



# Pecans

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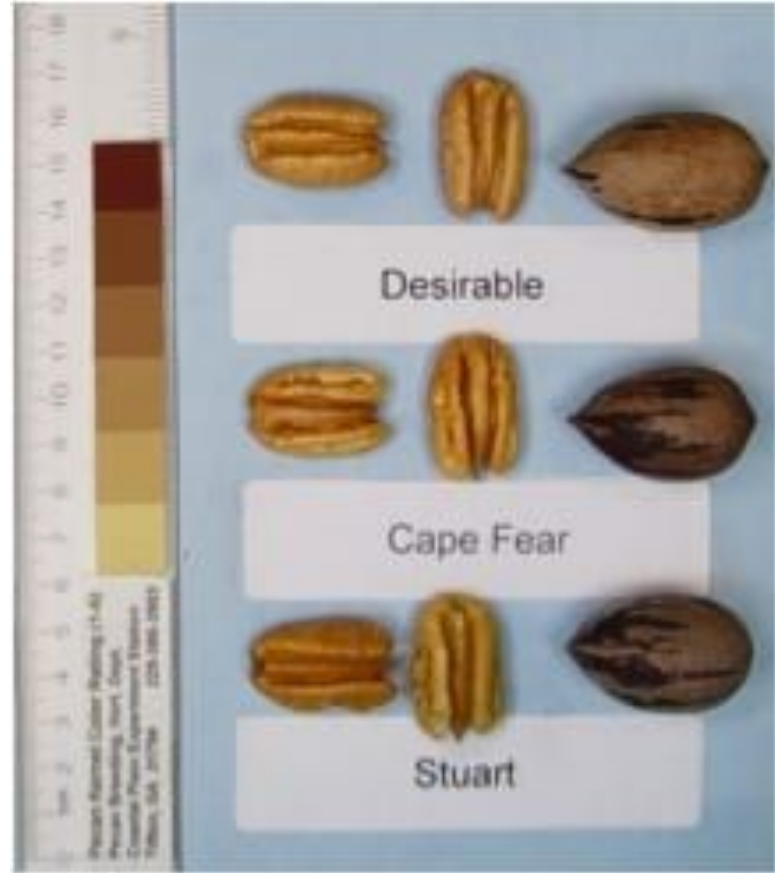
# History

- The Pecan tree is the only nut tree that is native to North America
- Considered one of the most valuable nut species.
- Gained popularity in the 1700-1800s when colonist began trading pecans.
- The growing demand led colonist to plant their own orchards.



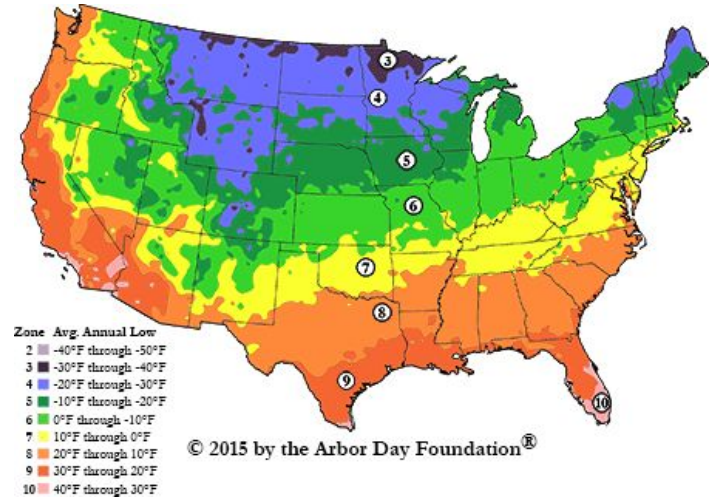
# Varieties

- Approx. 500
- Commercial Scale Production:
  - Cape Fear
  - Desirable
  - Moreland
  - Stuart
  - Natives



# Cultivation methods & Facts

- Tree nuts
- Farmed in orchards
- Trees take 7-10 years to begin producing nuts
- Extended production period
- Grows best in Southern US
- Fully mature tree needs 150-250 gallons of water a day
- Nuts do not form identical trees to their parent tree



# Grafting

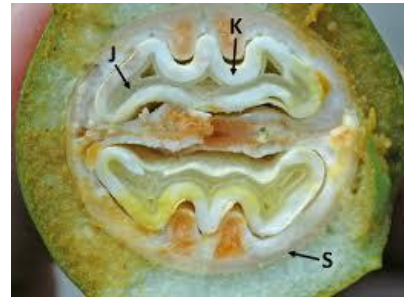
- Ideal method used to create identical trees for farming
- Involves the cutting of the top of a young tree and inserting a small limb from a desired variety
- Late spring / early summer



# Growth Cycle

## Four Stages:

- budding
- expansion
- kernel filling
- shuck opening



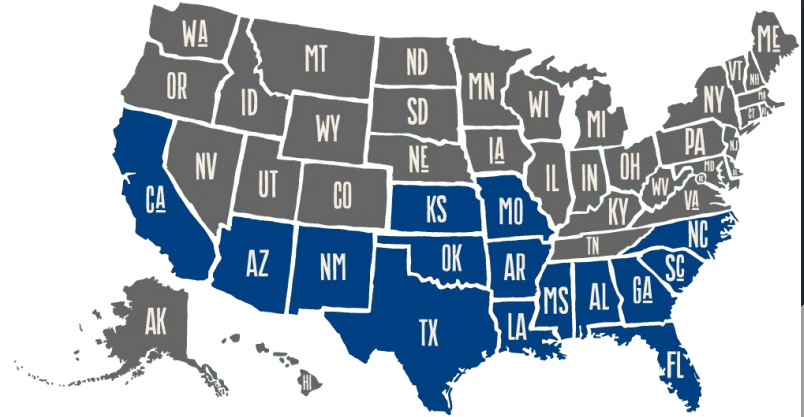
# Harvesting

- The shuck of the pecan will begin to open prior to harvesting
- Harvesting begins in early September and continues to November when the nuts begin to fall.
- The pecans are collected by a harvester attached to a tractor and sorted.
- Once collected, the pecans must be dried or cured before storage.
- Whole nuts will last longer in storage than those that are shelled.



# Industry Specs

- US world leader in production
  - 250-300 Million Lbs
  - 80% of the world's supply
  - Annual crop value is 450-650 million dollars
- Mexico 2nd largest producer
- Grown in 15 states
- Global market to experience 6.9% annual growth 2018-2026





# Prices



## Price Affecting Events:

-Hurricanes

-Drought

-Pest infestation

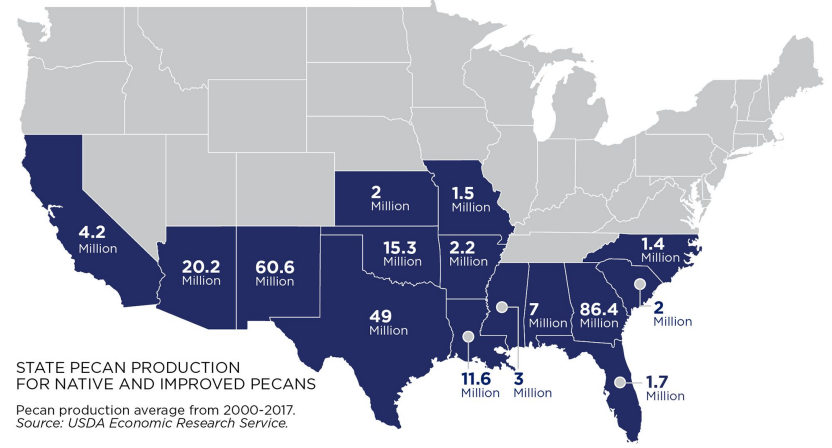
-bumper crops

- Raw in hard shell: approx. \$6.99/lb.
- Raw in paper shell: approx. \$7.49/lb.
- Raw shelled: approx. \$13.99/lb.
- Due to current market conditions, prices are likely to increase

# Current Events

- Pecan inventory down 25% for February 2020
- strong demand signal
- potential price increases
  
- YTD inventory up 3%
- YTD commitments to ship up 23%
- Potential shortage could last 6-8yrs.
- In 2018 China increased the tariff on U.S Pecans to 47%.
- Hurricanes have wiped out crops and damaged orchards in the southeast US in recent years

## AVERAGE ANNUAL PRODUCTION



# Sources

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## Questions?

How Do You Say It?



- A. pee-can
- B. pee-con
- C. pah-can
- D. pah-con