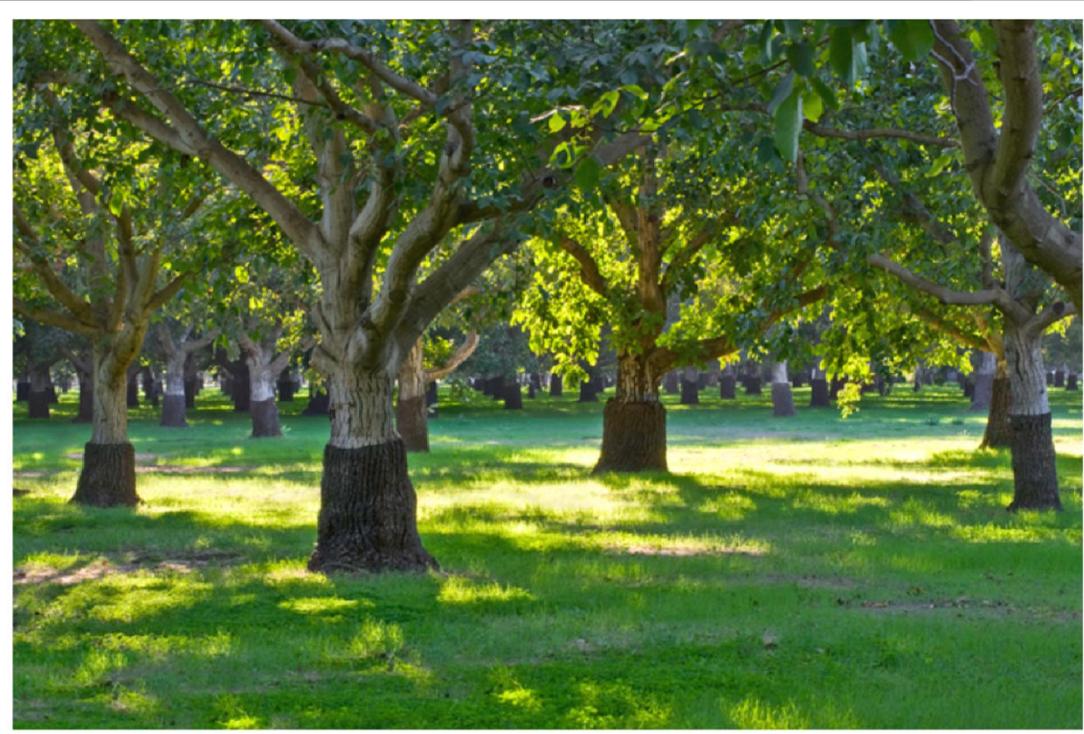


THE STATE OF THE CALIFORNIA WALNUT INDUSTRY

2012 Extension Service Meetings



What does the CWB/CWC do?

Board

- Production Research (5)
- Food Safety
- Grades & Standards
- Domestic Market Development
- **Volume Control**
- School Lunch Program Buys

Commission

- Health Research (74)
- Domestic & Export Market Development
- **Educate government officials**
- Trade Policy (KFTA)
- Regulatory Issues
- Intra Industry Communication
- **Enter into multi-year contracts**

FOOD SAFETY

Food Safety Modernization Act (FSMA)

- FDA will issue Fresh Produce Rule in early 2012.
- FDA must have Public Comment Period
- Will Tree Nuts be Treated like Produce?
- What will be FDA's Expectations?
- Quote: “will not require a business to hire a consultant or 3rd party to implement programs to comply with new law”.

Know Your GAP's & GMP's

- Pre-harvest: water, manure, animals
 - **Salmonella and E. coli sources from Livestock/Wildlife feces**
 - Keep Orchard clean and know your neighbors
- Harvest: train your employees
 - Hand washing and sanitation practices
 - Equipment cleaning steps

Watch for news about new regulations

Current Activities

- **Salmonella Survey #2**
 - Added E. coli O157:H7
 - Increased sample size
 - Will help with FDA's Risk Based Science demands
- **PPO Validation to FDA**
- **Antimicrobial wash tests**
- **Handlers Food Safety and Preventive Control Training in February**



Antimicrobial Wash Study

Direct Sales by Growers

- ◉ By pass the network
 - Against Federal Marketing Order
 - Must have Walnuts inspected before leaving CA
 - Fines of \$1,100 per day/incident
 - A Risk for Food Safety
 - No Inspection
 - No traceability
 - In-transit risk

If You Sell to Anyone Except a Handler . . .

You Are Now a Handler!

- ◉ **You have new reporting requirements!**
 - Receipts (including your own production)
 - Assessments
 - DFA Inspection/grading
 - Risk as Seller

PRODUCTION RESEARCH

Production Research



20

Projects Funded

\$1,036,515

Spent on Projects in 2011/12

Production Research Studies

- Genetic Improvement
- **Rootstocks**
- Water Management
- Orchard Management
- Flower & Fruit Development
- Tree Growth & Development
- Harvesting & Drying
- Walnut Husk Fly
- Codling Moth
- Walnut Aphid
- Post Harvest Pests
- Walnut Blight
- Phytophthora
- Crown Gall
- Nematodes
- Chemical Efficacy Tests
- **Varietal Development**

Last Year's Published Research Available on CD

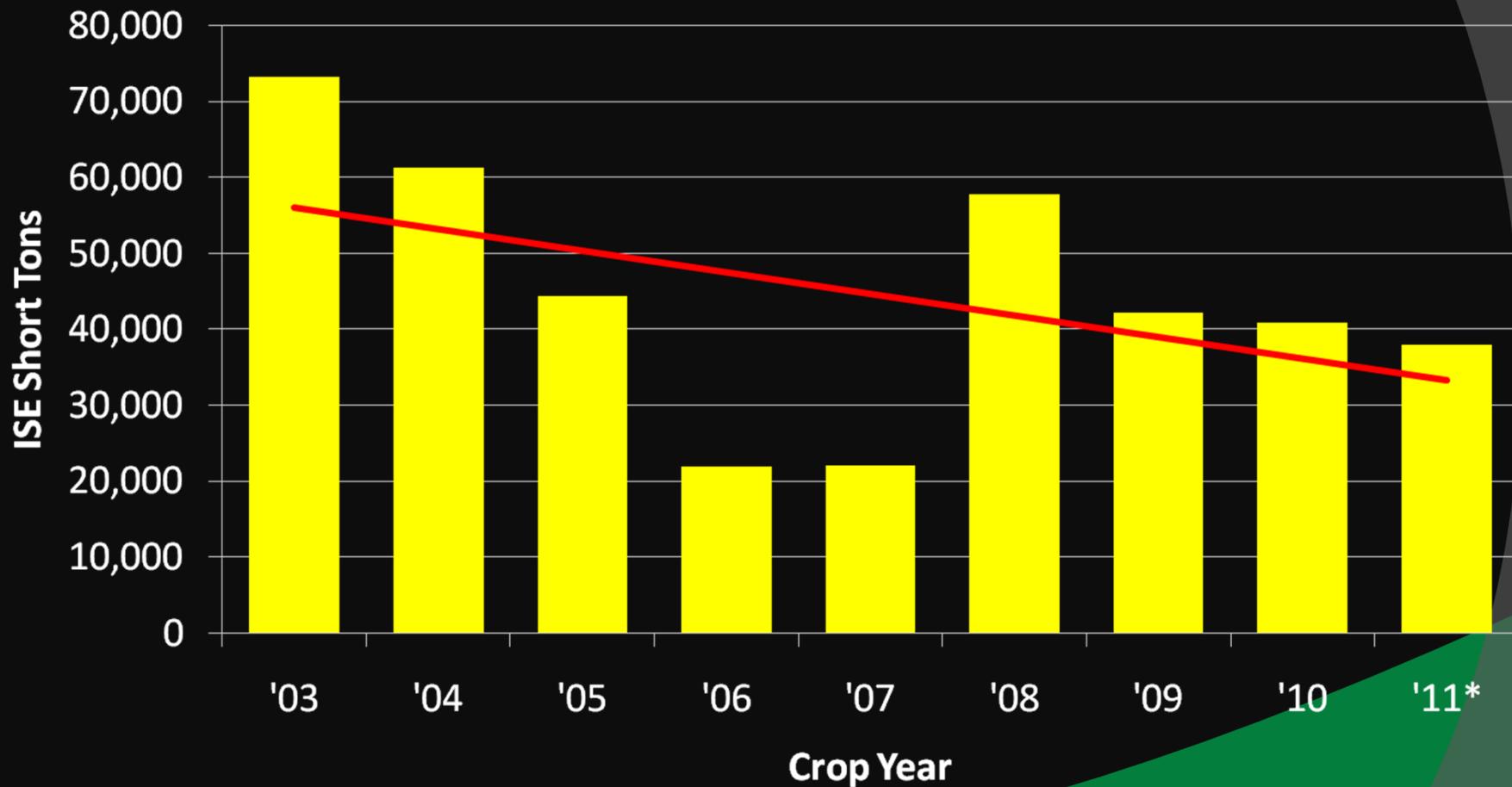
TRENDS

CA Walnut Production History



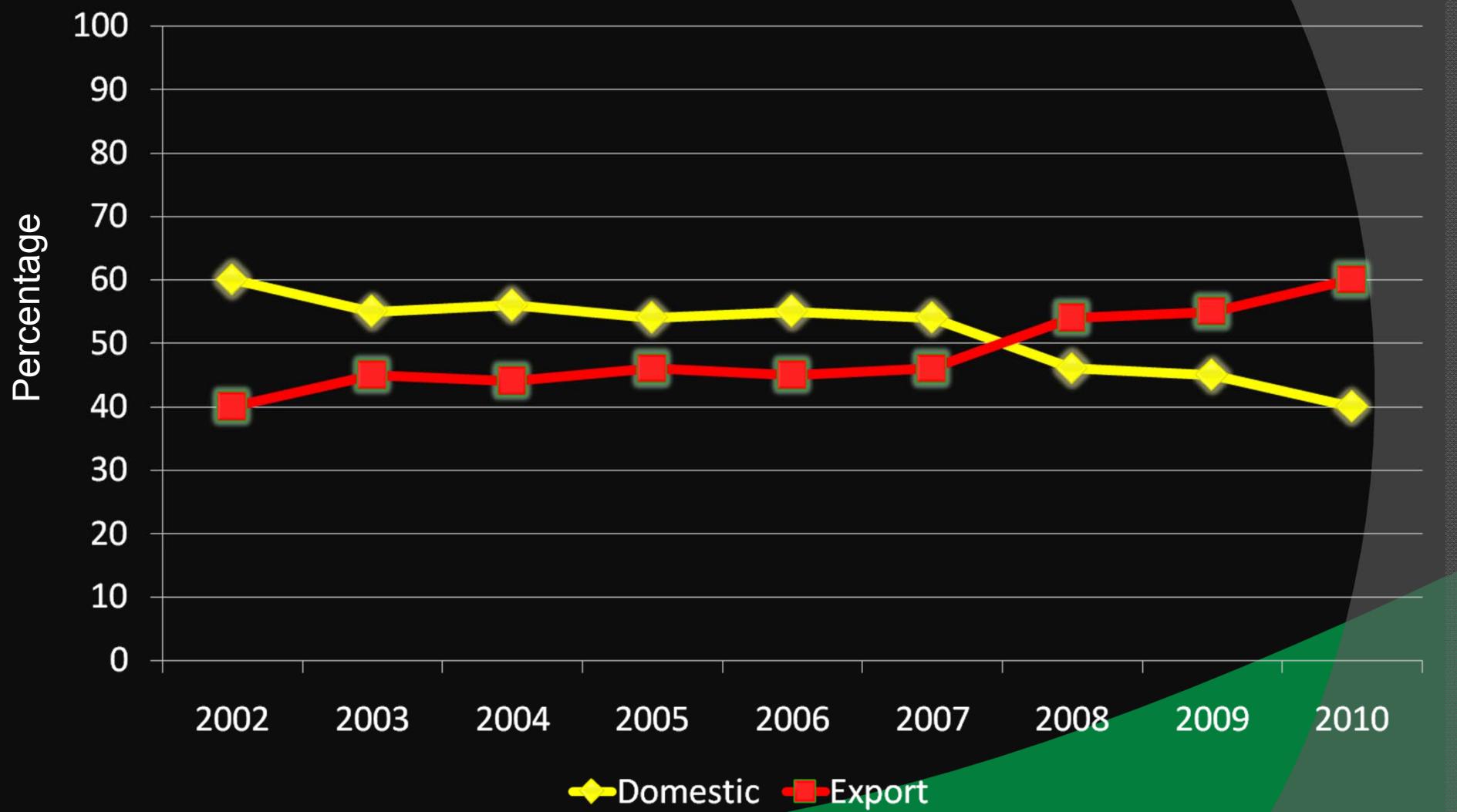
**Estimate*

Ending Inventory



**Estimate*

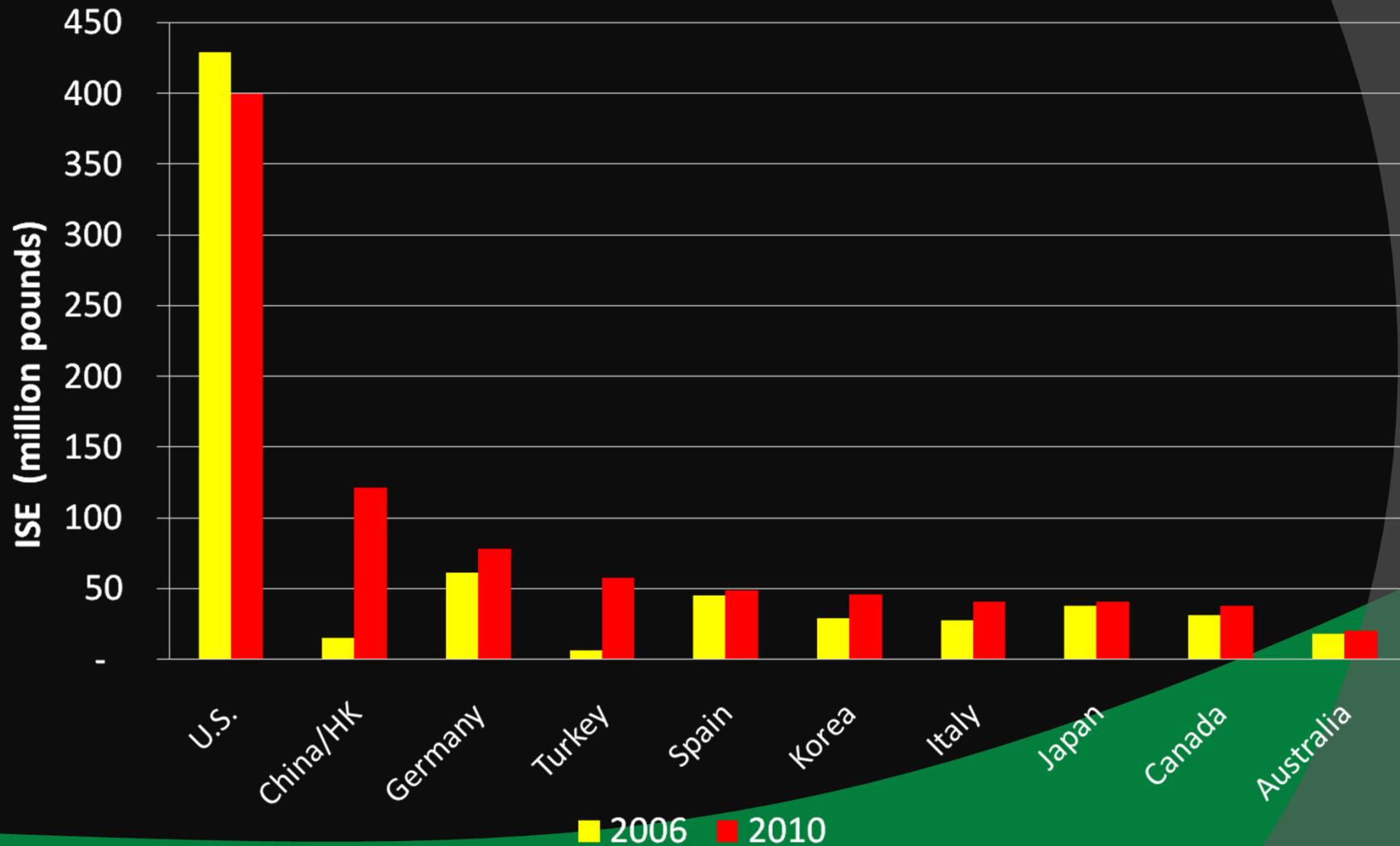
Domestic vs. Export Shipments



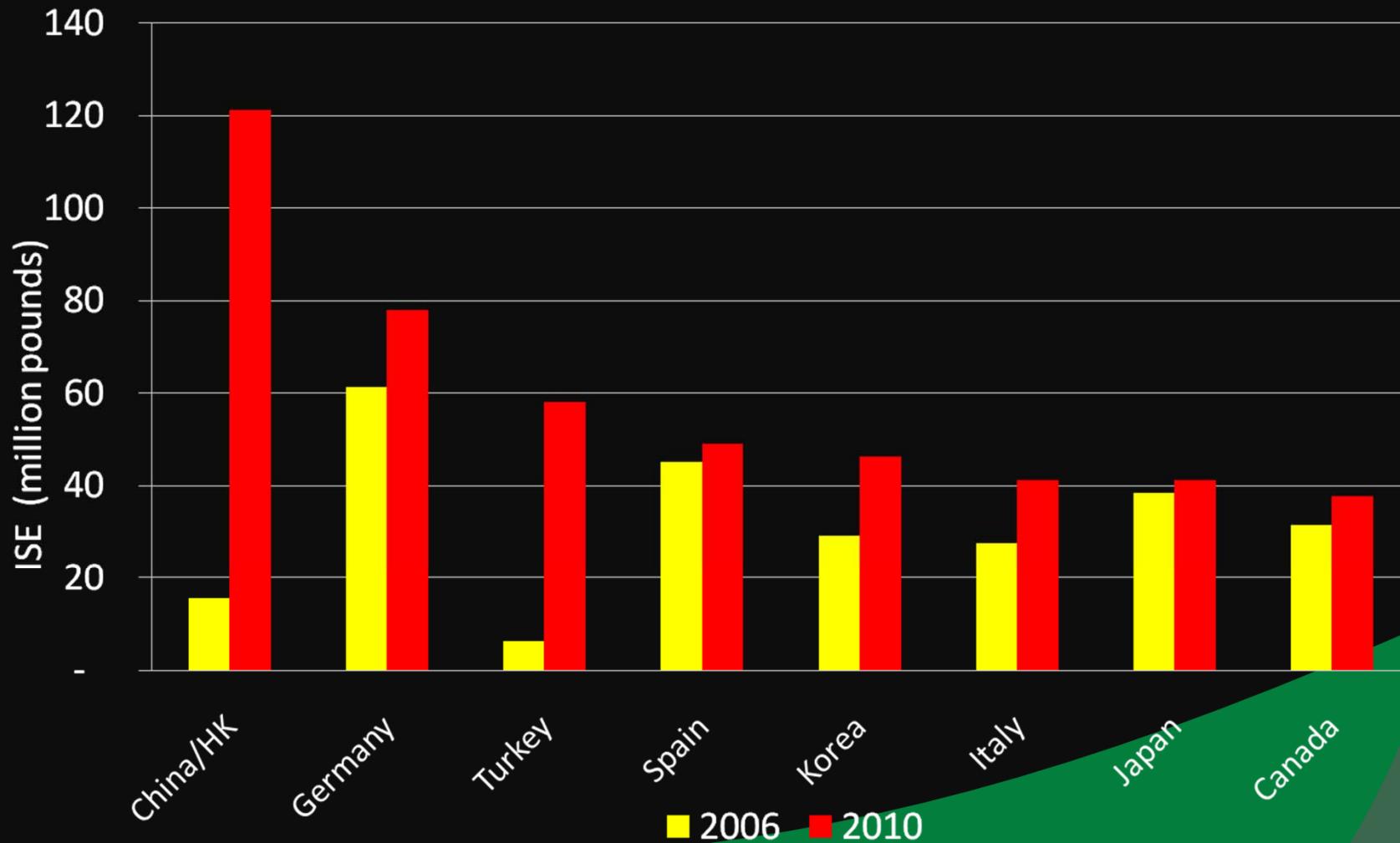
Market Risk Assessment

	USA	Germany	China	Turkey
High Disposable Income				
Already Produce/Consume Walnuts				
High Population Density				
High Nut Usage				
Few Political Hurdles				
Government Climate				
Potential to Utilize Shelled Product				
Large Food Processing Industry				

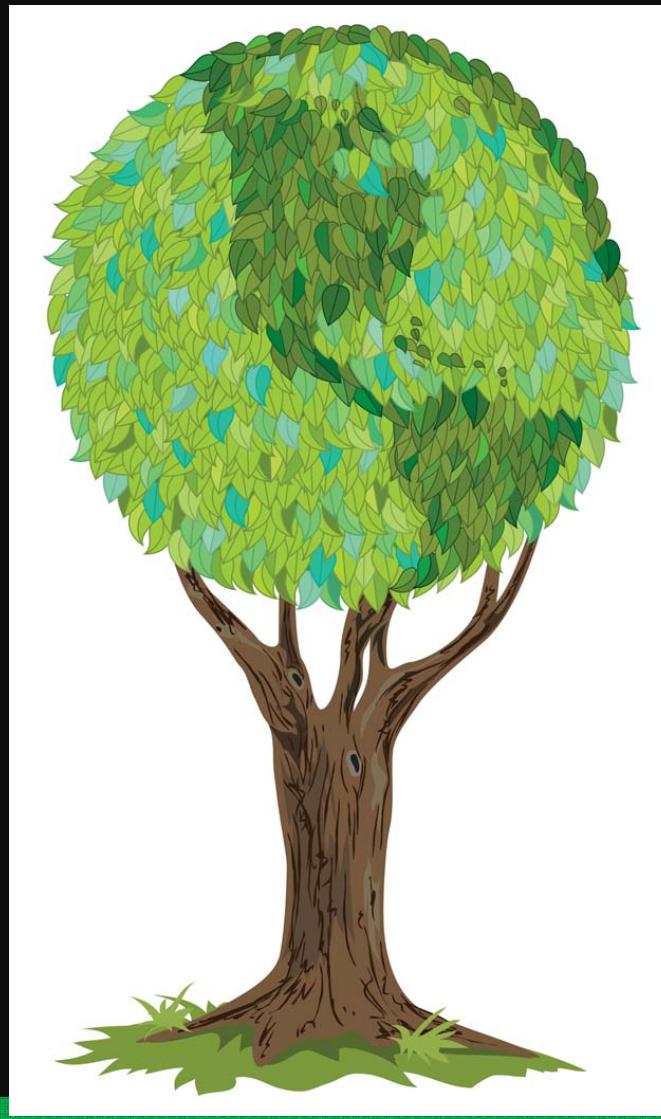
Top 10 Markets By Shipments



Top Export Market Shipments



Walnuts Around The World



U.S. Market

2011 Attitude & Usage Data

- ✓ **86%** of consumers believe walnuts are healthy
- ✓ **51%** know walnuts contain omega-3s (a **20%** increase from 2009)
- ✓ **85%** of consumers would buy walnuts if they were shopping and walnuts were offered at a reasonable price
- ✓ **61%** said they were buying walnuts more often than five years ago
 - ✓ Why? Nutrition and taste.
- ✓ Primary Use – **Baking (77%)** and **Snacking (74%)**

We've got heart!

- **73%** of primary grocery shoppers say the Heart-Check mark improves the likelihood that they'll buy the product
- **68%** of walnut consumers said it was important to them that walnuts carry the mark
- CWB/CWC advertising and promotions
- Available for handler use



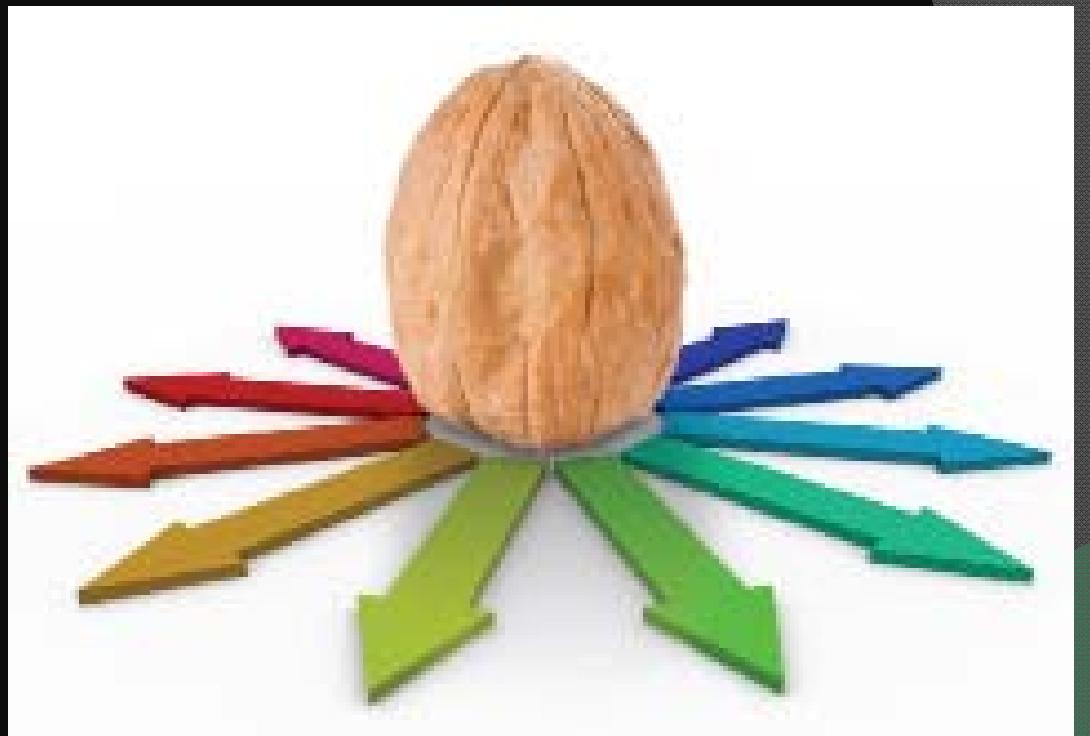
New Print Advertising Campaign

- Break-through creative
- Strong health message
- 57+ million circulation
- January - August
- Key women's publications
 - **Better Homes & Gardens**
 - **Martha Stewart Living**
 - **Real Simple**
 - **Cooking Light**
 - **Health**
 - **Sunset**
 - **Food & Wine**
 - **Eating Well**
 - **Saveur**



What MAP has done for Exports

- Established export markets
- Export growth
52M tons 1985 to
306M tons in 2010
- Catalyst
- Product Development



Germany

- ◉ Health Drives Media
- ◉ Walnuts were the only nut granted a specific claim in the European Union:
“Walnuts contribute to the improvement of endothelium-dependent vasodilation” (artery health), based on daily consumption of 30g of walnuts.
- ◉ Additional three generic claims

Spain

- Super Twiggy



South Korea

- Consumer Health Perceptions:

- Good for Brain/Cognitive Function – 73%
- Omega-3's – 71%
- Good for your Heart – 69%
- Reduce Cholesterol – 66%

- Scientific Advisory Council Meeting



HEALTH RESEARCH

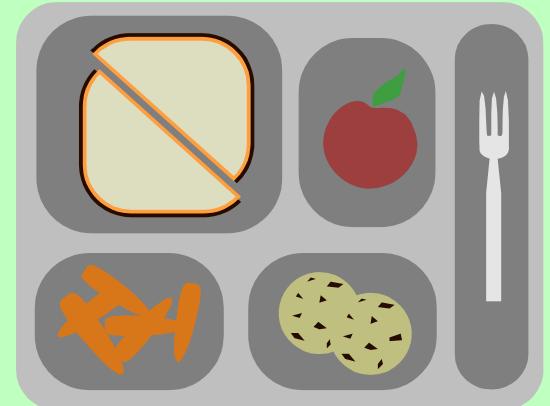
74 Published Studies

◎ Recently Published

- UC Davis (Davis) – Prostate Cancer
- Scranton (Vinson) - Antioxidants
- Harvard (Mantzoros) – Metabolic Syndrome

◎ In Progress (26)

- Cardiovascular
- Cancer
- Cognitive Function
- Diabetes
- Male Reproductive Health
- Weight Management



A Message from Dr. Michael Roizen



March 2012

GROWER REFERENDUM

The Economy's Impact

- Budget Concerns
 - Federal Cut Backs
 - States Lose
- Extension Service
- Production Research
- **What else is at Risk for the Walnut Industry?**



MAP, TASC, QSP & Block Grants



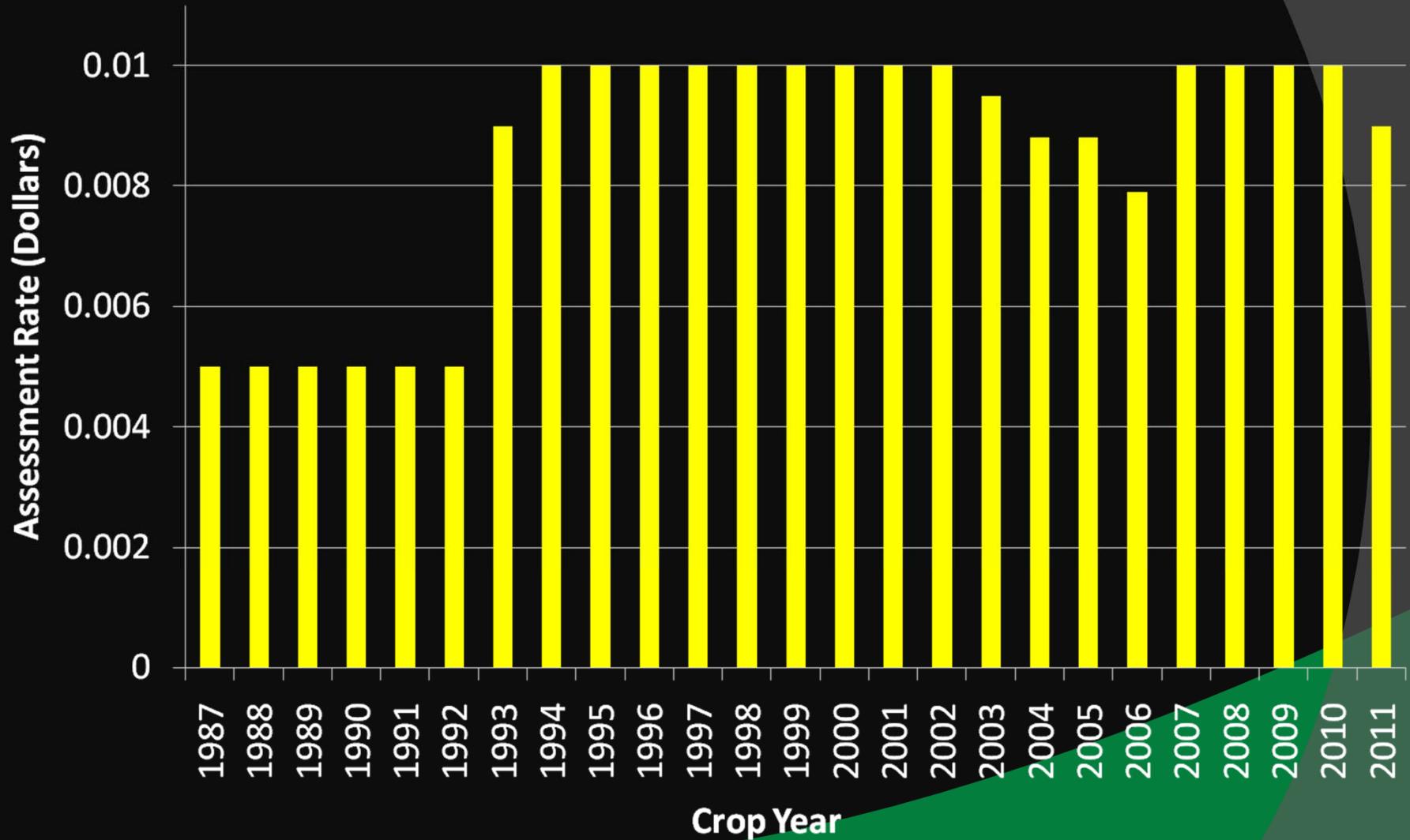
- Exports Have Grown
- 60% of 2010/11 Shipments
- 306,000 Tons
- MAP, etc.
- Right at \$5 million
- Catalyst for Growth
- Opening New Markets

Maintain Health Research

- Key Program
- Expand Data Base
- Chronic Illness
- Cutting Edge
- Longer
- Larger
- **Consumer Attitudes**



CWC Assessment History



Referendum Vote

Raise CWC assessment **cap** from 1¢ to 1.75¢ (per inshell pound)

It is your Program

VOTE!

Ballots will be mailed to all growers at the beginning of March. Contact the CWC if you do not receive yours.



www.walnuts.org

- Reports
- Important Documents
- Industry Materials
- Important Links
- Meeting Information
- Handler List
- Industry Newsletters
- Logo Wear



The screenshot shows the California Walnuts website homepage. The header features the "California Walnuts" logo and navigation links for "HOME", "INDUSTRY RESOURCES", "Recipes", "About Walnuts", "Smart Living", "Experts", "Health Professionals", "Food Professionals", and "Industry Resources". The main content area has a banner image of walnuts. A central article is titled "Free Trade Agreement Passed" with a subtext about the California walnut industry welcoming the news of the US and South Korean Free Trade Agreement. Below this are navigation arrows and page numbers 1, 2, 3, 4, 5. The footer is divided into three sections: "GROWERS & HANDLERS", "WALNUT BOARD & COMMISSION", and "REGULATORY & OVERSIGHT INFO". Each section contains links to various resources and information.

California Walnuts

HOME > INDUSTRY RESOURCES

Recipes | About Walnuts | Smart Living | Experts | Health Professionals | Food Professionals | Industry Resources

INDUSTRY RESOURCES

Free Trade Agreement Passed

The California walnut industry welcomes the news of the US and South Korean Free Trade Agreement.

GROWERS & HANDLERS

The latest reports and resources can be found here along with the industry's list of handlers.

► Reports ► Resources
► Handlers List

WALNUT BOARD & COMMISSION

Learn more about the California Walnut Board and Commission here or find the latest reports.

► Reports ► Meeting Minutes

REGULATORY & OVERSIGHT INFO

Find the latest information regarding regulatory and legislative issues effecting the walnut industry.

► Get Involved ► Legislative Updates
► Regulatory Information

Skip to content

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Search Walnuts.org

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IN THIS SECTION

► Industry Logo Wear ► Handler List
► Reports ► Resources
► Meeting Minutes ► Upcoming Meetings
► Agricultural News ► Walnut Newsletter
► Regulatory Information ► Walnut Board & Commission

READ MORE

◀ ▶ 1 2 3 4 5

LET'S STAY IN TOUCH

Sign up to receive periodic emails about the health benefits of walnuts and delicious walnut recipes.

SUBSCRIBE

Thank you!

California Walnut Commission
101 Parkshore Drive, Suite 250
Folsom, CA 95630
(916) 932-7070

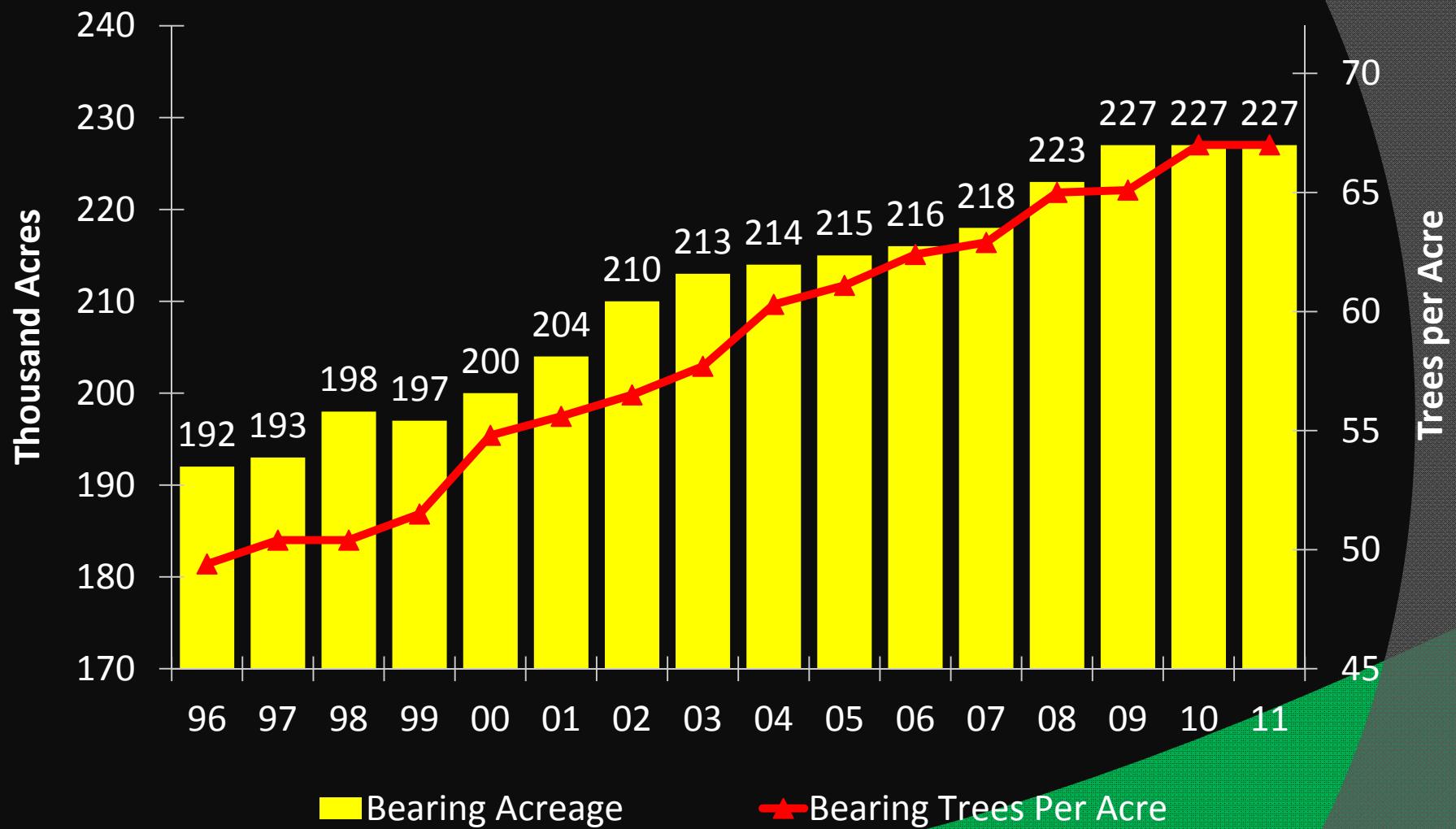
www.walnuts.org



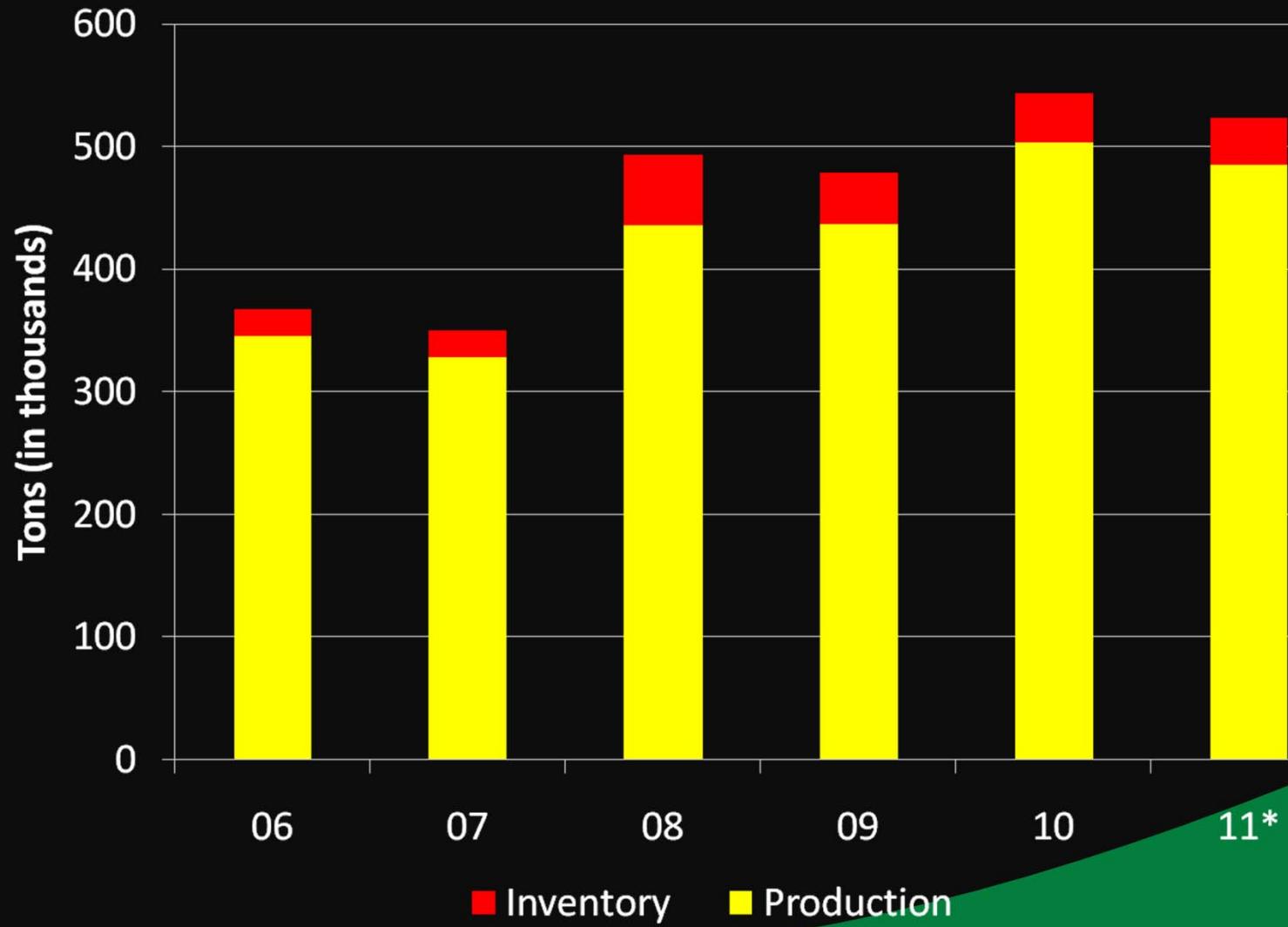
APPENDIX

CALIFORNIA WALNUTS

Bearing Acreage vs. Bearing Trees per Acre, 1996-2011

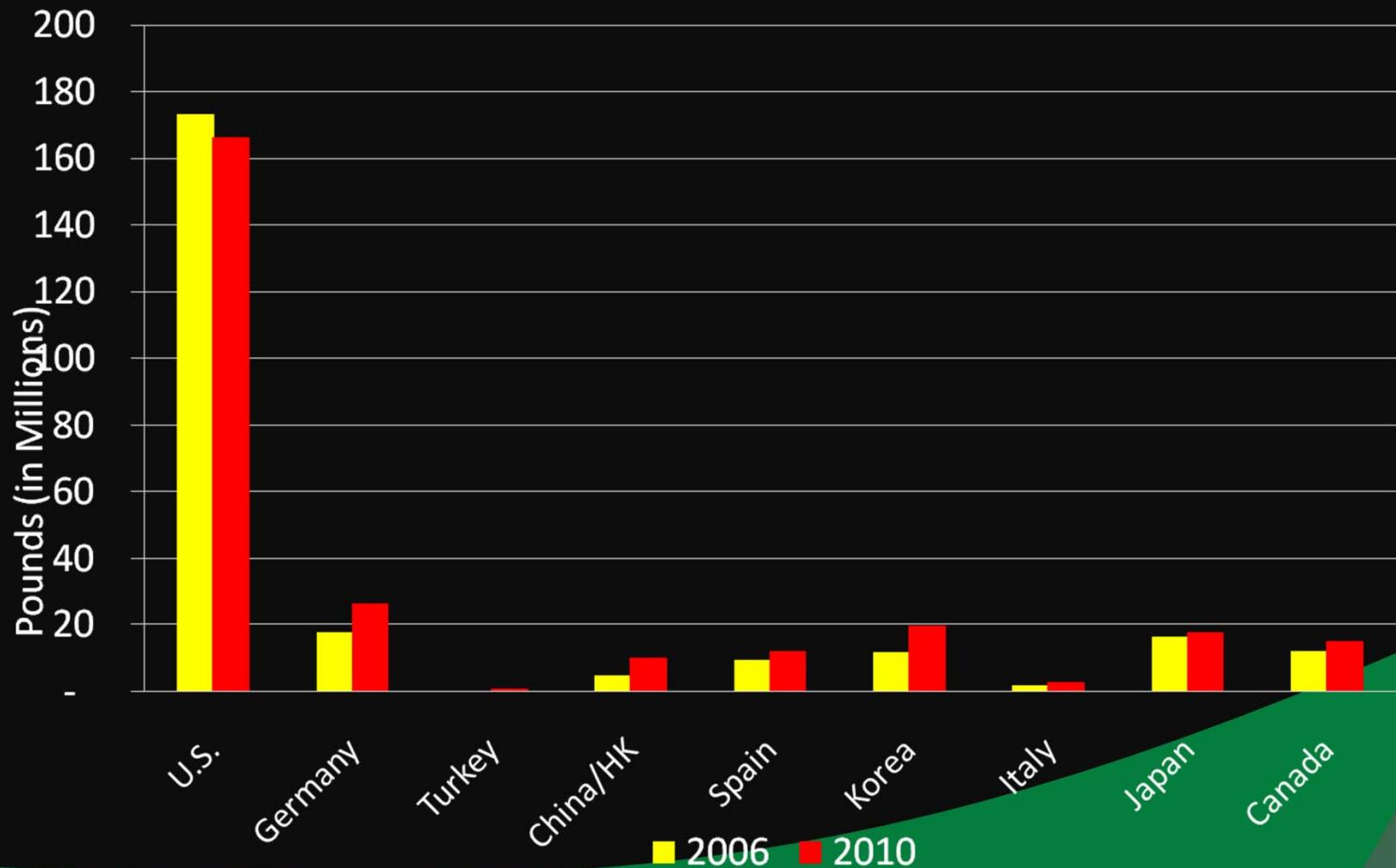


Total Availability

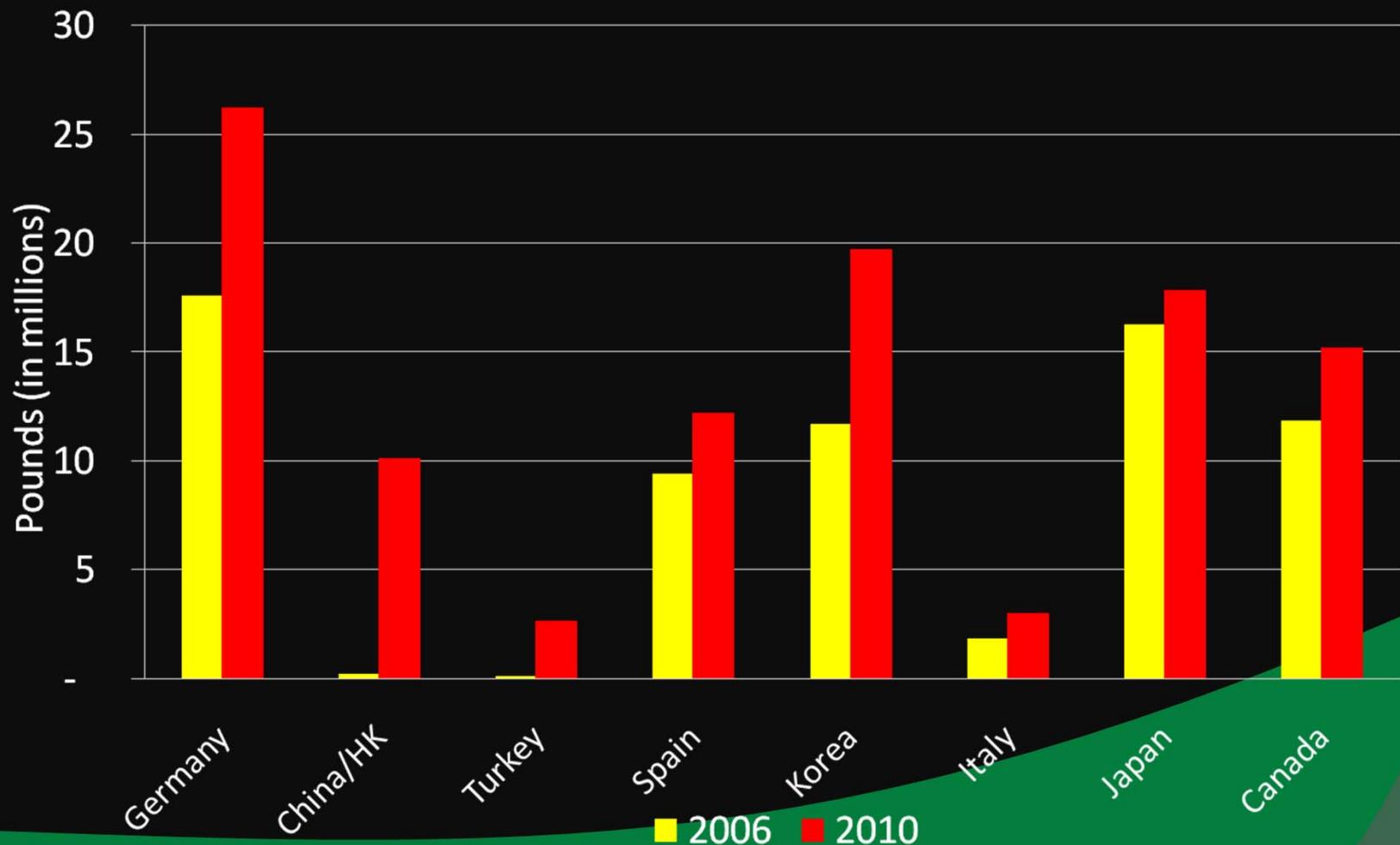


**Estimate*

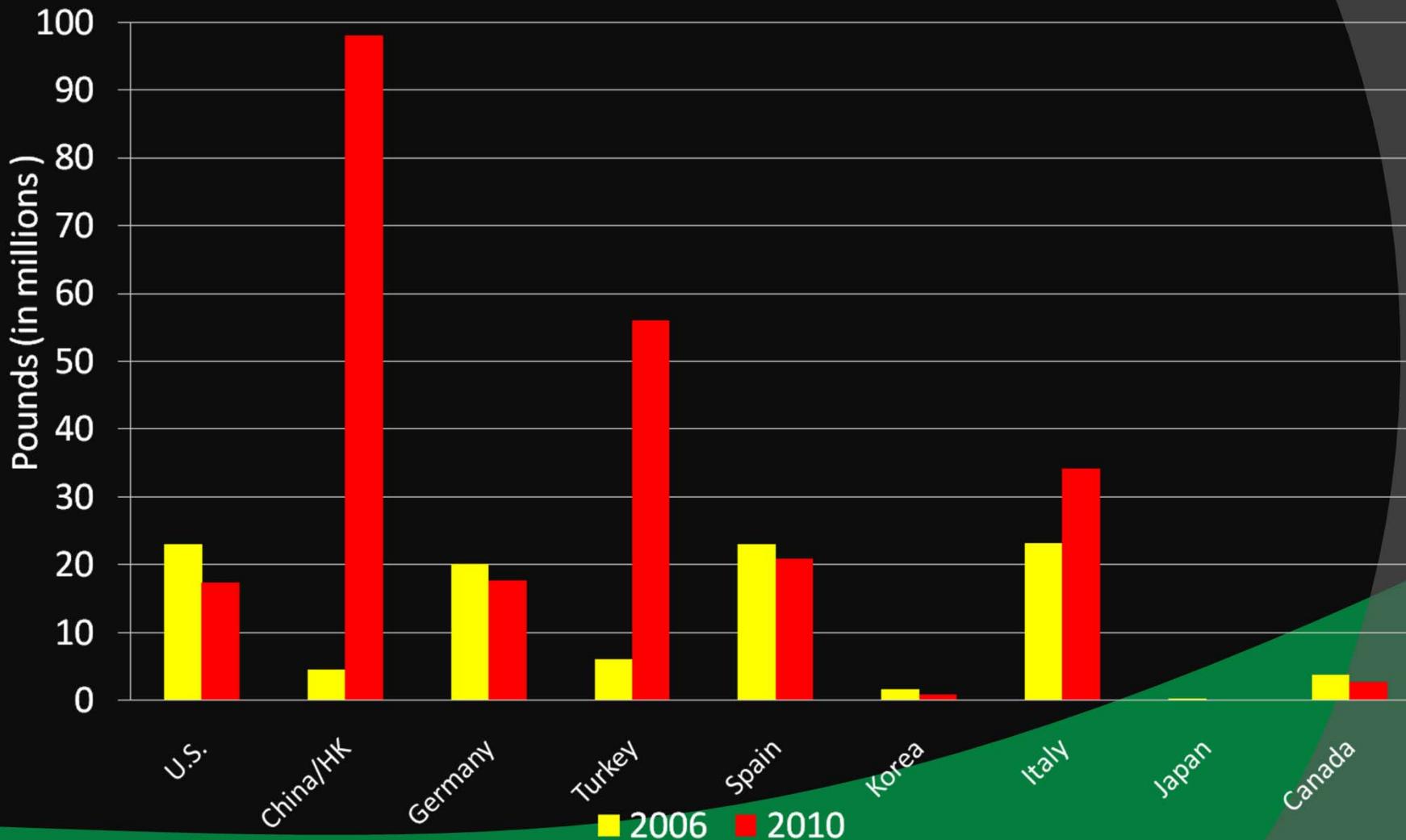
Shelled Shipments



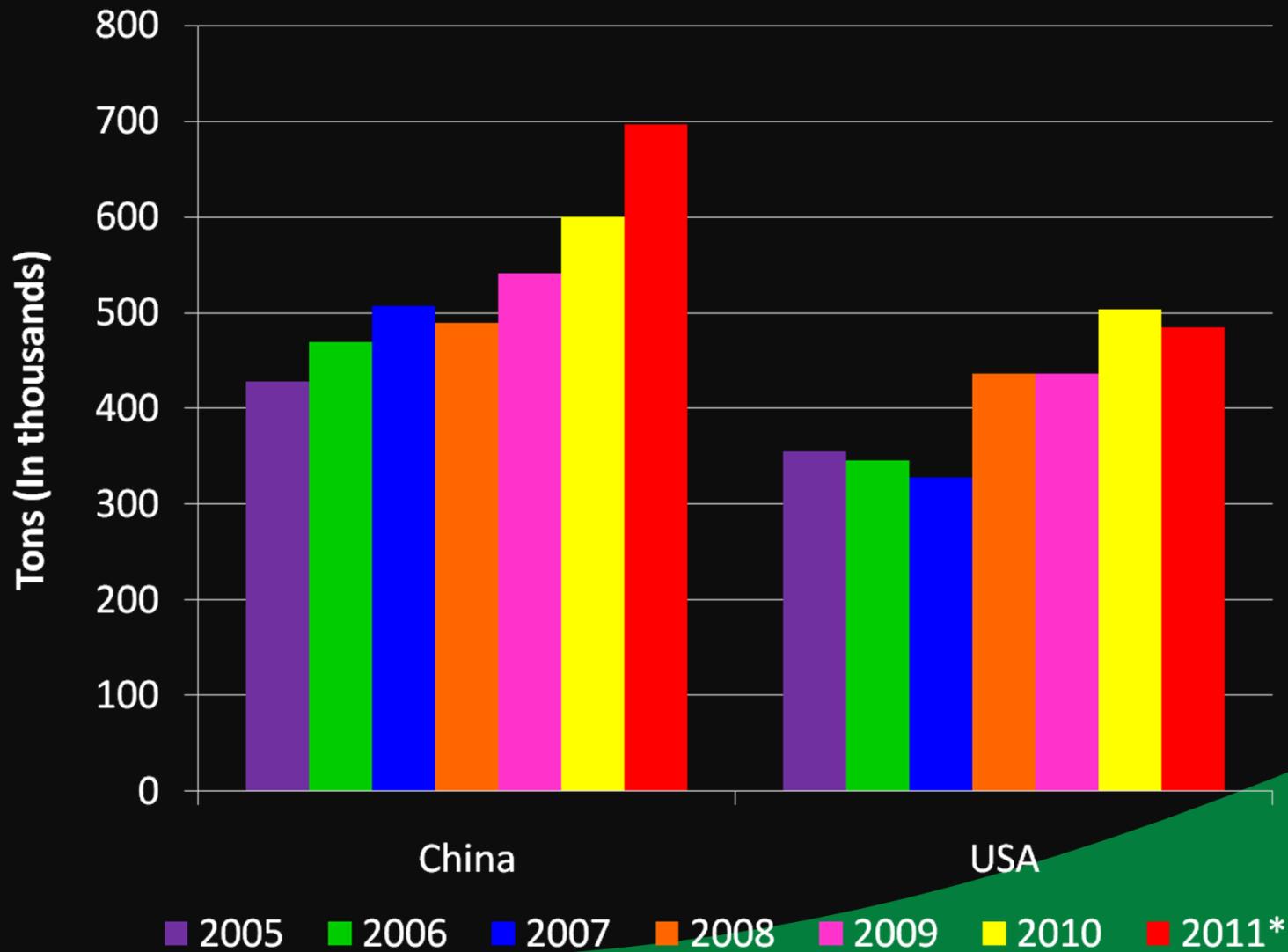
Shelled Shipments-Export



Inshell Shipments

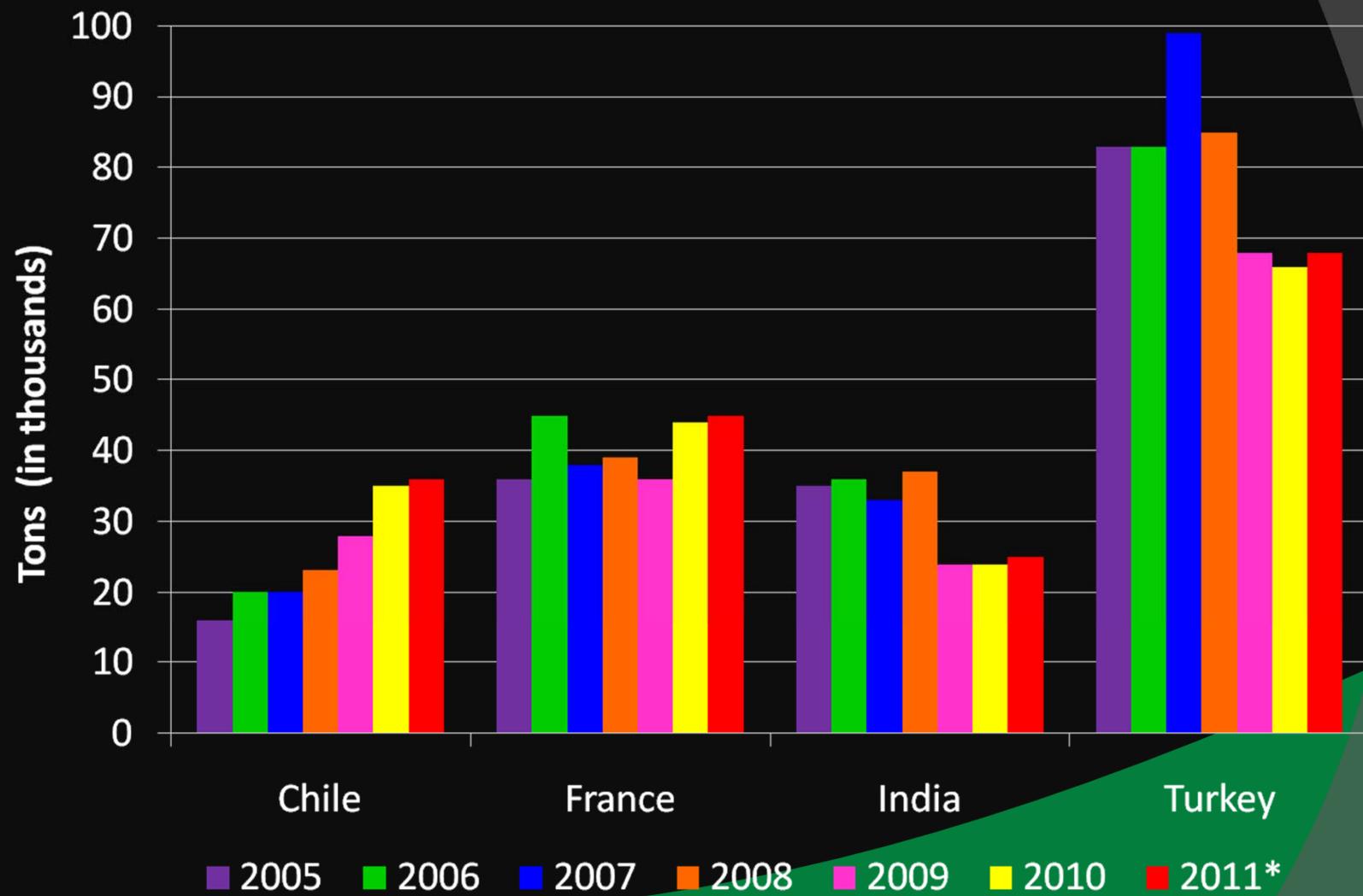


Foreign Crop Production



*Estimate

Foreign Crop Production



*Estimate