



growing

ADVANTAGE

The Almond Conference

State of The Industry

Richard Waycott, ABC

Bill Harp, ABC Chairman, Fabbri Group

Daniel Sumner, Agricultural Issues Center -
UC Davis



A close-up photograph of several green almonds on a branch, with vibrant green leaves. The background is softly blurred, showing more of the tree and some out-of-focus figures of people.

**Bill Harp, ABC Chairman,
Fabbri Group**

The State of the Industry

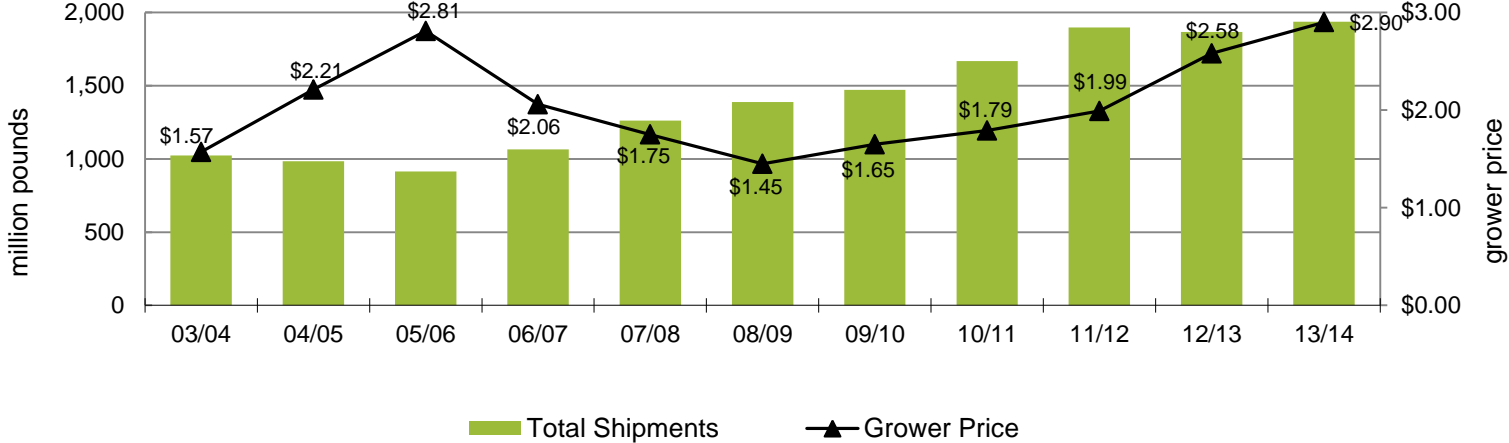
Bill Harp

Chairman, Board of Directors

December 9, 2014 4:30pm in Rooms 308-313

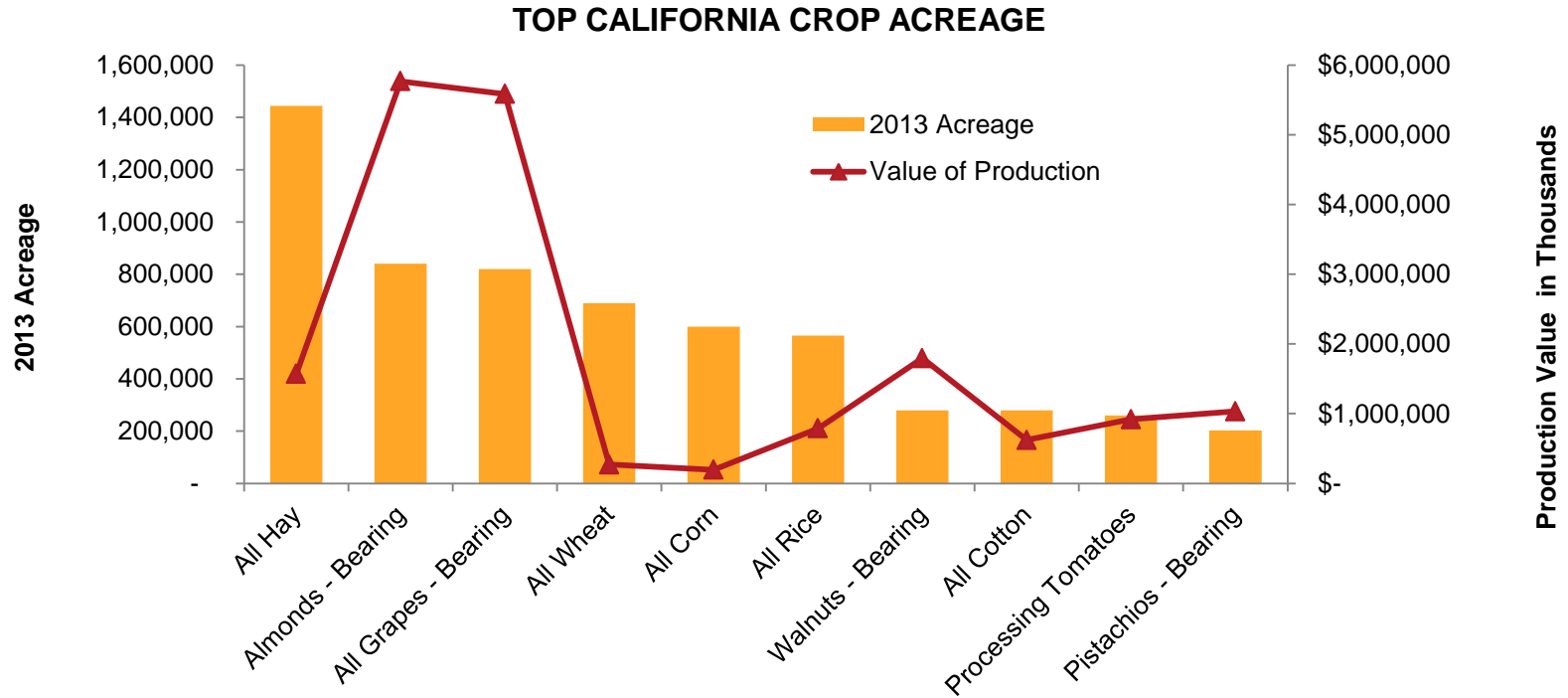


Shipments and Farm Price at an all time high!



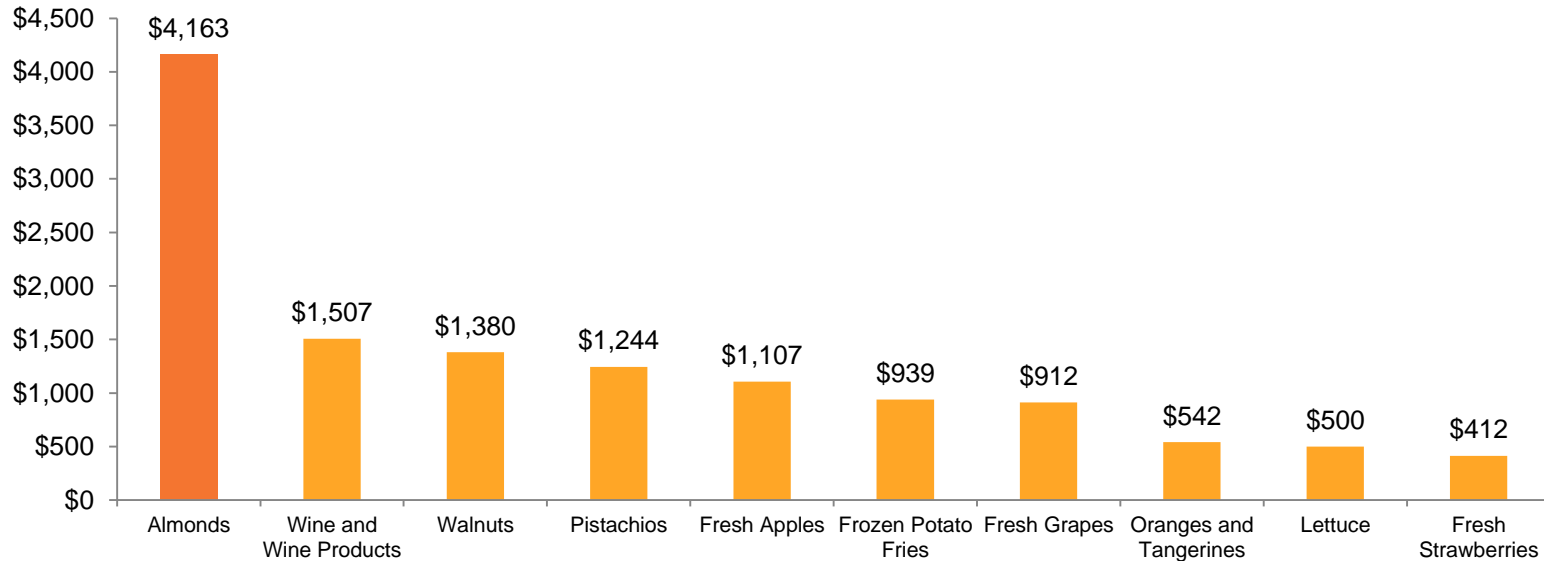
Sources: Almond Board of California; USDA, National Agricultural Statistics Service, Pacific Regional Office(NASS/PRO).

2013 California Crop Rankings



Almonds are Tops!

Top Ten U.S. Specialty Crop Exports by Value, 2013* (in millions)

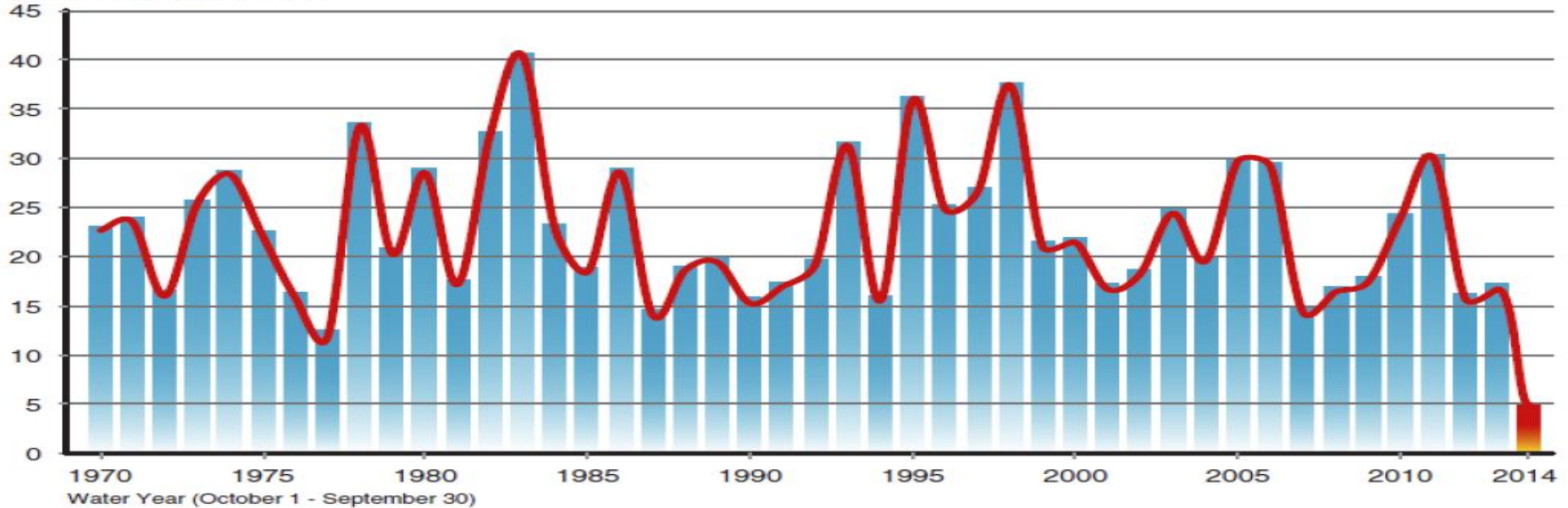


Drought throughout the years

January 31, 2014

Statewide Average Precipitation - by water year

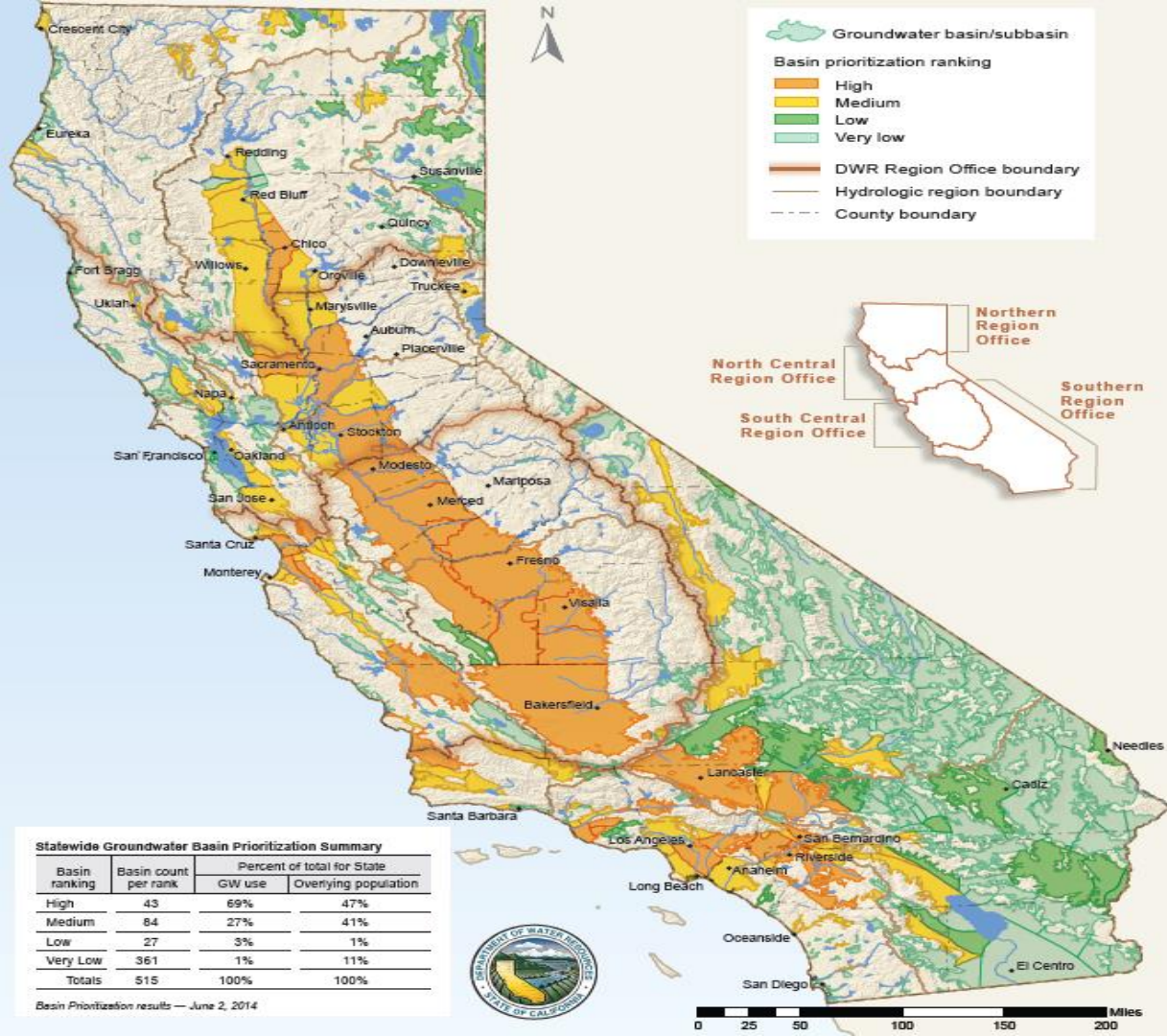
Average Precipitation (Inches)



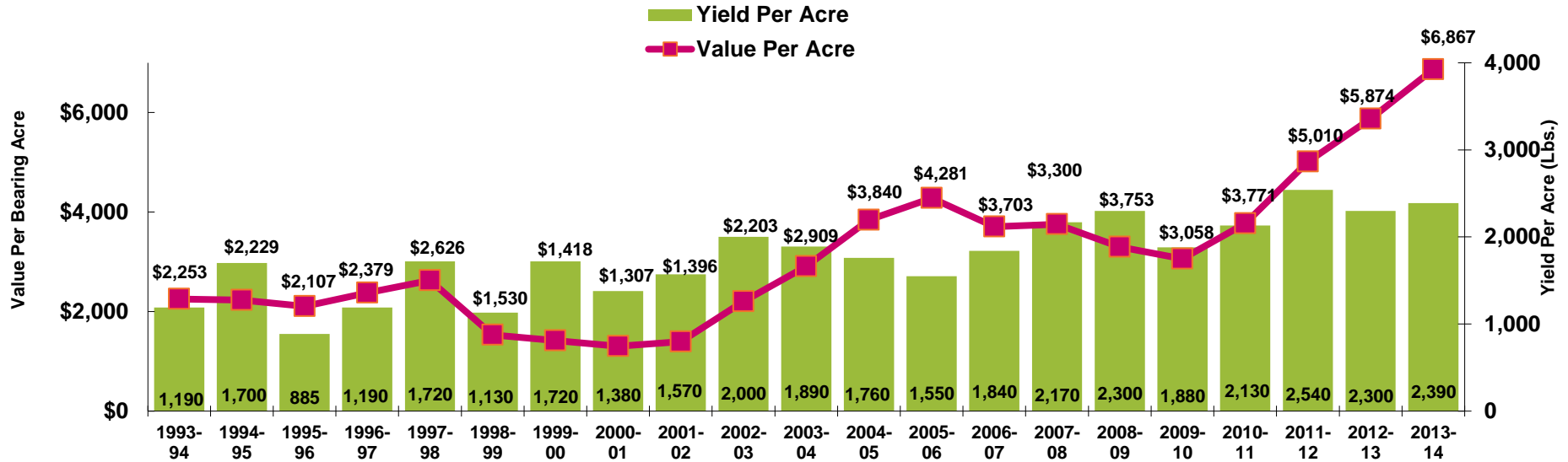


California Drought

California Groundwater Basin and Sub-basin



Yields per acre have DOUBLED in the last 20 years





Drilling



Moisture Monitoring



Getting
Involved!!!



Pumping





Honey Bee Best Management Practices for California Almonds



Research for development of drought resistant varieties



Community Outreach



Irrigation Best Practices



Educating regulators on air, water, pesticide issues



THE PERFECT SNACK

When your appetite is out of control, put down the chips and reach for almonds to not only satisfy your hunger but to also help you lose fat at the same time.

By Nicole Catanese on May 7, 2014

Share: [f](#) [t](#) [p](#)

Nutrition Research increasing almond consumption



Alleviating Market Access Issues



HAMBURG PORT

Off Special Measures
and going towards
Pre-Export Certification

Hamburg Port
Inspection Team



Julie Adams steering
a cargo of almonds
into port???



India New Labeling Requirements

Trade advising minimum labeling requirements are being enforced:

- Name and address of manufacturer
- Name and address of Importer
- Product name/Net Weight of Contents
- Packing month
- Best before date
- Vegetarian Sign

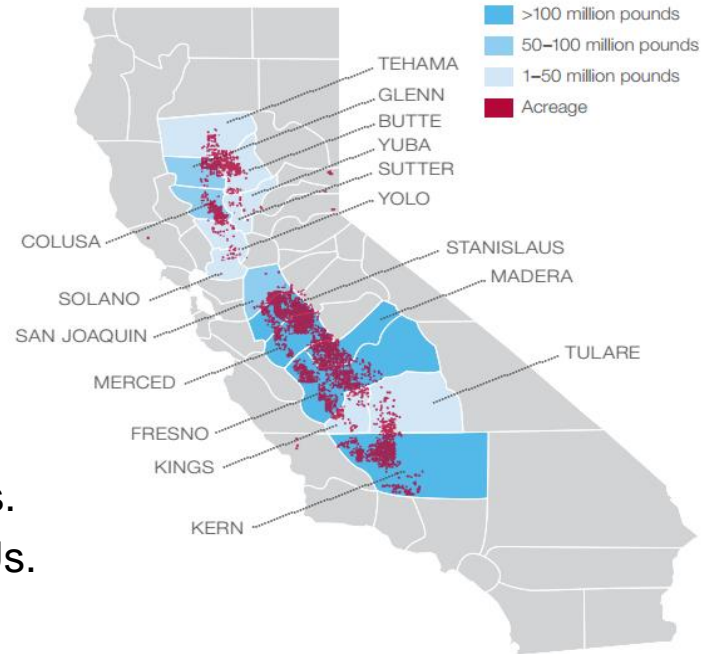
Meeting with India's Minister for Food Processing



Staying **proactively engaged** with FSSAI to better understand their priorities, and to relay almond industry concerns/implications

Incoming Inspection Procedure Training

- 14 Trainings
 - 3 Southern Region
 - 8 Central Region
 - 3 Northern Region
- July 14th – August 8th
- Bilingual Format
- Single trainer statewide
- Nearly 1,00 industry members trained
- 90% of Handlers have submitted signed MOUs.
- 28 Huller/Shellers have submitted signed MOUs.



ABC Supports Growers and Growers Support ABC

The 2014 marketing order continuance referendum for Almond Board of California

91%

voting in favor of continuance



Marshalling Industry Forces Under the Umbrella of ABC





Thank you

The State of the Industry

Richard Waycott
President & CEO, Almond Board of California
December 9, 2014 4:30pm in Rooms 308-313





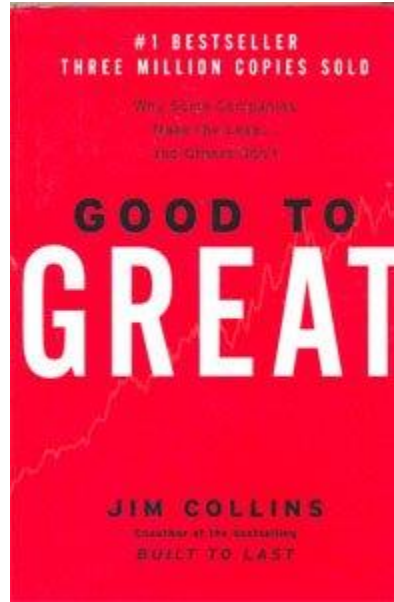
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Going from Good to GREAT!

Right
Employees

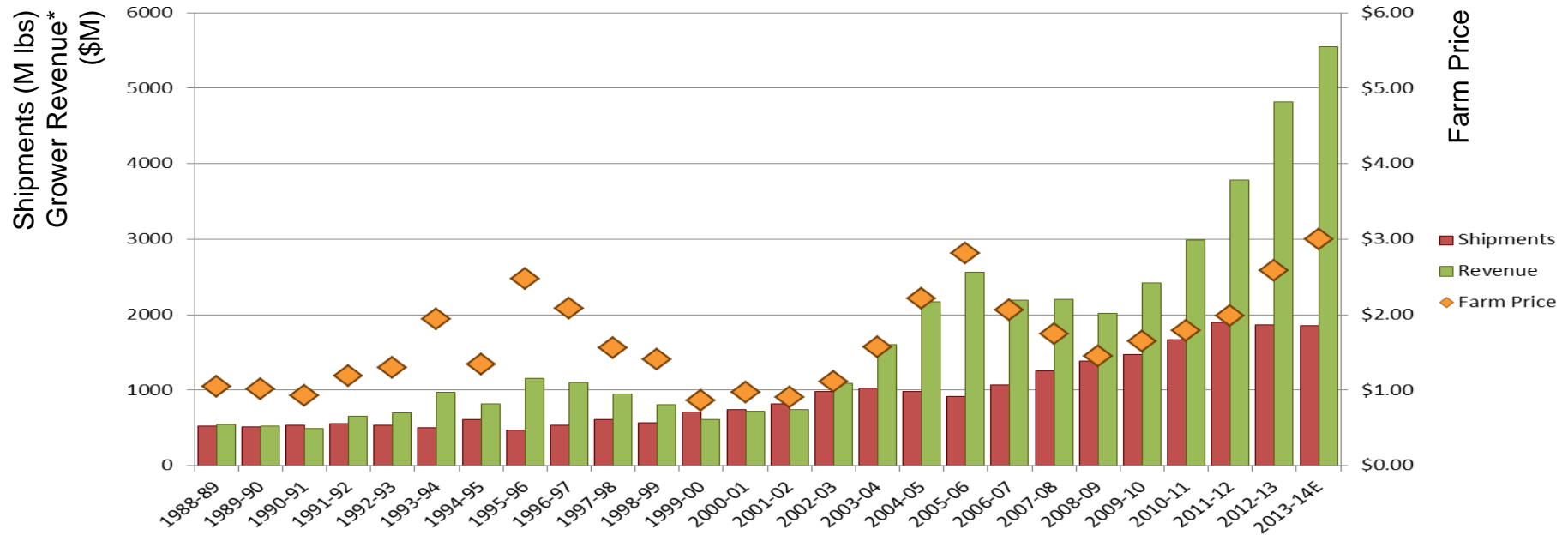
Humility of
Leadership



Consistent
Long term
Strategic
Plans

Grower Revenue Quadruples in Last 10 Years

- Strong demand + increased supply + rising price = record grower revenue



* Grower Revenue = Shipments X Farm Price

Investing in the Future



new wells



new varieties

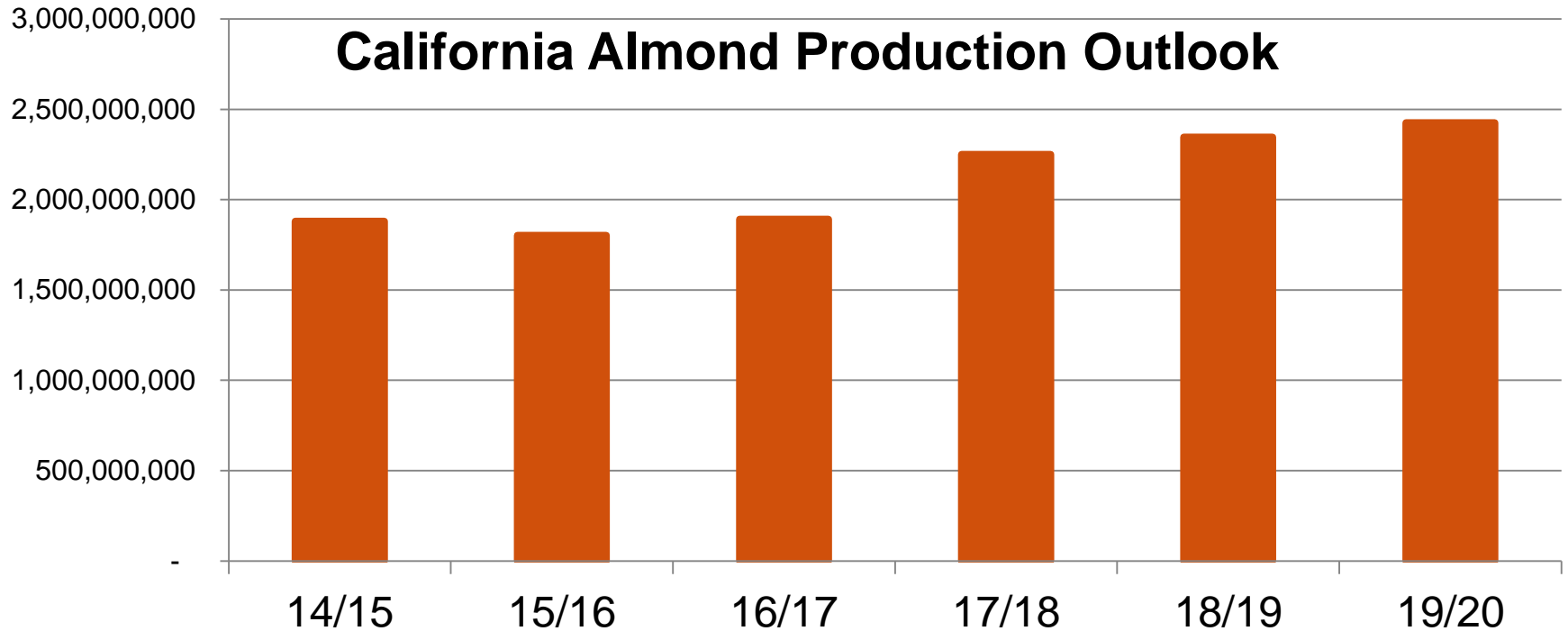


new infrastructure



new training

FY2014/2015 – FY2019/2020 Projections



Aspirational Direction for Almond Board of California

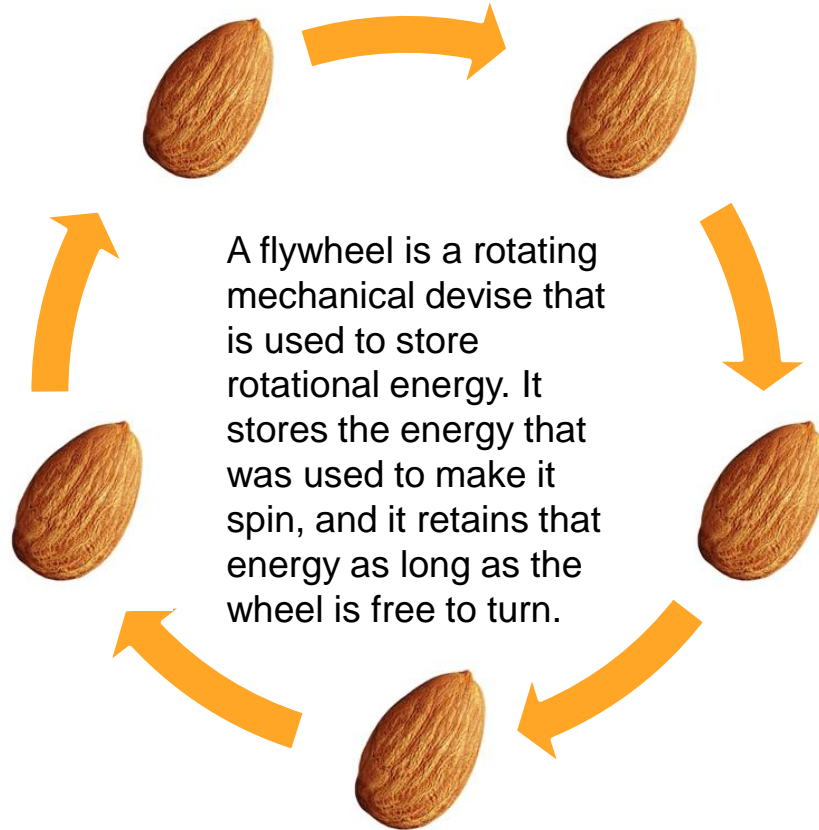
VISION

To bring great taste, health, and vitality to people around the world through the enjoyment of California Almonds.

MISSION

To make California Almonds essential to customers and consumers worldwide through innovative research, market development, and industry support.

Harnessing the Energy of the Flywheel



A flywheel is a rotating mechanical device that is used to store rotational energy. It stores the energy that was used to make it spin, and it retains that energy as long as the wheel is free to turn.

Flywheel Freely Turning in Major Markets

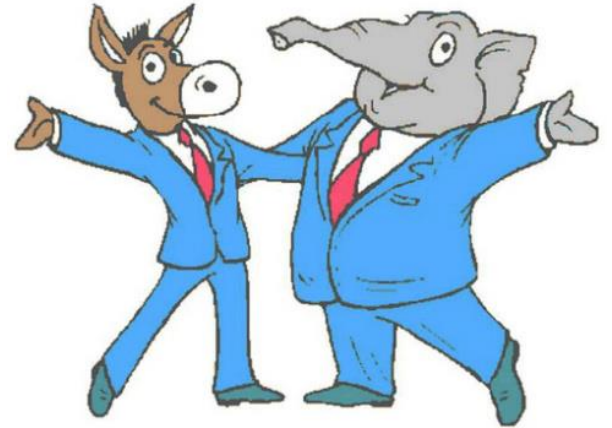
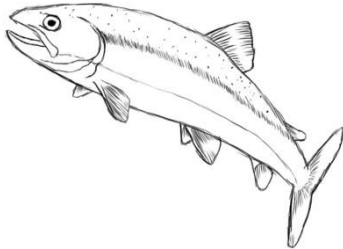
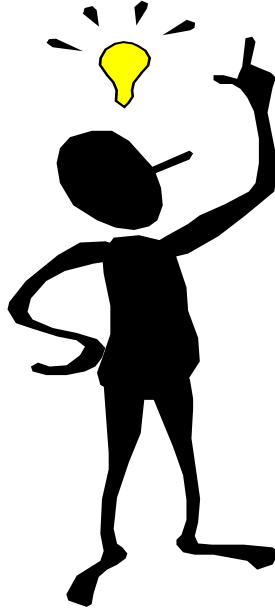


A Crop of Choice

Almond farming in California is considered by all to be good for the state and the country, and has a long term comparative, competitive advantage versus other countries of origin.



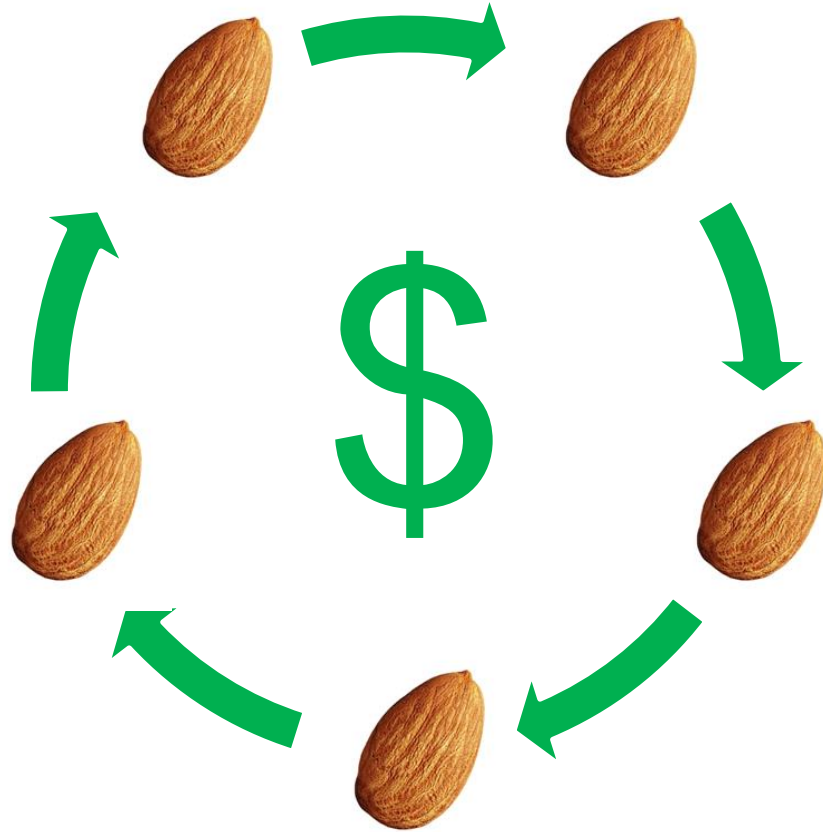
Solution Solving with New Approaches



Vision + Fly Wheels + Ag Solutions = Successful Future



High Demand + Cooperative Mother Nature + Smart Selling = Abundant Grower Return





Confront the brutal facts with complete confidence that
we will be successful



growing
ADVANTAGE

The Almond Conference



Thank you



**Daniel Sumner, Agricultural Issues Center -
UC Davis**

The Economic Impacts of the California Almond Industry

Prof. Daniel A. Sumner

Director, University of California Agricultural Issues Center

An intensive study of the economic relationship of the California Almond industry to the economy of California, prepared by the UC Agricultural Issues Center.

Co-authors: Dr. William A. Matthews, Dr. Josué Medellín-Azuara and Adrienne Bradley.



Understanding the Economic Impact of California Almonds

- The California almond industry is a large and dynamic part of California agriculture and makes major contributions to the California economy.
- The volume and value of almond production have been growing rapidly and the industry has become a larger share of California agriculture.
- The economic impact of California Almonds extends well beyond direct industry output into supporting industries.
- Our study evaluates the full economic impact of the industry on the California economy.

The Bottom Line

- Almonds contribute:

\$21.5 billion of industry output to California economic activity,
including purchases from supporting industries

\$11 billion of value added to the California Gross State Product

104,000 jobs to California employment opportunity

Where do these numbers come from:

- Our task was to dig further than the value of production and other industry-specific data to trace the influence of the almond industry on the rest of the economy.
- In addition to direct employment, value of almond production, and net contribution within the almond industry, we measure:
 - (1) indirect impacts through demand for inputs to almond production, processing and marketing
 - (2) induced impacts through how almond income allows consumption of other goods and services produced in the California

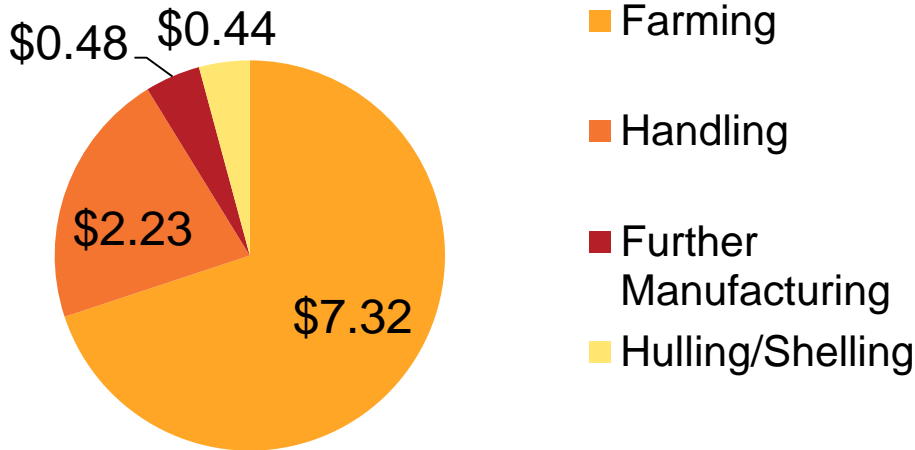
We base our calculations on:

- A massive and complex set of data on the employment and purchases of every industry in California
 - This demonstrates how almond production, processing and marketing links to other industries (IMPLAN)
- An informal survey of almond growers, processors and marketers that helped calibrate the data linkages and provided additional information about the industry in 2014
- Our own updates and projections that take into account the current 2014 situation and outlook

Now on to the numbers: Direct Value of Industry Output: \$10.5 Billion

- The foundation for analyzing the economic impact of the industry was to measure the value of the direct output of each sector.

Direct Value of Output for 2014 (\$ Billion)



Value of Direct Output: ~\$10.5 Billion

- Direct Jobs** (including part time and part year):

| | |
|-----------------------|--------|
| – Farming: | 20,900 |
| – Handling: | 2,600 |
| – Hulling & Shelling: | 1,500 |
| – Manufacturing: | 500 |

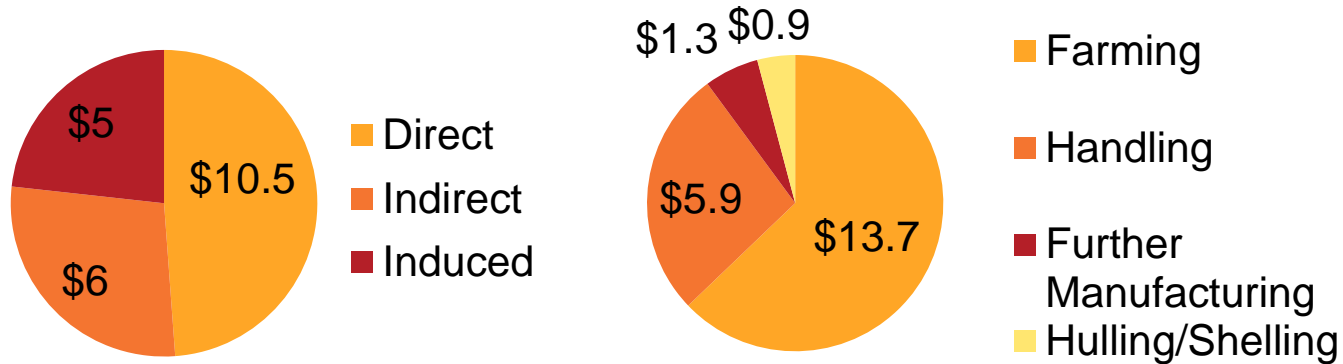
– **TOTAL:** **25,000**

- All segments of the industry are dependent upon each other.

Direct + Indirect + Induced Value of Industry Output : \$21.5 Billion

- Including the indirect and induced economic effects in our calculations, we are able to account for the total value of industry output as \$21.5 billion.

Value of Industry Output (\$ Billion)



Total Value of Industry Output: \$21.5 Billion

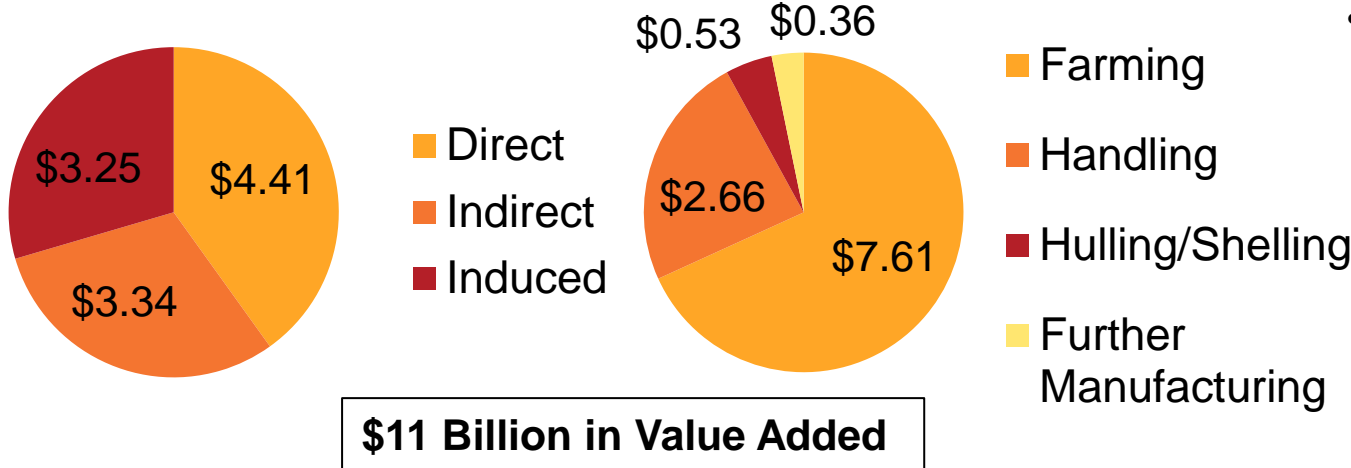
Value Added vs. Industry Output, for measuring economic contribution

- Value Added: The value added calculations measure the economic contribution of the industry above the cost of goods and services purchased from supporting industries.
 - Land
 - Labor
 - Capital
 - Management
- \$21.5 billion includes purchases from supporting industries.
- After subtracting out purchases from supporting industries, the Value Added to the California economy is calculated to be approximately \$11 billion.

Value added to the California Economy: \$11 Billion

- This is the contribution of almonds without any double counting. If the almond industry was smaller what would it mean to the California economy?

Value Added (\$ Billion)



Indirect & Induced Jobs (including part time and part year):

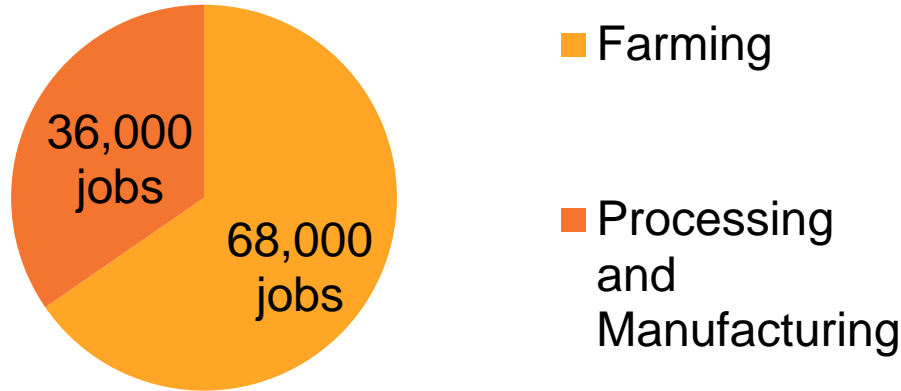
| | |
|-----------------|----------------|
| – Direct: | 25,600 |
| – Indirect: | 44,500 |
| – Induced: | 33,700 |
| – TOTAL: | 103,700 |

104,000 Jobs

- All segments of the industry go together. There is not processing without farm production and farm production leads nowhere without processing and handlers.

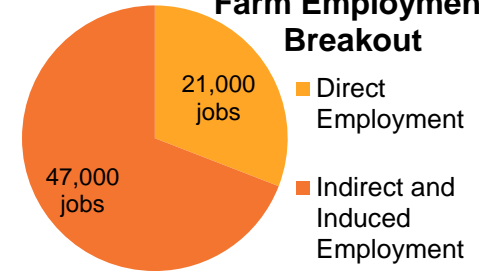
Valued Added Job Creation - A total of 104,000 Jobs

Employment Generation

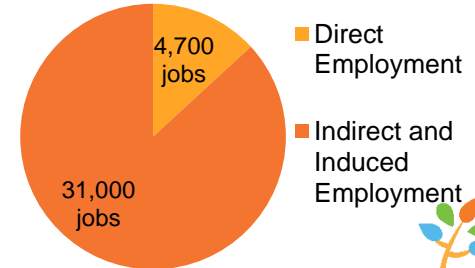


Of these, over 97,000 Jobs are generated in the Central Valley of California. These jobs are vital in a region that has long had high unemployment.

Farm Employment Breakout



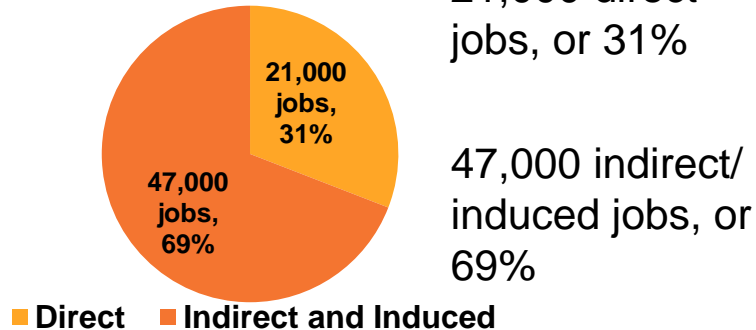
Processing and Manufacturing Employment Breakout



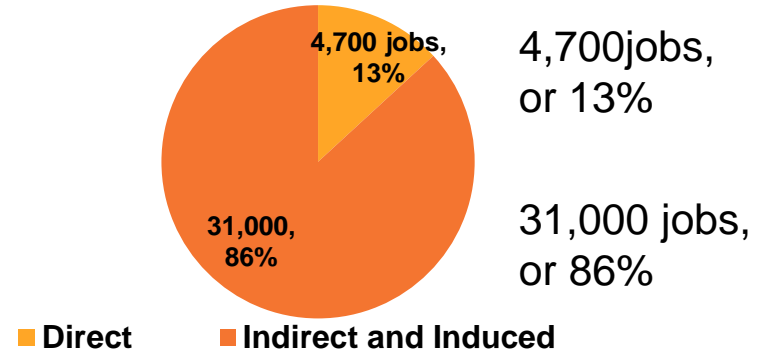
Multiplier Effect of Job Creation

- More than three quarters of the jobs generated by California Almonds are outside of the almond industry.

Farm Employment Breakout



Processing and Manufacturing Employment Breakout



A total of 103,700 Jobs → 75%+ of which are supported outside of the industry.

The multiplier effects:

- Multiplying the almond industry's economic impact:
 - Almond production and processing cause increased demand for materials and services from outside the industry such as packaging, and trucking.
 - Moreover, income generated by this economic expansion is spent on other services from groceries to, new cars, to school teachers.
- The sum of direct, indirect and induced impacts tells the complete story of the almond industry on the whole California economy.

Importance to the Central Valley

- Although its economic linkages are statewide (and global), the almond industry is especially important to the economy of the California Central Valley.
- 97,000 jobs in the Central Valley are created by the direct, indirect, and induced economic activity resulting from the production, processing and marketing of California Almonds.
- We have shown that all segments of the almond industry make major contributions to the California economy and to California's Central Valley.

Community Involvement of California Almond Industry Members

- Of course, members of the California almond industry contribute to the state and their local communities in many ways that cannot be captured in financial calculations.
- Through charitable activities, community engagement, and leadership, members of the almond industry make California, especially rural California, a more healthy and vibrant place.
- In addition, almonds contribute to consumer nutrition and wellbeing in California and throughout the world.

Conclusions

- The almond industry is an economic juggernaut for the Californian agricultural economy.
- The industry contributes about **\$11 billion of value added** to the California gross state product (the measure of the size of the California economy)
- The industry provides for **104,000 jobs**, three quarters of which are outside the almond industry.
- Especially important is the industry's contribution to the Central Valley: **97,000 jobs** in a region that has long suffered from under employment and unemployment.
- Almond industry members contribute philanthropically with their time and wealth to the betterment of their communities.

For more information

- I will be at the reception this evening and look forward to conversations.
- See our research poster. Dr. Bill Matthews, will be present to answer any questions on Thursday, Dec. 11 from 10:30-11:45am.
- The full research study, including an executive summary is available now (or very soon) on the UC Agricultural Issues Website at AIC.UCDAVIS.EDU
- Also, Email questions to me: dasumner@ucdavis.edu

A close-up photograph of several green almonds on a branch, with some leaves visible. The background is blurred, showing a crowd of people in an outdoor setting.

Thank You