



the Almond
CONFERENCE
2019

Marketing by the Numbers

EMILY FLEISCHMANN

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Almond Board of California*

LAUREL MUIR

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 **california
almonds**
Almond Board of California

Almond Board of California— **VISION AND MISSION STATEMENTS**

VISION

California Almonds make life better by what we grow and how we grow.

MISSION

Expand global consumption of California almonds through leadership in strategic market development, innovative research, and accelerated adoption of industry best practices.

ALMOND BOARD MARKETING OBJECTIVES

1

Build long-term world-wide demand for California almonds

2

Create an environment in which almond perceptions and almond brands thrive

3

Address issues and seize opportunities that are best handled at an industry-wide level

4

Contribute to the financial well being of the industry

11



11 MARKETS WITH PROGRAMS

NORTH AMERICA

- Canada
- U.S.
- Mexico

EUROPE

- UK
- France
- Germany
- Italy

ASIA

- China
- India
- S. Korea
- Japan



REGIONAL MANAGERS



NORTH AMERICA
Jenn Freeman



INDIA
Sudarshan Mazumdar



EUROPE
Dariela Roffe-Rackind



CHINA
Connie Cheung



**SOUTH KOREA
& JAPAN**
Murielle Kim



GROWTH



INNOVATION



**GROWER
IMPACT**

Marketing by the Numbers

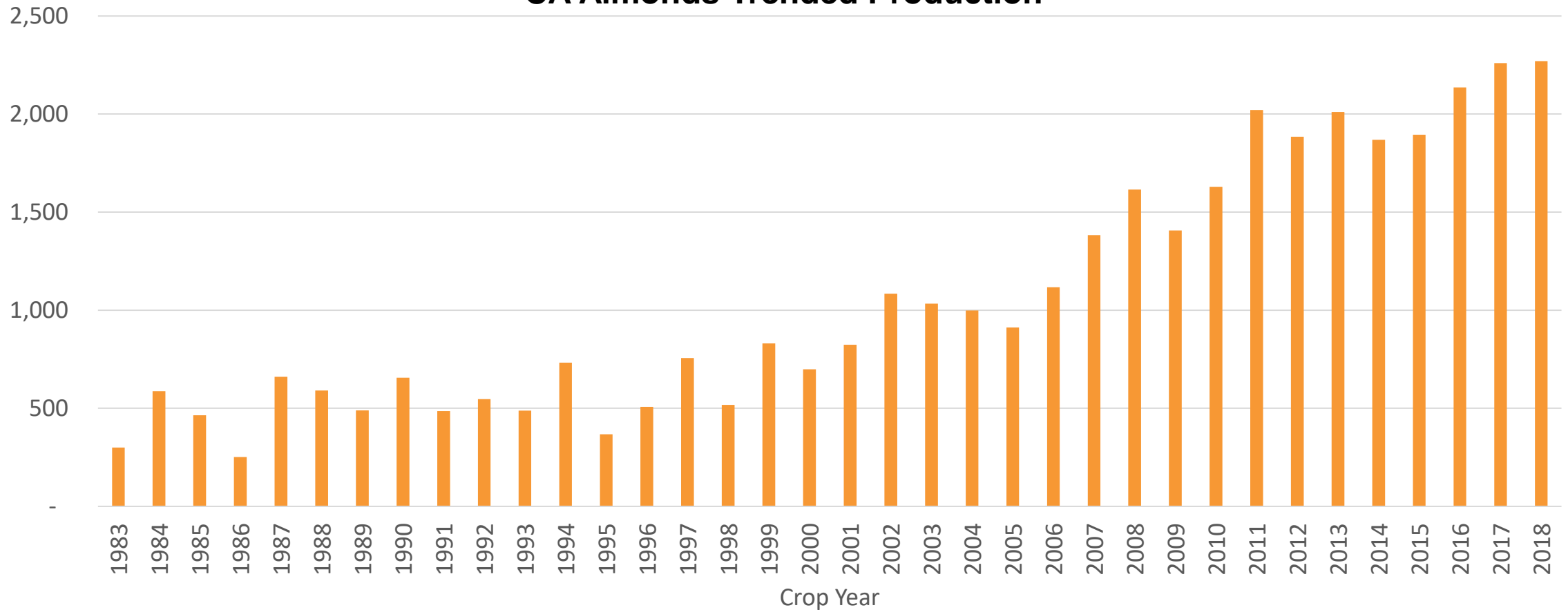


439%



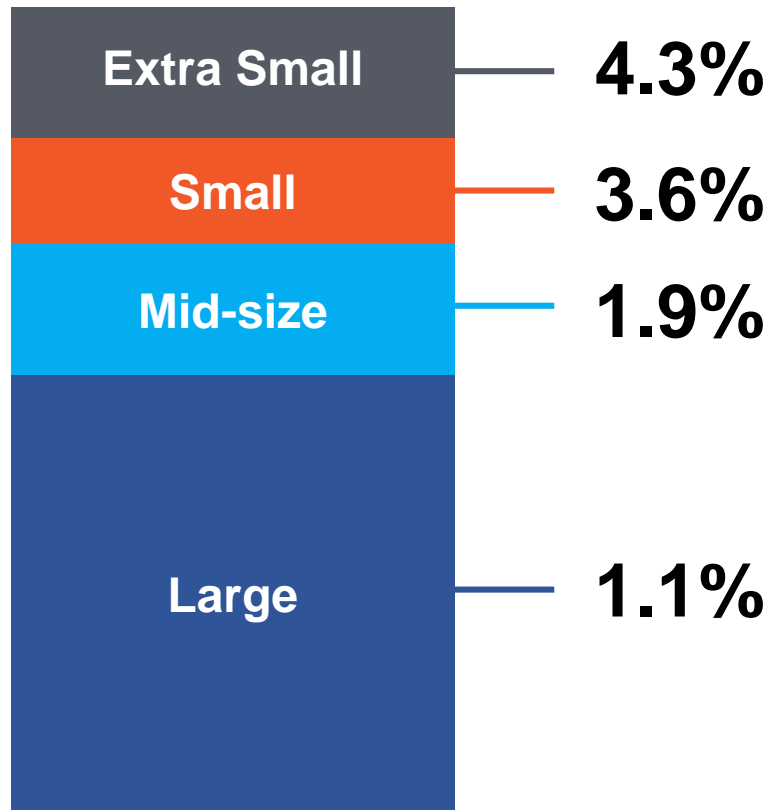
AN AMAZING TRAJECTORY

CA Almonds Trended Production



COMPARISON TO GROCERY GROWTH

2013-2017 CAGR



2018 CATEGORY GROWTH RATES

- Ice Cream: **1.8%**
- Cereal: **0.3%**
- Chocolate Candy: **-1.3%**

GROWTH ACROSS FARMING

SOYBEANS



CORN



TABLE GRAPES



WINE GRAPES



STRAWBERRIES



20 YEAR CAGR

1.5%

2.0%

2.7%

2.3%

2.8%

42,532



ALMOND FORMS HAVE EXPLODED

2005-2009

2014-2019

TOTAL NEW PRODUCTS

11,152

42,532

BY INGREDIENT

Almond	10,654	39,344
Almond Flour	185	1,112
Almond Butter	260	910
Almond Milk	9	760
Almond Oil	43	328
Almond Protein	0	66
Almond Milk Powder	0	11

AND WHERE ALMONDS ARE FOUND IN THE GROCERY STORE HAS EVOLVED

2006:

38% Snack almonds
62% Ingredient



2019:

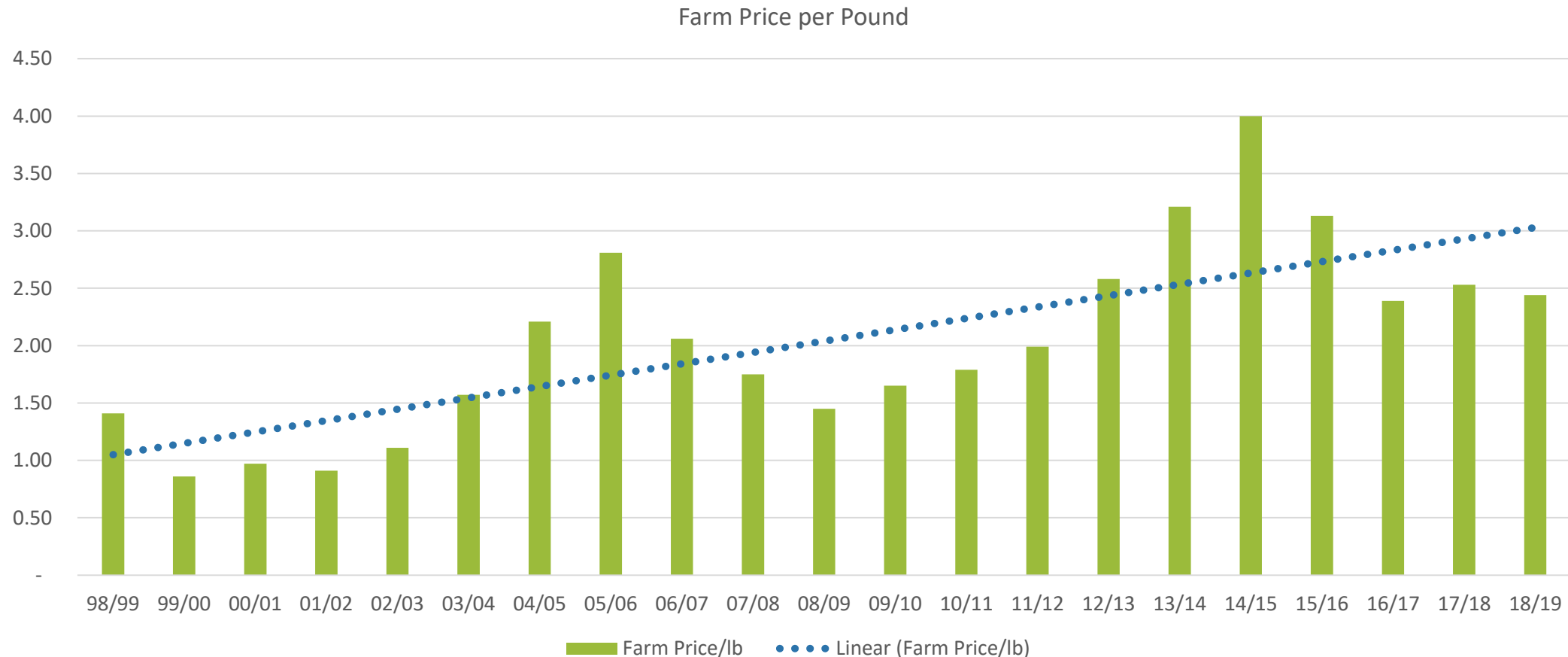
54% Snack almonds
19% Almond milk
6% Almond butter
21% Ingredient



3%



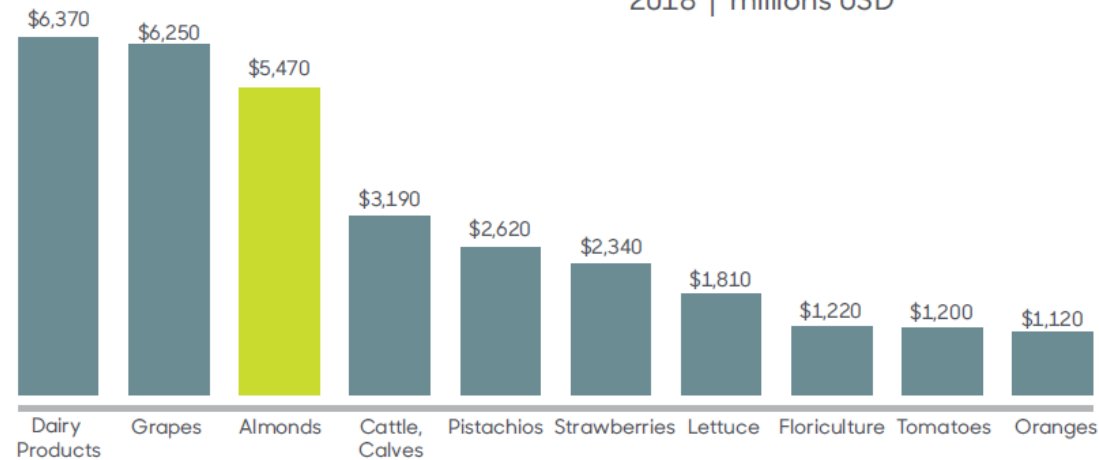
FARM PRICE HAS BEEN MOVING UPWARD



LEADERSHIP ROLE IN WORLD OF FOOD AND AG

California's Top Ten Valued Commodities

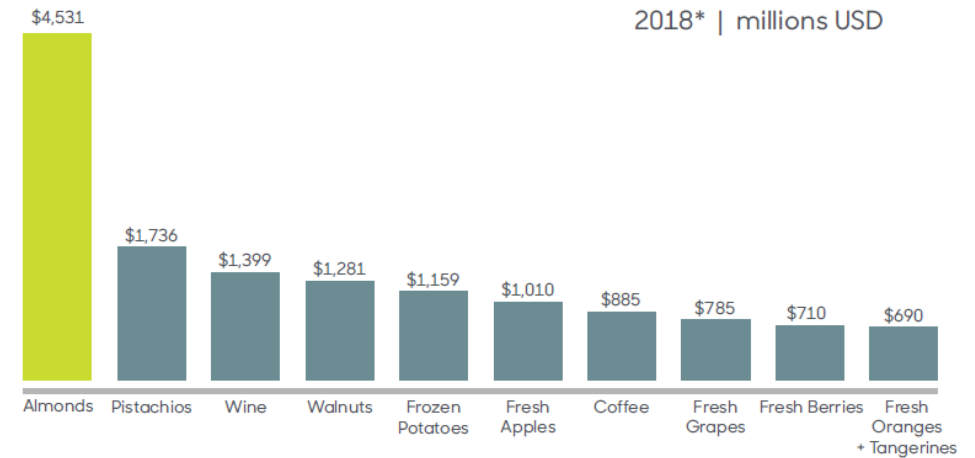
2018 | millions USD



Source: California Department of Food and Ag/Statistics. <https://www.cdfa.ca.gov/Statistics>.

Top Ten U.S. Specialty Crop Exports by Value

2018* | millions USD



Source: USDA Foreign Agricultural Services Global Agricultural Trade System. *Calendar year January through December 2018.

LOOKING BACK...
HOW DID THIS HAPPEN

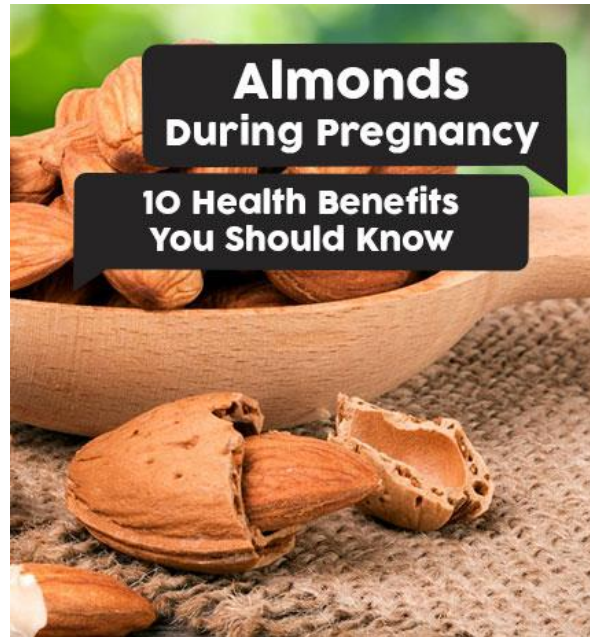
PRE-2000's ALMOND SUFFERED FROM MISPERCEPTION



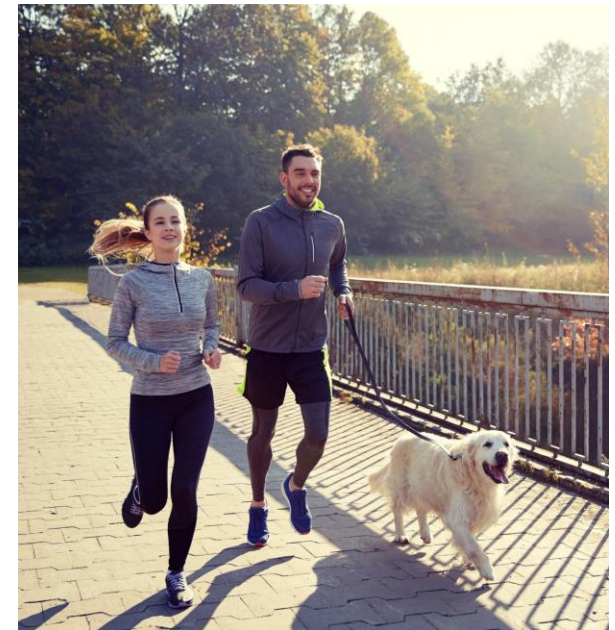
HOWEVER OVER TIME CALIFORNIA ALMONDS MEANING HAS EVOLVED



**HEART
HEALTHY**



**HEALTHY
NUT**



**LIFESTYLE
NUT**

4 KEY ELEMENTS

- + Redefining our importance in health**
- + Changing how almonds fit in people's lives**
- + Relevant to how people eat**
- + Staying focused on the long-term**

175



BUILDING OUR UNDERSTANDING OF ALMONDS AND NUTRITION



HEART HEALTH:

22 Research Projects
34 Scientific Publications to Date



DIABETES AND METABOLIC SYNDROME:

20 Research Projects
19 Scientific Publications to Date



WEIGHT MANAGEMENT, SATIETY AND GUT HEALTH:

26 Research Projects
45 Scientific Publications to Date



SKIN HEALTH:

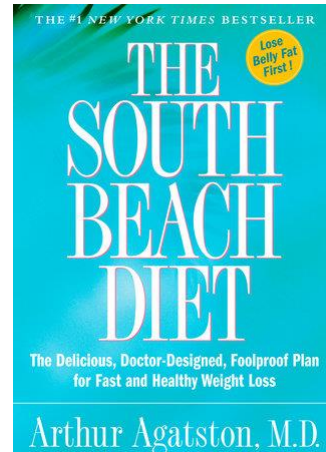
2 Research Projects
1 Scientific Publication to Date



OTHER AREAS OF RESEARCH:

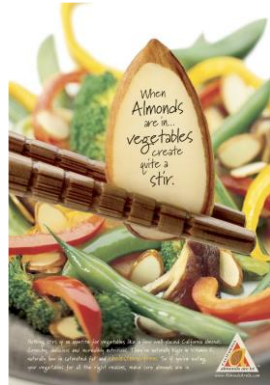
- Cognition
- Gut Microbiome
- Composition and Calorie Count

HEALTHY FATS & PROTEIN TOPPED THE DIET TRENDS

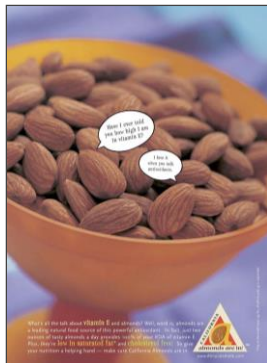
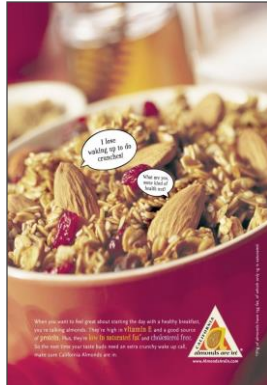


SHIFTING FROM INGREDIENT TO SNACKING

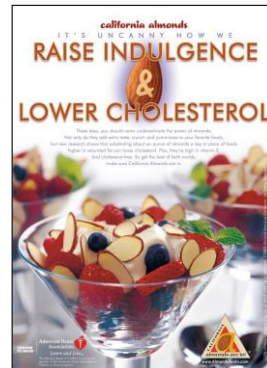
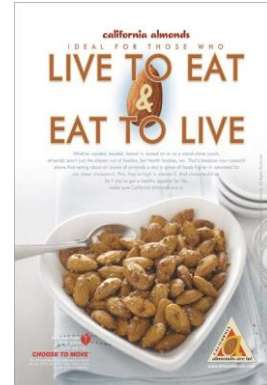
1999
Almonds Are In



2001
Talking Almonds



2005
Best of Both Worlds



2007
How To



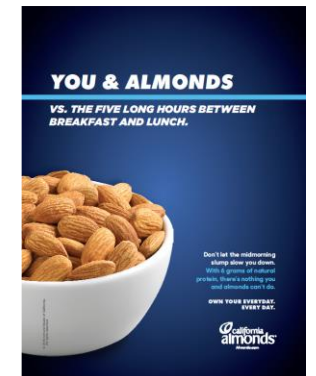
2010
A Handful Of...



2013
Crunch Power



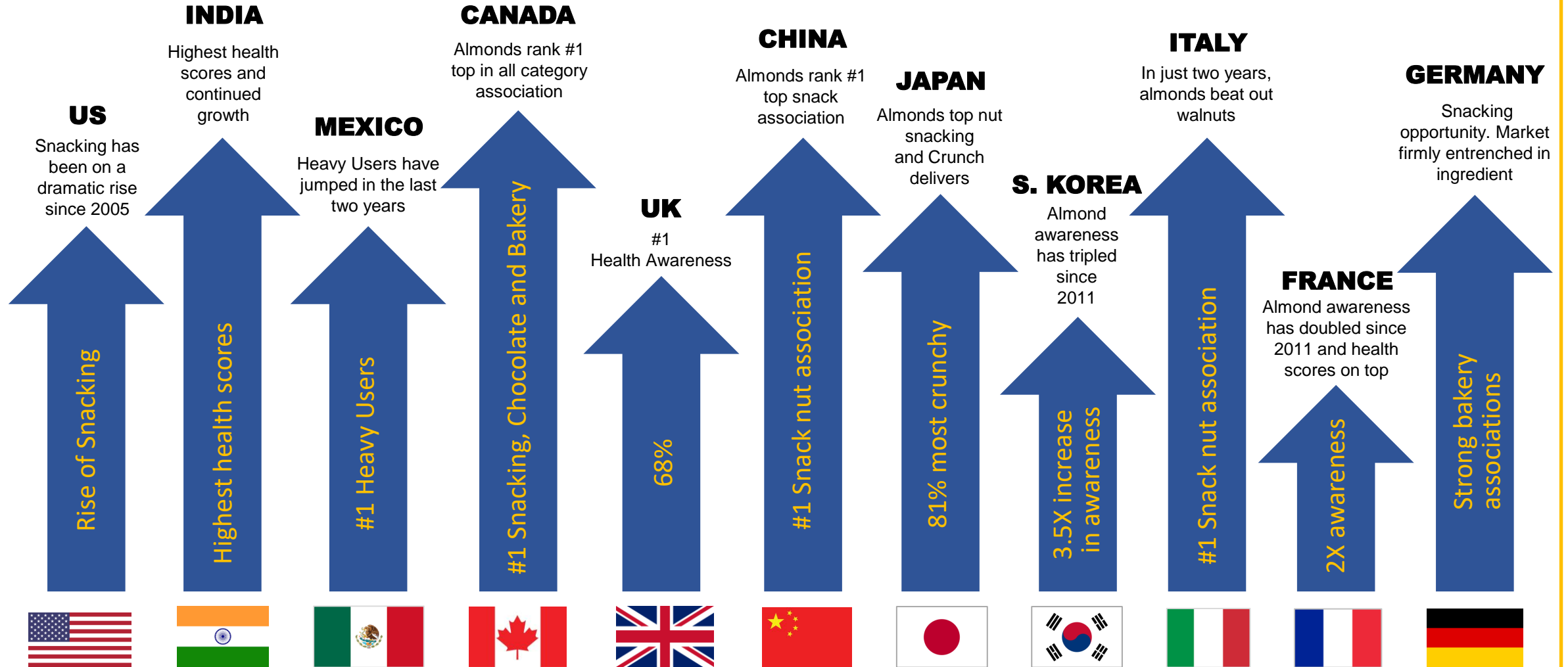
2018
Own Your Everyday



INGREDIENT

SNACK

CONSUMER PERCEPTIONS



OPPORTUNITIES AND CHALLENGES AHEAD



KEY CHANGE FORCES

TRADE
WARS
CENTER
STAGE

ANXIETY
AND DESIRE
FOR
CONTROL

PLANTS
RULE

SNACKIFICATION
OF SOCIETY

INNOVATE
EVERYTHING

1

POLITICAL & TRADE CHALLENGES



In 2019, ABC actively addressed almond-related issues in several key markets

U.S.
Commented on
FDA standards of
identity for plant-
based products

Harmonization of
FDA goods **return
and reconditioning**
procedures

Incentives to help
growers afford new
technologies

INDIA
Retaliatory tariffs
on U.S. almonds at
41 rupees per kilogram
inshell and 120 rupees
per kilogram kernel

**Engaged with Indian
government** over
labeling, Goods and
Services Tax (GST)

CHINA
60% retaliatory tariff
on U.S. kernel and
inshell almonds

Collaborated
with Chinese industry
**regarding tariff
exclusion**

Ongoing effort
to achieve market
access for
pelletized hulls

EU
EU reapplied
**<1% import
controls** for
almonds under
the Pre-Export
Check (PEC)
program

Reprocessing
options
identified as
an **alternative
to rejections**

**Phytosanitary
certificates**
requirement
instituted

Coalition
focusing on
pesticide MRLs

JAPAN
Limited trade agreement,
bringing **tariffs on U.S.
almonds to 0%**

Strategized with U.S.
government to **address
aflatoxin rejections**





2

WELCOME TO THE ANXIETY ECONOMY

ANXIETY ECONOMY

DRIVERS

- Privacy
- Environmental crisis
- Workplace stress
- Political upheaval
- Brexit

RESULTS

- Behavior driven by fear
- Dystopic landscapes
- New categories
- The sex recession

Keto

Paleo

**DIETS
CONTINUE**

Sugar
FREE

vegan





3

PLANTS RULE

HEALTH



we're eating **nearly twice**
the protein we need





Academy of Nutrition
and Dietetics



American
Institute for
Cancer
Research®



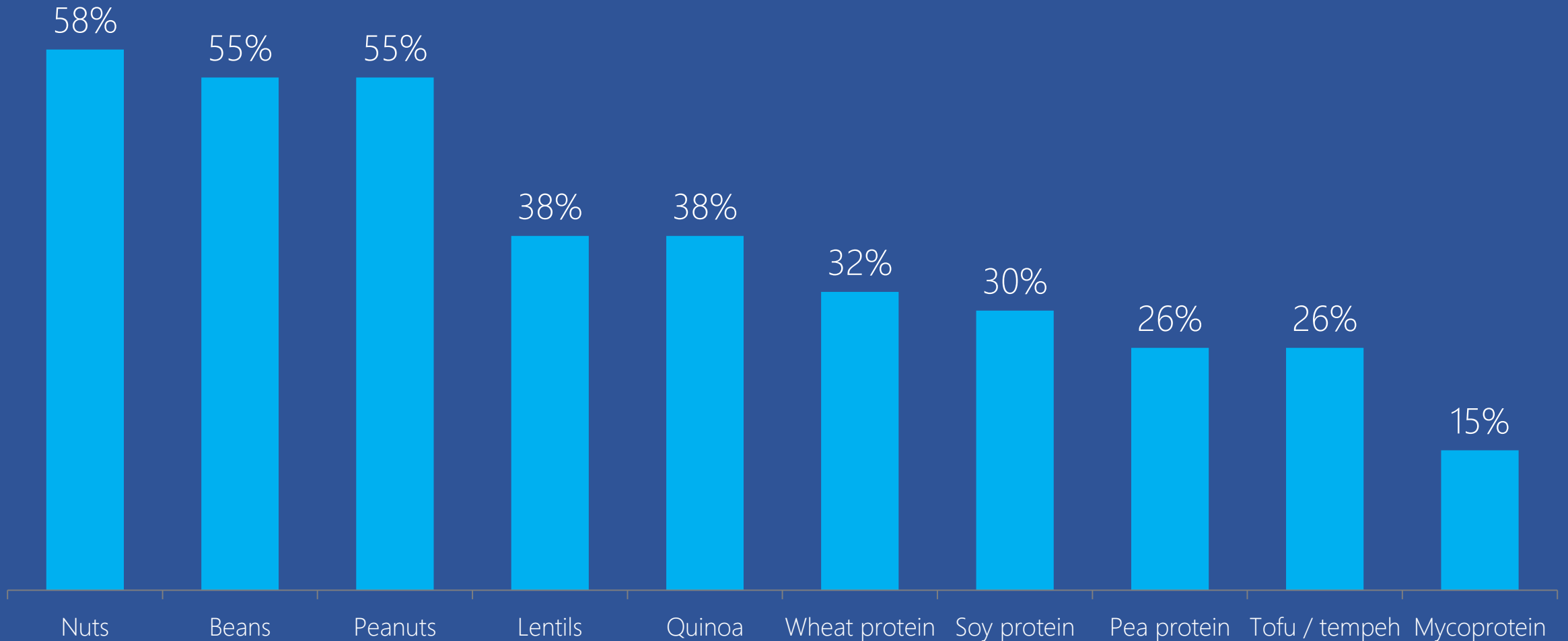
a public health consensus

More Plant Foods, Less Meat

TASTE



PURCHASE INTENT **PRIMARY** PROTEIN SOURCE



ENVIRONMENT

**Eat less meat to save the Earth,
urges UN**





VALUES

CPG PRODUCT MOTIVATORS

	Gen Z	Millennials
Social Mission	176	159
Convenience & Packaging	146	119
Experimental	133	121
Brand	94	103
Value	92	91
Taste	90	100
Health & Wellness	88	84

A hand holding a spoon over a plate of food, with a trash can containing food waste in the background.

FOOD WASTE & SUSTAINABILITY

REDUCING FOOD WASTE REQUIRES CONSUMER, CPG AND AGRICULTURE ACTION

Last Week In Venture: Tackling Food Waste, Fitting As-A-Service, And Ghosting VCs

"Ugly produce" subscription service helps reduce food waste, expands to Alabama

To Reduce Food Waste, FDA Urges 'Best If Used By' Date Labels

Confusion over whether a food is still safe to eat after its "sell by" or "use before" date accounts for about 20% of food waste in U.S. homes, the FDA says. The new wording aims to clear that up.

11 practical ways you can reduce food waste and save money

HOW WE USE



PREVENTION SOLUTIONS

Packaging, Product, And Portions

- Standardized Date Labeling
- Packaging Adjustments
- Spoilage Prevention Packaging
- Produce Specifications ("Imperfect Produce")
- Smaller Plates
- Trayless Dining

Operational And Supply Chain Efficiency

- Waste Tracking & Analytics
- Cold Chain Management
- Improved Inventory Management
- Secondary Resellers
- Manufacturing Line Optimization

Consumer Education

- Consumer Education Campaigns

RECOVERY SOLUTIONS

Donation Infrastructure

- Donation Matching Software
- Donation Storage & Handling
- Donation Transportation
- Value-Added Processing

Donation Policy

- Donation Liability Education
- Standardized Donation Regulation
- Donation Tax Incentives

RECYCLING SOLUTIONS

Energy & Digestate

- Centralized Anaerobic Digestion (AD)
- Water Resources Recovery Facility (WRRF) with AD

On-Site Business Processing Solutions

- In-Vessel Composting
- Commercial Greywater

Agricultural Products

- Community Composting
- Centralized Composting
- Animal Feed
- Home Composting

HOW WE GROW

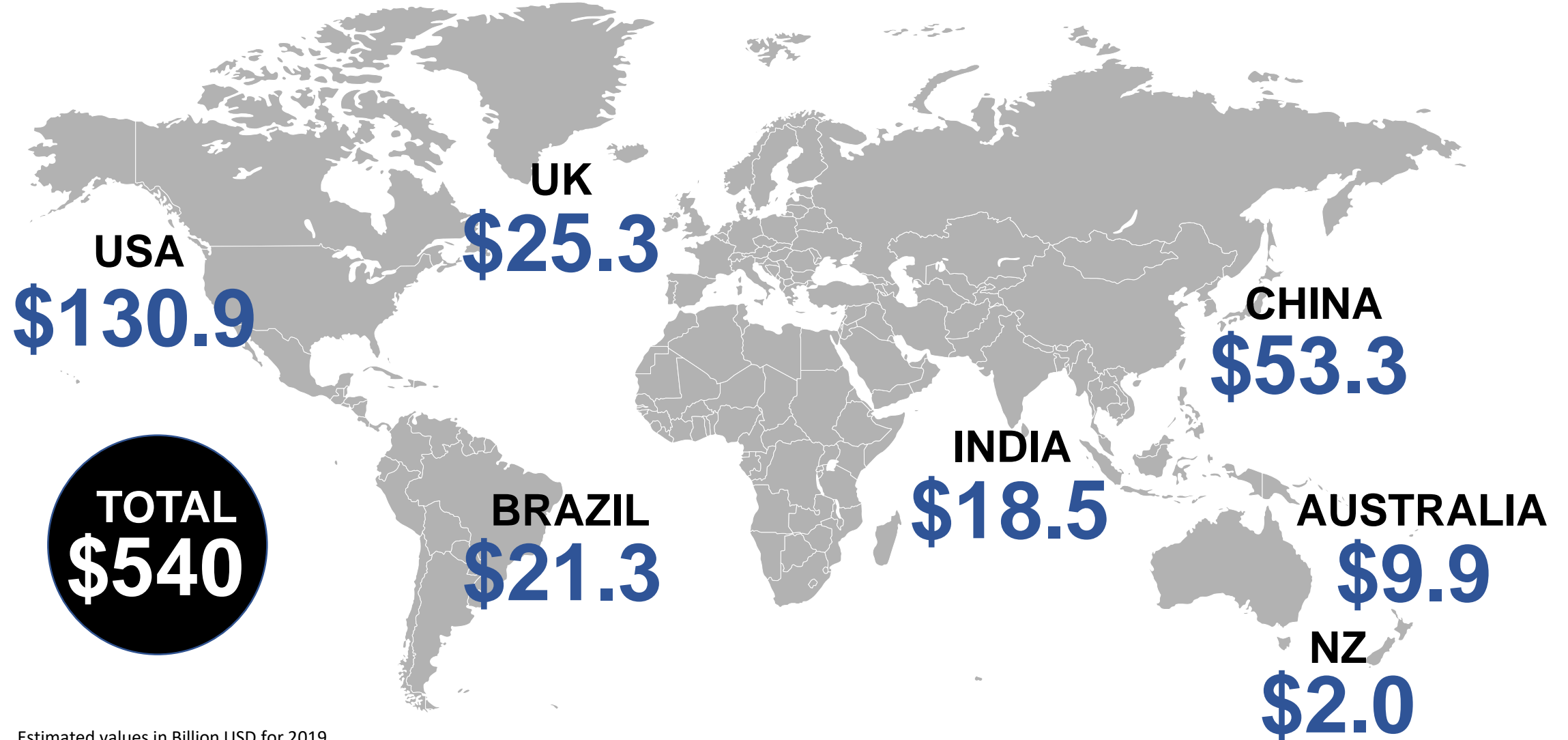




4

THE IMPORTANCE OF SNACKING

SNACKING CONSUMPTION



Estimated values in Billion USD for 2019.

THE “SNACKIFICATION” OF SOCIETY CONTINUES TO REDEFINE WHAT A SNACK IS.

KEY DRIVERS:

- Fast-paced lifestyles that embrace ready-to-eat foods.
- Decline in sit-down family meals.
- Rise in eating alone both at home and at work.
- Belief that smaller, more frequent meals are healthier.

THE SOARING SNACK BUSINESS

SALTY SNACKS

SALTY SNACKS
\$83B

SAVORY BISCUITS
\$26B

OTHER SAVORY SNACKS
\$18B

POPCORN
\$5B

PRETZELS
\$3B

SWEET SNACKS

CHOCOLATE
CONFECTIONERY
\$110B

ICE CREAM
\$77B

SWEET BISCUITS
\$73B

SUGAR
CONFECTIONERY
\$63B

PACKAGED CAKES
\$33B

PACKAGED PASTRIES
\$26B

GUM
\$21B

FRUIT SNACKS
\$11B

CHILLED DAIRY
DESSERTS
\$10B

FROZEN DESSERTS
\$5B

SAVORY SNACKS

NUTS, SEEDS, &
TRAIL MIXES
\$27B

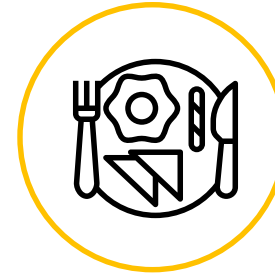
SNACK BARS
\$14B

OPPORTUNITIES



Fortified Snacking

Foods that offer extra nutrients added are appealing to consumers looking for snacks that are more than merely a treat.



Snack meal

Snacks as meal replacements are a growing opportunity.



Protein Rich Snack

A big opportunity to target the on-the-go consumers looking to satisfy a craving and boost energy levels.



Flexible packing for on-the-go

Pouch packaging, single serves, and re-sealable packaging can increase portability and help reduce waste.

A top-down view of a dark surface. In the upper left, a green ceramic bowl holds dark coffee beans. Below it, several silver spoons are fanned out. In the bottom left, a white cup is filled with brown coffee. On the right side, a tray of parchment paper holds several square brownies. Each brownie is decorated with five almonds arranged in a flower pattern. The entire scene is framed by a thin yellow border.

5

**THE ANSWER IS
INNOVATION**

HEALTH DRIVING ALMOND FLOUR



**Locako Peanut Butter
Collagen Brownies**
Australia, Nov. 2019



**Berries And Nuts
Almond Flour**
India, Oct. 2019



**Organic And Gluten
Free Sicilian Lemon
Sponge Cake**
France, Sep 2019



**Ambronite Balanced Meal
Shake: Delicious
Berries Flavor**
Finland, Sep 2019

ANALOGUES DRIVE ALMOND MILK



**Starbucks Almond Milk
Caffè Mocha: Chilled
Espresso Beverage**
US, Sep 2019



**Nakula Almond and
Coconut Milk
Yoghurt: Vanilla**
Australia, Oct 2019



**Blue Diamond Almond
Breeze Vanilla Flavored
Almond Milk Yogurt
Alternative With Sea Salt
Caramel Flavored
Slivered Almonds**
US, Oct 2019



**Mama Roz Green
Protein Oat and
Almond Milk**
Indonesia, Aug 2019

ALMOND BUTTER MORE THAN BUTTER



**Base Culture 7 Nut And
Seed Bread**
United States, Apr 2019



**Nature Valley
Biscuits With
Almond Butter**
Kuwait, Apr 2019



**Chobani Plain
Greek Yogurt With
Almond Butter**
United States,
Jun 2019



**Probar Meal On The Go
Blueberry Muffin**
United States, Sep 2019



KEY CHANGE FORCES

TRADE
WARS
CENTER
STAGE

ANXIETY
AND DESIRE
FOR
CONTROL

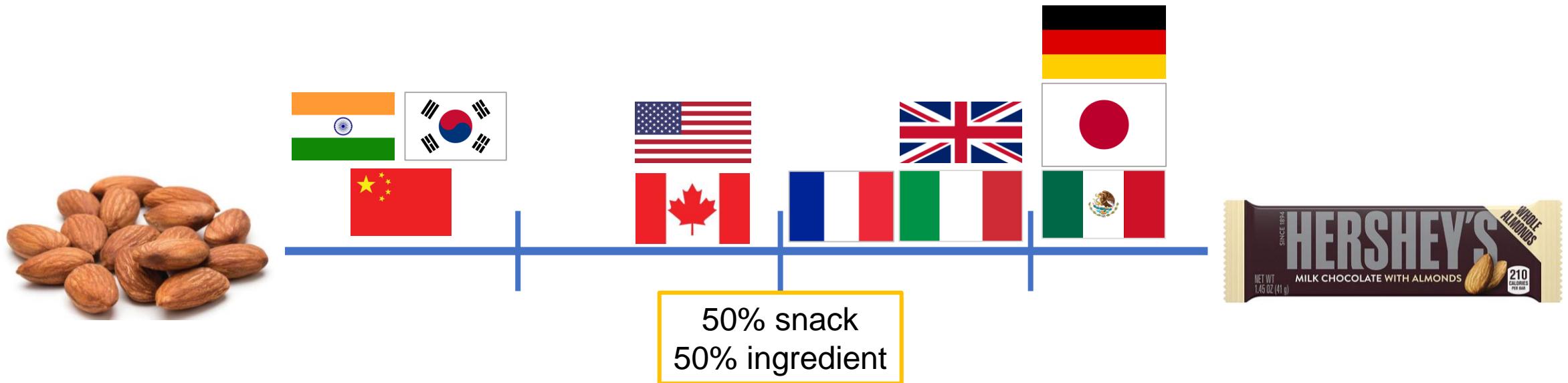
PLANTS
RULE

SNACKIFICATION
OF SOCIETY

INNOVATE
EVERYTHING

CAPITALIZING ON THE FUTURE

UPSIDE EXISTS IN SNACKING AND INGREDIENT USAGE

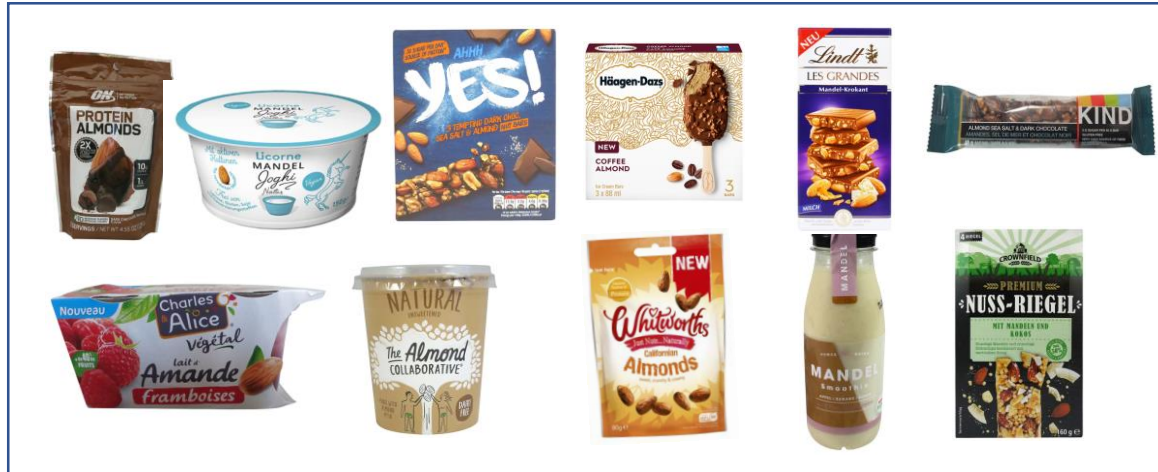


8 MARKETS UNDER 2 POUNDS

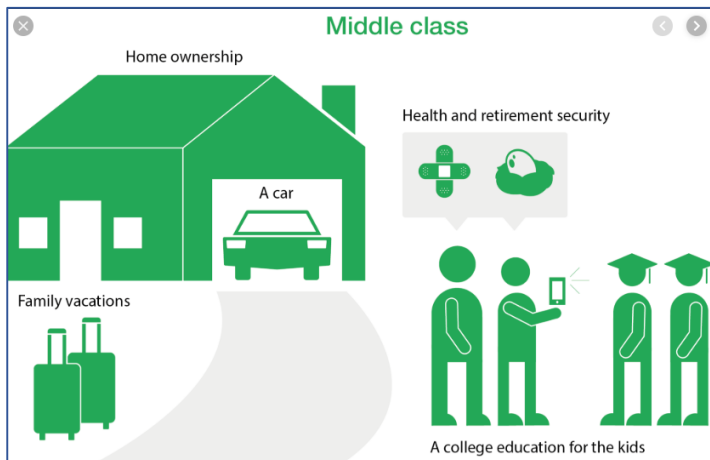
	<u>17/18</u>
UNITED STATES	2.2
GERMANY	2.0
CANADA	2.0
FRANCE	1.6
ITALY	1.5
SOUTH KOREA	1.1
UNITED KINGDOM	0.8
JAPAN	0.6
MEXICO	0.2
INDIA	0.2
CHINA/HONG KONG	0.2

PORTFOLIO APPROACH

Emerging/Established/Exploratory



Geographical Dispersion



ALMOND BOARD MARKETING OBJECTIVES

- **Build long-term world-wide demand for California almonds**
- **Create an environment in which almond perceptions and almond brands thrive**
- **Address issues and seize opportunities that are best handled at an industry-wide level**
- **Contribute to the financial well being of the industry**

ALMOND BOARD MARKETING STRATEGIES

- 1. Invest and develop foundational platforms for industry long-term growth**
- 2. Disciplined, data-driven strategic approach to market development**
- 3. Highly creative, targeted, best-in-class marketing programs**

14.7
BILLION



**THINGS TO LOOK
FOR THIS YEAR**

NEW ADVERTISING



MOMENTS OF RELEVANCE



**HAVE YOU EVER
SEEN A SEXIER BOWL
OF ALMONDS?**



Didn't think so.

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**california
almonds**
Almonds.com
6 grams of natural protein



TOKYO 2020



Wilson

GLOBAL MARKET DEVELOPMENT COMMITTEE

MEMBERS:



Brian Ezell
Chair
Wonderful Company



Al Greenlee
Vice Chair
Blue Diamond Growers



Brian Wahlbrink
Sperry Farms



Darren Rigg
Minturn Nut Company



Dinesh Bajaj
Select Harvest



Jeff Smith
Blue Diamond Growers



Craig Duerr
Campos Brothers Farms



Matt Mariani
Mariani Nut Company



Maya Erwin
Blue Diamond Growers



Warren Cohen
Blue Diamond Growers

ALTERNATES:

Alexi Rodriguez
Campos Brothers Farms

Michael Burdeny
Blue Diamond Growers

Laura Gerhard
Blue Diamond Growers

Jared Smith
Fisher Nut Company

Micah Zeff
Montpelier Nut Company

Bill Morecraft
Blue Diamond Growers

Christine Lott
Blue Diamond Growers

Paul Ewing
RPAC Almonds

Keith Kwan
Taylor & Sims, Inc.

Sim Bath
Prudential Investments

NUTRITION RESEARCH COMMITTEE

MEMBERS:



Dr. George Goshgarian
Chair
Goshgarian Enterprises



Maggie Moon
Vice-Chair
The Wonderful Company



Dr. Rudy Ortiz
UC Merced



Stacey Humble
Roberts Ferry Nut Co.



Billy Ng
Blue Diamond Growers



Kurt Waananen
Blue Diamond Growers

ALTERNATES:



Jan Mendenhall
UC Merced (Retired)



Christine Gemperle
Blue Diamond Growers

THANK YOU TO OUR INDUSTRY





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2019

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*Vice President, Global Market Development
Almond Board of California*

LAUREL MUIR

Managing Partner, SRG



california
almonds[®]
Almond Board of California

REGIONAL PRESENTATIONS AT CONFERENCE



North America
Jenn Freeman



India
Sudarshan Mazumdar



Europe
Dariela Roffe-Rackind



China
Connie Cheung



South Korea & Japan
Murielle Kim



Thursday
9:45-10:30



Wednesday
2:15-3:15



Wednesday
10:45-11:30



Wednesday
8:00-9:00



Wednesday
3:30-4:30