



March 16, 2009

MERIDIAN NUT GROWERS  
DRIED FRUITS - NUTS

# MERIDIAN MONITOR

### In a nutshell...

- Pistachios prices continue to rise
- Almond crops affected by frost

### MARKET NEWS AND INDUSTRY INFORMATION FOR MERIDIAN'S VALUED CUSTOMERS

#### Pistachio Update

Year to date shipments continue to run ahead of last year. The slightly lower shipments for February 2009 versus February 2008 is more due to a shrinking supply than lack of demand.

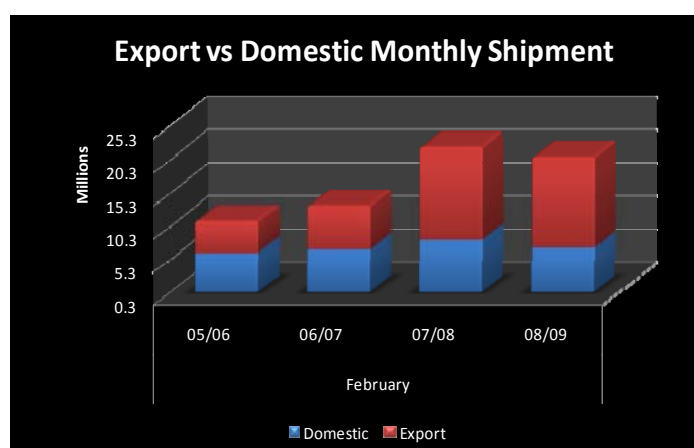
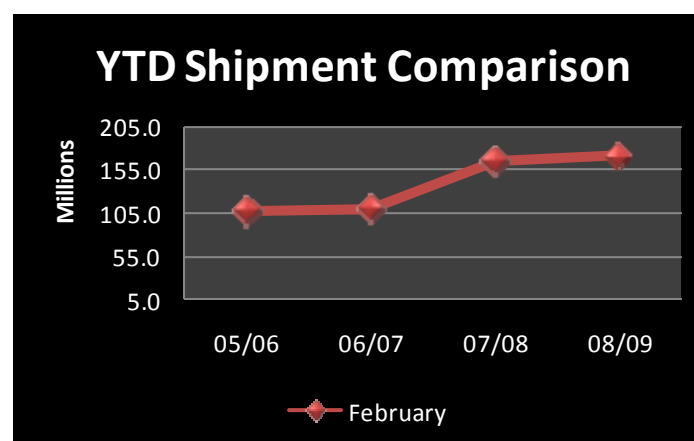
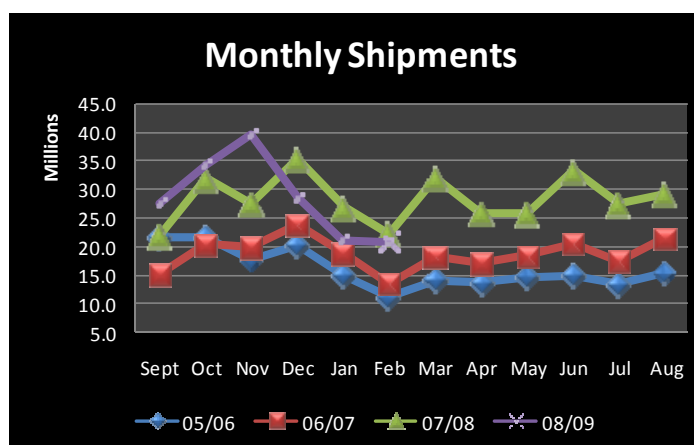
The industry is currently running 4% ahead of last year. If we assume a flat shipment number for the remainder of the year, the California industry should ship between 305 to 310 million pounds. This will leave a carry out of between 65 to 70 million.

We are still about 4 weeks until bloom so it is very hard to estimate the crop for 2009. However, some growers are expressing concern over the quantity of bud wood on the trees. In addition, the severe water issue in California will affect crop yield and quality.

News from Iran indicate the severe frost they had last year has also affected the crop for this year. Iran will most likely not produce the large crop they were capable of if the freeze had not happened. As such, we may soon see a more even production cycle in which Iran has a smaller crop when US has a larger crop and vice a versa.

Market prices continue their upward trend as more and more processors get low on inventory. Any lower prices heard may be for old and low quality stocks being sold to clear out storage in anticipation of next year's crop.

Demand for pistachios is not only coming from our traditional markets in the EU but newer markets in the Middle East. This may be the beginning of a long term trend as the US garners market share from our competitors.



#### Almond Update

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**Paul Reynolds, Sales**

**Michelle Carter, Sales & Marketing Assistant**

February 2009 Almond Shipment report was released by the Almond Board last week. New record for February 2009 at approximately 27% ahead of February 2008; approximately 4% ahead for the whole year. Markets in Europe remain sluggish with demand for other than BV STD product on spot need basis. Reported trades for BV Std at USD \$1.00/lb with demand for Car/Cal SSR 27/30 at USD \$1.25/lb with no confirmation of business done from California side. Continue reports of full warehouses and defaulting buyers, especially in ports in Italy and Spain, have not help the industry's confidence but with demand from Eastern Europe and the Middle East still strong, California packers remain optimistic about prompt sales. Nonpareil varieties continue firm with offers from packers for NPX 27/30 at USD \$1.85-1.90/lb and few packers with NPX 20/22 at USD \$2.30/lb.

Recent frost conditions in California's central San Joaquin Valley have damaged some of the almond crop. It is too early to tell actual damage but reports range from 10-30% damage in some orchards with isolated reports of complete loss. Expecting quantification of loss in the next 2 weeks.