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**Growers Optimistic about Pre-Season 2023 California Walnut Outlook**

**FOLSOM, Calif., Aug 9, 2023** – What a difference a year makes! The California walnut industry is gearing up for a stellar 2023 harvest and shipping season after several years of drought, record low grower returns, COVID disrupted markets with supply chain challenges and a devastating heat wave in September 2022 that negatively impacted the entire crop. Here’s why this season is lining up to be a different story.

**Quality is expected to be excellent due to favorable growing conditions.**

Last winter’s prolonged heavy rains in the California walnut growing regions helped restore deep soil moisture and provided for healthy root zones, enabling trees to better tolerate late season high temperatures. The state also benefitted from an extensive snowpack which has provided all growing regions with sufficient water to support the trees and the crops through this season.

The much-needed chilling hours were at normal levels, placing the trees into a much-needed deep winter dormancy and a prolonged “rest and recuperation” period. Mild spring temperatures were ideal and produced full, vibrant, vigorous tree canopies which supported strong pollination, resulting in robust nut sets throughout the orchards.

“This year, our trees are more capable of handling higher temperatures than the previous years when the trees were under stress due to long-term deficit irrigation,” commented fourth-generation grower and handler Bill Carriere of Glenn, California. “Long-time growers have commented that the trees have not looked this strong and healthy in at least six to seven years. The full leaf canopy provided excellent temperature control and sun protection during the spring and summer months, allowing the walnuts to grow evenly with minimal sunburn. I am very optimistic that this year will mark a return to the premium quality walnuts we are known for in California.”

**Acreage adjustments**

Record low prices, brought on by an oversupply of darker than normal walnut kernels and weak demand in international markets, have taken a toll on growers, some opting to remove orchards from production. “Our family decided to pull out a productive orchard planted by my father in the early 2000s, it was a difficult decision, but the numbers told the story,” said Don Barton, a fourth-generation family farmer in Escalon, California. “We pulled a few acres with legacy varieties that are no longer desired by the broader buying community. Further south, walnut growers had removed trees due to

new water restrictions that resulted in a lack of long-term availability to groundwater. Overall, the last few years have been devastating for growers and we are making some difficult decisions.”

The extent of the acreage shift became more evident in an acreage survey conducted by the California Walnut Board between October 1, 2022, and June 30, 2023. For the first time ever, the acreage of California walnuts declined with 23,000 acres removed during the nine-month period. The industry will likely see additional reductions between July and December 2023, as more growers decide to shift to other crops and the needed tree removal equipment becomes available.

### **Favorable New Crop Volumes and Inventory levels**

However, even with the removal of these orchards, the industry has a strong production base with approximately 380,000 producing acres and 37,000 younger non-bearing acres. USDA/National Agricultural Statistics Service Information (NASS) is currently conducting the annual walnut crop objective evaluation which counts and measures walnuts in a representative cross-industry sampling protocol. Incorporating the recently updated acreage report with the sampling results. USDA will release the official California walnut industry crop estimate on September 1, 2023.

“This week, the California Walnut Board released the monthly and year-to-date shipment report which highlighted an additional reason why I am bullish about the upcoming season,” remarked Martin Mariani, a grower/processor from Winters, California, “The data shows that we have shipped the equivalent of 730,488 tons this season from an available inventory of 880,000 tons.” He went on to explain that when taking into consideration the high sales commitments going into the fall, “we are virtually sold out of available inventory, which bodes well for the industry. I can’t wait to bring the new crop to market.”

### **Global and Domestic Market Outlook**

With a focus on inshell markets, Chile is anticipated to be sold out by the time the new California crop starts shipping this fall. With minimal inventories of export-quality walnuts on hand, coupled with the current limited supply of walnut halves in global markets, the fresh California crop of premium quality walnuts, inshell and kernels, will be in high demand.

“Domestically, sales have increased 28% which helped our industry work through the high inventory numbers we saw at the start of the season” said Mike Poindexter of Poindexter Nut Company in Selma, California. “Major US retailers significantly increased their promotional efforts, which stimulated consumer sales. This is continuing through the fall and will provide nice momentum going into the U.S. holiday season for new crop kernels and inshell sales.”

### **Market Development and Sales Expansion**

Acknowledging the difficulty California walnut industry growers have faced in recent years, Robert Verloop, CEO and Executive Director for the California Walnut Commission (CWC) and Board, said the organization has taken several steps to aid growers.

“There have been successful efforts during the season to respond to the heat wave impacted crop, yet with low prices and high input costs, the squeeze on family farms has been relentless. Through the Commission, we continue to work with our representatives in Washington, D.C. and Sacramento for emergency relief for growers,” he said.

“Also, working with the CWC Board of Directors, industry handlers/processors, many volunteer leaders and elected officials and regulators, we have successfully secured a record USDA Section 32 purchase this season for up to \$90 million; this funding is being used to help move the current crop out of our storage and into 1,400 food banks across the U.S., providing additional nutrition to thousands of families. In addition, the 20% reduction in tariffs recently announced by India will help us regain our footing in the Indian market.”

#### **About the California Walnut Board**

The California Walnut Board (CWB) was established in 1948 to represent the walnut growers and handlers of California. The CWB is funded by mandatory assessments of the handlers. The CWB is governed by a Federal Walnut Marketing Order. The CWB promotes usage of walnuts in the United States through publicity and educational programs. The CWB also provides funding for walnut production, food safety and post-harvest research.

#### **About the California Walnut Commission**

The California Walnut Commission, established in 1987, is funded by mandatory assessments of the growers. The Commission is an agency of the State of California that works in concurrence with the Secretary of the California Department of Food and Agriculture (CDFA). The CWC is mainly involved in health research and export market development activities. For more industry information, health research and recipe ideas, visit [www.walnuts.org](http://www.walnuts.org).

#### **Non-Discrimination Statement**

The California Walnut Commission (CWC) prohibits discrimination in all its programs and activities on the basis on race, color, national origin, age, disability, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program (not all bases apply to all programs).