

## California Walnut Board

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## Export Committee Meeting Minutes September 15, 2011

A meeting of the California Walnut Board's Export Committee was held on September 15, 2011, at the Marriott Rancho Cordova. Chairperson Jack Gilbert called the meeting to order at 4:35 p.m. Mr. Dennis Balint called the roll. Committee members Jack Gilbert, Steve Giovannoni, and Pete Turner were present. Committee member Earl Lindauer was absent. Mr. Balint stated that a quorum was present. Staff members in attendance included Dennis Balint, Heather Donoho and Dana Steindorf. Also in attendance were Vic Tolomeo and Jennifer Van Court of CASS.

The first order of business was the approval of the minutes from the last meeting held on September 9, 2010. Mr. Turner made a motion to approve the minutes. Mr. Giovannoni seconded the motion and it carried unanimously.

Chairperson Gilbert asked Mr. Balint to discuss the next agenda item, Marketing Order Regulations. Mr. Balint stated that he would like to remind the attendees of the meeting and others in the industry that over the past two years we have taken many steps to make sure that handlers are identified as handlers based on the Marketing Order. We have also educated members of the industry as to which activities force them to register as handlers. Mr. Balint stated that the CWB is also implementing a process whereby anyone who wants to become as handler has to meet with members of the CWB staff to answer questions and complete the necessary forms.

Chairperson Gilbert introduced Mr. Vic Tolomeo of the California Agricultural Statistics Services (CASS) to present the next agenda item, CASS Crop Report. Mr. Tolomeo presented the 2011 Walnut Objective Measurement Survey Results. He stated that the objective measurement forecast for 2011 is 485,000 tons inshell. This is down 4% from 2010's production of 503,000 tons. The survey work was conducted between August 1 and August 24, 2011, on 730 orchard blocks, two trees per sample. The 2011 walnut growing season was similar to the 2010 season with adequate chilling hours, above average rainfall and a mild summer.

Mr. Tolomeo presented a summary of the field measurements. The nut set is down across the board, by area as well as variety. All other measurements (weight, width, cross-width and length) are up slightly over the previous year's measurements. Mr. Tolomeo showed a slide with the relationship between walnut production and nut set. He stated that of all the relationships in the objective measurement model, set drives the model most.

Moving on to bearing acreage versus bearing trees per acre, Mr. Tolomeo stated that for 2010 and 2011 the bearing acreage is the same at 227,000 acres. He indicated that CASS does the acreage survey every other year; they capture changes in variety, year planted and locations. Mr. Tolomeo stated that if the acreage number is an issue, they could conduct an independent grower survey in off years at a cost of between \$5,000 to \$10,000.

Chairperson Gilbert thanked Mr. Tolomeo for his presentation and asked for a motion to accept the CASS report. Mr. Giovannoni made a motion to accept the CASS objective measurement for the 2011 crop as presented by Mr. Tolomeo. Mr. Turner seconded the motion and it carried unanimously.

Chairperson Gilbert introduced Mr. Balint to present the next agenda item, Review of Statistics. Mr. Balint presented a series of slides: The first compared the forecast production verses the USDA final crop number for the past five years; next was inshell exports in 2010/11 to the top six countries of Hong Kong, Turkey, China, Italy, Spain and Germany; also, the top six shelled export countries in 2010/11 were Germany, Korea, Japan, Canada, Spain and Australia. The next slide showed that we utilized a little over 506,000 tons in 2010/11. The schedule of competing tree nuts showed that almond, hazelnuts and pistachios were up in production. Pecans were slightly down in 2011. Foreign walnut production shows that France and Chile moved up slightly in 2011.

Mr. Balint presented a slide on exchange rates which showed that most countries have a stronger currency than the dollar. The supply and utilization table indicates that we have an estimated total availability of 1,045,020,000 pounds of walnuts for 2011/12. We are projecting a slight increase of inshell exports for 2011/12, with inshell domestic, shelled domestic and shelled exports shrinking slightly. With a projected utilization in 2011/12 of 968,909,000, that will leave us with a projected ending inventory of just over 38,000 tons.

The next items on the agenda were the Consideration of Free, Export and Reserve Percentage and the Consideration of Minimum Export Prices. Mr. Giovannoni made a motion to recommend to the Board 100% free tonnage with no reserves and no minimum export price for the 2011/2012 crop. Mr. Turner seconded the motion and it carried unanimously.

The time and place of the next meeting will be left to the discretion of staff. No executive session was necessary. There being no further business to come before the Committee, Chairperson Gilbert adjourned the meeting at 5:10 p.m.