State of the Industry

RICHARD WAYCOTT, CEO, Almond Board of California
HOLLY KING, Chair, Board of Directors, Almond Board of California
AGENDA

+ New vision and the Almond Orchard 2025 Goals
+ Looking back over the past year
  – The challenges we faced
  – The foundational building blocks in place
+ Deployment of Assessment Increase
+ 2019 deliverables and accomplishments
+ 2020-2040 Vision and Strategic Planning
+ Almond Achievement Award
VISION:
California Almonds make life better by what we grow and how we grow.
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California Almonds make life better by what we grow and how we grow.
TRADE ISSUES ABOUND, BUT...
FOREIGN EXCHANGE DEVALUATIONS
AFLATOXIN REJECTS

EU Aflatoxin Rejections of Almonds

- Calendar year
- 2014: 4
- 2015: 2
- 2016: 2
- 2017: 8
- 2018: 32
- 2019: 11

Japan Aflatoxin Violations

- 2014: 13
- 2015: 6
- 2016: 4
- 2017: 13
- 2018: 47
- 2019: 24

(as of 11/25/19)
SUBJECTIVE AND OBJECTIVE ESTIMATES
BUILDING ON A STRONG FOUNDATION
CASP
9-MODULES

- Irrigation Management
- Air Quality
- Financial Management
- Nutrient and Soil Management
- Energy Efficiency
- Ecosystem Management
- Pest Management
- Bee Health and Pollination
- Workplace and Communities
BENEFITS TO YOU AND ALL OF US

+ Comparative data; improve operations
+ Key Tools:
  • Nitrogen calculator
  • Mapping tools to meet regulatory reporting requirements for ILRP
  • Irrigation calculator
+ Protect our right-to-farm
+ Take advantage of marketable statistics to attract buyers
  • Handler – differentiate product
  • Supply chain – differentiate industry
+ Collective information- correctly position and defend
DEPLOYMENT OF ASSESSMENT FUNDS
+ More Demand
+ Better Supply
A PENNY MAKES A BIG IMPACT

REMOVING IT DOES AS WELL

Marketing programs

2019: -24%

2020: -17%

(based on 2.35B lbs)
INCREASING CURRENT MARKETS

+$14.4 Million
+$10.8 Million
+$4.6 Million

+$2.5 Million
+$2.3 Million
+$1.4 Million
+$1 Million
EXPANSION INTO NEW MARKETS

+$2.4 Million

+$6.1 Million

+$3.6 Million

+$600,000

SOUTH AMERICA
**Water Efficiency**
Further reducing the water used to grow almonds.

**Air Quality**
Improving local air quality during almond harvest.

**Pest Management**
Increasing adoption of environmentally friendly pest management tools.

**Zero Waste**
Achieving optimal use of everything we grow.
DELIVERABLES
SAIC AND WORKGROUPS

Board of Directors

- Finance Committee
- Technical & Regulatory Affairs Committee
- Global Market Development Committee
- Strategic Ag Innovation Committee
- Nutrition Research Committee
- Global Communications Committee
- Almond Quality, Food Safety & Services Committee

Scientific Advisory Panel

Organic Advisory Panel

Biomass Workgroup

- Workgroups:
  - Sustainability/CASP
  - Pest Management
  - Orchard, Tree, Rootstock
  - Irrigation & Nutrients, Soil Health
  - Harvesting
  - Pollination & Bee Health

150 Volunteers
WE WANT YOU!
WALK THE TALK

CALIFORNIA ALMOND SUSTAINABILITY PROGRAM

BOARD OF DIRECTORS COMMITMENT

9-MODULE CLUB

SUPPLY CHAIN PROGRAM
WALK THE TALK

GROWERS: 9-MODULE CLUB

HANDLERS: SUPPLY CHAIN

IN PROGRESS:
WALK THE TALK

CALIFORNIA ALMOND SUSTAINABILITY PROGRAM

LET’S LEAD TOGETHER
THREE PHASES OF PLANNING:

THE HERE

THE NEAR

THE FAR
THREE PHASES OF PLANNING:

THE HERE
SURVIVAL

THE NEAR
NEW + RENEW

THE FAR
DISRUPTION

INNOVATION CONTINUUM
INDUSTRY DEMOGRAPHICS AND PSYCHOGRAPHICS
POLLINATION AND VARIETIES
SUSTAINABLE GROUNDWATER MANAGEMENT ACT (SGMA)
WORLD ALMOND PRODUCTION
Crop year 2018/2019

- U.S. 80%
- Australia 6%
- EU 6%
- All Others 3%
- Morocco 1%
- Turkey 1%
- Tunisia 1%
- Iran 1%
- Chile 1%
**INDUSTRY PROFITABILITY**

Source: 2016 UC Davis San Joaquin Valley North Cost and Return Studies
“My dream for my future is to someday raise a family on the land that I was raised on, the land that my dad was raised on, and that my grandpa was raised on. That’s my dream.”

“We get to work together and produce a crop that’s good for the world.”
BOARD RETREAT
Vision ~ Strategy ~ Commitment
Accomplishment ~ Success ~ Resources
ALMOND ACHIEVEMENT AWARD
Congratulations!

Rob Kiss

Bayer
State of the Industry