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U.S. and SOUTH KOREAN FREE TRADE AGREEMENT A WIN FOR CALIFORNIA WALNUT INDUSTRY

FOLSOM, Calif. (October 13, 2011) – The California walnut industry welcomed the news of the passage of the United States and South Korean Free Trade Agreement (KORUS), which is expected to bring immediate duty reduction to walnuts exported to the market.

The import duty on shelled walnuts will fall from 30% to zero over six years and the inshell duty to zero over 15 years. Once ratified, an immediate reduction will drop the duties 5%, effectively phasing out the shelled duty in 5 years and the inshell duty in 14 years. “The agreement as structured will greatly benefit agriculture and specifically California agriculture. We have been engaged in this process since the beginning and appreciate the hard work it has taken to get here”, states John J. (Jack) Gilbert, Chairman of the California Walnut Commission’s (CWC) Issues Management Committee. Jack Mariani, Vice Chairman of the CWC’s Issues Management Committee adds that “Our industry has made significant investments in the South Korean market and we eagerly anticipate the new opportunities for growth the agreement provides”.

Korea is a leading export market for the California walnut industry, accounting for more than 46 million inshell equivalent pounds annually, valued at over 70 million dollars, contributing to walnuts rank as the 5th leading export from the state. “This agreement will mean that California walnuts are a better value to the end users. Our industry will benefit. The trade as well as consumers have demonstrated their acceptance of our product as a healthful and flavorful addition to their daily diet”, states CWC Executive Director Dennis A. Balint.

In 2010, the Korean market accounted for 4.5% of the industry’s total shipments, with 19.7 million shelled pounds and 853,000 inshell pounds shipped. Over the last five years the Korean market has grown 39% despite the high import duties. This strength in demand and consumption is expected to continue. The duty reduction allows new opportunities for market segment growth for California’s 4,600+ walnut growers and 78 walnut processors.

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California Walnut Commission

The California Walnut Commission, established in 1987, is funded by mandatory assessments of the growers. The Commission is an agency of the State of California that works in concurrence with the Secretary of the California Department of Food and Agriculture (CDFA). The CWC is mainly involved in health research and export market development activities.