

# Mike Poindexter



# California Walnut Industry

USDA Public Hearing, April XX, 2022



# About the California Walnut Board

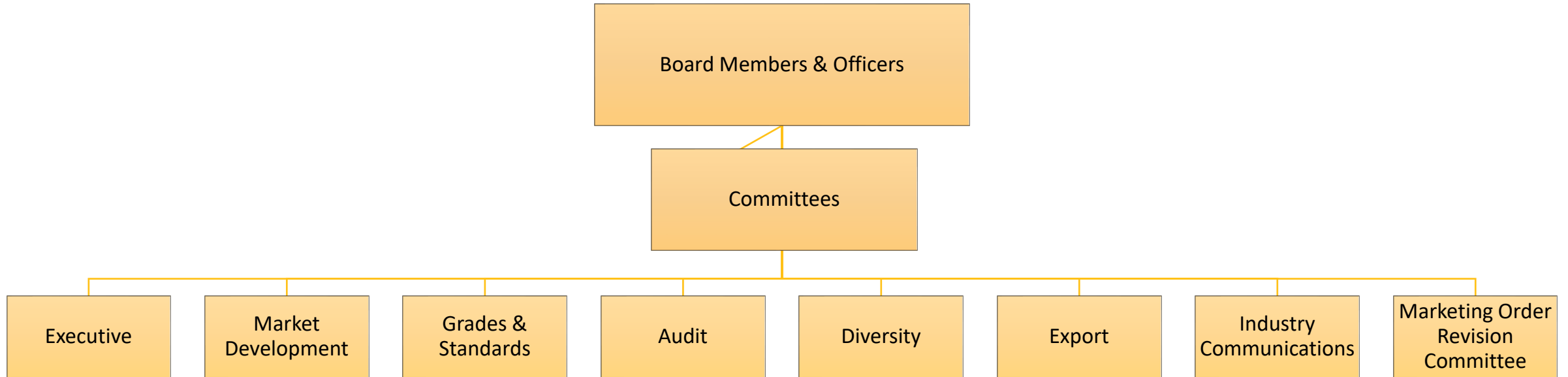


# The California Walnut Board

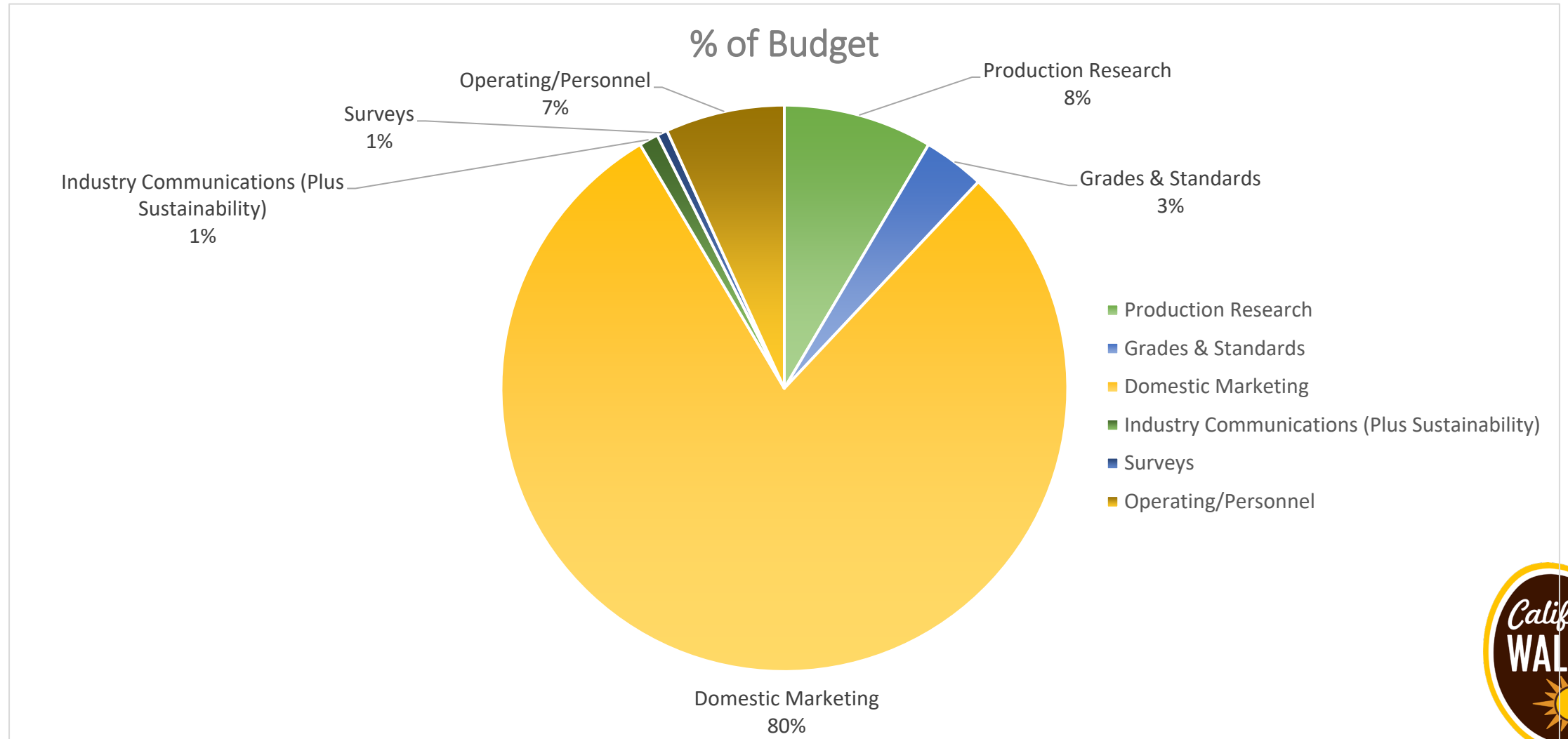
- Federal Marketing Order established in 1948 to represent growers and handlers (processors)
- Funded by assessment which provides:
  - U.S. Marketing
  - Production & Post harvest Research
  - Grades & Standards, Regulatory Monitoring & Support
  - Industry Education
- USDA Oversight



# CWB Structure



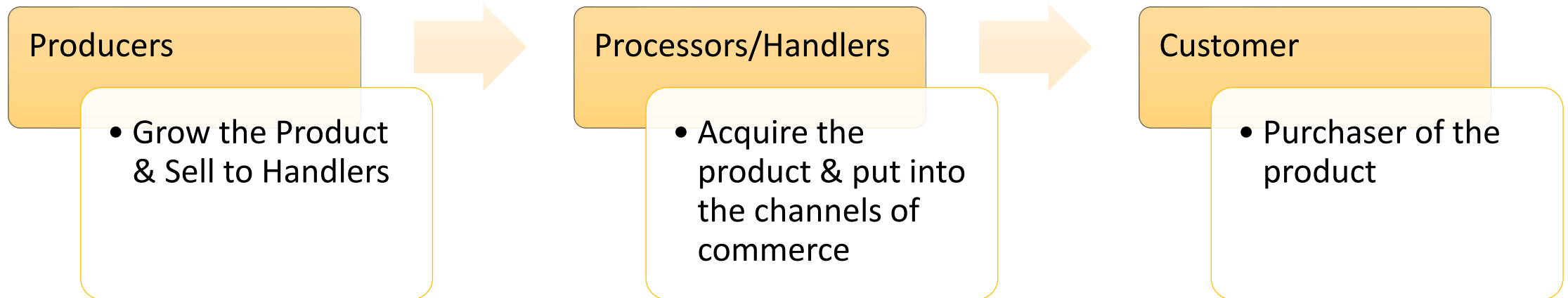
# CWB Historical Spend





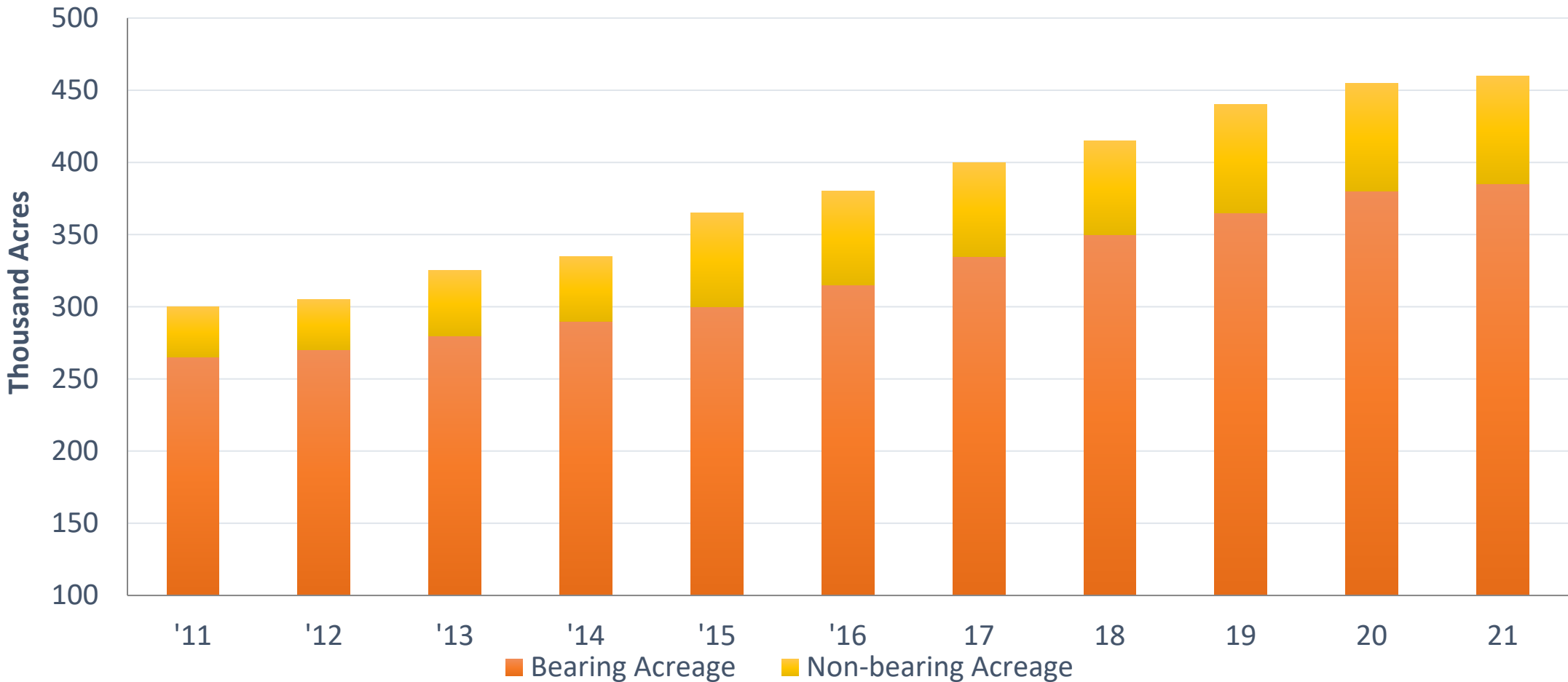
# The California Walnut Industry

# Industry Structure



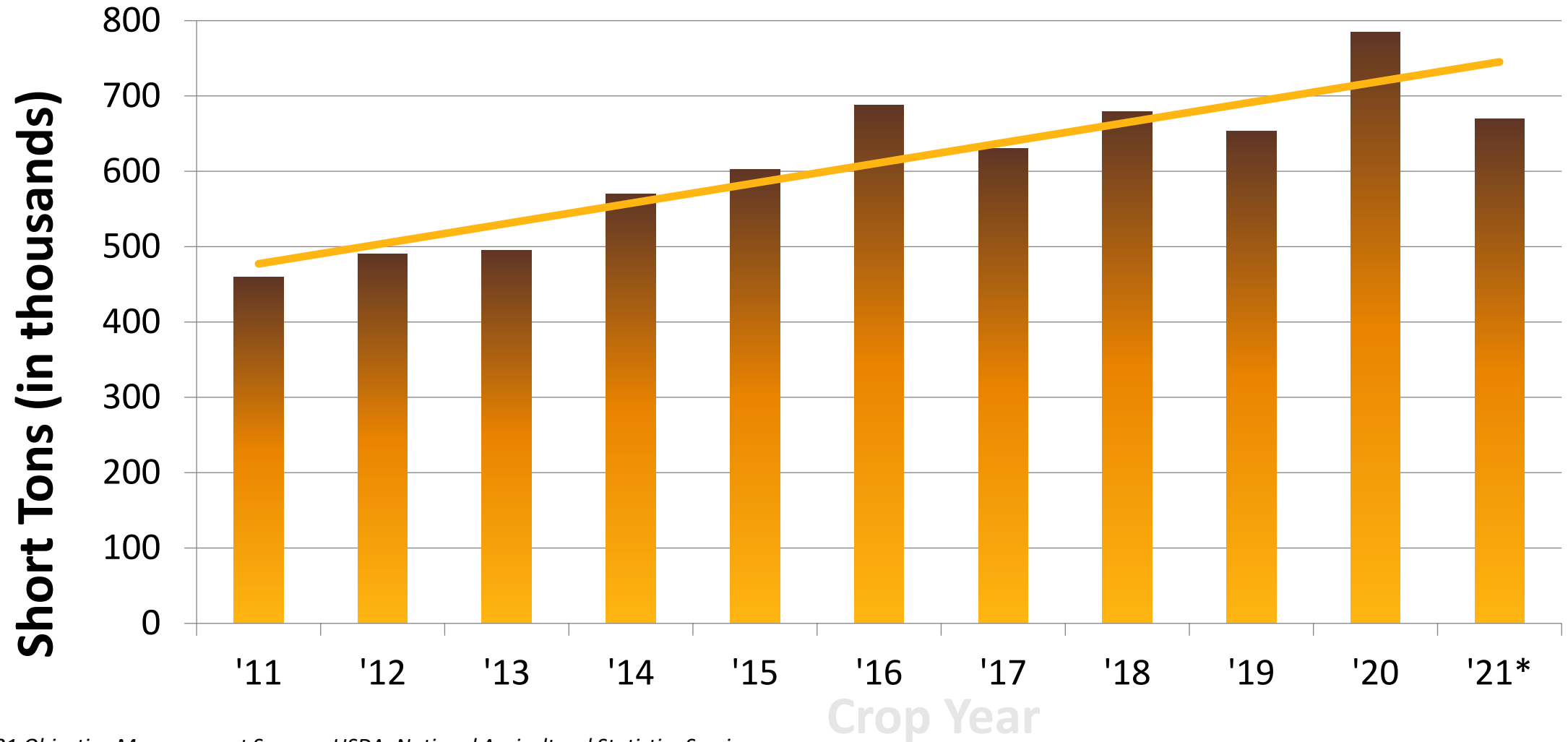


# Acreage



2017 Walnut Acreage Report & 2018 Objective Measurement Survey - USDA, National Agricultural Statistics Service ('09-'19)

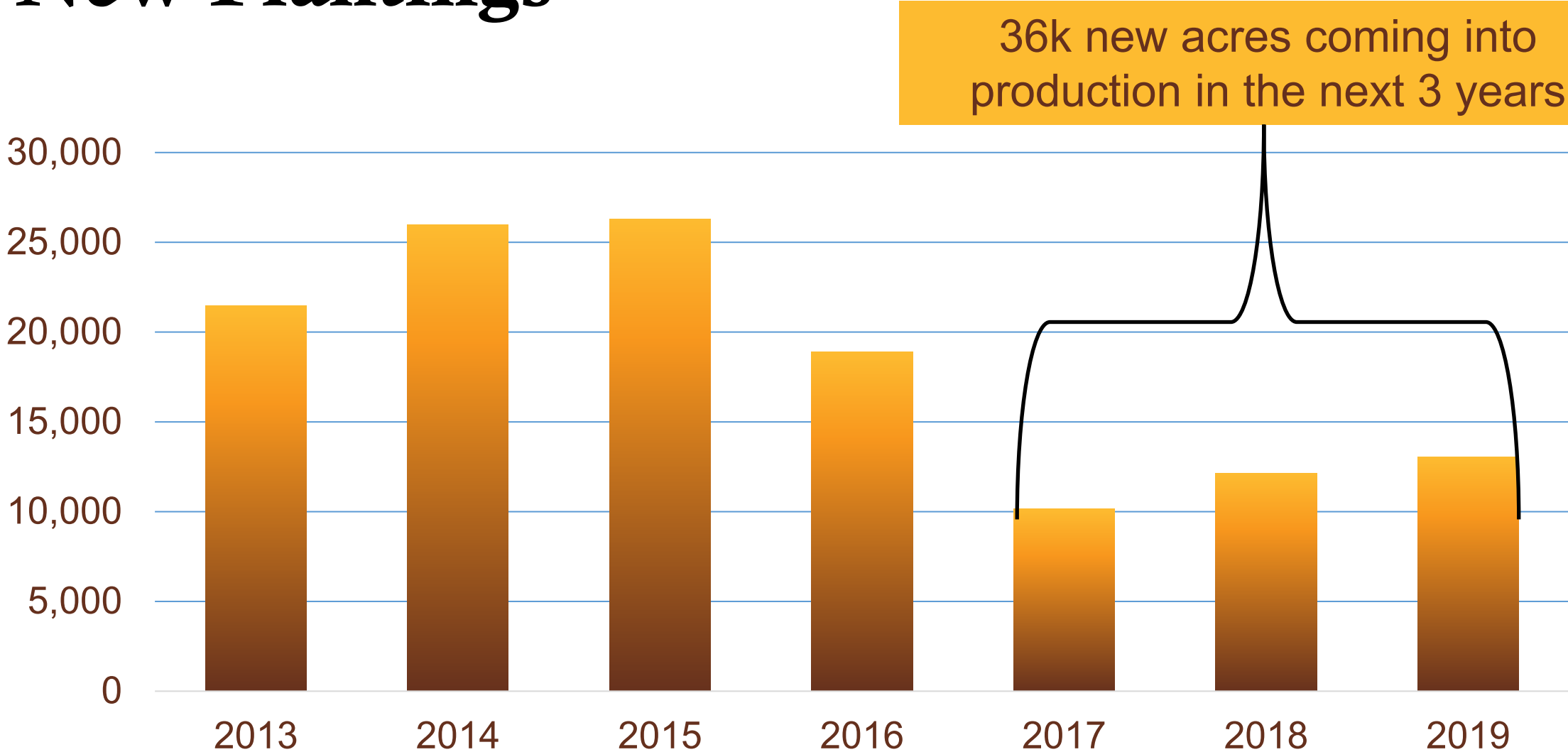
# California Walnut Production



2021 Objective Measurement Survey - USDA, National Agricultural Statistics Service

\*estimate

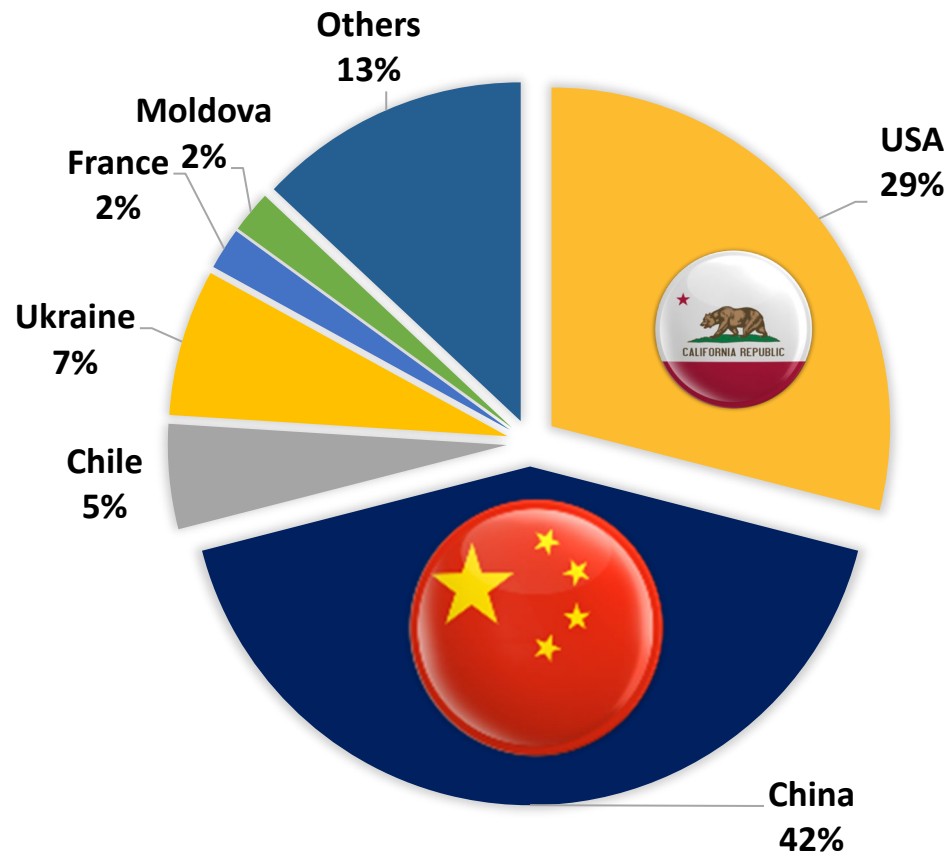
# New Plantings



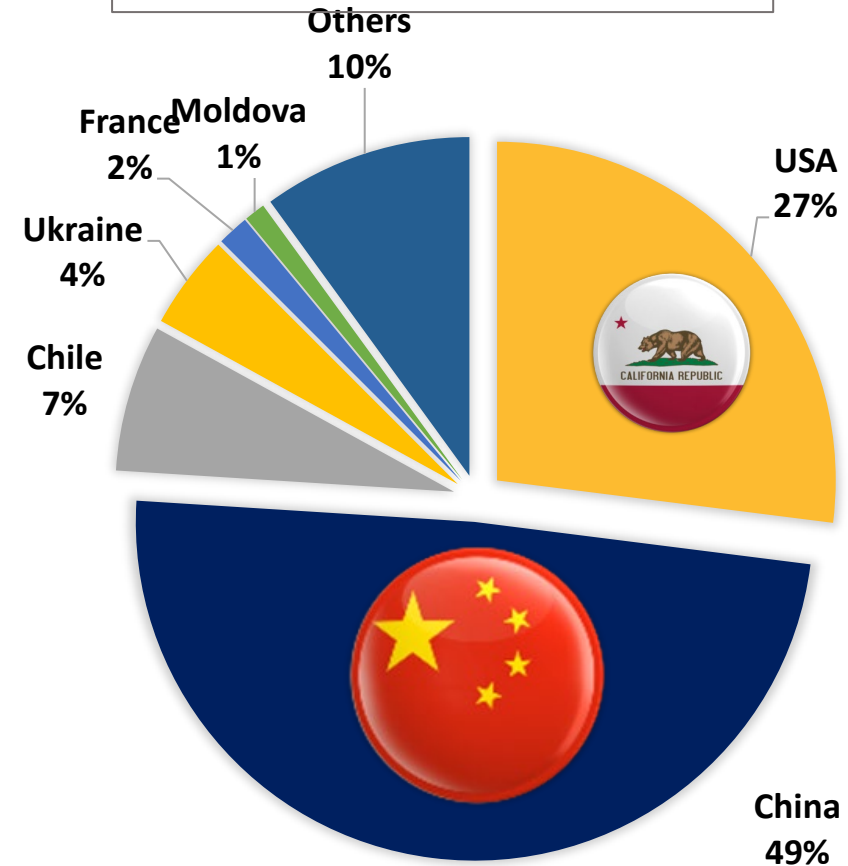
2019 Nursery Sales Report - CDFA in cooperation with USDA, National Agricultural Statistics Service

# World Production - ↑ 235,618MT in 5 years

2017/18 Crop Year  
2,011,795 MT

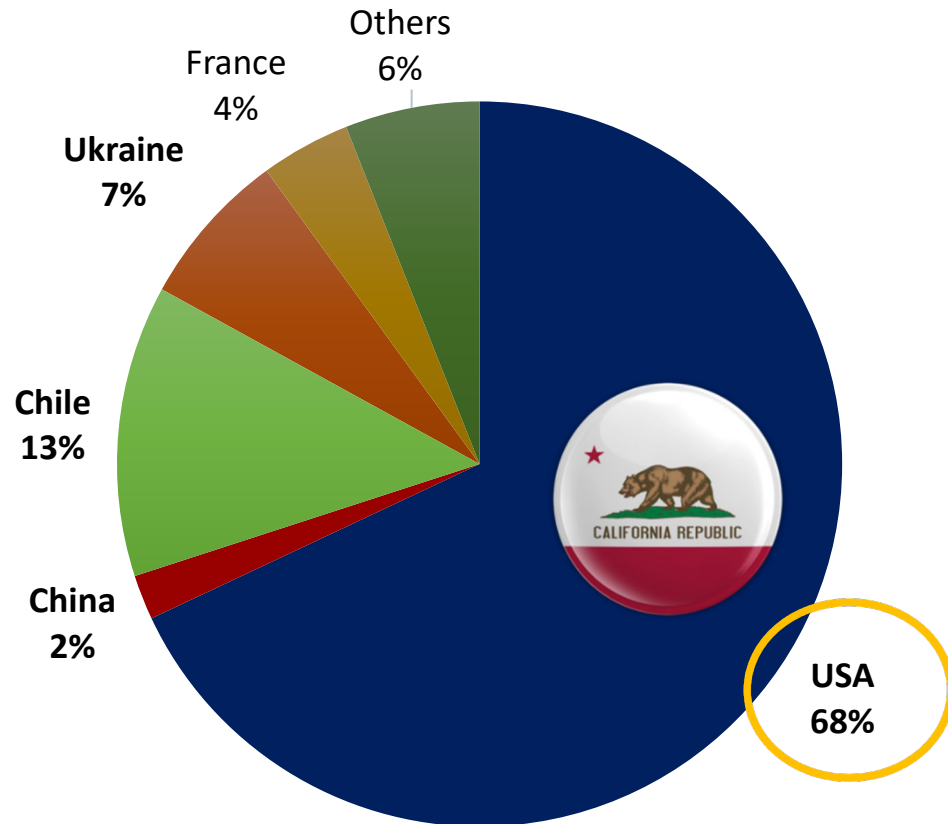


2021/22 Crop Year  
Estimated 2,247,413 MT

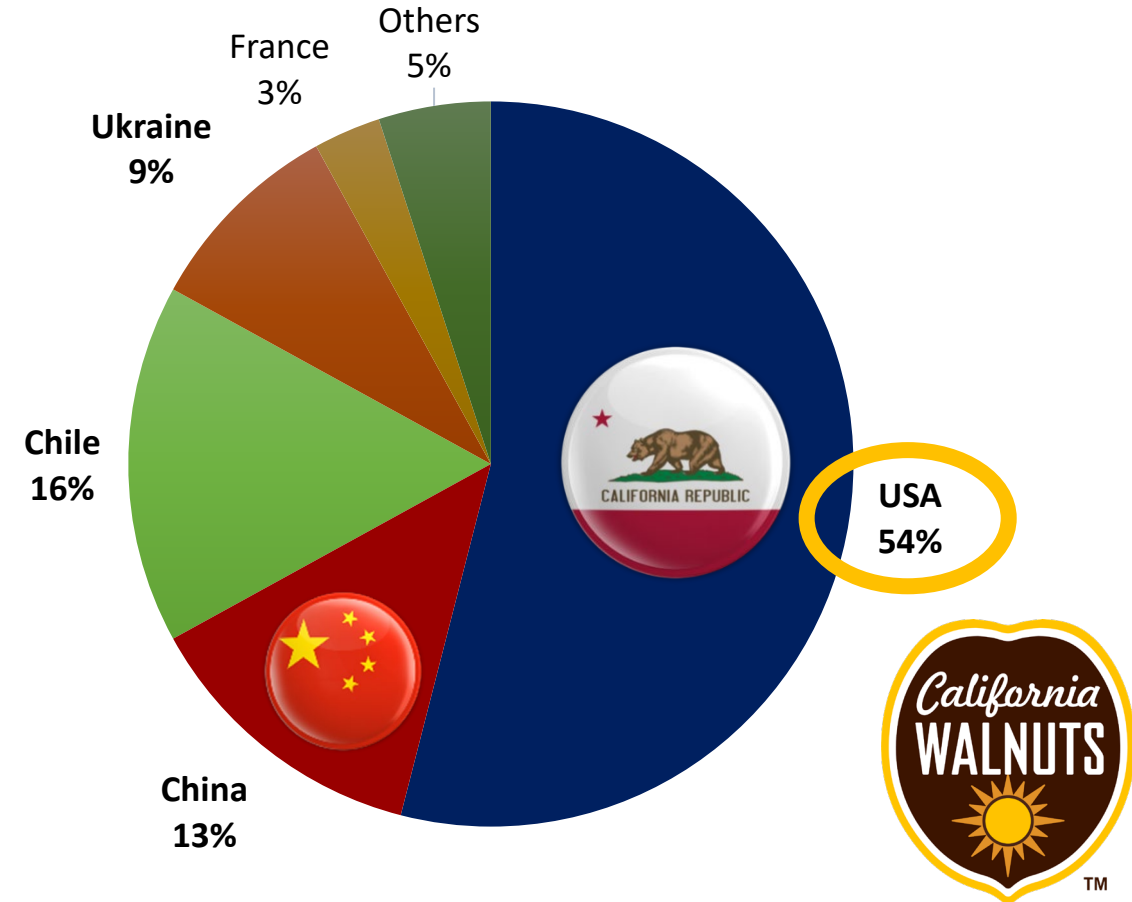


# World Trade – Past 5 Years

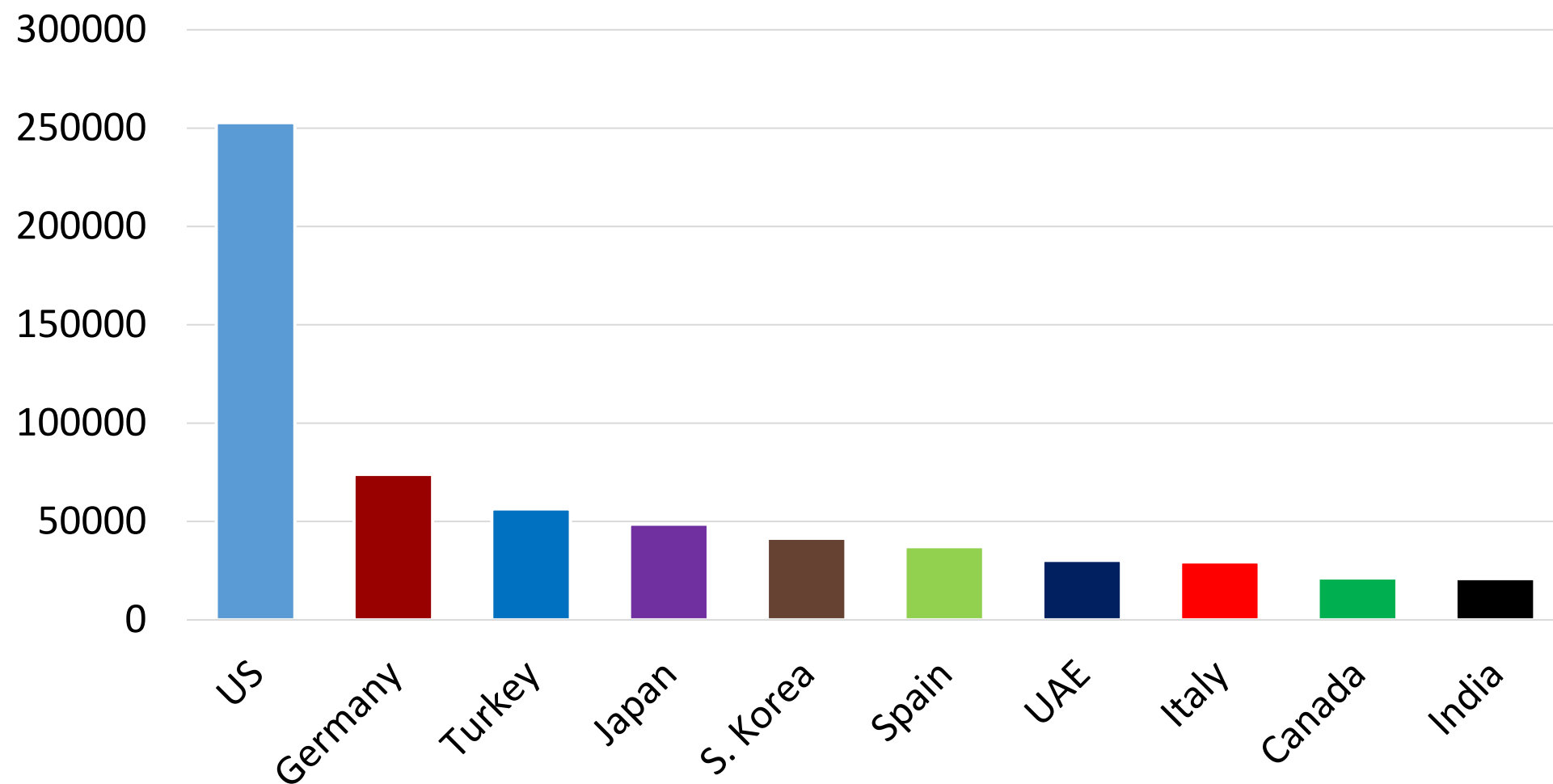
2016/17 Crop Year



2020/21 Crop Year



# 2020/21 Top 10 Markets by Destination



# Growing Region

## TOP COUNTIES

- SAN JOAQUIN
- BUTTE
- STANISLAUS
- TULARE
- SUTTER
- TEHAMA
- GLENN
- YUBA
- KINGS
- COLUSA



4,500+ Growers



86 Handlers (Processors)





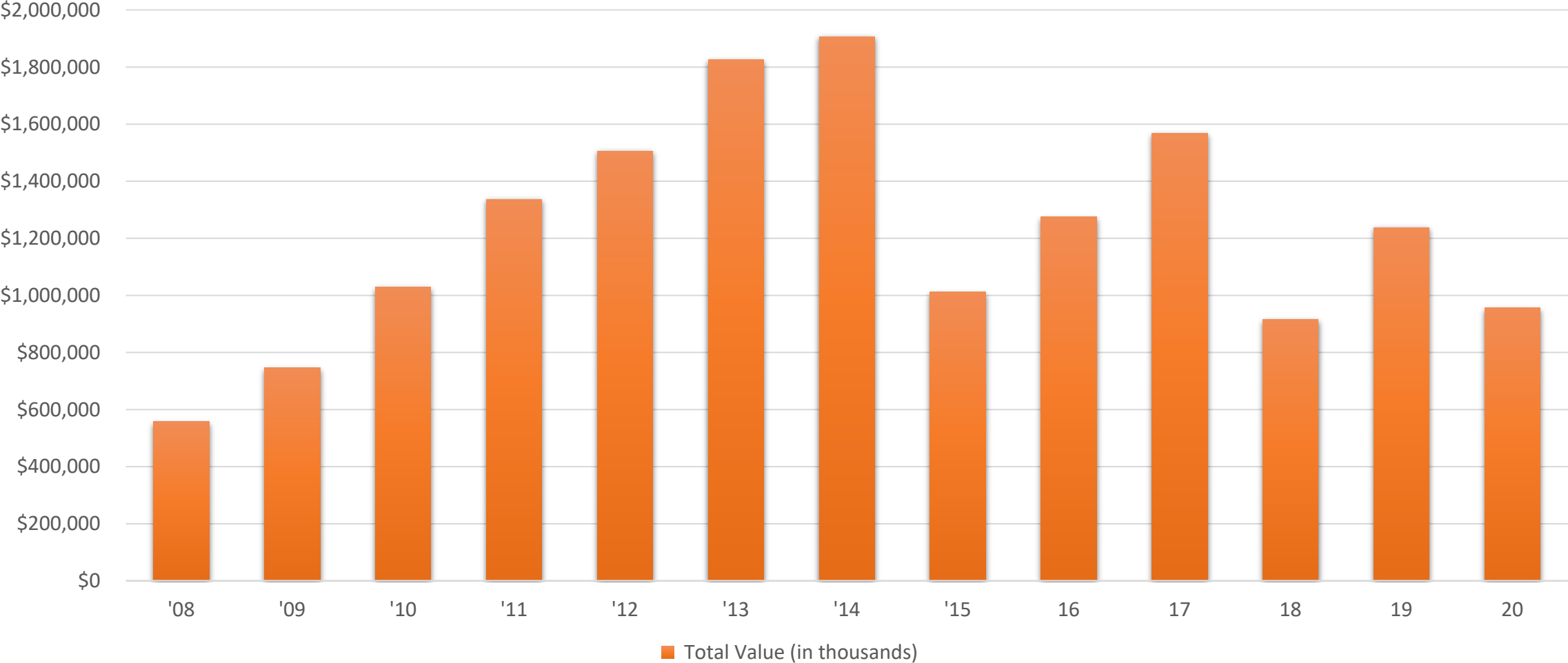
# Farm/Handler Size (SBA Definitions)

- According to USDA's National Agricultural Statistics Service's (NASS) 2017 Census of Agriculture, approximately 65 percent of California's walnut farms were smaller than 100 acres. Further, NASS reports that the average yield for 2018 was 1.93 tons per acre, and the average price received for 2018 was \$1,300 per ton. A 100-acre farm with an average yield of 1.93 tons per acre would, therefore, have been expected to produce about 193 tons of walnuts. At \$1,300 per ton, that farm's production would have had an approximate value of \$250,900. This is well below the SBA threshold of \$1 MM; thus, it can be concluded that **the majority of California's walnut growers are considered small growers according to SBA's definition.**
- According to information supplied by the industry, approximately **82% of California's walnut handlers shipped merchantable walnuts valued under \$30 MM during the 2018-19 marketing year and would, therefore, be considered small handlers according to the SBA definition.**

*Adapted from USDA Assessment Rule 11/17 with current data/SBA levels*



# Farm Gate Value



# Cost of Production/Returns

Year	Average producer price, \$/ton 1/	Average Yield: Tons per acre 1/	Gross Return	Cost of production per acre 2/	Net return per acre
	(1)	(2)	(3)	(4)	(5)
			(1)*(2)		(3) - (4)
2006	\$1,630	1.50	\$2,445		
2007	\$2,290	1.50	\$3,435	\$3,078	\$357
2008	\$1,280	1.90	\$2,432		
2009	\$1,710	1.82	\$3,112		
2010	\$2,040	1.98	\$4,039		
2011	\$2,900	1.74	\$5,046		
2012	\$3,030	1.84	\$5,575	\$3,318	\$2,257
2013	\$3,710	1.76	\$6,530	\$4,015	\$2,515
2014	\$3,340	1.97	\$6,580		
2015	\$1,670	2.02	\$3,373	\$4,509	-\$1,136
2016	\$1,850	2.19	\$4,052		
2017	\$2,490	1.88	\$4,681	\$5,574	-\$893
2018	\$1,300	1.93	\$2,509	\$5,283	-\$2,774

1/ Source: 2018 Walnut Objective Measurement -National Agricultural Statistics Service (NASS), USDA.

2/ Source: UC Davis Cooperative Extension -ARES - 201 Sample Costs to establish and produce English walnuts

<https://coststudies.ucdavis.edu/en/>

# U. of California - Costs to Produce Walnuts

Year	Average Yield: Tons per acre 1/	Average Yield: Pounds per acre	Sample yield that is closest to NASS yield (Table 5, column 2) 2/	Sample costs per acre associated with Yield per Acre Levels shown in (Table 5, column 2) 2/
	(1)	(2)	(3)	(4)
2006	1.50	3,000		
2007	1.50	3,000	3,400	\$3,078
2008	1.90	3,800		
2009	1.82	3,640		
2010	1.98	3,960		
2011	1.74	3,480		
2012	1.84	3,680	3,400	\$3,318
2013	1.76	3,520	4,000	\$4,015
2014	1.97	3,940		
2015	2.02	4,040	4,500	\$4,509
2016	2.19	4,380		
2017	1.88	3,760	4,500	\$5,574
2018	1.93	3,860	4,500	\$5,283

1/ Source: 2018 Walnut Objective Measurement -National Agricultural Statistics Service (NASS), USDA.

2/ Source: Table 5. Ranging Analysis -Walnuts - Costs per Acre and Per Pound at Varying Yields to Produce Walnuts

2/ Source: Table 5. Ranging Analysis -Walnuts - Costs per Acre and Per Pound at Varying Yields to Produce Walnuts

Walnuts Cost and Returns Study, Sacramento Valley, UC Coop. Extension - 2007, 2012, 2015, 2018

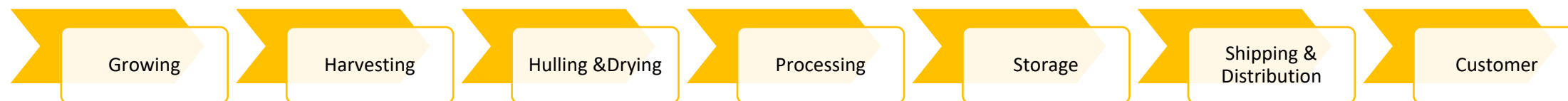
Walnuts Cost and Returns Study, San Joaquin Valley North, UC Coop. Extension - 2013, 2017

# Timeline –

- Growing Season – Spring – Fall (harvest)
- Harvest Season – September to November
- Selling/Marketing Season – 12 months



# Industry Operation/Flow of Goods



# Walnut Shelf life

- Walnuts have a 12 month shelf life from the time they are shelled
- Cold storage enables the industry to control inventories and market on a year round basis
- Advancements in processing and package technologies continue to improve product quality, consistency and shelf life



# Facts & Figures

- 5<sup>th</sup> leading export from CA
- 66% crop Exported
- U.S. is our largest market
- Industry provides 85,000 jobs directly/indirectly \*

\* Source: The Economic Impact of Walnut Growers and Handlers on the State of California, Tootelian & Associates, May 2015

