



**KALAHARI PECANS**  
pecan processor & exporter

Kalahari Desert Products T/A Kalahari Pecans  
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**March 2017**

**Kalahari Pecans Newsletter**

Dear Grower,

It is with much excitement that we approach the 2017 season. The excellent rain means that it looks like 2017 will be the largest and best quality pecan harvest in South Africa's history. With some predicting a SA crop over 17 000mt of in shell!

**International**

There is also good news from the market. Pecans hit a record price level in US dollars in 2016 and the high prices look set to continue into 2017. Below is a summary of the recent 2015/16 season which has been collected by the International Nut Council.

**Estimated World Pecan Production. In-shell Basis · Metric Tons**

Country	2015/2016			
	Beginning Stock	Crop	Total Supply	Ending Stock
USA	55,025	115,344	170,369	62,150
MEXICO	2,500	122,700	125,200	7,000
SOUTH AFRICA	0	10,150	10,150	0
AUSTRALIA	0	3,300	3,300	200
OTHERS	0	1,800	1,800	0
<b>WORLD TOTAL</b>	<b>57,525</b>	<b>253,294</b>	<b>310,819</b>	<b>69,350</b>
<b>WORLD CONSUMPTION (T. Supply - End. Stock)</b>				<b>241,469</b>

For the 2017 season the USA expects growth due to favourable rainfall while Mexico will have an "off" year. The result is that it looks likely that the 2016/17 world crop will be a similar size to the 2015/16 season. As the USA and Mexico represent over 90% of world supply and will set the price

for the market so even with a much larger South African crop prices are expected to remain at high levels.

We expect both strong demand from China for nut in shell as their economy continues to grow. While the kernel market is also extremely strong, as demand for pecans increases due to the ongoing focus on healthy eating in North America and Europe.

### **Rand Pricing**

The only downside to grower prices is the much stronger Rand against the Dollar and other currencies. The Rand was officially the most volatile currency in the world in 2016 so it could still change from where it is today. However most experts feel the Rand is currently correctly valued and likely to remain stable between the bands of 12.50 to 13.30 to the USD. This is something to watch closely as it has a large effect on the price growers can be paid.

We will shortly be releasing prices for the 2017 season so please stay in contact. Kalahari Pecans can make upfront payments to growers to help with cash flow, so please get in contact with the team should you want to make use of this service.

### **Hartswater Structure**

We would like to introduce Merwe Grobbelaar (0823033497) as our grower liaison manager in Hartswater. Merwe has taken over from Anroux Pretorius. Danie van Vuuren who has been Kalahari Pecan's factory manager in Upington, will be managing the Hartswater depot in 2017. Danie has a strong knowledge of pecans and we are confident he will add value to the operation. We also would like to welcome Leone Zeelie back to our Hartswater depot to support Danie. Leone is also very knowledgeable and we are happy to have her back as part of the team.

Further good news for Kalahari Pecans Hartswater, is the adding of a pre cleaning line that will be installed shortly. This will enable us to handle mechanical harvested pecans.

We look forward to working with you all in 2017 and will continue to strive to deliver our growers the best price and service.

All the best for 2017!!