



# Market Challenges and Opportunities for Upper Midwest Hybrid Hazelnuts

**CONSTANCE CARLSON**

**2019 UPPER MIDWEST HAZELNUT CONFERENCE,  
EAU CLAIRE**



# RSDP Project Story Map

Regional Sustainable Development Partnerships In Action   




All Projects

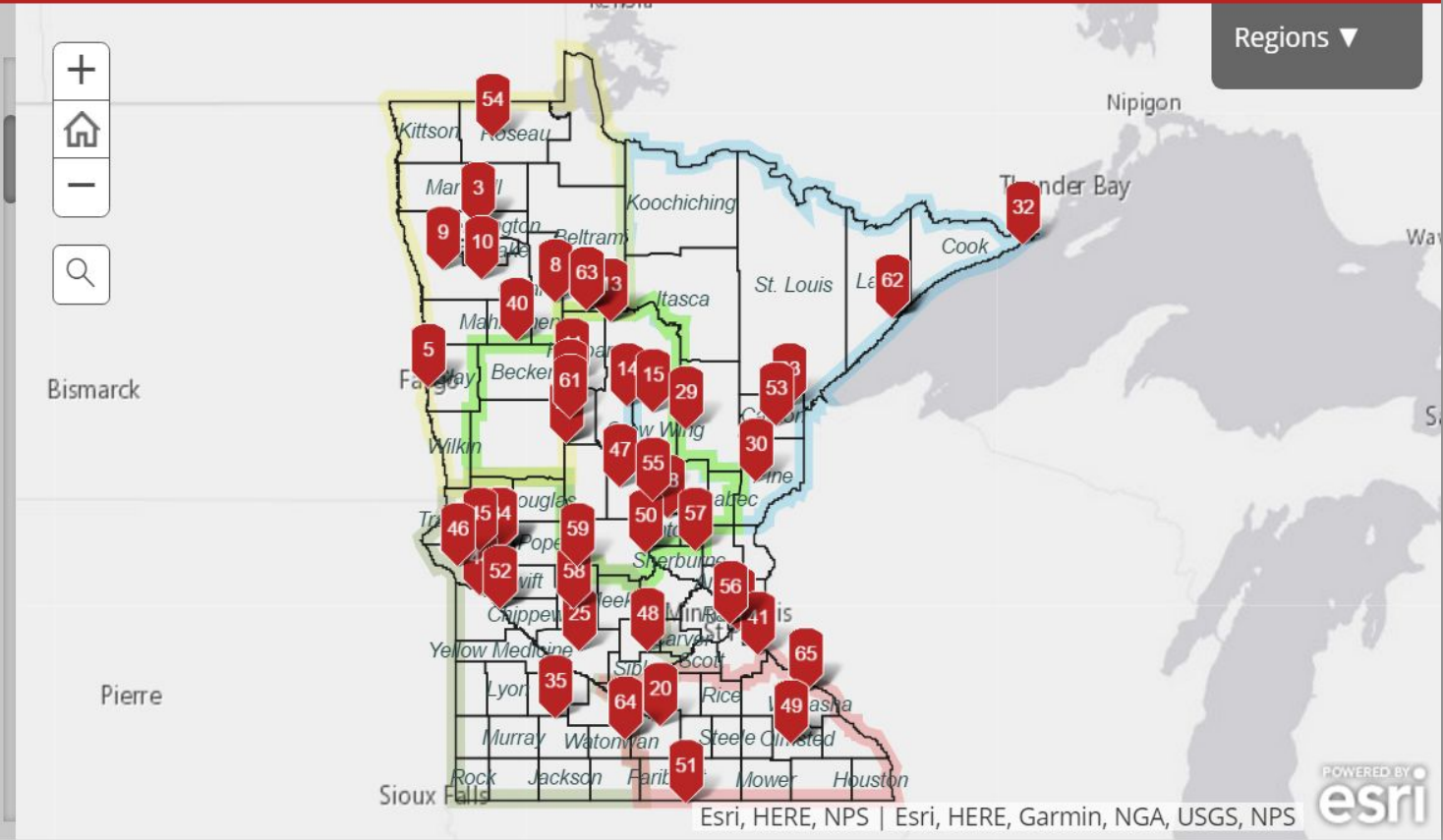
Clean Energy

Sustainable Agriculture and Food Systems

Sustainable Tourism and Resilient Communities



 <p><b>4</b> Deep Winter Greenhouse (DWG)...</p>	 <p><b>5</b> Growing Together Internships</p>	 <p><b>6</b> Healthy Habits Community Garden</p>
 <p><b>7</b> Mayor's Monarch Pledge</p>	 <p><b>8</b> Sustainable Farming Association (SFA)...</p>	 <p><b>9</b> SNAP Ed Community Partnership</p>
 <p><b>10</b> Spindle-pruning Apple Trees in High Tunnel</p>	 <p><b>11</b> Sponsorships and Scholarships</p>	 <p><b>12</b> 10 Plants That Changed Minnesota Teacher...</p>
		





### Overview

American hazelnuts (*Corylus americana*) have the **disease resistance and cold-hardiness** needed for the Upper Midwest, where they are native. Their hybrids with the larger-fruited, thinner-shelled European hazelnut (*C. avellana*), combine the best traits of the two species. The soil and water quality benefits of growing hazelnuts are enhanced by their long life-span and bushy growth form, which makes them especially valuable in **windbreaks, shelterbelts and living snow fences**, where, in addition to adding economic value to these conservation features, they provide **habitat for shrub land bird species**. **Global market demand** for these flavorful and healthful nuts far exceeds supply. Their oil has nutritional and culinary qualities **similar to olive oil**, and can be used for moisturizing skin. Growers in our region routinely sell out at farmers markets. However, none of these growers are reaping a profit because of excessively variable germplasm quality combined with high processing costs, which is partly due to this variable germplasm quality. Addressing these challenges are two of the objectives of our research, along with developing growing and post-harvest handling recommendations. This work is being done with partners in Wisconsin and Iowa, under the auspices of the Upper Midwest Hazelnut Development Initiative (UMDHI). [www.midwesthazelnuts.org](http://www.midwesthazelnuts.org)



### PILOT STUDIES

The first cohort of advanced selections will become available for on-farm testing in fall 2017. They will be targeted to 1) Central Minnesota, where sandy soils and high water tables make nitrate leaching a particular concern, and where hazelnuts would be suitable for wellhead protection areas; 2) the Minnesota River Basin as an option for buffer plantings to address water quality issues, and 3) the Driftless Region as an option in contour or hedgerow plantings to stop erosion and keep soil out of rivers. All will generate economic profit at the same time as enhancing conservation.

## Forever Green Initiative: NATIVE AND HYBRID HAZELNUTS

A potential perennial food crop for Minnesota

More information:  
Don Wyse: [wysex001@umn.edu](mailto:wysex001@umn.edu)  
[www.forevergreen.umn.edu](http://www.forevergreen.umn.edu)



College of Food, Agricultural  
and Natural Resource Sciences  
UNIVERSITY OF MINNESOTA

“Professor Don Wyse said hazelnuts are a long-standing subject of university research and among a group of plants viewed as ‘the next generation of crops for the Minnesota landscape.’ The university is scouting for perennials that can generate farm income and help the environment with a ‘continuous living cover on the landscape.’”

-- St. Paul Pioneer Press, Oct. 6, 2011  
*University of Minnesota grant backs not-so-nutty idea to make hazelnuts pay as crop*



# CHAMPIONS FOR HAZELNUTS

- Continuous communication with researchers, breeders, growers, processors, end-users
- Grant-writing, Funding
- Materials, Tools and Resources Development
- Outreach, Relationship and Partnership Development
- **Identifying Other Champions**



Photo: Constance Carlson

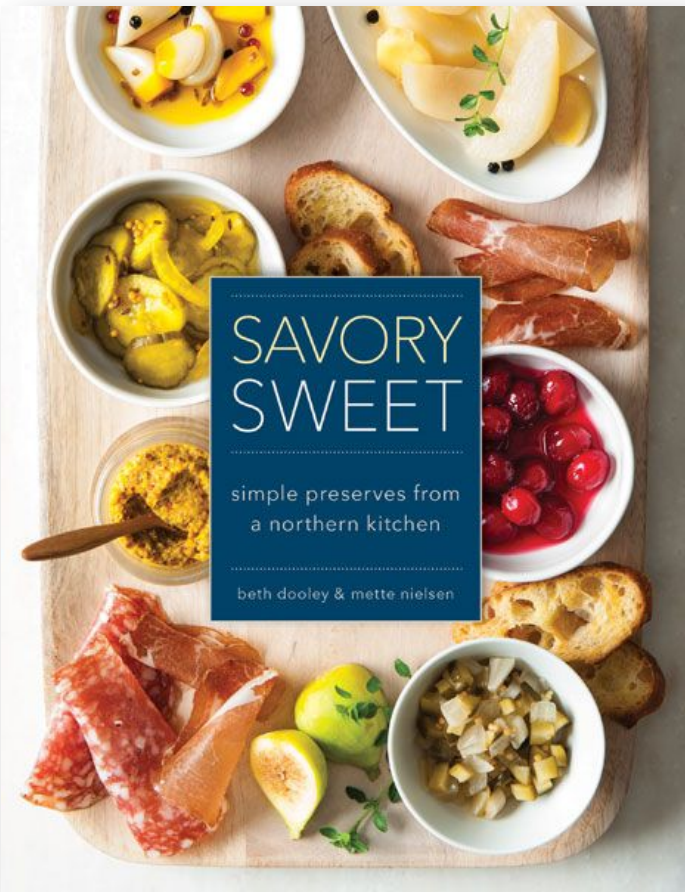
# WHO ARE THE CHAMPIONS?



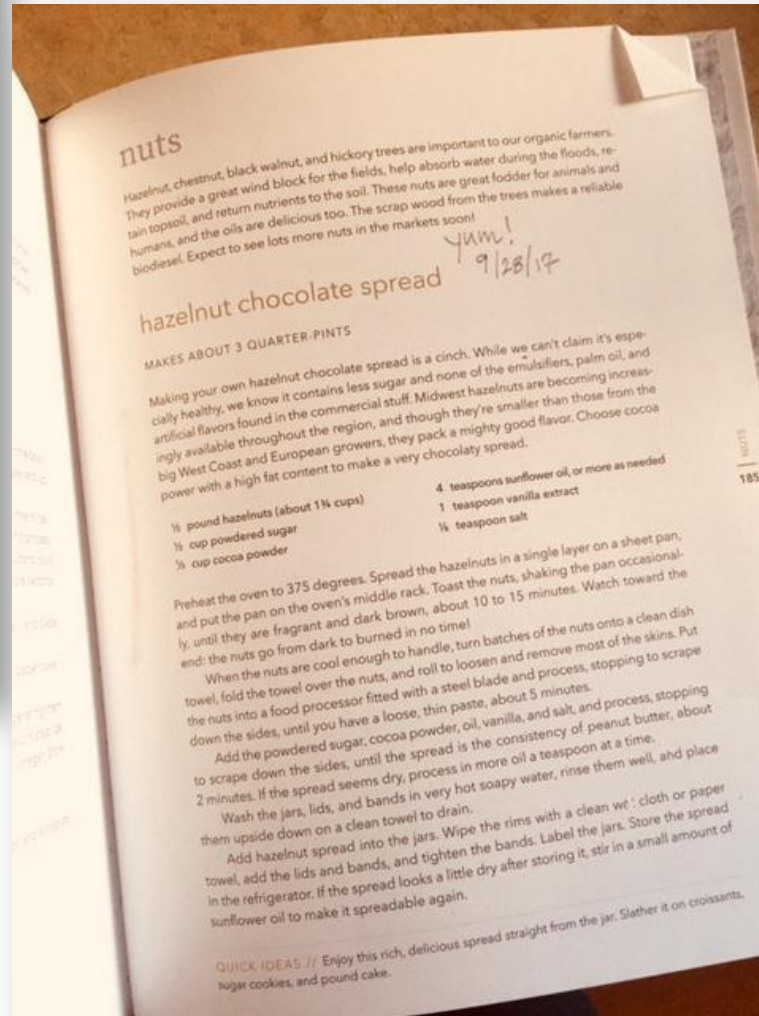
Photo: Growing Acres Conference, Austin, MN

- Understand the product –the ecological and economic benefits
- Understand the risks (time, scale, efficiency, price)
- Some are willing to be early adopters, testers.
- A relationship is built through listening, time and trust
- **Champions carry The Message to their audiences**





**SAVORY  
SWEET**  
simple preserves from  
a northern kitchen  
beth dooley & mette nielsen



nuts

Hazelnut, chestnut, black walnut, and hickory trees are important to our organic farmers. They provide a great wind block for the fields, help absorb water during the floods, retain topsoil, and return nutrients to the soil. These nuts are great fodder for animals and humans, and the oils are delicious too. The scrap wood from the trees makes a reliable biodiesel. Expect to see lots more nuts in the markets soon!

hazelnut chocolate spread

yum!  
9/28/17

MAKES ABOUT 3 QUARTER-PINTS

Making your own hazelnut chocolate spread is a cinch. While we can't claim it's especially healthy, we know it contains less sugar and none of the emulsifiers, palm oil, and artificial flavors found in the commercial stuff. Midwest hazelnuts are becoming increasingly available throughout the region, and though they're smaller than those from the big West Coast and European growers, they pack a mighty good flavor. Choose cocoa powder with a high fat content to make a very chocolaty spread.

- 1/2 pound hazelnuts (about 1 1/4 cups)
- 1/2 cup powdered sugar
- 1/2 cup cocoa powder
- 4 teaspoons sunflower oil, or more as needed
- 1 teaspoon vanilla extract
- 1/2 teaspoon salt

Preheat the oven to 375 degrees. Spread the hazelnuts in a single layer on a sheet pan, and put the pan on the oven's middle rack. Toast the nuts, shaking the pan occasionally, until they are fragrant and dark brown, about 10 to 15 minutes. Watch toward the end: the nuts go from dark to burned in no time!

When the nuts are cool enough to handle, turn batches of the nuts onto a clean dish or towel, fold the towel over the nuts, and roll to loosen and remove most of the skins. Put the nuts into a food processor fitted with a steel blade and process, stopping to scrape down the sides, until you have a loose, thin paste, about 5 minutes.

Add the powdered sugar, cocoa powder, oil, vanilla, and salt, and process, stopping to scrape down the sides, until the spread is the consistency of peanut butter, about 2 minutes. If the spread seems dry, process in more oil a teaspoon at a time.

Wash the jars, lids, and bands in very hot soapy water, rinse them well, and place them upside down on a clean towel to drain.

Add hazelnut spread into the jars. Wipe the rims with a clean wet cloth or paper towel, add the lids and bands, and tighten the bands. Label the jars. Store the spread in the refrigerator. If the spread looks a little dry after storing it, stir in a small amount of sunflower oil to make it spreadable again.

QUICK IDEAS // Enjoy this rich, delicious spread straight from the jar. Slather it on croissants, sugar cookies, and pound cake.



“Hazelnut [s]...are important to our organic farmers. They provide a great wind block for the fields, help absorb water during the floods, retain topsoil, and return nutrients to the soil. These nuts are great fodder for animals and humans, and the oils are delicious too. The scrap wood from the trees makes a reliable biodiesel. Expect to see lots more nuts in the markets soon!”  
– Beth Dooley, *Savory Sweet*



# Products



Almond Cherry &  
Coconut  
Gustola Granola  
\$7.99

ADD TO CART



Cashew Pecan & Almond  
Gustola Granola  
\$7.99

ADD TO CART



Hazelnut Walnut  
Blueberry & Cranberry  
Gustola Granola  
\$7.99

ADD TO CART



Pistachio Pumpkin Seed  
Coconut & Cherry  
Gustola Granola  
\$7.99

ADD TO CART

**“Supporting local agriculture, sourcing our ingredients from as close to home as possible, and using crops with **ecological benefits**, are important to our company, the quality of our products, and **help differentiate us** from the competition. Not only would we appreciate having the option to use hazelnuts sourced from MN, and be able to tell this story...**many of our customers would see this as a value-add.**”**



-- Angela,  
Gustola Granola,  
Minneapolis



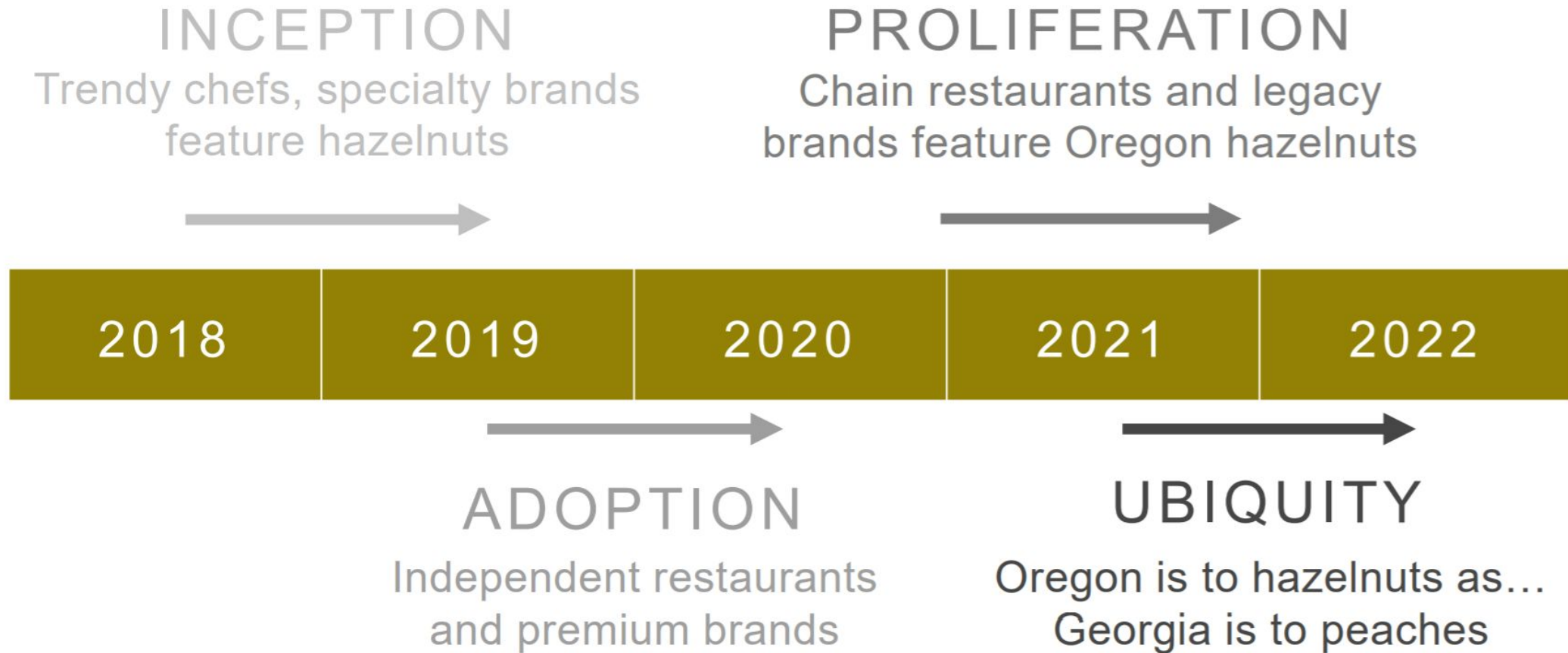
# INDUSTRY START-UP CHALLENGES

- Last complete grower survey: 2011
- Still developing that “perfect plant”
- Inconsistent supply
- Inefficient supply chain
- Inconsistent resources to support and stabilize research and development
- Market competition from Oregon; global markets





# Oregon Hazelnuts: Five-Year Marketing Strategy



Source: Discover Oregon Hazelnuts – Oregon Hazelnut Commission



# MIDWEST INDUSTRY OPPORTUNITIES

- Consumers love hazelnuts & know what they are
- Growing Team of Champions
- Continual shift in consumer buying trends favors hazelnuts
- Upper Midwest hazelnuts are a great story
- Research, cooperation and expertise continues to come together
- Strong entrepreneurial ecosystem





Hazelnuts From the Upper Midwest  
Learn with us, grow with us, and now **buy** from us!



# PRODUCTS & MARKETS

## Oil (8 oz)

- Web
- Retail (Co-op)
- Restaurants
- Gourmet Oil (bottles & bulk)

## Flour

- Web
- Bakers (bulk)

## Kernels (limited)

- Web
- Restaurants



Photo: American Hazelnut Company



# MARKET RESPONSE

- Gourmet Oil Stores “get it”
- Retail shelf competition for oil is fierce.
- Strong interest in flour from retail and from bakers.
- Markets are interested in the story
  - Ramping up our ability to tell the story



## Wisconsin

Bayfield Apple Company, Bayfield  
Braise Restaurant, Milwaukee  
Brownstone Centre, Bayfield  
Chequamegon Food Co-op, Ashland  
Freehands Farm, Ashland  
Gays Mills Exchange Co-Op, Gays Mills  
Harvest Restaurant, Madison  
Hayward Mercantile, Hayward  
Hillcrest Orchard, Gays Mills  
Kickapoo Orchard, Gays Mills  
Lund Custom Catering, Lake Geneva  
Marketplace, Gays Mills  
Metcalfe's-Madison, Madison

## Minnesota

Abundant Kitchen, Buffalo  
Annona Gourmet, St Anthony  
Blue Heron, Duluth  
East Side Co-Op, Minneapolis  
Fresh Natural Foods, Shoreview  
Harvest Moon Co-op, Long Lake  
Hyacinth Restaurant, Minneapolis  
MN Landscape Arboretum, Chaska  
Peoples Co-op, Rochester  
Seward-Franklin Co-op, Minneapolis  
Seward-Friendship Co-op, Minneapolis  
St Charles Chamber, St Charles  
Tonic Restaurant, Rochester



## 2019 Strategies for Products

- Increase online sales
- Gourmet Oil Stores
- Member participation
- Expanding retail locations
- Distributor



Photo: Brad Niemcek



# OTHER BRIGHT SPOTS



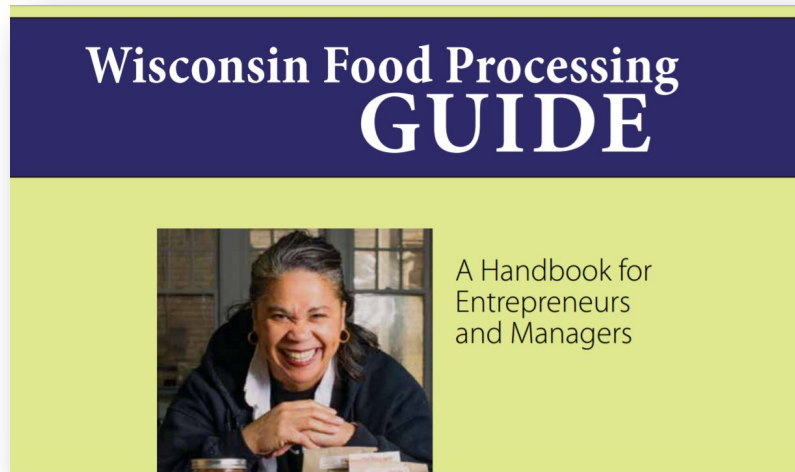
- Million Hazelnut Program
- Forever Green Initiative
- Savannah Institute Impact Investment Analysis
- RSDP Hazelnut Supply Chain Storyboard
- RSDP Hazelnut Grower Research
- Student Product Development





# WANT TO BE A CHAMPION?

## Wisconsin



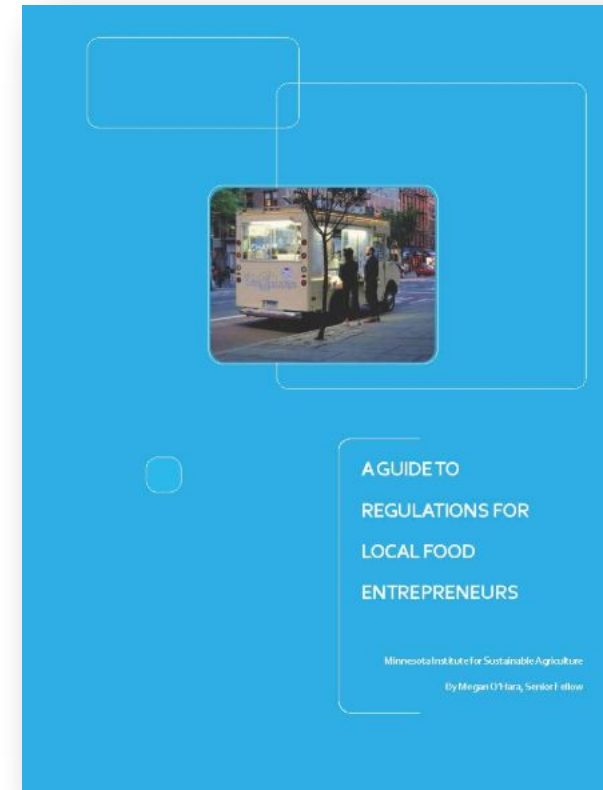
Iowa Food Entrepreneurs Resource Guide

## Iowa



<a href="#">Market, Marketing &amp; Sales</a>	<a href="#">Product Information</a>	<a href="#">Business Structure</a>	<a href="#">Financial Planning</a>	<a href="#">Management</a>	<a href="#">Food Safety</a>
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## Minnesota



- What do you want to do?
- Who is your customer?
- Where is your market?
- What makes you special?



# QUESTIONS, IDEAS AND SUGGESTIONS?

## ■ Contact Information

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