




EVALUATING CHOICES *for* PERMANENT CROPS

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STARTING POINT

-  Decision to plant an orchard has already been made
-  Physical requirements are all there: climate, water, soil
-  Decision: what to plant, what to pull

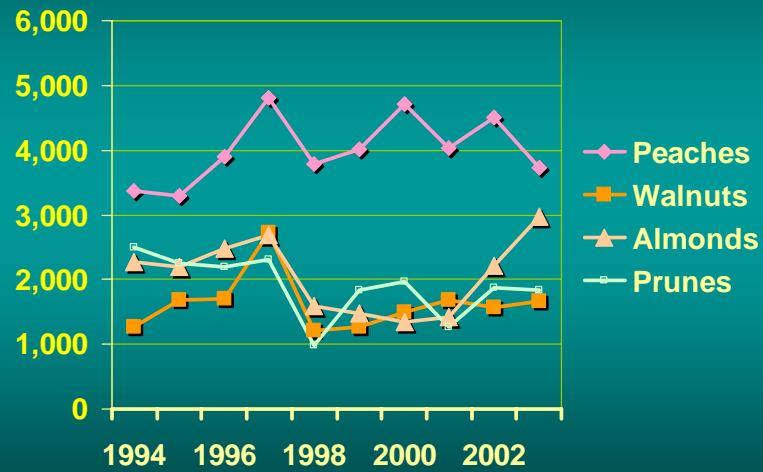
FACTORS *to* CONSIDER

- Expected Revenue
- Costs of Production
- Consumption
- Domestic & international competition
- World trade position
- Treaties, tariffs, and subsidies

FACTORS *to* CONSIDER

- Expected Revenue

EXPECTED REVENUE *per ACRE*

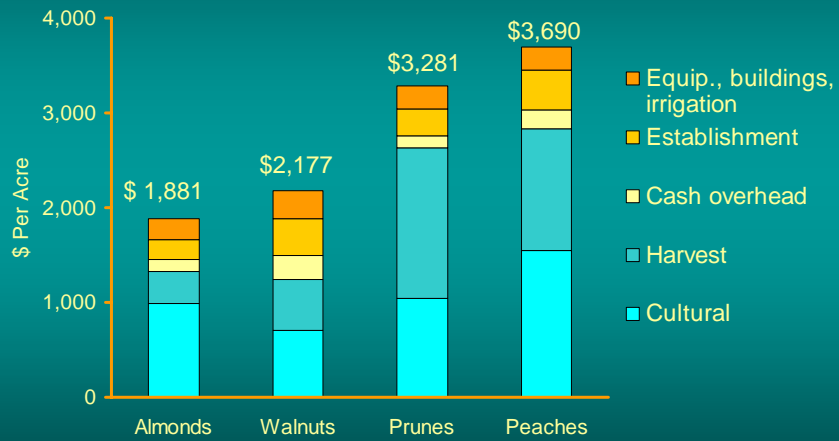


Source: CASS, California Agricultural Statistics 2003

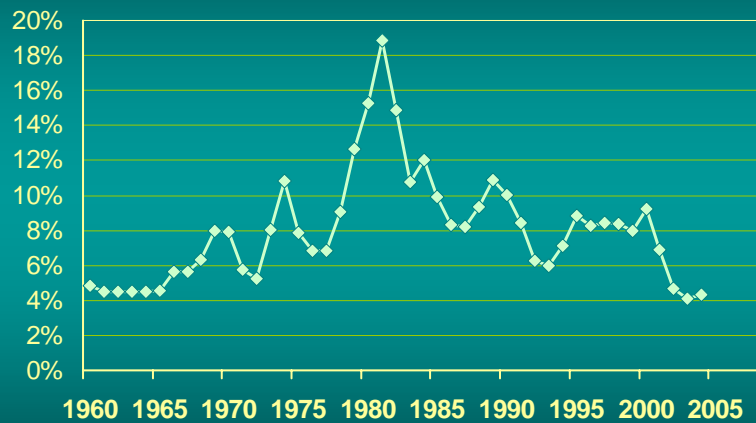
FACTORS *to* CONSIDER

- Expected Revenue
- Costs of Production

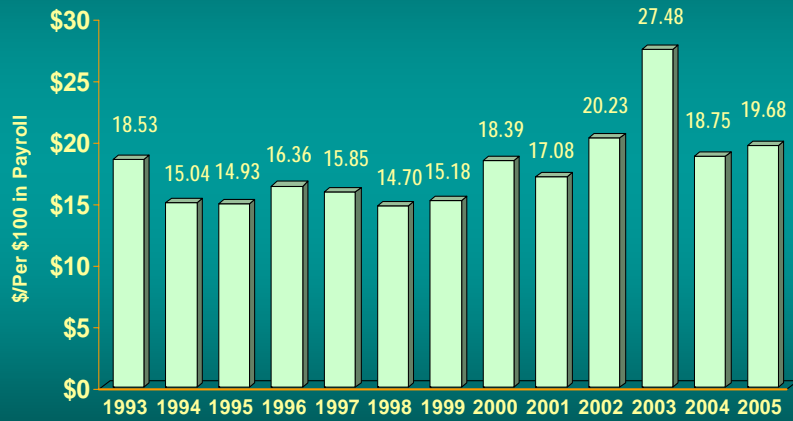
COSTS *per ACRE* to PRODUCE TREE CROPS in the SACRAMENTO VALLEY



PRIME INTEREST RATE

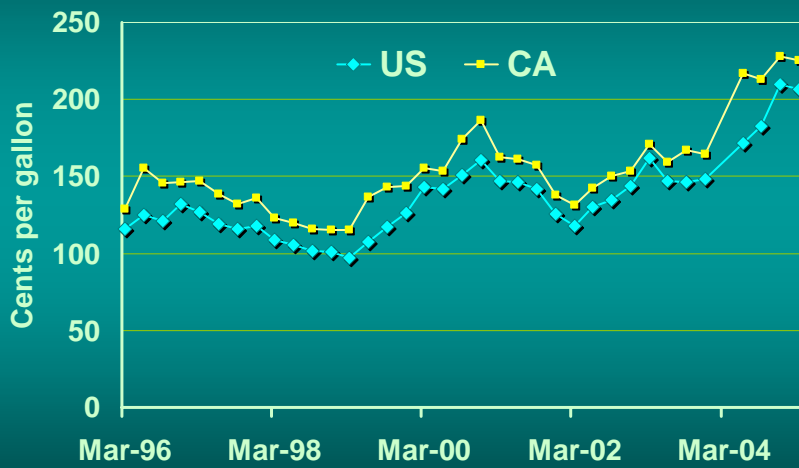


WORKERS COMPENSATION RATE FRUIT ORCHARDS



Source: State Fund Base Rate January 1

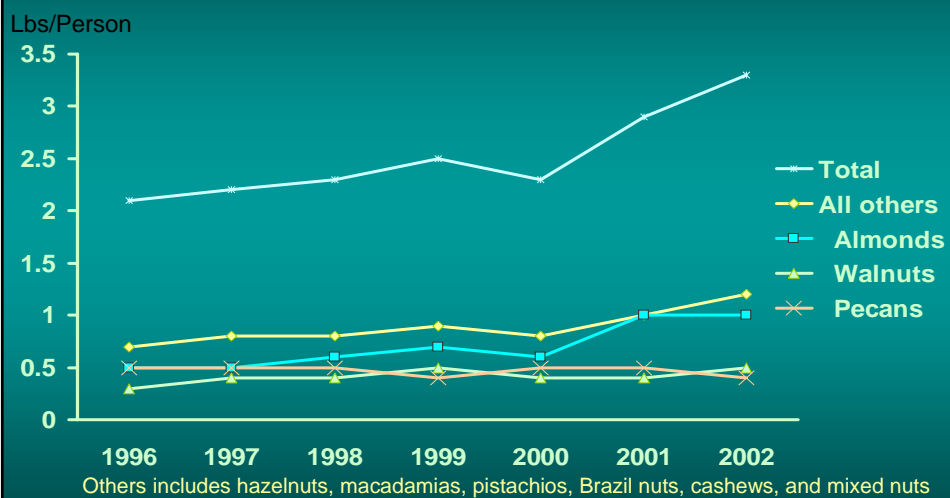
DIESEL PRICES US *and* CA



FACTORS *to* CONSIDER

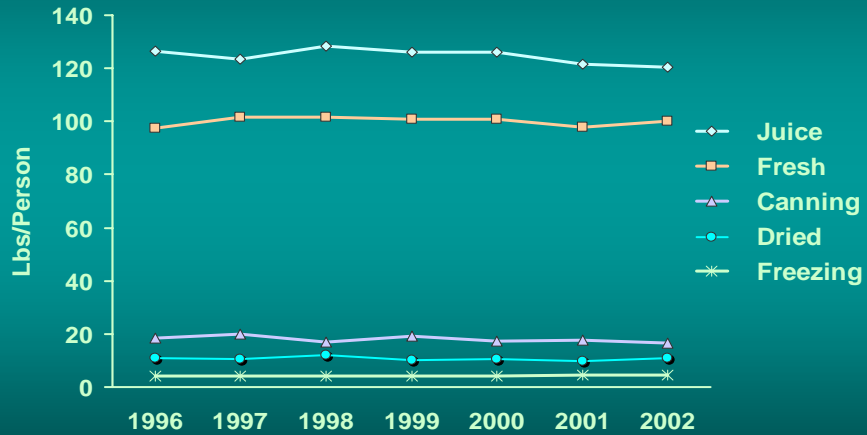
- Expected Revenue
- Costs of Production
- Consumption

US TREE NUT CONSUMPTION 1996 - 2003



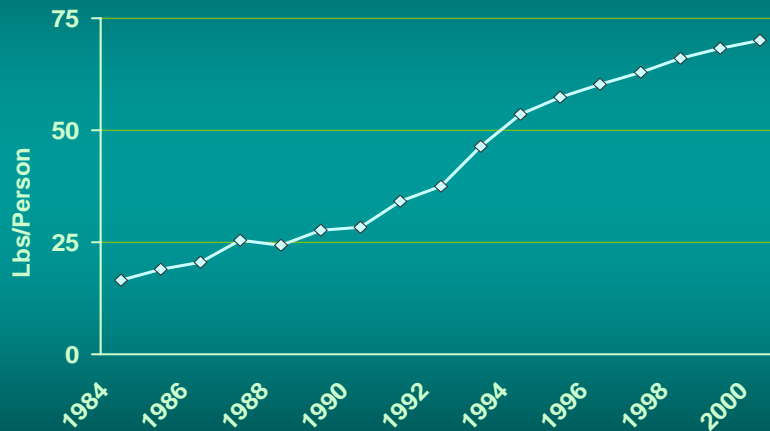
Source: USDA Fruit Situation and Outlook Yearbook, 2003

US PER CAPITA ANNUAL FRUIT CONSUMPTION



Source: USDA Fruit Situation and Outlook Yearbook, 2003

CHINA PER CAPITA ANNUAL FRUIT CONSUMPTION




Source: Hongqi Shi and Thomas Wahl. "Recent Developments in the Chinese Fruit Industry: Implications for the US Fruit Industry"

Growth in Almond Markets

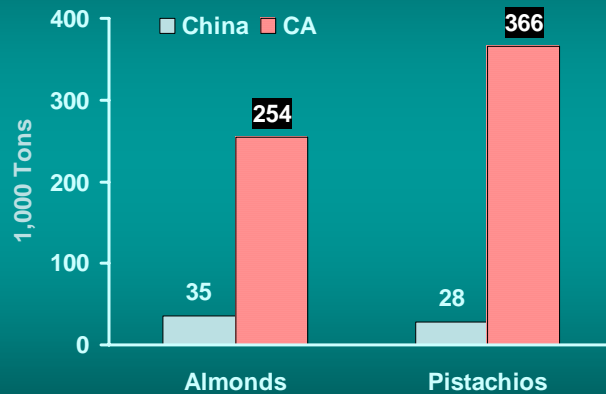
- Established markets showing strong growth
 -  U.S.A. 22% Growth
 -  Western Europe 17% Growth
 -  Japan 9% Growth
- Tremendous opportunity in emerging growth markets
 -  Russia 23% Increase
 -  India 10% Increase
 -  China 28% Increase

Source: Almond Board

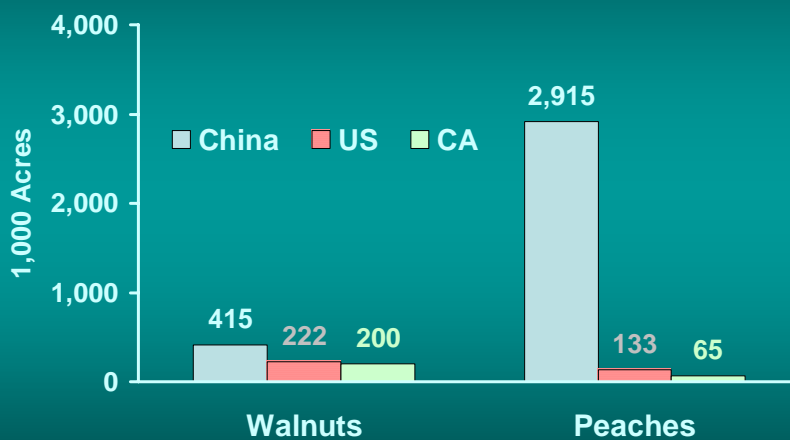
FACTORS *to* CONSIDER

-  Expected Revenue
-  Costs of Production
-  Consumption
-  Domestic & international competition

ALMOND *and* PISTACHIO PRODUCTION CHINA *and* CA, 2000



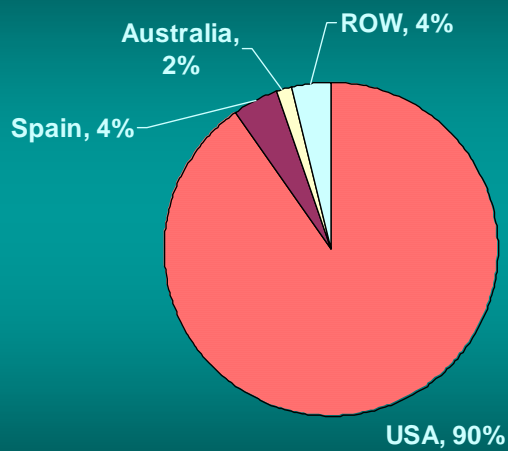
Walnut and Peach Acreage China, US, and CA - 2000



FACTORS *to* CONSIDER

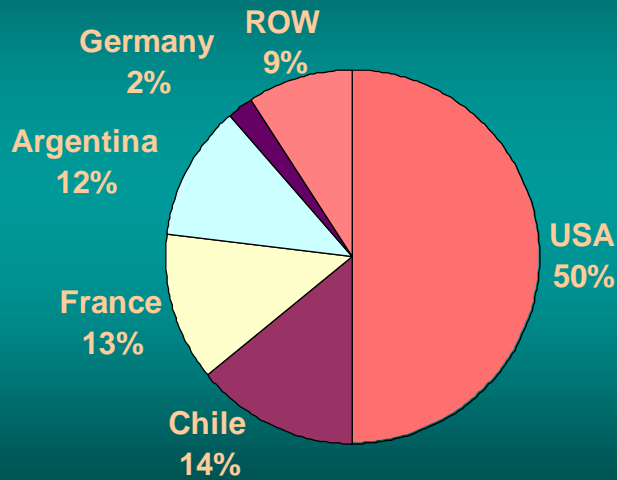
- Expected Revenue
- Costs of Production
- Consumption
- Domestic & international competition
- World trade position

Almond In-shell World Trade, 2003



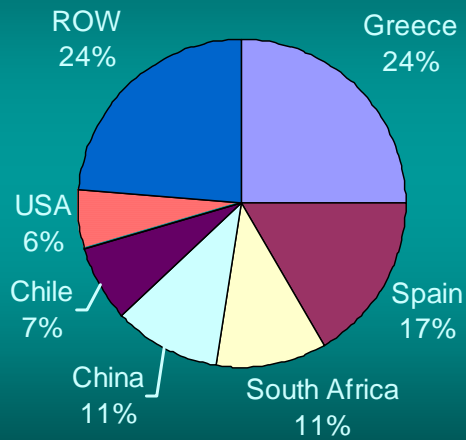
Source: UN Comtrade, <http://unstats.un.org/unsd/comtrade>

Dried Plums World Trade, 2003



Data in Trade Value U.S. \$
Source: UN Comtrade, <http://unstats.un.org/unsd/comtrade>

Canned Peaches World Trade, 2003



Data in Trade Value U.S. \$
Source: UN Comtrade, <http://unstats.un.org/unsd/comtrade>

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- Treaties, Tariffs, and subsidies

Tree Crop Tariffs *in the US*

Crop		Tariff Rates	%
Almonds	In shell	\$0.077/kg	3.18%
	Shelled	\$0.24/kg	9.9%
Walnuts	In shell	\$0.07/kg	5.88%
	Shelled	\$0.265/kg	22.26%
Dried Plums			14%
Cling Peaches			17%

Converted to % using 2002
Prices, ERS/USDA

TREE CROPS TARIFFS FACING *the* US

		China	Korea	Japan	EU
Almonds	In shell	24%	45%	2.4%	5.6%
	Shelled	10%	21%	2.4%	3.5%
Walnuts	In shell	25%	45%	10%	4%
	Shelled	20%	30%	10%	5.1%
Prunes		25%	18%	2.4%	9.6%
C. Peaches		10%	54%	6.7% - 29.8%	15.2% - 46.5%

Source: WTO