STATE OF THE INDUSTRY

RICHARD WAYCOTT, President and CEO, Almond Board of California

HOLLY A. KING, Chair of the Board

2018 THE ALMOND CONFERENCE
CITIUS • ALTIUS • FORTIUS
OVERVIEW

1. Look back at CY17/18: What has changed and what has been accomplished
2. CY18/19 last year of the assessment increase: Investments and what’s next?
3. Strategic Developments
4. Almond Orchard 2025 Goals
5. New Almond Industry Vision and Mission
WHAT HAS CHANGED?

WHAT HAVE WE ACCOMPLISHED?
CALIFORNIA ALMOND PRODUCTION

FY2014/2015 – FY2021/2022 Actual/Projections
(Pounds)

14/15  15/16  16/17  17/18  18/19  19/20  20/21  21/22
CONSUMER GROWTH – AVQ snacking and health scores
ALMONDS OUTPACE IN NEW PRODUCTS
REGULATORY HEADWINDS AND TAILWINDS

- Retaliatory Tariffs
- USDA Mitigation Programs
  - Direct Payment
  - AG Trade Promotions
- Almond Industry Solidarity
ADDITIONAL GROWER FUNDING

$67 MILLION

CY 16/17 – CY 18/19

Market Development - 88%
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
NEW RESEARCH

NUTRITION

Diabetes: India’s Bitter Truth

- 128% Growth rate of diabetics between 1990-2033
- 103% Growth in women diabetics between 1990-2033
- 126% Growth in men diabetics between 1990-2033

OBESITY IN EUROPE

- 337,000 new cases of obesity in Europe each day
- 50% of women and 40% of men
- By 2030, 55% of women and 45% of men

- $70 billion per year

Land IQ and groundwater recharge

Saline, drought, and nematode resistant rootstock

Improved biomass utilization

Pest monitoring tools and biological controls

AG, ENVIRONMENTAL, and BIOMASS
135 volunteers
FOCUS ON THE FUTURE
Farm ~ Farmer ~ Customer ~ Consumer
EVOLVING OUR POSITION

• Building on our industry advantage

• Leveraging the firm and profound foundation that we have developed over the past many years

• Adding to it the multiple attributes that the Almond Orchard and Almond Farmer of the Future provide
OUR NEW INDUSTRY ADVANTAGE, OR POSITION, IS COMPOSED OF THE FOLLOWING:

- Healthy lifestyle food
- Innovation in farming and environmental practices
- Unique solutions for California agricultural
- Grower/Handler programs to exemplify progressive agriculture
- Goals and metrics to which the industry is committed
**OUR NEW INDUSTRY ADVANTAGE WILL BE DELIVERED AND COMMUNICATED IN ENHANCED AND UNIQUE WAYS:**

| Solidify relationships throughout the supply chain | Drive advantage in the global competitive marketplace | Communicate with our growers and handlers | Develop and enhance our industry stature |
THE FARM AND FARMER OF THE FUTURE

FARM
- Hyper efficient
- Water use advanced monitoring
- Pollination contributor
- Zero waste
- Zero dust
- Optimal pesticide use

FARMER
- Open
- Innovative
- Mindful
- Transparent
- Proud
- Successful
WHY SET GOALS?

**DRIVERS**

- Commitment to **measurable change**
- Prioritize sustainability goals towards areas where we can make the most **meaningful impact** and generate the biggest results
- Build **consumer trust** and demands for change
- Motivate accelerated innovation and adoption within the industry

**RESULTS**

- Customer partnership: **solidify our relationship**
- Protect Right to Farm
- Lead ahead of regulations
- Protect and grow consumer demand
- Industry unification and ownership
GOALS AND METRICS
REDUCE THE AMOUNT OF WATER USED TO GROW A POUND OF ALMONDS BY 20%
ACHIEVE ZERO WASTE IN OUR ORCHARDS BY PUTTING EVERYTHING WE GROW TO OPTIMAL USE
INCREASE ADOPTION OF ENVIRONMENTALLY FRIENDLY PEST MANAGEMENT TOOLS BY 25%
REDUCE DUST DURING ALMOND HARVEST BY 50%
Almond Board of California—Vision and Mission Statements

approved by the Board of Directors on October 24, 2018

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.
Karen Ross, Secretary of the California Department of Food and Agriculture

Thank you for your tireless service as secretary for the past 7 years!