

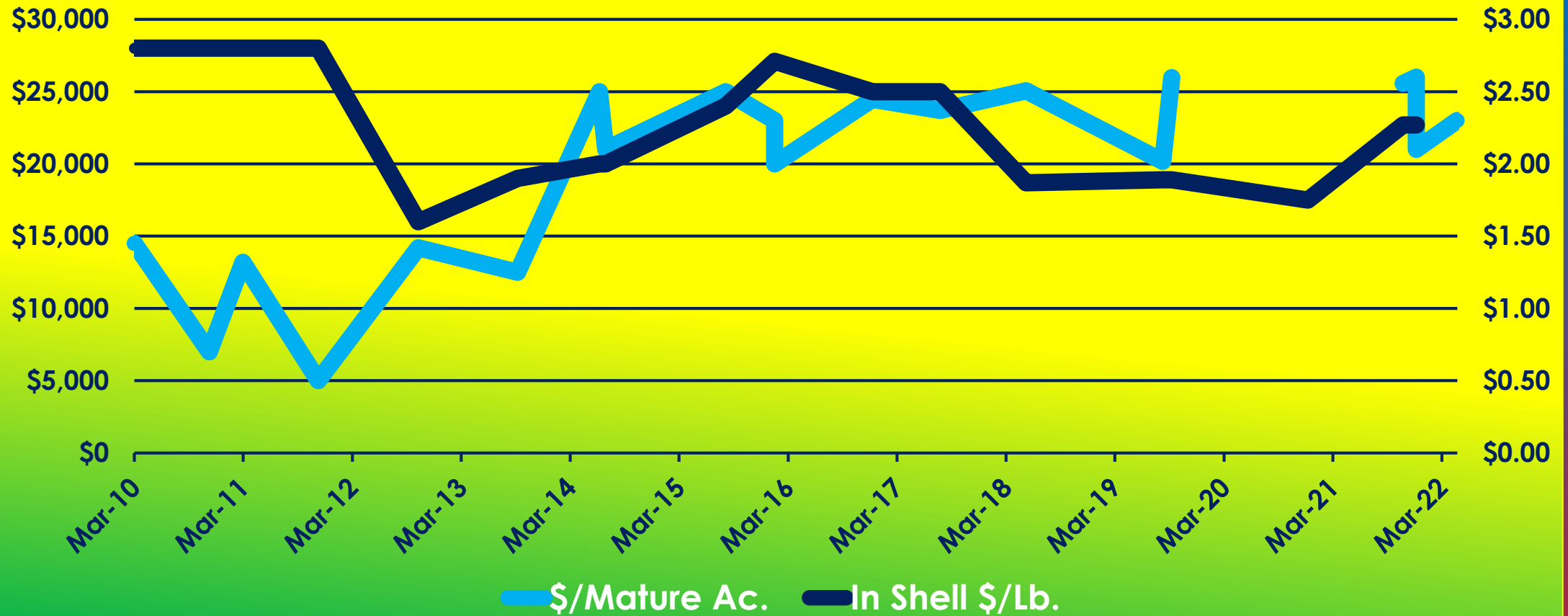
# 2023 ARIZONA NUT CROPS

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Farm Credit West



# PECAN SALES

## Price/Ac. VS Price/Lb.

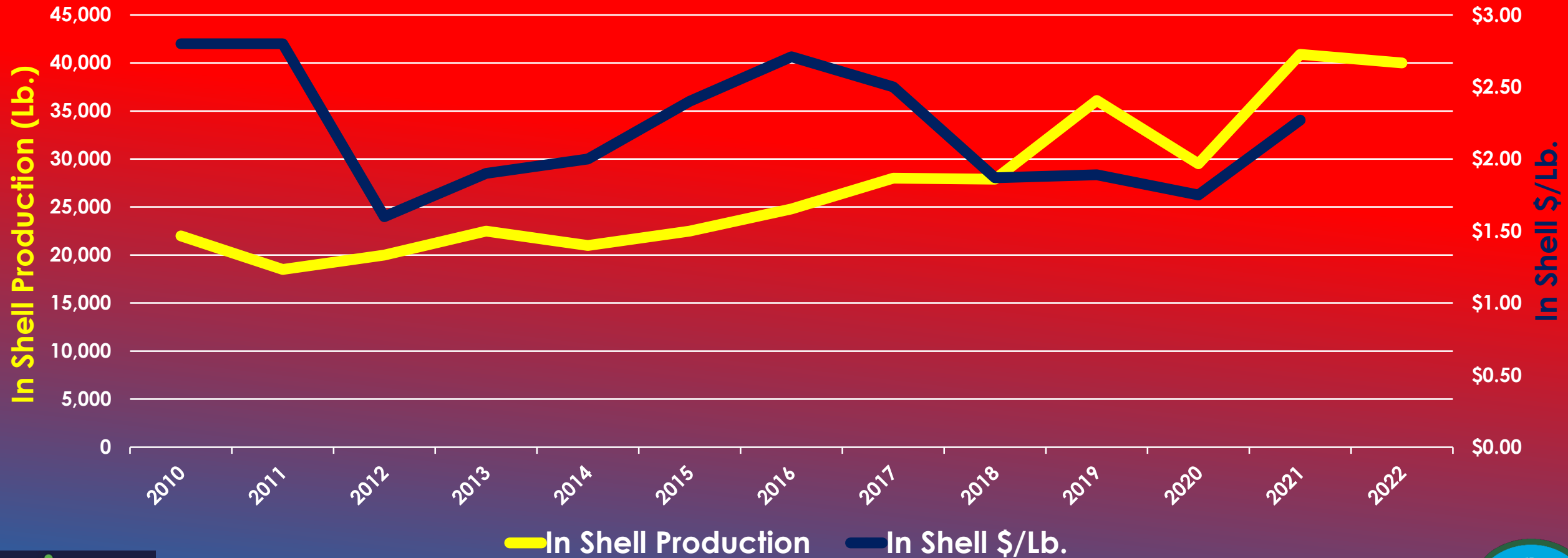


10-Year Avg = \$2.09/Lb.



# ARIZONA PECAN IMPROVED VARIETIES

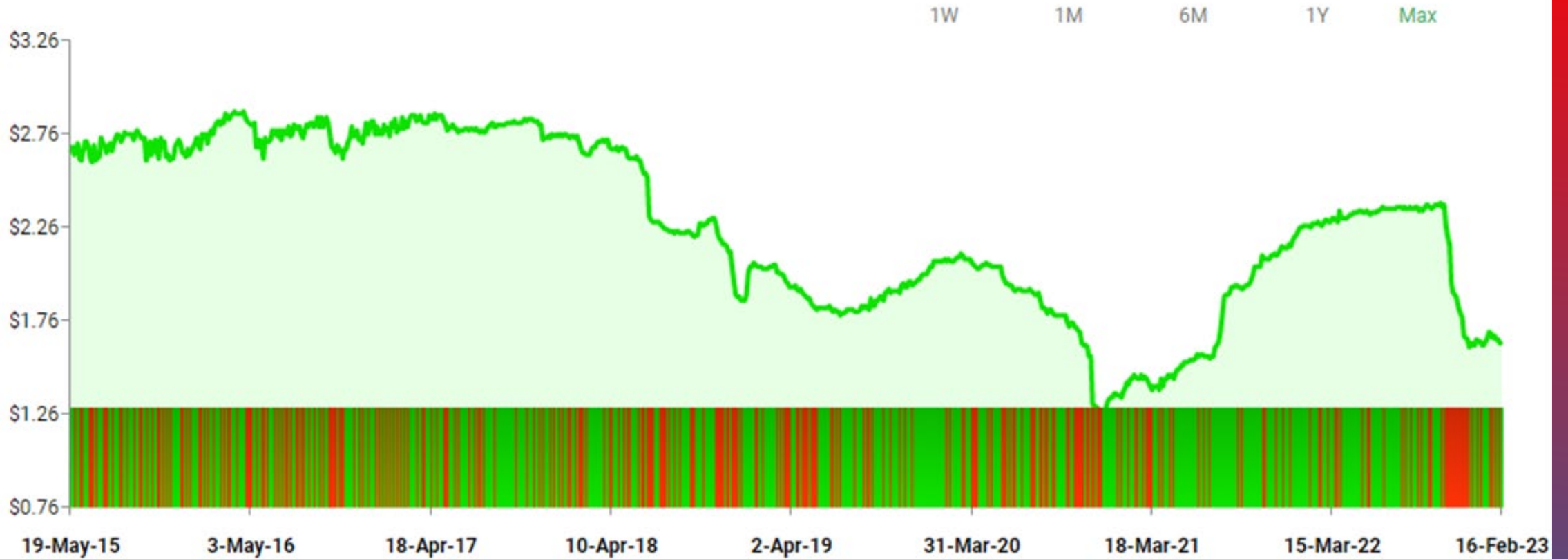
## Production/Year VS Price/Lb.



# IN-SHELL PECAN

GCE : NPCN - 8:12:00 AM 16 Feb 2023

**\$1.65** USD ↑ 0.01(0.61%)

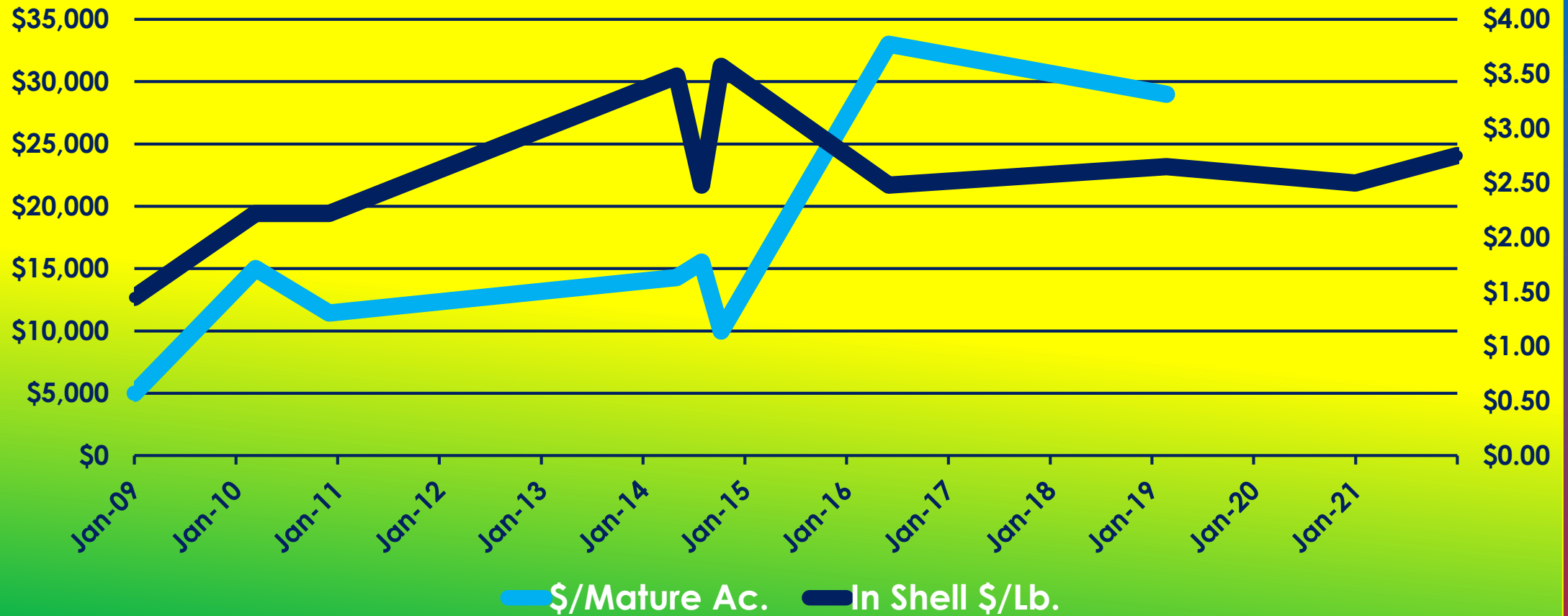


Source – Pecan Report



# PISTACHIO SALES

## Price/Ac. VS Price/Lb.

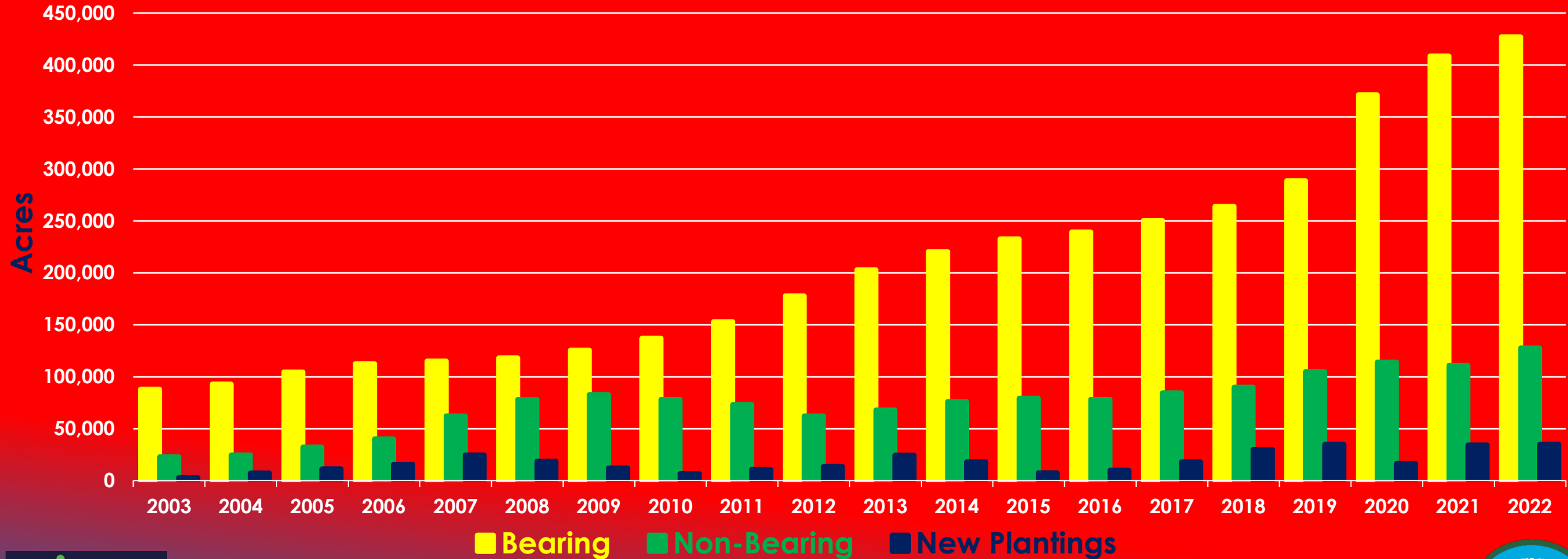


10-Year Avg = \$2.58/Lb.



# CALIFORNIA PISTACHIOS

## Acreage



# UN-BUDDED PISTACHIO ROOTSTOCK



# Harvest Season





# ARIZONA PECANS

- Regarding utilized production (USDA reported) Arizona is the 3<sup>rd</sup> largest producer of “improved variety” pecans in the US, recently surpassing Texas based on USDA statistics. New Mexico is #2. Georgia being by far the largest. Arizona is averaging 31.2 million pounds per year of utilized production over the last six years, with 37 million in-shell pounds estimated for the 2022 season.
- North America produces 90%+ of the world supply. SE and SW US produces most of this (75%+). Northern Mexico is increasing in importance going forward.
- Arizona’s current statistics are not accurately reported. There are believed to be approximately 30k acres of pecans planted, with reported 22k acres at bearing age status.



# 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, Graham and Mojave Counties.
- Most commercially productive 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

- Average to good mature production is from 1,800 to 2,500 pounds/acre (in shell). Breakeven prices are roughly \$1.00/lb. (in shell). Best orchards may average in excess of 2,500+ pounds/acre (in shell).
- 2022 crop being marketed now, incomplete published data. Early price for 2022 crop is \$1.60-1.75/lb. (in shell). Increasing acreage/inventory coming from Mexico, tariffs/trade tensions with China are ongoing factors.
- Other ongoing challenges: *Environmental* – matching up an adequate water supply with elevation, air drainage, soils and climatic conditions. Water tables are steadily dropping with a 23-year drought in play.



# ARIZONA PISTACHIOS

- California is the largest pistachio producing state with 589k+ acres, of which 427k+ acres are bearing. New plantings have trended upward since 2015 (Admin. Committee for Pistachio Processors).
- Comparatively, Arizona has very limited pistachio acreage with an estimated 10k+/- acres total, 2,400+ of which are mature bearing. Most bearing acres are in Cochise and Graham Counties. Lesser, but growing acreages in La Paz County (mostly in Kingman).
- Kingman – It is possible there could be in excess of 10-20k+ acres of pistachios long-term. With small amounts of almonds and pecans planted as well. Most current plantings are less than 4-5 years old. Big names from California are behind this trend. Increased recent groundwater regulation (new AMA) may alter growth.

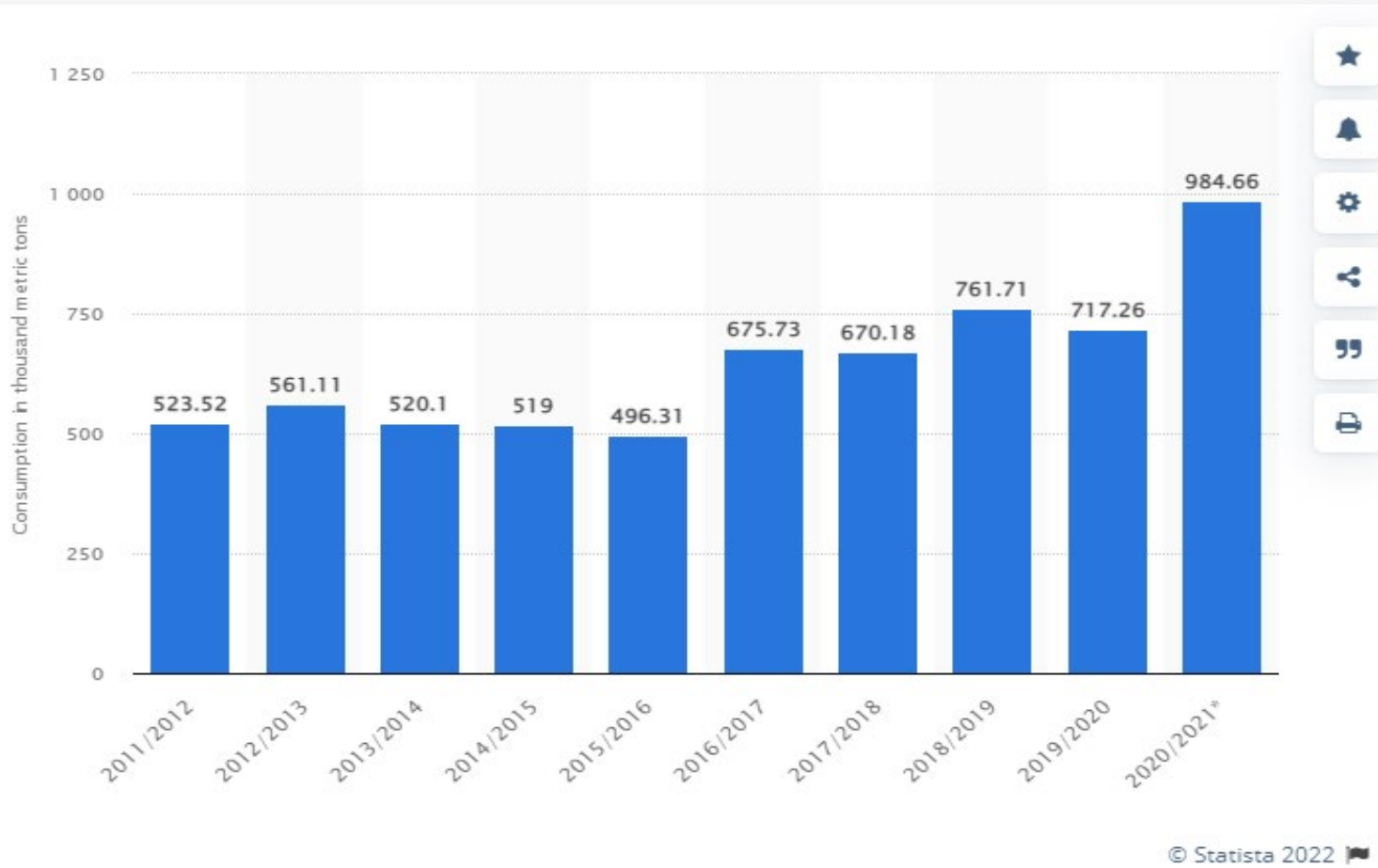


# ARIZONA PISTACHIOS

- **Desired climate is like pecans. 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 like pecans.**
- **Worldwide consumption is strong. Prices are off highs in 2013-2015 (\$3.29-\$3.57/lb.), but still profitable, \$2.52/in-shell pound in 2021.**



(in 1,000 metric tons)



# PISTACHIO CONSUMPTION WORLDWIDE 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 could put downward pressure on prices long-term.**
- **Consumption continues to grow world-wide as the health benefits of pecan and pistachio snacks and recipes are promoted due to focus on antioxidants, mineral and vitamin content.**
- **Biggest consumers in order - US, Mexico, Canada, Netherlands, UK and China.**
- **23+ year drought cycle and on-going groundwater overdraft in closed basin areas will remain a long-term challenge for all groundwater users in AZ.**
- **Influx of California growers into AZ combined with limited available orchard properties stabilizes developed orchard and adaptable development land prices.**

