



SHIPMENT ANALYSIS February 2011

shown in millions of pounds

Item	Current Month	Last Year	% Change Shipments	Current YTD	Last Years YTD	% Change Shipments YTD
Crop Receipts	124.2	35.0	255.1%	1,548.7	1,362.5	13.7%
Domestic Shipments	37.1	34.1	8.7%	255.8	221.4	15.5%
Export Shipments	82.7	88.0	-6.0%	664.2	619.7	7.2%
Total Shipments	119.8	122.1	-1.9%	920.0	841.1	9.4%

Shipment Comments:

January shipments were 119.8 Million lbs.; down 1.9% last year. YTD Shipments are +9.4% overall. Domestic shipments are +8.7% YTD. Asia is up overall 14%; with China +9% YTD and India +24% YTD. The Middle East is an overall +32%, with the UAE +36% YTD. Europe is still lagging in shipments when compared to last year at -7% YTD.

Domestic / North America - Domestic shipments remain very consistent. For the last 11 months, each month has been a record in comparison to that of the previous year. We expect the Domestic almond users to keep pushing almonds as almonds are significantly cheaper relative to the cost to other tree nuts. We expect the positive growth to continue.

Europe - Europe is the only major consuming region that is down YTD. Demand still seems to be mostly hand to mouth buying.

Asia - China was down for the month of January by 39%. However, YTD, they are still up by 9%. India was up 6% against January 2010. Overall, Korea and Japan, the next two largest users of CA almonds in Asia, are up 18% and 5% respectively. China is now back from holiday's and are reviewing their needs. It's rumored that stocks still remain of shelled material, but inshell is lacking. We should have more information moving forward.

Middle East - The region overall remains strong, however, January shipments were down 6% overall, including North Africa. Demand in the region has slowed as well. In addition, the situation in Egypt is adding concern to selling and shipping additional volumes to that region, specifically North Africa.

SUPPLY AND DEMAND

2010-2011 Marketing Year

Carry in (2009)	321.26
2010 Crop Estimated	1,527.8
Total Inventory	1,849.0
Estimated Shipments	1,581.8
Carry Out	267.17

show in millions of marketable pounds

2011-2012 Statistical Projection

Carry in (2010)	267.2
2011 Crop	1,649.0
Total Inventory	1,916.2
Estimated Shipments	1,629.3
Carry Out	286.87

Supply and Demand Outlook:

Receipts were a big question when looking forward to January Shipments. Everyone knew that the receipts for January would be larger than last year, given the situation this year with the later crop and the issues with rain. We received a total of 124.2 million lbs. this January. Last year we received 35 million lbs. For our supply and demand models above, we still use a crop size of 1.75 billion and assume a 3% loss. We expect the loss number will be higher than 3% in the end.

The short term situation there has been price decreases and stagnant demand. The long term situation remains positive for the almond industry. We are expecting to carry out a crop less than we have in the past two years (265 Million +/- lbs.). Now with bloom coming, focus will turn to 2011 crop projections. Weather to date has been very good, however, forecasters are predicting wet weather for the 2nd half of February, which will lead to some interesting conversation between buyers and sellers. For our 2011 model, we use a number of 1.7 billion, which is probably more reasonable than the 1.8 billion lbs. that is floating around. We are assuming 760,000 bearing acres for 2011.

Also, the comparative price of almonds, relative to other tree nuts cannot be forgotten. Raw cashews are \$3.90 +/-, pistachios are \$3.75 +/- and walnuts are \$4.10 +/-.