



# 2018 | THE ALMOND CONFERENCE

INDIA: THE STRENGTH WITHIN

ROOM 314 | DECEMBER 5, 2018





**India: The Strength Within**

## Agenda

### 1. The Changing Regulatory Landscape

- Julie Adams, Vice President, Global Technical & Regulatory Affairs, Almond Board of California

### 2. Leveraging Strengths for Market Growth

- Sudarshan Mazumdar, Regional Director, Almond Board of California

### 3. Innovation in Packaged Products, India

- Harbinder Maan, Associate Director, Trade Marketing and Stewardship



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**INDIA:  
The Changing Regulatory  
Landscape**

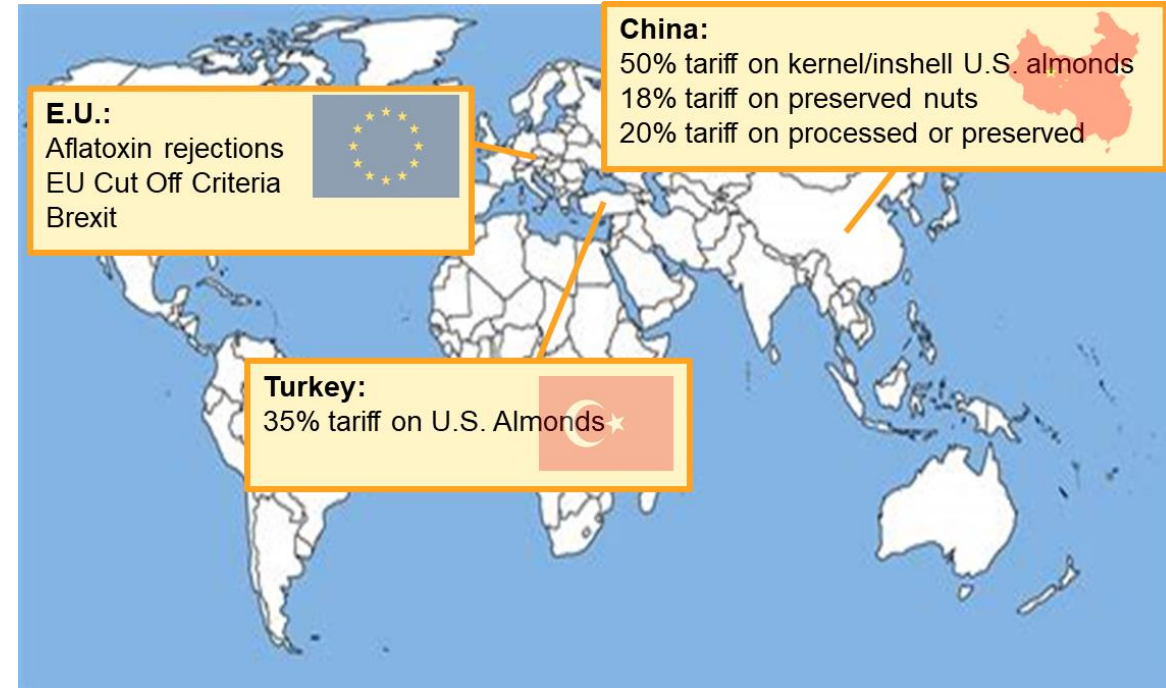
# In India, Trade Issues are *Always* Complicated....

Retaliatory tariffs proposed, but deferred three times...

Technical and Sanitary/phytosanitary barriers are the real concern, and harder to address.....

“Rules-Based” and “Scientifically-Supported” *do not* always rule the day.....

Political tensions and economics *will always* play a role.....



# India – Market Situation

## Retaliatory Tariffs hard to predict

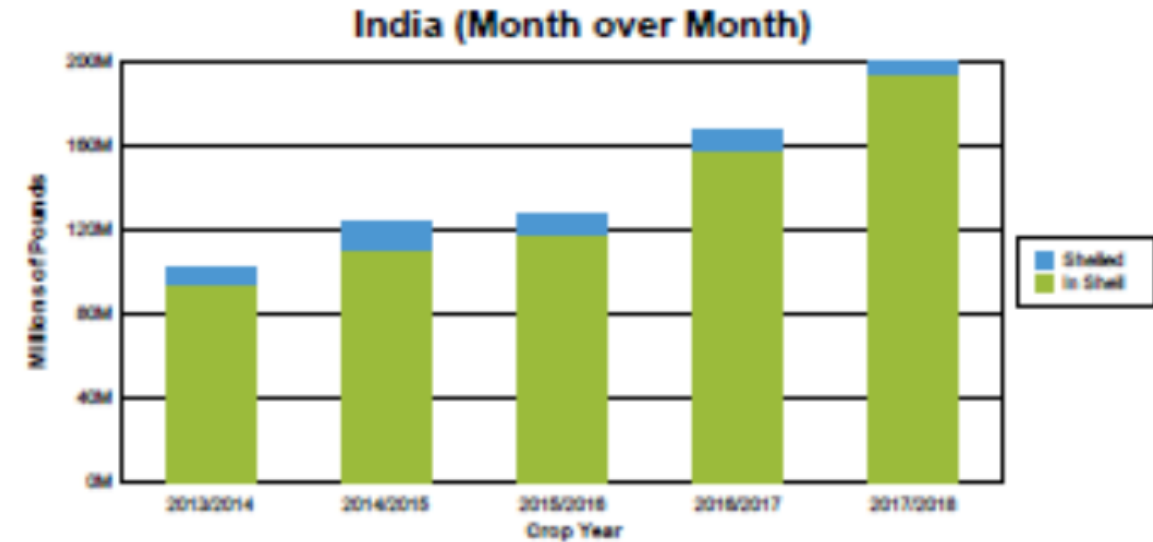
- Kernel duty (all origins): 65→100 rps/kg
- Inshell duty unchanged....for now

## Technical Requirements on the Rise

- Kernel standards focused on commercial, not food safety parameters
- Nutrition guidelines in draft over a year...
- Still no *long term* resolution for No Objection Certificates

## Reorganization of Government Ministries

- Elections likely to bring in new priorities
- Opportunity to expand technical training on production practices, quality measures



## Alliances are Key

- Capacity building efforts in collaboration with key industry associations
- Establishes links in country – focus on food processing, technical applications
- Shows ABC commitment to local economy, trade, consumers



*Thank you!*



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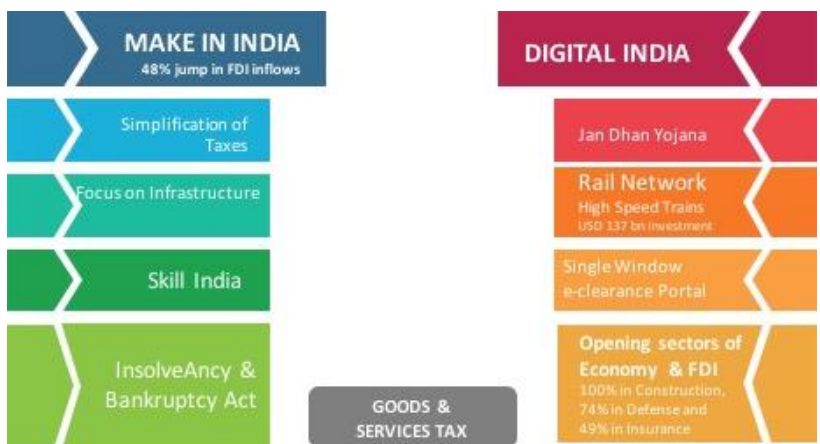


# Indian Economy: Large and Growing

World's 6<sup>th</sup> Largest Economy, with a GDP of \$2.6 Trillion\*

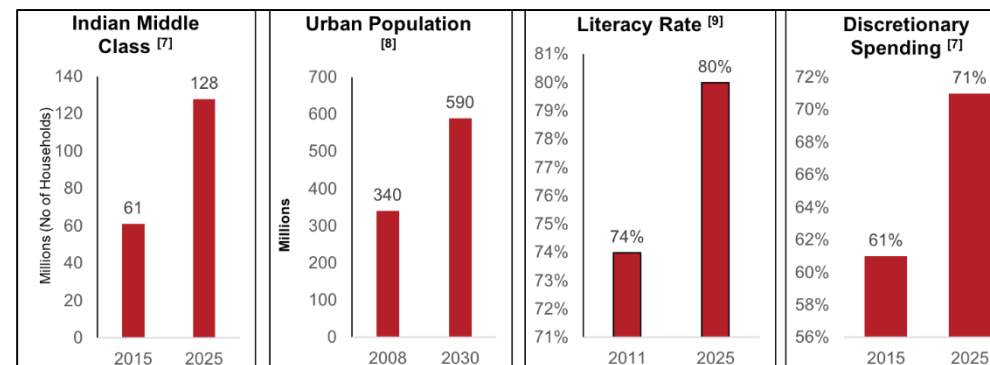
- Over five decades, India's GDP has ballooned, from **\$37 billion in 1960, to \$2.6 trillion now\***
- Economy projected to become 3<sup>rd</sup> largest by 2028\*\*
- Purchasing Power Parity – 3<sup>rd</sup> largest in the world\*\*\*

## Govt. Initiatives to Boost Economic Growth

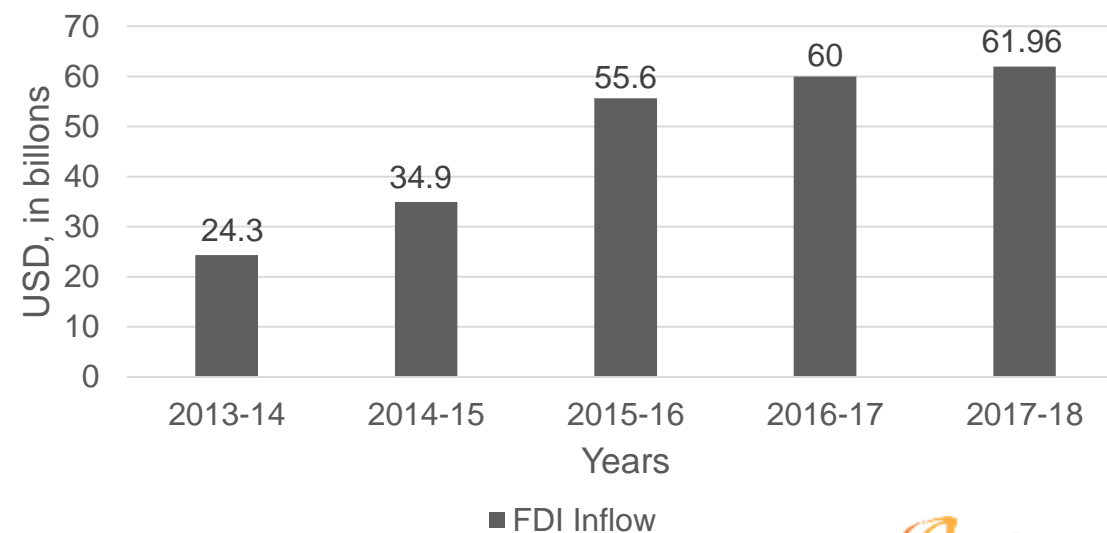


According to World Bank India's ranking in Ease of Doing Business has gone up to 77 from 142\*\*\*\*\*

## Strength of Indian Economy



## FDI Growth in Last Five-Year Period



\*World Bank Data. \*\*Bank of America Merrill Lynch. \*\*\*ICP 2011. \*\*\*\*CIA World Factbook estimates

\*\*\*\*\* International Monetary Fund. \*\*\*\*\* World Bank Ease of Doing Business 2019. \*\*\*\*\*FDI Growth -www.timesnownews.com

## Global Confidence

***“India's growth is expected to increase to 7.3 per cent in 2018 and to 7.4 per cent in 2019. This acceleration, reflects rebound from transitory shocks (the currency exchange initiative and implementation of the national Goods and Services Tax), with strengthening investment and robust private consumption. India to be fastest growing major economy for next two years owing to structural reforms and demographic dividends.”***

***- IMF October 9, 2018***



## Almonds in India

# Almonds: Availability & Formats

Available across the length & breadth of the country

Wholesale Market



Semi Wholesale



In Shell Almonds:  
Cracked in India



Mom n Pop Stores/  
Specialized Dry Fruit Stores



Organized Retail



Primarily sold loose



Loose by Weight



Private Labels



Packaged in India



Imported Packs

## Almond Consumption in India is Driven by Tradition

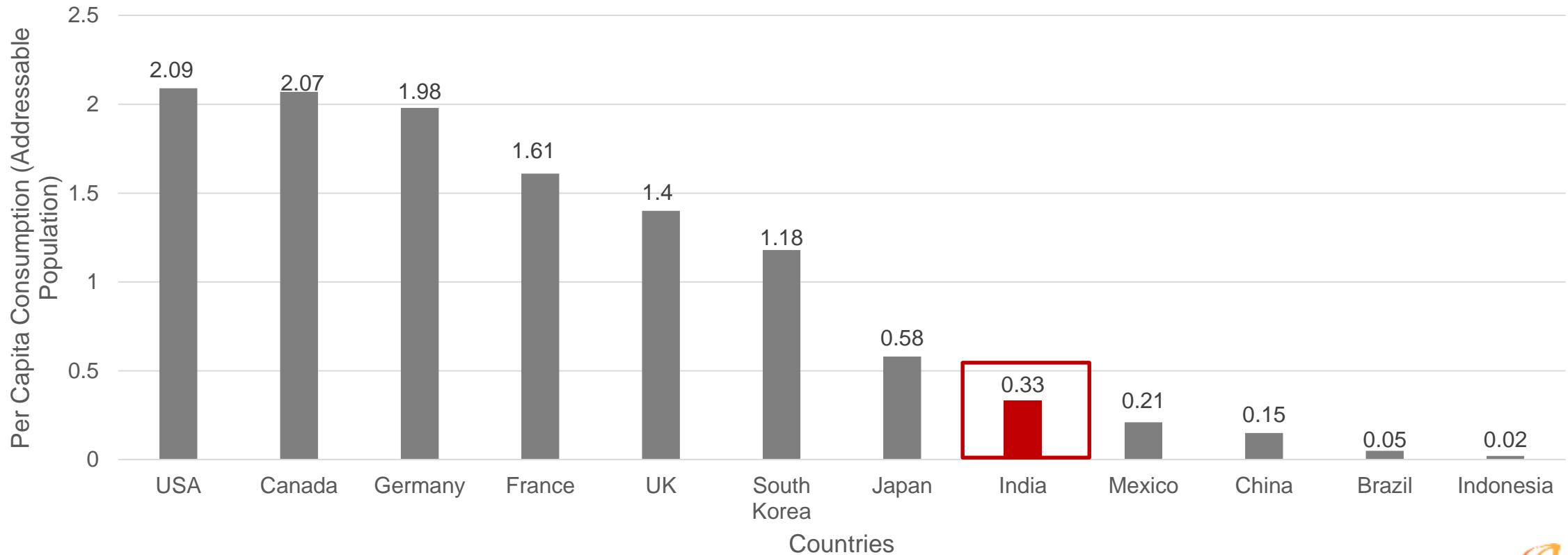




## The Almond Opportunity

# The Almond Opportunity in India

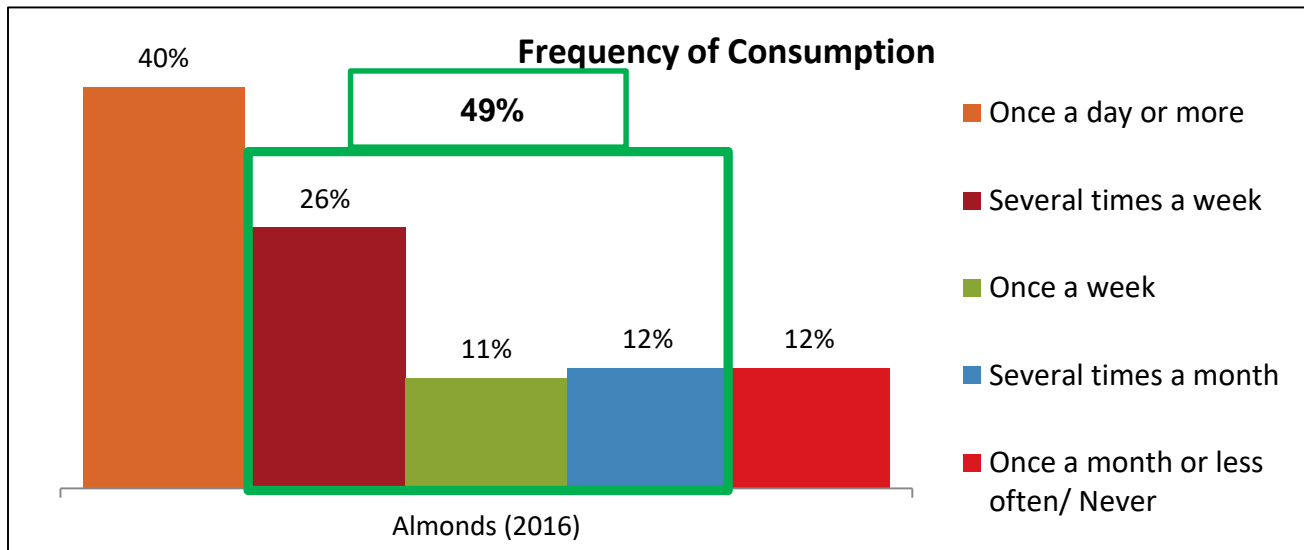
- As India's middle class households expand from 61 mn (2015) to 128 mn (2025), so does the opportunity for almonds.<sup>[1]</sup>
  - Addressable population: The percentage of a total population that is conceivably a potential consumer of almonds based on the development and urbanization of a region.
- India's per capita consumption (addressable population) at 0.33 is very low compared to other regions like Canada (2.07) and USA (2.09) & Germany (1.98), showing an opportunity for market expansion.<sup>[2]</sup>





## Enhancing the Frequency of Consumption

- Only 40% consumers claim they eat almonds everyday.
  - Opportunity to increase frequency of consumption among 49% people eating almonds between several times a week to several times a month.
- Compared to other nuts, Almonds are well positioned to take on the opportunity of ‘year long’ consumption
  - 60% consume Almonds throughout the year. For Cashews, it’s only 22%.



**Best Dry Fruit Described by Positioning and Personality Trait**  
(Total Sample n=1,986)

	Almonds	Cashews	Peanuts	Pistachios
Is eaten throughout the year	60%	22%	12%	8%



## Harnessing the Opportunity

## Leveraging Traditions in Our Communication

Target Audience	Child Consumption Mother / Nurturer	Self Consumption Housewives, Working Men & Working Women
Psychographic Orientation	Stay at home moms taking care of family's well being.	Highly oriented towards healthy living.
Primary Driver	Success for the family.	Success both at home and at work.



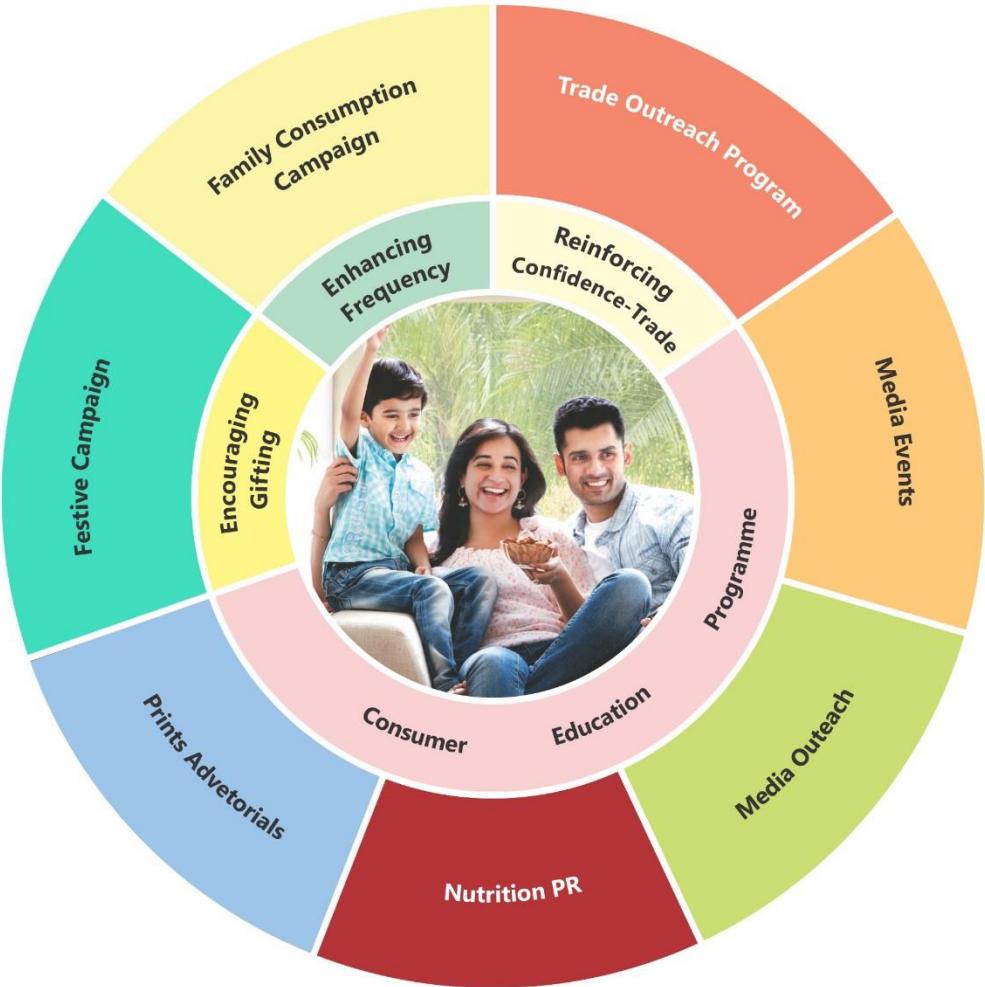
**Key Benefits:** Mental Alertness + Energy Through the Day -> Long term success

### Family Consumption Campaign

**Almonds: Their Partner to Success**

Mental Alertness + Energy Through The Day -> Productivity -> Success -> Prosperity

# MARKETING PROGRAM



## Family Consumption Campaign



## Festive Campaign



## Print Advertorial



## Nutrition PR



## Trade Outreach Program



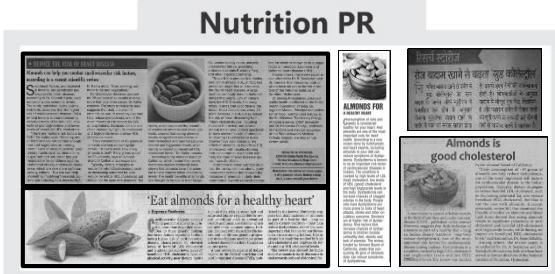
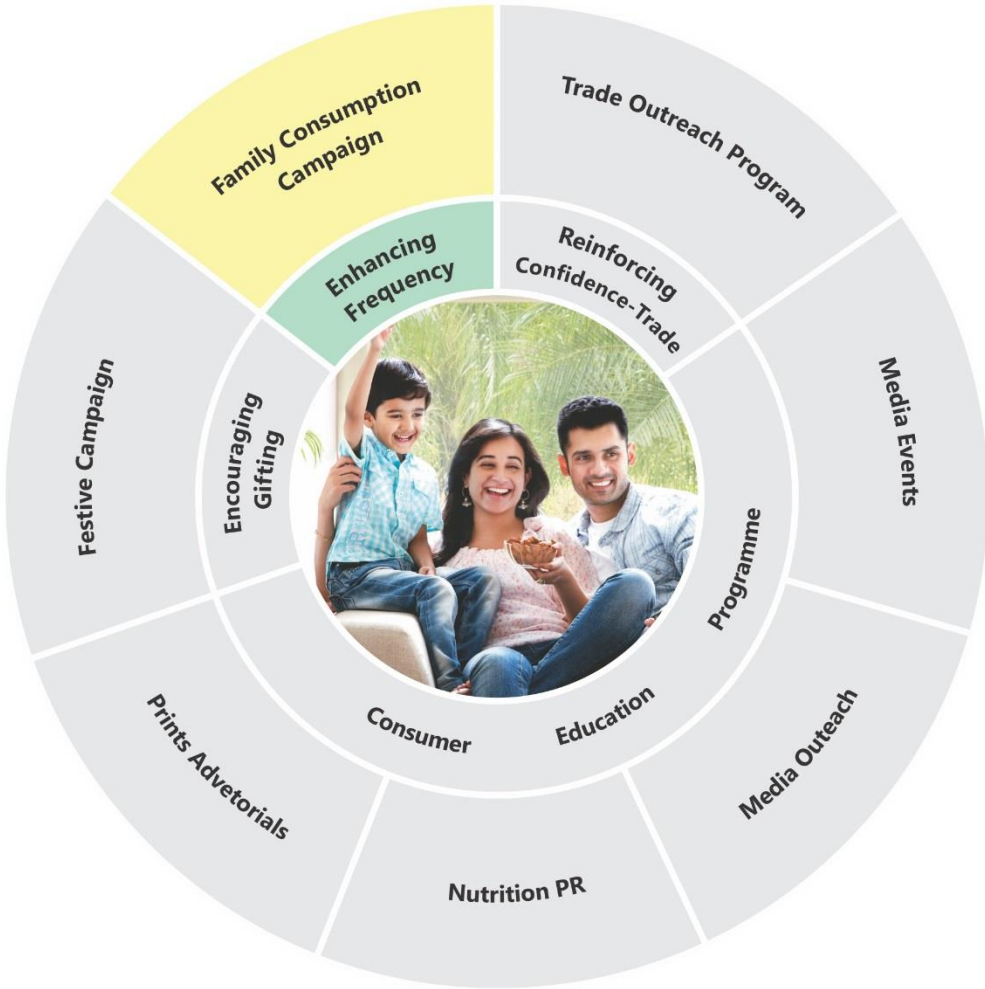
## Media Events



## Media Outreach



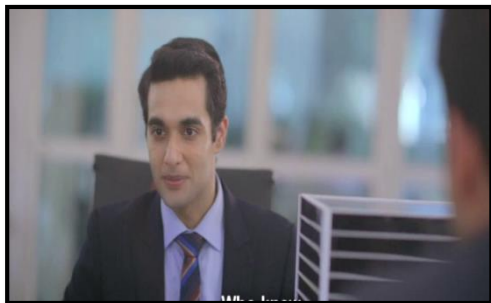
# MARKETING PROGRAM



## Family Consumption Campaign

### PROPOSITION

Small Investments today, build into the big successes of tomorrow. Almonds are a small investment into my & my family's future.



Working Man TVC

### CAMPAIGN IDEA

**Tomorrow Begins Today**  
No matter what tomorrow has in store, you're best prepared for success when you have your almonds today, everyday.



Working Woman TVC

### WHY THIS WORKS

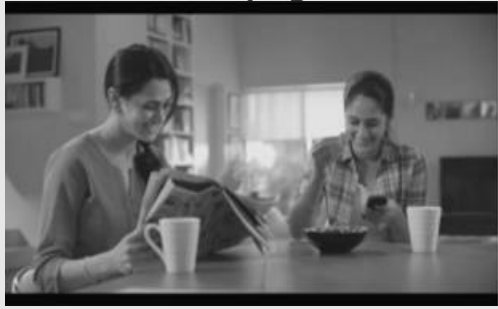
Reinforces daily consumption.  
Permission to have more.  
'Investment' justifies premium price.  
Focuses on the 'long term' benefits.



Mother Daughter TVC

# MARKETING PROGRAM

Family Consumption Campaign



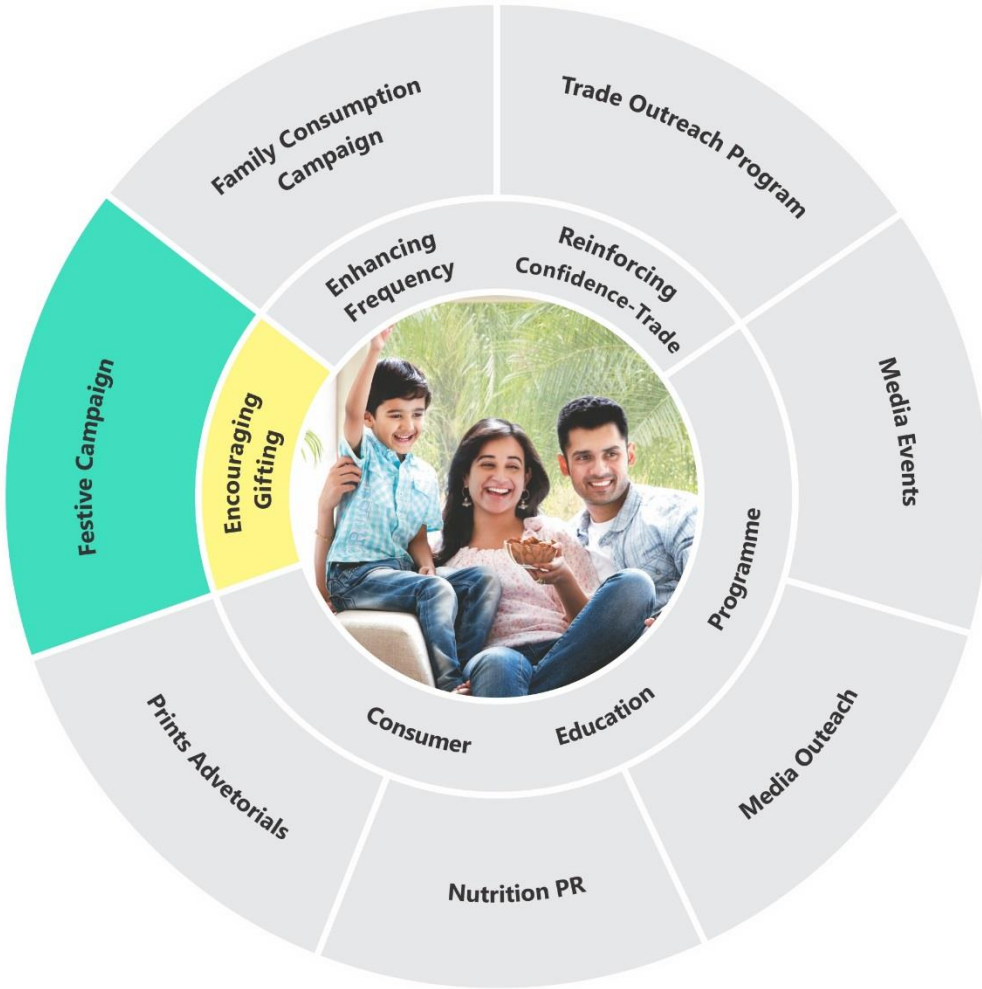
Festive Campaign



Print Advertorial



Nutrition PR



Trade Outreach Program



Media Events



Media Outreach



# Diwali: A Big Gifting Opportunity

## Why Almonds Are a Good Gift to Be Given

- A healthy food
- Says I care
- A premium offering showing my status
- Not adulterated
- True to tradition
- Easily customizable

## Why Almonds Are a Good Gift to Receive

- Feels cared for
- Long shelf life, regular household consumption
- Premium offering showing my status
- Not adulterated
- High acceptance because of tradition

**Gifting of Almonds Honours Close Relationships**

Among all people in our target who give gifts during festivals, 11.9% gift dry fruits.

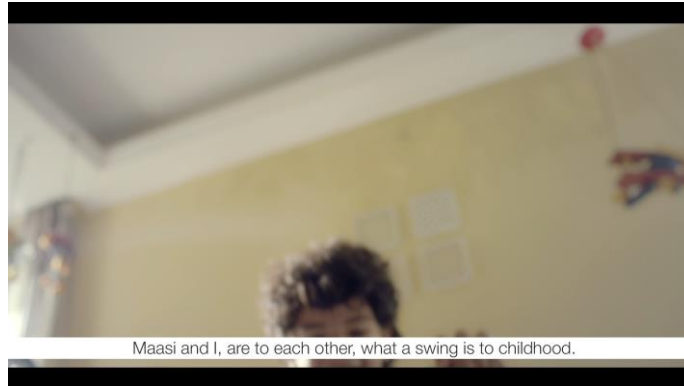


# Diwali Campaign

## CAMPAIGN IDEA

**The most special relationships are those that are multi- faceted.**

That special someone becomes a friend, a confidant, a guide and a whole lot more. Gifting of Almonds is a great way to honor those special relationships.

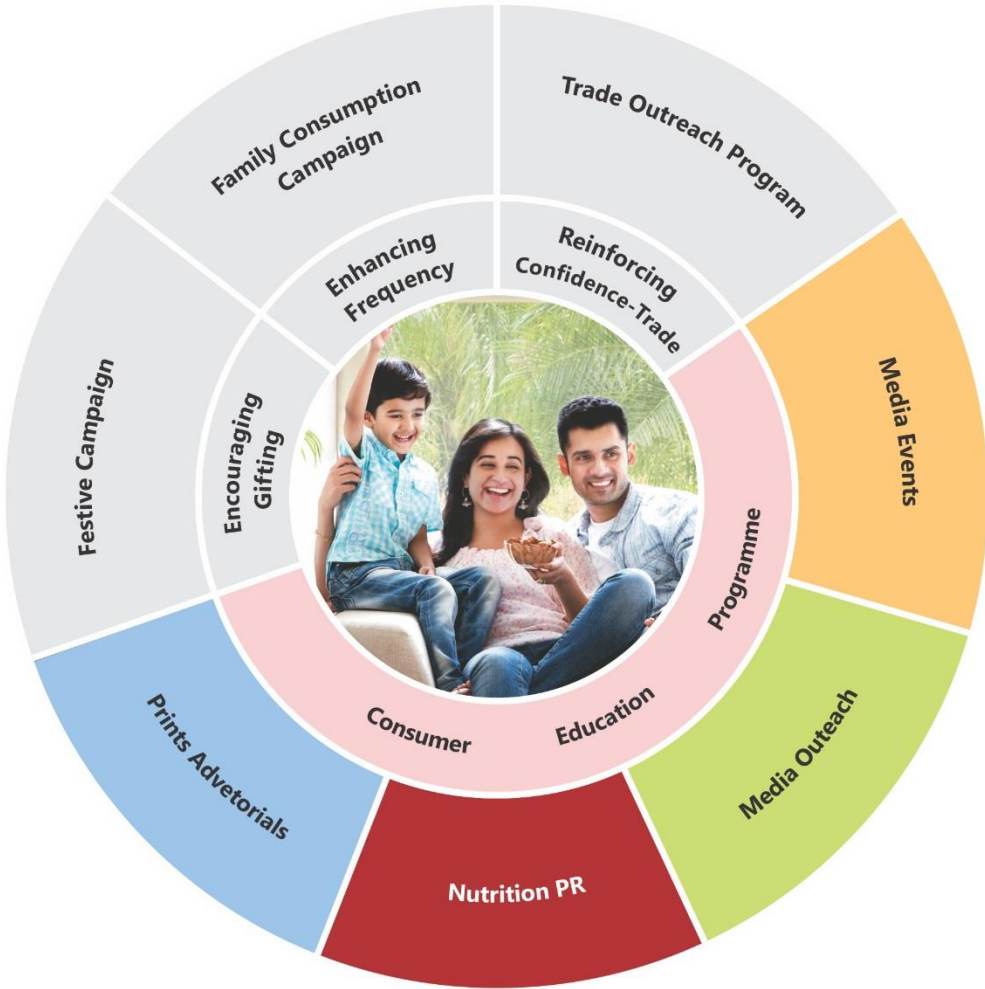


Diwali Massi/ Aunt TVC



Diwali BFF TVC

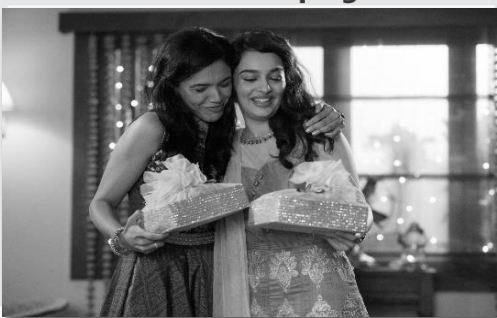
# MARKETING PROGRAM



Family Consumption Campaign



Festive Campaign



Trade Outreach Program



Media Events



Print Advertorial



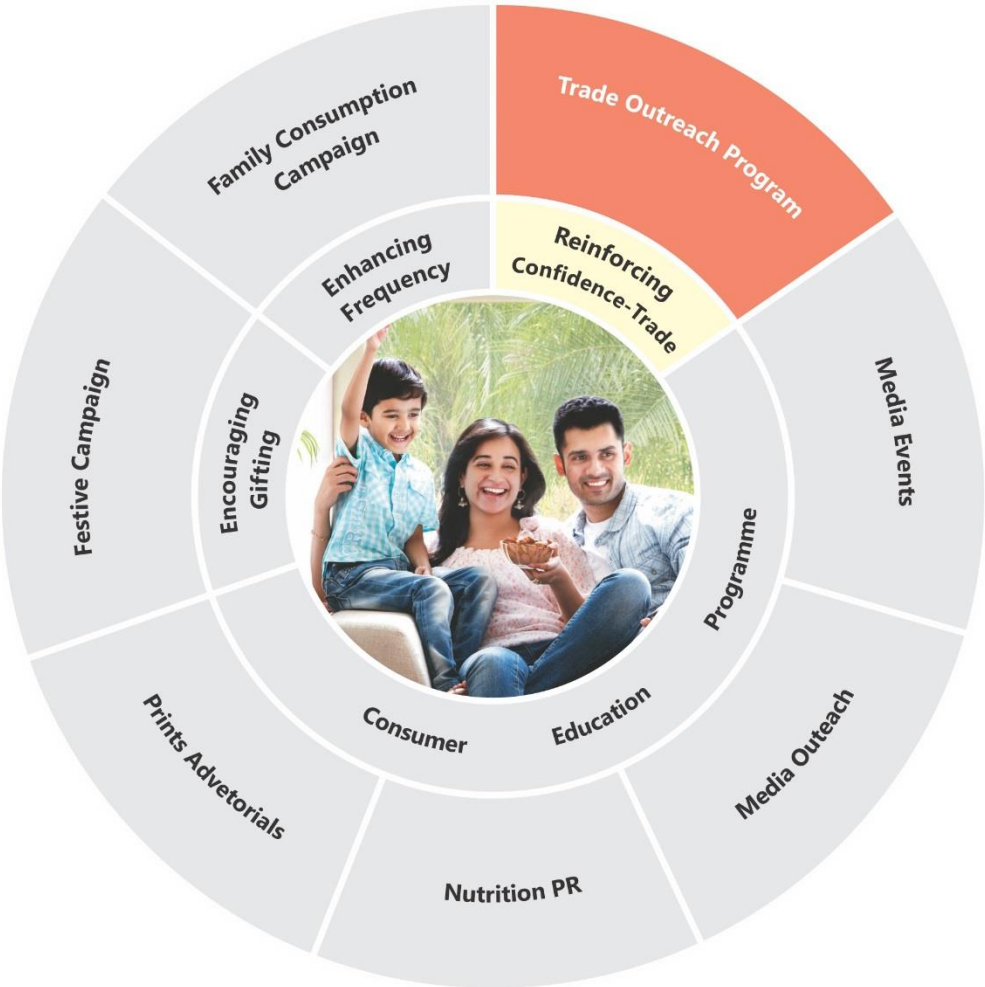
Nutrition PR



Media Outreach



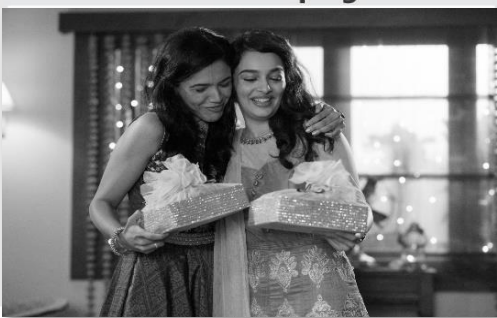
# MARKETING PROGRAM



**Family Consumption Campaign**



**Festive Campaign**



**Trade Outreach Program**



**Media Events**



**Print Advertorial**



**Nutrition PR**



**Media Outreach**



# Trade: Reinforcing Confidence in Almond Potential

## Trade Conference



## Trade Newsletters



The build-up to Diwali is almost as exciting as the festival itself. Fairy lights come to life and diyas are lit as friends and family begin to visit your home. While each household prepares for the occasion, many of us are busy looking for a gift that is both thoughtful and true to the unique relationships that we share. Elegant, natural and traditional, Almonds are an ideal gift for this time of celebration.

### Television Advertising

Celebrated across the country, Diwali is one of India's biggest festivals. With a longstanding tradition of gifting during this season, a consumer research was conducted to understand and strengthen the traditional gifting of Almonds. The research indicated that there was a huge opportunity for Almonds to grow in the gifting space. To leverage this, the Almond Board of California released a two-TV commercial festive campaign during the Diwali season. The campaign explored different dimensions that typically exist in close relationships. The creatives draw a parallel between the gifting of Almonds and the little gestures that make up these multi-faceted relationships.

The first commercial portrays two close friends, Meeti and Sarah. Their friendship is brought to life in the little things they do for each other. Come Diwali, and the two friends exchange gifts of Almonds. A gift that is healthy, thoughtful and in many ways, typical of their friendship. In the second commercial, we have a maternal aunt, or 'masa', and her nephew. We see how they are each other's friends, helping and lifting each other throughout their lives. When the boy is grown up and married, he comes to visit his masa with his wife and a gift of Almonds, honouring the effortless bond that they share.

Each commercial brought to light the many unique aspects of the relationships we share with people close to us. In the spirit of the season, these relationships were celebrated with a healthy, thoughtful and traditional gift of Almonds.

The commercials were broadcast on several leading television channels like Zee TV, Star Plus, Colors, Sony TV, Star Bharat, 6 TV, Zee Classic, 84U Movies, MAX 2, 84U Music, 9K, 9Awa, E4, Music India, NEWS 24, India NEWS, News Nation, News 18 India, Star Prashad and Zee Yuva.



Between April and July, the summer heatwave sweeps through the entire subcontinent. With the rising temperatures comes the need to stay in top health throughout the season. Packed with a variety of health benefits, almonds are a perfect summertime snack that can help our bodies make the most of a demanding season in the sun.

### Television Advertising

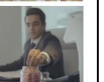
Almond Board of California ran 3 television commercials throughout the summer period which aired from April to July, 2018.

Keeping in mind unique individual lifestyles, each commercial focused on the benefits of almonds. In the first commercial, we find Riya, a young adult who wins a badminton match with the continuous support of her mother. Her regular consumption of almonds prove helpful during her preparation. The second commercial looks at Rohit, a working man who must strike a balance between work and family. With the help of almonds, he finds the energy to succeed in both spheres of life. Finally, the third commercial has Priya as its protagonist, a working woman who is able to meet the demands of motherhood and her career with the help of almonds.

The commercials portrayed success in a variety of distinct lifestyles and situations. The common factor in all of them? A healthy handful of delicious almonds.

The commercials were broadcast on several leading television channels like Star Plus, Life OK, Zee Classic, News 24, 84U Music, History TV 18, Comedy Central, Star Pravah, Sun TV and Star Vijay.

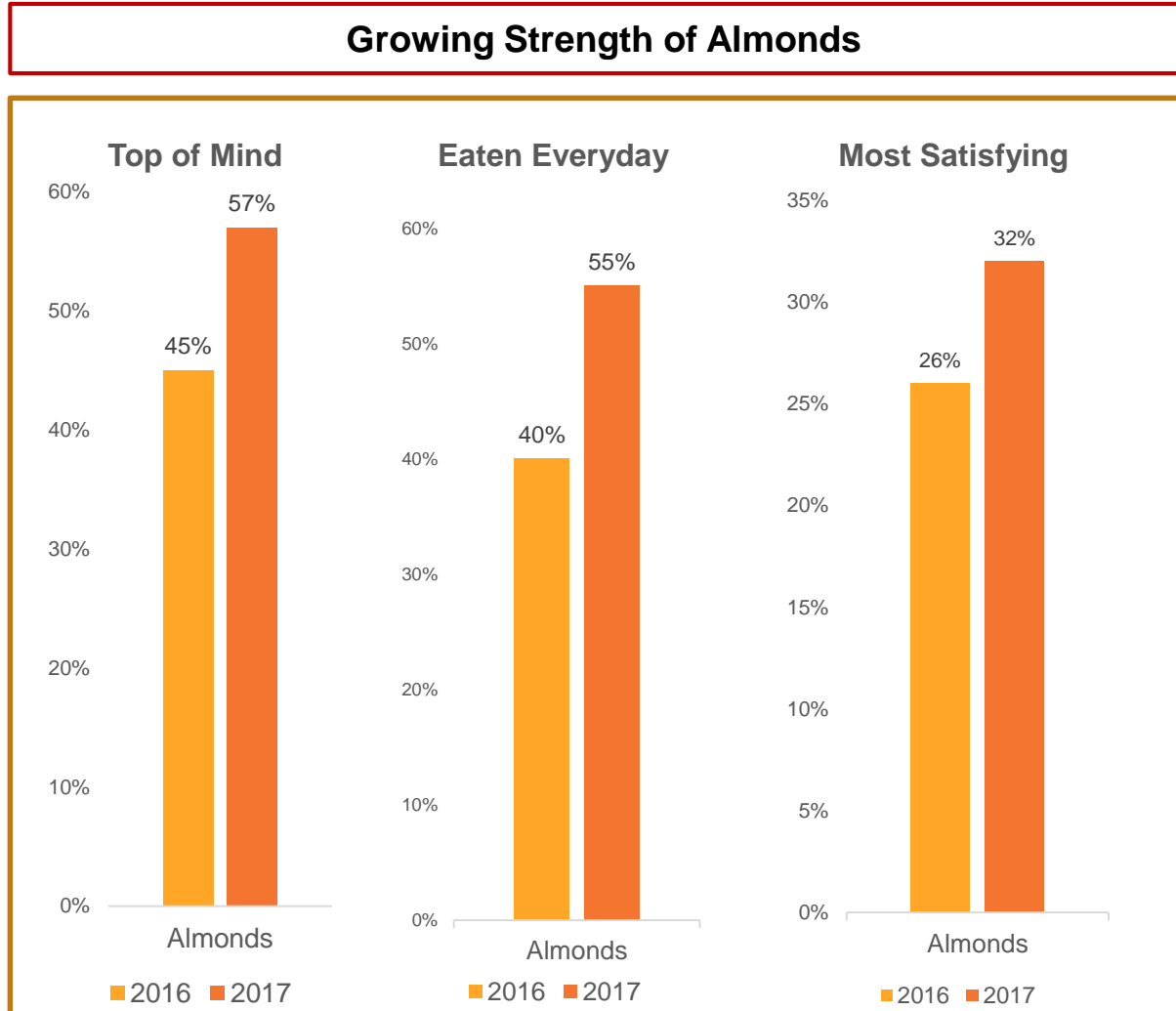
Over 10,000 Spots were aired on various television channels during the campaign.



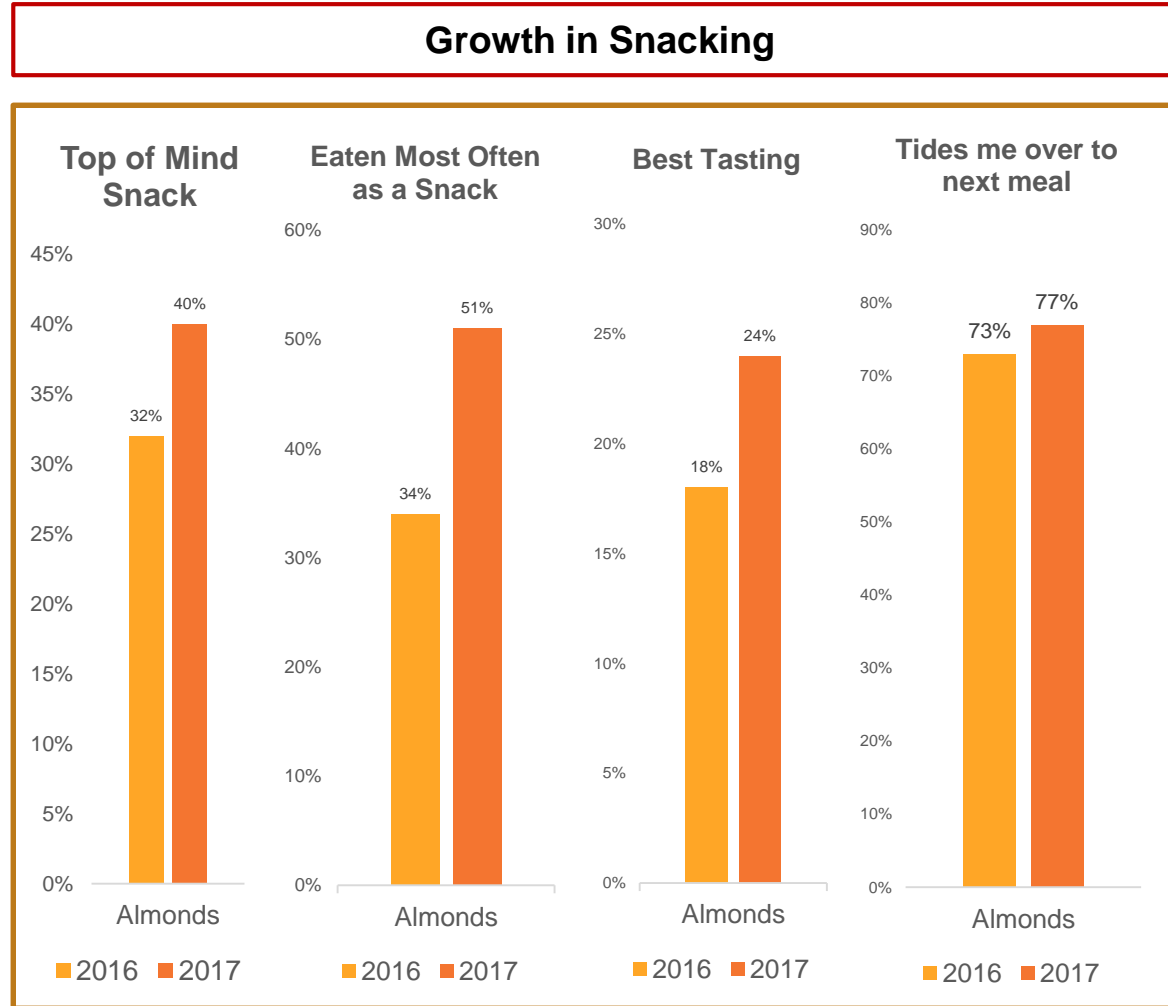


## Program Outcome

## Gaining Strength on Various Parameters

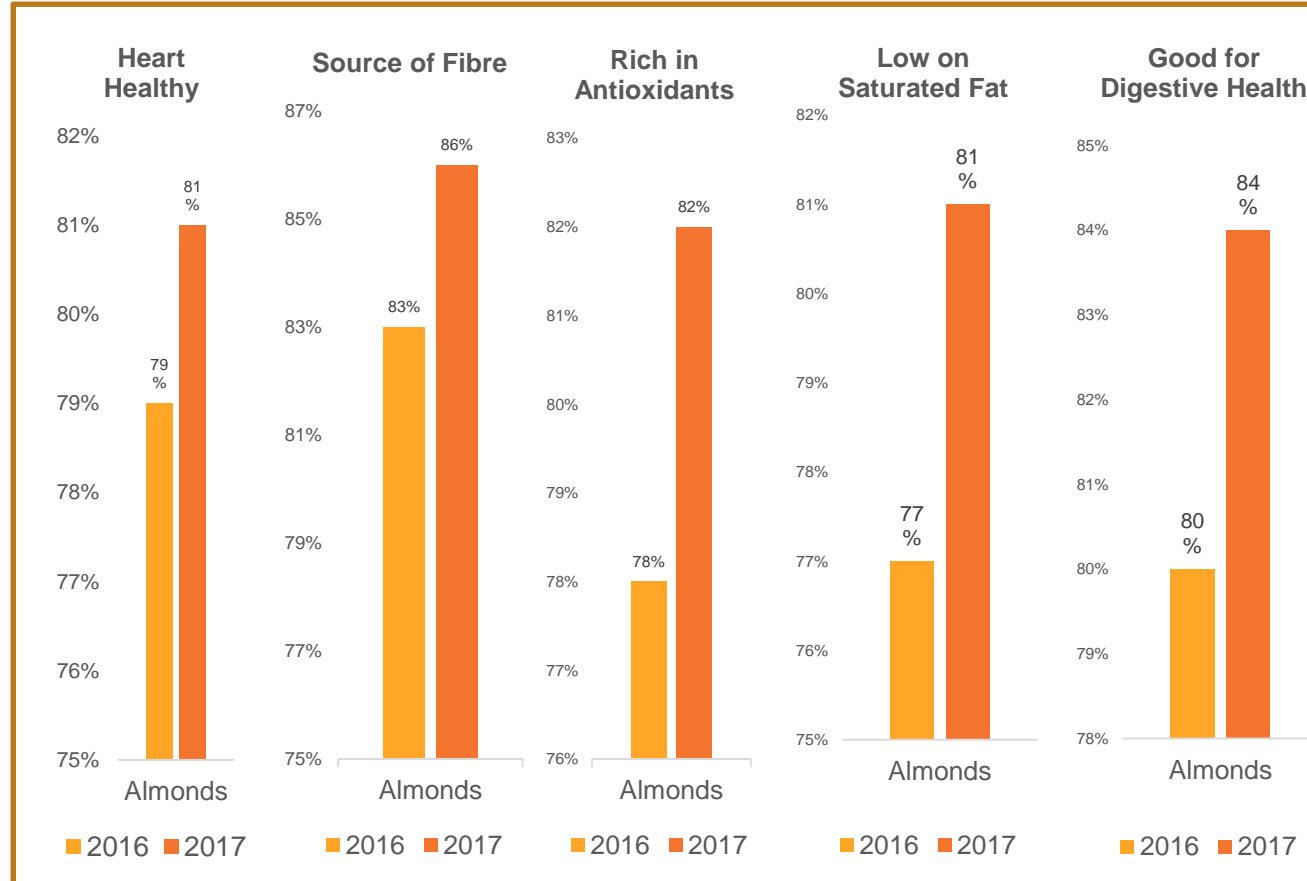


# Gaining Strength on Various Parameters



# Gaining Strength on Various Parameters

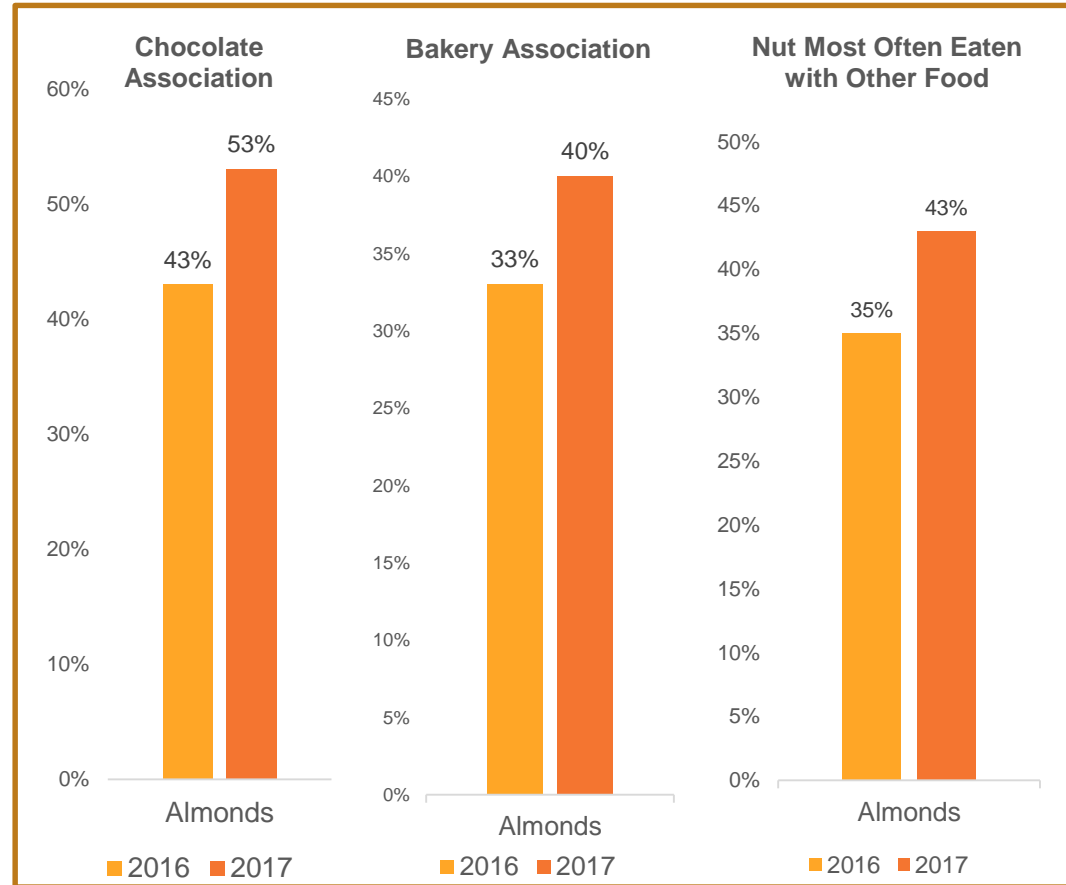
## Increasing Knowledge of Almond Benefits





## Gaining Strength on Various Parameters

### Gaining Traction in Other Categories



## Organic Celebrity Endorsements Across Channels



**Kaun Banega Carorepati (KBC)**  
Amitabh Bachchan talking about almonds reflects big success for the program.



**Koffee With Karan**  
The promo for Koffee with Karan has the filmmaker binging on ice cream. He then tries to cover his cheat meal by claiming that it has almond milk, is fat-free.



**Make My Trip**  
In the commercial Alia Bhatt asks Ranveer Singh to eat almonds to boost his brain health.

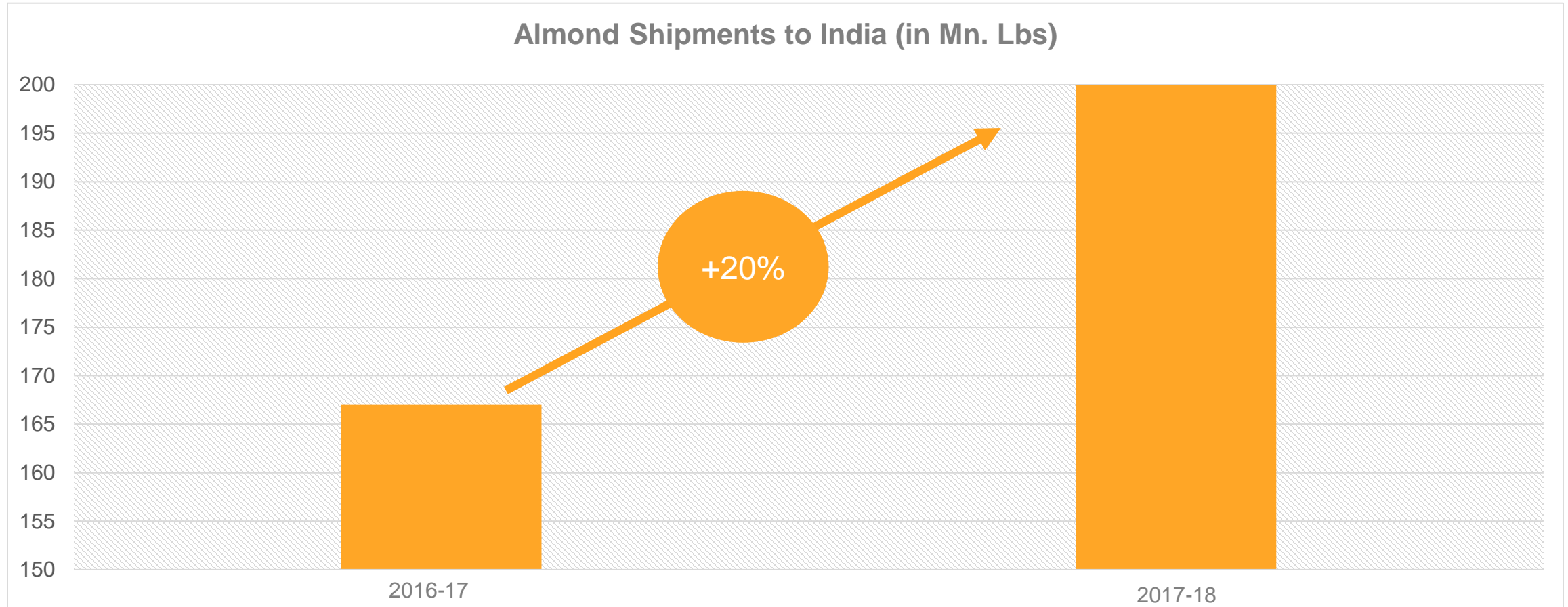


**Malaika Arora (Actor)**  
While waiting for her flight posted a picture with a handful of almonds saying "flight delayed eat almonds"

Keeping a Traditional Product Contemporary

## 2017-18: Record Shipments to India

- With a 20% growth in shipments, India was the 2<sup>nd</sup> largest export destination in 2017-18



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## Innovation in packaged products, India

Harbinder Maan,  
Associate Director, Trade Stewardship and  
Marketing



# Packaged food is set for exponential growth



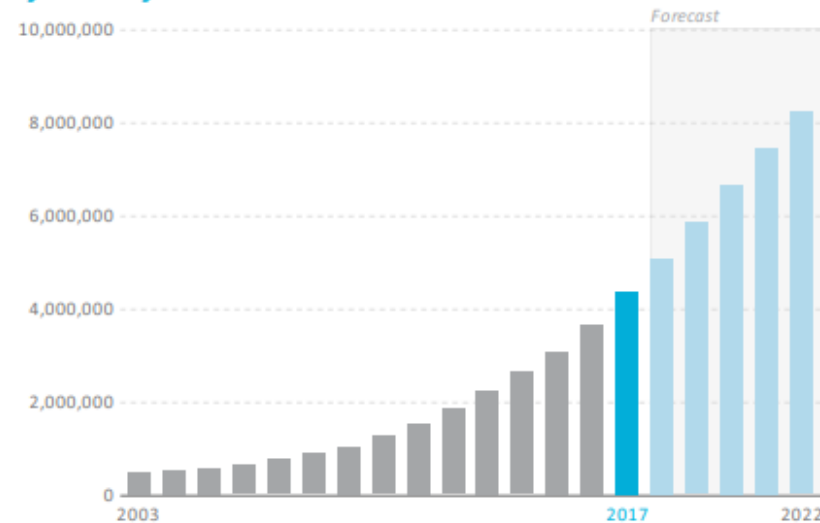
1. Retail
2. Convenience
3. Better informed consumers
  - Better for you
  - Chocolate

## Market Sizes

### Sales of Packaged Food

Retail Value RSP - INR million - Current - 2003-2022

**4,337,017**



### Sales Performance of Packaged Food

% Y-O-Y Retail Value RSP Growth 2003-2022

# Consumer perceptions of almonds as an ingredient

Total Sample (n=500)	Almond 2017	Almond 2016	Pt. Gap (‘17 vs. ‘16)	Top Nut	Second Nut	Almond Rank
<b>Awareness</b>						
Top-of-Mind – First Mention	57%	45%	+12 pts	Almonds	Cashews	#1
Almonds as first mentions in chocolate	53%	43%	+10 pts	Almonds	Cashews	#1
Almonds as first mentions in bakery	40%	33%	+7 pts	Almonds	Cashews	#1
Almonds as first mentions in snacks	40%	32%	+8 pts	Almonds	Cashews	#1



# Almond consumption: almond form consumed by frequency (by Country)

Almond Consumption by Form (% several times per week or more)										
Forms	North America		W. Europe			Asia				S. America
	US	Canada	UK	Germany	France	China	India	S. Korea	Japan	Brazil
Whole almonds by themselves	58%	45%	36%	33%	49%	38%	82%	47%	30%	56%
Almond butter	36%	10%	8%	8%	8%	25%	44%	7%	8%	34%
Almond milk	50%	26%	22%	14%	14%	27%	47%	10%	10%	32%
Almond flour	32%	8%	8%	5%	7%	25%	43%	8%	5%	32%
Almonds that are in other foods	46%	26%	23%	35%	22%	32%	70%	21%	23%	56%
Sliced/slivered/diced/chopped	39%	17%	17%	16%	16%	27%	67%	20%	8%	45%
Whole almonds in mixed nuts	50%	24%	24%	31%	24%	36%	71%	34%	20%	55%
Whole almonds in trail mix	47%	23%	17%	32%	27%	42%	72%	25%	12%	59%
Almonds with their shell	38%	11%	11%	18%	16%	45%	60%	19%	6%	51%

Q17c. Looking at the list of different foods below, how often do you consume each of these almond forms or products?

# Global brands in India

## Retailers

- Amazon
  - Has been in India since 2013, with continued investments on infrastructure through 2018
- Walmart
  - 23 Best Price Modern Stores
  - Acquired 77% majority stake in Flipkart for \$16bn.....



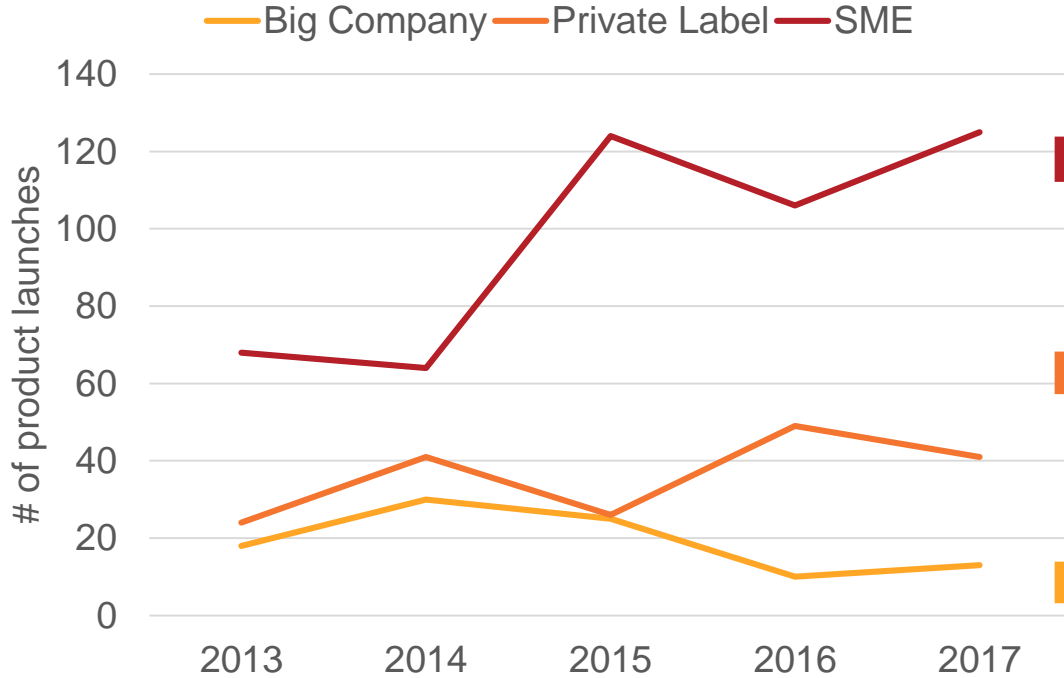
## Manufacturers with almond products

- Kellogg's
  - Cereals and bars
- MTR (Orkla partnership)
  - Snacks
- Unilever
  - Icecream Magnum brand looking to buy Horlicks
- Nestle
  - Cereals



# India: New product introductions by company size

Number of new snacks\* with almonds launches tracked by company type (India)



Top companies as percentage (%) of new snacks\* with almonds launches tracked (India, 2013-2017)

- |                                |                            |
|--------------------------------|----------------------------|
| 1. Britannia - 4.3%            | 6. Eat Natural - 0.5%      |
| 2. Drb Foods - 3.9%            | 7. Network Foods - 0.5%    |
| 3. Dlv Alimentacion - 1.0%     | 8. Nice And Natural - 0.4% |
| 4. Blue Diamond Growers - 0.8% | 9. Chocolates Valor - 0.3% |
| 5. Maestro Swiss - 0.5%        | 10. Vicenzi - 0.3%         |

- |                        |                                 |
|------------------------|---------------------------------|
| 1. Haldirams - 4.1%    | 6. Nuts N Spices - 0.7%         |
| 2. Brown Tree - 2.5%   | 7. Saravana Stores - 0.7%       |
| 3. Reliance - 1.0%     | 8. Godrej Natures Basket - 0.5% |
| 4. Aditya Birla - 0.9% | 9. Grace - 0.5%                 |
| 5. Nilgiris - 0.8%     | 10. Spencers - 0.5%             |

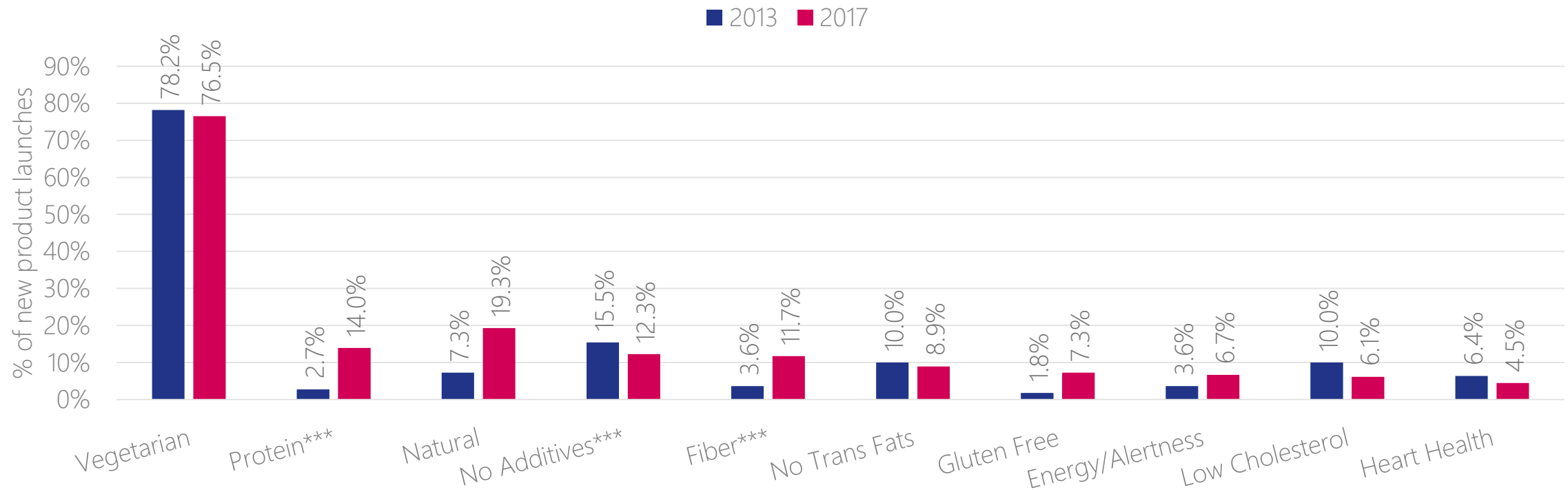
- |                         |                     |
|-------------------------|---------------------|
| 1. Mondelez - 6.0%      | 6. Kraft - 0.3%     |
| 2. ITC - 3.0%           | 7. MTR Foods - 0.3% |
| 3. Unilever - 1.3%      | 8. Alpro - 0.1%     |
| 4. Hershey - 0.5%       | 9. Caffarel - 0.1%  |
| 5. General Mills - 0.4% | 10. Ferrero - 0.1%  |

\*Snacks: including the snacks market category in the Innova Database as well as other snacking related categories

# New Product Examples: Better for you

# Better for you claims: protein, fiber and vegetarian claims are key in India

Top health & wellness\*\* claims as percentage (%) of new snacks\* with almonds launches tracked (India, 2017 vs. 2013)



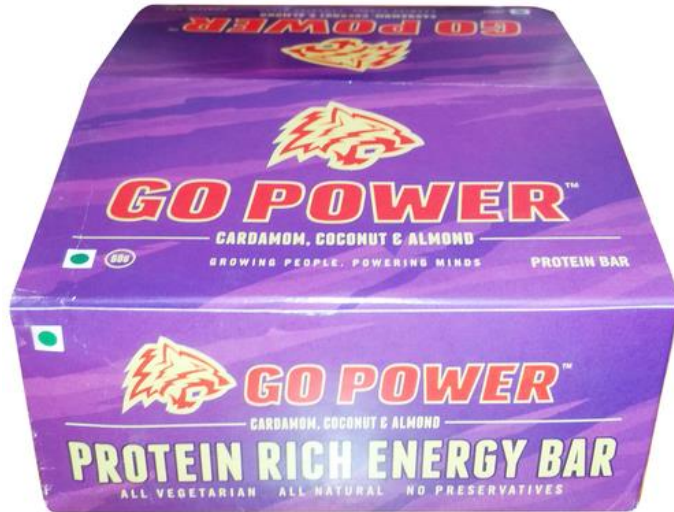
\*Snacks: including the snacks market category in the Innova Database as well as other snacking related categories

\*\*Health & wellness claims: health, free from and clean label claims

\*\*\*No additives=no additives/preservatives, fiber=high/source of fiber, protein=high/source of protein

# Better for you claims: protein, fiber and vegetarian

- HIGH/SOURCE OF PROTEIN



Go Power Protein Rich Energy Bar With Cardamom, Coconut And **Almond**

India, Apr 2018

- HIGH/SOURCE OF FIBER, VEGETARIAN



Yoga Bar **Almond** fudge

India, Oct 2018



Draft Roasted And Salted **Almonds**

India, Dec 2017

# Better for you claims: protein, fiber and vegetarian

- BREAKFAST PROTEIN BAR WITH ALMONDS

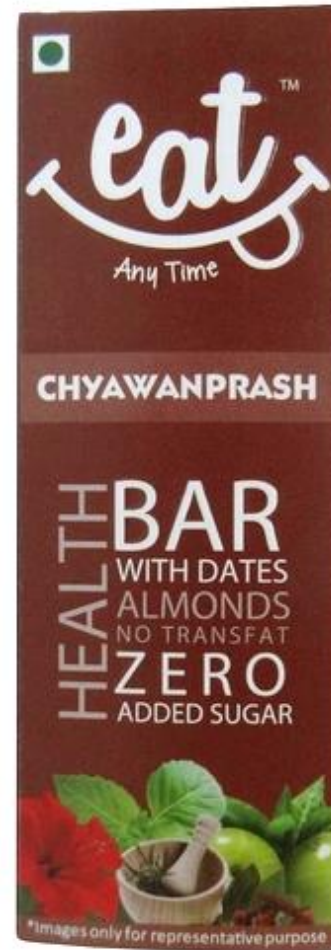


Yoga Bar Breakfast Protein Bar With **Almond** And Coconut

India, Oct 2018

DESCRIPTION Ready to eat breakfast protein bar made with oats, millets, quinoa **and almonds**, with coconut,

- HEALTH BAR WITH ALMONDS



Eat Any Time Chyawanprash Health Bar

India, Oct 2018

DESCRIPTION Chyawanprash health bar with dates **and almonds**,

# Almond amongst healthy breakfast cereals

- MUESLI WITH ALMONDS



Bagrry's Fruit N Fiber Muesli With Real Apple Pieces **Almond** And Raisins

India, Oct 2018

- CRUNCHY GRANOLA WITH REAL ALMONDS



Kellogg's Crunchy Granola With **Almonds** And Cranberries

India, Sep 2018



# Chocolate

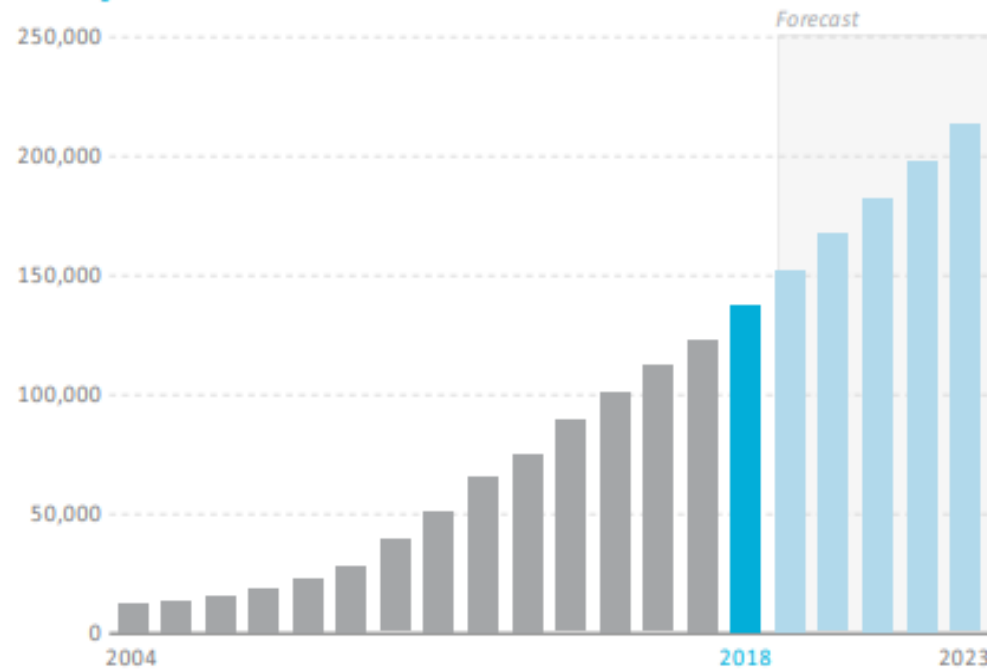
# Premium and chocolate increasing

## Market Sizes

### Sales of Chocolate Confectionery

Retail Value RSP - INR million - Current - 2004-2023

**136,467**

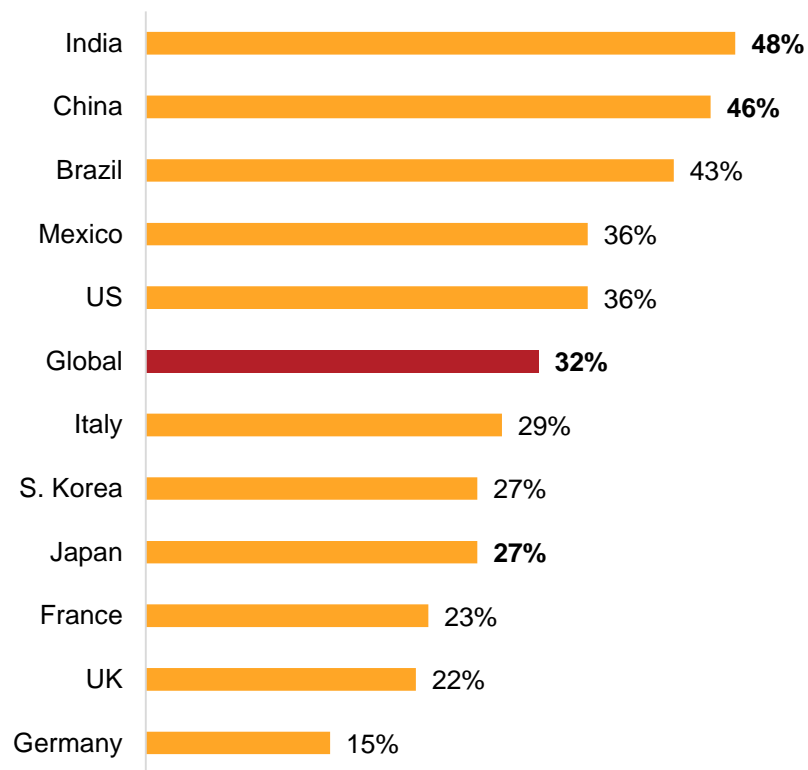


### Sales Performance of Chocolate Confectionery

% Y-O-Y Retail Value RSP Growth 2004-2023

# Indian consumers want more chocolate

Eating More Chocolate  
N=5,500 (Global); N=500/country



## Best Nut for Top-10 Nut Benefits to Chocolate

	Global (N=5,500)	US (N=500)	UK (N=500)	France (N=500)	Germany (N=500)	China (N=500)	India (N=500)	Japan (N=500)
Crunchier	Almonds	Almonds	Hazelnuts	Hazelnuts	Hazelnuts	Almonds	Almonds	Almonds
More nutritious	Almonds	Almonds	None/Don't Know	Hazelnuts	None/Don't Know	Almonds	Almonds	Almonds
More filling	Almonds	Almonds	None/Don't Know	Hazelnuts	None/Don't Know	Almonds	Almonds	Almonds
Tastier	Almonds	Almonds	Hazelnuts	Hazelnuts	Hazelnuts	Almonds	Almonds	Macadamias
More satisfying	Almonds	Almonds	Hazelnuts	Hazelnuts	None/Don't Know	Almonds	Almonds	Almonds
More energizing	Almonds	Almonds	None/Don't Know	None/Don't Know/Hazelnuts	None/Don't Know	Almonds	Almonds	Almonds
More interesting	Almonds	Almonds	None/Don't Know	Hazelnuts	None/Don't Know	Almonds	Almonds	Macadamias
Special	Macadamias	Macadamias	None/Don't Know	Macadamias	Macadamias	Almonds	Almonds	Macadamias
Higher quality	Almonds	Macadamias	None/Don't Know/Hazelnuts	None/Don't Know	None/Don't Know/Macadamias	Almonds	Almonds	Macadamias
More indulgent	Almonds/Hazelnuts	Almonds/Macadamias	None/Don't Know	Hazelnuts	None/Don't Know	Almonds	Almonds	Macadamias

## Best Nut for Each Chocolate Type

Milk Chocolate	Almonds	Almonds	Hazelnuts	Hazelnuts	Hazelnuts	Almonds	Almonds	Almonds
Dark Chocolate	Almonds	Almonds	Hazelnuts	Hazelnuts	Almonds	Almonds	Almonds	Almonds
White Chocolate	Almonds	Almonds	Almonds	Hazelnuts	Almonds	Almonds	Almonds	Almonds

# Manufacturers

## International players

- Mondelez have > 50% market share and expanding premium range
- Ferrero, invested INR2,000 crore over 3 yrs to manufacture products to local tastes
- Hershey, just launched Kisses as part of a \$50m investment to expand its foodprint
- Nestle India launched premium L'Atelier range

# New product introductions: almond & chocolate for an indulgent combination

MILK CHOCOLATE WITH ROAST ALMOND



NESTLE – DARK CHOCOLATE, ALMONDS AND FRUIT



# Almonds and chocolate – October Hershey Kisses launch



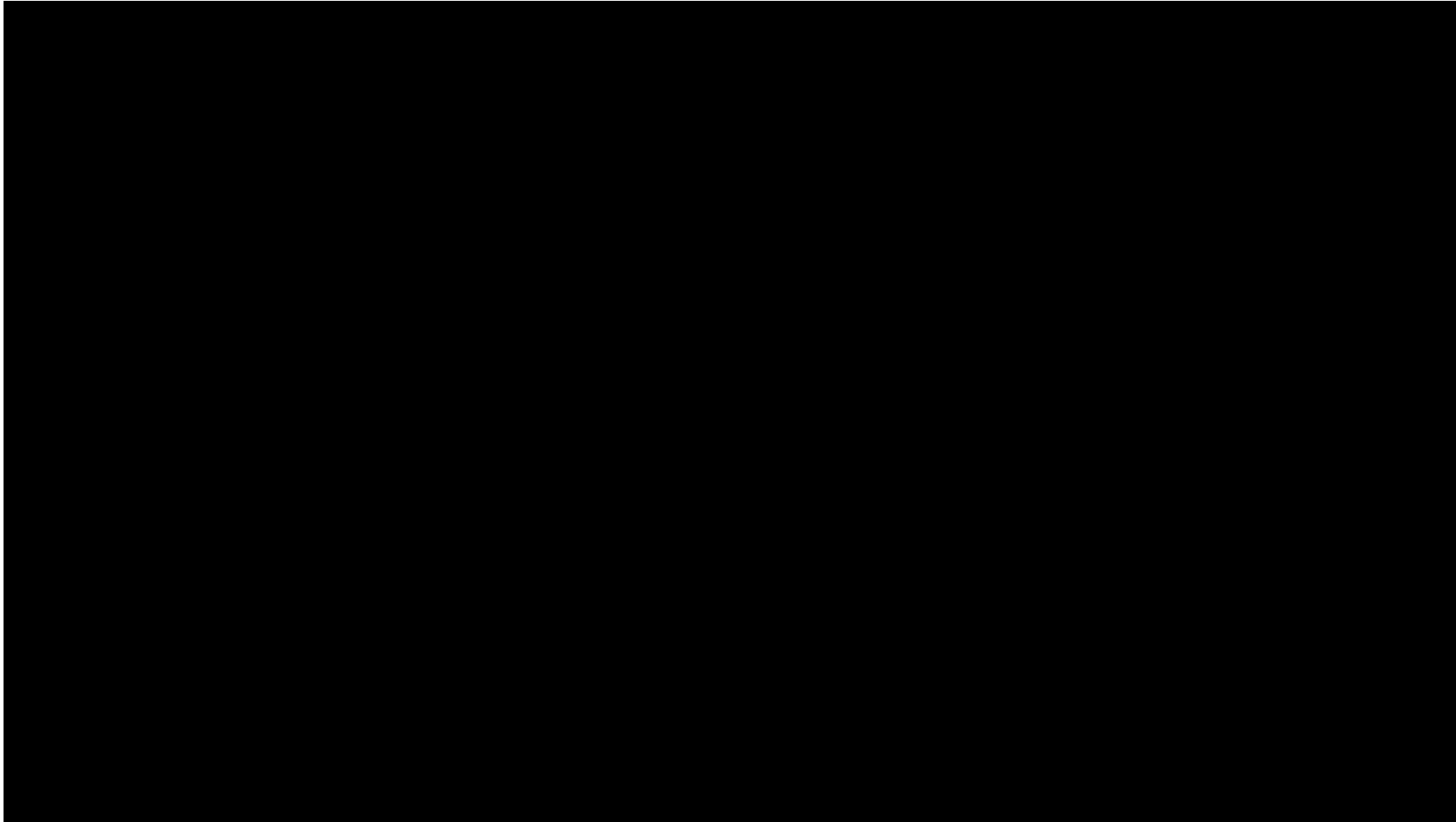
Steven Schiller – President, International, The Hershey Company; Michele Buck – President and CEO, The Hershey Company, and Herjit Bhalla – MD, Hershey India, at the launch of Hershey's Kisses

# Summary

- Key consumer trends highlight opportunity for almonds
- Growing and new retail formats
- Foreign direct investment will only deliver greater growth opportunities for almonds



## Key Highlights of the Year Gone By...





# What's Next

**Wednesday, December 5 at 12:00 p.m.**

- Luncheon Presentation – Hall C  
Speaker: David Deak

*Luncheon is ticketed and is sponsored by Moss Adams*



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## Silent Auction

Start your holiday shopping at our Silent Auction in Hall A+B - all proceeds go towards CA FFA scholarships!

Wednesday & Thursday until 3:00 p.m.

## Buy Your Golden Ticket at the FFA Booth

100 GOLDEN TICKETS WILL BE SOLD

★ ★ ★ ★ **GOLDEN TICKET** ★ ★ ★ ★

Throughout the conference 100 golden tickets will be sold. One lucky person will win and get their choice of one item from the live auction.

**MUST BE PRESENT AT THE GALA DINNER TO WIN.**

**Visit the FFA silent auction booth to purchase  
a golden ticket and learn more!**

The golden ticket winner will be drawn prior to the live auction.