



October-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 Yields are now expected to be lower than last year's yields and shellers have withdrawn from the market.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"> Dry weather in the SE was broken by rain which should be sufficient to complete crop development. The initial USDA crop estimate will not be available until Oct, but most are still expecting 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 maintain strong pricing.
World Supply	<ul style="list-style-type: none"> Total supply is projected to be about the same as last year. Tight carry-in inventories are keeping prices firm.
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"> The CASS estimate of 510 thousand inshell tons surprised some but early harvest results support the premise thus far.
Quality	<ul style="list-style-type: none"> Harvest of early varieties is underway with reports of lighter color, better quality but smaller sized inshell than last year.
World Demand	<ul style="list-style-type: none"> Strong buying interest from China along with concern over their crop size has kept pricing strong.
World Supply	<ul style="list-style-type: none"> Total US crop plus carry-in will result in total supplies 10% higher than last year.
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"> Nonpareil quality has been good with low insect damage. Kernel size looks big for most varieties.
World Demand	<ul style="list-style-type: none"> The Almond Board reports August shipments were 1% higher than last year as monthly shipments continue to slow down in response to higher prices.
World Supply	<ul style="list-style-type: none"> Total world supply will be slightly higher than last year.
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 are catching up as most origins complete processing of the 2010 crop. Packers in Australia report disappointing yields and volume.
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"> The 2010 Vietnamese crop had experienced excessive temperatures which caused damage to the second crop. The '10/'11 crop in Brazil that is normally harvested in October is going to be delayed due to cooler weather conditions. The Brazilian crop is also estimated to be smaller than last year. It is premature at this time to give any information regarding the upcoming 2011 crops in Vietnam and India which will begin to harvest in March/April.
Quality	<ul style="list-style-type: none"> The quality of the Vietnamese crop has been an issue due to the weather conditions associated with the damage. There has been no word if the quality of the Brazilian crop has been affected due to the cooler weather.
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 continued to escalate due to an increase in global demand and low inventories remain an issue.

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"> It has been reported that there are a higher percentage of unopened pistachios. No word yet of any other 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 '10/'11 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"> Too early to determine if supply will be an issue for 2011.