



India: Hunger for Growth

December 6, 2016



**Emily Fleischman,
Almond Board of California**

Agenda

1. India, An Introduction:

- Sudarshan Mazumdar, Regional Director, Almond Board of California

2. India: The Socio Cultural Environment:

- Jasmeet Srivastava, Managing Partner, The Third Eye
- Gitanjali Ghate, Managing Partner, The Third Eye

3. Almonds in India:

- Sudarshan Mazumdar, Regional Director, Almond Board of California

4. INC World Nut and Dried Fruit Congress, 2017:

- Raju Bhatia, Ambassador for India, INC



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India is a Large and Diverse Country

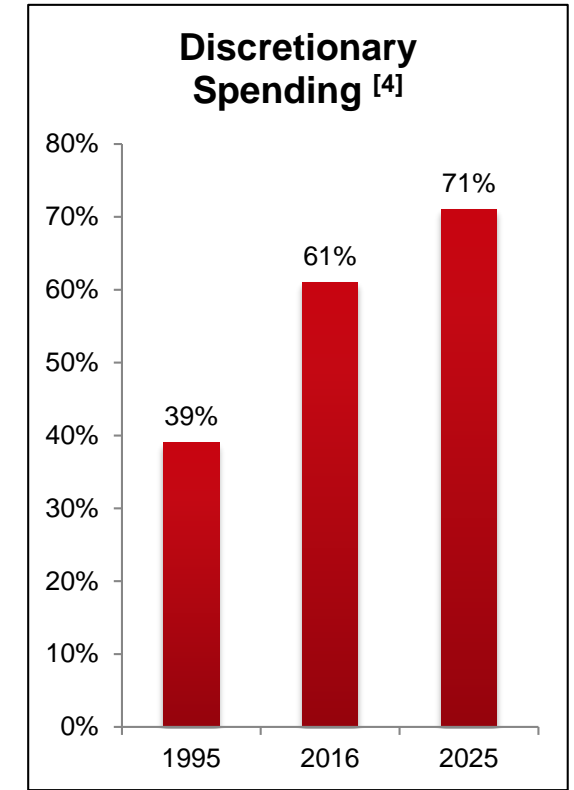
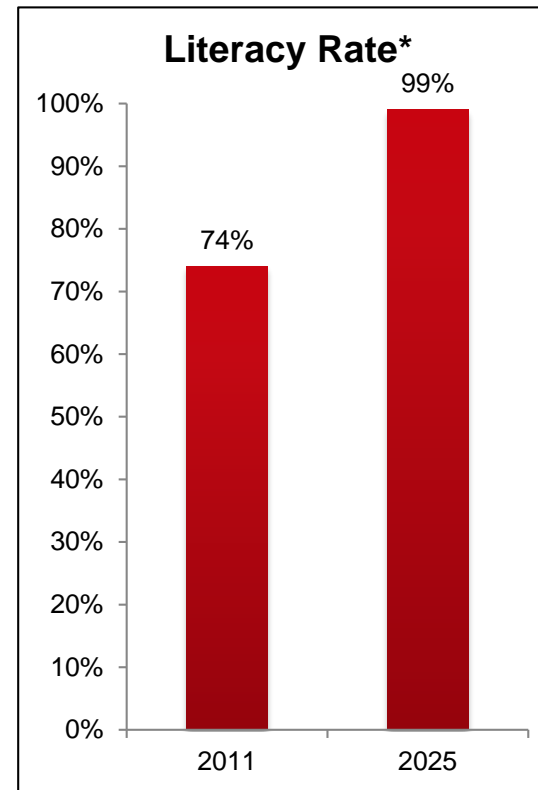
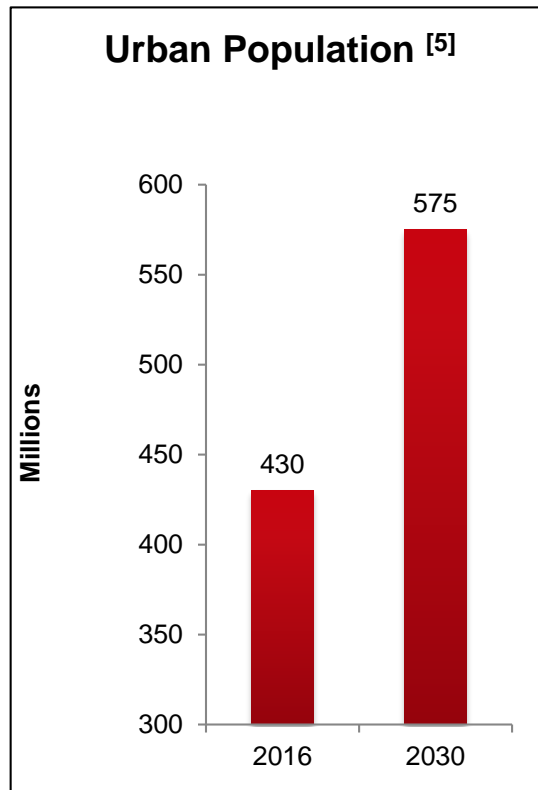
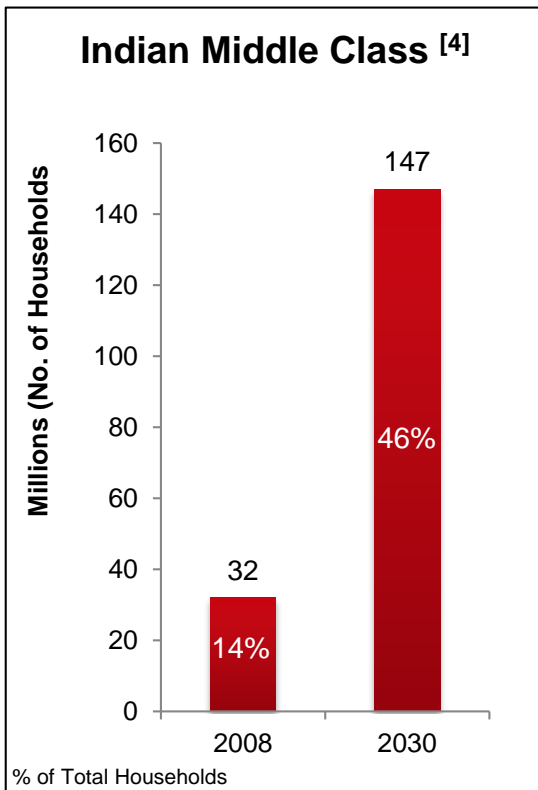
- Land Area: 3.287 million km² [1]
 - 7th Largest in the world.
- Population: 1.31bn people. 2nd most populous in the world. [2]
 - Expected to become the most populous by 2040.
- 29 states and 7 Union Territories with diverse cultures. [3]
- 22 official languages. 122 Major Languages. 1,652 Total Languages. [4]
 - The only place where the vernacular changes every few kilometers.
- The land of spirituality, it is the birthplace of Hinduism Sikhism, Jainism and Buddhism. [5]
- Median Age: 27 years [6]
 - 2/3rd of our population is under 35, and 50% is under 25yrs with their entire earning & spending life head of them.



And Now, the World's Fastest Growing Major Economy

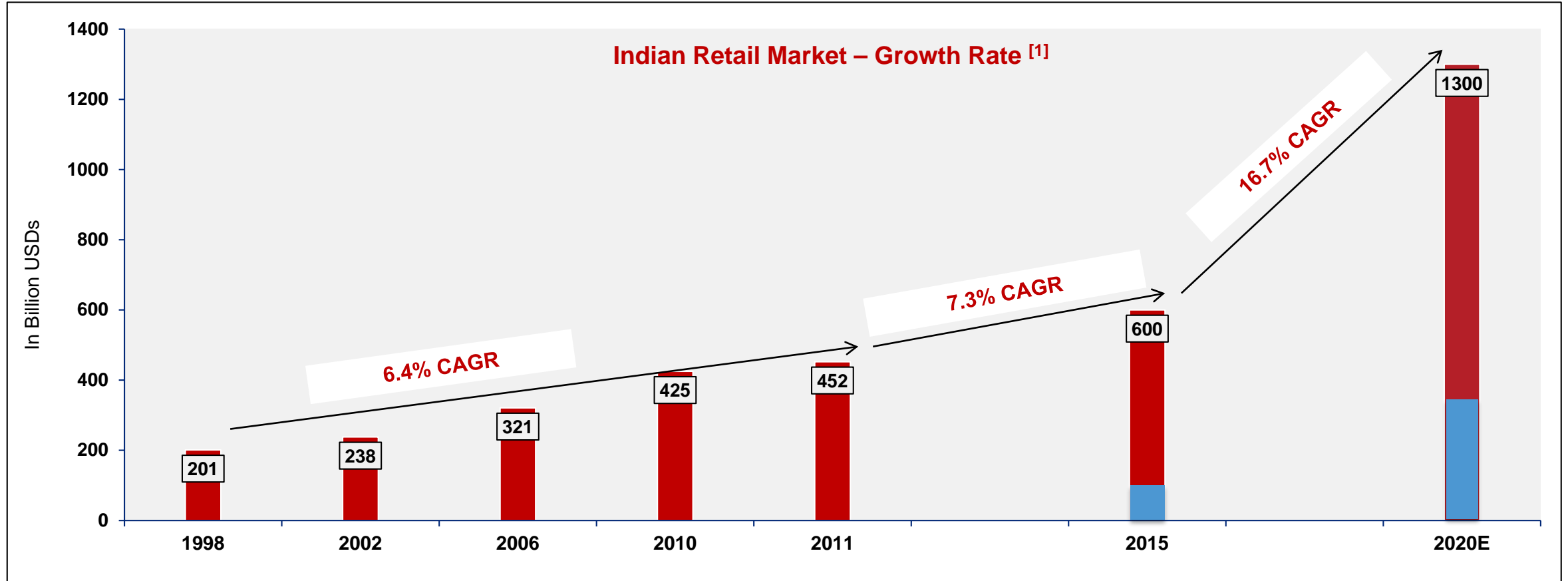
India's GDP growth rate at 7.5% in 2016-17 ^[1]

- Currently 7th largest economy by nominal GDP (USD 2.25 tn) ^[1] and expected to be 3rd largest by 2030. ^[2]
 - Already 3rd largest by purchasing power parity (USD 8.7 tn). ^[1]
- Per capita incomes rose by 7.4% to INR 93,293 in 2015-16, compared to INR 86,879 in the preceding fiscal. ^[3]



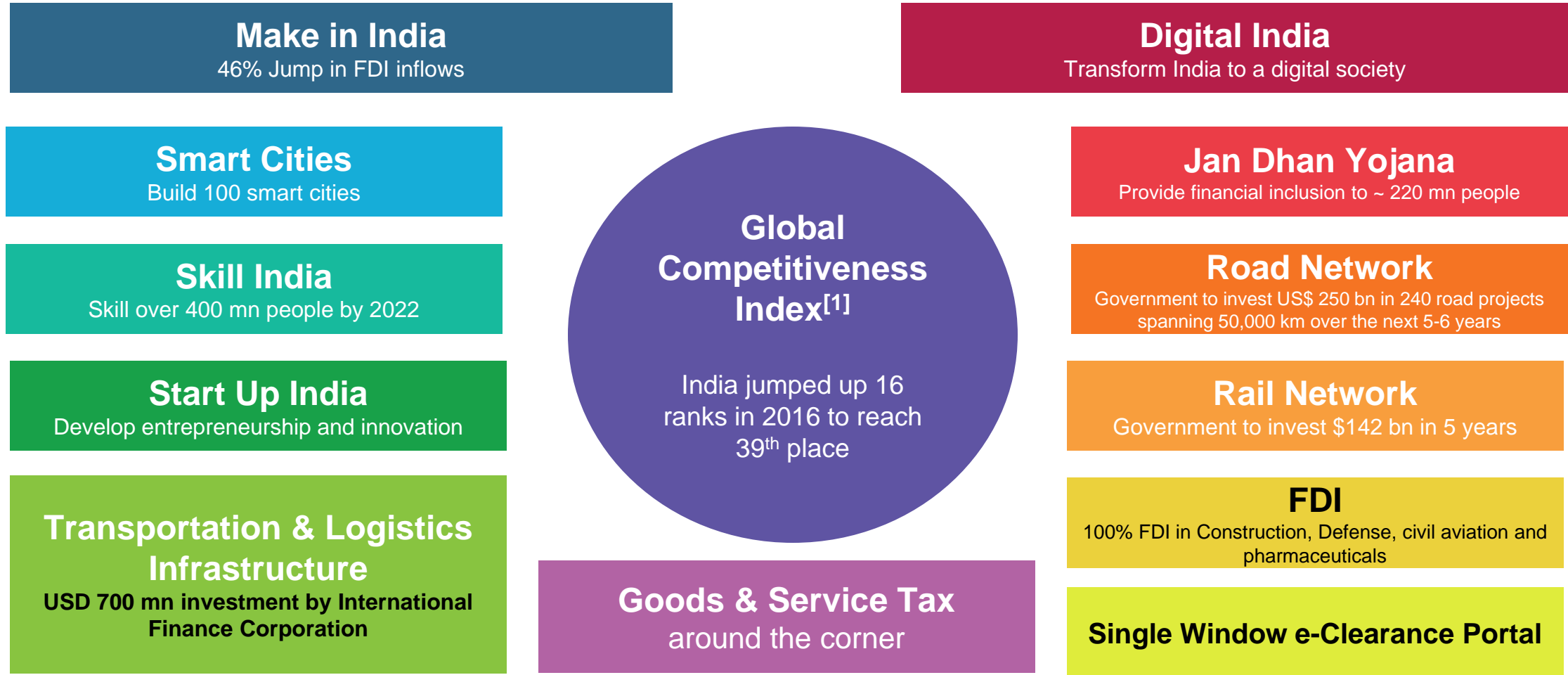
Booming Economy Leading to a Growing Retail Market

Organized Retail



Organized retail at 9.5% of total retail, expected to grow to 20% by 2020. [2]

From 2014, the New Government Playing an Aggressive Role to Push Growth



And many more...

Growing International Confidence in India

“India still fastest-growing economy in world gripped by uncertainty.”

- International Monetary Fund

“The newly-elected government has begun to implement measures to cut red tape, raise infrastructure investment, deregulate key parts of the economy, and shrink the role of government.”

- World Bank

“India has presented the biggest turnaround story in the emerging market as it has been focusing on long-term, gradual GDP growth with slower methods, which help create sustainability in the markets.”

- Nomura

“Indian economy is expected to clock 7.9 percent growth in the current fiscal driven by better monsoon, government pay hike, key reforms and FDI inflows.”

-Goldman Sachs

India, an Important Market for the California Almond Industry As Well

- India has been the 3rd largest export market for California Almonds since 2014-15, and continues to be in 2015-16.
- The last 10 years have witnessed a 3.15x growth in shipments.



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**India as an
emerging
market
presents
interesting
opportunities**



India : a nation of 1.3 billion people, with 65% below the age of 35 years - is set to be the world's youngest country by 2020

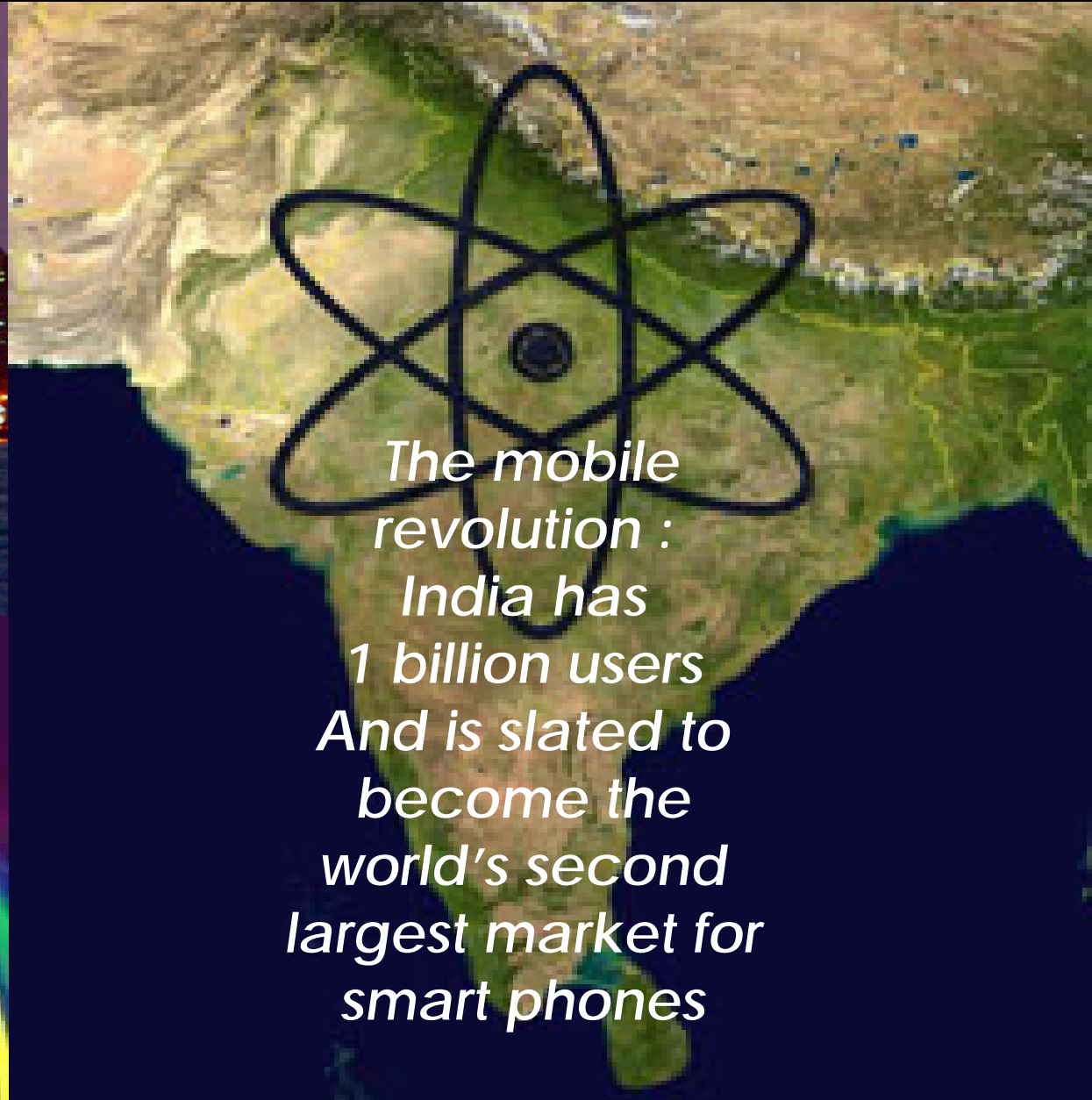


Fundamental Shifts that are shaping the new India & the changing mindsets within it

Urbanization → Access



**Exposure →
Aspiration &
Ambition**



**The mobile
revolution :
India has
1 billion users
And is slated to
become the
world's second
largest market for
smart phones**

*Many more opportunities in the emerging India today
AND
Culture moving from one of Privilege, to that of Potential*



→ Democratization of Success :

Doesn't matter where you come from, what matters is where you are going

Breeding a much more Achievement & Action oriented discourse



*Moving from Fatalism & Destiny → to much bigger dreams
& aspirations*

*Fueling a strong drive to succeed,
And also a willingness to enjoy the rewards of their success
in the here & now*



*Enjoying True
Success*

*A move from Denial → to Desire
from Saving → to Spending*

Yet growing hyper competition – Want to not just race ahead, but constantly better self to stay ahead - ‘Consistently’ maintain a lead



*Growing Health Consciousness
also making an entry into this discourse*



In this conversation, both Energy & Endurance becoming key

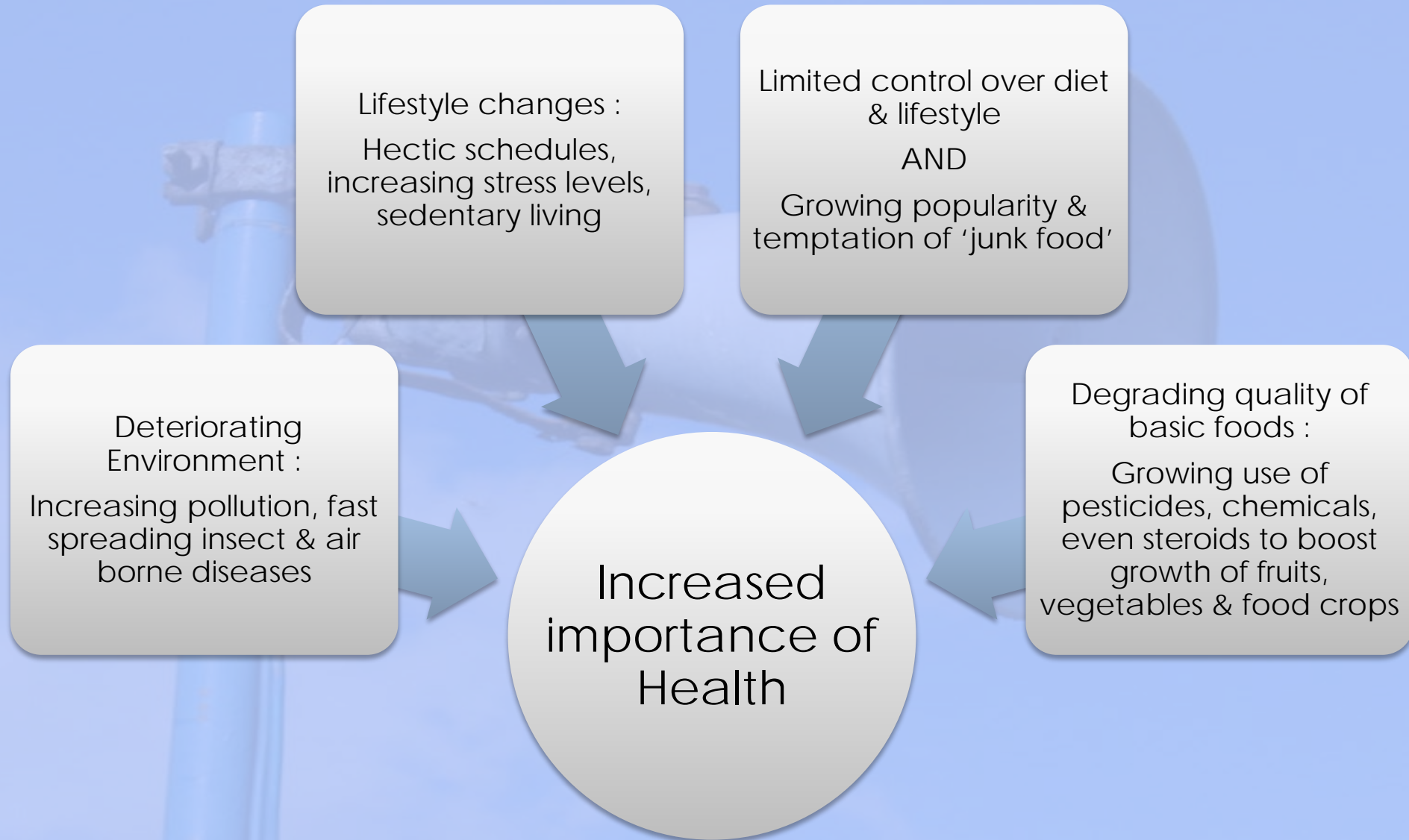


Energy
– not just to stay active in the now...



*...but also building strength for **Endurance**
to stay ahead in the long run*

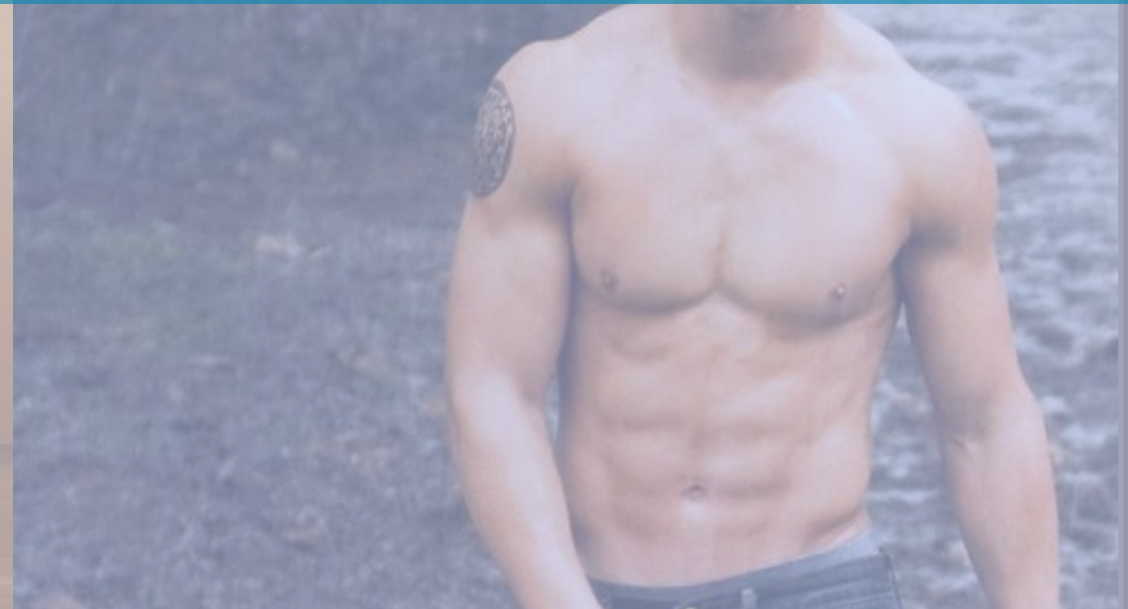
And the need for health further amplified, given



The growing health consciousness being fueled further by socio cultural discourse shapers



*Within this growing 'buzz' of health conversations,
Weight Management & Figure Consciousness – a big driver for
active adoption of healthier choices*



Rooted in their desire for Self Showcasing

Seek to

- *Look good, be attractive & youthful*
- *Project a positive body & self image*

Visible across genders & lifestages

Health also becoming a Lifestyle Statement today

'Unhealthy' is 'Uncool'



*Health for Participation & Projection
- Another big driver for healthier choices*



***The Meta Trend :
Health has gone beyond being just a conversation, to now being
about more conscious health behaviors***

What we are seeing more of across consumers



Moderation of unhealthy foods & 'bad' lifestyle habits :
Cannot overdo the oily & junk foods
Limiting 'indulgences' to weekends

Compensation :

Cover binging with a day or two of
- slowing down, eating healthy, eating light



Substitution of the less healthy, with healthier options :
Brown vs. White bread
Green vs. Black tea
Lighter cooking oil
Baked vs. fried snacks

Inclusion behaviors also slowly emerging



Inclusion of healthy foods :
Oats, cereals, increased quantities of
fruits & vegetables;
and some form of exercise

YET, Issues with Inclusions :

Taste vs. Health debate

Indians very particular about taste. Must suit
their palate :

- Flavorful, Not bland
- Preferably spicy, savory



Saffola Masala Oats : A case study

Oats as a category :

Bland, Not flavorful

Rejected by the Indian consumers



Masala Oats from Saffola :

Spicy & Savory

In familiar Indian, regional flavors

Also pitched as an ingredient for traditional Indian snacks & breakfast foods

Thus, Healthy & tasty

→ A BIG HIT !

Some Emerging Trends



HEALTHY OATS CUTLETS



#1

***Snacking – a core part of the Indian DNA :
Has essentially been about taste & Indulgence
Now an element of health conversation sneaking in here as well***



A strong culture of snacking has always existed across India

Encompasses a very large variety of tastes, flavors & formats

More Savory vs. Sweet

In & Out of home
Packaged & Freshly made

And now a rapid assimilation & fusion of Indian & International

Snacking more mood & mind-state driven
VS. being led just by time of day,
or need for stomach fill



Snacking – largely about

- indulging the taste buds
- and 'letting go'

However, an emerging conversation about

- moderation of the 'unhealthy'
- 'baked vs. fried'
- 'diet snacks'



HEALTHY OATS CUTLETS



#2

***The occasions that are now becoming more about 'Health' & 'Energy'
- Breakfast & Evening Snack***



Both are 'Energy' occasions

Breakfast time

Need for Energy to face the day
→ Be Active & Alert

Therefore

Seek foods that give them
Energy & Sustenance

Yet, are not heavy to digest
→ Do not make them lazy &
lethargic

*Wholesome, yet inherently healthy traditional
Indian savory preparations like – upma, idli,
dosa, poha, continue to be popular*

*Fried parathas giving away to roasted ones
Breakfast cereals (with fruits & nuts) & masala
oats making an emergence*

*Milk & Milk food drinks – stay mandatory for
kids*

Evening Snack

Need for Energy to 'Recharge'
→ the 'Second Wind'

Therefore

Seek foods that give them
A 'boost' of energy

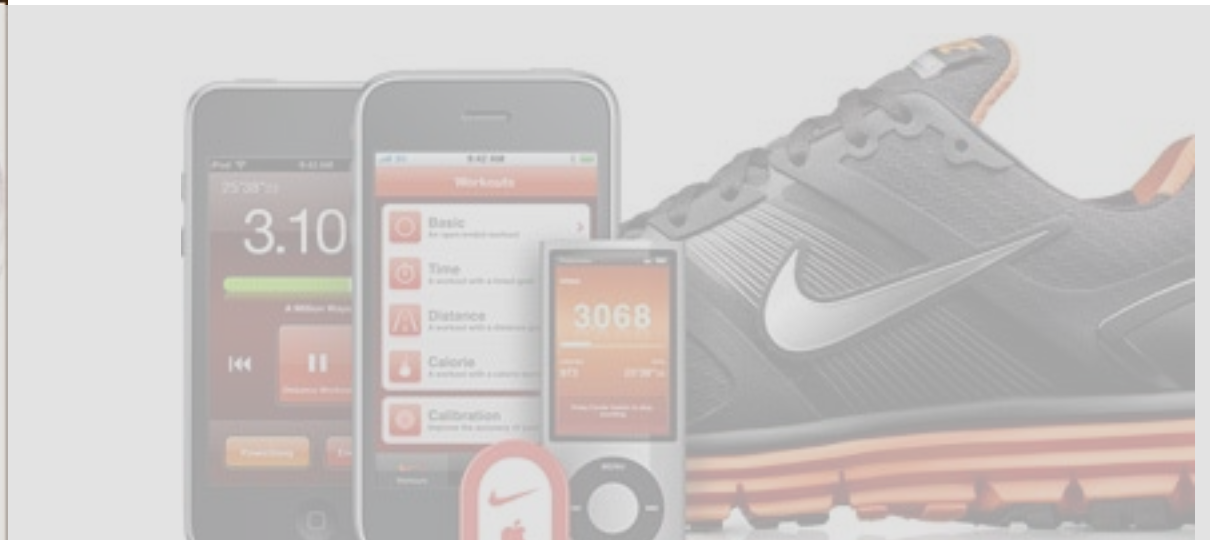
To ensure that there is no
'break in stride'

Taste rules supreme at this moment

*Savory snacks continue to rule the roost
Yet, 'healthier' versions of these making an
emergence (masala oats, whole wheat /
multigrain noodles, biscuits etc.)*

*Also fruit juices, cereal bars for an instant
boost of energy*

*Some emergence of nuts (including
almonds) as a snack*



#3

Consumers more willing to pay a premium for upgraded and value added offerings



*Growing desire for accelerated progress
& getting ahead in a hyper competitive world
making consumers more willing to spend extra for products and brands
that offer additional value like*

- *Enhanced performance*
- *Promise of superiority*

**TAKE YOUR FIRST STEP
TOWARDS A BETTER LIFE.**

Begin your journey towards a healthy life with Real Activ, filled with goodness of fruits and vegetables together



No Added
Colour



No Added
Sugar



No Added
Preservatives



AASHIRVAAD

ATTA with MULTIGRAINS is a unique combination of 6 NATURAL GRAINS providing wholesome nutrition.



Extra Protein Helps Build Strength



Low saturated fat



Vitamins Help Build Immunity



Extra Fibre Aids Digestion

Absorbs more water, which results in **SMOOTH, SOFT** and **GREAT TASTING** chapattis. fitnessvsweightloss.com

11 REASONS WHY YOU SHOULD DRINK GREEN TEA

1. It is an excellent source of **ANTI-OXIDANT**

11. **IT HELPS** preserve and build bone.

2. It burns fat & enables you to exercise longer

10. **IT BOOSTS YOUR** immunity against illnesses

3. It prolongs your life



4. It lowers stress **brain power.**

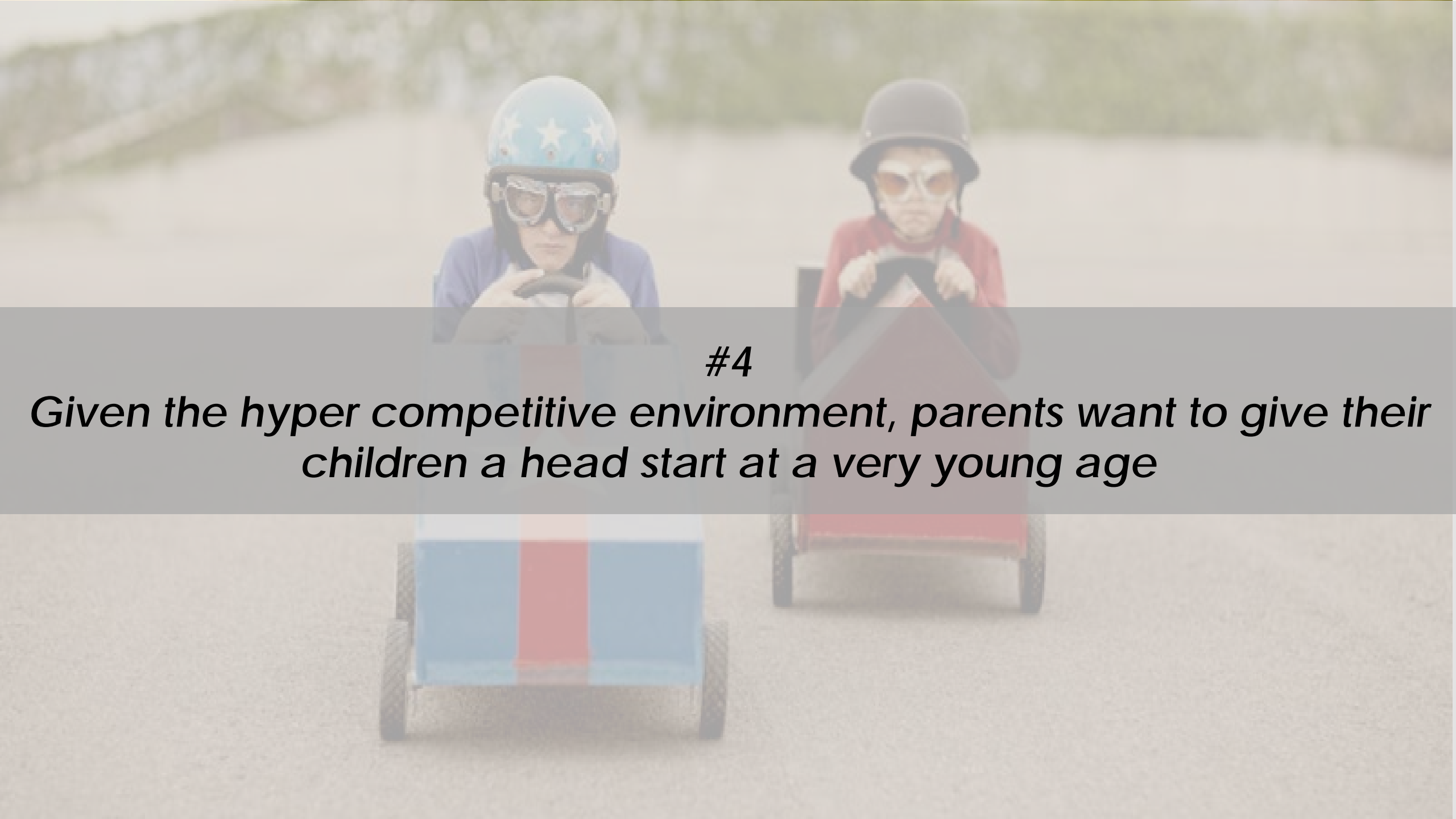
9. It rehydrates you better **THAN WATER.**

5. It reduces high blood pressure.

6. It helps to protect your lungs from smoking

7. It helps to protect your liver **FROM ALCOHOL**

8. It prevents tooth decay and cures bad breath



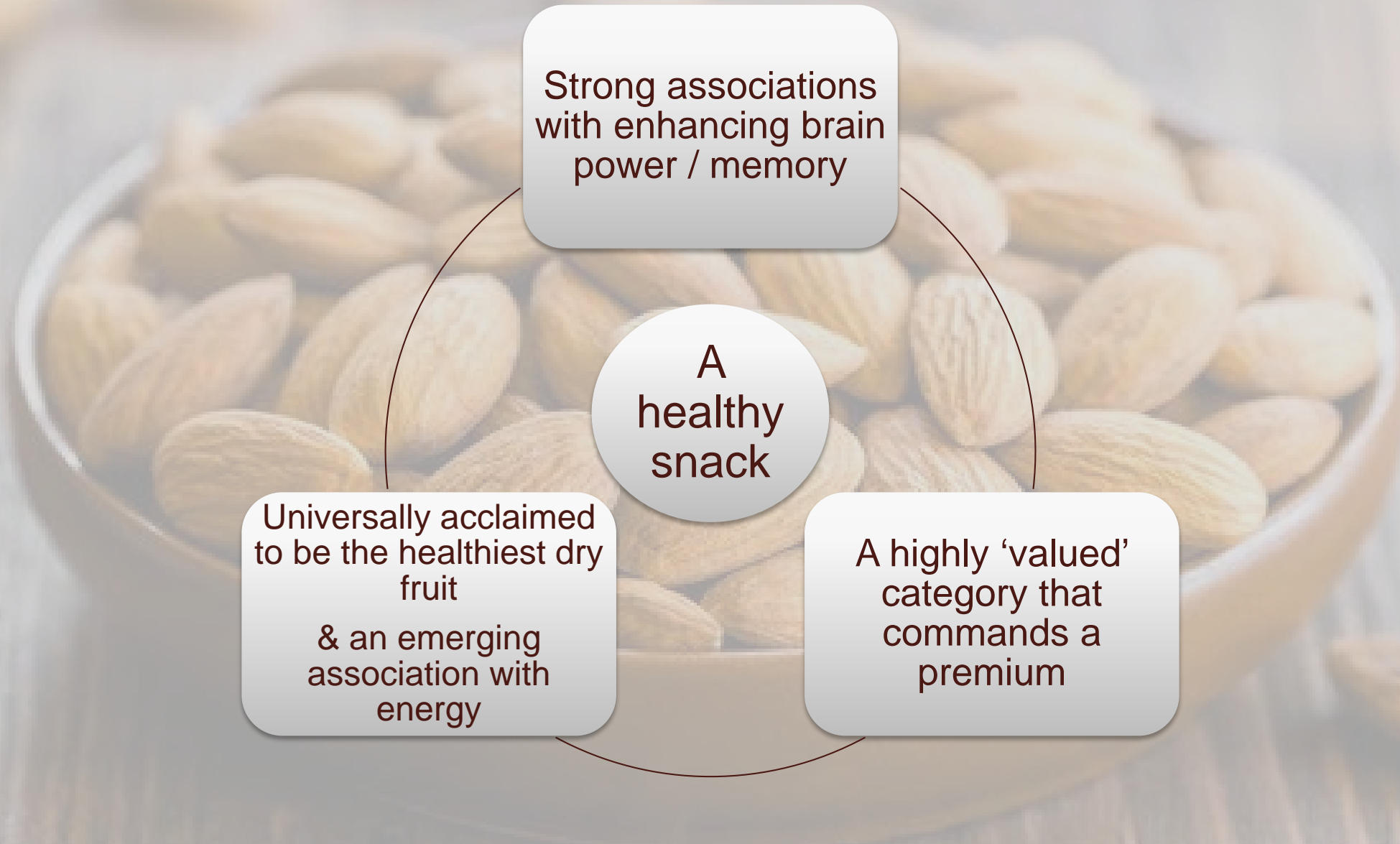
#4

Given the hyper competitive environment, parents want to give their children a head start at a very young age

Within this context, emerging conversations by leading brands propagating notions of early brain development



Almonds in the Indian context conform to all these emerging trends



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Almonds in India

Almonds in India are primarily sold loose with only 5%* being sold in packed form

In Shell Almonds:
Cracked in India



Wholesale Market



Semi Wholesale



Mom n Pop Stores/
Specialized Dry Fruit Stores



Organized Retail



How Almonds are sold in India - Loose by Weight and Packaged Forms



Loose by Weight



Private Labels



Packaged in India



Imported Packs



The Almond Opportunity

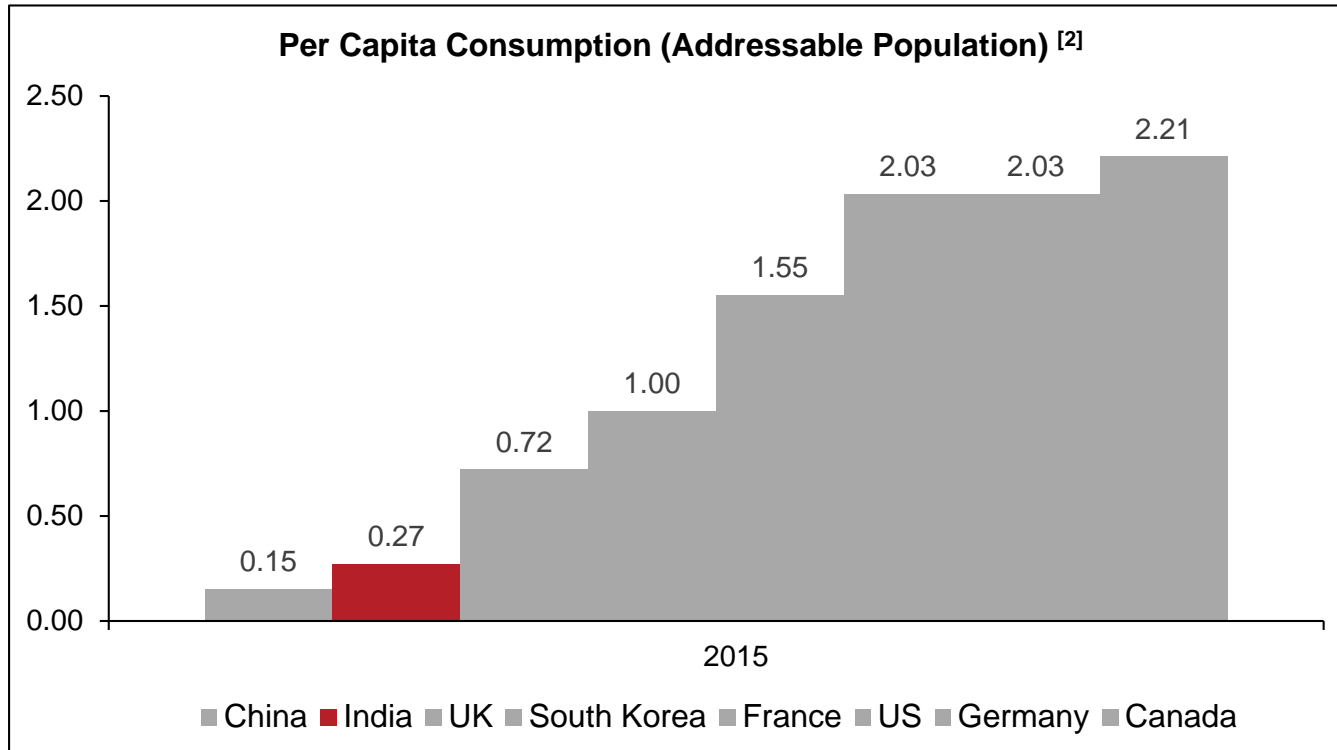
Almond Consumption in India is Driven by Tradition

- Consumed raw, soaked and peeled or raw first thing in the morning.
- Given by mothers to children.
- Good for the brain.
- Provide energy that lasts through the day.
- Gifted during festivals and with wedding invitations.
- Integral part of prayer offerings.
- Usually eat 4-5 almonds per consumption occasion.



The Almond Opportunity in India

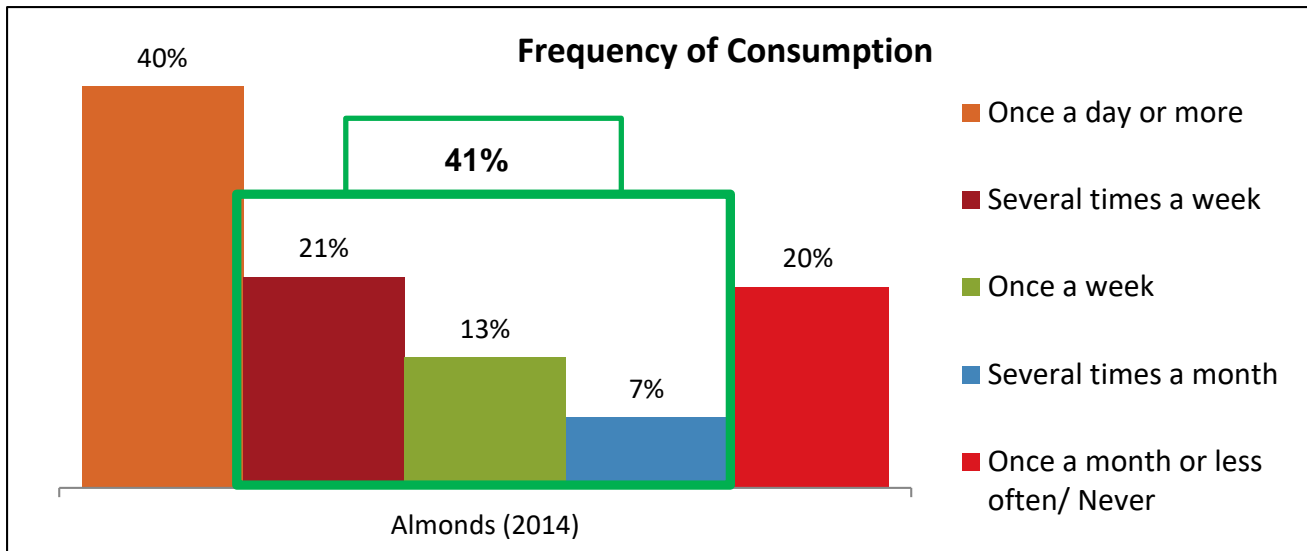
- As India’s middle class expands from 32 mn (2008) to 147 mn (2030 est.), so will the share of addressable population.^[1]
 - Addressable population: The percentage of a total population that is conceivably a potential consumer of almonds based on the development and urbanization of a region.
- India’s per capita consumption (addressable population) at 0.27 is very low compared to other regions like Canada (2.21) and USA & Germany (2.03 each), showing an opportunity for market expansion.^[2]



Country [2]	2010		2021 (Projected)	
	Addressable Population	% of Total Population	Addressable Population	% of Total Population
United States	303 mn	98%	334 mn	99%
China	938 mn	70%	1.16 bn	83%
India	505 mn	42%	774 mn	55%
Germany	79 mn	97%	79 mn	97%
France	61 mn	96%	65 mn	98%
U.K.	59 mn	95%	63 mn	96%
Canada	33 mn	97%	37 mn	98%
South Korea	47 mn	97%	49 mn	99%

Enhancing the Frequency of Consumption

- Only 40% consumers claim they eat almonds everyday.
 - Opportunity to increase frequency of consumption among 41% 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%	10%	3%

Increasing Gifting of Almonds During Festivals

- Among all people in our target who give gifts during festivals, only 11.9% gift dry fruits during the festival season.

% share of Dry Fruits Among Gift Givers (During Festivals) ^[1]	% Incidence
Target Audience (22-50, F, NCCS A, NW)	11.9%

Best Dry Fruit Described by Positioning and Personality Trait ^[2]	Almonds 2014
Perfect dry fruit for gifting	57%



Harnessing the Opportunity: Trade

Trade: Reinforcing Confidence in Almond Potential

Trade Conference



Informal Trade Meetings

Informal trade meetings are held with select importers to discuss issues and to provide market access updates.

Trade Newsletters

ALMOND BOARD BULLETIN
Festive Issue

The Almond Board of California returns with its latest news bulletin, linking the Board's efforts to protect almonds as the star of this festive season. With the holidays wrapping up, the new festive television commercial, advertorial and various other press activities have successfully managed to make waves in the media.

The launch of a new festive film has created quite the buzz in the media. The film is rooted in the sentiment of gifting almonds on Christmas. It also spreads the message that if you love someone, you should give them a gift with the promise of good health and well-being. The film positions almonds as a go-to Christmas gift as they are tasty and healthy. In 10 seconds, the film shows various people across different age groups giving and receiving almonds, thus reinforcing how this tradition is fun for all generations. The fresh, upbeat look and feel of the film has definitely managed to strike a chord with the audience.

The commercial has been aired across multiple leading television channels such as Colors, NDTV, UCN, Zee TV, SAB TV, Big Magic, 8PNetwork, Zee Classic, etc. In a span of its one month old release, more than 8000 spots have aired during popular prime time television shows like Sarvagya, Rangraajya, Kennedy Heights with Kapil, Dul Amaraman 5, Tara's Shreeya Ka Dekhan Chahneya, Gaurav 08, Swasthya Info, etc.

The ad ran more than **8000** times across leading channels in a month.

ALMOND BOARD BULLETIN
Summer Issue

In India, the months of April to July welcome the bright summer season. During the summer vacations, mothers are busy keeping pace with their children's playtime and helping them complete their holiday homework. Office-goers on the other hand, prepare themselves for long and tiring work days. Rich in protein, fibre and vitamin E, almonds give a much needed energy boost to beat the heat.

Television Advertising

Almond Board of California ran 3 television commercials this summer, encouraging consumption of almonds during the lean summer consumption period. The Summer Broadcast Campaign aired from April to July, 2016.

The first film presents Riya, who goes on to win a badminton match with the right preparation and support from her mother. Almonds play a significant part in giving her the necessary energy to be fit for the game and perform at her best. The second commercial targets working men and showcases how almonds play an important role in Rohit's success by providing him with energy to balance his family and work life. The third commercial reached out to working women depicting the success of Priya who leads a balanced life and takes out the time to do 'power yoga' with her mother-in-law and son. Almonds are shown naturally as an important part of their healthy mornings.

Over **10,000** Spots were aired on major television channels during this campaign.



Harnessing the Opportunity: Consumers

Telling Consumers What They Know of Almonds is the Biggest Motivator for Enhanced Consumption



Leveraging Tradition in Our Communication

Till 2013-14, the India program was aimed at reinforcing existing traditions and beliefs to grow almond consumption and its gifting.

- **Primary audience:** Mother/ nurturer
- **Psychographic Orientation:** Stay at home moms taking care of family's well being.
- **Primary Driver:** Success for the family
- **Key Benefits:** Mental Alertness + Energy Through the Day -> Long term success



Expanded Target: Family Consumption Campaign

In 2014, after a 4 stage research, we expanded the program to include Affluent Adults for the self consumption of almonds for the same benefits.

- **Primary audience:** Housewives, Working Men & Working Women
- **Psychographic Orientation:** Highly oriented towards healthy living.
- **Primary Driver:** Success both at home and at work.
- **Key Benefits:** Mental Alertness + Energy Through the Day -> Long term success



Almonds: Their Partner to Success

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

The Positioning



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

Why this works

Reinforces
daily
consumption

Permission to
have more

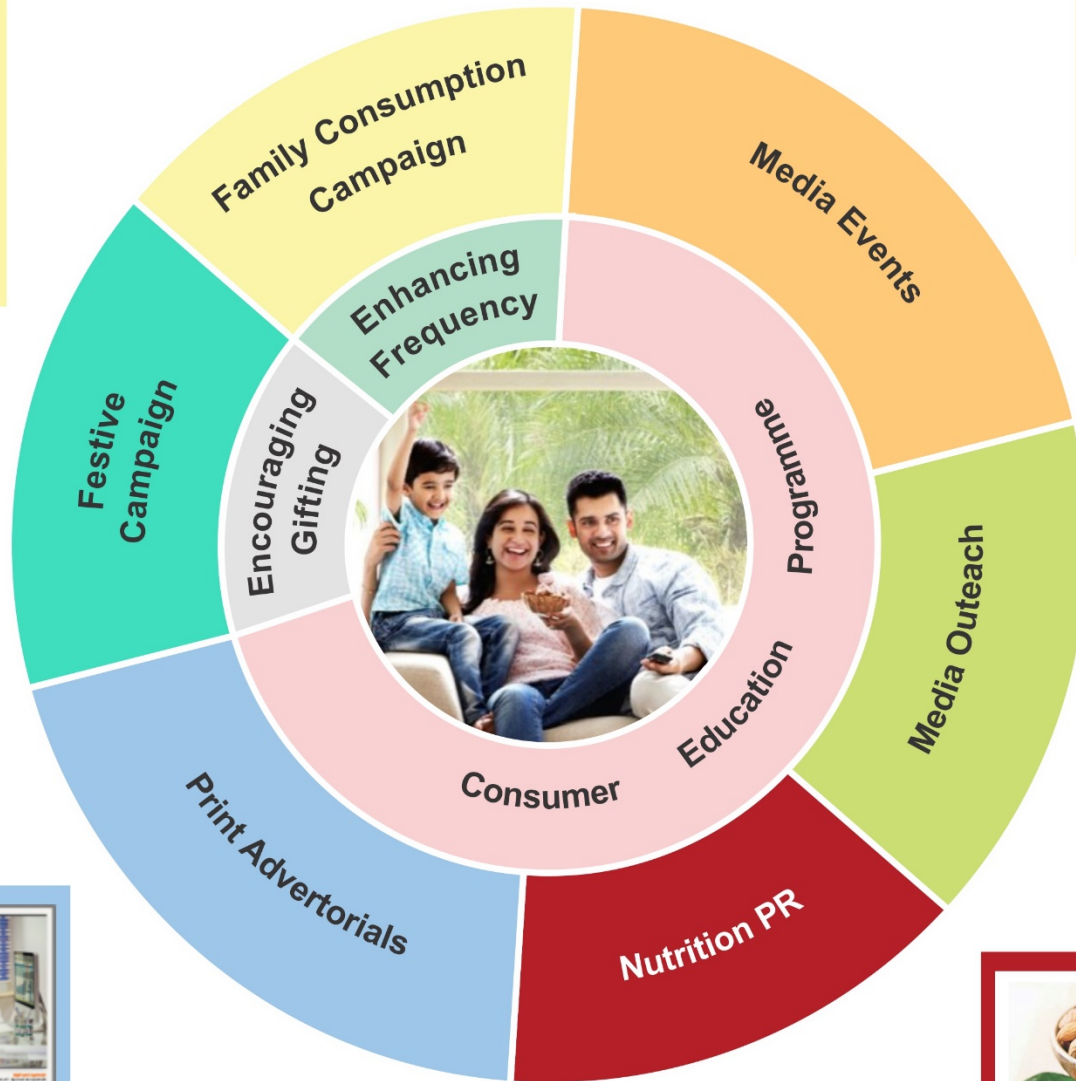
'Investment'
justifies
premium price

Focuses on
the 'long term'
benefits

Family Consumption Campaign



CONSUMER MARKETING PROGRAM



Media Events



Festive Campaign



Media Outreach



Print Advertorial



Nutrition PR





Program Impact

Gaining Strength in Consumer Minds

Top of Mind (ToM)

Almonds out-performed all other dry-fruits and saw a healthy jump in all mind-measures.

Top of Mind Awareness	Total (Overall)		Total (Snack)		Total (Ingredient)	
	2012	2014	2012	2014	2012	2014
Almonds	47%	52%	28%	35%	29%	44%
Cashews	38%	36%	40%	39%	37%	27%
Dates	5%	4%	5%	6%	1%	2%

Attributes

Almonds out-scored all other dry fruits on all parameters of importance and went on to increase its lead.

Attribute	Importance	Almonds 2012	Almonds 2014	Leadership Gap vs Cashews
Is the healthiest dry fruit	70%	74%	81%	68%
My favorite dry fruit	70%	44%	58%	26%
Good for brain / concentration	69%	65%	74%	60%
Helps children to be successful	67%	New	69%	49%
Provides energy	67%	62%	67%	46%

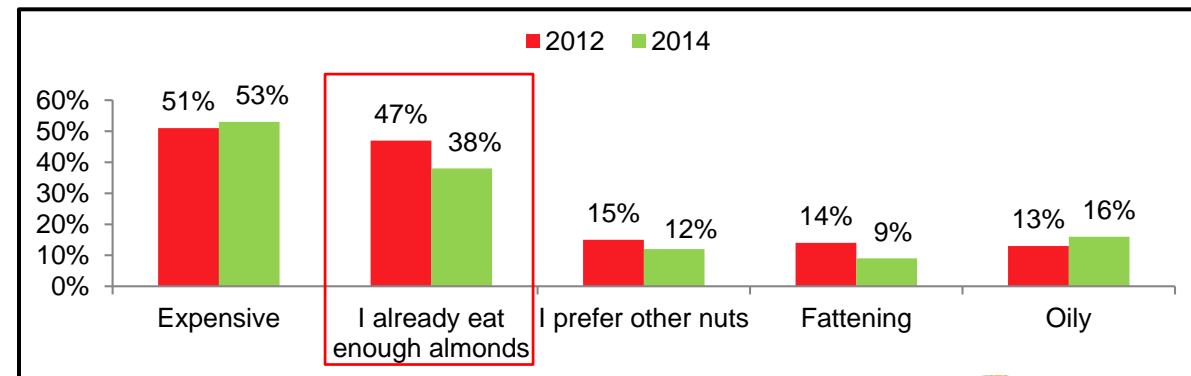
Attitudes

Almonds are the dry fruit liked best by consumers and are also considered the healthiest.

Dry Fruit	Total (Liking)		Total (Health)	
	2012	2014	2012	2014
Almonds	9.13	9.17	9.46	9.55
Cashews	9.06	9.00	8.96	8.91
Raisins	8.53	8.32	8.51	8.42

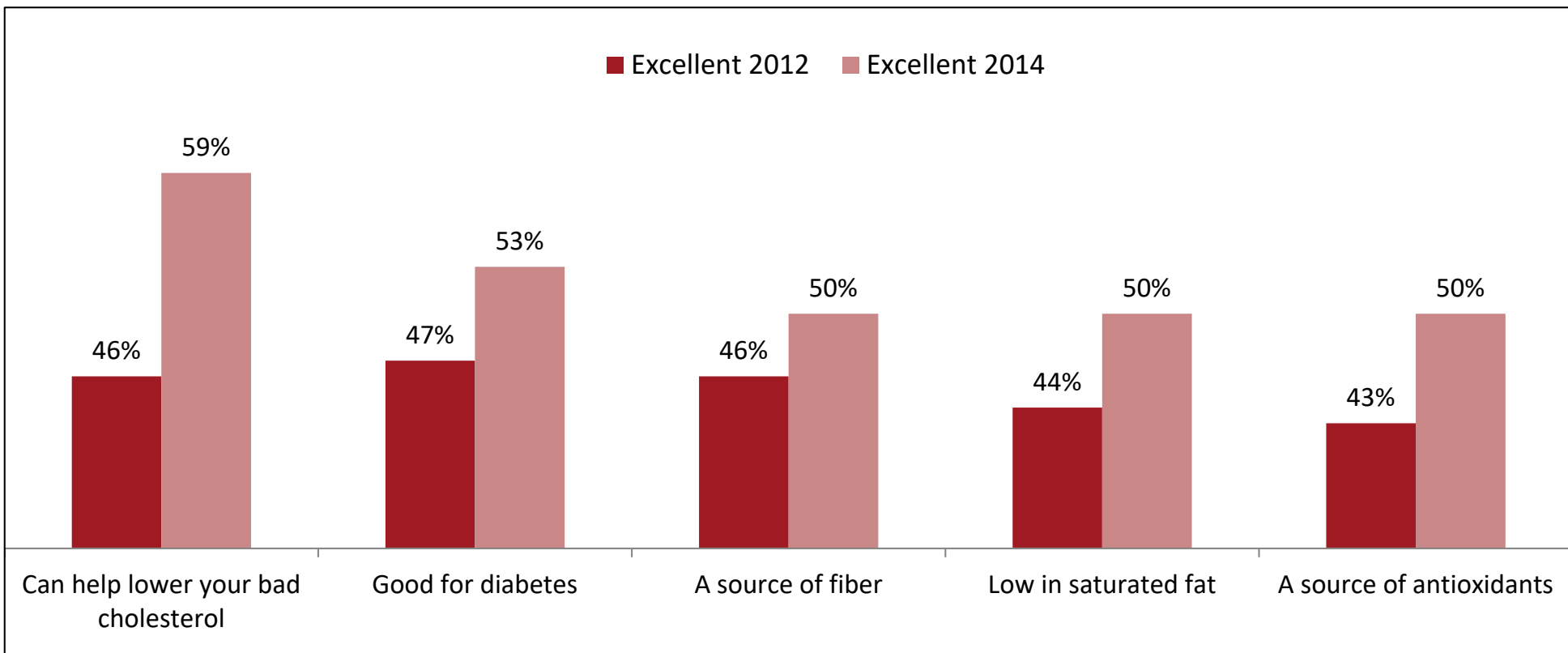
Barriers

'Already Eat Enough' dropped from 47% to 38%



Almond Health Ratings

- Almonds scored better in 2014 on helping to lower cholesterol, being good for diabetes, and a good source of antioxidants.



Increased Almond Consumption

Family Member	Average Number of Almonds ^[1]	
	2012	2014
Self	3.5	4.6
Spouse	3.6	4.8
Son	3.8	4.6
Daughter	3.8	4.6

When Almonds Consumed ^[1]		
	Self 2012	Self 2014
First thing in the morning (empty stomach)	61%	50%
With breakfast	21%	31%
Mid-morning	8%	11%
With Lunch	1%	1%
Afternoon	2%	4%
Late-afternoon/early evening	6%	15%
With dinner	1%	1%
Late night	1%	11%
Total Daily Occasions per Person	1.01	1.24

Almonds Eaten Most Often as a Snack (% selecting) ^[2]			
	2014	2015	Pt. Chg vs. YAG
US	24%	29%	5
Canada	34%	34%	0
Brazil	3%	5%	2
UK	12%	11%	-1
Germany	7%	8%	1
France	21%	26%	5
China	10%	11%	1
India	31%	50%	19
S. Korea	40%	42%	2

A Look At The Year Gone By...



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