California Almond Demand: Looking to the Future
California Almond Demand: Looking to the Future

John Talbot
Almond Board of California
California Almonds on Strong Growth Path

Average Growth 8.5%

Source: Almond Board of California
California Almonds on Strong Growth Path

trition story driving consumption
kets creating new opportunities

Source: Almond Board of California
# Nutrition Research Program Overview 1995 - 2012

<table>
<thead>
<tr>
<th>Research Category</th>
<th>Projects</th>
<th>Published Papers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart Health and Beyond</td>
<td>19</td>
<td>22</td>
</tr>
<tr>
<td>Diabetes and Pre-diabetes</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Weight Management, Satiety and Gut Health</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Phytochemicals – Content and Action</td>
<td>12</td>
<td>27</td>
</tr>
<tr>
<td>Allergens</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td>Other</td>
<td>10</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>71</strong></td>
<td><strong>83</strong></td>
</tr>
</tbody>
</table>
The Press Has Taken Notice
And Consumers are Responding

Source: Attitudes, Awareness, and Usage (AAU) studies, Sterling Rice Group

All measures indexed to 2001
Europe Has Bright Spots as Well

Transshipment Adjusted Growth

United Kingdom

Million Pounds

+ 11.9% in 2012

Source: Global Trade Atlas
Shipment Growth in Western Europe, including Transshipments

Transshipment Adjusted Growth

France

Million Pounds

ABC Position Report Data
Total Almond Net Imports
California Almond Net Imports

Source: Global Trade Atlas

+ 12.6% in 2012
Emerging Markets Driving New Opportunities

India Total Shipments

16% Average Growth

Source: ABC Position Reports
Emerging Markets Driving New Opportunities

China Total Shipments

52% Average Growth

Source: ABC Position Reports
Recent Almond Growth Has Been Fueled by Global Trends

Emerging Markets

Key Trends:

- Urbanization helping to define areas of opportunity
- Rising middle class with greater disposable income
- Shift to more Western lifestyles with increased consumerism
- Higher incidence of diet related chronic disease – heart disease, diabetes, cancer, obesity
- Greater health consciousness and focus on healthy eating
Recent Almond Growth Has Been Fueled by Global Trends

Established Markets

Key Trends:
• 1 in every 4 people will die of heart disease
• Nutrition research has driven shift in perceptions of healthy diet
• Snacking occasions have risen as traditional meals are downsized and more is eaten in between meals
• The versatility, portability, convenience, and nutritious good taste of almonds are a perfect fit with healthy lifestyles
Now a look at what to expect in the next 5 years
California Almond Demand: Looking to the Future

LuAnn Williams
Innova Market Insights
California Almond Demand
Looking to the future

The Almond Conference
December 13, 2012

Lu Ann Williams
Head of Research
We track new products in 70+ countries

**R&D:** science, patents, technology, formulation, ingredients, regulation

**Marketing:** products, trends, consumer insights, category monitoring, news, trends

www.innovadatabase.com
Today’s presentation

- Global food trends
- Snacking
- Health & wellness
- Provenance
- Calories

- and almonds……
Use of almonds in new food launches
Top companies for healthy snacks with almonds

Almonds are being used in better for you snacks by top companies and by retailers in private label products.
Multinationals: BFY + almonds

- **General Mills**: Cereal & Energy Bars, Snack Nuts & Seeds
- **Nestle**: Cereal & Energy Bars, Chocolate, Yogurt
- **Kraft**: Snack Nuts & Seeds, Cereal & Energy Bars, Chocolate
- **Kellogg’s**: Cereal & Energy Bars
- **Danone**: Yogurt
Almonds in a wide range of categories

Almond + Snack: Global Product Launches Tracked (2008-2011) by Category

Search: almond + snack
A bright future for almonds

• They fit well into today’s trends
  – Health & wellness
  – Simplicity, transparency
  – Increased snacking / on-the-go eating

• The are versatile
  – Go with almost every flavor
  – Work as a whole food or as an ingredient

• Everyone likes them, globally
Top 10 Trend 2013: The Aware Shopper
Consumers are empowered

- Consumers are becoming increasingly attentive and sometimes critical
- Consumers are more knowledgable than ever about their food products *(or at least think they are)*.
  - Where claims once flourished, transparency and credibility are now issues facing many food producers, both from consumers and governments.

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**Online protest drives Nestlé to environmentally friendly palm oil**

Food giant bows to Greenpeace campaign and vows to cut its ‘deforestation footprint’

BY MARTIN HICKMAN, CONSUMER AFFAIRS CORRESPONDENT | WEDNESDAY 19 MAY 2010

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**Twitter posts**

- **Manish Nadir @manish_nadir**
  - 26 Oct
  - Greenpeace - Kitkat - Ask Nestlé CEO to stop buying palm oil from destroyed rainforest [youtu.be/1BCA8dQfGio](youtu.be/1BCA8dQfGio) via @youtube
  - View video

- **Eve Shepherd @tweets_eye**
  - 25 Oct
  - Consumers fight back against Nestle’s use of Palm Oil... #AdBusting #KitKat pic.twitter.com/Ng5w9JgX
  - View photo

- **Tina Becker @starrysky4MJ**
  - 24 Oct
  - #stopanimalabuse #boycott #Nestle !!! Help Stop the Use of Palm Oil! Palm Oil is destroying the environment and [twitpic.com/b6zaxe](twitpic.com/b6zaxe)
  - View photo
Global launch activity for ethical products

- Not only health is high on the consumer’s agenda, they assume companies are being responsible corporate citizens.

**Ethical positioning involves terms such as sustainability, fair trade, recyclability, environment, friendly, animal friendly.**
Simple, clear and transparent labels

**Australia: Lovingearth Raw Organic Cacao Powder.** Single origin, certified organic, fairly traded raw cacao powder from Satipo in the Peruvian Amazon. Jam packed with antioxidants, magnesium and bliss nutrients that can help keep you energised, healthy and happy.


**South Africa: Woolworths Food 3 Tasters Chewy Pecan Toffee.** UTZ certified. Woolworths supports responsible cocoa farming and has committed to sourcing 100% UTZ certified cocoa for all its private label chocolates by 2016.

**South Africa: Woolworths Food Wild Caught Smoked Brisling Sardines with Vegetable Oil Added.** Fishing for the future. This guarantee that this product is responsibly sourced. Recyclable packaging.
Clean label has become mainstream

United States: Fresh & Easy Chocolaty Peanut 90 Calorie Fiber Bars
These oat and crisp rice granola bars contain five grams of fiber per serving, with a delicious, smooth chocolaty coating and the great taste of peanuts. **No artificial flavors, colors or preservatives.** High in fiber. Certified kosher. Recyclable packaging. Only 90 calories.

Mexico: Verde Valle Serena Mezcla Antioxidante Combinacion de Arandano, Cereza, Nuez, Almendra y Pistacho Pelado: Antioxidant Blend of Peeled Cranberry, Cherry, Walnut, Almond and Pistachio
A combination of peeled cranberries, cherries, walnuts, almonds and pistachios, in a 60g aluminum pouch. **100% natural**
Products for the critical consumer

- Clean label (natural and no additives/preservatives claims) and ethical claims (recyclable, charity and sustainability) can be used in conjunction.

**United Kingdom: Carmans Dark Choc Cranberry & Almond Bars** Low GI rating of 53. Foods with a low glycemic index (GI) help control hunger and provide more sustained energy. Wheat free. 100% Australian made. Made from natural ingredients. Comes in a recyclable packaging.

**Slovenia: Corny Nussvoll Erdnuss & Vollmilch: Cereal Bars with Peanuts and Chocolate** More than 50% of nuts. No colors. No preservatives. Cardboard box is made of 80% recycled paper.
Snacking
Snacking has changed
Health & wellness: a global opportunity
Snacking trends

Snacking is growing

Premium snacking is growing

Texture claims are growing

“Better for you” snacking is growing
Top 10 health positionings

- 34% of all snack product launched in 2012/H1 contain a health claim.
Only 79 calories (India)

- Less than 100 calorie pack.
- 100% vegetarian.
Calories + Satiety + Indulgence

- Mini corn cakes drizzled with dark chocolate, in a foil bag. For snacking between meals.
- Only 90 calories per serving. They help to calm your hunger. You can have them anytime or anywhere.
- Made with non-genetically modified corn. No preservatives or artificial colors. No hydrogenated fats. A source of fiber.
“Free from”

**Denmark:** Almondy Mousse Creamy Chocolate Truffle Cake. Deep frozen chocolate truffle cake in 500g cardboard box. **Gluten free.** No preservatives or artificial colorings.

Smart snacking: lower saturated fat

United Kingdom: Blue Diamond Almonds with Smokehouse Flavor Smart snacking! 50% lower saturated fat than peanuts and cashews. This comparison is based on oil roasted, salted peanuts at 8.7g saturated fat per 100g and oil roasted, salted cashews at 8.5g saturated fat per 100g. No artificial colors or flavors. High in vitamin E. Made with canola, safflower and/or sunflower oil. Peanut free.
Fiber & digestion


UK: Morrisons Almonds. Snack pack. A source of protein and fiber. Suitable for vegetarians
Antioxidant association

**Mexico: Ann's House Creamy Strawberry Almond.** Trans fat free. Cholesterol free. Low sodium. **Good source of antioxidant vitamin E.** Natural goodness of fruit and nuts

**Macedonia: Kibela Nutini Almonds.** Roasted and salted almonds in a vacuum pack, held in a cardboard box. **Source of vitamin E**
A new opportunity: *proven*, weight management
Greater use of scientifically proven claims

Ireland: Danone Actimel Probiotic Yogurt Drink: Strawberry & Banana Flavor. Helps strengthen your natural defenses. **Scientifically proven**

Ireland: Wrigley’s Extra Ice White Chewing Gum. Sugar free chewing gums with mint flavor, microgranules and sweeteners. Sugar free. Helps keep teeth clean in a way you can feel. **Scientifically proven** to help remove stains and maintain teeth’s natural whiteness

The Netherlands: Nutricia Nutrilon Goede Nacht 2: Night Time Milk Formula For Babies From 6 to 18 Months. With Immunofortis, a patented mix of **scientifically proven** fiber mix of GOS:lc:FOS 9:1; DHA/AA, healthy polyunsaturated fatty acids; nucleotides, nutrients for growth and cell division
Almonds offer a **new** opportunity PROVEN!
A new opportunity

- 100% natural.
- Good source of protein, fiber and vitamin E.
- No cholesterol.
- No trans fat.
- No sodium.

- A future claim?
  - Less calories than other nuts
Opportunity: larger pouch, more filling

• Seven sachets of salted dry roasted almonds.
• Only 100 calories per pouch.
Indulgence
Chocolate is hot

Theobroma Chocolate Lounge
Malaysia, Australia, New Zealand.

Vintage Chocolate Lounge Dubai Mall

Denmark: Lu Cafe Au Petit Ecolier Extra Dark Chocolate Biscuits. Contains 70% cocoa.

Sushi-Bar Style

Chocolat e lounge Dublin Airport/

UK: Marks & Spencer Belgian Triple Chocolate Cookies
Indulgent Belgian triple chocolate cookies with dark, milk and white chocolates, half coated in Belgian dark chocolate.
Permissible indulgence (now EFSA approved)

- Almonds + chocolate = permissible indulgence

- Now EFSA has issued a positive opinion on the blood flow support by cocoa powder or dark chocolate, manufacturers can look for possibilities to introduce dark chocolate products with related health claim.

- As a nut with many nutritional benefits, almond offers a wide variety of opportunities as key ingredient of dark chocolate products positioned around health.
Antioxidants: where indulgence meets health

- Chocolate products with antioxidants are good examples of combining indulgent chocolate products with a health aspect.

**Australia: Nestle Club 70% Cocoa Dark Chocolate Mint Infusion.** A serving of Cub Provides 178mg of antioxidant polyphenols. Chocolate contains minimum 70% cocoa solids. Recyclable packaging.

**UK: Beyond Dark 70% Cocoa Chocolate Chips.** A 70% cocoa dark chocolate chips with intense, smooth, and sensuous flavors. Claims: Drops of pure pleasure. Naturally rich in antioxidants.
Indulgence, pleasure and guilt free

Belgium: Newtree Lait Amandes Grilles Roasted Almonds Chocolate. Newtree Roasted Almonds Chocolate has the smoothness of milk chocolate enlivened by the crispness of the roasted almonds and golden flaxseeds. Less 30% fat. Contains omega 3
Almonds even more permissibly indulgent

- Hazelnuts (48%) covered with milk chocolate from Alpen milk.
  - One portion of 25g contains 148kcal (7% GDA).
  - Price/Kilo: EUR 14.10

- Roasted whole almonds covered in silky smooth and richly delicious Dove dark chocolate.
  - One portion of 39g contains 210kcal
  - Price/Kilo: EUR 25.27
Top 10 Trend 2013: Sensory Experience
Texture claim growth

Global Product Launches with Texture Claims (2007-2011)

Search string: crispy crisp crunch crunchy velvet chewy chunk chunky cluster smooth bites silk silky nuggets creamy texture

Australia: Norganic Crunchola
Apple & Blueberry Australian Wholegrain Oats
Co-branding for new flavors and textures

- Brands are teaming up to create novel and fun products, enabling unusual mixes of textures and flavors.

**Germany: Milka Alpine Milk Chocolate and TUC Cracker**

**AU: Kraft Philadelphia Chocolate Frosting.** Ready-to-spread chocolate frosting in a plastic tub. Made with Cadbury chocolate.
Playing with texture

US: Muller Quaker Greek Corner Lowfat Yogurt with Caramelized Almonds.

Mars Chocolate Caramel Dessert with Chewy Mars Pieces.

The special “Bubble teas” with Boba (tapioca) pops are becoming popular in the US and Europe.
Sensory: flavors
A huge range of flavors associated with almonds

Top Flavors, products with almonds, 2010 - 2012
Almonds go with anything

- **Canada**: Cinnabon Noix Melangees A La Canelle: Cinnamon Mixed Nuts

- **Malaysia**: A premium selection of crunchy whole almonds encased in green tea smooth milk chocolate

- **Germany**: Premium Quality Sugar Coated Almonds with Gingerbread Flavor
Flavor possibilities are endless......

• **Japan**: Chicken Flavored Rich Hard Pretzel Snack with Roasted Almonds And Cream Cheese Coating

• **Germany**: Roasted California Almonds with Yogurt Flavored White Chocolate Coating

• **Netherlands**: Nutisal Spicy Festival Mix Dry Roasted Nuts
Sensory: almonds and texture
Crunch Claims Growth

Singapore: Voortman
Almond Krunch Cookies

Search string: crunch crunchy crunchiness
Inclusion of whole almonds

• The number of global almond introductions and global chocolate introductions with the inclusion of whole almonds is increasing.

Malaysia: Ritter Sport Milk Chocolate Bar: Whole Almonds

France: Cote D Or Croquant Amande: Dark Chocolate Bar with Whole Almonds & Praline
Whole almonds for big taste

• Whole almonds also in other categories such as cereal & energy bars
  • demonstrates the increased desire for bigger inclusions in food products.

Thailand: Hershey’s Nuggets Dark Chocolate with Almonds. Individually wrapped dark chocolates with whole almonds

Italy: Mulino Bianco Grancereale Barrette di Cereali: Cereal Bars with Whole Almonds, Red Bilberry & Crispy Grain Granules
Almond crunch
With an almond crunch ingredient

USA: Choxie Dark Chocolate Coconut Almond Cluster. A sweet escape of decadent coconut with an indulgent almond crunch. All covered in deliciously deep, dark chocolate.

Japan: Bourbon Pakila Chocolate with Almond Crunch and Filled in Wheat Puff Stick Wafer
Almond crunch flavor

- Almond is now synonymous with crunch as almond crunch is being used as a flavor name for products.

USA: Granola Flats Welcome to Wholesomeville Baked Whole Grain Chips: Almond Crunch. Slightly sweet, light, and crunchy chips made with whole grains, almond nuts, seeds, and oats, then baked into bite sized pieces. Finally, granola is good to go.

Canada: Detour Lean Muscle Whey Protein Bar: Fudge Almond Crunch. Lean Muscle whey protein bar with fudge almond crunch covered with chocolate.
Tradition & premium
Provenance: where does my food come from?

- Interest in where their foods are coming from has never been higher among consumers.
- The cocoa industry was the pioneer with origin specific chocolate varieties.

UK: The Co-Operative Truly Irresistible Fairtrade Ghanaian Dark Chocolate with Peppermint Oil. Velvety dark chocolate infused with peppermint oil for a deliciously cool flavor. Produced using the highest quality cocoa beans of Kuapa Kokoo, a co-operative of 45,000 farmers in Ghana.

Emphasizing the origin of ingredients can underline a premium positioning.
Provenance for premium positioning

**Belgium: Belvas Belgian Chocolate Truffes Amandes: Gluten Free Organic Almond Truffles**
Gluten free organic almond truffles. Milk chocolate and almonds from Murcia. This organic and Fairtrade milk chocolate is made with sweet and refined cocoa beans from the Peruvian highlands. The slightly roasted organic almond sublime the ‘almond truffles’ to a sweet indulgence that rivals the finest recipes without bitterness.

**Philippines: Marich Organic Chocolate Toffee Almonds.** Premium California almonds in a buttery toffee glaze and creamy milk chocolate.
California almonds = premium positioning

- Manufacturers can leverage the increasing interest of consumers in the origins of ingredients by communicating the source of premium almonds from California.

**United States: Fresh & Easy Gourmet Milk Chocolate Almond and Raisin Bark.** This bark is handmade with roasted, lightly salted California almonds and sun-dried Thompson raisins on top of pure milk chocolate.

**United States: Trader Joe's Dark Chocolate Almond Toffee.** Crunchy toffee and roasted California almonds, covered with premium dark chocolate.
Typical almonds vs. Hazelnut chocolate products
Some snack examples

- China $61/lb
- Thailand $103/lb
- China $54
Some snack examples

- India $48/lb
- China $37/lb
- Netherlands $41/lb
Takeaways

• Almonds are very on trend: the “perfect food”

• Better for you products: good for the bottom line

• Almonds used by most successful multinationals and by retailers in private label products

• Almonds can add premium appeal and a premium price

• Almonds bring wholesome appeal with inherent health benefits

• Almonds are versatile: work well in many applications and with all flavors – sweet, salty, ethnic

• And now, proven to have less calories
Questions