

# Arizona Nut Crops

Thomas Schorr

Farm Credit West





Young and Mature Pecans



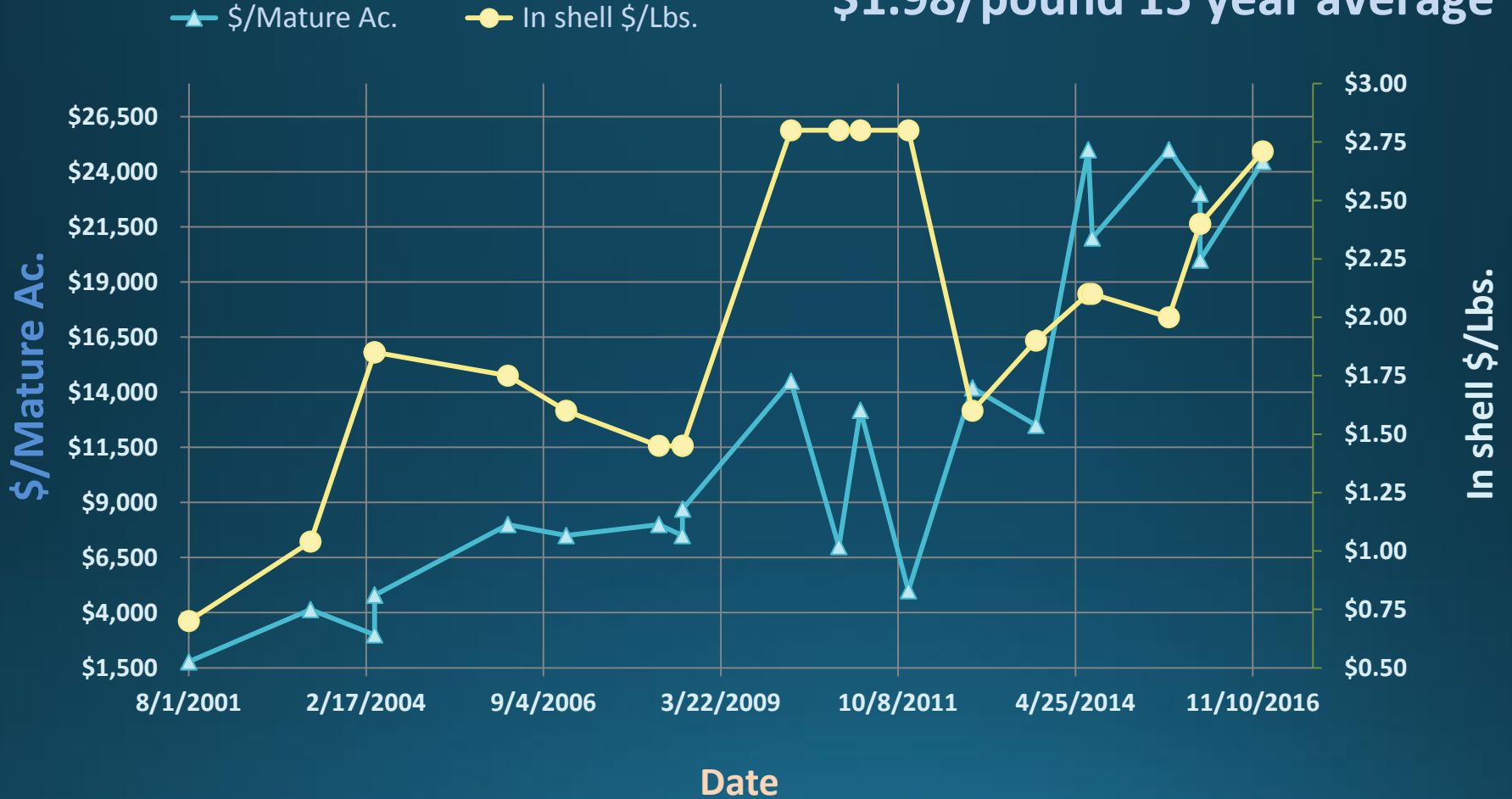


Mature Pistachio Trees



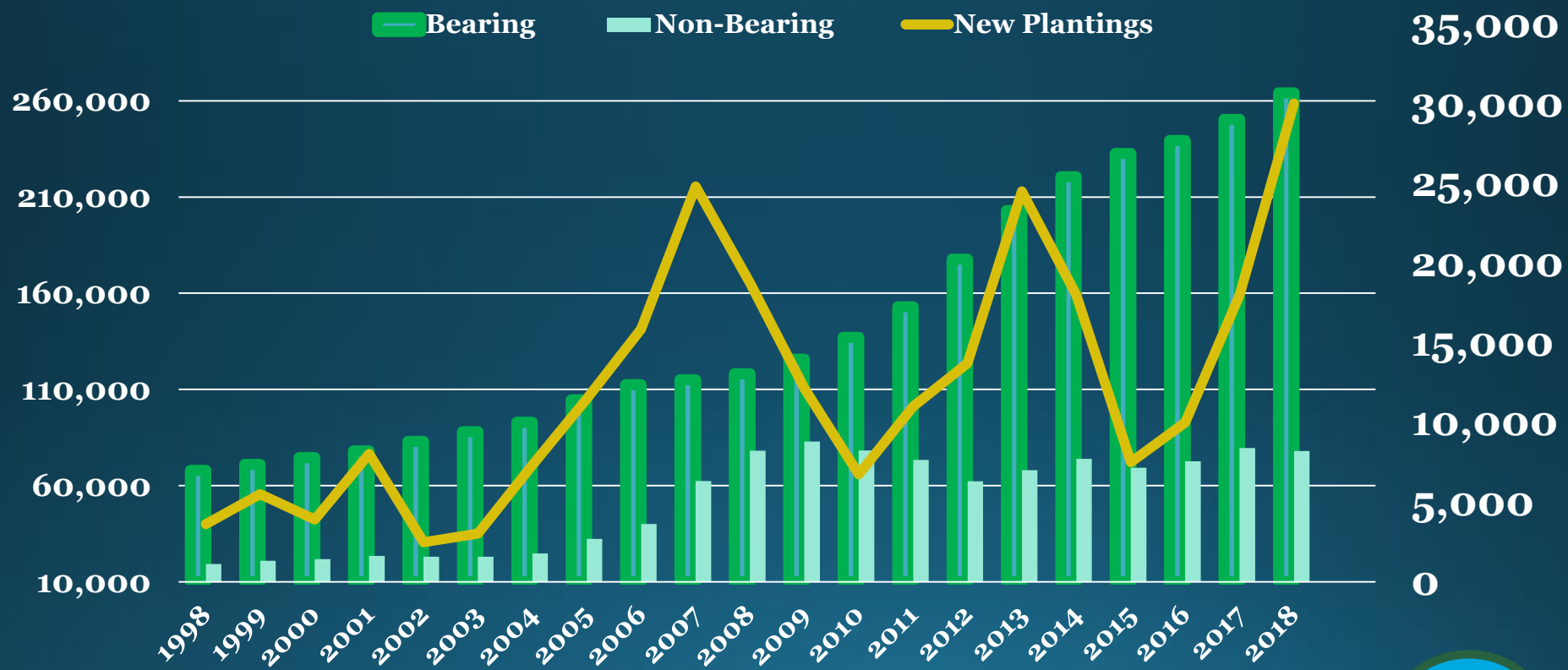
# Pecan Sales

**\$1.98/pound 15 year average**



# California Pistachio Acreage

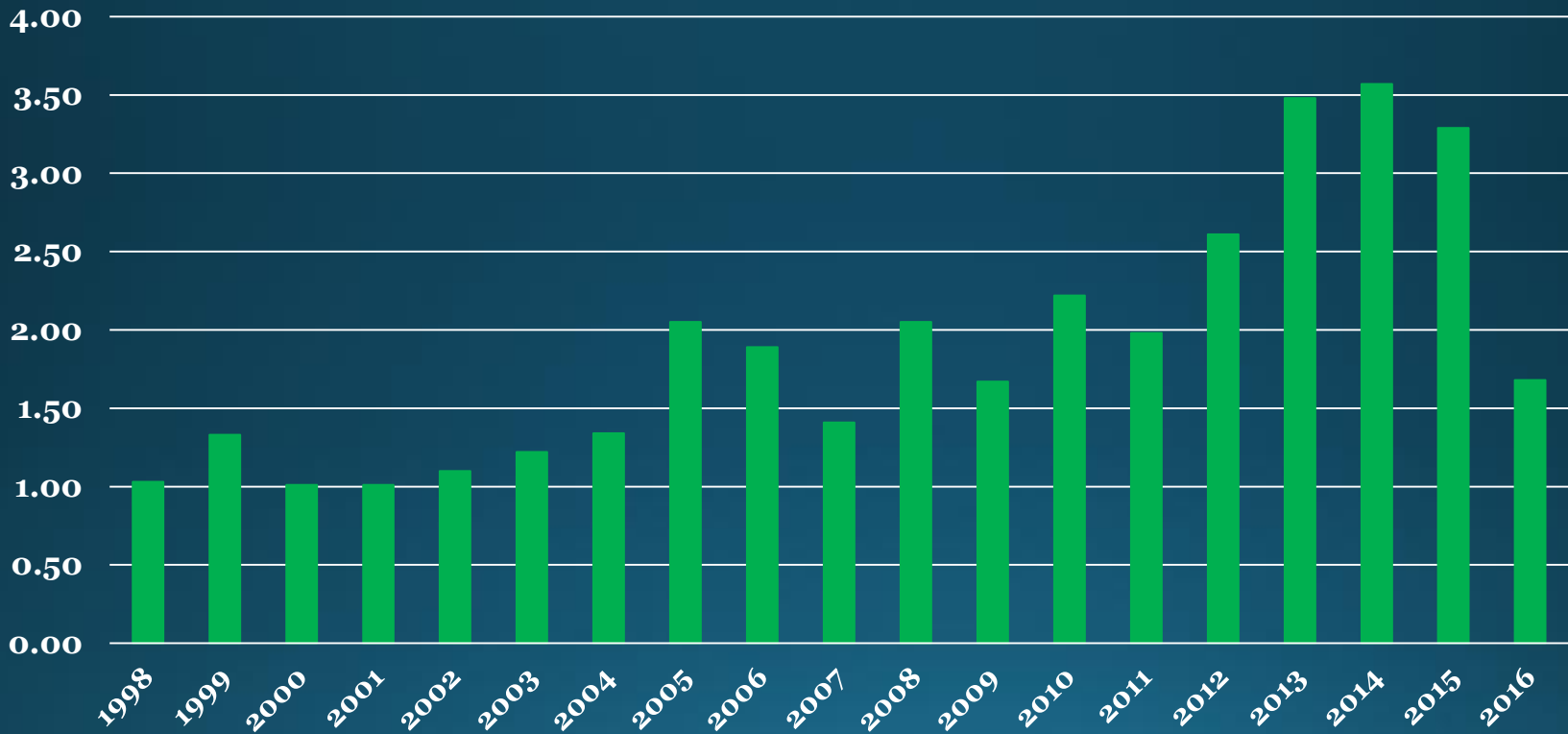
## Acreage



# Pistachio Average Return In-Shell/Pound

## Average return per lb.

2017 average return not available



# Pistachio Sales

No New Mature Orchard sales in 2018

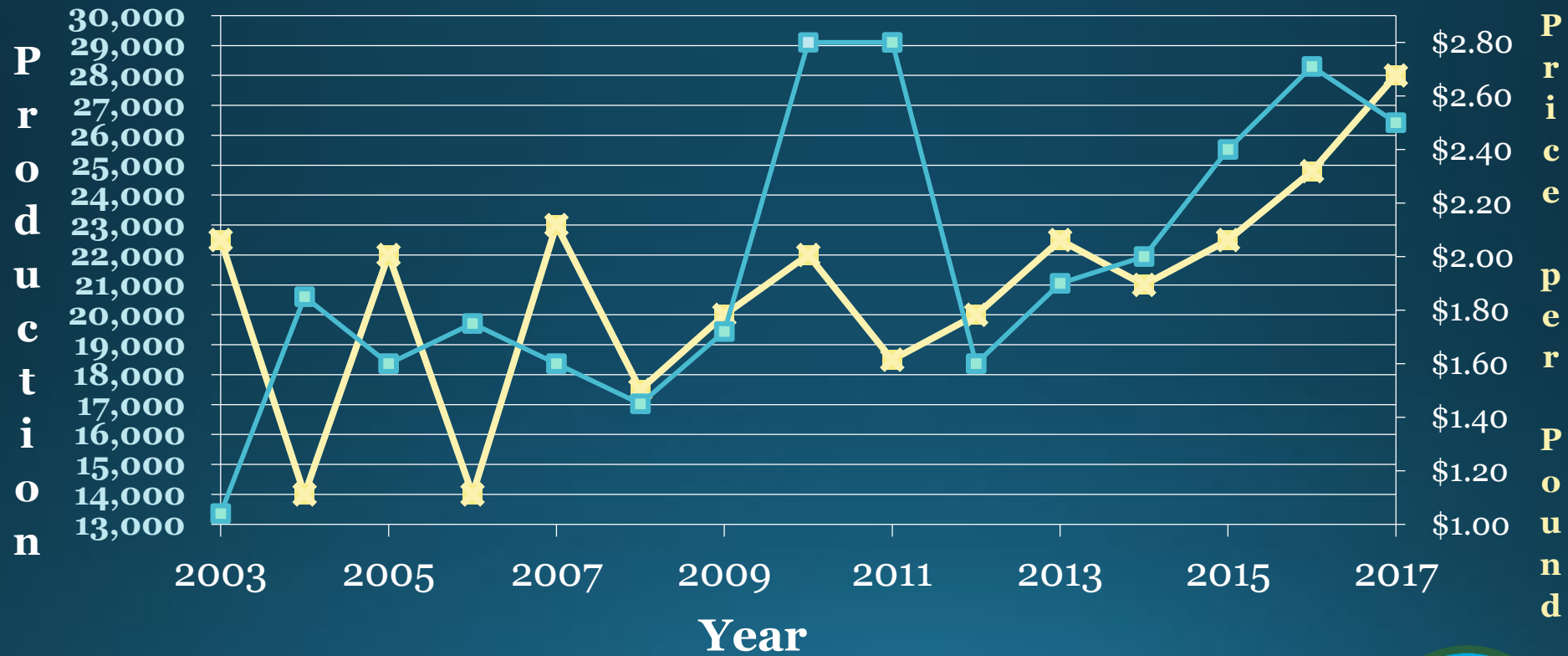


# Arizona Pecan

## Price per Pound & Production per Year

### Arizona Pecan Statistics Improved Varieties

—■— In-shell Production —■— In-shell Price





# Arizona Pecans

- Arizona is the 4th largest producer of Pecans in the US averaging over 20 million pounds per year of utilized production
- This is 1/2 of the production of the 3rd largest producer which is New Mexico. Georgia Produces nearly 50% of total US improved variety nuts
- There are 26,000+- acres of pecans in Arizona with 14,000 acres bearing age, and at least 2,500 acres planted in 2017



# Arizona Pecans

- There will likely be 27,000 to 30,000 planted acres by 2020 with 20k acres bearing
- 1/3 of the plantings are in the Cochise County (Elfrida, Kansas Settlement, San Simon and Bowie) with other plantings noted in Pima, Pinal, Maricopa, Yavapai and Graham Counties
- Most pecans planted 2,500-4,200 feet with good air drainage 400-500 accumulated chilling hours in late fall to end of February required, 32-45°F ideal range



# Arizona Pecans

- Good mature production averages from 1,800 to 2,500 pounds/acre in-shell with breakeven prices being roughly \$.90 to 1/lb (in-shell). Best orchards may average 2,700+ lbs/acre
- Pecans are alternate bearing. Primary varieties are Westerns and Wichita's, Indian varieties increasing
- 2018 crop being marketed now with little published data, USDA indicated \$1.70 to \$1.90/pound in-shell with limited marketing. Lower than 2017 crop, but this is very early in marketing season.
- Primary challenge: matching up an adequate water supply with other elevation and climactic conditions



# Arizona Pistachios

- California is the largest pistachio producing State with 342+k acres, of which 264+k acres are bearing. New planting jumped from 18,000 acres in 2017 to 30,000 in 2018. (Admin. Committee for Pistachio Processor's)
- Arizona has a very limited amount of Pistachio acreage with 4,300+- acres total. Mostly in Cochise County, lesser acreages in Graham & La Paz Counties (Wenden-Salome)
- In AZ there are roughly 2,000 acres are mature bearing
- There are several thousand more acres which have been cleared or are in process in Cochise/Graham Counties mainly in the Bowie-San Simon area (Cochise) and Bonita (Graham)



# Arizona Pistachios

- Desired climate: similar to Pecans but Pistachios use less water and can tolerate lower quality water. Chilling hours required are reportedly 500+- hours between 32 and 45°F, November-February
- Good mature production exceeds 2,800-3,000 lbs/acre with a breakeven price of \$.70-\$1.00/lb
- Pistachios are alternate bearing similar to pecans
- Worldwide consumption was mostly stable from 2011/12 crop year through 2015/16, up significantly in 2016/17 crop year, off slightly 2017/18, but still strong at 650.88 metric tons (Statista). Prices are off highs in 2013-15, but still profitable. Current published prices are hard to find
- Same challenges exist for water supply and climate as with pecans



# Summary

Market Expectations for local **Pecans and Pistachios**: Continued profitability for the long-term future, subject to normal short term cycles. Pistachio plantings primarily in California may eventually put downward pressure on prices. China is a big nut buyer; downturns in that economy place pressure on nut prices. Tariff issues are not helpful but prices are still profitable as per producers.

