

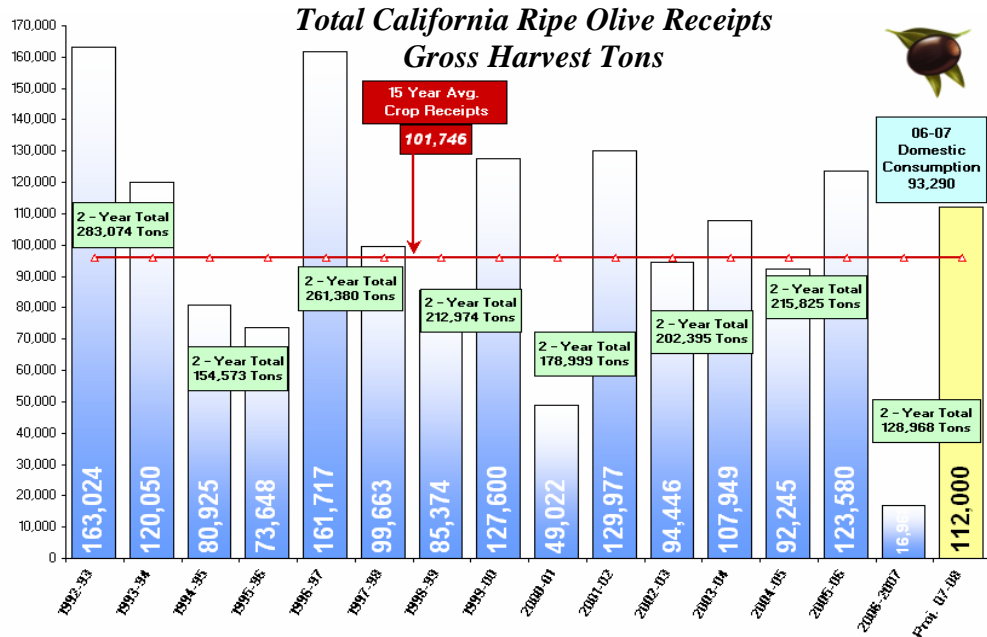
To Our Valued Business Partners:

California Olive Harvest Forecast For 2007

On July 18, 2007 the California Olive Committee met to discuss and forecast the size of the upcoming state harvest. Those in attendance included olive growers, suppliers and staff personnel.

The California olive harvest will commence in less than two months and at this point the outlook is favorable for a respectable crop. Following the second lowest state olive harvest in 2006 (16,968 tons) the estimate for 2007 has been established at 112,000 tons by the grower and supplier community.

Please note the following California olive “Receipt and Cost” tables, along with summary comments.



1. The average olive harvest over the most recent 15-year period has been 101,746 tons.
2. Domestic olive annual consumption for the August 2006 through July 2007 period was 93,290 tons.
3. The 2007 California olive harvest is estimated at 110,000 tons – 112,000 tons
4. Olives are an “alternate bearing” fruit crop, therefore the 2007 harvest will greatly assist in re-establishing supply with consumption demand over the next two years.

10 – Year Acreage / Tonnage / Grower prices

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08*
OLIVE ACREAGE	35,500	34,234	33,751	33,500	33,251	32,500	32,000	30,000	29,000	29,000
TOTAL TONNAGE INTAKE	85,374	127,600	49,022	129,977	94,446	107,949	92,245	123,580	18,968	112,000
YIELD - TONS PER ACRE	2.4	3.7	1.5	3.9	2.8	3.3	2.9	4.1	0.6	3.9
PRICES PER TON IN \$ (avg. all sizes)	591.00	440.00	692.00	659.00	593.00	423.00	560.00	554.00	860.00	TBD
PRICES PER TON IN \$ % Change	-24%	-26%	57%	-5%	-10%	-29%	32%	-1%	55%	
US MARKET CONSUMPTION TONNAGE	92,221	99,425	99,303	99,661	93,730	92,188	95,565	98,856	96,747	93,290

1. The olive yield per acre will be approximately **3.87 tons** assuming the current state forecast is realized.
2. California olive bearing acreage has been reduced by **19%** since **1998**.
3. Growers and Suppliers will **not** establish olive raw fruit pricing (by variety and size) until late August or early September 2007.

Product Supply Continuity:

The Sevillano olive variety will experience supply continuity challenges until the 2007 harvest is ready for processing next spring. (March/April 2008) This variety is required to remain in a brine solution for 7 to 9 months (following the harvest season) to insure that the fruit will not be damaged through the pitting process.

The Sevillano olive variety accounts for approximately 15% of the overall California olive harvest annually.

Pricing Outlook:

Although “Raw Fruit Pricing” has yet to be negotiated between suppliers and growers we anticipate that ripe olive selling prices in the marketplace will continue to reflect their current firm trading levels.

Other Cost Implications:

It is anticipated that freight costs will rise by 10.8% over the next twelve-month period. This increase will be primarily due to the following factors.

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|----------------------|-------|
| 1. Crude Oil | +2.1% |
| 2. Diesel Fuel | +1.4% |
| 3. Rail Freight | +5.3% |
| 4. Truckload Freight | +5.6% |
| 5. LTL Freight | +4.2% |

Based upon this information Bell-Carter will review freight costs and adjust market quotations in January 2008 should freight adjustments be appropriate at that time.

Summary:

Once the 2007 California olive harvest is completed we will update this initial communications to our customers accordingly.

Thank you for your continued support of Bell-Carter and our California ripe olive quality products.

Sincerely,

Bell-Carter Foods