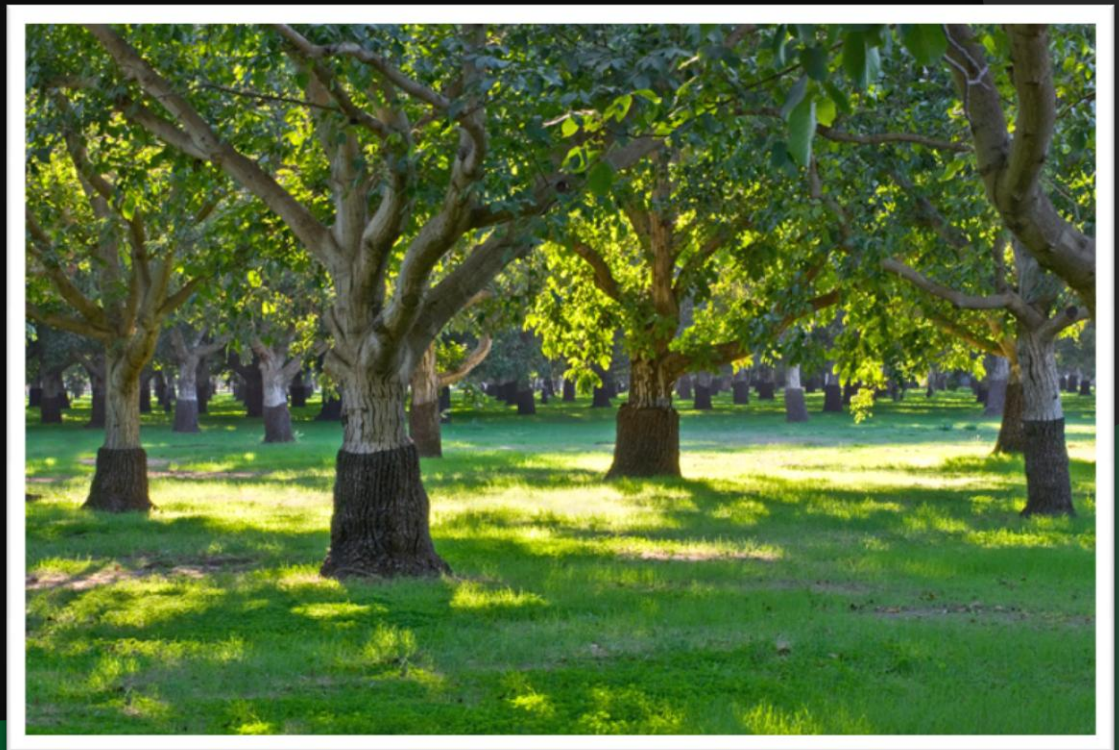


# **THE STATE OF THE CALIFORNIA WALNUT INDUSTRY**

## **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 3<sup>rd</sup> party to implement programs to comply with new law".

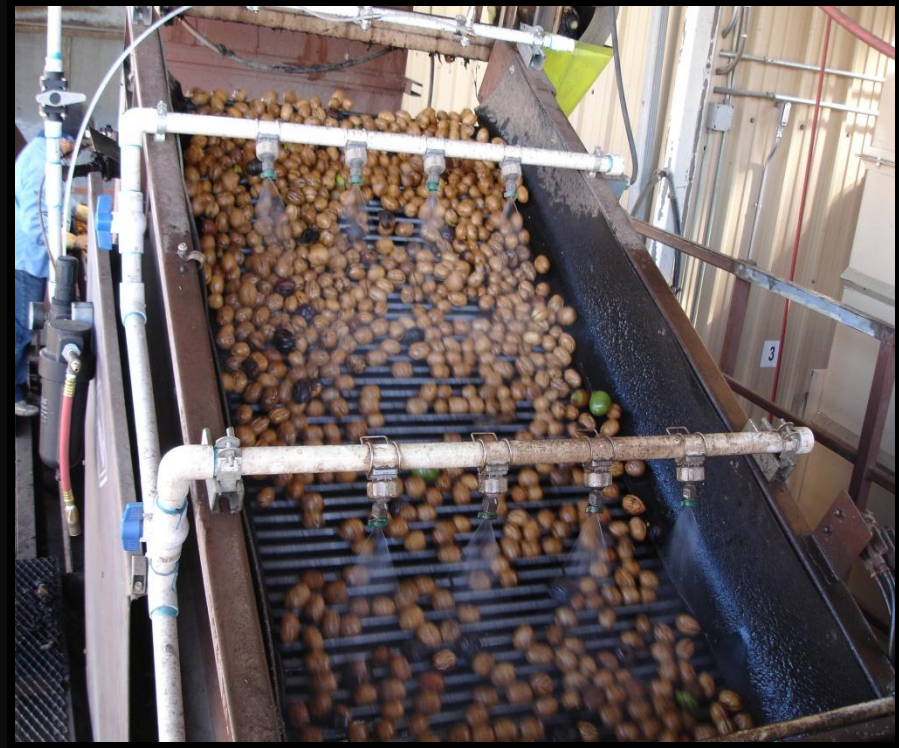
# Know Your GAP's & GMP's

- ◎ 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**



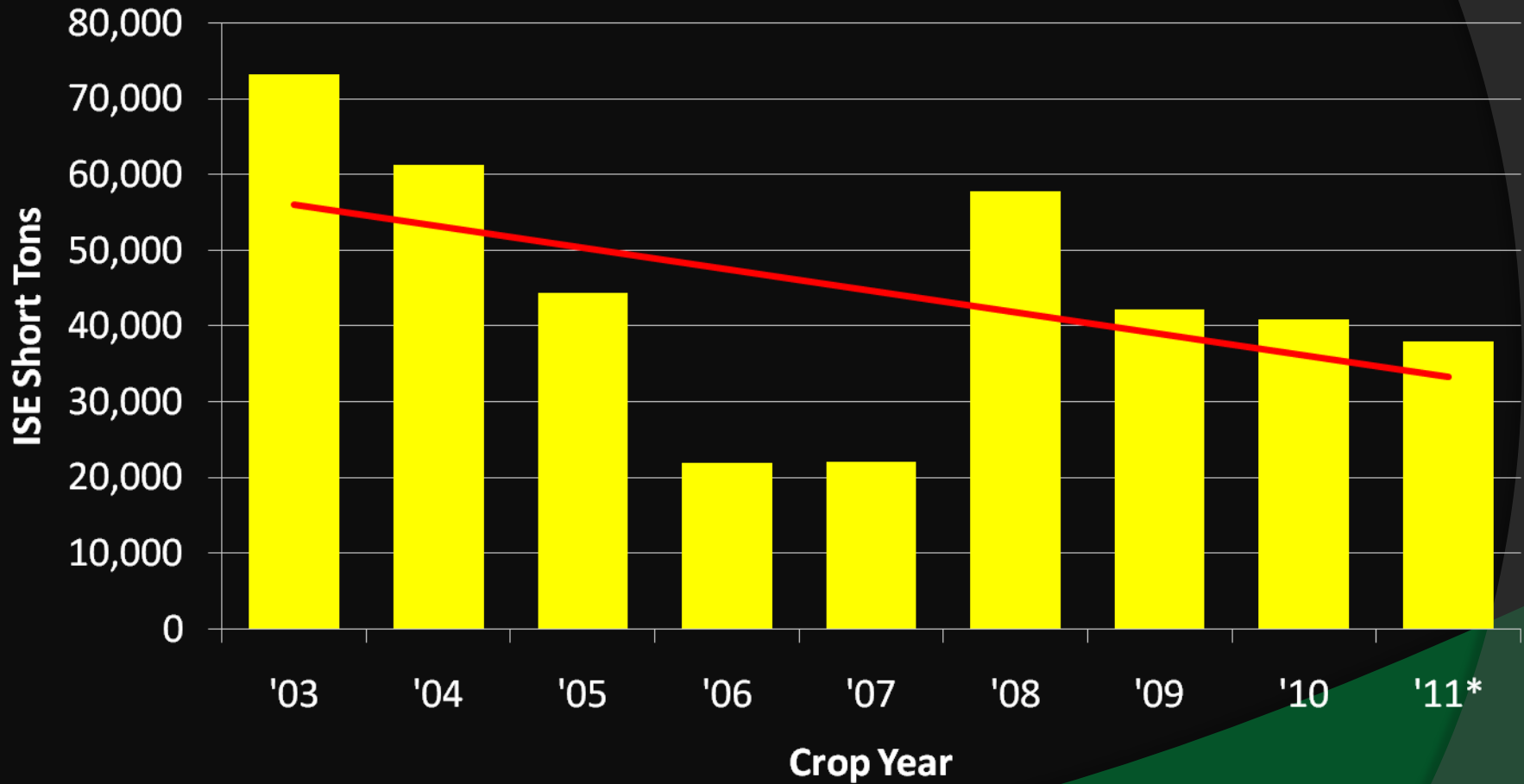
**TRENDS**

# CA Walnut Production History



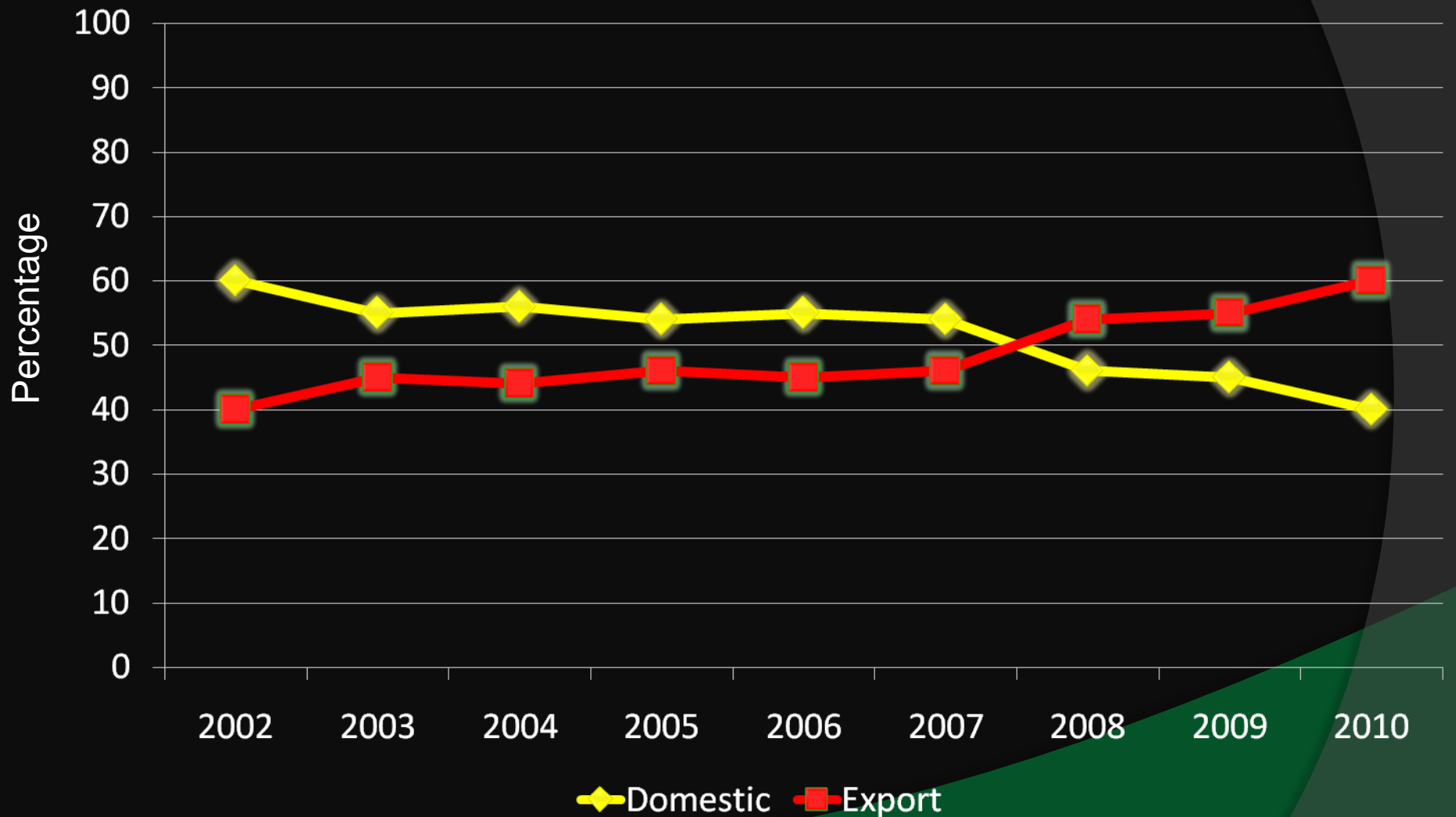
*\*Estimate*

# Ending Inventory



























*\*Estimate*

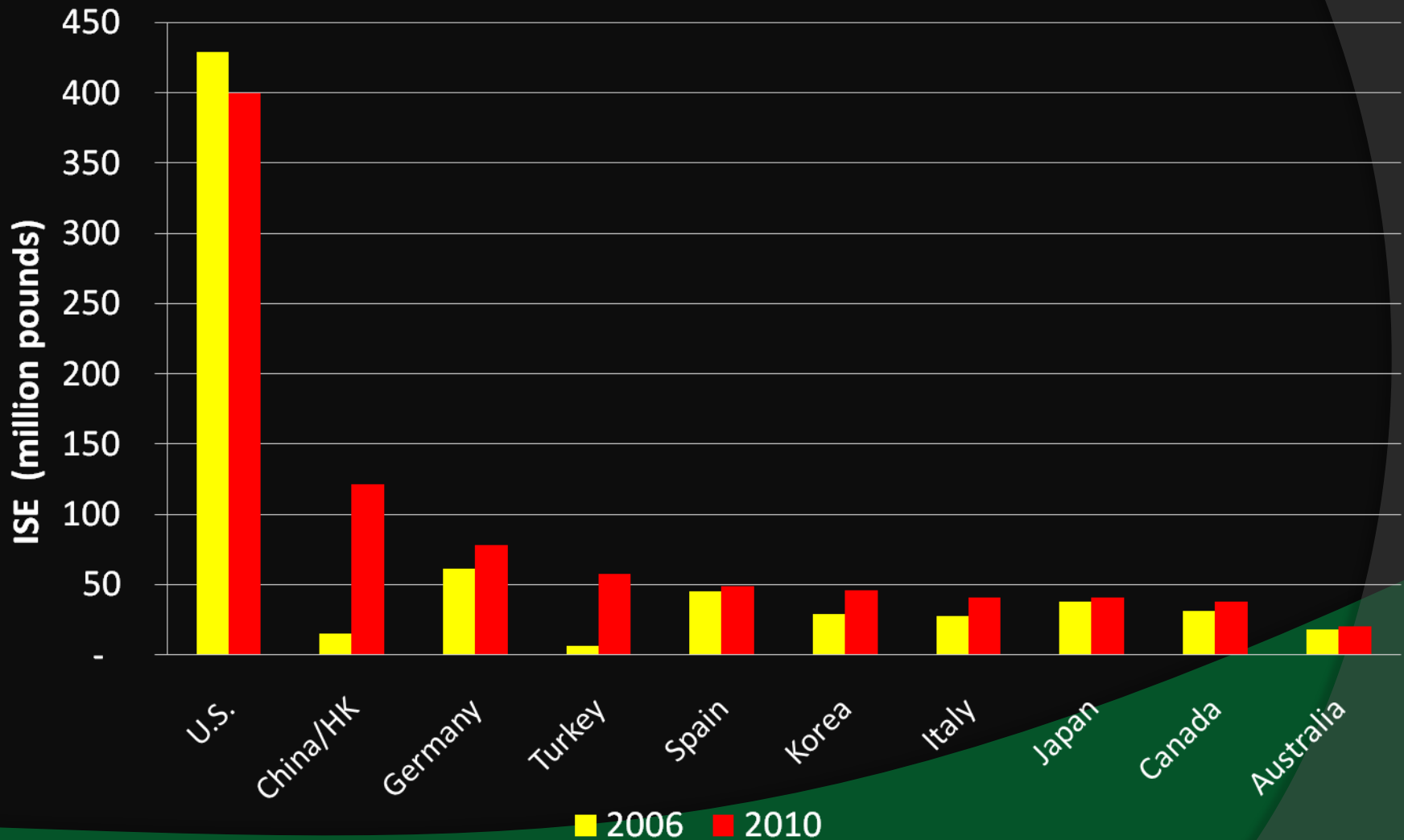
# Domestic vs. Export Shipments



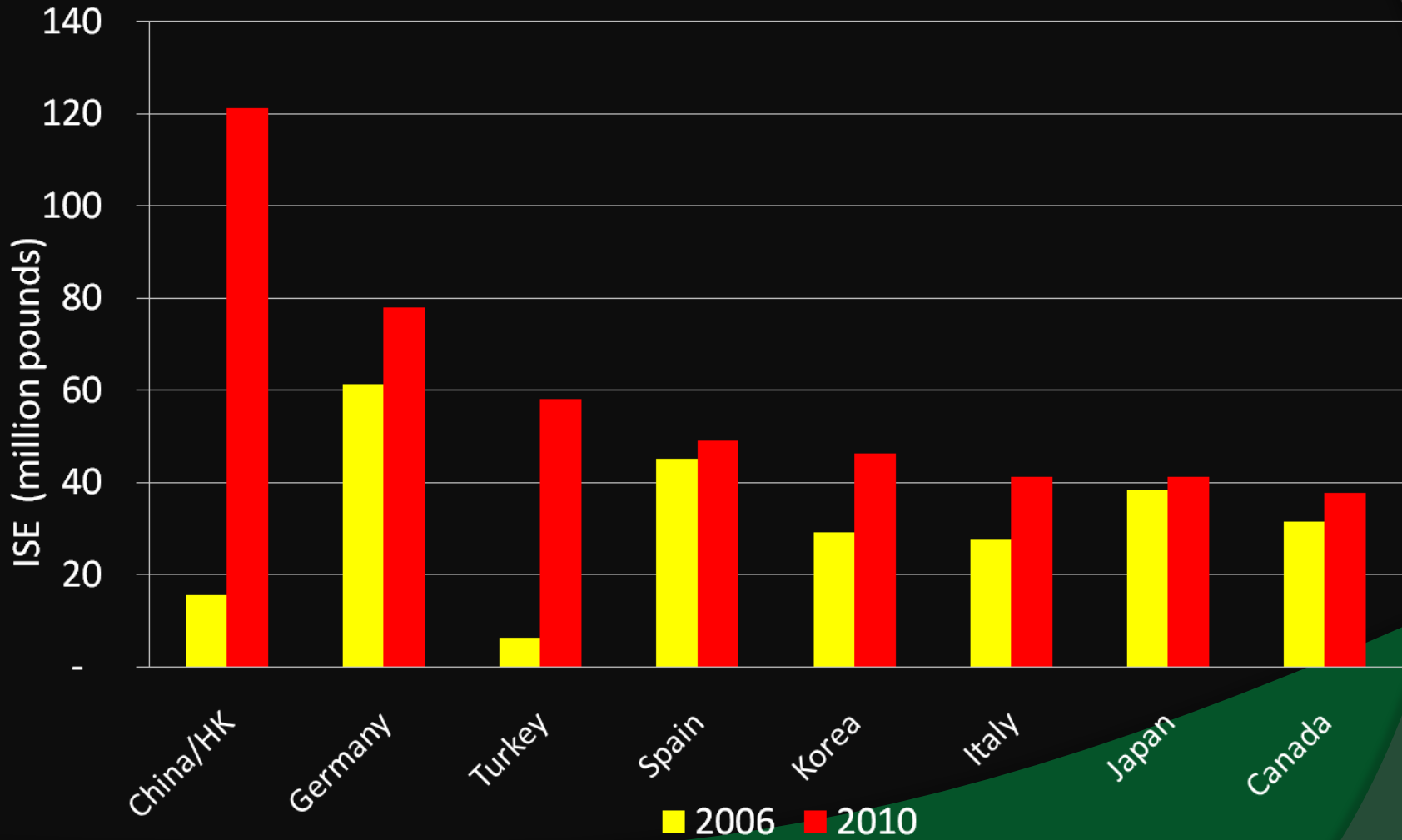
# Market Risk Assessment

	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



**CALIFORNIA WALNUTS**

**NATURAL DEFENDERS OF THE HUMAN BODY**

Why should your family's diet include delicious heart-healthy California Walnuts? They're rich in the essential plant-based omega-3 fatty acid ALA and a top source of health promoting antioxidants. And walnuts are naturally sodium and cholesterol free. So stand up for your family. Get tasty, nutritious recipes at [walnuts.org](http://walnuts.org).

  
WALNUTS.ORG

\*Supportive but not conclusive research shows that eating 1.5 ounces of walnuts per day, as part of a low saturated fat and low cholesterol diet and not resulting in increased caloric intake, may reduce the risk of coronary heart disease. (FDA) One ounce of walnuts provides 18g of total fat, 2.5g of monounsaturated fat, 13g of polyunsaturated fat including 2.5g of alpha-linolenic acid – the plant-based omega-3 fatty acid and 3.68mmol of antioxidants.





**EXPORT**

# What MAP has done for Exports

- ⦿ Established export markets
- ⦿ Export growth 52, 000 tons 1985 to 306,000 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

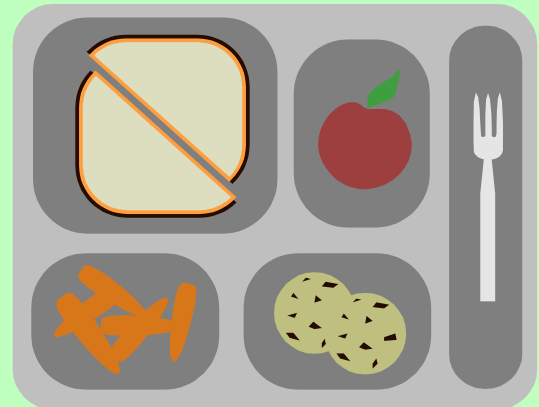
# 74 Published Studies

## ◎ 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



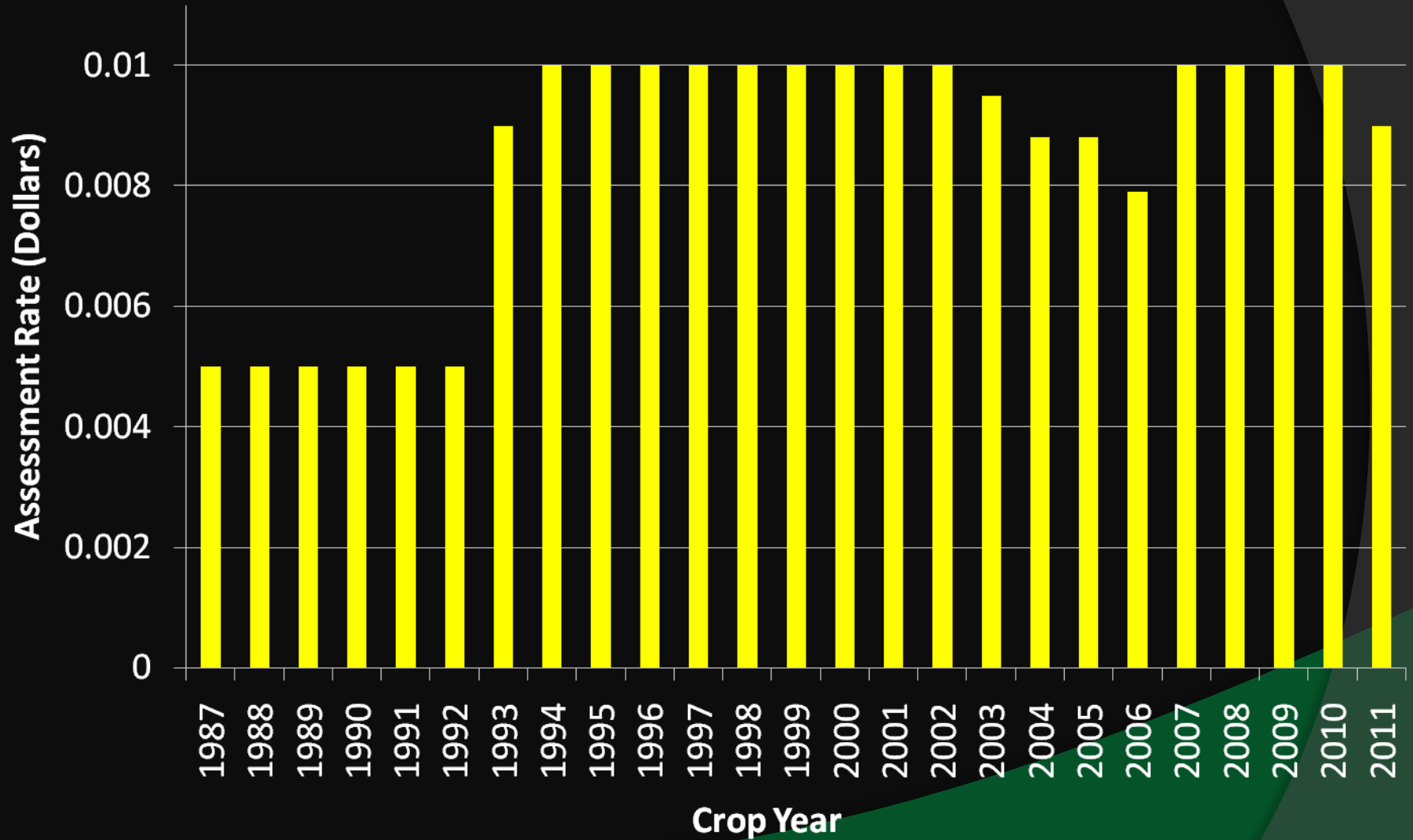
- Exports Have Grown
- 60% of 2010/11 Shipments
- 306,000 Tons
- MAP, etc.
- Right at \$5 million
- Catalyst for Growth
- Opening New Markets

# 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 homepage of the California Walnuts website. At the top, there is a navigation bar with the 'CALIFORNIA Walnuts' logo on the left, a search bar in the center, and social media links (Facebook, Twitter, YouTube) on the right. Below the navigation bar is a main content area featuring a large image of puzzle pieces in the shapes of the United States and South Korea, with the text 'Free Trade Agreement Passed'. To the right of this image is a sidebar with the heading 'INDUSTRY RESOURCES' and a list of links including 'Reports', 'Meeting Minutes', 'Agricultural News', and 'Regulatory Information'. Further right is another sidebar titled 'IN THIS SECTION' with links to 'Industry Logo Wear', 'Handler List', 'Resources', 'Upcoming Meetings', 'Walnut Newsletter', and 'Walnut Board & Commission'. Below these are sections for 'LET'S STAY IN TOUCH' (with a subscription form) and three columns of information: 'GROWERS & HANDLERS', 'WALNUT BOARD & COMMISSION', and 'REGULATORY & OVERSIGHT INFO', each with a brief description and a list of links.

# Thank you!

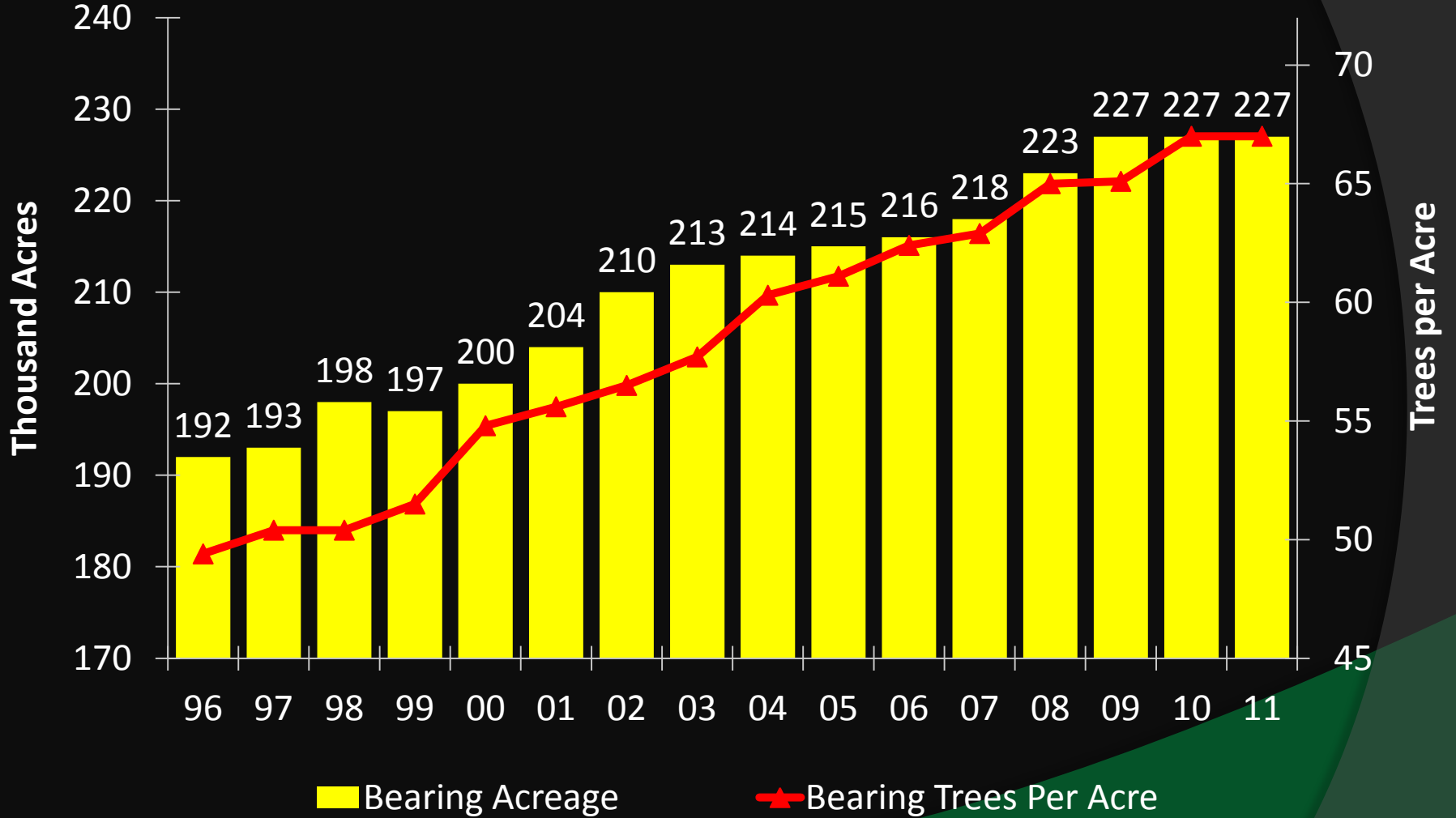
California Walnut Commission  
101 Parkshore Drive, Suite 250  
Folsom, CA 95630  
(916) 932-7070  
[www.walnuts.org](http://www.walnuts.org)



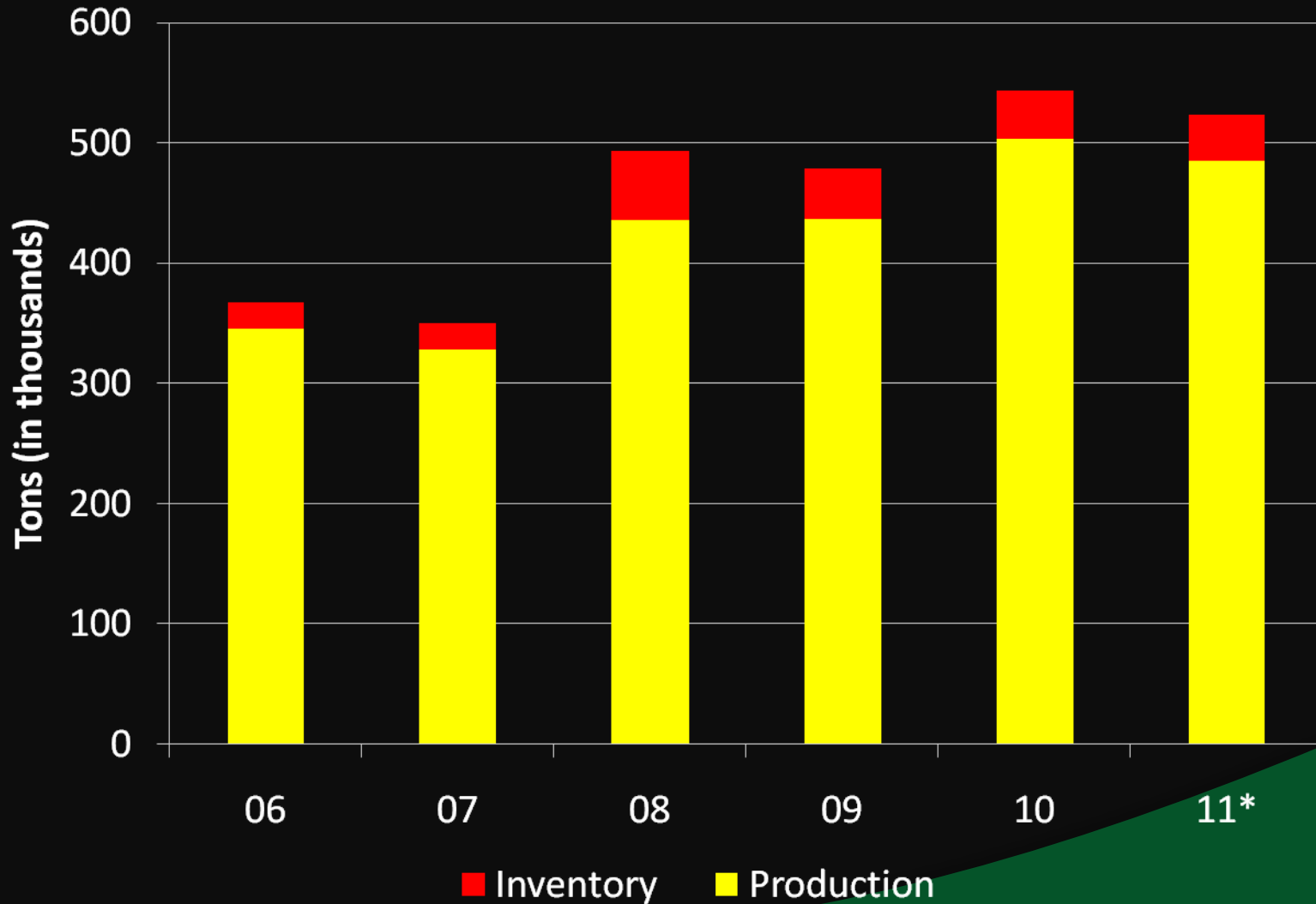
# APPENDIX

# CALIFORNIA WALNUTS

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

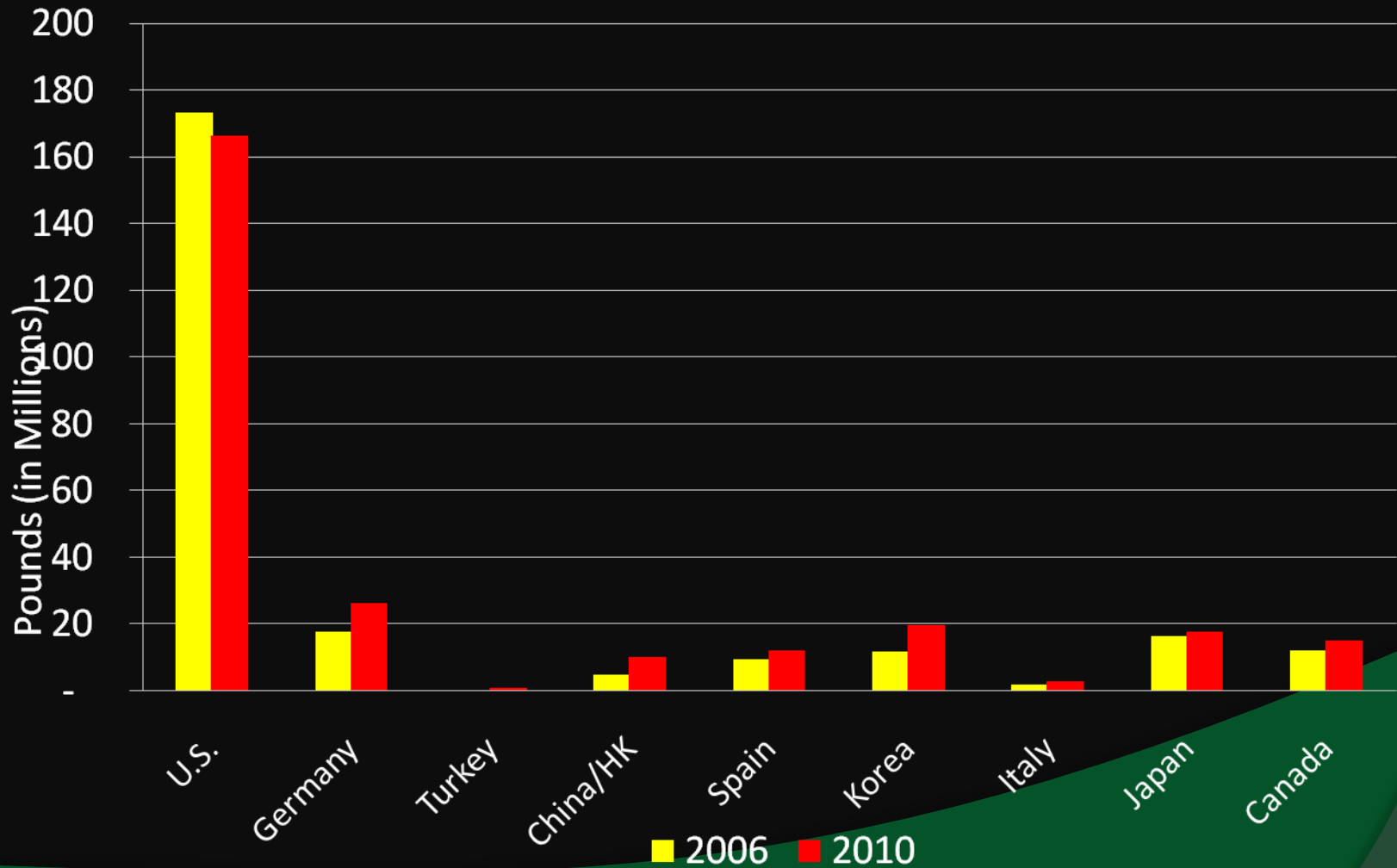


# Total Availability

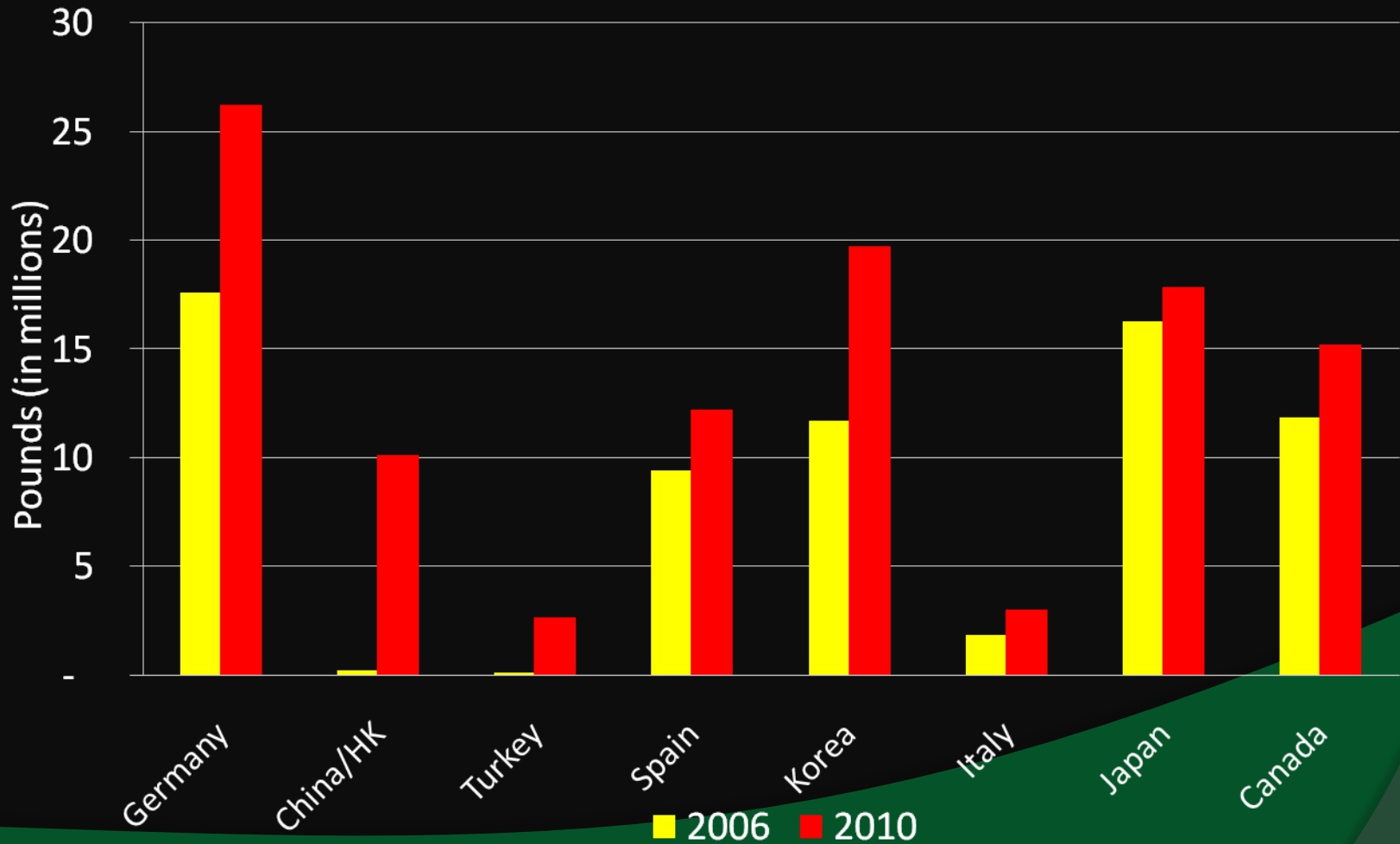


*\*Estimate*

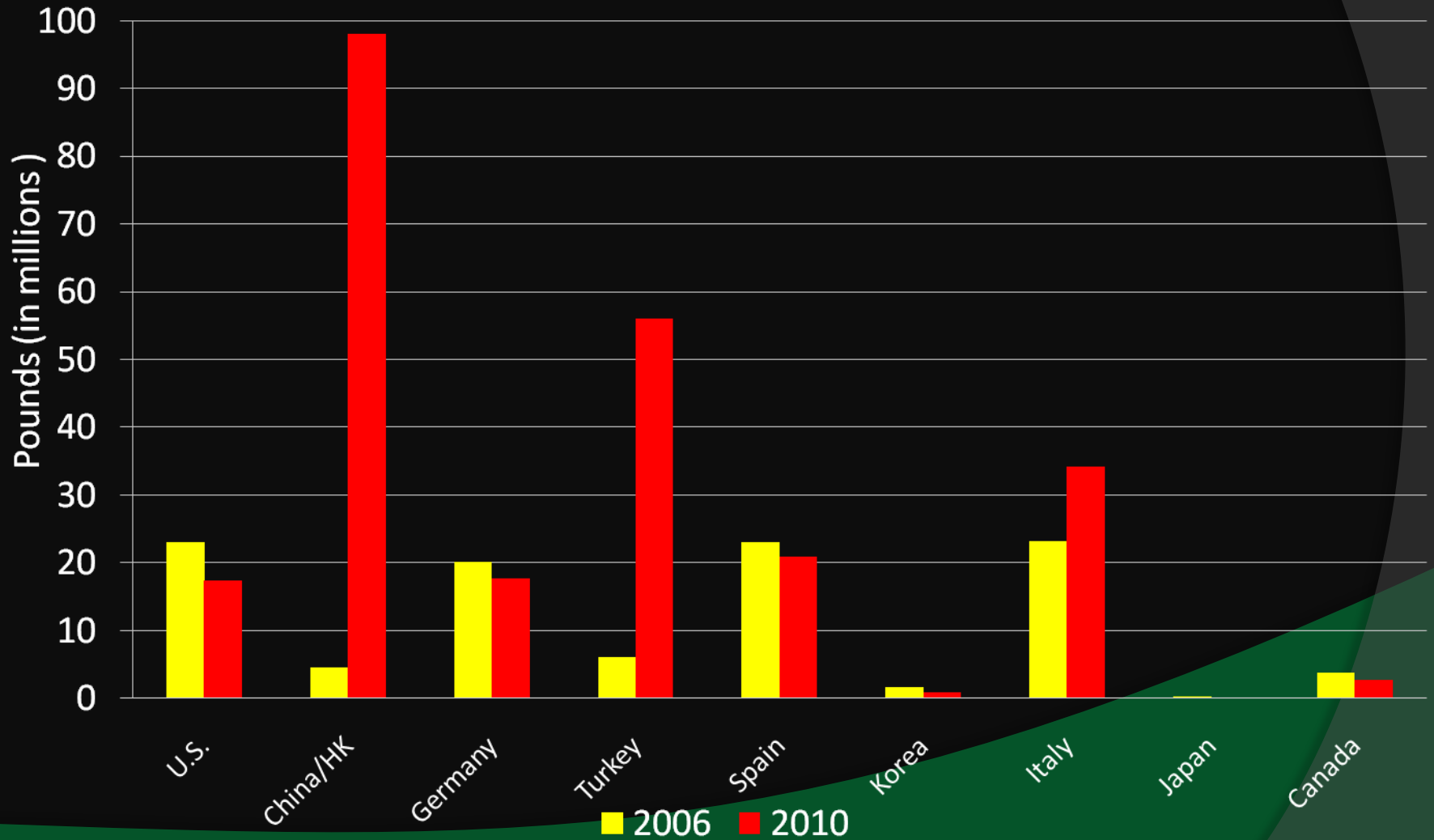
# Shelled Shipments



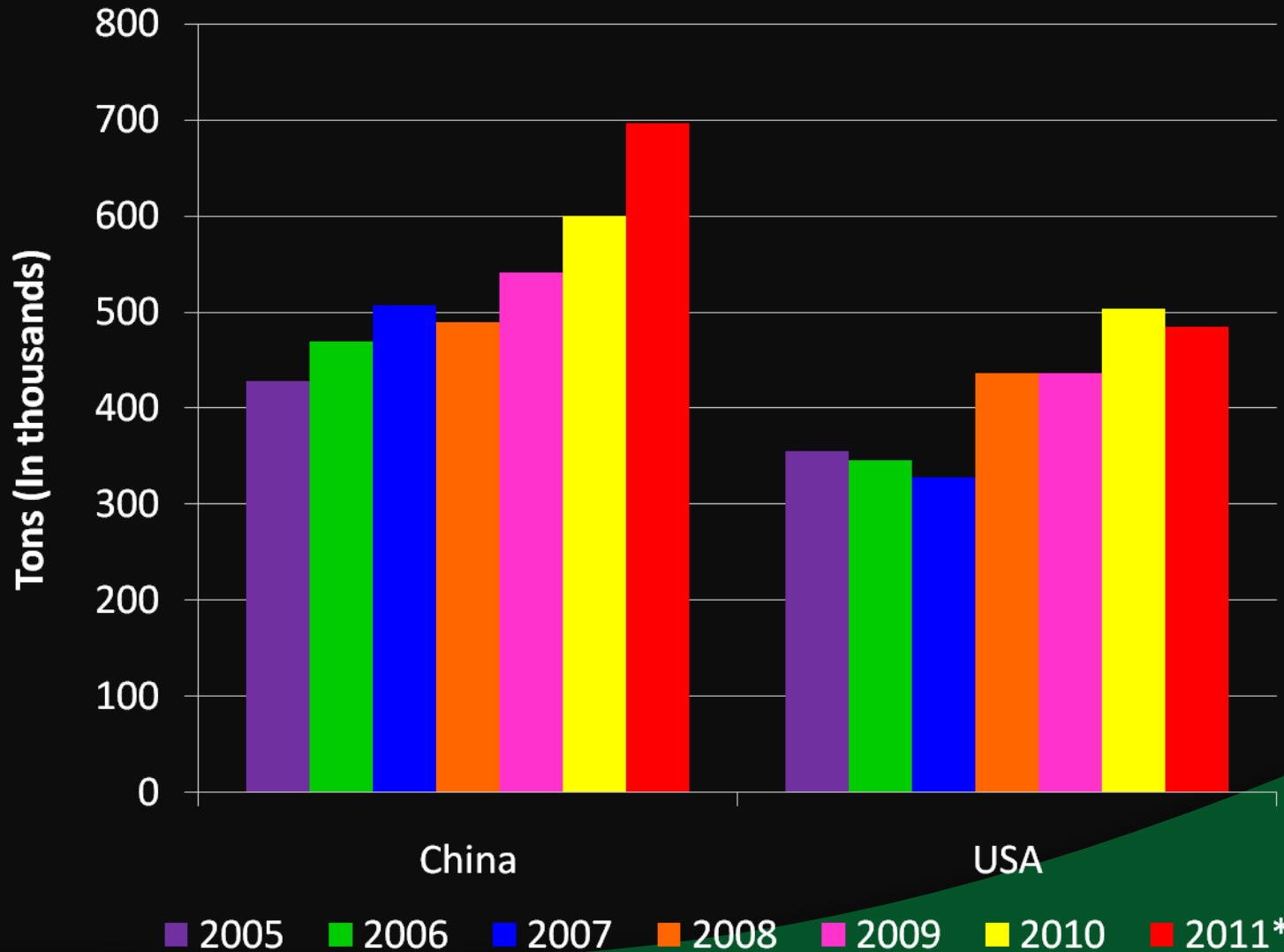
# Shelled Shipments-Export



# Inshell Shipments

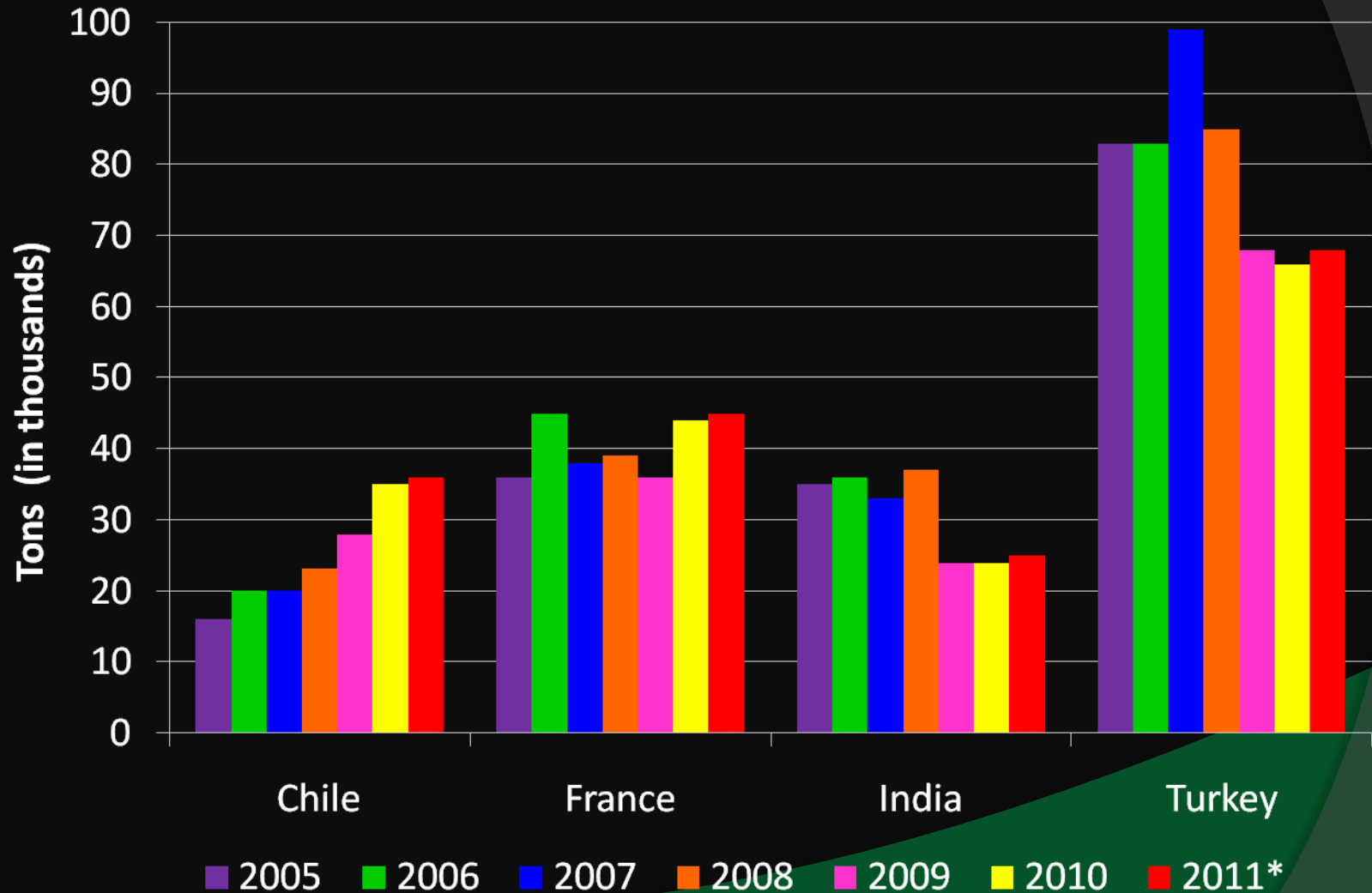


# Foreign Crop Production



\*Estimate

# Foreign Crop Production



\*Estimate

# 02 Lindow walnut blight overview 2012.ppt