



A NEW APPROACH TO MARKETING OREGON HAZELNUTS

Oregon hazelnut marketing needs to change. We have tripled acreage since 2012 and will plant more in the next five years. However, our industry marketing efforts have not increased the price or grown the hazelnut market despite spending millions in assessment and government dollars over ten years. *The Hazelnut Marketing Board is not the structured properly to improve returns to growers.*

Oregon hazelnuts resemble the pistachio industry more than the almond and walnut industries. Wonderful Pistachios has 50% market share followed by a dozen smaller handlers. Pistachios have a federal marketing order like ours but their board only collects data for reports and enforces quality standards. Pistachios used to have a state-level marketing order but it lost support of Wonderful Pistachios and was dissolved in 2007.

Since then, industry marketing of pistachios has been run by the American Pistachio Growers (APG), a private 501(c)6 organization that can market and lobby. APG is a private association funded by voluntary grower assessment. Wonderful Pistachios is not part of APG and does its own marketing. Many of the remaining 50% of pistachio growers contribute to APG by their choice.

In contrast, California almond and walnut industries each have 100 handlers. Their boards are democratically elected and, with no single dominant processor, the handlers' interests are mostly aligned.

In Oregon we have 4 main handlers with one representing 70% of the market. It is reasonable to expect the large packer to prefer marketing directly rather than collectively, like Wonderful Pistachios does. Processors with less market share benefit more from collective marketing but pay less in assessment or hold fewer board seats. Handlers are reluctant to share their strategies with direct competition, which bogs down development of marketing initiatives. In short, the Hazelnut Marketing Board structure does not lend itself to success.

The Hazelnut Marketing Board is funded by handler assessment and controlled by USDA. This assessment reduces the funds available to pay growers, but it isn't controlled by growers. While handlers know how to promote and sell, it is the grower who is the ultimate winner or loser in the marketplace. Handlers earn the same amount whether the field price is \$.50/pound or \$2.00/pound. While the federal marketing order itself is very beneficial for growers, running marketing programs through their oversight introduces significant red tape. *It is best for growers to choose who and what to pay for marketing and lobbying efforts as they will be the beneficiaries.*

Let's rethink how we use our industry organizations. The Hazelnut Marketing Board should perform its core roles: collecting data and enforcing quality standards. Oregon hazelnut lobbying and marketing efforts should move outside the government structure into a private, voluntarily funded organization.

The Oregon industry has a private 501(c)6 organization like APG which can lobby and launch marketing initiatives: the Association of Oregon Hazelnut Industries (AOHI). It's not a government body and is funded by membership dues. Historically it has hired a lobbyist in Salem to defend against bills that could be harmful to our industry. Its role has been strictly defensive, reacting to local legislation or emergencies. The current AOHI board is converting it to a proactive organization investing in "offense", pursuing bills and government funding in our interests, both at the state and federal levels.

As a private entity, AOHI has flexibility that the Marketing Board or Oregon Hazelnut Commission do not. It can lobby, market, apply for grants and manage finances as a non-profit trade association. AOHI receives income from vendor booths at the NGS summer and winter meetings as well as through membership dues. At the May 21, 2025 meeting, AOHI established membership dues for growers, suppliers and handlers at fixed levels. These dues are a start but will not produce enough funds to support a sustainable organization.

To make an impact, assessment income is necessary. And, for the best alignment of interests, the organization should be voluntarily funded by growers. In pistachios APG member growers pay \$.035/pound in voluntary assessment. The high hurdle ensures that membership sees value in APG's activities. A hazelnut assessment would be lower and, potentially, be funded by a reduction in HMB handler assessment. This shift could be facilitated by lowering the packer margin in the bargaining association by the same amount, if member packers agree to. It would be prudent to make the shift over time, allowing stakeholders to inform the grower community and develop a shared vision for the organization. The selection of staff for a hazelnut marketing association is driven by the goals of the organization.

Unlike California tree nuts, Oregon hazelnuts make up a small percentage of their global market. As such, the highest return on investment may be in lobbying. Instead of promoting in a market where we lack control, we can take other measures to improve our position. In the US, we face uneven tariffs compared to Turkey and other tree nuts. EFB makes farming here more costly. We also have a federal government that wields significant power over other nations. We just need to make our position heard.

Realigning our industry organizations to private, grower supported initiatives and away from government controlled, tax-funded programs will make our industry stronger. By removing a dysfunctional structure, we can pursue many opportunities to improve returns for growers.

At Willamette Hazelnut we are working to change the industry so that it works for growers. If you want to join our cause or have questions, please contact us.