



DISCOVER

Oregon

HAZELNUTS



Oregon Hazelnuts 101

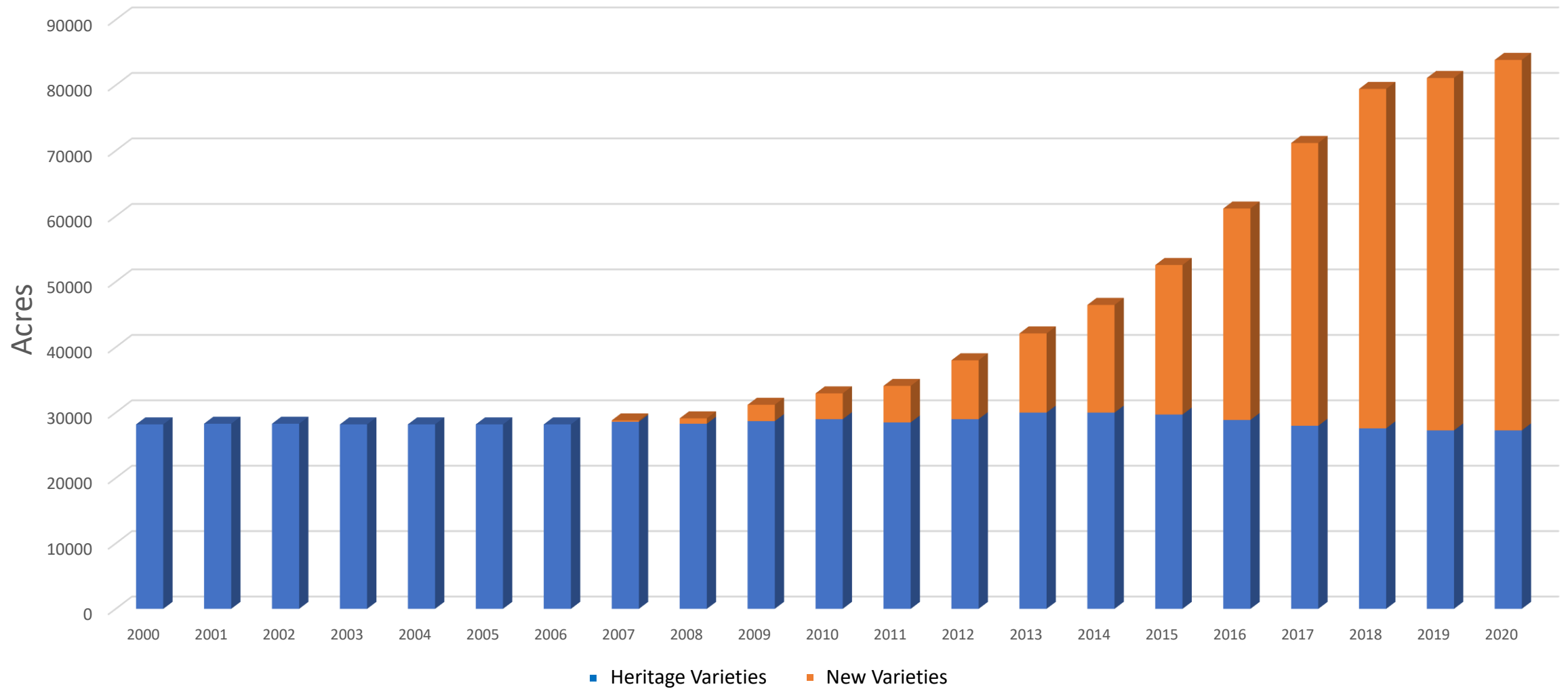
- Trivia -- Hazelnuts and St. Philbert. Hazelnuts became Oregon's state nut in 1989
- Oregon is home to 99% of the hazelnuts grown in the United States and about 5% of those grown in the world.
- The Oregon hazelnut industry is now in the midst of its largest expansion in our history, with acres nearly tripling since 2011
- Oregon boasts a rare combination of climate and soil perfect for hazelnuts to thrive
- Oregon hazelnuts have become a global benchmark for excellence, recognized for their safety, signature flavor, premium quality, and unparalleled size. They command a significant premium on the world market.
- There are 3 public Industry grower organizations. The Nut Growers Society, responsible for industry education; The Hazelnut Commission, responsible for agricultural research; The Hazelnut Marketing Board, responsible for promotion and market research. These branches share the Industry Office and its staff. In addition, Associated Oregon Hazelnut Industries is a privately funded organization responsible for political engagement and the Hazelnut Bargaining Association is a grower funded organization responsible for negotiating a minimum field under a federal marketing order.





-
- The first commercial orchard in Oregon was Dorris Ranch, founded in 1903 in Springfield
 - *Lulu Dorris, one of the founders of Dorris Ranch, photo date estimated mid 1910s.*

Oregon Hazelnut Acreage, 2000-2020



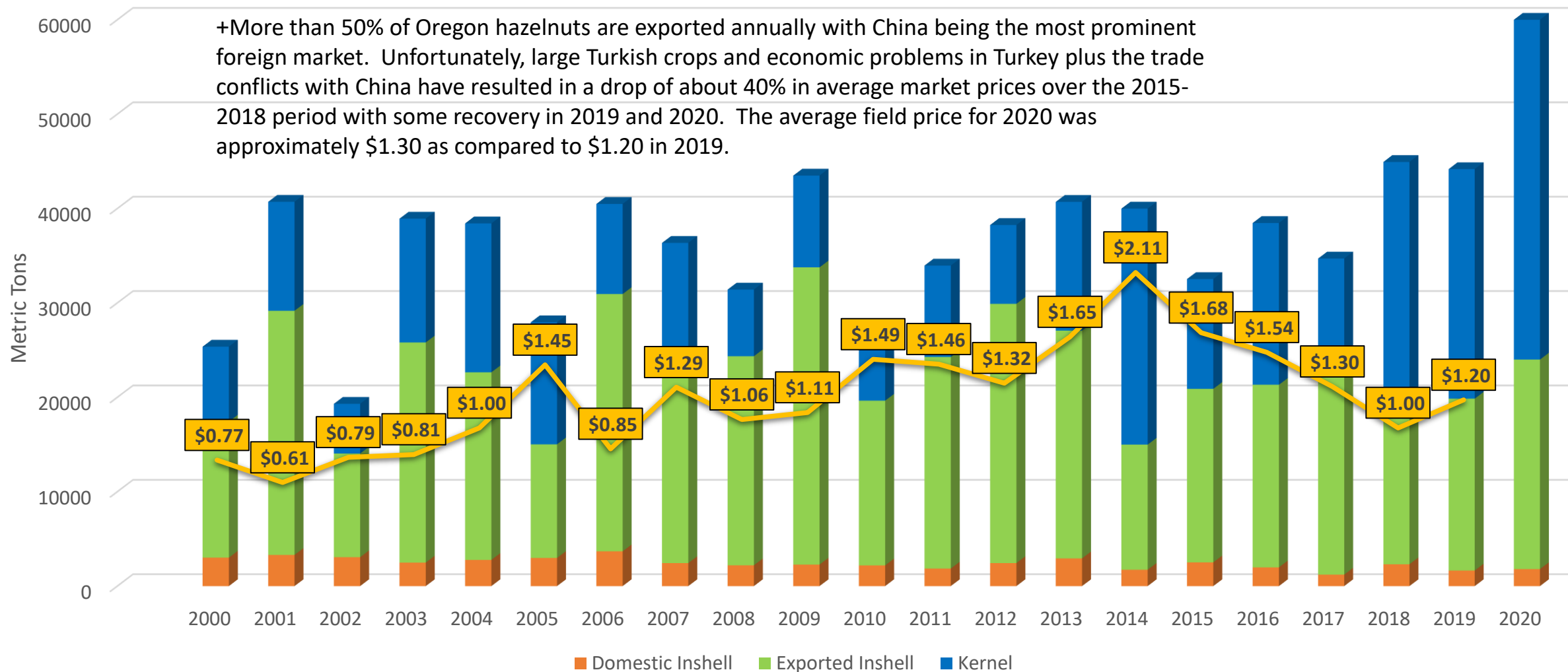
- There are at least 48 Receiving drying stations serving the industry with more being built. Most are family farm run operations that contract their services to one or more processors. There are also at least 8 hazelnut processors in Oregon including one CoOp. Most are experimenting with more value added manufacturing and domestic marketing due to uncertainty in export markets and prospect of increased margins.



TO MARKET TO MARKET

- We market based on quality, flavor, nutrition and health. FDA research has found that “consuming just 1.5 ounces of hazelnuts per day may help reduce the risk of cardiovascular disease” as part of a diet low in saturated fat and cholesterol
- The 2020 crop was a record at almost 58,000 tons. 2021 is expected to be down some due to the ice storm and normal bearing cycles. This compares to Turkey’s projected crop (the biggest grower) of around 800,000 tons. Oregon produces around 5-6% of the world crop
- Hazelnuts are marketed in two major categories, in shell and shelled kernels. In shell go mainly to China and kernels to a variety of markets in a myriad of forms such as sliced, diced and roasted with considerable attention now being paid to Oregon manufacture of finished products for retail sale.
- The largest hazelnut processor/candy maker in the world is Ferrero. They use more nuts than Oregon produces and will be a formidable competitor for Oregon manufacturers.

Oregon Hazelnut Crop and Historic Pricing (USD/Lb.), 2000-2020



Impact on Oregon

- \$84.8 million in value, 2019 crop
- Hazelnuts rank 6th in total production among all Oregon crops
- The growing community consists of an estimated 800+ families and farms located along the length of the Willamette Valley, spanning 85,000 + acres from Roseburg to Washington State. Many of these trees are just starting to bear nuts.
- The hazelnut industry is estimated to employ more than 1,000 Oregonians, from farm owners to orchard staff to processing facility and receiving station employees
- The total value growers received for their hazelnut crop has averaged nearly \$70 million over the last five years. This translates into a total economic impact of more than \$150 million in Oregon.
- Hazelnut Commission has contributed around \$30M toward research at Oregon State University and funded one endowed professorship. Second highest contribution among commodity commissions.



Hazelnuts and the Environment

- The Oregon Hazelnut Stewardship Program, developed over several years, launched in 2019 to compile information on farm practices, share what works and detail how hazelnut farmers are caring for natural resources and being good neighbors. Currently about 8% of the crop acreage has been entered with a goal of achieving 20% by the end of 2022
- Hazelnuts use less water and are more drought resistant than most annual crops. Massive root systems allow the trees to tolerate short term problems that would adversely affect annual crops. Drip irrigation is now common.
- Hazelnuts sequester more carbon than most annual crops, the extensive root systems help build and increase organic soil matter, removing carbon from the atmosphere each year. Growers are also experimenting with whole orchard recycling and cover crops that minimize erosion problems.
- Hazelnuts are classified by the USDA and Natural Resources Conservation Service (NRCS) as a riparian buffer zone species
- Large root systems are active most of the year (below frost line), allowing little nitrogen leaching
- We are also working hard on minimizing use of chemical tools. The world class OSU breeding program has

Whole Orchard Recycling





Industry challenges

Eastern Filbert Blight
and it's quarantine,
exotic pests

Urbanization - land
prices, ag practice
complaints, rural
commuter traffic,

Shipping availability

Climate change

Water availability

Tariffs

Regulations

Labor availability

International
competition – Turkey,
Chile, Italy, Central
Europe and maybe
China

Retirements in research
program staff

Helping Hands

How can Oregon Government Help our Industry

- Maintain the quarantine on east coast hazelnut trees
- Maintain the land use program, reduce non-farm uses in EFU zones.
- Keep our institutes of higher education strong with a focus on real world problems
- Simplify and rationalize rules and regulations consistent with worker safety and good stewardship.
- Prioritize environmental problems. Don't insist on perfection at the expense of the good.
- Properly maintain and improve transportation and electric power infrastructure
- Include science and agriculture in properly financed K12 educations. Give students experience in how things work in the real world. Field trips are not a waste.

WWW.OREGONHAZELNUTS.ORG



— *Oregon* —

HAZELNUTS