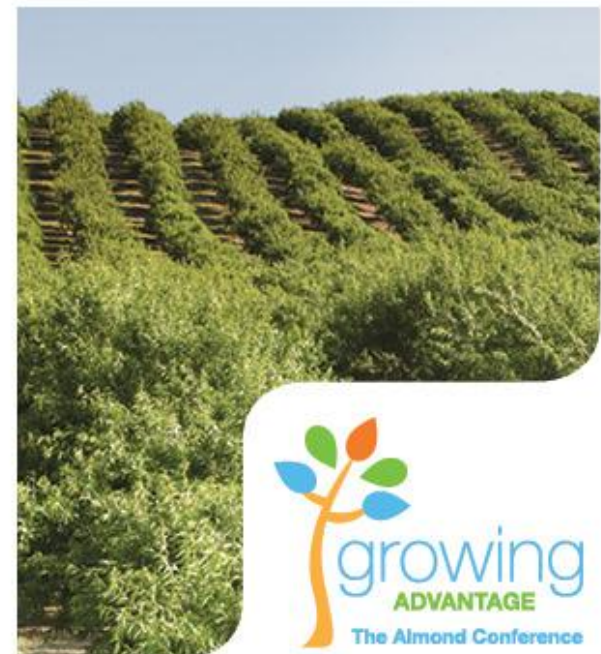




# California Almond Demand: Looking to the Future





# California Almond Demand: Looking to the Future

**John Talbot**

**Almond Board of California**



# Outlook For Future Demand



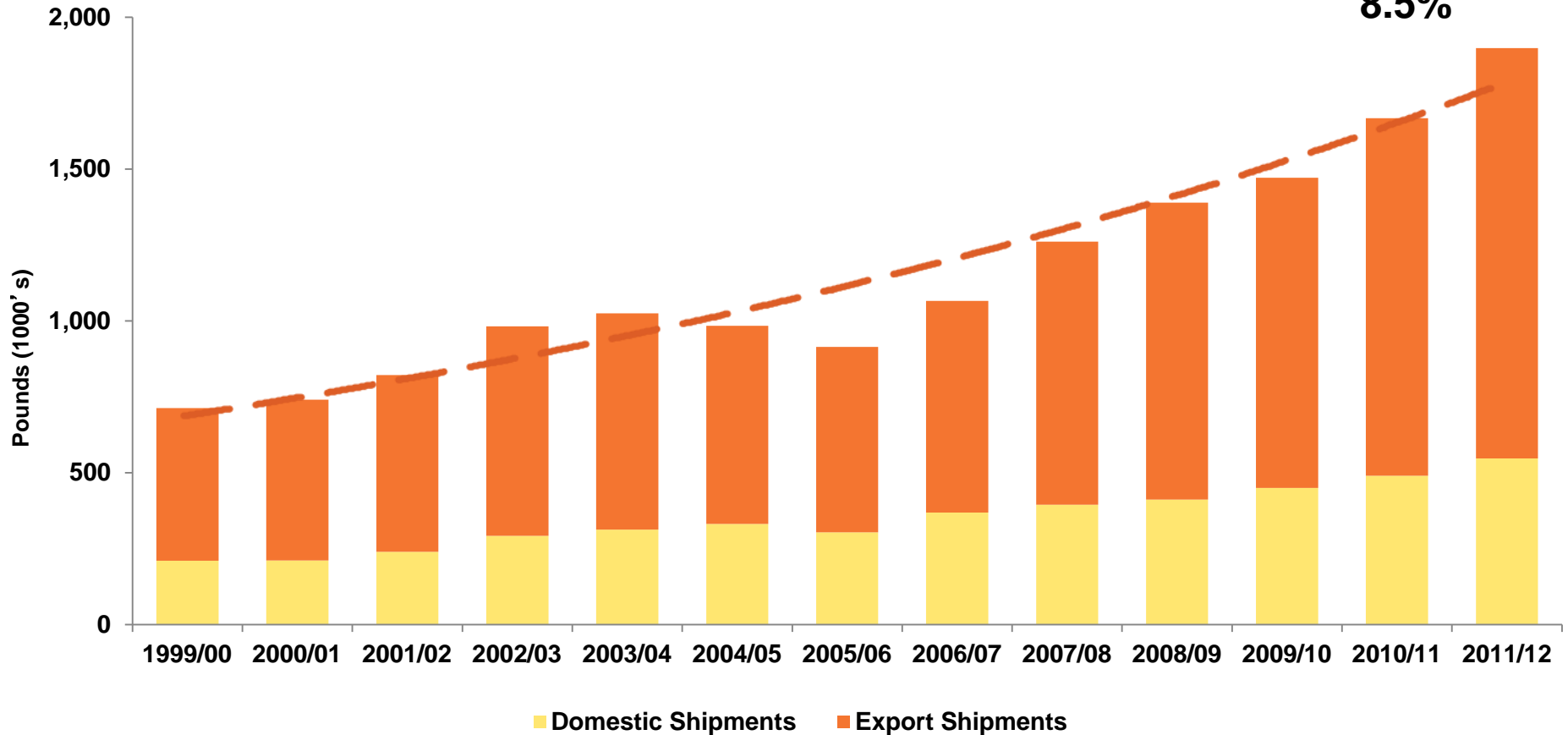




# California Almonds on Strong Growth Path



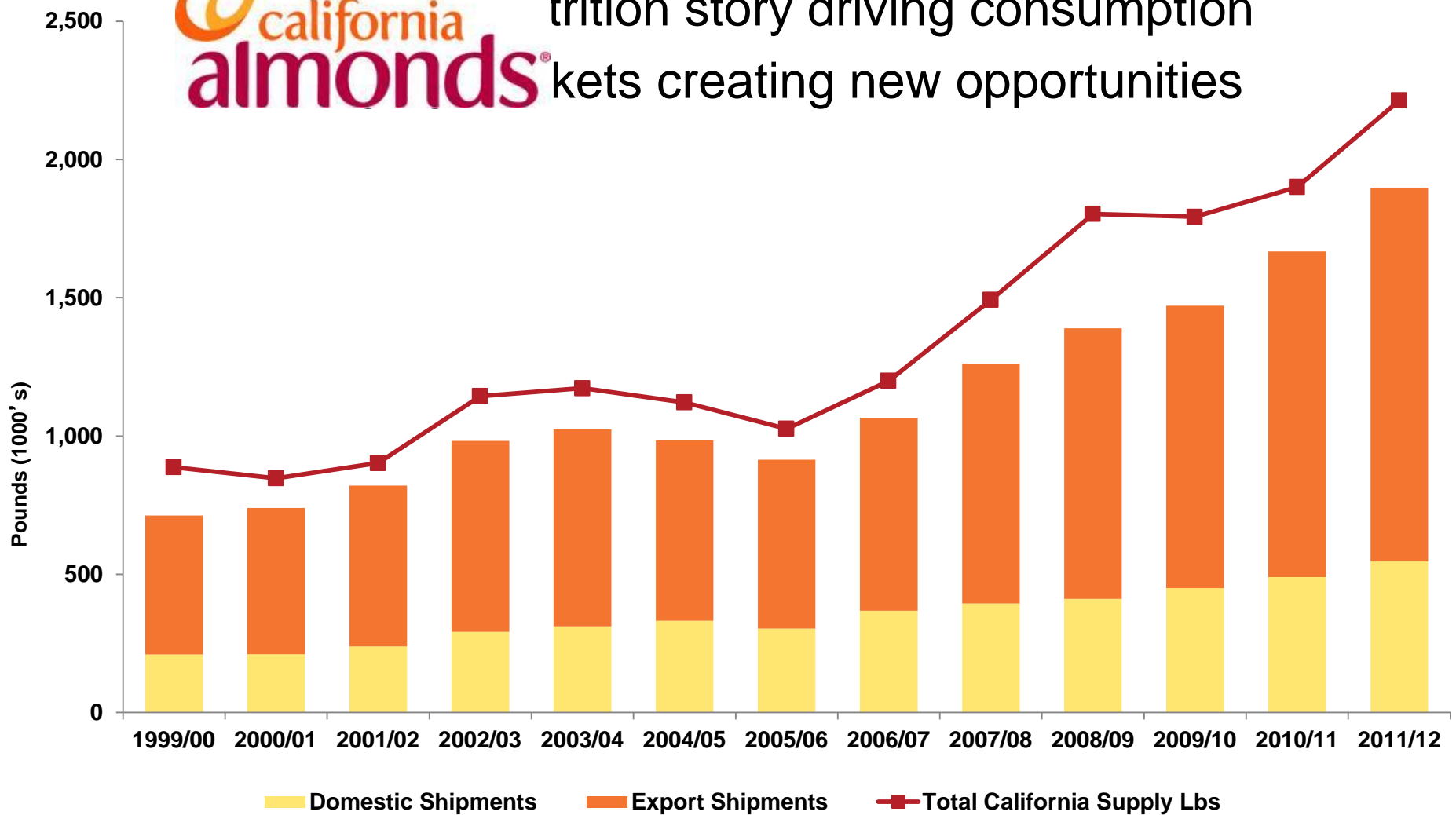
**Average Growth  
8.5%**



# California Almonds on Strong Growth Path



Production story driving consumption  
Markets creating new opportunities



Source: Almond Board of California

# Nutrition Research Program Overview 1995 - 2012



Research Category	Projects	Published Papers
Heart Health and Beyond	19	22
Diabetes and Pre-diabetes	10	9
Weight Management, Satiety and Gut Health	14	14
Phytochemicals – Content and Action	12	27
Allergens	6	8
Other	10	3
<b>Total</b>	<b>71</b>	<b>83</b>



# The Press Has Taken Notice



**This Just In: You Need New Crocs**  
Join Gill Mead and find today's best and greatest at up to 80% off!

**Breakfast buffet**  
While you're flying up some eggs and bacon, we're cooling up something else a way to celebrate today's hot holiday and the most delicious food on TV.

**Spinach, Pear and Sliced Almond Salad**  
Recipe Courtesy Ellie Krieger

Healthy foods that could help ease rheumatoid arthritis pain.

**Ellie Krieger's healthy dishes are anything but bland**  
Try these flavorful recipes for salmon with chickpea ragu and beef stew.

**Ellie Krieger's healthy dishes are anything but bland**  
Try these flavorful recipes for salmon with chickpea ragu and beef stew.

**The Skinny on... Nuts and Seeds**  
Article By: WeightWatchers.com

**The Perfect Snack**  
Successful professionals are often brilliant multi-taskers, seasoned negotiators and champions of productivity. And yet, most are terrible eaters. That's right, titans of capitalism and typical desk-workers share this same downfall. They skip meals, eat processed foods at their computers, binge on Starbucks and crash from sugar and caffeine highs. If you're seeking a simple solution to ensure your professional success and overall well-being, experts suggest you master the snack.



**The Skinny on... Nuts and Seeds**  
Article By: WeightWatchers.com

**The Basics** Visual Guide Recipes

"Nuts" is a four-letter word we don't have to avoid. Chock-full of protein, vitamins, antioxidants and fiber, here's what you need to know about choosing, storing and enjoying them.

They're high in carbohydrates and oils and can rack up the POINTS values if consumed in excess (an ounce a day should suffice). Pre-portion a serving rather than continuously reaching into the bowl, and choose nuts still in their shells — they take longer to crack and eat. Either way — shelled or not — they'll fill you up fast.

Technically a nut is a seed in a hard shell, so we'll include seeds here as well.

**At the Store**  
Look for nuts without blemishes, wrinkles or discoloration. If they're in shells, pick them up and shake; you'll hear rattling if they're old and dry.

Avoid nuts that have been roasted with hydrogenated oils or sugar (read the labels). When it comes to nut butters, look for brands with just nuts and a little salt.



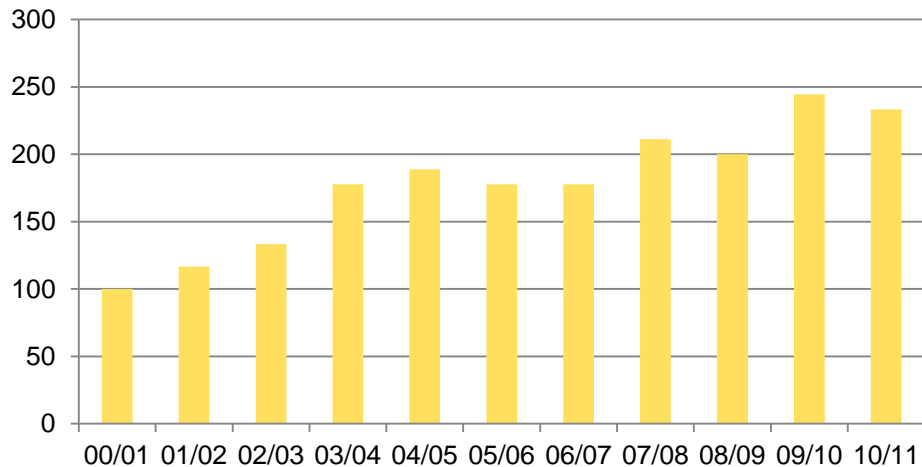
**The Perfect Snack**  
Successful professionals are often brilliant multi-taskers, seasoned negotiators and champions of productivity. And yet, most are terrible eaters. That's right, titans of capitalism and typical desk-workers share this same downfall. They skip meals, eat processed foods at their computers, binge on Starbucks and crash from sugar and caffeine highs. If you're seeking a simple solution to ensure your professional success and overall well-being, experts suggest you master the snack.

You need to supply your body with a regular, predictable source of high-quality food," says dietitian Elizabeth Somer, author of *Eat Your Way to Happiness*. "You need a snack survival kit."

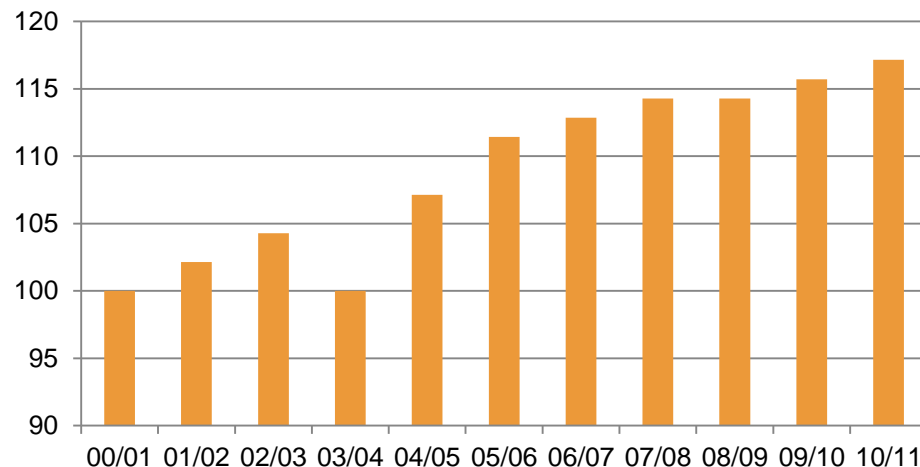
# And Consumers are Responding



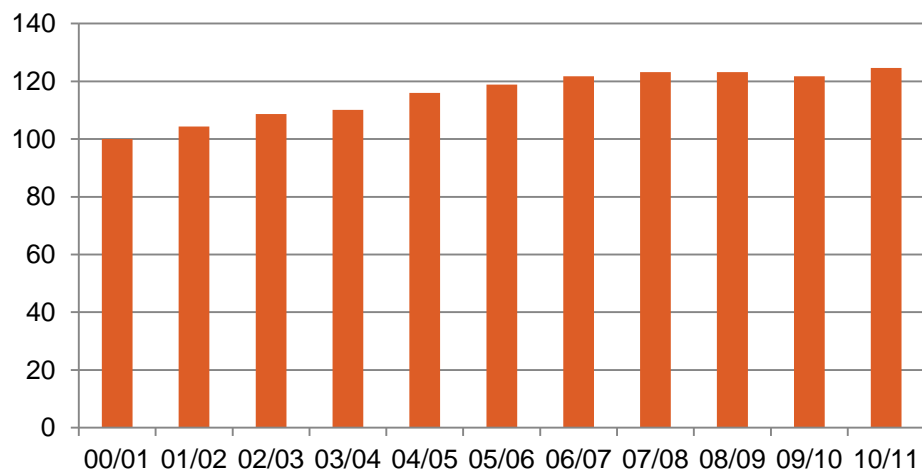
## Awareness



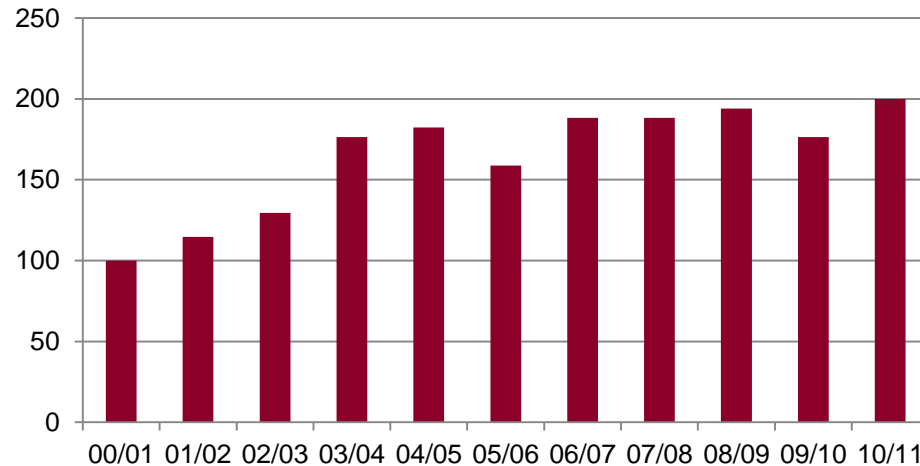
## Overall Liking



## Health Perception



## Purchases



Source: Attitudes, Awareness, and Usage (AAU) studies, Sterling Rice Group

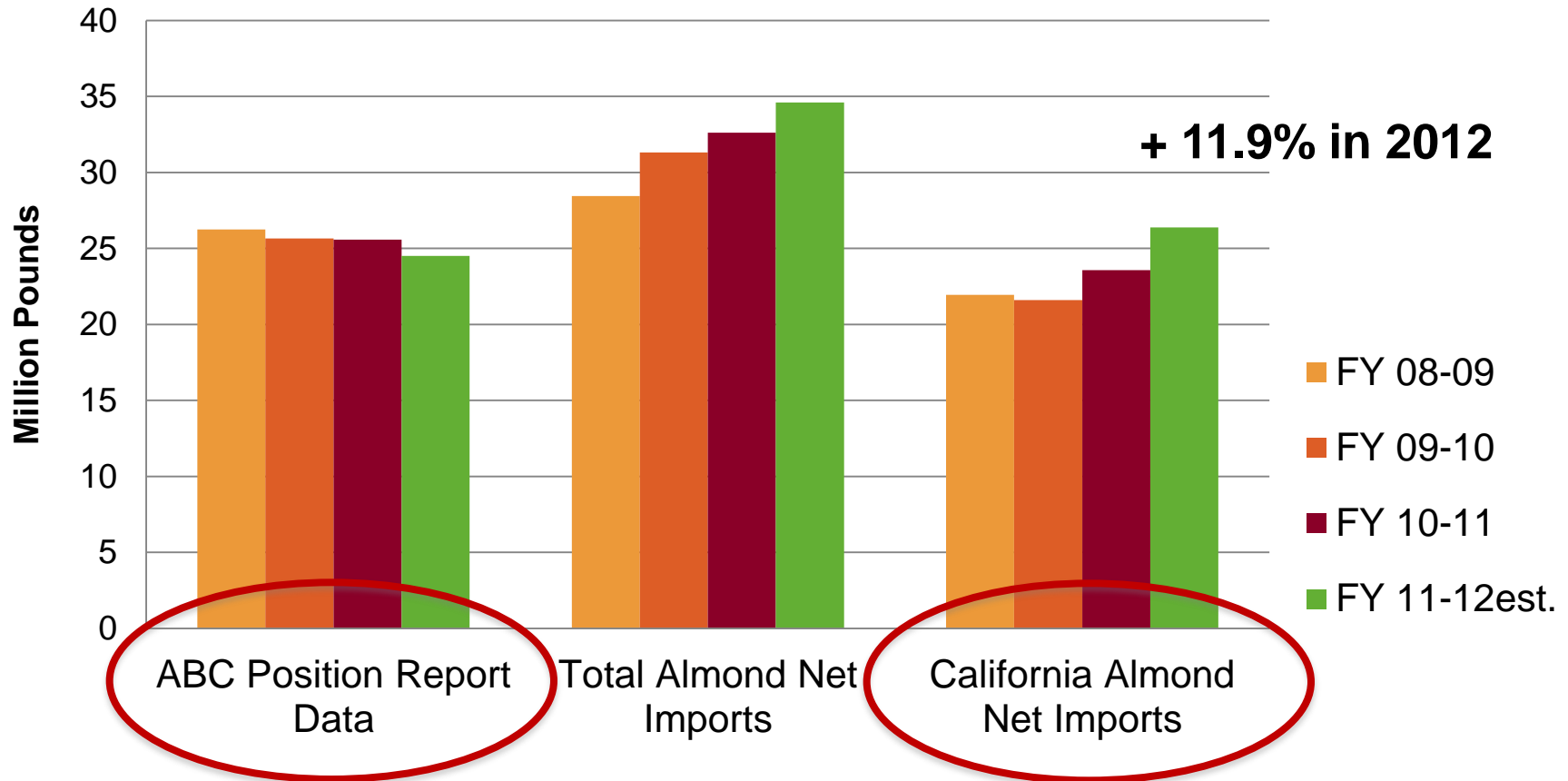
**All measures indexed to 2001**

# Europe Has Bright Spots as Well

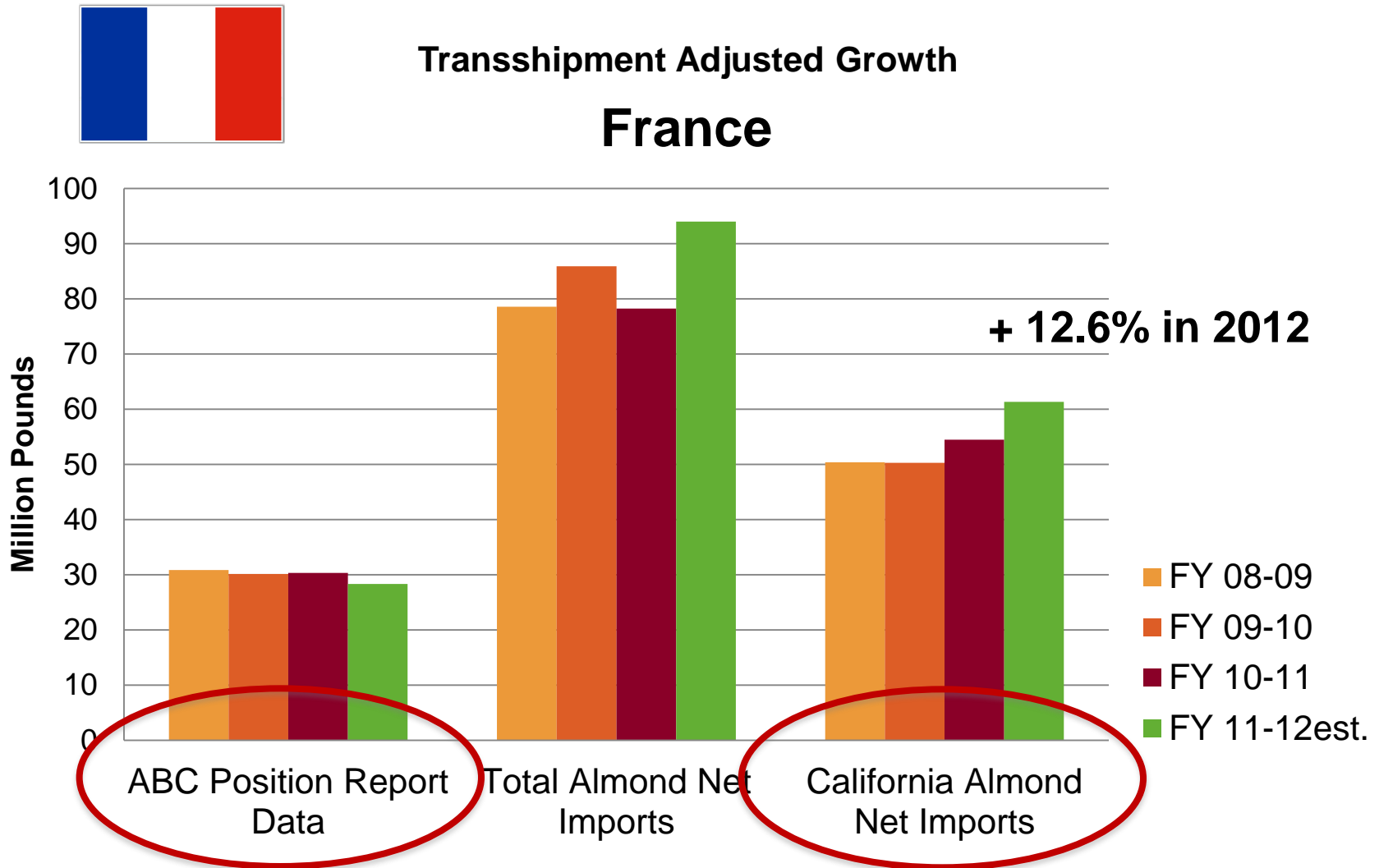


## Transshipment Adjusted Growth

### United Kingdom



# Shipment Growth in Western Europe, including Transshipments

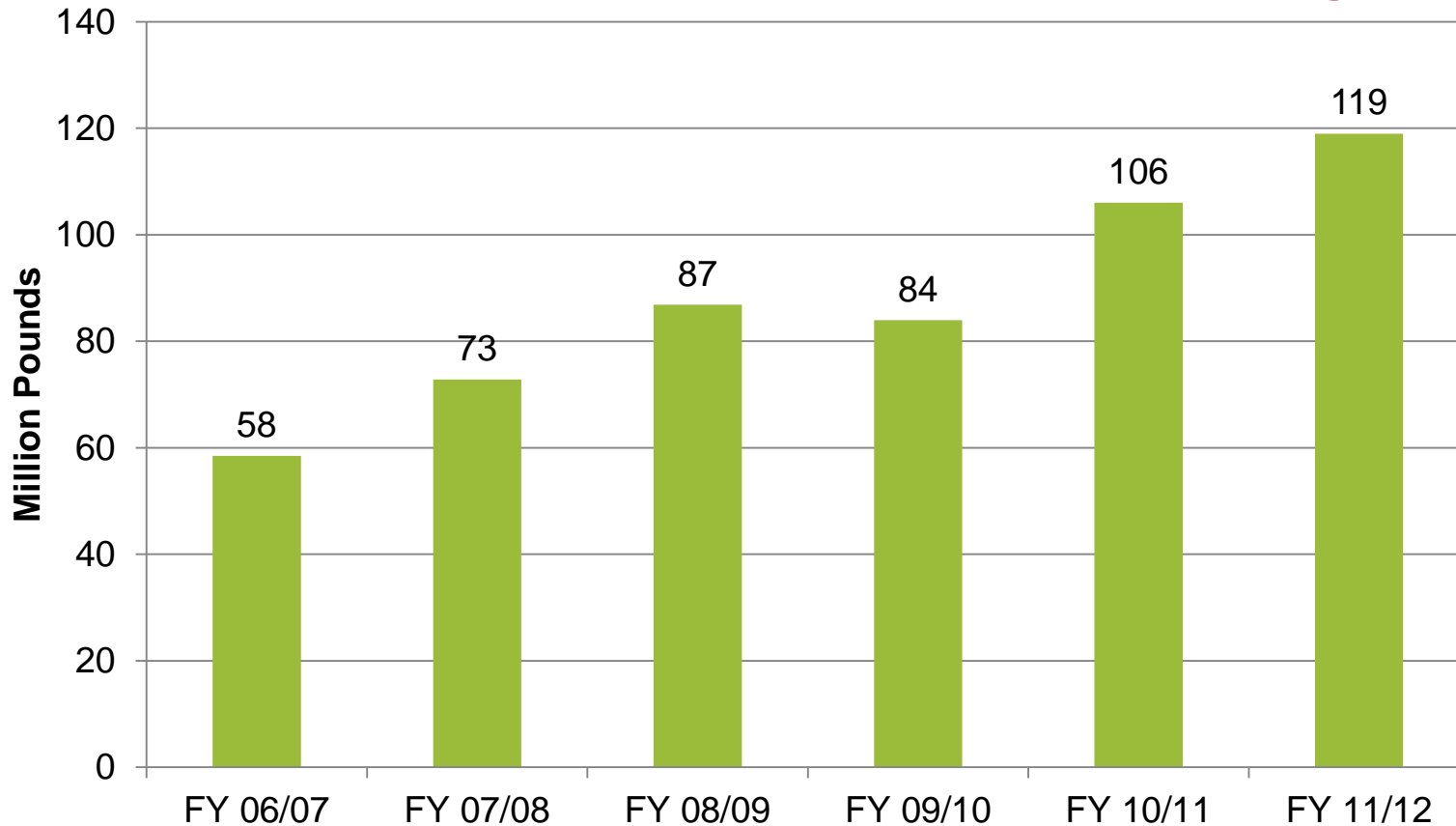


# Emerging Markets Driving New Opportunities



## India Total Shipments

**16%**  
**Average Growth**

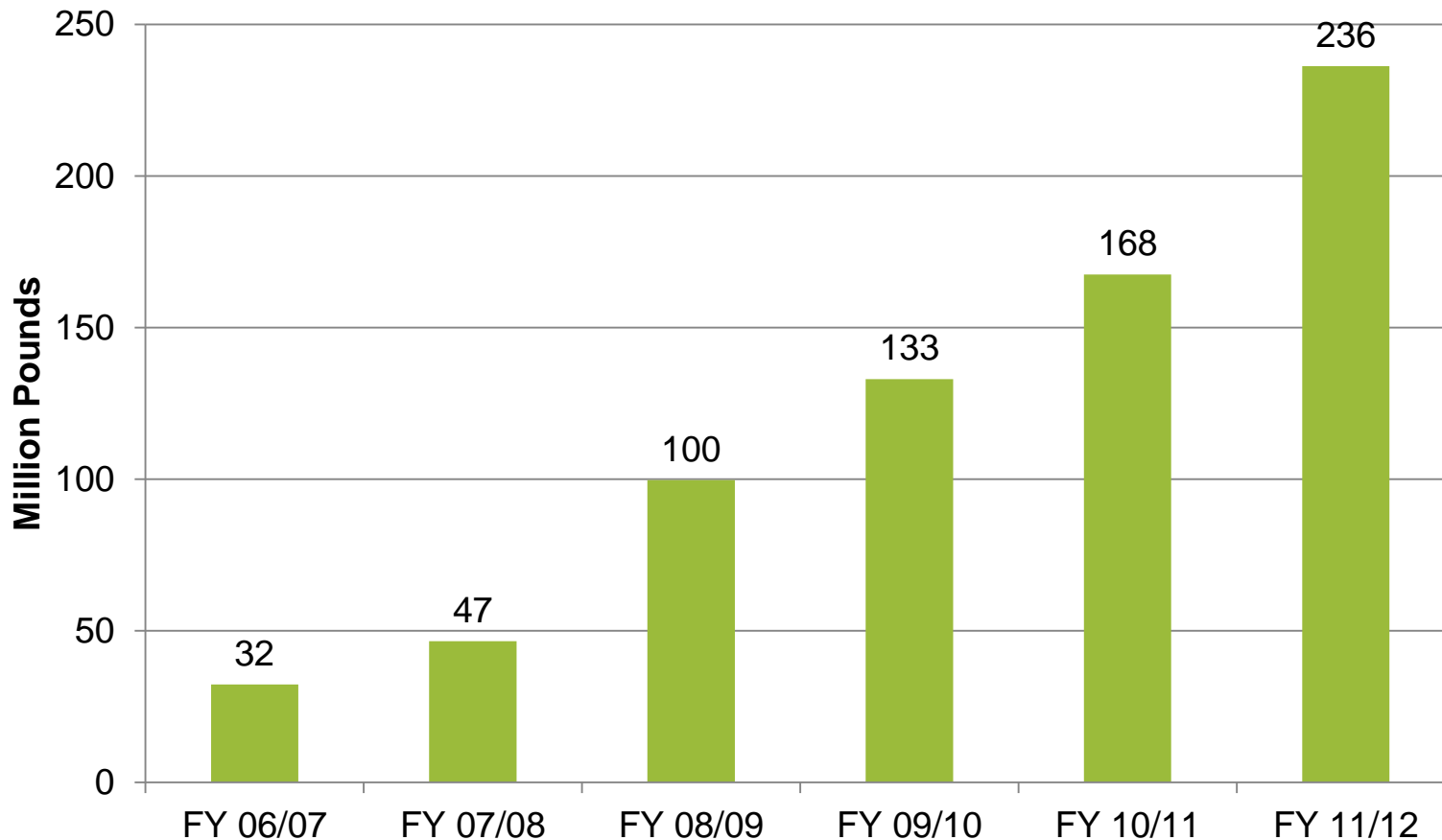


# Emerging Markets Driving New Opportunities



## China Total Shipments

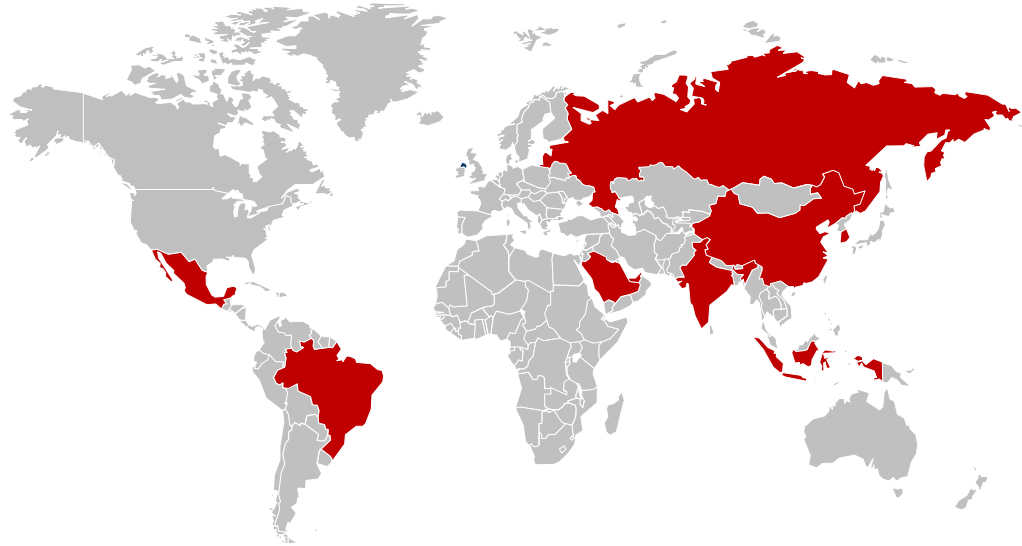
**52%**  
Average Growth



# Recent Almond Growth Has Been Fueled by Global Trends



## Emerging Markets

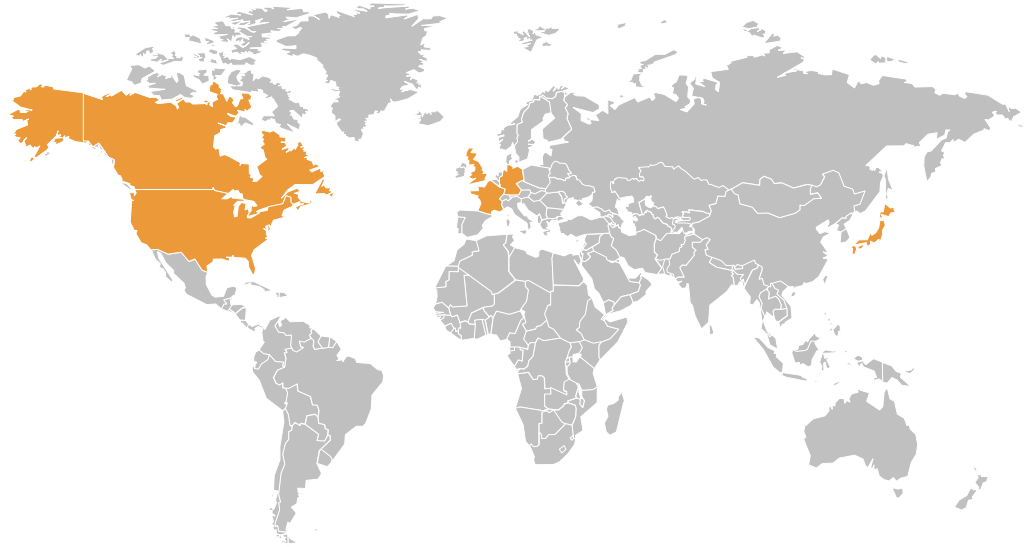


### Key Trends:

- Urbanization helping to define areas of opportunity
- Rising middle class with greater disposable income
- Shift to more Western lifestyles with increased consumerism
- Higher incidence of diet related chronic disease – heart disease, diabetes, cancer, obesity
- Greater health consciousness and focus on healthy eating

# Recent Almond Growth Has Been Fueled by Global Trends

## Established Markets



## Key Trends:

- 1 in every 4 people will die of heart disease
- Nutrition research has driven shift in perceptions of healthy diet
- Snacking occasions have risen as traditional meals are downsized and more is eaten in between meals
- The versatility, portability, convenience, and nutritious good taste of almonds are a perfect fit with healthy lifestyles





**Now a look at  
what to expect in  
the next 5 years**



# California Almond Demand: Looking to the Future

**LuAnn Williams**

**Innova Market Insights**

# California Almond Demand

## Looking to the future

The Almond Conference

December 13, 2012

Lu Ann Williams

Head of Research



INNOVA MARKET INSIGHTS



INNOVA  
DATABASE

[www.innovadatabase.com](http://www.innovadatabase.com)

# We track new products in 70+ countries

The collage features five screenshots from the Innova Database website:

- ScienceEye:** A search interface with a 'SuperSearch' box and various filters.
- Food Ingredients Central:** A section for food ingredients with a 'Supplier Database' and 'Related Sites'.
- Innova Database (Main):** The central homepage with a man drawing a line graph on a whiteboard, with 'TARGET MARKET SHARE' and 'GROWTH %' written on it. The text 'Working with our clients to develop new product concepts and ideas.' is visible.
- Innova Analysis:** A section for analysis with various news and reports.
- Nutrition Professional:** A section for nutrition with a grid of product images and descriptions.

**R&D:** science, patents, technology, formulation, ingredients, regulation

**Marketing:** products, trends, consumer insights, category monitoring, news, trends

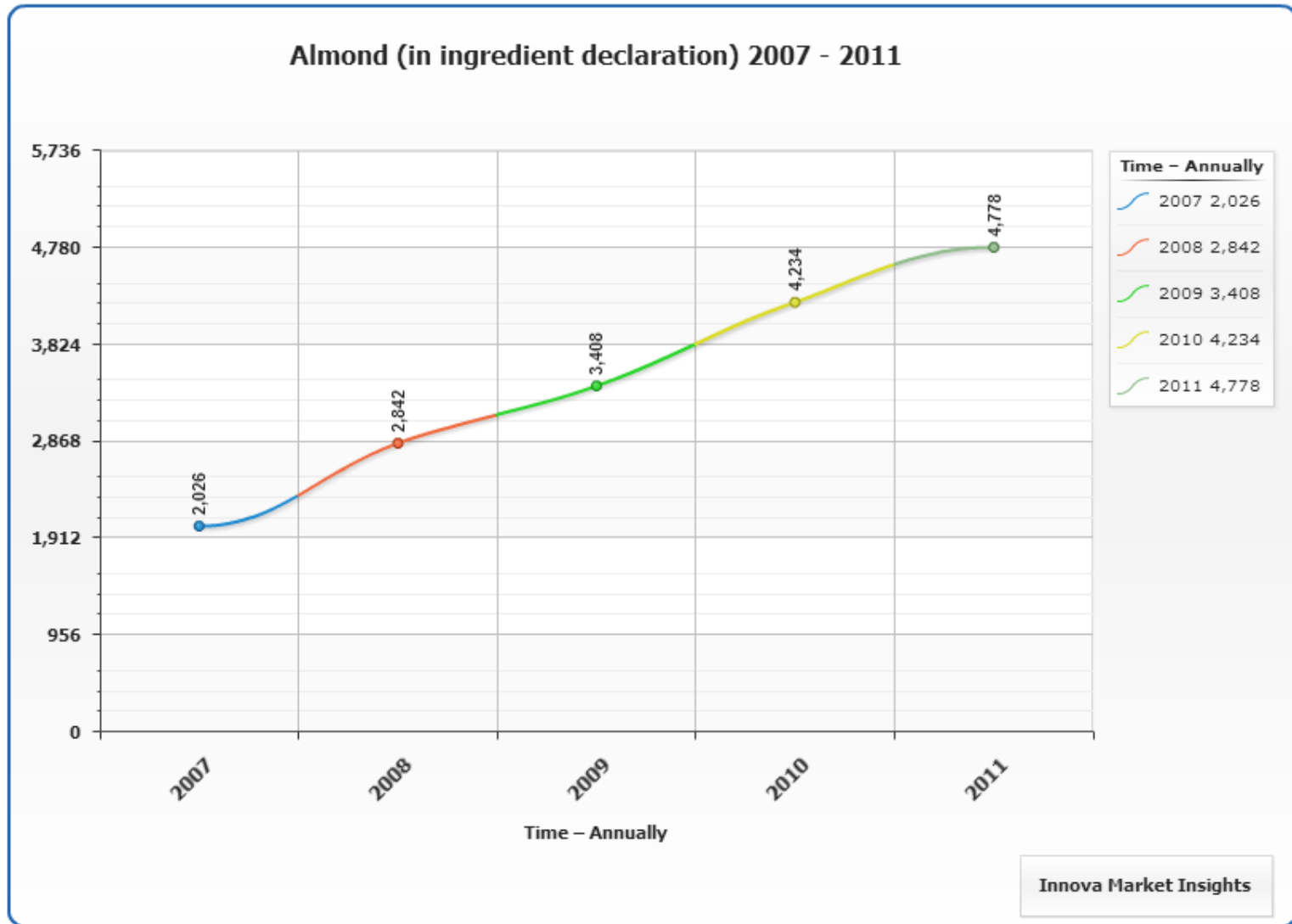


# Today's presentation

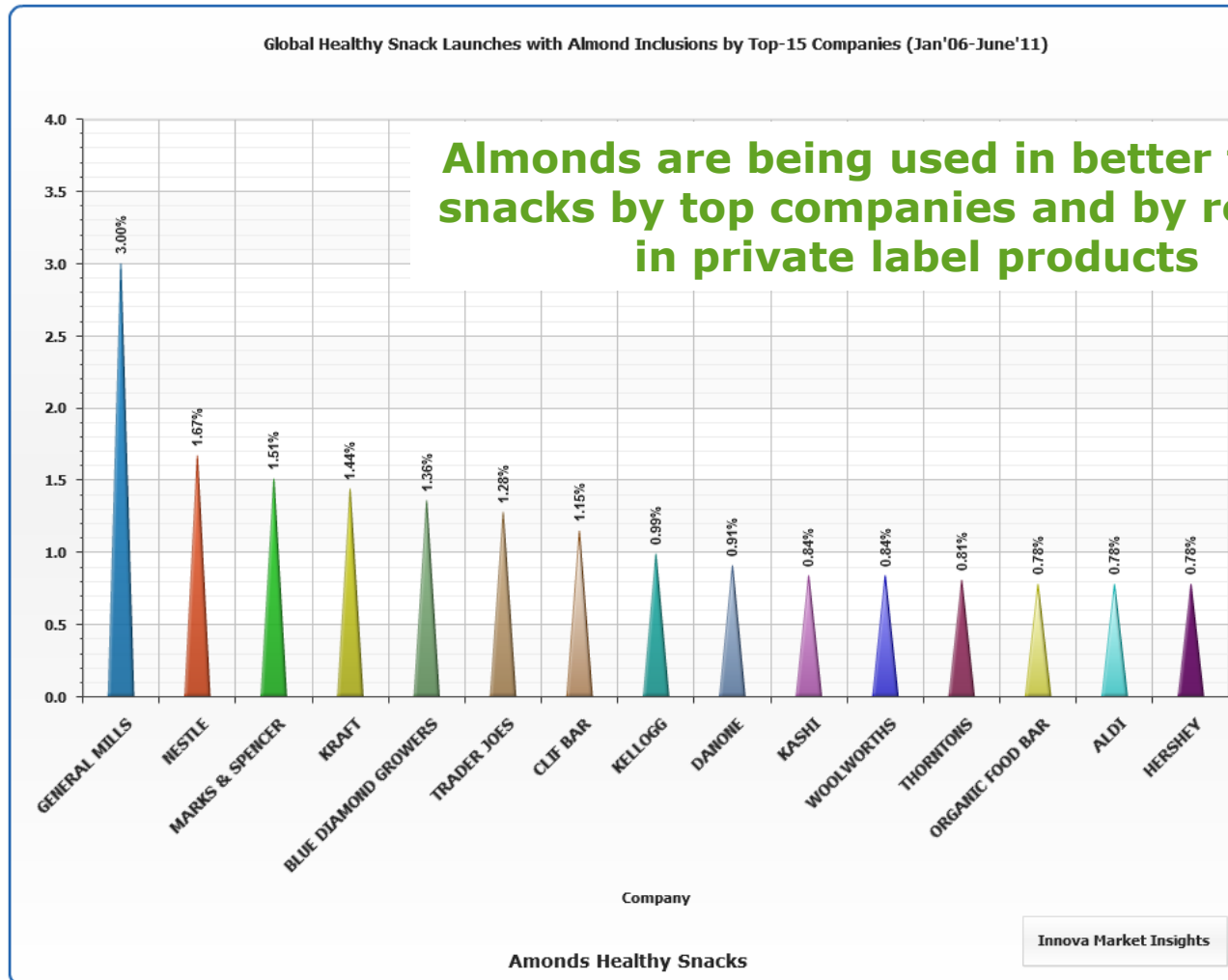
- Global food trends
- Snacking
- Health & wellness
- Provenance
- Calories
  
- and almonds.....



# Use of almonds in new food launches



# Top companies for healthy snacks with almonds



# Multinationals: BFY + almonds

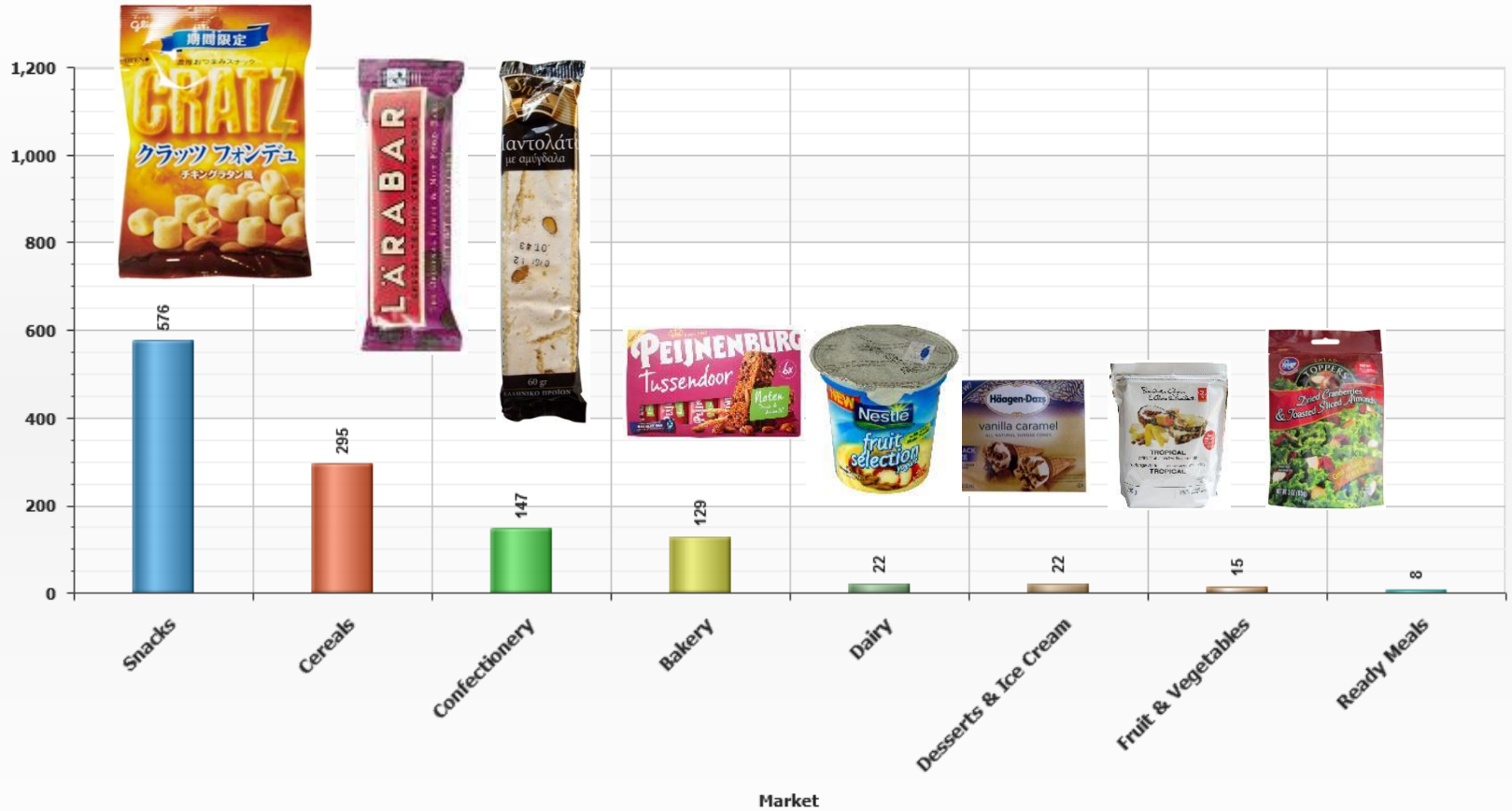
- **General Mills:** Cereal & Energy Bars, Snack Nuts & Seeds
- **Nestle:** Cereal & Energy Bars, Chocolate, Yogurt
- **Kraft:** Snack Nuts & Seeds, Cereal & Energy Bars, Chocolate
- **Kellogg's:** Cereal & Energy Bars
- **Danone:** Yogurt





# Almonds in a wide range of categories

Almond + Snack: Global Product Launches Tracked (2008-2011) by Category



Search: almond + snack

Innova Market Insights



# A bright future for almonds

- They fit well into today's trends
  - Health & wellness
  - Simplicity, transparency
  - Increased snacking / on-the-go eating
- They are versatile
  - Go with almost every flavor
  - Work as a whole food or as an ingredient
- Everyone likes them, globally



# Top 10 Trend 2013: *The Aware Shopper*

# Consumers are empowered

- Consumers are becoming increasingly attentive and sometimes critical
- Consumers are more knowledgeable than ever about their food products (or at least think they are).
  - Where claims once flourished, transparency and credibility are now issues facing many food producers, both from consumers and governments.



**Manish Nadir** @manish\_nadir

26 Oct

Greenpeace - Kitkat - Ask Nestlé CEO to stop buying palm oil from destroyed rainforest [youtu.be/1BCA8dQfGi0](https://youtu.be/1BCA8dQfGi0) via @youtube

View video



**Eve Shepherd** @tweets\_eve

25 Oct

Consumers fight back against Nestle's use of Palm Oil... #AdBusting #KitKat [pic.twitter.com/Ng5w9JgX](https://pic.twitter.com/Ng5w9JgX)

View photo



**Tina Becker** @starrysky4MJ

24 Oct

#stopanimalabuse #boycott #Nestle !! Help Stop the Use of Palm Oil! Palm Oil is destroying the environment and [twitpic.com/b6zaxe](https://twitpic.com/b6zaxe)

View photo

## Online protest drives Nestlé to environmentally friendly palm oil

Food giant bows to Greenpeace campaign and vows to cut its 'deforestation footprint'

BY MARTIN HICKMAN, CONSUMER AFFAIRS CORRESPONDENT | WEDNESDAY 19 MAY 2010

Send Recommend 332 Tweet 7 Share +1 0 PRINT | EMAIL | A A A

### News in pictures

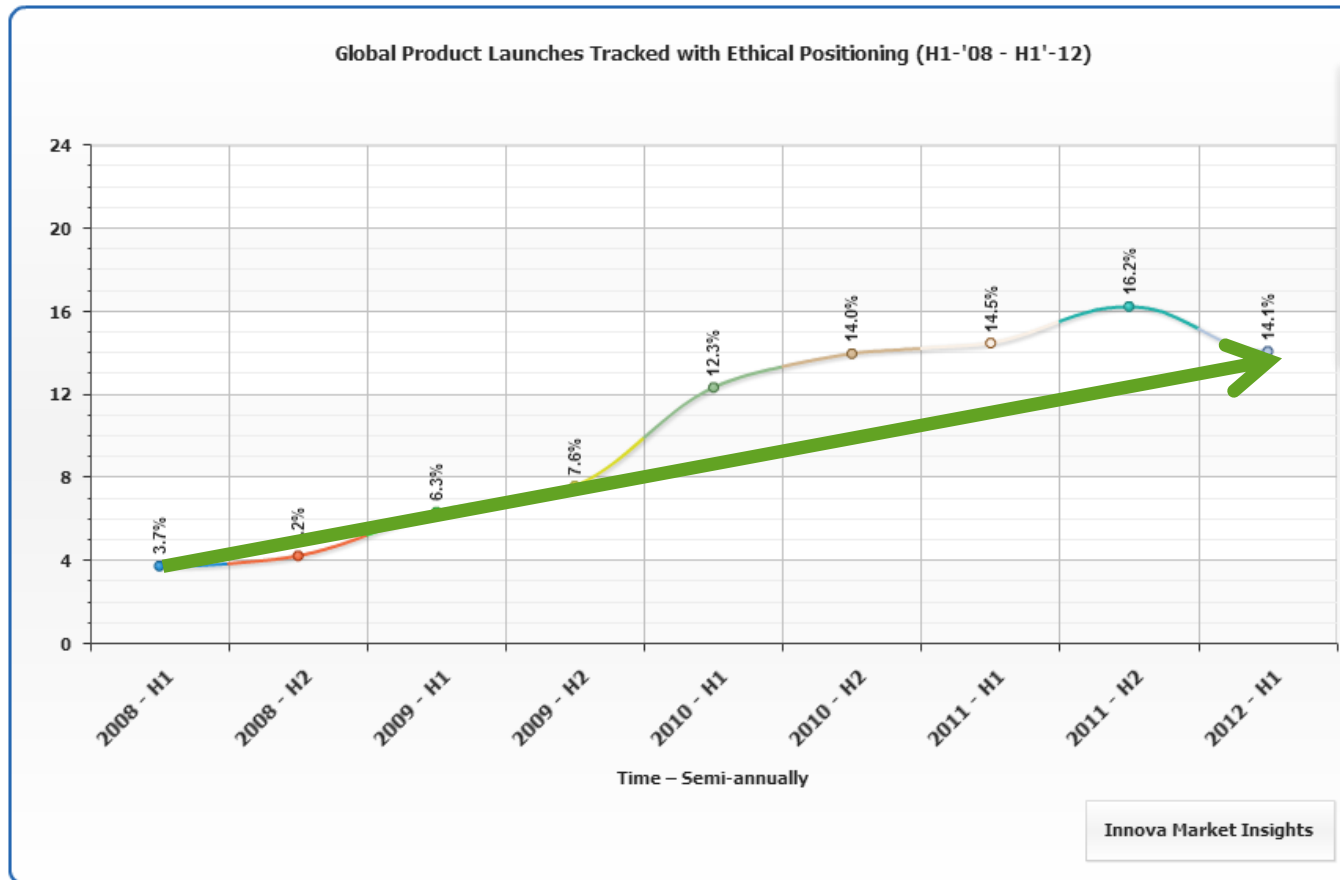


### From the blogs



# Global launch activity for ethical products

- Not only health is high on the consumer's agenda, they assume companies are being responsible corporate citizens.



*Ethical positioning involves terms such as sustainability, fair trade, recyclability, environment, friendly, animal friendly.*



# Simple, clear and transparent labels

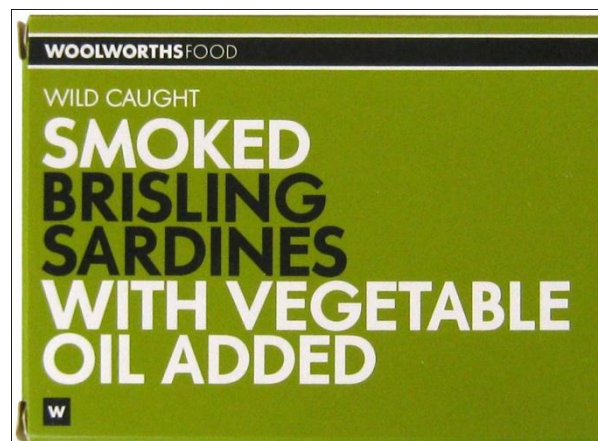


**Australia: Lovinearth Raw Organic Cacao Powder.** Single origin, certified organic, fairly traded raw cacao powder from Satipo in the Peruvian Amazon. Jam packed with antioxidants, magnesium and bliss nutrients that can help keep you energised, healthy and happy.

**South Africa: Woolworths Food 3 Tasters Chewy Pecan Toffee.** UTZ certified. Woolworths supports responsible cocoa farming and has committed to sourcing 100% UTZ certified cocoa for all its private label chocolates by 2016.



**South Africa: O My Goodness Coco Citrus Rounds.** Recyclable packaging. No additives, dairy, sugar, gluten, eggs, and preservatives. Certified organic. Produced in Plettenberg Bay, South Africa.



**South Africa: Woolworths Food Wild Caught Smoked Brisling Sardines with Vegetable Oil Added.** Fishing for the future. This guarantee that this product is responsibly sourced. Recyclable packaging.



# Clean label has become mainstream



**United States: Fresh & Easy Chocolaty Peanut 90 Calorie Fiber Bars**  
These oat and crisp rice granola bars contain five grams of fiber per serving, with a delicious, smooth chocolaty coating and the great taste of peanuts. **No artificial flavors, colors or preservatives.** High in fiber. Certified kosher. Recyclable packaging. Only 90 calories.



**Mexico: Verde Valle Serena Mezcla Antioxidante Combinacion de Arandano, Cereza, Nuez, Almendra y Pistacho Pelado: Antioxidant Blend of Peeled Cranberry, Cherry, Walnut, Almond and Pistachio**  
A combination of peeled cranberries, cherries, walnuts, almonds and pistachios, in a 60g aluminum pouch. **100% natural**



# Products for the critical consumer

- Clean label (natural and no additives/preservatives claims) and ethical claims (recyclable, charity and sustainability) can be used in conjunction.



**Slovenia: Corny Nussvoll Erdnuss & Vollmilch: Cereal Bars with Peanuts and Chocolate** More than 50% of nuts. **No colors. No preservatives.** Cardboard box is made of **80% recycled paper.**



**United Kingdom: Carmans Dark Choc Cranberry & Almond Bars** Low GI rating of 53. Foods with a low glycemic index (GI) help control hunger and provide more sustained energy. Wheat free. 100% Australian made. **Made from natural ingredients.** Comes in a **recyclable packaging.**





# Snacking

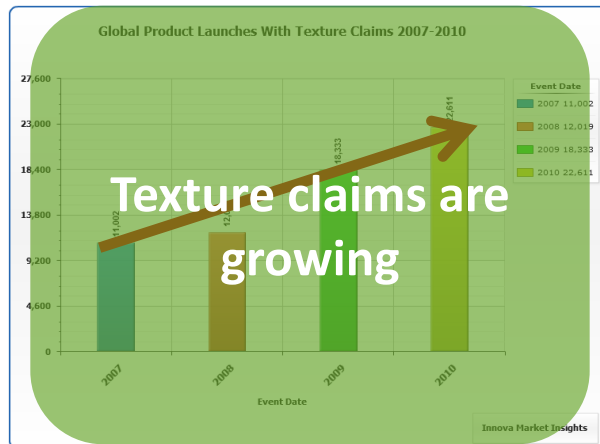
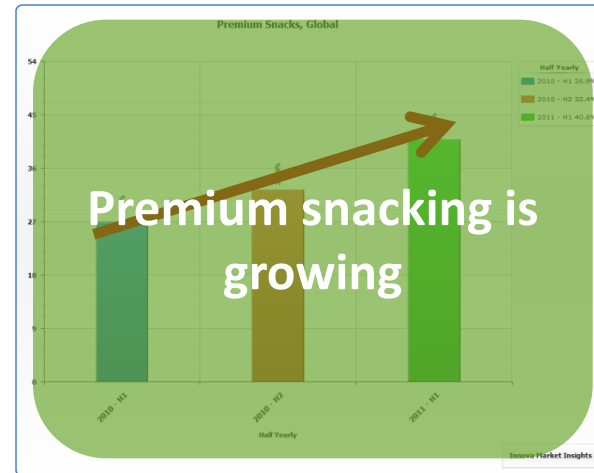
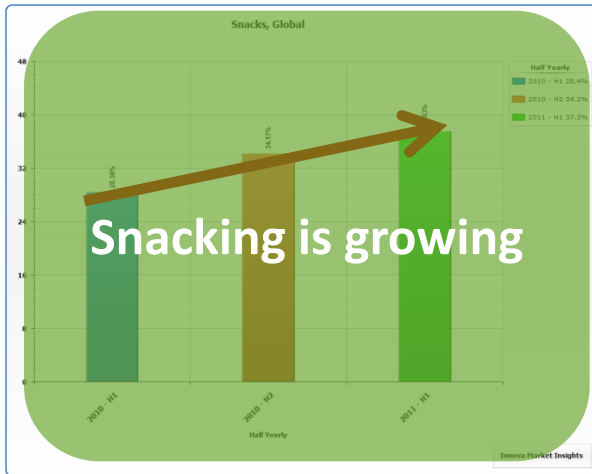
# Snacking has changed



# Health & wellness: a global opportunity

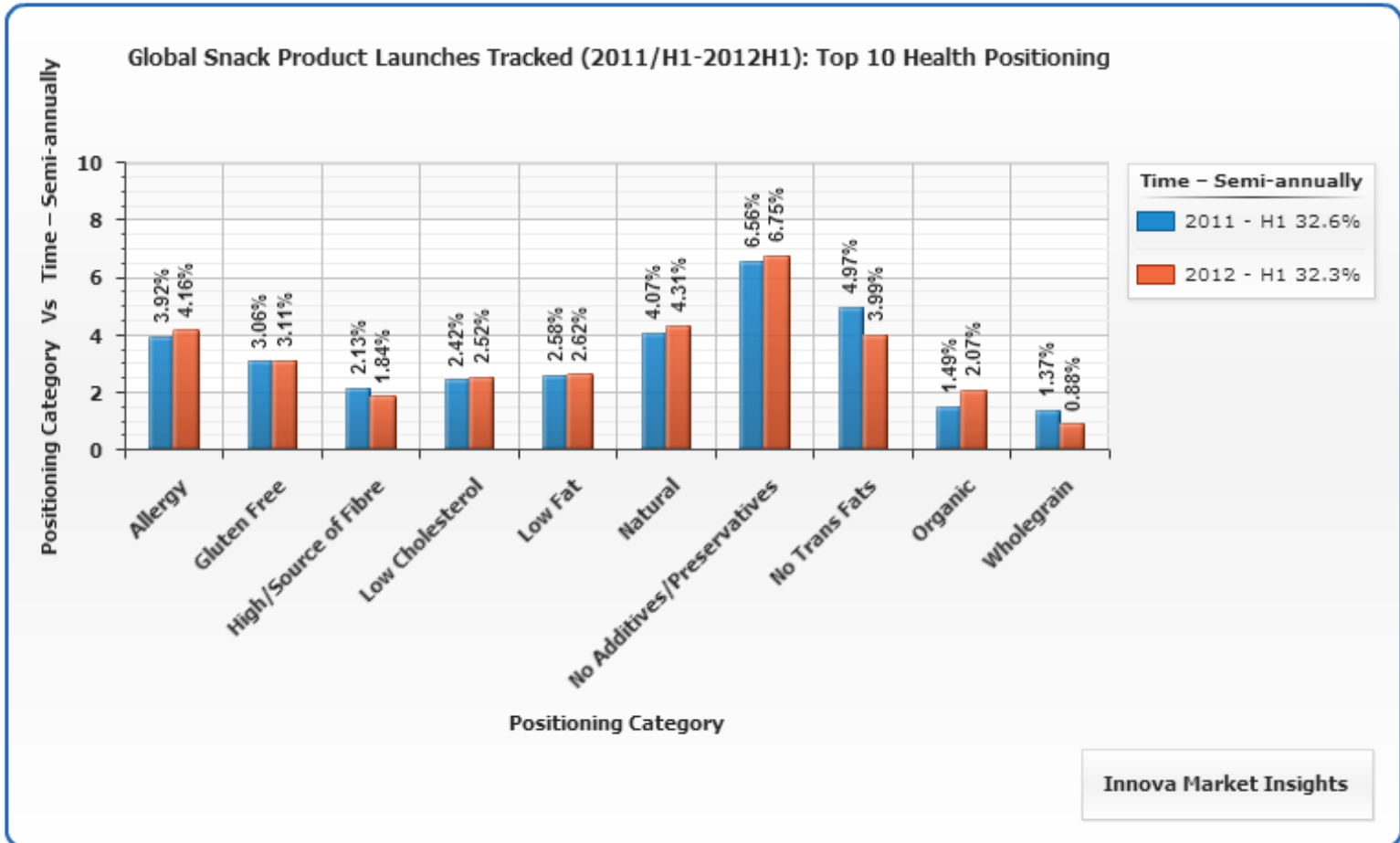


# Snacking trends



# Top 10 health positionings

- 34% of all snack product launched in 2012/H1 contain a health claim.



## Only 79 calories (India)



- Less than 100 calorie pack.
- 100% vegetarian.



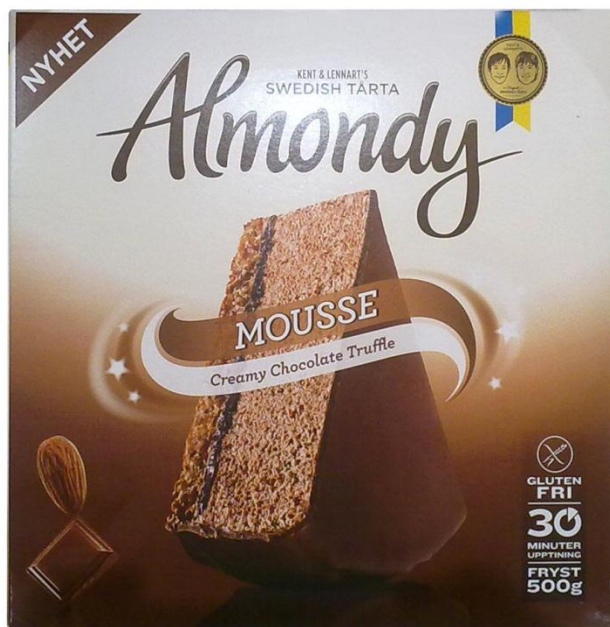
# Calories + Satiety + Indulgence



- Mini corn cakes drizzled with dark chocolate, in a foil bag. For snacking between meals.
- Only 90 calories per serving. They help to calm your hunger. You can have them anytime or anywhere.
- Made with non-genetically modified corn. No preservatives or artificial colors. No hydrogenated fats. A source of fiber.



## “Free from”



**Denmark: Almondy Mousse Creamy Chocolate Truffle Cake.** Deep frozen chocolate truffle cake in 500g cardboard box. **Gluten free.** No preservatives or artificial colorings.



**Australia: Kez's Free Gluten Free Cereal with Fruit.** Packed with 13 delicious ingredients. Certified halal. Kosher. **Gluten and wheat free.** **Dairy and lactose free.** Good source of fibre. No artificial colours, preservative or flavours. Made from natural ingredients. GMO free.





# Smart snacking: lower saturated fat



**United Kingdom: Blue Diamond Almonds with Smokehouse Flavor Smart snacking! 50% lower saturated fat than peanuts and cashews.** This comparison is based on oil roasted, salted peanuts at 8.7g saturated fat per 100g and oil roasted, salted cashews at 8.5g saturated fat per 100g. No artificial colors or flavors. **High in vitamin E. Made with canola, safflower and/or sunflower oil. Peanut free.**

The lower sat fat nut  
balanced with super smoked tastiness

At Blue Diamond we balance mouth-watering flavours like delicious Smokehouse<sup>®</sup> with all the goodness of California's finest almonds, which have half the sat fat of peanuts and cashews and absolutely no artificial colours or flavours. How good is that?

bluediamondalmonds.co.uk

goodness is the gorgeous



# Fiber & digestion



**Spain: EcoMil Instant Powdered Almond Drink Digest.** Certified organic. Lactose free. No soy. Cholesterol free. Gluten free. Wheat free. Contains calcium. 100% non dairy. With Omega 3, fibers, and calcium



**UK: Morrisons Almonds. Snack pack.** A source of protein and fiber. Suitable for vegetarians



# Antioxidant association



**Mexico: Ann's House Creamy Strawberry Almond.** Trans fat free. Cholesterol free. Low sodium. **Good source of antioxidant vitamin E.** **Natural goodness** of fruit and nuts



**Macedonia: Kibela Nutini Almonds.** Roasted and salted almonds in a vacuum pack, held in a cardboard box. **Source of vitamin E**



**A new opportunity: proven, weight management**

# Greater use of scientifically proven claims



**Ireland: Danone Actimel Probiotic Yogurt Drink: Strawberry & Banana Flavor.** Helps strengthen your natural defenses. **Scientifically proven**

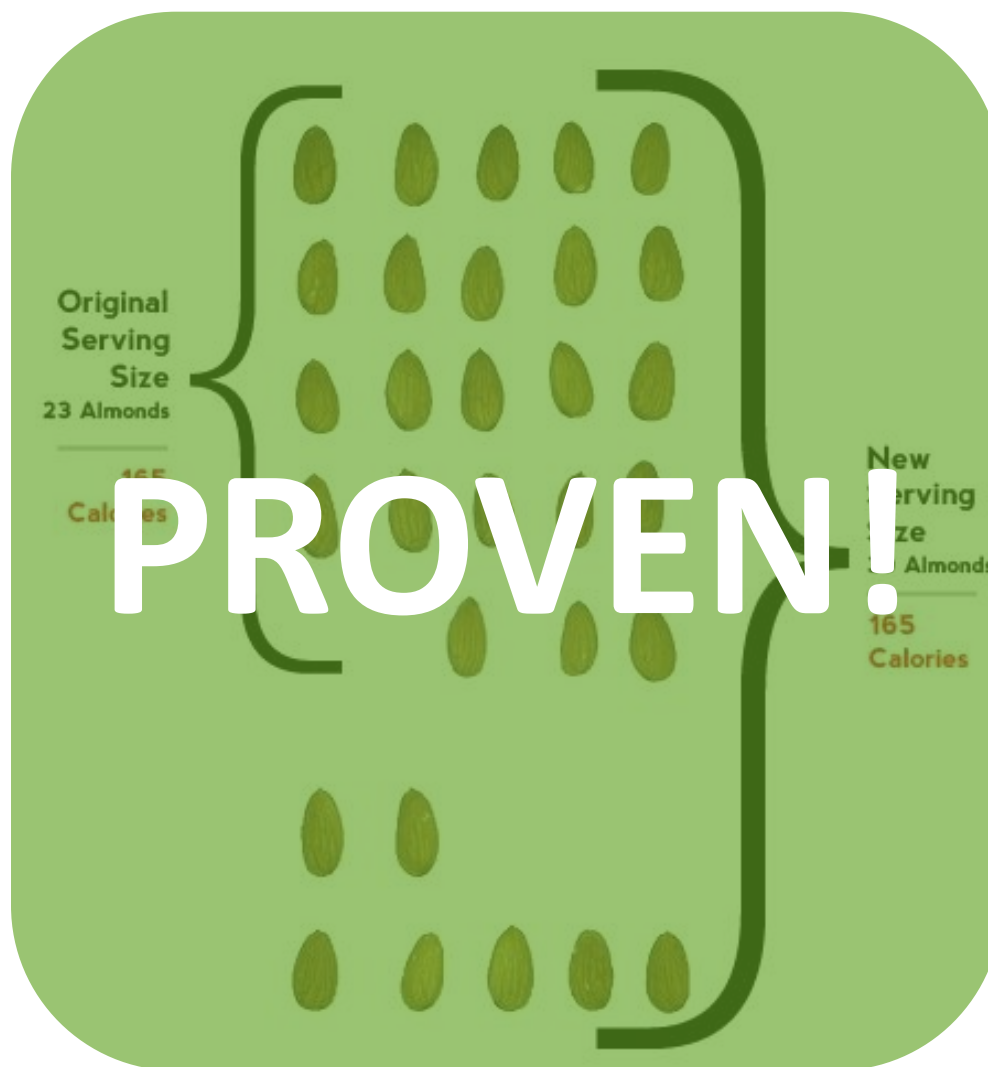


**Ireland: Wrigley's Extra Ice White Chewing Gum.** Sugar free chewing gums with mint flavor, microgranules and sweeteners. Sugar free. Helps keep teeth clean in a way you can feel. **Scientifically proven** to help remove stains and maintain teeth's natural whiteness



**The Netherlands: Nutricia Nutrilon Goede Nacht 2: Night Time Milk Formula For Babies From 6 to 18 Months.** With Immunofortis, a patented mix of **scientifically proven** fiber mix of GOS:lc:FOS 9:1; DHA/AA, healthy polyunsaturated fatty acids; nucleotides, nutrients for growth and cell division

# Almonds offer a new opportunity

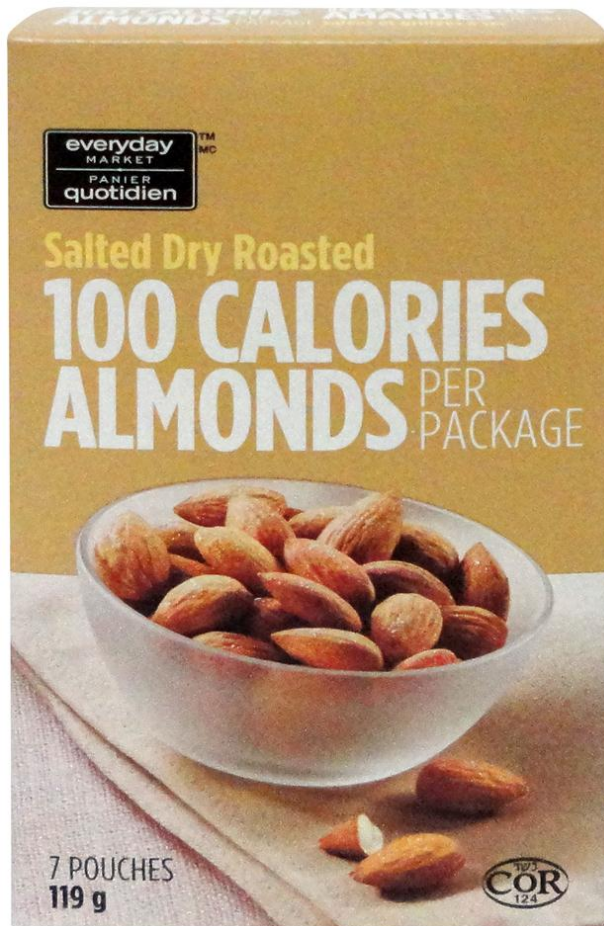


# A new opportunity

- 100% natural.
- Good source of protein, fiber and vitamin E.
- No cholesterol.
- No trans fat.
- No sodium.
- ***A future claim?***
  - Less calories than other nuts



## Opportunity: larger pouch, more filling



- Seven sachets of salted dry roasted almonds.
- Only 100 calories per pouch.





**Indulgence**

# Chocolate is hot



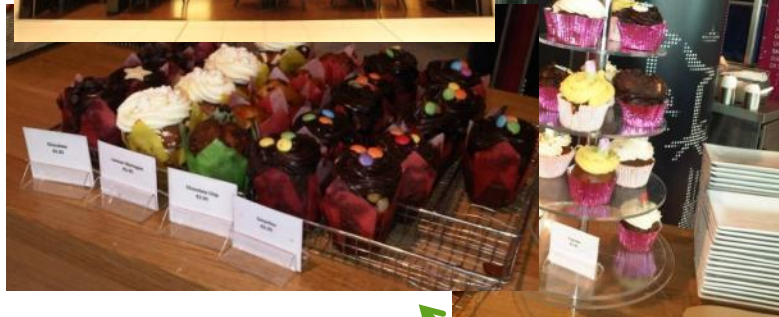
Theobroma  
Chocolate  
Lounge  
Malaysia,  
Australia,  
New Zealand.



Denmark: Lu Cafe Au Petit Ecolier Extra Dark  
Chocolate Biscuits. Contains 70% cocoa.



Vintage  
Chocolate  
Lounge Dubai  
Mall



Chocolat  
e lounge  
Dublin  
Airport/

Sushi-Bar Style



UK: Marks &  
Spencer Belgian  
Triple Chocolate  
Cookies  
Indulgent Belgian  
triple chocolate  
cookies with  
dark, milk and  
white chocolates,  
half coated in  
Belgian dark  
chocolate.



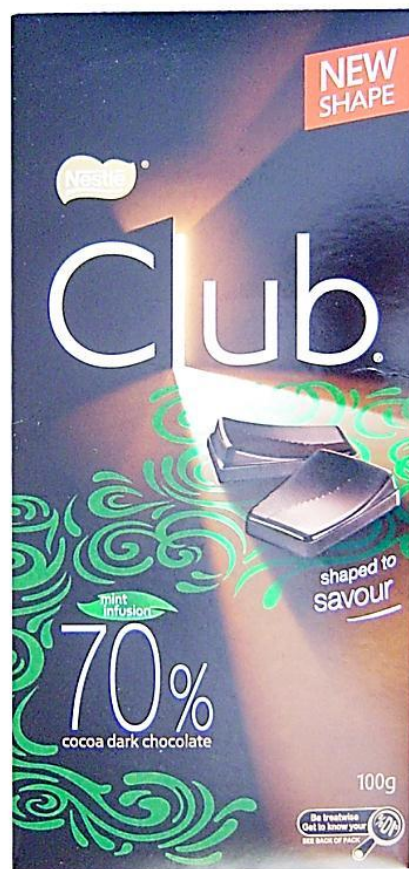
# Permissible indulgence (now EFSA approved)

- Almonds + chocolate = permissible indulgence
- Now EFSA has issued a positive opinion on the blood flow support by cocoa powder or dark chocolate, manufacturers can look for possibilities to introduce dark chocolate products with related health claim.
- As a nut with many nutritional benefits, almond offers a wide variety of opportunities as key ingredient of dark chocolate products positioned around health.



# Antioxidants: where indulgence meets health

- Chocolate products with antioxidants are good examples of combining indulgent chocolate products with a health aspect.

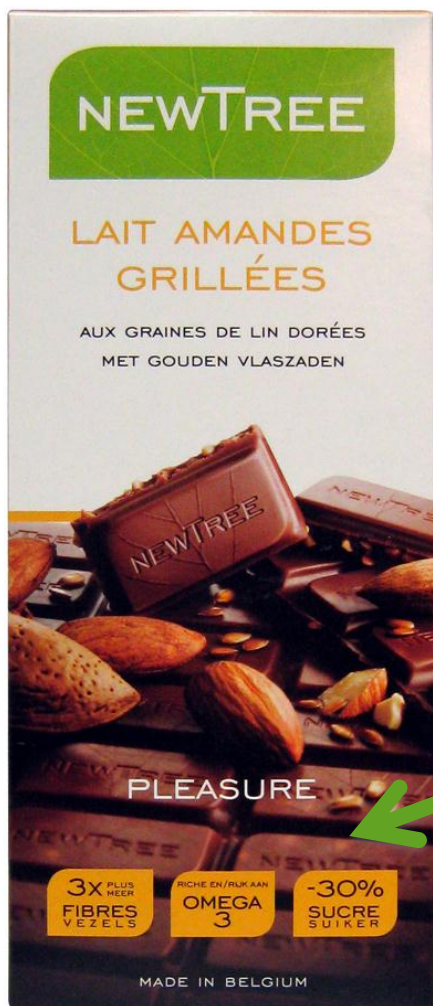


**Australia: Nestle Club 70% Cocoa Dark Chocolate Mint Infusion.** A serving of Club Provides 178mg of antioxidant polyphenols. Chocolate contains minimum 70% cocoa solids. Recyclable packaging.

**UK: Beyond Dark 70% Cocoa Chocolate Chips.** A 70% cocoa dark chocolate chips with intense, smooth, and sensuous flavors. Claims: Drops of pure pleasure. Naturally rich in antioxidants



# Indulgence, pleasure and guilt free



**Belgium: Newtree Lait Amandes Grilles Roasted Almonds Chocolate.** Newtree Roasted Almonds Chocolate has the smoothness of milk chocolate enlivened by the crispness of the roasted almonds and golden flaxseeds. Less 30% fat. Contains omega 3

PLEASURE

3X PLUS  
HEER  
FIBRES  
VEZELS

RICHE EN/RUKAAN  
OMEGA  
3

-30%  
SUCRE  
SUIKER

MADE IN BELGIUM

# Almonds even more permissibly indulgent

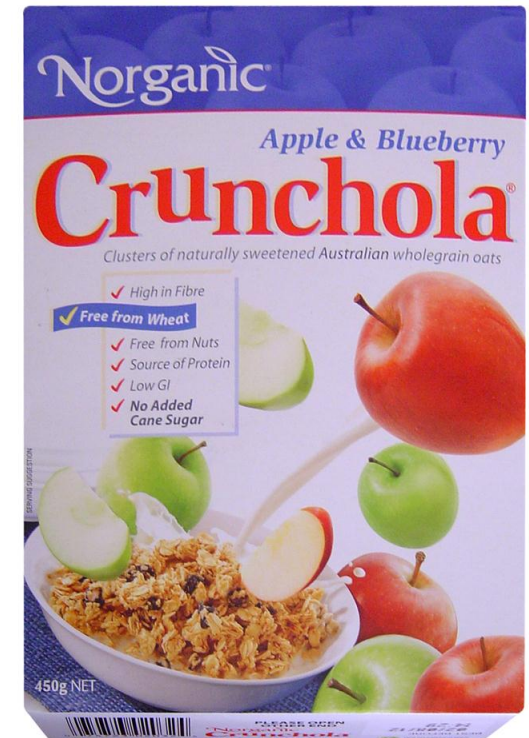
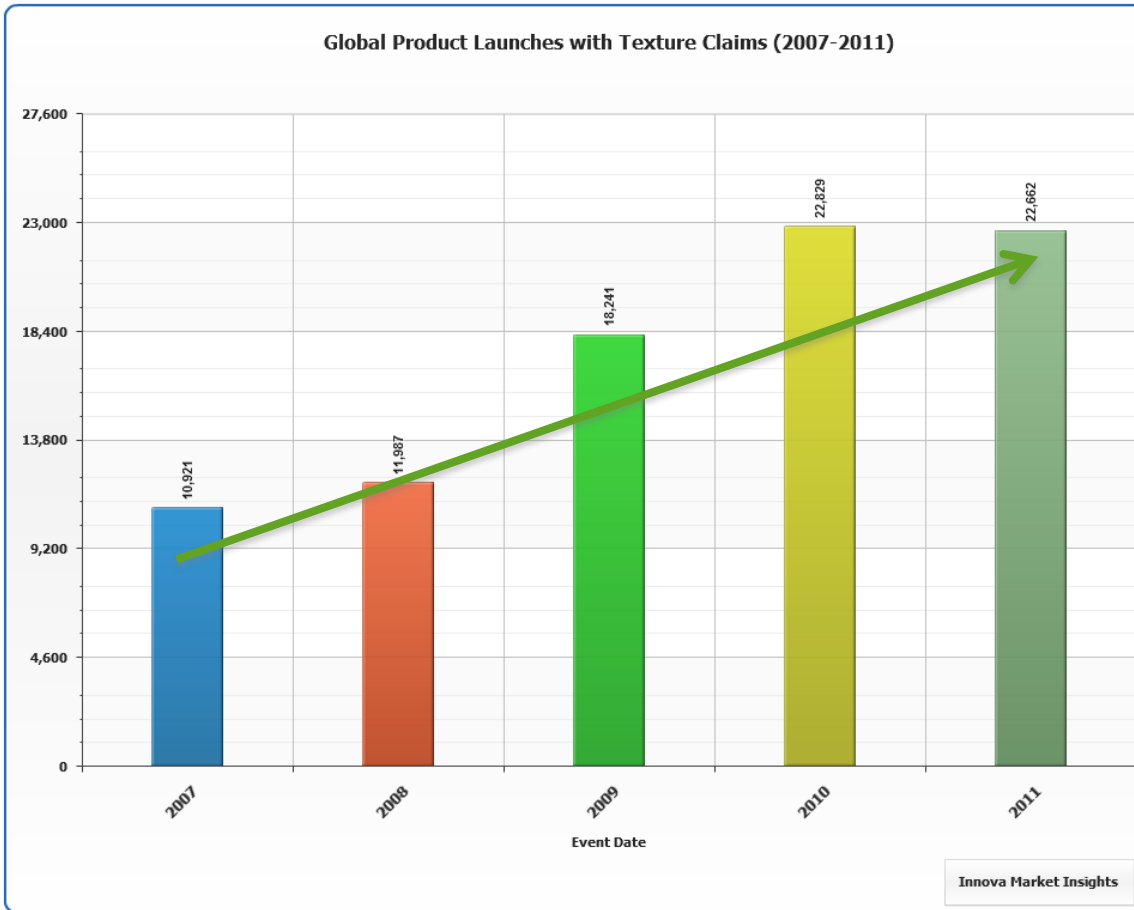


- Hazelnuts (48%) covered with milk chocolate from Alpen milk.
- One portion of 25g contains 148kcal (7% GDA).
- Price/Kilo: EUR 14.10
- Roasted whole almonds covered in silky smooth and richly delicious Dove dark chocolate.
- One portion of 39g contains 210kcal ~~X~~
- Price/Kilo: EUR 25.27



# Top 10 Trend 2013: *Sensory Experience*

# Texture claim growth



Australia: Norganic Crunchola  
Apple & Blueberry Australian  
Wholegrain Oats

Search string: crispy crisp crunch crunchy velvet chewy chunk  
chunky cluster smooth bites silk silky nuggets creamy texture





# Co-branding for new flavors and textures

- Brands are teaming up to create novel and fun products, enabling unusual mixes of textures and flavors.



*Germany: Milka Alpine Milk Chocolate and TUC Cracker*



*AU: Kraft Philadelphia Chocolate Frosting. Ready-to-spread chocolate frosting in a plastic tub. Made with Cadbury chocolate*



# Playing with texture



**US: Muller Quaker Greek Corner Lowfat Yogurt with Caramelized Almonds.**

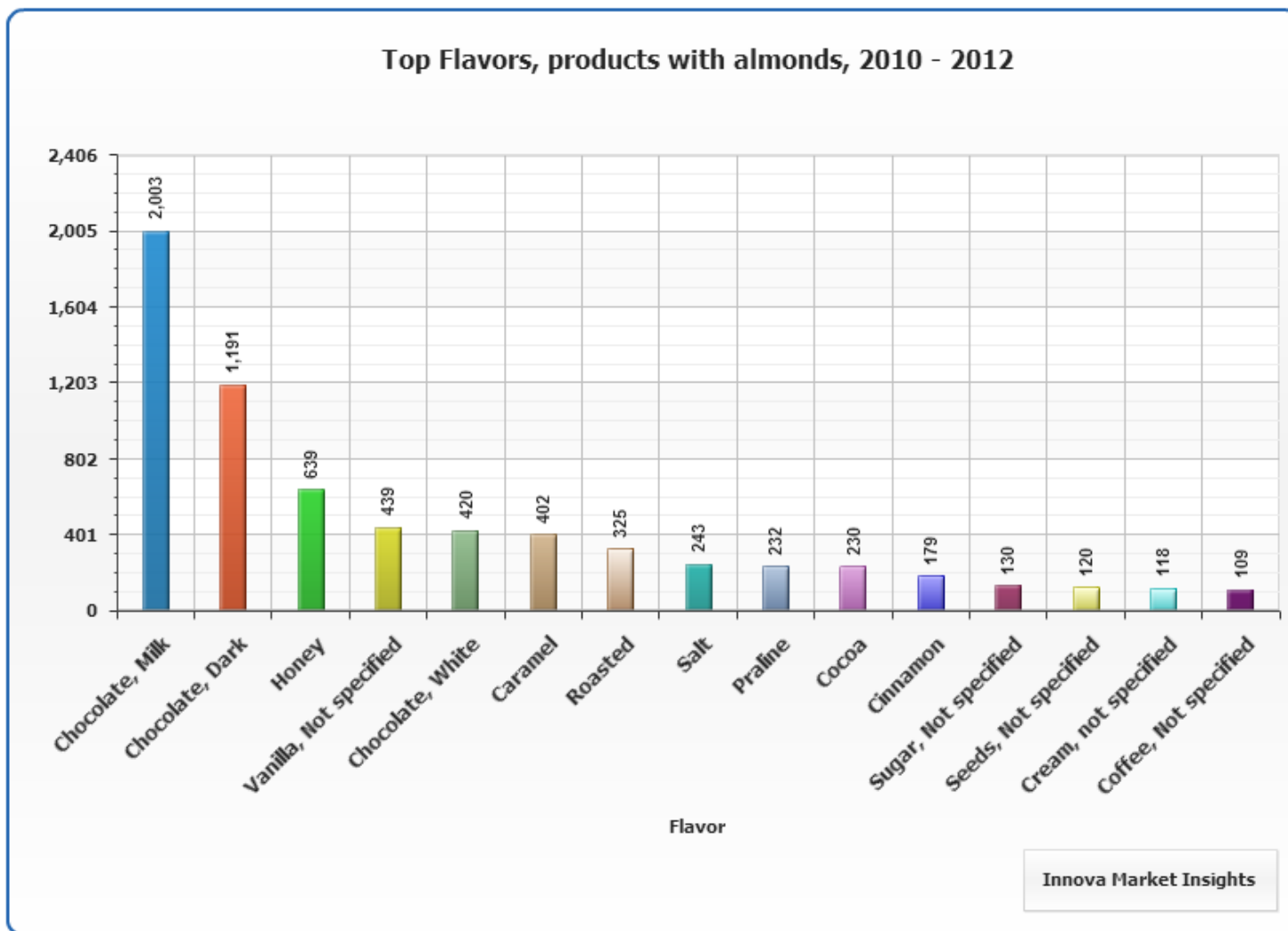
*The special "Bubble teas" with Boba (tapioca) pops are becoming popular in the US and Europe*



**Mars Chocolate Caramel Dessert with Chewy Mars Pieces.**

**Sensory: flavors**

# A huge range of flavors associated with almonds



# Almonds go with anything



- **Canada:** Cinnabon Noix Melangees A La Cannelle: Cinnamon Mixed Nuts
- **Malaysia:** A premium selection of crunchy whole almonds encased in green tea smooth milk chocolate
- **Germany:** Premium Quality Sugar Coated Almonds with Gingerbread Flavor



# Flavor possibilities are endless.....



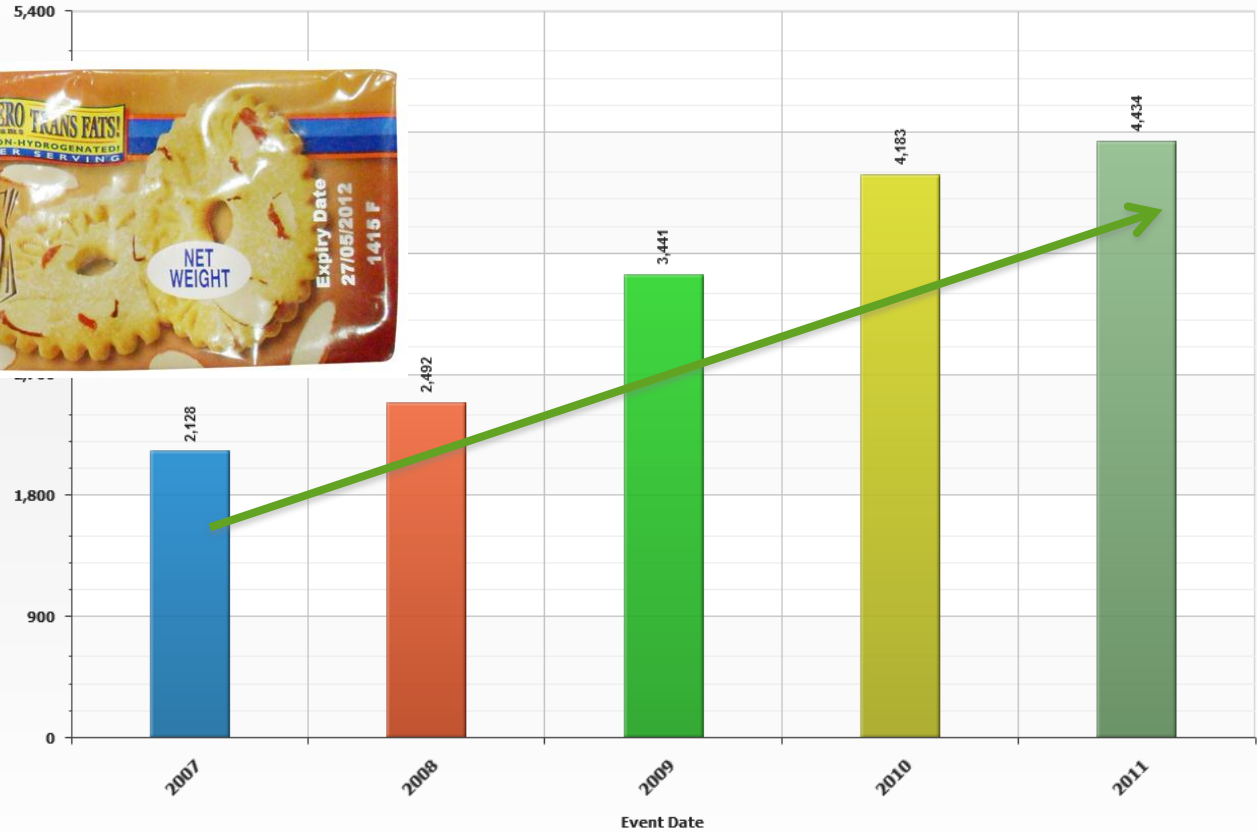
- **Japan:** Chicken Flavored Rich Hard Pretzel Snack with Roasted Almonds And Cream Cheese Coating
- **Germany:** Roasted California Almonds with Yogurt Flavored White Chocolate Coating
- **Netherlands:** Nutisal Spicy Festival Mix Dry Roasted Nuts



**Sensory: almonds and texture**

# Crunch Claims Growth

Global Product Launches with a Crunch Claim (2007-2011)



Innova Market Insights



Singapore: Voortman  
Almond Krunch Cookies

Search string: crunch crunchy crunchiness



# Inclusion of whole almonds

- The number of global almond introductions and global chocolate Introductions with the inclusion of whole almonds is increasing.



**Malaysia:** Ritter Sport  
Milk Chocolate Bar:  
Whole Almonds



**France:** Cote D Or Croquant Amande: Dark  
Chocolate Bar with Whole Almonds &  
Praline



# Whole almonds for big taste

- Whole almonds also in other categories such as cereal & energy bars
  - demonstrates the increased desire for bigger inclusions in food products.



Thailand: Hershey's Nuggets Dark Chocolate with Almonds. Individually wrapped dark chocolates with **whole almonds**

Italy: Mulino Bianco Grancereale Barrette di Cereali: Cereal Bars with **Whole Almonds**, Red Bilberry & Crispy Grain Granules



# Almond crunch



# With an almond crunch ingredient



Japan: Bourbon Pakila  
Chocolate with **Almond  
Crunch** and Filled in  
Wheat Puff Stick Wafer

**USA: Choxie Dark  
Chocolate Coconut  
Almond Cluster.** A sweet  
escape of decadent coconut  
with **an indulgent almond  
crunch.** All covered in  
deliciously deep, dark  
chocolate.



# Almond crunch flavor

- Almond is now synonymous with crunch as almond crunch is being used as a flavor name for products.



**USA: Granola Flats Welcome to Wholesomeville Baked Whole Grain Chips: Almond Crunch.** Slightly sweet, light, and crunchy chips made made with whole grains, almond nuts, seeds, and oats, then baked into bite sized pieces. Finally, granola is good to go.



**Canada: Detour Lean Muscle Whey Protein Bar: Fudge Almond Crunch.** Lean Muscle whey protein bar with fudge almond crunch covered with chocolate.



**Tradition & premium**

# Provenance: where does my food come from?

- Interest in where their foods are coming from has never been higher among consumers.
- The cocoa industry was the pioneer with origin specific chocolate varieties



**UK: The Co-Operative Truly Irresistible Fairtrade Ghanaian Dark Chocolate with Peppermint Oil.** Velvety dark chocolate infused with peppermint oil for a deliciously cool flavor. Produced using the **highest quality cocoa beans of Kuapa Kokoo**, a co-operative of 45,000 farmers in Ghana.



*Emphasizing the origin of ingredients can underline a premium positioning.*

# Provenance for premium positioning



## Belgium: Belvas Belgian Chocolate Truffes Amandes: Gluten Free Organic Almond Truffles

Gluten free organic almond truffles. Milk chocolate and almonds from Murcia. This organic and Fairtrade milk chocolate is made with sweet and refined cocoa beans from the Peruvian highlands. The slightly roasted organic almond sublime the 'almond truffles' to a sweet indulgence that rivals the finest recipes without bitterness.



Philippines: Marich Organic Chocolate Toffee Almonds. Premium California almonds in a buttery toffee glaze and creamy milk chocolate.



# California almonds = premium positioning

- Manufacturers can leverage the increasing interest of consumers in the origins of ingredients by communicating the source of premium almonds from California.



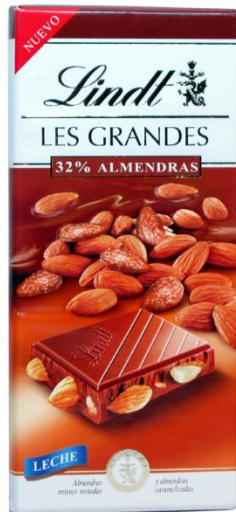
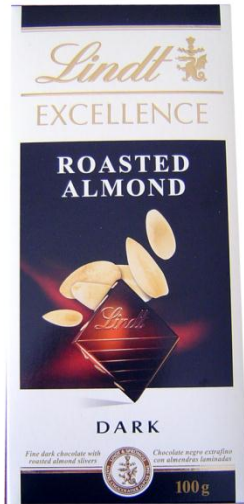
**United States: Fresh & Easy Gourmet Milk Chocolate Almond and Raisin Bark.** This bark is handmade with roasted, lightly salted **California almonds** and sun-dried Thompson raisins on top of pure milk chocolate.



**United States: Trader Joe's Dark Chocolate Almond Toffee.** Crunchy toffee and roasted **California almonds**, covered with premium dark chocolate.



# Typical almonds vs. Hazelnut chocolate products



# Some snack examples

• China \$61/lb

Thailand \$103/lb

China \$54



# Some snack examples

- India \$48/lb

China \$37/lb

Netherlands \$41/lb





# Takeaways

- Almonds are very on trend: the “perfect food”
- Better for you products: good for the bottom line
- Almonds used by most successful multinationals and by retailers in private label products
- Almonds can add premium appeal and a premium price
- Almonds bring wholesome appeal with inherent health benefits
- Almonds are versatile: work well in many applications and with all flavors – sweet, salty, ethnic
- **And now, proven to have less calories**







# Questions