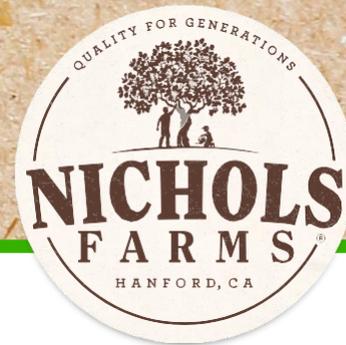


CROP REPORT

September 4, 2019



Early Harvest Update

The 2019 pistachio harvest is off to a sluggish start. Due to a cool spring, maturity is delayed, with many growers not beginning harvest until the 2nd week of September. As of Wednesday, September 3rd, over 90% of receipts have been Golden Hills.

The Golden Hills quality has been good thus far, with large nut size, high split nut percentage, low blanking, and low NOW (navel orangeworm) damage. Staining and adhering hull have been high, as is typical in Golden Hills. This has been exacerbated by unseasonably high temperatures, which break hulls down rapidly in Golden Hills, leading to staining and adhering hull.

We just began to receive Kerman, the predominant California variety. Kerman typically is 7 to 10 days behind Golden Hills in maturity, and that is holding true this year. In comparison to Golden Hills, Kerman nut size is generally smaller, split nut percentage is lower, blanking (empty shells) higher, and staining lower. With a very small set of data, we are seeing better than average split nut percentage and nut size, and lower blanking. In short, it looks good! But pistachios at the beginning of harvest always look good.

So far, all is good news. We are concerned about NOW becoming a problem from the midpoint of harvest onward. We are seeing eggs and larvae in early split nuts, and the high temperatures the San Joaquin Valley is experiencing will accelerate the development of this pest. Cool weather is our friend, and it is not on the horizon!

Yields, like the quality information above, are mostly for the Golden Hills variety. Golden Hills is a new variety to California, so most of the orchards are young. It is a very popular variety; we estimate 90% of orchards planted in the current decade are Golden Hills. At present, it accounts for less than 20% of California's production. It will account for 1/2 of California's production 10 years from now.

The point of this information is to inform that we don't have a good grasp on yields for the 2019 crop. Young Golden Hills orchards are generally at or slightly less than expected. So no bad or good news on yields. General expectations are 700 to 800 million pounds, and it will be a couple of weeks before we have anything new to report as far as the total crop.

Chuck