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## Pistachio crops continue expanding

Nov 16, 2009 11:09 AM, By Dennis Pollock, Contributing Writer

A shake-up in the California pistachio industry is not limited to the machinery that rumbles through orchards and jostles nuts from the trees.



**KEVIN HERMAN**, owner, Specialty Crop Co., Madera, Calif., checks pistachio quality in his orchard.

It also involves greater attention to food safety and renewed efforts to market pistachios domestically and abroad at a time when exports have grown substantially in recent years.

Although it's not expected to be the record 425-million pound crop growers had anticipated, the harvest that continues through mid-October is sporting good yield and good quality, said Kevin Herman, who heads Specialty Crop Co., a diversified farming operation based in Madera, Calif.

And Herman believes the industry is well situated to maintain its global standing as still more acres planted with pistachios start bearing nuts in the years ahead. Of 196,000 acres planted in California, only 118,000 are in production.

Industry projections show that by 2012 the crop could reach 550 million pounds, said Richard Matoian, executive director of the Western Pistachio Association in Fresno. He said the crop could exceed 900 million pounds by 2019.

The industry appears to have weathered its first-ever precautionary recall earlier this year due to potential salmonella contamination. The U.S. Food and Drug Administration reported no cases of human illness linked to the recalled products.

The processor at the center of the recall, Setton Pistachios in Terra Bella, resumed production under upgraded food safety procedures.

Matoian said the industry has had good agricultural practices in place since 2000, but is trying to do even more to ensure product safety.

Herman pointed out a tracking manifest for a load of pistachios that would soon be leaving his orchard in Madera County. It provides traceability to the ranch where the nuts are harvested.

He also said that if nuts fall on the ground, they are not scraped up. There was a time, Herman said, when some nuts might have been scooped up from the area where they fell as an elevator deposited them into a trailer.

Chuck Nichols, a grower-packer in Kings, Tulare and Fresno counties, said the salmonella issue spurred higher retail prices and had a serious impact on domestic sales.

He and other processors took steps in response to the recall and FDA concerns, some of them costly.

Nichols alone spent about \$2 million on his plant, located between Hanford and Visalia. We had to have a complete separation of raw and roasted product, needed to move pack lines and duplicate lines, add extra walls and a building, close off some entrances and add wash and foot bath stations, he said.

Nichols said such steps are a key to maintaining consumer confidence.

He pointed to industry studies that show health benefits for pistachios from links to lowering blood cholesterol and curbing type two diabetes.

All the tree nuts are excellent, having the good fat, unsaturated fat, he said. There's a lot of good news coming out, and we have barely scratched the surface.

Nichols said the Western Pistachio Association is spending about \$400,000 a year on nutrition research. Matoian said the association

this year is also embarking on a \$1.5 million international marketing promotion and spending \$1 million for domestic marketing.

Per capita consumption of pistachios trails that for walnuts and almonds. For pistachios it's about a quarter pound per person, for walnuts it's 0.42 of a pound and for almonds it's 1.2 pounds.

□ Pistachios have most, if not all, of the attributes of almonds, and we need to get out and promote that, □ Matoian said.

There's a price tag for that. Western Pistachio represents about a third of the industry; its membership is voluntary and it collects assessments. Last year, the assessment was 1.75 cents per pound. This year, the assessment is 2.5 cents for growers, 1.5 cents for processors.

The association stepped in to pick up some of the programs that ceased with the termination of the California Pistachio Commission, a Fresno-based state marketing order, in 2007 after divisions with Paramount Farms over advertising, marketing and governmental affairs programs conducted by the commission.

The U.S. Department of Agriculture recently announced a producer referendum to amend the federal marketing order regulating pistachios grown in California. It expands the order to states outside California.

Matoian said California grows 98 percent of the nation's pistachio crop, and the remainder comes from Arizona and New Mexico. The federal marketing program enforces federal grade standards and maintains statistics.

A separate California Pistachio Research Board does production research.

Traditionally, Iran is the largest producer of pistachios, Matoian said. But in 2008, a severe freeze resulted in Iran producing only 30 percent of a normal crop, and the United States topped Iran in production, something Matoian does not expect will happen this year.

□ Iran will return to No. 1, □ Matoian said, □ but they are still not back to 100 percent. The damage is a multi-year thing. □

Herman said political strife has been an issue in Iran. □ They are running out of water, and are not putting money back into orchards, □ he said. □ Production has been declining for six to eight years. □

At the same time, there has been a rise in the percentage of U.S. pistachios that are exported. Five years ago, about half the crop was exported, said Jim Zion managing partner with Meridian Nut Growers in Clovis.

□ This year, we could probably [export] 70 percent, □ Zion said. For 2008, exports were at 60 percent.

□ Israel is opening up, and Asia and South America are good markets, along with Canada, □ he said.

Zion said Iran has its own food safety challenges, including aflatoxin, a carcinogenic mold, which he said is an inherent problem considering the way the harvesting is done in Iran. Nuts produced in the United States are also tested for aflatoxin and it's an issue that sometimes plagues growers in the U.S. as well.

□ They [Iranians] shake the nuts onto tarps and they sit in the fields, □ Zion said. □ It may be a week before they are brought in for processing. They are open and exposed in a wet, moist environment. Here, they are dried within eight hours of harvest. □

Zion said many of the new plantings of pistachios are on the West Side of the San Joaquin Valley, which has been challenged on availability of irrigation water.

The good news is that the pistachios are more tolerant than almonds of □ marginal water □ that contains boron and other elements.

□ But, of course, □ Zion said, □ the better the inputs the better the crops. □

Aside from a frost that hit Madera County in the spring and a one-day rain event that may have stained some nuts, the season has gone well from a production standpoint.

□ If you had water, it was a benign year, □ Herman said.

He added that prices are lower this year, dropping from \$2.15 to about \$1.80, but are still good considering there will still be a large crop.

Zion said the lower than expected harvest is due in part to □ blanks □ □ kernels that did not form. □ That's difficult to estimate, □ he said.

Matoian said insect damage was □ incredibly low, □ and that it's simply a matter that □ what people saw on the trees and what ended up in the bins was different. □

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