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contact: Jonathan Field
info@walnutbargainingassoication.com

Walnut Bargaining Association Sets Minimum Price Recommendation at 60 Cents per Pound

The Walnut Bargaining Association (WBA) has released its minimum price recommendation at 60 cents per pound in-shell. The price is based on Jumbo/Large Chandlers of good quality.

“While this recommendation is still less than profitable for many California walnut farmers, based on current market conditions WBA’s Board believes it’s appropriate and is nearly double the actual price received by growers last year,” said Donald Norene, Chairman of the WBA.

Norene noted that this recommended price should be regarded as a minimum and does not reflect varietal, size and quality differences or incentive/deduction schedules imposed by handlers. He added that handlers recently issued an opening price for exports at \$2.20 per pound based on Chandler light halves and pieces.

The WBA is a grower-owned agricultural cooperative, which exists to help farmers receive a fair price for walnuts. The WBA Board met last week in Sacramento to review expected marketing conditions for the coming year.

The recommended minimum price was reached by the WBA using information released earlier this month by the California Agricultural Statistics Service (CASS) from its Walnut Objective Measurement Survey which estimates California walnut production for the 2023 season at 790,000 tons, which is slightly larger than last year’s final crop estimated at 748,000 tons.

The CASS survey was conducted on 675 orchards during the period from July 22, 2022 to August 25, 2023 and is based on 385,000 bearing acres, which is down 4 percent from last year. CASS reports that nut set is up slightly from 2022 and indicated 99 percent sound kernels, which is a huge improvement from 2022.

“Walnut growers have reason to be a bit more optimistic about the coming season,” notes Pete Jelavich, WBA Board member and a grower from Yuba City. “Growing conditions were optimal this year with heavy rains and ideal spring weather restoring soil, root and tree health. Heat damage has not been a factor this year and nuts are of high quality. Meanwhile, inventories are down significantly and important export markets, specifically India, have reduced tariffs on U.S. walnuts.”

“The WBA is encouraging growers to ask their handler to include in their contract a 60 cent per pound minimum price equivalent for good quality Chandler Jumbo/Large,” added Jelavich. “This price was based on the handlers opening minimum price to the trade. Growers and handlers should support the 60 cent per pound minimum prices to unify the industry moving forward.”

The past few years have been difficult for California walnut growers. The 2022 season was one of the worst on record with grower prices at all-time lows. Last year, CASS reported price per ton for all 2022 deliveries at \$630, which equates to an average grower price of 31.5 cents per pound. According to CASS, since 2004 California walnut production has gone from 325,000 tons to 790,000 tons – an increase of 58 percent and prices have dropped from \$1390 per ton to \$630 – a decrease of 55 percent. Meanwhile, yield has gone from 1.52 tons per acre to 2.05 tons per acre – an increase of 35 percent.

“We are hopeful that grower prices will improve over last year and there is no reason they shouldn’t,” emphasized Norene. “The WBA is urging handlers to carefully consider grower profitability as they begin to sell the incoming crop. Growers won’t survive another year like last year.”

For more information about the Walnut Bargaining Association, please visit www.walnutbargainingassociation.com