

A person wearing a hat and a vest is walking away from the camera on a dirt path that runs through a lush green almond orchard. The trees are dense and healthy. The sky is clear and blue. The overall scene is bright and sunny.

2023

THE ALMOND CONFERENCE

Connecting the Dots

GROWERS // HANDLERS //
CUSTOMERS // CONSUMERS

Welcome State of the Industry 2023





What's the tune for 2024 and beyond?

Economic outlook at a glance

David Magaña
VP- Senior Analyst
RaboResearch Food & Agribusiness

The State of the Industry Session
The Almond Conference

December, 2023



What a Difference a (Year) Makes

2022

2023

Logistics constraints

Deficit irrigation

Input prices

Severe drought

Containers

Pollination challenges

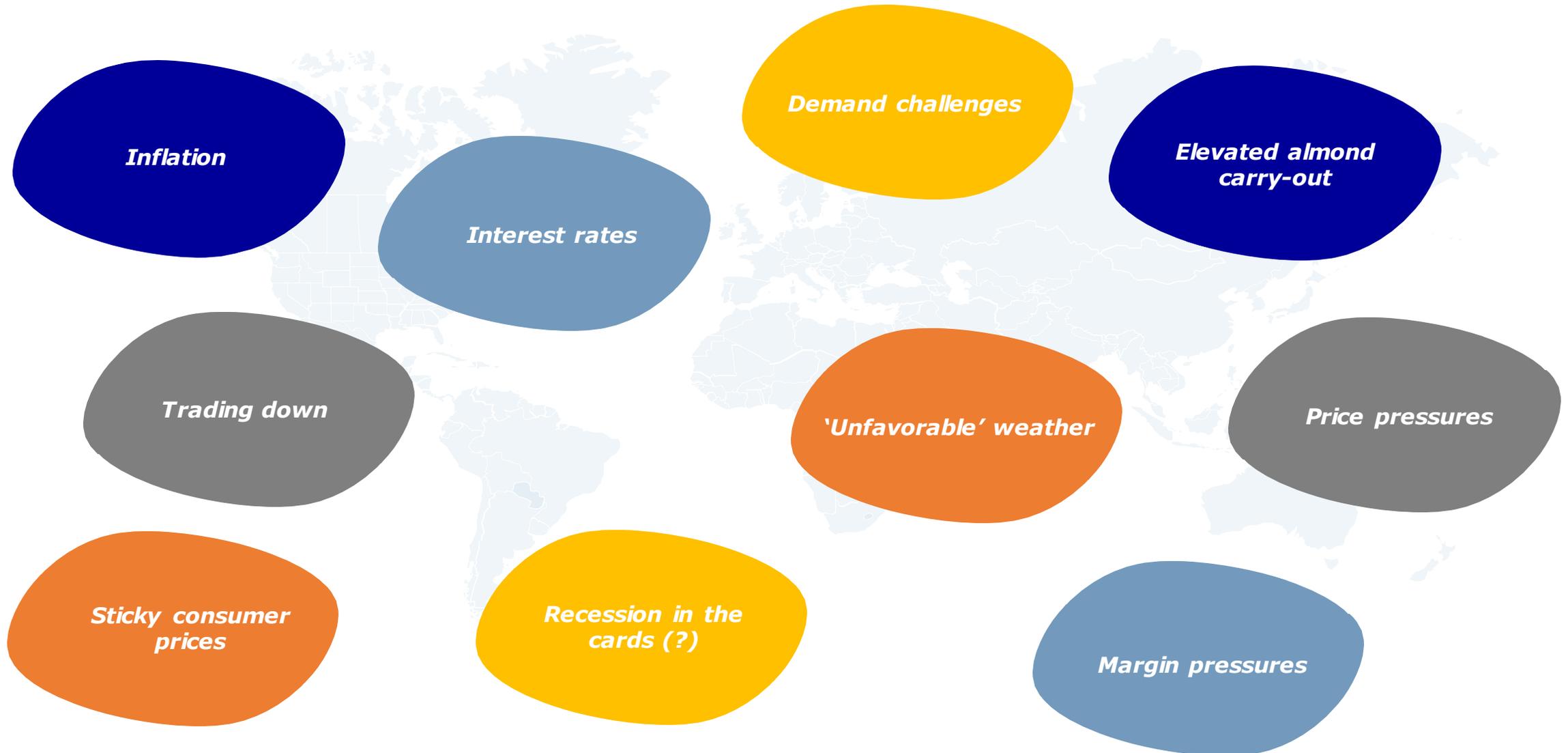
Water recharge

Insect damage

Atmospheric rivers

El Niño phenomenon

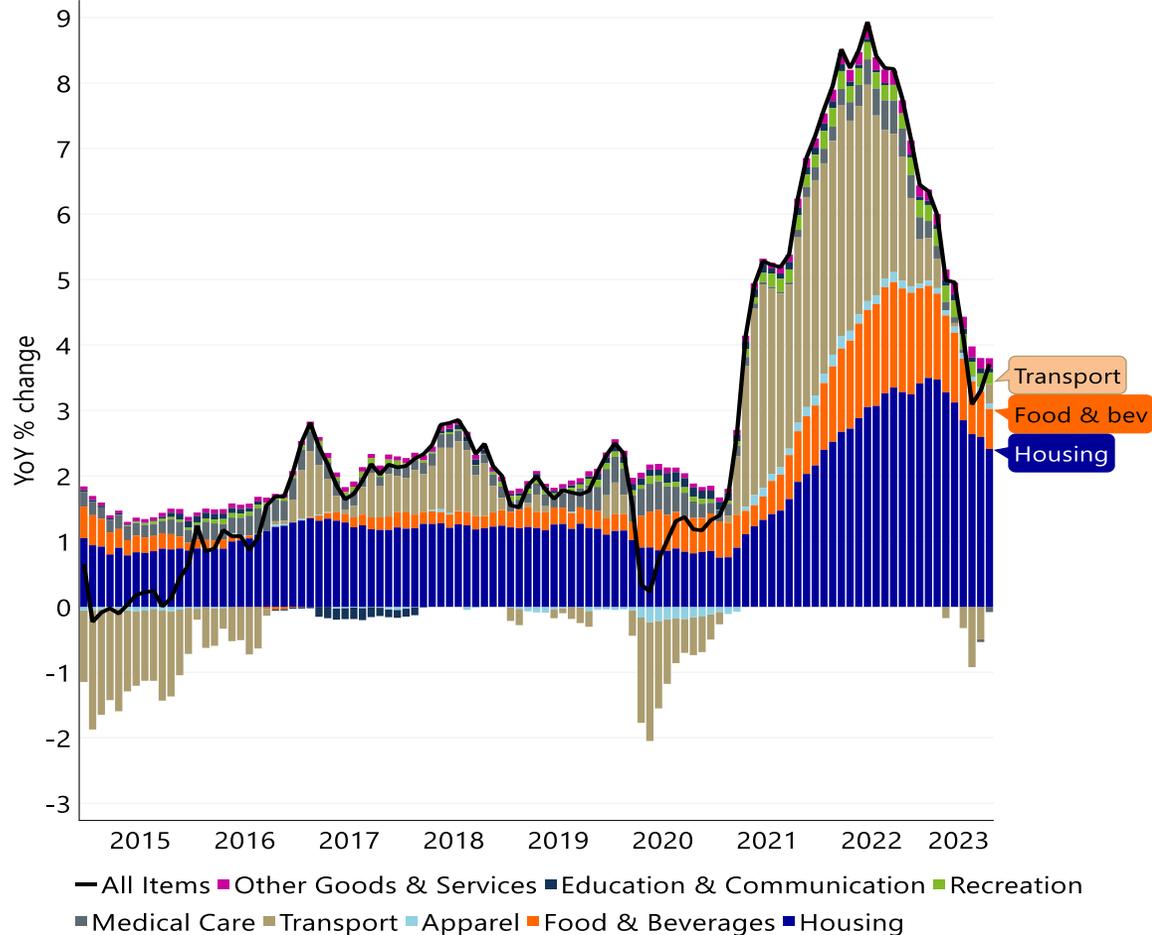
Same Trailer, Different Park?



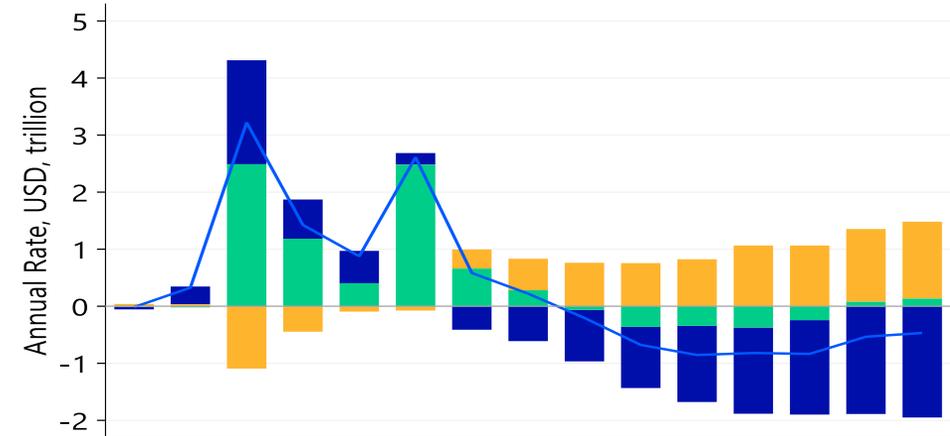
Inflation hitting consumers' wallets

CPI on the rise again

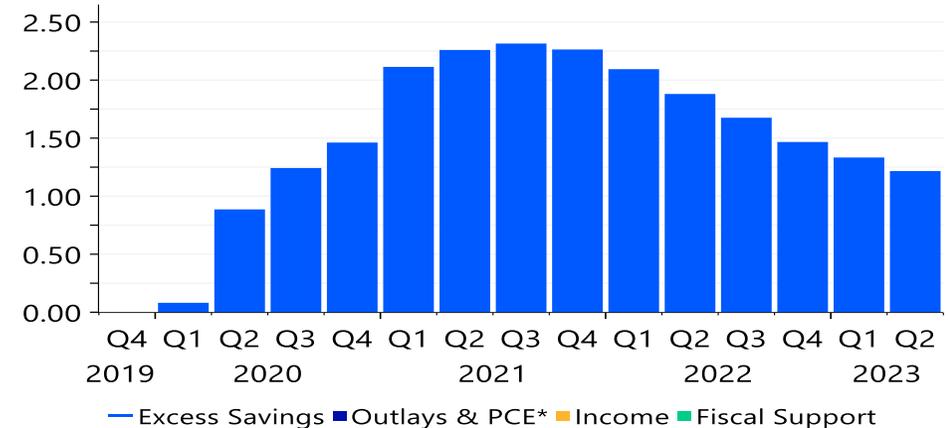
United States: Contributions to inflation



Consumer savings are declining



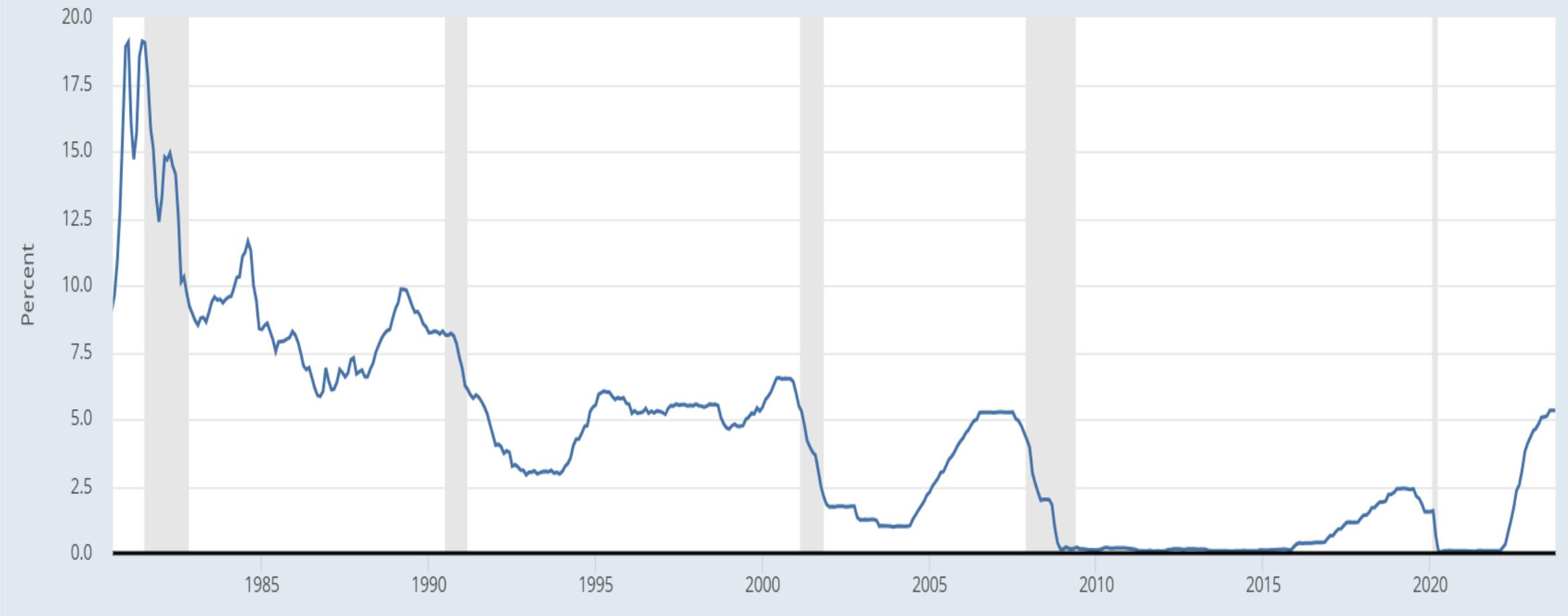
Aggregated stock of excess savings (USD billions)



Steeper and higher than anticipated



Federal funds effective rate, 1982-2023

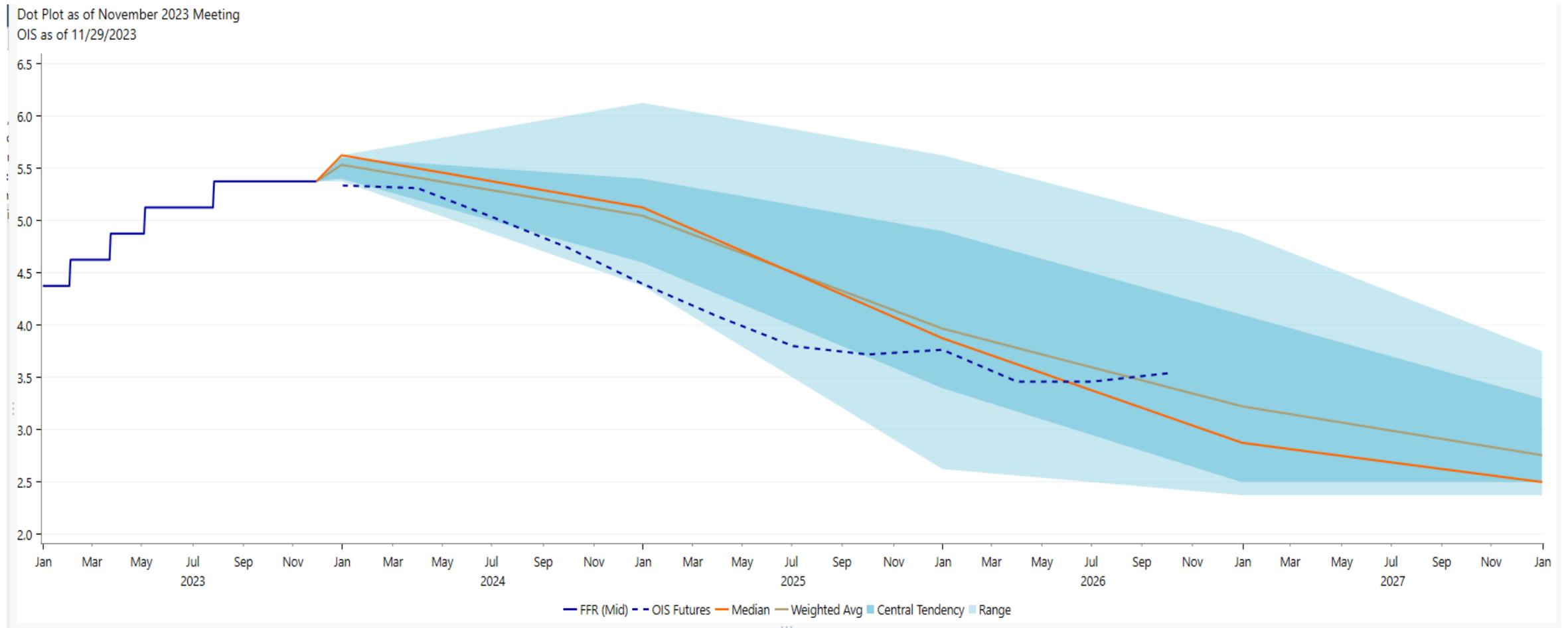


*Shaded areas indicate U.S. recessions.

Source: FRED St. Louis Fed 2023

Higher for longer?

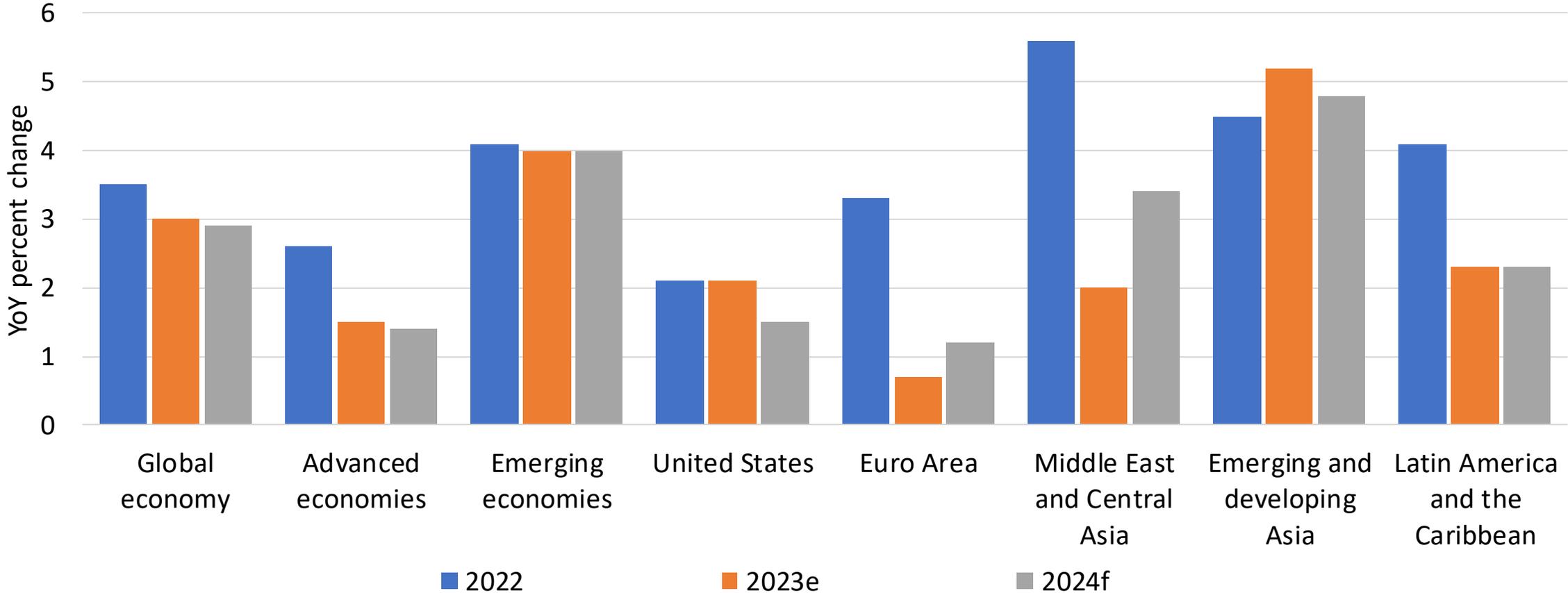
Federal fund rate (based on Federal Reserve's Dot Plot Chart), November 2023



Soft landing after all?



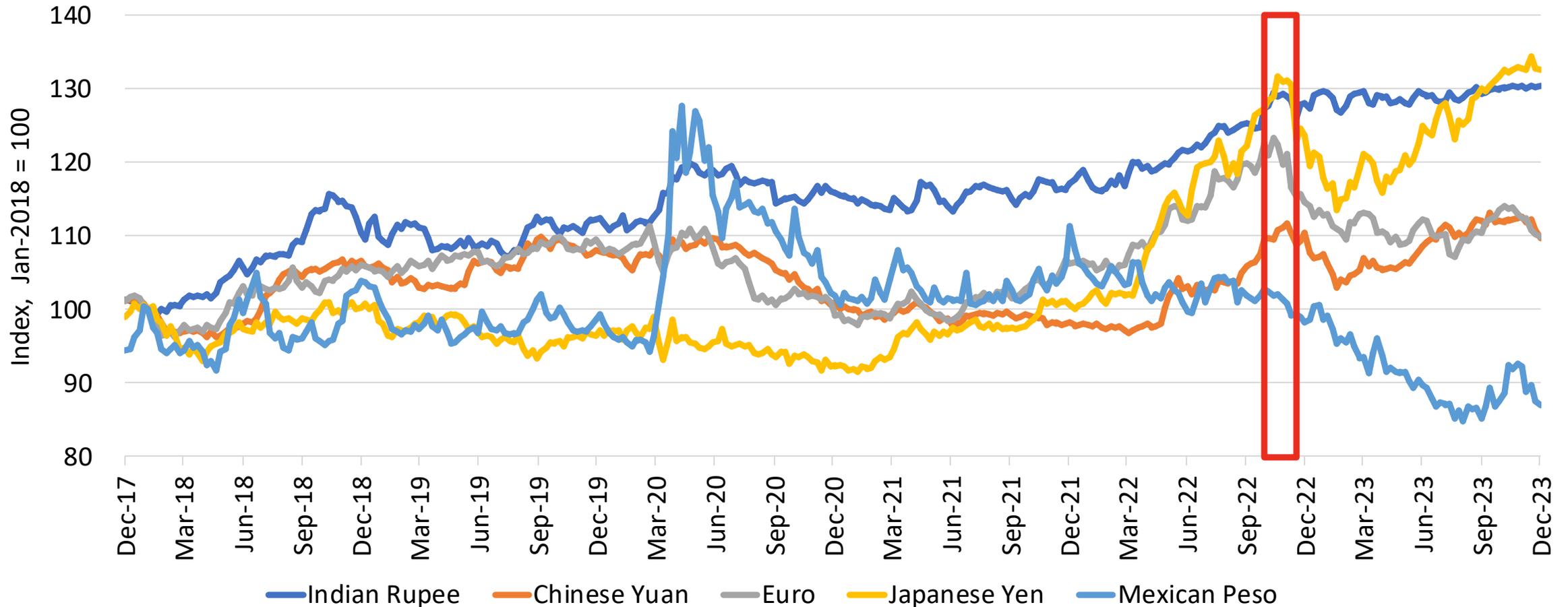
Real GDP growth, 2022-2024f



Source: IMF, World Economic Outlook, October 2023

FX, another piece of the puzzle...

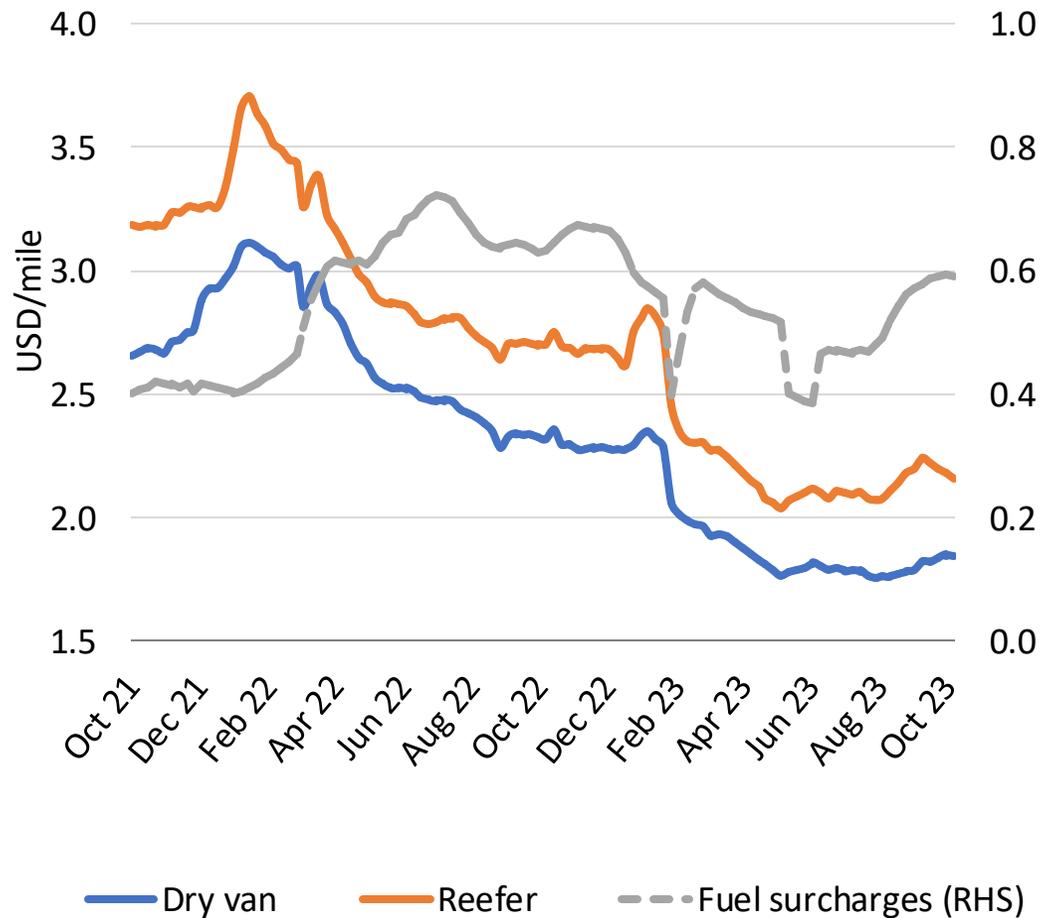
Strength of the US dollar against selected currencies, 2018-2023



Freight: trucking and ocean containers

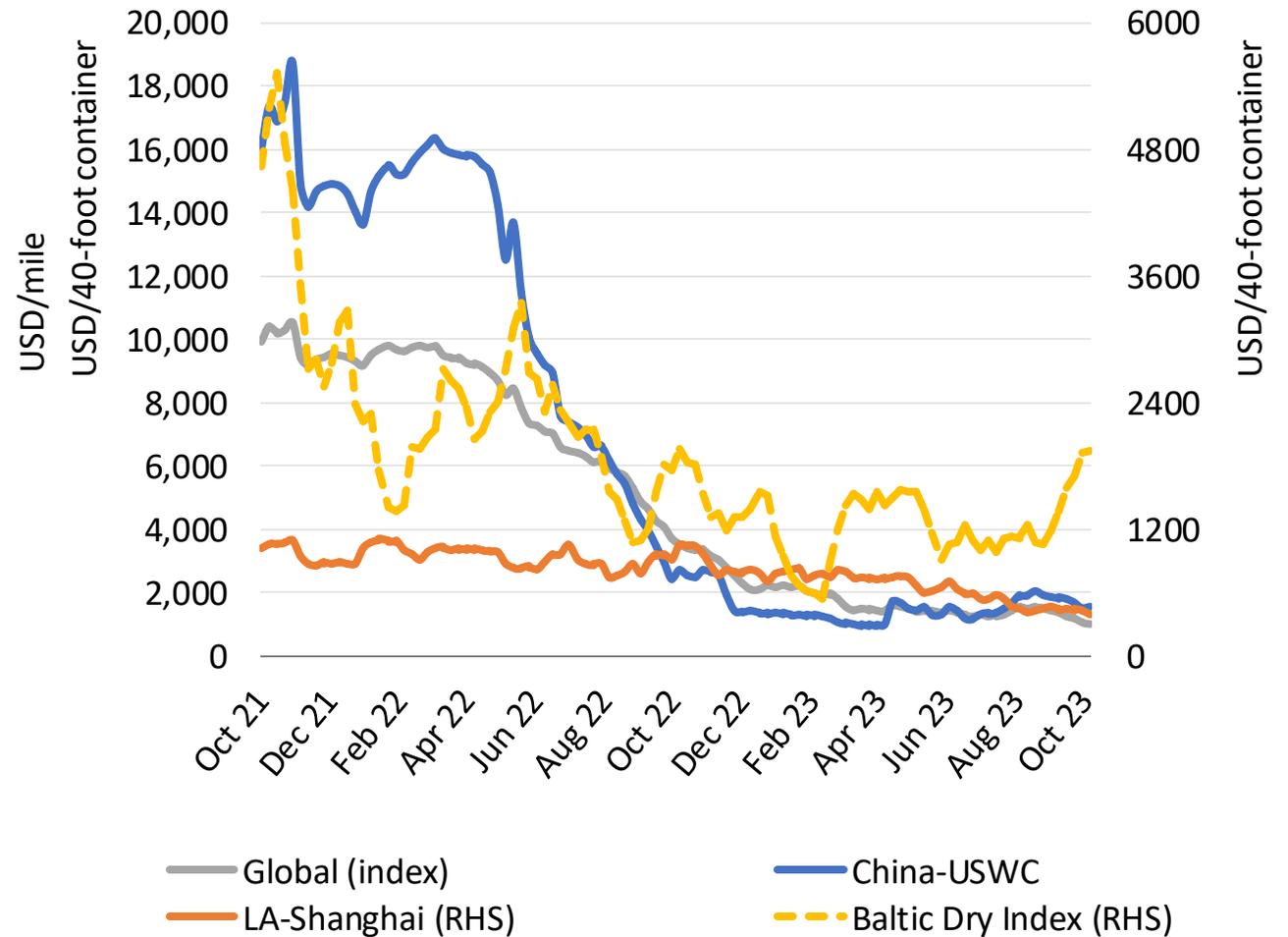


National trucking spot rate average



Source: Truckstop.com, Bloomberg, Rabobank 2023

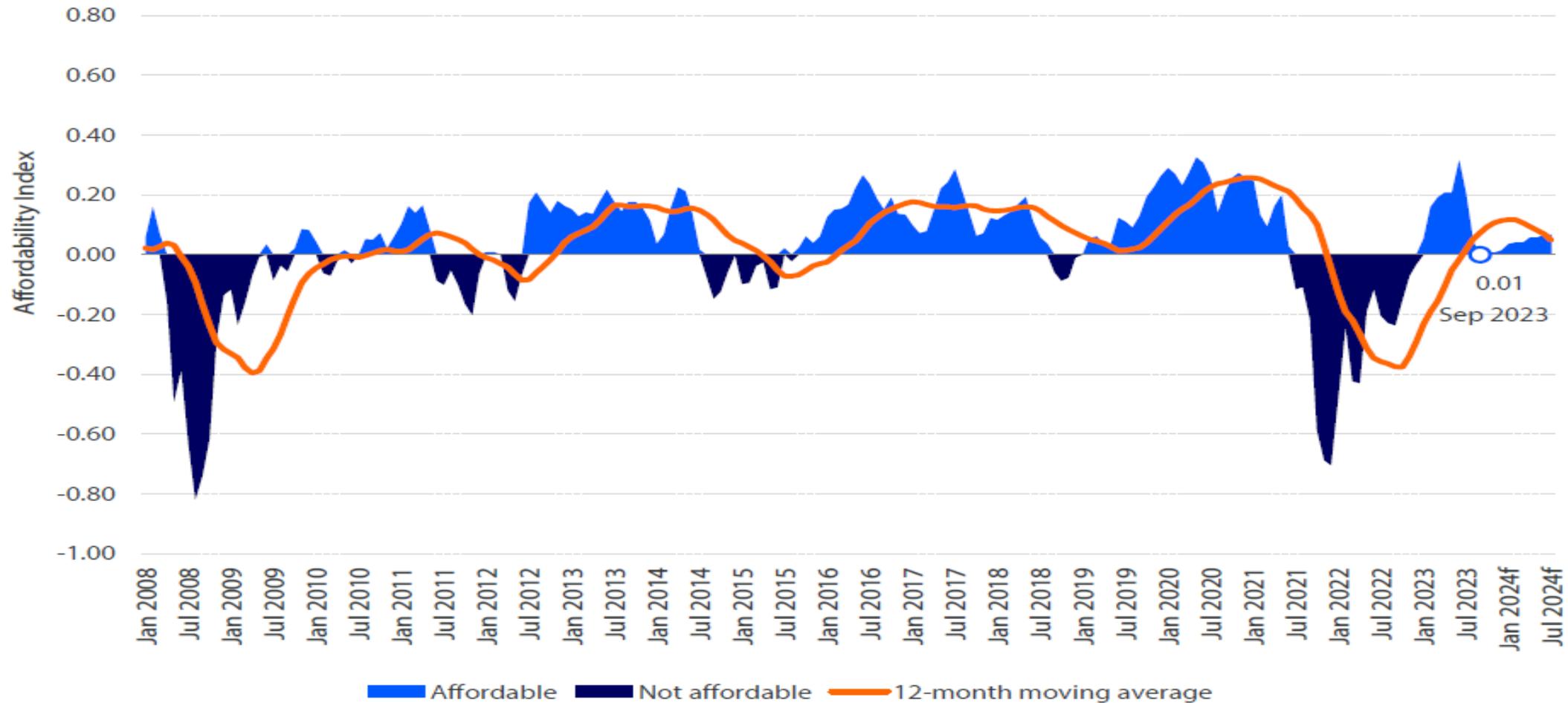
Ocean container spot rates



Source: Freightos, Baltic Exchange, Rabobank 2023

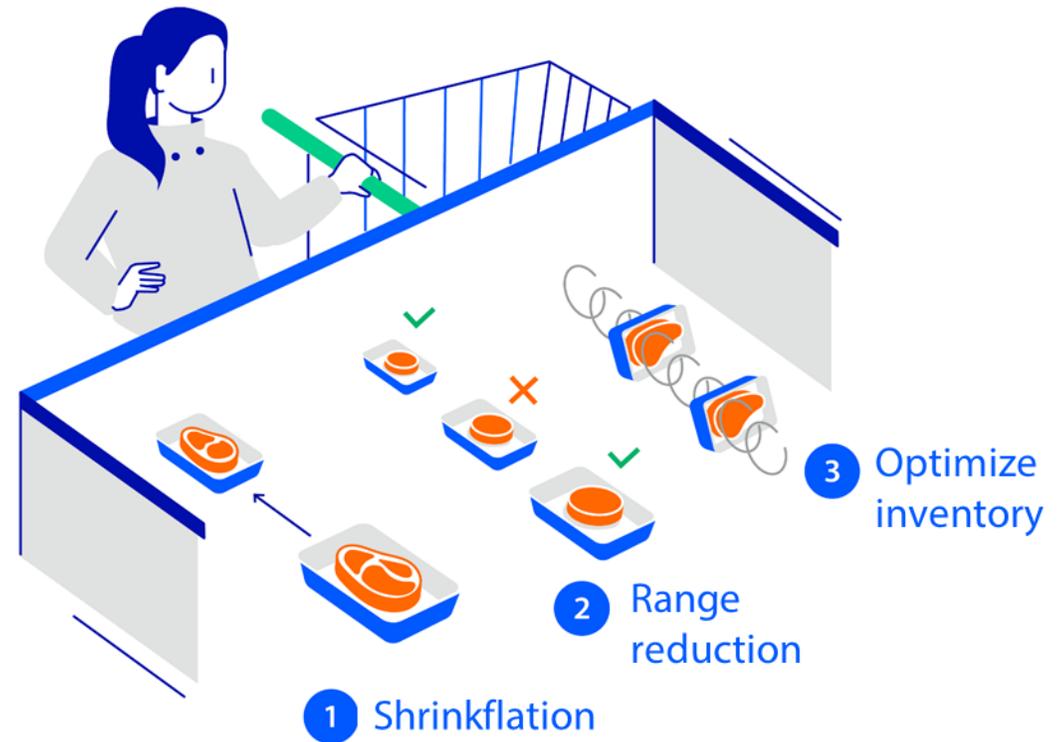
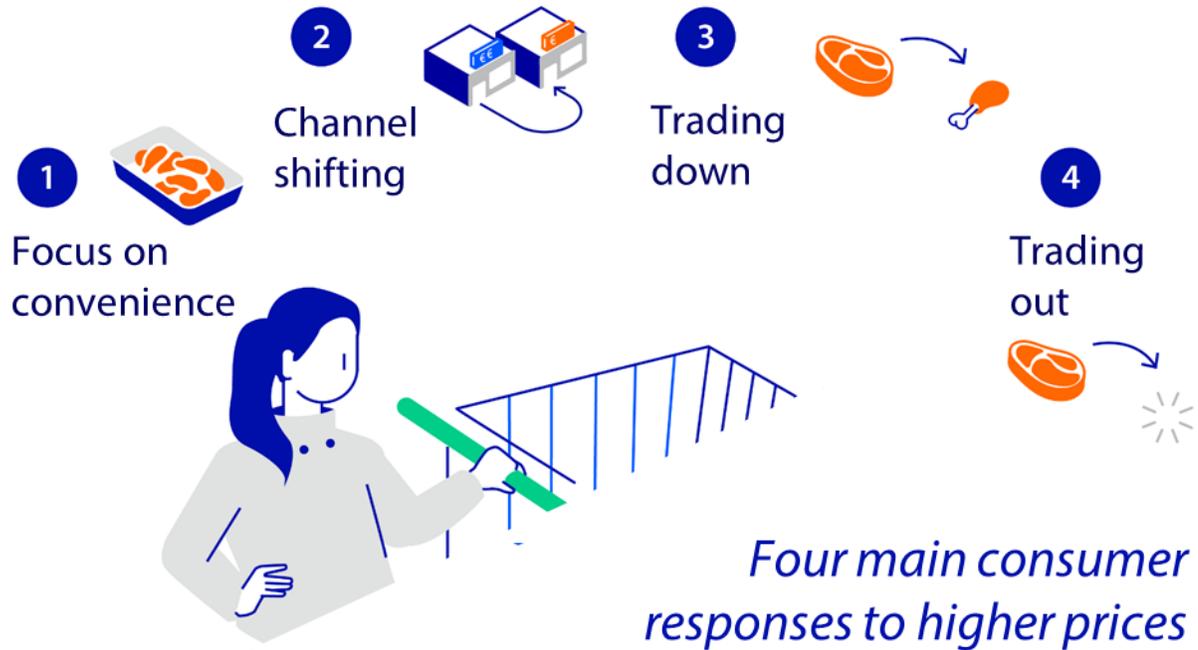
Fertilizer affordability index to enter 2024 in positive territory

Affordability Index, 2000-2024f



Consumption patterns shift as prices rise

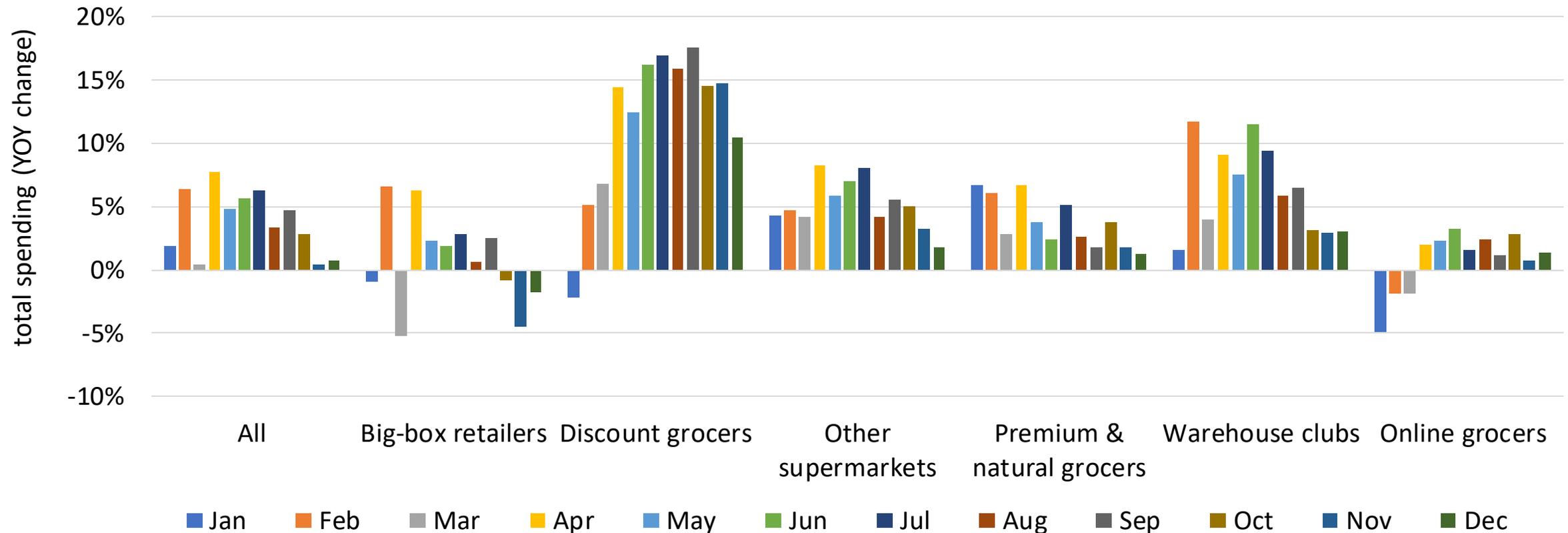
Consumer sensitivity to price



Food retail: consumers in search of value



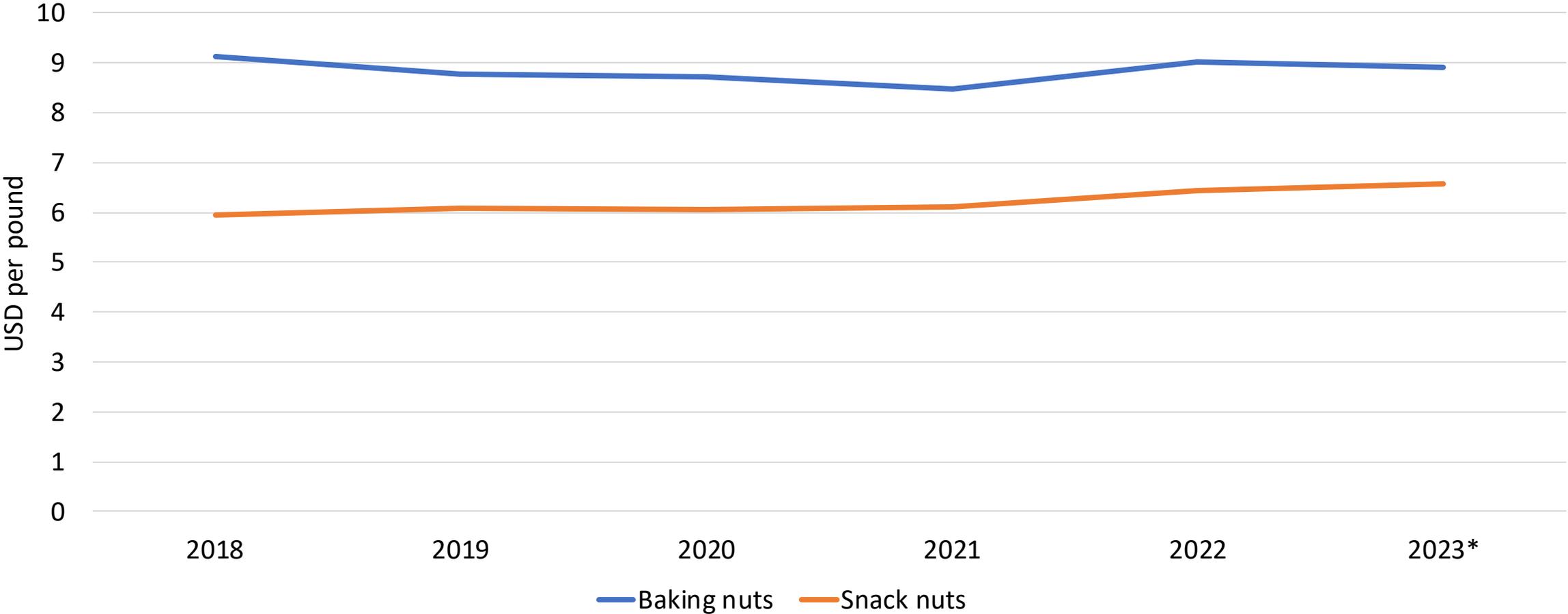
Retailers that appeal to value have succeeded in the inflationary environment, traffic + basket, Jan-Dec 2022



Sticky (all-nut) retail prices



Average blended retail prices for nuts in the US, 2018-2023



Source: Circana, Rabobank 2023

What's your tune for 2024 and beyond?



It Won't Be Like This For Long
Darius Rucker 

Good Directions
Billy Currington 

Life's About To Get Good
Shania Twain 

It's Just a Matter of Time
Randy Travis 

Don't Stop Believin'
Journey 

The Good Stuff
Kenny Chesney 

All the Gold In California
Larry Gatlin & The Gatlin Brothers 

Confident
Demi Lovato 

My Next Thirty Years
Tim McGraw 

Act Naturally
Buck Owens 

Must Be Doin' Somethin' Right
Billy Currington 

Don't Blink
Kenny Chesney 

Here You Come Again
Dolly Parton 

Something to Be Proud Of
Montgomery Gentry 

Bring On The Rain
Jo Dee Messina, Tim McGraw 



Thank you for your attention

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david.magana@rabobank.com

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A blue ceramic bowl with two handles is filled to the brim with almonds. The bowl sits on a light-colored wooden cutting board. Several almonds are scattered on the board in front of the bowl. The background is a dark, textured wooden surface.

Consumer Behavior Post Covid



Welcome to the **Turbulent 20's**

Behavior Changes

1. Temporary Behaviors

“Forced” or “Funded”

Examples

- Cooking at home vs. eating out
- Spending diverted or stimulus money

2. Accelerated Behaviors

Started pre-Pandemic

Examples

- Work from home/hybrid work
- Omni-channel retailing

8-Consumer Patterns of Behavior

1. Prioritizing Value to Manage Inflation

- **Eliminating non-essential spending**
- **Trading down, private label**
- **De-stocking their pantries as supply-chain stabilizes**

2. And, Splurging Selectively

- **Crisis fatigue...Desire for moments of joy**
- **Impulse purchase, instant gratification, live for the moment**
- **Premium products, services and brands**
 - Experiences, travel, eating-out, connection, community

Implications

- High-priced, non-essential, non-premium products are vulnerable
- A portfolio of value products and premium, indulgent products is strongest

3. Comfort in Big Brands

- **Big, familiar brands dominate in times of uncertainty**
- **Big brands grew 50% at the height of the pandemic**

Implications

- Important that almonds:
 - Maintain their position in big products + brands
 - Are part of big company new product innovation
- Important that big companies understand key almond benefits

4. And, Switching to Newer Brands

- Reduced brand loyalty, brand switching
- Gen Z + Millennials 5x more likely to try new brands

Implications

- Need to be relevant and compelling to new brands
- And younger, more experimental consumers

5. Omni-Channel Shopping

- **Mash-up of online and offline shopping**
- **There are many consumer journeys and paths to purchase**
- **Many shoppers use 3+ channels for new purchases**
 - Social, online, in-store
 - Discovery, research, order, delivery, pick-up etc.

Implications

- Need to be present at every step of the purchase journey
- Need a seamless omni-channel mindset

6. Sustainability and Affordability

- **84% of global consumers say sustainability is “very important” in their purchase decision**
- **50% are not sure they would pay a premium, in a time of inflation**

Implications

- Currently it's hard to win on sustainability but easy to lose
- Consumers are willing to switch
- Opportunity for almonds to be understood to be both “good for me” and “good”

7. A Broader Definition of Health

- **Mental health:** Anxiety, depression, sleep, concentration etc.
- **Physical health:** Disease prevention, performance, weight etc.
- **Food as medicine:** Prevent, treat, optimize, support, cure

Implications

- Opportunity to continue to build the almond health story
- A natural health and wellness powerhouse
- Across multiple mental and physical health dimensions

8. Remote/Hybrid Work is Here to Stay

- Remote work spiked at 50% during the pandemic vs. 6% before, 28% now
- Big companies urging a return to work
- But fully remote and hybrid expected to continue to grow

Implications

- Working at home has changed how people snack and eat
- Some “on-the-go” snacking and meal occasions replaced by “at-home”
- Almonds need to fit into these new routines and behaviors

Patterns in **Pandemics**

1. They end
2. A period of recovery
3. Innovation and new thinking



2023

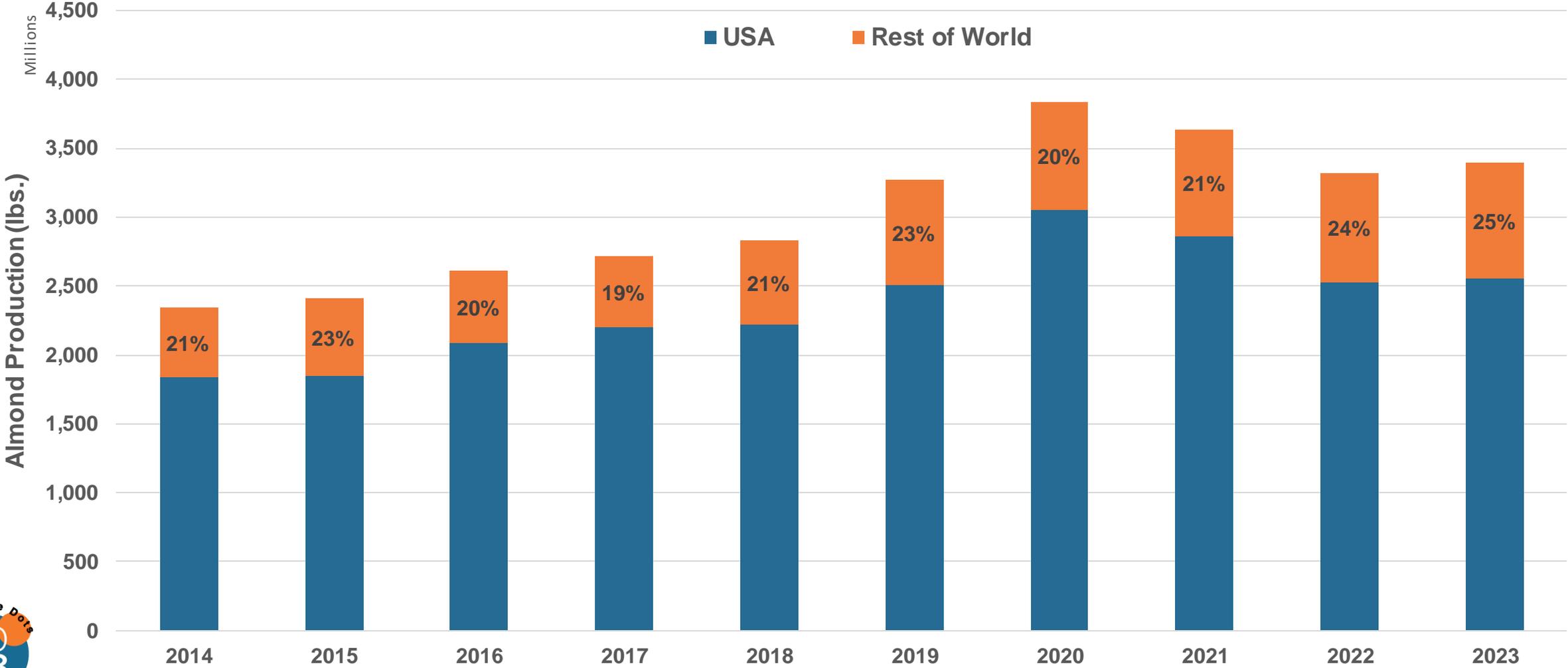
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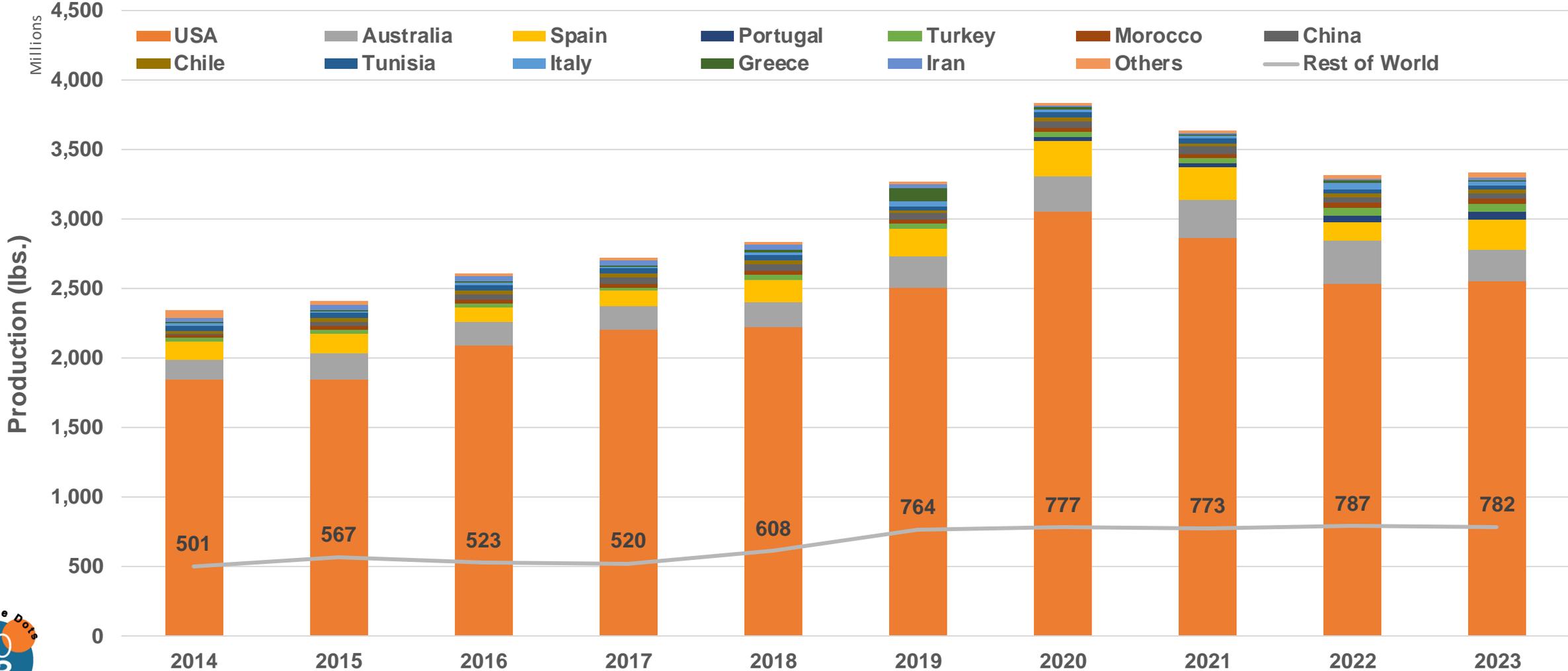
Global Tree Nut Overview

Global Almond Production



Source: Almond Board of California, Almond Board of Australia, AEOFRUSE, Portugal Nuts and other INC sources.

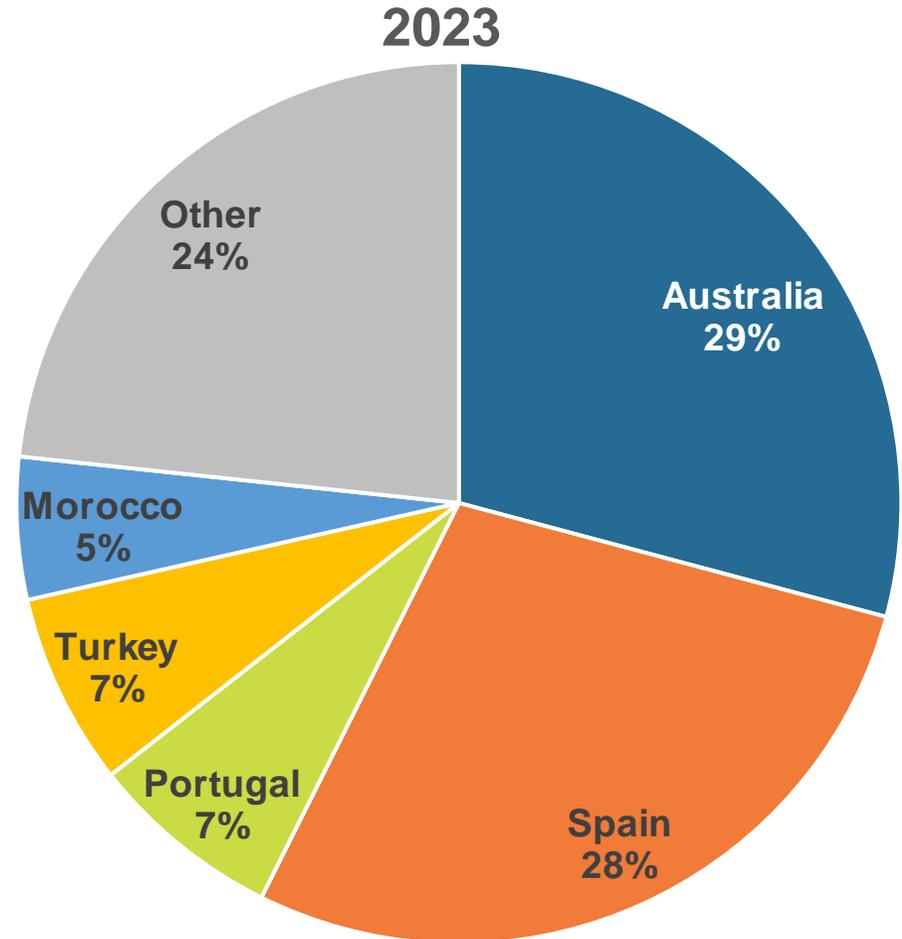
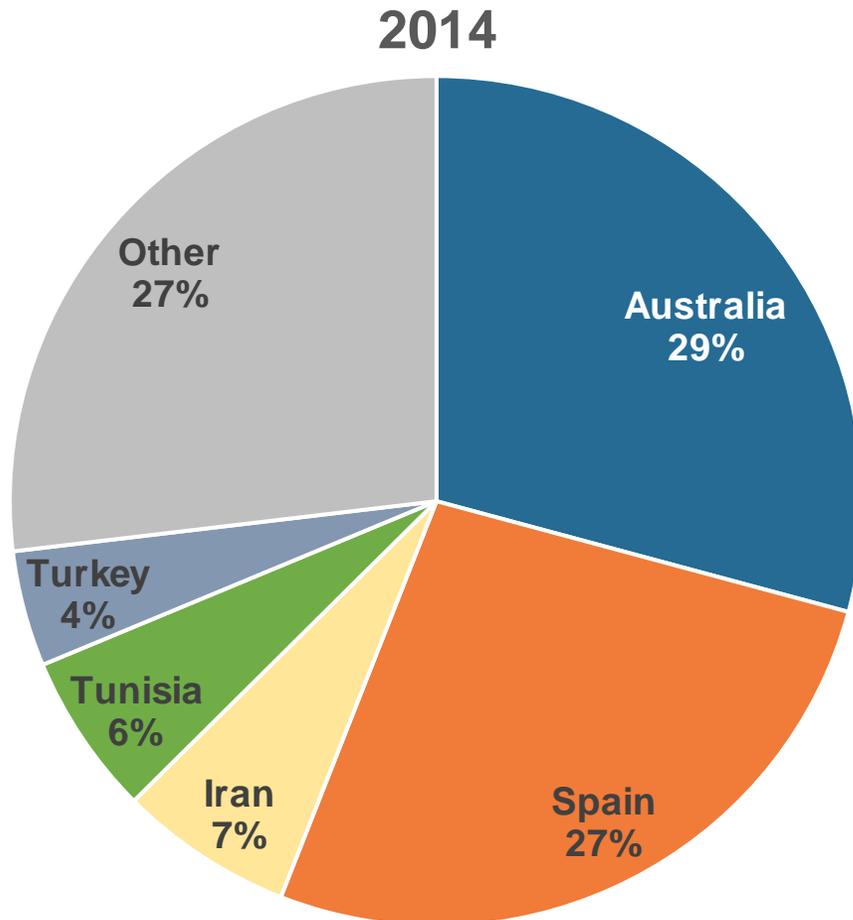
Global Almond Production



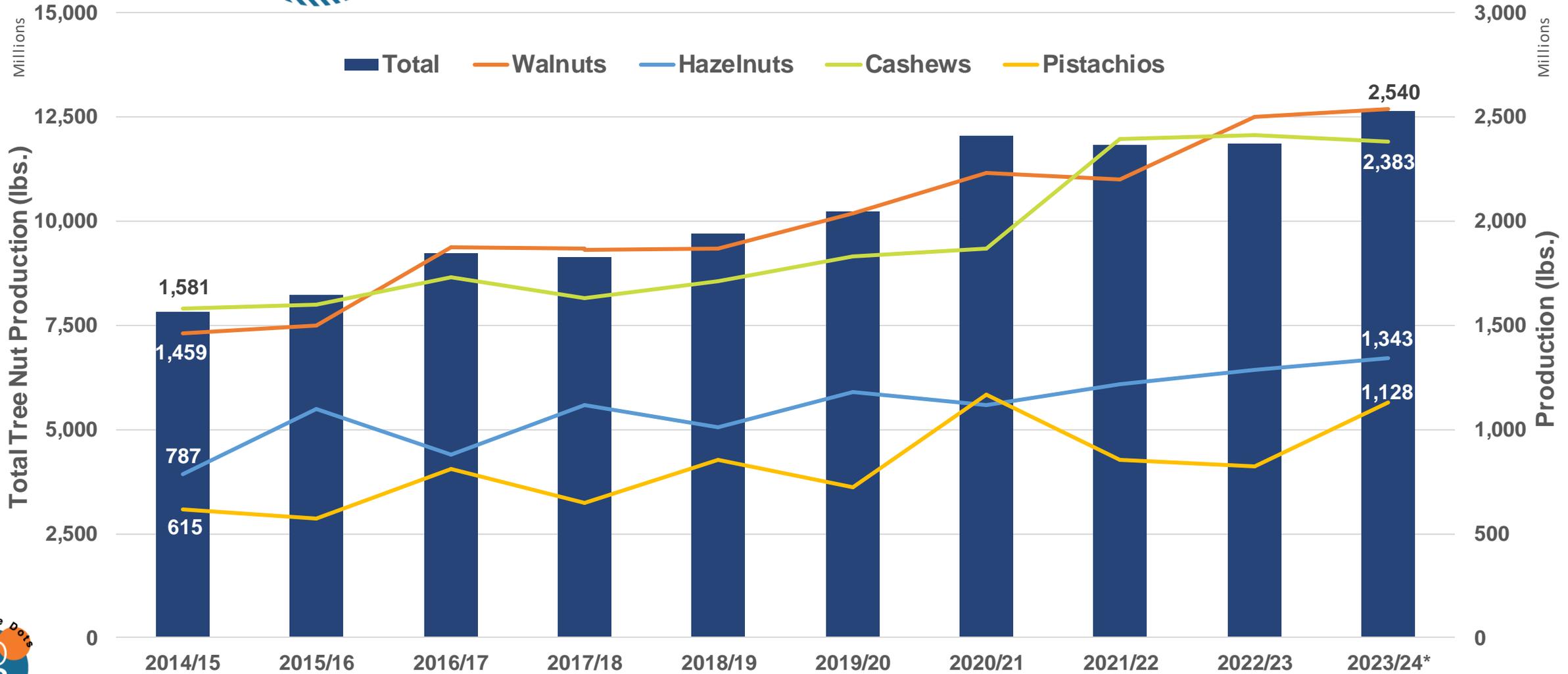
Source: Almond Board of California, Almond Board of Australia, AEOFRUSE, Portugal Nuts and other INC sources.

Top 5 Non-USA Producing Origins

AS PERCENT SHARE OF NON-USA PRODUCTION



World Tree Nut Production



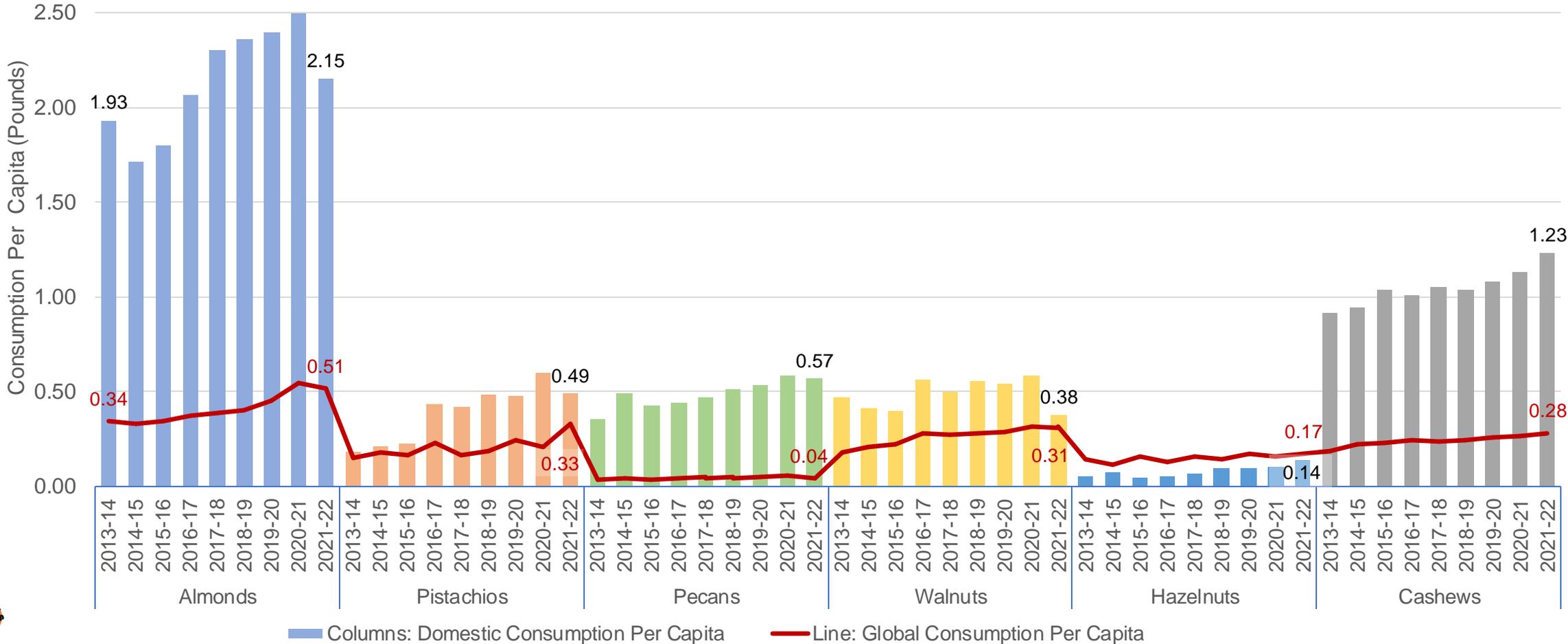
Source: INC. *Forecasted. All figures in kernel basis (50% ratio conversion used for Pistachios)





Domestic vs Global Consumption Per Capita

CROP YEAR 2014/15 TO 2022/23

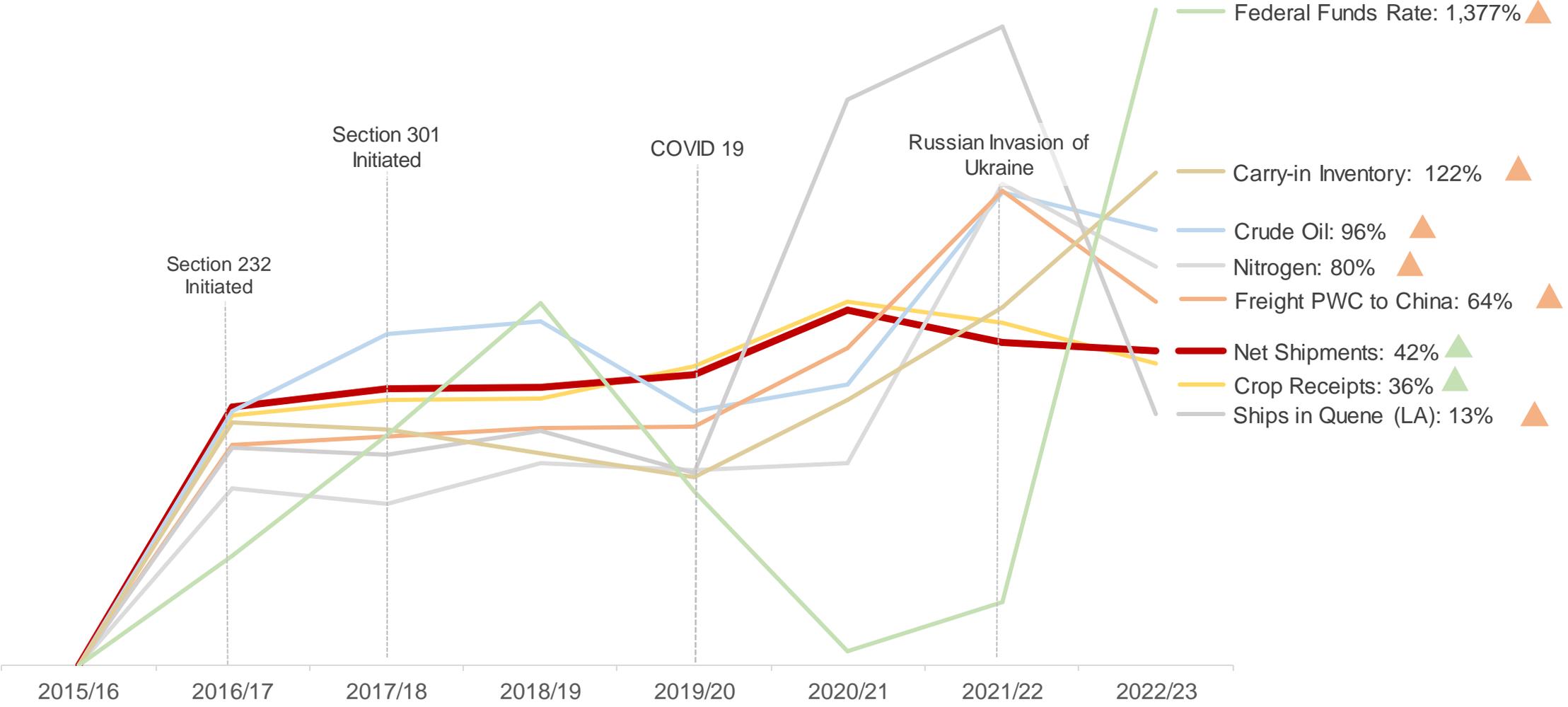


SOURCE: USDA, ECONOMIC RESEARCH SERVICE, FRUIT & TREENUT SITUATION AND OUTLOOK, INTERNATIONAL NUT & DRIED FRUIT COUNCIL, TRADE DATA MANAGEMENT, WORLD BANK



Index

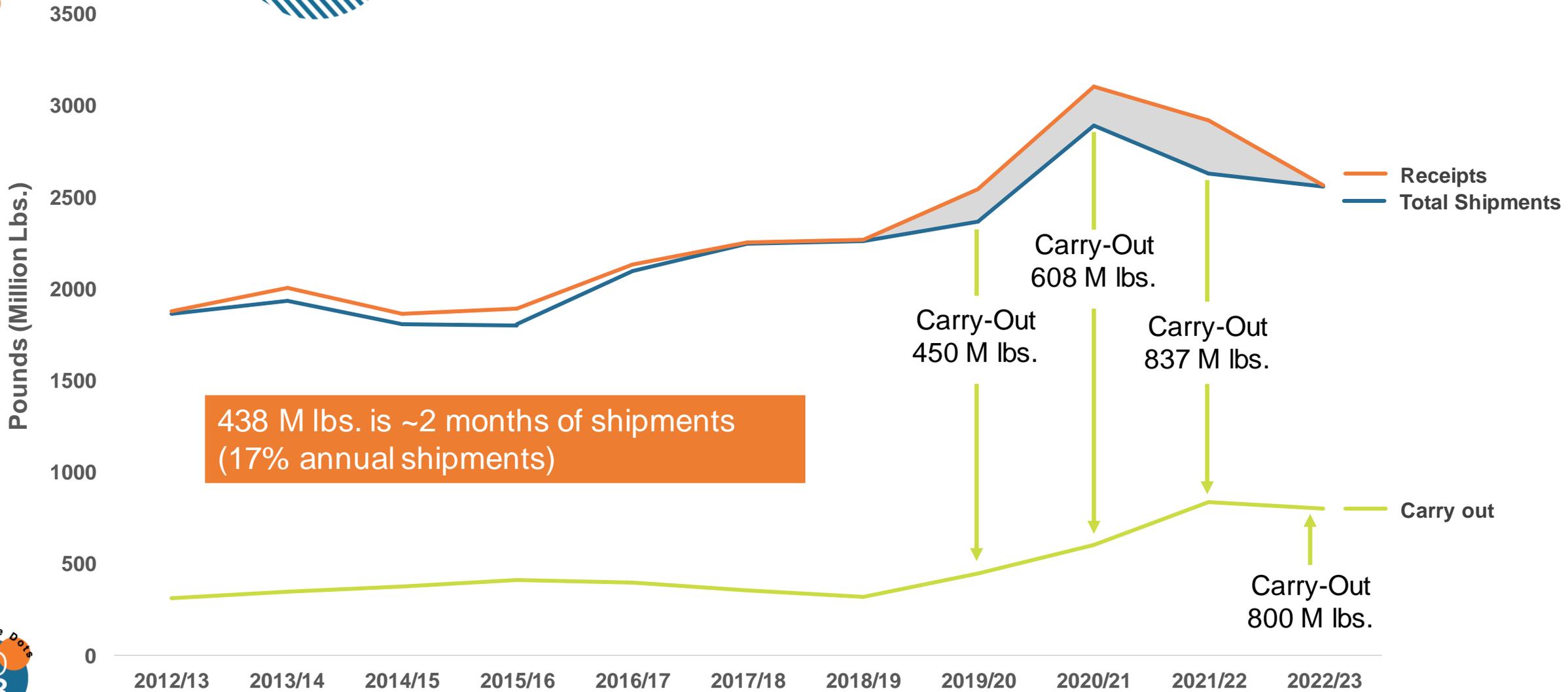
CROP YEAR 2015/16 TO 2022/23



SOURCE: ALMOND BOARD OF CALIFORNIA, USDA AG TRANSPORTATION, USDA AG MARKETING, FEDERAL RESERVES, PORT OF LOS ANGELES

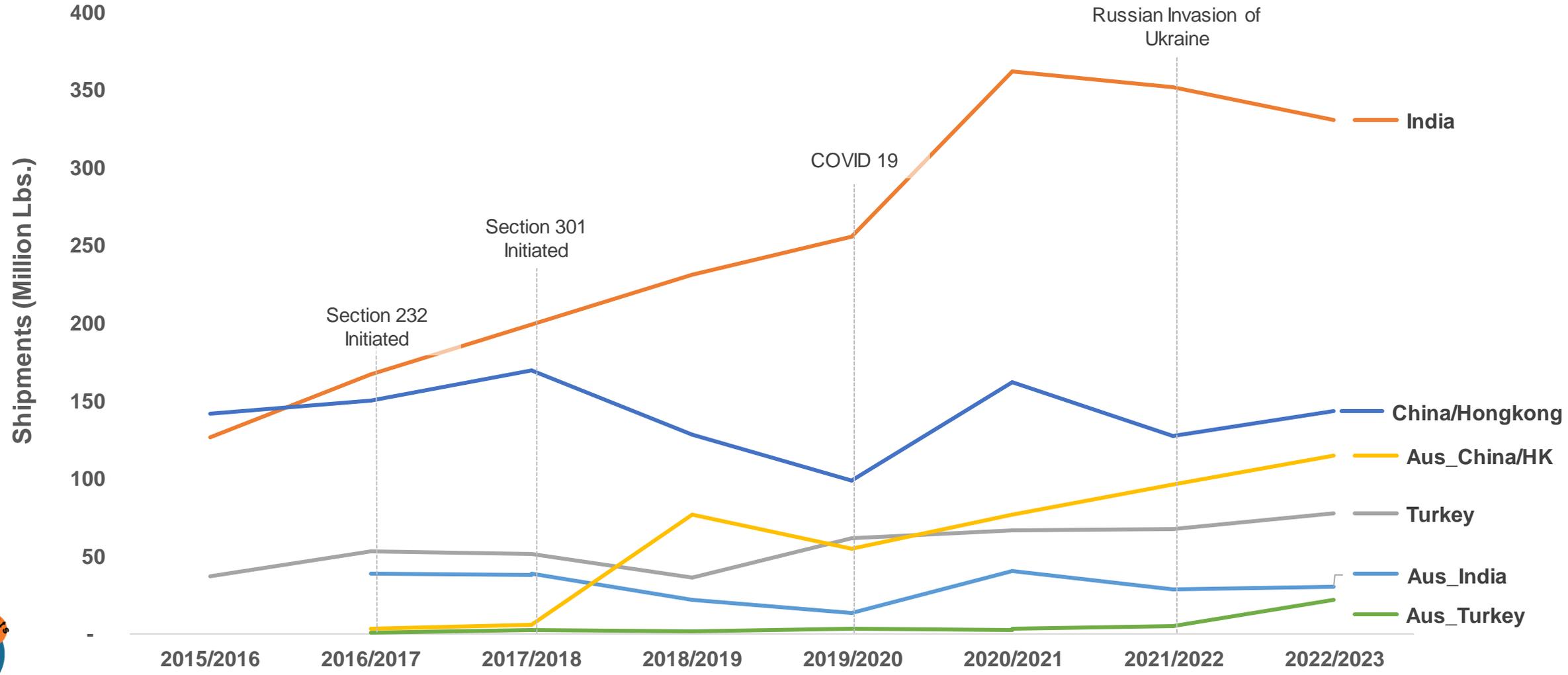


Historical Carry-Out Inventories



Tariff Case Studies

CHINA / INDIA / TURKEY



Source: Almond Board of California, Almond Board of Australia

A large blue circle containing the text '2023 THE ALMOND CONFERENCE Connecting the Dots'. To the left of the circle is a decorative graphic of orange diagonal lines. The background of the entire page is a photograph of an almond orchard with a person walking on a path.

2023

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CUSTOMERS // CONSUMERS

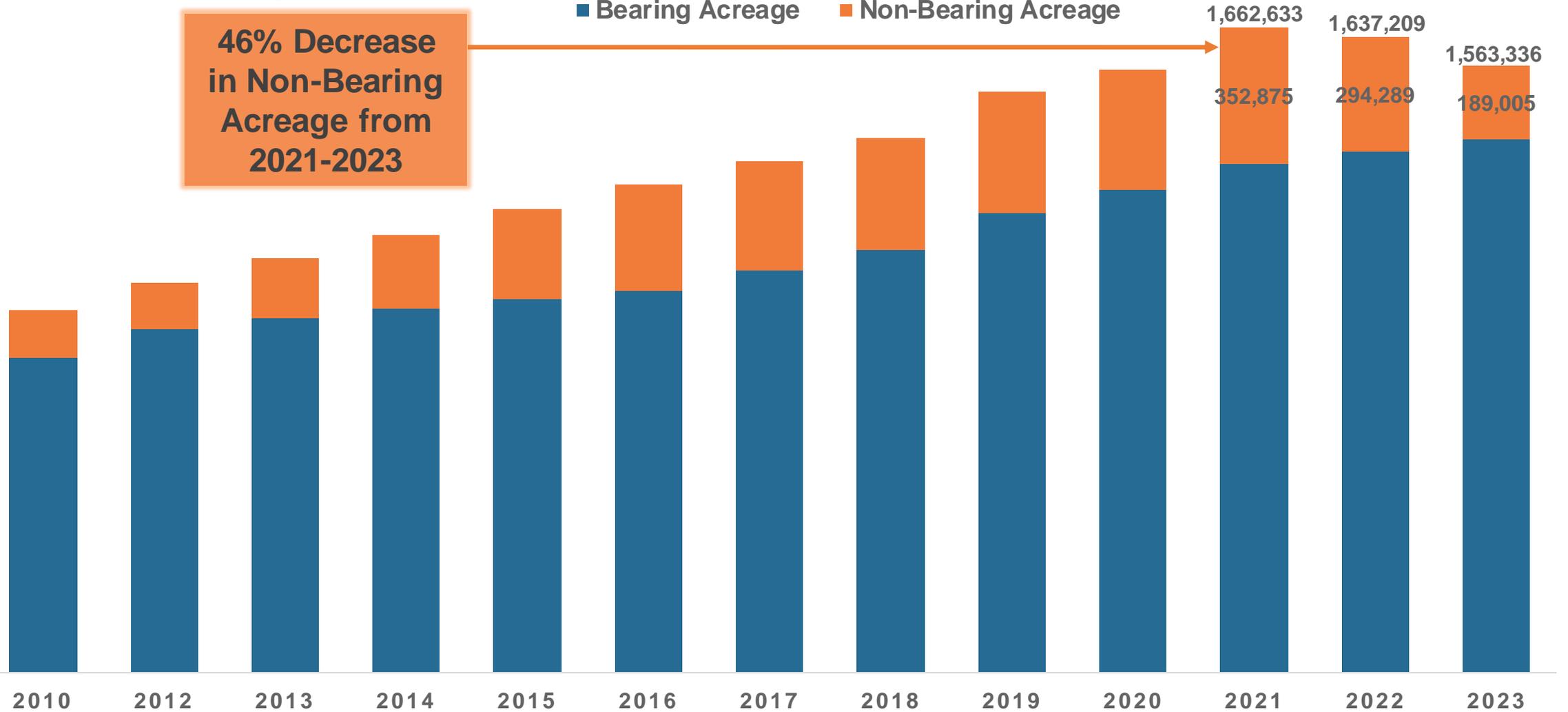
Acreage + Shipping Report



Acreage Trends

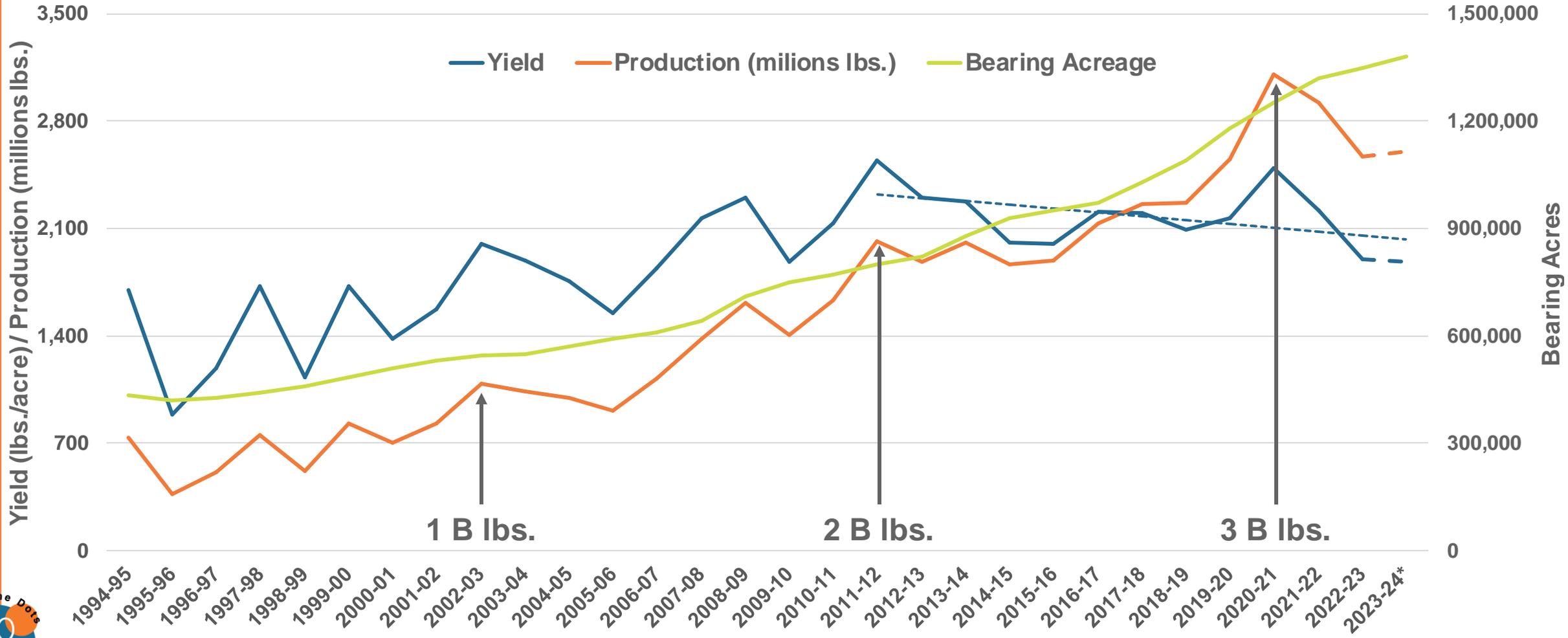
46% Decrease in Non-Bearing Acreage from 2021-2023

■ Bearing Acreage ■ Non-Bearing Acreage



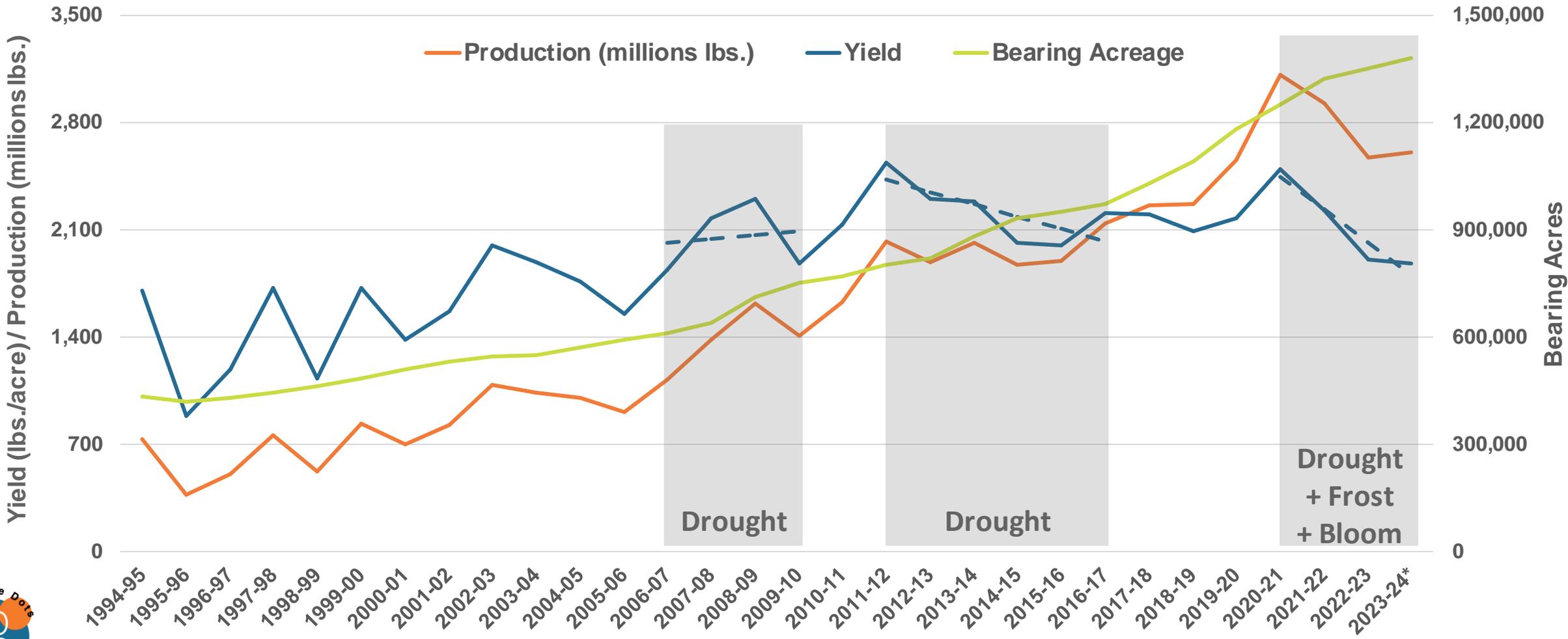
Historical Almond Production

YIELD X BEARING ACRES



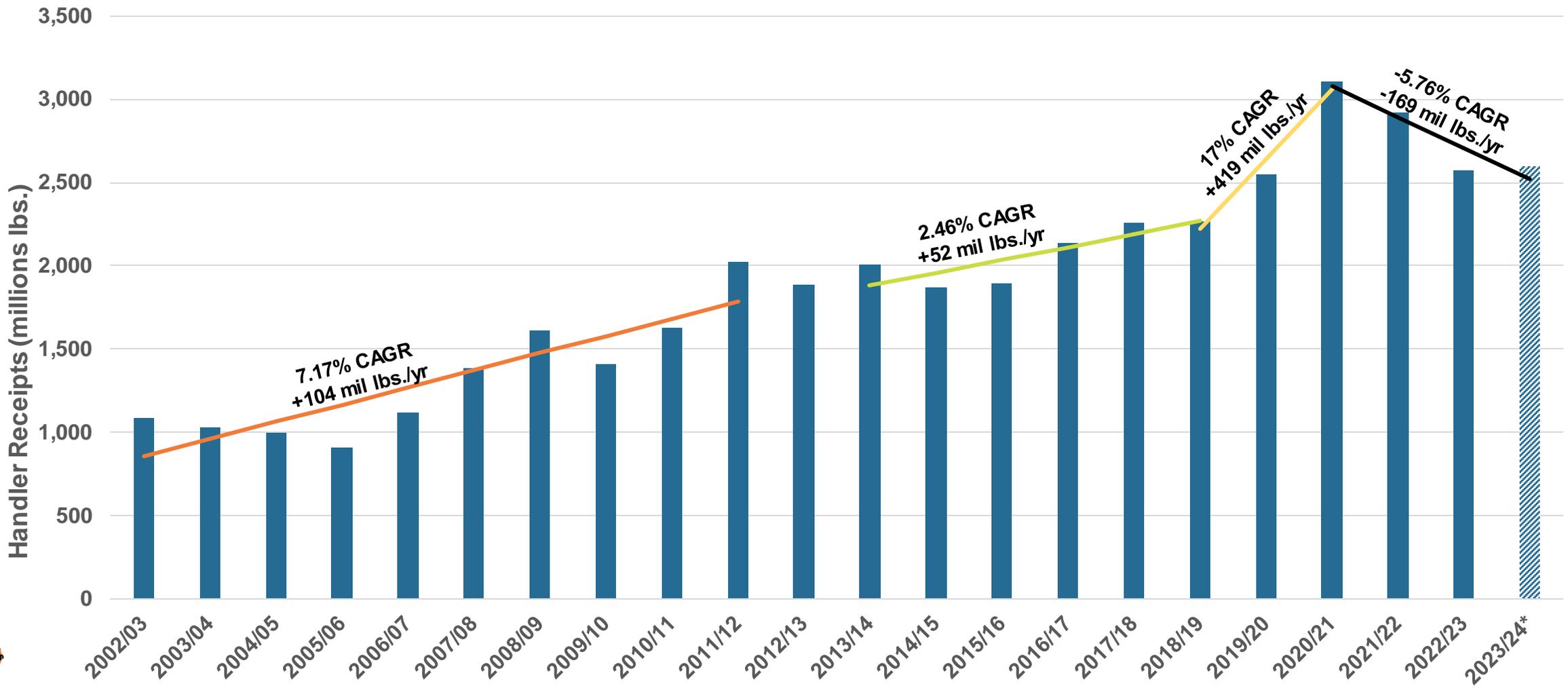
Source: USDA/NASS, Almond Board of California *Estimated

Yield Scenarios

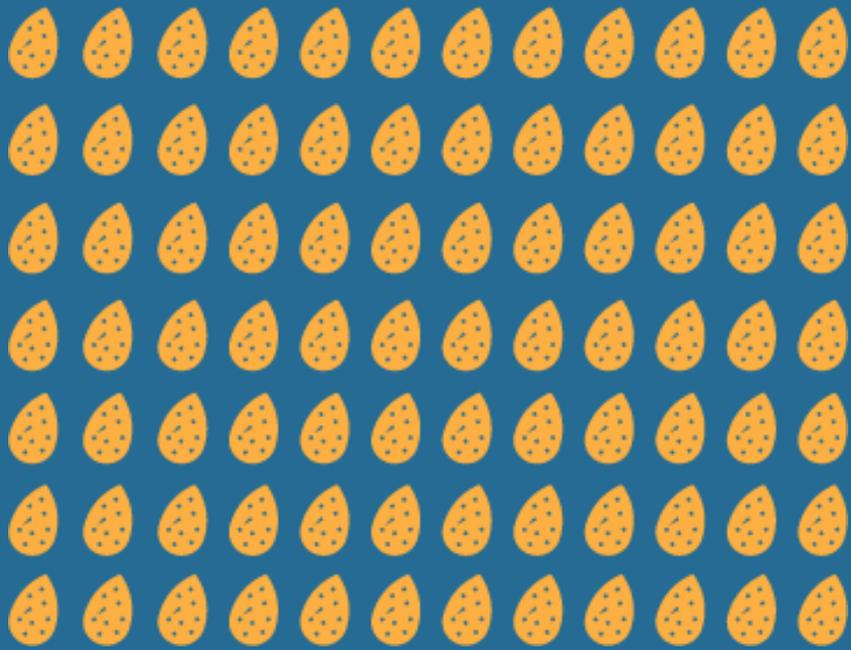


Source: USDA/NASS, Almond Board of California *Estimated

California Production Trends



Source: Almond Board of California *2023/24 NASS Estimate is 2.6 B lbs.

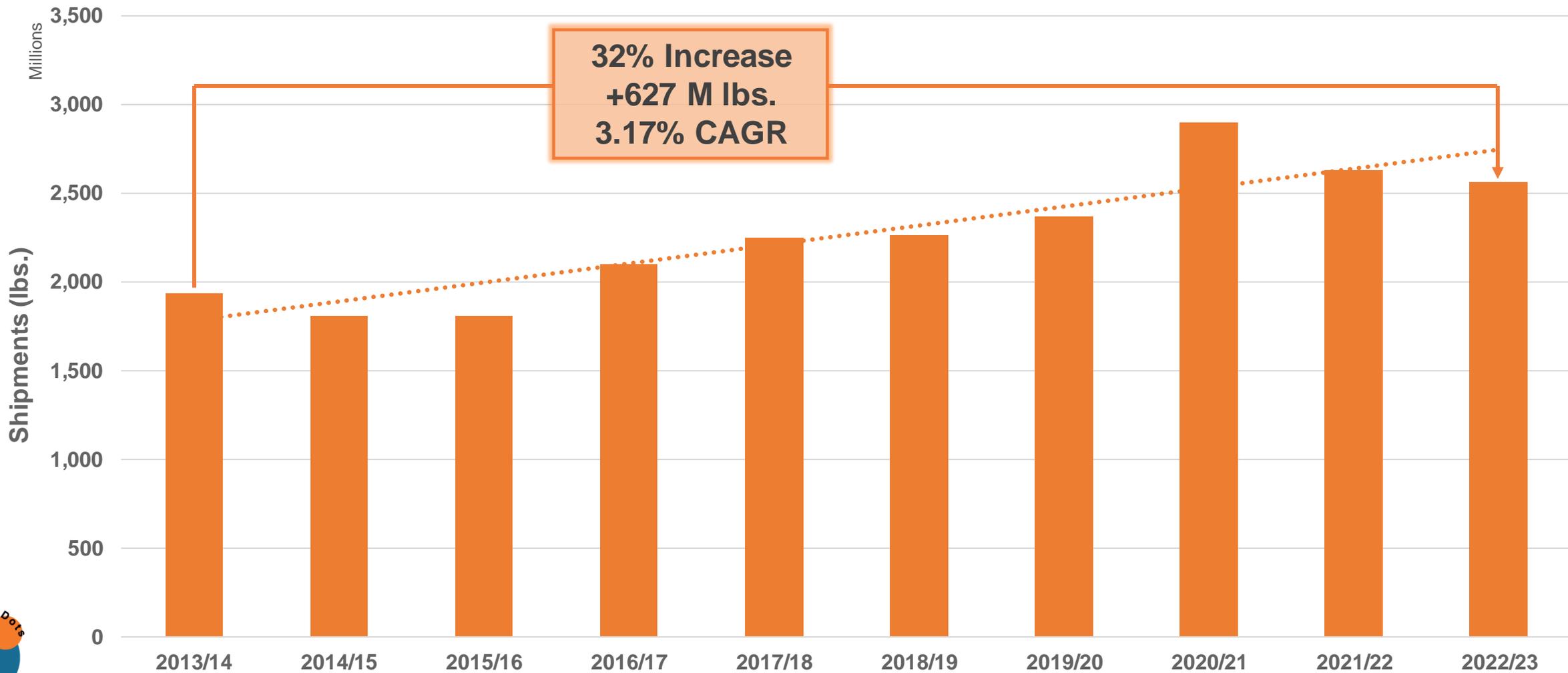


Demand

DOMESTIC + EXPORT SHIPMENTS

Total Shipments

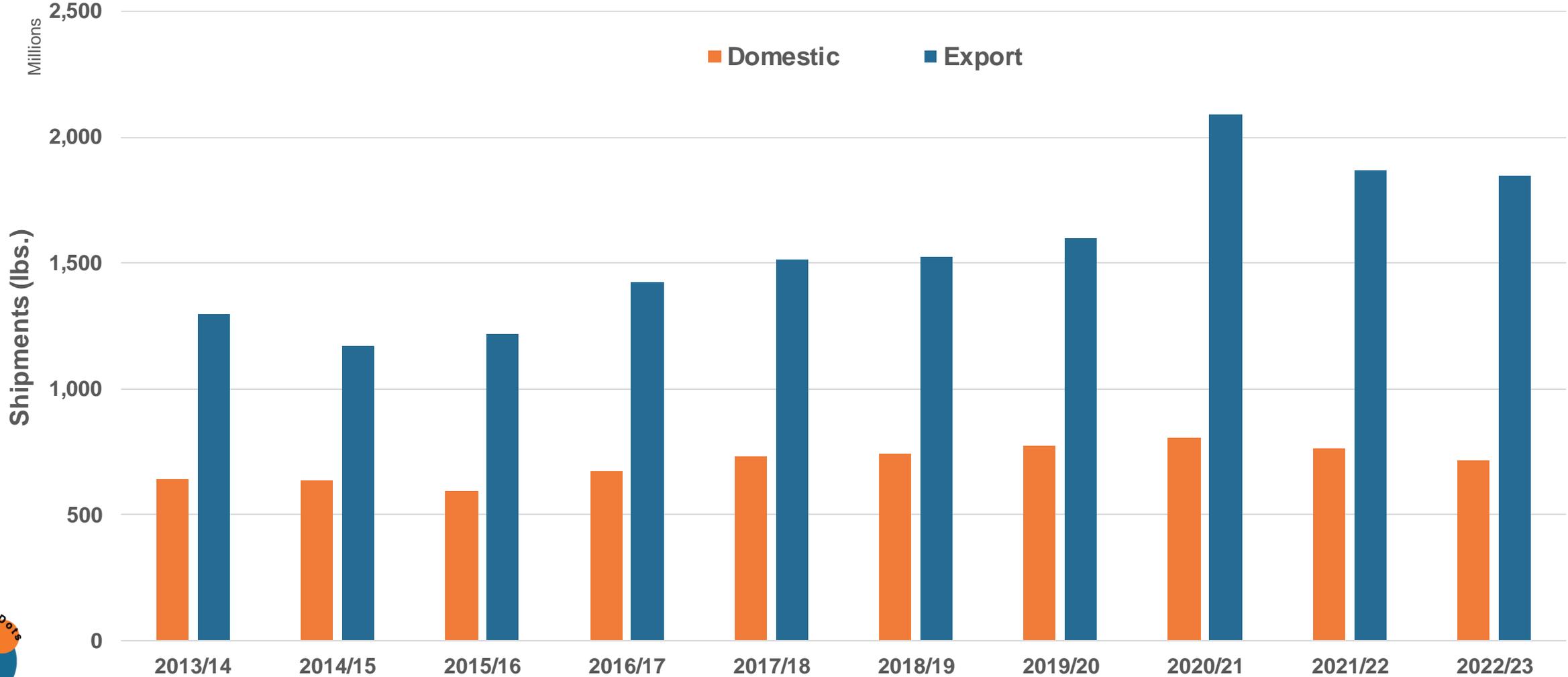
2013/14-2022/23





Domestic + Export Shipments

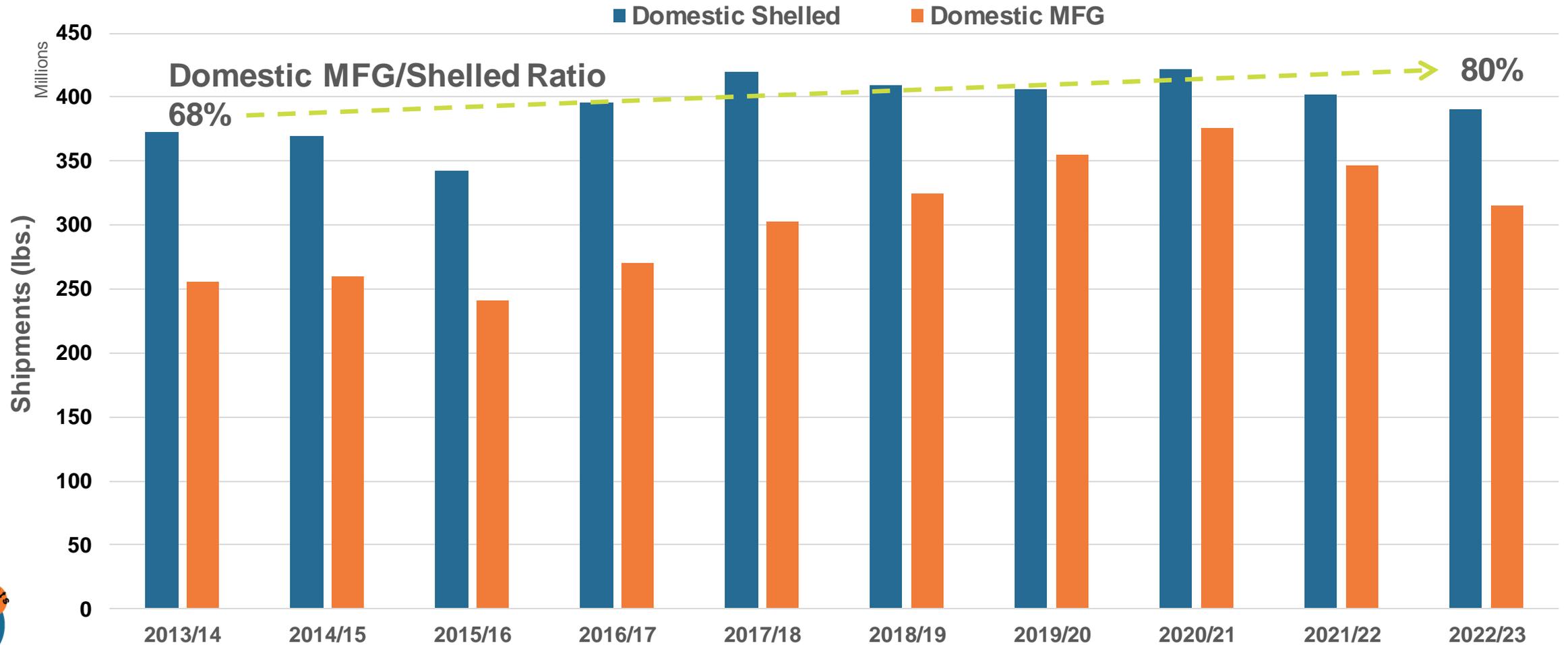
2013/14-2022/23



Source: Almond Board of California

Domestic Shipments

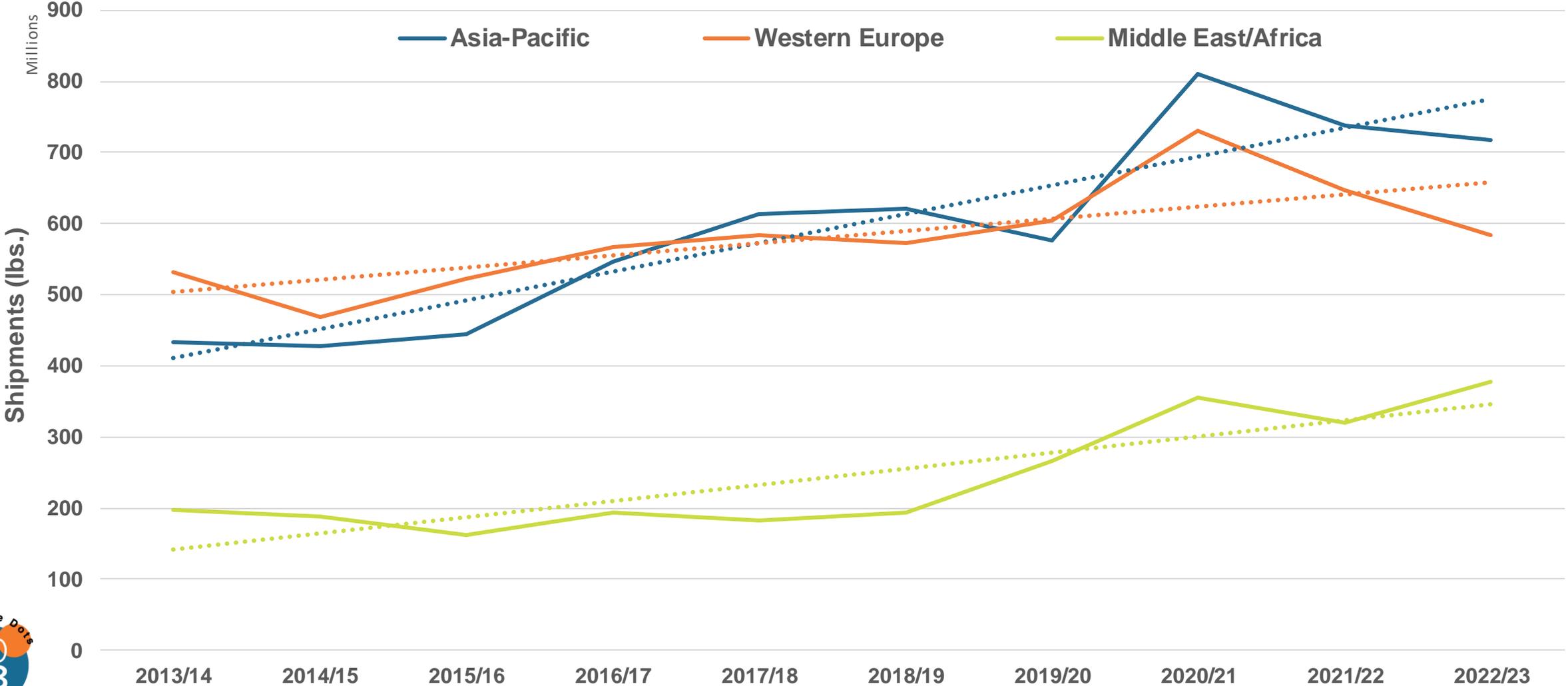
SHELLED VS. MFG



Source: Almond Board of California 'Domestic Shelled' = Shelled – Industry Purchases – Inter-Handler Transfers Received



Exports By Region



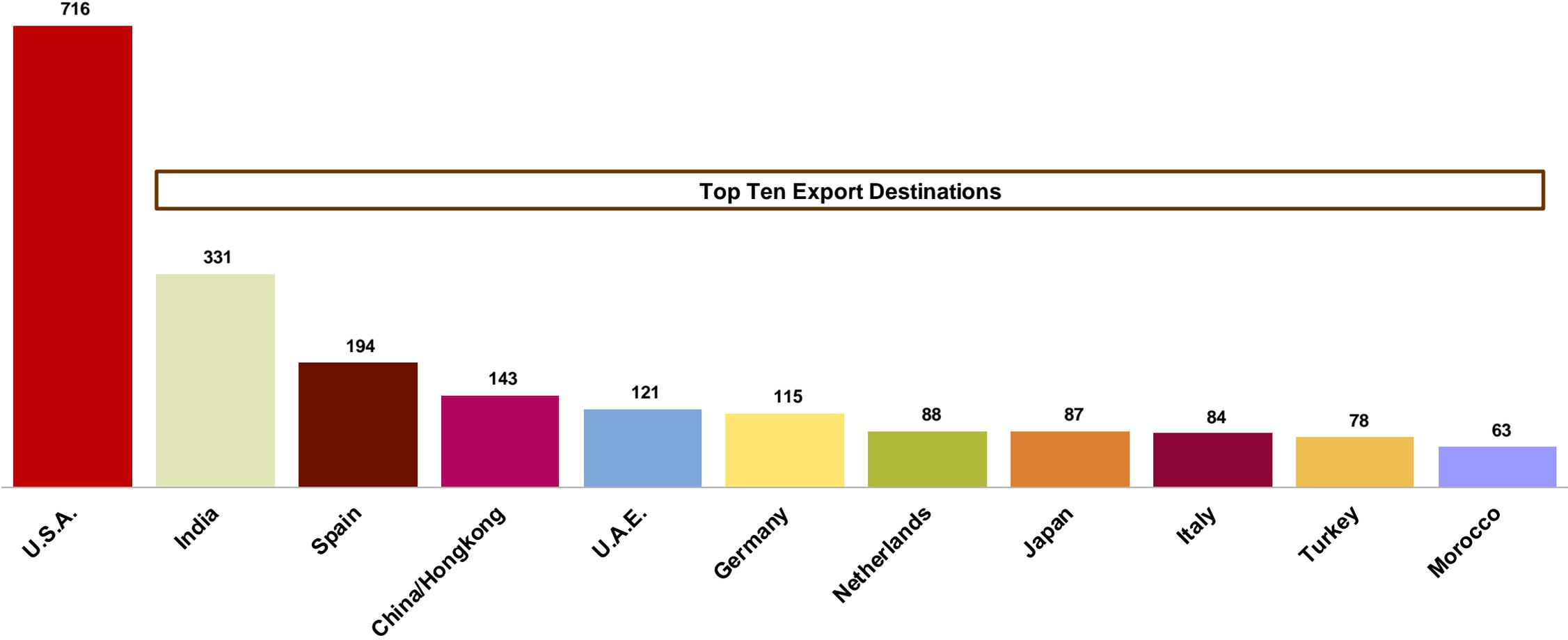
Source: Almond Board of California

Top Destinations

2022/2023

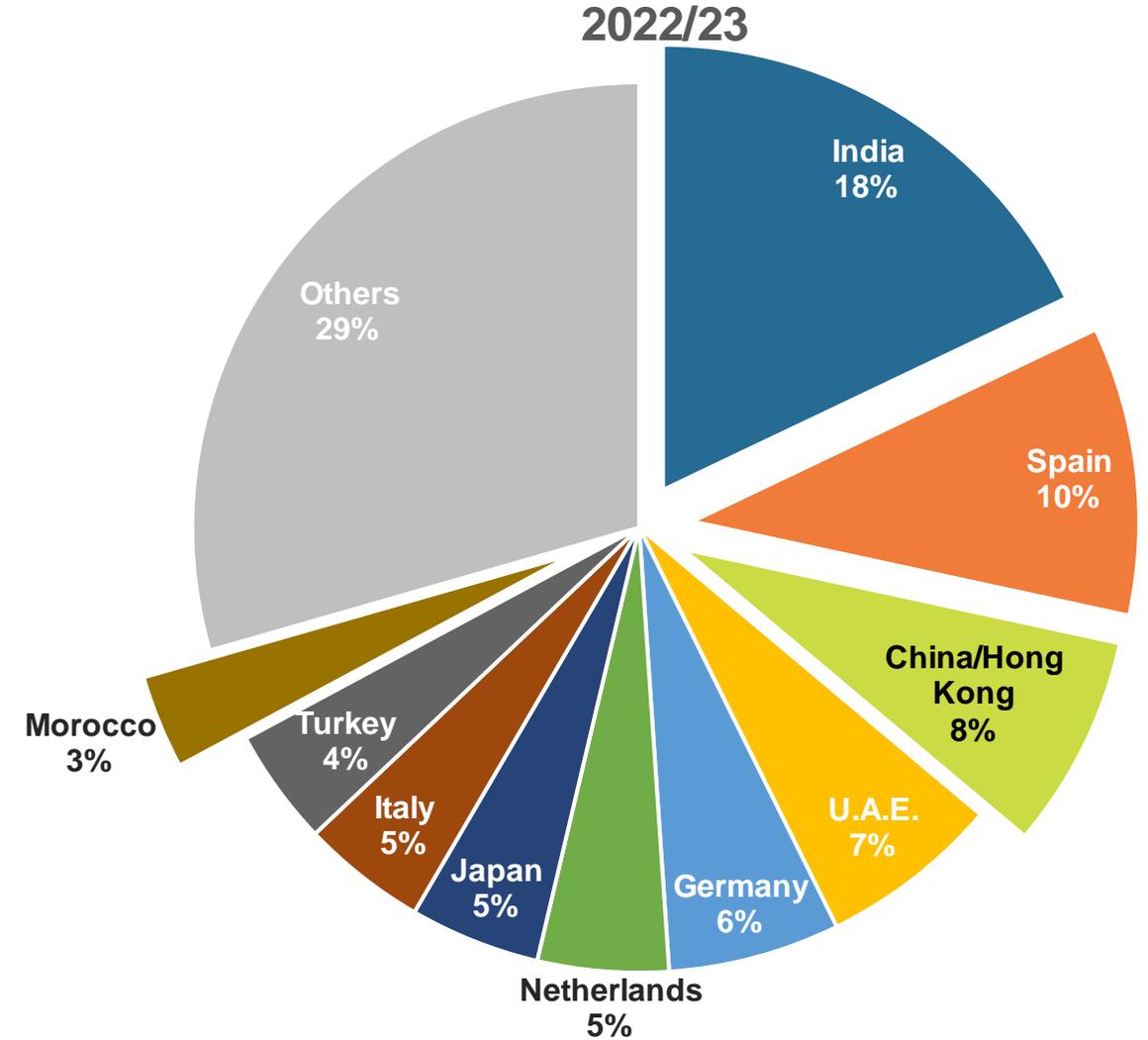
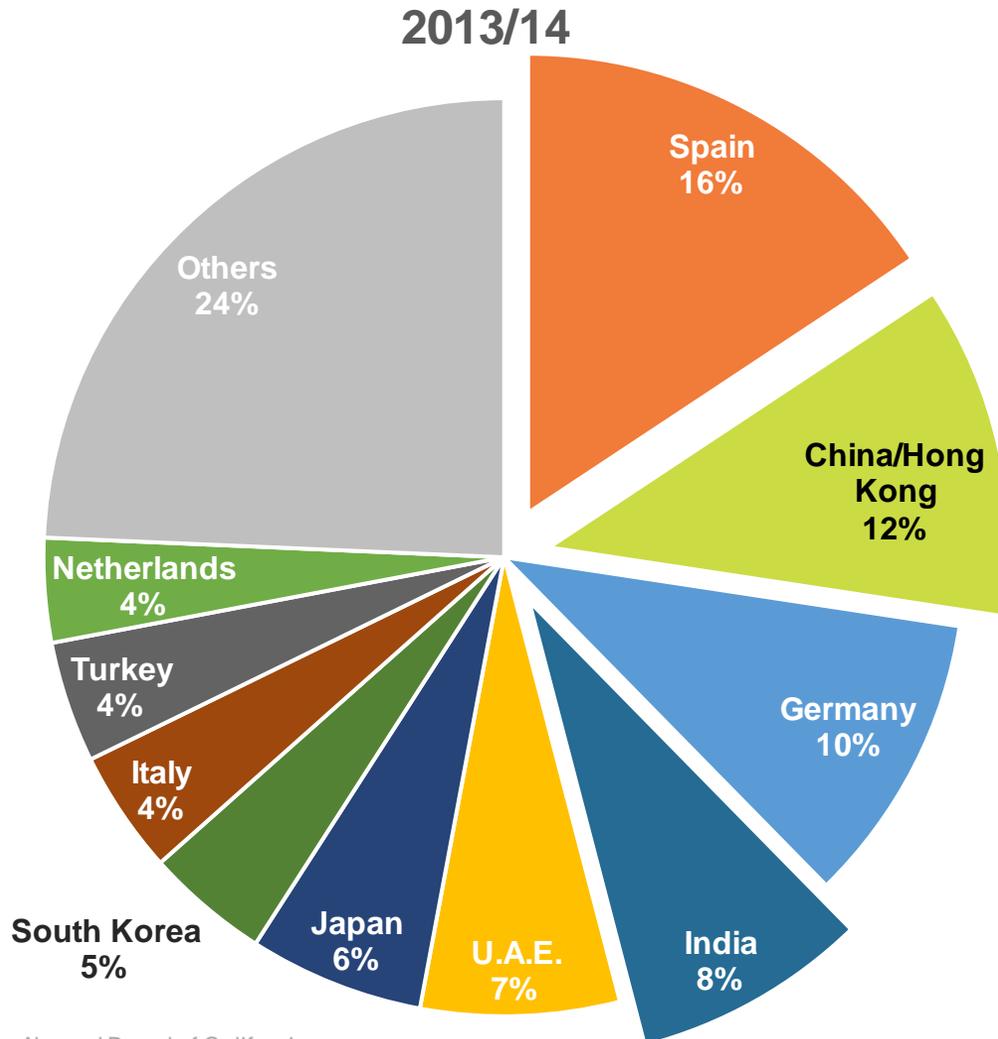


Top Ten Export Destinations



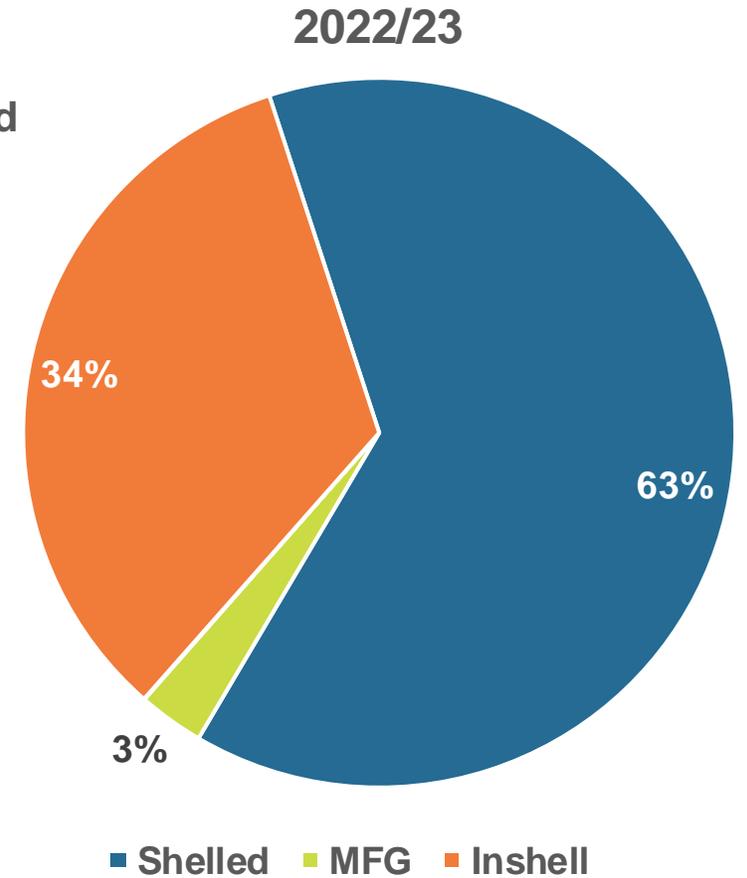
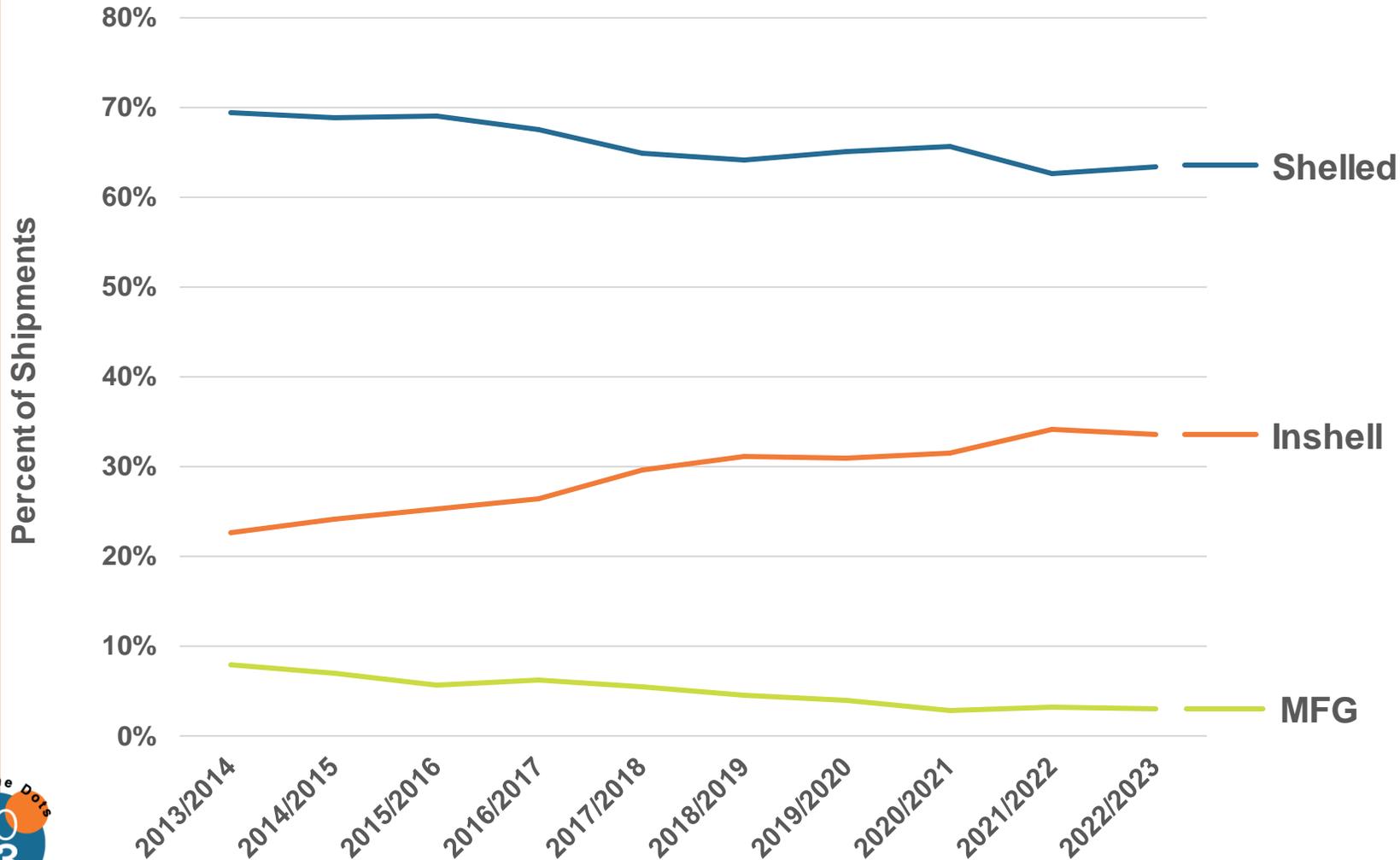
Source: Almond Board of California

Top 10 Export Destinations



Top 10 Export Destinations

BY PRODUCT TYPE





2023

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Supporting a Favorable Trade Environment





Office of the US Trade Representative

Amb. Doug McKalip
Chief Ag Trade Negotiator

Come to this the Trade session
and hear thoughts from the
U.S. Ambassador to India on
almonds top trade destination!

Global Trade Report Card

WEDNESDAY, DECEMBER 6 AT 10:30AM IN
MEETING ROOM 10



Ambassador Eric Garcetti



2023

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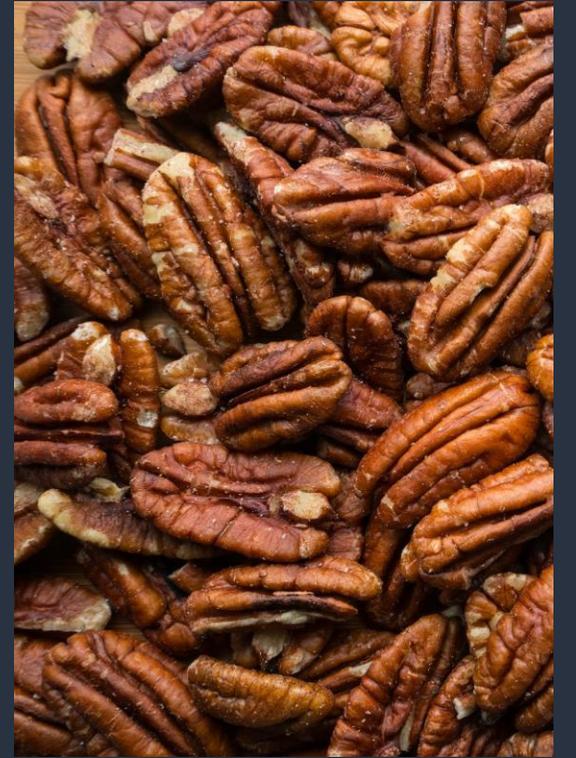
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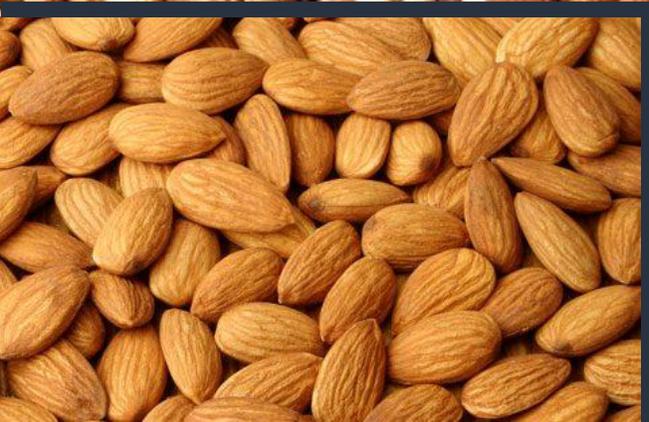
Maximizing Industry Efficiency

Bringing to bear the best science

Driving Global Demand









Deloitte provided a viewpoint into the future



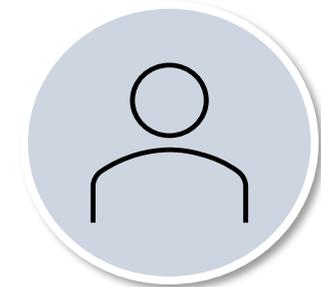
POLICY MAKERS. . .

. . . Will continue to refine their approach in Europe, and other countries will likely follow



FOOD COMPANIES. . .

. . . Will increasingly make decisions to minimize volatility in costs and supply and meet sustainability targets and commitments

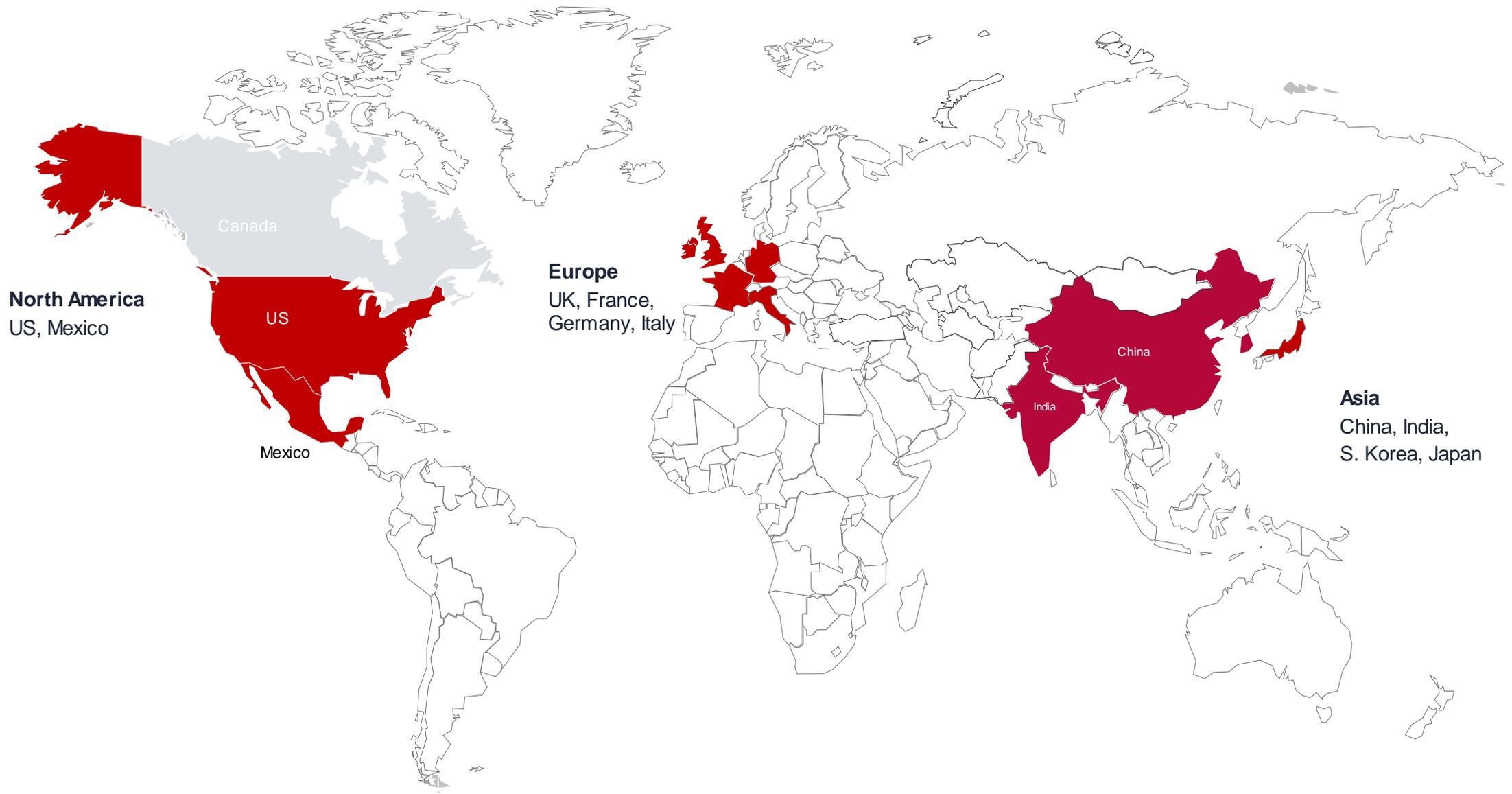


CONSUMERS. . .

. . . Will continue to factor sustainability into their decision-making as awareness increases



Marketing Around the Globe



North America
US, Mexico

US

Mexico

Europe
UK, France,
Germany, Italy

India

China

Asia
China, India,
S. Korea, Japan





The logo for California Almonds, featuring a stylized orange almond icon to the left of the text "california almonds" in a sans-serif font. "california" is in orange and "almonds" is in dark red. A registered trademark symbol (®) is at the end.

california
almonds®

A woman with long dark hair, wearing a green leaf crown and a reddish-brown top, is looking down at a handful of almonds she is holding in her hands. The background is a blurred landscape of green hills and flowers.

Mandeln.

DIE MUTTER ALLER SNACKS.



41 workers were trapped in a tunnel in Uttarakhand and rescued after 17 days of multi-operation efforts. On their rescue, the workers were so glad, they offered their rescuers almonds.

'They gave us almonds': Rescuers who first met workers inside Uttarakhand tunnel

Experts in the rat-hole mining technique, who were the first ones to meet the 41 labourers rescued from the Silkyara tunnel in Uttarakhand said the trapped workers were very happy and offered them almonds.

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Uttarakhand Chief Minister Pushkar Singh Dhami and Union Minister of State VK Singh with rescue officials after the successful evacuation of 41 workers from the collapsed Silkyara Tunnel, in Uttarkashi. (Photo: PTI)

Press Trust of India
Uttarkashi, UPDATED: Nov 29, 2023 13:04 IST
Posted By: Poulami Kundu

Feroze Qureshi and Monu Kumar, experts in the rat-hole mining technique, were the first to meet the 41 labourers rescued from the Silkyara tunnel in Uttarakhand on Tuesday after they cleared the last bit of the rubble inside the structure.

बादाम के फायदों को हल्के में लेने की न करें भूल, उत्तरकाशी टनल में फंसे मजदूरों के लिए ऐसे बने थे रामबाण

बादाम कैसे बने रामबाण?



Uttarkashi Tunnel Collapse: रेत होल माइनिंग तकनीक की मदद से सभी मजदूरों को उत्तरकाशी टनल से बाहर निकाला गया था. इस तकन ...अधिक पढ़ें

NEWS18 हिंदी
LAST UPDATED : DECEMBER 2, 2023, 16:09 IST

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WRITTEN BY : संदीप गुप्ता

NEWS18

Trust the goodness of almonds!

The Hans India
Hans News Service | 30 Nov 2023 8:39 PM IST



HIGHLIGHTS
There was an outburst of happiness, when all the 41 construction workers who were trapped in the Silkyara tunnel were successfully rescued.

There was an outburst of happiness, when all the 41 construction workers who were trapped in the Silkyara tunnel were successfully rescued. Images of saved workers cheering and clapping in excitement after being extracted from the tunnel enthralled the nation. While it was one of the toughest rescue operations that continued for 17 days, the workers struck inside the tunnel survived on supplied oxygen and a healthy diet of nuts, puffed rice and chickpeas. After extracted from the tunnel, the labourers offered almonds to experts in the rat-hole mining technique.

Hans India

Trust the Goodness of Almonds

DECCAN Chronicle



Almonds are packed with 13 essential nutrients, including Vitamin E, protein, riboflavin, zinc, magnesium, and so on. (Image: DC)

There was an outburst of happiness, when all the 41 construction workers who were trapped in the Silkyara tunnel were successfully rescued. Images of saved workers cheering and clapping in excitement after being extracted from the tunnel enthralled the nation. While it was one of the toughest rescue operations that continued for 17 days, the workers struck inside the tunnel survived on supplied oxygen and a healthy diet of nuts, puffed rice and chickpeas. After extracted from the tunnel, the labourers offered almonds to the rescue workers who were experts in the rat-hole mining technique.

১৫টি পুষ্টিতে ভরপুর খাদ্য উপাদান Almond

শরীরকে সচল রাখতে যে সমস্ত খাদ্য উপাদানগুলিকে বিশেষ গুণিতকর উৎস হিসাবে বিবেচনা করা হয়, Almond সেসবের মধ্যে অন্যতম। এই বিষয়ে রইল বিস্তারিত তথ্য।

December 2, 2023

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গৃহশোভা

बादाम की अच्छाइयों पर करें भरोसा - प्रोटीन, राइबोफ्लेविन के साथ है अनेक फायदे



दैनिक भास्कर



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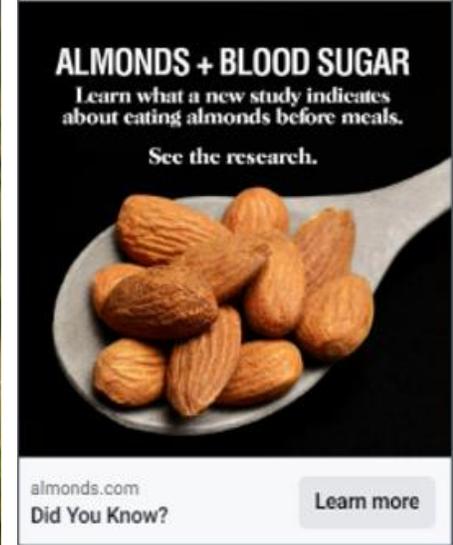
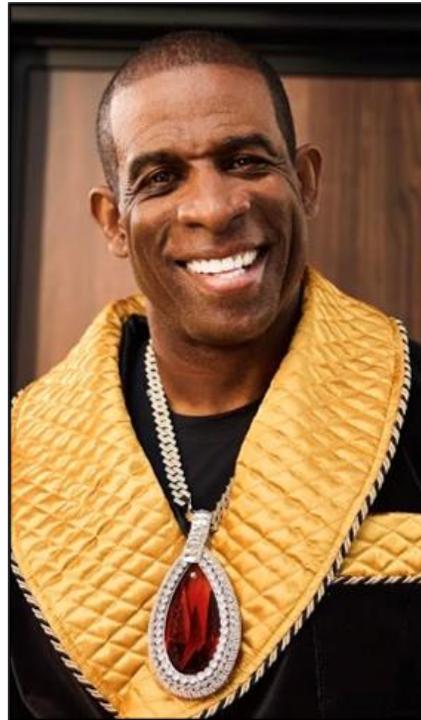
ENERGY TO WIN

Tomorrow Begins Today



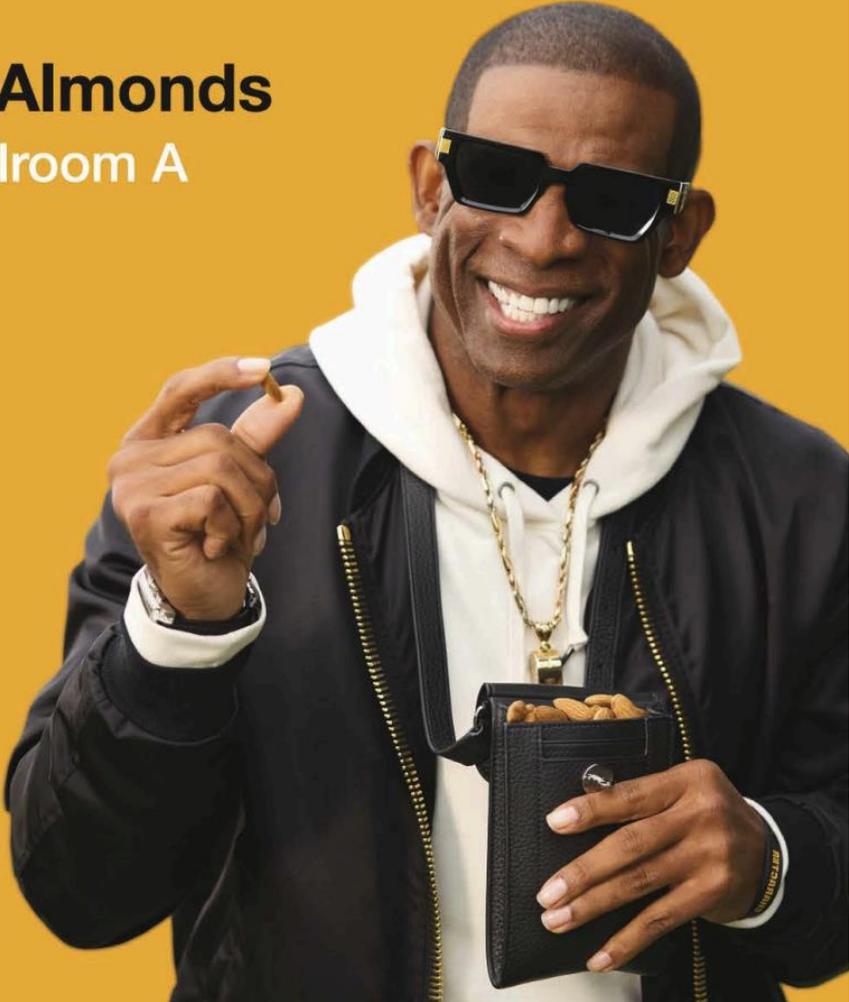
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Building Global Demand for California Almonds

Thursday, December 7 | 8:00-9:15 A.M. | Ballroom A



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Thank you

