Practical market insights into your product

Hazelnuts in Germany

German hazelnut consumption has increased slightly during the last couple of years, although there is some evidence that higher prices are impacting on sales levels. This goes back to one night of frost in 2014, which eliminated 40% of the hazelnut harvest in Turkey.

Germany has a very small hazelnut production that is even too negligible to be mentioned in the German Federal Office of Statistics data base. For this reason Germany is an important hazelnut importer. It is, in fact, the world’s no. 1 importer and accounts for nearly 50% of hazelnut imports to the European Union. Global production is dominated by Turkey, followed by Italy, the USA, Spain, Azerbaijan and Georgia. The German hazelnut market is characterised by long-term business partnerships. Significant opportunities exist for exporters who are able to supply products of the quality demanded by the market and consumers. There is some seasonality as consumption increases in autumn with a peak during the Christmas period, but demand is fairly consistent throughout the year.

There are two likely options as to how the market will react to the current hazelnut shortage: (1) European importers will look for new sources and may therefore consider new hazelnut suppliers as a valuable alternative to existent business relations; or (2) companies will start changing their product compositions to substitute hazelnuts by almonds and other nuts. The second option would lead to a possible long-term change of the product range and the demand for hazelnuts.

PRODUCT DEFINITION

Hazelnuts have a special role in the human nutrition and health context due to their special composition of fat, proteins, carbohydrates, vitamins, minerals, phytosterols and antioxidant phenols. The hazelnut originates from the hazel (Corylus spp.), which belongs to the Betulaceae (birch) family and has various sub-species. The most well-known are: Corylus avellana (European Hazel) in Europe and throughout Western Asia, and Corylus maxima (Turkish filbert) in Turkey (FAO). There is also a hazelnut species endemic to the Caucasian region, Corylus colchica, which has a higher frost-tolerance than the other species and is used for hybridization.

The European hazel is cultivated in plantations; Turkish filberts mainly originate from wild collection and to a lesser extent from plantations. Hybridization between the two species and others – both naturally and by breeders – has make identification difficult. Commercial production is limited to
regions with mild winters and cool summers. Approximately 70% of world production comes from Turkish regions along the southern coast of the Black Sea. The coastal regions of Italy and the Mediterranean coast of Spain supply a further 20% and 7%, respectively. The remaining 3% stem from the coastal Northern American valleys.

According to the IMO plant monograph for hazelnut species, the Caucasian Corylus avellana is described as follows: “The hazelnut is a deciduous bush or tree growing to 6 m by 3 m at a medium rate with alternate, simple, stipules soon falling leaves. The seeds are nuts 1–2.5 cm long and 1–2 cm diameter, surrounded by an involucre.

Hazelnuts are either sold “in-shell” or processed as “shelled or/and peeled” or as vegetable “oil”. The statistics used in this study are based on Combined Nomenclature (CN) codes. The CN classification uses Harmonised System (HS) codes to classify products. For hazelnuts in general, these are:
- 080221: Fresh or dried hazelnuts or filberts Corylus spp., in-shell
- 080222: Fresh or dried hazelnuts or filberts Corylus spp., shelled and peeled.

Please note: the international HS code does not differentiate between hazelnut (Corylus avellana) or filbert (Corylus maxima), as defined above. With a clear determination of origin and botanical identification, hazelnuts from your country can be distinguished from other origins (like Turkey).

PRODUCT SPECIFICATIONS

QUALITY
Product quality is one of the most important factors for German buyers. Once in a fruitful business relationship with a reliable supplier, they are not easily willing to change their partners. This makes it very difficult for new exporters from unestablished supplying countries to enter the German market.

But the changing climatic situation with increasing unforeseeable weather conditions causing severe crop failures – as seen in Turkey in 2014 – forces the industry to look for alternative potential hazelnut growing and exporting regions. However, German importers and processors of hazelnuts often complain about a lack of quality from new supplying countries. Lesser quality limits the potential for competition with Turkey as a reliable supplier. It is likely that there will be rather a change of the end product recipe and substitution of the hazelnut by almonds or other nuts than a compromise on quality.

OECD, CODEX (Codex Alimentarius) and UNECE (United Nations Economic Commission for Europe) product standards are internationally recognized standards. They are guidelines that German buyers would expect suppliers to conform to. This is particularly true for shelled hazelnuts as they are exempted from the General Marketing Standard of the European Commission. The following standards and regulations are required and recommended, as trade to Germany is based on the OECD and/or UNECE standards for hazelnuts:

According to these documents, the minimum quality requirements can be summed up as follows: intact, sound, clean, sufficiently developed, free from blemishes, living pests, damage, mould, rancidity, external moisture and foreign smell; moisture content should not exceed 6.0%. The OECD Standard for in-shell hazelnuts and hazelnut kernels also defines the size and colour of the hazelnut: the core of the kernel must to be clear and pale, not brownish. For aesthetic reasons, if kernels are used in a nut mix, the kernels should be completely covered in brown skin. For other special quality requirements, please consult with the buyer.
The sizes of the kernels classified according to this grading system are:
- Standard 3: 8-11mm (high markdown according to harvest quota)
- Standard 2: 11-13mm (most wanted, e.g. for chocolate industry)
- Standard 1: 13-15mm
- Standard extra: >15mm

In 2011, the Codex Alimentarius included hazelnut oil into the Standard for Named Vegetable oils, STAN 210-1999.

Since German and other importers have a "non-tolerance" policy regarding aflatoxin contamination, the Codex Alimentarius offers a Code of Practice for its prevention and reduction (CAC/RCP 59-2005) – for more information refer also to the chapter about legislative requirements in this report.

Sampling methods established by the Codex Alimentarius can be found at this link:

LABELLING
For the EU market, and therefore for Germany, labelling for consumer packs must be in strict accordance with the Regulation (EC) 1169/2011. The general requirements on pre-packaged food labelling 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

If applicable, any certification logo and/or retailer logo as well as the bar code should also be included on the label.

Please also note the specific product information for hazelnuts (see Codex Alimentarius, General Standard for the Labelling of and Claims for Prepackaged Foods) – the clearly marked, full product name and specifications. Essential, too, is the specific allergen labelling under the EU law for the category “nuts”.

PACKAGING
Hazelnuts in-shell or processed must be packed in such a way as to protect the produce properly.

Therefore, the Codex Alimentarius provides basic hygienic requirements for orchards, farm processing and shelling or in-shell operations in the Code of hygienic practices for tree nuts (CAC/RCP 6-1972). In regard to packaging the following two requirements apply in general:

- Materials: Packaging materials should be stored in a clean and sanitary manner and should not transmit to the product objectionable substances beyond acceptable limits of the official agency having jurisdiction and should provide appropriate protection from contamination.
- Techniques: Packaging should be done under conditions that preclude the contamination of the product.

The materials used for packaging must be new, clean and have to avoid any damage to the produce. All material, including paper and stamps, must be with non-toxic ink and glue. Important: contamination of the product by foreign matter must be strictly avoided.
Import measurement units depend on the purpose of the imported product. Commonly, Hazelnuts can be packed in woven poly bags (5–25 kg), flat jute fabric bags (10–50 kg) and cartons (10 kg). Vacuum packaging is to be preferred, as it protects the nuts from atmospheric oxygen. The risk of rancidity is reduced if the packaging is lined with plastic. Further details and information regarding product description, quality, packaging, handling and risk management specifically for hazelnuts can be found on the German Transport Information Service website.

Regarding packaging material – especially for organic certified products – alternative, organic-degradable and recyclable packages move increasingly into focus.

**LEGISLATIVE REQUIREMENTS**

**GENERAL FOOD LAW AND FOOD SAFETY**

In Germany, the framework legislation aims to protect consumers from health hazards and fraud, the most important of which is the Lebensmittel-, Bedarfsgegenstände- und Futtermittelgesetz­buch (LFGB), which regulates the food trade and includes some important definitions. These laws are based on, and generally fully harmonized with, EU regulations and directives. The agency responsible for monitoring compliance with German food regulations is the German Federal Office of Consumer Protection and Food Safety (BVL). It is under the supervision of the Federal Ministry of Food and Agriculture (BMEL).

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

The European Federation of Trade in Edible Nuts and related products offers current information on legislative developments.

**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, as well as 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 based on the HACCP (Hazard Analysis & Determination of Critical Control Points) principles regarding food hygiene, developed by the Codex Alimentarius Commission (General Principles of Food Hygiene CAC-RCP 1-1969). This legally binding concept is part of the International Standard for food safety management ISO 22000.

**FOOD CONTACT MATERIALS**

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

**CONTAMINANTS**

The EU has set threshold limits for certain substances that could be present in food products, such as microbiological 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 sulphites and aflatoxins are relevant here.
Mycotoxins
Contamination of hazelnuts with the mycotoxin aflatoxin is a recurrent problem. According to the Report of the Scientific Committee for Food of the European Commission, aflatoxins are genotoxic carcinogens. Aflatoxin B1 actually is the strongest known carcinogen amongst natural products and may cause liver cancer. Thus it is appropriate to limit the total aflatoxin content of food (sum of aflatoxins B1, B2, G1 and G2, with B1 being the most toxic compound by far).

The accepted aflatoxin levels for hazelnuts are laid down in the Commission Regulation (EC) No 1881/2006 and are as follows:
- Hazelnuts to be subjected to sorting, or other physical treatment, before human consumption or use as an ingredient in foodstuffs: B1: 8.0 µg/kg, sum of B1, B2, G1, G2: 15 µg/kg
- Hazelnuts intended for direct human consumption or use as an ingredient in foodstuffs: B1: 5.0 µg/kg, sum of B1, B2, G1, G2: 10 µg/kg.

Aflatoxin
Aflatoxin contamination of hazelnuts was a recurrent problem in the past but has decreased in recent times. In this context, the RASFF portal of the European Commission (Rapid Alert System for Food and Feed) publishes alerts of aflatoxin and other contaminants in hazelnut imports to the EU. In general, the RASFF portal is a tool for immediate reaction in case of risks to public health in the food chain.
Since there is a specific risk for nuts in relation to aflatoxin contamination, the EU 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 undergone sampling and testing. Additionally, the Codex Alimentarius offers a Code of Practice for the prevention and reduction of aflatoxin contamination in tree nuts CAC/RCP 59-2005.

Pesticide residues
Problems with pesticide residues are not very common for hazelnuts. Nevertheless, the European Commission provides a comprehensive database with maximum residue levels for hazelnuts imported to the EU. It is recommended to have a look at this database before exporting hazelnuts to Germany. The Codex Alimentarius also provides information about maximum residue limits for hazelnuts.

ORGANIC STANDARDS AND LEGISLATION
Organically produced products have a good chance to find importers on the slowly but steadily growing German market. Moreover, organic certification creates a premium value-added product. Its implementation requires some investment, followed by increasing product quality and value. Regulation EC 834/2007 for Organic Food and Farming has information on organic legislative requirements. The present EU legislation is under review.
For more information on organic labels and standards visit the Standards Map Database. In addition, the Soil Association, for instance, lists the requirements for organic products.

TRACEABILITY
Under EU law, including Germany, this refers to the ability to track any food or related substance used for consumption through all stages of production, processing and distribution. There are also general principles and requirements of Food Law Regulation on traceability (Article 18).

IMPORT CONTROLS
Once cleared by customs, products can circulate freely within the EU. Imports of hazelnuts from developing countries must come through designated border inspection posts and are subject to a series of checks before being allowed to enter. Additionally, the German customs website provides detailed information.
For further information regarding tariffs and import regulations please refer to the EU Export Helpdesk. For German imports specifically, information can be found on the website of Germany Trade and Invest.
NON-LEGISLATIVE REQUIREMENTS

FURTHER FOOD SAFETY SCHEMES
The HACCP (Hazard Analysis Determination of Critical Control Points) principles regarding food hygiene are a legal requirement (see above) but in practice many buyers insist on higher standards. In Germany and the EU, the most common food safety management schemes are (the first two standards listed are the most relevant ones and at least one of them are obligatory in many cases):
- BRC Global Standards
- IFS International Food Standard
- SQF Code

FAIR TRADE
Fair trade is also a small but important niche segment in Germany, primarily found for agricultural products. 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 which is most suitable for your product and market, but other important initiatives regarding sustainability include ISO 14000 for environmental management, ISO 31000 for risk management and ISO 26000 for social responsibility. For exports of in-shell hazelnuts to Germany (and Europe) a Global G.A.P. certificate is required by most of the German importers as this standard is required by all German retailers.

Corporate Social Responsibility (CSR)
The last mentioned ISO 26000 standard deals with the social responsibility to which EU buyers (especially large ones in western and northern EU countries) pay more and more attention in the context of the social and environmental impact of their business. This also affects you as a supplier. Furthermore, importers may also participate in initiatives such as the Ethical Trading Initiative (ETI) in the UK. These initiatives focus on improving social conditions in their members’ supply chains. This implies that you, as a supplier, are also required to act in compliance with their principles.

United Nations Global Compact principle and the ISO 26000 Standard Guideline provide the framework to implement CSR in UN Member States.

TRADE AND MACRO-ECONOMIC STATISTICS
This section gives more detailed hazelnuts statistics for Germany. It provides statistical information on hazelnuts imports, exports and production. In the following statistical data, the hazelnuts are divided into two groups, according to their HS code:
- 080221: Fresh or dried hazelnuts or filberts Corylus spp., in-shell
- 080222: Fresh or dried hazelnuts or filberts Corylus spp., shelled and peeled.
TRADE: IMPORTS AND EXPORTS

FIGURE 1: IMPORTS OF HAZELNUTS TO GERMANY, 2010-2014, TONNES

Source: ITC

FIGURE 2: LEADING 8 SUPPLIERS OF SHELLED HAZELNUTS TO GERMANY, 2010-2014, % BASED ON TONNES

Source: ITC

FIGURE 3: EXPORTS OF HAZELNUTS FROM GERMANY, 2010-2014, TONNES

Source: ITC

FIGURE 4: LEADING 8 EXPORT DESTINATIONS OF SHELLED HAZELNUTS FROM GERMANY, 2010-2014, % BASED ON TONNES

Source: ITC

ANALYSIS AND INTERPRETATION

- Germany accounts for 40% of shelled hazelnut volume imports into the EU, and is the leading importer in the EU followed by Italy (22%) and France (12%).
- There is a significant difference between hazelnut in-shell and shelled in imports and exports, respectively: Germany’s imports of shelled hazelnuts is approx. 57 thousand tonnes, whereas the imports of in-shell hazelnut kernels accounts only to 15 thousand tonnes in 2014 (Fig 1). On a lower volume scale the same picture is presented in the context of exports from Germany (Fig 3).

CONSIDERATIONS FOR ACTION

- Consider exporting to Germany if you are looking at the EU hazelnut market. As the leading importer, Germany represents an important centre of the hazelnut trade.
ANALYSIS AND INTERPRETATION

- 98.6% of all imports were shelled, meaning the shelling takes place in the supplying country.
- Total imports of hazelnuts into Germany in terms of volume have decreased from 2010 to 2012. After an increase in 2013, the imports declined again in 2014 to the level of 2012. However, the value for hazelnuts has steadily increased, indicating increasing import prices.
- The leading 8 supplying countries shown in Figure 2 accounted for over 99% of all shelled hazelnut imports in 2014.
- The leading 8 suppliers of in-shell hazelnuts in 2014 are: France (66%), USA (17%) and Chile (12%). In 2010, in-shell hazelnuts were imported to Germany from France (56%), USA (33%) and Italy (5%).
- Germany is importing directly from selected origins, only using indirect imports on a minor scale (e.g. Netherlands).
- However, the exports of shelled hazelnuts out of Germany go to diverse destinations – in comparable shares mainly to Belgium, France, Netherlands and Austria (Fig. 4).
- Supplies from Georgia and Azerbaijan have registered strong growth, whereas imports from Spain and France have declined.
- Exports from Germany were valued at 55.2 million euros in 2014, almost double the value in 2010. At the same time, export volumes increased by 51%, comparing 2010 and 2014. This fact indicates increasing export prices over that period.

CONSIDERATIONS FOR ACTION

- Although, as the case of Chile shows, developing country are relevant origins for the world market, however, the well-known suppliers are still dominating. Change of climatic conditions and damaging events bear an opportunity for new origins. For value addition, consider additional processing prior to exporting in-shell hazelnuts, as this will generate a higher return (and import volumes of Germany are much higher).
- Germany, as an importer only of hazelnuts (production is negligible) ranks 6th in the global hazelnut exporter list, after producing countries like the USA, Turkey and Spain.

PRODUCTION AND CONSUMPTION

According to FAOStat and also to Destatis the production of hazelnuts in Germany is negligible; no data is available.

FIGURE 5: CONSUMPTION OF HAZELNUT KERNELS IN GERMANY, 2010-2013, TONNES AND PER CAPITA CONSUMPTION ESTIMATES.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumption (tonnes)</td>
<td>27,380</td>
<td>24,830</td>
<td>28,553</td>
<td>34,557</td>
</tr>
<tr>
<td>Consumption/kg*</td>
<td>0.335</td>
<td>0.304</td>
<td>0.349</td>
<td>0.423</td>
</tr>
<tr>
<td>Estimated consumption/kg**</td>
<td>0.670</td>
<td>0.608</td>
<td>0.698</td>
<td>0.845</td>
</tr>
</tbody>
</table>

* expressed in kg per person based on UN population census
** based on estimated % of population consuming hazelnuts

Source: Nuts & Dried Fruit Global Statistical Review
Looking at the consumption figures above (from the leading trade association) from 2010 to 2013, the numbers fluctuate with the low mark of 24,830 tonnes in 2011. This can be explained by the decline of global production in 2011 (FAO). However, the fluctuations regarding international production, consumption and price development last until 2015 due to varying weather conditions and therewith associated lower yield and availability.

MARKET TRENDS

This section provides more details about specific trends in the hazelnut markets in Germany.

ANALYSIS AND INTERPRETATION

SOCIAL FACTORS
- Due to the very special composition of fats, vitamins etc., hazelnuts have an outstanding role as nutrients.
- Linked to the health trend is the importance of product quality and product safety, probably a bigger issue in Germany than most other EU member states, setting the issue of certification high on the consumers’ agenda.
- Germany is the largest organic market in the EU. Due to various reports about the contamination of nuts in general and hazelnuts in particular, a much higher product quality and safety are required; consumers are prepared to pay a premium price for organic hazelnuts (in this context see also traceability).
- Quality over quantity – fair trade, local sourcing and social responsibility aspects are gaining importance to the German consumers. The combination of health, indulgence and sustainability is a trend which should generate product innovations.
- A growing trend is health linked with indulgence, with products offering a combination of both benefits. This is exemplified by an increase in products such as luxury nut mixes or dried fruit and nut mixes. This is also seen in an increase in exotic chocolate products with hazelnuts or other nuts.
- German consumers are particularly environmentally conscious in terms of recycling and disposal of packaging.

CONSIDERATIONS FOR ACTION
- Find out more about the health claims of hazelnuts. 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.
- Find out which certification scheme your intended customers prefer.
- Consider whether the potential costs for organic certification justify the additional sales benefits that may ensue.
- Consider certification and labelling of your products as “organic”. See the background, assessment, and interpretation document for Regulation (EC) No 834/2007 for Organic Food and Farming for more information about requirements. Check the International Trade Centre Standards Map for a comparative analysis and review of voluntary standards.
- Check that packaging materials comply with EU and German domestic regulations in terms of recycling and disposal.
TECHNOLOGICAL FACTORS
- Due to the shortfall in 2014, some companies started to explore new paths with hazelnut substitutes. At the same time, the bargaining power of exporters might increase due to the scarcity of resources.
- More knowledge of the processing industry will be needed from exporters in order to compete and to add value.

ECONOMIC FACTORS
- Price volatility will continue to increase in the future as a consequence of climatic uncertainty. Due to that, consumers will reduce their demand. Innovative, niche products have the best chance to enter a market currently dominated by others.
- A significant group of affluent consumers have not been affected by the economic downturn. These consumers continue to insist on high quality and look for product innovations.

CONSIDERATIONS FOR ACTION
- Make sure you have the technical ability to communicate with both trade customers and direct purchasers. You need to be able to respond very quickly to changes in consumer demand. Ensure that your procedures and processes for supplying the product are efficient.
- In addition to the established niche opportunities for organic and fair trade variants, look for other emerging relevant trends, such as developments in the ethnic food segment.

MARKET CHANNELS AND SEGMENTS
This section provides some information about the marketing channels through which hazelnuts are marketed in the EU, including Germany.

FIGURE 6: MARKET CHANNELS FOR HAZELNUTS IN GERMANY

The structure of the supply chain is presented by the three top boxes (grey frames), while the horizontal line below summarizes the key actors of the chain. Only the activities on the very left part of the figure refer to the exporting country. All other activities occur 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.

The traditional structure of the value chain, for instance in the case of Turkey, is: Producer > cooperative > broker > breaker mill > processor (intermediate goods) > transition country processor & exporter > (German) importer > industry or retail. Today the big European corporate enterprises have long-term relationships with Turkish suppliers.
In this example, the Turkish exporters control the market, not the importers, based on the fact that the demand is higher than the supply. The choice here is usually dependent on the size of the exporter. Large-volume importers buy directly from the producer; smaller exporters usually use a traditional wholesaler or importer as middle man.

The other key issue is the degree of specialisation or exclusivity of the product. The more specialised your product, the more specialised the distributor should be.

It is necessary for the industry that the producer of intermediate goods and its supplier(s) are auditable because of the high standards in food safety and to guarantee a complete traceability of the supply chain.

Irrespective the market channel you chose, building a long-term working relationship with your customers is essential.

Further information on the market channels and segments for edible nuts and dried fruits can be found in the respective CBI study.

MARKET SEGMENTS

Entering the German market means entering the market of the EU of which Germany is a member state. Two broad market segments are inevitable on the EU market for edible nuts and, thus, for hazelnuts: the manufacturing industry and end-consumers. The food manufacturing industry is the largest user of edible nuts in the EU; it can be divided into the following segments: Confectionery industry, bakeries and the breakfast cereal industry, other food industries and retail and food service. Hazelnuts are consumed raw (mostly roasted but also in their natural dried state) and processed. They add value in terms of flavour, texture, crunchiness and nutrition in the confectionery (chocolate), pastry and bakery industries. They are e.g. added in cereals, snacks, nut and fruit mixtures, ice-cream, spreads and used in the chocolate production (nougat).

FIGURE 7: EUROPEAN MARKET SEGMENT, DIFFERENT ACTORS IN THE MANUFACTURING INDUSTRY

Source: CBI
As stated above, food manufacturers play a more and more significant role in the import/export process and are increasingly relying on direct import. Consumer demand for traceable products in the context of food safety also supports the push towards sustainability and encourages more direct sourcing. As a consequence, EU norms, restrictions and determinations need to be followed. Please pay special attention to the aflatoxin section under legislative requirements. Euromonitor estimates that less than half of all nuts are sold through retail trade, with the greater proportion being used elsewhere. So the retail segment will remain a powerful segment within the nut market channel.

PRICE

This section covers the important question of costs, margins and prices. 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. Each customer has its own specification, which will vary between the different market segments.

![Figure 8: Indication of Price Range and Segments (Adopted from CBI/IPD).](image)

Organic retail: Premium quality and additional standards from processing to consumer packaging. Price range: 15-17 euros per kg. Main sales channel: specialist retail

Mainstream retail: good quality, standard retail requirements. Price range: 14-16 euros. Main sales channel: supermarket

Bulk product for the food industry: average to good quality for use as food ingredients. Price range: lower than price above, subject to end use.

After the Turkish crop failure in March 2014, German importers mentioned an additional price rise, although general prices had already been increasing during the last 5-10 years. The German association “Waren-Verein der Hamburger Börse” published the following numbers for hazelnut prices for the beginning of 2014: 15-18 euros/kg for Turkish hazelnuts, 17.50 euros/kg for Italian hazelnuts. In 2015, brokers have been selling the kilo for about 16 euros with low margins.

Generally, global nut prices are increasing; at the same time the cost of transport and logistics are on the rise. All of this contributes to a tighter, more competitive market. German buyers are responding to these pressures by opting for quality over quantity. They are laying down tougher requirements with respect to pricing, food safety, product documentation, innovation and sustainability. A comprehensive, traceable sampling and (chemical) analysis is required in each instance to determine and confirm the quality and origin.
When analysing cost sharing along the supply chain (Figure 9), the importance of value addition for exporters from developing countries and emerging markets becomes obvious. The numbers, which are estimates, can vary between the different product types, sources and others. Concerning organic or fair trade, a value addition of 30-50% regarding price levels is achievable by the producers – despite the additional costs for certification. The best stages within the supply chain to add value to the product are production (organic & fair trade) and export processing. In terms of traceability and certification, a clear, correct and comprehensive documentation is the basis for value addition at the product stage. However, for some countries the high duty imposed on processed nuts (e.g. Azerbaijan) has a negative effect on the opportunities for adding value by processing. Therefore, chances for a premium price are limited for hazelnuts from these countries at that moment. However, certification is still an option.
USEFUL SOURCES

Throughout the market study, important links have already been provided but you can find further information here:

EXPORT AND MARKET ENTRY SUPPORT
www.cbi.eu/marketintel_platform/Processed-Fruit-and-Vegetables-and-Edible-Nuts/177430

SOME GERMAN IMPORTERS AND WHOLESALERS FOR HAZELNUTS:
Schlüter & Maack www.schlueter-maack.de
Schroeder KG (GmbH & Co) www.iskg.de
H.A. & Gustav Küchler www.kuechler.com
Nutfields GmbH http://nutfields.com
Nutwork www.nutwork.de
Seeberger www.seeberger.de
PALM Nuts & More Nuss und Trockenfrucht GmbH & Co.KG www.palm-nutsandmore.de
MW NUTS International GmbH www.mwnuts.de
Kornwestheimer Bio-Marketing GmbH www.kobima.de (organic only)
Rapunzel Naturkost www.rapunzel.de (organic only)

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
Bio Press www.biopress.de

HAZELNUT ASSOCIATIONS AND INSTITUTIONS
German edible nut wholesale trade association www.waren-verein.de
European edible nut association www.frucorm.eu
The Association of Organic Processors, Wholesalers and Retailers www.n-bnn.de/en
Information on the EU Food Industry http://ec.europa.eu/enterprise/sectors/food/index_en.htm

MORE INFORMATION

Eurostat, the statistical database of the EU http://epp.eurostat.ec.europa.eu/nwxtweb.
UNECE: www.unecoe.org
OECD brochure: www.oecd.org/tad/code/oecdfruitandvegetablesstandardsbrochures.htm
ITC on edible nuts: www.intracen.org/ftc/market-insider/edible-nuts

This survey was compiled for IPD by Teresa Hüttenhofer and Klaus Dürbeck.
ANNEX

Here is a selection of hazelnut retail packs that can currently be found on the German market, illustrating the wide variety and consumer choice available. Prices were accurate as of August 2015 but will vary between retailers:

<table>
<thead>
<tr>
<th>Product</th>
<th>Pack Size</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>SEEBERGER HAZELNUT KERNELS</td>
<td>200g</td>
<td>€ 5.39</td>
</tr>
<tr>
<td>NATURIX24 HAZELNUTS IN SHELL</td>
<td>1kg</td>
<td>€ 10.90</td>
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<tr>
<td>NATURIX24 WHOLE HAZELNUT KERNELS</td>
<td>1kg</td>
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<td>BACKIDEE WHOLE HAZELNUT KERNELS</td>
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</tr>
<tr>
<td>ALNATURA ORGANIC HAZELNUT KERNELS</td>
<td>200g</td>
<td>€ 4.45</td>
</tr>
<tr>
<td>MORGENLAND ORGANIC HAZELNUT KERNELES</td>
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</tr>
<tr>
<td>BLICKPACK HAZELNUT KERNELS</td>
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<tr>
<td>PURAL ORGANIC HAZELNUT KERNELS</td>
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<td>€ 7.62</td>
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<tr>
<td>NEUFORM ORGANIC HAZELNUT KERNELS “RUNDE RÖMER”</td>
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<td>€ 12.99</td>
</tr>
<tr>
<td>RAPUNZEL ORGANIC LEVANTINE HAZELNUTS</td>
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<tr>
<td>DAVERT ORGANIC HAZELNUT KERNELS</td>
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<tr>
<td>GRELL NATURKOST ORGANIC WHOLE HAZELNUT KERNELES</td>
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<tr>
<td>KLUTH ROMAN HAZELNUT KERNELS</td>
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<tr>
<td>HOWA ROMAN HAZELNUT KERNELS</td>
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