

September 2020 UPDATE

September 17, 2020



Mid-season Harvest Update

There is always one busy week during pistachio harvest, especially during “on” crop years. We are in the middle of the busiest receiving week of the season. In the first 3 weeks of receiving, 25% of the total expected crop ran through our hullers. This week, another 25% of the crop will be received and processed through the hullers and dryers.

Our team is doing a great job of running the crop while being diligent about following best practices to avoid spreading Covid-19. It has certainly made their jobs more difficult, as we do not move people from one area of the plant or between hullers to minimize risk of spread.

Yields are about as expected for Golden Hills (GH), and so far, less than expected for Kerman. Like GH, many Kerman orchards have uneven maturity, with both immature and over the hill pistachios. It is likely more orchards will be harvested multiple times than in past years. We expect the second harvest in Kerman orchards to make up for a portion of the lower than expected initial results.

Here is quick summary about the crop thus far:

- **Nut size is the largest in many years, both Kerman and GH. Lost Hills variety pistachios are roughly the size of house cats. Size 16/18 will be available this year, perhaps even larger!**
- **It was feared this crop would be high in blanks. Through last Sunday, it was comparable to the 2019, 2018, and 2017 crops.**
- **Navel Orangeworm (NOW) thus far has been less than expected. It is slightly higher than the 2018 and 2019 crops, but far less than 2017 and 2016. We’ve seen lower levels of NOW in Kerman than GH.**
- **Open Inshell percentage is higher than previous crops, and closed shell lower. This is largely a reflection of increased GH bearing acres. In general, we’ve been pleased with the split inshell percentages of Kerman so far. We typically see high levels of closed shell in high yielding Kerman fields during the “on” crop.**
- **Stain is higher this year than the past several years. It is the result of extremely warm weather in late August and early September and the wide variation of maturity of the crop.**

As to total crop size, it is still very difficult to say. As most in the industry have heard, prior to bloom the crop was estimated at 1.2 billion pounds. After poor chilling and spring cold injury, the estimates dropped as low as 750 million pounds. Before harvest, the crop looked better, and most “experts” put the crop at about a billion pounds. Our receipts, and we are a small part of the industry, are on par with the 1 billion pound 2018 crop. Young GH orchards are producing significantly more than 2018, while older Kerman blocks are lower yielding. It doesn’t appear there will be a big surprise, either low or high, so those “experts” may very well be right this year!

Please see the additional slide deck link for more detail on the quality of the crop thus far. **The take home message is the 2020 pistachio crop is at least comparable to the 2018 crop in size, and the quality is substantially better than many expected.** A lot can change over the coming weeks, but we are very pleased with the results so far.

Chuck