

BEYOND PLANTING THE TREES: American Black Walnut Industry Structure and Cooperative Producer Efforts

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Much of this conference covers the actual management of American Black walnuts in terms of management for healthy trees and a healthy nut crop. All of the topics addressed are key to being a good black walnut farmer. Of course things like nurturing your trees, keeping grass away from their trunks, and pruning to encourage fruit bearing -- are all very important -- but then what?

The purpose of this presentation is to encourage you to think about a bigger picture for the American Black walnut. Through demonstration projects and trials, genetic research, and technology transfer from the English walnut industry, incredible advancement is occurring -- from what was once a basically wild crop industry.

Your decision to raise black walnuts and your desire for knowledge about black walnuts is causing the industry to change. Things to consider as members of this unique industry are working together with other black walnut growers, capitalizing on the nutritional benefits of the American black walnut, and establishing a marketing strategy to inform the public about the environmental benefits of growing black walnuts.

A logical step or "branch in the tree" for the black walnut is to consider farmer cooperatives. Not the vertically integrated mega-merger cooperatives made up of mega farms, but rather farmer driven cooperatives formed to produce a higher quality product that can command a higher price.

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Cooperatives enable farmers to accomplish goals they could not otherwise achieve on their own. According to Brent Sorenson, CEO of FarmConnect, "farmers networking with one another through a co-op can cut across state lines, work together with other co-ops, and learn from one another. ...We see end-users benefiting from these alliances by connecting them to significant numbers of producers who are capable of supplying the quantity and quality of products they need, and benefiting farmer producers by identifying market niches and opportunities to add value to their production." (Farm Industry News, mid-March 2000, p.35) One of the largest nut co-ops today is Diamond Walnut which was started in 1912 and has grown to 2,000 members, most of which are small family farmers.

Once a solid group of black walnut growers has formed, either through a traditional co-op structure or a more informal means, this helps to provide a consistent supply of nut product to consumers. This in turn creates the need for some types of marketing strategies to educate the consumer and help them become aware of all the benefits of the American black walnut.

Just about anything in the marketplace that demonstrates positive health benefits will receive attention by consumers. The beneficial nutritional nature of the American black walnut is a very unique but probably not very well known aspect that could certainly be capitalized upon in terms of marketing the product to consumers. Black walnuts are not only high in unsaturated fats that lower "bad" cholesterol but they are also high in DHA Omega-3 which is vital for a healthy heart and for brain and eye development and function. Gold Circle Farms in Boulder, Colorado has been very successful in marketing their vegetarian fed, hormone free, cage free, high in DHA Omega-3 eggs; and they do command a price premium.

From an environmental perspective, American black walnut producers could consider the recently proposed new national standards for organic foods. Agriculture Secretary, Dan Glickman recently stated that the standards, which are expected to go into effect later this year, will be the "most comprehensive, strictest organic rules in the world" and will

smooth the way for U.S. farmers to sell organic food in Europe and other foreign markets. Products grown and processed according to the standards will be allowed to carry a seal of approval that says "USDA Certified Organic." The stark contrast between the heavy chemical use for English walnut production, versus very little to no chemical used for black walnut production, could easily be exploited in the marketplace. Organic foods are purchased by a small group of consumers but food safety concerns are making organically grown products much more attractive to the average consumer. See the USDA Ag. Marketing Service web site - <http://www.ams.usda.gov/nop/> for more information.

Sustainable farming practices are also receiving support from consumers in the marketplace. Recent nationwide consumer attitude surveys commissioned by The Food Alliance, a small non-profit organization located in the Pacific-Northwest, revealed that about 52% of the consumer population cares about the environment in some way. The other 48% are either overwhelmed when it comes to environmental issues, or just unconcerned. (The Hartman Group, 1997)

An increasingly popular way to make consumers aware of unique environmental aspects of a particular product is through the use of eco-labels. The most popular eco-label in use today is the leaping dolphin silhouette printed on some brands of canned tuna fish, which is supposed to inform the consumer that dolphin-safe methods of tuna fishing are used by that company.

The use of an eco-label enables producers to claim a unique niche in the marketplace. The Food Alliance has developed guidelines and certification requirements that enable farmers certified by TFA to use the "TFA seal of approval" on their products. Products bearing the "TFA seal of approval" meet the following criteria: grown using sustainable practices under an approved conservation plan, grown with low inputs, and grown under humane working conditions for farm labor and healthy conditions for farm animals.

Research done in conjunction with TFA last March in Portland, Oregon grocery stores validated that consumer attitudes about the environment as it affects their food were consistent with their behavior. Attitude question responses revealed that 95% of grocery store customers believed "there is a connection between health of the environment and their own well-being"; 85% believed "products that claim to be environmentally friendly should be certified as such". When asked how strongly they agreed or disagreed with various statements, 87% agreed that "How food is grown affects the environment" and 61% were "willing to pay more for products grown in an environmentally responsible manner". To ascertain whether these attitudes influenced customer shopping behavior, environmental attitude was measured with an environmental concern scale and showed a small but significant relationship with behavior measured by observing grocery store customer behavior in the produce section of the grocery stores studied. See the NRCS Applied Psychology web site - <http://people.nrcs.wisc.edu/SSIEnvPsy/nrcs/index.shtml> for more details.

Currently, The Food Alliance works with western and Pacific-Northwest farmers and ranchers. However, they are hoping their labeling efforts will spread nationwide. American Black walnut producers interested in pursuing an eco-label campaign should contact the TFA. Sample application packets will be available during the conference. See the TFA web site - <http://www.thefoodalliance.org> for more details.

In summary, the structure of the American black walnut industry is changing in ways that will require producers to work together. Cooperation between producers will enable the sharing of ideas, technology, production quality control, price negotiations, monitoring, and marketing of the beneficial health and environmental aspects of such a unique crop. Growing concern for the environment and personal health among consumers could provide black walnut producers with an opportunity to prosper -- if planning and coordination start now.