



ANNUAL REPORT

2019





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OUR MISSION

To collectively advance the American pistachio industry through research, promotion, advocacy & programs that directly benefit our members.

The story of the American pistachio is one of unparalleled success. From the first harvest in 1976 of 1.5 million pounds to the largest harvest of over 994 million pounds, American pistachios are number one in global production.

American Pistachio Growers (APG) was founded in 1989 by a few visionary pistachio cultivators who recognized the benefits of banding together to strengthen their influence in the industry. Today, APG is the collective voice of more than 800 members across the country, representing a \$2.6 billion-dollar industry and the only not-for-profit trade association for the American pistachio industry.

Our annual report provides a glimpse into the American pistachio grower and processing community and gives a comprehensive overview of the programs and support provided to pistachio growers in California, New Mexico and Arizona.

We're here to ensure the economic viability of American-grown pistachios across the globe by: investing in nutrition and health research, global promotion, grower education, production research, legislative advocacy and leadership development for the next generation.

APG STAFF

RICHARD MATOIAN	PRESIDENT
JUDY HIRIGOYEN	VICE PRESIDENT, GLOBAL MARKETING
REBECCA HALL	DIRECTOR, MARKETING COMMUNICATIONS
HAIYING ZHANG	DIRECTOR, ASIAN MARKETS
CASEY LAMONSKI	DIRECTOR, MEMBER SERVICES & COMMUNICATIONS
ROBERT NASH	DIRECTOR, GOVERNMENT RELATIONS
ALLIE JONES	MANAGER, ACCOUNTING
RENE YAMASHIRO	MANAGER, NUTRITION RESEARCH & COMMUNICATIONS
GENARO GONZALES	MANAGER, DIGITAL CONTENT
SUKHPAL "SUKEY" HAYER	MARKETING PROJECT MANAGER
DIANNA SHORT	EXECUTIVE ASSISTANT
JESSICA GARRISON	ASSISTANT, GLOBAL MARKETING
JENNIFER JONES	ADMINISTRATIVE ASSISTANT



RICHARD MATOIAN
AMERICAN PISTACHIO GROWERS
PRESIDENT

A Message From The APG President

I am very happy to present to you the 2019 Annual Report of American Pistachio Growers (APG). American Pistachio Growers continues its strong representation of 800+ members: growers, member processors and affiliated industries in the states of California, Arizona and New Mexico.

APG remains dedicated to the advancement of the American pistachio industry. We remain focused to move this industry forward on matters of concern, to collectively work to find solutions for industry issues and most importantly, to continue to increase consumer demand of American grown pistachios. The 2019 crop was officially an “off” year crop, with over 748 million pounds harvested, right in the middle range for an off year crop. As we have previously projected (since 2014), we anticipate the industry will exceed one billion pounds by 2020. This milestone is no surprise, with 994 million pounds being produced in 2018—the last “on” year. We are aware of the new pistachio plantings and anticipated production levels of these trees. We strongly believe APG is very well positioned to increase marketing and public relations programs to coincide with increased industry production.

This world is increasingly becoming more complex to work within. Whether it be at the local, state,



APG remains dedicated to the advancement of the American pistachio industry. We remain focused to move this industry forward on matters of concern, to collectively work to find solutions for industry issues and most importantly, to continue to increase consumer demand of American grown pistachios.

national or international levels; the requirements that you and your businesses work, live and operate under are more numerous, more complex, and exceedingly more unpredictable. In the last year, think of tariffs implemented, or rumors of proposed tariffs in additional countries, implementation of the Sustainable Groundwater Management Act (SGMA), chemical use and availability, state and federal water policy discussions (State drinking water regulations, Waters of the United States (WOTUS), ESA biological opinions), aflatoxin, mycotoxin and ochratoxin standards being discussed or changed, various food safety regulations and the Produce Safety Rule—these are just to name a few things you have to deal with.

Throughout our existence and especially over the last year, APG has been actively engaged in these and many other issues, with a goal to effectively and successfully represent our members towards creating an economically viable pistachio industry. That's how

and why APG secured even more grant dollars for pistachio nutrition research, promotion and public relations; it's how we secured grower payments under USDA's Market Facilitation Program at \$146/bearing acre as a result of the tariffs; it's how we spearheaded obtaining \$6 million in federal dollars for the operations of the Sterile Navel Orangeworm facility; it's why we opposed California Senate Bill 1—which would have stopped any Trump Administration reforms from being implemented within California.

So, when growers ask, "What am I getting for my assessment dollar?" refer to the list above for just a short list of activities, projects and initiatives APG is involved in on a daily basis. Or better yet, take time to read this Annual Report for details on these and many more. We represent your interests at both the state and federal levels of government. We continue to fund important pistachio nutrition research, and we are constantly striving to increase global pistachio demand through marketing and public relations.

APG continues to be well positioned to move this rising industry forward into the future. We continue to be strong because of the strength of you, our members. Every year brings new challenges and opportunities and we continue to be focused, energetic, and determined in representing this industry well. Thank you for your ongoing investment in American Pistachio Growers and for your belief that we accomplish much more operating as a collective, unified industry!



APG PRESIDENT



FARMING FOR OUR FUTURE

The future comes fast. You plan, you adapt, you innovate, because that's what keeps you in business and what keeps this country fed. And we're here to help — for all the tomorrows to come.



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BRIAN WATTE
APG BOARD OF DIRECTORS
CHAIR

A Message From The APG Board of Directors Chair

Dear Friends,

I am deeply honored to have been elected as the chairman of the board of the American Pistachio Growers, an association that has been trusted partners to growers, processors and members for over 30 years.

This is a particularly dynamic time for our industry. We've successfully navigated the marketplace in the wake of increased tariffs, received additional grant funding for nutrition and production research, welcomed more grower members, saw an increase in bearing acreage and continued to drive global demand for American pistachios.

During the 2019 crop year, the American pistachio industry saw an increase in the amount of grant funding awarded to pistachio research. With this additional funding, APG was able to fund 23 studies on protein analysis, antioxidants, diabetes, heart health, weight management and many more. We will continue to deepen our commitment to the continued research on the many health benefits of consuming American pistachios.

We also worked tirelessly to advocate on behalf of the American pistachio grower and shared the impact the pistachio industry has on our economy. One major advocacy activity was the new study, "An Analysis on the Effects of the American Pistachio Grower's Program to Reduce/Eliminate Tariffs on U.S. Pistachios" quantified the importance of APG's mission to confront and eliminate tariffs and other trade barriers. Our collective voice is critical to our future and with studies such as this to support us, we will continue to be heard at both the State and Federal level.

One area that I am particularly proud of is the dedication the APG board and committee members have to the association. We have more than 64 member volunteers, from across three states, giving their time and expertise on seven committees; the executive committee, marketing & communications, finance, government policies, leadership, member services, nutrition and our pistachio PAC. It's because of these volunteers and our 800+ members, we can continue to move our pistachio community forward.

Finally, the board and the staff of American Pistachio Growers remain committed to our mission to collectively advance the American pistachio industry through research, promotion, advocacy and programs that directly benefit our members. 2020 will be an exciting time as we continue to chart a new future while delivering on our commitment.

APG BOARD OF DIRECTORS, CHAIR

We have more than 64 member volunteers, from across three states, giving their time and expertise on seven committees.

Board of Directors

Executive Committee



Brian Watte **Chair**

BRIAN WATTE FARMS TULARE, CA

Brian Watte farms in Tulare, California as Brian Watte Farms. He started farming in 1983 with his late brother Mark. They started with cotton, corn, alfalfa and wheat, and in 2000 planted their first pistachios. He currently serves on the KDWCD and Elk Bayou Boards (water boards). He is also president of the International Agri-Center Board of Directors. Brian served on the APG Board of Directors from 2008 to 2015 and was re-elected in 2016. He is currently the Chair of the Board and serves as Ex Officio on all American Pistachio Growers Committees.

EMAIL BJWATTE1@GMAIL.COM



Dominic Pitigliano **Vice-Chair**

PITIGLIANO FARMS TIPTON, CA

Dominic Pitigliano has been involved in farming most of his life. He graduated from Cal Poly, San Luis Obispo with a degree in Ag Systems Management and a minor in Ag Business. He works with his family farming pistachios and other permanent crops. Dominic was a 2012 APG Leadership Program graduate and was elected to the APG Board in 2016. He currently is the Board Vice-Chair. He also serves on the Executive Committee, Chair of the Finance Committee, and is a liaison for the Government Policies and Partnerships Committee.

EMAIL DOMINIC@PITIGLIANOFARMS.COM



Dennis Woods **Secretary | Treasure**

WOODS FAMILY FARMS MADERA, CA

Dennis Woods was born, and still lives in Fresno with his wife Cheryl. He graduated from Fresno State and has had two full careers. For the first 24 years, he partnered with a childhood friend in Helsabeck's Food, a wholesale and retail food company started locally in 1903. While running that company, he started the local United Security Bank with a dozen local people and remains the Chairman and CEO. In 1980 he purchased his first farm and planted 160 acres of pistachios. He then planted another pistachio orchard 15 years ago, and another 60 acres of pistachio a few years later. He was elected to the APG Board of Directors in 2018 and serves on the Executive Committee, the APG Leadership Committee and the Marketing Communications Committee.

EMAIL DWOODS@UNITEDSECURITYBANK.COM

Board of Directors

Executive Committee



Rudy Hernandez

BHT & ARROYO FARMS SAN LUIS OBISPO, CA

Rudy Hernandez grew up in the Central Valley where his extended family farmed cotton, corn, almonds, citrus and grapes. After obtaining undergraduate and graduate degrees, he spent over 14 years in the accounting and finance world, participating in his first pistachio development in 2000. Since then, he has both managed and been a part of several pistachio development projects encompassing 1,500 acres. Rudy was a graduate of the first APG Leadership Program class (2011) and was elected to the APG Board in 2015. He currently serves on the Executive Committee, the Marketing Communications Committee and is the liaison for the Finance Committee.

EMAIL HFITINC@GMAIL.COM



Gary Smith

INGLEBY FARMS VISALIA, CA

Gary Smith is the U.S. General Manager for Eriksson LLC that has 3,600 acres of pistachios in Fresno County. In addition, he provides agricultural economic and business services for lending institutions and businesses in the western United States. Gary served on the APG Board of Directors from 2008 to 2015, and was re-elected in 2016. He currently serves on the Executive and Finance Committees and as a liaison for the Marketing Communications Committee.

EMAIL GRS@INGLEBYFARMS.COM



Justin Wylie

WYLIE FARMS FRESNO, CA

Justin Wylie is a fifth-generation farmer and partner in Wylie Farms, the family ranch management business. His father Craig and his uncle Chris Wylie have been farming pistachios since they started budding young trees in the 1970s for Bob Peterson. Justin grew up in Merced, graduated from UCSD in 2002 and now works for CAPS, PGIM as a farm manager in Fresno. In 2015, he purchased his own pistachio ranch. In 2016 he graduated from APG's Leadership Program, then, in 2017, he was elected to the APG Board. Currently, he serves as Chair of the Nutrition Committee, Vice-Chair of the Membership Services Committee, a liaison and is a member of the Executive Committee.

EMAIL JUSTINJWYLIE@GMAIL.COM

Board Members



Ali Amin

PRIMEX FARMS LOS ANGELES, CA

Ali Amin is a fourth-generation pistachio grower and the founder of Primex International Trading. He manages almost 5,700 acres of pistachio orchards in California and is passionate about the pistachio industry. He graduated from California State University, Northridge with a BA in Accounting & Information Systems. He has served in various leadership positions in the industry, including past Chair of the California Pistachio Commission. Ali was elected to the APG Board in 2019 and serves on the Marketing Communications Committee.

EMAIL ALI@PRIMEX-USA.COM



Steve Burcham

GAGE FARMS FIREBAUGH, CA

Steve Burcham started learning about pistachios over nineteen years ago, by working with his father-in-law, Larry Gage. Learning about pistachios from Larry was an experience he will never forget. Larry inspired him to be active in APG to ensure that there continues to be a market through governmental regulations, educational services, research and marketing. Steve is currently a member of Firebaugh Rotary and was a 2013 graduate of the APG Leadership Program. He continues to be an advocate from the small pistachio farmer perspective. Steve was elected to the APG Board of Directors in 2016 and currently serves on both the Nutrition and Membership Services Committees.

EMAIL SBURCHAM@SBCGLOBAL.NET



Mia Cohen

SETTON FARMS TERRA BELLA, CA

Mia Cohen is the Chief Operating Officer of Setton Farms, Inc., Setton Pistachio of Terra Bella, Inc. and Setton International Foods, Inc. She graduated from Boston University with a BA in Economics and completed her education at the Frank G. Zarb School of Business at Hofstra University, where she earned her MBA in Finance. Mia serves as Chair of the California Export Council and Vice-Chair of the Peanut and Treenut Processors Association. An APG member since joining the industry in 2002, Mia served on the APG Board of Directors from 2010 to 2017 and was re-elected in 2018.

EMAIL MCOHEN@SETTONFARMS.COM

Board Members



Danielle Kusmak

TULAROSA PISTACHIO GROVES TULAROSA, NM

Danielle has been farming pistachios since 2005 along with her husband and sons. She's a multi-generational agriculturist, currently serving as the Secretary in the Arizona Pistachio Growers Association and is a policy writer for New Mexico Education. She also serves as a Board Member for the NM Partnership for Math & Science Education. Danielle is a 2013 APG LeadOn graduate and serves on the Leadership Committee and the Member Services Committee.

EMAIL DKUSMAK@TULAROSA.NET



Steve Moore

STEVE MOORE FARMS FRESNO, CA

Steve Moore has been growing pistachios since 1982. He's been active in the agri-business industry for just as many years. He currently operates the Steve Moore farm. Originally from Visalia, California, Steve graduated from Fresno State with a degree in Business. He was elected to the APG Board in 2019 and has been a loyal APG member for over 20 years. Steve currently serves on the Finance Committee, the Marketing Communications Committee and the Nutrition Committee.

EMAIL STEVE@STEVEMOOREFARMS.COM



Alison Nagatani

C. NAGATANI FARMS EARLIMART, CA

Alison Nagatani's great-grandfather came to the United States from Japan in 1912 and purchased 20 acres of land near Ducor, California. Her family has been farming ever since. She is a fourth-generation farmer and third-generation almond and pistachio grower. She partnered with her father six years ago in their Earlimart farming operation. Alison attended CSU Long Beach and worked in finance and marketing after college. Alison was a 2014 APG Leadership Program graduate and was elected to the APG Board in 2015. She is the Chair of the Marketing Communications Committee and serves on the Nutrition Committee.

EMAIL ALISON.NAGATANI@GMAIL.COM

Board Members



James Nichols

NICHOLS FARMS HANFORD, CA

James joined Nichols Farms in 2013 as the Technology Manager. His responsibilities include collecting and organizing data related to soil fertility, irrigation management and pest control. He is a graduate from UC Davis in Crop Science and Management and also a member of the Alpha Gamma Rho Agricultural Fraternity. Following graduation in 2010, he worked on a walnut and pistachio farm in western Spain. Prior to joining Nichols Farms, James was Assistant Blueberry Production Manager for Victoria Island Farms, and also worked on a food security/agricultural survey for West African Farmers with Texas A&M. He was a 2016 graduate of the APG Leadership program and was elected to the APG Board in 2017.

EMAIL JAMES@NICHOLSFARMS.COM



Adam Orandi

ADAM ORANDI ORCHARDS TERRA BELLA, CA

Adam Orandi is a multi-generation pistachio farmer and CEO of ARO Pistachio, a full-service processor formed in 2008. He studied Business Administration and Marketing at the University of Minnesota and, since 1994, has managed Orandi Ranch, established in 1971, working alongside his father, Dr. Mehdi Orandi. Adam was a graduate of the first APG Leadership class (2011) and was elected to the APG Board in 2014. He currently serves as Chair for the Membership Services Committee and on the Marketing Communications Committee.

EMAIL ADAM@AROPISTACHIO.COM



Sharon L. Roden

RODEN FARMS PASO ROBLES, CA

Sharon Roden is a fifth-generation Californian, and her family has been ranching and farming in Kern County for six generations. The Roden family planted their first pistachios in western Kern County in 1983. She is a graduate of California Polytechnic State University, San Luis Obispo with a BS in Agricultural Management. Sharon graduated with the first APG Leadership Program class (2011) and was elected to the APG Board in 2015. She served as APG's Chair of the Board in 2017 & 2018.

EMAIL NUTSNBOLTS@FIX.NET

Board Members



Gabriella “Kiki” Sandrini

R.B. SANDRINI FARMS BAKERSFIELD, CA

Gabriella Sandrini, also known as Kiki, is a fourth-generation farmer. She is currently working for her family business, RB Sandrini, in the Sales department. The family has farmed just about everything from corn and almonds, to alfalfa and plums. The company now focuses on growing table grapes and pistachios in the heart of the Central Valley, Delano, CA. Richard, her father, was also a former APG Board Member serving his three-year term from 2015-2018. Kiki graduated in 2016 from the University of Arizona majoring in Communication. Since graduation she has worked full time on the farm. She graduated from APG’s Lead On program in 2018 and started serving on the Board the same year. She currently serves on the Membership Services and the Nutrition Committees.

EMAIL KIKISANDRINI@YAHOO.COM



Richard R. Searle

SEARLE RANCH PEARCE, AZ

Richard Searle is a second-generation rancher and lifelong resident of Southeastern Arizona and Southwestern New Mexico. He acquired his first Arizona pistachio orchard in 2002 and purchased a second one in 2011. Along with his pistachio orchards, Richard is also in the cattle business. He spent 20 years as a community banker in the region and 12 years as an elected Cochise County Supervisor. He is currently serving as Director of the Cochise County Farm Bureau, Director for the Arizona Cattle Growers Association, and is on the Board of Directors of Western Bank. Richard was elected to the APG Board in 2017 and serves on the Government Policies and Partnerships Committee.

EMAIL RICHARD2@VTC.NET



Jim Zion

MERIDIAN GROWERS MADERA, CA

Jim Zion is a Managing Partner of Meridian Growers, a grower-owned sales and marketing company. Jim graduated from Cal Poly, San Luis Obispo with a bachelor’s degree in Agricultural Business. He completed his education at Fresno State, where he earned his master’s degree in Agricultural Economics. His newest venture is a pistachio infused bourbon whiskey called Wicked Harvest. An APG member since 1998, Jim served on the Board of Directors from 2007 to 2014, and was re-elected in 2017, where he currently serves as Chair of the Government Policies and Partnerships Committee. He is also part of the Pistachio PAC, and is an alternate for the Marketing Communications Committee.

EMAIL JZION@MERIDIANGROWERS.COM



A BOLD COMMITMENT to Grower Partnerships, Exceptional Quality, and a Robust Retail Presence



We'd like to show you our commitment in action. Please contact Keenan Farms Grower Relations Manager, Zack Raven, at zraven@keenanfarms.com.

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2019

**AMERICAN
PISTACHIO
GROWERS**

Committees

EXECUTIVE

Brian Watte, Chair*
Dominic Pitigliano, Vice Chair
Dennis Woods, Secretary/Treasurer
Rudy Hernandez
Gary Smith
Justin Wylie

FINANCE

Dominic Pitigliano, Chair
Jim Hering, Vice Chair
Rudy Hernandez, Liaison
Stewart Fellner
Steve Moore
Gary Smith
Diane Wood
Scott Woodard

GOVERNMENT POLICIES AND PARTNERSHIPS

Jim Zion, Chair
Jamie Bledsoe, Vice Chair
Dominic Pitigliano, Liaison
Doug Anderson
Thom Dille
Sherry Heuler
Adam Kusmak
Larry Lowder
Kent Naraghi
Tim O'Neill
Karun Samran
Richard Searle
Joseph Setton
Larry Wilkinson

LEADERSHIP

Danielle Kusmak, Chair
Dennis Woods, Liaison

MARKETING COMMUNICATIONS

Alison Nagatani, Chair
Justin Wylie, Vice Chair
Gary Smith, Liaison
Adam Orandi, CPEC Representative
Ali Amin
Tony Bagato
Rick Borges
Mia Cohen
Rudy Hernandez
Paul Huckabay
Steve Moore
Kamie Munger
Rudy Placencia
Nick Rush
Derick Strain
Dennis Woods
Gary Smith
Mojgan Amin
Joel Perkins
Jeremy Blackwell
Joseph Setton
Adam Kusmak
Elizabeth Keenan
Sean Nicholson
Ahmad Foroutan
Jim Zion
Thom Dille
Caleb Adams
Jimi Valov

MEMBERSHIP SERVICES

Adam Orandi, Chair
Justin Wylie, Vice Chair
Brian Watte, Liaison
Steve Burcham
Bob Engleman
Jeff Gibbons
Sherry Heuler

MEMBERSHIP SERVICES (CONTINUED)

Marianne Konda
Rich Kreps
Danielle Kusmak
Zack Raven
Aaron Salsedo
Kiki Sandrini
Steve Seplak
Mark Sherrell
Mike Smith
Kirk Squire

NUTRITION

(Subcommittee of Marketing)

Justin Wylie, Chair, Liaison
Patti Watte, Vice Chair
Mojgan Amin
Steve Burcham
Ahmad Foroutan
Gilbert Garcia
Jean Heuler
Drew Hoffman
Janice Lowder
Gabrielle Munger
Alison Nagatani
Simi Robani
Kiki Sandrini
Elise Silvester
Steve Moore

PISTACHIO PAC

Robert Lake, Chair
Jimi Valov
Jim Zion

*Chair, Watte is an ex-officio member of all committees.

REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS
AMERICAN PISTACHIO GROWERS REPORT
ON THE FINANCIAL STATEMENTS



We have audited the accompanying financial statements of American Pistachio Growers (“the Organization”), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Pistachio Growers as of August 31, 2019, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, as of August 31, 2019, the Organization adopted Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, information about liquidity and availability of resources, methods used to allocate costs to programmatic and other support

information, and direction for consistency about information provided on investment return. The adoption of the standard resulted in additional footnote disclosures and changes to the disclosures related to net assets. Our opinion is not modified with respect to this matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 2019, on our consideration of American Pistachio Growers' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the American Pistachio Growers' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering American Pistachio Growers' internal control over financial reporting and compliance.



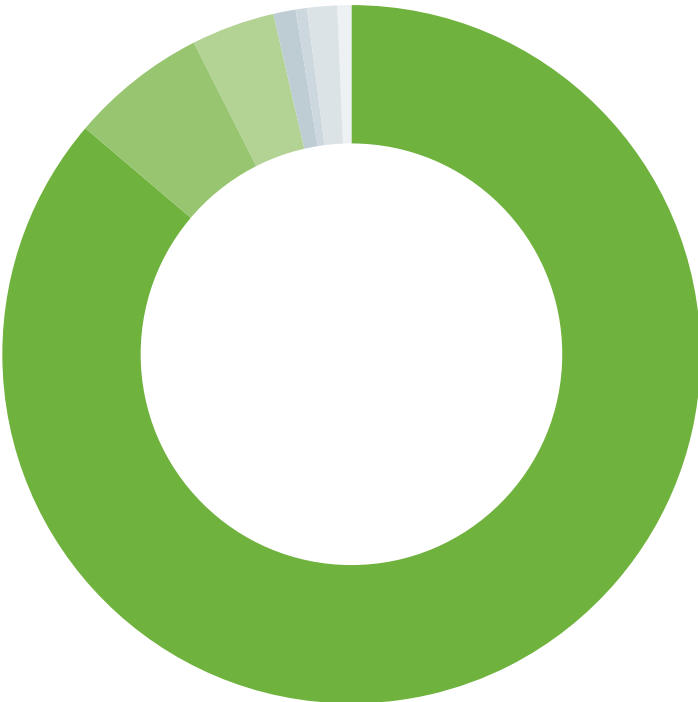
Fresno, California | November 12, 2019

Audited Financials: Revenue and Expenses

Revenue

Total in Percentages

- **87.25%** Member Dues
- **8.18%** Grants
- **3.25%** Conference
- **0.30%** Annual Report
- **0.20%** Golf Tournament
- **0.67%** Interest
- **0.15%** Contributions



Expenses

Total in Percentages

- **54.05%** International Marketing
- **18.71%** Domestic Marketing
- **7.80%** Nutrition
- **7.59%** Administration
- **6.42%** Membership
- **5.43%** Government





Statement of Financial Position

Assets

Current Assets

Cash & Cash Equivalents	\$4,294,783
Investments	\$6,729,956
Grants Receivable	\$188,647
Prepaid Expenses	\$121,153

Total Current Assets **\$11,334,539**

Security Deposit	\$6,000
Property & Equipment, Net	\$83,871

Total Assets **\$11,424,410**

Liabilities & Net Assets

Current Liabilities

Accounts Payable	\$528,243
Accrued Expenses & Other Liabilities	\$223,111

Total Current Liabilities **\$751,354**

Net Assets - Commitments & Contingencies

Without Donor Restrictions	\$10,609,113
With Donor Restrictions	\$63,943

Total Net Assets **\$10,673,056**

Total Liabilities & Net Assets **\$11,424,410**

Statement of Activities

For The Year Ended - August 31, 2019

Revenues, Gains & Other Support

Item	w/out Donor	w/ Donor	Totals
Member Dues	\$12,523,379	-	\$12,523,379
Grant Revenue	\$1,174,580	-	\$1,174,580
American Pistachio Conference	\$466,448	-	\$466,448
Annual Report	\$43,500	-	\$43,500
Golf Tournament	\$28,706	-	\$28,706
Interest & Dividend Income	\$95,505	-	\$95,505
Contributions	-	\$21,835	\$21,835
Total Revenues, Gains & Other Support	\$14,332,118	\$21,835	\$14,353,953
Net Assets Released From Restrictions <small>*Restrictions satisfied by payment of related expenses.</small>	\$14,492	(\$14,492)	-
Total Revenues, Gains & Other Support <small>*After new assets released from restriction.</small>	\$14,346,610	\$7,343	\$14,353,953

Expenses

Item	w/out Donor	w/ Donor	Totals
Program Services	\$10,727,318	-	\$10,727,318
Management & General	\$1,131,746	-	\$1,131,746
Total Expenses	\$11,859,064	-	\$11,859,064
Change in Net Assets	\$2,487,546	\$7,343	\$2,494,889
Net Assets <small>*Beginning of year</small>	\$8,121,567	\$56,600	\$8,178,167
Net Assets <small>*End of year</small>	\$10,609,113	\$63,943	\$10,673,056

*See report of independent auditors and notes to financial statements.
() indicates a negative amount



Statement of Cash Flow

Cash Flows From Operating Activities

Change in Net Assets	\$2,494,889
Depreciation	\$45,018

Change in Operating Assets

Grant Receivable	(\$187,463)
Prepaid Expenses	(\$96,029)

Change in Operating Liabilities

Accounts Payable	\$198,045
Accrued Liabilities	\$144,186

Cash Flows From Investing Activities

Purchase of Property & Equipment	(\$24,558)
Net Cash From Investing Activities	(\$6,729,956)

Net Change in Cash & Cash Equivalents **(\$4,155,868)**

Cash & Cash Equivalents *Beginning of year **\$8,450,657**

Cash & Cash Equivalents *End of year **\$4,294,783**

*See report of independent auditors and notes to financial statements.
() indicates a negative amount

JIM ZION GOVERNMENT POLICIES & PARTNERSHIPS COMMITTEE CHAIR
ROBERT NASH APG DIRECTOR, GOVERNMENT RELATIONS

GOVERNMENT AFFAIRS

GOVERNMENT POLICIES & PARTNERSHIPS COMMITTEE REPORT



American Pistachio Growers (APG) has continued to expand its government relations footprint in 2019, both in Washington, D.C. and within state government. In representing the interests of the pistachio industry, APG looks for ways to create the biggest and most positive impact. Often this includes coalition building with other agriculture commodity interests, who usually share many of the same issues. APG pulls individual grower resources together to speak with a louder voice, and works with other organizations to do the same, including: the Agricultural Presidents' Council, the San Joaquin Valley Water Blueprint, Alliance of California's Farmers & Ranchers, and the Specialty Crop Farm Bill Alliance.

APG continues its efforts to promote agriculture and educate decision makers on the benefits agriculture brings, as well as the harm some government policies are having on the industry. As part of this effort, APG participates in numerous agriculture tours where state legislators and staff are taken all over California to get a boots-on-the-ground look at farms and processing plant operations. For the pistachio industry, it is important to continue to build relationships and stay engaged as part of the decision-making process.

The pistachio industry is facing many challenges in 2020, but the issue consuming most agriculture is the Trump Administration's trade policy with the People's Republic of China (PRC). President Trump is using a national security provision commonly known as Section 232 and the Intellectual Property Rights Section 301 provision to impose increased tariffs on PRC imports. In retaliation, the PRC imposed tariffs on pistachios and other agricultural and non-agricultural products. When the tariffs first went into effect, few thought the high tariffs would last into 2020 and beyond.

APG has been successful over the decades at removing tariffs and non-tariff barriers, however, foreign countries have recently focused on increasing non-tariff barriers in addition to PRC increased tariffs. The U.S. pistachio industry now exports around 70 percent of its production and APG is working to prevent increased tariffs and non-tariff barriers. The future challenge for APG is to tackle these trade issues so our pistachios can move freely throughout the world.



The U.S. Pistachio Industry Now Exports Around

70%
of its Production

American Pistachio Growers
is working to prevent increased tariffs
and non-tariff barriers.

READ MORE ON
GOVERNMENT AFFAIRS
FEDERAL REPORT (PG. 28) &
STATE REPORT (PG. 38)



2019

FEDERAL REPORT

NAVEL ORANGEWORM – PHOENIX STERILE INSECT TECHNOLOGY FACILITY

American Pistachio Growers (APG) has taken the lead in the efforts to obtain federal funding for the Sterile Insect Technology (SIT) Facility in Phoenix, AZ. The SIT Facility was originally commissioned by the cotton industry to raise sterile pink bollworm for area-wide releases in an effort to suppress the pest. The program was even more successful than planned and the cotton industry was recently able to declare pink bollworm eradicated. Now that the facility has excess capacity, pistachio, almond, and walnut industry leaders have made a push to start breeding sterile navel orangeworm (NOW) for aerial release in California.

Up until now, research on NOW at the Phoenix SIT Facility has been funded by the California Pistachio Research Board who put in \$2.5 million in 2018 and 2019, and the remaining federal funding from the pink bollworm project. For 2019, the Almond Board also contributed an additional \$1 million. It has been the goal of the NOW Action Committee (NOWAC) to get federal funding for a pilot program on NOW SIT to be housed in the Phoenix facility.

On December 20, 2019, after a strong lobbying effort by APG, President Trump signed a package of spending bills that included a \$6 million appropriation “for Specialty Crop Pests and for the control and eventual eradication of the navel orangeworm.” Representatives Kevin McCarthy (CA-23) and Ken Calvert (CA-42), working with the House-Senate Conference Appropriations committee, were pivotal in obtaining this crucial funding for a NOW SIT Pilot Program.

The pilot program for NOW provides an opportunity to combine the SIT approach with other consistently applied area-wide management measures across the program area as a cooperative effort by the agricultural industry, USDA, the California Department of Food and Agriculture, and the Arizona Department of Agriculture. The operational elements of the program include mapping of almond and pistachio acreages and locations, intense monitoring, control using cultural practices, mating disruption with pheromones, carefully timed pesticide applications, and testing the additional benefits of sterile NOW moth releases.

APG ACTIONS

Multiple trips to D.C. to advocate for funding

Extensive meetings and communication with Central Valley congressional district offices

Maintained strong lobbying effort and monitoring in D.C.

U.S.-CHINA “PHASE ONE” TRADE DEAL

The U.S.-China Phase One Trade Agreement was signed on January 15, 2020 and entered into force immediately. As part of this agreement, China committed to purchase on average at least \$40 billion of U.S. food, agricultural, and seafood products annually over the next two years. Importantly, the President said the current U.S. tariffs on China will remain in place until a phase two deal has been agreed upon. This could result in Chinese retaliatory tariffs on U.S. pistachios to remain in place for that same duration. The U.S. reported exporting 26,015 metric tons of pistachios to China in crop year 2019, which is an increase of 19,637 metric tons from the previous year. The U.S. exported 89,019 metric tons of pistachios to Hong Kong in CY 2019, which is an increase of

7,037 metric tons from CY 2018 amounts. Although the signing of this agreement signaled a de-escalation in trade conflict between the world's two largest economies, more work must be done to normalize trade conditions. The tariff on U.S. raw pistachios is 55 percent, and the tariff on U.S. roasted pistachios is 15 or 30 percent depending on importer classification. APG has submitted multiple letters to the U.S. Trade Representative and the USDA requesting that any agreement with China include immediate removal of China's tariffs on U.S. pistachios. APG has also sought adequate trade assistance to mitigate some of the damage resulting from retaliatory tariffs as well as funding to strengthen existing markets and develop new ones.

✓ APG ACTIONS

Advocated to USTR and USDA for removal of tariffs on pistachios in any trade agreement

Fought for trade assistance/mitigation for pistachio growers

Have continuously monitored situation and taken action when appropriate

USDA TRADE MITIGATION PROGRAM

The USDA provided a second agriculture trade aid package after trade negotiations with China failed in May 2019. The impact of this trade dispute began being experienced by U.S. pistachio exporters and other American agricultural producers following China's tariff increases in response to U.S. Section 301 tariffs for China's intellectual property rights theft and Section 232 tariffs on steel and aluminum products. This package is meant to assist farmers that have been damaged by tariff retaliation and other trade disruption that has taken place in 2018 and 2019.

Market Facilitation Program

The Market Facilitation Program (MFP) dispersed payments to eligible pistachio producers and other farmers damaged by foreign trade retaliation. Eligible pistachio producers received direct MFP payments at a rate of \$146 per 2019 bearing acre.

MFP limitations were as follows:

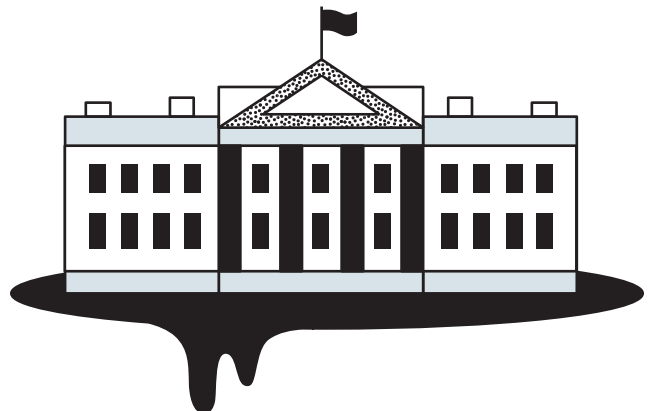
Eligible applicants must have an average adjusted gross income (AGI) for tax years 2015, 2016, and 2017 of less than \$900,000 unless at least 75 percent of their AGI is derived from farming, ranching, or forestry related activities.

Payments are limited to a combined \$250,000 for specialty crop producers and no applicant can receive more than \$500,000.

Applicants must comply with the Highly Erodible Land and Wetland Conservation Regulations.

Food Purchase & Distribution Program

Due to participation in the Market Facilitation Program, pistachio producers are not eligible for the 2019 Food Purchase and Distribution Program (FPDP). Pistachio purchases under the 2018 FPDP program continued. Final purchase awards for the 2018 program were announced on August 1, 2019, and deliveries were made between October 1, 2019, and December 31, 2019. The Agricultural Marketing Service has exceeded its intended amount and reports purchasing \$86,321,303 of roasted in-shell pistachios, representing over 17 million pounds of product.



Agricultural Trade Promotion Program

The Foreign Agriculture Service (FAS) has been issued \$100 million to administer the Agricultural Trade Promotion (ATP) Program that provides cost-share assistance to U.S. trade associations so they may build foreign market access. Pistachios were allocated \$3.4 million of the available \$200 million under the first ATP program and about \$2 million has been carved-out under the second round of ATP payments in 2019.

EU THREATENS TARIFFS ON U.S. PRODUCTS

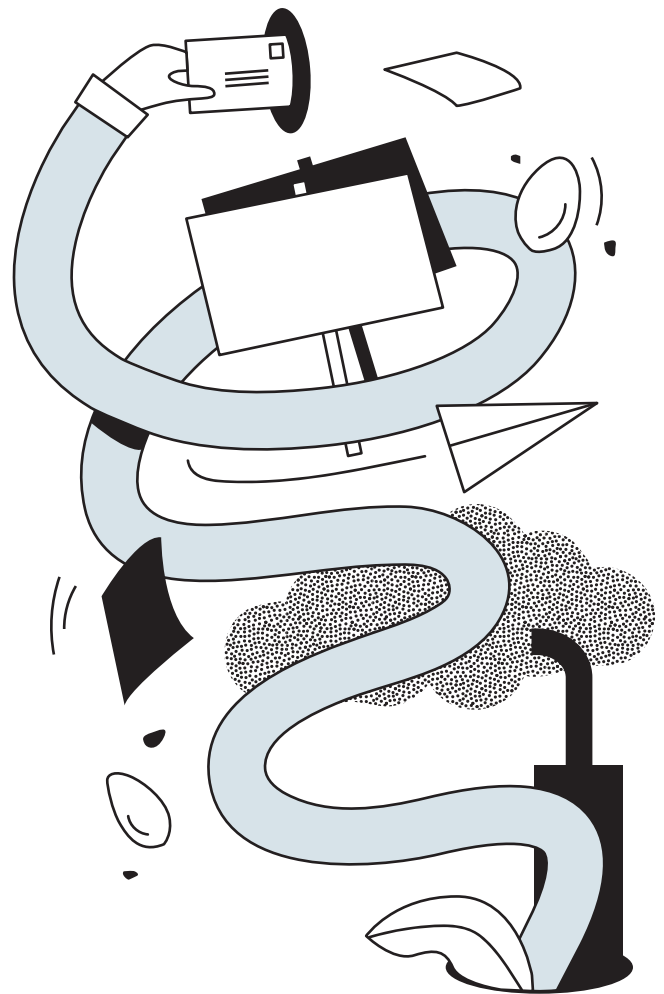
European Union officials have pledged to respond in kind to U.S. tariff increases, and U.S. agricultural products are likely to be impacted. The U.S. initially imposed tariffs on up to \$7.5 billion of EU imported goods following authorization by the World Trade Organization (WTO) to counter illegal European aircraft subsidies to Airbus SE. U.S. government officials are considering imposing additional tariffs on the EU regarding this dispute. U.S. agricultural exports may be affected by European tariffs in 2020 as the WTO will then release its determination of the value of permitted tariffs the EU may place on American products to counter subsidies given to Boeing. U.S. shelled pistachios (HS 08025200) and roasted pistachios in immediate packaging weighing less than or equal to 1kg (HS 20081993) are products being considered for inclusion on the final tariff list. Both sides have been unable to reach a settlement on aircraft support.

U.S. agriculture may also face tariffs from the European Union in retaliation for broad U.S. national security tariffs on automobiles and auto parts. The U.S. deadline for placing auto tariffs has passed without an announcement of tariff implementation, but the threat of such actions still remains. If the tariffs go into effect, U.S. trading partners may retaliate with tariffs on American agricultural goods. APG is monitoring these developments to determine if they will impact U.S. pistachios. The EU is the United States' second largest pistachio market, and

in crop year 2019, the U.S. exported 82,934 metric tons of pistachios to the EU.

U.S.-EU TRADE NEGOTIATIONS AT A STANDSTILL

The European Commission will not support the inclusion of agriculture in a prospective U.S.-EU trade agreement although U.S. Congressional and Administration officials have insisted that agriculture be included in any trade deal with the EU. This standoff has prevented the two countries from formally initiating negotiations. Intergovernmental discussions are expected to occur in 2020 to identify common ground and a potential solution to overcome the deadlock.



POTENTIAL U.S.-UNITED KINGDOM TRADE AGREEMENT

APG has submitted written comments to the United States Trade Representative (USTR) Trade Policy Staff Committee outlining the issues that the pistachio industry is facing in the EU. The letter offered suggestions for policy shifts that, if included in a US-UK trade agreement, would be much more beneficial to the pistachio industry and trade for both countries. Specifically, the comments highlight tariffs, Maximum Residue Level (MRL) issues, and mycotoxin import policies as the main barriers to trade in the EU, and it is APG's hope that a new trade agreement with the UK would deviate from these policies that have been a detriment to trade.

APG ACTIONS

Submitted comments to USTR for potential trade agreement

U.S.-MEXICO-CANADA AGREEMENT

The U.S., Mexico, and Canada completed trade negotiations to replace NAFTA with the USMCA in November 2019, but by the time this report was written, the deal has yet to be ratified by Canada and therefore has not gone into effect. The United States-Mexico-Canada Agreement (USMCA) implementing legislation was approved by Congress and signed into law by the President.

Agricultural products that receive duty-free treatment under the North American Free Trade Agreement (NAFTA) will continue to have zero tariffs under the USMCA. When comparing NAFTA with the USMCA, the pistachio trade provisions remain the same. APG carefully monitored the

legislative process and the proposed changes to the USMCA will not change the NAFTA benefits obtained for pistachio growers.

APG ACTIONS

Have been carefully monitoring talks to ensure the NAFTA benefits for pistachios are maintained in the USMCA

INITIAL U.S.-INDIA TRADE AGREEMENT

India and the U.S. have reportedly resolved most of the major issues that were in discussion and are a step closer to achieving an initial trade agreement. Trade tensions began when the U.S. imposed global tariffs on imported steel and aluminum and flared further in May 2019 with the U.S. decision to remove India from the Generalized System of Preferences program. India responded to these actions by increasing tariffs on almonds, walnuts, and twenty-five other U.S. products on June 16, 2019, but pistachios were not included.

Ministerial level negotiations are being held between the two governments. Few details have been released by either government pertaining to the provisions of the deal but reports indicate that U.S. and Indian officials are hoping to at least partially restore duty-free access to the U.S. market for some Indian products while removing barriers to U.S. products exported to India. The tariff on U.S. raw pistachio exports to India is currently 10 percent and the U.S. exported 8,083 metric tons of pistachios to India in crop year 2019. However, there is room for growth as the country consumed 17,262 metric tons of pistachios that same year. As it has done with all the U.S. trade agreements, APG is working with government and non-government trade experts to maximum benefits for the U.S. pistachio industry.

APG ACTIONS

Working with government and non-government trade experts to maximize benefits for the pistachio industry

U.S.-JAPAN TRADE AGREEMENT

The U.S.-Japan Trade Agreement went into effect on January 1, 2020. This agreement enables roasted pistachios, which currently are subject to a 5 percent tariff, to enter the Japanese market tariff-free. Raw pistachios were already receiving tariff free treatment in Japan's market. The U.S. exported 2,154 metric tons of pistachios to Japan in crop year 2019. Tariff treatment for the products covered under this agreement will match the tariffs that Japan provides preferentially to countries in the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

IRANIAN RAW AND ROASTED PISTACHIO UNFAIR TRADE ORDERS

All dumping and countervailing trade orders are entitled to administrative reviews on the anniversary of the order. The 1986 Iranian raw and roasted pistachios anti-dumping and countervailing trade orders have anniversaries each year. An administrative review allows an interested party to request the order to be reviewed to remove, lower or increase the tariff. However, for the order to be reviewed, Iranian pistachios would have to have been imported. Since there is an embargo on Iranian imports, no pistachios have entered the U.S., therefore there were no petitions filed with the International Trade Administration, U.S. Department of Commerce for an administrative review.

FARM BILL

In late 2018, following the midterm election, Congress passed the 2018 Farm Bill. The President quickly followed with his signature to make this statute the law of the land. One of the important pieces of the Farm Bill for the specialty crop industry is the continuation of funding and authority for important specialty crop programs. Many of these programs that we rely upon in our industry require re-authorization every five years in the Farm Bill.

Since the enactment of the Farm Bill, our industry has benefited from these programs, including the Market Access Program, the Specialty Crop Block Grant Program, the Specialty Crop Research Initiative, the Tree Assistance Program, and the Technical Assistance for Specialty Crops program. All of these USDA programs work to aid our growers and industry members market their crops and support vital research for our industry's benefit and growth.

Specialty Crop Research Initiative

Following passage of the Farm Bill, the specialty crop industry advocates in D.C. became aware that legislative language had been altered regarding the USDA Secretary's authority to provide a waiver for matching funds, a requirement to receive Specialty Crop Research Initiative (SCRI) grants. For many specialty crop groups, this proved challenging to gather matching funds at the final hour of the 2019 funding round. The Specialty Crop Farm Bill Alliance, of which APG is a member, came together to work with key congressional agriculture committee leaders to provide a legislative path for the waiver authority for the USDA Secretary. Language that allows USDA to waive the matching fund requirements for SCRI was then included in the Continuing Resolutions that were passed as short-term funding mechanisms for the federal government. The final FY2020 spending bill that was passed late in December 2019 included legislative language allowing the Secretary to waive matching grant requirements for the SCRI. Unless a more permanent legislative fix presents itself in

2020, this language will need to be renewed before the FY2020 spending bill authority expires on September 30, 2020.

✓ APG ACTIONS

Participated with SCFBA to affect key change to matching funds requirement for the SCRI

FEDERAL WATER POLICY

When the Democrats took over as the majority party in the U.S. House of Representatives at the beginning of 2019, climate change and its effects took main stage at the House Natural Resources Committee. The key subcommittee in the House with jurisdiction over water policy (now named the Water, Oceans and Wildlife Subcommittee, or WOW) gained a new chairman in Congressman Jared Huffman (D-CA) of Northern California. He stated early in his tenure as Chairman of this subcommittee that the U.S. cannot rely solely on water storage infrastructure going forward, but must follow an all-encompassing water conservation effort including desalination, groundwater recharge, storm water capture, and well-designed surface storage.

The House and the Senate held hearings throughout 2019 on water infrastructure and improved water storage in western states, on the basis that water infrastructure legislation will be passed at some point in this Congress (which covers 2019 and 2020). As the 2020 election year evolves, legislation of this type does become more difficult to pass. If 2016 set a template, this type of legislation may have to be delayed until a “lame duck” session after the November 2020 election (if such a session takes place).

A number of bills focused on Western water policy were introduced during 2019. In early spring 2019, Congressman Josh Harder (D-CA), from the Modesto area, introduced H.R. 2473, Securing

Access for the Central Valley and Enhancing (SAVE) Water Resources Act. This legislation would address many aspects of water supplies for the Central Valley and California, including water storage projects and their funding, an innovative financing program to fund local water infrastructure projects, and the reauthorization of the Rural Water Supply Act. A hearing was held on this legislation, but to date, it has not moved forward in the legislative process.

In the summer of 2019, a coalition of western Senators introduced S. 1932, the Drought Resiliency and Water Supply Infrastructure Act, 2019. Senator Feinstein (D-CA) took a lead on this bill, and co-sponsors are Senators Cory Gardner (R-CO), Martha McSally (R-AZ), and Kyrsten Sinema (D-AZ). Among numerous provisions, this legislation would expand on certain provisions of the Water Infrastructure Improvements for the Nation (WIIN) Act as passed in late 2016.

In the fall 2019, Congressman Tom McClintock (R-CA) introduced H.R. 5217, the Water Optimization of the West (WOW) Act. This legislation includes a number of Republican-led Western water initiatives, including Republican Leader Kevin McCarthy’s RAILWAY Act that would re-purpose unused funds from California’s now defunct High-Speed Rail towards water storage infrastructure projects. Also included in this legislation are extensions of various WIIN Act provisions, streamlined contract renewals for water districts, expedited water transfers and discretion for the Secretary of the Interior to modify dam operations in the Central Valley Project (CVP) to provide reasonable water flows to protect migrating fish.

Again, passage of any of these bills becomes more challenging as each month of 2020 passes due to the Presidential election in November of 2020.

New Biological Opinions for California CVP & SWP

The long-in-preparation revised Biological Opinions (BiOps) to govern the operations of the California Central Valley Project (CVP) and State Water Project (SWP) were released in late October 2019

by the federal agencies with jurisdiction over them. These Biological Opinions have a long history, including considerable controversy in the final months as the Opinions were put into final form. Comments on the revised BiOps were diverse and represented the strong views held by the spectrum of interested parties.

Overall, the new BiOps are intended to provide more flexibility than was possible under the prior BiOps (from 2009) in managing flows through the Delta. Some examples of the new approach to handling the operations are: a more refined temperature management plan at Shasta Reservoir; funding for hatcheries and new major habitat projects; adoption of new performance metrics for managing Old and Middle River reverse flows to limit salmonid loss; and the establishment of independent review panels to evaluate the science behind various actions and outcomes.

In late November, California Governor Gavin Newsom announced that the State was suing the Federal Government to challenge the BiOps, asserting the scientific basis was not adequate to protect the species in the Bay Delta. Newsom attempted throughout 2019 to “navigate” his way through the highly contentious Bay Delta issues and satisfy the various stakeholders.

FOOD SAFETY – FSMA

Nearly a decade ago, President Obama signed into law the Food Safety Modernization Act (FSMA) that made sweeping and comprehensive changes to the U.S. food safety system. In the past nine years, many of the key requirements have been implemented, and growers and processors across the U.S. are in compliance with the regulations for which they are required to comply. The U.S. Food and Drug Administration (FDA) continues to draft and update guidance documents for the key implemented provisions; these guidance documents are intended to aid industry and stakeholders in compliance with the regulations.

One of the key provisions of FSMA, the “high-risk”

designation of food, has yet to be implemented. In 2014, FDA requested data and information on various foods, food categories, and a draft matrix designed to consider food risk. Following the closure of the comment period of this request, FDA made no more public movements on this provision until late 2018 when a consumer watchdog group filed a complaint in court regarding FDA’s lack of implementation of this provision of FSMA. In summer 2019, the court ruled in favor of the consumer group and established deadlines for FDA to implement the designation of high-risk foods. The compliance deadlines, as set out in the court, are:

Sept. 8, 2020 – Deadline for FDA to designate the list of “high-risk” foods as required by FSMA Section 204(d)(2)(A).

Sept. 8, 2020 – Deadline for FDA to publish a proposed rule, including record-keeping requirements for high-risk foods, also as required by FSMA Section 204(d)(2)(A).

Nov. 7, 2022 – Deadline for FDA to issue a final rule, including record-keeping requirements for high-risk foods, also as required by FSMA Section 204(d)(2)(A).

As FDA works to designate high-risk foods, the following are the statutory guidelines that they will use as a road map to establish high-risk foods:

The known safety risks of a particular food, including the history and severity of food borne illness outbreaks attributed to such food, taking into consideration food borne illness data collected by the Centers for Disease Control and Prevention (CDC);

The likelihood that a particular food has a high potential risk for microbiological or chemical contamination or would support the growth of pathogenic microorganisms due to the nature of the food or the processes used to produce such food;

The point in the manufacturing process of the food where contamination is most likely to occur;

The likelihood of contamination and steps taken during the manufacturing process to reduce the possibility of contamination;

The likelihood that consuming a particular food will result in food borne illness due to contamination of the food; and

The likely or known severity, including health and economic impacts, of food borne illness attributed to a particular food.

SANITARY AND PHYTOSANITARY ISSUES

The U.S. International Trade Commission (USITC) recently announced an investigation into global maximum residue level (MRL), with the intent to understand how this impacts the U.S. domestic market as well as international trade. The Trump Administration is taking the increased pesticide MRL seriously and the U.S. Trade Representative request to USITC to hold this hearing is an encouraging act. APG will be filing comments to USITC.

Pesticide Standards

Many of the U.S. export markets have been lowering or eliminating maximum residue limits on a number of important plant protection products, such as glyphosate. Included with APG's work with U.S. Codex officials, APG also works closely with USDA Foreign Agriculture Service (FAS) staff who monitor and track pesticide residue changes as they are reported to the World Trade Organization (WTO). When appropriate, APG sends comments and any available data to USDA FAS staff upon request to help build the U.S. case with trading partners and at the WTO when pesticide standard setting activities will cause trade barriers.

Monthly, APG publishes the "Federal and State Pesticide Newsletter" that provides our members with any proposed changes to global, national and state pesticide standards as well as updates for on-going projects. Annually, APG publishes the

Pistachio MRL database that tracks U.S. tolerance maximum residue limits for our top export markets, as identified by the APG World Pistachio Trade Report.

APG ACTIONS

Worked closely with U.S. Codex officials and USDA FAS to monitor and track pesticide MRLs reported to WTO

Published "Federal & State Pesticide Newsletter" and annual "Pistachio MRL Database"

Chlorate

The EU Standing Committee on Pesticide MRLs met late in September to finalize various draft and proposed regulations, including the proposal on Chlorate MRLs. Because a new Commission was installed on November 1, 2019, the Standing Committee did not vote on any of the draft or proposed measures. There was discussion among the EU Member States, however, that indicated had a vote occurred they would have agreed to the most recent draft of the proposal on Chlorate; this includes an MRL on tree nuts of 0.1ppm.

Ochratoxin A

The European Union (EU) currently has not adopted a maximum tolerance protocol for Ochratoxin A (OTA). The possibility of the EU adopting aflatoxin testing to detect OTA and using the same tolerance limit as aflatoxin is concerning to APG. These toxins do not pose equal risks to human health, so specific research on OTA within pistachios should be conducted by the EU and even the FDA to determine appropriate limitations. APG has previously submitted comments opposing the EU OTA tolerance limit.

The European Food Safety Authority (EFSA) published a draft opinion in mid-December 2019.

The draft opinion did not make any proposals or recommendations for pistachios at this time. APG submitted follow-up comments to EFSA reinforcing the points that had been made previously, specifically that further research needs to be performed before any limits are set for pistachios.

APG ACTIONS

Submitted comments opposing EU OTA tolerance limit

Aflatoxin

EFSA has recently published a draft opinion on aflatoxin contamination in foods. The draft opinion does not recommend changing (lowering or raising) any of the maximum limits. The draft recommendation does indicate that further monitoring is necessary.

United Nations Economic Commission for Europe (UNECE) Standard Layout for Dry and Dried Produce

The United Nations Economic Commission for Europe (UNECE) held a meeting in November 2019 regarding UNECE Standard Layout for Dry and Dried Produce.

In summary the issues involving the project are the following:

A review of glossary terms for appropriateness, including mold vs. mycotoxin. Many EU countries equate mold with mycotoxin, and that is incorrect;

Review the nomenclature of tolerances, specifically for extraneous matter and foreign matter. APG would like to keep those terms separate;

Point of application of the Standard. The intent of this standard was that it would be applied at the shipping point or at arrival in country. Some European countries have been using it throughout trade, which is not what it was created for; and

APG wants to ensure that the responsibility of quality standards following export remain with the holder/seller.

Codex

Codex Alimentarius, an international food standard setting organization for the Food and Agriculture Organization of the United Nations (UN) and the World Health Organization (WHO), conducts its work year-round to ensure standards for safe food. APG engages with this organization through the U.S. governmental agencies, FAS USDA and the U.S. Environmental Protection Agency (EPA), who represent the U.S. at this global organization. APG monitors and engages on various fronts, including standards for contaminants (mycotoxins), pesticide maximum residue limits (MRLs), and any other important issue that may be facing U.S. pistachio growers on a global stage. These standard setting activities are slow in process and some take many years to accomplish.

APG ACTIONS

Monitored and engaged when necessary

AGRICULTURE LABOR

In late fall 2019, a bi-partisan coalition of House members introduced H.R. 5038, the Farm Workforce Modernization Act. This comprehensive legislation would establish a path for agricultural workers to earn U.S. legal status; would modernize the H-2A program to provide flexibility for employers and provide protections for workers; and require

mandatory E-verify for agricultural employers. California Congresswoman Zoe Lofgren (D-CA) led the initiative alongside other western Republicans and Democrats, including Representatives Jimmy Panetta (D-CA), Doug LaMalfa (R-CA), T.J. Cox (D-CA), Jim Costa (D-CA), Josh Harder (D-CA), Devin Nunes (R-CA), Xochitl Torres Small (D-NM), and Salud Carbajal (D-CA). Also supporting this bill is House Agriculture Committee Chairman Collin Peterson (D-MN). Over 300 agricultural groups, including APG, support the legislation and have sent letters to House leadership encouraging passage of this bill. The powerful House Judiciary Committee held a markup of the legislation in November and passed the bill out of committee by a partisan vote. In mid-December, the House favorably passed this bill with a fairly partisan vote of 260-165. There are hopes that the Senate will take this bill up in 2020, but a companion bill in the Senate has not yet been introduced. California Senator Dianne Feinstein has indicated that she would take the lead on the bill for the Democrats, but a Republican has yet to be found.

APG ACTIONS

Submitted letters to House leadership encouraging passage of the bill

WATERS OF THE UNITED STATES (WOTUS)

When President Trump took office, he set out to overturn the regulations passed by his predecessor in regards to the definition of the waters of the U.S. (WOTUS), as they were finalized and defined in 2015. Early in 2017 following his election, the President issued an executive order to revise or rescind the 2015 rule. This executive order led to proposals with public comment periods, in which the administration received tens of thousands of comments on the proposal. The Administration divided the President's directive into a two-step

process – to repeal the 2015 rule and definition; and to revise the Clean Water Act regulations and the definition of the waters of the U.S. In late fall 2019, the Trump Administration finalized Step 1 to repeal the 2015 rule and definition. This repeal took effect in December 2019, and the definition of the waters of the U.S. reverted back to what was pre-2015. The next step to revise WOTUS is reported that it will be finalized in 2020.

U.S. FUNDING MEASURES

Following a government shutdown at the end of 2018 that bled into January 2019, Congressional appropriations committees, which hold the federal purse strings, worked towards the FY 2020 funding measures with the hopes of completion and timely passage. Unfortunately, budget negotiations between House Democrats, Senate Republicans and the Administration were snarled at certain points along the way. The House appropriations committee passed all twelve funding measures out of committee prior to any spending level agreement between the two chambers, and the Senate committee delayed its consideration of the funding measures until September, following a budget agreement just before the long August recess. These budget negotiation holdups culminated in two Continuing Resolutions (CRs) to maintain government funding at the levels passed for FY 2019. These types of funding machinations make any new funding project that is proposed a challenge to move forward. Congress, however, came to agreement just prior to the end of funding in December and passed two omnibus packages – one for defense spending and one for domestic spending. The domestic spending package included the Agriculture appropriations language, which included \$6 million for the Navel Orangeworm Pilot Program.

APG ACTIONS

Secured \$6 million appropriation for the NOW Pilot Program

2019

STATE REPORT

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## CALIFORNIA LEGISLATION

APG continues to monitor and engage with the Legislature on issues and legislation that will impact the pistachio industry. Here are some of the major pieces of legislation from 2019 that APG actively lobbied:

### SB 1 – Environmental Regulations

Senate Bill 1 (Atkins) was an effort to ensure current environmental protection policies remain in place should the federal government decide to make any of them less stringent. Essentially, SB 1 set January 19, 2017 as the baseline level for numerous federal environmental protection laws. Since the bill was being labeled as anti-Trump legislation, it's not a coincidence that January 20, 2017 is the day President Trump was sworn in.

Since SB 1 was authored by the Pro Tem of the Senate, the odds of the legislation passing were very good. Throughout the year, APG and other agriculture associations engaged with the Pro Tem's office to see if certain impacts from the bill could be avoided—namely those related to water. There was a strong concern that the legislation would undermine the efforts being made related to voluntary settlement agreements with the State Water Resources Control Board (SWRCB) and any new changes to the federal biological opinions that could help create more water availability in the state.

On September 14, shortly after the bill passed out of the Legislature, Governor Newsom announced that he would veto SB 1, and on September 27 the Governor vetoed the bill. In his veto message, the Governor questioned the efficacy and necessity of

SB 1 but vowed to work with the legislature to “fight against the weakening of California’s environmental and work protections.”

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### ✓ APG ACTIONS

**Engaged with Author’s office to advocate for amendments to the bill**

**Successfully lobbied the Governor to veto the bill**

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### SB 200 – Safe Drinking Water

In 2019, we saw a deal was reached between the Senate, Assembly, and Governor on safe drinking water funding in California. Senate Bill 200 (Monning) created the Safe and Affordable Drinking Water Fund (Water Fund) in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and long terms. The Water Fund will be funded by a continuous appropriation from the Greenhouse Gas Reduction Fund (GGRF) (i.e., Cap and Trade funds). The first year funding level will be \$100 million from the GGRF and \$30 million from the General Fund. Each year thereafter, the fund will receive 5% of the annual proceeds of the GGRF up to the sum of \$130 million. No new fees on agriculture were included as part of the deal.

In order to make the appropriation fit within the current budget, all GGRF funded programs were scaled back. Of note for agriculture, the “Funding Agricultural Replacement Measures for Emission Reductions” (FARMER) Program funding will be reduced to \$65 million and the Dairy Methane funding will be reduced to \$34 million. There were some in the Legislature who wanted the agriculture programs to pay for all of the Safe Drinking Water program funding, but Senate Pro Tem Toni Atkins and Governor Gavin Newsom helped ensure that was not the final solution. SB 200 was signed by Governor Newsom on July 24, 2019.

## SB 458 – Chlorpyrifos Ban

Senate Bill 458 (Durazo), which would ban the use of chlorpyrifos in California, was introduced in the California legislature. The bill touches on the issue of pesticides which has been an ongoing battle in California. While there is no current registered use for chlorpyrifos on pistachios, APG is opposed to the legislature usurping authority from the California Department of Pesticide Regulation (DPR), which has a robust regulatory process that allows for scientific research and public comment. SB 458 was not passed by the Legislature in 2019.

### ✓ APG ACTIONS

**Lobbied against legislation bypassing DPR's regulatory process**

## AB 916 – Glyphosate

This year the chemical glyphosate was on the radar of the California Legislature. Assembly Bill 916 (Muratsuchi) would prohibit a city, county, charter city, city and county, or a special district, from using any pesticide that contains the active ingredient glyphosate. AB 916 comes in the wake of a number of lawsuits being filed against Roundup manufacturer Monsanto (now Bayer after a merger). Glyphosate is the active ingredient in the herbicide Roundup.

APG continues to advocate that glyphosate is a safe, effective, and affordable tool critical to an integrated vegetation management program. APG has joined a coalition effort to oppose SB 916 which maintains that the legislation bypasses the normal regulatory process at the Department of Pesticide Regulation (DPR) that utilizes a science-based approach with opportunities for public comment. Currently, the bill is stalled in the Senate Agriculture Committee and did not make it through in 2019. The bill,

which is double-referred to the Senate Agriculture Committee and Environmental Quality Committee, is still active and could be acted upon in 2020.

Approximately 13,000 lawsuits related to Roundup have been filed in the U.S. with analysts estimating the total cost to Bayer could be \$2.5 to \$20 billion.

### ✓ APG ACTIONS

**Lobbied against legislation bypassing DPR's regulatory process**

**Continues to advocate that Glyphosate is a safe, effective, and affordable tool critical to an IVM**



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## AB 1360 – Food Safety

In an attempt to address a regulatory gap in the new on-demand food delivery industry, Assembly Bill 1360 (Ting) was drafted overly broad and caught food processors in its language. The bill conflicted with the long-established and foundational concept that food processing establishments are fundamentally distinct from food retailers and must be regulated differently.

The current language of AB 1360 defines a food delivery platform as a business engaged in the service of online food ordering and delivery from a grocery establishment, a retail store with a grocery department, or a grocery warehouse to a consumer, and would require a food delivery platform, at its own expense, to ensure, among other things, that its food delivery drivers have training relating to maintaining potentially hazardous foods at required temperatures.

Initially this language also included food processors, but after lobbying the author's office and Senate Health Committee, the bill was amended to exclude food processors from its language.

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### APG ACTIONS

**Successfully lobbied to remove language affecting food processors from the bill**

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## CHLORPYRIFOS PHASE-OUT IN CALIFORNIA

On May 8th, the California Environmental Protection Agency (CalEPA) and DPR announced that California would be moving to ban the use of the pesticide chlorpyrifos. Rather than an immediate ban that was being called for by some in the Legislature, CalEPA and DPR will work to phase out the use of chlorpyrifos over the next two years, culminating in a ban on any use.

While chlorpyrifos is in its two-year phase out process, DPR and the California Department of Food & Agriculture (CDFA) will convene a cross-sector working group to identify and develop safer and more practical and sustainable alternatives to chlorpyrifos. In the 2019-2020 budget, Governor Gavin Newsom included \$5.7 million in funding for additional research and technical assistance to support this effort.

While there is no registered use for chlorpyrifos on pistachios, APG has been monitoring the legislative and regulatory action on the chemical since these attacks on crop protection tools are becoming more frequent.

## SAN JOAQUIN VALLEY WATER BLUEPRINT

In the San Joaquin Valley, there is an effort underway to develop a "locally driven plan to create water balance that improves the communities, habitats and working landscapes of the San Joaquin Valley." This effort has been titled The San Joaquin Valley Water Blueprint. The goal is to achieve this water balance through outreach and engagement with communities and organizations, and through political advocacy. The Blueprint is in response to studies indicating California is in need of 2-3 million acre feet of water and calls for the creation of up to 2 million acre feet of water.

The Blueprint Committee is made up of representatives from agriculture (trade associations, individual growers/companies, farm bureaus), water (districts, authorities, GSAs), and education (Fresno State, Public Policy Institute of CA (PPIC)).

APG has been integrally involved with the Blueprint effort since its inception, as a participant in the organization's meetings and committees, and as a financial supporter. APG understands the importance of a unified San Joaquin Valley and the Blueprint provides the opportunity to speak with a single, stronger voice.

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 **APG ACTIONS**

**Active participant with Blueprint Committee and Public Relations & Advocacy Subcommittee**

**Financial supporter of the Blueprint's efforts**

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## ARIZONA CONTINUES FOCUS ON WATER

In Arizona, water continues to be a main topic of conversation in the State Capitol. After the work that was done on the Drought Contingency Plan last year, the Governor and Legislature want to keep the momentum going on water issues.

Of note is the Non-Active Management Areas (AMAs) Groundwater Committee, established under the Governor's Water Augmentation, Innovation and Conservation Council. This committee is tasked with addressing how to manage groundwater in areas of the state that are in non-AMAs, which include most if not all pistachio acreage in Arizona. It appears that any strong effort to introduce legislation to more stringently regulate the groundwater in Non-AMAs will not move very far in the Legislature with the current Republican majority, which is positive for well owners. However, legislation may still be introduced, which would be seen as a precursor to the 2021 legislative year should one or both of the houses switch majorities in the November 2020 elections.



## SYNC UP SHELL SPLIT

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**IRRIGATE BASED ON PLANT DEMAND**

**USE WATER & ENERGY EFFICIENTLY**

**Since 2002 Hortau has been helping growers know when to turn on the water. Our irrigation management service includes options for scheduling, flow meter monitoring, and customized water-use reporting. Find out today how Hortau can help eliminate the guess-work and give you better control of your quality and yield.**

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AMERICAN PISTACHIO GROWERS

# FRONT — AND — CENTER

FOR POLITICAL ACTION



The American Pistachio Growers Political Action Committee (APGPAC) is a legal entity comprised of APG members. They recognize the need to foster relationships with elected officials who will help protect and grow the U.S. pistachio industry.

APG administers the PAC on behalf of its members to ensure ballot initiatives, campaigns and candidates effectively represent the value of the pistachio industry both in economic terms and for its sustainable food production in all three pistachio-producing states.

# Update From Pistachio PAC Chairman

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Pistachio growers consistently contribute to APGPAC. The APGPAC is one of the largest specialty crop PACs in the U.S. and is our most valuable education tool at the federal policy level. Our annual APGPAC Golf Tournament, our only fundraiser, enables the APGPAC to remain financially strong. The 2019 APGPAC Golf Tournament proved to be our most successful tournament to date, thanks largely to you, our committed pistachio grower membership. This year we are honoring the founder of the golf tournament by naming the Hole-in-One event The Corky Anderson Memorial Hole-in-One.

APGPAC recognizes and values the importance of supporting candidates who have and will recognize important U.S. pistachio policy issues. The PAC is an industry program for the protection and growth of our industry. While APGPAC strives for total national support for both Democrats and Republicans, we focus our attention on Representatives and Senators from Arizona, California and New Mexico. APGPAC will support candidates outside these states when they demonstrate support for APG's federal objectives. In the 115th Congress (2017 and 2018), APGPAC made over 60 contributions and will likely match this contribution level in the 116th Congress with your continued support.

The previous Congress (the 115th) challenged the APGPAC. We saw a number of representatives who supported the U.S. pistachio industry voted out of office during the 2018 mid-term election. This provided an opportunity for our APGPAC to educate new members of Congress, which takes time and effort to be successful. New members of Congress

are exposed to hundreds of policy issues during their first term in Congress and the APGPAC helps educate the new members about our federal objectives. Our educational objectives were very important for the 2018 Farm Bill that was designed to assist pistachio growers with research programs, trade, block grants, crop insurance, tree assistance programs, and generally a platform of USDA support for pistachio growers.

The largest challenge that we continue to experience, began in April 2018 when President Trump invoked national security measures against the People's Republic of China (PRC). Few thought the retaliatory tariffs set in place by the PRC would last into 2020. The great challenge for 2020 will be to resolve the U.S.-China trade dispute. How long the U.S.-China trade dispute lasts is unknown, and only President Trump and Xi Jinping can resolve the trade problem.

Despite the recent U.S.-China trade dispute, APG has been very successful over the decades in removing tariffs and non-tariff barriers in other export markets. There, however, remain several tariffs and non-tariff barriers in current and future export markets that need to be resolved. For instance, we are experiencing an increase in stricter pesticide maximum residue levels imposed by our export markets, and the U.S. Boeing and EU Airbus subsidy dispute has the potential to restrict exports to Europe.

Since we live and work in a democracy, we have no other option but to be involved in federal government matters. Your personal contributions to support the PAC provide the foundation for APG federal advocacy. Without your support to the APGPAC the APG federal work would be curtailed. Many industries have suffered economically because they did not have an active government relations program and a political action committee; we cannot permit this to happen to our U.S. pistachio industry. As we approach the 2020 election, we must continue to be engaged and involved because no other entity is sharing in this effort. Although we are in a contentious spot in U.S. politics, it is imperative that Democrats and Republicans come together to reinforce our pistachio industry's common good. Our APGPAC aids in this bi-partisan effort towards a common good.

# APG Leadership Program: LeadOn

The Leadership Program's ultimate mission is to educate and motivate members to become future APG leaders, increase their involvement with the greater pistachio community and gain a wide range of professional contacts.



## Another Successful Year

APG concluded another successful LeadOn program year. Finishing our ninth year, this ever-evolving leadership training program was packed with industry insight opportunities and positive lectures. With a commitment to be a self-funded program, we continue to expand and grow this program through donations and fundraising events. Thanks to the generous sponsorships and contributions to the silent auctions, at the 2018 Annual Conference, we are able to offset 100 percent of costs for this program.

LeadOn participants chosen from applications submitted in March of each year gain industry knowledge and hands-on training to prepare them for essential voluntary leadership roles with American Pistachio Growers (APG). They are introduced to multiple facets of the American pistachio industry and educated on the active, important role that APG and its Committees and Board play in overseeing the organization's prosperity and growth. Strong connections are formed with fellow classmates that will follow them throughout their farming future.

One of the added highlights to this course is a tour of the California State Capitol offices where LeadOn members are given a rare opportunity to glimpse the political process behind the scenes and engage in lively discussions on issues facing pistachio growers.

- |                           |                   |
|---------------------------|-------------------|
| <b>RONNIE KOETSIER</b>    | SETTON FARMS      |
| <b>TEAGAN KROLL</b>       | GREEN LEAF AG     |
| <b>JACOB KROEKER</b>      | KROEKER AG        |
| <b>RYAN SCAGLIOTTI</b>    | FIDDYMENT FARMS   |
| <b>EDWIN ABARCA</b>       | FIDDYMENT FARMS   |
| <b>CHRISTIAN JANZEN</b>   | HORIZON NUT CO.   |
| <b>MARY-ALICE NICHOLS</b> | NICHOLS FARMS     |
| <b>KLYTIA BURCHAM</b>     | GAGE FARMS        |
| <b>VENESA RODRIGUEZ</b>   | JTI ELECTRICAL    |
| <b>TIFFANY ORTOLAN</b>    | BRIAN WATTE FARMS |
| <b>LILIAN SARAVIA</b>     | ARO PISTACHIOS    |
| <b>SUSIE BORGES</b>       | BORGES FARMS      |



Meeting with Karen Ross, Secretary of the California Department of Food and Agriculture during the Legislative Tour at the State Capitol Building, Sacramento, CA

Participants received a first-class tour led by APG State Lobbyist, George Soares, which consisted of a historical tour of the Capitol Building landmarks.

Scheduled meetings with policymakers including Assembly Member Jim Patterson (District 23); Victor Francovich, Consultant, Assembly Committee on Agriculture, Justin Turner, Chief of Staff, Assembly Member Devon Mathis (District 26); Stevan Allen, President & Founder, AllenStrategic and Ashley Clark, Media Director, AllenStrategic. The participants experienced sessions on both the Senate and Assembly Floor regarding the legislative process of passing bills that affect the pistachio industry.



## ● Tours, Classes & Current Issues

Also included on the schedule were processing plant and orchard tours, along with classes on a variety of topics that included Water Issues, Irrigation Solutions, Food Safety, Nutrition Education, APG Legislative and Regulatory Activities, and Leadership Training. The group participated in APG's July Board Meeting and mingled with APG Board members at a dinner following the July Membership Luncheon.

## ■ Cultivating Leaders

The Leadership Program's ultimate mission is to educate and motivate members to become future APG leaders, increase their involvement with the greater pistachio community and gain a wide range of professional contacts. Graduates are recognized at the Annual Conference each year, and many currently serve as APG Board and Committee members. This level of commitment emphasizes the importance of creating leaders to participate in the democratic structure of American Pistachio Growers that will benefit our organization and the entire American pistachio industry.



CONNECTING

AMERICAN



PISTACHIO

# MEMBERS

The past year was one of great excitement and transformation within American Pistachio Growers. Numerous new initiatives to connect members were launched, educational opportunities were increased and the American Pistachio Conference celebrated its 12th year.

## March

THE 12TH AMERICAN PISTACHIO GROWERS CONFERENCE IN PALM DESERT, CALIFORNIA

We welcomed more than 900 members, industry suppliers and guests. This three-day event was packed full of information - from pistachio production seminars to all the powerful networking opportunities attendees enjoyed. The American Pistachio Growers Conference has grown every single year and will continue to for years to come.



## April

OUR SECOND MEMBERS NIGHT OUT AT CHUKCHANSI PARK IN FRESNO

Our members enjoyed dinner on the Marmalade Party Deck and an evening of Fresno Grizzlies baseball. Miss California threw out the first pitch and American Pistachio took part in a mascot showdown with Parker from the Grizzlies.



## September

SUPPORTING THE LOCAL COMMUNITY AT THE ANNUAL PISTACHIO PARTY AT THE CLOVIS FARMERS MARKET

APG staff, American Pistachio and Miss California, Eileen Kim, helped close out the farmers market season by co-hosting the annual Pistachio Party at the Clovis Farmers Market. Pistachio samples were handed out, local restaurants crafted pistachio infused cuisine and American Pistachio and Miss California posed for photos and signed autographs. A spectacular evening showcasing our local growers and processors with the local community.

## July

OUR 2019 ANNUAL MEMBER LUNCHEON WAS HELD AT THE VISALIA CONVENTION CENTER

Our members experienced a special panel presentation by leading water experts on SGMA and other water topics.

Our investments in time and resources have yielded some incredible new membership recruitment and retention strategies for the coming years. We are actively engaged in endeavors that support our mission of advancing the American pistachio industry and will continue to build opportunities for our diverse membership to connect with each other, their local community and industry professionals.



## November

WE HOSTED SGMA TOOLKIT WORKSHOPS IN BAKERSFIELD, MADERA AND TULARE FOR OUR MEMBERS

The workshops were tailored to our pistachio growers and covered getting prepared for SGMA with professional expertise and advice.

# WEST COAST NUT

THE #1 PUBLICATION FOR THE PISTACHIO AND TREE NUT INDUSTRY

POWERED BY:  **MARKETING**  
PUBLICATION

**SUBSCRIBE TODAY**  
**WCNGG.COM/SUBSCRIBE**



WEST COAST NUT

*Organic*  
FARMER

Progressive  
**Crop Consultant**



# BUILDING DEMAND FOR U.S. PISTACHIOS GLOBALLY



ALISON NAGATANI MARKETING COMMUNICATIONS CHAIR  
JUDY HIRIGOYEN VICE PRESIDENT, GLOBAL MARKETING

## Marketing Communications Report

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### A year of growth despite uncertainty.

It was a dynamic year for APG Marketing Communications, with ever-shifting trade sentiments in global markets and an infusion of grant money to offset the damages. In FY 2018/19, APG announced earning a total of \$3,886,768 in the form of grants for use in prioritized export markets, expanding on the demand-building programs in China and Europe, and adding India as a growth market.

This international effort focuses on building genuine value in pistachios as an ideal food for pleasure and for health, based on proven scientific research.

#### China

China continued to be the #1 market for U.S. exports, with growth occurring even during the trade disputes. This growth, however, should be tempered by the fact that Iran had a very small crop to sell into China and that, had the tariffs not been enacted, the opportunity in China would have been much greater. APG continues its activities in China, including advertising, public relations, in-store activities and the important nutrition seminars in regional areas that attract both health professionals and media.

In FY 2018/19, more than 7,300 health professionals attended APG's proprietary nutrition conferences. 316 articles about American pistachios appeared in consumer media throughout China.



United States



United Kingdom



France



Italy



Spain



Germany



China



South Korea



India

## India

With favorable trade conditions and a vast, nut-loving population, the Marketing Communications Committee determined that India would be the next opportunity for export growth. The award of Agricultural Trade Program grant funds provided the basis to launch the industry's first nationwide campaign in India, commencing just ahead of Diwali. With unfavorable tariffs for other U.S. nuts and a poor Iranian pistachio crop, the campaign was enthusiastically welcomed by grocery retailers and importers.

In-store displays, nationwide print advertising, and great support from high-profile health experts and culinarians were prepared for launch in September 2019. Like China, the success enjoyed thus far in India must be tempered by the understanding that the U.S. was essentially the primary supplier of pistachios without a significant Iranian crop to compete against. APG will continue its campaign to win the Indian market and build a strong preference for American pistachios based on their many benefits. Good performance is expected, as the Indian population has relatively no awareness of the health properties of pistachios, while they have high awareness of other nuts that have been marketed longer there by the generic marketing boards.



**Crunch Time Campaign** APG's global agencies effectively communicated this information in a campaign called "Crunch Time," which resulted in the most media attention obtained by APG for the year.

## Europe

Europe has maintained its standing as the #2 importer of U.S. pistachios and APG has been recognized for its success in improving the awareness of your product among consumers, health professionals and government stakeholders there. Targeting the chief consumer complaint that pistachios are fattening (fake news!), APG undertook two significant studies in France, both of which proved that adding 250 calories of pistachios to an existing diet would result in no weight gain, yet add important nutrients that may be missing in the diet. Consistent and persistent in their PR efforts, APG's European PR agencies effectively communicated this information in a campaign called "Crunch Time," which resulted in the most media attention obtained by APG for the year. A major victory for all U.S. nuts is the change in the French dietary guidelines that suggest consuming a handful of nuts — including pistachios — daily for good health.

### What about the United States?

With the largest U.S. supplier of pistachios invested in domestic branded advertising, APG's primary focus is the communication of health benefits of pistachios and nutrition research. These domestic activities are multi-tasking for APG, since they are also utilized globally by the international agency teams.

Growth in the United States is outpaced by export markets. The real future of the U.S. pistachio industry is in international markets, which is why the Marketing Communications Committee focuses resources on anchoring established export markets, while strategically expanding into new countries.

Nearly 80% of the total APG budget is allocated to Marketing and Research activities (includes grant funds earned by APG). The Marketing Communications Committee consists of growers and ten of the industry's eleven largest grower/processors. Their cooperative deliberation and decision-making process assures APG members that their assessments are laser-focused to ensure the global demand for your crop will always be greater than the supply.

# APG LAUNCHES THE POWER OF

American Pistachio Growers launched its first-ever promotional campaign in India with advertising, retail promotions, endorsements, and a new website. The campaign is funded in part by the Agricultural Trade Promotion grant APG secured from USDA with matching funds from the organization's assessments. Already, shipments to India are three times greater than the same time last year.

In a nation with a large percentage of its population being vegetarian or vegan, the campaign broke with full-page ads in newspapers and magazines across every region. Some advertisements and promotional materials prominently feature APG members.



Visit [AmericanPistachios.in](http://AmericanPistachios.in) to view APG's Indian website

## A SOCIAL MEDIA SHOCKING CAMPAIGN

Although pistachios are well known in India, their health benefits are not. An idea sparked by an Indian importer is now the foundation of the APG social media campaign in India—"SHOCKING FACTS!" This series of nutrition factoids compares pistachios from California to other foods in India commonly thought to be healthy.



# PISTACHIOS CAMPAIGN IN INDIA

**111 FULL-PAGE PRINT  
ADVERTISEMENTS  
ACROSS INDIA**



**Retail promotions** in 9 retail grocery chains and one online platform.



American Pistachio Growers' logo on **9 brands of pistachios with multiple SKU's.**



American Pistachio Growers **signboards in the wholesale markets in New Delhi and Mumbai.**

## TOP NUTRITIONISTS TOUT PISTACHIO BENEFITS

Seven esteemed Indian nutritionists support APG's effort with outreach and advertorials that will run in Indian newspapers and magazines. With topics ranging from sports nutrition to diabetes management, their participation lends credibility to the "Power of Pistachios" campaign.



**Shiny Chandran**  
Sports and Weight Management  
Consultant



**Rashmi Cherian**  
Sports & Exercise Nutritionist,  
Neuro-Nutrition Specialist,  
Nutrigenomics Expert, National  
Health Award Winning  
Sports Nutritionist



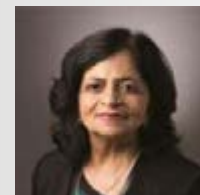
**Kavita Devgan**  
Nutritionist, Weight Management  
Consultant and Author



**Naini Setalvad**  
Obesity, Lifestyle and  
Disease Consultant



**Vaibhav Garg**  
Sports Performance Nutritionist,  
Metabolic Disorders Expert



**Wahida Karmally**  
PH, RD, CDE, CLS, FNAL  
Director of Nutrition,  
Irving Institute for Clinical  
and Translation Research



**Dr. H.K. Chopra**  
Chief Cardiologist,  
Moolchand Medcity,  
New Delhi, India



**Pooja Makhija**  
Clinical Nutritionist

# INCREASED CONSUMER DEM



## PUBLIC RELATIONS RESULTS

**11.5**  
BILLION

views of APG publicity in 8 countries (China, South Korea, U.S.A., United Kingdom, Germany, France, Spain and Italy).

## NUTRITION CONFERENCE RESULTS

**274,300**

HEALTH PROFESSIONALS

visited APG exhibits at nutrition conferences.

**29**

CONSULTING NUTRITION EXPERTS

globally represented APG.

**6,042**

articles, radio and television broadcasts

generated specifically by APG public relations efforts.



# AND DOESN'T JUST HAPPEN

## ADVERTISING RESULTS

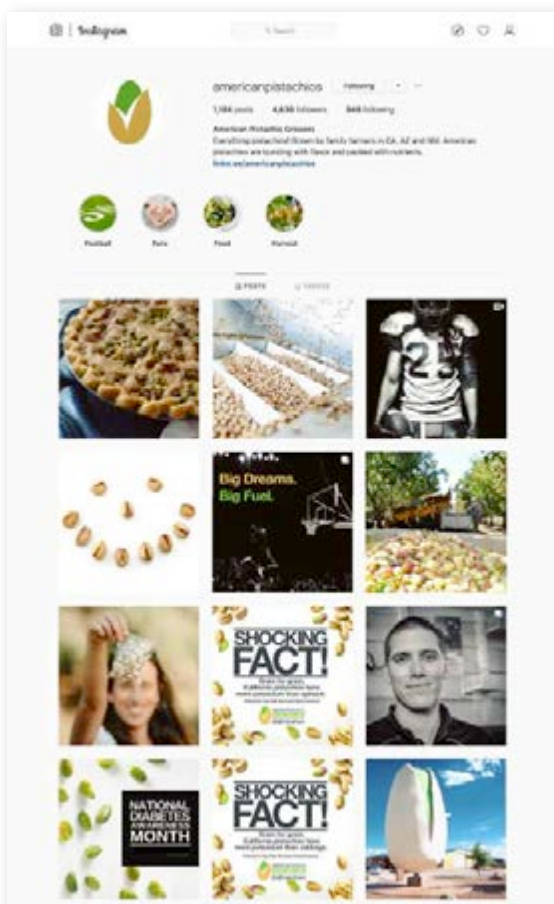
# 849 MILLION

consumers who saw the **"Power of Pistachios"** advertising campaign globally in print or online advertisements.

# 2.3 MILLION

consumers visited **AmericanPistachios.org** because of APG's global **"Power of Pistachios"** advertising campaign.

AmericanPistachios.org



## SOCIAL MEDIA RESULTS

# 63 MILLION

consumers reached through APG's social media platforms.

Facebook (Global), Instagram (USA and Germany), Twitter and Pinterest (USA), Weibo and WeChat (China).



In FY2018/19, APG did not post on China's social media platforms Weibo and WeChat due to the trade disputes.

@AmericanPistachios

# PUBLIC RELATIONS: TOP RA

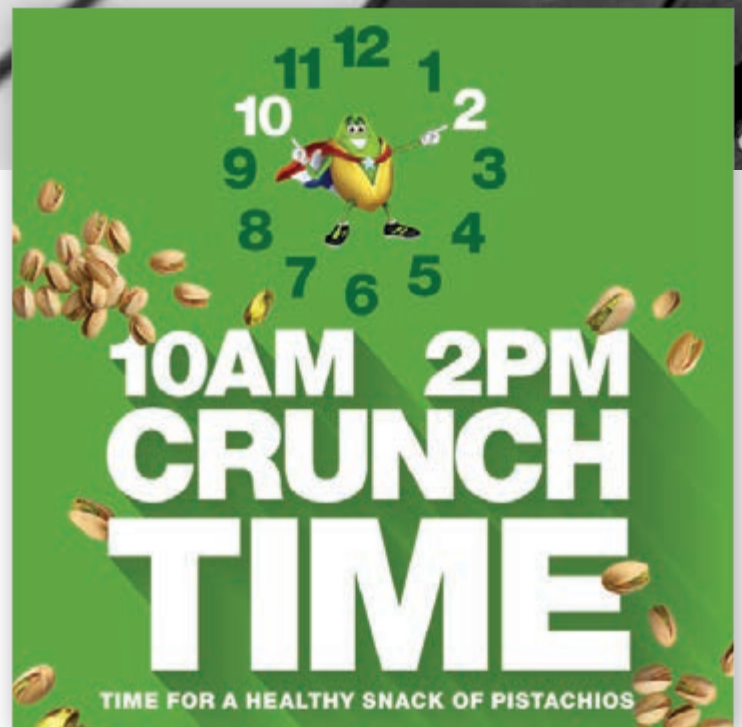


# 2.8 BILLION

Consumers viewed "Crunch Time" publicity worldwide

## RESEARCH THAT POINTS TO PISTACHIOS AS AN IDEAL MIDMORNING AND MIDAFTERNOON SNACK EARNS TOP SPOT

According to the three studies\*, U.S. pistachios help curb the appetite, improve concentration levels and add valuable nutrients without adding weight.



\* <sup>1</sup> Study Finds Consuming Nuts Strengthens Beneficial Brainwave Frequencies, Loma Linda University Health News <https://news.llu.edu/research/study-finds-consuming-nuts-strengthens-beneficial-brainwave-frequencies>

<sup>2</sup> Nuts and Brain Health: Nuts Increase EEG Power Spectral Density for Delta Frequency (1-3Hz) and Gamma Frequency (31-40 Hz) Associated with Deep Meditation, Empathy, Healing, as well as Neural Synchronization, enhanced Cognitive Processing, Recall, and Memory—All Beneficial for Brain Health. Berk, L., Lohman, E., Bains, G. et al. The FASEBJ, 31(1) Supplement 636.24 2017

<sup>3</sup> Effects of a Daily Pistachio (*Pistacia vera*) Afternoon Gouter on Next Meal Energy Intake, Satiety, and Anthropometry in Healthy Women. Bellisle, F., Dougkas, A., Giboreau, A., et al. Presented at the Journées Francophones de Nutrition, Paris, December 14, 2017

# MARKETING STORIES IN FY2018/19

## JOURNALIST EVENTS IN CHINA

**950** MILLION

views of publicity generated by journalist events with APG nutrition expert Dr. Ge who presented the benefits of U.S. pistachios for mothers-to-be who have gestational diabetes, and recent research findings about American pistachios' many nutritional benefits.

## NATIONAL NUTRITION WEEK IN CHINA

**859** MILLION

views of publicity generated by APG's press release promoting pistachios' health benefits during National Nutrition Week in China.



**21** NUTRITION CONFERENCES

featured APG exhibits and/or scientific presentations.

# NUTRITION CONFER

**German Association for Nutrition and Diet (VFED)**  
September 2018 - Aachen, Germany

**Ernährungs Umschau Sport & Nutrition Conference**  
October 2018 - Frankfurt, Germany

**China Nutrition Science Conference**  
October 2018 - Suzhou, China

**Italian Association of Dietetics and Clinical Nutrition  
National Conference (ADI)**  
October 2018 - Bari, Italy

**Academy of Nutrition & Dietetics Food and Nutrition  
Conference & Expo**  
October 2018 - Washington DC

**NutriMad, Spanish Community Nutrition Society and World  
Public Health Nutrition Conference**  
October 2018 - Madrid, Spain

**Italian Society of Human  
Nutrition Annual Conference (SINU)**  
November 2018 - Naples, Italy

**French Nutrition Days (JFN)**  
November 2018 - Nice, France

**China Medical Association Physician Nutrition  
Professional Committee Conference**  
November 2018 - Chongqing, China

**International Sport & Exercise Conference (ISENC)**  
December 2018 - Newcastle University, England

**China Diabetes Association Annual Conference**  
November 2018 - Beijing, China

**China Medical Association Diabetes Committee Conference**  
November 2018 / December 2019 - Shanghai, China

**ISPO**  
February 2019 - Munich, Germany

**Spazio Nutrition International Conference**  
March 2019 - Milan, Italy

**California Nutrition and Dietetics Annual  
Conference (CANDAC)**  
April 2019 - Riverside, California

**Sports, Cardiovascular and Wellness Nutrition (SCAN)  
Dietetic Practice Group of the Academy of Nutrition and  
Dietetics Conference**  
April 2019 - Phoenix, Arizona

**Personal Trainers National Conference**  
May, 2019 Madrid, Spain

**Today's Dietitian Conference**  
May 2019 - Scottsdale, Arizona

**Rimini Wellness Conference**  
May / June 2019 - Rimini, Italy

**American Society for Nutrition**  
June 2019 - Baltimore, Maryland

**Korean Dietetic Association (KDA) Conference**  
July 2019 - Seoul, Korea



Korean Dietetic Association (KDA) Conference,  
South Korea



German Association for Nutrition and Diet (VFED),  
Germany



Italian Association of Dietetics and Clinical Nutrition  
National Conference (ADI), Italy



NutriMad, Spanish Community Nutrition Society and  
World Public Health Nutrition Conference, Spain

# ENCES & SEMINARS

## APG NUTRITION EXPERTS



Becci Twombly  
CSSD, RD



Bryan Snyder  
RD



Dr. Mike Roussell



Mary Jo Feeney  
MS, RDN, FADA,  
FAND



Dr. Arianna Carughi



Dr. Zhaoping Li



Joey Blake  
RD



Sherene Chou  
MS, RD



Ted Harper  
MS, RD, CSSD,  
LDN, EP-C



Scott Sehnert  
MS, RD, CSCS, CSSD



Dr. Wiebke Elsner



Dr. Matthias Riedl



Dr. Ursula Manunzio



Dr. France Bellisle



Nigel Mitchell  
BSc, MSc, RD



Jeannette Higgs  
BSc, RD



Dr. Nieves Palacios



Dr. Monica Bullo



Dr. Giorgio Donegani



Martina Donegani  
RDN



Dr. Sheng Ge



Dr. H.K. Chopra



Kavita Devgan  
Nutritionist



Naini Setalvad  
Nutritionist



Pooja Makhija  
MS, RD



Rashmi Cherian  
MS, RD



Vaibhav Garg  
Clinical Nutritionist



Wahida Karmally  
PhD, RD, CDE, CLS,  
FNLA



Shiny Chandran  
MS, RD

## NUTRITION UNSHELLED QUARTERLY e-NEWSLETTER

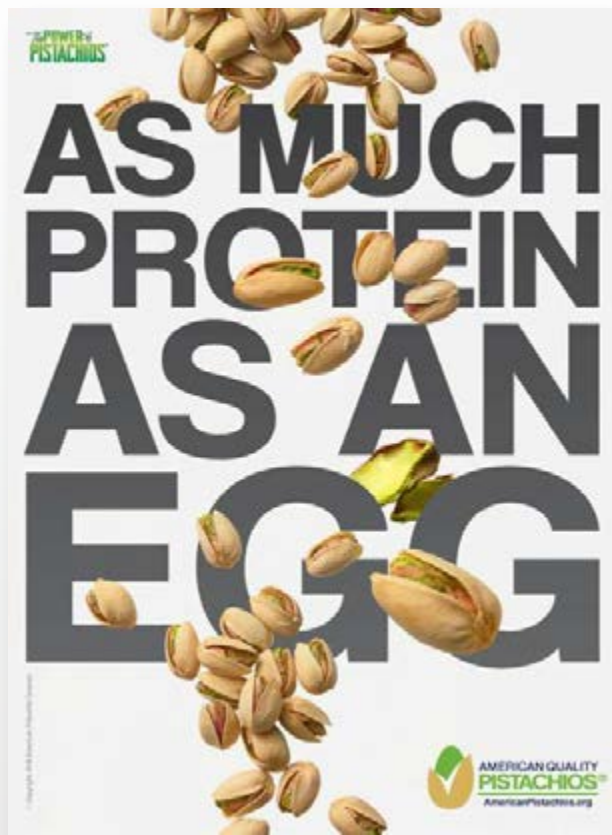
# 13,912

Global subscribers in 23 countries  
opted in to APG's quarterly nutrition  
e-newsletter.



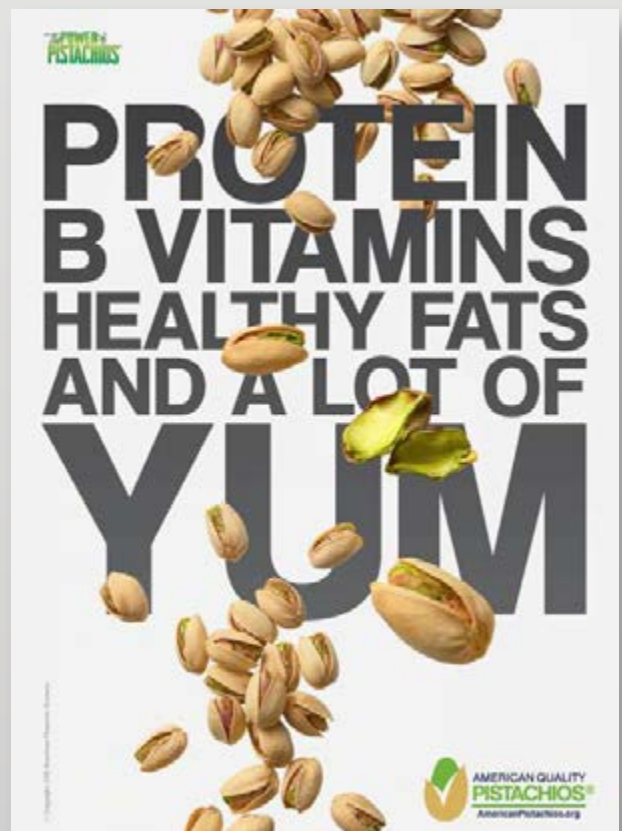
Quarterly Health  
Professional News  
from American  
Pistachio Growers





## NUTRITION: THE POWER BEHIND PISTACHIOS

Based on a solid foundation of nutrition research, the "Power of Pistachios" advertising campaign creatively educates active, health-conscious adults about the powerful health benefits of American pistachios.





# AMERICAN PISTACHIO GROWERS HAS FUNDED 23 STUDIES RESULTING IN 40 ARTICLES PUBLISHED IN SCIENTIFIC JOURNALS

American Pistachio Growers continues to uncover health benefits of pistachios through research. Findings of these studies are communicated through scientific journals, press releases, and the “Power of Pistachios” advertising campaign, as well as at nutrition conferences and seminars, and journalist events.

## **PROTEIN ANALYSIS**

1 study

## **ANTIOXIDANTS**

8 Studies and 11 publications

## **DIABETES AND METABOLIC SYNDROME**

5 studies and 9 publications

## **HEART HEALTH**

2 studies and 11 publications

## **WEIGHT MANAGEMENT AND SATIETY**

4 studies and 6 publications

## **MICROBIOTA**

1 study and 1 publication

## **COGNITION**

1 study

## **POST-EXERCISE RECOVERY**

1 study and 1 publication

## **REVIEW OF MULTIPLE STUDIES ON THE HEALTH BENEFITS**

1 review and 1 publication

# NUTRITION RESEARCH



## **STUDY FINDS EATING AMERICAN PISTACHIOS MAY HELP REDUCE DAMAGE TO DNA AND MAY PROLONG LIFE**

*Silvia Canudas, Pablo Hernández-Alonso, Serena Galíe, Jananee Muralidharan, Human Nutrition Unit, Faculty of Medicine and Health Sciences, Institut d'Investigació Sanitària Pere Virgili, Rovira i Virgili University, Reus, Spain; Lydia Morell-Azanza, Jesús García-Gavilán, Amelia Martí, Jordi Salas-Salvadó, and Mònica Bulló, CIBERFisiopatologia de la Obesidad y Nutrición (CIBEROBN), Instituto de Salud Carlos III, Madrid, Spain; Guillermo Zalba, Department of Biochemistry and Genetics, University of Navarra, Pamplona, Spain*

### INTRODUCTION

Telomere loss, or shortening, is a natural phenomenon widely recognized as one of the hallmarks of aging. Telomeres are protective caps at the end of chromosomes and, as such, they play a fundamental role in chromosome stability and integrity. Telomeres also act as clocks that control the number of replications a cell can make.

Lifestyle factors, such as healthy diet and exercise, can reduce the rate of telomere loss, while poor lifestyle choices such as poor diet, sedentary lifestyle and stress can speed up telomere loss. Telomerase is an enzyme that helps protect against both telomere loss caused by cell oxidative damage and cellular aging.

### ABOUT THE STUDY

The study measured the effect of pistachio consumption on cellular aging: oxidative damage to DNA, telomere length and telomerase, the enzyme that protects against telomere loss.

Four hundred, forty-nine Spanish adults with prediabetes ate a normal healthy diet for two weeks, then were divided into two groups. For four months, one group's diet included two ounces of pistachios daily; the other group ate the same diet but without pistachios (control). The two groups then swapped diets. DNA damage was measured from a plasma sample at the beginning and at the end of each intervention period.

Measures of DNA damage were lower while study participants followed the pistachio diet. While telomere length remained the same on both diets, expression of telomerase was higher after consumption of pistachios.

This is the first study to show a beneficial effect of pistachio intake on telomere loss and measures of cellular aging in prediabetic subjects.



# RAW AND ROASTED AMERICAN PISTACHIOS ARE A "GOOD SOURCE" OF PROTEIN

*Hannah M. Bailey, and Hans H. Stein*  
Division of Nutritional Sciences, University of Illinois



## INTRODUCTION

Pistachios are a nutrient-dense food with a healthy nutritional profile that contains fiber, unsaturated fatty acids, essential nutrients, phytochemicals, and protein.

## ABOUT THE STUDY

The study assessed the protein quality of raw and roasted pistachios using the FAO/WHO method (Digestible Indispensable Amino Acid Score or **DIAAS**) and the method required by the FDA to make a protein content claim on food labels (Protein Digestibility Corrected Amino Acid Score or PDCAAS). The study found that pistachios provide high-quality protein, as determined by both methods, with values higher than peas, beans and most vegetable protein sources.

## WHAT THE FINDINGS MEAN

For the first time, U.S. pistachios can be labelled as a **"good source" of protein** with a one-ounce serving providing over 10 percent of the Daily Value.

# AMERICAN PISTACHIO EXTRACTS MAY BE EFFECTIVE AGAINST INFECTION-CAUSING BACTERIA

Erminia La Camera, Giuseppe Crisafi, Antonella Smeriglio, Marcella Denaro, Domenico Trombetta and Giuseppina Mandalari, Department of Chemical, Biological, Pharmaceutical and Environmental Science, University of Messina, Carlo Bisignano, Dipartimento di Scienze Biomediche, Odontoiatriche e delle Immagini Morfologiche e Funzionali, University of Messina, Via Consolare Valeria, 98125 Messina, Italy

## INTRODUCTION

*Staphylococcus aureus* (*S. aureus*) and methicillin-resistant *S. aureus* (MRSA) are gram-positive human pathogens responsible for a range of infections including toxic shock syndrome. *S. aureus* is implicated in a variety of biofilm-related infections that often begin when microorganisms attach to a surface such as implanted medical devices. Biofilms are known to be resistant to conventional antibiotics. Since several MRSA strains have become multi-drug resistant, novel treatments are needed to treat these widespread infections.

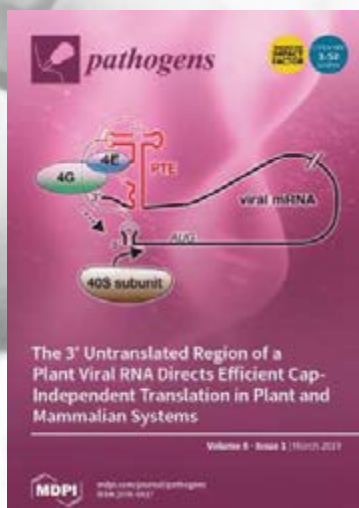
## ABOUT THE STUDY

This study investigated the effect of pistachio polyphenol extracts from raw and roasted pistachios on strains of *Staphylococcus*, bacteria including the multi-drug resistant, methicillin-resistant *S. aureus* (MRSA) strains.

Raw and roasted pistachios were ground to a fine powder, and polyphenol-rich extracts were obtained. Raw pistachios were richer in polyphenols than roasted pistachios and had greater antioxidant activity. Samples of staph, obtained from patients with orthopedic infections, were cultivated in a lab and treated separately with polyphenol extracts to determine if the growth of bacteria increased, decreased or remained the same. Extracts from pistachios were partially active against some of the *Staphylococcus* bacteria and either stopped the growth or decreased the number of bacteria present.

## WHAT THE FINDINGS MEAN

Pistachio polyphenols, in combination with traditional treatment of antibiotics, could offer a novel approach of treating *S. aureus* infections.



Published in  
*Pathogens*.



# IDENTIFICATION OF MELATONIN AND OTHER COMPOUNDS IN AMERICAN PISTACHIOS AND THEIR POTENTIAL HEALTH BENEFITS

*Millicent Yeboah-Awudzi, Nicholas Magazine, Zhimin Xu, Frank Greenway, and Jack Losso School of Nutrition and Food Sciences, Louisiana State University*

## INTRODUCTION

The health benefits of pistachios have been demonstrated in clinical trials on metabolic diseases such as type 2 diabetes. The researchers hypothesized that American pistachios are a good source of melatonin, the anti-inflammatory protein Bowman-Birk inhibitor (BBI) and peptide lunasin, which have been associated with lower risk of some chronic health conditions.

## ABOUT THE STUDY

This study identified and quantified melatonin and the Bowman-Birk inhibitor lunasin mixture in American pistachios and investigated the potential reduction of blood pressure and the management of type 2 diabetes properties of the pistachios BBI-lunasin mixture.

Raw and roasted pistachio samples were analyzed for melatonin. BBI-lunasin was isolated from the samples and evaluated. Plasma from diabetic patients was analyzed for enzymes related to diabetes, high blood pressure and cancer. The plasma was incubated with different concentrations of the BBI-lunasin mixture. The amount of BBI-lunasin in two servings of pistachios inhibited activities of some of the enzymes related to type 2 diabetes, high blood pressure and some cancers.

## WHAT THE FINDINGS MEAN

American pistachios contain about 660 nanograms melatonin per gram of pistachio, more than all nuts. Roasting had no effect on melatonin. The combination of melatonin, Bowman-Birk inhibitor and lunasin provide synergistic effects with the other biological active compounds such as lutein and zexanthin and phenolics in American pistachios to help enhance health of consumers.



# ANALYSIS OF MELATONIN IN AMERICAN PISTACHIOS

Millicent Yeboah-Awudzi, *Nicholas Magazine*, Zhimin Xu, Frank Greenway, and Jack Losso  
School of Nutrition and Food Sciences, Louisiana State University

## INTRODUCTION

Melatonin is a hormone produced by the pineal gland to regulate the body's internal biological clock and control daily sleep cycles. Melatonin supplements are commonly used by people with insomnia or with irregular sleep patterns, which may arise from frequent travel or irregular work schedules, among other causes.

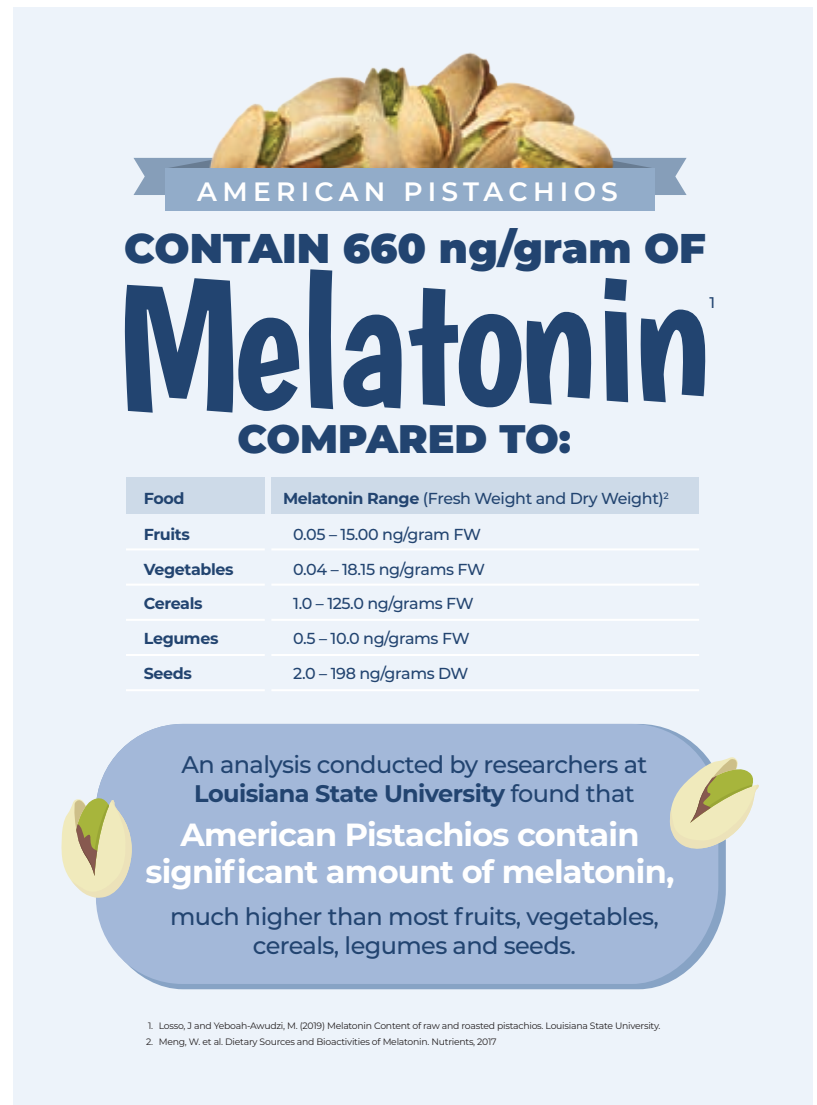
The researchers investigated the quantity of melatonin in American pistachios to compare to quantities reported from an analysis of melatonin in Iranian pistachios.

## ABOUT THE STUDY

Samples of raw and roasted American pistachios were frozen, finely ground, and the melatonin content was analyzed. Roasted pistachios contained more melatonin than raw pistachios, about 660 nanograms per gram of pistachios, which exceeds the melatonin in most fruits, vegetables, cereals, legumes and seeds. The method was duplicated for analyzing the Iranian pistachios. The quantity of melatonin in Iranian pistachios was half of what the study showed in American pistachios.

## WHAT THE FINDINGS MEAN

Pistachios are a highly nutritious snack containing not only melatonin, but a wide variety of vitamins, bioactive compounds and antioxidants that benefit an individual's overall health and wellness. Pistachios contain certain phenolics which can slow down tryptophan degradation. The increase in tryptophan has the potential to help with delayed sleep onset, sleep duration, and quality. Pistachios are a natural food option for increasing melatonin intake.



# DAILY SNACKING OF AMERICAN PISTACHIOS DOES NOT LEAD TO WEIGHT GAIN OR AN INCREASE IN BODY COMPOSITION IN FRENCH WOMEN

Marc Fantino, CreaBio Rhône-Alpes® Centre Hospitalier Montgelas, Givors (Grand Lyon), France  
France Bellisle, Nuri Psy Consult, Paris, France

## INTRODUCTION

Dietary guidelines around the world recommend the regular intake of nuts because of their nutrient contribution to the diet and reported health benefits. However, consumers are often reluctant to include nuts in their diet due to the high caloric density of nuts. Clinical studies find no association between consumption of nuts and body weight, BMI, or waist circumference. The absence of weight gain among nut consumers in these studies suggests that they compensate by eating less of other foods, but the precise mechanisms remain unknown.

## ABOUT THE STUDY

In a 12-week randomized, controlled intervention, researchers looked at how adding a pistachio portion to the daily diet affects body weight and composition, satiety, energy and nutrient intake. Sixty healthy pre-menopausal women who did not typically consume nuts were randomly assigned to a control or an experimental groups. Experimental participants consumed 44 grams (250 kcal) of pistachios mid-morning, while the control group maintained their current eating habits for 12 weeks. Food intake and appetite sensations following the pistachio portion were assessed in all participants before and after the intervention in four, 2-consecutive-day test sessions.

Body weight and composition were unchanged in both groups after 12 weeks. The study found that women adjusted to the extra calories from the pistachio portion, by mostly reducing intakes of carbohydrates and starch, in parallel with less hunger and greater satiety following the morning pistachio snack. Intakes of healthy fats (MUFA, PUFA, linoleic acid), vitamins and minerals were significantly higher among women consuming the pistachio snack, in spite of compensatory adjustments in intake.

## WHAT THE FINDINGS MEAN

Eating a handful of pistachios every day does not lead to weight gain but instead makes for a healthier diet with a better nutrient intake. The extra calories provided by the pistachios induce satiety and sufficient adjustment of intake to prevent body weight changes.



# THE EFFECT OF CONSUMING AMERICAN PISTACHIOS ON WOMEN WITH IMPAIRED GLUCOSE TOLERANCE AND GESTATIONAL DIABETES

Sheng Ge, Shanghai Sixth People's Hospital, Shanghai, China  
Zhaoping Li, UCLA Center for Human Nutrition, David Geffen School of Medicine

## INTRODUCTION

Gestational diabetes mellitus (GDM), an increasingly serious problem worldwide, poses a potential risk of severe complications for both mother and the developing baby. Providing diabetic pregnant women with appropriate nutrition is essential for their health. Pistachios are a low Glycemic Index (GI) food with balanced nutrition. They are high in fiber, antioxidants and a beneficial fatty acid profile. Studies in both healthy and pre-diabetic individuals have shown that nuts in general, and pistachios in particular, improve how cells use glucose (blood sugar) and how insulin responds to a carbohydrate-containing meal.

## ABOUT THE STUDY

Investigators assessed the effect of pistachios on blood glucose and insulin levels in Chinese women with gestational diabetes (GDM) and impaired glucose tolerance (GIGT).

The women ate either 1.5 ounces of pistachios or two slices of whole wheat bread after an overnight fast, on two occasions, separated by seven days. Blood measures were taken after each meal every 30 minutes, up to 120 minutes. The pistachios and whole wheat bread were matched for calories.

The study found that in both groups of women (those with GDM and GIGT), blood glucose and insulin levels were significantly lower at 30, 60, 90 and 120 minutes after ingesting pistachios as compared with whole wheat bread. In fact, blood glucose barely increased above baseline levels after the pistachios. During the two hours following the consumption of pistachios, the total rise in blood sugar was much lower than after eating the whole wheat bread. Similarly, blood insulin levels did not change during the two hours after eating the pistachios and both groups of women had a significantly lower rise in blood insulin levels at every time point measured after eating the pistachios than they did after eating whole wheat bread. The researchers concluded that pistachios are a healthy snack for pregnant women with GIGT or GDM and may improve and maintain normal blood glucose levels.



## WHAT WE LEARNED FROM THIS STUDY

A growing concern, gestational diabetes mellitus (GDM) prevalence is estimated at 9.8 – 25.5% worldwide. Elevated blood sugar during pregnancy not only impacts the mother's health, but it may also increase the baby's risk of developing diabetes. This study shows pistachios may help maintain postprandial blood glucose levels while providing essential nutrients to the mother and baby during pregnancy.

- ✓ **There is a significantly lower rise in blood sugar at every time point measured after the pistachio consumption than after consuming whole wheat bread.**
- ✓ **Blood glucose increased minimally above baseline levels after the pistachios.**
- ✓ **Pistachios are a healthy snack for pregnant women with GIGT or GDM.**

## WHAT THE FINDINGS MEAN

Eating healthy is an important part of managing gestational diabetes or gestational impaired glucose tolerance. Choosing a handful of pistachios is a good snack choice.

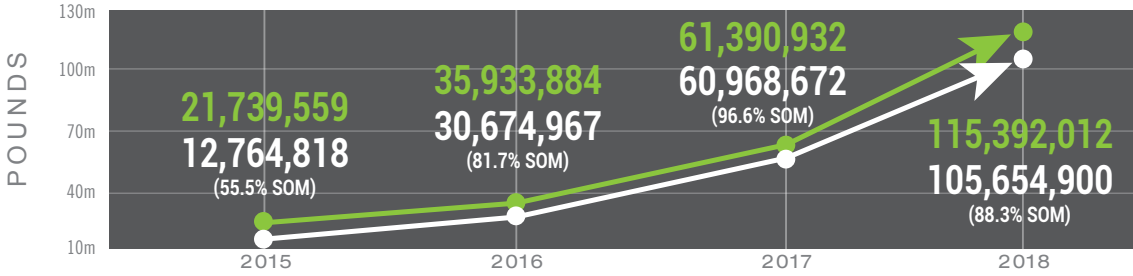
Published in *Frontiers in Nutrition*.



# CONSUMPTION AND U.S. IN PRIORITIZED EXPORT

TOTAL CONSUMPTION = (IN-COUNTRY

## CHINA (MAINLAND)

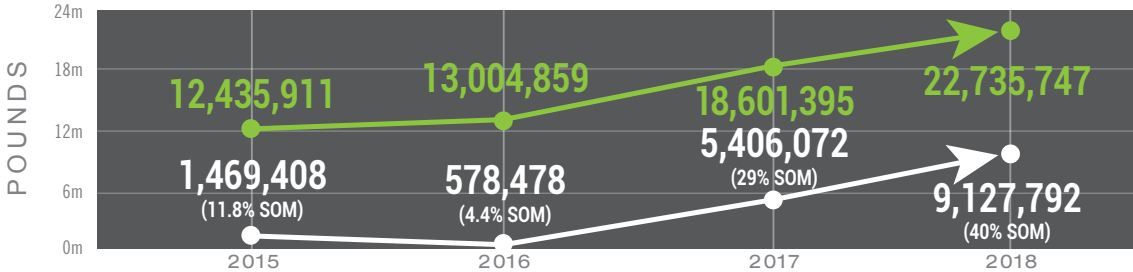


Source: Global Trade Atlas/China Customs

U.S. Share of Market Increased

**59%**  
since 2015.

## INDIA

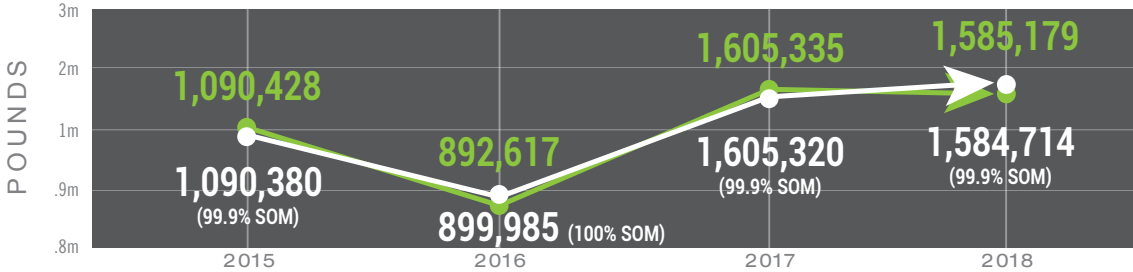


Source: Global Trade Atlas/Ministry of Commerce

U.S. Share of Market Increased

**240%**  
since 2015.

## SOUTH KOREA

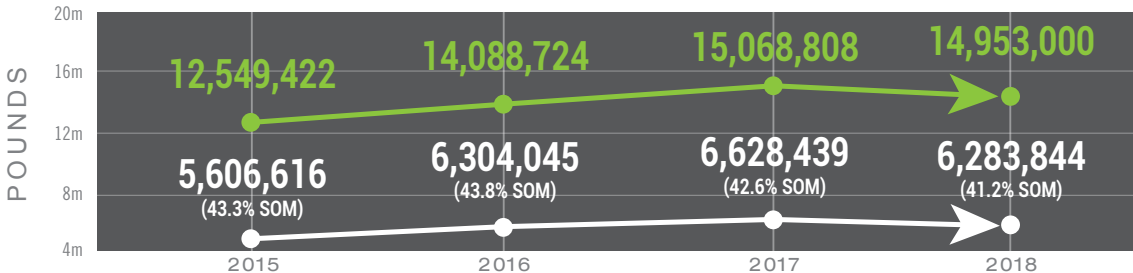


Source: Global Trade Atlas/Korean Customs and Trade Development Institution

U.S. Share of Market Maintained Virtually

**100%**  
since 2015.

## FRANCE



Source: Global Trade Atlas/Eurostat

U.S. Share of Market Decreased

**-5.1%**  
since 2015.

But overall shipments are up due to the increased demand

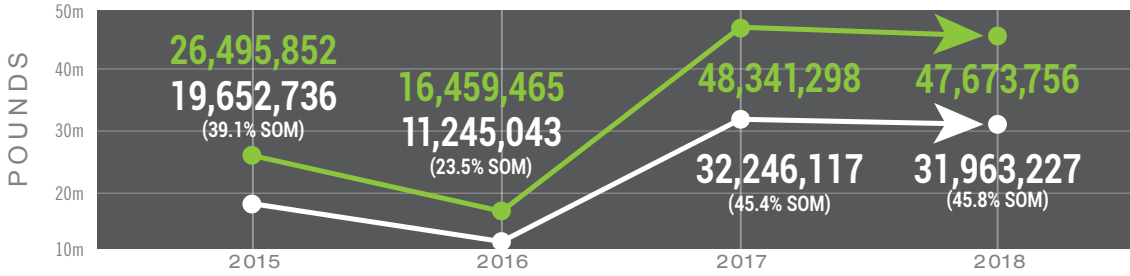
### KEY

GREEN = TOTAL INSHELL CONSUMPTION (All Origins)    WHITE = U.S. INSHELL IMPORTS

# SHARE OF MARKET (SOM) MARKETS 2015-2018

PRODUCTION + IMPORTS) - EXPORTS

## GERMANY

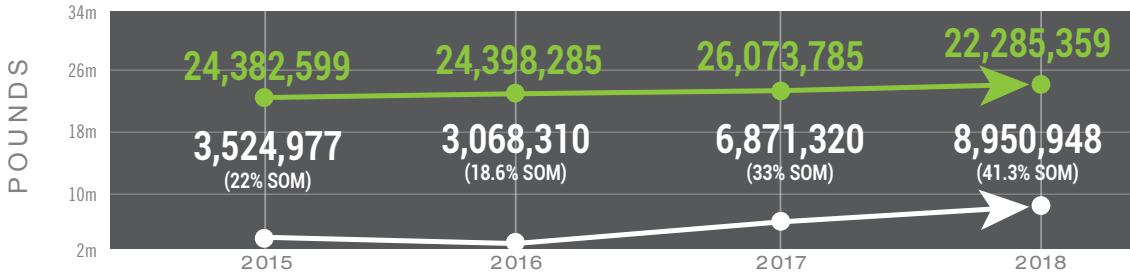


Source: Global Trade Atlas/Eurostat

U.S. Share of Market Increased

**17.1%**  
since 2015.

## ITALY

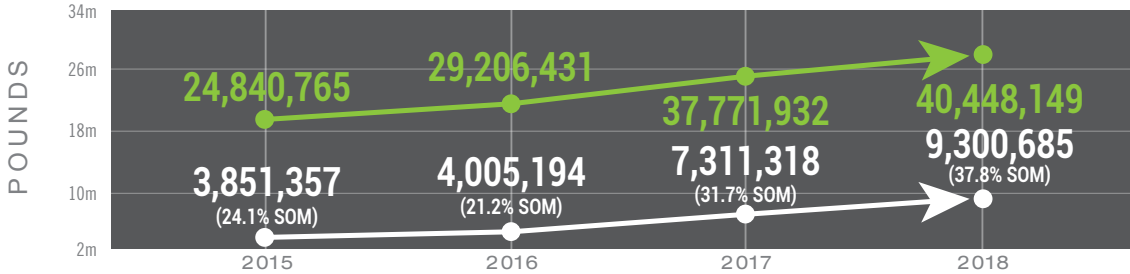


Source: Global Trade Atlas/Eurostat  
Tree Nut Annual European Union

U.S. Share of Market Increased

**88%**  
since 2015.

## SPAIN

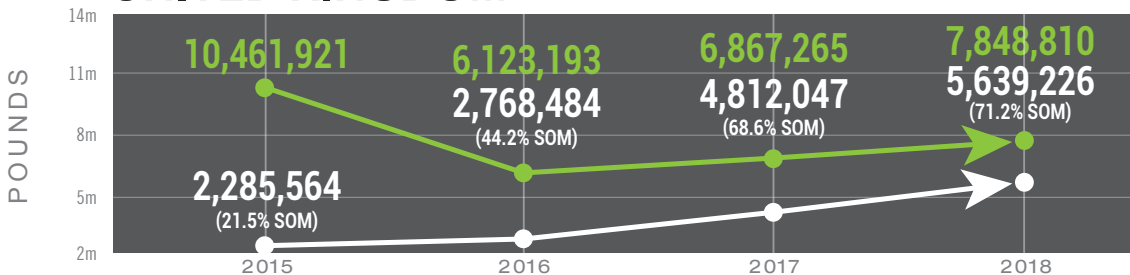


Source: Global Trade Atlas/Eurostat  
Tree Nut Annual European Union

U.S. Share of Market Increased

**56.9%**  
since 2015.

## UNITED KINGDOM



Source: Global Trade Atlas/Eurostat

U.S. Share of Market Increased

**231%**  
since 2015.

# MEASURING THE VALUE OF GOVERNMENT RELATIONS AND MARKETING

**For the first time, the value of APG's government relations efforts is quantified.**

A new study, "*An Analysis of the Effects of the American Pistachio Grower's Program to Reduce/Eliminate Tariffs on U.S. Pistachios*," quantifies for the first time the importance of APG's mission to confront and eliminate tariffs and other trade barriers that impede the sales of U.S.-grown pistachios in overseas markets. The study, by Dr. Dennis H. Tootelian, an emeritus Professor of Marketing, also demonstrated that once tariffs are knocked down, the subsequent research and marketing efforts of the organization are instrumental in building and maintaining high demand, even when pricing is not reduced in many instances.

A goal of Tootelian's analysis was to determine what shipments of U.S. pistachios would have been if tariffs had not been lowered or eliminated in five geographical regions --- Israel, Mexico, China, Hong Kong, and the European Union. The timeframe he focused on was the eight-year period between 2009 and 2017.

## FIVE KEY FINDINGS BETWEEN 2009 – 2017 (IN VALUE AND POUNDS)

- #1** Actual total shipments for 2009-2017 after the tariffs were reduced or eliminated for each country were more than **2.3 billion pounds greater than what would have been expected if the tariffs remained in place.**
- #2** The average increase in actual shipments over projected shipments if tariffs remained just from 2009 through 2017 when all geographic areas had tariff reductions/eliminations was nearly **187.6 million pounds per year.**
- #3** The total dollar value of the shipments for the years after which the tariffs were reduced or eliminated for each country was nearly **\$3 billion greater than what would have been expected if the tariffs remained in place.**
- #4** Had the tariffs not been reduced or eliminated in these affected countries, more than **1.7 billion pounds of U.S. pistachios would have gone into storage** and/or would have been diverted to other markets between 2009-2017. Either way, the result would have been reduced prices to growers.
- #5** While demand for U.S. pistachios is somewhat price sensitive, Tootelian found that only with just over half of the data points did shipments decline with higher prices. This bucks traditional economic theory that says when prices go up, shipments should go down. He attributes this to strong consumer demand that likely relates to the **exceptional quality reputation** that U.S. pistachios have with customers around the world and numerous health studies that show pistachios fit well within a healthy lifestyle. APG has invested heavily in **raising consumer awareness of the health benefits** of pistachios in each market once tariffs are reduced. Altogether, these factors tell Tootelian that consumers are willing to pay a higher price, and when tariffs drop or disappear, demand increases that much more.

Tootelian said the sheer magnitude of the numbers he found in his analysis were surprising and the data only underscores the importance of removing barriers that artificially affect prices and hinder trade.

## THE VALUE OF

# ELIMINATING BARRIERS TO TRADE

A recent study\* quantified the impact of American Pistachio Growers' efforts on export shipments resulting from the reduction or elimination of barriers to trade in the prioritized markets of Israel, Mexico, China, Hong Kong and the European Union.

## ► INCREASE IN U.S. EXPORTS

Comparing Pre- and Post-Tariff Periods 2009-2017

|                       |                     |                                                                                   |
|-----------------------|---------------------|-----------------------------------------------------------------------------------|
| <b>European Union</b> | 1.2 Billion Pounds  | <b>Total</b><br><b>2.3 BILLION POUNDS</b>                                         |
| <b>Hong Kong</b>      | 913 Million Pounds  |                                                                                   |
| <b>Israel</b>         | 61.3 Million Pounds |                                                                                   |
| <b>Mexico</b>         | 46.6 Million Pounds |                                                                                   |
| <b>China</b>          | 31.5 Million Pounds |                                                                                   |
|                       |                     | <b>Average Increase in Shipments/Year</b><br><b>187.5 MILLION POUNDS ANNUALLY</b> |

## INCREASE IN VALUE OF U.S. PISTACHIOS

Exported to Prioritized Export Markets (Israel, Mexico, China, Hong Kong, and the EU)

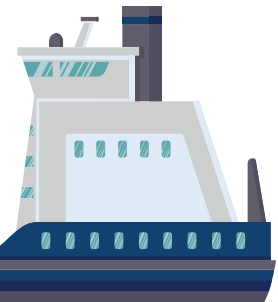


AVERAGE ANNUAL INCREASE

# \$172.5 MILLION

TOTAL INCREASED VALUE OF SHIPMENTS

# \$3 BILLION



\* Tootelian, Dennis, "An analysis of the effects of American Pistachio Growers' program to reduce/eliminate tariffs on U.S. pistachios" 2019 European

AGRICULTURAL EXPERTISE

*With a Global Perspective*

Rabo AgriFinance is a proud sponsor of the American Pistachio Growers association.

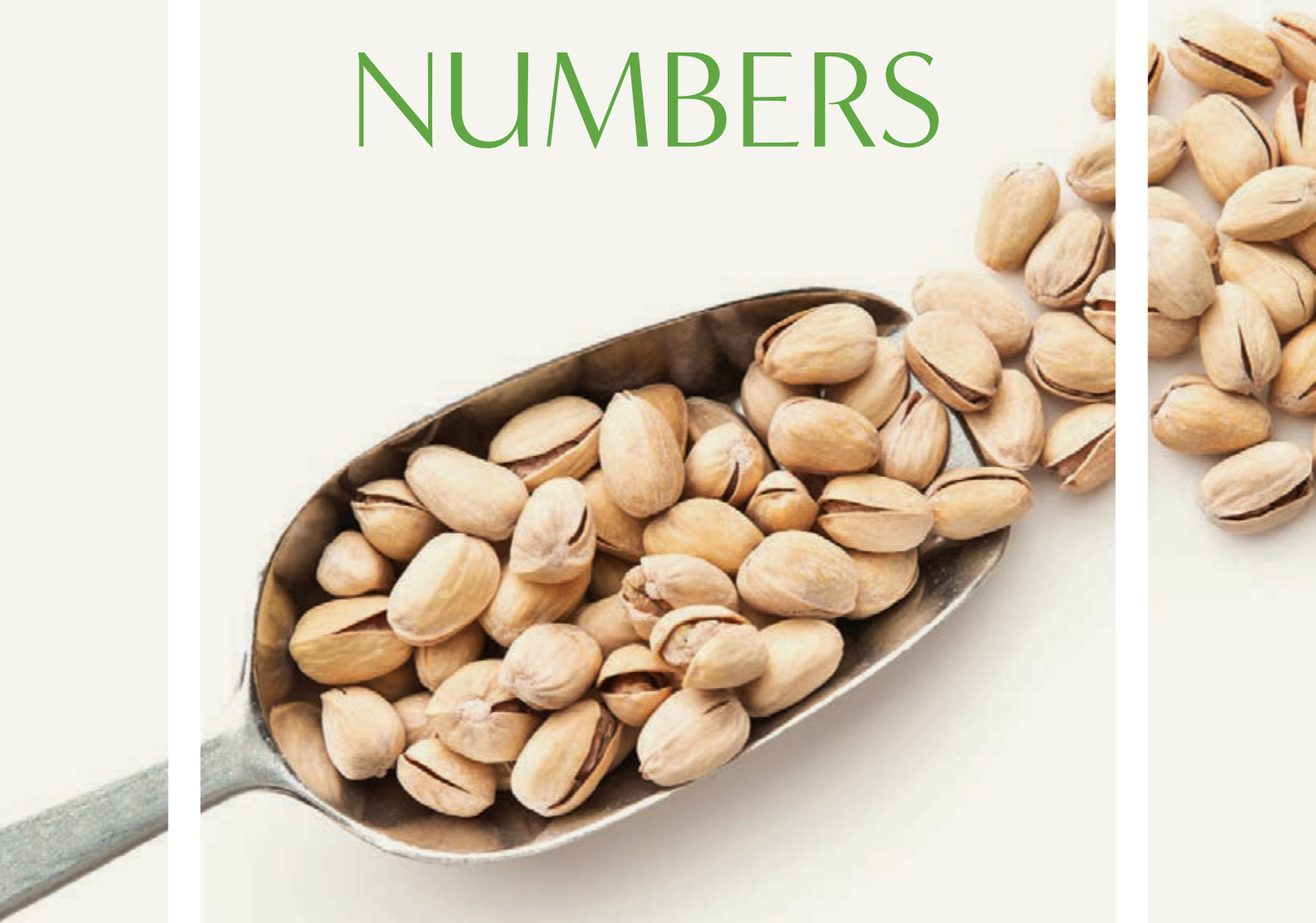
## GROWING AMBITION

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# BY THE NUMBERS



*Report* ON STATISTICS FOR AMERICAN PISTACHIOS

# Total U.S. Pistachio Production



By Year From 1979-1999

| YEAR | BEARING ACRES [1] | OPEN INSHELL | CLOSED SHELL | SHELLING STOCK | TOTAL PRODUCTION (POUNDS) | YIELD (POUNDS PER ACRE) |
|------|-------------------|--------------|--------------|----------------|---------------------------|-------------------------|
| 1979 | 25,440            | 17,200,000   | -            | N/A            | 17,200,000                | 676                     |
| 1980 | 25,773            | 18,600,000   | -            | 8,600,000      | 27,200,000                | 1,055                   |
| 1981 | 27,541            | 10,903,242   | -            | 3,244,633      | 14,400,000                | 523                     |
| 1982 | 29,902            | 37,366,499   | -            | 5,848,040      | 43,900,000                | 1,468                   |
| 1983 | 31,143            | 20,886,616   | -            | 5,432,540      | 26,300,000                | 844                     |
| 1984 | 30,788            | 45,171,125   | -            | 17,467,865     | 63,000,000                | 2,027                   |
| 1985 | 32,332            | 22,497,527   | -            | 4,791,268      | 27,100,000                | 838                     |
| 1986 | 34,243            | 64,518,438   | -            | 12,175,444     | 76,700,000                | 2,240                   |
| 1987 | 40,985            | 29,152,439   | -            | 4,306,135      | 33,000,000                | 818                     |
| 1988 | 47,234            | 71,989,599   | -            | 24,412,660     | 93,400,000                | 2,117                   |
| 1989 | 50,900            | 33,186,931   | -            | 6,327,550      | 38,800,000                | 800                     |
| 1990 | 53,700            | 92,657,459   | -            | 24,637,453     | 119,900,000               | 2,375                   |
| 1991 | 55,700            | 58,913,785   | -            | 17,515,762     | 76,300,000                | 1,465                   |
| 1992 | 56,500            | 114,320,726  | -            | 32,179,427     | 146,500,000               | 2,592                   |
| 1993 | 57,000            | 112,645,883  | -            | 38,261,038     | 150,900,000               | 2,648                   |
| 1994 | 57,507            | 94,074,802   | -            | 34,253,213     | 128,300,000               | 2,232                   |
| 1995 | 60,300            | 107,342,387  | -            | 40,310,145     | 147,700,000               | 2,449                   |
| 1996 | 64,300            | 84,469,382   | -            | 19,854,811     | 104,300,000               | 1,622                   |
| 1997 | 65,373            | 136,616,006  | -            | 42,876,464     | 179,500,000               | 2,746                   |
| 1998 | 68,000            | 137,644,225  | 38,644,205   | 11,198,889     | 187,500,000               | 2,757                   |
| 1999 | 71,000            | 104,374,839  | 12,029,978   | 5,986,704      | 122,400,000               | 1,724                   |

Sources: CPC & ACP Producer Delivery Reports & Acreage Surveys.

[1] Bearing acreage for 1989 to date is defined as plantings six years and older. Bearing acreage prior to 1989 is defined as plantings seven years and older

[2] Arizona & New Mexico data included starting in the 2010/2011 Crop Year

\*Prior to 1998 closed shell was included in shelling stock.

# Total U.S. Pistachio Production



By Year From 2000-2019

| YEAR     | BEARING ACRES [1] | OPEN INSHELL       | CLOSED SHELL       | SHELLING STOCK    | TOTAL PRODUCTION (POUNDS) | YIELD (POUNDS PER ACRE) |
|----------|-------------------|--------------------|--------------------|-------------------|---------------------------|-------------------------|
| 2000     | 74,578            | 188,793,654        | 38,638,066         | 14,119,476        | 241,600,000               | 3,239                   |
| 2001     | 78,000            | 125,849,551        | 26,356,995         | 8,088,733         | 160,300,000               | 2,055                   |
| 2002     | 83,000            | 241,656,847        | 42,096,386         | 18,673,390        | 302,434,693               | 3,644                   |
| 2003     | 88,000            | 89,248,483         | 22,072,569         | 6,721,271         | 118,042,323               | 1,341                   |
| 2004     | 93,000            | 253,920,610        | 73,011,946         | 19,848,932        | 346,781,488               | 3,729                   |
| 2005     | 104,552           | 214,575,386        | 56,858,178         | 10,951,587        | 282,385,160               | 2,701                   |
| 2006     | 112,532           | 200,234,652        | 25,004,012         | 12,233,099        | 237,471,763               | 2,110                   |
| 2007     | 115,007           | 332,444,535        | 53,953,597         | 29,296,761        | 415,694,893               | 3,615                   |
| 2008     | 118,113           | 230,547,823        | 36,538,701         | 10,903,682        | 277,990,206               | 2,353                   |
| 2009     | 125,637           | 289,857,258        | 48,436,667         | 16,217,051        | 354,510,976               | 2,822                   |
| 2010     | 137,102           | 381,890,117        | 125,356,778        | 21,208,606        | 528,455,501               | 3,806                   |
| 2011 [2] | 152,944           | 343,786,231        | 87,550,309         | 16,559,761        | 447,896,301               | 2,902                   |
| 2012     | 177,738           | 466,618,504        | 67,713,923         | 21,079,982        | 555,412,410               | 3,100                   |
| 2013     | 202,997           | 382,681,859        | 70,427,894         | 22,445,434        | 475,555,187               | 2,312                   |
| 2014     | 220,527           | 412,063,855        | 89,026,621         | 18,048,229        | 519,138,705               | 2,329                   |
| 2015     | 232,655           | 207,135,271        | 54,144,987         | 13,425,383        | 274,705,641               | 1,161                   |
| 2016     | 239,385           | 671,310,748        | 170,827,183        | 61,000,570        | 903,138,501               | 3,745                   |
| 2017     | 250,385           | 463,815,722        | 100,192,518        | 41,716,763        | 605,725,003               | 2,397                   |
| 2018     | 264,095           | 746,858,150        | 198,310,642        | 48,947,984        | 994,116,776               | 3,736                   |
| 2019     | <b>288,595</b>    | <b>582,111,271</b> | <b>134,116,879</b> | <b>32,332,447</b> | <b>748,560,597</b>        | <b>2,566</b>            |

Sources: CPC & ACP Producer Delivery Reports & Acreage Surveys.

[1] Bearing acreage for 1989 to date is defined as plantings six years and older. Bearing acreage prior to 1989 is defined as plantings seven years and older

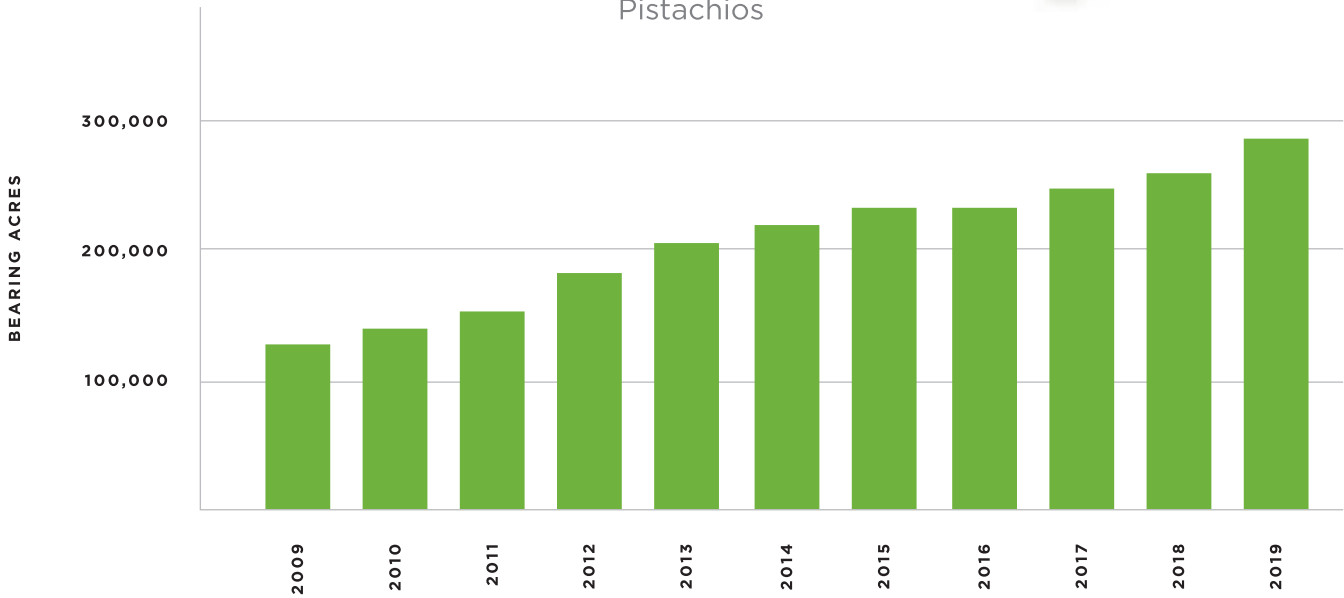
[2] Arizona & New Mexico data included starting in the 2010/2011 Crop Year

\*Prior to 1998 closed shell was included in shelling stock.

# Tree Nut Acreage Comparison



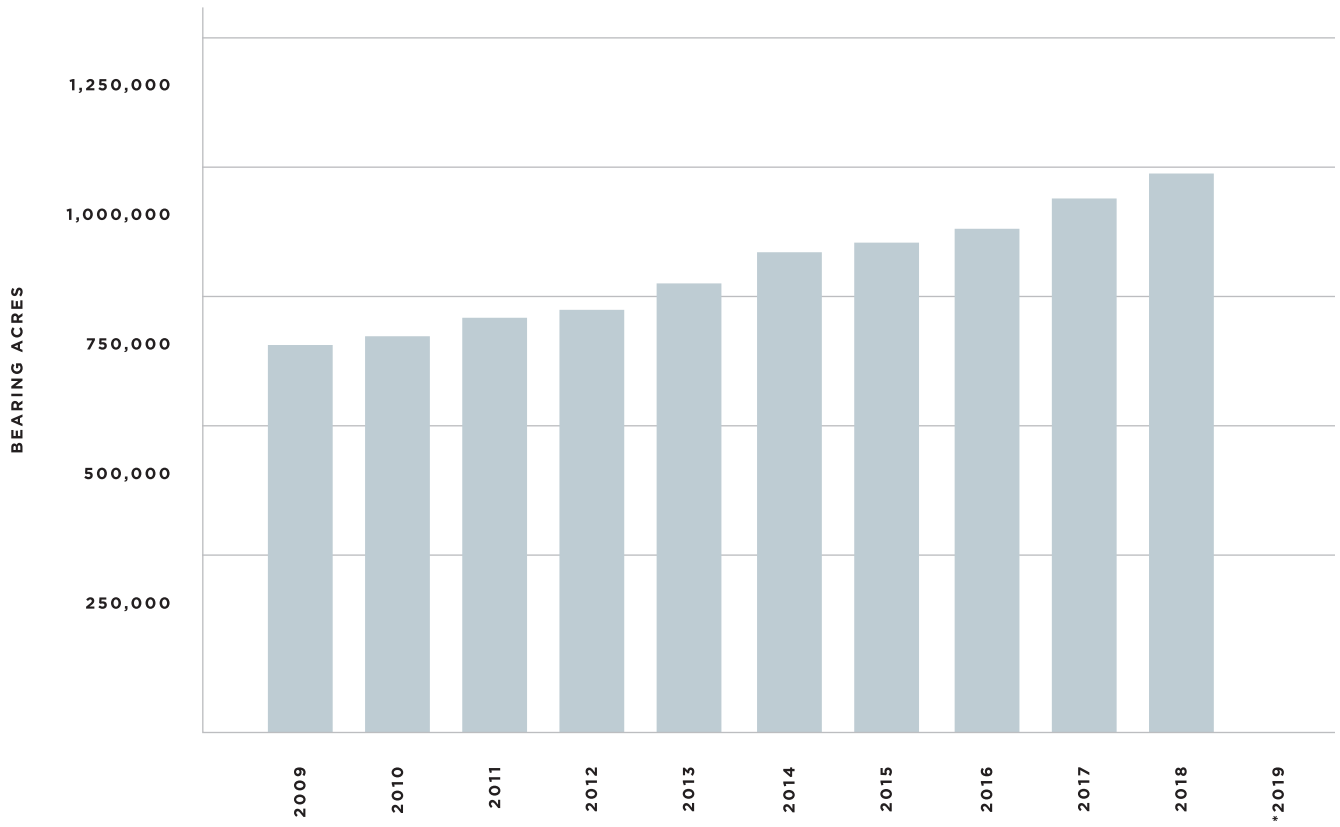
Pistachios



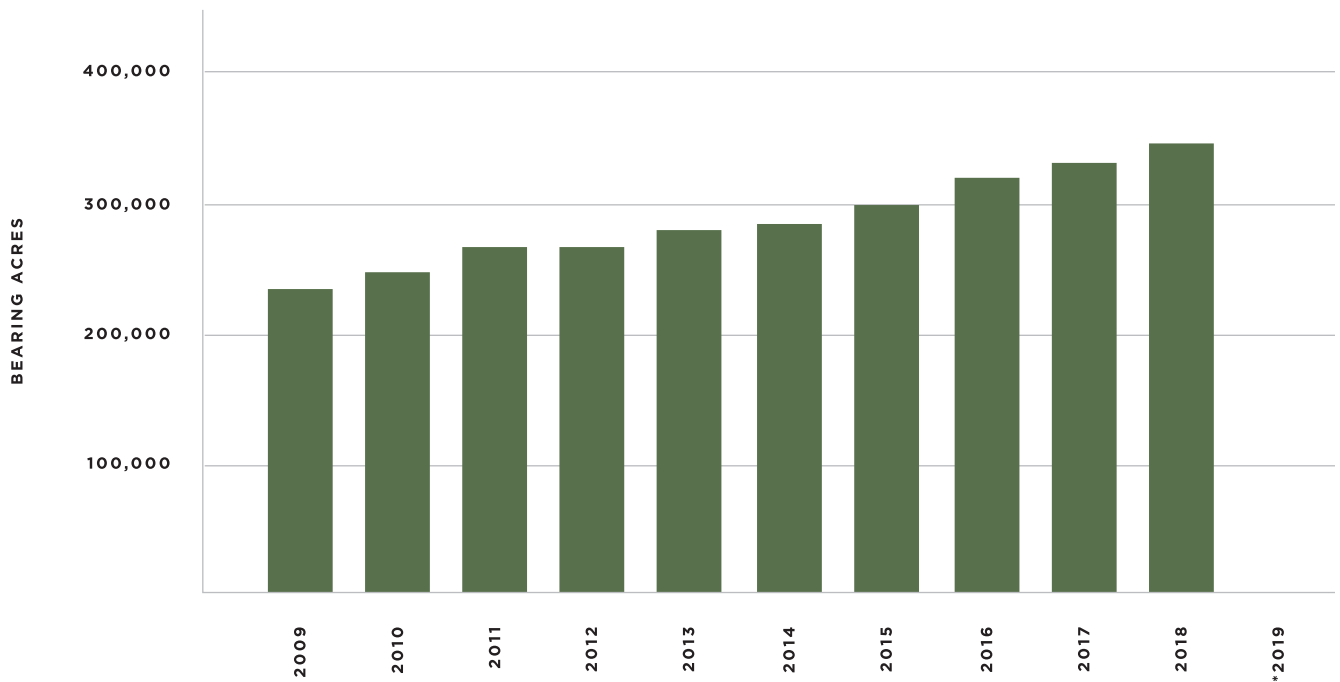
\*Almond and Walnut Acreage recorded from USDA reports as of 1/31/2020  
\*\*2019 Almond and Walnut acreage not available from USDA as of 1/31/2020



## Almonds

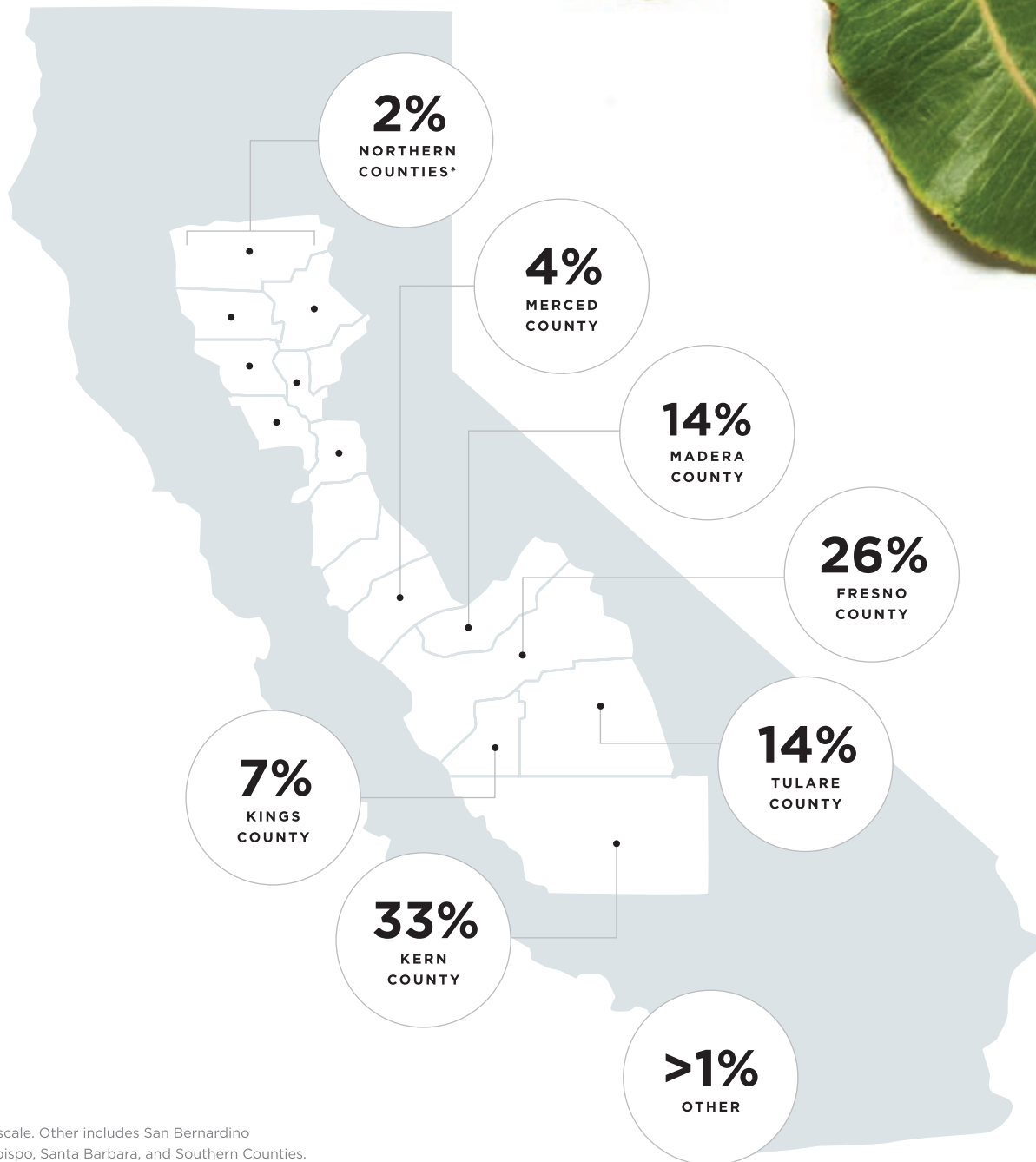


## Walnuts



# 2019 California Pistachio Production

By District & County



Map not to scale. Other includes San Bernardino, San Luis Obispo, Santa Barbara, and Southern Counties.

\*Butte, Colusa, Glenn, Placer, Sacramento, Solano, Sutter, Tehama and Yolo

# Bearing Acreage, Production and Yield Per Acre

By District & County - 2018/19 Crop Year



| AREA                             | BEARING ACRES* | OPEN SHELL  | CLOSED SHELL | SHELLING STOCK | TOTAL PRODUCTION (POUNDS) | YIELD/ BEARING ACRE (POUNDS) |
|----------------------------------|----------------|-------------|--------------|----------------|---------------------------|------------------------------|
| KERN                             | 94,360         | 168,835,729 | 39,572,535   | 9,285,473      | 217,704,045               | 2,307                        |
| SAN BERNARDINO <sup>(1)</sup>    | 288            | 90,578      | 28,156       | 6,491          | 125,227                   | 435                          |
| SAN LUIS OBISPO                  | 244            | 90,647      | 70,331       | 5,507          | 166,485                   | 682                          |
| SANTA BARBARA                    | 782            | 555,705     | 180,214      | 22,657         | 758,576                   | 970                          |
| TULARE                           | 40,350         | 76,538,994  | 15,873,780   | 5,848,892      | 98,258,537                | 2,435                        |
| FRESNO                           | 74,250         | 159,351,653 | 35,811,348   | 6,970,077      | 202,133,052               | 2,722                        |
| KINGS                            | 21,549         | 69,942,259  | 14,219,851   | 3,483,874      | 87,634,439                | 4,067                        |
| MADERA                           | 39,100         | 66,839,550  | 16,913,113   | 3,648,615      | 87,405,675                | 2,235                        |
| MERCED                           | 11,374         | 19,879,866  | 5,143,675    | 1,201,020      | 26,224,554                | 2,306                        |
| NORTHERN COUNTIES <sup>(2)</sup> | 5,752          | 12,750,862  | 4,552,719    | 1,299,526      | 18,603,110                | 3,234                        |
| SOUTHERN COUNTIES <sup>(3)</sup> | 546            | 830,953     | 481,433      | 69,558         | 1,381,941                 | 2,531                        |

|                           |                |                    |                    |                   |                    |              |
|---------------------------|----------------|--------------------|--------------------|-------------------|--------------------|--------------|
| <b>CALIFORNIA TOTALS</b>  | <b>288,595</b> | <b>575,706,796</b> | <b>132,847,155</b> | <b>31,841,690</b> | <b>740,395,641</b> | <b>2,566</b> |
| <b>AZ &amp; NM TOTALS</b> | <b>N/A</b>     | <b>6,404,475</b>   | <b>1,269,724</b>   | <b>490,757</b>    | <b>8,164,956</b>   | <b>N/A</b>   |
| <b>TOTAL U.S. CROP</b>    |                | <b>582,111,271</b> | <b>134,116,879</b> | <b>32,332,447</b> | <b>748,560,597</b> |              |

Sources: Administrative Committee for Pistachios Processors' Producer Delivery Reports and Acreage Surveys

(1) Includes Los Angeles and Riverside Counties

(2) Butte, Colusa, Glenn, Placer, Sacramento, Solano, Sutter, Tehama, Yolo

(3) Alameda, Calaveras, Contra Costa, San Joaquin, Stanislaus

\* Bearing acreage is defined as plantings six years old.

\*\* Counties with few growers have been combined due to privacy issues. and older.

\*\*\* District 4 is Arizona and New Mexico

# California Pistachio Production History

By Year From 1979-1999



| YEAR | TOTAL PRODUCTION | OPEN INSHELL | % OF TOTAL PRODUCTION | CLOSED SHELL* | % OF TOTAL PRODUCTION | SHELLING STOCK | % OF TOTAL PRODUCTION | YIELD (POUNDS PER ACRE) |
|------|------------------|--------------|-----------------------|---------------|-----------------------|----------------|-----------------------|-------------------------|
| 1979 | 17,200,000       | 17,200,000   | -                     | -             | -                     | N/A            | N/A                   | 676                     |
| 1980 | 27,200,000       | 18,600,000   | 68.40%                | -             | -                     | 8,600,000      | 31.60%                | 1,055                   |
| 1981 | 14,147,875       | 10,903,242   | 77.10%                | -             | -                     | 3,244,633      | 22.90%                | 523                     |
| 1982 | 43,214,539       | 37,366,499   | 86.50%                | -             | -                     | 5,848,040      | 13.50%                | 1,468                   |
| 1983 | 26,319,156       | 20,886,616   | 79.40%                | -             | -                     | 5,432,540      | 20.60%                | 844                     |
| 1984 | 62,638,990       | 45,171,125   | 72.10%                | -             | -                     | 17,467,865     | 27.90%                | 2,027                   |
| 1985 | 27,288,795       | 22,497,527   | 82.40%                | -             | -                     | 4,791,268      | 17.60%                | 838                     |
| 1986 | 76,693,882       | 64,518,438   | 84.10%                | -             | -                     | 12,175,444     | 15.90%                | 2,240                   |
| 1987 | 33,458,574       | 29,152,439   | 87.10%                | -             | -                     | 4,306,135      | 12.90%                | 818                     |
| 1988 | 96,402,259       | 71,989,599   | 74.70%                | -             | -                     | 24,412,660     | 25.30%                | 2,117                   |
| 1989 | 39,514,481       | 33,186,931   | 84.00%                | -             | -                     | 6,327,550      | 16.00%                | 800                     |
| 1990 | 117,294,912      | 92,657,459   | 79.00%                | -             | -                     | 24,637,453     | 21.00%                | 2,375                   |
| 1991 | 76,429,547       | 58,913,785   | 77.10%                | -             | -                     | 17,515,762     | 22.90%                | 1,465                   |
| 1992 | 146,500,153      | 114,320,726  | 78.00%                | -             | -                     | 32,179,427     | 22.00%                | 2,592                   |
| 1993 | 150,906,921      | 112,645,883  | 74.70%                | -             | -                     | 38,261,038     | 25.30%                | 2,648                   |
| 1994 | 128,328,015      | 94,074,802   | 73.30%                | -             | -                     | 34,253,213     | 26.70%                | 2,232                   |
| 1995 | 147,652,532      | 107,342,387  | 72.70%                | -             | -                     | 40,310,145     | 27.30%                | 2,449                   |
| 1996 | 104,324,193      | 84,469,382   | 81.00%                | -             | -                     | 19,854,811     | 19.00%                | 1,622                   |
| 1997 | 179,492,470      | 136,616,006  | 76.10%                | -             | -                     | 42,876,464     | 23.90%                | 2,746                   |
| 1998 | 187,487,319      | 137,644,225  | 73.40%                | 38,644,205    | 20.6%                 | 11,198,889     | 6.00%                 | 2,757                   |
| 1999 | 122,391,521      | 104,374,839  | 85.30%                | 12,029,978    | 9.8%                  | 5,986,704      | 4.90%                 | 1,724                   |

1979 - 2006: California Pistachio Commission Processors' Producer Delivery Reports and Acreage Surveys.

2007 - Present: Administrative Committee for Pistachios Processors' Producer Delivery Reports and Acreage Surveys.

\*Prior to 1998 closed shell was included in shelling stock.

# California Pistachio Production History



By Year From 2000-2019

| YEAR | TOTAL PRODUCTION   | OPEN INSHELL       | % OF TOTAL PRODUCTION | CLOSED SHELL*      | % OF TOTAL PRODUCTION | SHELLING STOCK    | % OF TOTAL PRODUCTION | YIELD (POUNDS PER ACRE) |
|------|--------------------|--------------------|-----------------------|--------------------|-----------------------|-------------------|-----------------------|-------------------------|
| 2000 | 241,554,218        | 188,796,676        | 78.20%                | 38,638,066         | 16.0%                 | 14,119,476        | 5.80%                 | 3,239                   |
| 2001 | 160,295,282        | 125,849,554        | 78.50%                | 26,356,995         | 16.4%                 | 8,088,733         | 5.10%                 | 2,055                   |
| 2002 | 302,434,693        | 241,664,914        | 79.90%                | 42,096,386         | 13.9%                 | 18,673,390        | 6.20%                 | 3,644                   |
| 2003 | 118,042,323        | 89,248,483         | 75.60%                | 22,072,569         | 18.7%                 | 6,721,271         | 5.70%                 | 1,341                   |
| 2004 | 346,781,488        | 253,920,610        | 73.20%                | 73,011,946         | 21.1%                 | 19,848,932        | 5.70%                 | 3,729                   |
| 2005 | 282,385,160        | 214,575,387        | 76.00%                | 56,858,178         | 20.1%                 | 10,951,595        | 3.90%                 | 2,701                   |
| 2006 | 237,471,763        | 200,234,652        | 84.30%                | 25,004,012         | 10.5%                 | 12,233,099        | 5.20%                 | 2,111                   |
| 2007 | 415,694,893        | 332,444,535        | 79.97%                | 53,953,597         | 13.0%                 | 29,296,761        | 7.05%                 | 3,615                   |
| 2008 | 277,990,206        | 230,547,823        | 82.93%                | 36,538,701         | 13.1%                 | 10,903,682        | 3.92%                 | 2,353                   |
| 2009 | 354,510,976        | 289,857,258        | 81.76%                | 48,436,667         | 13.7%                 | 16,217,051        | 4.57%                 | 2,822                   |
| 2010 | 521,798,038        | 377,922,848        | 72.43%                | 124,552,672        | 23.9%                 | 19,322,518        | 3.70%                 | 3,806                   |
| 2011 | 443,814,053        | 340,629,631        | 76.75%                | 86,846,692         | 19.6%                 | 16,337,730        | 3.68%                 | 2,902                   |
| 2012 | 550,984,409        | 463,303,334        | 84.09%                | 67,233,364         | 12.2%                 | 20,447,710        | 3.71%                 | 3,100                   |
| 2013 | 469,344,208        | 378,050,138        | 80.55%                | 69,415,633         | 14.8%                 | 21,878,437        | 4.66%                 | 2,312                   |
| 2014 | 513,626,672        | 407,691,332        | 79.38%                | 88,500,092         | 17.2%                 | 17,435,248        | 3.39%                 | 2,329                   |
| 2015 | 270,096,856        | 203,538,562        | 75.36%                | 53,607,893         | 19.8%                 | 12,950,401        | 4.79%                 | 1,161                   |
| 2016 | 896,486,671        | 666,568,699        | 74.35%                | 169,579,930        | 18.9%                 | 60,338,042        | 6.73%                 | 3,745                   |
| 2017 | 600,277,324        | 460,584,779        | 76.73%                | 98,732,689         | 16.4%                 | 40,959,856        | 6.82%                 | 2,397                   |
| 2018 | 986,656,177        | 741,650,951        | 75.17%                | 197,014,326        | 20.0%                 | 47,990,900        | 4.86%                 | 3,736                   |
| 2019 | <b>740,395,641</b> | <b>575,706,796</b> | <b>77.86%</b>         | <b>132,847,155</b> | <b>17.9%</b>          | <b>31,841,690</b> | <b>4.39%</b>          | <b>2,566</b>            |

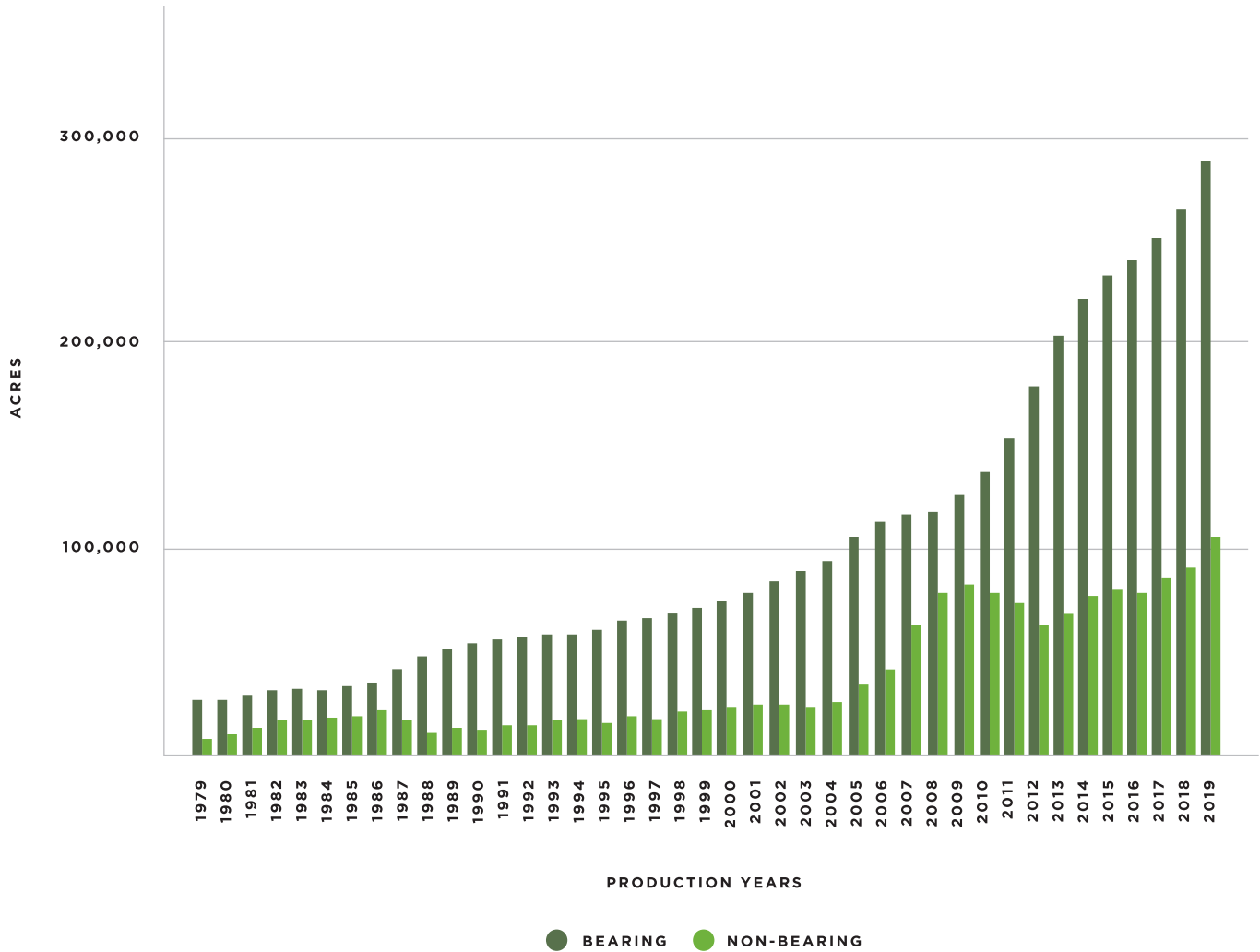
1979 - 2006: California Pistachio Commission Processors' Producer Delivery Reports and Acreage Surveys.

2007 - Present: Administrative Committee for Pistachios Processors' Producer Delivery Reports and Acreage Surveys.

\*Prior to 1998 closed shell was included in shelling stock.

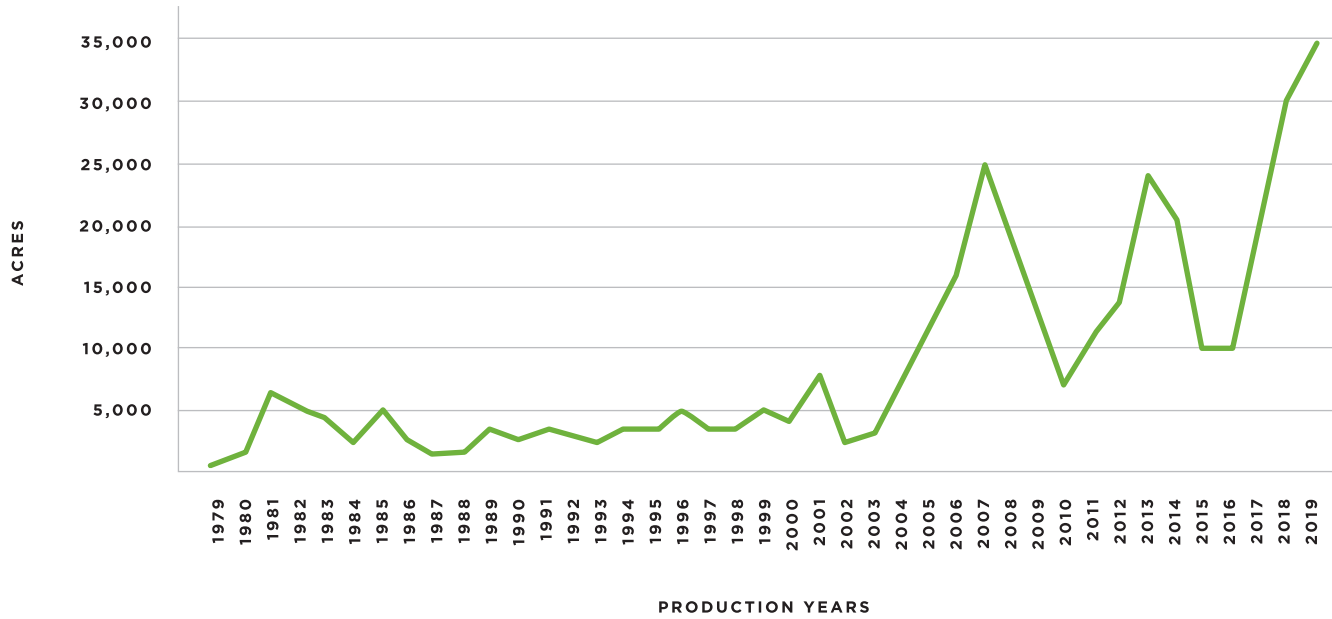
# California Pistachio Bearing vs Non-Bearing

In Acres From 1979-2019



# California Pistachio New Plantings

In Acres From 1979-2019



Sources: CPC, ACP  
and CASS/NASS  
statistical data

# California Pistachio Acreage & Crop Value



By Year From 1979-1999

| YEAR | ACREAGE |             |        |               | YIELD              |                             | CROP VALUE           |                          |                    |
|------|---------|-------------|--------|---------------|--------------------|-----------------------------|----------------------|--------------------------|--------------------|
|      | BEARING | NON-BEARING | TOTAL  | NEW PLANTINGS | BEARING YIELD/ACRE | PRODUCTION (MILLION POUNDS) | AVG RETURN/POUND [1] | TOTAL VALUE (MILLION \$) | VALUE/BEARING ACRE |
| 1979 | 25,440  | 6,211       | 31,651 | 666           | 676                | 17.2                        | 1.60                 | 27.50                    | 1,081              |
| 1980 | 25,773  | 8,989       | 34,762 | 1,382         | 1,055              | 27.2                        | 2.05                 | 55.80                    | 2,165              |
| 1981 | 27,541  | 13,084      | 40,625 | 6,494         | 523                | 14.4                        | 1.36                 | 19.60                    | 712                |
| 1982 | 29,902  | 15,619      | 45,521 | 5,002         | 1,468              | 43.9                        | 1.49                 | 63.70                    | 2,130              |
| 1983 | 31,143  | 15,959      | 47,102 | 4,349         | 844                | 26.3                        | 1.41                 | 37.30                    | 1,198              |
| 1984 | 30,788  | 16,794      | 47,582 | 2,488         | 2,027              | 63.0                        | 0.98                 | 61.70                    | 2,004              |
| 1985 | 32,332  | 18,739      | 51,071 | 5,126         | 838                | 27.1                        | 1.37                 | 36.60                    | 1,132              |
| 1986 | 34,243  | 20,438      | 54,681 | 2,579         | 2,240              | 76.7                        | 1.12                 | 85.90                    | 2,509              |
| 1987 | 40,985  | 16,365      | 57,350 | 1,266         | 818                | 33.0                        | 1.37                 | 47.20                    | 1,152              |
| 1988 | 47,234  | 10,258      | 57,492 | 1,461         | 2,117              | 93.4                        | 1.22                 | 109.30                   | 2,314              |
| 1989 | 50,900  | 12,000      | 62,900 | 3,209 [2]     | 800                | 38.8                        | 1.63                 | 63.20                    | 1,242              |
| 1990 | 53,700  | 11,100      | 64,800 | 2,655         | 2,375              | 119.9                       | 1.02                 | 129.50                   | 2,412              |
| 1991 | 55,700  | 13,300      | 69,000 | 3,686         | 1,465              | 76.3                        | 1.25                 | 100.70                   | 1,808              |
| 1992 | 56,500  | 13,900      | 70,400 | 2,894         | 2,592              | 146.5                       | 1.03                 | 150.90                   | 2,671              |
| 1993 | 57,000  | 15,700      | 72,700 | 2,480         | 2,648              | 150.9                       | 1.07                 | 161.50                   | 2,833              |
| 1994 | 57,507  | 16,633      | 74,140 | 3,568         | 2,232              | 128.3                       | 0.92                 | 118.10                   | 2,054              |
| 1995 | 60,300  | 13,400      | 73,700 | 3,413         | 2,449              | 147.7                       | 1.09                 | 160.94                   | 2,669              |
| 1996 | 64,300  | 17,100      | 81,400 | 4,872         | 1,622              | 104.3                       | 1.16                 | 120.99                   | 1,882              |
| 1997 | 65,373  | 17,062      | 82,435 | 3,839         | 2,746              | 179.5                       | 1.13                 | 202.84                   | 3,103              |
| 1998 | 68,000  | 19,300      | 87,300 | 3,620         | 2,757              | 187.5                       | 1.03                 | 193.10                   | 2,840              |
| 1999 | 71,000  | 21,000      | 92,000 | 5,496         | 1,724              | 122.4                       | 1.33                 | 162.78                   | 2,293              |

# California Pistachio Acreage & Crop Value



By Year From 2000-2019

| YEAR | ACREAGE |             |         |               | YIELD              |                             | CROP VALUE                 |                          |                    |
|------|---------|-------------|---------|---------------|--------------------|-----------------------------|----------------------------|--------------------------|--------------------|
|      | BEARING | NON-BEARING | TOTAL   | NEW PLANTINGS | BEARING YIELD/ACRE | PRODUCTION (MILLION POUNDS) | AVG RETURN/POUND [1]       | TOTAL VALUE (MILLION \$) | VALUE/BEARING ACRE |
| 2000 | 74,578  | 21,730      | 96,308  | 3,903         | 3,239              | 241.6                       | 1.01                       | 244.02                   | 3,272              |
| 2001 | 78,000  | 23,500      | 101,500 | 8,025         | 2,055              | 160.3                       | 1.01                       | 161.90                   | 2,076              |
| 2002 | 83,000  | 23,000      | 106,000 | 2,475         | 3,644              | 302.4                       | 1.10                       | 332.64                   | 4,008              |
| 2003 | 88,000  | 23,000      | 111,000 | 3,016         | 1,341              | 118.0                       | 1.22                       | 143.96                   | 1,636              |
| 2004 | 93,000  | 24,733      | 117,733 | 7,314         | 3,729              | 346.8                       | 1.34                       | 464.71                   | 4,997              |
| 2005 | 104,552 | 32,295      | 136,847 | 11,465        | 2,701              | 282.4                       | 2.05                       | 578.92                   | 5,537              |
| 2006 | 112,532 | 40,112      | 152,644 | 15,842        | 2,110              | 237.5                       | 1.89                       | 448.88                   | 3,989              |
| 2007 | 115,007 | 62,341      | 177,348 | 24,794        | 3,615              | 415.7                       | 1.41                       | 586.14                   | 5,097              |
| 2008 | 118,133 | 78,155      | 196,288 | 18,740        | 2,353              | 278.0                       | 2.05                       | 569.90                   | 4,824              |
| 2009 | 125,637 | 82,969      | 208,606 | 12,128        | 2,822              | 354.5                       | 1.67                       | 592.02                   | 4,712              |
| 2010 | 137,102 | 78,234      | 215,336 | 6,730 [2]     | 3,806              | 521.8                       | 2.22                       | 1,158.40                 | 8,449              |
| 2011 | 152,944 | 73,392      | 226,336 | 11,000        | 2,902              | 443.8                       | 1.98                       | 878.72                   | 5,745              |
| 2012 | 177,738 | 62,308      | 240,046 | 13,710        | 3,100              | 551.0                       | 2.61                       | 1,438.11                 | 8,091              |
| 2013 | 202,997 | 68,068      | 271,065 | 24,500        | 2,312              | 469.3                       | 3.48                       | 1,633.16                 | 8,045              |
| 2014 | 220,527 | 75,940      | 294,467 | 20,000        | 2,329              | 513.6                       | 3.57                       | 1,833.55                 | 8,314              |
| 2015 | 232,655 | 79,210      | 311,865 | 10,000        | 1,161              | 270.1                       | 3.29                       | 888.63                   | 3,820              |
| 2016 | 239,385 | 78,210      | 317,595 | 10,000        | 3,745              | 896.5                       | 1.68                       | 1,506.12                 | 6,292              |
| 2017 | 250,385 | 84,500      | 334,885 | 20,000        | 2,397              | 600.3                       | AVERAGE RETURN UNAVAILABLE |                          |                    |
| 2018 | 264,095 | 90,000      | 354,095 | 30,000        | 3,736              | 986.7                       | AVERAGE RETURN UNAVAILABLE |                          |                    |
| 2019 | 288,595 | 105,000     | 393,595 | 35,000        | 2,471              | 722.8                       | AVERAGE RETURN UNAVAILABLE |                          |                    |

Sources: CPC, ACP and CASS/NASS statistical data

\*Approximate numbers due to uncertainties of removal and replanting.

2017 & 2018 numbers are updated assumptions per Administrative Committee for Pistachios and have been updated since last APG Annual Report

[1] Weighted average which includes shelling stock. NASS periodically revises these numbers.

[2] Data collection methods used in the past are now unreliable due to changes in the rootstock industry. New methods are being developed.

# Pistachio Rootstock Clones

Generation

## UCB-D110

PP26,122 P3

- Widely Tested
- Compatible
- Low Salt Uptake

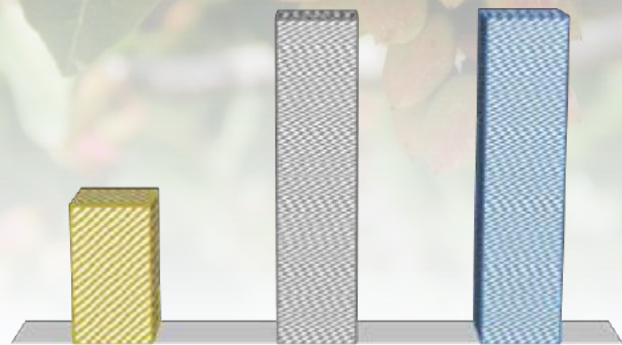
Generation

## VigorClone™

V211 and V215

US PP30,913 P2 US PP30,877 P2

- 10 year field trialed
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- Vigor of Old Clone



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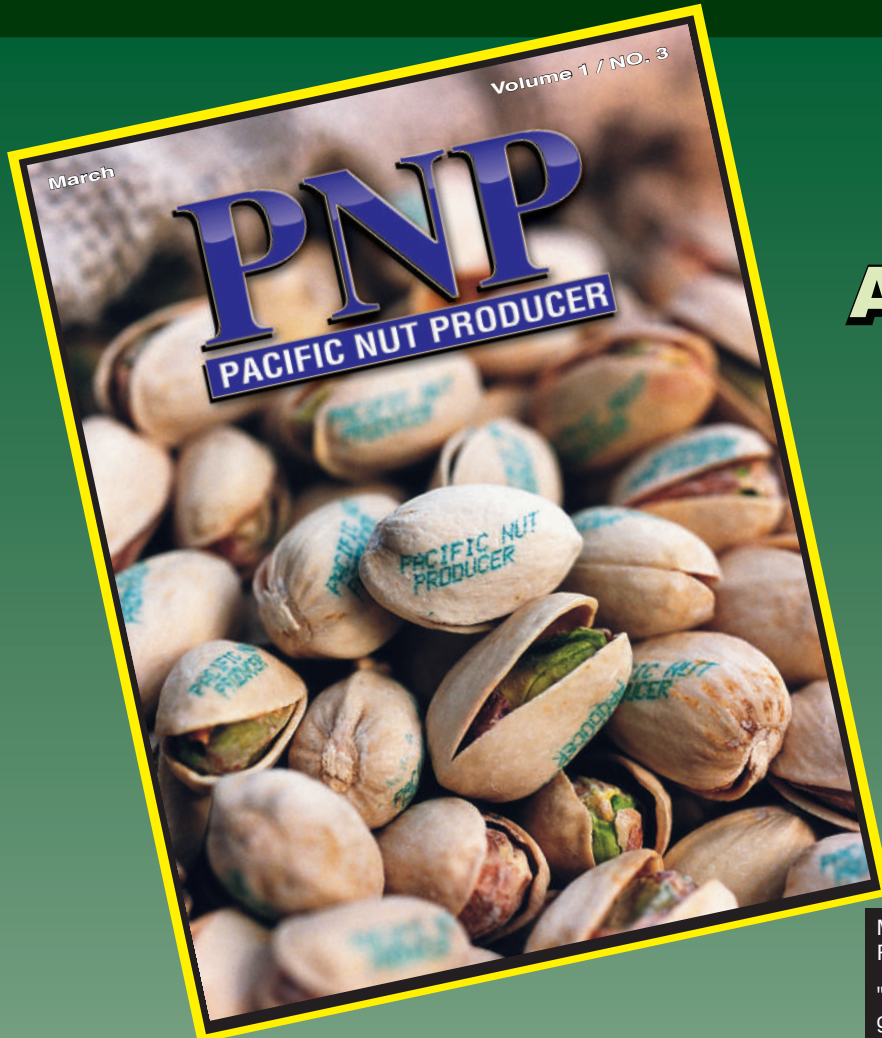
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# Pistachio Shipments in Pounds

|                       | OPEN INSHELL       |                    |                    |                    | ARTIFICIALLY OPENED |                |             |             |
|-----------------------|--------------------|--------------------|--------------------|--------------------|---------------------|----------------|-------------|-------------|
| DOMESTIC              | 2015/16            | 2016/17            | 2017/18            | 2018/19            | 2015/16             | 2016/17        | 2017/18     | 2018/19     |
| SEPT                  | 8,486,757          | 14,861,852         | 12,719,759         | 10,313,269         | 39,250              | 0              | 0           | 0           |
| OCT                   | 8,361,899          | 11,811,249         | 15,539,704         | 16,014,289         | 0                   | 0              | 0           | 0           |
| NOV                   | 11,013,369         | 14,498,615         | 15,265,216         | 16,589,570         | 6,475               | 0              | 0           | 0           |
| DEC                   | 11,204,545         | 17,928,510         | 18,689,882         | 19,815,842         | 4,000               | 0              | 0           | 0           |
| JAN                   | 9,981,157          | 11,828,371         | 14,937,005         | 15,826,754         | 0                   | 0              | 0           | 0           |
| FEB                   | 7,304,030          | 12,332,255         | 13,332,443         | 12,845,046         | 0                   | 0              | 0           | 0           |
| MAR                   | 10,117,069         | 16,025,721         | 15,684,645         | 16,589,612         | 0                   | 0              | 0           | 0           |
| APR                   | 6,895,129          | 12,829,987         | 13,654,943         | 16,145,273         | 0                   | 0              | 0           | 0           |
| MAY                   | 7,468,734          | 12,301,261         | 10,878,864         | 15,472,483         | 0                   | 0              | 0           | 0           |
| JUN                   | 8,147,518          | 14,543,722         | 15,614,032         | 15,384,112         | 5,000               | 0              | 0           | 0           |
| JUL                   | 7,844,411          | 9,428,762          | 11,191,310         | 11,985,208         | 0                   | 0              | 0           | 0           |
| AUG                   | 9,242,340          | 14,337,083         | 12,054,049         | 14,463,219         | 0                   | 0              | 0           | 0           |
| <b>TOTAL DOMESTIC</b> | <b>106,066,958</b> | <b>162,727,388</b> | <b>169,561,852</b> | <b>181,444,677</b> | <b>54,725</b>       | <b>0</b>       | <b>0</b>    | <b>0</b>    |
| <b>SHIPMENTS</b>      | <b>45.8%</b>       | <b>31.6%</b>       | <b>34.4%</b>       | <b>28.6%</b>       | <b>11.5%</b>        | <b>0.0%</b>    | <b>0.0%</b> | <b>0.0%</b> |
| EXPORT                | 2015/16            | 2016/17            | 2017/18            | 2018/19            | 2015/16             | 2016/17        | 2017/18     | 2018/19     |
| SEPT                  | 13,867,618         | 29,711,910         | 17,942,013         | 19,543,899         | 40,000              | 0              | 0           | 0           |
| OCT                   | 16,775,055         | 59,610,944         | 49,857,922         | 55,073,857         | 44,000              | 69,000         | 0           | 0           |
| NOV                   | 13,707,643         | 52,939,998         | 62,969,403         | 87,553,423         | 46,000              | 229,250        | 0           | 0           |
| DEC                   | 10,925,665         | 24,083,616         | 38,518,964         | 30,817,840         | 88,000              | 65,000         | 0           | 0           |
| JAN                   | 8,430,915          | 23,144,368         | 24,790,542         | 31,331,306         | 88,000              | 310,000        | 0           | 0           |
| FEB                   | 7,471,867          | 22,308,580         | 22,626,185         | 30,745,542         | 44,000              | 209,250        | 0           | 0           |
| MAR                   | 7,488,906          | 26,859,265         | 28,645,024         | 47,127,227         | 25,000              | 28,500         | 0           | 0           |
| APR                   | 7,927,112          | 18,909,957         | 23,944,876         | 35,788,923         | 0                   | 22,000         | 0           | 0           |
| MAY                   | 7,932,761          | 18,234,290         | 16,588,659         | 28,926,374         | 25,000              | 0              | 0           | 0           |
| JUN                   | 11,485,610         | 23,378,896         | 19,056,153         | 28,626,381         | 15,000              | 0              | 0           | 0           |
| JUL                   | 11,286,634         | 22,984,673         | 14,019,826         | 29,099,019         | 25,000              | 0              | 0           | 0           |
| AUG                   | 8,399,016          | 30,319,201         | 4,792,997          | 28,185,856         | -19,000             | 0              | 0           | 0           |
| <b>TOTAL EXPORT</b>   | <b>125,698,802</b> | <b>352,485,698</b> | <b>323,752,564</b> | <b>452,819,647</b> | <b>421,000</b>      | <b>933,000</b> | <b>0</b>    | <b>0</b>    |
| <b>SHIPMENTS</b>      | <b>54.2%</b>       | <b>68.4%</b>       | <b>65.6%</b>       | <b>71.4%</b>       | <b>88.5%</b>        | <b>100.0%</b>  | <b>0.0%</b> | <b>0.0%</b> |
| <b>YEAR TOTALS</b>    | <b>231,765,760</b> | <b>515,213,086</b> | <b>493,314,416</b> | <b>634,264,324</b> | <b>475,725</b>      | <b>933,000</b> | <b>0</b>    | <b>0</b>    |

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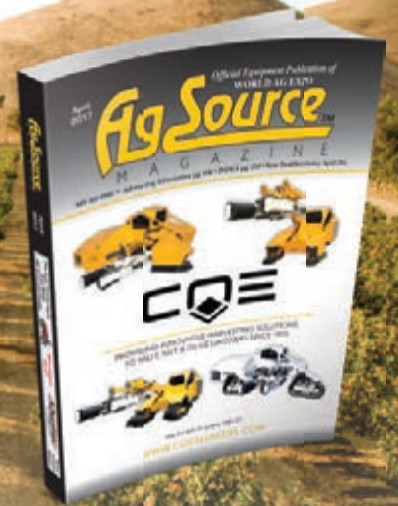
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# Pistachio Shipments in Pounds

|                       | CLOSED SHELL      |                   |                   |                   | SHELLING STOCK   |                  |                  |                   |
|-----------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| DOMESTIC              | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16          | 2016/17          | 2017/18          | 2018/19           |
| SEPT                  | 0                 | 263,455           | 90,985            | 0                 | 88,000           | 234,041          | 239,815          | 0                 |
| OCT                   | 0                 | 112,137           | 217,000           | 245,205           | 88,000           | 83,819           | 38,000           | 285,238           |
| NOV                   | 0                 | 58,615            | 220,000           | 0                 | 0                | 37,479           | 0                | 0                 |
| DEC                   | 0                 | 99,000            | 44,000            | 44,000            | 58,663           | 0                | 0                | 0                 |
| JAN                   | 55,670            | -88,000           | 8,415             | 0                 | 30,570           | 0                | 246,453          | 0                 |
| FEB                   | 46,200            | 72,759            | 0                 | 52,998            | 82,400           | 197,700          | 0                | 0                 |
| MAR                   | 64,000            | 88,000            | 20,000            | 44,785            | 0                | 3,000            | 196,730          | 6,126             |
| APR                   | 30,969            | 70,000            | 44,000            | 499,921           | 20,709           | 4,400            | 44,768           | 77,466            |
| MAY                   | 206,076           | 132,000           | 0                 | 47,129            | 26,129           | 0                | 88,000           | 47,855            |
| JUN                   | 16,500            | 236,417           | 44,000            | 44,801            | 12,165           | 42,000           | 35,450           | 23,833            |
| JUL                   | 14,400            | 351,000           | 0                 | 0                 | 94,564           | 2,840            | 0                | 62,257            |
| AUG                   | 0                 | 399,900           | 4,400             | 0                 | 13,244           | 0                | 79,746           | 0                 |
| <b>TOTAL DOMESTIC</b> | <b>433,815</b>    | <b>1,795,283</b>  | <b>692,800</b>    | <b>978,839</b>    | <b>514,444</b>   | <b>605,279</b>   | <b>968,962</b>   | <b>502,775</b>    |
| <b>SHIPMENTS</b>      | <b>2.8%</b>       | <b>2.6%</b>       | <b>1.1%</b>       | <b>1.1%</b>       | <b>50.6%</b>     | <b>54.1%</b>     | <b>15.5%</b>     | <b>3.1%</b>       |
| EXPORT                | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16          | 2016/17          | 2017/18          | 2018/19           |
| SEPT                  | 520,652           | 6,325,766         | 1,971,300         | 2,639,800         | 17,236           | 60,539           | 424,600          | 2,480,500         |
| OCT                   | 1,545,994         | 13,523,343        | 11,219,015        | 7,297,351         | 27,283           | 43,899           | 0                | 1,253,883         |
| NOV                   | 545,494           | 6,316,032         | 9,858,450         | 18,935,292        | 8,428            | 20,206           | 88,000           | 1,721,756         |
| DEC                   | 568,536           | 2,687,926         | 4,675,935         | 3,785,391         | 0                | 1,688            | 44,000           | 603,018           |
| JAN                   | 462,000           | 4,575,600         | 1,914,767         | 2,476,284         | 0                | 44,000           | 402,222          | 1,464,965         |
| FEB                   | 0                 | 6,068,309         | 3,712,427         | 4,343,358         | 0                | 21,205           | 132,000          | 1,389,040         |
| MAR                   | 130,180           | 5,040,724         | 5,810,699         | 8,338,521         | 15,117           | 47,324           | 352,000          | 1,895,409         |
| APR                   | 226,909           | 5,224,857         | 4,768,200         | 7,267,577         | 308,000          | 3,521            | 440,000          | 614,426           |
| MAY                   | 18,480            | 4,268,329         | 3,390,268         | 5,332,841         | 124,348          | 45,646           | 307,091          | 826,168           |
| JUN                   | 2,034,603         | 3,013,258         | 3,737,635         | 12,481,645        | 1,509            | 49,870           | 220,000          | 988,764           |
| JUL                   | 6,211,000         | 4,029,250         | 3,668,287         | 10,520,940        | 0                | 0                | 888,692          | 931,310           |
| AUG                   | 3,000,450         | 5,188,800         | 5,589,000         | 7,565,532         | 0                | 176,000          | 1,979,850        | 1,367,910         |
| <b>TOTAL EXPORT</b>   | <b>15,264,298</b> | <b>66,262,194</b> | <b>60,315,983</b> | <b>90,984,532</b> | <b>501,921</b>   | <b>513,898</b>   | <b>5,278,455</b> | <b>15,537,149</b> |
| <b>SHIPMENTS</b>      | <b>97.2%</b>      | <b>97.4%</b>      | <b>98.9%</b>      | <b>98.9%</b>      | <b>49.4%</b>     | <b>45.9%</b>     | <b>84.5%</b>     | <b>96.9%</b>      |
| <b>YEAR TOTALS</b>    | <b>15,698,113</b> | <b>68,057,477</b> | <b>61,008,783</b> | <b>91,963,371</b> | <b>1,016,365</b> | <b>1,119,177</b> | <b>6,247,417</b> | <b>16,039,924</b> |

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# Pistachio Shipments in Pounds

|                       | KERNELS           |                   |                   |                   | GRAND TOTALS       |                    |                    |                    |
|-----------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| DOMESTIC              | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16            | 2016/17            | 2017/18            | 2018/19            |
| SEPT                  | 2,285,195         | 1,886,943         | 2,644,948         | 2,980,868         | 10,899,202         | 17,246,291         | 15,695,507         | 13,294,137         |
| OCT                   | 1,760,548         | 1,929,496         | 2,860,257         | 3,294,710         | 10,210,447         | 13,936,701         | 18,654,961         | 19,839,442         |
| NOV                   | 1,925,674         | 2,429,614         | 2,818,005         | 3,533,617         | 12,945,518         | 17,024,323         | 18,303,221         | 20,123,187         |
| DEC                   | 2,085,822         | 2,083,266         | 3,182,189         | 3,428,002         | 13,353,030         | 20,110,776         | 21,916,071         | 23,287,844         |
| JAN                   | 1,761,149         | 2,487,074         | 3,322,326         | 3,696,971         | 11,828,546         | 14,227,445         | 18,514,199         | 19,523,725         |
| FEB                   | 1,556,819         | 1,910,976         | 2,580,069         | 3,277,720         | 8,989,449          | 14,513,690         | 15,912,512         | 16,175,764         |
| MAR                   | 2,248,462         | 2,570,497         | 3,342,677         | 3,917,022         | 12,429,531         | 18,687,218         | 19,244,052         | 20,557,545         |
| APR                   | 1,707,812         | 2,593,113         | 3,241,142         | 3,210,878         | 8,654,619          | 15,497,500         | 16,984,853         | 19,933,538         |
| MAY                   | 2,189,589         | 3,352,930         | 4,097,332         | 3,497,740         | 9,890,528          | 15,786,191         | 15,064,196         | 19,065,207         |
| JUN                   | 2,226,786         | 2,906,441         | 3,619,159         | 3,711,121         | 10,407,969         | 17,728,580         | 19,312,641         | 19,163,867         |
| JUL                   | 1,768,630         | 2,550,222         | 3,120,917         | 3,919,811         | 9,722,005          | 12,332,824         | 14,312,227         | 15,967,276         |
| AUG                   | 1,971,187         | 3,298,760         | 4,059,068         | 5,031,623         | 11,226,771         | 18,035,743         | 16,197,263         | 19,494,842         |
| <b>TOTAL DOMESTIC</b> | <b>23,487,673</b> | <b>29,999,332</b> | <b>38,888,089</b> | <b>43,500,083</b> | <b>130,557,615</b> | <b>195,127,282</b> | <b>210,111,703</b> | <b>226,426,374</b> |
| <b>SHIPMENTS</b>      | <b>80.2%</b>      | <b>64.2%</b>      | <b>64.1%</b>      | <b>69.3%</b>      | <b>46.9%</b>       | <b>30.9%</b>       | <b>33.8%</b>       | <b>28.1%</b>       |
| EXPORT                | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16            | 2016/17            | 2017/18            | 2018/19            |
| SEPT                  | 403,272           | 1,008,142         | 1,539,168         | 923,003           | 14,848,778         | 37,106,357         | 21,877,081         | 25,587,202         |
| OCT                   | 451,093           | 727,288           | 1,225,008         | 953,692           | 18,843,425         | 73,974,474         | 62,301,945         | 64,578,783         |
| NOV                   | 282,710           | 1,301,511         | 1,772,547         | 1,354,306         | 14,590,275         | 60,806,997         | 74,688,400         | 109,564,777        |
| DEC                   | 398,865           | 1,469,009         | 2,242,600         | 1,927,853         | 11,981,066         | 28,307,239         | 45,481,499         | 37,134,102         |
| JAN                   | 423,157           | 1,122,718         | 1,036,993         | 1,680,655         | 9,404,072          | 29,196,686         | 28,144,524         | 36,953,210         |
| FEB                   | 396,442           | 809,707           | 1,435,346         | 1,738,671         | 7,912,309          | 29,417,051         | 27,905,958         | 38,216,611         |
| MAR                   | 627,250           | 2,722,416         | 1,784,022         | 1,704,611         | 8,286,453          | 34,698,229         | 36,591,745         | 59,065,768         |
| APR                   | 492,187           | 1,001,908         | 754,160           | 1,337,139         | 8,954,208          | 25,162,243         | 29,907,236         | 45,008,065         |
| MAY                   | 663,244           | 1,241,548         | 3,320,859         | 1,976,187         | 8,763,833          | 23,789,813         | 23,606,877         | 37,061,570         |
| JUN                   | 589,839           | 1,307,223         | 3,003,081         | 1,428,179         | 14,126,561         | 27,749,247         | 26,016,869         | 43,524,969         |
| JUL                   | 573,721           | 1,924,223         | 2,895,603         | 2,361,339         | 18,096,355         | 28,938,146         | 21,472,408         | 42,912,608         |
| AUG                   | 489,836           | 2,128,464         | 753,543           | 1,848,811         | 11,870,302         | 37,812,465         | 13,115,390         | 38,968,109         |
| <b>TOTAL EXPORT</b>   | <b>5,791,616</b>  | <b>16,764,157</b> | <b>21,762,930</b> | <b>19,234,446</b> | <b>147,677,637</b> | <b>436,958,947</b> | <b>411,109,932</b> | <b>578,575,774</b> |
| <b>SHIPMENTS</b>      | <b>19.8%</b>      | <b>35.8%</b>      | <b>35.9%</b>      | <b>30.7%</b>      | <b>53.1%</b>       | <b>69.1%</b>       | <b>66.2%</b>       | <b>71.9%</b>       |
| <b>YEAR TOTALS</b>    | <b>29,279,289</b> | <b>46,763,489</b> | <b>60,651,019</b> | <b>62,734,529</b> | <b>278,235,252</b> | <b>632,086,229</b> | <b>621,221,635</b> | <b>805,002,148</b> |



# Intrepid Edge<sup>®</sup> Insecticide. Before All Hull Breaks Loose.

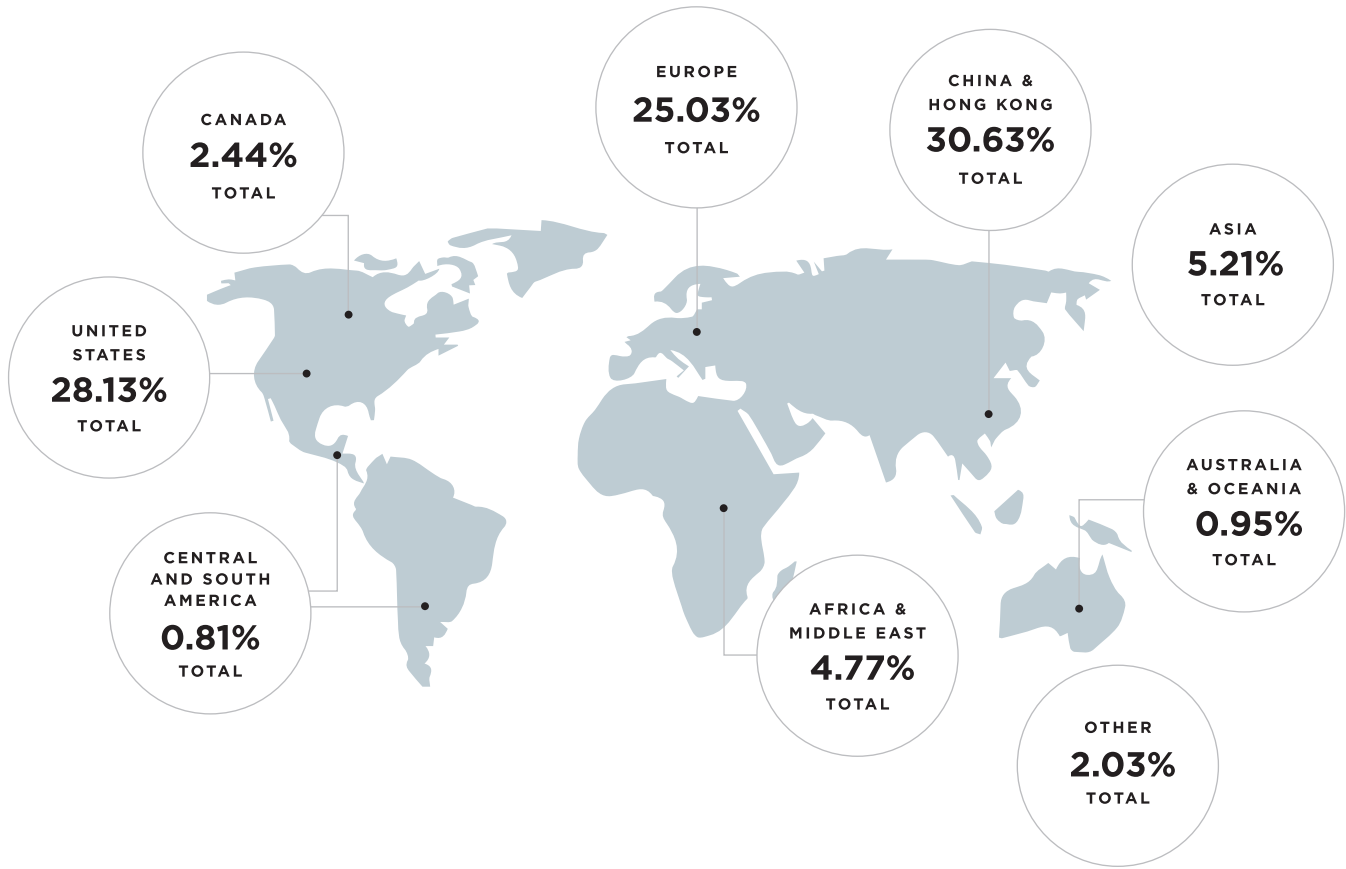
**Intrepid Edge<sup>®</sup>**

**INSECTICIDE**

When two million acres of hulls and husks split, navel orangeworm heads straight for your valuable crop. Intrepid Edge<sup>®</sup> insecticide helps protect that crop. Its two active ingredients impact all life stages of navel orangeworm. That “multi-life stage” activity will comprehensively reduce the entire pest population. Long-lasting and fast-acting without disrupting key beneficial insects. Intrepid Edge is your premier insecticide at hull split.

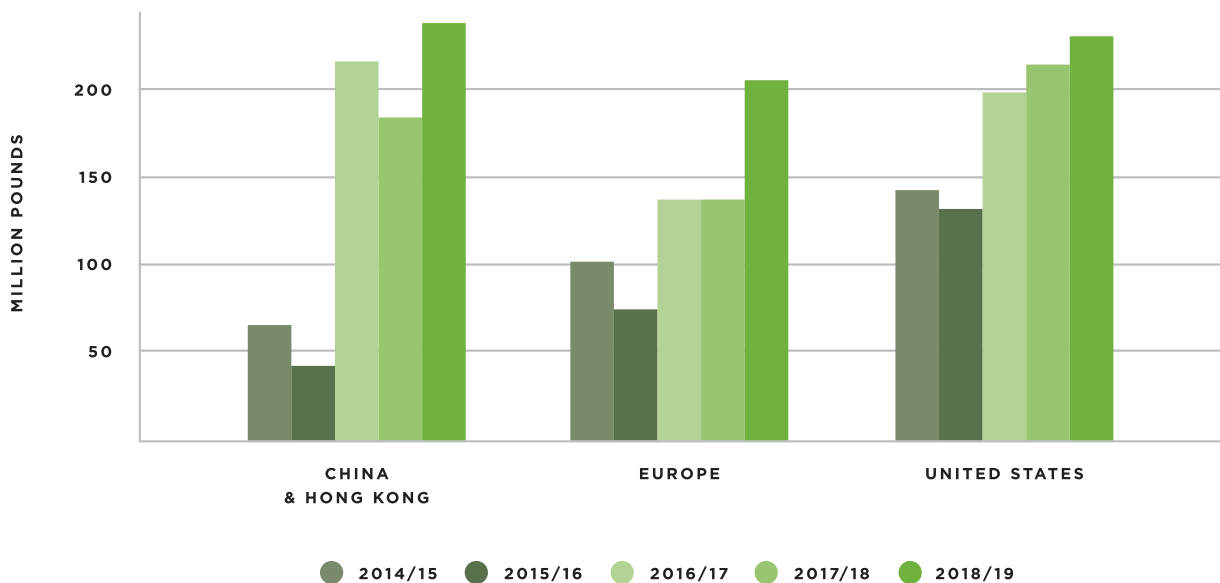
# Shipment Destinations

2018/19 Total For All Categories



# Top Destinations

2014-2019 Pistachio Shipments





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# Exports by Destination in Pounds

| COUNTRY              | OPEN INSHELL       |                    |                    |                    | ARTIFICIALLY OPENED |                |          |          |
|----------------------|--------------------|--------------------|--------------------|--------------------|---------------------|----------------|----------|----------|
|                      | 2015/16            | 2016/17            | 2017/18            | 2018/19            | 2015/16             | 2016/17        | 2017/18  | 2018/19  |
| ALGERIA              | 381,758            | 630,548            | 0                  | 493,182            | 0                   | 0              | 0        | 0        |
| ARGENTINA            | 10,669             | 20,328             | 25,596             | 79,660             | 0                   | 0              | 0        | 0        |
| AUSTRALIA            | 1,402,613          | 3,798,444          | 5,254,651          | 5,763,249          | 2,000               | 0              | 0        | 0        |
| BELGIUM              | 10,996,499         | 15,337,676         | 6,816,117          | 7,594,577          | 0                   | 0              | 0        | 0        |
| BRAZIL               | 185,570            | 653,473            | 385,945            | 541,514            | 0                   | 0              | 0        | 0        |
| BULGARIA             | 50,000             | 167,250            | 346,950            | 331,650            | 0                   | 0              | 0        | 0        |
| CANADA               | 8,012,614          | 13,911,302         | 16,411,290         | 17,581,863         | 0                   | 0              | 0        | 0        |
| CHILE                | 433,803            | 451,682            | 494,909            | 649,675            | 0                   | 0              | 0        | 0        |
| CHINA                | 15,211,733         | 69,875,870         | 78,487,908         | 98,241,354         | 0                   | 0              | 0        | 0        |
| COLOMBIA             | 224,674            | 145,921            | 321,612            | 528,075            | 0                   | 0              | 0        | 0        |
| COSTA RICA           | 26,625             | 76,754             | 0                  | 57,505             | 0                   | 0              | 0        | 0        |
| CYPRUS               | 66,750             | 54,000             | 122,750            | 115,900            | 0                   | 0              | 0        | 0        |
| CZECH REPUBLIC       | 38,400             | 28,600             | 100,400            | 1,743,700          | 0                   | 0              | 0        | 0        |
| DENMARK              | 0                  | 0                  | 0                  | 0                  | 0                   | 0              | 0        | 0        |
| ECUADOR              | 44,000             | 50,000             | 80,000             | 115,750            | 0                   | 0              | 0        | 0        |
| EGYPT                | 405,870            | 562,181            | 335,576            | 1,085,952          | 0                   | 0              | 0        | 0        |
| FRANCE               | 6,180,171          | 7,755,977          | 5,460,600          | 9,258,161          | 0                   | 66,000         | 0        | 0        |
| GERMANY              | 16,113,732         | 43,664,950         | 38,392,656         | 61,031,535         | 0                   | 2,000          | 0        | 0        |
| GREECE               | 35,400             | 99,000             | 168,000            | 552,600            | 0                   | 0              | 0        | 0        |
| GUATEMALA            | 52,675             | 48,486             | 32,000             | 48,000             | 0                   | 0              | 0        | 0        |
| HONG KONG            | 14,576,526         | 83,476,849         | 50,038,646         | 70,069,408         | 0                   | 0              | 0        | 0        |
| INDIA                | 534,129            | 4,668,104          | 6,378,662          | 15,043,375         | 0                   | 0              | 0        | 0        |
| INDONESIA            | 0                  | 12,207             | 24,007             | 42,256             | 0                   | 0              | 0        | 0        |
| ISRAEL               | 3,103,000          | 10,561,975         | 5,888,494          | 8,365,625          | 0                   | 0              | 0        | 0        |
| ITALY                | 2,594,248          | 6,934,604          | 5,629,921          | 8,722,800          | 0                   | 0              | 0        | 0        |
| JAPAN                | 2,364,310          | 2,540,505          | 2,502,500          | 3,722,360          | 0                   | 0              | 0        | 0        |
| KOREA                | 687,661            | 1,480,416          | 1,414,619          | 1,479,694          | 0                   | 0              | 0        | 0        |
| LATVIA               | 0                  | 107,200            | 540,700            | 762,200            | 0                   | 0              | 0        | 0        |
| LEBANON              | 0                  | 217,000            | 293,425            | 442,212            | 0                   | 0              | 0        | 0        |
| LITHUANIA            | 572,000            | 1,718,950          | 1,984,469          | 3,094,295          | 0                   | 0              | 0        | 0        |
| LUXEMBOURG           | 12,936,000         | 11,660,000         | 15,664,000         | 17,505,400         | 132,000             | 0              | 0        | 0        |
| MALAYSIA             | 417,825            | 634,097            | 792,853            | 1,131,404          | 0                   | 0              | 0        | 0        |
| MEXICO               | 2,490,161          | 3,653,624          | 5,044,904          | 6,178,830          | 272,000             | 222,000        | 0        | 0        |
| NETHERLANDS          | 11,553,941         | 17,241,316         | 17,167,088         | 18,893,750         | 0                   | 572,000        | 0        | 0        |
| NEW ZEALAND          | 513,450            | 938,121            | 733,833            | 794,294            | 0                   | 0              | 0        | 0        |
| NORWAY               | 345,500            | 350,000            | 305,250            | 339,000            | 0                   | 0              | 0        | 0        |
| PERU                 | 70,988             | 207,339            | 206,465            | 442,822            | 0                   | 0              | 0        | 0        |
| POLAND               | 269,699            | 772,600            | 655,491            | 2,258,833          | 0                   | 0              | 0        | 0        |
| PORTUGAL             | 523,350            | 339,750            | 337,150            | 298,350            | 0                   | 0              | 0        | 0        |
| ROMANIA              | 0                  | 22,000             | 0                  | 758,600            | 0                   | 0              | 0        | 0        |
| RUSSIA               | 0                  | 42,000             | 0                  | 49,500             | 0                   | 0              | 0        | 0        |
| SAUDI ARABIA         | 716,375            | 9,109,667          | 10,609,731         | 13,093,112         | 0                   | 0              | 0        | 0        |
| SINGAPORE            | 166,069            | 484,412            | 351,922            | 737,652            | 15,000              | 17,500         | 0        | 0        |
| SOUTH AFRICA         | 157,938            | 129,000            | 190,500            | 653,250            | 0                   | 0              | 0        | 0        |
| SPAIN                | 4,396,252          | 9,017,327          | 10,953,930         | 23,254,612         | 0                   | 0              | 0        | 0        |
| SWEDEN               | 55,000             | 60,500             | 0                  | 235,950            | 0                   | 0              | 0        | 0        |
| SWITZERLAND          | 1,407,436          | 2,037,675          | 1,119,828          | 1,573,750          | 0                   | 0              | 0        | 0        |
| TAHITI               | 1,796              | 3,215              | 4,202              | 5,443              | 0                   | 0              | 0        | 0        |
| TAIWAN               | 221,000            | 882,752            | 622,220            | 1,772,392          | 0                   | 0              | 0        | 0        |
| THAILAND             | 759,375            | 1,306,900          | 1,230,800          | 2,083,922          | 0                   | 0              | 0        | 0        |
| THE PHILIPPINES      | 132,903            | 289,531            | 342,158            | 459,081            | 0                   | 0              | 0        | 0        |
| TURKEY               | 174,620            | 3,423,800          | 4,715,609          | 4,225,582          | 0                   | 0              | 0        | 0        |
| UKRAINE              | 0                  | 53,250             | 78,450             | 749,825            | 0                   | 53,500         | 0        | 0        |
| UNITED ARAB EMIRATES | 329,331            | 4,449,200          | 6,173,044          | 10,129,711         | 0                   | 0              | 0        | 0        |
| UNITED KINGDOM       | 2,388,040          | 5,318,848          | 6,733,274          | 9,622,470          | 0                   | 0              | 0        | 0        |
| VENEZUELA            | 0                  | 0                  | 47,841             | 0                  | 0                   | 0              | 0        | 0        |
| VIETNAM              | 870,128            | 8,249,574          | 5,807,200          | 7,189,640          | 0                   | 0              | 0        | 0        |
| OTHER                | 496,195            | 2,758,948          | 5,932,418          | 10,824,345         | 0                   | 0              | 0        | 0        |
| <b>TOTALS</b>        | <b>125,698,802</b> | <b>352,485,698</b> | <b>323,752,564</b> | <b>452,819,647</b> | <b>421,000</b>      | <b>933,000</b> | <b>0</b> | <b>0</b> |

# “The Scoop on Pistachios”

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# Exports by Destination in Pounds

| COUNTRY              | CLOSED SHELL      |                   |                   |                   | SHELLING STOCK |                |                  |                   |
|----------------------|-------------------|-------------------|-------------------|-------------------|----------------|----------------|------------------|-------------------|
|                      | 2015/16           | 2016/17           | 2017/18           | 2018/19           | 2015/16        | 2016/17        | 2017/18          | 2018/19           |
| ALGERIA              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| ARGENTINA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| AUSTRALIA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| BELGIUM              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| BRAZIL               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| BULGARIA             | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| CANADA               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| CHILE                | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| CHINA                | 7,839,850         | 30,931,114        | 28,779,321        | 37,534,596        | 0              | 1,962          | 484,000          | 914,431           |
| COLOMBIA             | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| COSTA RICA           | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| CYPRUS               | 0                 | 220,000           | 0                 | 130,000           | 0              | 0              | 0                | 0                 |
| CZECH REPUBLIC       | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| DENMARK              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| ECUADOR              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| EGYPT                | 41,667            | 41,667            | 43,000            | 43,000            | 0              | 0              | 0                | 0                 |
| FRANCE               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| GERMANY              | 0                 | 20,671            | 0                 | 220,000           | 0              | 0              | 0                | 0                 |
| GREECE               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| GUATEMALA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| HONG KONG            | 5,604,508         | 26,759,744        | 20,714,730        | 34,169,217        | 54,251         | 184,871        | 1,292,792        | 4,028,942         |
| INDIA                | 10,112            | 0                 | 0                 | 346,000           | 4,400          | 0              | 88,000           | 1,295,600         |
| INDONESIA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| ISRAEL               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| ITALY                | 83,600            | 1,363,333         | 2,569,600         | 2,932,600         | 0              | 220,000        | 377,800          | 303,650           |
| JAPAN                | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| KOREA                | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| LATVIA               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| LEBANON              | 350               | 386,750           | 301,000           | 430,000           | 0              | 0              | 0                | 0                 |
| LITHUANIA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| LUXEMBOURG           | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| MALAYSIA             | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| MEXICO               | 0                 | 0                 | 27,800            | 0                 | 0              | 0              | 0                | 132,000           |
| NETHERLANDS          | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| NEW ZEALAND          | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| NORWAY               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| PERU                 | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| POLAND               | 0                 | 0                 | 0                 | 37,307            | 0              | 0              | 0                | 0                 |
| PORTUGAL             | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| ROMANIA              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| RUSSIA               | 214,250           | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| SAUDI ARABIA         | 0                 | 643,617           | 520,950           | 129,000           | 0              | 0              | 0                | 0                 |
| SINGAPORE            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| SOUTH AFRICA         | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 44,000            |
| SPAIN                | 0                 | 87,400            | 0                 | 0                 | 0              | 44,000         | 0                | 0                 |
| SWEDEN               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| SWITZERLAND          | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| TAHITI               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| TAIWAN               | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| THAILAND             | 0                 | 0                 | 0                 | 132,000           | 0              | 0              | 0                | 0                 |
| THE PHILIPPINES      | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| TURKEY               | 227,536           | 607,596           | 3,529,662         | 10,403,760        | 422,668        | 44,000         | 2,682,983        | 4,933,373         |
| UKRAINE              | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| UNITED ARAB EMIRATES | 0                 | 0                 | 396,000           | 0                 | 0              | 0              | 0                | 301,000           |
| UNITED KINGDOM       | 0                 | 312,000           | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| VENEZUELA            | 0                 | 0                 | 0                 | 0                 | 0              | 0              | 0                | 0                 |
| VIETNAM              | 949,425           | 1,424,752         | 1,502,970         | 1,184,052         | 20,602         | 19,065         | 352,880          | 1,534,153         |
| OTHER                | 293,000           | 3,463,550         | 1,930,950         | 3,293,000         | 0              | 0              | 0                | 2,050,000         |
| <b>TOTALS</b>        | <b>15,264,298</b> | <b>66,262,194</b> | <b>60,315,983</b> | <b>90,984,532</b> | <b>501,921</b> | <b>513,898</b> | <b>5,278,455</b> | <b>15,537,149</b> |

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### N&S Tractor Locations

Colusa, CA (530) 458-2166.....1960 Highway 20, Colusa, CA 95932  
 Dos Palos, CA (209) 392-2161.....2173 Blossom Street, Dos Palos, CA 93620  
 Merced, CA (209) 383-5888.....600 S. State Highway 59, Merced, CA 95341

Stockton, CA (209) 944-5500.....1340 W. Charter Way, Stockton, CA 95206  
 Turlock, CA (209) 634-1777.....1215 W. Glenwood Ave, Turlock, CA 95932  
 Willows, CA (530) 934-3382.....827 N. Tehama Street, Willows, CA 95988  
 Yuba City, CA (530) 923-7675.....3056 Colusa Highway, Yuba City, CA 95993

### Quinn Company Locations

Fresno, CA (559) 896-4040.....10273 S. Golden State Blvd, Selma, CA 93662

Bakersfield, CA (661) 393-5800.....2200 Pegasus Drive, Bakersfield, CA 93308  
 Corcoran, CA (559) 992-2193.....510 Pickerell Street, Corcoran, CA 93212

### Sun Valley, Inc. Locations

Deming NW (575) 544-3004.....1700 Columbus Road, NM 88030  
 Mesilla Park, NM (575) 647-3648.....3567 S. Main, Mesilla Park, NM 88047

Silver City, NM (575) 538-3291.....1401 Silver Heights Blvd, Silver City, NM 88061  
 Truth or Consequences, NM (575) 894-5111 .....  
 .....400 E. Smith Road, Truth or Consequences, NM 87901

### Marsa Locations

Delicias Chihuahua, Mexico (693) 472-21-31.....4Panamericana Kilometro 4 Sur, Centro, 33000 Delicias, Chihuahua, Mexico

# Exports by Destination in Pounds

| COUNTRY              | KERNALS          |                   |                   |                   | TOTALS             |                    |                    |                    |
|----------------------|------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
|                      | 2015/16          | 2016/17           | 2017/18           | 2018/19           | 2015/16            | 2016/17            | 2017/18            | 2018/19            |
| ALGERIA              | 9,390            | 172,000           | 0                 | 0                 | 391,148            | 802,548            | 0                  | 493,182            |
| ARGENTINA            | 0                | 0                 | 0                 | 0                 | 10,669             | 20,328             | 25,596             | 79,660             |
| AUSTRALIA            | 556,276          | 1,122,046         | 992,449           | 1,032,203         | 1,960,889          | 4,920,490          | 6,247,100          | 6,795,452          |
| BELGIUM              | -10,590          | 254,000           | 169,830           | 128,063           | 10,985,909         | 15,591,676         | 6,985,947          | 7,722,640          |
| BRAZIL               | 19,357           | 167,358           | 195,337           | 186,691           | 204,927            | 820,831            | 581,282            | 728,205            |
| BULGARIA             | 0                | 0                 | 0                 | 3,300             | 50,000             | 167,250            | 346,950            | 334,950            |
| CANADA               | 732,471          | 1,265,548         | 1,911,707         | 2,057,413         | 8,745,085          | 15,176,850         | 18,322,997         | 19,639,276         |
| CHILE                | 12,810           | 10,440            | 11,848            | 13,200            | 446,613            | 462,122            | 506,757            | 662,875            |
| CHINA                | 308,190          | 468,678           | 612,014           | 1,338,200         | 23,359,773         | 101,277,624        | 108,363,243        | 138,028,581        |
| COLOMBIA             | 214              | 13,375            | 2,014             | 10,800            | 224,888            | 159,296            | 323,626            | 538,875            |
| COSTA RICA           | 2,280            | 10,410            | 0                 | 9,900             | 28,905             | 87,164             | 0                  | 67,405             |
| CYPRUS               | 7,980            | 13,200            | 0                 | 43,650            | 74,730             | 287,200            | 122,750            | 289,550            |
| CZECH REPUBLIC       | 0                | 44,000            | 47,180            | 22,500            | 38,400             | 72,600             | 147,580            | 1,766,200          |
| DENMARK              | 0                | 0                 | 0                 | 0                 | 0                  | 0                  | 0                  | 0                  |
| ECUADOR              | 0                | 0                 | 0                 | 8,100             | 44,000             | 50,000             | 80,000             | 123,850            |
| EGYPT                | 0                | 0                 | 0                 | 0                 | 447,537            | 603,848            | 378,576            | 1,128,952          |
| FRANCE               | 867,485          | 1,425,744         | 1,521,820         | 1,076,475         | 7,047,656          | 9,247,721          | 6,982,420          | 10,334,636         |
| GERMANY              | 268,172          | 675,229           | 1,252,920         | 951,191           | 16,381,904         | 44,362,850         | 39,645,576         | 62,202,726         |
| GREECE               | 6,600            | 15,000            | 0                 | 104,736           | 42,000             | 114,000            | 168,000            | 657,336            |
| GUATEMALA            | 79               | 0                 | 0                 | 0                 | 52,754             | 48,486             | 32,000             | 48,000             |
| HONG KONG            | 146,247          | 157,064           | 103,102           | 288,436           | 20,381,532         | 110,578,528        | 72,149,270         | 108,556,003        |
| INDIA                | 76,888           | 1,027,355         | 354,776           | 1,388,612         | 625,529            | 5,695,459          | 6,821,438          | 18,073,587         |
| INDONESIA            | 0                | 0                 | 0                 | 0                 | 0                  | 12,207             | 24,007             | 42,256             |
| ISRAEL               | 216,995          | 609,040           | 447,500           | 373,460           | 3,319,995          | 11,171,015         | 6,335,994          | 8,739,085          |
| ITALY                | 392,600          | 537,800           | 879,811           | 2,368,002         | 3,070,448          | 9,055,737          | 9,457,132          | 14,327,052         |
| JAPAN                | 265,740          | 419,850           | 448,170           | 609,300           | 2,630,050          | 2,960,355          | 2,950,670          | 4,331,660          |
| KOREA                | 357,830          | 324,510           | 114,200           | 251,570           | 1,045,491          | 1,804,926          | 1,528,819          | 1,731,264          |
| LATVIA               | 0                | 0                 | 0                 | 0                 | 0                  | 107,200            | 540,700            | 762,200            |
| LEBANON              | 0                | 0                 | 88,279            | 119,990           | 350                | 603,750            | 682,704            | 992,202            |
| LITHUANIA            | 0                | 98,400            | 68,340            | 167,940           | 572,000            | 1,817,350          | 2,052,809          | 3,262,235          |
| LUXEMBOURG           | 0                | 75                | 0                 | 0                 | 13,068,000         | 11,660,075         | 15,664,000         | 17,505,400         |
| MALAYSIA             | 16,500           | 29,800            | 1,800             | 30,106            | 434,325            | 663,897            | 794,653            | 1,161,510          |
| MEXICO               | 161,484          | 718,051           | 24,204            | 92,392            | 2,923,645          | 4,593,675          | 5,096,908          | 6,403,222          |
| NETHERLANDS          | 346,206          | 465,245           | 502,920           | 649,200           | 11,900,147         | 18,278,561         | 17,670,008         | 19,542,950         |
| NEW ZEALAND          | 33,660           | 56,700            | 21,270            | 28,856            | 547,110            | 994,821            | 755,103            | 823,150            |
| NORWAY               | 30,000           | 46,000            | 46,000            | 43,000            | 375,500            | 396,000            | 351,250            | 382,000            |
| PERU                 | 2,775            | 0                 | 0                 | 0                 | 73,763             | 207,339            | 206,465            | 442,822            |
| POLAND               | 0                | 0                 | 0                 | 0                 | 269,699            | 772,600            | 655,491            | 2,296,140          |
| PORTUGAL             | 48,400           | 0                 | 0                 | 0                 | 571,750            | 339,750            | 337,150            | 298,350            |
| ROMANIA              | 0                | 0                 | 0                 | 0                 | 0                  | 22,000             | 0                  | 758,600            |
| RUSSIA               | 0                | 0                 | 0                 | 0                 | 214,250            | 42,000             | 0                  | 49,500             |
| SAUDI ARABIA         | 0                | 0                 | 130,935           | 0                 | 716,375            | 9,753,284          | 11,261,616         | 13,222,112         |
| SINGAPORE            | 21,804           | 62,325            | 34,150            | 220,031           | 202,873            | 564,237            | 386,072            | 957,683            |
| SOUTH AFRICA         | 29,374           | 24,600            | 24,000            | 30,000            | 187,312            | 153,600            | 214,500            | 727,250            |
| SPAIN                | 0                | 50,197            | 66,330            | 9,600             | 4,396,252          | 9,198,924          | 11,020,260         | 23,264,212         |
| SWEDEN               | 0                | 31,350            | 24                | 0                 | 55,000             | 91,850             | 24                 | 235,950            |
| SWITZERLAND          | 56,000           | 42,015            | 1,530             | 0                 | 1,463,436          | 2,079,690          | 1,121,358          | 1,573,750          |
| TAHITI               | 0                | 0                 | 0                 | 0                 | 1,796              | 3,215              | 4,202              | 5,443              |
| TAIWAN               | 0                | 0                 | 43,800            | 13,000            | 221,000            | 882,752            | 666,020            | 1,785,392          |
| THAILAND             | 11,250           | 48,600            | 53,430            | 275,400           | 770,625            | 1,355,500          | 1,284,230          | 2,491,322          |
| THE PHILIPPINES      | 69,276           | 132,588           | 35,724            | 37,337            | 202,179            | 422,119            | 377,882            | 496,418            |
| TURKEY               | 216,899          | 4,426,843         | 7,129,914         | 2,745,744         | 1,041,723          | 8,502,239          | 18,058,168         | 22,308,459         |
| UKRAINE              | 0                | 0                 | 0                 | 6,600             | 0                  | 106,750            | 78,450             | 756,425            |
| UNITED ARAB EMIRATES | 0                | 52,075            | 49,500            | 144,879           | 329,331            | 4,501,275          | 6,618,544          | 10,575,590         |
| UNITED KINGDOM       | 474,650          | 668,962           | 840,002           | 1,238,290         | 2,862,690          | 6,299,810          | 7,573,276          | 10,860,760         |
| VENEZUELA            | 0                | 60,120            | 4,519             | 0                 | 0                  | 60,120             | 52,360             | 0                  |
| VIETNAM              | 0                | 99,883            | 1,406,408         | 950,531           | 1,840,155          | 9,793,274          | 9,069,458          | 10,858,376         |
| OTHER                | 36,324           | 917,681           | 2,125,173         | 165,748           | 825,519            | 7,140,179          | 9,988,541          | 16,333,093         |
| <b>TOTALS</b>        | <b>5,791,616</b> | <b>16,764,157</b> | <b>21,762,930</b> | <b>19,234,446</b> | <b>147,677,637</b> | <b>436,958,947</b> | <b>411,109,932</b> | <b>578,575,774</b> |

# Open Inshell Shipments/ Inventory Carryover History

By Year From 1985-2005

| YEAR    | NEW CROP<br>(OPEN INSHELL) | INVENTORY<br>ADJUSTMENTS | TOTAL<br>SALABLE<br>SUPPLY | DOMESTIC<br>SHIPMENTS | EXPORT<br>SHIPMENTS | TOTAL<br>SHIPMENTS | INVENTORY<br>CARRYOUT/<br>CARRYIN |
|---------|----------------------------|--------------------------|----------------------------|-----------------------|---------------------|--------------------|-----------------------------------|
| 1985/86 | 22,497,527                 | 638,935                  | 36,173,788                 | 23,517,699            | 1,594,195           | 25,111,894         | 11,061,894                        |
| 1986/87 | 64,518,438                 | (8,791,131)              | 66,789,201                 | 37,271,746            | 3,754,449           | 41,026,195         | 25,763,006                        |
| 1987/88 | 29,152,439                 | (1,800,790)              | 53,114,655                 | 40,276,878            | 6,266,497           | 46,543,375         | 6,571,280                         |
| 1988/89 | 71,989,599                 | 4,112,916                | 82,673,795                 | 48,158,964            | 11,190,380          | 59,349,344         | 23,324,451                        |
| 1989/90 | 33,186,931                 | (3,202,786)              | 53,308,596                 | 35,311,575            | 5,753,338           | 41,064,913         | 12,243,683                        |
| 1990/91 | 92,657,459                 | 2,523,709                | 107,424,851                | 63,387,571            | 16,113,721          | 79,501,292         | 27,923,559                        |
| 1991/92 | 58,913,785                 | 6,647,377                | 93,484,721                 | 59,662,021            | 25,921,087          | 85,583,108         | 7,901,613                         |
| 1992/93 | 114,320,726                | 10,897,159               | 133,119,498                | 76,037,890            | 34,635,897          | 110,673,787        | 22,445,711                        |
| 1993/94 | 112,645,883                | 3,571,570                | 138,663,164                | 69,590,108            | 32,555,293          | 102,145,401        | 36,517,763                        |
| 1994/95 | 94,074,802                 | 9,028,163                | 139,620,728                | 80,314,468            | 36,071,219          | 116,385,687        | 23,235,041                        |
| 1995/96 | 107,342,387                | (1,480,859)              | 129,096,569                | 69,740,482            | 39,330,159          | 109,070,641        | 20,025,928                        |
| 1996/97 | 84,469,382                 | 1,988,738                | 106,484,048                | 58,683,031            | 33,203,907          | 91,886,938         | 14,597,110                        |
| 1997/98 | 136,616,006                | 5,081,231                | 156,294,347                | 74,821,240            | 66,380,564          | 141,201,804        | 15,092,543                        |
| 1998/99 | 137,644,225                | 7,873,838                | 160,610,606                | 85,112,260            | 49,995,685          | 135,107,945        | 25,502,661                        |
| 1999/00 | 104,374,839                | (3,392,808)              | 126,484,692                | 76,866,274            | 33,061,606          | 109,927,880        | 16,556,812                        |
| 2000/01 | 188,793,654                | (515,762)                | 204,834,704                | 106,683,890           | 48,008,950          | 154,692,840        | 48,409,891                        |
| 2001/02 | 125,849,554                | (8,249,269)              | 166,010,176                | 97,347,328            | 55,355,787          | 152,703,115        | 13,307,061                        |
| 2002/03 | 241,656,847                | (6,455,957)              | 248,507,951                | 97,959,721            | 63,773,344          | 161,733,065        | 86,774,886                        |
| 2003/04 | 89,255,589                 | (3,984,770)              | 172,045,705                | 111,929,789           | 53,169,870          | 165,099,659        | 6,946,046                         |
| 2004/05 | 253,920,610                | (11,043,286)             | 249,823,370                | 105,773,078           | 95,761,666          | 201,534,744        | 48,288,626                        |
| 2005/06 | 214,575,387                | (4,204,583)              | 258,659,430                | 85,915,717            | 82,552,955          | 168,468,672        | 90,190,758                        |

[1] Only open inshell is reported as this is the industry standard for determining inventory carover.

[2] Inventory adjustments include splitting and shelling adjustments as well as inventory adjustments resulting from processing loss and inventory corrections.

[3] Countries of destination may be found in Year End Shipment Reports ([www.acpistachios.org/statistics.htm](http://www.acpistachios.org/statistics.htm))

[4] District 4 data included starting with the 2010/2011 Crop Year

# Open Inshell Shipments/ Inventory Carryover History

By Year From 2006-2019

| YEAR        | NEW CROP [1]<br>(OPEN INSHELL) | INVENTORY<br>ADJUSTMENT [2] | TOTAL<br>SALABLE<br>SUPPLY | DOMESTIC<br>SHIPMENTS | EXPORT<br>SHIPMENTS [3] | TOTAL<br>SHIPMENTS | INVENTORY<br>CARRYOUT/<br>CARRYIN |
|-------------|--------------------------------|-----------------------------|----------------------------|-----------------------|-------------------------|--------------------|-----------------------------------|
| 2006/07     | 200,234,652                    | (34,185,741)                | 256,239,669                | 87,363,653            | 97,983,575              | 185,347,228        | 70,892,441                        |
| 2007/08     | 332,378,075                    | (26,075,313)                | 377,563,791                | 115,787,557           | 168,995,508             | 284,783,065        | 92,780,726                        |
| 2008/09     | 230,547,823                    | (3,125,768)                 | 320,202,781                | 85,313,225            | 183,089,493             | 268,402,718        | 51,800,063                        |
| 2009/10     | 289,857,258                    | (10,950,254)                | 330,707,067                | 114,842,769           | 192,436,136             | 307,278,905        | 23,428,162                        |
| 2010/11 [4] | 381,890,117                    | (30,363,452)                | 374,954,827                | 122,456,770           | 173,191,437             | 295,648,207        | 79,306,620                        |
| 2011/12     | 343,786,231                    | (30,876,217)                | 392,216,634                | 153,904,736           | 200,542,576             | 354,447,312        | 37,769,322                        |
| 2012/13     | 466,618,504                    | (34,760,117)                | 469,627,709                | 146,797,517           | 237,746,411             | 384,543,928        | 85,083,781                        |
| 2013/14     | 382,681,859                    | (31,379,912)                | 436,385,728                | 125,696,820           | 255,976,908             | 381,673,728        | 54,712,000                        |
| 2014/15     | 412,063,855                    | (49,541,570)                | 417,234,285                | 116,481,103           | 194,362,124             | 310,843,227        | 106,391,058                       |
| 2015/16     | 207,217,512                    | (34,886,402)                | 278,722,168                | 106,066,958           | 125,698,802             | 231,765,760        | 46,956,408                        |
| 2016/17     | 671,310,748                    | (76,994,846)                | 641,272,310                | 162,727,388           | 352,485,698             | 515,213,086        | 126,059,224                       |
| 2017/18     | 463,815,722                    | (64,571,025)                | 525,303,921                | 169,561,852           | 323,752,564             | 493,314,416        | 31,989,505                        |
| 2018/19     | <b>746,858,150</b>             | <b>(82,142,973)</b>         | <b>696,704,682</b>         | <b>181,444,677</b>    | <b>452,819,647</b>      | <b>634,264,324</b> | <b>62,440,358</b>                 |

[1] Only open inshell is reported as this is the industry standard for determining inventory carryover.

[2] Inventory adjustments include splitting and shelling adjustments as well as inventory adjustments resulting from processing loss and inventory corrections.

[3] Countries of destination may be found in Year End Shipment Reports ([www.acpistachios.org/statistics.htm](http://www.acpistachios.org/statistics.htm))

[4] District 4 data included starting with the 2010/2011 Crop Year





ADAM ORANDI PRESIDENT CPEC

# Export Market Report

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While everything looks bright for our industry, we have some concerns that we need to watch.

The basic purpose of the California Pistachio Export Council (“CPEC”) is to share information among its members in efforts to bring stability to export markets which are vital to the American pistachio industry. For the crop year 2018/2019, the industry exported 72% of the total supply to over 60 different markets. Just 5 years ago, the industry was exporting roughly 60% of its supply. The international marketplace is a critical component to the success of our future.

An adage poses an interesting question, in that “is it better to be lucky or good”; well as for the marketing year of 2018/19, not only did we get lucky, but we also ARE that good! The Iranian crop was once again below expectations, however, what was once considered an anomaly in Iranian production, is now becoming a long-term trend.

The 2018 crop was just shy of 1 billion pounds and once again this industry was able to market the largest crop to date effectively with a record 805 million pounds shipped. This was done with the continuing headwinds of trade turmoil, retaliatory tariffs, duties, and market uncertainty in key export markets, especially our most important China.

The 2019 crop brought 748 million pounds which was expected. Harvest began later this year and the carryover from 2018 was very helpful in bridging

that gap. Shipments for the first two months of the selling season are slightly down from last year, however we expect shipments to come back up especially during the busy selling and shipping season right before the Chinese New Year. Despite the ongoing trade dispute with China, this market along with Hong Kong, continue to be the largest consumers of American pistachios in the world. To put this into perspective, one out of every four pistachios shipped in 2018/2019 ended up in China and Hong Kong.

The European Union continues to be our second largest market taking almost 22% of all shipments in 2018/2019. Leading countries for pistachio consumption in Europe include Germany, Spain, Italy, The Netherlands and Luxembourg. We expect Europe to continue to be an important and growing market for American pistachios.

Rounding out the other important markets are the countries of Mexico, Canada, and the up-and-coming star, India. We are also seeing growth in the Middle East.

While everything looks bright for our industry, we have some concerns that we need to watch. Continuing trade disputes with China and Europe may abruptly halt shipments into these marketplaces. While the new revised NAFTA, now known as the United States-Mexico-Canada Agreement (USMCA) does not change much for our industry, passage will bring certainty back to this important market. And finally, no one knows what to expect with Brexit and the effect it will have on the UK market.

Food safety testing, especially in Europe, is not going away and conversely looks like it will ramp up. Our entire industry must remain diligent and make sure we take ALL steps to reduce Naval Orange Worm (NOW) which increases the potential for increased aflatoxin presence in our exported pistachios. Pesticide Maximum Residue Levels (MRL) continue to be lowered affecting our ability to use these important tools in production. Ochratoxin is becoming more of an issue that we monitor as it also affects our industry. Finally, we expect China to implement a food safety program which is similar to Food Safety Modernization Act (FSMA); this may mean American

pistachio exporters will need to register their facilities with Chinese authorities.

The international marketplace is becoming a very complicated and interconnected place but remains the most important factor in the success of the American pistachio industry. CPEC and its members continue to contribute to APG's Marketing Committee's international discussions and helped shape priorities for the current year. CPEC has also given input to the Government Affairs Committee on the various trade and food safety issues affecting our industry. The members of CPEC are committed to the success of APG and its members because we are all members as well.

Our members represent eight of the largest pistachio processors in California. Those who participate in our meetings are the principles of said companies, and it's those key decision makers who drive the discussions. The California Pistachio Export Council's members currently include Arizona Nut Company, LLC, ARO Pistachios, Inc., Horizon Growers Cooperative, Inc., Keenan Farms, Inc., Monarch Nut Company, Primex Farms, LLC, Setton Pistachio of Terra Bella, Inc. and Zymex Industries, Inc. CPEC is organized under the Export Trading Act of 1982 and it received its certificate from the U.S. Department of Commerce and the U.S. Department of Justice in 2003. The purpose of the Act is to encourage industries to export and the CPEC members have taken advantage of the program to steadily increase pistachio exports.



# Member Processors / Suppliers

The American Pistachio Growers leadership would like to formally acknowledge the considerable, consistent support of our Member Processors. This partnership is the core of our voluntary organization, and we encourage all growers to recognize their unique commitment to the success of our Association and the entire American pistachio industry.

|                                                                                                                                                     |        |                  |          | INSHELL |          |         |           |      | KERNELS  |     |         |           |       |            |     |      |          |            |                 |              |        |        |         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------|----------|---------|----------|---------|-----------|------|----------|-----|---------|-----------|-------|------------|-----|------|----------|------------|-----------------|--------------|--------|--------|---------|
|                                                                                                                                                     | GROWER | HULLING & DRYING | ROASTING | RAW     | NATURAL* | SALTED* | UNSALTED* | BULK | PACKAGED | RAW | SALTED* | UNSALTED* | DICED | MEAL/FLOUR | OIL | BULK | PACKAGED | FLAVORED** | CONFECTIONARY** | BUTTER/PASTE | KOSHER | EXPORT | ORGANIC |
| <b>Arizona Nut Company</b><br>410 W Pistachio Lane   Bowie, AZ<br>559.458.7272   info@meridiangrowers.com<br>meridiangrowers.com                    | •      | •                | •        | •       | •        | •       | •         | •    | •        | •   | •       | •         |       |            |     | •    |          |            |                 |              | •      | •      |         |
| <b>ARO Pistachios</b><br>19570 Avenue 88   Terra Bella, CA<br>559.535.1500   sales@aropistachio.com<br>aropistachio.com                             | •      | •                | •        | •       | •        | •       | •         | •    | •        | •   | •       | •         |       |            |     | •    | •        | •          | •               |              | •      | •      |         |
| <b>Buchanan Hollow Nut Co.</b><br>6510 Minturn Road   Le Grand, CA<br>209.389.4597   sharleen@bhnc.com<br>BHNC.com                                  | •      | •                | •        | •       | •        | •       | •         | •    | •        | •   | •       | •         |       | •          |     | •    | •        | •          |                 |              | •      | •      | •       |
| <b>Eagle Ranch Pistachios</b><br>7288 Highway 54/70   Alamogordo, NM<br>800.432.0999   sales@heartofthedesert.com<br>heartofthedesert.com           | •      | •                | •        |         | •        | •       | •         | •    | •        |     | •       | •         |       |            |     | •    | •        | •          | •               |              | •      |        |         |
| <b>Eriksson LLC / Ingelby USA</b><br>PO Box 6280   Visalia, CA<br>559.635.3138   grs@inglebyfarms.com<br>inglebyfarms.com                           | •      | •                |          | •       |          |         |           |      |          |     |         |           |       |            |     |      |          |            |                 |              |        | •      |         |
| <b>Fiddymment Farms</b><br>P.O. Box 245<br>563 Second St, Suite 210   Lincoln, CA<br>916.645.7244   info@fiddymmentfarms.com<br>fiddymmentfarms.com | •      |                  |          |         | •        | •       | •         | •    | •        | •   | •       | •         |       |            |     | •    | •        | •          | •               | •            |        | •      |         |
| <b>Horizon Nut LLC</b><br>26487 N Hwy 99   Tulare, CA<br>559.685.3663   sales@horizonnut.com<br>horizonnut.com                                      | •      | •                | •        | •       | •        | •       | •         | •    | •        | •   | •       | •         |       |            |     | •    | •        |            |                 |              | •      | •      | •       |

\*Roasted \*\*Specialty

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|                                                                                                                                                             |        |                  |          | INSHELL |          |         |           |      |          | KERNELS |         |           |       |             |     |      |          |            |                 |              |        |        |         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------------|----------|---------|----------|---------|-----------|------|----------|---------|---------|-----------|-------|-------------|-----|------|----------|------------|-----------------|--------------|--------|--------|---------|
|                                                                                                                                                             | GROWER | HULLING & DRYING | ROASTING | RAW     | NATURAL* | SALTED* | UNSALTED* | BULK | PACKAGED | RAW     | SALTED* | UNSALTED* | DICED | MEAL/ FLOUR | OIL | BULK | PACKAGED | FLAVORED** | CONFECTIONARY** | BUTTER/PASTE | KOSHER | EXPORT | ORGANIC |
| <b>Keenan Farms, Inc.</b><br>31510 Plymouth Ave   Kettleman City, CA<br>559.945.1400   beth@keenanfarms.com<br>keenanfarms.com                              | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         |       |             |     | •    | •        | •          | •               |              | •      | •      |         |
| <b>Meridian Growers</b><br>1625 Howard Road, #280   Madera, CA<br>559.458.7272   info@meridiangrowers.com<br>meridiangrowers.com                            | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         |       |             |     | •    | •        |            |                 |              | •      | •      |         |
| <b>Monarch Nut Company</b><br>786 Road 188   Delano, CA<br>661.721.1061   kamie@monarchnut.com<br>mungerfarms.com                                           | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         | •     |             |     |      |          |            | •               |              | •      | •      |         |
| <b>Nichols Farms</b><br>13762 First Avenue   Hanford, CA<br>559.584.6811   sales@nicholsfarms.com<br>nicholsfarms.com                                       | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         |       | •           |     | •    | •        |            | •               |              | •      | •      | •       |
| <b>Primex Farms, LLC</b><br>16070 Wildwood Road   Wasco, CA<br>661.758.7790   info@primexfarms.com<br>primexfarms.com                                       | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         |       |             |     | •    | •        |            | •               |              | •      | •      |         |
| <b>Setton Pistachio of Terra Bella, Inc.</b><br>P.O. Box 11089<br>9370 Road 234   Terra Bella, CA<br>559.535.6050   info@settonfarms.com<br>settonfarms.com | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         | •     | •           | •   | •    | •        |            | •               |              | •      | •      | •       |
| <b>Touchstone Pistachio Company</b><br>1306 W Herndon Avenue, Suite 101   Fresno, CA<br>559.470.3510<br>rudy.placencia@touchstonepistachio.com              | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         | •     | •           | •   | •    | •        |            | •               |              | •      | •      |         |
| <b>Zymex Industries, Inc.</b><br>168 Hawk Drive   Merced, CA<br>209.722.2770   info@zymex.com<br>zymex.com                                                  | •      | •                | •        | •       | •        | •       | •         | •    | •        | •       | •       | •         |       | •           | •   | •    |          |            |                 |              | •      | •      |         |

\*Roasted \*\*Specialty



## A MESSAGE FROM ADAM ORANDI, CEO

At ARO Pistachios we continue building on the knowledge of generations of pistachio farming passed down to us while integrating the science and technology of modern farming and food processing standards. Combining old world craftsmanship with state-of-the art efficiency equipment and methodology, our mission is producing the finest pistachios. We look toward the future of healthy growth and responsible land stewardship.

As my father says, "Those before us farmed for us, and we farm for those to follow." ~ Dr. Mehdi Orandi

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FULL-SERVICE PISTACHIO PROCESSING FOUNDED ON  
A LEGACY OF MULTI-GENERATION PISTACHIO FARMERS

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## Family Values You Can Count On

With the support of our growers, Setton Pistachio of Terra Bella has been producing “America’s Best Tasting Pistachios” for over 30 years. From our humble beginnings, to where we are today, our vision, continuous improvements, expansions, and investments have made our family business one you can count on. Our focus on quality is not just a business decision for us, it’s a personal one, one that speaks to our family’s values. We invite you to contact our Grower Relations Manager, Jeff Gibbons to find out more.

**“When you’re one of our growers  
you’re part of us, part of our family.”**

  
Joshua Setton  
President / CEO



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