



September 20, 2017

Dear Member,

Enclosed is your 2016 Crop Patronage Dividend Payment. The table below summarizes the final payments for all varieties. Please note the actual rates earned by your deliveries are shown in the box on the last page of your grower's statement. The Revolving Reserve for the 2016 crop has been set at 3.0% of the base payment rate.

Variety	Overall Average	Average of High Quality	Maximum Possible
Nonpareil & Sonora Inshell	\$2.75	\$2.77	\$2.79
Nonpareil/Supareil Meats	\$2.67	\$2.69	\$2.73
Independence Inshell	\$2.60	\$2.63	\$2.65
Sonora Meats	\$2.49	\$2.52	\$2.55
Independence Meats	\$2.26	\$2.29	\$2.31
Carmel & Winters	\$2.26	\$2.27	\$2.29
Monterey	\$2.21	\$2.22	\$2.25
California/Price/Fritz/Wood Colony	\$2.16	\$2.17	\$2.19
Butte and Padre	\$2.13	\$2.14	\$2.16
Mission and Neplus	\$2.07	\$2.09	\$2.11
Peerless Inshell	\$0.83	N/A	\$0.85

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

I believe that you'll find our 2016 return quite favorable and a continuation of our industry-leading returns.

After years of drought, the 2016 California almond crop of 2.135 billion pounds signaled a return to record-setting production. The 2016 marketing year also produced a more stable marketplace, providing customers around the world with the opportunity to fulfill their needs while generating profitable returns for California's growers. California shipments set a new record of 2.1 billion pounds, a growth rate of 16.0% over the prior year, consuming the entire 2016 crop.

Even with the difficult conditions endured during the 2017 bloom, California is forecasted to bring in 2.25 billion pounds, a new record. Given the growing California almond acreage and more normal rainfall, we anticipate continued record production.

We have actively prepared Blue Diamond to handle the increasing supply of almonds. Our innovation platforms are set to produce exciting new applications that will provide consumers with tasty and healthful new food options, delivering the benefits of almonds to their daily diet. We have stepped up our marketing campaigns, which have increased the number of households consuming your Blue Diamond products. Our industry is growing, and your cooperative is leading the way.

I look forward to seeing all of you at our Annual Meeting on November 15, when we will celebrate another successful year and provide you with additional details of our plans for the coming years.

Sincerely,

Mark Jansen
President & CEO