



2022 CROP DELIVERY INFORMATION

This brochure contains important delivery information regarding your 2022 crop. Please read it carefully.

For your convenience, it may be kept as a permanent record. We urge you to do so and refer to it whenever questions arise.

If you have any questions not answered by the information given here, contact your local Regional Manager or call the Member Relations Department in Salida at (209) 545-6225 or Sacramento at (916) 446-8368.

2022 REGIONAL MANAGERS

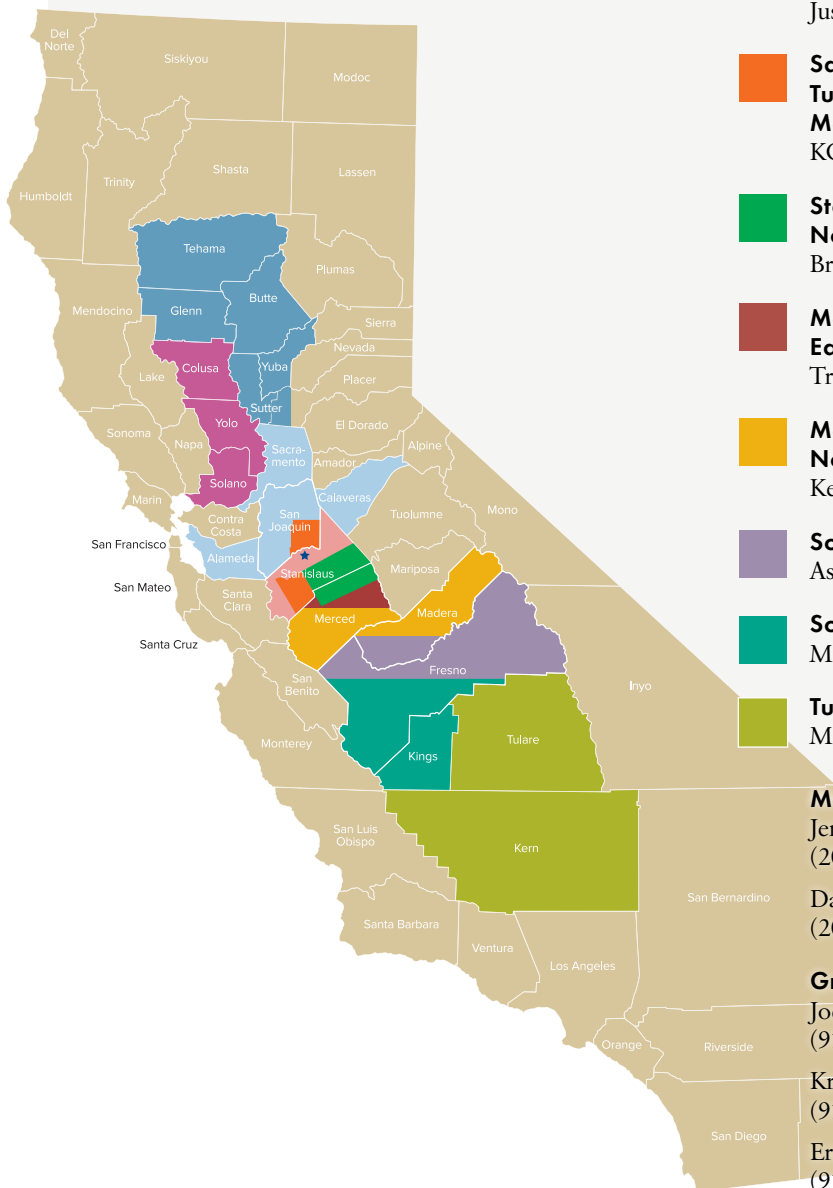


Vice President Member Relations

Mel Machado
(209) 545-6222 – Salida
(209) 531-6352 – Cellular

Director Member Relations

Ben Goudie
(209) 225-0413



Glenn, Butte, Tehama, Placer, Yuba & Sutter
Christine Ivory, (530) 518-9109

Colusa, Yolo & Solano
John Aja, (530) 338-6440

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Ben Goudie, (209) 225-0413

Stanislaus County North of Tuolumne River & West of San Joaquin River
Justin Elam, (209) 303-7306

San Joaquin East of Austin Rd; Stanislaus South of Tuolumne, East of San Joaquin River & West of Hwy 99; Merced North of the Merced River, West of Hwy 99
KC Stone, (209) 596-5375

Stanislaus South of Tuolumne River, East of 99 & Merced North of Merced River, East of 99
Brian Noeller, (209) 417-2010

Merced County, West of 99 & South of Merced River, East of 99, North of Hwy 140
Trent Voss, (209) 470-5981

Merced County, South of Hwy 140 & Madera County, North of Ave 12
Kenny Miyamoto, (209) 323-8454

Southern Madera County & Northern Fresno County
Ashley Correia, (559) 356-1584

Southern Fresno & Kings Counties
Meggie Gilbert, (559) 470-9731

Tulare & Kern Counties
Meggie Gilbert, (559) 470-9731

Membership Office

Jennifer Claussen – Membership Coordinator
(209) 545-6225

Daniel Dekeyrel – Membership Assistant (*Delivery Tags*)
(209) 545-6261

Grower Accounting

Joe Lavagnino – Grower Accounting Manager
(916) 446-8491

Kristie Ezell – Grower Accounting Coordinator
(916) 446-8368

Erika Martin – Grower Accounting Assistant
(916) 446-8385

PREHARVEST CHECKLIST

MAY

☐ Portal

Sign-up for the Blue Diamond Portal or login to ensure that your current password is active.

☐ Acreage Changes

Ensure that your current acreage is correct. Did you pull or plant any new orchards this year? Did you change any sub-contract designations or names?

☐ Hulling Changes

Verify your huller for the current crop year.

JUNE

☐ Assignments

Verify Irrevocable Assignments (prior year assignments that end). Create any new assignments for the current crop year.

☐ Direct Deposit

Verify your banking information and mailing address changes. Better yet, sign-up for direct deposit, this enables quicker and more secure payment.

JULY 15
Or Two Weeks Before Harvest

☐ Deferrals

Will you be deferring any payments from the 2022 crop? Complete a Crop Deferral form.

☐ Huller Communication

Specify which lots require a “Breakdown Request” (checkbox on tag).

Verify subcontract field names.

☐ Harvest Coordination

Educate crew and custom harvester on subcontract field names to reduce errors.

☐ Stockpile Advances

Get a Stockpile Advance Agreement form filled out in order to request an advance.

AT HARVEST

☐ Dry and Ready

Only harvest when the crop is dry and ready.

☐ Inshell Survey

Determine if you will produce inshell almonds: conduct a NOW damage field survey, must be less than 3.0%.

If you have questions, contact your Regional Manager!



DELIVERING UNDER COVID-19

Blue Diamond continues to enlist programs and procedures to prevent the spread of COVID-19 and provide a healthy and safe working environment for our employees and onsite visitors/contractors.

As such, all truck drivers must comply with current Cal/OSHA COVID-19 Emergency Temporary Standards to prevent the spread of COVID-19 when delivering to Blue Diamond Receiving facilities.

While onsite, any truck driver experiencing symptoms regardless of vaccination status, must remain in their vehicle and must wear an appropriate face covering while interacting with other individuals during the delivery. Please observe all posted notices at our security entrance upon arrival.



Failure to comply with all stated rules and warnings will result in suspension of delivery privileges

FDA FOOD SAFETY MODERNIZATION ACT (FSMA) COMPLIANCE

On March 22, 2019, the U.S. Food and Drug Administration issued a final guidance stating the agency's intent to exercise enforcement discretion for the requirements of the Produce Safety Rule, part of the Food Safety Modernization Act (FSMA), as they apply to entities growing, harvesting, packing and holding wine grapes, hops, pulses and almonds. This means the agency does not intend to enforce requirements of the rule for farmers and producers of these commodities.

In the announcement, the FDA clarified enforcement discretion for several commodities (wine grapes, hops, pulses and almonds) covered under Produce Safety Regulations and will not expect those commodities to comply with Produce Safety requirements. Specifically, FDA will not expect entities which grow, harvest, pack or hold almonds to meet any of the Produce Safety Regulation requirements. FDA has indicated that they intend to address the unique situation of each commodity listed in the notice through future rule-making.

At this time, no special action (including additional documentation) is needed to satisfy the requirements of the FSMA Produce Safety Rule for 2020. Blue Diamond grower tags will still be printed with the notification in the lower left-hand corner containing the statement "Almonds are not processed to adequately reduce the presence of microorganisms of public health significance."

We do encourage you to review the Food Safety/GAP section of this guide to ensure that you are following good food safety practices on the farm, and throughout the harvest process. If requirements change, Blue Diamond Growers will advise our membership and update this Crop Delivery Information Guide.

FSMA Produce Safety Rule

The FDA will not expect almond growers or handlers to meet any of the Produce Safety Regulation requirements for 2022.

KEY CONSIDERATIONS FOR 2022

FSMA Produce Safety Rule (PAGE 2)

The FDA will not expect almond growers or handlers to meet any of the Produce Safety Regulation requirements for 2022.

Breakdown Requests (PAGE 7)

Proper identification of the pests causing damage in the orchards is a crucial component of any sound pest management program. To assist growers in this important task, Blue Diamond can provide you with a breakdown of the reject damage, as well as the foreign material levels on a limited number of your deliveries. In order to hold down the costs associated with this program, we ask that growers select only one or two deliveries from the orchards in question. To request breakdown information, you or your Huller/Sheller must check the appropriate box on the delivery tag when the load is delivered to a Blue Diamond receiving station. The actual breakdown data is then printed on your delivery advance statement (explained on page 10) with the first payment of the delivery.

Doubles – 2022 (PAGE 19)

Continuing in 2022 will be the inclusion of a deduction for abnormally high levels of double kernels. Deliveries with doubles percentages greater than 9.99% will be assessed a deduction. Deductions will become progressively higher with each category as listed in the chart.

Extraneous Organic Matter (PAGE 11)

Deliveries containing extraneous organic matter requiring special handling are subject to a charge of \$0.25 per delivered pound (dry weight basis).

Quality Inshell Reject Levels (PAGE 14)

The maximum level for acceptable rejects for Independence to qualify for the Quality Inshell program has been increased to 3.0 % for 2022.

Peerless Bleaching

Please note that the Peerless bleaching and quality adjustment per pound policy has been retired beginning with the 2020 season due to market factors. The best value for the peerless variety will be obtained when delivered as meats.



Pollinizer Inshell Base Rate Differential

In order to reflect the true costs, the base rate has been adjusted \$ 0.03 for good meat pound lower for pollinizer inshell. Pollinizer varieties offer the best value if delivered as meats. Policy applies to all varieties except Nonpareil, Sonora, and Independence which can be delivered as inshell, and have separate quality inshell schedules.

ARE YOU SIGNED-UP FOR THE BLUE DIAMOND PORTAL?

The Portal Features:

- Access to complete grower account information
- Full Financial history
- Full Delivery and grading history
- Run Pre-set Reports
- Email or Export information to Excel or as .pdf
- Access to real-time delivery and grades
- Viewable on any device

Where Do I Sign Up?

Sign up via your Regional Manager or through the Member Relations Department





VARIETY SEPARATION AT HARVEST

In light of the rising costs of production, all almond growers have been working to control costs during the growing season and maximize returns. The harvest season presents several critical decisions that can have significant impacts on the returns growers earn on their deliveries.

Over the years, many growers have been interested in reducing the number of passes through their orchards by combining varieties during the harvest. While this is possible in some cases, growers should be aware of the significant reduction in values they may incur if incompatible varieties are combined during the harvest.

Dissimilar varieties in grower deliveries can significantly increase processing costs by slowing down production lines as dissimilar nuts are removed. Problems can be created in customers' manufacturing processes if incompatible varieties are present in the nuts they purchase, promoting customer complaints. As in the past, deliveries are allowed a maximum of 10% dissimilar varieties. Those with an excess amount of dissimilars will be downgraded to the appropriate classification required by the varieties contained in the delivery.

For the best possible returns, we ask that growers keep the following in mind during the harvest:

Sonora

- **Should be delivered as inshell whenever possible.**
As has been the case for several years, the best value for the Sonora variety is earned when delivered as inshell, given that Sonora inshell deliveries are paid at the same rate as Nonpareil.
- Sonora inshell may be combined with Nonpareil inshell.
- **Sonora Meats should NOT be combined with any other variety.**

Independence

- **Should be harvested separately and not combined with any variety.**

Supareil

- **Should be delivered as meats whenever possible.**
Supareil meat deliveries will be paid at the same rate as Nonpareil meats. Supareil inshell deliveries will be classified as California.

Winters

- May be combined with Carmel without penalty.

Butte

- May be combined with Padre without penalty.
- Butte in combination with California type varieties such as Aldrich, Price, Ruby, Fritz or Livingston will be classified as a **Mixed** delivery.
- Butte, in combination with Carmel or Winters, will also be classified as a **Mixed** delivery.
- Butte in combination with Mission will be classified as a Mission delivery.

Wood Colony

- **Should be harvested separately and not combined with any variety.**

Monterey

- **When delivered as meats** and combined with Carmel should be identified as a Monterey upon delivery. Carmel/Monterey combinations identified as Carmel upon delivery will be classified as California.
- **When delivered as inshell**, should be harvested separately and not combined with any other varieties.

Please contact your Regional Manager regarding any questions about blending varieties that are not listed above.

Note: Only Nonpareil, Independence, and Sonora delivered as inshell qualify for premium programs. All other varieties should be sent in as meats. Any other varieties that are delivered inshell will incur a \$0.03 deduction per pound and not be eligible for the premium program.

ALMOND MEAT DELIVERIES

Meat deliveries are required to be made in bulk or lined boxes at all receiving facilities affiliated with Blue Diamond. Tests will be conducted to determine the sanitary condition of meats delivered.

STANDARDS FOR SHELLING VARIETIES

Delivery Classification

Deliveries are classified as Meats (if more than 30% of the clean delivered weight is shelled almonds) or Nuts (if 70% or more of the clean delivered weight is inshell almonds).

Hullers

Hullers producing more than 15% meats with their inshell deliveries are required to separate the meats and deliver them either in bulk or in lined boxes.

Grading Information

The content of each delivery will be provided on the Delivery Advance Statement which accompanies the first payment for each delivery. Growers should be aware that any delivery containing more than 1% bitters will be declared 100% bitters and of no value. The requirement on this variety is very strict due to the fact that the Food and Drug Administration prohibits the sale of bitter almonds in the United States.

SAMPLING AND ANALYSIS

Sampling

Bulk deliveries will be sampled upon delivery. The size of the sample will depend on the weight of the delivery. The larger the delivery, the larger the sample for test grading purposes.

At Blue Diamond, all deliveries will be sampled promptly. From this representative sample, a portion will be examined and percentages of sound meats, inedible kernels and foreign material determined.

Reference Samples

At the time of test grading, the surplus of the sample is fumigated and saved as a reference sample for 60 days from the date of test grading. Any questions regarding test grading should be referred to the Member Relations Department.

Retests

Retest requests must be submitted within 60 days of the delivery. The results of all factors from this test of the reference sample are then averaged with the original test and a new grade is determined. This applies to all deliveries except where an obvious material or entry error has been made in the original test. Please note that almond kernel moisture changes over time and is one factor that cannot be retested.



WHERE AND WHEN TO DELIVER

Bulk Inshell Deliveries

Deliveries may be made to receiving stations in Ballico, Chico, Sacramento and Salida.

Bulk Meat Deliveries

Deliveries may be made to receiving stations in Ballico, Chico, Sacramento and Salida.

Box Deliveries

Boxes may be delivered to Ballico, Chico, Sacramento or Salida. Boxes may be used for inshell or meat deliveries. Liners for bulk boxes are available at all receiving stations and are required for all deliveries.

District	When to Deliver	Where	Hours*
Ballico	Daily	Receiving Station Santa Fe Drive	Contact Receiving Station (209) 634-5957
Chico	Daily	Receiving Station Miller Avenue	Contact Receiving Station (530) 895-1853
Sacramento	Daily	Sacramento Plant North B Street Entrance	Contact (916) 325-2855 If no answer (916) 446-8364
Salida	Daily	Receiving Station Nutcracker Lane	Contact (209) 545-6210

**Hours for Receiving Stations are subject to change as the season progresses.*

DELIVERY INSTRUCTIONS

Mark deliveries clearly. The delivery receipt is the only identification we have of your delivery. Mark variety clearly on the delivery receipt. Match, don't mix! Mixed varieties bring lower prices from our customers. These prices are reflected in grower returns.

BLUE DIAMOND GROWERS BULK BOX DELIVERY RECEIPT			
DELIVERY NO. <div style="border: 1px solid black; padding: 2px; text-align: center; font-weight: bold;">1234567</div>	GROWER'S NAME		CONTRACT NO.
GROSS	VARIETY	INV. NO.	BREAKDOWN REQUEST <input type="checkbox"/> REJECTS <input type="checkbox"/> FOREIGN MATERIAL <input type="checkbox"/> MATERIAL REJECTED AT RCV STA TESTROOM USE ONLY SAMPLE ____ OF ____ <input type="checkbox"/> BOX DELIVERY <input type="checkbox"/> BLUE DIAMOND STOCKPILE HULLER NO.
TARE	RECEIVING STATION RECEIVED DATE		
NET	SCALER		

THIS DELIVERY FORM IS RECEIVED UNDER THE RULES, REGULATIONS AND BY-LAWS OF BLUE DIAMOND GROWERS. THIS RECEIPT IS NON-NEGOTIABLE. SUBJECT TO FINAL VERIFICATION, PURCHASER AGREES NOT TO PROVIDE TO ANY OTHER PARTY. THIS RECEIPT IS NOT TO BE USED TO ADVERSARILY REDUCE THE PRESENCE OF MICROORGANISMS OF PUBLIC HEALTH SIGNIFICANCE.

2022


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SAMPLER'S COPY

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Delivery receipts contain a Breakdown Request section. By marking “Rejects” or “Foreign Material” the sample is analyzed with full details. Be sure to notify your huller prior to delivery which lots you would like additional information on.

CONSOLIDATED BOX DELIVERIES

Where possible, samples from multiple boxes received from a single sub-contract will be consolidated at the time of analysis according to the following policy:

1. Samples from no more than 10 box deliveries will be consolidated at any one time.
2. Continuous flow, randomized samples will be drawn from each box delivery at the time of receipt.
3. Boxes to be consolidated must be:
 - a. From same Contract and Sub-Contract
 - b. Received from the same huller
 - c. Of same variety
 - d. Of same delivery type (Meat/Inshell)
 - e. From same origin (Stockpile/Regular)
 - f. Of like quality
4. Upon receipt at our testing facility, individual samples will be identified and a single consolidated sample analyzed.
5. Analyzed results will be determined and values assigned to all deliveries contained in the consolidated sample.



ACCOUNTING AND HAULING ALLOWANCES

Separate Accounting

Please contact the Member Relations Department if separate accounting is desired for separate orchards.

Assignments

Blue Diamond can provide for assignments of crop proceeds from your accounts. Contact your Regional Manager or the Member Relations, or Grower Accounting Departments for the correct forms.

Hauling Allowance Rates

Per Ton Rate	Distance from Huller/Sheller
\$3.50	0.5 miles
\$10.30	0.6–15 miles
\$11.80	15.1 miles and over

These rates are based on location of Huller/Sheller and are applied to both inshell and meats. Payments are on net delivered weight. No allowance is paid for box deliveries.







The following is an explanation of your grower statement. It will help you interpret the statements you receive this fall. If you have any additional questions, please contact your local Regional Manager.

Blue Diamond Growers

Mail To: 12345
BEST ALMOND ORCHARDS
3108 CARMEL ROAD
MODESTO CA 95356

Stmnt of Acct: 12345 - 1 - BLOCK NQ-180
BEST ALMOND ORCHARDS
3108 CARMEL ROAD
MODESTO CA 95356

2022 Crop
DELIVERY ADVANCE 5
Statement Date: 09/29/2022

Page 1 of 4

DELIVERY NUMBER	VARIETY	GRADE	DELIVERED WEIGHT	FOREIGN MATER %	EXCESS MOIST %	CLEAN DRY WEIGHT	TOTAL MEATS		REJECT MEATS		GOOD MEAT WEIGHT	LOOSE %	CHIP %	IN SHELL %	DBL %	PAYMENTS	
							WEIGHT	%	WEIGHT	%						RATE (C / lb)	AMOUNT
4033224	Nonpareil	Q+ M	5,420	0.0	0.0	5,420	5,420		22	0.4	5,398		0.7		4.7	58.00	\$3,130.84
													Chipped			2.50	\$134.95
													Reject			5.00	\$271.00
													Total FM			3.00	\$162.60
4033225	Nonpareil	Q+ M	3,562	0.0	0.0	3,562	3,562		46	1.3	3,516		0.0		2.5	58.00	\$1,830.48
													Chipped			2.50	\$87.90
													Reject			3.00	\$106.86
													Total FM			3.00	\$106.86
Sample Test For: Reject																	
Ants				11.11													
Brown Spot				11.11													
Orange Wrm				77.78													
4033226	Nonpareil	Q1 N	7,216	4.6	0.0	6,884	4,647	67.5	0	0.0	4,647	1.9	21.0		3.0	63.00	\$2,927.61
													Chipped			-8.00	-\$10.80
													Reject			5.00	\$232.35
													Total FM			1.60	\$115.46
4033227	Nonpareil	Q1 M	2,113	0.4	0.0	2,105	2,105		4	0.2	2,100		3.4		2.1	56.00	\$1,176.00
													Chipped			1.00	\$21.00
													Reject			5.00	\$105.25
													Total FM			3.00	\$63.39

Grade Legend: Q=Quality, O=Oilstock, S=Standard, N=Inshell, M=Meat

- 1 Total percentage of all foreign material in the delivery. This figure is a combination of the loose foreign material plus the hull portion of the stickights. Note: Loose shell is considered foreign material in meat deliveries.
- 2 Percentage of moisture over 5% in the nut meats.
- 3 Weight of the delivery after removing the foreign material and excess moisture weight.
- 4 Weight of all meats in the delivery.
- 5 Percentage of all meats in the delivery. (Column 4 ÷ Column 3).
- 6 Weight of inedible meats in the delivery.
- 7 Percent of total meats that were inedible. (Column 6 ÷ Column 4).
- 8 Weight of all edible meats in the delivery. This weight is what your payment is based upon.
- 9 The percentage of meats contained in the delivery that were removed from the shell prior to being received by Blue Diamond.
- 10 Percentage of edible loose meats that were chipped prior to delivery. This percentage applies to the loose meat weight of the delivery.
- 11 Percent of inshell contained in a meat delivery.
- 12 Doubles Percentage (DBL)
The percentage of double kernels will be listed as percentage of the good meat weight.
- 13 The current cents per pound value of deliveries and quality adjustments. Each quality adjustment is shown on a separate line.
- 14 The value of your deliveries and quality adjustments.
- 15 Reject Breakdown (optional) lists the proportion by percent of total of each type of damage of the reject and/or foreign material. For instance, this example lists percent of rejects caused by ants, mold, and Orangeworm.

EXPLANATION OF FACTORS USED IN GRADING

Quality Adjustment Premiums

Premiums and charges are based on the costs involved and will be calculated for foreign material, moisture, chipped, concealed damage and rejects.

Oil Stock

Deliveries containing over 30% combined rejects and concealed damage will be classified as oil stock.

Extraneous Organic Matter

Deliveries containing extraneous organic material requiring special handling are subject to a charge of \$0.25 per delivered pound (dry weight basis).

Delivered Weight

Weight of the material as delivered to the Blue Diamond receiving station excluding the weight of the container in which it is delivered.

Variety

Variety of almonds as determined by Blue Diamond Test Grading Procedure. Deliveries containing over 10% varieties other than the primary variety will be downgraded to the appropriate classification.

Clean Dry Weight

This is the actual weight of the almonds and shell in the delivery, after foreign material and moisture are removed.

Meat Weight

The weight of the meats contained in the delivery as shown in the following manner:

- a) Total Meats: All meats in the delivery.
- b) Reject Meats: Those meats that are graded as reject with no value.
- c) Good Meats: All sound edible meats. Payment based on this weight.

Breakdown Request

To obtain a breakdown of quality factor levels for rejects or foreign material, please ask your huller/sheller to check the appropriate box on the delivery tag. Please note that Special Test Requests or "Breakdown Requests" no longer require "green cards." It is a best practice to periodically sample representative lots to receive a breakdown analysis to get a better view of how successful your pest management plan has been. We recommend one box per lot, or one trailer per orchard for extra analysis. By selecting "Rejects," Breakdown Requests will provide you with a percentage breakdown of the overall reject components, listing the type of reject including, Navel Orangeworm, mold, ant damage, PTB, or any other type of reject. Selecting "Foreign Material" will give a breakdown of proportions for instance of dirt, rocks, shell, sticks, or other foreign material components.



PAYMENT PLANS AND PROGRAMS

Standard Payment Program

*Payment Dates ** Subject to change at any time and without notice ***

- Delivery Advance Payments (August through December)
- January Progress Payment #1 (January)
- Revolving Reserve Payment — Members Equity (March)
- April Progress Payment #2 (April)
- June Progress Payment #3 (June)
- Final Payment “Patronage Dividend Payment” (September)

Accelerated Payments (optional)

- Accelerated Payments are drawn against estimates of future payments.
- May be taken at any time, as early as initial delivery.
- Funds are recovered at the next available regular payment.

Deferred Payments (optional)

- Defer your payments to a future date.
- Earn interest on your deferred amounts.
- **Deferred agreements must be submitted at least one (1) week prior to your first delivery**
- Deferral Release Payments (paid upon release date specified at time of deferral).
- Deferrals must be completed before deliveries are received for the crop year.

Assignment of Proceeds

- A document transferring all or part of your crop proceeds to a third party.
- Designate a specified percent or dollar amount.

Pre-Harvest Advances

- Available January 1st — with Crop Insurance.
- Available June 1st — with Crop Estimate.

Stockpile Advances

- Advance payment prior to delivery on estimated meat weight of grower or huller stockpiles.

Incentives

- Volume Premium (March)
- Orchard Stewardship Incentive Program (Various)

2022 VOLUME PREMIUM

Premium will be paid on the sum of the total good meat weight of all bulk deliveries received from a grower’s contract. Total good meat weight of all bulk deliveries from all sub-contracts will be combined to determine qualifying weight. Premium payment will be made by March 1st or after all deliveries have been completed.

Sum of Total Good Meat Weight of All Varieties	Premium
75,000–149,999	\$0.005
150,000–499,999	\$0.010
500,000–999,999	\$0.015
1,000,000–1,499,999	\$0.020
1,500,000–1,999,999	\$0.025
2,000,000–2,999,999	\$0.035
3,000,000–3,999,999	\$0.045
4,000,000–4,999,999	\$0.055
5,000,000–7,499,999	\$0.065
7,500,000–9,999,999	\$0.075
10,000,000 and Greater	\$0.085





2022 QUALITY MEAT SCHEDULE

Meat deliveries that meet all of the criteria in one of the designations below will receive the additional base payment indicated for that category. Individual quality adjustment tables will continue to apply.

Designation	Foreign Material	Rejects	Chipped & Broken	Inshell	Q.M. Rate (Per good meat lb.)
NONPAREIL VARIETIES					
Q+M	0.0–0.5%	0.0–1.5%	0.0–2.0%	0.0–0.5%	\$.08/lb
Q1M	0.0–0.5%	0.0–1.5%	2.1–5.0%	0.0–0.5%	\$.06/lb
Q2M	0.0–1.0%	0.0–2.0%	2.1–10.0%	0.0–1.0%	\$.04/lb
Q3M	0.0–1.5%	0.0–2.0%	2.1–10.0%	0.0–1.0%	\$.02/lb
ALL OTHER VARIETIES					
Q4M	0.0–0.5%	0.0–2.0%	0.0–10.0%	0.0–0.5%	\$.04/lb
Q5M	0.0–1.0%	0.0–2.0%	0.0–16.0%	0.0–1.0%	\$.03/lb
Q6M	0.0–1.5%	0.0–2.0%	0.0–16.0%	0.0–1.0%	\$.02/lb

Note:

- Mixed deliveries will not receive the Quality Meat Premium.
- A delivery will qualify for one of the above categories only.
- The above Quality Meat Schedule is in addition to the normal Quality Adjustment Schedule.

2022 QUALITY INSHELL SCHEDULE

The schedule below applies to the varieties as indicated. Inshell deliveries meeting all of the criteria in one of the designations will receive the additional base payment indicated for that category. The individual quality adjustment tables will continue to apply. The Sonora variety will be paid the same base rate as Nonpareil when delivered as inshell.

Designation	Loose Meats	Rejects	Foreign Material	Q.N. Rate (Per good meat lb.)
NONPAREIL AND SONORA VARIETIES				
Q1N	0–10%	0–3.0%	0.0–6.09%	\$.13/lb
Q2N	0–10%	0–3.0%	6.1–10.09%	\$.11/lb
INDEPENDENCE VARIETY				
Q3N	0–10%	0–3.0%	0.0–6.09%	\$.09/lb
Q4N	0–10%	0–3.0%	6.1–10.09%	\$.07/lb

Note:

- A delivery will qualify for one of the above categories only.
- The above Quality Inshell Schedule is in addition to the normal Quality Adjustment Schedule.
- Stained or off-color shell will disqualify deliveries from participation in the program. Please contact your Regional Manager for an evaluation of any questionable product.

Deliveries failing to achieve the standards listed above as Quality Meats or Inshell will be designated as Standard (S1)

PRODUCING INSHELL ALMONDS

Growing markets for inshell almonds in recent years have inspired many growers to seek the additional premium values available to those who can meet the quality specifications required. However, in addition to the abilities of the facilities growers use to hull their crop, producing inshell almonds requires careful consideration of cultural practices employed to grow the crop prior to hulling.

Obviously, whether a grower delivers the crop to a huller or sheller plays a major influence on what type of product is delivered to Blue Diamond. While some shellers are capable of also producing inshell, the condition of the crop delivered to the huller or sheller has an overriding influence on the quality of the meats or inshell produced.

Every orchard has green spots, wet spots and dry spots. These variables have an influence on the condition of the crop during harvest. Additionally, management practices also play a role in the condition of the crop. Many growers have adopted the practice of harvesting “early” in an effort to reduce exposure to Navel Orangeworm. However, many have moved their harvest timing earlier and earlier each year, to the point that immature nuts are being shaken from the tree to avoid wet conditions. Growers wish to bring their crops in without impact from rain can over-ride their ability to produce a good quality product capable of being marketed as inshell.

Unfortunately, harvesting too early, before the hulls have properly split and dried on the tree, can result in a large amount of green hull in the harvested crop. These hulls tend to curl around the shell as the crop dries on the ground, making them very difficult for the huller machinery to remove. Additionally, those hulls that do come loose often curl into pieces that are not easy to separate from the crop. Both cases increase the amount of foreign material in the harvested crop. Elevated foreign material levels, caused primarily by hulls, are the prime reason inshell deliveries fail to earn the additional premiums offered.

Good Inshell is Grown, Not Hulled

In other words, growers intending to produce inshell should keep the saying “good inshell is grown, not hulled” in mind as they approach the harvest season. Almonds destined for inshell delivery should be allowed to dry thoroughly on the tree prior to shaking. This allows the hull plenty of time to open wide and expose the inshell almonds as they dry. Any stress or practice that causes the hull to curl or to stick to the shell will increase the level of foreign material in the final product delivery and cause a loss of premiums.

Note: Only Nonpareil, Independence, and Sonora delivered as inshell qualify for premium programs. All other varieties should be sent in as meats. Any other varieties that are delivered as inshell will incur a \$0.03 deduction per pound and not be eligible for the premium program



REJECTS

Premiums apply to Nonpareil, Carmel, Sonora, California, Independence, Ruby, Neplus, Monterey, Butte, Fritz, and Padre varieties only. Premiums and charges are based on the total meat weight including rejects.

Rejects are any defect which makes the kernel or piece of kernel unsuitable for human consumption for any of the following reasons:

1. Visible evidence of insect, rodent or bird damage.
2. Gummy to the extent that the affected area covers 1/4 or more of the kernel's surface.
3. Brown spot or depression caused by insects. A single or multiple spots whose combined area is equal to a circle 1/8-inch or more in diameter.
4. Rancid, decayed or moldy.
5. Shriveled so that less than 3/4 of the kernel's skin is filled with meat, or if abnormally thin, withered, shrunken, leathery, tough, or only partially developed.
6. Skin discoloration when more than one-half of the surface of the kernel is affected by very dark or black stains contrasting with the natural color of the skin.
7. Imbedded foreign material including imbedded shell.

Percent Rejects	Premium/(Deduction)
0.0–0.5%	\$0.05
0.6–1.0%	\$0.04
1.1–1.5%	\$0.03
1.6–2.0%	\$0.02
2.1–2.5%	\$0.01
2.6–3.0%	\$(0.005)
3.1–4.0%	\$(0.01)
4.1–5.0%	\$(0.02)
5.1–6.0%	\$(0.03)
6.1–7.0%	\$(0.04)
7.1–8.0%	\$(0.05)
8.1–9.0%	\$(0.06)
9.1–10.0%	\$(0.07)
10.1–11.0%	\$(0.08)
11.1–12.0%	\$(0.09)
12.1–13.0%	\$(0.10)
13.1–14.0%	\$(0.11)
14.1–15.0%	\$(0.12)
15.1–16.0%	\$(0.13)
16.1–17.0%	\$(0.14)
17.1–18.0%	\$(0.15)
18.1–19.0%	\$(0.16)
19.1–20.0%	\$(0.17)
20.1–21.0%	\$(0.18)
21.1–22.0%	\$(0.19)
22.1–23.0%	\$(0.20)
23.1–24.0%	\$(0.21)
24.1–25.0%	\$(0.22)
25.1–26.0%	\$(0.23)
26.1–27.0%	\$(0.24)
27.1–28.0%	\$(0.25)
28.1–29.0%	\$(0.26)
29.1–30.0%	\$(0.27)
30.1% and Over...Oil Stock	



Insect Damage



Bird Damage



Gummy



Brown Spot



Rancid



Shrivel



Stained



Imbedded Shell



Moldy



Navel Orangeworm

BROWN SPOT SCORING FOR 2022

In late 2019, CDFA and the USDA clarified their position on scoring methods to determine if a nut has a defect that qualifies as a “Brown Spot,” which makes it a reject. Previously, a brown spot was considered a reject if there was a sunken depression with or without brown discoloration totaling more than 1/8-inch in aggregate on a kernel.

The USDA confirmed that brown spot and sunken areas without brown discoloration are caused by the same pests (Leaf-footed Plant Bug & Brown Marmorated Stink Bug or other true bugs) and will be considered a defect resulting in a reject. In consulting with University of California scientists, the USDA concluded that brown discoloration, as a result of feeding by Leaf-Footed Plant Bug, and other various species of stink bugs are not always accompanied by such brown discoloration. To uniformly score the defect accordingly, any kernels, are now scored as brown spot (inedible) whether sunken areas are present, with or without brown discoloration, or whether brown discoloration is present, with or without sunken areas and will be treated as a reject if the total affected area is greater than 1/8-inch in aggregate diameter.



CHIPPED & BROKEN

Graded on combined areas equal to 1/4-inch or greater. The premium or charge is based upon and applied only to the loose meat portion of inshell and meat deliveries.



Percent Chipped	Premium/(Deduction)
NONPAREIL VARIETIES	
0.0–0.9%	\$0.025
1.0–1.9%	\$0.020
2.0–2.9%	\$0.015
3.0–3.9%	\$0.010
4.0–4.9%	\$0.005
5.0–5.9%	\$0.000
6.0–6.9%	\$0.000
7.0–7.9%	\$0.000
8.0–8.9%	\$0.000
9.0–9.9%	\$0.000
10.0–10.9%	\$(0.01)
11.0–11.9%	\$(0.01)
12.0–12.9%	\$(0.02)
13.0–13.9%	\$(0.02)
14.0–14.9%	\$(0.03)
15.0–15.9%	\$(0.03)
16.0–16.9%	\$(0.04)
17.0–17.9%	\$(0.04)
18.0% and Over	*
ALL OTHER VARIETIES	
0.0–0.9%	\$0.020
1.0–1.9%	\$0.018
2.0–2.9%	\$0.016
3.0–3.9%	\$0.014
4.0–4.9%	\$0.012
5.0–5.9%	\$0.010
6.0–6.9%	\$0.008
7.0–7.9%	\$0.006
8.0–8.9%	\$0.004
9.0–9.9%	\$0.002
10.0–10.9%	\$(0.01)
11.0–11.9%	\$(0.01)
12.0–12.9%	\$(0.02)
13.0–13.9%	\$(0.02)
14.0–14.9%	\$(0.03)
15.0–15.9%	\$(0.03)
16.0–16.9%	\$(0.04)
17.0–17.9%	\$(0.04)
18.0% and Over	*

*Additional (\$.01) Deduction per Percentage Point

FOREIGN MATERIAL

Percentage	Premium/(Deduction)
INSHELL	
0.0–0.9%	\$0.024
1.0–1.9%	\$0.022
2.0–2.9%	\$0.020
3.0–3.9%	\$0.018
4.0–4.9%	\$0.016
5.0–5.9%	\$0.014
6.0–6.9%	\$0.012
7.0–7.9%	\$0.010
8.0–8.9%	\$0.008
9.0–9.9%	\$0.006
10.0–10.9%	\$0.004
11.0–11.9%	\$0.002
12.0–12.9%	\$0.000
13.0–13.9%	\$(0.002)
14.0–14.9 %	\$(0.004)
15.0–15.9%	\$(0.006)
16.0–16.9%	\$(0.008)
17.0–17.9%	\$(0.010)
18.0% and Over	*
MEATS	
0.0–0.4%	\$0.030
0.5–0.9%	\$0.0225
1.0–1.4%	\$0.015
1.5–1.9%	\$0.000
2.0–2.4%	\$(0.005)
2.5–2.9%	\$(0.010)
3.0–3.4%	\$(0.015)
3.5–3.9%	\$(0.020)
4.0–4.4%	\$(0.025)
4.5–4.9%	\$(0.030)
5.0–5.4%	\$(0.035)
5.5–5.9%	\$(0.040)
6.0–6.4%	\$(0.045)
6.5–6.9%	\$(0.050)
7.0–7.4%	\$(0.055)
7.5–7.9%	\$(0.060)
8.0–8.4%	\$(0.065)
8.5–8.9%	\$(0.070)
9.0–9.4%	\$(0.075)
9.5–9.9%	\$(0.080)
10.0–10.9%	\$(0.090)
11.0% and Over	**

* -.002 Deduction per Percentage Point

** -.01 Deduction per Percentage Point

Includes all matter other than shell in Inshell deliveries and all matter other than almond meats in Meat deliveries.

It consists of:

1. Loose (this is all loose hulls, sticks, twigs, branches, rocks, etc., contained in the delivery.)
2. Sticktites: One-half of this weight is considered as foreign material except for Mission which is one-third.

Quality Adjustments are based on gross delivered weight.



MOISTURE

This is the amount of moisture in excess of the normal moisture content (5%) of an almond. After the foreign material is deducted from the gross weight, the excess moisture weight is also deducted in order to obtain the delivery's clean dry weight.

Any moisture above 5% is considered excess moisture, therefore, 4.1% excess moisture equals a total moisture of 9.1%. Charges are based on the gross delivered weight.

Percent Excess Moisture	Premium/(Deduction)	
EXCESS MOISTURE (>5%)	PER TON	PER LB.
2.0–4.0%	\$140.00	\$(0.070)
4.1–6.0%	\$150.00	\$(0.075)
6.1–8.0%	\$160.00	\$(0.080)
8.1–10.0%	\$170.00	\$(0.085)
10.1–13.0%	\$180.00	\$(0.090)
13.1–15.0%	\$190.00	\$(0.095)
15.1% and over \$5 per ton/point	\$200.00	\$(0.100)

Please contact your Regional Manager if you encounter wet harvest conditions.

CONCEALED DAMAGE

This is damage that causes a darkening of the interior of the kernel. Obvious cases will be reported on the Delivery Advance Statement.



Samples suspected of containing concealed damage will be stored during the season and evaluated after January 1st. Growers will be notified of Concealed Damage lots as soon as possible after evaluation.

Deliveries having a combined total of the Concealed Damage and Reject levels greater than 30.0% will be graded as Oil Stock.

Percent Concealed Damage	Premium/(Deduction)
0.0–0.9%	\$0.00
1.0–1.9%	\$(0.01)
2.0–2.9%	\$(0.02)
3.0–3.9%	\$(0.03)
4.0–4.9%	\$(0.04)
5.0–5.9%	\$(0.05)
6.0–6.9%	\$(0.06)
7.0–7.9%	\$(0.07)
8.0–8.9%	\$(0.08)
9.0–9.9%	\$(0.09)
10.0–10.9%	\$(0.10)
11.0–11.9%	\$(0.11)
12.0–12.9%	\$(0.12)
13.0–13.9%	\$(0.13)
14.0–14.9%	\$(0.14)
15.0–15.9%	\$(0.15)
16.0–16.9%	\$(0.16)
17.0–17.9%	\$(0.17)
18.0–18.9%	\$(0.18)
19.0–19.9%	\$(0.19)
20.0–20.9%	\$(0.20)
21.0–21.9%	\$(0.21)
22.0–22.9%	\$(0.22)
23.0–23.9%	\$(0.23)
24.0–24.9%	\$(0.24)
25.0–25.9%	\$(0.25)
26.0–26.9%	\$(0.26)
27.0–27.9%	\$(0.27)
28.0–28.9%	\$(0.28)
29.0–30.0%	\$(0.29)
30.1% and Over...Oil Stock	

DOUBLE KERNELS

Deliveries containing doubles percentages in excess of 9.99% will be assessed a deduction. This new policy, as of the 2021 crop year, recognizes the impact of higher manufacturing costs and the reduced value of deliveries containing excessive double kernels.

What causes doubles to occur?

All almonds have multiple embryos. Normally, one embryo aborts and withers early after fertilization, leaving only one viable embryo. Some varieties such as Monterey are prone to develop more double kernels than other varieties. Environmental factors can also impact the percentage of double kernels within the crop. However, certain plant growth regulators can significantly increase the percentage of double kernels. Blue Diamond recommends that growers refrain from using products that may increase the percentage of double kernels in their crops.

Percent Doubles	Premium/(Deduction)
0.0%–2.99%	\$0.00
3.0%–4.99%	\$0.00
5.0%–6.99%	\$0.00
7.0%–9.99%	\$0.00
10.0%–14.99%	\$(0.02)
15.0%–19.99%	\$(0.05)
20.0%–24.99%	\$(0.10)
25.0%–29.99%	\$(0.15)
30.0%–34.99%	\$(0.20)
35.0 & Greater	\$(0.25)





THE IMPORTANCE OF PRODUCING “ALMOND ONLY”

Food Allergens constitute a major food safety issue that continues to get increasing attention by the entire food industry and our consumers. Scientific evidence supports the fact that the incidence of people affected by food allergies is increasing, particularly in children, and the latest studies indicates that there are 30,000 hospital visits and 150 deaths a year in the U.S. as a result of food allergy events. Tree nuts are considered one of the Major Allergen categories by the U.S. Food and Drug Administration (FDA).

Blue Diamond is able to capitalize on the fact that we operate an “almond only” facility. This fact gives the cooperative an advantage over other food manufacturers who process several different nut meats in their facilities, thereby increasing the risk of contamination with non-almond products. The danger posed by contamination with non-almond nut meats is serious. Eliminating the possible contamination of our products with non-almond allergens is a major thrust of Blue Diamond’s food safety programs.

The best way to ensure that our products are free from non-almond contamination is to ensure that none enter the food chain. Growers, harvesters, huller/sheller operators and truckers all have an important role in maintaining a pure almond product.

Vigilance on the Orchard Floor is Key

One easy way for non-almond products to enter the orchard is by hitch-hiking on machinery. Tractors, mowers, sprayers and other machinery are used in many different orchard crops. Nuts from other crops can become lodged in the machinery and ride into the almond orchard where they can fall to the ground. Operators should ensure that non-almond nuts are removed from all machinery prior to entering almond orchards.

Do not plant non-almond trees in almond orchards. Walnut, pistachio and almond orchards often grow in close proximity to each other. But walnut and pistachio trees should not be planted immediately adjacent to an almond orchard and growers should

ensure that walnuts and pistachio nuts on the ground do not have a means of entering almond orchards.

Many areas within the Central Valley have native oaks growing around almond orchards. While people are generally loath to remove oaks, growers should be sure to clean up beneath oaks prior to harvest and ensure that acorns do not move into the flow of almonds during the harvest.

Growers with olive trees planted near almond orchards should also ensure that olive pits lying under the trees do not move into adjacent almond orchard and become combined with the flow of almonds during harvest.

While peanuts have never been a major crop in California, the legume is being grown in small plots in several Central Valley counties. Growers must ensure that peanuts do not enter the orchards, either in machinery or carried in by workers. Peanuts must never become combined with the flow of almonds in any way.

Keep Harvest Machinery Clean

All harvest operators must ensure that their machinery and equipment is free from contamination with non-almond kernels. While walnuts generally harvest after almonds, failure to clean machinery including sweepers, shakers, pick-up machines, carts and elevators can result in non-almond contamination.

Clear Other Nuts from Truck Trailers

Obviously, drivers should ensure that each trailer is free of non-almond material prior to loading almonds. Non-almond products can become attached in corners within the trailers and in the gate mechanism at the bottom of the hoppers. Special attention should be given to these areas when cleaning trailers prior to use.

Huller/Sheller Must Also be Attentive

Service containers used to transport almonds, both field run and hulled or shelled product and machinery used during hulling or shelling should also be inspected and cleaned of non-almond products prior to use.

FOOD SAFETY: PREVENTING MICROBIAL CONTAMINATION BEGINS ON THE FARM

Blue Diamond's member/growers produce one of nature's finest food crops, one known around the world for its flavor, utility and nutritional value. As the world's largest handler of tree nuts, Blue Diamond recognizes its responsibility to its membership and as a major food processor, charged with producing safe, nutritional food products for consumers and food manufacturers in the domestic and international market. Blue Diamond performs thousands of analytical examinations each year, of both incoming grower deliveries as well as outbound finished product. Our plant facilities and laboratory procedures are inspected and certified by government regulatory agencies, third-party certification organizations and by our major industrial customers. The goal of these extraordinary efforts is to ensure that the products we produce meet our customer's expectations for quality, cleanliness and healthfulness.

In the light of recent food poisoning incidents, all food producers are coming under increasing scrutiny. While almond handlers are responsible for ensuring the safety of their products, a major tenet of controlling food-borne pathogens is to minimize the degree of contamination inherent on the incoming raw product. This increases the effectiveness of any control measures used to sanitize the finished product. Simply stated, contamination control programs cannot start and stop at the handler. Sound practices need to begin at the farm, carrying on to the huller/sheller and finally to pasteurization at the handler level.

With this in mind, the California almond industry, under the auspices of the Almond Board of California, has developed guidelines for growers, huller/sheller operators and handlers to ensure the safety of its products. The Food Safety and Quality Program incorporates several sections designed to ensure that California's almonds are produced in a safe, responsible manner and to provide consumers around the world with the highest level of confidence in our products.

The next few pages summarize the main points of an effective Good Agricultural Practices (GAP) program. We ask that you take a few minutes to review this information, and develop a program for your farming operation. The full text of the GAPs, Good Manufacturing Practices (GMPs) and Standard Sanitary Operating Procedures (SSOPs) are available on the Blue Diamond Growers website at www.bluediamondgrowers.com, or from your Regional Manager. We recommend that you obtain the full text of the GAPs from either source as it contains many resources useful in developing your individual program.

THE PRINCIPLES OF GOOD AGRICULTURAL PRACTICES

1. Prevention of microbial contamination of almonds is favored over reliance on corrective actions once contamination has occurred. Once pathogens are on almonds, they are nearly impossible to remove without resorting to a lethal process, or “kill step.”
2. To minimize microbial food safety hazards in almonds, growers should use GAPs in those areas over which they have control, such as sources of water, orchard management, fertilizer practices, etc. Some potential sources of contamination can be managed better than others. These should be the focus of your GAPs.
3. Anything that can come in contact with almonds has the potential of contaminating them. Almonds can be contaminated by simple contact with sources of infection.
4. Whenever water comes in contact with almonds, its source and quality dictate the potential for contamination. Irrigation water and water used to mix pesticides are two primary sources of contamination.
5. All pesticides should only be used in strict accordance with manufacturer recommendations, and state and federal ordinances.
6. Practices using manure and/or compost should be closely managed. Non-composted manure is a source of human pathogens and should not be used. Use only certified compost that meets microbial control specifications. See additional details on page 24.
7. Worker hygiene practices play a critical role in minimizing potential contamination. Employee hygiene includes the availability of clean toilet facilities, hand-washing stations, training and enforcement of good hygiene policies.
8. Accountability is important to a food safety program. The ability to trace back product from the consumer to the farm is critical. There is no assurance proper attention has been paid to risk prevention unless documentation of the operation is available.



COMPONENTS OF A GOOD AGRICULTURAL PRACTICES PROGRAM

Traceback

Traceback is defined as the ability to track food items through their chain of production or custody. An effective traceback system provides investigators with the clues they need to isolate the source of contamination to its potential origin, therefore limiting the risk of more widespread liability. Key points of a good traceback program include:

1. Maintain records of orchard practices prior to harvest.
2. Establish a lot numbering scheme to identify loads as they are harvested.
3. Be sure that each load leaving your operation can be traced to the orchard of origin and the date of harvest.
4. Maintain records of the lot numbers for all loads leaving your operation.

History of Your Orchard Site

Check the background of your orchards. Be sure that you are aware of the history of the lands you farm. Of greatest concern would be prior land uses that may have involved animal grazing, disposal sites for dairy or poultry wastes or distribution of municipal wastes (biosolids).

Be aware of activities on adjacent land that may affect your orchards. Take note of animal operations, pesticide applications, run-off from water sources or water applications and any activities that could result in the spread of pollutants or contaminants.

Soil Guidelines

Know your soil. Document the soil type, production history, previous and adjacent land uses, soil testing and amendment applications to help identify any microbiological risks.

Pesticide Use Guidelines

All pesticide materials must be used in accordance with label instructions and any applicable state and federal regulations. Be sure to document all training and application activities as required.

Animal Pest Control

All animals, including mammals, birds, reptiles and insects are potential sources of contamination because

they harbor or could be a vector for a variety of pathogenic agents. Be sure to restrict all domestic animal traffic from entering your orchard and immediately remove any dead animals found in your orchards. Establish a pest control program to reduce the risk of contamination by rodents and other animals. The program should include regular and frequent monitoring of affected and treated areas to accurately assess the effectiveness of any controls implemented.

Safe Water Practices

Water used in almond production can be a source of pathogens and a vehicle for spreading microbial contaminants. Therefore, maintaining a safe water supply is a top priority.

1. Identify and document your primary and secondary water sources.
2. Identify and document the integrity of your water delivery system, i.e., canals, pipelines, flood, furrow, sprinkler, drip.
3. Identify and document the type and location of any filtration system.
4. Test all water sources as needed and keep the results on file.
 - a. Closed systems, i.e., capped wells should be tested annually.
 - b. Open systems, i.e., uncapped wells and open distribution systems should be tested quarterly through the season.
5. If water sources are found to be contaminated by fecal coliform/E. coli, document any corrective measures employed.
6. Document and test any water sources used for mixing and applying pesticide or foliar feeding materials.
7. Identify and document any nearby landfill sites, sewage treatment facilities, septic tanks, leach fields and sources of potential run-off or leaching from adjacent farming operations. Take corrective actions to eliminate risks of water-borne contamination and document each action taken.

Fertilizer Practices

Proper procedures reduce the risk of contamination. Using raw manure including feces, urine or other excrement and bedding produced by livestock or poultry that has not been composted, increases microbial risk and can contribute to food-borne illnesses. To minimize the risk of microbial contamination, use only treated or composted manure. (Treated means the final stages of the composting process that occurs after compost has undergone pathogen reduction.)

- Store manure as far away as possible from where almonds are grown and handled.
- Prevent wind drift and runoff from manure storage areas.
- Document the type, rates, dates and locations of any applications.
- Make applications at the end of the season. Do not apply manure after January 1.
- Do not apply dairy lagoon wastewater to your orchards.
- Do not allow animals, including poultry or pets to roam in the orchards.

Verify that proper treatment of composted products has occurred by asking the compost producer to provide documentation showing that:

1. The compost maintained temperatures between 131 and 170 degrees Fahrenheit for fifteen days or more in a windrow system.
2. Composted windrows were turned a minimum of five times during composting.
3. Microbial test results showing E. Coli < 1,000 MPN/gram and Salmonella < 3 MPN/4 gram.
(MPN = Most Probable Number)

Cleaning & Sanitation of Harvest Tools

Tools, machinery, storage facilities and transportation vehicles used in the harvest should be cleaned and if necessary, disinfected prior to harvest. If necessary, clean and disinfect harvest machinery between fields to prevent cross-contamination. Cleaning involves the removal of dirt and debris from tools and equipment. Sanitization involves the disinfection of tool or equipment surfaces.

Do not haul almonds in equipment that has been used to haul manure, garbage or other debris.



Sanitary Facilities/Field Sanitation

California's field sanitation regulations are the strictest in the nation. Maintain all required worker hygiene facilities according to local, state and federal regulations. Document each step taken to provide clean sanitary facilities and hand-washing stations. Provide safe, clean drinking water with single-use cups for all employees.

Worker Hygiene Guidelines

Train your workers in good hygiene practices and document their training. Have written procedures on the importance of personal hygiene. Document the frequency and content of training meetings.

Harvest and Delivery Sanitation

Moisture leads to a proliferation of microorganisms. To prevent the growth and spread of food-borne pathogens, be sure that the orchard floor is dry prior to shaking and be sure that the crop has dried sufficiently prior to picking it up. Almonds held in transportation vehicles for an extended period of time and almonds stored in stockpiles are particularly susceptible to the growth of microorganisms when moisture levels are too high.

Ensure that harvest machinery does not contaminate your product. Cross-contamination can occur if harvest machinery carries contaminated soil or debris into your orchard or mixes contaminated soil or debris into your crop. Ensure that harvest machinery has been cleaned and sanitized prior to entering your orchards.

Inspect all trailer and cargo containers prior to loading. Ensure that all transportation vehicles are:

1. Clean of all visible debris, soil or other nuts.
2. Free of odors.
3. Clear of any excess moisture.

Verify that trailers and cargo containers have not been previously used to transport hazardous materials or products from animal operations, specifically waste or manure.

Ensure that your huller/sheller has implemented a Good Manufacturing Practices program.



STOCKPILE MANAGEMENT

Stockpiling almonds at harvest has several key advantages including increased hulling flexibility and moisture equalization. If stockpiles are not managed properly, primarily due to excess moisture, increased incidence of concealed damage and higher rates of Aspergillus mold may result in the increased occurrence of aflatoxin making the product unmarketable.

A few best practices should be considered when planning on stockpiling:

Moisture

- Do not stockpile wet almonds!
- Moisture must be less than 6% for the inshell kernel.
- Hull moisture must be less than 12%.
- Total moisture must be less than 9% (kernel, shell, hull combination).
- Hull moisture above 14% with sustained temperatures of 120 degrees Fahrenheit will increase the risk of concealed damage and mold.

Place stockpiles on firm well drained surfaces only. Orientation: Stockpiles should be positioned in a north-south direction to help with drying.

Stockpiles should be covered with white-on-black tarps. Keep an eye out for condensation inside of tarps and vent piles in order to prevent build up of moisture. If moisture is present, uncover stockpiles during the day to allow moisture to dissipate.

Monitor and treat for pests including insect, bird, or rodents. Stockpiles should be fumigated to reduce insect infestation, primarily for Navel Orangeworm (NOW). The NOW lifecycle and ensuing damage will continue in stockpiled almonds unless halted by proper fumigation.



DUST MANAGEMENT

Dust management has become a key stewardship concern in recent years. Off-site movement of dust has resulted in several unfortunate traffic accidents in almond producing regions in the recent years. Steps should be made to mitigate and reduce the amount of dust that is produced during harvest activities. Even greater care should be taken when orchards border schools, major roadways, or residential areas.

Several basic steps can go a long way to reducing dust at harvest:

1. Ensure that the orchard floor has been properly prepared by eliminating weedy vegetation and ensuring that the surface is flat and free of obstructions.
2. Plan your passes through the orchard. Make sure that you are directing dust away from roadways. Always direct or blow dust back into the orchard canopy in order to naturally filter and settle away from roads, homes, and sensitive locations. If you are near a busy road, place traffic signs or warnings to make motorists aware of pending harvest work.
3. Set sweeper heads at the optimal level and use fewer blower passes if possible.
4. Going slow and reduce harvester ground speed to allow more time for gravity separation.





ACCELERATED/DEFERRED PAYMENT SCHEDULE AGREEMENT

(Deferred agreements must be submitted at least one (1) week prior to your first delivery)

THIS AGREEMENT is made between BLUE DIAMOND GROWERS ("BLUE DIAMOND") and

("PAYEE NAME") _____ ("PAYEE NUMBER") _____

A. PAYEE is: ☐ a member of BLUE DIAMOND or an almond grower under contract with BLUE DIAMOND (hereinafter referred to as "Member/Grower")

☐ a sharecropper/lessee of almond-producing lands of a Member/Grower of BLUE DIAMOND and as such is entitled to receive, and has been assigned by the Member/Grower, a percentage of Member's/Grower's crop and crop proceeds.

B. Member/Grower is a party, and Member's/Grower's almond-producing lands are committed to a standard Crop Agency Agreement or Purchase and Sale Agreement with BLUE DIAMOND pursuant to which Member/Grower has agreed to deliver to BLUE DIAMOND the entire almond crop from the almond-producing lands under contract and BLUE DIAMOND has agreed to process and market the almond crop for Member/Grower.

C. Under the terms of the Crop Agency Agreement or Purchase and Sale Agreement, and subject to the Bylaws of BLUE DIAMOND, BLUE DIAMOND is under an obligation to return to Member/Grower the net proceeds from the marketing of Member's/Grower's almond crops in each year at such times and in such amounts as the Board of Directors of BLUE DIAMOND shall determine.

D. PAYEE and BLUE DIAMOND desire to modify in certain respects the schedule of crop payments which BLUE DIAMOND would normally make to PAYEE for the Crop Year (as hereinafter defined) pursuant to the Crop Agency Agreement or Purchase and Sale Agreement and the Bylaws of BLUE DIAMOND.

BLUE DIAMOND and PAYEE, by their execution of and signature to this agreement immediately below, agree as follows:

BLUE DIAMOND GROWERS, By: _____

PAYEE, By: _____

Dated: _____

Dated: _____

1. This Agreement shall apply to all crops (or PAYEE'S share of crops as applicable) harvested and delivered to BLUE DIAMOND for the following account(s) ONLY (enter EACH contract number to be affected):

Crop Year: _____, Contracts #(s) _____

The Crop Year of this Agreement shall mean that period commencing July 1 of the year specified above and ending June 30 of the following calendar year.

YES ☐ NO ☐ ACCELERATED PAYMENT ELECTION (If "Yes", select acceleration date below.)

2. On the date marked below, BLUE DIAMOND shall pay to PAYEE, as net crop proceeds from the marketing of PAYEE'S crop, or share of the crop, an estimated amount (subject to later adjustment) to be determined by BLUE DIAMOND which in the absence of this Agreement, would be paid to PAYEE as progress payments in the calendar year following the year of delivery ("Accelerated Payment").

MARK ONE CHOICE: ☐ On payment of the Delivery Advance Payments
☐ Within ten (10) days after the following date: _____
☐ As Soon As Possible

YES ☐ NO ☐ DEFERRED PAYMENT(S) ELECTION (If "Yes", complete the appropriate sections below)

3. The crop payments or portion thereof hereafter described which would otherwise be made to PAYEE for the Crop Year before the date provided in paragraph C. below shall be (Mark EITHER box A. OR box B.):

A. Withheld as to all amounts in excess of the "Non-deferred Amount(s)" indicated to the right \$ _____ for Account # _____
\$ _____ for Account # _____

The Non-deferred Amount shall be paid by BLUE DIAMOND to PAYEE from the first payments to be made to PAYEE until the Non-deferred Amount is paid.

OR B. Withheld in full by BLUE DIAMOND as to all payments designated below (Mark the box(s) for the payment(s) you wish to be deferred).

- ☐ The Delivery Advance Payment - made shortly after delivery of almonds.
☐ The First Progress Payment - made in Spring of the calendar year following the year of delivery.
☐ The Second Progress Payment - made in the Summer of the calendar year following the year of delivery.
☐ The Third Progress Payment - made in the Summer of the calendar year following the year of delivery.
☐ All Payments - payments listed above.

AND C. The crop payments or a portion thereof which are withheld and deferred as provided in Paragraphs A and B above shall be paid by BLUE DIAMOND to PAYEE on the day and month of the calendar year following the year of delivery as follows:

MARK ONE: ☐ Within the first 5 days of business in January ☐ Within the first 5 days of business in March
☐ Within the first 5 days of business in February ☐ Other _____

(TERMS AND CONDITIONS OF AGREEMENT CONTINUED ON REVERSE SIDE)

PROVISIONS APPLICABLE TO ACCELERATED PAYMENT ONLY

4. The payment of net crop proceeds otherwise payable to **PAYEE** as subsequent crop payments for the Crop Year which **PAYEE** has elected to accelerate under Paragraph 2. above shall be reduced by the amount of the Accelerated Payment plus interest (as provided in Paragraph 5. below) in the following manner: **BLUE DIAMOND** shall have no obligation to pay net proceeds to **PAYEE** until the payments which **PAYEE** would otherwise have been entitled to receive in accordance with **BLUE DIAMOND'S** normal payment schedule to its Members/Growers generally (i.e. those who have not entered into an Accelerated/Deferred Payment Schedule Agreement or other advance payment agreement) equals the amount of the Accelerated Payment plus such interest, and thereafter, only in such amount as the net crop proceeds exceed the amount of the Accelerated Payment plus such interest and at such times as crop payments are made by **BLUE DIAMOND** to its Members / Growers generally in accordance with its normal payment schedule.

5. **PAYEE** understands and agrees that **PAYEE** will be receiving a portion of the net crop proceeds in advance of Members/Growers of **BLUE DIAMOND** generally (i.e., those who have not entered into an Accelerated/Deferred Payment Schedule Agreement or other advance payment agreement) and accordingly will be charged with interest to reflect the advance payment. Such interest shall be computed on the balance of the Accelerated Payment not recouped or repaid from time to time as provided in Paragraph 4. Above at the rate hereinafter provided for the period from the date of the Accelerated Payment until recouped or repaid in full. Such interest shall be variable and computed, but not compounded, monthly at an annual rate equal to two and one quarter percent (2 1/4%) in excess of the "Reference Rate" of interest established by the Bank of America on the first day of each month during such period.

PROVISIONS APPLICABLE TO DEFERRED PAYMENT ONLY

6. **BLUE DIAMOND** shall pay Payee interest on all amounts which **PAYEE**, under Paragraph 3 above, has elected to defer in payment beyond the date **BLUE DIAMOND** would have paid such amounts to **PAYEE** had **BLUE DIAMOND** and **PAYEE** not provided otherwise in accordance with the terms of this Agreement. Such interest shall be determined and paid to **PAYEE** in accordance with the following provisions:

- a. Such interest shall be variable and computed, but not compounded, monthly at an annual rate equal to the "Reference Rate" of interest established by the Bank of America on the first day of each month during the "interest payment period" (as defined in Paragraph 6b, below) less two and three-quarter percent (2 3/4%).
- b. Interest at the rate determined under paragraph 6a. Above shall be earned and accrue to **PAYEE** as to each deferred payment during the "interest payment period" for each such payment. The term "interest payment period" shall mean the period from the date **PAYEE** would have received any such payment during the Crop Year but for the operation and effect of this Agreement until the deferred payment date as provided in Paragraph 3c. Above.
- c. In no event shall any interest be payable to **PAYEE** prior to the deferred payment date provided in Paragraph 3c. Above no later than six (6) weeks following such deferred payment date.
- d. On the date of execution of this Agreement no portion of the crop for which a deferred has been elected under Paragraph 3 above has been delivered to **BLUE DIAMOND** and **PAYEE** is not entitled to any payments from **BLUE DIAMOND** with respect to such crops.

GENERAL PROVISIONS

7. Except as otherwise provided herein, all crop payments for the Crop Year shall be paid to **PAYEE** at the same time and in the same manner as payments are otherwise made to Members/Growers of **BLUE DIAMOND** not having entered into an Accelerated/Deferred Payment Schedule Agreement or other advance payment agreement.



Blue Diamond Growers Irrevocable Assignment

You are hereby authorized and directed to divide the proceeds of the 20 _____ almond crop(s) delivered under my Member Contract # _____ as follows:

_____ % to _____

_____ % to _____

_____ % to _____

and _____ to me (us).

Proceeds shall mean all monies and payments of any kind, including but not limited to refunds, equities, benefits, book credits and certificates evidencing rights to receive payment in any form from Blue Diamond for said crop. Assignor directs and authorizes Blue Diamond to deliver such proceeds to the above named assignee, and authorizes assignee to receive and give releases for proceeds. This assignment is irrevocable.

It is understood that such payment will be made subject to and in accordance with the crop agency agreement, rules, regulations and Bylaws of Blue Diamond, and that it is my obligation to see that the almonds are delivered to Blue Diamond for marketing in accordance with the terms of my crop agency agreement with Blue Diamond.

Witness	_____ / _____	_____ / _____
	Date	Date
Member's Signature	_____	_____
Member's Signature	_____	_____
	Date	Date

ASSIGNEES CONSENT TO INCLUDE CERTAIN NON-CASH DISTRIBUTIONS AND ALLOCATIONS
IN GROSS INCOME UNDER SUBCHAPTER T OF THE INTERNAL REVENUE CODE

ASSIGNEE hereby consents and agrees to include in ASSIGNEE'S gross income in ASSIGNEE's taxable year in which received by ASSIGNEE as provided in Internal Revenue Section 1385 (a), the stated dollar amount of any distributions from BLUE DIAMOND GROWERS made to ASSIGNEE pursuant to the assignment which constitute qualified written notices of allocation or qualified per-unit retain certificates as defined in Internal Revenue Code Section 1388.

Witness	_____ / _____	_____ / _____
	Date	Date
Assignee's Signature	_____	_____
Assignee's Signature	_____	_____
	Date	Date
Assignee's Signature	_____	_____
Assignee's Signature	_____	_____
	Date	Date

Completed W-9 Required

.....FOR OFFICE USE ONLY.....

ACCEPTANCE OF ASSIGNMENT: Blue Diamond hereby accepts the above assignment, subject to whatever sums Blue Diamond may be entitled to withhold under its agency agreement with the assignor; and certifies that a notation thereof has been made upon the records of Blue Diamond; and that except as herein stated, as of this date Blue Diamond has no record of the receipt of notice of any prior existing assignment of proceeds which may become payable under the above-mentioned crop agency agreement with Blue Diamond, except as herein provided, for crops of the years above-specified.

Date _____ Blue Diamond Growers

NOTE: A signed copy will be returned to you after our acceptance.
P.O. Box 1768, Sacramento, California 95812 (916) 442-0771



Blue Diamond Growers Electronic Mail of Grower Statements Sign-Up Form

* Complete this form to sign up to receive you Grower Payment Statements via E-mail

Date: _____ Field Supervisor _____

Contact Information:

Payee Name _____ Payee Number _____

Address _____

City _____ State _____ Zip _____

E-Mail Address _____

* Your email address is required to send data and reports to you, and will not be shared with any outside parties.

Home Phone _____

Cell Phone _____

Office Phone _____

* Include Area Code for phone numbers

Signatures:

Payee _____

*Type in name if returning completed form by e-mail

Membership Approval _____

Grower Accounting _____



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