UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED APRIL 30, 2023
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
FOR THE TRANSITION PERIOD FROM ______ TO ______

Commission File Number: 001-34755

LIMONEIRA COMPANY

(Exact name of registrant as specified in its charter)

Delaware	**77-0260692**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1141 Cummings Road, Santa Paula, CA	**93060**
(Address of principal executive offices)	**(Zip code)**

Registrant's telephone number, including area code: (805) 525-5541

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange of Which Registered
Common Stock, $0.01 par value	LMNR	The NASDAQ Stock Market LLC (NASDAQ Global Select Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

☐ Large accelerated filer	☒ Accelerated filer	☐ Emerging growth company
☐ Non-accelerated filer	☐ Smaller reporting company	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of May 31, 2023, there were 17,978,910 shares outstanding of the registrant's common stock.

LIMONEIRA COMPANY

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains both historical and forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q are subject to a number of risks and uncertainties, some of which are beyond the Company’s control. The potential risks and uncertainties that could cause our actual financial condition, results of operations and future performance to differ materially from those expressed or implied in this quarterly report include:

- success in executing the Company's business plans and strategies and managing the risks involved in the foregoing;
- negative impacts related to the COVID-19 pandemic and our Company's responses to the pandemic;
- changes in laws, regulations, rules, quotas, tariffs, and import laws;
- adverse weather conditions, natural disasters and other adverse natural conditions, including freezes, rains, fires, winds and droughts that affect the production, transportation, storage, import and export of fresh produce;
- market responses to industry volume pressures;
- increased pressure from disease, insects and other pests;
- disruption of water supplies or changes in water allocations;
- disruption in the global supply chain;
- product and raw materials supplies and pricing;
- energy supply and pricing;
- changes in interest rates and the impact of inflation;
- availability of financing for development activities;
- general economic conditions for residential and commercial real estate development;
- political changes and economic crises;
- international conflict;
- acts of terrorism;
- labor disruptions, strikes, shortages or work stoppages;
- the impact of foreign exchange rate movements;
- ability to maintain compliance with covenants under our loan agreements;
- loss of important intellectual property rights; and
- other factors disclosed in our public filings with the Securities and Exchange Commission (the "SEC").

These forward-looking statements involve risks and uncertainties that we have identified as having the potential to cause actual results to differ materially from those contemplated herein. We have described in Part I, Item 1A Risk Factors in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022 additional factors that could cause our actual results to differ from our projections or estimates.

The Company’s actual results, performance, prospects or opportunities could differ materially from those expressed in or implied by the forward-looking statements. Additional risks of which the Company is not currently aware or which the Company currently deems immaterial could also cause the Company’s actual results to differ, including those discussed in the section entitled “Risk Factors” included in our Annual Report on Form 10-K for the fiscal year ended October 31, 2022. Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance, or achievements. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update these forward-looking statements, even if our situation changes in the future.

All references to “we,” "us," “our,” “our Company,” "the Company" or "Limoneira" in this Quarterly Report on Form 10-Q mean Limoneira Company, a Delaware corporation, and its consolidated subsidiaries.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

LIMONEIRA COMPANY

CONSOLIDATED BALANCE SHEETS (UNAUDITED)
($ in thousands, except share amounts)

	April 30, 2023	October 31, 2022
Assets		
Current assets:		
Cash	$ 9,833	$ 857
Accounts receivable, net	17,766	15,651
Cultural costs	2,744	8,643
Prepaid expenses and other current assets	11,749	8,496
Receivables/other from related parties	3,245	3,888
Total current assets	45,337	37,535
Property, plant and equipment, net	163,541	222,628
Real estate development	9,858	9,706
Equity in investments	73,445	72,855
Goodwill	1,529	1,506
Intangible assets, net	7,238	7,317
Other assets	15,378	16,971
Total assets	$ 316,326	$ 368,518
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 8,375	$ 10,663
Growers and suppliers payable	8,109	10,740
Accrued liabilities	7,940	11,060
Payables to related parties	5,390	4,860
Income taxes payable	8,108	219
Current portion of long-term debt	446	1,732
Total current liabilities	38,368	39,274
Long-term liabilities:		
Long-term debt, less current portion	40,837	104,076
Deferred income taxes	21,797	23,497
Other long-term liabilities	6,670	9,807
Total liabilities	107,672	176,654
Commitments and contingencies	—	—
Series B Convertible Preferred Stock – $100.00 par value (50,000 shares authorized: 14,790 shares issued and outstanding at April 30, 2023 and October 31, 2022) (8.75% coupon rate)	1,479	1,479
Series B-2 Convertible Preferred Stock – $100.00 par value (10,000 shares authorized: 9,300 shares issued and outstanding at April 30, 2023 and October 31, 2022) (4% dividend rate on liquidation value of $1,000 per share)	9,331	9,331
Stockholders' Equity:		
Series A Junior Participating Preferred Stock – $0.01 par value (20,000 shares authorized: zero issued or outstanding at April 30, 2023 and October 31, 2022)	—	—
Common Stock – $0.01 par value (39,000,000 shares authorized: 18,229,887 and 17,935,292 shares issued and 17,978,910 and 17,684,315 shares outstanding at April 30, 2023 and October 31, 2022, respectively)	180	177
Additional paid-in capital	167,169	165,169
Retained earnings	26,582	15,500
Accumulated other comprehensive loss	(4,011)	(7,908)
Treasury stock, at cost, 250,977 shares at April 30, 2023 and October 31, 2022	(3,493)	(3,493)
Noncontrolling interest	11,417	11,609
Total stockholders' equity	197,844	181,054
Total liabilities and stockholders' equity	$ 316,326	$ 368,518

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
($ in thousands, except share amounts)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	**2022**	**2023**	**2022**
Net revenues:				
Agribusiness	$ 46,676	$ 45,369	$ 83,204	$ 83,452
Other operations	1,394	1,381	2,767	2,572
Total net revenues	48,070	46,750	85,971	86,024
Costs and expenses:				
Agribusiness	38,189	37,599	79,430	78,843
Other operations	1,009	1,093	2,247	2,167
Loss (gain) on disposal of assets, net	8,998	346	(30,744)	261
Gain on legal settlement	(2,269)	—	(2,269)	—
Selling, general and administrative	6,005	5,126	15,285	11,725
Total costs and expenses	51,932	44,164	63,949	92,996
Operating (loss) income	(3,862)	2,586	22,022	(6,972)
Other income (expense):				
Interest income	62	27	70	48
Interest (expense), net of patronage dividends	996	(696)	(176)	(481)
Equity in earnings of investments, net	62	299	315	350
Other income (expense), net	200	78	(2,412)	93
Total other income (expense)	1,320	(292)	(2,203)	10
(Loss) income before income tax benefit (provision)	(2,542)	2,294	19,819	(6,962)
Income tax benefit (provision)	912	(722)	(5,915)	1,928
Net (loss) income	(1,630)	1,572	13,904	(5,034)
Net loss (income) attributable to noncontrolling interest	17	(11)	114	77
Net (loss) income attributable to Limoneira Company	(1,613)	1,561	14,018	(4,957)
Preferred dividends	(126)	(126)	(251)	(251)
Net (loss) income applicable to common stock	$ (1,739)	$ 1,435	$ 13,767	$ (5,208)
Basic net (loss) income per common share	$ (0.10)	$ 0.08	$ 0.77	$ (0.30)
Diluted net (loss) income per common share	$ (0.10)	$ 0.08	$ 0.75	$ (0.30)
Weighted-average common shares outstanding-basic	17,597,000	17,511,000	17,587,000	17,461,000
Weighted-average common shares outstanding-diluted	17,597,000	17,511,000	18,328,000	17,461,000

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME (UNAUDITED)
(In thousands)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	**2022**	**2023**	**2022**
Net (loss) income	$ (1,630)	$ 1,572	$ 13,904	$ (5,034)
Other comprehensive (loss) income, net of tax:				
Foreign currency translation adjustments	(50)	(1,006)	2,173	(951)
Minimum pension liability adjustments, net of tax of $0, $27, $(135) and $54 for the three and six months ended April 30, 2023 and 2022, respectively	—	73	(220)	145
Pension settlement cost, net of tax of $0 and $756 for the three and six months ended April 30, 2023	—	—	1,944	—
Total other comprehensive (loss) income, net of tax	(50)	(933)	3,897	(806)
Comprehensive (loss) income	(1,680)	639	17,801	(5,840)
Comprehensive loss (income) attributable to noncontrolling interest	17	(5)	114	81
Comprehensive (loss) income attributable to Limoneira Company	$ (1,663)	$ 634	$ 17,915	$ (5,759)

The accompanying notes are an integral part of these unaudited consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND TEMPORARY EQUITY (UNAUDITED)
($ in thousands)

	Stockholders' Equity								Temporary Equity	
	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Non-controlling	Total	Series B Preferred	Series B-2 Preferred
	Shares	Amount	Capital	Earnings	(Loss) Income	Stock	Interest	Equity	Stock	Stock
Balance at October 31, 2022	17,684,315	$ 177	$ 165,169	$ 15,500	$ (7,908)	$ (3,493)	$ 11,609	$ 181,054	$ 1,479	$ 9,331
Dividends Common ($0.075 per share)	—	—	—	(1,337)	—	—	—	(1,337)	—	—
Dividends Series B ($2.19 per share)	—	—	—	(32)	—	—	—	(32)	—	—
Dividends Series B-2 ($10 per share)	—	—	—	(93)	—	—	—	(93)	—	—
Stock compensation	146,289	1	1,063	—	—	—	—	1,064	—	—
Noncontrolling interest adjustment	—	—	—	—	—	—	(78)	(78)	—	—
Net income	—	—	—	15,631	—	—	(97)	15,534	—	—
Other comprehensive income, net of tax	—	—	—	—	3,947	—	—	3,947	—	—
Balance at January 31, 2023	17,830,604	$ 178	$ 166,232	$ 29,669	$ (3,961)	$ (3,493)	$ 11,434	$ 200,059	$ 1,479	$ 9,331
Dividends Common ($0.075 per share)	—	—	—	(1,348)	—	—	—	(1,348)	—	—
Dividends Series B ($2.19 per share)	—	—	—	(33)	—	—	—	(33)	—	—
Dividends Series B-2 ($10 per share)	—	—	—	(93)	—	—	—	(93)	—	—
Stock compensation	149,900	2	963	—	—	—	—	965	—	—
Exchange of common stock	(1,594)	—	(26)	—	—	—	—	(26)	—	—
Net loss	—	—	—	(1,613)	—	—	(17)	(1,630)	—	—
Other comprehensive loss, net of tax	—	—	—	—	(50)	—	—	(50)	—	—
Balance at April 30, 2023	17,978,910	$ 180	$ 167,169	$ 26,582	$ (4,011)	$ (3,493)	$ 11,417	$ 197,844	$ 1,479	$ 9,331

	Stockholders' Equity								Temporary Equity	
	Common Stock		Additional Paid-In	Retained	Accumulated Other Comprehensive	Treasury	Non-controlling	Total	Series B Preferred	Series B-2 Preferred
	Shares	Amount	Capital	Earnings	(Loss) Income	Stock	Interest	Equity	Stock	Stock
Balance at October 31, 2021	17,685,400	$ 179	$ 163,965	$ 21,552	$ (5,733)	$ (3,493)	$ 11,965	$ 188,435	$ 1,479	$ 9,331
Dividends Common ($0.075 per share)	—	—	—	(1,328)	—	—	—	(1,328)	—	—
Dividends Series B ($2.19 per share)	—	—	—	(32)	—	—	—	(32)	—	—
Dividends Series B-2 $10 per share)	—	—	—	(93)	—	—	—	(93)	—	—
Stock compensation	70,000	1	996	—	—	—	—	997	—	—
Exchange of common stock	(55,362)	—	(900)	—	—	—	—	(900)	—	—
Net loss	—	—	—	(6,518)	—	—	(88)	(6,606)	—	—
Other comprehensive income, net of tax	—	—	—	—	127	—	2	129	—	—
Balance at January 31, 2022	17,700,038	$ 180	$ 164,061	$ 13,581	$ (5,606)	$ (3,493)	$ 11,879	$ 180,602	$ 1,479	$ 9,331
Dividends Common ($0.075 per share)	—	—	—	(1,325)	—	—	—	(1,325)	—	—
Dividends Series B ($2.19 per share)	—	—	—	(33)	—	—	—	(33)	—	—
Dividends Series B-2 ($10 per share)	—	—	—	(93)	—	—	—	(93)	—	—
Stock compensation	34,231	—	378	—	—	—	—	378	—	—
Exchange of common stock	(12,718)	—	(186)	—	—	—	—	(186)	—	—
Net income	—	—	—	1,561	—	—	11	1,572	—	—
Other comprehensive loss, net of tax	—	—	—	—	(933)	—	(6)	(939)	—	—
Balance at April 30, 2022	17,721,551	$ 180	$ 164,253	$ 13,691	$ (6,539)	$ (3,493)	$ 11,884	$ 179,976	$ 1,479	$ 9,331

The accompanying notes are an integral part of these unaudited consolidated financial statements.

LIMONEIRA COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
Operating activities		
Net income (loss)	$ 13,904	$ (5,034)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	4,491	4,963
(Gain) loss on disposal of assets, net	(30,744)	261
Gain on legal settlement	(853)	—
Stock compensation expense	2,029	1,375
Non-cash lease expense	802	207
Equity in earnings of investments, net	(315)	(350)
Cash distributions from equity investments	—	132
Deferred income taxes	5,915	(1,928)
Other, net	162	360
Changes in operating assets and liabilities:		
Accounts receivable and receivables/other from related parties	(1,583)	(3,877)
Cultural costs	2,051	4,640
Prepaid expenses and other current assets	(5,105)	(2,392)
Income taxes payable	(330)	—
Other assets	21	33
Accounts payable and growers and suppliers payable	(5,340)	(413)
Accrued liabilities and payables to related parties	(2,708)	1,030
Other long-term liabilities	(840)	(167)
Net cash used in operating activities	(18,443)	(1,160)
Investing activities		
Capital expenditures	(5,417)	(4,123)
Net proceeds from sales of assets	98,506	1,121
Net proceeds from sale of real estate development assets	2,577	—
Cash distribution from Trapani Fresh	82	—
Collection on note receivable	—	2,600
Equity investment contributions	(275)	—
Investments in mutual water companies and water rights	(51)	(40)
Net cash provided by (used in) investing activities	95,422	(442)
Financing activities		
Borrowings of long-term debt	57,940	75,247
Repayments of long-term debt	(122,775)	(68,762)
Principal paid on finance lease and equipment financings	(215)	(169)
Dividends paid – common	(2,685)	(2,653)
Dividends paid – preferred	(251)	(251)
Exchange of common stock	(26)	(1,086)
Net cash (used in) provided by financing activities	(68,012)	2,326
Effect of exchange rate changes on cash	9	(203)
Net increase in cash	8,976	521
Cash at beginning of period	857	439
Cash at end of period	$ 9,833	$ 960

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) (CONTINUED)
(In thousands)

	Six Months Ended April 30,	
	2023	**2022**
Supplemental disclosures of cash flow information		
Cash paid during the period for interest (net of amounts capitalized)	$ 397	$ 431
Cash paid during the period for income taxes	$ 330	$ —
Non-cash investing and financing activities:		
Capital expenditures accrued but not paid at period-end	$ 325	$ 88
Accrued contribution obligation of investment in water company	$ 450	$ 450

The accompanying notes are an integral part of these unaudited consolidated financial statements.

1. Organization and Basis of Presentation

Business

Limoneira Company (together with its consolidated subsidiaries, the "Company") engages primarily in growing citrus and avocados, picking and hauling citrus, and packing, marketing and selling citrus. The Company is also engaged in residential rentals and other rental operations and real estate development activities.

The Company markets and sells citrus directly to food service, wholesale and retail customers throughout the United States, Canada, Asia, Europe and other international markets. The Company is a member of Sunkist Growers, Inc. ("Sunkist"), an agricultural marketing cooperative, and sells a portion of its oranges, specialty citrus and other crops to Sunkist-licensed and other third-party packinghouses.

Basis of Presentation and Preparation

The accompanying unaudited interim consolidated financial statements include the accounts of the Company and the accounts of all the subsidiaries and investments in which the Company holds a controlling interest. Intercompany balances and transactions have been eliminated in consolidation. In the opinion of the Company, the unaudited interim consolidated financial statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation. The preparation of these unaudited interim consolidated financial statements and accompanying notes in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Certain information and footnote disclosures normally included in the annual consolidated financial statements have been condensed or omitted pursuant to the rules and regulations of the SEC. Because the consolidated financial statements do not include all of the information and notes required by GAAP for a complete set of consolidated financial statements, they should be read in conjunction with the audited consolidated financial statements and notes included in the Company's Annual Report on Form 10-K.

2. Summary of Significant Accounting Policies

Comprehensive (Loss) Income

Comprehensive (loss) income represents all changes in a company's net assets, except changes resulting from transactions with stockholders. Other comprehensive income or loss includes foreign currency translation items and defined benefit pension items. Accumulated other comprehensive loss is reported as a component of the Company's stockholders' equity.

The following table summarizes other comprehensive (loss) income by component (in thousands):

	Three Months Ended April 30,					
	2023			2022		
	Pre-tax Amount	Tax Expense	Net Amount	Pre-tax Amount	Tax Expense	Net Amount
Foreign currency translation adjustments	$ (50)	$ —	$ (50)	$ (1,006)	$ —	$ (1,006)
Minimum pension liability adjustments:						
Other comprehensive income before reclassifications	—	—	—	100	(27)	73
Other comprehensive loss	$ (50)	$ —	$ (50)	$ (906)	$ (27)	$ (933)

2. Summary of Significant Accounting Policies (continued)

	Six Months Ended April 30,					
	2023			2022		
	Pre-tax Amount	Tax Benefit (Expense)	Net Amount	Pre-tax Amount	Tax Expense	Net Amount
Foreign currency translation adjustments	$ 2,173	$ —	$ 2,173	$ (951)	$ —	$ (951)
Minimum pension liability adjustments:						
Other comprehensive (loss) income before reclassifications	(355)	135	(220)	199	(54)	145
Amounts reclassified to earnings included in "Other income (expense), net"	2,700	(756)	1,944	—	—	—
Other comprehensive income (loss)	$ 4,518	$ (621)	$ 3,897	$ (752)	$ (54)	$ (806)

The following table summarizes the changes in accumulated other comprehensive loss by component (in thousands):

	Foreign Currency Translation (Loss) Gain	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Balance at October 31, 2022	$ (6,184)	$ (1,724)	$ (7,908)
Other comprehensive income	2,173	1,724	3,897
Balance at April 30, 2023	$ (4,011)	$ —	$ (4,011)

	Foreign Currency Translation Loss	Defined Benefit Pension Plan	Accumulated Other Comprehensive Loss
Balance at October 31, 2021	$ (3,754)	$ (1,979)	$ (5,733)
Other comprehensive (loss) income	(951)	145	(806)
Balance at April 30, 2022	$ (4,705)	$ (1,834)	$ (6,539)

COVID-19 Pandemic

There is continued uncertainty around the breadth and duration of the Company's business disruptions related to the COVID-19 pandemic. The decline in demand for the Company's products has negatively impacted the Company's sales and profitability since the beginning of the second quarter of fiscal year 2020. The COVID-19 pandemic may continue to impact the Company's sales and profitability in future periods. The duration of these trends and the magnitude of such impacts are uncertain and therefore cannot be estimated at this time, as they are influenced by a number of factors, many of which are outside management's control. The full impact of the COVID-19 pandemic on the Company's results of operations, financial condition, and liquidity, including its ability to comply with debt covenants, for fiscal year 2023 and beyond, is driven by estimates that contain uncertainties.

Concentrations

Concentrations of credit risk with respect to revenues and accounts receivable are limited due to a large, diverse customer base. One individual customer represented 12% of revenue for the six months ended April 30, 2023. One individual customer represented 10% of accounts receivable, net as of April 30, 2023.

One individual supplier represented 11% of accounts payable as of April 30, 2023.

Lemons procured from third-party growers were 57% and 54% of the Company's lemon supply for the six months ended April 30, 2023 and 2022, respectively. Two third-party growers were 23% and 19% of the lemon supply for the six months ended April 30, 2023, respectively. One third-party grower was 13% of the lemon supply for the six months ended April 30, 2022.

The Company maintains its cash in federally insured financial institutions. The account balances at these institutions periodically exceed Federal Deposit Insurance Corporation ("FDIC") insurance coverage and, as a result, there is a concentration of risk related to amounts on deposit in excess of FDIC insurance coverage.

3. Asset Sales and Disposals

Northern Properties

In October 2022, the Company entered into a Purchase and Sale Agreement, as amended, (the “Agreement”) with PGIM Real Estate Finance, LLC (“PGIM”) to sell 3,537 acres of land and citrus orchards in Tulare County, California (the “Northern Properties”) for a purchase price of approximately $100,405,000. On January 25, 2023, the Board approved the Agreement creating a binding agreement of the Company to sell the Northern Properties and the transaction closed on January 31, 2023. During the quarter ended April 30, 2023, the purchase price was decreased by $397,000 for reimbursement of certain cultural costs and prepaid expenses, resulting in a final purchase price of $100,008,000.

The following is a summary of the transaction (in thousands):

Net cash proceeds received	$	85,494
Debt directly repaid through the transaction		12,917
Total net proceeds received		98,411
Less: net book value of assets sold		
Cultural costs		3,853
Prepaid expenses and other current assets		155
Property, plant and equipment, net		53,144
Intangible assets, net		12
Other assets		1,320
Accrued liabilities		(68)
		58,416
Gain on disposal of assets	$	39,995

The proceeds were used to pay down all of the Company’s domestic debt except the AgWest Farm Credit $40,000,000 non-revolving line of credit. The Northern Properties component, including an allocation of interest expense related to the debt directly repaid through the transaction, had a pretax loss of $1,677,000 and $1,423,000 for the six months ended April 30, 2023 and 2022, respectively.

On January 31, 2023, the Company entered into a Farm Management Agreement (“FMA”) with an affiliate of PGIM to provide farming, management and operations services related to the Northern Properties. The FMA has an initial term expiring March 31, 2024, and thereafter continuing from year to year unless earlier terminated under the terms of the FMA. Further, on January 31, 2023, the Company entered into a Grower Packing and Marketing Agreement to provide packing, marketing and selling services for lemons harvested on the Northern Properties for a minimum five-year term, subject to certain benchmarking standards.

Cadiz Ranch

In April 2023, the Company determined that citrus farming operations were economically unviable on 670 acres of leased agricultural land at the Cadiz Ranch. As a result, the Company ceased farming operations, disposed of the related property, plant and equipment and recorded a loss on disposal of assets of $9,012,000 as of April 30, 2023.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consist of the following (in thousands):

	April 30, 2023		October 31, 2022	
Prepaid supplies and insurance	$	2,638	$	2,958
Real estate development held for sale		—		2,670
Sales tax receivable		422		475
Lemon supplier advances		1,434		1,188
Legal settlement receivable		6,109		—
Other		1,146		1,205
	$	11,749	$	8,496

5. Real Estate Development

Real estate development assets are comprised primarily of land and land development costs for the East Area II property in the amount of $9,858,000 and $9,706,000 at April 30, 2023 and October 31, 2022, respectively.

East Area I, Retained Property and East Area II

In fiscal year 2005, the Company began capitalizing the costs of two real estate development projects east of Santa Paula, California, for the development of 550 acres of land into residential units, commercial buildings and civic facilities. In November 2015 (the “Transaction Date”), the Company entered into a joint venture with The Lewis Group of Companies (“Lewis”) for the residential development of its East Area I real estate development project. To consummate the transaction, the Company formed Limoneira Lewis Community Builders, LLC (“LLCB”) as the development entity, contributed its East Area I property to LLCB and sold a 50% interest to Lewis for $20,000,000.

The Company and LLCB also entered into a Retained Property Development Agreement on the Transaction Date (the "Retained Property Agreement"). Under the terms of the Retained Property Agreement, LLCB transferred certain contributed East Area I property, which is entitled for commercial development, back to the Company (the "Retained Property") and arranged for the design and construction of certain improvements to the Retained Property, subject to certain reimbursements by the Company. The balance in East Area II includes estimated costs incurred by and reimbursable to LLCB of $3,444,000 at April 30, 2023 and October 31, 2022, which is included in payables to related parties.

In January 2018, LLCB entered into a $45,000,000 unsecured Line of Credit Loan Agreement and Promissory Note (the “Loan”) with Bank of America, N.A. to fund early development activities. Effective as of February 22, 2023, the Loan maturity date was extended to February 22, 2024, and the maximum borrowing amount was reduced to $35,000,000. As of February 1, 2023, the interest rate on the Loan transitioned from the London Interbank Offered Rate ("LIBOR") to the Bloomberg Short-Term Bank Yield Index rate ("BSBY") plus 2.85% and is payable monthly. The Loan contains certain customary default provisions and LLCB may prepay any amounts outstanding under the Loan without penalty. The Loan had an outstanding balance of $13,100,000 as of April 30, 2023.

In February 2018, the Company and certain principals from Lewis guaranteed the obligations under the Loan. The guarantors are jointly and severally liable for all Loan obligations in the event of default by LLCB. The guarantee continues in effect until all of the Loan obligations are fully paid. The $1,080,000 estimated value of the guarantee was recorded in the Company’s consolidated balance sheets and is included in other long-term liabilities with a corresponding value in equity in investments. Additionally, a Reimbursement Agreement was executed between the Lewis guarantors and the Company, which provides for unpaid liabilities of LLCB to be shared pro-rata by the Lewis guarantors and the Company in proportion to their percentage interest in LLCB.

In October 2022, the Company entered into a joint venture with Lewis for the development of the Retained Property. The Company formed LLCB II, LLC ("LLCB II") as the development entity, contributed the Retained Property to the joint venture and sold a 50% interest to Lewis for $7,975,000. The Company recorded a deferred gain of $465,000 on the transaction, which is included in other long-term liabilities as of April 30, 2023 and October 31, 2022. The joint venture partners will share in the capital contributions to fund project costs until loan proceeds and/or revenues are sufficient to fund the project. The Company made contributions of $275,000 to LLCB II during the six months ended April 30, 2023.

Through April 30, 2023, LLCB has closed sales of initial residential lots representing 586 residential units.

5. Real Estate Development (continued)

Other Real Estate Development Projects

In fiscal year 2020, the Company entered into an agreement to sell its Sevilla property for $2,700,000, which closed in November 2022. After transaction and other costs, the Company received cash proceeds of approximately $2,577,000 and recorded an immaterial loss on disposal of assets during the six months ended April 30, 2023.

6. Equity in Investments

Equity in investments consist of the following (in thousands):

	April 30, 2023	October 31, 2022
Limoneira Lewis Community Builders, LLC	$ 61,409	$ 61,154
LLCB II, LLC	8,297	8,023
Limco Del Mar, Ltd.	2,072	2,024
Rosales	1,162	1,147
Romney Property Partnership	505	507
	$ 73,445	$ 72,855

Net amounts due from Rosales were $442,000 and $270,000 at April 30, 2023 and October 31, 2022, respectively, and are included in receivables/other from related parties and payables to related parties.

Unconsolidated Significant Subsidiary

In accordance with Rule 10-01(b)(1) of Regulation S-X, which applies to interim reports on Form 10-Q, the Company must determine if its equity method investees are considered “significant subsidiaries." In evaluating its investments, there are two tests utilized to determine if equity method investees are considered significant subsidiaries: the income test and the investment test. Summarized income statement information of an equity method investee is required in an interim report if either of the two tests exceed 20% in the interim periods presented. During the year-to-date interim periods for the six months ended April 30, 2023 and 2022, this threshold was not met for any of the Company's equity investments.

7. Goodwill and Intangible Assets, Net

A summary of the change in the carrying amount of goodwill is as follows (in thousands):

	Goodwill Carrying Amount
Balance at October 31, 2022	$ 1,506
Foreign currency translation adjustment	23
Balance at April 30, 2023	$ 1,529

Goodwill is tested for impairment on an annual basis or when an event or changes in circumstances indicate that its carrying value may not be recoverable. There have been no impairment charges recorded against goodwill as of April 30, 2023.

Intangible assets consisted of the following (in thousands):

	April 30, 2023				October 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life in Years
Trade names and trademarks	$ 2,108	(1,002)	1,106	8	$ 2,108	$ (881)	$ 1,227	8
Customer relationships	4,037	(1,885)	2,152	9	4,037	(1,660)	2,377	9
Non-competition agreement	437	(105)	332	8	437	(76)	361	8
Acquired water and mineral rights	3,648	—	3,648	Indefinite	3,352	—	3,352	Indefinite
	$ 10,230	$ (2,992)	$ 7,238		$ 9,934	$ (2,617)	$ 7,317	

7. Goodwill and Intangible Assets, Net (continued)

Amortization expense totaled $178,000 and $180,000 for the three months ended April 30, 2023 and 2022, respectively. Amortization expense totaled $375,000 and $361,000 for the six months ended April 30, 2023 and 2022 respectively.

Estimated future amortization expense of intangible assets as of April 30, 2023 is as follows (in thousands):

2023 (remaining six months)	$	354
2024		711
2025		711
2026		711
2027		427
Thereafter		676
	$	3,590

8. Other Assets

Investments in Mutual Water Companies

The Company’s investments in various not-for-profit mutual water companies provide it with the right to receive a proportionate share of water from each of the not-for-profit mutual water companies that have been invested in and do not constitute voting shares and/or rights. In January 2023, the Company sold an investment in a mutual water company with a net book value of $1,320,000 as part of the Northern Properties sale described in Note 3 - Asset Sales and Disposals. As of April 30, 2023 and October 31, 2022, $5,681,000 and $6,500,000, respectively, were included in other assets.

9. Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

	April 30, 2023		October 31, 2022	
Compensation	$	2,192	$	3,572
Property taxes		—		664
Operating expenses		2,411		2,341
Leases		2,044		2,026
Other		1,293		2,457
	$	7,940	$	11,060

10. Long-Term Debt

Long-term debt is comprised of the following (in thousands):

	April 30, 2023	October 31, 2022
AgWest Farm Credit revolving and non-revolving lines of credit: the interest rate of the revolving line of credit is variable based on the one-month Secured Overnight Financing Rate ("SOFR"), which was 4.80% at April 30, 2023, plus 1.78%. The interest rate for the $40.0 million outstanding balance of the non-revolving line of credit is fixed at 3.57% through July 1, 2025 and variable thereafter. Interest is payable monthly and the principal is due in full on July 1, 2026.	$ 40,000	$ 88,521
AgWest Farm Credit term loan: The interest rate was fixed at 3.24%. The loan was repaid in January 2023.	—	919
AgWest Farm Credit term loan: The interest rate was fixed at 3.24%. The loan was repaid in January 2023.	—	7,562
AgWest Farm Credit term loan: The interest rate was fixed at 2.77% until July 1, 2025, becoming variable for the remainder of the loan. The loan was repaid in January 2023.	—	5,555
AgWest Farm Credit term loan: The interest rate was fixed at 3.19%. The loan was repaid in January 2023.	—	2,003
Banco de Chile term loan: The interest rate is fixed at 6.48%. The loan is payable in annual installments through January 2025.	653	675
Banco de Chile COVID-19 loans: The interest rates are fixed at 3.48%. The loans are payable in monthly installments through September 2024.	200	233
Banco de Chile COVID-19 loans: The interest rates are fixed at 3.48% and 4.26%. The loans are payable in monthly installments through September 2026.	430	434
Subtotal	41,283	105,902
Less deferred financing costs, net of accumulated amortization	—	94
Total long-term debt, net	41,283	105,808
Less current portion	446	1,732
Long-term debt, less current portion	$ 40,837	$ 104,076

The Company entered into a Master Loan Agreement (the “MLA”) with AgWest Farm Credit, formerly known as Farm Credit West, (the "Lender") dated June 1, 2021, together with a revolving credit facility supplement (the “Revolving Credit Supplement”), a non-revolving credit facility supplement (the “Non-Revolving Credit Supplement,” and together with the Revolving Credit Supplement, the “Supplements”) and an agreement to convert to a fixed interest rate for a period of time as described in the table above ("Fixed Interest Rate Agreement"). The MLA governs the terms of the Supplements. The MLA amends and restates the previous Master Loan Agreement between the Company and the Lender, dated June 19, 2017, and extends the principal repayment to July 1, 2026.

In March 2020, the Company entered into a revolving equity line of credit promissory note and loan agreement with the Lender for a $15,000,000 Revolving Equity Line of Credit (the "RELOC") secured by a first lien on the Windfall Investors, LLC property. The RELOC featured a 3-year draw period followed by 20 years of fully amortized loan payments. On March 31, 2023, the draw period expired and the RELOC was closed as there was no balance outstanding.

The Supplements provide aggregate borrowing capacity of $115,000,000 comprised of $75,000,000 under the Revolving Credit Supplement and $40,000,000 under the Non-Revolving Credit Supplement. As of April 30, 2023, the Company's outstanding borrowings under the Supplements were $40,000,000 and it had $75,000,000 available to borrow.

In January 2023, the Company used the proceeds from the Northern Properties sale as described in Note 3 - Asset Sales and Disposals to reduce the Company's long-term debt.

10. Long-Term Debt (continued)

The interest rate in effect under the Revolving Credit Supplement automatically adjusts on the first day of each month. The interest rate for any amount outstanding under the Revolving Credit Supplement was based on the one-month LIBOR plus or minus an applicable margin. As of January 1, 2023, the rate transitioned from LIBOR to the Secured Overnight Financing Rate ("SOFR"). The applicable margin ranges from 1.78% to 2.28% depending on the ratio of current assets, plus the remaining available commitment divided by current liabilities. On each one-year anniversary of July 1, the Company has the option to convert the interest rate in use under the Revolving Credit Supplement from the preceding SOFR-based calculation to a variable interest rate. The Company may prepay any amounts outstanding under the Revolving Credit Supplement without penalty.

The interest rate in effect under the Non-Revolving Credit Supplement is a fixed interest rate of 3.57% per year until July 1, 2025 (the “Fixed Rate Term”). Thereafter, the interest rate will convert to a variable interest rate established by the Lender corresponding to the applicable interest rate group. The Company may not prepay any amounts under the outstanding Non-Revolving Credit Supplement during the Fixed Rate Term. Thereafter, the Company may prepay any amounts outstanding under the Non-Revolving Credit Supplement, provided that a fee equal to 0.50% of the amount prepaid and any other cost or loss suffered by the Lender must be paid with any prepayment.

All indebtedness under the MLA, including any indebtedness under the Supplements, is secured by a first lien on Company-owned stock or participation certificates, Company funds maintained with the Lender, the Lender’s unallocated surplus, and certain of the Company’s agricultural properties in Ventura counties in California and certain of the Company’s building fixtures and improvements and investments in mutual water companies associated with the pledged agricultural properties. The MLA includes customary default provisions that provide should an event of default occur, the Lender, at its option, may declare all or any portion of the indebtedness under the MLA to be immediately due and payable without demand, notice of nonpayment, protest or prior recourse to collateral, and terminate or suspend the Company’s right to draw or request funds on any loan or line of credit.

The MLA subjects the Company to affirmative and restrictive covenants including, among other customary covenants, financial reporting requirements, requirements to maintain and repair any collateral, restrictions on the sale of assets, restrictions on the use of proceeds, prohibitions on the incurrence of additional debt and restrictions on the purchase or sale of major assets of the Company’s business. The Company is also subject to a financial covenant that requires it to maintain compliance with a specific debt service coverage ratio greater than or equal to 1.25:1.0 when measured at October 31, 2023 and annually thereafter. The Company was in compliance as of October 31, 2022.

In February 2023, the Lender declared an annual cash patronage dividend of 1.25% of average eligible loan balances and the Company received $1,413,000 in the second quarter of fiscal year 2023. In December 2021, the Lender declared an annual cash patronage dividend of 1.25% of average eligible loan balances and the Company received $1,582,000 in February 2022.

Interest is capitalized on non-bearing orchards, real estate development projects and significant construction in progress. The Company capitalized interest of zero during the three months ended April 30, 2023 and 2022, and $306,000 and zero during the six months ended April 30, 2023 and 2022, respectively. Capitalized interest is included in property, plant and equipment and real estate development assets in the Company’s consolidated balance sheets.

11. Other Long-Term Liabilities

Other long-term liabilities consist of the following (in thousands):

	April 30, 2023	October 31, 2022
Minimum pension liability	$ —	$ 2,272
Loan guarantee	1,080	1,080
Leases	4,318	5,062
Other	1,272	1,393
	$ 6,670	$ 9,807

12. Leases

Lessor Arrangements

The Company enters into leasing transactions in which it rents certain of its assets and the Company is the lessor. These lease contracts are typically classified as operating leases with remaining terms ranging from one month to 20 years, with various renewal terms available. All of the residential rentals have month-to-month lease terms.

The Company’s rental operations revenue consists of the following (in thousands):

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	2022	2023	2022
Operating lease revenue	$ 1,274	$ 1,295	$ 2,564	$ 2,413
Variable lease revenue	120	86	203	159
Total lease revenue	$ 1,394	$ 1,381	$ 2,767	$ 2,572

Lessee Arrangements

The Company enters into leasing transactions in which the Company is the lessee. These lease contracts are classified as either operating or finance leases. The Company’s lease contracts are generally for agricultural land and packinghouse facilities and equipment with remaining lease terms ranging from one to 15 years, with various term extensions available. The Company’s lease agreements do not contain any residual value guarantees or material restrictive covenants. Leases with an initial term of 12 months or less are not recorded on the balance sheet and the Company recognizes lease expense for these leases on a straight-line basis over the lease term. All lease costs are primarily included in agribusiness costs and expenses in the Company's consolidated statements of operations.

Operating lease costs were $491,000 and $135,000 for the three months ended April 30, 2023 and 2022, respectively, and $982,000 and $258,000 for the six months ended April 30, 2023 and 2022, respectively. Finance lease costs were immaterial and $98,000 for the three months ended April 30, 2023 and 2022, respectively and immaterial and $156,000 for the six months ended April 30, 2023 and 2022, respectively. Variable lease costs were immaterial for the three and six months ended April 30, 2023 and 2022. Short term lease costs were $175,000 and immaterial for the three months ended April 30, 2023 and 2022, respectively, and $338,000 and immaterial for the six months ended April 30, 2023 and 2022, respectively.

Supplemental balance sheet information related to leases consists of the following (in thousands):

	Classification	April 30, 2023	October 31, 2022
Assets			
Operating lease ROU assets	Other assets	$ 5,522	$ 6,190
Finance lease assets	Other assets	1,025	1,091
		$ 6,547	$ 7,281
Liabilities and Stockholders' Equity			
Current operating lease liabilities	Accrued liabilities and payables to related parties	$ 1,820	$ 1,892
Current finance lease liabilities	Accrued liabilities	268	268
Non-current operating lease liabilities	Other long-term liabilities	3,722	4,347
Non-current finance lease liabilities	Other long-term liabilities	596	715
		$ 6,406	$ 7,222

12. Leases (continued)

Supplemental cash flow information related to leases consists of the following (in thousands):

	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash outflows from operating leases	$ 961	$ 315
Operating cash outflows from finance leases	$ 16	$ 30
Financing cash outflows from finance leases	$ 118	$ 169
ROU assets obtained in exchange for new operating lease liabilities	$ 114	$ 350

13. Basic and Diluted Net (Loss) Income Per Share

Basic net (loss) income per common share is calculated using the weighted-average number of common shares outstanding during the period without consideration of the dilutive effect of conversion of preferred stock. Diluted net (loss) income per common share is calculated using the weighted-average number of common shares outstanding during the period plus the dilutive effect of unvested, restricted stock and conversion of preferred stock. The computations for basic and diluted net (loss) income per common share are as follows (in thousands, except per share amounts):

	Three Months Ended April 30, 2023	Three Months Ended April 30, 2022	Six Months Ended April 30, 2023	Six Months Ended April 30, 2022
Basic net (loss) income per common share:				
Net (loss) income applicable to common stock	$ (1,739)	$ 1,435	$ 13,767	$ (5,208)
Effect of unvested, restricted stock	(23)	(15)	(188)	(29)
Numerator: Net (loss) income for basic EPS	(1,762)	1,420	13,579	(5,237)
Denominator: Weighted average common shares-basic	17,597	17,511	17,587	17,461
Basic net (loss) income per common share	$ (0.10)	$ 0.08	$ 0.77	$ (0.30)
Diluted net (loss) income per common share:				
Net (loss) income for basic EPS	$ (1,762)	$ 1,420	$ 13,579	$ (5,237)
Effect of dilutive preferred stock	—	—	251	—
Numerator: Net (loss) income for diluted EPS	(1,762)	1,420	13,830	(5,237)
Weighted average common shares–basic	17,597	17,511	17,587	17,461
Effect of dilutive preferred stock	—	—	741	—
Denominator: Weighted average common shares–diluted	17,597	17,511	18,328	17,461
Diluted net (loss) income per common share	$ (0.10)	$ 0.08	$ 0.75	$ (0.30)

Diluted net (loss) income per common share is computed using the more dilutive method of either the two-class method or the treasury stock method. Unvested stock-based compensation awards that contain non-forfeitable rights to dividends as participating shares are included in computing earnings per share. The Company’s unvested, restricted stock awards qualify as participating shares. Diluted net (loss) income per common share was calculated under the two-class method for the three and six months ended April 30, 2023 and 2022.

14. Related Party Transactions

The Company has transactions with equity method investments and various related parties summarized in Note 6 - Equity in Investments and in the tables below (in thousands):

		April 30, 2023				October 31, 2022			
		Balance Sheet				Balance Sheet			
Ref	Related Party	Receivable/Other from Related Parties	Other Assets	Payables to Related Parties	Other Long-Term Liabilities	Receivable/Other from Related Parties	Other Assets	Payables to Related Parties	Other Long-Term Liabilities
2	Mutual water companies	$ —	$ 501	$ 763	$ —	$ —	$ 506	$ 133	$ —
5	Cadiz / Fenner / WAM	$ —	$ 1,247	$ 347	$ 1,247	$ —	$ 1,288	$ 446	$ 1,198
8	FGF	$ 2,738	$ 2,652	$ 837	$ —	$ 2,965	$ 2,652	$ 837	$ —
9	LLCB	$ 66	$ —	$ 3,444	$ —	$ 66	$ —	$ 3,444	$ —

		Three Months Ended April 30, 2023				Three Months Ended April 30, 2022			
		Consolidated Statement of Operations				Consolidated Statement of Operations			
Ref	Related Party	Net Revenue Agribusiness	Net Revenue Other Operations	Agribusiness Expense and Other	Dividends Paid	Net Revenue Agribusiness	Net Revenue Other Operations	Agribusiness Expense and Other	Dividends Paid
1	Employees	$ —	$ 221	$ —	$ —	$ —	$ 219	$ —	$ —
2	Mutual water companies	$ —	$ —	$ 406	$ —	$ —	$ —	$ 355	$ —
3	Cooperative association	$ —	$ —	$ 473	$ —	$ —	$ —	$ 419	$ —
5	Cadiz / Fenner / WAM	$ —	$ —	$ 417	$ —	$ —	$ —	$ 472	$ —
7	YMIDD	$ 135	$ —	$ 62	$ —	$ —	$ —	$ 62	$ —
8	FGF	$ 33	$ 50	$ —	$ —	$ 83	$ 171	$ —	$ —
11	Third-party growers	$ —	$ —	$ —	$ —	$ 104	$ —	$ —	$ —
12	Principal owner	$ —	$ —	$ —	$ 222	$ —	$ —	$ —	$ —

		Six Months Ended April 30, 2023				Six Months Ended April 30, 2022			
		Consolidated Statement of Operations				Consolidated Statement of Operations			
Ref	Related Party	Net Revenue Agribusiness	Net Revenue Other Operations	Agribusiness Expense and Other	Dividends Paid	Net Revenue Agribusiness	Net Revenue Other Operations	Agribusiness Expense and Other	Dividends Paid
1	Employees	$ —	$ 444	$ —	$ —	$ —	$ 430	$ —	$ —
2	Mutual water companies	$ —	$ —	$ 778	$ —	$ —	$ —	$ 494	$ —
3	Cooperative association	$ —	$ —	$ 866	$ —	$ —	$ —	$ 784	$ —
4	Calavo	$ —	$ —	$ —	$ —	$ —	$ 80	$ 2	$ 126
5	Cadiz / Fenner / WAM	$ —	$ —	$ 1,555	$ —	$ —	$ —	$ 1,189	$ —
7	YMIDD	$ 270	$ —	$ 72	$ —	$ —	$ —	$ 76	$ —
8	FGF	$ 116	$ 124	$ —	$ —	$ 165	$ 171	$ —	$ —
11	Third-party growers	$ —	$ —	$ —	$ —	$ 104	$ —	$ 12	$ —
12	Principal owner	$ —	$ —	$ —	$ 431	$ —	$ —	$ —	$ —

(1) Employees - The Company rents certain of its residential housing assets to employees on a month-to-month basis and recorded rental income from employees. There were no material rental payments due from employees at April 30, 2023 or October 31, 2022.

(2) Mutual water companies - The Company has representation on the boards of directors of the mutual water companies in which the Company has investments, as well as other water districts. Refer to Note 8 - Other Assets. The Company recorded capital contributions, purchased water and water delivery services and had water payments due to the mutual water companies and districts.

(3) Cooperative association - The Company has representation on the board of directors of a non-profit cooperative association that provides pest control services for the agricultural industry. The Company purchased services and supplies from and had immaterial payments due to the cooperative association.

14. Related Party Transactions (continued)

(4) Calavo - Through January 2022, the Company had representation on the board of directors of Calavo. Calavo owned common stock of the Company and the Company paid dividends on such common stock to Calavo. Additionally, the Company leases office space to Calavo. As of February 2022, Calavo is no longer a related party.

(5) Cadiz / Fenner / WAM - A member of the Company’s board of directors serves as the CEO, President and a member of the board of directors of Cadiz, Inc. In 2013, the Company entered a long-term lease agreement (the “Lease”) with Cadiz Real Estate, LLC (“Cadiz”), a wholly owned subsidiary of Cadiz, Inc., and leased 670 acres located in eastern San Bernardino County, California. In 2016, Cadiz assigned this lease to Fenner Valley Farms, LLC (“Fenner”), a subsidiary of Water Asset Management, LLC (“WAM”). As of the date of this lease assignment, the Company no longer has any related party transactions with Cadiz. An affiliate of WAM is the holder of 9,300 shares of the Company's Series B-2 convertible preferred stock. The annual base rent is equal to the sum of $200 per planted acre and 20% of gross revenues from the sale of harvested lemons (less operating expenses), not to exceed $1,200 per acre per year. Upon the adoption of ASC 842, the Company recorded a right-of-use, or ROU, asset and corresponding lease liability.

(7) Yuma Mesa Irrigation and Drainage District (“YMIDD”) - The Company has representation on the board of directors of YMIDD. The Company purchased water from YMIDD and had no amounts payable to them for such purchases. Additionally, the Company received fallowing revenue from YMIDD.

(8) FGF - The Company advances funds to FGF for fruit purchases, which are recorded as an asset until the sales occur and the remaining proceeds become due to FGF. The Company has a receivable from FGF for lemon sales and the sale of packing supplies and a payable due to FGF for fruit purchases and services. The Company records revenue related to the licensing of intangible assets to FGF. The Company leases the Santa Clara ranch to FGF and records rental revenue related to the leased land.

(9) LLCB - Refer to Note 5 - Real Estate Development.

(11) Third-party growers - A former member of the Company's board of directors marketed lemons through the Company. The former board member resigned effective June 14, 2022 and is no longer a related-party.

(12) Principal owner - The Company has one principal owner with ownership shares over 10% and paid dividends to such owner.

15. Income Taxes

The effective tax rate for the six months ended April 30, 2023 was higher than the federal statutory tax rate of 21% mainly due to foreign jurisdictions that are taxed at different rates, state taxes, tax impact of executive compensation, and nondeductible tax items. The Company has no material uncertain tax positions as of April 30, 2023. The Company recognizes interest expense and penalties related to income tax matters as a component of income tax expense. There was no accrued interest or penalties associated with uncertain tax positions as of April 30, 2023.

16. Retirement Plans

The Limoneira Company Retirement Plan (the “Plan”) is a noncontributory, defined benefit, single employer pension plan, which provides retirement benefits for all eligible employees. Benefits paid by the Plan are calculated based on years of service, highest five-year average earnings, primary Social Security benefit and retirement age. Effective June 2004, the Company froze the Plan and no additional benefits accrued to participants subsequent to that date. The Plan is administered by Principal Bank and Mercer Human Resource Consulting. In fiscal year 2021, the Company terminated the Plan effective December 31, 2021.

During the three months ended January 31, 2023, the Company made funding contributions of $2,550,000 to fully fund and settle the plan obligations. Lump sum payments were made to a portion of the active and vested terminated participants and annuities were purchased for all remaining participants from an insurance company. There are no remaining benefit obligations or plan assets and the remaining accumulated other comprehensive loss was fully recognized.

The Plan was funded consistent with the funding requirements of federal law and regulations. There were no funding contributions during the six months ended April 30, 2022. Plan assets were invested in a group trust consisting primarily of pooled funds, mutual funds, cash and cash equivalents.

16. Retirement Plans (continued)

The components of net periodic pension cost for the Plan for the three and six months ended April 30, 2023 and 2022 were as follows (in thousands):

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	2022	2023	2022
Administrative expenses	$ —	$ 179	$ 20	$ 359
Interest cost	—	130	34	260
Expected return on plan assets	—	(128)	(17)	(255)
Prior service cost	—	11	4	22
Recognized actuarial loss	—	100	—	199
Settlement loss recognized	—	—	2,700	—
Net periodic benefit cost	$ —	$ 292	$ 2,741	$ 585

17. Commitments and Contingencies

The Company is from time to time involved in various lawsuits and legal proceedings that arise in the ordinary course of business. At this time, the Company is not aware of any pending or threatened litigation against it that it expects will have a material adverse effect on its business, financial condition, liquidity, or operating results. Legal claims are inherently uncertain, however, and it is possible that the Company's business, financial condition, liquidity and/or operating results could be adversely affected in the future by legal proceedings.

The Company was party to a lawsuit, initiated on March 27, 2018, against Southern California Edison in Superior Court of the State of California, County of Los Angeles whereby the Company claimed unspecified damages, attorneys' fees and other costs, as a result of the Thomas Fire in fiscal year 2018.

On April 18, 2023, the Company entered into a Confidential Settlement Agreement and Release (the "Settlement Agreement") with Southern California Edison Company and Edison International to formally resolve any and all claims related to the fire. Under the terms of the Settlement Agreement, the Company was awarded a total settlement of $9,000,000. On May 19, 2023, the Company received $6,109,000, net of legal and related costs, of which $3,840,000 is recorded in agribusiness revenues and $2,269,000 is recorded in gain on legal settlement as of April 30, 2023.

18. Stock-based Compensation

The Company has a stock-based compensation plan (the "Stock Plan") that allows for the grant of restricted stock of the Company to members of management, key executives and non-employee directors. The fair value of such awards is based on the fair value of the Company's common stock on the date of grant and all are classified as equity awards.

Performance Awards

Certain restricted stock grants are made to management each December under the Stock Plan based on the achievement of certain annual financial performance and other criteria achieved during the previous fiscal year ("Performance Awards"). The Performance Awards are based on a percentage of the employee's base salary divided by the stock price on the grant date once the performance criteria have been met, and generally vest over a two-year period as service is provided. During December 2022, 79,972 shares of restricted stock with a per share price of $13.19 were granted to management under the Stock Plan for fiscal year 2022 performance, resulting in total compensation expense of approximately $1,055,000, with $365,000 recognized in the fiscal year ended October 31, 2022, and the balance will be recognized over the next two years as the shares vest.

Executive Awards

Certain restricted stock grants are made to key executives under the Stock Plan ("Executive Awards"). Executive Awards generally vest over a three-year period as service is provided. During December 2022, the Company granted 55,000 shares of restricted stock with a per share price of $13.19 to key executives under the Stock Plan. The related compensation expense of approximately $725,000 will be recognized equally over the next three years as the shares vest.

18. Stock-based Compensation (continued)

In fiscal year 2022, the Company entered into Retention Bonus Agreements with key executives (collectively, the “Retention Bonus Agreements”) whereby the executives will be eligible to receive cash and restricted stock grants. During December 2022, the Company granted 11,317 shares of restricted stock with a per share price of $13.19 to key executives related to the Retention Bonus Agreements. The related compensation expense of approximately $149,000 had $122,000 recognized in the fiscal year ended October 31, 2022, and the balance will be recognized over the next year as the shares vest. During March 2023, the Company granted 127,064 shares of restricted stock with a per share price of $15.74 to key executives related to the Retention Bonus Agreements. The related compensation expense of approximately $2,000,000 will be recognized over the next year as the shares vest.

Director Awards

The Company issues shares of restricted stock to non-employee directors under the Stock Plan on an annual basis that generally vest over a one-year period (“Director Awards”). During March 2023, 22,836 shares of restricted stock were granted with a per share price of $16.26 as Director Awards, which vest over a one-year period from date of grant. The related compensation expense of approximately $371,000 will be recognized equally over the next year as the shares vest.

Exchange of Common Stock

During the six months ended April 30, 2023 and 2022, members of management exchanged 1,594 and 68,080 shares of common stock with fair values totaling $26,000 and $1,086,000, respectively, at the dates of the exchanges, for the payment of payroll taxes associated with the vesting of shares under the Stock Plan.

19. Segment Information

The Company operates in four reportable operating segments: fresh lemons, lemon packing, avocados and other agribusiness. The reportable operating segments of the Company are strategic business units with different products and services, distribution processes and customer bases. The fresh lemons segment includes sales, farming and harvest costs and third-party grower and supplier costs relative to fresh lemons. The lemon packing segment includes packing revenues and shipping and handling revenues relative to lemon packing. The lemon packing segment expenses are comprised of lemon packing costs. The lemon packing segment revenues include intersegment revenues between fresh lemons and lemon packing. The intersegment revenues are included gross in the segment note and a separate line item is shown as an elimination. The avocados segment includes sales, farming and harvest costs. The other agribusiness segment includes sales, farm management, farming and harvest costs and brokered fruit costs of oranges, specialty citrus and other crops.

Revenues related to rental operations are included in “Corporate and Other.” Other agribusiness revenues consisted of oranges of $1,383,000 and $2,535,000 and specialty citrus and other of $2,420,000 and $3,667,000 for the three and six months ended April 30, 2023. Other agribusiness revenues consisted of oranges of $2,617,000 and $3,490,000 and specialty citrus and other of $1,441,000 and $2,317,000 for the three and six months ended April 30, 2022.

The Company does not separately allocate depreciation and amortization to its fresh lemons, lemon packing, avocados and other agribusiness segments. No asset information is provided for reportable operating segments, as these specified amounts are not included in the measure of segment profit or loss reviewed by the Company’s chief operating decision maker. The Company measures operating performance, including revenues and operating income, of its operating segments and allocates resources based on its evaluation. The Company does not allocate selling, general and administrative expense, gain on disposal of assets, gain on legal settlement, total other income (expense) and income taxes, or specifically identify them to its operating segments. The lemon packing segment earns packing revenue for packing lemons grown on its orchards and lemons procured from third-party growers. Intersegment revenues represent packing revenues related to lemons grown on the Company’s orchards.

19. Segment Information (continued)

Segment information for the three months ended April 30, 2023 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 32,847	$ 6,423	$ —	$ 3,603	$ 3,803	$ 46,676	$ 1,394	$ 48,070
Intersegment revenue	—	10,309	(10,309)	—	—	—	—	—
Total net revenues	32,847	16,732	(10,309)	3,603	3,803	46,676	1,394	48,070
Costs and expenses	29,977	12,075	(10,309)	1,023	3,683	36,449	13,439	49,888
Depreciation and amortization	—	—	—	—	—	1,740	304	2,044
Operating income (loss)	$ 2,870	$ 4,657	$ —	$ 2,580	$ 120	$ 8,487	$ (12,349)	$ (3,862)

Segment information for the three months ended April 30, 2022 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 30,992	$ 6,743	$ —	$ 3,576	$ 4,058	$ 45,369	$ 1,381	$ 46,750
Intersegment revenue	—	9,373	(9,373)	—	—	—	—	—
Total net revenues	30,992	16,116	(9,373)	3,576	4,058	45,369	1,381	46,750
Costs and expenses	27,222	11,662	(9,373)	2,073	3,828	35,412	6,269	41,681
Depreciation and amortization	—	—	—	—	—	2,187	296	2,483
Operating income (loss)	$ 3,770	$ 4,454	$ —	$ 1,503	$ 230	$ 7,770	$ (5,184)	$ 2,586

Segment information for the six months ended April 30, 2023 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 61,328	$ 12,071	$ —	$ 3,603	$ 6,202	$ 83,204	$ 2,767	$ 85,971
Intersegment revenue	—	17,672	(17,672)	—	—	—	—	—
Total net revenues	61,328	29,743	(17,672)	3,603	6,202	83,204	2,767	85,971
Costs and expenses (gains)	63,277	23,428	(17,672)	1,023	5,499	75,555	(16,097)	59,458
Depreciation and amortization	—	—	—	—	—	3,875	616	4,491
Operating income (loss)	$ (1,949)	$ 6,315	$ —	$ 2,580	$ 703	$ 3,774	$ 18,248	$ 22,022

Segment information for the six months ended April 30, 2022 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 60,592	$ 12,711	$ —	$ 4,342	$ 5,807	$ 83,452	$ 2,572	$ 86,024
Intersegment revenue	—	15,962	(15,962)	—	—	—	—	—
Total net revenues	60,592	28,673	(15,962)	4,342	5,807	83,452	2,572	86,024
Costs and expenses	59,383	22,218	(15,962)	2,394	6,438	74,471	13,562	88,033
Depreciation and amortization	—	—	—	—	—	4,372	591	4,963
Operating income (loss)	$ 1,209	$ 6,455	$ —	$ 1,948	$ (631)	$ 4,609	$ (11,581)	$ (6,972)

20. Subsequent Events

The Company evaluated events subsequent to April 30, 2023 through the date of this filing, to assess the need for potential recognition or disclosure in this Quarterly Report on Form 10-Q. Based upon this evaluation, except as described in the notes to the interim consolidated financial statements, it was determined that no other subsequent events occurred that require recognition or disclosure in the unaudited consolidated financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Limoneira Company, a Delaware corporation, is the successor to several businesses with operations in California since 1893. We are primarily an agribusiness company founded and based in Santa Paula, California, committed to responsibly using and managing our approximately 11,100 acres of land, water resources and other assets to maximize long-term stockholder value. Our current operations consist of fruit production, sales and marketing, rental operations, real estate and capital investment activities.

We are one of California's oldest citrus growers. According to Sunkist Growers, Inc. ("Sunkist"), we are one of the largest growers of lemons in the United States and, according to the California Avocado Commission, one of the largest growers of avocados in the United States. In addition to growing lemons and avocados, we grow oranges and other crops. We have agricultural plantings throughout Ventura, San Luis Obispo and San Bernardino Counties in California, Yuma County in Arizona, La Serena, Chile and Jujuy, Argentina, which collectively consist of approximately 3,900 acres of lemons, 1,000 acres of avocados, 100 acres of oranges and 300 acres of other crops. We also operate our own packinghouses in Santa Paula, California and Yuma, Arizona, where we process, pack and sell lemons that we grow, as well as lemons grown by others. We have a 47% interest in Rosales S.A. ("Rosales"), a citrus packing, marketing and sales business, a 90% interest in Fruticola Pan de Azucar S.A. ("PDA"), a lemon and orange orchard and a 100% interest in Agricola San Pablo, SpA ("San Pablo"), a lemon and orange orchard, all of which are located near La Serena, Chile. We have a 51% interest in a joint venture, Trapani Fresh Consorcio de Cooperacion ("Trapani Fresh"), a lemon orchard in Argentina.

Our water resources include water rights, usage rights and pumping rights to the water in aquifers under, and canals that run through, the land we own. Water for our farming operations is sourced from the existing water resources associated with our land, which includes rights to water in the adjudicated Santa Paula Basin (aquifer) and the un-adjudicated Fillmore and Paso Robles Basins (aquifers). We also used ground water from the Cadiz Valley Basin in California's San Bernardino County and surface water in Arizona from the Colorado River through the Yuma Mesa Irrigation and Drainage District ("YMIDD"). We use ground water provided by wells and surface water for our PDA and San Pablo farming operations in Chile and our Trapani Fresh farming operations in Argentina.

For more than 100 years, we have been making strategic investments in California agriculture and real estate. We currently have an interest in three real estate development projects in California. These projects include multi-family housing and single-family homes of approximately 900 units in various stages of planning and development.

Business Division Summary

We have three business divisions: agribusiness, rental operations and real estate development. The agribusiness division is comprised of four reportable operating segments: fresh lemons, lemon packing, avocados and other agribusiness, which includes oranges, specialty citrus, other crops and farm management services. The agribusiness division includes our core operations of farming, harvesting, lemon packing and lemon sales operations. The rental operations division includes our residential and commercial rentals, leased land operations and organic recycling. The real estate development division includes our investments in real estate development projects. Financial information and discussion of our four reportable segments are contained in the notes to the accompanying consolidated financial statements of this Quarterly Report on Form 10-Q.

Agribusiness Summary

We market and sell citrus directly to our food service, wholesale and retail customers throughout the United States, Canada, Asia, Australia, Europe and certain other international markets. We sell the majority of our avocados and oranges, and sold the majority of our specialty citrus, to third-party packinghouses. Additionally, we sold our pistachios to a roaster, packager and marketer of nuts, and sell our wine grapes to various wine producers.

Historically, our agribusiness division has been seasonal in nature with quarterly revenue fluctuating depending on the timing and variety of crops being harvested. Cultural costs in our agribusiness division tend to be higher in the first and second quarters and lower in the third and fourth quarters because of the timing of expensing cultural costs in the current year that were inventoried in the prior year. Our harvest costs generally increase in the second quarter and peak in the third quarter, coinciding with the increasing production and revenue.

Fluctuations in price are a function of global supply and demand with weather conditions, such as unusually low temperatures, typically having the most dramatic effect on the amount of lemons supplied in any individual growing season. We believe we have a competitive advantage by maintaining our own lemon packing operations, even though a significant portion of the costs related to these operations are fixed. As a result, cost per carton is a function of fruit throughput. While we regularly monitor our costs for redundancies and opportunities for cost reductions, we also supplement the number of lemons we pack in our packinghouse with additional lemons procured from other growers. Because the fresh utilization rate for our lemons, or percentage of lemons we harvest and pack that are sold to the fresh market, is directly related to the quality of lemons we pack and, consequently, the price we receive per 40-pound box, we only pack lemons from other growers if we determine their lemons are of good quality.

Our avocado producing business is important to us, yet it faces constraints on growth. We are currently assessing all of our farmland in Ventura County for opportunities to expand our plantings of avocados. While avocado production is cyclical as avocados typically bear fruit on a bi-annual basis, the profitability and cash flow realized from our avocados helps to diversify our fruit production base.

In addition to growing lemons and avocados, we grow oranges and other crops typically utilizing land not suitable for growing high quality lemons. We regularly monitor the demand for the fruit we grow in the current marketplace to identify trends.

Rental Operations Summary

Our rental operations include our residential and commercial rentals, leased land operations and organic recycling. Our residential rental units generate reliable cash flows that we use to partially fund the operating costs of our business and provide affordable housing to many of our employees, including our agribusiness employees. This unique employment benefit helps us maintain a dependable, long-term employee base. In addition, our leased land business provides us with a typically profitable diversification. Revenue from rental operations is generally level throughout the year.

Real Estate Development Summary

We invest in real estate investment projects and recognize that long-term strategies are required for successful real estate development activities. Our goal is to redeploy real estate earnings and cash flow into the expansion of our agribusiness and other income producing real estate. For real estate development projects and joint ventures, it is not unusual for the timing and amounts of revenues and costs, partner contributions and distributions, project loans, other financing assumptions and project cash flows to be impacted by government approvals, project revenue and cost estimates and assumptions, economic conditions, financing sources and product demand as well as other factors. Such factors could affect our results of operations, cash flows and liquidity.

Water and Mineral Rights

Our water resources include water rights, usage rights and pumping rights to the water in aquifers under, and canals that run through, the land we own. We believe we have adequate supplies of water for our agribusiness segments as well as our rental and real estate development activities. Water for our farming operations located in Ventura County, California is sourced from the existing water resources associated with our land, which includes approximately 8,600 acre-feet of adjudicated water rights in the Santa Paula Basin (aquifer) and the un-adjudicated Fillmore Basin (aquifer). We used ground water provided by wells that derive water from the Cadiz Valley Basin at the Cadiz Ranch in San Bernardino County, California. Our Windfall Farms property located in San Luis Obispo County, California obtains water from wells that derive water from the Paso Robles Basin (aquifer). Our Associated farming operations in Yuma, Arizona source water from the Colorado River through the YMIDD, where we have access to approximately 11,700 acre feet of Class 3 Colorado River water rights. We use ground water provided by wells and surface water for our PDA and San Pablo farming operations in La Serena, Chile and our Trapani Fresh farming operations in Argentina.

California experienced above average precipitation during the first eight months of the 2022 - 2023 rainfall season after experiencing the three driest years on record. The above average precipitation this season helped to alleviate the drought conditions in California. Currently, the state is free from severe drought conditions and Ventura County was free from any drought conditions as of May 31, 2023. We continue to assess the impact drought conditions may have on our California orchards.

In August 2021, the U.S. Bureau of Reclamation (the “Bureau”) declared a Level 1 Shortage Condition at Lake Mead in the Lower Colorado River Basin for the first time ever, requiring shortage reductions and water savings contributions for states in the southwest. In August 2022, the Bureau announced Lake Mead to operate in a Tier 2 shortage, which further increased water restrictions. As a result, in January 2023, Arizona forfeited approximately 21% of the state's yearly allotment of water from Lake Mead. The Federal Government responded in April 2023 by proposing options for managing the Colorado River water shortage and a final decision is anticipated later this year. In response to these water shortages, we entered into a fallowing agreement in fiscal year 2022 and continue to assess the impact these reductions may have on our Arizona orchards.

Recent Developments

On October 10, 2022, we entered into a Purchase and Sale Agreement, as amended (the “Agreement”), with PGIM Real Estate Finance, LLC (“PGIM”) to sell 3,537 acres of land and citrus orchards in Tulare County, California (the “Northern Properties”) for an adjusted purchase price of approximately $100.0 million. The agreement became effective on On January 25, 2023, when the Board of Directors approved the Agreement, binding us to sell the Northern Properties and the transaction closed on January 31, 2023. We received net cash proceeds of approximately $98.4 million and recorded a gain of approximately $40.0 million. The proceeds were used primarily to pay down debt.

On January 31, 2023, we entered into a Farm Management Agreement (the “FMA”) with an affiliate of PGIM to provide farming, management and operations services related to the Northern Properties. The FMA has an initial term expiring March 31, 2024, and thereafter continuing from year to year unless earlier terminated under the terms of the FMA. Further, on January 31, 2023, we entered into a Grower Packing and Marketing Agreement to provide packing, marketing and selling services for lemons harvested on the Northern Properties for a minimum five-year term, subject to certain benchmarking standards.

During the three months ended January 31, 2023, the Company made funding contributions of $2.6 million to fully fund and settle the plan obligations of the Limoneira Company Retirement Plan. Lump sum payments were made to a portion of the active and vested terminated participants and annuities were purchased for all remaining participants from an insurance company. There are no remaining benefit obligations or plan assets and the remaining accumulated other comprehensive loss was fully recognized.

On November 30, 2022, we sold our Sevilla property, received net proceeds of $2.6 million and recorded an immaterial loss in the first quarter of fiscal year 2023.

On March 21, 2023, we declared a cash dividend of $0.075 per common share paid on April 14, 2023, in the aggregate amount of $1.3 million to stockholders of record as of April 4, 2023.

On April 18, 2023, we entered into a Confidential Settlement Agreement and Release (the “Settlement Agreement”) with Southern California Edison and Edison International to formally resolve any and all claims related to the Thomas Fire in fiscal year 2018. Under the terms of the Settlement Agreement, the Company was awarded a total settlement of $9.0 million. On May 19, 2023, the Company received approximately $6.1 million, net of legal and related costs.

In April 2023, we determined that citrus farming operations were economically unviable on 670 acres of leased agricultural land at the Cadiz Ranch. As a result, we ceased farming operations, disposed of the related property, plant and equipment and recorded a loss on disposal of assets of $9,012,000 as of April 30, 2023.

COVID-19 Pandemic

The COVID-19 pandemic has had an adverse impact on the industries and markets in which we conduct business. In particular, the United States lemon market saw a significant decline in volume, with lemon demand falling since widespread shelter in place orders were issued in March 2020, resulting in a significant market oversupply. The export market for fresh produce also significantly declined due to the COVID-19 pandemic impacts. As of April 30, 2023, the demand within both markets is recovering but has not yet returned to pre-pandemic levels.

The decline in demand for the Company's products beginning the second quarter of fiscal year 2020, has negatively impacted our sales and profitability for the last four fiscal years. The COVID-19 pandemic may continue to impact our sales and profitability in future periods. The duration of these trends and the magnitude of such impacts are uncertain and therefore cannot be estimated at this time, as they are influenced by a number of factors, many of which are outside management’s control, including, but not limited, to those presented in Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended October 31, 2022. Notwithstanding the adverse impacts and subject to unforeseen changes that may arise as the COVID-19 pandemic continues, we currently expect improvement in fiscal year 2023 compared to fiscal year 2022.

Given the economic uncertainty as a result of the COVID-19 pandemic over the past four fiscal years, we have taken actions to improve our current liquidity position, including strategically selling certain assets, temporarily postponing capital expenditures and substantially reducing discretionary spending.

There is continued uncertainty around the breadth and duration of our business disruptions related to the COVID-19 pandemic, as well as its impact on the U.S. economy and the ongoing business operations of our customers. The ongoing impact of the COVID-19 pandemic on our results of operations, financial condition, or liquidity for fiscal year 2023 and beyond cannot be estimated at this time. The following discussions are subject to the future effects of the COVID-19 pandemic on our ongoing business operations.

Results of Operations

The following table shows the results of operations (in thousands):

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	**2022**	**2023**	**2022**
Net revenues:				
Agribusiness	$ 46,676	$ 45,369	$ 83,204	$ 83,452
Other operations	1,394	1,381	2,767	2,572
Total net revenues	48,070	46,750	85,971	86,024
Costs and expenses:				
Agribusiness	38,189	37,599	79,430	78,843
Other operations	1,009	1,093	2,247	2,167
Loss (gain) on disposal of assets, net	8,998	346	(30,744)	261
Gain on legal settlement	(2,269)	—	(2,269)	—
Selling, general and administrative	6,005	5,126	15,285	11,725
Total costs and expenses	51,932	44,164	63,949	92,996
Operating (loss) income:				
Agribusiness	8,487	7,770	3,774	4,609
Other operations	385	288	520	405
(Loss) gain on disposal of assets, net	(8,998)	(346)	30,744	(261)
Gain on legal settlement	2,269	—	2,269	—
Selling, general and administrative	(6,005)	(5,126)	(15,285)	(11,725)
Operating (loss) income	(3,862)	2,586	22,022	(6,972)
Other income (expense):				
Interest income	62	27	70	48
Interest (expense), net of patronage dividends	996	(696)	(176)	(481)
Equity in earnings of investments, net	62	299	315	350
Other income (expense), net	200	78	(2,412)	93
Total other income (expense)	1,320	(292)	(2,203)	10
(Loss) income before income tax benefit (provision)	(2,542)	2,294	19,819	(6,962)
Income tax benefit (provision)	912	(722)	(5,915)	1,928
Net (loss) income	(1,630)	1,572	13,904	(5,034)
Net loss (income) attributable to noncontrolling interest	17	(11)	114	77
Net (loss) income attributable to Limoneira Company	$ (1,613)	$ 1,561	$ 14,018	$ (4,957)

Non-GAAP Financial Measures

Due to significant depreciable assets associated with the nature of our operations and interest costs associated with our capital structure, management believes that earnings before interest, income taxes, depreciation and amortization ("EBITDA") and adjusted EBITDA, which excludes stock-based compensation, named executive officer cash severance, pension settlement cost, loss (gain) on disposal of assets, net, cash bonus related to the sale of assets and gain on legal settlement are important measures to evaluate our results of operations between periods on a more comparable basis. Adjusted EBITDA in previous periods did not exclude stock-based compensation which has now been excluded as management believes this is a better representation of cash generated by operations and is consistent with peer company reporting. Adjusted EBITDA for prior periods has been restated to conform to the current presentation. Such measurements are not prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and should not be construed as an alternative to reported results determined in accordance with GAAP. The non-GAAP information provided is unique to us and may not be consistent with methodologies used by other companies.

EBITDA and adjusted EBITDA are summarized and reconciled to net (loss) income attributable to Limoneira Company which management considers to be the most directly comparable financial measure calculated and presented in accordance with GAAP, as follows (in thousands):

	Three Months Ended April 30,		Six Months Ended April 30,	
	2023	2022	2023	2022
Net (loss) income attributable to Limoneira Company	$ (1,613)	$ 1,561	$ 14,018	$ (4,957)
Interest income	(62)	(27)	(70)	(48)
Interest expense, (net of patronage dividends)	(996)	696	176	481
Income tax (benefit) provision	(912)	722	5,915	(1,928)
Depreciation and amortization	2,044	2,483	4,491	4,963
EBITDA	$ (1,539)	$ 5,435	$ 24,530	$ (1,489)
Stock-based compensation	965	378	2,029	1,375
Named executive officer cash severance	—	—	—	432
Pension settlement cost	—	—	2,741	—
Loss (gain) on disposal of assets, net	8,998	346	(30,744)	261
Cash bonus related to sale of assets	—	—	2,000	—
Gain on legal settlement	(2,269)	—	(2,269)	—
Adjusted EBITDA	$ 6,155	$ 6,159	$ (1,713)	$ 579

Three Months Ended April 30, 2023 Compared to the Three Months Ended April 30, 2022

Revenues

Total net revenues for the three months ended April 30, 2023 were $48.1 million, compared to $46.8 million for the three months ended April 30, 2022. Agribusiness revenues are similar, as detailed below ($ in thousands):

	Agribusiness Revenues for the Three Months Ended April 30,			
	2023	2022	Change	
Lemons	$ 39,270	$ 37,735	$ 1,535	4%
Avocados	3,603	3,576	27	1%
Oranges	1,383	2,617	(1,234)	(47)%
Specialty citrus and other	2,420	1,441	979	68%
Agribusiness revenues	$ 46,676	$ 45,369	$ 1,307	3%

- Lemons: The increase in the second quarter of fiscal year 2023, compared to the same period of fiscal year 2022, was primarily the result of proceeds awarded from the Settlement Agreement in fiscal year 2023. During the second quarter of fiscal years 2023 and 2022, fresh lemon sales were $26.6 million and $27.3 million, in aggregate, on 1,547,000 and 1,552,000 cartons of lemons sold at average per carton prices of $17.23 and $17.57, respectively. Lemon revenues in the second quarter of fiscal years 2023 and 2022 included shipping and handling of $6.4 million and $6.7 million, brokered fruit and other lemon sales of $3.4 million and $2.7 million, and lemon by-product sales of $1.3 million and $1.1 million, respectively and included settlement proceeds of $1.4 million allocated to lemons in fiscal year 2023.
- Avocados: Revenues in the second quarter of fiscal year 2023 were similar to the same period of fiscal year 2022. During the second quarter of fiscal years 2023 and 2022, 941,000 and 1,877,000 pounds of avocados were sold at an average per pound price of $1.30 and $1.90, respectively. In addition, avocado revenues included settlement proceeds of $2.4 million allocated to avocados in fiscal year 2023.
- Oranges: The decrease in the second quarter of fiscal year 2023, compared to the same period of fiscal year 2022, was primarily the result of decreased volume due to the sale of the Northern Properties. During the second quarter of fiscal years 2023 and 2022, 88,000 and 328,000 cartons of oranges sold at an average per carton price of $15.72 and $7.98, respectively.
- Specialty citrus and other: The increase in the second quarter of fiscal year 2023 was primarily the result of $1.4 million of farm management revenues. There were no farm management revenues in the second quarter of fiscal year 2022.

Other operations revenue in the second quarter of fiscal years 2023 and 2022 were $1.4 million.

Costs and Expenses

Our total costs and expenses in the second quarter of fiscal year 2023 were $51.9 million, compared to $44.2 million in the same period of fiscal year 2022. The 18% increase of $7.8 million was primarily the result of the loss on disposal of Cadiz Ranch assets. Costs and expenses associated with our agribusiness division are detailed below ($ in thousands):

	Agribusiness Costs and Expenses for the Three Months Ended April 30,			
	2023	**2022**	**Change**	
Packing costs	$ 12,833	$ 12,277	$ 556	5%
Harvest costs	6,307	5,566	741	13%
Growing costs	5,949	7,997	(2,048)	(26)%
Third-party grower and supplier costs	11,360	9,572	1,788	19%
Depreciation and amortization	1,740	2,187	(447)	(20)%
Agribusiness costs and expenses	$ 38,189	$ 37,599	$ 590	2%

- Packing costs: Packing costs consist primarily of the costs to pack lemons for sale such as labor and benefits, cardboard cartons, fruit treatments, packing and shipping supplies and facility operating costs. In the second quarter of fiscal years 2023 and 2022, lemon packing costs were $12.1 million and $11.7 million, respectively. During the second quarter of fiscal years 2023 and 2022, we packed and sold 1,547,000 and 1,552,000 cartons of lemons at average per carton costs of $7.81 and $7.51, respectively. Additionally, in the second quarter of fiscal years 2023 and 2022, packing costs included $0.8 million and $0.6 million of shipping costs, respectively.
- Harvest costs: The increase in the second quarter of fiscal year 2023 was primarily the result of increased volume of lemons harvested compared to the same period in fiscal year 2022.
- Growing costs: Growing costs, also referred to as cultural costs, consist of orchard maintenance costs such as cultivation, fertilization and soil amendments, pest control, pruning and irrigation. The decrease in the second quarter of fiscal year 2023 was primarily the result of farm management decisions based on weather, harvest timing, crop conditions and decreased amortization of cultural costs due to the Northern Properties sale.
- Third-party grower and supplier costs: We sell fruit that we grow and fruit that we procure from other growers and suppliers. The cost of procuring fruit from other growers is referred to as third-party grower and supplier costs. The increase in the second quarter of fiscal year 2023 was primarily the result of higher prices partially offset by decreased volume of third-party grower fruit sold, compared to the same period of fiscal year 2022. Of the 1,547,000 and 1,552,000 cartons of lemons packed and sold during the second quarter of fiscal years 2023 and 2022, 765,000 (49%) and 795,000 (51%), respectively, were procured from third-party growers at average per carton prices of $11.46 and $10.13. Additionally, in the second quarter of fiscal years 2023 and 2022, we incurred $2.6 million and $1.5 million, respectively, of costs for purchased, packed fruit for resale.

- Depreciation and amortization: Depreciation and amortization expense for the second quarter of fiscal years 2023 and 2022 was $1.7 million and $2.2 million, respectively.

Other operations expenses were $1.0 million and $1.1 million in the second quarter of fiscal years 2023 and 2022, respectively.

Loss on disposal of assets, net was $9.0 million and $0.3 million in the second quarter of fiscal years 2023 and 2022, respectively. The increase is primarily related to the disposal of Cadiz Ranch assets in fiscal year 2023.

Gain on legal settlement was $2.3 million in the second quarter of fiscal year 2023 due to the Settlement Agreement related to the Thomas fire.

Selling, general and administrative costs and expenses were $6.0 million and $5.1 million in the second quarter of fiscal years 2023 and 2022, respectively. The 17% increase of $0.9 million was primarily the result of:

- $0.5 million net increase in salaries, benefits and incentive compensation;
- $0.3 million increase in selling expenses; and
- $0.1 million net increase in other selling, general and administrative expenses, primarily associated with our strategic initiatives.

Other Income (Expense)

Other income (expense) was $1.3 million and $(0.3) million in the second quarter of fiscal years 2023 and 2022, respectively. The change of $1.6 million in other income was primarily the result of:

- $1.7 million decrease in interest expense as a result of a $1.4 million patronage dividend recorded in the second quarter of fiscal year 2023;
- $0.2 million decrease of equity in earnings of investments; and
- $0.1 million increase of other income, net.

Income Taxes

We recorded an estimated income tax benefit (provision) of $0.9 million and $(0.7) million in the second quarter of fiscal years 2023 and 2022 on pre-tax (loss) income of $(2.5) million and $2.3 million, respectively. The tax benefit recorded for the second quarter of fiscal year 2023 differs from the U.S. federal statutory tax rate of 21.0% due primarily to foreign jurisdictions which are taxed at different rates, state taxes, tax impact of executive compensation, and nondeductible tax items. Our projected annual effective blended tax rate for fiscal year 2023, excluding discrete items, is approximately 30.4%.

Net Loss (Income) Attributable to Noncontrolling Interest

Net loss (income) attributable to noncontrolling interest represents 10% and 49% of PDA and Trapani Fresh, respectively, of the net loss (income) in the second quarter of fiscal years 2023 and 2022, respectively.

Six Months Ended April 30, 2023 Compared to the Six Months Ended April 30, 2022

Revenues

Total net revenues for the six months ended April 30, 2023 and 2022 were $86.0 million. Agribusiness revenues are detailed below ($ in thousands):

	Agribusiness Revenues for the Six Months Ended April 30,			
	2023	2022	Change	
Lemons	$ 73,399	$ 73,303	$ 96	—%
Avocados	3,603	4,342	(739)	(17)%
Oranges	2,535	3,490	(955)	(27)%
Specialty citrus and other	3,667	2,317	1,350	58%
Agribusiness revenues	$ 83,204	$ 83,452	$ (248)	—%

- Lemons: Revenues in the first six months of fiscal year 2023 were similar compared to the same period of fiscal year 2022, primarily due to proceeds awarded from the Settlement Agreement in fiscal year 2023, partially offset by decreased brokered fruit and other lemon sales. During the first six months of fiscal years 2023 and 2022, fresh lemon sales were $51.3 million and $52.0 million, in aggregate, on 2,855,000 and 2,759,000 cartons of lemons sold at average per carton prices of $17.98 and $18.85, respectively. Lemon revenues in the first six months of fiscal years 2023 and 2022 included shipping and handling of $12.1 million and $12.7 million, brokered fruit and other lemon sales of $6.0 million and $6.5 million, and lemon by-product sales of $2.6 million and $2.1 million, respectively and included settlement proceeds of $1.4 million allocated to lemons in fiscal year 2023.
- Avocados: The decrease in the first six months of fiscal year 2023, compared to the same period in fiscal year 2022, was primarily the result of decreased volume and lower prices of avocados sold, partially offset by proceeds awarded from the Settlement Agreement in fiscal year 2023. During the first six months of fiscal years 2023 and 2022, 941,000 and 2,242,000 pounds of avocados were sold at an average per pound price of $1.30 and $1.94, respectively. In addition, avocado revenues included settlement proceeds of $2.4 million allocated to avocados in fiscal year 2023.
- Oranges: The decrease in the first six months of fiscal year 2023, compared to the same period of fiscal year 2022, was primarily the result of decreased volume due to the sale of the Northern Properties. During the first six months of fiscal years 2023 and 2022, 152,000 and 381,000 cartons of oranges were sold at an average per carton price of $16.68 and $9.16, respectively.
- Specialty citrus and other: The increase in the first six months of fiscal year 2023, compared to the same period of fiscal year 2022 was primarily the result of $1.4 million of farm management revenues. There were no farm management revenues in the first six months of fiscal year 2022.

Other operations revenue in the first six months of fiscal years 2023 and 2022 was $2.8 million and $2.6 million, respectively.

Costs and Expenses

Our total costs and expenses in the first six months of fiscal year 2023 were $63.9 million, compared to $93.0 million in the same period of fiscal year 2022. The 31% decrease of $29.0 million was primarily the result of increased gain on disposal of assets, primarily related to the Northern Properties sale partially offset by the disposal of Cadiz Ranch assets. Costs and expenses associated with our agribusiness division are detailed below ($ in thousands):

	Agribusiness Costs and Expenses for the Six Months Ended April 30,			
	2023	2022	Change	
Packing costs	$ 25,172	$ 23,557	$ 1,615	7%
Harvest costs	10,385	10,812	(427)	(4)%
Growing costs	13,620	16,275	(2,655)	(16)%
Third-party grower and supplier costs	26,378	23,827	2,551	11%
Depreciation and amortization	3,875	4,372	(497)	(11)%
Agribusiness costs and expenses	$ 79,430	$ 78,843	$ 587	1%

- Packing costs: Packing costs consist primarily of the costs to pack lemons for sale such as labor and benefits, cardboard cartons, fruit treatments, packing and shipping supplies and facility operating costs. In the first six months of fiscal years 2023 and 2022, lemon packing costs were $23.4 million and $22.2 million, respectively. During the first six months of fiscal years 2023 and 2022, we packed and sold 2,855,000 and 2,759,000 cartons of lemons at average per carton costs of $8.21 and $8.05, respectively. Additionally, in the first six months of fiscal years 2023 and 2022, packing costs included $1.7 million and $1.3 million of shipping costs, respectively.
- Harvest costs: The decrease in the first six months of fiscal year 2023 was primarily the result of decreased volume of avocados, oranges and specialty citrus compared to the same period in fiscal year 2022.
- Growing costs: Growing costs, also referred to as cultural costs, consist of orchard maintenance costs such as cultivation, fertilization and soil amendments, pest control, pruning and irrigation. The decrease in the first six months of fiscal year 2023 was primarily the result of farm management decisions based on weather, harvest timing, crop conditions and decreased amortization of cultural costs due to the Northern Properties sale.

- Third-party grower and supplier costs: We sell fruit that we grow and fruit that we procure from other growers and suppliers. The cost of procuring fruit from other growers is referred to as third-party grower and supplier costs. The increase in the first six months of fiscal year 2023 was primarily the result of increased volume, partially offset by lower prices of third-party grower fruit sold, compared to the same period of fiscal year 2022. Of the 2,855,000 and 2,759,000 cartons of lemons packed and sold during the first six months of fiscal years 2023 and 2022, 1,630,000 (57%) and 1,488,000 (54%), respectively, were procured from third-party growers at average per carton prices of $12.60 and $13.00. Additionally, in the first six months of fiscal years 2023 and 2022, we incurred $5.8 million and $4.5 million, respectively, of costs for purchased, packed fruit for resale.
- Depreciation and amortization: Depreciation and amortization expense for the first six months of fiscal years 2023 and 2022 was $3.9 million and $4.4 million, respectively.

Other operations expenses were $2.2 million in the first six months of fiscal years 2023 and 2022.

(Gain) loss on disposal of assets, net was $(30.7) million and $0.3 million in the first six months of fiscal years 2023 and 2022, respectively. The change is primarily related to the sale of our Northern Properties in fiscal year 2023, partially offset by the disposal of Cadiz Ranch assets.

Gain on legal settlement was $2.3 million in the second quarter of fiscal year 2023 due to the Settlement Agreement related to the Thomas fire.

Selling, general and administrative costs and expenses were $15.3 million and $11.7 million in the first six months of fiscal years 2023 and 2022, respectively. The 30% increase of $3.6 million was primarily the result of:

- $2.6 million net increase in salaries, benefits and incentive compensation;
- $0.4 million increase in selling expenses; and
- $0.6 million net increase in other selling, general and administrative expenses, primarily associated with our strategic initiatives.

Other (Expense) Income

Other (expense) income was $(2.2) million and immaterial in the first six months of fiscal years 2023 and 2022, respectively. The change of $(2.2) million in other expense was primarily the result of:

- $0.3 million decrease of interest expense, and
- $2.5 million increase of other expense, net; primarily as a result of pension settlement costs.

Income Taxes

We recorded an estimated income tax (provision) benefit of $(5.9) million and $1.9 million in the first six months of fiscal years 2023 and 2022 on pre-tax income (loss) of $19.8 million and $(7.0) million, respectively. The tax provision recorded for the first six months of fiscal year 2023 differs from the U.S. federal statutory tax rate of 21.0% due primarily to foreign jurisdictions which are taxed at different rates, state taxes, tax impact of executive compensation, and nondeductible tax items. Our projected annual effective blended tax rate for fiscal year 2023, excluding discrete items, is approximately 30.4%.

Net Loss Attributable to Noncontrolling Interest

Net loss attributable to noncontrolling interest represents 10% and 49% of PDA and Trapani Fresh, respectively, of the net loss in the first six months of fiscal years 2023 and 2022.

Segment Results of Operations

We operate in four reportable operating segments: fresh lemons, lemon packing, avocados and other agribusiness. Our reportable operating segments are strategic business units with different products and services, distribution processes and customer bases. We evaluate the performance of our operating segments separately to monitor the different factors affecting financial results. Each segment is subject to review and evaluations related to current market conditions, market opportunities and available resources. See Note 19 - Segment Information for additional information regarding our operating segments.

Three Months Ended April 30, 2023, Compared to the Three Months Ended April 30, 2022

The following table shows the segment results of operations for the three months ended April 30, 2023 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 32,847	$ 6,423	$ —	$ 3,603	$ 3,803	$ 46,676	$ 1,394	$ 48,070
Intersegment revenue	—	10,309	(10,309)	—	—	—	—	—
Total net revenues	32,847	16,732	(10,309)	3,603	3,803	46,676	1,394	48,070
Costs and expenses	29,977	12,075	(10,309)	1,023	3,683	36,449	13,439	49,888
Depreciation and amortization	—	—	—	—	—	1,740	304	2,044
Operating income (loss)	$ 2,870	$ 4,657	$ —	$ 2,580	$ 120	$ 8,487	$ (12,349)	$ (3,862)

The following table shows the segment results of operations for the three months ended April 30, 2022 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 30,992	$ 6,743	$ —	$ 3,576	$ 4,058	$ 45,369	$ 1,381	$ 46,750
Intersegment revenue	—	9,373	(9,373)	—	—	—	—	—
Total net revenues	30,992	16,116	(9,373)	3,576	4,058	45,369	1,381	46,750
Costs and expenses	27,222	11,662	(9,373)	2,073	3,828	35,412	6,269	41,681
Depreciation and amortization	—	—	—	—	—	2,187	296	2,483
Operating income (loss)	$ 3,770	$ 4,454	$ —	$ 1,503	$ 230	$ 7,770	$ (5,184)	$ 2,586

The following analysis should be read in conjunction with the previous section “Results of Operations.”

Fresh Lemons

Fresh lemons segment revenue is comprised of sales of fresh lemons, lemon by-products, brokered fruit and other lemon revenue. For the second quarter of fiscal years 2023 and 2022, our fresh lemons segment total net revenues were $32.8 million and $31.0 million, respectively. The 6% increase of $1.9 million was primarily the result of proceeds awarded from the Settlement Agreement allocated to fresh lemons in fiscal year 2023.

Costs and expenses associated with our fresh lemons segment include growing costs, harvest costs, cost of lemons we procure from third-party growers and suppliers, transportation costs and packing service charges incurred from the lemon packing segment to pack lemons for sale. For the second quarter of fiscal years 2023 and 2022, our fresh lemons segment costs and expenses were $30.0 million and $27.2 million, respectively. The 10% increase of $2.8 million was primarily the result of:

- Harvest costs for the second quarter of fiscal year 2023 were $1.7 million higher than the same period of fiscal year 2022.
- Growing costs for the second quarter of fiscal year 2023 were $0.1 million higher than the same period of fiscal year 2022.
- Third-party grower and supplier costs for the second quarter of fiscal year 2023 were $0.2 million lower than the same period of fiscal year 2022.
- Transportation costs for the second quarter of fiscal year 2023 were $0.1 million higher than the same period of fiscal year 2022.
- Intersegment costs and expenses for the second quarter of fiscal year 2023 were $0.9 million higher than the same period of fiscal year 2022.

Lemon Packing

Lemon packing segment revenue is comprised of packing revenue, intersegment packing revenue and shipping and handling revenue. For the second quarter of fiscal years 2023 and 2022, our lemon packing segment total net revenues were $16.7 million and $16.1 million, respectively. The 4% increase of $0.6 million was primarily the result of increased intersegment packing revenue.

Costs and expenses associated with our lemon packing segment consist of the cost to pack lemons for sale such as labor and benefits, cardboard cartons, fruit treatments, packing and shipping supplies and facility operating costs. For the second quarter of fiscal years 2023 and 2022, our lemon packing costs and expenses were $12.1 million and $11.7 million, respectively. The 4% increase of $0.4 million was primarily the result of increased labor and benefit costs.

For the second quarter of fiscal years 2023 and 2022, lemon packing segment operating income per carton sold was $3.01 and $2.87, respectively.

In the second quarter of fiscal years 2023 and 2022, the lemon packing segment included $10.3 million and $9.4 million, respectively, of intersegment revenues that were charged to the fresh lemons segment to pack lemons for sale. Such intersegment revenues and expenses are eliminated in our consolidated financial statements.

Avocados

For the second quarter of fiscal years 2023 and 2022, our avocados segment had revenues of $3.6 million.

Costs and expenses associated with our avocados segment include growing and harvest costs. For the second quarter of fiscal years 2023 and 2022, our avocados segment costs and expenses were $1.0 million and $2.1 million, respectively. The decrease of $1.1 million primarily consisted of the following:

- Harvest costs for the first six months of fiscal year 2023 were $0.2 million lower than the same period of fiscal year 2022.
- Growing costs for the first six months of fiscal year 2023 were $0.8 million lower than the same period of fiscal year 2022.

Other Agribusiness

For the second quarter of fiscal years 2023 and 2022, our other agribusiness segment total net revenues were $3.8 million and $4.1 million, respectively. The 6% decrease of $0.3 million was primarily the result of:

- Orange revenues for the second quarter of fiscal year 2023 were $1.2 million lower than the same period of fiscal year 2022.
- Specialty citrus and other revenues for the second quarter of fiscal year 2023 were $1.0 million higher than the same period of fiscal year 2022.

Costs and expenses associated with our other agribusiness segment include growing costs, harvest costs and purchased fruit costs. For the second quarter of fiscal years 2023 and 2022, our other agribusiness costs and expenses were $3.7 million and $3.8 million, respectively. The 4% decrease of $0.1 million was primarily the result of:

- Harvest costs for the second quarter of fiscal year 2023 were $0.8 million lower than the same period of fiscal year 2022.
- Growing costs for the second quarter of fiscal year 2023 were $1.3 million lower than the same period of fiscal year 2022.
- Purchased fruit costs for the second quarter of fiscal year 2023 were $2.0 million higher than the same period of fiscal year 2022.

Total agribusiness depreciation and amortization expenses for the second quarter of fiscal years 2023 and 2022 were $1.7 million and $2.2 million, respectively.

Corporate and Other

Our corporate and other operations had revenues of $1.4 million for the second quarter of fiscal years 2023 and 2022.

Costs and expenses in our corporate and other operations for the second quarter of fiscal years 2023 and 2022 were approximately $13.4 million and $6.3 million, respectively, and include selling, general and administrative costs and expenses, loss on disposal of assets and gain on legal settlement not allocated to the operating segments. Depreciation and amortization expenses for the second quarter of fiscal years 2023 and 2022 were similar at $0.3 million.

Six Months Ended April 30, 2023, Compared to the Six Months Ended April 30, 2022

The following table shows the segment results of operations for the six months ended April 30, 2023 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 61,328	$ 12,071	$ —	$ 3,603	$ 6,202	$ 83,204	$ 2,767	$ 85,971
Intersegment revenue	—	17,672	(17,672)	—	—	—	—	—
Total net revenues	61,328	29,743	(17,672)	3,603	6,202	83,204	2,767	85,971
Costs and expenses (gain)	63,277	23,428	(17,672)	1,023	5,499	75,555	(16,097)	59,458
Depreciation and amortization	—	—	—	—	—	3,875	616	4,491
Operating income (loss)	$ (1,949)	$ 6,315	$ —	$ 2,580	$ 703	$ 3,774	$ 18,248	$ 22,022

The following table shows the segment results of operations for the six months ended April 30, 2022 (in thousands):

	Fresh Lemons	Lemon Packing	Eliminations	Avocados	Other Agribusiness	Total Agribusiness	Corporate and Other	Total
Revenues from external customers	$ 60,592	$ 12,711	$ —	$ 4,342	$ 5,807	$ 83,452	$ 2,572	$ 86,024
Intersegment revenue	—	15,962	(15,962)	—	—	—	—	—
Total net revenues	60,592	28,673	(15,962)	4,342	5,807	83,452	2,572	86,024
Costs and expenses	59,383	22,218	(15,962)	2,394	6,438	74,471	13,562	88,033
Depreciation and amortization	—	—	—	—	—	4,372	591	4,963
Operating income (loss)	$ 1,209	$ 6,455	$ —	$ 1,948	$ (631)	$ 4,609	$ (11,581)	$ (6,972)

The following analysis should be read in conjunction with the previous section "Results of Operations."

Fresh Lemons

Fresh lemons segment revenue is comprised of sales of fresh lemons, lemon by-products, brokered fruit and other lemon revenue. For the first six months of fiscal years 2023 and 2022, our fresh lemons segment total net revenues were $61.3 million and $60.6 million, respectively. The 1% increase of $0.7 million was primarily the result of proceeds awarded from the Settlement Agreement allocated to fresh lemons in fiscal year 2023, partially offset by a net decrease in brokered fruit and other lemon sales.

Costs and expenses associated with our fresh lemons segment include growing costs, harvest costs, cost of lemons we procure from third-party growers and suppliers, transportation costs and packing service charges incurred from the lemon packing segment to pack lemons for sale. For the first six months of fiscal years 2023 and 2022, our fresh lemons segment costs and expenses were $63.3 million and $59.4 million, respectively. The 7% increase of $3.9 million was primarily the result of:

- Harvest costs for the first six months of fiscal year 2023 were $0.7 million higher than the same period of fiscal year 2022.
- Growing costs for the first six months of fiscal year 2023 were $1.2 million higher than the same period of fiscal year 2022.
- Third-party grower and supplier costs for the first six months of fiscal year 2023 were $0.1 million lower than the same period of fiscal year 2022.
- Transportation costs for the first six months of fiscal year 2023 were $0.4 million higher than the same period of fiscal year 2022.
- Intersegment costs and expenses for the first six months of fiscal year 2023 were $1.7 million higher than the same period of fiscal year 2022.

Lemon Packing

Lemon packing segment revenue is comprised of packing revenue, intersegment packing revenue and shipping and handling revenue. For the first six months of fiscal years 2023 and 2022, our lemon packing segment total net revenues were $29.7 million and $28.7 million, respectively. The 4% increase of $1.1 million was primarily the result of increased volume of lemons packed and sold and increased intersegment packing revenue.

Costs and expenses associated with our lemon packing segment consist of the cost to pack lemons for sale such as labor and benefits, cardboard cartons, fruit treatments, packing and shipping supplies and facility operating costs. For the first six months of fiscal years 2023 and 2022, our lemon packing costs and expenses were $23.4 million and $22.2 million, respectively. The 5% increase of $1.2 million was primarily the result of increased volume of lemons packed and sold and increased labor and benefit costs.

For the first six months of fiscal years 2023 and 2022, lemon packing segment operating income per carton sold was $2.21 and $2.34, respectively.

In the first six months of fiscal years 2023 and 2022, the lemon packing segment included $17.7 million and $16.0 million, respectively, of intersegment revenues that were charged to the fresh lemons segment to pack lemons for sale. Such intersegment revenues and expenses are eliminated in our consolidated financial statements.

Avocados

For the first six months of fiscal year 2023 and 2022, our avocados segment had revenues of $3.6 million and $4.3 million, respectively.

Costs and expenses associated with our avocados segment include growing and harvest costs. For the first six months of fiscal years 2023 and 2022, our avocados segment costs and expenses were $1.0 million and $2.4 million, respectively. The decrease of $1.4 million primarily consisted of the following:

- Harvest costs for the first six months of fiscal year 2023 were $0.3 million lower than the same period of fiscal year 2022.
- Growing costs for the first six months of fiscal year 2023 were $1.1 million lower than the same period of fiscal year 2022.

Other Agribusiness

For the first six months of fiscal years 2023 and 2022, our other agribusiness segment total net revenues were $6.2 million and $5.8 million, respectively. The 7% increase of $0.4 million was primarily the result of:

- Orange revenues for the first six months of fiscal year 2023 were $1.0 million lower than the same period of fiscal year 2022.
- Specialty citrus and other revenues for the first six months of fiscal year 2023 were $1.4 million higher than the same period of fiscal year 2022.

Costs and expenses associated with our other agribusiness segment include growing costs, harvest costs and purchased fruit costs. For the first six months of fiscal years 2023 and 2022, our other agribusiness costs and expenses were $5.5 million and $6.4 million, respectively. The (15)% decrease of $0.9 million was primarily the result of:

- Harvest costs for the first six months of fiscal year 2023 were $0.8 million lower than the same period of fiscal year 2022.
- Growing costs for the first six months of fiscal year 2023 were $2.7 million lower than the same period of fiscal year 2022.
- Purchased fruit costs for the first six months of fiscal year 2023 were $2.6 million higher than the same period of fiscal year 2022.

Total agribusiness depreciation and amortization expenses for the first six months of fiscal years 2023 and 2022 were $3.9 million and $4.4 million, respectively.

Corporate and Other

Our corporate and other operations had revenues of $2.8 million and $2.6 million for the first six months of fiscal years 2023 and 2022, respectively.

Costs and expenses in our corporate and other operations for the first six months of fiscal years 2023 and 2022 were approximately $(16.1) million and $13.6 million, respectively, and include selling, general and administrative costs and expenses, (gain) loss on disposal of assets and gain on legal settlement not allocated to the operating segments. Depreciation and amortization expenses for the first six months of fiscal years 2023 and 2022 were similar at $0.6 million.

Seasonal Operations

Historically, our agribusiness operations have been seasonal in nature with quarterly revenue fluctuating depending on the timing and the variety of crops being harvested. Cultural costs in our agribusiness tend to be higher in the first and second quarters and lower in the third and fourth quarters because of the timing of expensing cultural costs in the current year that were inventoried in the prior year. Our harvest costs generally increase in the second quarter and peak in the third quarter coinciding with the increasing production and revenue. Due to this seasonality and to avoid the inference that interim results are indicative of the estimated results for a full fiscal year, we present supplemental information for 12-month periods ended at the interim date for the current and preceding years.

Results of Operations for the Trailing Twelve Months Ended April 30, 2023 and 2022

The following table shows the unaudited results of operations (in thousands):

	Trailing Twelve Months Ended April 30,	
	2023	**2022**
Net revenues:		
Agribusiness	$ 179,033	$ 163,707
Other operations	5,519	4,937
Total net revenues	184,552	168,644
Costs and expenses:		
Agribusiness	161,238	153,955
Other operations	4,518	4,327
(Gain) loss on disposal of assets	(35,505)	370
Gain on legal settlement	(2,269)	—
Selling, general and administrative	25,375	20,041
Total costs and expenses	153,357	178,693
Operating income (loss)	31,195	(10,049)
Other (expense) income:		
Interest income	75	359
Interest expense, net of patronage dividends	(1,986)	(1,494)
Equity in earnings of investments, net	1,306	2,544
Other (expense) income, net	(3,460)	131
Total other (expense) income	(4,065)	1,540
Income (loss) before income tax (provision) benefit	27,130	(8,509)
Income tax (provision) benefit	(8,666)	1,981
Net income (loss)	18,464	(6,528)
Loss attributable to noncontrolling interest	275	405
Net income (loss) attributable to Limoneira Company	$ 18,739	$ (6,123)

The following analysis should be read in conjunction with the previous section "Results of Operations."

- Total revenues increased $15.9 million in the twelve months ended April 30, 2023, compared to the twelve months ended April 30, 2022, primarily related to increased agribusiness revenues, particularly increased avocado sales, oranges and specialty crops.
- Total costs and expenses decreased $25.3 million in the twelve months ended April 30, 2023, compared to the twelve months ended April 30, 2022, primarily related to gain on disposal of assets and gain on legal settlement, partially offset by increased agribusiness costs and selling, general and administrative expenses.
- Total other expense increased $5.6 million in the twelve months ended April 30, 2023, compared to the twelve months ended April 30, 2022, primarily related to decreased equity in earnings of investments and increased other expense primarily due to pension settlement costs.
- Income tax provision increased $10.6 million in the twelve months ended April 30, 2023, compared to the twelve months ended April 30, 2022, primarily related to an increase in pre-tax income of $35.6 million.

Liquidity and Capital Resources

Overview

Our primary sources of liquidity are cash and cash flows generated from our operations and use of our revolving credit facility. Our liquidity and capital position fluctuates during the year depending on seasonal production cycles, weather events and demand for our products. Typically, our first and last fiscal quarters coincide with the fall and winter months during which we are growing crops that are harvested and sold in the spring and summer, which are our second and third quarters. To meet working capital demand and investment requirements of our agribusiness and real estate development projects and to supplement operating cash flows, we utilize our revolving credit facility to fund agricultural inputs and farm management practices until sufficient returns from crops allow us to repay amounts borrowed. Raw materials needed to propagate the various crops grown by us consist primarily of fertilizer, herbicides, insecticides, fuel and water, all of which are readily available from local sources.

Material contractual obligations arising in the normal course of business consist primarily of purchase obligations, long-term fixed rate and variable rate debt and related interest payments and operating and finance leases. See Note 10 - Long-Term Debt and Note 12 - Leases for amounts outstanding as of April 30, 2023, related to debt and leases. Purchase obligations consist of contracts primarily related to packing supplies, the majority of which are due in the next three years.

We believe that the cash flows from operations and available borrowing capacity from our existing credit facilities will be sufficient to satisfy our capital expenditures, debt service, working capital needs and other contractual obligations for the next twelve months. In addition, we have the ability to control a portion of our investing cash flows to the extent necessary based on our liquidity demands.

Cash Flows from Operating Activities

For the six months ended April 30, 2023, net cash used in operating activities was $18.4 million, compared to net cash used in operating activities of $1.2 million for the six months ended April 30, 2022. The significant components of our cash flows used in operating activities were as follows:

- Net income (loss) for the six months ended April 30, 2023 and 2022 was $13.9 million and $(5.0) million, respectively. The components of net income in the six months ended April 30, 2023, compared to the net loss in the same period in fiscal year 2022 consisted of an increase in operating income of $29.0 million, an increase in total other expense of $2.2 million and an increase in income tax provision of $7.8 million.
- Adjustments to reconcile net income (loss) to net cash used in operating activities:
  - Adjustments used $18.5 million and provided $5.0 million in the six months ended April 30, 2023 and 2022, respectively, primarily related to depreciation and amortization, gain on disposal of assets, stock compensation expense and deferred income taxes.
  - Changes in operating assets and liabilities used $13.8 million and $1.1 million of operating cash in the six months ended April 30, 2023 and 2022, respectively, primarily related to accounts receivables/other from related parties, cultural costs, prepaid expenses/other current assets, accounts payable/growers and suppliers payable and accrued liabilities/payables to related parties.

Cash Flows from Investing Activities

For the six months ended April 30, 2023 and 2022, net cash provided by (used in) investing activities was $95.4 million and $(0.4) million, respectively.

- The $95.4 million of cash provided by investing activities during the six months ended April 30, 2023 was comprised primarily of net proceeds from sales of assets of $98.5 million, net proceeds from the sale of real estate development assets of $2.6 million, partially offset by capital expenditures of $5.4 million, primarily related to orchard and vineyard development.
- The $0.4 million of cash used in investing activities during the six months ended April 30, 2022 was comprised primarily of capital expenditures of $4.1 million primarily related to orchard and vineyard development, partially offset by net proceeds from sales of assets of $1.1 million and collection of note receivable of $2.6 million.

Cash Flows from Financing Activities

For the six months ended April 30, 2023 and 2022, net cash (used in) provided by financing activities was $(68.0) million and $2.3 million, respectively.

- The $68.0 million of cash used in financing activities during the six months ended April 30, 2023 was comprised primarily of net repayments of long-term debt of $64.8 million and common and preferred stock dividends of $2.9 million.
- The $2.3 million of cash provided by financing activities during the six months ended April 30, 2022 was comprised primarily of net borrowings of long-term debt of $6.5 million, partially offset by common and preferred dividends of $2.9 million and the exchange of common stock of $1.1 million.

Transactions Affecting Liquidity and Capital Resources

Credit Facilities and Long-Term Debt

We finance our working capital and other liquidity requirements primarily through cash from operations and from our AgWest Farm Credit Facility, which includes the Master Loan Agreement (the "MLA") and Supplements. In addition, we have Banco de Chile term loans and COVID-19 loans. Additional information regarding these loans can be found in Note 10 - Long-Term Debt.

In June 2021, we entered into the MLA with AgWest Farm Credit, formerly known as Farm Credit West, PCA (the "Lender"), together with the Supplements and a Fixed Interest Rate Agreement, which extends the principal repayment to July 1, 2026. The MLA governs the terms of the Supplements.

The Supplements provide aggregate borrowing capacity of $115.0 million, comprised of $75.0 million under the Revolving Credit Supplement and $40.0 million under the Non-Revolving Credit Supplement. As of April 30, 2023, our outstanding borrowings under the AgWest Farm Credit Facility were $40.0 million and we had $75.0 million of availability.

On January 31, 2023, the Company sold the Northern Properties which resulted in total net proceeds of $98.4 million. The proceeds were used to pay down all of the Company's domestic debt except the Non-Revolving Credit Supplement.

The MLA subjects us to affirmative and restrictive covenants including, among other customary covenants, financial reporting requirements, requirements to maintain and repair any collateral, restrictions on the sale of assets, restrictions on the use of proceeds, prohibitions on the incurrence of additional debt and restrictions on the purchase or sale of major assets of our business. We are also subject to a financial covenant that requires us to maintain compliance with a specified debt service coverage ratio greater than or equal to 1:25:1.0 on an annual basis. We were in compliance as of October 31, 2022.

In February 2023, the Lender declared an annual cash patronage dividend of 1.25% of average eligible loan balances and the Company received $1.4 million in the second quarter of fiscal year 2023. In the first quarter of fiscal year 2022, the Lender declared an annual patronage dividend of $1.6 million, which we received in the second quarter of fiscal year 2022.

Dividends

The holders of the Series B Convertible Preferred Stock (the “Series B Stock”) and the Series B-2 Preferred Stock (the “Series B-2 Preferred Stock”) are entitled to receive cumulative cash dividends. Such preferred dividends paid were $0.3 million in the six months ended April 30, 2023 and 2022.

Cash dividends declared in the six months ended April 30, 2023 and 2022 were $0.15 per common share and such dividends paid were $2.7 million in the six months ended April 30, 2023 and 2022.

Critical Accounting Estimates

The preparation of our consolidated financial statements in accordance with GAAP requires us to develop critical accounting policies and make certain estimates, assumptions and judgments that may affect the reported amounts of assets, liabilities, revenues and expenses. We base our estimates and judgments on historical experience, available relevant data and other information that we believe to be reasonable under the circumstances, and we continue to review and evaluate these estimates. Actual results may materially differ from these estimates under different assumptions or conditions as new or additional information become available in future periods. During the six months ended April 30, 2023, our critical accounting policies and estimates have not changed since the filing of our Annual Report on Form 10-K as of October 31, 2022. Please refer to that filing for a description of our critical accounting policies and estimates.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes in the disclosures discussed in the section entitled "Quantitative and Qualitative Disclosures about Market Risk" in Part II, Item 7A of our Annual Report on Form 10-K for the fiscal year ended October 31, 2022, as filed with the SEC on December 22, 2022.

Item 4. Controls and Procedures

Disclosure Controls and Procedures. As of April 30, 2023, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our "disclosure controls and procedures," as such term is defined in Rule 13a-15(e) promulgated under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this Quarterly Report on Form 10-Q.

Changes in Internal Control over Financial Reporting. There have been no significant changes in our internal control over financial reporting during the quarter ended April 30, 2023, or, to our knowledge, in other factors that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on the Effectiveness of Controls. Control systems, no matter how well conceived and operated, are designed to provide a reasonable, but not an absolute, level of assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we are a party to various lawsuits, arbitrations or mediations that arise in the ordinary course of business. The disclosure called for by Part II, Item 1 regarding our legal proceedings is incorporated by reference herein from Part I, Item 1 Note 17 - Commitments and Contingencies of the Notes to the Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

There have been no material changes in the disclosures discussed in the section entitled “Risk Factors” in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended October 31, 2022, as filed with the SEC on December 22, 2022.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the second quarter of fiscal year 2023, we purchased shares of our common stock as follows:

Period	Total Number of Shares Purchased(1)	Weighted Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs
February 1, 2023 - February 28, 2023	—	$ —	—	—
March 1, 2023 - March 31, 2023	1,594	$ 16.03	—	—
April 1, 2023 - April 30, 2023	—	$ —	—	—
Total	**1,594**		**—**	**—**

(1) Shares were acquired from an employee in accordance with our stock-based compensation plan as a result of share withholdings to pay income tax related to the vesting and distribution of a restricted stock award.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit Number	Exhibit
3.1	Restated Certificate of Incorporation of Limoneira Company, dated July 5, 1990 (Incorporated by reference to Exhibit 3.1 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
3.2	Agreement of Merger Between Ronald Michaelis Ranches, Inc. and Limoneira Company, dated June 24, 1997 (Incorporated by reference to Exhibit 3.6 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
3.3	Certificate of Amendment of Certificate of Incorporation of Limoneira Company, dated April 22, 2003 (Incorporated by reference to Exhibit 3.7 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
3.4	Certificate of Amendment of Certificate of Incorporation of Limoneira Company, dated March 24, 2010 (Incorporated by reference to Exhibit 3.9 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
3.5	Certificate of Amendment of Certificate of Incorporation of Limoneira Company, dated March 29, 2017 (Incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed March 31, 2017 (File No. 001-34755))
3.6	Amended and Restated Bylaws of Limoneira Company (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K, filed October 27, 2021 (File No. 001-34755))
4.1	Rights Agreement dated December 20, 2006 between Limoneira Company and The Bank of New York, as Rights Agent (Incorporated by reference to Exhibit 4.2 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
4.2	Certificate of Designation, Preferences and Rights of $8.75 Voting Preferred Stock, $100.00 Par Value, Series B of Limoneira Company, dated May 21, 1997 (Incorporated by reference to Exhibit 3.4 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
4.3	Amended Certificate of Designation, Preferences and Rights of $8.75 Voting Preferred Stock, $100.00 Par Value, Series B of Limoneira Company, dated May 21, 1997 (Incorporated by reference to Exhibit 3.5 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
4.4	Certificate of Designation, Preferences and Rights of Series A Junior Participating Preferred Stock, $.01 Par Value, of Limoneira Company, dated November 21, 2006 (Incorporated by reference to Exhibit 3.8 to the Company’s Registration Statement on Form 10, and amendments thereto, declared effective April 13, 2010 (File No. 000-53885))
4.5	Certificate of Designation, Preferences and Rights of 4% Voting Preferred Stock, $100.00 Par Value, Series B-2 of Limoneira Company, dated March 20, 2014 (Incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K, filed March 24, 2014 (File No. 001-34755))

Exhibit Number	Exhibit
10.1	Purchase and Sale Agreement and Joint Escrow Instructions, dated October 10, 2022, by and between Limoneira Company and PGIM Real Estate Finance, LLC (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed January 31, 2023)
10.2	First Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated January 17, 2023 (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed January 31, 2023)
10.3	Second Amendment to Purchase and Sale Agreement and Joint Escrow Instructions, dated January 24, 2023 (Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K, filed January 31, 2023)
10.4	Farm Management Agreement, dated January 31, 2023, by and between Capital Agricultural Property Services, Inc. and Limoneira Company (Incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q, filed March 9, 2023)
10.5	Grower Packing & Marketing Agreement, dated as of January 31, 2023, by and between Limoneira Company and PAI Centurion Citrus, LLC (Incorporated by reference to Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q, filed March 9, 2023)
10.6*	Confidential Settlement Agreement and Release, dated as of April 18, 2023, by and between Limoneira Company, Southern California Edison Company and Edison International
31.1*	Certification of the Principal Executive Officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a)
31.2*	Certification of the Principal Financial Officer pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a)
32.1*	Certification of the Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of the Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	The following information from the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023 formatted in Inline XBRL (Extensible Business Reporting Language) includes: (i) the Consolidated Balance Sheets (Unaudited), (ii) the Consolidated Statements of Operations (Unaudited), (iii) the Consolidated Statements of Comprehensive (Loss) Income (Unaudited), (iv) the Consolidated Statements of Stockholders' Equity and Temporary Equity (Unaudited), (v) the Consolidated Statements of Cash Flows (Unaudited), and (vi) the Notes to Consolidated Financial Statements (Unaudited)
104	The cover page for the Company's Quarterly Report on Form 10-Q for the quarter ended April 30, 2023 has been formatted in Inline XBRL

* Filed or furnished herewith,

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	LIMONEIRA COMPANY	
June 6, 2023	By:	/s/ HAROLD S. EDWARDS
		Harold S. Edwards Director, President and Chief Executive Officer (Principal Executive Officer)
June 6, 2023	By:	/s/ MARK PALAMOUNTAIN
		Mark Palamountain Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)

Exhibit 10.6

CONFIDENTIAL SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release, including the exhibit thereto ("Agreement"), is made by and between the plaintiff identified in Exhibit A ("Settling Plaintiff"), Southern California Edison Company ("SCE"), and Edison International (together with SCE, "Edison," and collectively with Settling Plaintiff, the "Parties"). Settling Plaintiff and Edison enter into this Agreement to formally resolve any and all claims between Settling Plaintiff and Edison for damages relating to Settling Plaintiff's claims asserted in the case identified in Exhibit A, hereinafter referred to as the "Action."[1]

RECITALS

A. The Action arises from the Southern California wildfires known as the Thomas Fire and the Koenigstein Fire (together, the "Fire"), which ignited on December 4, 2017 in two separate locations near the Cities of Ojai and Santa Paula, California, and the January 9, 2018 Montecito Debris Flow ("Debris Flow"). The Settling Plaintiff has alleged that electric facilities owned and operated by Edison caused or contributed to the ignition of the Fire and the Debris Flow, and as a result, the Settling Plaintiff suffered damages.

B. This Agreement is entered into solely for purposes of compromise. The Parties expressly agree and acknowledge that neither this Agreement nor any act performed hereunder is, or may be deemed, an admission or evidence of the validity or invalidity of any allegations or claims of the Settling Plaintiff and Edison, nor is this Agreement or any act performed hereunder to be construed as an admission or evidence of any wrongdoing, fault, omission or liability on the part of Edison. This is a settlement of a disputed matter, and Edison specifically and expressly denies any fault or liability to the Settling Plaintiff or any other party with respect to the Fire and the Debris Flow.

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[1] The Action has been coordinated in the proceeding Southern California Fire Cases, Case No. JCCP 4965, Superior Court of the State of California, County of Los Angeles.

C. The Parties agree that Settling Plaintiff is not entitled to double recovery for its own damages when an insurance carrier becomes subrogated to the claim of the Settling Plaintiff against Edison, nor should Edison have to pay twice for the same damages.

D. Settling Plaintiff intends that this Agreement resolves any and all claims and disputes between them and Edison alleged in the Action and provides for consideration in full settlement and discharge of all disputes, rights, claims, and causes of action which are, or might have been, brought by Settling Plaintiff against Edison arising from the Fire and the Debris Flow.

The Parties hereby agree as follows:

AGREEMENT

1. INCORPORATION OF RECITALS. Each of the Recitals set forth above is incorporated by reference into this Agreement.

2. PAYMENT. In consideration for the release set forth herein, and in consideration of the rights and obligations created by this Agreement, SCE shall pay Settling Plaintiff the amount identified in the attached Exhibit pertaining to that plaintiff (the "Settlement Amount"), which includes the 3% common benefit assessment (the "Common Benefit Assessment") ordered by the Court in its August 20, 2020, Case Management Order No. 4 re Common Benefit Fees and Costs, as amended on February 18, 2021 ("CMO No. 4"). The Common Benefit Assessment will be wired to the Parties' agreed-upon neutral third-party trust administrator, KCC, to be distributed to the Common Benefit Account under CMO No. 4. The remaining 97% will be made payable to the client trust account of Settling Plaintiff's counsel at First Bank, GBS Law, APC Attorney Client Trust Account for Thomas, Routing No. 081009428, Account No.1624292126. The Settlement Amount, minus the Common Benefit Assessment, will be paid within 30 days of Edison's receipt of this fully executed Agreement; provided, however, that payment shall be made no earlier than seven (7) business days after delivery of the executed Request for Dismissal to counsel for Edison, as set forth in Paragraph 3, below.

3. DISMISSAL OF ACTION. Within five (5) days of the Effective Date,Settling Plaintiff will provide a dismissal with prejudice of its claims against Edison in the above-described Action, together

with an executed copy of this Agreement, to counsel for Edison, John C. Hueston and Douglas J. Dixon of Hueston Hennigan LLP. The dismissal is to be held in trust and may not be distributed or filed until and unless the Settlement Amount has been sent to counsel for Settling Plaintiff.

4. LEGAL FEES AND COSTS. The Parties acknowledge and agree that they will bear their own costs, expenses and attorneys' fees arising out of and/or connected with the Settling Plaintiff's claims in the Action, the negotiation, drafting and execution of this Agreement, and all matters arising out of or connected therewith. This includes but is not limited to any assessments of fees, costs, or expenses ordered by the Court for the common benefit of plaintiffs or plaintiffs' counsel in the Action.

5. LIENS AND TAX LIABILITY. The Settling Plaintiff shall defend and indemnify Edison, together with its respective successors, assigns, agents, representatives, shareholders, officers, directors, partners, managers, employees, former employees, sureties, insurers, administrators, trustees, members, principals, beneficiaries, and all persons, firms, associations, parents, subsidiaries, and/or corporations connected with it, and each of them, against any and all liens, subrogation claims, and other rights that may be asserted by any person against the Settlement Amount or against any recovery by the Settling Plaintiff.

The Settling Plaintiff and its attorneys shall have the sole responsibility for the division and distribution of the Settlement Amount to and among them. The Settling Plaintiff and its counsel of record agree to indemnify, defend, and hold Edison harmless from any and all claims, demands, causes of action, or disputes of any kind or nature related to the allocation or distribution of the Settlement Amount to and among them.

The Settling Plaintiff is responsible for any and all tax liability that does or may result from the amount paid in settlement of the Settling Plaintiff's claims in the Action. The Settling Plaintiff acknowledges and agrees that Edison has made no representations as to the taxability of the amount paid in settlement of the Settling Plaintiff's claims in the Action.

The Settling Plaintiff agrees to hold Edison harmless from any and all claims and penalties relating to or resulting from any claim that Edison should have withheld any sums from the amount paid in settlement of the Settling Plaintiff's claims in the Action. The Settling Plaintiff further agrees not to seek or make any claim or claims against Edison for contribution, indemnity, compensation, recompense, damages, costs, or penalties if a determination is made that the Settlement Amount or any portion thereof should not have been treated as non-taxable. In addition, the Settling Plaintiff understands and agrees that Edison has no duty to defend against any claim or assertion that the Settlement Amount or any portion thereof should be treated as taxable income, nor any obligation to appeal any determination that said sum or any portion thereof should be treated as taxable income.

6. RELEASE OF CLAIMS. In consideration of the full and timely performance of all terms and conditions as set forth in this Agreement, the Settling Plaintiff and its heirs, successors, assigns, family members, agents, representatives, parents, subsidiaries, shareholders, officers, directors, partners, managers, employees, former employees, sureties, administrators, trustees, members, principals, and beneficiaries hereby fully and forever waive, relinquish, release and discharge Edison and its respective successors, assigns, agents, representatives, shareholders, officers, directors, partners, managers, employees, former employees, sureties, insurers, administrators, trustees, members, principals, beneficiaries, and all persons, firms, associations, parents, subsidiaries, and/or corporations connected with it, and each of them, from any and all claims, demands, controversies, losses, damages, actions, causes of action, debts, liabilities, costs and expenses (including, without limitation, attorneys' fees, experts' fees, consultant's fees, and court costs), liens and obligations of every kind or nature whatsoever, in law or equity, in contract, tort or otherwise, anticipated or unanticipated, direct or indirect, fixed or contingent, which may presently exist or may hereinafter arise or become known to arise out of, be caused by, or be incurred in connection with the Settling Plaintiff's claims in the Action. The sole exception to this shall be the Settling Plaintiff's right to appeal and/or challenge the Common Benefit Assessment imposed by the trial court over their objections in CMO No. 4.

7. CIVIL CODE § 1542; CHANGED FACTS. It is the intention of the Settling Plaintiff that this Agreement shall constitute a full and final accord and satisfaction as to the matters encompassed

in the release set forth in paragraph 6, and a bar to entry of judgment on the Settling Plaintiff's claims in the Action, as well as a bar to any and all other actions, causes of action, obligations, costs, expenses, attorneys' fees, damages, losses, claims, liabilities, and demands of whatever nature, character or kind, known or unknown, suspected or unsuspected, by the Settling Plaintiff against Edison arising out of, directly or indirectly, or connected with the Fire, the Debris Flow, or the Settling Plaintiff's claims in the Action. The Parties acknowledge that they are fully familiar with the facts and assumptions giving rise to this Agreement, but agree that this Agreement shall remain fully effective and binding as to each of them even if the facts or assumptions turn out to be different from what they now believe them to be. In addition, the Parties acknowledge that they are familiar with and understand and expressly waive Section 1542 of the Civil Code of the State of California, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE] MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Nothing in this Civil Code waiver will prevent Settling Plaintiff from asserting its rights to enforce this Agreement.

8. GOOD FAITH. The Parties agree that the settlement embodied in this Agreement is made in good faith, is the subject of arm's length negotiations, and the consideration supporting the Agreement is fair and appropriate.

9. COMPROMISE. The Parties agree that this Agreement represents a resolution of disputed liability and neither the terms of this Agreement nor any payments described will be used or construed as an admission of liability as to the matters described herein.

10. ENFORCEABILITY OF AGREEMENT. This Agreement is intended by the Parties to be a settlement agreement binding and enforceable by Settling Plaintiff and Edison within the meaning of California Code of Civil Procedure Section 664.6. In the event of a dispute arising out of the effect or enforcement of this Agreement, the prevailing party will be entitled to recover reasonable attorneys' fees and costs actually incurred in relation to resolving the dispute. Determination of whether the fees and costs were reasonable and incurred, as well as the appropriate apportionment of any such fees and costs, shall be left to the sole discretion of the Court or any arbitrator appointed upon the agreement of the Parties.

11. BINDING EFFECT. The terms of this Agreement are binding upon the heirs, successors, and assigns of the undersigned Parties.

12. WARRANTY. Settling Plaintiff represents and warrants that it is the owner of the property that is the subject of the Settling Plaintiff's claims in the Action and that no other person or entity has any rights, title, or interest in or to the property that is the subject of the Settling Plaintiff's claims in the Action. Settling Plaintiff further represents and warrants that it has not, by operation of law or otherwise, heretofore assigned or otherwise transferred, or attempted to assign or transfer, any claim or claims against Edison.

Settling Plaintiff agrees to indemnify and hold Edison harmless for any legally valid claim, demand, right, damage, debt, liability, account, action, cause of action, cost or expense, including attorneys' fees actually paid or incurred, arising out of or in any way connected with any such claim relating to the property that is the subject of Settling Plaintiff's claims in the Action, if known to the Settling Plaintiff or of which the Settling Plaintiff, as owner, resident, and/or occupant of the property, should reasonably have been aware based on the legal occupation or presence of such other persons and/or their personal property, except, of course, for claims by any such persons that have already been asserted against Edison or of which Edison has already been put on notice.

13. NO OTHER INSURANCE CLAIMS. Settling Plaintiff warrants and represents that (i) it has not submitted any claim or demand for the property, damages, and/or loss that is the subject of

the Action to any insurance company ("Insurer"), or (ii) if it has submitted any claim or demand to an Insurer relating to the property, damages, and/or loss that is the subject of the Action, that any and all such claims are closed or will be deemed closed upon settlement with Edison.

Settling Plaintiff further represents and warrants that it has not made any undisclosed claims or demands for payment to an Insurer relating to the property, damages, and/or loss that is the subject of the Action that are currently open or pending and have not been paid as of the mediation date in Exhibit A. Settling Plaintiff also covenants and agrees that it will not make any such claims or demands for payment to an Insurer after the mediation date in Exhibit A. If Settling Plaintiff made or makes any such claim or demand for payment to an Insurer after the mediation date in Exhibit A in breach of the foregoing covenant and agreement, or an Insurer pays monies on any such claim or demand, the amount of such payment shall be deducted from the Settlement Amount. If Settling Plaintiff makes any such claim or demand for payment to an Insurer after SCE has paid the Settlement Amount as provided in paragraph 2 of this Agreement in breach of the foregoing covenant and agreement, or an Insurer pays monies on any such claim or demand, Settling Plaintiff shall indemnify, reimburse, and hold harmless Edison against any subrogation claim by Insurer as a result of such claim or demand.

Settling Plaintiff authorizes Edison to (i) inform it Insurer of this Agreement, consistent with the confidentiality provisions of paragraph 14, and (ii) direct the Insurer to close Settling Plaintiff's claims, if any, and to cease any further payments to the Settling Plaintiff on such claims.

14. <u>CONFIDENTIALITY</u>. The fact that this matter settled and did so with no admission of liability is not confidential. However, the Parties and their counsel expressly agree that, except as set forth herein, they will keep the terms and conditions of this Agreement strictly confidential, and that such confidentiality is of the essence to and is a material term of this Agreement. And except for the Parties' respective parent or holding companies (including each of their officers and board members), regulators (including the California Public Utilities Commission ("CPUC")), auditors, attorneys, accountants, insurers, reinsurers, reinsurance intermediaries, tax preparers, business managers,

financial advisers, and/or bookkeepers, the Parties and their counsel agree not to disclose, divulge, publish, broadcast or state to any third party individual or entity the terms and conditions of this Agreement.

Nothing herein will prohibit the Parties or their counsel from disclosing: (a) as required by applicable laws, including tax and securities laws; (b) as required by Court order; (c) as required by an order, ruling, or rule by the CPUC or an Administrative Law Judge; (d) in any action or proceeding (including arbitration) where the existence or terms of this Agreement are at issue or for the purpose of enforcing this Agreement; or (e) by written agreement of the Parties. In the event that a Court or regulatory agency issues a subpoena, court order, or other valid legal process, the receiving Party or its counsel will give immediate notice to the other Party or Parties, identifying the subpoena, court order, or other valid legal process and the time in which production or disclosure is required.

Notice pursuant to this paragraph shall be provided, in writing, as follows:

If to Edison:

Southern California Edison Company
Attention: General Counsel
Law Department
2244 Walnut Grove Avenue
Rosemead, CA 91770

If to Settling Plaintiff:

Gerald Singleton, Esq.
Singleton Schreiber LLP
591 Camino de la Reina, Suite 1025
San Diego, CA 92108

Such notice shall include full and complete copies of any subpoena or papers served on and/or provided to the Parties purporting to seek or require disclosure of information as to this Agreement, or any of its terms, and shall be made by hand delivery, or by Federal Express or other overnight courier.

15. ENTIRE AGREEMENT; AMENDMENT. This Agreement represents and contains the entire understanding of the Parties. There are no representations, covenants, or undertakings other than those expressly set forth in this Agreement. The Parties acknowledge that no

party, nor any agent or attorney of any party, has made any promise, representation, or warranty whatsoever, express or implied, not contained in this Agreement to induce the Parties to execute this Agreement. The Parties and each of them acknowledge that they have not executed this Agreement in reliance on any promise, representation, or warranty not specifically contained in this Agreement. Each of the Parties further represents and declares that it, acting through its representatives, has carefully read this Agreement and knows its contents, and has signed this Agreement freely and voluntarily. This Agreement supersedes any and all prior oral or written agreements, representations and understandings concerning the subject matter of this Agreement. No representation, warranty, condition, understanding, or agreement of any kind concerning the subject matter of this Agreement shall be relied upon unless set forth in this Agreement. This Agreement may not be modified or amended except by an express written agreement signed by the Parties hereto that are affected by the change. No waiver shall be binding unless executed in writing by the Party making the waiver. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, nor shall any waiver constitute a continuing waiver.

16. PREPARATION OF AGREEMENT; CONSTRUCTION; HEADINGS. This Agreement is the product of negotiation and preparation by and among the Parties and their respective attorneys. This Agreement shall not be deemed prepared or drafted by one party or another, or its attorneys, and will be construed accordingly. The section headings in this Agreement are for convenience of reference only, will not be deemed a part of this Agreement, and will in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

17. AUTHORITY. Each signatory hereto warrants and represents that he or she is competent and authorized to enter into this Agreement on behalf of the party for whom he or she signs. This Agreement is freely and voluntarily entered into and executed upon the advice of Parties’ respective counsel.

18. SEVERABILITY. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect and shall in no way be impaired or invalidated, and the Parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision, provided that in the event that any of the paragraphs 2 through 6 above are held to be invalid or unenforceable, the Agreement shall be terminable by either party.

19. COUNTERPARTS AND EXECUTION BY FACSIMILE. This Agreement may be executed in separate original counterparts that together shall form one binding Agreement. The Parties agree that facsimile, scanned, or electronic signatures shall suffice and be binding on them with respect to the execution of this Agreement.

20. EFFECTIVE DATE. This Agreement shall become effective upon the date the Agreement is fully executed by the Parties and their counsel.

21. FURTHER ASSURANCES. The Parties shall perform any further acts, and execute and deliver any documents that may be reasonably necessary to carry out the intent of this Agreement.

22. GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of California without reference to conflict of laws principles. Any disputes under this Agreement shall be brought in the state courts of Los Angeles County, California, and the Parties hereby consent to the personal jurisdiction and venue of these courts.

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE TERMS OF THIS AGREEMENT AND EXPRESSLY CONSENT THERETO. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE HAD THE OPPORTUNITY TO SEEK ADVICE OF COUNSEL, AND ENTER INTO THIS AGREEMENT HAVING RECEIVED SUCH ADVICE.

DATED: 4/20/2023

For Defendants SOUTHERN CALIFORNIA EDISON COMPANY and EDISON INTERNATIONAL

By: /s/Jennifer Hasbrouck
Jennifer Hasbrouck
General Counsel

DATED: Apr 18, 2023

For Settling Plaintiff LIMONEIRA COMPANY

By: /s/ Mark Palamountain
Mark Palamountain
General Counsel

APPROVED AS TO FORM AND CONTENT:

DATED: 4.18.23

SINGLETON SCHREIBER, LLP

By: /s/ Gary LoCurto

Gary LoCurto

Attorneys for Settling Plaintiff

DATED: 4/20/2023

HUESTON HENNIGAN LLP

By: /s/ Douglas J. Dixon

Douglas J. Dixon

Attorneys for Defendants SOUTHERN CALIFORNIA EDISON COMPANY and EDISON INTERNATIONAL

Exhibit 31.1

Certification of the Principal Executive Officer
Pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a)

I, Harold S. Edwards, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Limoneira Company (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

June 6, 2023

/s/ Harold S. Edwards

Harold S. Edwards,
Director, President, and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of the Principal Financial Officer
Pursuant to Exchange Act Rule 13a-14(a) and 15d-14(a)

I, Mark Palamountain, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Limoneira Company (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

   (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

June 6, 2023

/s/ Mark Palamountain

Mark Palamountain,
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 32.1

Certification of the Principal Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the quarter ended April 30, 2023 (the “Report”) of Limoneira Company (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Harold S. Edwards, hereby certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

June 6, 2023

/s/ Harold S. Edwards

Harold S. Edwards,
Director, President, and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

Certification of the Principal Financial Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350)

In connection with the Quarterly Report on Form 10-Q for the quarter ended April 30, 2023 (the “Report”) of Limoneira Company (the “Registrant”), as filed with the Securities and Exchange Commission on the date hereof, I, Mark Palamountain, hereby certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

June 6, 2023	/s/ Mark Palamountain
	Mark Palamountain, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)