



# Tree Nuts: World Markets and Trade

## Almonds

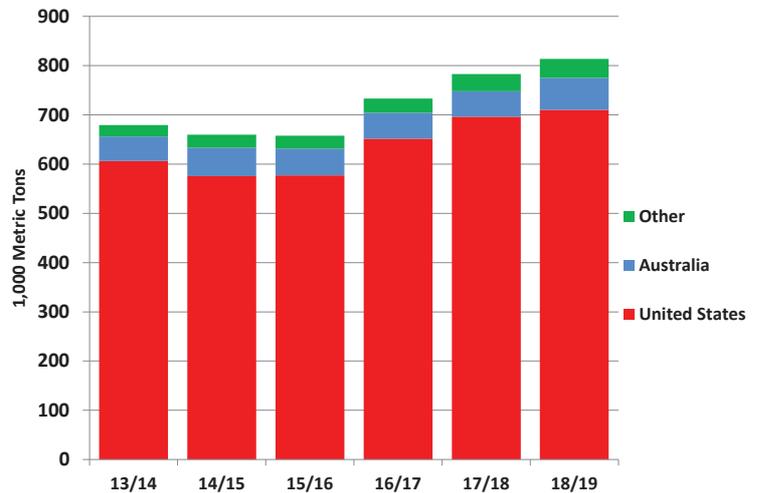
**Global** almond production for 2018/19 is forecast 7 percent higher to a record 1.4 million metric tons (tons) shelled basis, driven primarily by record output in both the United States and, to a lesser extent, Australia. With consumption rising more slowly than output, ending stocks are expected to rebound to a record 245,000 tons. Global exports are expected to rise 4 percent to a record 814,000 tons on strong shipments to the European Union, Japan, and the Middle East.

**U.S.** production is forecast up 8 percent to a record 1.1 million tons, largely due to continued area expansion, though a modest increase in trees per acre also contributed to higher yield. The bloom began a few days earlier than normal but was extended due to cold temperatures and lasted a few weeks. Frosts during bloom hit some orchards hard, with younger trees impacted more severely than older trees. Weather during the spring was variable, but as temperatures warmed up in May, nuts sized well. Reports of disease pressure remained light. Consumption is expected to continue rising to a record 384,000 tons, while ending stocks are expected to rebound to 190,000 tons. Exports, however, are forecast to rise just 2 percent to 710,000 tons as higher shipments to the European Union, Japan, and the Middle East slightly offset lower exports to China, India, and Turkey, where retaliatory tariffs are expected to slow demand.

**EU** production is forecast up 4 percent to 114,000 tons on higher output in Spain, and to a lesser extent, Italy. Over the last several years, growers have planted additional orchards with new varieties and invested in modern irrigation systems. However, the plant bacteria *Xylella fastidiosa* was recently detected in Spain's Valencia Region and Balearic Islands, representing a serious threat to production because it can lower yields if not properly managed. The bacterium lives in the plant xylem tissue and is normally spread by insect vectors feeding from the plant xylem. In response, Spain put contingency plans in place to limit the expansion of the outbreak by destroying affected plant material, increasing border controls, and banning the movement of plant material from the affected regions. EU import demand is forecast up 4 percent to 315,000 tons on strong demand from the food ingredient, snack food, and confectionary industries.

**Australia's** production is forecast to rebound 12 percent from last year's frost-damaged output to a record 85,000 tons. Rainfall deficiencies in some of the growing regions are expected to keep yields below normal. Exports are forecast up 25 percent to 65,000 tons on strong shipments to the European Union and China.

United States Dominates Record World Almond Exports



**India's** imports are forecast to drop 5 percent to 95,000 tons primarily due to increased tariffs. On May 23, India's Ministry of Finance announced an increase in the basic customs duty for shelled almonds from 65 Rupees per kilogram to 100 Rupees per kilogram. The tariff for in-shell almonds was unchanged at 35 Rupees per kilogram. These tariffs are in addition to a 12-percent tax on both domestic and imported almonds implemented in July 2017. However, consumption is expected to continue growing as stocks are drawn down to satisfy demand.

**China's** imports are forecast 15 percent lower to 70,000 tons due primarily to higher tariffs for U.S. almonds. The tariff for U.S. almonds increased from 10 to 25 percent on April 2, and then jumped to 50 percent on July 6. In comparison, the tariff for Australian is 2 percent for shelled almonds and 4.8 percent for in-shell almonds. These tariffs are in addition to the 10-percent Value-Added Tax applied to domestic and imported almonds.