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## Fostering China's Taste for Nuts

By **WILLIAM NEUMAN**

How might the Chinese best like to snack on their almonds? Pickled with chili peppers? Wrapped in seaweed like sushi? Or perhaps mixed with donkey hide glue, a substance prized in traditional Chinese medicine?

Those offbeat ideas were among the winners in a student recipe contest sponsored in [China](#) by California's almond industry, which is seeing powerful demand for its products from a country that has begun gobbling up as many American walnuts, pecans and almonds as it can get.

This year, China will emerge as the top foreign buyer of American almonds, more than doubling its purchases from two years ago, according to data from the Almond Board of California. Last year, China was the top foreign buyer of American walnuts, and in 2007, it became the leading export market for pecans. Altogether, China bought \$737 million in tree nuts from the United States last year, up from just \$89 million five years earlier, according to the [United States Department of Agriculture](#).

"They've basically gone from nothing to No. 1 in a relatively short period of time," said Keith Rigg, of the Minturn Nut Company, an almond grower and exporter in Le Grand, Calif. "It's really taken off like a rocket."

The boom follows earlier increases in other American agricultural exports to China, including dairy and meat products, which rose as Chinese consumers became more affluent.

But the increase in China's nut consumption has also depended in part on marketers' efforts to change eating habits and tastes.

China is the world's leading grower of walnuts, and walnuts have long had a place in the Chinese diet, as in the moon cakes popular during the yearly midautumn festival. So it was easy for Chinese consumers to embrace American walnuts, which are often perceived as being of higher quality than the domestic version.

But almonds and pecans were not widely available in China until recently. Complicating matters, the Mandarin word for almonds, "xing ren," is the same as the one for the small, often bitter apricot kernels that are also eaten by the Chinese.

So American exporters have been forced to get creative. The Almond Board of California has spent about \$1 million annually in recent years to promote the nuts in China, mostly through work with food manufacturers. To distinguish their product from the apricot kernels, they call it "American big xing ren."

Last fall, the board started a \$3.3 million campaign that includes its first ads aimed directly at Chinese consumers. Using the film actress Gao Yuan Yuan as a spokeswoman, the board has bought ads in women's magazines and on bus shelters in several cities, with the tag line: "Enjoy American big almonds for a healthy and radiant life."

In addition, the board has been sponsoring annual recipe competitions among food science students at several Chinese universities.

Last year's event, whose winners were announced in the fall, drew entries from students at 26 universities. The grand-prize winner was a sour-spicy snack of pickled nuts and chili peppers. Another winning entry was a sushi-style roll of diced almonds wrapped in seaweed. And taking first prize in the nutritional food category was a chewy confection of almonds and donkey hide glue, an ingredient used in women's health remedies.

Guangwei Huang, principal scientist of the Almond Board, acknowledged that some of the winning entries, like the product involving donkey hide glue, might seem strange to American tastes. Others, he said, might go nicely with a glass of beer.

Liu Jia, 25, was part of the team that concocted the winning entry of pickled almonds with chili peppers, which she said was inspired by the use of pickled peppers to give flair to dishes in traditional Chinese cooking, like chicken feet with pickled peppers.

“It’s spicy but not dry, and a little bit tender but not sticky, and it’s fresh and crisp,” she said of her team’s recipe.

The upside for American exporters in the huge Chinese market is obvious. Americans eat 22 ounces of almonds per capita each year, according to the almond board. In China, the group estimates that per capita consumption is slightly more than an ounce, although the number is probably higher in the cities, where most American nuts are sold, than in the countryside.

American almond growers would like to increase Chinese consumption by promoting nuts as an ingredient in manufactured foods. Right now, a high proportion of the almonds, walnuts and pecans imported into China from the United States are eaten as snacks.

Chinese consumers tend to buy their nuts roasted, salted and still in the shell. The shells become brittle enough during the roasting that they can be cracked easily by hand, and the Chinese eat them much the way Americans eat peanuts in the shell. Sometimes sugar or other flavorings are used instead of salt. The nuts are often sold in markets in small quantities to make them more affordable to the average consumer. The China boom has come at a good time for American nut growers.

“With the collapse of the American economy, it really hit walnut growers very hard,” said Barrett Blain, whose family grows and exports walnuts and pecans.

Walnut and almond prices dropped in late 2008 and early 2009. But then Chinese importers jumped on the low prices and started buying, pushing prices back up. Walnut prices have also been helped by strong sales to Turkey. “The market shot back up in a year, which is absolutely unheard of,” Mr. Blain said.

The effect on prices has perhaps been strongest in the pecan industry. Last year, according to Daniel J. Zedan, president of Nature’s Finest Foods, a nut brokerage based in Illinois, the global pecan supply was well above average levels. That should have depressed prices, but instead, Chinese demand has pushed prices to record levels.

“We are now at the highest prices ever in the history of the pecan industry for pecan meats and yet we have one of the largest supplies ever,” said Mr. Zedan. “All because of China.”

Mr. Zedan said the higher prices had not yet been felt strongly in American supermarkets,

partly because many large buyers bought pecans last year on contracts negotiated at lower prices, before the market soared. That could change later this year. Mr. Zedan said higher prices might eventually lead **ice cream** makers in the United States to skimp on the nuts in butter pecan ice cream. And pecan pies might be selling at a premium this fall.

But Mr. Zedan also said there were risks in the China boom. Sales to China last year accounted for more than a quarter of the American crop, and he said that growers should worry about becoming too reliant on a single market. In addition, rising prices could drive away customers in Europe or in the domestic market.

Randy Hudson, a pecan grower and exporter in Ocilla, Ga., was an early seller of pecans to the Chinese, making his initial sale in 1999. At the time, he said pecans were largely unknown in China, and that year he sold about 125,000 pounds there.

Last year, he sold more than a million pounds. The growth prompted Mr. Hudson to plant about 175 acres of additional pecan orchards over the last three years, although the trees can take 10 years to reach peak production. In the meantime, he has doubled his overall production capacity by renting orchards with mature trees.

“China has totally changed our industry,” Mr. Hudson said. “We’ve seen some very significant increases in price, and it’s just put new enthusiasm back into pecan production in this country.”