



Tree Nuts: World Markets and Trade

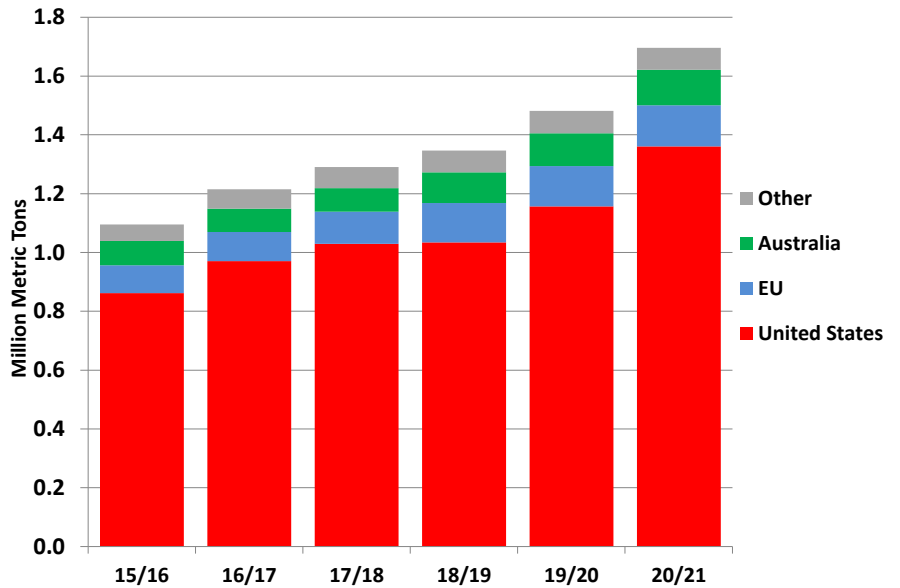
Almonds

Global almond production for 2020/21 is forecast 15 percent higher to 1.7 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 1.5 million tons. Global exports are expected to rise 15 percent to a record 951,000 tons on strong shipments to the European Union, India, and China. Record world ending stocks are forecast, pushed higher by a sharp build-up in the United States.

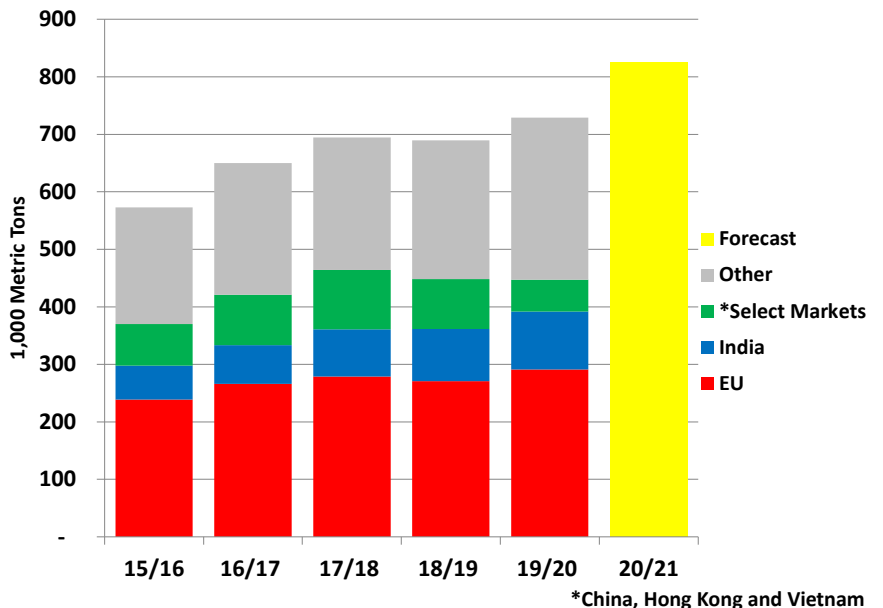
U.S. production is forecast 18 percent higher to a record 1.4 million tons on increased area and yield. February was very dry throughout most of California, which provided excellent bloom conditions and plenty of opportunity for pollination. There was little concern for frost damage this year. Isolated storms in late March and early April brought inches of rain and even hail to some areas. There were reports of wind gusts toppling trees that were heavy with nuts as well as limbs breaking from the weight. High temperatures in late May and through June helped develop the crop through its final stages. Irrigation was needed and water availability was not an issue.

Exports are forecast to account for over 60 percent of output and are forecast to rise 13 percent to 825,000 tons largely on expanded shipments to the EU, India, and Asia. Ending stocks are expected to continue expanding to a record 325,000 tons.

Record U.S. Almond Production Dominates World Output



Record U.S. Almond Exports Forecast

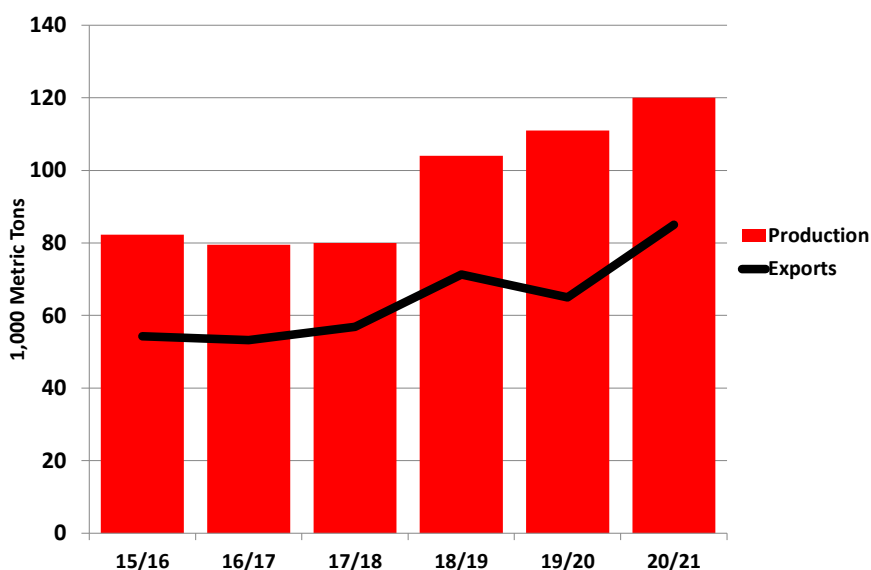


*China, Hong Kong and Vietnam

EU production is forecast up 2 percent to 140,000 tons as higher output in Spain more than offsets a decline in Italy. Imports are expected up 15 percent to 325,000 tons on strong demand from the food ingredient, snack food, and confectionary industries. 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. New eating habits are also affecting the demand for nuts. The increasing popularity of plant-based diets is also helping to drive demand for nuts, as consumers look for alternative forms of protein to meat and fish.

Australia production is forecast to rise 8 percent to a record 120,000 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. Although there has been steady area expansion in the Sunraysia and Riverland regions over the last 5 years, growth has been tempered by water limitations. However, higher rainfall in the Riverina region attracted growers to expand area from 3,800 hectares in 2015 to over 16,000 by 2019. New production records are expected to be continually set in the coming years as these non-bearing trees mature and come into production. Exports are forecast to jump 31 percent to 85,000 tons on stronger demand from top markets European Union, China, and India.

Record Production and Exports Forecast for Australia



India imports are forecast nearly 20 percent higher to 125,000 tons as consumption rebounds from slowed shipments due to Covid-19. Typically, demand peaks during the September to January festive season, although food processors are using more almonds in a broader variety of product categories such as snack foods, health foods, beverages, and confectionary products. In addition, there is growing demand for lower-quality almond kernels for use in the cosmetic industry for oil extraction.

China imports are forecast to rebound 50 percent to 100,000 tons. The outbreak of Covid-19 in January 2020 caused many processing facilities and retail outlets to close, reducing supplies available to consumers. Demand fell as the pandemic reduced social activities and gift giving, two activities that typically include almonds. With processing facilities and retail outlets now open, many manufacturers have expanded almond usage in cereals, probiotics, and cookies to satisfy consumer preferences for healthier ingredients. As a result of these marketing efforts, almond consumption will likely expand. In addition, China's State Council Tariff Commission (SCTC) launched a tariff exclusion process on March 2, 2020 where importers can apply for tariff exclusions on specific consignments from the United States. If an exclusion application is successfully approved, the Section 301 tariffs imposed on U.S. products would be exempted for a year from the date of approval.

Walnuts

Record **global** walnut production and trade are forecast. Production continues to expand to 2.3 million tons in-shell basis, with China and the United States accounting for over 75 percent of total output. World exports, dominated by the United States, are expected to rise 14 percent to 946,000 tons. World ending stocks are forecast 20 percent higher to a record 140,000 tons on a sharp buildup in the United States.

China production is forecast up just 2 percent to 1.0 million tons on favorable growing conditions.

Although domestic consumption is expected to account for nearly 90 percent of output, exports to Kyrgyzstan and Kazakhstan have risen sharply in recent years and this trend is expected to continue. Imports are expected to remain nearly flat at just 20,000 tons as consumers continue to rely on domestic output. China's SCTC launched a tariff exclusion process on March 2, 2020 where importers can apply for tariff exclusions on specific consignments from the United States. If an exclusion application is successfully approved, the Section 301 tariffs imposed on U.S. products would be exempted for a year from the date of approval.

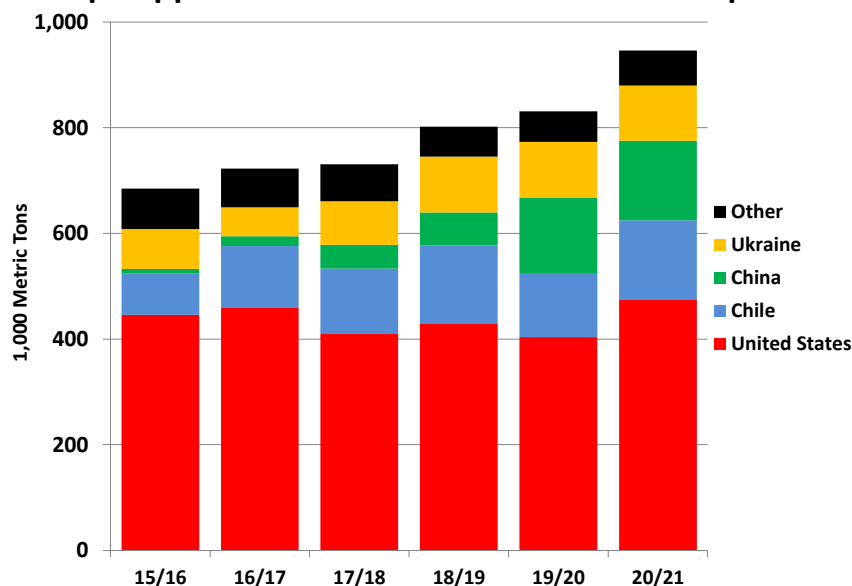
U.S. production is forecast up nearly 20 percent to a record 708,000 tons on both area and yield gains. A warm and dry January and February meant growers started irrigating early. The 2020 chilling hours were low. Leaf-out was prolonged, which resulted in uneven canopy and nut development. April rains increased blight risk. Nut sets looked good, with reports of tree limbs heavy with nuts. Exports are forecast 18 percent higher to a record 475,000 tons on higher shipments to the European Union, Turkey, and the United Arab Emirates. Despite consumption continuing to expand, record output is expected to lead to record stocks.

Chile production is forecast to jump 20 percent to 150,000 tons as output rebounds from last year's damaging drought and cultivated area continues to expand. Exports are expected up similarly to Chile's top market, the EU.

Ukraine production is forecast flat at 126,000 tons on normal growing conditions. Exports to top markets the European Union and Turkey are expected unchanged.

EU production is forecast down 5 percent to 127,000 tons as modest gains in France and Spain more than offset declines in Romania and Italy. Imports are expected 13 percent higher to 340,000 tons primarily due to rebounding output in top supplying countries the United States and Chile. Demand is driven by snack foods and cooking ingredients on the retail side and pastries on the industrial side.

Top Suppliers Drive Record World Walnut Exports



Pistachios

Note: This publication only includes updated 2019/20 data because U.S. production data for 2020/21 is not available.

Global production for 2019/20 was down 8 percent to 717,000 tons in-shell basis as the United States and Turkey entered the off-year of the alternate bearing crop cycle, more than offsetting a sharp rebound in Iran. World exports were slightly higher at 371,000 tons on Iran's rebounding shipments to the European Union and China.

Iran production, reported by the Iranian Pistachio Association, recovered to 205,000 tons following last year's weather shock that slashed output over 75 percent. With higher available supplies, exports rebounded to 154,000 tons on strong shipments to China, the European Union, and Turkey. Despite strong exports, ending stocks jumped to 40,000 tons following last year's reduced output and stocks drawdown.

U.S. production declined 25 percent to 336,000 tons due to lower yields from the off-year biennial crop cycle. With reduced output as well as increased competition from Iran, exports dropped 32 percent to 189,000 tons on lower shipments to top markets China and European Union. Ending stocks nudged higher to 65,000 tons as consumption slipped.

Turkey production plunged 60 percent to 85,000 tons, similar to previous off-cycle years. Lower production had limited effect on trade as almost the entire harvest is consumed domestically.

China imports increased 15 percent to 128,000 tons on rebounding shipments from Iran, while lower imports from the United States were attributed to reduced output and high retaliatory tariffs for U.S. pistachios.

EU production was up 11,000 tons to 22,000 on gains in Spain and Italy. Imports dipped slightly to 104,000 tons as reduced shipments from the United States more than offset higher supplies from Iran.

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Almond Summary
Metric Tons, Shelled Basis

	2015/16	2016/17	2017/18	2018/19	2019/20	Oct 2020/21
Production						
United States	861,830	970,690	1,029,650	1,034,190	1,156,660	1,360,780
European Union	95,000	98,700	109,500	134,200	137,200	140,000
Australia	82,300	79,500	80,000	104,000	111,000	120,000
China	30,000	40,000	43,000	43,000	45,000	45,000
Turkey	14,000	14,000	15,000	16,000	15,000	15,000
Other	11,700	12,100	13,500	15,500	16,000	15,500
Total	1,094,830	1,214,990	1,290,650	1,346,890	1,480,860	1,696,280
Domestic Consumption						
European Union	322,000	356,800	369,300	381,800	404,700	440,000
United States	283,064	337,276	366,193	375,664	377,717	425,000
China	87,500	107,200	121,800	138,400	111,800	145,000
India	84,900	90,000	92,100	111,600	114,500	129,500
United Arab Emirates	35,000	36,500	38,200	36,300	40,800	45,000
Japan	29,300	31,500	36,400	37,800	38,600	40,000
Turkey	28,300	35,200	32,900	27,500	33,800	38,000
Australia	26,900	31,300	27,000	33,750	34,200	35,000
Canada	32,800	35,500	35,600	29,600	29,700	35,000
Korea, South	22,100	25,600	23,700	25,600	24,700	28,000
Other	96,400	118,500	122,800	117,400	135,700	146,400
Total	1,048,264	1,205,376	1,265,993	1,315,414	1,346,217	1,506,900
Ending Stocks						
United States	186,881	180,837	162,846	144,387	204,162	324,942
India	20,700	23,500	36,000	35,000	30,000	30,000
Australia	7,350	5,450	5,250	7,300	21,300	24,300
European Union	18,000	18,000	18,000	18,000	18,000	18,000
Chile	500	500	500	500	400	500
Other	500	500	400	400	300	300
Total	233,931	228,787	222,996	205,587	274,162	398,042
Exports						
United States	577,127	651,517	696,200	691,629	731,107	825,000
Australia	54,300	53,200	56,900	71,300	65,000	85,000
European Union	14,800	15,500	20,700	23,800	15,900	25,000
Chile	6,600	5,500	7,700	10,200	7,000	9,000
Turkey	4,800	7,400	8,300	7,000	7,100	7,000
Other	0	0	0	0	0	0
Total	657,627	733,117	789,800	803,929	826,107	951,000
Imports						
European Union	239,800	273,600	280,500	271,400	283,400	325,000
India	71,800	88,300	100,600	106,100	105,000	125,000
China	57,500	67,200	78,800	95,400	66,800	100,000
United Arab Emirates	35,000	36,500	38,200	36,300	40,800	45,000
Japan	29,300	31,500	36,400	37,800	38,600	40,000
Canada	32,800	35,500	35,600	29,600	29,700	35,000
Turkey	19,100	28,600	26,100	18,500	25,800	30,000
Korea, South	22,100	25,600	23,700	25,600	24,700	28,000
Morocco	0	600	1,700	4,100	11,800	13,000
Mexico	10,400	9,800	11,500	11,400	12,000	13,000
Saudi Arabia	7,200	12,000	9,800	9,700	10,000	12,000
Switzerland	9,600	9,200	11,000	10,300	10,800	12,000
Kazakhstan	3,800	7,700	9,200	8,300	9,400	10,000
United States	14,413	12,059	14,752	14,644	11,939	10,000
Russia	3,100	3,300	9,100	7,500	8,400	8,500
Other	63,600	76,900	72,400	68,400	70,900	79,000
Total	619,513	718,359	759,352	755,044	760,039	885,500

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

	2015/16	2016/17	2017/18	2018/19	2019/20	Oct 2020/21
Production						
China	1,000,000	1,060,000	1,000,000	850,000	1,000,000	1,020,000
United States	549,754	625,050	571,527	613,257	592,392	707,604
Chile	80,000	119,000	126,000	150,000	125,000	150,000
European Union	117,928	116,670	121,000	130,000	133,000	127,000
Ukraine	115,080	108,000	108,660	127,190	125,900	126,000
Turkey	60,000	63,000	58,000	63,000	65,000	67,000
India	33,000	32,000	32,500	34,000	35,000	35,000
Other	41,900	51,900	53,600	42,800	49,300	51,300
Total	1,997,662	2,175,620	2,071,287	2,010,247	2,125,592	2,283,904
Domestic Consumption						
China	1,075,500	1,088,400	980,000	809,900	875,300	890,000
European Union	310,228	355,170	387,100	390,100	420,100	452,000
United States	134,576	194,435	171,611	184,732	194,112	210,000
Turkey	117,600	119,400	127,100	139,800	145,100	149,000
India	43,400	45,500	45,100	44,900	61,800	66,400
Kyrgyzstan	0	1,700	7,600	34,900	54,800	60,000
United Arab Emirates	15,100	32,700	28,100	58,700	44,500	55,000
Japan	40,400	45,800	49,700	43,400	42,000	50,000
Canada	18,300	20,800	26,500	28,800	28,900	30,800
Korea, South	31,400	32,100	28,800	30,800	27,000	30,000
Other	174,230	166,454	174,349	185,714	165,000	200,200
Total	1,960,734	2,102,459	2,025,960	1,951,746	2,058,612	2,193,400
Ending Stocks						
United States	59,121	50,781	57,642	60,037	58,046	83,650
European Union	40,000	40,000	40,000	40,000	40,000	40,000
India	12,800	17,800	13,600	14,400	14,400	14,000
Chile	443	400	400	300	3,200	1,000
Turkey	5,500	6,800	3,800	1,800	1,000	1,000
Other	1,400	15,423	7,000	500	540	590
Total	119,264	131,204	122,442	117,037	117,186	140,240
Exports						
United States	445,748	459,165	409,564	429,442	403,621	475,000
Chile	78,500	116,800	123,700	147,900	120,000	150,100
China	8,300	18,400	45,200	62,100	144,100	150,000
Ukraine	75,800	55,100	82,000	106,100	105,000	105,000
Moldova	34,100	34,000	37,200	26,000	30,000	34,000
European Union	18,300	13,700	12,900	14,200	12,900	15,000
Turkey	6,500	7,800	6,400	6,900	7,700	8,000
Other	17,300	17,400	13,500	9,300	7,800	9,100
Total	684,548	722,365	730,464	801,942	831,121	946,200
Imports						
European Union	215,600	252,200	279,000	274,300	300,000	340,000
Turkey	65,600	65,500	72,500	81,700	87,000	90,000
Kyrgyzstan	0	1,700	7,600	34,900	54,800	60,000
United Arab Emirates	15,100	32,700	28,100	58,700	44,500	55,000
Japan	40,400	45,800	49,700	43,400	42,000	50,000
India	14,300	23,200	16,100	15,900	30,000	35,000
Canada	24,500	25,800	27,200	28,900	29,000	31,000
Korea, South	31,400	32,100	28,800	30,800	27,000	30,000
China	83,800	46,800	25,200	22,000	19,400	20,000
Russia	1,800	3,300	6,700	11,500	16,000	20,000
Israel	13,000	13,200	11,200	17,900	10,100	17,000
Pakistan	1,700	2,700	7,100	18,400	10,500	15,000
Iraq	19,500	14,300	8,700	11,700	9,300	12,000
Morocco	3,000	5,500	8,900	10,100	11,000	12,000
Mexico	13,800	9,200	9,700	10,500	9,400	12,000
Other	90,231	87,144	89,875	67,336	64,290	79,750
Total	633,731	661,144	676,375	738,036	764,290	878,750

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

	2015/16	2016/17	2017/18	2018/19	Feb 2019/20	Oct 2019/20
Production						
United States	122,470	406,646	272,292	447,696	331,538	335,658
Iran	210,000	153,000	225,000	52,000	205,000	205,000
Turkey	130,000	155,000	80,000	210,000	85,000	85,000
Syria	35,000	58,000	56,500	60,000	55,000	70,000
European Union	13,800	8,400	15,000	10,610	17,530	21,600
Other	0	0	0	0	0	0
Total	511,270	781,046	648,792	780,306	694,068	717,258
Domestic Consumption						
United States	69,742	127,965	127,238	157,866	157,964	143,493
China	71,650	115,600	115,900	111,522	100,000	127,700
European Union	82,350	96,500	106,000	114,535	111,030	124,200
Turkey	117,400	147,000	86,550	173,150	116,500	102,400
Syria	34,900	52,900	55,600	56,800	55,500	48,600
India	13,700	17,400	20,500	23,700	15,500	23,100
Iran	21,700	11,800	39,700	28,225	58,000	14,100
United Arab Emirates	21,175	15,100	16,275	11,575	15,500	12,400
Saudi Arabia	8,700	11,700	10,100	9,800	0	11,700
Iraq	8,325	8,000	9,525	5,900	9,400	10,200
Other	65,865	74,925	70,550	55,800	66,200	46,500
Total	515,507	678,890	657,938	748,873	705,594	664,393
Ending Stocks						
United States	46,528	115,507	47,456	59,926	35,000	65,349
Iran	5,000	3,000	33,100	3,100	25,100	40,000
European Union	1,500	1,500	1,500	1,500	1,500	1,900
Turkey	8,500	10,000	500	22,500	500	500
Afghanistan	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	61,528	130,007	82,556	87,026	62,100	107,749
Exports						
United States	82,308	211,247	214,902	278,815	200,000	188,588
Iran	188,300	143,200	155,200	53,775	125,000	154,000
Syria	400	5,800	2,000	4,300	500	22,400
Turkey	9,200	6,600	3,150	14,950	5,500	4,700
European Union	1,900	1,700	2,100	1,475	1,500	1,100
Other	0	0	0	0	0	0
Total	282,108	368,547	377,352	353,315	332,500	370,788
Imports						
China	71,650	115,600	115,900	111,522	100,000	127,700
European Union	70,450	89,800	93,100	105,400	95,000	104,100
India	13,700	17,400	20,500	23,700	15,500	23,100
United Arab Emirates	21,175	15,100	16,275	11,575	15,500	12,400
Saudi Arabia	8,700	11,700	10,100	9,800	0	11,700
Iraq	8,325	8,000	9,525	5,900	9,400	10,200
Russia	2,775	2,550	5,025	6,000	4,100	7,000
Hong Kong	18,300	30,200	25,600	15,500	10,000	5,700
Pakistan	6,500	5,900	7,800	4,900	5,000	5,000
Kazakhstan	6,000	8,900	7,700	4,700	nr	4,800
Other	33,995	29,720	27,522	27,355	64,600	26,946
Total	261,570	334,870	339,047	326,352	319,100	338,646

The marketing year begins in September of the first year of the split year.