UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August, 2023

Commission File Number 001-40695

Dole plc

(Exact name of registrant as specified in its charter)
29 North Anne Street
Dublin 7
Ireland
D07 PH36
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
☒ Form 20-F ☐ Form 40-F

On August 17, 2023, Dole plc (the "Company") will host a conference call and simultaneous webcast to discuss the Company's financial results for the three and six months ended June 30, 2023. An archived replay of the webcast and the investor presentation used during the webcast will be available shortly after the live event has concluded in the Investors section of the Company's website, www.doleplc.com/investors. The Quarterly Report for the three and six months ended June 30, 2023 is attached as Exhibit 99.1 to this Report on Form 6-K and is incorporated by reference herein.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Dole plc Quarterly Report for the three and six months ended June 30, 2023

DOLE PLC
SIGNATURES

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

Date: August 17, 2023	**DOLE PLC**
	(Registrant)
	By: /s/ Jacinta Devine
	Name: Jacinta Devine
	Title: Chief Financial Officer

Exhibit 99.1

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Background and Certain Defined Terms

In this report, unless otherwise specified, the terms “we”, “our”, “us”, the “Group”, the “Company” and “Dole” refer to Dole plc, individually or together with its subsidiaries, as the context may require. References to “Dole plc” refer to the registrant.

References to “Total Produce” refer to Total Produce plc, together with its subsidiaries, and references to “Legacy Dole” and “Dole Food Company” refer to DFC Holdings, LLC, together with its subsidiaries, prior to the transactions completed on July 29, 2021 (referred to herein as the “Merger”) pursuant to the Transaction Agreement.

The term “Annual Report on Form 20-F” refers to Dole’s annual report on Form 20-F for the year ended December 31, 2022, filed on March 22, 2023 by Dole plc (File No. 001-40695).

The term “Credit Agreement” refers to the March 26, 2021 credit agreement with Coöperatieve Rabobank U.A., New York Branch, as amended from time to time.

Forward-Looking Statements

The following discussion and analysis of our financial condition, results of operations and notes to the unaudited condensed consolidated financial statements included herein may contain forward-looking statements that relate to our plans, objectives, estimates and goals and involve risks and uncertainties. Our actual results could differ materially from the forward-looking statements included herein. Statements regarding our future and projections relating to products, sales, revenues, expenditures, costs and earnings are typical of such statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in “*Item 3D. Risk Factors*” in the Annual Report on Form 20-F.

The following contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 relating to our operations, results of operations and other matters that are based on our current expectations, estimates, assumptions and projections. Forward-looking statements are based on management’s beliefs, assumptions and expectations of our future economic performance, considering the information currently available to management. These statements are not statements of historical fact. The words “believe,” “may,” “could,” “will,” “should,” “would,” “anticipate,” “estimate,” “expect,” “intend,” “objective,” “seek,” “strive,” “target” or similar words, or the negative of these words, identify forward-looking statements. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. Such forward-looking statements are subject to various risks and uncertainties and assumptions relating to our operations, financial results, financial condition, business prospects, growth strategy and liquidity. Accordingly, there are, or will be, important factors that could cause our actual results to differ materially from those indicated in these statements. All such risk factors are difficult to predict, contain uncertainties that may materially affect actual results and may be beyond our control. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors or to assess the impact of each such risk factor on the Company. Any forward-looking statement speaks only as of the date on which such statement is made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made except as required by the federal securities laws. If one or more risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

DOLE PLC
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

	June 30, 2023	December 31, 2022
	(U.S. Dollars and shares in thousands)	
ASSETS		
Cash and cash equivalents	$ 231,075	$ 228,840
Short-term investments	5,676	5,367
Trade receivables, net of allowances for credit losses of $21,460 and $18,001, respectively	627,778	610,384
Grower advance receivables, net of allowances for credit losses of $17,018 and $15,817, respectively	112,517	106,864
Other receivables, net of allowances for credit losses of $13,869 and $14,538, respectively	142,167	132,947
Inventories, net of allowances of $3,322 and $4,186, respectively	352,052	394,150
Prepaid expenses	53,656	48,995
Other current assets	33,495	15,034
Fresh Vegetables current assets held for sale	390,697	62,252
Other assets held for sale	10,488	645
Total current assets	1,959,601	1,605,478
Long-term investments	16,572	16,498
Investments in unconsolidated affiliates	125,828	124,234
Actively marketed property	29,393	31,007
Property, plant and equipment, net of accumulated depreciation of $401,416 and $375,721, respectively	1,100,599	1,116,124
Operating lease right-of-use assets	322,461	293,658
Goodwill	502,309	497,453
DOLE brand	306,280	306,280
Other intangible assets, net of accumulated amortization of $127,373 and $120,315, respectively	46,226	50,990
Fresh Vegetables non-current assets held for sale	—	343,828
Other assets	139,580	142,180
Deferred tax assets, net	69,640	64,112
Total assets	$ 4,618,489	$ 4,591,842
LIABILITIES AND EQUITY		
Accounts payable	$ 650,967	$ 640,620
Income taxes payable	30,041	11,558
Accrued liabilities	329,608	381,688
Bank overdrafts	20,285	8,623
Current portion of long-term debt, net	268,203	97,435
Current maturities of operating leases	61,458	57,372
Payroll and other tax	30,329	27,187
Contingent consideration	644	1,791
Pension and other postretirement benefits	16,456	17,287
Fresh Vegetables current liabilities held for sale	302,129	199,255
Dividends payable and other current liabilities	32,198	17,698
Total current liabilities	1,742,318	1,460,514
Long-term debt, net	930,421	1,127,321
Operating leases, less current maturities	269,274	246,723
Deferred tax liabilities, net	119,148	118,403
Income taxes payable, less current portion	16,921	30,458
Contingent consideration, less current portion	6,254	5,022
Pension and other postretirement benefits, less current portion	119,663	124,646
Fresh Vegetables non-current liabilities held for sale	—	116,380
Other long-term liabilities	43,871	43,390
Total liabilities	$ 3,247,870	$ 3,272,857
Commitments and contingent liabilities (See Note 16)		
Redeemable noncontrolling interests	34,391	32,311
Stockholders' equity:		
Common stock — $0.01 par value; 300,000 shares authorized and 94,929 and 94,899 shares outstanding as of June 30, 2023 and December 31, 2022	949	949
Additional paid-in capital	795,059	795,063
Retained earnings	510,306	469,249
Accumulated other comprehensive loss	(97,613)	(104,133)
Total equity attributable to Dole plc	1,208,701	1,161,128
Equity attributable to noncontrolling interests	127,527	125,546
Total equity	1,336,228	1,286,674
Total liabilities, redeemable noncontrolling interests and equity	$ 4,618,489	$ 4,591,842

See Notes to Unaudited Condensed Consolidated Financial Statements

DOLE PLC
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars and shares in thousands, except per share amounts)			
Revenues, net	$ 2,141,174	$ 2,050,909	$ 4,130,341	$ 4,021,140
Cost of sales	(1,944,601)	(1,885,400)	(3,754,729)	(3,703,836)
Gross profit	196,573	165,509	375,612	317,304
Selling, marketing, general and administrative expenses	(115,667)	(110,365)	(236,546)	(219,909)
Gain on disposal of businesses	—	—	—	242
Gain on asset sales	10,723	7,926	14,696	8,421
Operating income	91,629	63,070	153,762	106,058
Other income, net	1,129	8,102	2,904	10,566
Interest income	2,640	1,410	4,949	2,994
Interest expense	(19,748)	(10,833)	(41,460)	(22,449)
Income from continuing operations before income taxes and equity earnings	75,650	61,749	120,155	97,169
Income tax expense	(16,593)	(5,300)	(27,587)	(12,658)
Equity method earnings	4,688	3,151	6,166	3,728
Income from continuing operations	63,745	59,600	98,734	88,239
Loss from discontinued operations, net of income taxes	(11,438)	(11,195)	(25,944)	(36,425)
Net income	52,307	48,405	72,790	51,814
Less: Net income attributable to noncontrolling interests	(10,032)	(7,133)	(16,356)	(11,936)
Net income attributable to Dole plc	$ 42,275	$ 41,272	$ 56,434	$ 39,878
Income (loss) per share - basic:				
Continuing operations	$ 0.57	$ 0.55	$ 0.86	$ 0.80
Discontinued operations	(0.12)	(0.12)	(0.27)	(0.38)
Net income per share attributable to Dole plc - basic	$ 0.45	$ 0.43	$ 0.59	$ 0.42
Income (loss) per share - diluted:				
Continuing operations	$ 0.56	$ 0.55	$ 0.86	$ 0.80
Discontinued operations	(0.12)	(0.12)	(0.27)	(0.38)
Net income per share attributable to Dole plc - diluted	$ 0.44	$ 0.43	$ 0.59	$ 0.42
Weighted-average shares:				
Basic	94,909	94,878	94,904	94,878
Diluted	95,112	94,913	95,068	94,911

See Notes to Unaudited Condensed Consolidated Financial Statements

DOLE PLC
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Net income	$ 52,307	$ 48,405	$ 72,790	$ 51,814
Other comprehensive income (loss), net of income tax:				
Net unrealized gain (loss) on derivatives	2,338	9,145	(4,044)	34,343
Foreign currency translation adjustment	1,707	(43,460)	13,415	(43,852)
Total other comprehensive income (loss)	4,045	(34,315)	9,371	(9,509)
Comprehensive income	56,352	14,090	82,161	42,305
Less: Comprehensive income attributable to noncontrolling interests	(10,779)	(2,555)	(19,207)	(7,207)
Comprehensive income attributable to Dole plc	$ 45,573	$ 11,535	$ 62,954	$ 35,098

See Notes to Unaudited Condensed Consolidated Financial Statements

DOLE PLC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended	
	June 30, 2023	June 30, 2022
Operating Activities	(U.S. Dollars in thousands)	
Net income	$ 72,790	$ 51,814
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	58,007	64,770
Incremental charges on biological assets related to the acquisition of Legacy Dole	—	34,944
Net (gain) on sale of assets and asset write-offs	(14,696)	(8,421)
Stock-based compensation expense	2,768	1,981
Equity method earnings	(6,166)	(3,728)
Amortization of debt discounts and debt issuance costs	3,186	2,953
Deferred tax (benefit)	(1,057)	(9,212)
Pension and other postretirement benefit plan expense (benefit)	3,091	(89)
Dividends received from equity method investments	5,105	4,484
Other	(2,150)	(5,310)
Changes in operating assets and liabilities:		
Receivables, net of allowances	(22,828)	9,031
Inventories	55,755	(9,375)
Accrued and other current and long-term liabilities	(79,959)	(11,903)
Net cash provided by operating activities	73,846	121,939
Investing activities		
Sales of assets	18,562	26,544
Capital expenditures	(41,005)	(39,418)
Acquisitions, net of cash acquired	(1,685)	(4,923)
Insurance proceeds	1,850	2,278
Purchases of investments	(1,150)	(414)
Sales (purchases) of unconsolidated affiliates	1,498	(348)
Other	8	4
Net cash used in investing activities	(21,922)	(16,277)
Financing activities		
Proceeds from borrowings and overdrafts	869,701	683,340
Repayments on borrowings and overdrafts	(889,593)	(754,133)
Payment of debt issuance costs	—	(270)
Dividends paid to shareholders	(15,184)	(15,180)
Dividends paid to noncontrolling interests	(16,174)	(14,588)
Other noncontrolling interest activity, net	(480)	—
Payment of contingent consideration	(1,169)	(696)
Net cash used in financing activities	(52,899)	(101,527)
Effect of foreign exchange rate changes on cash	3,210	(15,906)
Increase (decrease) in cash and cash equivalents	2,235	(11,771)
Cash and cash equivalents at beginning of period	228,840	250,561
Cash and cash equivalents at end of period	$ 231,075	$ 238,790

See Notes to Unaudited Condensed Consolidated Financial Statements

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DOLE PLC
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY (Unaudited)

	Equity Attributable to Dole plc							
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity Attributable to Dole plc	Equity Attributable to Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
	(U.S. Dollars in thousands)							
Balance as of December 31, 2021	$ 950	$ 792,223	$ 413,335	$ (125,919)	$ 1,080,589	$ 132,041	$ 1,212,630	$ 32,776
Net income (loss)	—	—	(1,394)	—	(1,394)	3,948	2,554	731
Dividends declared	—	—	(7,607)	—	(7,607)	(3,674)	(11,281)	(294)
Stock-based compensation	—	648	—	—	648	—	648	—
Other noncontrolling interest activity, net	—	—	—	—	—	(1,317)	(1,317)	—
Other redeemable noncontrolling interest activity, net	—	(810)	—	—	(810)	—	(810)	810
Other comprehensive income (loss), net of income tax	—	—	—	24,957	24,957	(77)	24,880	(74)
Balance as of March 31, 2022	950	792,061	404,334	(100,962)	1,096,383	130,921	1,227,304	33,949
Net income	—	—	41,272	—	41,272	6,482	47,754	742
Dividends declared	—	—	(7,623)	—	(7,623)	(10,018)	(17,641)	(291)
Stock-based compensation	—	1,333	—	—	1,333	—	1,333	—
Other noncontrolling interest activity, net	—	(736)	—	—	(736)	(5,765)	(6,501)	—
Other redeemable noncontrolling interest activity, net	—	870	—	—	870	—	870	(870)
Other comprehensive (loss), net of income tax	—	—	—	(29,737)	(29,737)	(4,510)	(34,247)	(68)
Balance as of June 30, 2022	$ 950	$ 793,528	$ 437,983	$ (130,699)	$ 1,101,762	$ 117,110	$ 1,218,872	$ 33,462

	Equity Attributable to Dole plc							
	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity Attributable to Dole plc	Equity Attributable to Noncontrolling Interests	Total Equity	Redeemable Noncontrolling Interests
	(U.S. Dollars in thousands)							
Balance as of December 31, 2022	$ 949	$ 795,063	$ 469,249	$ (104,133)	$ 1,161,128	$ 125,546	$ 1,286,674	$ 32,311
Net income	—	—	14,159	—	14,159	5,899	20,058	351
Dividends declared	—	—	(7,690)	—	(7,690)	(1,893)	(9,583)	(277)
Stock-based compensation	—	1,330	—	—	1,330	—	1,330	—
Other noncontrolling interest activity, net	—	(863)	—	—	(863)	1,765	902	—
Other redeemable noncontrolling interest activity, net	—	(666)	—	—	(666)	—	(666)	666
Other comprehensive income (loss), net of income tax	—	—	—	3,222	3,222	2,191	5,413	(87)
Balance as of March 31, 2023	949	794,864	475,718	(100,911)	1,170,620	133,508	1,304,128	32,964
Net income	—	—	42,275	—	42,275	9,358	51,633	715
Dividends declared	—	—	(7,687)	—	(7,687)	(16,131)	(23,818)	(279)
Stock-based compensation	—	1,045	—	—	1,045	—	1,045	—
Other noncontrolling interest activity, net	—	42	—	—	42	144	186	—
Other redeemable noncontrolling interest activity, net	—	(892)	—	—	(892)	—	(892)	892
Other comprehensive income, net of income tax	—	—	—	3,298	3,298	648	3,946	99
Balance as of June 30, 2023	$ 949	$ 795,059	$ 510,306	$ (97,613)	$ 1,208,701	$ 127,527	$ 1,336,228	$ 34,391

See Notes to Unaudited Condensed Consolidated Financial Statements

DOLE PLC
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

NOTE 1 — NATURE OF OPERATIONS

Dole plc is engaged in the worldwide sourcing, processing, distributing and marketing of high-quality fresh fruit and vegetables. Dole is a premier global leader in fresh produce, and the Company's most significant products hold leading positions in their respective categories and territories. Dole is one of the largest producers of fresh bananas and pineapples, one of the largest global exporters of grapes and has a strong presence in growing categories such as berries, avocados and organic produce.

Dole conducts operations throughout North America, Latin America, Europe, Asia, the Middle East and Africa (primarily in South Africa). As a result of its global operating and financing activities, Dole is exposed to certain risks, including fluctuations in commodity and fuel costs, interest rates and foreign currency exchange rates, as well as other environmental and business risks in sourcing and selling locations.

Dole offers over 300 products that are grown and sourced, both locally and globally, from over 30 countries in various regions worldwide. These products are distributed and marketed in over 75 countries across retail, wholesale and food service channels. The Company operates through a number of business-to-business and business-to-consumer brands, the most notable being the Dole brand ("DOLE brand").

On January 30, 2023, certain of Dole's wholly owned subsidiaries entered into a Stock Purchase Agreement (the "Agreement") with Fresh Express Acquisition LLC ("Fresh Express"), a wholly owned subsidiary of Chiquita Holdings Limited, pursuant to which Fresh Express has agreed to acquire Dole's fresh vegetables division ("Fresh Vegetables division" or "Fresh Vegetables") for approximately $293.0 million in cash, subject to certain adjustments set forth in the Agreement (the "Vegetables Transaction"). The Vegetables Transaction is expected to close after regulatory approvals are obtained, subject to the satisfaction or waiver of customary closing conditions.

As a result of the agreement to sell the Fresh Vegetables division, its results are reported separately as discontinued operations, net of income taxes, in our condensed consolidated statements of operations for all periods presented and its assets and liabilities are separately presented in our condensed consolidated balance sheets as assets and liabilities held for sale. See Note 4 "Acquisitions and Divestitures" for further detail of the Vegetables Transaction and discontinued operations.

NOTE 2 — BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements herein are prepared in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission for interim financial information. As such, the interim financial statements do not include all information and notes required for annual financial statements. In the opinion of management, the unaudited condensed consolidated financial statements of Dole include all necessary adjustments, which are of a normal recurring nature, to state fairly Dole's financial position, results of operations and cash flows.

Dole's unaudited condensed consolidated financial statements include the accounts of majority-owned subsidiaries over which Dole exercises control, entities that are not majority-owned but require consolidation, because Dole has the ability to exercise control over operating and financial policies or has the power to direct the activities that most significantly impact the entities' economic performance, and all variable interest entities ("VIEs") for which Dole is the primary beneficiary.

Intercompany accounts and transactions have been eliminated on consolidation. The results of consolidated entities are included from the effective date of control or, in the case of VIEs, from the date that Dole becomes the primary beneficiary. The results of subsidiaries sold or otherwise deconsolidated are excluded from consolidated results as of the date that Dole ceases to control the subsidiary or, in the case of VIEs, when Dole ceases to be the primary beneficiary.

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts and disclosures reported in the financial statements and accompanying notes. Estimates and assumptions include, but are not limited to, the areas of customer and grower receivables, inventories, impairment of assets, useful lives of property, plant and equipment, intangible assets, income taxes, self-insurance reserves, pension and other postretirement benefits, business combinations, financial instruments and contingencies. Actual results could differ from these estimates and assumptions.

During fiscal year 2022, the Company performed a quantitative assessment of goodwill and the DOLE brand indefinite-lived intangible asset in conjunction with the annual impairment assessment. As of the October 1, 2022 testing date, two of Dole's reporting units with allocated goodwill and the DOLE brand were considered to be at risk of future impairment. The fair values of the Fresh Fruit and Diversified Fresh Produce – Americas and the Rest of the World ("Diversified Fresh Produce – Americas & ROW") reporting units were approximately 2% and 5% above their carrying amounts, respectively, and the fair value of the Diversified Fresh Produce – Europe, the Middle East and Africa ("Diversified Fresh Produce – EMEA") reporting unit was sufficiently above its carrying amount. The fair value of the DOLE brand exceeded its carrying amount by less than 1%. Although there have been no adverse changes since the testing date that indicate potential impairment, unfavorable changes to key assumptions in the impairment assessment, market conditions and macroeconomic circumstances could result in future impairment.

Interim results are subject to seasonal variations and are not necessarily indicative of the results of operations for a full year. Dole's operations are sensitive to a number of factors, including weather-related phenomena and its effects on industry volumes, prices, product quality and costs. Operations are also sensitive to fluctuations in foreign currency exchange rates, as well as economic conditions and security risks. The interim unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes to the consolidated financial statements in the Company's Annual Report on Form 20-F.

For further information on management estimates and Dole's significant accounting policies, refer to the consolidated financial statements and notes thereto included in the Annual Report on Form 20-F. There have been no material changes from the significant accounting policies disclosed in the Annual Report on Form 20-F.

NOTE 3 — NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements Adopted

ASU 2020-04, ASU 2021-01, and ASU 2022-06 – Reference Rate Reform (Topic 848)

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848) – Facilitation of the Effects of Reference Rate Reform on Financial Reporting* and in January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848) – Scope*. The amendments in these updates provide optional expedients and exceptions related to the accounting for contracts and hedging relationships that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued due to reference rate reform if certain criteria are met.

As of June 2023, Dole has modified all of its borrowings and interest rate swaps that referenced LIBOR to now reference the Secured Overnight Financing Rate ("SOFR"). The Company has adopted certain elections under this guidance to account for the debt modifications as continuations of the existing agreements and maintain the hedge effectiveness of its interest rate swaps. The adoption of these elections did not impact Dole's financial condition, results of operations, cash flows and related disclosures.

New Accounting Pronouncements Not Yet Adopted

The Company considered all new accounting pronouncements not yet adopted and concluded they are not expected to have a material impact.

NOTE 4 — ACQUISITIONS AND DIVESTITURES

Vegetables Transaction

On January 30, 2023, Dole entered into the Agreement with Fresh Express, pursuant to which Fresh Express has agreed to acquire the Fresh Vegetables division for approximately $293.0 million in cash, subject to certain adjustments set forth in the Agreement. As of June 30, 2023, the Company anticipates a closing date for the sale by the end of fiscal year 2023, subject to regulatory approvals and the satisfaction or waiver of customary closing conditions, and expects to recognize a gain upon disposal.

The Fresh Vegetables division comprises substantially all of the assets and all of the liabilities of the former Fresh Vegetables reportable segment. Certain assets of the Fresh Vegetables reportable segment that are excluded from the transaction are not material, individually or in the aggregate, and the majority of these assets have been moved to other assets held for sale in the condensed consolidated balance sheets, as an active program is underway to sell them to another third party. Refer to Note 11 “Assets Held for Sale and Actively Marketed Property” for further detail.

The Company determined that the Fresh Vegetables division met the criteria to be classified as held for sale and that the Vegetables Transaction represents a strategic shift that will have a material effect on the Company’s operations and results. As such, the results of the Fresh Vegetables division have been classified as discontinued operations in the condensed consolidated statements of operations for the periods presented, and its related assets and liabilities have been classified as held for sale in the condensed consolidated balance sheets as of March 31, 2023 and onwards. As a result, depreciation and amortization on long-lived assets have ceased as of March 31, 2023.

Upon the closing of the transaction, Dole does not anticipate having significant continuing involvement with the Fresh Vegetables division and any such involvement will be limited to certain transition service arrangements that are not expected to be material to Dole’s continuing operations.

The following tables present the results of the Fresh Vegetables division as reported in loss from discontinued operations, net of income taxes, in the condensed consolidated statements of operations, the carrying value of assets and liabilities as presented within assets and liabilities held for sale in the condensed consolidated balance sheets and the discontinued operations cash flows used in operating and investing activities in the condensed consolidated statements of cash flows.

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Revenues, net	$ 301,572	$ 309,226	$ 596,454	$ 583,977
Cost of sales	(294,212)	(304,828)	(582,939)	(597,335)
Gross profit (loss)	7,360	4,398	13,515	(13,358)
Selling, marketing, general and administrative expenses	(13,627)	(13,193)	(27,804)	(27,808)
Transaction and other related costs	(5,319)	—	(6,819)	—
Operating (loss) from discontinued operations	(11,586)	(8,795)	(21,108)	(41,166)
Other income, net	353	503	406	556
Net interest expense[1]	(2,967)	(2,109)	(3,206)	(2,083)
Loss from discontinued operations before income taxes	(14,200)	(10,401)	(23,908)	(42,693)
Income tax benefit (expense)	2,803	(703)	(2,069)	6,235
Less: (Income) loss from discontinued operations attributable to noncontrolling interests	(41)	(91)	33	33
Loss from discontinued operations, net of income taxes	$ (11,438)	$ (11,195)	$ (25,944)	$ (36,425)

[1] Net interest expense presented within discontinued operations is net of interest income and includes the allocated interest expense related to the portion of Term Loan A and Term Loan B required to be repaid upon the closing of the Vegetables Transaction. See Note 12 “Debt” for further detail.

	June 30, 2023	December 31, 2022
ASSETS	(U.S. Dollars in thousands)	
Current receivables, net[1]	$ 8,953	$ 13,474
Inventories, net	31,255	42,728
Prepaid expenses and other current assets	6,487	6,050
Property, plant and equipment, net	227,229	227,183
Operating lease right-of-use assets	98,932	99,139
Other noncurrent assets	17,841	17,506
Total Fresh Vegetables assets held for sale	390,697	406,080
Fresh Vegetables current assets held for sale	390,697	62,252
Fresh Vegetables non-current assets held for sale	—	343,828
Total Fresh Vegetables assets held for sale	$ 390,697	$ 406,080
LIABILITIES		
Accounts payable	$ 71,798	$ 88,995
Accrued and other current liabilities	94,544	85,664
Operating lease liabilities	89,212	98,145
Deferred income tax liabilities	28,857	24,973
Other long-term liabilities	17,718	17,858
Total Fresh Vegetables liabilities held for sale	302,129	315,635
Fresh Vegetables current liabilities held for sale	302,129	199,255
Fresh Vegetables non-current liabilities held for sale	—	116,380
Total Fresh Vegetables liabilities held for sale	$ 302,129	$ 315,635

[1]Fresh Vegetables currently sells its trade receivables under the facility with recourse provisions described in Note 8 “Receivables and Allowances for Credit Losses.” Upon the closing of the Vegetable Transaction, Fresh Vegetables’ position under the facility will be settled.

	Six Months Ended	
	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)	
Net cash (used) in operating activities - discontinued operations	$ (2,898)	$ (37,289)
Net cash (used) in investing activities - discontinued operations	(5,410)	(5,307)
Cash (used in) discontinued operations, net	$ (8,308)	$ (42,596)

Other Acquisitions and Divestitures

The Company normally engages in acquisitions to grow its business and product offerings. The majority of acquisitions represent an increase of an existing ownership percentage to obtain control of entities previously accounted for under the equity method.

Other acquisitions and divestitures in the three and six months ended June 30, 2023 and June 30, 2022 were not material. No goodwill was acquired in the three months ended June 30, 2023, and in the three months ended June 30, 2022, total goodwill acquired was $0.5 million and was assigned to the Diversified Fresh Produce – EMEA reportable segment. In the six months ended June 30, 2023 and June 30, 2022, total goodwill acquired was $3.3 million and $1.2 million, respectively, and was assigned to the Diversified Fresh Produce – EMEA reportable segment. There were no gains or losses recorded for acquisition activity in either period. As of June 30, 2023, all other changes in goodwill and intangible assets from December 31, 2022 are attributable to foreign currency translation and periodic amortization.

NOTE 5 — REVENUE

Revenue consists primarily of product revenue, which includes the selling of fresh produce, health foods and consumer goods to third-party customers. Fresh produce comprises two main product categories, tropical fruit and diversified produce. Tropical fruit primarily consists of bananas and pineapples, and diversified produce primarily consists of all other fruit, vegetables and other produce. Product revenue also includes surcharges for additional product services such as freight, cooling, warehousing, fuel, containerization, handling and palletization related to the transfer of products.

Revenue also includes service revenue, which includes management fees, third-party freight and royalties for the use of Company brands and trademarks. Additionally, the Company maintains a commercial cargo business where revenue is earned by providing handling and transportation services of containerized cargo on Company vessels. Net service revenues were less than 10% of total revenue for the three and six months ended June 30, 2023 and June 30, 2022.

The following table presents the Company's disaggregated revenues by similar types of products and services for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Diversified produce	$ 1,317,350	$ 1,243,118	$ 2,516,111	$ 2,489,055
Tropical fruit	725,859	713,209	1,417,581	1,354,648
Health foods and consumer goods	33,941	30,507	65,239	60,158
Commercial cargo	46,481	49,994	93,656	95,172
Other	17,543	14,081	37,754	22,107
Total revenues, net	$ 2,141,174	$ 2,050,909	$ 4,130,341	$ 4,021,140

The following table presents the Company's disaggregated revenues by channel for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Third party revenue:	(U.S. Dollars in thousands)			
Retail	$ 1,285,780	$ 1,178,514	$ 2,457,163	$ 2,360,520
Wholesale	638,108	679,758	1,255,395	1,288,652
Food service	132,345	116,512	240,204	216,165
Commercial cargo	46,481	49,994	93,656	95,172
Other	15,043	2,950	29,915	5,166
Revenue from sales to equity method investees	23,417	23,181	54,008	55,465
Total revenue, net	$ 2,141,174	$ 2,050,909	$ 4,130,341	$ 4,021,140

NOTE 6 — SEGMENTS

Accounting for the anticipated sale of the Fresh Vegetables division, Dole has the following three reportable segments, which align with the manner in which the business is managed: Fresh Fruit, Diversified Fresh Produce – EMEA and Diversified Fresh Produce – Americas & ROW. The Company's reportable segments are based on (i) financial information reviewed by the Chief Operating Decision Maker ("CODM"), defined as the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO"), (ii) internal management and related reporting structures and (iii) the basis upon which the CODM assesses performance and allocates resources.

Fresh Fruit: The Fresh Fruit reportable segment primarily sells bananas and pineapples which are sourced from local growers or Dole-owned and leased farms, predominately located in Latin America, and sold throughout North America, Europe, Latin America and Asia. This segment also operates a commercial cargo business, which offers available capacity to transport third party cargo on company-owned vessels that are primarily used internally for transporting bananas and pineapples between Latin America, North America and Europe.

Diversified Fresh Produce – EMEA: The Diversified Fresh Produce – EMEA reportable segment includes Dole's Irish, Dutch, Spanish, Portuguese, French, Italian, United Kingdom ("U.K."), Swedish, Danish, South African, Czech, Slovakian, Polish and Brazilian businesses, the majority of which sell a variety of imported and local fresh fruits and vegetables through retail, wholesale and, in some instances, food service channels across the European marketplace.

Diversified Fresh Produce – Americas & ROW: The Diversified Fresh Produce – Americas & ROW reportable segment includes Dole's United States ("U.S."), Canadian, Chilean, Peruvian, Argentinian and Indian businesses, all of which market globally and locally sourced fresh produce from third-party growers or Dole-owned farms through retail, wholesale and food service channels globally.

Segment performance is evaluated based on a variety of factors, of which revenue and adjusted earnings before interest expense, income taxes and depreciation and amortization ("Adjusted EBITDA") are the primary financial measures. Management does not use assets by segment to evaluate performance or allocate resources. Therefore, assets by segment are not disclosed.

All transactions between reportable segments are eliminated in consolidation. Segment results for the three and six months ended June 30, 2023 and June 30, 2022 have been updated to remove the discontinued operations of the Fresh Vegetables division, and corporate costs previously allocated to the Fresh Vegetables reportable segment have been reallocated to the remaining reportable segments.

Adjusted EBITDA is reconciled below to net income by (1) subtracting the loss from discontinued operations, net of income taxes; (2) subtracting the income tax expense or adding the income tax benefit; (3) subtracting interest expense; (4) subtracting depreciation charges; (5) subtracting amortization charges on intangible assets; (6) subtracting mark to market losses or adding mark to market gains related to unrealized impacts from derivative instruments and foreign currency denominated borrowings, realized impacts on noncash settled foreign currency denominated borrowings, net foreign currency impacts on liquidated entities and fair value movements on contingent consideration; (7) other items which are separately stated based on materiality, which during the three and six months ended June 30, 2023 and June 30, 2022, included adding or subtracting asset write-downs from extraordinary events, net of insurance proceeds, adding the gain or subtracting the loss on the disposal of business interests, subtracting the incremental costs from the fair value uplift for biological assets and inventory related to the acquisition of Legacy Dole, adding the gain or subtracting the loss on the sale of investments accounted for under the equity method, adding the gain or subtracting the loss on asset sales for assets held for sale and actively marketed property and subtracting costs incurred for the cyber-related incident; and (8) the Company's share of these items from equity method investments.

The following table provides revenue and Adjusted EBITDA by reportable segment:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Revenue:				
Fresh Fruit	$ 839,043	$ 805,831	$ 1,637,953	$ 1,555,634
Diversified Fresh Produce — EMEA	915,629	849,848	1,713,729	1,641,003
Diversified Fresh Produce — Americas & ROW	417,645	448,200	840,396	911,892
Total segment revenue	2,172,317	2,103,879	4,192,078	4,108,529
Intersegment revenue	(31,143)	(52,970)	(61,737)	(87,389)
Total consolidated revenue, net	$ 2,141,174	$ 2,050,909	$ 4,130,341	$ 4,021,140
Segment Adjusted EBITDA:				
Fresh Fruit	$ 65,816	$ 56,308	$ 135,027	$ 116,705
Diversified Fresh Produce — EMEA	42,603	38,434	66,009	57,711
Diversified Fresh Produce — Americas & ROW	14,262	17,061	22,032	29,269
Adjustments:				
Income tax expense	(16,593)	(5,300)	(27,587)	(12,658)
Interest expense	(19,748)	(10,833)	(41,460)	(22,449)
Depreciation	(23,142)	(25,696)	(47,445)	(48,229)
Amortization of intangible assets	(2,574)	(2,773)	(5,190)	(5,615)
Mark to market (losses) gains	(1,035)	6,991	(1,857)	8,129
Gain on asset sales	10,387	7,816	14,554	7,816
Incremental charges on biological assets related to the acquisition of Legacy Dole	—	(17,431)	—	(34,944)
Cyber-related incident	(571)	—	(5,321)	—
Other items	(190)	(116)	(863)	752
Adjustments from equity method investments:				
Dole's share of depreciation	(1,903)	(2,042)	(3,664)	(3,635)
Dole's share of amortization	(645)	(624)	(1,256)	(1,290)
Dole's share of income tax expense	(2,172)	(1,161)	(2,656)	(1,722)
Dole's share of interest expense	(750)	(1,046)	(2,059)	(1,601)
Dole's share of other items	—	12	470	—
Income from continuing operations	63,745	59,600	98,734	88,239
Loss from discontinued operations, net of income taxes	(11,438)	(11,195)	(25,944)	(36,425)
Net income	$ 52,307	$ 48,405	$ 72,790	$ 51,814

NOTE 7 — OTHER INCOME, NET

Included in other income, net, in Dole's condensed consolidated statements of operations were the following items:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Rental income	$ 2,119	$ 3,975	$ 4,704	$ 8,099
Unrealized (loss) gain on foreign currency denominated borrowings	(1,052)	5,814	(3,347)	7,305
Realized gain on fair value hedges	490	—	468	—
Unrealized (loss) on fair value hedges	(616)	(1)	(100)	(1)
Non-cash realized gain on foreign currency denominated borrowings	—	—	—	1,029
Gain (loss) on investments	70	(1,939)	867	(3,608)
Non-service components of net periodic pension benefit (costs)	226	249	(397)	2,499
(Loss) gain on contingent consideration	(18)	(16)	37	(41)
Other	(90)	20	672	(4,716)
Other income, net	$ 1,129	$ 8,102	$ 2,904	$ 10,566

NOTE 8 — RECEIVABLES AND ALLOWANCES FOR CREDIT LOSSES

Trade Receivables

Trade receivables as of June 30, 2023 and December 31, 2022 were $627.8 million and $610.4 million, net of allowances for credit losses of $21.5 million and $18.0 million, respectively. Trade receivables are also recorded net of allowances for sales deductions under the scope of Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers.*

As a result of Dole's robust credit monitoring practices, the industry in which it operates and the nature of its customer base, the credit losses associated with trade receivables have historically not been significant in comparison to net revenue and gross trade receivables. The allowance for credit losses on trade receivables is measured on a collective pool basis, when the Company believes similar risk characteristics exist among customers. Trade receivables that do not share similar risk characteristics are evaluated on a case-by-case basis. Dole estimates expected credit losses based on ongoing monitoring of customer credit, macroeconomic indicators and historical credit losses based on customer type and geographic region.

A rollforward of the allowance for credit losses for trade receivables was as follows:

	Amount
	(U.S. Dollars in thousands)
Balance as of December 31, 2022	$ (18,001)
Additional provisions in the period	(4,507)
Write-offs	721
Recoveries of amounts previously reserved	2,768
Balance sheet reclassifications	(2,158)
Foreign exchange impact	(283)
Balance as of June 30, 2023	$ (21,460)

Dole utilizes third-party trade receivables sales arrangements to help manage its liquidity. Certain arrangements contain recourse provisions in which Dole's maximum financial loss is limited to a percentage of receivables sold under the arrangements. Dole derecognizes all sold receivables from the condensed consolidated balance sheets, as it accounts for the transfers as sales under ASC 860, *Transfers and Servicing*.

As of June 30, 2023, the Company had derecognized trade receivables under non-recourse facilities and facilities with recourse provisions of $17.8 million and $255.0 million, respectively. As of December 31, 2022, the Company had derecognized trade receivables under non-recourse facilities and facilities with recourse provisions of $11.9 million and $237.2 million, respectively. The fees associated with the securitization of such receivables are recorded in interest expense in the condensed consolidated statements of operations. The Company continues to service sold receivables, and the fair value of any resulting servicing liability is immaterial.

Grower Advances

Dole makes cash advances and materials advances to third-party growers for various production needs, including labor, fertilization, irrigation, pruning and harvesting costs, and additionally incurs other supply chain costs on behalf of third-party growers that are recorded as grower advance receivables. Some of these advances are secured by collateral owned by the growers.

Grower advances are categorized as either working capital advances or term advances. Working capital advances are made to the growers during a normal seasonal growing cycle to support operational working capital needs. These advances are short-term in nature and are intended to be repaid with excess cash proceeds from the current crop harvest. Short-term grower loans and advances, whether secured or unsecured, are classified as grower advance receivables, net, in the condensed consolidated balance sheets.

Term advances are made to support longer-term grower investments. These advances are long-term in nature, are typically secured by long-term grower assets and also usually involve a long-term supply agreement for the marketing of fruit. These advances typically have structured repayment terms which are payable over the term of the advance or supply agreement with excess cash proceeds from the crop harvest, after payment of any outstanding working capital advances. The term of supply agreements and term advances is generally one to ten years. Term advances are classified as other assets in the condensed consolidated balance sheets.

Both working capital advances and term advances may bear interest. Accrued interest on these arrangements has not historically been significant to the financial statements.

The following table summarizes growers advances as of June 30, 2023 and December 31, 2022 based on whether the advances are secured or unsecured:

	June 30, 2023		December 31, 2022	
	Short-Term	Long-Term	Short-Term	Long-Term
	(U.S. Dollars in thousands)			
Secured gross advances to growers and suppliers	$ 73,550	$ 10,770	$ 66,485	$ 8,317
Allowance for secured advances to growers and suppliers	(13,771)	(599)	(12,534)	—
Unsecured gross advances to growers and suppliers	55,985	8,335	56,196	5,316
Allowance for unsecured advances to growers and suppliers	(3,247)	(3,157)	(3,283)	(3,147)
Net advances to growers and suppliers	$ 112,517	$ 15,349	$ 106,864	$ 10,486

Of the $127.9 million and $117.4 million of net advances to growers and suppliers as of June 30, 2023 and December 31, 2022, $10.6 million and $12.9 million, respectively, was considered past due.

Dole monitors the collectability of grower advances through periodic review of financial information received from growers. The allowance for credit losses for grower advances is monitored by management on a case-by-case basis, considering historical credit loss information for the grower, the timing of the growing season and expected yields, the fair value of the collateral, macroeconomic indicators, weather conditions and other miscellaneous contributing factors. Dole generally considers an advance to a grower to be past due when the advance is not fully recovered by the excess cash proceeds on the current year crop harvest or when the advance is not repaid by the excess cash proceeds by the end of the supply term agreement.

A rollforward of the allowance for expected credit losses related to grower loans and advances was as follows:

	Amount (U.S. Dollars in thousands)
Balance as of December 31, 2022	$ (18,964)
Additional provisions in the period	(2,359)
Recoveries of amounts previously reserved	542
Balance sheet reclassifications	30
Foreign exchange impact	(23)
Balance as of June 30, 2023	$ (20,774)

Other Receivables

Other receivables less allowances are recognized at net realizable value, which reflects the net amount expected to be collected. Current and non-current balances of other receivables are included in other receivables, net, and other assets, respectively, in the condensed consolidated balance sheets. Other receivables primarily comprise value-added taxes (“VAT”) receivables, other receivables from government and tax authorities and non-trade receivables from customers, suppliers and other third parties. Based on the nature of these agreements, the timing of collection is dependent on many factors, including government legislation and the timing of settlement of the contract or arrangement.

Total other receivables as of June 30, 2023 and December 31, 2022 were $168.2 million and $152.2 million, net of allowances for credit losses of $21.0 million and $21.5 million, respectively. Of these amounts outstanding, VAT receivables represent $44.2 million and $39.8 million, net of allowances of $14.0 million and $14.7 million, respectively. VAT receivables are primarily related to purchases by production units and are refunded by certain taxing authorities. As of June 30, 2023 and December 31, 2022, the allowance related to non-trade receivables from customers, suppliers and other third parties was not significant.

NOTE 9 — INCOME TAXES

Dole recorded an income tax expense of $16.6 million on $75.7 million of income from continuing operations before income taxes and equity earnings for the three months ended June 30, 2023 and $27.6 million on $120.2 million of income from continuing operations before income taxes and equity earnings for the six months ended June 30, 2023. Dole recorded income tax expense of $5.3 million on $61.7 million of income from continuing operations before income taxes and equity earnings for the three months ended June 30, 2022 and $12.7 million on $97.2 million on income from continuing operations before income taxes and equity earnings for the six months ended June 30, 2022. Dole’s effective tax rate varies significantly from period to period due to the level, mix and seasonality of earnings generated in Ireland and its various foreign jurisdictions, including the U.S. For the three and six months ended June 30, 2023, the Company’s income tax expense differed from the Irish statutory rate of 12.5% primarily due to U.S. Global Intangible Low-Taxed Income (“GILTI”) provisions of the 2017 Tax Cuts and Jobs Act (“Tax Act”), U.S. Subpart F income inclusion and operations in foreign jurisdictions that are taxed at different rates than the Irish statutory tax rate. For the three and six months ended June 30, 2022, the Company’s income tax expense differed from the Irish statutory rate of 12.5% primarily due to GILTI provisions of the Tax Act, U.S. Subpart F income inclusion, a decrease in liabilities for uncertain tax positions and operations in foreign jurisdictions that are taxed at different rates than the Irish statutory tax rate.

Dole is required to adjust its effective tax rate for each quarter to be consistent with the estimated annual effective tax rate. Jurisdictions with a projected loss where no tax benefit can be recognized are excluded from the calculation of the estimated annual effective tax rate. This could result in a higher or lower effective tax rate during a particular quarter based upon the mix and timing of actual earnings compared to annual projections.

The Company’s net deferred tax liability is primarily related to acquired intangible assets and fair value adjustments resulting from the Merger and is net of deferred tax assets related to the U.S. federal interest disallowance carryforward, U.S. state and non-U.S. net operating loss carryforwards and other temporary differences. Dole maintains a valuation allowance against certain U.S state and non-U.S. deferred tax assets. Each reporting period, the Company evaluates the need for a valuation allowance on deferred tax assets by jurisdiction and adjusts estimates as more information becomes available.

The Company is required to recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As a result, Dole has recorded a reserve against tax benefits that do not meet the more likely than not threshold to sustain the tax position.

During the year ended December 31, 2022, the taxing authorities in one of Dole's foreign jurisdictions issued an income tax assessment related to transfer pricing of approximately $30.0 million (including interest and penalties) for the 2017 tax year. The Company's subsidiary appealed the assessment, and on March 9, 2023, the reviewing body annulled the assessment. The tax authority has begun a new audit, which the Company's subsidiary has challenged based on the expiration of the statute of limitations.

Dole plc and one or more of its subsidiaries files income tax returns in Ireland, the U.S. (both at the federal level and in various state jurisdictions), Canada and jurisdictions in Latin America and Europe. With few exceptions, Dole is no longer subject to income tax examinations by tax authorities for years prior to 2015.

NOTE 10 — INVENTORY

Inventories are valued at the lower of cost or net realizable value. Costs are determined on the first-in, first-out basis. Specific identification and average cost methods are also used, primarily for certain packing materials and operating supplies. In the normal course of business, the Company incurs certain crop growing costs such as land preparation, planting, fertilization, grafting, pruning and irrigation. Based on the nature of these costs and type of crop production, these costs may be capitalized into inventory. Generally, all recurring direct and indirect costs of growing crops for fresh produce other than bananas and pineapples are capitalized into inventory. These costs are recognized into cost of sales during each harvest period.

Details of inventory in the condensed consolidated balance sheets as of June 30, 2023 and December 31, 2022 were as follows:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Finished products	$ 206,055	$ 208,671
Raw materials and work in progress	87,059	105,771
Crop growing costs	11,866	26,923
Agricultural and other operating supplies	47,072	52,785
Inventories, net of allowances	$ 352,052	$ 394,150

Due to the nature of the Company's inventory, allowances for excess production and obsolescence have not historically been significant.

NOTE 11 — ASSETS HELD FOR SALE AND ACTIVELY MARKETED PROPERTY

Dole continuously reviews its assets in order to identify those that do not meet Dole's future strategic direction or internal economic return criteria. As a result of this review, Dole has identified and is in the process of selling certain assets which are classified as either held for sale or actively marketed property. The assets that have been identified are available for sale in their present condition and an active program is underway to sell the properties. Dole is actively marketing these properties at a price that is in excess of book value. For property classified as held for sale, their sale is anticipated to occur during the ensuing year, while the timing of the sale of property classified as actively marketed is uncertain.

Assets held for sale

As of June 30, 2023 and December 31, 2022, assets held for sale were $10.5 million and $0.6 million, respectively, of property, plant and equipment. There were no liabilities held for sale as of June 30, 2023 and December 31, 2022. During the the three months ended June 30, 2023, Dole approved and committed to sell two vessels in Latin America in the Fresh Fruit reportable segment, and as a result, transferred related assets with a total net book value of $1.0 million to assets held for sale. Also, during the six months ended June 30, 2023, Dole approved and committed to sell two properties in the U.S. in the Diversified Fresh Produce – Americas & ROW reportable segment, one property in Ireland in the Diversified Fresh Produce – EMEA segment and certain assets in the U.S. that are excluded from the Vegetables Transaction. As a result, assets with total net book values of $3.4 million, $0.2 million and $6.9 million, respectively, were transferred to assets held for sale.

In the three months ended June 30, 2023, Dole sold the vessels and a property in Latin America, both in the Fresh Fruit reportable segment, and a property in the U.S. in the Diversified Fresh Produce – Americas & ROW reportable segment with net book values of $0.1 million, $0.2 million and $0.1 million, respectively, at total gains of $5.5 million, $4.8 million and $0.1 million, respectively. Also, in the six months ended June 30, 2023, Dole sold a property in the U.S. in the Diversified Fresh Produce – Americas & ROW reportable segment with a net book value of $0.3 million at a total gain of $0.3 million.

During the six months ended June 30, 2022, Dole approved and committed to sell two buildings in Europe in the Diversified – EMEA reportable segment and transferred related assets with a net book value of $2.8 million to assets held for sale. These buildings were subsequently sold at a total gain of $7.8 million for the three and six months ended June 30, 2022.

A rollforward of assets held for sale for the six months ended June 30, 2023 was as follows:

	Amount (U.S. Dollars in thousands)
Balance as of December 31, 2022	$ 645
Additions	11,457
Sales	(1,620)
Foreign exchange impact	6
Balance as of June 30, 2023	$ 10,488

Actively marketed property

As of June 30, 2023 and December 31, 2022, actively marketed property was $29.4 million and $31.0 million, respectively, and consisted entirely of land in Hawaii in the Fresh Fruit reportable segment. During the six months ended June 30, 2023, Dole sold actively marketed Hawaii land with a net book value of $1.6 million at a total gain of $3.9 million. During the six months ended June 30, 2022, Dole sold actively marketed Hawaii land with a net book value of $14.7 million. There was no gain or loss from the sale in the three and six months ended June 30, 2022.

A rollforward of actively marketed property for the six months ended June 30, 2023 was as follows:

	Amount (U.S. Dollars in thousands)
Balance as of December 31, 2022	$ 31,007
Land sales	(1,614)
Balance as of June 30, 2023	$ 29,393

NOTE 12 — DEBT

Short-term borrowings, bank overdrafts and long-term debt consisted of the following:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Revolving Credit Facility	$ 153,547	$ 183,909
Term Loan A and Term Loan B	817,425	823,875
Vessel financing loans	82,125	89,479
Other long-term financing arrangements	42,502	41,483
Other revolving credit facilities, at a weighted average interest rate of 6.8% as of June 30, 2023 (4.8% as of December 31, 2022)	88,796	73,999
Bank overdrafts	20,285	8,623
Finance lease obligations, at a weighted average interest rate of 4.1% as of June 30, 2023 (3.7% as of December 31, 2022)	30,354	29,885
Total debt, gross	1,235,034	1,251,253
Unamortized debt discounts and debt issuance costs	(16,125)	(17,874)
Total debt, net	1,218,909	1,233,379
Current maturities, net of unamortized debt discounts and debt issuance costs	(268,203)	(97,435)
Bank overdrafts	(20,285)	(8,623)
Long-term debt, net	$ 930,421	$ 1,127,321

Term Loan and Revolving Credit Facility

Under the terms of the Credit Agreement entered into on March 26, 2021 (and subsequently amended on August 3, 2021), the Company has a senior secured revolving credit facility (the "Revolving Credit Facility") in place which provides for borrowings of up to $600.0 million and two term loan facilities ("Term Loan A" and "Term Loan B") which provided for borrowings of $300.0 million and $540.0 million, respectively.

In June 2023, the Company amended the Credit Agreement to replace the U.S. Dollar LIBOR benchmark rate with SOFR plus a spread. U.S. Dollar borrowings under the Revolving Credit Facility refers to SOFR as the benchmark rate plus an additional spread adjustment of 0.10%. U.S. Dollar borrowings under the Term Loan A refers to SOFR as the benchmark rate plus an additional spread adjustment of 0.10%. For Term Loan B borrowings, the Company elected to adopt the LIBOR fallback provisions and replaced LIBOR with SOFR as the benchmark rate plus a spread adjustment that varies from 0.11% to 0.72%, depending on the tenor of the borrowing.

Interest under the Revolving Credit Facility and Term Loan A is payable, at the option of Dole, either at (i) SOFR plus 0.10%, or the respective benchmark rate depending on the currency of the loan, plus 1.00% to 2.75%, with a benchmark floor of 0.00% or (ii) a base rate plus 0.00% to 1.75%, in each case, to be determined based on credit ratings and the Company's total net leverage ratio. Interest under Term Loan B is payable, at the option of Dole, either at (i) SOFR plus the applicable credit spread adjustment, or the respective benchmark rate depending on the currency of the loan, plus 2.00% to 2.25%, with a benchmark floor of 0.00% or (ii) a base rate plus 1.00% to 1.25%, in each case, to be determined based on credit ratings. As discussed in Note 14 "Derivative Financial Instruments", the Company enters into interest rate swap arrangements to fix a portion of the Credit Agreement's variable rate debt to fixed rate debt.

Principal payments of $1.9 million under Term Loan A are due quarterly until maturity, with the remaining balance due on the maturity date of August 3, 2026. Principal payments of $1.4 million under Term Loan B are due quarterly until maturity, with the remaining balance due on the maturity date of August 3, 2028. Under the terms of the Credit Agreement, upon the closing of the Vegetables Transaction, the Company will be required to use a portion of the proceeds to make a prepayment on Term Loan A and Term Loan B. The estimated minimum prepayment has been reclassified from long-term debt, net, to current maturities in the condensed consolidated balance sheets as of June 30, 2023. The Revolving Credit Facility has an expiration date of August 3, 2026.

As of June 30, 2023, amounts outstanding under Term Loan A and Term Loan B were $817.4 million, in the aggregate, and borrowings under the Revolving Credit Facility were $153.5 million. After taking into account approximately $14.5 million of related outstanding letters of credit, Dole had $432.0 million available for cash borrowings under the Revolving Credit Facility as of June 30, 2023. As of December 31, 2022, amounts outstanding under Term Loan A and Term Loan B were $823.9 million, in the aggregate, and borrowings under the Revolving Credit Facility were $183.9 million. After taking into account approximately $15.0 million of related outstanding letters of credit, Dole had $401.1 million available for cash borrowings under the Revolving Credit Facility as of December 31, 2022.

Borrowings under the Credit Agreement are secured by substantially all of the Company's material U.S. assets of wholly owned subsidiaries and by the equity interests of substantially all Dole subsidiaries located in the U.S. and certain subsidiaries located in Europe.

Lines of Credit

In addition to amounts available under the Revolving Credit Facility, Dole's subsidiaries have lines of credit of approximately $243.2 million at various local banks, of which $131.3 million was available for use as of June 30, 2023. As of December 31, 2022, there were lines of credit of $252.3 million, of which $167.6 million was available for use. These lines of credit are used primarily for short-term borrowings or bank guarantees. The majority of Dole's lines of credit extend indefinitely but may be cancelled at any time by Dole or the banks, and if cancelled, any outstanding amounts would be due on demand.

NOTE 13 — EMPLOYEE BENEFIT PLANS

Components of Net Periodic Benefit Cost (Benefit)

The components of net periodic benefit cost (benefit) for Dole's U.S. and international pension plans and other postretirement benefit ("OPRB") plans were as follows:

	U.S. Pension Plans		International Pension Plans		OPRB Plans	
	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022
	(U.S. Dollars in thousands)					
Service cost	$ 53	$ 64	$ 1,293	$ 1,119	$ —	$ 1
Interest cost	2,231	1,236	2,910	2,175	173	111
Expected return on plan assets	(3,307)	(2,819)	(2,048)	(1,911)	—	—
Amortization of:						
Net (gain) loss	(145)	—	(531)	597	(77)	—
Prior service benefit	—	—	(158)	(136)	—	—
Curtailments, settlements and terminations, net	—	—	711	205	—	—
Foreign exchange and other	—	—	15	293	—	—
Net periodic cost (benefit)	$ (1,168)	$ (1,519)	$ 2,192	$ 2,342	$ 96	$ 112

	U.S. Pension Plans		International Pension Plans		OPRB Plans	
	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
	(U.S. Dollars in thousands)					
Service cost	$ 107	$ 128	$ 2,587	$ 2,281	$ —	$ 1
Interest cost	4,462	2,471	5,820	4,350	346	221
Expected return on plan assets	(6,613)	(5,637)	(4,096)	(3,827)	—	—
Amortization of:						
Net (gain) loss	(290)	—	(1,063)	1,166	(154)	—
Prior service benefit	—	—	(317)	(334)	—	—
Curtailments, settlements and terminations, net	—	—	2,332	(1,025)	—	—
Foreign exchange and other	—	—	(30)	116	—	—
Net periodic cost (benefit)	$ (2,334)	$ (3,038)	$ 5,233	$ 2,727	$ 192	$ 222

The Company classifies the non-service components of net periodic pension cost (benefit) within other income, net, in the condensed consolidated statements of operations. Non-service components include interest costs, expected return on plan assets, amortization of net loss and prior service benefit and other curtailment or settlement costs.

During the three and six months ended June 30, 2023, the Company settled certain obligations of international defined benefit plans in Latin America and Europe, which resulted in net settlement costs of $0.7 million and $2.3 million, respectively. During the three and six months ended June 30, 2022, the Company settled certain obligations of international defined benefit plans in Latin America and Europe, which resulted in net settlement and curtailment costs of $0.2 million for the three months ended June 30, 2022 and net gains of $1.0 million for the six months ended June 30, 2022.

Plan Contributions and Estimated Future Benefit Payments

During the six months ended June 30, 2023, Dole contributed $1.3 million to its defined benefit plans and made benefit payments of $8.9 million directly to participants. Dole expects to make further contributions of approximately $1.1 million to its defined benefit plans and $8.9 million of benefit payments directly to participants during the remainder of 2023. Dole also intends to make any additional unforeseen contributions that will satisfy minimum funding requirements. Future contributions to the defined benefit plans in excess of the minimum funding requirements are voluntary and may change depending on Dole's operating performance or at management's discretion.

NOTE 14 — DERIVATIVE FINANCIAL INSTRUMENTS

Dole is exposed to foreign currency exchange rate fluctuations, bunker fuel price fluctuations and interest rate changes in the normal course of its business. As part of its risk management strategy, Dole uses derivative instruments to hedge some of these exposures. Dole's objective is to offset gains and losses resulting from these exposures with losses and gains from the derivative contracts used to hedge them, thereby reducing the volatility of earnings. Dole does not hold or issue derivative financial instruments for trading or speculative purposes. The types of derivative instruments utilized by Dole are described below:

Foreign currency hedges: Dole enters into foreign currency exchange forward and option contracts to hedge exposure to changes in certain foreign currency exchange rates. Dole enters into fair value hedges to hedge foreign currency exposure of non-functional currency assets and liabilities and cash flow hedges to hedge foreign currency exposure of forecasted revenue, cost of sales and operating expenses.

Interest rate swaps: Dole enters into interest rate swaps to mitigate a significant portion of the interest rate risk associated with its variable-rate debt.

In June 2023, Dole amended $700.0 million notional value of its interest rate swaps to change the benchmark interest rate from U.S. Dollar LIBOR to SOFR. In addition, the floor for each of the swaps that have been designated to hedge Term Loan A borrowings was changed to (0.10%), and the floor for each of the swaps that have been designated to hedge Term Loan B borrowings was changed to (0.11%). Due to the change in the floating rate benchmark to SOFR, the fixed rate of each swap was adjusted to account for the market value difference between the LIBOR and SOFR reference rates.

The interest rate swaps pay a fixed rate of interest at rates between 0.42% and 2.50%, with the receiving rates variable based on SOFR, which were between 5.09% and 5.22% as of June 30, 2023. All interest rate swap arrangements are classified within the condensed consolidated balance sheets based on ultimate maturity date of the arrangement.

Bunker fuel contracts: Dole incurs significant fuel costs from shipping products from sourcing locations to end customer markets and from arranging air or land transportation for products of third-party entities. As a result, Dole is exposed to commodity and fuel cost risks and enters into bunker fuel contracts to hedge the risk of unfavorable fuel prices.

Hedge Accounting Election

The Company performs an analysis of the hedging portfolio at inception and on a quarterly basis. The Company uses the following criteria in evaluating derivative instruments for hedge accounting:

1. Hedged risk is eligible

2. Hedged item or transaction is eligible

3. Hedging instrument is eligible

4. Hedging relationship is highly effective

5. Designation and documentation requirements are met

Dole designates the interest rate swaps and certain foreign currency cash flow hedges for hedge accounting and records the changes in the fair value of these instruments in accumulated other comprehensive loss. The changes in the fair value of foreign currency fair value hedges, non-designated cash flow hedges and bunker fuel hedges are recorded in earnings.

Notional Amounts of Derivative Instruments

Dole had the following derivative instruments outstanding as of June 30, 2023:

	Aggregate Notional Amount
Foreign currency forward contracts by currency:	
United States Dollar	$35.4 million
Euro	€229.4 million
Sterling	£10.2 million
Swedish Krona	SEK 22.0 million
Interest rate swap contracts	$700.0 million
Bunker fuel hedges	12.8 thousand metric tons

Quantitative Disclosures

Derivatives are presented gross in the condensed consolidated balance sheets. The following table presents the balance sheet location and fair value of the derivative instruments by type:

	Fair Value Measurements as of June 30, 2023		
	Accrued Liabilities	Other Assets	Other Receivables, net
Foreign currency forward contracts:		(U.S. Dollars in thousands)	
Cash flow hedges	$ (5,157)	$ —	$ 46
Non-designated cash flow hedges	(123)	—	150
Fair value hedges	—	—	359
Interest rate swap contracts	—	54,130	—
Bunker fuel hedges	(1,386)	—	—
	$ (6,666)	$ 54,130	$ 555

	Fair Value Measurements as of December 31, 2022		
	Accrued Liabilities	Other Assets	Other Receivables, net
Foreign currency forward contracts:		(U.S. Dollars in thousands)	
Cash flow hedges	$ (5,726)	$ —	$ 490
Non-designated cash flow hedges	(206)	—	872
Fair value hedges	—	—	4
Interest rate swap contracts	—	59,104	—
Bunker fuel hedges	(3,396)	—	—
	$ (9,328)	$ 59,104	$ 1,366

Refer to Note 15 "Fair Value Measurements" for presentation of fair value instruments within the condensed consolidated balance sheets, which includes derivative financial instruments.

The following tables represent all of Dole's realized and unrealized derivative gains (losses) and respective location in the financial statements for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended June 30, 2023			Six Months Ended June 30, 2023		
	Net gains deferred in Accumulated Other Comprehensive Loss	Cost of Sales	Other Income, net	Net gains (losses) deferred in Accumulated Other Comprehensive Loss	Cost of Sales	Other Income, net
	(U.S. Dollars in thousands)					
Realized net gains (losses):						
Cash flow hedges	$ —	$ (3,124)	$ —	$ —	$ (5,039)	$ —
Non-designated cash flow hedges	—	745	—	—	922	—
Fair value hedges	—	—	490	—	—	468
Bunker fuel hedges	—	(461)	—	—	(726)	—
Total net realized gains (losses)	$ —	$ (2,840)	$ 490	$ —	$ (4,843)	$ 468
Unrealized net gains (losses):						
Cash flow hedges	$ 3,142	$ —	$ —	$ 145	$ —	$ —
Non-designated cash flow hedges	—	342	(6)	—	(186)	—
Fair value hedges	—	—	(610)	—	—	(100)
Bunker fuel hedges	—	(141)	—	—	1,650	—
Interest rate swap contracts	5,246	—	—	(4,974)	—	—
Total net unrealized gains (losses)	$ 8,388	$ 201	$ (616)	$ (4,829)	$ 1,464	$ (100)

	Three Months Ended June 30, 2022			Six Months Ended June 30, 2022		
	Net gains deferred in Accumulated Other Comprehensive Loss	Cost of Sales	Other Income, net	Net gains deferred in Accumulated Other Comprehensive Loss	Cost of Sales	Other Income, net
	(U.S. Dollars in thousands)					
Realized net gains:						
Cash flow hedges	$ —	$ 5,373	$ —	$ —	$ 6,564	$ —
Non-designated cash flow hedges	—	803	—	—	3,329	—
Bunker fuel hedges	—	1,123	—	—	1,876	—
Total net realized gains	$ —	$ 7,299	$ —	$ —	$ 11,769	$ —
Unrealized net gains (losses):						
Cash flow hedges	$ 4,273	$ —	$ —	$ 11,027	$ —	$ —
Non-designated cash flow hedges	—	(802)	—	—	400	—
Fair value hedges	—	—	(1)	—	4,957	(1)
Bunker fuel hedges	—	2,071	—	—	—	—
Interest rate swap contracts	6,458	—	—	34,076	—	—
Total net unrealized gains (losses)	$ 10,731	$ 1,269	$ (1)	$ 45,103	$ 5,357	$ (1)

As of June 30, 2023, the Company expects approximately $24.4 million of net deferred gains from derivative instruments to be reclassified from accumulated other comprehensive loss into earnings over the next 12 months. Of the $24.4 million of net deferred gains, $29.5 million relates to deferred gains on interest rate swap contracts and is expected to offset future interest expense on Term Loan A and Term Loan B, and $5.1 million relates to net deferred losses on cash flow hedges and is expected to offset future operational gains on foreign currency exchange rates. Refer to Note 17 "Stockholders' Equity" for details on reclassifications out of accumulated other comprehensive loss for the three and six months ended June 30, 2023 and June 30, 2022.

NOTE 15 — FAIR VALUE MEASUREMENTS

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Observable prices that are based on inputs not quoted on active markets but corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair Value of Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables present the fair values of the Company's assets and liabilities that are remeasured at fair value as of June 30, 2023 and December 31, 2022.

		Fair Value Measurements as of June 30, 2023 Using			
	Balance Sheet Classification	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Foreign currency forward contracts:		(U.S. Dollars in thousands)			
	Other receivables, net	$ —	$ 555	$ —	$ 555
	Accrued liabilities	—	(5,280)	—	(5,280)
Bunker fuel hedges:	Accrued liabilities	—	(1,386)	—	(1,386)
Interest rate swap contracts:	Other assets	—	54,130	—	54,130
Rabbi Trust investments:					
	Short-term investments	—	—	5,676	5,676
	Long-term investments	—	—	16,572	16,572
Contingent consideration:					
	Contingent consideration	—	—	(644)	(644)
	Contingent consideration, less current portion	—	—	(6,254)	(6,254)
Total		$ —	$ 48,019	$ 15,350	$ 63,369

		Fair Value Measurements as of December 31, 2022 Using			
	Balance Sheet Classification	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Foreign currency forward contracts:		(U.S. Dollars in thousands)			
	Other receivables, net	$ —	$ 1,366	$ —	$ 1,366
	Accrued liabilities	—	(5,932)	—	(5,932)
Bunker fuel hedges:	Accrued liabilities	—	(3,396)	—	(3,396)
Interest rate swap contracts:	Other assets	—	59,104	—	59,104
Rabbi Trust investments:					
	Short-term investments	—	—	5,367	5,367
	Long-term investments	—	—	16,498	16,498
Contingent consideration:					
	Contingent consideration	—	—	(1,791)	(1,791)
	Contingent consideration, less current portion	—	—	(5,022)	(5,022)
Total		$ —	$ 51,142	$ 15,052	$ 66,194

The table below sets forth a summary of changes in the fair value of the Level 3 Rabbi Trust investments for the six months ended June 30, 2023:

		Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
		(U.S. Dollars in thousands)
Balance as of December 31, 2022	$	21,865
Net realized and unrealized losses recognized in earnings*		867
Plan contributions		1,150
Plan distributions		(1,634)
Balance as of June 30, 2023	$	22,248

*Net amount comprised of realized and unrealized gains of $0.3 million and $0.6 million, respectively, recorded in other income, net, in the condensed consolidated statements of operations.

The assets and liabilities that are required to be recorded at fair value on a recurring basis are derivative instruments, contingent consideration and Rabbi Trust investments. The fair values of the Company's derivative instruments are determined using Level 2 inputs, which are defined as "observable prices that are based on inputs not quoted on active markets but corroborated by market data." The fair values of the foreign currency forward contracts, the interest rate swaps and bunker fuel hedges were estimated using internal discounted cash flow calculations based upon forward foreign currency exchange rates, bunker fuel futures, interest rate yield curves or quotes obtained from brokers for contracts with similar terms, less any credit valuation adjustments based on Dole's own credit risk and any counterparties' credit risk.

Dole sponsors a non-qualified deferred compensation plan and a frozen non-qualified supplemental defined benefit plan for executives. The plans are funded through investments in Rabbi Trusts. Securities are recorded at fair value with realized and unrealized holding gains or losses included in earnings. As of June 30, 2023, securities totaled $22.2 million, of which $5.7 million was classified as short-term and included in short-term investments in the condensed consolidated balance sheets, and $16.5 million was classified as long-term and included in long-term investments in the condensed consolidated balance sheets. As of December 31, 2022, securities totaled $21.9 million, of which $5.4 million was classified as short-term and $16.5 million was classified as long-term. Dole estimates the fair value of its Rabbi Trust investments using prices provided by its custodian, which are based on various third-party pricing services or valuation models developed by the underlying fund managers. The Rabbi Trust investments are held by the custodian in various Master Trust Units ("MTUs"), where the fair value is derived from the individual investment components. Each investment within the MTU is individually valued, after considering gains, losses, contributions and distributions, and the collective value of the MTU represents the total fair value. Dole has evaluated the methodologies used by the custodian to develop the estimate of fair value and assessed whether such valuations are representative of fair value, including net asset value. Dole has determined the valuations to be Level 3 inputs, because they are based upon significant unobservable inputs.

The table below sets forth a summary of changes in the fair value of the Level 3 contingent consideration for the six months ended June 30, 2023:

		Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
		(U.S. Dollars in thousands)
Balance as of December 31, 2022	$	(6,813)
Additions		(1,118)
Payments		1,169
Remeasurement gain		37
Foreign exchange impact		(173)
Balance as of June 30, 2023	$	(6,898)

The carrying value of contingent consideration in the condensed consolidated balance sheets approximates fair value based on the present value of the expected payments, discounted using a risk-adjusted rate. The expected payments are determined by forecasting the acquiree's earnings over the applicable period. Dole has determined the valuations are Level 3 inputs, because they are based upon significant unobservable inputs.

Fair Value of Financial Instruments

In estimating the Company’s fair value disclosures for financial instruments, Dole used the following methods and assumptions:

Cash and cash equivalents: These items have carrying values reported in the condensed consolidated balance sheets that approximate fair value due to their liquid nature, and they are classified as Level 1.

Short-term trade and grower receivables: These items have carrying values reported in the condensed consolidated balance sheets that are net of allowances, and they are classified as Level 2.

Trade payables: These items have carrying values reported in the condensed consolidated balance sheets that approximate fair value, and they are classified as Level 2.

Notes receivable and notes payable: These items have carrying values reported in the condensed consolidated balance sheets that approximate fair value, and they are classified as Level 2.

Long-term grower receivables: These items have carrying values reported in the condensed consolidated balance sheets that are net of allowances, and they are classified as Level 2.

Finance and operating leases: The carrying value of finance lease obligations reported in the condensed consolidated balance sheets approximates fair value based on current interest rates, which contain an element of default risk. The fair value of finance lease obligations is estimated using Level 2 inputs based on quoted prices for those or similar instruments. For operating leases, Dole uses the rate implicit in the lease to discount leases payments to present value, when available. However, most leases do not provide a readily determinable implicit rate. Therefore, the Company’s incremental borrowing rate is used to discount the lease payments based on information available at lease commencement.

Interest-bearing loans and borrowings: For floating rate interest-bearing loans and borrowings with a contractual repricing date of less than one year, the nominal amount is deemed to reflect fair value. For loans with repricing dates of greater than one year, fair value is calculated based on the present value of the expected future principal and interest cash flows, discounted at interest rates effective at the reporting date and adjusted for movements in credit spreads. Based on these inputs, these instruments are classified as Level 2.

Fair Value of Debt

Dole estimates the fair value of its Term Loan A and Term Loan B based on the bid side of current quoted market prices.

The carrying value, net of debt issuance costs, and gross estimated fair value of these term loans based on Level 2 inputs in the fair value hierarchy are summarized below:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Carrying value, net of unamortized debt issuance costs	$ 801,582	$ 806,326
Unamortized debt issuance costs	15,844	17,549
Gross carrying value	$ 817,426	$ 823,875
Estimated fair value	$ 810,273	$ 795,039

See Note 12 “Debt” for additional detail on long-term debt instruments.

Credit Risk

The counterparties to the foreign currency exchange contracts consist of a number of major international financial institutions. Dole has established counterparty guidelines and regularly monitors its positions and the financial strength of these institutions. While counterparties to hedging contracts expose Dole to credit-related losses in the event of a counterparty's non-performance, the risk would be limited to the unrealized gains on such affected contracts. Dole does not anticipate any such losses.

NOTE 16 — CONTINGENCIES

Dole provides guarantees for obligations of subsidiaries to third parties directly and indirectly through letters of credit from its revolving credit facilities, other major banking institutions and surety bonds issued by insurance companies for legal and other claims. These letters of credit, bank guarantees and surety bonds are required by certain regulatory authorities, suppliers and other operating agreements and generally have contract terms of one to twenty years, often with an option to renew. As of June 30, 2023 and December 31, 2022, total letters of credit, bank guarantees and surety bonds outstanding under these arrangements were $58.6 million and $61.4 million, respectively, which represents the maximum potential future payments that Dole could be required to make.

Additionally, the Company guarantees certain bank borrowings and other obligations of certain equity method investees. As of June 30, 2023 and December 31, 2022, total guarantees under these arrangements were $6.0 million and $9.2 million, respectively, which represents the maximum potential future payments that Dole could be required to make.

In February of 2020, the State of Hawaii and Department of Land and Natural Resources provided notice to Dole of a deficiency in the spillway and embankment stability of a Company-owned reservoir that requires remediation by 2025. Dole contracted a third party to perform an improvement study which resulted in an estimate of costs to modify the spillway of approximately $20.0 million. On July 5, 2023, Hawaii Senate Bill 833 was signed into law by the Governor of Hawaii, pursuant to which the Office of the Governor will negotiate the acquisition of Dole's interests in the reservoir and associated irrigation system. The bill also appropriates funds for the State to repair and maintain the irrigation system and the associated spillway. The Company does not deem a resulting loss from the contingency associated with the costs to modify the spillway to be probable and, thus, has not recognized a liability in the condensed consolidated balance sheets.

Legal Contingencies

Dole is involved from time to time in claims and legal actions incidental to its operations, both as plaintiff and defendant. Legal fees are expensed as incurred or expected to be incurred when the resulting loss from legal matters related to underlying events that have already occurred is probable and estimable. Dole has established what management currently believes to be adequate reserves for pending legal matters. These reserves are established as part of an ongoing worldwide assessment of claims and legal actions that takes into consideration such items as changes in the pending case load (including resolved and new matters), opinions of legal counsel, individual developments in court proceedings, changes in the law, changes in business focus, changes in the litigation environment, changes in opponent strategy and tactics, new developments as a result of ongoing discovery and past experience in defending and settling similar claims. In the opinion of management, after consultation with legal counsel, the claims or actions to which Dole is a party are not expected to have a material adverse effect, individually or in the aggregate, on Dole's results of operations, financial condition or cash flows.

DBCP Cases: Dole Food Company, Inc. and certain of its subsidiaries are involved in lawsuits pending in the U.S. and in foreign countries alleging injury because of exposure to the agricultural chemical DBCP (1,2- dibromo-3-chloropropane). Currently, there are approximately 180 lawsuits in various stages of proceedings alleging injury or seeking enforcement of Nicaraguan judgments, most of which are pending in Nicaragua and are inactive. In addition, there are multiple labor cases pending in Costa Rica under that country's national insurance program.

Settlements have been reached that, when fully implemented, will significantly reduce DBCP litigation in Nicaragua and the Philippines. Currently, claimed damages in DBCP cases worldwide total approximately $17.8 billion, with lawsuits in Nicaragua representing almost all of this amount. 24 of the cases in Nicaragua have resulted in judgments, although many of these are being eliminated as part of the current settlements. The Company believes that none of the Nicaraguan judgments that remain will be enforceable against any Dole entity in the U.S. or in any other country.

As to all the DBCP matters, Dole has denied liability and asserted substantial defenses. The Company believes there is no reliable scientific basis for alleged injuries from the agricultural field application of DBCP. Although no assurance can be given concerning the outcome of the DBCP cases, in the opinion of management, after consultation with legal counsel and based on experience defending and resolving DBCP claims, neither the pending lawsuits and claims nor their resolution are expected to have a material adverse effect on Dole's financial position or results of operations, because the probable loss is not material.

Former Shell Site: Beginning in 2009, Shell Oil Company and Dole Food Company, Inc. were sued in several cases filed in Los Angeles Superior Court by the City of Carson and persons claiming to be current or former residents in the area of a housing development built in the 1960's by a predecessor of what is now a Dole subsidiary, Barclay Hollander Corporation ("BHC"), on land that had been owned and used by Shell as a crude oil storage facility for 40 years prior to the housing development. The homeowner and City of Carson complaints have been settled and the litigation has been dismissed. On May 6, 2013, Shell filed a complaint against Dole Food Company, Inc. (which was later voluntarily dismissed), BHC and Lomita Development Company ("Lomita"), seeking indemnity for the costs associated with the lawsuits discussed above (approximately $90.0 million plus attorney fees) and for the cleanup discussed below (approximately $310.0 million). Shell's indemnification claims were based on an early entry side agreement between Shell and an entity related to BHC and on claims based in equity. The trial court dismissed Shell's contract-based claims and eliminated Shell's demands for indemnification related to the homeowner and City of Carson cases. Shell's equitable claims related to the cleanup costs were tried and, on November 9, 2022, the jury delivered a verdict deciding that Shell properly incurred and will incur a total of $266.6 million in cleanup costs, and that BHC should bear 50.0% of those costs, or $133.3 million. BHC has filed an appeal. In June 2023, the trial court granted Shell's motion to add Dole Food Company, Inc. to the BHC judgment as an alter ego of BHC and ordered Shell to reimburse BHC approximately $26.7 million in attorney's fees, which serves as an offset to the BHC judgment amount. Dole Food Company, Inc., has appealed the alter ego ruling and secured a bond sufficient to stay enforcement of the judgement. Shell has appealed the award of the attorney's fees.

The California Regional Water Quality Control Board ("Water Board") is supervising the cleanup on the former Shell site. On March 11, 2011, the Water Board issued a Cleanup and Abatement Order ("CAO") naming Shell as the Discharger and a Responsible Party and ordering Shell to assess, monitor and cleanup and abate the effects of contaminants discharged to soil and groundwater at the site. On April 30, 2015, the CAO was amended to also name BHC as a discharger. BHC appealed this CAO revision to the California State Water Resources Control Board, which appeal was denied by operation of law when the Water Board took no action. On September 30, 2015, BHC filed a writ petition in the Superior Court challenging the CAO on several grounds. The trial court denied BHC's petition, which denial was subsequently upheld by the California Court of Appeals, thereby ending BHC's challenge to the CAO revision naming BHC as a discharger. In the opinion of management, after consultation with legal counsel, the claims or actions related to the CAO are not expected to have a material adverse effect, individually or in the aggregate, on Dole's results of operations, financial condition or cash flows, because management believes the risk of loss is remote.

NOTE 17 — STOCKHOLDERS' EQUITY

Common Stock

As of June 30, 2023, the Company was authorized to issue 600.0 million total shares of capital stock, consisting of 300.0 million shares of common stock and 300.0 million shares of preferred stock. As of June 30, 2023 and December 31, 2022, there were 94.9 million shares of common stock outstanding and no shares of preferred stock outstanding.

Stock-Based Compensation

The Company's primary stock-based compensation plan is the 2021 Omnibus Incentive Compensation Plan ("the Plan"), under which to date, share options and two different types of restricted stock units ("RSUs") have been issued. The purpose of the Plan is to benefit and advance the interests of Dole by attracting, retaining and motivating participants and to compensate participants for contributions to the success of the Company. Upon exercise of share options or vesting of RSUs, new shares are issued from existing authorization. A total of 7.4 million shares of the Company's common stock were initially reserved for issuance pursuant to the Omnibus Plan. Upon the exercise of any option or vesting of any RSU, the related award is cancelled to the extent of the number of shares exercised or vested, and that number of shares is no longer available under the Plan. If any part of the award terminates without delivery of the related shares, the extent of the award will then be available for future grant under the Plan. As of June 30, 2023, there were 5.7 million shares available for future grant under the Plan and 1.6 million shares available for future issue under awards granted.

In the six months ended June 30, 2023, additional RSU awards were issued under the Plan that vest over a one to three year service period, and additional RSU awards were issued under the Plan that vest over three years if certain market conditions are met. Compensation expense under the awards that include a market condition is determined based on the grant date fair value of the award calculated using a Monte Carlo simulation approach.

For the three and six months ended June 30, 2023, total stock-based compensation expense related to the Plan was $1.5 million and $2.8 million, respectively. For the three and six months ended June 30, 2022, total stock-based compensation expense related to the Plan was $1.3 million and $2.0 million, respectively. Stock-based compensation expense related to the Plan is recorded in selling, marketing, general and administrative expenses in the condensed consolidated statements of operations. The total unrecognized compensation cost related to the unvested awards as of June 30, 2023 was $11.6 million.

Dividends Declared

The following table summarizes dividends per share declared for the six months ended June 30, 2023 and June 30, 2022:

Date Declared	Amount (per share)
	(U.S. Dollars)
5/17/2023	$ 0.08
3/6/2023	$ 0.08
5/24/2022	$ 0.08
3/14/2022	$ 0.08

The following table summarizes total dividends declared for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Dividends	$ (7,687)	$ (7,623)	$ (15,377)	$ (15,230)

In January of 2023, Dole paid a cash dividend of $0.08 per share, totaling $7.7 million, to shareholders for the third quarter dividend declared on November 16, 2022. In April of 2023, Dole paid a cash dividend of $0.08 per share, totaling $7.7 million, for the fourth quarter dividend declared on March 6, 2023.

Dole’s ability to declare and pay dividends is subject to limitations contained in its various debt agreements. As of June 30, 2023, Dole had the ability to make dividend payments of $236.4 million before these limitations would come into effect.

See Note 20 “Subsequent Events” for additional detail on dividends declared and paid.

Accumulated Other Comprehensive Loss

Dole’s accumulated other comprehensive loss primarily consists of unrealized foreign currency translation gains and losses, unrealized derivative gains and losses and pension and postretirement obligation adjustments. A rollforward of the changes in accumulated other comprehensive loss, disaggregated by component, was as follows for the three and six months ended June 30, 2023 and June 30, 2022:

	Changes in Accumulated Other Comprehensive Loss by Component			
	Fair Value of Derivatives	Pension & Other Postretirement Benefits	Foreign Currency Translation	Total
	(U.S. Dollars in thousands)			
Balance as of December 31, 2022	$ 40,417	$ (36,938)	$ (107,612)	$ (104,133)
Other comprehensive income (loss) attributable to Dole plc before reclassifications, net of income taxes	3,432	—	9,604	13,036
Amounts reclassified from accumulated other comprehensive loss	(4,223)	—	—	(4,223)
Tax reclassified from accumulated other comprehensive loss	(5,591)	—	—	(5,591)
Net other comprehensive income (loss) attributable to Dole plc	(6,382)	—	9,604	3,222
Balance as of March 31, 2023	34,035	(36,938)	(98,008)	(100,911)
Other comprehensive income (loss) attributable to Dole plc before reclassifications, net of income taxes	(1,237)	—	960	(277)
Amounts reclassified from accumulated other comprehensive loss	(4,148)	—	—	(4,148)
Tax reclassified from accumulated other comprehensive loss	7,723	—	—	7,723
Net other comprehensive income attributable to Dole plc	2,338	—	960	3,298
Balance as of June 30, 2023	$ 36,373	$ (36,938)	$ (97,048)	$ (97,613)

	Changes in Accumulated Other Comprehensive Loss by Component			
	Fair Value of Derivatives	Pension & Other Postretirement Benefits	Foreign Currency Translation	Total
	(U.S. Dollars in thousands)			
Balance as of December 31, 2021	$ 8,631	$ (59,822)	$ (74,728)	$ (125,919)
Other comprehensive income (loss) attributable to Dole plc before reclassifications, net of income taxes	25,801	—	(5,686)	20,115
Amounts reclassified from accumulated other comprehensive loss	(373)	—	5,445	5,072
Tax reclassified from accumulated other comprehensive loss	(230)	—	—	(230)
Net other comprehensive income (loss) attributable to Dole plc	25,198	—	(241)	24,957
Balance as of March 31, 2022	33,829	(59,822)	(74,969)	(100,962)
Other comprehensive income (loss) attributable to Dole plc before reclassifications, net of income taxes	12,574	—	(38,882)	(26,308)
Amounts reclassified from accumulated other comprehensive loss	(5,798)	—	—	(5,798)
Tax reclassified from accumulated other comprehensive loss	2,369	—	—	2,369
Net other comprehensive income (loss) attributable to Dole plc	9,145	—	(38,882)	(29,737)
Balance as of June 30, 2022	$ 42,974	$ (59,822)	$ (113,851)	$ (130,699)

For the three months ended June 30, 2023, amounts reclassified out of accumulated other comprehensive loss include the following:

- The reclassification of net gains of $4.2 million related to the fair value of cash flow hedges, of which $7.2 million was reclassified to interest expense, offset by a $3.0 million loss reclassified to cost of sales.

For the three months ended June 30, 2022, amounts reclassified out of accumulated other comprehensive loss include the following:

- The reclassification of net gains of $5.8 million related to the fair value of cash flow hedges, of which $6.1 million was reclassified to cost of sales, offset by a $0.3 million loss reclassified to interest expense.

For the six months ended June 30, 2023, amounts reclassified out of accumulated other comprehensive loss include the following:

- The reclassification of net gains of $8.4 million related to the fair value of cash flow hedges, of which $13.4 million was reclassified to interest expense, offset by a $5.0 million loss reclassified to cost of sales.

For the six months ended June 30, 2022, amounts reclassified out of accumulated other comprehensive loss include the following:

- The reclassification of net gains of $6.2 million related to the fair value of cash flow hedges, of which $7.2 million was reclassified to cost of sales, offset by a $1.0 million loss reclassified to interest expense.
- The reclassification of net losses of $5.4 million related to foreign currency translation to other income, net.

NOTE 18 — INVESTMENTS IN UNCONSOLIDATED AFFILIATES

As of June 30, 2023, Dole’s investments in unconsolidated affiliates were $125.8 million, of which $122.4 million represented equity method investments, and $3.4 million represented investments in which Dole does not have significant influence. As of December 31, 2022, Dole’s investments in unconsolidated affiliates were $124.2 million, of which $120.9 million represented equity method investments, and $3.3 million represented investments in which Dole does not have significant influence.

Dole’s consolidated net income includes its proportionate share of the net income or loss of equity method investments in affiliates. When Dole records its proportionate share of net income, it increases equity method earnings in the condensed consolidated statements of operations and the carrying value in that investment in the condensed consolidated balance sheets. Conversely, when Dole records its proportionate share of a net loss, it decreases equity method earnings in the condensed consolidated statements of operations and the carrying value in that investment in the condensed consolidated balance sheets. Cash dividends received from investments in which Dole does not have significant influence are recorded in other income, net, and have historically not been significant.

Transactions with Unconsolidated Affiliates

In the ordinary course of business, Dole enters into arm’s length transactions with unconsolidated affiliates, which include trading sales and purchases of goods and other supplies. From time to time, Dole also provides both seasonal and long-term loans to these affiliates, though these amounts have historically not been significant. The following table presents sales to and purchases from investments in unconsolidated affiliates for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Sales	$ 23,417	$ 23,181	$ 54,008	$ 55,465
Purchases	41,087	43,289	75,225	79,053

The following tables presents amounts due from and to investments in unconsolidated affiliates as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Amounts due from investments in unconsolidated affiliates presented within trade receivables	$ 11,513	$ 27,950
Amounts due from investments in unconsolidated affiliates presented within other receivables	10,290	3,224
Amounts due from investments in unconsolidated affiliates presented within other assets	8,437	8,396
Amounts due to investments in unconsolidated affiliates presented within accounts payable	(15,296)	(9,225)

NOTE 19 – EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period attributable to shareholders of the Company by the weighted average number of shares outstanding during the period. Diluted earnings per share is calculated by dividing the net income (loss) for the period attributable to shareholders of the Company by the weighted average number of shares outstanding after adjusting for the impact of all share options and RSUs with a dilutive effect. The Company uses the treasury stock method to calculate the dilutive effect of outstanding equity awards for diluted earnings (loss) per share.

The following table presents basic and diluted earnings (loss) per share for the three and six months ended June 30, 2023 and June 30, 2022:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars and shares in thousands, except per share amounts)		(U.S. Dollars and shares in thousands, except per share amounts)	
Income from continuing operations	$ 63,745	$ 59,600	$ 98,734	$ 88,239
Less: Net income attributable to noncontrolling interests	(10,032)	(7,133)	(16,356)	(11,936)
Income from continuing operations attributable to Dole plc	53,713	52,467	82,378	76,303
Loss from discontinued operations, net of income taxes	(11,438)	(11,195)	(25,944)	(36,425)
Net income attributable to Dole plc	$ 42,275	$ 41,272	$ 56,434	$ 39,878
Weighted average number of shares outstanding:				
Weighted average number of shares – basic	94,909	94,878	94,904	94,878
Effect of share awards with a dilutive effect	203	35	164	33
Weighted average number of shares – diluted	95,112	94,913	95,068	94,911
Income (loss) per share:				
Basic:				
Continuing operations	$ 0.57	$ 0.55	$ 0.86	$ 0.80
Discontinued operations	(0.12)	(0.12)	(0.27)	(0.38)
Net income per share attributable to Dole plc	$ 0.45	$ 0.43	$ 0.59	$ 0.42
Diluted:				
Continuing operations	$ 0.56	$ 0.55	$ 0.86	$ 0.80
Discontinued operations	(0.12)	(0.12)	(0.27)	(0.38)
Net income per share attributable to Dole plc	$ 0.44	$ 0.43	$ 0.59	$ 0.42

The average market value of the Company’s shares used for the purpose of calculating the dilutive effect of share options and RSUs with a market condition is based on quoted market prices for the period during which the awards were outstanding during the three and six months ended June 30, 2023 and June 30, 2022. The calculation of diluted earnings per share for the three and six months ended June 30, 2023 and June 30, 2022 does not include the effect of certain awards, because to do so would be antidilutive.

NOTE 20 — SUBSEQUENT EVENTS

Dole evaluated subsequent events through August 17, 2023, the date that Dole's unaudited condensed consolidated financial statements were issued.

On July 6, 2023, a cash dividend was paid to shareholders of record on June 16, 2023. On August 16, 2023, the Board of Directors of Dole plc declared a cash dividend for the second quarter of 2023 of $0.08 per share, payable on October 5, 2023, to shareholders of record on September 14, 2023.

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

The following discussion and analysis of our financial condition and results of operations included herein may contain forward-looking statements that relate to our plans, objectives, estimates and goals and involve risks and uncertainties. Our actual results could differ materially from the forward-looking statements included herein. Statements regarding our future and projections relating to products, sales, revenues, expenditures, costs and earnings are typical of such statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in "Item 3D. Risk Factors" in the Annual Report on Form 20-F.

Executive Overview

We are a global leader in fresh fruits and vegetables, with produce sourced both locally and globally from over 30 countries in various regions and distributed and marketed in over 75 countries, across retail, wholesale and food service channels. Our most significant products hold leading market share positions in their respective categories and territories. We are one of the world's largest producers of fresh bananas and pineapples, one of the largest global exporter of grapes and have a strong presence in growing categories such as berries, avocados and organic produce. We sell and distribute fruit and vegetable products throughout an extensive network in North America, Europe, Latin America, Asia, the Middle East and Africa (primarily in South Africa). For further information on our principal sources of revenue, refer to Note 5 "Revenue" to the unaudited condensed consolidated financial statements included herein. In addition, see "*Item 4. Information on the Company*" in the Annual Report on Form 20-F for a more detailed description of our products and services offered.

Dole is comprised of the following three reportable segments:

Fresh Fruit: The Fresh Fruit reportable segment primarily sells bananas and pineapples which are sourced from local growers or Dole-owned and leased farms, predominately located in Latin America, and sold throughout North America, Europe, Latin America and Asia. This segment also operates a commercial cargo business, which offers available capacity to transport third party cargo on company-owned vessels that are primarily used internally for transporting bananas and pineapples between Latin America, North America and Europe.

Diversified Fresh Produce – EMEA: The Diversified Fresh Produce – EMEA reportable segment includes Dole's Irish, Dutch, Spanish, Portuguese, French, Italian, U.K., Swedish, Danish, South African, Czech, Slovakian, Polish and Brazilian businesses, the majority of which sell a variety of imported and local fresh fruits and vegetables through retail, wholesale and, in some instances, food service channels across the European marketplace.

Diversified Fresh Produce – Americas & ROW: The Diversified Fresh Produce – Americas & ROW reportable segment includes Dole's U.S., Canadian, Chilean, Peruvian, Argentinian and Indian businesses, all of which market globally and locally-sourced fresh produce from third-party growers or Dole-owned farms through retail, wholesale and food service channels globally.

Vegetables Transaction

On January 30, 2023, certain of our wholly owned subsidiaries entered into the Agreement with Fresh Express, a wholly owned subsidiary of Chiquita Holdings Limited, pursuant to which Fresh Express has agreed to acquire our Fresh Vegetables division for approximately $293.0 million in cash, subject to certain adjustments set forth in the Agreement. The Vegetables Transaction is expected to close after regulatory approvals are obtained, subject to the satisfaction or waiver of customary closing conditions.

We expect a closing date for the sale by the end of fiscal year 2023 and determined that the Fresh Vegetables division met the criteria to be classified as held for sale and that the sale represents a strategic shift that will have a material effect on the Company's operations and results. The results of operations of the Fresh Vegetables division have been reported separately as discontinued operations, net of income taxes, within our operating results below.

The Vegetables Transaction will have certain material direct and indirect impacts to our future operating results, statement of financial position and cash flows, the extent of which cannot be reliably estimated at this time.

Current Economic and Market Environment

Since early 2021, we have experienced inflationary pressures across our business. In 2023, these pressures continue to impact our operations but have moderated from the peak of inflationary volatility in the 2022 fiscal year. However, the economic and market environment remains volatile and a number of external factors continue to pose important risks to the global economy and to our business today, including:

- Global economic disruption due to the conflict in Ukraine or other conflicts;
- Unfavorable weather events;
- Evolving regulatory environments in many areas, including in shipping; and
- Recent adverse developments in the financial services industry.

In the three and six months ended June 30, 2023, sales to customers in Ukraine, Russia and neighboring Belarus collectively accounted for less than 0.4%, or $5.8 million and $14.8 million, respectively, of Dole's consolidated net revenues. We do not have assets in Ukraine, Russia and Belarus, however the broader consequences of this conflict on the global economy have had and are likely to continue to have effects on our business and operations. These challenges include changing supply and demand patterns across our industry, volatility in energy prices and fertilizer costs and other commodities, increased pressure on supply chains and volatile foreign currency exchange rate fluctuations.

In response to the various ongoing challenges noted above, we are continuing to work across our business on mitigation strategies, including implementing price increases and identifying operational efficiencies. Although we ultimately believe that we are well positioned within our industry to weather this period of economic disruption, the scope, duration and carryover effects of the above factors are uncertain, rapidly changing and difficult to predict. Therefore, the extent and magnitude of the impact of these factors on our business, operating results and long-term liquidity position cannot be reliably estimated at this time.

See "*Item 3D. Risk Factors"* in the Annual Report on Form 20-F for more information on ongoing risks, such as those related to currency exchange fluctuations, increases in product costs, global capital and credit markets, public health outbreaks and the uncertainty of wars and other global conflicts.

Cyber Incident

In February of 2023, Dole was the victim of a sophisticated ransomware attack impacting approximately half of Legacy Dole's servers and one-quarter of its end-user computers. The attack also resulted in unauthorized access to certain Dole information, including information about certain employees, though we have no reason to believe any employee information was publicly released. Upon detecting the attack, the Company promptly took steps to investigate and contain the attack, retaining the services of leading third-party cybersecurity experts. We also have been working with law enforcement. Dole experienced minimal operational impact from the attack, and all impacted servers and end-user computers have been restored or rebuilt. The total impact to the Company, including discontinued operations, was $0.6 million and $11.0 million for the three and six months ended June 30, 2023, respectively.

Operating Results

Selected results of operations for the three and six months ended June 30, 2023 and June 30, 2022 were as follows:

	Three Months Ended		Change	
	June 30, 2023	June 30, 2022	2023 vs. 2022	
	(U.S. Dollars in thousands, except percentages)			
Revenues, net	$ 2,141,174	$ 2,050,909	$ 90,265	4.4 %
Cost of sales	(1,944,601)	(1,885,400)	(59,201)	3.1 %
Gross profit	196,573	165,509	31,064	18.8 %
Selling, marketing, general and administrative expenses	(115,667)	(110,365)	(5,302)	4.8 %
Gain on asset sales	10,723	7,926	2,797	35.3 %
Operating income	91,629	63,070	28,559	45.3 %
Other income, net	1,129	8,102	(6,973)	(86.1)%
Interest income	2,640	1,410	1,230	87.2 %
Interest expense	(19,748)	(10,833)	(8,915)	82.3 %
Income from continuing operations before income taxes and equity earnings	75,650	61,749	13,901	22.5 %
Income tax expense	(16,593)	(5,300)	(11,293)	213.1 %
Equity method earnings	4,688	3,151	1,537	48.8 %
Income from continuing operations	63,745	59,600	4,145	7.0 %
Loss from discontinued operations, net of income taxes	(11,438)	(11,195)	(243)	2.2 %
Net income	52,307	48,405	3,902	8.1 %
Less: Net income attributable to noncontrolling interests	(10,032)	(7,133)	(2,899)	40.6 %
Net income attributable to Dole plc	$ 42,275	$ 41,272	$ 1,003	2.4 %

	Six Months Ended		Change	
	June 30, 2023	June 30, 2022	2023 vs. 2022	
	(U.S. Dollars in thousands, except percentages)			
Revenues, net	4,130,341	$ 4,021,140	$ 109,201	2.7 %
Cost of sales	(3,754,729)	(3,703,836)	(50,893)	1.4 %
Gross profit	375,612	317,304	58,308	18.4 %
Selling, marketing, general and administrative expenses	(236,546)	(219,909)	(16,637)	7.6 %
Gain on disposal of businesses	—	242	(242)	(100.0)%
Gain on asset sales	14,696	8,421	6,275	74.5 %
Operating income	153,762	106,058	47,704	45.0 %
Other income, net	2,904	10,566	(7,662)	(72.5)%
Interest income	4,949	2,994	1,955	65.3 %
Interest expense	(41,460)	(22,449)	(19,011)	84.7 %
Income from continuing operations before income taxes and equity earnings	120,155	97,169	22,986	23.7 %
Income tax expense	(27,587)	(12,658)	(14,929)	117.9 %
Equity method earnings	6,166	3,728	2,438	65.4 %
Income from continuing operations	98,734	88,239	10,495	11.9 %
Loss from discontinued operations, net of income taxes	(25,944)	(36,425)	10,481	(28.8)%
Net income	72,790	51,814	20,976	40.5 %
Less: Net income attributable to noncontrolling interests	(16,356)	(11,936)	(4,420)	37.0 %
Net income attributable to Dole plc	$ 56,434	$ 39,878	$ 16,556	41.5 %

The following provides an analysis of consolidated operating results in comparison to the prior year. Trading results were strong in the three and six months ended June 30, 2023, but we continue to be impacted by inflationary pressures and increases in certain commodity costs, as well as by volatility in foreign currency translation. Management has analyzed the significant drivers of changes in consolidated operating results below and provided further commentary on segment performance in the section to follow. All other operating results not included in the analysis were not significant to the Company's overall performance.

Revenues, Net

The increase in total revenue, net, for the three and six months ended June 30, 2023 (4.4%, or $90.3 million, and 2.7%, or $109.2 million, respectively) was primarily due to strong operational performance in the Fresh Fruit and Diversified Fresh Produce – EMEA reportable segments, partially offset by an unfavorable impact of foreign currency translation, particularly in the six months ended June 30, 2023, and a decrease in revenue in the Diversified Fresh Produce – Americas & ROW segment. Other factors driving changes in revenue are described in more detail in the "Segment Operating Results" section below.

Cost of Sales

The increase in total cost of sales for the three and six months ended June 30, 2023 (3.1%, or $59.2 million, and 1.4%, or $50.9 million, respectively) was primarily due to increased trading activity as discussed above and rising costs due to continued inflationary pressures, partially offset by a favorable impact of foreign currency translation, particularly for the six months ended June 30, 2023, and incremental depreciation on pineapple bearer plants recognized in the prior year in conjunction with the Merger.

Selling, Marketing and General and Administrative Expenses ("SMG&A")

The increase in total SMG&A for the three and six months ended June 30, 2023 (4.8%, or $5.3 million, and 7.6%, or $16.6 million, respectively) was primarily due to increases in employee wages and salaries and higher professional and consulting fees, which included nonrecurring costs of $0.6 million and $5.3 million, respectively, related to the cyber incident referenced above.

Gain on Asset Sales

The gain on asset sales for the three and six months ended June 30, 2023 was $10.7 million and $14.7 million, respectively. The gain on asset sales for the three months ended was primarily due to the sale of vessels and a property in Latin America, both in the Fresh Fruit reportable segment. The six months ended June 30, 2023 was also impacted by the sale of actively marketed land in Hawaii, also within the Fresh Fruit reportable segment.

The gain on asset sales for the three and six months ended June 30, 2022 was $7.9 million and $8.4 million, respectively. The gain on asset sales for the three and six months ended June 30, 2022 was primarily due to the sale of two buildings in Europe, within the Diversified EMEA reportable segment.

See Note 11 "Assets Held for Sale and Actively Marketed Property" to the unaudited condensed consolidated financial statements included herein for additional detail.

Other income, net

The decrease in other income, net, for the three months ended June 30, 2023 (86.1%, or $7.0 million) was primarily due to less rental income and a decrease in net gains on foreign currency denominated borrowings, partially offset by an increase in gains on investments.

The decrease in other income, net, for the six months ended June 30, 2023 (72.5%, or $7.7 million) was primarily due to less rental income, a decrease in net gains on foreign denominated borrowings and lower net periodic benefit from non-service components of pension and other postretirement benefit plans, partially offset by an increase in gains on investments and increases in other activity.

See Note 7 "Other Income, Net" to the unaudited condensed consolidated financial statements included herein for additional detail.

Interest Expense

The increase in interest expense for the three and six months ended June 30, 2023 (82.3%, or $8.9 million, and 84.7%, or $19.0 million, respectively) is due to higher interest rates and higher fees on trade receivables sales arrangements in the current year.

Income Taxes

The Company recorded an income tax expense of $16.6 million on $75.7 million of income from continuing operations before income taxes and equity earnings for the three months ended June 30, 2023, reflecting a 21.9% effective tax rate, and income tax expense of $27.6 million on $120.2 million of income before income taxes and equity earnings for the six months ended June 30, 2023, reflecting a 23.0% effective tax rate. The Company recorded an income tax expense of $5.3 million on $61.7 million of income from continuing operations before income taxes and equity earnings for the three months ended June 30, 2022, reflecting a 8.6% effective tax rate, and income tax expense of $12.7 million on $97.2 million of income before income taxes and equity earnings for the six months ended June 30, 2022, reflecting a 13.0% effective tax rate.

Dole's effective tax rate varies significantly from period to period due to the level, mix and seasonality of earnings generated in Ireland and its various foreign jurisdictions, including the U.S. For the three and six months ended June 30, 2023, the Company's income tax expense differed from the Irish statutory rate of 12.5% primarily due to U.S. GILTI provisions of the Tax Act, U.S. Subpart F income inclusion and operations in foreign jurisdictions that are taxed at different rates than the Irish statutory tax rate. For the three and six months ended June 30, 2022, the Company's income tax expense differed from the Irish statutory rate of 12.5% primarily due to the GILTI provisions of the Tax Act, U.S. Subpart F income inclusion, a decrease in liabilities for uncertain tax positions and operations in foreign jurisdictions that are taxed at different rates than the Irish statutory tax rate.

The Company's net deferred tax liability is primarily related to acquired intangible assets and fair value adjustments resulting from the Merger and is net of deferred tax assets related to the U.S. federal interest disallowance carryforward, U.S. state and non-U.S. net operating loss carryforwards and other temporary differences. Dole maintains a valuation allowance against certain U.S. state and non-U.S. deferred tax assets. Each reporting period, the Company evaluates the need for a valuation allowance on deferred tax assets by jurisdiction and adjusts estimates as more information becomes available.

All post-1986 previously unremitted earnings for which no U.S. deferred tax liability had been accrued have been subject to U.S. tax. Dole plc is an Irish-based parent company and intends to continue to invest most or all of its foreign earnings, as well as capital in its foreign subsidiaries, indefinitely outside of Ireland and does not expect to incur any significant additional taxes related to such amounts. Also, from time to time, Dole may choose to repatriate anticipated future earnings of which some portion may be subject to tax and increase Dole's overall tax expense for that fiscal year. The Company continues to evaluate its cash needs and may update its assertion in future periods.

During the year ended December 31, 2022, the tax authorities in one of Dole's foreign jurisdictions issued an income tax assessment related to transfer pricing of approximately $30.0 million (including interest and penalties) for the 2017 tax year. The Company's subsidiary appealed the assessment, and on March 9, 2023, the reviewing body annulled the assessment. The tax authority has begun a new audit, which the Company's subsidiary has challenged based on the expiration of the statute of limitations.

See Note 9 "Income Taxes" to the unaudited condensed consolidated financial statements included herein for additional information on income taxes.

Loss from discontinued operations, net of income taxes

Losses in the Fresh Vegetables division increased marginally for the three months ended June 30, 2023, from $11.2 million to $11.4 million. On an underlying basis, the business continued its improved performance with higher pricing being partially offset by lower volumes. However, the current period was negatively impacted by adverse weather-related events, costs from legal matters and transaction costs. In the current period, there was a positive impact from the cessation of depreciation of fixed assets and amortization of operating lease right-of-use assets from March 31, 2023 onward due to their classification as held for sale.

Losses for the six months ended June 30, 2023 decreased from $36.4 million to $25.9 million. Overall, the division recorded a stronger operational performance in the current period, as the prior period was significantly impacted by the packaged salad recalls and plant suspensions. This decrease in losses was offset partially by the costs and disruption caused by the cyber incident in the first quarter of 2023, as well as by adverse weather conditions, costs from legal matters and transaction costs. As noted above, there was also a positive impact in the current period from the cessation of depreciation and amortization.

Segment Operating Results

Dole plc has the following segments: Fresh Fruit, Diversified Fresh Produce – EMEA and Diversified Fresh Produce – Americas & ROW. The Company's reportable segments are based on (i) financial information reviewed by the Chief Operating Decision Maker ("CODM"), (ii) internal management and related reporting structures and (iii) the basis upon which the CODM assesses performance and allocates resources.

Segment performance is evaluated based on a variety of factors, of which revenue and adjusted earnings before interest expense, income taxes and depreciation and amortization ("Adjusted EBITDA") are the primary financial measures.

Dole and its chief operating decision makers, Dole's CEO and COO, use Adjusted EBITDA as its primary financial measure, because it is a measure commonly used by financial analysts in evaluating the performance of companies in the same industry. The adjustments in calculating Adjusted EBITDA have been made, because management excludes these amounts when evaluating performance, on the basis that such adjustments eliminate the effects of (i) considerable amounts of non-cash depreciation and amortization and (ii) items not within the control of the Company's operations managers. Adjusted EBITDA is not calculated or presented in accordance with U.S. GAAP, but Adjusted EBITDA by segment is presented in conformity with ASC 280, *Segments*. Further, Adjusted EBITDA as used herein is not necessarily comparable to similarly titled measures of other companies. Adjusted EBITDA is not a substitute for income from continuing operations, net income attributable to Dole plc, net income, cash flows from operating activities or any other measure prescribed by U.S. GAAP.

Adjusted EBITDA is reconciled below to net income by taking consolidated net income and (1) adding the loss from discontinued operations, net of income taxes; (2) adding the income tax expense or subtracting the income tax benefit; (3) adding interest expense; (4) adding depreciation charges; (5) adding amortization charges on intangible assets; (6) adding mark to market losses or subtracting mark to market gains related to unrealized impacts from derivative instruments and foreign currency denominated borrowings, realized impacts on noncash settled foreign currency denominated borrowings, net foreign currency impacts on liquidated entities and fair value movements on contingent consideration; (7) other items which are separately stated based on materiality, which during the three and six months ended June 30, 2023 and June 30, 2022, included adding or subtracting asset write-downs from extraordinary events, net of insurance proceeds, subtracting the gain or adding the loss on the disposal of business interests, adding the incremental costs from the fair value uplift for biological assets and inventory related to the acquisition of Legacy Dole, subtracting the gain or adding the loss on the sale of investments accounted for under the equity method, subtracting the gain or adding the loss on asset sales for assets held for sale and actively marketed property and adding costs incurred for the cyber-related incident and (8) the Company's share of these items from equity method investments.

The following provides revenue by segment and a reconciliation of Adjusted EBITDA by segment to consolidated net income, which is the most directly comparable U.S. GAAP financial measure:

	Three Months Ended		Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(U.S. Dollars in thousands)			
Segment Revenue:				
Fresh Fruit	$ 839,043	$ 805,831	$ 1,637,953	$ 1,555,634
Diversified Fresh Produce — EMEA	915,629	849,848	1,713,729	1,641,003
Diversified Fresh Produce — Americas & ROW	417,645	448,200	840,396	911,892
Total segment revenue	2,172,317	2,103,879	4,192,078	4,108,529
Intersegment revenue	(31,143)	(52,970)	(61,737)	(87,389)
Total consolidated revenue, net	$ 2,141,174	$ 2,050,909	$ 4,130,341	$ 4,021,140
Reconciliation of net income to Adjusted EBITDA				
Net income	$ 52,307	$ 48,405	$ 72,790	$ 51,814
Loss from discontinued operations, net of income taxes	11,438	11,195	25,944	36,425
Income from continuing operations	63,745	59,600	98,734	88,239
Adjustments:				
Income tax expense	16,593	5,300	27,587	12,658
Interest expense	19,748	10,833	41,460	22,449
Depreciation	23,142	25,696	47,445	48,229
Amortization of intangible assets	2,574	2,773	5,190	5,615
Mark to market losses (gains)	1,035	(6,991)	1,857	(8,129)
Gain on asset sales	(10,387)	(7,816)	(14,554)	(7,816)
Incremental charges on biological assets and inventory related to the acquisition of Legacy Dole	—	17,431	—	34,944
Cyber-related incident	571	—	5,321	—
Other items	190	116	863	(752)
Adjustments from equity method investments	5,470	4,861	9,165	8,248
Total consolidated Adjusted EBITDA	$ 122,681	$ 111,803	$ 223,068	$ 203,685
Segment Adjusted EBITDA:				
Fresh Fruit	$ 65,816	$ 56,308	$ 135,027	$ 116,705
Diversified Fresh Produce — EMEA	42,603	38,434	66,009	57,711
Diversified Fresh Produce — Americas & ROW	14,262	17,061	22,032	29,269
Total consolidated Adjusted EBITDA	$ 122,681	$ 111,803	$ 223,068	$ 203,685

The following tables illustrate the estimated impact of factors that have driven changes in segment revenues for the three and six months ended June 30, 2023, as compared to the three and six months ended June 30, 2022:

	Revenue for the three months ended				
	June 30, 2022	Foreign exchange translation[1,2]	Other acquisitions/ divestitures	Operational change[3]	June 30, 2023
	(U.S. Dollars in millions)				
Fresh Fruit	$ 805.8	$ —	$ —	$ 33.2	$ 839.0
Diversified Fresh Produce – EMEA	849.9	(1.2)	15.9	51.0	915.6
Diversified Fresh Produce – Americas & ROW	448.2	(2.2)	—	(28.2)	417.7
Intersegment revenue	(53.0)	—	—	21.9	(31.1)
	$ 2,050.9	$ (3.4)	$ 15.9	$ 77.9	$ 2,141.2

	Revenue for the six months ended				
	June 30, 2022	Foreign exchange translation[1,2]	Other acquisitions/ divestitures	Operational change[3]	June 30, 2023
			(U.S. Dollars in millions)		
Fresh Fruit	$ 1,555.6	$ —	$ —	$ 82.3	$ 1,637.9
Diversified Fresh Produce – EMEA	1,641.0	(54.6)	18.1	109.2	1,713.7
Diversified Fresh Produce – Americas & ROW	911.9	(5.0)	—	(66.5)	840.4
Intersegment revenue	(87.4)	—	—	25.7	(61.7)
	$ 4,021.1	$ (59.6)	$ 18.1	$ 150.7	$ 4,130.3

[1] The impact of foreign exchange translation represents an estimate of the effect of translating the results of operations denominated in a foreign currency to U.S. Dollar at prior year average rates, as compared to the current year average rates.
[2] While we acknowledge that the Fresh Fruit segment is impacted by foreign exchange translation, the impact is not easily determinable, as the prices for Fresh Fruit products in European markets are typically heavily impacted by the exchange rates between European currencies and the U.S. Dollar at the time contracts are set with customers (and for spot fruit at the time fruit is sold). This is due to the majority of Fresh Fruit products being sourced using U.S. Dollar terms.
[3] Operational change represents the remaining change in revenue after isolating the impacts of foreign exchange translation and acquisitions and divestitures, which we believe are significant factors that impact the comparability of our operating results in comparison to the prior year. The operational change is discussed in greater detail below.

The following tables illustrate the estimated impact of factors that have driven changes in segment Adjusted EBITDA for the three and six months ended June 30, 2023, as compared to the three and six months ended June 30, 2022:

	Adjusted EBITDA for the three months ended				
	June 30, 2022	Foreign exchange translation[1]	Other acquisitions/ divestitures	Operational change[2]	June 30, 2023
			(U.S. dollars in millions)		
Fresh Fruit	$ 56.3	$ (0.1)	$ —	$ 9.6	$ 65.8
Diversified Fresh Produce – EMEA	38.4	(0.2)	0.5	3.9	42.6
Diversified Fresh Produce – Americas & ROW	17.1	(0.1)	0.4	(3.1)	14.3
	$ 111.8	$ (0.4)	$ 0.9	$ 10.4	$ 122.7

	Adjusted EBITDA for the six months ended				
	June 30, 2022	Foreign exchange translation[1]	Other acquisitions/ divestitures	Operational change[2]	June 30, 2023
			(U.S. dollars in millions)		
Fresh Fruit	$ 116.7	$ —	$ —	18.3	$ 135.0
Diversified Fresh Produce – EMEA	57.7	(1.8)	1.3	8.8	66.0
Diversified Fresh Produce – Americas & ROW	29.3	(0.1)	0.6	(7.7)	22.1
	$ 203.7	$ (1.9)	$ 1.9	19.4	$ 223.1

[1] The impact of foreign exchange translation represents an estimate of the effect of translating the results of operations denominated in a foreign currency to U.S. Dollar at prior year average rates, as compared to the current year average rates.
[2] Operational change represents the remaining change in Adjusted EBITDA after isolating the impacts of foreign exchange translation and acquisitions and divestitures, which we believe are significant factors that impact the comparability of our operating results in comparison to the prior year. The operational change is discussed in greater detail below.

Changes in segment revenue and segment Adjusted EBITDA are described in more detail below, with focus on operational changes which we believe are more reflective of the Company's performance in comparison to the prior year. Unless otherwise noted, the changes discussed below are for the three and six months ended June 30, 2023, as compared to the three and six months ended June 30, 2022.

Fresh Fruit

In the three months ended June 30, 2023, Fresh Fruit revenues increased 4.1%, or $33.2 million, to $839.0 million. Revenue was positively impacted by higher worldwide pricing of bananas and pineapples and worldwide increases in volumes of bananas sold, partially offset by lower volumes of pineapples sold.

In the three months ended June 30, 2023, Fresh Fruit Adjusted EBITDA increased 16.9%, or $9.5 million, to $65.8 million. Adjusted EBITDA was positively impacted by strong revenue performance, partially offset by higher fruit sourcing costs and higher costs of shipping, packaging and handling, as well as by lower commercial cargo activity.

In the six months ended June 30, 2023, Fresh Fruit revenues increased 5.3%, or $82.3 million, to $1.6 billion. Revenue was primarily impacted by the same factors discussed above for the three months ended June 30, 2023.

In the six months ended June 30, 2023, Fresh Fruit Adjusted EBITDA increased 15.7%, or $18.3 million, to $135.0 million. Adjusted EBITDA was positively impacted by strong revenue performance, partially offset by higher fruit sourcing costs and higher costs of shipping, packaging and handling.

Diversified Fresh Produce – EMEA

In the three months ended June 30, 2023, Diversified Fresh Produce – EMEA revenue increased 7.7%, or $65.8 million, to $915.6 million. The increase was primarily driven by inflation-justified price increases across the segment and a positive impact from acquisitions of $15.9 million. The impact of foreign currency translation was not material in the quarter. Excluding the impact of foreign currency translation and acquisition and divestitures, revenue was 6.0%, or $51.0 million, ahead of prior year.

In the three months ended June 30, 2023, Diversified Fresh Produce – EMEA Adjusted EBITDA increased 10.8%, or $4.2 million, to $42.6 million. The increase was primarily driven by strong performance across the segment, particularly within the Spanish, Dutch, Irish and Czech businesses, as well as by a favorable impact from acquisitions of $0.5 million, partially offset by weaker trading results in the South African business. Excluding the impact of foreign currency translation and acquisition and divestitures, Adjusted EBITDA was 10.0%, or $3.9 million, ahead of prior year.

In the six months ended June 30, 2023, Diversified Fresh Produce – EMEA revenue increased 4.4%, or $72.7 million, to $1.7 billion. The increase was primarily driven by the aforementioned inflation-justified price increases across the segment and a positive impact from acquisitions of $18.1 million, partially offset by an unfavorable impact of $54.6 million from foreign currency translation, as a result of the strengthening of the U.S. Dollar against European currencies. Excluding the impact of foreign currency translation and acquisition and divestitures, revenue was 6.7%, or $109.2 million, ahead of prior year.

In the six months ended June 30, 2023, Diversified Fresh Produce – EMEA Adjusted EBITDA increased 14.4%, or $8.3 million, to $66.0 million. The increase was primarily driven by strong performance across the segment, particularly within the Spanish, Dutch, Irish and Czech businesses, as well as by a favorable impact from acquisitions of $1.3 million, partially offset by an unfavorable impact of $1.8 million from foreign currency translation. Excluding the impact of foreign currency translation and acquisition and divestitures, Adjusted EBITDA was 15.3%, or $8.8 million, ahead of prior year.

Diversified Fresh Produce – Americas & ROW

In the three months ended June 30, 2023, Diversified Fresh Produce – Americas & ROW revenues decreased 6.8%, or $30.6 million, to $417.7 million. The decrease was primarily driven by lower volumes across the segment, partially offset by continued strong performance for potatoes and onions in North America and inflation-justified price increases across the segment.

In the three months ended June 30, 2023, Diversified Fresh Produce – Americas & ROW Adjusted EBITDA decreased 16.4%, or $2.8 million, to $14.3 million. The decrease was primarily due to a challenging quarter for berries, partially offset by strong performance for potatoes and onions, as well as by strong trading results within other commodities.

In the six months ended June 30, 2023, Diversified Fresh Produce – Americas & ROW revenues decreased 7.8%, or $71.5 million, to $840.4 million. The decrease was primarily driven by timing differences for the Chilean cherry season, as well as by lower volumes across the segment, partially offset by continued strong performance for potatoes and onions in North America.

In the six months ended June 30, 2023, Diversified Fresh Produce – Americas & ROW Adjusted EBITDA decreased 24.7%, or $7.2 million, to $22.1 million. The decrease was primarily due to weaker trading results for berries and timing differences for certain commodities, partially offset by strong performance for potatoes and onions, as well as by strong trading results within other commodities.

Liquidity and capital resources

Primary sources of cash flow for Dole have historically been cash flow from operating activities, the issuance of debt and bank borrowings. Dole has a history of borrowing funds internationally and expects to be able to continue to borrow funds over the long term. Material cash requirements have included payments of debt and related interest, capital expenditures, investments in companies, increases in ownership of subsidiaries or companies in which Dole holds equity investments and payments of dividends to shareholders.

Cash Flows

The following table summarizes Dole's consolidated cash flows for the six months ended June 30, 2023 and June 30, 2022:

	Six Months Ended	
	June 30, 2023	June 30, 2022
Cash flow provided by (used in):	(U.S. Dollars in thousands)	
Operating activities	$ 73,846	$ 121,939
Investing activities	(21,922)	(16,277)
Financing activities	(52,899)	(101,527)
Foreign currency impact	3,210	(15,906)
Net increase (decrease) in cash	2,236	(11,771)
Cash and cash equivalents, beginning	228,840	250,561
Cash and cash equivalents, ending	$ 231,075	$ 238,790

The decrease in cash provided by operating activities was primarily due to the seasonality of certain commodities in the Diversified Fresh Produce - Americas & ROW segment which led to a higher outflow in payments. This decrease was offset by an increase in cash inflows during the current year from changes in inventory, driven by decreased supply inventories, lower crops harvested and the timing of sales, which resulted in higher balances of inventory as of December 31, 2022. In addition, the current period was also impacted by the reduced collections as a result of seasonal timing differences. The prior year comparative period was positively impacted by the new securitization arrangement, which began in May of 2022, and brought in net incremental operating cash flows of $167.6 million on inception. Refer to Note 8 "Receivables" for further detail on these arrangements. The positive impact in the comparative period from the securitization arrangements was partially offset by longer collection times due to global logistics challenges.

The increase in cash used in investing activities was primarily driven by higher capital expenditures and lower proceeds received on asset sales.

The decrease in cash used in financing activities was primarily attributable to higher borrowings of debt, net of repayments.

Net Debt

Net debt is the primary measure used by management to analyze the Company's capital structure and financial leverage. Net debt is a non-GAAP financial measure, calculated as cash and cash equivalents less current debt, long-term debt and bank overdrafts, excluding debt discounts and issuance costs. Management believes that net debt is an important measure to monitor leverage and evaluate the consolidated balance sheets.

The following table sets forth a reconciliation of cash and cash equivalents and total debt to net debt as of June 30, 2023 and December 31, 2022:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Cash and cash equivalents	$ 231,075	$ 228,840
Debt:		
Long-term debt, net	(930,421)	(1,127,321)
Current maturities	(268,203)	(97,435)
Bank overdrafts	(20,285)	(8,623)
Total debt, net	(1,218,909)	(1,233,379)
Less: Unamortized debt discounts and issuance costs	(16,125)	(17,874)
Total gross debt	(1,235,034)	(1,251,253)
Net debt	$ (1,003,959)	$ (1,022,413)

Under the terms of the Credit Agreement entered into on March 26, 2021 (and subsequently amended on August 3, 2021), the Company has a senior secured revolving credit facility (the "Revolving Credit Facility") in place which provides for borrowings of up to $600.0 million and two term loan facilities ("Term Loan A" and "Term Loan B", together the "Term Loan Facilities") which provided for borrowings of $300.0 million and $540.0 million, respectively.

Total amounts outstanding under the Revolving Credit Facility and the Term Loan Facilities were $971.0 million as of June 30, 2023. Based on the terms of the Credit Agreement, upon the closing of the Vegetables Transaction, we will be required to use a portion of the proceeds to make a prepayment on the Term Loan Facilities. The estimated minimum prepayment has been reclassified from long-term debt, net, to current maturities in the condensed consolidated balance sheets as of June 30, 2023.

Dole's borrowings under these facilities and other borrowing arrangements are linked to both variable and fixed interest rates. Dole has entered into interest rate swaps in order to mitigate a significant portion of the interest rate risk associated with its variable-rate debt. In the second quarter of 2023, we amended the Credit Agreement to adopt SOFR in place of LIBOR as the U.S. Dollar benchmark. The adoption of SOFR did not have a material impact to Dole.

Both cash and debt are denominated in various currencies, though primarily in the U.S. Dollar, euro, sterling and Swedish krona.

The Revolving Credit Facility and Term Loan Facilities are expected to provide long-term sustainable capitalization. See Note 12 "Debt" to the unaudited condensed consolidated financial statements included herein for additional detail on the Company's debt.

Total Available Liquidity

Total available liquidity (defined as cash and cash equivalents plus available lines of credit) as of June 30, 2023 and December 31, 2022 was as follows:

	June 30, 2023	December 31, 2022
	(U.S. Dollars in thousands)	
Cash and cash equivalents	$ 231,075	$ 228,840
Lines of credit	563,300	568,696
Total available liquidity	$ 794,375	$ 797,536

In addition, Dole utilizes third-party trade receivables sales arrangements to help manage its liquidity. Certain arrangements contain recourse provisions through which our maximum financial loss is limited to a percentage of receivables sold under the arrangements. Total facility amounts under all third-party trade receivables sales arrangements are $285.0 million in the aggregate.

As of June 30, 2023, the Company has derecognized trade receivables related to non-recourse facilities and facilities with recourse provisions of $17.8 million and $255.0 million, respectively. As of December 31, 2022 the Company had derecognized trade receivables related to non-recourse facilities and facilities with recourse provisions of $11.9 million and $237.2 million, respectively.

Commitments and Contingencies

As of June 30, 2023, there were no material changes in our commitments, contractual arrangements or contingencies as compared to those in described in our Annual Report on Form 20-F. Refer to Note 16 “Contingencies” to the unaudited condensed consolidated financial statements included herein for further detail on Dole’s contingencies.

Critical Accounting Estimates

The preparation of unaudited condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. The Company bases estimates on past experience and other assumptions that are believed to be reasonable under the circumstances, and management evaluates these estimates on an ongoing basis. Actual results may differ from those estimates.

Critical accounting estimates are those that materially affect or could affect the unaudited condensed consolidated financial statements and involve difficult, subjective or complex judgments by management. A thorough understanding of these critical accounting estimates and their underlying nature, assumptions and inputs is essential when reviewing the unaudited condensed consolidated financial statements of the Company. Management believes that the areas of goodwill and indefinite-lived intangible assets, income taxes, and pension and other postretirement benefits are the most critical, as they involve the use of significant estimates and assumptions as described above. There have been no material changes or additions to our critical accounting estimates identified above from those described in greater detail in our Annual Report on Form 20-F.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes to the disclosures on this matter made in our Annual Report on Form 20-F.

Item 4. Controls and Procedures

Management carried out an evaluation, under the supervision and with the participation of its CEO and Chief Financial Officer (“CFO”), of the effectiveness of the design and operation of the Company’s disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of June 30, 2023. Based upon that evaluation, the Company’s CEO and CFO concluded that the Company’s disclosure controls and procedures were not effective as of June 30, 2023, due to the previously reported material weakness in internal control over financial reporting, which we describe in Part II, “Item 15. Controls and Procedures” of our Annual Report on Form 20-F for the year ended December 31, 2022.

Remediation of Material Weakness

We continue to have a material weaknesses in our internal control over financial reporting, as disclosed in our Annual Report on Form 20-F for the year ended December 31, 2022, related to the ineffective design of controls over review of manual journal entries.

We are committed to maintaining a strong internal control environment and are implementing measures designed to help ensure that control deficiencies contributing to the material weakness are remediated on a timely basis. We have made progress towards remediation and continue to implement our remediation plan for the previously reported material weakness, which includes steps to (i) assess the process and controls over review of manual journal entries, (ii) automate, where possible and practical, the entry posting process and (iii) improve the segregation of duties in connection therewith.

While the foregoing measures are intended to effectively remediate the material weakness relating to the review of manual journal entries, it is possible that additional remediation steps will be necessary. As we continue to evaluate and implement our plan to remediate the material weakness, management may decide to take additional measures to address the material weakness or modify the remediation steps described above. Until this material weakness is remediated, we plan to continue to perform additional analyses and other procedures to help ensure that our condensed consolidated financial statements are prepared in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

Other than the changes related to our remediation efforts described above, there were no changes in internal control over financial reporting during the three and six months ended June 30, 2023 that materially affected, or are reasonably likely to affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Dole has been or is currently the subject of a number of legal proceedings and civil and criminal investigations and inquiries by governmental agencies, including matters related to DBCP use in the past, product safety and health, product recalls, environmental property damage (such as proceedings related to a housing development in the City of Carson, California) and tax disputes. See Note 16 “Contingencies” to the unaudited condensed consolidated financial statements included herein for additional information regarding matters related to DBCP use and proceedings related to a housing development in the City of Carson, California. We are unable to predict how long such proceedings, investigations and inquiries will continue or the full scope of such investigations, but we anticipate that we will continue to incur significant costs in connection with these matters and that these proceedings, investigations and inquiries will result in a substantial distraction of management’s time, regardless of the outcome. These proceedings, investigations and inquiries may result in damages, fines, penalties, consent orders or other administrative action against us and/or certain of our officers, or in changes to our business practices, and any such fines or penalties could be greater than we currently anticipate. Furthermore, publicity surrounding these proceedings, investigations and inquiries or any enforcement action as a result thereof, even if ultimately resolved favorably for us, could result in additional investigations and legal proceedings. As a result, although these proceedings, investigations and inquiries could have an adverse effect on our reputation, business, financial condition and results of operations, we do not expect them to have a material adverse effect, individually or in the aggregate, on Dole’s results of operation, financial condition or cash flows.

Item 1A. Risk Factors

In addition to the other information set forth in this report, users should carefully consider the factors discussed in Part I, “Item 3D. Risk Factors” in our Annual Report on Form 20-F, as updated and supplemented below, which could materially affect our business, financial condition or future results. These risks are not the only risks facing the Company, and additional risks and uncertainties not yet known or currently deemed to be immaterial could materially adversely affect our business, financial condition or future results.

There have been no material changes from the risk factor information disclosed in Part I, “Item 3D. Risk Factors” in our Annual Report on Form 20-F, other than as updated and supplemented below.

Item 5. Other Information

None.