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ALMONDS

Almond Industry Update

As of 1-18-2023

CY 2022 Year to Date Demand Highlights
as of 1/17/23 - 5th month of the Crop Year

		Shipments		Committed
		December	Crop to Date	Not Shipped
Overall:	CY'22	206	1,042	720
	CY'21	189	1,062	811
	Increase: In %	9.3%	-1.9%	-11.3%
	In millions/lbs.	17.5	(19.8)	(91)
Domestic	CY'22	52	297	330
	CY'21	64	325	336
	Increase: In %	-18.4%	-8.7%	-1.8%
	In millions/lbs.	(11.8)	(28.4)	(6)
Export	CY'22	154	745	389
	CY'21	125	737	475
	Increase: In %	23.6%	1.2%	-18.0%
	In millions/lbs.	29.4	8.5	(85)

Total CY YTD Sales		Domestic	Export	Total
	CY'22	627	1,134	1,762
(Includes Shipments	CY'21	661	1,211	1,873
& Commitments not	Increase: In %	-5.2%	-6.3%	-5.9%
Shipped).	In millions/lbs.	(34)	(77)	(111)

CY 2022 Year to Date Demand Highlights - continued

as of 1/17/23 - 5th month of the Crop Year

California Industry Historical Supply and % Sold by End of December

Crop Year	Committed & Shipped by the end of December	Total Saleable Supply		Total Target/Actual Crop Year Shipments		Total Net Edible Crop (= Gross less Inedible)	
		Pounds	% Sold	Pounds	% Sold	Pounds	% Sold
CY 22	1,762	3,385	52%	2,685	66%	2,548	69%
CY 21	1,873	3,471	54%	2,634	71%	2,863	65%
CY 20	2,204	3,506	63%	2,898	76%	3,056	72%
CY 19	1,661	2,822	59%	2,372	70%	2,507	66%
CY 18	1,576	2,578	61%	2,264	70%	2,222	71%
Avg CY18 - CY22:			59%		72%		69%

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

CY'22 Outlook Carry-out = 700 million

= Ahead of Pace

= on Pace

= off Pace

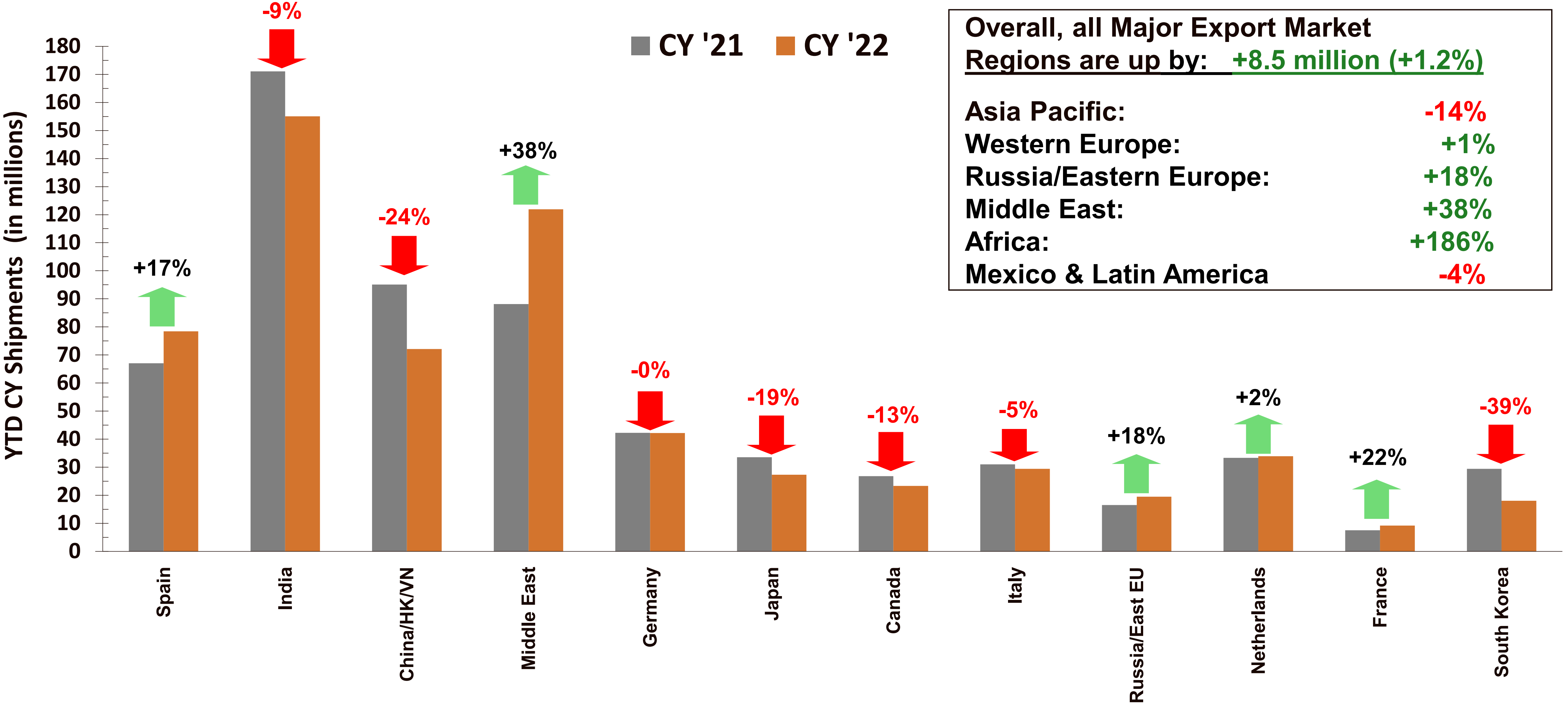
CY 2022 Year to Date Demand Highlights - continued

as of 1/17/23 – 5th month of the Crop Year

		In M/lbs.
Total Saleable Supply:		
Full Year 2022 Outlook:	as of 1/17/23	3,385
Full Year 2021 Actual:		3,471
Increase/(Decrease) in Saleable Supply:		(86)
Target Shipment Increase in CY'22 vs. CY'21:		51

Balance to Ship for the Remainder of the Year		
Target Shipments: Jan '23 - Jul '23:	Total:	1,643
	Per Month:	235
Actual Shipments: Jan '22 - Jul '22:	Total:	1,572
	Per Month:	225
Difference: CY'22 vs. CY'23	Total:	71
Balance of the Year Shipments:	Per Month:	10
Variance in %:		4.5%

California Almond Export Shipment Demand Comparison CY’21 vs. CY’22 – as of 1/17/23 – 5th month of the Crop Year

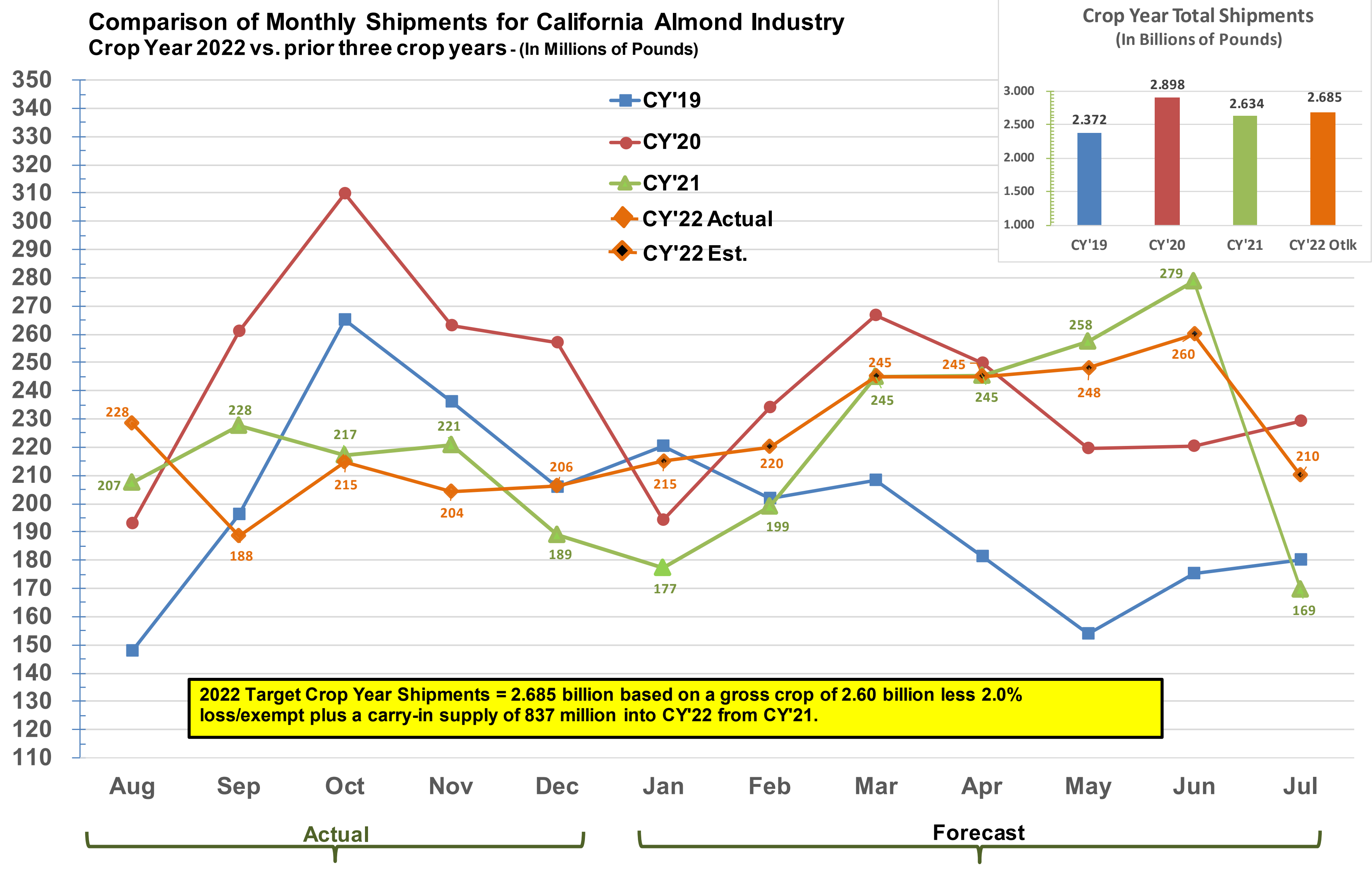


Overall, all Major Export Market Regions are up by: +8.5 million (+1.2%)

Asia Pacific:	**-14%**
Western Europe:	**+1%**
Russia/Eastern Europe:	**+18%**
Middle East:	**+38%**
Africa:	**+186%**
Mexico & Latin America	**-4%**

Source: ABC Monthly Position Report December 2022

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



2022 Target Crop Year Shipments = 2.685 billion based on a gross crop of 2.60 billion less 2.0% loss/exempt plus a carry-in supply of 837 million into CY'22 from CY'21.

CY'22 - December 2022 ABC Position Report Summary & Market Status as of 1/17/23

- December 2022 shipments of 206 million were up by +17.5 million pounds (+9.3%) vs. the 189 million shipped last year. This brings YTD shipments up to 1.042 billion vs. 1062 billion pounds shipped through December last season (-19.8 million or -1.9%).
- The Total Committed and Shipped figure as of the end of December 2022 of 1.762 billion is down by -111 million pounds (-5.9%) vs. the end of December 2021. The Industry's overall sold percentage at the end of December is 52% of the total estimated supply and 69% 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 720 million are -91 million lower (-11.3%) than seen at the end of December 2021.
- **Domestic Shipments -** December shipments of 52 million were down -11.8 million pounds (-18.4%) vs. last year. Total Committed and Shipped volume at the end of December of 627 million represents a 34 million-pound decrease vs. last year (-5.2%).
- **Export Shipments** - December shipments of 154 million were up +29.4 million pounds (+23.6%) vs. last year. Total Committed and Shipped volume at the end of December of 1.134 billion represents a 77 million-pound decrease vs. last year (-6.3%).
- **New Sales -** New Sales for the month of November of 235 million pounds were down by -12.0 million pounds or -4.9% vs. last December's all-time record level of 247 million. The combined YTD New Sales (from August 1st through December 31, 2022) total 1.115 billion vs. 1.087 billion for this same period last year (+28 million or +2.6%).
- **General Market Activity –** Buying and Selling activity during late December was seasonally strong resulting in the 2nd highest new sales ever for the month of December. The first 2 weeks of January 2023 has seen a strong pickup in selling activity due to the historically low prices and more motivated sellers who needed to convert more inventory to cash. Of course, all these sales will return significant losses to the grower at current wholesale prices but with bills to pay, growers need cash flow in order to try to a least pay down some of their past due bills from fall operations. The upside of this increased selling activity is that we expect very strong shipments in January and February of 2023 vs. last year as well as a jump in committed-not shipped volume in the upcoming ABC Position Report figures. Unlike last year, ocean and land freight operations are running closer to normal, so much stronger export shipments are expected for the next two months.

2022 California Almond Crop Yield Trends

as of 1/17/23

Now that the December 2022 ABC Position report has been published, we now have a much better idea where the final 2022 crop receipts should finalize. Through December 2022, ABC form 1 crop receipts totaled 2.367 billion vs. 2.657 billion one year ago (-290 million or -11%). In comparing USDA crop receipts, the total at the end of December 2022 shows 2.403 billion vs. 2.694 billion (-291 million or -11%). If you consider that only 199 million pounds of crop receipts were reported after December last year, an equal amount after December 2022 gets you to a 2.6-billion-pound final figure for the 2022 crop year.

However, in looking at the pattern of crop receipts vs. last year over the past two months for all regions, there is a sharper than normal drop off of reporting as can be seen in the chart below. If we assume this two-month average continues for the balance of the season, the total receipts left to report would be about 44 million pounds less than seen last year. This would bring the final 2022 crop receipts closer to 2.55 billion pounds. With weather affecting most huller locations from December 25th through January 17th (lots of rain), there could be some delay vs. normal in processing and reporting for what was left in field stacks. Thus, we may be delayed in knowing the final figure by about a month. Last year, less than 14 million was reported (USDA receipts) after February. This year it may take until the March report is released in April to get down to that level of volume left to report.

	USDA Crop Receipts Reporting - CY 2022 vs. CY 2021		
	November	December	2-Month Total
Reduction in Lbs.			
Northern Counties	(41,470,807)	(17,616,291)	(59,087,098)
Central Counties	(16,873,287)	(33,779,648)	(50,652,935)
Southern Counties	(11,379,541)	(59,741,947)	(71,121,488)
Total Reduction in Lbs.:	**(69,723,635)**	**(111,137,886)**	**(180,861,521)**
Reduction In %			
Northern Counties	-70%	-90%	-75%
Central Counties	-8%	-30%	-16%
Southern Counties	-5%	-37%	-18%
Average Reduction in %:	**-14%**	**-38%**	**-23%**

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	1,343	1,380
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	1,936	1,957
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%	-13.2%	1.1%
	In Lbs./Acre:	358	(238)	76	(210)	(43)	222	9	(99)	74	416	(271)	(295)	21
Supply														
Carry-in Supply		254	335	317	350	376	412	398	357	315	450	608	837	701
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	2,700
Increase/(Decrease to Prior Year)	In %:	24%	-7%	7%	-7%	1%	13%	6%	0%	12%	22%	-6.0%	-11%	4%
	In Lbs:	392	(135)	125	(142)	26	242	125	9	282	556	(185)	(322)	100
Less: Exempt		40	37	39	29	47	49	51	48	44	51	58	52	55
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	2,548	2,645
Total Supply		2,233	2,183	2,287	2,189	2,223	2,499	2,609	2,579	2,822	3,506	3,471	3,385	3,346
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%	-1.18%
	In Lbs.:	312	(51)	105	(99)	35	276	110	(30)	244	684	(35)	(86)	(40)
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	2,685	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)	51	82
Carry-out in M/Lbs.		335	317	350	376	412	398	357	315	450	608	837	701	579
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%	20.9%
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%	17.3%

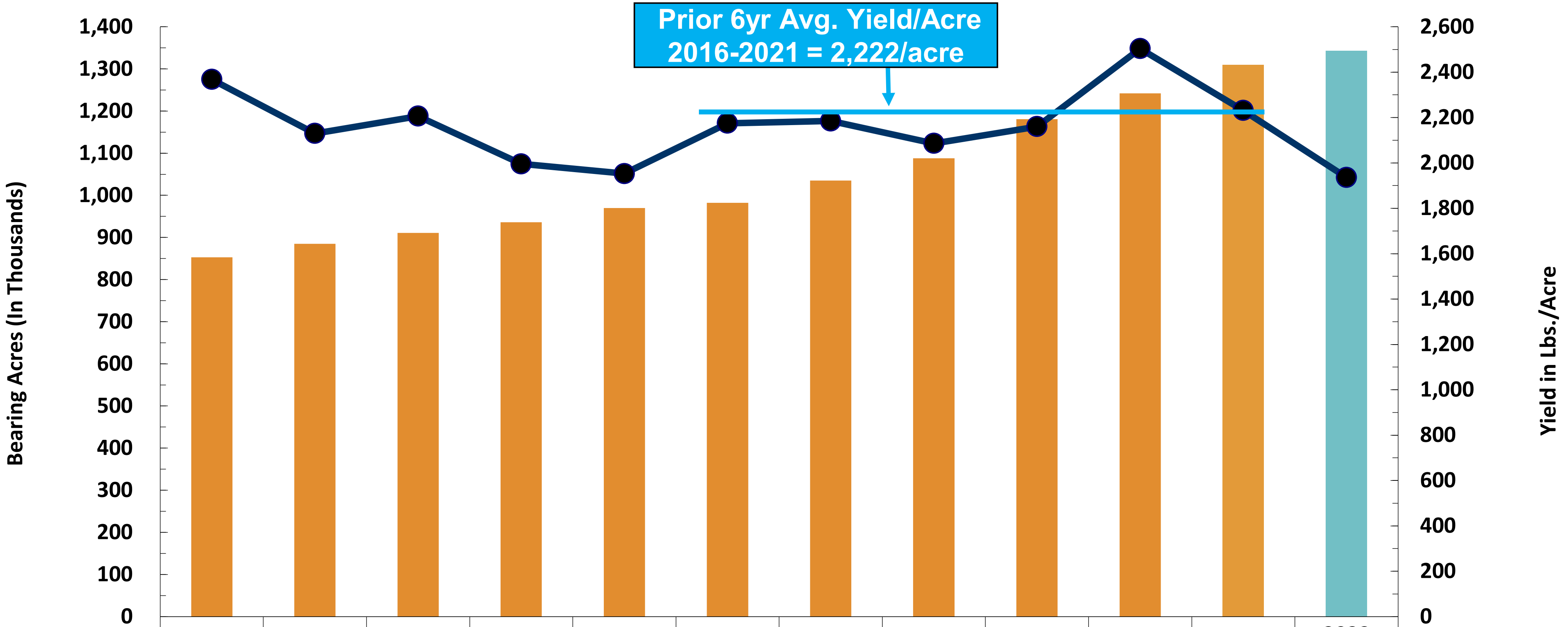
= Record Increase in shipments in both Lbs. and %. Prior record was in 2007 (+18.3%)

= Lowest % since 2006 Crop Year.

= Outlook as of 1/17/23

= CY 2023 assumes similar yield/acre as 2022

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	1,343
Yield/Acre	2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,504	2,231	1,936

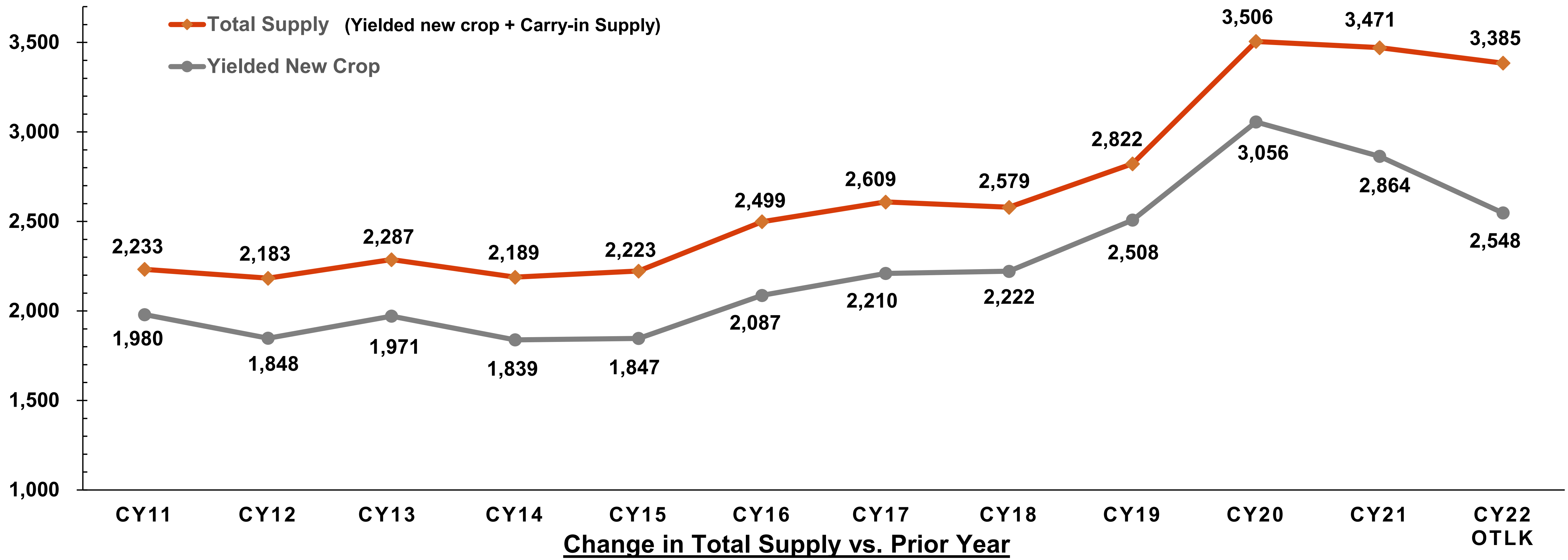
Crop Year

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 1.343 MM Bearing acres

California Almond Industry Saleable Supply

(In millions of pounds)



Change in Total Supply vs. Prior Year

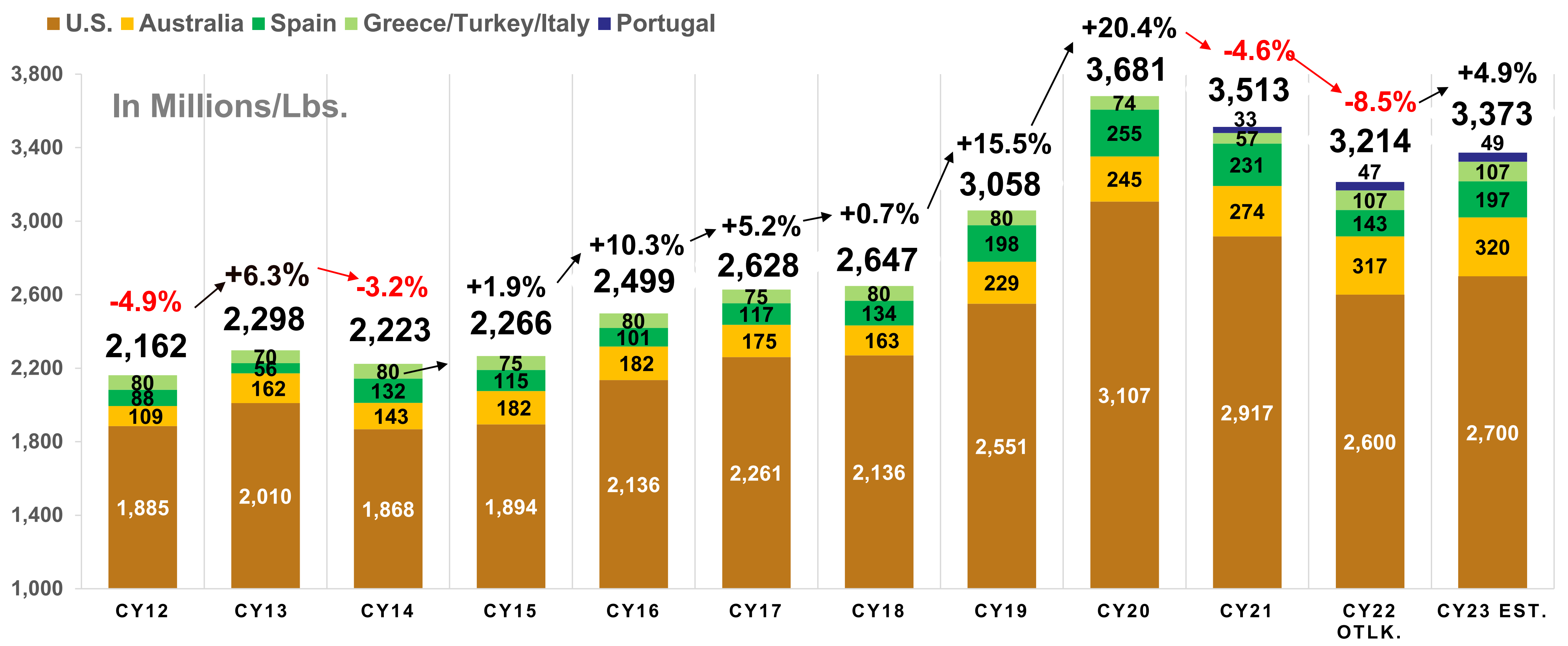
CY11	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22 OTLK
+16.2%	-2.3%	+4.8%	-4.3%	+1.6%	+12.4%	+4.4%	-1.1%	+9.4%	+24.2%	-1.0%	-2.5%

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.

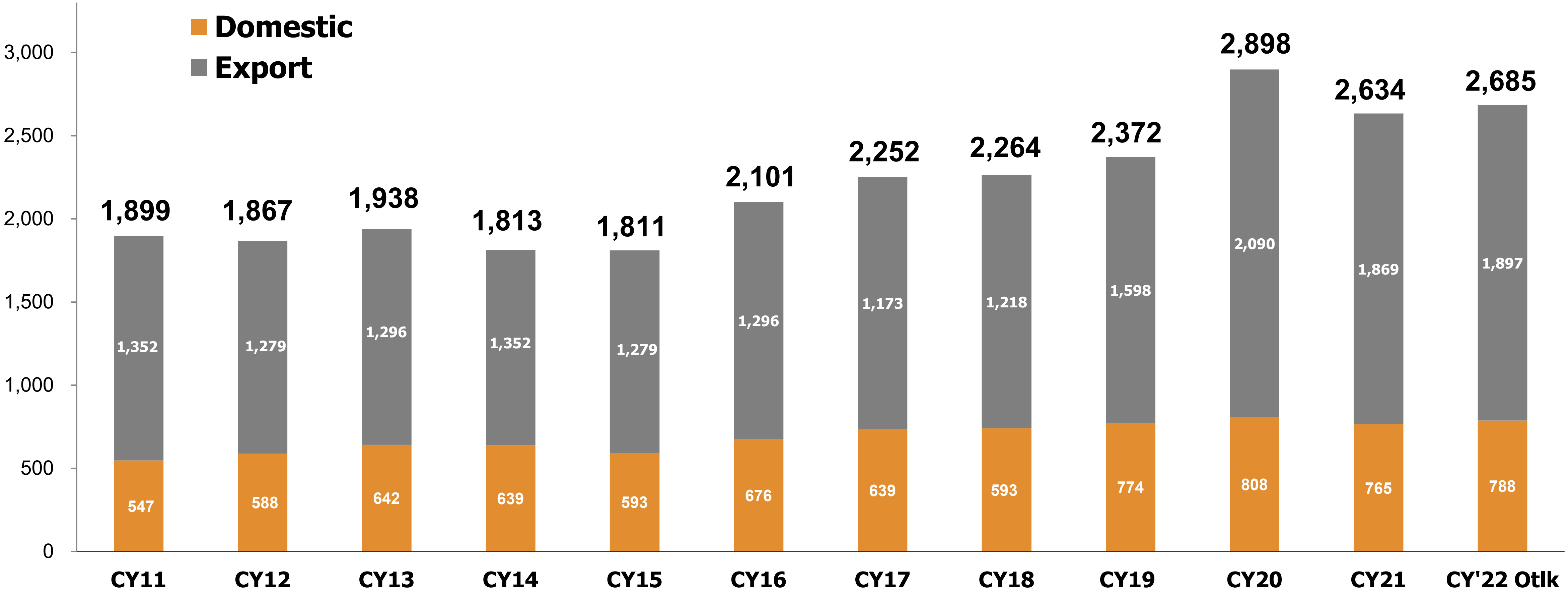
2022 Outlook: Based on current harvest and crop receipt reporting that points to a 2.60-billion-pound crop less -2.0% In-edible/Loss & a carry-in from CY'21 of 837 million .

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 12/13/22. 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 prior to the 2023 harvest.

California Almond Industry Shipments – Domestic vs. Export



Change vs. Prior Year:	+13.9%	-1.7%	+3.8%	-6.5%	-0.1%	+16.0%	+7.2%	+0.6%	+4.8%	+22.2%	-9.1%	+1.9%

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