



WALNUT BARGAINING ASSOCIATION
533 Lincoln Blvd, Ste #2
Lincoln, CA 95648

September 27, 2022

Dear Handler,

Traditionally at this time of year, the Walnut Bargaining Association (WBA) sends its price recommendations to all handlers before the end of walnut harvest for the current year. Our recommendation reflects the economic justification for an appropriate price based on analysis of the market conditions, competing products, worldwide production, and the domestic and world economies.

This year our organization is intending to delay this recommendation. We're urging handlers to delay pricing and selling the 2022 crop based upon an expectation of lower prices for growers on their walnuts. We do not want low prices to be a self-fulfilling prophecy.

The current walnut harvest and marketing year will be challenging for the industry. Concerns about the accuracy of this year's crop estimate; the drought in China and its impact on the largest producer of walnuts in the world; the quality of the California nut crop due to the high heat and the rains recently experienced; the potential recession and its severity; and the credit tightening by the Fed are all factors which are unknown today. We are concerned that some handlers might sell product at lower than necessary prices and thus drive prices downward prematurely.

Handlers and growers are in this together. We realize that handlers need to pay bills, too, just like growers. We realize the costs of doing business have increased for handlers, just like growers. As a result, consumers are paying more for nearly all of the foods they buy. We also understand the buyers, especially international buyers, will try to drive the price as low as possible and that the weakest link in the chain could drive prices lower than needed.

We ask that you give thought to waiting out low-priced sales until more is known about the current crop. If sales are justified, we encourage you to make them, but to try achieving the highest possible return to walnut growers.

We appreciate your time and efforts on behalf of the walnut industry.

Sincerely,

Walnut Bargaining Association
Board of Directors