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ALMONDS

Almond Industry Update

As of 11-18-2022

CY 2022 Year to Date Demand Highlights

as of 11/11/22 - 3rd month of the Crop Year

		Shipments: October	Shipments: Crop to Date	Committed Not Shipped
Overall:	CY'22	215	631	695
	CY'21	217	652	748
	Increase: In %	-1.1%	-3.2%	-7.1%
	In millions/lbs.	(2.5)	(20.8)	(53)
Domestic	CY'22	66	183	330
	CY'21	65	196	344
	Increase: In %	0.6%	-6.7%	-4.0%
	In millions/lbs.	0.4	(13.1)	(14)
Export	CY'22	149	449	365
	CY'21	152	456	404
	Increase: In %	-1.9%	-1.7%	-9.7%
	In millions/lbs.	(2.9)	(7.7)	(39)

Total CY YTD Sales		Domestic	Export	Total
	CY'22	513	813	1,326
(Includes Shipments	CY'21	540	860	1,400
& Commitments not	Increase: In %	-5.0%	-5.5%	-5.3%
Shipped).	In millions/lbs.	(27)	(47)	(74)

CY 2022 Year to Date Demand Highlights - continued

as of 11/11/22 - 3rd month of the Crop Year

California Industry Historical Supply and % Sold by End of October

Crop Year	Committed & Shipped by the end of October	Total Saleable Supply		Total Target/Actual Crop Year Shipments		Total Net Edible Crop (= Gross less Inedible)	
		Pounds	% Sold	Pounds	% Sold	Pounds	% Sold
CY 22	1,326	3,385	39%	2,684	49%	2,548	52%
CY 21	1,400	3,471	40%	2,634	53%	2,863	49%
CY 20	1,797	3,506	51%	2,898	62%	3,056	59%
CY 19	1,303	2,822	46%	2,372	55%	2,507	52%
CY 18	1,157	2,578	45%	2,264	51%	2,222	52%
Avg CY18 - CY22:			46%		55%		53%

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

CY'22 Outlook Carry-out = 700 million

= Ahead of Pace

= on Pace

= off Pace

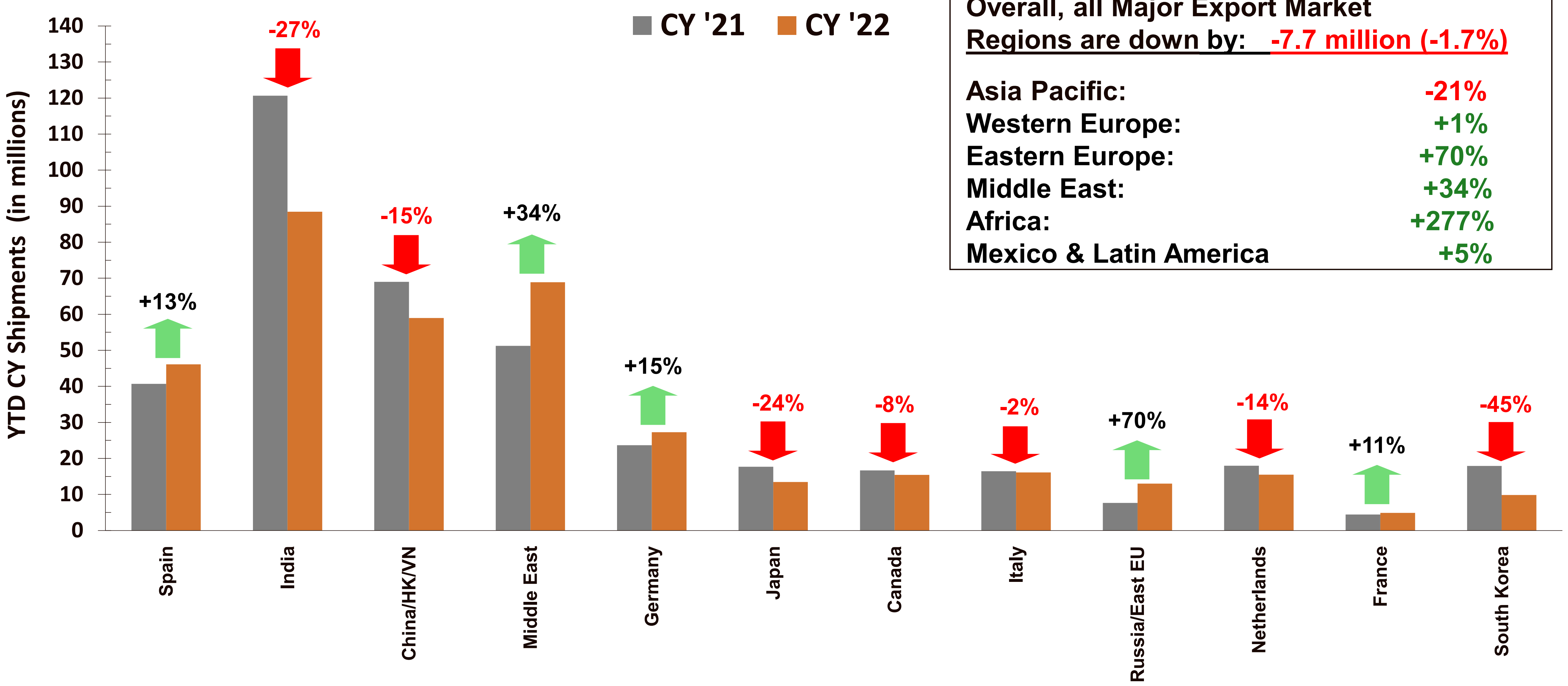
CY 2022 Year to Date Demand Highlights - continued

as of 11/11/22 – 3rd month of the Crop Year

		In M/lbs.
Total Saleable Supply:		
Full Year 2022 Outlook:	as of 11/11/22	3,385
Full Year 2021 Actual:		3,471
Increase/(Decrease) in Saleable Supply:		(86)
Target Shipment Increase in CY'22 vs. CY'21:		50

Balance to Ship for the Remainder of the Year		
Target Shipments: Nov '22 - Jul '23:	Total:	2,053
	Per Month:	228
Actual Shipments: Nov '21 - Jul '22:	Total:	1,982
	Per Month:	220
Difference: CY'22 vs. CY'23	Total:	71
Balance of the Year Shipments:	Per Month:	8
Variance in %:		3.6%

California Almond Export Shipment Demand Comparison CY'21 vs. CY'22 – as of 11/11/22 – 3rd month of the Crop Year

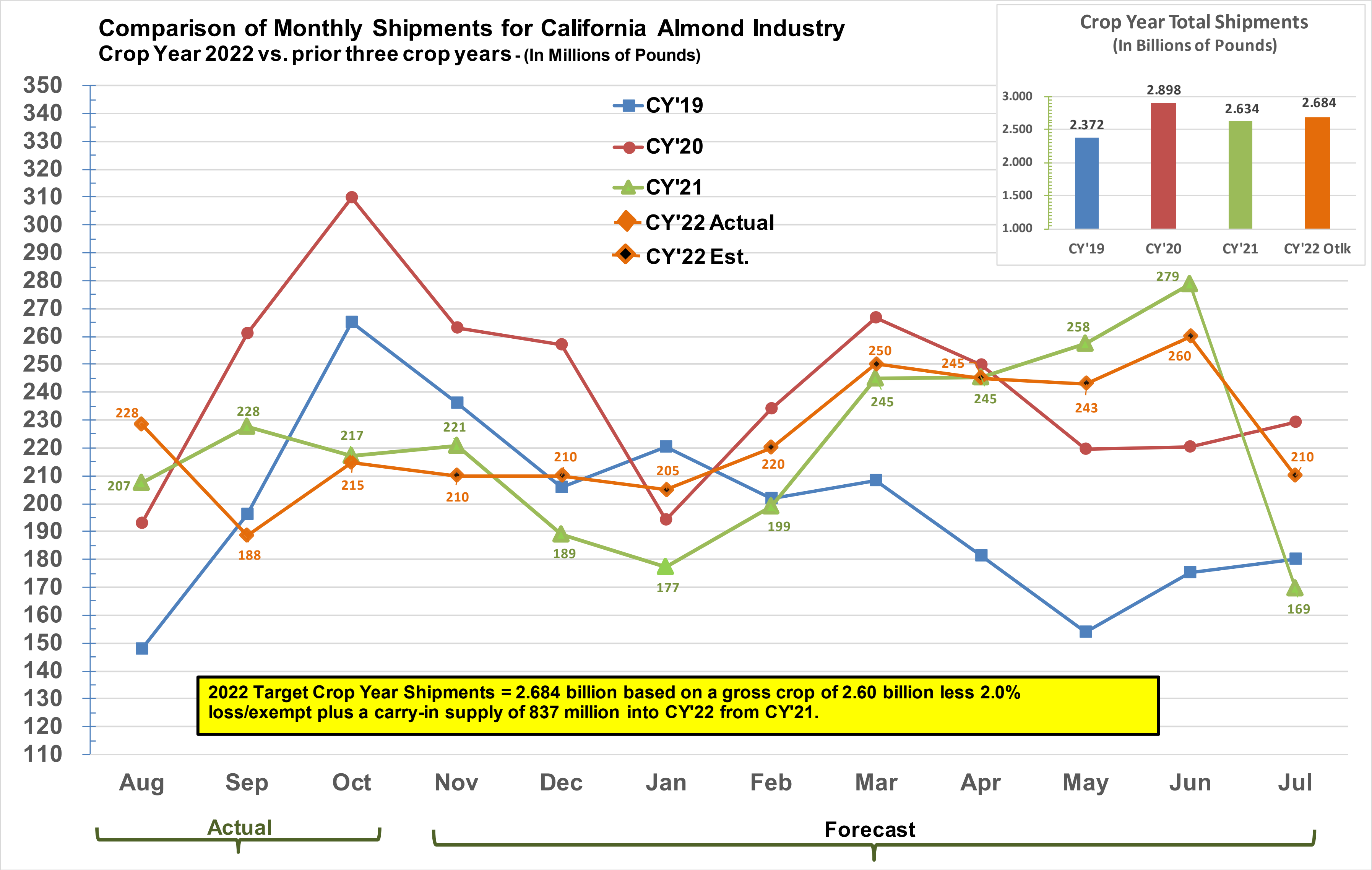


Overall, all Major Export Market Regions are down by: -7.7 million (-1.7%)

Asia Pacific:	**-21%**
Western Europe:	**+1%**
Eastern Europe:	**+70%**
Middle East:	**+34%**
Africa:	**+277%**
Mexico & Latin America	**+5%**

Source: ABC Monthly Position Report October 2022

California Almond Industry Monthly Shipments CY’22 Outlook vs. Prior three Crop Years



CY'22 - October 2022 ABC Position Report Summary & Market Status as of 11/11/22

- October 2022 shipments of 214.6 million were down by -2.5 million pounds (-1.1%) vs. the 217.1 million shipped last year. This brings YTD shipments up to 631 million vs. 652 million pounds shipped through October last season (-20.8 million or -3.2%).
- The total Committed and Shipped figure as of the end of October 2022 of 1.326 billion is down by -74 million pounds (-5.3%) vs. the end of October 2021. The Industry's overall sold percentage at the end of September is 39% of the total estimated supply and 52% sold to the estimated 2.548 billion pounds of net crop receipts (2.6 billion pounds gross less 2.0% loss & exempt). CY'22 Commitments not yet shipped of 695 million are -53 million lower (-7.1%) than seen at the end of October 2021.
- **Domestic Shipments** - October shipments of 65.6 million were up +0.4 million pounds (+0.6%) vs. last year. Total Committed and Shipped volume at the end of October of 513 million represents a 27 million-pound decrease vs. last year (-5.0%).
- **Export Shipments** - October shipments of 149 million were down 2.9 million pounds (-1.9%) vs. last year. Total Committed and Shipped volume at the end of October of 813 million represents a 47 million-pound decrease vs. last year (-5.5%).
- **New Sales** - New Sales for the month of October of 243 million pounds were down by less than one million pounds or +0.5% vs. last October. The combined YTD New Sales (from August 1st through October 31, 2022) total 680 million vs. 614 million for this same period last year (+65 million or +10.6%).
- **General Market Activity** – Buying and Selling activity during late October/early November has been seasonally slower than normal due to several factors. Buyers in most markets shipped very heavy during the early summer months anticipating similar logistical issues that negatively impacted shipments in the Fall of 2021. Higher inflation for all goods and services in all markets and the strong dollar vs. other currencies has slowed consumer demand for nut products in most markets. This has left many buyers with adequate inventories to cover their production/demand needs through December 2022. On the other hand, current almond prices are so low that growers/handlers are not eager to sell as confirming sales at today's low almond market prices only ensures a large financial loss to the grower. Eventually existing on-hand inventories will get consumed and stronger demand will lead to improved pricing and grower returns. If California's winter of 2022/23 is indeed dry as forecasted, this change will happen sooner than later!

2022 California Almond Crop Yield Trends

as of 11/11/22

California's Almond Harvest was fully complete in all areas by the end of October 2022 with only a limited amount of disruptions due to the storm system that affected some of the growing regions in late September.

As always at this time of the year, everyone in the industry continues to wait **impatiently** for the final crop size to be known. Unfortunately, just like in past year's, the final crop size will not be able to be determined within a 3% range until we can see the crop receipt figures from the December ABC Position Report that will be released on January 12, 2023.

My past two market reports showed the results of our yield tracking efforts by variety and region during the August through October period. The October report showed that a crop of 2.55 to 2.6 billion was likely based on the 2021 actual crop receipts and the percentage up or down that was being reported by variety in each region.

Now that we have 3 months worth of 2022 crop receipt data (August – October), we can see that crop receipts through October are down -7.65% vs. last year (138 million pounds less). We also know that hulling operations in the Northern Region will be fully completed before the 20th of November with the majority of the huller/shellers in that region done by the end of October. Last year, an additional 86 million of UDSA crop receipts were reported from the Northern Region after October 2021. We expect less than 1/3 (about 30 million) of that amount will be reported after October 2022. The last piece of information we know as of now is that many Hulling and Shelling operations in the Central and Southern regions are finishing their operations four to six weeks sooner than last year with many finishing before Thanksgiving. . Based on the known daily hulling/shelling capacity in these two regions (which is about 20 million pounds/day combined), finishing in these regions by an average of 4-6 weeks early tells us there is easily another 100 million that will not be reported after October 2022 in these regions. If you add these figures all up (138 million so far plus 56 million less to report after October in the North plus at least another 100 million less to report after October in the Central and South), you end up with a figure that is at least 300 million less than last year (or 2.6 billion). Thus, in my opinion, a figure of 2.6 billion as the final size of the 2022 crop is a good number as any as of today.

California Almond Industry- Historical Supply & Demand

CY'11 through CY'21 with CY'22 Outlook & CY'23 Estimate

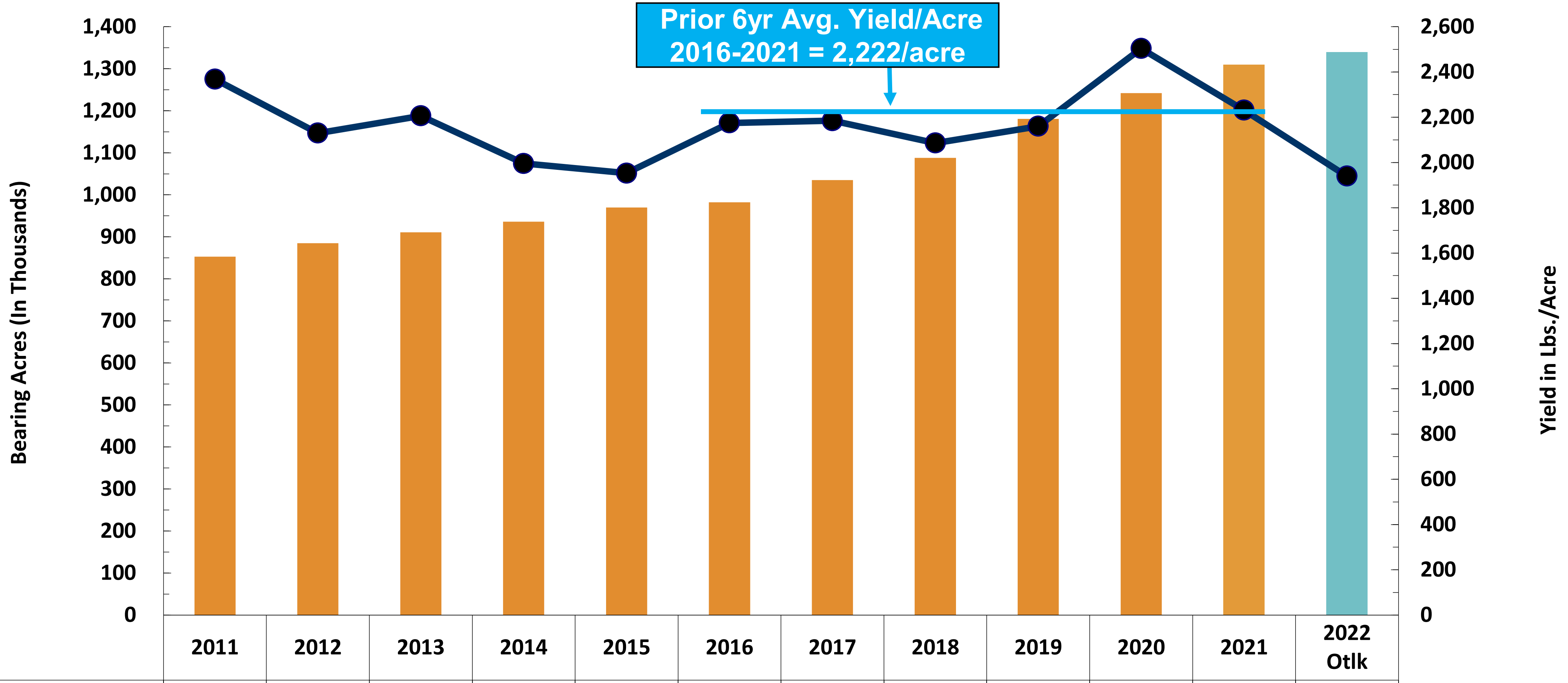
		Crop Year Finals - (Supply & Demand in millions of pounds)											CY 2022 Outlook	2023 Estimate 2.6 B
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Bearing Acres: (Land IQ Data)	In 000's	853	885	911	936	970	982	1,035	1,088	1,181	1,242	1,310	1,340	1,370
Yield: Lbs. per Bearing Acre:		2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,502	2,231	1,940	1,898
Change vs. Prior Yr:	In %:	17.8%	-10.1%	3.6%	-9.5%	-2.1%	11.4%	0.4%	-4.5%	3.6%	19.9%	-10.8%	-13.0%	-2.2%
	In Lbs./Acre:	358	(238)	76	(210)	(43)	222	9	(99)	74	416	(271)	(290)	(42)
Supply														
Carry-in Supply		254	335	317	350	376	412	398	357	315	450	608	837	700
New Crop		2,020	1,885	2,010	1,868	1,894	2,136	2,261	2,270	2,551	3,107	2,922	2,600	2,600
Increase/(Decrease to Prior Year)	In %:	24%	-7%	7%	-7%	1%	13%	6%	0%	12%	22%	-6.0%	-11%	0%
	In Lbs:	392	(135)	125	(142)	26	242	125	9	282	556	(185)	(322)	-
Less: Exempt		40	37	39	29	47	49	51	48	44	51	58	53	53
Net New Crop:		1,980	1,848	1,971	1,839	1,847	2,087	2,210	2,222	2,508	3,056	2,864	2,547	2,547
Total Supply		2,233	2,183	2,287	2,189	2,223	2,499	2,609	2,579	2,822	3,506	3,471	3,384	3,246
Change vs. Prior Yr:	In %:	16.2%	-2.3%	4.8%	-4.3%	1.6%	12.4%	4.4%	-1.1%	9.5%	24.2%	-1.0%	-2.5%	-4.07%
	In Lbs.:	312	(51)	105	(99)	35	276	110	(30)	244	684	(35)	(87)	(138)
Demand														
Total Shipments:	In M/Lbs.:	1,899	1,866	1,937	1,812	1,811	2,101	2,252	2,264	2,372	2,898	2,634	2,684	2,766
Avg. Monthly Shipments:		158	156	161	151	151	175	188	189	198	242	220	224	231
Change vs. Prior Yr:	In %:	13.9%	-1.7%	3.8%	-6.5%	-0.1%	16.0%	7.2%	0.6%	4.8%	22.2%	-9.1%	1.9%	3.1%
	In Lbs.:	231	(32)	71	(125)	(1)	290	150	13	108	526	(264)	50	82
Carry-out in M/Lbs.		335	317	350	376	412	398	357	315	450	608	837	700	480
As % of Shipments:		17.6%	17.0%	18.1%	20.8%	22.7%	18.9%	15.9%	13.9%	19.0%	21.0%	31.8%	26.1%	17.4%
As % of Supply:		15.0%	14.5%	15.3%	17.2%	18.5%	15.9%	13.7%	12.2%	15.9%	17.3%	24.1%	20.7%	14.8%

(Orange) = Record Increase in shipments in both Lbs. and %. Prior record was in 2007 (+18.3%)

(Yellow) = Lowest % since 2006 Crop Year. (Green) = Outlook as of 11/16/22

(Pink) = CY 2023 Total Crop no larger than 2022 due to on-going drought & acreage removals

California Bearing Acreage & Yield/Acre - Almonds



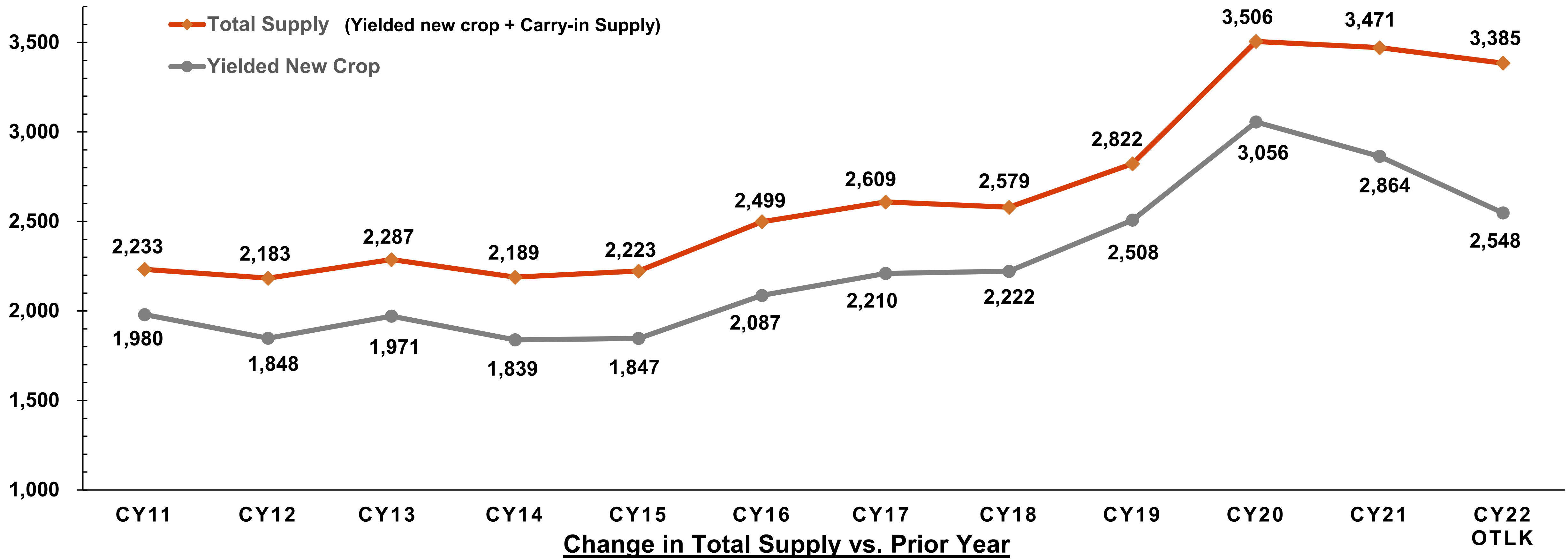
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 Otlk
Bearing Acres	853	885	911	936	970	982	1,035	1,088	1,181	1,242	1,310	1,340
Yield/Acre	2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,504	2,231	1,940

2010 – 2022 Acres are based on Land IQ acreage data.

2021 Otlk = 2.913 B Lbs. from 1.31 MM Bearing acres
2022 Est. = 2.600 B Lbs. from 1.34 MM Bearing acres

California Almond Industry Saleable Supply

(In millions of pounds)



Change in Total Supply vs. Prior Year

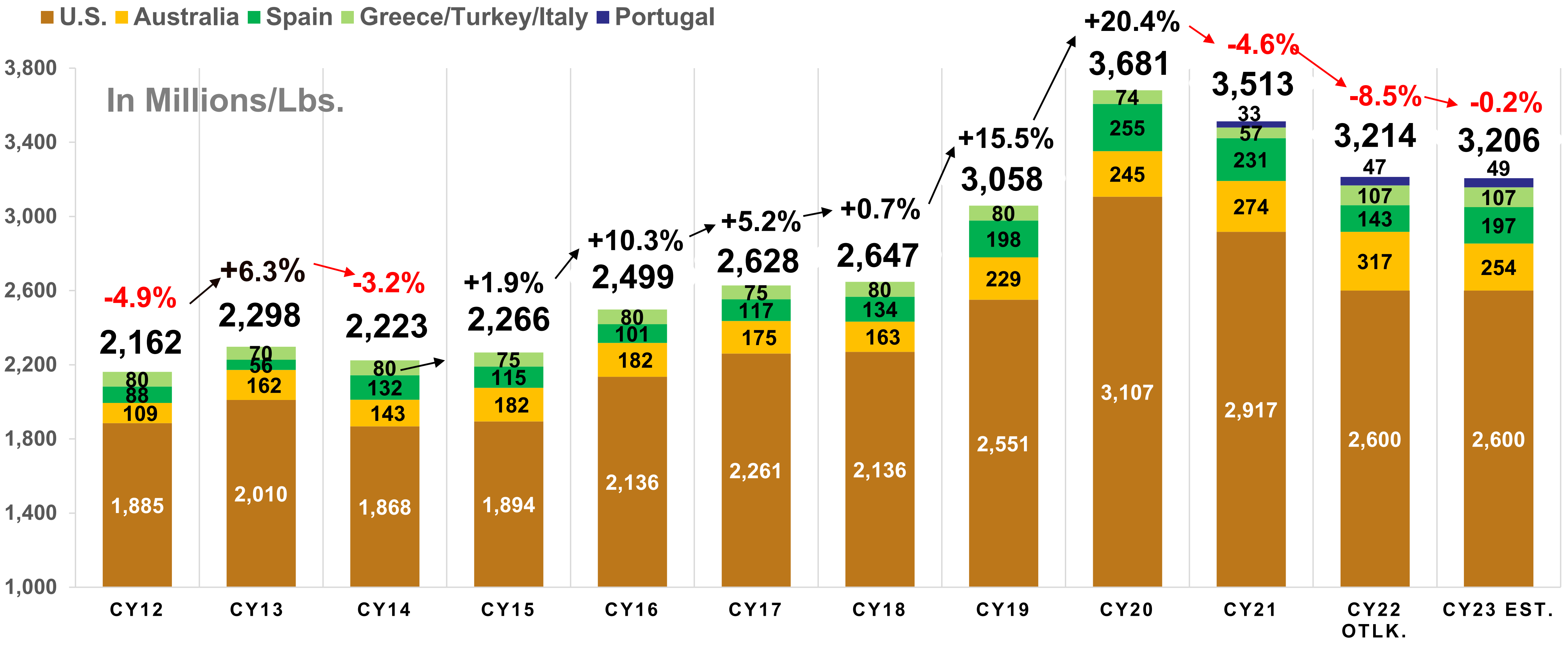
CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22 OTLK
+16.2%	-2.3%	+4.8%	-4.3%	+1.6%	+12.4%	+4.4%	-1.1%	+9.4%	+24.2%	-1.0%	-2.5%

Source: All historical figures come from Almond Board Reports.

2021: Based on Final Gross Crop Size of 2.922 billion less -2.0% In-edible/Loss and a carry-in supply of 608 million from CY'20.

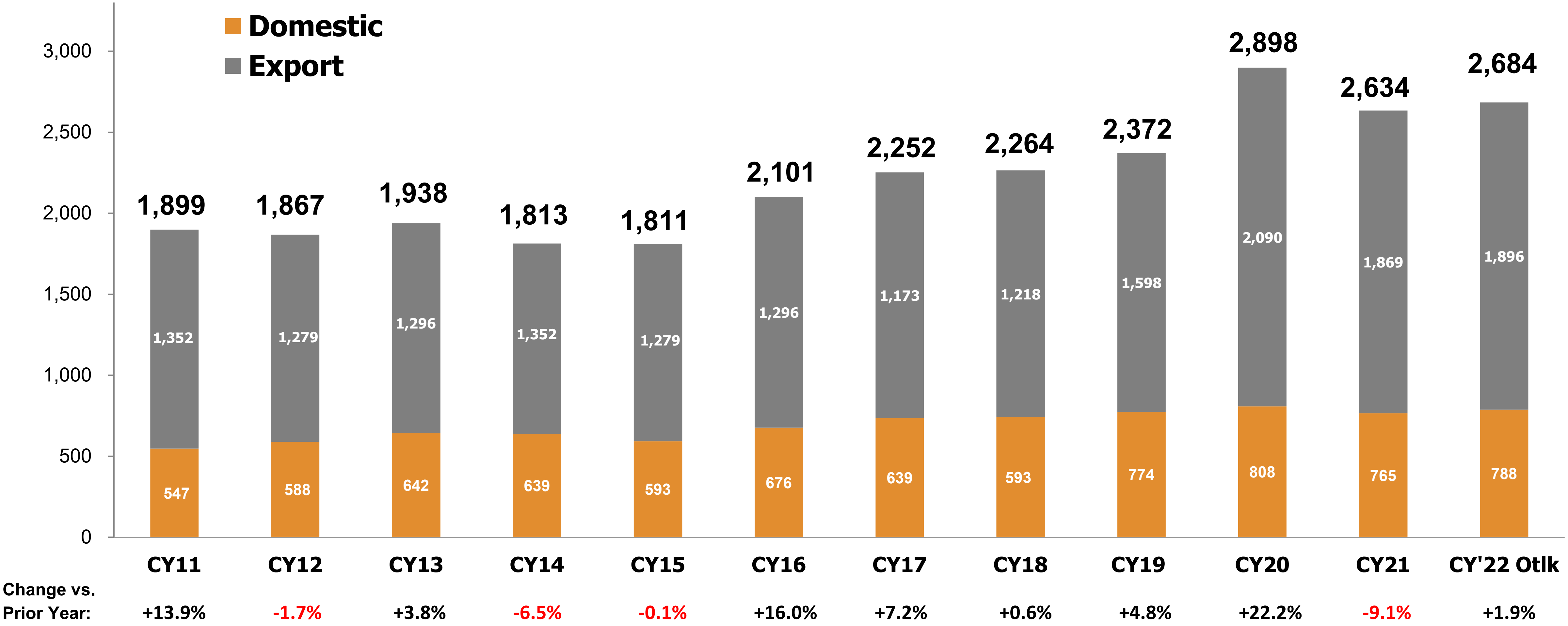
2022 Outlook: Based on current harvest and crop receipt reporting that points to a 2.60-billion-pound crop less -2.0% In-edible/Loss & a carry-in from CY'21 of 837 million .

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



Figures for 2021 & 2022 are based on INC Official Almond Production Statistics Chart Updated in October 2022 with drought adjustment for Western EU countries. U.S. 2022 is based on the current outlook as of 11/12/22. Figures for 2023 are estimates based on current forecasts of another La Nina Season (on-going drought in the U.S. & Western EU) and recent estimates for Australia based on Fall 2022 Bloom.

California Almond Industry Shipments – Domestic vs. Export



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

2021 Shipments resulted in an 837-million-pound carry-out into CY'22.

Source: ABC Monthly Reports as of the end of October 2022.