

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
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Report Highlights:

Italy is the second largest EU-28 almond producer after Spain. Italy's marketing year (MY) 2017/18 almond production is forecast to drop by approximately 40 percent compared to the previous campaign due to the summer drought that affected the Italian peninsula. Pistachio is a traditional crop in Italy, especially in the Sicily region (Bronte area) which accounts for approximately 90 percent of total supply. Pistachio tree production is cyclical, bearing heavily in alternate years. Therefore, after the poor MY 2016/17 campaign, MY 2017/18 will be a 'higher' bearing year. Italy lost its walnut market leadership a few decades ago and now is a leading importer, mainly from the United States. Italy's MY 2017/18 walnut production is preliminarily forecast at approximately 12,000 MT thanks to a good campaign in the South, despite a slight production reduction in the North due to the frost in April. Quality is expected to be good.

ITALY

I. ALMONDS

Table 1: Area (hectares) and Production (metric tons)

Almonds, Shelled Basis	2015	2016	2017
	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	58,109	58,336	57,754
Area Harvested	57,422	57,421	56,928
Beginning stocks	1,000	1,000	1,000
Production	20,000	20,000	12,000
Ending stocks	1,000	1,000	1,000

Sources: Istat (National Institute of Statistics); Industry contacts.

PRODUCTION

Italy is the second largest EU-28 almond producer after Spain. Sicily and Puglia are the main almond-producing areas, accounting together for approximately 88 percent of 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 marketing year (MY) 2017/18 almond production is forecast to drop by approximately 40 percent compared to the previous campaign due to the summer drought that affected the Italian peninsula. Quality is expected to be good.

CONSUMPTION

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.

TRADE

In 2016, Italy imported 41,580 MT of almonds, mainly from the United States and Spain, accounting for 62 and 23 percent of total imports, respectively. In 2016, Italy exported 10,075 MT of almonds mainly to France, Germany, and the United States, accounting for 33, 26, and 8 percent of total exports, respectively.

Table 2: Italy's leading shelled almonds imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	282,356,321	36,585	289,624,571	31,860	340,432,402	40,346
United States	T	172,474,363	23,781	170,639,807	19,002	198,510,550	25,186
Spain	T	56,839,217	5,717	73,166,056	7,671	94,029,310	9,247
Australia	T	27,564,594	3,791	17,808,295	2,143	16,376,380	1,863
Germany	T	9,579,984	1,158	13,686,409	1,406	13,005,667	1,473
United Kingdom	T	4,104,905	531	4,572,057	494	8,131,254	1,015
Chile	T	1,118,672	123	2,082,323	190	3,270,827	412
Luxembourg	T	154,718	19	844	-	1,800,900	122
Syria	T	136,307	18	340,953	39	1,341,152	152
Netherlands	T	3,032,876	339	2,328,790	284	1,054,262	182
France	T	1,253,074	249	894,395	94	845,063	411
Austria	T	1,714,727	229	1,231,716	119	572,821	55
Turkey	T	420,492	65	270,571	49	454,935	88
Israel	T	-	-	10,687	1	412,950	33
Morocco	T	252,273	38	256,456	44	278,514	46

Source: Global Trade Atlas (GTA)

Table 3: Italy's leading shelled almonds exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	102,029,387	9,978	98,907,035	9,048	115,544,163	9,652
France	T	29,280,988	2,937	28,531,262	2,680	41,413,530	3,153
Germany	T	26,836,388	2,767	21,200,920	1,957	27,187,646	2,514
United States	T	12,407,182	1,019	16,123,705	1,321	10,991,250	809
United Kingdom	T	8,030,960	757	5,785,343	493	7,385,462	621
Belgium	T	3,076,381	245	3,063,638	228	4,408,106	296
Netherlands	T	1,661,811	150	1,420,476	125	3,696,588	294
Austria	T	3,269,720	364	4,850,108	447	3,563,703	346
Sweden	T	2,168,545	202	2,361,979	198	3,240,699	289
Greece	T	1,873,938	198	1,264,359	118	2,507,240	268
Denmark	T	2,429,927	266	2,025,117	196	1,835,631	188
Japan	T	949,436	76	1,001,894	83	1,239,648	97
Switzerland	T	721,429	47	780,256	56	930,444	64
China	T	10,657	1	1,015,018	73	881,411	57
Canada	T	2,271,217	202	2,142,860	189	855,430	72

Source: GTA

Table 4: Italy's leading in-shell almonds imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	9,592,440	1,744	12,211,713	1,926	13,603,251	2,057
United States	T	6,343,894	1,275	6,036,492	938	6,085,721	1,048
Spain	T	630,834	85	2,398,880	538	3,414,403	337
France	T	1,678,838	224	1,894,361	196	1,592,202	180
Netherlands	T	-	-	180,774	36	790,951	80
Germany	T	606,159	77	517,555	55	635,002	73
Moldova	T	47,153	22	-	-	386,841	223
Australia	T	-	-	471,226	65	288,994	44
United Kingdom	T	252,421	57	20,024	1	192,220	21
Turkey	T	-	-	123,489	22	82,716	11
Portugal	T	-	-	5,146	2	67,921	27
Chile	T	-	-	543,831	70	58,269	12
Belgium	T	-	-	-	-	3,951	-
Austria	T	13,206	1	9,420	1	2,654	-
Slovenia	T	-	-	846	-	777	-

Source: GTA

Table 5: Italy's leading in-shell almonds exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	1,854,218	544	2,650,330	556	4,992,755	705
Germany	T	531,044	182	416,537	149	2,373,843	273
France	T	858,565	234	1,218,942	245	1,062,699	246
Netherlands	T	194,073	72	258,705	105	579,540	100
Switzerland	T	49,512	3	298,671	18	446,288	35
Belgium	T	14,993	4	1,448	-	191,194	15
Czech Republic	T	8	-	41,074	3	88,625	9
Bosnia & Herzegovina	T	-	-	-	-	41,562	5
Norway	T	1,701	-	-	-	33,213	3
Denmark	T	-	-	-	-	26,988	2
United Arab Emirates	T	-	-	-	-	26,828	2
Canada	T	-	-	-	-	24,697	2
Japan	T	-	-	8,035	1	17,522	5
Sweden	T	7,044	2	9,550	2	17,497	4
Malta	T	15,603	2	21,350	2	14,061	1

Source: GTA

II. PISTACHIOS

Table 6: Area (hectares) and Production (metric tons)

Pistachios, In-shell Basis	2015	2016	2017
	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	3,838	3,848	4,000
Area Harvested	3,804	3,813	3,964
Beginning stocks	200	200	200
Production	4,000	200	2,000
Ending stocks	200	200	200

Sources: Istat; Industry contacts.

PRODUCTION

Pistachio is a traditional crop in Italy, especially in the Sicily region (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, pistachio from Bronte has been awarded by the European Commission 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 poor MY 2016/17 campaign, MY 2017/18 will be a 'higher' bearing year, despite the frost in April and the hail in May that affected fruit set. Quality is expected to be good.

CONSUMPTION

Italian in-shell pistachios are consumed as a snack food. Bakeries and food companies use shelled pistachios, while ice-cream makers mainly employ milled pistachios.

TRADE

Italian pistachio demand is mainly satisfied by imports (14,901 MT in MY 2015/16) from Germany, the United States, Greece, Turkey, and Iran.

Table 7: Italy's leading shelled pistachios imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	57,366,541	2,750	62,899,958	3,234	67,253,702	3,954
Turkey	T	11,937,668	545	13,910,821	651	29,754,094	1,724
Iran	T	10,302,926	497	12,939,305	721	13,005,452	810
United States	T	11,536,937	598	6,558,307	333	10,217,545	534
Germany	T	15,661,072	718	14,194,148	648	6,971,920	364
Greece	T	222,822	11	3,145,969	234	1,599,256	108
France	T	1,314,222	63	492,274	27	1,115,589	152
Spain	T	1,261,888	72	1,778,419	109	955,582	48
Netherlands	T	212,495	10	283	-	794,488	43
United Kingdom	T	1,246,400	71	1,291,029	70	640,961	52
Syria	T	1,232,300	50	800,819	34	481,505	28
Iceland	T	-	-	4,678,904	268	441,797	24
Romania	T	-	-	129,077	7	424,282	23
Belgium	T	712,927	34	1,831,944	82	367,694	21
Argentina	T	203,081	16	90,258	7	263,766	14

Source: GTA

Table 8: Italy's leading shelled pistachios exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	8,595,934	375	7,369,626	269	12,555,335	551
France	T	2,495,209	89	2,055,693	73	6,276,101	301
Germany	T	1,952,843	149	430,934	19	1,403,783	60
United Kingdom	T	1,417,614	60	1,473,602	64	1,400,108	67
Belgium	T	1,216,731	40	1,256,045	42	1,399,998	45
Japan	T	814,506	15	861,634	18	769,014	19
Romania	T	38,867	1	150,831	6	319,868	18
Spain	T	94,901	3	44,626	2	169,350	7
Hungary	T	512	-	17,487	1	106,608	4
Switzerland	T	33,950	1	71,901	2	102,350	3
Croatia	T	9,977	-	6,235	-	80,902	4
United States	T	33,150	1	498,427	20	73,263	2
Sweden	T	81,268	2	90,397	2	62,083	2
Norway	T	94,154	4	77,725	3	56,726	2
Lebanon	T	-	-	16,010	2	42,755	4

Source: GTA

Table 9: Italy's leading in-shell pistachios imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	71,379,624	7,029	74,812,694	7,420	67,882,025	6,993
Germany	T	30,485,864	2,967	29,055,435	2,922	25,517,564	2,676
United States	T	21,692,930	2,078	20,147,234	1,773	13,998,223	1,261
Greece	T	1,285,518	225	7,783,865	786	10,420,921	1,186
Iran	T	2,075,657	206	3,049,542	310	7,348,723	815
Belgium	T	8,131,984	801	7,168,923	702	5,523,789	525
United Kingdom	T	1,712,280	181	1,755,400	185	1,982,708	216
Spain	T	1,039,075	95	1,154,835	117	1,247,899	134
Netherlands	T	188,585	9	618,256	42	341,573	28
Turkey	T	272,777	15	-	-	304,269	34
Australia	T	-	-	-	-	262,829	24
Luxembourg	T	-	-	1,011,016	170	218,120	20
Argentina	T	367,892	53	810,354	108	213,840	27
France	T	4,097,437	388	954,888	113	193,119	27
Portugal	T	-	-	-	-	147,260	9

Source: GTA

Table 10: Italy's leading in-shell pistachios exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	1,022,124	72	1,203,178	101	411,434	20
Japan	T	146,594	3	59,703	1	93,135	2
United States	T	22,801	-	12,677	-	88,734	3
France	T	88,002	4	232,052	21	40,405	2
Malta	T	55,684	4	35,226	3	38,300	3
Germany	T	230,139	24	2,913	-	31,157	1
Austria	T	40,074	2	28,189	2	29,146	2
Slovenia	T	163,427	13	93,302	8	27,025	2
Lithuania	T	-	-	6,347	-	12,649	1
Poland	T	11	-	9,793	1	11,722	1
United Kingdom	T	57,816	3	35,770	3	7,307	-
Spain	T	2,777	-	3,489	-	7,190	-
Korea South	T	-	-	-	-	4,272	-
Switzerland	T	17,208	1	-	-	4,241	-
Croatia	T	113,139	9	55,571	4	4,132	-

Source: GTA

III. WALNUTS**Table 11: Area (hectares) and Production (metric tons)**

Walnuts, In-shell Basis	2015	2016	2017
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	Estimates 2015/2016	Estimates 2016/2017	Forecast 2017/2018
	Post Data	Post Data	Post Data
Area Planted	5,255	5,250	5,253
Area Harvested	4,729	4,724	4,727
Beginning stocks	2,000	2,000	2,000
Production	12,600	9,000	12,000
Ending stocks	2,000	2,000	2,000

Sources: Istat; Industry contacts

PRODUCTION

Italy lost its walnut market leadership a few decades ago and now is a leading importer, 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 Campania (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 2017/18 walnut production is preliminarily forecast at approximately 12,000 MT thanks to a good campaign in the South (9,500 MT compared to 6,000 MT in MY 2016/17), despite a slight production reduction in the North (2,500 MT compared to 3,000 MT in MY 2016/17) due to the frost in April. Quality is expected to be good.

CONSUMPTION

In-shell and shelled walnuts for fresh consumption are mainly purchased during the winter months. However, more consumers are increasingly purchasing walnuts all year round thanks to their perceived nutritional benefits.

TRADE

Italy imports mainly in-shell walnuts (mostly the *Hartley* variety) from the United States until June. Then, walnuts are imported principally from France, Chile, Argentina, and Australia.

Table 12: Italy's leading shelled walnuts imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T	58,959,281	5,400	56,784,229	5,160	50,301,323	6,290

Chile	T	19,979,984	1,556	22,407,745	1,794	18,504,748	1,972
United States	T	13,057,126	1,103	10,966,760	920	11,763,327	1,582
Moldova	T	8,736,683	862	6,955,964	728	4,411,590	656
Germany	T	1,839,001	135	2,321,613	195	3,748,024	367
Romania	T	4,962,068	496	3,999,323	444	3,016,371	468
Netherlands	T	195,902	16	1,885,161	156	2,290,547	259
Ukraine	T	-	-	2,379,649	253	1,740,780	263
France	T	1,959,559	312	2,140,121	309	1,575,550	252
Bulgaria	T	2,145,671	385	983,040	102	1,067,677	190
United Kingdom	T	337,552	24	365,557	26	716,033	84
Slovenia	T	95,407	11	15,406	2	407,423	66
Argentina	T	294,129	21	194,706	16	323,656	28
Austria	T	115,527	10	89,280	10	209,664	27
Spain	T	420,772	29	101,082	7	171,565	25

Source: GTA

Table 13: Italy's leading shelled walnuts exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity
World	T		1,195		770		806

		13,863,576		10,649,923		10,356,282	
United Kingdom	T	7,154,031	517	3,836,188	286	4,474,505	359
Belgium	T	2,522,432	137	2,657,936	142	2,793,913	157
Czech Republic	T	623,414	58	625,168	49	449,085	39
Malta	T	295,373	50	281,266	22	373,794	39
Slovenia	T	434,931	31	470,390	35	353,445	40
Denmark	T	330,282	20	279,591	14	281,781	17
Germany	T	295,481	26	464,096	43	258,317	22
France	T	122,435	14	316,160	32	224,486	26
Austria	T	236,431	12	232,219	15	185,081	11
Sweden	T	177,045	11	177,148	9	156,368	10
Ireland	T	152,205	24	133,799	21	155,235	25
Norway	T	331,153	17	293,260	17	152,333	8
Poland	T	52,428	13	21,275	2	149,520	12
Chile	T	-	-	-	-	52,388	6

Source: GTA

Table 14: Italy's leading in-shell walnuts imports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity

World	T	156,849,126	32,423	170,082,450	34,416	120,308,059	33,698
United States	T	77,513,383	16,102	78,852,195	15,237	53,927,797	16,285
France	T	33,538,068	7,451	42,673,036	8,606	37,413,498	9,212
Chile	T	20,342,244	3,610	20,627,737	4,125	14,735,618	4,333
Argentina	T	11,661,229	2,288	10,125,441	2,016	4,989,652	1,322
Australia	T	7,683,317	1,560	9,875,697	2,024	4,079,921	1,157
Spain	T	2,524,974	632	2,353,784	595	1,684,100	415
Germany	T	1,073,257	190	1,061,646	199	1,278,595	309
Hungary	T	626,647	143	1,071,845	263	601,587	181
Netherlands	T	93,675	24	359,045	91	586,026	133
Romania	T	1,071,399	241	977,281	255	253,034	85
United Kingdom	T	110,547	23	202,508	27	112,848	16
South Africa	T	-	-	106,700	22	107,895	22
Portugal	T	59,545	19	72,769	35	105,788	31
Moldova	T	130,834	59	239,716	80	91,067	62

Source: GTA

Table 15: Italy's leading in-shell walnuts exports

Partner Country	Unit	2014		2015		2016	
		USD	Quantity	USD	Quantity	USD	Quantity

World	T	4,629,900	814	4,431,875	795	3,267,270	691
United Kingdom	T	1,889,460	247	2,108,738	299	1,628,485	264
Austria	T	1,155,662	270	1,072,613	219	880,268	246
Chile	T	172,358	44	239,829	71	137,855	46
Sweden	T	71,880	12	125,173	20	134,657	21
Malta	T	324,324	61	169,134	28	76,281	16
Germany	T	302,070	57	144,845	33	70,921	16
United States	T	-	-	-	-	61,013	20
Norway	T	40,176	6	68,200	8	59,097	9
Slovenia	T	193,899	34	167,245	29	58,706	15
Switzerland	T	167,389	19	111,939	13	47,702	5
Slovakia	T	-	-	542	-	40,076	20
France	T	16,556	3	33,248	7	20,392	5
Greece	T	4,359	1	6,051	1	13,010	3
Netherlands	T	97	-	-	-	9,173	2

Source: GTA

Abbreviations and Definitions Used in this Report:

Ha hectare; 1 ha = 2.471 acres

MT Metric ton = 1,000 kg

MY Marketing Year

Almonds and Pistachios: September/August

Walnuts: October/September

Harmonized System (HS) Codes:

Almonds: Shelled 080212; In-shell 080211

Pistachios: Shelled 080252; In-shell 080251

Walnuts: Shelled 080232; In-shell 080231

Conversion factor used to convert in-shell to shelled basis:

Almonds: 0.6

Conversion factors used to convert shelled to in-shell basis:

Pistachios: 2.0

Walnuts: 2.34