

Entering the European market for groundnuts

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Food safety certification combined with reliable and frequent laboratory testing helps create a positive image for groundnut producers wishing to export to Europe. Sustainable production and the implementation of corporate social responsibility measures will help emerging suppliers gain an additional advantage. The toughest competitors for new groundnut suppliers are Argentina, China and the United States.

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1. What requirements must groundnuts comply with to be allowed on the European market?

What are the requirements?

All foods, including groundnuts, sold in the European Union must be safe. This applies to imported products, as well. Additives must be approved by the European safety authorities and their use must be in line with the specific legislation. Limits are placed on levels of harmful contaminants, such as pesticide residues and mycotoxins. It should also be clear from the labelling that groundnuts can cause allergies.

Contaminant control in groundnuts

The [European Commission Regulation](#) sets maximum levels for certain contaminants in food products. This regulation is frequently updated and, apart from the limits set for general foodstuffs, a number of specific limits apply for contaminants in specific products including groundnuts. The most common requirements regarding contaminants in groundnuts relate to the presence of mycotoxins, pesticide residues, micro-organisms, and heavy metals.

Border control

If specific products originating from particular countries are repeatedly in violation of the applicable regulations, stricter conditions may be imposed on the import of those products, such as having to be accompanied by a health certificate and analytical test report. Products from countries that have repeatedly breached the regulations are put on a list included in the Annex of Regulation [\(EC\) 669/2009](#). Since July 2019, the groundnuts from Bolivia, Madagascar, Senegal and the United States have been on the list of groundnuts subject to stricter inspection for the presence of aflatoxins.

Groundnuts from Gambia and Sudan have been inspected with increasing frequency over the last several years. As the levels of aflatoxin in groundnuts imported from those two countries have not decreased, the European Commission issued the [special regulation](#) which entered into force in June 2019. According to this regulation, all consignments of groundnuts from Gambia and Sudan must be accompanied by a health certificate and laboratory testing results. In addition, 50% of all imported groundnuts are physically checked on importation.

Mycotoxins

The presence of mycotoxins (aflatoxins, in particular) is the main reason why groundnuts may be banned on the European market. In 2018, the [Rapid Alert System for Food and Feed \(RASFF\)](#) recorded 181 border rejections of groundnuts due to the aflatoxin content. The highest percentage of those rejections (30%) applied to groundnuts imported from Argentina, followed by China (19%), Egypt (18%) and the United States (7%).

The level of aflatoxin B1 in groundnuts intended for direct human consumption must not exceed 2 µg/kg and the total aflatoxin content (B1, B2, G1 and G2) must not exceed 4 µg/kg. However, a higher aflatoxin content for groundnuts is allowed if the products are not intended for direct human consumption. In such cases, the groundnuts must be sorted or treated before they are placed on the market.

Pesticide residues

The European Union has set maximum residue levels (MRLs) for pesticides found in and on food products. Products containing a higher concentration of pesticide residues than allowed are withdrawn from the European market. However, it is fairly uncommon to encounter excessive levels of pesticide residues in the groundnut trade. This is because the shell, in which residues may accumulate, is usually removed before consumption.

The European Union regularly publishes [a list of pesticides](#) which are approved for use in the European Union. This list is updated frequently. In 2019, the European Commission adopted 12 new laws prescribing changes with respect to nearly 80 different pesticides.

Microbiological contaminants

The presence of very low levels of salmonella and E. coli in ready-to-eat or processed foods, including groundnuts, is an important cause of foodborne illness. Groundnut processors should consider salmonella and E. coli as major public health risks in their hazard analysis of critical control points (HACCP).

Tips:

- Follow the Codex Alimentarius [Code of Hygienic Practice for Groundnuts](#). For groundnuts, specifically, it is important for the pods to be dried as rapidly as possible prior to storage. The moisture content must also be kept low during transport and storage.
- Read more about MRLs on the European Commission [website on maximum residue levels](#). To be prepared for any new changes in the MRLs, read the [ongoing reviews of MRLs in the European Union](#).
- Ensure you have options at your disposal for quick aflatoxin testing, such as [Vicom's testing solutions](#) to assess the level of aflatoxins in each phase of the production process.

What additional requirements do buyers often have?

Quality requirements

The quality of groundnuts is determined by the percentage of defective product by weight. For in-shell groundnuts, defects can include empty pods, damaged pods and discoloured pods. For groundnut kernels, defects can include damaged kernels, discoloured kernels and broken or split kernels. The industry has defined several other quality criteria, but some of them, such as taste and flavour, are subjective and cannot easily be determined on the basis of physical characteristics.

Specific groundnut quality requirements are established in several standards. The most widely applied standard in Europe is the standard established by the [United Nations Economic Commission for Europe \(UNECE\)](#) which is based on the [United States standards](#). Similar standards are also developed by [Codex Alimentarius](#), and by Indian and by Argentinian authorities. The most important criteria used to define the quality of groundnuts are

as follows:

- Grading – The European Union does not have an official standard for grading groundnuts. The most frequently used grading classification comes from the United States. In this standard, grades are defined by the number of groundnuts counted in one ounce (e.g. 38/42 or 40/50). The size is added to the name of the groundnut type or variety (e.g. super jumbo Virginia in shell 9/11). However, grading classifications originating from other producing countries may be used, as well.
- Type (variety) – There are hundreds of varieties of groundnuts. The most frequently cultivated botanical groups are Runner (most commonly grown in the United States and Argentina), Spanish (most commonly grown in South Africa), Hsuji (Spanish type round shaped 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.

Food safety certification

Although food safety certification is not obligatory under European legislation, it has become a must for almost all European food importers. Most established European importers will not work with you if you cannot provide some type of food safety certification.

The majority of European buyers will ask for certification recognised by the [Global Food Safety Initiative](#) (GFSI). For groundnuts the most popular certification programmes, all of which are recognised by GFSI, are:

- [International Featured Standards](#) (IFS)
- [British Retail Consortium Global Standards](#) (BRCGS)
- [Food Safety System Certification](#) (FSSC 22000)

Please note that this list is not exhaustive and food certification systems are constantly under development.

Although different food safety certification systems are based on similar principles, some buyers may prefer one management system, in particular. For example, British buyers often require BRC, while IFS is more common for German retailers. It should be noted that food safety certification is only a basis from which to start exporting to Europe. Serious buyers will usually visit/audit your production facilities before doing business with you.

Corporate Social Responsibility

Companies have different requirements as regards social responsibility. Some companies will require adherence to their code of conduct or to common standards such as the Supplier Ethical Data Exchange ([SEDEX](#)), Ethical Trading Initiative ([ETI](#)) or Business Social Compliance Initiative code of conduct ([BSCI](#)).

Packaging requirements

The most common types of export packaging are vacuum bags in cartons in the case of kernels and jute bags in the case of in-shell peanuts. Other materials include tinsplate containers or paper boxes. The size of the packaging for the export of bulk peanuts is different. In many cases, bulk peanuts are exported in quantities of 25 kg, but large bags weighing 1 to 1.5 tonnes are often used, as well. Retail packaging is very different, but it is not very often used in imports from the main export origins.

Labelling requirements

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

Information about bulk packaging has to be indicated either on the packaging or in accompanying documents. Bulk package labelling must include the following information:

- Name of the product
- Lot identification number

- Name and address of the manufacturer, packer, distributor or importer
- Storage instructions — storage and transport instructions are very important due to the high oil content and sensitivity to high levels of moisture, which can negatively influence quality if not dealt with properly.

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

In the case of retail packaging, product labelling must be in compliance with the [European Union Regulation on the provision of food information to consumers](#). This regulation specifies requirements for nutrition labelling, origin labelling, allergen labelling and clear legibility (minimum font size for mandatory information). Please note that this regulation lists groundnuts as a product which can cause allergies or intolerances, and therefore allergen information must be clearly visible on the retail packaging.

Tips:

- Read our study about [buyer requirements for processed fruit and vegetables](#) for a general overview of buyer requirements in Europe.
- Read more about the [transport and storage requirements for groundnuts](#) on the website of Transport Information Services.
- Do a self-assessment using the producer starter kit via the [BSCI website](#).

What are the requirements for niche markets?

Organic groundnuts

[European legislation](#) dictates that if you want to market your groundnuts as organic, they must be grown using organic production methods. Growing and processing facilities must be audited by an accredited certifier before you are allowed to use the European Union's organic logo on your products. This also goes for the logo of the standard holder (for example, the [Soil Association](#) in the United Kingdom or [Naturland](#) in Germany).

Note that importing organic products to Europe is only possible if you are in possession of an [electronic certificate](#) of inspection (e-COI). Each batch of organic products imported into the EU has to be accompanied by an electronic certificate of inspection as defined in Annex V of Regulation [defining imports of organic products from third countries](#). This electronic certificate of inspection has to be generated via the [Trade Control and Expert System](#) (TRACES).

Sustainability certification

Two most commonly used sustainability certification schemes are [Fair Trade](#) and [Rainforest Alliance](#). Fair Trade international has developed a [specific standard for nuts](#) intended for small-scale producer organisations. Fair Trade also defines the terms of payment and [FairTrade Minimum Price](#) for conventional and organic peanuts.

In order to improve the sustainable production and sourcing of groundnuts, a group of primarily European companies and organizations formed the [Sustainable Nuts Initiative](#) in 2015. The main objective of this initiative is to improve the circumstances in nut-producing countries and work towards sustainable supply chains.

Ethnic certification

The Islamic dietary laws (Halal) and the Jewish dietary laws (Kosher) impose specific dietary restrictions. If you want to focus on Jewish or Islamic ethnic niche markets, you should consider implementing [Halal](#) or [Kosher](#) certification schemes.

Tips:

- Consult the [Sustainability Map database](#) for sustainability labels and standards.
- Check the [guidelines for imports of organic products into the European Union](#) to familiarise yourself with the requirements of European organic traders.
- Read our study on [Trends on the European processed fruit, vegetables and edible nuts market](#) for an overview of the developments in terms of the sustainability initiatives in the European market

2. Through what channels can you get groundnuts on the European market?

Groundnuts are mostly used as a snack in Europe. They are also used for the production of peanut butter and as an ingredient in the food processing industry. Peanut oil, despite being an important product worldwide, is hardly produced in Europe but is instead imported from Brazil, Senegal, Argentina and other producing countries.

How is the end market segmented?

The largest user of groundnuts in Europe is the snack segment. Approximately 60-70% of imported groundnuts kernels in Europe are sold as snacks, predominantly as roasted salty snacks. Groundnut kernels are also increasingly used by food processing industries as ingredients.

Snack segment

Figure 1: End market segments for groundnuts in Europe

In 2018, the retail value of the savoury snack market in Europe amounted to around €17 billion, which is nearly 1.5% of the total European food and drinks market. The largest market for savoury snacks in Europe is the United Kingdom, with an estimated value of around €5 billion. Between 2009 and 2018, snack nut consumption increased by 76% in the European Union. At an average of 2.9 kg per capita, the Dutch are the biggest consumers in Europe.

Within the snack segment, a few trends are influencing consumption. One is the development of different roasting flavours in order to diversify the offering, and match it with different taste preferences. Aside from roasting flavours, different types of salty and sweet coatings are used to produce innovative snacks. Another trend is the increasing range of unsalted, dry-roasted (including in-shell nuts) and unroasted peanuts as a healthier alternative to salted snacks.

Food processing segment

The food processing segment uses significant quantities of groundnuts. It is expected that this food processing segment will gain market share over the next several years. A variety of important product launches and developments are already described in the trends chapter of this study. The most common groundnut ingredient users include the following:

- The confectionary industry mainly uses groundnuts in chocolate snacks. One of the leading chocolate snack brands containing peanuts is [Snickers](#) (by Mars), but there are many other similar products in Europe, often produced under private labels for retail chains.
- The bakery industry uses groundnut pieces as spreads in cakes, cookies and pastries.
- Peanut butter is often imported but is also increasingly being produced in many European countries. The Netherlands is the largest processor of groundnuts and largest producer of peanut butter in Europe.
- Protein and fruit-nut bars are increasingly offered as an alternative to sugary and chocolate snacks. Peanuts are often used as an ingredient in those products as a vegetable source of protein.

- Other segments - Groundnuts are also used in several other products, such as bird feed. In addition, groundnut pieces are a popular topping for ice cream.

Tips:

- Monitor market developments within the European snack segment by visiting the news section of the website of the [European Snack Association](#).
- Search the list of exhibitors of the specialised trade fair [Fi Europe](#) to find potential buyers for your groundnuts within the food ingredient segment.

Through what channels do groundnuts end up on the end market?

Specialised nut importers represent the most important channel for groundnuts in Europe. There are also several alternative channels, such as agents, food processors or food service companies.

Important players in the snack segment include roasting and packing companies. Some roasting companies have specialised in selling roasted, salted and spiced peanuts for other brands, private labels or for bulk sales. Some examples include [Omnitrade](#), (Germany) Ireco (Luxembourg, no website), [Trigon](#) (the United Kingdom) and [The Roasting Company](#) (the United Kingdom). The leading snack and roasting company in Europe is [Intersnack](#). Intersnack is the owner of several leading snack brands such as [Ültje](#) (Germany), [KP snacks](#) (the United Kingdom) and several others.

Figure 2: European market channels for groundnuts

Importers/wholesalers

In most cases, importers act as wholesalers. They very often sell groundnuts to roasting companies which process and package them for sale to consumers. Some importers also have their own processing and packing equipment, so they can supply retail and foodservice channels directly.

Importers are usually quite knowledgeable when it comes to the European market and they closely monitor developments in groundnut producing countries. Therefore, they are your preferred contact, as they can inform you in good time about market developments and provide practical advice about exports. Groundnut importers normally import other types of edible nuts and dried fruit, as well, so offering other products in addition to groundnuts can increase your competitiveness.

For new suppliers, the challenge is to establish lasting relationships with well-known importers, as they usually already work with selected suppliers. Established importers perform audits and visit producing countries on a regular basis. Many new contacts find they must offer the same quality at lower prices than their competitors, at the start of the relationship.

The positions of importers and food manufacturers are put under pressure by retailers. The higher demands imposed by the retail industry determine the supply chain dynamics from the top down. The pressure translates into lower prices but also into added value in the form of “sustainable,” “natural,” “organic,” or “fair trade” products. As a result, transparency in the supply chain is needed. To achieve this, many importers develop their own codes of conduct and build long-lasting relationships with preferred developing country suppliers.

Agents/brokers

Agents involved in the groundnut trade typically perform two types of activities. Agents normally act as independent companies that negotiate on behalf of their clients and as intermediaries between buyers and sellers. Typically, they charge commissions ranging from 2% to 4% for intermediary services.

Another activity performed by these parties is the supply of private labels for retail chains in Europe. For most developing country suppliers, it is very challenging to participate in the demanding private label tendering procedures. For these services, some agents, in cooperation with their groundnut suppliers, participate in procurement procedures put out by the retail chains.

Groundnut agents in the leading European markets include the following: [Hpm Warenhandelsagentur](#) (Germany), [MW Nuts](#) (Germany), [Global Trading](#) (Netherlands), [QFN](#) (Netherlands), and [Drynuts](#) (Spain).

Retail channel

Retailers rarely buy directly from developing country exporters. However, certain developing country exporters (processors) package their products directly for private label or even their own label brands. Recently, the retail sector has become increasingly polarised, seeing a shift towards either the discount or high-level segment. Consolidation, market saturation, fierce competition and low prices are key characteristics of the European retail food market.

The leading food retail companies in Europe differ per country. The companies with the largest market shares are Schwartz Gruppe (Lidl and Kaufland brands), Carrefour, Tesco, Aldi, Edeka, Leclerc, Metro Group, Rewe Group, Auchan, Intermarché and Ahold (Delhaize, Albert Heijn and several other brands).

Foodservice channel

The foodservice channel (hotels, restaurants and catering establishments) is usually supplied by specialised importers (wholesalers). The foodservice segment often requires specific packaging of groundnuts in weights of 1kg to 5kg, which is different from the requirements for bulk or retail packaging.

World cuisines, healthy food and food enjoyment are the major driving forces in the foodservice channel in Europe. The fastest-growing business types tend to be new (healthier) fast food, street food and pop-up restaurants, as well as restaurants serving international cuisines and sandwich bars.

Tips:

- Check the website of the European Nut Association for [contacts of various stakeholders in the European peanut supply chain](#) such as importers, traders, industry processors and service providers.
- Search through the [list](#) of members of the European Trade Federation for Dried Fruit and Edible Nuts (FRUCOM) to find buyers from different channels and segments.
- Understand the pressure from retailers for sustainable products and increase your competitiveness by investing in different certification schemes related to corporate social responsibility (CSR), organic foods or food safety. Having food safety certification is the minimum requirement if you want to tap into the retail segment.

What is the most interesting channel for you?

Specialised importers seem to be the most useful contact if you aim to export groundnuts to the European market. This is specifically relevant for new suppliers as supplying the retail segment directly is very demanding and requires considerable investments in the area of quality and logistics.

However, packing for private labels may be an option for the well-equipped and price competitive producers. Still, private label packing is often done by importers that enter into contracts with retail chains in Europe. In addition, in order to have full control of the processing, it is easier to roast and pack groundnuts for the snack segment within Europe. As the cost of the labour in Europe is increasing, groundnut importers sometimes search for more cost-effective roasting operations, in Eastern Europe or developing countries, for instance.

3. What competition do you face on the European groundnuts market?

Which countries are you competing with?

Argentina and the United States are the key competitors for emerging suppliers of groundnuts to Europe. Those two countries supply more than 70% of all groundnuts to Europe, followed by China, which has a market share of approximately 10%. The leading suppliers export most of the groundnuts as kernels, except for Egypt, which exports the majority of its groundnuts in shells.

Note: the graph above shows European imports of in-shell and shelled groundnuts from the leading producing countries.

Argentina, the leading supplier of groundnuts to Europe

Argentina is the leading supplier of groundnuts to Europe and the third-largest exporter of groundnuts in the world (after India and the United States). Although India produces and exports more groundnuts than Argentina, its exports are focused primarily on South-East Asian countries. Similarly, the United States exports mainly to Mexico and Canada. Over the last several years, Argentina produced an average of around one million tonnes of in-shell groundnuts.

Domestic consumption of groundnuts in Argentina is very low compared to that of other leading suppliers. More than 80% of domestic production is exported. Europe is the main market for Argentinean groundnut kernels, accounting for almost 80% of exports to Europe. However, exports to Europe have decreased over the last three years, falling to 98,000 tonnes in 2018. Within Europe, the Netherlands is the main target market importing 80% of the Argentinian supply (78,000 tonnes in 2018).

Around 90% of Argentinian groundnut production is concentrated in the south of the Cordoba province. The departments of Rio Cuarto, Juarez Celman, General San Martin, Rio Segundo and Tercero Arriba are the main producing areas. [Cordoba Peanuts](#) are protected by the designation of origin (officially labelled as products with specific characteristics). However, a lot of nutrients have been extracted from the soil due to intensive production, so peanut producers are looking for new areas for growing their crops. Runner and High Oleic Runner are two leading types of groundnuts produced in Argentina.

In order to maintain the leading position in European supply, the Argentinian National Food Safety and Quality Service ([SENASA](#)) has established a control mechanism for groundnuts intended for export to the European Union. Before groundnuts are loaded for export, the aflatoxin content must be certified. The certificates are issued by officially registered certification bodies such as [JLA](#) or [SGS Argentina](#).

The Argentine groundnut sector is represented by the [Argentine Peanut Chamber](#), which consists of 25 producing and exporting companies and actively participates in international organisations including the European Snacks Association and the European Nuts Association. In order to improve the production of groundnuts, the Argentine Peanut Chamber has established the [Argentine Peanut Foundation](#).

The United States, second in global exports

With a crop averaging 2.6 million tonnes (in-shell basis), the United States is the world's fourth biggest producer of groundnuts. In contrast to Argentina, the United States consumes large quantities of groundnuts locally (between 75-80%). Around 60% of domestically produced groundnuts are processed into peanut butter. Georgia is the leading producing state of groundnuts (accounting for more than 50% of all the country's production), followed by Alabama, Florida, Texas, North Carolina and South Carolina.

In the United States, the Runner type peanut is most prevalent, but the Virginia, Spanish and Valencia types are

grown, as well. Almost half of production of Runner peanuts is processed into peanut butter. Runners are grown mainly in Georgia, Alabama, Florida, Texas and Oklahoma. The Virginia type is the largest in size and is grown mainly in Virginia and North Carolina. Spanish peanuts are primarily grown in Oklahoma and Texas. Valencia Peanuts (mostly sold as roasted in-shell) are mainly produced in New Mexico.

The United States exported 160 thousand tonnes of peanuts to Europe in 2018, with the Netherlands as the main destination. A considerable proportion (25%) of these exports consist of in-shell groundnuts, most of which are exported to Germany. The United States is also a leading supplier of peanut butter to Europe and exported almost 7000 tonnes (74% market share) to Europe in 2018.

In the United States, the production and export of groundnuts are supported by the [American Peanut Council](#). In order to improve production, the council has established the [Peanut Research Foundation](#). The American Peanut Council promotes local and global consumption of peanuts and develops international markets for peanuts grown in the US. Within Europe, the council has representative offices in the [United Kingdom](#) and [Germany](#).

China, the leading groundnut producer

China continued to be the top producer of groundnuts in crop year 2018/19, accounting for 41% of world production (4.7 million tonnes), Shandong is the major groundnut producing area in China, followed by Henan, Hebei, Guangdong, and Jiangsu provinces. Many cultivars are grown in China, but the one which is most commonly exported is called 'Hsuji', which has a round shape and red skin. Around half of the peanuts produced in China are used for crushing and the production of peanut oil.

In China, the production of groundnuts is supported by the [Shandong Peanut Institute](#). This institute has developed many commercially grown groundnut cultivars. There are also several organisations which focus on improving groundnut production in China, including the [Committee for Nuts and Roasted Seeds](#), the National Improvement Center for Oil Crops.

In 2018 China exported nearly 100,000 tonnes of different types of groundnuts to Europe. The largest proportion (34%) was exported to Spain, followed by the Netherlands, the United Kingdom and Greece. Chinese companies are very active in the promotion of peanuts in Europe. They regularly participate in the major trade fairs. Those marketing activities are supported by the [China Chamber of Commerce of Foodstuffs and Native Produce](#) (CFNA).

Nicaragua, emerging developing country supplier

Nicaragua is seeing a sharp rise in exports to Europe. Exports of groundnuts from Nicaragua to Europe reached 64,000 tonnes in 2018. The United Kingdom is the main importing country for Nicaraguan groundnuts, importing 70% of Nicaraguan groundnut exports in 2018 (27,000 tonnes). Almost all exported groundnuts are shelled.

Nicaraguan groundnut production reached 176,000 tonnes in the 2018/2019 season. The majority of the groundnuts from Nicaragua are produced in the Chinandega region. Groundnut production is strongly focused on exportation. Less than 1% of the total groundnut production remains in the domestic market. Nicaraguans do not tend to consume many peanuts or peanut oil.

Nicaragua has recently shown that effective food safety management is possible. The country has now earned a good reputation and a strong position in the export market. Nicaragua's key to success has been a strict government programme controlling aflatoxin combined with investments in modern mills.

Brazil, the leading consumer in South America

Brazil is the second-largest peanut producer and exporter in Latin America, producing 570,000 tonnes in the 2018/2019 season. Approximately 30-40% of Brazilian production is intended for export, while the rest is consumed locally. Over 90% of the national peanut production is concentrated in São Paulo. In 2018, Brazil

exported 230,000 tonnes of shelled groundnuts, with the Russian Federation as the main market.

Brazil exported nearly 60,000 tonnes of groundnuts to Europe. The majority of this amount went to the Netherlands (40%) followed by Poland, Spain and the United Kingdom. Brazil is very active in promotional activities on the European market. Regular participation in all major trade events in Europe is strongly supported by the [Brazilian Trade and Investment Promotion Agency \(APEX\)](#).

Egypt, in-shell supplier

Egypt exported 25,000 thousand tonnes of groundnuts to Europe in 2018. Most of these (more than 60%) were exported to Italy (15,000 tonnes), followed by Germany. More than 90% of Egyptian exports are in-shell groundnuts. The main reason for the very high proportion of in-shell exports from Egypt is to lower chance of aflatoxin occurrence.

Which companies are you competing with?

There are many companies around the world that produce, process and export groundnuts. It is not easy to identify only one company in each of the supplying countries to show the differences between the countries. In addition, some companies such as [Olam International](#) carry out production in more than one country. A quick overview of some leading companies per supplying country is given below.

Argentina

Argentinian groundnut production and export are carried out by a relatively small number of large processors. According to Argentine Peanut Chamber, four large member companies export 50% of the total production, 39% of exports are carried out by medium-sized companies and 11% of exports are carried out by small companies. Two companies in the sector are based in the Province of Salta, and the remaining 23 companies are located in the Province of Córdoba.

[AGD Group](#) is one of the most important Argentinian groundnut companies and the largest exporter of edible peanuts worldwide. AGD produces and processes approximately 25% of total Argentinian groundnut exports. The company's processing capacity is 1200 tonnes per day and its storage capacity is 120,000 tonnes. Apart from the processing and export of peanuts, the company also produces peanut oil. AGD exports 60% of the Argentina's total exports of peanut oil.

AGD carries out the production on its own and on rented fields, but it also buys groundnuts from selected farmers. In the production process, AGD uses fully mechanised lines and puts a lot of effort into improving sustainable production methods, for example through crop rotation, the use of peanut by-products for electricity production, and careful water usage. In order to improve its competitiveness, the company has obtained food safety and social compliance certification (BRC, SMETA and Ethical Trading Initiative).

Examples of other large Argentinian groundnut companies are [Maniagro](#) (exporting 40,000 tonnes of peanuts annually), [Agromani](#), [Golden](#) (a U S company with locations in Argentina and South Africa), [Prodeman](#) (which produces 140,000 tonnes of in-shell groundnuts per year), [Servicios Agropecuarios](#), [Manisel](#) and [Maglione](#).

The United States of America

[Golden Peanut](#) (a subsidiary of [Archer Daniels Midland](#)) is a major sheller and processor of peanuts and peanut products which is headquartered in Alpharetta, Georgia. Golden's primary product lines include raw shelled and in-shell peanuts, peanut flour, various peanut oils, pecans, and peanut seeds. Golden serves peanut growers and operates processing plants in the major peanut growing areas of the United States, Argentina and South Africa. Golden is a leading supplier of peanut products to manufacturers worldwide.

Other large US companies include [Premium Peanut](#) (which has the largest shelling capacity in the world), [Hampton Farms](#) (the leading roaster of in-shell peanuts in the United States), [Galdisa](#) (peanut processor and

ingredient supplier) and [Andalucia Nuts](#).

China

Examples of leading exporters in China are [Rizhao Golden Nut Group](#) (with an annual output of 40,000 tonnes), [Rizhao Yatai Foodstuffs](#), [Jilin City Changrong Agricultural & By Products Corporation](#), [Qingdao Shengde Foods](#) and [Foodlink](#).

Companies from other supplying countries

Examples of other groundnut suppliers to Europe include the following:

- Nicaragua – [Comasa](#) (80% of the supply) and [Cukra Industrial](#) (19% of the supply).
- Brazil – [Beatrice Peanuts](#), [Jazam Peanuts](#), [Santa Helena](#), [Ostinato](#).
- Egypt – [Green Valley](#) (North Africa's leading peanut company), [Nutsland](#), [Kernile](#).

Tips:

- Seek contact with groundnut producers in Argentina on the [list](#) of members of Argentine Peanut Chamber to learn more about the competition.
- Regularly visit major European trade fairs to meet competitors and potential customers. Examples are [ANUGA](#), [SIAL](#) or [Food Ingredients](#).
- Use the services of your national export promotion agency and actively participate in the creation of export strategies.

Which products are you competing with?

Groundnuts are a unique nut in terms of flavour and they are a very popular snack in Europe. As a result, it is unusual to consider alternatives to groundnuts. The most similar nut snacks in terms of flavour are cashew nuts and almonds, but both are more expensive than peanuts.

In the large producing countries, producing other crops instead of peanuts, such as corn or soybeans, can be an attractive alternative to producing peanuts. Farmers are advised to rotate groundnut crops once every four to five years and to plant crops such as soya, sorghum or corn.

Tip:

- Read the [CBI almond study](#) and the [CBI cashew study](#) to understand these industries and learn about the promotional tools used to gain market share.

4. What are the prices for groundnuts?

Depending on the country, retail chain and brand, the prices of groundnuts sold to end consumers vary significantly across Europe. The prices of salty roasted peanuts usually range from €6/kg to €10/kg, but this product is very different from the commonly imported raw kernels which undergo processing after importation. Prices also vary greatly depending on the type of imported product (variety, size, origin, presentation etc.).

In 2019 the prices for groundnuts offered by European agents were in the following range (FCA):

- Argentina Runners split – €1.20/kg-€1.30/kg
- China Hsuji – €1.30/kg-€1.50/kg

- USA Runner - €1.20/kg-€1.30/kg

Table 1: Breakdown of the retail price for groundnuts

Steps in the export process	Margin addition
Export price	50%
Shipment	2%
Packing and processing	10%
Wholesale	8%
Retail	30%
Consumer	100% (final retail price)


Tip:

- Subscribe to the [IEGVu](#) portal which is one of the most respected market information services for food ingredients including groundnuts. Subscribers have access to regular and timely updates on groundnut export prices and overviews.


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

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