

Meridian Nut Growers Market Update

10/3/2011

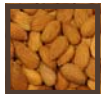


Pistachios - We are entering the final phase of harvest with first shake essentially completed. Some growers are going into second shake but an expected rain event on Wednesday may limit what is left to get off the tree.

We have seen a general decline in quality from the latter part of this harvest especially on stain levels and insect.

While initial yields look promising, most expect the crop to finish between 400 – 425M in total (180K to 195K MT). And it appears the Iranian crop will be in the 130K to 140K MT range (286M to 308M pounds). This is much less than what was originally forecasted. Supplies will remain tight for the foreseeable future.

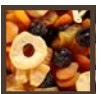
We expect prices to remain stable with some firming especially for early shipments. Capacity is at a premium due to the late crop.



Almonds - The almond market remains quiet overall, but some business is getting done quietly. Seller's are transitioning into other varieties now, other than NP. Original indications from huller / sheller's are that the yields on Cal/ Carmel varieties may not be as impressive as the NP. In addition, this week California is expecting to get rain. In the Fresno area, the forecasts are saying .5 - .75 of an inch. We'll see what effect this has? Hopefully, for everyone, it's an isolated incident and there aren't multiple rain episodes.



Walnuts - The walnut market remains firm as the first varieties start to come in. So far, growers have been a bit disappointed with yields. Initial indications are that the CASS estimate of 485,000 tons will be more accurate than previous estimates of 500,000 tons +.



Raisins - With rain forecasted on Wednesday, in the midst of drying, the market will continue to firm. Some growers at this point are harvesting and storing the grapes in sheds until the rain passes. It is expected that 10% or more of the crop may be damaged due to the upcoming rain.

Over the last 10 years, the number of raisin grape acres in California reduced by 73,000 acres or 20%. At the same time, the per-ton price for raisins gradually grew as supply and demand have become more balanced. According to the Raisin Bargaining Association, this year, raisin prices have nearly doubled from 2002 to a near-record high of US\$1,500 a ton. With the rain expected Wednesday the price per ton could go up to US\$1,800 per lb ton further driving the price. In short, book your needs promptly, especially Golden's.

Prunes - The majority of harvest is completed in the Northern growing regions of California.



**MERIDIAN
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DRIED FRUITS - NUTS

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