

Plant or Renovate?

*Comparing alternative ways to
get into the pecan business*

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Assumptions

New planting

- Irrigated in planting year
- No yield for 1st 7 years
- \$150/acre land payment

Renovated orchard

- Irrigated in 1st renovation year
- \$275/acre land payment
- Yields progress from 600 to 800 to 1200 lbs/acre over 7 years
- Pecan price of \$2.25 per pound

Cost of planting a pecan orchard.

Year	All costs	Income	Cumulative net
	<i>per acre</i>		
1	1605	0	-1605
2	516	0	-2121
3	516	0	-2637
4	516	0	-3153
5	650	0	-3803
6	650	0	-4453
7	650	0	-5103

Sources: Lenny Wells, Roger Sahs, personal records.

Cost of renovating a pecan orchard.				
	All			Cumulative
Year	costs	Income	Net	net
	<i>per acre</i>			
1	1800	1350	-450	-450
2	1500	1350	-150	-600
3	1700	1800	100	-500
4	1700	1800	100	-400
5	1800	2700	900	500
6	1800	2700	900	1400
7	1900	2700	800	2200
Sources: personal records.				

Cumulative position, net dollars, at end of 7 years

		Acres		
Option		1	100	500
New planting		-5103	-510300	-2551500
Renovation		2100	210000	1050000
	Difference	7203	720300	3601500

Renovating an existing orchard

Advantages:

- Much quicker return on investment.
- Possibility of crop insurance coverage if orchard history is available.
- Can proceed immediately without waiting in line for nursery trees.

Renovating an existing orchard

Disadvantages:

- Not too many available – cost is increasing.
- You have to work with the other person's varieties, irrigation, soil selection.

Planting a new orchard

Advantages:

- Can choose your varieties, spacing, soil, irrigation to your liking.
- There are a lot more sites with land suited for pecans than there are existing orchards available for sale or lease.

Planting a new orchard

Disadvantages:

- High upfront cost, long time to payback. Must have a lot of capital.
- Shortage of nursery trees.

Renovating older orchards



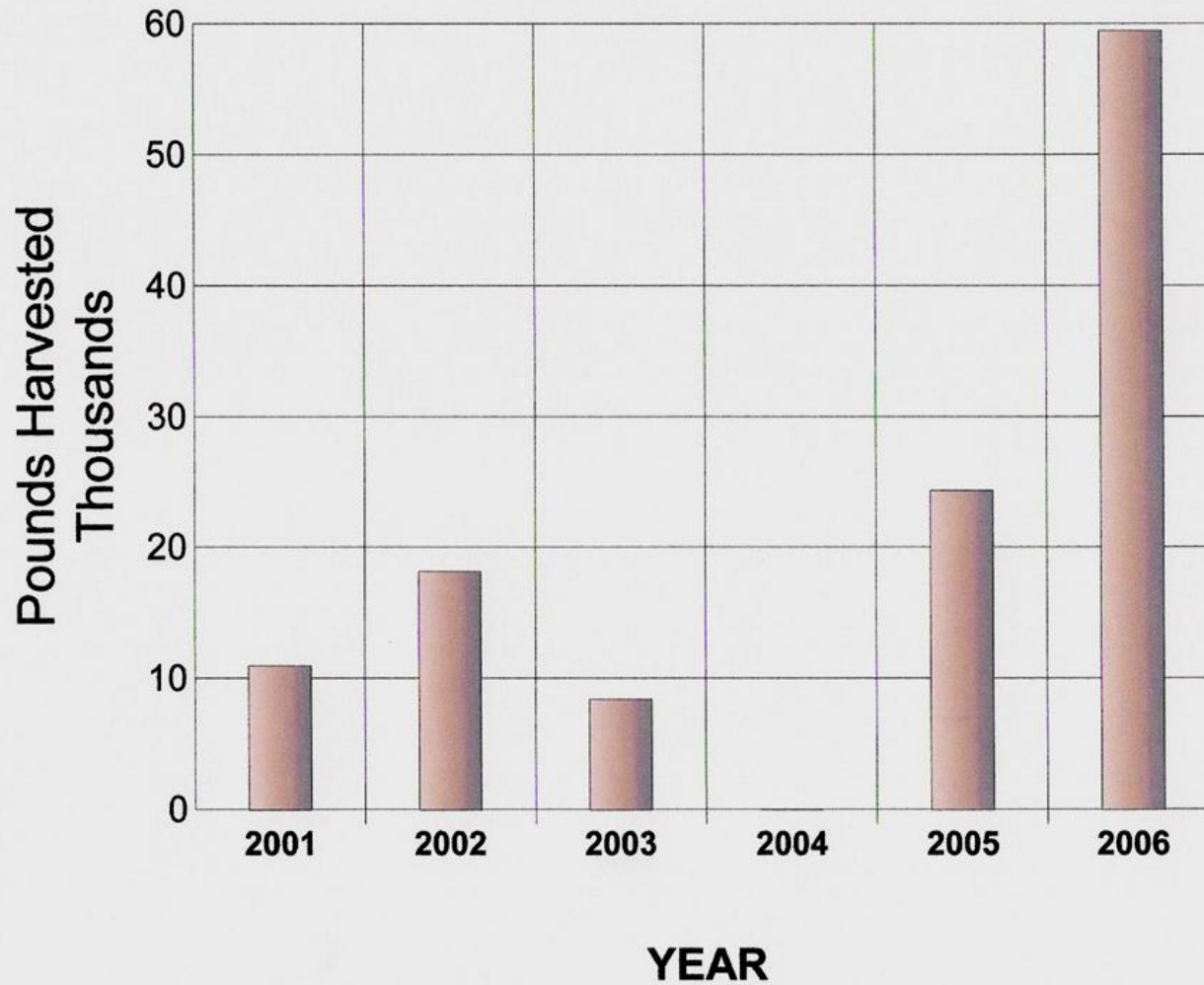
BIG 6 FARM





Thames Stuart Production History

Total Pounds Harvested 2001-2006





Renovating Older Pecan Orchards

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(Revised and updated from Pecan Production in the Southeast. Portions of the original document were prepared by Ben Hagler, Ray Worley, and R. D. O'Barr)

The first step in deciding whether to bring an old orchard back into production is to identify and evaluate the cultivars in the orchard. Some cultivars simply cannot be profitably managed, and orchards where they predominate may need to be cut down and replanted. Orchards made up of both good and poor cultivars may benefit from selective tree removal or topworking.

Identifying Older Cultivars

Pecan cultivars vary widely in productivity, nut quality, susceptibility to pests, pollination requirements, and other characteristics. To identify the cultivar of a particular tree, first determine whether the tree is, in fact, a cultivar (a variety produced from a graft or bud) or a seedling. If it is a cultivar, you can estimate the age of the tree and then look first at the cultivars that were most commonly planted during those years (Table 3).

CULTIVARS OR SEEDLINGS

A seedling tree is one which grows from a nut and is not budded or grafted. Some seedlings are excellent trees that produce large crops of high-quality

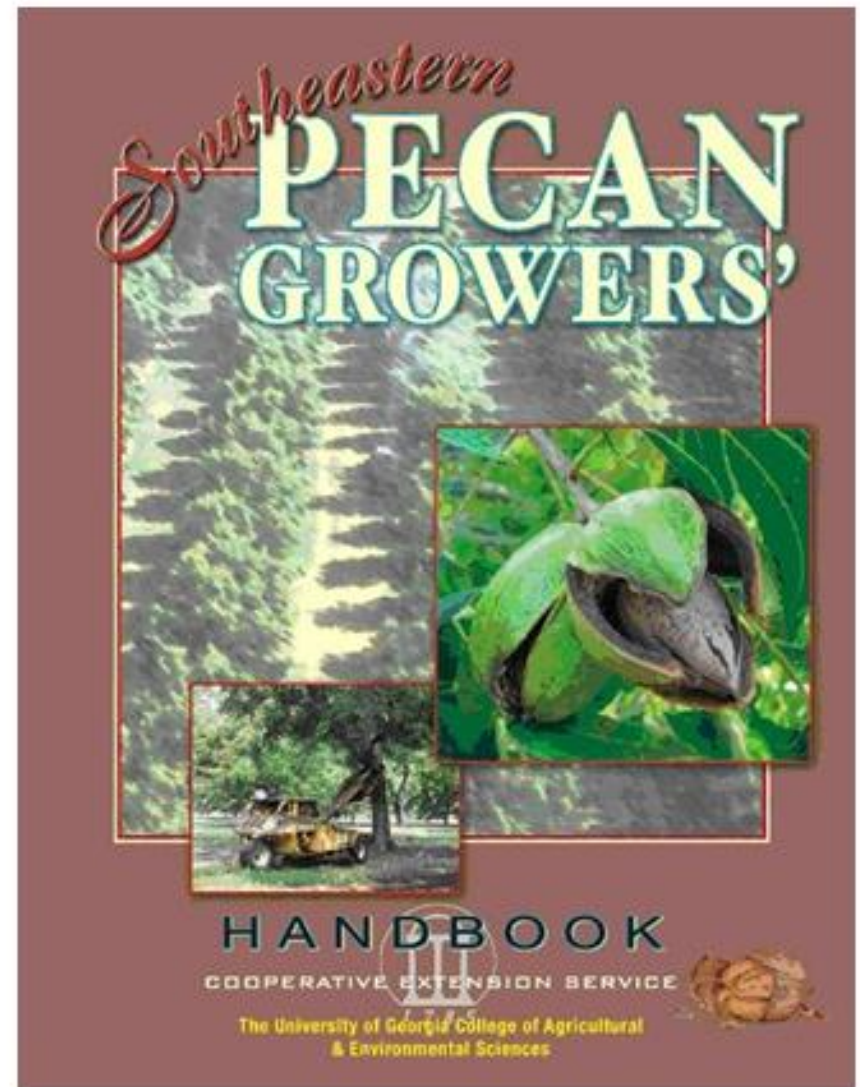
predict from the outset how a particular seedling will do. The price received for seedling nuts is usually much lower than that received for nuts of the best cultivars.

Seedlings are commonly found as volunteer trees in fence rows or haphazardly spaced in fields. Also, trees planted as cultivars may be killed to the ground by freezes or other causes. If the sprouts arising from these trees come from below where the tree was budded or grafted, the trees that regrow from such sprouts are seedling trees. Table 1 summarizes the distinctions between cultivars and seedling trees. Figures 1 and 2 illustrate some of the distinguishing characteristics of each.

IDENTIFYING CULTIVARS

It is much easier to identify cultivars if you can first eliminate some choices. One way to reduce the possibilities is to estimate the age of the tree and then compare the tree with the cultivars that were most commonly planted in the region at that time.

Table 2 can serve as a guide for determining the age of a tree from its limb spread. Table 3 lists the cultivars of pecans commonly planted in the South-



Replant trees of better cultivars in the spaces created by thinning older orchards





If you are planting trees in a new orchard, the high-price-now situation warrants that you:

Be more aggressive than the competition in replanting for quick production.

High Density Pecan Production

- Closely spaced, 20x30, 30x30, 15x30 plantings were tried in the pecan industry in the 1980's.
- Cultivars commonly used included Cheyenne, Wichita, Chickasaw, and Cherokee, all highly precocious and most highly susceptible to scab or aphids.
- These plantings were mostly failures, as diseases, overproduction/poor quality in on-years, and little production in off-years often resulted.
- Most of the orchards were abandoned as failures, and most gave up on this idea.

However!

- Close spacing with precocious cultivars is the fastest way to generate a lot of pecans in a 10-year window of opportunity when supplies are certain to be scarce.
- We have much better cultivars to work with now, without the scab and pest problems we had before.
- We have new tools to work with on managing overbearing, like crop thinning, hedging, selective tree removal coming in to on-years, late fertilizer, banding of fertilizer to elevate P and K, etc.
- This idea needs revisiting.





Since an oversupply of nuts in September is not likely to occur, bypass the increased supply catching up with demand by planting very early harvest cultivars.

Early Harvest Pecan Cultivars – the Key to Staying Competitive in the Southeast



Eclipse
Harvest date Sept. 5.

Best cultivars by harvest date

50% shucksplit occurs before

10-Sep

Eclipse

Osage

20-Sep

Mandan

30-Sep

Pawnee

Baby B

Byrd

10-Oct

Giftpack

Apalachee

Excel

Lakota

Creek

Elliott

Caddo