australian almonds

ALMOND BOARD OF AUSTRALIA

ALMOND INSIGHTS 2018-19

HARVEST FEBRUARY 2019

The Almond Board of Australia is pleased to provide this publication that gives a statistical insight into the story behind Australia's almonds

This publication was produced by the Almond Board of Australia. For further information contact:

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ALMOND BOARD OF AUSTRALIA

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Hort Innovation
Strategic levy investment

ALMOND FUND

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CONTENTS

ABA activities cover 99% of production.

As the Australian almond industry's peak body, the ABA facilitates growth of the industry, seeks to maximise its profitability and ensure its sustainability, by providing a platform for industry members to collectively respond to industry wide issues, invest in research and market development, share knowledge and interact with government and other stakeholders.

The ABA supports the development of the almond industry

ABA ROLE

THE ROLE OF THE ALMOND BOARD OF AUSTRALIA

The Almond Board of Australia is guiding the industry's development by producing and implementing the strategic plan that involves addressing a wide range of productivity issues. These issues include yield improvement and risk management, cost of inputs and their efficient use, better management of pests and diseases, building domestic consumption and brand awareness of Australian Almonds in export markets. Overall the aim is to ensure customer expectations are met.

In order to achieve these strategies, the ABA relies on the knowledge of industry members and research providers.

The execution of the industry's strategic plan is managed by the ABA Board who represents 99% of production and levies paid. The ABA Board facilitates an enhanced operating environment for industry stakeholders by providing support and knowledge on industry wide problems such as water, energy, labour, market access, biosecurity, pollination services, research and transport.

INTRODUCTION

The information contained in this booklet provides industry stakeholders, government and those in the broader community with the key statistics on the productive capacity, crops, markets and demand for Australian almonds within the global context.

The booklet is prepared on a marketing year basis spanning March to February and based on data provided to the ABA from growers, processors and marketers on a confidential basis. Information was also sourced from the Australian Bureau of Statistics (ABS), Australian Nut Industry Council (ANIC), International Nut and Dried Fruit Council (INC), Almond Board of California (ABC), The Nielsen Company and Innova Market Insights. This assistance is gratefully acknowledged.

Almonds remain **Australia's** most valuable horticultural export product.

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ALMOND BOARD OF AUSTRALIA

The Australian almond industry continued to expand during 2018/19 with winter plantings adding a further 2,665 hectares to take the total orchard area to just over 45,000 hectares.

The Australian almond industry continued to expand during 2018/19 with winter plantings adding a further 2,665 hectares to take the total orchard area to just over 45,000 hectares. Almonds are a highly suitable crop for horticultural production in Southern Australia. They deliver a high comparative return, are not impacted by fruit fly, and are durable with a long shelf life compared with fruit and vegetables. Global demand is growing strongly as the health benefits of almonds are recognized. Plant-based diets are becoming increasingly popular as concerns with animal farming become more front of mind with consumers.

The growth in the Australian domestic market continued during 2018/19 with a 7% increase in sales. Approximately half of the Australian almonds consumed domestically are in manufactured products where almonds remain by far the number one nut choice for inclusion in recipes of new products. Heading the list of new products are protein bars, snack packs and breakfast cereals. Almond milk, along with other plant based milks, continue to grow in popularity. The dairy industry is seeking to limit the use of the term milk arguing it misleads consumers if applied to plant based products. It is nonsense and protectionist. Just as peanut butter is not misleading consumers, neither are almond or soy milk products.

Exports to China expanded quickly during 2018/19. The interest of the Chinese nut trade in Australian origin was gradually increasing as a result of the Free Trade Agreement with the phased elimination of the tariff reaching zero as of 1 January 2019. However, the increased tariffs placed on US product by China, resulting from their trade war, has accelerated our annual exports to China from 600 tonnes to nearly 12,000 tonnes.

The 2018 crop of nearly 80,000 tonnes was a similar size to the previous three years. To supply the increased shipments to China the volumes of almonds sent to Europe, India and other markets were reduced. The benefit of the large 2019 crop, estimated to be 104,000 tonnes means the additional demand from China can be met whilst adequately servicing established markets.

The 30% increase in production in 2019, resulted from the potential crop being optimized with little loss to frost and pests and gains from improved agronomic practices. With water use efficiency now a major consideration for all irrigators, the improvement of yields is a key factor in delivering greater farm gate returns to producers and benefit to their communities. The adoption of sophisticated monitoring technology, to best match water application to plant needs, is continuing and this will further enhance water use efficiency. In terms of revenue generated per megalitre of water applied, the almond industry is one of the most efficient and the communities where almond production is based are prospering as a result.

Neale Bennett - Chair
Ross Skinner - CEO

INDUSTRY OVERVIEW

Almonds were first planted in Australia on Kangaroo Island in 1836 and soon spread to private gardens throughout Adelaide and other South Australian towns. The Australian production is centered in the Murray Valley, eastward from the Northern Adelaide Plains to the Riverland, Sunraysia and Riverina regions. Some smaller orchards still remain at Willunga, the pioneering region for Australian almonds. The most recent area to be planted is the Swan region in Western Australia.

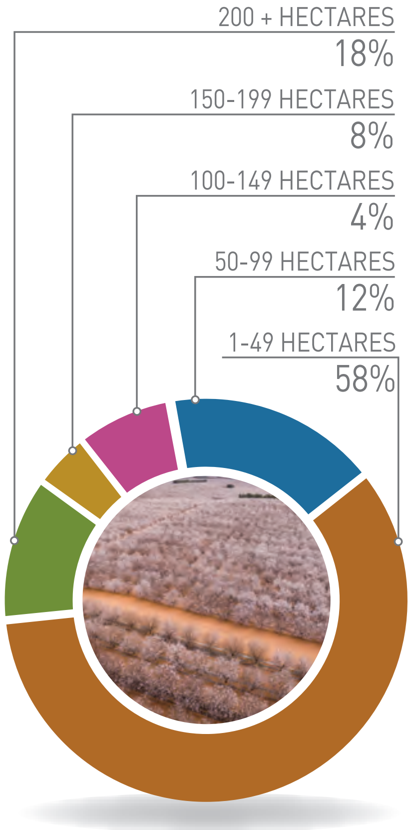
The total area planted to almonds has significantly increased from 3,546 hectares in 2000 to 45,088 in 2018, representing more than a twelve-fold increase in orchard area. This figure indicates the number of almond trees planted on commercial orchards has reached a total over 12 million. Plantings increased quite significantly during 2006 and 2007 when over 12,500 hectares of orchard were established. In the following eight-year period the plantings were steady with approximately 7,000 hectares added.

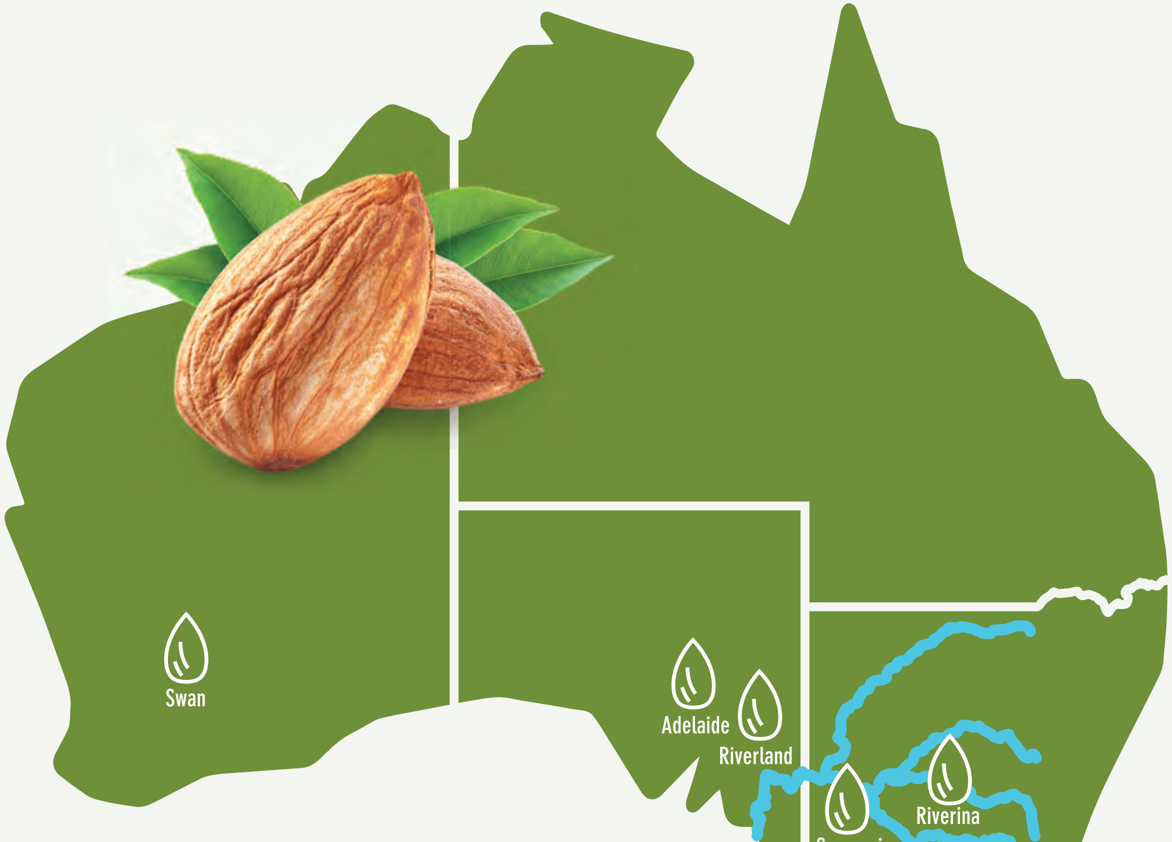
Large investments in new plantings have occurred throughout 2016 to 2018 totalling a further approximate 14,000 hectares planted. Judging by tree orders with nurseries, tree planting in 2019 will continue. Almond trees take three years to bear a crop and around seven years to reach mature production levels at conventional tree spacing.

Currently, 13.763 hectares or 30.5% of orchard plantings are not yet bearing a crop, and 7% of bearing trees are not yet fully mature.

31% of orchard plantings are not yet bearing & 7% are not yet fully mature.

PROPERTY SIZE BY GROWER





70% OF AUSTRALIAN ALMOND PROPERTIES ARE 100 HECTARES OR LESS

INDUSTRY OVERVIEW

Australian almond production will continue to trend upwards in coming years towards more than 140,000 tonnes irrespective of future plantings, and may be significantly larger if orchard development continues as planned. According to ABA data there are less than 200 Australian almond growing enterprises. Currently 58% of these family owned properties are 50 hectares or less. Corporate farms have contributed to the rapid growth in Australian almond production and produce most of the industry's tonnage. Some of these businesses are fully integrated, processing and marketing the almonds they produce.

Hulling and shelling facilities are located in the Riverland, Sunraysia and the Riverina. The products they are generating are sold by five major marketers who are on the ABA's Market Development Committee that guides the investment of the industry's voluntary marketing levy. Rapid growth in production has meant the Australian almond industry has an export focus. For every tonne sold in Australia, 2.6 tonnes are exported. The global almond industry is growing rapidly in terms of production. Worldwide almond production has more than doubled since 2006 to around 1.28 million tonnes in 2018.

Consumer demand for almonds continues to increase globally; this trend is expected to continue due to the positive health benefits of eating almonds and increasing incomes, particularly in Asian and Middle Eastern countries.

For every one tonne of almonds sold in Australia, 2.6 tonnes were exported.

IMPORTS
4,099 T

2018 PRODUCTION
79,901 T

EXPORTS
60,894 T

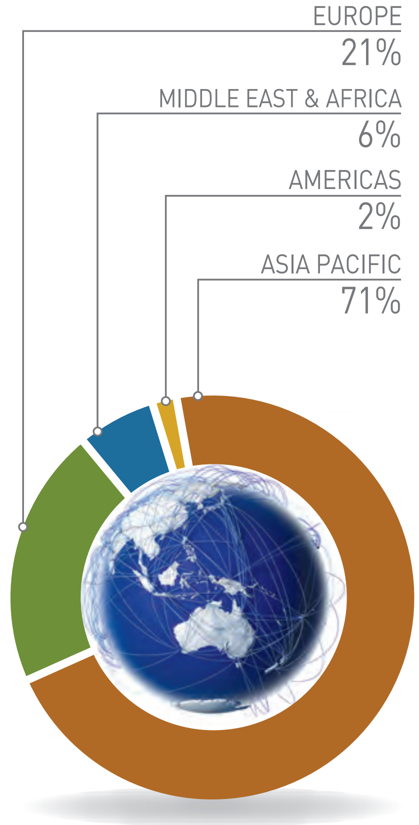
DOMESTIC SUPPLY
27,954 T

IN 2018/19 ALMOND EXPORTS WERE WORTH $552 MILLION

AUSTRALIAN CONSUMPTION CONTINUES TO GROW OVER 1KG PER PERSON

EXPORTS BY TYPE
(2018/19 MARKETING YEAR)

EXPORTS BY REGION
(2018/19 MARKETING YEAR)



46% of all **Australian** almond trees are Nonpareil

PLANTINGS BY VARIETY

NONPAREIL 46%
OTHERS 11%
PRICE 9%
CARMEL 25%
MONTEREY 9%

PLANTINGS

OVER 12.8 MILLION ALMOND TREES
ARE PLANTED IN AUSTRALIA

VICTORIA
6,331,256
TREES

NEW SOUTH WALES
3,480,937
TREES

SOUTH AUSTRALIA
2,821,203
TREES

WESTERN AUSTRALIA
223,395
TREES

CURRENT ALMOND PLANTINGS BY VARIETY (Hectares)

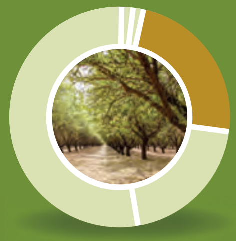
Variety	Pre '07	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	TOTAL	Non Bearing	Maturing	Fully Mature	% of Plantings
Baxendale	9.23	-	-	-	-	-	-	-	-	-	-	-	-	9.23	0.00	0.00	9.23	0.02%
Butte	2.49	39.59	7.12	-	-	-	-	-	4.93	-	-	-	-	54.13	0.00	4.93	49.21	0.12%
Capella	-	-	-	-	-	-	-	0.48	-	-	-	-	-	0.48	0.00	0.48	0.00	0.00%
Carina	-	-	-	-	-	-	-	0.62	-	3.64	88.87	107.35	93.37	293.85	289.59	4.26	0.00	0.65%
Carmel	5,627.61	2,215.87	634.50	106.61	186.30	459.26	34.37	87.92	144.53	231.46	376.99	746.46	416.83	11,268.71	1,540.28	498.27	9,230.15	24.99%
Chellaston	11.72	-	-	-	-	-	-	-	-	-	-	-	-	11.72	0.00	0.00	11.72	0.03%
Davey	0.42	-	-	-	-	-	-	-	-	-	-	-	-	0.42	0.00	0.00	0.42	0.00%
Fritz	70.60	-	-	-	-	-	-	-	-	-	-	-	-	70.60	0.00	0.00	70.60	0.16%
Gathercole	0.06	-	-	-	-	-	-	-	-	-	-	-	-	0.06	0.00	0.00	0.06	0.00%
Independence	-	-	0.40	-	-	-	-	-	71.56	77.98	177.19	132.47	60.01	519.61	369.67	149.54	0.40	1.15%
Johnston	32.97	-	0.12	0.15	0.81	0.19	-	-	-	0.04	-	-	1.21	35.49	1.21	0.04	34.23	0.08%
Keane	46.15	14.36	4.80	1.78	2.23	-	-	1.46	-	-	0.89	0.19	-	71.86	1.08	1.46	69.32	0.16%
Maxima	-	-	-	-	-	-	-	0.62	-	-	46.99	0.47	15.00	63.08	62.46	0.62	0.00	0.14%
Milo	0.57	-	-	-	-	-	-	-	-	-	-	-	-	0.57	0.00	0.00	0.57	0.00%
Mira	-	-	-	-	-	-	-	0.53	-	-	7.22	-	21.50	29.26	28.72	0.53	0.00	0.06%
Mission	9.87	-	-	-	-	-	-	-	-	-	-	-	-	9.87	0.00	0.00	9.87	0.02%
Monterey	99.68	49.09	17.60	80.90	64.17	181.59	17.62	71.04	88.06	478.32	1,034.80	1,208.43	586.89	3,978.18	2,830.12	655.03	493.03	8.82%
Ne Plus	156.80	-	-	-	-	0.19	0.51	-	-	2.60	0.30	-	-	160.39	0.30	3.10	156.99	0.36%
Nonpareil	8,904.88	3,143.55	931.42	186.59	262.19	740.13	64.83	181.58	330.43	902.08	2,044.05	1,822.61	1,162.30	20,676.64	5,028.96	1,478.91	14,168.77	45.86%
Other	13.99	-	0.00	2.93	-	-	-	-	-	49.23	1,196.52	173.89	86.32	1,522.88	1,456.74	49.23	16.92	3.38%
Padre	2.49	39.27	2.86	-	-	-	-	-	4.93	-	-	-	-	49.54	0.00	4.93	44.61	0.11%
Peerless	311.21	52.89	10.04	1.81	2.01	1.79	1.94	2.16	10.85	8.03	31.65	3.63	-	438.02	35.28	22.98	379.76	0.97%
Price	2,221.37	785.43	257.89	12.19	18.62	94.00	10.61	14.94	46.45	75.12	270.41	132.55	146.25	4,085.83	549.21	147.11	3,389.51	9.06%
Rhea	-	-	-	-	-	-	-	0.62	-	-	14.88	-	-	15.50	14.88	0.62	0.00	0.03%
Sauret	0.20	-	-	-	-	-	-	-	-	-	-	-	-	0.20	0.00	0.00	0.20	0.00%
Somerton	15.15	-	-	-	0.61	-	-	-	-	-	0.15	-	-	15.91	0.15	0.00	15.76	0.04%
Wood Colony	-	-	-	-	-	3.10	-	0.20	28.44	120.35	907.15	572.65	75.01	1,706.90	1,554.81	148.99	3.10	3.79%
Total Current by Year	17,537.46	6,340.06	1,866.75	392.96	536.94	1,480.26	129.86	362.15	730.17	1,948.85	6,198.06	4,900.69	2,664.70	45,088.92	13,763.45	3,171.04	28,154.43	100.00%

PLANTINGS

ORCHARD PLANTINGS BY REGION (HECTARES)

SUNRAYSIA (VIC)
53%
23,876 HA

RIVERINA (NSW)
24%
10,665 HA



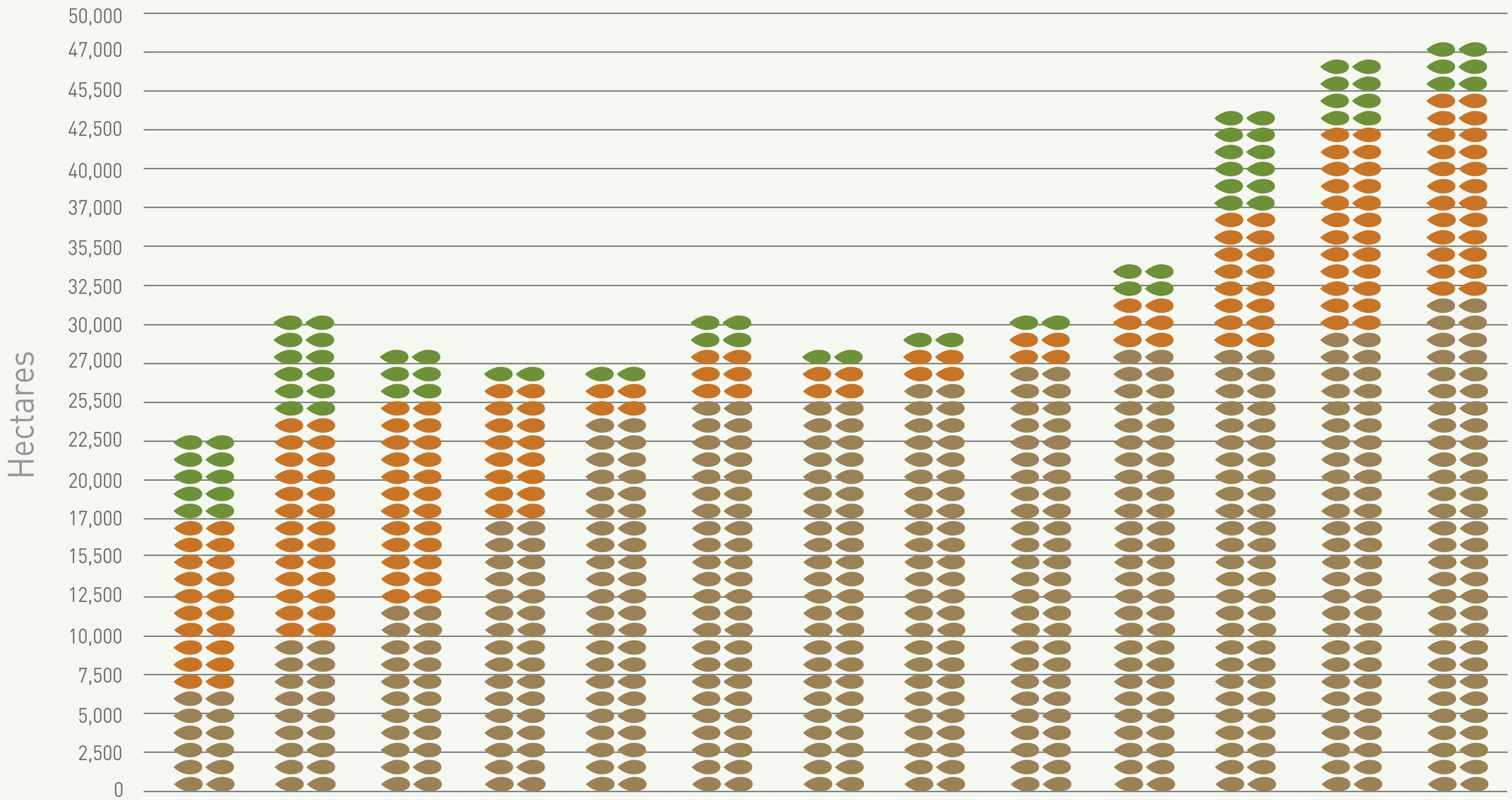
RIVERLAND (SA)
20%
9,106 HA

SWAN (WA)
2%
753 HA

ADELAIDE PLAINS (SA)
1%
688 HA

Industry Total Plantings
45,089
hectares

TOTAL CURRENT AUSTRALIAN ALMOND AREA PLANTED (Hectares)



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Bearing	7,042.77	9,441.92	12,078.70	17,537.46	23,877.52	25,744.27	26,137.23	26,674.16	28,154.43	28,284.29	28,646.45	29,376.61	31,325.46
Non Bearing	10,494.68	14,435.60	13,665.57	8,599.77	2,796.65	2,410.16	2,147.06	1,972.28	1,222.19	3,041.17	8,877.08	13,047.60	13,763.45
New Plantings	5,458.75	6,340.06	1,866.75	392.96	536.94	1,480.26	129.86	362.15	730.17	1,948.85	6,198.06	4,900.69	2,664.70
TOTAL	17,537.45	23,877.52	25,744.27	26,137.23	26,674.16	28,154.43	28,284.29	28,646.45	29,376.61	31,325.46	37,523.52	42,424.22	45,088.92

Over 180,000 hives were used to pollinate the Australian almond orchard.

ENVIRONMENT

BUDWOOD & NURSERY SALES

High health status varietal budwood is available to nurseries for grafting to ensure plantings have the best start possible. This material is produced at ABA managed motherplanting sites that are tested annually for viruses.

Over 1.4 million virus tested buds were delivered by the ABA to nurseries in 2018 for grafting to produce healthy trees.

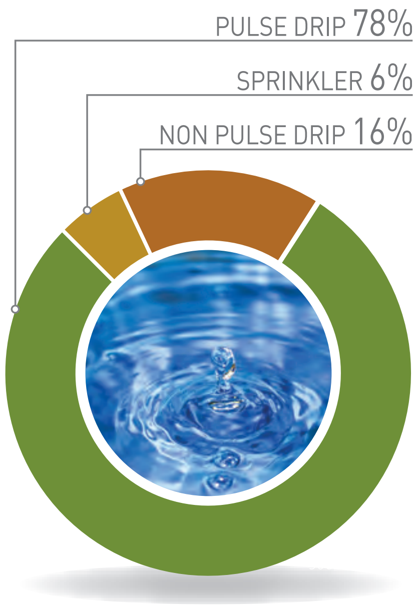
The commercial life of an almond tree is around 30 years. Some of the orchards planted in the Adelaide Plains and Riverland regions are now entering a replanting phase.

BEES & POLLINATION

Almonds and honeybees are vital to one another. Almond blossoms provide one of the first natural sources of food for bees each spring. Australia currently uses over 180,000 hives during the pollination season, and this figure will rise quickly as new orchards mature and more are planted. Hives arrive into orchards just before the trees begin to blossom in July. Bees forage for pollen and nectar in the orchards as the trees blossom. Whilst moving from tree to tree they pollinate blossoms with pollen from other varieties. In almonds, nuts will only develop when a flower is correctly pollinated.

The pollen in almond blossoms is an excellent source of nutrients for bees and helps hives grow stronger, so that after almond bloom many beekeepers split their hives to increase their hive numbers. After almonds, bees are moved throughout other crops and native flora to pollinate and also to produce honey.

PLANTINGS BY IRRIGATION



WATER USE EFFICIENCY

Australian almond growers are world leaders in the efficient use of water. Almonds are one of Australia's most high value, efficient and environmentally friendly irrigation industries.

Almonds produce a high value return per megalitre of water applied. On average, the current use of water by the almond industry is approximately 14 megalitres per hectare for mature orchards.

The almond industry has invested heavily in sophisticated irrigation systems with 99% of orchards using drip irrigation. Water application rates are closely monitored allowing for precise timing and irrigation rates to meet tree requirements whilst also minimising environmental impact. The remaining 1% of orchards use low level micro sprinklers.

The Almond Board of Australia works with growers to continue to transfer knowledge with the aim of constantly improving irrigation practices.

BIOMASS USAGE

The ability to use the almond kernel in a range of value added products means there is no waste of the nut seed and the same applies to the outer shell and hull of the almond. The hull is used as a nutritious, protein rich food for livestock or is composted to be used to improve garden and farm soils.

The shell is used to generate electricity, as a mulch and for livestock bedding.

International research is being conducted into new alternative uses including producing food grade sugars, plastics, natural absorbent materials and as part of a process to produce fish and poultry foods.

The almond delivers value on many fronts in addition to being a delicious and nutritionally dense food source.

PRODUCTION

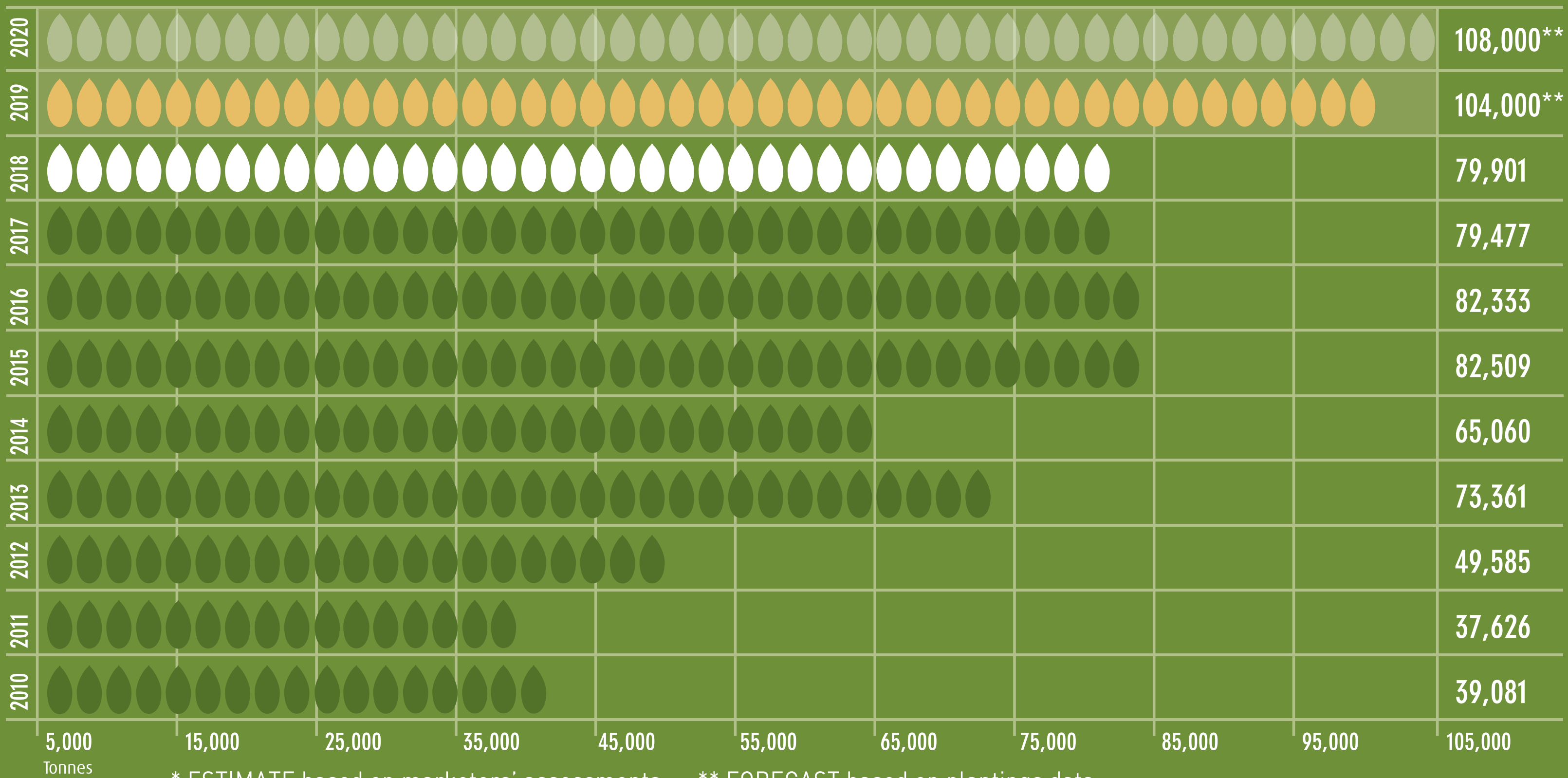
2018 ALMOND PRODUCTION BY STATE (KERNEL)

VICTORIA	SOUTH AUSTRALIA	NEW SOUTH WALES	WESTERN AUSTRALIA
65%	24%	10%	1%
52,369 T	19,292 T	7,674 T	566 T

2018 Crop Total 79,901 tonnes

ALMOND PRODUCTION - PAST & PRESENT (KERNEL)

(Estimated future tonnage based on current plantings only)

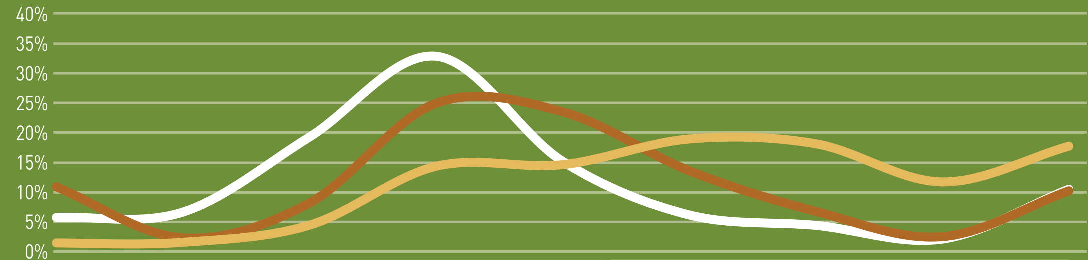


* ESTIMATE based on marketers' assessments. ** FORECAST based on plantings data.

56% of the 2018 crop was sized 23/25 & 27/30

PRODUCTION

2018 CROP KERNEL SIZE BY VARIETY
(KERNELS PER OUNCE)

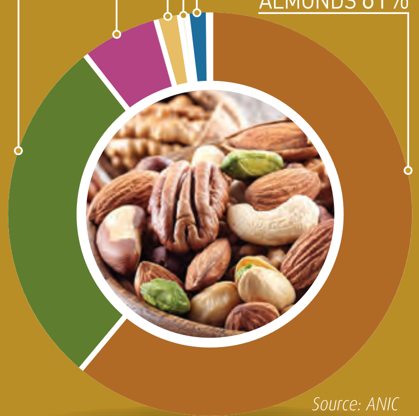


	LARGER				SMALLER				
	16/18	18/20	20/22	23/25	25/27	27/30	30/35	35/40	Other
Nonpareil	5.3%	6.3%	19.1%	32.8%	14.9%	5.8%	4.0%	1.7%	10.2%
Carmel	10.4%	1.9%	7.8%	24.8%	23.4%	13.3%	6.4%	2.1%	9.9%
Price	0.9%	1.1%	4.0%	14.1%	14.3%	18.7%	17.9%	11.4%	17.5%
TOTAL	7%	4%	13%	28%	18%	10%	6%	3%	11%

PRODUCTION BY VARIETY (KERNEL)

Variety	2008		2009		2010		2011		2012		2013		2014		2015		2016		2017		2018	
	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%	TONNES	%
Baxendale	168	1%	173	-	160	-	105	-	21	-	118	-	1,103	2%	97	-	55	-	45	-	27	-
Capella	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	0	-	-
Carina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-	-
Carmel	7,996	31%	11,681	32%	10,561	27%	14,091	37%	15,718	32%	26,922	37%	19,834	30%	28,495	35%	28,471	35%	27,654	35%	27,172	34%
Chellaston	23	-	33	-	15	-	24	-	4	-	18	-	3	-	7	-	2	-	4	-	3	-
Fritz	240	1%	151	-	198	1%	85	-	108	-	99	-	108	-	87	-	118	-	86	-	57	-
Independence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24	-	67	-
Johnston	35	-	47	-	24	-	36	-	13	-	31	-	11	-	24	-	11	-	26	-	8	-
Keane	70	-	69	-	79	-	65	-	71	-	112	-	103	-	141	-	98	-	162	-	124	-
Maxima	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	2	-
Mira	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	1	-	1	-
Mission	251	1%	196	1%	156	-	146	-	23	-	133	-	43	-	75	-	49	-	31	-	29	-
Mixed/Broken	-	-	-	-	-	-	-	-	246	-	55	-	-	-	2,381	3%	503	1%	1,429	2%	405	1%
Monterey	42	-	97	-	181	-	328	1%	429	1%	689	1%	704	1%	1,146	1%	1,217	1%	1,290	2%	1,682	2%
NePlus	527	2%	443	1%	425	1%	290	1%	276	1%	409	1%	453	1%	278	-	328	-	264	-	263	-
Nonpareil	13,376	51%	18,686	51%	21,219	54%	17,154	46%	25,766	52%	36,305	49%	33,772	52%	40,523	49%	39,788	48%	40,120	50%	39,565	50%
Organic	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	330	1%	94	-	697	2%	321	1%	387	1%	285	-	825	1%	976	1%	1,042	1%	495	1%	1,669	2%
Peerless	597	2%	693	2%	747	2%	765	2%	715	1%	949	1%	970	1%	757	1%	777	1%	717	1%	675	1%
Price	2,338	9%	4,023	11%	3,936	10%	4,196	11%	5,796	12%	7,212	10%	7,124	11%	7,506	9%	9,865	12%	7,111	9%	8,145	10%
Rhea	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1	-	0	-
Somerton	12	-	18	-	682	2%	19	-	12	-	24	-	5	-	16	-	7	-	14	-	8	-
Vela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-
GrandTotal	26,006	100%	36,403	100%	39,081	100%	37,626	100%	49,585	100%	73,361	100%	65,060	100%	82,509	100%	82,333	100%	79,477	100%	79,901	100%

CONTRIBUTION TO AUSTRALIAN TREE NUT PRODUCTION %
(2018 INSHELL TONNES)



Source: ANIC

SUPPLY & DEMAND

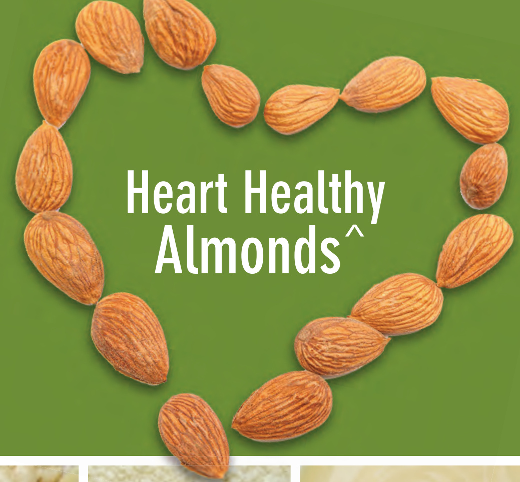
AUSTRALIAN EXPORT & DOMESTIC SUPPLY
(MARKETING YEAR) KERNEL EQUIVALENT

Total 2018
domestic sales
27,954
Tonnes

CONSUMPTION

Almonds are the most frequently used tree nut in new product launches in **Australia**

During the 2017-18 year, after studying the review of the nutritional science relating to nuts and heart health conducted by the Nuts for Life program, the Almond Board of Australia lodged a General Level Health Claim with Food Standards Australia New Zealand (FSANZ) to promote almonds and heart health. Claims of 'heart healthy almonds' can be made on pack and in the media. Australian almond marketers will be encouraged to take advantage of these claims and utilise the range of creative elements developed by the ABA's marketing program.




IN SHELL


KERNEL


WHOLE BLANCHED


NATURAL SLICED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SLIVERED


DICED


MEAL


PASTE

FORMS OF AUSTRALIAN ALMONDS

Domestic sales of almonds in 2018-19 grew by 7% over the previous year to a total of 27,954 tonnes. To put this in context, domestic almond sales five years ago were 20,802 tonnes and ten years ago were 15,785 tonnes. This means that domestic sales of almonds have grown by 77% over ten years and 34% over the last five years. Over the last ten years, our Australian population has grown by 18% and over the last five years, our population has increased by 9%. These relative growth figures indicate the rise in popularity of almonds as part of Australians' dietary choices.

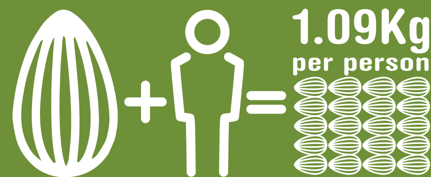
In October 2018, the ABA commissioned the research agency YouGov to undertake a consumer study into our Australian consumers' key attitudes and behaviours relating to almonds. This study involved 2,074 Australians over 18 years. Following the completion of interviewing, the data was weighted by age, gender and region to reflect the latest ABS population estimates.

Two thirds of nut consumers (63%) eat almonds at least once a month. A further 31% eat them less often. Only 6% of nut eaters never eat almonds. Nearly 11.5 million Australians eat almonds at least once a month, with over 7.5 million eating almonds at least once a week. Three quarters of Australians (77%) believe that eating almonds promotes good heart health, and most believe they also help to maintain a healthy weight (69%). Less are sure that almonds help lower cholesterol (62%), assist with fitness and sports recovery (60%) or promote weight loss (56%).

Almonds remained the most frequently used nut ingredient in new products launched during our 2018-19 marketing year (ie from March 2018 to February 2019). During this period, 293 products were launched into the Australian market. This compares to 125 new products including cashews as an ingredient and 96 products with walnuts. There were more products with almonds than with peanuts, which were included in 177 new products.

The five main categories for new products with almonds were cereals, snacks, bakery, confectionery and dairy. Note, the Dairy category included both dairy and non-dairy products (eg almond milks and almond yoghurts). These five categories accounted for 233 products with almonds which is 80% of the total.

IN 2018 THE AVERAGE AUSTRALIAN ALMOND CONSUMPTION WAS 1.09KG PER PERSON

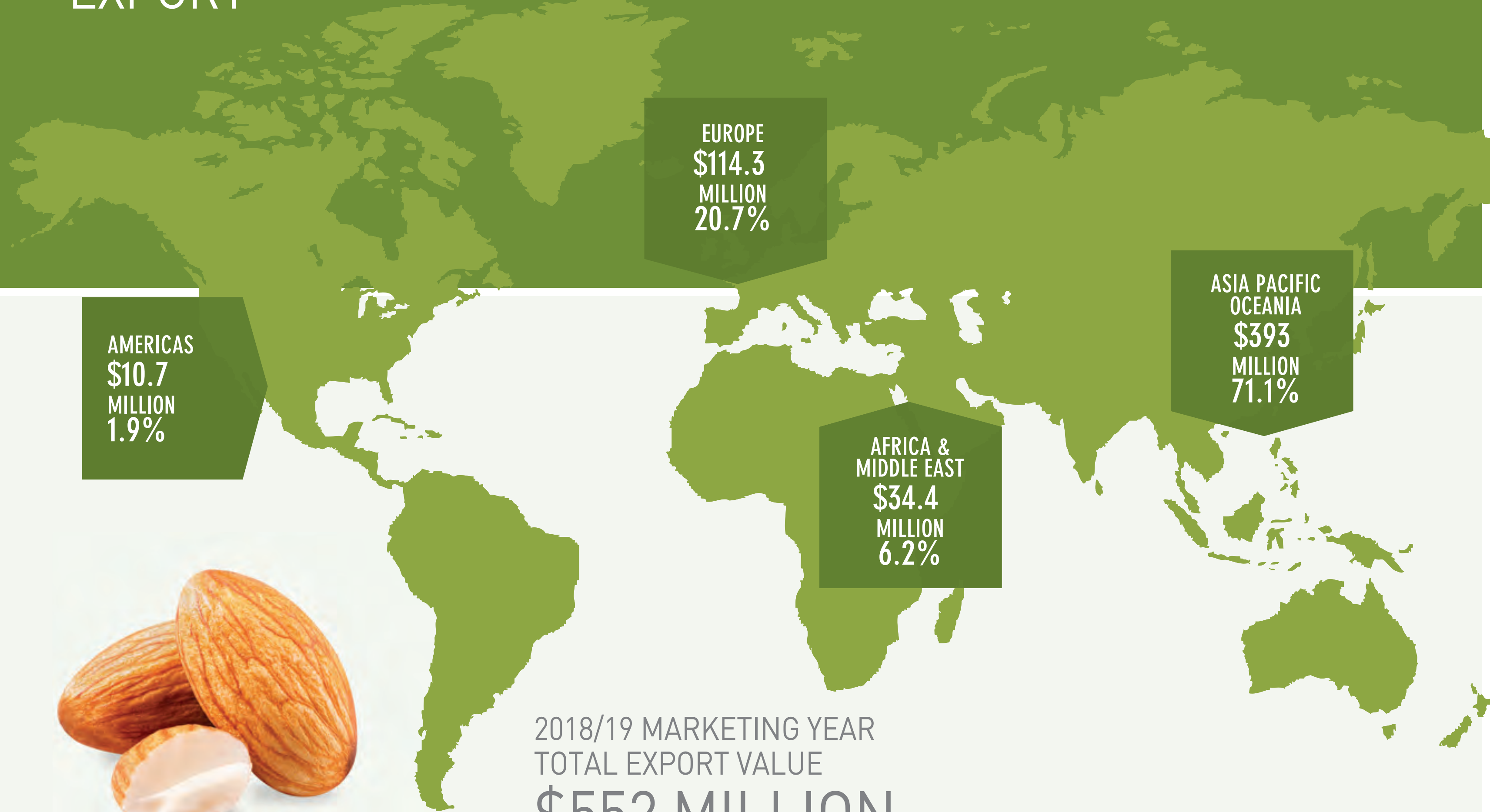


THIS IS ONE OF THE HIGHEST PER CAPITA CONSUMPTION RATES IN THE WORLD AND STILL GROWING.

NPD ALMONDS BY CATEGORY MAT FEB 2019

CEREALS	80
SNACKS	52
BAKERY	50
CONFECTIONERY	28
DAIRY	23

EXPORT



2018/19 MARKETING YEAR
TOTAL EXPORT VALUE

$552 MILLION

The export volume of Australian almonds grew from 54,343 tonnes in 2017-18 to 60,894 tonnes in 2018-19. This 6,551 tonne increase represents a growth rate of 12% over the previous year. The major feature of 2018-19 was the growth in exports to China, driven by the tariff advantage given to Australian almonds through the trade dispute between China and the USA. In 2017-18, a total of 921 tonnes of Australian almonds were exported to China and Hong Kong: 600 tonnes to China and 321 tonnes to Hong Kong. In 2018-19, exports grew to 12,124 tonnes: 11,860 tonnes to China and 264 tonnes to Hong Kong. Put another way, Australian almond exports to China and Hong Kong grew from 2% of our Total Exports in 2017-18 to 20% in 2018-19. The incremental volume sold to China of 11,260 tonnes had the inevitable effect of reducing exports to other markets. Our Established Markets of Europe, India and the Middle East all declined in volume during 2018-19.

In the light of the uncertainty surrounding the China-US tariff dispute, the Australian almond exporters continue to take a strategic view to our future growth. To the end, we have continued to maintain our collaborative approach to export market development. In 2018-19, major trade exhibitions for Australian almonds were conducted in our key Established Markets including Sial Paris in October 2018 and Gulfoods Dubai in February 2019. Note, Gulfoods attracts both our Middle Eastern customers and our major Indian customers. The ABA also held a trade exhibition and seminar in Tokyo at the Foodex Trade Fair in February 2019. As part of our long-term growth plans for the China market, we conducted trade exhibitions at the China Tree Nut Conference in Zhuhai in August and at the Sial China Fair Shanghai in May 2019.

EXPORT OF AUSTRALIAN PROCESSED NUTS

YEAR	TONNES
2018	3,090.6
2017	4,257.9
2016	1,870.3
2015	2,075.3
2014	1,608.2

WORLD EXPORT DESTINATIONS

2018/19 MARKETING YEAR

Region	Subregion	Country	INSHELL (TONNES)	INSHELL $ AUD	KERNEL (TONNES)	KERNEL $ AUD	TOTAL (TONNES)	TOTAL $ AUD%	CHANGE FROM 2018 MY
ASIA PACIFIC	NORTHEAST ASIA	China (excluding SARs and Taiwan)	7,490	$47,547,537	6,617	$65,255,663	11,860	$112,803,200	1877%
		Hong Kong (SAR of China)	188	$1,140,776	132	$1,175,032	264	$2,315,808	-18%
		Japan	-	-	827	$8,183,203	827	$8,183,203	51%
		Korea, Republic of	-	-	1	$106,452	1	$106,452	-98%
		Taiwan	-	-	1	$22,571	1	$22,571	-45%
		TOTAL Northeast Asia	**7,679**	**$48,688,313**	**7,578**	**$74,742,921**	**12,953**	**$123,431,234**	**747%**
	SOUTHEAST ASIA	Brunei Darussalam	-	-	0.2	$4,356	0.2	$4,356	57%
		Cambodia	-	-	11	$124,633	11	$124,633	
		Indonesia	-	-	281	$2,385,679	281	$2,385,679	1530%
		Malaysia	-	-	63	$548,482	63	$548,482	-53%
		Philippines	0	$9,403	74	$754,204	75	$763,607	285%
		Singapore	0	$4,270	233	$2,261,631	233	$2,265,901	-8%
		Thailand	84	$610,668	1,072	$9,419,158	1,131	$10,029,826	27%
		Viet Nam	8,416	$71,922,821	3,046	$24,527,596	8,938	$96,450,417	105%
		TOTAL Southeast Asia	**8,501**	**$72,547,162**	**4,781**	**$40,025,739**	**10,732**	**$112,572,901**	**89%**
	SOUTH/CENTRAL ASIA	India	20,862	$134,846,833	551	$4,083,680	15,155	$138,930,513	-17%
		Pakistan	-	-	-	-	-	-	-100%
		TOTAL South/Central Asia	**20,862**	**$134,846,833**	**551**	**$4,083,680**	**15,155**	**$138,930,513**	**-19%**
	AUSTRALASIA/OCEANIA	Fiji	-	-	7	$79,031	7	$79,031	-51%
		New Zealand	540	$4,519,076	1,370	$13,431,843	1,748	$17,950,919	-16%
		Papua New Guinea	0	$5,759	0	$6,544	1	$12,303	119%
		TOTAL AUSTRALASIA/OCEANIA	**541**	**$4,524,835**	**1,378**	**$13,517,418**	**1,756**	**$18,042,253**	**-16%**
TOTAL ASIA PACIFIC			**37,582**	**$260,607,143**	**14,287**	**$132,369,758**	**40,595**	**$392,976,901**	**45%**
EUROPE	WESTERN EUROPE	Belgium	20	$157,760	228	$1,730,997	242	$1,888,757	-24%
		Denmark	17	$136,853	880	$7,124,752	892	$7,261,605	-17%
		France	-	-	1,045	$9,247,768	1,045	$9,247,768	-1%
		Germany	54	$575,089	3,589	$32,576,565	3,627	$33,151,654	-5%
		Greece	20	$175,253	158	$1,607,044	172	$1,782,297	32%
		Italy	20	$168,970	854	$6,903,448	868	$7,072,418	-29%
		Netherlands	119	$728,891	1,085	$9,189,657	1,169	$9,918,548	-58%
		New Caledonia	-	-	0.3	$5,100	0.3	$5,100	-56%
		Spain	2,475	$9,652,620	2,174	$12,525,215	3,907	$22,177,835	-36%
		Sweden	-	-	60	$502,262	60	$502,262	-80%
		Switzerland	-	-	292	$2,854,371	292	$2,854,371	-11%
		United Kingdom	80	$1,252,189	1,099	$11,313,940	1,154	$12,566,129	-18%
		TOTAL Western Europe	**2,804**	**$12,847,625**	**11,463**	**$95,581,119**	**13,427**	**$108,428,744**	**-27%**
	CENTRAL & EASTERN EUROPE	Bulgaria	-	-	16	$174,431	16	$174,431	
		Croatia	-	-	96	$851,217	96	$851,217	-15%
		Czech Republic	-	-	-	-	-	-	-100%
		Estonia	-	-	20	$204,296	20	$204,296	
		Lithuania	-	-	20	$200,259	20	$200,259	
		Poland	43	$339,923	442	$4,089,322	473	$4,429,245	4%
		Russian Federation	-	-	-	-	-	-	-100%
		TOTAL CENTRAL & EASTERN EUROPE	**43**	**$339,923.00**	**595**	**$5,519,525**	**625**	**$5,859,448**	**1%**
TOTAL EUROPE			**2,847**	**$13,187,548.00**	**12,058**	**$101,100,644**	**14,052**	**$114,288,192**	**-26%**
MIDDLE EAST & AFRICA	MIDDLE EAST	Afghanistan	-	-	474	$4,016,066	474	$4,016,066	
		Bahrain	-	-	0.1	$520	0.1	$520	
		Georgia	-	-	10	$105,361	10	$105,361	
		Jordan	-	-	-	-	-	-	-100%
		Kuwait	-	-	96	$1,032,499	96	$1,032,499	-47%
		Lebanon	2	$5,125	93	$736,734	94	$741,859	29117%
		Qatar	0	$160	146	$1,442,409	146	$1,442,569	299%
		Saudi Arabia	0	$612	448	$3,894,548	448	$3,895,160	9%
		Turkey	15	$154,186	886	$8,308,181	897	$8,462,367	2%
		United Arab Emirates	86	$596,415	1,023	$9,175,666	1,084	$9,772,081	-57%
		TOTAL Middle East	**104**	**$756,498**	**3,176**	**$28,711,984**	**3,249**	**$29,468,482**	**-21%**
	NORTH AFRICA	Algeria	-	-	52	$394,293	52	$394,293	
		Egypt	-	-	149	$861,845	149	$861,845	-43%
		Libya	17	$79,024	202	$1,161,687	214	$1,240,711	67%
		TOTAL North Africa	**17**	**$79,024**	**402**	**$2,417,825**	**414**	**$2,496,849**	**6%**
	SUB-SAHARAN AFRICA	Mauritius	-	-	11	$117,168	11	$117,168	-1%
		South Africa	-	-	275	$2,319,480	275	$2,319,480	36%
		TOTAL SUB-SAHARAN AFRICA	**-**	**-**	**286**	**$2,436,648**	**286**	**$2,436,648**	**34%**
TOTAL MIDDLE EAST & AFRICA			**122**	**$835,522**	**3,864**	**$33,566,457**	**3,949**	**$34,401,979**	**-16%**
AMERICAS	LATIN AMERICA/CARIBBEAN	Argentina	46	$492,499	228	$1,922,381	261	$2,414,880	20%
		Brazil	-	-	37	$304,341	37	$304,341	
		Ecuador	-	-	20	$143,939	20	$143,939	
		Uruguay	-	-	-	-	-	-	-100%
		TOTAL LATIN AMERICA/CARIBBEAN	**46**	**$492,499**	**285**	**$2,370,661**	**318**	**$2,863,160**	**35%**
	NORTH AMERICA	CANADA	-	-	4	$77,300	4	$77,300	92%
		TOTAL NORTH AMERICA	**-**	**-**	**4**	**$77,300**	**4**	**$77,300**	**92%**
	UNITED STATES	UNITED STATES OF AMERICA	-	-	1,977	$7,803,502	1,977	$7,803,502	-12%
		TOTAL UNITED STATES	**-**	**-**	**1,977**	**$7,803,502**	**1,977**	**$7,803,502**	**-12%**
	TOTAL AMERICAS		**46**	**$492,499**	**2,266**	**$10,251,463**	**2,299**	**$10,743,962**	**-7%**
WORLD TOTAL			**40,598**	**$275,122,712**	**32,476**	**$277,288,322**	**60,894**	**$552,411,034**	**12%**

Source: ABS, ABA

GLOBAL

While Australian almonds are typically harvested during the months of February to April each year, harvesting of northern hemisphere almonds typically occurs between August to October. Californian almond shipments (sales) for each crop marketing year are recorded from August through to July each year.

California grows almost all the almonds produced in the US. Their production in the 2018-19 year, classed as marketable, was 2.224 billion pounds or 1.008 million tonnes. This is only 0.4% higher than their crop from 2017-18 which was 2.215 billion pounds or 1.005 million tonnes.

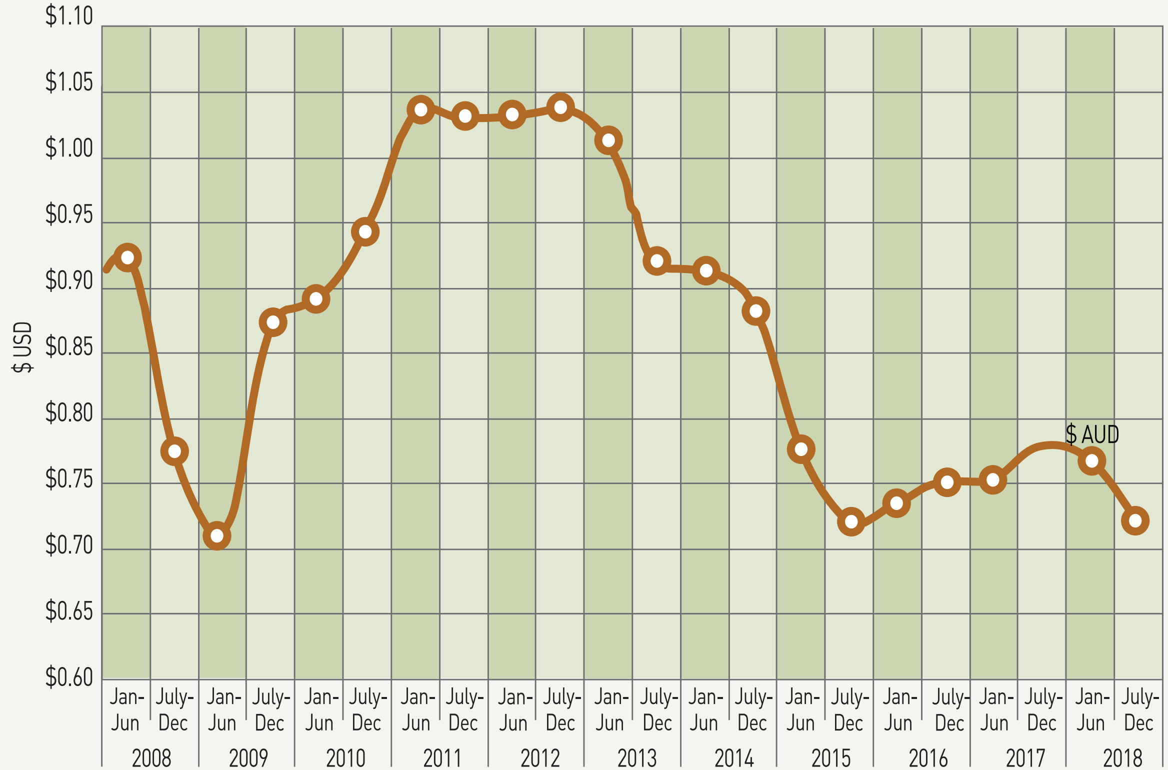
Given the 2018-19 Californian crop was similar to the previous year, there was a corresponding sales relationship with both their domestic and exports markets. The 2018-19 US domestic market was 741 million pounds (336 thousand tonnes) compared to 735 million pounds (333 thousand tonnes) in 2017-18. Their Total Export sales for 2018-19 were 1.523 billion pounds (691 thousand tonnes) which was only slightly higher than their previous year's Total Exports of 1.517 billion pounds (688 thousand tonnes).

The Australian dollar has traded below the US$ since 2013.

COMPARATIVE $AUD VS $USD EXCHANGE RATES

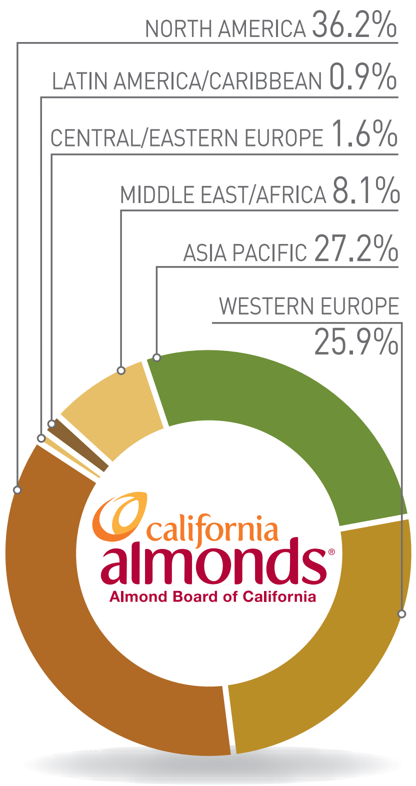
As the Californian industry sells 80% of the world's almonds the global price is quoted in US dollars per pound. The return for Australian almonds in our local currency is heavily influenced by the prevailing exchange rate between the Australian dollar and the US dollar. A strong Australian dollar delivers lower returns, whilst the weaker Australian dollar delivers better returns once the US dollar price is converted. In June 2013, the Australian dollar fell below parity and has remained this way.

The Australian dollar traded within a band in the mid US$0.70s during the 2018-19 year. It should be noted that with farm inputs such as orchard machinery, fertilizer and pest and disease sprays produced overseas, costs increase with a weaker Australian dollar.



CALIFORNIA ALMOND EXPORTS BY REGION%

(2018/19)



USA PRODUCTION

Year	New Plantings	Total Hectares
2007	5,820	309,584
2008	13,849	333,866
2009	12,397	339,936
2010	10,724	346,006
2011	11,963	354,100
2012	10,197	376,358
2013	10,864	392,545
2014	12,297	404,842
2015	13,809	418,651
2016	10,958	429,610
2017	9,195	438,805
2018	13,464	452,269
*2019	14,118	466,387

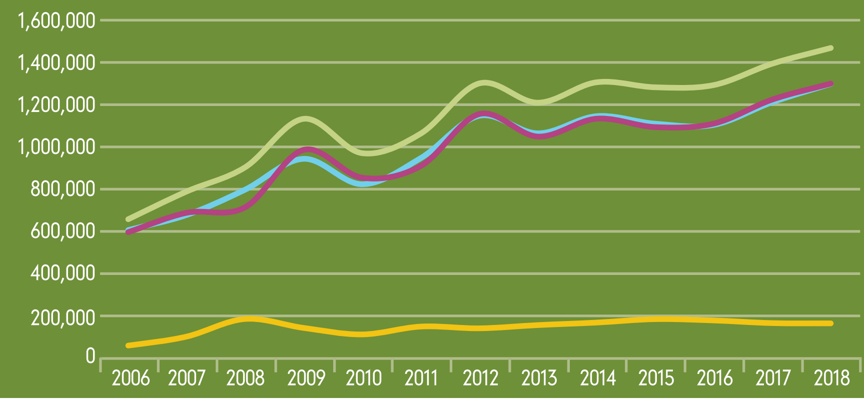
*Estimated as of July 6, 2018 Source: ABC, USDA

Total global almond production in 2018 was **1.34 million tonnes**

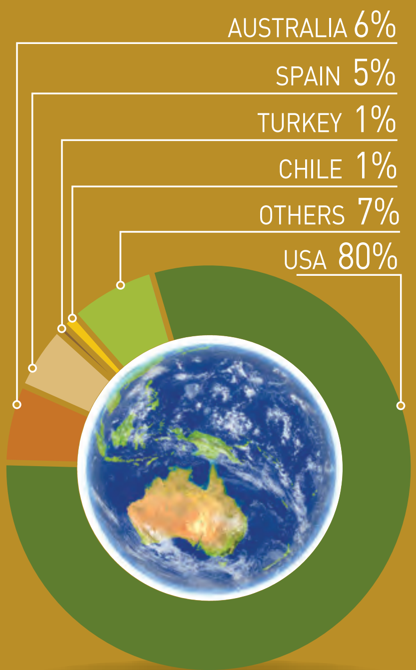
GLOBAL

WORLD ALMOND SUPPLY VS DEMAND

TOTAL SUPPLY   CONSUMPTION   GLOBAL PRODUCTION   CARRY-OUT



WORLD PRODUCTION 2018



*US 2017 Crop Production figures as at May 2019   Source: ABC

GLOBAL ALMOND PRODUCTION (KERNEL) Source: INC

	2008		2009		2010		2011		2012	
COUNTRY	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES
Chile	19.84	9,000	17.6	8,000	22.0	10,000	22.0	10,000	22.0	10,000
China	2.20	1,000	1.8	800	2.4	1,100	2.6	1,200	2.6	1,200
European Union	-	-	-	-	-	-	-	-	-	-
Greece	26.46	12,000	17.6	8,000	17.6	8,000	17.6	8,000	17.6	8,000
India	2.43	1,100	2.2	1,000	2.5	1,150	2.6	1,200	2.4	1,100
Iran	22.05	10,000	22.0	10,000	26.5	12,000	26.5	12,000	55.1	25,000
Italy	23.15	10,500	13.2	6,000	13.2	6,000	26.5	12,000	27.6	12,500
Morocco	17.64	8,000	19.8	9,000	19.8	9,000	19.8	9,000	19.8	9,000
Others Countries	61.73	28,000	61.7	28,000	61.7	28,000	66.1	30,000	66.1	30,000
Portugal	-	-	-	-	-	-	-	-	-	-
Spain	77.16	35,000	152.1	69,000	77.2	35,000	110.2	50,000	99.2	45,000
Syria	15.43	7,000	11.0	5,000	11.0	5,000	11.0	5,000	11.0	5,000
Tunisia	22.05	10,000	26.5	12,000	26.5	12,000	26.5	12,000	27.6	12,500
Turkey	20.94	9,500	30.3	13,750	35.3	16,000	35.3	16,000	35.3	16,000
Total	311.07	141,100	376.0	170,550	315.8	143,250	366.8	166,400	386.5	175,300
United States	1,383.0	627,318	1,614.6	732,370	1,405.9	637,706	1,628.2	738,539	2,020.4	916,438
Australia	57.3	26,006	80.3	36,403	86.2	39,081	83.0	37,626	109.3	49,585
TOTAL World Prod'n	1,751.4	794,424	2,070.9	939,323	1,807.9	820,036	2,078.0	942,565	2,516.2	1,141,323

	2013		2014		2015		2016		2017		2018	
COUNTRY	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES	lbs (mill)	TONNES
Chile	22.0	10,000	22.0	10,000	28.7	13,000	26.46	12,000	30.86	14,000	30.86	14,000
China	-	-	-	-	-	-	-	-	-	-	-	-
European Union	-	-	-	-	-	-	-	-	-	-	-	-
Greece	11.0	5,000	11.0	5,000	8.8	4,000	16.53	7,500	6.61	3,000	19.84	9,000
India	-	-	-	-	-	-	-	-	-	-	-	-
Iran	33.1	15,000	33.1	15,000	33.1	15,000	33.07	15,000	33.07	15,000	33.07	15,000
Italy	11.0	5,000	19.8	9,000	16.5	7,500	16.53	7,500	16.53	7,500	22.05	10,000
Morocco	13.2	6,000	19.8	9,000	24.3	11,000	24.25	11,000	24.25	11,000	30.86	14,000
Others Countries	66.1	30,000	66.1	30,000	66.1	30,000	66.14	30,000	66.14	30,000	66.14	30,000
Portugal	-	-	-	-	-	-	-	-	-	-	-	-
Spain	70.5	32,000	133.9	60,750	145.4	65,957	101.12	45,866	117.11	53,119	134.83	61,160
Syria	-	-	-	-	-	-	-	-	-	-	-	-
Tunisia	28.7	13,000	30.9	14,000	33.1	15,000	33.07	15,000	33.07	15,000	35.27	16,000
Turkey	33.1	15,000	22.0	10,000	28.7	13,000	28.66	13,000	17.64	8,000	17.64	8,000
Total	288.8	131,000	358.8	162,750	384.6	174,457	345.83	156,866	345.29	156,619	390.57	177,160
United States	1,884.0	854,568	2,009.7	911,585	1,868.0	847,311	1,894.4	859,285	2,135.7	968,737	2,260.0	1,025,119
Australia	161.7	73,361	143.4	65,060	181.9	82,509	181.5	82,333	175.2	79,477	176.2	79,901
TOTAL World Prod'n	2,334.5	1,058,929	2,511.9	1,139,394	2,434.5	1,104,277	2,421.7	1,098,485	2,656.2	1,204,833	2,826.7	1,282,180

ALMOND MARKETERS

Almonds account for **62%** of Australian tree nut production

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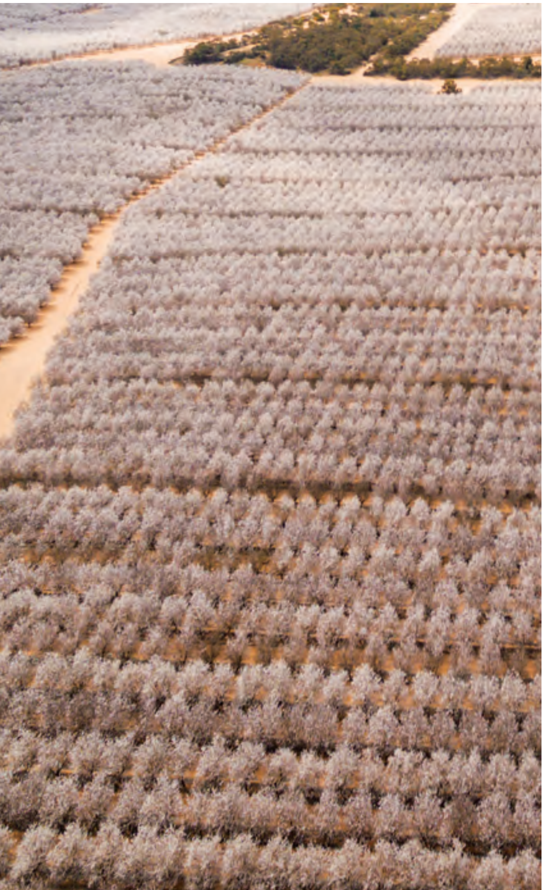

australian almonds

ALMOND BOARD OF AUSTRALIA