

P.I. NEWS

The Pistachio Industry Newsletter • Volume 7 • November 2016

Pistachio industry again now able to access matching Australian Government funding for R&D - but at what cost?

Two years after its commencement, Horticulture Innovation Australia has finally reached an agreement with the Pistachio Growers' Association to allow the industry to access matching government funds for research and development for the expanding Australian pistachio industry.

Chris Lee, President of the Pistachio Growers' Association, said that "for more than 20 years, Pistachio research and development had been financed by the voluntary contributions of almost all pistachio growers matched with Australian Government funds through the previous horticulture research and development bodies, as well as by Horticulture Innovation in its early days of operation".

In October 2015, Horticulture Innovation reversed its traditional policy that was enshrined in the Statutory Funding Agreement (between the Department of Agriculture and Water Resources and Horticulture Innovation Australia) and required the pistachio industry to enter a complex and onerous legal arrangement. This incurs for pistachio growers increased commitment of resources for administration as well as additional governance that will cost a minimum of \$4,000 of growers' limited funds per annum. It also introduces inflexibility into the research requirements.

It has taken 12 months of drafting, redrafting, legal inputs and long discussion to finally reach an agreement.

"After two years of temporary measures and uncertainty, the Agreement will allow the pistachio industry to recommence a stable, ongoing research program" said Chris Joyce, Chair of the Pistachio Research Committee. "With the final conclusion of this Agreement, the Committee will now be able to focus on actual research activities rather than administrative arrangements", he added.

Whilst the conclusion of this Agreement may be good news for pistachio growers, many other small industries remain excluded from Australian Government matched research funds because of the now onerous requirements of Horticulture Innovation. Previously these industries were able to obtain support under the old voluntary contribution arrangements. Hazelnuts are trying to comply but with great difficulty. Pecans have decided that the Horticulture Innovation requirements are

too difficult and will 100% finance its own research; similarly, Walnuts are in the process of determining whether to comply with the new requirements or to 100% finance their own research.

The Australian pistachio industry commenced in the 1980s with the release of an Australian variety bred by CSIRO. There are now about 1,000 hectares with a 2016 crop value of about \$25 million. The area is being expanded at about 15% per annum. Australia now grows over 50% of the total domestic demand for pistachios with this share growing with increased production.

Mr Joyce said that "the voluntary industry research fund is supported by over 95% of pistachio growers. The pistachio industry has largely operated its own research programs over the past decade. This has provided solutions to some key problems encountered in growing a new crop in Australia. This research includes the world leading publication on determining the chill requirements for pistachios and how to mitigate inadequate chill in warm winters".

"The Pistachio Growers' Association looks forward to moving on from what has been a most frustrating period and recommencing one of the most functional research models within Australian Horticulture" said Mr Lee.



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Pistachio Growers' Association



SCHOLARSHIP INITIATIVE TO SUPPORT LEADERSHIP DEVELOPMENT FOR WOMEN IN THE AGRICULTURE SECTOR -

Limited opportunities for 2017 intake available

Opportunities are available for women in the Agriculture sector to access up to \$8,000 in scholarship funding to assist them to participate in a number of the country's premier women's development programs. The initiative is part of a nationwide push to support and elevate women leaders throughout the Agriculture sector.

Scholarships will be used to assist women leaders to participate in Women and Leadership Australia's flagship development programs. Please note scholarships are limited.

Scholarships are available at three management levels:

- Experienced senior and executive leaders are eligible to apply for an \$8,000 partial scholarship to assist their participation in the Advanced Leadership Program. View the Advanced Leadership Program brochure here.
- Mid-level managers are eligible to apply for a \$4,000 partial scholarship to assist their participation in the Executive Ready program. View the Executive Ready Program brochure here.
- Early career managers are eligible to apply for a \$3,000 partial scholarship to assist their participation in the Accelerated Leadership Performance Program. View the Accelerated Leadership Performance Program brochure here.

Please note:

WLA programs are highly exclusive developmental experiences and admission into these programs requires successful application. Annual intakes are limited.

To make a scholarship enquiry:

Attached to this email is an Expression of Interest form which can also be downloaded here. **Please note:** Following submission of your expression of interest form a WLA scholarship advisor will make contact to provide further information.

Should you wish to discuss the initiative in more detail please contact Ian Johnson at Women and Leadership Australia's head office on 03 9270 9016 or via ijohnson@wla.edu.au.

CALIFORNIA PISTACHIOS MAKE COMEBACK IN 2016

California produces close to 99 percent of the nation's pistachios. With harvest season just about wrapped up, growers are pleased with this year's crop.

Last year was a slow one for pistachios, with only 275 million pounds produced. Because pistachios are alternate-bearing [tendency for an entire tree to produce a greater than average crop one year and a lower than average crop the following year], last year's disappointing crop allowed the trees to rest before producing this year's estimated record crop.

Richard Matoian, executive director, American Pistachio Growers, estimated this year's crop to be between 830 and 850 million pounds. The last record-setting crop was in 2012 when growers produced 555 million pounds of pistachios. This year, some California growers have reported broken branches due to the heaviness of the crop, a phenomenon Matoian has never seen before.

Just as last year's lower harvest enabled the pistachio trees to bounce back this year, increased rainfall last winter helped improve irrigation supplies for the nut trees this year.

In addition, more chilling hours last winter also helped boost production. Pistachio trees require cold nights, with at least 800 hours of temperatures below 19 degrees Fahrenheit. This winter, trees experienced more than 1,000 hours of those conditions.

Reports indicate that the pistachio crop from Iran, one of our biggest global competitors, is a bit down this year, which could help California growers get a better price for their pistachios. "We all hope and try to keep the market as strong as it can be," said Matoian, "but there are market forces at work. You can't hold on to a crop forever. You have to be conscious of what the world supply is, and so a number of factors go into setting a price."

Growers are pleased with the overall size of the harvest compared to last year, but they're also a bit concerned about the prices. "The initial price the growers got last year was somewhere between \$2 and about \$2.20 per pound. Now we are at a \$1.60 to about \$1.80 per pound," Matoian said.

Acknowledgement: Brian German, Associate Broadcaster

Pistachios Market Research Report Now Available at Research Corridor

Research Corridor has published a new research study titled *Pistachios Market - Growth, Share, Opportunities, Competitive Analysis and Forecast, 2015 - 2022*. The Pistachios market report studies current as well as future aspects of the Pistachios Market based upon factors such as market dynamics, key ongoing trends and segmentation analysis. Apart from the above elements, the Pistachios Market research report provides a 360-degree view of the Pistachios industry with geographic segmentation, statistical forecast and the competitive landscape.

Geographically, the Pistachios Market report comprises dedicated sections centering on the regional market revenue and trends. The Pistachios market has been segmented on the basis of geographic regions into North America, Europe, Asia Pacific and Rest of the World (RoW). The RoW segment consists Latin America and the Middle East and Africa. The Pistachios market has been extensively analyzed on the basis of various regional factors such as demographics, gross domestic product (GDP), inflation rate, acceptance and others. Pistachios Market estimates have also been provided for the historical years 2013 and 2014 along with forecast for the period from 2015 - 2022.

The research report also provides a comprehensive understanding of Pistachios market positioning of the major players wherein key strategies adopted by leading players has been discussed. The Pistachios industry report concludes with the Company Profiles section which includes information on major developments, strategic moves and financials of the key players operating in Pistachios market.

Browse the complete report at <http://www.researchcorridor.com/pistachios-market/>

Editors Comment: Unfortunately the cost of the report is outside the resources of the Pistachio Growers' Association Inc.

DOUBLED NUT SALES NEEDED TO SELL RECORD 2016 PISTACHIO CROP

“Generally, in an on-year like this one, it’s difficult for the nuts to mature evenly throughout a tree. But, this year those differences were more extreme, especially in areas where we saw whole nut dry down and early splits. We think this occurred because the trees are still recovering from the impact of drought and overall crop load which was breaking limbs.”

By the time they brought in the last of their 2016 harvest in mid-October, California pistachio growers, who produce 98 percent of the U.S. crop, set a new record - a whopping 902 million pounds (in-shell), according to the Administrative Committee for Pistachios.

This amount would shatter the previous record of 555 million pounds which American pistachio growers harvested in 2012. While this year’s production was consistent throughout the pistachio-growing region, it will not set a record in terms of yield per acre.

Production this year in the other two pistachio-producing states - Arizona and New Mexico - totaled 6.5 million pounds.

This year’s California production feat reflects a combination of more favorable weather than last year, a 2016 on-year crop, and about quarter-million acres of trees now in commercial production, says Andy Anzaldo, vice-president of grower relations at Wonderful Pistachios.

Meanwhile, as the crop size grew larger, Anzaldo says crop quality declined. He attributed this in part to an unusually wide range in the timing of the crop ripening.

“Generally, in an on-year like this one, it’s difficult for the nuts to mature evenly throughout a tree,” Anzaldo says. “But, this year those differences were more extreme, especially in areas where we saw whole nut dry down and early splits. We think this occurred because the trees are still recovering from the impact of drought and overall crop load which was breaking limbs.”

However, the largest factor in lowering 2016 crop quality was the abnormally high amount of shelling stock. While the quality of the kernels is unaffected, the shells are not marketable.

“The shells were over-dry, dark, or crinkled,” Anzaldo explains.

“Typically, shelling stock levels are in the 3 percent to 4 percent range,” he says. “This year shelling stock accounted for as high as 10 percent in some loads. This seemed to be more pronounced in Kern County and other areas where drought (had) impacted production the last few years.”

The closed shell percentage was normal in Kern County, he notes. Yet in Tulare, Madera, and Fresno counties, the percentage ranged up to 25 percent. This is much higher than the 15 percent average.

“These quality issues are important from a marketing perspective,” Anzaldo says. “While the crop is a record 900 million or so pounds, the marketable split in-shell will be 10 percent to 20 percent less because of the high levels of shelling stock and closed shells.”

Anzaldo reports that pressure on this year’s crop from disease, including botryosphaeria and late-season alternaria, was low.

The nut percentage rejected due to Navel orangeworm or other insect infestation was lower than usual at the start of harvest due to the use of pheromone puffers which disrupt mating, and the early harvest. However, as harvest progressed into the late stages, the amount rose to higher than average.

“We suspect the early-hull split nuts were harboring a flight of Navel orangeworm,” Anzaldo says. “When the flight came on in mid-September, growers didn’t have any protection in place for the nuts. The industry will be asking at the Navel orangeworm summit on Nov. 14 what could have been done better to protect the crop at that late point in the season.”

For Wonderful Pistachios growers, harvest started Aug. 19 with some tree shaking in Kern County. Within 10 days, harvest was underway for most California growers, Anzaldo notes.

The company processes the crop at two facilities in the Lost Hills area, and two plants in Coalinga and Firebaugh. During the main harvest rush over a 27-day period, growers delivered nuts at the average rate of 1,079 truckloads per day, he says. Processing volume for a single day peaked at a company-record 1,144 truckloads.

“Over the last three years, we’ve invested \$300 million in our plants to process the growth in annual production as the number acres of bearing trees increases,” Anzaldo says. “That paid off, because we were able to process this year’s crop without any major interruptions.”

Now, with the huge 2016 crop in, the industry faces the formidable challenge of marketing the pistachios at home and abroad. In fact, the stock of pistachios on hand at the end of the 2016 harvest is twice as large as it was after last year’s harvest wrapped up.



Credit: Olaf Bender/Thinkstock

“Because of the difference in size between production in 2016 and 2015, the industry will have to double the volume of sales, compared to last year, to market the new crop through the current marketing year, and carry over a reasonable amount of pistachios to balance an expected off-year in 2017,” Anzaldo says.

Not surprisingly, the market price of pistachios has fallen but not as much as expected. He says the opening grower price for the 2016 crop is \$1.80 per pound (in-shell) - or 70 cents less than last year’s opening price.

Lower prices should help move the new crop, he notes, as should rebounding demand in China, the single largest international market for California pistachios.

In addition, Wonderful Pistachios has launched a \$55 million dollar advertising program to boost U.S. pistachio sales. Featuring the Ernie the Elephant cartoon character with audio voice over by television personality John Cena, the television campaign debuted in early October during a Monday Night Football broadcast.

“Combined with the lower prices, this increased marketing effort is designed to double pistachio sales this year and bring final prices back to above the \$2 level,” says Anzaldo.

**Acknowledgement: Greg Northcutt, Contributing Writer
Western Farm Press**

Uflex develops new structure for pistachio pouches



Uflex, India's largest multinational flexible packaging company, has developed a new structure for Lebanese dry fruit specialist Alrifai, which was seeking to improve the packaging and distribution of pistachio nuts.

Lebanon's Alrifai, which is a global leader in the dry fruit industry, approached Uflex to assist in developing a more suitable option for pistachios that the brand was selling in pouches manufactured by a European converter. These were turning rancid much before the expiry date, resulting in a market recall of the product. Upon investigation, the R&D team at Uflex diagnosed that pistachios, apart from being hard, have extremely sharp edges that rupture the inner layers of packaging thereby disintegrating the barrier.

After an extensive R&D project lasting over six months, Uflex engineered the quad seal registered gusset pouch with a 3-ply laminate structure comprising PET (with registered matte coating), metalized polyester (with registered window) and nylon-based transparent PE.

The nylon-based transparent PE layer of the laminate exhibits extensive stretch property and imparts puncture and tear resistance to the pouch, making it strong enough to endure the sharp edges of pistachios, as well as contributing to the overall barrier to oxygen and water vapor.

The new pouches also have a brilliant gloss finish on the front and a matte finish with registered gloss on the back, creating a premium look. Certain elements of the imagery on the matte side of the pack have been printed in a registered gloss finish with 3D effect, further adding to the visual appeal according to Anup Sachdeva, joint president, Packaging (global exports) at Uflex. The side gussets have de-metalized windows on either side that allow the consumers to see through the pouch and check the quality of the product packed inside before making a purchase decision.

A D-punch handle within the pouch structure makes it convenient for the consumer to carry the pack, and an integrated press-to-close zipper on the front of the pack allows easy access to the products packed inside.

'The most interesting part is the fact that even if you retrieve some dry fruits from the pack and then reclose it properly, the barrier to oxygen and water vapor remains pretty much intact for the pouch, thus extending the shelf life of the product,' commented Sachdeva. 'Anybody would love to place this aesthetically designed pack in the kitchen cabinet without having to decant the dry-fruits in an airtight container.'

'This packaging is gaining a lot of traction overseas and many international brands have approached us for similar solution for their products too.'

SPAIN: Castile-La Mancha pistachio acreage to reach 12,000 hectares

"This year's prospects in Castile-La Mancha point to the pistachio acreage reaching 12,000 hectares; an impressive increase of over 4,000 hectares in just one year," announced the Councillor of Agriculture, Environment and Rural Development, Francisco Martínez Arroyo, during his visit to the facilities of the Agricultural Transformation Society (SAT) El Campo in Villacañas, Toledo.

The Councillor promised to hold meetings with all processing companies in the region "to ensure Castile-La Mancha becomes a leading pistachio producer at European level."

In this sense, with the pistachio harvest season already coming to an end, the Councillor stressed that "this year, we will probably account for around 80% of the pistachio production and acreage at national level," which has been described as "spectacular figures," although he clarified that these are not definitive data, because they are calculated based on the sale of plants by the nurseries, "which is what we use to predict what will happen with this crop this year and in the coming years."

In this regard, the Councillor of Agriculture of Castile-La Mancha has confirmed the firm support from the regional government for the cultivation of organic, rain fed crops. "In the next few years, nearly half of the crops will become organic," and the regional government also provides support through the Focal support line, with investments to allow the sector to grow.

Pistachio "is a crop that we need to support, because it has an added value, since we are able to differentiate ourselves from other pistachio producers in the world, and this entails opportunities to generate more wealth in Castile-La Mancha," stated the Councillor. Martínez Arroyo has praised a sector "that is doing very well" and for which he is committed to continue working.

Acknowledgement: Financialfood.es

IRAN'S 6-MONTH PISTACHIO EXPORTS UP 20% YR/YR



TEHRAN- Iran exported \$381.647 million of pistachio during the first half of the current Iranian calendar year (March 20-Septemehr 21) showing 20 percent rise compared to the same period of time in the previous year, IRNA reported on Tuesday citing the portal of the Ministry of Agriculture.

The country's weight of exported pistachio stood at over 40,000 tons during the mentioned time span, with 22 percent growth from the figure of last year's first half.

Iran exported 130,000 tons of pistachio worth \$1.2 billion to 70 countries in the previous Iranian calendar year (which ended on March 20).

Setton Farms' pistachios tops in flavor, versatility, retail opportunity



Pistachios are so versatile and flavourful that they are consumed in nearly every imaginable way - from snacking whole to an ingredient for virtually every meal course, from appetizers to desserts.

For retailers, pistachios offer a bonus. They can be displayed almost anywhere in the store alongside a multitude of products. While pistachios are traditionally displayed in the produce area, they now are also frequently found on endcaps, checkout racks and many other places in stores.

Among its wide range of holiday snacking products, Commack, NY-based Setton Farms' hallmark is its pistachios. As a family-owned-and-operated company, its passion is growing wholesome pistachios and making them available to consumers in a wide array of packaging options.

"Pistachios were traditionally viewed as only a snack nut, and retailers preferred to promote them only during snacking seasons alongside beers and snacks," said Joseph Setton, a principal in the company. "Here at Setton Farms we are working hard to educate consumers and retailers through healthy messaging and media marketing campaigns."

The company's message is that besides pistachios' great flavor, they are extremely healthy and a great alternative to unhealthy snacks.

"We have increased our promotion frequency to encourage our retail partners to promote pistachios throughout the year, and we have highlighted the successes of doing so with other healthy selections," added Setton.

In June, at the Summer Fancy Food Show 2016 in New York City, Setton Farms debuted its new Premium Blend line, which Setton said is a great addition to its value-added offerings. The line includes three unique flavours: Pistachio Berry Blend, Crème Brulee and Sweet & Salty in attractive resealable pouches with matching floor shipper displays.

"The Premium Blend line features our family's best-tasting premium-quality California-grown pistachios, freshly roasted nuts, dried fruits and decadent chips," said Setton. "We're confident there is a flavour sure to please everyone."

He explained that retailers are often reluctant to bring displays and shippers into their produce departments due to the labor, mess and difficulty to assemble.

"We offer a fully packed free standing one-quarter pallet bin that requires absolutely no assembly," stressed Setton. "In addition to the ease, the one-quarter pallet bin is a small footprint which makes it easy for retailers to find the right place to display them. Our bin proudly features both the American Heart Association Heart Check Mark and Certified Gluten Free logos."

The company's ongoing dedication is to produce the highest quality products possible and to build relationships with its customers, which results in winning the taste buds of consumers and keeps them coming back.

Consumers, Setton said, are always looking for new recipes and ingredients leading up to the holidays. Setton Farms natural, non-GMO shelled pistachios are a delicious way of incorporating great taste and a beautiful green color to any recipe.

"Shelled pistachios are frequently used to make pestos and dips, and most recently they're trending in use for nut butters and even pistachio milk," Setton added.

Acknowledgement: by Christina DiMartino. *The Producer News*

GROWSMART TRAINING NOVEMBER NEWSLETTER

Riverland Horticultural Council, trading as GrowSmart Training is an incorporated, not-for-profit organisation, providing training in:

- Horticulture, Production Horticulture, Conservation and Land Management
- Short Courses - e.g.:
 - Chemcert
 - Chainsaw operation and maintenance
 - Quad bike operation
 - Mobile Elevating Work Platform - daily maintenance and operation
 - Operating tractors

Courses coming up:

ChemCert

Full Course: 7th and 8th December
Reaccreditation: 6th December (only 6 vacancies)
and 9th December

Chainsaw Training

Please register if you wish to do a chainsaw course before the end of the year. We will schedule a course when we have sufficient numbers (only 2 more participants needed!)

Tractor Driving Course

A 3 hour tractor operation course to assist drivers to become more proficient - e.g. in vineyard harvesting work. This is not accredited training but could be extended to enable participants to gain a Certificate II level unit

Subsidies

A further reminder that WorkReady subsidies are available for Certificate III in Horticulture, but only for new employees on a traineeship

For more information about any of our training or with any ideas you have please contact:

Trevor Noble, Manager, GrowSmart Training.

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PISTACHIO MARS BARS

[Vegan, Gluten-Free]



Chocolate covered candy bars made with crushed pistachios and salted caramel... need we say more? These Mars Bars copycats taste just as good as the original but are healthier since they contain zero refined sugars or additives. Each layer takes only a few minutes to whip up and then simply need to be combined and coated in chocolate. Easy and delicious!

Serves: 5

Ingredients

- 1 1/2 cups dates
- 1 1/2 cups ground unsalted pistachios
- 1 teaspoon cinnamon
- 3/4 teaspoon salt
- 1/3 cup water
- Vegan dark chocolate

Preparation

1. Start by making the salted caramel paste. Transfer 1/2 a cup of dates into a saucepan and add the water and a 1/2 teaspoon of salt. On medium heat, stir until the dates are completely dissolved. Keep adding a little more water if the mixture is too dry. The final result should be a thick caramel-like paste.
2. Next add the ground pistachios and the remaining dates together with the cinnamon and 1/4 teaspoon salt into a food processor and mix for a few minutes until everything sticks together.
3. Use the date-pistachio mix to form 5 bars using your hands. Spread the date paste on top and put in the refrigerator for at least 2 hours to allow them to set.
4. In a double boiler, melt the chocolate and cover the bars. Put into the refrigerator again for about half an hour.



Melina Kutelas: Food Stylist, Photographer, and Recipe Developer. For her blog *About That Food*, she creates healthy and delicious cruelty-free recipes.

