



Blue Diamond Growers: Leading the world's almond industry

Record almond crops, increased global demand for California almonds, and a growing line of groundbreaking products has distinguished Blue Diamond Growers as the world's leading almond company. This 102-year-old company shows no signs of slowing down.

In 1910, 230 almond growers came together to establish the California Almond Growers Exchange as a way to collectively market their almonds. Today, more than half of California almond growers belong to the Blue Diamond cooperative, which has risen to become the world's leading marketer, handler, and promoter of almonds.

Almonds are California's number one export crop, with the state responsible for producing 80 percent of the world's almond supply. Blue Diamond's almonds are sought after in the global bulk markets for their consistent quality and taste. Domestically and abroad, the company's branded consumer products are also a hit, with consumers from the United States to Japan, China, and the United Kingdom realizing the nutritional benefits of the tasty tree nut.

Blue Diamond's consumer products include flavored snack almonds – made famous by their "A can a week, that's all we ask" ads – but they are perhaps best known as a true market innovator. In recent years, the Blue Diamond family of products has expanded to include such innovations as Almond Nut-Thins, Nut-Chips, and Almond Breeze, a non-dairy almond beverage. Almond Breeze,

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Morrison helps secure \$10.4 million in 2012 Specialty Crop Block Grant and Specialty Crop Research Initiative awards, 2013 SCBG program now open

Grant awards for the Specialty Crop Block Grant program (SCBG) and Specialty Crop Research Initiative (SCRI) were announced in early October. Morrison & Company was responsible for writing grant proposals totaling \$10.4 million in awards for our clients.

The Specialty Crop Research Initiative aims to support the specialty crop industry by awarding funds to applicants who address research and extension needs for specialty crops. We were able to assist the Citrus Research and Development Foundation (CRDF), a non-profit direct service organization affiliated with the University of Florida, in securing \$9 million in funding. This was the largest 2012 SCRI grant awarded in the nation, a program with a single digit success rate nationally.

The grant will support the foundation's efforts to combat citrus greening disease, Huanglongbing (HLB), which is present in Florida, Texas, and California. Specifically, the \$9 million multi-year national project will research the best approaches to block the insect Asian Citrus Psyllid from spreading the crippling disease. CRDF will work in close collaboration with the Citrus Research Board, USDA, and universities in Florida, California, Texas, and Arizona.

In addition to the SCRI grant, Morrison & Company assisted several clients with successful applications for the Specialty Crop Block Grant program (SCBG), totaling \$1.4 million in awards. The goal of the program is to promote

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Specialty Crop Research Initiative and Specialty Crop Block Grant programs

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and increase opportunities for specialty crop producers, and applicants can apply for projects that support research, marketing, or nutrition projects.

One of our successful SCBG applications benefitted the California Olive Oil Council, a non-profit trade and marketing association. The organization was awarded \$386,300 to expand markets for California Extra Virgin Olive Oil through events for key influencers (e.g., media, blogs, chefs), attendance at key trade shows, development of marketing materials for events and trade shows, electronic and print advertising, website upgrades, and social media training for California olive oil producers.

In total, Morrison & Company proposals represented 10 percent of all specialty crop grant funding awarded in the nation through these two programs.

The SCBG program is now open and applications are due December 7. The SCRI grant program has consistently been announced in the fall as well, though funding will be subject to the passage of the Farm Bill. With the application deadlines nearing, please let us know if you are interested in either of these programs or wish to learn more about other grant opportunities. Please contact our office at (530) 893-4764 or email Brent Morrison at bmorrison@morrisonco.net.

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which comes in shelf-stable and refrigerated packaging, is sold in over 90 percent of US grocery stores and is one of the country's biggest selling dairy substitutes.

Morrison & Company is proud to have served Blue Diamond Growers with assistance in business plans, feasibility studies and related grants. For California almond recipes, nutrition facts about California almonds, and a full list of Blue Diamond products, visit www.bluediamond.com.



Getting to know Stacy Kennedy, Morrison & Company Consultant

Stacy Kennedy received her CPA license in 2001 and began working with Morrison & Company in 2003, assisting with various projects; she became a full-time consultant with the firm in 2010. With a professional start at Arthur Andersen, Stacy's professional career led her to work in a variety of industries including manufacturing, distribution, real estate development, property management, agribusiness and alternative energy.

With a background of experience ranging from publicly traded company controller to privately held company Chief Financial Officer, Stacy's current areas of focus with Morrison include profit planning, systems improvement, finance/accounting efficiency, short- and long-range planning, grants, and grant-related projects.

Family: Married to Jason for 13 years; one child (Cody), age seven months.

Favorite hobby: Taking Cody to new places and watching him discover the world. This helps me see things with "new eyes."

Current reading: *Today Matters* by John Maxwell

Favorite part of working at Morrison & Company:

I absolutely love the diversity of the projects and clients we work with. Professional growth never stops at Morrison, and that keeps my work life interesting, challenging, and fun!



Business valuation: A look into *Shark Tank*

Have you seen the ABC television show *Shark Tank*? The show grabs its audience with the entrepreneurial spirit of gutsy business owners who pitch their businesses to the “Sharks,” five millionaire/billionaire tycoons looking for opportunities to put their money to work in companies with good money-making potential.

There are many aspects of the show that are entertaining: the business ideas, the personalities of the entrepreneurs, their rehearsed “pitch,” and most of all, the value they place on their businesses.

The entrepreneurs come to the show to request a certain amount of investment in exchange for a percentage of their company and it's always interesting when an entrepreneur offers the Sharks 10 percent of their company's ownership for \$100,000 and don't understand that they've assigned their company a value of \$1 million.

Sometimes it's warranted. Some have proven sales histories with more customers just waiting for them to expand. In other cases, a wannabe business owner has little more than an idea, and they're putting an extremely high valuation on a notion with no proven value. Those who have done their research and know how a prospective investor or buyer is likely to see the value of a company garnish a much higher level of respect. Their homework lets the potential investors know they're dealing with a serious business.

Most businesses don't plan to pitch their companies on *Shark Tank*, but there are more reasons to know the value of a company than attracting celebrity investors. For example, a group of producers had an opportunity to purchase the food processing subsidiary that had been processing and marketing their commodity for years. Attracted by the potential for additional value-added returns and wishing to avoid the possibility of unknown parties acquiring this critical business, the producers asked Morrison & Company to determine its value.

After extensive analysis in which we used a number of methodologies, we found that the business was worth less than half of the \$40 million asking price. At \$40 million, the payback period likely would have exceeded 20 years, with a negative net present value. Armed with this knowledge our client avoided a potentially disastrous investment. The last we heard, the owner still wants \$40 million – and still has no takers.

When a well-known Japanese company sought potential US investments in a particular industry, Morrison & Company was engaged to identify candidates and determine preliminary value ranges. We identified the companies with the highest potential and estimated their values, allowing our client to develop an appropriate and informed purchase strategy.

After the owner of a professional service firm approached a key broker about purchasing his business, Morrison & Company was engaged by the potential buyer to determine the value range. Finding comparable assessments and running various likely financial scenarios, we were able to help our client make an informed decision on the value, risks, and rewards of the potential purchase.

Other reasons to obtain a professional business valuation include settlements between business partners, division of property in divorce cases, consideration of a merger or acquisition (from either side), taxable events like estate and gift planning, and yes, attracting financing or investors.

A professional business valuation helps determine value, identifies risks and rewards, and provides the due diligence and independent assurance needed for a successful “eyes open” transaction. Along with our staff of financial professionals, Morrison & Company can provide experienced attorneys, engineers, market researchers, and other professionals needed to assure a thorough assessment. If you're going to swim with the “Sharks,” it's good to get the help you need to ensure you don't end up financially sleeping with the fishes!

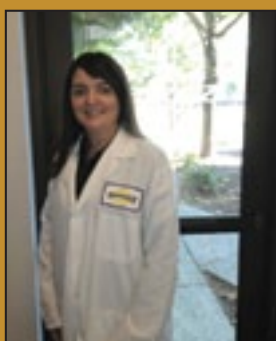
Morrison & Company
10 Landing Circle, Suite 5
Chico, CA 95973
(530) 893-4764
www.morrisonco.net
www.morrisongrants.com

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Morrison & Company Tidbits

- Rhonda Motil, executive director for the Monterey County Vintners and Growers Association, was selected to make a presentation to California State Board of Food and Agriculture, highlighting the association's 2009 Specialty Crop Block Grant project. Morrison & Company assisted the Monterey County Vintners and Growers Association with their successful grant application, which focused on promoting Monterey County area wines and wineries.



*Toni at
Sunsweet Growers*



*Brent, Toni, and Tim at the Butte County
Farm Bureau*

- The Morrison & Company team had a great time at the Butte County Farm Bureau Partner BBQ in July. The Farm Bureau hosts the event to show their appreciation to the business, media, and community partners who are an integral part of the Farm Bureau's success. We enjoyed catching up with friends and colleagues and celebrating the Farm Bureau.

- Morrison & Company Consultant Toni Scott has kept busy with Leadership Farm Bureau, and in August, participated in the leadership group's Ag Issues Tour. The tour included stops at the Jones Pumping Plant, Shasta Dam, Sierra Pacific Industries, and Morrison & Company clients Sunsweet Growers and California Olive Ranch.



Rhonda Motil, executive director of the Monterey County Vintners and Growers Association, gives a presentation about Monterey County wines during the Wine Institute's California Grand Wine Tasting Tour of Asia. The wine association was the recipient of a 2009 Specialty Crop Block Grant and Rhonda was recently selected to present on the project's success to the CDFA.