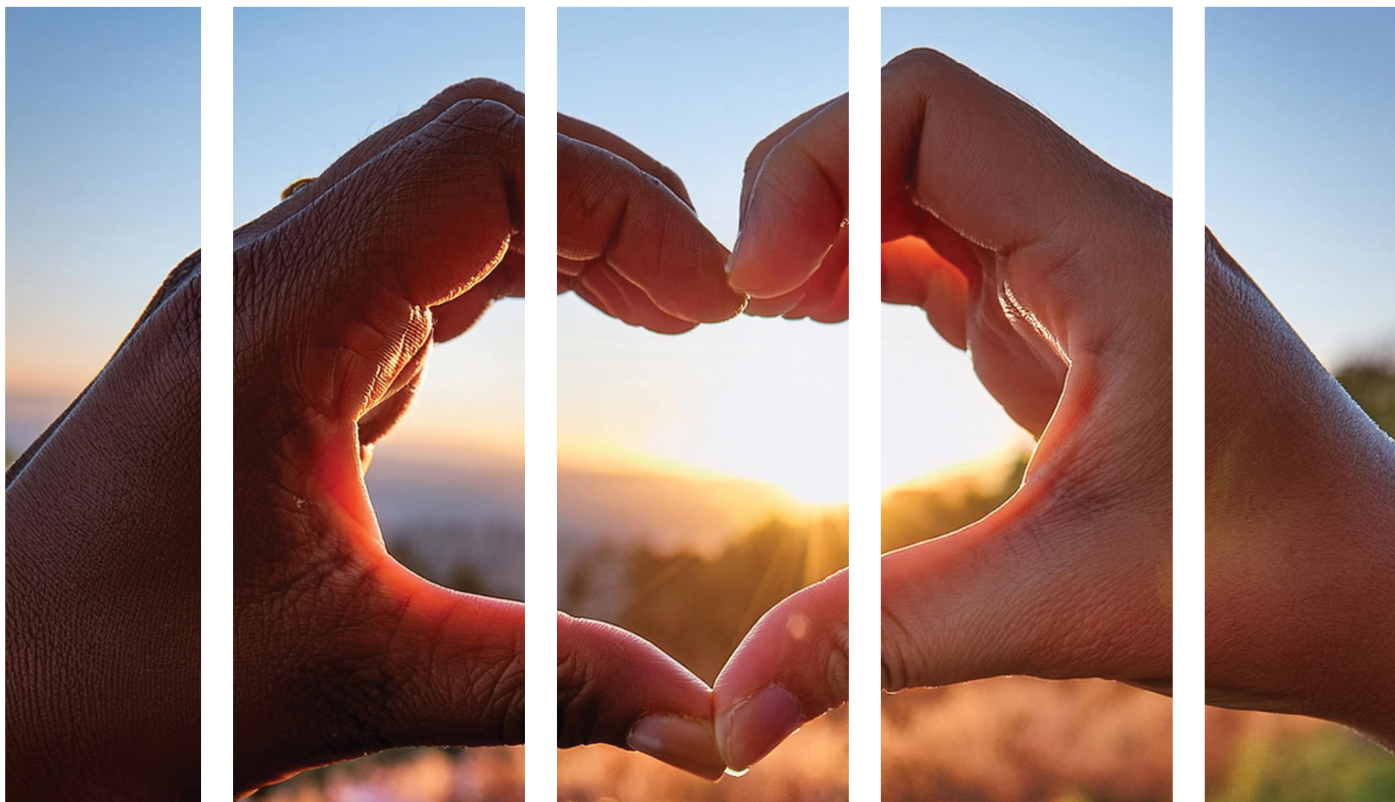


# ANNUAL REPORT

2024



# From our heart, to your hands.



## Mission

Maximize the returns of  
each grower who entrusts  
*Blue Diamond* with their almonds.

## Vision

Delivering the benefits  
of almonds to the world.

## Values

- Act with Integrity
- Work as Partners
- Deliver Quality Every Day
- Innovate!
- Play to Win

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# To Our GROWERS

2024 marked the start of a new journey for the roughly 3,000 families that make up the core of the Blue Diamond Growers cooperative. Each year presents a unique set of obstacles, and the 2023 crop year proved to be no different. Rising to the challenges, the Blue Diamond Growers cooperative remained committed to supporting our growers and delivering high-quality almond products to consumers worldwide. Despite market fluctuations and climate-related hurdles, we came out fighting, leveraging our cooperative strength and spirit to not only weather the storm, but to emerge stronger and more resilient than ever.

The 2023 crop year tested growers' tenacity and endurance. Both adverse weather conditions and economic pressures forced growers to make difficult decisions affecting their crop. The winter season leading up to bloom was characterized by wet conditions, which, while providing sufficient chill hours for almonds, hindered orchard maintenance efforts and increased the presence of pests and lower almond quality.

Challenging economic conditions forced growers to make difficult decisions regarding in-orchard activities, prioritizing essential farming practices and cutting back on nonessential expenses to maintain operations.

But we are *Blue Diamond*. Ever aware of the challenges facing our growers, the cooperative leverages the strength of a unified body to build a more robust and enduring future. We emerged stronger, more

resilient, and more determined than ever. Our ability to adapt swiftly to changing market conditions, paired with our strategic planning and forward-thinking approach, enabled us to navigate through difficult circumstances with determination and purpose.

We pivoted our initiatives to be successful in this volatile market, balancing short-term needs with long-term goals. This meant divesting in some areas and pursuing more profitable opportunities such as doubling down in Canada where we are already ahead of plan.

Focusing on our global footprint, we forged new relationships to build our networks while continuing to set the standard as a leader in the almond industry. Our proactive approach to remaining competitive in a rapidly evolving market and equipping our teams with the right tools to thrive was crucial to maintaining our competitive edge.

As we move forward into the new fiscal year, we are investing in building sales capabilities that will empower us to expand into new markets and drive innovation. Our people are at the heart of everything we do, and strengthening our partnerships while being the driver of our relationships is key to achieving our goals. With revitalized campaigns targeting new audiences and groups, we continue to make headway in captivating customers and executing our strategic plan. Led by our talented team, we are confident in the cooperative's ability to succeed.

We are optimistic about the future and confident that our resiliency, innovation, and commitment to our legacy will continue to drive our growth and success. There is no team with the same determination to overcome any challenges that come our way. Thank you for your continued trust and support as we work towards building a bigger, better, stronger future for Blue Diamond Growers.



**Kai Bockmann**  
**President & Chief Executive Officer**



**Steve Van Duyn**  
**Chairman of the Board of Directors**

*“a bigger, better, stronger  
future for  
Blue Diamond Growers”*

# Board of Directors



Left to Right: John Monroe, Joe Huston, Dan Mendenhall, Matthew Efir, Kent Stenderup, Steve Van Duyn, Nick Blom, Kristin Daley, Dale Van Groningen, Dan Cummings, George A. te Velde.

## **Dan Cummings**

District 1  
Chico, CA

## **John Monroe**

District 2  
Arbuckle, CA

## **Dale Van Groningen**

District 3  
Ripon, CA

## **George A. te Velde**

District 4  
Ripon/Escalon, CA

## **Steve Van Duyn**

Chairman  
District 5  
Modesto/Ripon, CA

## **Nick Blom**

District 6  
Turlock, CA

## **Dan Mendenhall**

District 7  
Winton, CA

## **Matthew Efir**

District 8  
Fresno, CA

## **Kent Stenderup**

District 9  
Arvin, CA

## **Joe Huston**

Director-at-Large  
Monterey, CA

## **Kristin Daley**

Director-at-Large  
San Francisco, CA



# Financial Highlights

	August 30, 2024	August 25, 2023	August 26, 2022	August 27, 2021
Net Sales and Other Revenue	\$1,331,535	\$1,329,241	\$1,606,682	\$1,570,471
Payments and Allocations to Members and Patrons	702,122	629,087	904,395	918,865
Interest, Net	17,077	15,749	8,044	7,708
Total Assets at Year End	864,636	878,361	858,444	833,046
Depreciated Value of Property, Plant, and Equipment	400,671	406,612	399,650	401,473
Long-Term Debt at Year End	121,552	138,833	156,114	173,395
Peak Short-Term Borrowings	85,169	153,900	134,600	85,500
Members' and Patrons' Equity at Year End	358,815	348,139	340,331	288,104

*(in thousands)*



# Strengthening our business



## Growing our brand

At Blue Diamond Growers, we are continually expanding our brands to meet the evolving needs of our consumers and building partnerships to bring *Blue Diamond* products to more people worldwide. In 2024, we maintained our leadership position in both the Snack Nuts and Non-Dairy beverages categories, driven by our innovation and commitment to quality. We launched exciting new products that cater to diverse consumer preferences and supported these launches with targeted marketing campaigns. Additionally, we made significant strides in multicultural outreach, with a dedicated campaign to engage Latino audiences through Spanish-language TV and social media ads for our Almond Breeze® brand, ensuring we reached even more households across the nation.

## Building new relationships

To elevate our brand and expand our reach, we are strategically building partnerships with companies and industry leaders who align with our values and share our passion for great taste. By leveraging these relationships, we are well-positioned to penetrate markets both locally and globally, expanding our reach in a meaningful way and realizing our strategy.

This year, consumers will be able to see two iconic brands, Blue Diamond Growers and Kellogg's®, come together to support a nutritious and healthy breakfast. The Special K Vanilla & Almond cereal box will have the Blue Diamond Growers logo affixed to the side of the box to reinforce the quality and sustainability standards that sets *Blue Diamond* almonds apart from its competitors.

## Foodservice

While foodservice has always been a core part of our international business via multiple coffee chains, we are expanding our reach in this \$3.5 trillion market. You will see us partnering with top eateries, ranging from coffee shops to hotel chains, and even airlines. Our commitment to quality positions us as the preferred ingredient for industry professionals seeking the best almonds in the world.







## Thriving sustainably

Sustainability isn't just a buzzword for us; we support it with actions. In 2024, we rebranded our sustainability programs under the framework of "Growing with Care," reflecting our commitment to encouraging sustainable agricultural practices and enhancing value for our growers. We have implemented a suite of programs and initiatives to encourage our members to adopt sustainable farming practices and increase value for our growers.

Our Climate Smart Grant has supported growers in planting thousands of acres of land to cover crops or bee pastures, benefiting pollinators, biodiversity, and soil quality. In just two years, participating growers have received nearly \$800,000 in resources and have implemented these practices within over 17,000 acres of orchard land.

Our Orchard Stewardship Incentive Program (OSIP) has encouraged growers to participate in the California Almond Stewardship platform, with over 64% of Blue Diamond Growers' acres completing the program in 2024. We are proud to report that nearly 20% of Blue Diamond Growers acres have achieved the highest tier of OSIP, which includes Bee Friendly Farming certification and an orchard carbon calculation. For more information about our grower programs, please visit [www.bluediamondgrowers.com](http://www.bluediamondgrowers.com).



# International markets

## Expanding in Canada and beyond

Our commitment to expanding our footprint internationally has led to exciting growth and success. In Canada, we have secured major wins, ranging from supermarket shelves to convenience stores, and have already surpassed our strategic plan. We are steadily improving our position with retailers and distributors and leaving no stone unturned as we seize every opportunity to grow our business.



In Mexico, we successfully launched our large format for club stores and established a new distributor in the Middle East, catering to multiple markets across the region.

We are also tapping into the European market and introducing *Blue Diamond* flavored almonds such as Honey Roast, Hickory Smoke, Wasabi Soy, and Cinnamon and Sugar. These flavors have sparked strong interest from leading customers. Additional almond flavors and forms are in the pipeline to continue the growth momentum.

Our strategic efforts have expanded our consumer reach, increased brand visibility, and demonstrated our ability to tailor products to meet the specific needs of various markets.



## Welcoming new partners

Blue Diamond Growers signed a new partnership with Kagome®, setting the stage for Japan to become one of our top international markets for Almond Breeze®. This collaboration will significantly expand our brand's distribution footprint and accelerate category growth through innovative products tailored to local preferences. We are thrilled to join forces with Kagome® and make waves in the Japanese market.

## Innovating competitively

Our commitment to product innovation has allowed us to maintain our market leadership. The successful launch of drinking yogurt in Thailand has reinforced Almond Breeze's® position as a leading brand in a competitive landscape. We continue to strengthen our presence in South Korea through localized communication and targeted marketing.



*Kai Bockmann, President & CEO of Blue Diamond Growers (left), and Satoshi Yamaguchi, Kagome Co., Ltd. President and Representative Director (right)*



## Reinvesting our resources.

We changed our course this year, prioritizing long-term sustainable growth in international markets. In Australia, we made the difficult decision to exit the Almond Breeze® branded business due to limitations in our local operations. However, this strategic move has allowed us to reinvest in areas where we can truly thrive and grow.

# Driving innovation further

## New products, new markets

Our innovative product offerings continue to make an impact in the market, captivating consumers with their unique flavors and textures.

## Pushing the boundaries

Blue Diamond reinforced its category leadership with the nationwide launch of popular flavors like Chile n' Lime and Snickerdoodle. These flavors have experienced rapid growth, particularly Snickerdoodle, which secured major wins with the largest retailers in the United States.

Our Honey Butter flavor broke records at retail and inspired us to introduce the Ranch flavor. Ranch was picked up by major retailers as a limited edition offering across hundreds of stores.

## Exploring new territories

Blue Diamond Growers and leading fresh produce grower, marketer and distributor Oppy® have partnered to deliver a tasty array of fresh almond and almond-fruit blends into retail produce departments. The widely approved assortment includes exciting new flavors — Oven Roasted Honey, Lightly Salted, Sea Salt & Black Pepper, Whole Natural almonds, as well as Toasted Almonds & Cherries and Sea Salt Almonds & Blueberries sold in eye-catching, resealable stand-up bags. After several years of research and development, the new line has the perimeter shopper top of mind as it features premium almond varieties and no added oils or artificial flavors. We are excited to complement our center-store portfolio with this fresh new offering.

To meet evolving ingredient customer needs, we expanded our product lines in 2024. We introduced Lightly Roasted Almond Butter, a versatile ingredient for non-dairy applications. This latest product offers a cleaner flavor and neutral color, expanding our portfolio to meet specific customer needs in the formulation of non-dairy products. We also developed Virgin Almond Oil as a new ingredient to complement our current refined, bleached, and deodorized (RBD) almond oil. This new ingredient has all the potential to make a difference in the food and cosmetic industries.





## Thin Dipped

This showstopper achieved a successful national launch in February 2024, with two flavors gaining distribution in large retail stores. Due to its success, we introduced a 2 oz. and 4 oz. size for convenience stores and gas stations. Thin Dipped almonds were even recognized in Good Housekeeping’s 2024 Best Snack Awards as the “Best Chocolate Covered Almonds.”

## Reaching our audiences

Blue Diamond has made significant strides in the marketing world. Last fall, we joined forces with Rewired, a national marketing campaign targeting hard-to-reach Gen-Z consumers by leveraging popular influencers and digital experiences. During the summer, we upped the ante by becoming a Gold-level partner, extending our reach into the 2025 fiscal year.

We also scored a major win as the Official Snack of the Big Ten,<sup>®</sup> leveraging their football and basketball conferences to supercharge visibility. Our snack almond marketing campaigns have generated a massive buzz, racking up over 500 million impressions across TV and digital media, driving sales and brand awareness.



## Innovation enablers

Our commitment to innovation is supported by initiatives like the Bright Ideas program, an employee idea submission program launched in early 2024. This program encourages team members to share their creative ideas, fostering a culture of innovation and collaboration. We have received over 100 submissions and continue to leverage the collective expertise of our team members to drive growth and innovation.



# Creating enablers

## Optimizing our processes

Our dedication to operational excellence has driven continuous improvements in efficiency and cost reduction. We implemented innovation projects to minimize downtime, maximize manufacturing capacity, and unlock cost savings in all areas. These initiatives strongly align with our commitment to technological advancement and efficiencies.



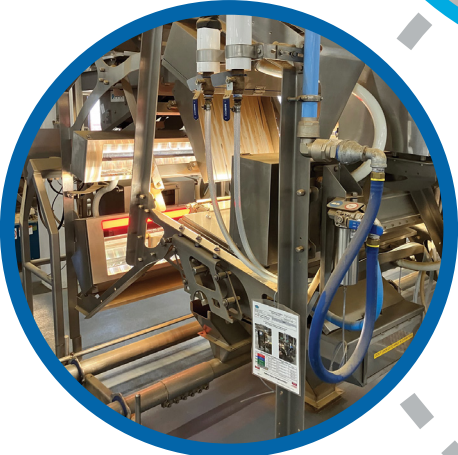
## Focusing on sustainability

In 2024 we identified projects with a goal of lowering cost and energy conservation. Teams at each plant optimized warehouse cooling controls and addressed air compression inefficiencies to achieve energy savings.



## Investing for the future

We also made significant investments in state-of-the-art equipment to enhance our operations. New electronic sorting machines in the Sacramento facility have streamlined grading and processing efficiency, while advanced wastewater treatment equipment in Turlock has reduced cost and improved performance.



## Streamlining operations

We significantly improved our sales and operations processes, resulting in exceptional on-time delivery rates and reduced costs through optimized business planning and transportation systems. Strategic adjustments to our domestic third-party warehouse network ensured better alignment with customer locations, enhancing service levels. We also maintained a high level of customer satisfaction by reducing customer complaints and consistently providing first-in-class customer service.



# & operational efficiencies

## Safety first

Safety is a top priority. We have achieved outstanding improvements in safety culture across all sites with hundreds of team members regularly participating in our Good Catch program to prevent injuries. Our Salida facility secured one of the most prestigious certifications, California Voluntary Protection Program (CAL VPP) Certification in Salida.

The program is designed to recognize employers and their employees who have implemented safety and health programs that effectively prevent and control occupational hazards and go beyond the minimal Division of Occupational Safety and Health of California (Cal/OSHA) standards.



## Cultivating future leaders

There is no doubt that our people are our greatest asset. At each of our sites, we have invested in our people's development through onboarding programs, a certified trainer program, and decentralized training to address site-specific needs. Our digital training platform has organized content, increased access to information, and tracked proficiency.



## Growing from within

Committed to "Growing from Within," we continue to invest in our people and foster a culture where people are connected to purpose and ambitious about our future. In 2024, we redesigned the Leadership Academy, a suite of courses dedicated to team members' growth and development at Blue Diamond Growers. As a testament to our workplace culture, a strong 77% of team members indicated they were proud to work here in our 2024 People and Culture Survey.









# Growing Together

# Management Report on Consolidated Financial Statements Disclosure

The Management of Blue Diamond Growers and its subsidiaries have the responsibility for preparing the consolidated financial statements and for their integrity and objectivity. The statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The financial statements include amounts that are based on management's best estimates and judgments. Management also has the responsibility for the accurate preparation of the other information in the annual report and its consistency with the consolidated financial statements.

Blue Diamond Growers' financial statements have been audited by Crowe, LLP (Crowe), independent certified public accountants, which were engaged by the Audit Committee of the Board of Directors. Management has made available to Crowe all of the Company's financial records and related data, as well as the minutes of the Board of Director's meetings and the annual membership meeting. Management believes that all the representations made to Crowe during its audit were valid and appropriate.

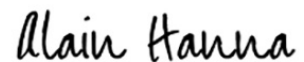
Management of Blue Diamond Growers has established and maintains a system of internal control that provides reasonable assurance as to the integrity and reliability of the financial statements, the protection of assets from unauthorized use or disposition, and the prevention and detection of fraudulent financial reporting. The system of internal control provides for appropriate division of responsibility based on policies and procedures that are communicated to employees with significant roles in the financial reporting process and which are updated as necessary. Management continually monitors the system of internal control

for compliance. The Company maintains an internal auditing program that independently reviews the effectiveness of the internal controls and recommends possible improvements thereto. As part of its audit of the Company's financial statements, Crowe gained an understanding of selected internal accounting controls to establish a basis for determining the nature, timing and extent of audit tests to be applied. Management has considered the internal auditor's and Crowe's recommendations concerning the Company's system of internal control and has taken actions that we believe are cost and risk effective in the circumstances to respond appropriately to those recommendations. Management believes that the Company's system of internal control is adequate to accomplish the objectives discussed herein.

Management recognizes its responsibility for fostering a strong ethical climate so that the Company's affairs are conducted according to the highest standards of personal and corporate conduct. This responsibility is characterized and reflected in the Company's Code of Ethics, which is published to all employees. The Code of Ethics addresses, among other things, the necessity of ensuring open communications within the company; potential conflicts of interest; compliance with all domestic and foreign laws, including those relating to financial disclosure; and the confidentiality of proprietary information. The Company maintains a systematic program to assess compliance with these policies.



**Kai Bockmann**  
**President & Chief**  
**Executive Officer**



**Alain Hanna**  
**Chief Financial Officer**

*We present summary consolidated financial statements for the Company on pages 19–20 of this report. Complete audited financial statements and footnotes are available to any member upon request to the Blue Diamond Growers' Grower Accounting Department (916) 446-8385.*

# Independent Auditor's Report

## Opinion

The summary consolidated financial statements, which comprise the summary consolidated balance sheets as of August 30, 2024 and August 25, 2023, the summary consolidated statements of operations and comprehensive net proceeds for the years then ended, are derived from the audited consolidated financial statements of Blue Diamond Growers and subsidiaries as of and for the years ended August 30, 2024 and August 25, 2023. We expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 30, 2024.

In our opinion, the accompanying summary consolidated financial statements of Blue Diamond Growers and subsidiaries as of and for the years ended August 30, 2024 and August 25, 2023 referred to above are consistent, in all material respects, with the audited consolidated financial statements from which they have been derived, on the basis described below.

## Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by accounting standards generally accepted in the United States of America. Reading the summary consolidated financial

statements and the auditor's report hereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

## Responsibility of Management for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with accounting principles generally accepted in the United States of America.

## Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary consolidated financial statements with the related information in the audited consolidated financial

statements from which the summary consolidated financial statements have been derived and evaluating whether the summary consolidated financial statements are prepared in accordance with the basis described above. We did not perform any audit procedures regarding the audited consolidated financial statements after the date of our report on those consolidated financial statements.

*Crowe LLP*

Crowe LLP  
Sacramento, California  
October 30, 2024

# Blue Diamond Growers & Subsidiaries

## Summary Consolidated Balance Sheets

As of August 30, 2024 and August 25, 2023 (in Thousands)

ASSETS:	2024	2023
Current Assets:		
Cash and cash equivalents	\$ 117,974	\$ 37,796
Accounts receivable, net of allowance for doubtful accounts of \$3,345 and \$50 in 2024 and 2023, respectively	139,552	115,301
Grower advances in excess of proceeds realized	53,023	155,074
Product inventories	72,245	83,338
Supplies and other current assets	22,623	23,455
Total current assets	<b>405,417</b>	<b>414,964</b>
Property, plant, and equipment, net	400,671	406,612
Investment in CoBank	7,719	7,502
Other assets and deferred charges, net	50,829	49,283
Total assets	<b>864,636</b>	<b>878,361</b>

LIABILITIES AND MEMBERS' AND PATRONS' EQUITY:		
Current Liabilities		
Current maturities of long-term debt	\$ 17,281	\$ 17,281
Unsecured investment certificates	161,708	168,409
Accounts payable and accrued expenses	102,400	96,507
Amounts due members and patrons	10,062	4,274
Total current liabilities	<b>291,451</b>	<b>286,471</b>
Long-term debt, net	121,552	138,833
Pension liability	17,881	31,863
Other liabilities	74,937	73,055
Total liabilities	<b>505,821</b>	<b>530,222</b>
Members' and Patrons' Equity:		
Allocated members' and patrons' equity	82,652	90,757
Unallocated		
Retained earnings	287,842	278,603
Accumulated other comprehensive loss	(11,679)	(21,221)
Total members' and patrons' equity	<b>358,815</b>	<b>348,139</b>
Total liabilities and members' and patrons' equity	<b>864,636</b>	<b>878,361</b>

# Blue Diamond Growers & Subsidiaries

## Summary Consolidated Balance Sheets

As of August 30, 2024 and August 25, 2023 (in Thousands)

	2024	2023
NET SALES AND OTHER REVENUE:	<b>\$1,331,535</b>	<b>\$1,329,241</b>
COSTS AND EXPENSES:		
Cost of products sold	375,376	395,031
Selling, general, and administrative	227,694	278,686
Interest, net	17,077	15,749
Income tax (benefit) expense	27	(407)
Total costs and expenses	<b>620,174</b>	<b>689,059</b>
Net proceeds	<b>711,361</b>	<b>640,182</b>
OTHER COMPREHENSIVE (LOSS) INCOME:		
Foreign currency translation income (loss)	11	11
Interest rate swap	(799)	577
Pension and postretirement benefit plans	10,330	6,458
Other comprehensive (loss) income	<b>9,542</b>	<b>7,046</b>
Comprehensive net proceeds	<b>720,903</b>	<b>647,228</b>
DISTRIBUTION OF NET PROCEEDS:		
Payments and allocations to members and patrons including retains of \$19,452 and \$17,843 for 2024 and 2023, respectively	702,122	629,087
Increase to retained earnings	9,239	11,095
	<b>711,361</b>	<b>640,182</b>

# Leadership Team



**Kai Bockmann**  
President and Chief  
Executive Officer



**Carmen Bourgaize**  
Chief Commercial Officer



**Frances Dillon**  
Chief People Officer



**Alain Hanna**  
Chief Financial Officer



**Alicia Rockwell**  
Chief Government &  
Public Affairs Officer



**Jeff Hatfield**  
Senior Vice President,  
Manufacturing



**Tony Laurenzana**  
Senior Vice President,  
Ingredients and Branded  
International Sales



**Mel Machado**  
Vice President,  
Member Relations



**Steve Schult**  
Vice President,  
Supply Chain

# Acknowledgments

## A heartfelt THANK YOU

We extend our most sincere gratitude to the following individuals and groups for all their contributions and support:

- Our **Board of Directors** for their guidance and leadership.
- Our **Growers** for placing their trust in us and championing our cause.
- Our **Team Members** for their dedication, hard work, and commitment to our mission.
- Our **Customers** for their continued loyalty and support.
- Our **Partners and Suppliers** for their collaboration and contributions.

We are grateful for the opportunity to work with such talented and dedicated individuals. From our family to yours, thank you for being at the heart of our success.





**GROWING  
TOGETHER**



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