



australian
almonds

ALMOND BOARD OF AUSTRALIA



ANNUAL REPORT 2017/18

www.australianalmonds.com.au





The Almond Board of Australia (ABA) is the peak industry body for Australian almonds. The ABA operates as a not-for-profit, membership based organisation representing the interests of Australian almond growers, processors and marketers.

Our Executive guides the ABA's work by setting direction and harnessing the passion and commitment of staff and industry.



Neale Bennett

Neale Bennett
Chairman



Ross Skinner

Ross Skinner
Chief Executive Officer

The 2017/18 year didn't deliver the industry production anticipated for the third consecutive year due to poor pollination conditions, widespread severe frost events and pest damage. These factors reduced the predicted tonnage from 90,000 tonnes based on plantings data to 80,000. A lost crop potential of around \$70 million at the farmgate.

Pest damage is an area that has in the past been underestimated from a crop loss perspective. The industry has realised the damage to the reputation of Australian almond quality and had made the decision to invest heavily in pest and disease research with nearly a million dollars a year allocated to projects to deliver management options for Carpophilus Beetle and Carob Moth and the key diseases.

The answers from new technologies are unlikely to be swift in coming with the industry relying heavily in recent years on orchard hygiene or sanitation as the Californians call it in dealing with their insect of concern, Navel Orange Worm, which re-emerged as a major issue for the US industry in 2017.

Following the 2018 harvest, the urgency of the issue really struck home for local producers and marketers with efforts directed towards orchard hygiene being increased significantly. Producers currently without an insect problem have acted on the adage that prevention is better than cure and adopted extensive programs to remove or destroy overwintering nuts that provide a refuge for insects before the breeding season.

An industry reference group is providing guidance to the project and the researchers are committed to delivering improved attract and kill technology whilst investigating mating disruption, biological controls and assisting chemical companies are also elements of the broad program of work involving researchers from Victoria and NSW.

Whilst the pest issue has been an emerging one for a handful of years the disease issues with hull rot and lower limb dieback have been around for a much longer time both in Australia and overseas.

Investing in Hull Rot research is also likely to assist with pest control as a reduced incidence of the disease will improve nut dislodgement during harvest and lessen overwintering mummy nuts in the tree where Carob Moth are found and fewer nuts falling to the ground where Carpophilus Beetles infest them.

Frosts have proven a repetitive risk to production and the uptake of frost fans on orchards has been rapid in the past couple of years. With climate change, the frequency of frosts and their severity is expected to rise. Those that have purchased frost fans advise that they have had a quick return on their investment.

The rapid expansion of the industry continued during the winter months of 2017 with an additional 3,500 hectares planted taking the total orchard area planted in Australia to nearly 40,000 hectares. With new proposed plantings the area is likely to increase to 50,000 hectares in the next few years. This increased area brings with its water and pollination surety issues and the need to rapidly build markets both domestically but more critically overseas as much of the additional 60,000 tonnes will go to export.

This need to build markets for almonds is one shared by the US and Spanish industries with young orchards coming into production and older ones recovering from drought. A steady growth in production is manageable if recent demand trends continue. However, the retaliatory tariffs placed on US products including almonds is threatening to disrupt the price of almonds paid by consumers and reducing demand unless grower returns are reduced.

Although Australia has been fortunate to see tariffs in Asia reduced, it is still a major concern if the Californian crop is not cleared at sound pricing. The move to or towards nil tariffs has increased the Asian nut trade's interest in buying Australian almonds but with a production level that has stayed about the same level for the past four years increasing exports in 2018/19 to one country will come at reducing sales to another.



The drop in the Australian dollar's value compared to the strengthening US dollar is a welcome currency movement that assists farmgate returns.

The growth in orchard area in Australia in the past few years and that planned in the near future will increase the demand for water. Along with increasing demand for water from the new plantings of crops such as citrus, cotton and table grapes, the result has been rises in the prices on the permanent and temporary water markets. This will be exacerbated should drought conditions in the catchment regions impact heavily on allocations.

The ABA is lobbying the possibility of increasing water storage closer to the production regions as a way of ensuring adequate supply in the event of prolonged heat waves.

Pollination surety is another area of work for the ABA. This involves working with the honey bee industry to build hive numbers in Australia as it is estimated that demand will grow from around 190,000 hives to 300,000 hives during the next decade. Given the estimated total number of commercial hives in Australia stands at 380,000, the need to build the number of hives available to service our pollination needs is obvious. The ABA's Pollination Committee is also dealing with biosecurity threats and the addressing of best practices in orchards to ensure the most efficient utilisation of hives and the need to ensure the hives are strengthened during their stay and not depleted. The ABA is working with apiarists, researchers and government to ensure pollination is enhanced in future rather than put at risk.

The ABA Committees that operate across the supply chain have been active during the year and the Board is appreciative of the time and effort of the 40 industry members that contribute to these. The ABA Directors that Chair these committees bring the issues and recommended actions raised to the Board meetings held quarterly. This committee structure together with the Board comprising Directors from the producing regions and four processor/marketers ensures matters of concern to industry stakeholders are addressed. The overview of the Committees and their roles follows on pages 10 and 11.

The Market Development Committee oversees the development and implementation of the marketing plans for the domestic and export markets and is responsible along with the Board for the investment of the voluntary marketing levy. A detailed report on this key area is on page 14 and 15 of this report.

The ABA is appreciative of the co-operation received from Hort Innovation that led to the establishment during the year of an Almond Collective Industry Fund (CIF) to run in parallel to the statutory research levy. The CIF enables the ABA's voluntary marketing levy to receive matching Commonwealth funding when used to fund R&D projects such as the development of markets. The projects funded to date using the CIF are Market Development in Europe and Educating of Health Professionals in Australia.

The growth of the industry in the past decade and the increasing range and size of the programs and activities undertaken by the ABA has been managed by the staff members that have remained largely unchanged for the most part of that period. It is a testament to their skills and commitment that the ABA has operated with the same staff numbers whilst what is asked of them has expanded greatly.

During 2017/18, Jo Pippos, the ABA's Communications and Conference Manager, resigned and took up a position as Operations Manager with Costa's hulling operation. Jo's contribution to the industry over ten years was highly valued.

The ABA took the opportunity to review the skills required to meet the tasks to be undertaken by the organisation and new appointments have been made with Anthony Wachtel managing the Almond Centre experimental orchard, Abigail Quirke commencing employment to assist with administration and compliance and Ben Wiblin will join the staff as an IDO in November. Dr Greg Buchanan has also been employed on a part time basis as the industry entomologist to assist address the issue of insect damage. Anna Petersen is undertaking the role of Publications Manager on a consultancy basis.

The capacity of the ABA to work effectively with other organisations was again a highlight of the past financial year. The strong relationship with the Almond Board of California is much valued and the efforts of their staff delivers benefits to not only Californian growers but others worldwide as they take a leadership role in trade issues, promotion, biomass use, and research to name a few areas.

A list of the organisations the ABA partners with follows on page 7. Many of these organisations provide advocacy on our industry's behalf on major issues such as the National Irrigators' Council on water surety and energy costs with the backing of their large membership. The efforts of all these allied bodies is greatly appreciated.

In many organisations the ability to operate is a function of their financial position. It is pleasing to report that during a period of financial uncertainty for many industry bodies the ABA has managed to build a strong position thanks to project support from Hort Innovation and the ABA's commercial operations in producing high health status budwood and the commercialisation of imported rootstocks. Over the past three years, the ABA reserves have been boosted by \$4 million funding from the South Australian government to support SARDI researchers and develop the experimental orchard at Loxton. With these funds, that have been held by the ABA in what is effectively a trust fund, now being expended over the next few years the ABA's financial statements will show losses where in the past few years there have been large surpluses. The financial statements and further commentary can be found from pages 16 to 29.

The experimental and demonstration orchard has been in the planning stage for several years, but the rubber hit the road in 2017 with the first trees planted. The aim is for the industry to have a world class research facility where innovative and best practices can be developed and viewed.

As Chair and CEO of the ABA, we would like to thank the Directors for their contributions, the staff that contribute well beyond expectation, and the members that support the ABA.





Initially established in 1995 as the Australian Almond Growers' Association (AAGA), the association was re-structured and renamed in 2002 as the Almond Board of Australia (ABA), reflecting a broader charter and membership base.



Our Strategic Investment

Producers in the almond industry pay levies to the Department of Agriculture and Water Resources (DAWR), who is responsible for the collection, administration and disbursement of levies and charges on behalf of Australian agricultural industries.

Agricultural levies and charges are imposed on primary producers by government at the request of industry to collectively fund R&D, marketing, biosecurity and residue testing programs.

This levy is payable on almonds that are produced in Australia and either sold by the producer or used by the producer in the production of other goods.

Hort Innovation manages the almond levy funds which are directed to R&D investments. The R&D levy is set at a rate of 1 cent per kilogram for almond in shell, 2 cents per kilogram for shelled almonds and 1.5 cents per kilogram of almonds in shell (Nonpareil). In 2017/18 total almond R&D levy receipts were approximately \$1.56 million. The R&D levy is matched by the Australian Government.

In addition to levy funds for R&D the almond industry has established a Collective Industry Fund (CIF) being an additional voluntary grower contribution to manage market development and research future

production systems best suited to Australian growing conditions. Contributions to this project are also being made by the South Australian and Victorian Governments with matching contributions by the Australian Government through the 'Rural Research for Profit' project 'Advanced Production Systems for Temperate Nut Industries.'

During 2017 Hort Innovation developed a Strategic Investment Plan to assist in investing almond levy funds in priority areas identified and agreed by the almond industry.

The ability to deliver on all the articulated strategies (and investments) in an impactful manner will be determined by the ability of the statutory levy to provide the resources to do so. The SIP is also mindful of R&D investments through other pools and programs.

This plan represents the Australian almond industry's collective view of its R&D needs over the next five years (2017 to 2021). This plan was developed in consultation with Australian almond levy payers through a synthesis of pre-planning tailored for the almond industry, preparation including researching inputs, execution and validation including the opportunity for levy payers to comment on the draft SIP.

The almond Strategic Investment Advisory Panel has responsibility for providing strategic investment advice to Hort Innovation. Both Hort Innovation and the panel are guided by the strategic investment priorities identified within this plan.

Our Mission

As the Australian almond industry's peak body, the ABA facilitates the 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 marketing, share knowledge and interact with government and other stakeholders.

Our Purpose

To represent and promote the interests of Australian almond growers, processors and marketers in matters of general interest that may affect the well being and viability of the industry.

- To coordinate the efforts of the industry in order to give unity of purpose and strength to foster the development of the Industry.
- To provide a channel for communication and dissemination of information between members of the industry and other sectors of the horticultural industry.
- To facilitate the development of a national industry development plan including the definition of national R&D priorities and generic marketing funding and priorities.

Our Funding

ABA activities are funded through a combination of sources:

- Membership fees and sponsorships
- Sales of almond budwood
- Voluntary contributions from Industry
- Industry levies and contributions matched by the Federal Government via Hort Innovation Australia Ltd
- Additional grant funding sources

OUR STRUCTURE

Our staff, Board, committees and stakeholders are all part of a dedicated team. We form collaborative partnerships with a diverse range of organisations. They may be local, national, regional or global in scope.





ABA Structure

By establishing partnerships the ABA can increase its capacity to promote awareness of the ABA within the wider community and to:

- Provide accurate and practical information to the Australian public and support public education programs about Australian almonds
- Further the Mission and Vision of ABA
- Work with corporate partners on mutually agreed projects that support members or activities that are consistent with ABA objectives, principles that the industry supports



DIRECTORS

Initially established in 1995 as Australian Almond Growers' Association (AAGA), the association was re-structured and renamed in 2002 as the Almond Board of Australia (ABA), reflecting a broader charter and membership base. The role of the Board is to ensure that the ABA has clear strategic direction and strong oversight on the journey to achieve our strategic objectives.

Directors are elected by the Grower Members of the ABA for a two-year term.

Neale Bennett
Chair & Sunraysia Region
Grower Representative



Neale has been involved with almonds since converting his family farm from vines in 1992. Neale also operates a contract almond harvesting business Cowanna Harvesting. His appointment as Deputy Chairman and Sunraysia Region Grower Representative on the ABA Board follows positions as Secretary, Treasurer and Chairman of the Sunraysia region of the Australian Almond Growers' Association (AAGA). Neale's committee positions include the Audit, Remuneration, Pollination and Conference Committees.

John Maragozidis
Adelaide Region Grower
Representative



John is Managing Director of two companies, Goanna Produce Pty Ltd which specialises in the growing of Organic Certified Australian almonds and Yunis Pty Ltd which specialises in marketing, importing and exporting of Organic Certified almonds. John has been involved in the almond industry his entire life growing up on the family almond farm in the Northern Adelaide Plains. John holds an Associate Diploma in Mechanical Engineering.

Damien Houlahan
Deputy Chair & Marketing
Representative



Neale has been involved with almonds since converting his family farm from vines in 1992. Neale also operates a contract almond harvesting business Cowanna Harvesting. His appointment as Deputy Chairman and Sunraysia Region Grower Representative on the ABA Board follows positions as Secretary, Treasurer and Chairman of the Sunraysia region of the Australian Almond Growers' Association (AAGA). Neale's committee positions include the Audit, Remuneration, Pollination and Conference Committees.

Peter Cavallaro
Riverland Region Grower
Representative



Peter has been involved in the almond industry since 1973, when the family bought an almond orchard in Angle Vale. He has been involved in the cut flower industry where growing and marketing were his main responsibilities and he also was a director of the Adelaide flower market. In 1999 Peter developed an almond orchard with the family at Angle Vale and in 2002 seeing the scope of the industry he became involved in developing an almond orchard at Walker Flat of which he is now General Manager. Peter holds a Diploma in Agriculture.

Denis Dinicola
Riverina Region Grower
Representative



Denis has been in irrigated agriculture and rice growing in the Griffith area for over 25 years and commenced growing almonds at his 230 Ha property at Lake Wyangan near Griffith NSW in the early 2000's. Denis was appointed to the ABA Board in 2009. Denis is the Chair of the Almond Production Committee.



Brendan Sidhu

Riverland Region Grower Representative



Brendan is Managing Director of Century Orchards, a large almond orchard based in the Riverland, South Australia. Brendan was appointed to the ABA Board in 2007, and held the position of Chairman from 2009 - 2012. Brendan has been involved with the Australian almond industry since 1983. He has held positions as both Secretary and Chair of the Riverland region of the Australian Almond Growers' Association (AAGA). Brendan also sits on the Remuneration Committee, Almond Centre Committee, Conference Committee and is Chair of the Market Development Committee. Brendan holds an Advanced Diploma in Horticulture and is a graduate of the Australian Institute of Company Directors.

Grant Birrell

Marketing Representative



Grant joined the nut industry in 2006 as CEO of Nut Producers Australia (NPA), managing the company's almond and pistachio businesses. Prior to this, Grant spent 20 years in the seafood industry which included involvement in several seafood industry bodies. Grant has been a member of the Market Development Committee since 2007 and became an ABA Board member in 2008. He also serves as Chair of the Audit Committee.

Darren Minter

Sunraysia Region Grower Representative



Darren is Managing Director of Minter Magic, a large almond, asparagus and citrus property situated in Iraak, Victoria. Darren is a major shareholder in the Red Cliffs Almond Growers Co-op, started in 1985. He is also member of the Australian Asparagus Council and a member of Citrus Australia. Darren holds a Diploma of Production Horticulture and was the VFF Victorian Apprentice of the year in 1988 (Fruit Section). In addition to being an ABA Board Grower representative for the Sunraysia Region, Darren serves on the Plant Improvement Committee.

Laurence Van Driel

Marketing Representative



Laurence has been involved in the trading and marketing of edible nuts and dried fruits for over 25 years, providing him with a sound understanding of shipping requirements, foreign currency, trade barriers and marketing strategies. He has also held senior purchasing and sales management positions with internationally recognised companies. He became a member of the ABA Board in 2011 and also serves on the Market Development Committee.

Brenton Woolston

Marketing Representative



Brenton Woolston is General Manager of Almondco Australia. Brenton was appointed to Almondco as marketing manager in 2001 and was promoted to Group General Manager just over a year later. Brenton has been a member of the ABA Board since 2002 and held the position of Chairman in 2008 and 2009. Brenton was a member of the Market Development Committee, and now sits on the Remuneration Committee and is Chair of the Processing Committee. Brenton is also a past President of the Australian Nut Industry Council (ANIC).



The ABA has committees to consult with industry and to act in an advisory capacity to the ABA Board on priority issues. We thank all committee members for their contribution during 2016/17.

COMMITTEES

About our committees

The Almond Board of Australia hosts a number of committees made up of members from across the horticultural, scientific and almond communities. Each committee has been created to concentrate some of the best minds in the business on key work areas.

Our committees are an important part of the ABA's governance structure. These committees provide insight and discussion about our programs, meeting regularly to discuss issues and opportunities and to assist in producing programs and material that will provide practical, expert assistance to our industry.

Audit Committee

The Audit Committee oversees our financial affairs, risk and statutory/regulatory compliance including the external audit and annual budget processes. The committee sets internal audit priorities and ensures the effectiveness of the audit function. The committee works to identify and mitigate risks across the business with a particular focus on those strategic and operational risks which would prevent the ABA from achieving its strategic objectives.

Remuneration Committee

The Remuneration Committee makes recommendations to the Board on matters relating to remuneration of the Chief Executive Officer and our staff in general, performance and the composition, structure and operation of the organisation.

Conference Committee

The Conference Committee, comprising Board members, CEO and the Conference & Communications Manager advise and assist with decisions on the Conference theme, venue, date, schedule, presentation topics, presenters, master of ceremonies, and scrutinise Conference finances

Market Development Committee

The Almond Market Development Committee oversees the Almond Marketing Program. This committee also oversees marketing related research and development projects and provides input with respect to market access issues.

Strategic Investment Advisory Panel (SIAP)

The SIAP has responsibility for overseeing the industry's strategic investment plan and providing strategic investment advice to Hort Innovation. The panel is guided by the strategic investment priorities identified within the industry strategic investment plan.

Almond Centre Committee

The Almond Centre Committee was established to guide the development of the Almond Centre of Excellence proposal for consideration of State Governments and Horticulture Innovation Australia. The committee worked with the Audit Committee to review the Centre budget contained in the business case. The committee also provides input into site selection for the experimental orchards and their development.

Production Committee

The Almond Production Committee oversees a wide range of production related research and development projects; also providing advice with respect to future priorities for investment in production based research initiatives to increase yields and better manage risk factors.

Plant Improvement Committee

The Plant Improvement Committee oversees the Almond Breeding and Evaluation program with respect to future priorities for R&D investment and in the area of plant improvement.

Processing Committee

The Processing Committee's role is to direct whole of industry efforts to add value in the processing of almonds by improving quality, more cost efficiently meeting required quality specifications, and maintaining Australia's high product integrity reputation.

Pollination Committee

The Pollination Committee's role is to deal with pollination security as it remains a very high risk area to the industry. The committee provides direction to the ABA Board on how to reduce the risk and cost of pollinating almond orchards effectively and efficiently.

The ABA has a small dedicated staff, primarily based in the ABA's office in Loxton, South Australia.

Our staff all play a vital role in the success of our operations.

During 2017/18, Jo Pippas and Andrew Downs resigned their positions as Conference and Communications Manager and Industry Development Manager respectively. Jo as a long standing staff member provided valued service to the industry for more than a decade developing her role into the key areas including communications, statistics, IT and Conference. The ABA thanks them for their contributions.

OUR TEAMS

Ross Skinner
Chief Executive Officer



Ross is Chief Executive Officer of the Almond Board of Australia, holding this position since November 2010. Ross holds a Bachelor of Economics. Ross was previously Assistant General Manager of the Australian Dried Fruits Association, General Manager of the Dried Fruits Research and Development Council, and General Manager of the Australian Dried Fruits Board. Ross has 34 years' experience managing R&D and marketing programs for many Murray Valley horticultural industries. He is a member of HIA's Almond Strategic Investment Committee and HIA's Nut Industry Trade Advisory Panel.

Joseph Ebbage
Market Development Manager



Joseph is engaged by the ABA to manage the Almond Market Development Program. Based in Melbourne, Joseph has worked with the ABA since 2003 and is the principal of "Consumer Insights", a market research and consultancy agency. Joseph works with industry marketers to promote almonds on the domestic market and build awareness of the Australian almond brand internationally.

Anthony Wachtel
Almond Centre Orchard Manager



Anthony joined the ABA to manage the 60 hectare experimental and demonstration orchard that is part of the Almond Centre of Excellence established at Loxton. Anthony has extensive experience in almond production working with Century Orchards as Assistant Farm Manager. His role requires him to work closely with researchers to ensure the specific management programs required for their trials are adhered to. He has also overseen the establishment of the orchard infrastructure to provide a world class facility that suits the conduct of current and future research. Anthony is a member of the ABA's Industry Development team as the orchard will be a key part of extending best practice to producers.

Shannon Harkins
Finance & Business Manager



Shannon was appointed as Finance & Business Manager for the Almond Board of Australia in January 2011. Shannon holds a Diploma of Business and Certificate IV in Training & Assessment. Shannon's role with the Almond Board of Australia sees his skills utilised for Payroll, Accounts Payable & Receivable, forecasting and budgeting, internal reporting, audit liaison, management of legal financial obligations, project financial management and acquittals and organisational management.



Debbie McMahon
Administration Officer



Debbie has been employed by the Almond Board of Australia since 2008. Her role includes general administrative tasks and work in support of the Chief Executive Officer, Finance & Business Manager, Market Development Manager, and Conference & Communications Manager. Deb has a Bachelor of Education, Diploma of Teaching (Primary) and an Associate Diploma of Editing and Proofreading. Deb also provided administrative support to the Australian Nut Industry Council.

Brett Rosenzweig
Industry Development Officer



Brett has been employed by the Almond Board of Australia since 2007, holding the initial role of Technical Officer until 2010 and Industry Development Officer from 2010 onward. Brett holds a Bachelor of Agricultural Science and brings to the role a sound knowledge of a range of horticultural crops and irrigation management techniques. He is responsible for assisting industry uptake of research findings.

Josh Fielke
Industry Development Officer



Josh was appointed in October, 2015 and works in conjunction with Brett Rosenzweig. Josh has been involved in the horticulture industry since 2010 working with a variety of crops. Josh began as a farm hand at QFM Productions, and then completed a bachelor of Environmental Science at the University of South Australia. During this three-year time period he worked as a supervisor/farm hand at Cooina Mixed Farm gaining experience in growing practices. Josh then gained a post-graduate job at the Mitolo Group as an agronomist. This role was based around nutrition, and pest and disease management.



Overview

The global demand for almonds continued to grow over the 2017/18 year. The major drivers of almond consumption, good taste, good health and usage versatility resonate strongly around the world. Large markets such as India and China, with their expanding consumer segments, are increasing their share of global almonds.

Demand for Australian almonds during the 2017/18 was limited by a slight decrease in production over the previous year: 79,461 tonnes in 2017/18 compared to 82,333 tonnes in 2016-17. However, the collaborative marketing commitment of the major Australian growers, processors and marketers ensured that the Australian Almonds brand retained its profile in our major markets.

The longer-term view of Australian Almonds points to significant growth with our crop forecast to exceed 120,000 tonnes by 2025. Our industry's marketing strategy of growing both our key Established Markets and our Emerging Markets serves to help maximise the value of our crop.

Export Market

The smaller Australian almond crop in 2017 combined with the continued growth in the domestic market limited our export volume during 2017/18. Total exports of Australian almonds in 2017/18 were 54,343 tonnes which is an 8% reduction on the previous year's result of 58,963 tonnes. Notwithstanding the total export trend, several markets continued to grow. The Indian market grew by 23%, the UAE market grew by 35% and exports to Vietnam grew by 46%.

Australian Almonds' export development program focuses on growing both our Established Markets of Europe, India and the Middle East as well as growing our Emerging Markets of North-East Asia.

The key promotions within our Established Markets in 2017/18 were our major exhibitions at the Anuga trade fair in Cologne, Germany and at the Gulfoods expo in Dubai, UAE.

The Anuga exhibition which ran from October 7 to 11, 2017, attracted approximately 165,000 visitors from 198 countries with more than 7,400 exhibitors from 107 countries. The Australian Almond stand at Anuga was situated within the Fine Foods section of the exhibition. It was also situated close to the USA pavilion which provided a convenient solution to our customers who visited the pavilions of both the Californian and Australian almond industries. As Anuga occurred in October, there was a lot of trading discussion with the Australian marketers about the 2018 Australian almond new season.

The Gulfoods trade show which ran from February 18 to 22, 2018 is now the world largest annual food event, noting that Anuga in Cologne is a biennial exhibition. At the 2018 Gulfoods, more than 97,000 visitors attended across over one million square feet of exhibition space. There were 5,000 exhibitors and 185 countries represented. Gulfoods' importance lies in its ability to attract the Australian almond industry's key Indian customers as well as our customers from the Middle East and Africa.

Our Australian Almond stand was situated within the Australian pavilion and part of a combined Taste Australia promotion funded through Hort Innovation. Our 9 metre by 3 metre booth featured a backwall of almond orchards at harvest. As this creative was photographed in an Australian orchard only weeks prior to Gulfoods, it allowed our customers to feel part of our annual harvest. It also communicated one of our industry's key messages: that we are a southern hemisphere crop that is counter-seasonal to the Californian almond industry with our harvest in February-March.

The main objectives of the Australian almond exhibition at Gulfoods 2018 were to provide an update on the 2018 Australian almond crop and for the Australian almond growers and exporters to build their key customer relationships. This year's Gulfoods program commenced with a game of indoor cricket between

MARKET DEVELOPMENT

an Indian Almond Team and the Australian Almond Team. The event allowed for some very positive socialising and networking between the Australian exporters and their customers. It also provided an opportunity to leverage a cultural connection between the Australian and Indian almond industry that does not exist for other almond growing regions.

In terms of growing our Emerging Markets, our promotional activities focused on Japan and China. In March 2018, we held a Seminar in Tokyo at the Foodex Exhibition for key customers. The 2018 Foodex Seminar Program for Australian Almonds gathered together more than 40 Japanese nut traders and customers. This was the fourth year that an Australian Almonds Seminar has been held during Foodex, which is the largest food trade fair in Japan. This event ran from March 6 to 9 and attracted over 70,000 visitors with more than 3,300 exhibitors. To continue the practice of the previous four years, the Australian Almond Seminar was held on the first afternoon of Foodex.

The Almond Board of Australia worked closely with the Tokyo Austrade Office and the Japan Nut Association to promote the Seminar and has consistently attracted a large audience of significant nut traders within the Japanese market. The Seminar was opened by the Austrade Trade Commissioner, Ms Cheryl Stanilewicz.

During 2017/18, Australian Almonds were promoted at two major trade events in China. The first event was an exhibition at the China Tree Nut Conference which was held in Guangzhou and ran from August 1-3, 2017. This conference attracted 336 delegates from the Chinese tree nut industry including importers, traders, processors and retailers. The second event was the Sial China Expo which was held in Shanghai and ran from May 16-18, 2018. At Sial China, our Australian Almonds exhibition was located within the total Australian pavilion which was one of the ten largest country pavilions at the expo. There were over 3,300 exhibitors from more than 70 countries participating in this year's Sial China trade event which had over 110,000 professional buyers visiting.

The context of the Sial China 2018 exhibition was the rising uncertainty around the tariff dispute between the Chinese and US governments. As of August 4, 2018, the Chinese government has increased the tariff on Californian almonds to 50%. This compares to the lowering of tariffs on Australian almonds achieved through the China-Australia Free Trade Agreement. Currently the tariff on Australian almonds into China is 2% which reduces to zero in January 2019.

The Sial China exhibition and networking program provided Australian almond growers and exporters the opportunity to meet with their Chinese customers and talk with potential new customers about trading possibilities. Several Australian almond growers and exporters leveraged the AFL Port Adelaide-Gold Coast Suns match in Shanghai on the day after the Sial China exhibition to network with key customers. Our Australian Almonds brand presence at this AFL event was highlighted through a match day sponsorship of the Port Adelaide Football Club which included promotion via the boundary LED signage.

In order to grow our communication in China with the nut industry, a Shanghai-based communications agency - Red Bridge Communications - was engaged to build and maintain an Australian Almonds WeChat social media site. This is a site specifically tailored to business-to-business communication.



Domestic Marketing

The domestic market for Australian Almonds grew during 2017/18, increasing from 25,192 tonnes in 2016-17 to 26,166 tonnes. The Nielsen Homescan research indicates that the household penetration for almonds remained steady at 46.6%. This means that in the 2017/18 year, 46.6% of the 10,000 households including in the research purchased almonds. This is higher than any other type of nut in the category. According to this Homescan research, almonds continue to over-index with the older consumer segments (the Established Couples and Senior Couples) and under-index with the family segments. Growing almond consumption in these family segments remains a significant opportunity to increase national almond consumption.

Almonds remain the leader in new product launches within the Australian nut industry during the last marketing year. The Innova Research report highlights that during the 12 months to June 2018, 272 products were launched with almonds as an ingredient. By comparison, cashews were included as an ingredient in 120 products and peanuts in 165 products for the same period.

To put this in perspective, ten years earlier in 2008, almonds were included as an ingredient in 76 products, cashews in 40 products and peanuts in 65 products. The Innova Research indicates that there has been a significant increase in the number of products launched in Australia with nuts as ingredients.



Australia Innova: July 2017 to June 2018			
	2018	2017	2008
Almonds	272	317	76
Cashews	120	152	40
Hazelnuts	74	94	44
Walnuts	41	51	12
Macadamia	36	54	17
Pistachio	15	16	12
Peanuts	165	238	65

The Australian Almonds' commitment to communicating the health benefits of almonds to key health professionals audiences was strengthened through the development of a Hort Innovation Project - AL 16007 - which was contracted in June 2018. This project is comprised of three sub-programs: a Lifestyle Nutrition program led by Nutrition Australia; a Fitness and Sports Nutrition program led by Sports Dietitians Australia and an Industry Nutrition Program.

Two major highlights of our domestic Australian Almonds marketing program which aimed to grow the profile of almonds as a healthy and great tasting food were the 'Hard Nut' promotion with the AFL Players Association and the Mid-Year All Australian team competition with Fox Footy TV and SEN radio.

This year, our Hard Nut promotion with the AFL Players Association featured five new player ambassadors: AFLW players Richelle Cranston (Melbourne Football Club) and Tiarna Earnst (Western Bulldogs Football Club), current AFL players Tom Mitchell (Hawthorn Football Club) and Travis Boak (Port Adelaide Football Club) and also a retired AFL player, Andrew Carazzo (Carlton Football Club).

The key messages our AFL Players Association ambassadors communicated were that almonds are a great sports recovery food that is delicious to eat. One of our ambassadors, Andrew Carazzo, who has had triplet daughters since retiring from football, spoke about giving his girls almonds as a healthy after-school snack.

Each of our AFL PA ambassadors were featured in individual videos and on recipe cards with a favourite almond recipe. These communication assets were promoted via the AFL Players Association social media, the players' own social media and via Australian Almonds' Facebook and Instagram platforms. In addition, Travis Boak promoted his role as an Australian Almonds ambassador during a segment on Channel 9(Adelaide) and Tom Mitchell during an interview with TripleM radio.

In June, we ran our promotion with Fox Footy TV and SEN radio around the Mid-Year All Australian Team competition. Entry for this competition was online via a website developed by a specialist online promotions agency. More than 1500 people entered this promotion which focused on the three bye-weeks of the AFL season. Australian Almonds featured in sponsored spots on Fox Footy with a reach of 407,000 people and on SEN radio with a reach of 206,000 people. Our Australian Almonds SEN radio advertisements, voiced by Garry Lyon and Nick Dal Santo, were promoted over 300 times during the competition period.

Over the course of 2017/18, the Australian Almonds social media marketing program continued to grow with more than 70,000 people engaged on our Facebook site and more than 12,000 people following our Instagram platform. To continue growing our core audience of food and almond lovers, we engaged a number of food bloggers and social media influencers to promote the use of almonds in a range of recipe ideas.



FINANCES

Where Our Money Came From

Total income 2017-18: \$4,764,107

\$1.5M
Marketing
Contributions

\$340k
Budwood
Sales

\$375k
Royalties

\$2.1M
Grant Funding

Where We Spent Our Money

Total expenditure 2017-18: \$5,330,164

\$841k
Staff Costs

\$346k
Voluntary
Contributions

\$532k
Export Activities

\$1.4M
R&D
Establishment



For the year ended 30 June 2018, the Almond Board of Australia reported a net deficit of \$566,057 based on revenue of \$4,764,107 and expenditure of \$5,330,164.

The revenue and retained earnings figure contains the final \$1 million of a four year \$1 million per year funding agreement between the ABA and the South Australian Government. Under the Deed's requirements, the ABA has now begun to invest in projects employing SARDI researchers and developing and operating the Almond Centre of Excellence experimental orchard. The ABA reserves contained \$2,658 million for this purpose as at 30th June 2018.

The key revenue areas include Project and Grant Funding (44%) including the SA research funds; Voluntary Marketing Levy (32%); Royalties (8%); and Sales (7%) being primarily budwood sales.

There was a decrease in revenue of 16% for the financial year attributed to a range of factors including a slight reduction in grant funding for the year; the off year for the industries almond conference; and a drop in the demand for budwood as the industry expansion begins to ease.

Project and Grant Funding provides resources to undertake key ABA activities including the areas of market research and development, industry development, international liaison, rootstock trials, communications, and the conference / research forum. All these form elements of the ABA's industry strategic plan implementation.

As noted, a significant source of the ABA's Project and Grant funding since 2014/15 has been funds from the South Australian Government. The last of four \$1 million instalments was received in 2017/18.

These funds are reflected in the ABA's Statement of Financial Position. A major project worth \$10 million is matching the South Australian Government funds that the ABA is holding with Commonwealth funding. Similarly, under an agreement negotiated by the ABA, the Victorian Government is contributing funding directly to the project to fund researchers and to establish an experimental orchard in Mildura for almond trials.

Expenditure for the financial year was focused in four main areas, these being: Research and Development Activities (31%); Administration and Organisational Management (27%); Market Development Activities (24%); Budwood Production (8%); and Co-investment to fund research projects with Hort Innovation (6%).

Expenditure increased for the financial year by 27%. A key element to this increase was expenditure connected with the establishment and operation of the new experimental orchard located just out of Loxton in the Riverland.

A range of key factors all contribute to the deficit outcome for 2017/18, however it must be noted that the ABA has had an ongoing period of surplus results since 2013 and, in particular, since the inception of the SA Government funding four years ago.

It was always expected that the reserves would be drawn down as the activities the funds were provided for were undertaken. Four million dollars in and four million dollars plus interest out.

Administration and organisational management costs cover areas such as staff costs, Chair's allowance; general operational costs (phones, insurances, postage etc.); training and development; travel costs; affiliation fees; sponsorships; and meeting expenses.

Marketing and market development expenditure includes participation by the Market Development Manager at domestic and export trade events together with the marketers attendance at the ABA organised stands at

international trade shows held in key markets. It also includes advertising, promotions, public relations and market research.

These activities are funded by the ABA's voluntary marketing levy of \$20 per tonne that raised \$1,525 million during 2017/18. These funds are quarantined in a separate ABA account and invested under the guidance of the Market Development Committee on an agreed ratio between domestic and export activities to achieve growth in consumer demand in Australia and to build strong relationships with the nut trade overseas. The Committee and ABA Board monitor the return on investment from the Levy's investment which for eligible activities is matched by Commonwealth funding through Hort Innovation.

During the year, the Audit Committee met formally four times and reviewed all expenditure, monitored actual to budgeted expenditure and considered the quarterly financial statements prior to presentation to the Board. The Committee also provided guidance on the ABA's financial policies and guided the investment of the ABA's funding reserves.

Membership of the Audit Committee consisted of Grant Birrell (Chair), Damien Houlahan and Brenton Woolston.

The ABA continues to remain in a sound financial position with no imminent concerns to the performance of the organisation's key activities or its ongoing solvency.



STATEMENT OF OPERATIONS

Statement of Operations and Other Comprehensive Income For the Year Ended 30 June 2018

	2018	2017
	\$	\$
Income	2,103,947	2,525,326
Grant Funding	42,164	324,085
Annual Conference & R&D Forum	1,525,613	1,525,906
Marketing Contributions	54,955	47,869
Memberships	9,965	5,650
Sponsorship & Advertising	3,390	4,951
Sales	340,480	842,186
Budwood Sales	375,483	143,567
Royalties	-	229
Recharges	47,605	56,917
Interest Earned	260,506	183,109
Sundry Income		
	4,764,107	5,659,795
Expenses		
Administration Costs	1 10,051	123,673
Advertising	536,973	332,553
Affiliation Fees	34,163	41,786
Annual Conference & R&D Forum	37,210	234,875
Budwood & Tins	35,759	194,218
Chairman's Allowance	25,000	25,000
Consultancy Fees	7,216	11,096
Contractors/Agency Staff	184,650	79,666
Depreciation	40,014	-
Donations & Sponsorships	98,337	52,500
Export Activities	532,087	461,302
Field Days & Workshops	3,208	3,507
Importations	1,185	1,035
International Trips & Study Tours	244,599	1 18,521
Market Access & QA	54,989	58,542
Market Research	26,900	938
Marketing Program Management	179,299	200,751
Meeting Expenses	37,730	-
Pest & Disease Monitoring	1,820	-
R&D Establishment	1,377,384	612,633
Royalties	150,694	117,464
Site Operations & Management	31,289	9,247
Staff Costs	841,487	760,692
Sundry Expenses	330,980	26,646
Trade Shows & Events	46,479	65,470
Training & Development	3,259	175,344
Travelling Expenses	11,804	77,505
Voluntary Contributions	345,599	415,100
	5,330,164	4,200,064
Surplus for the year	(566,057)	1,459,731

FINANCIAL POSITION



Statement of Financial Position As At 30 June 2018

	Note	2018	2017
		\$	\$
Current Assets			
Cash and Cash Equivalents	3	5,658,666	5,690,009
Trade and Other Receivables	4	797,833	2,042,570
Inventories	5	44,512	9,210
Other Assets	6	168,395	121,417
Total Current Assets		6,669,406	7,863,206
Non Current Assets			
Property, Plant and Equipment	7	664,550	147,772
Intangible Assets	8	53,086	53,086
Total Non Current Assets		717,636	200,858
Total Assets		7,387,042	8,064,064
Current Liabilities			
Trade and Other Payables	9	1,171,368	1,295,584
Employee Benefits Liabilities	10	182,422	133,381
Total Current Liabilities		1,353,789	1,428,965
Non-Current Liabilities			
Employee Benefits Liabilities	10	2,504	38,293
Total Non-Current Liabilities		2,504	38,293
Total Liabilities		1,356,293	1,467,258
Net Assets		6,030,749	6,596,806
Members' Funds			
Retained Earnings		6,030,749	6,596,806
Total Members' Funds		6,030,749	6,596,806

CHANGES IN EQUITY

Statement of Changes in Members Funds For Year Ended 30 June 2018

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 2016	5,137,075	5,137,075
Surplus for the year	<u>1,459,731</u>	<u>1,459,731</u>
Balance as at 30 June 2017	6,596,806	6,596,806
Surplus for the year	<u>(566,057)</u>	<u>(566,057)</u>
Balance as at 30 June 2018	<u>6,030,749</u>	<u>6,030,749</u>

CASH FLOWS



Statement of Cash Flows For Year Ended 30 June 2018

	Note	2018	2017
		\$	\$
Cash flows from operating activities			
Receipts from members		54,955	47,869
Receipts from government funding		2,103,947	2,525,326
Receipts from customers		3,819,430	2,125,717
Payments to suppliers and employees		(5,500,488)	(4,089,319)
Interest received		47,605	56,917
Net cash from operating activities	11	<u>525,449</u>	<u>666,510</u>
Cash flows from investing activities			
Acquisition of plant and equipment		(556,792)	(88,097)
Net cash from/(used in) investing activities		<u>(556,792)</u>	<u>(88,097)</u>
Net increase/(decrease) in cash held		(31,343)	578,413
Cash at beginning of financial year		<u>5,690,009</u>	<u>5,111,596</u>
Cash at end of financial year	3	<u>5,658,666</u>	<u>5,690,009</u>

NOTES TO THE FINANCIAL STATEMENTS



Notes To The Financial Statements For The Year Ended 30 June 2018

The financial statements cover The Almond Board of Australia as an individual entity. The Almond Board of Australia is a not-for-profit association incorporated in South Australia under the Associations Incorporation Act 1985 ('the Act').

The principal activity of the association for the year ended 30 June 2018 is:

Facilitate further growth of the almond industry

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of preparation

In the opinion of the Committee of Management, the association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The following significant accounting policies, which are consistent with the previous period unless stated otherwise, have been adopted in the preparation of this financial report.

2. Summary of significant accounting policies

Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

NOTES TO THE FINANCIAL STATEMENTS

Notes To The Financial Statements For The Year Ended 30 June 2018

Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment. Property, plant and equipment is depreciated on a straight-line or diminishing value basis over the asset's useful life to the Association, commencing when the asset is ready for use.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

Other intangibles

Water Rights

Water Rights are recognised at cost of acquisition. Water rights have an infinite life and are carried at cost less any impairment losses. Water Rights are tested for impairment annually. The Association currently holds Water Rights of 25ML, which have a median net realisable value of \$3,525/ ML

Impairment of non-financial assets

At the end of each reporting period, the association determines whether there is an evidence of an impairment indicator for non-financial assets. Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill,

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS



Notes To The Financial Statements For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
3 Cash and cash equivalents			
Cash on Hand		904	834
Cheque Accounts		1,190,183	105,160
Express Saver Accounts		3,547,579	4,584,015
Term Deposits		920,000	1,000,000
		<u>5,658,666</u>	<u>5,690,009</u>
4 Trade and other receivables			
Current			
Sundry Debtors		-	9,579
Accounts Receivable		797,833	2,032,991
		<u>797,833</u>	<u>2,042,570</u>
5 Inventories			
Current			
Inventories at Cost		44,512	9,210
		<u>44,512</u>	<u>9,210</u>
6 Other assets			
Current			
Accrued Interest		19,475	24,904
Prepayments		148,920	96,513
		<u>168,395</u>	<u>121,417</u>
7 Property, plant and equipment			
Plant and equipment			
Plant & Equipment		883,733	326,941
Less: Accumulated Depreciation		(219,183)	(179,169)
		<u>664,550</u>	<u>147,772</u>
		<u>664,550</u>	<u>147,772</u>

NOTES TO THE FINANCIAL STATEMENTS

Notes To The Financial Statements For the Year Ended 30 June 2018

	Note	2018 \$	2017 \$
8 Intangible assets			
Intangible Assets Water Rights at Cost		53,086	53,086
		<u>53,086</u>	<u>53,086</u>
9 Trade and other payables			
Current			
Credit Cards		17,716	7,397
Revenue Received in Advance		12,682	1,018
Accounts Payable		983,763	1,134,633
GST Payable		143,024	133,630
PAYG Withholding		14,182	18,906
		<u>1,171,368</u>	<u>1,295,584</u>
10 Provisions			
Current			
Accrued Long Service Leave		84,432	45,781
Accrued Annual Leave		97,990	87,600
		<u>182,422</u>	<u>133,381</u>
Non-current		2,504	38,293
Accrued Long Service Leave - Non Current		<u>2,504</u>	<u>38,293</u>
11 Reconciliation of Net Cash from Operating Activities to Surplus for the year			
Surplus for the year		(566,057)	1,459,731
Add:			
Depreciation		40,014	25,000
Movement in Provisions		13,252	28,252
Movement in Receivables		1,244,737	(1,464,254)
Movement in Accruals & Revenue in Advance		17,093	-
Less:			
Movement in Prepayments		52,407	(7,231)
Movement in Payables		135,880	(600,602)
Movement in Inventories		35,302	(9,948)
		<u>525,449</u>	<u>666,510</u>



Almond Board of Australia Incorporated

Statement by Members of the Committee

The Committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report:

1. Presents fairly the financial position of The Almond Board of Australia as at 30 June 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that The Almond Board of Australia will be able to pay its debts as and when they fall due.

In accordance with Section 35(5) of the Associations incorporation Act (SA) 1985, the Committee hereby states that during the financial year to which the accounts relate:

1. No officer of the Almond Board of Australia incorporated, or a firm of which the officer is a member, or a corporation in which the officer has a substantial financial interest, has received or become entitled to receive a benefit as a result of a contract between the officer, a firm of which the officer is a member or a corporation in which the officer has a substantial financial interest and Almond Board of Australia incorporated.
2. No officer of Almond Board of Australia Incorporated has received directly or indirectly from Almond Board of Australia Incorporated any payment or other benefit of a pecuniary value, except for the following honorariums paid:

Chairman Allowance \$25,000

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

Handwritten signature of Neale Bennett in blue ink.

Neale Bennett

Handwritten signature of Grant Birrell in blue ink.

Grant Birrell

Dated **30 AUG 2018**

Committee's Report

For the year ended 30 June 2018

Your committee members submit the financial report of The Almond Board of Australia for the financial year ended 30 June 2018.

Committee members

The names of the committee members throughout the year and at the date of this report are:

Neale Bennett

Grant Birrell

Peter Cavallaro

Denis Dinicola

Damien Houlahan

John Maragozidis

Darren Minter

Brendan Sidhu

Laurence Van Driel

Brenton Woolston

Principal activities

The principal activity of the association during the financial year is:

Facilitate further growth of the almond industry.

Significant changes

No significant change in the nature of these activities occurred during the year.

Operating result

The loss of the Association for the financial year amounted to \$(566,057).

Signed in accordance with a resolution of the members of the committee:



Neale Bennett



Grant Birrell

Dated **30 AUG 2018**



Almond Board of Australia Incorporated

Independent Audit Report to the Members of Association, The Almond Board of Australia



Report on the audit of the financial report

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of The Almond Board of Australia (the association), which comprises the statement of financial position as at 30 June 2018, the statement of operations, statement of changes in members' funds, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and the statement by members of the committee.

In our opinion, the accompanying financial report of the association for the year ended 30 June 2018 is prepared, in all material respects, in accordance with the Associations Incorporation Act 1985.

Basis of opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial report section of our report. We are independent of the association in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter - basis of accounting

We draw attention to note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the association in satisfying the reporting requirements to members. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the association and should not be distributed to or used by parties other than the association. Our opinion is not modified in respect of this matter.

Responsibility of the Committee and those charged with governance

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with the Associations Incorporation Act 1985, and for such internal control as the Committee determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

Almond Board of Australia Incorporated

Independent Audit Report to the Members of Association, The Almond Board of Australia



Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Markos Stavrou

BVMS Chartered Accountants

19 White Street, Waikerie SA 5330

& 17 Vaughan Terrace, Berri SA 5343

20 August 2018

Hort Innovation What We Do

Hort Innovation has appointed Strategic Investment Advisory Panels (SIAPs) to provide strategic investment advice in relation to the research and development activities funded by industry levies and contributions from the Australian Government.

The SIAPs are guided by the strategic priorities set out in the each industry's Strategic Investment Plan.

R&D and marketing investments using grower levies are made specifically on behalf of levy paying industries. These investments focus

on the explicit needs identified and prioritised by the industry from which the levy funds have been derived. In general, strategic levy investments provide outcomes that have a 1-5 year delivery timeframe and, in the case of R&D, span a wide scope of investment types and are more applied in their nature.

Strategic levy investment Relationship Managers are responsible for consulting with industry to determine these priorities and ensure that the correct investments are made to achieve them.

Providing leadership and management to their cluster of industries, as well as driving membership, the Relationship Manager ensures their industry's needs and expectations are met by Hort Innovation and proactively anticipate, prioritise and meet the investment needs of their industries.

R&D Project Summary 2017/18

Project Number	Project Name	Project Leader/Delivery Partner	July - June
Projects with ABA as the service provider:			
AL16000	Australian almond industry communications programme	Almond Board of Australia (ABA)	93,340
AL16001	Australian almond industry extension and adoption program	Almond Board of Australia (ABA)	362,766
AL16003	Almond industry statistics and data collection 2017-2019	Almond Board of Australia (ABA)	46,560
AL16006	Evaluation of potential prunus rootstocks for almond production	Almond Board of Australia (ABA)	137,184
AL16700	Australia almond industry conferences and research forums	Almond Board of Australia (ABA)	60,000
AL16701	Almond study tour	Almond Board of Australia (ABA)	15,000
Projects with other service providers:			
MT16006	Update of the Hi-Link model of Australian horticultural	Centre for International Economics	2,900
AL12003	Advanced processing of almonds	University of South Australia	111,097
AL12015	Australian almond variety evaluation and commercialisation	The University of Adelaide	115,610
AL13009	Better tree performance and water use efficiency through rootstocks	CSIRO	276,971
AL14004	Pollination as a controlling factor in almond yield	CSIRO	77,675
AL14005	Identifying factors that influence spur productivity in almonds	Victorian Department of Economic, Development, Jobs, Transport and Resources	175,511
AL14006	Assessing climate, weather and water risks and opportunities	South Australian Research and Development Institute	112,273
AL14007	Almond Productivity: Tree architecture and development of new production systems	Plant & Food Research Australia	357,722
AL15004	Management of Carpophilus beetle in almonds	Victorian Department of Economic, Development, Jobs, Transport and Resources	103,992
AL16002	Almond minor use permits	Horticulture Innovation Australia Ltd	350
AL16005	An integrated disease manage program for the Australian almonds	Victorian Department of Economic, Development, Jobs, Transport and Resources	181,413
AL16007	Educating health professionals	The Australian Nutrition Foundation Victoria Division	126,603
AL16009	An integrated pest management program for the Australian almonds	Victorian Department of Economic, Development, Jobs, Transport and Resources	210,264
AL16910	Industry advice and grower consultation	Horticulture Innovation Australia Ltd	2,156
AL17910	Industry advice and grower consultation	Horticulture Innovation Australia Ltd	27,604
MT13061	Understanding the purchase behaviour of consumers	The Nielsen Company	71,046
MT15032	Update industry strategic investment plan with M&E framework	Clear Horizon Consulting Pty Ltd	1,177
MT15033	Strategic investment plan almond R&D	Consulting and Implementation Services	4,364
MT16005	Enhanced national bee pest surveillance program 2016-2021	Plant Health Australia Limited	75,000
MT16010	Horticultural trade data 2017-2019	IHS Global Pty Ltd	1,226
MT16011	Horticulture trade intelligence reporting 2017-2019	Euromonitor International (Australia) Pty Ltd	2,188
MT17004	Industry annual reports	Gasoline Communications	1,904
MT17007	Minor use coordinator	Horticulture Innovation Australia Ltd	649
MT17015	Consumer behavioural and retail data for fresh produce	The Nielsen Company	4,709
ST16008	AgVet collaborative forum plant industry investment	Rural Industries R & D Corp	713
Total			



ALMOND BOARD OF AUSTRALIA

ABN 31 709 079 099

1801 Bookpurnong Road, PO Box 1507

Loxton South Australia 5333

P + 61 8584 7053

admin@australianalmonds.com.au

www.australianalmonds.com.au

Almond Board of Australia Annual Reports can be downloaded from www.australianalmonds.com.au