

Australian Pecan Growers' Association

Summer 2012 Newsletter



Pecan Thieves

No not cockatoos or crows! The New York Times reported recently on pecan thieves in the state of Georgia, USA.

With the current high price of pecans and local buying stations taking very small quantities of pecans, theft has become very common (US\$1.50 for a handful of 30 nuts). Georgia rapper Hawkdogg has produced a song about it called *Crank Dat Pecan*. Duke Lane, President of the Georgia Pecan Growers Association, has caught at least 50 people stealing pecans on his 1040 hectares orchard in the season. Growers are using security guards, barbed wire and security cameras. More than 30 arrests have been made in Peach County this season alone. The Texas crop is reported to be down about 40% due to drought (and heat) and prices are around US\$6/kg. Thanks to China, 65% of Georgia's crop is being sent overseas. Many people were also picking up nuts from road verges outside of the fenced orchard for their own use.



Close up photo of receptive female pecan flower taken by Dawn Thornton, November 2011.

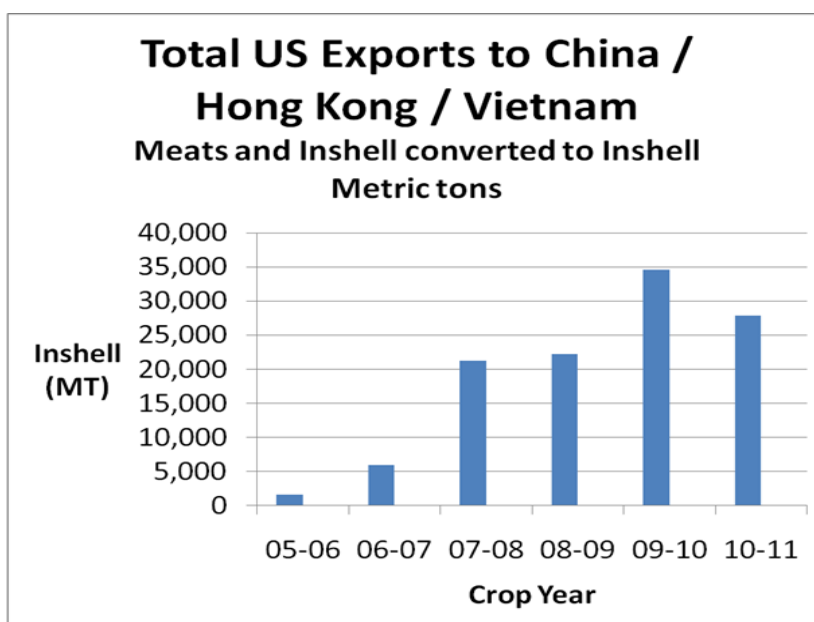
Rabobank on Pecans

Rabobank, the world's largest agricultural bank (and one of the world's safest banks), released industry note 289 US Tree Nuts in November 2011. The increase in global tree nut demand is seen as part of a larger health and wellness trend. Growth in export of US tree nuts to China is expected to continue over the medium to long term. China's lower cost processing puts pressure on processors in the USA. There has been a significant increase in pecan prices as Chinese buyers go directly to growers in contrast to the previous practice of buying from aggregators and processors. The Chinese are now reported to prefer the larger Mahan variety leading to a severe shortage of Mahan pecans. The South African pecan producers are seen as being an important market supplier to the Chinese, being counter cyclical to the US crop (by 6 months).

Eight regions in China are trying to grow pecans with high pest burdens and low yields reported. Rabobank believes that it will be no less than 20 or 30 years before China can meet its own demand for pecans (depending upon its continued expansion of the middle class and population).

Pecan Market Report - Richard (Dick) Sampson Genest

After hitting a record high of USD7.00/lb early in 2011 the world pecan price held firm as the year progressed and stocks ran dry. China continued to purchase large quantities of inshell but imports of kernel fell dramatically in 2011. Overall sales to China declined by more than 20% but were still sufficient to maintain pressure on global stocks and pricing.



The US price dropped sharply in late 2011 as new crop started to come in but has since stabilised at around \$6.50/lb. Where will it head from here? Much depends in the short term on the strength of Chinese New Year sales in late January. Strong trade will again place upward

pressure but if there is a large overhang of inventory in February then sellers might be scrambling to move stock elsewhere. Events in Europe probably won't impact too much on overall pecan demand but a global recession should it eventuate would undoubtedly lead to widespread price deflation.

One way or another it's sure to be another interesting year!

Richard (Dick) Sampson Genest
General Manager Sales & Marketing
STAHMANN FARMS ENTERPRISES PTY LTD

Trawalla Update (January, 2012) – Kevin Norman, Stahmann Farms

We had a good season in 2011 with an average yield of 3545 kg per hectare over 715 hectares. Quality for the season was also very good. However, after the trees treating us so well, and delivering a good crop, we then turned around and gave them a severe "haircut" with a massive pruning program, with most of the orchard getting either a hedging or a topping, or both. Shading has been a continuing problem and we have embarked on a long term strategy to get more light into the orchard and to gradually decrease the height of the trees.

In 2011 we purchased out of the USA, a Flory Shredder to help us deal with the masses of timber from our pruning activities. We still use a contractor mulcher to do the first few passes to break the timber up, but then follow through with the Flory Shredder to grind it to a finer material that breaks down better in the orchard.



In early November, 2011, we experienced a significant hail storm that dropped a lot of leaf and small nuts from the tree, especially on the northern half of the orchard. Mother Nature wanted to keep us on our toes and in late November we experienced a major flood event. Nearly all of our fences were flattened and we had universal damage to roads and some of the ditches. A small area of walnuts that we had planted 12 months ago was flattened and caught up in debris.

However, of most significance, we had planted 3 new nursery areas to pecan seed for the development of our adjoining property, Redbank and for some further developments. The flood pretty much destroyed these new nursery areas, although 10,000 trees that we planted in October 2010 survived. We will aim to re-plant our nursery areas this year again.

In the mean-time we have been kept very busy with all of the flood repairs to roads, fences and removing all of the plastic mulch and trickle tape that were washed out from the nurseries. In addition, all of the walnuts have been straightened and sticks and other debris are still in the process of being removed from around individual trees on Redbank and Trawalla.

Luckily the flood caused no damage to our recently completed pot nursery. Six thousand air-pruning pots had been assembled and filled, together with four thousand traditional nursery bags. These pots were aligned and placed on weed matting and a micro irrigation system installed with a spray stake in every pot. The bags and pots were hand planted and emerged well with the aim of producing 10,000 new pecan trees. This pot nursery compliments our field nurseries, but we may have to call the "Pot" Nursery something different as people in town are starting to get the wrong idea about what we grow on the farm !



Overall, we were due for a smaller crop this year, and after our pruning activities, it is very evident that there are fewer nuts, but we are very happy with the improved light penetration and the regrowth of the trees. 2012 will be an interesting year, with more pruning planned and further nursery work. Stay tuned !

FOR SALE –

Apache seed nuts - Ideal rootstock variety for your pecan orchard. All nuts are certified organic. They are hand sorted and selected to reduce mechanical damage and give your orchard the best start in life. Order now for your 2012 harvest nuts. \$8/kg + postage.

Contact Dawn or Terry on 02 6564 8747.

Pecan Industry Profile – Richard Ross (Stahmann Farm Enterprises)

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Stahmann Farms welcomes the newest member of its team, former Pallamallawa boy Richard Ross (pictured below). Richard will be taking on the role of Farm Gate Supply Chain Manager responsible for grower relations and supply chain management across its pecan, walnut and macadamia divisions. He comes to Stahmann's with over 15 years experience in agriculture and agricultural supply chains and is relishing the prospect of getting to know the ins and outs of the pecan world.



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