



*the* Almond  
**CONFERENCE**  
**2019**

## Marketing by the Numbers

**EMILY FLEISCHMANN**

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

**LAUREL MUIR**

*Managing Partner, SRG*



# 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*



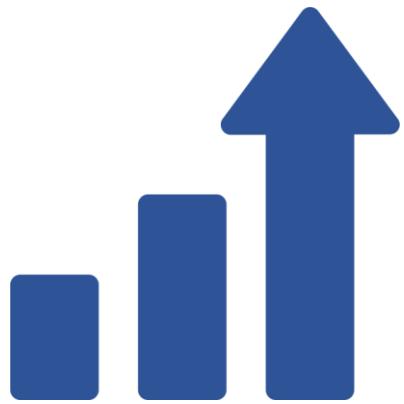
**CHINA**

*Connie Cheung*



**SOUTH KOREA  
& JAPAN**

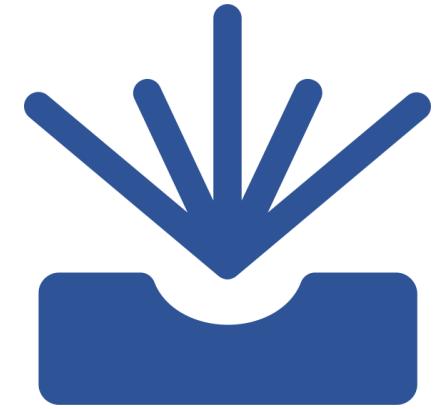
*Murielle Kim*



**GROWTH**



**INNOVATION**



**GROWER  
IMPACT**

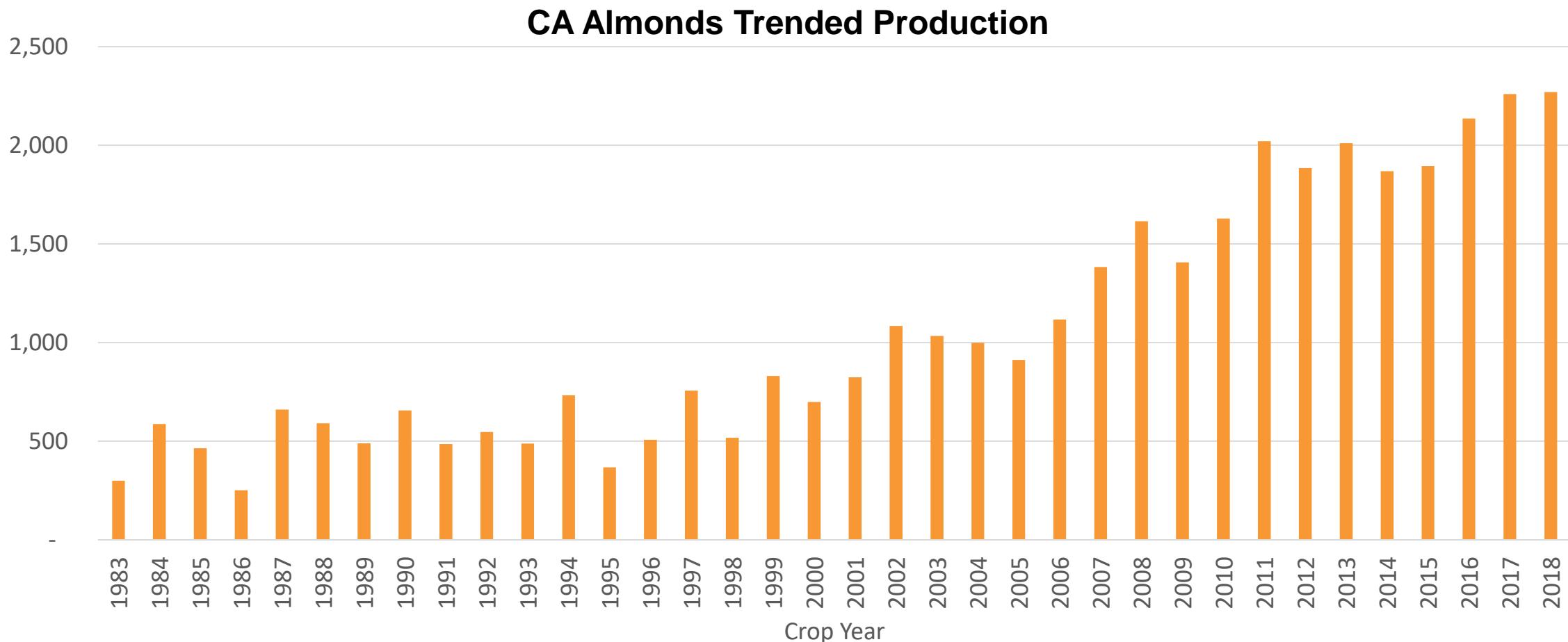
# Marketing by the Numbers



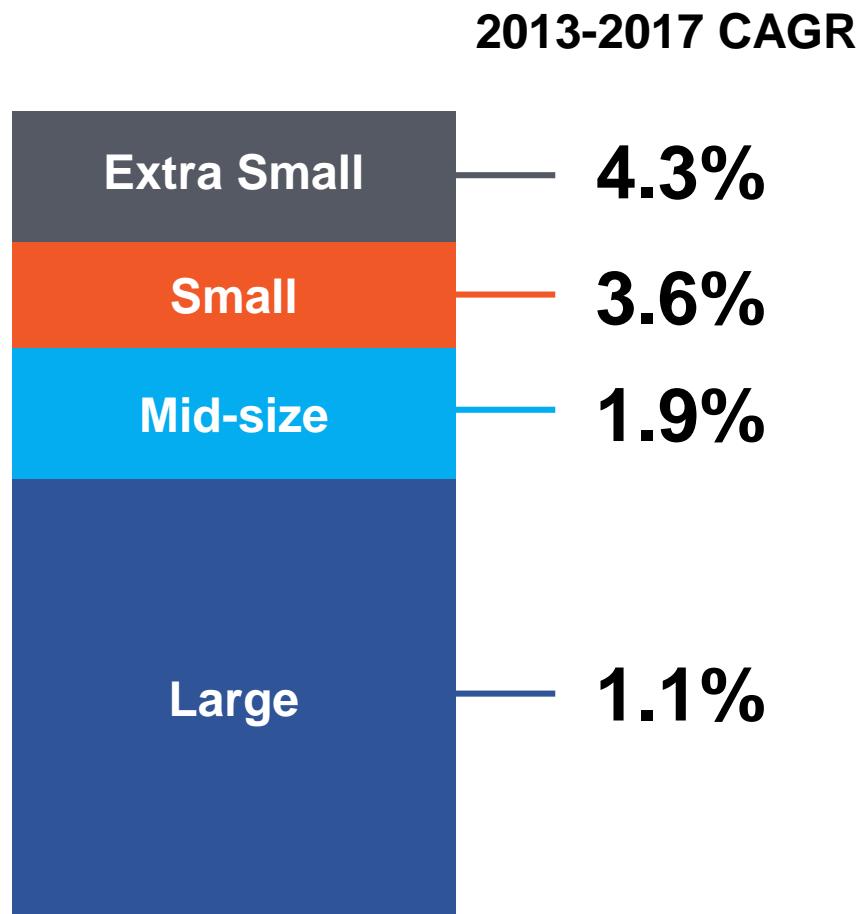
439%



# AN AMAZING TRAJECTORY



# COMPARISON TO GROCERY GROWTH



## 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:**

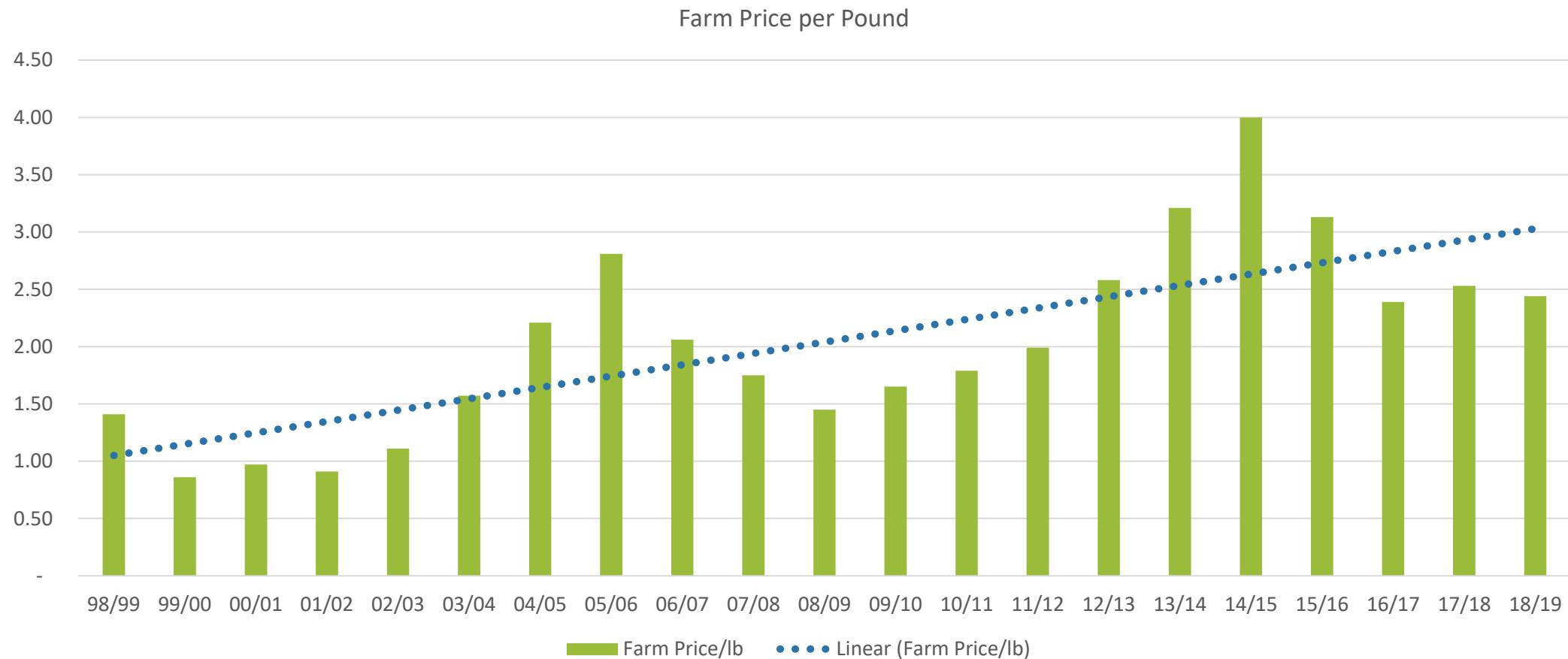
54% Snack almonds  
19% Almond milk  
6% Almond butter  
21% Ingredient



3%



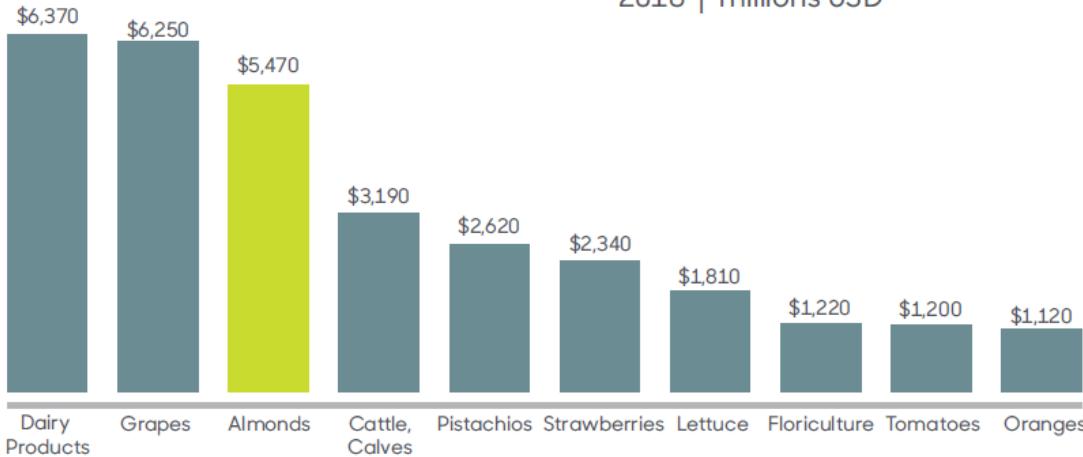
# FARM PRICE HAS BEEN MOVING UPWARD



# LEADERSHIP ROLE IN WORLD OF FOOD AND AG

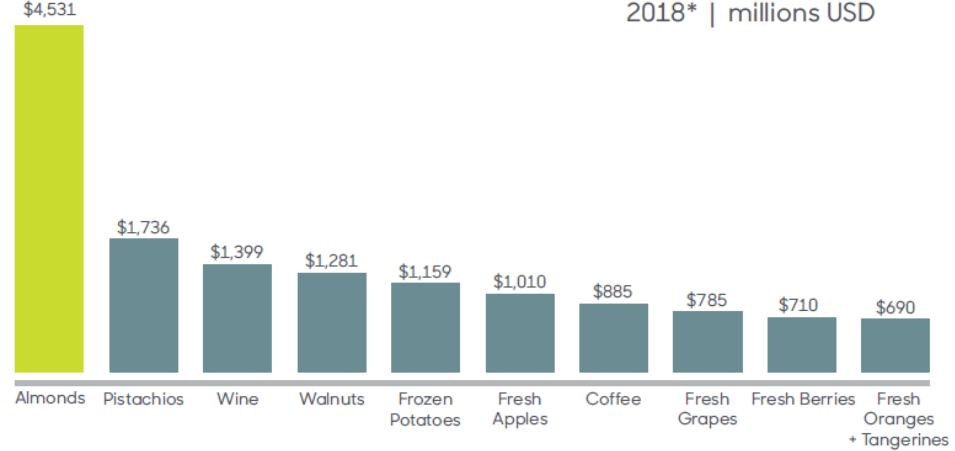
California's Top Ten Valued Commodities

2018 | millions USD



Top Ten U.S. Specialty Crop Exports by Value

2018\* | millions USD



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

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

**LOOKING BACK...**  
**HOW DID THIS HAPPEN**

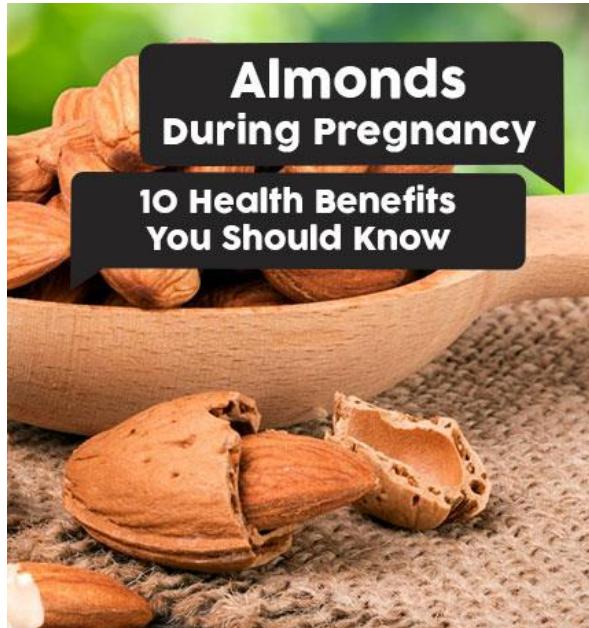
# PRE-2000's ALMOND SUFFERED FROM MISPERCEPTION



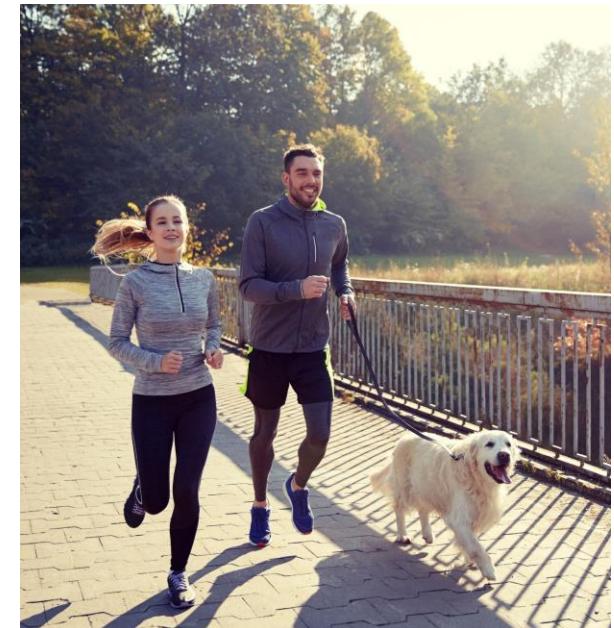
# HOWEVER OVER TIME CALIFORNIA ALMONDS MEANING HAS EVOLVED



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:

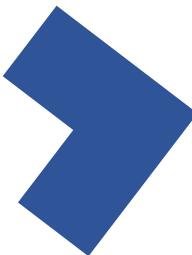
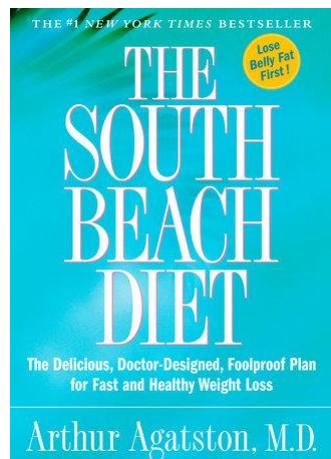
2 Research Projects  
1 Scientific Publication to Date



## OTHER AREAS OF RESEARCH:

- Cognition
- Gut Microbiome
- Composition and Calorie Count

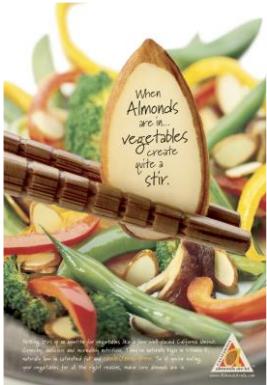
# HEALTHY FATS & PROTEIN TOPPED THE DIET TRENDS



# SHIFTING FROM INGREDIENT TO SNACKING

**1999**

Almonds Are In



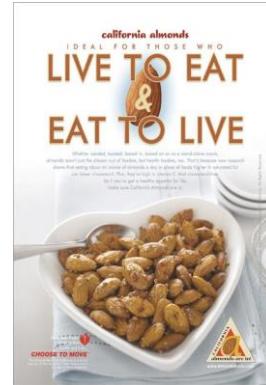
**2001**

Talking Almonds



**2005**

Best of Both Worlds



**2007**

How To



**2010**

A Handful Of...



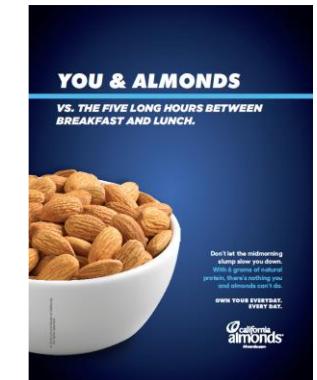
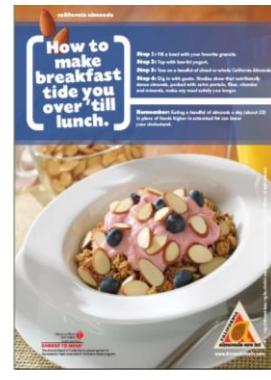
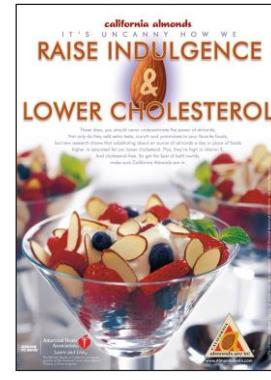
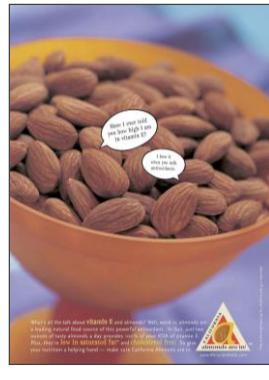
**2013**

Crunch Power



**2018**

Own Your Everyday



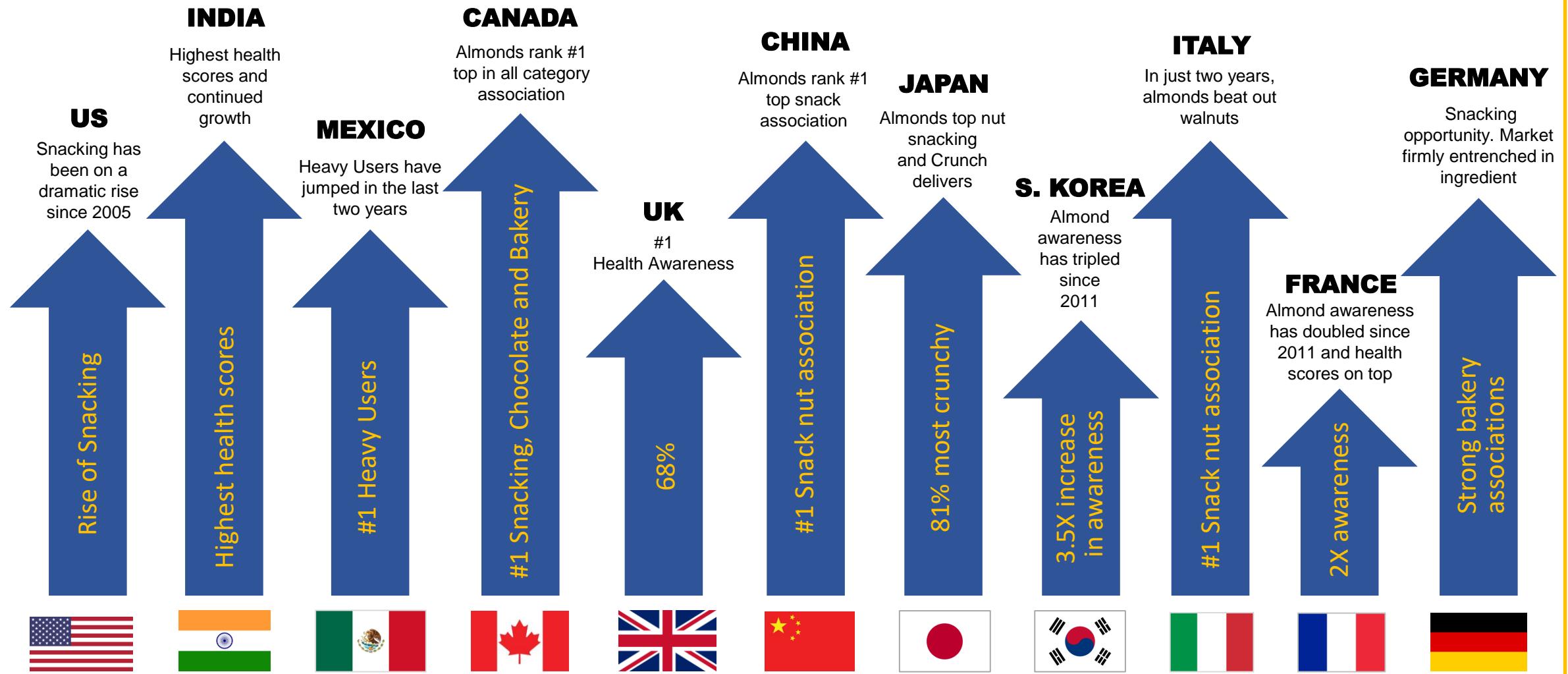
INGREDIENT

SNACK





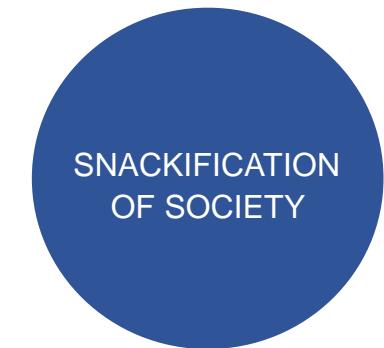
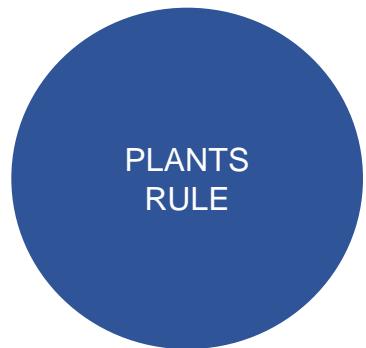
# CONSUMER PERCEPTIONS



# OPPORTUNITIES AND CHALLENGES AHEAD



## KEY CHANGE FORCES



1

# POLITICAL & TRADE CHALLENGES



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





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



DIETS  
CONTINUE

ketogenic  
sugar  
FREE

paleo  
vegan

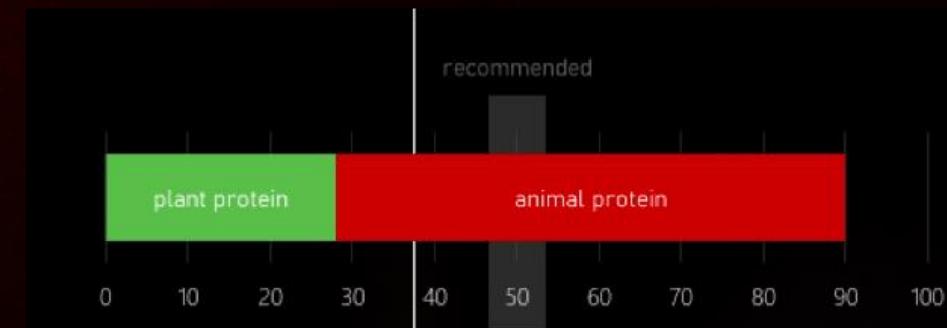
3

PLANTS RULE





# HEALTH



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





Academy of Nutrition  
and Dietetics



American  
Institute for  
Cancer  
Research®

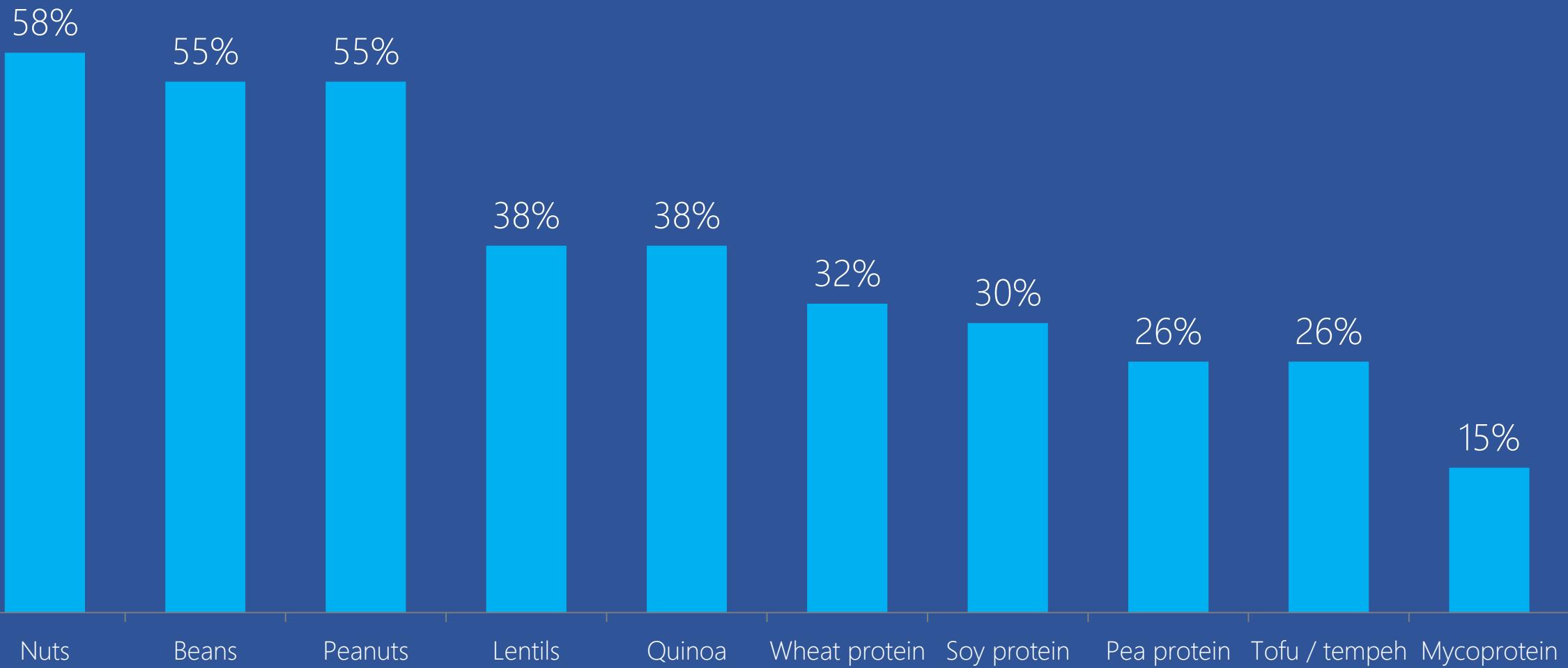


a public health consensus  
**More Plant Foods, Less Meat**

# 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



# 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

---



**ReFED**

## 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

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## 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

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## 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

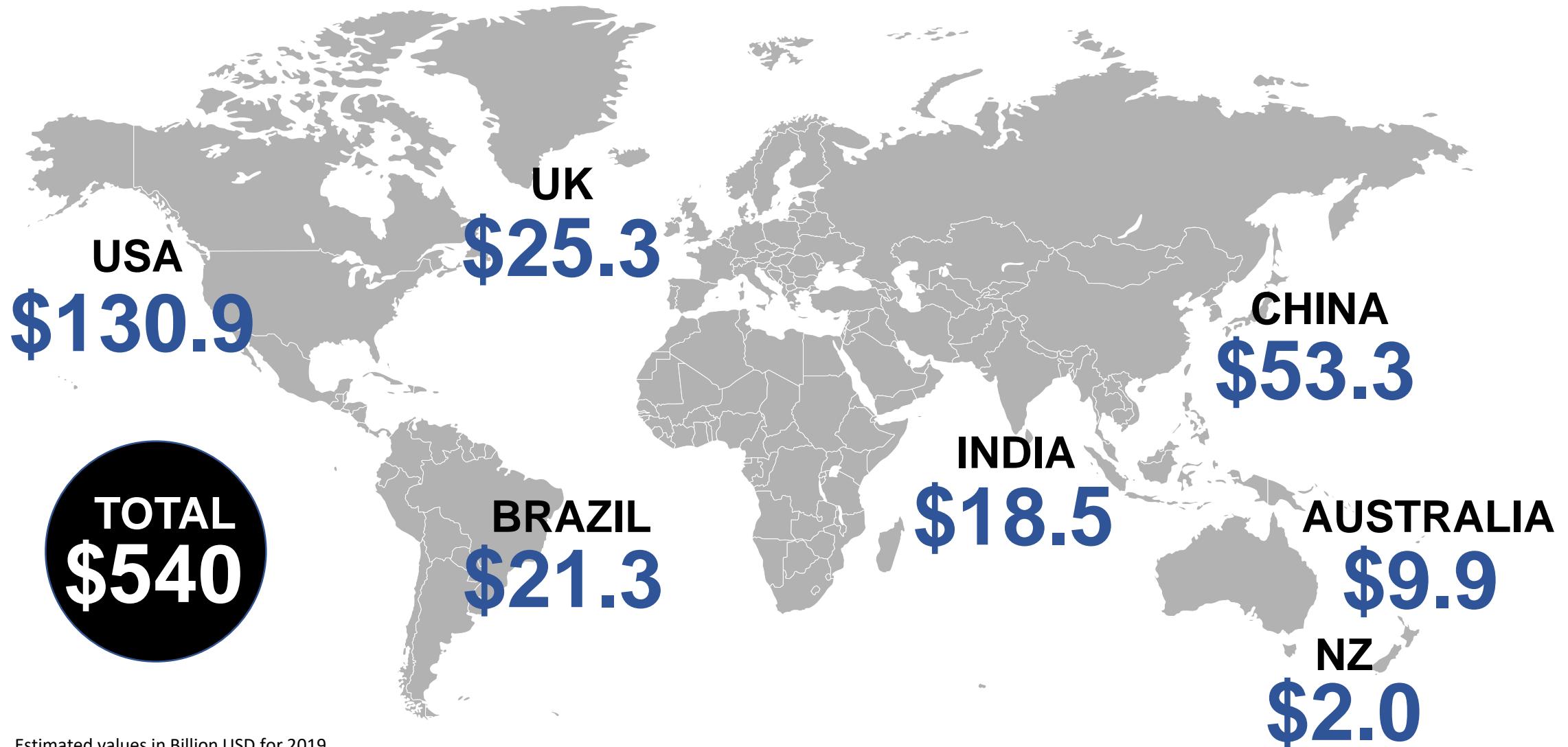


A large wooden board with various healthy snacks like hummus, carrots, and nuts, surrounded by flowers and fruit.

4

# THE IMPORTANCE OF SNACKING

# SNACKING CONSUMPTION



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**

SWEET BISCUITS

**\$73B**

PACKAGED CAKES

**\$33B**

GUM

**\$21B**

CHILLED DAIRY DESSERTS

**\$10B**

ICE CREAM

**\$77B**

SUGAR CONFECTIONERY

**\$63B**

PACKAGED PASTRIES

**\$26B**

FRUIT SNACKS

**\$11B**

FROZEN DESSERTS

**\$5B**

## SAVORY SNACKS

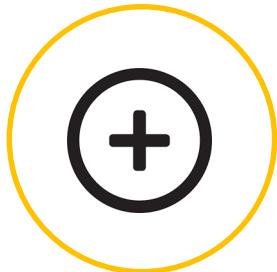
NUTS, SEEDS, & TRAIL MIXES

**\$27B**

SNACK BARS

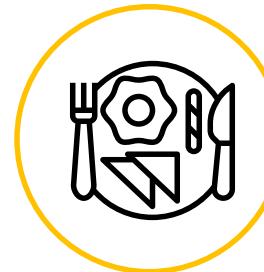
**\$14B**

# OPPORTUNITIES



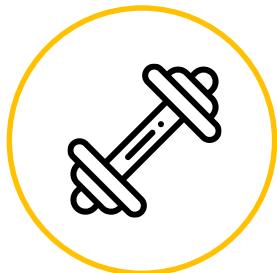
## Fortified Snacking

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 collage of coffee-related images. In the top left, a green ceramic bowl is filled with dark coffee beans. In the bottom left, a white cup contains a dark liquid, likely coffee. On the right side, a dark chocolate bar is decorated with whole almonds, some of which are arranged in a flower-like pattern. The background is a dark, textured surface.

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 Caffe 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 and Pretzels**  
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



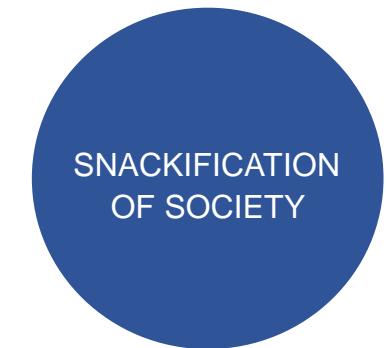
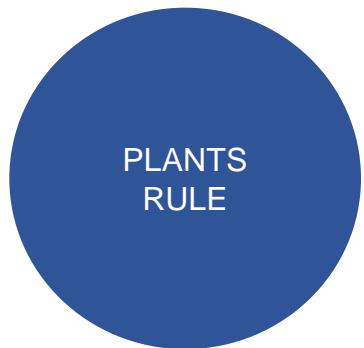
**Chobani Plain Greek Yogurt With Almond Butter**  
United States, Jun 2019



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

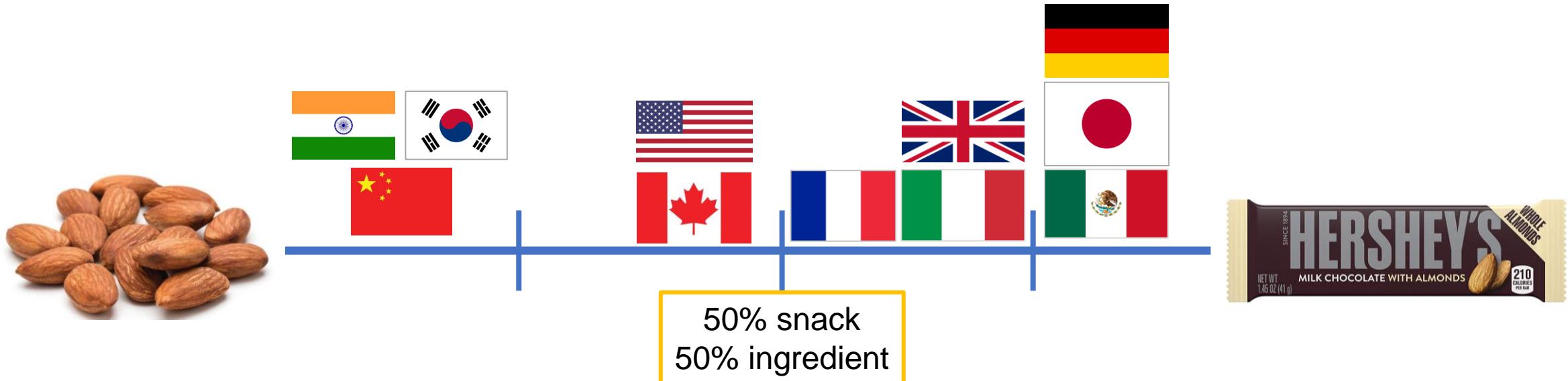


## KEY CHANGE FORCES



# CAPITALIZING ON THE FUTURE

# UPSIDE EXISTS IN SNACKING AND INGREDIENT USAGE



# 8 MARKETS UNDER 2 POUNDS

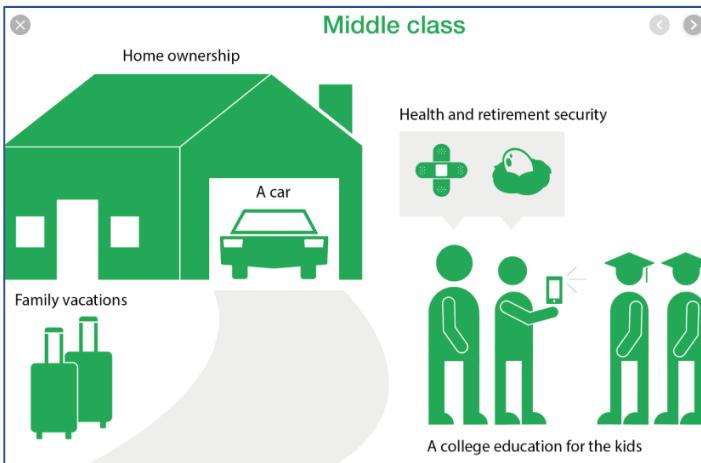
	<u>17/18</u>
UNITED STATES	2.2
GERMANY	2.0
CANADA	2.0
FRANCE	1.6
ITALY	1.5
SOUTH KOREA	1.1
UNITED KINGDOM	0.8
JAPAN	0.6
MEXICO	0.2
INDIA	0.2
CHINA/HONG KONG	0.2

# 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**

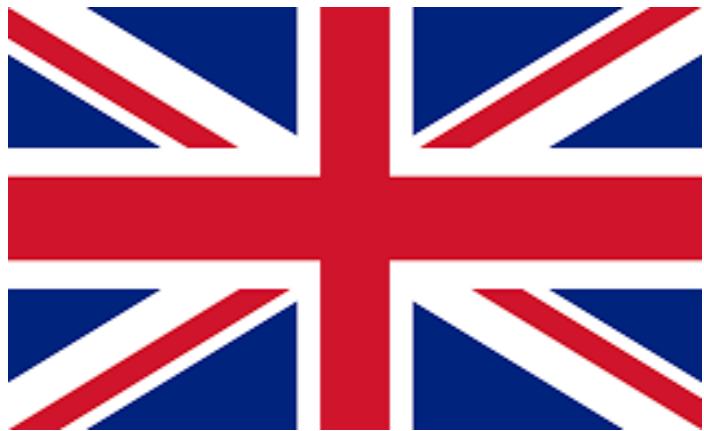


**14.7  
BILLION**



# THINGS TO LOOK FOR THIS YEAR

# NEW ADVERTISING



# MOMENTS OF RELEVANCE





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 Batt**  
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





*the* Almond  
**CONFERENCE**  
2019

## Marketing by the Numbers

**EMILY FLEISCHMANN**

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

**LAUREL MUIR**

*Managing Partner, SRG*



# 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