

THE PECAN NEWSLETTER

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SOUTHEAST

Southeastern growers race to finish harvest. With the dry weather, growers have been able to harvest quickly. Some growers estimate that most of harvesting will be done before Thanksgiving. Other growers in the Southeast are starting harvest this week.

Last week, growers expressed concerns over the unseasonably warm weather. This week, temperatures dropped slightly. South Georgia had early morning temperature in the low to high 40s Fahrenheit and daytime temps in the 60s. Central and North Georgia had slightly cooler weather; morning and evening temps remained in the high 30s to low 40s F, while daytime temperatures ranged from the mid-50s to high 60s. This cooler weather gives hope to growers that colder weather and a freeze are on the way. This would allow growers to finish up harvest and reassure the quality of the crop.

Growers throughout Georgia can expect some rain this weekend, which may slow down the final stages of harvest.

As the holiday season kicks off, retail pecan sellers remain busy as they continue to knock out business and ship orders. The USDA reports that interest in the domestic market from commercial shellers and accumulators continues to increase. At the same time, interest from the export market grows, especially China as the Chinese New Year draws closer.

LOUISIANA

Harvest continues in Louisiana with light shipments coming to market this week. With a few improved varieties entering market, Natives and 'Elliott' pecans continue to enter buying station. Pecans are then being sold through retail stores and gift items.

Growers have reported a mixed bag of production; some have good production, while others say they're experiencing light production this year. After the rain and pest problems this year, growers are seeing some quality issues in the cleaning process. Like in Georgia, some growers report up to 60 percent blow out. Because of this, volume is expected to be light. For the most part, the market remains steady in Louisiana.

TEXAS

While most growers in Texas are finishing up

harvest or have finished for improved varieties, some have just started. These growers began shortly after the freeze at the last week of October and estimate that they'll continue into next month. Native pecan harvesting is also underway, but multiple growers in Central Texas say that the native crop is short and spotty this year.

Across the state, a number of growers have reported quality problems. One grower in North Texas says, "Our quality stinks! We are blowing out half of what we harvest just to keep yields up." Other growers throughout North Texas report similar problems.

Central Texas growers have reported a mix of crop quality. One grower says, "Quality of most [improved] varieties looks pretty good." Another grower, who recently began harvesting, says "The crop has a lot of lightweights and discoloration in both the natives and improved."

2017 brought extreme weather, scab and pecan weevil, and the central part of the state is seeing the combined effects of all of these problems. Two growers from this region report that there is no yard crop due to scab. Another grower says "Weevil damage is common from wetter river bottom orchards."

As for quantity, growers consistently state that it is down this year. A grower in the southern part of the state says "The quality has been very good, but volume is off by about 25 percent."

Another in the same region reports that although quality is better this year, quantity is down 20 percent. Scab continues to plague this part of the state and has left a number of growers wondering if anything can be done after harvest to prevent scab in the spring.

WEST TEXAS, NEW MEXICO, ARIZONA

In a typical year, growers in the West would have been preparing to start harvest either before Thanksgiving or around the end of November. Either way, harvest in the West begins after the season's first hard freeze. But this year, it is incredibly hot out in the West with temperatures fluctuating between the 60s and 80s (Fahrenheit) and leaves remaining on the trees.

One grower says it's incredibly hot, and usually, they have a freeze by now. Another said that the "pecans are ready, but it's too hot. They're not opening up."

Even though the pecans are ready and have yet to open, most growers will choose not to green harvest. The added expense of that type of harvesting and the likelihood that they do not have dryers would make it a difficult task. Some will sweep through their orchards to grab some of the pecans that have already fallen, but that will be the extent of early harvest for many growers.

Multiple growers expressed concerns over sprouting in the 'Pawnee' crop, while some even worried that 'Western' and 'Wichita' will sprout as well. Those with a big crop this year are especially concerned about sprouting. They say that the trees are already stressed by the heavy crop, and this heat is not helping.

Although growers have concerns about continued warm weather, many feel that they will still have a good, large crop. Some growers are seeing off-year production, but others, in large production regions, anticipate having good on-year production.

MEXICO

Like in the U.S., some growers in Mexico have completed harvest, while others are finishing up their first round. These growers are waiting for a freeze before moving onto the next stage. But like in West Texas, New Mexico and Arizona, a freeze has yet to hit this year.

One Mexican grower reports that while quantity might be slightly under what was estimated (at 84 percent), "quality is really good with almost no germinated or cracked nuts" and "total meat from 56 to 60 percent."

Other growers in Mexico report a significantly low crop this year. One grower says "We estimate that this year's production will be 35 percent of last year's—a 65 percent drop from last year's yield."

Although quantity is lower than expected, growers report moderate to good quality with favorable nut size.

The Mexican market is strong with high interest from American and Chinese buyers. One buyer says he is hard-pressed to meet demand due to the short crop in Mexico.

So far, offered prices range from \$4.60 to \$4.80 per point, according to one grower. He clarifies that there have been "too few transactions to determine a reliable average price."

MARKET AND PRICES

Although the market got off to a slow start and stills seems to be moving slowly, growers are seeing some movement. One grower reports that prices "moved up \$0.40 per point in the last couple days" and continues to get stronger.

Others remain concerned that the market is moving too slowly. Some growers say that the market has remained stable with little to no change.

The USDA reports that in Georgia this week that large lots of Blends of export quality pecans—a meat yield equal to or greater than 45 percent and nut count at 45-60—sold between \$5.00 to \$5.84 per point. Some Desirable Blends have been sold for as high as \$5.76 per point.

Even with the market moving slower than most would like, growers report that demand for good pecans is very strong throughout the United States. Growers in Texas report that prices are shifting. One grower reports "selling truckloads in the \$5.50 per point range."

"Prices of pecans with 54 percent kernel is at \$3.25 or higher a pound in-shell, while poor quality pecans in the 43-47 percent range are below \$2.00 per pound in-shell," says a Texas grower.

"Many producers are holding harvest hoping for improving prices," says a different Texas grower. "Accumulators are waiting on bids...and town pecans are in short supply." This same grower says that overall, "Caution and uncertainty abounds with Central Texas purchasers."

Interest from China continues to grow across the board as harvest continues and Chinese New Year grows closer. But some growers have reported that Chinese buyers are experiencing shipping problems and are unable to ship pecans from the U.S. This has caused a chain reaction that has ultimately slowed the market down. Due to the shipping issues, Chinese purchases are being held in cold storage. In turn, containers and storage availability is dwindling.

Overall, pecan growers across the U.S. and Mexico are watching and waiting to see what the market will do next. Some producers are holding harvest off with the hope that prices will improve, while others are merely waiting for prices to stabilize before considering sales.

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