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Report Name: Tree Nuts Annual

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Prepared By: Denys Sobolev

Approved By: Megan Francic

Report Highlights:

Post forecasts Ukraine's walnut production at 97,200 metric tons for marketing year (MY) 2026/27, a 15 percent increase against Post's previous MY estimate. Household production continues to dominate the market. This category cannot deliver consistent product quality and efficiently compete in the international market with other producers, most significantly China. Total areas for commercial growers are decreasing due to the lack of long-term investment precipitated by the Russia-Ukraine war. Some producers remain in the tree nut business, but have switched to other varieties to avoid competing with households. The Government of Ukraine's introduction of official minimum export prices created several new challenges for the industry.

CY – Calendar Year
ha – Hectare
GOU – Government of Ukraine
MAPFU – Ministry of Agricultural Policy and Food of Ukraine
MY – Marketing Year
MT – Metric Ton
NDVI – Normalized Difference Vegetation Index
PSD – Production, Supply, and Distribution
SSSU – State Statistics Service of Ukraine

Commodities:

Walnuts, in-shell basis

Production

Note: The marketing year (MY) for Ukraine starts in September and ends in August; for example, MY2025/26 refers to the period between September 2025 and August 2026.

The vast majority of walnuts harvested in Ukraine are produced by individuals or small private family farms harvesting trees on their land or in the vicinity of their farms. This category of producers is not typically concerned with the application of fertilizers and agrochemicals and use manual labor for harvesting and shelling. They typically sell harvested walnuts in-shell to an intermediary who assembles batches designated for immediate export or for storage in case of low demand or unfavorable prices. According to industry, family farms are known for inconsistent batch quality, which pushes them into the low-level segment for foreign buyers.

The State Statistics Service of Ukraine (SSSU) reported calendar year (CY) 2025 numbers for enterprises and households. Overall walnut production areas in Ukraine are in decline, with both enterprises and households decreasing bearing tree areas (Figure 1).

Enterprises:

- Planted area is 3,100 hectares (ha), an 11 percent decrease compared to the previous CY. Bearing tree area is 2,200 ha, a 4 percent decrease.
- Production volume is 2,620 metric tons (MT), a 32 percent decrease.

Households:

- Planted area is 12,300 ha, unchanged from the previous CY. Bearing tree area is 11,100 ha, also unchanged.
- Production volume is 82,090 MT, an 11 percent decrease.

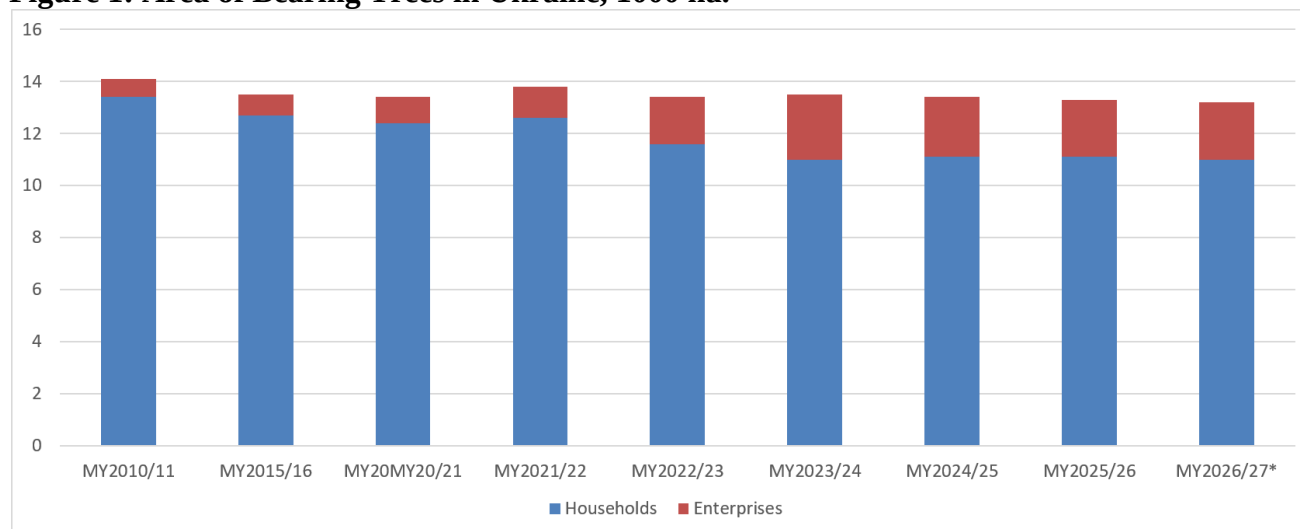
Note: Households have no legal obligation to report their production to SSSU. According to official statistics, household yields are significantly higher than professional growers (7.3 MT per ha vs 1.2 MT for MY2025/26). Post assumes there is a statistical gap as SSSU estimated production volume by

households does not automatically translate into commercial-grade products available for domestic consumption and exports due to a number of factors, including labor shortages and quality issues.

Based on SSSU information, FAS/Kyiv estimates the total MY2025/26 production volume at 84,710 MT. Industry noted this decrease was due to frost damage, as well as wet autumn weather in CY2025 that led to damage and loss of quality, especially to walnuts that fell from trees and were not harvested shortly afterward by households.

Post estimates the CY2026 total walnut production area for small, private family farms at 12,300 ha. As noted, households are decreasing production areas, and Post forecasts this downward trend will continue in the medium to long term, as aging trees lose their productivity and are chopped down. Households still hold the dominant position for production volumes; Post estimates this category accounts for 80 percent of the bearing tree area in CY2026. Most of Ukraine's household walnut producers do not treat their trees for diseases, apply fertilizers, or cut their branches in a way that ensures maximum output. Some regions, especially in central and southern Ukraine, require irrigation to achieve expected yields, while orchards in northern Ukraine generally experience lower yields due to the cooler climate.

Figure 1: Area of Bearing Trees in Ukraine, 1000 ha.



Source: SSSU

* FAS/Kyiv estimates

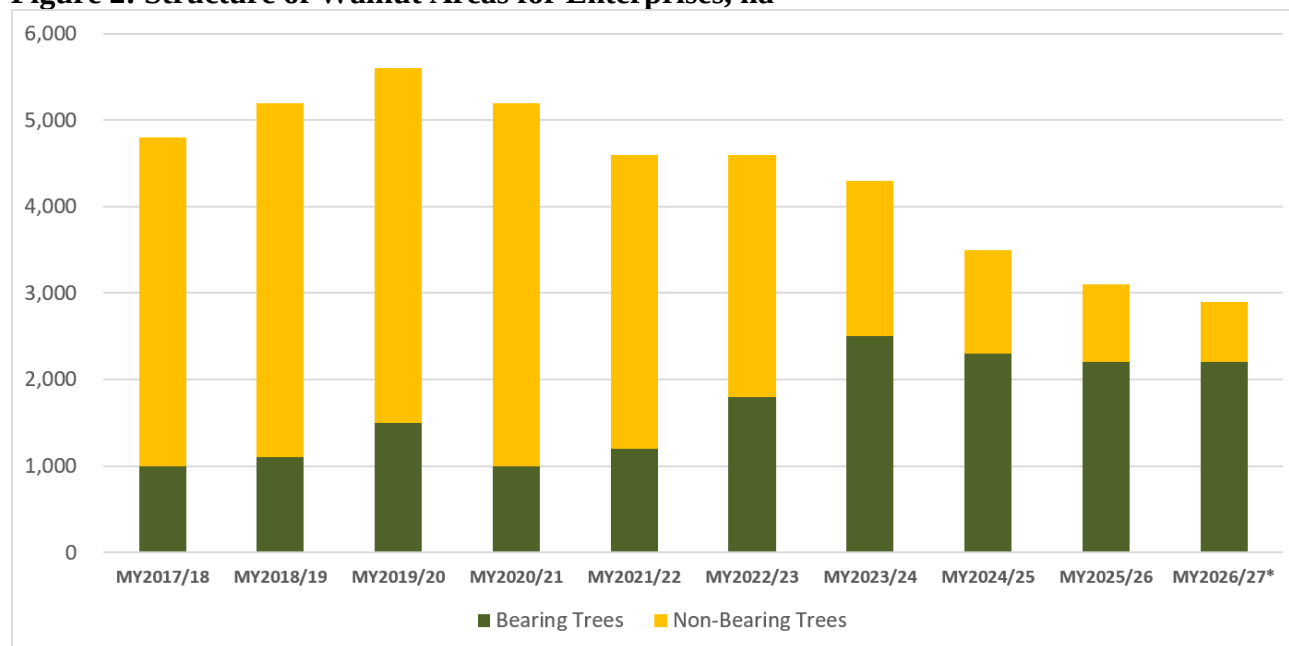
The profitability of walnut production at the household level largely depends on whether family members have the time and ability to participate in basic processing, i.e., shelling their walnuts, which is usually done by hand. The cost of processing is tied to labor costs which have increased since the start of the full-scale Russian invasion in 2022, as the male population is being drafted into the army. Both shelled and in-shell walnuts are sold to a variety of buyers that prepare the product for export. This includes sorting and grading tree nuts purchased shelled, shelling walnuts bought in-shell from households, and packing products according to importer specifications.

The establishment of commercial farms can be attributed to pre-full-scale invasion Government of Ukraine (GOU) financial support for orchard and berry producers and the creation of the agricultural land market. The average size of commercial orchards ranges from 20 to 50 ha. According to industry

reports, commercial walnut production yields and quality have increased due to new varieties. Industry reports also confirm commercial walnut farms were growing in the pre-war period, noting farmers were investing in the development of high-yield commercial orchards consisting of multiple walnut varieties, installing irrigation systems (some data suggest that at least 40 percent of commercial tree nut gardens are irrigated), and applying fertilizers. In southern Ukraine, seedlings could be planted in autumn, but in northern Ukraine, planting usually occurs in the spring to avoid winter frost damage for newly planted trees. Walnuts are typically harvested from the end of September through the end of October.

Walnut areas by agricultural enterprises have been declining since the start of the full-scale Russian invasion in 2022 (Figure 2). According to SSSU data, commercial growers scaled down their total walnut areas to 3,100 ha for MY2025/26 from a peak area of 5,600 ha in MY2019/20. The most immediate impact was the loss of orchards grown in Russia-occupied territories in southern Ukraine, which some sources suggest was over 300 ha. In addition, some production areas located close to the front lines have become non-viable. A set of economic reasons triggered the area decrease, predominantly for non-bearing trees, from 2023 onwards. Some producers decided to scrap their investments in recently planted trees, which would only start generating returns in 4 to 5 years, in order to use those areas for other crops. In addition, SSSU data indicates slow, but steady growth of hazelnut areas, which allows enterprises to stay in the tree nut sector while avoiding the oversaturated walnut market dominated by households.

Figure 2: Structure of Walnut Areas for Enterprises, ha



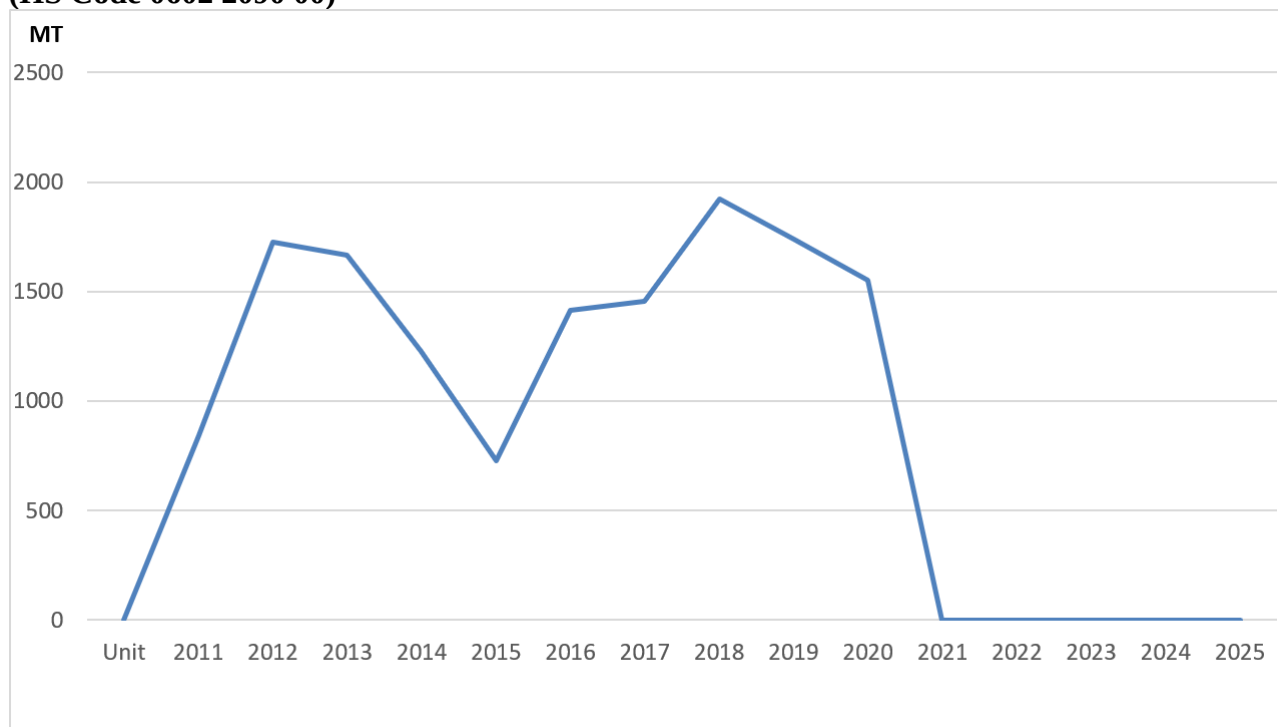
Source: SSSU

* FAS/Kyiv estimate

Due to abovementioned combination of factors, professional growers are also not making long-term investments on a significant scale. The initial investment required to establish an orchard range from \$1,200 to \$1,800 per ha. The import dynamics of fruit trees support the assumption that there is minimal new investment into walnut production (Figure 3). Note that FAS/Kyiv believes imports under HS Code 0602 2090 00 also include imported walnut trees. The State Registry of Plant Varieties (in [Ukrainian](#))

currently lists only seven walnut varieties of Ukrainian origin. From late September 2025 to early 2026, the list contained over 60 registrations, developed by both Ukrainian breeders, as well as importers from France and Moldova. This might indicate that many local breeders do not see demand from commercial walnut producers to justify maintaining their varieties in the registry.

Figure 3: Imports of Edible Fruit or Nut Trees, Shrubs, and Bushes, to Ukraine (HS Code 0602 2090 00)



Source: Trade Data Monitor, LLC (TDM)

The commercial walnut business was established by trial and error. Most commercial farmers started selling walnuts in-shell; they did not consider installing shelling equipment when they were establishing their orchards, as they were relying on the opinions of suppliers of walnut seedlings who were promising unrealistically high prices for in-shell walnuts to benefit their own sales. Therefore, in the early stages of their development, commercial growers went into direct competition with family farms, which had lower production costs and could sustain lower asking prices in the in-shell market. This led to a wave of producers leaving the business, with the remaining going into shelling. In general, when the export price spread exceeds the 2.34 conversion ratio from in-shell to shelled, it creates an opportunity for professional growers to make additional profit on initial processing (shelling) of walnuts. Pre-war, many professional growers were actively applying for long-term banking loans to establish vertically integrated production clusters that included an orchard, processing facility with a packaging unit, and a certified quality control lab.

The second exodus of commercial growers started with the full-scale Russian invasion in 2022. Walnut production is labor-intensive, especially harvesting and tending trees. The rural population decreased due to mobilization into the army and migration. This increased costs for labor recruitment and retention, translating into increased production costs that worked to push some producers out of business. Those who stayed had to adapt their business models. According to industry, professional

walnut producers continue to buy automatic shelling, sorting, and packing equipment, despite the war, due to increased labor costs and need to avoid competition at the crowded in-shell market.

Some growers are expanding beyond processing, entering the retail packaging market and developing their own brands to avoid competition with household growers, which supply in bulk. Organic production is gaining popularity in Ukraine as a means of increasing production margins through sales on international markets. In 2025, the Ukrainian Tree Nut Association reported ([in Ukrainian](#)) the first registration of an organic walnut farm, meeting both Ukrainian and European Union (EU) requirements.

Commercial growers also sell walnut wood, which is used for local furniture manufacturing; some wood is exported. To harvest wood, they plant additional trees during orchard development, which are chopped down for lumber after a few years.

Other products related to walnut value-added production are treated leaves for medicinal use and walnut (green/young nut) preserves. In recent years, Ukrainian consumers' demand for walnut oil has been increasing, with EU importers supplying the bulk of the market. There is also some domestic demand for walnut oil in the premium segment of natural cosmetic products.

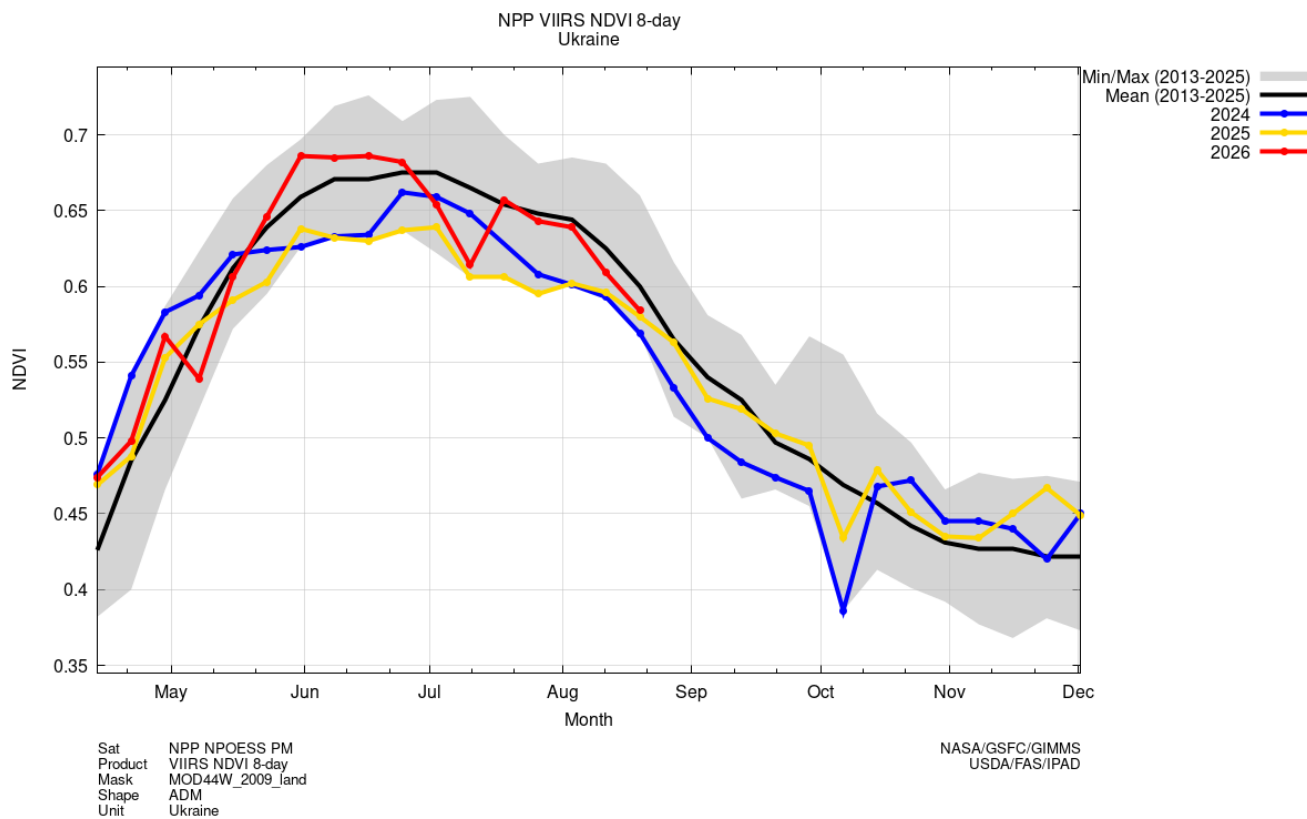
Post's MY2026/27 production area forecast is based on the following assumptions:

- A slight decrease in the bearing tree area in the household sector, as old trees have retired and households are generally reluctant to plant new ones.
- A stabilization in the bearing tree area for enterprises, as non-bearing trees planted earlier reach maturity.
- There will be no increase in total production areas by enterprises, as they are either leaving the walnut business or optimizing their costs by ripping out non-bearing or low-productive areas.

Therefore, Post forecasts MY2026/27 planted area at 15,100 ha, a 2 percent decrease compared to Post's MY2025/26 estimate.

Post applies different approaches for yield estimates for enterprises and households. Historically, yields for enterprises do not fluctuate very significantly, as some of these areas are under irrigation, which minimizes the impacts of low precipitation. Yields for households, however, show fluctuation patterns similar to annual commodity crops. Post's forecast for MY2026/27 household yield is based on the normalized difference vegetation index (NDVI), which is a standardized measure of healthy vegetation. High NDVI values indicate healthier vegetation, and low NDVI values indicate low or no vegetation. Based on the year-to-year comparison of NDVI for Ukraine, MY2026/27 growing conditions were better as compared to the previous MY (Figure 4).

Figure 4: NDVI Dynamics for Ukraine



Source: NASA/USDA

Therefore, Post forecasts MY2026/27 walnut production up to 97,200 MT. Based on improved MY2026/27 weather conditions, Post also assumes batches coming from households will be of better quality, which will enhance their ability to meet export criteria.

Consumption

According to the United Nations High Commissioner for Refugees, approximately 5.7 million Ukrainians, equivalent to over 14 percent of the pre-2022 population, have fled the country.

Post uses MY2020/21 as a benchmark to approximate total tree nut consumption (domestic walnuts and imported tree nut combined). Post then adjusted total tree nut consumption for subsequent MYs according to the number of refugees who have left or returned to Ukraine. Post estimates domestic walnut consumption as total tree nut consumption less the volume of imported tree nuts. For this report, Post assumes domestic and imported tree nuts are interchangeable in terms of consumption patterns. According to Post's estimates, food consumption fluctuated between 20,000 MT and 22,000 MT over the last four MYs.

Post assumes some ending stocks are routinely lost, as they might be stored in improper conditions. This number is also added to domestic food consumption; for the purpose of this report, "domestic

consumption” in the PSD aggregates both human consumption and walnuts that were produced but not harvested by households.

Based on the above-mentioned assumptions, Post forecasts domestic walnut consumption at 37,700 MT for MY2026/27, down from Post’s MY2025/26 estimate. The decrease in consumption is associated with households discarding their substandard batches as MY2025/26 featured decreased quality.

Walnuts are often sold in bulk, both shelled and in-shell, in farmers markets. Local food stores prefer to carry pre-packaged walnuts; however, in this case, the price of walnuts is only slightly lower than that of almonds or cashews, which Ukrainian consumers often consider premium-quality nuts. Despite this price similarity for packaged walnuts, consumers continue to view walnuts as lower-priced nuts. Many Ukrainians have walnut trees in their backyards that provide sufficient annual supplies for a family. Thus, local consumers are not keen on purchasing packaged walnuts over other tree nuts. Ukrainian consumers purchase almonds and other imported tree nuts, but locally grown walnuts and hazelnuts are the “go-to” nuts for day-to-day food choices.

The confectionery industry is another market segment for walnuts. Producers of chocolates, sweets, desserts, bakery products, and snacks are the most reliable users of walnuts in the local market. For high-end food products, processors often import walnuts from the EU.

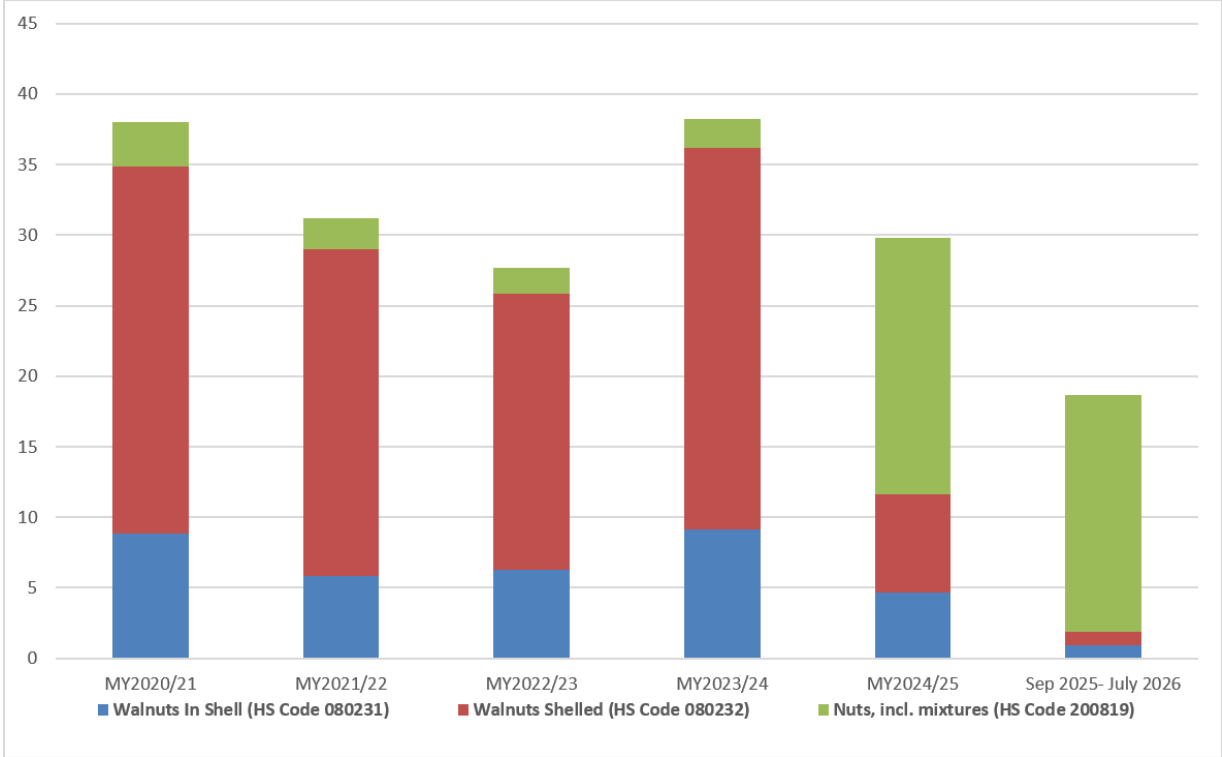
Trade

The GOU’s introduction of minimum export prices reshaped the structure of walnut exports from Ukraine. According to industry, the formal export price controls created additional considerations for exporters:

- The price spread between shelled and in-shell minimum export prices is tilted toward facilitating exports of processed walnuts.
- Customs authorities might request additional documents, including contracts and invoices, to verify the export price.

Households historically sell for cash and cannot provide any official papers for their product. As a result, many intermediaries, which are buying from households, started shipping shelled walnuts under a different HS Code (200819) that does not fall under the formal price control mechanism (Figure 5). Exports of in-shell walnuts significantly decreased, as well, for both MY2024/25 and MY2025/26 because exporters are incentivized to process themselves.

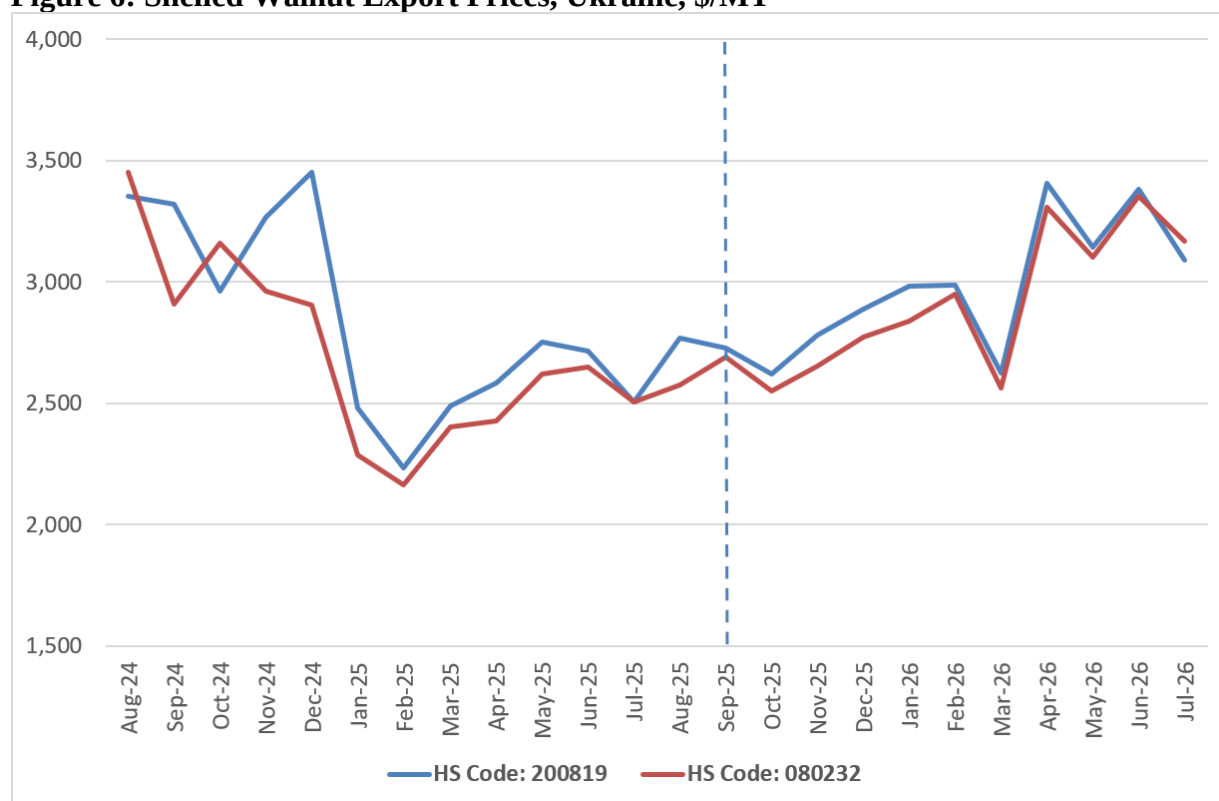
Figure 5: Ukraine Shelled Walnut Export Dynamics



Source: TDM

FAS/Kyiv verified the assumption of a “migration” of shelled walnut exports from HS Code 080232 to HS Code 200819 by comparing unit export prices for both commodities. The prices are similar, especially for MY2025/26, providing evidence that the same commodity is exported under two different HS codes (Figure 6).

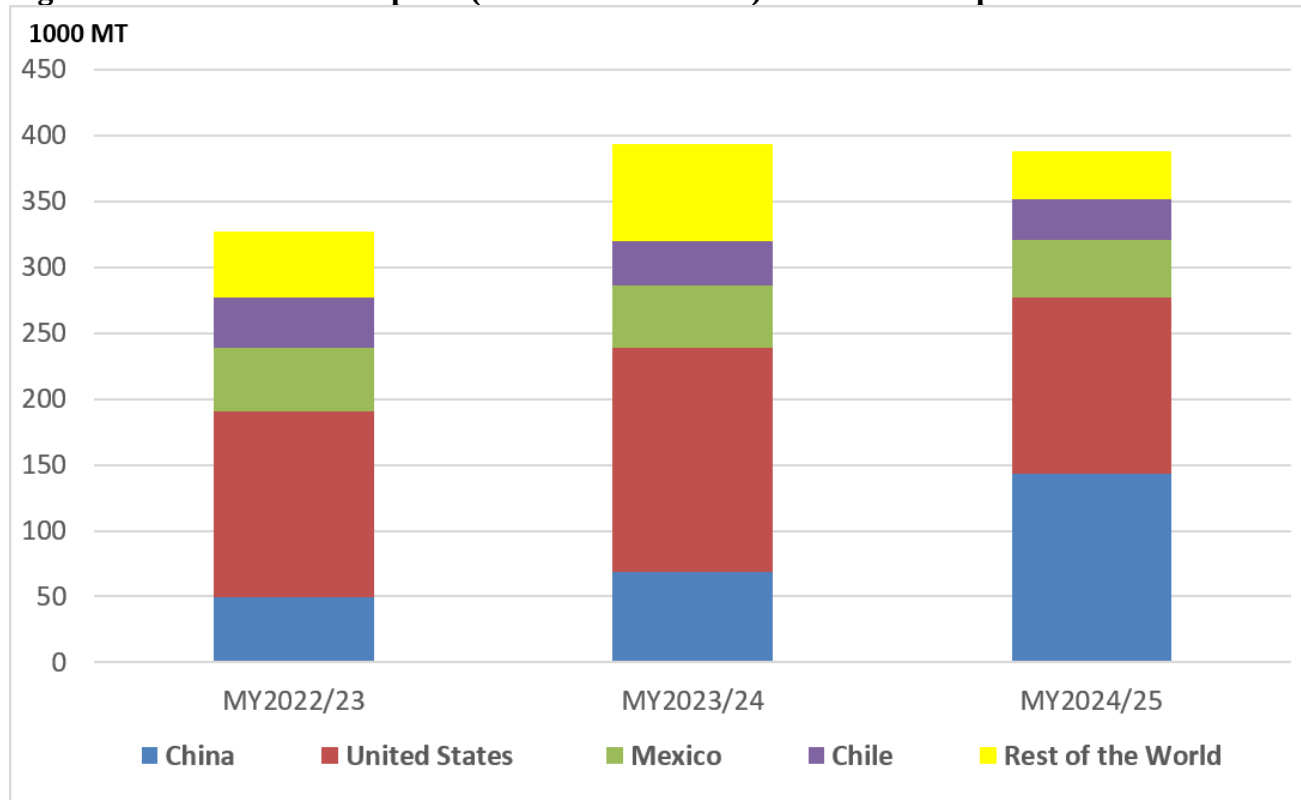
Figure 6: Shelled Walnut Export Prices, Ukraine, \$/MT



Source: TDM

According to industry, the gradual decline in walnut exports from Ukraine is associated with the generally low product quality. As a large share of walnut exports are sourced as small batches from myriad domestic households that grow varieties not originally cultivated for ease of shelling or consumer appeal, Ukrainian exporters have not been able to form large exportable batches with consistent quality. Local industry is also competing globally in the same price segment with surging exports from China (Figure 7).

Figure 7: Global Walnut Exports (In-shell and Shelled) for Selected Exporters



Source: TDM

Post forecasts walnut exports at 59,400 MT for MY2026/27, a 38 percent increase compared to Post's previous MY estimate of 43,100 MT. This estimate assumes Ukraine can export walnuts at its normal pace despite the war.

In-shell exports usually originate from specific farms where an exporter can provide quality assurance and official paperwork for customs and tax authorities. According to industry, there are only a handful of walnut producers in Ukraine who can fulfill these criteria. In-shell exports for MY2025/26 were approximately 940 MT, an 80 percent decrease compared to the previous MY. The vast majority of this volume (750 MT) went for processing in the EU, specifically Greece, Italy, and Hungary.

Most Ukrainian walnuts are exported shelled because processing and sorting allow exporters to consolidate and grade standardized household-origin batches. Shelled exports for MY2025/26 were 18,000 MT, a 26 percent decrease against the previous MY. Ukraine supplied 85 percent of this volume (15,300 MT) to the EU. The only large non-EU market was neighboring Moldova, which imported over 1,000 MT.

Ukraine usually does not import any substantial volumes of walnuts due to the strong domestic production that exceeds domestic consumption. Notable exceptions are imports of high-quality shelled walnuts used in snacks and confectionery from the EU. MY2025/26 was an anomaly, as Ukraine changed its major supplier, importing 17 MT of walnuts predominantly from China (12 MT) and the United States (4 MT).

Ukraine imports a wide variety of tree nuts, with almonds, coconuts, cashews, and hazelnuts comprising the majority (Table 1). Imported tree nuts have become a part of everyday diets alongside domestically produced walnuts, and Post considers these products interchangeable for the purpose of this report and monitors imports to better estimate domestic walnut consumption. Consumption, and therefore imports, of these tree nuts are mostly associated with purchases by middle-income consumers. At the beginning of the full-scale Russian invasion, imports took a nosedive, with total walnut imports falling to 12,800 MT in MY2021/22. Both MY2023/24 and MY2024/25 demonstrated stabilization of imports at around 13,500 MT each.

Table 1: Select Imports of Tree Nuts into Ukraine

HS Code	Description	Unit	MY 2022/23 (Sep 22- Aug 23)	MY 2023/24 (Sep 23- Aug 24)	MY 2024/25 (Sep 24- Aug 25)	Change MY2024/25 to MY2023/24
200819	nuts (other than peanuts (ground-nuts)), and other seeds, including mixtures, prepared or preserved, nesoi	T	4,758	5,115	5,270	3.0
		1000 USD	34,344	37,857	44,825	18.4
080212	almonds, fresh or dried, shelled	T	2,216	2,829	3,277	15.8
		1000 USD	11,722	14,106	17,282	22.5
080111	coconuts, dessicated	T	2,132	1,920	2,186	13.9
		1000 USD	4,386	3,746	5,983	59.7
080132	cashew nuts, fresh or dried, shelled	T	1,679	1,225	1,179	-3.8
		1000 USD	11,261	7,544	7,963	5.6
080222	hazelnuts or filberts (corylus spp.) fresh or dried, shelled	T	865	869	844	-2.9
		1000 USD	4,731	5,552	5,306	-4.4
080119	coconuts, other than dessicated	T	575	571	595	4.2
		1000 USD	672	767	902	17.6
080211	almonds, fresh or dried, in shell	T	1,848	799	67	-91.6
		1000 USD	9,420	3,981	439	-89.0
080112	coconuts, in the inner shell (endocarp), fresh or dried	T	59	81	58	-28.4
		1000 USD	166	240	162	-32.6
080251	pistachios, in shell, fresh or dried	T	163	103	21	-79.6
		1000 USD	1,418	891	188	-79.0
080232	walnuts, fresh or dried, shelled	T	67	49	12	-75.5
		1000 USD	255	152	72	-52.7

Source: TDM

Stocks

Households generate over 97 percent of total walnut output and sell in-shell to either processors or exporters. Households do not have dedicated storage facilities and normally cannot keep large stocks on their property. Post assumes households dispose of walnuts that have not been harvested or sold during a specific MY, and assumes minimal ending stocks held by professional growers, processors, and exporters.

Policy

Ukraine and the EU offer mutual duty-free market access for walnuts (HS Codes 080231 and 080232) in accordance with the [EU-Ukraine Association Agreement](#).

Since the start of the full-scale Russian invasion, the GOU canceled all classic support programs for Ukrainian agriculture, including compensation payments to walnut growers (see [GAIN Report UP2022-0060](#) for more details). However, the GOU updated [Resolution #738](#), which offers governmental grants for developing orchards up to 25 ha. The maximum grant available for a single enterprise is UAH 10,000,000 (\$224,000), and not over UAH 400,000 (\$9,000) per ha. This program also offers grants for fruit storage under a specific set of eligibility criteria. Information about grant recipients is available on MAPFU's official portal ([in Ukrainian](#)).

In May 2024, Ukraine adopted two new laws setting minimum export prices for some agricultural commodities, including tree nuts (HS Codes 0802 31 and 0802 32). The GOU published Resolution #944 ([in Ukrainian](#)), setting necessary mechanisms and administrative procedures. MAPFU updates the relevant minimum prices on its official web page ([in Ukrainian](#)) monthly.

Table 2: Production, Supply, and Distribution Data Statistics

Walnuts, Inshell Basis	2024/2025		2025/2026		2026/2027	
Market Year Begins	Sep 2024		Sep 2025		Sep 2026	
Ukraine	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	0	15800	0	15400	0	15100
Area Harvested (HA)	0	13400	0	13300	0	13200
Bearing Trees (1000 TREES)	0	3240	0	3220	0	3190
Non-Bearing Trees (1000 TREES)	0	540	0	480	0	440
Total Trees (1000 TREES)	0	3780	0	3700	0	3630
Beginning Stocks (MT)	460	460	500	528	0	378
Production (MT)	98640	96340	100000	84710	0	97200
Imports (MT)	100	28	100	40	0	35
Total Supply (MT)	99200	96828	100600	85278	0	97613
Exports (MT)	20900	64300	35000	43100	0	59400
Domestic Consumption (MT)	77800	32000	65000	41800	0	37700
Ending Stocks (MT)	500	528	600	378	0	513
Total Distribution (MT)	99200	96828	100600	85278	0	97613
(HA), (1000 TREES), (MT)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Note: export and import numbers in the PSD table are in-shell, which is calculated by multiplying shelled walnut exports or imports (HS Code 080232) by 2.34 and adding in-shell walnut exports or imports (HS Code 080231)

Attachments:

No Attachments