

# ARIZONA NUT CROPS

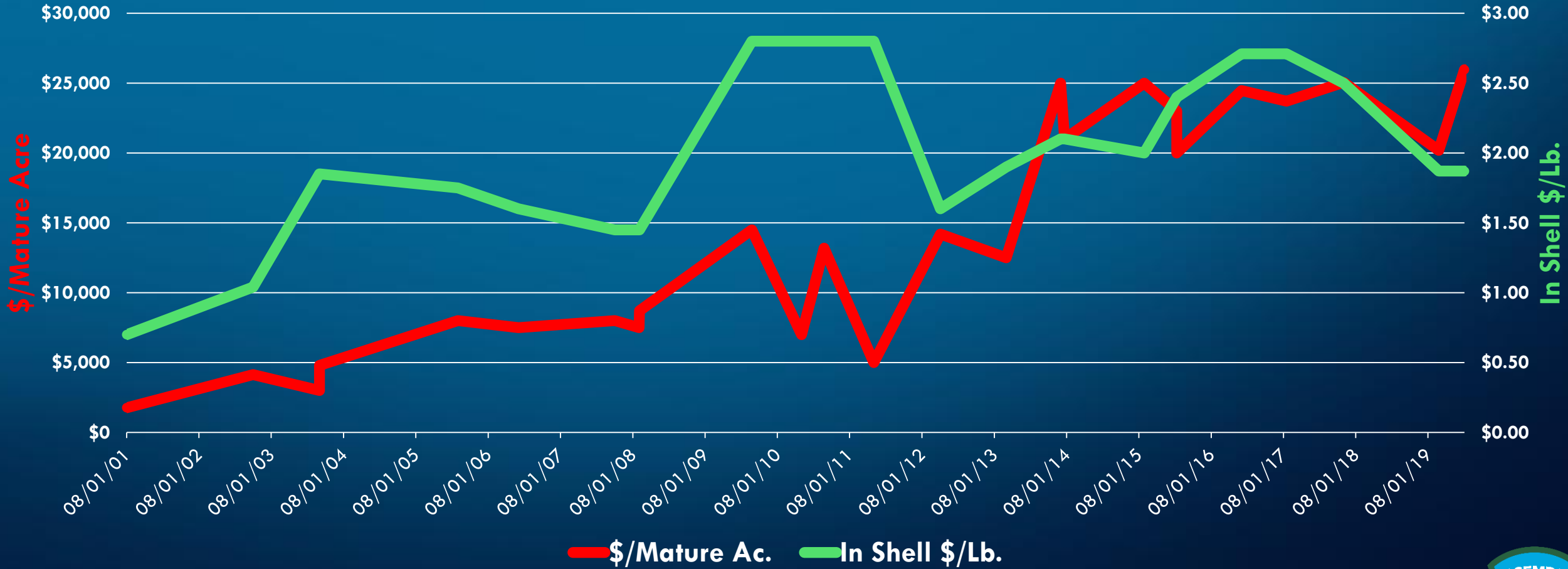
THOMAS G. SCHORR, ARA

FARM CREDIT WEST



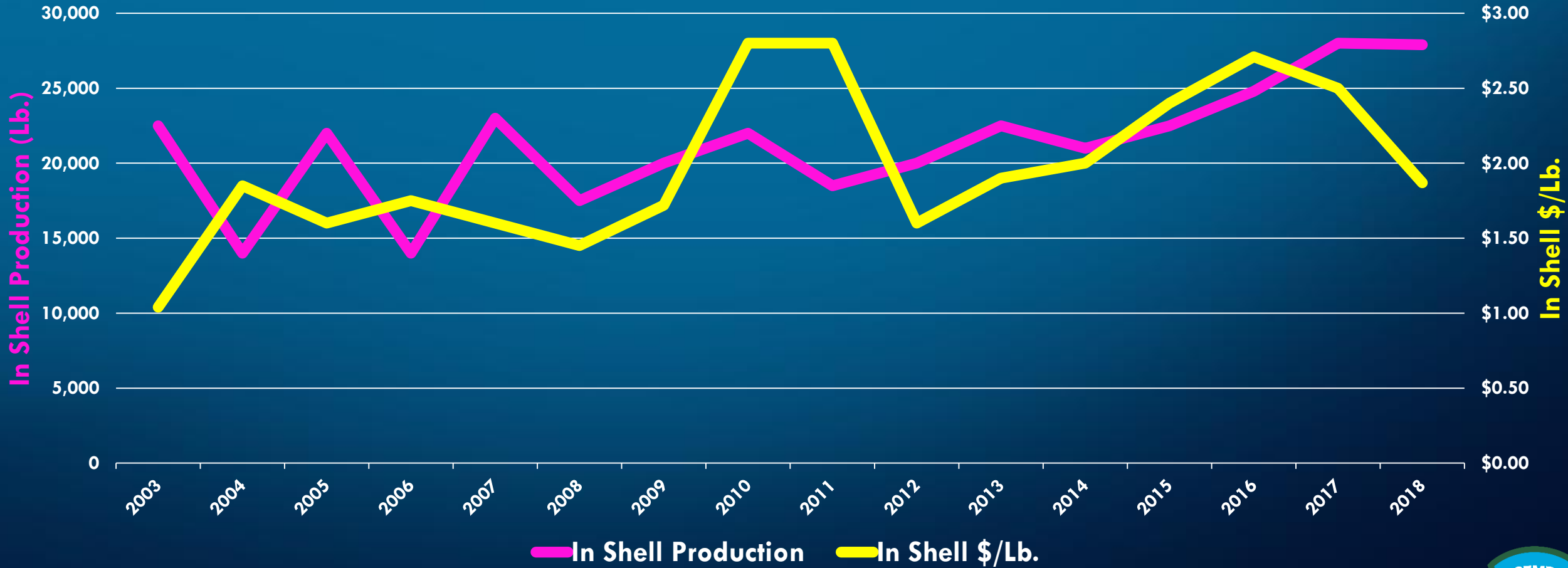
# PECAN SALES

## Price/Ac. VS Price/Lb.



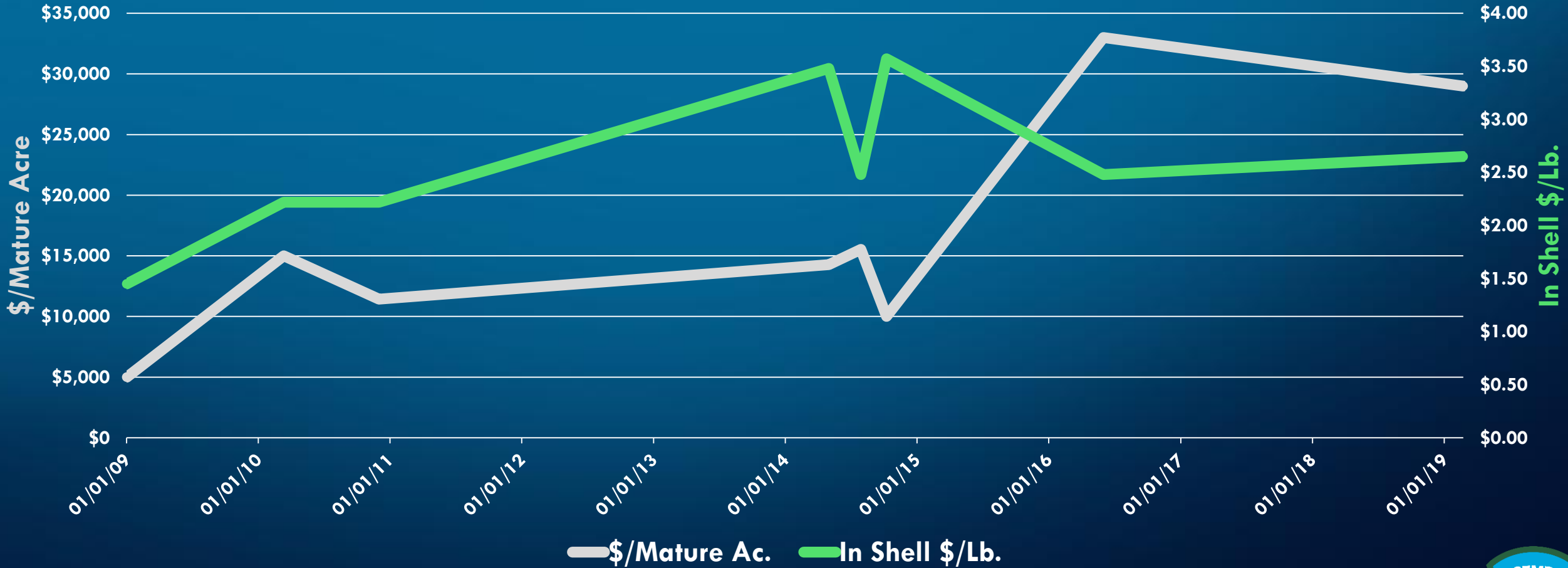
# ARIZONA PECAN IMPROVED VARIETIES

## Production/Year VS Price/Lb.



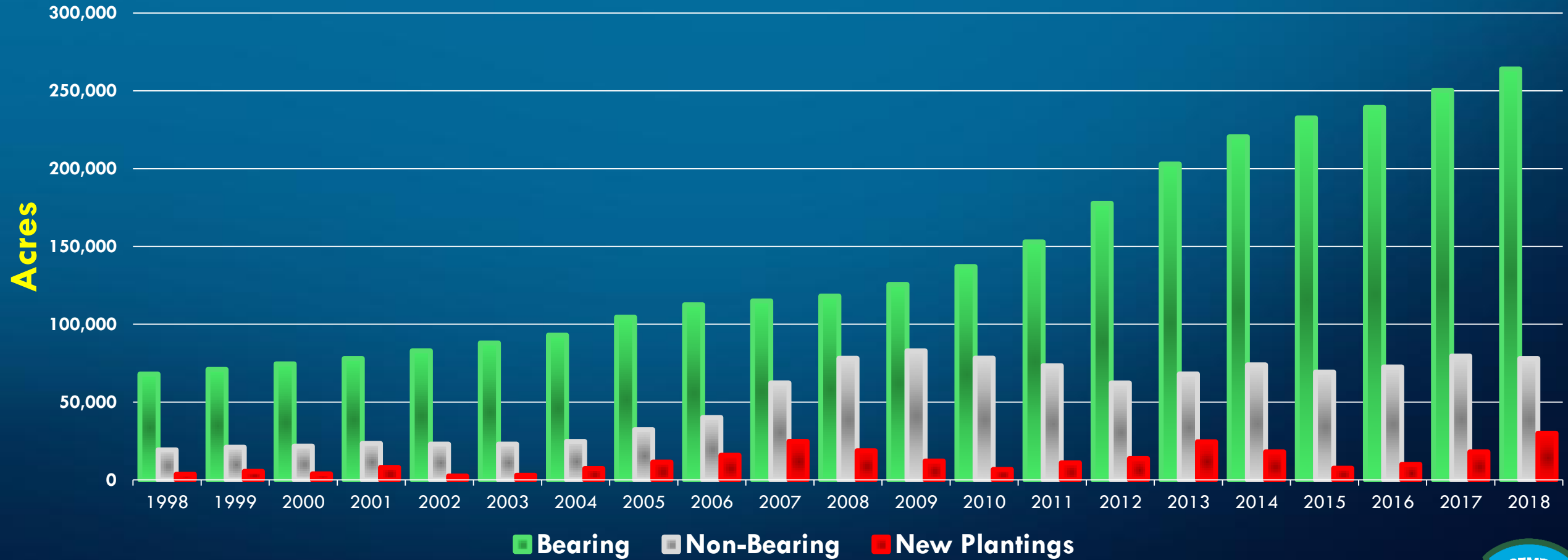
# PISTACHIO SALES

## Price/Ac. VS Price/Lb.



# CALIFORNIA PISTACHIOS

## Acreage





# 2019 Pecan Pre Plant Phase



# Un-budded Pistachio Rootstock





# Harvest Season





# ARIZONA PECANS

- Arizona is the 4<sup>th</sup> largest producer of pecans in the US averaging 24.5 million pounds per year of utilized production.
- This is 1/2 of the production of the 3<sup>rd</sup> largest producer which is New Mexico. Georgia produces nearly 50% of the total US improved variety nuts.
- Current statistics are not reported. There are believed to be in excess of 27k, but less than 30k+/- acres of pecans planted, with an excess of 15-20k acres of young to mature bearing. 2,500+ acres planted in 2017, 1,000+ more between 2018-19.



# ARIZONA PECANS

- 1/3 of the plantings are in Cochise County (Elfrida, Kansas Settlement, San Simon and Bowie) with other plantings noted in Pima, Pinal, Maricopa, Yavapai and Graham Counties.
- Most pecans planted at 2,500-4,200 feet above sea level with good air drainage. Minimum of 400-500 accumulated chilling hours in late fall to the end of February required. Ideal range is 32-45 degrees Fahrenheit.
- Alternate bearing. Primary varieties include Western's and Wichita's. Indian varieties increasing in the San Simon area.



# ARIZONA PECANS

- Good mature production averages from 1,800 to 2,500 pounds/acre (in shell). Breakeven prices are roughly \$.90 to \$1.00/lb. (in shell). Best orchards may average in excess of 2,500+ pounds/acre (in shell).
- 2019 crop being marketed now, little published data. Downward trend from 2016 through 2018 crop. Increasing acreage/inventory coming from Mexico & tariffs may be factors going forward.
- Primary challenges: *Environmental* – matching up an adequate water supply with other elevation and climatic conditions. *Marketing* – not as organized as pistachio industry. Mexico's increasing production.

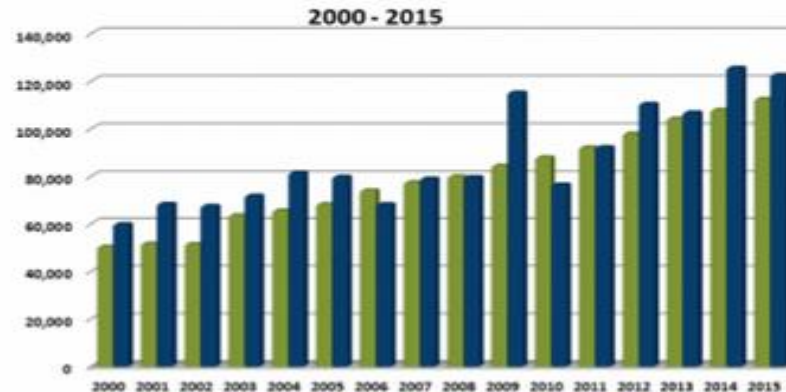


# Where Do Most Pecans Come From?

**Pecan Bearing Acreage, Yield, Production, Price, and Value – States and United States: 2016-2018**

State	Bearing acreage			Yield per acre <sup>1</sup>		
	2016 (acres)	2017 (acres)	2018 (acres)	2016 (pounds)	2017 (pounds)	2018 (pounds)
Alabama .....	8,900	8,400	8,000	247	220	200
Arizona .....	15,000	16,000	17,000	1,653	1,750	1,640
California .....	3,500	3,600	3,500	1,648	1,389	1,057
Georgia .....	120,000	120,000	120,000	908	892	583
Louisiana .....	12,300	12,300	13,400	325	650	450
New Mexico .....	40,000	43,500	46,000	1,800	2,115	1,980
Oklahoma .....	94,000	86,000	90,000	128	163	100
Texas .....	100,000	115,000	112,000	390	426	300
United States .....	393,700	404,800	409,900	682	753	593

## Mexico Production and Hectares



**Year 2015**

**122,714 MT**  
~ 270 M lbs

**112,622 Has**  
**278,300 acres**

Source: SIAP-SAGARPA



# Mexico Pecan Production

## Main Pecan-Producing States in Mexico



State	Production 2015 (MT)
Chihuahua	79,934
Sonora	15,028
Coahuila	12,509
Durango	7,143
Nuevo León	3,354
Others	4,746
	<b>122,714</b>

Source: SIAP-SAGARPA



# ARIZONA PISTACHIOS

- California is the largest pistachio producing state with 342k+ acres, of which 264k+ acres are bearing. New plantings jumped from 18k acres in 2017 to 30k in 2018. Source – Admin. Committee for Pistachio Processors.
- Arizona has a very limited pistachio acreage with an estimated 10k+/- acres total, 2,400 of which are mature bearing. Mostly in Cochise and Graham Counties. Lesser acreages in La Paz County (Wenden and Kingman).
- Kingman – there is talk of 10k acres of pistachios or more long-term with almonds as well. Most current plantings are less than 2 years old. Big names from California are behind this trend.

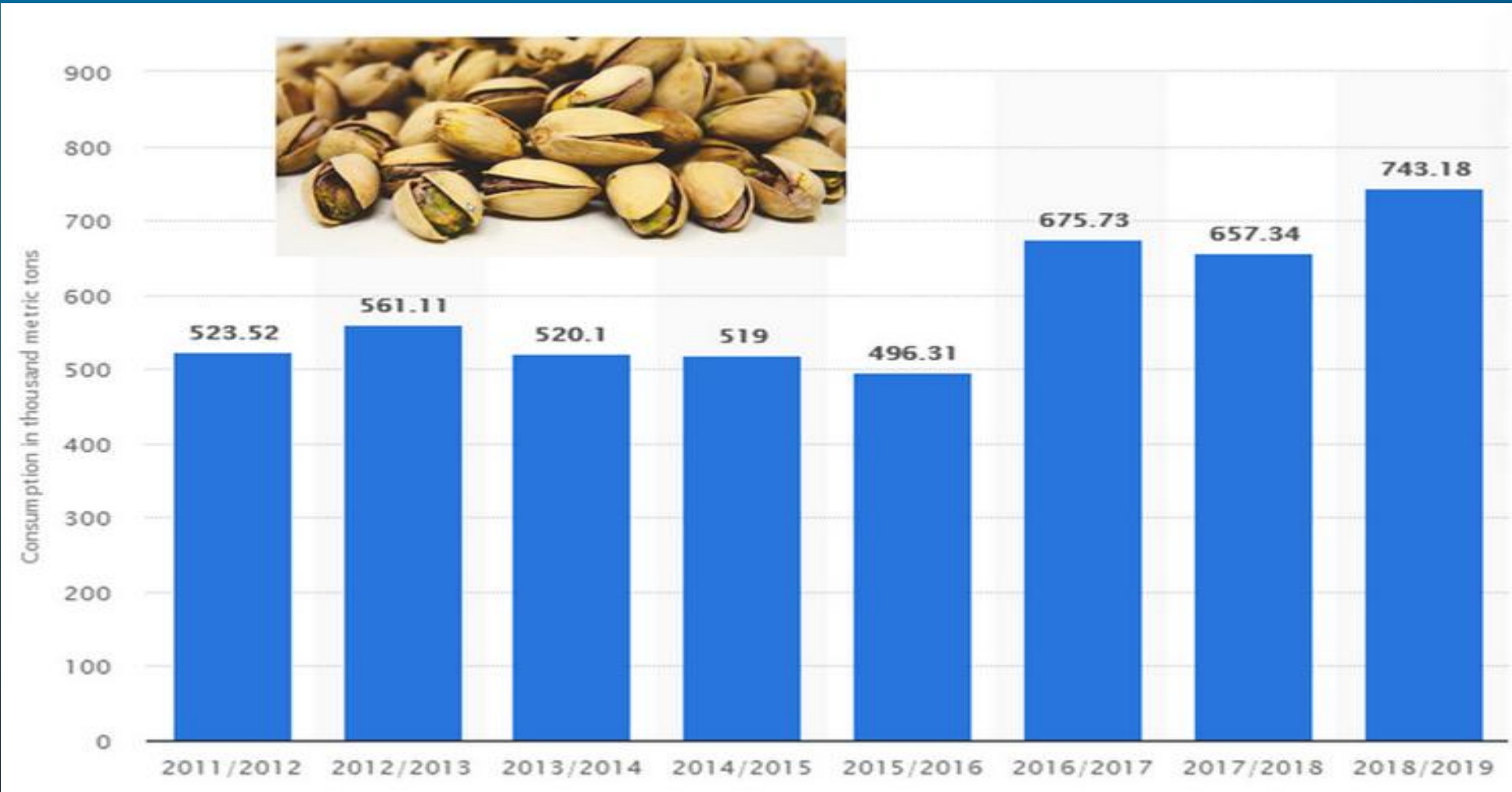


# ARIZONA PISTACHIOS

- Desired climate is similar to pecans, but pistachios use less water and can tolerate lower quality water. Chilling hours required are a minimum of 500+/- hours between 32 and 45 degrees Fahrenheit during November – February. Kingman reportedly exceeds this minimum significantly.
- 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 has been strong the last 3 crop years (see graph to follow from Statista). Prices are off highs in 2013-2015 (\$3.29-\$3.57/lb.), but still profitable. 2018 price trended up from \$1.69 to \$2.65 for 2018 crop.



# Pistachio Consumption Worldwide (Statista) in Metric Tons



# SUMMARY

- **Market expectations for pecans and pistachios is continued profitability long-term, subject to normal short-term cycles. Increasing plantings primarily in Mexico and California may put downward pressure on prices.**
- **China continues to be a big buyer; economic cycles in that economy place pressure on nut prices. Tariff (5%-7%) issues are not helpful, but prices remain profitable.**
- **20+ year drought cycle and on-going groundwater overdraft in closed basin areas will remain a long-term challenge for all groundwater users.**