Global Marketing: Bringing the Benefits of Almonds to People Around the World

December 10, 2014
Almonds: an amazing food

- Global cultural heritage
- Nutrient rich
- Substantiated health
- Convenient
- Portable
- An ingredient and a snack
- Tasty and crunchy
- Versatile
Consumer Needs and Desires are Changing

- Rising middle class
- Drive for healthy food
- Need for convenience
- Desired taste
Today’s Speakers

Established Markets
• Dariela Roffe-Rackind – Director, Europe and Global Public Relations
• Molly Spence – Director, North America

Emerging Markets
• Becky Sereno – Manager, S. Korea and Interim China
• Connie Cheung – Almond Account Director, Bravo Asia Advertising Agency
• Sudarshan Mazumdar – Director, India
Almond Board
Global Marketing: Established Markets

Stacey Humble, ABC (Moderator)
Dariela Roffe-Rackind, ABC
Molly Spence, ABC
Dariela Roffe-Rackind, ABC
Europe: 2nd largest region

2013/14 Shipments by Region

North America: 36%
Western Europe: 27%
Asia-Pacific: 22%
Middle East/Africa: 10%
Central/Eastern Europe: 3%
Latin America/Caribbean: 1%

Source: Almond Board of California.
Why EU3? France, Germany, United Kingdom

- 42% of EU population
- 46% of EU retail food spend
- Top 3 EU markets for new almond product intro
- Heritage with nuts
- Relevant health concerns
- Spending power
- Availability of product
- Trend setters for rest of EU
Let’s not forget about transshipments.
Europe continues to dominate 2013 Global Food, Nut, and Almond Introductions Regional Share

- **Food Intros**: 43% (Europe), 27% (Asia-Pacific), 14% (North America)
- **Nut Intros**: 43% (Europe), 28% (Latin America), 16% (Asia-Pacific)
- **Almond Intros**: 43% (Europe), 25% (Latin America), 19% (Asia-Pacific)
EUROPE DRIVES MANY GLOBAL FOOD TRENDS
Lifestyle shifts are creating common consumer needs across markets.

MORE TIME AT WORK

COMMUTING

= DESIRE FOR CONVENIENCE
Europeans are snacking regularly

While snacking was not historically part of the culture for many European markets, busier lifestyles have impacted the way people eat throughout Europe.

<table>
<thead>
<tr>
<th>Market</th>
<th>Average # of Snacks per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK</td>
<td>14.4</td>
</tr>
<tr>
<td>Netherlands</td>
<td>14.3</td>
</tr>
<tr>
<td>Spain</td>
<td>13.6</td>
</tr>
<tr>
<td>Italy</td>
<td>13.5</td>
</tr>
<tr>
<td>Germany</td>
<td>13.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>12.8</td>
</tr>
<tr>
<td>France</td>
<td>12.7</td>
</tr>
<tr>
<td><strong>Total Europe</strong></td>
<td>13.4</td>
</tr>
<tr>
<td>U.S.</td>
<td>15.0</td>
</tr>
</tbody>
</table>

Source: European Snacking Study
BUT THE ALMOND SNACK MARKET IS UNDEVELOPED
“I need to lose weight. I’m trying to get fitness back into my life.”

Source: UK Exploratory Focus Groups
“Healthy food, to me, are whole foods that are fresh and unprocessed.”

Source: UK Exploratory Focus Groups
Trends / Market Drivers

- Need for convenience
- Desire for natural, unprocessed foods

→ Creates a need for snacking

= Almonds
Almonds are a snack that is naturally satisfying and enhances my day.

- Healthy
- Wholesome
- Simple
- Pure
- Minimally processed
- "From the earth"
- "Nutrients my body needs"
- "Doing something good"
- Satiety, "tides me over"
- Texture and crunch
- Provides energy
- Delivers valuable nutrients
- Long lasting
- Pleasure
- Quick, easy, convenient
- Helps me balance, peace of mind
- No pressure
- Good for my body
- Feeling smart
- Comfortable and safe
Meet the consumer need
Focus on health, convenience and
Communicate about almonds as the perfect healthy and tasty on-the-go snack.
PARTNER WITH SPOKESPEOPLE
INTERACT WITH CONSUMER

Happy almond harvest! Growers are deep in the midst of harvest over in California, so for the next week we’ll be sharing some facts about the almond-growing community there.
Provide inspiration & rationale to manufacturers to satisfy consumer demand.
Almonds on the-go

The European snack foods industry continues to experience strong growth with sustained demand for foods that can be eaten on-the-go by time-pressed consumers.

Snack nut analysis

Innova’s recent Global New Product Introduction Report shows increases in health-based snack foods. This can also be seen in volume and value sales of nuts in key European countries. According to snack nut sales analysis, the range of nuts in snacking is very similar, particularly in the UK and France.

Between 2010 and 2012, nuts in the UK and France have grown value sales through price increases (via increases in a unit or shelf in the case of peanuts) while the total category remained relatively flat (2 per cent value growth).

The German market is much larger than the markets in either France or the UK. Almonds and peanuts were the only two nut categories to experience value growth in 2012 (3 per cent in Germany).

New product introductions

While sales figures show an important role of the market, manufacturers give the strongest indication of the trends through new product introductions. New research by Innova Market Insights shows that almonds are the number one nut in new food product introductions worldwide, gaining 14 per cent since 2005.

Almonds taste and texture possibilities play a key role in their usage in many snack product applications. Blanched, roasted or natural, the improved in taste or nutritional boost enhances products without overpowering their base.

Brands are teaming up to create novel snacking products, creating unusual mixes of textures and flavors. Innova found an increase in new introductions with wordings such as crispy, crunchy, chewy, creamy, clusters, bars and texture. Recent examples of new nut-orientations vary extensively across sweet, salty and spicy and even ‘almond crunch’ is being used as a flavor name in its own right.

Other snacking trends have been seen in recent introductions:
- Protein packs and 100-calorie packs
- Colors complemented with satiety
- Permissible indulgence
- ‘Smart Snacking’ with messages of lower saturated fats
- Fiber and phyto claims
- Antioxidant association

In this respect, almonds are beneficial to manufacturers as they provide the possibility to incorporate various trends in one product.

The increase of almond introductions in snack products was substantially higher (24 per cent) than the increase for food introductions (3.6 per cent) and nut introductions (1.3 per cent) within this category in Europe from 2011 to 2012.

Empowered consumers

Manufacturers also have to consider how consumers are becoming increasingly aware of their food choices. Transparency, sustainability, clean-label and credibility are now issues facing many food producers, both from consumers and governments.

Williams says usage of simple, clear and transparent labels have become mainstream. “Clean label is not going away. The number of people looking for simple ingredients has increased by 20% in the last five years. It’s almost a resurgence. There’s been a push back against chemicals and unrecognizable ingredients. It’s growing apace,” he adds.

Almonds are a natural source of protein and fiber and contain 15 essential nutrients, including 65 per cent of the daily requirement of vitamin E. Compared to other tree nuts, gram for gram, almonds are the nut highest in protein, vitamin E, calcium, fiber, riboflavin and niacin. A recent study also suggests that adding almonds to the diet as a mid-morning snack may increase satiety, without increasing overall energy intake.

Additionally, in another study reported in the American Journal of Clinical Nutrition, researchers used a more precise method of measuring the calories in almonds. Almonds were found to have approximately 20 per cent fewer metabolisable calories than originally thought. A handful of 30g servings has just 138 calories versus the 173 calories listed.

Based on consumer demand and increases in new product introductions, a continual rise in healthy almond snack products can be expected. The wide range of almond forms and flavor possibilities is why European consumers rate almonds as being the most versatile compared to other nuts. Growing consumption and a broader range of snacking occasions is changing how manufacturers can take advantage of this category to increase snacking sales.
<table>
<thead>
<tr>
<th></th>
<th>UK Sales (€MM)</th>
<th>France Sales (€MM)</th>
<th>Germany Sales (€MM)</th>
<th>Total EU3 Sales (€MM)</th>
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<tbody>
<tr>
<td></td>
<td>Change vs. YAG</td>
<td>Change vs. YAG</td>
<td>Change vs. YAG</td>
<td>Change vs. YAG</td>
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<tr>
<td></td>
<td>Category Share</td>
<td>Category Share</td>
<td>Category Share</td>
<td>Category Share</td>
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<tr>
<td></td>
<td>Sales (€MM)</td>
<td>Sales (€MM)</td>
<td>Sales (€MM)</td>
<td>Sales (€MM)</td>
</tr>
<tr>
<td>Total Nuts</td>
<td>€422.6</td>
<td>€447.1</td>
<td>€952.6</td>
<td>€1,822.3</td>
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<tr>
<td>Peanuts</td>
<td>€146.8</td>
<td>€122.1</td>
<td>€227.9</td>
<td>€496.8</td>
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<tr>
<td></td>
<td>-0.4%</td>
<td>3.9%</td>
<td>10.4%</td>
<td>5.4%</td>
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<tr>
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<td>34.7%</td>
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<td>Cashews</td>
<td>€91.2</td>
<td>€87.6</td>
<td>€143.2</td>
<td>€322.0</td>
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<tr>
<td></td>
<td>9.3%</td>
<td>7.9%</td>
<td>16.3%</td>
<td>11.9%</td>
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<tr>
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<td>21.6%</td>
<td>19.6%</td>
<td>15.0%</td>
<td>17.7%</td>
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<tr>
<td>Pistachios</td>
<td>€36.8</td>
<td>€87.0</td>
<td>€82.1</td>
<td>€205.9</td>
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<tr>
<td></td>
<td>-3.7%</td>
<td>0.9%</td>
<td>11.9%</td>
<td>4.1%</td>
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<tr>
<td></td>
<td>8.7%</td>
<td>19.5%</td>
<td>8.6%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Almonds</td>
<td>€33.0</td>
<td>€42.8</td>
<td>€64.8</td>
<td>€140.6</td>
</tr>
<tr>
<td></td>
<td>23.0%</td>
<td>29.0%</td>
<td>16.9%</td>
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<tr>
<td></td>
<td>7.8%</td>
<td>9.6%</td>
<td>6.8%</td>
<td>7.7%</td>
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<tr>
<td>Walnuts</td>
<td>€18.4</td>
<td>-</td>
<td>€114.6</td>
<td>€133.0</td>
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<tr>
<td></td>
<td>6.6%</td>
<td>-</td>
<td>14.4%</td>
<td>13.2%</td>
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<tr>
<td></td>
<td>4.4%</td>
<td>-</td>
<td>12.0%</td>
<td>7.3%</td>
</tr>
<tr>
<td>Hazelnuts</td>
<td>-</td>
<td>-</td>
<td>€44.5</td>
<td>€56.3</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>13.2%</td>
<td>12.7%</td>
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<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>4.7%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Mixed Nuts</td>
<td>€52.0</td>
<td>€81.3</td>
<td>€91.5</td>
<td>€224.8</td>
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<tr>
<td></td>
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<td>7.6%</td>
<td>23.4%</td>
<td>12.8%</td>
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<tr>
<td></td>
<td>12.3%</td>
<td>18.2%</td>
<td>9.6%</td>
<td>12.3%</td>
</tr>
<tr>
<td>A/O Nuts</td>
<td>€44.4</td>
<td>€14.4</td>
<td>€184.0</td>
<td>€242.8</td>
</tr>
<tr>
<td></td>
<td>11.8%</td>
<td>3.4%</td>
<td>23.1%</td>
<td>19.5%</td>
</tr>
<tr>
<td></td>
<td>10.5%</td>
<td>3.2%</td>
<td>19.3%</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

INDUSTRY RECOGNITION

PRCA AWARDS 2013 WINNER

Evaluation

Porter Novelli

How a Handful of Almonds Helped Jane to Snack Happy

12 | 11 | 2013

[Signature]

[Company]

[Image of awards and Almond packets]
WHAT’S NEXT?
And although top-of-mind awareness of almonds improved 2% points since 2012, it remains low overall at 7%.

### Almond Awareness: First Mention

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2010</th>
<th>2012</th>
<th>2014</th>
<th>Change vs. YA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>UK</strong></td>
<td>5%</td>
<td>6%</td>
<td>6%</td>
<td>9%</td>
<td>+3%</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>2%</td>
<td>1%</td>
<td>1%</td>
<td>3%</td>
<td>+2%</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>1%</td>
<td>6%</td>
<td>8%</td>
<td>9%</td>
<td>+1%</td>
</tr>
</tbody>
</table>

Source: 2013 EU3 AAU.
Continue to communicate about the benefits of snacking on almonds.

Emphasize good vs. bad fat & nutrient density messages to overcome weight-gain concerns.

Provide more compelling reasons to choose almonds as a snack.

Drive Almond Snacking. Identifying the Opportunity.
2015
BRING IT ON.
North America Update

• December 2014
AMERICANS ARE CHANGING THE WAY THEY EAT...

"Cultural shifts don’t happen overnight. They build slowly—a sip of coconut water here, a quinoa purchase there, and suddenly the American diet looks drastically different than it did 10 years ago."

—Coca-Cola CMO
A NATION OF GRAZERS
“97% of Americans report eating at least one snack each day, and 40% report consuming three to four snacks per day.”

“North Americans snack an average 2.3 times per day, up from 1.8 times per day in 2008.”
THE LINE BETWEEN A MEAL AND A SNACK IS BLURRING
4.4 Food and beverage choices per SNACKING occasion
### What are people looking for in a snack?

<table>
<thead>
<tr>
<th>Feature</th>
<th>All Snacks</th>
<th>Healthy Snacks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filling/satisfying</td>
<td>47%</td>
<td>42%</td>
</tr>
<tr>
<td>Nutritious</td>
<td>44%</td>
<td>44%</td>
</tr>
<tr>
<td>Low calorie</td>
<td>39%</td>
<td>36%</td>
</tr>
<tr>
<td>High protein</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>High fiber</td>
<td>42%</td>
<td>36%</td>
</tr>
<tr>
<td>Natural / unprocessed</td>
<td>33%</td>
<td>33%</td>
</tr>
<tr>
<td>Reduced fat or fat free</td>
<td>31%</td>
<td>34%</td>
</tr>
<tr>
<td>Whole grain</td>
<td>31%</td>
<td>39%</td>
</tr>
<tr>
<td>Low/no trans fat</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>Low sodium</td>
<td>30%</td>
<td>35%</td>
</tr>
</tbody>
</table>
Almonds are the #1 nut associated with snacking.

Awareness of Nuts as a Snack

<table>
<thead>
<tr>
<th>Nut Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almonds</td>
<td>31%</td>
</tr>
<tr>
<td>Peanuts</td>
<td>21%</td>
</tr>
<tr>
<td>Cashews</td>
<td>20%</td>
</tr>
<tr>
<td>Pistachios</td>
<td>12%</td>
</tr>
<tr>
<td>Walnuts</td>
<td>6%</td>
</tr>
<tr>
<td>Pecans</td>
<td>4%</td>
</tr>
<tr>
<td>Macadamia Nuts</td>
<td>2%</td>
</tr>
<tr>
<td>Hazelnuts</td>
<td>1%</td>
</tr>
<tr>
<td>Pine Nuts</td>
<td>1%</td>
</tr>
<tr>
<td>Brazil Nuts</td>
<td>1%</td>
</tr>
<tr>
<td>Other</td>
<td>0%</td>
</tr>
<tr>
<td>Don't know/can't recall a specific nut type</td>
<td>1%</td>
</tr>
</tbody>
</table>
Almonds are the leader, but there is huge potential.

- Total Snack Food Occurrences: 354+ billion
- Salty and Sweet Snacks, Including Nuts: 113 billion
- Nut Snack Occurrences: 40 billion
- Almond Snack Occurrences: 5.3 billion
CRUNCH ON
I finally figured out the secret behind all of Andy's energy. It's California Almonds. ellen.tv/1cxwju2
5 Sneaky Ways to Beat Sugar Cravings

By: Fay Moulton

A lot of us struggle with sugar cravings—myself included. In the past, my cravings were so out of control, I’d create false emergencies on my mind and body. I was tired, cranky, and dealing with acne (read: I wasn’t pretty).

Since then, I’ve managed to gain control over my sugar addiction, but from time to time, I fall into patterns of overeating on sweet treats (a sad but true fact). Instead of relying on occasional desert treats take over my life again, I fight back with a few key strategies, which ultimately prevent my cravings from spiraling out of control.

Here are some of the ways I cut sugar from my diet, and I hope they help you, too!

Low-Cal Comfort Food Recipes

by Gaby Dalkin

These nostalgic classics have all of the comfort for a fraction of the calories.

Carrots "N" Cake

Schedule treats

For me, this means delaying any sort of sweet treat until after dinner. It starts with a sugary snack in the afternoon, for example. I end up craving them for the rest of the day. This works for me, but maybe planning an ice cream eating break a week or a cookie grazing on Friday afternoons might work for you. One of my favorite low-calorie treats is the Carrots "N" Cake, with it has fewer than 250 calories each and are delicious!
Health

Weight Loss Tips from Celebrity Trainer Gunnar Peterson: Think Like a Boy Scout

2. Weight Loss Tip: Always Have Some Healthy Protein with You

"I always stock my kitchen and office with almonds. Just a handful has the crunch, fiber and protein that keep me full and satisfied during the day."

#DefensiveEating=Filling up on a nutritious snack like almonds b4 a summer party! Takes the edge off! More tips: ow.ly/wiXF1 (ad)

California Almonds
June 19 at 9:15am - 18

A handful of almonds are an easy, convenient way to power up before a workout. "Rules to Live and Die[.] By" in the words of our friend, Gunnar Peterson. More easy tips here: http://ow.ly/wiXcD

Countdown to summer begins NOW! Grab a handful of #almonds before you hit the gym for a quick, nutritious boost: ow.ly/wiXFL (ad)
Did you know the recommended serving of almonds is one ounce, about 23 almonds? While a single ounce may sound small, it’s actually a substantial, satisfying snack that can help your clients feel full between meals. To estimate a correct serving size, picture a handful, a 3” x 3” sticky note, a shot glass, or a 1/4 cup. Even easier, just remember: 1-2-3. 1 ounce = 23 crunchy almonds.
WHAT LETS YOU BRING COUNTELESS FLAVORS TO LIFE?

ALMONDS, OF COURSE.

These days as snack-happy consumers reach for almonds in record numbers, they’re craving more flavorful ways to enjoy them, too. By adding your spicy touch to their tasty, crunchy, heart-healthy nutrition, almonds can be indispensable to your next snack-attack success. Learn more about the essential almond at Almonds.com/snacking.

WHAT LETS YOU MIX IN INSTANT IRRESISTIBILITY?

ALMONDS, OF COURSE.

Because when you’re creating snacks consumers clamor for, no ingredient gives you the ability to add more goodness than almonds. They’re tasty and crunchy, and they provide 6 grams of energizing protein. What’s more, almonds deliver heart-healthy nutrients, making them indispensable to snacks that’ll love consumers’ back. Learn more about the essential almond at Almonds.com/snacking.

Scientific evidence suggests, but does not prove, that eating 15 ounces per day of most nuts, such as almonds, as part of a diet low in saturated fat and cholesterol may reduce the risk of heart disease. One serving of almonds (1/4 cup) is 15 grams of unsaturated fat and only 35 grams of saturated fat.
The way people consume media is shifting...

Media consumption is no longer sequential. Today’s brands can’t just focus on where someone is—consumers are on all types of media at all times.

― Anna Kassoway, Crowdtap’s CMO
DUAL SCREEN, DUAL PURPOSE
CONSUMER ARE SPENDING MORE TIME ONLINE
EXPECTATIONS:
INFORMATION WHERE AND WHEN THEY NEED IT
Making almonds your go-to snack for the draft.

Good move, crunch on.

Bad move.

You took the RB who averages 0.3 yards per carry.
VIDEO: A SCIENTIFIC APPROACH TO ENVIRONMENTAL STEWARDSHIP
Published November 13th, 2014
To the almond community, sustainable almond farming means improving our production practices that are economically viable and based on scientific research, crop science and a commitment to the environment. In this video, we recently interviewed California Almonds, the world’s leading almond grower, about their sustainability practices.

CONGRATULATIONS TO OUR RESEARCH PARTNERS AND USDA AWARD WINNERS
Research Award Winner 2014 by San Carlos Research is the founder of the Almond Board of California’s sustainable farming program. Almond growers have also set data-driven, adaptive research standards based on what they learn from research. The success of our industry lies in this approach, but we would love to do it until the moderation...
LOOKING AHEAD
NOW, MORE THAN EVER, CONSUMERS DEMAND TRANSPARENCY WHEN IT COMES TO FOOD.
In 2009, the U.S. dairy industry announced a commitment to reduce greenhouse gas emissions 25% by 2020 and laid out a plan to reach the goal.

In 2010, the U.S. beef industry formed the Sustainable Beef Resource Center, which provides ranchers with economic rationale and tools to adapt more sustainable practices.
COMPANIES ARE RISING TO THE OCCASION TO CULTIVATE TRUST WITH THEIR consumers
We are in a time of transition.
We are at the top of our game.