

Mexico Lime & US Marketing Update

- Introduction to The Wonderful Company
- Introduction to Wonderful Citrus
- Mexico's Production
- Mexican Lime Utilization
- Mexico's Lime Exports
- Mexico's Current Headwinds
- HLB in Mexico
- US Marketing Data



Wonderful
citrus™



the
Wonderful
company™

About Us

the Wonderful company™

Healthy people harvesting healthy products
for a healthy world



Privately-held,
\$5B global
company
+10,000
employees
worldwide
#1 private
grower w/ 145K
owned acres*

- **Vertically-integrated** from seed to shelf
- Grow, harvest, bottle, package, and market a **diverse range of healthy products**
- Deep commitment to **philanthropy, sustainability and community development**

*Largest grower of owned acres in N. America, including mandarins, lemons, limes, oranges, grapefruit, pistachios, almonds, pomegranates

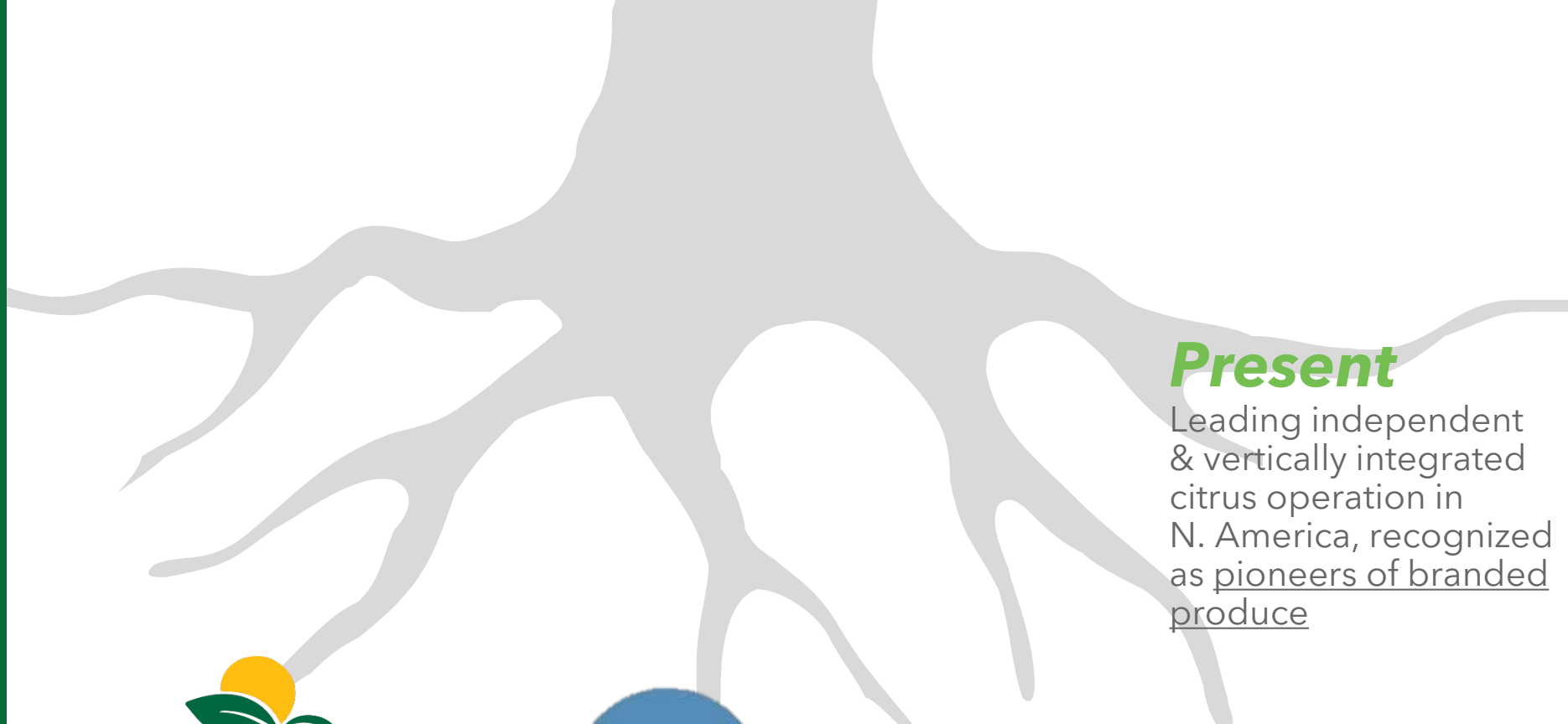
How we became *Wonderful*





Wonderful citrus™

A rich citrus heritage rooted in over 70 years of expertise



PARAMOUNT
CITRUS

1950

Founded by Lou Ghiz, defining our identity as an independent grower and marketer of fresh fruit



1981

Paramount Citrus acquired by visionaries, Stewart & Lynda Resnick, as 1st ag acquisition; looking to apply progressive business acumen

Present

Leading independent & vertically integrated citrus operation in N. America, recognized as pioneers of branded produce

Wonderful
2015 citrus™

Paramount Citrus rebrands to Wonderful Citrus, subsidiary of the newly formed The Wonderful Company; focused on community & longer-term values

the **Wonderful** company™ |

Full vertical integration - 11 businesses in 1 and more than 1 billion pounds of citrus annually

Wonderful
citrus™



TEAM
7,590
total

3,860
CA

1,000
TX

130
FL/NJ

2,600
MX



FARMING

74,000

total acres
managed



VARIETIES

10
total

8	4	7	3
CA	TX	FL/NJ	MX



JUICE

1
total/TX



PACKING HOUSES

10
total

2	2	3	3
CA	TX	FL/NJ	MX



SALES + MKTG
GLOBAL



NURSERY

6
total

2	1	3
CA	TX	MX



MERCHANDISING

250 merchandisers
U.S. & Canada

Wonderful Citrus is your one stop citrus shop – 17 years in the making

2006 2008 2010-11 2012 2013 2015 2016 2017 2018 2019



Leaves Sunkist and launches its own sales organization.



Acquires 6,000 acres in Mexico to strengthen late summer and early fall offering.



Acquires 5,000+ acres of limes in southern Mexico and initiates planting project of 1,700+ acres in northern Mexico.



Acquires top 2 grapefruit operations in Texas, delivering 8,000 acres and 75% share of citrus production in the state.



Mandarin packing house is completed in Delano, CA, becoming largest citrus packing facility in the world.

2013



Two brands are launched. Halos emerges with 50% market share, following a break up of the Cuties partnership. Also, launches Sweet Scarlett as a grapefruit brand.



Acquisition of Grimmway's citrus operation. Expands the orange and lemon product offering.

2015



Paramount Citrus is rebranded to Wonderful Citrus.



Acquires the largest juice manufacturer in Texas and rebrands it to Rio Grande Juice Company.

2016



Acquires leading exporter of limes to the US market, instantly elevating Wonderful's share from 3% to 20% and making it the leading importer of Mexican limes.

2017



Acquires DNE World Fruit – a leading importer of counter seasonal citrus and marketer of Florida citrus. Becomes year-round supplier of all key citrus varieties.

2018



First year of offering Halos in the summer – packing counter seasonal citrus under the Halos brand.



Addition of packing facility outside the San Joaquin Valley, opening the doors to expansion of product offering.



Completion of a 5-year and 3,000+ acre expansion of TX grapefruit and juice oranges.

2019



Launched Wonderful Seedless Lemons, variety 100% exclusive to Wonderful

Cool Fact:
 Our **halos** packing house is as large as **13 Football Fields** and at 80% capacity can do **1 Million** 5Lb bags per day! It has the largest electronic sizer in the world with **8 miles of chain!**

Where we operate



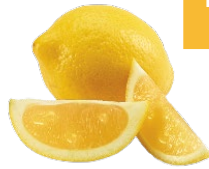
Valencia



Mandarin



Navel



CA Lemon

CENTRAL VALLEY
WONDERFUL CITRUS GLOBAL HQ
[Oranges/Lemons]

VENTURA
[Lemons/Mandarins]

DESERT
[Lemons]

MX
Lemon

Grapefruit

Orange

WONDERFUL CITRUS
TEXAS HQ
[Grapefruit/Oranges]

MX
Lime

MEXICO LEMON
[Tamaulipas and San Luis Potosi]

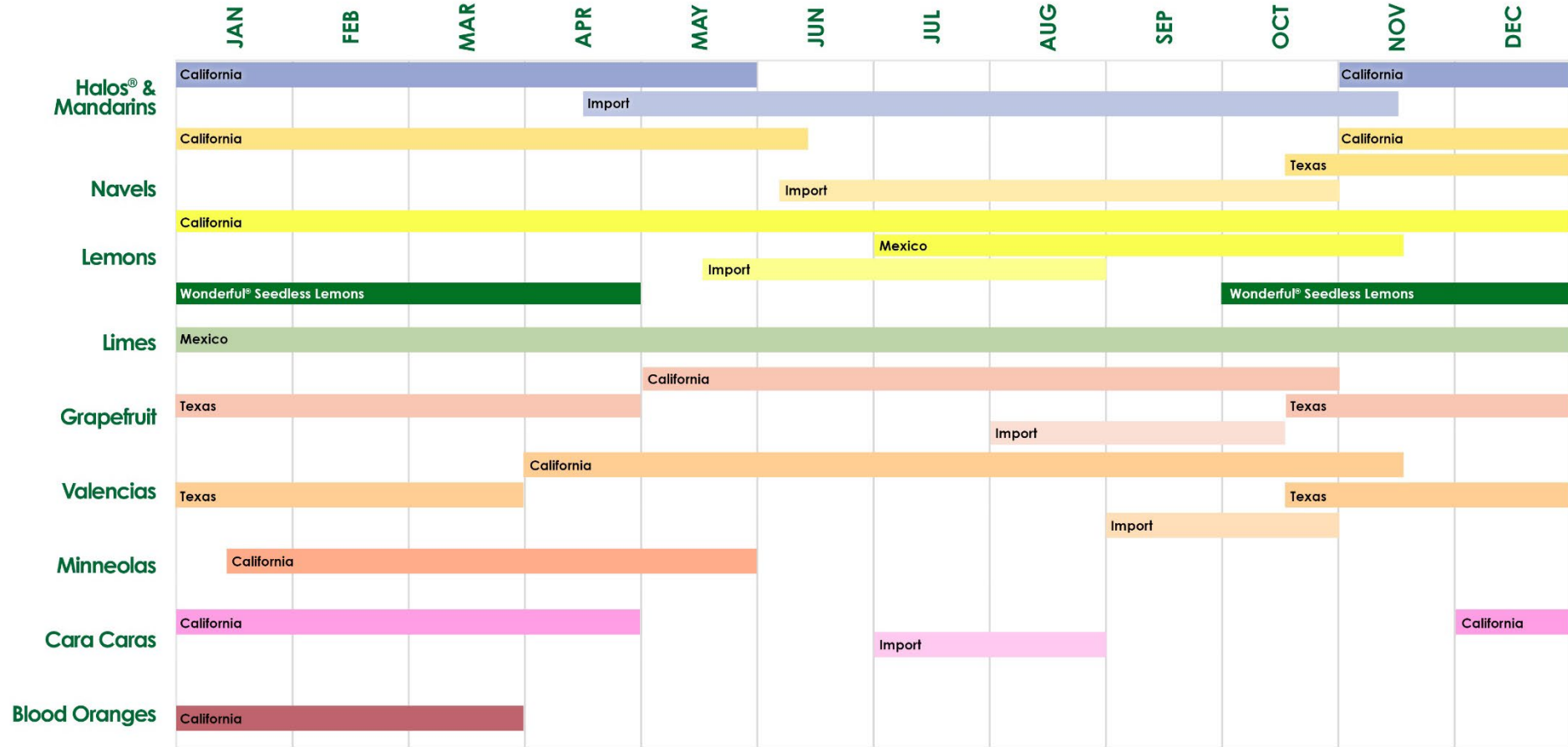
MEXICO LIME
[Tabasco and San Luis Potosi]

NJ
Imports



Total Acres
~74K

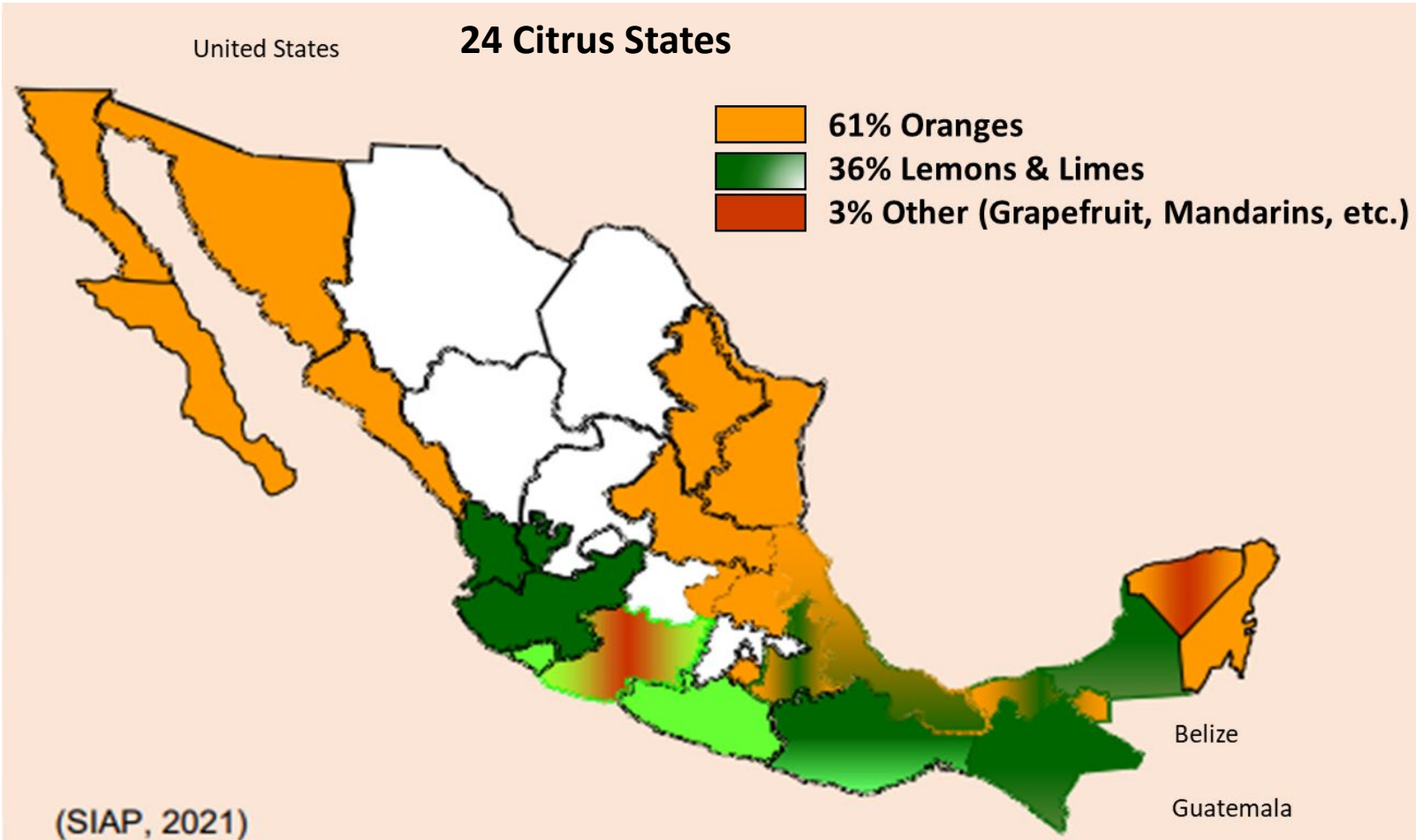
Year-round availability





Lime Production in Mexico

Mexico's citrus production overview



Total Acres: 603K hectares (1.5M acres) | **Production:** 8.2M Tons (9.0M US tons) | **Value:** \$34,950 M MXP (\$2.05B USD)

Exports

768 thousand tons of citrus

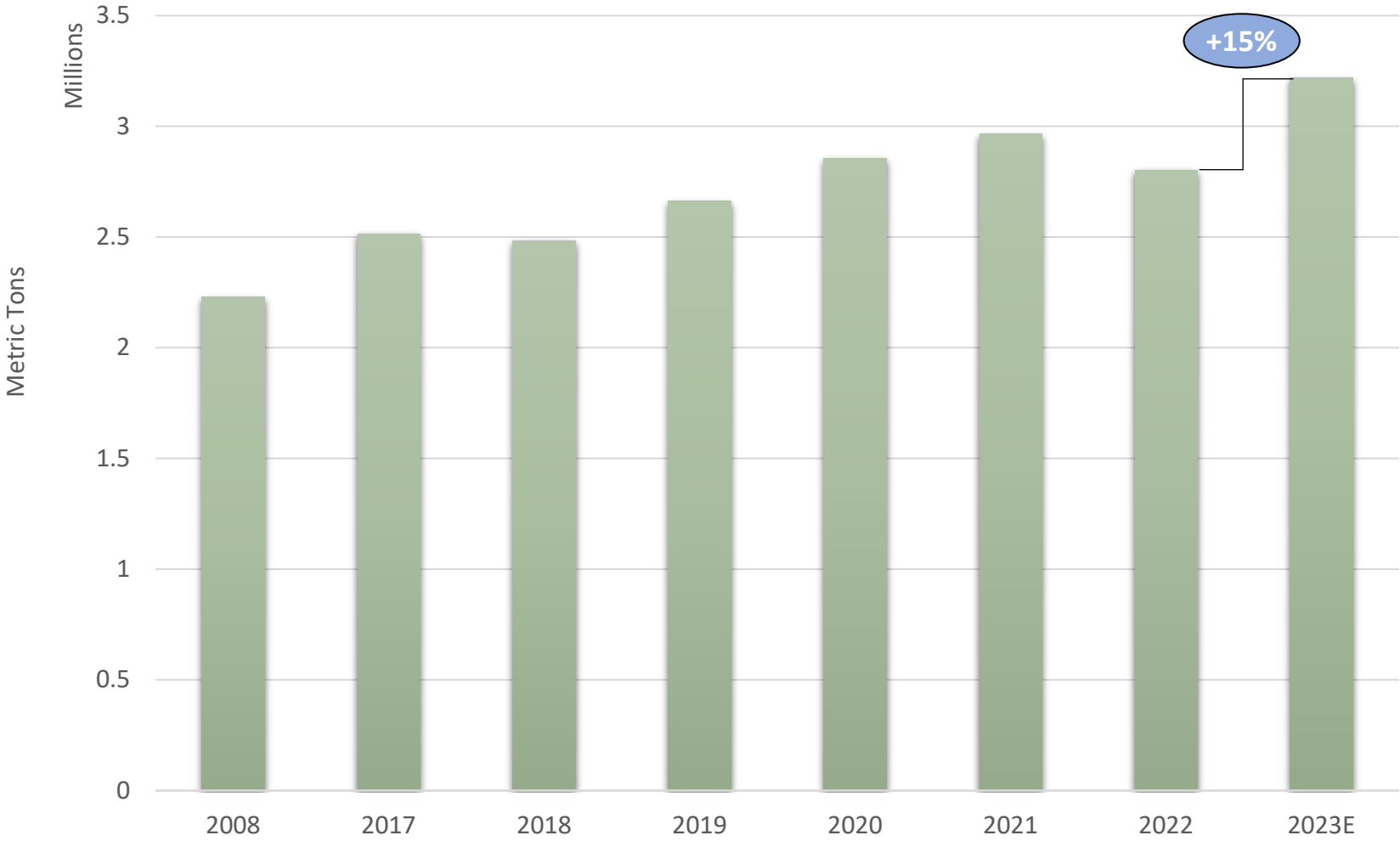
Over 25 Countries

\$662 M USD

703 K tons of Persian Limes
91% of total Citrus Exports

(SIAVI, 2021)

Lemon & Lime Production in Mexico



- Total Harvested Area in 2023 was 358,337 acres (145,014 hectares) this was a 9.4% increase over 2022
- 4 states represent approx. 80% of all lime production.
- Increased production for 2023 is based on 2 primary factors:
 - Increase in planted acres (9.4%)
 - Increased yield per acre (5.8%)

Lime growing regions of Mexico



DIVERSE GROWING AREA

Limes are produced in various states in Mexico allowing for a diverse area of harvest and allowing natural impacts to be minimized.

LEADING PRODUCTION STATES (%)

Veracruz 38%
Michoacan 24%
Oaxaca 11%
Colima 11%

Persian Lime

Veracruz accounts for +70% of production, Oaxaca ~20% and Tabasco and others 10%

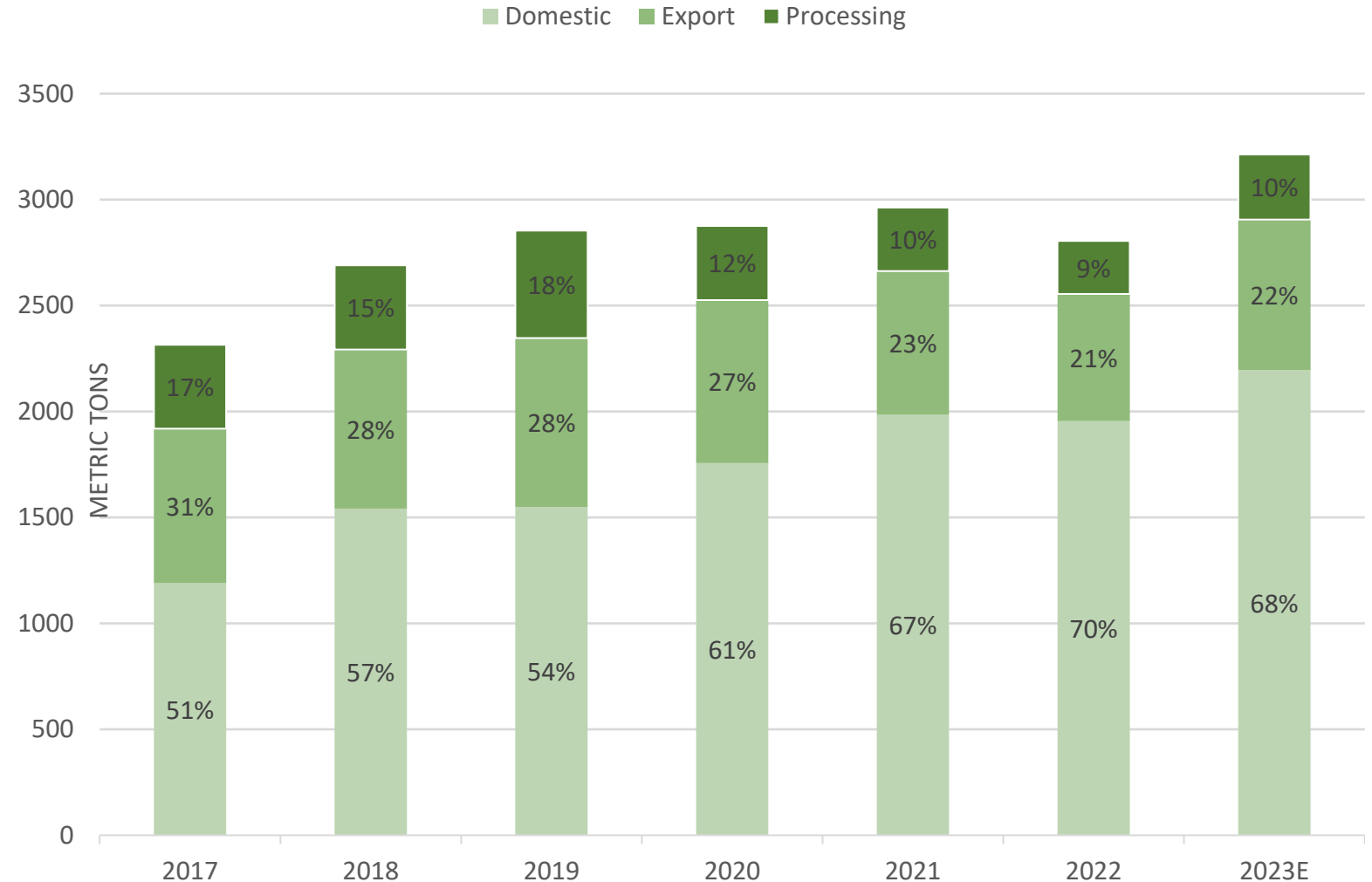
YEAR-ROUND AVAILABILITY

Lime program available year-round

Mexico's Lime Utilization (2017-2022)

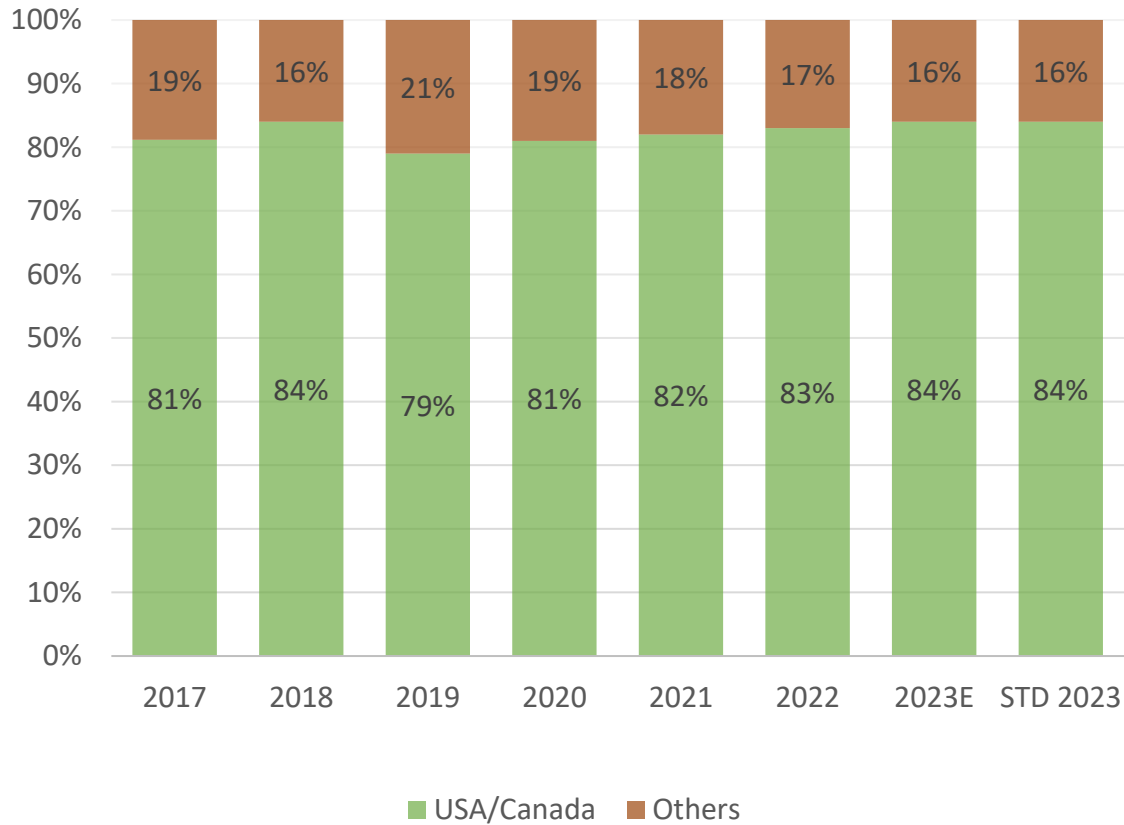
- 60% of fresh limes are consumed domestically
- 27% of fresh limes are exported to the North American, European and Asian markets
- 13% is sent for processing (juice and oil)

+80% of PERSIAN LIME production is EXPORTED
 8% domestic consumption and 10% goes to Industry for Juice

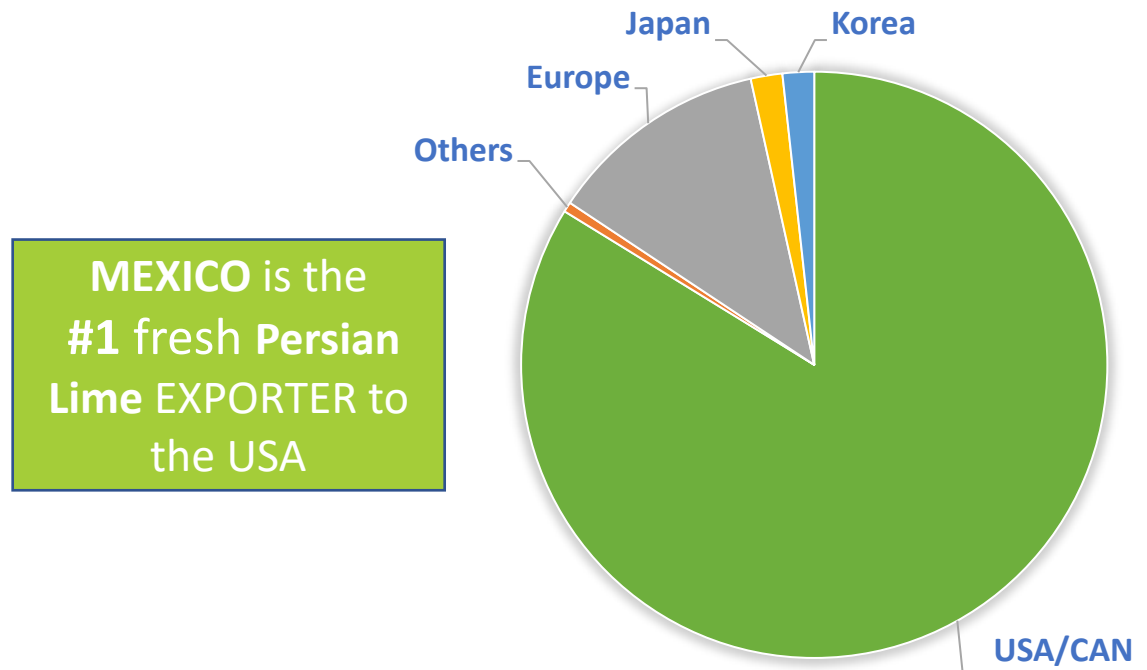


Mexico's Persian Lime Exports

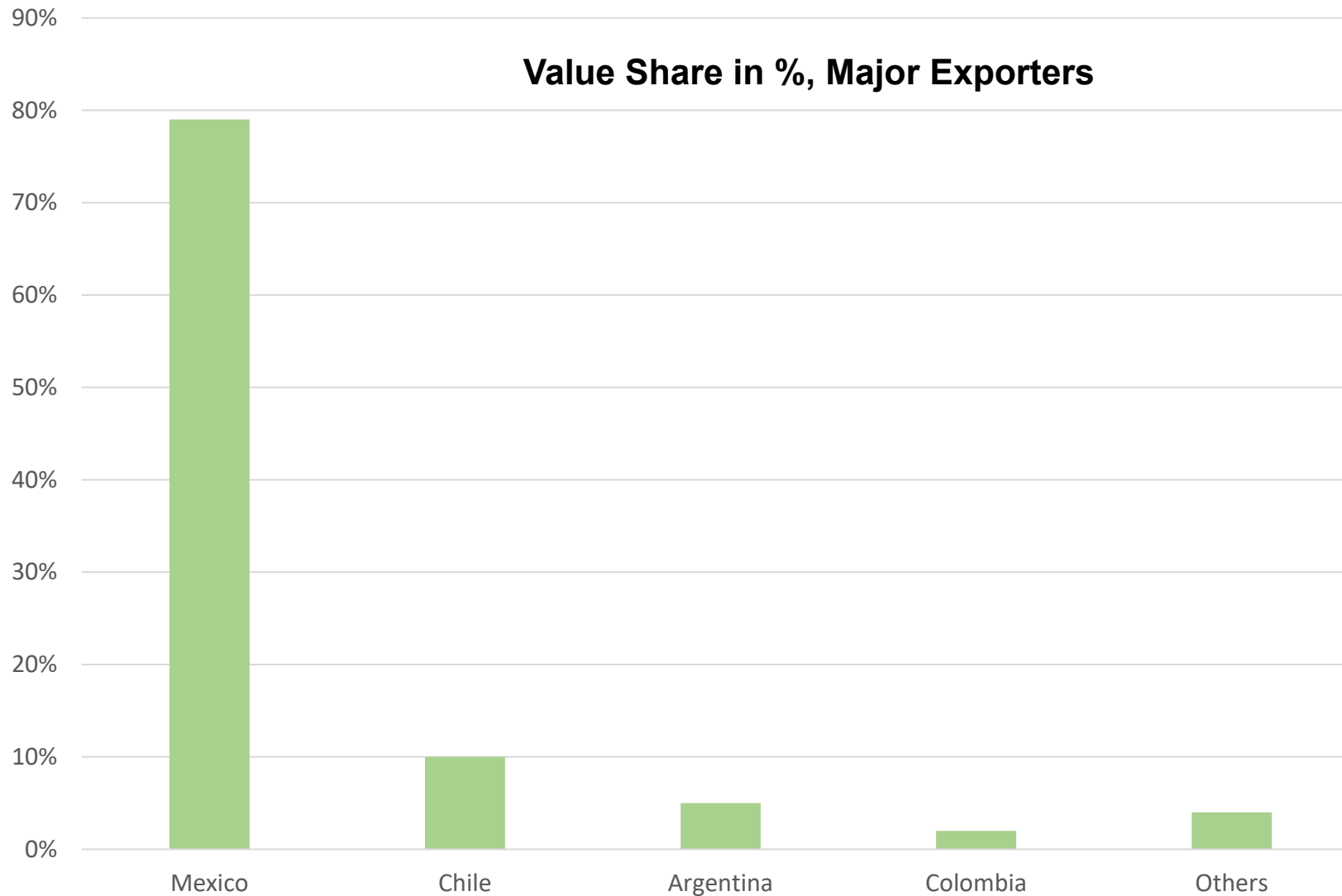
SHIPMENTS BY MARKET



MEXICO'S Persian Lime Exports by Region/Country

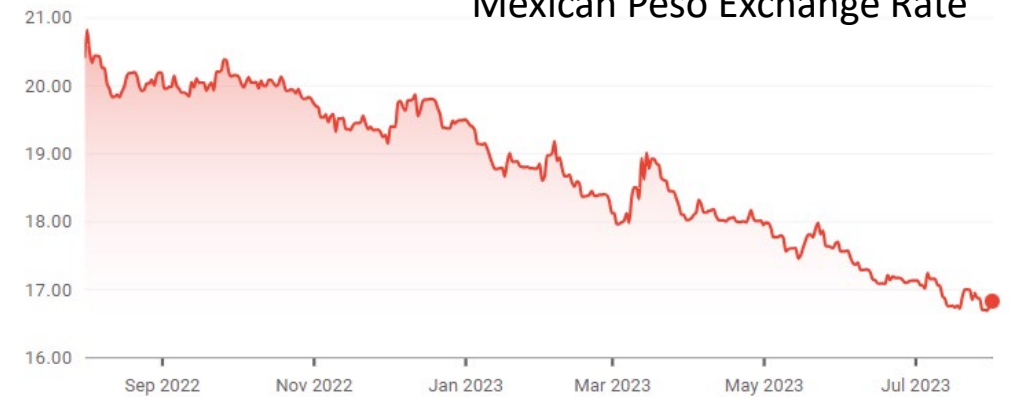


United States Lime Imports by Country (all lime varieties)

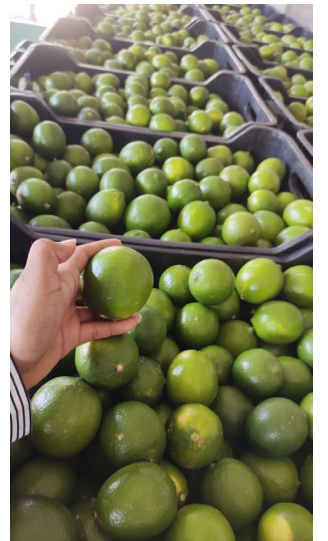


Current Headwinds in Mexico

Mexican Peso Exchange Rate



- Peso Exchange Rate and Inflationary Pressures
- HLB (Citrus Greening)
 - Presence of HLB in different regions of the country are affecting agricultural production and causing high tree mortality (tree lifespan is being reduce to 33-50% pre HLB)
 - Low government funds allocated to diseases programs in present administration
- Additional Quality Concerns:
 - High presence of wood pocket, especially in older trees.
 - Thrips are an issue being especially prevalent on this crop.
- Varied Agricultural Practices
 - Dependence on trees from non-certified greenhouses
 - Poor phytosanitary controls in the transfer of plants around the country.
 - Varied approach to agricultural practices in terms of fertilization, irrigation, pest control.

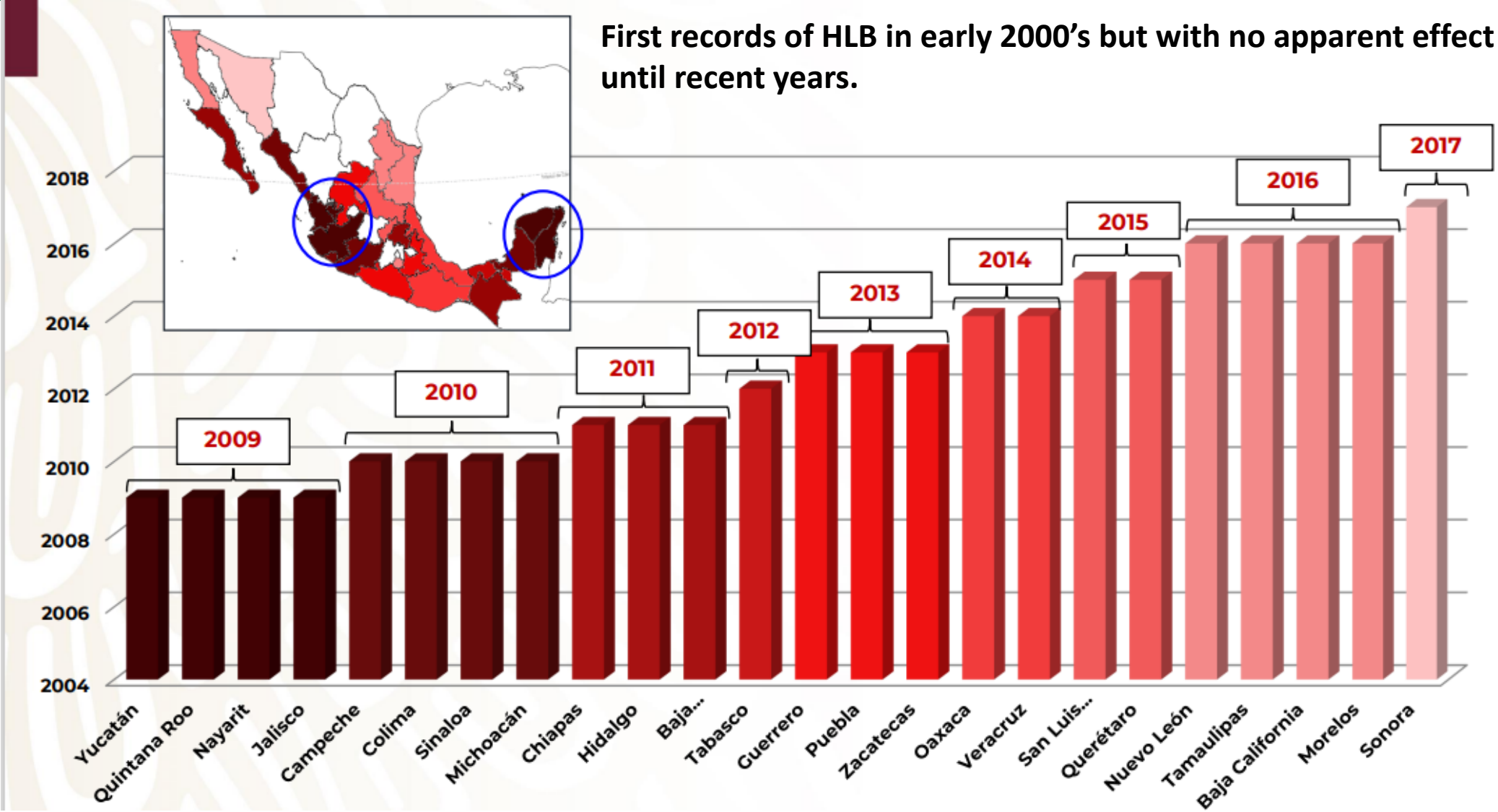




HLB IN MEXICO

Mexico's HLB Progress in time

First records of HLB in early 2000's but with no apparent effect until recent years.



Mexico's HLB Infection Ratio by State

- HLB is now in all Mexico's citrus production states
- Overall, 40% of the citrus farms with HLB
- Veracruz seriously affected by HLB, this is the state with main orange and Persian lime production, however we are not certain recent production decrease is due to HLB itself and could be due to other recent weather factors.
- Orange and GPFT looks more susceptible to HLB
- No serious efforts in the past from the Mexican citrus growers to address the problem until now.
- Very low budget from the Federal government assigned for citrus diseases

Entidad	Hectareaaje Total Nacional (establecida)	Hectáreas con HLB	Participación porcentual con HLB a nivel nacional	Participación porcentual con HLB a nivel estatal
Aguascalientes	266	NA	0.0	-
Baja California	449	0	0.0	0.0
Baja California Su	3,528	2,023	0.3	57.3
Campeche	4,209	671	0.1	15.9
Chiapas	5,016	570	0.1	11.4
Colima	21,461	21,461	3.6	100.0
Durango	731	N/A	0.0	-
Guanajuato	109	N/A	0.0	-
Guerrero	7,545	5,608	0.9	74.3
Hidalgo	6,053	1,520	0.3	25.1
Jalisco	7,520	7,270	1.2	96.7
Edo. México	180	N/A	0.0	-
Michoacán	70,334	70,334	11.7	100.0
Morelos	607	355	0.1	58.5
Nayarit	3,099	2,909	0.5	93.9
Nuevo León	32,499	1,840	0.3	5.7
Oaxaca	26,817	7,738	1.3	28.9
Puebla	39,914	5,921	1.0	14.8
Querétaro	248	213	0.0	85.9
Quintana Roo	3,134	650	0.1	20.7
San Luis Potosí	37,211	6,795	1.1	18.3
Sinaloa	3,564	476	0.1	13.4
Sonora	7,952	185	0.0	2.3
Tabasco	15,564	1,482	0.2	9.5
Tamaulipas	45,981	2,277	0.4	5.0
Veracruz	236,385	100,945	16.7	42.7
Yucatán	22,635	2,600	0.4	11.5
Zacatecas	668	590	0.1	88.3
	603,678	244,433	40.5	

Mexico's Persian lime packers association, citrus processors association and relevant citrus industry players working with government to fight HLB

AÑO	PRESUPUESTO
2008	31,067,414
2009	67,083,592
2010	186,542,026
2011	212,960,905
2012	153,401,956
2013	308,843,773
2014	193,713,327
2015	161,776,358
2016	269,396,425
2017	210,778,157
2018	256,592,468
2019	242,178,099
2020	93,989,507
2021	86,604,502
2022	85,043,110
2023	80,064,540
TOTAL	2,640,036,159

In 2023 Mexico's Federal government assigned 80M MXP (~\$4.5 M USD) for all 603K Ha planted in Mexico (1,490,000 Ac)

This is \$54 MXP per Acre (**\$3.00 USD per Ac**)

This is the annual budget for ALL Citrus diseases, **NOT ONLY HLB!**

Mexico's Citrus Processors Industry Association, growers and packers working now closely with high officials in Mexico's government to increase Federal Government Citrus diseases funds and other actions towards fighting HLB.



and others....

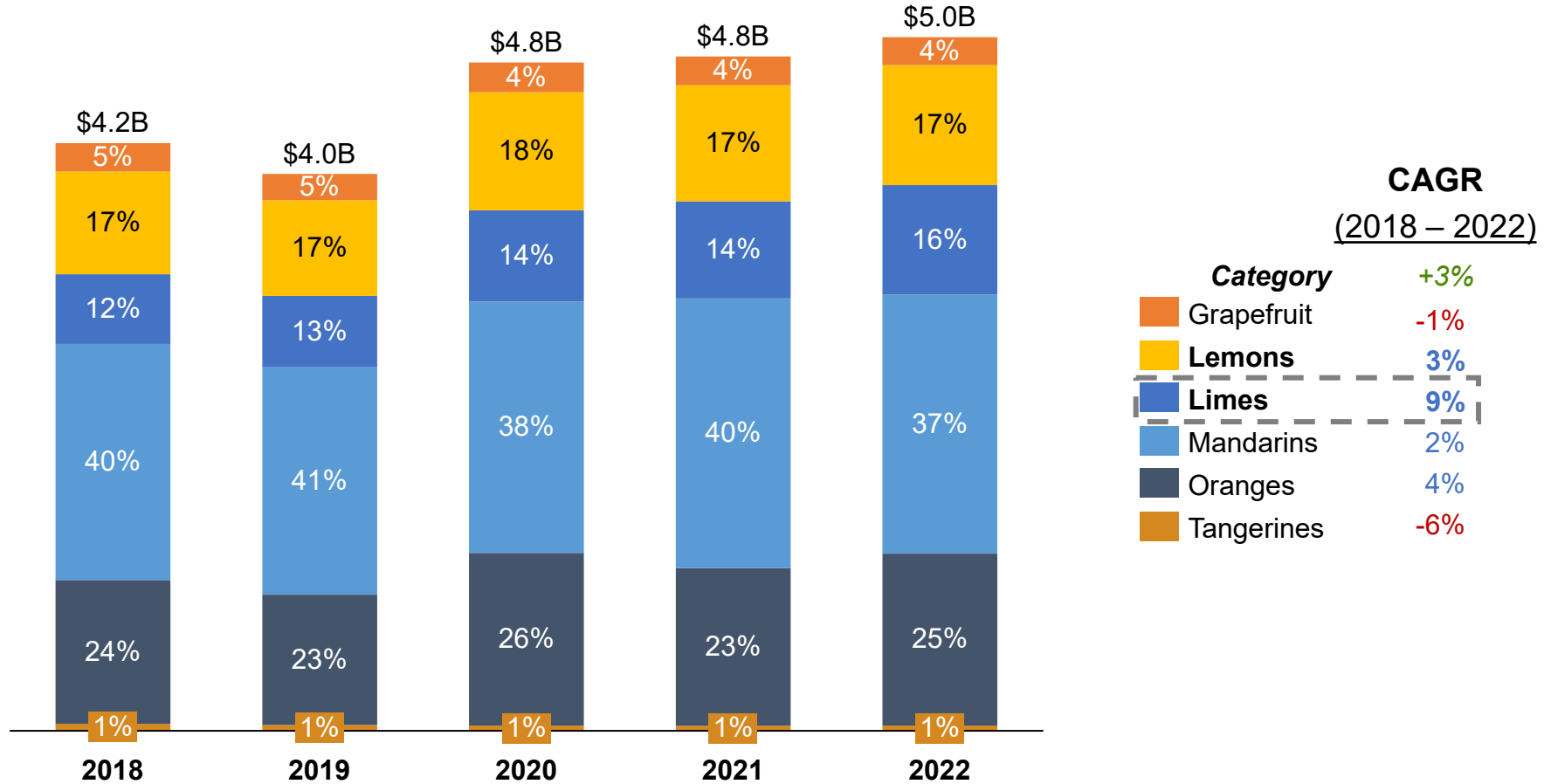
Wonderful citrus™



US Lime Marketing Analytics

Citrus category is growing, and limes have seen the highest 5-year growth trend

Dollar Sales of Citrus By Type (2018 – 2022)
(\$ billion, % of citrus category)



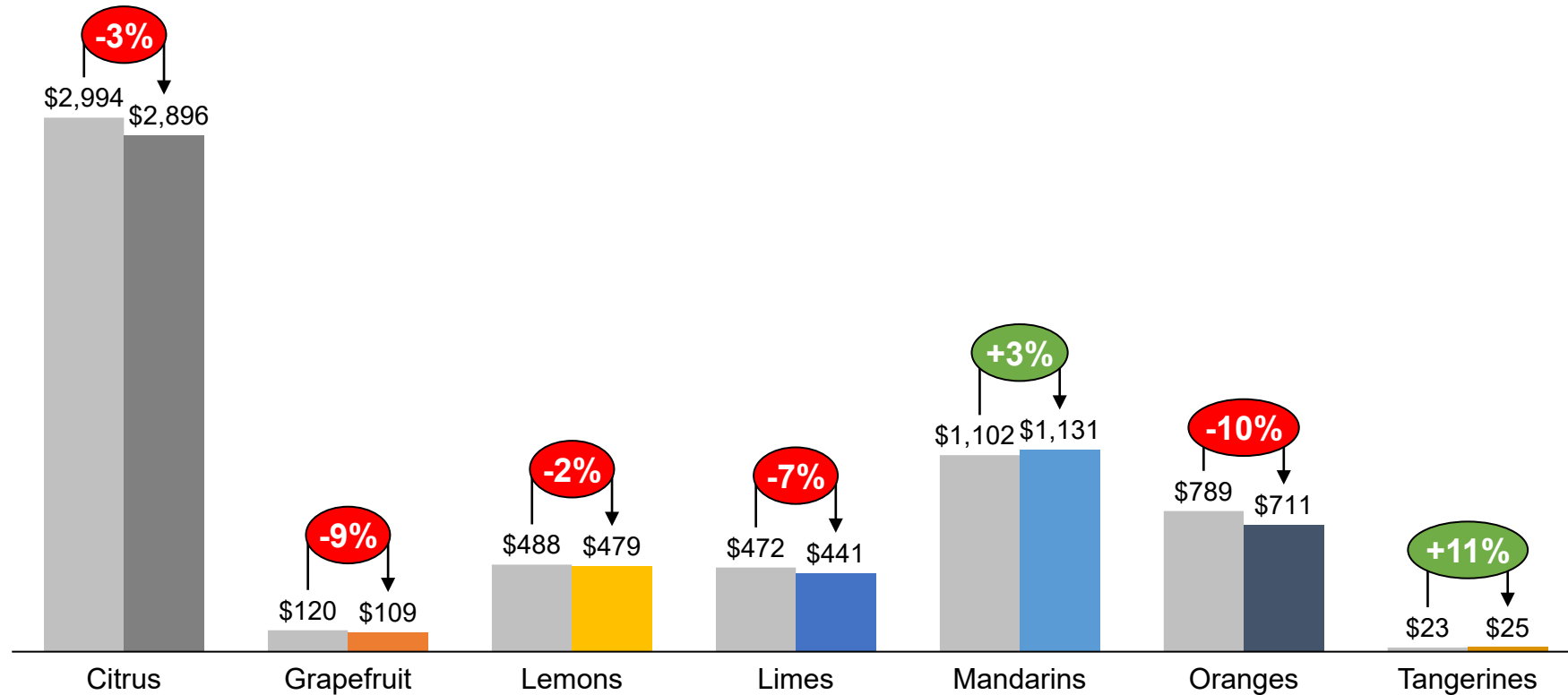
Limes are among the top 10 Produce items with absolute dollar growth in 2022

February 2022	Versus comparable period in 2021			
Top 10 produce items in absolute dollar growth	Absolute dollar gain	Dollar % growth	Total dollar sales	Increase in price per pound
Berries	+\$123M	+19.4%	\$756M	+16.1%
Avocados	+\$42M	+22.4%	\$228M	+36.6%
Melons	+\$32M	+29.7%	\$141M	+10.2%
Apples	+\$23M	+6.9%	\$356M	+12.9%
Grapes	+\$16M	+6.4%	\$275M	+20.4%
Limes	+\$16M	+33.2%	\$63M	+57.0%
Oranges	+\$14M	+12.6%	\$128M	+16.7%
Mixed fruit	+\$12M	+20.5%	\$72M	+8.4%
Salad kits	+\$9M	+3.7%	\$250M	+9.8%
Lettuce	+\$8M	+4.0%	\$205M	+10.7%

Limes are still seen as big contributors to retailers **department growth.**

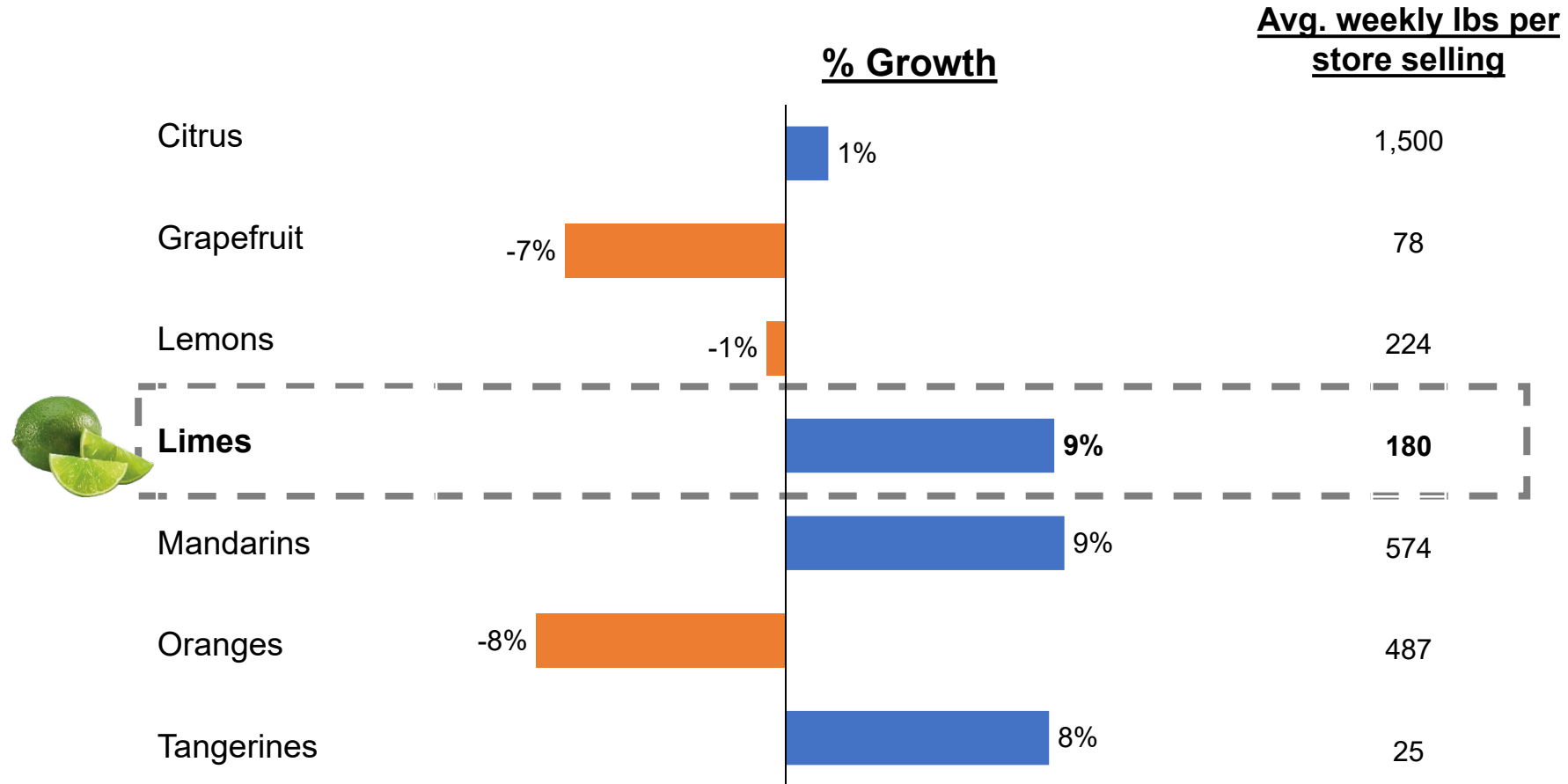
For the current calendar year the majority of Citrus sub-categories are seeing a decline in dollar sales

Citrus Category Dollar Sales vs. YAGO
(\$ Million, 01/02/2023-07/16/2023)



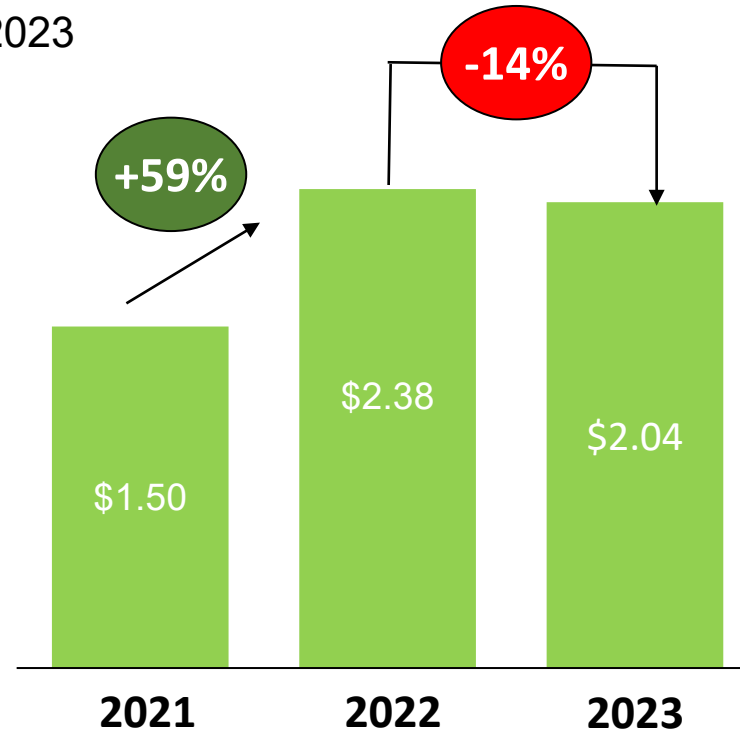
The decline in price resulted in a decline in dollars but limes have had strong volume growth for the year

Average Weekly Sales Volume % Growth
Wk. lbs/store selling, 01/02/2023-07/16/2023



Pricing is down -14% for limes after seeing a record price increase last year

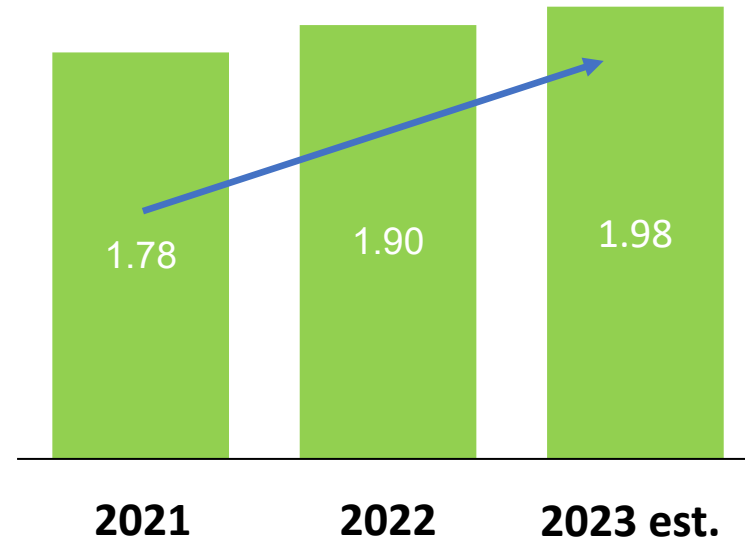
Average Price/lb
1/02/2023-7/16/2023



US Lime Consumption demands keeps growing

Million Metric Tons.

+6% growth annual rate last 2 years

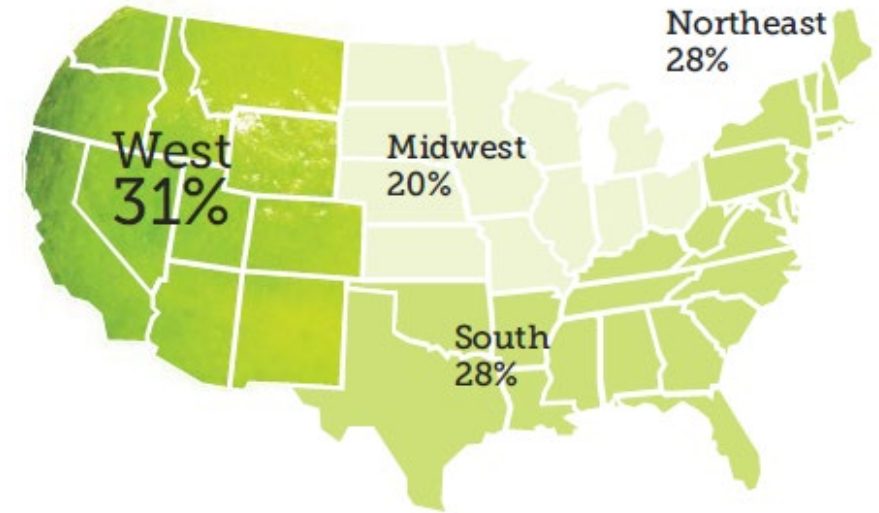


Hispanic shoppers drive the most lime sales

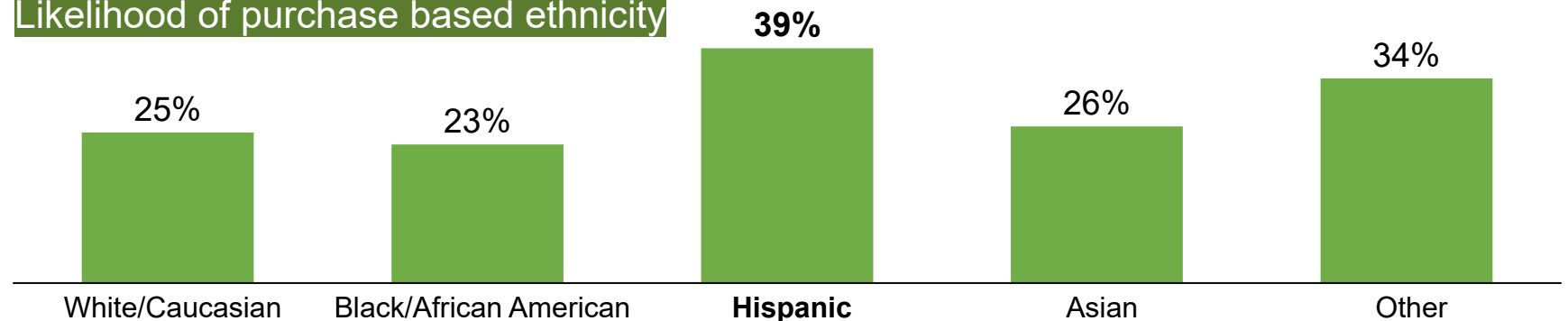


27% of customers purchased limes within the past 12 months

Likelihood of purchase based on region

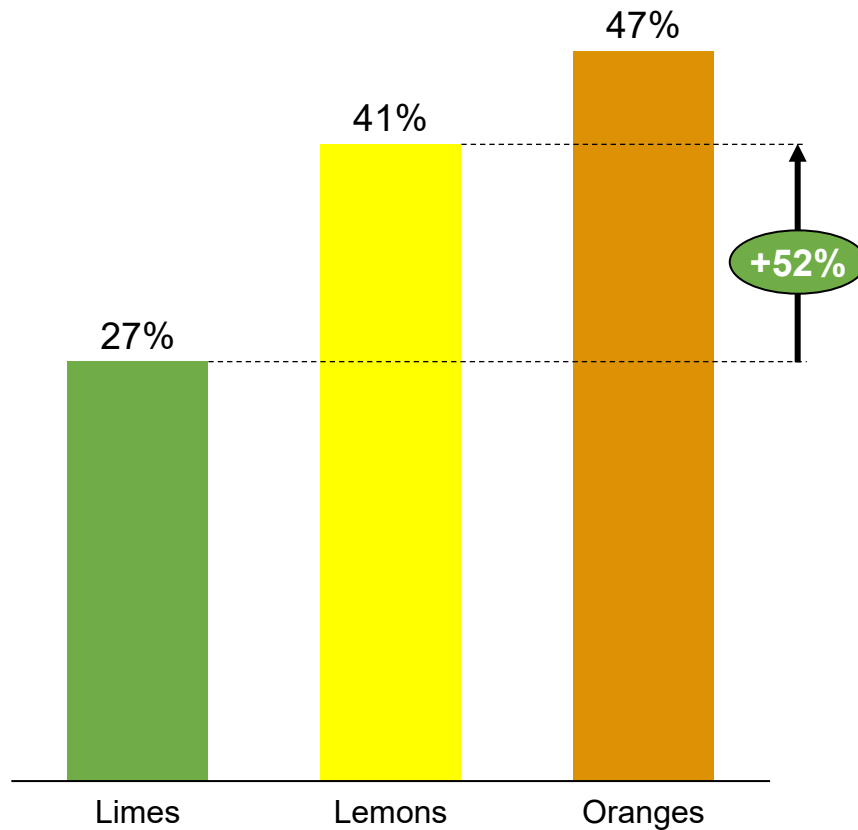


Likelihood of purchase based ethnicity



There is still room for consumption growth for limes

% of consumers who purchased within the past 12 months



% of consumers who purchased within the past 12 months by race

Race	Lime
White/Caucasian	25%
Black/African Amer.	23%
Hispanic	39%
Asian	26%
Other	34%

Conclusions

- Mexico's Lime production still growing
- Production of Persian Lime expected to be 5% higher in 2024 due to new plantations producing in Peninsula and Pacific (Oaxaca, Jalisco, Chiapas)
- Due to the Pacific Lime farming efforts in recent years, Mexico starting to minimize supply disruptions in Key shipping windows when Atlantic coast weather events happen.
- HLB is a major concern for the Mexican Industry
- US fresh lime consumers are driving Mexico's lime production Growth (Hispanics)
- Growth trend in the US fresh market expected to continue as there is room for Growth



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THANK YOU!

