



TPGA US Pecan Crop Estimate – July 2018

Thank you Kyle!

Kyle Brookshire not only built an estimate over the past decades...

... He built up trust in the industry in this useful tool



I promise to try my best to carry the torch

- I know I have big shoes to fill.. .
- When I agreed to do the estimate, Kyle told me... 'Always keep your objective hat on'

Objectiveness. That is my promise to Kyle and you

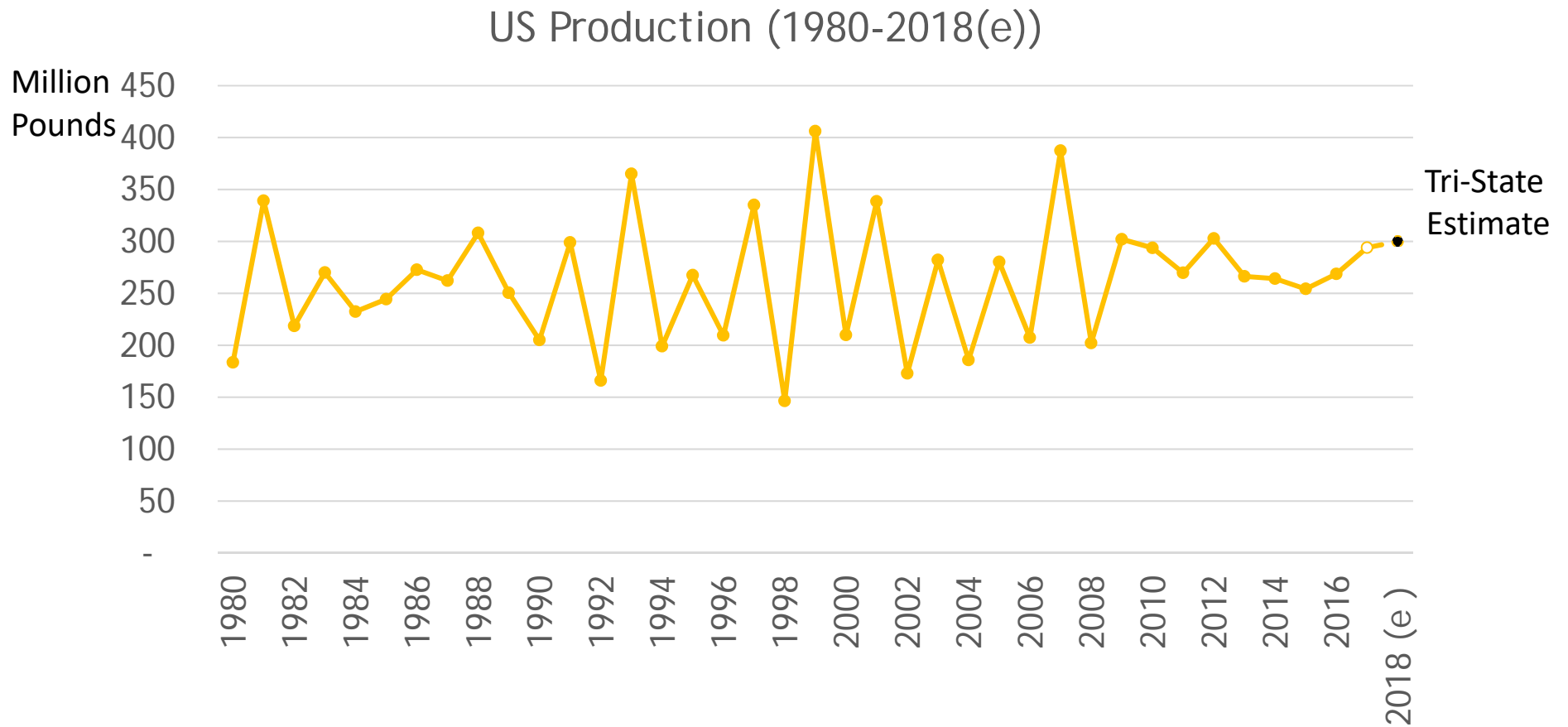
Summary- Stay Objective

The crop estimate is a combination of ‘science and art’:

- **Science** (Quantitative): Historic results and calculating averages, and standard deviations
- **Art** (Qualitative):
 - Primary research via site visits across the USA,
 - Secondary research: via grower and processor interviews including all major producing regions

“Estimating the crop is like predicting the weather”

Quantitative Review - Historic Crop Data



Source: USDA crop production since 1980

Qualitative Approach - Insights per region

Georgia and New Mexico are two hard regions to predict

- Two states jointly represented ~65% of the 2017 production and the volatility could change the crop estimate by around 10% of the total crop
- New orchards coming online change the predictability of future production

The USDA 8 states of focus make up 95% of total production

- We will still include the other 7 states; which are hard to predict
- Variations in these state estimates have little impact on result

Natives are the wild card that is really hard to predict

- 185M lbs for the 1999 bumper Native Crop!
- 30M lbs average since the 2010 drought.

TPGA US Crop Estimate for 2018 is 303M lbs

State	TriState (2018)	Texas 2018
Alabama	3.0	5.0
Arizona	24.0	25.0
Arkansas	1.0	1.5
California	6.0	5.5
Florida	0.5	1.0
Georgia	115.0	110.0
Kansas	0.5	0.5
Louisiana	10.0	10.0
Miss.	3.5	3.0
Missouri	0.5	1.0
New Mex.	65.0	62.0
Oklahoma	17.0	16.0
S. Car.	0.5	1.0
Texas	53.0	60.0
Other states	0.5	1.5
U.S. Total	300.0	303.0