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How Top Operators & Investors Can Evaluate Performance

US Apple | Outlook 2026 | Chicago, IL

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Two topics for us to discuss

1. How top operators & investors can evaluate performance

2. How other parts of ag have created their own benchmarks

Five big group of metrics that top operators and analysts evaluate to assess performance and potential

1. Revenue drivers

What drives the top line? And how much of it reaches this specific operation?

2. Cost position

How does total costs compare to other producers and the market price?

3. Opex drivers

How does this operation compare to others? And how much of it can be closed?

4. Capex needs

What investments are required to meet our targets? How can it be funded?

5. Swing factors

What factors can meaningfully influence the outcomes of this operation?

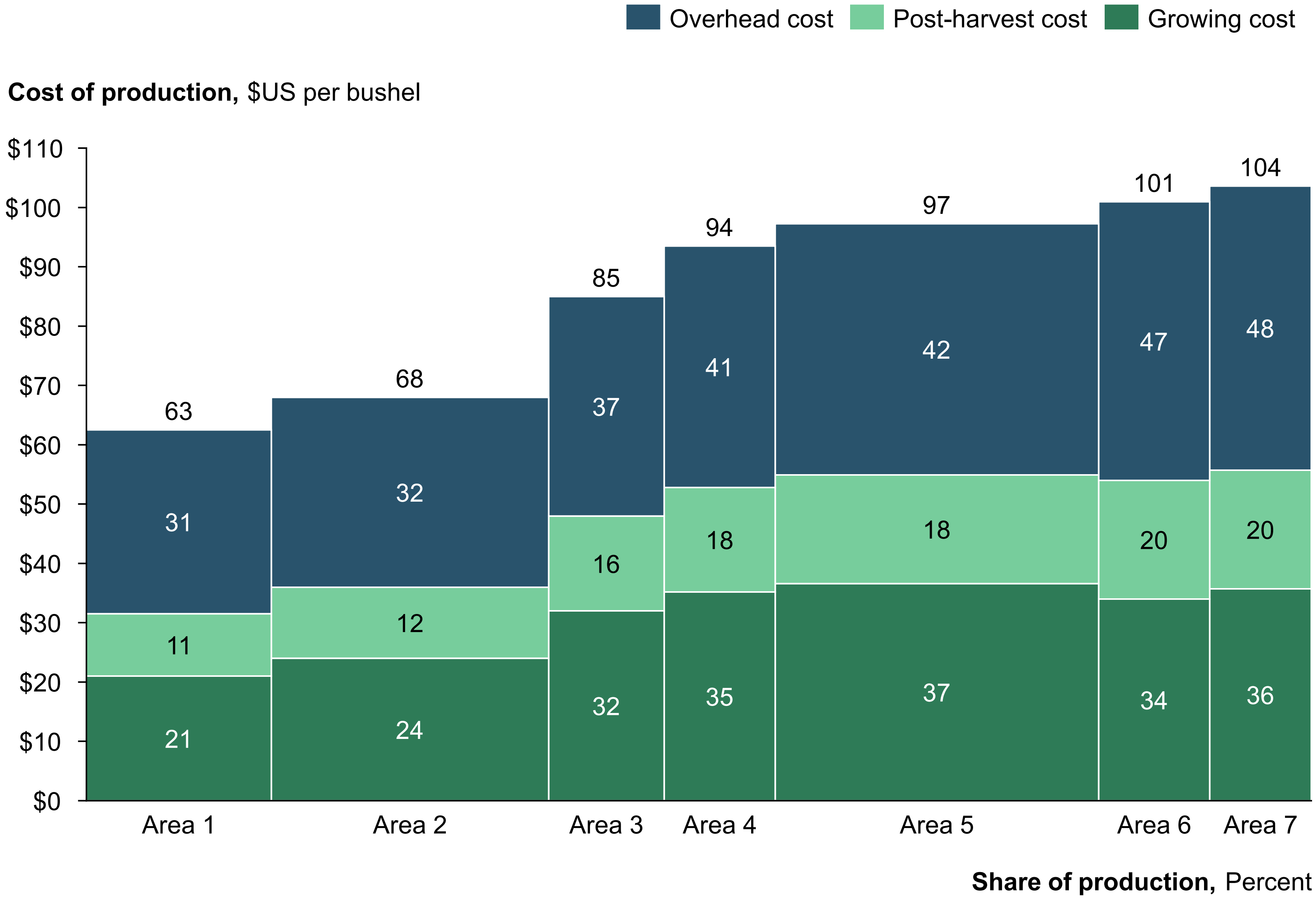
1. Revenue drivers: What drives the top line? And how much of it reaches this specific operation?

Driver	The question	Weak answer	Strong answer	Assessment
Crop/ variety mix	Is demand moving toward what you planted?	Majority in declining varieties, no replant plan	Weighted to rising varieties, managed access to varieties	■■□□
Quality realized	What share makes premium grade?	Packout unknown or warehouse-reported only	Tracked by block and variety	■■■□
Price capture	How much of the FOB do you keep?	Pooled return, no separable realization	Own realization tracked by grade	■□□□
Timing	Do you choose when to sell?	Sold at harvest, no storage access	Direct access, sells across the window	■■□□

Top factors:

- **Crop/ variety mix:** Is demand moving toward what you planted?
- **Quality realized:** What share makes premium grade?
- **Price capture:** How much of the FOB do you keep?
- **Timing:** Do you choose when to sell?

2. Cost position: How does total costs compare to other producers and the market price?



Top factors:

- **Yield base:** How many bins do you get per block?
- **Growing cost:** What do you spend before harvest?
- **Harvest & post-harvest cost:** What does it cost to pick and pack?
- **Cost position:** How do our costs compare to others in our market?

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3. Opex drivers: How does this operation compare to others? And how much of it can be closed?

Cost per unit of output, $US

Top factors:

- **Gap size and source:** How much of the gap is recoverable?
- **Field labor productivity:** What is your output per orchard hour?
- **Input program efficiency:** Same result for fewer passes?
- **Packing and storage efficiency:** How efficient is the line?

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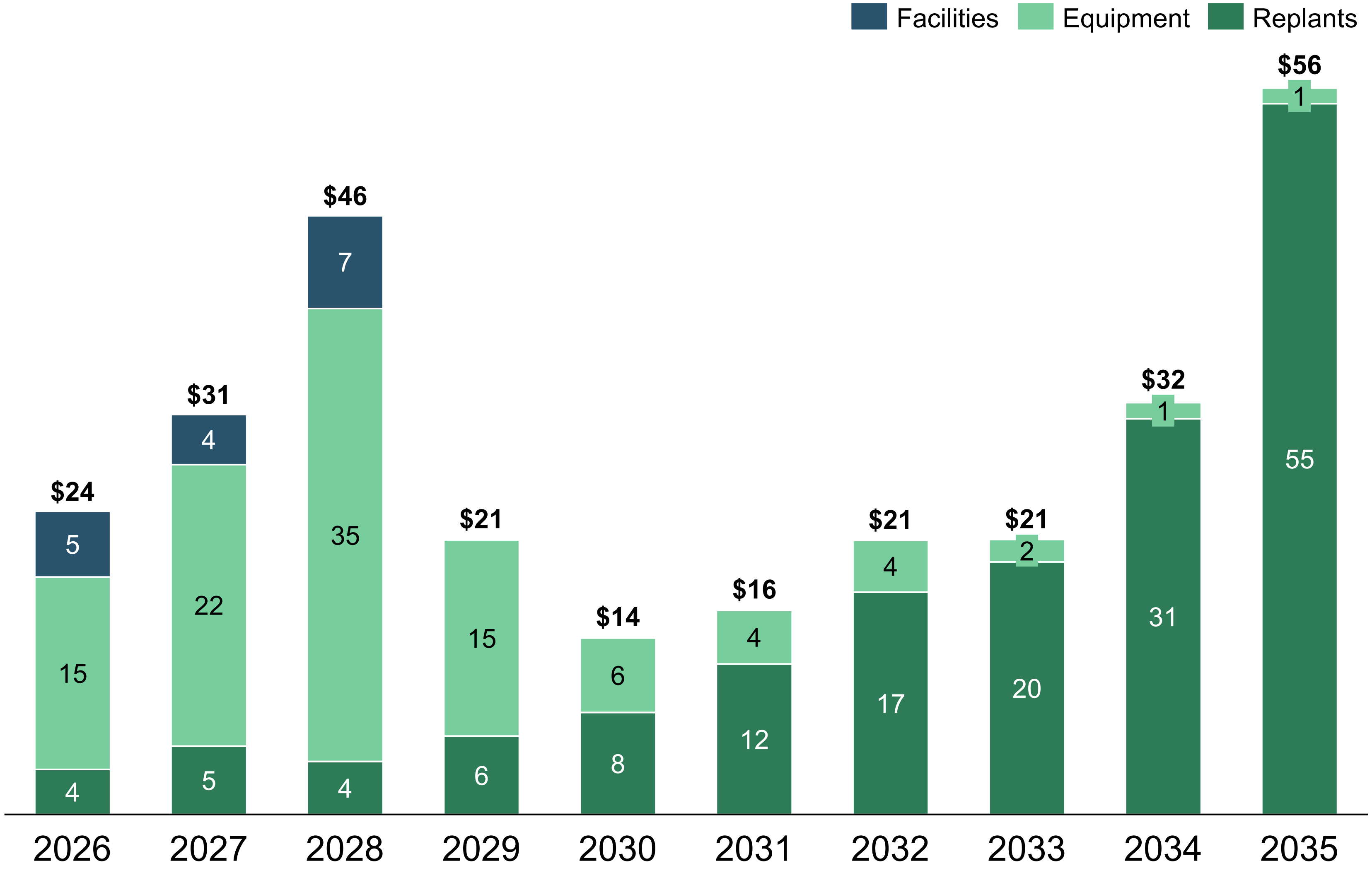
4. Capex needs: What investments are required to meet our targets? How can it be funded

Capital investments needed over the next 10 years, $M US



Top factors:

- **Orchard renewal:** Are you replanting fast enough?
- **Infrastructure and equipment:** Is the platform past its life?
- **Post-harvest assets:** Do you own capacity, or rent it?
- **Funding capacity:** Can operations fund the requirement?

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5. Swing factors: What factors can meaningfully influence the outcomes of this operation?

Factor	Assessment
Water allocation: Is your water senior or junior? Is it sufficient to cover your typical production in the majority of years.	■■■■
Labor cost movement: Can you hold the crew if rates step up? How do you compare on housing, retention, performance, etc.?	■■■□
Export market access: Do you have a significant portion of product being sold to export market? What if a major channel closes? .	■■□□
Price realization shift: What level of price erosion can you handle without being unprofitable?	■■■□
Frost, heat, and weather: What level of exposure does your operation have given its location(s)?	■■□□

Top factors:

- **Resource access:** Is your water senior or junior?
- **Production hazard:** What weather can take the crop?
- **Policy and labor supply:** Will the crew and the rules hold?
- **Absorption capacity:** Could you absorb a bad year?

What a finished assessment can look like

Assessment: ■■■■ Favorable ■□□□ Unfavorable | ▲ Improving — Stable ▼ Deteriorating

Factor	Sub-factor	Assessment	Trend
1. Revenue drivers	Crop/ variety mix	■■□□	▼
	Quality realized	■■■□	▲
	Price capture	■□□□	—
	Timing	■□□□	—
2. Cost position	Yield base	■■■□	▲
	Growing cost	■■□□	▼
	Harvest and post-harvest cost	■■□□	▼
	Overhead cost	■■□□	▼
3. Opex drivers	Gap size and source	■■■□	▲
	Field labor productivity	■■□□	—
	Input program efficiency	■■■□	—
	Packing and storage efficiency	■■□□	—
4. Capex needs	Orchard renewal	■□□□	▼
	Infrastructure and equipment	■■□□	—
	Post-harvest assets	■□□□	—
	Funding capacity	■■□□	▼
5. Swing factors	Resource access	■□□□	▼
	Production hazard	■■□□	—
	Policy and labor supply	■■□□	▼
	Absorption capacity	■■□□	—

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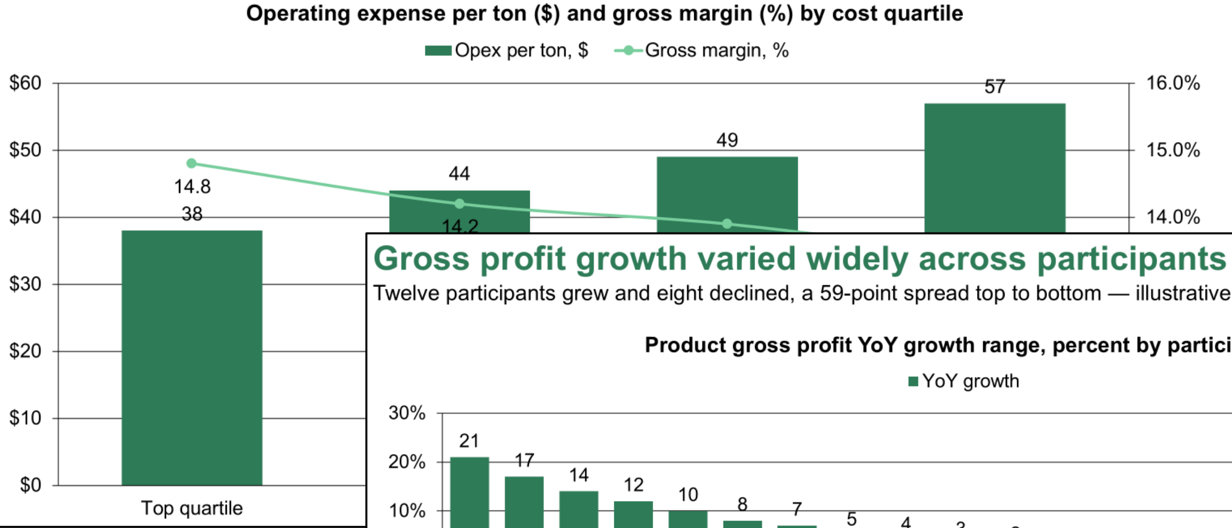
2. **How other parts of ag have created their own benchmarks**

Example 1: Ag retail

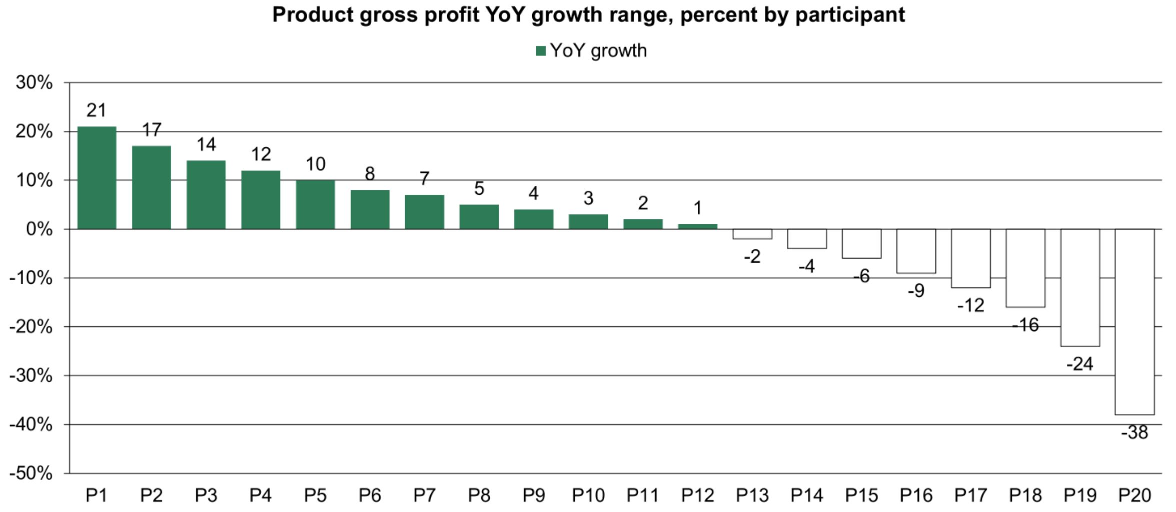
Operating expense per ton separates the top quartile

Top-quartile participants run roughly $9 per ton below the group median while holding comparable gross margin — illustrative data

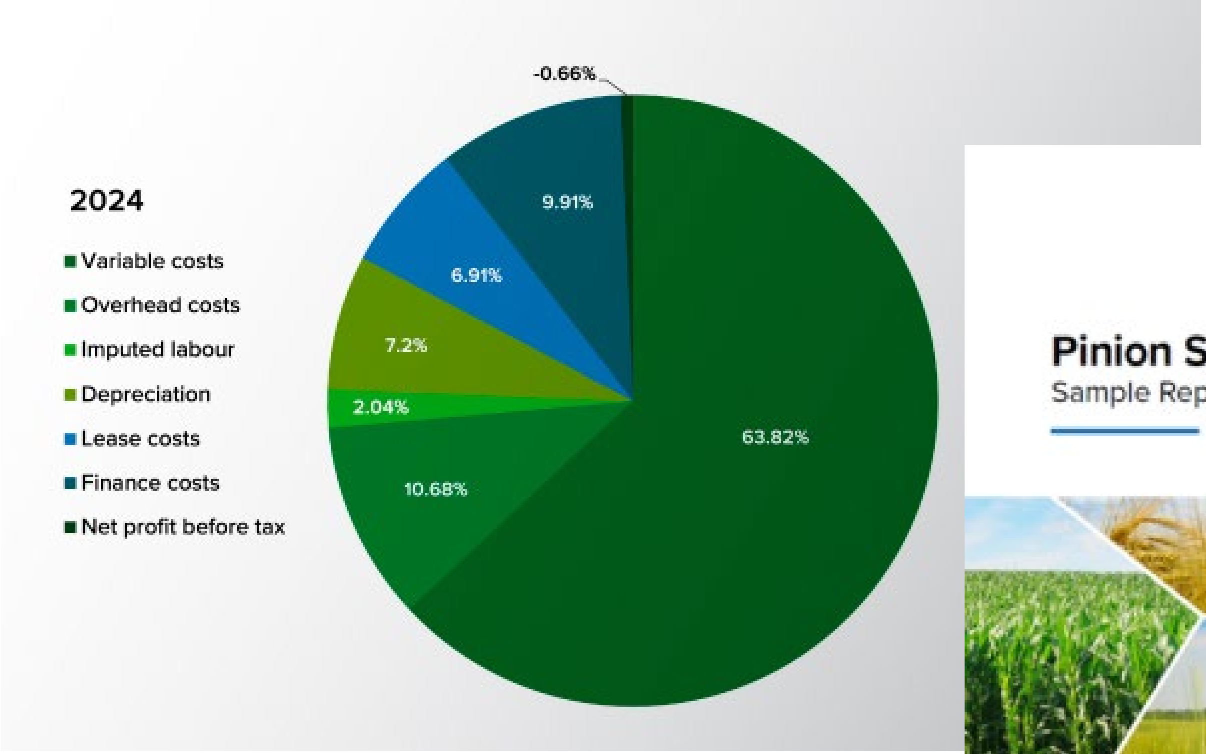


Gross profit growth varied widely across participants

Twelve participants grew and eight declined, a 59-point spread top to bottom — illustrative data



Example 2: Crop farms



Factors that make successful benchmarks

	Condition	Description
1	**Comparable unit of output**	Normalize for variety, density, and tree age so the ranking measures management, not the block map
2	**Written definitions frozen across cycles**	12 to 18 line items held constant for at least three cycles; drifting definitions make any trend meaningless
3	**Confidentiality and neutral aggregation**	Enough participants to mask any single operator; third-party aggregator holds raw data with counsel involved in design
4	**Repeat cycles**	A single study produces one observation; the value increases through multi-year data collection, aggregation, and analysis
5	**Demonstrated value to participants**	Participation is voluntary; there is clear value created through savings, insights, etc. for the participants

Recap: Five factors that matter… and potential for custom benchmarks

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What factors can meaningfully influence the outcomes of this operation?

Custom benchmarks aligned with you and your peers

Comparable units | Written definitions | Confidential & neutral aggregator | Repeating on cycle | Value for participants

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