Wonderful®

ALMONDS

Almond Industry Update

As of 9-18-2023

CY 2023 Year to Date Demand Highlights
as of 9/12/23 - 1st month of the Crop Year

		Shipments		Committed
		August	Crop to Date	Not Shipped
Overall:	CY'23	212	212	622
	CY'22	228	228	614
	Increase: In %	-7.1%	-7.1%	1.3%
	In millions/lbs.	(16.3)	(16.3)	8
Domestic	CY'23	61	61	252
	CY'22	65	65	303
	Increase: In %	-6.2%	-6.2%	-17.1%
	In millions/lbs.	(4.0)	(4.0)	(52)
Export	CY'23	151	151	370
	CY'22	163	163	311
	Increase: In %	-7.5%	-7.5%	19.1%
	In millions/lbs.	(12.3)	(12.3)	59

Total CY YTD Sales		Domestic	Export	Total
	CY'23	313	521	834
(Includes Shipments	CY'22	369	474	842
& Commitments not	Increase: In %	-15.1%	10.0%	-1.0%
Shipped).	In millions/lbs.	(56)	47	(9)

CY 2023 Year to Date Demand Highlights - continued

as of 9/12/23 - 1st month of the Crop Year

California Industry Historical Supply and % Sold by End of August

Crop Year	Committed & Shipped by End of August	Total Saleable Supply		Total Target/Actual Crop Year Shipments		Total Net Edible Crop (= Gross less Inedible)	
		Pounds	% Sold	Pounds	% Sold	Pounds	% Sold
CY 23	834	3,296	25%	2,696	31%	2,496	33%
CY 22	842	3,356	25%	2,565	33%	2,520	33%
CY 21	924	2,471	37%	2,634	35%	2,863	32%
CY 20	1,249	3,506	36%	2,898	43%	3,056	41%
CY 19	709	2,822	25%	2,372	30%	2,507	28%
Avg CY19 - CY22:			31%		35%		34%

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

CY'23 Outlook Carry-out = 600 million

= Ahead of Pace

= on Pace

= off Pace

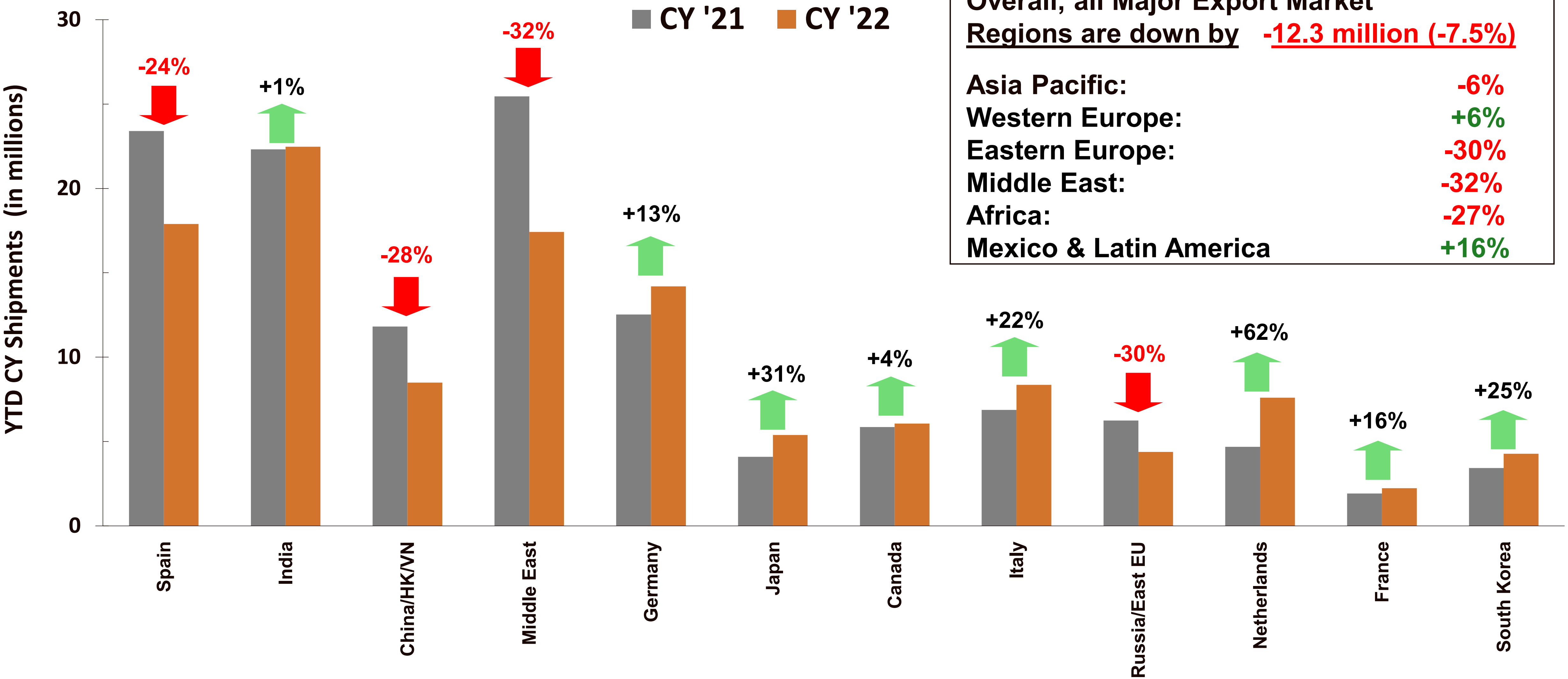
CY 2023 Year to Date Demand Highlights - continued
as of 9/12/23 – 1st month of the Crop Year

		In M/lbs.
Total Saleable Supply:		
Full Year 2023 Outlook:	as of 9/14/23	3,296
Full Year 2022 Actual:		3,356
Increase/(Decrease) in Saleable Supply:		(60)
Target Shipment Increase in CY'23 vs. CY'22:		131

Balance to Ship for the Remainder of the Year

Target Shipments: Sep '23 - Jul '24:	Total:	2,484
	Per Month:	226
Actual Shipments: Sep '22 - Jul '23:	Total:	2,336
	Per Month:	212
Difference: CY'22 vs. CY'23	Total:	148
Balance of the Year Shipments:	Per Month:	13
Variance in %:		6.3%

California Almond Export Shipment Demand Comparison CY’22 vs. CY’23 – as of 9/12/23 – 1st month of the Crop Year

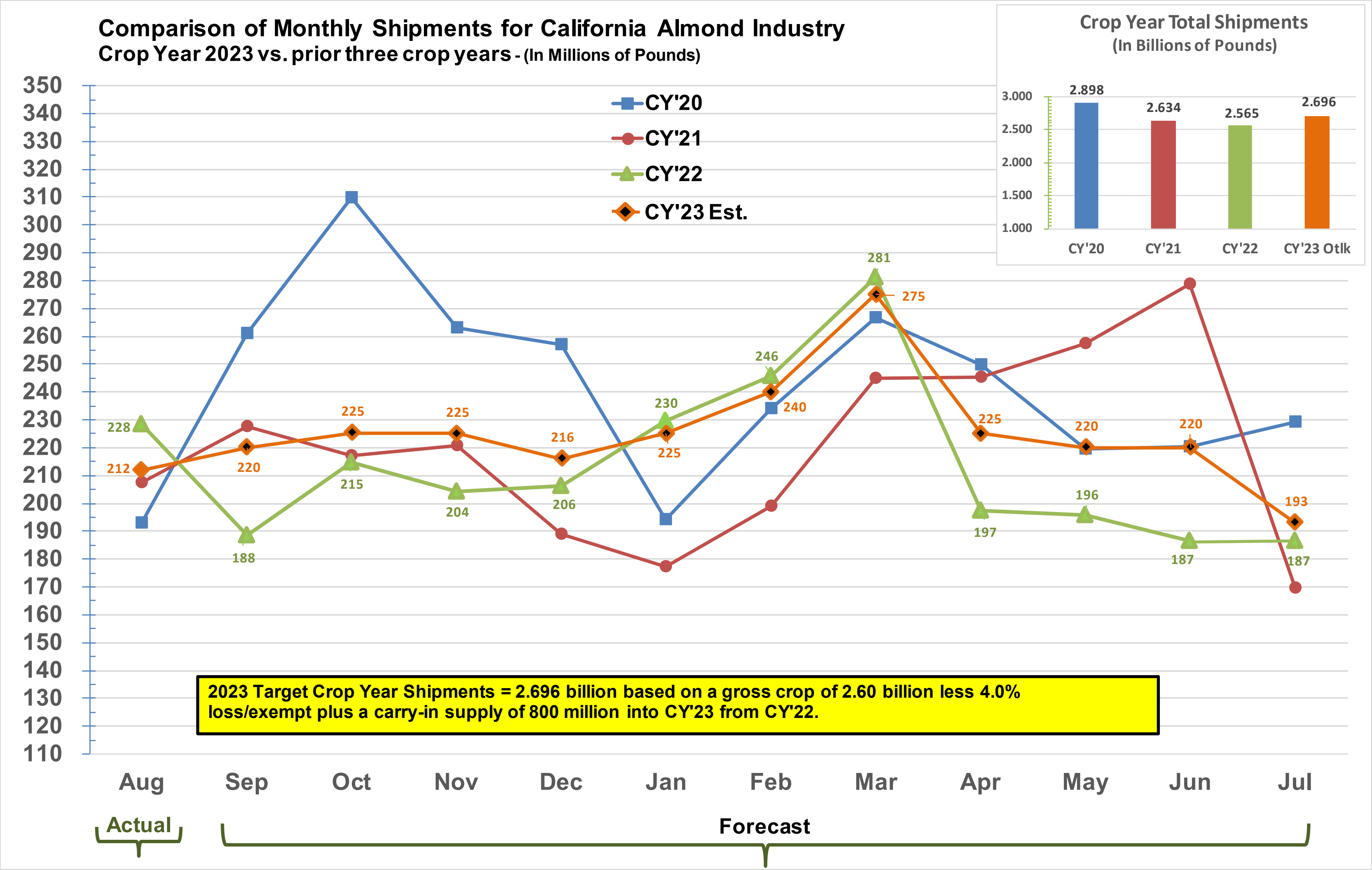


Overall, all Major Export Market Regions are down by -12.3 million (-7.5%)

Asia Pacific:	-6%
Western Europe:	+6%
Eastern Europe:	-30%
Middle East:	-32%
Africa:	-27%
Mexico & Latin America	+16%

Source: ABC Monthly Position Report August 2023

California Almond Industry Monthly Shipments CY'23 Outlook vs. Prior three Crop Years



CY'23 - August 2023 ABC Position Report Summary & Market Status as of 9/12/23

- August 2023 shipments of 212 million were down by -16.3 million pounds (-7.1%). The total Committed and Shipped figure as of the end of August 2023 of 834 million is down by -9 million pounds (-1.0%) vs. the end of August 2022. The Industry's overall sold percentage at the end of August is 25% of the total estimated supply and 33% sold to the estimated 2.496 billion pounds of net crop receipts (2.6 billion pounds gross less 4.0% loss & exempt). CY'23 Commitments not yet shipped of 622 million are +8 million higher (+1.3%) than seen at the end of August 2022.
- **Domestic Shipments -** August shipments of 61 million were down -4.0 million pounds (-6.2%) vs. last year. Total Committed and Shipped volume at the end of August of 313 million represents a -56-million-pound decrease vs. last year (-15.1%).
- **Export Shipments** - August shipments of 151 million were down -12.3 million pounds (-7.5%) vs. last year. Total Committed and Shipped volume at the end of August of 521 million represents a +47-million-pound increase vs. last year (+10.0%).
- **New Sales -** New Sales for the month of August were 256 million pounds (+60 million pounds or +30% vs. last August).
- **General Market Activity –** As can be seen by the strong New Sales figure for August, buying and selling activity during late August/early September has been seasonally strong. However, most of the sales were against CY'22 carry-out inventories for shipment through December with limited interest from sellers to offer new crop volumes. The later start to harvest along with the additional 7-day delay in the southern region due to excessive rainfall from tropical storm Hilary on August 19th & 20th has put harvested volumes a full 3-weeks behind last year as of this writing. In addition, the limited harvest data growers have seen so far has been very disappointing. Growers in all regions are seeing very high insect damage and lower than expected yields in the Central and Northern regions leading to uncertainty as to what they can offer in terms of quality and volume. In the Southern region, field weights are lower and insect damage is higher than normal (by 2% to 3% vs. last year) but very little actual huller turnout data is available at this time. As a result, new crop offers are limited until more harvest data is made available over the next few weeks. With buying demand for new crop stronger than what growers are willing to offer, we have seen market prices strengthen by about $0.10/lb. over the past 10-days. If future harvest data continues to disappoint, we expect prices to continue to move higher in coming weeks.

2023 California Almond Crop Yield Trends

as of 9/15/23

As of 9-15-23, Nonpareil, Independence, and Shasta varieties are the only varieties that have had large volumes delivered to the State's Huller/Shellers. As noted on the prior page, all regions are approximately 3 weeks behind normal in their deliveries due to the later start and weather-related delays (rain). Cooler than normal temperatures along with higher-than-normal humidities for this time of year continue to keep harvest on a slower than normal pace.

What we do know about the crop so far is that the average nut size is larger than we received in the prior two crop years which were grown in severe drought conditions. Nut sizing on Nonpareil so far are averaging 25 to 26 nuts per ounce vs. 28 to 29 nuts per ounce at this point last year. This shift to larger nut sizes will reduce the number of smaller nuts (30/32 and smaller) by over 20% vs. the 2022 crop for Nonpareil. The Independence variety is showing a similar increase in nut size.

The major story concerning the 2023 California almond crop revolves around the extremely high insect damage levels seen in the Nonpareil crop from all regions. Double digit levels of insect damage (mainly navel orange worm) on incoming loads are not uncommon and loads as high as 72% inedible have been received by some Huller/Shellers. This high level is somewhat reflected in the USDA crop receipt data from the ABC August 2023 position report which shows Nonpareil crop receipts to date having over 5% rejects and an overall reject average for all receipts of 4.4%. You can find a comparison of August almond harvest receipt volume and quality on page 8 of this report going back to crop year 2016. On Page 9 of this report, you can find further detail on the August 2023 receipts by county and by region.

As a result, we are now using an outlook loss & exempt figure of 4.0% for the 2023 crop net edible calculations to determine the saleable supply for 2023. Even if the gross crop size makes the NASS Objective Estimate of 2.6 billion (which does not seem possible based on current yield reports from the Northern and Central regions), the net crop will be at least 50 million less than what was estimated due to the much higher reject levels. To a greater extent, these high levels seen so far will limit the volume of Xtra #1 grade almonds that can be offered into the market vs. prior years. We expect to see a large premium in price between Xtra #1 and lower grades in coming months as this reality sets into the market.

California Almond Crop Crop Receipt and Inedible Analysis - CY16 - CY23YTD

Based on USDA Receipt Data from the ABC Position Reports

	Nonpareil Crop				Total Crop							
		Inedibles				Inedibles			Nonpareil		Total Crop	
Crop Year	August Receipts	August	July Y/E	Change In %	August Receipts	August	July Y/E	Change In %	Volume	August % Received	Volume	August % Received
2016	247	1.36%	1.25%	**-0.11%**	271	1.41%	1.22%	**-0.19%**	814	**30.4%**	2,131	**12.7%**
2017	119	2.04%	2.31%	**0.27%**	129	2.02%	2.42%	**0.40%**	922	**12.9%**	2,264	**5.7%**
2018	100	1.76%	1.91%	**0.15%**	111	1.76%	1.73%	**-0.03%**	891	**11.3%**	2,268	**4.9%**
2019	181	1.49%	1.56%	**0.07%**	212	1.52%	1.65%	**0.13%**	1,049	**17.3%**	2,550	**8.3%**
2020	258	1.83%	1.36%	**-0.47%**	322	1.89%	1.41%	**-0.48%**	1,296	**19.9%**	3,115	**10.3%**
2021	304	1.81%	2.01%	**0.20%**	400	1.84%	1.96%	**0.12%**	1,132	**26.8%**	2,919	**13.7%**
2022	245	1.99%	2.04%	**0.05%**	339	2.03%	2.12%	**0.09%**	997	**24.6%**	2,571	**13.2%**
2023	67	**5.04%**			93	**4.44%**			1,100	**6.1%**	2,600	**3.6%**

= Average Inedibles got better by Year End

= Average Inedibles got worse by Year End

= NASS Objective Estimate for 2023 Crop

Analysis of CY'23 August USDA
Inedible % by County ABC Postion Report - All Varieties

County	Kernel Lbs	Inedible Lbs	% of Inedible	Total USDA Receipts	Receipts >5%	% of Receipts >5%
Butte	340,327	16,442	4.83%	19	3	15.79%
Colusa	886,781	54,060	6.10%	54	27	50.00%
Fresno	31,622,823	1,601,399	5.06%	1,295	449	34.67%
Glenn	1,753,734	44,600	2.54%	106	15	14.15%
Kern	21,494,823	712,583	3.32%	780	142	18.21%
Kings	6,168,915	374,025	6.06%	141	73	51.77%
Madera	8,489,862	401,885	4.73%	407	151	37.10%
Mendocino	4,344	46	1.06%	1	-	0.00%
Merced	5,830,688	240,487	4.12%	240	64	26.67%
Placer	67,233	1,687	2.51%	2	-	0.00%
Sacramento	23,213	480	2.07%	1	-	0.00%
San Joaquin	1,520,784	25,806	1.70%	52	7	13.46%
Solano	57,462	1,914	3.33%	5	1	20.00%
Stanislaus	6,365,442	305,485	4.80%	192	43	22.40%
Sutter	81,349	1,415	1.74%	5	1	20.00%
Tehama	959,120	22,602	2.36%	66	6	9.09%
Tulare	5,171,523	207,146	4.01%	219	53	24.20%
Yolo	2,090,573	110,248	5.27%	101	26	25.74%
Grand Total	**92,928,996**	**4,122,310**	**4.44%**	**3,686**	**1,061**	**28.78%**

Summary by Region

2023 Edible vs. Inedible - August Report

Region	Edible	Inedible	% Inedibles
Northern	6,264,136	253,494	4.05%
Central	22,206,776	973,663	4.38%
Southern	64,458,084	2,895,153	4.49%
Grand Total	92,928,996	4,122,310	4.44%

= High Percentage of Receipts greater then 5% inedible

Counties with greater then 5% insect damage reported to date

California Almond Industry- Historical Supply & Demand

CY'11 through CY'21 with CY'22 Outlook & CY'23 Estimates - as of 9/12/23

		Crop Year Finals - (Supply & Demand in millions of pounds)											CY 2022 Final	2023 Current Otlk 2.6 Billion	2023 WP&A 2.35 B	2023 NASS Sub. 2.50 B	2023 NASS Obj. 2.60 B
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021					
Bearing Acres: (Land IQ for Actuals)	In 000's	853	885	911	936	970	982	1,035	1,088	1,181	1,242	1,310	1,343	1,360	1,358	1,380	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	1,915	1,912	1,731	1,812	1,884
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%	-14.2%	-0.1%	-9.6%	-5.4%	-1.6%
	In Lbs./Acre	358	(238)	76	(210)	(43)	222	9	(99)	74	416	(271)	(316)	(3)	(183)	(103)	(31)
Supply																	
Carry-in Supply		254	335	317	350	376	412	398	357	315	450	608	837	800	800	800	800
New Crop		2,020	1,885	2,010	1,868	1,894	2,136	2,261	2,270	2,551	3,107	2,922	2,571	2,600	2,350	2,500	2,600
Increase/(Decrease) vs. PY	In %:	24%	-7%	7%	-7%	1%	13%	6%	0%	12%	22%	-6.0%	-12%	1%	-9%	-3%	1%
	In Lbs:	392	(135)	125	(142)	26	242	125	9	282	556	(185)	(351)	29	(221)	(71)	29
Less: Exempt		40	37	39	29	47	49	51	48	44	51	58	44	104	47	51	52
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	2,527	2,496	2,303	2,449	2,548
Total Supply		2,233	2,183	2,287	2,189	2,223	2,499	2,609	2,579	2,822	3,506	3,471	3,364	3,296	3,103	3,248	3,348
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%	-3.1%	-2.0%	-7.8%	-3.4%	-0.5%
	In Lbs.:	312	(51)	105	(99)	35	276	110	(30)	244	684	(35)	(107)	(69)	(262)	(116)	(17)
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	2,565	2,696	2,537	2,667	2,693
Avg. Monthly Shipments:		158	156	161	151	151	175	188	189	198	242	220	214	225	211	222	224
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%	-2.6%	5.1%	-1.1%	4.0%	5.0%
	In Lbs.:	231	(32)	71	(125)	(1)	290	150	13	108	526	(264)	(69)	132	(27)	103	128
Carry-out in M/Lbs.		335	317	350	376	412	398	357	315	450	608	837	800	600	565	581	655
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%	31.2%	22.2%	22.3%	21.8%	24.3%
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%	23.8%	18.2%	18.2%	17.9%	19.6%

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

= Lowest % since 2006 Crop Year.

= 2023 NASS Objective Est.

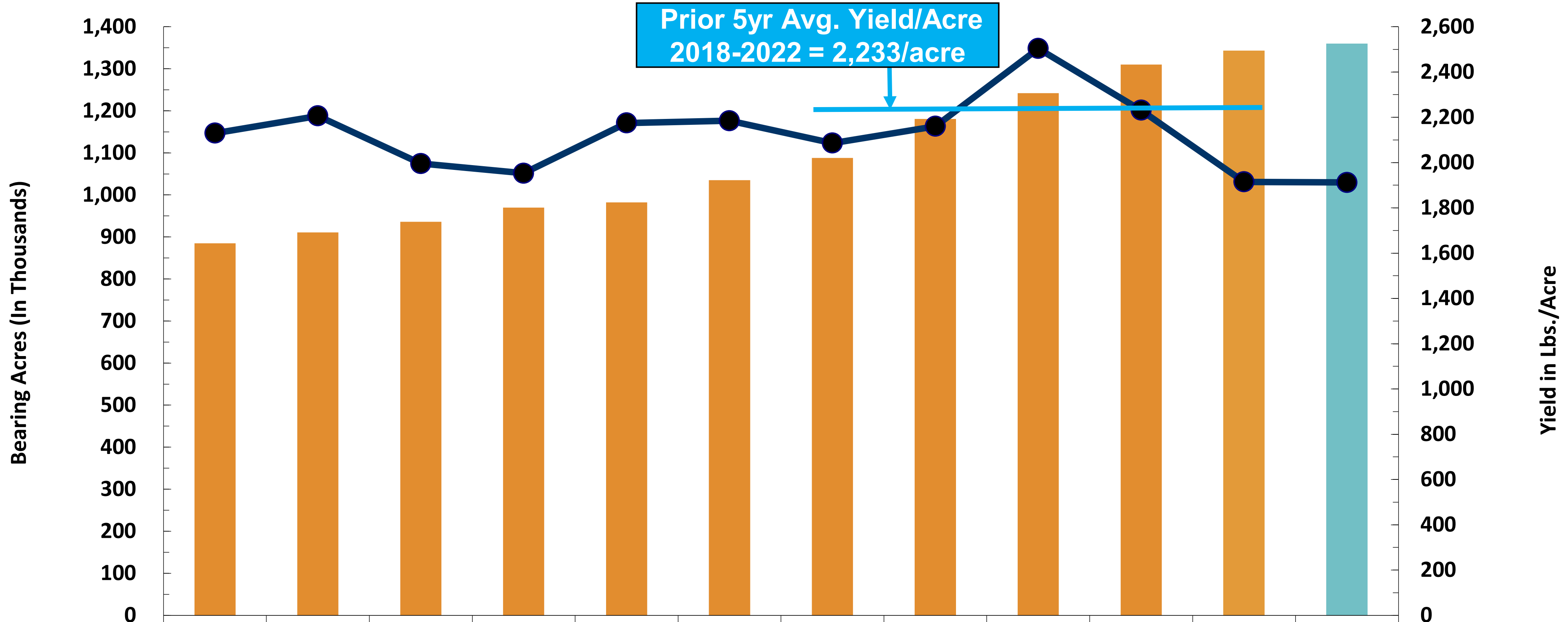
=Current Outlook 9/12/23 (inedibles @ 4%)

= Final as of 8/12/23

= 2023 NASS Subjective Estimate

= WP&A/Famoso/Ag-Wise 2023 Estimate released 5/9/23

California Bearing Acreage & Yield/Acre - Almonds



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 Otlk
Bearing Acres	885	911	936	970	982	1,035	1,088	1,181	1,242	1,310	1,343	1,360
Yield/Acre	2,130	2,206	1,996	1,953	2,175	2,185	2,086	2,160	2,504	2,231	1,915	1,912

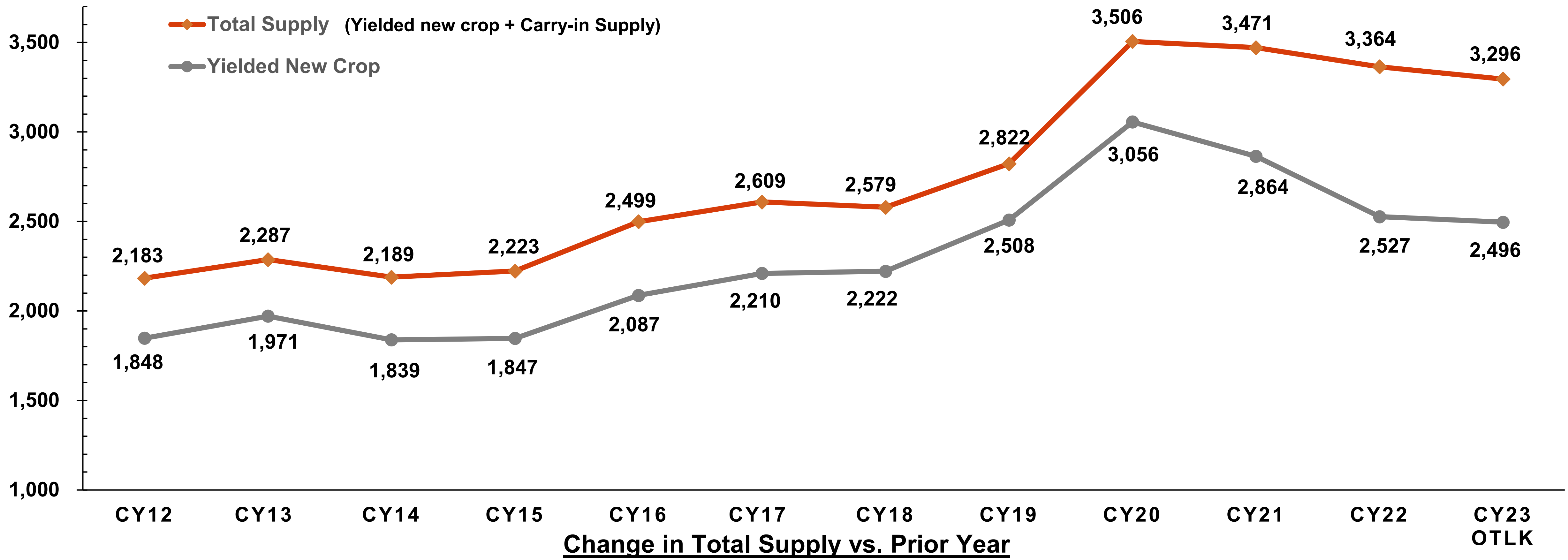
Crop Year

2010 – 2023 Acres are based on Land IQ acreage data.

2022 Final = 2.571 B Lbs. from 1.343 MM Bearing acres
2023 NASS Objective Est. = 2.600 B Lbs. & 1.360 M/Bearing Acres

California Almond Industry Saleable Supply

(In millions of pounds)



Change in Total Supply vs. Prior Year

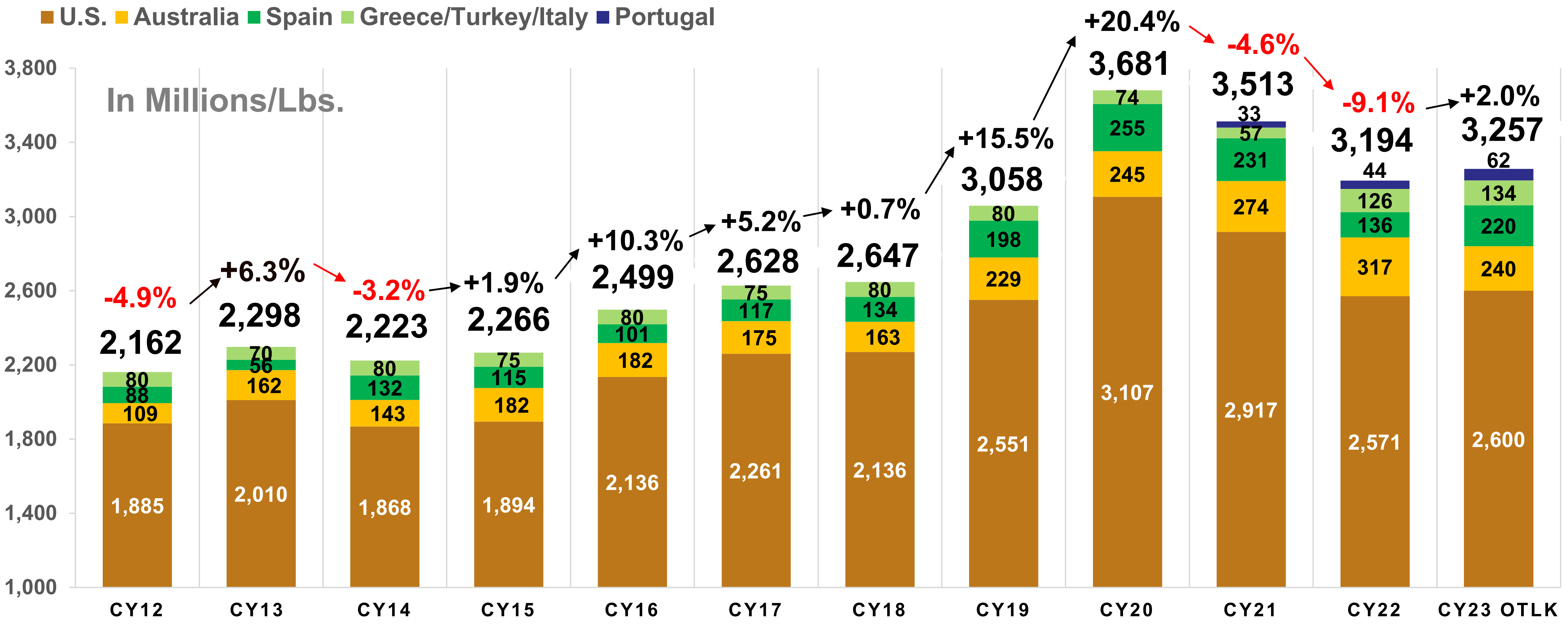
CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23 OTLK
-2.3%	+4.8%	-4.3%	+1.6%	+12.4%	+4.4%	-1.1%	+9.4%	+24.2%	-1.0%	-3.1%	-2.0%

Source: All historical figures come from Almond Board Reports.

2022 Final: Based on Gross Crop Size of 2.571 billion less -1.67% In-edible/Loss and a carry-in supply of 837 million from CY'21.

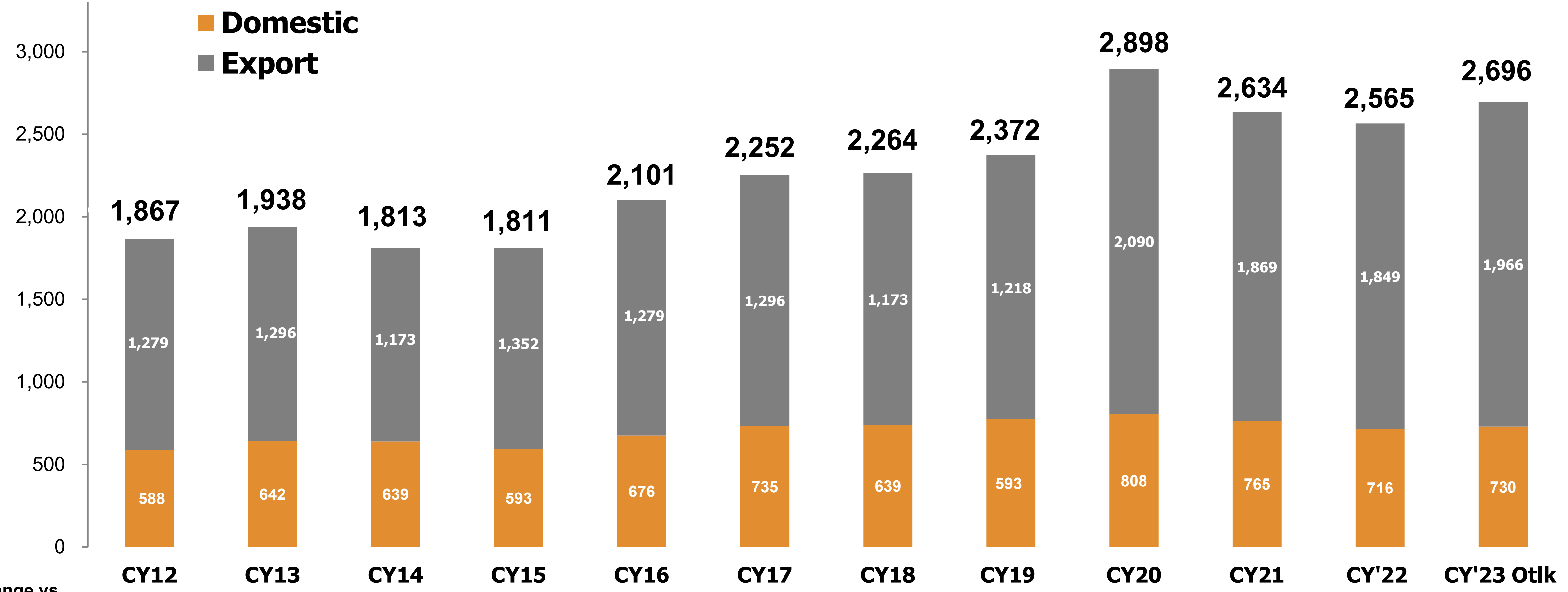
2023 Outlook: Based on NASS Objective Estimate of 2.60 billion less -4.0% In-edible/Loss and a carry-in of 800 million as of 9-12-23

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



Figures for 2021 are based on INC Official Almond Production Statistics Chart Updated in October 2022. Crop Year 2022 Actuals & 2023 Estimates are based on figures used for INC 2023 Official World Production Chart as of 5/15/23. Figure for U.S. in 2023 is based on the NASS Objective Estimate released on 7/12/23. Spain CY23 figure revised to 100,000 MT in September 2023 as extreme drought through the summer of 2023 had a negative impact on their crop (original estimate was 128,500 MT in May of 2023). It is expected that the gross crop size outlook for the U.S. will be lower in coming months based on current harvest trends of lower-than-expected yields vs. estimates.

California Almond Industry Shipments – Domestic vs. Export



Change vs. Prior Year:	CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY'22	CY'23 Otlk
	-1.7%	+3.8%	-6.5%	-0.1%	+16.0%	+7.2%	+0.6%	+4.8%	+22.2%	-9.1%	-2.6%	+5.1%

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

Source: ABC Monthly Reports

2022 Final shipments resulted in a 800-million-pound carry-out into CY’23.
2023 Estimated shipments will result in a 600-million-pound carry-out into CY’24.