

## Despite drought, California pistachio crop expected to swell

By Robert  
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Pistachios ready to be sorted.

CRAIG KOHLRUSS — Fresno Bee file photo [Buy Photo](#)

California's drought may slow the growth of the rapidly expanding pistachio industry, but even with less water, farmers are expected to produce a whopping 1 billion-pound crop by 2019, a Rabobank analyst said Thursday.

Vernon Crowder, senior vice president and agriculture economist for Rabobank, said the pistachio industry has experienced unprecedented growth over the last decade. Crowder spotlighted the pistachio industry in a report released Thursday, titled: U.S. Pistachios -- A Billion Reasons to Believe.

In the report, Crowder noted that California pistachio production has grown more than 80% since 2004, with much of the new acres being planted in the San Joaquin Valley. The state now produces nearly the entire U.S. supply.

And while the drought and a warm winter will contribute to a smaller crop this year, it has not put the brakes on the industry. Pistachio trees planted in mid-to-late 2000s are continuing to come into production.

"They are well on track to surpass the 1 billion-pound mark," Crowder said.

This year, the industry's total yield may be in the neighborhood of 500 million pounds or less, Crowder said. That is down from the record 551 million pounds in 2012.

Crowder said it is also possible that starting this fall, almond growers may pull out some aging trees and replace them with pistachios.

Unlike almond trees, pistachios are more tolerant of salty well water.

Richard Matoian, executive director of the Fresno-based American Pistachio Growers, agreed that pistachios are being looked at much more closely.

"I hear that if a grower is looking at a crop to be planted in an area that has soil or water concerns, pistachios tends to be the crop being considered in those situations," Matoian said.

Still, one of the biggest challenges facing the industry is the ability to sustain larger and larger crops. Pistachio prices have generally been trending upward over the last five years.

"One of the concerns is that at what point is the price of pistachios going to be too high," Crowder said. "And will consumers begin to turn to other nuts?"

If that ever happens, it isn't likely to occur anytime soon, Crowder said. Sales of pistachios have benefited from a robust export market. More than 60% of the pistachio crop is exported, with China and Hong Kong the largest customers.

Crowder said pistachios are prized in China because they are believed to have anti-aging properties and other health benefits.

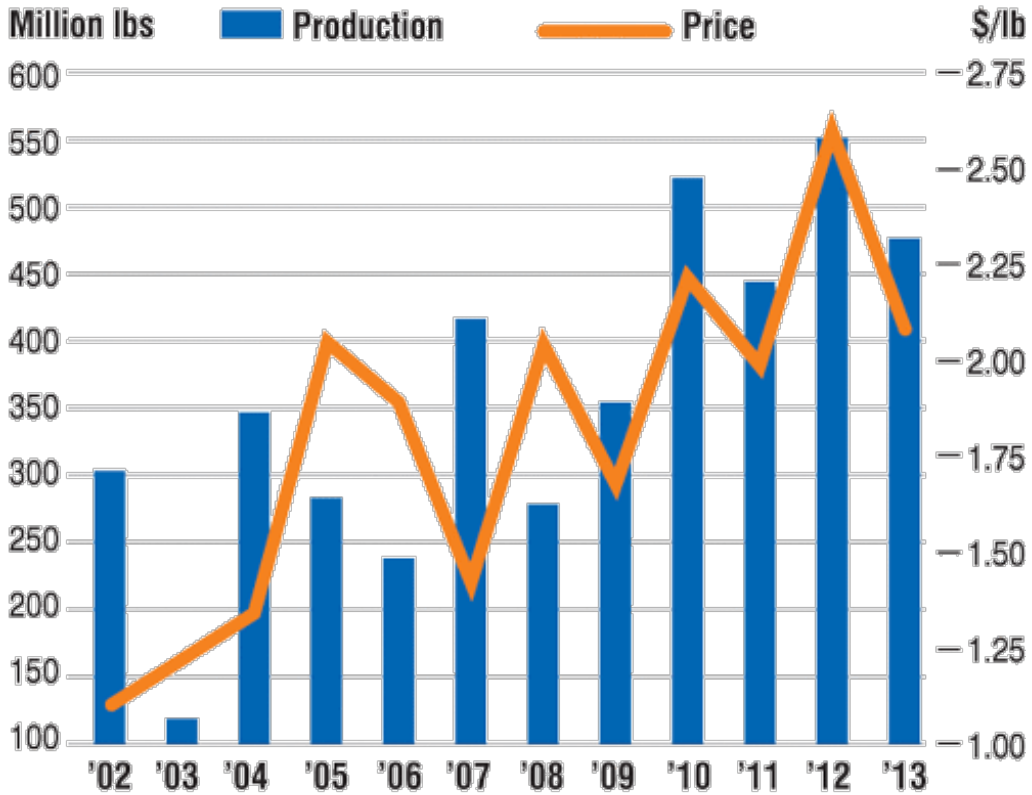
"Ten years ago there was hardly any pistachios going to China and look at it now," Crowder said. "We have done a much better job of finding a home for our pistachios than our competitor Iran. We have taken that market away from them."

Pistachio industry leaders say that as consumers continue to see pistachios as a healthy snacking nut and a food ingredient, sales will continue to rise.

"We have given consumers good reasons why they should choose pistachios over any other nut," said Matoian. "And we must be doing a pretty good job because people keep purchasing pistachios even as the price goes higher."

# Pistachio growth

Higher prices promote increased U.S. pistachio production



Source: Administrative Committee for Pistachios, USDA National Agriculture Statistics Service, 2014

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