



Market Report



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Welcome to 2015, and the 12th year of our newsletter. One of the New's Year resolutions is to get this newsletter out on a more regular basis (along with losing weight, being a more courteous driver, and being nice to cats). We've had a problem over the past year; simultaneously suffering from writer's block and a paucity of news to report. That said, here we go !

The pistachio market is and has been in a long case of the doldrums. There isn't a whole lot to report as far as major trends, and there has been little price movement over the past 2 months. What momentum there is in the market is in the downward direction. We've heard a lot of rumors; with packers insisting they are quoting \$5.10 to \$5.30 for US extra #1 size 21/25 raw open inshell. At the same time, we hear from buyers that there are offers below \$5.00. This isn't unusual during periods of slow activity. Traders are trying to stir thing up, but have not had much success.

One thing we can comment upon is movement in our domestic market, and the key export market, China. As can be seen in the graphs to the right, domestic shipments have been stable, and declining for the past 3+ years. This is largely a reflection of significant price increases over that time period. Chinese shipments are very erratic. They climbed steadily from 2011 to 2013, peaking with a huge 4th quarter of 2013. In 2014, shipments have crashed. Most Chinese buyers are opportunists. They bought heavily in the summer and fall of 2013 from California, and have mostly been on the sidelines or buying from Iran since that time.

We doubt the Chinese will come back in any significant way until prices come down from their record levels or there is the real possibility of short crops from the 2015 harvest in California, Iran, or both origins.

One fact that has impacted both domestic and export shipments is the price disparity between pistachios and competing nuts. At right are the price differentials between pistachios and cashews, and pistachios and almonds. Particularly striking is the differential between cashews; in 2011 pistachios were \$0.50 to \$1.00 cheaper than cashews; now they are \$1.50+ more expensive!

The only bullish note for the pistachio market is the weather in California. After some storms in early and mid December, the pattern since has closely resembled last year. In addition, the weather has been unusually warm; warmer even than last year, when a lack of chilling caused significant bloom issues and reduced the crop potential of the 2014 crop.

We will send out more as the year unfolds, and in keeping with our resolution above!

