

YTD Inventory / Shipment Report in Tons	
Crop Month: 8	Crop Year: 2013
Carry in from previous year	16,000
Total Crop Estimate	170,000
Opening Inventory	186,000
Domestic Consumption	26,500
Adjustment/ losses, Domestic	13,500
Export Shipments	95,200
Adjustment/ losses, Export	13,400
Total Consumption	148,600
Ending Inventory	37,400
Comments to Month 8 of Pistachio Shipping Report for 2013	
1) Export shipments for months 7 & 8 post-2013-harvest have been at record high levels, even for a year with a relatively good harvest. Usually, months 7 & 8 have the lowest shipments of the year. Month 7 coincides with the Iranian New Year, when most businesses are on holiday. At close to 20,000 tons, exports for these two months have been twice the annual average.	
2) The reasons for the abovementioned circumstances are:	
A) In the first 6 months of Crop 2013, Iranian pistachio growers offered small monthly quantities of product to the market, because the revaluating Iranian Rial had lowered farmer prices by about 20% compared to the previous year; this, in the face of domestic annual inflation in excess of 20%.	
B) Iranians started month 7, their new year (March 20, 2014), with the possibility of success in Iran- "5+1" discussions, resulting in the freeing of frozen petro-dollar assets. Pistachio growers panicked into assuming that the unfrozen petro-assets will cause further appreciation of the Iranian currency against the US dollar; and finally after months of resistance, yielded to this perceived market pressure, by selling some of their stocks at very low prices, so as to limit possible future losses. As a result, the ending inventory by the close of month 8 stands at only 37,400 tons, with 4 months remaining before the 2014 harvest.	
3) It is interesting to note that the aforesaid surge in exports coincided with the recent recession in the three major destinations of Iranian pistachio exports, namely: Far East (China), CIS (Russia) and the EU 15 (Germany). These are three regions where the dominant currencies have all depreciated against the US Dollar in recent months. These three regions' share of Iranian pistachio export shipments have fallen noticeably during months 7 & 8, with no immediate prospect for a reversal unless the situation in the Ukraine conflict subsides. The recent depreciation in the three currencies mentioned, should result in the reduction of imports of luxury food items such as pistachios, whether from Iran or the USA.	
4) It is expected that the Euro-Ruble-Yuan currency situation will adversely affect the export of better quality, expensive pistachios. This slack is being absorbed by the Arab markets, where exceptional amount of petro-dollars are being spent. In months 7 and 8 these destinations increased their share of Iranian pistachio exports dramatically.	
Note: Adjustments/Losses related to exported weight of kernels/green kernels.	

Source: Export Shipments based on IRI Customs Administration data. All other figures are IPA estimates.

Monthly and YTD Export Shipments Compared to Last 4 Years in Tons		
Crop Month: 8	Crop Year: 2013	
Crop Year	Monthly	YTD
2013	11,890	95,209
2012	4,506	104,554
2011	5,233	93,881
2010	8,974	122,795

Source: IRI Customs Administration

Monthly Market Prices FCA Hamburg Iranian Dried In-Shell 28/30 Fandoghi Pistachios		
Crop Month: 8	Crop Year: 2013	
Mean		USD per Ton
Min.		
Max.		
Last Year		
Note: The above prices are related to EU-cleared quality pistachios.		

Source: OMNITRADE / EUROFOOD GmbH

Monthly Market Prices FCA Tehran Iranian Dried In-Shell 30/32 Fandoghi Pistachios		
Crop Month: 8	Crop Year: 2013	
Mean		IRR per Kilo
Min.		
Max.		
Last Year		
Note: The above prices are based on 4 months payment terms and Iranian local market standard quality pistachios.		

Source: IPA Bi-Weekly Market Survey, Several Sources

Monthly Exchange Rate		
Crop Month: 8	Crop Year: 2013	
Mean		1 USD to IRR
Min.		
Max.		
Last Year	24,771	
Note: The above rates might be significantly less than open market rates.		

Source: Central Bank of the I.R. of Iran