
Wonderful®
ALMONDS
Almond Industry Update
As of 1-19-2024

CY 2023 Year to Date Demand Highlights

as of 1/12/24 - 5th month of the Crop Year

		Shipments		Committed
		December	Crop to Date	Not Shipped
Overall:	CY'23	229	1,145	637
	CY'22	206	1,042	720
	Increase: In %	11.2%	9.9%	-11.4%
	In millions/lbs.	23.1	102.8	(82)
Domestic	CY'23	57	298	278
	CY'22	52	297	330
	Increase: In %	8.0%	0.5%	-16.0%
	In millions/lbs.	4.2	1.5	(53)
Export	CY'23	173	846	360
	CY'22	154	745	389
	Increase: In %	12.2%	13.6%	-7.6%
	In millions/lbs.	18.8	101.3	(30)

Total CY YTD Sales		Domestic	Export	Total
	CY'23	576	1,206	1,782
(Includes Shipments	CY'22	627	1,134	1,762
& Commitments not	Increase: In %	-8.2%	6.3%	1.2%
Shipped).	In millions/lbs.	(51)	72	21

CY 2023 Year to Date Demand Highlights - continued

as of 1/12/24 - 5th month of the Crop Year

California Industry Historical Supply and % Sold by End of December

Crop Year	Committed & Shipped by 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 23	1,782	3,104	57%	2,614	68%	2,304	77%
CY 22	1,762	3,365	52%	2,565	69%	2,520	70%
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%
Avg CY19 - CY22:			57%		71%		68%

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

CY'23 Outlook Carry-out = 490 million

= Ahead of Pace

= on Pace

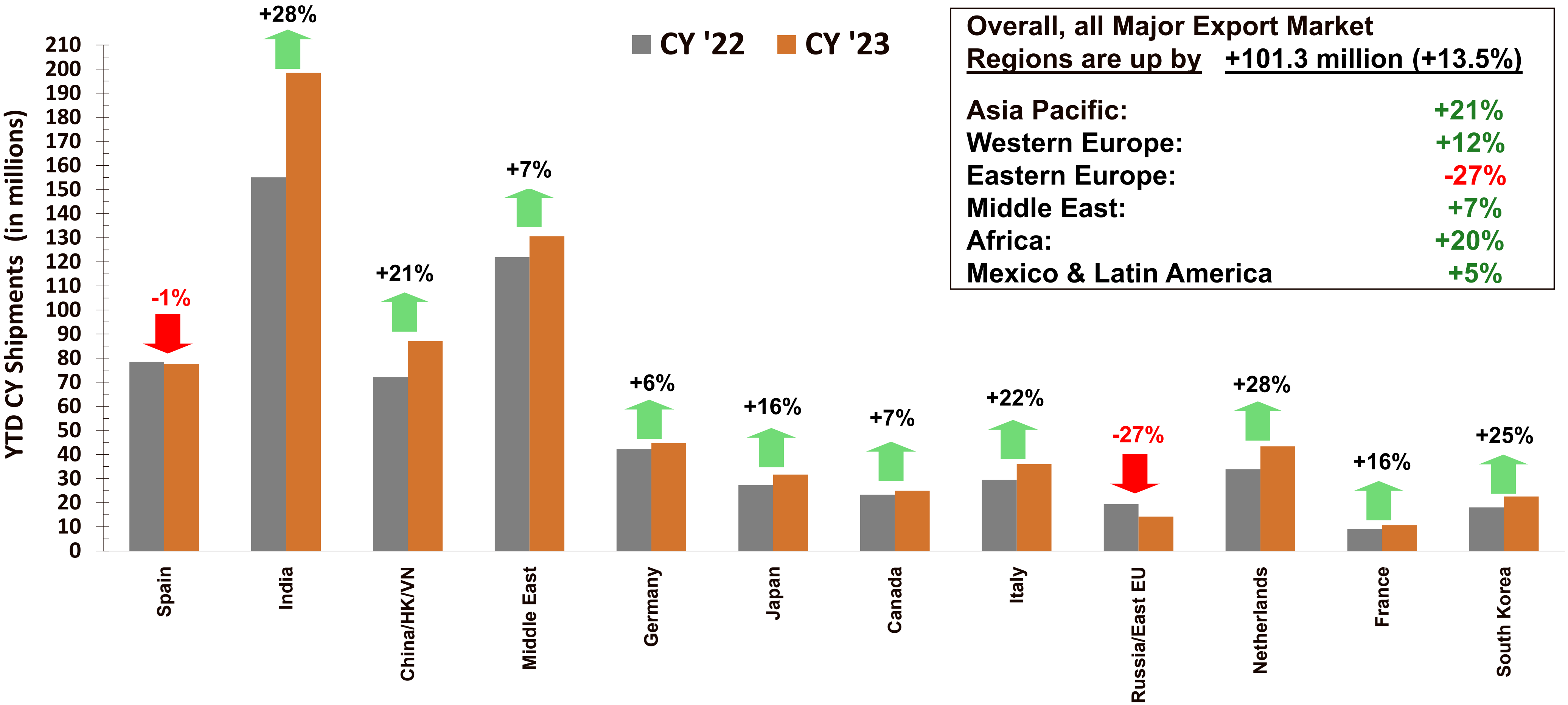
= off Pace

CY 2023 Year to Date Demand Highlights - continued
as of 1/12/24 – 5th month of the Crop Year

		In M/lbs.
Total Saleable Supply:		
Full Year 2023 Outlook:	as of 1/12/24	3,104
Full Year 2022 Actual:		3,365
Increase/(Decrease) in Saleable Supply:		(261)
Target Shipment Increase in CY'23 vs. CY'22:		49

Balance to Ship for the Remainder of the Year		
Target Shipments: Jan '24 - Jul '24:	Total:	1,469
	Per Month:	210
Actual Shipments: Jan '23 - Jul '23:	Total:	1,523
	Per Month:	218
Difference: CY'22 vs. CY'23	Total:	(54)
Balance of the Year Shipments:	Per Month:	(7.7)
Variance in %:		-3.5%

California Almond Export Shipment Demand Comparison CY'22 vs. CY'23 – as of 1/12/24 – 5th month of the Crop Year

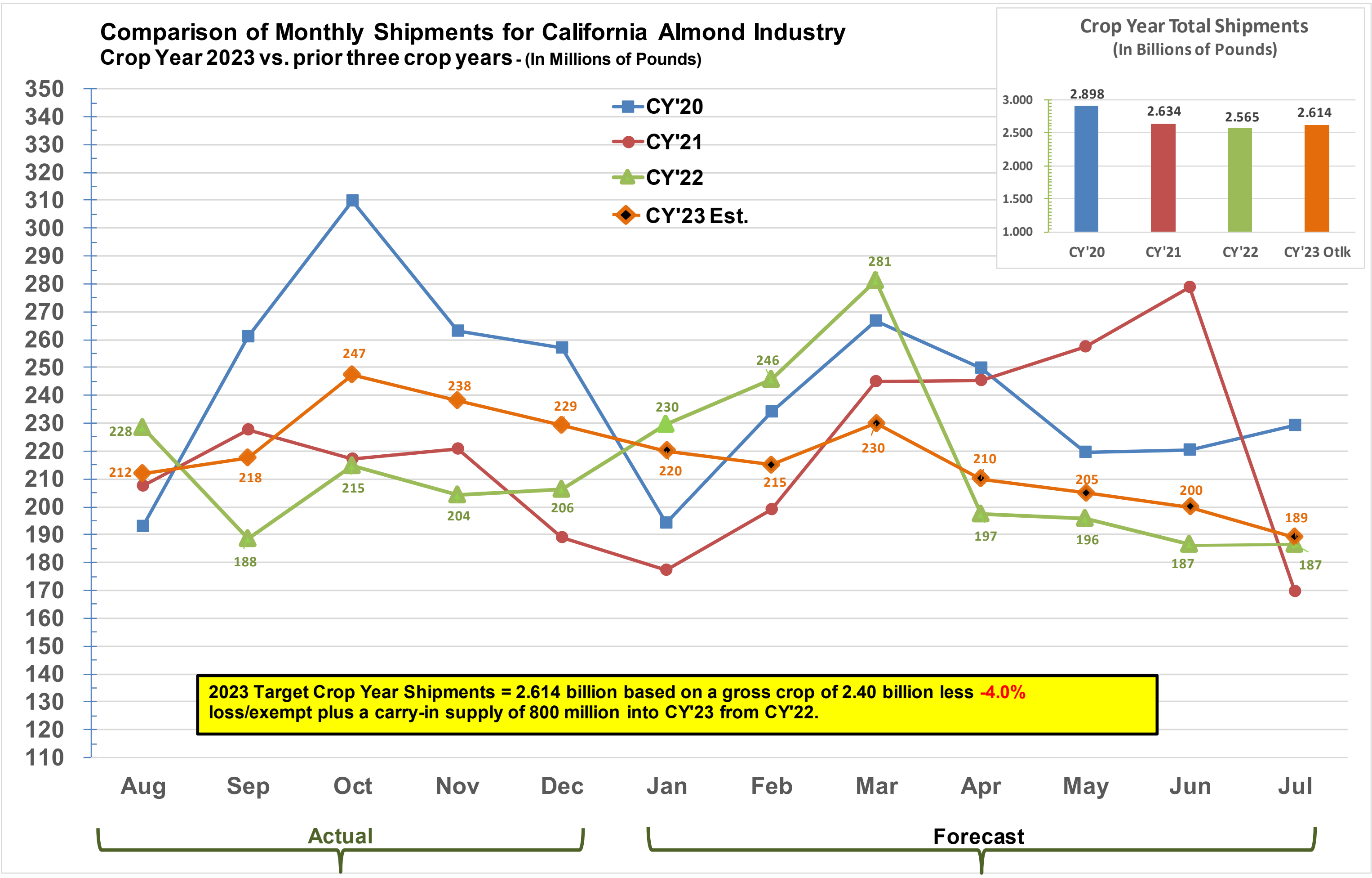


Overall, all Major Export Market
<u>Regions are up by</u> <u>+101.3 million (+13.5%)</u>

Asia Pacific:	+21%
Western Europe:	+12%
Eastern Europe:	-27%
Middle East:	+7%
Africa:	+20%
Mexico & Latin America	+5%

Source: ABC Monthly Position Report December 2023

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



CY'23 - December 2023 ABC Position Report Summary & Market Status as of 1/12/24

- December 2023 shipments of 229 million were up by +23.1 million pounds (+11.2%) vs. the prior year. YTD Shipments now total 1.145 billion vs. 1.042 billion last year (+9.5%) as of the end of December. The Total Committed and Shipped figure at the end of December 2023 of 1.782 billion is up by +21 million pounds (+1.2%) vs. the end of December 2022. The Industry's overall sold percentage at the end of November is 57% of the total estimated supply and 77% sold to the estimated 2.304 billion pounds of net crop receipts (2.40 billion pounds gross less 4.0% loss & exempt). CY'23 Commitments not yet shipped of 637 million are down -82 million (-11.4%) than seen at the end of December 2022.
- **Domestic Shipments** - December shipments of 57 million were up by +4.2 million pounds (+8.0%) vs. last year. YTD Shipments of 298 million are up +1.5 million (+0.5%) vs. last year. Total Committed and Shipped volume at the end of December of 576 million represents a 51-million-pound decrease vs. last year (-8.2%).
- **Export Shipments** - December shipments of 173 million were up by +18.8 million pounds (+12.2%) vs. last year. YTD Shipments of 846 million are up +101.3 million (+13.6%) vs. last year. Total Committed and Shipped volume at the end of December of 1.206 billion represents a +72-million-pound increase vs. last year (+6.3%).
- **New Sales** - New Sales for the month of December were 219.4 million pounds (-15.5 million pounds or -7.0% vs. last December). New Sales for the August thru December period total 1.204 billion vs. 1.115 billion last year for this period (+89 million or +8.0%).
- **General Market Activity** – Buying interest/activity during the second half of December through January 12th remained seasonably strong. However, the confirmed volume was hindered due to so many sellers taking a break from selling the last 10 days of December. Buying interest from January 2nd through January 19th across all markets has remained very strong. However, the volume of offers from sellers remain subdued as they work through their on-hand inventory and wait to understand what the volume and quality of their final crop receipts will be at the end of January 2024. With insect damage at record high levels and nut sizing very different (large ounce counts) vs. prior years, sellers will continue to be more cautious than normal in their offers as they don't want to sell something they might not have once their receipts are fully processed. These concerns along with a crop size that looks to be 2.4 billion or less should continue to result in more buying interest vs. selling interest over next 30 days.

2023 California Almond Crop Size Outlook

as of 1/12/24

As of the end of December, USDA crop receipts are 2.256 billion vs. 2.403 billion last year (147 million less or down -6.3%). We can see from the detailed data from USDA receipt reporting that the normal drop-off of reporting from October to November has again taken place. Many huller/sheller's complete their operations before the end of November and by the end of December, almost everyone is done except for in big crop years. However, the drop-off was not as steep this year as seen last year due to the later start of harvest. The drop-off in total monthly receipts from November to December was a -47% reduction vs. a -56% reduction last year. Again, this is due to the later harvest start this year, not a reflection of a bigger crop.

We know last year an additional 156.6 million of USDA receipts were reported after December. If we assume a similar figure is left to be reported this year as last year at the end of December, then a final crop size of 2.412 billion would be the result. However, based on our observations of field storage around hullers as of mid-January as well as discussions concerning this topic with industry members, it seems more likely the remaining crop receipts still to report will be less than last year (especially after January 2024).

Based on the data and discussion above, we will hold to a final crop size of 2.4 billion for the 2023 California Almond Crop and would take the “under 2.4 billion” if we had to make a bet.

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

Based on USDA Receipt Data from the ABC Position Reports - December

	Nonpareil Crop				Total Crop							
		Inedibles				Inedibles			Nonpareil		Total Crop	
Crop Year	End of Dec Receipts	YTD Thru December	July Y/E	Change In %	End of Dec Receipts	YTD Thru December	July Y/E	Change In %	July Y/E Receipts	YTD Dec % Received	July Y/E Receipts	YTD Dec % Received
2016	766	1.24%	1.25%	**0.01%**	1,887	1.20%	1.22%	**0.02%**	814	**94.1%**	2,131	**88.5%**
2017	889	2.29%	2.31%	**0.02%**	2,183	2.41%	2.42%	**0.01%**	922	**96.4%**	2,264	**96.4%**
2018	866	1.89%	1.91%	**0.02%**	2,207	1.70%	1.73%	**0.03%**	891	**97.3%**	2,268	**97.3%**
2019	1,002	1.56%	1.56%	**0.00%**	2,393	1.64%	1.65%	**0.01%**	1,049	**95.5%**	2,550	**93.8%**
2020	1,218	1.34%	1.36%	**0.02%**	2,896	1.38%	1.41%	**0.03%**	1,296	**94.0%**	3,115	**93.0%**
2021	1,045	2.02%	2.01%	**-0.01%**	2,694	1.95%	1.96%	**0.01%**	1,132	**92.4%**	2,919	**92.3%**
2022	926	2.00%	2.04%	**0.04%**	2,403	2.08%	2.12%	**0.04%**	997	**92.9%**	2,571	**93.5%**
2023	879	**4.69%**			2,256	**4.16%**			950	**92.5%**	2,400	**94.0%**

= Average Inedibles got better by Year End

= Average Inedibles got worse by Year End

= Current Outlook for 2023 Crop as of 1/12/24

Analysis of CY'23 USDA Inedible % by County ABC Postion Report - All Varieties - Through December						
County	Kernel Lbs	Inedible Lbs	% of Inedible	Total USDA Receipts	Receipts >5%	% of Receipts >5%
Alameda	749,105	13,908	1.86%	18	5	**27.78%**
BUTTE	45,687,685	1,011,808	2.21%	4,080	343	8.41%
CALAVERAS	876,746	27,867	3.18%	12	1	8.33%
COLUSA	119,577,193	6,570,087	**5.49%**	5,735	2,460	**42.89%**
CONTRA COSTA	1,677,443	14,374	0.86%	64	-	0.00%
DEL NORTE	108,616	6,555	**6.04%**	7	4	**57.14%**
EL DORADO	81,720	3,684	4.51%	4	2	**50.00%**
FRESNO	410,563,203	21,988,812	**5.36%**	18,136	7,275	**40.11%**
GLENN	78,463,603	2,430,892	3.10%	4,666	684	14.66%
HUMBOLDT	74,151	4,106	**5.54%**	10	6	**60.00%**
Inyo	140,101	4,837	3.45%	5	2	**40.00%**
Kern	364,080,764	17,182,139	4.72%	12,050	4,538	**37.66%**
Kings	59,982,117	3,354,484	**5.59%**	1,931	918	**47.54%**
Madera	212,481,488	10,032,993	4.72%	9,515	3,504	**36.83%**
Mariposa	46,422	7,666	**16.51%**	4	1	**25.00%**
Mendocino	14,784	615	4.16%	3	1	**33.33%**
Merced	219,197,217	8,555,671	3.90%	9,636	2,629	**27.28%**
Modoc	44,698	2,443	**5.47%**	2	1	**50.00%**
MONO	15,680	223	1.42%	1	-	0.00%
Monterey	308,269	16,428	**5.33%**	14	7	**50.00%**
Napa	143,243	9,495	**6.63%**	6	3	**50.00%**
Orange	22,002	718	3.26%	1	-	0.00%
Placer	2,317,393	36,812	1.59%	125	13	10.40%
Riverside	19,824	1,384	**6.98%**	3	2	**66.67%**
Sacramento	5,918,481	102,048	1.72%	239	26	10.88%
San Benito	123,990	4,475	3.61%	1	-	0.00%
San Francisco	10,872	304	2.80%	1	-	0.00%
San Joaquin	146,741,880	3,150,341	2.15%	7,848	770	9.81%
Sierra	2,191	53	2.42%	1	-	0.00%
Solano	19,062,389	389,009	2.04%	1,037	104	10.03%
Sonoma	25,174	847	3.36%	3	-	0.00%
Stanislaus	340,730,834	10,181,179	2.99%	16,172	2,830	17.50%
Sutter	18,811,032	514,651	2.74%	1,345	231	17.17%
Tehama	26,566,669	495,764	1.87%	1,719	125	7.27%
TULARE	118,768,795	5,859,287	4.93%	4,501	1,578	**35.06%**
TUOLUMNE	75,219	860	1.14%	4	-	0.00%
YOLO	58,753,590	1,773,376	3.02%	2,683	504	18.78%
YUBA	3,784,753	102,931	2.72%	257	42	16.34%
Grand Total	**2,256,049,336**	**93,853,126**	**4.16%**	**101,839**	**28,609**	**28.09%**

= High Percentage of Receipts greater then 5% inedible

Counties with greater then 5% insect damage reported to date

Summary by Region 2023 Edible vs. Inedible - December Report			
Region	Edible	Inedible	% Inedibles
Northern	379,294,122	13,445,681	3.54%
Central	923,054,418	32,011,309	3.47%
Southern	953,700,796	48,396,136	5.07%
Grand Total	2,256,049,336	93,853,126	4.16%

Count of Total Receipts vs Receipts Greater Than 5% Ttl In-Edible			
Month	TTL Rec	>5%	As a %
August	4,354	1,247	28.64%
September	30,223	7,850	25.97%
October	32,847	8,934	27.20%
November	23,172	6,751	29.13%
December	11,243	3,826	34.03%
January			
February			
March			
April			
May			
June			
July			
Grand Total	101,839	28,608	28.09%

2023/24 California Almond Industry
Current Demand Outlook - as of 1/12/24

As shown in the prior pages, the current trends show a California almond crop that is 2.40 billion or even less based on the crop receipt data and yield reports we have as of the end of December. We also know that the in-edible percentage in the crop will end up above 4% which will reduce the saleable supply by an additional 40+ million pounds vs. normal. As you will see on page 12, the projected total saleable supply based on a 2.4-billion-pound crop is now down around 261 million vs. last year (a reduction of -7.7%).

As we consider the demand side of the equation, we know that year-to-date Industry shipments are up by 9.9% vs. last year at the end of December (+103 million). With January 2023 shipments expected to be at or just slightly below last year (at least 220 million vs. the 230 million last January), year-to-date shipments would still be 95 to100 million pounds ahead of last year shipments by the end of January. As you will see on the chart on page 12 of this report (2023 Outlook column in blue shading), the Industry only needs to see an overall increase of 1.9% in shipments for the entire crop year to bring the carry-out below 500 million which would be the lowest level seen since 2019 based on the supply factors mentioned above. If the crop in fact comes in below 2.4 billion gross pounds and/or the pace of shipments for the balance of the year (January-July) ends up flat to last year vs. our estimate of being -3.5% less, you end up with a carry-out supply closer 400 million pounds. That is about as low as the industry can go in terms of carry-out considering the historical August/September shipment demand.

As we have shown on page 5 of this report, we do not expect to have the large shipments this coming February and March as seen last year. Those shipments were abnormally high vs. any past-history we have had for those months. We are currently estimating that these two months combined could be down by as much as -15% (-80 million) in shipments vs. last year. However, the April through July period last year produced historically low combined shipments (only 766 million) vs. the prior two-year average (CY20 & CY21) of 935 million which is a drop of 169 million or -18% vs. the prior two-year average. This year we expect better (and more normal) shipments in the April through July period. Those last four months should easily make up at least 50% or more of the expected reduction forecasted for the January through March shipment period. This would bring the final year-end shipment to 2.614 billion.

Everyone must remember the total at the end of the year is what matters, not the monthly or quarterly swings in shipments that are only a part of the journey to the final year-end shipments.

California Almond Industry 2024/25 Outlook

Acreage, Supply, & Demand Outlook - as of 1/12/24

Now that we have covered the current outlook for crop year 2023/24 as of the end of December, we can now consider what the 2024/25 crop year might look like at this point in time. We expect the 2024 California Almond Industry to have a bearing acreage footprint no larger than we had in 2023 (best-case scenario). The Final 2023 Bearing Acreage Report from Land IQ that came out in November showed 1.374 million standing bearing acres. However, of this total, there were 7,986 standing bearing acres that were long-term abandoned and an additional 11,523 “potentially abandoned” standing bearing acres. Thus, the final “likely reasonably farmed” bearing acres for 2023 was about 1.354 million bearing acres. Based on the Land IQ report as well as the nursery survey, the newly bearing acres (moving from 3rd leaf to 4th leaf in 2024) is around 60,000 acres. Due to continued very poor almond growing economics (cost to grow far below the expected grower return price…now going on the 3rd year in a row), we expect bearing acreage removal to be at least 60,000 acres or more. Thus, we expect the 2024 bearing acres to be no more (and **likely less)** than the standing bearing acres we had in 2023. As you will see on the following page, we are using the same bearing acres for 2024 as we are using for the 2023 crop (1.36 Million).

Considering yield potential for the 2024 crop, it is important to emphasize that history is “Past History”. We cannot of course expect that once again a hard freeze will impact the crop negatively as seen in CY22 in the Northern Region nor should we count on the type of very poor bloom weather conditions that we experienced in crop year 2023. However, we should expect overall average yields to be less than past “average years”. The best example would be crop years 2016-2019 which averaged around 2,200 lbs./acre over this 4-year period. The reason why this is true is that the fact the grower economics have now been so bad for so long (going on 3 years), that the average grower cannot afford (pay for) normal almond growing operations (fertilizers, winter sanitation, bees, pruning, etc.). This is one of the reasons why the 2023 crop is so much smaller than expected besides poor bloom weather in 2023. Going into January 2024, the economics are considerably worse than at this time last year due to both low prices, high costs, and low yields. The lack of farming inputs always leads to smaller yields, both short-term and long-term.

As you will see, even if the 2024 bloom weather is very good, we don’t expect a crop larger than 2.85 billion. If we have “normal” weather issues during the 2024 bloom, a figure of 2.65 billion or less is more than likely. Either of these two scenario keeps supply and demand in relatively good balance vs. what we have experienced the past 3 years (CY’20 through CY’22).

California Almond Industry- Historical Supply & Demand

CY'11 through CY'22 with CY'23 Outlook & CY'24 Estimates - as of 1/12/24

		Crop Year Finals - (Supply & Demand in millions of pounds)											CY 2022	2023 CY Scenarios		2024 CY Scenarios	
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Final	Current Outlook 2.4 Billion	Still Possible 2.35 B	High Estimate 2.85 B	Low Estimate 2.65 B
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	1,360	1,360	1,360
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	1,765	1,728	2,096	1,949
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%	-7.8%	-9.7%	18.8%	10.4%
	In Lbs./Acre:	358	(238)	76	(210)	(43)	222	9	(99)	74	416	(271)	(316)	(150)	(187)	331	184
Supply																	
Carry-in Supply		254	335	317	350	376	412	398	357	315	450	608	837	800	800	490	490
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	2,400	2,350	2,850	2,650
Increase/(Decrease) vs. PY	In %:	24%	-7%	7%	-7%	1%	13%	6%	0%	12%	22%	-6.0%	-12%	-7%	-9%	19%	10%
	In Lbs:	392	(135)	125	(142)	26	242	125	9	282	556	(185)	(351)	(171)	(221)	450	250
Less: Exempt		40	37	39	29	47	49	51	48	44	51	58	44	96	94	86	80
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	2,304	2,256	2,765	2,571
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	3,104	3,056	3,254	3,060
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%	-7.7%	-9.2%	4.9%	-1.4%
	In Lbs.:	312	(51)	105	(99)	35	276	110	(30)	244	684	(35)	(107)	(261)	(309)	151	(43)
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	2,614	2,642	2,745	2,653
Avg. Monthly Shipments:		158	156	161	151	151	175	188	189	198	242	220	214	218	220	229	221
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%	1.9%	3.0%	5.0%	1.5%
	In Lbs.:	231	(32)	71	(125)	(1)	290	150	13	108	526	(264)	(69)	49	77	131	39
Carry-out in M/Lbs.		335	317	350	376	412	398	357	315	450	608	837	800	490	414	510	407
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%	18.7%	15.7%	18.6%	15.4%
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%	23.8%	15.8%	13.6%	15.7%	13.3%

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

= Lowest % since 2006 Crop Year.

= Final as of 9/12/23

= 2024 Low Est.& 3% In edibles

= 2024 High Est. & 3% In edibles

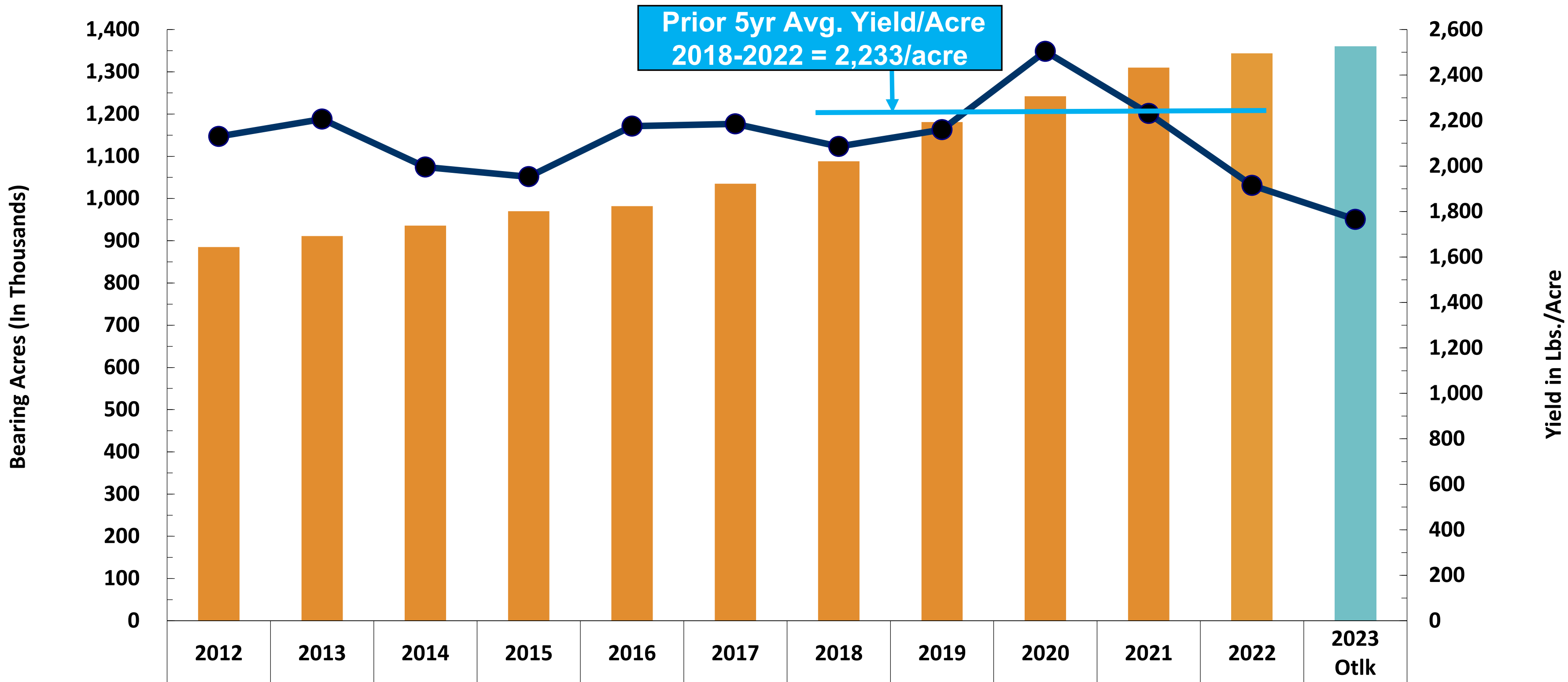
= Current Outlook for 2023 - 1/12/24 (in edibles @ 4%)

= Still Possible for 2023 - 11/12/24 (in edibles @ 4%)

2024 Scenario Assumptions

Assumes continued sub-standard farming practices due to continued bad grower economics (lack of cash to farm normally). As a result, optimal yields not achievable even if bloom conditions are very good. The Low Estimate assumes below average bloom weather & 3% in edibles.

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	1,765

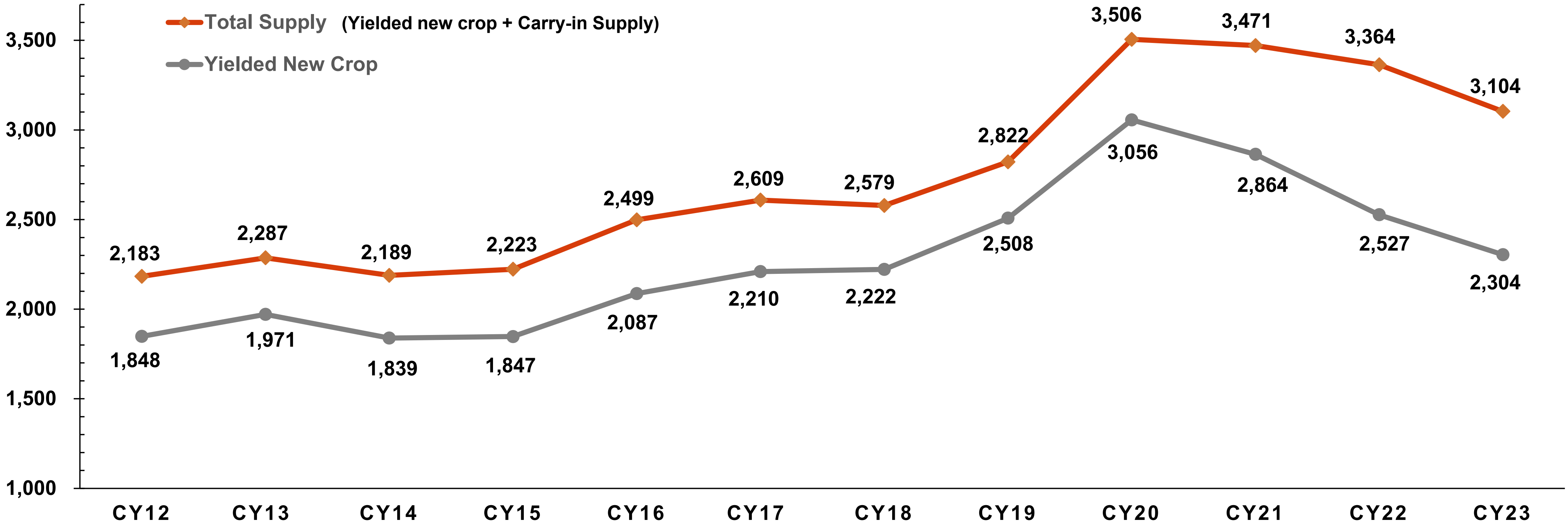
Crop Year

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

2022 Final = 2.571 B Lbs. from 1.343 MM Bearing acres
2023 Outlook as of 10/18/23 = 2.40 B Lbs. & 1.360 M/Bearing Acres

California Almond Industry Saleable Supply

(In millions of pounds)



Change in Total Supply vs. Prior Year

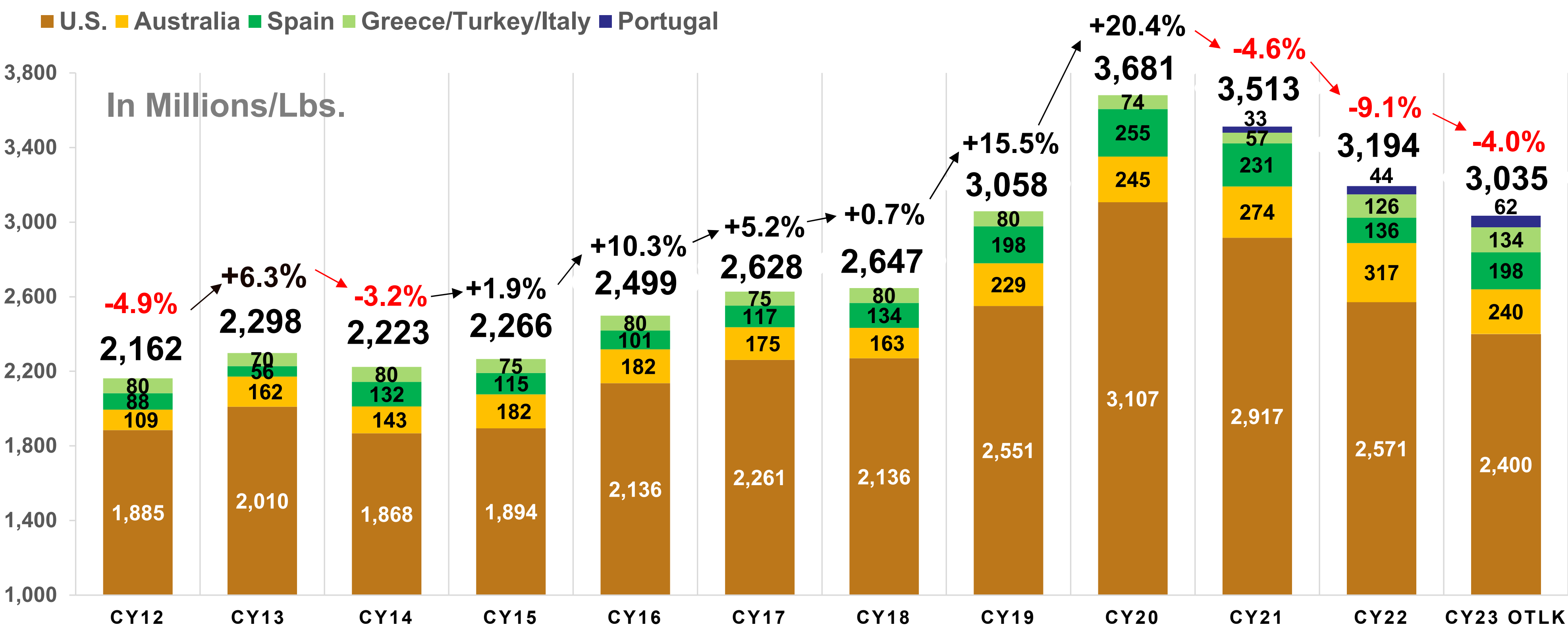
CY12	CY13	CY14	CY15	CY16	CY17	CY18	CY19	CY20	CY21	CY22	CY23 OTLK
-2.3%	+4.8%	-4.3%	+1.6%	+12.4%	+4.4%	-1.1%	+9.4%	+24.2%	-1.0%	-3.1%	-7.7%

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.

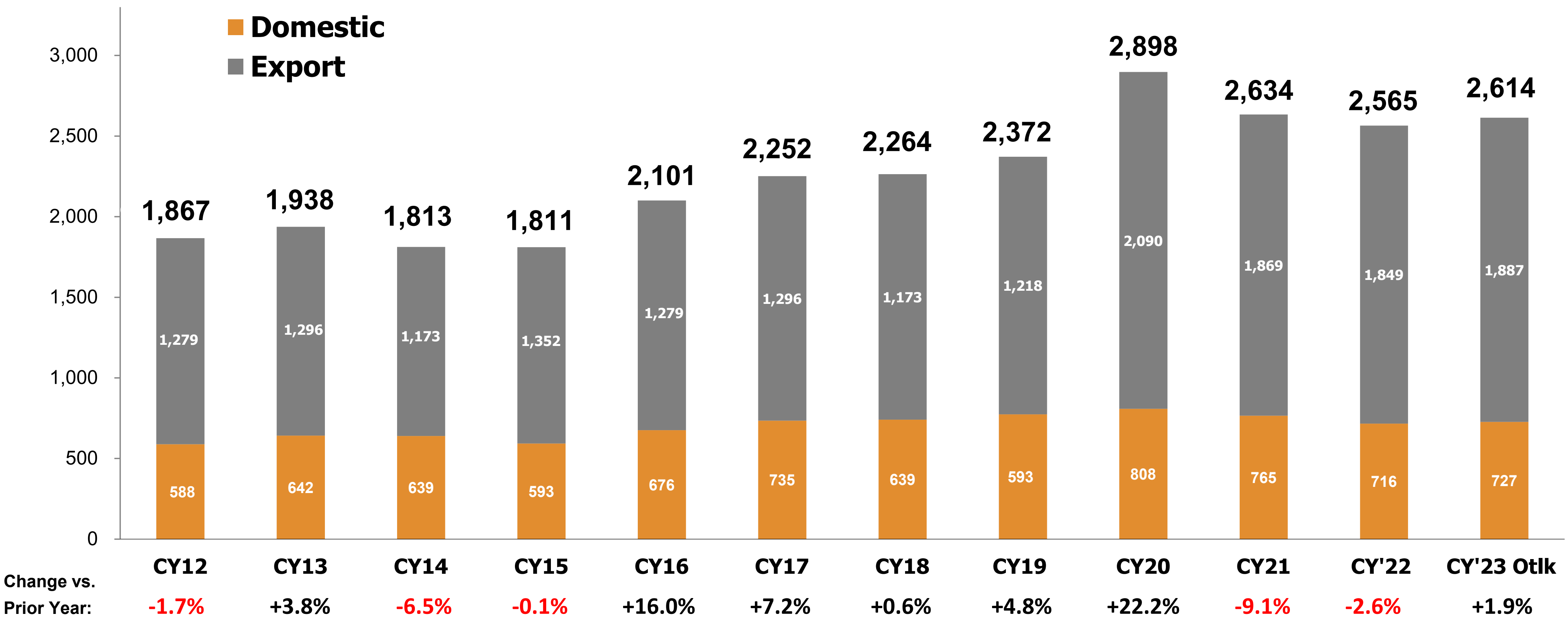
2023 Outlook: 2.40 billion less -4.0% In-edible/Loss and a carry-in of 800 million as of 1-12-24

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 current outlook as of 12/12/23. Spain CY23 figure revised to 90,000 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. may continue to lower in coming months based on year-to-date crop receipts and estimates on the balance left to report as of 1/12/24.

California Almond Industry Shipments – Domestic vs. Export



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 490-million-pound carry-out into CY’24.