

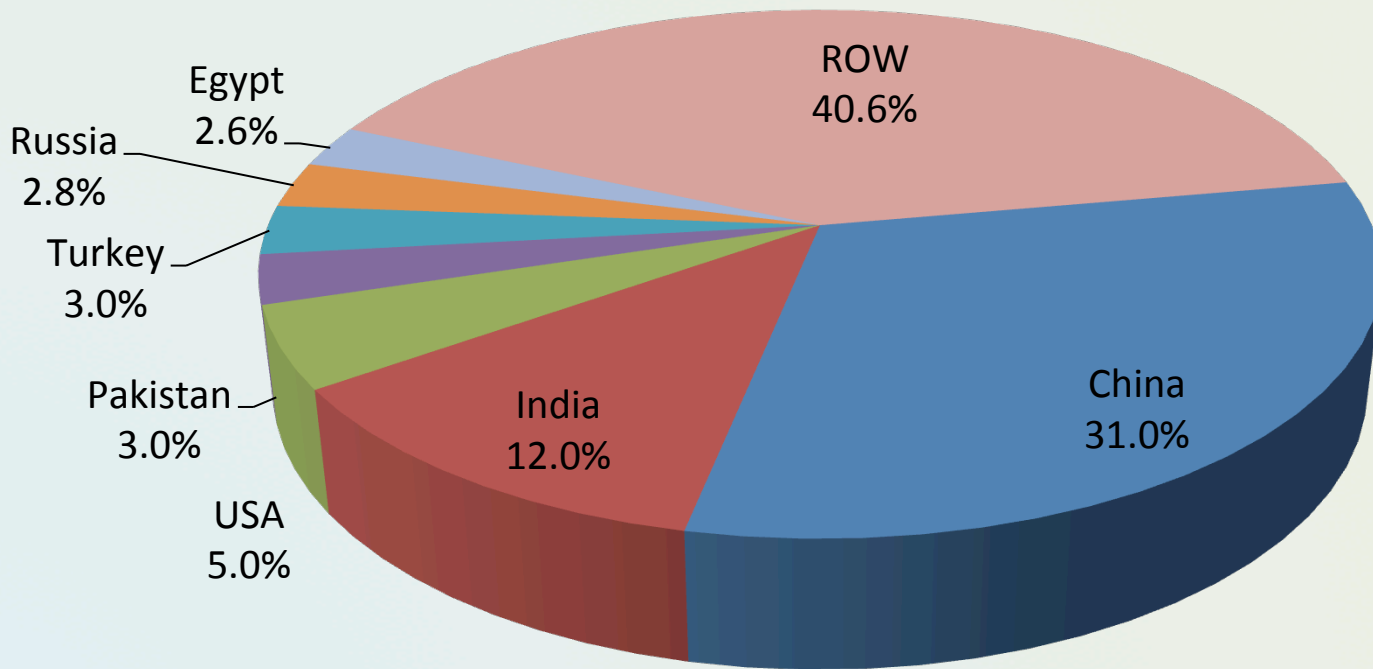


Onion Crop Report

Jim McKendry
Cascade Specialties, Inc.

Fresh Onion Worldwide

Total Worldwide Production Estimated 70m mt



All figures from United Nations Food & Agriculture Organization (FAO) & Approximated

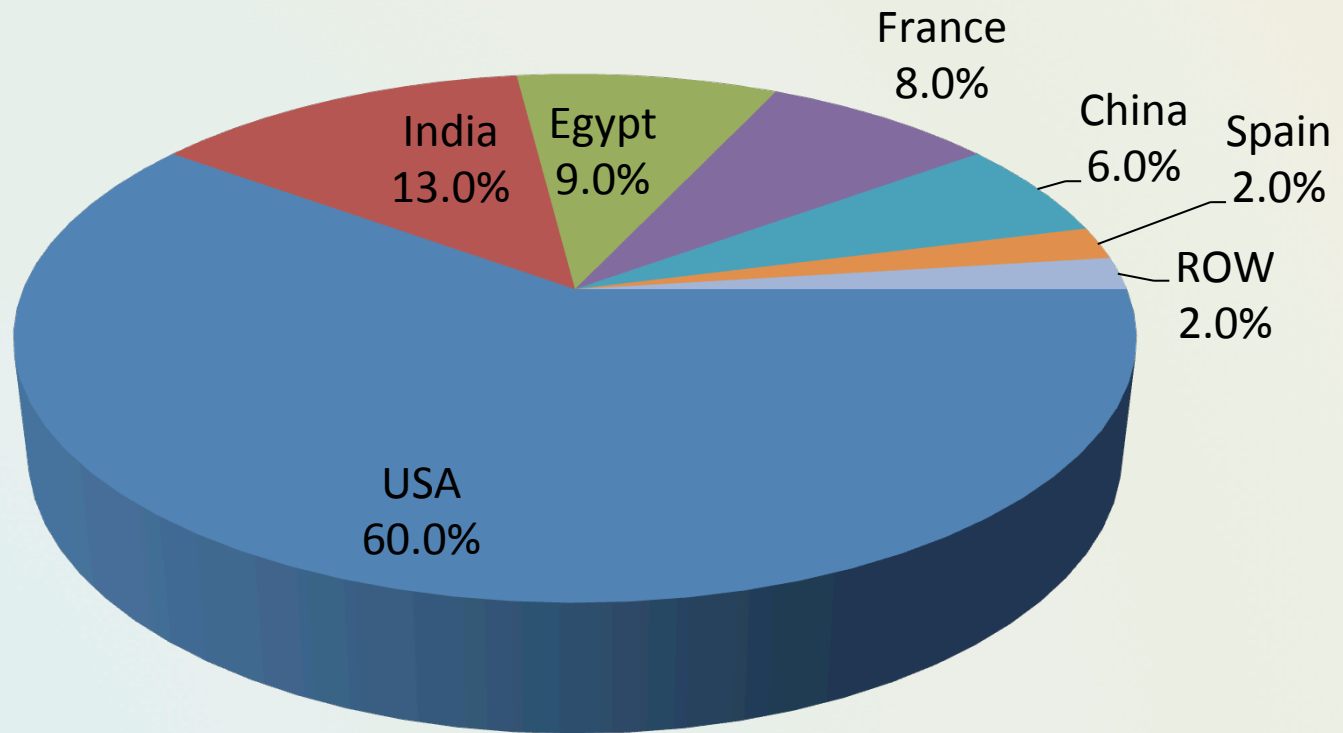
A collection of white dehydrated onions on a white background. Some are whole, showing their rounded shape and dry, papery skin. Two in the foreground are sliced horizontally, revealing the concentric rings of the onion's interior. The text "Dehydrated Onion" is centered at the top in a black, sans-serif font.

Dehydrated Onion

**Major Producers by
Market**

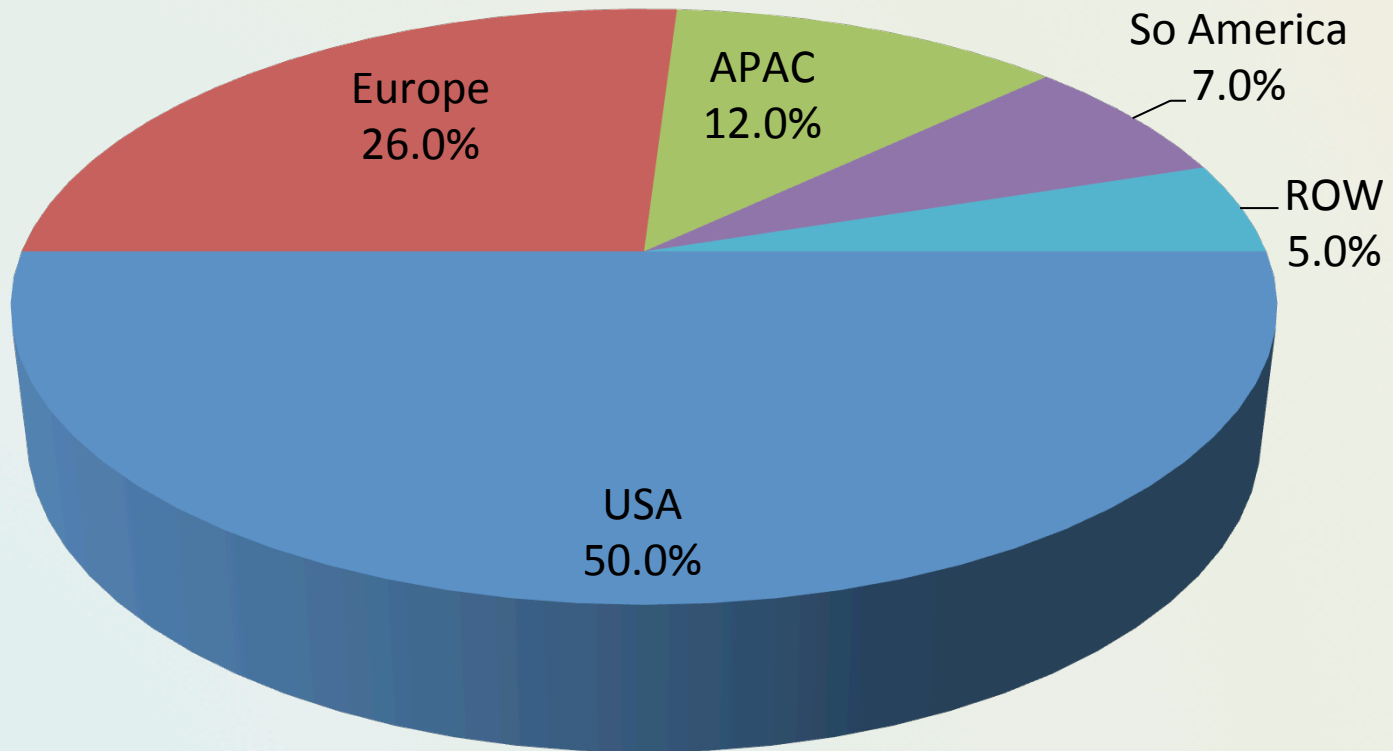
Major Producers of Dehydrated Onions

Worldwide Dehy Onion Supply



All figures Estimated

Major Markets for Dehydrated Onion Use



All figures Estimated

A collection of dehydrated onions, some whole and some sliced, arranged on a white background. The onions are light yellow and have a slightly wrinkled texture. Two onions in the foreground are sliced horizontally, revealing concentric rings. The text "Dehydrated Onion" is overlaid in the upper center.

Dehydrated Onion

**Dehydrated Onion
Production by Region**

United States of America

- 60% of dehydrated global production
- Strong food safety & traceability practices
- All Production on the West Coast
- High tariffs are barriers for other sources
- Production Season
 - California: June thru Oct
 - Oregon: Sept thru Feb
- Product Attributes
 - Low Micros
 - High Solids
 - Consistent Flavor



USA Crop & Market Position

- 2012 Crop
 - Yields slightly below expectations
 - U.S. Exports are stable
 - Grower Price Increases
- 2013 Crop
 - Crop Expectation slightly higher than 2012
 - Continued pressure from Growers to increase costs
 - Low Inventory Carryovers
 - California farmers water allocation reduced to 20%
 - Increased competition for both land & labor

India

- World's 2nd largest producer of fresh onions.
- 90% of fresh onion grown is of the red variety
- All onion for dehydration is grown in Gujarat & Maharashtra
- Onion for dehydration is mostly white variety
- Production Season
 - November thru July
- Product Attributes
 - Creamy White
 - Lower Solids



India Crop & Market Position

- 2012 Crop
 - Drought conditions led to reduced yields up to 40%
 - Volatile pricing as a result of crop shortage
 - Grower costs increased as a result of drought
- 2013 Crop
 - Ongoing drought reducing crop availability
 - Current expectations for this year will be 35 – 40 % below expectations
 - Low Inventory Carryovers
 - Crop shortage has resulted in price increases of 20 – 30%

Egypt

- Primary foreign supplier of Dehy to EU
- Large fresh onion supplier to Russia & EU
- Most dehydrators are smaller companies with limited resources
- Production Season
 - April thru August
 - December thru January
- Product Attributes
 - Yellow
 - Lower Solids
 - Natural low micros



Egypt Crop & Market Position

- Current Conditions
 - Continued political unrest has created supply chain challenges
 - Winter crop short approximately 20%
 - Volatile pricing as a result of crop shortage
 - Raw material prices are increasing
 - Summer crop looks normal

France

- Production in the Northeast of country
- Major market is EU
- Good safety & traceability practices
- Production Season
 - August thru November
- Product Attributes
 - Yellow
 - Lower Solids
 - Low micros



France Crop & Market Position

- Current Conditions
 - 2013 outlook for crop is normal
 - Continues to experience significant cost pressures

China

- Increasing presence in dehydrated onion market
- Largest producer of fresh onion worldwide
- The market leader in dehydrated garlic
- Major challenges
 - Seed stock
 - Solids
- Product Attributes
 - Yellow in local markets
 - White in export markets
 - Lower Solids



China Crop & Market Position

- Current Conditions
 - 2013 summer crop is expected to be normal
 - Strong development of domestic market
 - Ongoing cost pressures have impacted exports

Outlook for 2013

- Food Safety & Traceability Practices are a must going forward
- Global Water supplies are an increasing problem
- Political unrest in the Middle East could create supply chain issues
- Low carryover inventories will cause shortage in some fractions
- Will continue to see higher prices for competing crops
- Will continue to see growth in the snack & fast foods segments

Questions?

A collection of dehydrated onions, some whole and some sliced, arranged on a white background. The onions are light yellow and have a slightly wrinkled texture. Two onions in the foreground are sliced horizontally, revealing concentric rings. The text "Dehydrated Onion" is overlaid in the upper center, and "Thank You" is overlaid in the center.

Dehydrated Onion

Thank You