



Pistachio Market Update

October 2011

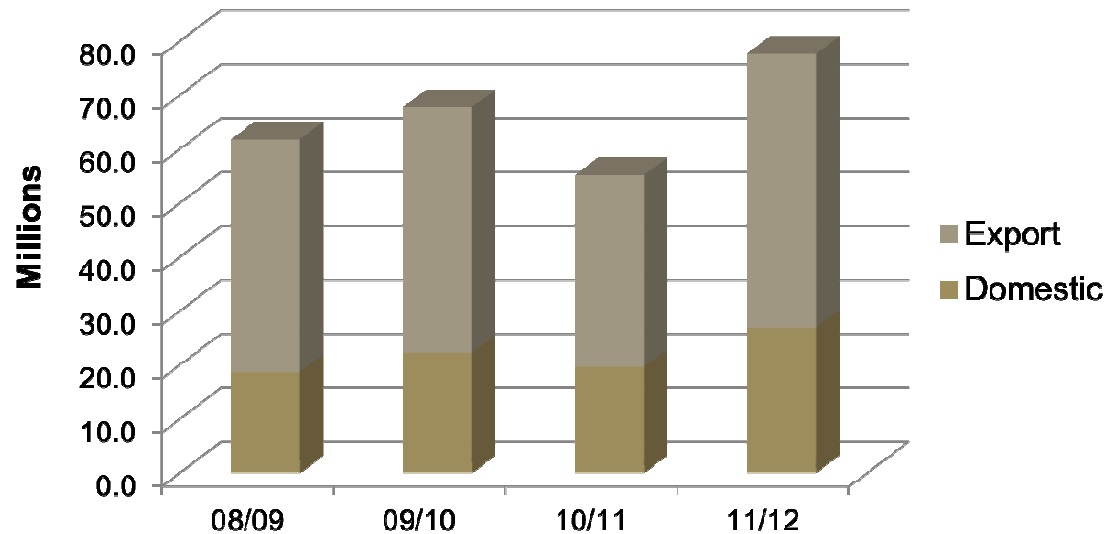
Shipment Comments

Crop receipts for the year stand at 447.8 million pounds (203.5K MT) as of the end of October. The US industry will end up around 450 M (204K MT). When combined with an expected Iranian crop of 330M pounds 9150K MT) carry overs and other producing locations, the total world supply for pistachio should be in the 1.1M pound range (499K MT) which is about 15% less than last year.

Shipments for October 2011 were at 47.2 M pounds (21.4K MT) versus 41.5 M pounds (18.8K MT) an increase of 14%. Year to date shipments are 40% ahead of last year mainly due to strong demand domestically and in China.



Year-To-Date Shipments (Pounds)



Shipment Analysis (Million Pounds)

Item	Current Month	Last Year	% Change Shipments	Current YTD	Last Years YTD	% Change Shipments YTD
Domestic Shipments	14.6	12.9	13.2%	26.9	19.6	37.2%
Export Shipments	32.7	28.5	14.7%	50.8	35.5	15.3%
Total Shipments	47.2	41.5	13.7%	77.6	55.1	40.8%



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Supply and Demand Outlook

Crop Year	Carry - In	Production	Marketable Pounds	Shipments	Carry Out	Comments
2007	98.3	415.6	439.3	318.3	121.0	ACP Adj on CO
2008	120.9	278.0	372.9	307.5	68.4	6% loss
2009	68.4	354.5	393.1	354.5	38.7	7% loss
2010	38.7	529.5	511.8	365.2	150.9	*Est. 10% loss
2011 *est.	150.9	450.0	558.8*	420.0	138.8	*Est. 7% loss

Market Condition Continued

While Europe continues to show the trend of decreased shipments, shipments to China and the Middle East have shown remarkable growth. These markets have become the new growth markets for almost all nuts. Rabobank Food and Agricultural Research recently published the report, "*U.S. Tree Nuts: Feeding the Growing Appetite in China*" that helps to explain why the emergence of China as the leading consumer of US tree nuts is more than a passing fad.

Despite the strong shipment numbers and lower availability, we have seen some downward pressure on pricing, mainly from Europe. The majority of US sellers are reluctant to participate in the market and prefer to wait until after the holidays to see if demand in China comes back after the Chinese New Year's break.

Meridian currently has availability of new crop and some 2010 stocks from the Arizona and California crops for prompt shipment.

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