



Chinese Walnut

Tashkent, July 11, 2016

**China Chamber of Commerce for the Import & Export of Food Stuffs,
Native Produce and Animal By-Products(CCCFNA)**

**Tree Nuts Sub-Chamber
(China Tree Nuts Association)**

Walnut World Production from 2010 till 2016 (in shell/mt)

Origin	2010	2011	2012	2013	2014	2015	2016(estimate)
China	369,000	442,000	500,000	460,000	530,000	580,000	581,000
U.S.A.	455,321	387,000	461,700	449,056	517,095	521,631	600,000
India	40,000	45,000	40,000	35,000	35,000	34,000	36,000
Chile	33,000	36,000	40,000	53,000	60,000	78,000	90,000
Turkey	66,000	90,000	70,000	72,000	75,000	76,000	20,000
France	32,000	38,000	25,000	42,000	38,000	40,000	36,000
Italy	9,000	14,000	12,000	13,500	14,000	17,000	18,600
Australia	1,800	2,800	5,500	6,225	10,000	10,000	6,500
Others	65,000	80,000	100,000	228,000	242,500	217,698	278,100
Total	1,071,121	1,134,800	1,254,200	1,358,781	1,521,595	1,574,329	1,666,200
Chinese Crop Proportion	34.45%	37.19%	39.87%	33.85%	34.83%	36.84%	36.01%

Source: INC

The Characters of Chinese Walnut Cultivation

- 1) The history of walnut was back to 139 B.C, from the Han dynasty, when was 2151 years ago according to the Chinese historical records.
- 2) There are 21 provinces, autonomous regions and capital cities from north, west, north west and south west parts of China growing walnuts.
- 3) 90% of the walnuts are grown privately by the peasants in the countryside.
- 4) 90% of the walnuts are grown in the hilly and mountain areas.
- 5) Yield per tree is low but growing area is large. It is also a greenery project in China to recover the bare land.
- 6) All crops are hand picked. There is almost no mechanical harvesting in China at the moment
- 7) 50% of the drying is Sun dry and 50% of drying by machine.

Chinese Walnut Growing Area:



About Chinese Walnut Crop:

Species: There are mainly two species i.e. *Juglans regia* L. and *Juglans sigilatta* Dode.
From these two species there are about 386 different varieties created in Chinese walnut growing history.

Varieties: Depending on growing areas, dry, wet, cold, low landscape, highland etc.
From 386 varieties of walnuts grown in different areas the major varieties are about 80 according to the Chinese Botanists.

Consumption: 95% of the Chinese walnut crop consumed locally in China

Target acreage until 2020: 500,000 hectare
(including old and young trees, bearing and non-bearing hectares)

Crop update: crop is at about 600,000 metric tons from this coming season.

Planting area: in 21 provinces, autonomous regions and capital cities of China.

Yield per tree: It depends on area and variety. It is in between 5 kg till 20 kg.

Intention: China targets to get up to 1,000,000 metric tons of walnut in shell in the next 5 to 10 years.

Growing Reason: * It is a greenery and oil reserve project from the government.

*Good demand and high prices encourage growers to grow more walnuts.

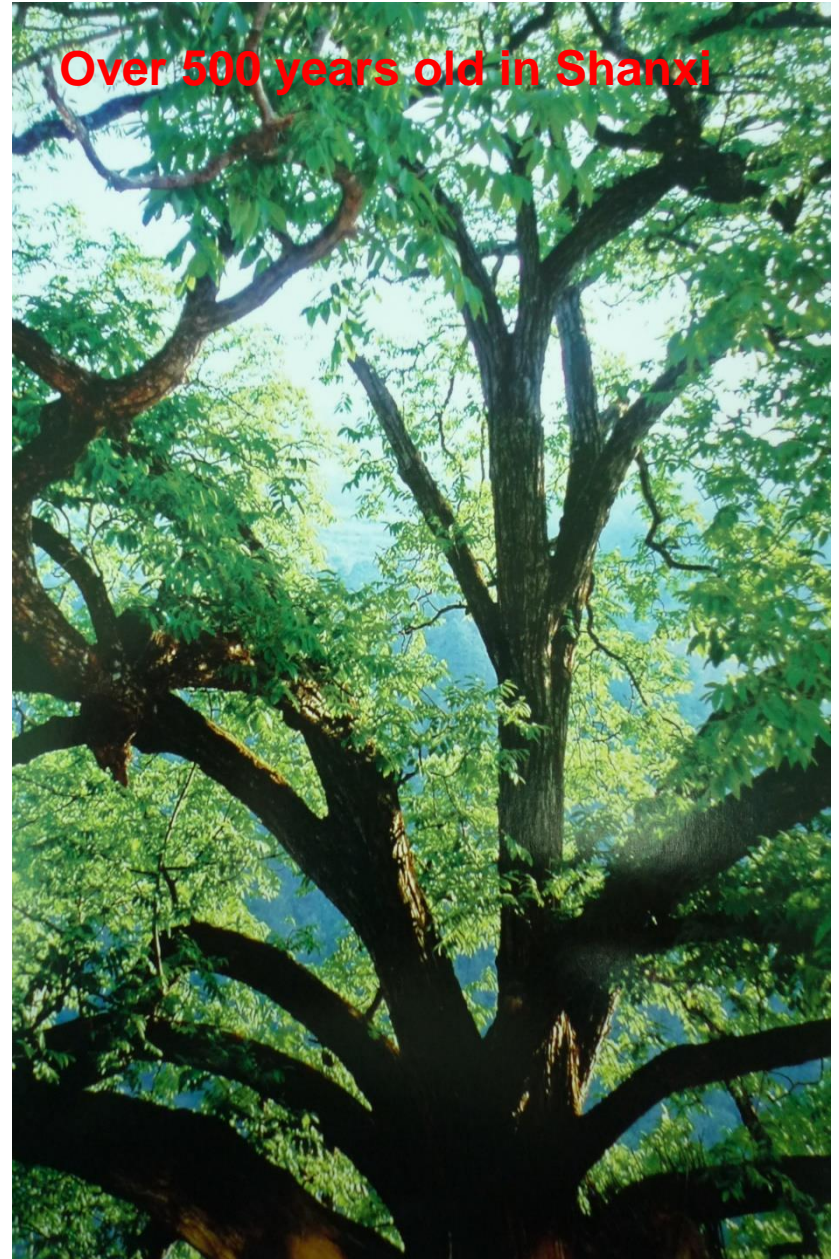
*Most of the Chinese know the health benefit of walnut. It is the 1st preference nut in tree nut consumption in China.

*It helps peasants in poor area to change their poor life in selling walnut due to good income.

***Chinese walnut variety: Over 50 varieties grown in 21 provinces
Following are the major varieties from Shanxi Province***



Ancient Walnut Tree in China



Walnut Nursery (Shanxi Province)



***Walnut Grown in hilly area of
Shanxi Province***



***Walnut Grown in hilly area of
Yunnan Province***



Chinese walnut farms with irrigation system in Shanxi Province





***Chinese walnut Farm in Xin Jiang
Uygur Autonomous Region***

Chinese Walnut Harvest in a mountain area(Yunnan Province)



Traditional Chinese Walnut Drying



Chinese Walnut Market (No. 1 choice in tree nut)

1) Medical purpose:

Walnut is a kind of Chinese herbal produce(Chinese medicine). It last long in Chinese history. It is well known by the Chinese that walnut is good for human brain and kidney. It is always used as an ingredient of Chinese herbal tea for Chinese medical treatment. Chinese herbal doctors suggest that a person should take 2 pieces of in shell walnut per day for health benefit. If we take 2 in shell per day (about 30 gm), with 30% of Chinese population (400 million only) follows that China needs about 12,000 m/t in shell walnut per day and 4.38 million m/t per year. It is potential.

2) Roasted and Salted in shell for snack. It takes about 20% of the market shares.

3) Different kinds of flavoring walnut kernels, such as roasted/salted, honey or sugar coated, chili and spicy, walnut meats with cereals for breakfast etc.

4) Walnut oil for cooking and cosmetic.

5) Walnut milk for daily drink. It is becoming popular in China.

6) Ingredient of candy, bakery, confectionary, ice cream and cooking of Chinese food.

7) Sales of walnut products are from traditional way to modern way such as hawkers, vegetable market, distributing center, chain stores, super markets and internet sales.

8) Media promotion—new paper, magazine, books, T.V. advertisement and Chinese doctor medical prescription.

Chinese Walnut Consuming Products



Chinese Walnut Medical Introduction

ئۇيغۇر تېبابىتىدە، ياڭاق، قاننى جانلاندۇرۇپ، سىڭە، يۈرەك، بۆرەكنى قۇۋۋەتلىپ ئۆمرۈرنى ئۇزارتىش ئالاھىدىلىكىگە ئىگە.
据维吾尔医学史传，核桃：已具备了活血、
健脑、养心、补肾及延长寿命等功效。

Walnut, also known as Juglans Regia,
According to Uygur Medicine, walnut improves
Blood quality and nourishes brain, heart and
Kidney and helps to live longer.

Walnut Sales in China---Vegetable Market



Chinese Walnut Sales--Hawker



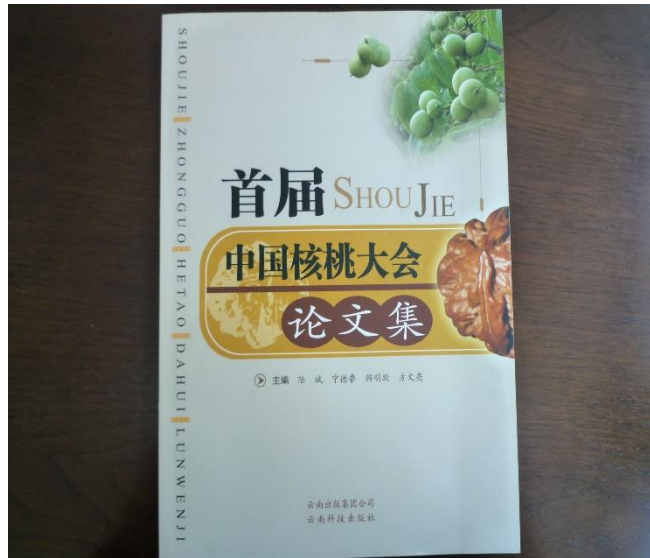
Walnut Sales in China—Distribution



Walnut Sales in Supermarket



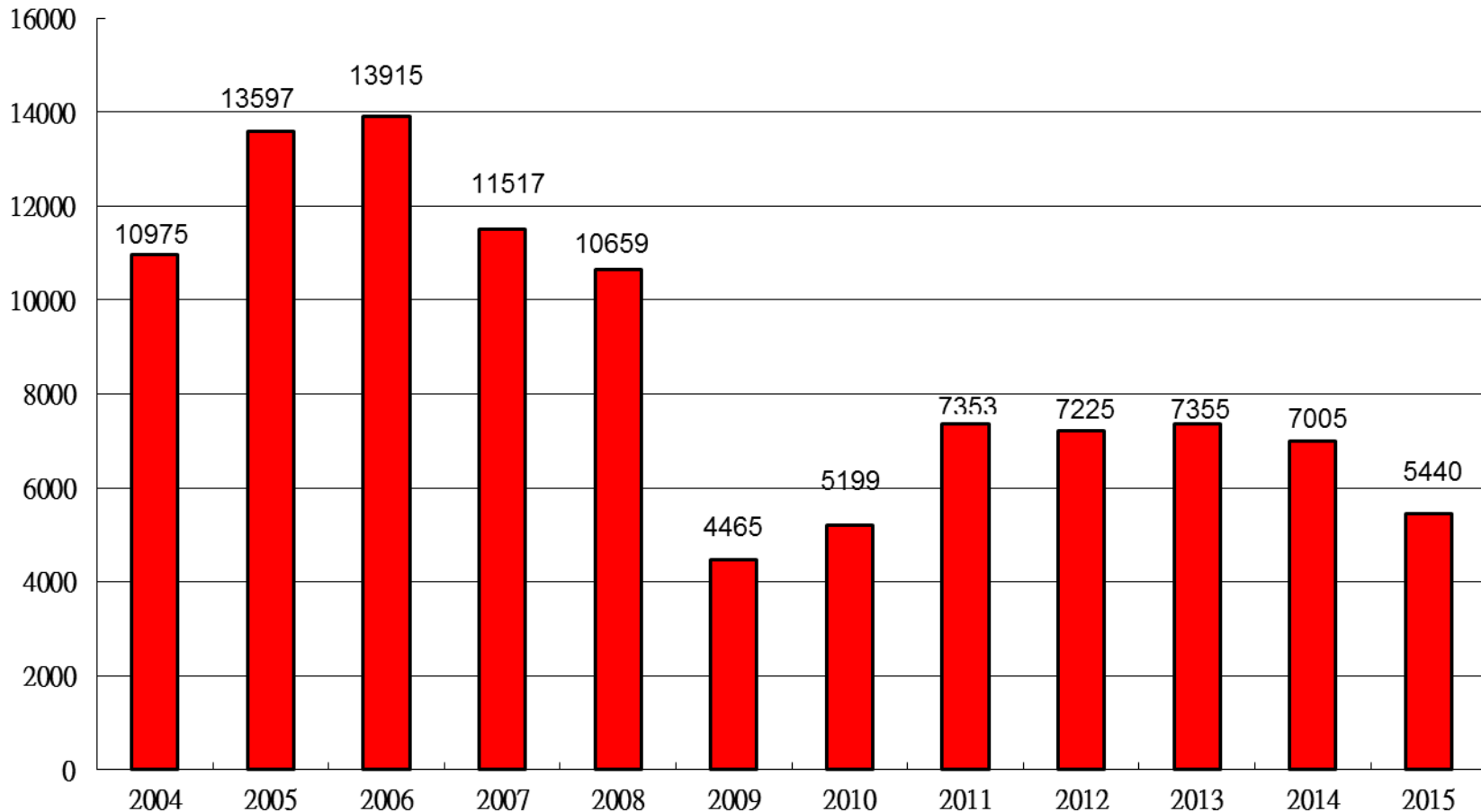
Publisher—Walnut Books



Improvement of Chinese Walnut Cultivation

- 1) Improve good varieties in different growing regions.**
- 2) Increasing yield per tree from the existed trees.**
- 3) Summarize the cultivation in hilly/mountain area and improve the management.**
- 4) Improvement of N.I.S drying and mechanical shelling.**
- 5) Provide more technical know-how to growers on good variety and good yield.**

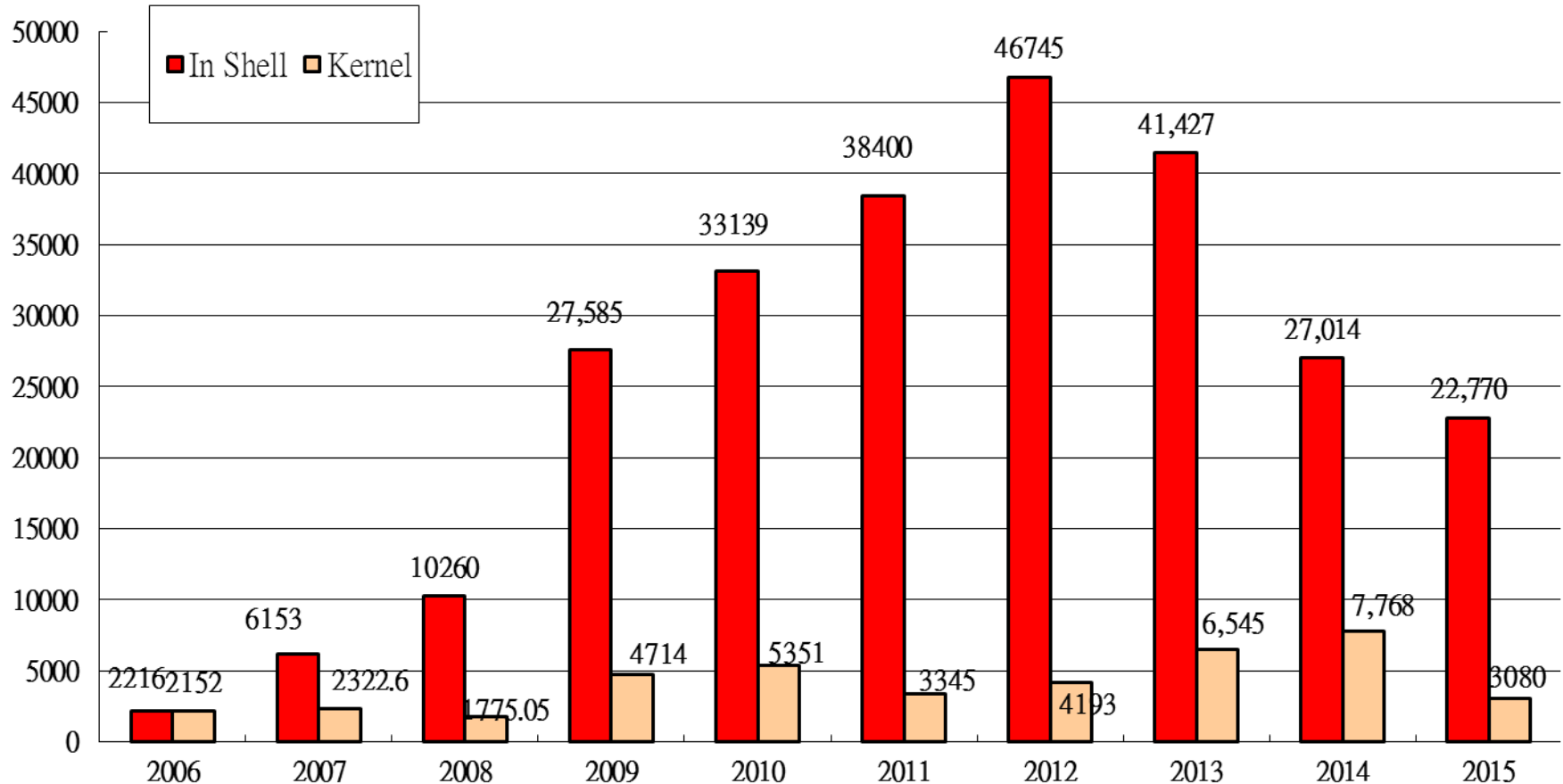
Export of Chinese walnut meats in the passed 12 years (Unit: metric ton)



China mainly export walnut meats. Shipment has been declined since 2009 due to strong consumption of walnuts in the local market.

China import certain amount of in shell and shelled walnut from other origins of the world such as California, USA, Australia, Chile, Eastern Europe, India and other Central Asian countries.

Walnut imported into China in the passed 10 years. (Unit: MT)



Import of in shell walnut and meats have been increasing since 2009 due to strong local demand but slow down in last 2 years due to local crop picked up

How overseas walnut imported into China

1) The reason of the import (Purpose):

- * Variety adjustment: China needs more Extra light color in shell walnut and meats.**
- * Focus good variety and good quality of in shell walnut and meats from overseas.**
- * The demand needs special varieties that China do not grow.**

2) Specification required on imported walnut (Customer required):

- * Free Fatty Acid must be less than 2%**
- * Peroxide Value must be less than 3 meq per kg**
- * Variety must be correct and no blending**
- * Size must be uniform both on in shell and meats**
- * Moisture must be correct that less than 4% meat basis
to avoid moldy in transportation**
- * Aflatoxin: B1, B2, G1, G2 each less than 1 ppb**
- * Microbiological test report required, such as Salmonella, E.Coli,
Coli Form, Yeast & Mold etc.**
- * Do not blend varieties, size and old/new crop in order not to hurt
the market and demand**

3) Documentation required on both in shell and meats (Chinese Customs and CIQ required):

Certificate of Origin issued by Chamber of Commerce or government dept.

Phytosanitary Certificate issued by quarantine dept.

Packing List stating net weight, gross weight, packing material,

Certificate of Non Wooden Product in the container

Insurance policy on CIF terms for Chinese destination

Commercial Invoice

Full set of Ocean Bill of Lading

Certificate of Quality, Quantity and Weight

Certificate of Fumigation

Important issue of walnut exported to China

- 1) Chinese walnut buyers know the quality from different origins of the world very well based on specification of each origin.**
- 2) Extra light in shell and Extra Light Walnut Meats from Chandler and Serr varieties are required.**
- 3) Correct information from oversea's shippers.**
 - *What kind of varieties that you offer with variety, size, meat yield, appearance etc.**
 - *Accurate shipment.**
 - *Do not mix up variety and size from different varieties.**
- 4) Specification in details up to CIQ requirement.**
- 5) Build up good business relationship with Chinese royal buyers. A good relationship is essential.**
- 6) Market information exchanges in regular basis between China and other growing countries.**
- 7) Price of in shell or meat must be competitive against other origins, especially California and Australia.**
- 8) Clear contract terms and conditions.**
- 9) Reputation of overseas suppliers and brands built in China's walnut market.**
- 10) Standards and specification of in shell and shelled walnuts are strongly required by the Chinese walnut importers.**
- 12) To meet quarantine requirement of CIQ on imported in shell and shelled walnuts.**

Quarantine requirement on in shell and shelled walnuts into China

(by CIQ: China Inspection and Quarantine Authority)

1) Certificate of Origin issued by the Chamber of Commerce or Agricultural Department of the export countries is the 1st key point from the Chinese Customs due to different duty involvement.

2) Phytosanitary Certificate is another important document for passing through CIQ.

3) The following insects are strictly prohibited to be found in walnut products coming to China.

Azobrotes subfasciatus (Boheman)

Ptinus fur

Trigonogenius globulus (Solier)

Aridius nodifer

Linepithema humile

Phytosanitary Certificate should mention those insects are not to be tested in the export loads to China.

4) Packaging must be up to Chinese Food Safety Packaging Standard. Each package must be marked with Origin, name of packer or other shipper, production date and date of expiry.

5) CIQ will seriously check each shipment on arrival. If quarantine objects found the whole lot might be rejected or get them burned as treatment.



Thank you