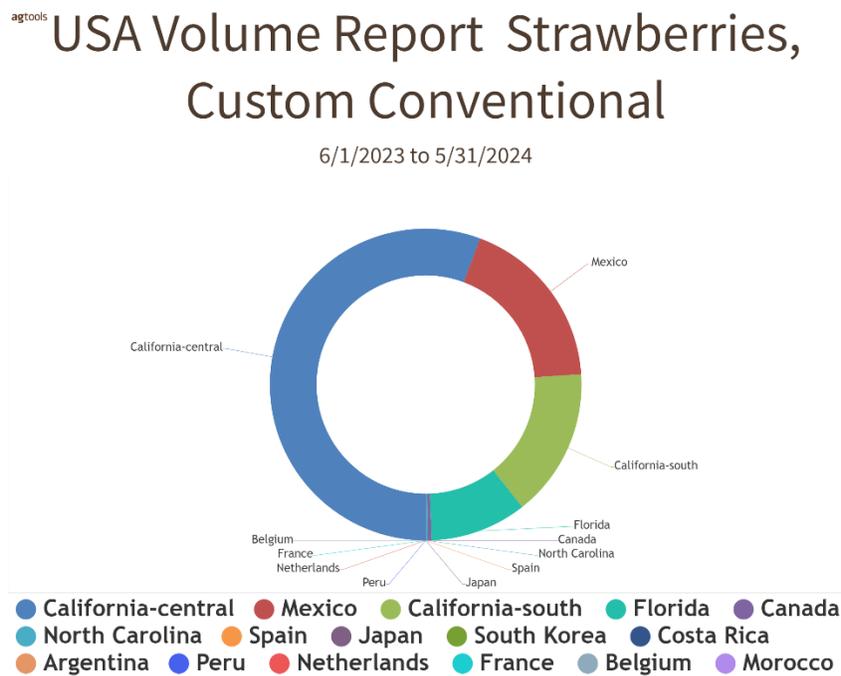


U.S. STRAWBERRY MARKET ANNUAL REPORT

In recent years the strawberry market in the United States has maintained a positive trend, although at times it has presented slight setbacks, the accumulated result over 7 years has been positive, despite the fact that in the previous season it had a setback, in the last twelve months, it has presented a double-digit growth, surpassing the result of two years earlier, ranking as the best season of the last seven.

This document analyzes the movements of the strawberry market between June 1st, 2023 and May 31st 2024 and compares this time period with the previous two years.

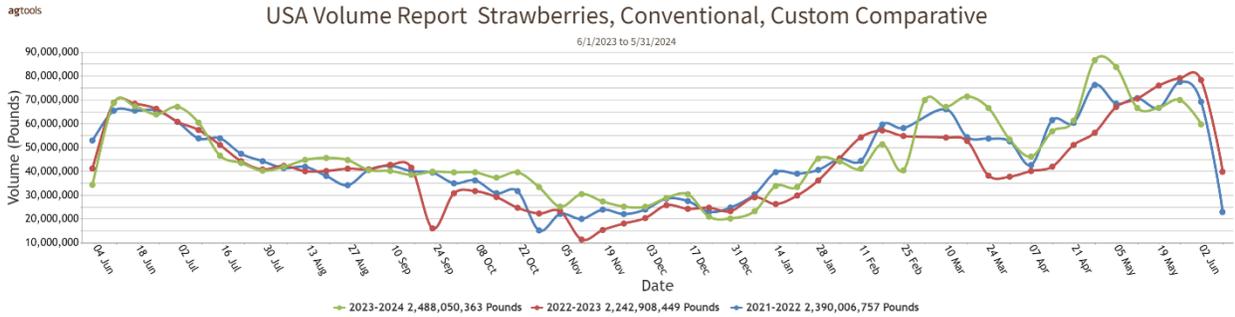
MARKET SHARE BY SUPPLIER REGION



The supply of strawberries in the United States market in the last twelve months came from 16 different regions, however, only four regions supply more than 99% of the total market throughout the year, so the rest of the remaining 12 regions contribute very little volume commercially. Of these 4 regions, Central California is the largest, supplying more than 55% of the requirements of this market. In second place is Mexico that contributes 18% of the total, followed by Southern California with 15% and Florida with 10%. These proportions are clearly seen in the graph, as well as the small proportion of the rest of the regions that do not have a significant commercial impact.

Another important point to highlight is that of the total volume sold of this fruit, more than 81% comes from 3 regions within the United States, something that happens with few products, because due to globalization, the supply of fruits and vegetables depends on several regions and in some cases, from other latitudes.

3-YEAR COMPARISON OF WEEKLY STRAWBERRY VOLUME IN THE UNITED STATES



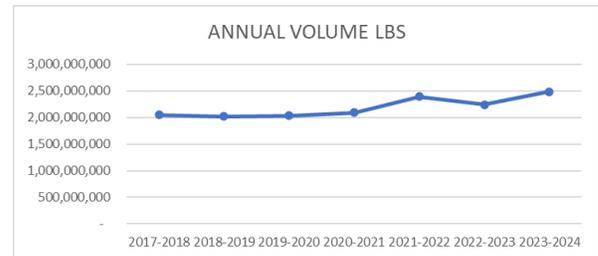
The strawberry market continues to grow despite the fact that in some years it has presented small contractions, this fruit continues with a positive trend. It presents a marked pattern of behavior where the months with the highest volume are from March to June and those with the lowest consumption occur in November and December. This behavior is closely linked to the peak production season, since as indicated above, California contributes more than 55% of the total market. In the graph you can see that the three seasons were very similar, except in the months of March to June, which is the transition time between winter areas such as Mexico, Southern California and Florida, with the beginning of the harvest in Central California. Especially in the 2022-2023 season, there was a shortage of product from February to May, which resulted in a decline of more than 6%.

7-YEAR TOTAL MARKET GROWTH COMPARISON

PERIOD	VOLUME LBS	GROWTH LBS	GROWTH %
2017-2018	2,049,402,842		
2018-2019	2,019,753,405	(29,649,437)	-1.4%
2019-2020	2,034,920,354	15,166,949	0.8%
2020-2021	2,095,878,220	60,957,866	3.0%
2021-2022	2,390,006,757	294,128,537	14.0%
2022-2023	2,242,908,449	(147,098,308)	-6.2%
2023-2024	2,488,050,363	245,141,914	10.9%

The graph shows that before the pandemic, annual consumption was in the range of two billion lbs. Once the pandemic was over, this fruit increased its consumption and has exceeded 2.2 billion lbs. per year

By reviewing the performance of this market over the past seven years, we can corroborate its growth. Although it has occurred in different proportions and even on some occasions negative, the trend is still positive and in the last period, it has presented outstanding growth.

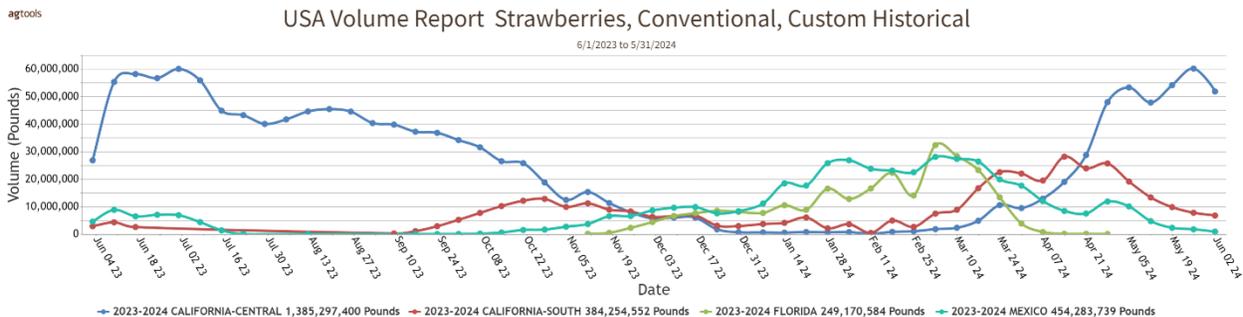


GROWTH COMPARISON BY SUPPLIER REGION

GROWTH COMPARATIVE BY REGION OF STRAWBERRIES BETWEEN JUNE 1ST 2023 THROUGH MAY 31ST 2024						
REGION	2024-2023	PART %	VAR LBS	VAR %	2023-2022	PART %
Central California	1,385,297,400	55.7%	278,966,192	25.2%	1,106,331,208	49.3%
Mexico	454,283,739	18.3%	(87,066,339)	-16.1%	541,350,078	24.1%
California South	384,254,552	15.4%	55,105,384	16.7%	329,149,168	14.7%
Florida	249,170,584	10.0%	(6,545,032)	-2.6%	255,715,616	11.4%
Canada	9,831,279	0.4%	1,881,526	23.7%	7,949,753	0.4%
North Carolina	5,065,296	0.2%	2,746,564	118.5%	2,318,732	0.1%
Rest of the regions	147,513	0.0%	53,619	57.1%	93,894	0.0%
TOTAL (Lbs)	2,488,050,363	100.0%	245,141,914	10.9%	2,242,908,449	100.0%

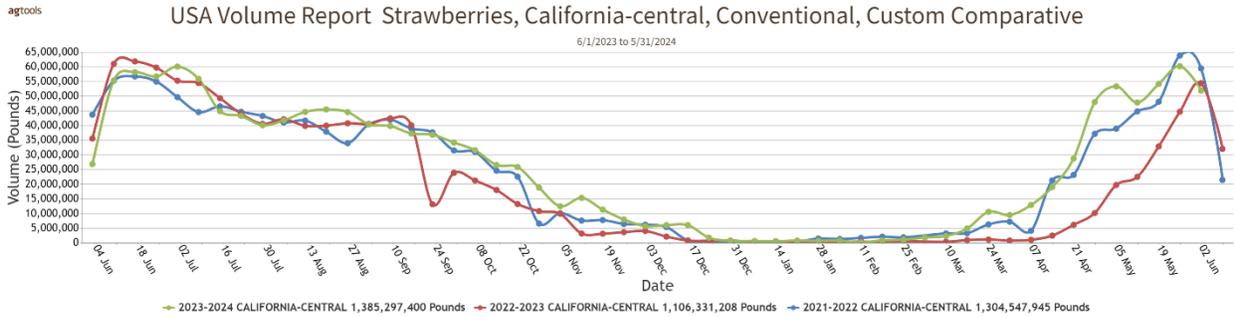
As for the performance of this last period, which reached 2.4 billion lbs., it can be said that it is a record level in terms of annual sales of this fruit, as it exceeded the sales of the previous year by 245 million lbs., which represented a growth of 10.9%. This performance was marked by the extra volume contributed by the region of central California, which had a growth of more than 25%, or 278 million lbs. more of fruit, so it managed to increase its market share by 6 percentage points. In contrast, the Mexico region had a negative performance, as it had a volume reduction of almost 87 million lbs., lowering its market share from 24.1 to 18.3%. The drop in volume represented 16% less than the previous season. Southern California also had a positive and above-average result, as it grew 16%, contributing more than 55 million additional lbs. that helped to counteract Mexico's shortage in the winter. Florida was the region with the lowest change that, although it had less volume, was only almost 6 million lbs., 2.6% negative.

VOLUME COMPARISON OF THE 4 MAIN SUPPLIER REGIONS



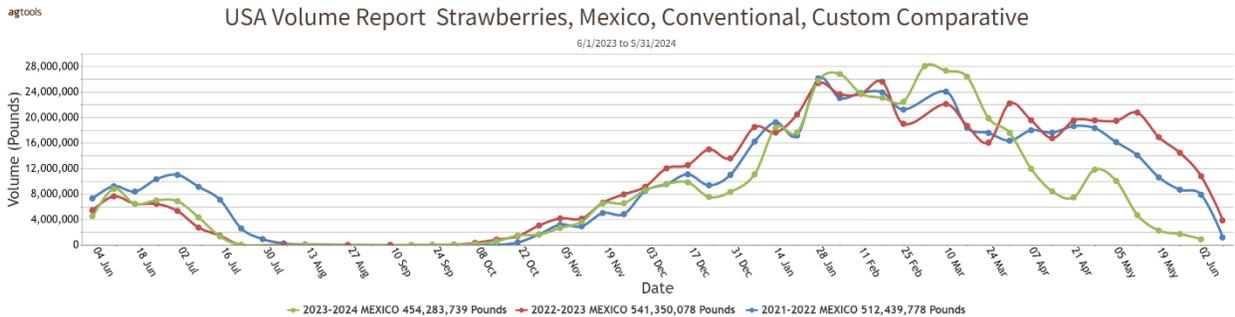
Analyzing the interaction between these regions throughout the year, it is possible to appreciate the great impact of the central California area in the market in 2 dimensions, in the volume that it contributes, and in terms of duration of the season, as it begins slightly in February and increases drastically in April, reaching its highest level in July and then starting the fall towards the month of December. Winter fruit is supplied by the remaining three regions, where Southern California is the longest-lasting, ranging from September to June, but its total volume is lower than that of Mexico, which has a calendar from October to May, but with a higher volume peak. Florida also contributes fruit in this same season, but with a smaller calendar and lower volume.

3-YEAR COMPARISON OF CENTRAL CALIFORNIA STRAWBERRY VOLUME



In the case of the California region, as well as the total market, in these three periods it has shown ups and downs, which, due to the large size and influence of this area, directly impact the performance of the market as a whole. In the 2021-2022 season, this region contributed 1.30 billion lbs., which represented 54% of the total annual volume of the market. For the 2022-2023 season, there were difficulties in the supply, especially in the month of September 2022 and in the months of March to June 2023, resulting in a total of 1.10 billion lbs., falling 200 million lbs. compared to the previous year and dropping to a market share of 49%. In the last 2023-2024 season, it had a better performance, reaching 1.38 billion lbs., with an outstanding performance in the months of March to May 2024, so the region's share in the total market returned to 55%. As can be corroborated, this area has a great impact on the behavior of the total market, because in addition to being the largest, it is practically the only region with an important presence in the summer – autumn months, since the rest of the important regions complement each other during the winter and if any has low volume, it can be complemented with some other, thus remedying the lack of fruit in the market.

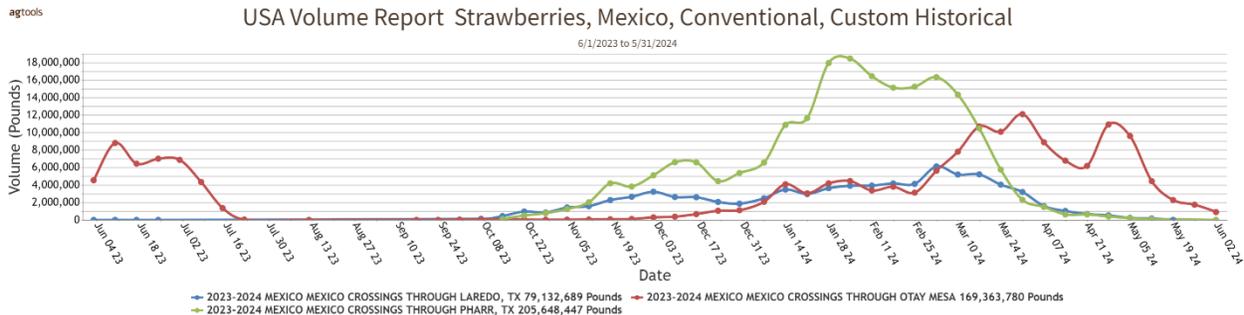
3-YEAR COMPARISON OF MEXICAN STRAWBERRY VOLUME IN THE UNITED STATES



Mexico is the second largest supplier region in terms of size and seasonal extension and is therefore greatly influenced by what is happening with the Central California region, as its performance in the last three years has been opposite to that of the main region. Such is the case of the 2021-2022 season, when Mexico reached a volume of 512 million lbs., reaching a market share of 21%, when Central California reached 54%. For the 2022-2023 season, there was a slight increase in volume reaching 541 million lbs., which represented an increase of 5%, but the participation reached 24% because in addition to the additional volume of the region, the drop in volume in California and therefore the total volume, magnified the performance of

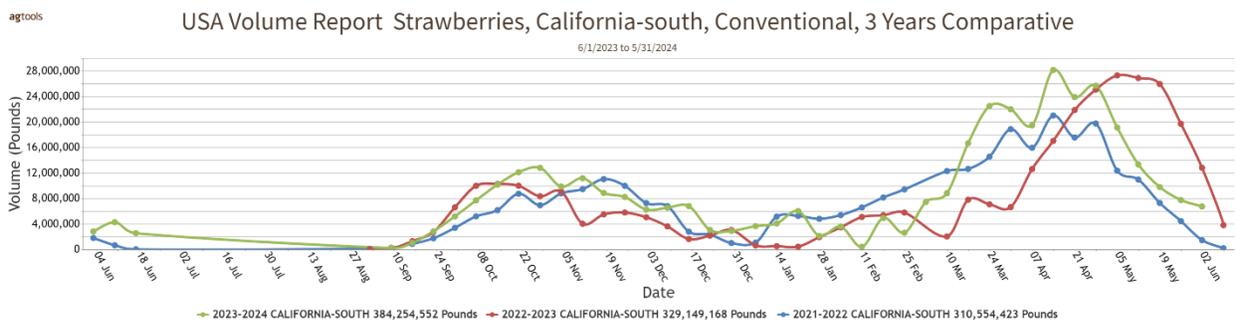
Mexico, as central California fell to 49%. For the 2023-2024 season, Mexico's volume had a setback to 454 million lbs., 16% less than the previous year, which is an important differential, but as the total volume grew 10.9%, this difference caused the region's participation in that season to fall to 18%, 6 points less than the previous year and as previously mentioned, Central California had had its best season ever, reaching 55% of total volume.

VOLUME OF STRAWBERRIES FROM MEXICO BY MAIN ENTRY BORDERS



The fruit that enters the United States from Mexico arrives mainly through three borders. Pharr in Texas received 205 million lbs., which represented 45% of the total volume of the region, which had activity between the months of October and April, with January being the month with the highest volume. The second most active border is Otay in California, which in this period received 37% because through that door all the production of the Northwest region of Mexico enters, reaching 169 million lbs. with a calendar from November to June reaching its highest level in the month of April and finally Laredo that reached almost 79 million lbs. 17% of the total volume of the region. Between these three gateways, 99% of Mexico's volume arrived.

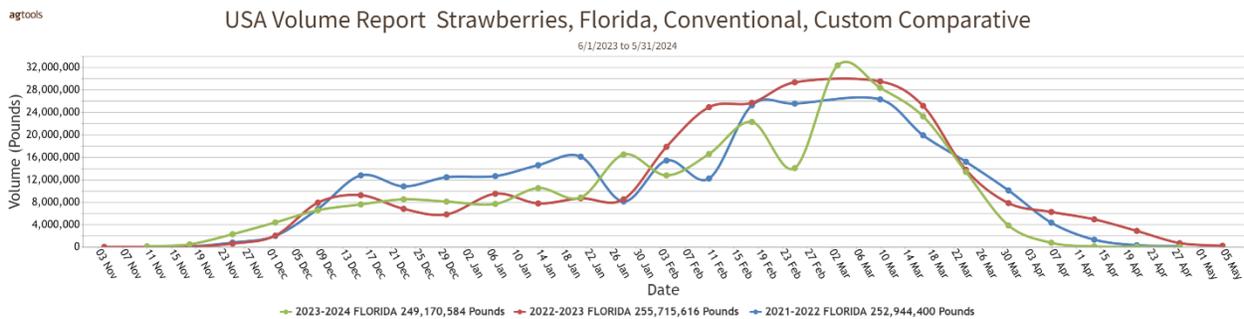
3-YEAR COMPARISON OF STRAWBERRY VOLUME FROM SOUTHERN CALIFORNIA



The Southern California region is the third largest in volume, having two volume peaks during its season, the first in October and the second in April, with the latter being the largest. In the last three years, it has presented a slightly different behavior from each other, since in 2021-2022 the volume of the region reached 310 million lbs. where the week-by-week growth from January to April stood out, as well as the rapid fall between May and June. For the 2022-2023

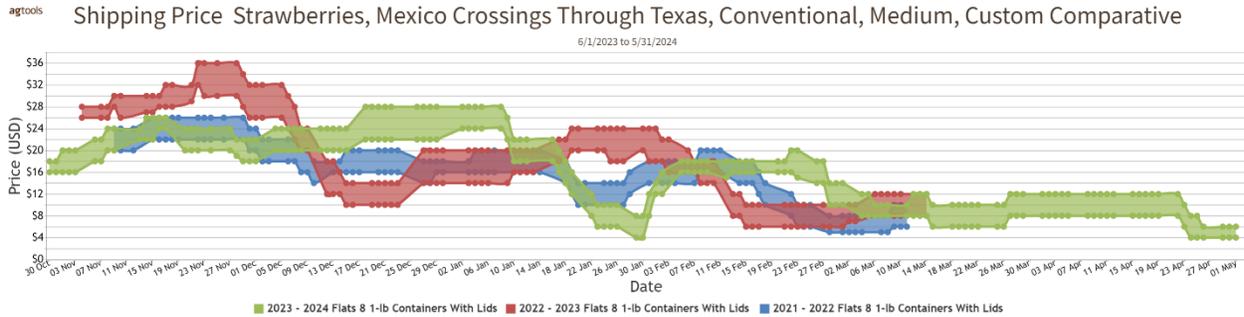
season it seemed that it started very well, but immediately the volume dropped and week by week it was lower than the previous year, until in April it presented a strong recovery achieving the best season closing of the three years and reaching a total volume of 329 million lbs., a growth of almost 6%. In the 2023-2024 period in the first stage there was nothing outstanding, however, for the second stage, the volume growth occurred earlier than in the previous year and with a greater quantity, which also caused the season to end earlier, but this effect achieved a total volume of 384 million lbs., a growth of 16% over the previous year.

3-YEAR FLORIDA STRAWBERRY VOLUME COMPARISON



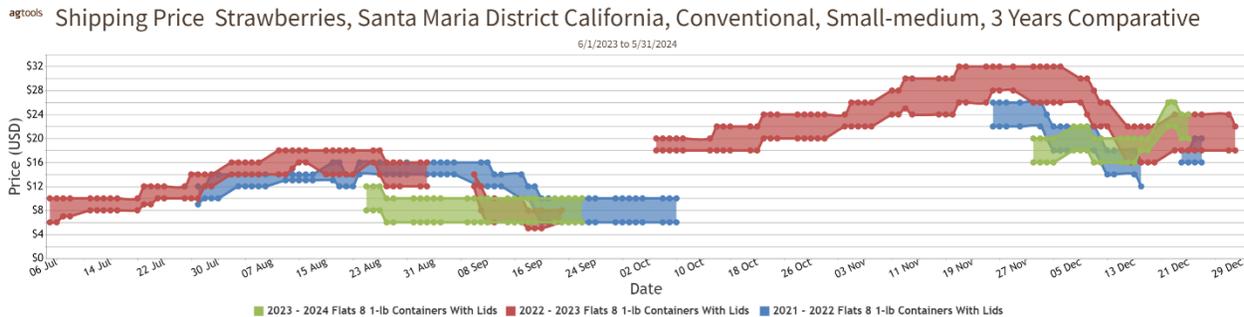
Florida is the region with the lowest volume of the four main ones. It has a very defined calendar between the months of November to April, sometimes to May, the peak of volume occurs between February and March. This area, despite presenting some ups and downs throughout its season, has had a slightly stable volume, as the difference between the years is very small. In 2021-2022 it reached 252 million lbs., for 2022-2023 it barely rose 3 million lbs., reaching 255 million and in the last period the total volume was 249 million lbs., only 6 million lbs. less than the previous year. In such a large market, these small differences in production do not have a major impact.

3-YEAR COMPARISON OF MEXICO STRAWBERRY PRICE IN THE TEXAS MARKET



As for the behavior of the market prices of strawberries from Mexico in Texas, the negative trend that occurs every year is evident, because as you can see the highest prices occur at the beginning of the season, that is, in the month of November and although in the following months they present ups and downs, The trend in subsequent months is negative, with the lowest prices at the end of the season, which is the month of March. The 2024 season lasted for several weeks and although there was a small upturn, it did not make a big difference, as in the end they returned to their minimum value. Another important point to note is that every year there is a slight increase in the days leading up to the celebration of Valentine's Day and once this holiday is over, prices are at a lower level.

3-YEAR CALIFORNIA STRAWBERRY PRICE COMPARISON



This region is the largest and most important for the supply of strawberries and as you can see, it has two important price seasons, as these are related to the volume of production, At the beginning of the season, there is a lot of volume of fresh fruit, which makes the price variations moderate, however, Towards the end of the summer, availability drops, so when there is demand, prices increase. This is also related to the price level of fruit from Mexico, because when that season begins, that of central California is ending with high prices.

This behavior of the two harvest seasons in California has been repeated in the last three years, although in some cases prices have been lower, in all three seasons, the highest prices have been recorded in the month of November and December, that is, in the last weeks of production.

As can be seen, the total strawberry market in the United States has been growing moderately in recent years, but with each passing year, the supply of the volume has been concentrated in the three main areas, the fourth zone that corresponds to Florida is practically stable, while the rest of the regions that participate in this market have a very limited presence.

It is also observed that there is a growth potential for the winter regions at the beginning of their season, which correspond to the transition time in the month of November, because when central California is finishing its harvest, there is still a strong demand that keeps prices high and this is taken advantage of for a few days by these new regions. but when the volume of these increases, the pressure on prices decreases week by week. This effect does not happen at the end of the winter season, as Central California starts with high volume and accelerated growth, which keeps prices low in those weeks.

Based on the trend of recent years, the U.S. strawberry market could be expected to see ups and downs in the future, but with a positive final trend, which would be a continuation of what we have observed in this decade. Likewise, a consolidation of the four main producing regions could be expected and with the rest of the regions serving niche markets.

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