



Australian Pistachios

2016 Season Review

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Company

2016 Season

Record Crop

2016 – 1,907 tonnes
2015 – 1,698 tonnes
2014 – 1,190 tonnes
2013 – 1,662 tonnes
2012 – 539 tonnes
2010 – 602 tonnes

Great returns to growers (net of hull & grading)

2016 – \$10.70/kg Estimated
2015 – \$11.53/kg
2014 – \$10.30/kg
2013 – \$9.67/kg
2012 – \$8.00/kg
2010 – \$9.80/kg

2016 Australian crop

Record “off” crop yields

- 7 orchards above 3,000kg/ha
- Many orchard 2,000 to 3,000kg/ha
- 8 orchards below 1,500kg/ha

Stain levels reduced in treated orchards

- Well managed orchards, Dark Stain < 1%
- Unmanaged orchards ,Dark Stain 3% to 8%

Nut size average

- ~ 92/100gms (94 in 2015)
- Ideally below 85 nuts/100gms

Foreign Matter



New Australian Plantings

- Estimated at 40 ha per annum since 2014
- About 100ha planted in 2016
- About 100ha pa planned for at least next few years. No known mega orchards planned
- Each 100ha will increase supply by 400 tonnes pa, in a decade.
- Domestic supply could match current Domestic demand in about 2025 without further consumption growth.
- Exports can easily handle surplus but at a prices below domestic prices. Single desk becomes even more important.

2016 Northern Crop Prospects

Californian 2016 crop will be huge record

- Good Ca chill. Better water. New maturing orchards
- 400k tonnes (est) against expectation of 160k in 2015 and previous record crop of 250k tonnes.

Iranian 2016 crop is reported as “average”.

- 140k to 160k (est)

International prices have dropped and may drop further, but, are still historically high

2017 Australian Crop Prospects

Good bud set but maybe not to 2016 record?

- Poor 2016 winter chill ?
- New orchards continue to mature
- Orchards recovering from 2011 anthracnose
- Continuing better management of orchards
- Jianlu pruning model mitigating alternate bearing.
- Good prices likely for 2017 but below 2016 levels.

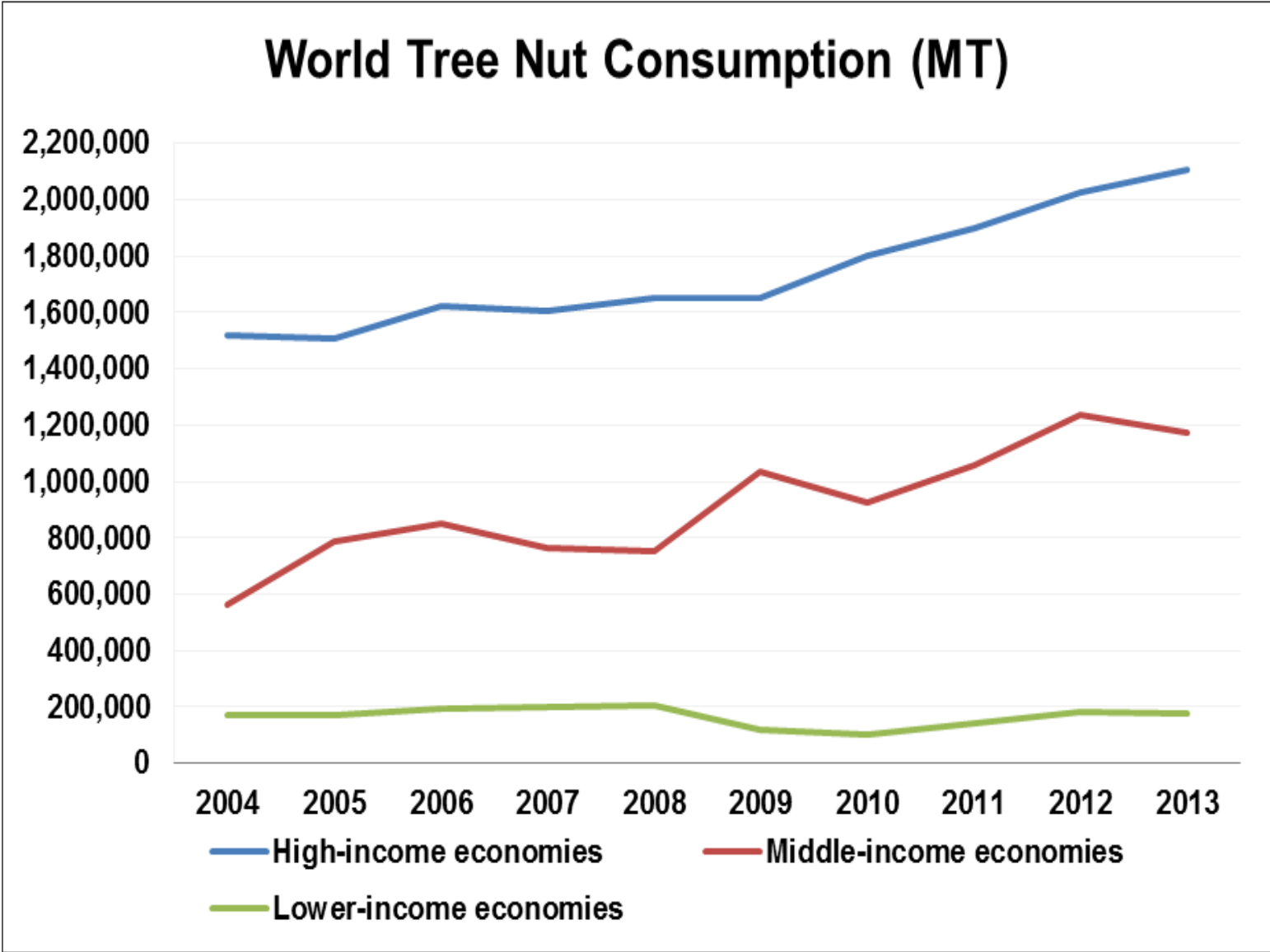
APPC plant expansion

- Expanded capacity handled 1,900 tonnes in 2016.
- Planning underway for 3,000 tonne capacity.
- Several million dollars investment by APPC

Future Prospects

- **Increasing California crops**
 - from ~350,000 to 450,000 tonnes pa
 - c.f., 200,000 to 250,000 tonnes in recent years.
- **Surge in Californian production**
 - will provide marketing challenge for the world industry
- **Stable Iranian crop**
 - ~ 150,000 to 200,000 tonnes per annum
 - on going water problems
- **Increasing world demand**
 - health message working in western markets
 - rising middle class in China, India & Eastern Europe.

Global Demand



Source: INC and World Bank

The future still looks green



Pistachio Growers' Association

