



Australian Walnut Industry Update

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2017 Australian Nut
Conference

27 - 29 March 2017
Pullman, Melbourne, Albert Park



The Australian Walnut Industry Association (AWIA)

- Includes all industry and major growers
- Representation at PHA, ANIC, Gov't
- Education – farm walks and symposia
- Biosecurity plan
- Promotion and marketing
- Funds and participates in research
- *Kernel* newsletter & *Australian Nutgrower*
- Membership of Nuts 4 Life (health claims, promotion)
- Website www.walnut.net.au



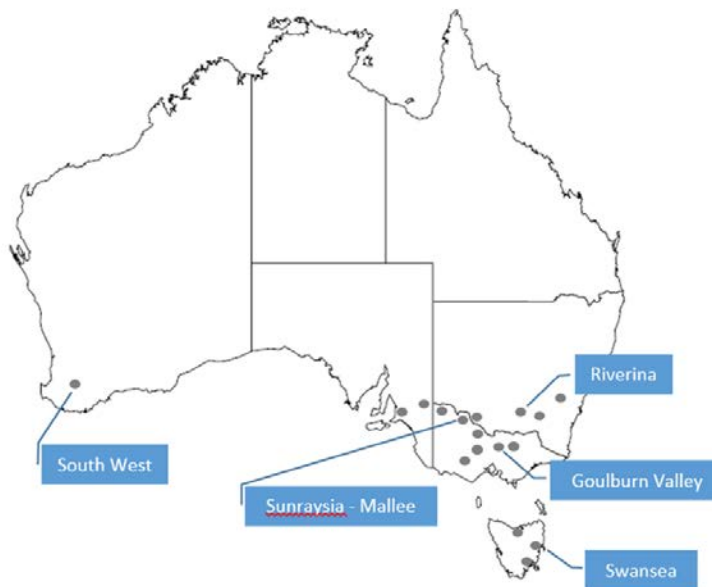
The Australian Walnut Industry

- Has grown from back yard trees of early settlers to a \$50 million industry.
- Continues to grow - new nurseries, processors & large commercial plantings
- Webster Ltd largest grower, own / manage >2,200 ha trees
 - When mature, should produce 11,000t yearly.



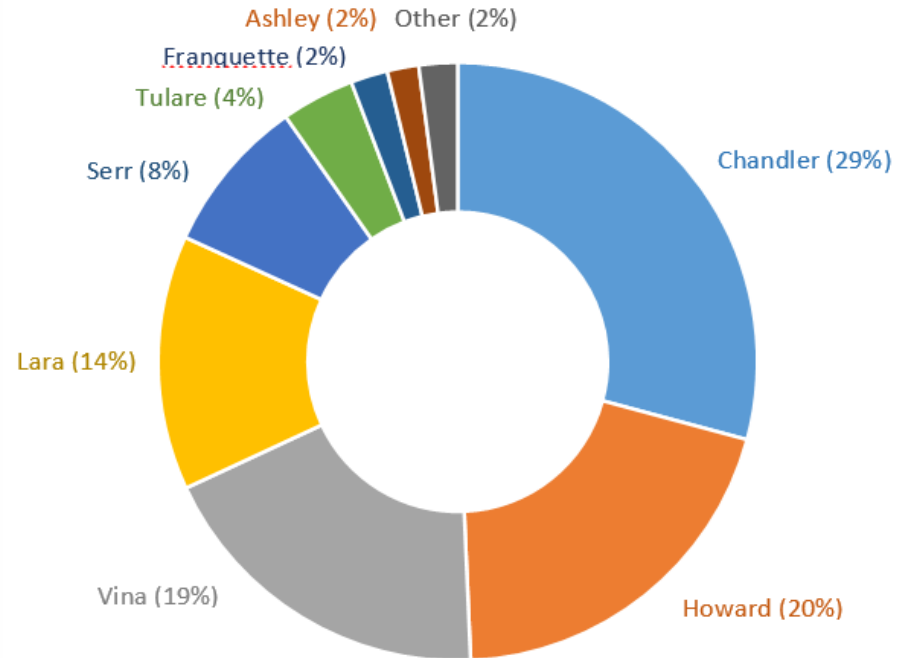
Production areas

- Cool-temperate to semi-arid regions
- Wider geographic distribution than some other nut crops
- Production largely in SE Australia
- 2,600 ha of bearing orchards (2016)
 - NSW = 67% of total plantings
 - VIC = 15%
 - Tasmania = 15%
- 65% of all orchards are in Victoria
- Webster Ltd represents ~80% of production



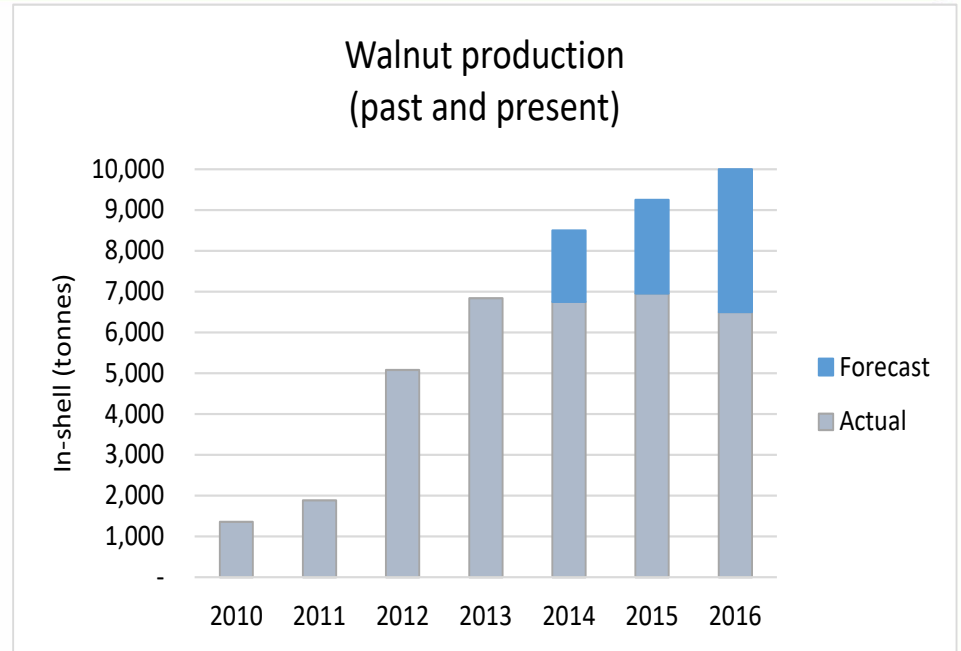
Plantings

- Most plantings based on Californian cultivars and rootstocks
- >1 million trees
- Considerations for cultivar selection
 - Lateral bud fruitfulness (80-90%)
 - Nut quality (size and colour)
 - Leafing and bloom date
- Late-leafing cultivars (Howard, Chandler) account for nearly 50% of plantings
- New developments > 40% Chandler



Crop volume

- Yield should increase as current orchards mature and new plantings begin to crop
- Walnut trees take 3 years to bear a crop and ~ 7 years to reach full production
- Volume of Australian crop influenced by production in Riverina orchards
- Crop yields below forecast in recent years
 - non-pollination fruit drop
 - pistillate flower abscission
 - sunburn, hail, frost, birds



We're still learning to grow walnuts
in a new environment.



Production value



- Nearly \$50m/year
- Mostly based on in-shell and kernel
- Many sale outlets although strong focus on export markets
- Webster Ltd accounts for >99% of export volume and 68% of all production volume
- Export to Europe and Asia
- ~ 40% of growers sell at farmers' markets & other retail but this is 1% of total volume of production.

(AWIA grower survey)

Value of production

Year ending June	2013	2014	2015
Local value of production (\$m)	42.0	43.8	46.9
Value of exports (\$m)	-	18.9	25.3

Mean volume of sales in 2014 and 2015

Outlet	Whole-sale	Retail	Farm gate	Farmer market	Pro-cessor	Export
Growers (%)	36	33	21	18	15	1
Volume (t)	1,520	600	3	15	76	4,640
Volume (%)	22	9	<1	<1	1	68

Walnut exports and imports 2015

- Imports ~4,548t, \$59.4m
- Exports ~4,524t, \$25.7m
 - To Europe 3,157t (\$17.1m)
 - From NSW, 4,446t (\$24.8m)

Source: HIA Horticulture Stats Handbook



Walnut production, current & projected

	2016	2017 (estimate)	2021 (estimate)	2025 (estimate)
Area planted	2,600 ha	3,890ha	4,340ha	4,500ha
Production - in shell supplies most of Australian market.	>6,000t	10,200t	15,700t	17,490t
Farm gate value	\$50m	\$55m	\$67m	\$58m
Exports, in shell	3,222t			
Export value	\$25m	\$15m		

Domestic walnut consumption

	2011	2016	2021 estimated	2025 estimated
Kernel (t)	4,049	4,926	4,994	7,012

HIA: 420g per capita/year in 2016,
i.e. around 20% growth each 5 years.

up from 330g pp in 2015.



Expected 2017 season

- Cool rainy spring: late leaf out, harvest 2-3 weeks later (through April)
- Blight in some areas
- Success depends on no rain at harvest time
- Good size and quality
- ~10,000 t.



Quality

- Australian walnuts are of premium quality, with warm rich taste characteristics
- AWIA and Webster's continue to focus on quality
- Major growers work with major global quality accreditation
- R & D projects, expert speakers & study tours overseas
- Recent quality parameters project.



New walnut sizing standard from 2016

- AWIA has adopted a new walnut sizing standard to remove subjective size names like 'Jumbo'.
- Measure width of nut *at the widest point*:
 - **Less than 32 mms**
 - **32 mm to 36mm**
 - **Greater than 36mm.**

Advantages for Australian walnut production

- Counter-season fresh exports to N. hemisphere
- Climate, water, soils, lands & \$\$ favour Australia.
- Mechanical harvesting
- Relatively free from exotic pests & diseases
- Continuing strong global demand
- Increasing awareness of health benefits
- Wind pollination - more reliable fruit set than bees
- New varieties, improved nursery, orchard management & irrigation techniques reduce time to bearing, increased nut yield.





Questions?



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