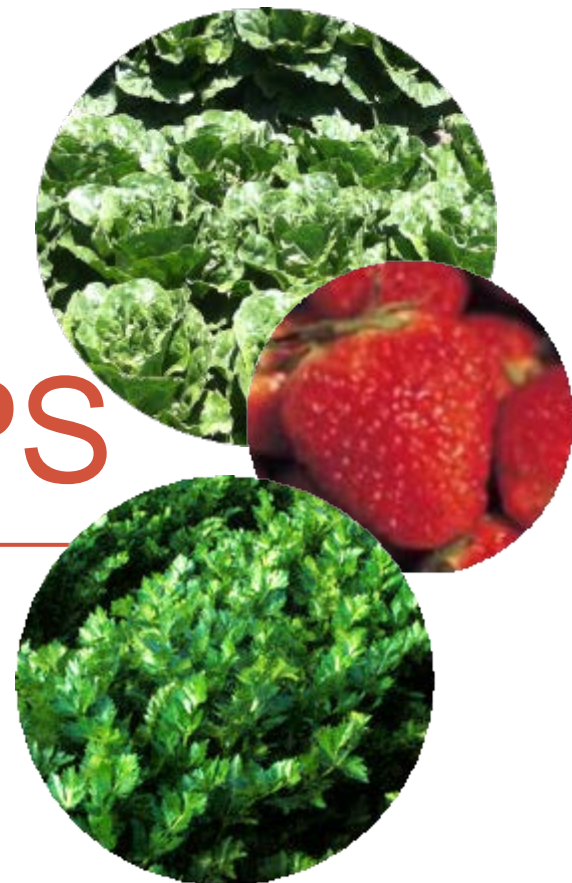


CALIFORNIA SPECIALTY CROPS

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California



AGRICULTURE: California is the No. 1 state for agriculture revenues, with \$34.8 billion in revenue representing 12.3 % of the U.S. total.

2012 represents \$18B of Ag Exports nearly double any other US state and approximately 15% of all US Ag Exports.

Fresh Market Fruit and Produce represents nearly 20% of this marketplace.

- Berries, Tree fruit, Field Packaged vegetables, melons

Fruits and Vegetables



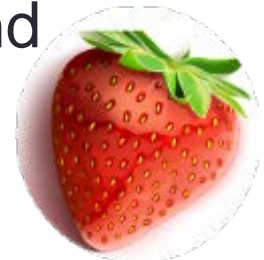
- Nearly 200 Man Hours / Acre
- >50% of cost VS. 4% in Row Crops
- Not Generally Supported by Major Suppliers
- Incentive Rate Pay Systems
- Migratory Labor
- Un-Processed Consumer Product
- Monterey and Ventura Counties ~33% of California Ag Labor Requirements

Rabo Bank Ag Focus Report



Rabobank

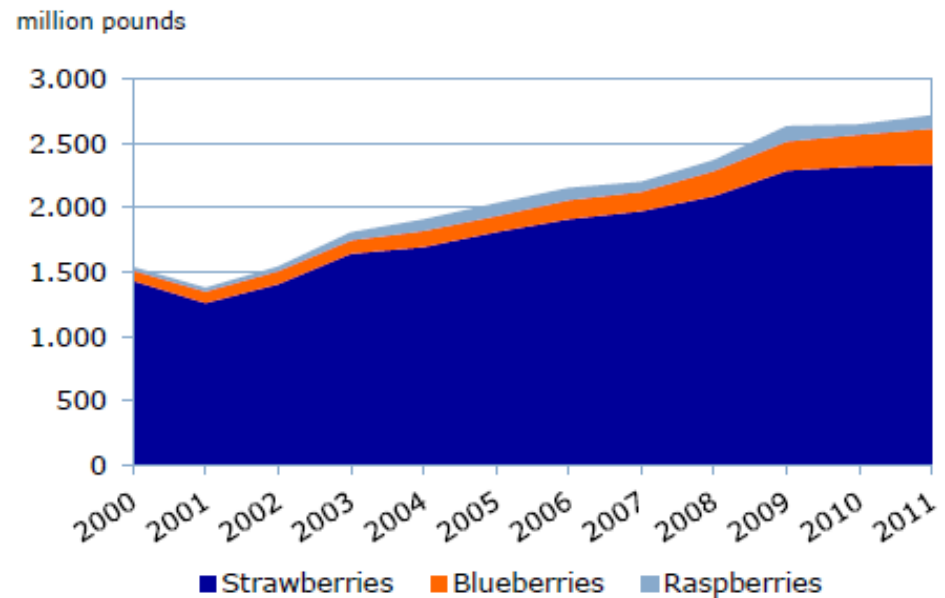
- Fresh Berries are now the largest and Fastest Growing retail produce category in us sales of over \$3B in 2011
- Sales are expected to increase by 7% per annum over next 3 years.
- Despite strong growth, U.S. Fresh Berries will be challenged to maintain profitability because of strongly higher production costs, resource constraints and other pressures.
- Strawberry Growers, in particular are beginning to outgrow available resources, squeezing margins and forcing consolidation of smaller layers.



Pressures

- Growth

Figure 2: U.S. Production of Fresh Berries Has Increased Over the Past Decade Supported by Growing Consumer Demand



Based on utilized production

Blueberry production only includes cultivated blueberries (excludes wild blueberries which are primarily used for processed market)

Raspberry production based on Oregon, Washington and California (assumes 95 percent of California's crop is for fresh use); represents majority of U.S. production

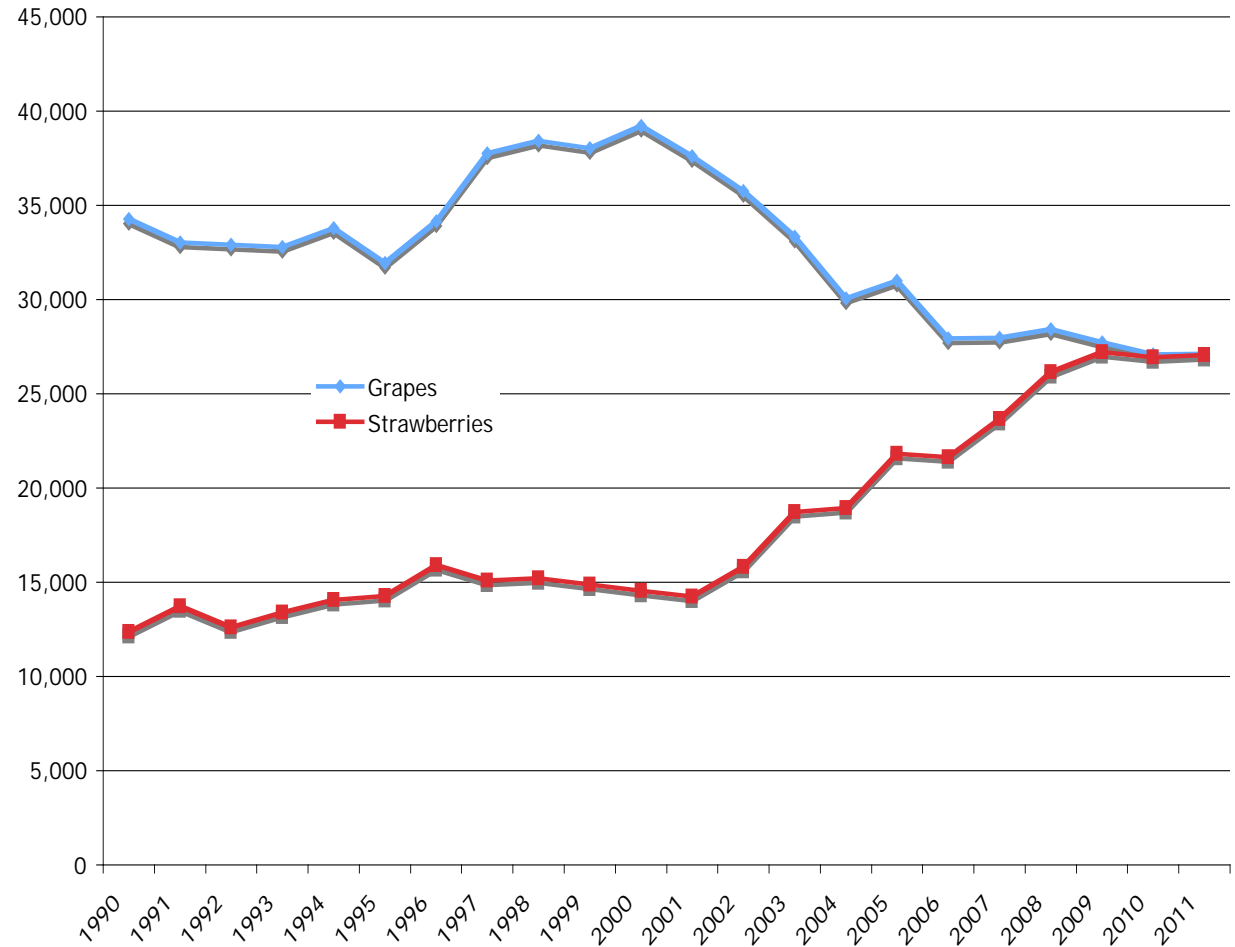
Only limited compatible blackberry data available.

Source: USDA, 2012

Pressures

- Growth
- Labor Demand

California Grape and Strawberry Employment, 1990-2011



Pressures

- Growth
- Labor Demand
- Convention



1940's



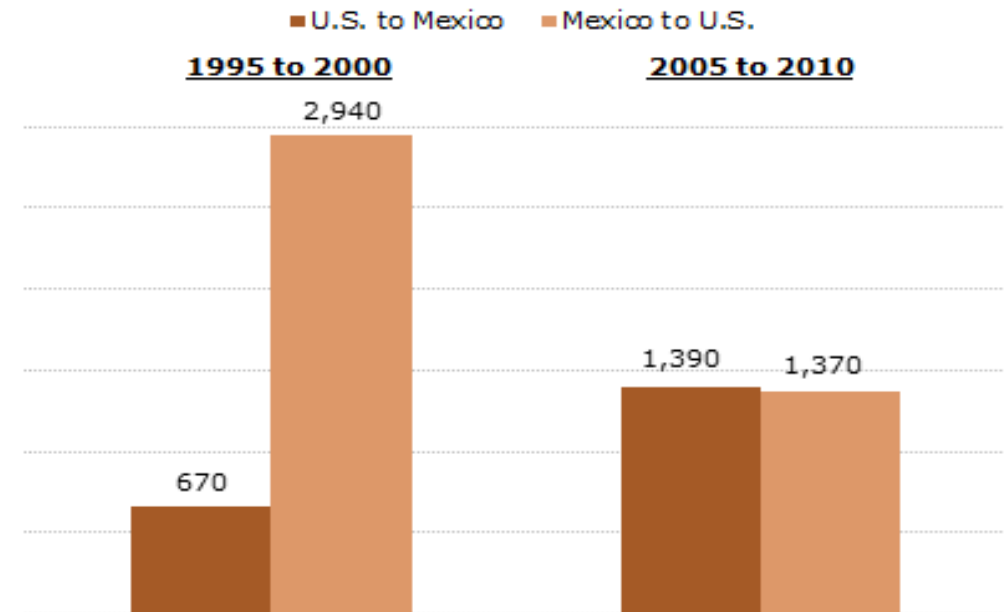
2014

Pressures

- Growth
- Labor Demand
- Convention
- Labor Availability

Figure 1.2

Five-Year Migration Flows Between the U.S. and Mexico, 1995-2000 and 2005-2010
(in thousands)



Note: Estimates are for February 1995 through February 2000 and June 2005 through June 2010. Migration from U.S. to Mexico includes persons born in Mexico, the U.S., and elsewhere; Mexico to U.S. includes Mexican-born persons only.

Source: U.S. to Mexico: Pew Hispanic Center estimates from population, household and migrant microdata samples of Mexican censuses of 2000 and 2010; Mexico to U.S.: Based on Pew Hispanic Center estimates in Figure 1.3 from various sources; see Methodology

PEW RESEARCH CENTER

Not Just Harvesting

- Technical Capacity
- Analytical Tools
 - Yield Monitoring
 - Forecasting
- Traceability
- Resource Optimization
 - Water
 - Soil
 - Plant Health
- Supplier Networks / Interface with Customer



Current State

No Longer Efficiency Gains

Convention is still driving
decision making



Market pricing is not meeting inflationary costs

Legislative, Economic, Social Pressures are
being overshadowed by water.

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More Information

- WWW.BERRY.NET
- California Strawberry Commission
- UC Extension Service

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