



Driving Global Demand Beyond Two Billion Pounds

December 7, 2016



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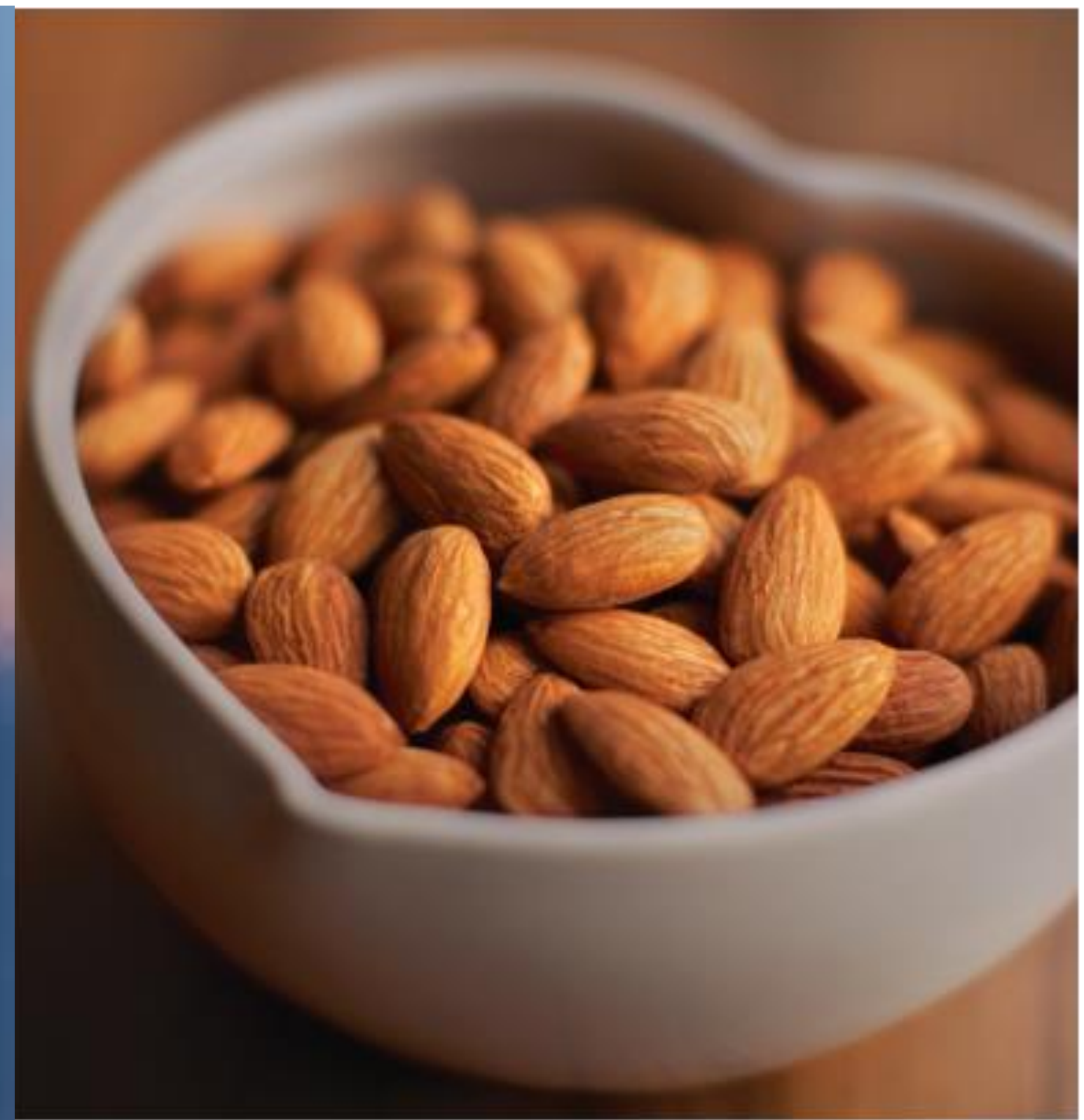
Craig Duerr, Campos Brothers Farms
(Moderator)

Buddy Ketchner, Brand K Strategy

Stacey Humble, Almond Board of California



5 Trends Impacting Global Marketing



***“Things change slowly,
then all at once”***

Ernest Hemingway

1. Population **Growth**



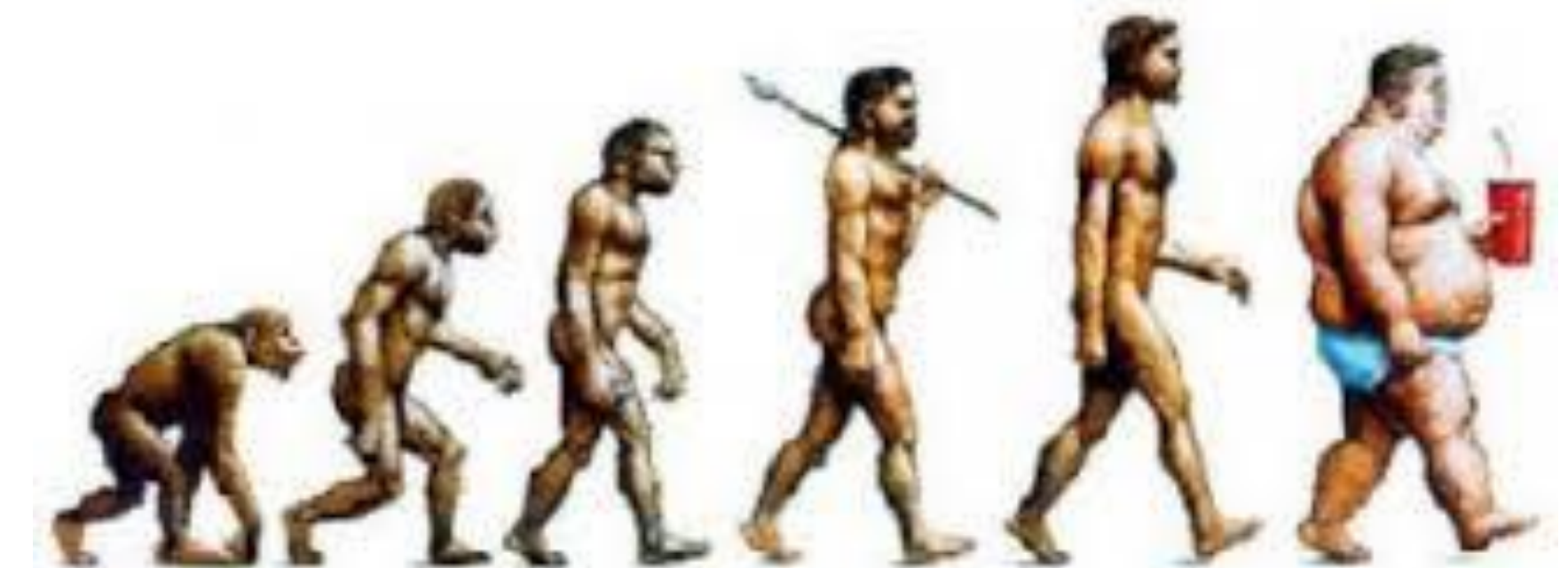
Global Population Growth: 7 Billion to 9.8 Billion by 2050

Increasing...

Growth of emerging markets
Middle class
Urbanization
Meat consumption/western diets
Diseases of affluence

Converging...

Nutritional needs/concerns
Youth culture
Aging population
Technology as connector
Technology as accelerator



2. Generational Change



Generational Change: **Values, Expectations & Behaviors**



Baby Boomers

Age: 52-70
74.9 Million

Post WW II Generation
Suburbs
Shopping Malls
Fast Food
Mad Men



Millennials

Age: 19-35
75.3 Million

Tech-savy
Connected
Transparent
Raised in boom times
“Everyone gets a medal”
Innocence lost



Generation Z

Age: 0-20
60-78 Million

Digital Natives
Shaped by recession
Pragmatic, spend less
Less trusting of brands
More accepting of others
Entrepreneurial

A Generational Inflection Point

The Rise of the Millennials

- Driving Change in the food industry
- Starting Families
- Growing into their prime spending years
- Spending increase 2.7x to \$1.4 Trillion by 2020





Consumers Have Greater Expectations



Transparency
Connection to lifestyle
Aligned with their values
Authenticity
Ingredient focus
Health
Greater good
Trust



3. Convergence of Health, Wellness and Sustainability



Clean Label Imperative



Absence of...

- Artificial ingredients: flavors, colors, preservatives, pesticides
- GMO's
- Gluten
- Processed food

Presence of...

- Fewer, healthier ingredients
- Recognizable, familiar ingredients
- Unprocessed ingredients from nature

Grown in perceived sustainable & healthy ways

- Organic
- Non-GMO
- Other: artisanal, local, earth-friendly, sustainable, ethical

Convergence

Health:

The nutrients, health benefits and impact that individual foods provide.

Wellness:

A person's individual choices, priorities and actions about their health.

Sustainability:

What food is produced and how it is grown, processed, delivered, consumed and disposed of.

4. Rise of the plants (Protein)



Rise of the Plants

80% of ag land used for animals

Negative impact on people and the environment:

- Water
- Waste
- Greenhouse gas
- Deforestation
- Health

60% increase in meat consumption
projected with rising population

Chinese government urging people to reduce
meat consumption by 50%

- Improve public health (obesity, diabetes)
- Reduce carbon emissions by a billion metric tons by 2030
- “Less meat, less heat...more life”*

United Nations report urges taxing meat



Rising Innovation

Kite Hill is redefining dairy

kite hill™
Artisan Almond Milk Products



The Almond Competitive Set is Changing

For our products

Milk

Cheese

Yogurt

Crackers

Butter/spreads

Gluten-free flour & baked goods

Other plant-based protein sources

...and messages



5. Food Waste and Efficiency



Food Waste

Globally 1/3 of all food is not eaten

40% of food in the U.S. is thrown out

25% of water is used to produce food that is never eaten

28% of ag land is used to grow food that goes to the garbage

90% of food waste is incinerated or put in landfills contributing to greenhouse gasses



Zero Waste?

What you get and what you use

Nutrient Dense

Nuts, Hulls & Shells

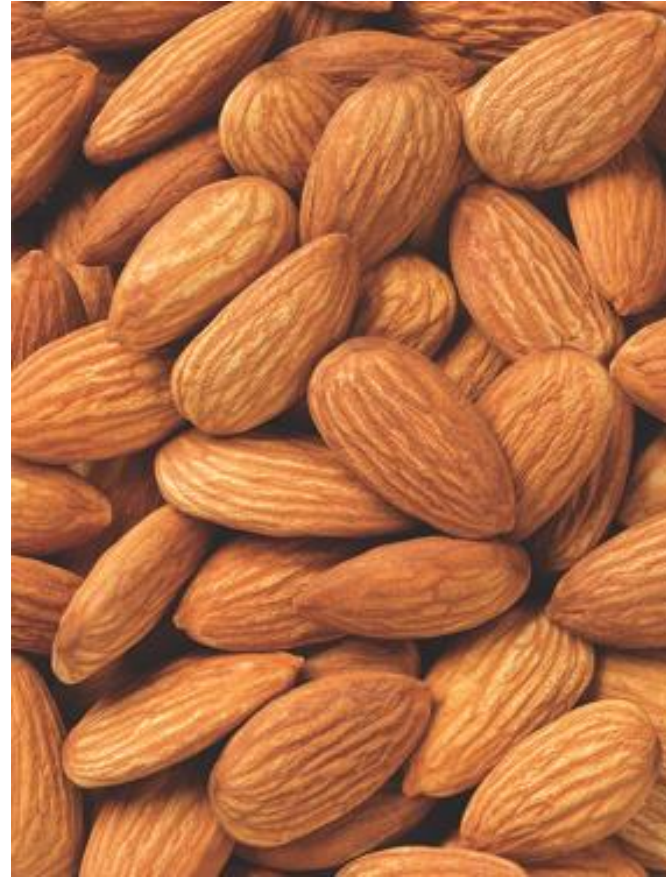


Portable and Storable

Long Shelf-Life

Trends

1. **Population Growth**
2. **Generational Change**
3. **Convergence of Health, Wellness and Sustainability**
4. **Rise of the Plants**
5. **Food Waste and Efficiency**



Almond Marketing Implications



Stacey Humble, VP, Global Marketing & Communications

Generational Change

The Controversial Hipster Nativity Scene



- Younger Consumers are Changing the World
- Living with parent's longer, impacting total household spend
 - Japan
 - US

Photo Credit: Esquire Magazine

Population Growth



And the rise of the Middle Class

- Where we market
China
India
- Efficiency of Marketing
Mexico City
Indonesia
- Demand for more quality food

**China's G2
Consumer** are
more confident,
independent
minded, and
display that
independence
through their
consumption



Japan: Women's Changing Role in Society



- Women' are seeking equality and **rejecting traditional lifestyles**
- **Prioritizing success** over family aspirations
 - Average age for women at marriage increased 26.9 to 29.3 from 1995 - 2005
 - Marriage rate dropped from 6.3 per 1,000 people to 5 per 1,000 from 1995 to 2005
 - Employed women with children under 3 years has increased from 33.3% to 42.1% from 2007 – 2012
- **Ikumen parenting** – massive trend for “stay at home father”

Japan: Pets over Parenthood

- Marriage and birth rates are **falling drastically**
- **Caution about parenthood** abound due to concerns over:
 - Costs of child rearing
 - Dangerous and insecure world
 - Financial security
 - Environmental and geo-political issues
- **Child replacements** – cats and dogs are filling social voids for urbanites
- **Designer clothing, yoga and exercise classes, restaurants and spas** are part of daily regimen for many pets



Neosolteros + Perro Hijos

(or New Singles + Dog Children)

Neosolteros (new singles): A new type of single person – their university degrees and high income allow them to be independent from families and indulge in high levels of personal spending, like technology, real estate, leisure and pets

Perro Hijos: Young couples are postponing having children which has led to an increased number of “**dog children**” – including a growing number of canine spas in Mexico City

Rise of the Plants

China's plan to cut meat consumption by 50% cheered by climate campaigners

New dietary guidelines could reduce greenhouse gas emissions by 1bn tonnes by 2030, and could lessen country's problems with obesity and diabetes



i China now consumes 28% of the world's meat, including half of its pork. Photograph: Wong Campion/Reuters

2015 Dietary Guidelines for Americans
RECOMMENDATIONS

↑

- Plant based foods
- Physical activity
- Water
- Accessibility

↓

- Saturated fat
- Added sugar
- Sugar sweetened beverages
- Marketing to kids

One Trend Brings it All Together



MEATLESS MONDAY saves energy.

It takes 11x as much energy to produce the same amount of animal-based protein as plant-based protein.

Good for you. **MEATLESS MONDAY** Good for the planet.

Source: Johns Hopkins Center for a Livable Future #meatlessmonday

HOW DOES MEATLESS MONDAY HELP?

FOR EVERY BURGER SKIPPED, YOU CAN SAVE ENOUGH WATER TO DRINK FOR THE NEXT

3 YEARS.

MEATLESS MONDAY
#MeatlessMonday

LESS MEAT = LESS HEAT

Livestock production currently accounts for nearly 15% of our greenhouse gas emissions.

MEATLESS MONDAY

Food Waste and Efficiency

POUR
VOTRE SANTÉ
MANGEZ

**5 FRUITS
ET LEGUMES
MOCHES**

PAR JOUR.

Avec les fruits
et légumes
moches,
Intermarché
lutte contre
le gaspillage
alimentaire.



les fruits & légumes
MOCHES
Intermarché

PRODUCERS

Wal-Mart, America's Largest Grocer, Is Now Selling Ugly Fruit And Vegetables

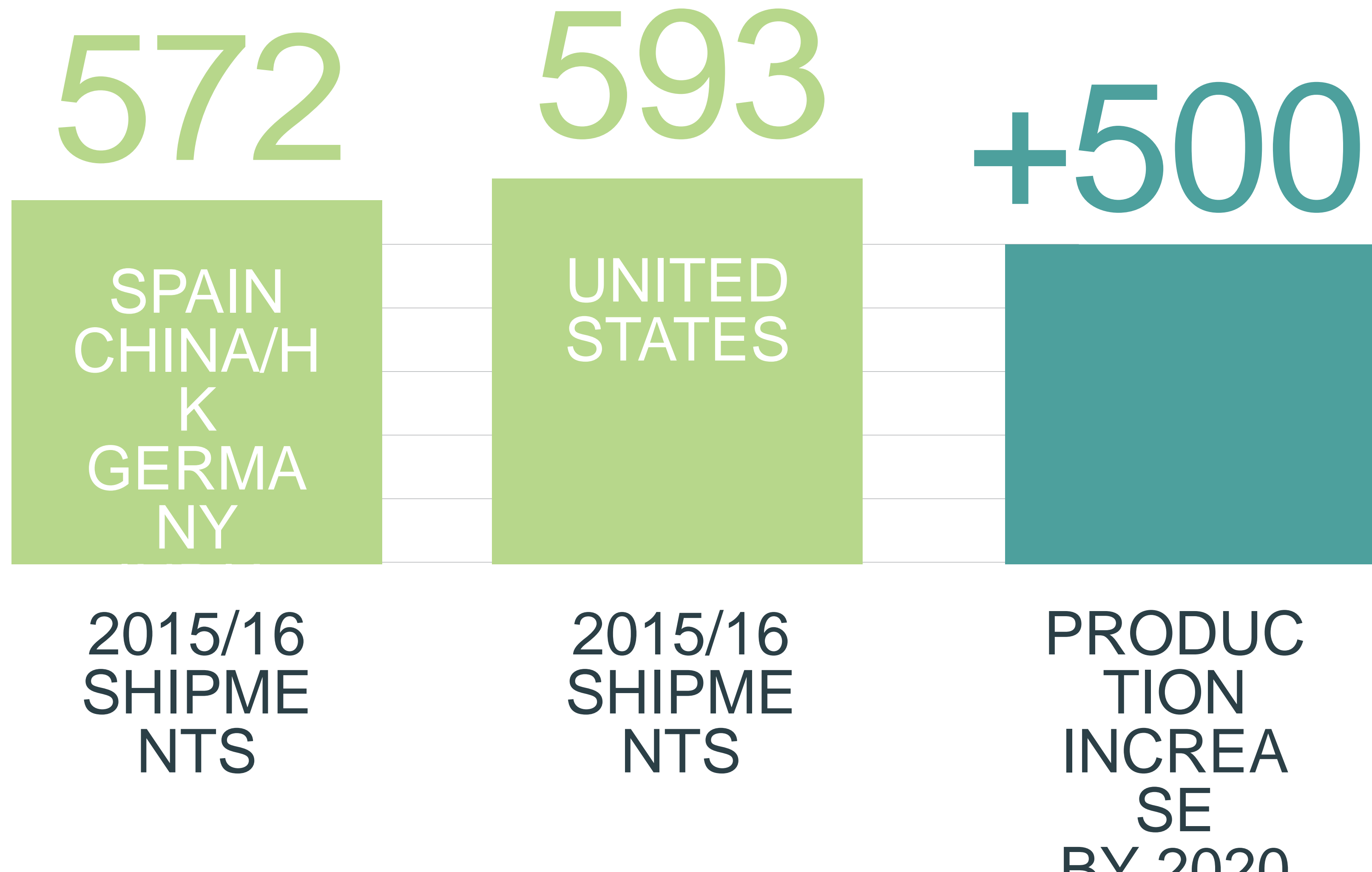
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MARIA GODOY



The Future of Growth



Global Trends, Local Insights

Global Demand
Analysis



Opportunity
Assessment



Target
Segmentation



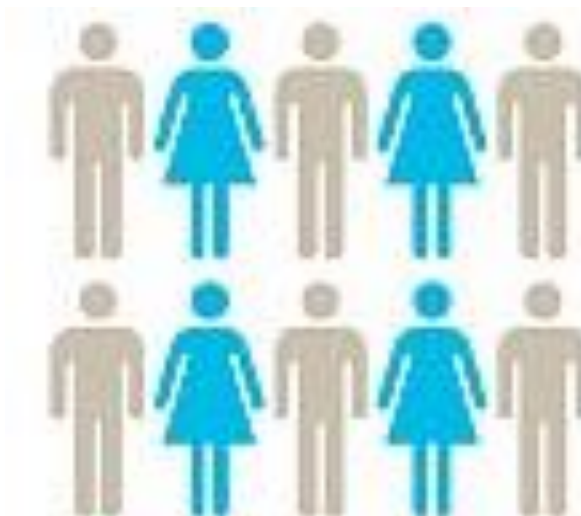
Message
Deep Dives

Market	Region	Year	Revenue	Profit	Market Share	Competitor
North America	USA	2023	1200000	200000	15%	ABC Corp
North America	USA	2024	1300000	220000	16%	ABC Corp
North America	USA	2025	1400000	240000	17%	ABC Corp
Europe	Germany	2023	800000	150000	10%	DEF Ltd
Europe	Germany	2024	850000	160000	11%	DEF Ltd
Europe	Germany	2025	900000	170000	12%	DEF Ltd
Asia	India	2023	500000	80000	5%	GHI Pvt
Asia	India	2024	550000	90000	6%	GHI Pvt
Asia	India	2025	600000	100000	7%	GHI Pvt

Markets projections and
prioritization



Focus within
markets



Target identification
and sizing



Target refinement
and messages



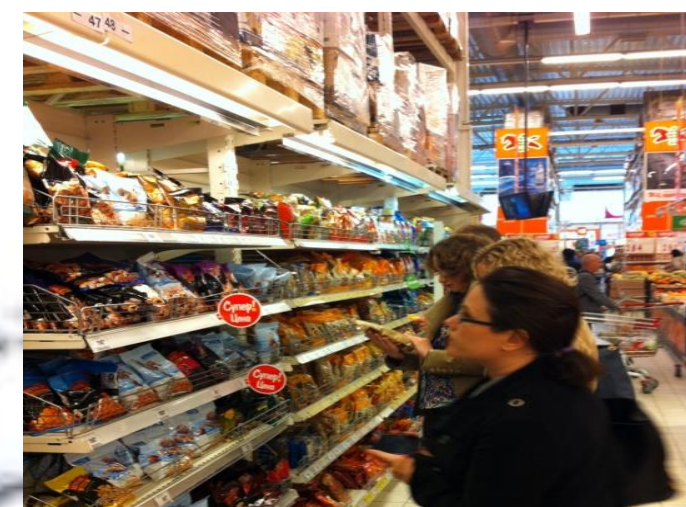
NORTH AMERICA

Canada
U.S.
Mexico



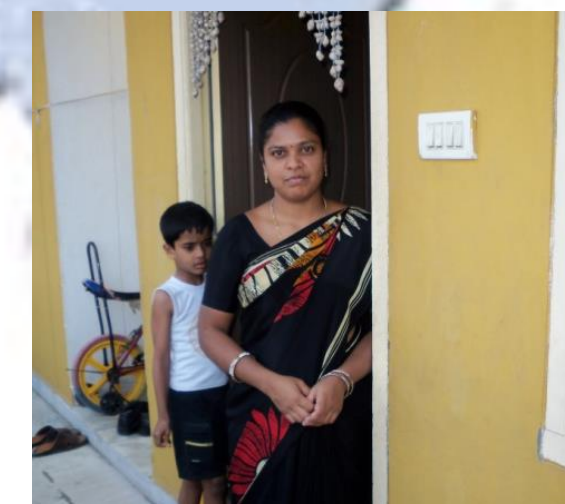
EUROPE

UK, France, Germany



ASIA

China, India,
S. Korea

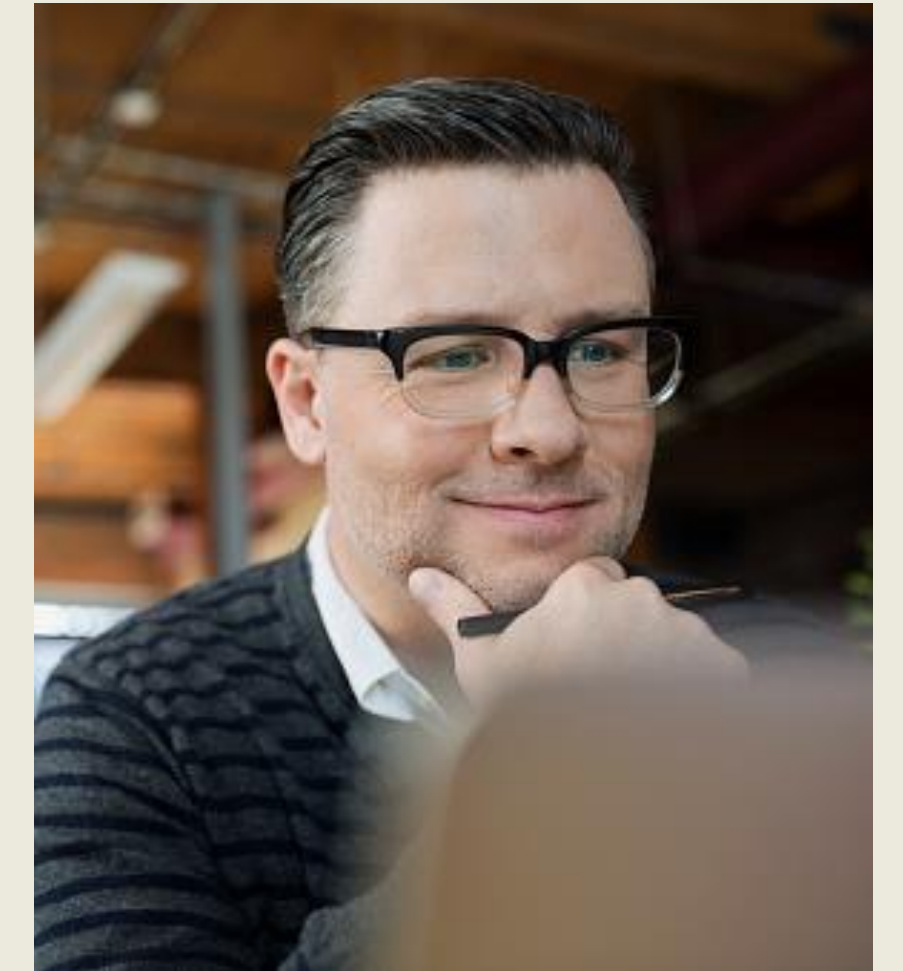


SOUTH AMERICA

Brazil



Driving expansion into new markets and opportunities



Thank you!