. The EU-27 remains the primary market at 110,000 MT though consumption remains off from previous levels on lower usage in snack foods, baked goods and the processing sector. Turkey is forecast to import 35,000 MT as consumers continue to seek health benefits associated with this snack. Japan, Korea and Mexico are each expected to import 20,000 MT, primarily from the United States.

Technical Note

Please note that previous reports indicated walnut production and export statistics for Mexico. Upon further review, it appears that exporters in Mexico classify pecans as walnuts. Therefore, Mexico's walnut production and export data have been removed from the database.



Hazelnuts: 2009/10 Forecast Overview

Global Production Forecast to Contract

Hazelnut production is forecast at 664,000 MT in-shell basis, down nearly one-third, mostly due to Turkey, which accounts for over 70 percent of world production. After a record yield the previous year, Turkey's production is forecast to decline due to frost and pest damage.

Burgeoning Stocks

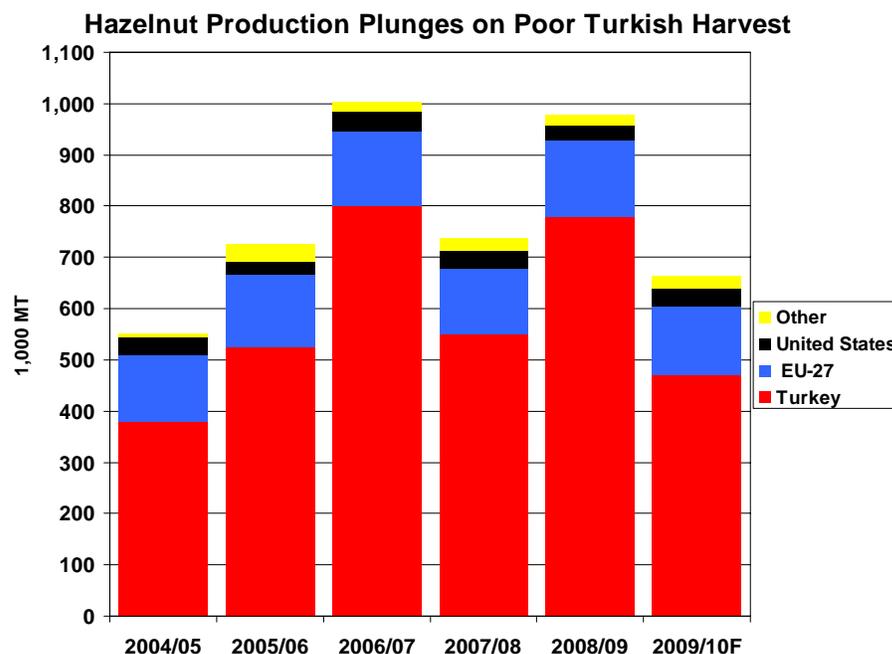
Turkey currently has 525,000 MT of stocks, equivalent to 80 percent of this year's global production. The Turkish Grain Board holds these stocks and plans to gradually crush them for oil. Rising production

combined with falling demand caused the oversupply. In response, the Turkish Government recently announced a policy to encourage unlicensed hazelnut producers, estimated at 25 percent of all producers, to uproot trees and produce different crops.

Global Trade Nearly Unchanged

Exports are forecast at 350,000 MT, nearly unchanged from the previous year. Despite its drop in production, Turkey's exports are forecast to slip just 10,000 MT to total 280,000 MT as inventories are drawn down slightly. Turkey accounts for 80 percent of global trade. U.S. exports are forecast up 15 percent at 28,000 MT. The EU-27 remains the major market at 200,000 MT, though imports continue to slide as consumers shift to other nuts. A similar trend is occurring in most hazelnut import markets.

For further information, please contact Tony Halstead at 202-690-2313, or send an email to Tony.Halstead@fas.usda.gov For additional production, supply, and demand information, you may visit our website at <http://www.fas.usda.gov/psdonline/psdHome.aspx>.



Walnuts (in-shell basis): Production, Supply, and Distribution

Metric Tons

Country Mktg Year	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Walnut Reporting Countries							
Australia							
2005/06	0	0	8,800	8,800	0	8,800	0
2006/07	0	0	12,000	12,000	0	12,000	0
2007/08	0	0	8,500	8,500	0	8,500	0
2008/09	0	0	9,600	9,600	0	9,600	0
2009/10	0	0	9,000	9,000	0	9,000	0
Brazil							
2005/06	0	5,400	5,400	10,800	1,400	9,400	0
2006/07	0	2,220	5,500	7,720	1,000	6,720	0
2007/08	0	2,250	8,200	10,450	1,500	8,950	0
2008/09	0	2,300	6,000	8,300	400	7,900	0
2009/10	0	2,300	5,000	7,300	500	6,800	0
Canada							
2005/06	0	0	18,100	18,100	0	18,100	0
2006/07	0	0	20,600	20,600	0	20,600	0
2007/08	0	0	19,800	19,800	0	19,800	0
2008/09	0	0	14,800	14,800	0	14,800	0
2009/10	0	0	12,000	12,000	0	12,000	0
Chile							
2005/06	821	17,700	600	19,121	14,300	2,000	2,821
2006/07	2,821	22,200	100	25,121	20,000	2,000	3,121
2007/08	3,121	26,000	0	29,121	23,700	2,000	3,421
2008/09	3,421	30,000	0	33,421	29,400	2,000	2,021
2009/10	2,021	32,000	0	34,021	30,000	2,000	2,021
China							
2005/06	0	388,000	8,700	396,700	32,000	364,700	0
2006/07	0	425,000	5,800	430,800	26,700	404,100	0
2007/08	0	460,000	4,500	464,500	30,900	433,600	0
2008/09	0	490,000	11,100	501,100	9,500	491,600	0
2009/10	0	560,000	14,000	574,000	12,000	562,000	0
EU-27							
2005/06	30,000	45,000	148,400	223,400	18,200	185,200	20,000
2006/07	20,000	70,000	100,000	190,000	26,500	143,500	20,000
2007/08	20,000	60,600	105,000	185,600	14,600	151,000	20,000
2008/09	20,000	70,900	102,800	193,700	19,300	154,400	20,000
2009/10	20,000	66,000	110,000	196,000	18,000	158,000	20,000
Hong Kong							
2005/06	0	0	1,300	1,300	1,100	200	0
2006/07	0	0	4,000	4,000	3,600	400	0
2007/08	0	0	6,500	6,500	6,100	400	0
2008/09	0	0	14,600	14,600	13,700	900	0
2009/10	0	0	15,000	15,000	14,000	1,000	0
India							
2005/06	1,050	31,000	0	32,050	10,600	19,000	2,450
2006/07	2,450	32,000	0	34,450	12,400	20,000	2,050
2007/08	2,050	33,000	0	35,050	16,000	18,000	1,050
2008/09	1,050	34,000	0	35,050	13,000	20,000	2,050
2009/10	2,050	36,000	0	38,050	15,000	21,500	1,550
Israel							
2005/06	0	0	7,900	7,900	0	7,900	0
2006/07	0	0	11,700	11,700	0	11,700	0
2007/08	0	0	9,900	9,900	0	9,900	0
2008/09	0	0	13,200	13,200	0	13,200	0
2009/10	0	0	14,000	14,000	0	14,000	0

Walnuts (in-shell basis): Production, Supply, and Distribution (Continued)

Metric Tons

Country Mktg Year	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Japan							
2005/06	0	0	43,000	43,000	0	43,000	0
2006/07	0	0	38,200	38,200	0	38,200	0
2007/08	0	0	28,400	28,400	0	28,400	0
2008/09	0	0	22,200	22,200	0	22,200	0
2009/10	0	0	20,000	20,000	0	20,000	0
Korea, South							
2005/06	0	0	17,300	17,300	0	17,300	0
2006/07	0	0	18,200	18,200	0	18,200	0
2007/08	0	0	14,800	14,800	0	14,800	0
2008/09	0	0	20,500	20,500	0	20,500	0
2009/10	0	0	20,000	20,000	0	20,000	0
Mexico							
2005/06	0	0	1,800	1,800	0	1,800	0
2006/07	0	0	1,700	1,700	0	1,700	0
2007/08	0	0	2,200	2,200	0	2,200	0
2008/09	0	0	20,000	20,000	0	20,000	0
2009/10	0	0	20,000	20,000	0	20,000	0
Moldova							
2005/06	0	0	6,300	6,300	0	6,300	0
2006/07	0	0	900	900	0	900	0
2007/08	0	0	4,800	4,800	0	4,800	0
2008/09	0	0	3,000	3,000	0	3,000	0
2009/10	0	0	3,000	3,000	0	3,000	0
Norway							
2005/06	0	0	4,500	4,500	0	4,500	0
2006/07	0	0	2,800	2,800	0	2,800	0
2007/08	0	0	2,000	2,000	0	2,000	0
2008/09	0	0	1,700	1,700	0	1,700	0
2009/10	0	0	2,000	2,000	0	2,000	0
Russia							
2005/06	0	0	900	900	0	900	0
2006/07	0	0	4,900	4,900	0	4,900	0
2007/08	0	0	10,300	10,300	0	10,300	0
2008/09	0	0	21,200	21,200	0	21,200	0
2009/10	0	0	22,000	22,000	0	22,000	0
Switzerland							
2005/06	0	0	6,300	6,300	0	6,300	0
2006/07	0	0	5,200	5,200	0	5,200	0
2007/08	0	0	4,700	4,700	0	4,700	0
2008/09	0	0	4,200	4,200	0	4,200	0
2009/10	0	0	4,000	4,000	0	4,000	0
Syria							
2005/06	0	0	5,800	5,800	0	5,800	0
2006/07	0	0	7,200	7,200	0	7,200	0
2007/08	0	0	7,800	7,800	0	7,800	0
2008/09	0	0	15,700	15,700	0	15,700	0
2009/10	0	0	15,000	15,000	0	15,000	0
Taiwan							
2005/06	0	0	3,500	3,500	0	3,500	0
2006/07	0	0	4,600	4,600	0	4,600	0
2007/08	0	0	2,900	2,900	0	2,900	0
2008/09	0	0	3,500	3,500	0	3,500	0
2009/10	0	0	3,000	3,000	0	3,000	0
Turkey							
2005/06	20,000	73,000	19,900	112,900	600	94,300	18,000

Walnuts (in-shell basis): Production, Supply, and Distribution (Continued)

Metric Tons

Country Mktg Year	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
2006/07	18,000	75,000	10,800	103,800	1,000	84,800	18,000
2007/08	18,000	90,000	26,400	134,400	3,100	111,554	19,746
2008/09	19,746	85,000	31,700	136,446	2,900	117,626	15,920
2009/10	15,920	88,000	35,000	138,920	3,000	120,000	15,920
Ukraine							
2005/06	0	60,000	0	60,000	44,000	16,000	0
2006/07	0	30,000	0	30,000	16,800	13,200	0
2007/08	0	70,000	0	70,000	54,000	16,000	0
2008/09	0	80,000	0	80,000	62,600	17,400	0
2009/10	0	80,000	0	80,000	62,000	18,000	0
United States							
2005/06	31,500	322,050	1,470	355,020	209,900	116,020	29,100
2006/07	29,100	313,890	2,530	345,520	166,660	168,760	10,100
2007/08	10,100	297,560	11,690	319,350	150,800	159,550	9,000
2008/09	9,000	395,530	2,630	407,160	226,400	154,260	26,500
2009/10	26,500	376,480	3,000	405,980	230,000	160,980	15,000
Vietnam							
2005/06	0	0	4,200	4,200	0	4,200	0
2006/07	0	0	6,200	6,200	0	6,200	0
2007/08	0	0	4,200	4,200	0	4,200	0
2008/09	0	0	8,900	8,900	0	8,900	0
2009/10	0	0	9,000	9,000	0	9,000	0
Total Walnut Reporting Countries							
2005/06	83,371	942,150	314,170	1,339,691	332,100	935,220	72,371
2006/07	72,371	970,310	262,930	1,305,611	274,660	977,680	53,271
2007/08	53,271	1,039,410	282,590	1,375,271	300,700	1,021,354	53,217
2008/09	53,217	1,187,730	327,330	1,568,277	377,200	1,124,586	66,491
2009/10	66,491	1,240,780	335,000	1,642,271	384,500	1,203,280	54,491

Walnut marketing year begins in August of the first year for the United States and other Northern Hemisphere countries, September of the first year for Turkey, and January of the second year for Southern Hemisphere countries.

Hazelnuts (in-shell basis): Production, Supply, and Distribution

Country Mktg Year	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
Hazelnut Reporting Countries							
Australia							
2006/07	0	0	4,650	4,650	0	4,650	0
2007/08	0	0	5,670	5,670	0	5,670	0
2008/09	0	0	4,740	4,740	0	4,740	0
2009/10	0	0	5,000	5,000	0	5,000	0
Azerbaijan							
2006/07	0	20,000	0	20,000	12,900	7,100	0
2007/08	0	26,000	0	26,000	21,800	4,200	0
2008/09	0	20,000	0	20,000	14,600	5,400	0
2009/10	0	25,000	0	25,000	20,000	5,000	0
Brazil							
2006/07	0	0	7,200	7,200	0	7,200	0
2007/08	0	0	6,900	6,900	0	6,900	0
2008/09	0	0	7,100	7,100	0	7,100	0
2009/10	0	0	7,300	7,300	0	7,300	0
Canada							
2006/07	0	0	13,200	13,200	0	13,200	0
2007/08	0	0	16,000	16,000	0	16,000	0
2008/09	0	0	17,500	17,500	0	17,500	0
2009/10	0	0	18,000	18,000	0	18,000	0
Croatia							
2006/07	0	0	1,800	1,800	0	1,800	0
2007/08	0	0	1,900	1,900	0	1,900	0
2008/09	0	0	1,700	1,700	0	1,700	0
2009/10	0	0	1,600	1,600	0	1,600	0
EU-27							
2006/07	26,600	145,000	251,100	422,700	9,400	350,000	63,300
2007/08	63,300	128,000	221,000	412,300	16,400	340,000	55,900
2008/09	55,900	149,000	207,000	411,900	14,500	350,000	47,400
2009/10	47,400	134,000	200,000	381,400	13,000	340,000	28,400
Hong Kong							
2006/07	0	0	15,500	15,500	11,500	4,000	0
2007/08	0	0	7,800	7,800	5,300	2,500	0
2008/09	0	0	13,100	13,100	10,100	3,000	0
2009/10	0	0	12,000	12,000	9,000	3,000	0
Japan							
2006/07	0	0	1,500	1,500	0	1,500	0
2007/08	0	0	1,400	1,400	0	1,400	0
2008/09	0	0	1,100	1,100	0	1,100	0
2009/10	0	0	1,000	1,000	0	1,000	0
Korea, South							
2006/07	0	0	400	400	0	400	0
2007/08	0	0	600	600	0	600	0
2008/09	0	0	600	600	0	600	0
2009/10	0	0	600	600	0	600	0
Norway							
2006/07	0	0	2,700	2,700	0	2,700	0
2007/08	0	0	3,300	3,300	0	3,300	0
2008/09	0	0	3,200	3,200	0	3,200	0
2009/10	0	0	3,000	3,000	0	3,000	0
Russia							
2006/07	0	0	23,700	23,700	0	23,700	0
2007/08	0	0	28,200	28,200	0	28,200	0
2008/09	0	0	23,300	23,300	0	23,300	0

Hazelnuts (in-shell basis): Production, Supply, and Distribution (Continued)

Country Mktg Year	Beginning Stocks	Production	Imports	Total Supply	Exports	Domestic Consumption	Ending Stocks
2009/10	0	0	20,000	20,000	0	20,000	0
Serbia							
2006/07	0	0	2,000	2,000	0	2,000	0
2007/08	0	0	2,200	2,200	0	2,200	0
2008/09	0	0	2,300	2,300	0	2,300	0
2009/10	0	0	2,000	2,000	0	2,000	0
South Africa							
2006/07	0	0	1,300	1,300	0	1,300	0
2007/08	0	0	600	600	0	600	0
2008/09	0	0	700	700	0	700	0
2009/10	0	0	600	600	0	600	0
Switzerland							
2006/07	0	0	24,000	24,000	0	24,000	0
2007/08	0	0	23,000	23,000	0	23,000	0
2008/09	0	0	25,900	25,900	0	25,900	0
2009/10	0	0	25,000	25,000	0	25,000	0
Turkey							
2006/07	80,000	800,000	4,800	884,800	340,000	244,800	300,000
2007/08	300,000	550,000	4,100	854,100	300,000	219,100	335,000
2008/09	335,000	780,000	4,100	1,119,100	290,000	304,100	525,000
2009/10	525,000	470,000	4,000	999,000	280,000	249,000	470,000
Ukraine							
2006/07	0	0	4,900	4,900	0	4,900	0
2007/08	0	0	5,200	5,200	0	5,200	0
2008/09	0	0	5,100	5,100	0	5,100	0
2009/10	0	0	5,000	5,000	0	5,000	0
United States							
2006/07	1,440	39,010	13,640	54,090	26,490	21,500	6,100
2007/08	6,100	33,570	13,490	53,160	25,310	22,975	4,875
2008/09	4,875	29,030	10,090	43,995	24,240	16,730	3,025
2009/10	3,025	34,500	12,400	49,925	28,000	19,400	2,525
Total Hazelnut Reporting Countries							
2006/07	108,040	1,004,010	372,390	1,484,440	400,290	714,750	369,400
2007/08	369,400	737,570	341,360	1,448,330	368,810	683,745	395,775
2008/09	395,775	978,030	327,530	1,701,335	353,440	772,470	575,425
2009/10	575,425	663,500	317,500	1,556,425	350,000	705,500	500,925

Hazelnut marketing year begins in July of the first year for the United States and certain other Northern Hemisphere countries, and August of the first year for Turkey.