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Promotional opportunities available for California Walnuts

By

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A bumper 2022 California walnut crop has combined with several other factors to create great U.S. retail promotional opportunities that should exist throughout 2023, according to Robert Verloop, executive director and CEO of the [California Walnut Board and California Walnut Commission](#).

Verloop, who has had a long career marketing fresh produce, came to his dual positions in the walnut sector in June. He explains that about 65 percent of California walnuts are typically exported but factors around the world have altered that equation and refocused the industry's attention on the domestic market. He noted that California is the world's second-largest producer behind China, and that Turkey, the European Union and the Middle East are the biggest customers of the California-grown nut.

Supply chain issues, Russia's invasion of Ukraine, greater-than-usual carry-in inventories and the very strong dollar are some of the reasons that the Walnut Commission is redirecting its focus. "Walnuts are wonderfully nutritious," Verloop said, adding that their health attributes have long been well established. "We believe that with the rise in plant-based and meat alternative diets, there are great opportunities ahead for California walnuts."

He revealed that U.S. consumption of walnuts is only at 0.7 of a pound per person, indicating that there is lots of room for growth domestically. Only having been in his position for a little more than half a year, Verloop said there is still a lot of unknown information about how walnuts are consumed and purchased, but it is clear there is potential for increased sales. "You can look at almonds and pistachio and know there is a huge opportunity for growth," he said.

Verloop said one of the major challenges is that most retailers tend to merchandise walnuts in the baking aisle. "We need to break out of the baking aisle and be merchandised in the snacking nut aisle and the produce department," he said.

To help in this effort, the commission has contracted with a company to provide merchandising services. He said there are great opportunities to cross promote and tie-in walnuts with other heart-healthy food. Verloop freely admits that the Walnut Commission has not had a coherent plan for retail promotion. He reiterated that being stuck in the baking aisle, which is not a growth category, is an obstacle to increased sales.

He said there is anecdotal evidence that placement in the produce department creates a significant lift. "We have heard that some retailers have seen a big lift when merchandising walnuts like pistachios and almonds in the produce department."

Verloop added that walnuts are an item with dynamic pricing and this season price points are at the lowest they have been in years. He added that packers offer walnuts in many different pack sizes and

there are efforts to add different flavors to walnuts, as is done with almonds and other nuts.

The California walnut industry's newest promoter reported that walnuts are harvested in the fall and sold throughout the year from inventory. The industry attempts to have one season's output sold by the middle of the following fall, which minimizes the overlap. That has not occurred in the past two seasons — with the worldwide pandemic being the main culprit.

Verloop also revealed that the main retail selling period for walnuts has been in the October-December time frame for the holidays, but the commission is aiming to expand that window with innovative merchandising ideas.

For the new year, the commission is encouraging placement in the produce department, reporting that research shows more than 75 percent of consumers are more likely to purchase walnuts when they are displayed alongside fresh fruits and vegetables. The commission is urging retailers to utilize their retail dietitians to encourage consumers to incorporate walnuts into their meals and snacks, providing information about the broad health benefits and suggesting easy and delicious ways to eat walnuts on a regular basis.

In addition, California Walnuts, through its website, walnuts.org, offers downloadable materials and resources for customer education.

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