



Finest Quality NUT MEATS, SNACKS & FOODS
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September-2010 Commodity Update

Peanuts

Weather/Growing/ Harvest Conditions	<ul style="list-style-type: none"> It has been very hot and dry over the last three weeks in the v/c and s/e growing areas. Yields are now expected to be lower than last year's yields and shellers have withdrawn from the market. s/w looks good in respect to weather.
Quality	<ul style="list-style-type: none"> No quality issues despite recent weather conditions.
World Demand	<ul style="list-style-type: none"> World demand and US consumption is relatively unchanged compared to last year.
World Supply	<ul style="list-style-type: none"> Expected to be down due to declines in Argentina, US and China.
Future Outlook	<ul style="list-style-type: none"> Supplies of virtually all grades of peanuts except jumbo runners and xl Virginias are tightening. Harvest expected to be later than usual in s/e and v/c

Pecans

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> Weather continues to be favorable for crop development. The initial USDA crop estimate will not be available until Oct, but most are predicting a crop approximately the same size as last year.
Quality	<ul style="list-style-type: none"> Too early to tell
World Demand	<ul style="list-style-type: none"> Heavy demand from China continues to drive prices higher.
World Supply	<ul style="list-style-type: none"> Total supply is projected to be about the same as last year.
Future Outlook	<ul style="list-style-type: none"> World supplies are flat as new acreage each year is only slightly exceeds lost acreage.

Walnuts

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> Weather continues to be favorable for development of the 2010 crop. The CASS estimate will be released in Sept but most expect another record crop near the 475 thousand ton level but lower carryover will result in a total supply approximately the same as last year.
Quality	<ul style="list-style-type: none"> Too early to tell
World Demand	<ul style="list-style-type: none"> China's drought in the walnut growing region continues to fuel prices. Strong buying interest from China and Turkey for inshell Chandlers keeps prices firm.
World Supply	<ul style="list-style-type: none"> The California Walnut Board reports shipments through July are 20% above last year as monthly shipments are finally slowing down in response to price.
Future Outlook	<ul style="list-style-type: none"> Additional plantings of new varieties should provide stable and steadily increasing supplies.

Almonds

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> The CASS 2010 Crop Estimate of 1.65 bil lbs plus the 300 mil lb carryover results in a total supply that is 8% higher than last year.
Quality	<ul style="list-style-type: none"> Too early to tell. Kernel size looks big for most varieties.
World Demand	<ul style="list-style-type: none"> The Almond Board reports shipments through July are 6% higher than last year as monthly shipments slow down in response to price.
World Supply	<ul style="list-style-type: none"> Total world supply will be nearly the same for three consecutive years.
Future Outlook	<ul style="list-style-type: none"> As non-bearing acreage continues to come into production future crops will continue to increase.

Macadamias

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> Shipments continue to be late from all origins. Packers in Australia report disappointing yields and volume from early shelling.
Quality	<ul style="list-style-type: none"> Quality normal.
World Demand	<ul style="list-style-type: none"> Processors report a higher recovery of whole kernels than normal contributing to the shortage of broken grades from last year.
World Supply	<ul style="list-style-type: none"> World supply remains tight as demand has yet to be impacted by high prices.
Future Outlook	<ul style="list-style-type: none"> Increasing acreage in Africa and Australia as nonbearing trees come into production will offset decline in Hawaii.

Cashews

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> Excessive high temperatures in Vietnam have caused some damage to the second crop. The amount of damage has yet to be determined.
Quality	<ul style="list-style-type: none"> The only concern for quality will be the second crop in Vietnam. The first crop quality appears to be fine and there has been no word of any problems with the Indian crop.
World Demand	<ul style="list-style-type: none"> Demand is escalating globally.
World Supply	<ul style="list-style-type: none"> There will be enough supply to meet global demand, but inventories are expected to be unusually low for the remainder of the calendar year.
Future Outlook	<ul style="list-style-type: none"> The market has strengthened due to the speculation of damage to the second crop in Vietnam. Inventories domestically and at origin are low and demand has increased causing a squeeze in the market.

Pistachios

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> California '10 crop is looking to be larger than expected. The total US crop is estimated to be at 370 MMlbs and California is estimating 330-340MMlbs.
Quality	<ul style="list-style-type: none"> Too early to determine any quality issues.
World Demand	<ul style="list-style-type: none"> Demand continues to be consistent globally for pistachios.
World Supply	<ul style="list-style-type: none"> US crop estimated at 370MMLbs vs last year at 355MMlbs. CY'10 expecting 20-25% larger globally due to Iranian production. Total CA shipment is estimated at 330-340 MMlbs.
Future Outlook	<ul style="list-style-type: none"> New acres will be coming into production during the next 4 years. Expecting crop size to increase 200MMlbs by 2015.

Pine Nuts

Weather/Growing / Harvest Conditions	<ul style="list-style-type: none"> There has been no indication yet of any weather problems affecting the '09/10 crop. New crop will not be available for shipment until November.
Quality	<ul style="list-style-type: none"> No indication of any problems at this time.
World Demand	<ul style="list-style-type: none"> Demand has increased in spite of costs reaching record levels.
World Supply	<ul style="list-style-type: none"> Remains unchanged.
Future Outlook	<ul style="list-style-type: none"> Not enough supply to meet demands for this crop year.