



ASTA 2007 Annual Meeting & 100th Anniversary Celebration

ASTA Crop Report

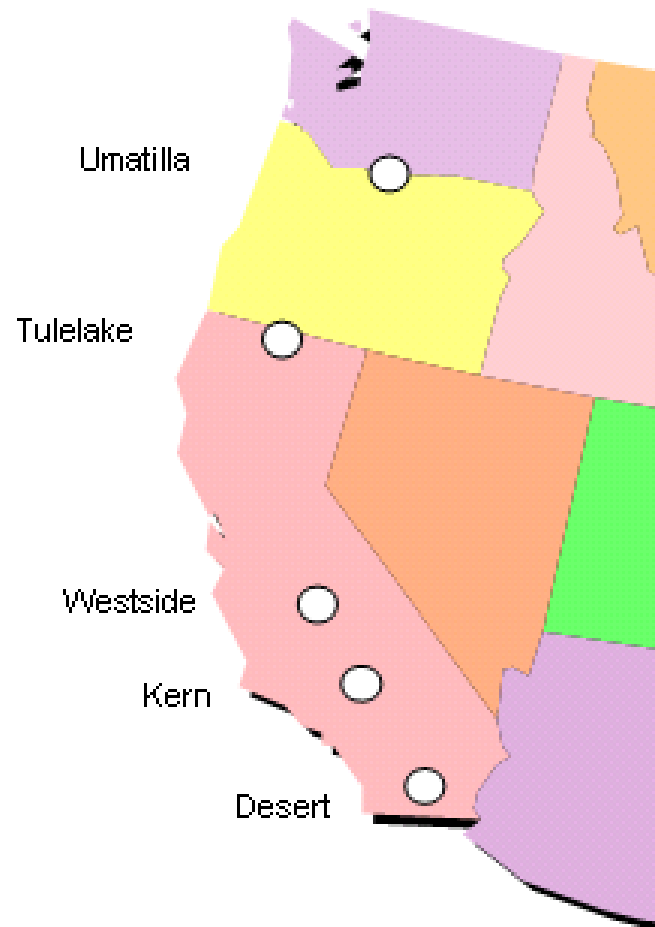
Cathy Katavich, Gilroy Foods
ConAgra Food Ingredients

April 16 – 19, 2007

Ritz-Carlton Laguna Niguel
Dana Point, California

U.S. Growing Areas

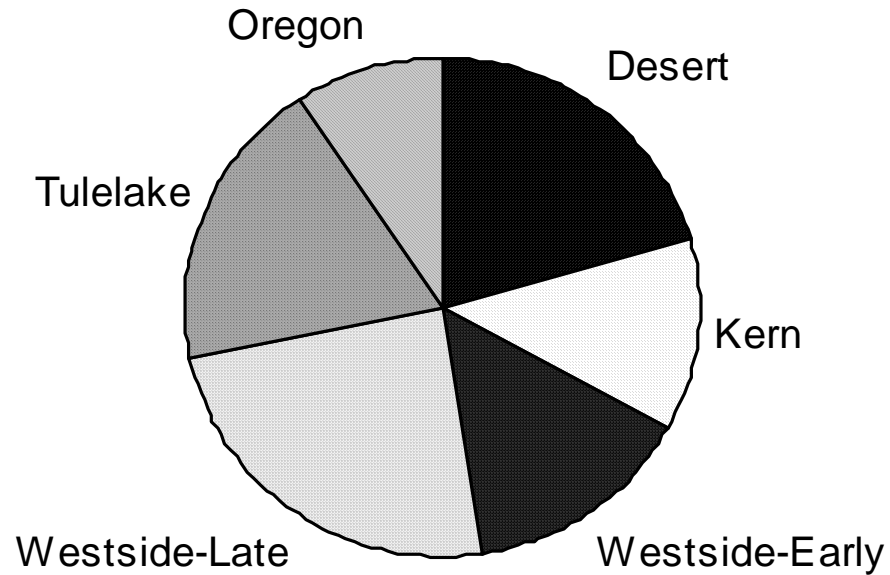
- Onions
 - Desert
 - Kern County
 - Westside
 - Umatilla
 - Tulelake
- Garlic
 - Kern County
 - Westside



U.S. Onions For Dehydration

- Production areas range from southern California “Desert” area to the Oregon Columbia River Basin
- Largest growing area is “Westside” area, the central San Joaquin Valley
- Diverse growing area, planting dates range from fall-spring, harvest dates range from late spring-late fall

U.S. Dehy Onion Growing Areas



Onion Crop Update

- 2006 Crop Growing Conditions
 - ▣ wet fall delayed plantings in some areas
 - ▣ wet cold winter extended plant dormancy, weed growth
 - ▣ wet spring disease pressure
 - ▣ summer record hot temperatures
- 2006 Crop Quality
 - ▣ “seeder” development
 - ▣ poor piece quality
 - ▣ shortage of low and extra low micro material

Onion Crop Update

- 2007 crop plantings essentially on time with some delays in northern areas
- Record cold winter temperatures in some parts of Westside, Kern County, and Desert CA growing areas
 - ▣ freeze damage to seedlings in Westside/Kern
 - ▣ reduced field stands in Westside/Kern
 - ▣ some seeder development in Desert

Issues Impacting Supply & Price

- 2007 onion crop impact from weather to date
- Reduction in U.S. planted acres
 - ▣ reduced industry capacity
 - ▣ alternative crops (e.g.; CA corn plantings up 19%)
- Onion raw material costs increasing 15% to 20%
- Pre-harvest estimate that 2007 U.S. production could be 10% to 15% less than 2006

Issues Impacting Supply & Price

- Reduced global onion production, increasing costs
 - ▣ India crop 50% less than year ago, farm price up 70%
 - ▣ reduced crops in Egypt and China
 - ▣ China production costs increasing – rising interest rates, currency appreciation, and increasing labor and energy
- Continued increased demand to meet food safety and compliance requirements

U.S. Garlic for Dehydration

- ❑ Westside area of the California San Joaquin Valley is the main growing region
- ❑ Garlic is planted as cloves, requires 2-year period to produce cloves for seed, plant, and harvest dehy garlic
- ❑ Difficult to store raw material for dehy and seed purposes

Garlic Crop Update

- 2006 U.S. crop production 25% less than 2005
 - ▣ reduced plantings, seed limitations
 - ▣ adverse weather and growing conditions
- 2006 was second consecutive year of reduced U.S. crop production, resulting in shortage of domestic material

Garlic Crop Update

- ❑ 2007 crop planted on time
- ❑ Total plantings at lowest levels since 1983
- ❑ Poor emergence and reduced stands in some fields due to record cold winter temperatures
- ❑ Overall crop is progressing well, especially with dryer spring conditions to date as compared to last year

Issues Impacting Supply & Price

- Harvest not until July, but current expectation is for better U.S. production as compared to past 2-years reduced crops
- 30% to 35% higher garlic raw material costs
 - ▣ alternative crops
 - ▣ increasing energy costs
- Expected increase in China production, but with higher cost structure and increasing domestic demand in China
- Increasing food safety and compliance requirements



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Thank you!

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