

A NEW BEGINNING



Presented by

California Walnut Board & Commission



Simple Salmon with Heart-Healthy Walnuts Commercial



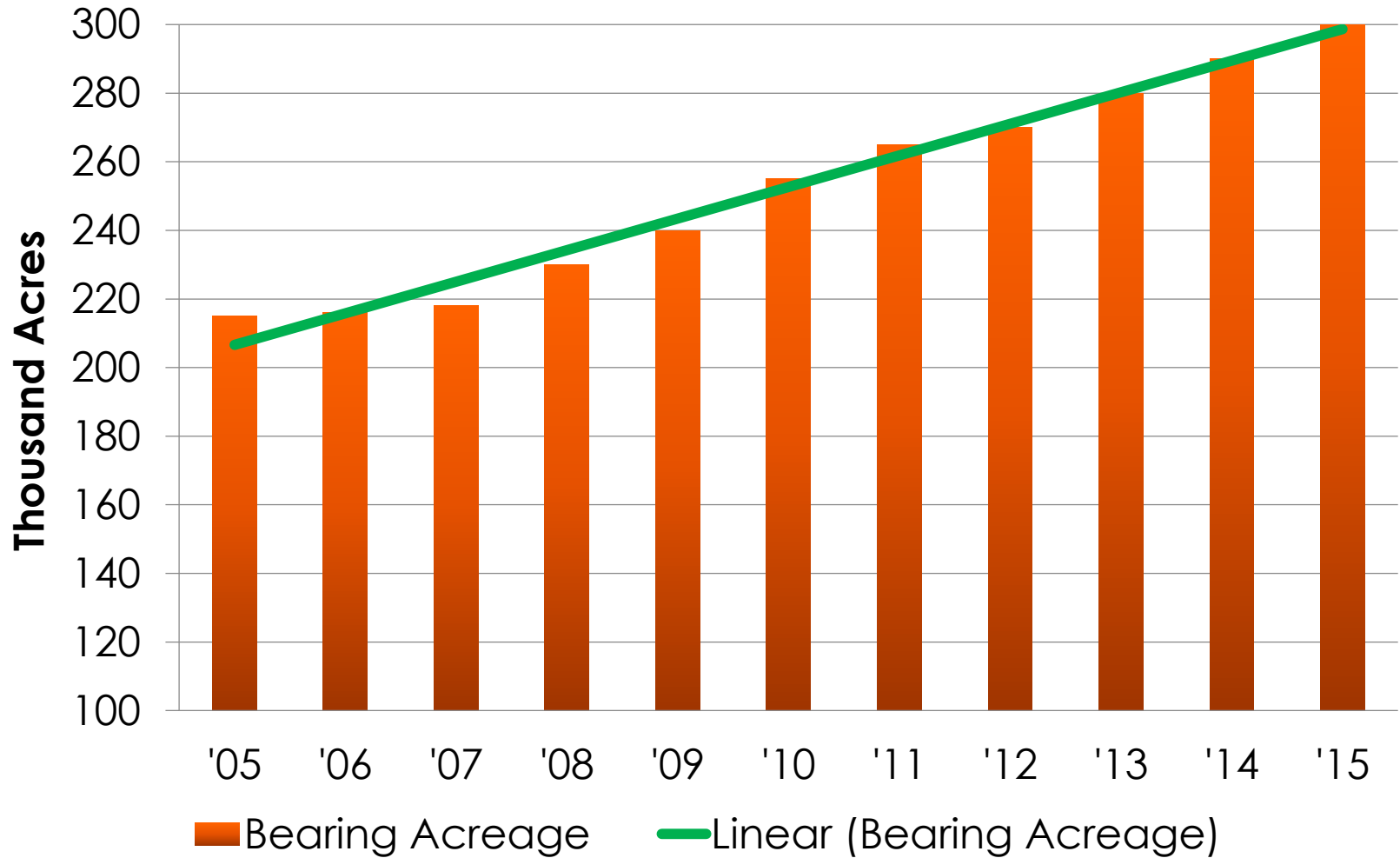
WHY DID WE SHOW YOU THAT?

- New era for the industry
- World production continues to grow
- Three things to remember
 - Advertising will lead to increased demand
 - Price will open new markets and opportunities
 - Patience

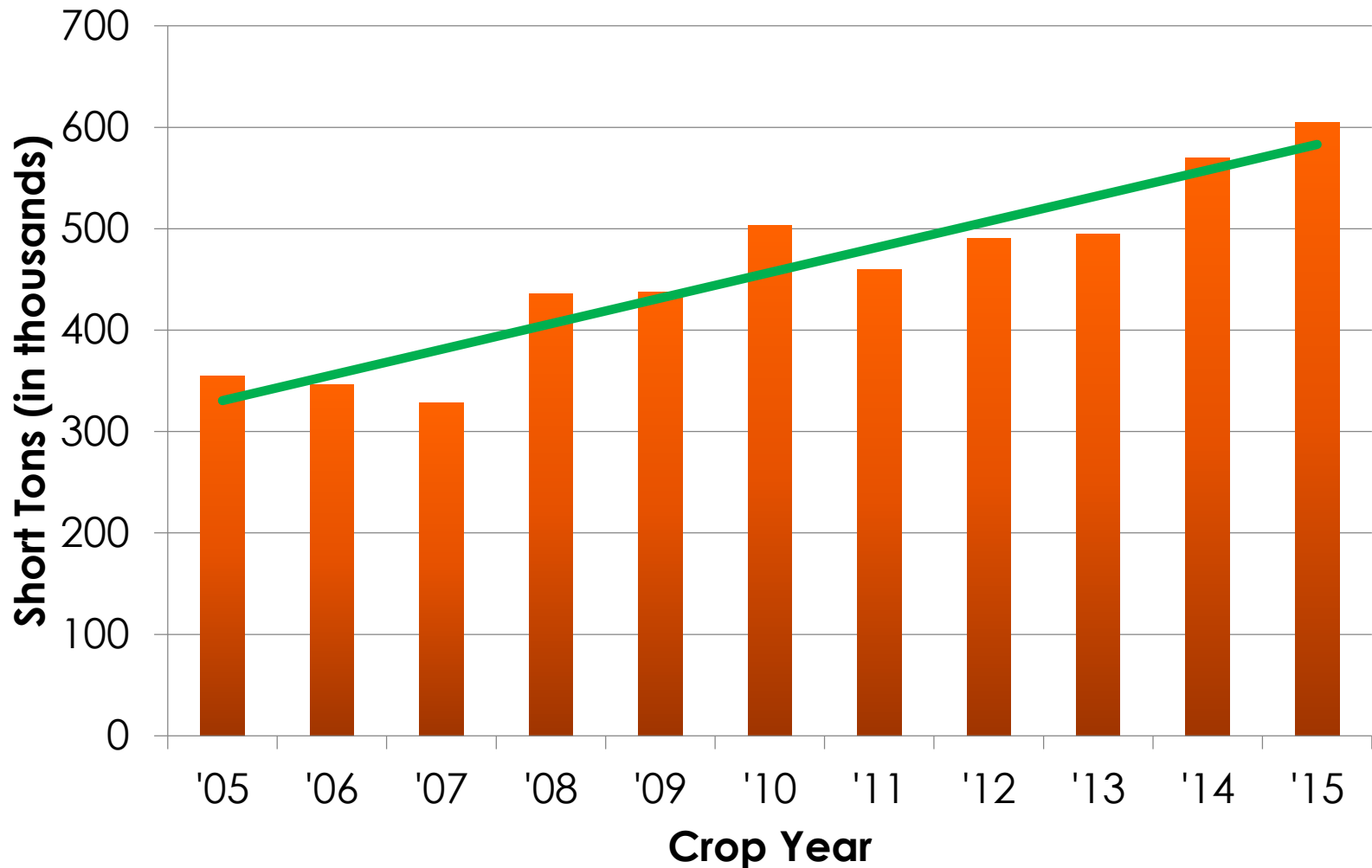
- This is just the beginning...



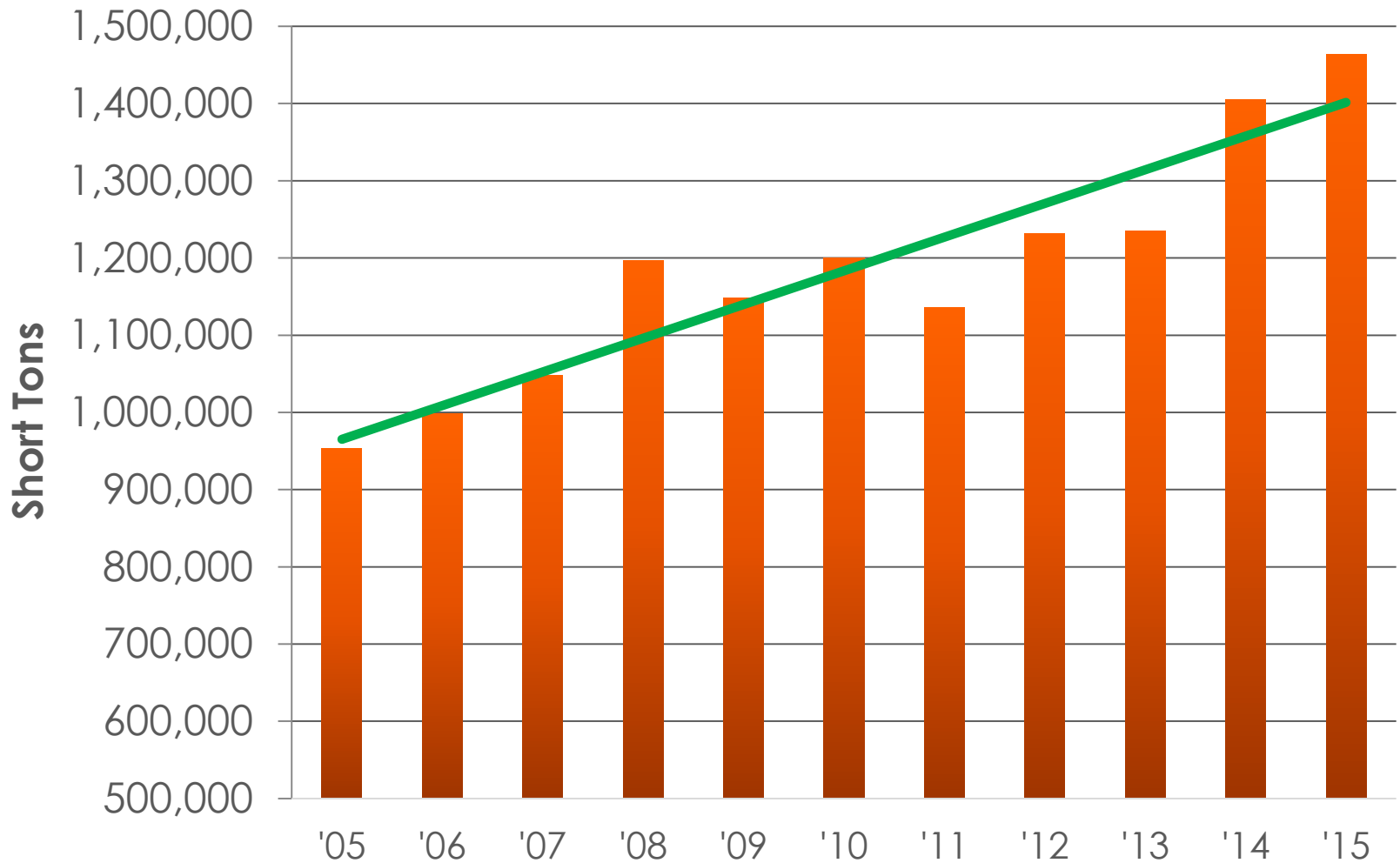
BEARING ACREAGE



CALIFORNIA WALNUT PRODUCTION

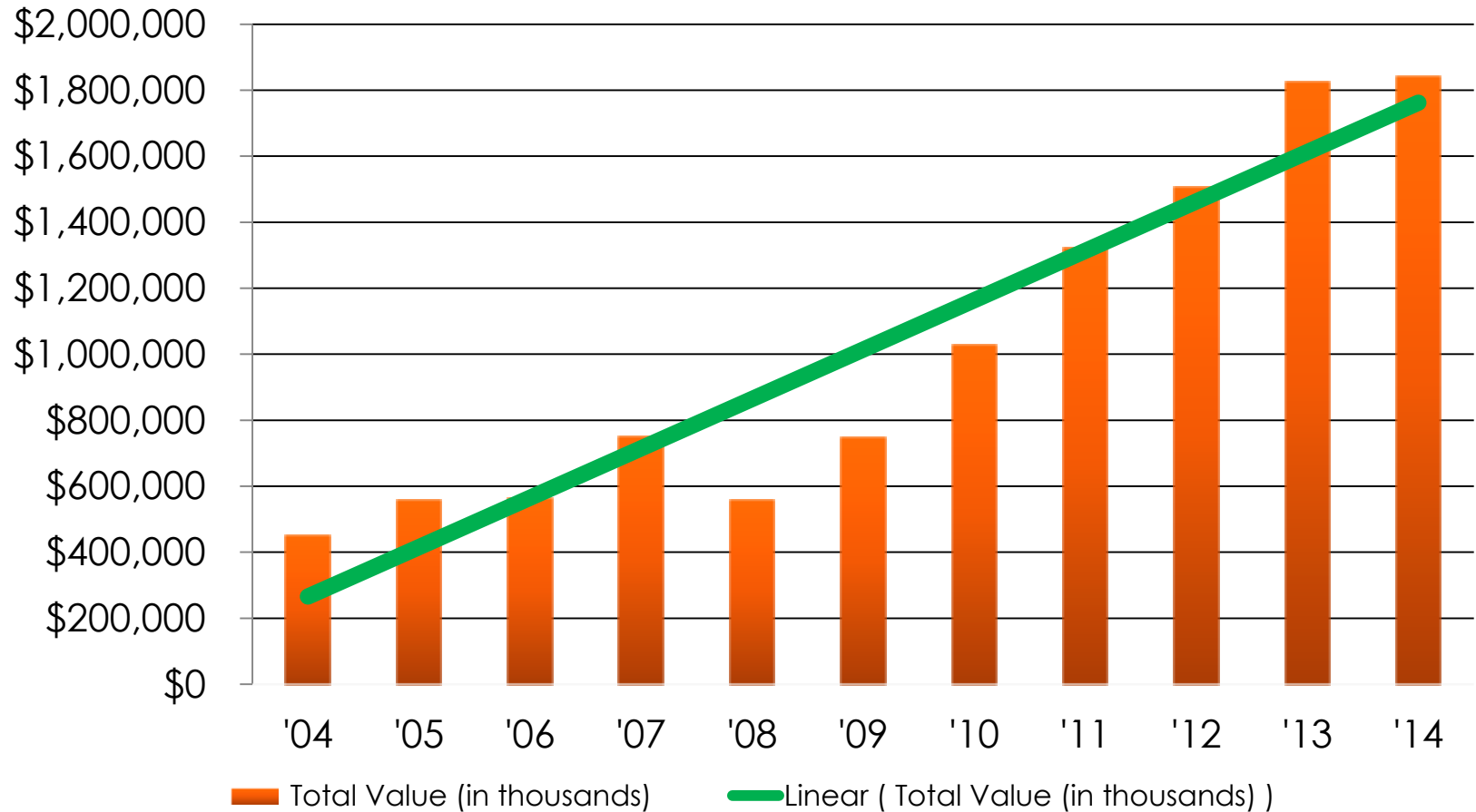


WORLD PRODUCTION



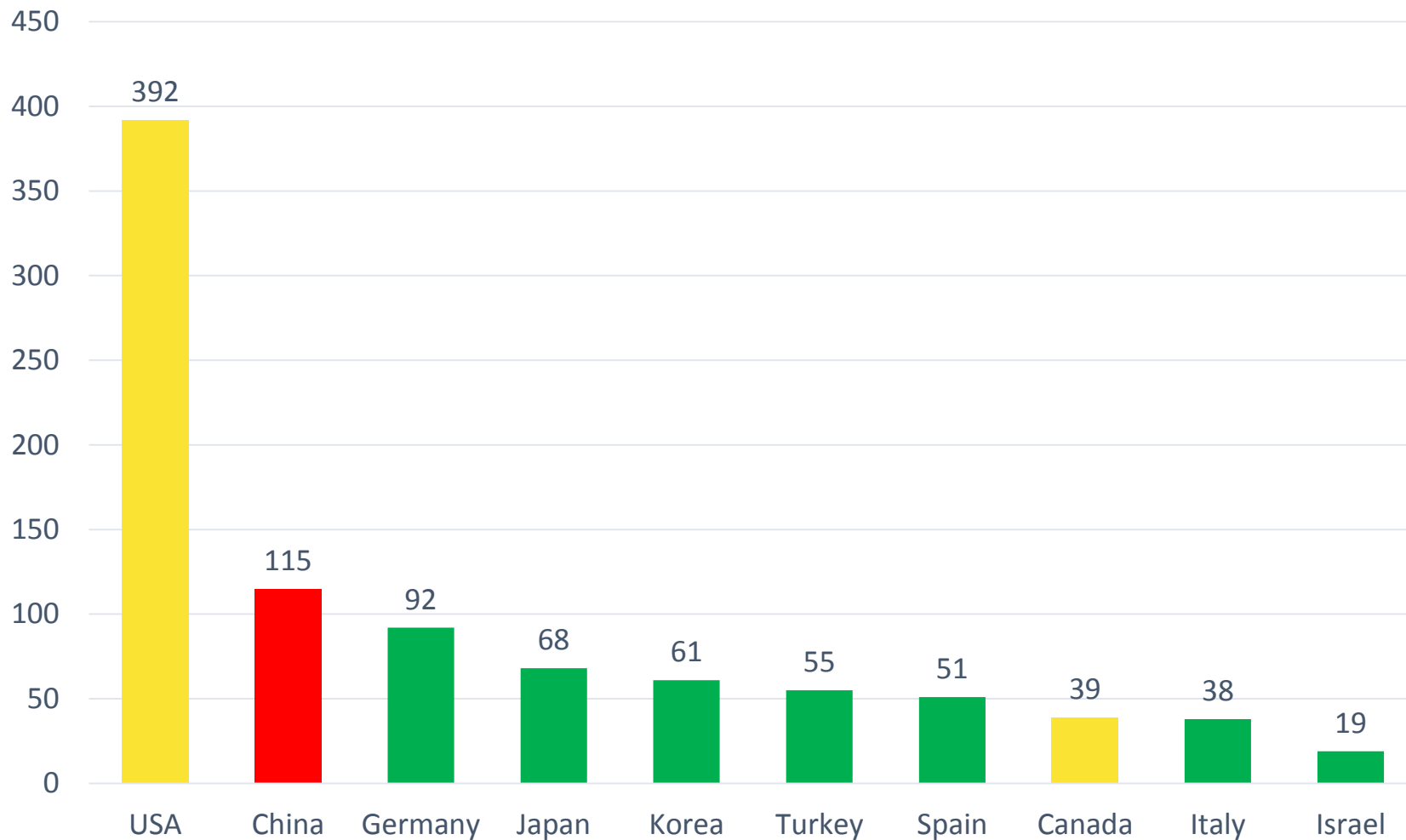
FARM GATE VALUE

Total Value



TOP MARKETS 14/15

(ISE LBS. IN MILLIONS)





MARKET DEVELOPMENT



DOMESTIC MARKETING



DEVELOPING THE TV COMMERCIAL

- Focus Groups - Light, Medium, & Heavy Users
 - Winning concept of 2 shown:
 - Best showcases versatility of use
 - **Ratings for Believability (87%), Understandability (92%) and Purchase Intent (81%) all exceeded industry norms**
- Copy Testing - 900 light and heavy users
 - Ads exceeded expectations on persuasion, involvement and high likeability



Simple Stir Fry with Heart-Healthy Walnuts Commercial



2015-16 CONSUMER ADVERTISING PLAN

- Combined TV, Print, & Digital campaign
- November 2015 launch
- \$15 million budget
- Will deliver **4.5 billion** impressions to adults 18+
- **95%** of Adults 25-54 will see California Walnuts advertising an average of **26 times**



NATIONAL CABLE TV + SPOT TV IN 11 KEY MARKETS



Boston, Chicago, Chico/Redding, Denver, Fresno, Los Angeles, Milwaukee, New York, Philadelphia, Sacramento/Modesto/Stockton, Seattle/Tacoma



CONSUMER PRINT

CALIFORNIA WALNUTS
FOR THE BEST SIMPLE VEGGIES EVER

2016 WORLD OF CHANGING CONSUMER PRODUCT'S AWARDS WINNER
THEY'VE MADE HEALTHY CHOICES FOR ALL YOUR SIMPLE RECIPES
AND THERE'S NOTHING MORE DELICIOUS TO WALNUTS.ORG

www.walnuts.org

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CALIFORNIA WALNUTS
FOR THE BEST SIMPLE DINNERS EVER

2016 WORLD OF CHANGING CONSUMER PRODUCT'S AWARDS WINNER
THEY'VE MADE HEALTHY CHOICES FOR ALL YOUR SIMPLE RECIPES
AND THERE'S NOTHING MORE DELICIOUS TO WALNUTS.ORG

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CALIFORNIA WALNUTS
FOR THE BEST SIMPLE SALADS EVER

2016 WORLD OF CHANGING CONSUMER PRODUCT'S AWARDS WINNER
THEY'VE MADE HEALTHY CHOICES FOR ALL YOUR SIMPLE RECIPES
AND THERE'S NOTHING MORE DELICIOUS TO WALNUTS.ORG

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CONSUMER PRINT – WOMEN'S SERVICE



CONSUMER PRINT - CULINARY



CONSUMER PRINT – HEALTH/FITNESS



4-6 Insertions in Each



CONSUMER MEDIA FLOW CHART

	Nov	Dec	Jan	Feb	Mar	April	May	June
TV	Red	Red	Red	Red	Light Blue	Light Blue	Light Blue	Light Blue
Magazines	Purple	Purple	Purple	Purple	Purple	Purple	Purple	Purple
Digital	Green	Green	Green	Green	Green	Green	Green	Green



EVALUATING SUCCESS

- New ad campaign will heighten awareness and expand usage, but **it will take time**
- Evaluated through shipments, sales, market research, website traffic.
- **Industry Support Will Impact Success:**
 - Need inventory in stores
 - In store displays
 - Use of AHA Heart-Check mark



“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.”



WALNUTS.ORG TRAFFIC RESULTS



November 1 – January 1, 2016 – **371,346** Unique Users

November 1 – January 1, 2015 – 99,416 Unique Users




EXPORT MARKETING






YOU ARE WHAT YOU COOK CAMPAIGN

Arugula salad
with California Walnuts



YOU ARE WHAT YOU ~~EAT~~ COOK.
MAKE IT DIFFERENT

Find us at muccecdcalifornia.com



GETTING VERSATILE IN SOUTH KOREA

호두의 맛있는 변신



#맛있게즐기는호두 웰피코나아 호두
www.walnuts.co.kr에서 건강하고 맛있는 호두요리 레시피를 확인하세요
www.facebook.com / loveCaliforniaWalnuts @calwalnuts



CHINA: CWC BRAIN BOOSTER CAMPAIGN



TURKEY

- **Four** key brands joined the CWC tie-in promotions.



- **Ten** brands identifying “USA” and /or “California”
 - **Two** of these brands using the “California Walnuts” seal on their package in 2015.



INDIA: LEADING CHEFS TOUT WALNUTS

Video from Food Food Network





HEALTH RESEARCH PROGRAM

- 9 Countries
- 51 Institutions
- 174 Published Papers
 - 98 CWC
 - 76 PREDIMED Trial



11 CWC Studies & 9 PREDIMED Published to date in 2015

HEALTH RESEARCH PROGRAM

Focus Areas:

- Weight Management
- Cognition/Diseases of Aging
- Cardiovascular
- Cancer
- Diabetes/Metabolic Syndrome
- Gut Health



RECENT RESEARCH HIGHLIGHTS

- Dr. David Baer – USDA Agricultural Research Service
 - [Walnuts Consumed by Healthy Adults Provide Fewer Available Calories than Predicted by the Atwater Factors](#)
- Dr. David Katz – Yale University's Prevention Research Center
 - [Walnut ingestion in adults at risk for diabetes: effects on body composition, diet quality and cardiac risk measures.](#)
- Dr. Frank Hu – Harvard University
 - [Saturated fats compared with unsaturated fats and sources of carbohydrates in relation to risk of coronary heart disease: a prospective cohort study](#)



RESEARCH & REGULATIONS



PRODUCTION RESEARCH PROJECTS

Nearly \$1 million allocated to projects directly and indirectly impacting water use:

- Walnut Improvement Program
- Weed Control
- Water Management
- Soil Management
- Tree Nutrition



**Total Budget \$1.6 million +
\$2 million UC Davis Endowment for Breeding
Program**

FSMA & YOU

- No registration requirement for growers.
- Agricultural Water (touching product)
 - Untreated surface water: 20 tests (first 2 years), 5 annual tests thereafter
 - Untreated ground water: 4 tests (first year), 1 annual test thereafter
 - Flexible test criteria (GM/STV for generic E coli): 126 CFU/410 CFU
 - Microbial 'die off' considered
 - Municipal or Irrigation District members don't need to test



FSMA & YOU...CONTD.

- Employee health & hygiene training
- Manure and compost use: Defer to NOP (90 days PHI for raw manure; 0 days for compost)
- Status of huller/dehydrators: It depends
 - Grower owned huller/dehydrator
 - Commercial huller/dehydrator
- Compliance Schedule:
 - Very Small Farms (\$25,000-250,000): 4 years
 - Small Farms (\$250,000-500,000): 3 years
 - All Others: 2 years
- California Walnut Commission & DFA to conduct regional FSMA trainings. Stay tuned!



PHOSPHITE UPDATE

- Temporary MRL (75 ppm) extended until March 01, 2019.
- Data monitoring continues (USDA-ARS/DFA).
- IR-4 field trials concluded; data analysis in process; dossier to be submitted to EU in Summer 2016 to establish permanent MRL.



THE FUTURE



TO RECAP

- Three things to remember
 - Advertising will increase demand
 - Price will open new markets and opportunities
 - Patience



**THIS NEW BEGINNING IS ONE
IMPORTANT STEP TOWARDS
ACHIEVING OUR GOAL...**

...Building demand



THANK YOU!

Don't forget to sign up for the
California Walnuts Industry E-Newsletter

walnuts.org/newsletter-signup/

