

The European market potential for groundnuts

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In the long term, the European market for groundnuts is expected to show stable growth. Above-average growth is expected for in-shell peanuts and dry-roasted peanuts. This growth is likely to be driven by changes in the consumption patterns of European consumers, including rising demand for healthier snacking options and a decrease in the consumption of oily nuts. The Netherlands, United Kingdom, France, Spain and Poland offer opportunities for developing country suppliers.

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1. Product description

Groundnuts, also known as 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 (and are therefore called tree nuts). Groundnuts are classified as both a grain legume and 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 classifications.

Groundnuts are native to South America (Bolivia, Peru and Brazil), but today they are grown in nearly 100 countries in tropical and sub-tropical regions. The leading producing countries are China, India, Nigeria, the United States, Indonesia, Argentina, Senegal and Brazil. In the Northern Hemisphere, harvesting is commonly performed between September and November and in the Southern Hemisphere between February and May.

In the European market, groundnut kernels are mainly consumed as roasted or fried salty snacks. Traditionally, they are also sold to consumers as in-shell (which is perceived as more natural). European processors also experiment with different flavours and coatings to make groundnuts more appealing to different consumers. Peanuts are also used as an ingredient, such as in peanut butter, in cakes and chocolate sweets, as a topping on ice cream and in home-made dishes.

Production of groundnuts may be different in the different growing areas, but typically it includes the following steps performed until exporting:

- Harvesting (groundnuts are a seasonal legume)
- Short drying in the sun
- Separating the pods from the vines
- Cleaning in-shell groundnuts (after this stage, in-shell groundnuts can be graded, packed and exported)
- Grading
- Shelling (commonly with the usage of mechanised lines that crack shells and remove all foreign materials)
- Kernel grading

- Packaging

The largest quantities of groundnuts in international trade are packed into bulk packaging and exported as raw kernels (quality categories are described in more detail in the [market entry part of this study](#)). Processing operations (such as blanching, roasting or frying) usually happen in Europe, but some exporters can also perform processing according to the request of European buyers.

This study covers general information regarding the market of groundnuts in Europe that is of interest to producers in developing countries. Besides raw and roasted groundnuts, this study also covers processed groundnut products such as peanut butter. However, the study does not cover the market for groundnut oil, as this is a different sector with different players in the supply chain. Please see Table 1 with the products and their product codes. Figures 1, 2, and 3 later in this study represent the trade of all products listed in Table 1.

Table 1: Products in the product group of groundnuts

Combined Nomenclature Number	Product
12024100	Groundnuts in shell
12024200	Shelled groundnuts
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

Picture 1 - Groundnut harvester

Picture 2 - In-shell groundnut bulk packaging

Picture 3 - skin-roasted groundnuts

Picture 4 - Blanched groundnut kernels

Source: Wikimedia Commons, Max Pixel

2. What makes Europe an interesting market for groundnuts?

Europe is by far the largest importing region for groundnuts in the world, accounting for around one-third of the total world trade. European imports of groundnuts have increased by an average of 5.4% in volume in the period 2014-2018. More than 80% of all imports from outside Europe come from developing countries. In the next five years, the European market for groundnuts is likely to increase with an annual growth rate of 3-5%. Regular fluctuations in imports will continue to be influenced by harvested crop volumes and price fluctuations rather than changes in demand.

Between 2014 and 2018, European imports of groundnuts grew by an average of 5.4% in value and 3.4% in

volume every year, to a value of €1.6 billion and a quantity of 1.1 million tonnes in 2018. Shelled, unprocessed groundnuts had the highest value of imports in 2018, with a 57% share, followed by processed (mainly roasted) groundnuts (35%). Import of in-shell groundnuts accounts for only 7% of total groundnuts import.

Processed groundnuts are traded mainly within Europe (so-called intra-European trade). Only 10% of Europe's imports of processed groundnuts comes from countries outside Europe. Internal European trade consists of simple re-exporting of imported raw groundnut kernels, but an important part of this trade also consists of diverse forms of processing such as roasting, frying and production of peanut butter. European imports from developing countries significantly increased over the last 5 years, from 420 thousand tonnes in 2014 to 520 thousand tonnes in 2018.

Groundnuts are imported to Europe throughout the whole year. However, there is a seasonal pattern visible, with the highest quantities imported in the last quarter of the year. This pattern is connected to the harvesting season of Europe's main supplier, Argentina. This pattern is also favourable to most of the European importers, as consumption is highest during the winter holiday season in Europe.

The import of peanut butter is also strongly increasing, from 26 thousand tonnes in 2014 to 40 thousand tonnes in 2018. The largest supplier of peanut butter to Europe is the United States, accounting for 75% of the total supply. India gained the most in market share in export of peanut butter to Europe, increasing its supply almost 4 times over in the last 5 years, from 316 tonnes in 2014 to 1.2 thousand tonnes in 2018. The majority of peanut butter production still takes place within Europe, as imports from outside Europe account for only around 20% of total consumption.

Note: The figure above represents apparent consumption (the difference between imports and exports). Exact data about consumption per country does not exist. Another type of calculation is available from the [International Nuts and Dried Fruit Council](#) (INC), but that calculation excludes some consuming countries such as the Netherlands. The particular case with the Netherlands is that it is a big re-exporter, processor and consuming market. Processing volumes are not included in the official statistical data, making it difficult to accurately track consumption.

The total European consumption of groundnuts is estimated at nearly 700 thousand tonnes. Over the last five years, consumption increased by an annual growth rate of 2%. Germany, the United Kingdom and the Netherlands are the largest markets. According to INC, per-capita consumption in Germany is the largest in Europe, with an average consumption of 3.3 kg/year.

3. Which European countries offer most opportunities for groundnuts?

As the world's main importer of groundnuts, the Netherlands is an interesting focus market. Germany also provides specific opportunities as the largest consuming market and an important market for organically certified groundnuts. The United Kingdom is very attractive due to its relatively large number of players in the market and the high rate of new product launches. France and Spain are stable markets, while Poland is showing the largest growth in imports.

The Netherlands: the world's largest importer

The Netherlands is not only Europe's but also the world's largest importer of groundnuts. The Dutch import value was €444 million in total in 2018, good for 28% of total EU imports. Dutch imports increased annually by 0.8% in volume between 2014 and 2018, reaching 354 thousand tonnes. 2018 saw a decrease in imports due to a bad harvest in Argentina caused by a drought.

The Netherlands is the main European transit country for imported ground nuts. Around 70% of all imported

groundnuts are re-exported from the Netherlands to other European markets. Re-export activities are performed by specialised traders and agents, many of them located in Rotterdam ([the main port of Europe](#)). The main target markets for Dutch re-export of groundnuts are Germany (with a 37% share in 2018) followed by France (18% share), the United Kingdom (12% share) and Poland (11% share).

Re-export of groundnuts from the Netherlands is performed either by simple reselling of imported (mainly unprocessed) shelled nuts, but it also involves processing operations such as roasting or frying. Examples of traders and agents are [Aldebaran Commodities](#) (one of the largest groundnut traders in Europe), [Amberwood Rotterdam](#), or [QFN Trading and Agency](#). Some Dutch companies also perform processing operations. Examples are [Bohemia Nut Company](#), [Bredabest](#), [Superfood](#) or [Virgin nuts](#).

Currently, the Dutch import market for groundnuts is quite concentrated, as the Netherlands imports more than 50% of all its groundnuts from Argentina (around 200 thousand tonnes on average). The large majority (more than 92%) of Dutch imports consists of unprocessed shelled groundnuts. Less than 3% is imported as processed, and mainly from Germany supplied by large processors/brands such as [Intersnack](#). Some of the lower-grade peanuts are also packed or mixed with seeds and sold as bird feed.

The leading retail brand of peanuts in the Netherlands is [Duyvis](#) (owned by PepsiCo). The Netherlands is also recognised as the largest producer and consumer 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 launched in the United Kingdom.

The Netherlands imports nearly 80% of all its groundnuts from developing countries (with Argentina as a top supplier). Emerging developing country suppliers of groundnuts to the Netherlands are Nicaragua, Paraguay and Egypt. Most striking was Nicaragua, which increased its export of groundnuts from only around 100 tonnes in 2014 to almost 3,000 tonnes in 2018.

Dutch consumption and supply of groundnuts to other European countries is boosted by the healthy snacking trend and considerable usage by the confectionary industry. Groundnuts are promoted as high in vitamin B3, B5, B6, magnesium, monounsaturated fat, fibre, vitamin E, phosphorus, potassium, copper and manganese. At the same time, it should be noted that the healthy snacking trend does not influence consumption of groundnuts as strongly as it does for other types of edible nuts. The reason for this lays in an increase in allergies to groundnuts, especially among children. Also, groundnut is perceived as a traditional snack, which consumers don't associate as much with healthy food.

Picture 5: Peanut butter
(Netherlands)

Picture 6: Salty snack peanuts (the leading brand in the
(Netherlands))

Source: Albert Heijn online

Tip:

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

Germany: the largest European market

Germany is an important importer and the largest market for groundnuts in Europe, good for 18% of total EU imports. Its imports increased annually by 4.3% between 2014 and 2018. In 2018, German imports of groundnuts amounted to 157 thousand tonnes, good for €239 million. The majority of imported groundnuts in Germany are consumed within the country, but almost 30% are re-exported. Austria is the leading destination of German re-export of groundnuts, followed by Luxembourg. Luxembourg's consumption of groundnuts is

minimal, but it is an important processor and packer of groundnuts, which are re-exported to Germany after processing.

The German market for groundnuts is quite concentrated, and mainly depends on import from Argentina, either through direct imports or through Dutch supply. In 2018, Germany imported almost 50% (47%) of its groundnuts from Argentina, followed by the Netherlands (14%) and the United States (13%). Germany imports a much higher share of in-shell groundnuts compared to most other European countries (except Italy). Germany imported 19 thousand tonnes of in-shell groundnuts in 2018, mainly from the United States, followed by Egypt and Israel.

The emerging developing country supplier gaining the most in market share in Germany is Egypt. Import of groundnuts from Egypt has increased from 1.5 thousand tonnes in 2014 to 8.5 thousand tonnes in 2018. The majority of imports from Egypt is in-shell but also limited quantities consist of final products, such as roasted and retail packed products.

The majority of groundnuts in Germany are sold by private label brands (by discounters such as Aldi Sud, Aldi Nord, Lidl or Metro). Significant quantities are also sold as unbranded snacks. The leading retail company brand is [Ültje](#). Germany offers good opportunities for suppliers of organic groundnuts, as it is the largest organic market in Europe. The leading organic brand in Germany is [Alnatura](#).

Examples of German groundnuts importers, processors and packers include [Seeberger](#), [Farmer's Snack](#), [Omnitrade](#) or [Fresh Nuts](#).

Tips:

- Find German traders of groundnuts 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 groundnut consumption in the German market from German Edible Nuts Promotion Organisation - [Nucis](#) (website in German only).

The United Kingdom: plenty of companies, brands and new products

The United Kingdom is an interesting market for groundnut suppliers due to its diversity. The United Kingdom is home to more than 50 direct importers of groundnuts. There are also many small to medium-sized processors and packers developing their own brands. Peanuts are also used as an ingredient in foods such as peanut butter, protein bars and chocolate snacks.

The United Kingdom is the third-largest importer and the second-largest market for groundnuts in Europe. In 2018, imports reached 179 thousand tonnes and total consumption (of all groundnuts including peanut butter) was estimated at more than 100 thousand tonnes. Almost all quantities of shelled groundnuts are processed and consumed within the country and almost nothing is re-exported. This makes the UK different from the Netherlands and Germany, as it is mostly an end market instead of a trading market.

Imports increased in value by 3.1% and by 4.6% in quantity between 2014 and 2018. The lower increase in value than in volume indicates a decrease in import prices. In 2018, per capita consumption of groundnuts in the United Kingdom was estimated at 2.5 kg/year.

Argentina is the leading supplier of groundnuts to the United Kingdom (22% share in 2018), followed by the Netherlands as a transit country (20% share), the United States (17%), Nicaragua (11%) and China (9%). Nicaragua was the best performer of all developing country suppliers to the United Kingdom. Imports from Nicaragua increased from 12 thousand tonnes in 2014 to 16 thousand tonnes in 2018.

Sustainability and ethical sourcing are important aspects for the UK groundnut importers. For example, the leading country peanut brand – [KP Nuts](#), has launched a project to support Bolivian groundnut farmers with better production technology. Another example is the company [Canon Garth](#), which continuously invests in the development of new sourcing destinations.

Examples of groundnut importers in the United Kingdom are [Humdinger](#), [Premier Fruit&Nut](#) and [The Roasting Company](#). Large users of peanuts in the United Kingdom also include producers of peanut butter, such as [Meridian Foods](#). An interesting market segment for peanut suppliers to the United Kingdom is bird and animal feed, represented by companies such as [W&H Marriage & Sons](#), [Berry Feed Ingredients](#) or [JKT Foods Europe](#).

Brexit (Britain's exit out of the European Union) is forecasted to increase inflation and labour costs in the United Kingdom. However, groundnuts are established as a commodity, and as relatively cheap nuts in the United Kingdom. Therefore, industry experts do not believe that the Brexit will influence prices of groundnuts. 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.

Tip:

- To find UK groundnuts importers, check the member list of the [UK Nut Association](#). Apart from the UK members, you will find contacts of companies from France, the Netherlands and Germany.

France: a stable market for groundnuts

France is the fourth European consumer and importer of groundnuts. The market is characterised by a relatively small number of independent players and a large dominance of private label brands in retail sales.

French imports of groundnuts increased by 4.6% in value and 1.4% in volume annually between 2014 and 2018. Import of groundnuts in France has reached 80 thousand tonnes and €156 million in 2018. The majority of groundnuts enter France through the Netherlands (47% in 2018), followed by direct supply from Argentina (16%) and the United States (8%).

Private label brands of big retailers (such as Carrefour or Auchan) are the leading peanut snack brands in the French market. Independent peanut snack brands are represented by companies such as [Menguy's](#), [Benenuts](#) or [Vico](#).

Direct supply from emerging developing country suppliers is still small but increasing and represented by companies such as [Direct Producteurs Fruits Secs](#). Emerging developing country suppliers gaining market share in the French market are Egypt and Togo. Togo used its advantage as a French-speaking country, and has increased its supply to France from only 20 tonnes in 2014 to more than 700 tonnes in 2018.

Tips:

- To learn more about the French groundnut market, contact 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 access to the French market for groundnuts.

Spain: a direct importer from developing countries

Spain is also an important and stable importer and consumer of groundnuts. Between 2014 and 2018, Spanish imports increased annually by 7.6% in value and 2.1% in quantity, reaching 42 thousand tonnes and €62

million. The Spanish import structure is different from other major European markets, as the leading supplier is China with a 50% share, followed by the United States (15%), Argentina (13%) and Brazil (11%).

Spain is an interesting market for emerging countries suppliers, as it sources the majority of groundnuts directly instead of through Dutch or German traders. Spain imports 73% of all its groundnuts from developing countries. Emerging developing country suppliers are Nicaragua (350 tonnes in 2018) and Egypt (160 tonnes in 2018).

The leading peanut snack brand in Spain is [Frit Ravich](#), which is also present in several other European markets.

Tips:

- See our study on [Market Statistics & Outlook for Processed Fruit and Vegetables](#) for more information on general trade developments within the European edible nuts sector.
- Specifically, check trade statistics of your interest using tools such as ITC [TradeMap](#) or [Trade Helpdesk](#). Use the HS codes listed in the product description chapter of this study to analyse groundnuts trade.

Poland: growing importer

Poland is the European country with the highest growth in groundnut imports over the last 5 years. Between 2014 and 2018, Polish imports increased annually by 13% in value and by 11% in quantity. In 2018, import reached 72 thousand tonnes and €108 million. Poland's largest supplier is Argentina, with a 56% volume share, followed by Brazil (16%), China (10%) and the United States (4%).

The fastest growing supplier over the last five years was Egypt. Poland has increased imports of groundnuts from Egypt from only 17 tonnes in 2014 to 1170 tonnes in 2018. Almost all groundnuts imported from Egypt are in-shell.

Poland is also an important re-seller of groundnuts. Around 40% of imported groundnuts are re-exported to other European countries, with Germany and Romania as the leading export destinations. One of the leading groundnut trading, processing and packing companies in Poland is [Bakalland](#).

Tip:

- For information on Polish companies, contact the [Polish Chamber of Commerce](#).

4. What trends offer opportunities on the European groundnuts market?

The increasing demand for healthy snacking combined with the innovative flavour combinations are the leading driving forces behind the growing consumer interest in groundnuts in Europe. Sustainable production is also favourable for groundnut-producing countries, as groundnuts enrich the soil with nitrogen. On the other hand, the main threat is the increasing attention for food allergies and in particular the allergy to peanuts, especially among children.

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

Healthy snacking and increased in-shell consumption

Nuts, including groundnuts, 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, groundnuts are considered a healthier alternative to other savoury snacks, such as crisps and extruded snacks. However, peanuts (due to its high oil content) are perceived as less healthy than the majority of tree nuts (although some tree nuts, such as cashew nuts or macadamia nuts, also have high oil content).

In order to reduce the oil content of peanuts, processors are introducing new processing techniques. Oven roasting or dry roasting (roasted without oil) is the simplest method, and particularly popular among female European consumers, who are searching for methods to decrease fat intake.

Increased demand for in-shell groundnuts is also seen as the result of the healthy snacking trend. In-shell groundnuts are not fried, so they provide a more 'natural' feeling to the consumer. This also relates to the 'clean label' trend. Apart from the health aspect, in-shell consumption also offers the pleasure of opening the shells when eating (similar to consumption of pistachios). Import of in-shell groundnuts in Europe increased from 260 thousand tonnes in 2014 to more than 360 thousand tonnes in 2018. Previously, in-shell groundnuts were only sold in Europe around the Christmas holiday season, but they are now available all year round.

In order to promote consumption, companies and brands use the high oil content of peanuts as an advantage, as peanut kernels typically contain mostly (more than 70%) mono and unsaturated fatty acids, which are beneficial for consumers' health. In addition, peanuts are promoted as being high in fibre, vitamin B6, vitamin E (α -tocopherol), niacin, magnesium, phosphorus, potassium, copper, manganese, pantothenic acid, zinc and selenium.

According to market research company 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 lifestyle, European consumers are substituting traditional lunch breaks with healthy snacks, with nuts as an important ingredient. Consumers are also using groundnuts in vegan/vegetarian diets, as an ingredient in baking and salad mixes, etc., as an alternative protein source and a contributor to texture.

New Flavours and coatings

Flavoured peanuts and additional coating textures are also gaining popularity. Among the top flavours are different 'chilly' flavours. Although roasted, salty and spicy flavours continue to dominate the market, new flavours such as 'coconut' and 'wasabi' are also experiencing increased sales. Beside 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.

Some premium varieties of groundnuts such as redskin peanuts or stripped peanuts (also known as 'wild jungle peanuts') are also being offered as new experiences to European consumers. Those more rare varieties are sometimes promoted as superfood.

Groundnuts as an ingredient

Groundnuts are increasingly being used in 'healthy food' applications. One of the favourite usages is in so-called '[protein bars](#)' – snacks made of nuts and other ingredients that contain a high proportion of protein to carbohydrates. Due to its composition, they are also one of the favourite choices of consumers who are following a [ketogenic diet](#) (high-fat, adequate-protein, low-carbohydrate diet), which is very popular among sport and physically active people. Another reason for its popularity is its relatively low price level and crunchiness.

Other increasingly popular uses for peanuts are nut butters, chocolate products, cookies, cereal bars and bird feed. Another recent development (originating in the United States) are snacks made of peanut butter.

New sourcing destinations

China, which was a large exporter of groundnuts in the past, is on its way to becoming a leading importer by increasing domestic demand. Exports have almost halved to 500,000 tonnes over the past decade, while imports have risen by almost 50%. In order to replace China, other sourcing destinations are increasingly competing on the international market.

Over the last 10 years, leading producing countries have focused their exports to specific destinations. For example, India imports more than 70% from Southeast Asia; Mexico and Canada import mostly from the United States while Europe imports from Argentina. With the decrease in exports from China, traditional suppliers of other destinations are also increasing their exports to Europe. Over the last five years, Nicaragua and Egypt gained the most market share in the European market as relatively new, emerging suppliers.

An example of successful sourcing from emerging destinations is the Bolivian company [Agrinuts](#), which has invested in processing and postharvesting operations and successfully entered the European market. Another example to review is the Indonesian company [Lewi's Organics](#), which entered the European market with organic and with premium wild stripped peanuts (also known as 'jungle' peanuts).

Medical research to fight peanut allergies

According to the [European Centre for Allergy Research Foundation](#), it has been demonstrated that 0.2% of the entire European population is allergic to peanuts. In accordance with European food regulations, all foods containing peanuts must be labelled as such. Peanut allergies usually appear in childhood and remain for life in around 80% of allergic individuals.

Clinical research was performed to prevent peanut allergy. The [Learning Early About Peanut Allergy \(LEAP\)](#) study, conducted in the United Kingdom, is one of the largest studies of food allergy of its kind in the world. Findings of this study demonstrate that a baby's chance of developing a peanut allergy is reduced by up to 86% by feeding them small amounts of peanut foods as early as 4-6 months of age. Usually this is performed by mixing smaller amounts of peanut butter with commonly used infant baby purees.


Tips:


- Promote the various applications and nutritional properties of groundnuts. 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 the general trade trends and the size of specific market segments.
- Check the websites of European trade shows and exhibitions to discover the newest trends. The most important trade fair in Europe that is relevant for groundnut trends and trade are [SIAL](#), [Anuga](#) and [BioFach](#).


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

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