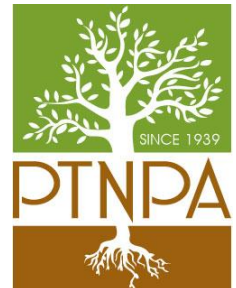# Pecan Commodity Workshop

Daniel J. Zedan
Nature's Finest Foods

1505 Paramount Parkway
Batavia, IL 60510

Ph: 630-879-5200 Fax: 630-879-5204
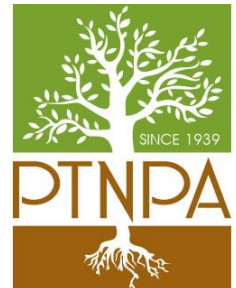**Email: dzedan@nffonline.com**

website: www.nffonline.com
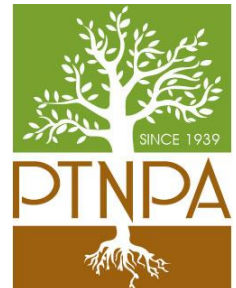
Assumptions

- ❖ USDA Crop Year: Oct 1 to Sept 30
  - ❖ Data directly relates to Crop Year (2011 data refers to the 2011 crop)
- ❖ FAS Crop Year: Aug 1 to July 31
  - ❖ FAS data relates to the year it is published and **not** the crop year (i.e. 2011 FAS data refers to the 2010 crop)
- ❖ Data on these slides correlate to *crop* year and *not* publication date

A Current State of Affairs

	2013	2014 (Est.)
Prior Year Carry-Out	175,003,000	171,626,000
US Crop	266,330,000	275,620,000
Mexican Imports to US	174,791,000	160,000.000
Total Supply	616,124,000	607,246,000
Carry-Out	171,626,000	109,000,000
Consumption	444,498,000	498,246,000

Note: Figures are expressed in pounds, inshell basis, and do not take into account US Inshell sent to Mexico for shelling. Meats are converted using industry standard 44% yield. 2013 Data Source: USDA NASS & FAS
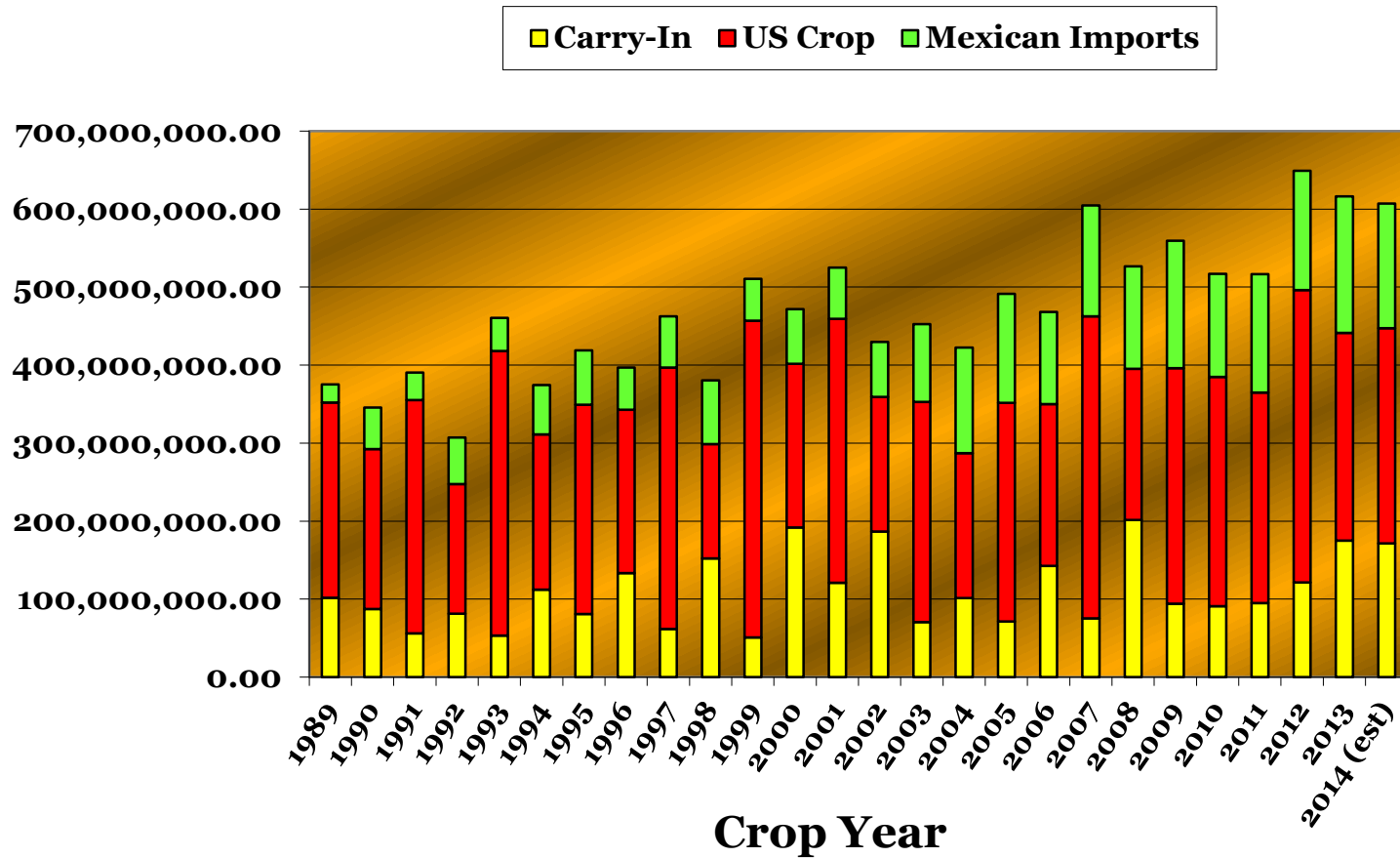
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How Did We Get Here?

- Heavy Spring Rains in the Southeast
- Late Spring Freeze in the Southwest
- High Prices of Competing Nuts (Especially Walnuts)
- Disparity in Pricing of Pecan Pieces and Halves
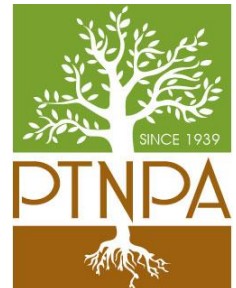- Cheap Meats from Mexico
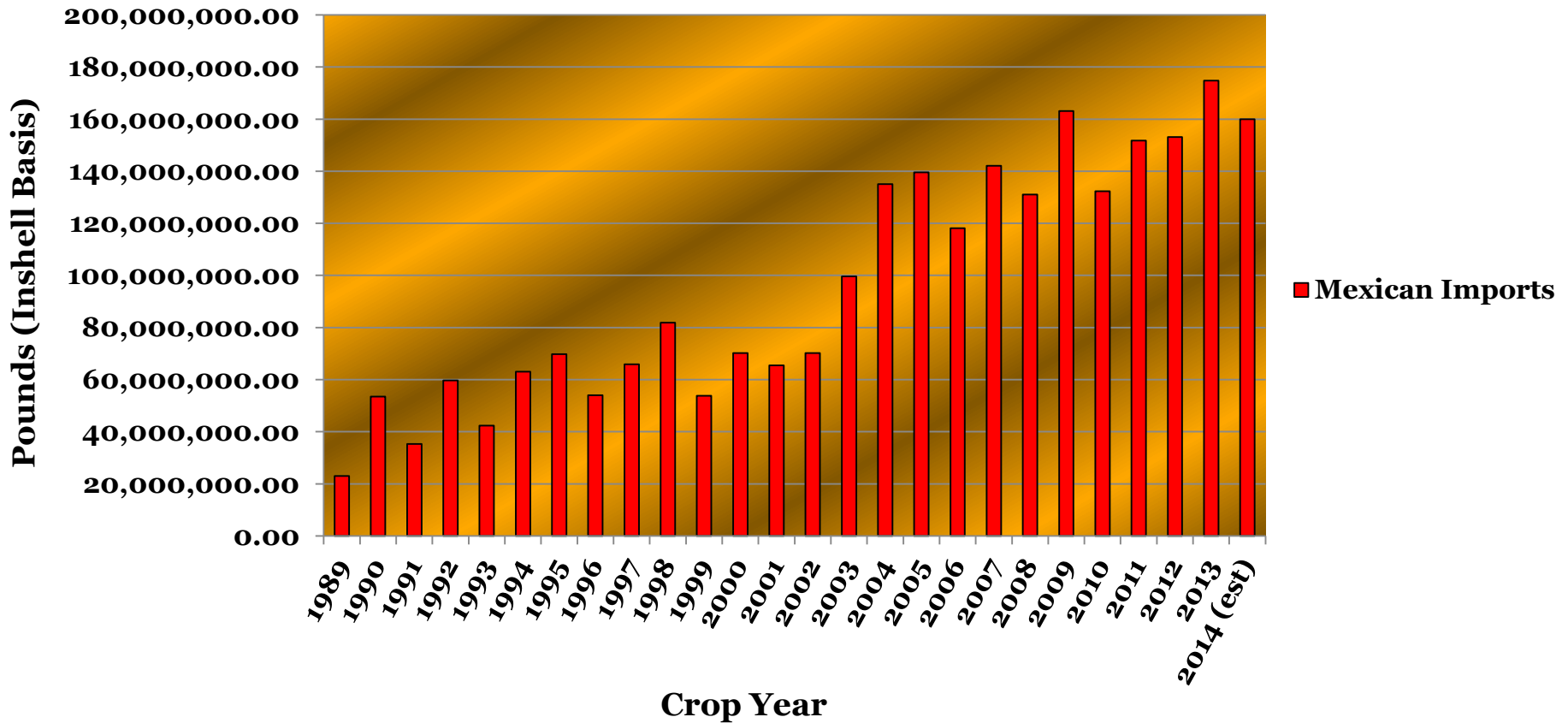- Cheap Prior-Year Prices on Natives
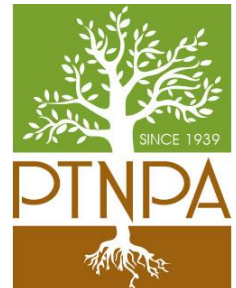
Domestic Supply

Source: USDA National Ag Statistics Service and Foreign Ag Statistics.
**Note: 2012 US Crop Figures are estimates as the USDA did not publish final crop figures
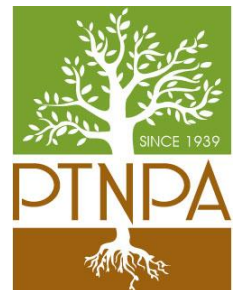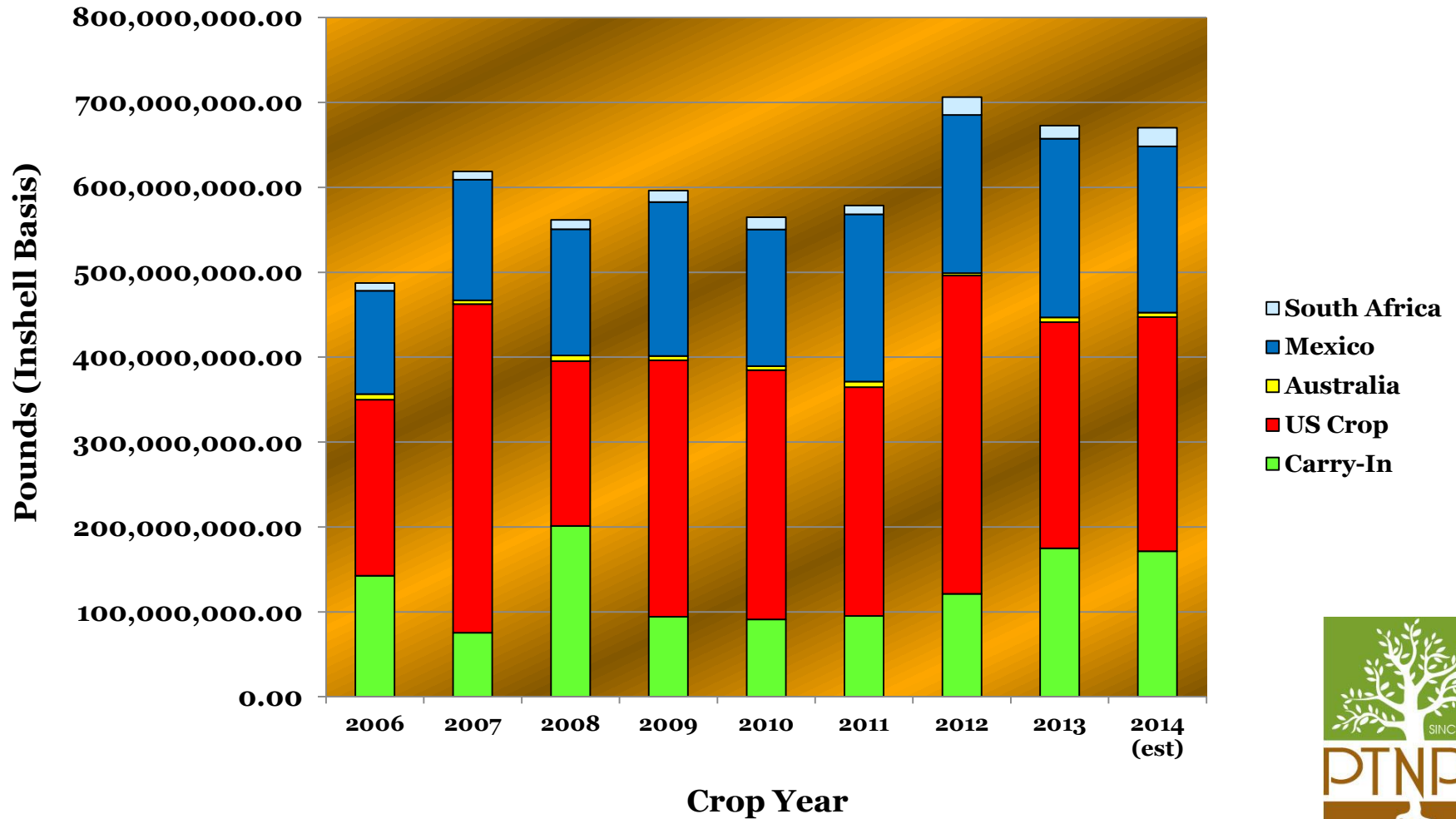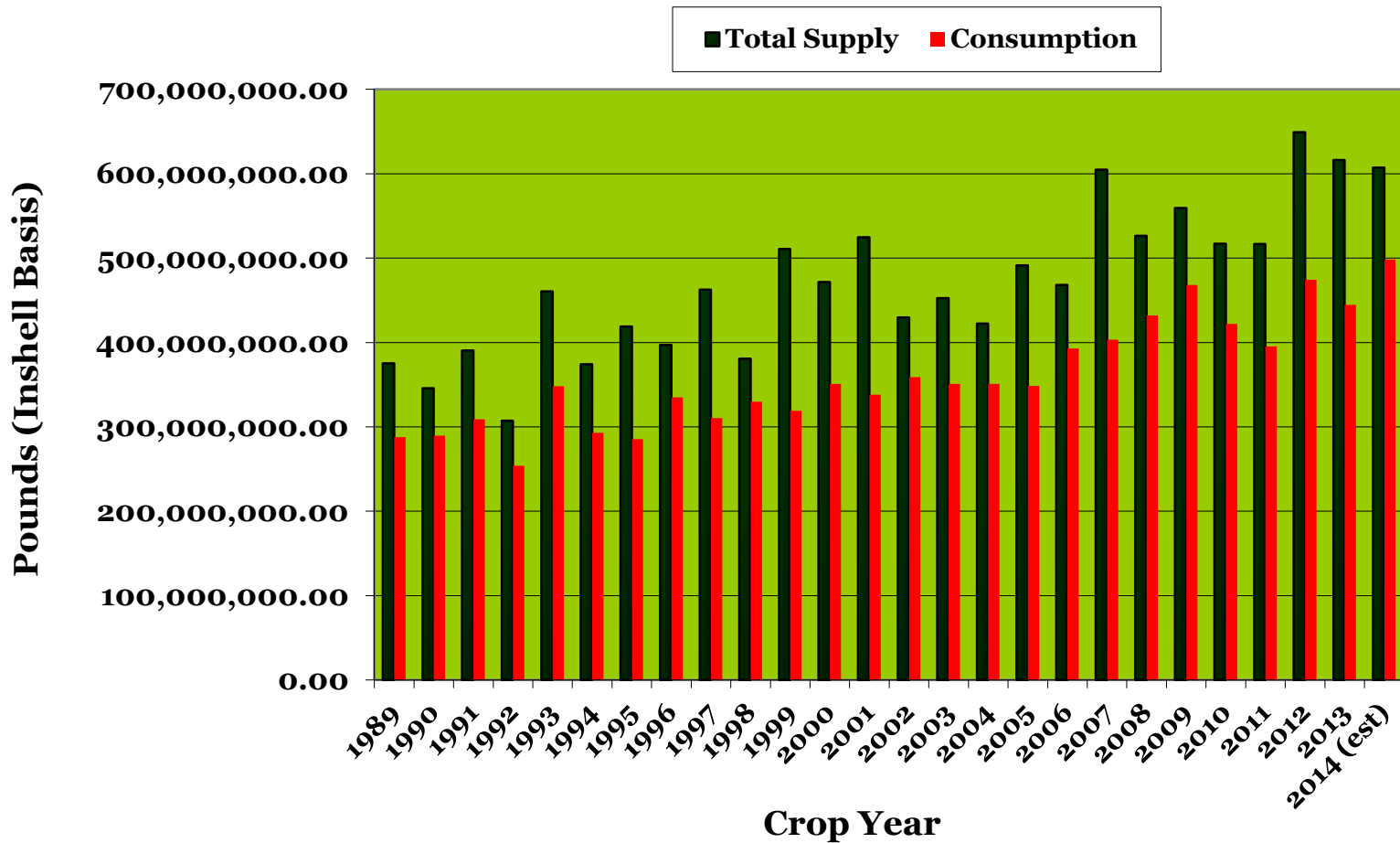
Mexican Exports to US

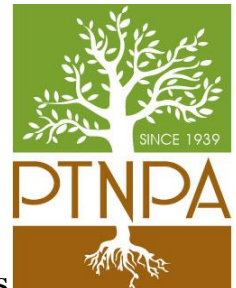Source: Foreign Ag Statistics Service

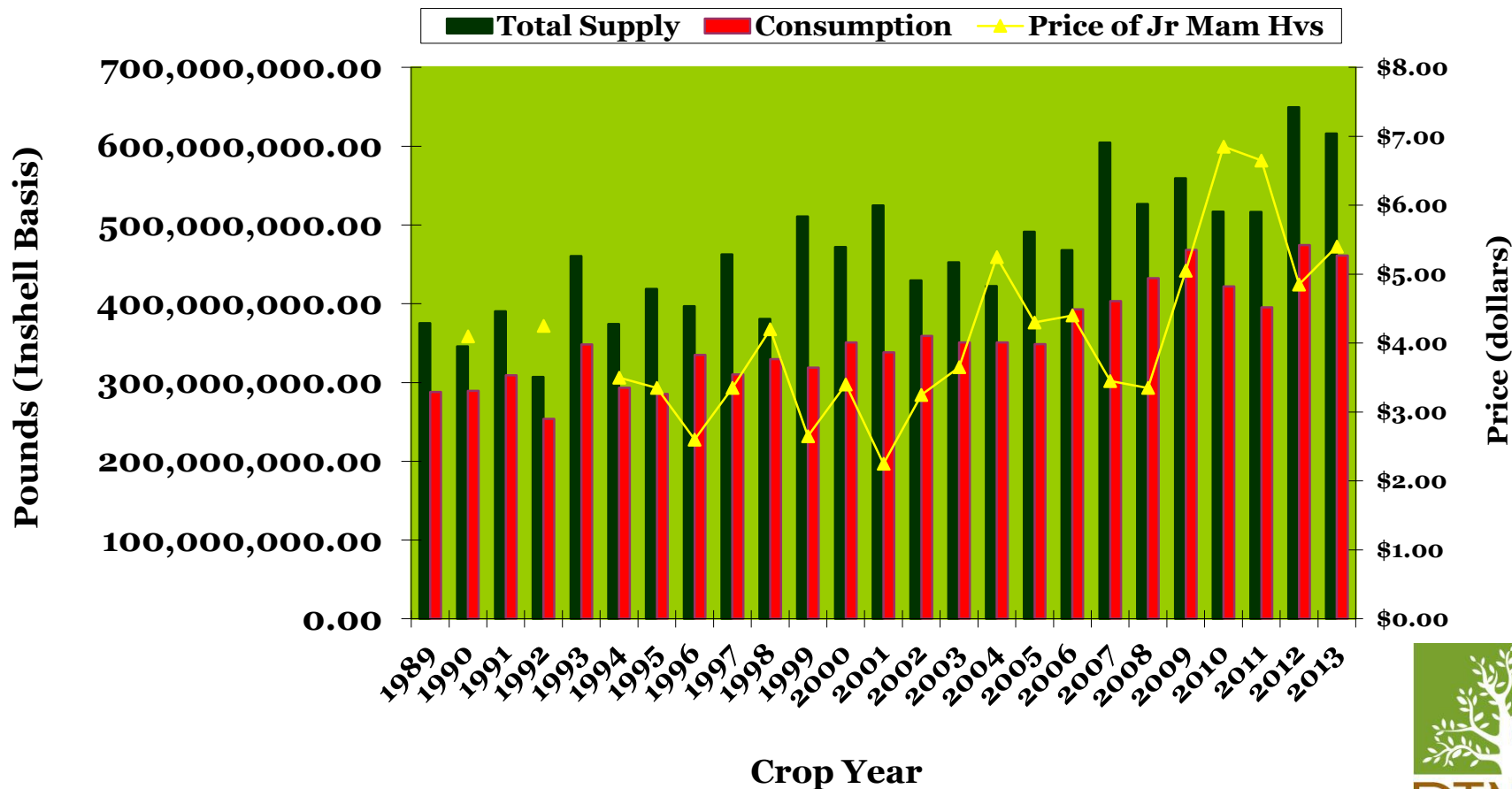# World Supply

Supply vs Demand

Source: USDA National Ag Statistics Service and Foreign Ag Statistics.
**Note: 2012 US Supply & Consumption Figures are estimates as the USDA did not publish final crop figures
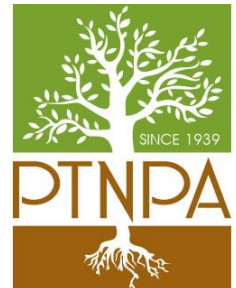
Consumption vs. Supply vs. Price

Source: USDA National Ag Statistics Service, Foreign Ag Statistics & Nature's Finest Foods
**Note: 2012 US Consumption Figures are estimates as the USDA did not publish final crop figures.
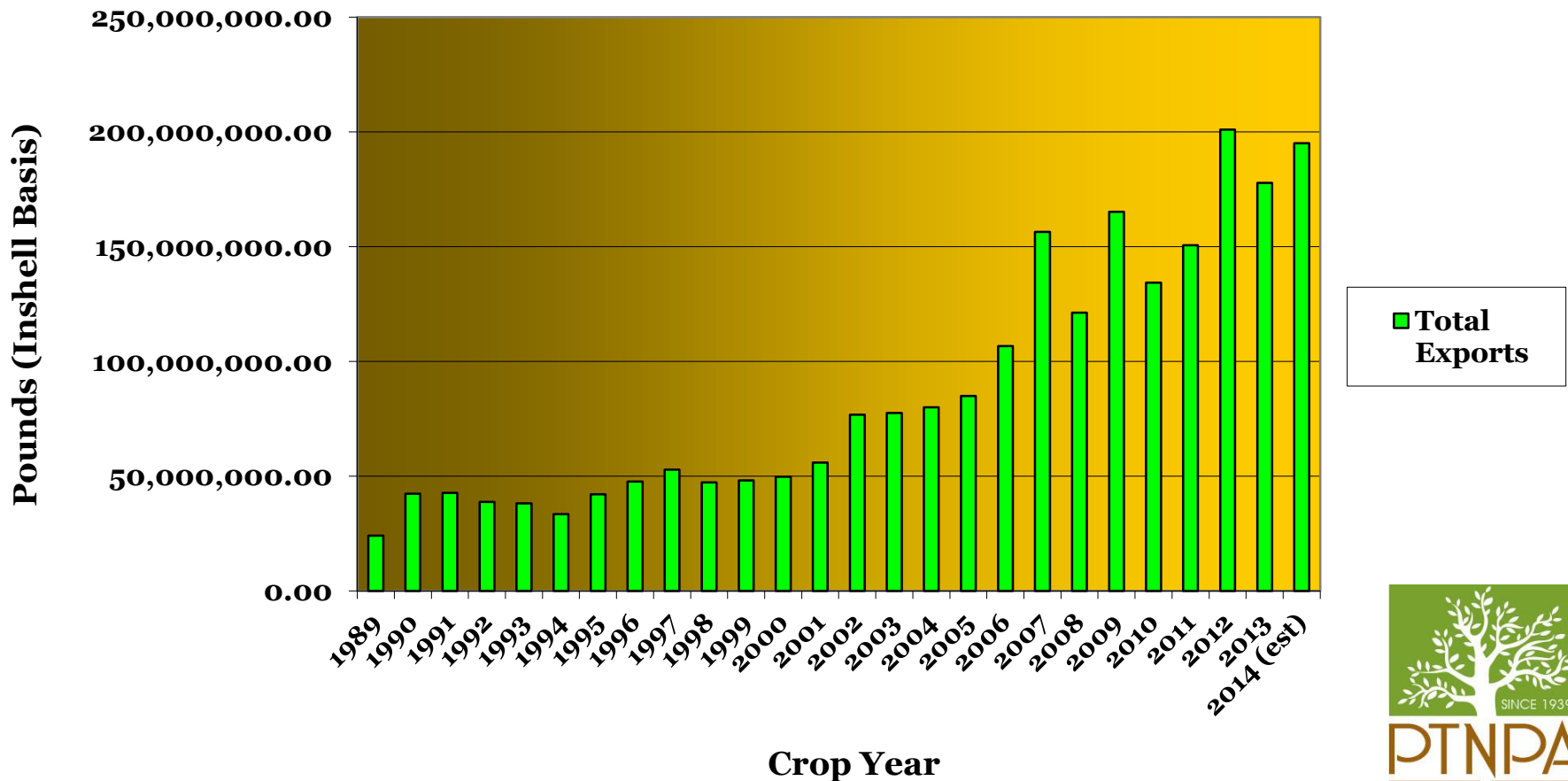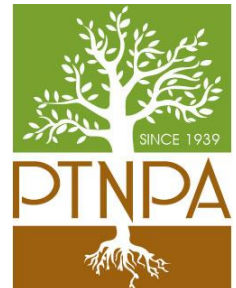Prices are approximate January contract prices. (i.e. 2012 Crop prices are from Jan 2013 contracting)

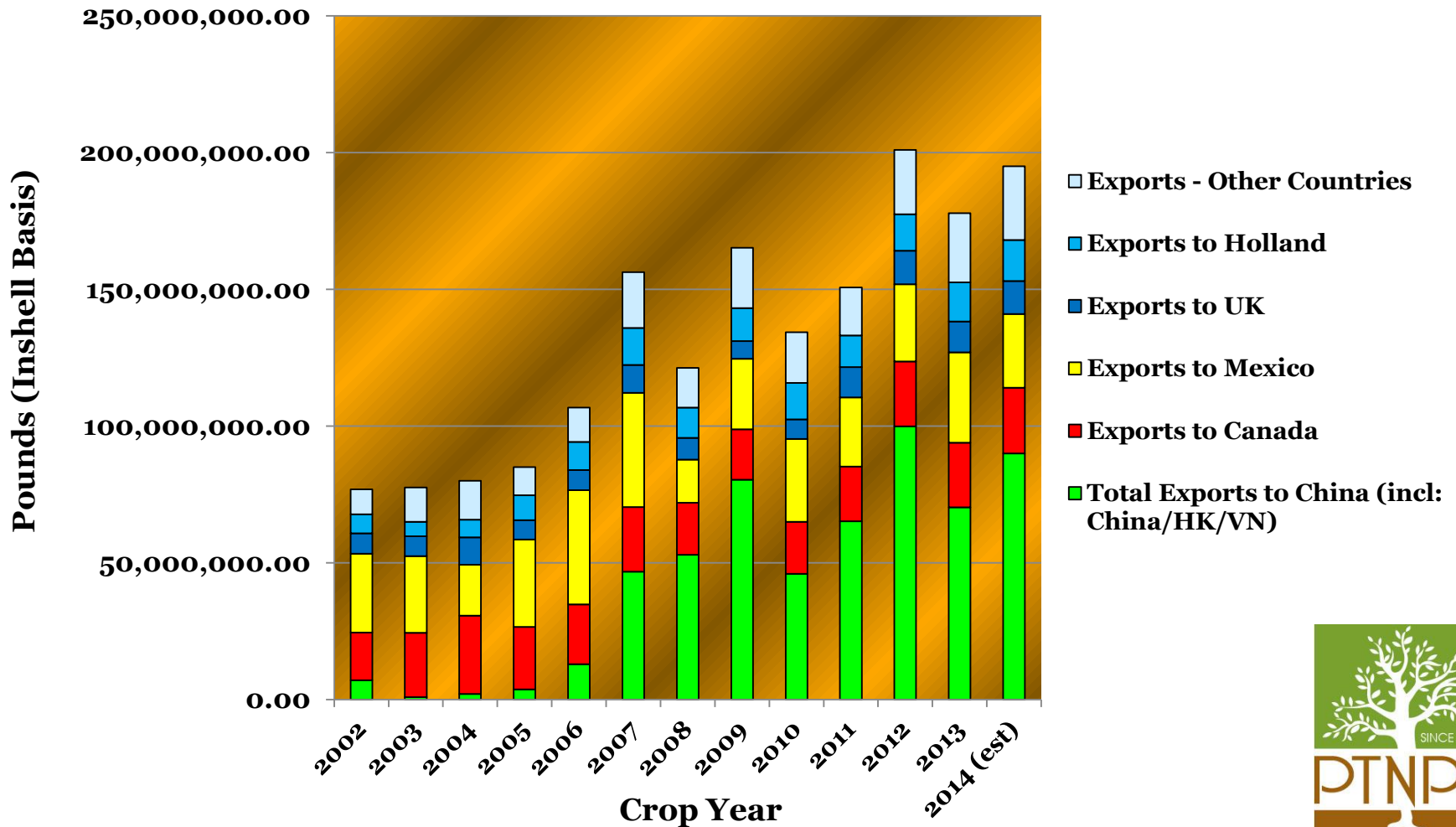# Price of Jr Mammoth Halves vs. Price of Medium Pieces
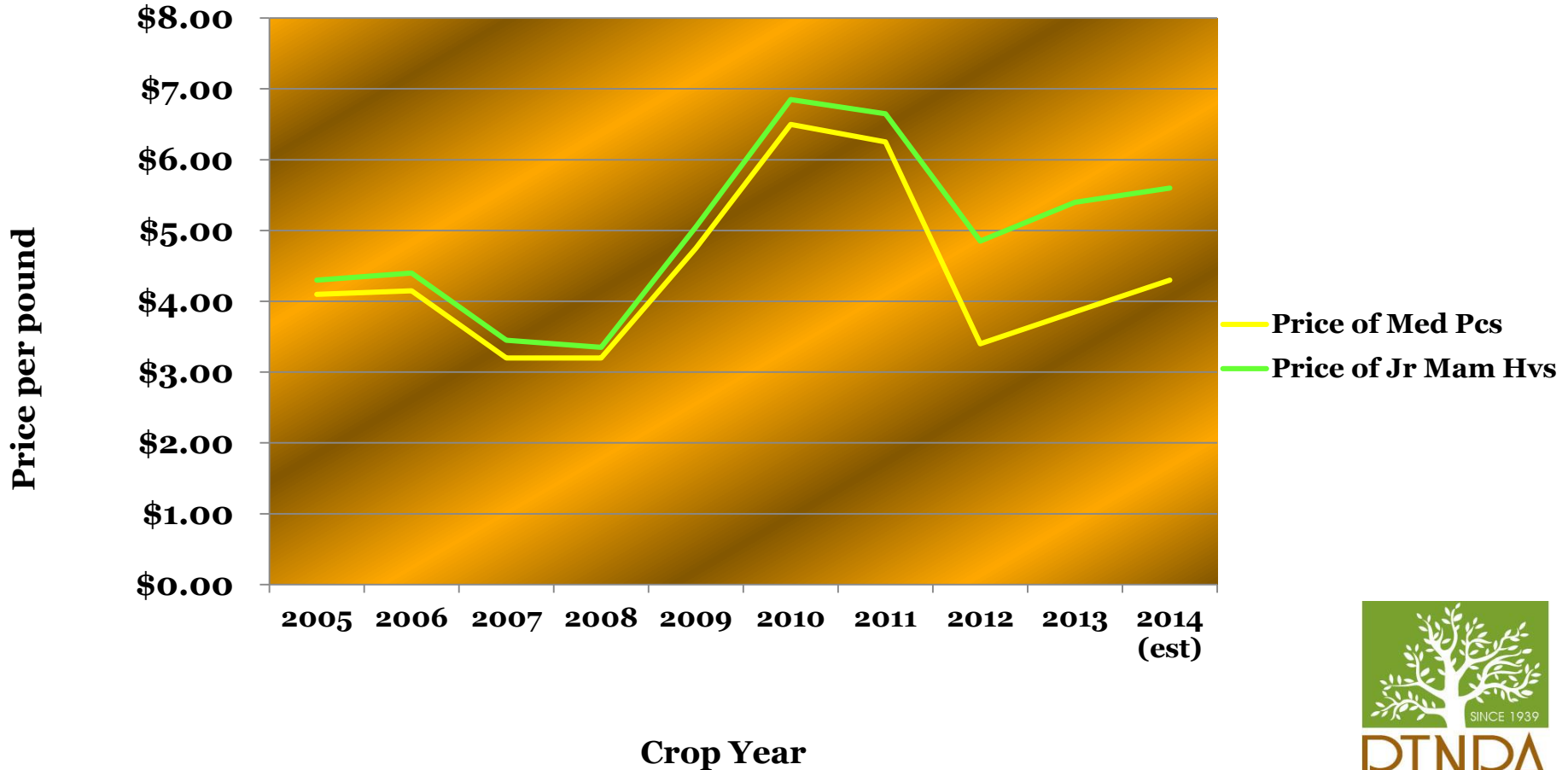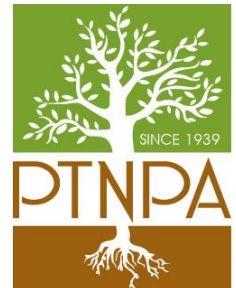
US Pecan Exports

Source: Foreign Ag Statistics Service

US Pecan exports by country

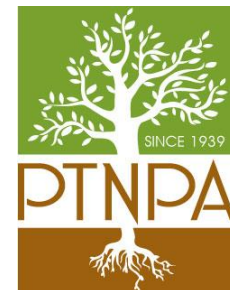Source: Foreign Ag Statistics Service

2013 Crop Year - US Pecan Exports by Country

Country	2012 Crop Year	2013 Crop Year
China (China/HK/Vietnam	99,897,667	70,257,269
Mexico	28,302,870	32,963,587
Canada	23,670,473	23,687,326
Holland	13,335,576	14,282,059
UK	12,191,063	11,309,645
Other Countries	23,555,458	25,332,126

Note: Exports are expressed in pounds, inshell basis. Meats were converted assuming industry standard 44% yield.

US Pecan Consumption vs. US Pecan Exports
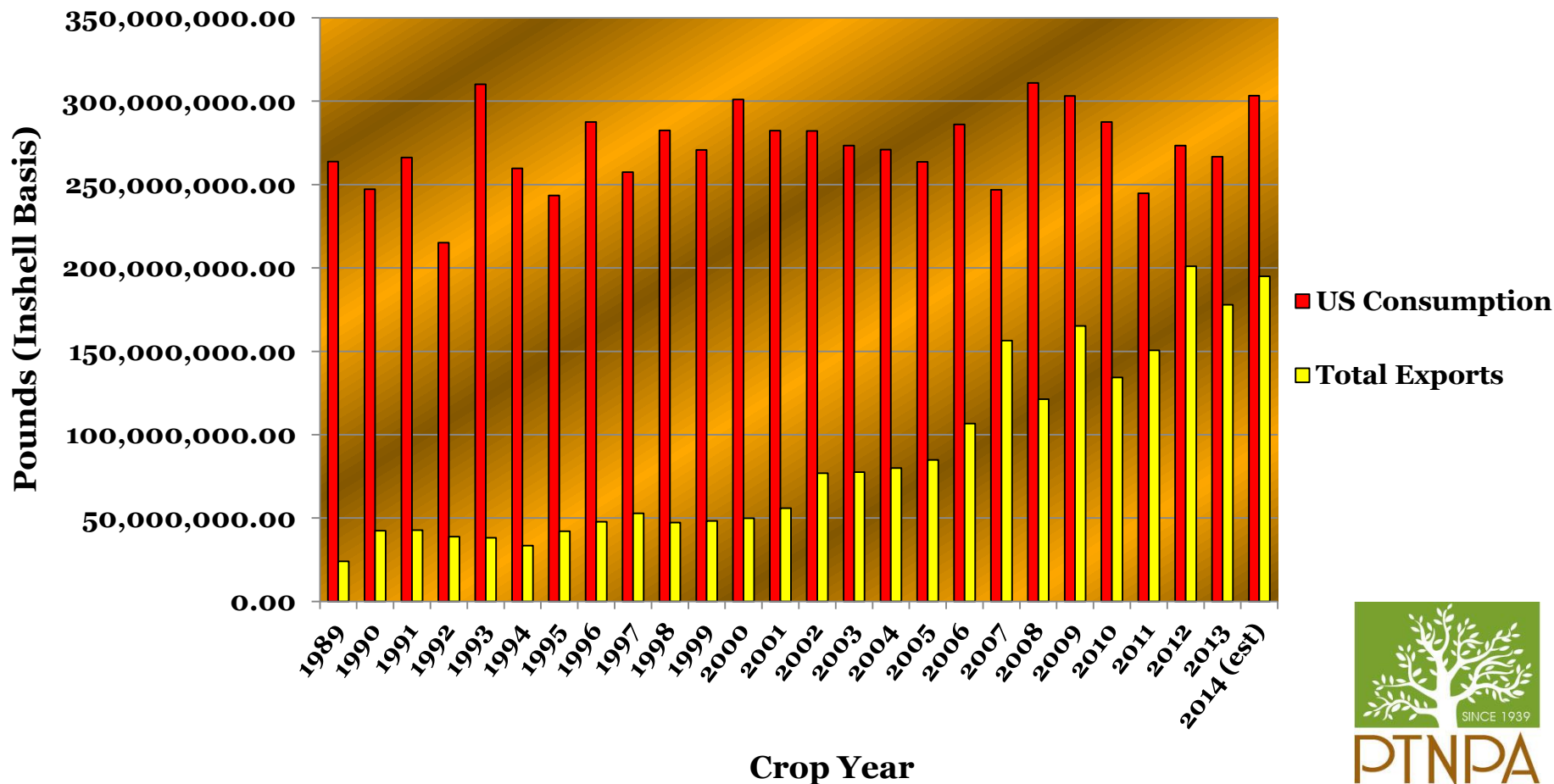
Source: USDA National Ag Statistics Service and Foreign Ag Statistics
**Note: 2012 US Consumption Figures are estimates as the USDA did not publish final crop figures
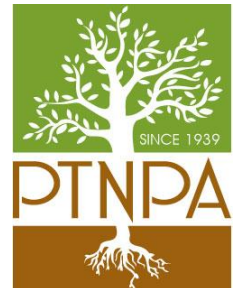
Industry Happenings

- ❖ Salmonella Prevalence Study
  - ❖ Completed 4 year study. Results-Levels on <u>*inshell*</u> pecans at or below levels of salmonella found on <u>*shelled*</u> almonds. Results submitted to FDA
- ❖ Tufts University Study
  - ❖ Study the impact of pecan consumption on heart disease in overweight people. Further document the high antioxidant levels in pecans & impact on other biomarkers of cardiovascular risk

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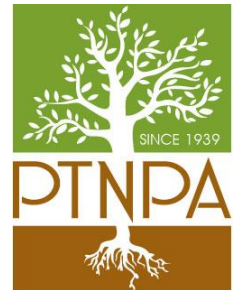
Industry Happenings

- ❖ **New Capital Infusion**
  - ❖ National Pecan Co.
  - ❖ Purchases of Harrell Pecan & Tracy Luckey
- ❖ **Possible Industry Marketing Order**
  - ❖ American Pecan Board established May 2013
  - ❖ 2014-Industry meetings held
  - ❖ Jan 2015-Meet with FDA to consider specifics
  - ❖ Summer/Fall 2015-Present proposed Marketing order to Industry
  - ❖ Early 2016-Industry vote on order
  - ❖ Fall 2016-Implement order

Questions!!!