

A NEW BEGINNING



Presented by
California Walnut Board & Commission



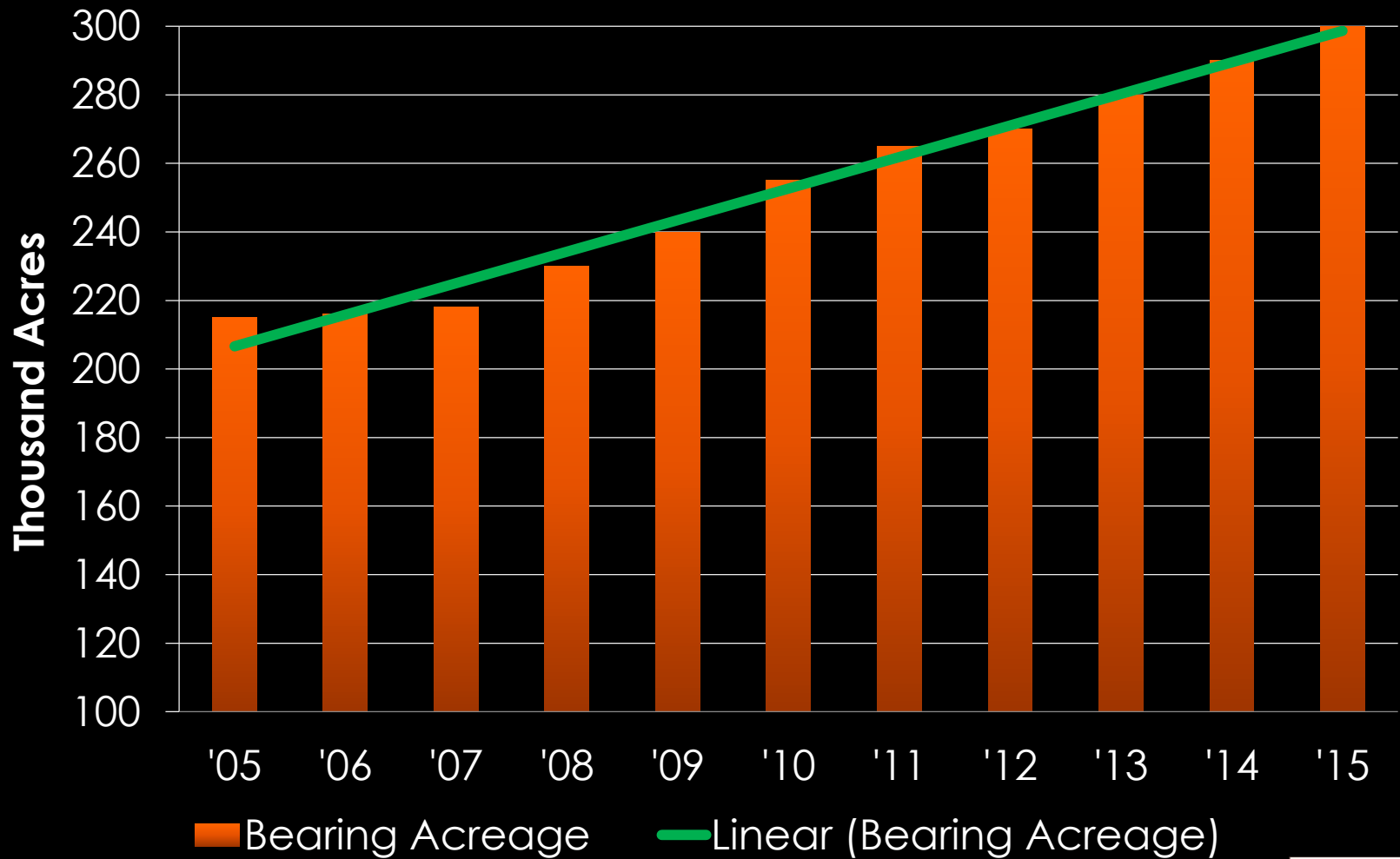


WHY DID WE SHOW YOU THAT?

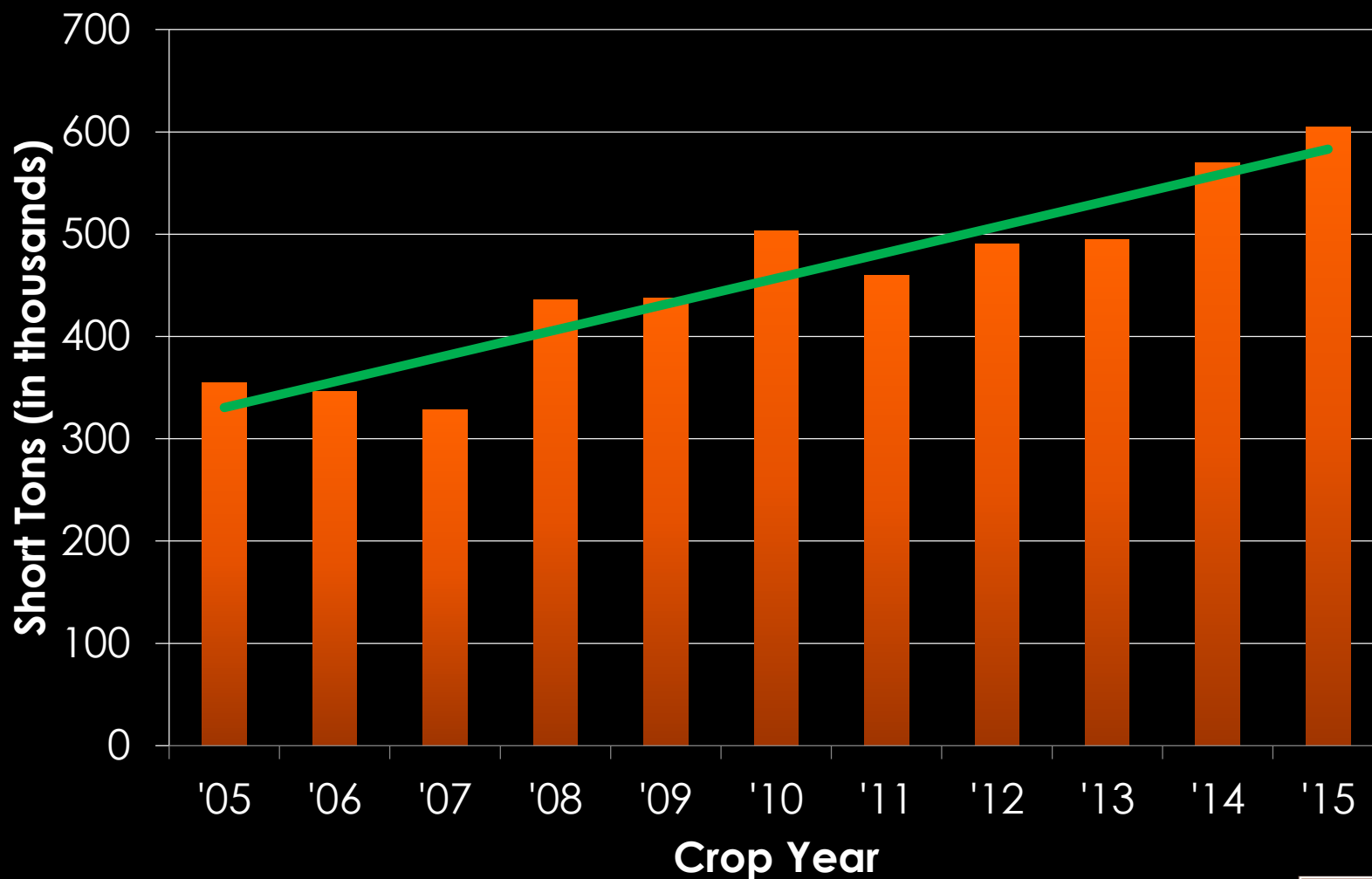
- New era for the industry
- World production continues to grow
- Three things to remember
 - Advertising will lead to increased demand
 - Price will open new markets and opportunities
 - Patience
- This is just the beginning...



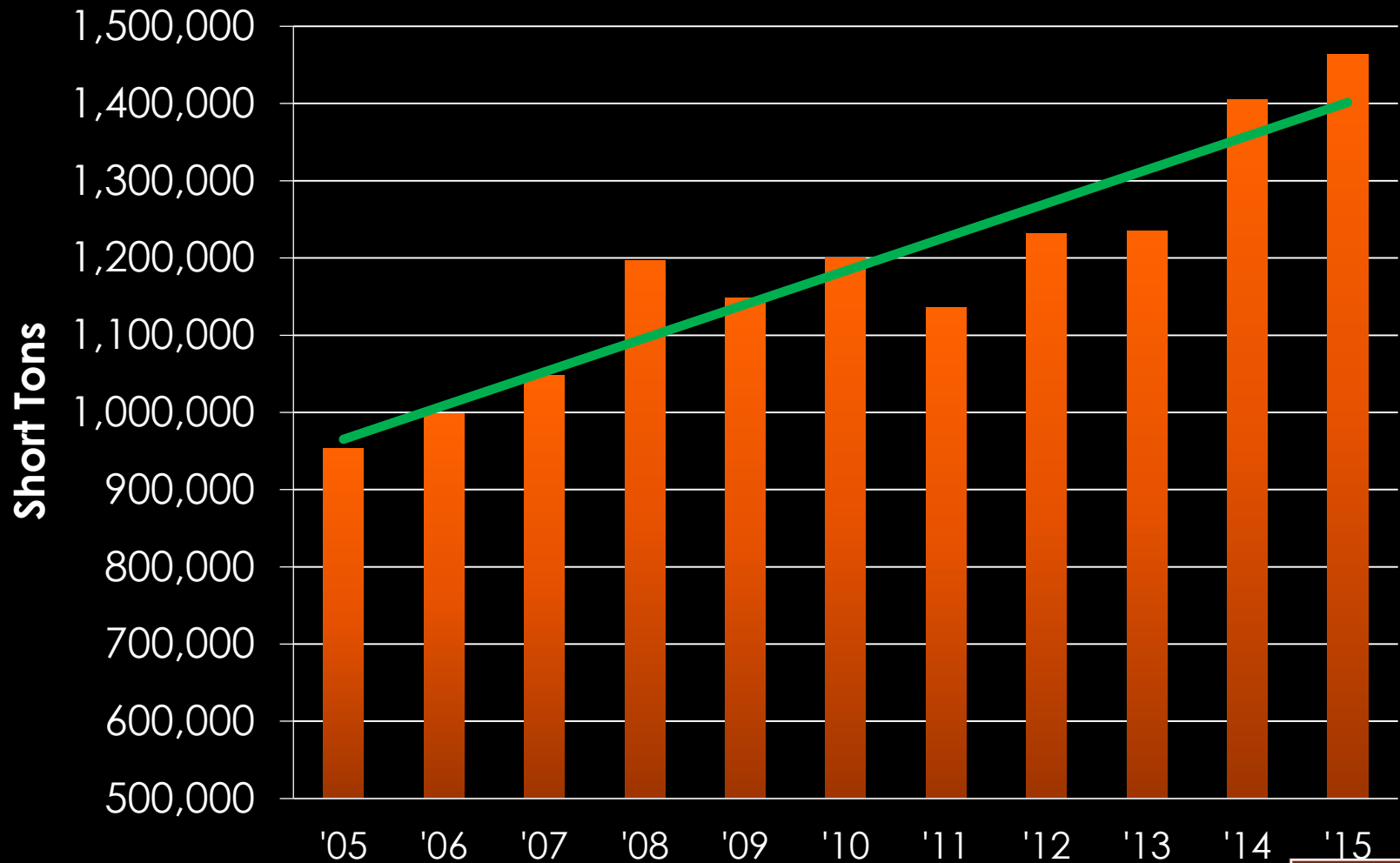
BEARING ACREAGE



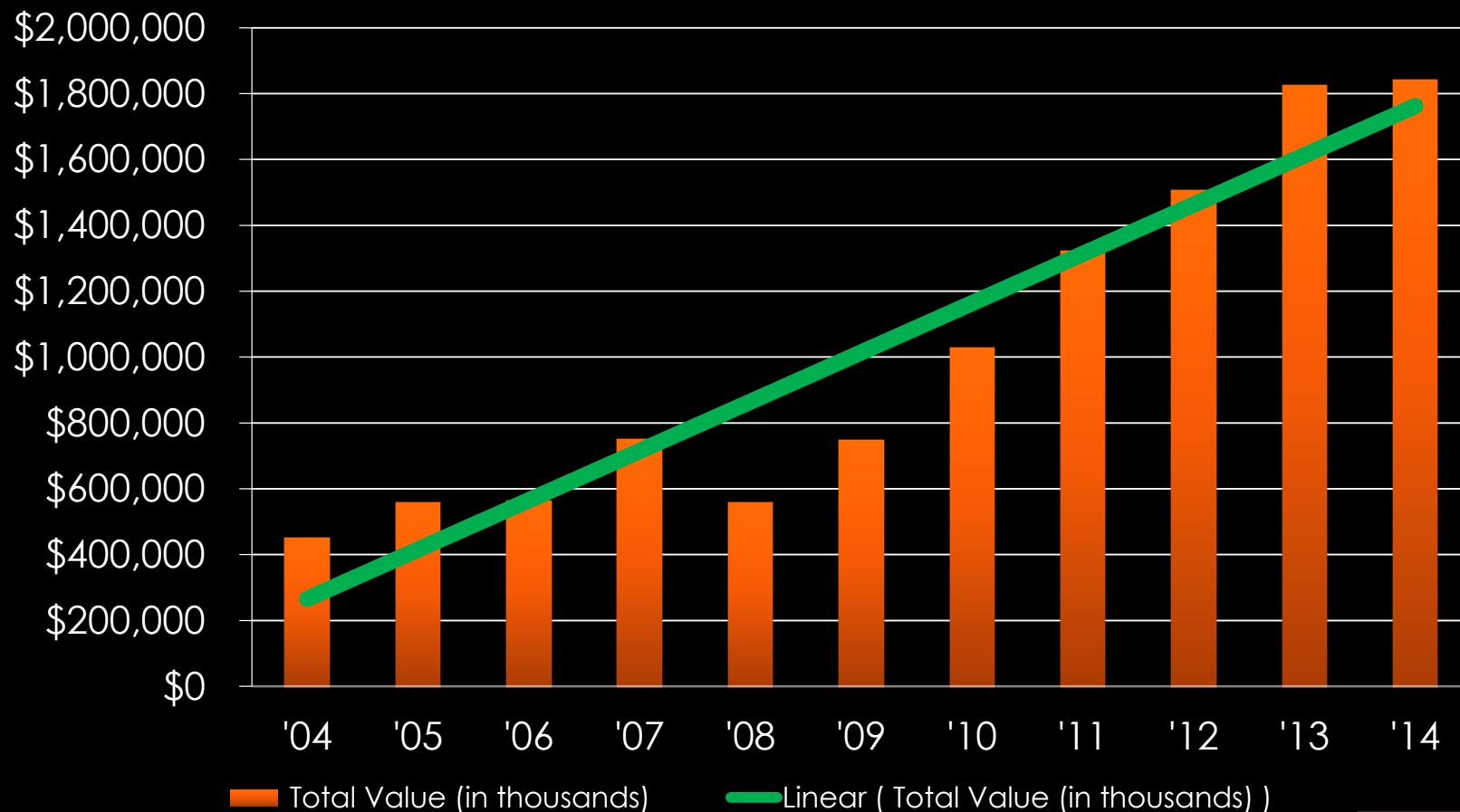
CALIFORNIA WALNUT PRODUCTION



WORLD PRODUCTION

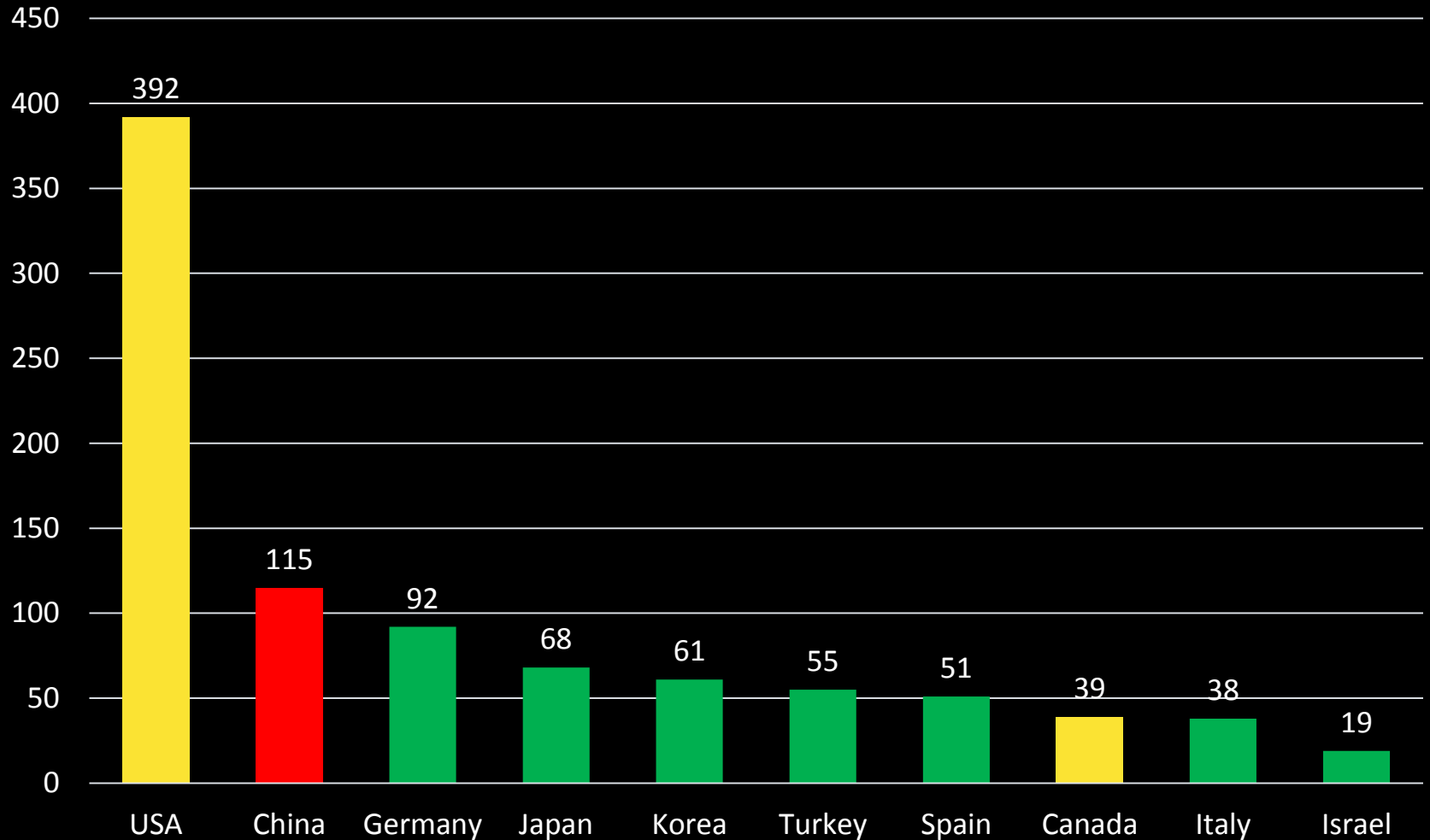


FARM GATE VALUE



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





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

Roasted Vegetables with Walnuts, Zucchini & Balsamic Vinaigrette

Pomegranate Glazed Carrots

Green Beans with Walnuts, Sun-Dried Tomatoes & Walnuts

Sweet & Spicy Brussels Sprouts

Garlic Butter Glazed Salmon

Pasta Puttanesca with Mixed Olives & Walnuts

Chinese Chicken Walnut Stir Fry

Walnut-Cheese Stuffed Chicken Breasts

Beet, Goat Cheese & Walnut Salad

Arugula, Strawberry & Walnut Salad

Garden Salad with Walnut Vinaigrette

Wilted Spinach Salad with Grilled Onions, Walnuts, Avocado & Apples

CALIFORNIA WALNUTS

FOR THE BEST SIMPLE VEGGIES EVER

A SPRINKLE OF CRUNCHY CALIFORNIA WALNUTS ADDS FLAVOR, TEXTURE AND HEART HEALTHY* GOODNESS TO ALL YOUR FAVORITE RECIPES. FOR THESE RECIPES AND MORE GO TO WALNUTS.ORG

For use only on walnuts. So Simple. So Good. walnuts.org

CALIFORNIA WALNUTS

FOR THE BEST SIMPLE DINNERS EVER

A SPRINKLE OF CRUNCHY CALIFORNIA WALNUTS ADDS FLAVOR, TEXTURE AND HEART HEALTHY* GOODNESS TO ALL YOUR FAVORITE RECIPES. FOR THESE RECIPES AND MORE GO TO WALNUTS.ORG

For use only on walnuts. So Simple. So Good. walnuts.org

CALIFORNIA WALNUTS

FOR THE BEST SIMPLE SALADS EVER

A SPRINKLE OF CRUNCHY CALIFORNIA WALNUTS ADDS FLAVOR, TEXTURE AND HEART HEALTHY* GOODNESS TO ALL YOUR FAVORITE RECIPES. FOR THESE RECIPES AND MORE GO TO WALNUTS.ORG

For use only on walnuts. So Simple. So Good. walnuts.org

*Suggestive 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 smoking may help reduce the risk of coronary heart disease. (FDA) One ounce of walnuts provides 10g of total fat, 2.5g of monounsaturated fat, 1.5g of polyunsaturated fat including 1.5g of alpha-linolenic acid, the plant-based omega-3.

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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								
Magazines								
Digital								



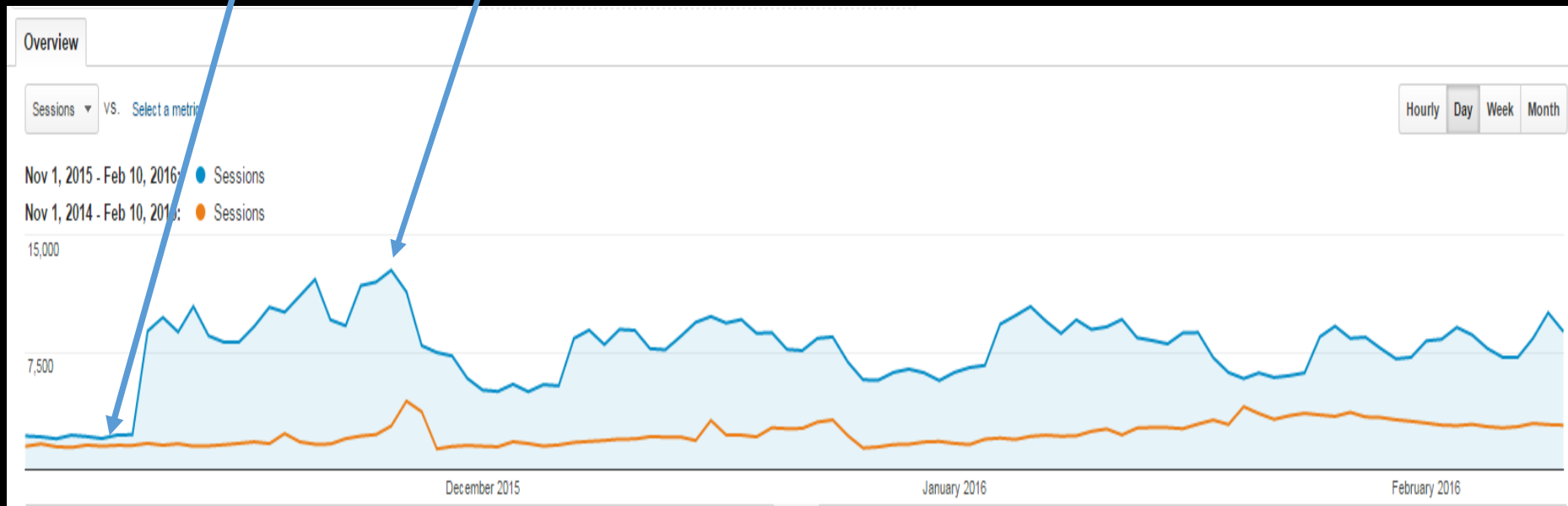
EVALUATING SUCCESS

- 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



WALNUTS.ORG TRAFFIC RESULTS

2,232 Visitors 12,739 Visitors



November 1 – February 1, 2016 – **711,249** Unique Users

November 1 – February 1, 2015 – 207,299 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 nuecesdecalfornia.com



GETTING VERSATILE IN SOUTH KOREA

호두의 맛있는 변신



#맛있게즐기는호두 캘리포니아 호두
www.walnuts.co.kr에서 건강하고 맛있는 호두요리 레시피를 확인하세요
www.facebook.com/lovecaliforniawalnuts @cawalnuts

CALIFORNIA
Walnut
COMMISSION



CHINA: BRAIN BOOSTER CAMPAIGN



TURKEY

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



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

INDIA: LEADING CHEFS TOUT WALNUTS



ENERGY BODY ACTIVITY FOOD VITAMINS NUTRIENTS HEART



HEALTH RESEARCH PROGRAM

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



11 CWC Studies & 9 PREDIMED Published 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
 - FINDING - Walnuts have **146 calories per 1 oz.** serving, 21% less than in the USDA Standard Nutrient Database (185)
- Dr. David Katz – Yale University's Prevention Research Center
 - FINDING – Walnuts improve overall diet quality, endothelial function, and cholesterol.
- Dr. Frank Hu – Harvard University
 - FINDING – People replacing saturated fats with polyunsaturated fats or high-quality carbohydrates in their diet may live longer and have a lowered risk of heart disease.



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 lead to increased 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/

