

Hazelnut Market Study a brief overview

Hart & Associates
(to be completed by March-end)

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Objective of this study

- Develop a detailed market and industry profile of the hazelnut marketplace in Ontario and Canada:
 - sizing of market
 - import and domestic production values
 - pricing
 - packaging
- Identify how BC and Oregon are supporting their industries
- Identify opportunities for Ontario hazelnut growers
 - market channels
 - pricing
 - product characteristics

e.g. Market channel: one small shop in Toronto

- roasts raw imported hazelnuts 'out in back'
- sells approximately 20,000 pounds per year to local customers
- equivalent to 8 to 10 acres of hazelnut orchards
- says he will buy local hazelnuts if available and priced right



Photo credit:
Doug Hart

Review of tasks

1. Conducted statistical review of international and Canadian trade data
2. Interviewed
 - Ontario Hazelnut growers
 - suppliers
 - associations in Ontario, BC and Oregon
3. Interviewed
 - major grocery chains
 - importers, distributors
 - independent retailers
 - food processors
 -

World Production of Hazelnuts

	Metric tonnes	Percent of production	
Turkey	549,000	71.00%	
Italy	112,643	14.60%	
United States of America	40,500	5.20%	
Georgia	39,700	5.10%	
Azerbaijan	31,202	4.00%	
Total	773,045	100.00%	
<i>source: FAOSTAT data, 2016</i>			

The Size of the Canadian Hazelnut Market

Very little domestic production in Ontario or BC

Total imports

Shelled \$137 million

In-Shell \$11.8 million

Total \$149 million for 5,879 tonnes



Imports from Turkey \$133.8 million

Imports from U.S. \$13.6 million

Very little export from Canada (re-export processing)

Imports into Canada : in-shell



Most in-shell product imported into Canada comes from Oregon

Rank	Country	2016		2015	
		Quantity (KGM)	Value (CAN\$)	Quantity (KGM)	Value (CAN\$)
		Trade amount			
Total	World	1,025,944	\$11,336,943	2,243,882	\$34,858,119
1	United States	998,902	\$11,120,509	2,209,605	\$34,287,693
2	Turkey	26,444	\$212,302	3,877	\$65,007
3	Italy	573	\$3,936	26	\$401
4	Canada	23	\$185	21	\$349
5	Ivory Coast	2	\$11	0	\$0

Imports into Canada - shelled

- 97% of imports come
from Turkey



Rank	Country <small>(Select a country below to view top 50 trade commodities)</small>	2016		2015	
		Quantity	Value	Quantity	Value
		(KGM)	(CAN\$)	(KGM)	(CAN\$)
		Trade amount			
Total	World	11,907,316	\$137,748,049	10,320,509	152,091,877
1	Turkey	11,599,307	\$133,674,609	9,035,725	\$132,511,263
2	United States (+Show States)	163,979	\$2,530,590	433,462	\$5,936,434
3	Georgia	117,982	\$1,241,003	35,200	\$420,177
4	Azerbaijan	20,000	\$201,623	0	\$0
5	Italy	3,948	\$73,768	388,246	\$5,002,059
6	United Arab Emirates	1,000	\$13,883	0	\$0
7	Sri Lanka	890	\$9,412	0	\$0
8	Lebanon	40	\$757	120	\$2,166
9	Iran	40	\$637	0	\$0
10	Brazil	23	\$613	43	\$635
11	Bulgaria	43	\$460	0	\$0
12	China	11	\$308	0	\$0
13	Canada	14	\$204	7,337	\$61,665
14	Netherlands	20	\$92	0	\$0
15	Ivory Coast	19	\$86	0	\$0
16	Togo	0	\$4	0	\$0

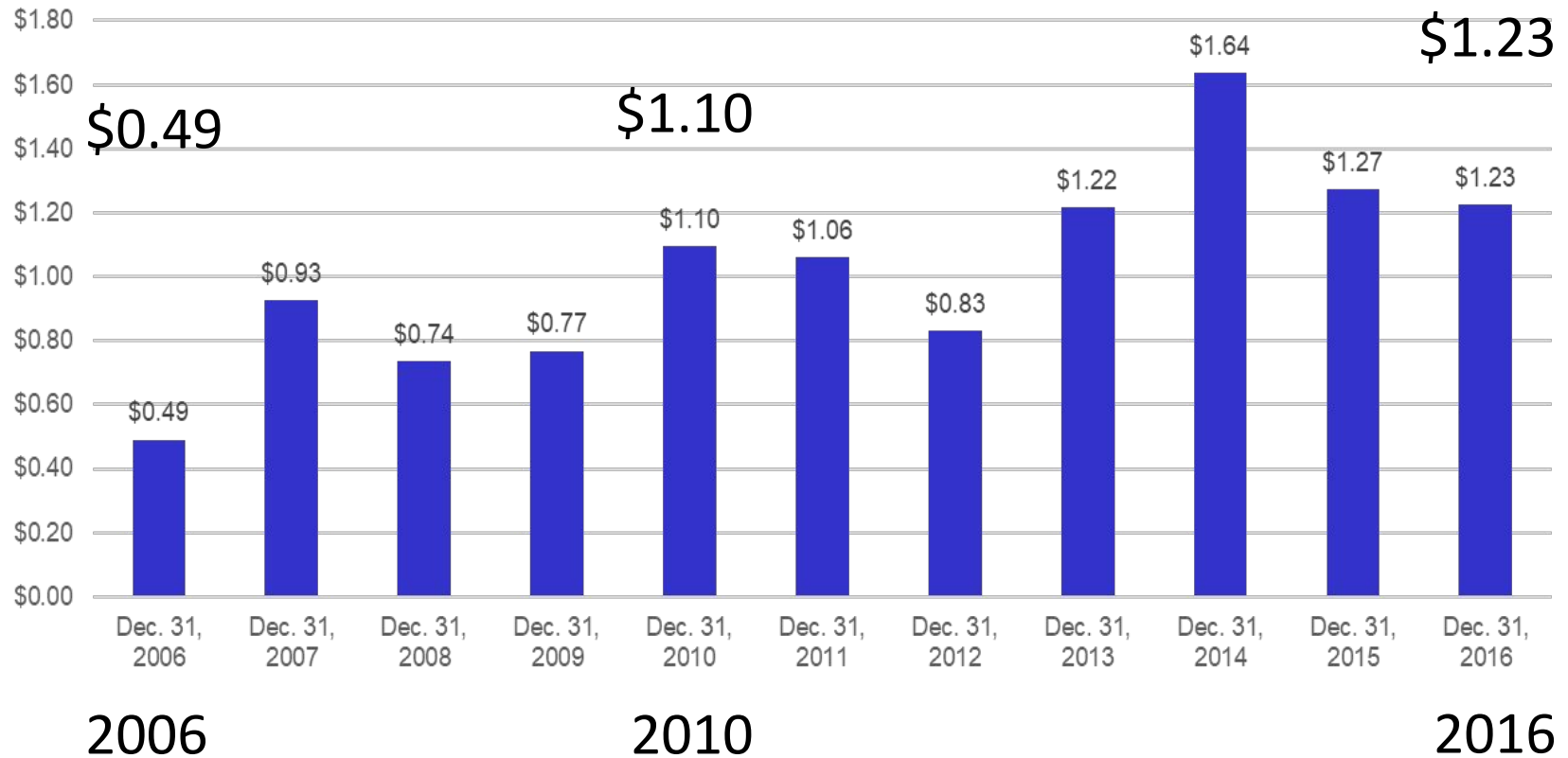
U.S. Imports by state into Canada

Rank	State (Select a state below to view top 50 trade commodities)	2016		2015	
		Quantity (KGM)	Value (CAN\$)	Quantity (KGM)	Value (CAN\$)
		Trade amount			
Total	United States	163,979	2,530,590	433,462	5,936,434
1	Oregon	154,594	2,389,771	362,558	5,045,416
2	North Dakota	3,798	64,306	0	0
3	Illinois	2,560	34,206	638	12,520
4	California	2,153	23,564	45,039	545,047
5	New York	741	15,064	2,490	40,721
6	Wisconsin	49	2,330	0	0
7	New Jersey	63	1,107	953	17,880
8	Michigan	14	148	14	170
9	Minnesota	6	87	3	66
10	Washington, state	1	7	5	45

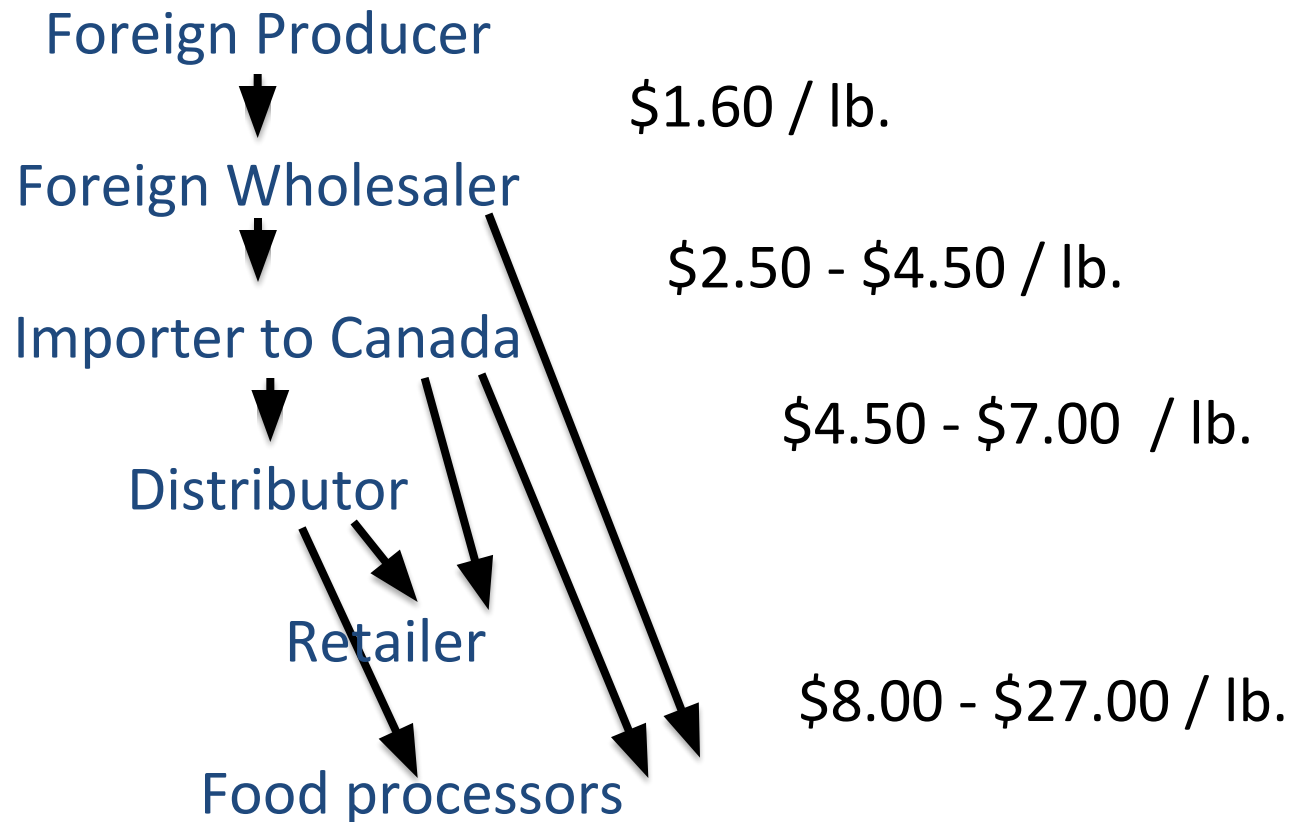
Pricing

World Producer/Wholesale Price for Hazelnuts

Producer Price/lbs US\$



Hazelnut Industry Structure



Top ten importers

- Confectionary (Ontario)
- All Gold (Ontario)
- Bassie Buts (Quebec)
- Bulk Barn (Ontario)
- Compass Foods (Ontario)
- Golden Boy (Ontario and BC)
- John Vince (Ontario)
- Prosperity Foods (Ontario)
- Shah Trading (Ontario)
- Tootsi Impex (Quebec)
- Trophy Foods (Ontario)

Hazelnut distributors

(no import)

- All Gold (Ontario)
- North American Impex - Toronto
- Royal Nuts - Toronto
- Gordon Food Service

Hazelnut retailers

- Sobeys, Metro, Loblaws, Costco, Walmart
- Specialized retailers – Bulk Barn, small health and natural food stores

Retail packaging format for hazelnuts in Ontario market

Mostly sold as raw, shelled in small plastic packages

- 100, 200, 250 and 300 gram

- Very little is flaked/sliced

- Very little is sold in shell

- Very little is organic

Only Bulk Barn sells in bulk

Costco sells the largest packages –almost a kg

Found only one retailer that sold roasted hazelnuts
(Independent / Loblaws)



Retail packaging and pricing

Costco

\$15.79 for 908kg



Metro

\$4.49 for 100kg



Independent (Loblaws)

\$12.49 for 250kg



Zehrs (Loblaws)

\$5.99 for 100kg



Price per lb.

\$7.90

\$20.41

\$23.25

\$27.23

Bulk



Bulk Barn \$3.48 / 100kg

\$15.82 / lb.

Ontario has a significant opportunity for
domestic production!

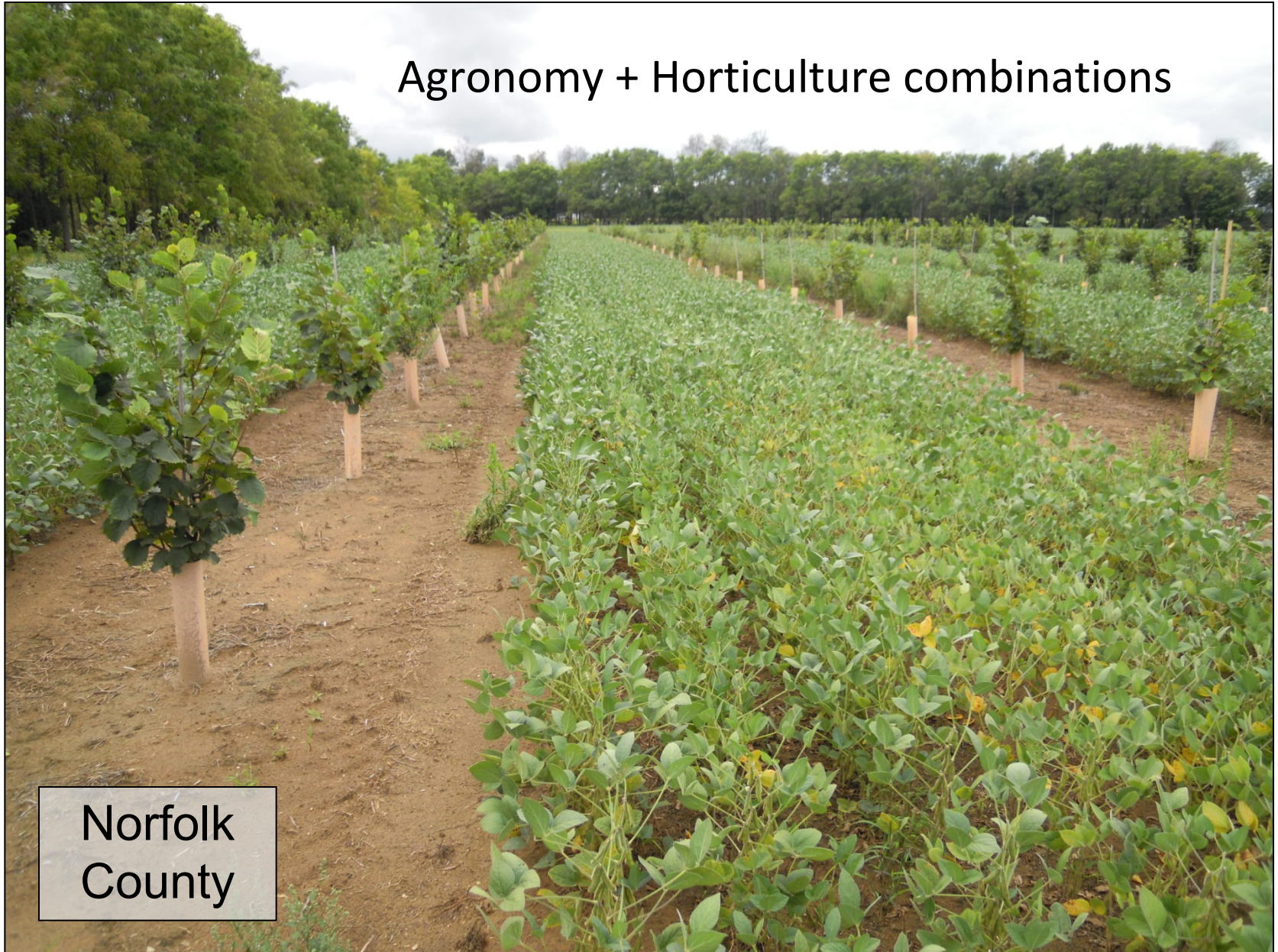
Electric fencing

- squirrels
- raccoons



Ontario hazelnuts – second year – soybean intercrop

Agronomy + Horticulture combinations



Norfolk
County

Intercropping in modern orchard industries



- temporary
- opportunistic
- efficient
- intensive
- more profitable

Niagara-on-the-Lake, Ontario

New orchard plus lettuce plus pumpkin alleycrops

Harvest lettuce early-June

Tree nuts = food allergens





peaches and lettuce



sweet cherries and pumpkins



hazelnuts and grain



tender fruit and PYO strawberries



Years 5 -
15



Years 1 - 4



Niagara, Ontario

Ground cover management: grazing livestock (plus mowing, spot herbicide)



Commercial orchards - food

Managed plantations
- wood products



Food safety risk:

Microbial
contamination in
tree nuts - E. coli

End – thank you

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