Value-added approach revives fortunes of Italian walnut sector

BY EMMA SLAWINSKI

WALNUT production in Italy, once a thriving cottage industry, plummeted with the rise of large-scale production in countries like California and Chile, due to the huge cost disparity. But by taking some inspiration from successful walnut industries elsewhere, and finding original ways to add value to the tree nut, the Valier company, a family-run business based in the Veneto region, has turned a minor product into an unusual success-story.

"In 1970, Italy was the biggest producer of walnuts. It has dropped tremendously," explained Michele Valier. Production mostly took place in southern Italy and consisted of small-scale family plantings.

"When other nations industrialised production and competed with southern Italy the Californian, Chilean walnuts came in and production decreased."

While in 1970 production was over 80 000 tonnes, according to FAO data, in recent years output has been a mere 15 000-17 000 tonnes.

The Valier family set itself apart from traditional-style cultivation, working with an industrial concept from the outset. It turned to California, France and Spain for the expertise needed, and settled on the Lara variety, developed in California, as an ideal one for the Italian market.

Lara is not well suited for the Californian industry, which focuses on shelled product, as the kernel breaks on shelling and does not give clean halves, but as a large, round nut it is ideal for Italy's significant in-shell market. The variety represents the majority of the company's production, though they also produce some Chandler and Tulare.

Daniele and Michele Valier

Valier's dry in-shell walnuts are marketed through a consortium of growers, Nogalba, and sold only in Italy, through outlets such as supermarkets and greengrocers, but with commercial production of Lara walnuts in northern Italy amounting to around 2 500 tonnes per year, the quantities are too small and the prices too high to consider exporting.

"Italy has very high [in-shell] demand. We created a brand, it is geared to a high price – it doesn't make sense to export," said Michele.

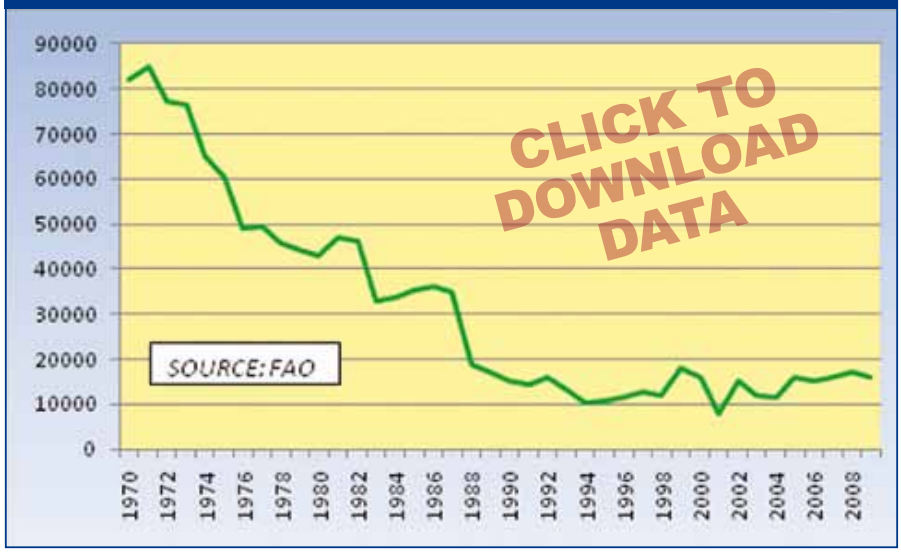
Conversely, in recent years the producers are reaping the benefits of rising global consumption of walnuts, and particularly Chinese demand, which intensifies competition for product – so much so that this year the end consumer paid as much as EUR12.00 (USD17.00) per kg for in-shell Lara walnuts.

Though it makes no commercial sense to market Italian walnuts internationally, Valier has developed a series of walnut preserves made from the unripe kernels, which are harvested in June: sweet ones to accompany cheeses or for dessert use, such as with ice cream; and savoury ones to pair with meats, or again, cheeses. The products, in 106ml and 212ml jars, sell for between EUR3.50-4.90 in specialist shops.

"We are the only ones in Europe producing these products," said Daniele Valier. "After 20 years selling nut in shell, there was demand for green walnuts [for pickling]. We saw that there were other uses than pickling, we tried making candied nuts, a syrup: we found other uses," he explained.

These preserves are already selling in some overseas markets such as Scandinavia, and the Valier brothers were hoping to generate interest from UK buyers at a the 'Italian Food in London' event on 22 June, organised by the Italian Trade Commission.

As well as generating a very substantial part of Valier's sales (around 40% by value), products derived from the green walnuts help mitigate the inherent risk of working with tree nuts, which stay on the tree for a long period of time, during which they are prone to problems including poor weather and pests.

"From the producer's point of view, they want to take product home as soon as possible... Diversification is one thing, making something you can harvest in June is another," said Michele.

ITALIAN WALNUT PRODUCTION (tonnes)