



Annual Report 2007/08

***California Walnut Board &
California Walnut Commission***

Responsibilities and Activities

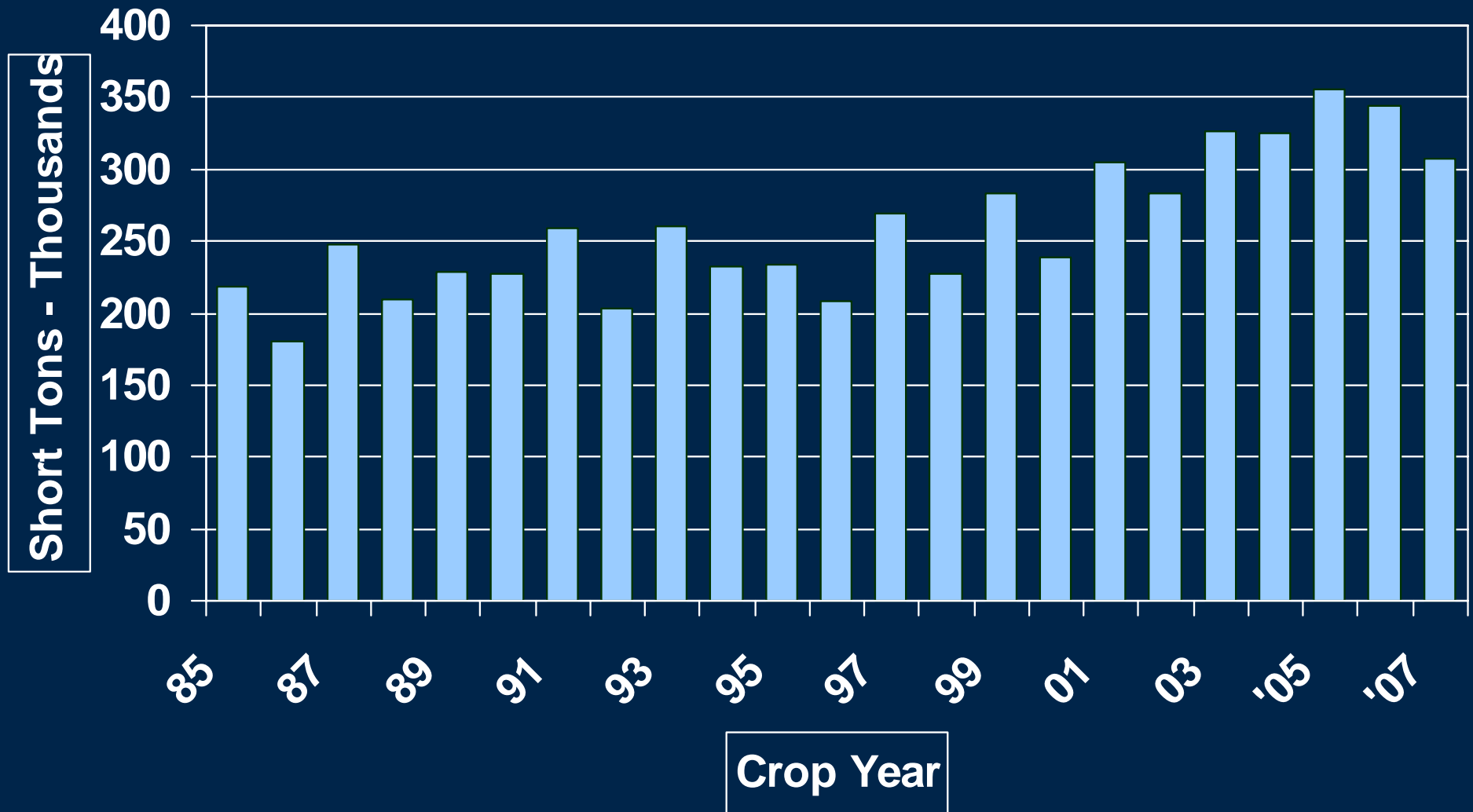
- **Market Development**
- **Research**
 - Health,
 - Production
 - Market Research
- **Regulatory Matters**
- **Trade Policy Issues**
- **Serve the Industry**



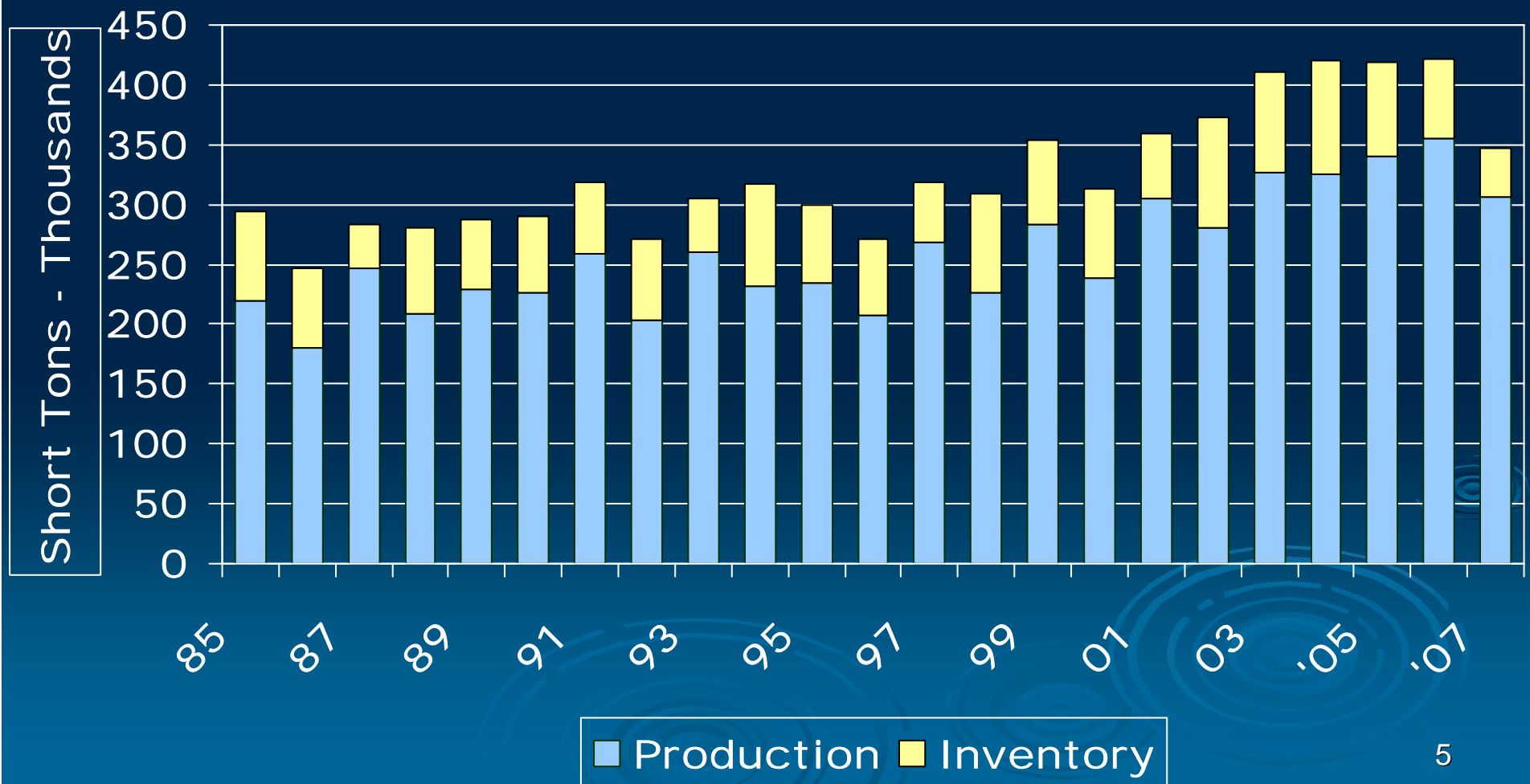
Production



U.S. Walnut Production History

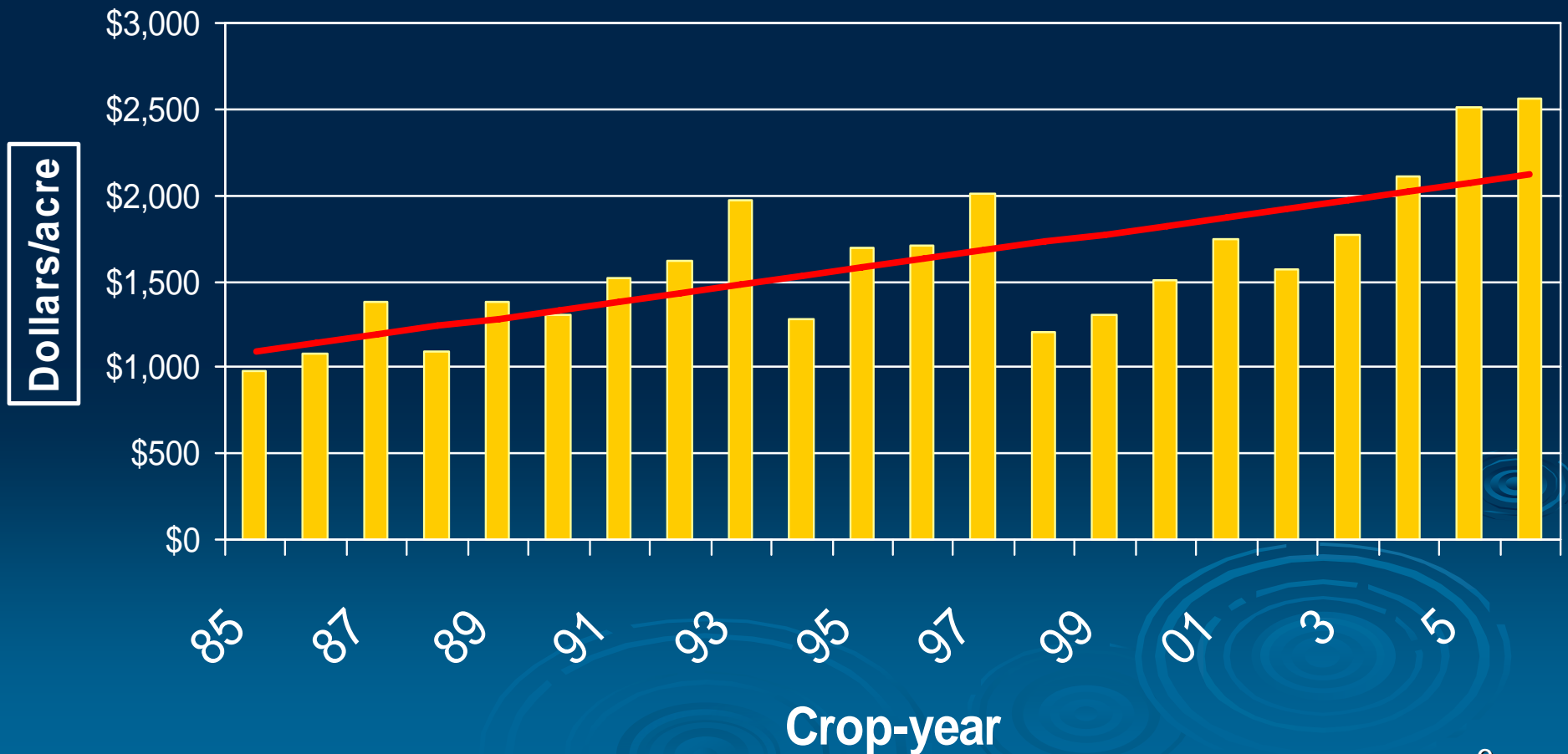


Total California Walnut Availability



Higher Return with Large Crops

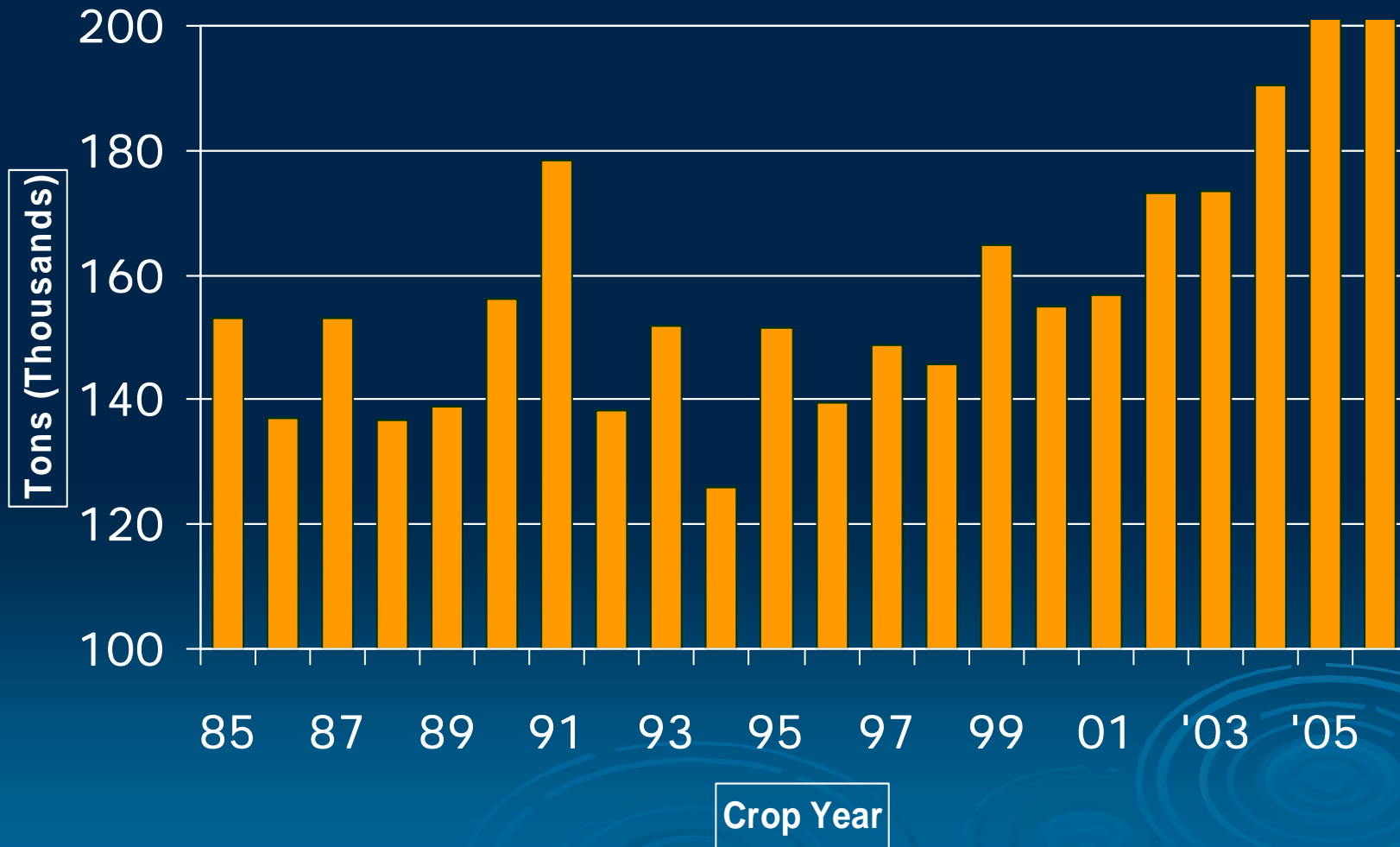
Average Revenue/Acre 1985/2002



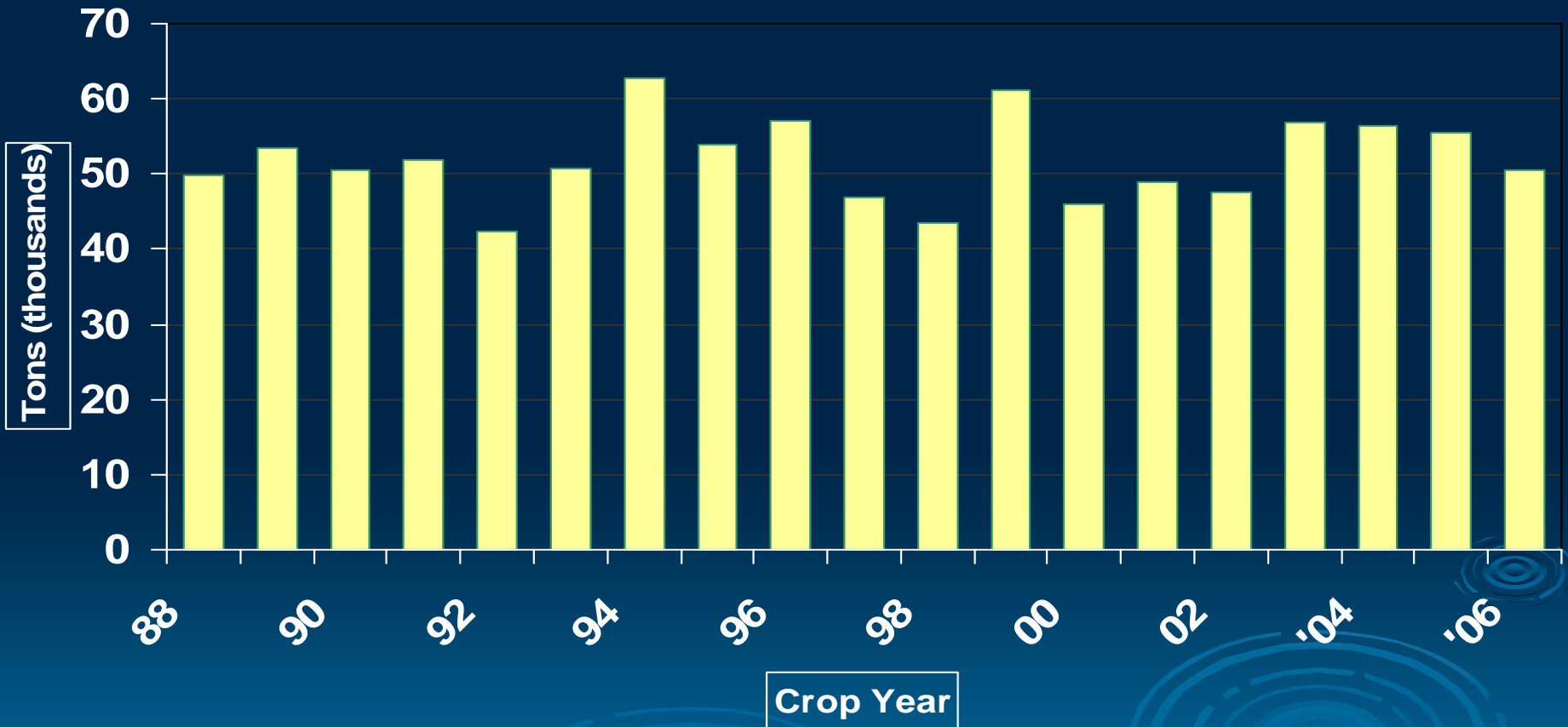
Shipments



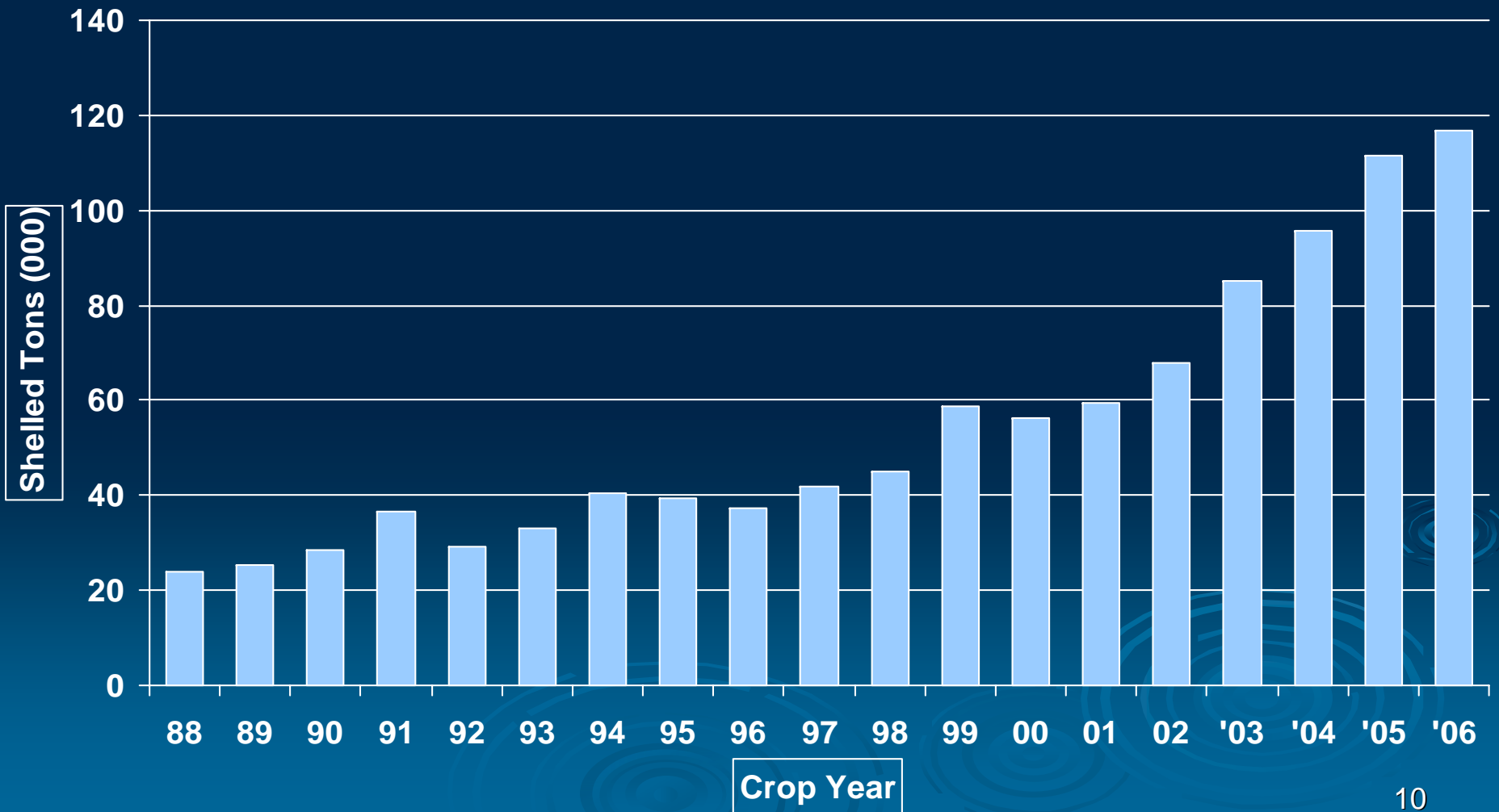
Total USA Shipment History



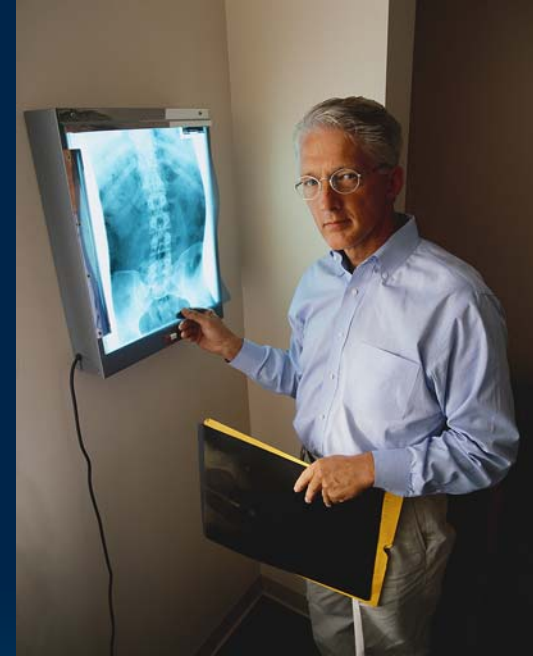
Inshell Walnut Exports



Shelled Walnut Exports Inshell Equivalent Tons



Walnut Health Research



Health Research Program History

“In a Nutshell”

- ♥ First study 1992
- ♥ Focus on Heart Health
- ♥ Now have 17 published studies in many areas
 - ♥ Expanding into even more areas
 - ♥ Health research supports walnut consumption messaging

Assessing Media Value of PENDING PUBLICATIONS





Moderate to High Media Value

Suppression of implanted MDA-MB 231 human breast cancer growth in nude mice by dietary walnut

- W. Elaine Hardman, PhD
Marshall University School of Medicine
- Co-funded by American Institute for Cancer Research
- Walnut diet **significantly** reduced rate of implanted tumor growth in mice.
- Accepted to *Nutrition and Cancer: An International Journal*...should publish by June 2008



Moderate Media Value

Effects of Omega-3s from Walnuts on Endothelial Function and Blood Pressure in Subjects with Hypercholesterolemia

- Sheila West, PhD, Penn State University
- Walnut diet significantly reduced diastolic blood pressure and flow mediated dilation increased
These results suggest novel mechanisms for the cardioprotective effects foods containing omega-6 and omega-3 fatty acids.
- Expect publication in 2008



Low Media Value

The Effect of Walnut Intake on Factors Related to Prostate and Vascular Health in Older Men

- Terry Hartman, PhD, Penn State University
- Submitted to *Nutrition Journal* (an online journal)
- Study suggest that walnuts may improve biomarkers of prostate and vascular status. alpha-tocopherol: gamma tocopherol ratio
- Much Debate



HIGH Media Value

Effects of Walnuts on Motor and Cognitive Function in Aging

- Dr. James Joseph, Tufts University
- Abstract received excellent press coverage at Neuroscience meeting in November
- Diets containing 2%, 6%, or 9% walnuts when given to old rats, were able to reverse several parameters of brain aging, as well as age related motor and cognitive deficits



High Media Value

Including Walnuts in Low Fat Dietary Advice Offers Metabolic Advantages for People with Type 2 Diabetes

- Dr. Linda Tapsell, University of Wollongong, Australia
- Subjects sustained weight loss, showed marked improvements in various clinical parameters Study promotes whole food approach and emphasizes importance of PUFA in DM diet
- May submit to *New England Journal of Medicine*

9 New Studies Underway!

- Cancer Treatment
- Diabetes
- Heart Disease
- Body Weight
- Effects on Pregnancy
- Aging
- Metabolic Syndrome
- Antioxidant Capacity
- Mind/Brain Function

4 Studies Just Funded

- Various forms of Cancer
- The Whole Walnut versus the Components of Walnuts



Marketing Highlights - 2007



P.R. Program Efficiency

<u>Market</u>	<u>Impressions (in millions)</u>	<u>CPM</u>
Canada	57.3	.19
Germany	83.7	.23
Japan	1,117.	.25
Korea	301.	.24
Spain	82.3	.22
U.S.A.	2,837.	.33

U.S.A.

U.S. Public Relations

2006/07 Highlights

- **Influenced Key Opinion Leaders**
 - Michael Roizen, MD
 - Mehmet Oz, MD
 - Andrew Weil, MD
 - Bob Greene
 - Joy Bauer, MS, RD (Today Show)
- **Credibility = News**
- **Internet Popularity**



“You” Tour – Summer Event

- **Drs. Oz and Roizen** host events in 5 cities reaching thousands
- Focus on nutrition & health
- Walnuts, **nutrition** brochures and giveaways used at all events
- Created 1 on 1 interviews with consumers - used on the **CWC website**



Health Professionals

- New Web Based Interactive CE Module
- Attendance at Trade Shows
 - SNA
 - ADA
 - AANP
 - American Dietetic Assoc. (FNCE)
 - CIA



Martha Stewart-BODY+SOUL



whole living | **body+soul** GOOD NEWS ABOUT STRESS

Take Back Your Time!
Overbooked? Overwhelmed?
Set yourself free

Save \$1400 This Year
Easy home energy conservation tips

Dinner With Dr. Andy Weil
A special meal with the health pioneer

Amazing Eco-Adventures
Escapes from Bolivia to Bhutan

Emotional Eating
Why we do it, how to stop

Heart Health Alert
Our must-have guide to natural prevention

eat well | power foods

Walnuts

by Cheryl Redmond | recipes by Sandra Gluck

Eating fish isn't the only way to get healthy omega-3s. These nourishing nuts are another super source

Depending on how you split a walnut in half, the nut resembles either a heart or a brain - and how apt, since these nuts do wonders for both.

Health Benefits: While walnuts boost heart health, so do the most nuts, they have an added edge. Most nut oil is monounsaturated, but walnuts primarily contain the polyunsaturated variety. In fact, they're the only nut - and one of

NOT YOUR AVERAGE NUT
Loaded with vitamins E and B6, iron, zinc, and antioxidants, walnuts are a health and a dream.

photographs by Rita Mann

“In a nutshell: Loaded with omega-3s, antioxidants, and other disease-fighting nutrients, walnuts protect the heart and promote brain functioning.”

October 2006

Canada

Canada

Trade mission included:

- Formal trade receptions
- Media event
- Photo ops at grocery stores

In-store demos featured:

- Chopped Walnuts and Grapes on Crackers Spread with Light Cream Cheese
- Fresh Fig with Proscuitto, Gorgonzola with a Walnut Half.

Total media impressions:

3,476,500

Total editorial value:

\$89,460



Canada

NDPC – February 18-20, 2007
Canadian/International Food & Beverage Show

Winning Products:

- **Walnut and Fudge Crunch**
- **California Walnut Apple Breakfast Bread**
- **Walnut Caramel Pear Cake**
- **Walnut Crunch**
- **Muesli Multigrain Cereal**
- **California Walnut Stuffed Pasta with Fig and Prosciutto**
 - **Total media impressions:**
 - **4,649,851**
 - **Total editorial value:**
 - **\$203,232**



Germany

Germany

- Cooperation with Rewe, Germany's 3rd largest grocery retailer
- Walnuts featured in their annual 2008 calendar distributed to employees and customers.
- The April spread contains recipes & photos

PUTENSPIESS MIT CURRY-LIMETTEN-DIP
 FÜR 4 PORTIEN
 Rezept 2008/04/01
 007 g/mot 267 g/mot 0,7 g/mot/mot/mot

FÜR DIE PUTENBRUST:

480 g	Putenschendel
8	rote, gelbe und grüne Paprikascheiben
8	harte Käsescheiben
2	Schablonen
wenig	Lochvorlöffel
2 EL	Öl
Salz, Pfeffer	nach der Möhle

FÜR DEN CURRY-LIMETTEN-DIP:

80 g	Kahornische Walnüsse
250 g	Joghurt
Süßholz	1 Lemmetz und 1/2 Teelöffel Zitronensaft
1 EL	Curry
1/2 TL	Abtropfen
1/4 Dose	Koriander
Salz, Pfeffer	nach der Möhle

FEIGEN UND WALNUS AMUSE-BOUCHE
 FÜR 4 PORTIEN
 Rezept 2008/04/01
 002 g/mot 227 g/mot 0,2 g/mot/mot/mot

100 g	Kahornische Walnüsse (37 Stück)
8	Feigen
4 TL	Balsamicoessig
10	Schichten Parmaschinken, alle geschneitten (125 g)
100 g	Burgersauce

WALNUS-OBSTSUPPE
 FÜR 4 PORTIEN
 Rezept 2008/04/01
 010 g/mot 200 g/mot 0,1 g/mot/mot/mot

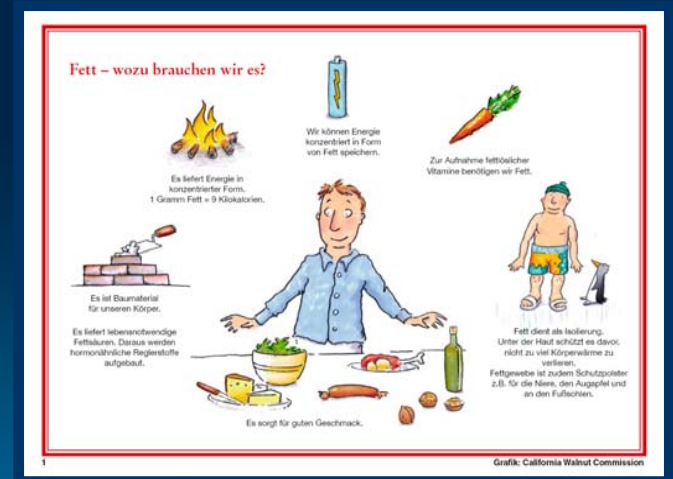
2	Orangen
200 g	grüne Weintrauben
200 g	blaue Weintrauben
200 g	Himbeeren
50 g	Kahornische Walnüsse
200 g	Gaark
8 EL	Weinleesauce
2 EL	Zitronensaft
200 g	Orangensaft
4 EL	Honig
1	Eierweiß

TIPP: Unreife oder sogar fast reife Feigen reifen bei Zimmertemperatur innerhalb von ein bis zwei Tagen nach. Achten Sie auf eine weiche Unterlage. Ein bis zwei Tage können auch frische Feigen aufbewahrt. (Unbedingt in den Kühlschrank lagern!)

Germany

Nutrition Charts

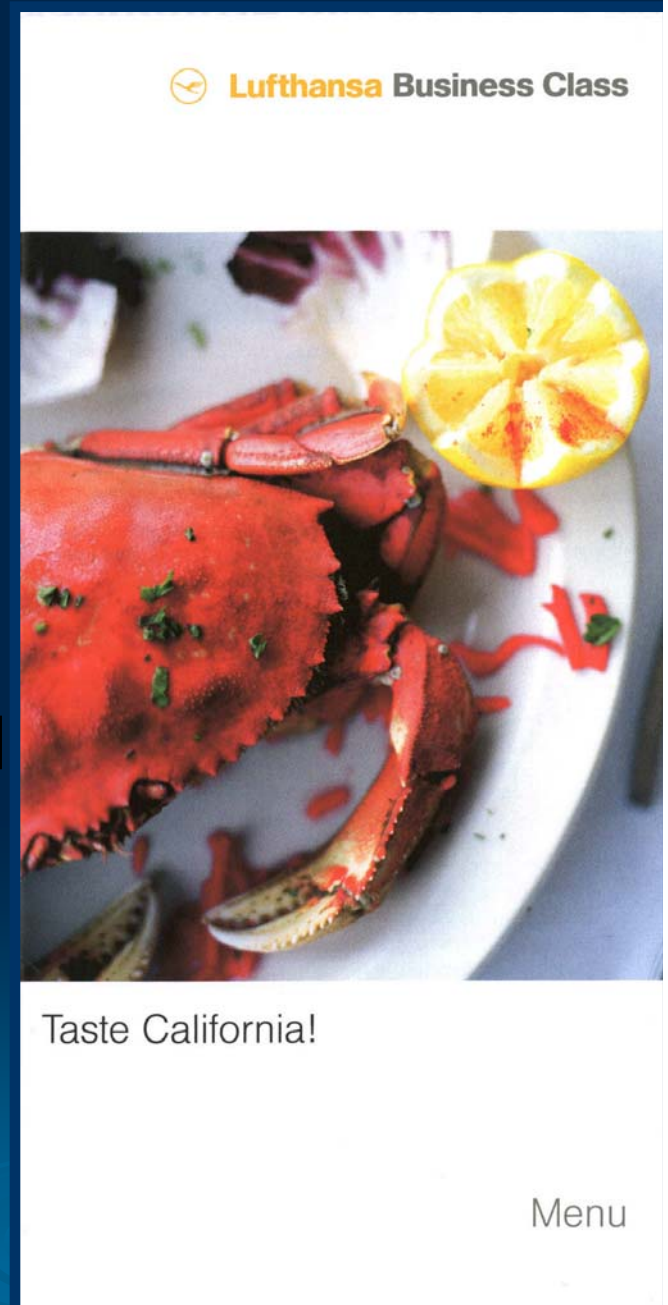
- Developed a set of 12 nutrition charts explaining the effects of the different fatty acids on your body, the right use of fat and the opportunities of the omega 3 fatty acids California walnuts offer.
- Target groups are dieticians, nutritionists and other health professionals who need good, simple material to advise their patients.



Germany

Business Class Promotion with Lufthansa.

- “Taste the World”, they featured California six months long in weekly rotating rhythms.
- “Taste California” guide featured California walnuts.
- Circulation of 50,000 distributed by flight attendants in European flights (longer than 150 minutes).



Korea

Most Recommended Food For (Korea) SAT Students



Abalone



Broccoli



Seaweed



Walnut

Korea

In-shell Walnut Market Opening

- Total 1.6 million pounds of in-shell walnuts were imported



Korea

New Products using walnuts



Pulmuone
Salad Dressing



Pulmuone
A Cup of Morning



Samlip
Walnut Mini Me Bread



Sempio
Ziller Cacao Walnut



Japan

Japan



➤ Tie-in with KUME Natto

- Traditional Health Food
- Soy based for daily consumption
- Some areas combine Natto & walnuts
- **KUME is the 3rd largest Natto Marketer**
 - Intro included in-store promotion and media
 - KUME plans to launch another walnut item

Japan

Collaboration menus and packaging with recipes



Tie-in promotion with Dotour



ナッツは太ると思われがちだけど...
実は栄養ぎっしりの良質な健康食です。



メープルくるみラテ
¥300



くるみとチョコのケーキ
¥360



くるみとチキンのサンドイッチ
¥280



メープルナッツ
¥140



塩キャラメルとくるみのマフィン
¥160



くるみのブラウニー
¥180



Spain

Spain

Menu with Heart campaign

➤ **We organized 5 press conferences in the main Spanish cities to present the recipe booklets developed for famous cooks and renowned cardiologists to promote a cardio-healthy diet and to remind the population of the health benefits of walnuts:**

- **Barcelona- 16th of May**
- **Bilbao- 22nd of May**
- **Valencia- 7th of June**
- **Madrid- 12nd of June**
- **Marbella-13th of June**



Spain

Menus with Heart campaign

- Barcelona-Restaurant Caelis- The best restaurant in Catalonia 2006.



- Bilbao: Etxanobe restaurant- 1 Michelin star



Spain

Great coverage of the Menu's with Heart campaign

Una ración de salud
A ración de 100 gramos de...
Foto: Cristina Rodríguez / Fotostock / Anabelle

LA COMIDA SANA DA VIDA DE MÁS CALIDAD
HAY QUE COMER CON EL CORAZÓN
La mitad de la población tiene problemas de sobrepeso o es obesa, lo que puede conllevar a la aparición de trastornos cardiovasculares. Ante ello, la mejor receta es la comida sana. Pág. 233

Paco Roncero
Cocinero profesional en la cocina de...
Foto: [Portrait of Paco Roncero]

Vieiras salteadas de PURCOS y zizos
Ingredientes: 2 unidades de vieiras...
Elaboración: Se calienta el aceite...
Foto: [Dish of scallops]

SEGUIR UNA DIETA CARDIOSALUDABLE
LA BUENA ALIMENTACIÓN ES LA CLAVE PARA PREVENIR ESTE TIPO DE DOLENCIAS
Empieza a cuidar tu corazón cuando te sientes a la mesa
La mitad de la población española parece obesa o sobrepeso, uno de los factores de riesgo de las enfermedades cardiovasculares. Comer sano es el primer paso para tener una vida mejor y más larga.
Foto: [Dish of salmon]

Pintada con puré de remolacha y vinagreta
Ingredientes: 100 g de filete de pintada...
Elaboración: Se calienta el aceite...
Foto: [Dish of trout]

Gaspacho de frutas con nueces
Ingredientes: 100 g de fresas...
Elaboración: Se lavan las frutas...
Foto: [Dish of fruit gazpacho]



Production & Post-Harvest Research

- 2007/08 Budget \$650,000
- Address the needs of the Growers
 - Orchard/Water management
 - Varietals Development
 - Entomology
 - Plant Pathology/Nematology
 - Post Harvest Issues

A Few PPHR Priorities

➤ New Varieties

- Flower late
- Harvest Early
- High Meat Yield
- Light Color



➤ Root Stock Diversity

- Disease Resistance

➤ Reduced Pesticide Use

Regulatory and Trade Policy Activities



Trade Policy

- In-shell Access to Korea.
- The Free Trade Agreement with Korea will reduce duty from 30% to 0% in five years once passed by Congress.
- WTO stalled
- Japan will lower duty but only within a WTO agreement

Regulatory Issues

- Continued negotiation on UN/ECE standards.
- Critical Use Exemption (CUE) for methyl bromide.
- Support broader specialty crop provisions in Farm Bill.
- Monitor and comment on Minimum Residue Levels (MRL's) country by country.



California Walnuts

Your Best source of Omega-3

