



## California Walnut Commission Marketing for the Future

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**May 6, 2004**



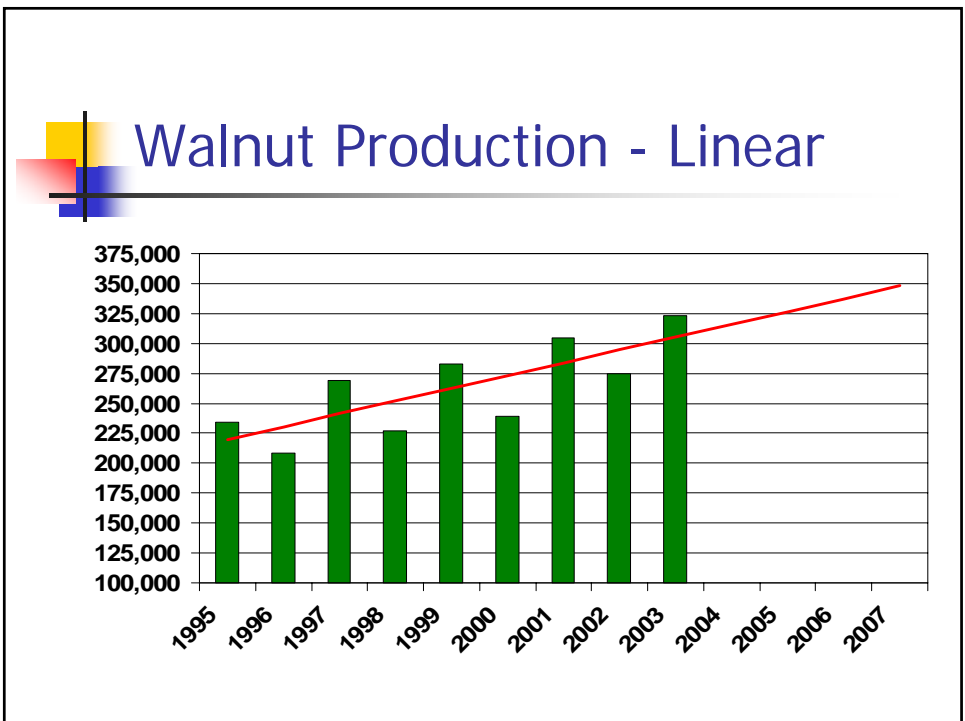
## Strategic Planning

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- In March 2003, a two day strategic planning retreat was held.
  - Current State Analysis
  - Future Direction
  - Develop Strategic Focus Areas
  - Define & Implement Action Plans

## The Current State Analysis

- Strengths
- Weaknesses
- Opportunities
- Threats





## Our Future Direction

- The industry will increase utilization by 50 million shelled pounds (116 million inshell pounds – 58,000 tons) over the next five (5) years.
- We will focus on our key markets!
  - US, Japan, Germany, Spain, schools and food banks, etc
- Evaluate China and India



## Area of Strategic Focus

- Marketing
- Health
- Production Research
- Government Relations



## Learning from Experience

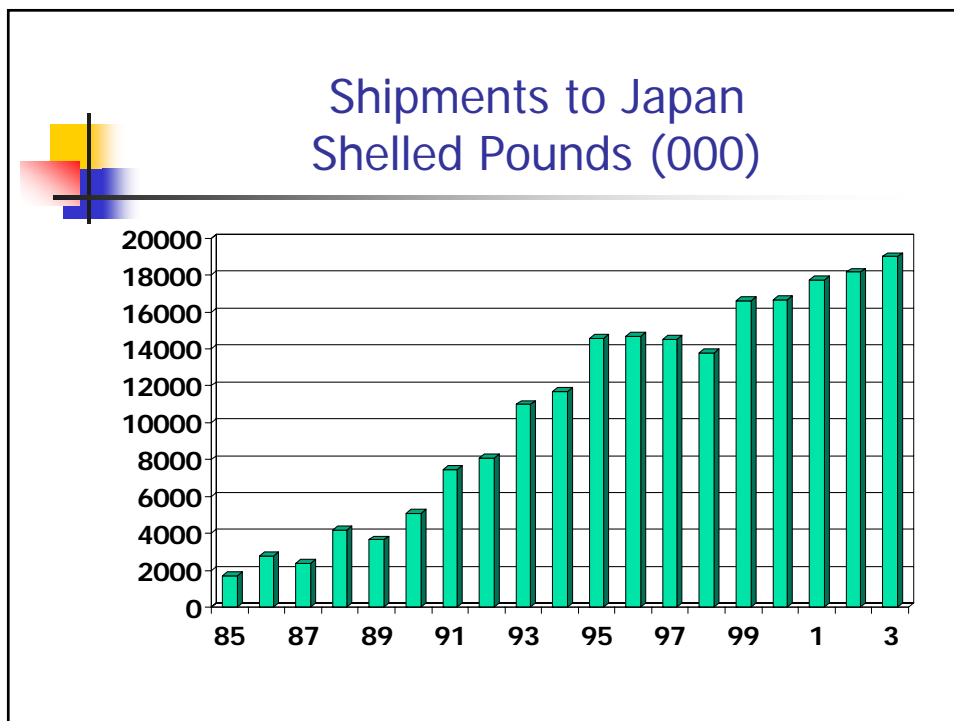
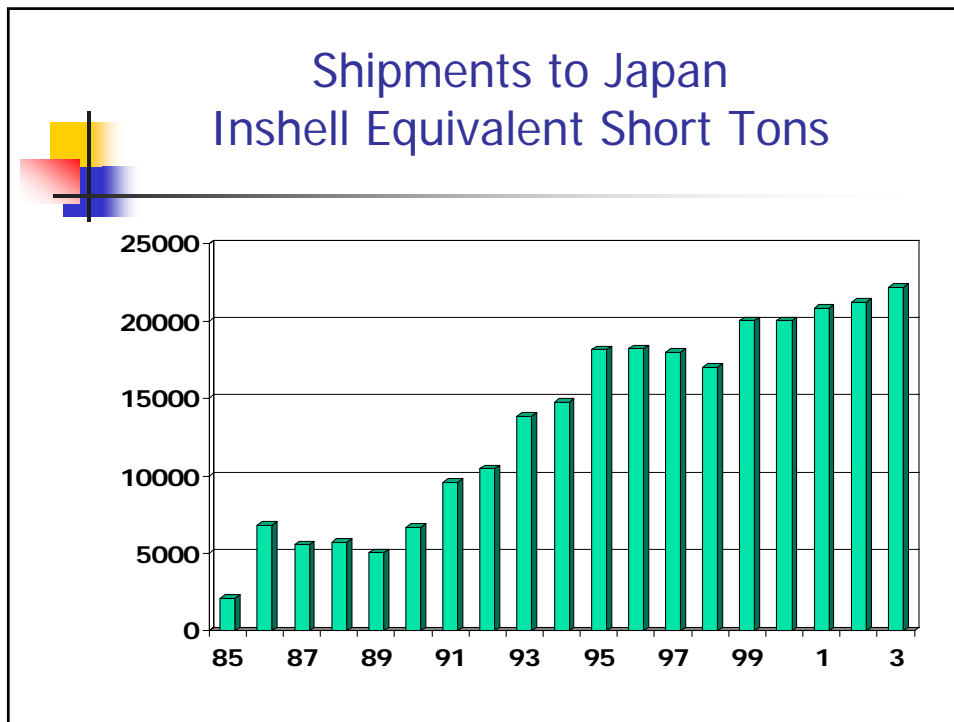
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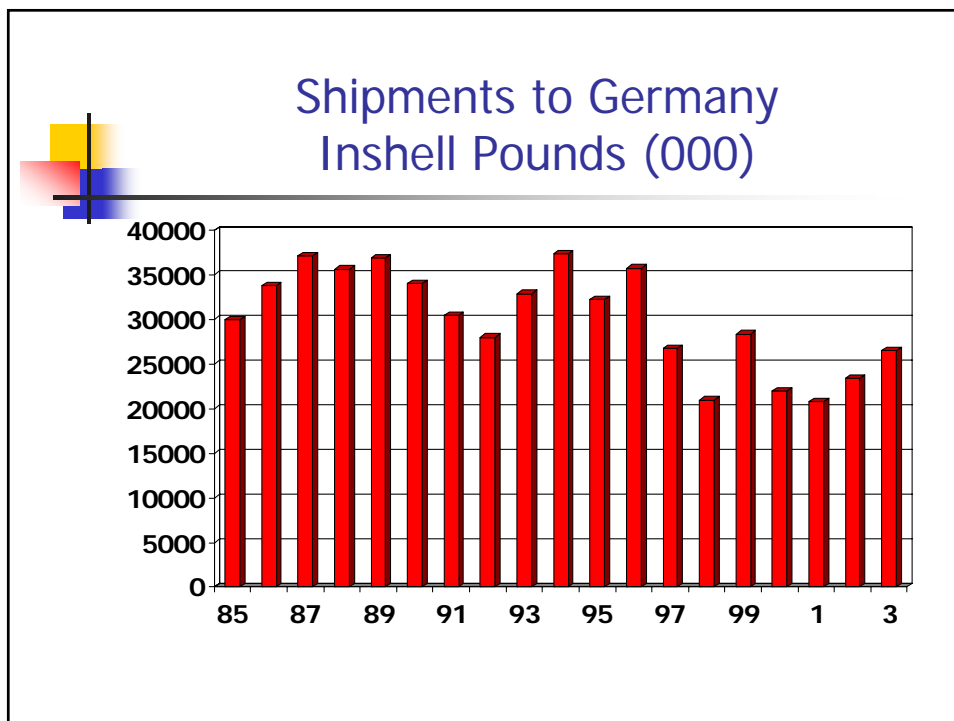
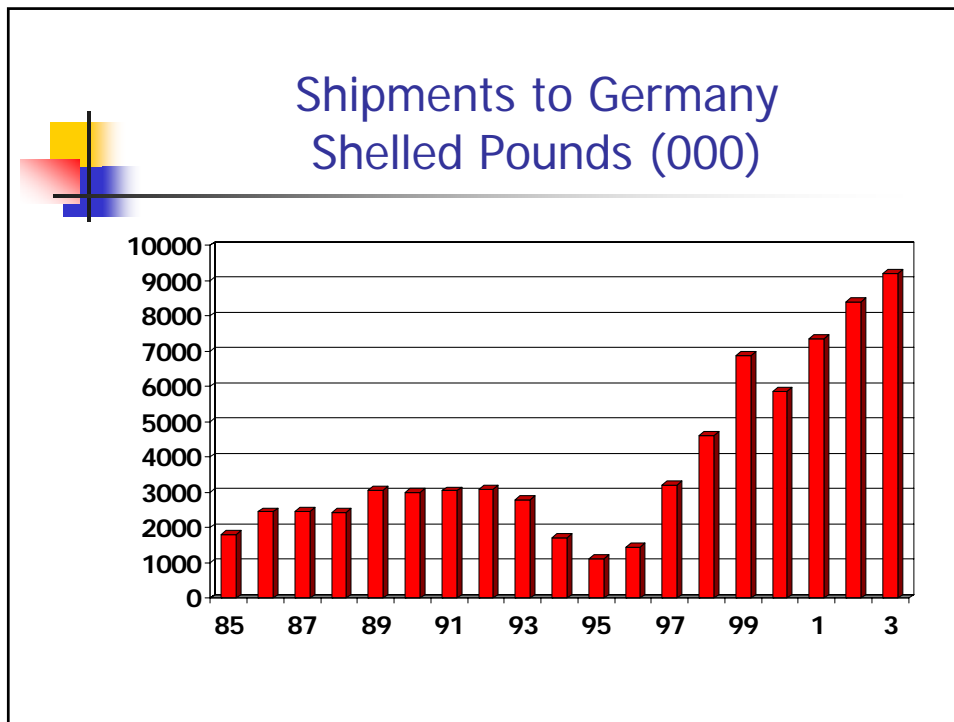
- Shipment Data
- Market Intelligence
  - Imports
  - Level of Competition
  - Price premiums

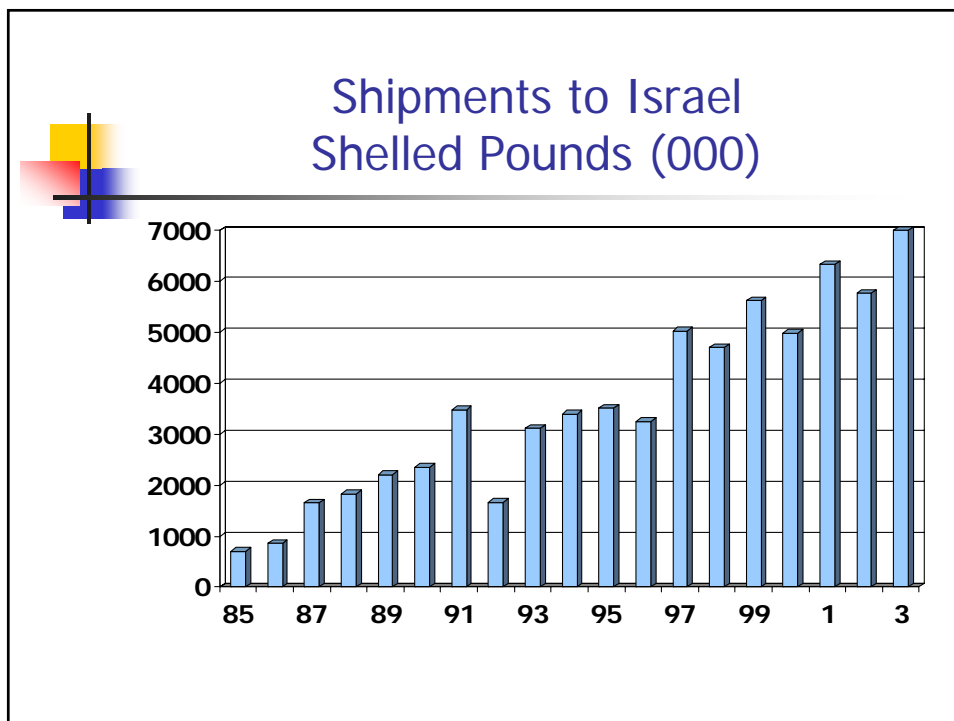
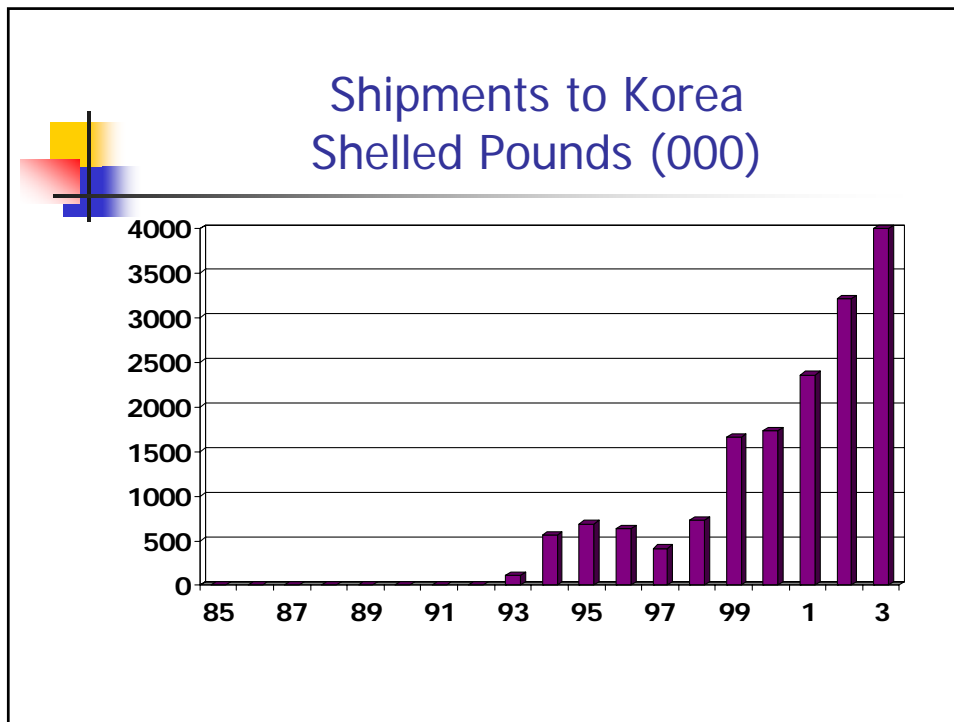


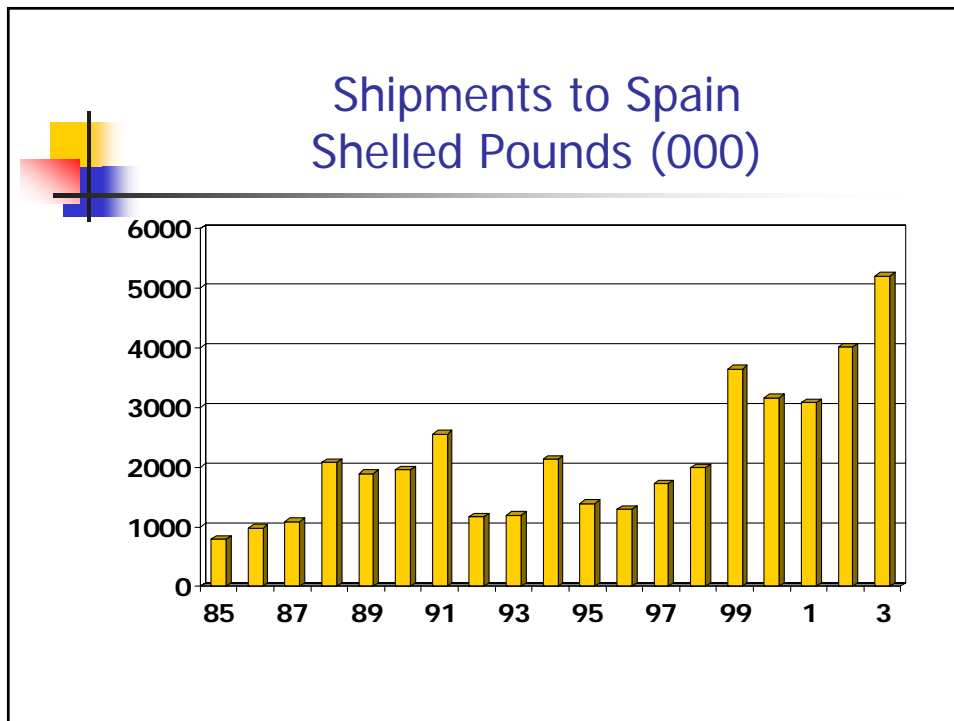
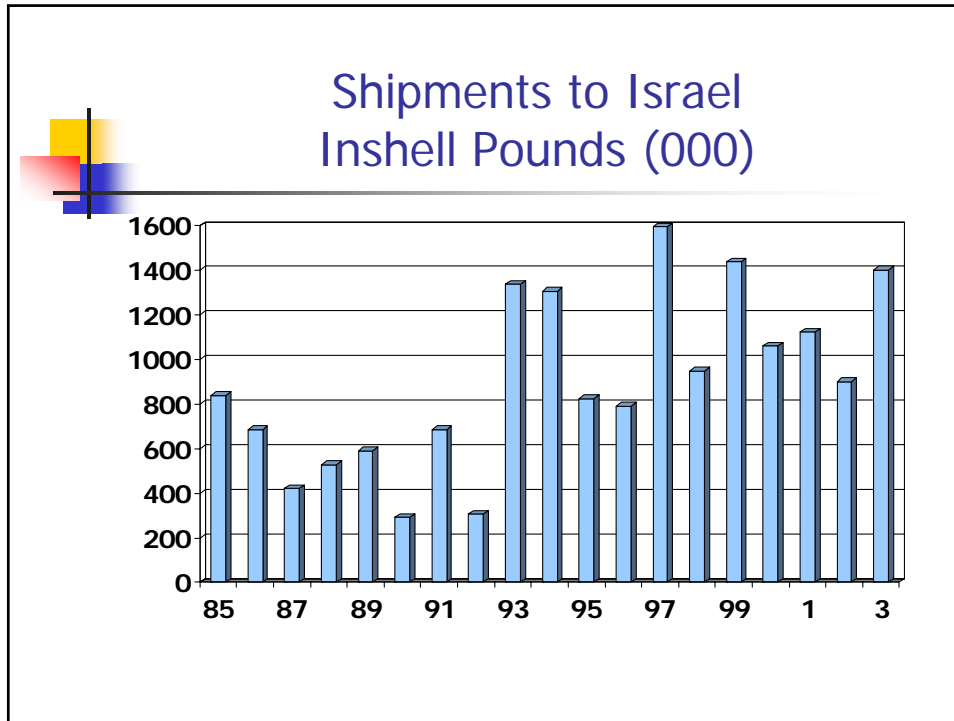
## Shipment Data

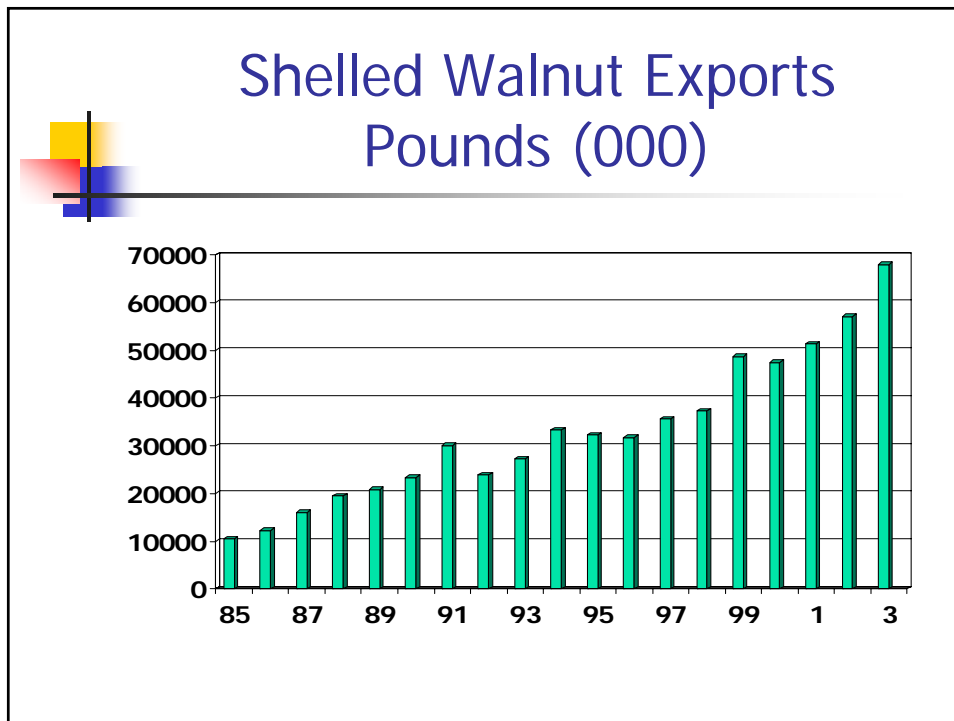
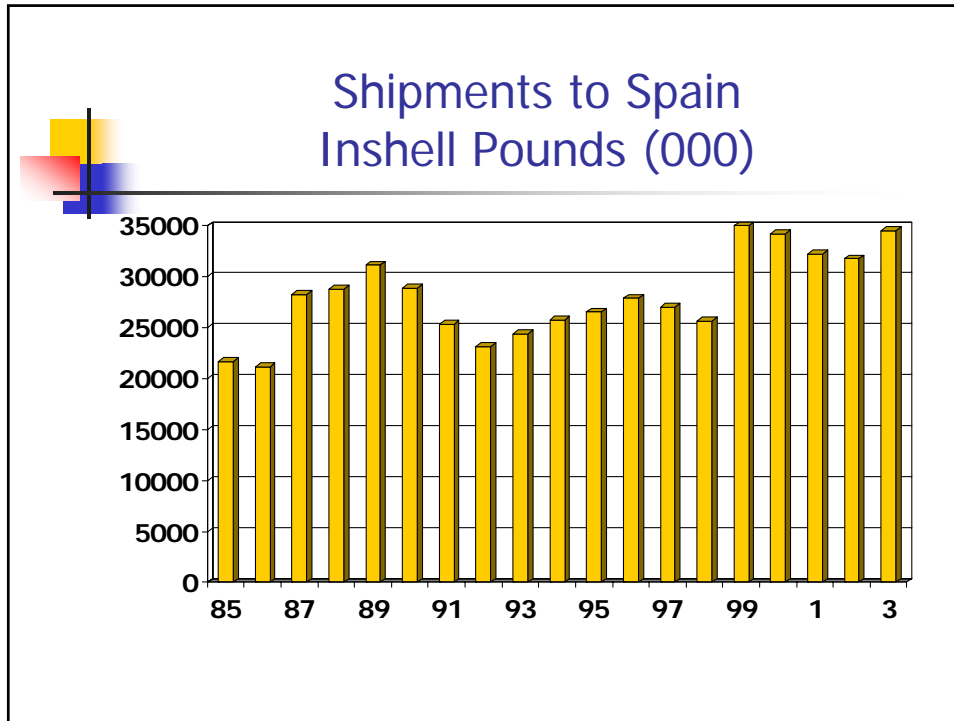















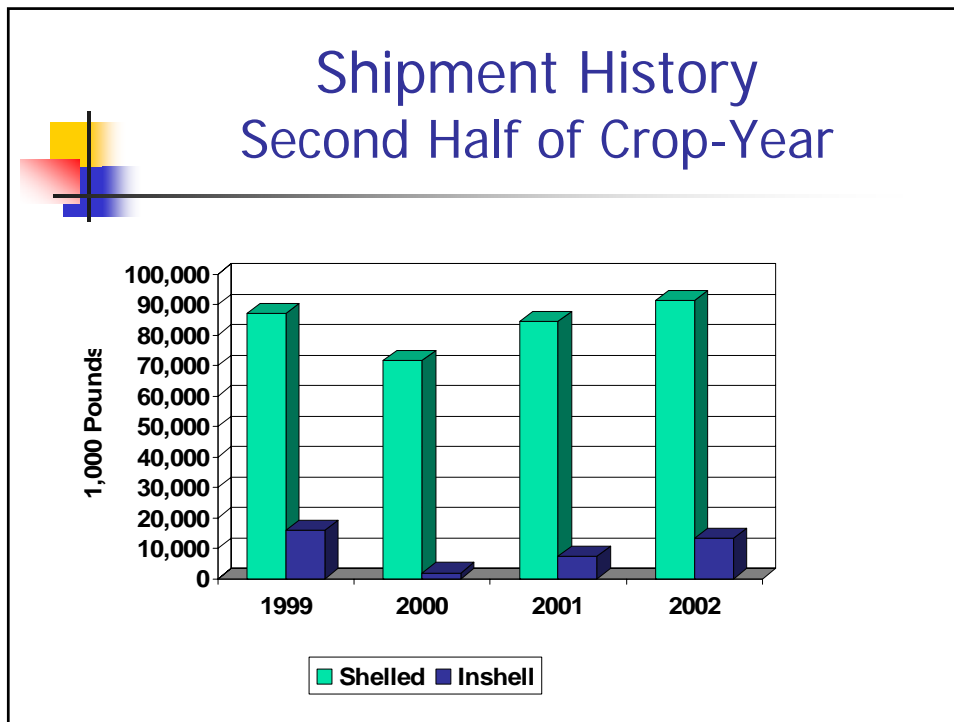
## Shelled Success

- Since the 1985/86 crop-year
  - Shelled walnuts exports are up **650%**
  - The export share of shelled shipments is up from **9.5% to 32.7%**
  - The export market is the premium market
  - Shelled utilization is up **88%**



## Inshell is Still Important

- Early shipments
- Maintain traditional markets
- We enjoy a comparative advantage
- We can stimulate shipments after January 1



- ### Foreign Competition
- France (28M MT)
  - Italy (17M MT)
  - Turkey (77M MT)
  - India (25M MT)
  - Chile (12M MT)
  - China (350M MT) ?



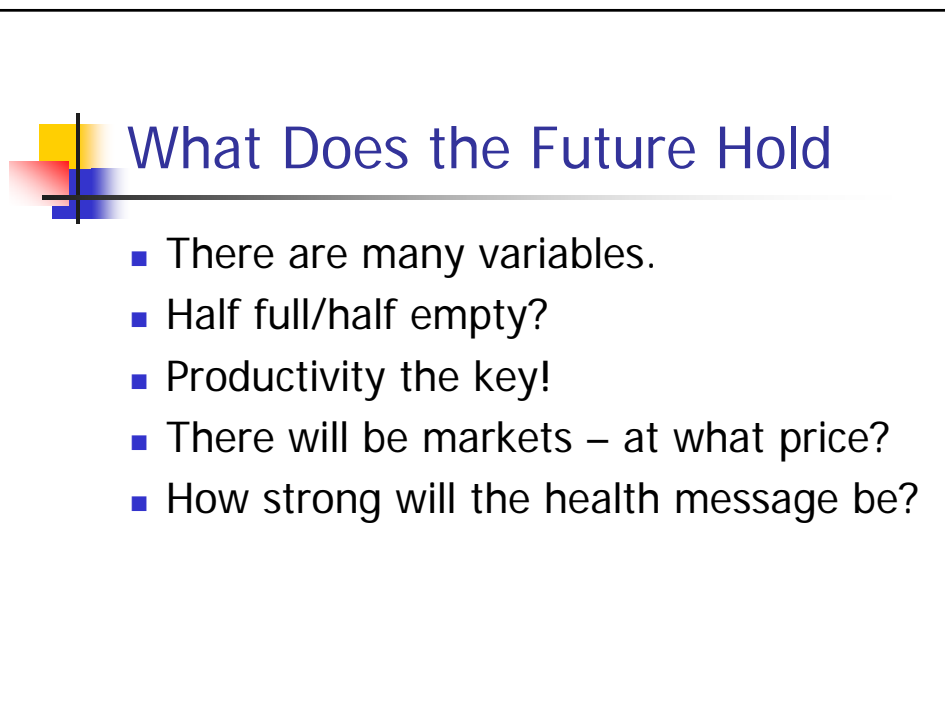
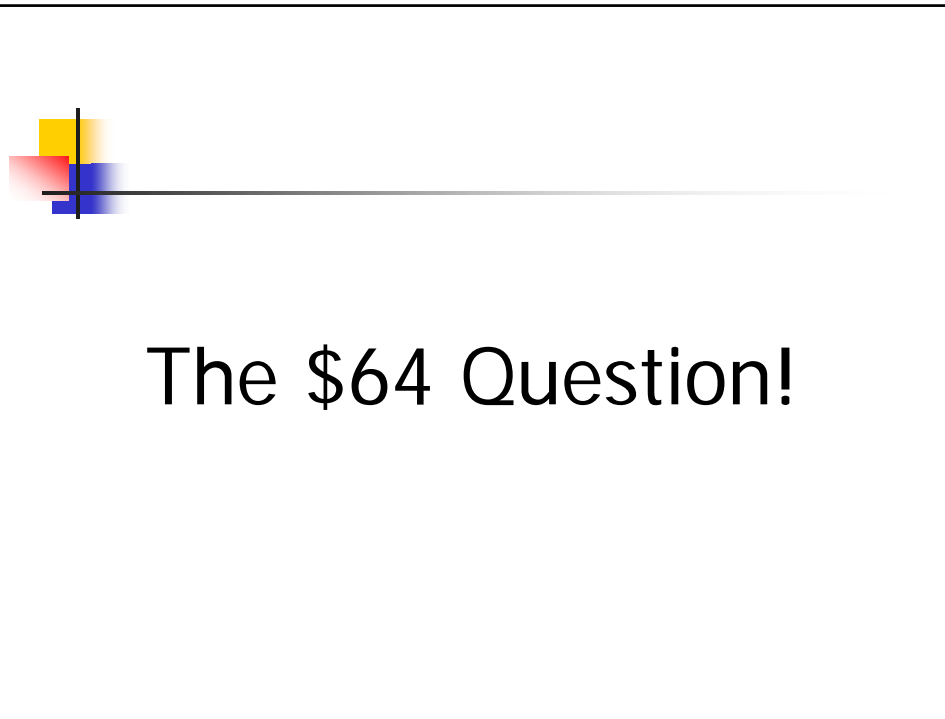
## China – Market or Menace

- Production levels in doubt
- Potential is unquestionable
- Economy is strong
- Internal consumption is up
- Exports are down dramatically
- WTO?



## The Wonderful World of WTO

- Free Trade Agreements
  - Japan and Korea
  - Could China strike a deal?
  - Will tariffs come down in the WTO Doha Round?
  - Will we benefit from the US/Korea renegotiation of the rice regimen?





## The Current Marketplace

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- US
- Japan
- Germany
- Spain
- Israel
- Canada
- Korea



## The New Marketplace

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- China
- EU Development
- The Middle East
- Increased utilization in the current marketplace!



## Conclusion

- The California walnut industry will enjoy success over the next decade.
- Threats do exist but so do opportunities

