

The European market potential for cashew nuts

In the long term, the European market for cashew nuts is expected to show stable growth. This growth is likely to be driven by changes in the consumption patterns of European consumers, including the rising demand for healthier snacking options and vegetable sources of protein. Germany, the Netherlands, United Kingdom, France, Italy and Spain offer opportunities for developing country suppliers.

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The popularity of nuts contributes to the increasing demand for cashews on the European market. European cashew nut consumers still prefer cashew nuts as simple, roasted, salty snacks, but consumption of unsalted cashew nuts is also increasing. Plain nuts without any additions are increasingly being offered, as well as different roasting flavours. In addition, cashew nuts are increasingly being used as ingredients in fruit and nut bars, breakfast cereals, nut spreads, nut drinks, ice cream toppings, cookies and other sweets.

1. Product description

Cashew nuts are the kidney-shaped seeds that adhere to the bottom of the cashew apple, the fruit of the cashew tree (*Anacardium occidentale*). The nut itself is protected by a very strong shell, which needs to be roasted/steamed before it can be shelled. The edible part is the cashew nut kernel that is obtained after shelling. The kernel represents only around 20% of the whole cashew nut in weight.

The cashew tree is native to north-east Brazil, but today it is grown in many areas in the world. Currently, the northern hemisphere accounts for 80% of the world's raw cashew nuts production compared with the southern hemisphere's 20%. The largest production area is West Africa, with Ivory Coast as the leading producer. The second-largest producer is India, followed by East African countries (with Tanzania as the top east African producer).

Production in East and West African countries is increasing significantly, but due to a lack of processing (shelling) capacities, African producers export the majority of their crops as in-shell cashew nuts to Vietnam and India. India and Vietnam are the two largest processors of cashew nuts, and the main suppliers of the world and the European market. The processing capacity in these two countries exceeds their crops, and so they both import a lot of shelled cashew kernels, primarily from Africa.

Production of raw cashew nut kernels is different in many production regions. After removing the in-shell nuts from the cashew apple, processing typically includes the following five steps:

- Preparing the nuts for shelling (drying, sizing, cleaning, steam cooking or roasting)
- Shelling (with automatic, semi-automatic or manual machines)
- Peeling (drying shelled nuts, automatic or manual peeling)
- Grading (colour sorting, sizing, cleaning)
- Packing (weighing, vacuum sealing)

The main advantage of the leading cashew nuts processors (Vietnam, India and Brazil) is the large-scale production with the usage of automatic equipment. Currently, shelling capacity in Africa is limited because of the prevailing usage of manual (hand- or pedal-operated) shelling machines. Usually, one worker can cut up to 40 kg in nuts per daily shift, while processing capacities of automatic machines can go over 100 kg per hour.

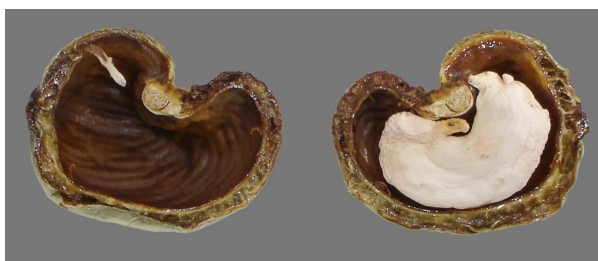
On the European market, cashew nut kernels are mainly used as a roasted and salted snack. Recently, cashew nut has also become popular as an ingredient in confectionary and other food processing industries, being used in cookies, fruit and nut snacks, breakfast cereals, as butter, as a topping on ice cream and in sauces and condiments.

This study covers general information regarding the market of shelled cashew nuts in Europe that is of interest to producers in developing countries. Cashew nuts are traded under two different Harmonised System (HS) codes. The HS code for in-shell cashew nuts is 08013100, and the HS code for shelled cashew nuts (kernels) is 08013200. As the European import of in-shell cashew nuts is insignificant, this study only uses the code of cashew nut kernels for statistical analysis.

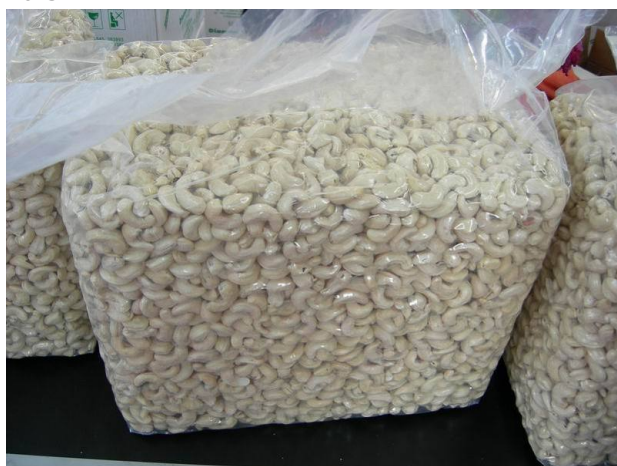
Picture 1: Cashew nut fruit



Picture 2: Cashew nut in shell cut



Picture 3: Export package of cashew nuts



Picture 4: roasted cashew nuts



Source: Pixabay, Wikimedia Commons, Exporters India, Pixinio

2. What makes Europe an interesting market for cashew nuts?

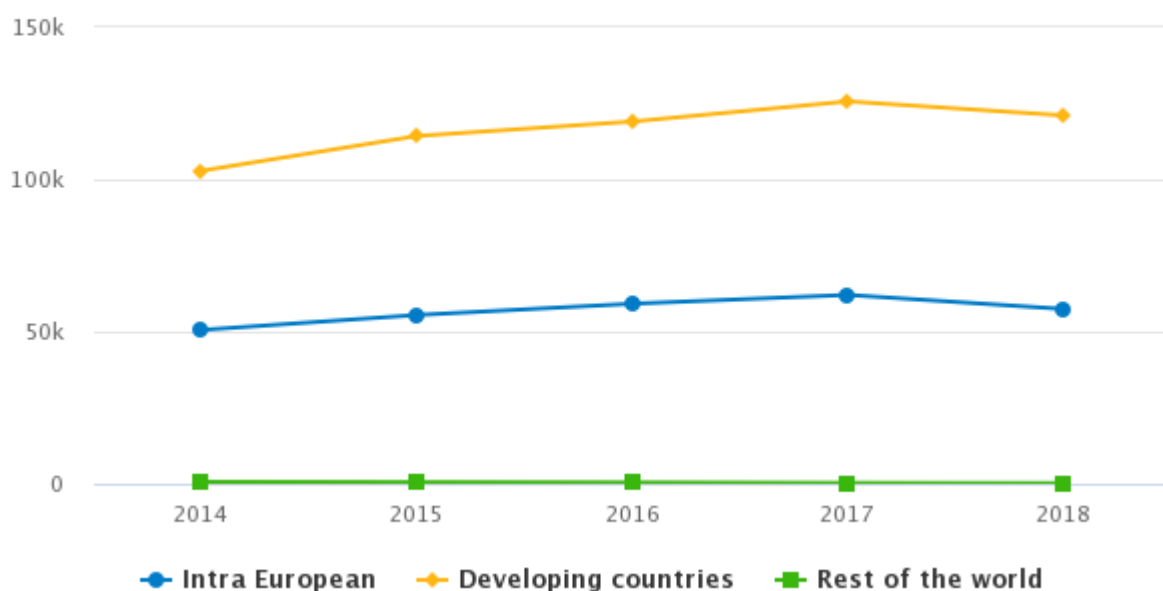
Europe is the largest importing region of cashew kernels in the world, accounting for around 35% of total global imports. European imports of cashew nuts increased in volume by an average of 4% in the period 2014-2018. Virtually all imports from outside Europe come from developing countries.

In the next five years, the European market for cashew nuts is likely to increase with an annual growth rate of 3-5%. Demand for cashew nuts in Europe is stable, but import quantities sometimes fluctuate due to variable production in the main supplying countries. Regular fluctuations in imports will continue to be influenced by the harvested crops and price situation rather than changes in demand. Although the demand for cashew nuts in

the European market is quite stable, it is influenced by price fluctuations. The price of cashew nuts is higher compared to the majority of other nuts on the European market. A high price will impact consumer behaviour, as they will turn to other, cheaper nuts. The high price will influence the demand for cashews by companies that use them as an ingredient for nut mixes, breakfast mixes, etc. If cashews are expensive, they will reduce the share of cashew nuts in a mix, and increase the shares of cheaper nuts.

Figure 1: European imports of cashew nuts

in tonnes



Source: Eurostat

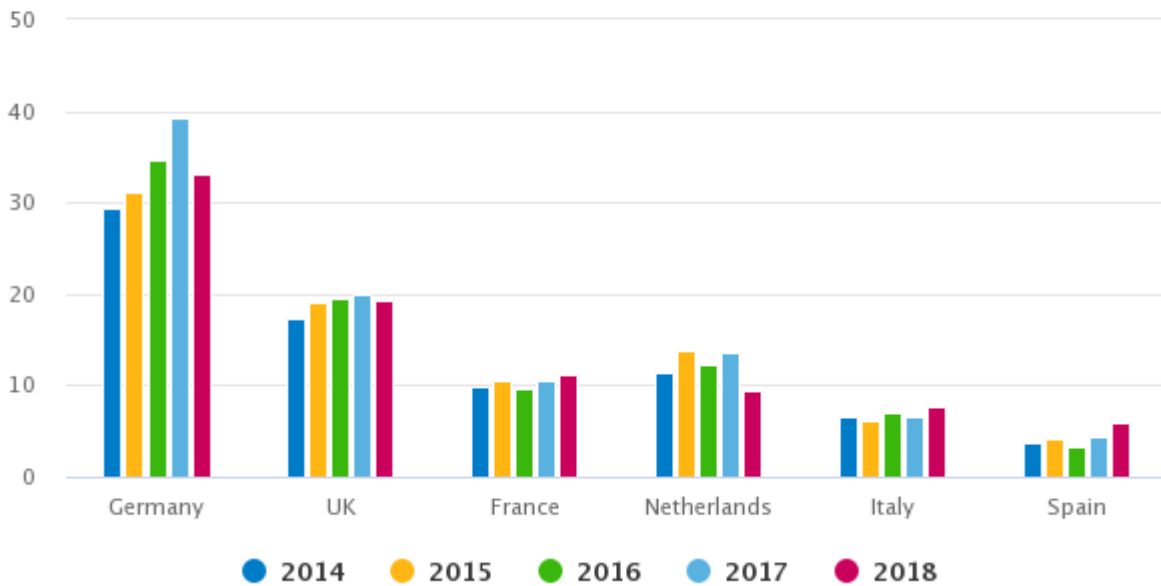
Between 2014 and 2018, European imports of cashew nuts grew annually by 17% in value and 4% in volume to a value of €1.5 billion and a quantity of 178 thousand tonnes in 2018. Higher growth in value than in volume indicates an increase in import prices over the mentioned period. The increase in import prices was especially high in 2016 (more than 25%), due to shortages in supply

Internal European trade accounts for one-third of all imports. Internal European trade consists of simple re-exporting of imported raw cashew nut kernels, but it also includes added value processing, such as roasting. European imports from developing countries increased by 20 thousand tonnes over the last five years, from 102 thousand tonnes in 2014 to 121 thousand tonnes in 2018.

Cashew nuts are imported to Europe throughout the whole year. However, there is a pattern, in which the first quarter sees the lowest import numbers, with quantities increasing toward the end of the year. The peak is usually reached between September and November, as a result of the increased consumption during the winter holiday season in Europe. Therefore, emerging cashew nuts suppliers should be able to have enough stocks for the larger deliveries during peak seasons.

Figure 2: Leading markets for cashew nuts in Europe

in tonnes



Source: TradeMap

Note: The figure above represents apparent consumption (the difference between imports and exports). Exact data about consumption per country do not exist. A rough calculation, available from the International Nuts and Dried Fruit Council (INC), values the European consumption of cashew nuts at more than 100 thousand tonnes. Over the last five years, consumption has increased by an annual growth rate of 4%, with Germany and the United Kingdom as the largest markets. According to the [International Nuts and Dried Fruit Council](#), Germany has the highest per capita consumption in the world, with an estimated 1.7 kg/year in 2017.

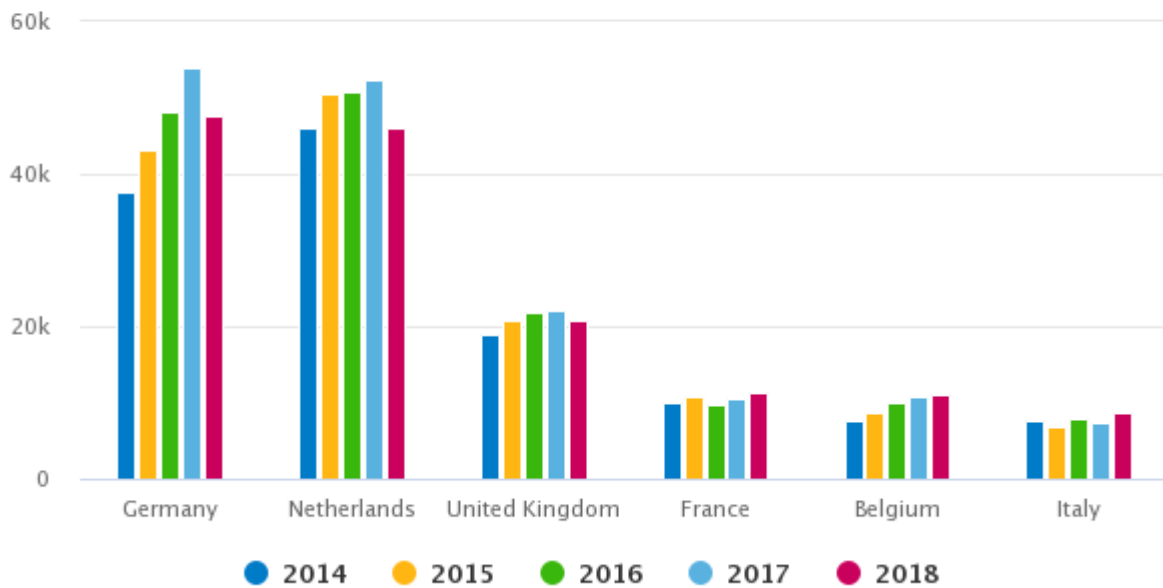
European consumers are showing increasing awareness of nuts' health benefits. Cashew nuts are promoted as specifically rich in iron (contributing to a strong immune system) and vitamin K (contributes to healthy blood and bones). Another driving force for the increased consumption of cashew nuts is their taste. Many European consumers find the taste of roasted cashew nuts more appealing compared to traditional European nuts such as hazelnuts or walnuts.

3. Which European countries offer most opportunities for cashew nuts?

As Europe's main importer and consumer of cashew nuts, Germany is an interesting focus market. Germany also provides specific opportunities for organically certified cashew nuts. Germany and the Netherlands are also important trade hubs with significant re-export of imported cashew nuts. Other European countries that are large net importers and consume most of the imported cashews are the United Kingdom, France, Italy and Spain.

Figure 3: Main European importers of cashew nuts

in tonnes



Source: Eurostat

Germany

Germany is Europe's largest importer of cashew nuts. The German import value was €418 million in total in 2018, good for 28% of total EU imports. German imports increased annually by 6% in volume between 2014 and 2018, reaching 48 thousand tonnes. In 2018, there was a decrease in imports caused by a lower supply from Vietnam and India. In the last quarter of 2018, the Tanzanian government stopped shipping raw cashew nuts to India and Vietnam, which prevented regular processing and supply to Europe and other destinations. This ban was imposed by the Tanzanian government to prevent export of products with no added value (in-shell nuts) and to protect farmers from exploitation (low price paid by collectors).

Germany is also a large transit country for imported cashew nuts. Around 30% of all imported cashew nuts are re-exported from Germany every year to other European markets. Re-export activities are conducted by the specialised traders and agents, many of them located in Hamburg ([Germany's main port](#)). The main target markets for German export and re-export are the United Kingdom and Luxembourg (both with 17% export share) followed by France (10% share).

It may look surprising that Germany is re-exporting significant quantities of cashew nuts to Luxembourg, which is one of the smallest European countries with very limited consumption. The reason for this lies in the processing (roasting and shelling) capacities for cashew nuts installed in Luxembourg. A lot of the cashew nuts are processed and packed for the German retail market in Luxembourg, and then shipped back to Germany.

Currently, the German import market for cashew nuts is very concentrated, as Germany imports 85% of all its cashew nuts from Vietnam (25 thousand tonnes in 2018) and India (17 thousand tonnes) leaving relatively little space for other suppliers. The main reason for this strong dependence on import from Vietnam and India is the lack of processing capacities for shelling in other growing regions. This situation is typical not only for Germany but also for all other European importing countries.

Emerging developing countries suppliers of cashew nuts to Germany are Indonesia, Ivory Coast, Burkina Faso, Nigeria, Mozambique, Benin and Honduras. It is expected that in the medium to long term (up to the next 10 years), African countries will significantly increase their supply of cashew nuts kernels to Germany and other European destinations. This expectation is based on the projected investment in larger-scale capacities for

cashew nuts processing. Processing in several African countries is already supported by international and governmental funds.

German consumption of cashew nuts has been boosted by the healthy snacking trend. Recently, cashew nuts are also increasingly used as an ingredient in spreads and snack bars (especially organic), such as in examples in photos below. Industry sources estimate that Germany is the largest consumer of organic cashew nuts in Europe.

Picture 5: Paprika - cashew nut spread



Picture 6: Cashew nut bar



Emerging developing country suppliers of cashew nuts who want to export to Germany must be aware of the

high standards required by German importers. Those standards include food safety certification, such as [IFS](#), but also sustainable and reliable supply commitment. The German governmental development agency (GIZ) has launched a comprehensive project called [ComCashew](#) to enhance competitive and sustainable production of cashews in several African countries. The German market also provides good opportunities for organic cashew kernels.

Examples of German cashew importers include [August Töpfer](#), [Märsch Importhandels](#), [Intersnack](#) and [Nutwork](#). Leading retail brands in the conventional segment (also importers and packers) are [Seeberger](#), [Farmers Snack](#), [Kluth](#) and in the organic segment [Alnatura](#) and [Rapunzel](#). Apart from brands, a lot of cashew nuts are sold under the brands of retailers (private labels).

Tips:

Find German traders of cashew nuts on the websites of the specialised German Association - [Waren-Verein](#) and in the [German company directory](#) - Wier Liefert Was.

Learn about the ways to promote cashew nut consumption in the German market from the German Edible Nuts Promotion Organisation - [Nucis](#) (website in German only).

The Netherlands

The Netherlands is an important importing country of cashew nuts in Europe, good for 22% of total EU imports. Its imports increased by 3% per year between 2014 and 2018. In 2018, Dutch imports of cashew nuts amounted to 43 thousand tonnes in quantity and good for €394 million. The Netherlands plays an important role as a trade hub in Europe, as around 70% of all imported cashew nut kernels are re-exported to other European countries. Germany is the leading destination of Dutch re-export of cashew nuts, importing between 15–17 thousand tonnes per year.

Similarly to Germany, the Dutch market for cashew nuts is quite concentrated, and mainly depends on import from Vietnam and India. In 2018, 73% of Dutch imports came from Vietnam, followed by India (3%) and Brazil (1.4%). Imports from African countries fluctuated over the last 5 years, peaking in 2016 but decreasing again in 2017 and 2018. The only African country whose export of cashew nut kernels to the Netherlands continued to increase after 2016 was Ghana.

The growing consumption of cashew nuts in the Netherlands is driven by the healthy snacking trend and usage of nuts as a substitute for animal proteins. According to INC, the Netherlands is the third-highest per capita consumer of cashew nuts in Europe, after Germany and the UK. Per capita consumption in the Netherlands is estimated to fluctuate between 0.7 and 1.7 kg/year.

Apart from snacking, cashew nuts are increasingly being used as an ingredient, especially in spreads such as cashew butter. Cashew butter in the Netherlands is produced as 100% from cashew nuts or in mixtures with other nuts such as peanuts and almonds. Dutch consumers are already accustomed to nut spreads, as the Netherlands is the largest European consumer of peanut butter. Cashew nut butter provides an excellent (perceived as healthier) alternative to substitute peanut butter.

Dutch consumers and traders of cashew nuts are increasingly demanding sustainable and ethical sourcing of cashew nuts. Sustainable sourcing of cashew nuts in the Netherlands is strongly supported by several initiatives such as [Sustainable Nut Imitative](#), [Woord en Daad](#) or [Fair Match Support](#). Therefore, implementing sustainable production schemes would be beneficial for developing countries suppliers that want to enter the Dutch cashew market.

Examples of Dutch cashew nut importers include [Catz International](#), [Global Trading and Agency](#), [Delinuts](#), [Rhumveld](#) and [Nutland](#). The Netherlands is a highly demanding market, as the majority of cashew nuts is sold to consumers as private labels (retailer brands). Consumption of unbranded, freshly roasted nuts (such as sold in paper bags) is also significant. An important shift can also be seen in the usage of sea salt vs table salt and roasting vs frying in oil.

Tip:

To learn more about the Dutch cashew nut industry contact [Dutch Association for trade in dried fruit, nuts, spices and related products](#) (website in Dutch only).

The United Kingdom

The United Kingdom is the third-largest importing country and the second-largest market for cashew nuts in Europe. In 2018, imports reached 21 thousand tonnes and consumption is estimated at around 19 thousand tonnes. This means that the UK is a net importer of cashew nuts, with the majority of imported nuts consumed within the country. Imports increased by 13% in value and 2.6% in quantity between 2014 and 2018. In 2018, per capita consumption of cashew nuts in the United Kingdom is estimated at 0.9 kg/year.

Similarly to Germany and the Netherlands, United Kingdom's import of cashew nuts depends on supply from Vietnam. Vietnam accounts for 75% of the market share. In 2018, the UK imported 1.7 thousand tonnes from Germany (as a transit country), followed by 1.3 thousand tonnes from India. Emerging cashew nut suppliers whose market share is increasing in the United Kingdom market are Ghana, Mozambique and Benin.

The United Kingdom is probably the most innovative market in consumption of cashew nuts. If used as a salty roasted snack, cashew nuts are offered in a variety of different flavours. Food processors are also increasingly using cashew nuts in fruit and nut bars (such as [Natural Balance Foods](#)), in nut butter spreads (such as [Meridian Foods](#)) or in nut milk (such as [Rude Health](#)).

Sustainability and ethical sourcing are important aspects for the UK cashew importers. The United Kingdom is the largest market for FairTrade-certified products in Europe. Examples of UK importers of Cashew nuts include [Barrow, Lane & Ballard](#), [Community Foods](#), [Freeworld Trading](#) and [Premier Fruit and Nut](#).

Tip:

Look for cashew nut importers in the member list of the [UK Nut Association](#). Apart from the UK members, you will also find contacts of companies from France, the Netherlands and Germany.

France

French imports of cashew nuts have increased by 18% in value and 3% in volume annually between 2014 and 2018. Import of cashew nuts in France has reached 11.4 thousand tonnes and €108 million in 2018. In 2018, the leading supplier of cashew nuts to France was Vietnam, with a 55% volume share, followed by India (22% share) and the Netherlands (as a transit country with a 9% share).

Import from Vietnam increased in volume by 13% per year, from 2.6 thousand tonnes in 2014 to 4.3 thousand tonnes in 2018. On the other hand, import from India decreased from 3.1 thousand tonnes in 2014 to only 1.6

thousand tonnes in 2018. Emerging developing countries suppliers of cashew nuts to France are Madagascar, Ghana, Senegal and Ivory Coast. Interestingly, France is the only European country supplied by Senegal (48 tonnes in 2018).

Cashew nuts in France are a popular snack represented by a significant number of brands. It is also increasingly being used as ingredient in nut drinks, such as [sugar-free cashew milk](#).

Tips:

Learn more about the French cashew nut market by contacting the [French association for the research in fruit and vegetable sector](#) (CTIFL).

If you are not from a French-speaking country, consider investing in French-speaking staff for easier penetration into the French market for cashew nuts.

Italy

Italy is the fifth-largest European importing country and sixth-largest market for cashew nuts. Italy is characterised by more stable import compared to other leading importing countries. Between 2014 and 2018, Italian imports increased annually by 16.6% in value and 3.5% in quantity. In 2018, imports reached 8.7 thousand tonnes and €59 million. Similarly to other countries in Europe, Italy's largest supplier in volume is Vietnam, with a 73% share, followed by the Netherlands (transit country), Brazil (6%) and Germany (transit country).

India is losing market share on the Italian cashew nut market. Imports from India decreased from more than one thousand tonnes in 2014 to only 187 tonnes in 2018. Emerging market suppliers whose market share in Italy is growing are Mozambique, Burkina Faso and Ghana.

One trend specifically for the Italian market is the increasing usage of cashew nuts in pesto sauces. The traditional recipe of pesto includes pine nuts, but due to high prices and unstable supply, Italian manufacturers frequently substitute pine nuts with cashew nuts or almonds.

Tip:

Learn about the ways to promote cashew nut consumption in the Italian market from the Italian Edible Nuts and Dried Fruit Promotion Organisation - [Nucis Italia](#) (website in Italian only).

Spain

Spain is also an important and stable importer of cashew nuts. Although Spain imports smaller quantities than Belgium (the 4th largest importer), it is more attractive for emerging suppliers. Belgium is a transit country with smaller domestic consumption compared to Spain. Between 2014 and 2018, Spanish imports increased annually by 24% in value and 14% in quantity, reaching 6.7 thousand tonnes and €60 million respectively. Spanish largest supplier in volume is Vietnam, with a 51% share in 2018, closely followed by India (46%) and Peru (24%).

Ghana and Tanzania are, although both still have very small shares, two emerging suppliers of cashew nuts to the Spanish market.

Tips:

See our study on Market [Statistics & Outlook for Processed Fruit and Vegetables](#) for more information on general developments of trade within the European spices sector.

Check relevant trade statistics using tools such as ITC [TradeMap](#) or [Trade Helpdesk](#). Use HS codes 080132 to analyse cashew nut trade.

4. What trends offer opportunities on the European cashew nuts market?

The increasing demand for healthy snacking combined with the need for stable and sustainable sourcing are the leading driving forces behind the growing consumer interest in cashew nuts in Europe. With an increase in interest in vegan diets, the consumption of salty nuts ('healthy snacking'), nut spreads (such as cashew nut butter) and the use of drinks produced from edible nuts (nut milk) is on the rise, because consumers must satisfy their protein needs and deal with lactose intolerances in the absence of animal proteins.

To find out more about general trends, read our study about [Trends on the European Processed Fruit and Vegetables Market](#).

Healthy snacking

Nuts, including cashew nuts, enjoy a good reputation among European consumers. Consumption of nuts is expected to have the highest growth in the snack segment. In major consuming countries, cashew nuts are considered a healthier alternative to other savoury snacks, such as crisps and extruded snacks, and more beneficial to health than peanuts.

According to research by market research firm IRI, analysis of six markets – the UK, France, Germany, Italy, Spain and the Netherlands – showed that consumers are [opting for healthier or lighter products](#). With their busy lifestyles, European consumers are substituting traditional lunch breaks with healthy snacks, with nuts as an important ingredient.

Many nutritionists and celebrity chefs such as Jamie Oliver advocate the nutritional benefits of nuts. Cashews nuts are promoted as rich in phosphorus, copper, and magnesium, not commonly found in other foods. Cashews, along with pistachios, have the lowest fat content among nuts. Almost 80% of the fat in cashews is unsaturated, which helps to maintain healthy cholesterol levels. They are also rich in tocopherols and phytosterols.

New Flavours

[Flavoured cashew nuts](#) and additional coatings are also gaining in popularity. Among the top trending flavours are hot and spicy flavours such as 'hot chilli' or 'jalapeño'. Exotic salty flavours such as [tamari-roasted](#) cashew nuts are also being introduced. Other interesting flavours are 'honey roasted', 'marmite' (specifically in the UK), 'sour cream and onion'.

In addition to new flavours, manufacturers are also introducing new coatings. For example, several producers are introducing chocolate-coated cashew nuts.

Cashew as ingredient

Cashew nuts are also becoming an ingredient in various healthy food and functional food products, such as breakfast cereals, cashew nut butter, cashew nut milk, cashew yoghurt, fruit and nut bars, and chocolate products with cashew nuts.

Sustainable sourcing

In the edible nuts sector, several large traders have joined the [Sustainable Nut Initiative](#) with the objective of stimulating traceability and sustainability. Among many tools to reach this goal, the initiative provides a management information system (3S — Sustainable Supply System). The aim of the system is to stimulate productivity and quality, and to create traceability and transparency in the supply chain.

An example of a successful sustainable sourcing initiative is the [Burkinabe company Anatrans](#). The Facility for Sustainable Entrepreneurship and Food Security by the Netherlands Enterprise Agency has launched a project that supported Anatrans. Over the last 10 years, Anatrans has employed 1,300 people, of which 85% is female. Anatrans has successfully developed a cooperation between the farmer, agricultural cooperative and the factory, by offering agricultural training to farmers to improve yields and quality. Farmers receive the specific support they need to develop their business and negotiate as an organised group directly with the factory. Due to investment in local processing and organic and FairTrade certification, Anatrans has become the leading cashew nuts exporter from Burkina Faso.

By joining the sustainable nut initiative, developing country suppliers can become more competitive on the European market. The risk assessment helps companies focus on the most urgent sustainability risks. Companies can achieve crucial competitive advantages by taking care of farmers and improving their livelihood.

Vertical integration

In order to maintain constant supply and stable prices when sourcing cashew nuts, many European companies have started to invest in production sites in developing countries. These investments are likely to increase, especially in Africa. The aim of such investments is to develop the processing industry and to become less dependent on Asian supply, as it does not make sense to buy African cashew nuts from Asia. Socially responsible trading companies organise workshops in Africa on good manufacturing practices, sustainability and product quality and on establishing long-term partnerships.

Examples of companies cooperating closely with farmers and processors in growing countries are [nuts2](#), [Olam](#) and [Intersnack](#).

Tips:

Promote the various applications and nutritional properties of cashew nuts. However, avoid health or nutritional claims that are not substantiated by scientific evidence. Check the [Health Research Database](#) of INC to find studies that have been published in scientific journals.

Read the [CBI Market Statistics and Outlook study for Processed Fruit, Vegetables and Edible nuts](#) to learn more about general trade trends and size of specific market segments


Check the websites of European trade shows and exhibitions to discover the newest trends. The most important trade fairs in Europe that are relevant for cashew nut trends and trade are [SIAL](#), [Anuga](#) and [BioFach](#).

Use the online [3S Platform](#) to trace, analyse and improve cashew nut supply.

This study has been carried out on behalf of CBI by [Autentika Global](#).

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