

# **YOUR ASSESSMENT AT WORK: 2013 California Walnut State of the Industry**

*Presented by:*

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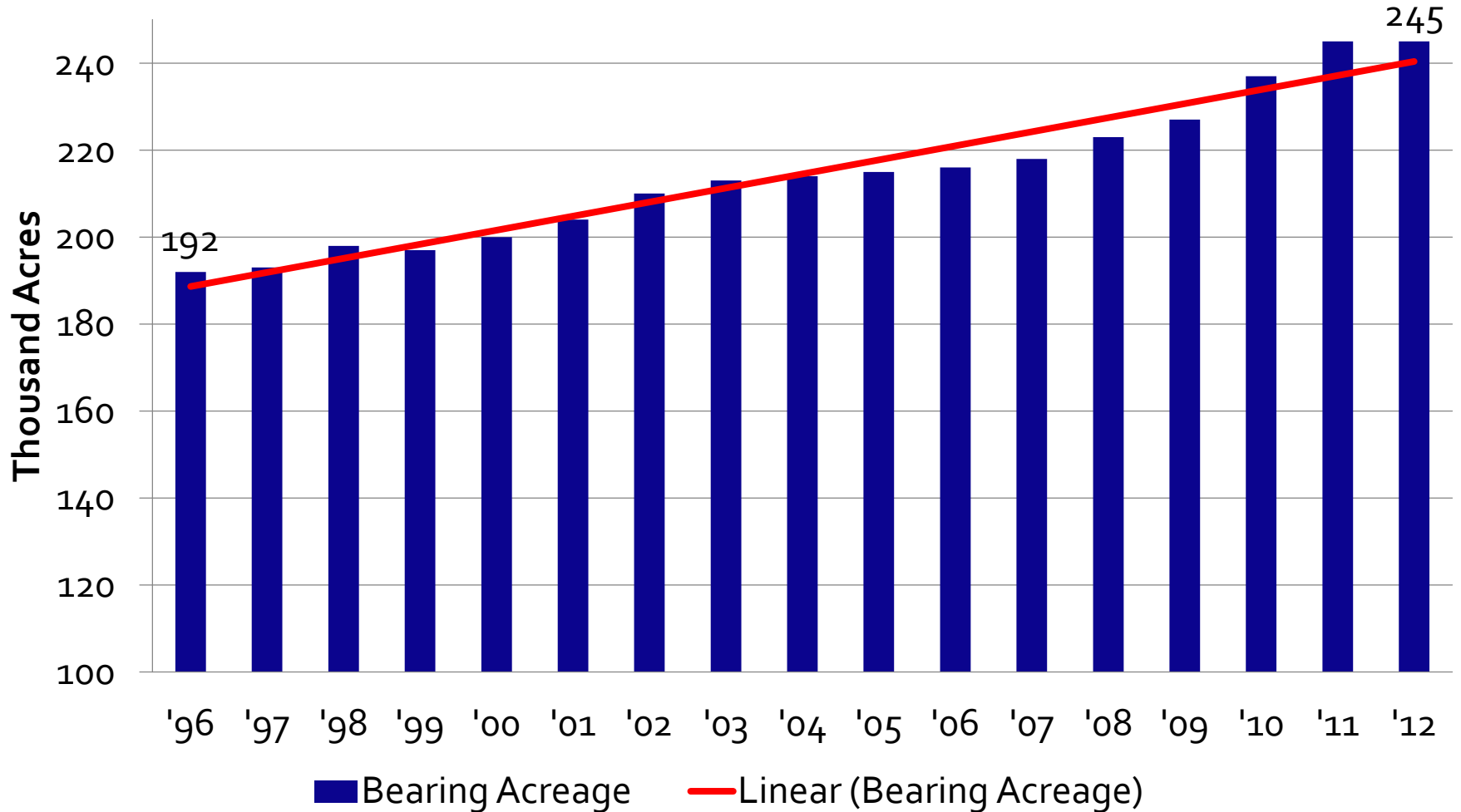
# BOARD ACTIVITIES

- Production Research
- Food Safety
- Grades & Standards
- Section 18
- U.S. Marketing to Build Demand
- **Volume Control**
- USDA Surplus Control Buys  
(i.e. School Lunch Program)

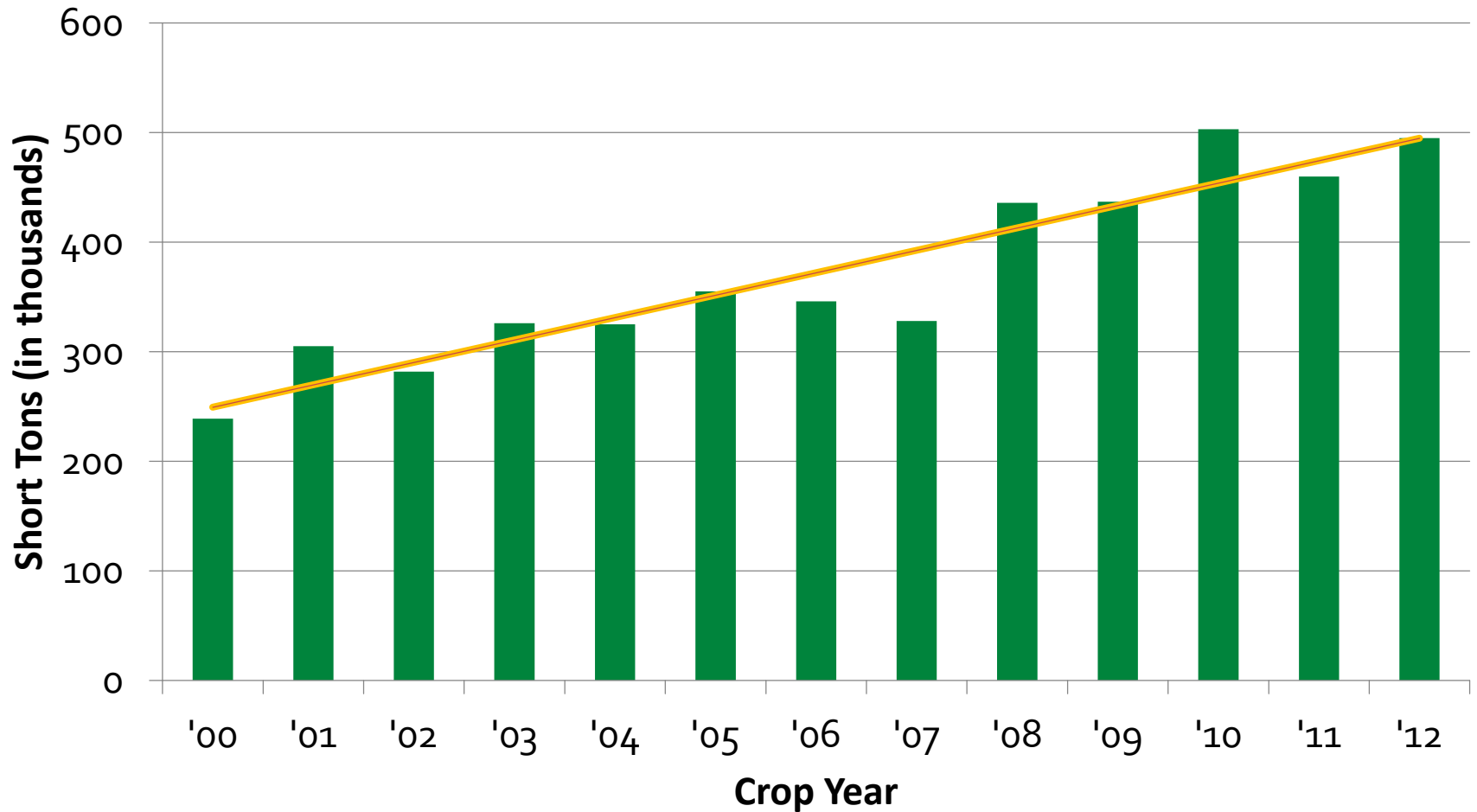
# COMMISSION ACTIVITIES

- Health Research
- U.S. & International Market Development
- Educate government officials
- Trade Policy (FTA)
- Regulatory Issues
- Communication within the Industry
- Contract Flexibility

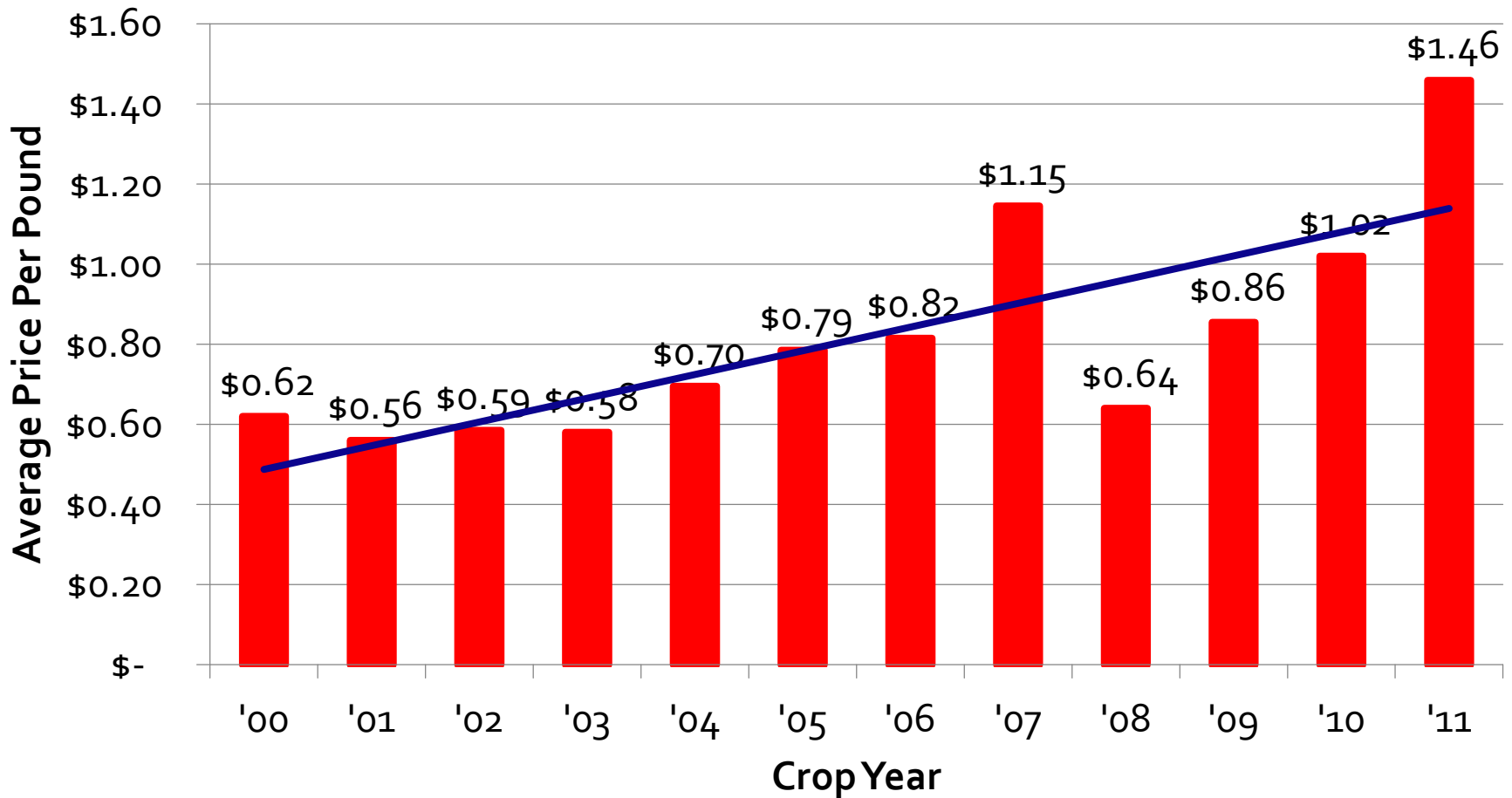
# BEARING ACREAGE



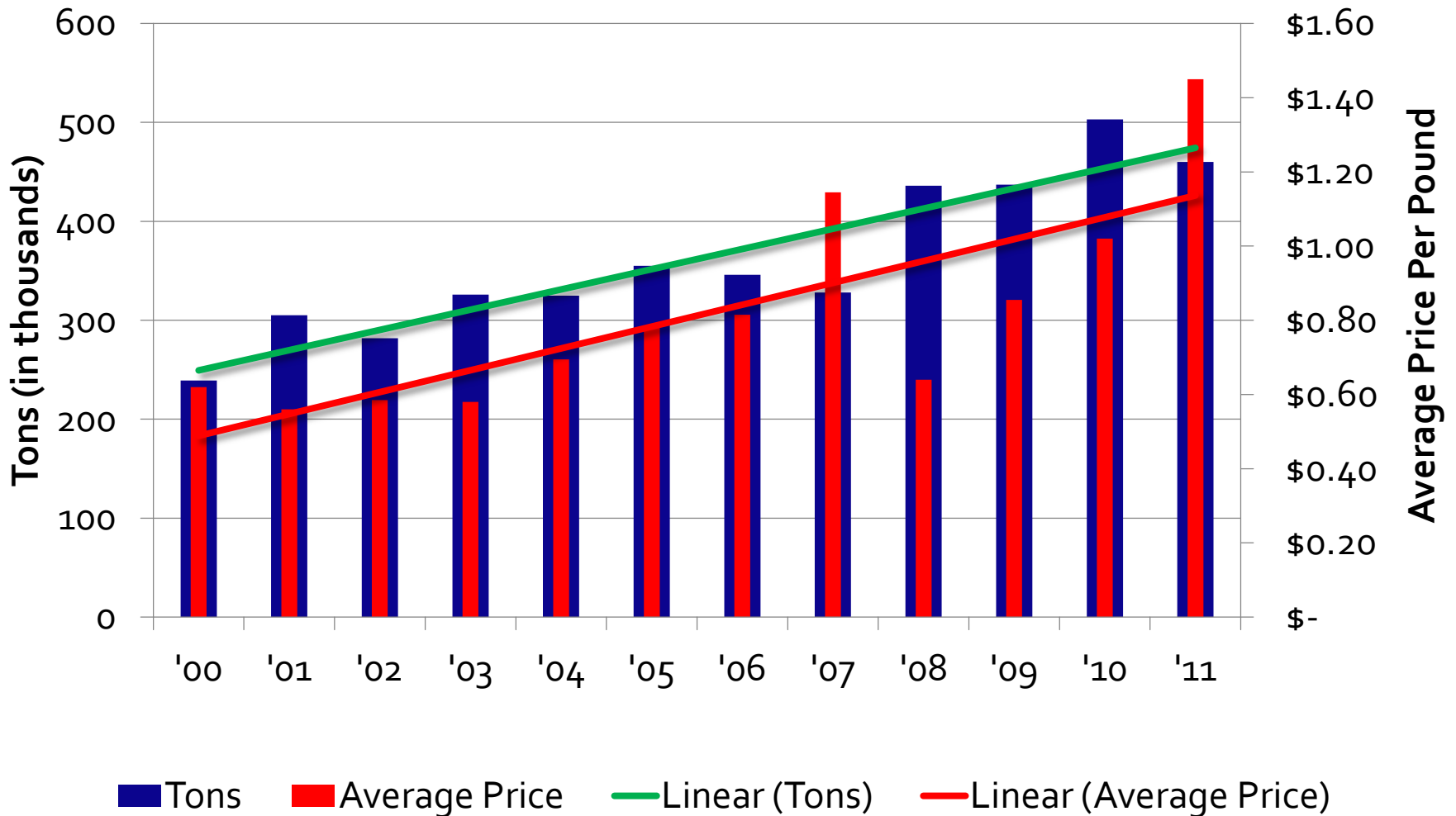
# PRODUCTION



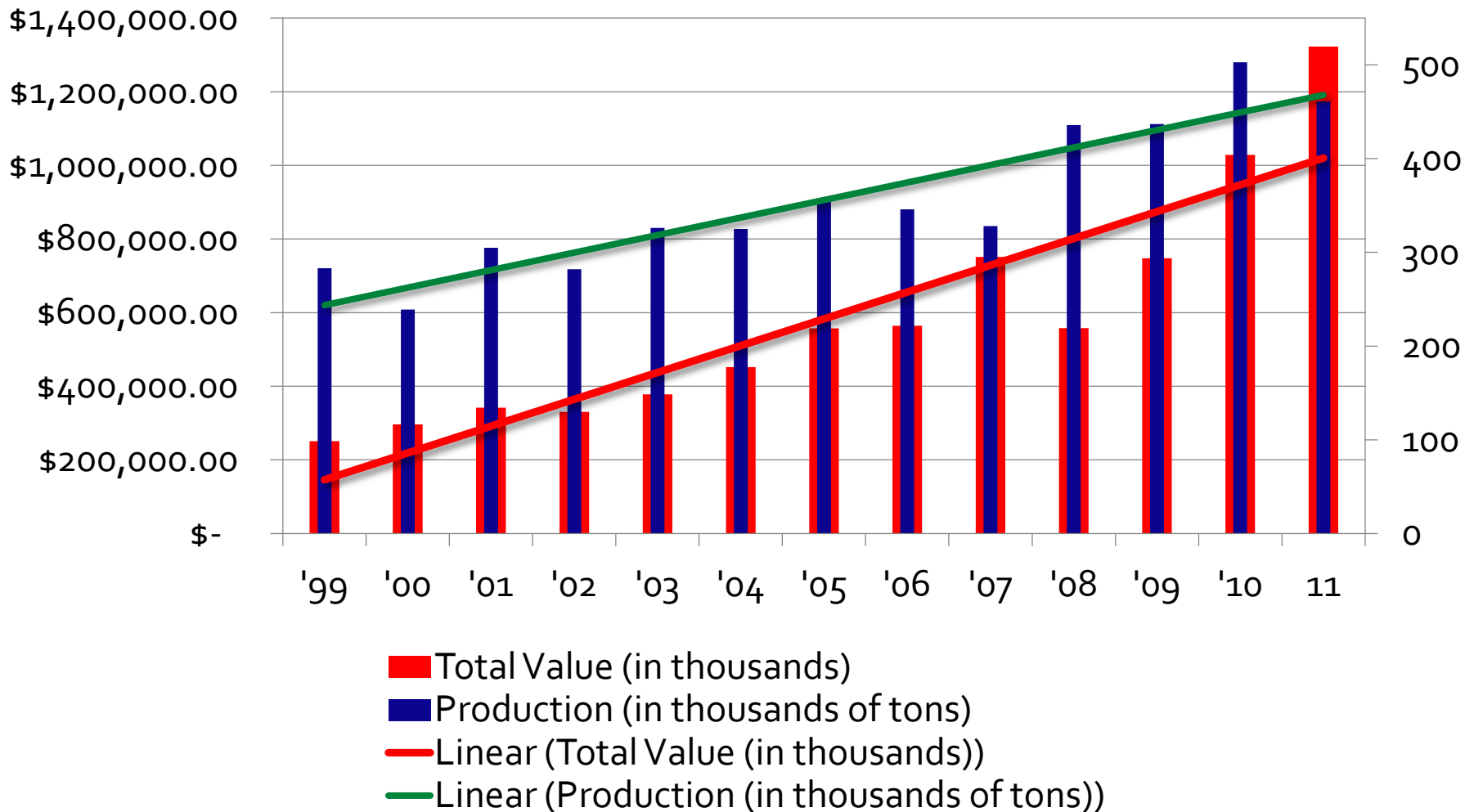
# AVERAGE WALNUT PRICES



# PRODUCTION & AVERAGE PRICE PER POUND



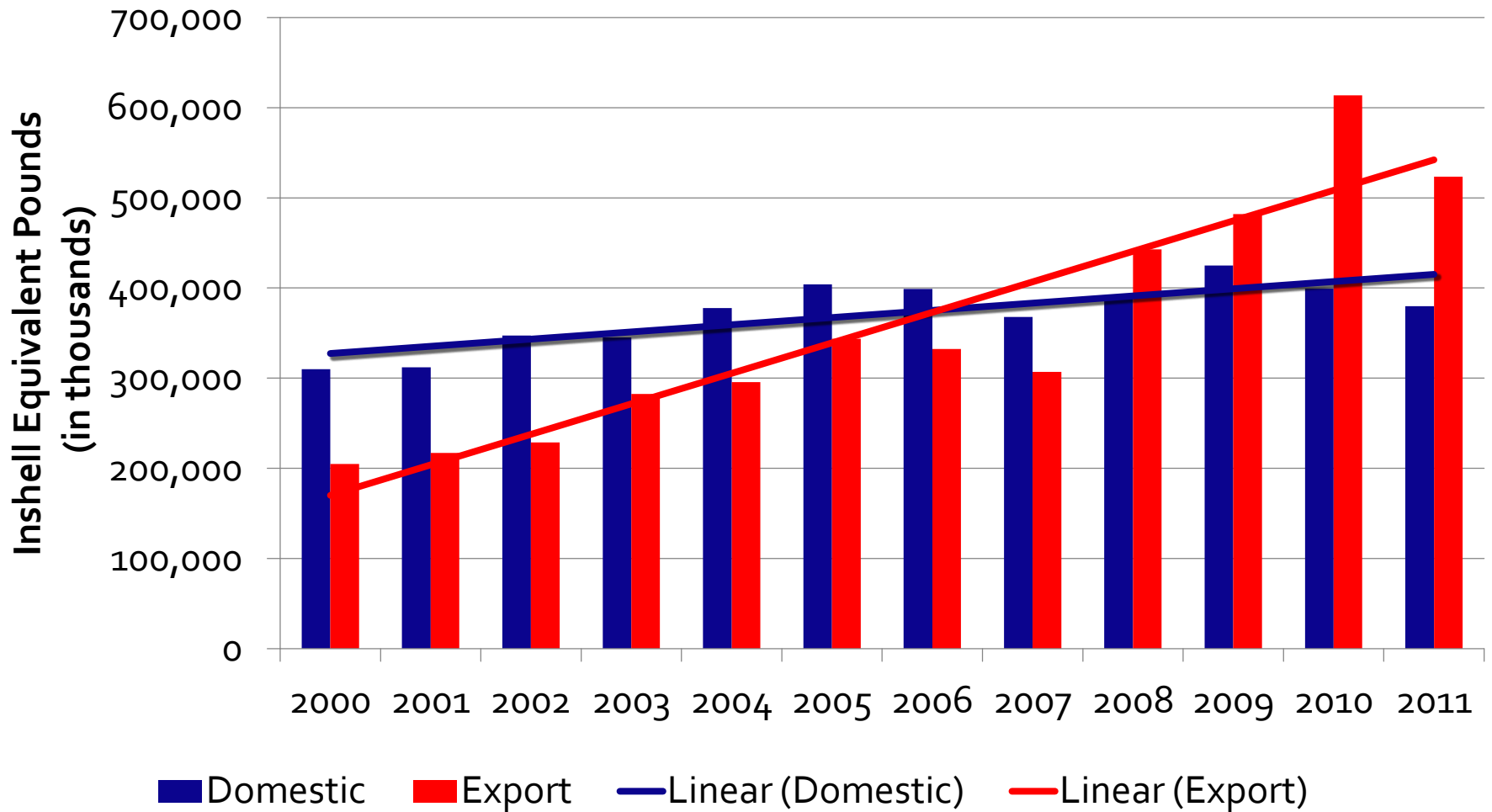
# PRODUCTION & TOTAL VALUE



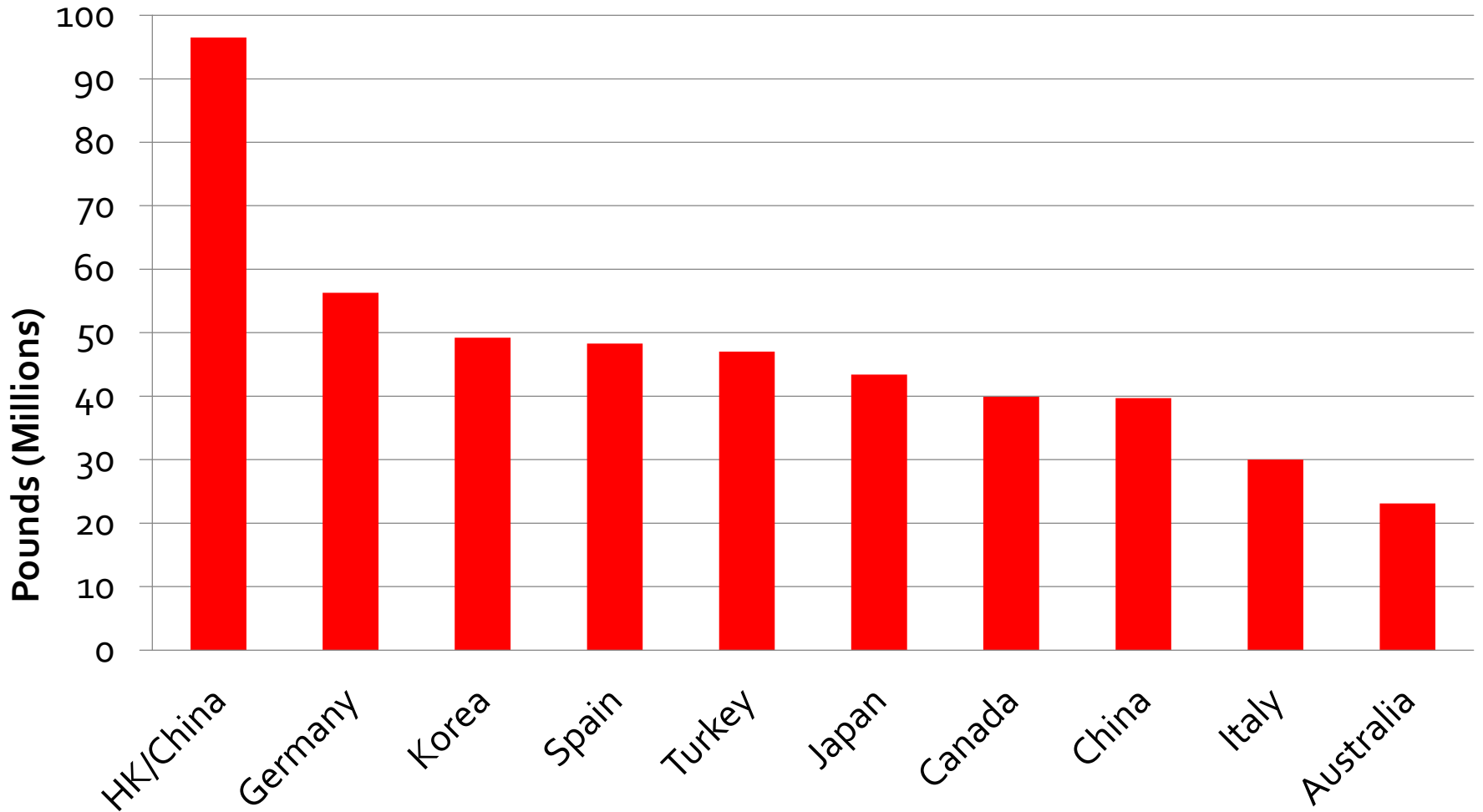
Source: 2011 California Walnut Acreage Report; USDA, National Agricultural Statistics Service



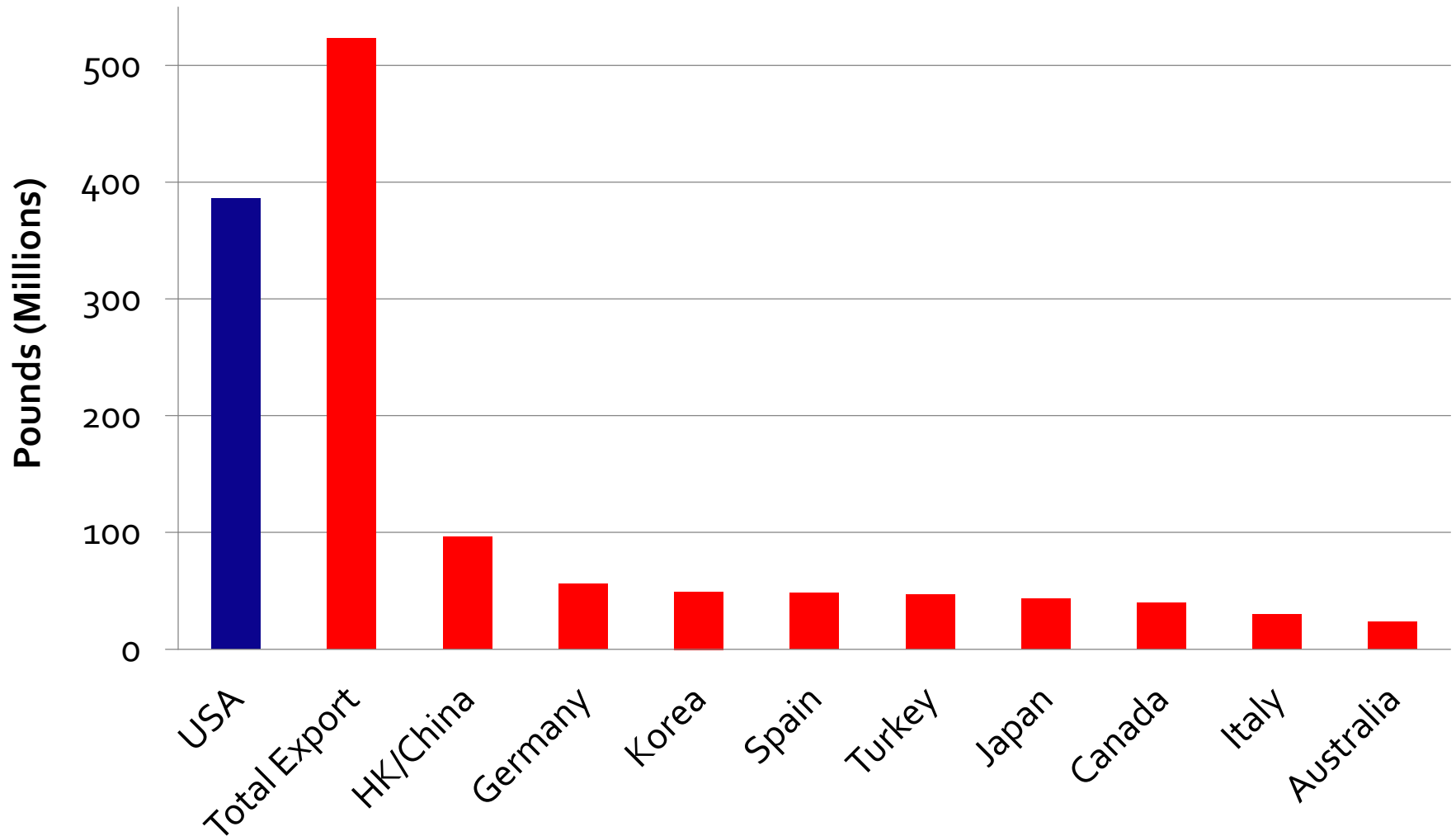
# DOMESTIC & EXPORT SHIPMENTS




# TOP MARKETS – 2011 Crop Year



# TOP MARKETS – 2011 Crop Year



**YOUR ASSESSMENT AT WORK:  
PRODUCTION RESEARCH  
ACHIEVEMENTS**

1970's  TODAY

# 1970's

1971

Ethephon spray  
for early harvest  
Codling moth  
pheromone

1975

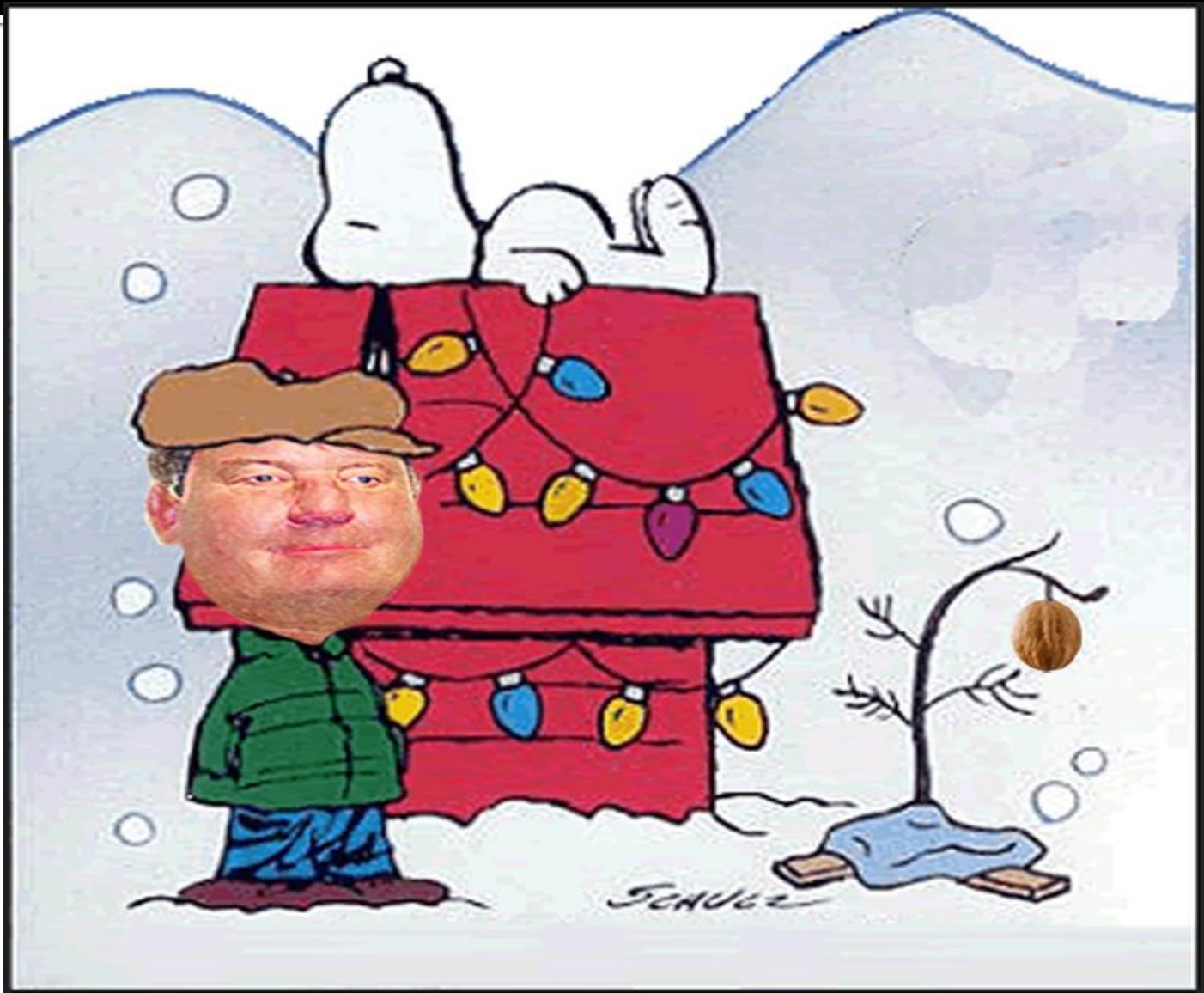
'Blackline' virus  
discovered

1977

Identified 13  
species of  
Phytophthora  
causing root and  
crown rot

1979

'Chandler' and  
'Howard' released  
95,285 acres  
Chandler  
22,461 acres  
Howard



# 1980's and '90's

1980's

Higher planting densities

Mechanical hedging & pruning

1993

'Tulare' released.

Ranked #3 in 2011 plantings

1994

'Manex' Section 18 registration for blight control.

20 years (longest on record)

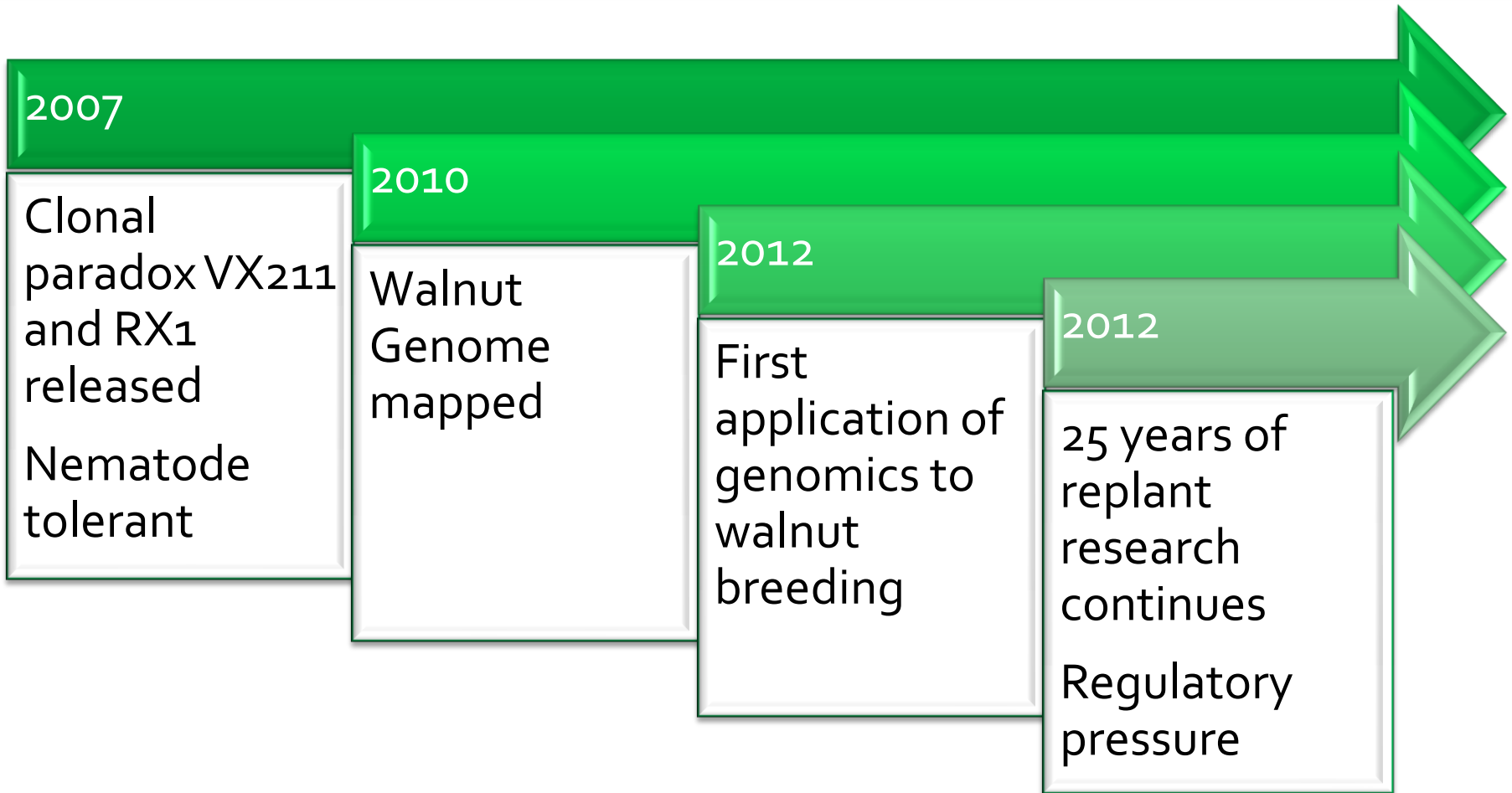
1996

'Paradox' Genetic Diversity Study started.

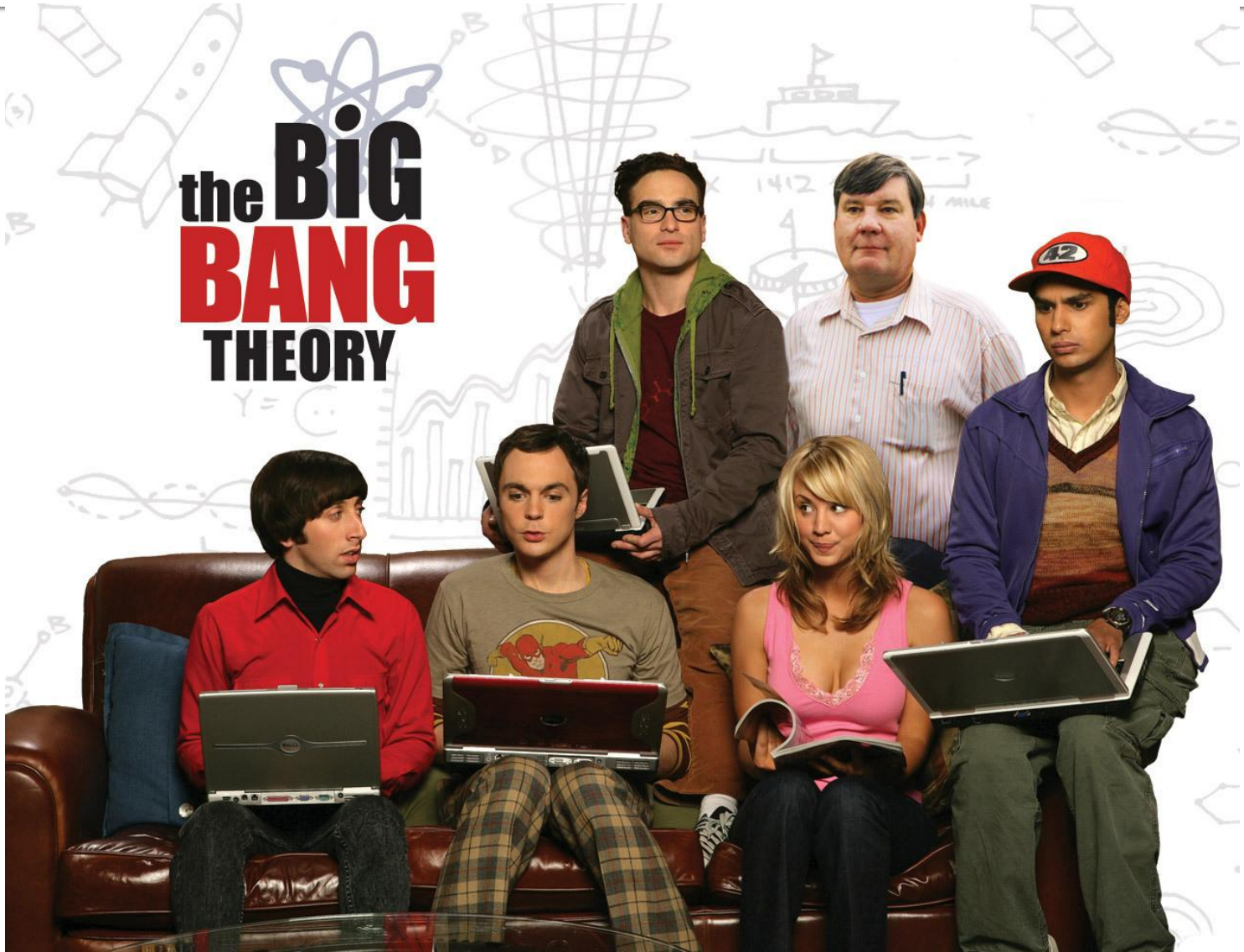





# 2000's to Present



# the **Big** **BANG** THEORY



**YOUR ASSESSMENT AT WORK:  
HEALTH RESEARCH  
ACHIEVEMENTS**

1990's  TODAY

# HEALTH RESEARCH ACHIEVEMENTS

1987

Research shows  
0% like walnuts  
for health  
benefits.

US shipments –  
93 million  
pounds

1991

First health  
study begins at  
Loma Linda  
University

1993

Study publishes  
in New England  
Journal of  
Medicine – 244  
million  
impressions

1995

CWC forms  
Scientific  
Advisory Council

# HEALTH RESEARCH ACHIEVEMENTS

2001

Barcelona  
Walnut Trial  
Publishes

268 million PR  
impressions

2003

PREDIMED  
Trial Begins in  
Spain

2004

Walnuts  
Receive FDA  
Health Claim

1.4 billion PR  
impressions

2005

Receive the 1<sup>st</sup>  
research grant  
from American  
Institute for  
Cancer  
Research

# HEALTH RESEARCH ACHIEVEMENTS

2011

2<sup>nd</sup> Breast  
Cancer Study  
Receives 738  
million  
impressions

2011

Health is the  
#1 reason for  
purchase  
86% say  
walnuts are  
healthy

2011

AHA  
Certification of  
Walnuts



2012

Walnuts  
Receive 4  
Health Claims  
from European  
Union (1  
specific)

189 million shelled pounds shipped in 2011

# HEALTH RESEARCH - TODAY

## 85 Published Papers to Date

### Recently Published

- UCLA (Robbins) – Male Reproductive Health
- Harvard (Hu) – Alpha-Linolenic Acid
- Penn State (Van Den Heuvel) – Breast Cancer
- Tufts University (Carey) – Cognitive Function

### In Progress (30)

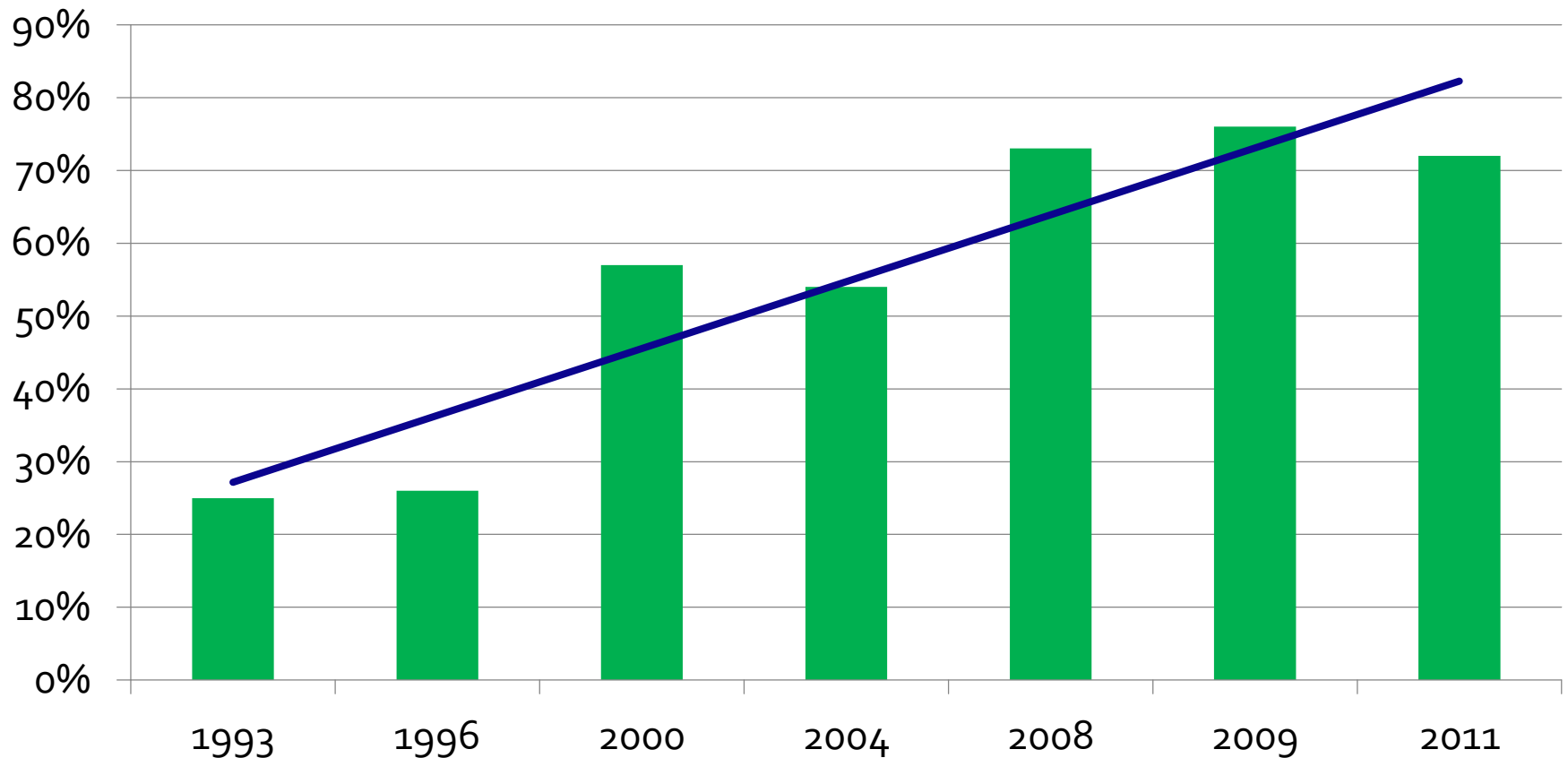
- Cardiovascular
- Cancer
- Cognitive Function
- Diabetes
- Male Reproductive Health
- Weight Management

8 in 10 PR impressions health-related



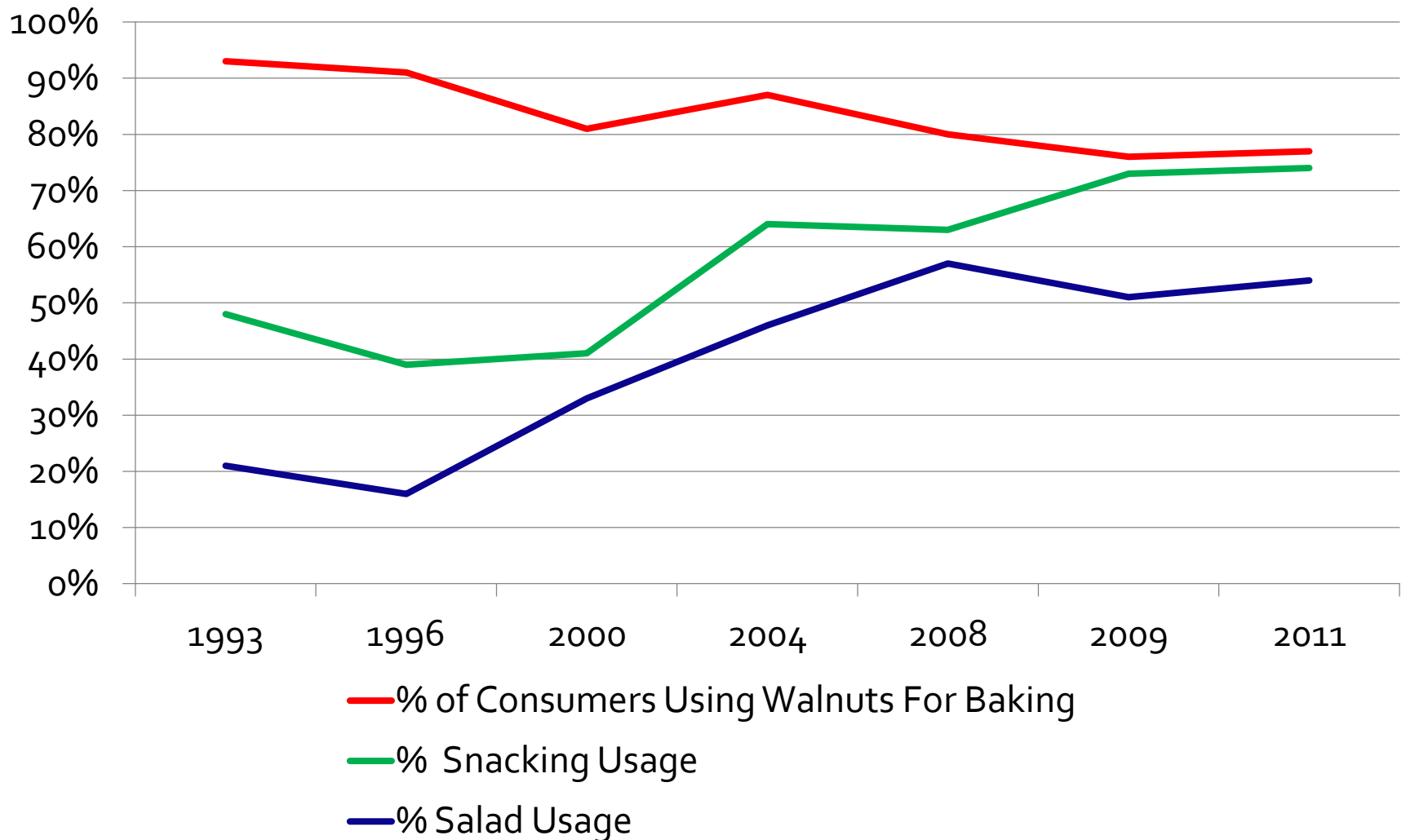
# CONSUMER PERCEPTIONS

**% of Consumers Using More Walnuts Because They Are Healthy/Good For You/Nutritious**





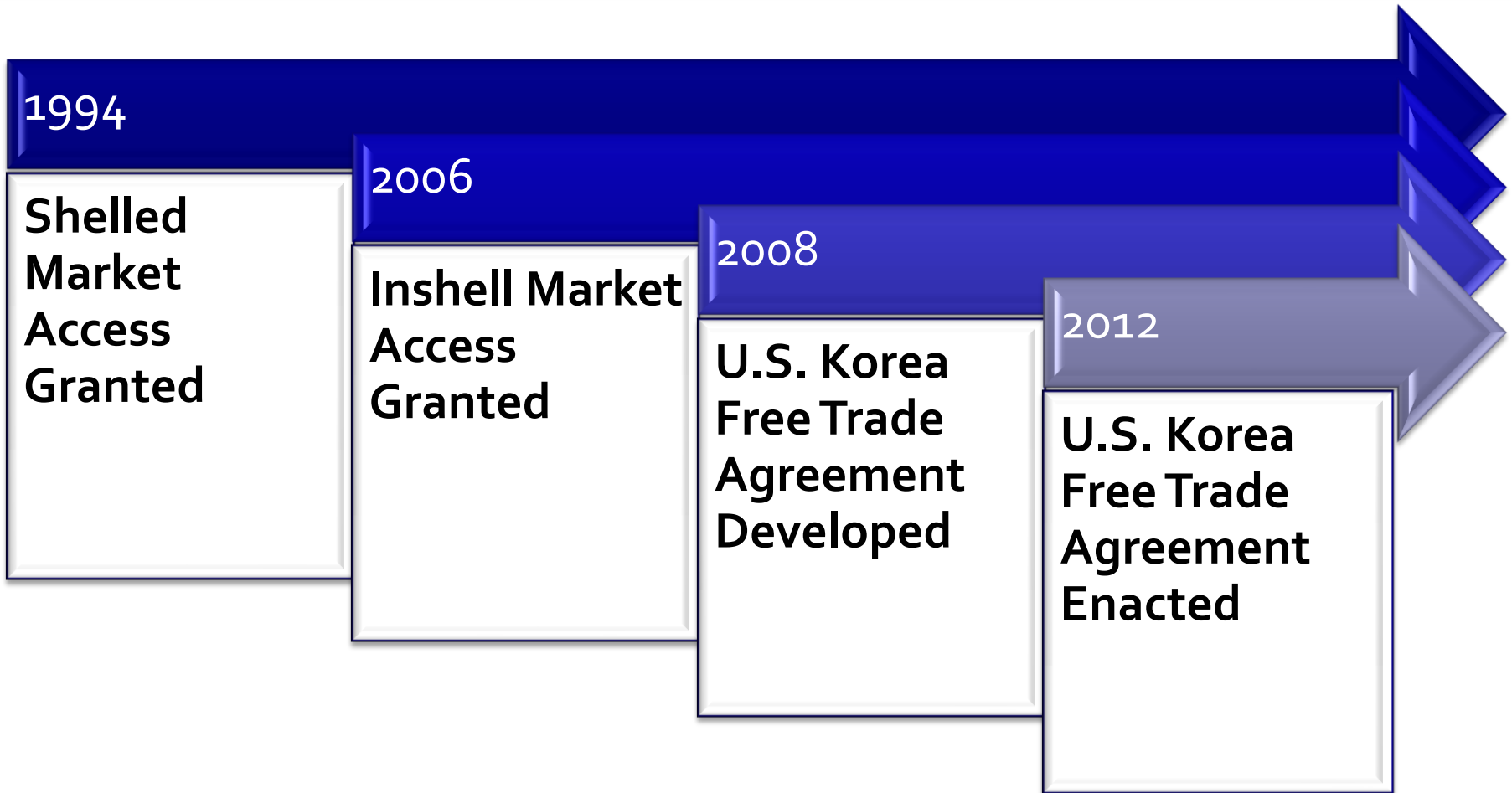
# CONSUMER PERCEPTIONS



**YOUR ASSESSMENT AT WORK:  
MARKET DEVELOPMENT  
ACHIEVEMENTS**

1980's → TODAY

# South Korea Market Development Achievements



# Japan Market Development Achievements

1986

**Inshell Market  
Access  
Granted**

1989

**New Product  
Development  
Competition  
Begins**

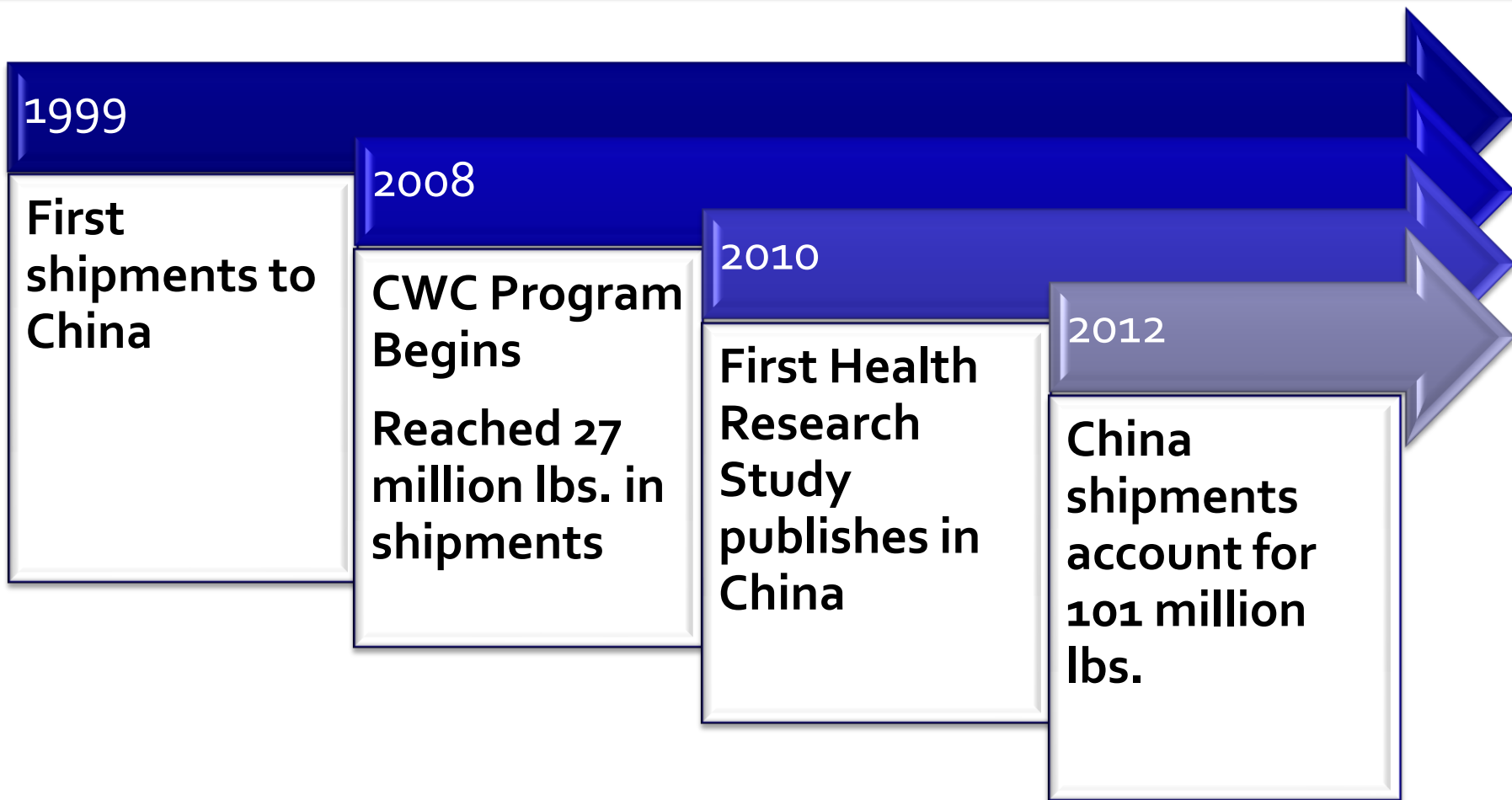
2012

**Bakery Sector  
continues to  
account for  
70+% of total  
volume  
shipped**

2012

**Market Share  
in 1989 from  
40% vs. 96%  
Today**

# China Market Development Achievements



# MARKET DEVELOPMENT ACHIEVEMENTS

Coming Soon - 2013

**India Market Access**

**Protocol Pending**

# EXPORTS - Then vs. Now

- Export growth 52M tons 1985 to 263M tons in 2011
- 406% increase



# CURRENT MARKETING HIGHLIGHTS

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# U.S. ADVERTISING



## CALIFORNIA WALNUTS

### NATURAL DEFENDERS OF THE HUMAN BODY™

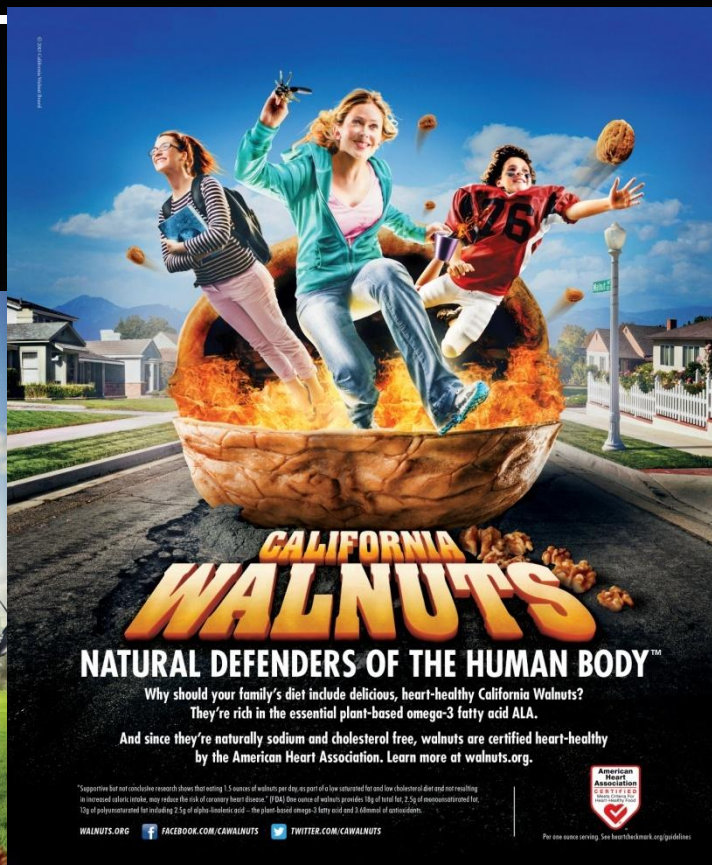
Nutritious California Walnuts are a convenient source of energy for hard working bodies. They're rich in the essential plant-based omega-3 fatty acid ALA. And the American Heart Association certifies foods, including walnuts, for the contribution they can make to an overall heart-healthy diet.



For one ounce serving. See heartcheckmark.org/guidelines.

\*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 2.6milli of antioxidants.

WALNUTS.ORG FACEBOOK.COM/CAWALNUTS TWITTER.COM/CAWALNUTS



## 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 since they're naturally sodium and cholesterol free, walnuts are certified heart-healthy by the American Heart Association. Learn more at walnuts.org.



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WALNUTS.ORG FACEBOOK.COM/CAWALNUTS TWITTER.COM/CAWALNUTS



## CALIFORNIA WALNUTS

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The harder you live, the more you need powerful, portable California Walnuts. They're rich in the essential plant-based omega-3 fatty acid ALA. And the American Heart Association certifies foods, including walnuts, for the contribution they can make to an overall heart-healthy diet.



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# U.S. ADVERTISING 2012-13

- Better Homes & Gardens
- Cooking Light
- Eating Well
- Health
- Martha Stewart Living
- Real Simple
- Saveur
- Sunset
- Women's Health

\$2 million investment



314 million impressions

# EXPORT PUBLIC RELATIONS

- Health Related Media Coverage Drives Consumption
  - Vitamin (Korea)
  - Secret of Healthy Human Life (Korea)
  - NHK's Asa-ichi (Japan)



# EXPORT TRADE PROGRAMS

- Korea Retail Sales Competition
- China Retail Promotions



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*Walnut*  
news

Food Safety Modernization Act on the Horizon

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Walnut  
news

Food Safety Modernization Act on the Horizon

# **YOUR ASSESSMENT AT WORK: IN SUMMARY**

# YOUR ASSESSMENTS HAVE HELPED:

1. Positioned walnuts as a healthy food
2. Opened and developed new markets
3. Improved production practices

**The result?**

**Economic Growth of the  
California Walnut Industry**

# Thank you!

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