



2013 Crop Return

The following was mailed with the 2013 Crop Final Payment

Enclosed is your 2013 Crop Patronage Dividend Payment. The table below summarizes the final payments for all varieties. However, the actual rates earned by your deliveries are shown in the box on the last page of your grower's statement.

Variety	Overall Average	Average of High Quality	Maximum with All Premiums
Nonpareil/Sonora/Independence Inshell	\$3.46	\$3.47	\$3.48
Nonpareil/Supareil Meats	\$3.42	\$3.43	\$3.45
Sonora/Independence Meats	\$3.31	\$3.34	\$3.36
Carmel	\$3.19	\$3.19	\$3.21
Monterey	\$3.15	\$3.15	\$3.17
California/Price/Fritz/Wood Colony	\$3.07	\$3.09	\$3.10
Butte/Padre	\$3.04	\$3.05	\$3.06
Mission/Neplus	\$2.98	\$2.99	\$3.01
Peerless Inshell	\$1.08	N/A	\$1.10

Note: The above rates do not include Volume Premiums, Domestic Production Activities Deduction and IC-DISC advantages.

The Revolving Reserve for the 2013 crop has been set at 3.0% of the base payment rate.

Your team at Blue Diamond worked diligently over the past year to produce this record setting payment. Our 2013 crop performance set a record for the highest per pound payment and the greatest total dollar amount ever paid to our growers. More importantly, I believe that you will agree that our performance this year significantly outpaced the balance of the industry. You can expect these excellent results to continue as we set new standards for performance in our state-of-the-art facilities.

While the 2013 crop fell just short of setting a new production record, there were still plenty of records to go around. The recently completed 2013/14 marketing campaign produced a new industry shipment record of 1.937 billion pounds, easily consuming the moderate increase in supply produced by the 2013 crop. Your continuing support of our efforts also produced the largest quantity of almonds handled by Blue Diamond in its 104-year history.

The 2014 harvest got off to an early start, with the Nonpareil crop being completed in record time. Although a portion of the Nonpareil remains in stockpiles, yields have fallen below last year's record levels. Harvest of the pollenizer varieties is still underway, but it now appears that the 2014 crop will fall short of expectations and industry needs. As a result, the market has strengthened in recent weeks as few California handlers are eager to offer product for sale until the size of the crop is more apparent.

As was announced at the 2014 District Meetings in July, we are providing our growers with an additional tax benefit this year in the form of an IC-DISC. The total amount applied to the DISC will appear on IRS Form K-1 that you will receive in January along with your regular IRS Form 1099-PATR. There will be a seminar at the 104th Annual Meeting detailing the importance of this tax benefit.