



2011 Harvest Newsletter

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August, 2011

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Market Update

The 2010 walnut crop had a record crop of 502,000 tons with shipments in line to reach more than 500,000 short tons. The 2010 carry-in to the 2011 crop looks to be one of the lowest on record. Shipments for the 2010 crop have been consistently strong, breaking new records from October on. China, Hong Kong and Vietnam collectively have imported 2.5 times more than last year. This makes up for the 2% decline in

the shelled market to the same area. Turkey was another strong importer of inshell walnuts, up approximately 14% from last year. With Germany, Italy and Spain leading the way in the European market, exports have increased over 8% from the 2009 crop. A meeting of the Independent Walnut Handlers Coalition on July 27th resulted in a subjective estimate for the 2011 walnut crop of 523,000 short tons. This would be a 4% increase from the 2010

crop of 502,000 short tons. The increased demand from new markets will more than likely absorb the increase in volume.

On September 2nd the National Agricultural Statistics Service (NASS) Objective Measurement Report will be released. Additional marketing data will be available at that time on their website.

www.nass.usda.gov

Weather Factors and Harvest Timing

With very few days over 100 degrees this year, the harvest looks to be delayed by 2-3 weeks in some areas. Last year we saw a marked difference from the walnut deliveries that occurred before the rains in late October and after the rains. This varied by region across the state, but it is a factor to consider when harvesting your walnuts. In some cases, applying

Ethephon (Ethrel), an ethylene-based plant growth regulator will accelerate harvest to avoid weather issues and meet a market that is already short of supply.

So what is Ethrel and how can it increase the value of my walnut deliveries?

When applied at walnut maturity, Ethrel accelerates hull cracking and separation from the shell.

It can advance harvest by four to seven days depending on the season and variety, and research shows that Ethrel can increase nut value by impacting kernel color and possibly lessening insect damage. Timing and experience is the key to successful Ethrel application and growers should consult their local PCA for additional information.

Delivery and Grading Information On-Line

You have access to your delivery and grading information at any time of the day through the Crain Walnut Shelling website using your secure user name and password. Go to <https://www.crainwalnut.com/growers/>

If you used our site last year, then login with your user name and password. If you are new to our grower site or have forgotten your user name or password, you can contact Jessica Berry, Grower Relations Director at jberry@crainwalnut.com or (530) 529-1585 ext. 2040 and she can walk you through it. Dehydrator operators are also encouraged to access this tool to keep current with deliveries. Most walnut delivery weights will be available within 24 hours after receipt, and grade information within 5-7 days after that. Comments and suggestions for improvement are always welcome!



Walnut Delivery Transfer and Storage

We continue to improve our receiving and storage facilities at our Los Molinos plant. Our goal is to be ready when you are and to move your walnut deliveries into storage as efficiently as possible.

For those growers that deliver to our Los Molinos facility directly, expanded storage and streamlined receiving practices have reduced unloading times. Our receiving staff will do

their best to accommodate the needs of growers and dehydrators. In the peak of harvest, please plan ahead because scheduling is required.

Before your first delivery to the dehydrator, inform the operator of the correct account name to accompany the delivery paperwork to the receiving station. If there is a discrepancy in the account name, the truck will not be

able to unload until the identity is verified. This can result in unnecessary delays and increased costs of receiving goods.

We appreciate your advance notice of pick up or delivery of product enabling us to be more efficient and timely. We always contract with reputable carriers to provide the highest level of service that you have come to expect from CWS.

Moisture Testing upon Delivery

All deliveries will be tested on arrival to verify moisture levels and random samples will be pulled from the load for testing. Dehydrators should have a target moisture level for in-shell deliveries to the receiving station of not more than 8%. This level will assure that the inshell walnuts can be safely stored without degradation to the product.

If any one sample exceeds 8% moisture, but is not over 9% moisture, a second sample will be taken and the average of the two samples will be used to determine the moisture level of the delivery. If the average is over 8% moisture, the load must be dried to meet optimum storage requirements of less than 8% moisture.

The grower will be notified and Crain Walnut Shelling will do one of the following:

1. **Dry the load at the Los Molinos Location** if there is dryer capacity available. A weight loss adjustment plus a drying charge will be assessed on the sliding scale as follows:

Moisture %	Weight Deduction	Drying & Handling Charge per Load
8.1-10.0	-.02 % +	\$40.00 per ton
10.1-12.0	-.03 % +	\$50.00 per ton
12.1-14.0	-.03.5% +	\$50.00 per ton
14.1-16.0	-.04 % +	\$70.00 per ton

2. **Return the load to the grower's dehydrator for additional drying at the grower's expense.**

If there is no dryer capacity at the Los Molinos location, then the load will be returned to the grower's dehydrator. This would include the cost of the freight to and from the dehydrator and additional handling fees.



2011 Receiving Information

Crain Walnut Shelling will begin receiving walnuts at our Los Molinos facility in early September and will close the Receiving Department on December 1st or shortly thereafter depending on weather conditions.

Our Los Molinos facility is located at 10695 Decker Avenue, Los Molinos, CA. LaMona Brownen, Receiving Director, will be happy to assist you with the delivery of your walnuts. She can be reached at (530) 529-1585 ext.#2029 from 7:00am until 4:00pm daily. During the peak of harvest, hours of operation will be extended to handle

the flow of incoming walnuts. Scheduling of walnut deliveries is required during this peak time and we will make every effort to accommodate your needs.

Andrew Marks will again be dispatching trucks for pick up at the Sacramento Valley hullers. He will be available to answer your questions and handle logistics from our office. He can be reached at (530) 529-1585 ext.#2013 or cell phone (530) 567-5887. Your CWS field representative can also assist you with any special equipment needs you may have at your huller.

San Joaquin and Stanislaus County hullers will be coordinated by the area Crain Walnut Shelling Representative, Mike DeRuosi. In the Visalia/Hanford areas, partial and full load shipments will be arranged by Jeff Rachal, your CWS Field Representative. We have contracted carriers in that area to transport walnuts to our Los Molinos facility. If you have partial loads for pickup, please notify Jeff as soon as your walnuts get to the dryer. In the Northern and Central part of the state, CWS Field Representative Jerry Sneed can assist you with pickups and load consolidations.

Main Facility
10695 Decker Ave.,
Los Molinos, CA.
Receiving Director
LaMona Brownen
(530) 529-1585
Ext#2029
Hours 7:00am-4:00pm

Truck Dispatch
Andrew Marks
(530) 529-1585
Ext#2013
Cell: (530) 567-5887

Loads should be free of Foreign Material

All walnut deliveries should be cleaned, washed, passed through a rock removal flotation system, and hulled and dried at the dehydrator. It is critical that all stones, rocks, dirt, sticks and other foreign material of any kind be removed before delivery. If growers are delivering their walnuts in their own trucks, it is important that the trailers be inspected prior to loading and found to be clean of all contaminants. At receiving, each load will be inspected prior to unloading to make

sure that it does not contain any foreign objects or debris. Any deliveries that are found to contain glass or known allergens like other nuts, will be rejected and or quarantined until disposition can be determined. The disposal of foreign material at the processor is an additional expense and a hazard if it gets passed on to the production process. Deliveries found to contain foreign material will be placed in bins and quarantined for re-working. Loads that are delivered in

excess of 8% moisture cause a delay in receiving and must be handled multiple times prior to being placed in storage to assure that the quality will not be compromised. Wet loads are also subject to weight loss or shrinkage during the additional drying or equalization period, which will result in re-weighing or a discount for shrinkage. We need to work together to provide the best quality product for the consumer.



"It is critical that all stones, rocks, dirt, sticks and any other foreign material of any kind be removed before delivery."

Sample Analysis and Regrades

Our goal is to have all walnut analysis grade sheets out to growers within 7 days of delivery. If you have not received a grade sheet for a delivery of walnuts within that period of time, please contact Grower Accounting at (530) 529-1585. You can also access information online at: www.crainwalnut.com

Samples are held at our Los Molinos facility for a period of approximately 6 weeks after the analysis has been completed. All requests for regrades must be made in writing within 30 days of delivery. If a retest is requested, the retested walnut analysis grade will replace the initial grade for payment purposes.

Please address your regrade request to:

**Grower Accounting
Crain Walnut Shelling, Inc.
10695 Decker Ave.
Los Molinos, CA. 96055**

Payment Information

If you would like to defer your December 2011 walnut crop payment please notify Grower Accounting at (530) 529-1585 by December 1st. Please consult your tax advisor for information regarding deferring

your 2011 crop payments. Assessments that fund the activities of the California Walnut Commission and the California Walnut Board will be deducted from the December 2011 payment.

Any changes or corrections to grower account information should be made prior to delivery. This includes Lease percentages and Bank Assignments.

How to Maximize Food Safety

With the continued emphasis on food safety around the world, the California walnut industry must maintain and improve the high quality standards that consumers have come to expect. We need to reduce the risk of a possible industry wide recall of walnut products. To accomplish this we need your help. Food safety begins with the raw product at the grower level. Understanding the risk of contamination and how it is spread is key. Establish a Good Agricultural Practices Program

(GAP) for your orchard and inform employees of the importance of maintaining it before and after harvest. Clean harvest equipment and field bins and trailers before walnut harvest or when moving on from another crop like corn or almonds. Adjust sweepers and pickup machines during harvest so that ground debris is limited. Remove and dispose of potential contaminants from the orchard. Keep good records and submit pesticide use reports monthly. Apply only pesticides that are regis-

tered for your crop, and only at the rate recommended. Additional information is available on Good Agricultural Practices (GAP) and Good Manufacturing Practices (GMP) from the following sources:

UC Davis GAP Programs
<http://ucgaps.usdavis.edu>

Cornell University Food Safety and Employee Training
<http://gaps.cornell.edu>

UC Davis Food Safety
<http://ucfoodsafety.ucdavis.edu>

CRAIN OF CALIFORNIA, INC.

10695 Decker Avenue
Los Molinos, CA. 96055

Phone: 530-529-1585
Fax: 530-529-1458
www.crainwalnut.com

From the banks of the Sacramento River in Northern California, the Crain Family has been providing quality English Walnuts both domestically and internationally since 1961. The Crain family moved to Tehama County in 1960, where they planted their first English walnut orchard.

Today, Chuck and family as well as a fantastic staff continue to farm walnuts in Butte, Glenn and Tehama Counties. Crain Walnut Shelling, Inc. processes and markets the walnut crops of approximately 500 growers between Anderson and Bakersfield. Chuck's sister works with him in one of the businesses and Chuck's father and two brothers continue to operate the family farming and walnut processing businesses known as Crain Ranch and C.R. Crain and Sons, Inc.

Field Representatives

Jerry Sneed

Field Representative for Northern & Southern Butte, Glenn, Yuba, Sutter, Colusa, Yolo & Solano, San Joaquin, Stanislaus & Merced Counties

Cell: (530) 870-1278

Russ Harman

Field Representative for Tehama, Butte and Glenn Counties

Cell: (530) 624-4937

Mike DeRousi III

Field Representative for San Joaquin and Stanislaus Counties

Cell: (209) 985-9322

Office: (209) 838-8307

Jeff Rachal

Field Representative for Tulare, Kings & Kern Counties

Cell: (559) 805-6350

Stan Bell

Field Representative for Tulare, Kings & Kern Counties

Cell: (559) 907-2477

Grower Services Department

Patti Martinez

Grower Accounting Manager

Office: (530) 529-1585

ext#2024

pmartinez@crainwalnut.com

Jessica Berry

Grower Relations Director

Office: (530) 529-1585

ext#2040

Cell: (530) 209-1585

jberry@crainwalnut.com

