



California Walnut Industry Update

With the 2024 harvest upon us, we are seeing key market indicators pointing in the right direction. A favorable crop estimate coupled with a greatly reduced carry-in presents a very manageable crop and a balanced sales environment for the upcoming season. Added to this, there are marketplace dynamics this season that are setting up to be very promising for the California walnut industry. The 2024 Chilean crop was down approximately 35%, on-hand supplies in global markets (the pipeline) are lower than they have been for many years, and key markets continue to show growth in the preference for California walnuts. All factors combined, the manageable volumes expected will enable the industry to maintain market discipline and sell for higher values because there is no “rush to get through the crop”.

While our crop statistics point to a balanced supply and demand picture, we must remain focused on market fundamentals with a long-term lens versus reacting to season to season supply fluctuations.

Therefore, we are expanding our market development programs in existing and new international markets to create more high value demand and options. The CWC continues to work with the USTR and the US Embassy in India to reduce the 100% tariffs that is hampering walnut consumption (and trade) in India. Additionally, the CWC is expanding our tradeshow presence, trade relations activities, and providing additional in-market support for the California handlers.

Domestically we are building sales promotions with more US retailers, demonstrating consumer demand for walnuts is high. We are educating retailers on walnut merchandising best practices and the need to feature and promote walnuts in the produce and snacking aisles. Our efforts continue to expand use of walnuts in the foodservice industry (restaurant / culinary) and CPG (Consumer Product Goods) food manufacturing so that consumers are always “within arm’s reach of walnuts or walnut products.”

We have initiated a strategic planning process to develop a new roadmap for walnut-related **production and post-harvest research**, aimed at solving the challenges in the field, in processing/storage, and in the context of international market growth. Our **Sustainability Working Group** has developed an outline of key topics and metrics for our industry. When combined with new technologies, improved farm management strategies and improvements in areas such as irrigation management, no tillage, and sustainable pest management, we will be able to demonstrate how current and emerging walnut production practices support sustainable and regenerative agriculture.

FALL 2024

In this edition of the California Walnut Industry update, we are highlighting programs and sharing the proactive steps the industry is taking to deliver quality all the way through the supply chain, build long term demand and increase sales for California walnuts globally. As always, if you have any questions or would like to discuss these topics, please don't hesitate to reach out to me.

Best,
Robert Verloop

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California Walnut Board and Commission

AUGUST SHIPMENT REPORT

The following is a snapshot of the August Shipment Report. For the full report that shows shipments to individual markets, please visit the reports section on www.walnuts.org or click [here](#).

PRELIMINARY

Inshell (1000 pounds)

	<u>2022/23 Marketing Year</u>		<u>2023/24 Marketing Year</u>	
	<u>August 2023</u>	<u>9/1/2022 to 8/31/2023</u>	<u>August 2024</u>	<u>9/1/2023 to 8/31/2024</u>
Domestic	1,618	13,177	906	18,616
Export	<u>5,995</u>	<u>237,357</u>	<u>799</u>	<u>310,076</u>
Total	7,614	250,534	1,705	328,692

Shelled (1000 pounds)

	<u>2022/23 Marketing Year</u>		<u>2023/24 Marketing Year</u>	
	<u>August 2023</u>	<u>9/1/2022 to 8/31/2023</u>	<u>August 2024</u>	<u>9/1/2023 to 8/31/2024</u>
Domestic	29,510	257,521	19,129	259,382
Export	<u>12,312</u>	<u>274,665</u>	<u>11,815</u>	<u>333,068</u>
Total	41,822	532,186	30,944	592,450

August 2024 Purchase Commitments

Inshell Conventional: 21,831,985 pounds Shelled Conventional: 58,756,043 pounds
Inshell Organic: 0 pounds Shelled Organic: 1,471,905 pounds

Final walnut receipts for 2023/2024 as reported by handlers on the Crop Acquisition Report:

Conventional: 805,035 tons
Organic: 18,514 tons

2024 CA WALNUT INDUSTRY CROP ESTIMATE

USDA’s National Agricultural Statistics Service (NASS) released the official 2024 California Walnut Industry Objective Measurement Report on September 4th. As anticipated, the upcoming 2024 crop (670,000 tons) is smaller than the historic record crop of 2023 (824,000 tons) and will deliver the high quality that defines California walnuts globally. The 2024 estimated crop size, while moderate, is similar to 2019. In addition, due to strong summer demand, the end of season shipment report showed the carry-in volume to be approximately 100,000 tons, substantially lower than last year (140,805 tons). Combined, the carry in and new 2024 crop volumes are very manageable providing improved seller and buyer confidence and stable markets.

The full report can be found in the reports section on www.walnuts.org or by clicking [here](#).

California English Walnut Acreage, Production, Price and Value In-Shell

Year	Bearing acres	Trees per acre	Per bearing acre	Total production	Price per ton	Total value
			Tons	Dollars	1,000 Dollars	
2015	300,000	72.0	2.02	606,000	1,670	1,012,020
2016	315,000	73.3	2.19	689,000	1,850	1,274,650
2017	335,000	74.1	1.88	630,000	2,490	1,568,700
2018	350,000	75.5	1.98	683,000	1,350	922,050
2019	365,000	76.9	1.80	657,000	1,890	1,241,730
2020	385,000	76.8	2.05	789,000	1,200	946,800
2021	395,000	78.0	1.86	735,000	1,450	1,065,750
2022	400,000	80.0	1.89	756,000	600	453,600
2023 ¹	385,000	81.0	2.14	824,000	840	692,160
2024 ^{2,3}	370,000	81.6	1.81	670,000	NA	NA

¹ Price per ton and total value are May 2024 preliminary data.

² Bearing years include plantings of the following: Chandler, Chico, Howard, Ivanhoe, Tulare (2020 & Earlier); Amigo, Ashley, Cisco, Marchetti, Nuggett, Payne, Pedro, Serr, Sunland, Tehama, Trinta, Vina (2019 & Earlier); Franquette, Franquette Scharsch, Mayette, Poe (2017 & Earlier); all other varieties not specified (2018 & Earlier).

³ Price per ton and total value preliminary data will be released May 2025.

NA Not Available





Crop Year	New Crop	Carry-In	Total Supply	September-August Sales	% Change in Supply	% Change Sales	Carry-In as a % of Total Supply
2017	630	56	686	620	-11%	-11%	8%
2018	676	64	740	673	8%	9%	9%
2019	653	66	719	655	-3%	-3%	9%
2020	785	64	849	748	18%	14%	8%
2021	725	98	823	691	-3%	-8%	12%
2022	752	138	890	788	8%	14%	16%
2023	824	141	965	873	8%	11%	15%
2024*	670	95-110	765-780		-20%		-13%

ESTIMATED

SUSTAINABILITY PROGRAM UPDATE

At the August 8th Board Meeting, an update was given on the industry’s sustainability program status and next steps. Over the past 8 months, the Sustainability Working Group (SWG) worked to gather insights and provide recommendations on the topics, metrics, and goals most meaningful to the walnut industry. Through this work, the group developed a Sustainability Index and Goals for the California Walnut industry to be achieved by 2030.

Sustainability Index Considerations

- **Sustainable Pest Management / IPM**
California walnut growers continue to reduce pesticide usage
- **Soil Health**
Soil health is a foundational component of regenerative agriculture and walnut stewardship
- **Water Management**
California walnut growers have reduced irrigation water applied to orchards and increase efficient application of irrigation
- **Greenhouse Gas Emissions (GHG) & Carbon Sequestration**
Deep rooted long-lived walnut trees with dense canopies and low impact cultural practices sequester carbon from the environment

In order to achieve the set goals, we will educate and empower the walnut industry around implementation of sustainable practices and data collection. Specifically, growers and handlers will be asked to voluntarily:

1. Adopt practices that work for their operations, to support progress towards Index goals;
2. Engage with resources, research, field demos, and pilots; and
3. Participate in collecting baseline and assessment data.

For more information on the sustainability program, please contact Joshua Rahm at jrahm@walnuts.org.

FOOD SAFETY UPDATE

The California walnut industry has long upheld food safety as paramount. With an extensive history of producing high-quality walnuts, we have maintained a strong food safety record for over a century. To support the industry’s efforts and commitment to food safety, the California Walnut Commission (CWC) has made available tools and resources to assist.

- Walnut-specific food safety workshops to provide updates on best practices and latest regulations.
- Additional resources to support food safety programs.
- Continuous monitoring of food safety rules and regulations to inform and prepare the industry.
- Readiness to support if a food safety concern arises through communications, food safety experts, and consultation.

In July and August, CWC sponsored seven food safety workshops conducted for growers, huller/dryers, and handlers to share best practices, provide updates on regulations and strengthen food safety culture in preparation for harvest in the coming months. An additional webinar was provided in August on how to prepare for an FDA audit. Events saw huge attendance, with many selling out, and received a positive response on the information provided.

The California walnut industry looks to continue to offer training and resources on food safety as well as other issues important to growers and the broader industry. The industry is committed to investing in food safety education, training, and research projects on an ongoing basis to reinforce its commitment to providing high-quality safe food for consumers. For more information, please visit our website at www.walnuts.org.



USDA Grant to support grower food safety programs

The U.S. Department of Agriculture (USDA) **Food Safety Certification for Specialty Crops (FSCSC) program** is available for small and medium-sized specialty crop growers and can provide assistance with covering expenses related to obtaining or renewing a food safety certification.

Specialty crop operations can receive the following cost assistance:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training.

The program has been expanded to include assistance for 2024 and 2025 expenses. Producers can apply for assistance for their calendar year 2024 expenses beginning July 1, 2024, through January 31, 2025. For program year 2025, the application period will be January 1, 2025, through January 31, 2026. For more information, please visit [Food Safety Certification for Specialty Crops \(FSCSC\) program](#).

GLOBAL MARKETING UPDATES

USDA RAPP Program – Second Round of Funding Announcement

On August 5th, the USDA issued a funding notice for the second tranche of the Regional Agricultural Promotion Program (RAPP). The second round matches the \$300 million allocated to various organizations in the initial investment announced earlier this year. The CWC received an award of \$7 million to support expanding distribution and sales in select countries in Southeast Asia and Northern Africa, in addition to the expansion of trade promotions in several existing key markets. The CWC looks to participate in this new round of applications, with the goal of receiving additional funding to extend market expansion programs that were part the original request as well as provide funding to key markets in Europe.

RAPP 2025– Continued Market Development

RAPP 2024 Award = \$7,000,000 Funds can be spent over 5 years (July 2024 - Sept. 2029)
RAPP 2025 request to continue support of RAPP2024 markets & expand support of existing markets

Continued Support of RAPP2024 Markets

- North Africa:
 - Algeria
 - Morocco
 - Egypt
- SE Asia:
 - Singapore
 - Malaysia
 - Indonesia
 - Vietnam
 - Taiwan
- India
- Japan
- Middle East Region
- Türkiye
- United Kingdom

Expanded Support of Existing Markets

- Europe
 - Germany + Netherlands
 - Spain + Portugal
 - The Nordics
 - Italy
 - USDA Approved Tradeshows

Building Demand Domestically – NEW Initiatives in the USA



To bring in new consumers and drive demand for California Walnuts in the USA, we will broaden marketing efforts to a new target consumer audience, dubbed the **Connected Foodie**. These consumers are mainly Millennials and older Gen Z's who likely live in urban areas and are more ethnically diverse. They are food enthusiasts but also health and wellness conscious. They are in the stages of life of getting married or starting families. The unique quality of this group is that they are always connected – social media is how and where they communicate.

To reach **Connected Foodies**, we will need to look, act and think differently. We will be shifting marketing activities to where **Connected Foodies** are, increasing our activity on digital platforms such as Hulu, Prime Video and YouTube. We will expand activity and presence on TikTok and Instagram, developing content and using Influencers relevant to their interests. We will still reach and connect with our existing consumers as a secondary audience, with content and activities on Facebook and Instagram, through food related advertising, and via our blog and newsletter to continue to share recipes and inspirations for more ways to just add walnuts. In all, efforts will be aligned to grow awareness and excitement for California walnuts and ultimately increase sales in the domestic market.

Food Manufacturing: IFT and What's Next

CWC reintroduced itself to key food innovation scientists and decision makers during the Institute of Food Technologists (IFT) First conference in Chicago. In an effort to add visibility and get walnuts noticed amongst all other products, the team worked to make walnuts “fun” and easy to remember. They created Shelly, to assist developers and decision makers in connecting the California Walnut Board as an education resource and a “friend” they can talk to for technical expertise, consumer trend information, inspiration and ideas, as well as a bridge to purchasing California walnuts. Shelly and California Walnuts received a great response at the show and generated a memorable connection to walnuts for food innovators.

Ask Shelly.



Nutrition Research Update

In 2024, we updated the health research program areas of focus to shift from projects tied to chronic illness to ways walnuts can improve health and wellness throughout your entire life. The updated areas include optimizing growth and vibrancy at specific life stages, nourishing wellbeing, supporting disease prevention and management, and achieving health for all. The CWC selected four new proposals for funding this year in the areas of food allergy development, metabolic syndrome, cognitive function as well as the gut microbiome.

An important component of our program is bridging the gap between the studies and communicating their finding to consumers, health professionals, researchers and those in nutrition policy. In 2024, we had thousands of publications throughout the globe include our health research in articles reaching millions of

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consumers. We issued a press release on recent research out of Spain that demonstrated the importance of omega-3 consumption to help prevent Alzheimer's disease that has been picked up by national media in the USA and India, where it exponentially increased the number of people seeing this positive news that attributed walnuts as a key source of this essential nutrient, that you can only get from food sources like walnuts.

TECHNICAL & REGULATORY UPDATES

CA Agriculture Regulatory Update – Water Supply, Nitrate and Salinity (Provided by LandIQ).

California agriculture continues to face regulations on water quality and quantity, and potentially on water rights. Growers, collectively represented by third parties, responded to the expanded monitoring, reporting, and management requirements. The July 2024 CA Agriculture Regulatory Update report provides an update on what has occurred over the last few months for the following programs:

- Sustainable Groundwater Management Act (SGMA)
- Irrigated Lands Regulatory Program (ILRP)
- Central Valley Salinity Alternatives for Long-Term Sustainability (CV-SALTS)
- Bay Delta Plan

To read the full report, you can access it by clicking [here](#).

Walnut Research Funded by CA Dept. of Pesticide Regulation and USDA

The California walnut industry continues to leverage outside grant opportunities to promote production and post-harvest research. The California Department of Pesticide Regulation (CA DPR) and the USDA recently announced funding of various grants that included several CWC-sponsored projects listed below:

California DPR Sustainable Pest Management Grants

- Exploring Walnut Materials' Impact on Nematode Management

USDA California Specialty Crop Block Grants

- Developing Scalable Tools to Quantify the Impact of Regenerative Practices in Woody Perennial Crops
- Cropping Nematode-Antagonistic Plants for Nematode Suppression in Walnuts

USDA NRCS Conservation Innovation Grants

- Water Conservation through Plant-based Irrigation Management in Walnuts
- Implementing Locally-Relevant Conservation Strategies to Improve Groundwater Quality in Four Focus Areas within California's Southern San Joaquin Valley

GROWER RESOURCE AND ASSISTANCE PROGRAM UPDATES

Know Your Rights as Growers - *Provided at the request of CFDA's Market Enforcement Branch*

CDFA – Market Enforcement Complaint Process

The California Department of Food & Agriculture-Market Enforcement Branch's (CDFA MEB) mission is to objectively enforce laws enacted to ensure confidence and stability in the agricultural marketplace and to protect against unfair business practices between producers, handlers, and processors of California farm products, including but not limited to:

1. **Failure to pay,**
 2. **Failure to abide by contract,**
 3. **Failure to account properly.**
- a) A grower may file a Complaint with Market Enforcement within 9 months from when payment was due.
 - b) All complaints should be accompanied by any supporting documentation (i.e., contracts, invoices, emails, text messages, etc.) and the \$100 filing fee.
 - c) For detailed information about Market Enforcement and a link to complaint form, please visit: <https://www.cdfa.ca.gov/mkt/meb/>

Understanding the "Producers Lien"

Every producer of any farm product that sells any product which is grown by him to any processor under contract, express or implied, **has a lien upon such product**, the lien shall be to the extent of the agreed price, if any, for such product so sold.

- a) **The producer's lien is a preferred lien prior in dignity to all other liens**, claims, or encumbrances except the following: (a) Labor claims for wages and salaries for personal services (b) The lien of a warehouseman as provided by Division 7 (commencing with Section 7101) of the Uniform Commercial Code.
- b) **Producers Lien automatically attaches to the commodity upon delivery**, and if the commodity is sold, to the proceeds generated from the sale of said commodity.
- c) **In order for a grower to foreclose on a Producers Lien, they must file civil suit in the appropriate Superior Court, which most likely would require the grower to engage an attorney to do so.**

Helpful Links from MEB Website

- a) Enforcement Actions
 - a. <https://www.cdfa.ca.gov/mkt/meb/hotnews.html>
 - i. See which individuals or entities may have Complaints filed against them
- b) Bonds Required
 - a. <https://www.cdfa.ca.gov/mkt/meb/bonds.html>
 - i. See which individuals or entities have Bonds on file with MEB
- c) Licensee List
 - a. <https://apps4.cdfa.ca.gov/MarketEnforcementLicenseRenewalPublic/licenseelist.aspx>
 - i. See which individual or entities are licensed with MEB

For additional information please contact:

Market Enforcement Branch - 1220 N St. Sacramento, California 95814 - Telephone: 916.900.5016

CROP INSURANCE UPDATE: USDA Expands Insurance Options for Walnut Growers

Following the September 2022 heatwave, we identified shortcomings in RMA crop insurance coverage for walnuts. Since then, members of a grower roundtable, Joshua Rahm, and Robert Verloop have worked with the USDA RMA western region office in Davis to improve the options for walnut insurance.

Earlier this summer, USDA issued an announcement which highlights some of the improvements made to the program. The full announcement can be found here: [USDA Expands Insurance Options for Specialty and Organic Growers | RMA](#). One improvement for the industry not mentioned in the release is that walnuts are now insurable for the fifth leaf growing season.

Additionally, during the last eighteen months we have heard from growers about the inconsistencies between different insurance agencies/agents. We have expressed the industry's concerns to the RMA staff, specifically that some insurance agents are not well informed about the various crop insurance "tools" and program advantages for walnuts. We have called upon RMA to improve the training of agents so that growers are able to make the best-informed decisions for their unique operations.

We are continuing to work with the Davis office on several additional improvements that require more work within the RMA system. Expansion of the RMA crop insurance programs is also being addressed in the 2024/25 Farm Bill currently under consideration in Washington D.C. We appreciate the support for the enhanced specialty crop insurance provisions by the bi-partisan California representatives from the walnut growing districts.

If you have any questions or would like to discuss, please contact your crop insurance agent or Joshua Rahm at jrahm@walnuts.org

USDA Climate Smart Field Day

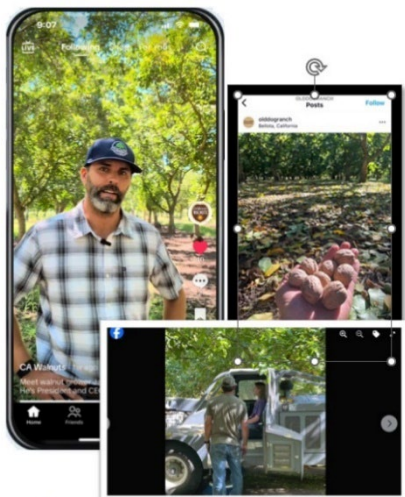
The USDA Climate Smart Field Day is dedicated to showcasing the USDA Climate-Smart Commodity Grant and its impact on sustainable agricultural practices. Scheduled for December 4, 2024, in Arbuckle, CA, this field day is for growers, both grant participants and interested growers, and will provide a unique opportunity to engage with industry leaders and explore innovative solutions and best practices in soil health, water management, and nutrient management.

It is more critical now than ever for stakeholders to collaborate on regenerative agriculture and building soil health. With new regulations already in place or set to take effect in the near future, attending this event will equip you with the knowledge and strategies to adapt and thrive in this changing landscape. By attending the event, you will learn more about:

- Soil Health Strategies and Cover Cropping
- Nutrient Management Strategies
- Water Management Strategies
- Collaboration opportunities with other stakeholders to find mutually beneficial solutions
- Preparing your business for future challenges

For more information on the event, please contact Joshua Rahm at jrahm@walnuts.org

NEW GROWER AMBASSADOR PROGRAM



Help promote the California walnut industry and share your stories by joining the new Grower Ambassador program. We are working to identify the latest generation of growers to be able to share their experiences while highlighting the rich history of multi-generational family farms. We want to showcase the unique and innovative approaches being undertaken within walnut operations while highlighting the passion and commitment that is in every walnut produced. Areas of participation would include social media content, online blog, consumer PR and events.

If you are interested in learning more, please contact Christine Lott at clott@walnuts.org or at 916-932-7070.

RECEIVE THE LATEST INDUSTRY NEWS BY EMAIL, PHONE OR TEXT - SIGN UP TODAY!

Sign up to receive timely and frequent California walnut industry updates in the ways you would like to receive them (email, text, or a call), with our “opt-in” communications platform called OnSolve. Over 600 industry members are currently enrolled and are the first to receive industry news and updates.

If you have not already done so, please sign up by scanning the QR code or visiting <https://walnuts.org/onsolve-signup/>



UPCOMING KEY DATES & EVENTS

Land IQ acreage survey results – by end of 2024

CWB/CWC Board of Directors meeting – November 6, 2024, at the Hilton Sacramento Arden West Hotel

California Walnut Conference – January 9, 2025, at the Yuba Sutter County Fairgrounds

- *High impact Speakers*
- *International guests & speakers*
- *Suppliers / Vendors*
- *Handler booths, and more!*



California Walnut Board and Commission

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