

Nature's Finest Foods, Ltd.



Specializing in the marketing of tree nuts!

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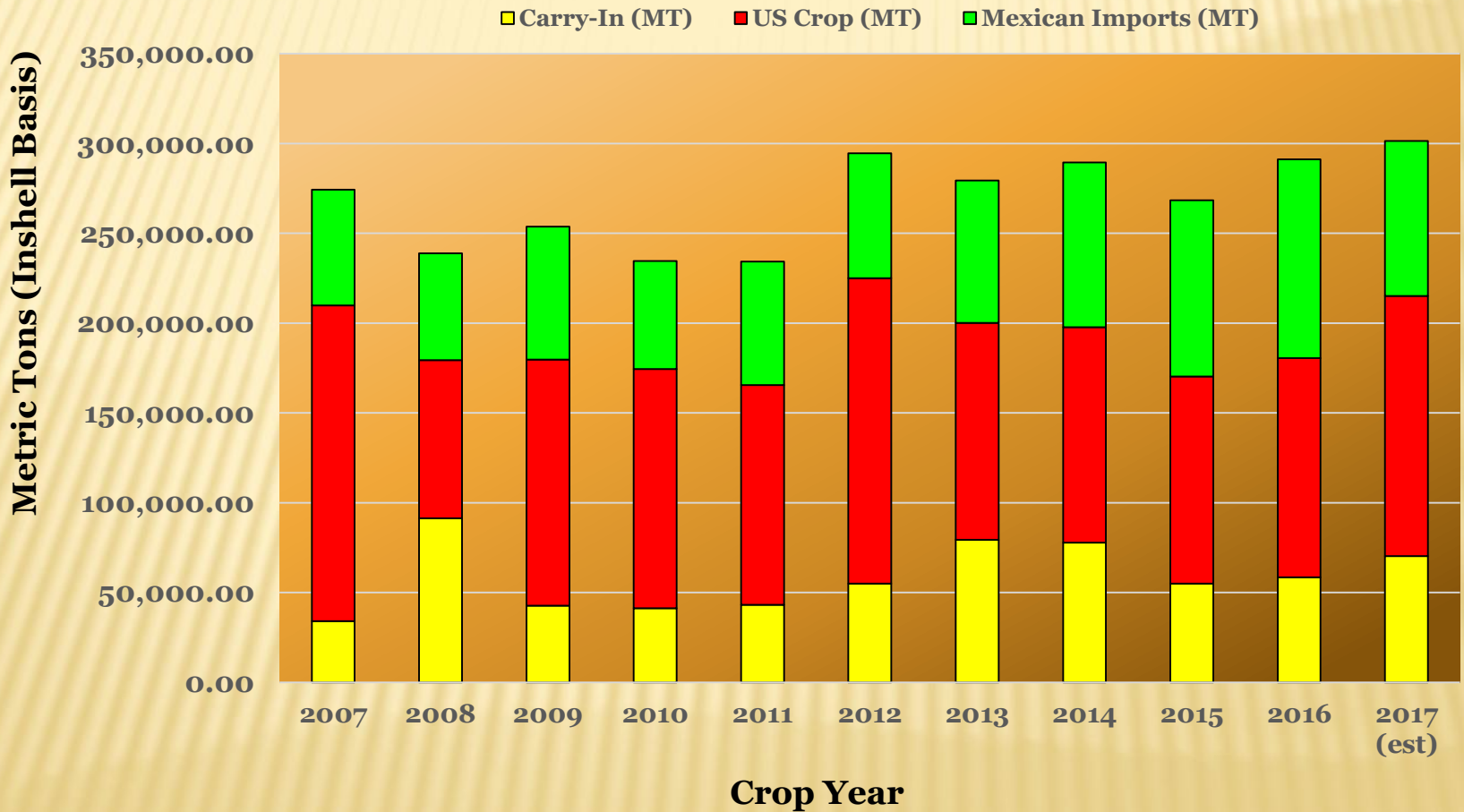
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A LOOK AT CURRENT MARKET CONDITIONS





US SUPPLY COMPONENTS

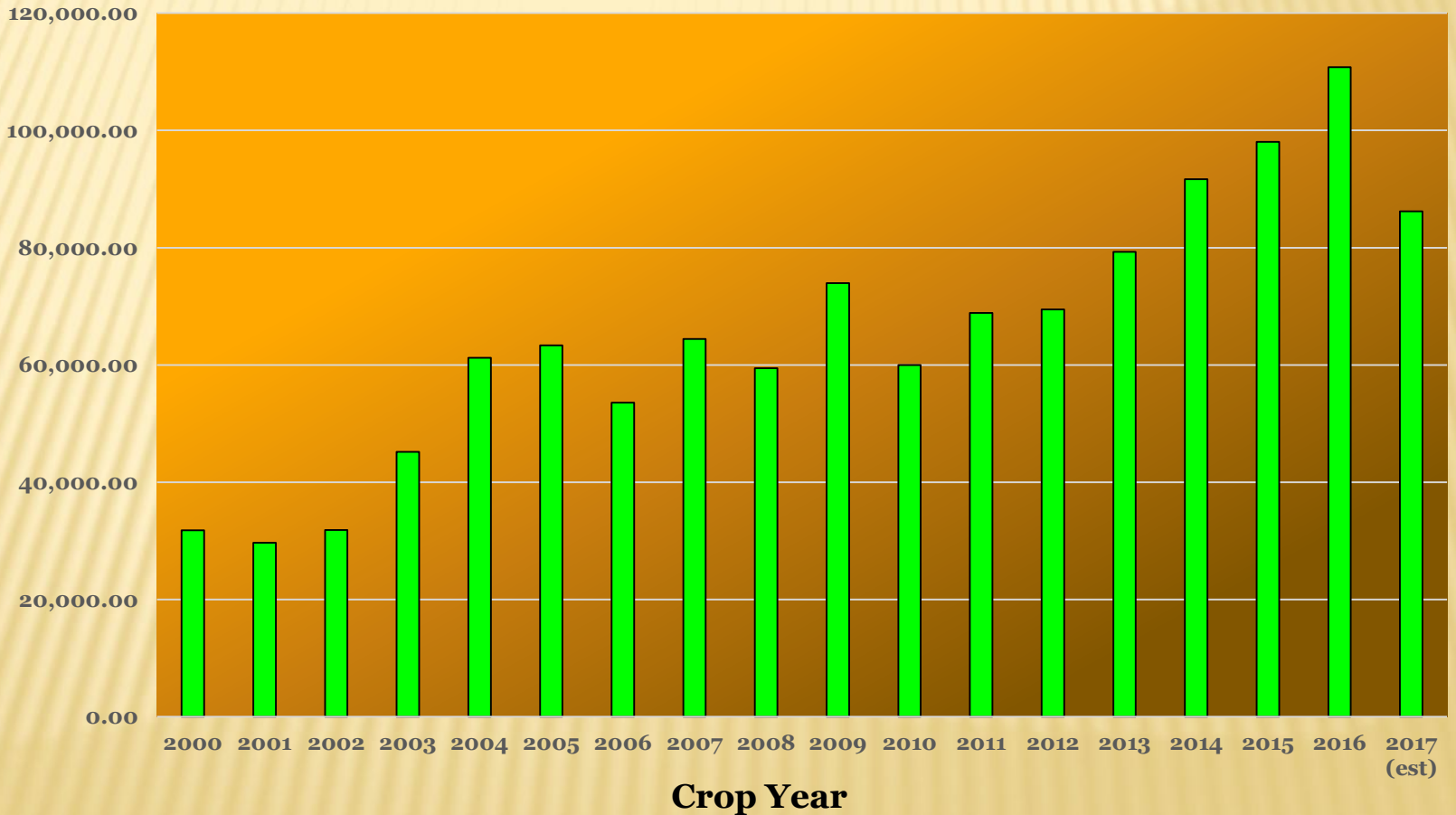


Source: USDA NASS. Foreign Ag Statistics Service & Nature's Finest Foods



MEXICAN EXPORTS TO US

Metric Tons (Inshell Basis)



Source: Foreign Ag Statistics Service & Nature's Finest Foods



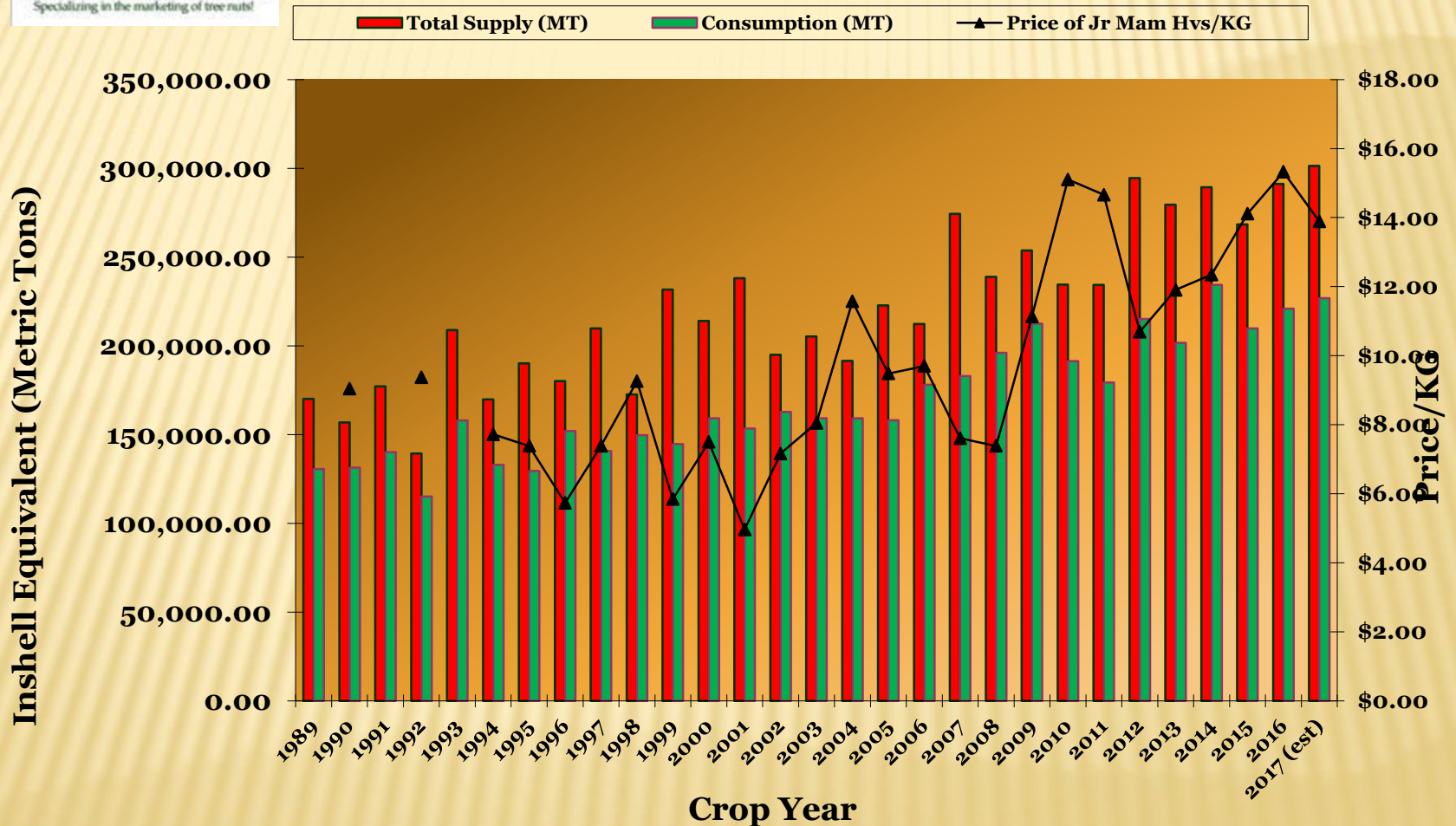
PRODUCT AVAILABLE FOR SALE BY US

	2017 (est.)
Carry-In	70,365.86
US Crop	144,788.17
Mexican Imports	86,183.43*
Total Supply	301,337.47
Consumption	226,798.51*
*NOTE: NFF Estimate	

Note: Figures are expressed in metric tons, inshell basis, and do not take into account US Inshell sent to Mexico for shelling. ***Meats are converted assuming a 44% yield.*** Data Sources: USDA NASS & FAS, USDA Market News & Nature's Finest Foods



US SUPPLY VS CONSUMPTION & PRICE



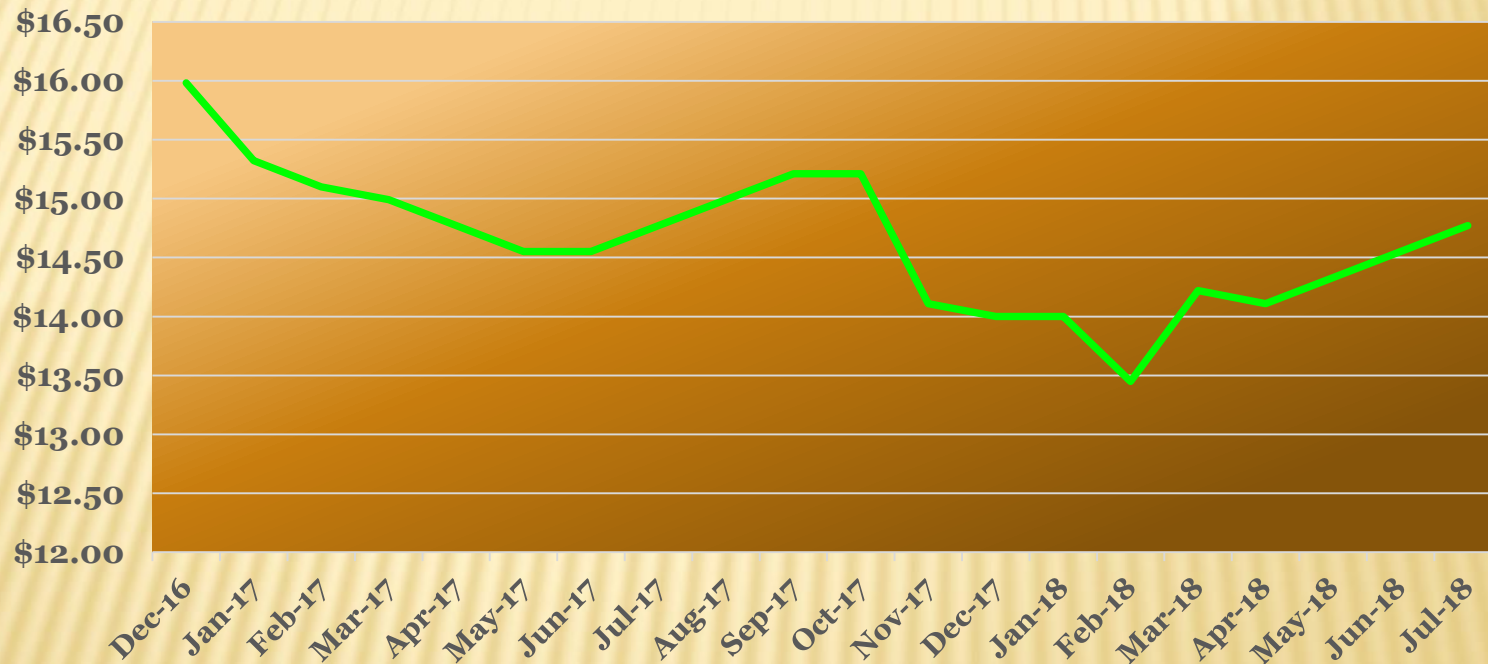
Source: USDA National Ag Statistics Service, Foreign Ag Statistics and Nature's Finest Foods.

**Note: 2012 US Supply & Consumption Figures are estimates as the USDA did not publish final crop figures



JR MAMMOTH PECAN HALVES PRICE PER KG

Price/KG

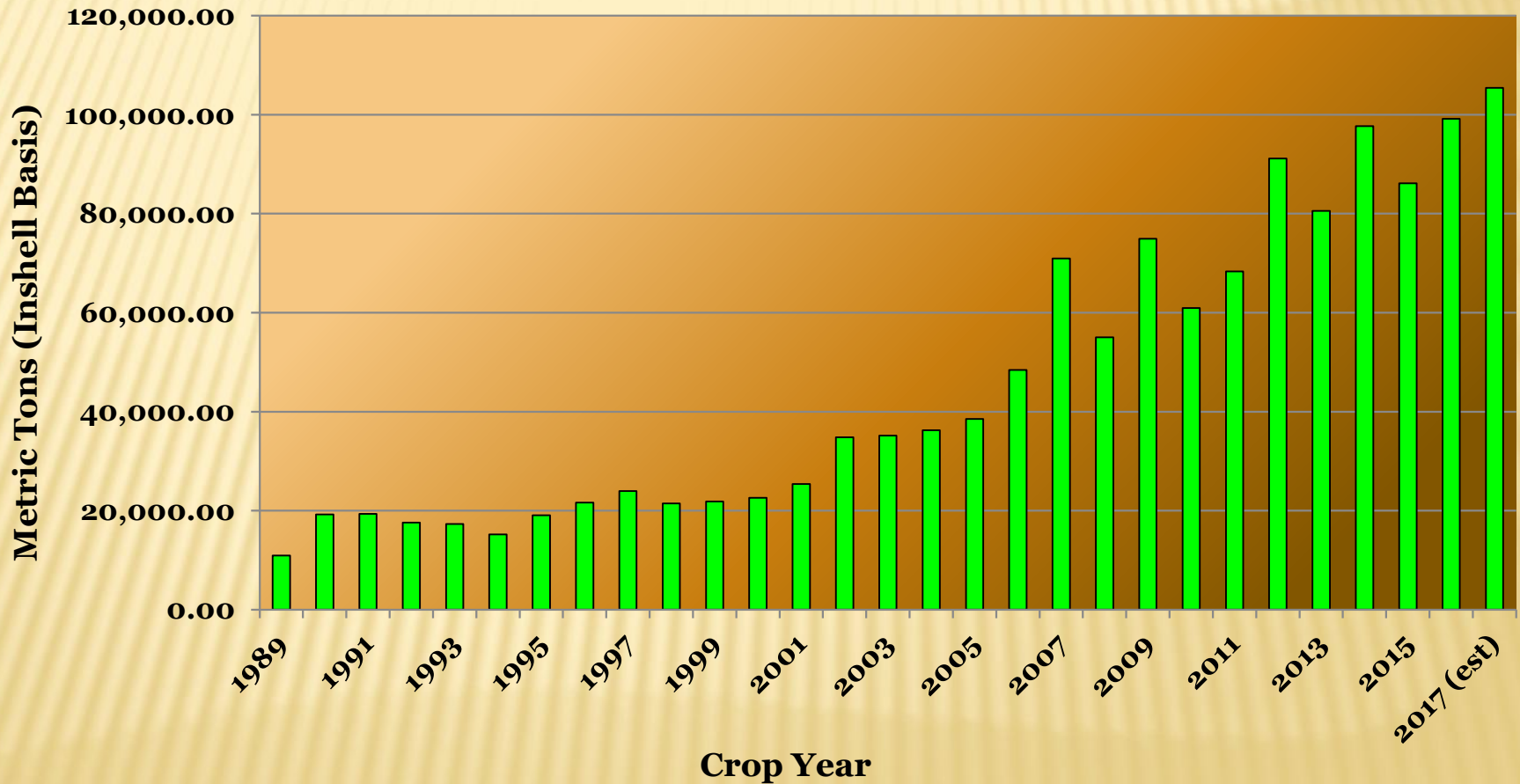


Source: Mintec and Nature's Finest Foods



US PECAN EXPORTS

■ Total Exports (MT)

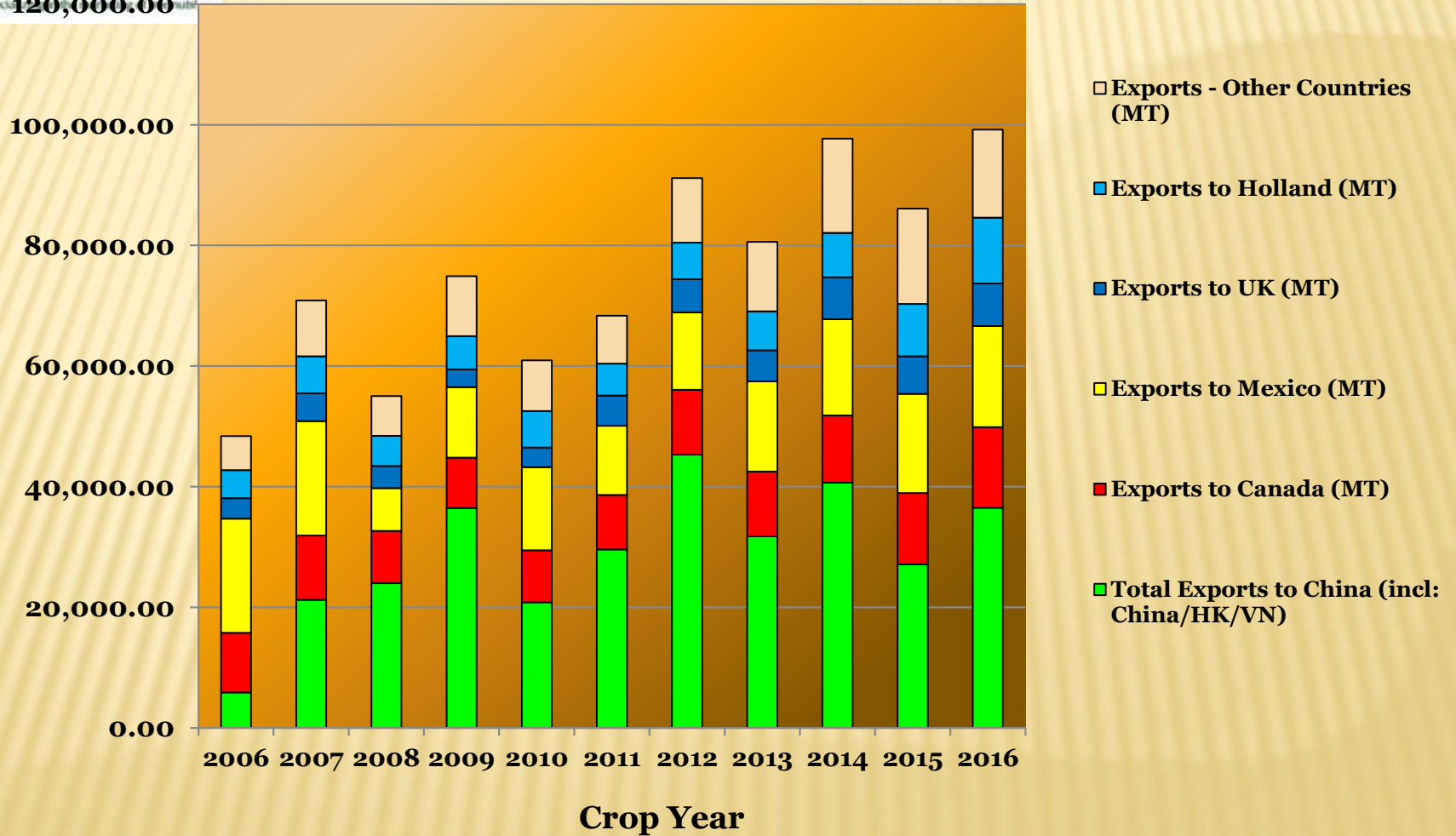


Source: Foreign Ag Statistics Service & Nature's Finest Foods



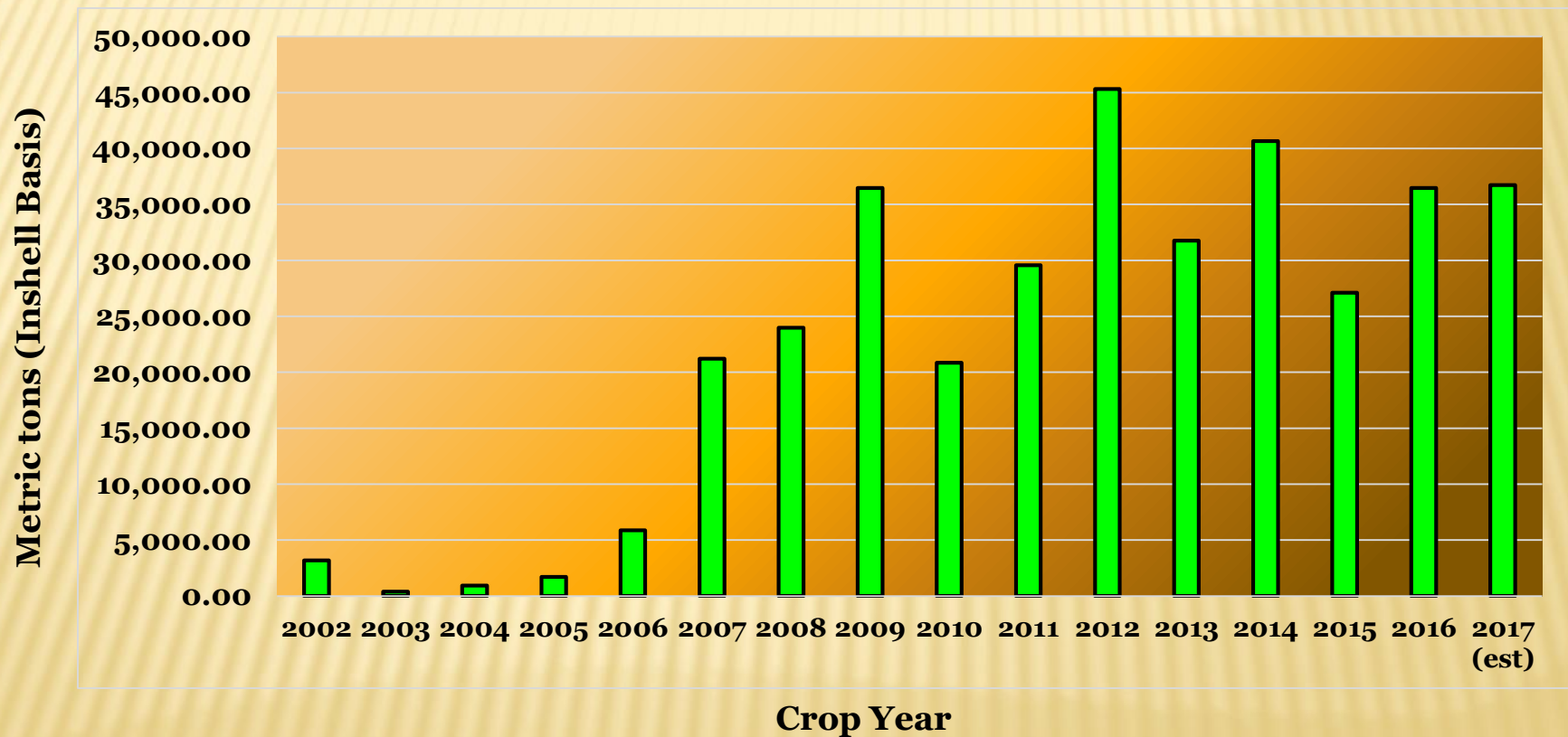
BREAKDOWN OF US EXPORTS

Metric Tons (Inshell Basis)





US EXPORTS TO CHINA (CHINA/HONG KONG/VIETNAM)

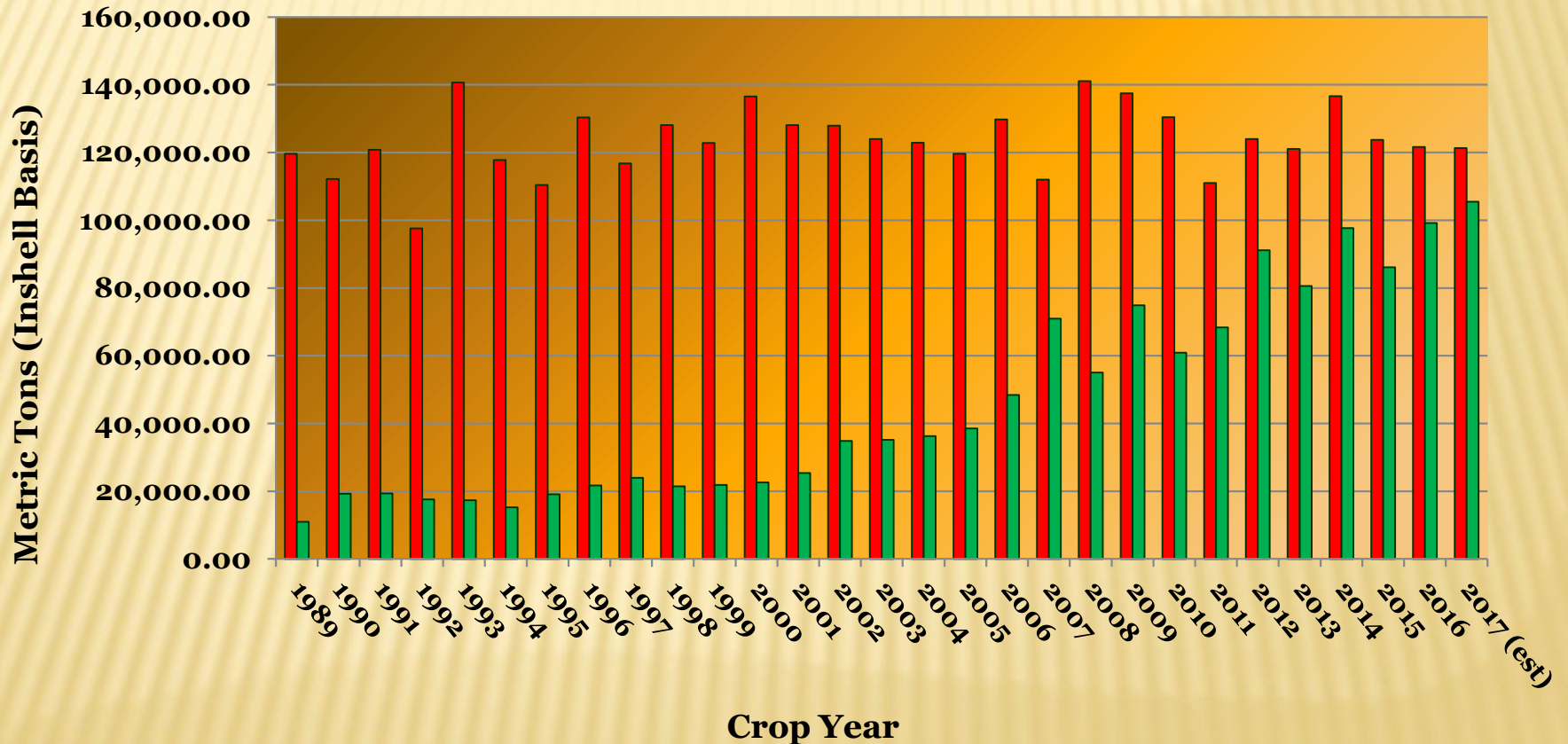


Source: Foreign Ag Statistics Service/Nature's Finest Foods



US CONSUMPTION VS. TOTAL EXPORTS

■ US Consumption (MT) ■ Total Exports (MT)



Source: Foreign Ag Statistics Service & Nature's Finest Foods



WHY ARE EXPORTS EXPECTED TO INCREASE?

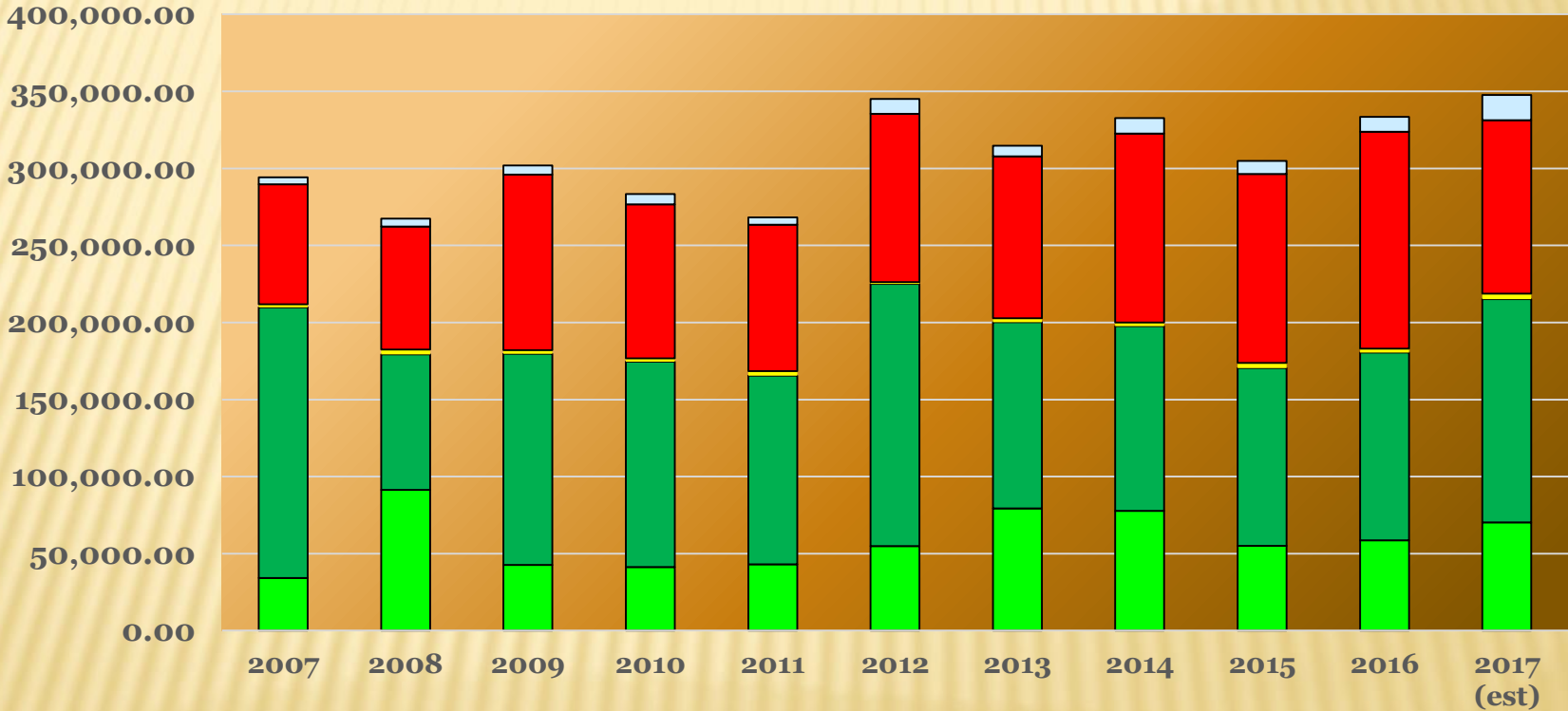
- ❖ Since January 2017, prices for shelled meats have declined approximately 13%
- ❖ In addition to the decline in prices, the continued weakening of the dollar against the Euro has given EU countries an additional discount of approximately 15%



WORLD PECAN SUPPLY

■ Carry-In (MT)
 ■ US Crop (MT)
 ■ Australia (MT)
 ■ Mexico (MT)
 ■ South Africa (MT)

Metric Tons (Inshell Basis)



Crop Year

Source: USDA NASS, Stahman Farms -Australia, Golden Peanut & Tree Nut – SA, Bester, SA, Mtebeni Valley Farms, SA, Agricultural Information Service - Mexico



WORLD SUPPLY-INSHELL BASIS METRIC TONS

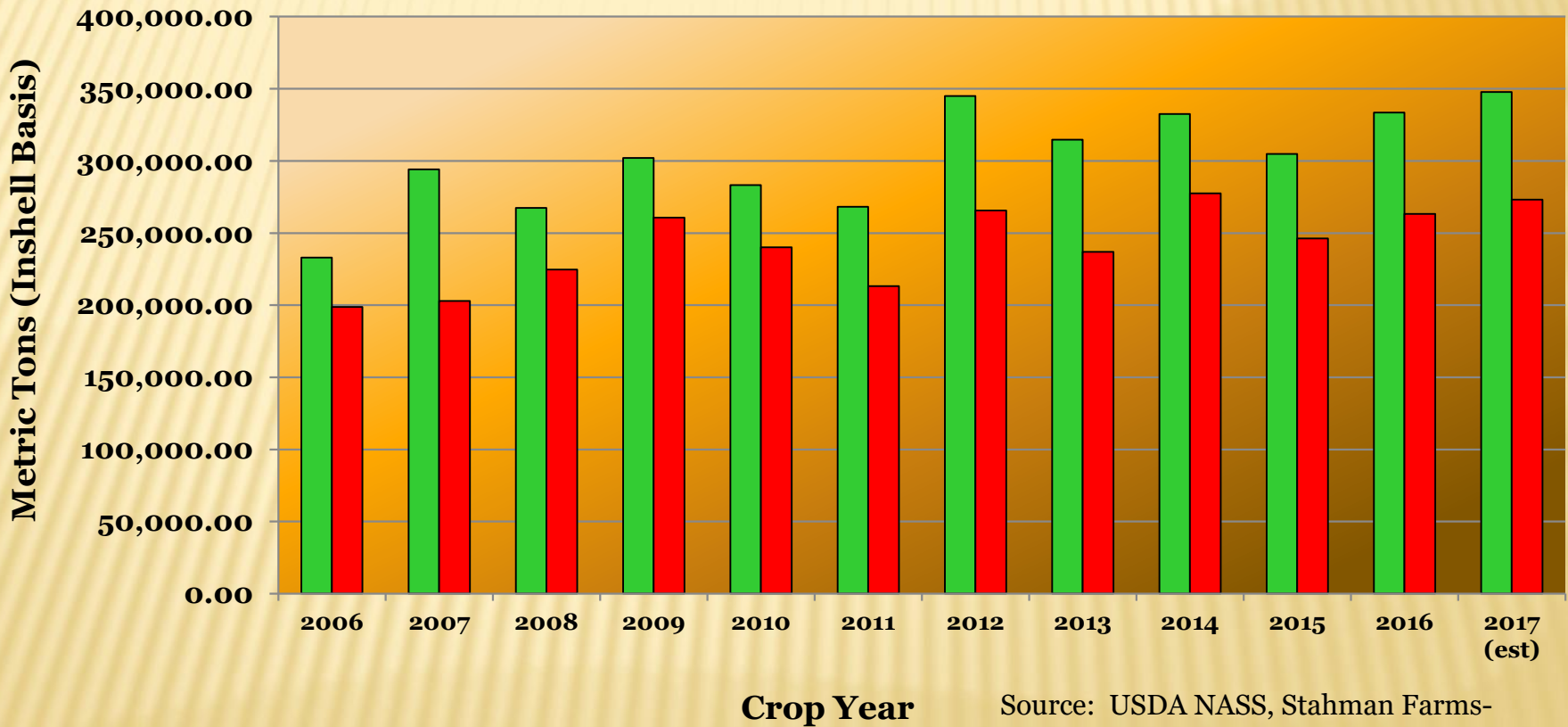
Country	2016	2017 (est.)
United States	121,913.37	144,788.17
Mexico	140,711.99	112,569.59
South Africa	9,750.00	16,500.00
Australia	2,600.00	3,500.00
US Carry-In	58,558.20	70,365.86
WORLD TOTAL	333,533.56	347,723.62

Source: USDA NASS, Stahman Farms-Australia, Golden Peanut & Tree Nut-SA, Bester-SA, Mtebeni Valley Farms, SA, Agricultural Information Service - Mexico, Nature's Finest Foods, Ltd.



WORLD SUPPLY VS. CONSUMPTION

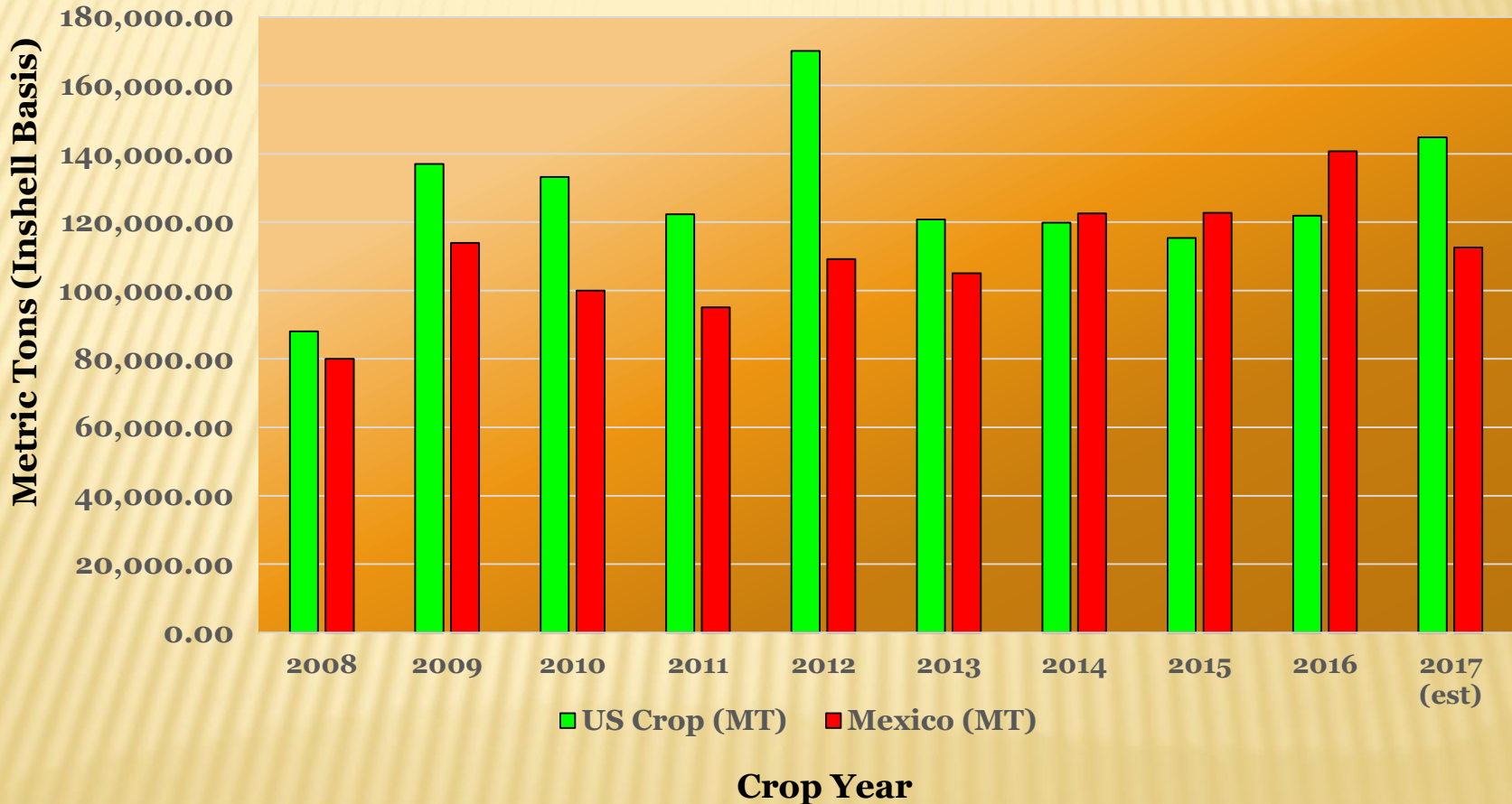
■ World Supply (MT) ■ World Consumption (MT)



Source: USDA NASS, Stahman Farms-Australia, Golden Peanut & Tree Nut-SA, Bester-SA, Mtebeni Valley Farms, SA, Agricultural Information Service - Mexico, Nature's Finest Foods, Ltd.



PECAN PRODUCTION UNITED STATES VS. MEXICO



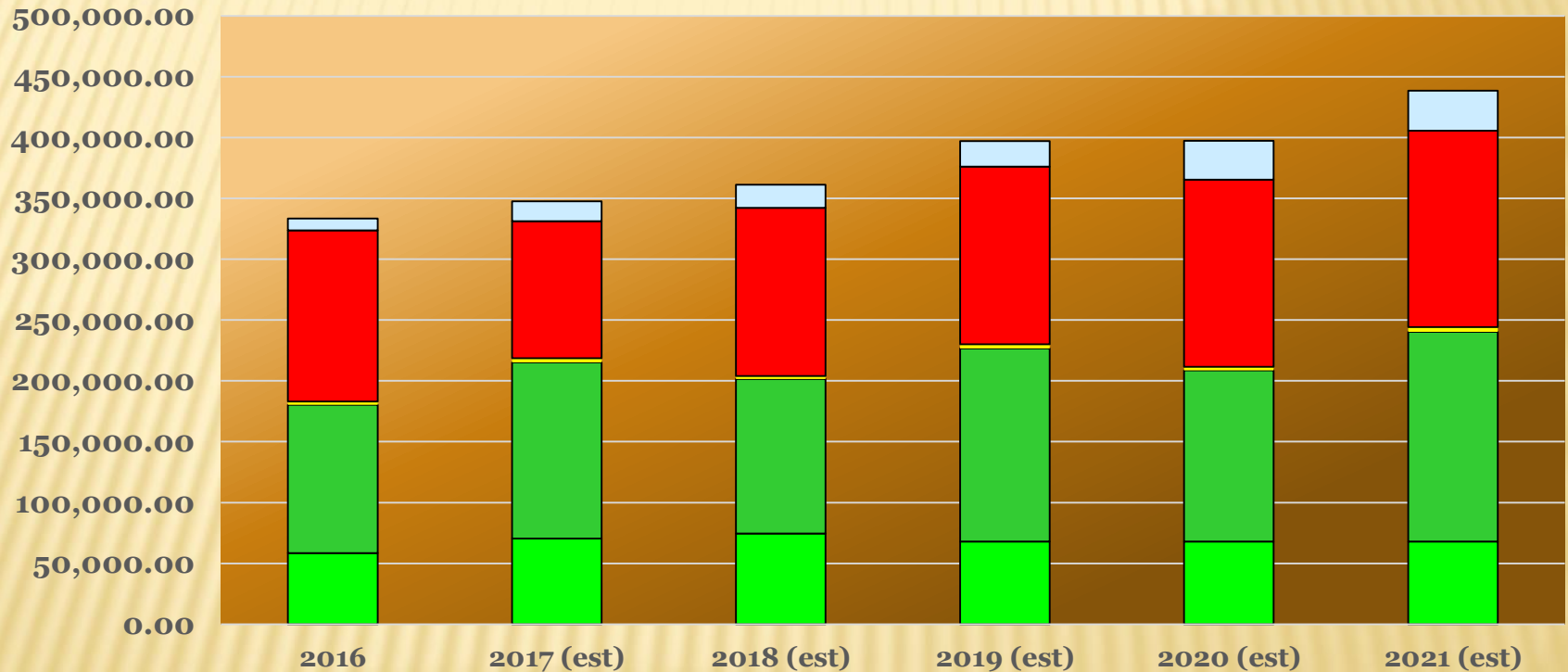
Source: USDA NASS. Foreign Ag Statistics Service & Nature's Finest Foods



PROJECTED WORLD PECAN PRODUCTION

■ Carry-In (MT)
 ■ US Crop (MT)
 ■ Australia (MT)
 ■ Mexico (MT)
 ■ South Africa (MT)

Metric Tons (Inshell Basis)



Crop Year

Source: Stahman Farms -Australia, Golden Peanut & Tree Nut – SA, Agricultural Information Service – Mexico, Nature's Finest Foods



CHINESE PLANTINGS

- ❖ Approximately 33,000 hectares. *
- ❖ Very good research program
- ❖ 80% planted on hillsides in very small orchards. Figure includes nurseries
- ❖ Poor varietal selection, grown in the wrong place.
- ❖ Poor orchard management
- ❖ 2016 Commercial Production – 5 Tons
- ❖ 2017 Commercial Production – 20 Tons
- ❖ Within the next five years, 10,000 hectares are projected to come into commercial production

*Source: The Research Institute of Subtropical Forestry, Chinese Academy of Forestry



MARKET IMPACTORS

- ❖ Continued production increases in Mexico, China and Australia.
- ❖ Future production in Argentina, Brazil and Peru
- ❖ Mexico's ability to meet GFSI Food Safety Standards and shift to selling directly to US Market
- ❖ Major US firms changing payment terms, conditions of contracting, etc.
- ❖ China's 15% increase of the tariff on US pecans
- ❖ China's pecan consumption has remained relatively unchanged since 2012



MARKET IMPACTORS (CONTINUED)

- ❖ US Cold Storage holdings are approximately 129,275 metric tons. Based on current projections, the US could carry-out 70,308 metric tons
- ❖ It is estimated that US Growers are holding approximately 13,696 metric tons of inshell for sale to China
- ❖ It is estimated that Mexico still has approximately 9,072 metric tons of uncommitted inshell
- ❖ While there were issues with overall quality of the 2017 US crop, the inshell currently being held for sale to China by US Growers is of good to excellent quality



PROJECTED AVERAGE PRICE IMPROVED INSHELL

Average Inshell Price per KG - Improved



Source: Nature's Finest Foods



US EXPORTS TO CHINA VS. S. AFRICAN PRODUCTION



Source: USDA FAS, Golden Peanut & Tree Nut – SA, Nature's Finest Foods, Ltd.



AMERICAN PECAN COUNCIL (APC)

- ❖ First crop data has been collected. Based on assessments collected, preliminary crop data indicates that the 2016 US Crop was 130,937.71 metric tons, 7% more than the official USDA estimate of 121,913.27 metric tons. Over \$8.2 million has been collected relative to the 2016 crop
- ❖ 2017 Data is now being collected. The first reports should go out sometime in May or June.
- ❖ A new 'Brand Launch' will occur this week
- ❖ Funding has been approved for marketing projects in four countries as well as for two research/marketing projects.



NATIONAL PECAN SHELLER'S ASSOCIATION (NPSA)

- ❖ Has let contract to perform a shelf-life study on shelled pecan meats
- ❖ Will conduct two 'Chef Summit's' this year
- ❖ A committee has been established to develop a new standard for shelled pecan meats. This will probably start as a rewrite of the 1969 USDA Standards for Shelled Pecan Meats. However, the committee will also invite participation in the process by key stakeholders in Mexico, S. Africa and Australia with the hope of getting international adaptation of the standard

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QUESTIONS?

