New Mexico pecan growers could expand north, as state remains number one in production

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New Mexico was expected to maintain its national lead in pecans for 2019, as production of the nut continued to expand across the state and to the north.

A crop forecast released Monday by the U.S. Department of Agriculture showed New Mexico's production of in-shell pecans growing from about 91 million pounds in 2018 to 97 million this year, a 6.5 percent growth.

The state's yield was ahead of Georgia's 2019 forecast 76 million pounds of pecans, up 8.6 percent from 70 million in 2018. In third place was Texas, predicted to produce 47 million pounds of pecans this year, up 39.9 percent from 2018's total of 33.6 million pounds.

New Mexico first surpassed Georgia, traditionally the nation's leader in pecan production, last year after Hurricane Michael decimated Georgia's acreage, downing trees and causing its production to drop dramatically. In 2017, the USDA reported Georgia produced 107 million pounds of pecans, and Hurricane Michael wiped out up to 32,400 acres or 18 percent of the state's 180,000 pecan-producing acres.

Pecan trees take about 10 years to produce, and 12 years to turn a decent profit, said Phillip Arnold, president of the New Mexico Pecan Growers, meaning it could be more than a decade before Georgia fully recovers. "They're still reeling from the hurricane," Arnold said. "That's a significant amount of trees that were lost. It's a long-term investment."

Meanwhile, Arnold said New Mexico's pecan-producing regions continued to grow. He said New Mexico produces pecans on about 51,600 acres, mostly in the southwest and southeast corners of the state. "In New Mexico, there's significant growth on the eastern side of the state," Arnold said. "A significant amount of pecans were planted in that area."

Pecan growers moving north

Traditionally, New Mexico's pecans were mostly produced in its southern regions, with 70 percent coming from the Mesilla Valley in Dona Ana County and 20 percent in the Pecos River Valley in Eddy and Chaves County, per data from New Mexico State University.

Another 5 percent was estimated to come from the Tularosa Basin in Otero County with some acreage also in Luna, Sierra, Lea and Roosevelt counties, records show. But Woods Houghton, Eddy County agricultural extension agent said he's heard of pecans being grown as far north as Belen or Capitan.

"We're continuing to put more acres in pecans because we're one of the best places in the world to grow them," Houghton said. "Our weather is really good, and the quality is superior. We're seeing expansion across the state of New Mexico."

Houghton said alfalfa remained New Mexico's top crop, with cotton in second, but pecans were quickly moving up due to lowering cotton prices, with about 470 pecan trees planted this year in Eddy County.

"Pecans are quickly taking over cotton," he said. "It's continuing to expand. We're seeing more acreage every year." The nut's growing popularity was another reason for the increase in production, Houghton said.

He pointed to recent promotion from SNICKERS which saw a limited-edition pecan bar released after a nationwide survey that included cashews, pistachios and macadamia nuts.

"We were eager to involve our fans in developing our newest flavor innovation," said Josh Olken, brand director for SNICKERS. "It turned out that fans from Texas and across the south are nuts about pecans and wanted to taste America's native nut in our iconic candy bar.

"We hope our fans are as excited to try the limited-edition SNICKERS Pecan Bar as we are proud to produce them right in our Waco plant."

Demand for pecans was also boosted by increased awareness in its health benefits and the versatility of pecan oil in cooking and other confectioneries, Houghton said. The main buyer of New Mexico pecans is Vietnam, he said, while other international markets such as India continued to grow.

"The pecan is an extremely healthy nut," Houghton said. "It's got a lot of oil and that pecan oil can be used for all different things. The confectionery market is going to really start looking at pecans. That just increases demand."

The New Mexico pecan also produces more meat per nut, Houghton said, with 50 to 55 percent nutmeat compared to 40 percent from Georgia's crop. "We've always out-produced Georgia when it came to out-of-the-shell pecans," he said. "It was only when it was in-shell that we were second."

New Mexico stabilizes market

Looking ahead, Arnold said New Mexico's pecan industry was far more stable than most other states where pecans are native and grow little management. This distinction is an explanation for why Texas saw an almost 40 percent increase between 2018 and 2019, or why Oklahoma's crop was expected to grow 155 percent this year.

"Most of Oklahoma's crop is native. They grow in creek bottoms," Arnold said. "Native crops are more susceptible to variances. There's a lot more variables." Those dramatic upswings, he said, are usually followed by equally destructive downturns. That means the price can be volatile, and the market risky for investors.

"We're much more stable," Arnold said. "We have less smaller growers than other states do. A lot of guys are managing their orchards to make sure we don't alter so severely. They're doing a lot more to stabilize production."

Work such as pruning pecan trees so they don't overgrow can have a big impact on that stability, he said, shifting the range of production from 1,000 to 4,000 pounds per acre to just 2,200 to 2,800. That allows more pecans to be produced every year, and for more consistent marketing for buyers to come to New Mexico for the nut.

Arnold said the state's industry hasn't seen more than a 10 percent variance, year to year, in the past decade. Such efforts could lead the state to even surpass the USDA forecast, Arnold said, crossing the 100-million-pound threshold this year for the first time.

"Our production is stabilized. We probably will be the biggest producing state for years to come," Arnold said. "We're producing more, good-quality nuts per acre. We're hoping it stabilizes where know better what they're going to have to pay."

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