

ASTA 2009
Annual Meeting and Trade Show

April 26-29, 2009
Loews Ventana Canyon Resort
Tucson, Arizona



Dehydrated Onion Crop Report

Rob Rye

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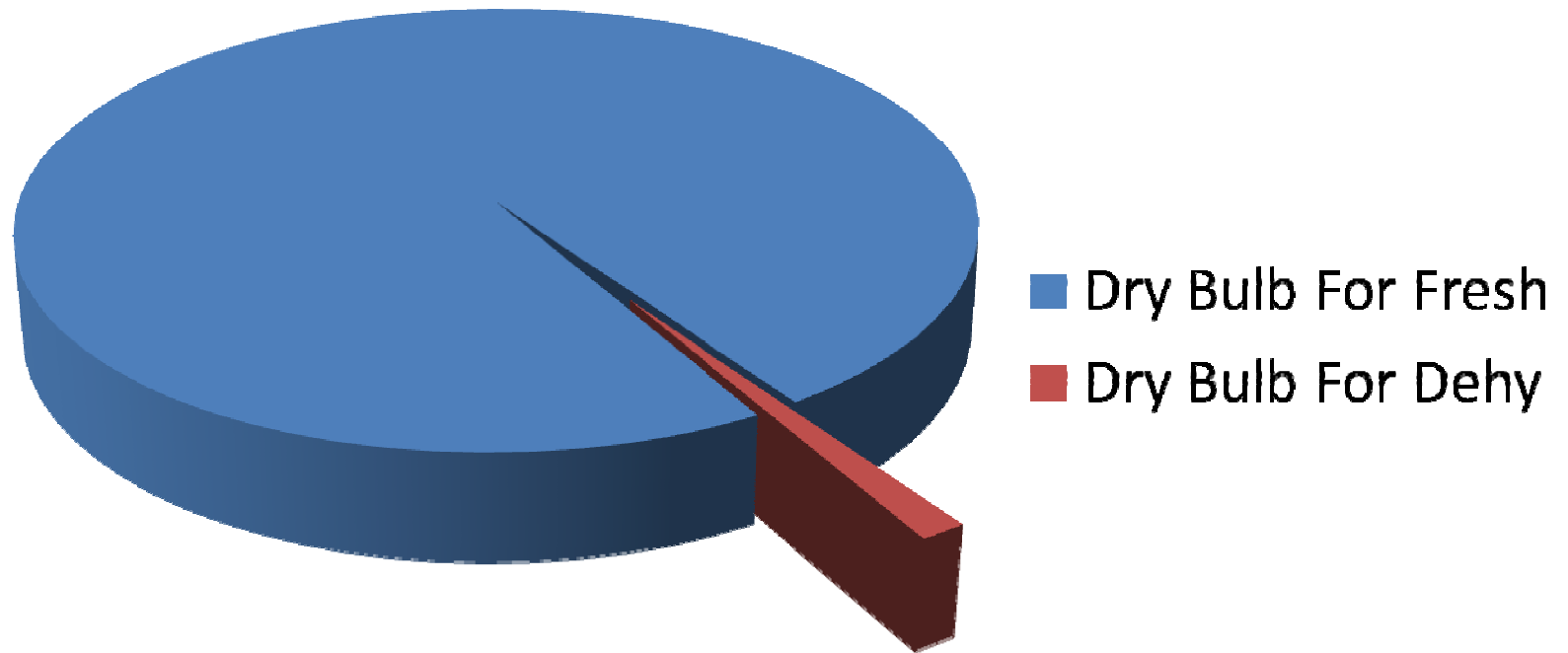
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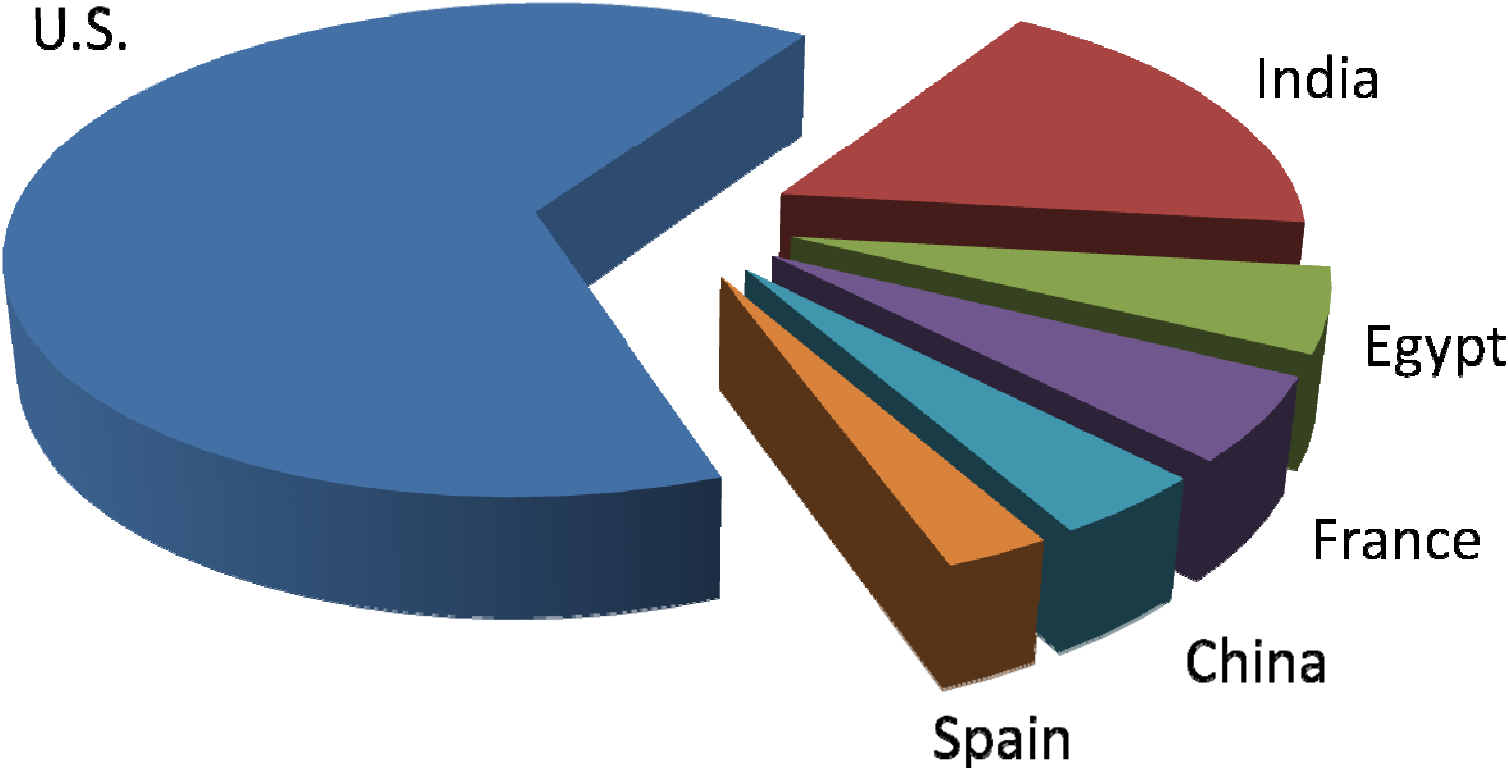
Dehydrated Onion Crop Report

- Overview
- 2008 Crop
- 2009 Crop
- Issues Impacting Supply & Price

Fresh Market Onions Drive Global Crop Production



Global Dehydrated Onion Production Estimate



U.S. Dehydrated Onion Growing Areas



2008 Crop Review

- Although late plantings in some areas, U.S. crop size and quality was normal
- Water restriction issues
- U.S. experienced increased raw material and processing costs
 - competing crops
 - increasing farm input costs
 - higher energy costs during much of the season

2008 Crop Review

- India supply increased in response to 2007 reduced crop
- European supply impacted by weather and competing crops
- China and Egypt normal production

2009 Crop Preview

- U.S. plantings generally on time
- Some crop production diversified into other areas in response to Westlands CA water restrictions
- Currently expect crop size and quality to be similar to last year
 - possible impact from alternative water sources

2009 Crop Preview

- India crop expected to be less than last year
- Egypt essentially unchanged to lower
- Spain and France unchanged to lower
- China unchanged
- Summary....market supply basically unchanged and “balanced” versus demand

Issues Impacting Supply & Price

- Global Economic Situation
 - slow down in demand and/or shift in demand from food service to food retail channels
 - all participants wanting to carry less inventory
 - credit and capital limitations impacting processing costs
- Currency changes
 - impact on import/export trade flows

\$USD Direction

EUR/USD

as of 20-Apr-2009



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Issues Impacting Supply & Price

- Majority of U.S. grower contracts for 2009 were completed last summer prior to dramatic declines in commodities and raw materials
- Despite lower commodity prices, continued competition for acres from higher return crops especially those requiring less water

Issues Impacting Supply & Price

- Quality of alternative water sources could negatively impact production and quality of Westland's CA agricultural crops
- Increasing food safety, traceability, labeling, and testing requirements

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Thank you!

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