

Practical market insights into your product

Pistachios in Germany

Consumption of pistachios has been slowly increasing as consumers value their unique flavour and distinctive style of shelling while eating. They are increasingly popular as a flavouring in confectionery and bakery products, particularly sweet pastries such as baklava. While Iran and the USA are the leading suppliers of pistachios to Germany, reduction in supplies from other important sources such as Syria and Afghanistan, is providing opportunities for smaller DC suppliers in Central Asia such as Kyrgyzstan and Uzbekistan, who currently do not export to Germany directly.

PRODUCT DEFINITION

Pistacia vera, more commonly known as pistachio, is related to the cashew amongst others, and is a small tree native to the Middle East and Western Asia. Also known as the green almond, it is unique in the nut trade due to its semi-split shell which enables the processor to roast and salt the kernel without removing the shell, and which at the same time serves as a convenient form of packaging. The colour of the kernel varies from pale yellow through shades of green. In general, the deeper shade of green, the more the nuts are prized. Pistachios have been artificially sun-dried and naturally or mechanically opened.

They may be roasted, salted and/or lime juice treated. There are both long and round pistachios and they are sold either raw or roasted. The green pistachios pictured tend to be used as a flavouring or food ingredient, as opposed to direct consumption.

PISTACHIOS IN SHELL



SHELLED PISTACHIOS



GREEN PISTACHIOS



Pistachios are a rich source of energy; 100g of nuts contain 570 calories. In addition, they are rich in mono-unsaturated fatty acids like oleic acid and an excellent source of antioxidants such as carotenes and vitamin E. Pistachios are also high in other important minerals such as copper and iron.

The statistics used in this document are based on Combined Nomenclature (CN) codes. The CN classification uses Harmonised System (HS) codes to classify products.

Combined Nomenclature (CN8) pistachios are included in:

- 08025100: Pistachios in shell
- 08025200: Pistachios shelled

PRODUCT SPECIFICATIONS

QUALITY

CODEX (Codex Alimentarius) and UNECE (United Nations Economic Commission for Europe) are internationally recognized standards. They are not legally binding, but German buyers would expect suppliers to conform to them as a minimum if they wanted to access the market. The main sources for laying down quality standards for pistachios are:

- CODEX (CXS_131e) standard for unshelled pistachio nuts. See the details of this standard at the [Codex Alimentarius website](#).
- UNECE, which has two separate standards that apply to pistachios. [Standard DDP – 09](#) relates to in-shell pistachios; [Standard DDP – 10](#) relates to pistachio kernels and peeled pistachio kernels.
- See also the [Guidelines for Article Numbers that include dried fruit and nuts](#).

The standard for in-shell pistachios applies specifically to those from which the protective hull has been removed, but excludes those that have been processed by salting, sugaring or roasting. In all cases, the shell must be:

- intact, sound and free from defects
- clean, free from visible foreign matter
- dry; free from abnormal moisture
- free of residues of hull and damage caused by pests
- split either naturally or mechanically

Kernels should be:

- sufficiently dry to ensure quality
- intact, sound
- clean, free from any visible foreign matter
- sufficiently developed
- free from pest damage, mould, rancidity, abnormal external moisture, foreign smell or taste
- the condition should enable the kernels to withstand transport and handling
- moisture content should be not greater than 6.5%

Important documents that reassure buyers of pistachios' product quality are product data sheets (an example of which can be downloaded from [here](#)) and product specification sheets (an example of which can be found [here](#)). In many cases these commercial specifications can be higher than those stipulated in CODEX or UNECE standards. They will vary between importer and each importer will set their own quality requirements depending on their trading profile.

Details on [sampling methods](#) and analysis for the control of mycotoxins and aflatoxins in tree nuts can be found here.

Product should be prepared and handled in accordance with the code of hygienic practice for tree nuts (CAC/RCP 6-1972), which applies specifically to almonds and walnuts, but is generally applicable to all tree nuts.

LABELLING

Labelling of consumer packs must be in accordance with the rules and regulations applying in the EU market, including Germany. Labels cannot contain any toxic ink or glue. See [EU Directive 2000/13/EC](#), which lays down the general rules on labelling of pre-packaged food sold on the EU market. This directive will be replaced by Regulation [\(EC\) 1169/2011](#) on the provision of food information to consumers, as from 13 December 2014. The key requirements are:

- Name of the product
- List of ingredients
- Quantity of an ingredient or category of ingredients
- Net quantity (the amount of food in the container or package)
- Date of minimum durability
- Special storage instructions
- Name and address of the manufacturer or packager or EU buyer/retailer
- Place of origin or provenance of the product
- Batch number
- Instructions for use
- Certifier control number for organic products

LABEL DETAIL ON PACK OF PISTACHIOS



In addition, any certification logo (if applicable) and/or retailer logo (in the case of private label products) should be on the label. Bar codes are used on all pre-packed products.

[Regulation \(EC\) 1924/2006](#) covers the use of nutrition and health claims that can be made on labels. See also the CODEX guidelines on Nutrition Labelling (CAC/GL 2-1985).

More specific product information for pistachios is required in addition to the requirements of the Codex Alimentarius General Standard for the Labelling of Pre-packaged Foods (CXS_001e). The name of the product should be clearly marked as follows:

- "Unshelled pistachio", "unshelled pistachio nuts" or "in-shell pistachio nuts"
- Whether the nuts are raw or roasted
- The name may also include the varietal type (long or round) and the sub-style (salted or lime-juice treated) and the size designation (small, medium, large, very large or extra large)

Labelling is also essential to assist consumers who have allergies or intolerances. The category nuts (of which pistachio is included) is one of 14 foods that require specific allergen labelling under EU law. Please refer to the links at the start of this labelling section.

EXAMPLE OF BULK PACKAGING FOR PISTACHIOS



PACKAGING

Pistachio nuts (shelled and in-shell) must be packed in such a way so as to protect the produce properly.

The materials used inside the package must be new, clean and of a quality such as to avoid causing any external or internal damage to the produce. The use of materials, particularly of paper or stamps bearing trade specifications, is allowed, provided the printing or labelling has been done with non-toxic ink or glue.

Packages must be free of all foreign matter.

Both kernels and in-shell pistachios must be presented in bags or solid containers of uniform weight intended for sale directly to the consumer, and packaged in bulk.

Both kernels and in-shell almonds must be presented in bags or solid containers of uniform weight intended for sale directly to the consumer, and packaged in bulk. The almond shell may be cleaned with authorised agents, provided they do not affect the quality of the kernel.

- The USA still uses the imperial measurements, so Californian pistachios that are exported to Germany tend to be packed in imperial weight cartons, usually 25lbs, usually in polythene bags and then boxed. Packaging for industrial use can be between 1,000-2,000lb.

- Metric weights range from 25kg up to 60kg. Packaging types include wooden boxes, poly-sacks and cartons, and jute bags (60kg). Packaging from most other countries uses the metric system.
- Raw, unshelled pistachios can be placed in a cool dry place for a couple of months. However, shelled kernels should be placed inside an airtight container and kept inside the refrigerator in order to prevent them turning rancid.

Check the [Transport Information Service website](#) for more details of product description, quality, packaging, handling and risk factors for transport of pistachios.

LEGISLATIVE REQUIREMENTS

GENERAL FOOD LAW AND FOOD SAFETY REGULATION

Regulation [\(EC\) No 178/2002](#) introduces general definitions, principles, obligations, and requirements that apply to all food brought on the EU market, including Germany, in respect of food safety.

FOOD HYGIENE

Regulation [\(EC\) 852/2004](#) covers all aspects of the food supply chain from a hygiene perspective. Food chain actors should comply with the general hygiene requirements and requirements regarding microbiological criteria; procedures; temperature control; maintenance of the cold chain; and sampling and analysis. For actors in the food supply chain (e.g. processors, packers, distributors), the EU, including Germany, requires the application of certain rules, which are based on the HACCP (Hazard Analysis & Critical Control Points) principles regarding food hygiene.

FOOD CONTACT MATERIALS

General requirements for all food contact materials are laid down in [Framework Regulation 1935/2004](#). Food contact materials, usually from packaging, must be manufactured in such a way that they cannot be a danger to human health.

CONTAMINANTS/TRACES

The EU has set threshold limits for certain substances that could be present in food products, such as microbiological contamination, contaminants and residues of pesticides. The basic principles of EU legislation on contaminants can be found in [Regulation 315/93/EEC](#). Maximum levels for selected contaminants in food can be found in [\(EC\) 1881/2006](#). Special emphasis on aflatoxins are relevant here. Pistachios have a high number of RASFF notifications.

CONSIDERATIONS FOR ACTION

- Food safety is fundamentally important, and as an exporter you can gain advantage by demonstrating your appreciation of this. See the website of [the German Federal Office For Food Protection and Safety](#).
- Check the CBI [EU buyer requirements for processed fruit, vegetables and edible nuts](#) which cover legal requirements in relation to food safety, food contact materials, contaminants and labelling.
- Check the [guidance document](#) on control of foods imported into the EU.
- Have a look at [FRUCOM](#) the European Federation of the Trade in Edible Nuts and related products. It keeps the trade up-to-date with legislative developments.
- Check the [Fact Sheet on Food Contaminants](#) by the Directorate General for Health and Consumer Protection.
- [More information on this subject](#) can be found on the official EU website.
- Look at the [Afghan case study](#) on good manufacturing practices for tree nuts and dried fruit processing.
- See link to [RASFF safety alerts](#). RASFF (Rapid Alert System for Food and Feed) is an important tool to enable a quick reaction when risks to public health are detected in the food chain.

SPECIFIC REGULATIONS FOR NUTS

There is a specific risk for nuts in relation to contamination with aflatoxin. [Regulation \(EC\) 1152/2009](#) outlines the fact that nuts exported to the EU, including Germany, have to be accompanied by a health certificate demonstrating the nuts have gone through sampling. The Regulation currently includes pistachios and pistachio products from Iran, and pistachios and derived products from Turkey. In 2008, the Codex Alimentarius set a maximum level of 10 µg/kg total aflatoxins in ready-to-eat almonds, hazelnuts, and pistachios at a level higher than that currently in force in the EU (4 µg/kg total aflatoxins). Currently the European Commission and Member States are discussing the alignment of EU legislation for these nuts with the Codex Alimentarius decision.

ORGANIC LEGISLATION

[Regulation \(EC\) 834/2007](#) for Organic Food and Farming has information on organic legislative requirements.

TRACEABILITY

Under EU law, which includes Germany, this refers to the ability to track any food or related substance used for consumption through all stages of production, processing and distribution.

IMPORT CONTROLS

Once cleared by customs, product can circulate freely within the EU. Imports of pistachios from developing countries must come through designated Border Inspection Posts and are subject to a series of checks before being allowed to enter. The Most Favoured Nation (MFN) applied tariff for pistachios, whether shelled or in-shell is 1.6%.

NON-LEGISLATIVE REQUIREMENTS

OTHER FOOD SAFETY SCHEMES

The HACCP (Hazard Analysis & Critical Control Points) principles regarding food hygiene are a legal requirement (see above) but in practice many buyers insist on higher standards (the International Food Standard is referred to frequently in Germany). The Global Food Safety Initiative (GFSI) contains a benchmark of relevant standards.

- Check the websites of [Codex Alimentarius](#) and [UNECE](#) to find any relevant information on pistachios.
- Check the CODEX code of practice for the prevention and reduction of aflatoxin contamination in tree nuts (CAC/RCP 59-2005), which applies to all tree nuts including pistachios.
- See the European Food Safety Authority website on [aflatoxins in food](#).
- See also this [guidance document](#).

- Check these requirements.

- See the general principles and requirements of Food Law in Regulation [\(EC\) 178/2002](#) on traceability.

- Check the [EU Export Helpdesk](#) for more information on import tariffs and import regulations.
- More specific information on importing to Germany can be found at the [German Trade and Invest](#) portal.
- Check the website of [German customs](#).

CONSIDERATIONS FOR ACTION

- The International Trade Center (ITC) provides [information](#) on voluntary standards and codes of conduct, which you can search and identify those which are most suitable for your product.
- Check details of leading food safety schemes such as the [British Retail Consortium Global Standards](#), the [Food Safety Certification System 22000](#), the [International Food Standard \(IFS\)](#) and the [Safe Quality Food Programme \(SQF\)](#).
- Check the GFSI website for [benchmarking information](#) of relevant standards.



ORGANIC STANDARDS

Organic standards are particularly important in Germany despite the fact that organic sales represent a small proportion of the pistachio market, but this is an important niche. To the left you can see the EU organic logo. Bio-Siegel (also left) is an organic standard seen on some pistachios in Germany.

FAIR TRADE

Fair trade is also a small but important niche segment in Germany, primarily found on agricultural products, including some tree nuts. It focuses on fair labour standards and fair prices for small developing country producers. The FairWild standard is the only fair trade standard covering sourcing from wild collection. The "Fair for Life" standard is exclusively for cultivation.

OTHER SOCIAL AND ENVIRONMENTAL STANDARDS

There are many international schemes available and it is a question of determining what is most suitable for your product and market, but other important initiatives regarding sustainability include ISO14001 for environmental management, ISO 31000 for risk management, ISO 26000 for social responsibility and SA8000 for social accountability.

- Check the [German organic trade association](#) for more information on the various organic labels in Germany.
- Look on the [Bio Siegel](#) website for more information.
- Check [the organic feasibility study in Central Asia](#) document in relation to nuts.

- Check the [German fair trade](#) website.

- Check the [FairWild](#) website.
- Check the [fair for life](#) website.

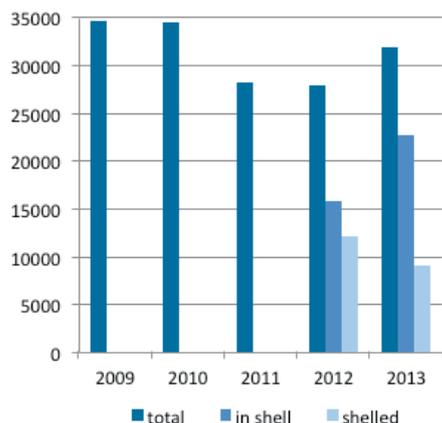
- Look for more information on [ISO 14001](#), [ISO 31000](#) and [ISO 26000](#).
- Look for more information on [SA 8000](#)

TRADE AND MACRO-ECONOMIC STATISTICS

This section provides more detailed statistics of Pistachios in Germany.

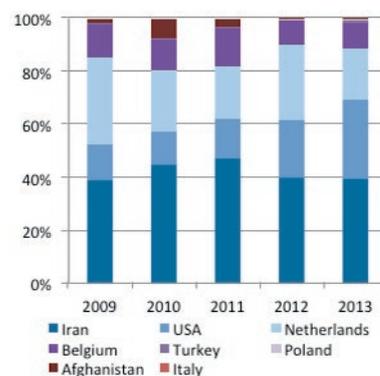
TRADE: IMPORTS AND EXPORTS

FIGURE 1: IMPORTS OF PISTACHIOS TO GERMANY, 2009-2013, TONNES



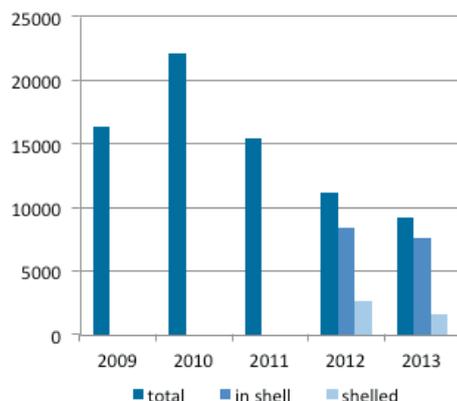
Source: Eurostat

FIGURE 2: LEADING 8 SUPPLIERS OF PISTACHIOS TO GERMANY, 2009-2013, % BASED ON TONNES



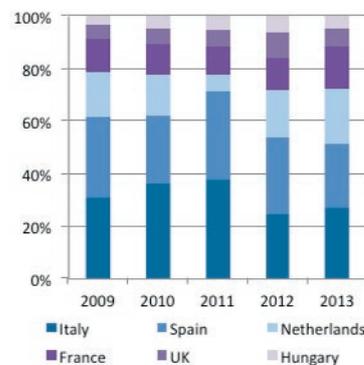
Source: Eurostat

FIGURE 3: EXPORTS OF PISTACHIOS FROM GERMANY, 2009-2013, TONNES



Source: Eurostat

FIGURE 4: LEADING 6 EXPORT DESTINATIONS OF PISTACHIOS FROM GERMANY, 2009-2013, % BASED ON TONNES



Source: Eurostat

ANALYSIS AND INTERPRETATION

- Germany accounts for 31% of pistachio volume imports into the EU, and is the leading importer in the EU.
- Total imports of pistachios into Germany have decreased by 8% in volume over the review period to almost 32,000 tonnes (€ 238 million), but have increased since 2010 and 2011. However over the same period import values have increased by 25%, indicating increasing import prices.
- The leading 8 supplying countries shown in Figure 2 accounted for over 94% of all pistachio imports in 2013.

CONSIDERATIONS FOR ACTION

- Consider exporting to Germany if you are looking at the EU market for pistachios. As the leading importer and re-exporter, Germany is an important centre of the pistachio trade in the EU.

- Iran was the leading supplier of pistachios to Germany, accounting for 37% of all imports in volume. This was a similar share to 2009. Supplies from USA have increased most significantly over the period, and prices have increased by more than from other sources.
 - 27% of supplies came through Belgium, Luxembourg and the Netherlands in 2013, indicating a high level of indirect imports from other DC suppliers. As well as Iran, Turkey and Afghanistan, other DC suppliers were Lebanon, Syria, Jordan, India, Pakistan, and Tunisia.
 - Supplies from USA, Poland and Italy increased, whereas those from Belgium and the Netherlands declined. Increased supplies from USA could possibly be explained by their going directly to Germany instead of entering via transit countries. Poland also operates as a transit country as they are not a producer.
 - In-shell pistachios account for over 71% of imports, whereas shelled pistachios, where the shelling takes place in the supplying country, are decreasing in their share of imports.
 - Exports from Germany were valued at € 85 million in 2013 (9,230 tonnes), decreasing in value by over 10% since 2009. However, export volumes were over 48% lower than in 2009. This suggests higher export prices over the period, which appear to have increased by a greater margin than import prices.
 - Although specific figures have only been available since 2012, exports of in-shell pistachios account for an increasing proportion of total pistachio exports.
 - The destination of exports was also quite concentrated. The top 6 export destinations in Figure 4 accounted for almost 88% of all exports by volume. The leading exports were to other EU Member States.
 - Other major export destinations of any significance were Poland, Lithuania, Switzerland, Greece and Sweden.
- If you chose an indirect route to this market, you must obtain a permit from the [Federal Office for Consumer Protection and Food Safety \(BVL\)](#) in order to sell the product in Germany.
 - Despite the dominance of in-shell pistachios, do not discount whatever opportunities may exist for shelled pistachios, as you may find interesting niche possibilities.
 - Note that as Germany has no production of pistachios, this scale of exports indicates that Germany may even be a more important transit country for pistachios than Belgium, Luxembourg or the Netherlands. Take note of this if you are also considering export to other EU countries.
 - Consider other markets close to Germany that have a good trade, such as Poland, Lithuania and Switzerland. Serbia and the Czech Republic may also offer good export opportunities for DC suppliers.

PRODUCTION AND CONSUMPTION

There is no production of pistachios in Germany. Consumption figures used in Figure 5 are from the International Nut and Dried Fruit Council. These figures are quite different from the apparent consumption when looking at exports and imports, although the trend is similar, indicating increasing consumption after decreases to 2011. On the other hand, the leading market research company Euromonitor suggests increasing consumption throughout the period. Higher prices may have affected the purchasing behaviour of German consumers by softening demand. This is offset by the growing popularity of pistachios as a flavour ingredient.

FIGURE 5: CONSUMPTION OF IN SHELL PISTACHIOS IN GERMANY, 2010-2012, TONNES AND PER CAPITA CONSUMPTION ESTIMATES

	2010	2011	2012
Consumption (tonnes)	14,341	13,224	15,000
Consumption /kg*	0.175	0.162	0.180
Estimated consumption /kg**	0.350	0.324	0.360

* expressed in kg per person based on UN population census

** based on estimated % of population consuming almonds

Source: Nuts & Dried Fruit Global Statistical Review

ANALYSIS AND INTERPRETATION

- Greece and Italy are the leading EU producer countries, although Greek exports to Germany are minimal.
- According to the International Nut & Dried Fruit Council, almost half a million tonnes are produced globally, an upward trend since 2008 (with peaks in 2010 and 2012), dominated by USA and Iran, followed by Turkey, Afghanistan and Syria.
- According to Euromonitor, pistachios represent just 2.5% of the nut market in Germany (peanuts is the largest accounting for 27% of the market).
- The value of the consumer market for pistachios in Germany on the basis of these volume estimates is worth around € 80 million in retail values. This also equates to a per capita consumption of less than half a kilo per annum.
- Germany is the seventh largest global consumer of pistachios (after USA, Turkey, Iran, Syria, Afghanistan and Russia). On a per capita basis, Germany is also lower than France, Spain, Italy, Lebanon, Greece, Australia and Iraq.
- Consumption of pistachios increased at a lower rate in Germany than other growth markets such as Russia and China.
- The growth of snacking is another important reason why consumers are eating more nuts in general, and pistachio sales have benefited from this trend more than some other nuts. Consumption of pistachios as a food ingredient is becoming more important as new products containing pistachio are launched in Germany.

CONSIDERATIONS FOR ACTION

- Germany is totally dependent on imports. The dominance of Iranian and USA imports suggests that traders would be interested in maintaining a broader range of suppliers to reduce dependency on these sources, hence opportunities for new supplying countries.
- Consider the possibility of partnering with other importers of related products such as dried fruits.
- Check the website of the [International Nut & Dried Fruit Council](#) for more information. In Germany, interesting information can be found at the website of [Waren-Verein](#), which represents the interests of wholesalers in nuts. You may be interested to check some of their members to see whether relationships could be formed.
- Consider where these sales are taking place. Are they online, are they in supermarkets? What is the most popular packaging size and format?
- Carry out further research to establish which other food market sectors may be of interest for pistachios.

MARKET TRENDS

This section provides more detail about specific trends in the markets for pistachios in Germany.

ANALYSIS AND INTERPRETATION

SOCIAL FACTORS

- There is a high level of cross purchase between nut buyers. 70% of consumers who buy pistachios also buy almonds.
- Unlike almonds and walnuts, the health benefits of pistachios less clearly understood or marketed. Pistachios are preferred for their taste and shelling while eating attribute. However it is expected that further demand can be generated as their specific health benefits as one of the lowest fat nuts become more known.
- American pistachio producers have been spending large sums of money around the world to promote the health benefits and consumption of pistachios. In Germany, this includes websites such as [American pistachios](#) and [health with pistachios](#).
- Whereas household penetration of pistachios is around 15% on average, this compares with over 40% for almonds and over 20% for walnuts. However, while almond and walnut consumption is more biased towards older consumers, consumption of pistachios tends to be more broadly based, including in particular households with older children.
- While pistachios have become well recognized as a high-protein snack option, traditionally pistachios have been a desired delicacy and a valued ingredient in high-end pastries and confections. Pistachios are considered more indulgent than other nuts. A recent example of this in Germany is the introduction by Nestlé Mövenpick of pistachio flavoured white chocolate ice cream.
- Pistachios are very popular in Turkey and neighbouring countries and this ethnic population in Germany is a key target group. One of the most popular products using pistachios is the Turkish sweet pastry baklava, along with other related Mediterranean-style pastries. As well as an ingredient, pistachios are frequently mixed with other flavourings such as chilli and honey, both of which are popular with many of the ethnic populations from the Middle East and Asia that reside in Germany.

CONSIDERATIONS FOR ACTION

- Try to identify the types of German consumers most interested in purchasing pistachios. Ask industry experts and carry out your own research to find out who are the most important consumers. Is it those interested in healthy eating, older consumers, affluent consumers, consumers from specific ethnic groups?
- Find out more about the health claims of pistachios. Be sure to be clear about what can be said and be careful not to make any false claims. For more information on [nutrition and health claims](#) refer to the EU website.
- Consider the importance of this target group, and whether there are other related benefits that can be made in terms of the origin of your own products.

- The German organic market is the biggest in the EU and although people perceive pistachios to be healthy anyway, there is a significant group that are prepared to pay a premium for organic.
- Product quality and product safety, a bigger issue in Germany than most other EU member states, makes the issue of certification high on consumers' agenda.
- Pistachios, like some other nuts and dried fruit are often purchased on impulse, hence the visibility of the product in store and the appeal of the packaging are important factors.
- German consumers are particularly environmentally conscious in terms of recycling and disposal of packaging.

TECHNOLOGICAL FACTORS

- Online food shopping is continuing to grow, in conjunction with the importance of social media in communicating new products, ideas for recipes and flavour combinations. This has implications for speed of communication within the supply chain, as well as to consumers.

ECONOMIC FACTORS

- Value for money remains a prime concern for German consumers, and remains important despite the economy slowly emerging from the downturn. In-home consumption remains strong.
- As well as single packs, there is a trend to larger size packs for sharing in social occasions. Other popular packaging initiatives include re-sealable packs, which keep the product fresher for longer.
- Shortage of supply, partly due to water shortages in California have caused price increases.

- Consider certification and labelling of your products as Organic. See earlier section about different organic certification options.

- Check that packaging materials comply with EU and German domestic regulations in terms of recycling and disposal. The [Green Dot](#) system for recycling is well recognised.

- Make sure you have the technical facility to communicate with both trade customers and direct purchasers. Ensure that your procedures and processes for supplying product are efficient.

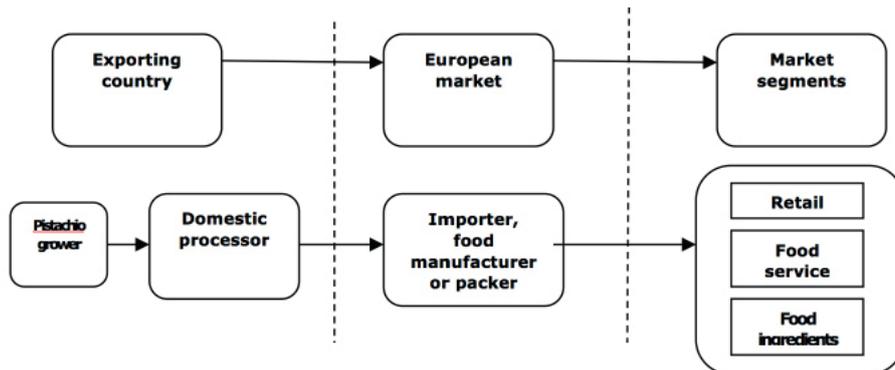
- Have you considered offering a range of differing pack sizes to cater for price conscious consumers who wish to buy in bulk?

- Consider whether you have been affected by price rises. The international price tends to be set by factors in the USA due to their increasingly dominant supply position. Can you benefit from this situation?

MARKET CHANNELS AND SEGMENTS

This section provides some information about the marketing channels through which pistachios are marketed in the EU, including Germany. The top line highlights the supply structure overview, while the second horizontal line summarizes the key actors in the chain. All activity to the left of the first vertical dotted line refers to activities within the exporting country. All other activity occurs within the importing country. In relation to this, it is important to reiterate the regular involvement of transition countries such as Turkey that are important channels/routes to the German market for other countries such as Kyrgyzstan and neighbouring states.

FIGURE 6: MARKET CHANNELS FOR PISTACHIOS IN GERMANY



ANALYSIS AND INTERPRETATION:

MIDDLEMAN OR NOT?

- The choice here is usually dependent on the size of the exporter. Although some larger supermarkets choose to import directly from the producer, smaller exporters would usually use a traditional wholesaler or importer.
- The other key issue would be the degree of specialisation or exclusivity of the product. The more specialised your product, the more specialised the distributor should be.

WHICH SEGMENT?

- Building a long-term working relationship with your customers is essential, irrespective of which channel you select. Euromonitor estimate that less than half of all nuts are sold through the retail trade, with the greater proportion being used elsewhere.
- Supplying the retail trade – supermarkets, health food shops and other specialist shops – will get your product in front of the end consumer but the concentrated buying power of the leading chains sometimes comes at a high cost.
- The foodservice sector is a diverse segment. The public sector caters to hospitals, prisons etc, while the private sector covers restaurants, hotels etc. Both are interesting options, with advantages and disadvantages between the public and private.

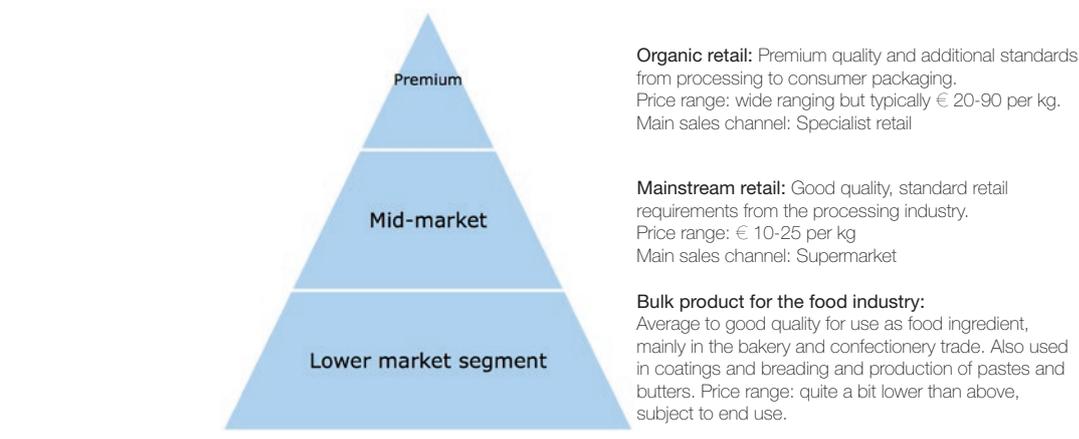
CONSIDERATIONS FOR ACTION

- Understand the growing strength of retail private labels. These large retailers insist on large volumes and consistency of supply, as well as transparency throughout the supply chain. Consider the benefits of entering into a supply agreement with a large retailer to supply their private label. Which segment would you be most suited to deal with?
- If you want to work with an importer, try to find out the extent of his contacts and whether you think that particular importer is best suited to reach the ultimate consumers you would like to target.
- Talk to as many experts in the trade that you can to fully appreciate the specific issues on the German market before making this important commitment.
- Ask yourself whether your processing capacity is labour-intensive or capital intensive. Labour-intensive processing is more suited to prepare snack-based products, whereas capital-intensive processing is more appropriate when pistachios are used as an input in the food processing industry.
- Consider whether you wish to develop a visible presence on the market, in which case the retail trade would be your preferred route. Alternatively there are also possibilities to develop good sales through the other channels.

PRICES

This section covers the important question of prices, costs and margins. It is useful to work backwards from retail prices, then to look at the different margins expected by the various actors in the supply chain in order to calculate your own ability to compete in this market. Here is an illustration of the different segments within the German retail trade for pistachios.

FIGURE 7: INDICATION OF PRICE RANGES AND MARKET SEGMENTS



ANALYSIS AND INTERPRETATION

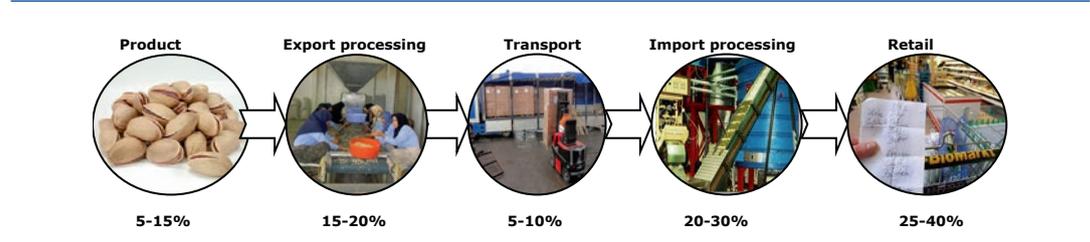
- Pistachio kernels in the lower segment are sold at high volumes and at relatively low margins. Quality aspects of size and grading are less demanding, but standards are still high. The kernels can be supplied split or broken. Whole kernels as halves or pieces are the most common type used in the food industry, either as a topping or an integrated ingredient. Demand for diced pistachios is growing in this segment. Within the food trade, the chocolate confectionery sector is the largest user of pistachio, followed by desserts and ice cream, then the bakery and dairy trades.
- Mid-market pistachios are of a higher class and standard. These products are usually sold in retail under manufacturers' brands or private labels. They have some added value characteristics, such as innovative packaging (e.g. printed cartons or sachets), making it possible to obtain relatively higher margins.
- The premium part of the market requires the highest quality standards and you will need to demonstrate that you qualify to provide additional quality reassurance on the labelling, such as the organic standard or fair trade label.

CONSIDERATIONS FOR ACTION

- Be aware of the differences between supplying the food service or food ingredient segment, compared with the retail market. Products here would usually be "category 2" graded product, as specified in the UN-ECE standards for pistachios.
- The mid-market segment would require either category 1 or extra category product.
- The premium sector would insist on the highest quality "extra category". If you wish to engage in this segment, consider that you have researched all the options that maximise the quality product and presentation possibilities.

The following estimates can vary between different product types, formulations and sources of supply, and other considerations such as branding, packaging. For example, for fair trade and organic products, producers will achieve a higher proportion of the ultimate selling price. Despite the greater costs involved in certification, this can amount to between 30-50% more value addition than for conventional product. Retailer margins can also vary considerably, depending on the scarcity or demand of a particular product.

FIGURE 8: BREAKDOWN OF HOW THE COST IS SHARED THROUGHOUT THE SUPPLY CHAIN



Source: Searce estimates

This figure highlights the importance of value addition for DC exporters. Many traders think purely in terms of the retail selling price. There is considerable scope to add value to products, including pistachios, in the production and export processing stages within the supply chain. Correct documentation can also provide added value at the “Product” stage. The wide variances in the contribution of each stage to the final selling price highlights the opportunities to add value.

USEFUL SOURCES

Check the various links provided throughout this document, but here are some other useful references:

EXPORT AND MARKET ENTRY SUPPORT

www.cbi.eu/marketintel_platform/Processed-Fruit-and-Vegetables-and-Edible-Nuts/177430

SOME IMPORTERS AND WHOLESALERS

Jupiter Pistachios www.jupiter-pistachios.com/index.php/home-en.html

A.M.A Gesellschaft für Food www.pistazien.de/

Horst Walberg www.howa.de/en

Michael Priestoph www.priestoph.de/Home

TRADE PRESS

The Cracker is the official publication of the International Nut & Dried Fruit Council www.nutfruit.org

The Clipper monitors the world-wide trade in dried fruit and nuts www.agropress.com

Food News and The Public Ledger www.agra-net.com

PISTACHIOS:

German edible nut wholesale trade association www.waren-verein.de

European edible nut association www.frucom.eu

The Association of Organic Processors, Wholesalers & Retailers www.n-bnn.de/en

Information on the EU Food Industry http://ec.europa.eu/enterprise/sectors/food/index_en.htm

MORE INFORMATION

EU Expanding Exports Helpdesk – <http://exporthelp.europa.eu> – go to 'trade statistics'.

Eurostat – <http://epp.eurostat.ec.europa.eu/newxtweb> – statistical database of the EU. Several queries are possible. For trade, choose 'EU27 Trade Since 1995 By CN8'. Use the guide 'Understanding Eurostat: Quick guide to easy comext' (http://epp.eurostat.ec.europa.eu/newxtweb/assets/User_guide_Easy_Comext_20090513.pdf) for instructions.

International Trade Statistics – www.trademap.org – you have to register

This survey was compiled for CBI by Searce in collaboration with Klaus Dürbeck
Disclaimer CBI market information tools: www.cbi.eu/disclaimer

ANNEX

Here are a selection of dried mushroom retail packs that can currently be found on the German market. These products can be found on a number of websites, including Amazon. Prices were accurate as of May 2014 but will vary between retailers. The different types of packaging, pack sizes and variety demonstrate the both the wide choice on the market and the difficulty of comparing like with like:

SEEBERGER ROASTED, SALTED PISTACHIOS
1x500g PACK € 8.99



SEEBERGER GREEN PISTACHIOS (IRAN)
3x60g € 12.99



ÜLTJE SALTED PISTACHIOS IN SHELL,
3x150g € 8.37



JEDEN TAG ROASTED SALTED PISTACHIOS
9x250g € 36.90



BAKTAT TURKISH PISTACHIOS,
300g € 9.53



RAPUNZEL ROASTED SALTED
BIO PISTACHIOS (TURKEY) 250g € 5.29



DENNREE GREEN PISTACHIOS
BIO UNROASTED UNSALTED 75g € 6.26



DAVERT ROASTED & SALTED BIO PISTACHIOS
2x100g € 6.98



NU3 NATURAL SALTED BIO PISTACHIOS,
2x100g € 8.89



FRU'CHA BIO SALTED PISTACHIOS
IN SHELL, 1kg PACK € 27.90



ALESTO ROASTED SALTED
PISTACHIOS (USA) 250g € 2.49



WIBERG SHELLED PISTACHIOS,
330g € 32.27

