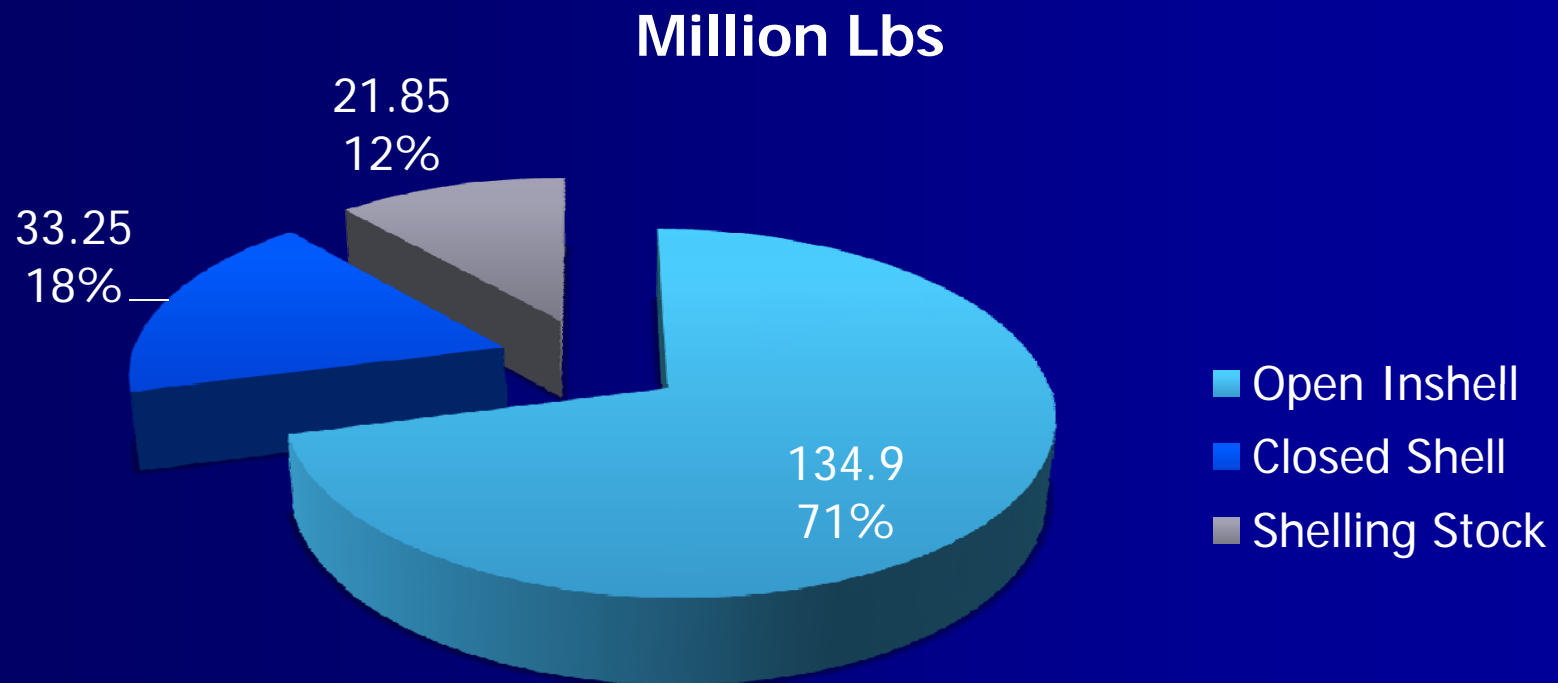




Pistachio Market Update

September 21, 2009

2009 Harvest Results to Date (Industry)



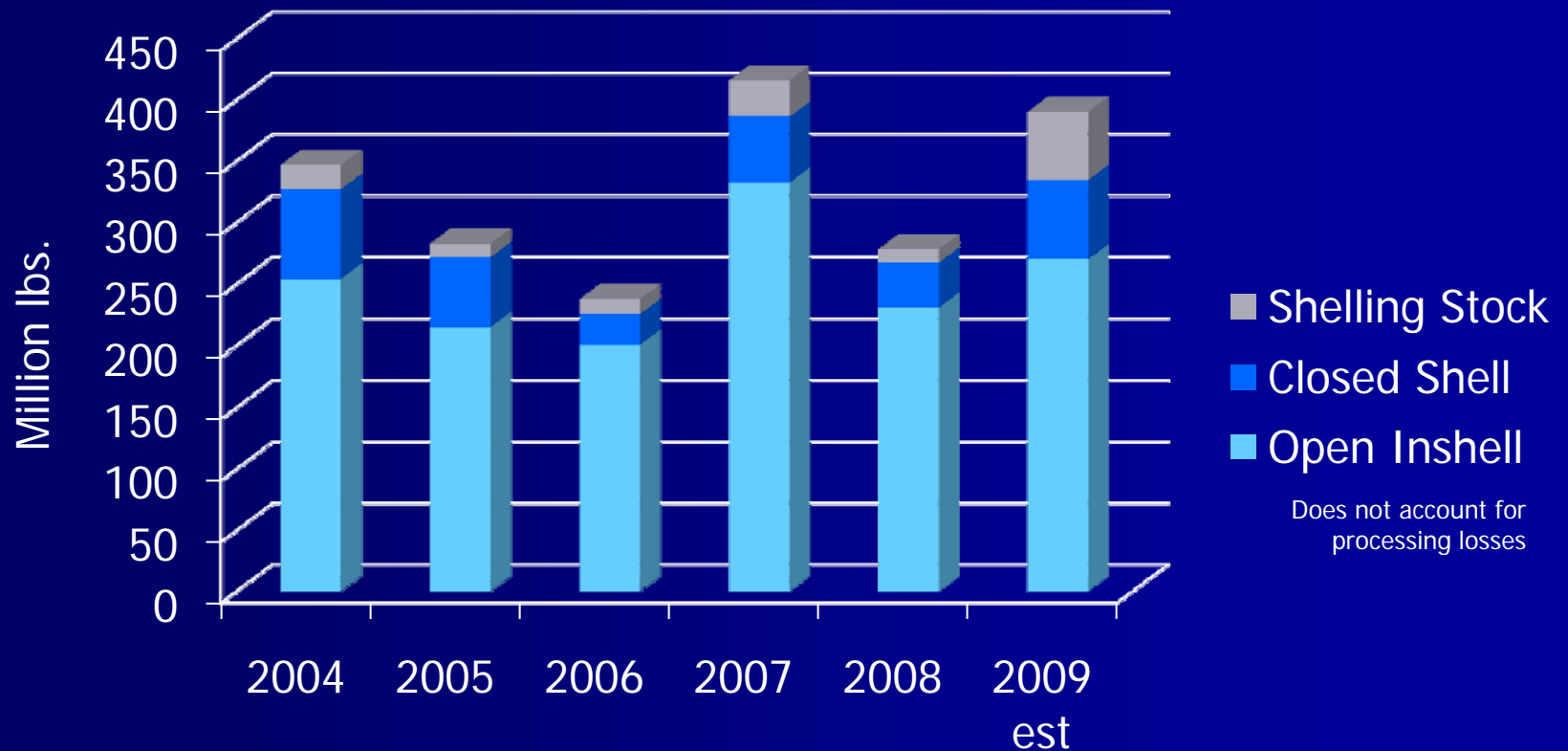
Estimated with approximately 50% of the crop still to be harvested



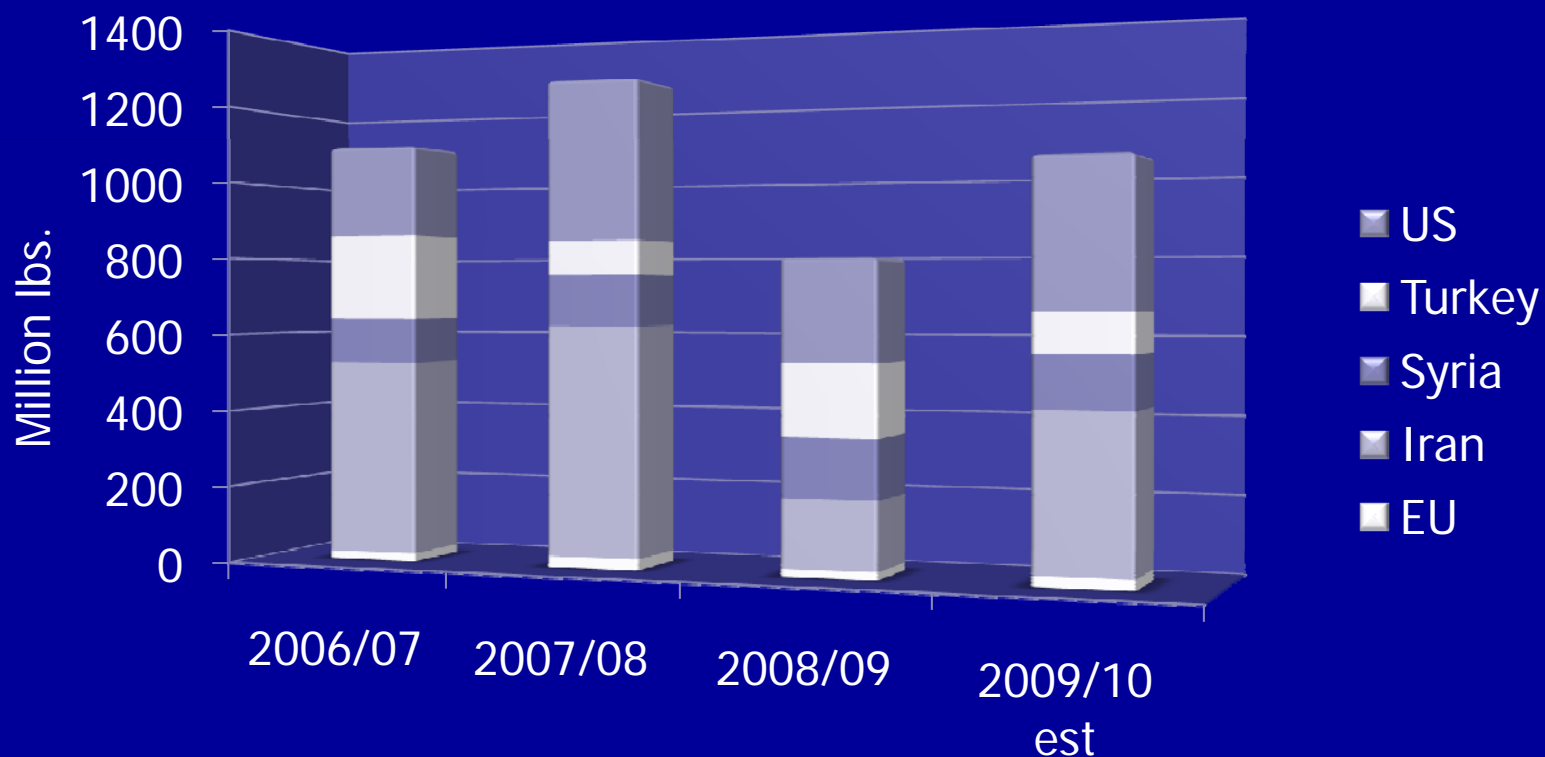
2009 Crop Comments

- Crop quality is excellent so far.
- Sizing overall is smaller than last year.
- Lots of blanks
- Staining on re-shakes will be high due to early harvest rains
- Closed shell is running about 17% across industry
- Industry feels crop will come in under 400 million pounds

Annual Production Comparison



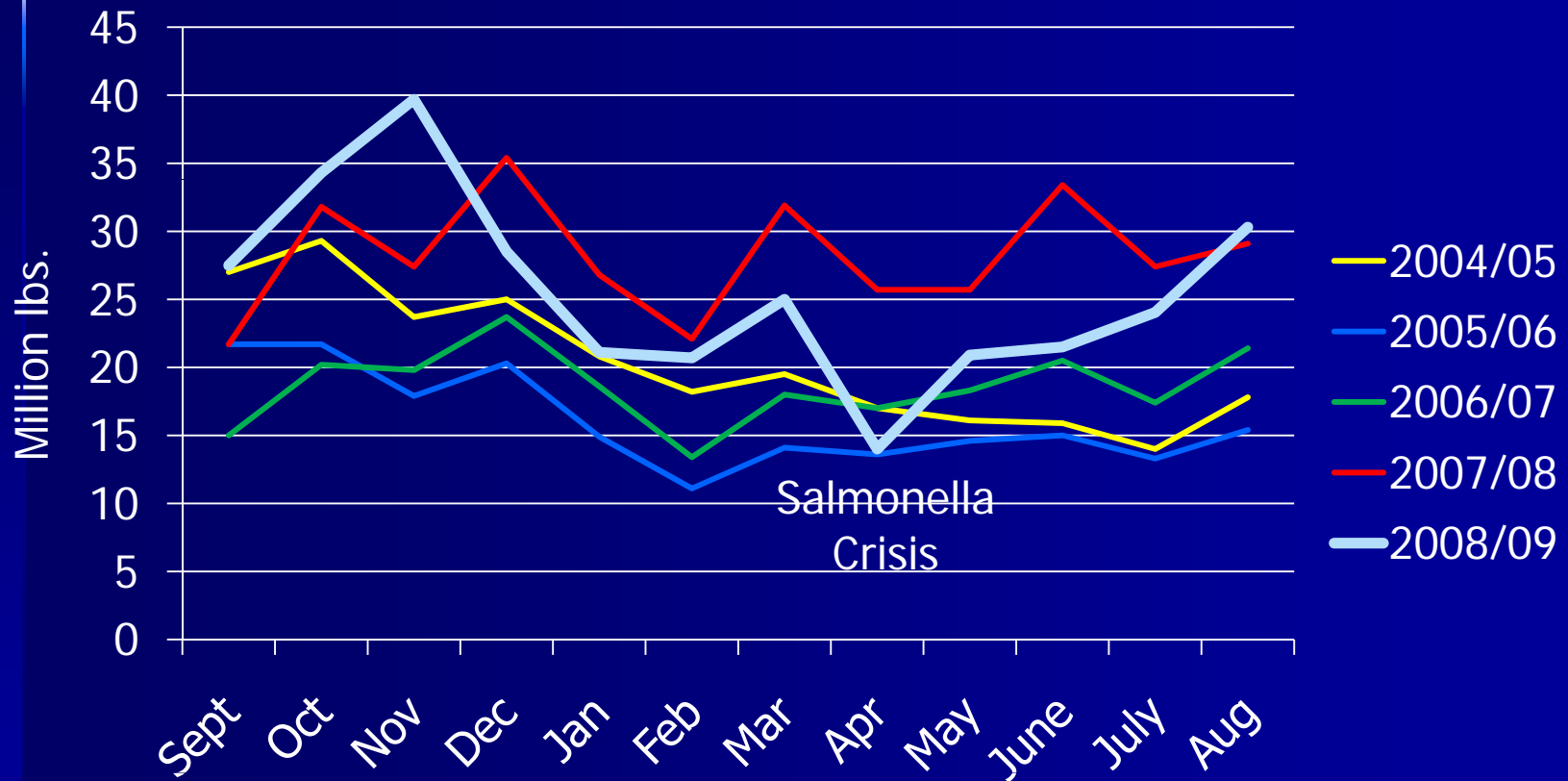
World Production



Meridian Nut Growers, September 2009

ACP/CPC/USDA

Shipments





Inventory Analysis

Crop Year	Carry In	Production	Marketable Pounds	Shipments	Carry Out	Comments
2004	14.0	346.8	322.9	244.5	78.4	Adj for loss
2005	78.1	282.3	322.5	193.5	129.0	Adj for loss
2006	129.0	237.4	324.5	223.4	101.1	CPC Adj on CO
2007	98.3	415.6	439.3	318.3	121.0	ACP Adj on CO
2008	120.9	278.0	372.9	307.5	65.5	6% loss
2009 est	65.5	390.0	436.8*	330.0	106.8	*Est 4% loss
2010 est	106.8	325.0	414.5*	360.0	54.5	*Est 4% loss



Current Situation

- Demand from overseas is driving force now.
- Domestic market is weak due to early sellers at lower prices.
- Most sellers are reluctant to forward sell until they get more visibility on crop.
- Sizing will be an issue. Less than 5% of the crop is larger than a 21/25 to date.
- Quality on later harvested material will become a factor due to staining
- Iranian crop appears to be slightly less than 400 million pounds.



Negative News

- Shipments are down domestically
- Iran did have a better crop than last year.
- EU will increase aflatoxin level possibly allowing 30% more Iranian product into desirable markets after February 1, 2010
- Food safety regulations will increase government oversight and cost
- Most competing nuts are lower cost
- 2011 product could be over 500 million pounds



Positive news

- International destinations especially the EU are growing. European destinations account for over 30% of US shipments.
 - Weak dollar is helping
- Strong health message is taking hold
- New products will increase consumer awareness of pistachios
- Increasing usage of kernels
- Pistachios offer a great value to consumers
- Consumers becoming weary of food safety issues. Industry has done a good job of combating negative press.
- Will see increase in promotional activities by industry.



Outlook

- There will be a shortage of larger sizes.
- Will continue to see continued growth from overseas markets especially Europe.
- China has yet to purchase significant quantities.
- Almond and walnut prices have started to come up
- Carry out from 2009 will have to help offset smaller crop next year.
- Expect prices to come up from levels being offered in early summer.