




State of the Pistachio Industry

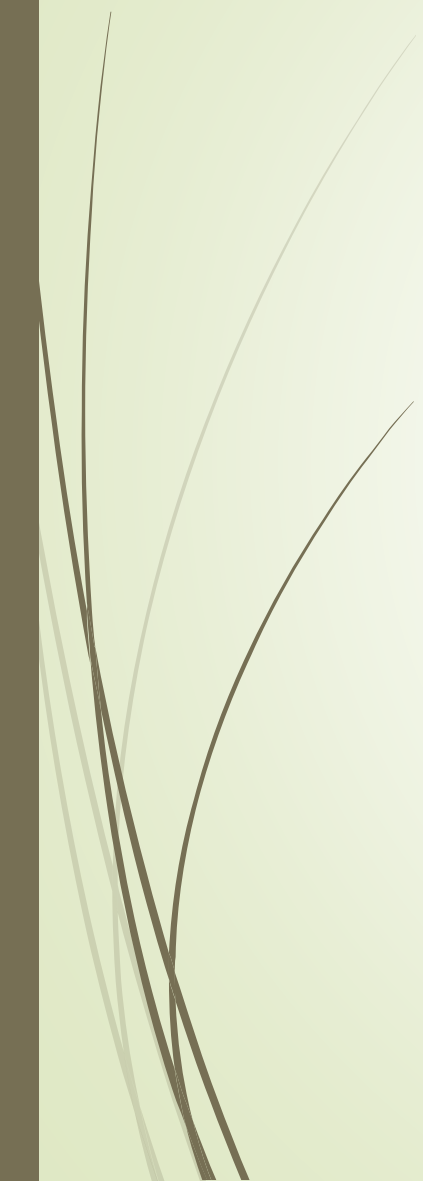
Bob Klein, Manager

California Pistachio Research Board

Administrative Committee for Pistachios



Brief History



- ▶ Industry initially based on Kerman female, Peters male
 - ▶ Kerman collected in Persia by Whitehouse in 1929-30
 - ▶ Very end of an introduction program dating to 1890s
 - ▶ Peters identified in Fresno in 1934 (?)
 - ▶ Kerman released in 1957 by USDA
 - ▶ There were pistachios in California prior to this
 - ▶ Ruehle planted in 1927 near Terra Bella
- ▶ Plantings of Kerman and Peters in late 1960s
- ▶ First commercial harvest in 1976 – 1.5 million pounds from 4500 acres



Early Pistachio Organizations

- ▶ California Pistachio Association (later Western Pistachio Association)
 - ▶ Provided impetus for creation of California Pistachio Commission (CPC)
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 - ▶ Created by state legislature in 1981
 - ▶ Funded through mandatory assessments on production
 - ▶ Statistics, production research, generic marketing, government relations
 - ▶ CPC weight, research database
- ▶ CPA and CPC obtained countervailing duties (CVDs) to offset Iranian dumping
- ▶ CPC was not reauthorized in 2007



Administrative Committee for Pistachios (ACP)

- ▶ Federal Marketing Order (FMO)
- ▶ Goal of order was to obtain an import regulation
 - ▶ Domestic standards enforced on imported pistachios
 - ▶ Safeguard the domestic market if CVDs lost
- ▶ Grower initiated but handlers are regulated
- ▶ Referendum in 2004
- ▶ Initially only California but Arizona and New Mexico added to achieve import regulation
- ▶ Order also amended in 2009 to add research and quality authorization
- ▶ Collects and publishes industry statistics, conducts food safety research but mostly domestic aflatoxin testing



California Pistachio Research Board (CPRB)

- Demise of CPC left no industry research entity
- Growers created CPR Program in 2007 referendum
- State marketing order
- Funded through mandatory assessments on production (same as ACP)
- Program responsibilities for production research, grower education
 - No marketing activities
- Program was amended to allow a higher assessment rate beginning in 2017



Program Responsibilities for ACP and CPRB

- Statistics – ACP
- Research – ACP and CPRB
- Grower Education – CPRB
- Regulatory Affairs – ACP and CPRB
 - Pesticides and state regulations are CPRB
 - Food safety and exports mostly ACP
- Government relations
 - Education, not lobbying
- NO MARKETING



ACP Operations

- ▶ ACP locally administered with USDA oversight
- ▶ Grower representation by districts (3 California, 1 AZ/NM)
- ▶ Handler representation by volume and vote
- ▶ One public member
- ▶ Annual elections for half the seats, term limits
- ▶ Manages the CPRB
- ▶ Current assessment = \$0.0001 per pound
- ▶ Annual budget less than \$300,000
- ▶ www.acpistachios.org



CPRB Operations

- ▶ Research program administered by Board with CDFA oversight
- ▶ Board consists of at-large members, alternates, public member
 - ▶ No term limits
- ▶ Current assessment \$0.008 per pound
 - ▶ Increase from \$0.005 to fund sterile insect technology
- ▶ Endowments to create research capacity
- ▶ Annual budget about \$2.5 million plus SIT
- ▶ Calpistachioresearch.org



State of the Industry



- ▶ About 1300 grower entities (based on producer delivery reports)
 - ▶ Some individuals have multiple corporate IDs, corporate entities may have more than one owner
 - ▶ About 95% of production in southern San Joaquin Valley (Merced south)
- ▶ About 240,000 bearing acres, about 75000 non-bearing in California
 - ▶ Acreage survey based on delivery reports, pesticide use reports, grower survey, aerial imagery
 - ▶ Have not been rigorously collecting data on varieties and rootstocks
 - ▶ Less than 5000 acres in AZ, NM but potential for increase
- ▶ About 20 processor/handlers
 - ▶ Largest 8 handle about 95% of crop



State of Industry (continued)

- ▶ Transitioning away from Kerman/Peters
 - ▶ Newer varieties including Lost and Golden Hills, Gumbdrop, Randy, Tejon, etc
- ▶ Kerman acreage will get diluted by growth, not so much by removal
 - ▶ Orchard longevity? – warming climate, tree size
- ▶ Rate of industry expansion
 - ▶ Slowed by rootstock availability, Pistachio Bushy Top Syndrome, water supply
 - ▶ Accelerated by adaptability, salt tolerance, lack of profitable options



State of Industry (continued)

- ▶ Foreign Competition
 - ▶ Limited number of global locations suitable for pistachio production
 - ▶ Virtually nothing in Africa
 - ▶ Australia limited by water, interest in wine
 - ▶ South America – Chile, Argentina
 - ▶ China – too wet in east, too cold in west
 - ▶ Iran – water supply issues
 - ▶ Turkey



Current Concerns



- Pistachio Quality
 - Navel orangeworm
 - Mycotoxins
 - Aflatoxin
 - Ochratoxin (OTA)
- Food Safety Programs
 - Produce Safety Rule – processors will need supplier verification under their regulations
- Water regulations
- Agroecosystem