Almond Industry Leadership: Visibility, Responsibility and Providing Next-Generation Solutions

Richard Waycott, President and CEO
Buddy Ketchner, BK Strategy
Stacey Humble, VP, Global Marketing & Communications
Dr. Karen Lapsley, Chief Scientific Officer
BRINGING GREAT TASTE, NUTRITION, AND VITALITY TO PEOPLE AROUND THE WORLD THROUGH THE ENJOYMENT OF CALIFORNIA ALMONDS

Maintaining focus on our vision, our “True North”
FUTURE OF THE CALIFORNIA ALMOND INDUSTRY

and the Almond Board of California
We are the leading crop in CALIFORNIA with an awesome future.
TOGETHER THE ABC BOARD OF DIRECTORS, COMMITTEES, AND STAFF ACCEPT THE LEADERSHIP ROLE THAT WE HAVE EARNED THROUGH DECADES OF CONTINUOUS IMPROVEMENT, GROWTH, AND FINANCIAL SUCCESS
LEADERSHIP:
WE MUST USE OUR TALENT AND TREASURE FOR THE BETTERMENT OF OUR INDUSTRY AND CALIFORNIA AGRICULTURE
THROUGH TRANSPARENT COMMUNICATION AND ACTION, WE MUST PARTNER WITH OUR CUSTOMERS AND CONSUMERS IN IMPROVING AGRICULTURAL SUSTAINABILITY

For the betterment of ourselves, our communities, and our planet
The Consumer Mindset

Buddy Ketchner, BK Strategy
THE WATER CRISIS HAS CREATED TREMENDOUS STRESS, VOLATILITY AND UNCERTAINTY

• Unprecedented difficulties in farmers ability to grow almonds
• Continuing challenges on the industries right to grow almonds
• Serious questioning of consumers decision to buy
CONSUMERS HAVE GREAT EXPECTATIONS

- Connection to lifestyle
- Authenticity
- Transparency
- Ingredient focus
- Health
- Greater good
CONSUMERS ARE LESS TRUSTING AND MORE WILLING TO SWITCH

• Comfortable with unknown brands and products

• Europeans think 74% of brands could go away and they wouldn’t care*
  • Want brands to improve their lives

Source: Meaningful Brands 2015
A NEW LANGUAGE OF FOOD

PEOPLE WANT SIMPLE, TASTY, CONVENIENT, HEALTHY FOOD THAT WON'T HURT THEM OR THE WORLD
THE FOOD INDUSTRY IS IN A STATE OF DISRUPTION

THE TOP U.S. FOOD AND BEVERAGE COMPANIES HAVE LOST $18 BILLION SINCE 2009
FOOD COMPANIES AND RETAILERS ARE TRYING TO ADJUST

- Kraft removing synthetic flavors and colors from Mac n Cheese
- General Mills cutting GMOs and Gluten from Cheerios
- Krogers Simple Truth Line grew to $1.2 Billion in two years
FOOD COMPANIES AND RETAILERS ARE TRYING TO ADJUST

- Joint Climate Declaration to COP21 signed by General Mills, Unilever, Kellogg, Nestle, New Belgium Brewery, Ben & Jerrys, Clif Bar, Stoneyfield, Dannon

- Nestle “Creating Shared Values Report”
  - 27 Commitments on nutrition, health & wellness, environmental impact, water use, social impact and responsible sourcing
THE CONSUMER RELATIONSHIP IS THE BASIS FOR ALMOND INDUSTRY SUCCESS

• Consumers want to Trust that Almonds are **Good** as well as **Good for me**

• Need to extend and deepen our dialog
  - Almonds are a central part of a **healthy lifestyle**
  - Almonds are valuable in **making me better and the world better**
  - Almonds are part of a **sustainable eating lifestyle**
ALMONDS HAVE BECOME A REFERENCE POINT IN THE DISCUSSION ON THE DROUGHT
• Need to feed a growing world population
  - Growing from 7 Billion to 9.8 Billion by 2050

• Challenges are amplified by:
  - Growing middle class
  - Rising meat consumption
  - More volatile climate
The California Almond Industry is taking a new leadership role in redefining health

- Health of the Person
- Health of the Community
- Health of the Planet

Critical to align actions with our intentions
IMPORTANCE OF RESEARCH AND INNOVATION

Research
• Provide Facts to support or de-bunk ideas
• Inform and drive policy decisions
• Attract strategic partners
• Provide the basis for customer and consumer trust

Innovation
• Drive towards solutions for agriculture
• Establish the Almond Industry as a thought leader
• Build trust, engagement and preference with customers and consumers
• Pave the way for future sustainability and growth
OUR RIGHT TO WIN

HEALTH
Heart Health, Nutrient Rich, Part of Mediterranean Diet

RELEVANCE
Convenient, as a snack and in other foods

PLACE
Grown in the Central Valley of California, Mediterranean Climate

AUTHENTICITY
Generations of family farms and companies

GREATER GOOD
Unified commitment to the health of the person, community and planet
How Will the Almond Industry Thrive in the Context of Disruption?

Stacey Humble, VP, Global Marketing & Communications
Dr. Karen Lapsley, Chief Scientific Officer
TRANSPARENCY AND SCIENCE HAVE PAVED THE WAY BEFORE

HEALTH BENEFITS

FOOD SAFETY

Nuts are bad for your heart

Almonds, perfect snack for health: Handful a day can keep heart healthy and beat the flab, results of six new studies conclude

- The nuts have been found to help with a number of medical conditions
- Six separate studies found that almonds have multiple health benefits
- They are particularly useful for those at risk from diabetes

By DAILY MAIL REPORTER
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“ALMONDS ARE GOOD FOR ME”

“BUT…ARE THEY GOOD FOR THE ENVIRONMENT?”

Navigating from...

To...

“EVERYONE SHOULD WANT TO LIVE NEXT TO AN ALMOND GROWER”
Accelerated Innovation Management (AIM)

- Water Management + Efficiency
- Sustainable Water Resources
- 22nd Century Agronomics
- Air Quality
AIM: WATER MANAGEMENT AND EFFICIENCY

33%
WATER MANAGEMENT AND EFFICIENCY: IN ACTION

New Resources

- Local and Global Solutions
- Measure - Innovate - Educate - Measure
- Water Technology Expertise
- Accelerate Industry Adoption
AIM: SUSTAINABLE WATER RESOURCES

Municipal Water Recycling

Ground Water Recharge
SUSTAINABLE WATER RESOURCES: IN ACTION

California farmers hope to capture El Niño rains. Growers will flood fields after big storms.

Can almond acreage help refill California’s underground aquifers?

Partnership to explore groundwater recharge on almond orchards.

Recharge method could boost Merced-area aquifers up to 20 percent, report says.
ALMOND ACREAGE GROUNDWATER RECHARGE SUITABILITY ANALYSIS

Initial assessment shows 35-60% of acres should be suitable for ground water recharge.
AIM: AIR QUALITY

Nitrogen Management Tools
AIR QUALITY: IN ACTION

- Pilot project to generate greenhouse gas credits from almonds, corn.
- EDF and partners win grant to reduce emissions from agriculture.
- Almond board to take part in $960,000 environmental project.
AIM: 22ND CENTURY AGRONOMICS

Farm of the Future
BUILDING PARTNERSHIPS: FROM CONVENTIONAL TO UNCONVENTIONAL
WE WILL ACHIEVE TRUST THROUGH: TRANSPARENCY, MISINFORMATION CORRECTION, INTENTION AND ACTION
The Road Ahead

Richard Waycott, President and CEO
THE ROAD AHEAD
Curvy, Bumpy and the Role of Risk
OUR FOCUS
Making a Meaningful Difference to Growers, Consumers, Customers
BE FEARLESS IN OUR FUTURE
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