

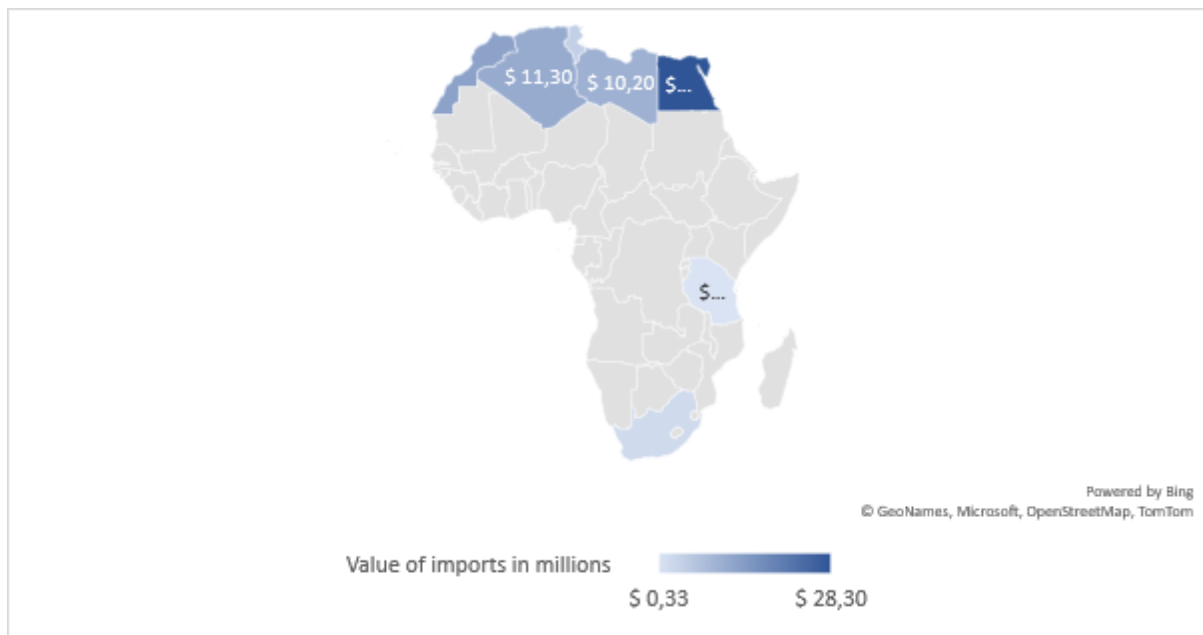


Overview

Africa imports a variety of nuts to meet its local demand. The most imported nuts include pistachios, walnuts, almonds, hazelnuts, pecan nuts, and cashew nuts. From the US, Africa mainly imports pistachios and walnuts. The US is a dominant supplier of pistachios for the African market. In 2021, the African market for pistachios was reported to have increased by 15% for the third consecutive year (Indexbox, 2023), This brief will therefore focus primarily on pistachios and other specialty nuts.

Pistachios

In 2021, the African market for imported pistachios is about 1.1% compared to the rest of the world. The top pistachios-importing countries are Egypt, Morocco, Algeria, Libya, Tunisia, South Africa, and Tanzania (World's Top Exports, 2021; OEC, 2021). The value of the pistachios imported by country is shown in the figure below.



Source: OEC, 2021

Figure 1: Value of pistachio imports by country

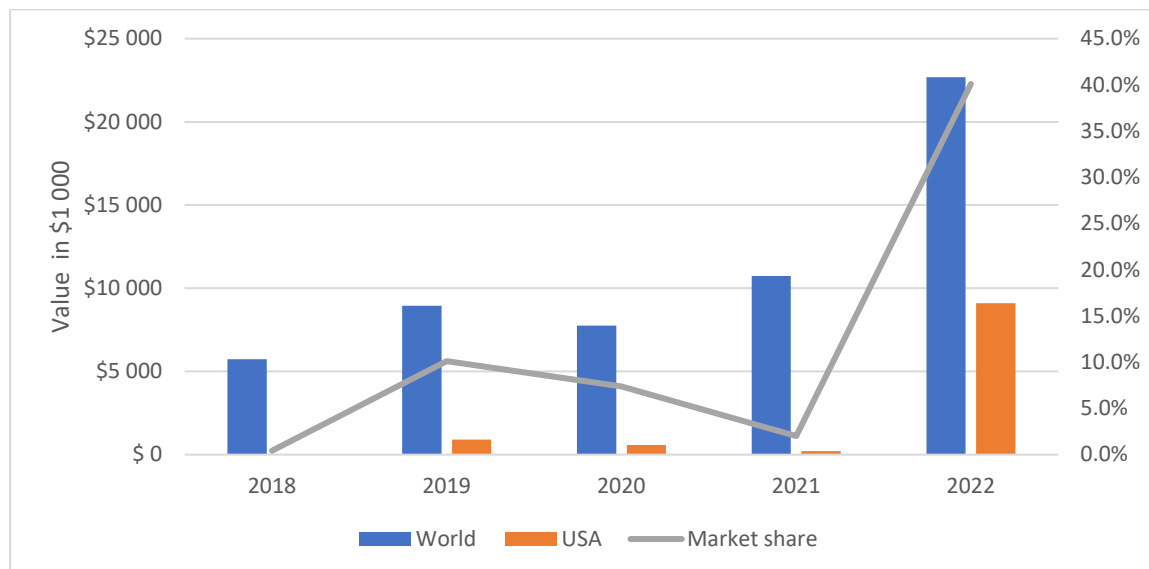
Using the value of the imports, Egypt imports the most pistachios, valued at \$28,30 million as shown in the figure above. Of the top-importing countries, Tanzania imports the least, in 2021 it spent \$382,000 on pistachio imports. Pistachios and other nuts are imported as both shelled and in-shell. The rest of the brief will focus on shelled pistachios and other nuts using mainly data from the World Integrated Trade Solutions (WITS) of the World Bank. Please note that

this means that the values reported by the Observatory of Economic Complexity (OEC) data are higher than the values reported by the WITS. The OEC data was used to provide an overview whilst the WITS data was used for the rest of the report.

Egypt

Pistachios

Pistachios are popular in the Egyptian market. They are often associated with hospitality and generosity and are used in a variety of Egyptian dishes, both savory and sweet. Nuts and dried fruits are popular in the Egyptian market during Ramadan. In 2022, Egypt imported nuts at the value of \$22.6 million from the world and about \$9 million from the US. (Mena, 2023; WITS, 2023). Figure 2 below shows the value of shelled pistachios in Egypt from the US and the rest of the world between 2018 and 2022. The figure also shows the US market share in the 5 years.



Source: WITS, 2023

Figure 2: Value and market share of pistachio imports by Egypt.

According to Figure 2, the market share of US pistachios in Egypt increased from 0.4% to 40.1% between 2018 and 2022. Egypt also imports a significant quantity of pistachios from Syria, according to World Integrated Trade Solutions (WITS). In 2022, Egypt imported pistachios valued at \$9.7 million in pistachios from Syria. As a result, Syria is a significant competitor that US exporters must not overlook.

Other Nuts

Table 1: Price for Nuts in Egypt

Prices/kg	Price/100g	Value-addition	Manufacturer	Packaging
Almonds	\$ 2,46	Baked	Nature Wonders	Mylar Pouches
Almonds	\$ 2,42	Roasted	Abu Aut	BOPP
Cashew	\$ 3,67	Baked	Nature Wonders	Mylar Pouches

Cashew	\$ 1,22	Roasted	Abu Aut	BOPP
Macadamia	\$ 4,67	Roasted	Nature wonders	Bottle
Pistachios	\$ 3,28	Baked	Nature Wonders	Mylar Pouches
Pistachios	\$ 2,67	Roasted and salted	Abu Aut	BOPP

Source: Carrefour Egypt

Using the current prices that are available at the Carrefour supermarket in Egypt, processed pistachios are less expensive compared to macadamia nuts as shown in the table above. Generally, processed nuts cost at least 10% more than the unprocessed nuts. The popular brands for Nuts in Egypt are Nature Wonders and Abu Aut.

Abu Aut is an Egyptian company that has been in the business of nuts and dried fruits since 1970. The company imports a range of nuts from different countries as shown below. The company imports pistachios, pecans, walnuts, and almonds from the US. Information on the origin of the nuts is provided on the company's website so that consumers make informed decisions.

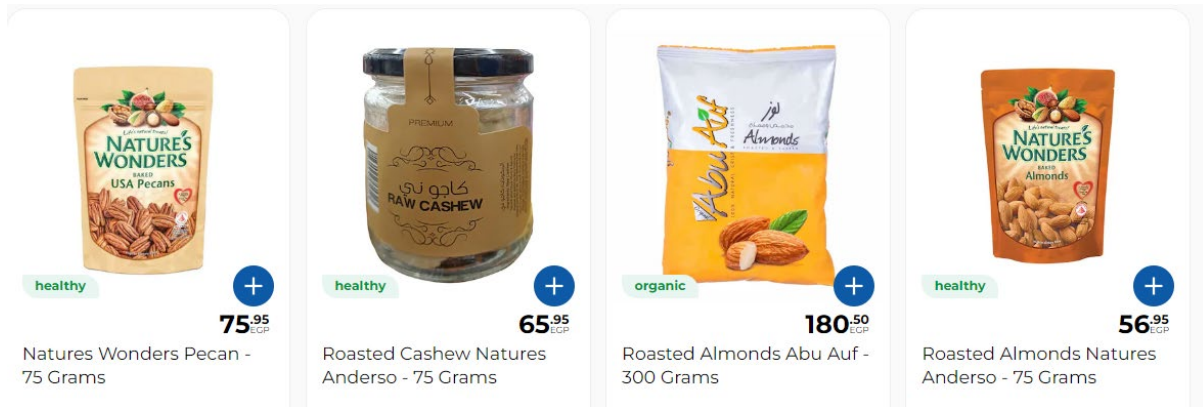
Table 2: Current prices for imported Nuts in Abu Aut

Product	Price/100g	Origin
Pistachios	\$5,34	US and Iran
Hazelnuts	\$1,94	Turkey
Pecan	\$3,56	US
Walnuts	\$1,68	US
Macadamia	\$3,69	South Africa
Almonds	\$1,88	US
Cashew	\$2,59	Kenya, Vietnam, Brazil, Sudan

Source: Abu Auf,2023

From the table above, pistachios are paid the highest prices followed by macadamia and pecans as shown in the table above. Abu Auf is a potential lead that US nut exporters should consider for partnerships.

Nature's Wonder is also another company that dominates the nuts market in Egypt. The company originates from Singapore and with a presence in other 10 countries. From Table 1, Nature Wonder's nuts are more expensive than Abu Aut's products. For example, Nature's Wonder pistachios cost \$0,61 more than Abu Aut's pistachios. The relatively high cost might be influenced by the type of packaging used for the nuts. Nature's Wonders packaging is mostly mylar pouches and bottles whereas Abu Aut's packaging is Biaxially Oriented Polypropylene (BOPP) which is mostly cheaper than the other packaging. This implies that the packaging costs might contribute to the retail price of the nuts. The example of the packaging is shown below.

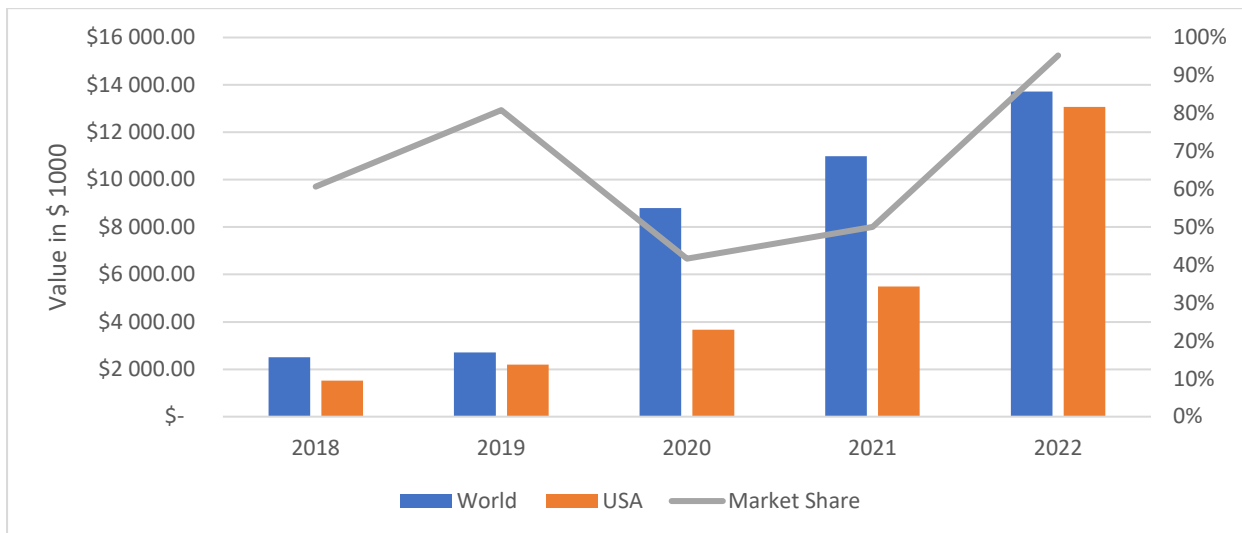


Exporters need to know the retail packaging used for is used to display and sell their products to consumers because it influences the market price of the product. Although the origin of some of the nuts packaged by Nature Wonder’s is not disclosed, they do have almonds and pecans which clearly state that they are from the US. It can be of relevance that US nut exporters form strategic partnerships with the players.

Morocco

Pistachios

Morocco is a key market for the US pistachios. Overall, Morocco imports 63% of its nuts from the US and ranks 22nd in the global ranking of the biggest importers of nuts (EastFruit, 2023). In the past 5 years, the US market share has not just grown but has been dominating the Moroccan market. The figure below shows how the value and market share of shelled pistachios imported by Morocco from the US and the rest of the world has grown between 2018 and 2022.



Source: WITS, 2023





Figure 3: Value and market share of pistachio imports by Morocco.

In 2022, Morocco imported pistachios valued at about \$13,7 million from the world with the US accounting for 95% of the imports. The US market share in Morocco has grown from 61% to 95% between 2018 and 2022.

Other Nuts

In addition to pistachios, Morocco also imports a significant number of almonds, walnuts, hazelnuts, and cashew nuts. In 2022, Morocco imported nuts valued at about \$170 million from the rest of the world (WITS, 2021). The value and the quantity of the shelled nuts that Morocco imported in 2022 are shown in the table below.

Table 3: Value and Quantity of imported nuts by Morocco

Product (shelled)		Exporting Country	Value in \$1000	Quantity in (tons)
Cashew		World	\$ 18 447,15	3149,90
		Vietnam	\$ 16 762,16	2860,70
		Cote d'Ivoire	\$ 14 787,96	250,30
Almonds		World	\$ 100 467,85	2191,60
		US	\$ 98 579,16	2154,70
		Spain	\$ 689,70	126,80
Hazelnuts		World	\$ 4 433,76	648,10
		Turkey	\$ 4 163,92	605,10
		Spain	\$ 133,92	22,10
Walnuts		World	\$ 41,23	4,20
		Romania	\$ 12,26	1,50
		Ukraine	\$ 11,85	1,40

Source: WITS, 2023

From the table above, Morocco is also an important market for US-shelled almonds. In 2022, it imported about 2 154 tons of almonds worth \$98.5 million from the US. Morocco produces almonds though it has enough to meet its domestic demand. In 2022, its local production of almonds increased which in turn pushed down its import by 20% year-over-year. Almonds are reported to account for 74% of nuts in Morocco in terms of value (EastFruit, 2023).

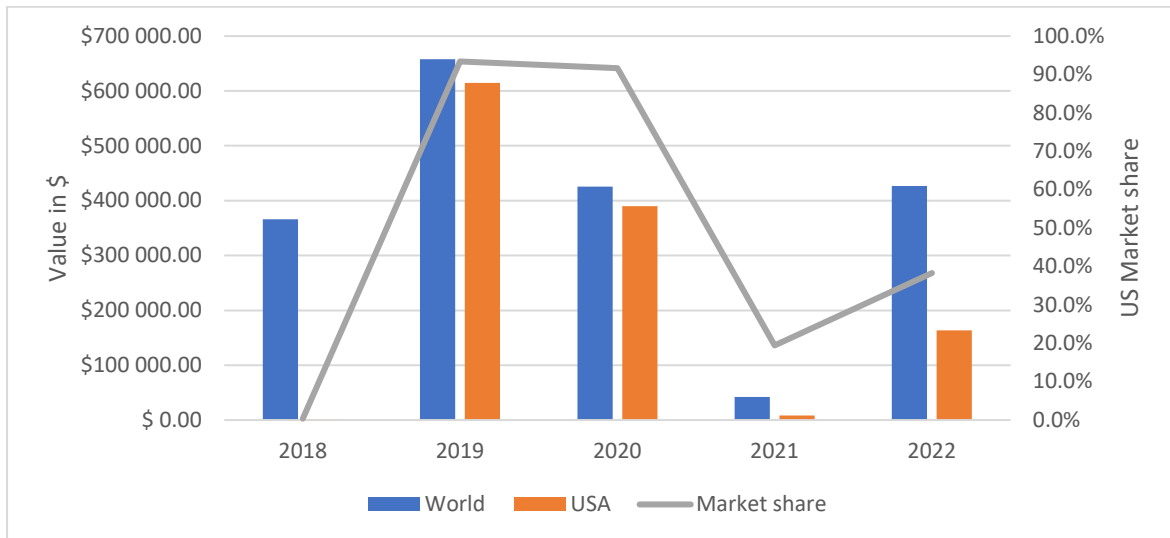
According to East Fruit, 2023, the US also exports a significant amount of walnuts from the US though not shown in the table above. As seen in the table above, the WITS, 2023 reported a considerable volume of walnuts by Morocco from Romania and Ukraine. Morocco imports walnuts mostly from countries with a consistent supply, which Ukraine may be unable to provide due to the ongoing conflict with Russia.

South Africa

Pistachios

South Africa consumes 150 to 200 tons of pistachios each year, with only 10% grown locally. The remainder is imported, mostly from Iran and the United States. The value of shelled

pistachios South Africa has been importing between 2018 and 2022 and the US market share is shown in the figure below.



Source: WITS, 2023

Figure 3: Value and US market of shelled pistachios imports by South Africa

In 2022, South Africa imported pistachios valued at approximately \$427 thousand from around the world and \$164 thousand from the United States. The US market share for shelled pistachios was 39%, a significant gain over the previous year. South Africa imported much fewer pistachios from the rest of the globe, notably the United States, in 2021. Interestingly, South Africa imported a substantial number of pistachios from Pakistan, even though overall imports were at their lowest between 2018 and 2022. Although the reasons are unknown, it could be due to the impacts of the Covid-19 pandemic, which led to a drop in demand in 2021 as the country was still dealing with the consequences. It could be possible that Pakistani pistachios are less expensive than US pistachios; nevertheless, this requires further investigation.

Pistachios and other nuts

Pistachios are one of the most expensive specialty nuts on the South African market. Prices for pistachios in comparison to other specialty nuts are shown in the table below.

Table 5: Prices in South Africa

Type	Price/kg
Pistachios	\$22.93
Walnuts	\$14.54
Hazelnuts	\$18.19
Almonds	\$18.19
Pecan nuts	\$14.33

Source: Snack N Dash, 2023

As shown in the table above an average of \$22.93 per kg making it the most expensive type of nut. The South African market is a price-sensitive market which implies that when the prices are high substitutes that are cheaper are considered. The high nutritious value of

pistachios drives its demand. Most pistachios are consumed as snacks, although they are also used in baking, ice cream, and nougat or Turkish delights (South Africa, 2023).

Market Intelligence Update

The market intelligence section will focus on the pricing of pistachios in Morocco, South Africa, and Egypt. As shown in [Figure 1](#), the countries that lie in the northern part of Africa import relatively substantial volumes of pistachios from around the world and the US than other African countries. However, South Africa is a market that has the potential to grow. As shown in [Figure 3](#), the US market share for pistachios in the South African market grew by about 38% between 2020 and 2021, which implies that it is a market that can be focused on. The prices for pistachios vary in each market, however, they are reported to be the most expensive nuts due to high production costs (Johnson, 2022). The table below shows the pricing for pistachios in the three markets.

Table 6: Pistachios Pricing by Country

Descriptions	South Africa	Egypt	Morocco
Price range/kg	\$19 -\$23	\$7- \$9	\$11-\$15
Price range/lb	\$8,62- \$10,43	\$3-\$4,08	\$4,99-\$6,08
Average price/kg	\$21,00	\$8,00	\$13,00
Quantity imported from the world	39.6 tons	601 tons	38 tons
Quantity imported from the US	17.2 tons	28,8 tons	8 tons

Source: Selinawamucii, 2023 and WITS, 2023

The table above shows the prices of pistachios in September 2023 for South Africa and Egypt and July 2023 for Morocco. Egypt has the cheapest price for pistachios whilst South Africa has the highest price for pistachios. The import costs for pistachios in South Africa have been volatile over the last year as well as the fluctuations in the exchange rate. In the last 15 years, the South African rand lost over half of its value (Daily Investor, 2023), thereby contributing to the price of the pistachios. Though the Egyptian pound has also been volatile, it has been performing better¹ than the South African rand. However, the Moroccan Dirham has the lowest value compared to South Africa and Egypt (Exchange, 2023). Morocco has the second cheapest pistachios after Egypt. This can be explained by the low import prices of pistachios. The import price per kg of pistachios into Morocco in 2022 was \$3.05, \$8,50 for South Africa and \$17,07 for Egypt (Selinawamucii, 2023).

US exporters need to know the prices of pistachios in their export markets to understand the market, track the performance of their products, and make better decisions about their exports.

¹ The performance of the currency is based on its value against the US\$ as of 13 September 2023 which was as; \$0.053 = ZAR 1 (South African Rand), \$0.032 = 1EGP (Egyptian Pound), \$0.098 =1 MAD (Moroccan Dirham).

Updates on Relevant Market Changes.

The increasing presence of Singapore nuts dealers. The presence of Singapore nut players is growing on the continent. As discussed in this brief, the Egyptian market has a range of nut products produced by Nature's Wonder a Singaporean company. In 2022, Royal Nuts a Singapore-based company opened a \$23 million cashew processing plant in Cote d'Ivoire (Food Business Africa, 2022). Singapore does not produce many nuts but has established nut processing companies According to Unctad,2021, due to a lack of capacity, only 15% of cashew nuts produced in Africa are deshelled on the continent, which Singapore partners as Royal Nuts have been working to address. This suggests that the domestic availability of shelling plants will reduce the production costs of value-added nuts and, as a result, the retail price of the product. As a result, cashew nuts will compete on the market with other nuts.

Competitive market. The African market industry is growing with the number of actors in it also increasing including importers and processors. One of the exhibitors at the Africa Big 7 trade event in Johannesburg in June 2023 was India's Agricultural and Processed Food Products Export Development Authority (APEDA). Walnuts and peanuts were among the products intended for export to Africa by the Authority. This demonstrates the expansion of Africa's nut business, as additional exporting countries express interest in entering the market. The more the number of actors is involved the lower the prices and the more choice for consumers.

Demand for Value-added Nuts. There is a growing focus on value-added products in the nuts industry in Africa. This includes products such as roasted nuts, nut kinds of butter, and nut milk. A typical example includes roasted, salted pistachios as well as pistachios butter. This is being driven by the increasing demand for convenience foods and the growing popularity of healthy eating (ProAgri, 2023).

