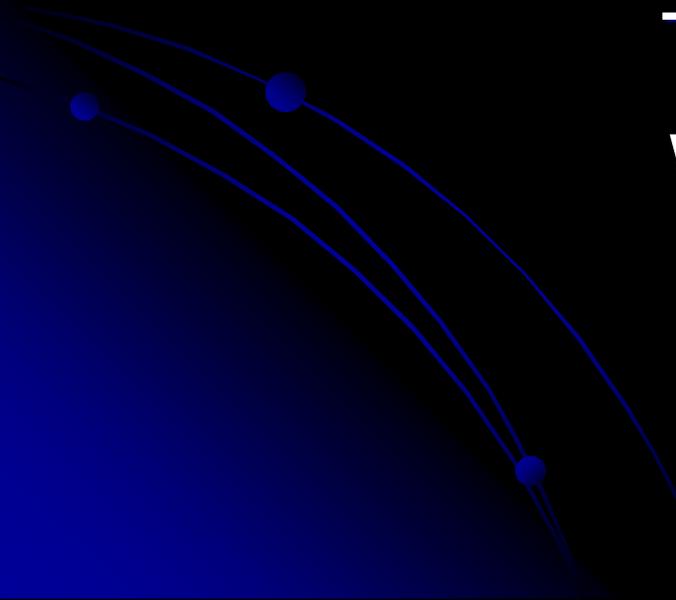


2009/10 Grower Communication

The State of the
Walnut Industry



A photograph of a walnut orchard floor. The ground is covered with green walnuts, some with their brown husks still attached, and some that are shelled. The walnuts are scattered among green leaves and dry, brownish twigs. The text "Food Safety" is overlaid in the center in a bold, yellow font with a blue shadow and a yellow underline.

Food Safety



The Main Focus

- Pathogens
 - Monitor from Farm to Family
 - New Federal Oversight
 - The Law
 - July 2009
 - February 2010 (?)
 - GAP and GMP
- 

The Unanswered Questions

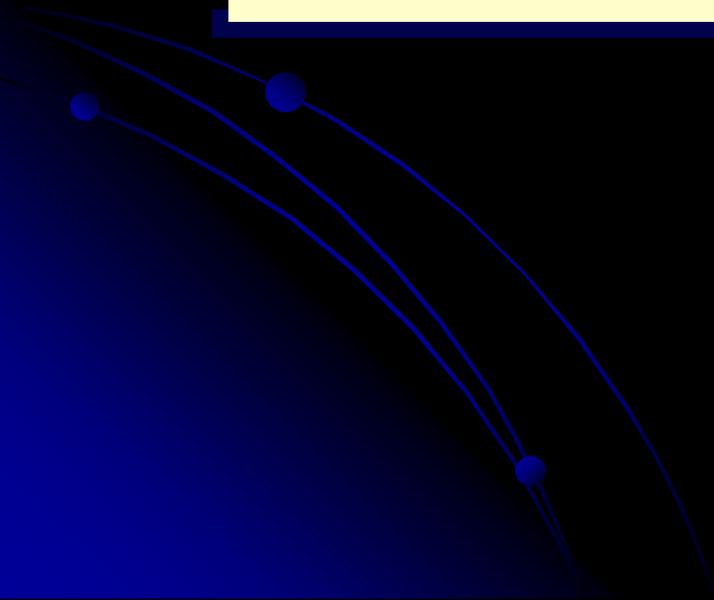


- Where does it begin
- Are walnuts susceptible
- What can reduce risk
 - Drying
 - Natural Compounds
 - But . . .



... The Answer Begins

With You . . .





... **And the
Handlers!**

Decorative graphic in the bottom-left corner consisting of several curved blue lines of varying thicknesses, each ending in a small blue dot, creating a sense of motion or a path.

Current Activities

- Adopt GMA Handbook
- Food Safety Workshop
- Field Research
- FS Working Group
- Grades & Standards
- **FDA Inspections**
- **Intense Scrutiny**



Will it be worth the effort?

- There is no choice!
 - FDA
 - Media
 - Customers
 - The very integrity of our industry!
 - Quality
 - Freshness
 - Service
 - Health
- 



Direct Sales by Growers

- By pass the network
 - Against Federal Law
 - No Reports = bad crop/inventory numbers
 - Fines of \$1,100 per day/incident
 - A Risk for **Food Safety**
 - **No Inspection**
 - **In-transit risk**
 - **And . . .**
- 



... You Are Now a Handler!

- You have new reporting requirements!
 - Receipts (including your own production)
 - Assessments
 - Inspection/grading
 - When that demand dries up – what do I do?
 - Risk as Seller
- **We can send you a Handler Package!**

Impact of World Economy





2008/09

- Record Crop – 435,000 tons
 - Low Ending Inventory
 - Dollar Strong & Moving
 - Aggressive Opening of the Markets
 - Buyers Were Wait & See
 - Experience with declining market
- 



The Current Situation

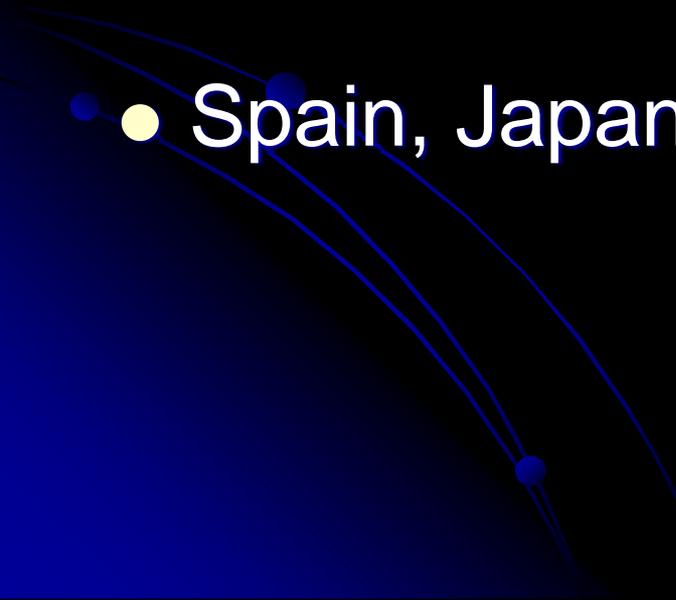
- Crop Slightly Higher Than 2008/09
- at 436,000 tons
- Opening Inventory higher at 58,000 tons
- Dollar Weak and stable
- Rain/Quality/delay in harvest
- Less Aggressive at Opening
- Non-Traditional Markets Buying

Currency

- Germany as an Example

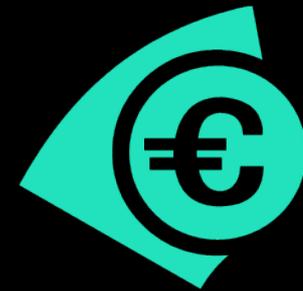
- August 1, 2008 - \$1.56
- October 27, 2008 - \$1.24
- December 1, 2009 - \$1.68

- Spain, Japan, Korea follow pattern.



Result of Currency

- Good climate for Selling California Walnuts
- Marketing Programs downsized with less bang for the buck

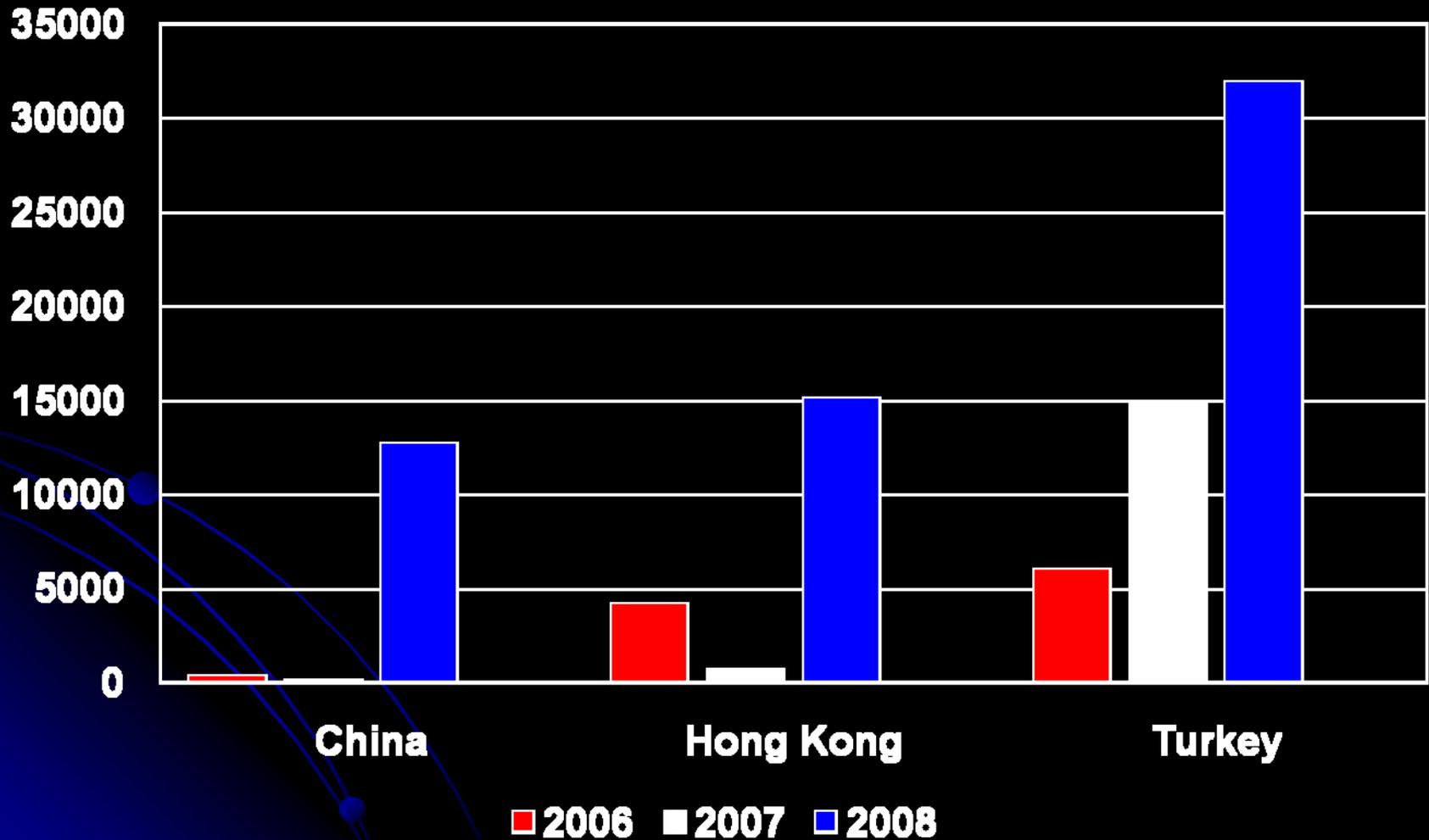


The Non-Traditional Markets

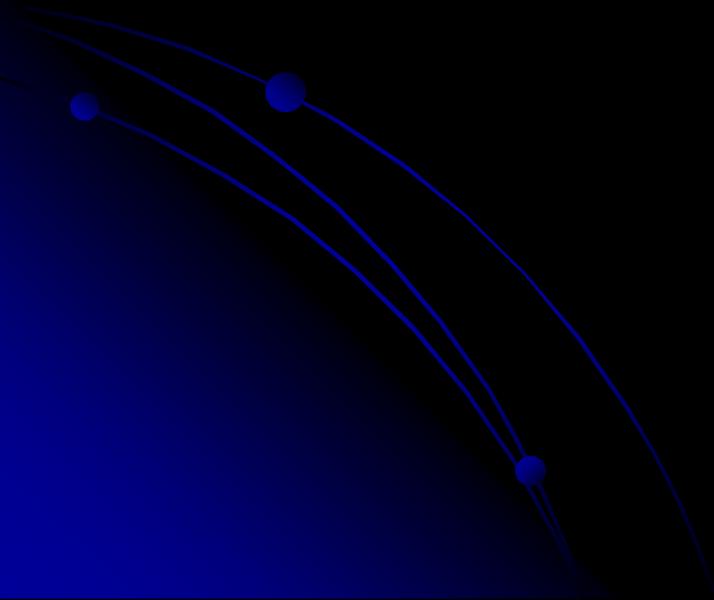
- Who are they – **China, Hong Kong & Turkey**
- What do they buy – In-shell walnuts mostly for shelling
- To Whom do they sell
 - **China** /Hong Kong– Their own consumption
 - **Turkey** – Middle-Eastern markets such as Iran, Iraq, etc.

Non-Traditional Market Trends

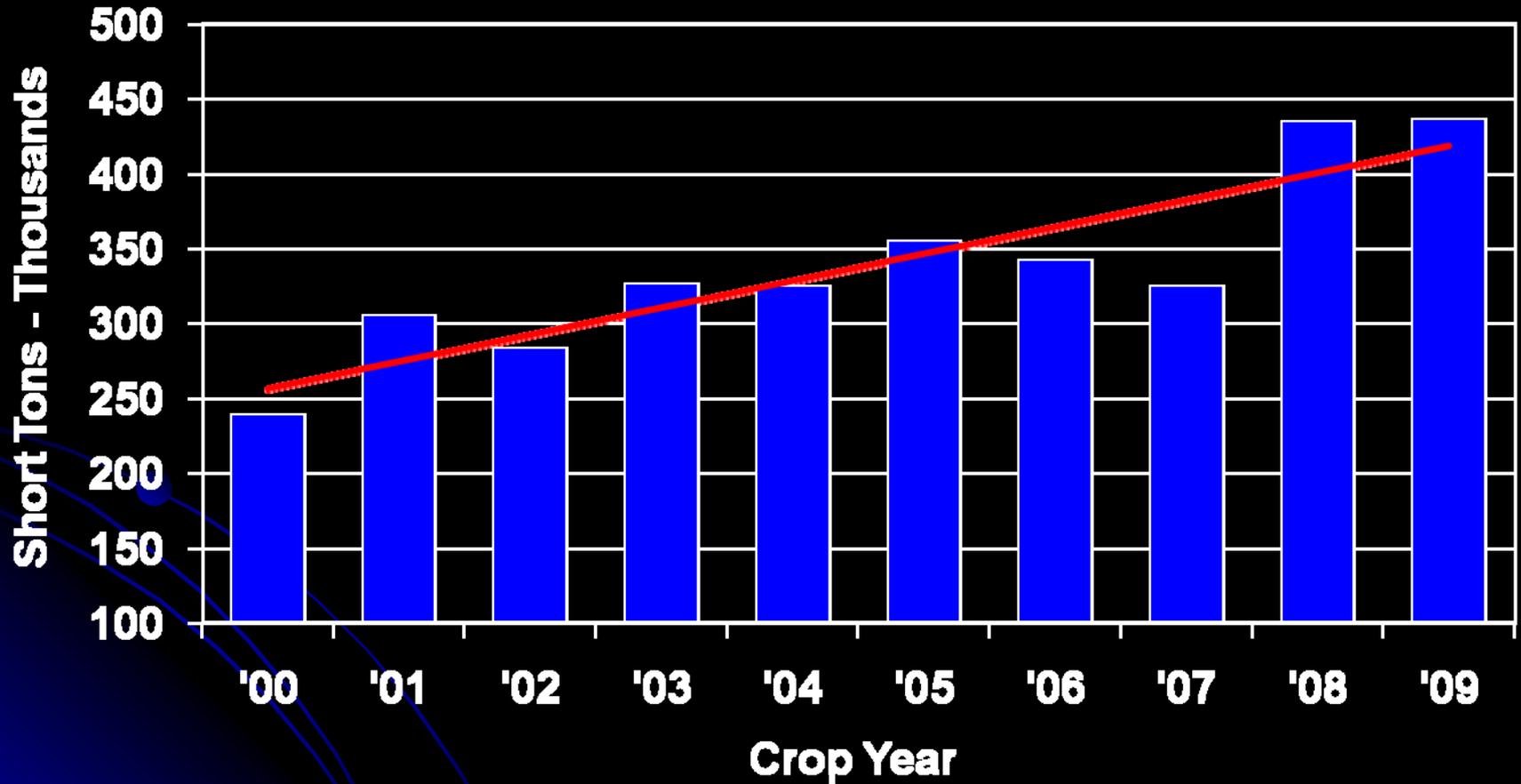
Pounds, In-shell, (000) Omitted



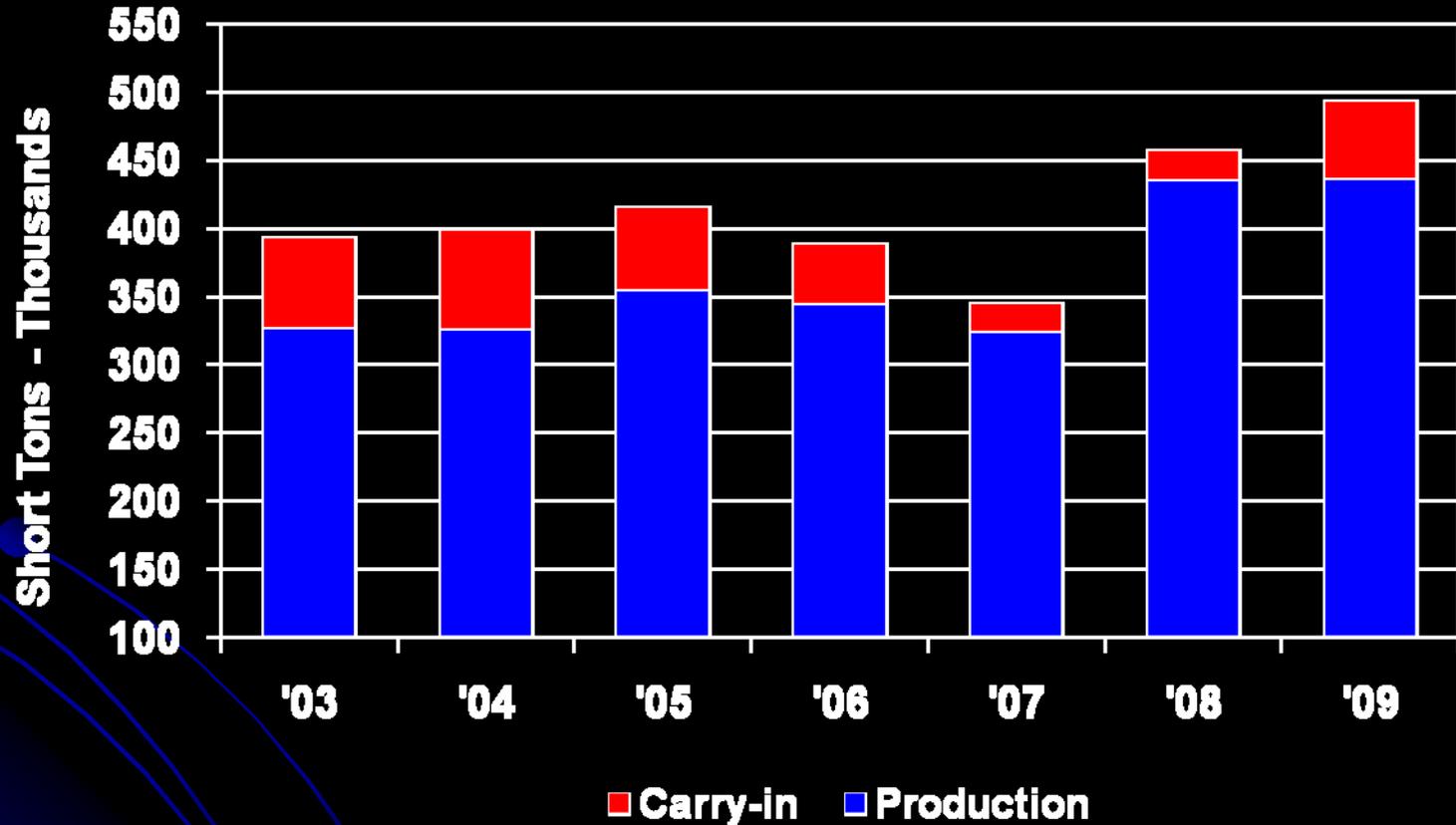
Trends



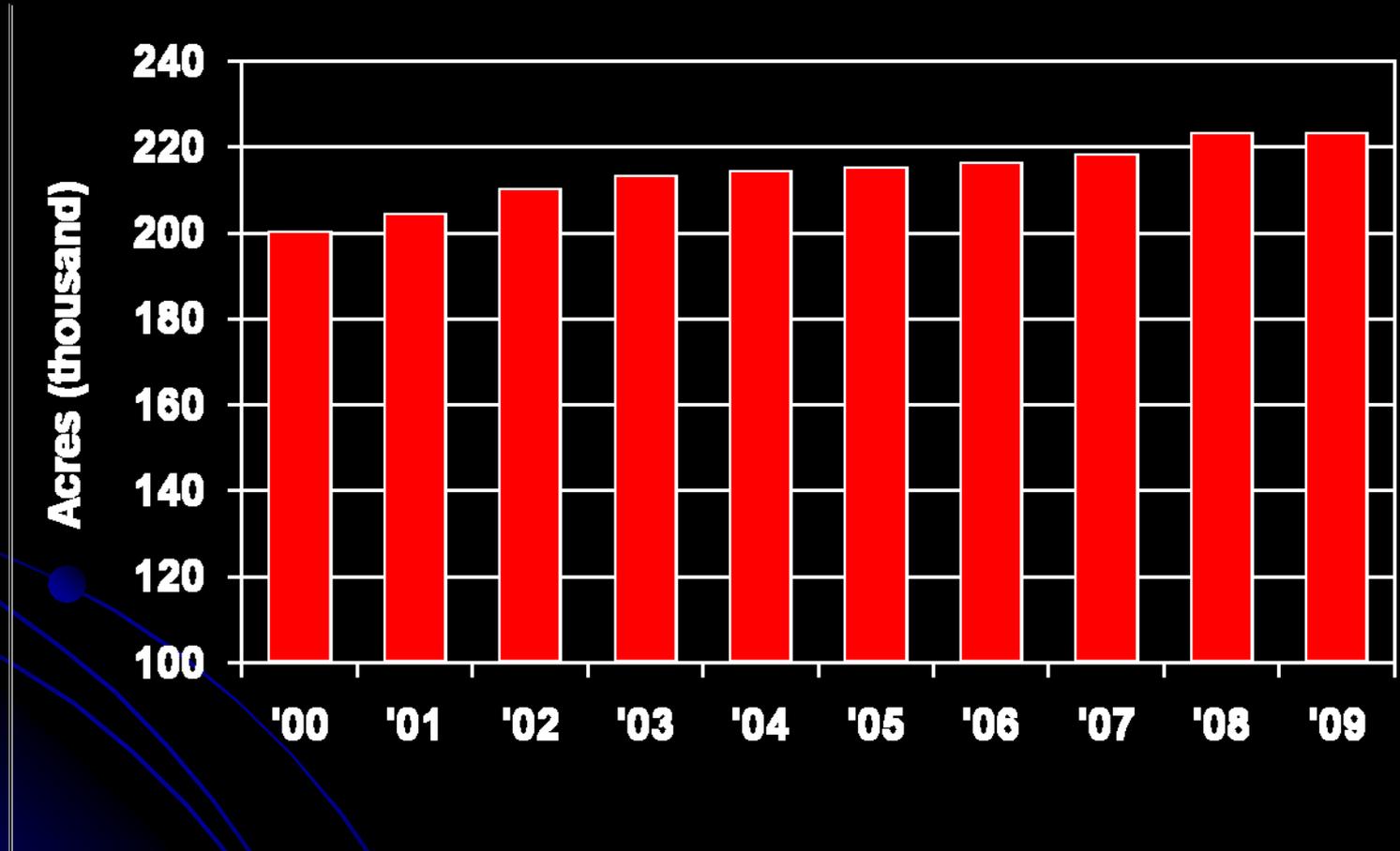
U.S. Walnut Production History



Total CA Walnut Availability



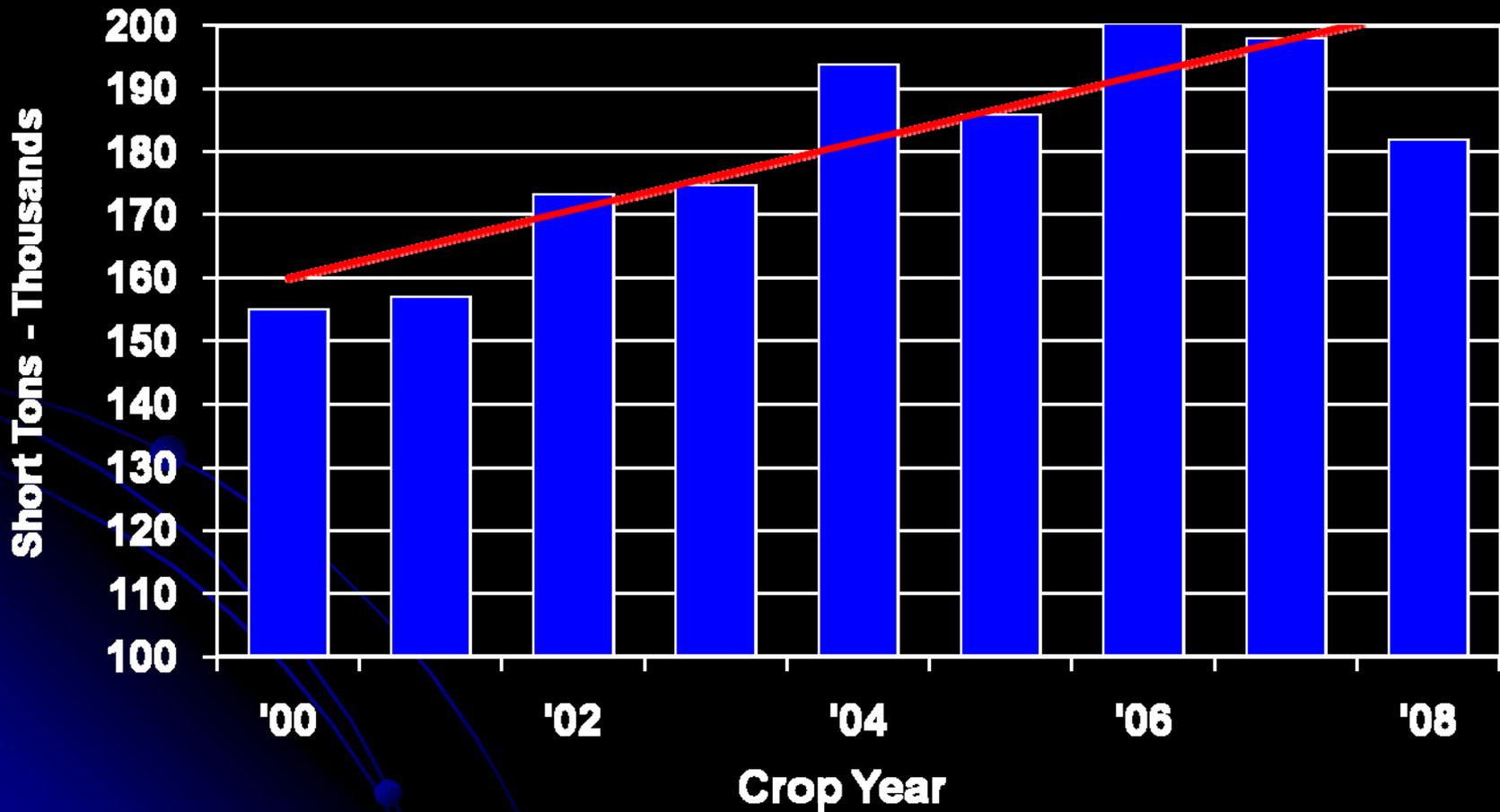
Bearing Acreage



Average 5,000 acres every 5 years

* Note Acreage Survey conducted every other year since 2003

Total US Shipment History



Walnuts Around the World



UNITED STATES

- 87% believe walnuts are healthy (up from 67%)
- 55% believe walnuts provide more health benefits than other nuts
- 55% buying more walnuts than 5 years ago
- Average purchase frequency increased from 3.47x to 3.91x
 - Increase to 4.79x for those aware that walnuts contain omega-3s
- 63% believe that walnuts are “a good value for the money”

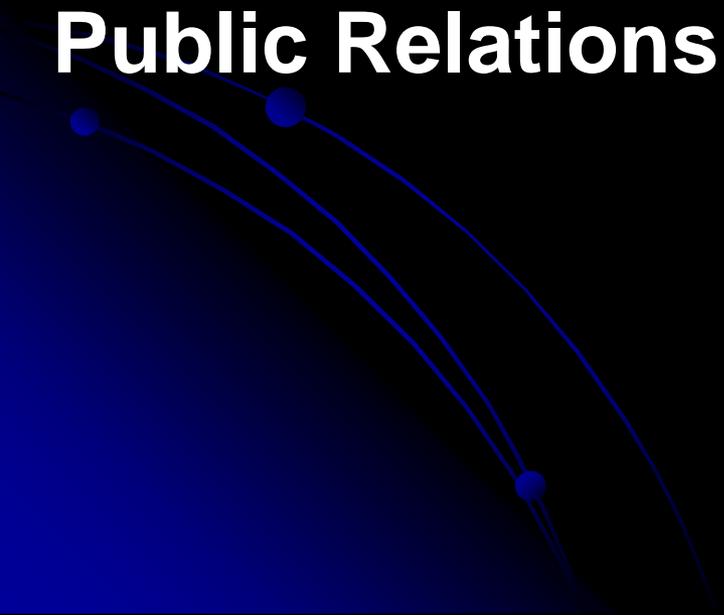
Marketing

Advertising

Public Relations



Websites



UNITED STATES

Key Media Events



- Annual Harvest Tour - October
 - Better Homes & Gardens
 - Cooking Light
 - Sunset Magazine
- Spring Media Tour – April
- Health Symposium – June
 - Public and Health Professionals



3.5 billion impressions last year

GERMANY

Year Round Advertising Campaign

- 88 Print Ads
- 4 Online Ads
- 250,000 brochures at point of purchase

Plätzchen
+ Walnüsse
+ Kakao
+ Schokolade
Genuss mit
Aromaplus

Walnüsse aus
Kalifornien

www.kalifornischewalnuss.de



SPAIN

Spring/Fall Advertising Campaigns

- In Store
- Print Campaign
- Online



**LOS
QUE COMEN
NUECES
VAN SOBRADOS
DE SALUD.
MUY
SOBRADOS.**



¿NO TE LO CREES?

Entra en
www.comonuecesvoysobrado.com
y empieza a cambiar tu vida.

Come
nueces
Mejora tu
vida



JAPAN

Walnut Harvest Festival Retail Bakery Campaign

August – December, 2009

18 Participating Companies
Up 20%

1,004 outlets
Up 177%

32,310 applications
postcards
Up 227%



KOREA

TV Program “It’s OK” on SBS, December 9

- ✓ Viewership 5,000,000
- ✓ Ad Value \$500,000
- ✓ 3 of 5 Home Shopping Channels aired walnut programs following the show
 - ✓ 70% sales increase vs. prior week



CHINA

Publicity Generated:
5 million impressions
AEV of \$500,000

加州核桃的健康美丽宣言

一项新的PREMIED研究结果显示，添加坚果，特别是核桃，可以降低血压和心脏病发作的危险。124,025-69岁的核心国家健康调查人员进行了这项研究。

美国加州核桃是一种提供全营养成分的食品，其他坚果则没有。此外，核桃还含有大量的膳食纤维和矿物质，如钾、钙、镁、铜、锌和硒。

最新的研究也证实了加州核桃的健康益处。研究还发现，它可以帮助降低胆固醇和血糖水平，并有助于降低患心脏病和糖尿病的风险。

所以，请务必多吃一些核桃，让您的生活更健康、更美丽。

只是一张黑色的小面纸，举手投足间，ck icon复刻版系列腕表，也许是你坦诚、自信的最好注解。

美国加州核桃的健康美丽宣言

一项新的PREMIED研究结果显示，添加坚果，可以减少13.7%的代谢综合征，并有助于代谢综合征的治疗和预防。美国加州核桃是一种能提供全营养成分的食品，其包含膳食纤维和矿物质，如钾、钙、镁，以及比含量远远高于橄榄油和菜油的亚麻酸及脂肪酸。

核桃甜点

核桃含有丰富的不饱和脂肪酸，特别是亚油酸和α-亚麻酸，这些脂肪酸对心脏健康有益。此外，核桃还含有维生素E、镁、铜和锌等矿物质，有助于降低胆固醇和血压。

将核桃融入甜点中，不仅可以增加口感的层次感，还能让您在享受美味的同时，获得丰富的营养。以下是一些简单的核桃甜点食谱：

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健康美丽

一份来自美国加州核桃的特殊礼物

Health and Beauty Are Gifts From California Walnuts

核桃含有丰富的不饱和脂肪酸，特别是亚油酸和α-亚麻酸，这些脂肪酸对心脏健康有益。此外，核桃还含有维生素E、镁、铜和锌等矿物质，有助于降低胆固醇和血压。

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鱼的替代品

鱼是omega-3不饱和脂肪酸的最佳来源，研究发现可降低血压和心脏病发作的危险。不过不喜欢鱼腥味的人怎么办？英格兰一项研究发现，从植物里也可获得几乎相同的营养，因为植物含有阿尔发亚麻油酸 (alpha-linolenic acid)，食用后在人体内可转化为omega-3。以验血方式比较长期吃鱼和从不吃鱼的妇女，可发现不吃鱼的妇女心脏病发病率较高。事实上，不爱吃鱼的人，omega-3水平只比爱吃鱼者低约10%。阿尔发亚麻油酸的最佳来源是核桃、亚麻籽、豆腐、菜籽油和大豆油。

豆藏：将豆腐置于水中浸泡，可以去掉其中的水分，使其更容易消化。

和加州核桃的美白“约会”

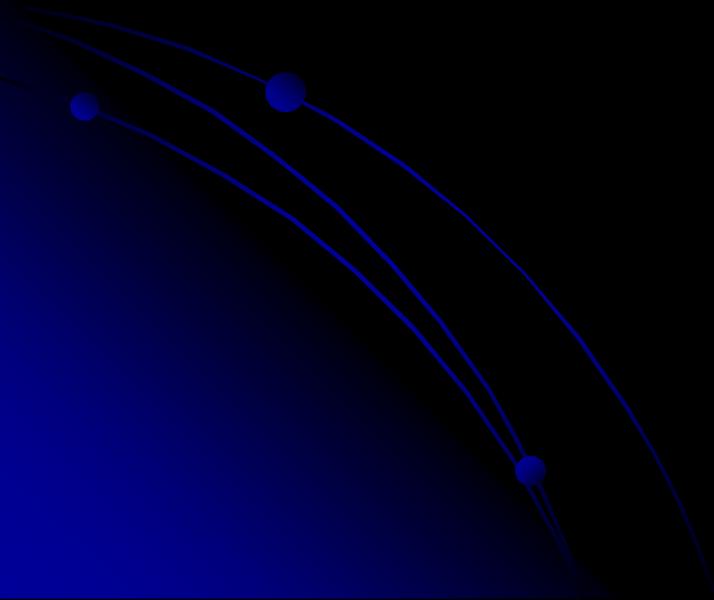
核桃是富含维生素E和抗氧化剂的食物，可以帮助防止细胞老化和记忆衰退。它是您护肤中的一把好手。它在外敷上也是一把好手。富含维他命E、铁等微量元素和维生素E的加州核桃粉，DIY一张完美的美白面膜吧。每周使用3次，可以让肌肤变得紧致洁白、滋润有光泽。

用料：加州核桃粉20g、鸡蛋1个、牛奶20ml、蜂蜜15ml、柠檬汁10ml

制作方法：将鸡蛋打入过滤器内，将蛋清和蛋黄分开，取蛋清备用。将加州核桃粉加入蛋清中搅拌均匀。加入牛奶、蜂蜜和柠檬汁，继续搅拌均匀即可。

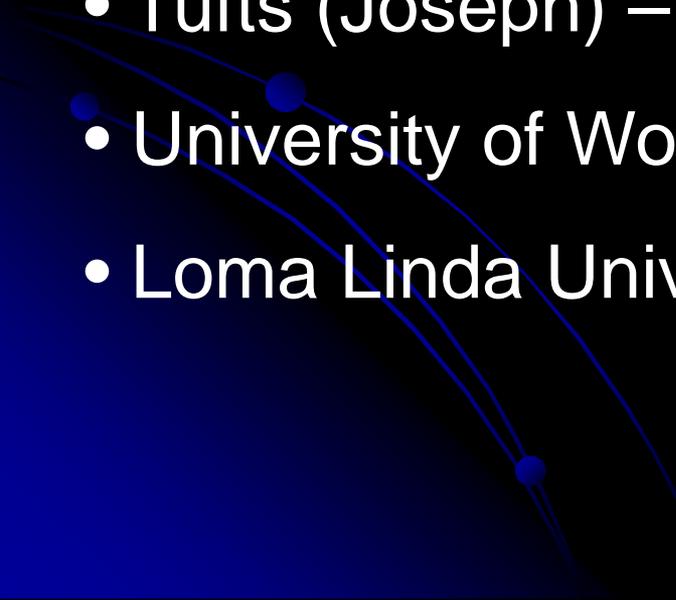
使用方式：晚上洁面后先清洁面部，然后将调好的面膜均匀地涂于脸上，避开眼及嘴唇四周；15-20分钟后，用清水洗净。建议每周使用三次。

HEALTH RESEARCH



WALNUT HEALTH RESEARCH

Recent Publications

- Harvard (Hu) – Meta Analysis on Cardiovascular Health
 - Tufts (Joseph) – Cognitive Function
 - University of Wollongong (Tapsell) – Diabetes
 - Loma Linda University (Sabate) – Fish vs. Walnuts
- 



WALNUT HEALTH RESEARCH

Accepted Publications

- Yale University (Katz) – Type 2 Diabetes
- Harvard (Mantzoros) – Satiety
- Loma Linda University – Serum Lipids
- University of Wollongong (Tapsell) - Diabetes
- PREDIMED – Serum Lipids, Insulin Resistance, Inflammatory Markers

PENDING PUBLICATIONS

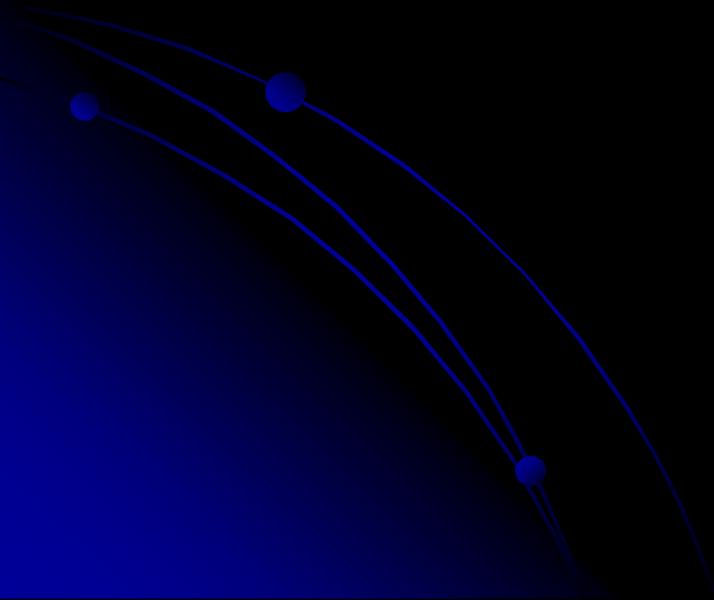
**3 papers under review at
various journals**



WALNUT HEALTH RESEARCH

Studies in progress

21



Manex to Mancozeb

- A New Compound for blight
 - Cannot use Manex
 - Not yet Registered by EPA
 - Section 3
 - Section 18
- Filed for an 18 on Mancozeb 9/2009
- Manufacturer wants more label uses
- Moment to Moment

Thank You!



California Walnut Commission

101 Parkshore Dr., Ste. 250

Folsom, CA 95630

(916) 932-7070

www.walnuts.org



Buchner Walnut Blight Control
Investigations Tehama County
2009.ppt

