

Ex-6

**Hazelnut Hearing Testimony by Essence Hales, Economist, USDA/AMS/SCP/PED  
October 18, 2016**

My name is Essence Hales (E-S-S-E-N-CE H-A-L-E-S). From September 2015 to the present I have worked as an agricultural economist for the U.S. Department of Agriculture Agricultural Marketing Service, Specialty Crops Program, Promotion and Economics Division. My duties include preparing economic and statistical analyses, which are used by government officials to help administer Federal programs for fruits, vegetables and other specialty crops. A large part of my work is related to Federal marketing order issues. Prior to working for the Agricultural Marketing Service, I worked for the Foreign Agricultural Service.

For this hearing on Hazelnuts, I prepared a report titled "U.S. Hazelnuts Crop Years: 2000 through 2015." One data source is the National Agricultural Statistics Service of the U.S. Department of Agriculture (referred to by its acronym NASS). The other is the Foreign Agricultural Service of the USDA, which is referred to by its acronym, FAS. The purpose of this report is to introduce U.S. government data and other relevant information into the hearing record. These tables and graphs are intended to be used by all parties involved in the hearing, in discussing and analyzing the merits of the various proposed amendments.

In the report, tables and graphs are shown for U.S. hazelnuts, which are primarily produced in Oregon. The table of contents appears on page 2. Pages three through seven include tables presenting hazelnut production, sales, price, crop value and international trade statistical data. All subsequent pages include graphs corresponding to the data in the tables.

**Bearing Acres:**

Figure 1 on page seven shows the total bearing acres. Bearing acres reached a fifteen-year high during the 2013/14 crop year at 30,000 (thirty thousand) acres for the total U.S. Since the 2013/14 crop year, bearing acres have held steady. For the 2015/16 crop year, bearing acres

were also reported at 30,000 (thirty thousand) acres. The 2015/16 bearing acreage is up 2.4 percent in comparison to the historical five year average.

**Yield:**

Figure 2 on page seven shows the average hazelnut yield in tons per acre. The average yield has varied greatly over the past 15 crop years with the fifteen-year average yield being 1.23 tons per acre. Average yields reached a high of 1.71 tons per acre during the 2001/02, crop year. The lowest yield occurred during the 2002/03 crop year at 0.67 tons per acre. The 2015/16 crop year had a yield of 1.03 tons per acre, down almost 14 percent from the 2014/15 crop year and down 17 percent compared to the previous five-year average.

**Quantity of Hazelnuts:**

Figure 3 on page eight shows the total quantity of hazelnuts. The quantity of hazelnuts has varied over the past 15 crop years. The graph also shows the typical alternate bearing nature of hazelnuts where one year will have a large crop of hazelnuts, followed by a smaller crop the next year. Quantity of hazelnuts reached a high during the 2001/02 crop year at 48,000 (fourty-eight thousand) tons. For the 2015/16 crop year, the quantity of hazelnuts was reported at 31,000 (thirty-one thousand) tons, down 14 percent compared to the 2014/15 crop year and down 15 percent compared to the previous five-year average.

**Price of Hazelnuts:**

Figure 4 on page eight shows the average prices received by growers. Prices have steadily increased during the past 15 crop years. The season average price received by growers was the lowest during the 2001/02 crop year at \$701 (seven hundred one dollars) per ton. In the past 12 years, the price of hazelnuts has increased by more than three and a half times the price received by growers in the 2001/02 crop year. The season average price for hazelnuts in the 2015/16 crop year was reported at \$2,800 (two thousand, eight hundred dollars) per ton, down 22

percent compared to the 2014/15 crop year but up 9 percent compared to the previous five-year average.

**Value of Hazelnuts:**

Figure 5 on page nine shows the total value of production for hazelnuts. Total value of production was calculated by taking the quantity of hazelnuts multiplied by the season average price received by growers. The total value of production has followed a similar upward trend as grower prices. The total value of production was the lowest during the 2002/03 crop year at \$19,500,000 (nineteen million, five hundred thousand dollars). For the 2015/16 crop year, the total value of production of hazelnuts was \$86,800,000 (eighty-six million, eight hundred thousand dollars), more than quadruple the value of the 2002/03 crop. The total value of production for the 2015/16 crop year was down 33 percent compared to the 2014/15 crop year and down 8 percent compared to the previous five-year average.

**Value of Hazelnut Imports:**

Figure 6 on page nine shows the total value of hazelnut imports. The total value of hazelnut imports have varied during the past 15 seasons. The 2015/16 value of hazelnut imports was \$37,816,000 (thirty-seven million, eight-hundred sixteen thousand dollars) down 10 percent from 2014/15 and down 6 percent from the historical five-year average.

**Value of Hazelnut Exports:**

Figure 7 on page ten shows the total value of hazelnut exports. The total value of hazelnut exports has varied over the last 15 seasons. The value of exports for 2015/16 was \$76,557,000 (seventy-six million, five-hundred fifty-seven thousand dollars) down 35 percent from the 2014/15 season and down 19 percent from the historical five year average.

This concludes my testimony.