

A close-up photograph of almond tree branches. The branches are covered with vibrant green, serrated leaves. Several fuzzy, light-brown almonds are visible, some in sharp focus and others blurred in the background. The overall scene is bright and natural, with soft lighting.

Wonderful[®]
ALMONDS

Almond Industry Update

As of 2-14-2023

CY 2022 Year to Date Demand Highlights

as of 2/9/23 - 6th month of the Crop Year

		Shipments		Committed
		January	Crop to Date	Not Shipped
Overall:	CY'22	230	1,272	840
	CY'21	177	1,239	841
	Increase: In %	29.6%	2.6%	-0.2%
	In millions/lbs.	52.4	32.6	(1)
Domestic	CY'22	67	363	349
	CY'21	67	392	338
	Increase: In %	-0.1%	-7.3%	3.1%
	In millions/lbs.	(0.1)	(28.4)	10
Export	CY'22	163	908	491
	CY'21	111	847	503
	Increase: In %	47.5%	7.2%	-2.3%
	In millions/lbs.	52.5	61.0	(12)
Total CY YTD Sales		Domestic	Export	Total
(Includes Shipments & Commitments not Shipped).	CY'22	712	1,400	2,112
	CY'21	730	1,350	2,080
	Increase: In %	-2.5%	3.6%	1.5%
	In millions/lbs.	(18)	49	31

CY 2022 Year to Date Demand Highlights - continued

as of 2/9/23 - 6th month of the Crop Year

California Industry Historical Supply and % Sold by End of January

Crop Year	Committed & Shipped by the end of January	Total Saleable Supply		Total Target/Actual Crop Year Shipments		Total Net Edible Crop (= Gross less Inedible)	
		Pounds	% Sold	Pounds	% Sold	Pounds	% Sold
CY 22	2,112	3,336	63%	2,686	79%	2,499	85%
CY 21	2,080	3,471	60%	2,634	79%	2,863	73%
CY 20	2,410	3,506	69%	2,898	83%	3,056	79%
CY 19	1,871	2,822	66%	2,372	79%	2,507	75%
CY 18	1,756	2,578	68%	2,264	78%	2,222	79%
Avg CY18 - CY22:			66%		80%		76%

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

CY'22 Outlook Carry-out = 650 million

= Ahead of Pace
 = on Pace
 = off Pace

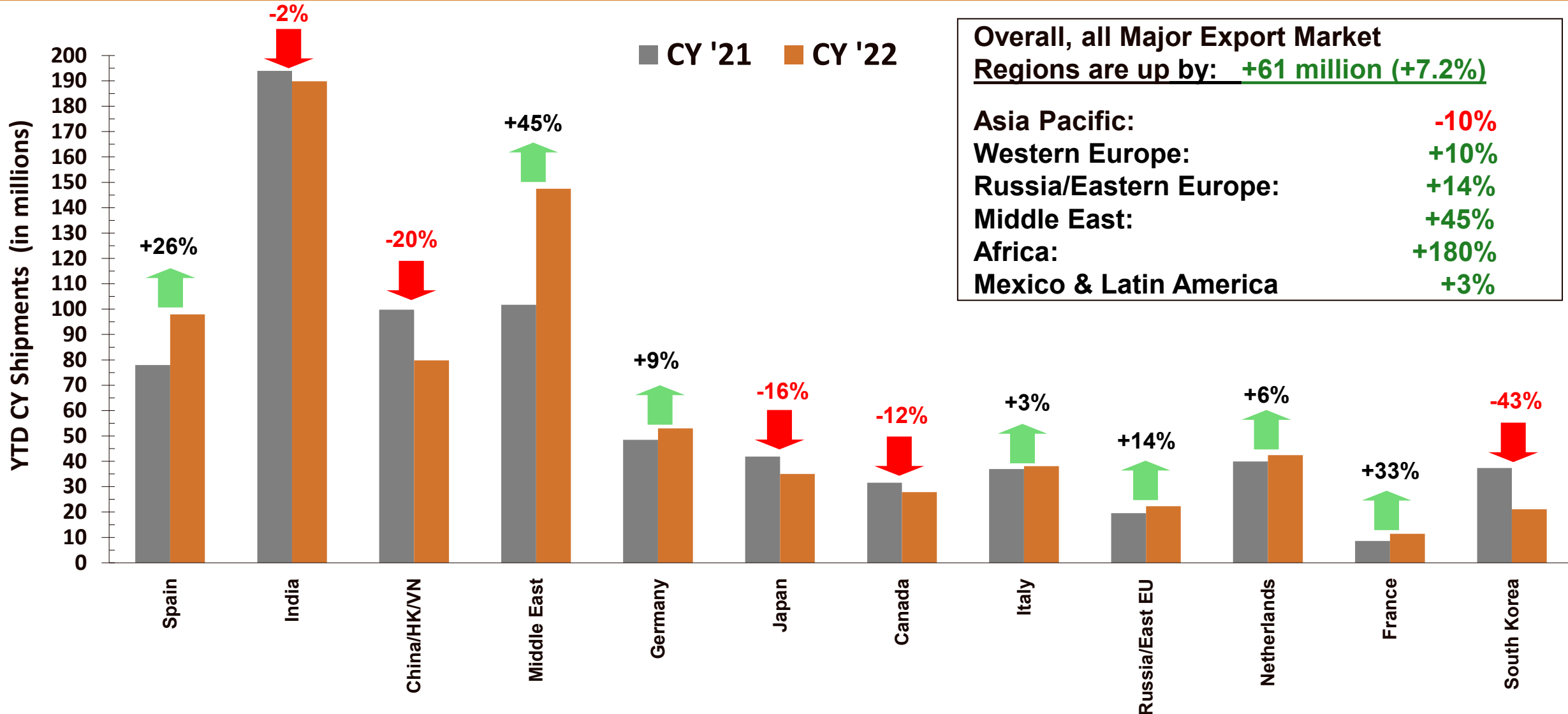
CY 2022 Year to Date Demand Highlights - continued

as of 2/9/23 – 6th month of the Crop Year

		In M/lbs.
<u>Total Saleable Supply:</u>		
Full Year 2022 Outlook:	as of 2/9/23	3,336
Full Year 2021 Actual:		3,471
Increase/(Decrease) in Saleable Supply:		
		(136)
Target Shipment Increase in CY'22 vs. CY'21:		
		52

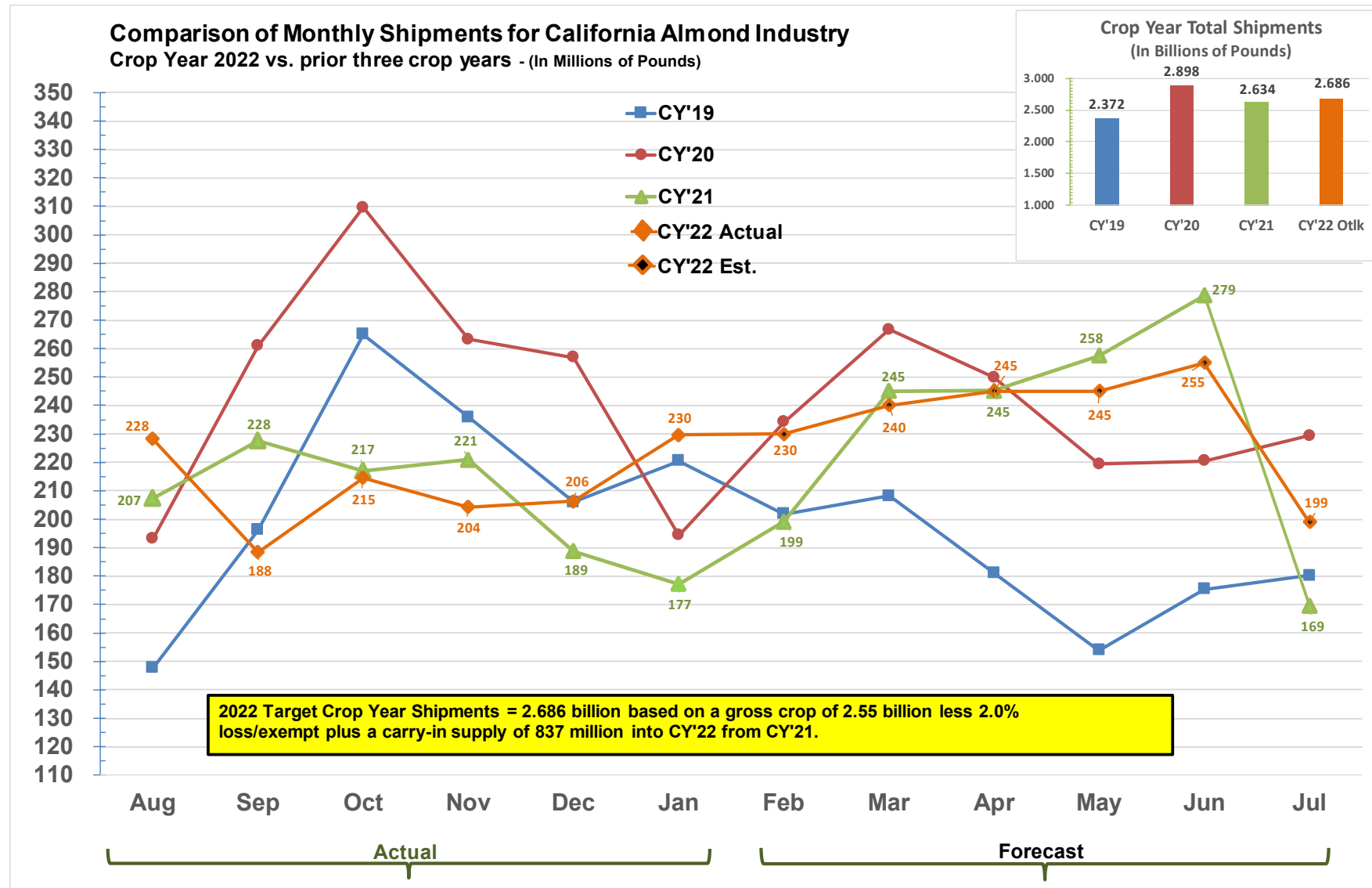
Balance to Ship for the Remainder of the Year		
Target Shipments: Feb '23 - Jul '23:	Total:	1,414
	Per Month:	236
Actual Shipments: Feb '22 - Jul '22:	Total:	1,395
	Per Month:	232
Difference: CY'22 vs. CY'23	Total:	19
Balance of the Year Shipments:	Per Month:	3
Variance in %:		1.4%

California Almond Export Shipment Demand Comparison CY'21 vs. CY'22 – as of 2/9/23 – 6th month of the Crop Year



California Almond Industry Monthly Shipments

CY'22 Outlook vs. Prior three Crop Years



CY'22 - January 2023 ABC Position Report Summary & Market Status as of 2/14/23

- January 2023 shipments of 230 million were up by +52.4 million pounds (+29.6%) vs. the 177 million shipped last year. This sets a new record for shipments for the month of January. This brings YTD shipments up to 1.272 billion vs. 1.239 billion pounds shipped through January last season (+32.6 million or +2.6%).
- The Total Committed and Shipped figure as of the end of January 2023 of 2.112 billion is up by +31 million pounds (+1.5%) vs. the end of January 2022. The Industry's overall sold percentage at the end of January is 63% of the total estimated supply and 85% sold to the estimated 2.499 billion pounds of net crop receipts (2.55 billion pounds gross less 2.0% loss & exempt). CY'22 Commitments not yet shipped of 840 million are only one million lower (-0.2%) than seen at the end of January 2022.
- **Domestic Shipments** - January shipments of 67 million were down only 100,000 pounds (-0.1%) vs. last year. Total Committed and Shipped volume at the end of January of 712 million represents an 18 million-pound decrease vs. last year (-2.5%).
- **Export Shipments** - January shipments of 163 million were up +52.5 million pounds (+47.5%) vs. last year and established a new shipment record for the month of January. Total Committed and Shipped volume at the end of January of 1.4 billion represents a 49-million-pound increase vs. last year (+3.6%).
- **New Sales** - New Sales for the month of November of 350 million pounds were up by +142.5 million pounds or +66.8% vs. last January! The prior January record New Sales level of 257 million was established in January 2015. The combined YTD New Sales (from Aug 1st through Jan 31st, 2023) total 1.465 billion vs. 1.295 billion for this same period last year (+170 million or +13.2%).
- **General Market Activity** – Buying and Selling activity in January was exceptionally strong resulting in record new sales for the month. Buying activity in early February was equally as strong and we expect February 2023 New Sales to exceed last year's record level of 215 million pounds as a result. The main reasons for exceptionally strong sales is a combination of buyer's sensing that prices had reached the bottom as well as motivated sellers who needed to convert more inventory to cash. Since the release of this January 2023 ABC Report, we have seen prices increase by \$0.10 - \$0.15/lb. depending on the almond item sold. We expect another very strong ABC Position Report for February 2023, thus we anticipate further price strengthening over the next 45 days.

2022 California Almond Crop Size Outlook

as of 2/14/23

As of last month, we were still using a final 2022 crop size of 2.6 billion but noted it could end up as low as 2.55 billion based on the reduction seen in November & December USDA crop receipts. Now that the January ABC Position report has been published, we can clearly see the final figure will likely be 2.55 billion or slightly less. Through January 2023, USDA Crop Receipts totaled 2.493 billion vs. 2.849 billion one year ago (-356 million or -12.5%). If you consider that only 52.7 million pounds of USDA Crop Receipts were reported after January last year along with the 3-month trend of lower receipts vs. last year for the same period, the expectation is final receipts will fall short of getting the crop to 2.55 billion.

As you will see on the following page, the drop off from last year for November thru January in USDA crop receipts has gotten larger with each passing month. The detail of this drop off can be seen on the following page. Based on the recent pattern and known volume that is still left to be reported in the different regions as of 2/9/23, our outlook for the final crop size is 2.537 billion pounds or about 385 million less (-13.2%) vs. the CY'21 volume. It will be interesting to see how close we are to the final figure that will be seen in the July 2023 ABC Position Report.

If you remember from my March 2022 Almond Market Report last year, I made an attempt to estimate what the 2022 crop could be based on the reported freeze damage by county as well as expected negative impacts from the on-going drought, using prior year yield history that occurs during these types of events. You can once again see that analysis on page 9 of this report. This was not an official forecast but merely an exercise of what the crop could be based on recent history of droughts and freeze events. As you can see, that analysis ended up with a figure that was amazingly close to the outlook on the following page. Our March 2022 Analysis predicted a crop size of 2.542 billion vs. our current outlook of 2.537 billion! I now wish I would have just gone with that March 2022 analysis figure as that would have saved me countless hours and well over 1,400 miles of driving around the state last April and May hoping to get a more accurate figure! Unfortunately, the analysis ended up much more accurate than our final State Tour figure of 2.8 billion. We had the Northern Region estimate correct, but we did not see the drop in volume in the Central and Southern region that materialized based on our visual observations. The old saying “the crop on the edges of the orchards are always better than the middle of the orchard” proves to be correct once again!

California Almond Crop USDA Reporting Variances and Final Crop Outlook by Region

Crop Year	Region	Actual USDA Reported Almond Crop Receipts				Variance in Receipts. - CY'22 vs. CY'21			
		November	December	January	Total	November	December	January	Total
In Pounds									
2022	Northern Counties	17,970,982	2,151,848	568,471	20,691,301	(41,387,266)	(17,417,659)	(4,079,316)	(62,884,241)
2022	Central Counties	188,479,553	84,173,149	32,577,574	305,230,276	(16,694,573)	(29,435,247)	(26,583,314)	(72,713,134)
2022	Southern Counties	228,366,912	102,640,158	46,959,113	377,966,183	(11,176,156)	(56,763,815)	(35,492,481)	(103,432,452)
CY 2022 Totals:		434,817,447	188,965,155	80,105,158	703,887,760	(69,257,995)	(103,616,721)	(66,155,111)	(239,029,827)
In %									
2021	Northern Counties	59,358,248	19,569,507	4,647,787	83,575,542	-70%	-89%	-88%	-75%
2021	Central Counties	205,174,126	113,608,396	59,160,888	377,943,410	-8%	-26%	-45%	-19%
2021	Southern Counties	239,543,068	159,403,973	82,451,594	481,398,635	-5%	-36%	-43%	-21%
CY 2021 Totals:		504,075,442	292,581,876	146,260,269	942,917,587	-14%	-35%	-45%	-25%

Estimated Final 2022 California Almond Crop Receipt Outlook - as of 2/13/23

Crop Year	Region	Est. Feb - July Left to Report	YTD USDA Thru Jan 2023	CY 2022 Final Outlook Receipts
2022	Northern Counties	937,385	210,633,832	211,571,217
2022	Central Counties	14,142,105	1,132,051,475	1,146,193,580
2022	Southern Counties	28,655,111	1,150,059,042	1,178,714,153
CY 2022 Final Outlook:		43,734,601	2,492,744,349	2,536,478,950

Note: Central Counties Include Madera

The 2022 California Almond Crop will be challenged by not only the recent freeze event that occurred from February 24th - 26th, it will also be impacted greatly by a 3rd year of drought which is project at this time to be worse in terms of water supply than any previous drought that California has experienced. Below is an analysis which attempts to quantify the possible impact using actual drought and freeze events that occurred over the past 11 years.

Estimating 2022 California Almond Crop Based on Past History of Drought & Freeze Events

	Crop Year Finals - (Acreage, Yield/Acre, & Total Yield)												Estimate
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
				Yr 1	Yr 2	Yr 3			Freeze		Yr 1	Yr 2	Yr 3
Bearin Acres in 000's	810	853	885	911	936	970	982	1035	1088	1181	1242	1310	1,360
Yield/Acre	2,010	2,368	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,502	2,214	1,869
Yield/Acre in Year 3 of Drought				2,206	1,996	1,953					2,502	2,214	(250)
Drop in Yield/Acre vs. Prior Year 1 Drought					(210)	(253)							(288)
Yield/Acre in Freeze Year							2,175	2,185	2,086				(94)
Drop in Yield/Acre vs. Prior 2 Year Non-Freeze									(94)				(94)
Total Expected Yield/Acre Impact In 3rd Year Drought + Freeze													(344)
Final Crop Size in 000's of Lbs.	1,628	2,020	1,885	2,010	1,868	1,894	2,136	2,261	2,270	2,551	3,107	2,900	2,542
Vs. Prior Year:		392	(135)	125	(142)	26	242	125	9	282	556	(207)	(358)

This analysis from March 2022 was so very close to our current outlook!

Drought

Freeze

= Change from prior year in yield/acre due to 3rd year of drought + Freeze Impact.

= Estimated 2022 State Average Yield/Acre and Total Crop based on drought & Freeze impact.

2023 California Almond Bloom Outlook

as of 2/14/23

As of this writing (2/14/23), bloom is just getting started in the warmer climates of the Northern Region and only scattered bloom in the early varieties in the Southern Region. The flowers on Nonpareil and Monterey should start showing up over the next several days in all regions. This is very typical timing for bloom in California (not early, and not late). Looking at the current 15 day forecast on the Weather Channel website (see following page), you can see the weather forecast through the 28th of February is not ideal. Last year was colder than normal from the 14th – 28th of February (including the hard freeze period of February 24th-26th that wiped out almost 50% of the Northern Regions crop). This year, the temperatures for this same period are looking even colder on average with critical temperatures (below 29°F in many growing regions) expected on the 15th of February. Considering the current stage of bloom in all regions, we are not expecting any major damage from this one-day freeze event.

However, along with even colder daily average temperature from February 14th – March 2nd, there will also be several rain events occurring on February 25th- 28th as well as on March 1st and 2nd (if the current forecast holds true). Last year, there were no rain events during this time period. So, at this point, it appears the next 16 days of the 2023 will likely provide only marginal bee activity. You can see the comparison of the February 2023 weather (actual & forecast) to what we experience last year during the same month on page 13.

I do hope that the weather over the next 45 days (now through the end of March) does not bring a hard freeze like we had last year. But at this point, no one should be expecting a record yield/acre in any region based on the current forecast and the fact that many orchards in the southern region were highly water stressed at the end of the 2022 harvest (due to a lack of water and a very hot summer). The fact that growers have been selling at a large financial losses this past season due to historically low prices in combination with the record high 2022 growing costs also suggests farming inputs into this 2023 crop will be limited for many growers. In 2023, orchard sanitation, bee's, fertilizers, pesticides, fuel, electricity, labor, and water (despite the expected higher allocations) are all still a lot higher than historical costs prior to 2022. We expect many orchards will not be farmed normally this year as many growers just won't have the cash flow to farm as they have in the past.

15 Day Weather Forecasts for Major California Almond Growing Regions – as of 2/14/23

10 Day Weather - Orland, CA

As of 9:39 am PST

Today	52°/36°		AM Showers	49%	N 17 mph
Wed 15	59°/27°		Sunny	0%	NNW 15 mph
Thu 16	55°/37°		Mostly Cloudy	2%	SSE 5 mph
Fri 17	63°/34°		AM Clouds/PM Sun	7%	NNW 10 mph
Sat 18	66°/35°		Mostly Sunny	1%	NNW 9 mph
Sun 19	67°/39°		Partly Cloudy	2%	NNW 7 mph
Mon 20	67°/43°		Partly Cloudy	5%	NNW 8 mph
Tue 21	67°/40°		Mostly Sunny	4%	NNW 11 mph
Wed 22	59°/34°		Mostly Sunny	2%	NW 11 mph
Thu 23	54°/35°		Partly Cloudy	24%	S 13 mph
Fri 24	54°/36°		Showers	49%	SSE 13 mph
Sat 25	55°/35°		Showers	52%	SE 9 mph
Sun 26	57°/37°		AM Showers	32%	SSE 10 mph
Mon 27	57°/37°		AM Showers	35%	S 10 mph
Tue 28	56°/38°		Showers	58%	S 11 mph

10 Day Weather - Madera, CA

As of 9:40 am PST

Freeze Warning +2 More

Today	54°/29°		Partly Cloudy/Wind	2%	NW 24 mph
Wed 15	55°/31°		Sunny	4%	ESE 5 mph
Thu 16	62°/36°		Partly Cloudy	3%	SE 9 mph
Fri 17	62°/35°		Cloudy	1%	ESE 6 mph
Sat 18	63°/35°		Partly Cloudy	4%	WNW 5 mph
Sun 19	65°/38°		Sunny	6%	SSW 5 mph
Mon 20	66°/40°		Partly Cloudy	5%	E 5 mph
Tue 21	66°/41°		Partly Cloudy	6%	NW 8 mph
Wed 22	59°/36°		Partly Cloudy	16%	NW 12 mph
Thu 23	56°/37°		PM Showers	30%	SE 9 mph
Fri 24	57°/38°		Showers	40%	SE 9 mph
Sat 25	56°/37°		Showers	57%	SSE 7 mph
Sun 26	59°/38°		AM Showers	34%	SE 7 mph
Mon 27	59°/38°		AM Showers	35%	SE 8 mph
Tue 28	60°/40°		PM Showers	50%	SE 9 mph

10 Day Weather - Bakersfield, CA

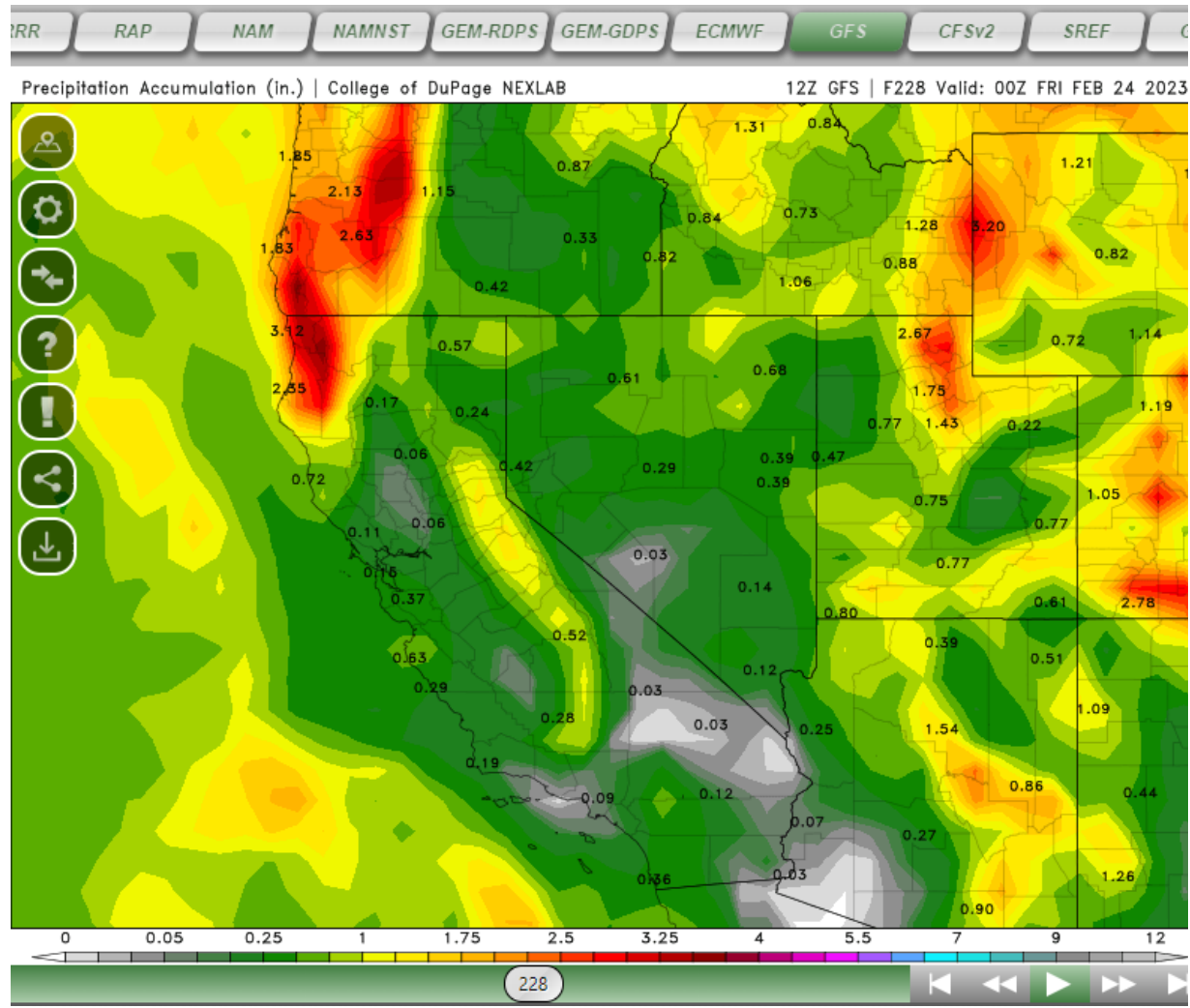
As of 9:49 am PST

Freeze Warning +2 More

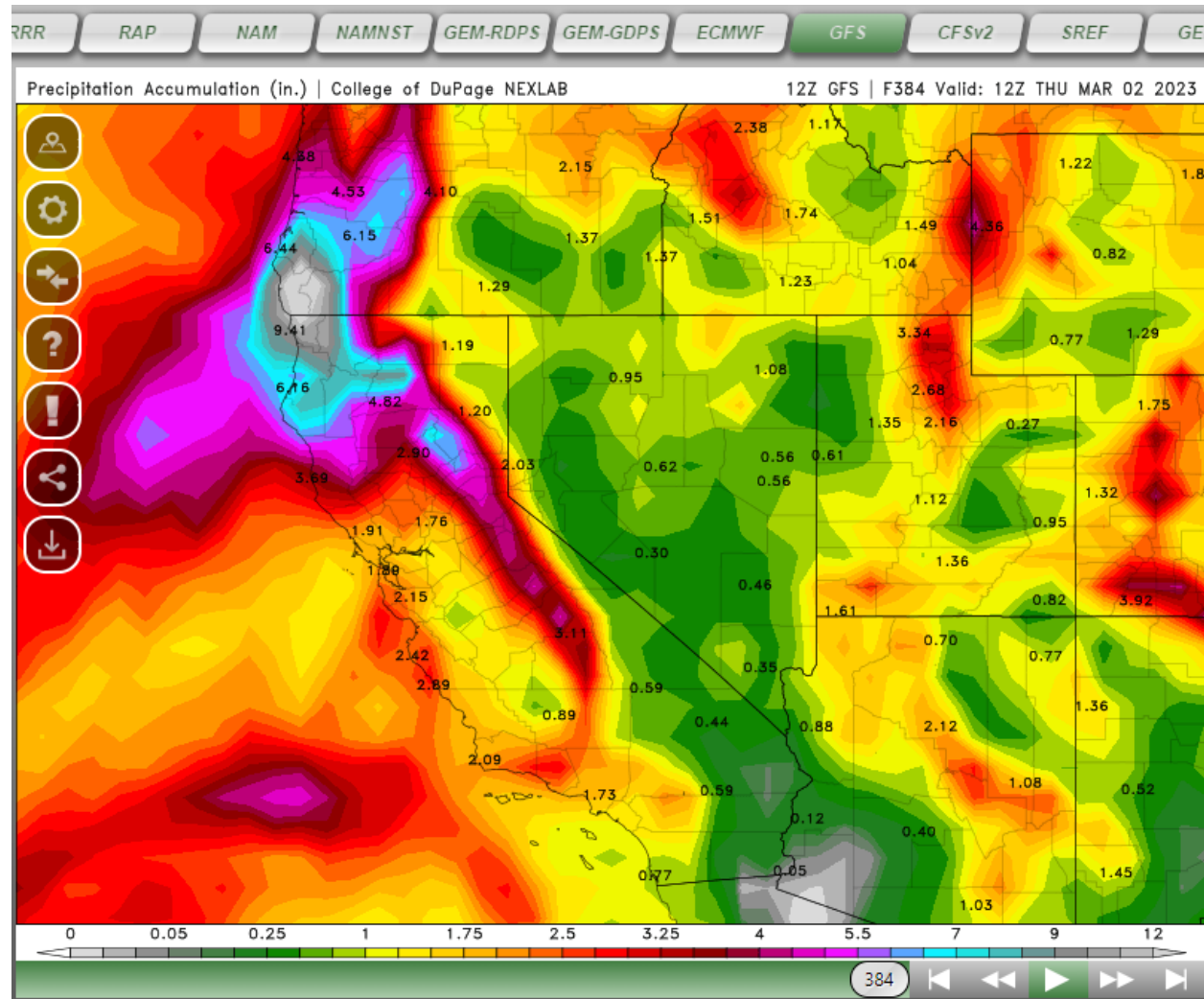
Today	54°/35°		Partly Cloudy	3%	NNW 18 mph
Wed 15	55°/33°		Sunny	6%	WSW 4 mph
Thu 16	63°/36°		Partly Cloudy	1%	SE 8 mph
Fri 17	65°/40°		Cloudy	0%	ESE 9 mph
Sat 18	66°/39°		Partly Cloudy	1%	NNW 7 mph
Sun 19	68°/42°		Sunny	2%	NNW 7 mph
Mon 20	68°/44°		Mostly Sunny	1%	NW 6 mph
Tue 21	66°/44°		Mostly Sunny	4%	WNW 7 mph
Wed 22	60°/39°		Partly Cloudy	19%	NW 10 mph
Thu 23	57°/39°		Partly Cloudy	12%	WNW 6 mph
Fri 24	58°/41°		Partly Cloudy	24%	S 7 mph
Sat 25	57°/41°		Showers	47%	WNW 8 mph
Sun 26	60°/41°		Partly Cloudy	24%	NW 6 mph
Mon 27	61°/41°		Partly Cloudy	19%	ESE 8 mph
Tue 28	61°/44°		PM Showers	44%	NNW 7 mph

Cumulative Precipitation Forecast for California from 2/14 -3/2/23 - 12pm GFS Forecast Model on 2/14/23

Cumulative Precipitation 2/14 – 2/24/23



Cumulative Precipitation 2/14 – 3/2/23



California February Bloom Weather Conditions 2023 vs. 2022

February 2022 in °F			
Period	Avg. High	Daily Avg.	Avg. Low

February 2023 in °F			
Period	Avg. High	Daily Avg.	Avg. Low

February 2023 - Warmer /(Colder) than 2022			
Period	Avg. High	Daily Avg.	Avg. Low

Sacramento													
Actual	1st - 13th	67	50	38	Actual	1st - 13th	61	49	39	1st - 13th	(5)	(1)	1
Actual	14th - 28th	63	50	37	Forecast	14th - 28th	58	48	37	14th - 28th	(4)	(2)	0

Fresno													
Actual	1st - 13th	69	53	41	Actual	1st - 13th	62	50	40	1st - 13th	(7)	(3)	(1)
Actual	14th - 28th	64	52	41	Forecast	14th - 28th	60	48	37	14th - 28th	(4)	(4)	(4)

Bakersfield													
Actual	1st - 13th	70	54	41	Actual	1st - 13th	62	51	40	1st - 13th	(8)	(4)	(1)
Actual	14th - 28th	65	52	40	Forecast	14th - 28th	61	51	40	14th - 28th	(3)	(2)	(0)

Current 16 Day GFS Model Precipitation Forecast 2/14 -3/2/23										Precip Accumulation	
Region	Forecasted Rain Events as of 2/14/23									2/14 - 2/24	2/14 - 3/2
	In Inches										
Chico/Sacramento:	Stronger Rainfall 25th - 27th, Light Rainfall 28th, Stronger Rainfall March 1st & 2nd									0.80	4.00
Fresno/Madera:	Stronger Rainfall 26th & 27th, Stronger Rainfall March 1st & 2nd									0.25	1.50
Bakersfield	Stronger Rainfall 26th & 27th, Stronger Rainfall March 1st & 2nd									0.25	2.00

Note: Bee's begin moving when temperature are above 45° F and winds below 15mph. Bee's are most active when temperatures are above 55°F in Sunshine Conditions, with winds below 10mph.

Outlook 2023 February Bee Flight Hours based on Current Forecast: Marginal due to forecasted colder than normal temps with daily average temps only 51°F in all regions. At least 4-5 days of rainfall between 2/25 - 3/2/23 depending on Region.

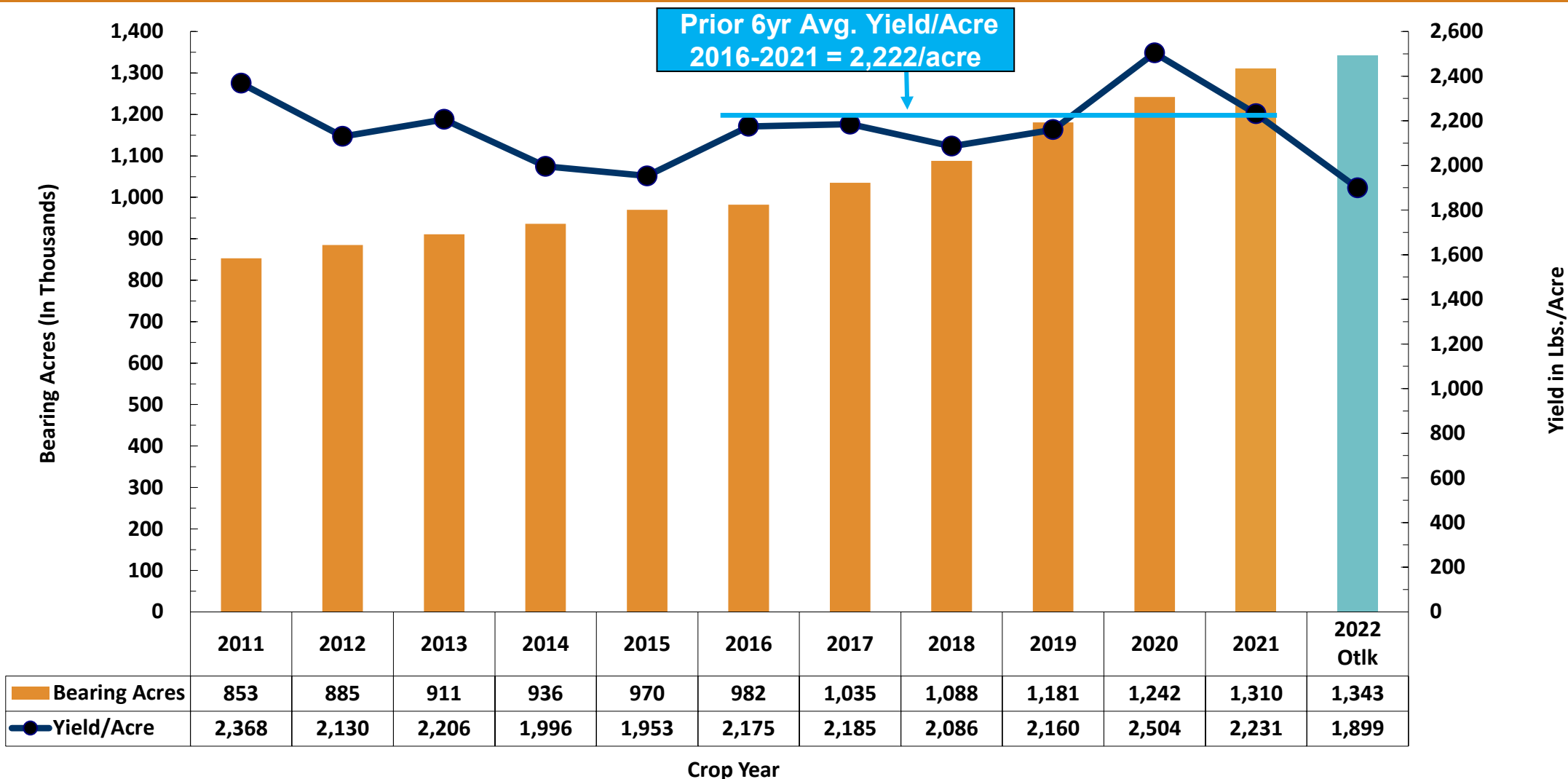
California Almond Industry- Historical Supply & Demand

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
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		2.85
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	1,899	2,065
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%	-14.9%	8.8%
	In Lbs./Acre:	358	(238)	76	(210)	(43)	222	9	(99)	74	416	(271)	(332)	166
Supply														
Carry-in Supply		254	335	317	350	376	412	398	357	315	450	608	837	650
New Crop		2,020	1,885	2,010	1,868	1,894	2,136	2,261	2,270	2,551	3,107	2,922	2,550	2,850
Increase/(Decrease to Prior Year)	In %:	24%	-7%	7%	-7%	1%	13%	6%	0%	12%	22%	-6.0%	-13%	10%
	In Lbs:	392	(135)	125	(142)	26	242	125	9	282	556	(185)	(372)	250
Less: Exempt		40	37	39	29	47	49	51	48	44	51	58	51	58
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	2,499	2,792
Total Supply		2,233	2,183	2,287	2,189	2,223	2,499	2,609	2,579	2,822	3,506	3,471	3,336	3,442
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%	-3.9%	3.2%
	In Lbs.:	312	(51)	105	(99)	35	276	110	(30)	244	684	(35)	(135)	106
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	2,686	2,793
Avg. Monthly Shipments:		158	156	161	151	151	175	188	189	198	242	220	224	233
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%	2.0%	4.0%
	In Lbs.:	231	(32)	71	(125)	(1)	290	150	13	108	526	(264)	52	107
Carry-out in M/Lbs.		335	317	350	376	412	398	357	315	450	608	837	650	649
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%	24.2%	23.2%
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%	19.5%	18.8%

= Record Increase in shipments in both Lbs. and %. Prior record was in 2007 (+18.3%)
 = Lowest % since 2006 Crop Year. = Outlook as of 2/9/23
 = CY 2023 - upside yield based on recovery from drought conditions in 2022.

California Bearing Acreage & Yield/Acre - Almonds

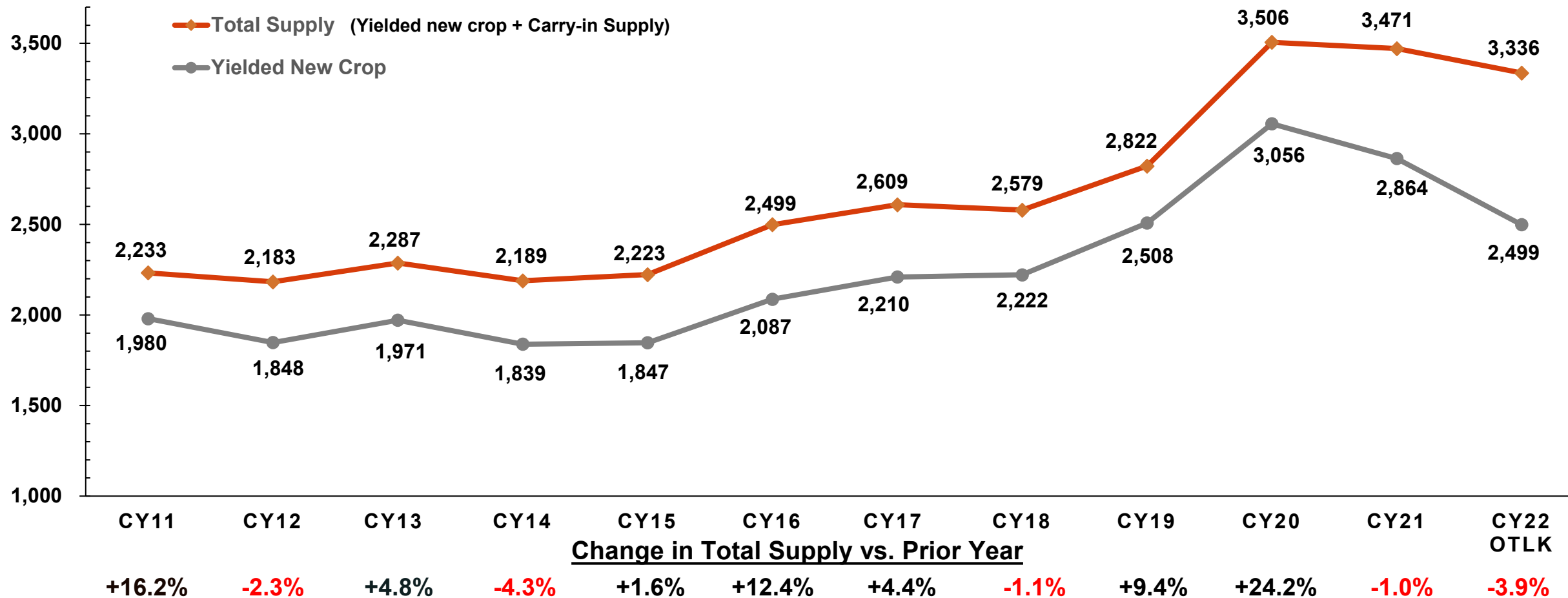


2010 – 2022 Acres are based on Land IQ acreage data.

2021 Otlk = 2.913 B Lbs. from 1.310 MM Bearing acres
 2022 Est. = 2.600 B Lbs. from 1.343 MM Bearing acres

California Almond Industry Saleable Supply

(In millions of pounds)

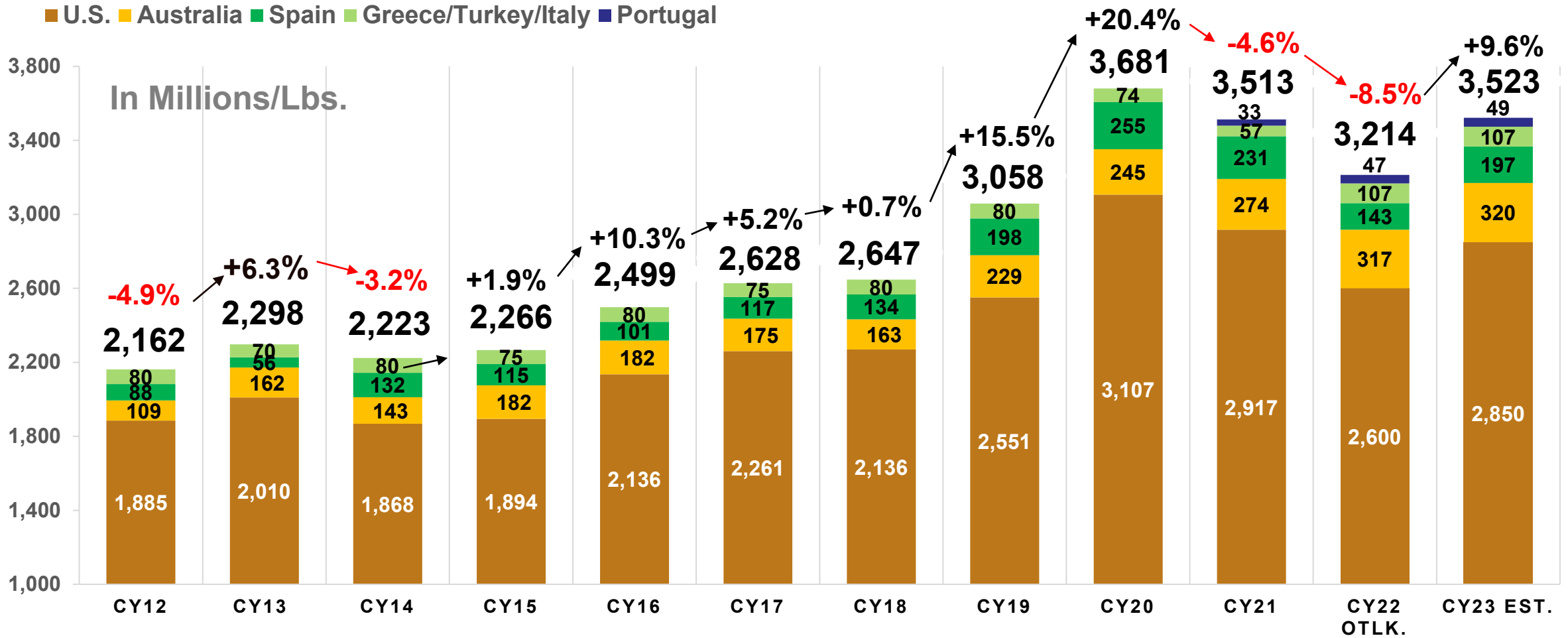


Source: All historical figures come from Almond Board Reports.

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.

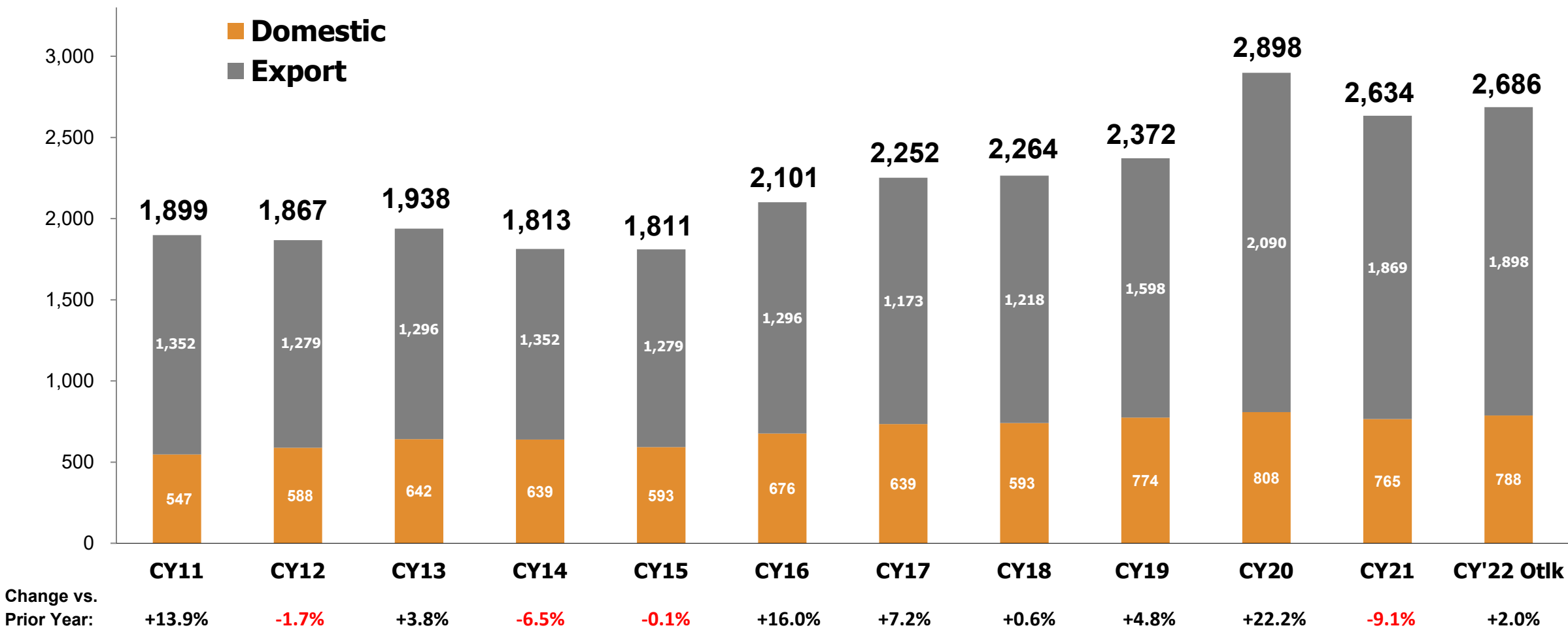
2022 Outlook: Based on current harvest and crop receipt reporting that points to a 2.55-billion-pound crop less -2.0% In-edible/Loss & a carry-in from CY'21 of 837 million .

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 upside growing conditions and recent estimates for Australia prior to the 2023 harvest. As of 2/13/23, the bloom in California is just now starting and bloom weather could lower the upside depending on conditions we see over the next 40 days.

California Almond Industry Shipments – Domestic vs. Export



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

2022 Shipments will result in a 650-million-pound carry-out into CY'23.