State of the Pistachio Industry

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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 75,000 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, Gumdrop, 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