



Processing Tomato Industry Outlook 2010

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Olam Tomato Processors, Inc.



Overview

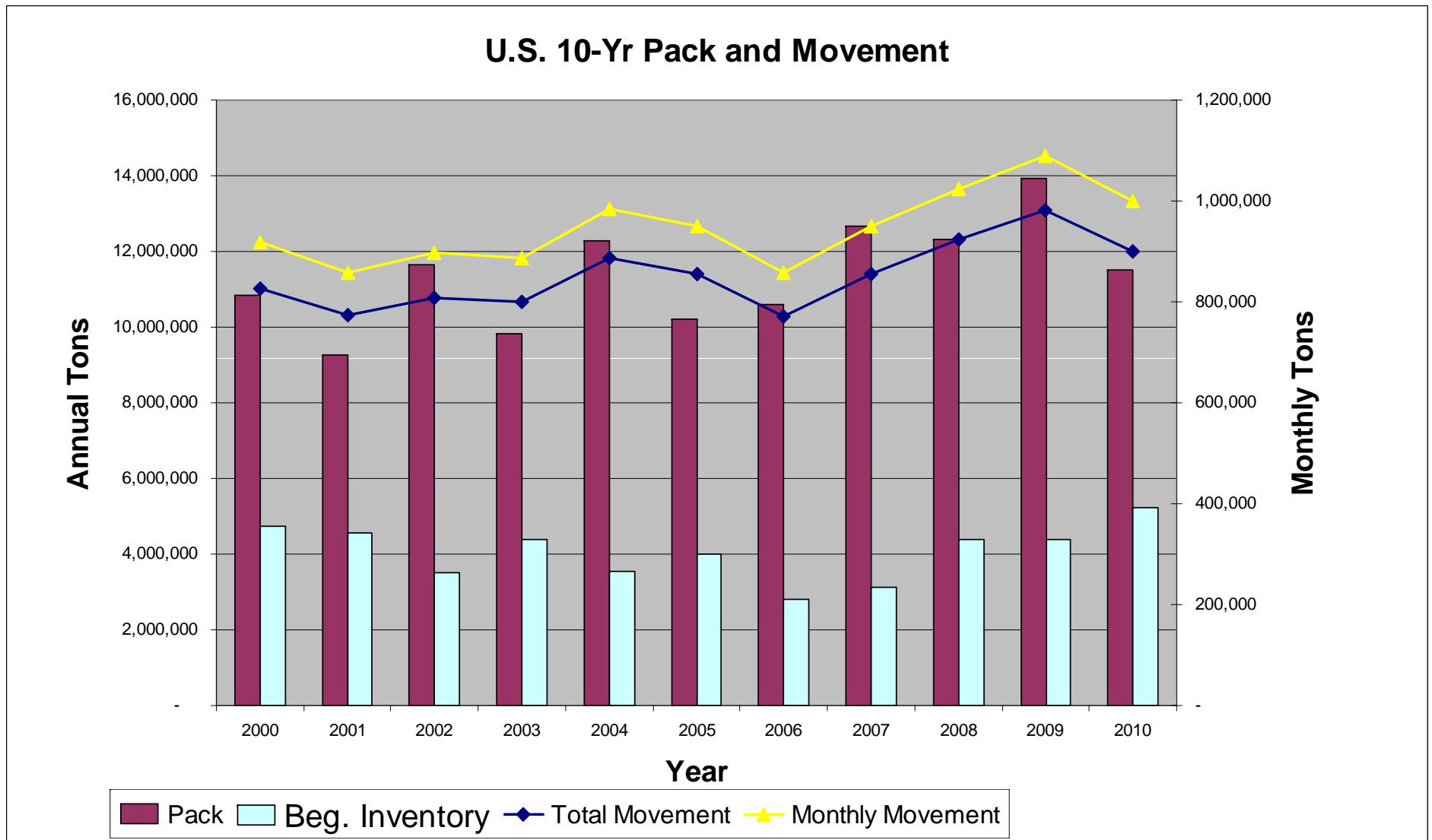
- U.S Production
- World Production and Outlook
- China
- Olam Position



U.S. Production

- Record Crop
- 13.9 MM tons produced
 - 13,313,051 California – 307,000 acres 43.3 t/a
 - 650,000 Midwest – 19,500 acres 33.3 t/a

OLAM U.S. Production – Inventory and Movement



Source: clfp.com



World Production

Growing Region	2008			2009			2010		
	Acres	sT/A	sTons	Acres	sT/A	sTons	Acres	sT/A	sTons
California	270,000	43.80	11,826,000	307,000	43.40	13,323,800	270,000	42.59	11,500,000
Italy	170,000	30.40	5,168,000	202,626	29.90	6,058,517	185,329	29.40	5,448,673
Spain	60,000	29.50	1,770,000	86,487	33.50	2,897,315	86,487	33.50	2,897,315
Ukraine	22,500	26.40	594,000	86,487	17.80	1,539,469	69,190	22.30	1,542,937
Turkey	95,000	31.30	2,973,500	66,718	28.50	1,901,463	59,305	28.10	1,666,471
Brazil	41,500	37.50	1,556,250	45,714	29.40	1,343,992	46,950	35.70	1,676,115
Tunisia	-	-	-	42,008	18.40	772,947	42,008	18.40	772,947
Portugal	-	-	-	40,772	36.60	1,492,255	40,772	36.60	1,492,255
Chile	17,000	33.00	561,000	26,564	34.80	924,427	27,182	35.70	970,397
Argentina	19,250	20.00	385,000	21,251	20.10	427,145	18,533	21.90	405,873
Midwest U.S.	18,142	28.00	507,976	19,500	33.30	649,350	18,500	32.00	592,000
Canada	-	-	-	13,558	40.20	545,032	13,300	41.40	550,620
Morocco	-	-	-	8,649	17.80	153,952	8,649	20.10	173,845
Australia	5,326	42.90	228,485	7,100	40.00	284,000	5,100	40.00	204,000
Hungary	-	-	-	3,954	29.30	115,852	3,998	30.30	121,139
Peru	-	-	-	2,100	42.40	89,040	2,471	35.70	88,215
				980,488		32,518,556	897,774		30,102,801
									-7.4% Reduction in Tonnage

Where is China?



China Overview

- 8,500,000 metric tons of raw product (9,300,000 short tons)
- 264,000 acres 32.1 mt/a (35.4 t/a)
- 41 Processors spread along Northern China
- Since 2001 report production capacity growth of 18% annually.
- Export volumes have increased 13% annually since 2001.
 - Expect 800,000 mtons of paste export. (Produced 1MM tons)
- 2009 export prices reported at \$0.53/lbs in August now down to \$.0.33/lbs in November. Cause for some concern with current growth rate.
- Anticipate expansion of exports to come from emerging markets in EU once subsidies are fully de-coupled and more of a focus on value added products become prevalent.



Market Take-aways

- World Production is about 42 MM tons. Consumption is pegged somewhere around 39 MM tons. US looks to be oversupplied. EU in better shape.
- Domestic and Export paste prices don't look to recover much over the next 18 mos.
- Looking at 2 seasons worth of correction before inventories will be back in line.
- China is #2 Processor in the world next to the U.S.
- Race to take market share in EU if things happen as expected but could be a few years to see effect.



Olam Overview

“Olam, a leading global integrated supply chain manager of agricultural and food ingredients, and in 2009 has been named a Global Top Company for Leaders by Hewitt Associates, RBL group, and Fortune.”



Olam Overview

- Began in 1989 with a small investments from sponsor in India. Importing Cashews from Nigeria into India
- Steadily grew over the next 2 decades to expand to 20 different commodities and doing business in 60 different countries.
- “Growth through adjacencies.”
- Global leaders in Cashews, peanuts, cocoa, coffee and sheanuts. Good market positions in cotton, wheat, rice, and wood products.
- Evaluate business on 3-year cycles. Maintain flexible, fast acting structure with Matrix style organization.
- “Entrepreneurial spirit”
- \$U.S. 8.6 Billion in Revenue (2009 Annual Report)



Olam Overview-Recent Acquisitions

- Universal Blanchers (Peanuts) – Georgia/Texas 2007
 - #1 Processor of raw peanuts

- Anderson Clayton/Queensland Cotton (Cotton Products) – California/Australia 2007
 - One of the worlds largest ginner and traders of cotton and cotton products.

- Key Food Ingredients (Dehydrated Garlic) – China/California 2007

- De Francesco Family Foods (Dehydrated Onion) – California 2008
 - Firebaugh Plant Purchased after closure in 2006.

- SK Foods, LP (Processing Tomato and Peppers) – California 2009
 - #2 Producer of Tomato Paste and Retail Products

- Timbercorp Limited (Almond Orchards/Processing) – Australia 2009
 - 12,000 hectares (approx. 30,000 acres)
 - Largest almond producer in Australia



Olam Overview-Tomato Market

- Purchased SK Foods LP out of bankruptcy on July 7th 2009
- Acquired both Lemoore and Williams Plants
- Market Focus:
 - Rebuild customer confidence
 - Provide quality products and exceed customer requirements.
 - Rebuild plant capacities and look for areas of expansion
- Global Focus:
 - Leverage international presence to expand export sales
 - Use multi product synergies to provide 1 stop shop for customers