

ALMOND BEAUTY

DECEMBER 2021

Asia

■ Shipment History

Crop Year	China	% Total Shipments	Per Capita	S Korea	% Total Shipments	Per Capita	Japan	% Total Shipments	Per Capita	U.S. Per Capita
2020-21	162M	6%	0.11	77M	3%	1.49	92M	3%	0.73	2.46
2019-20	99M	4%	0.07	56M	2%	1.09	85M	4%	0.67	2.38
2018-19	128M	6%	0.09	57M	3%	1.11	81M	4%	0.64	2.36
2017-18	170M	8%	0.12	51M	2%	0.99	79M	3%	0.62	2.31
2016-17	151M	7%	0.10	54M	3%	1.06	71M	3%	0.56	2.07

Source: Almond Board of California Position Report



The Biggest Competition: The Regulations



Regulations are more than skin deep...

Julie G. Adams
Almond Board of California

Regulatory Environment:

Not Always so Beautiful

South
Korea

Japan

China

■ Pesticide MRLs

South Korea

- Korea instituted the Positive List System (PLS) for pesticides and MRLs; tree nuts were among the first commodity groups required to comply (2017).
- ABC realized the potential for trade disruption through 'missing' MRLs under the new system - was quick to provide data and engage with the registrants and Korean agencies.
- Most of the important almond MRLs were in place by deadline.
- Few outstanding MRL issues -
 - PBO (import tolerance application submitted aligning with new U.S. MRL of 150 ppm in August)
 - Pyrethrins (awaiting EPA decision)



Pesticide MRLs and Sustainability



Aflatoxin Import Testing

Japan

- Positive List System (PLS) for pesticides and MRLs
- ABC continues to monitor any changes and comment as appropriate
- No major outstanding MRL issues but need to monitor closely...
- Japan has announced its own '**Green Deal**' similar to EU, including targets (50% reduction in pesticides)... BUT no roadmap of implementation



Pesticide MRLs and Sustainability



Aflatoxin Import Testing

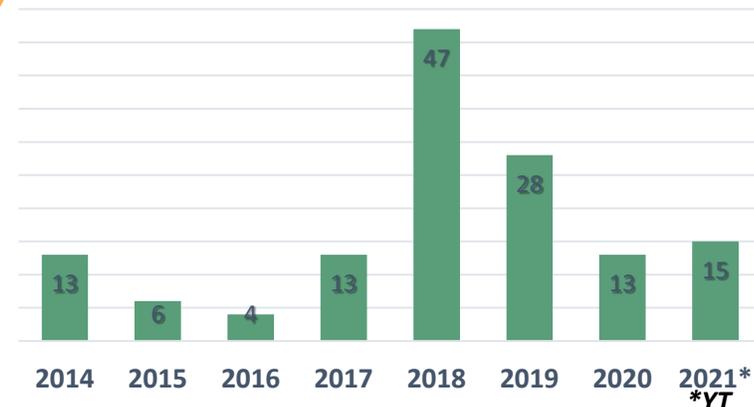


- 100% inspection despite low rate of rejections
- ABC, USDA and FDA working with Ministry of Health, Labor & Welfare to address concerns
- Sampling is fundamental consideration, along with reprocessing
- Data provided to demonstrate no in-transit growth

assume container = 16 T

Partner Country	Unit	Quantity					
		2016	2017	2018	2019	2020	2021 (through September)
World	cnt	1,792	2,074	2,249	2,264	2,419	2,121
United States	cnt	1,753	2,018	2,177	2,198	2,380	2,088
Rejections		4	13	47	28	13	15
% of US imports (100% inspection)		0.2%	0.6%	2.2%	1.3%	0.5%	0.7%

Japan Aflatoxin Violations, 2014-2021



Retaliatory Tariffs

- ⋮ Food Facilities
- ⋮ Registration



Summary of China's retaliatory duties on CA almonds:			MFN rate	232 retaliatory duties	301 retaliatory duties	New US aggregate level	Current US rate including 301 waiver
8021100	Almonds in shell		10%	15%	30%	55%	25%
8021200	Shelled almonds		10%	15%	30%	55%	25%
20081920	Preserved almonds in cans, regardless of preserve and/or processed method		5%	0%	10%	15%	5%
20081999	Processed or preserved almond without vinegar, not in cans.		5%	0%	25%	30%	5%

- Prior to April 2018, tariff on California almonds was 10%
- In response to the U.S. Section 232 and 301 tariffs, retaliatory tariffs totaling **55%** still in place
- Exclusion process used by importers to obtain reduced duty rate of **25%**



Retaliatory Tariffs

Food Facilities Registration

China

- Decree 248: new food facility registration requirements scheduled to go into effect on January 1, 2022.
- Some categories - including nuts - require that the **overseas competent authorities** register facilities with China customs administration (GACC) instead of self-registration by companies.
- Facility registration and GACC registration number to be included on packaging in future.
- While some countries have sent in their facilities lists, the U.S. and a number of other countries *have delayed until further information is provided*.
- Concern that a request for 18-month delay will not be granted - potentially opening the door to shipment disruptions.

So what do we do...?



Retaliatory Tariffs

Food Facilities Registration

China

- FDA has yet to share with GACC an ABC-compiled voluntary list of handlers including their publicly available FDA Establishment Identifier (FEI) numbers.
- Some shippers turning to an older GACC portal as an interim step, self-registering using their FEI numbers **before the end of the year - but it's unknown if this option will be accepted.**
- FDA just announced use of the Export Listing Module (ELM) for registration December 6-17, using company FEI numbers.
- “General consensus” is that consignments should not be delayed if facilities registration is completed **before January 1** - labelling requirements anticipated to go into effect with consignment shipped *after January 1*.

*Come over to the
ABC Booth
if you have
questions!*

Regulations are more than skin deep...

Julie G. Adams

Almond Board of California

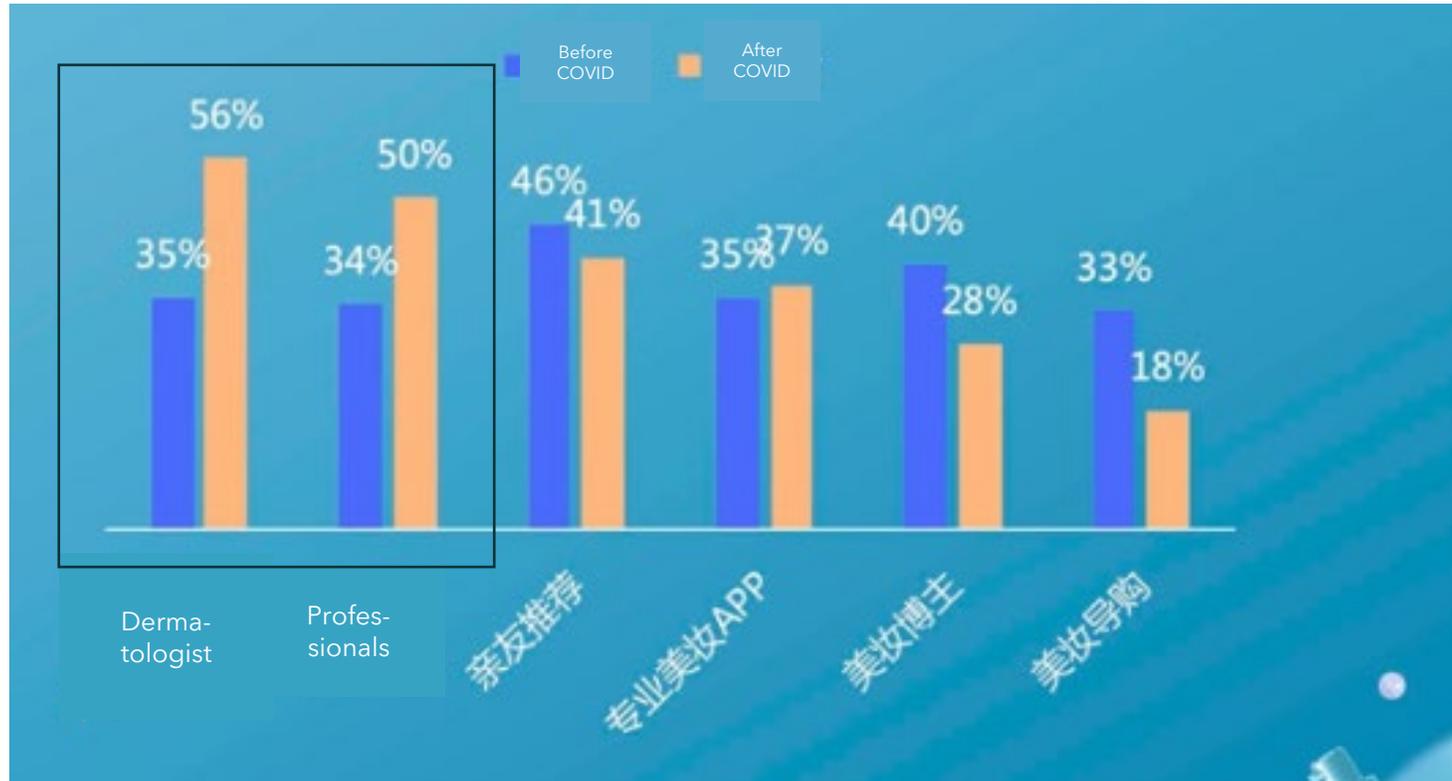
*Thank
you*
california
almonds



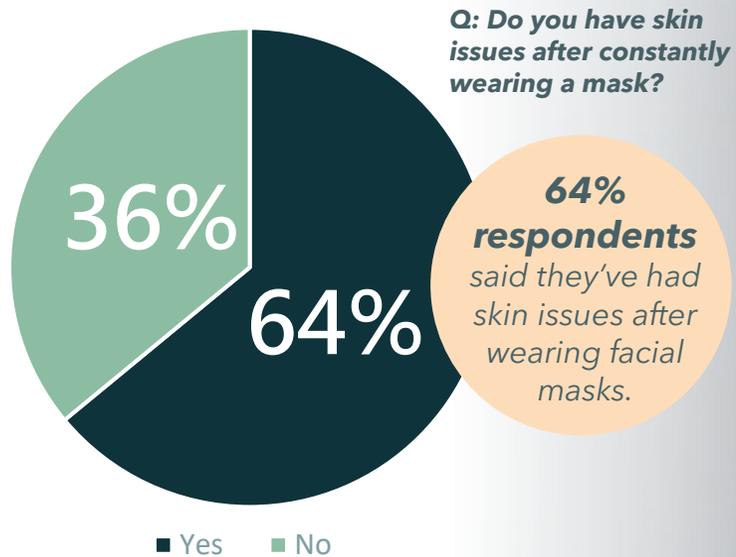
Beauty Trends

COVID Impact

Consumers turning to professionals and experts for skincare advice.



Masks causing skin issues & sensitivity



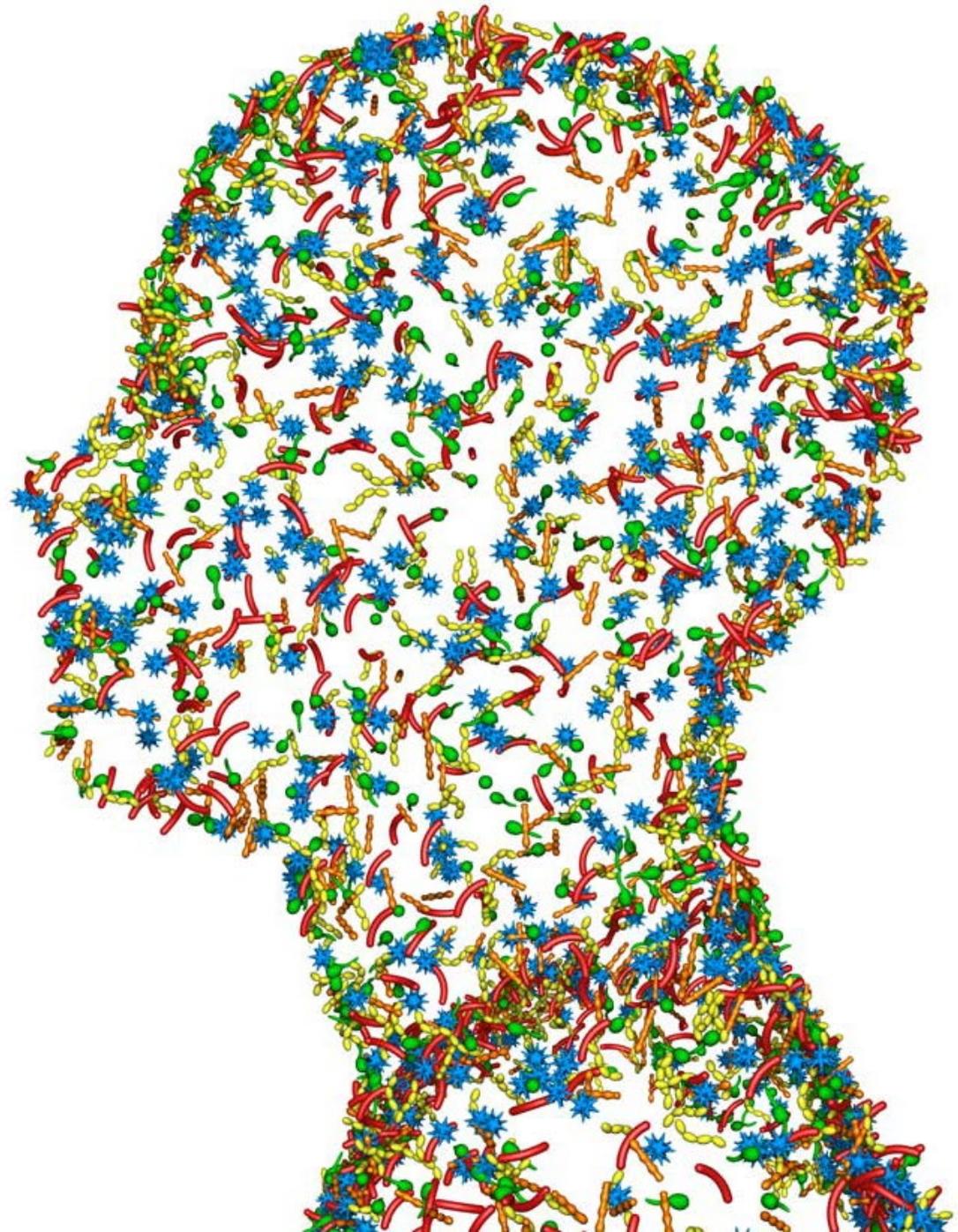
Focus on basic skincare over makeup





Era of at-home beauty and self-care

Increasing interest in skin microbiome



Beauty
Trends

Clean Beauty



Clean beauty is believed to be safer for skin

77%

Female respondents agree that clean beauty products are safer than others.

74%

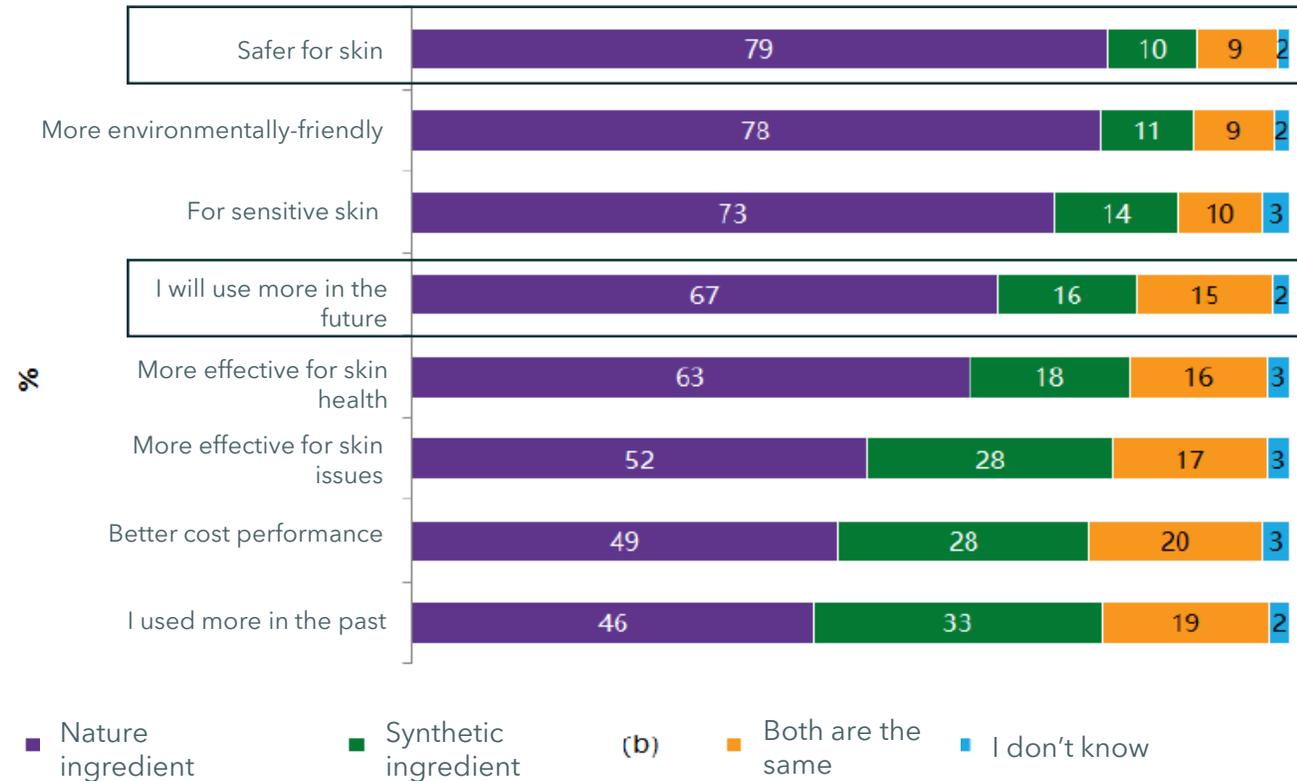
Female consumers (aged 18-49) believe beauty brands should support environmental protection and sustainability.

基数: 3,909 名过去6个月买过美妆产品的18-49岁互联网用户



Safety trumps effectiveness

Q: Which type of ingredient for facial skincare products best meets the following conditions?



Demand for natural and plant-based ingredients



Vegan Beauty: ethical and sustainable products



Beauty
Trends

Ingestible Beauty

High demand for “ingestible beauty” in China

Market value and forecast of China's beauty supplement market



■ Ingestible beauty products launched in China



South Korea
functional food
market expected
to reach \$21B
by 2030

Japan innovating in functional foods





Almonds & Beauty

Almonds have a
strong link to
skincare &
beauty
in all three
markets



Among the set of competitive nuts, almonds have the strongest fit in consumers minds with being **good for skin** and **for beauty**



Despite owning
these attributes in
Japan and South
Korea

20-30% “don’t know”

indicating room for
almonds to
strengthen
ownership.

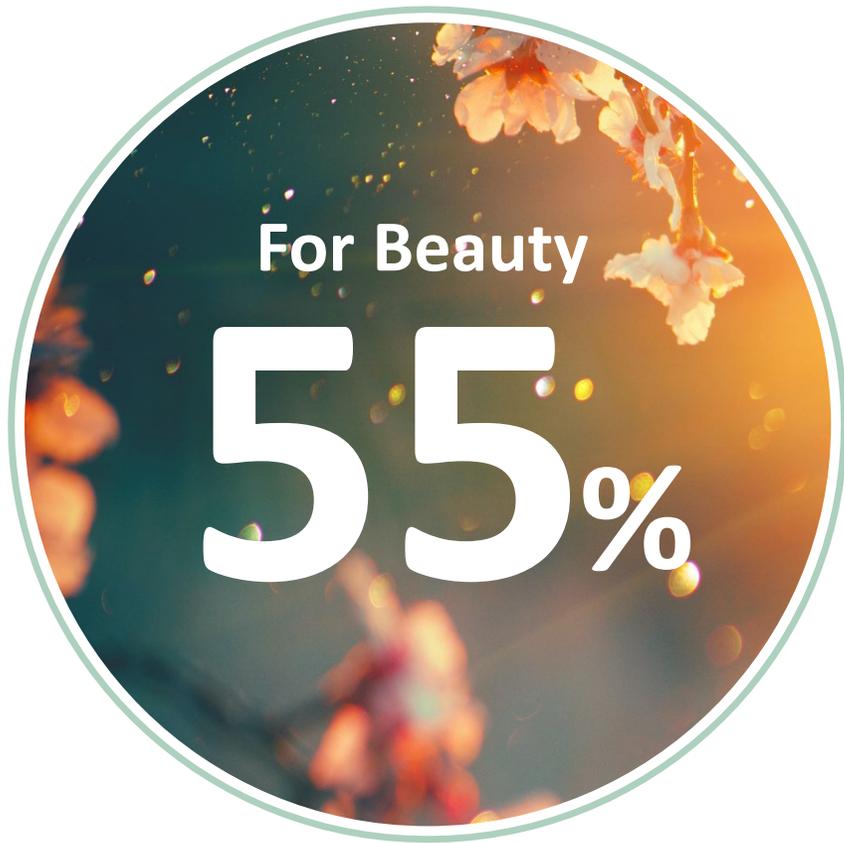
While almonds also have the
strongest alignment on these
attributes in China,
almonds could strengthen by
stealing association from other
nuts.

Japanese consumers find **skin and beauty** related benefits to be highly motivational and feel these would have a positive impact on their likelihood to **eat more almonds**



% much more likely to eat more almonds because almonds...

“Are good for my skin”	36%
“Can reduce wrinkles”	35%
“Are good for my hair”	34%
“Helps me be beautiful from the inside out”	32%
“Are high in vitamin E”	30%



Almonds are
rated as
delivering
excellently or
good
by more than
half
of Japanese
consumers on
aspects related
to beauty and
skin

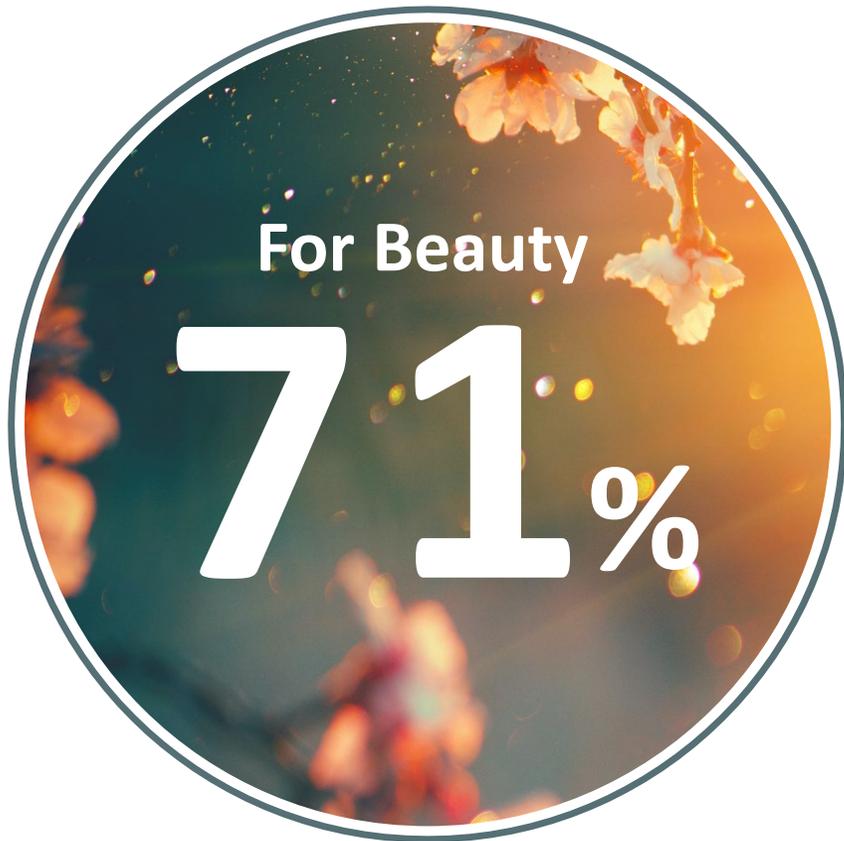


Chinese consumers find **skin and beauty** related benefits to be highly motivational and feel these would have a positive impact on their likelihood to **eat more almonds**



% much more likely to eat more almonds because almonds...

“Are high in vitamin E”	40%
“Helps me be beautiful from the inside out”	40%
“Are good for my skin”	38%
“Can reduce wrinkles”	38%
“Are good for my hair”	38%



Over 70%
of Chinese
consumers
credit almonds
as excellent /
good for their
alignment and
delivery on
skin / beauty
benefits

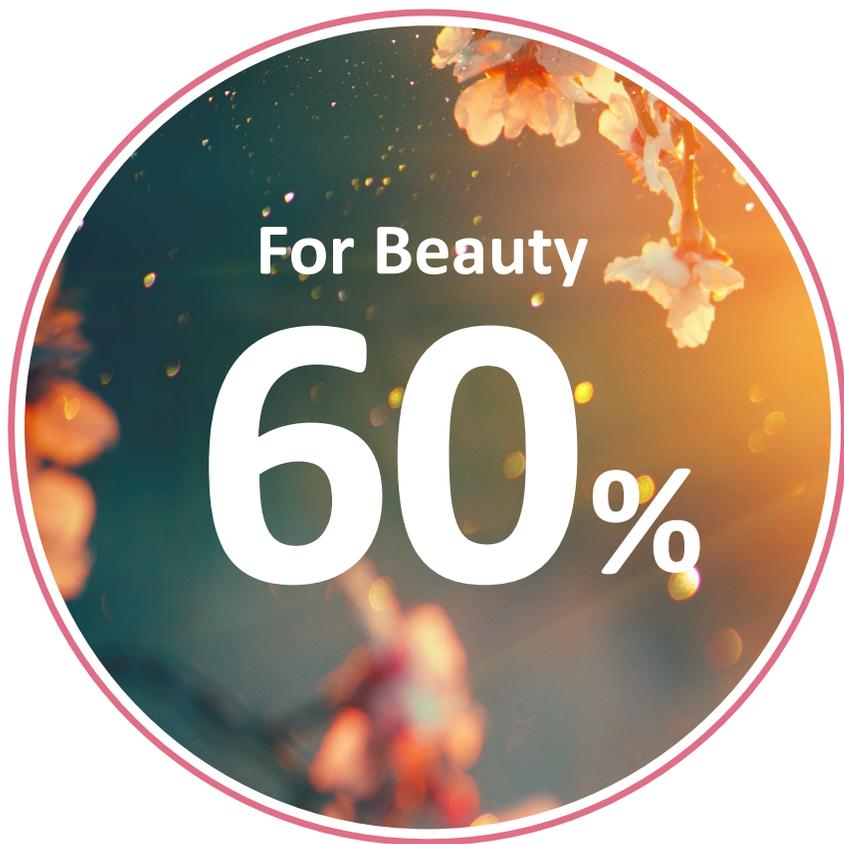




Consumers in
South Korea
place the highest
motivational impact on
almonds and the
skin / beauty benefits
they provide

% much more likely to eat
more almonds because almonds...

“Can reduce wrinkles”	44%
“Are good for my skin”	42%
“Are good for my hair”	41%
“Are high in vitamin E”	40%
“Helps me be beautiful from the inside out”	37%



60%
of consumers
in South Korea
rate almonds
excellent/good
on skin and
beauty aspects



A recent segmentation study identified a new consumer target in China.

This new target is comprised of two consumer targets, both of which are highly interested in personal beauty and/or skincare.



Beauty-Focused Snackers

Middle-to-older aged with higher education and income, for whom life can be overwhelming and frustrating. Most concerned with appearance and looks, though personal beauty is more about physical aspects and not skin/appearance.



Balanced, Healthy & Into Looks

Younger, married group that is tied for largest. In control and successful, they have their lives figured out. Looks and fashion are very important, and they take extra time on their skin and skincare. Strive to look healthy and have a young appearance. Proactive in food choices, eating healthy is easy.



Program Updates



China Program Update

China Market Overview



China is the
3rd largest export
market for ABC



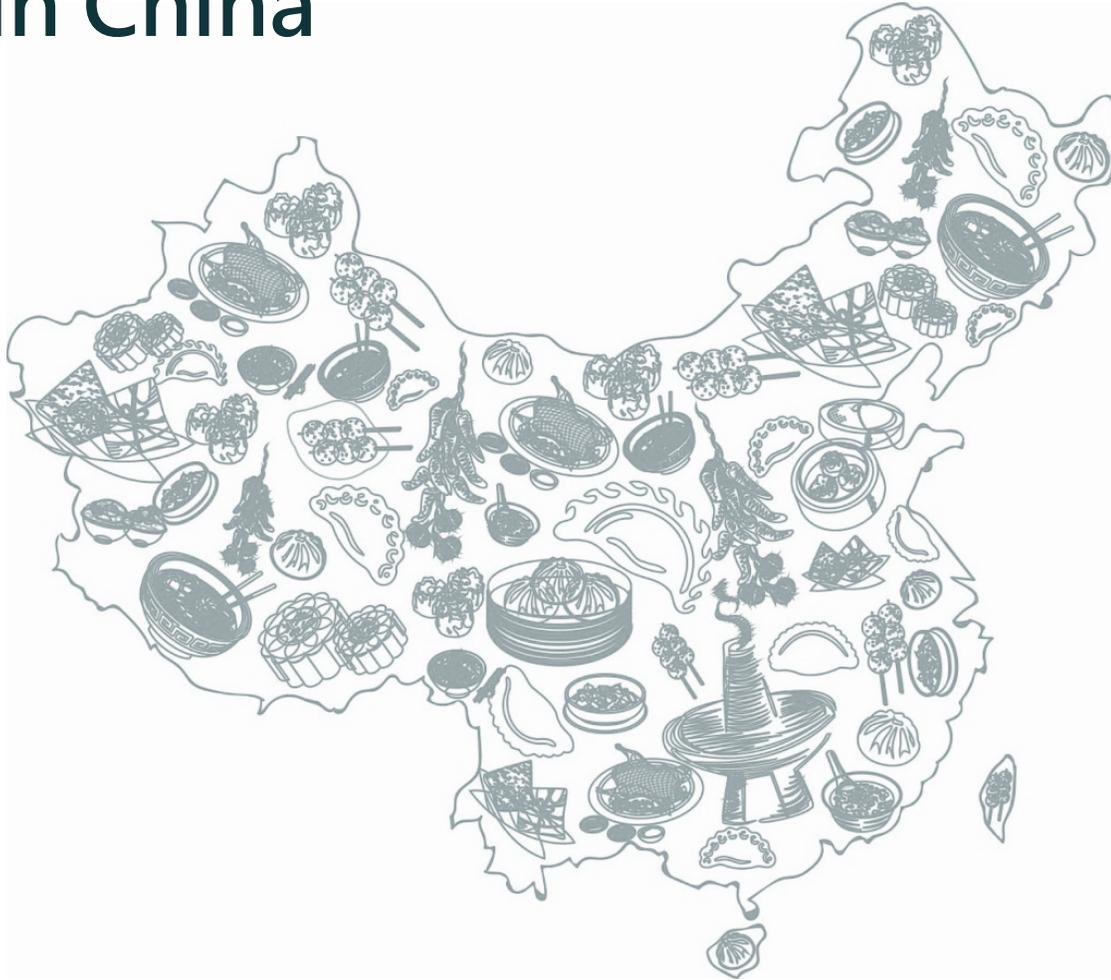
2020/2021 ended
with volume up

65% vs 2019/2020



Skin beauty positioning continues to
deliver
positive
consumer perceptions and influence
purchase intent

Almonds continue to be the popular snack and ingredient in China



#1

Snack

Association over other nuts

#1

Chocolate

Association over other nuts

#1

Bakery

Association with walnuts over other nuts

California Almonds Redefines Skin Beauty with an Evolved Message

From:

Eat Beautiful

To:

Eat Healthy, Eat Beautiful



Expand target audience to engage new consumers. Include 21-24-year-old women.



Total target population expanded from 7M to 15M



New Cities Expansion



Integrated Communications



Online thematic video & banners



Beauty 123 Integrated Consumer activation



Coverage in lifestyle/beauty and F&B media



Health Professionals Endorsement



Social KOL/KOC posts



Trade Show & Nuts Association Conferences



E-commerce promotion



Consumer Programs

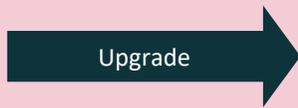
Consumer Programs

Skin Experts Program

SEPT 2020
Skin Experts Media Event



Offline Media Workshop



Skin Experts Program 2.0

AUG/SEPT 2021
Beauty 123 Campaign



Livestream @Weibo

Skin Test H5

Creative Assets: Thematic Video "Magic hand 2.0" to support throughout the year
Social KOL/KOC endorsements and ongoing content sharing

E-commerce Campaign

MAY/SEPT 2020 + SEPT 2021
E-commerce Promotion @ Tmall



Skin Experts Program 2020

Media & KOL Event

In May 2021, we collaborated with a skin expert and nutritionist for an offline event. The content generated by target media, KOLs and consumers brought

54,298,485 impressions

EVENT KEY VISUAL



MEDIA EVENT



- Dermatologist Dr. Huang and nutritionist Dr. Jin explained the tips of skincare by eating almonds
- Interaction session: skin test and expert counsel

MEDIA STORIES KOL/KOC POSTS



- 29 media stories
- 26 KOL/KOCs posts on Red

California Almonds: Beauty 123

A Talk-show Format Livestreaming

36,250,000 total views (170% Growth YOY)

- 4 health professionals + 4 beauty KOLs
- 3 real-life scenarios generating the most common skincare myths



A Skin-age Test App

688,270 total page visits (18% Growth YOY)

- Daily routine question answering and selfie to test the skin age and condition
- Personalized skincare advice from health professionals



E-commerce Promotion

on Tmall with almond retail brands

Collaborated with **Foodie Festival every September** – integrated all online and offline resources to expand our reach and coverage for skin benefit education and motivate consumers to buy almond snacks and beverage through super discounts offered by retail brands.

california almonds™

美食品类日

天猫

随食补充美

IP Collaboration with Tmall
On "917 Foodie Day"

Impressions Achieved
12,091,001



MAY 2020 PROMOTION
Impressions Achieved
12,091,001

Foodie Festival Promotion

An Integrated Approach for Maximum Impact



Offline Event



OTV/Weibo/Baidu/App

Impressions: 133,262,179



E-commerce platform in-site promotion

Biggest Spot On Tmall Homepage

Small landing page with interaction incentives



Driving Traffic to Tmall

Education Awareness & Conversion

Content: 4 Exclusive Livestreams + 134 Videos/Posts



Interactions (with incentives) Skin test/Invite friends/View products 30,000+ participators



18 Brands joined New participants: Almond Milk





Trade Programs

FY 20/21 Key Programs for Trade Communication

Trade Webinar

Empower trade partners to strengthen trade relations

2021 SIAL

Strengthen California Almonds' presence for all stakeholders

Nut Association Events

Be a reliable and supportive partner for the industry

Post-COVID-19 Pandemic

Online webinar to maintain ABC's presence

Total viewership reached **3,589** | Information from **410+** participants | Average viewing time was **52** minutes

Foodtalks 直播
洞察坚果品类升级 & 在线产品品鉴
坚果品类市场规模高达1766.4亿元!
2021年4月9日 (周五) 19:00-20:30

- Innova深度解析:**
新时代与新世代下的坚果品类创新
肖武恺
Innova Market Insights资深市场分析师
- 加州巴旦木协会分享:**
新时代与新世代下的加州巴旦木品类创新
Connie Cheung
美国加州巴旦木协会中国区顾问
- 技术型吃货:**
线上品鉴: “坚果猎奇大赏”
钱程, 蓉蓉
技术型吃货联合创始人

扫码进入直播间 免费观看

FB!F

MARS
Tomorrow starts today

百味
Be & Cherry
Three Squirrels

Nestlé

洽洽
Chacha

良品铺子
BESTORE

Date:
April 7, 2021

Theme:
New era, new generation: the upgrade of the nut category

Speakers:
Innova: Kevin
ABC: Connie
KOL: iFoodGeek

FOODAILY 每日食品 × GG! 创新 × California almonds × INNOVA MARKET INSIGHTS

千亿植物基市场, 巴旦木有哪些机遇?

肖武恺
Innova Market Insights
资深市场分析师

Connie Cheung
美国加州巴旦木协会中国区顾问

直播时间:
4月28日 周三
19:30-20:30

分享内容:
1. 植物基呈跃进势发展, 市场潜力巨大
2. 健康成为消费者选择植物基产品的首要驱动因素
3. 产品创新多元发展, 各类植物基产品层出不穷
4. 植物基跃进趋势下, 加州巴旦木的发展创新机遇解析

Foodaily每日食品

直播中 | 603人次

直播中 | 956人次

直播中 | 1347人次

DANONE
Fonterra
洽洽
光明
统一企业
三只松鼠
Three Squirrels

Date:
April 28, 2021

Theme:
Opportunities for almonds amid plant-forward trends

Speakers:
Innova: Kevin
ABC: Connie

SIAL China 2021

42

media stories in food industry
media

200+

new followers of Official
WeChat account



Nut Association Conferences 2021

April 2021 CNSA Conference @ Hefei



150+ tins, **120+** technical kits, and **40+** California Handler and Trade Source Lists

153 new followers of Official WeChat



Video Speech from ABC

Richard Waycott shared updates about recent supply trends, production and shipment status

Connie Cheung shared key marketing insights from ABC

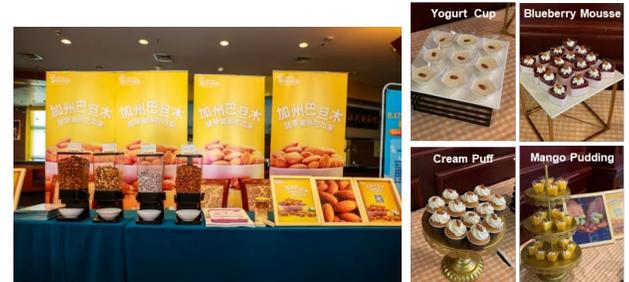
Oct 2021 CNSA Innovative Product Awards @ Wuhu



120 enterprises provided **200 types of products** for the selection.



3 of 18 selected products use California Almonds as ingredients.



Tea Break Sponsored by ABC

48 new followers of Official WeChat



ABC and Innova Video

ABC representative and Innova representative shared 'Opportunities with almonds in the plant-based diet trend'.



StayTuned
for another

Healthy Beautiful

Year



South Korea Program Update

South Korea Market Overview



Almond shipment in South Korea showed a steady increase and recorded an

all-time highest

in FY2021 (+37% vs PY), a 35% increase from the previous peak in FY18/19.



The only country in Asia with around

1.5 lbs per capita consumption.
(76M lbs / 52M population)



South Korea favors California almonds vs other origins –

California origin continues to dominate market at over

99% Market Share
over past 6 years.

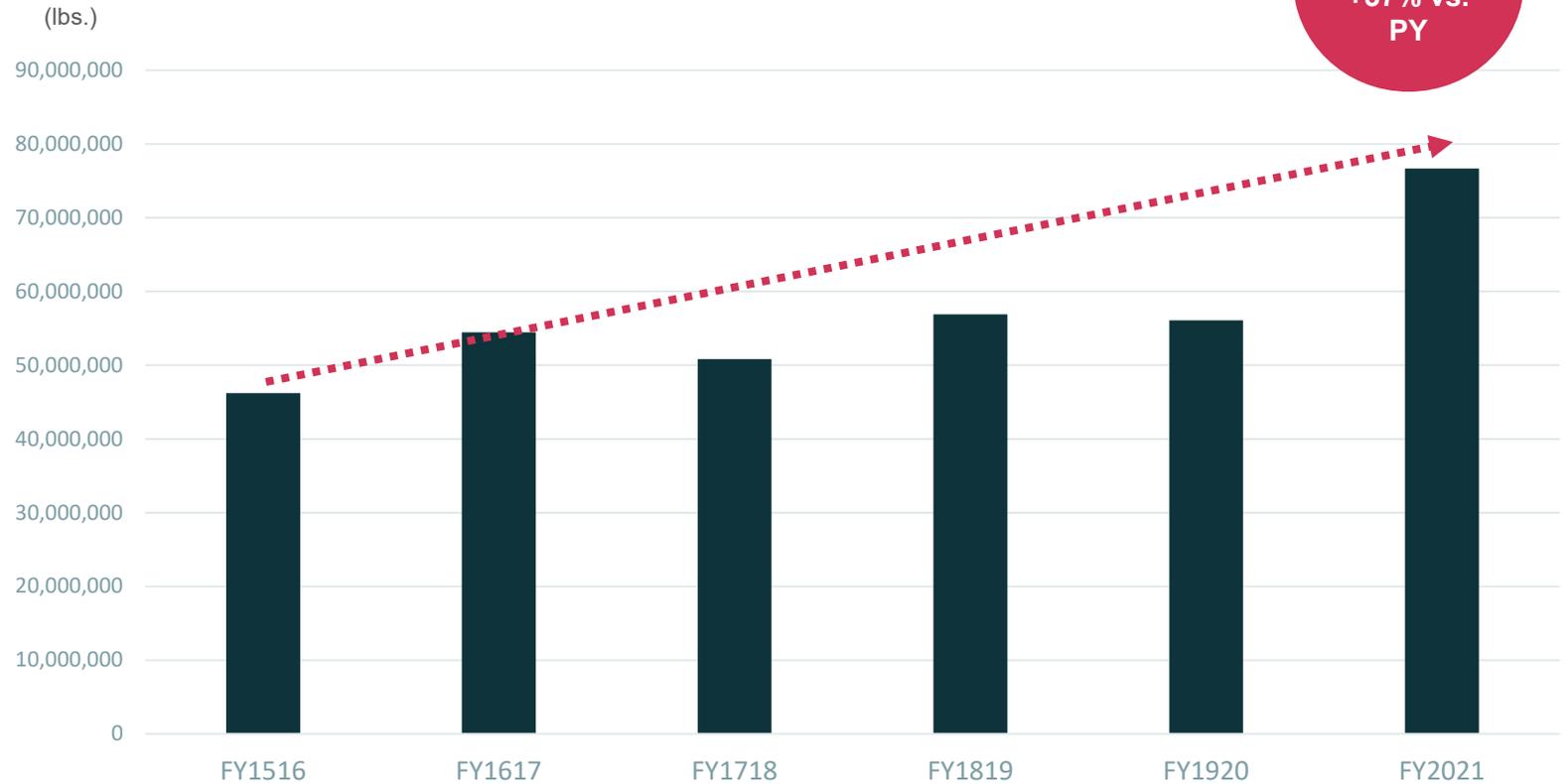


Almonds topped all other nuts for Top-of-Mind Awareness at

44%
(+2pts vs PY)

South Korea Shipments

Shipments steadily increased and reached their peak in FY20/21 (+37% vs PY). In FY20/21, per capita consumption is at 1.5 lbs/person.



Yearly Shipments to South Korea from FY15/16 to FY20/21

Almonds in South Korea

- Highlighted the

3 Key

nutrients and beauty-related benefits of almonds as a beauty snack

- Promoted almonds as a **beauty snack**

and their health benefits via 4-year beauty campaign

FOR BEAUTY

40% in 2019

▼
58%
In 2020

BEST FOR MANAGING WEIGHT

47% in 2019

▼
57%
In 2020

GOOD FOR SKIN

51% in 2019

▼
55%
In 2020

Almonds, Our Beauty Secret

Reinforce perception of almonds as the perfect beauty snack by **introducing ways to eat almonds as part of daily beauty habits**

Daily
Recommended
Amount

23 PER DAY

A Perfect Beauty Snack For
Women Who Want to Be
More Beautiful

Vitamin E

8 mg, 67% DV

Best Source of Vitamin E
For Skin and Hair health

Protein

6 g

Ideal Plant-Based
Protein Source
For Weight Management

2021 Consumer Event Programs

MEDIA ACTIVITY



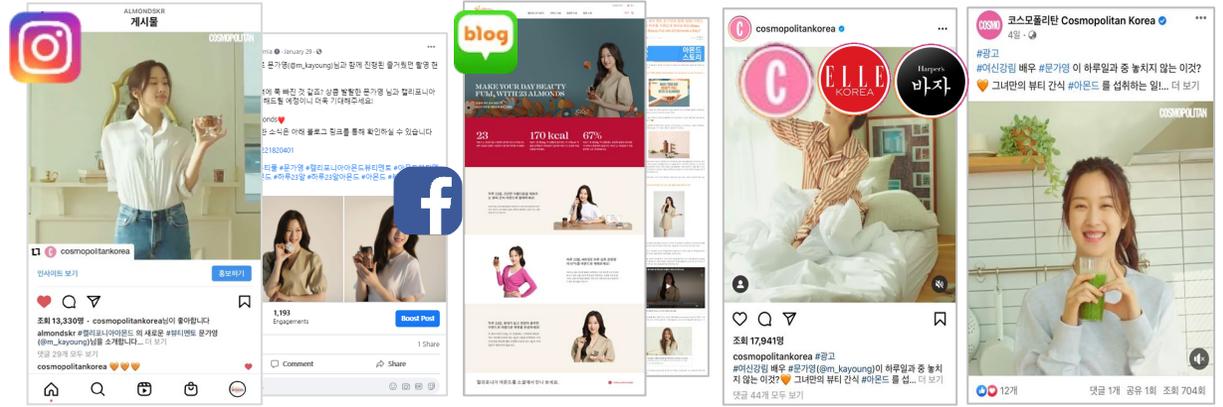
OOH



MEASUREMENT

- More than **43** media coverage
- Over **45.1** million impressions

ONLINE ACTIVITY



2021 Consumer Event Programs

YOUTUBE CREATOR



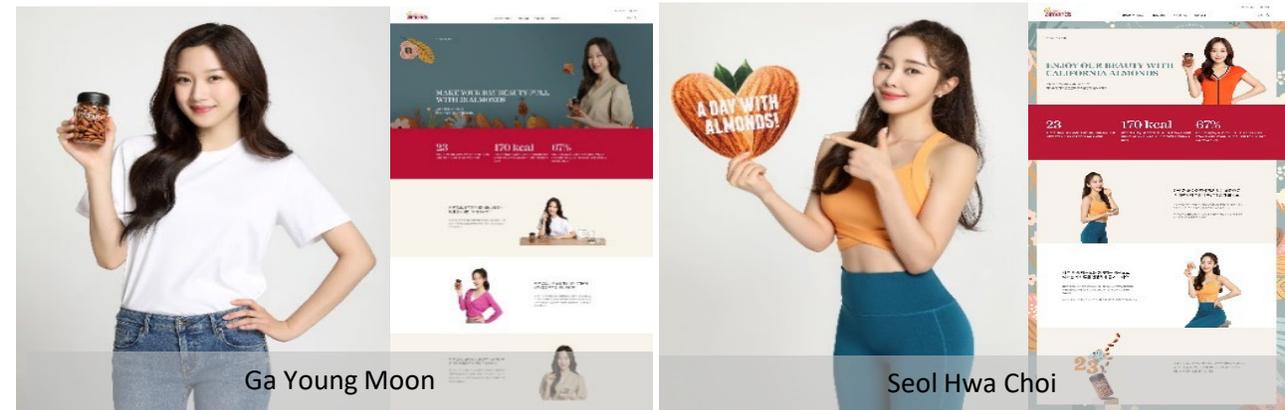
INSTAGRAM INFLUENCERS



MEASUREMENT

- Total of **808** social media posts
- With **105** influencers
- Over **35** impressions
- About **31** million engagements

PROFESSIONAL INFLUENCERS



Ga Young Moon

Seol Hwa Choi

2021 Digital Marketing Programs

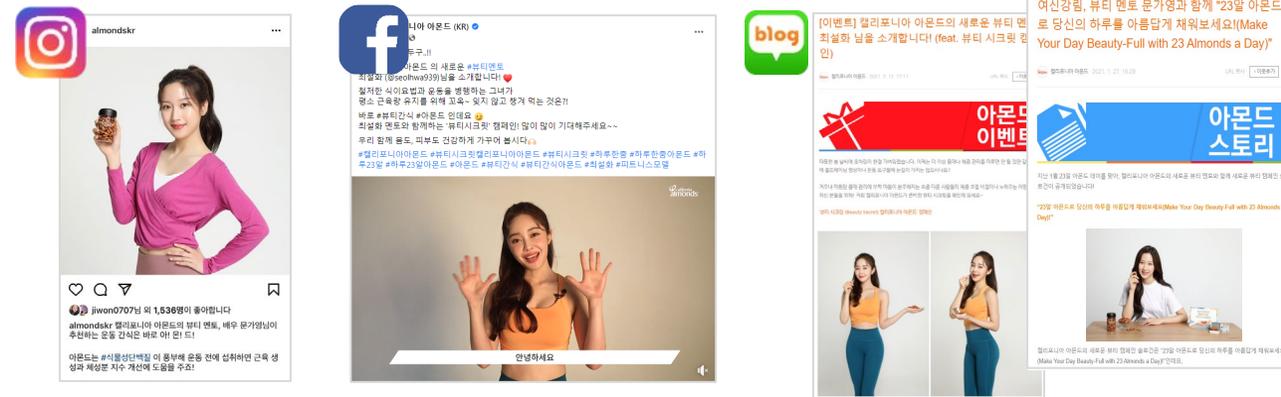
SOCIAL MEDIA MANAGEMENT



MEASUREMENT

- **55%** increase in IG followers
- Total of **175** social media posts
- Over **21** impressions
- About **2146k** engagements

SOCIAL MEDIA PROMOTIONS





Japan Program Update

Japan Market Overview



Japan is

8

Export Market
for ABC.



Almond shipments to Japan have
increased over the past 5 years
and recorded its

**highest
volume**

in 2020/21 (+3% vs PY).



Japan favors California Almonds
vs other origins –

California origin continues to
dominate the market at over

97% - 99% Market
Share

over the past 5 years.



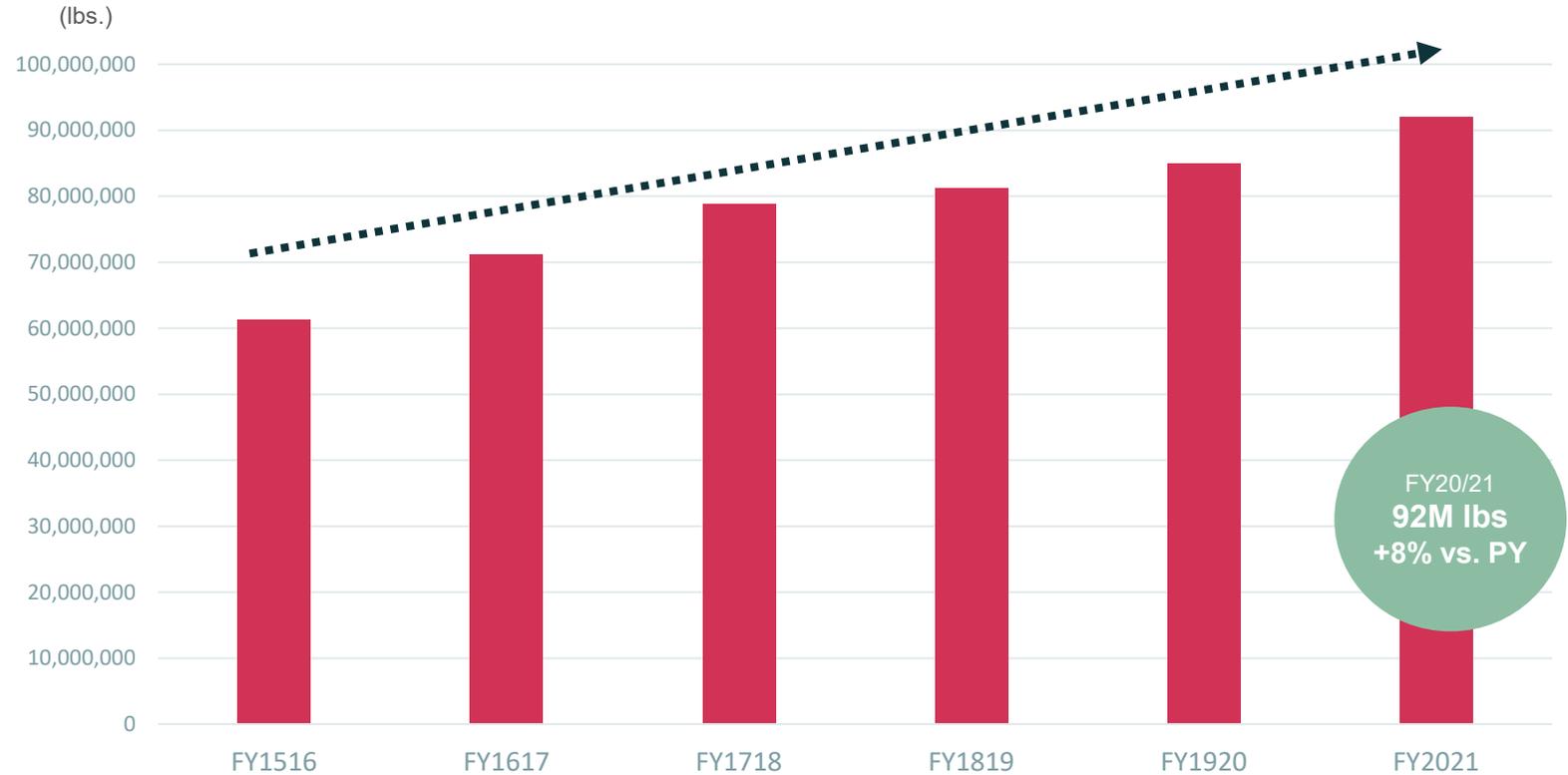
Almonds remain the most

**well-
known nut
consumed
nut**

in Japan and continue to be
the most
in Japan (AAU 2020).

Japan Shipments

Shipments are increasing at a steady rate every year (92 million lbs, +8% vs PY).



Yearly Shipments to Japan from FY15/16 to FY20/21

Almonds in Japan

- Promoted almonds as a **beauty snack**

by highlighting the beauty and health benefits focusing on Vitamin E

- Almonds took the

1

spot as the “go-to snack” in Japan in 2020

FOR
BEAUTY

55%

In 2020

GOOD
FOR SKIN

50%

In 2020

BEST FOR
MANAGING
WEIGHT

54%

In 2020



A Beautiful Life with Almonds

Continue to promote as an ideal beauty snack for Japanese women by:

- 1 Educating audiences on the beauty and health benefits of almonds
- 2 Introducing new ways to enjoy almonds
- 3 Creating new ways to experience almonds

FY18/19	FY19/20	FY20/21	FY21/22
E-ne Almonds!	A Beautiful Life with Almonds		
Focus on Vitamin E	Connecting Vitamin E and Beauty / Health		



2021 Consumer Event Programs

ONLINE MEDIA EVENTS



PR CAMPAIGN (CALIFORNIA ALMOND FAIR)



MEASUREMENT

- More than **200** media placements
- Over **66 million** impressions

MEDIA OUTREACH

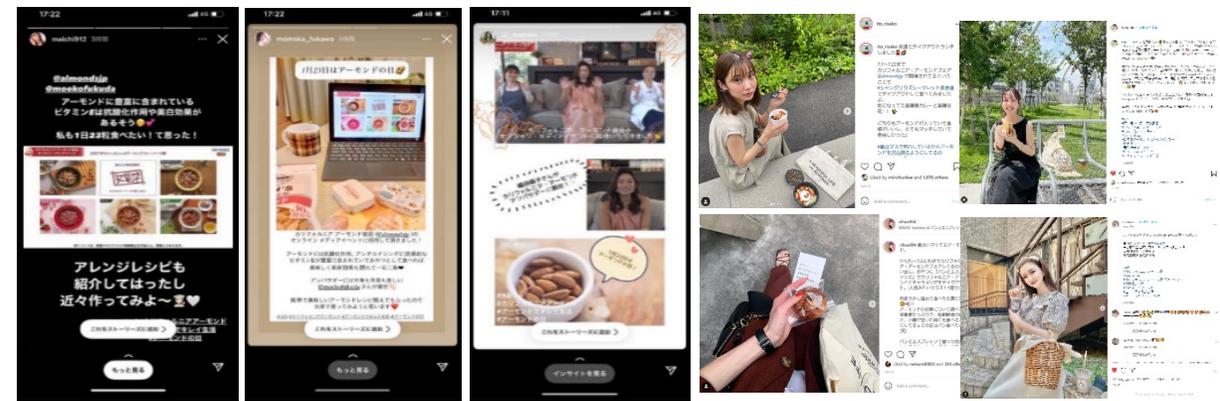


2021 Spokesperson Programs

AMBASSADOR VIDEO



INSTAGRAM INFLUENCERS



MEASUREMENT

- Total of **145** social media posts
 - With **3** spokespeople
 - And **70** influencers
 - Over **12** million impressions
- million**

SPOKESPERSON



2021 Digital Marketing Programs

SOCIAL MEDIA MANAGEMENT



MEASUREMENT

- **+2200** increase in IG followers
- Total of **190** social media posts
- Over **92.8 million** impressions

SOCIAL MEDIA PROMOTIONS



2021 Trade Programs

COOKING AND PROFESSIONAL ENGAGEMENT



MEASUREMENT

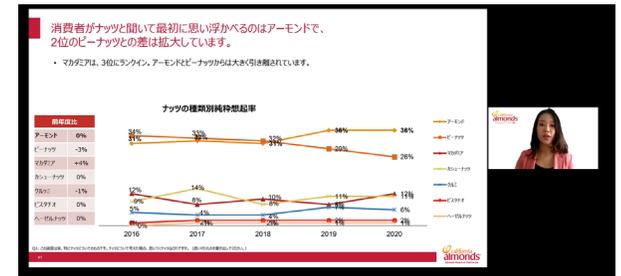
FOOD PROFESSIONAL ENGAGEMENT

- Total of **190** social media posts with **26,798** likes

TRADE MEDIA OUTREACH

- More than **124** media placements
- Over **39 million** impressions

ONLINE TRADE SEMINAR



CONTINUING BEAUTY CAMPAIGN

“A Beautiful Life
with Almonds”

アーモンドで、
キレイ生活。

California Almonds

