

# Hazelnut production booming in mid-valley

- ALBANY DEMOCRAT-HERALD
- [ALEX PAUL Albany Democrat-Herald](#)
- Sep 25, 2016

SWEET HOME — After a 36-year career with the Cenex and Wilco agricultural cooperatives, Steve Nyseth knew he couldn't just sit still in retirement.

So he and his wife Lorrie spent nearly two years searching the Willamette Valley for a small farm that would keep them busy, plus serve as a gathering place for their three grown children and four grandchildren.

Their search led them to 105 acres about one mile east of the Crawfordsville Market on Highway 228. And now, Nyseth, who grew up in a logging and wood products family in the McKenzie Valley, has joined the ranks of a rapidly growing sector of Oregon farmers: some 650 hazelnut growing families.

According to Oregon State University, hazelnut production in Oregon — primarily the Willamette Valley — encompasses more than 52,000 acres, with about 5,000 acres of new orchards being added annually.

Since 1989, the hazelnut has been the official state nut.

“I knew I was going to retire and we wanted something to do,” said Nyseth, 59. “I had considered hazelnuts for a long time, but was concerned about blight, but now, there are several blight-resistant varieties.”

Nyseth said he and Lorrie considered an established orchard planted to the Barcelona variety, but the farm they bought offered them more opportunity. Of its 105 acres, 90 are irrigated. An existing pump drew water from the Calapooia River and the irrigation system was in place, although it needed to be overhauled.

Last December the Nyseths and their son, Curtis, who lives in Southern Oregon, hand-planted 8,000 blight-resistant Jefferson variety hazelnut trees.

The work took two months.

“We planted them 12 feet apart in 20-foot wide rows,” Nyseth said. “In 10 to 12 years we will take out every other tree, giving us a spacing of 20-by-24-feet. For six to eight years we should get double production while the yield builds up.”

Nyseth said the thinning process is necessary to remove excess limb and leaf canopy as the trees mature.

A hardy tree

Hazelnuts — also called filberts — bloom and pollinate in the winter and the nuts grow in the spring. They ripen until they naturally fall off the trees. Then they're swept into windrows and harvested.

Orchards can bear nuts for 50 to 80 years if properly tended.

In the United States, hazelnuts are grown as trees, but in many other countries, they are cultivated as a bush.

While the long-term outlook for hazelnut production profitability is good, the drawback is that it takes three to five years before trees begin to bear harvestable nuts, starting with a few hundred pounds per acre.

But as the trees mature, yields can range from 2,000 to 4,000 pounds per acre, depending on soil conditions, weather and farm practices. With prices ranging from \$1 or more per pound, the Nyseths and other mid-valley farmers seeking to diversify their cash flows should see significant opportunities for profit as their orchards mature.

“We topped the plantings at 32 inches so they would put out scaffold branches,” Nyseth said.

They also wrapped the lower portions of the plantings to deter voles, provide protection against herbicides and to decrease sun scald on the new plants.

Nyseth said he lost about 5 percent of the plantings — 400-plus — and will replace them this year.

“I love it,” he said. “I enjoy learning new things, having a new challenge. We knew nothing about this when we started.”

Nyseth said that with irrigation — he and Lorrie moved 122 pieces of aluminum pipe twice a day this summer — he hopes to get a small crop in four years.

Although irrigation isn’t mandatory, Nyseth was surprised as how quickly the plantings seemed to dry out in the spring once warm weather set in.

“I was a little late getting the irrigation going in June, but the trees seemed to perk up overnight once we put water to them, so it does help,” he said.

Nyseth said the orchard is his way of being with his three grown children, Curtis, Ryan and Katie, and four grandchildren.

The family also operates an irrigated alfalfa farm near Klamath Falls.

“I always have something to do,” Nyseth said.

A growing industry

Nik Wiman is the OSU Extension hazelnut specialist based at the North Willamette Research and Extension Center near Aurora.

Wiman said that according to Michael McDaniel at Pacific Ag Survey, there were about 45,471 acres of hazelnuts in Oregon in 2015 and 52,707 in 2016. Of those, 17,225 acres are from one to five years old and 5,608 are from six to 10 years old.

Wiman said there are nearly 30,000 acres of mature orchards that “provide most of the production and tend to be blighted orchards.”

Hazelnut production in Oregon in 2015 was estimated at 39,000 tons, an 8 percent increase over 2014, according to the Agricultural Marketing Resource Center.

Marion County has the most hazelnut acreage of all ages, with 11,157 acres followed closely by Yamhill at 10,691 acres. Others are Benton: 1,398; Linn: 3,441; Clackamas, 5,154; Douglas: 312; Lane, 4,028; Polk, 3,520; and Washington, 5,620.

“Marion County is really hopping as is much of the south valley because that’s where we have the most land available,” Wiman said. “Also, we’re seeing grass seed farmers moving some of their acres into hazelnuts to diversify.”

But, he said, some of those new orchards are being planted on “marginal ground,” which creates unknowns as to their long-term viability.

“On some of those poorer soils, irrigation becomes even more important,” Wiman said. “And, we’ve seen some other issues such as diseases and pests in the poorer soil areas.”

Wiman spent a lot of time this summer on farms from north to south looking for problem areas. He said as with grass seed and Douglas fir or pine tree farms, voles can cause extensive damage to new plantings.

“I’ve been on this job for a year and it has definitely been a learning curve,” Wiman said.

According to Wiman, it isn't far-fetched to predict Oregon's hazelnut industry to grow to as many as 100,000 to 150,000 acres in the next 10 to 20 years.

He said Oregon State University has been a leader in research of blight-resistant hazelnut varieties during the past 30 years and several varieties are now available, including, among others Jefferson, Yamhill and Dorris.

"There has been a lot of concern about blight starting with the Eastern Filbert Blight that was identified in Oregon in the 1960s, but there really are different forms of disease present on the East Coast," Wiman said.

About 99 percent of hazelnuts produced in the United States come from Oregon and 1 percent comes from Washington state, but combined, U.S. hazelnut growers account for only 3 percent of worldwide production.

#### Going to market

Hazelnuts are an ancient crop, dating back to 7,500 B.C., and they have a long history in Oregon dating to the mid-1800s.

Most hazelnuts are grown in Turkey, Italy, Spain and Greece and nearly all major production is near a large body of water, which tends to moderate climates.

"There are two key markets for hazelnuts," Wiman said. "Buyers for nuts in the shell want size and buyers of kernels are more concerned with flavor and quality since they are going to be used to make chocolate (items)."

Growers in the United States export most of their product to Canada, Vietnam and Hong Kong totaling almost \$118 million in sales in 2014-15. But the U.S. also imported more than \$42 million worth of hazelnuts in 2015.

Earlier this month, the McMinnville-based Hazelnut Growers Bargaining Association, reached an agreement with packers to set the initial price of field-run hazelnuts at \$1.18 per pound.

According to a prepared statement, the price is the third highest minimum ever, but is down slightly from the \$1.22 mark of a year ago. The highest minimum to date is \$1.70 per pound in 2014.

Terry Ross, a growers' representative, said factors in setting the price included a solid crop from Turkey, a "decent" carryover and an ample supply of other nuts such as almonds, walnuts and pecans.

The United States Department of Agriculture estimates the 2016 harvest at 38,000 tons, about 7,000 tons more than last year. The 2015 crop was affected by extreme drought.

As with all agricultural production, mid-valley businesses are seeing a benefit of increased hazelnut production.

Carl Laux, regional sales manager for Pape' Machinery in Tangent, said the company has imported 10 machines that windrow hazelnuts on the ground, harvest them and load them in carts, all in one pass.

"It is built in northwest Italy and is brand new technology we hadn't seen until this year," Laux said. "Currently nut growers have to sweep and then make another pass to harvest the nuts."

Thursday afternoon, Laux and a representative of the Italian company Monchiero, demonstrated the machine at the Jason Whitehead farm near Scio.

"We've been really busy demonstrating this," Laux said. "It will greatly reduce costs for producers."

Laux said three units have been sold so far with a price tag in the \$155,000 range, but that could be recouped quickly through reduced harvesting costs for fuel, labor and equipment wear and tear.

Laux said the machine features a 130-horsepower diesel engine manufactured by John Deere, which has been a partner with Monchiero for decades.

"There seems to be a new hazelnut orchard popping up around every corner," Laux said of potential for new equipment sales.

