

Final Harvest Update



October 23, 2019

The 2019 California pistachio harvest has concluded this past week. We received our last loads on October 17th. The 2019 season was remarkably similar to the 2018 harvest in most respects. Quality of both crop years was excellent, and the harvests began and ended on almost the same dates.

The glaring difference between the two crop years was the volume of crop. Through September 30th, the US pistachio crop receipts were 613 million pounds. The bulk of the crop harvest is complete by the end of September, varying between 81% of the total crop being received by the end of September in 2018 to 95% in 2014. In 2015, 2016, and 2017, over 90% of the crop had been received by September 30th. Most of these years were drought years with hot summers and early harvest dates, and much different than the 2019 crop year. We expect October, 2019 receipts to be 14% to 17% of the total crop, and so expect the total crop to be in the 710 to 740 million pound range. As pistachios are notoriously difficult to estimate, and industry estimates are often off target, the 2019 harvest will go down as one where the industry got it correct.

As mentioned above, **QUALITY IS EXCELLENT**. Insect damage and kernel damage of all types was very low, and similar to levels seen in the 2018 crop. We expect minimal aflatoxin residue in the crop, and early testing has borne this out. Nut size is excellent, with an average number of nuts per ounce in the 22-23 range, significantly larger in size than the 2018 crop. Staining is marginally higher than the 2018 crop, but not a significant issue. Closed shell and open inshell percentages are similar to 2018 and close to historical levels.

Export markets have been quiet after a flurry activity surrounding market opening prices earlier this month. Many buyers were surprised by a higher than anticipated opening price of \$4.40 for US Extra #1, size 21/25 raw, open inshell pistachios. More than in past years, customers are covering nearby needs, as many believe a price decline in 2020 is more likely than a shortness in supply prior to the large 2020 crop being harvested.

The domestic market is active, as price increases to retailers are working their way through the system. Price increases will make their way to the store shelves in November, and it remains to be seen how pistachio consumers react to prices 10% to 15% higher than the past year. We will certainly be prepared to promote pistachios through much of 2020 should it be required to move out the 2019 crop prior to the 2020 harvest.

We would like to take this opportunity to thank our dedicated employees who grew and received the 2019 crop, and our growers who have supplied us with another excellent quality crop to market.

Chuck