
Wonderful®
ALMONDS
Almond Industry Update
As of 10-15-2021

CY 2021 Year to Date Demand Highlights

as of 10/15/21 - 2nd month of the Crop Year

		Shipments		Committed
		September	Crop to Date	Not Shipped
Overall:	CY'21	228	435	721
	CY'20	261	454	1,093
	Increase: In %	-12.8%	-4.2%	-34.0%
	In millions/lbs.	(33.3)	(19.0)	(372)
Domestic	CY'21	64	131	304
	CY'20	64	130	426
	Increase: In %	0.8%	0.9%	-28.6%
	In millions/lbs.	0.5	1.2	(122)
Export	CY'21	164	304	417
	CY'20	197	325	667
	Increase: In %	-17.2%	-6.2%	-37.5%
	In millions/lbs.	(33.9)	(20.2)	(250)

Total CY YTD Sales		Domestic	Export	Total
	CY'21	435	721	1,156
(Includes Shipments	CY'20	556	991	1,547
& Commitments not	Increase: In %	-21.8%	-27.3%	-25.3%
Shipped).	In millions/lbs.	(121)	(270)	(391)

CY 2021 Year to Date Demand Highlights - continued

as of 10/15/21 - 2nd month of the Crop Year

California Industry Historical Supply and % Sold by End of September

Crop Year	Committed & Shipped by End of September	Total Saleable Supply		Total Target/Actual Crop Year Shipments		Total Net Edible Crop (= Gross less Inedible)	
		Pounds	% Sold	Pounds	% Sold	Pounds	% Sold
CY 21	1,156	3,352	34%	2,852	41%	2,744	42%
CY 20	1,547	3,506	44%	2,898	53%	3,048	51%
CY 19	1,008	2,822	36%	2,372	43%	2,504	40%
CY 18	880	2,582	34%	2,264	39%	2,222	40%
CY 17	1,081	2,611	41%	2,252	48%	2,212	49%
Avg CY17 - CY20:			39%		46%		45%

On Pace = +/- 3% of prior 4 year average

CY'21 Outlook Carry-out = 500 million

= Ahead of Pace

= on Pace

= off Pace

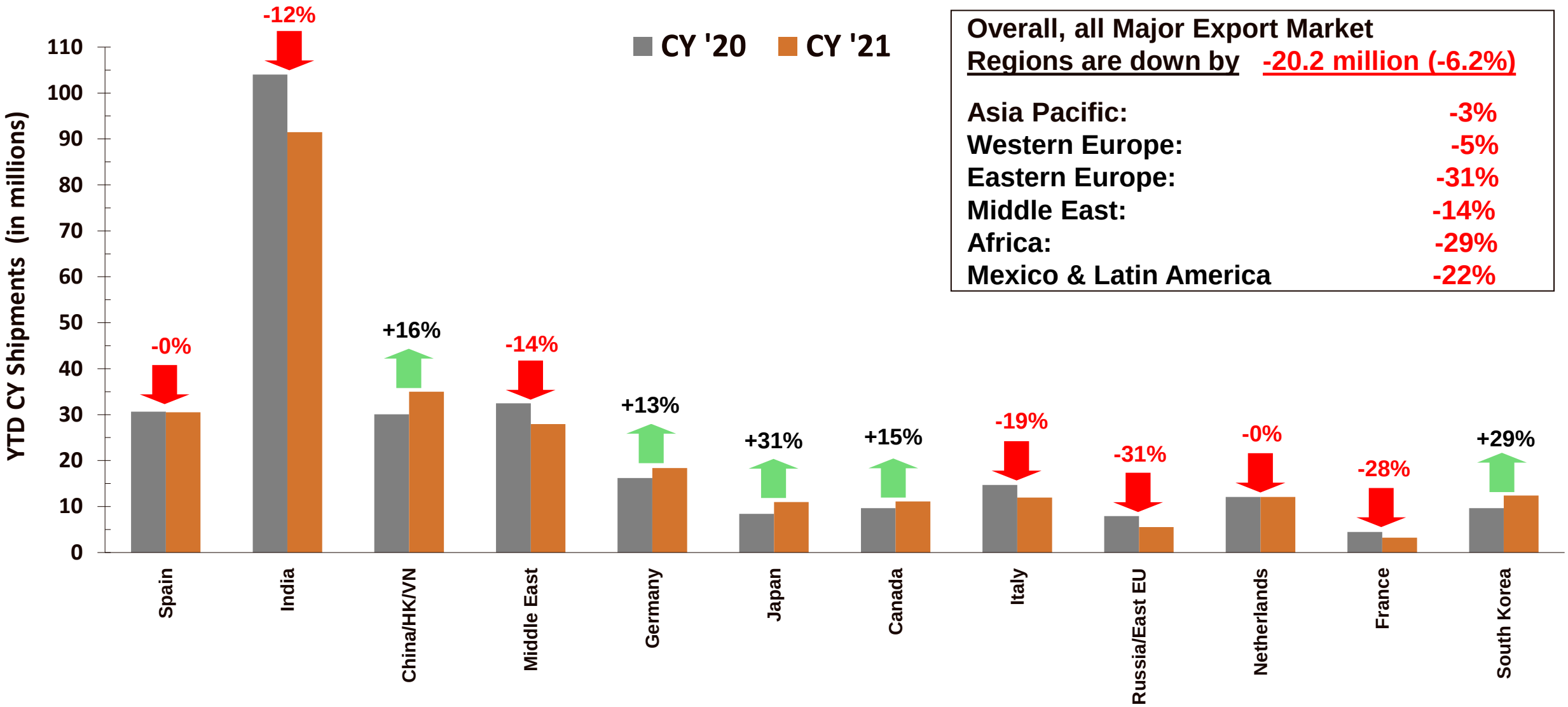
CY 2021 Year to Date Demand Highlights - continued

as of 10/15/21 – 2nd month of the Crop Year

		In M/lbs.
Total Saleable Supply:		
Full Year 2021 Outlook:	as of 10/12/21	3,352
Full Year 2020 Actual:		3,506
Increase/(Decrease) in Saleable Supply:		(154)
Target Shipment Increase in CY'21 vs. CY'20:		(46)

Balance to Ship for the Remainder of the Year		
Target Shipments: Oct '21 - Jul '22:	Total:	2,417
	Per Month:	242
Actual Shipments: Oct '20 - Jul '21:	Total:	2,444
	Per Month:	244
Difference: CY'21 vs. CY'20	Total:	(27)
Balance of the Year Shipments:	Per Month:	(3)
Variance in %:		-1.1%

California Almond Export Shipment Demand Comparison
CY'20 vs. CY'21 – as of 10/15/21 – 2nd month of the Crop Year

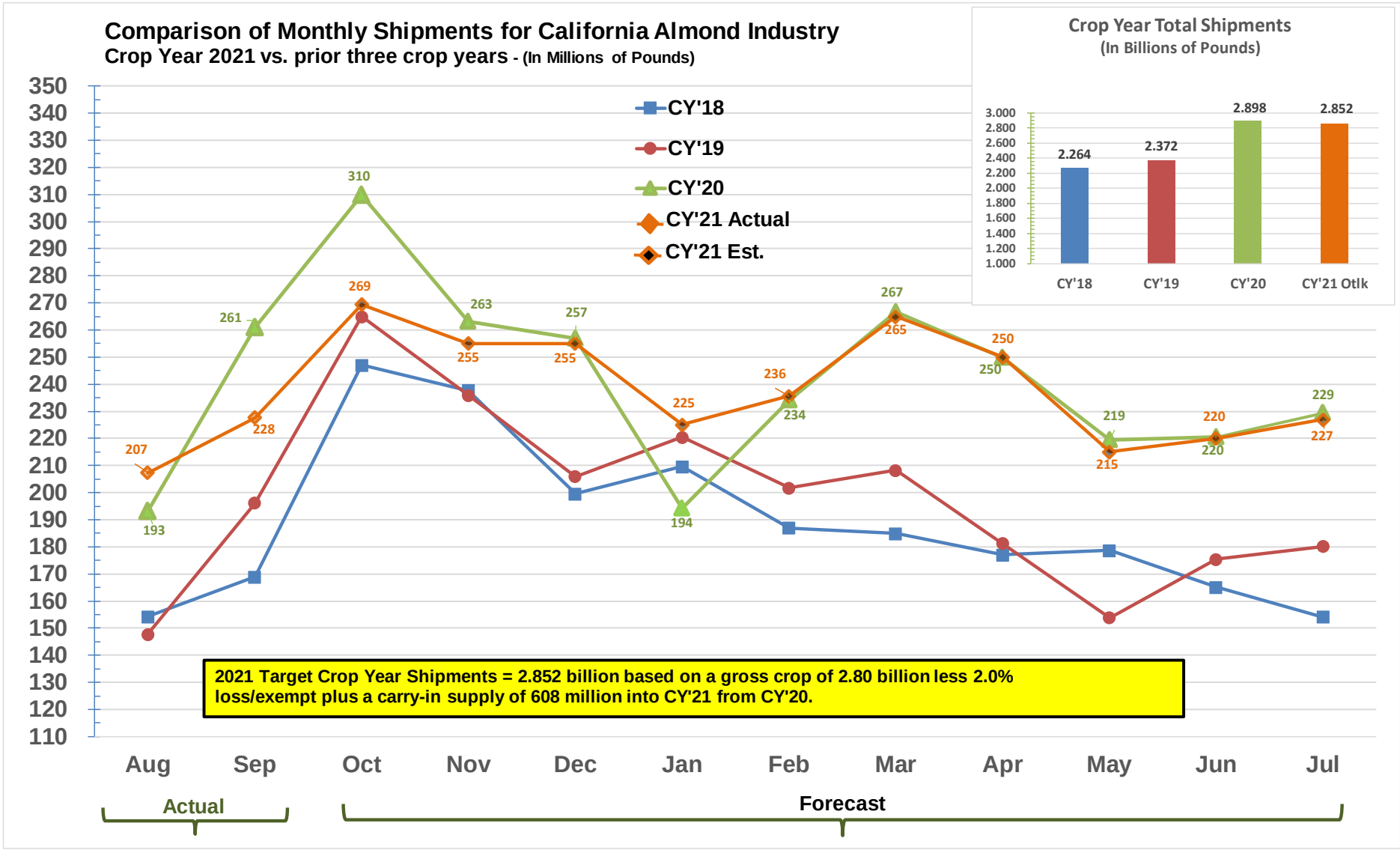


Overall, all Major Export Market Regions are down by -20.2 million (-6.2%)

Asia Pacific:	-3%
Western Europe:	-5%
Eastern Europe:	-31%
Middle East:	-14%
Africa:	-29%
Mexico & Latin America	-22%

Source: ABC Monthly Position Report September 2021

California Almond Industry Monthly Shipments
CY'21 Outlook vs. Prior three Crop Years



CY'21 - August 2021 ABC Position Report Summary & Market Status as of 10/15/21

- September 2021 shipments of 228 million were down by -33.3 million pounds (-12.8%) vs. last years all-time record level of 261 million pounds. The Total Committed and Shipped figure as of the end of September 2021 of 1.156 billion is down by -391 million pounds (-25.3%) vs. the end of September 2020. The Industry's overall sold percentage at the end of September is 34% of the total estimated supply and 42% sold to the estimated 2.744 billion pounds of net crop receipts (2.8 billion pounds gross less 2.0% loss & exempt). CY'21 Commitments not yet shipped of 721 million are -372 million lower (-34.0%) than seen at the end of September 2020.
- **Domestic Shipments** - September shipments of 64 million were up +0.5 million pounds (+0.8%) vs. last year. Total Committed and Shipped volume at the end of September of 721 million represents a 121-million-pound decrease vs. last year (-21.8%).
- **Export Shipments** - September shipments of 164 million were down -33.9 million pounds (-17.2%) vs. last years all-time record of 197 million pounds. Total Committed and Shipped volume at the end of September of 721 million represents a 270-million-pound decrease vs. last year (-27.3%).
- **New Sales -** New Sales for the month of September were 232 million pounds (-66 million pounds or down -22.1% vs. last year.
- **General Market Activity –** Due to the expected smaller crop and the severity of drought conditions along with a critical water supply situation in California, we have seen a very different selling pattern at the beginning of this 2021 crop year vs. last year when conditions were much better and a large increase in crop size was expected. Up until October 1st, sellers have been very cautious on how much and how far out they will offer volume until both the size and the quality of this 2021 crop could be better understood. Now that the majority of the crop has been harvested, sellers have been more eager to sell now that they understand what they have to offer. But in typical historical fashion, too many sellers trying to sell at the same time along with cautious buyers who are reasonably covered through December has led to short-term price erosion. We have seen this pattern this time of year many times in the past and it will take several months for those who are undersold today to get caught up to a comfortable sold position prior to the normally quite holiday demand period. However, with drought conditions firmly in place with no assurances of the wet winter that is really needed at this point, we expect prices will eventually move higher in the back half of the 2021/22 crop year.

2021 Crop Outlook – as of 10/15/21

As of this writing, Nonpareil harvest has been complete in all areas for about 3 weeks and the harvest activity in most areas for pollinator type almonds is somewhere between 60% -100% complete depending on the region..

The harvest yield results on Nonpareil are as follows:

Southern Region: Down -13% to -15% overall. The orchards located on the Western side of the valley are down significantly with small nut size (about -4 nuts per ounce smaller than last year). The eastern side of the Southern Region is doing much better with yield averages flat to down -5% on average. Nut size in these orchards are also smaller than last year (about -2 nuts ounce smaller than last year).

Central Region: Down -12% to -20% depending on the area of the region (West vs. East). Nut size in this region was smaller last year (25/27 average) than normal and the nuts this season are even smaller (closer to 28-30 count).

Northern Region: Down -20% to -30% depending on the area of the region (West vs. East). Nut size in this region was smaller last year (25/27 average) than normal and the nuts this season are similar in size to slightly smaller (closer to 26-28 count).

The NASS Objective Estimate said the 2021 Nonpareil crop would be down -15% vs. the 2020 crop (less by -200 million pounds). The final yield data we have gathered from all regions continues to support that estimate.

<<<<Continued on the next page>>>>

2021 Crop Outlook – as of 10/15/21 - continued

The harvest yield results so far on Pollinators are as follows:

Independence: - As expected based on the tree age for the bulk of the acreage as well as visual observations on nut set prior to harvest, the Independence variety is consistently up in all regions (+20% to +40% up depending on the tree age). Last year this variety totaled 241 million pounds. However, like the Nonpareil, the nut size of the 2021 Independence is down sharply from last year by 2 to 4 nuts per ounce.

Wood colony: Down -18% to -22% consistently across all growing regions. This variety represented 135 million of the crop year 2020 volume. Thus, the lower yields in this variety will off-set the gain seen in the Independence by about -30 million pounds. Like all other varieties, the nut size of the Wood colony is much smaller than last year by 3 to 4 nuts per ounce.

Butte/Padre and Monterey which made up about 27% of the 2020 crop receipts will dictate the final size of the 2021 crop. We still have incomplete yield reporting on these varieties (especially from the east-central region) but from what we have heard from others and seen in our own crop; these varieties are performing about the same regionally as the Nonpareil. The Northern Region seems to be down on these varieties in similar percentages as their Nonpareil, but in the Southern Region we are seeing the Westside Orchards down around -15% for Monterey but up +8% to +20% in orchards on the eastern side of Kern County. Butte/Padre data has been limited so those varieties are more wait and see from our viewpoint.

Most other minor pollinator varieties are down from what we have seen in our own orchards as well as what we have heard from other growers throughout the state (Fritz, Price, Aldrich, Sonora, and Carmel, etc.).

So as of now, the data we have seems to continue to support something close to the NASS Estimate of 2.8 billion +/- 3%. It won't be until the February 2022 ABC position report is released in March 2022 that we will know the final size of this 2021 Almond crop (within 1% to 2%).

2021 Crop Outlook – as of 10/15/21 - continued

Crop Quality

The quality of 2021 almond crop is highly variable by region and grower. For growers in the western-side of the Southern Growing Region, NOW damage is significantly higher than seen in the 2020 crop (similar to 2017 crop year levels). For other areas in the state, it just depends on the grower in terms of percentage of NOW damage. However, in the Central and Northern Growing regions, levels of black spot damage caused by stink bugs and leaf-footed bugs are consistently higher than seen in previous years. So overall, we expect a downgrade in crop receipt quality and higher processing losses due to inedible vs. the past few years but it does not appear to be as bad as seen in crop year 2017.

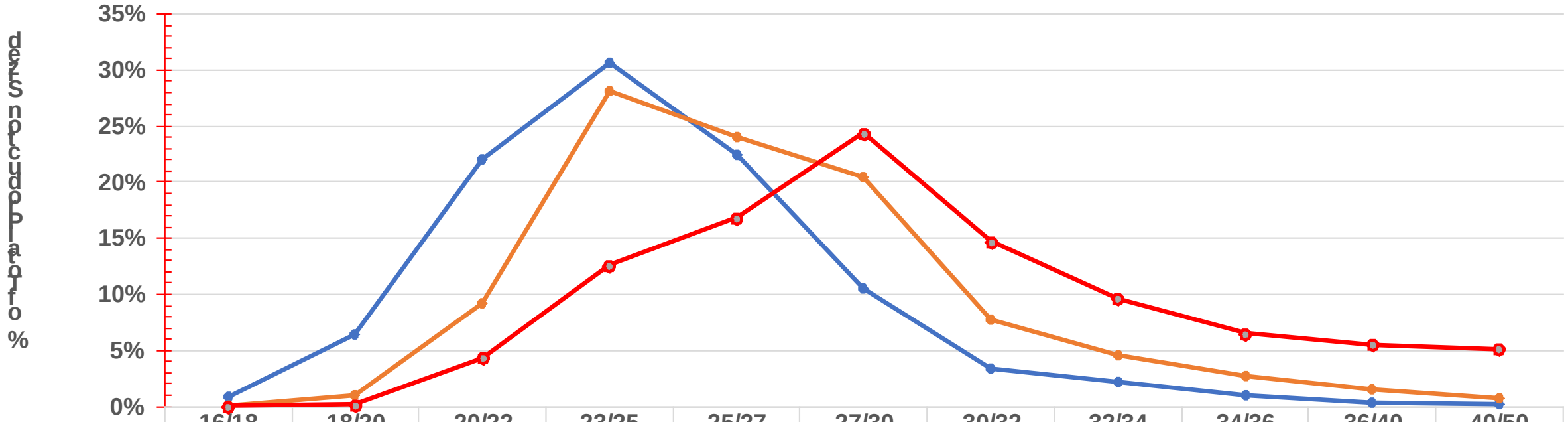
Nut Sizing

As we mentioned in last months report, the nut sizing on incoming Nonpareil and Independence varieties are running very small (the smallest size distribution on record including the 2013-2015 drought years). Now that we are further into the harvest of pollinators, we can now see that no variety was immune to the impact of this “Extreme Drought” and overall hot Spring/Summer temperatures seen in the California almond growing regions.

As you will see on the following pages (based on YTD sizing data from 4 large California handlers), nut sizes 27/30 or larger will be in short supply vs. one year ago for both Nonpareil & Monterey. Looking at nuts sizing 25/27 or larger, the available supply vs. one year ago is down drastically. Buyers who seek larger ounce counts will find them very short in supply and demanding a higher-than-normal price premium vs. 30/32 and smaller nut sizes.

The sizing data we have gathered on Butte/Padre is also interesting in that sizes 36/40 and smaller make up 63% of the volume vs. only 32% of the volume last year. Although sizes 27/30 or larger in these varieties are historically low, this year’s volume of 27/30 or larger Butte/Padre is -61% less than last year based on the sizing data gathered from several processors.

California Industry Nonpareil Almond Nut Size Distribution Crop Year 2019 - 2021 YTD



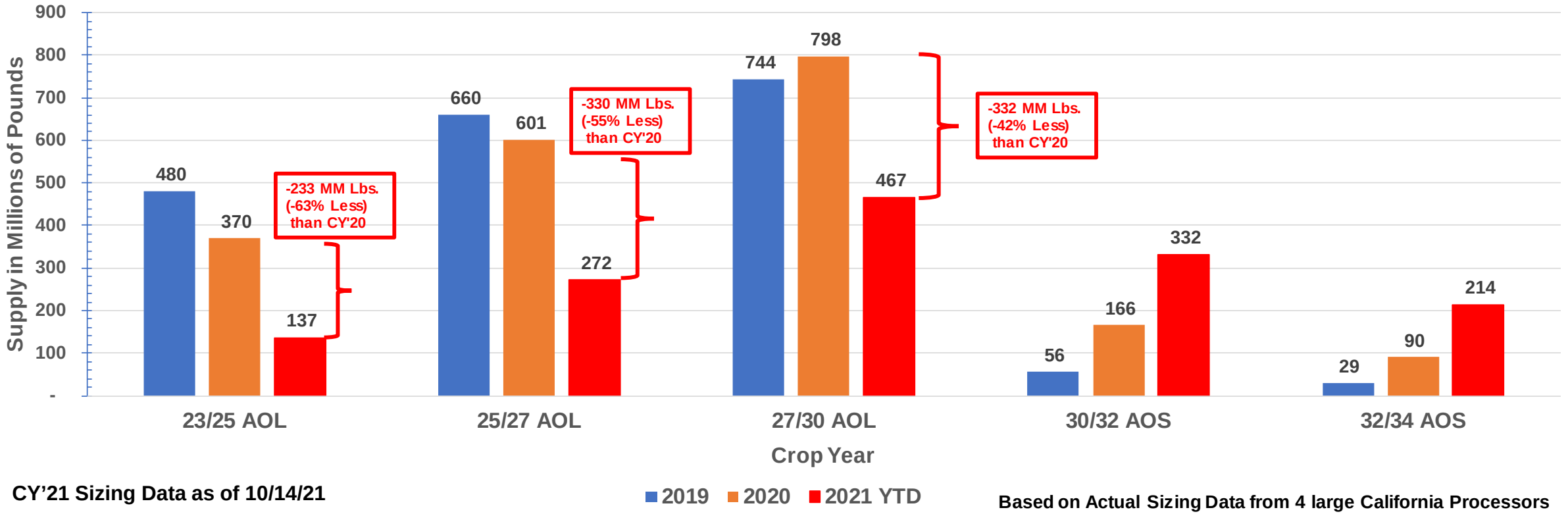
	16/18	18/20	20/22	23/25	25/27	27/30	30/32	32/34	34/36	36/40	40/50
2019	1%	6%	22%	31%	22%	11%	3%	2%	1%	0%	0%
2020	0%	1%	9%	28%	24%	20%	8%	5%	3%	1%	1%
2021 YTD	0%	0%	4%	13%	17%	24%	15%	10%	7%	6%	5%

Average Ounce Count

Based on Actual Sizing Data from 4 large California Processors

CY'21 Sizing Data as of 10/14/21

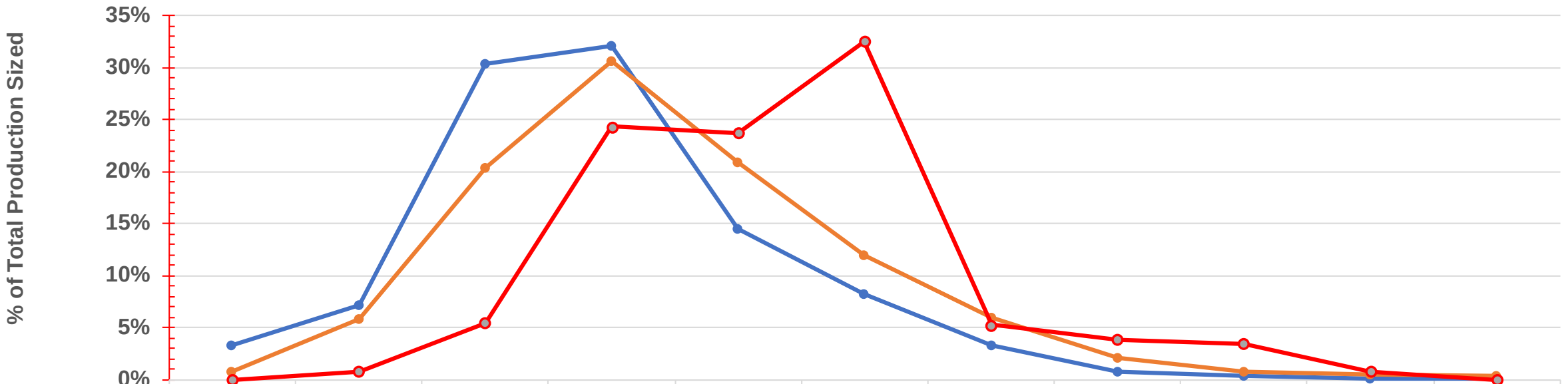
Estimated California Supply of Nonpareil by Size Range by Crop Year



CY'21 Sizing Data as of 10/14/21

Based on Actual Sizing Data from 4 large California Processors

California Industry Monterey Almond Nut Size Distribution Crop Year 2019 - 2021 YTD



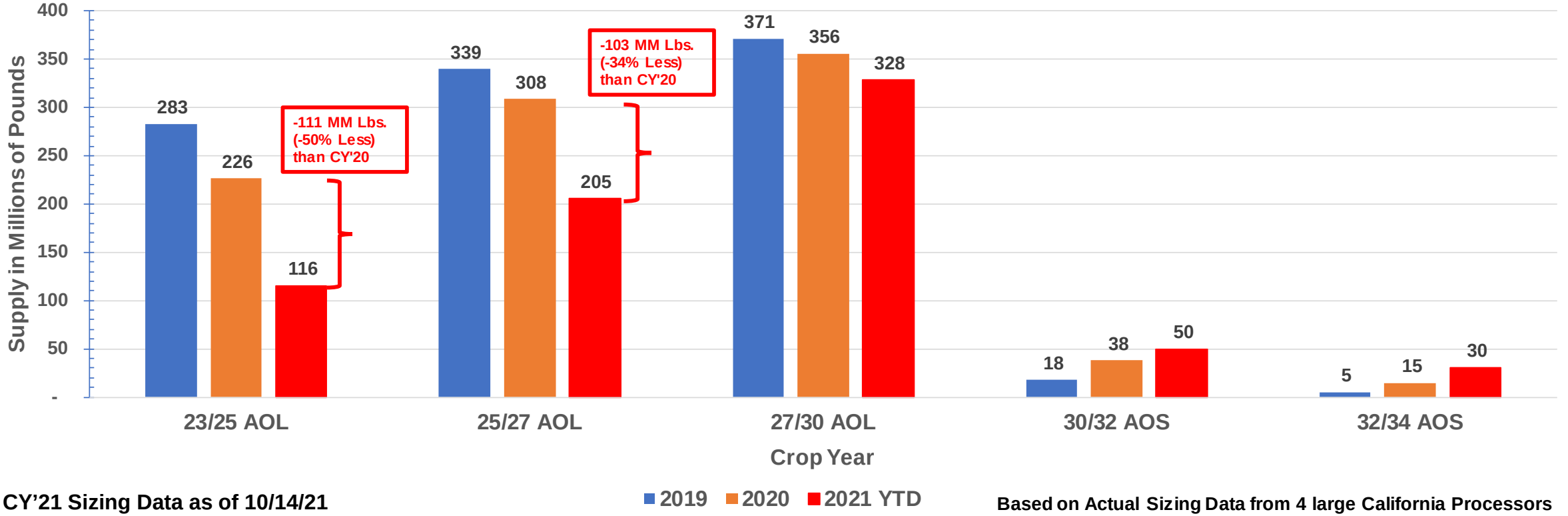
	16/18	18/20	20/22	23/25	25/27	27/30	30/32	32/34	34/36	36/40	40/50
2019	3%	7%	30%	32%	15%	8%	3%	1%	0%	0%	0%
2020	1%	6%	20%	31%	21%	12%	6%	2%	1%	1%	0%
2021 YTD	0%	1%	5%	24%	24%	33%	5%	4%	3%	1%	0%

Average Ounce Count

Based on Actual Sizing Data from 4 large California Processors

CY'21 Sizing Data as of 10/14/21

Estimated California Supply of Monterey by Size Range by Crop Year



CY'21 Sizing Data as of 10/14/21

Based on Actual Sizing Data from 4 large California Processors

California Almond Industry - Historical Supply & Demand with 2021 Outlook Scenarios - updated 10/15/2021

		Crop Year Finals - (Supply & Demand in millions of pounds)											Crop Year 2021 Possible Scenarios				2022 Estimate
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Low Trend 2.70 B	10/15 Trend 2.75 B	Objective 2.80 B	High Trend 2.85 B	2.80 B
Bearing Acres: (Land IQ Da	In 000's	810	853	885	911	936	970	982	1,035	1,088	1,181	1,242	1,300	1,300	1,330	1,330	1,360
Yield: Lbs. per Bearing Acre:		2,010	2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,504	2,077	2,115	2,105	2,143	2,059
Change vs. Prior Yr:	In %:	7.2%	17.8%	-10.1%	3.6%	-9.5%	-2.1%	11.4%	0.4%	-4.5%	3.6%	15.9%	-17.1%	-15.5%	-15.9%	-14.4%	-2.2%
	In Lbs./Acre	135	358	(238)	76	(210)	(43)	222	9	(99)	74	344	(427)	(389)	(399)	(361)	(46)
Supply																	
Carry-in Supply		321	254	335	317	350	376	412	398	357	315	450	608	608	608	608	500
New Crop		1,628	2,020	1,885	2,010	1,868	1,894	2,136	2,261	2,270	2,551	3,110	2,700	2,750	2,800	2,850	2,800
Less: Exempt		28	40	37	39	29	47	49	51	48	44	53	54	55	56	57	56
Net New Crop:		1,600	1,980	1,848	1,971	1,839	1,847	2,087	2,210	2,222	2,508	3,057	2,646	2,695	2,744	2,793	2,744
Total Supply		1,921	2,233	2,183	2,287	2,189	2,223	2,499	2,609	2,579	2,822	3,506	3,254	3,303	3,352	3,401	3,244
Change vs. Prior Yr:	In %:	7.2%	16.2%	-2.3%	4.8%	-4.3%	1.6%	12.4%	4.4%	-1.1%	9.5%	24.2%	-7.2%	-5.8%	-4.4%	-3.0%	-3.2%
	In Lbs.:	129	312	(51)	105	(99)	35	276	110	(30)	244	684	(252)	(203)	(154)	(105)	(108)
Demand																	
Total Shipments:	In M/Lbs.:	1,668	1,899	1,866	1,937	1,812	1,811	2,101	2,252	2,264	2,372	2,898	2,754	2,803	2,852	2,901	2,744
Change vs. Prior Yr:	In %:	13.3%	13.9%	-1.7%	3.8%	-6.5%	-0.1%	16.0%	7.2%	0.6%	4.8%	22.2%	-5.0%	-3.3%	-1.6%	0.1%	-3.8%
	In Lbs.:	196	231	(32)	71	(125)	(1)	290	150	13	108	526	(144)	(95)	(46)	3	(108)
Carry-out in M/Lbs.		254	335	317	350	376	412	398	357	315	450	608	500	500	500	500	500
As % of Shipments:		15.2%	17.6%	17.0%	18.1%	20.8%	22.7%	18.9%	15.9%	13.9%	19.0%	21.0%	18.2%	17.8%	17.5%	17.2%	18.2%
As % of Supply:		13.2%	15.0%	14.5%	15.3%	17.2%	18.5%	15.9%	13.7%	12.2%	15.9%	17.3%	15.4%	15.1%	14.9%	14.7%	15.4%

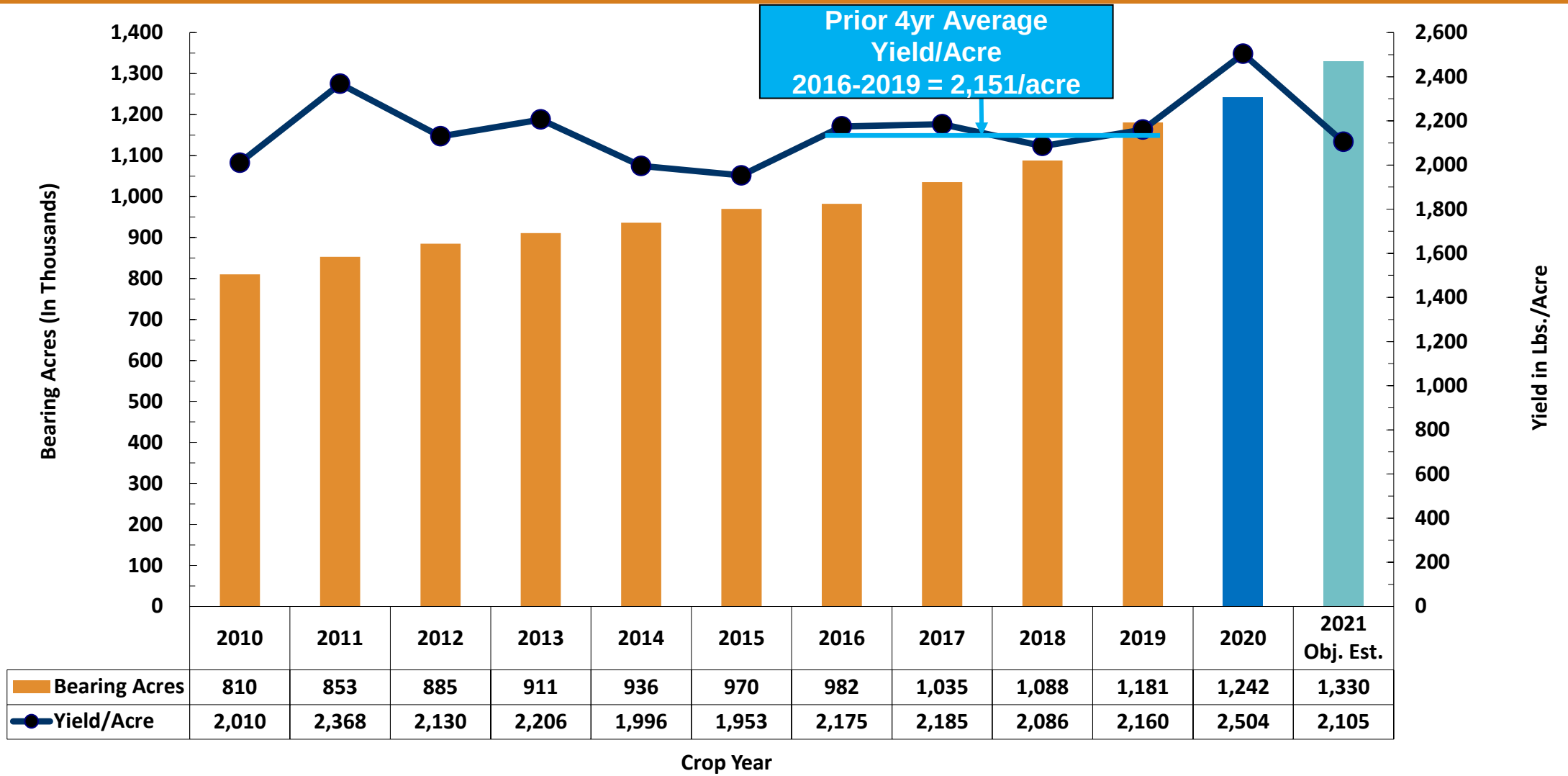
= Record Increase in shipments in both Lbs. and % increase
Record % increase in shipments prior to CY'20 was in 2007 (+18.3%)

= lowest % totals since 2006 Crop Year.

= Yld/Acre based on same crop as 2021
= WP&A 2021 Acreage + 60K

= NASS Objective (current outlook)
= Harvest Trend Level as of 10/15

California Bearing Acreage & Yield/Acre - Almonds



	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 Obj. Est.
Bearing Acres	810	853	885	911	936	970	982	1,035	1,088	1,181	1,242	1,330
Yield/Acre	2,010	2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,504	2,105

Crop Year

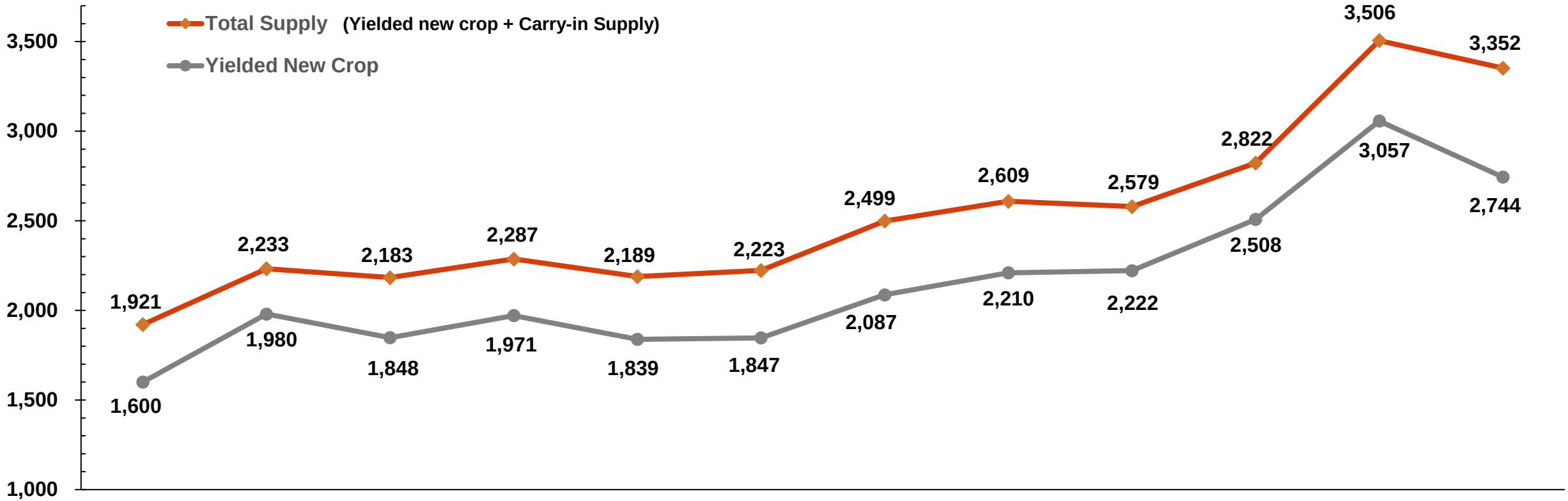
2007 - 2009 Acres & Yld/Acre are based on NASS Acreage for those crop years.

2010 – 2020 Acres are based on Land IQ acreage data.

2021 Estimate based on NASS Objective of 2.80 billion & 1.33 million bearing acres.

California Almond Industry Saleable Supply

(In millions of pounds)



Change in Total Supply vs. Prior Year

+7.2%	+16.2%	-2.3%	+4.8%	-4.3%	+1.6%	+12.4%	+4.4%	-1.1%	+9.4%	+24.2%	-4.4%

Source: All historical figures come from Almond Board Reports.

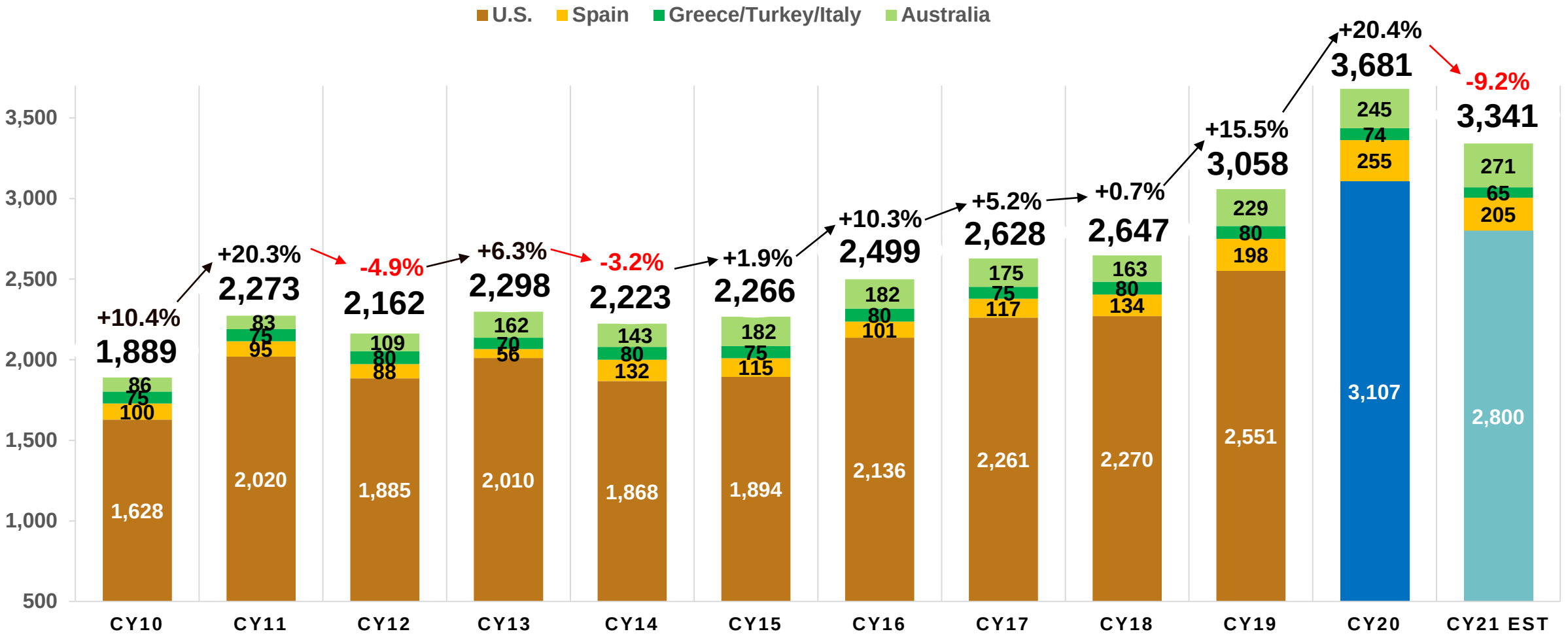
2019 Final: ABC July 2020 Position Report (2.551 billion) less -2.0% In-edible/Loss and a carry-in Supply of 318 million from CY'18.

2020 Final: Based on Gross Crop Size of 3.07 billion less -2.0% In-edible/Loss and a carry-in Supply of 450 million from CY'19.

2021 Estimate: Based on Gross Crop Size of 2.800 billion less -2.0% In-edible/Loss and a carry-in Supply of 608 million from CY'20.

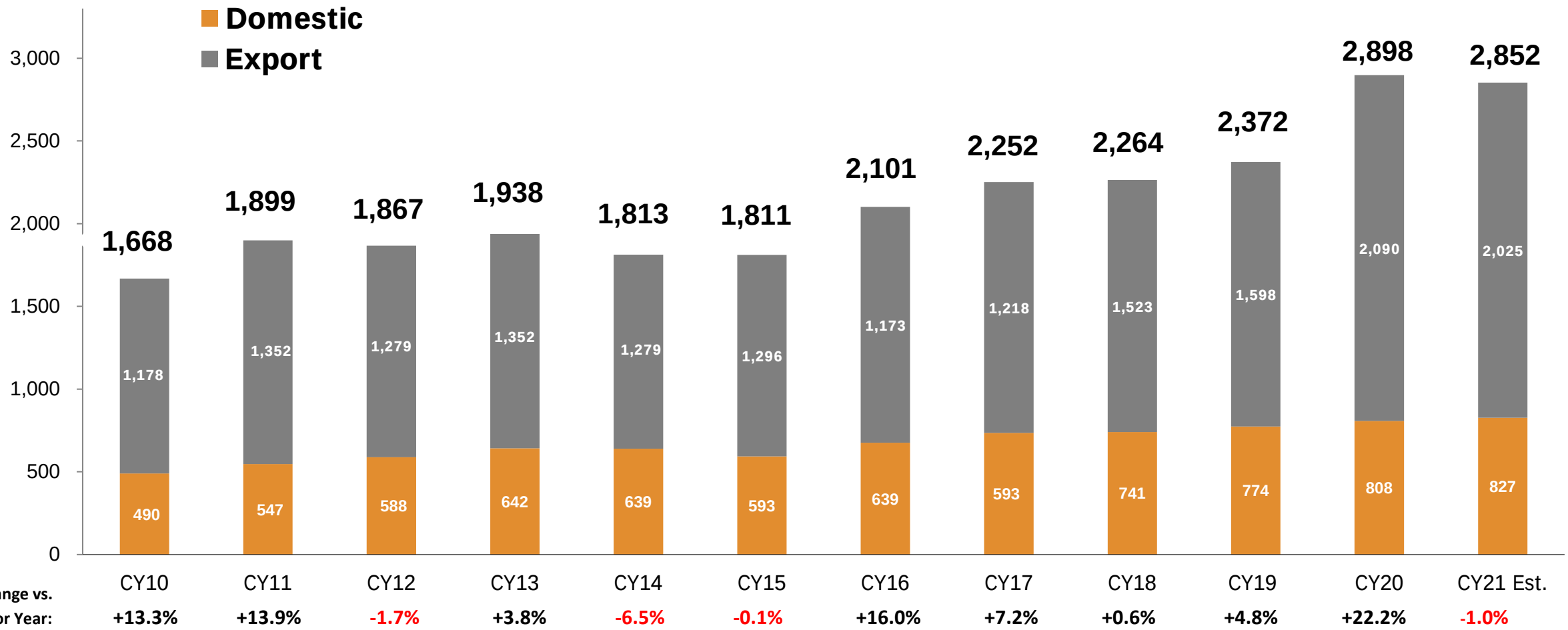
World Almond Production for Major Producing Countries (Gross Crop Production)

In Millions/Lbs.



Figures for 2020 & 2021 for Australia updated as of 5/17/21. Estimate for Spain's crop for 2021 revised on 7/7/21. Turkey, Greece, & Italy for CY'20 & CY21 Crops based on INC official statistics updated on 5/25/21. The California 2021 figure is based on the NASS Objective 2021 estimate of 2.8 billion pounds.

California Almond Industry Shipments – Domestic vs. Export

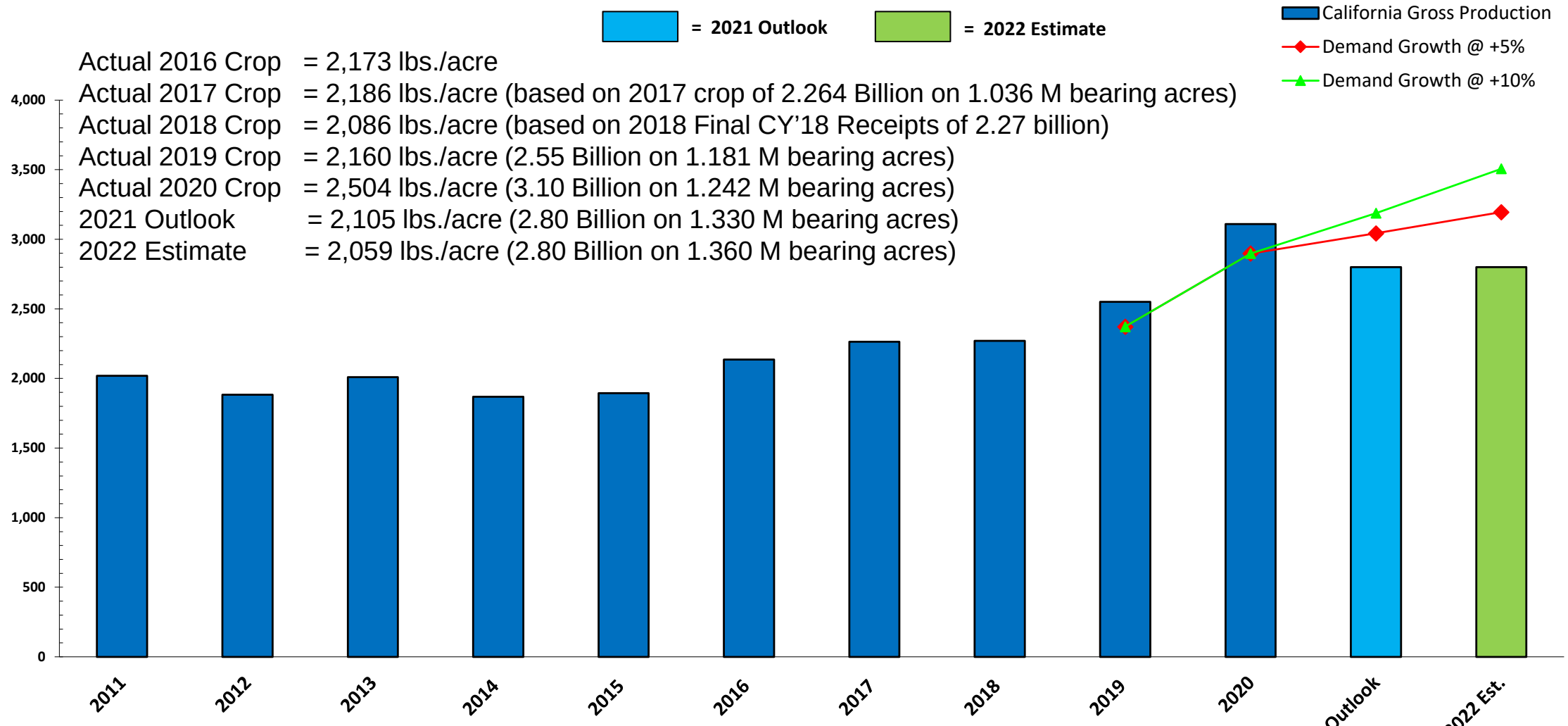


Note: All actual figures are based on ABC Crop Year (Aug - Jul).

2021 Shipments results in a 500-million-pound carry-out into CY'22.

Source: ABC Monthly Reports as of September 2021.

California Almond Gross Production & Demand Projections



Actual compound demand growth from 1992 – 2011 = 6.4%
Actual compound demand growth from 2008 – 2013 = 7.6%
Average demand growth from 2016-2019 = 6.9%

Note: 2011 – 2020 Crop Year yield/acre figures are based on Land IQ Bearing acreage data.