

ORGANIC WALNUTS *in* CALIFORNIA

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OUTLINE

- Organic regulations
- US Organic retail market
- California organic production
- CA organic nut production
- Organic walnut practices
- Organic walnut market

Organic Foods Production Act 1990



Organic Foods Production Act

- ❖ Established the NOP and the NOSB
- ❖ Set national, uniform standards for food marketed as organic
- ❖ Requires a 3 year transition period
- ❖ Requires an organic systems plan
- ❖ Requires 3rd party certification
- ❖ Establishes allowed and prohibited materials

California Organic Production Act 2003



Inspection and Compliance Branch
California Organic Program



California Organic Production Act 2003

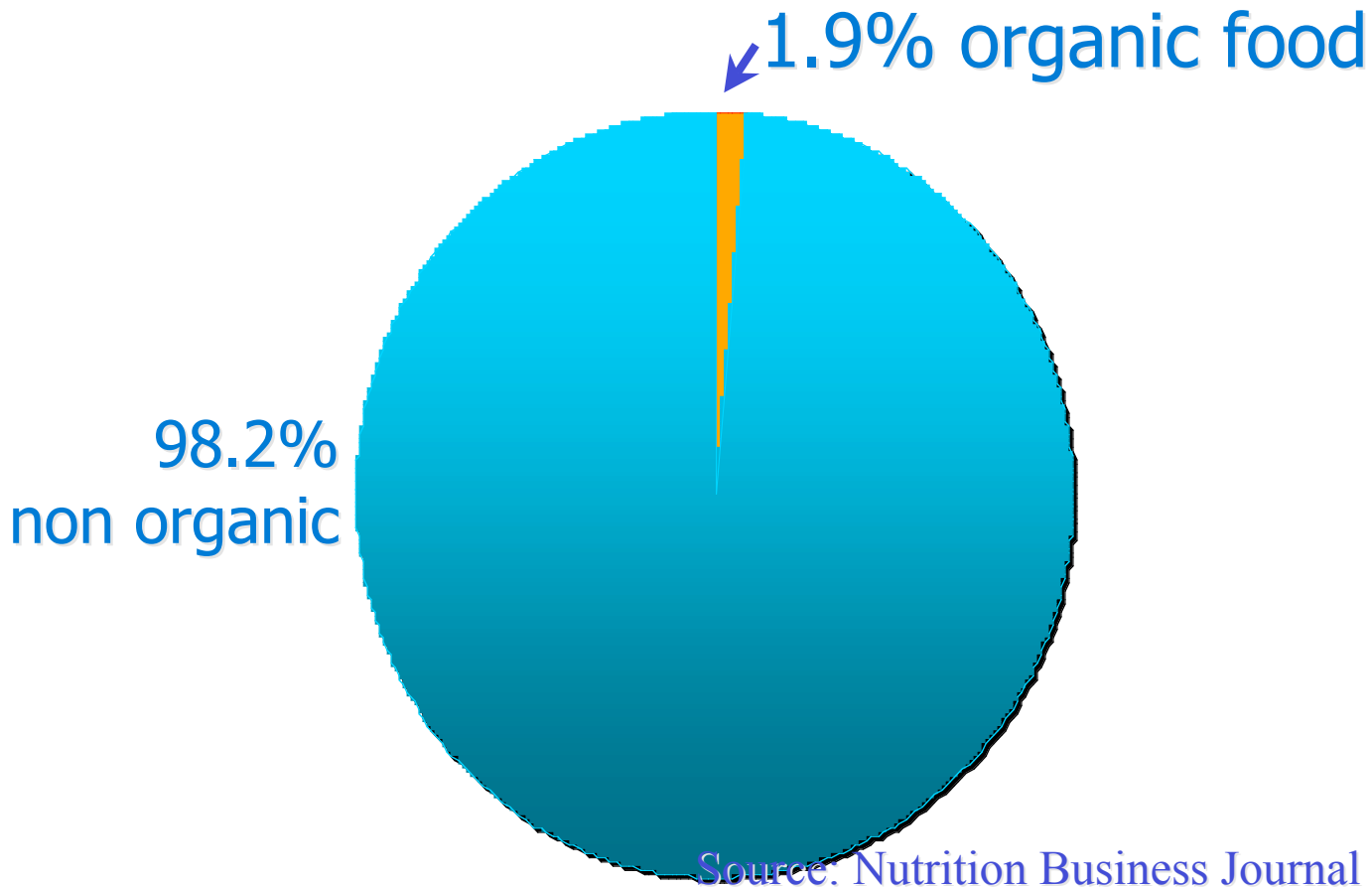
- ❖ Replaced the California Organic Foods Act 1990
- ❖ Responsibility is divided between CDFA, fresh products, and DHS which covers processors
- ❖ The law requires registration of producers, handlers, and processors of organic products including pet food and cosmetics

Steps to Organic Certification

- ❖ Three year period of compliance with NOP standards
- ❖ Identify USDA accredited certifier
- ❖ Application including organic systems plan
- ❖ Review
- ❖ On – site inspection
- ❖ Compliance with plan and rules

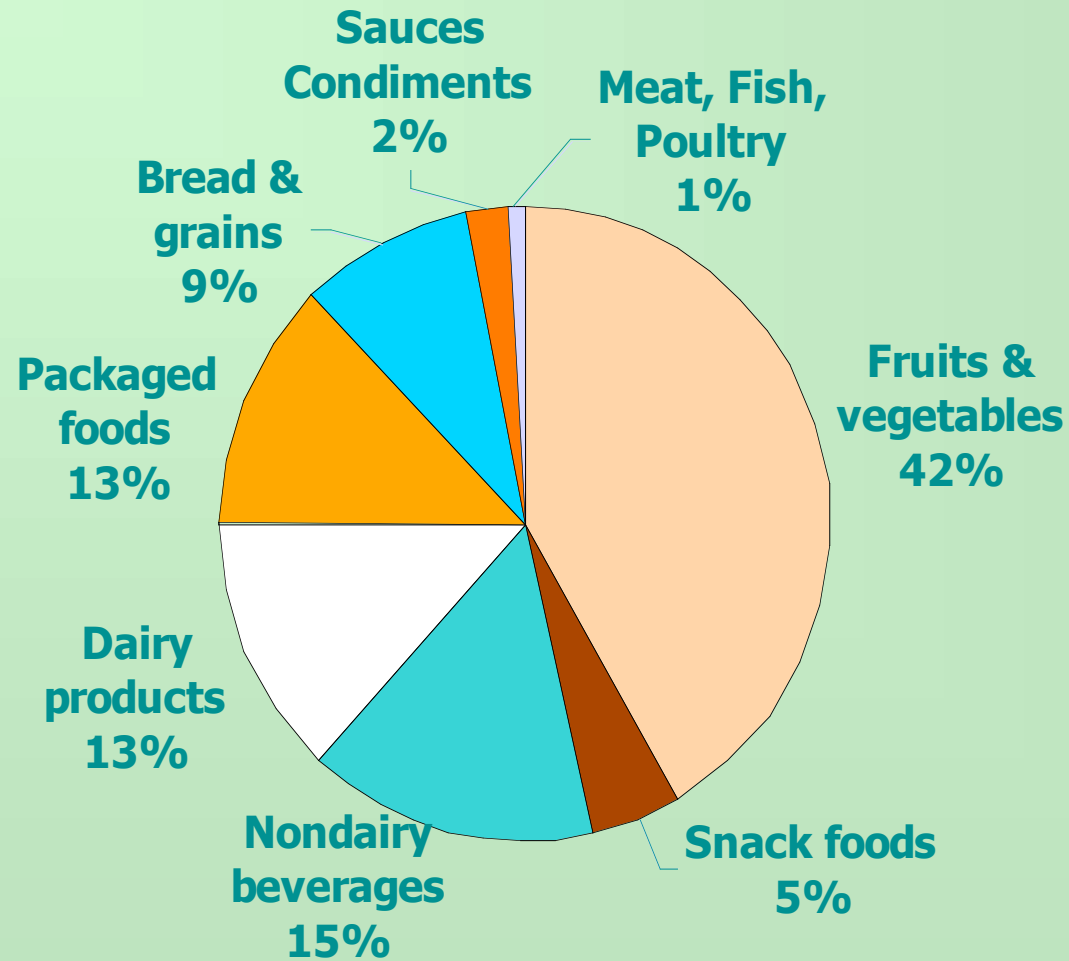
US RETAIL FOOD MARKET

\$555 BILLION *in 2003*



US RETAIL ORGANIC FOOD

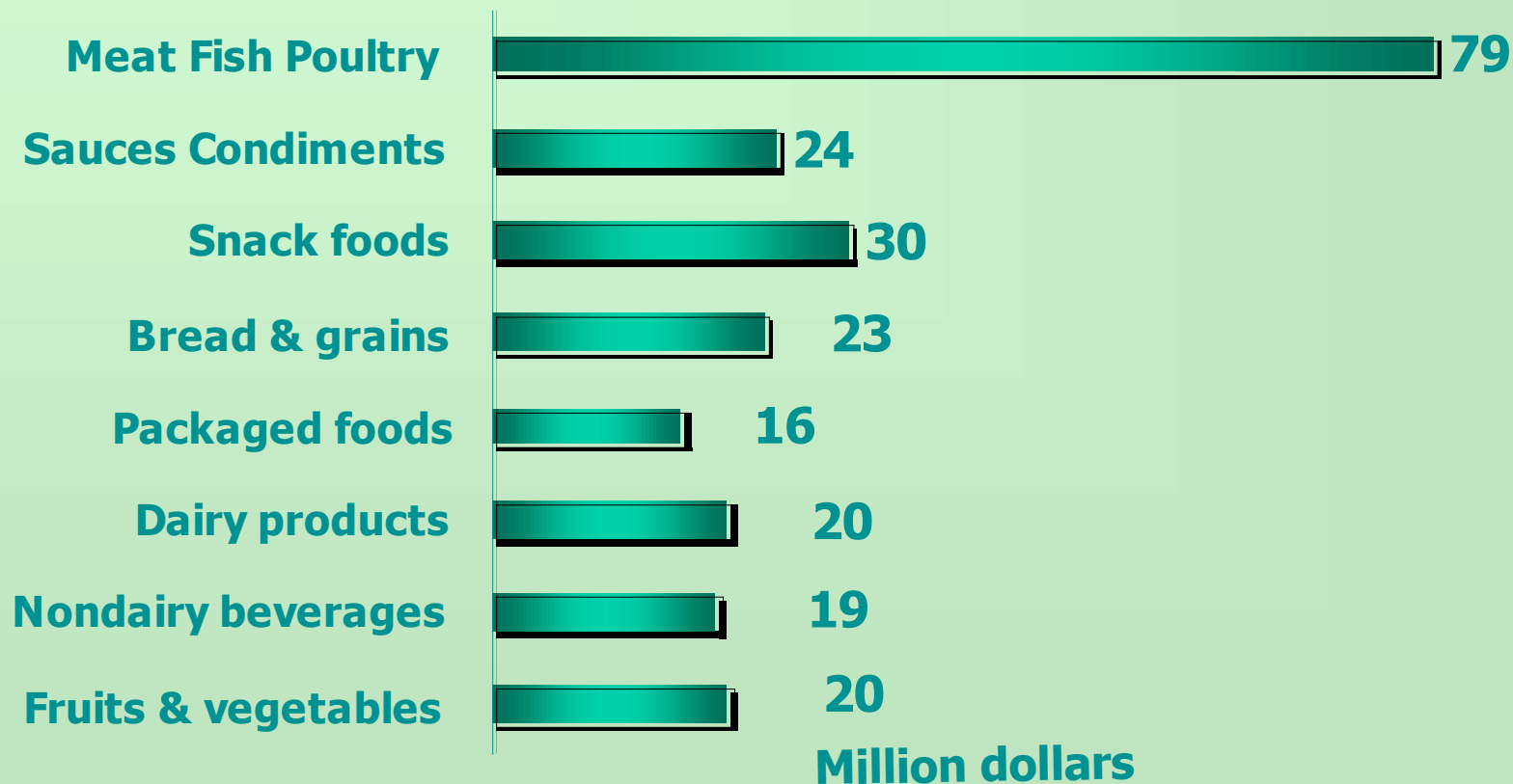
\$10.4 Billion Sales in 2003



Source: Organic Trade Association's 2004 Manufacturer Survey

US RETAIL SALES OF ORGANIC FOOD

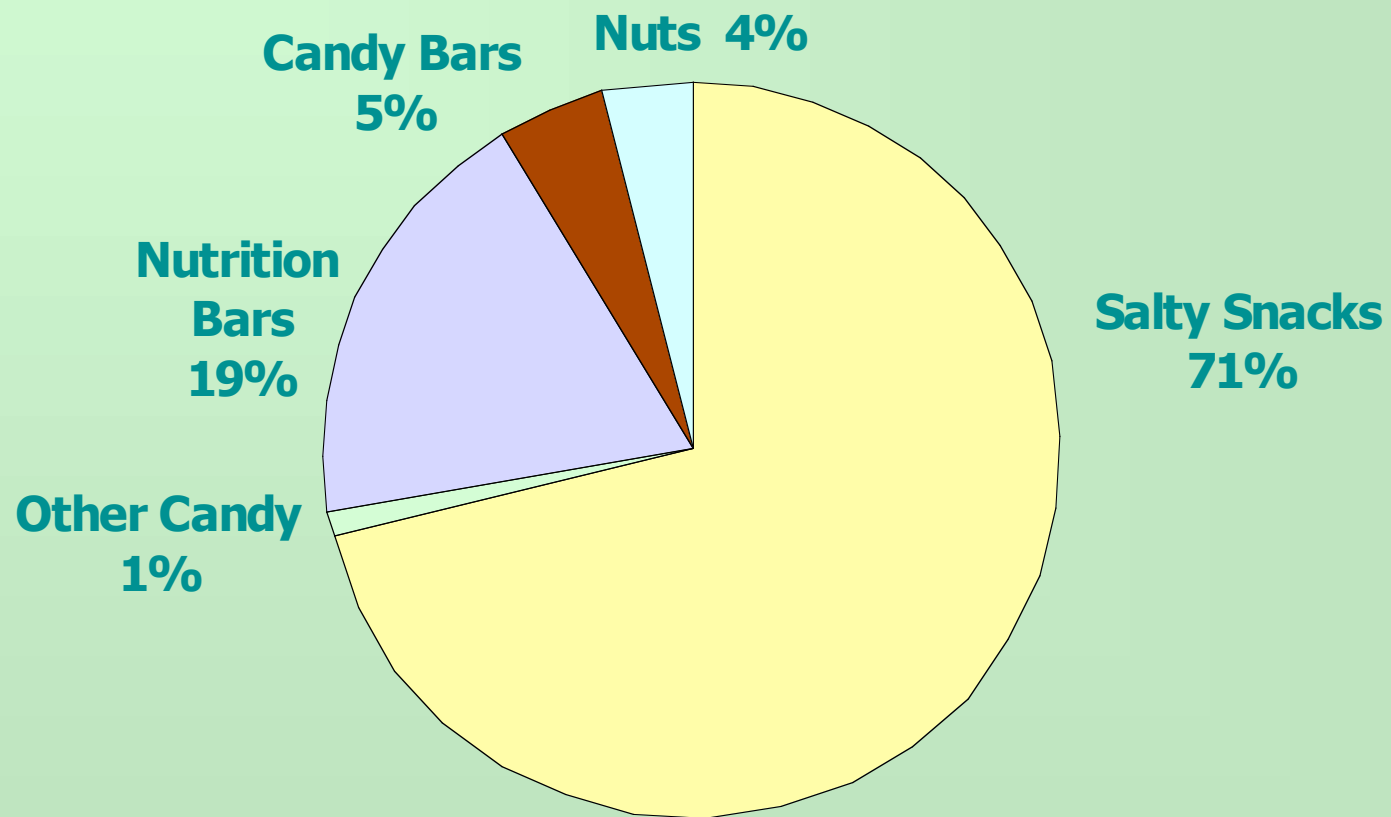
Per Cent Growth in 2003



Source: Organic Trade Association's 2004 Manufacturer Survey

US ORGANIC SNACK FOOD

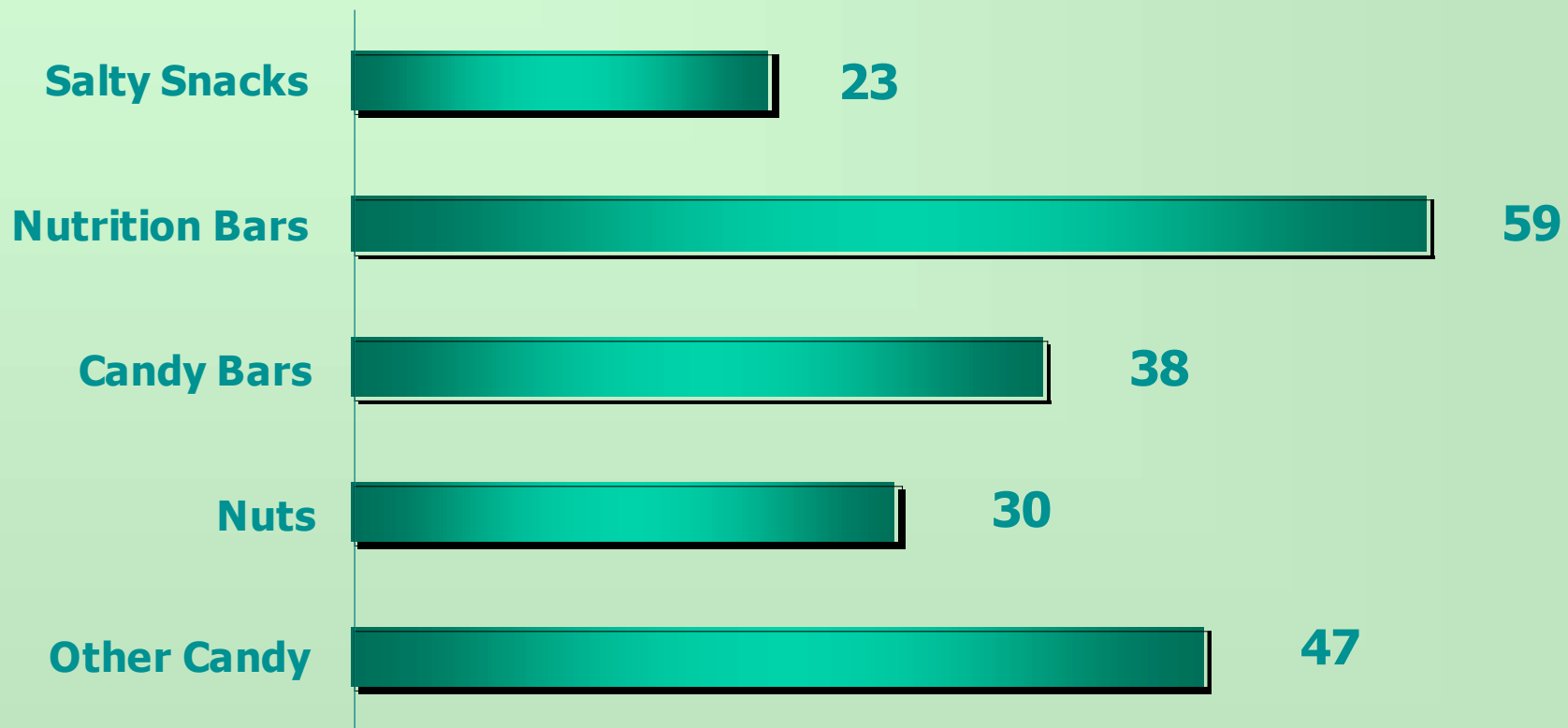
\$484 Million in Sales 2003



Source: Organic Trade Association's 2004 Manufacturer Survey

US ORGANIC SNACK FOOD

Per Cent Growth in 2003



Source: Organic Trade Association's 2004 Manufacturer Survey

CALIFORNIA'S ORGANIC PRODUCTION

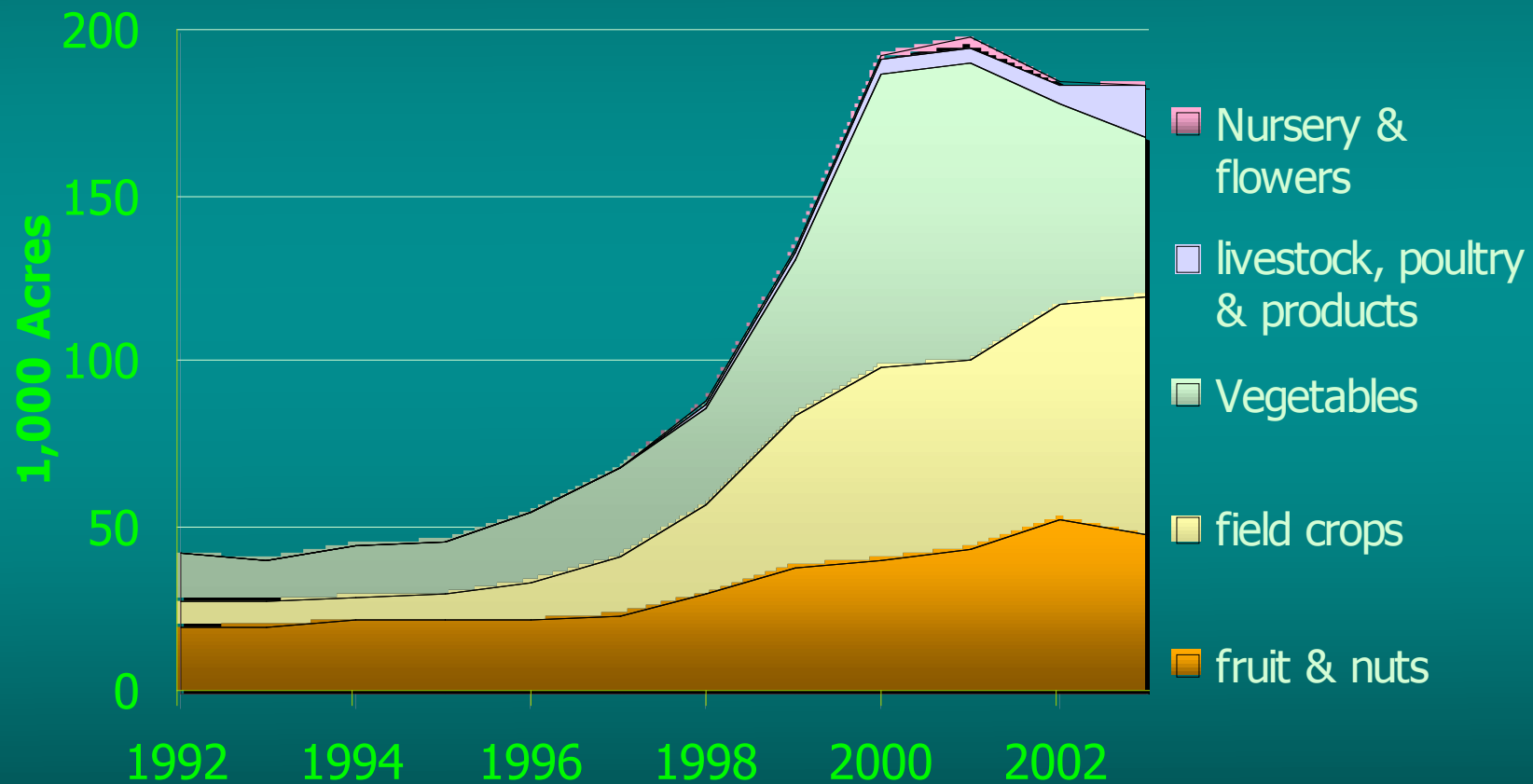


ORGANIC PRODUCTION, CA 2003

	Grower s	Sales (\$million)	Acres
Walnuts	279	4.4	3,812
Almonds	181	6.4	3,605
Pistachio	20	1.6	781
All Commodities	1,668	336	184,734

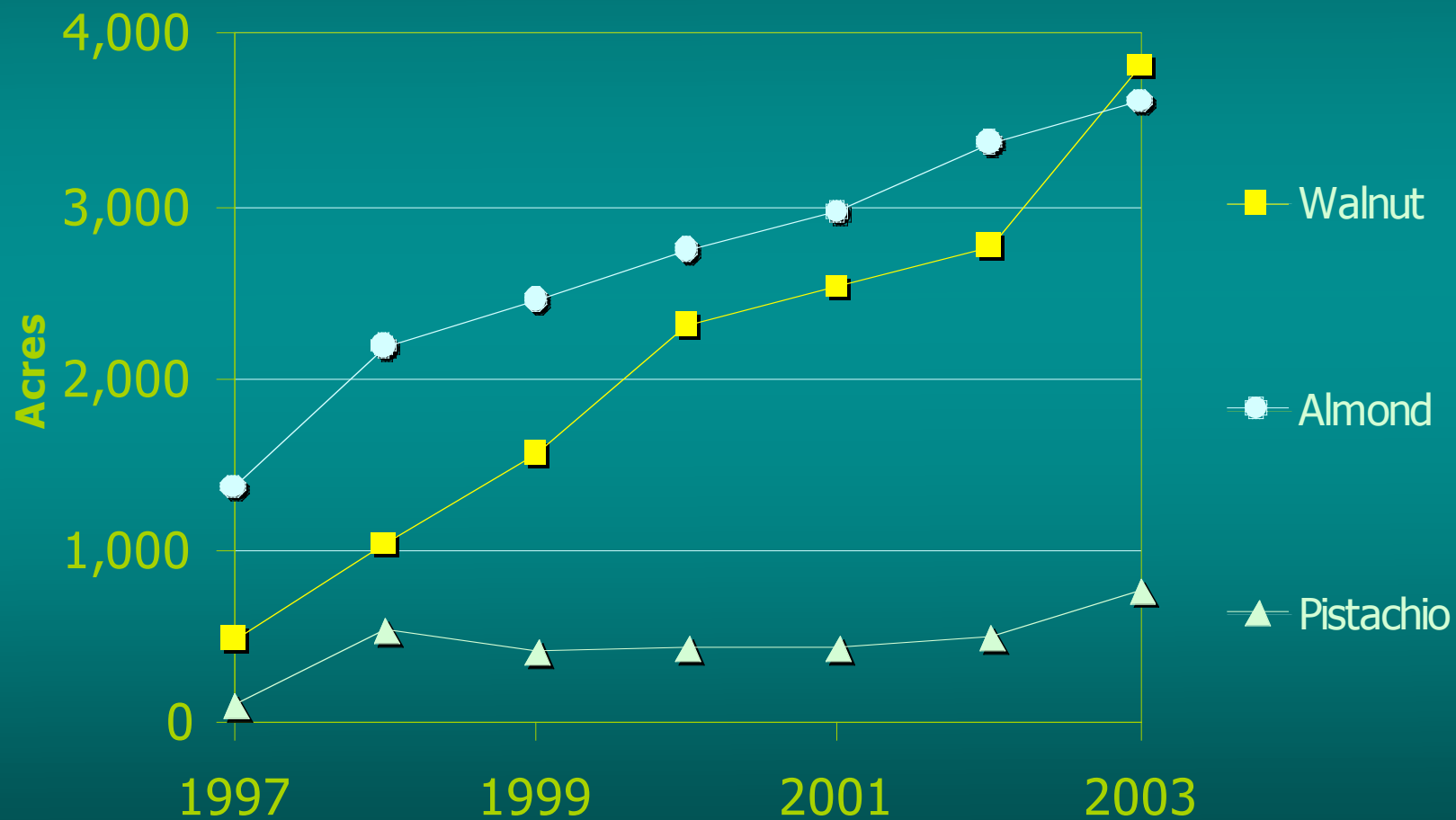
ACRES OF CA ORGANIC COMMODITIES

2003 – 184,734 ACRES



Source: CDFA Organic Program

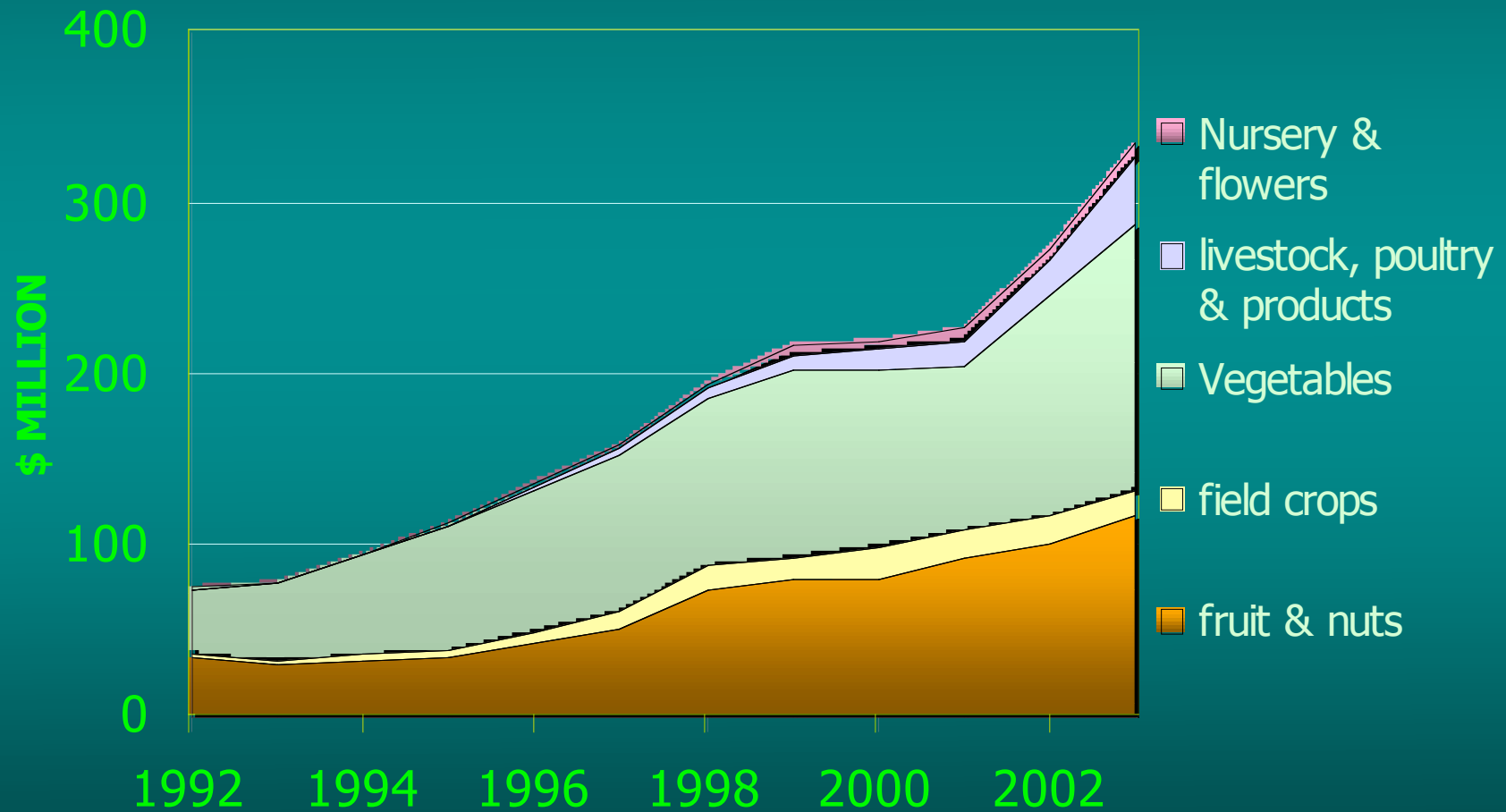
CA ACRES OF ORGANIC NUTS



Source: CDFA Organic Program

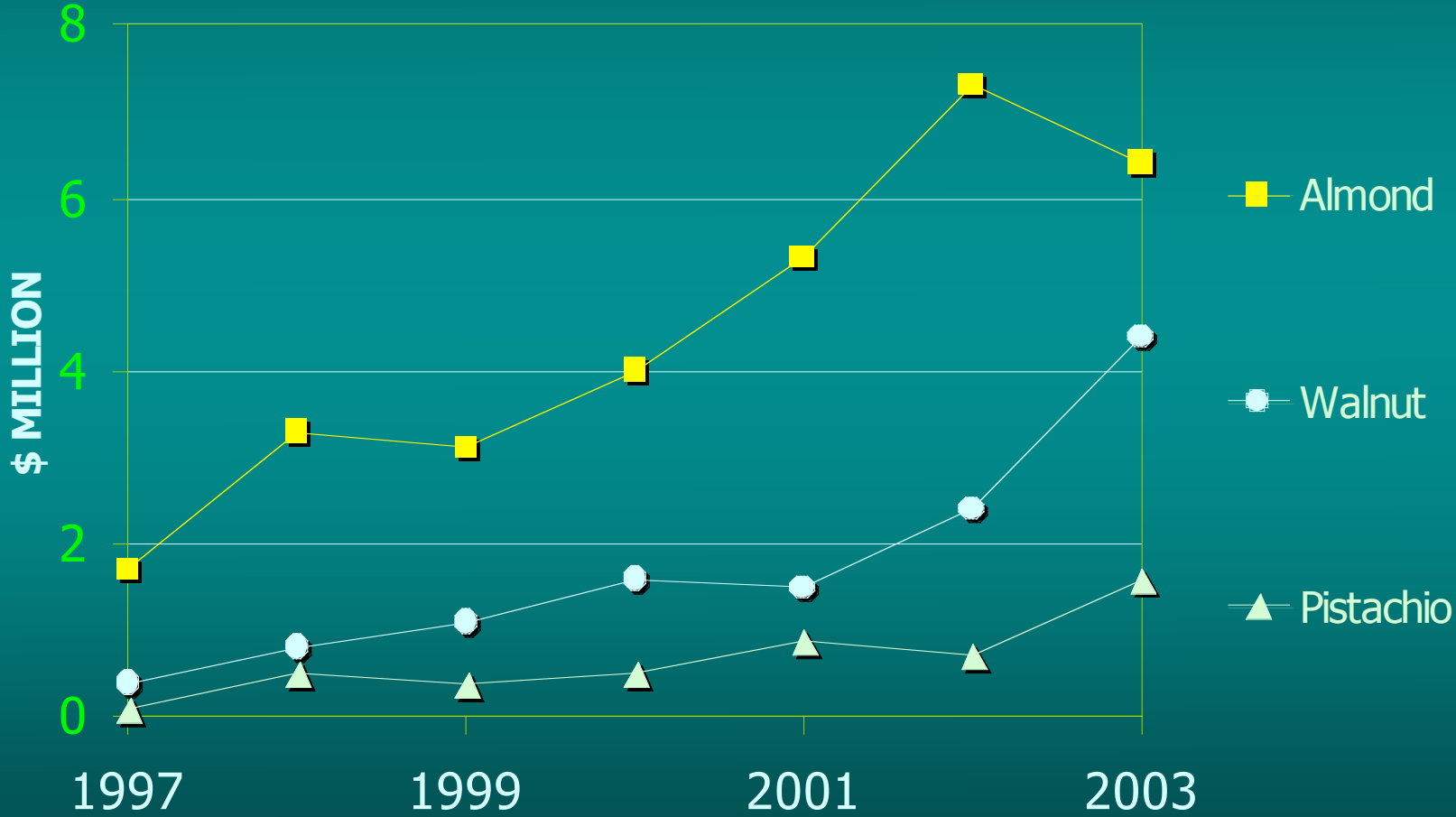
SALES *OF* ORGANIC COMMODITIES

2003 SALES - \$336 MILLION



Source: CDFA Organic Program

CA SALES OF ORGANIC NUTS



Source: CDFA Organic Program

Organic Walnut Production

- ❖ No synthetic fertilizers
- ❖ No synthetic herbicides
- ❖ No synthetic insecticides
- ❖ No fumigation after harvest
- ❖ Virtually all shelled product
- ❖ Mostly domestic sales

Fertility

- ❖ Cover crop
 - ❖ Alfalfa
 - ❖ Vetch
 - ❖ Fava
 - ❖ Bell beans
 - ❖ Mixes, no grasses
- ❖ Manure 2- 4 tons/acre

Weed Control

- ❖ Cover crop
- ❖ Cross discing
- ❖ Mowing
- ❖ Weed wacker
- ❖ Hand hoeing
- ❖ Flaming

Pest and Disease Control

- ❖ Pheromone confusion for codling moth
~ \$125 per acre
- ❖ GF 120 (Dow) for husk fly
- ❖ Kocide no longer legal for organic
- ❖ Nordox is a copper material that may be approved

Post Harvest

- ❖ Some freeze shelled nuts others don't
- ❖ Refrigerate at 35 – 40 degrees
- ❖ Vacuum pack for many customers with or without N flush
- ❖ More sorting for worms with organic

The Dark Side

- ❖ Possibly more mites due to dust
- ❖ Vetch vines onto sprinklers and prunings
- ❖ Windrow prunings too early kills vetch
- ❖ Blue jays eat pheromone ties
- ❖ Harder to get floor ready for harvest
- ❖ Difficult to get enough N for hedgerow

The Market

- ❖ Premium price often \$1.00 over conventional
- ❖ Price about 50 – 75% higher than conv
- ❖ This year conventional price went up but organic price didn't
- ❖ About 85% contracted early so no upswing in price late in the season
- ❖ Oversupply could be a future problem

The Customers

- ❖ Organic Wholesalers
- ❖ Natural foods stores, coops
- ❖ Bakeries
- ❖ Most exports appear to be to Japan
- ❖ Some imports from Eastern Europe

Organic Walnut Handlers

- ❖ Poindexter Nut Company, Selma
- ❖ Dixon Ridge Farms, Winters
- ❖ Gibson Farms, Hollister

Bottom Line

- So far there demand exceeds supply for organic walnuts
- Premium prices may be up to 75%
- Production costs may be 25% higher
- Yields may be 10 – 20% lower
- Organic production is not for the faint hearted