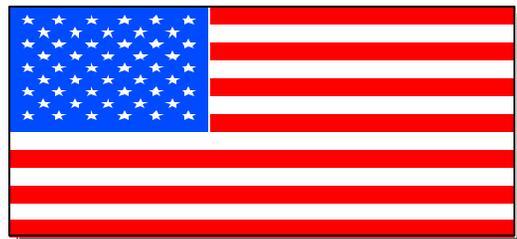


U.S. Walnut Industry Situation

Horticultural & Tropical Products Division
Foreign Agricultural Service



Updated: March 2002

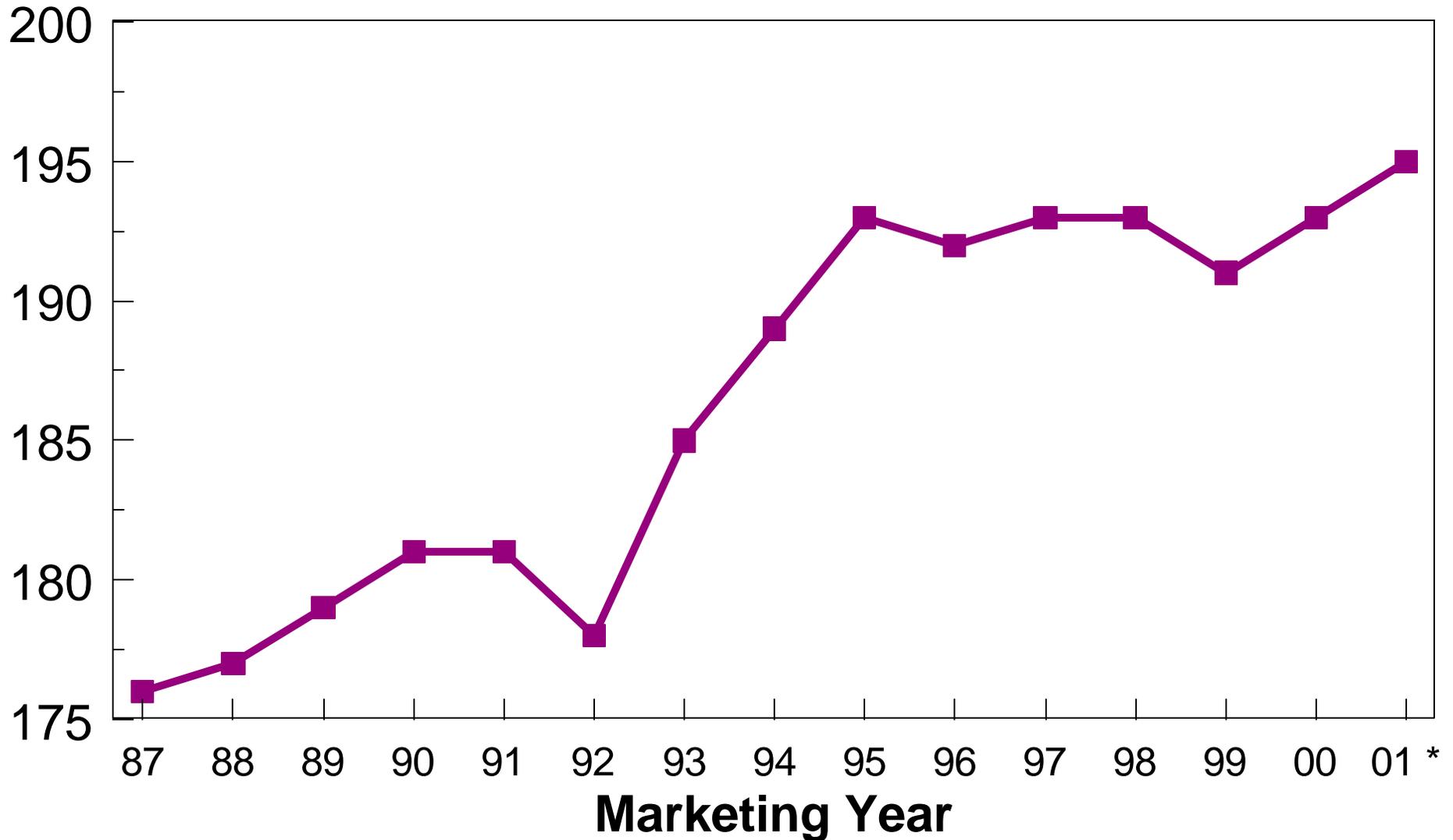
U.S. Walnut Industry Facts

- Walnuts are an important horticultural export commodity (\$179.1 million in Calendar Year 2001.)
- Nearly all of the commercially produced walnuts (English variety) in the U.S. are grown in California.
- There are approximately 5,300 walnut growers in the U.S.
- Over 40% of tree nuts in the U.S. are eaten in cereals and desserts.
- California produces roughly 33% of the world walnut supply. The U.S. is the world's largest exporter.
- Production in Marketing Year 2000/01 reached 216,817 metric tons worth over \$289 million.
- The 2001/02 crop is forecast at 254,000 metric tons, up 17% from the previous year.
- Walnut bearing acreage for Marketing Year 2001/02 is estimated at 193,000 acres.

* Marketing Year for walnuts is August-July

California Walnut Acreage Is Growing

(000) Acres

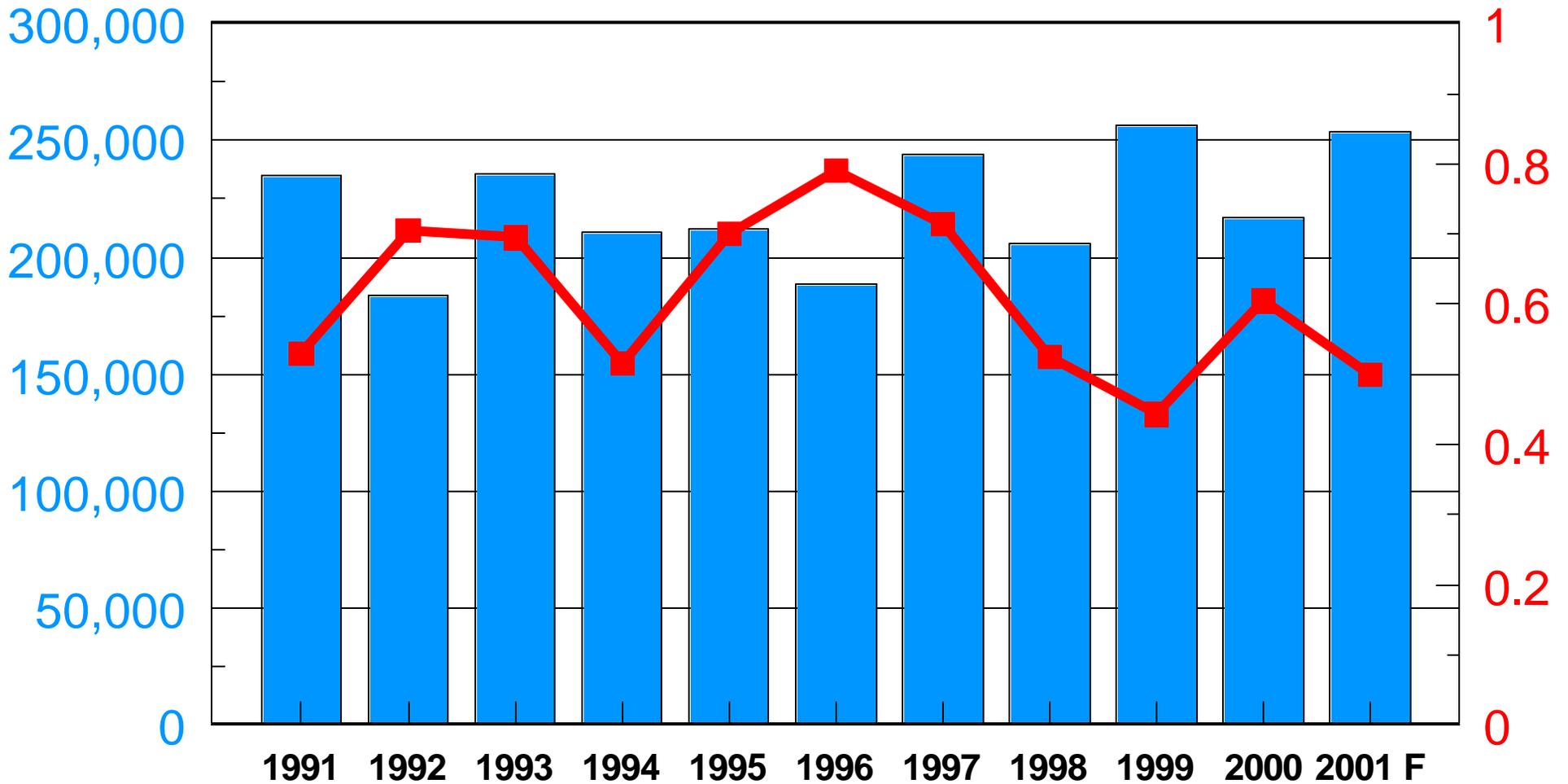


* Forecast
Source: NASS

California Walnut Production

Metric Tons

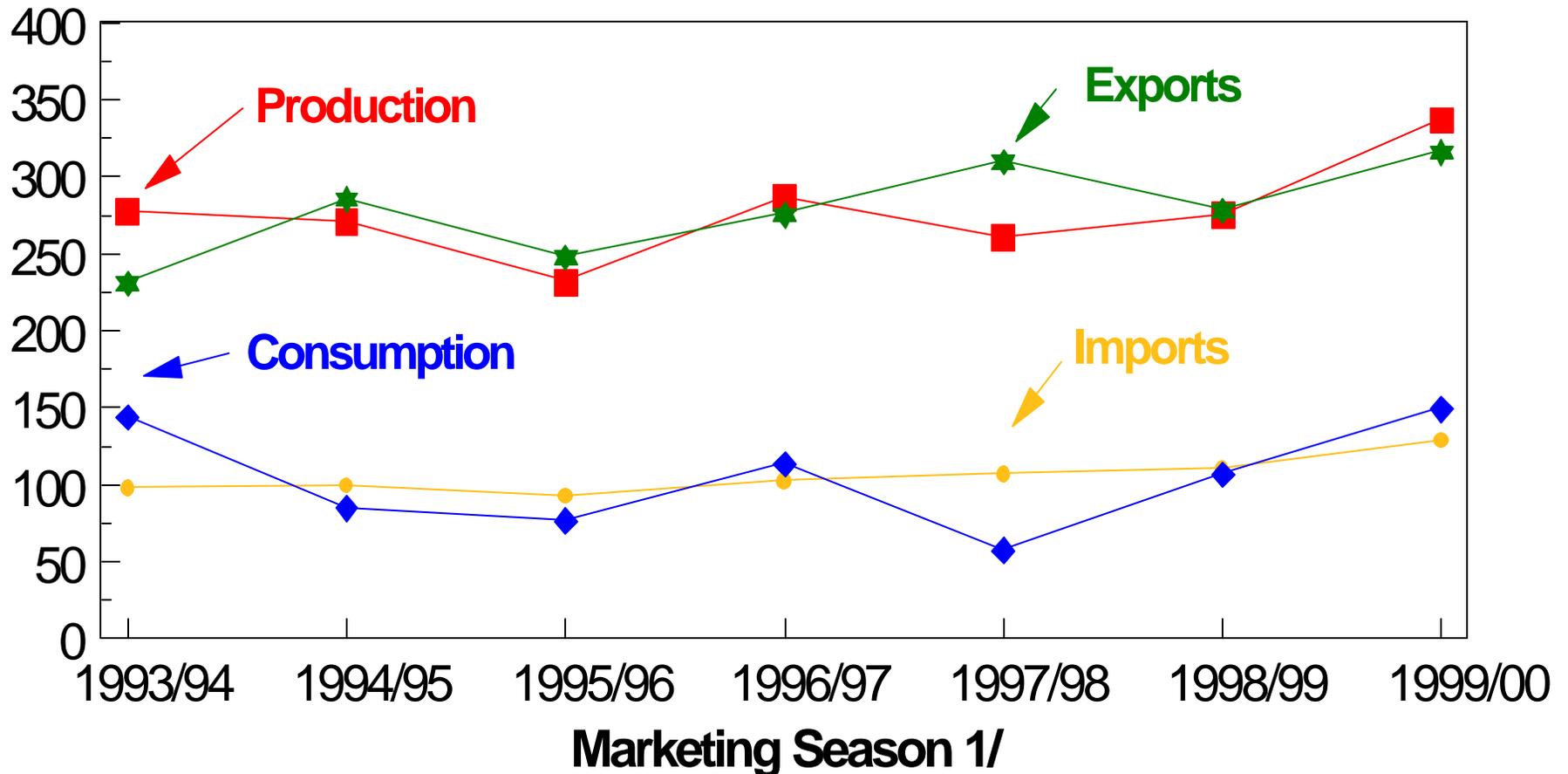
\$ per Pound



Sources: U.S. Agricultural Attache Reports, Bureau of the Census
World Marketing Board, & NASS/USDA

The U.S. Tree Nut Market

Thousand Metric Tons

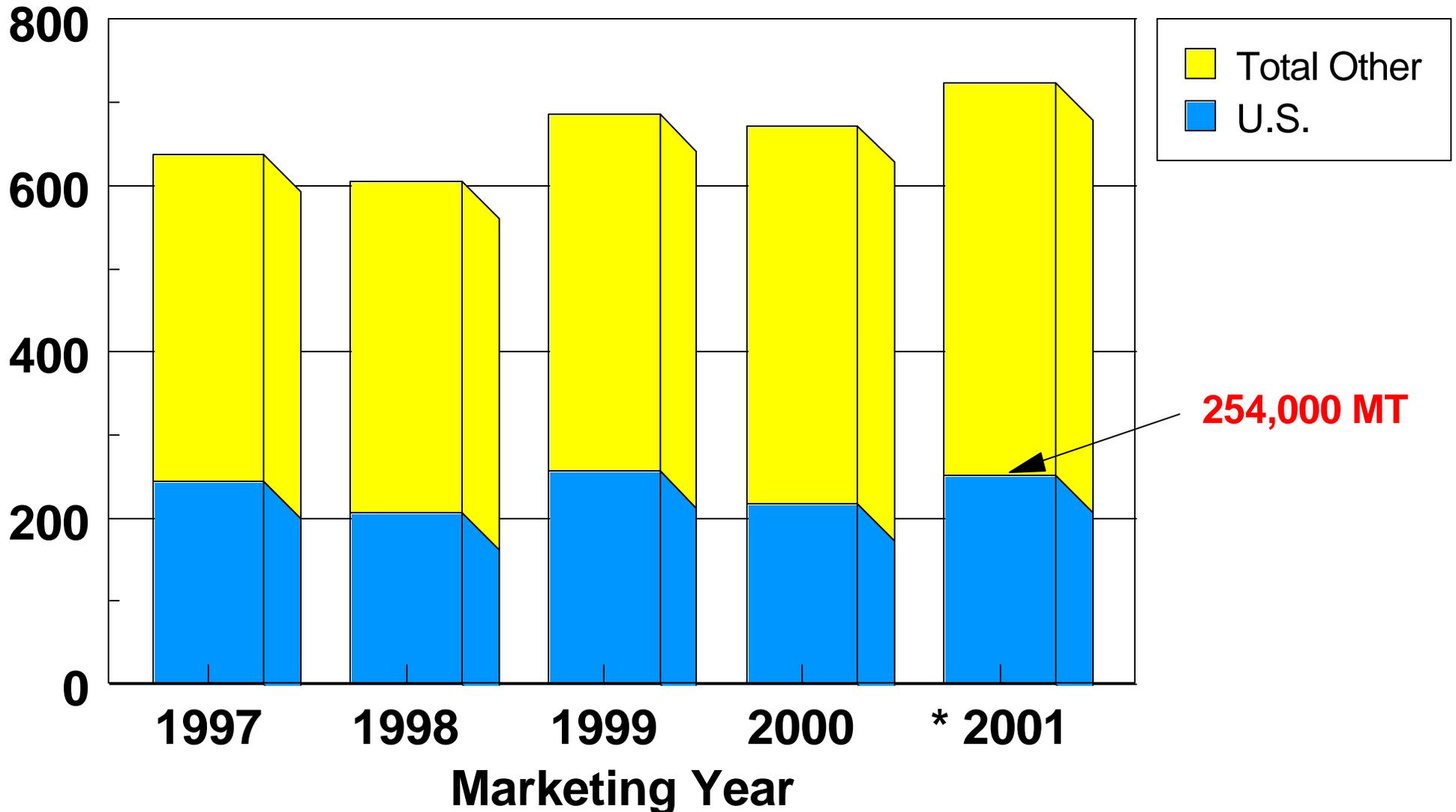


Source: Economic Research Service, USDA

1/ Beginning July 1 for almonds, hazelnuts, macadamia, and pecans; August 1 for walnuts; September 1 for pistachios

U.S. Share of World Walnut Production

(000) Metric Tons



* Forecast
Source, USDA, FAS

Commercial Production of Walnuts in Major Producing Countries

Thousand Metric Tons

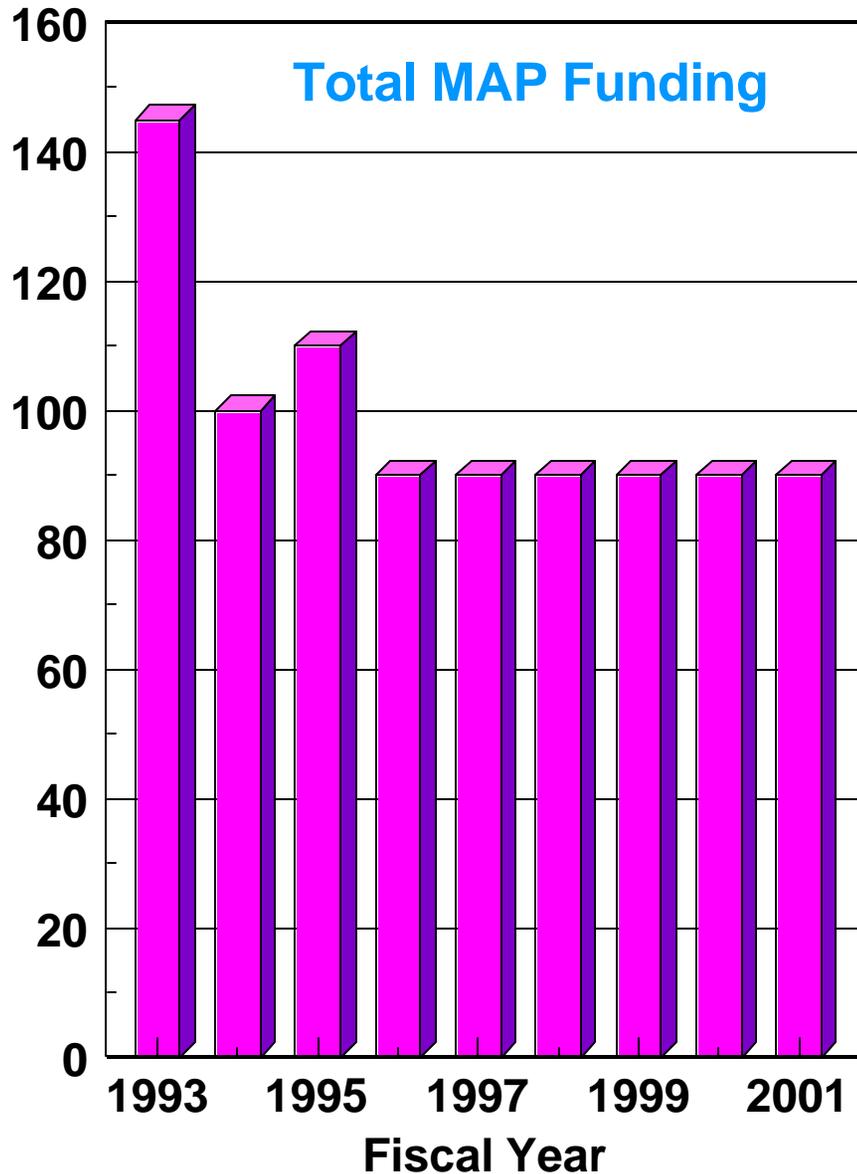
Marketing Year	Chile	China	France	India	Italy	Turkey	U.S.A.	U.S.A. % of Total
1997/1998	9.96	249	23.5	24	21	66	244.03	38%
1998/1999	11.3	251	24.6	30	12	70	205.93	34%
1999/2000	10	274	29.05	28	18	70	256.73	38%
2000/2001	11.8	300	31	31	12	70	216.82	32%
2001/2002	12.4	310	26	28	8	68	254	36%

Source: USDA/FAS, World Hort. Trade & Export Opportunities

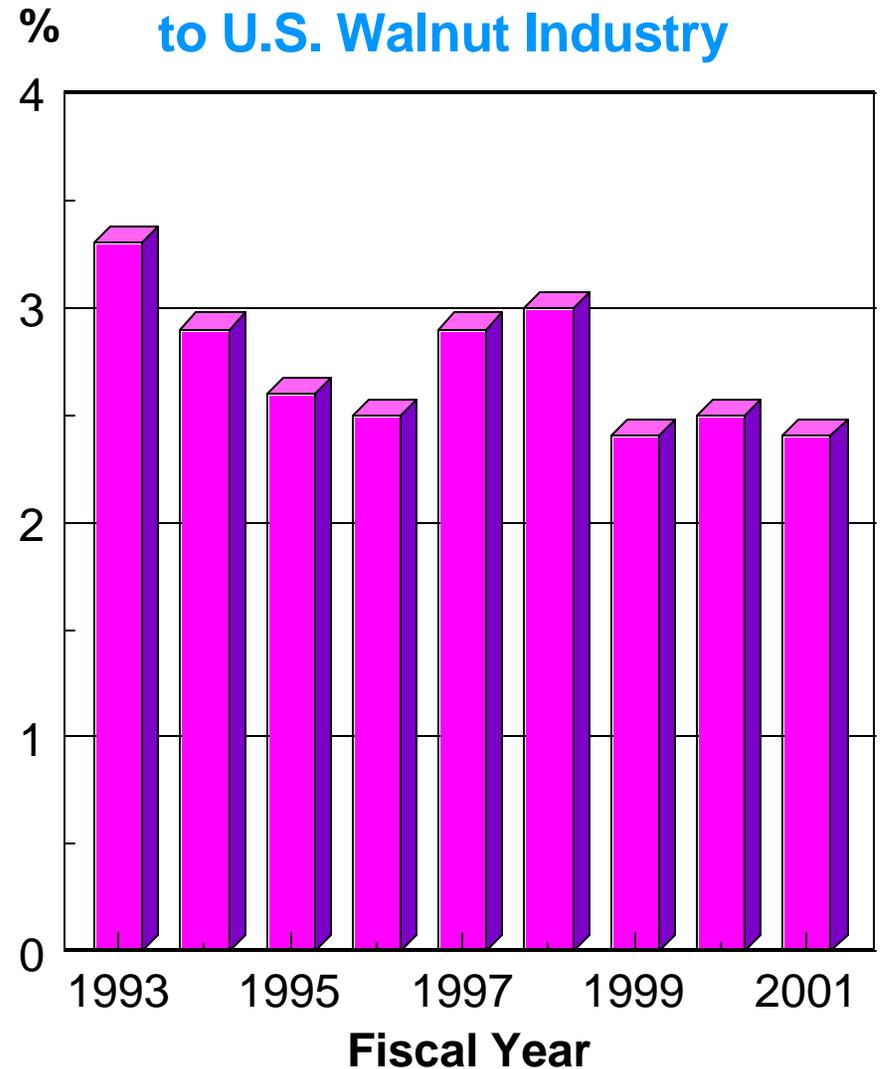
Note: Reporting countries account for nearly 100% of world production

Market Access Program (MAP) Funds Have Been Important to U.S. Walnut Promotional Efforts

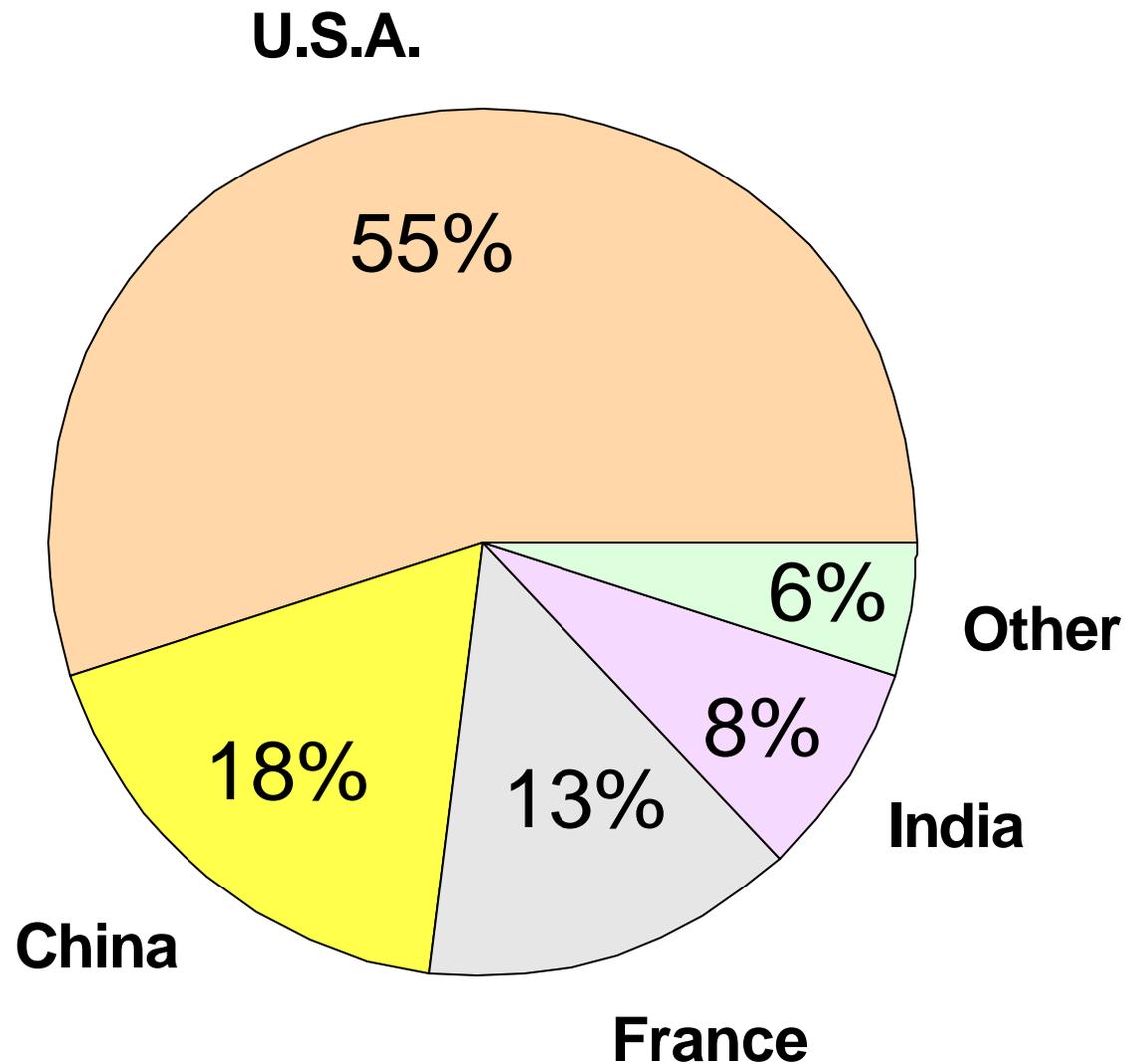
Million \$



Share of MAP Allocated to U.S. Walnut Industry



The U.S. is by far the largest exporter of walnuts to the world. China comes in a distant second.



Marketing Year 2001/02

Source: USDA, FAS World Horticultural & U.S. Exports Opportunity

2001 Applied Tariff Rates of Walnuts for Selected Countries

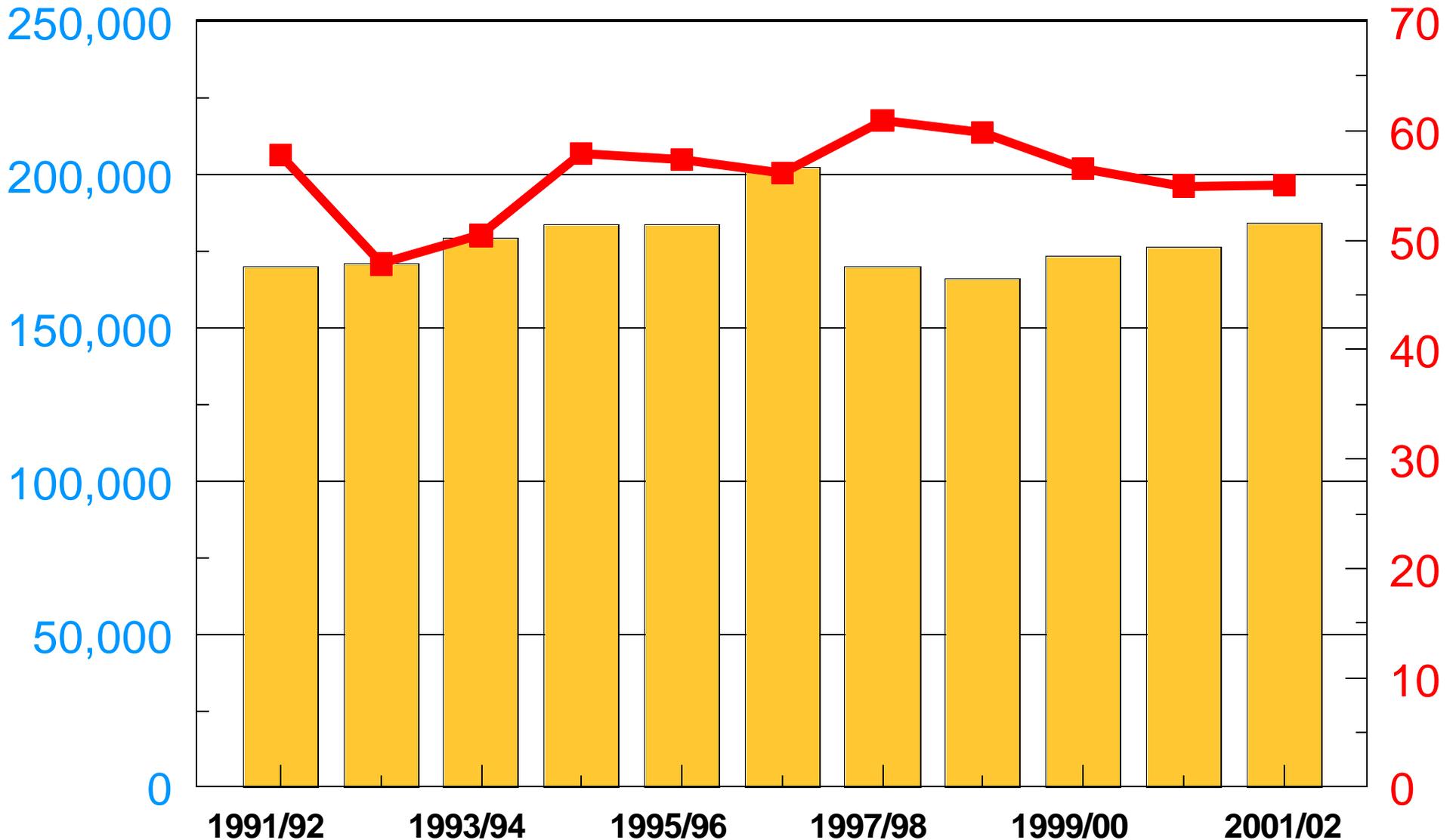
Commodity	Walnuts
HS #	08023
EU	5.1%
Japan	10%
Canada	0%
Israel	0%
Australia	0%
Korea	45.6% in-shell; 36% shelled
Taiwan	7.5%
Mexico	0%
Venezuela	15%
Brazil	12.5%
U.S.A.	7.9%

World Walnut Exports

U.S. Market Share of Total

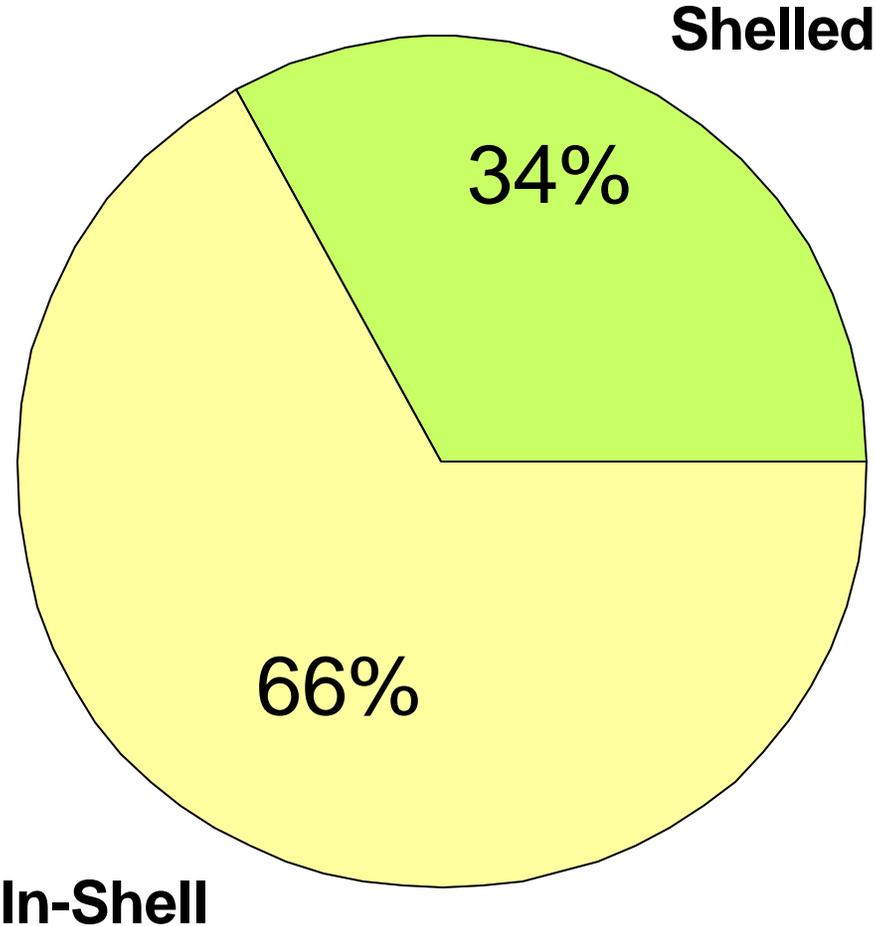
Metric Tons

Market Share



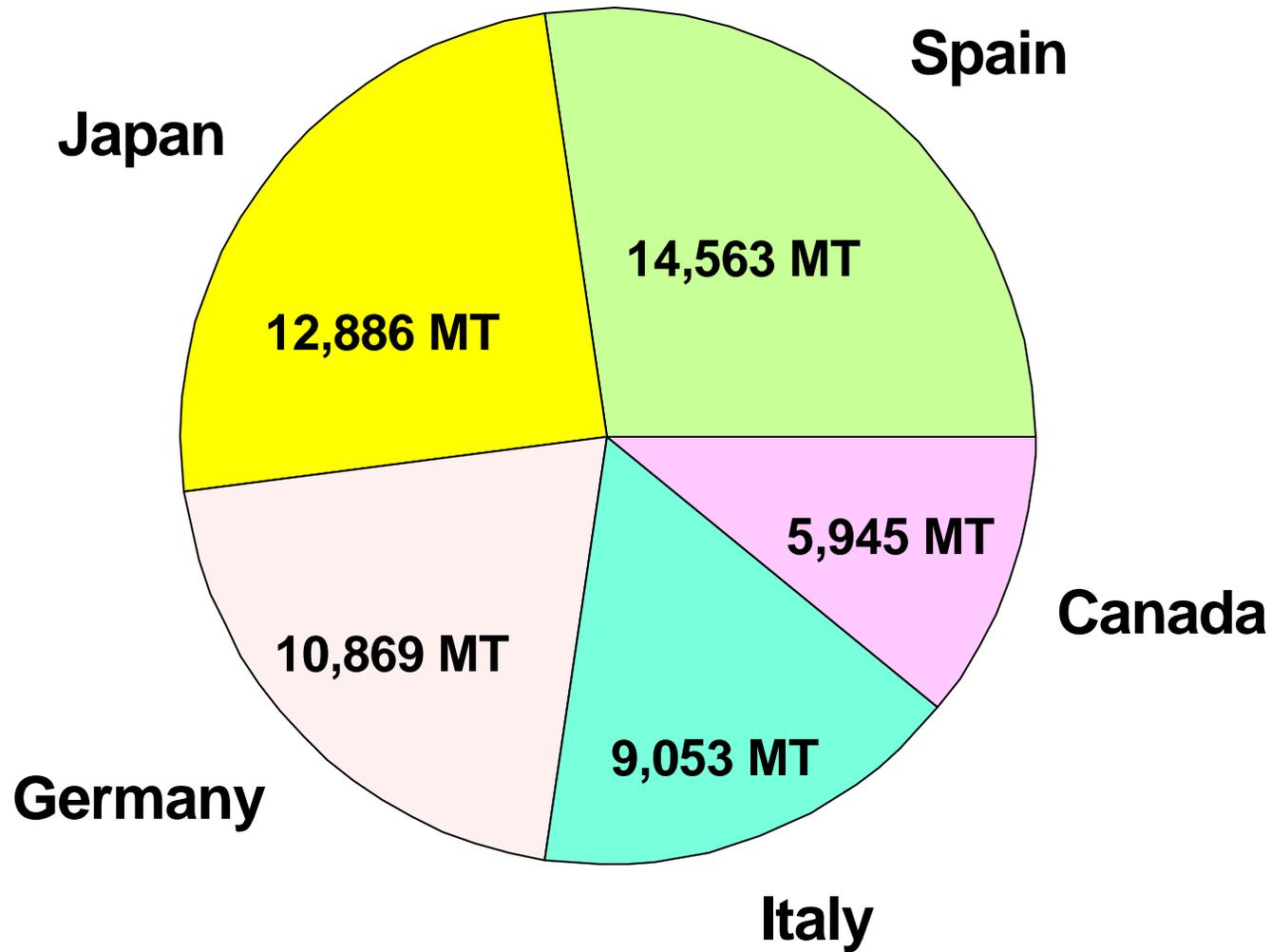
Sources: U.S. Agricultural Attache Reports, Bureau of the Census
World Marketing Board, & NASS/USDA

Walnut Export Shipments by Product Type Calendar Year 2001



Calendar Year 2001
Source: U.S. Department of Commerce

Top 5 Markets for U.S. Walnuts



Calendar Year 2001

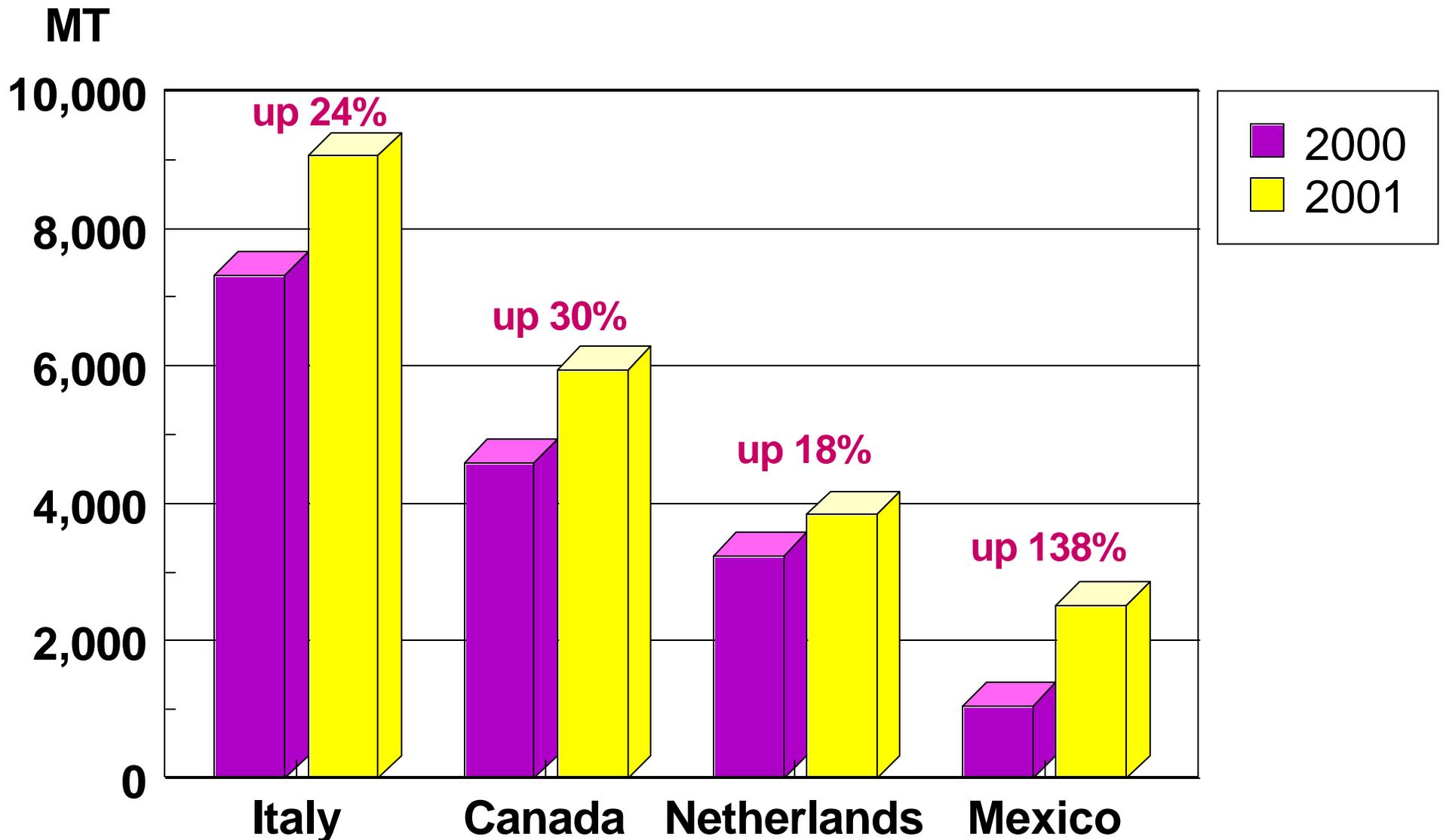
Source: U.S. Bureau of the Census

North American & European Markets are Booming

Calendar Year 2001

- Exports to Canada have increased **30%** from the previous year. Canada remains the 5th largest export destination for U.S. walnuts with a value of \$15.6 million.
- Exports to Mexico have increased **138%** from previous year. Mexico is now the 8th largest destination for U.S. walnuts with a value of \$5.5 million.
- Exports to Italy have increased **24%** from last year. Italy remains the 4th largest export destination for U.S. walnuts with a value of \$16.9 million.
- The Netherlands have seen their imports increase **18%** compared to last year. The Netherlands are the 6th largest export destination for U.S. walnuts with a value of \$7.6 million.

Percent Growth in Walnut Exports to Major North American and European Markets



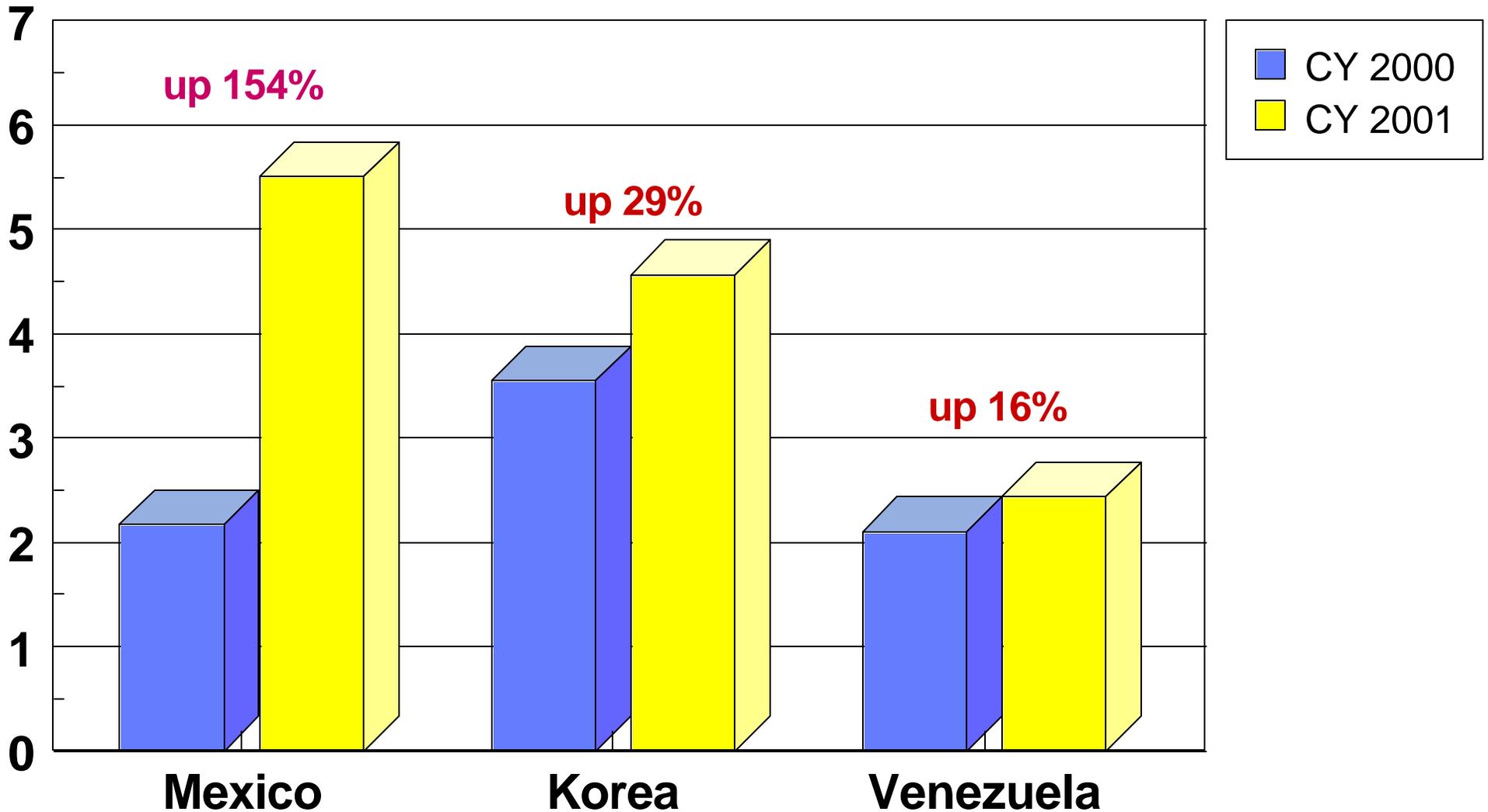
Calendar Year

Source: U.S. Department of Commerce

Keep an Eye on Future Growth Markets

Walnut Export Value Over \$1 Million

Million \$



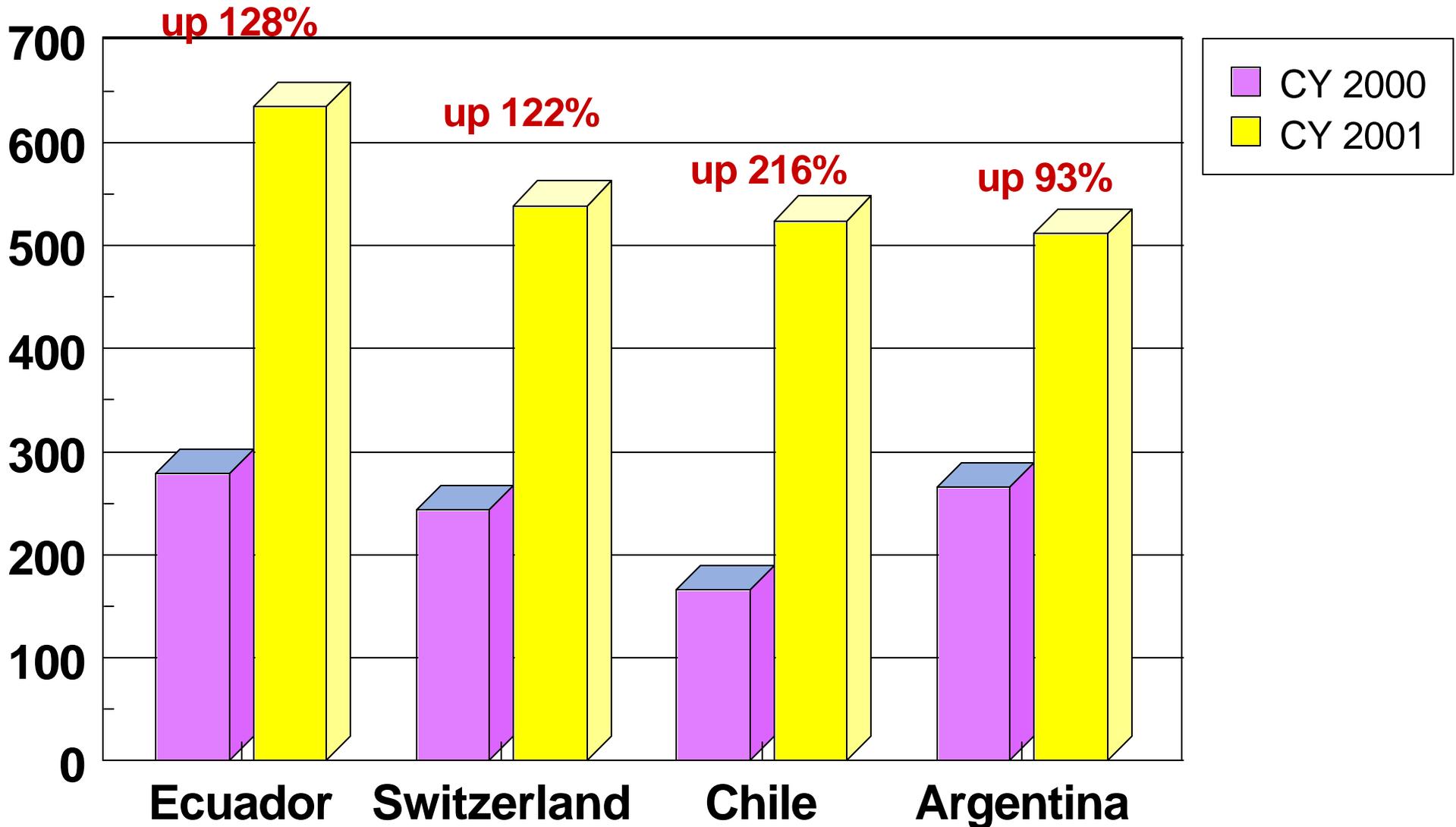
Calendar Year

Source: U.S. Bureau of the Census

Keep an Eye on Future Growth Markets

Walnut Export Value Under \$1 million

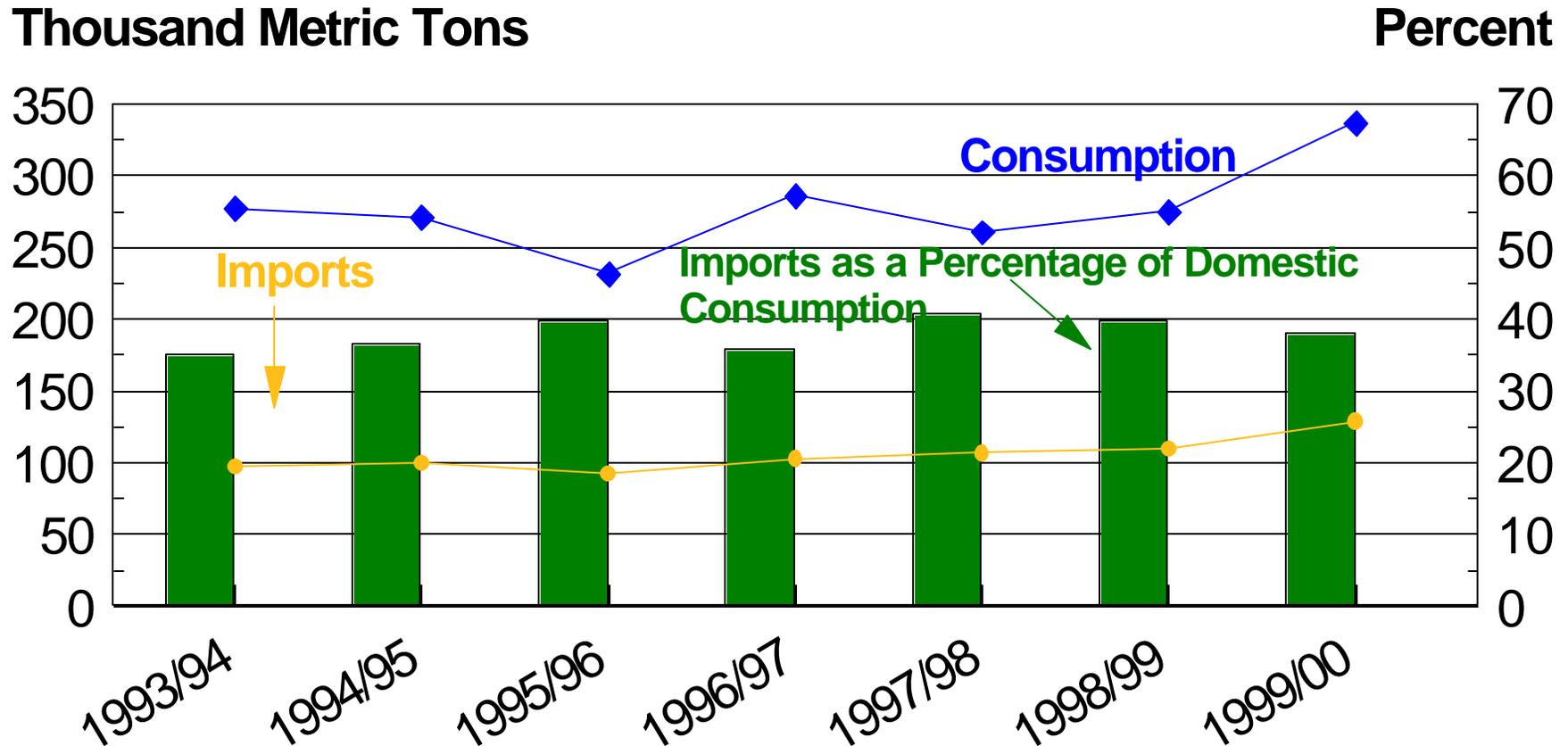
Thousand \$



Calendar Year

Source: U.S. Bureau of the Census

U.S. Tree Nut Imports and Market Share of Domestic Consumption



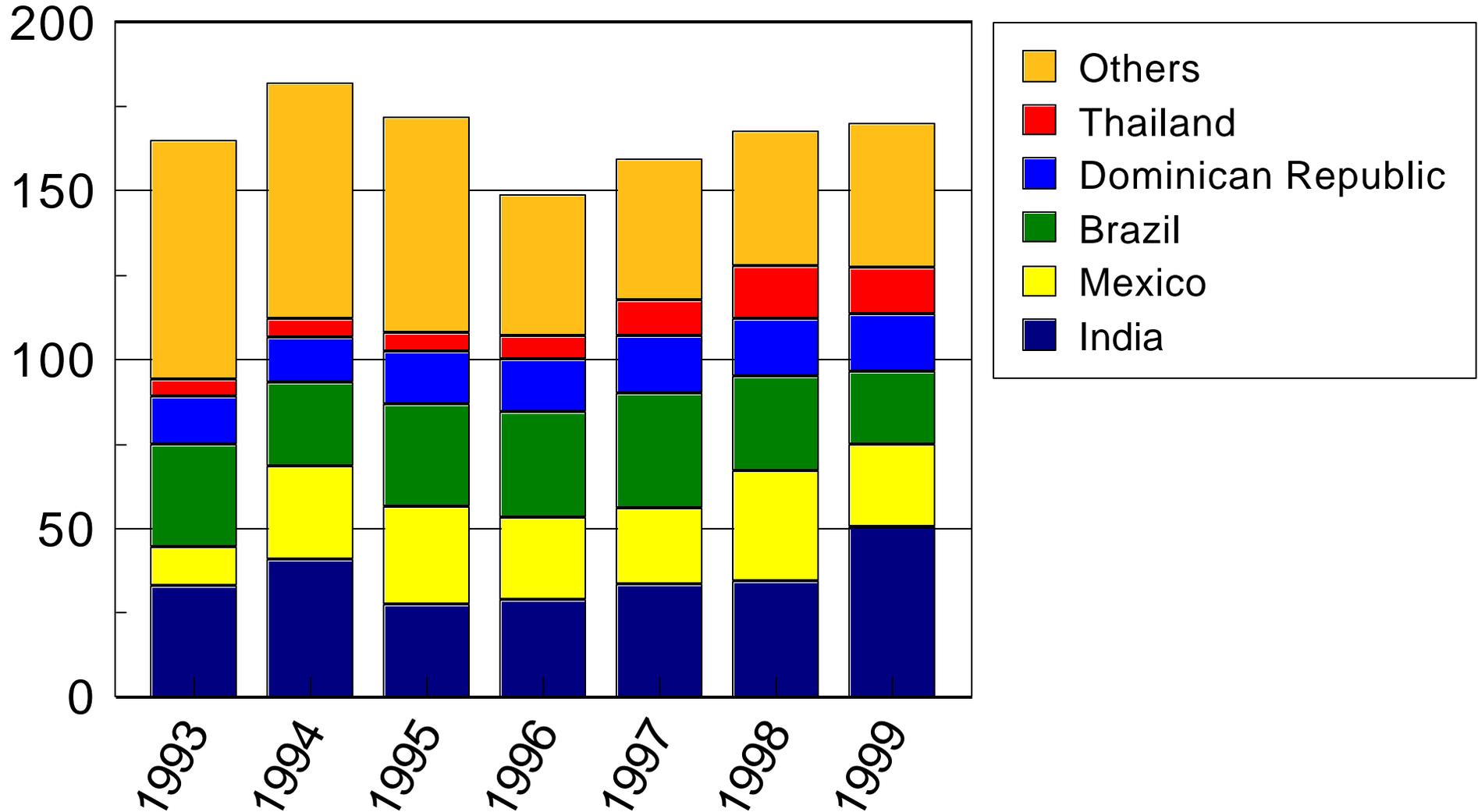
Marketing Season 1/

Source: Economic Research Service, USDA

1/ Beginning July 1 for almonds, hazelnuts, macadamia, and peacans; August 1 for walnuts; September 1 for pistachios

Origins of U.S. Imported Tree Nuts

Thousand Metric Tons

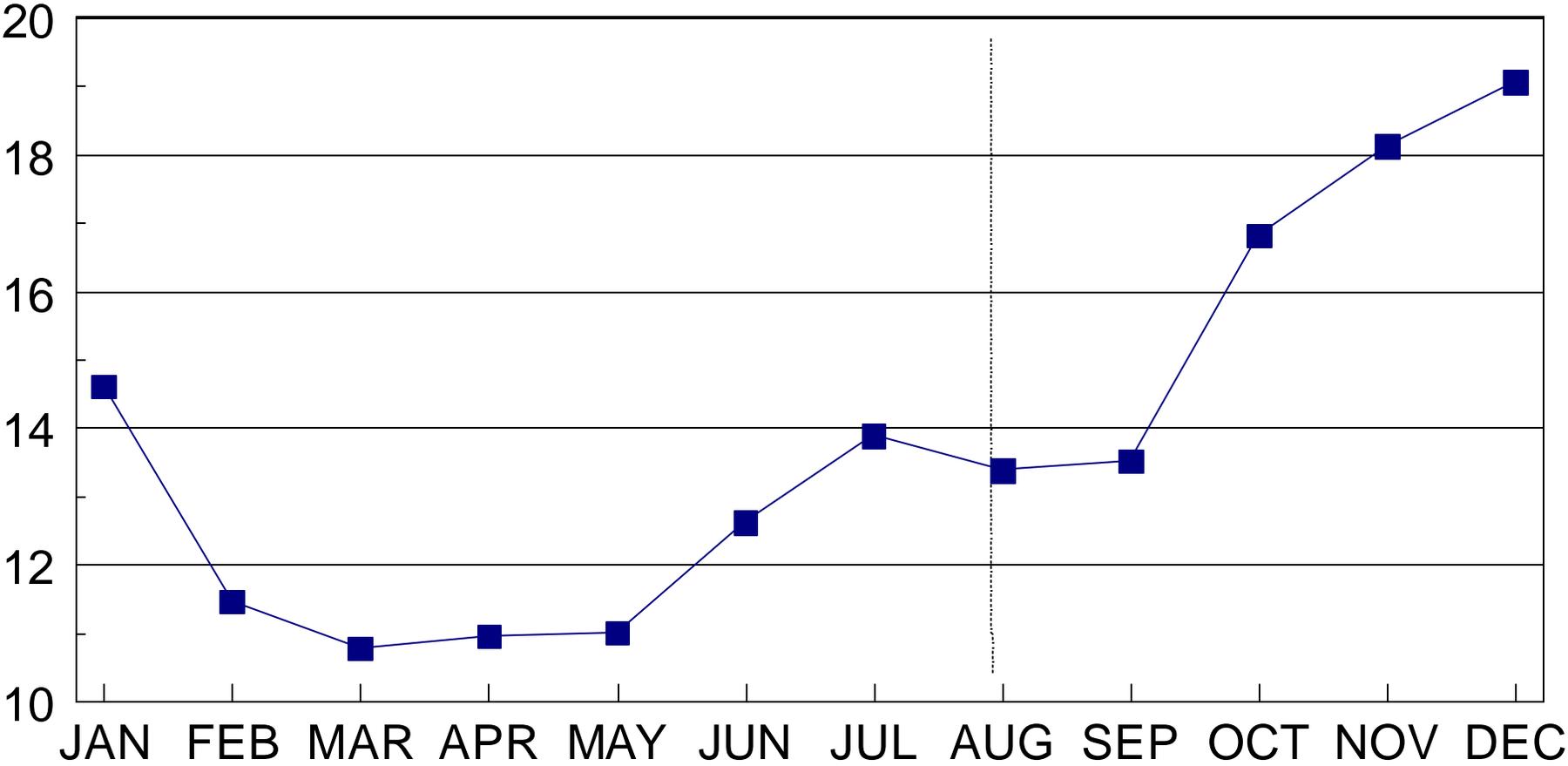


Source: US Bureau of the Census

Monthly Imports of Tree Nuts

Thousand Metric Tons

US Marketing Season Peaks
August 1- December 31

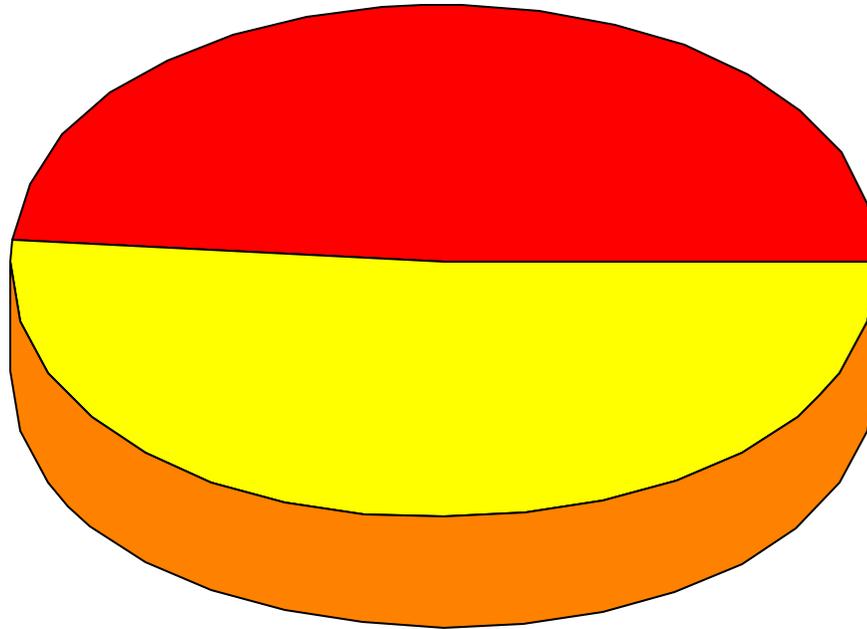


Note: Average Monthly Imports 1997-99

Source: US Census Bureau

Share of Tree Nut Imports in Relation to the U.S. Marketing Season

48.66%



51.34%

Marketing Season Peaks August 1-December 31

Based on Average Monthly Imports 1997-99

Source: US Census Bureau