

Entering the European market for pistachios

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Food safety certification, combined with reliable and frequent laboratory testing, helps create a positive image for pistachios suppliers wishing to export to Europe. Emerging suppliers can reap additional advantages through sustainable production methods and the implementation of corporate social responsibility measures. Pistachios suppliers must pay special attention to mycotoxin control as pistachios are frequently rejected at border control because of the high aflatoxin content.

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

What are the requirements?

All foods, including pistachios, sold in the European Union must be safe. Imported products are no exception. Additives must be approved. Limits are placed on levels of harmful contaminants, such as mycotoxins or pesticide residues. It should also be clear from the labelling that nuts can cause allergies.

Contaminant control in pistachios

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 pistachios. The most common requirements regarding contaminants in pistachios 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 an 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, pistachios from the United States have been on the list of pistachios subject to stricter inspection for the presence of aflatoxins (10% of all pistachios must be officially controlled).

Mycotoxins

The presence of mycotoxins (aflatoxins, in particular) is the main reason why pistachios may be banned on the European market. In 2018 the [Rapid Alert System for Food and Feed](#) (RASFF) recorded 97 notifications and 87 border rejections for pistachios due to the aflatoxin content. The largest proportion of border rejected pistachios

due to high aflatoxin content came from the United States of America (31%), Iran (31%) and Turkey (20%).

The level of aflatoxin B1 in pistachios intended for direct human consumption must not exceed 8 µg/kg and the total aflatoxin content (B1, B2, G1 and G2) must not exceed 10 µg/kg. However, a higher aflatoxin content for pistachios is allowed if the products are not intended for direct human consumption. In such cases, the pistachios must be sorted or treated before they are placed on the market.

In pistachios, aflatoxin contamination can occur in the field, at harvest, during post-harvest operations and during storage. A frequent cause of aflatoxin occurrence is orange worm (*Amyeloistransitella*) which may lay eggs in the crack of the split hull. In addition, late harvesting increases the likelihood of aflatoxin contamination.

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 pesticide residues in the pistachio trade. This is because the pistachio kernel is protected by the hull and shell during treatment with pesticides. The hull, in which residues may accumulate, is normally removed before consumption. However, producers need to be careful, as pesticide residues may sometimes end up in the kernels due to penetration through split shells.

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.

Tips:

- Follow the [Codex Alimentarius Code of Practice for the Prevention and Reduction of Aflatoxin Contamination in Tree Nuts](#). For pistachios, specifically, use the appropriate agricultural methods to reduce the frequency of early hull splits and prevent orange worm infestation. It is also important not to delay the harvest and to remove damaged and defective nuts.
- 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](#).

What additional requirements do buyers often have?

Quality requirements

The quality of pistachios is determined by the percentage of shells and/or kernels that do not meet the minimum requirements. Minimum requirements are established for in-shell pistachios and for pistachio kernels by the standards of the [United Nations Economic Commission for Europe](#) (UNECE). Apart from these standards, other quality criteria are used, such as taste and flavour. Some of those criteria are subjective and cannot be easily determined on the basis of physical characteristics.

Apart from the UNECE standards, similar but slightly different standards are developed by [Codex Alimentarius](#), of which the [United States](#) and [Iran](#) are members. The most important criteria used to define the quality of pistachios are as follows:

- Class — The European Union does not have an official standard for pistachio classification. However, on the basis of other standards, in-shell pistachios and pistachio kernels are commonly divided into three main classes: Extra Class, Class I and Class II, according to the permissible defects. For peeled pistachio kernels, only two classes are defined: Extra and Class I. The standards applied by the United States and Iran define more than three classes for in-shell pistachios, regarding the way in which shells are opened (for naturally opened shells, mechanically opened shells and unopened shells).

- The percentage of unsplit shells for in-shell pistachios is a very important quality criterion. A minimum of 95% of the shells must be opened, with kernels inside, for Class II, 97% for Class I and 98% for Extra Class.
- Grading — According to the UNECE standard, grades for in-shell pistachios are defined by the number of pistachios per 100 grams, while according to the standard applied by the United States, the grade is determined based on the number of pistachios per ounce (28.35 g). Sizing shelled pistachios (kernels) and Class II pistachios is optional.
- Kernel colour — Peeled pistachio kernels may be classified according to colour. In the case of colour classification, four colour types are defined: green, yellowish-green, yellow and mixed colour.

Moisture content is another important characteristic. Pistachios should have a moisture content which does not exceed 6.5%. However, according to the United States standard, pistachios are considered “very well dried” if the kernel is firm and crisp, and the average moisture content of the lot does not exceed 7%.

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 pistachios, 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. The majority of food safety certification programmes are similar to the [ISO 22000](#) standard.

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 within no more than a few years.

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

There is no general rule for the size of packaging for exported pistachios, but the most commonly used sizes, though not preferred by the European traders, are still those offered by the United States in imperial measurements. The sizes commonly offered by the United States exporters are 25lbs (for cartons) or 50lbs (for bags). Iranian and other exporters are more flexible when it comes to offering pistachios in metric measurements, commonly ranging from 10kg to 50 kg. Dimensions vary, but all of them are compatible with standard pallet and container dimensions.

Labelling requirements

The name of the product must appear on the label and either “pistachios”, “pistachio nuts” or “pistachio kernels”. Other trade names pertaining to form can be used in addition to “pistachios”. It is common for export package labelling to also include the crop year. 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.
- Although not obligatory, to enable full traceability, it is recommended that the orchard location, date of harvest and the name of the grower are mentioned. This will help with tracing and prevent problems such as aflatoxin contamination.

The lot identification number and the name and address of the manufacturer, packer, distributor or importer may be replaced by an identification mark. Using paper or stamps bearing trade specifications is allowed, provided the printing or labelling has been done with non-toxic ink or glue.

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 pistachios as a product which can cause allergies or intolerances and therefore allergen information must be clearly visible on the retail packaging.

Tips:

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

What are the requirements for niche markets?

Organic pistachios

To market pistachios as organic in Europe, they must be grown using organic production methods according to [European legislation](#) in this respect. 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, as well as the logo of the standard holder (for example, the [Soil Association](#) in the United Kingdom or [Naturland](#) in Germany).

Note that importing organic products into 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 European Union 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

The 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. Although this standard does not establish specific measures for pistachios or the FairTrade Minimum Price (as it does for several other types of nuts) there is a demand for FairTrade certified pistachio suppliers in Europe. The FairTrade chocolate market segment in Europe is growing, and pistachios are one of the increasingly popular ingredients in innovative chocolate products.

In order to improve the sustainable production and sourcing of nuts, 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 markets](#) for an overview of the developments in terms of the sustainability initiatives in the European market.

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

Pistachios are mostly used as a snack in Europe. They are also used as an ingredient in food processing industries. This ingredient application market is smaller, but it is growing faster than the snack application market.

How is the end market segmented?

The largest user of pistachios in Europe is the snack segment. Approximately 85% of imported and produced pistachios in Europe are sold as snacks, predominantly as roasted salty snacks. Pistachios kernels are also increasingly used by food processing industries as ingredients.

Figure 1: End market segments for pistachios in Europe

In 2018, the retail value of the savoury snacks 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. The most consumed salty snack in Europe is still potato chips, but nuts (including pistachios) are increasingly consumed and perceived as a healthier option. Snack nut consumption in the European Union increased by almost 80% between 2009 and 2018.

Within the snack segment, two different trends influence consumption. One is the development of different roasting flavours in order to diversify the offering and match it with different taste preferences. Until recently, pistachios were mainly roasted with salt only, but now pepper, chilly, onions, garlic and other spices are increasingly used. The second trend is the increasing range of pistachio kernels packaged for retail sale which can be used either as snack or as an ingredient in home cooking.

Food ingredient segment

The food processing segment accounts for roughly 15% of the European pistachio market. It is expected that this food processing segment will gain market share over the next several years. Several important product launches and developments are already described in the market analysis part of this study. The most common pistachio kernels users include the following:

- The ice cream and dairy industry mostly uses pistachios in two ways. The most common one is the use of pistachio bits as an ice cream topping. Another product important for the ice cream industry in particular, is

green coloured pistachio paste. In addition, the dairy industry uses pistachio paste as an ingredient in yoghurts and cream dessert products.

- The confectionary industry mainly uses pistachio halves or pieces to produce chocolate bars and other chocolate snacks. In addition, pistachio paste is used in fillings or flavouring ingredients.
- The bakery industry uses whole kernels, halves or pieces as an ingredient in cookies, pastries and Middle Eastern sweets (such as baklava or Turkish Delight). In addition, food ingredient suppliers use pistachio paste in combination with sweeteners and other ingredients to produce pistachio fillings.
- Pistachio butter is a new product in several European markets and is promoted as more of a luxury product than peanut butter. Pistachio butter (or paste), is often imported in bulk and then branded and packaged as a retail product.
- The pistachio kernel is also a common ingredient in “mortadella”, a type of sausage produced by the European food processing industry. Pistachio kernels are also increasingly used as toppings or ingredients in home cooking, as well as in the foodservice segment. This is especially relevant due to the increasingly popularity of Mediterranean and Middle-Eastern cuisine.

Some of the segments mentioned are not supplied directly by pistachio importers, but through food ingredient suppliers. Some examples in Europe include [Boxon Food](#) (Spanish-Turkish company specialised in nut pastes for the confectionary industry), [Petrou Nuts](#) (Greek company specialised in the supply of nut pastes and caramelised nuts) and [Georg Lemke](#) (German nut ingredient supplier).

Tips:

- Monitor market developments within the European snack segment by visiting the news section of the website of the [European Snack Association](#).
- Visit [Snackex](#), the only event in Europe which focuses completely on savoury snacks and snack nuts, to network with companies from the European snack segment.
- Search the list of exhibitors of the specialised trade fair [Fi Europe](#) to find potential buyers for your pistachios within the food ingredient segment.

Through what channels do pistachios end up on the end-market?

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

Important players in the pistachio segment include roasting and packing companies. Some roasting companies have specialised in selling roasted, salted and spiced pistachios to packers in bulk. Some important roasting companies in Europe include Ireco (Luxembourg, no website), [Intersnack](#) (Germany/International), [Max Kiene](#) (Germany) and [Trigon](#) (the United Kingdom). Only recently, the company [Wonderful Pistachios and Almonds](#) (the United States), also started roasting and packing operations in Europe. Many packing companies have roasting facilities in their factories, enabling them to develop different products, which they can sell directly to consumer segments.

Figure 2: European market channels for pistachios

Importers/wholesalers

In most cases, importers act as wholesalers. They very often sell pistachios to roasting companies which process pistachios 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. In most cases, food ingredient producers buy pistachio kernels from importers rather than importing them directly.

Importers are usually quite knowledgeable when it comes to the European market, and they closely monitor the situation in pistachio producing countries. Therefore, they are your preferred contact, as they can inform you in

good time about market developments and can provide practical advice about exports. Pistachio importers normally import other types of edible nuts and dried fruit as well, so offering other products in addition to pistachios 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 the 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 pistachio 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% of sales for their 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 pistachio suppliers, participate in procurement procedures put out by the retail chains.

Pistachios agent in the leading European markets include the following: [MW Nuts](#) (Germany), [Temis](#) (Italy), [Pinfruse](#) (Spain), [Global Trading](#) (Netherlands), [QFN](#) (Netherlands), and [Nutfully](#) (Belgium).

Retail channel

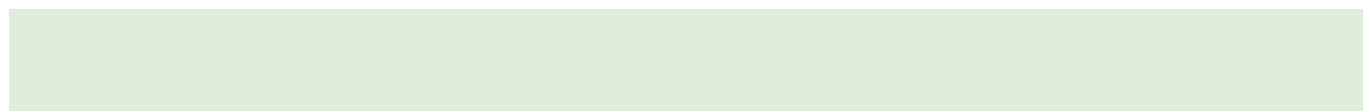
Retailers rarely buy directly from developing country exporters. However, there are some exceptions whereby close cooperation is established between European traders and pistachio suppliers. One example is the German [Persian Food Import](#) company which supplies Iranian organic pistachios directly to the German retail segment. Recently, the retail sector has become increasingly polarised, seeing a shift towards either the discount or high-level segments. 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 pistachios in weights of 1kg to 5kg, which is different from the requirements for bulk or retail packaging.

Mediterranean and Middle Eastern 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:

- Search 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 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 pistachios 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 pistachios for the snack segment within Europe. As the cost of labour in Europe is increasing, pistachio importers sometimes search for more cost-effective roasting operations, in developing countries, for example.

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

Which countries are you competing with?

The United States and Iran are the key competitors for emerging suppliers of pistachios to Europe. Those two countries supply more than 96% of all pistachios to Europe, followed by Turkey, which has a market share of around 3%. Together, Spain and Italy have a market share of around 2%, but some of the supply from those two countries is re-exported. Apart from the leading suppliers, none of the other countries have a European market share of more than 1%. Emerging European suppliers include Syria, Argentina, Turkey and the United Arab Emirates. China is also an important pistachio exporter (the third in the world) but China currently does not supply pistachios to Europe.

The United States, the leading supplier of pistachios to Europe

The United States is the leading producer and exporter of pistachios in the world. In 2018, the United States produced around 450,000 tonnes of pistachios. On average, 95% of the world crop is produced by the United States (47%), Iran (27%) and Turkey (20%).

Around 70% of the pistachios produced in the United States are exported, making the country the world's leading pistachio exporter. In 2018, the United States exported 193,000 tonnes of pistachios, accounting for 50% of world exports. However, this large share in global exports was mainly due to the very small crop in Iran, as the five-year average share of the United States is 36%. The main markets for the pistachios produced in the United States were China (including Hong Kong – 42%) and Germany (10%). Approximately 96% of the exports from the United States are in-shell pistachios.

Around one-third of all pistachios exported from the United States go to the European Union. The United States' exports to the European Union are constantly increasing, reaching 64,000 tonnes in 2018. Germany is the main European destination for these, accounting for 30% of this amount, followed by Belgium (27%) and the Netherlands (14%). Germany is also the fastest-growing market for pistachios from the United States. The United States' exports to Germany doubled over a period of five years, from 8600 tonnes in 2014 to almost 19,000 tonnes in 2018.

Most of the pistachios in the United States are produced in California (98%), with the remaining 2% of production located in Arizona, New Mexico and western Texas. Nearly all of the pistachios produced (99%) are of the Kerman variety. The harvest, which is fully mechanised, takes place from late August to early October. Currently, the pistachio growing area in the United States is estimated at more than 125,000 hectares and production is increasing, with an average 6000 additional hectares of land being planted with pistachio trees.

To maintain the leading position in the pistachio supply, the United States growers are united in the [American Pistachio Growers Association](#) (APG). The APG invests a lot in research and development in order to improve pistachio production techniques, quality and yields. In addition, the APG finances clinical health research projects in order to increase pistachio consumption worldwide. The APG's export marketing efforts are strongly supported by the United States Department of Agriculture. On average, the APG (in cooperation with the company Cal-Pure Produce) receives funding totalling \$ 1.7 million annually for export promotional activities through its [Market Access Programme](#).

Iran, a stable European supplier

With a crop of 52,000 tonnes (in-shell basis), Iran was the world's third largest producer in the 2018/19 season. However, that season was exceptional due to a very small harvest. Normally, Iran is the second largest pistachio producer in the world, with a five-year average crop of 172,000 tonnes. Iran is also a large consumer of pistachios. Around 35% of the crop is consumed domestically and the remaining 65% is exported. The Iranian export share of pistachio kernels is much higher compared to that of the United States (20% on average). Iran is the world's largest exporter of pistachio kernels in the world, on average accounting for 60% to 70% of the world's total exports.

In 2018, the main destinations of Iran's pistachio exports were the United Arab Emirates (12%) and India (11%). Of the total quantity exported, 16% goes to the European Union, with more than 50% of the export share going to Germany. Spain is the fastest-growing market for Iranian pistachios in Europe. Exports to Spain doubled from 600 tonnes in 2014 to more than 1300 tonnes in 2018.

Kerman Province in southeast Iran is the country's biggest producer of pistachios, with more than 200,000 hectares used for pistachio cultivation. The province accounts for approximately 70% of Iran's pistachio production, although production is facing difficulties due to water shortages, the need for irrigation and post-harvest operations. The leading pistachio varieties in Iran are Fandoghi (40% of pistachio orchards), Kalleh-Ghouchi (20%), Akbari (15%) and Ahmad-Aghaei (12%). Small-scale producers which rarely use mechanical harvesting equipment account for more than 70% of the production.

Iranian pistachios are prized for their high kernel to in-shell ratio and due to the high percentage of large kernels. In order to improve production, Iranian producers, processors and exporters have established the [Iran Pistachio Association](#) (IPA). The IPA supports investment in modern production technology, and regularly participates in leading trade events around the world.

Turkey, an emerging supplier

Turkey accounts for 20-30% of the global pistachio production (depending on the season), but accounts for less than 1% of global exports. The majority of the pistachios produced in Turkey are consumed locally (more than 97%), leaving small quantities available for export. After the United States, Turkey is the second-largest global consumer of pistachios. Both production in and exports from Turkey are increasing.

Turkey has increased pistachio exports significantly over the last five years, from only 820 tonnes in 2014 to 4800 tonnes in 2018. Of the total quantity exported, more than 50% goes to Europe, with Italy as the main destination (67% of European exports in 2018), followed by Germany (18%) and Greece (5%).

The majority of pistachios in Turkey are grown in south-eastern part of the country, with Urfa and Gaziantep province as the main producing areas, followed by Siirt and Adiyaman. Crop yields can vary dramatically from

year to year and also among the country's different pistachio-producing regions and orchards. Pistachio production is cyclical in Turkey. There are "on-years" during which harvests are significantly higher and also "off-years".

The development of pistachio exports from Turkey is mainly supported by two organisations. The first, the [Association of Turkish Nut and Dried Fruit Industrialists and Businessmen \(TÜKSiAD\)](#) focuses on the development of Turkish nut industry. The second, [Southern Anatolian Dried Fruit and Products' Exporter Association](#), focuses specifically on increasing exports of pistachios, other nuts and other relevant products from the southern regions of Turkey. Apart from these, several other organisations actively promote Turkish exports, including pistachios.

Italy, the leading European producer

Italy is the leading European pistachio producer, with more than 90% production concentrated in the Bronte area (the eastern Sicilian province of Catania). Total production of the marketable crop (in-shell pistachios) in Italy varies between 2500 and 3000 tonnes per year. Production in Italy is characterised by the shelling and production of green kernels. [Bronte pistachio](#) kernels have been geographically protected since 2009 and the local community promotes this product by organising an annual [speciality pistachio event](#) - Sagra Del Pistacchio Bronte.

Still, Italy imports many more pistachios than it produces locally. Local consumption varies between 10,000 and 12,000 tonnes per year, meaning that around 30% of the pistachios consumed are imported. In 2018, Italian exports of pistachios reached 1200 tonnes.

Spain, a growing pistachio producer

Spain is one of the few European countries which produces pistachios. The country's average annual production is 1200 tonnes per year. Production in Spain is showing a trend of increasing production (2018 saw a record crop of 3,000 tonnes). The production and consumption of pistachios in Spain are being popularised thanks to the recent establishment of the Spanish Pistachio Association, which will try to establish a national pistachio brand. Most of the Spanish pistachios are produced in the region of Castile-La Mancha.

The quantities produced are not self-sufficient for domestic consumption and more than 70% of all pistachios consumed are imported. However, in the medium to long term, Spain may become an important producer of pistachios in Europe. Currently, relatively small quantities (around 1000 tonnes) are exported/re-exported to other European countries, with Italy being the main export destination.

Syria, returning pistachio supplier

Syria produces around 20,000 pistachios annually, accounting for 3% of the world's production. Murak, a city in north-western Syria, is considered to be the centre of the country's pistachio production (accounting for more than 60% of the national production). Ashouri is the most widely grown variety in Syria (85%), followed by Batouri and Alimi.

Due to the Syrian civil war, the production of pistachios is stagnating, but Syria has still managed to increase its exports. Official export data from Syrian customs is not available, but exports to Europe are definitely increasing. Europe increased its imports of pistachios from Syria from 140,000 thousand tonnes in 2014 to more than 330,000 tonnes in 2018. Together, Saudi Arabia and Jordan import more than 2000 tonnes of pistachios from Syria. Syrian pistachios are also exported to Lebanon, the United Arab Emirates, Iraq and even to Turkey.

Tips:

- Visit the websites of the [American Pistachio Growers](#) and the [Iran Pistachio Association](#) to learn about production in the leading supplying countries.

- Participate in the [American Pistachio Growers Conference](#), to meet producers from the United States and learn about the pistachio development industry in California.

Which companies are you competing with?

There are many companies around the world that produce, process and export pistachios. One company stands out, as one of the most important influencers in the pistachio community. That company is [Wonderful Pistachios & Almonds](#) (WPA), the world's largest grower and processor of pistachios. It is estimated that on its own, Wonderful Pistachios, accounts for 50% of the global pistachio market and 65% of the domestic sales in the United States.

In cooperation with farmers, WPA grows pistachios on around 50 thousand hectares of land. WPA uses advanced growing technologies in pistachio production, and processes nuts in several modern facilities. Recently, WPA opened a new, fully atomised processing facility. In this facility only ten people are able to manage the production of 2400 tonnes of pistachios per day during harvest season.

Recently WPA started the sales of the Wonderful Pistachios brand in several European markets. Pistachios are processed and packed in Europe and the company is headquartered in Belgium. Wonderful Pistachios sold in Europe are competitive in terms of taste and price with other leading brands.

Despite its many positive attributes, this company has been criticised in media over the last couple of years due to lobbying for the USA [trade war](#) with Iran. The “pistachio trade war” is a term used to illustrate the efforts to impose sanctions to Iran to hinder its ability to access international financial tools. Research journalists have been criticising any possible sanctions against Iran as the United States pistachio industry has already benefited from sanctions previously imposed on Iran.

A quick overview of some other leading companies per supplying country is given below.

The United States companies

There are over 800 pistachio growers in the United States, many of which sell pistachios to WPA. However, there are many independent growers which built their own processing facilities and sell pistachios independently, some of which export their products directly. Some examples of the United States pistachio suppliers include the following: [Setton Farms](#) (one of the leading processors and exporters), [Horizon Nut](#) (cooperative), [Kenan Farms](#), [Nickols Farms](#), [Primex](#), [Aro Pistachios](#), [Summit](#) and [American Trading International](#) (export service company).

Iranian companies

According to IPA, there are around 150 pistachio farmers in Iran, 70% of which are small-scale farmers. All pistachio orchards in Iran are hand-harvested. Harvested pistachios are processed by service providers. Market-ready pistachios are commonly sold to export companies. Some of those companies specialise in pistachio trading while others trade many different food commodities. Around 80 exporters are members of IPA. Examples of Iranian pistachio exporters include: [IRNUTS](#), [AHT](#), [illiya Pistachio](#), [Rasha Pistachio](#), [Nazari Pistachios](#), [Dorchin](#), [MEPE](#), [Green Diamond Tree](#), [Kian Chrysolite](#), [Poopak](#), [Arian Milan](#), [Sirjan Zomorrod](#) and [Shamsolhodaei](#).

Turkish suppliers

The pistachio supply chain in Turkey consists of many farmers, processors and exporters. Turkish pistachio suppliers are also supported by international and national funds. A recent example includes the establishment of the third largest pistachio processing plant in Siirt province. This €10 million project was carried out with the support of the European Union and the Turkish Industry and Technology Ministry.

Examples of pistachio exporters in Turkey include [Tiryaki Agro Gida](#) (the largest Turkish pistachio exporter), [Kahraman](#), [ADAGRO](#), [Özkaradeniz Group](#), [Aydin Nuts](#), [Samli](#), [Karin](#) and [Kiliçkesmez Gida San](#).

Examples of suppliers from other countries

- Italy: [Anastasi](#), [Marullo](#), [Caudullo](#), [New Factor](#) (a company which represents the Wonderful Pistachios brand in Italy).
- Spain: [Pistachos del Sol](#), [PLAINP](#), [Pistachos de la Macha](#), [Linderaja Pistachos](#).
- Syria: [Al Wajeeh](#), [Ammar Ghadban](#).

Tips:

- Check the lists of members of the [American Pistachio Growers](#) and the [Iran Pistachio Association](#) to learn about leading producers and exporters.
- Participate in the [World Nut and Dried Fruit Congress](#), organised by the [International Nut and Dried Fruit Council](#), to meet leading pistachio producers and traders.
- Use the services of your national export promotion agency and actively participate in the creation of export strategies.
- Visit major European trade fairs regularly to meet competitors and potential customers. Examples are [ANUGA](#), [SIAL](#) or [Food Ingredients](#).

Which products are you competing with?

Pistachios are a unique nut in terms of flavour, and it therefore is unusual to consider alternatives to pistachios. The way pistachios are consumed (kernels removed from the shells) is unique and there are no similar nuts on the European market. Probably the most similar nut in terms of price and salty snacking applications are almonds. In addition, cashew nuts may be considered a salty snack alternative, although they taste quite different.

Tip:

- Read the [CBI's almond study](#) to understand the almond industry and learn about promotional tools used by the almond suppliers.

4. What are the prices for pistachios?

Depending on the country, retail chain and brand, prices of pistachios sold to final consumers vary significantly across Europe. The prices of salty roasted in-shell pistachios usually range from €13/kg to €16/kg but some brands can cost up to €30/kg. This price indication does not tell pistachios suppliers a lot as the final price is very different from the export price, due to the addition of many other costs, such as transport, roasting, packing, sales and profit margins. The approximate breakdown of pistachio prices is shown below.

Table 1: Breakdown of the retail price for pistachios

Steps in the export process	Price breakdown (of the retail price)	Example
Farmers, traders and shipping	25%	€4/kg

Shelling and processing	45%	€6.50/kg
Shipping and warehousing	50%	€7.50/kg
Roasting, packing and distribution	70%	€10/kg
Retailers margin	100% (retail price paid by final consumers)	€15/kg

The export price of pistachio nuts has varied over the last several years depending on the crops harvested in the United States and Iran. During the years with small crops, the price has been higher than average. Currently, the price is higher than average because of the small crop in Iran, in the previous season. Recent prices of pistachios exported from Iran to Europe (FOB) were above €8/kg which is significantly higher than average prices over the last couple of years.

Tip:

- Subscribe to the [IEGVu](#) portal, which is one of the most respected market information services for food ingredients, including pistachios. Subscribers have access to overviews of pistachio export prices, which are published regularly and updated frequently.

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

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