There are approximately 5200 Hass Organic Avocado salt tolerant trees plus 600 newly planted trees.

At the time of the drought, we had no working well, no solar array, no reverse osmosis system, no reservoir and no pumps (in-ground or booster pumps), green houses, temperature controlled barn for grafting, etc.  The entire property was planted on 20X20 spacing which was the common way to plant avocados pre-2010ish.  You would let the trees grow to 40 ft tall, but the tree would only fruit where the sun was, so the tree was not as productive.  Due to the drought, the new way to plant is on a higher density basis, and keep the trees incredibly manageable, max of 10-12 ft.  This makes them more productive and water efficient (you don’t have to supply enough water to make it up 40-50ft).  Higher density also keeps weeds down.

The gross income potential below is one benefit of higher density.  There are other benefits that relate to the expense savings.

1). Laborers are faster and more efficient not having to climb a rickety 50 ft. Ladder.

2). Water savings

3). Labor savings from weeding requirements.

4). Solar array that was installed can produce almost enough power to offset our two pump usage, and our RO system.

5). Reverse Osmosis now allows us to use only our own water, instead of incredibly expensive city water.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **962 Rice Canyon Road - Avocado Grove** |  |  |  |  |  |
| Potential Income: |  |  |  |  |  |
|  |  |  |  |  |  |
| Acres: | 60 |  |  |  |  |
| Plantable Acres: | 57 |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Previous Planting Distance:   | 20 X 20 | **1990’s and earlier common planting** |  |  |  |
| Sq. Ft. Per Tree: | 400 |  |  |  |  |
| Trees Per Acre: | 109 |  |  |  |  |
| Prior Tree Capacity (57 acres): | 6,207.3 | Trees |  |  |  |
| Average LBS / Tree: | 110 | LBS/YR/Tree |  |  |  |
| Total LBS Potential: | 682,803 | LBS/YR |  |  |  |
| Organic Selling Avg $/LBS | $1.90 |  |  |  |  |
| Gross Potential Income: | $1,297,326 |  |  |  |  |
|  |  |  |  |  |  |
| Newly Replanted Tree Distance: | 10X15 | **2015’s common planting** |  |  |  |
| Sq. Ft. Per Tree: | 150 |  |  |  |  |
| Trees Per Acre: | 290.4 |  |  |  |  |
| Prior Tree Capacity (57 acres): | 16,552.8 | Trees |  |  |  |
| Average LBS / Tree: | 90 | LBS/YR/Tree |  |  |  |
| Total LBS Potential: | 1,489,752 | LBS/YR |  |  |  |
| Organic Selling Avg $/LBS | $1.90 |  |  |  |  |
| Gross Potential Income: | $2,830,529 |  |  |  |  |

1.  Do the solar panels that run the water  desalination system also provide the power to run the well?  The Solar panels do not just provide power to the RO system, they are attached to the grid and our two electricity meters are net metered together.  Any energy generated from the solar panels offsets any energy used from the property.

2.  Why is the seller selling?  We have decided to focus our attention on our other business ventures, and one of the partners has decided to retire.

3.  Would Joel and his family want to remain and continue what they do after the sale?  As far as we know, Joel and Family would love the opportunity to stay.  They are such an amazing asset to the business and the property.

4.  Do you have the last 12 months water bills or a monthly spreadsheet?  Unfortunately, our pump was down for a few months in the summer, which resulted in us using more water from the city than planned, and we could not get it fixed until winter time.  So when you look at these water bills, just know these are more elevated than usual.

5.  How about the last 12 months electricity bills?  -  I hope this helps… It looks a little like gibberish to me.

|  |
| --- |
| **Name :   WRK LLC** |
| **Address: 962 RICE CANYON RD, Fallbrook, CA, 92028** |
| **Account Number: 8505005978** |
| **Service Type: Electric** |
| **Reading Start: 02/22/2023** |
| **Reading End: 02/20/2024** |
| **Total Usage: 10766** |
| **UOM: kWh** |
| **Disclaimer: The information contained in this file is intended for the personal and confidential use of the recepients(s) name above. Any unauthorized use is prohibited.** |
|  |  |  |  |
| **Meter Number** | **Date** | **Duration** | **Consumed** |
| 5812997 | Mar 22,2023 | Month | 1319 |
| 5812997 | Apr 21,2023 | Month | 655 |
| 5812997 | May 22,2023 | Month | 773 |
| 5812997 | Jun 21,2023 | Month | 947 |
| 5812997 | Jul 21,2023 | Month | 1235 |
| 5812997 | Aug 21,2023 | Month | 1353 |
| 5812997 | Sep 20,2023 | Month | 724 |
| 5812997 | Oct 19,2023 | Month | 690 |
| 5812997 | Nov 17,2023 | Month | 624 |
| 5812997 | Dec 19,2023 | Month | 725 |
| 5812997 | Jan 19,2024 | Month | 570 |
| 5812997 | Feb 20,2024 | Month | 1151 |

|  |
| --- |
| **Name :   WRK LLC** |
| **Address: 962 RICE CANYON RD, Fallbrook, CA, 92028** |
| **Account Number: 8505008906** |
| **Service Type: Electric** |
| **Reading Start: 02/22/2023** |
| **Reading End: 02/20/2024** |
| **Total Usage: 17073** |
| **UOM: kWh** |
| **Disclaimer: The information contained in this file is intended for the personal and confidential use of the recepients(s) name above. Any unauthorized use is prohibited.** |
|  |  |  |  |
| **Meter Number** | **Date** | **Duration** | **Consumed** |
| 6715535 | Mar 22,2023 | Month | 134 |
| 6715535 | Apr 21,2023 | Month | -934 |
| 6715535 | May 22,2023 | Month | 4766 |
| 6715535 | Jun 21,2023 | Month | 9227 |
| 6715535 | Jul 21,2023 | Month | 8180 |
| 6715535 | Aug 21,2023 | Month | 4650 |
| 6715535 | Sep 20,2023 | Month | -1298 |
| 6715535 | Oct 19,2023 | Month | -2059 |
| 6715535 | Nov 17,2023 | Month | -1616 |
| 6715535 | Dec 19,2023 | Month | -1417 |
| 6715535 | Jan 19,2024 | Month | -1269 |
| 6715535 | Feb 20,2024 | Month | -1291 |

6.  Regarding the seedling grafting Joel does in the greenhouse, does he start with actual avocado seeds to create the rootstock, or is the rootstock actual clippings from trees and not actually started from trees?  Currently, Joel starts with zutano seeds that are now grown onsite.  He then grows those, and grafts on a rootstock.  Then he will grow those, and graft on the Hass or Reed tips.  I hope that helps.

7.  Last question for now.  Why, again, has the production gone down so significantly from 10 or so years ago?  Production went way down from 10 years ago primarily due to the metropolitan water districts max usage limits.  At the time, we did not have an in ground well or a reservoir.  We did not have the secondary well site ready to produce even more water if we needed it.  With the usage limits put in place, we were left no alternative but to cut down unproductive areas.  In addition, we did not want to have trees that were 40-50 ft tall due to the massive water consumption necessary.  We have gone through the entire property and made all of our areas productive, profitable areas.  The trees are still young, but they are growing nicely and will be incredibly profitable in the years to come.