Leveraging Consumer Demand to Become an Essential Ingredient

Stacey Humble, Moderator
Thank you Silver Sponsor
Leveraging Consumer Demand to Become an Essential Ingredient

Presenters:

Kate Thomson, Sterling Rice Group

Lu Ann Williams, Innova Market Insights

Stacey Humble, ABC
How Much Further Can We Go?

1. What do manufacturers think about almonds now?

2. Do consumers even want to see more almond products?

3. How much more could almonds grow in CPG?
Almonds are currently the favorite nut among manufacturers!
- Primarily due to a dominant position among food manufacturers in North America

<table>
<thead>
<tr>
<th>Favorite Nut to Use as an Ingredient in New Products</th>
<th>Total</th>
<th>N.A.</th>
<th>E.U.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almonds</td>
<td>17%</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>Hazelnuts</td>
<td>13%</td>
<td>7%</td>
<td>18%</td>
</tr>
<tr>
<td>Peanuts</td>
<td>13%</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>Cashews</td>
<td>11%</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Pecans</td>
<td>10%</td>
<td>14%</td>
<td>7%</td>
</tr>
<tr>
<td>Pistachios</td>
<td>9%</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Source: 2010 Volume Driver AAU
Note: Walnuts, Macadamia, Pine and Brazil nuts less than 10% in both markets
Manufacturers in North American and the EU believe almonds are the nut that *delivers best* on the top four *most important* ingredient attributes: food safety, taste appeal, consumer demand, and overall health profile.

### Manufacturer Perceptions

<table>
<thead>
<tr>
<th>Rank</th>
<th>Food Safety</th>
<th>Taste Appeal</th>
<th>Consumer Demand</th>
<th>Overall Health Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>Almonds</td>
<td>Almonds</td>
<td>Almonds</td>
<td>Almonds</td>
</tr>
<tr>
<td>#2</td>
<td>Pecans</td>
<td>Peanuts</td>
<td>Peanuts</td>
<td>Walnuts</td>
</tr>
<tr>
<td>#3</td>
<td>Peanuts</td>
<td>Cashews</td>
<td>Walnuts</td>
<td>Pistachios</td>
</tr>
</tbody>
</table>

Source: 2010 Volume Driver AAU
They also believe that their *consumers* prefer almonds over other nuts.

<table>
<thead>
<tr>
<th>Perceptions of Consumer Preference for Nuts and Almonds (strongly/somewhat agree)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Most Consumers…</strong></td>
</tr>
<tr>
<td>Are willing to pay more for products with healthy ingredients</td>
</tr>
<tr>
<td>Prefer products with almonds over other nuts</td>
</tr>
<tr>
<td><strong>Prefer products with almonds over those without almonds</strong></td>
</tr>
<tr>
<td>Are looking for products with almonds</td>
</tr>
<tr>
<td><strong>Are willing to pay more for products with almonds</strong></td>
</tr>
</tbody>
</table>

Source: Volume Driver AAU
Almonds were the top nut included when developing new products in 2010, accounting for 16% of all new nut items across categories.

Source: Volume Driver AAU
Nearly half (44%) of manufacturers surveyed reported using more almonds in products now compared to a year ago:

- Still an opportunity for over half of manufacturers to increase usage of almonds

Are you incorporating more, the same, or fewer almonds in products now compared to a year ago?

- More 44%
- Same 51%
- Fewer 5%

Primary reason for incorporating more almonds:

- Consumer demand/appeal 22%
- Health 13%
- Taste 7%

Source: Volume Driver AAU
Consumer Perceptions
Among consumers, almonds also score well across attributes when compared to other nuts

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Almonds</th>
<th>Cashews</th>
<th>Peanuts</th>
<th>Pistachios</th>
<th>Walnuts</th>
<th>Don’t Know</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy</td>
<td>50%</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>17%</td>
<td>10%</td>
</tr>
<tr>
<td>Nutritious</td>
<td>47%</td>
<td>7%</td>
<td>8%</td>
<td>6%</td>
<td>16%</td>
<td>10%</td>
</tr>
<tr>
<td>Balanced</td>
<td>33%</td>
<td>9%</td>
<td>10%</td>
<td>6%</td>
<td>14%</td>
<td>22%</td>
</tr>
<tr>
<td>Crunchy</td>
<td>33%</td>
<td>11%</td>
<td>19%</td>
<td>8%</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Natural</td>
<td>30%</td>
<td>8%</td>
<td>14%</td>
<td>9%</td>
<td>17%</td>
<td>15%</td>
</tr>
<tr>
<td>Energetic</td>
<td>26%</td>
<td>9%</td>
<td>17%</td>
<td>9%</td>
<td>9%</td>
<td>24%</td>
</tr>
<tr>
<td>Versatile</td>
<td>23%</td>
<td>6%</td>
<td>23%</td>
<td>4%</td>
<td>19%</td>
<td>12%</td>
</tr>
<tr>
<td>Satisfying</td>
<td>22%</td>
<td>25%</td>
<td>16%</td>
<td>11%</td>
<td>9%</td>
<td>9%</td>
</tr>
<tr>
<td>Fresh</td>
<td>20%</td>
<td>14%</td>
<td>13%</td>
<td>13%</td>
<td>11%</td>
<td>19%</td>
</tr>
<tr>
<td>Sophisticated</td>
<td>17%</td>
<td>23%</td>
<td>4%</td>
<td>20%</td>
<td>6%</td>
<td>16%</td>
</tr>
<tr>
<td>Best Tasting</td>
<td>17%</td>
<td>35%</td>
<td>9%</td>
<td>15%</td>
<td>6%</td>
<td>7%</td>
</tr>
<tr>
<td>Indulgent</td>
<td>11%</td>
<td>33%</td>
<td>7%</td>
<td>21%</td>
<td>5%</td>
<td>11%</td>
</tr>
<tr>
<td>Best Value</td>
<td>11%</td>
<td>5%</td>
<td>57%</td>
<td>3%</td>
<td>7%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Source: 2010 N.A. Consumer AAU
Almonds are deemed by consumers the most "essential/irreplaceable nut"

Source: 2010 N.A. Consumer AAU
Almonds are, therefore, the top nut consumers report choosing to eat on an ongoing basis (as a snack and/or in other foods)

Nut Chosen to Eat on an Ongoing Basis

Source: 2010 N.A. Consumer AAU
Among the Almond Board’s primary North American consumer target audience, attitudes toward almonds are extremely positive and leverageable.

**A Product Containing Almonds is…**

<table>
<thead>
<tr>
<th>Perception</th>
<th>Strongly Agree</th>
<th>Somewhat Agree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasty and nutritious</td>
<td>69%</td>
<td>28%</td>
<td>99%</td>
</tr>
<tr>
<td>More nutritious</td>
<td>61%</td>
<td>35%</td>
<td>96%</td>
</tr>
<tr>
<td>Heart healthy</td>
<td>64%</td>
<td>32%</td>
<td>95%</td>
</tr>
<tr>
<td>High in protein</td>
<td>60%</td>
<td>36%</td>
<td>95%</td>
</tr>
<tr>
<td>Tastes better</td>
<td>60%</td>
<td>33%</td>
<td>93% (90%)*</td>
</tr>
<tr>
<td>More natural</td>
<td>54%</td>
<td>38%</td>
<td>92%</td>
</tr>
<tr>
<td>High in fiber</td>
<td>56%</td>
<td>36%</td>
<td>92%</td>
</tr>
<tr>
<td>More satiating/fills you up</td>
<td>48%</td>
<td>42%</td>
<td>90% (80%)*</td>
</tr>
<tr>
<td>More interesting</td>
<td>46%</td>
<td>43%</td>
<td>88% (81%)*</td>
</tr>
<tr>
<td>Indulgent/treating myself</td>
<td>47%</td>
<td>41%</td>
<td>88% (74%)*</td>
</tr>
<tr>
<td>Convenient</td>
<td>45%</td>
<td>41%</td>
<td>86%</td>
</tr>
<tr>
<td>More special</td>
<td>44%</td>
<td>42%</td>
<td>86% (74%)*</td>
</tr>
<tr>
<td>Appeals to my family</td>
<td>46%</td>
<td>38%</td>
<td>84% (68%)*</td>
</tr>
<tr>
<td>Less processed</td>
<td>40%</td>
<td>41%</td>
<td>81%</td>
</tr>
<tr>
<td>Worth paying more for</td>
<td>36%</td>
<td>41%</td>
<td>77% (73%)*</td>
</tr>
<tr>
<td>Contemporary</td>
<td>31%</td>
<td>45%</td>
<td>77%</td>
</tr>
<tr>
<td>Helps me manage my weight</td>
<td>34%</td>
<td>42%</td>
<td>76% (57%)*</td>
</tr>
</tbody>
</table>

Source: 2010 Ingredient Why Jane

*Numbers in parentheses are from Ingredient Why 2007, many options were new to 2010.*
Over three-fourths of the Almond Board’s primary target audience (i.e. Jane) is more interested in an almond product than a product without almonds at a grocery store.

**When a Product Contains Almonds, I Am…**
(among those positive or indifferent to almonds, n=1,475)

- Much more interested, 35%
- Somewhat more interested, 43%
- No more or less interested, 19%
- Somewhat less interested, 2%
- Much less interested, 1%

Source: 2010 Ingredient Why Jane
Upside Potential for Almonds
Across categories tested, about 40% of Janes would like to see more almond products

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I Wish for More Almond Products in This Category</td>
<td>Typically Find Almond Products in This Category</td>
</tr>
<tr>
<td>Cereal</td>
<td>45%</td>
<td>74%</td>
</tr>
<tr>
<td>Granola/snack bars</td>
<td>41%</td>
<td>77%</td>
</tr>
<tr>
<td>Ice cream</td>
<td>41%</td>
<td>52%</td>
</tr>
<tr>
<td>Chocolate candy bar</td>
<td>39%</td>
<td>84%</td>
</tr>
<tr>
<td>Snacks or trail mix</td>
<td>38%</td>
<td>87%</td>
</tr>
</tbody>
</table>

Source: Volume Driver AAU
Upside Potential!

The world of snacks is large, and there is room to grow for almonds

- Almonds account for only 1.5% of total snack occurrences

Total Snack Food Occurrences = 354 billion

Salty and Sweet Snacks (including nuts) = 113 billion (31%)

Nut Snack Occurrences = 40 billion (11%)

Almond Snack Occurrences = 5.3 billion (1.5%)

Source: 2008 N.A. Snacking Study
Almonds are the number one ingredient selected for the “ideal” cereal with 45% of respondents including them in their ideal cereal product!

Source: 2010 Ingredient Why Jane
Almonds were also the number one inclusion selected for an ideal granola bar as 50% of respondents chose Almonds.

Inclusions
(select all that apply, if any)

Grains
(select at least one)
- Oats, 72%
- Wheat, 37%
- Rice/puffed rice, 19%

Cranberries, 40%
Raisins, 34%
Dried blueberries, 33%
Dried cherries, 30%

Chocolate, 38%
Honey, 33%
Cinnamon, 32%

Peanuts were the 6th nut with 18% inclusion

Source: 2010 Ingredient Why Jane
Upside Potential!

Currently, almond share of breakfast cereal in the U.S. is only 7% but could potentially be 24% based on stated consumer preference.

<table>
<thead>
<tr>
<th></th>
<th>% prefer nuts</th>
<th>Almonds</th>
<th>Cashews</th>
<th>Hazelnut</th>
<th>Macadamia</th>
<th>Peanuts</th>
<th>Pecans</th>
<th>Pistachios</th>
<th>Walnuts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cold cereal and granola</td>
<td>38%</td>
<td>64%</td>
<td>4%</td>
<td>2%</td>
<td>2%</td>
<td>3%</td>
<td>14%</td>
<td>1%</td>
<td>9%</td>
</tr>
<tr>
<td>Bars (cereal, granola, treat)</td>
<td>23%</td>
<td>43%</td>
<td>10%</td>
<td>4%</td>
<td>4%</td>
<td>20%</td>
<td>7%</td>
<td>2%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Q29: For each of the following, please indicate whether you generally prefer to eat products with or without nuts.
Q32: For each of the following types of food you indicated preferring nuts in, please indicate which nut you like best as an ingredient in that type of food.

38% (percentage of total sample who prefer nuts in their cereal) x 64% (percentage of people who prefer almonds) = 24% (almonds potential share of cereal sales)

Current Share of Sales: 7%*

Source: 2009 N.A. Breakfast Deep Dive
*2009 IRI
Almonds (36%) are the **number one** ingredient chosen in ideal chocolate candy bars among N.A. Janes

**Chocolate Type**
(select at least one)

- Dark chocolate, 51%
- Milk chocolate, 40%

**Inclusions**
(select all that apply, if any)

- Caramel, 29%
- Coconut, 26%
- Cherries, 21%
- Peanut butter, 24%
- Raisins, 21%
- Toffee, 24%
- Raspberries, 16%
- Crisp rice, 16%
- Almonds, 36%
- Graham cracker, 14%
- Pecans, 29%
- Pretzels, 14%
- Cashews, 24%

Source: 2010 Ingredient Why Jane
Upside Potential!

And almonds are the number one ingredient chosen among consumers WORLDWIDE*

Ideal Chocolate Product
(n=4,521)

Inclusions
(select all that apply, if any)

Chocolate Type
(select at least one)

- Milk, 65%
- Dark, 51%
- White, 20%

Filling and Flavors

- Caramel, 30%
- Coffee, 23%
- Strawberry, 20%
- Honey, 18%

Fruit Pieces

- Raisins, 24%
- Coconut, 21%
- Cherries, 19%
- Strawberry, 20%

Nuts

- Almonds, 41%
- Hazelnuts, 35%
- Cashews, 29%
- Walnuts, 27%

Other

- Wafer, 25%
- Crisp Rice 22%
- Toffee, 21%
- Biscuit, 18%

Source: 2010 Global Chocolate Study
*Includes, U.S., U.K. France, Germany, Russia, China, India, Japan
• When asked what nut is the best fit with chocolate, respondents feel almonds are the best fit, followed by hazelnuts (which are particularly strong in milk chocolate).

Source: 2010 Global Chocolate Study
Respondents feel chocolate with almonds is more nutritious (75%), tastier (74%) and crunchier (73%) compared to chocolate without almonds.

Chocolate with almonds is…
(somewhat/strongly agree, n=4,521)

Source: 2010 Global Chocolate Study
Almonds have enormous upside potential in chocolate as over three times the people who are currently consuming almonds in chocolate want almonds in their chocolate

41% of the total sample selected almonds as the number one inclusion for their ideal chocolate bar

Currently only 13% of the total sample report having almonds in their last chocolate experience

Upside potential!

Source: 2010 Global Chocolate Study
Thank You
New Product Applications Using Almonds to Meet Consumer Needs

Lu Ann Williams, Innova Market Insights
Presentation Scope

Presentation contains analysis of global new product launches tracked by the Innova Database

• Almond New Product Launch Activity Overview
• Almond Health Benefits In Product Context
• Texture Variations
• Flavor Combinations
• Almonds As A Necessary Ingredient
• Almond Applications With Potential

Insights
What’s Happening With Almonds

It’s all good news!
Spotted in India!

Fuel your inner beauty with almonds

The stylish actress shares her top three reasons for going nuts over almonds:

- **Almonds get to the heart of natural beauty**

For Karisma, good health starts with a sound mind and a healthy body that can be achieved by reconnecting oneself to nature. She believes in eating as much fruits and vegetables as she can. “I have to travel a lot for my shoots and at times it becomes difficult to eat right, but I make sure I do it by carrying a box of almonds in my bag whenever I step out! I feel almonds are power packed nuts that keep replenishing your health. Packed with multiple nutrients, almonds nourish and rejuvenate our overall feeling of wellness, helping us look, and more importantly, feel good!” Many of us are familiar with the natural bounties packed in this small nut, courtesy the traditional remedies used by our mothers and grandmothers. Almond-based, home-made face packs are a weekly ritual in many Indian homes to get that perfect, blemish-free skin. Add to that the fact that you can have a handful of almonds whenever hunger beckons between meals.

Almonds, the nut-ritious food!

When it comes to nutrients, almonds really know how to shine! This all-in-one nut is packed with multiple benefits that help in weight management, maintaining blood glucose levels and providing essential nutrients. Almonds are an excellent source of vitamin E, magnesium, manganese, and a good source of fiber, copper, phosphorous, and riboflavin. Add to this, almonds are cholesterol free. “While you work, travel, are on the go, or at home, try out a handful of wholesome almonds. These crunchy nuts taste good and once I eat them, I know that I’m doing something good for myself. For me it is simple, if I eat healthy it will invariably keep me happy from within,” says Karisma. Why only stars, all of us can possess that inner radiance if almonds figure on our list. And even better, if we want our little girls to build a healthy foundation for life, so perhaps we should pack a few of these healthy nuts in their lunch box. Start early, remain smart for life.

Almonds are good for expecting mothers

For Indians, consuming almonds is a tradition passed on from one generation to the other. "My mother used to treat me to almonds each morning before school. My grandparents had it before going to bed, with milk at night. In fact, when I was expecting Aahan, my second child, my mother fed me on almonds throughout my pregnancy. This is what I love about our culture, we are so rooted in ancient remedies; almonds therefore were my power booster, helping me overcome post pregnancy stress and weakness too!" adds Karisma.

Almonds can be consumed all through the year in multiple ways. So, whether it is winters or summers, grab a handful of almonds to get that sunny shine!
We’re Tracking a Lot
of Almond Usage

• Increased use in
  H2 of each year

Source: Innova Database – new product launches
Almonds Are The Clear Leader

#1: Almonds
#2: Hazelnuts
#3: Peanuts
Top Almond Applications

#1: Chocolate
#2: Bakery
#3: Snacks
Almond New Product Launch Activity Overview
Positioning Analysis

Global Almond Product Launches 01/09-09/10 Top 15 Positioning

- Seasonal/In-OUT Products: 10.9%
- Vegetarian: 8.8%
- Allergy: 8.4%
- Kosher: 8.1%
- Organic: 8.0%
- Indulgent and Premium: 7.9%
- Traditional: 7.8%
- Gluten Free: 7.2%
- Natural: 6.2%
- Wholesaler: 6.0%
- No Trans Fats: 4.7%
- Ethical: 4.4%
- Children (5-12): 4.3%
- Halal: 3.8%
- Others: 3.5%
## Company Analysis

### Global Almond Product Launches 01/09-09/10

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>Count in (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRAFT</td>
<td>3.3</td>
</tr>
<tr>
<td>LINDT</td>
<td>3.3</td>
</tr>
<tr>
<td>NESTLE</td>
<td>1.7</td>
</tr>
<tr>
<td>LIDL</td>
<td>1.3</td>
</tr>
<tr>
<td>KELLOGG</td>
<td>1.2</td>
</tr>
<tr>
<td>MARS</td>
<td>1.2</td>
</tr>
<tr>
<td>GENERAL MILLS</td>
<td>0.9</td>
</tr>
<tr>
<td>WORLDS FINEST CHOCOLATE</td>
<td>0.9</td>
</tr>
<tr>
<td>WOOLWORTHS</td>
<td>0.8</td>
</tr>
<tr>
<td>CADBURY</td>
<td>0.7</td>
</tr>
<tr>
<td>MEIJI</td>
<td>0.7</td>
</tr>
<tr>
<td>HEMA</td>
<td>0.6</td>
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<tr>
<td>AUGUST STORCK</td>
<td>0.6</td>
</tr>
<tr>
<td>BAHLSKEN</td>
<td>0.6</td>
</tr>
<tr>
<td>ELENIS</td>
<td>0.5</td>
</tr>
<tr>
<td>Other COMPANY</td>
<td>81.7</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>
Almond Health Benefits
In Product Context
Natural Energy

Sweden: Den Lille Nottefabrikken Berry Fusions Energi Trigger: Almond, Macadamia, Cashew, Cranberry & Raisin. A snack with almonds, macadamia, cashew nuts, cranberry, and raisin infused with juice.

UK: Bounce Almond Protein Hit Natural Energy Ball. A natural energy ball containing a chewy mix of almonds and whey protein. 100% natural. With 12g protein. 0g trans fats. GM free. No artificial preservatives, flavors or colors. Gluten free.
USA: Nature's Harvest Granola with Cocoa, Cherries, Almonds & Pecans. 100% natural. Wholegrain. Cherries contain high levels of good-for-you antioxidants. Cocoa is rich in many essential minerals, including magnesium, calcium, and iron. **Almonds and pecans are rich in omega 3s and a good source of protein and energy.**

USA: Total Plus Omega-3s Cereal: Honey Almond Flax Flavor. Wholegrain cereal flakes with a delicious honey, almond crunch, honey-sweetened almond, and crunchy flax clusters.
Australia: Uncle Tobys Bodywise Cereal Bars: Orange, Almond & Honey. **Digestive balance. 1/4 of your daily fiber needs.** Very high in fiber. Good source of whole grains. No artificial colors or flavors.

Canada: President's Choice Blue Menu Natural Almonds. **Natural. No added salt. High in fiber (5g per serving).** Very high in vitamin E.
USA: POMx Bar Antioxidant Superbar: Coconut Yogurt. Made with organic coconut, natural pecans and almonds, then dipped in creamy yogurt, it's got the delicious taste of the tropical.

USA: Ann's House Cranberry Nut Antioxidant. A premium blend of almonds, cranberries, and sunflower kernels. Good source of antioxidant vitamin E. Natural goodness of nuts and fruit.
UK: Tesco Free From 4 Chocolate and Walnut Brownies. Two twin packs of 4 dark chocolate brownies made with brown rice flour, ground almonds and tapioca starch, with walnuts. Wheat free. Gluten free. Milk free.

USA: Almond Dream Chocolate Flavored Non Dairy Frozen Dessert. Made from real almonds for a light, creamy, and smooth taste. All natural. Lactose, gluten, and cholesterol free.
Dairy Alternatives


Italy: Isola Bio Delice Riso Mandorla: Organic Almond & Rice Drink. Organic almond and rice drink that is free of gluten.
Texture Variations
Crushed

Netherlands: Godiva Dark Chocolate with Almonds. *Crushed almonds accentuate the 72% chocolate* to deliver a nutty richness to this dark chocolate.

Japan: Glico Pocky Chocolate Almond Crush. Pretzels coated with chocolate *and crushed almonds.*
Whole For Big Mouthfeel

USA: Green & Black’s Organic Milk Chocolate with Almond and 37% Cocoa Content. Organic milk chocolate with whole roasted almond for a full nutty flavor.

Sweden: Marabou Premium Dark Chocolate & Almond. Dark chocolate with a whole roasted almond in velvety nougat filling.
Indonesia: Silver Queen Chunky Almond Bar
Milk Chocolate with Almonds. The biggest chunkiest Silver Queen almond ever!

Germany: Lidl Favorina Mandel-Splitter: Almond Chunks in Dark Chocolate
UK: Sainsbury’s Taste The Difference Soft Amaretti Biscuits. Delicate amaretti biscuits made with sweet ground almonds, giving a soft, crumbly texture and light marzipan fragrance.

UK: Corsini Dolci E Biscotti Amaretti Morbidi: Soft Almond Macaroons
Creamy Almond Fillings

Switzerland: Chocolat Frey Giandor Noir: Dark Chocolate Bar with Almond Cream Filling.

Ukraine: Lubimoff Petite Cream Flambe: Fine White, Milk and Black Chocolate Candies with Almond Cream
Caramelization For Crunch

Macedonia: Nestle Aloma: Noisette Ice Cream. Ice cream with hazelnuts, wafers, and caramelized almonds.

Germany: Marabou Daim King Size Milk Chocolate with Pieces of Crunchy Almond Caramel. Contains 22% almond crunch.
Delicate Slices

Australia: Woolworths Select Vanilla Almond Clusters. Crispy oat and rice clusters blended with wholegrain flakes, sliced almonds and a hint of vanilla flavor.

Netherlands: Granny's Gourmet White Delight Cake Mix. An elegant, refined cake with white chocolate and almond slices.
Almond Layers

Germany: Leibniz Mandel Spass: Cookies Topped with Almonds in Caramel

Romania: Heidi Grand’Or Florentine Milk Chocolate with Crispy Layer of Caramelized Almonds
Flavor Combinations
## Almond Top Flavor Blends

<table>
<thead>
<tr>
<th>FLAVOR BLEND</th>
<th>Count in (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chocolate, milk; Nut, almond</td>
<td>7.2</td>
</tr>
<tr>
<td>Chocolate, not specified; Nut, almond</td>
<td>4.2</td>
</tr>
<tr>
<td>Chocolate, dark; Nut, almond</td>
<td>3.9</td>
</tr>
<tr>
<td>Honey; Nut, almond</td>
<td>2.1</td>
</tr>
<tr>
<td>Nut, almond; Nut, cashew</td>
<td>1.5</td>
</tr>
<tr>
<td>Nut, almond; Nut, hazelnut</td>
<td>1.5</td>
</tr>
<tr>
<td>Nut, almond; Raisin</td>
<td>1.5</td>
</tr>
<tr>
<td>Cranberry; Nut, almond</td>
<td>1.3</td>
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<tr>
<td>Nut, almond; Vanilla, not specified</td>
<td>1.3</td>
</tr>
<tr>
<td>Nut, almond; Roasted</td>
<td>1.2</td>
</tr>
<tr>
<td>Caramel; Nut, almond</td>
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</tr>
<tr>
<td>Butter; Nut, almond</td>
<td>1.1</td>
</tr>
<tr>
<td>Nut, almond; Nut, peanut</td>
<td>1</td>
</tr>
<tr>
<td>Nougat; Nut, almond</td>
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</tr>
<tr>
<td>Chocolate, white; Nut, almond</td>
<td>0.9</td>
</tr>
<tr>
<td>Nut, almond; Oats</td>
<td>0.9</td>
</tr>
<tr>
<td>Cocoa; Nut, almond</td>
<td>0.8</td>
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<tr>
<td>Cherry, not specified; Nut, almond</td>
<td>0.7</td>
</tr>
<tr>
<td>Nut, almond; Salt</td>
<td>0.7</td>
</tr>
<tr>
<td>Granola; Nut, almond</td>
<td>0.7</td>
</tr>
<tr>
<td>Nut, almond; Toffee</td>
<td>0.7</td>
</tr>
</tbody>
</table>

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Global Almond Product Launches Tracked by the Innova Database 01/09-09/10
Coffee: Emerging Flavor Combo

Norway: Piano Yoghurt Duo Cappuccino & Mandelcrisp: **Cappuccino & Almond Crisp Yogurt.** Cappuccino flavored yogurt with separate portion of almond and coffee crisp.

USA: Sahale Snacks Biscotti Crisps: **Almond Vanilla Latte.** Twice baked, light and thin, and all natural biscuit crisps with almond pieces and vanilla latte flavor.
Exotic Is The New Norm

USA: Sahale Snacks Seasoned Nuts: Almonds Barbeque with Mild Chipotle + Ranch. Sahale Snacks Barbeque Almonds are seasoned with a proprietary "Dry Rub" spice blend and accented with tangy buttermilk ranch. Then, Sahale Snacks Barbeque Almonds are slow roasted to a smokey, spicy-sweet perfection.

USA: Planters Flavor Grove Skinless Almonds with Chili Lime Flavor.
Ethnic Inspired

USA: Sahale Snacks Nut Blend Soledad Almonds. Influenced by the heat of the Mediterranean sun, this delectable snacking experience features almonds, apples, and flax seeds, tickled with date, balsamic vinegar and cayenne.

UK: Mr. Filbert's Kasbah Spiced Almonds with Fresh Garlic, Chilli, and Mint. Inspired by my adventures in Marrakech, with Dorset honey and lashings of Moroccan spices. Roasted almonds coated in harissa, combining with fresh mint, garlic, and chilli, in a cane sugar crust.
UK: Mr. Kipling Bakewell Tart. A traditional Bakewell tart with a pastry case layered with plum and raspberry jam and almond flavored sponge, topped with decorated fondant icing.

France: Super U Fraisier: Strawberry Cake. Two fluffy sponge cakes with vanilla almond foam topped with strawberries
Almond Introduction For Kids

Switzerland: Jamadu Honig Mandel Biscuits: Honey Almond Cookies

India: Complan for Growth Complete Planned Food in a Drink with Almond Flavor.
Fruit & Nuts For Kids Too

Germany: Disney Kim Possible Agentenfutter Trockenobst Mix: Dried Fruit and Almond Mix. Mix of almonds and dried fruits in a cardboard box, featuring Disney's Kim Possible. With free tattoos. 
Contains 7 individual packs.
Almonds As A Necessary Ingredient
USA: Trader Joe's Wheatberry Salad.
Ready-to-eat salad made with chicken, apples, cranberries, blue cheese, almonds, and Champagne Dijon vinaigrette.

USA: PCC Natural Markets Deli Tuscan Arugula Salad. 
Freshly made organic arugula salad with almonds, fennel and peppers.
Stuffings

Netherlands: Baresa Olijven met Amandelen
Gevuld: Green Olives Stuffed with Almonds

Greece: Xenia Green Olives Stuffed with Natural Pepper & Almonds. Green olives stuffed with natural pepper and almonds, in brine.
Turkey: Dr. Oetker Dort Mevsim: Four Seasons Powdered Cake Mix. Four seasons powdered cake mix with chocolate and almonds.

Germany: RUF Kirschkuchen: Baking Mix for Cherry Pie. Baking mix with cherry sprinkles, vanilla cream, and almonds, for preparing cherry pie.
A typical Indian meal always contains rice dish seasoned with spicy flesh and a piquant sauce. Nicely garnished with roasted almonds and raisins.

Almond Applications With Potential
Nuts Are Now Used More In Dairy

Israel: Machlevana Energy Low Fat Yogurt Drink with Granola, Almonds & Palm Honey

Chile: Activia FibraMix Light Sabor Nueces: Cereal Yogurt. Smoothie and skimmed yogurt with cereals and almonds.
Crackers & Almonds Combined

Japan: Glico Cratz Cracker and Almond with Smokey Cheese Flavor. A 44g bag of bite-sized crackers and almonds with smokey cheese flavor. A good snack to go with beer.
Leveraging Tradition


Finland: Vicenzi Cantuccini All Natural Almond Cookies. All natural from the original recipe of Tuscany.
Satisfying Demand For Premium

Norway: Jacobs Honey Roasted Mix: Nuts. A mix of large and honey roasted cashew, pecan, and almond nuts with sugar and salt.

UK: Sainsbury’s Taste The Difference Canadian Maple Roasted Nut Collection. Creamy jumbo cashews, buttery macadamias and sweet almonds, including prime Spanish marconas, tossed in rich Canadian maple syrup seasoning, then roasted.
Almond inherent nutrition attributes are being claimed:

• Natural energy source
• Protein
• Satiety
• Heart disease prevention
• Fiber
• Vitamin E
• Omega-3

“Free From” trend has potential for almonds
• Particularly dairy alternative drinks & use of almond meal in baked goods
Varying texture to vary consumer experience
• Skinless, whole, crushed, chunky, soft, nuggets, crunchy, slices, layers, caramelized...

New flavor combinations are emerging
• Exotic/ethnic flavors can be further explored, almond flavor for kids, new fruit & almond combinations...

Other areas of potential
• Packed for snacks, yogurt applications, more super premium options -> provenance, products positioned on ethical/sustainable platform
Thank You
Chocolate Craving: Using Consumer Data to Grow the Almond Chocolate Market

Stacey Humble, Almond Board of California
Almonds are the #1 nut for global packaged new product introductions

Almonds are the #1 ingredient consumers chose to include in their ideal chocolate bar

Almonds were rated the nut that fits best with both dark and milk chocolate

70% of consumers worldwide report they are more likely to buy chocolate with almonds (vs. chocolate without almonds)

Nearly three-fourths (74%) of consumers worldwide believe chocolate with almonds is tastier
What Now?

1. Target Audience
   • Who are we talking to?

2. Marketing Program
   • What are the different tactics?
   • What is the role of marketing in the individual regions?

3. Key Messages
   • What do we want our target audience to take away about almonds and chocolate?
Global Chocolate Program

From the strategy came a very targeted program which drives greatest impact and efficiency.

Objective of Global Chocolate Program:

• To fuel the growth of almonds in the global chocolate candy market, specifically in mainstream, premium, health, and growing sectors within North America, Europe, Japan, and China
Global Chocolate Strategy

Messages

- Global Appeal: Fits with local/regional flavors
- Image: Premium and contemporary
- Health perceptions: Heart and antioxidants

Targets

- Top-tier Manufacturers
- Producers

Outcome

- Growth of almonds in chocolate in the mainstream global candy market
The top ten chocolate companies account for over 60% of global chocolate sales

<table>
<thead>
<tr>
<th>Tier</th>
<th>Company</th>
<th>Sales (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1:</td>
<td><strong>Kraft</strong></td>
<td>$15.1 billion</td>
</tr>
<tr>
<td></td>
<td><strong>Mars</strong></td>
<td>$13.4 billion</td>
</tr>
<tr>
<td></td>
<td><strong>Nestle</strong></td>
<td>$11.7 billion</td>
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<tr>
<td>Tier 2:</td>
<td><strong>Ferrero</strong></td>
<td>$6.7 billion</td>
</tr>
<tr>
<td></td>
<td><strong>Hershey's</strong></td>
<td>$6.1 billion</td>
</tr>
<tr>
<td>Tier 3:</td>
<td><strong>Lindt</strong></td>
<td>$3.3 billion</td>
</tr>
<tr>
<td></td>
<td><strong>Storck</strong></td>
<td>$1.0 billion</td>
</tr>
<tr>
<td></td>
<td><strong>Lotte</strong></td>
<td>$828 million</td>
</tr>
<tr>
<td></td>
<td><strong>Arcor</strong></td>
<td>$736 million</td>
</tr>
<tr>
<td></td>
<td><strong>Meiji</strong></td>
<td>$644 million</td>
</tr>
</tbody>
</table>
Target Audience

Almonds are already established in many of the largest products, but there is room to grow
The Global Chocolate Marketing Program utilizes a three tier approach:

**Tactic:** One-on-one relationship development and communications

**Tactic:** Ongoing media outreach of key messages with Advertising and Public Relations

**Tactic:** Consumer tactics that drive consumer demand for almonds. (Enable our consumer demand story.)
Programs are currently being implemented around media outreach and driving awareness of consumer demand for almonds and chocolate.
Key Messages

Marketing Message Priority

1. Consumer demand for almonds

2. Consumer demand for almonds and chocolate:
   - Global Appeal: Fits with palates
   - Image: Premium and Contemporary
   - Health: Heart health and overall health
Global Resources

- Global Chocolate Study

- Attitudes, Awareness and Usage Research in key markets

- Global New Product Introductions

- Presentation modules

- Food Manufacturer Advertising (print and online)

- Press outreach
  - Materials
  - Photography

- Global company profiles

- Brochures (printed and online)
Wrap-Up, Discussion and Q&A
Next Session at 2:40 pm

Common Issues in the Orchard in Grand Ballroom
Continuing Education Units are available for most sessions.

Please check in at the CEU desk in the Doubletree Hotel lobby for details and instructions.
Thank you Metal Sponsors