



[Exporting groundnuts \(peanuts\) to Europe](#)

In Europe, about 550,000 tonnes of groundnuts are consumed each year. Most groundnuts find their way into Europe through the Netherlands. Imports continue to grow. Specific market opportunities can be found in the growing markets of Central Europe and Eastern Europe. Food safety certification supported with frequent laboratory tests and joined with corporate social responsibility (CSR) standards can additionally provide a great advantage for suppliers to European markets.

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1 . Product Description

Product Definition

Groundnuts or peanuts, either in the pod or in the form of kernels, are obtained from varieties of the species *Arachis hypogaea L.* The name groundnut is derived from the fact that peanut pods develop under the ground, which is uncommon, as most nuts grow on trees.

Groundnuts are classified as both a grain legume and as an oil crop due to their high oil content. Although the botanical definition of groundnuts is legumes, groundnuts are usually referred to as nuts in trade and culinary classification.

Groundnuts are cultivated in the semi-arid tropical and sub-tropical regions of nearly 100 countries in six continents between 40° latitude north and south of the equator.

This study covers general information regarding the market for groundnuts in Europe which is of interest to producers in developing countries. In addition to raw and roasted groundnuts, this study also covers processed groundnuts such as peanut butter. Please see Table 1 with the products and their product codes.

Table 1: Products in the product group of groundnuts

Combined Nomenclature Number	Product
120210 (until 2012 HS revision) 120241 (from 2012)	Groundnuts in shell
120220 (until 2012 HS revision) 120242 (from 2012)	Shelled groundnuts
120230 (from 2012)	Groundnuts for sowing
20081110	Peanut butter
20081191	Prepared or preserved groundnuts in packing larger than 1 kg net
20081196	Roasted groundnuts in packing smaller than 1 kg net
20081198	Other prepared or preserved groundnuts in packing smaller than 1 kg net

Product specification

Quality

The basic quality requirements for groundnuts are the following:

- free of flavours, odours, living insects and mites;
- maximum moisture content of 10% for groundnuts in pod and 9% for groundnut kernels. In practice, the maximum moisture required is usually even lower (for example, less than 6.5%);
- maximum 2% of mouldy, rancid or decayed kernels;
- maximum 30% of broken/split kernels;
- less than 2% kernels with skin (regarding shelled and skinned peanuts);
- maximum 4% of total defects;
- non-GMO products.

The most frequent specific quality requirements are the following:

- Grading - Grading categories for groundnuts are not officially defined in the European Union. The most frequently used grading classification is from the United States. In this standard, grades are defined by the number of groundnuts counted in one ounce (for example 38/42 or 40/50). The size is combined with the name of the groundnut type or variety (e.g. super jumbo Virginia in shell 9/11). However, grading classifications from other producing countries may be used as well.
- Type (variety) - The most common varieties are *Runner* (most commonly grown in the United States and Argentina), *Spanish* (mostly grown in South Africa), *Hsuji* (Spanish round variety grown in China) and Virginia (large kernel type typically found in gourmet snacks).
- Form - The most common forms are in-shell, red skin, blanched, splits and blanched splits.

Tip:

- For quality requirements for groundnuts, refer to the [Codex Alimentarius Standards](#).

Labelling

The type of peanuts and the name of the product must be shown on the label, and either “groundnuts/peanuts” or “groundnuts/peanuts in-pod”. It is common for export packaging labelling also to include the crop year.

Information about non-retail packaging has to be given either on the container or in accompanying documents. Packaging labelling must list the following information:

- name of the product;
- lot identification;
- name and address of the manufacturer, packer, distributor or importer;
- storage instructions.

However, the lot identification as well as the name and address of the manufacturer, packer, distributor or importer may be replaced by an identification mark.

In the case of retail packaging, the product labelling must be in compliance with the European Union Regulation on [food information to consumers](#). This regulation defines the nutrition labelling, origin labelling, allergen labelling and legibility (minimum font size for mandatory information) more clearly.

This regulation came into effect on 13 December 2014, but the obligation to provide nutrition information will apply from 13 December 2016. Please note that according to this regulation, peanuts are listed as products causing allergies or intolerances and therefore allergen advice must be clearly visible on the retail packaging (see Picture 6).

Packaging

There is no general rule for the export size of the packaging of groundnuts, but the most common size of export packaging is 12.5–25 kg for peanuts kernels and 25–40 kg for peanuts in shell.

The type of packaging can also be very different. However, the most frequent type of export is vacuum bags in cartons for groundnuts, polypropylene woven bags for peanut kernels and gunny (jute) bags for peanuts in shell. Sometimes, cans are also used as a packaging without labelling or they can be branded according to the buyers’ request. Retail packaging is very different, but it is not very often used in imports from the main exporting countries of origin.

Tip:

- For more information about labelling and food contact materials, see our study of [Buyer requirements for processed fruit and vegetables](#).

2 . Which European markets offer opportunities for exporters of groundnuts?

The Netherlands, Germany and the United Kingdom offer opportunities for exporters of groundnuts from developing countries. Furthermore, large markets opportunities can be found on the growing markets of Central and Eastern Europe.

Imports

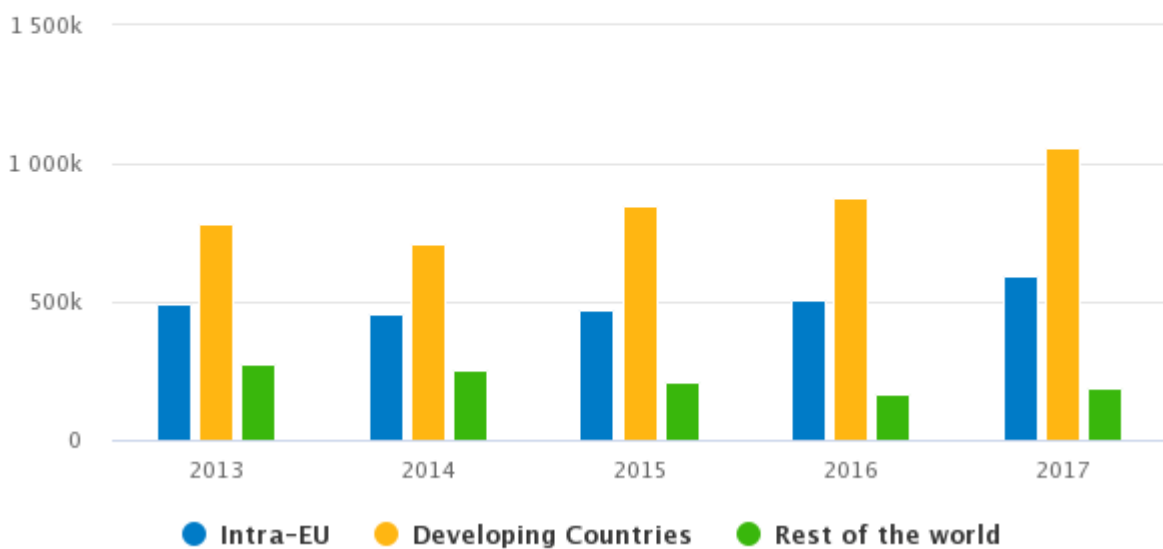
Imports of groundnuts continue to increase

- In the long term, the European market for groundnuts is expected to increase steadily. This

increase is likely to be driven by changes in the consumption patterns of European consumers, including a rising demand for vegetable sources of protein instead of meat. Regular fluctuations in imports will continue to be influenced by the harvested crops rather than changes in demand.

- European imports of groundnuts are growing. The average annual import growth rate was 4% in value over the last five years (2013-2017) and 3% in quantity.
- Imports from developing countries are showing an even higher increase, with an annual growth rate of 8%.
- In 2017, European imports of groundnuts reached € 1.8 billion or 1.13 million tonnes. This figure was the highest European import of groundnuts ever recorded.

Figure 1: European imports of groundnuts by main origin 2013-2017
in € thousand



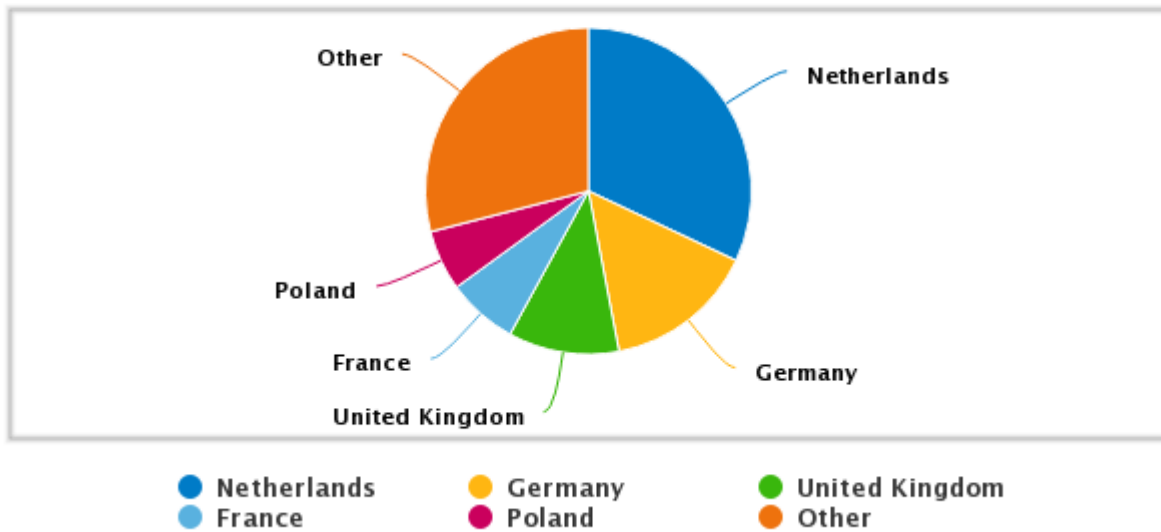
Source: ITC TradeMap

Central and Eastern European countries increasing imports of groundnuts

- The European market for groundnuts is concentrated and the three largest importers (the Netherlands, Germany and the United Kingdom) accounted for almost 60% of the total imports. Most groundnuts find their way into the European Union through the Netherlands. Other important ports for peanuts are Hamburg in Germany as well as Felixstowe and Tilbury in the United Kingdom.
- Central and Eastern European as well as Baltic countries (Lithuania, Latvia and Estonia) are expected to increase their imports of groundnuts more than western Europe. Within Europe, the countries with the highest import growth in quantity of groundnuts over the last five years were Belgium (10%), Bulgaria (10%), the Czech Republic (9%) and Luxembourg (10%).
- Shelled, unprocessed groundnuts had the highest value of imports in 2017 with a 61% share, followed by roasted groundnuts (30%). Imports of groundnuts in shell accounted for only 7% of the total groundnut imports.
- Imports of peanut butter are increasing, especially in Germany, which increased the import by 2,000 tonnes over the last five years. France increased imports by 1,000 tonnes over the same period.

Figure 2: European imports of groundnuts by country in 2017

share of imported quantity



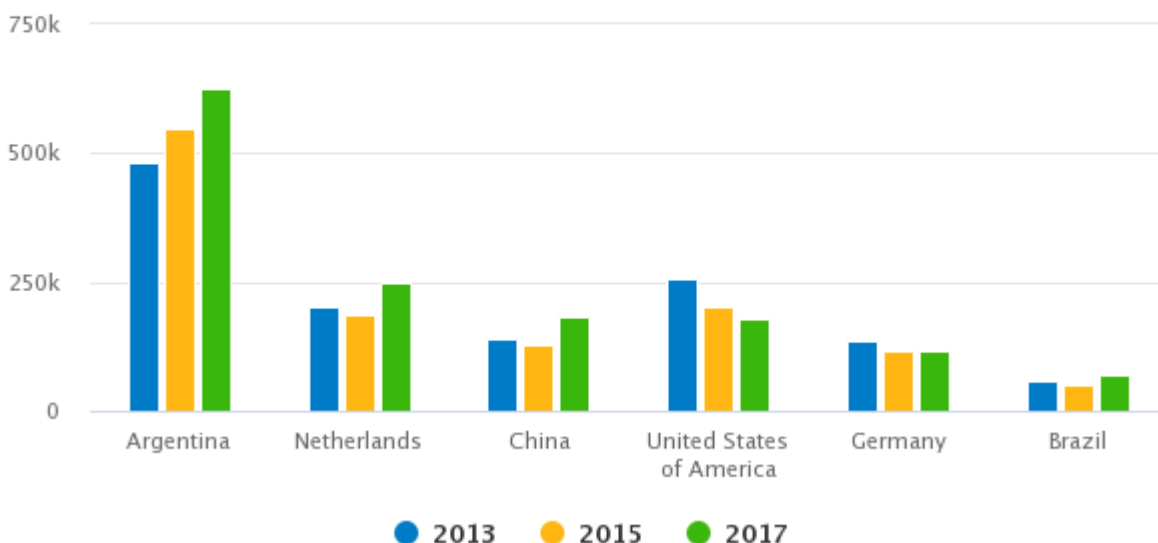
Source: ITC Trademap

Argentina still the leading supplier, but high increase of imports from Egypt

- The leading supplier of groundnuts from a developing country to Europe is Argentina, followed by China and Brazil.
- Suppliers from developing countries with the most significant growth in groundnut exports to Europe over the last five years were Nicaragua (17% annual growth), Egypt (25%) and India (52%). In relative terms, India showed the highest export growth, increasing its export value sixfold from € 5.7 million to more than € 30 million. Over the same period, India increased its export in quantity more than sevenfold from 3,000 tonnes to more than 23,000 tonnes.

Figure 3: Leading suppliers of groundnuts to Europe 2013–2017

in € thousand



Source: ITC TradeMap

Tips:

- Identify who the largest importers of your product are on selected large or fast-growing markets. Start by searching the internet or read more about supply chains within Europe in our study of Market channels and segments for [edible nuts and dried fruit](#).
- Next to aiming at exports to the Netherlands, which is the largest European supplier, consider countries that are facing growth in imports such as Eastern, Baltic (Lithuania, Latvia and Estonia) and Central European countries. However, by finding a reliable trading partner in the Netherlands, you can supply the whole of Europe through one point.
- Learn from exporters in developing countries who are gaining in share on the European market such as Egypt, Nicaragua or India. These countries have managed to meet the strict requirements on food safety and in particular the control of aflatoxin in Europe. Information about the edible nuts industry and export strategies of fast-growing countries can be found on sectoral association websites (e.g. [Brasil Sweets and Snacks association](#), the [American Peanut Council](#) or the [Indian APEDA](#)) as well as on main market information portals such as [IEGVu](#).
- Consider exporting peanut butter, as most leading importing countries showed a stable increase in imports of this product in the past several years.

Exports

European re-export of groundnuts is increasing

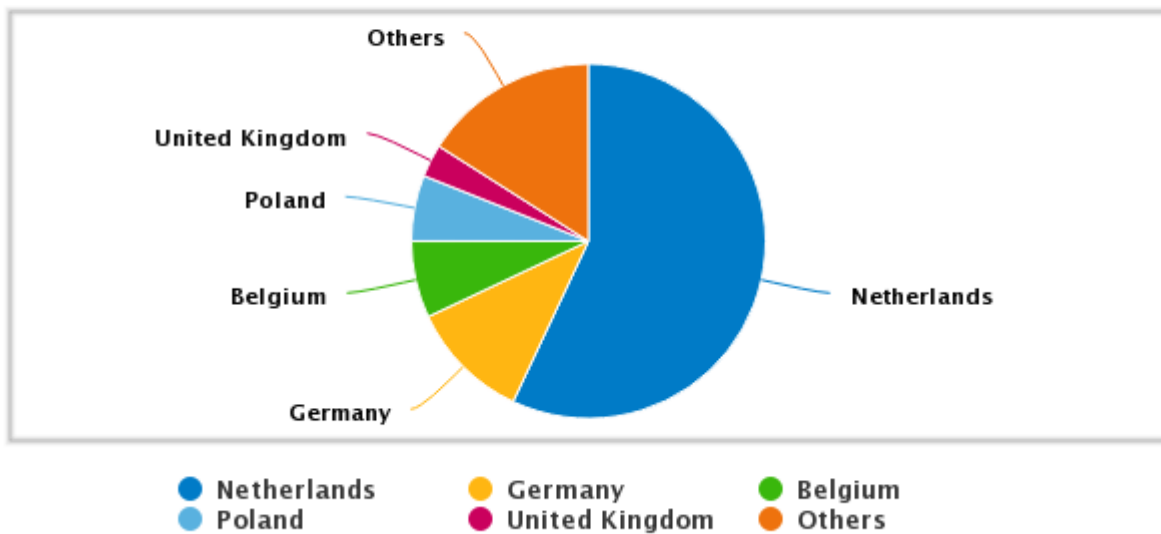
- As the European climate does not allow intensive groundnut cultivation, exports usually mean re-exporting imported products. However, large quantities of peanuts are not simply re-exported but first undergo further processing. The most common processing method is roasting (among other operations such as blanching, salting, dicing, sieving or grinding). As a result, the largest European exporters can be potential competitors to suppliers of processed groundnuts from developing countries, yet they could also serve as partners in supplying unprocessed groundnuts.
- In terms of value, European exports (including intra-European trade) of groundnuts have grown since 2013 by an average annual rate of 8% and reached € 881 million in 2017. In quantity, exports have also grown by 8% and reached 436,000 tonnes over the same period.

The Netherlands is dominating the exports of groundnuts

- Exports are very concentrated and the Netherlands alone accounts for 57% of the total exports. The export of the Netherlands is driven by the re-exporting of groundnuts imported from Argentina, United States, China, Brazil and Nicaragua.
- Apart from the Netherlands, among the largest exporters, the highest annual export growth in value was in Poland (16%), Belgium (14%) and Luxembourg (15%).
- The main European Union external export destination for groundnuts in 2017 was the Russian Federation, followed by Switzerland and Norway.
- Regarding major European export destinations, the highest annual increase in exports from the European Union over the last five years was to Iraq (153%), Australia (97%) and South Africa (45%).

Figure 4: The European Union export of groundnuts by country 2017

share of exported quantity



Source: Eurostat

Tips:

- Apart from targeting your exports to the Netherlands, you can also learn from Dutch exporters and their target markets within Europe. The main Dutch export target markets for groundnuts within Europe are Germany, France, the United Kingdom and Poland.
- You can also find opportunities on growing markets for groundnuts supplied by European traders and processors such as Iraq, South Africa or Australia.
- Learn more about your competitors in our study of [Competition in edible nuts and dried fruit](#).

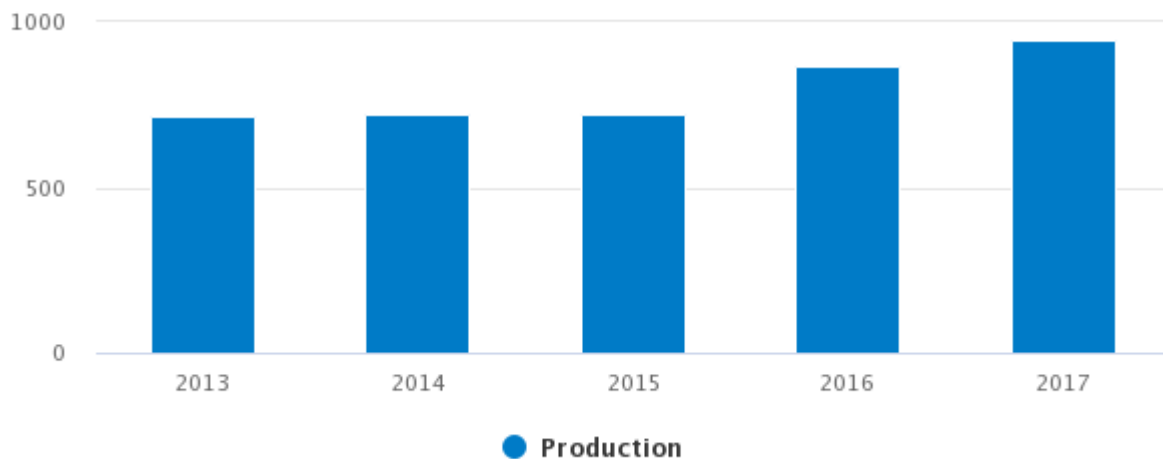
Production

The Netherlands the leader in the production of peanut butter

- Due to climate conditions, raw peanuts cannot be produced in Europe and therefore have to be imported. However, peanuts are often processed in the Netherlands or in another European country.
- The production (processing) of groundnuts in Europe is increasing at an average annual growth rate of 7%, reaching € 946 million in 2017, which is the highest production value ever recorded.
- The Netherlands is the largest processor of groundnuts and the largest producer of peanut butter in Europe. The most famous national brand of peanut butter is [Calvé](#), owned by Unilever, which is produced in the Blue Band Factory in Rotterdam. In 2016, this brand was launched on the United Kingdom market.

Figure 5: European total production of prepared or preserved groundnuts (including peanut butter; excluding by vinegar or acetic acid, frozen, purees and pastes) 2013–2017

in € million



Source: Eurostat

Note that the figures above show the production of manufactured goods, which includes intermediate goods as well as final goods. This situation implies that there is a possible overlap in production data and import data, since raw materials may be imported and further processed.

China the largest global producer

- The global groundnut production kept increasing over the 2016-2017 season, reaching 41.5 million tonnes of in-shell groundnuts (2% up from the previous season). As throughout the last decade, China clearly led the global production at a total of 17.4 million tonnes, which is 42% of the world share. At a smaller scale of production, India, Nigeria and the United States of America were among the main groundnut-producing countries.

Tip:

- Consider supplying to European peanut processors. Processors need regular supply and they can be ready for long-term cooperation if your product is fulfilling their specifications.

Consumption

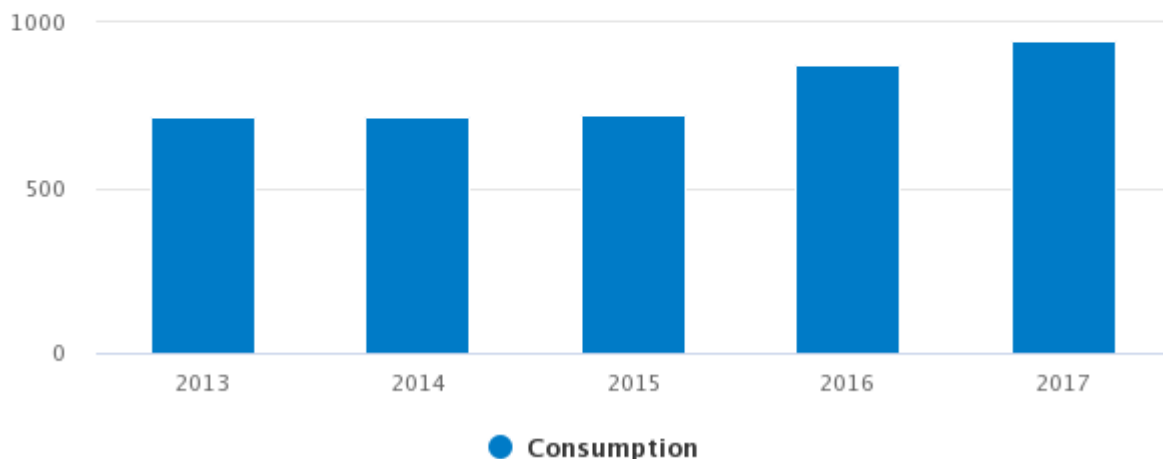
Germany the largest consumer of peanuts in Europe

- The outlook for the consumption of peanuts in Europe is positive and it is expected that the consumption will experience stable growth. A driving factor in this expected growth is an increased interest in healthy eating, as peanuts are a source of protein, fibre, vitamins, minerals and unsaturated fats.
- In terms of value, the apparent consumption of groundnuts increased especially over the last two years, reaching a value of € 945 million in 2017.
- The largest European consumer of groundnuts in Europe is Germany, which had a total consumption of 92,000 tonnes and an estimated consumption of 5.29 kg of peanuts per capita in 2016. Germany is followed by the United Kingdom (85,000 tonnes) and Poland (46,000 tonnes). Both the United Kingdom and Poland significantly increased their consumption in 2017

compared to 2016.

Figure 6: European apparent consumption of prepared or preserved groundnuts (including peanut butter; excluding by vinegar or acetic acid, frozen, purees and pastes) 2013–2017

in € million



Source: Eurostat

The Netherlands the largest consumer of peanut butter in Europe

- Groundnut consumption as snacks is seasonal in Europe, peaking in winter months, with consumption then falling towards the summer.
- The consumption of the processing industry, such as peanut butter as well as peanut oil, is also expected to increase. Cooking with peanut oil is becoming popular across Europe because of the increased interest in Asian wok cooking and the use of peanut oil for stir-frying.
- The Netherlands is the third-largest consumer of peanut butter per capita in the world, after the United States and Canada.

Tips:

- Check the website of the [International Nut and Dried Fruit Council](#) for annual global production, export, import and consumption data.
- Check the website of the [European Federation for the Vegetable Oil Industry](#) for information about groundnut seed oil processors, production and trade statistics.
- See our report on the [Groundnut oil market in Europe](#) about the consumption and market information for groundnuts as raw materials for the production of groundnut oil.

3 . Which trends offer opportunities on the European market for groundnuts?

The consumer demand for vegan, gluten-free and natural food offers opportunities for exporters from developing countries. Food safety certification supported by frequent laboratory tests and joined with corporate social responsibility (CSR) standards can also be a great advantage for suppliers to European markets.

Specific trends for groundnuts:

- Nuts, including groundnuts, enjoy a good reputation among European consumers. It is expected that the consumption of nuts will experience the highest growth in the snacks segment. In major groundnut-consuming countries, groundnuts are considered a healthier alternative to other savoury snacks such as crisps and extruded snacks.
- Exporters from developing countries can join forces with European traders and finance medical research proving the health benefits of groundnut consumption. A clear and easy-to-understand health message is important in order to encourage consumers to incorporate peanuts into their diet.
- Oven peanuts (roasted without oil) are particularly popular among female European consumers, who are searching for methods to decrease fat intake.
- Flavoured peanuts and additional coating textures are also gaining in popularity. One of the top flavours is sweet chilly. Although roasted, salty and spicy flavours continue to dominate the market, new flavours such as coconut or wasabi are experiencing increased sales too. In addition to new flavours, manufacturers are introducing new types of coatings. For example, one of the leading peanuts brands in Europe [Ültje](#) recently introduced new types of coated peanuts with intense crunchiness and the intense flavour of paprika plus a hint of chilli.
- China, which was a large exporter of peanuts in the past, is on its way to become a leading importer due to increasing domestic demand. Exports almost halved to 500,000 tonnes over the past decade, while imports rose by almost 50%. This trend can offer opportunities to exporters from developing countries to increase their share on the European market.

Forecasts

- The United Kingdom's possible withdrawal from the European Union (so-called Brexit) can have different consequences regarding the predictions for the groundnuts trade. The British Prime Minister has announced that Brexit will take place no sooner than 2019. In the short term, no significant changes are expected apart from the weaker pound. In the long term, consumers in the United Kingdom will continue to consume groundnuts and the amount of direct imports rather than through intermediaries is likely to increase.

Tips:

- If you are able to deliver good-quality peanuts to the European market, now is a good opportunity because of the lower world supply and increasing prices. You will be in a very good position if you can offer small kernels, as they are hardly available on the European market. Even splits can have good selling potential, as they are used by peanut butter producers.
- Regular information about the [groundnut crop, processing and market situation](#) can be found on FoodNews, the leading European information service for processed fruit and vegetables.
- Concerning groundnuts, an extensive study of European market trends is already available. See our study of [Trends for processed fruit and vegetables](#).

4 . Which requirements should groundnuts comply with to be allowed on the European market?

In addition to the quality requirements mentioned in the product description, for a general overview of buyer requirements in the European Union, please refer to our study of [Buyer requirements for processed fruit and vegetables](#).

Legal requirements

All foods including groundnuts sold in the European Union must be safe. This applies to imported products as well. Additives must be approved. Harmful contaminants such as pesticide residues, or excessive levels of mycotoxins or preservatives, are banned. It should also be readily obvious from the labelling whether food contains allergens.

Food safety

In case of repeated non-compliance of specific products originating from particular countries, stricter conditions may apply. These stricter conditions in practice mean obligatory laboratory checks for a defined number of imported containers or trucks and an [increased level of official checks](#) for countries that have shown repeated non-compliance. These are put on a list included in the Annex to the Regulation. At the moment (June 2016), items on the list for increased checks due to the presence of aflatoxin are groundnuts and groundnuts products from Gambia, Madagascar and Sudan.

The increased level of aflatoxin is one of the most common issues which European importers face. In 2015, the Rapid Alert System for and Food and Feed reported 171 notifications regarding non-compliance of groundnuts found on the European markets, where aflatoxin presence was listed as the most frequent issue. In order to prevent health damage, the European Union has imposed [special conditions](#) governing the import of certain feed and food from certain third countries due to contamination risk by aflatoxins.

Four pieces of [new legislation](#) concerning different pesticide residues were introduced in 2016. Exporters from developing countries are advised to review their treatment practices in order to confirm that groundnut kernels will not contain pesticide residues above the new limits.

The maximum content of contaminants in peanuts are the following.

- Peroxide value: max. 1 meqO₂/kg.
- Free fatty acids: max 0.5%.
- Aflatoxins: B1 max 2 ppb (total aflatoxin: max 4 ppb).

Packaging requirement

Packaging used for groundnuts must:

- protect the appearance, taste, flavour and quality characteristics of the product. Groundnuts in bags must not be stowed together with fibres or fibrous materials either, since oil-impregnated fibres accelerate self-heating processes and rancidity;
- protect the product from bacteriological and other contamination (including contamination from the packaging material itself). When container transport is used, damage due to moisture may arise if the water content of the cargo is too high. As a result of the high oil content of the goods, dark fat spots may appear on the bags, which must therefore not come into contact with contamination-sensitive goods;
- not pass on any odour, taste, colour or other foreign characteristics to the product. Groundnuts are sensitive to unpleasant and/or pungent odours.

The safety of food contact materials must be evaluated and it must be ensured that there is no migration of unsafe levels of chemical substances from the material to the food.

Labelling requirements

[New EU labelling legislation](#) forbids the misleading of consumers. Moreover, any claims that food can prevent, treat or cure a human disease may not be made.

Another change is allergen labelling, where allergens have to be highlighted in the list of ingredients. Requirements for information on allergens now also cover non-prepacked foods, including those sold in restaurants and cafés. The list of allergens include peanuts.

Nutrition information is mandatory for groundnuts.

Common and niche requirements

- Food safety certification is often requested by European importers. The most common certification schemes accepted on the European markets are [IFS](#), [FSSC 22000](#) and [BRC](#).
- Environmental protection, Organic and Fairtrade certification schemes are becoming more and more popular in Europe. In order to be labelled within the European Union with the [EU organic logo](#), producers from developing countries must fulfil European [organic farming requirements](#).
- The European Union regulates organic food and drink produced and/or processed within Europe as well as organic goods from elsewhere (Commission Regulation (EC) No 1235/2008, with [detailed rules concerning imports of organic products from third countries](#)).

Organic products can readily be imported from non-European countries whose rules on organic production and control are equivalent to the European Union's - currently Argentina, Australia, Canada, Costa Rica, India, Israel, Japan, New Zealand, Tunisia, Switzerland and the United States.

For all other non-European countries, importers can [have their organic products certified for import into the European Union](#) by independent private control bodies approved by the European Commission.

Tips:

- Get food safety certification. However, check with importers and experts whether the food safety certification company that you engaged is recognised by European Union buyers. Independent international accredited certification companies include [SGS](#), [CIS](#), [TÜV](#) or [Bureau Veritas](#).
- Specifically for groundnuts, consult the EU Trade Helpdesk, where you can find [European Union legislation](#) for your selected products under the corresponding codes.
- For information on commonly requested standards, check the International Trade Centre's [Sustainability Map](#), an online tool which provides comprehensive information on over 210 voluntary sustainability standards and other similar initiatives covering issues such as food.
- Refer to the [Codex Alimentarius](#) for practical guidelines that can support you in fulfilling the requirements for European food safety legislation. Specifically for groundnuts, refer to the Code of Hygienic Practice for Groundnuts as well as the Code of Practice for the Prevention and Reduction of Aflatoxin Contamination in Peanuts.
- Additionally, you can refer to the [Good Management Practices](#) of the American Peanut Council, which can be incorporated into individual farm operations, buying points, shelling plants, warehouses, transport providers and product manufacturers, improving the overall effectiveness of the production and processing system.
- For an overview of an independent certification programme aimed at environmental protection and corporate social responsibility, you can refer to the [corporate social responsibility page](#) of Intersnack, a leading European company in the savoury snacks segment.

5 . What competition will I face on the European market for groundnuts?

For more information about competition on the European market for edible nuts, see our study of [Competition](#).

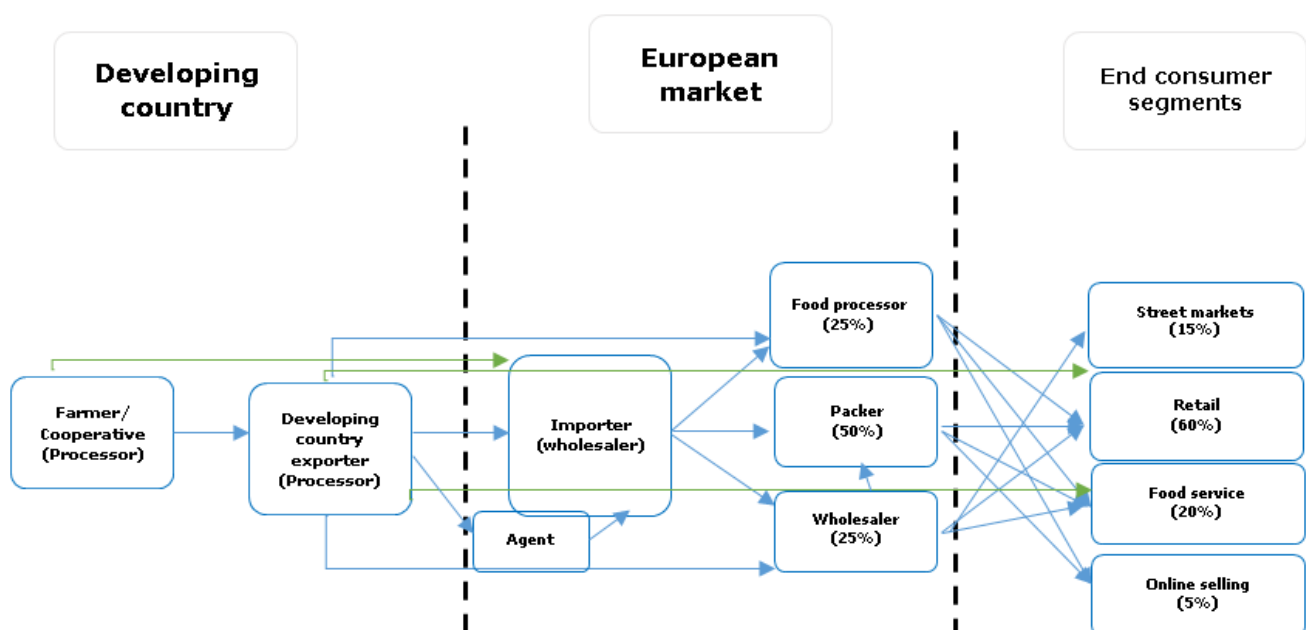
6 . Through which channels can you get groundnuts on the European market?

Many importers of groundnuts are also packers, in addition to conducting trading and wholesale activities. After importing, products reach different segments of the market, as described in Chart 1.

In some cases, exporters from developing countries can also supply to different segments directly without an importer as an intermediary. This is relevant for the processing industry, which produces peanut butter or peanut oil. However, in the majority of cases, specialised importers (wholesalers) serve the supply chain as the first entry point for groundnuts from developing countries.

Leading European companies in the supply chain of groundnuts include [Amberwood Trading](#), [Bohemianut](#), [Delinuts](#) and [Intersnack](#).

Chart 1: European market channels for groundnuts



Tips:

- Check the website of the European Nut Association for [contacts of various stakeholders in the European supply chain of peanuts](#), such as importers, trade, industry processors and service providers.
- For more information, see our extensive study of [Market channels and segments for edible nuts and dried fruit](#). Also read our tips for [Doing business](#) and [Finding buyers](#) on the European market for processed fruit and vegetables.

7 . What are the end-market prices for groundnuts on the European market?

Indications of margins according to the final retail prices for canned fruit and vegetables are not very precise, as the whole sector comprises many different products. The prices also vary between

producing countries regarding the type, size of packaging, fruit or vegetable variety and quality of products. As a result, exporters from developing countries can only gain a very rough general impression of price developments.

The best option to monitor prices is to compare your offer with the offer from the largest competitors.

A very rough breakdown of the prices is shown in the table below.

Table 2: Price breakdown for groundnuts

Steps in export process	Type of price
Export price	53%
Shipment	7%
Packing	3%
Wholesale	7%
Retail	30%
Consumer	100%

Source: Author's compilation based on industry sources

Please note that the share of the retail price which is paid to farmers varies a lot between producing countries and the type of product. It will also vary from year to year depending on market conditions, as retailers tend to keep stable prices for final consumers even though import prices tend to fluctuate.

If the farmers add value to their produce through differentiated quality, food safety, certification and processing steps, they can ask higher prices.

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