

Crain Walnut Shelling, Inc.

2008 CALIFORNIA ENGLISH WALNUT CROP

CY 2008 Edition 4.

C.A.S.S. ANNOUNCEMENT and Market Report

Los Molinos, California
September 4, 2008

To: All Friends, Customers and Forward Sales Staff

At noon today, the National Agricultural Statistics Service (NASS) announced the September Objective Walnut Crop Forecast.

The forecast is 375,000 in-shell short tons.

Complete information is available at

http://www.nass.usda.gov/Statistics_by_State/California/Publications/Fruits_and_Nuts/200809walom.pdf

The N.A.S.S. crop estimate is consistent with our earlier estimations of the 2008 California walnut crop size. This crop volume, if it materializes, and combined with the carry-over from the 2007 California walnut crop will still result in a smaller saleable volume than was available in 2003-2006, but will be significantly better than last year's supply as outlined in the chart below. This volume should allow the industry to fill some of the demand that might not have been available last year.

SUPPLY AND SALES VOLUMES

In-Shell Ton Basis

Crop Year	Crop	Carry-In	Total Supply	Sales
2003	324,000	86,000	410,000	315,000
2004	323,000	95,000	418,000	339,000
2005	354,000	79,000	433,000	367,000
2006	344,000	66,000	410,000	369,500
2007	323,000	40,000	363,500	342,000
2008 (Est.)	375,000	32,000	407,000	

We will continue to provide updates on crop and market conditions as they develop.

Best Regards,

Chuck Crain
Crain Walnut Shelling, Inc.



CRAIN WALNUT SHELLING, INC.
10695 DECKER AVE.
LOS MOLINOS, CA 96055

Phone: 530-529-1585
Fax: 530-529-1458
www.crainwalnut.com