

2010 CALIFORNIA ENGLISH WALNUT CROP Field Report and Market Update

CY 2010 Edition 5.



July 13, 2010
Los Molinos, California

TO: All Forward Sales Staff, Customers and Friends

FIELD REPORT

The California walnut crop is maturing well and most all of the varieties have reached the stage where the shells are fully formed and hard. Once the shells have hardened, the nuts have reached their full size. The nut sizes seem to be slightly smaller than normal and this is likely due to the cool growing season in May and June.

At present, the nut development is about 11 days behind normal, and the quantity of nuts per tree on most varieties indicates that we will have a good crop. Over the next week, we are anticipating a return to more normal temperatures above 100 degrees F. This should help speed up the maturing process and it is likely that we will pickup a week of the delay that we have to date. Regardless of the weather conditions between now and harvest, it appears that the harvest will be a little later than normal.

MARKET UPDATE

June 2010 walnut shipments (22,810 tons), as reported last Thursday by the California Walnut Board, were down 35% from June 2009 (30,781 tons), and considered mostly reflective of last year's heavy/late in-shell shipments.

The Industry's June YTD shipments (424,375 tons) are 23% higher than the same period last year, and account for more than 85% of the 2009 Total Supply (499,000 tons). With July and August shipments remaining, we estimate the carry-in* will be at, or slightly below, the 30,000 ton mark.

At the end of July, the California walnut industry will announce the subjective crop estimate for the 2010 crop. We will have another crop report at that time. If you have any questions, please give us a call. Thank you.

* California Walnut Average Carry-In for Last 5 Years = 41,400 in-shell tons



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