

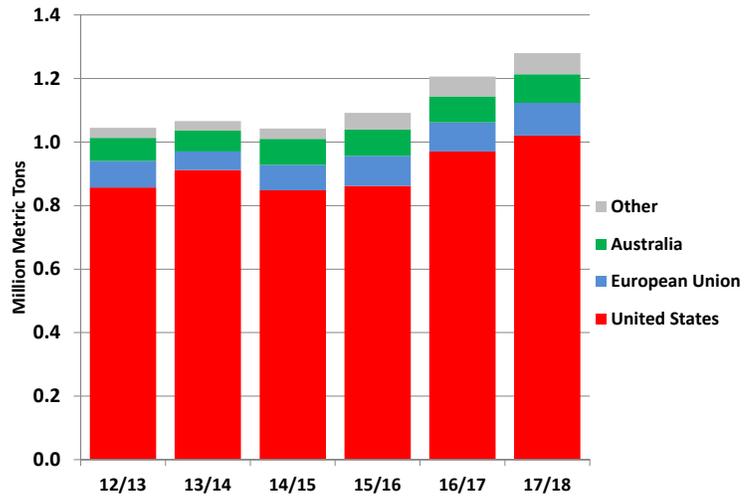


Tree Nuts: World Markets and Trade

Almonds

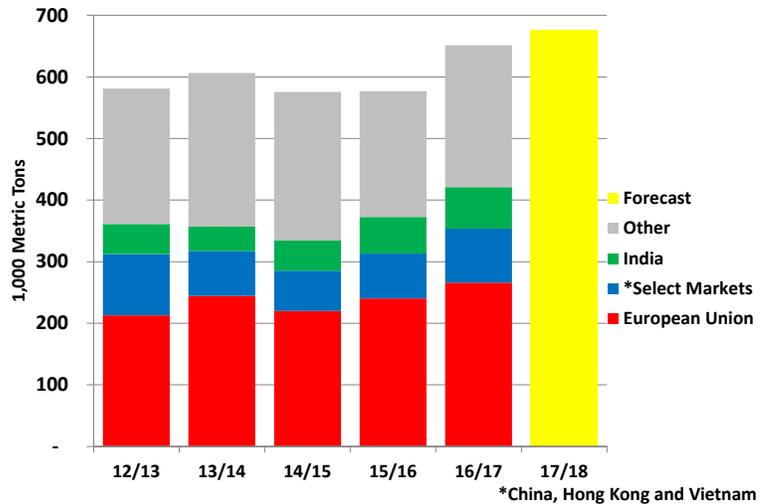
Global almond production for 2017/18 is forecast 6 percent higher to a record 1.3 million metric tons (tons) shelled basis on record output in the United States, Australia, and the European Union. Similarly, global consumption is expected to continue expanding to a record 1.2 million tons. Global exports are expected to rise 4 percent to a record 766,000 tons on strong shipments to the European Union, China, and India. World ending stocks are forecast nearly unchanged at 233,000 tons as inventories in the United States remain elevated.

Record World Almond Production Driven By U.S. Output



United States production is forecast up 5 percent to a record 1.0 million tons on continued area expansion, although yields are expected to drop slightly. The bloom was extended due to cold temperatures. Significant rains before and during bloom made application of dormant and bloom sprays more difficult. While excessive rain complicated orchard work, it was a welcome relief from years of drought. As nuts continued to develop, a heat wave in June caused growers to irrigate day and night. However, reports indicate that the heat wave did not cause much damage to the trees, with stress alleviated by irrigation. Exports are vital, accounting for two-thirds of output and are forecast to rise 4 percent to a record 765,000 tons on expanded shipments to the European Union and India. Even so, ending stocks are expected to remain elevated at 183,000 tons.

Record U.S. Almond Exports to Continue



Australia's production is forecast to rise nearly 10 percent to a record 90,000 tons on higher area and yield. A majority of production occurs in the Riverina region of New South Wales, the Swan Hill and Sunraysia regions of Victoria, and the Riverland and Adelaide regions of South Australia. Exports are forecast to gain 9 percent to 60,000 tons on stronger demand from top markets European Union and India.

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European Union's production is forecast up 13 percent to 103,000 tons on greater area expansion in Spain, while Italy's remains unchanged. Import demand is expected up 3 percent to 300,000 tons on demand from the food ingredient, snack food, and confectionary industries.

India's imports are forecast to gain 8 percent to reach 95,000 tons, driven by an expanding middle class and a growing workforce. While demand peaks during the September to January festive season, food processors are using more almonds in a broader variety of product categories such as snack foods, health foods, beverages, and confectionary products.

China's imports are forecast 7 percent higher to 100,000 tons, driven by higher demand from food manufacturers as well as the snack food sector. Industry surveys indicate consumers between the ages of 19 and 35 account for much of the recent growth in demand in the expanding snack food sector.

Walnuts

World walnut production and consumption for 2017/18 are each forecast lower to 2.1 million tons in-shell basis on lower output in China and the United States. Global exports, dominated by the United States, are expected up 6 percent to 755,000 tons. World ending stocks are forecast to continue sliding lower for three consecutive years after peaking in 2014/15.

China's production is forecast down 6 percent to 1.0 million tons due to weather-related shortfalls in top producing regions. A spring frost in Yunnan province affected many walnut trees in higher altitude orchards, while drought conditions in Shanxi province during fruit-set caused walnuts to drop from older trees. Output from other regions is expected to expand due to area expansion and favorable weather. Imports are forecast to rebound sharply to 70,000 tons on rekindled demand from the food ingredient and snack food industries.

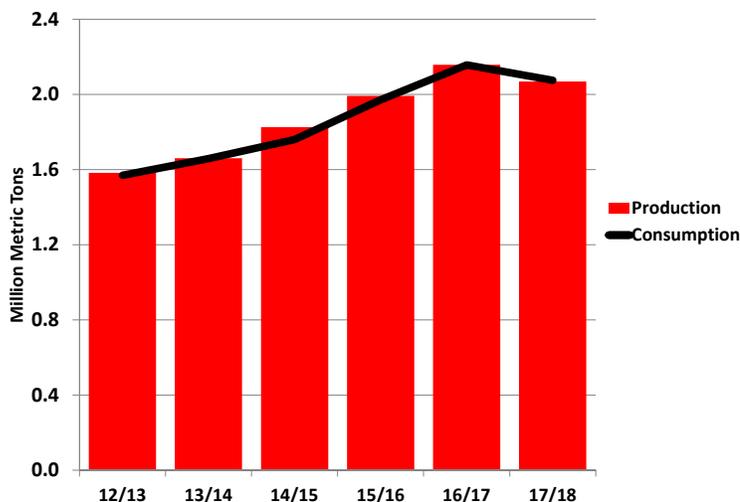
United States production is forecast down 5 percent to 590,000 tons as lower yields more than offset greater area. The season began with adequate chilling hours and record amounts of rain during the winter and spring months. There were reports of orchards being saturated for several weeks which resulted in a compromised root system. A higher-than-average insect problem was also reported. During the excessive heat waves over the summer, growers applied sunburn prevention materials. Consumption is expected to drop 21 percent to a more normal 150,000 tons following last year's massive jump.

Exports account for a substantial portion of output and are forecast 3 percent higher to a record 475,000 tons primarily on rebounding shipments to China, Hong Kong, and Vietnam. Ending stocks are expected to tighten for a third consecutive year.

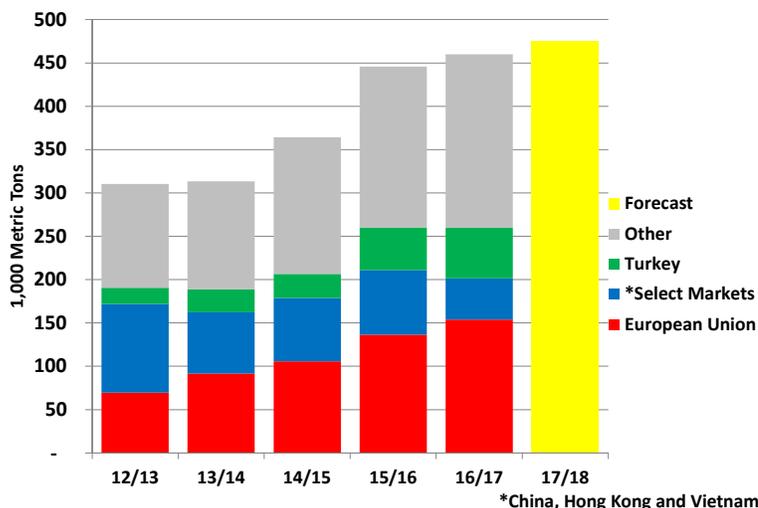
European Union's production is forecast down slightly to 115,000 tons on modest reductions in France and Romania, while Spain is flat. Consumption is expected nearly unchanged following several years of strong growth. Demand is driven by snack foods and cooking ingredients on the retail side and pastries on the industrial side. Imports are expected up 3 percent to a record 260,000 tons.

Chile's production is forecast to remain elevated at 120,000 tons following last year's surge, with nearly all exported. Key markets are the European Union and Turkey.

World Walnut Production and Consumption Forecast Lower



Record U.S. Walnut Exports to Continue



Ukraine's production is forecast to rise 5 percent to 113,000 tons due to higher yields. The majority of walnuts are produced by small private farms not typically applying inputs such as fertilizers or using mechanical harvesters. These growers typically sell to intermediaries, who assemble batches destined for domestic or overseas wholesale markets. Because these producers are not actively investing in their plantations, higher demand has been supplied by commercial expansion. In fact, area harvested by commercial growers has risen steadily since 2009 and now accounts for nearly one quarter. With higher available supplies, exports to China and the European Union are forecast to rebound.

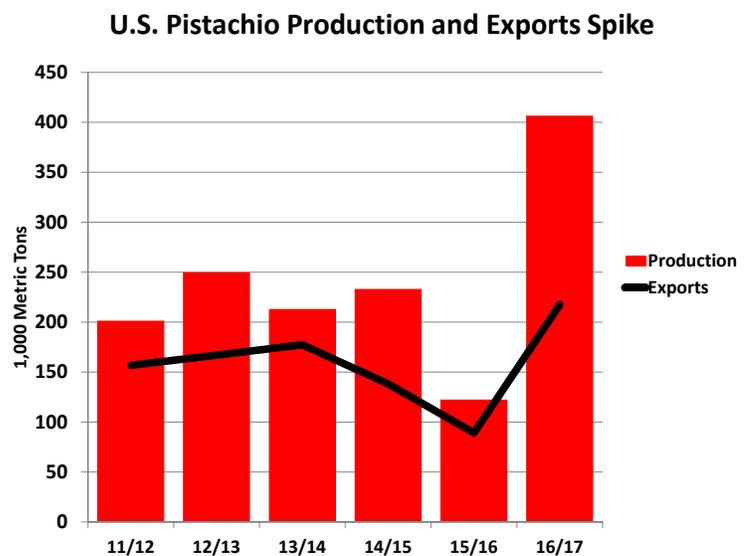
Turkey's production is forecast to ease 5 percent to 58,000 tons as yields decline following drought, hail and frost in certain areas. Although walnuts are grown throughout the country, imports supply about two-thirds of domestic consumption and are expected to gain 5 percent and reach 110,000 tons. Walnuts are commonly used in desserts but are increasingly being purchased by health-conscious consumers as a snack.

Pistachios

Note: In prior years, the October *Tree Nuts: World Markets and Trade* report did not include pistachio reporting, because the National Agricultural Statistics Service (NASS) provides a preliminary estimate for U.S. production the following January in the *Noncitrus Fruits and Nuts Preliminary Summary* report. Because NASS did not publish the report in January 2017, the release of 2016/17 data was delayed. The Foreign Agricultural Service is unable to forecast the global supply and demand balance without U.S. production data, of which the United States is a major component. This publication includes updated 2016/17 data but no forecast for 2017/18.

Global production for 2016/17 jumped nearly 50 percent to a record 777,000 tons in-shell basis as U.S. output soared on rebounding yields. As a result of higher available supplies, world consumption spiked 30 percent to a record 672,000 tons and ending stocks more than doubled to 128,000 tons. Global exports rebounded nearly 30 percent to a record 371,000 tons.

United States production more than tripled to a record 407,000 tons as yields benefited from a combination of favorable weather, sufficient winter chilling, good bloom overlap, and normal nut filling. The crop was an “on” year following last year’s very poor crop. As the crop size grew larger, the crop quality declined due to the wide range of timing in the ripening. With a heavy crop, it is difficult for nuts to mature evenly throughout the tree, leading to both early splits and closed shells. Exports more than doubled to a record 218,000 tons on strong shipments to top markets China, European Union and Hong Kong. Despite record consumption and exports, ending stocks soared to a record 116,000 tons.



Iran’s production dropped more than one-quarter to 153,000 on lower yields in the top-producing province of Kerman as bearing area remained unchanged. As a result of the smaller harvest, consumption was down sharply to just 13,000 tons. Exports dropped 23 percent to 144,000 tons on lower trade to China, European Union, and Turkey.

Although **Turkey’s** production gained nearly 20 percent to 155,000 tons, it had limited effect on trade as nearly all was consumed domestically. Imports were nearly flat.

China’s imports expanded 65 percent to a record 116,000 tons. Shanghai and Beijing remained key markets for U.S. pistachios, whereas other major cities preferred more competitively-priced imports from Iran.

European Union’s imports gained 26 percent to total 89,000 tons, with the United States supplying the majority.

FAS Reports from Overseas Offices

The *Tree Nut: World Markets and Trade* circular is based on post reports submitted throughout the year for select countries and can be obtained on FAS Online at: <http://gain.fas.usda.gov/Pages/Default.aspx>.

PSD Online

The entire USDA PSD database is available online at <https://apps.fas.usda.gov/psdonline/app/index.html#/app/home>

Additional Resources

Please refer to the USDA-FAS Tree Nuts website at: <https://www.fas.usda.gov/commodities/tree-nuts> for additional data and analysis.

Situation and outlook information on U.S. tree nuts can be obtained from the USDA-Economic Research Service at: <http://www.ers.usda.gov/topics/crops/fruit-tree-nuts.aspx>

Future Releases and Contact Information

Please visit <https://www.fas.usda.gov/data/tree-nuts-world-markets-and-trade> to view current and archived reports.

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For additional information, please contact Tony Halstead at 202-720-4620, or Tony.Halstead@fas.usda.gov

Almond Summary
Metric Tons, Shelled Basis

	2012/13	2013/14	2014/15	2015/16	2016/17	Oct 2017/18
Production						
United States	857,290	911,720	848,220	861,830	970,690	1,020,580
European Union	83,000	58,800	79,700	95,000	91,000	103,000
Australia	73,400	65,100	82,500	82,300	82,300	90,000
China	5,000	7,000	9,500	30,000	40,000	43,000
Turkey	17,000	18,000	13,000	14,000	14,000	15,000
Other	9,500	5,000	9,600	8,800	8,600	8,500
Total	1,045,190	1,065,620	1,042,520	1,091,930	1,206,590	1,280,080
Domestic Consumption						
European Union	299,300	323,800	308,700	346,700	368,700	387,000
United States	302,260	305,580	274,871	283,083	337,202	355,000
China	93,100	67,700	57,800	87,500	133,800	143,000
India	60,700	53,400	61,500	82,000	89,900	96,000
United Arab Emirates	43,600	54,800	61,500	35,000	36,500	40,000
Canada	31,200	33,700	35,000	34,200	35,800	37,000
Japan	28,800	36,200	38,100	29,300	31,500	33,000
Australia	24,700	20,800	25,000	28,300	31,100	32,000
Turkey	29,300	33,200	30,800	28,300	35,200	32,000
Korea, South	21,300	25,800	25,800	22,100	25,600	27,000
Other	80,600	71,600	56,100	48,100	52,700	56,300
Total	1,014,860	1,026,580	975,171	1,024,583	1,178,002	1,238,300
Ending Stocks						
United States	143,891	159,013	170,829	186,881	180,837	183,417
India	23,800	26,800	29,800	20,700	20,000	20,000
European Union	30,000	20,000	20,000	18,000	16,500	16,500
Australia	8,700	7,600	9,400	11,600	10,900	11,900
Chile	500	500	500	500	500	500
Other	500	500	500	500	500	500
Total	207,391	214,413	231,029	238,181	229,237	232,817
Exports						
United States	581,090	606,408	575,680	577,108	651,594	675,000
Australia	44,300	49,600	58,100	54,300	55,000	60,000
European Union	10,100	10,800	13,300	14,800	15,500	16,000
Turkey	7,800	8,300	4,800	4,800	7,400	8,000
Chile	7,300	4,000	8,000	6,600	6,600	7,000
Other	0	0	0	0	0	0
Total	650,590	679,108	659,880	657,608	736,094	766,000
Imports						
European Union	226,400	265,800	242,300	264,500	291,700	300,000
China	88,100	60,700	48,300	57,500	93,800	100,000
India	59,400	55,300	63,300	71,800	88,200	95,000
United Arab Emirates	43,600	54,800	61,500	35,000	36,500	40,000
Canada	31,200	33,700	35,000	34,200	35,800	37,000
Japan	28,800	36,200	38,100	29,300	31,500	33,000
Korea, South	21,300	25,800	25,800	22,100	25,600	27,000
Turkey	20,300	23,500	22,600	19,100	28,600	25,000
Hong Kong	12,900	15,200	17,400	10,600	12,600	15,000
United States	17,892	15,390	14,147	14,413	12,062	12,000
Mexico	10,000	9,400	11,700	10,400	9,800	9,500
Taiwan	14,000	8,300	5,200	4,900	6,800	8,000
Algeria	6,700	4,300	2,800	4,300	5,400	6,000
Switzerland	4,800	5,800	5,300	4,600	4,700	5,000
Russia	21,200	17,800	4,400	3,100	3,300	3,500
Other	13,000	15,100	11,300	11,600	12,200	11,800
Total	619,592	647,090	609,147	597,413	698,562	727,800

Marketing year begins in August of the first year of the split year for the United States and other Northern Hemisphere countries. Southern hemisphere countries are on a calendar year basis indicated as the second year of the split year.

Walnut Summary
Metric Tons, In-shell Basis

	2012/13	2013/14	2014/15	2015/16	2016/17	Oct 2017/18
Production						
China	720,000	780,000	900,000	1,000,000	1,060,000	1,000,000
United States	450,871	446,335	518,003	549,754	622,329	589,670
Chile	53,000	60,000	81,634	80,000	117,000	120,000
European Union	110,000	110,000	107,900	117,928	116,670	115,000
Ukraine	96,940	115,790	102,740	115,080	108,000	113,000
Turkey	85,000	75,000	40,000	60,000	63,000	58,000
India	36,000	43,000	35,000	33,000	32,000	35,000
Other	31,000	30,800	40,500	37,500	39,500	39,000
Total	1,582,811	1,660,925	1,825,777	1,993,262	2,158,499	2,069,670
Domestic Consumption						
China	812,200	854,300	956,400	1,075,200	1,089,600	1,050,000
European Union	230,200	262,100	278,500	310,228	355,670	360,000
Turkey	117,500	115,100	101,100	142,500	159,200	163,000
United States	154,266	154,922	140,532	134,543	190,778	150,451
India	24,900	26,400	32,700	43,400	46,200	54,000
Japan	27,700	29,000	38,000	40,400	46,000	50,000
Ukraine	38,940	40,590	43,140	39,380	51,600	38,100
Korea, South	28,200	29,100	33,900	30,500	32,100	35,000
United Arab Emirates	8,100	17,100	14,300	15,100	32,600	30,000
Canada	20,700	22,200	17,900	24,000	25,300	26,500
Other	106,700	107,800	102,941	116,050	100,068	108,050
Total	1,569,406	1,658,612	1,759,413	1,971,301	2,129,116	2,065,101
Ending Stocks						
European Union	40,000	35,000	35,000	40,000	40,000	40,000
United States	41,629	34,988	75,760	59,121	50,781	35,000
India	5,300	8,100	16,300	12,800	17,000	23,000
Turkey	5,000	5,000	4,000	5,500	6,800	3,800
Ukraine	1,500	1,500	1,500	1,400	1,700	1,600
Other	1,200	900	593	443	400	400
Total	94,629	85,488	133,153	119,264	116,681	103,800
Exports						
United States	310,329	313,471	364,101	445,781	460,101	475,000
Chile	50,500	57,400	76,800	78,500	115,000	118,000
Ukraine	58,000	75,200	59,600	75,800	56,100	75,000
Moldova	25,100	27,100	36,800	34,100	34,000	34,000
China	16,100	16,700	14,500	8,300	19,000	20,000
European Union	15,000	24,700	16,500	18,300	13,500	15,000
Turkey	9,600	12,000	8,000	6,500	7,600	8,000
Other	18,700	19,200	13,600	11,300	9,000	9,500
Total	503,329	545,771	589,901	678,581	714,301	754,500
Imports						
European Union	140,200	171,800	187,100	215,600	252,500	260,000
Turkey	42,100	52,100	68,100	90,500	105,100	110,000
China	108,300	91,000	70,900	83,500	48,600	70,000
Japan	27,700	29,000	38,000	40,400	46,000	50,000
Korea, South	28,200	29,100	33,900	30,500	32,100	35,000
India	200	600	10,400	14,300	23,200	30,000
United Arab Emirates	8,100	17,100	14,300	15,100	32,600	30,000
Canada	20,800	22,600	22,600	24,500	25,800	27,000
Iraq	11,200	13,700	11,900	19,500	19,100	20,000
United States	10,885	15,417	27,402	13,931	20,210	20,000
Israel	9,600	9,600	10,700	13,000	13,400	14,000
Australia	10,600	12,200	12,400	11,200	11,600	13,000
Mexico	7,400	6,300	9,600	13,800	9,200	10,000
Brazil	8,000	8,300	7,100	8,200	9,000	9,500
Taiwan	7,300	6,400	8,300	8,900	8,000	9,000
Other	51,000	49,100	38,500	39,800	25,925	29,550
Total	491,585	534,317	571,202	642,731	682,335	737,050

Marketing year begins in September of the first year of the split year for the United States and other Northern Hemisphere countries. Southern hemisphere countries are on a calendar year basis indicated as the second year of the split year.

Pistachio Summary
Metric Tons, In-shell Basis

	2011/12	2012/13	2013/14	2014/15	2015/16	Oct 2016/17
Production						
United States	201,395	249,929	213,188	233,147	122,470	406,646
Turkey	50,000	117,000	50,000	85,000	130,000	155,000
Iran	160,000	183,000	170,000	230,000	210,000	153,000
Syria	56,000	57,000	54,000	29,000	54,000	54,000
European Union	12,700	12,900	13,000	13,000	13,800	8,400
Other	0	0	0	0	0	0
Total	480,095	619,829	500,188	590,147	530,270	777,046
Domestic Consumption						
Turkey	85,325	93,025	91,650	104,070	126,550	156,450
United States	73,321	75,980	51,046	56,060	62,852	121,652
China	70,100	76,350	79,900	81,900	70,550	116,100
European Union	69,225	75,975	85,750	83,100	82,350	95,600
Syria	57,500	54,100	49,600	29,050	53,900	54,200
Hong Kong	23,875	36,400	30,400	30,500	18,300	30,000
United Arab Emirates	18,350	21,025	21,950	23,200	20,500	15,300
Canada	15,500	17,000	18,800	17,650	12,600	15,100
India	5,300	9,775	8,825	7,950	8,500	12,900
Iran	47,900	51,000	37,900	43,300	21,700	12,700
Other	57,125	50,475	44,275	42,100	37,520	42,425
Total	523,521	561,105	520,096	518,880	515,322	672,427
Ending Stocks						
United States	41,125	49,494	34,978	74,803	46,528	115,507
Turkey	19,520	39,420	9,320	5,000	8,500	10,000
European Union	1,500	1,500	1,500	1,500	1,500	1,500
Iran	5,000	16,000	10,000	5,000	5,000	1,000
Afghanistan	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	67,145	106,414	55,798	86,303	61,528	128,007
Exports						
United States	156,751	166,939	177,273	138,302	89,198	217,559
Iran	115,100	121,000	138,100	191,700	188,300	144,300
Turkey	1,650	8,200	2,000	2,700	9,200	6,600
European Union	1,200	1,600	1,300	1,400	1,900	1,600
Syria	1,500	3,200	4,900	500	400	500
Other	0	0	0	0	0	0
Total	276,201	300,939	323,573	334,602	288,998	370,559
Imports						
China	70,100	76,350	79,900	81,900	70,550	116,100
European Union	57,725	64,675	74,050	71,500	70,450	88,800
Hong Kong	23,875	36,400	30,400	30,500	18,300	30,000
United Arab Emirates	18,350	21,025	21,950	23,200	20,500	15,300
Canada	15,500	17,000	18,800	17,650	12,600	15,100
India	5,300	9,775	8,825	7,950	8,500	12,900
Turkey	4,300	4,125	13,550	17,450	9,250	9,550
Iraq	7,000	6,100	8,575	9,825	8,300	8,000
Pakistan	2,975	3,025	2,025	3,825	6,500	6,000
Israel	3,700	4,575	4,300	3,500	2,650	5,600
Other	47,427	38,434	30,490	26,540	21,675	25,069
Total	256,252	281,484	292,865	293,840	249,275	332,419

The marketing year begins in September. Trade data includes prepared and preserved pistachios classified in chapter 20 of the Harmonized Tariff Schedule.