



ALMOND BOARD OF AUSTRALIA

ANNUAL REPORT 2018-19



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.



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EXECUTIVE REPORT

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 Australian almond industry continued to expand during 2018/19 with winter plantings in 2018 adding a further 2,665 hectares to take the total orchard area to just over 45,000 hectares. With the rapid increase in orchard plantings since 2016 of 15,000 hectares, there has been growing concern about the surety of key production inputs including water, bees for pollination and also processing capacity.

During the year, the Board of Directors decided to amend the Strategic Goal of the ABA from growing the industry to developing the industry. It was also decided that full and frank disclosure about the challenges the increased size of the industry posed needed to be conveyed to industry and the broader community. The Board also set about to address the risks to our grower members by developing a water policy aimed at ensuring water deliverability during the peak of the irrigation season was not further jeopardised by the issuing of further water use licenses until a review could be undertaken.

Almonds, along with citrus and table grapes, have been planting new areas and in doing so have added to the demand for water. A further issue acknowledged in the policy is the need for a diverse agricultural base in the Southern Murray Darling Basin to allow water to be able to be shifted from annual crops to permanent plantings during periods of drought.

The ABA wrote to State and Federal Ministers with the issues and proposed solutions. The Federal Government in the lead up to the election announced an ACCC Review of the water market which was a key request. The issues of a lack of transparency in trades, price manipulation, and the lack of regulation of brokers unlike real estate or the stock market have been of increasing concern. Eleven other horticultural industry bodies joined with the ABA to pursue action from government and regulatory bodies with the aim to achieve a fairer water market for all irrigators.

The growth of the industry will place increasing pressure on pollination services as recent orchard plantings mature. In the lead up to the 2019 bloom, the drought conditions limiting floral resources for beekeepers was a concern. The ABA Board agreed to become a member of the Australian Honey Bee Industry Association and support their efforts to improve access to State and National Parks. The ABA staff also addressed beekeeper forums to inform apiarists of the growing need for pollination services and the potential for this sector of their industry.

Risk mitigation for our growers was also behind the involvement of the ABA in participating on the Management Committee to eradicate *Varroa Jacobsoni* which is a threat to both Asian and European honey bees.

The removal of approval to use some chemicals in Europe has come to the fore during the past year. With each marketer's situation varying, it has been left with marketers to inform growers of their requirements on chemical use to meet their markets' requirements.

After four years where the Australian almond crop plateaued at around 80,000 tonnes, the 2019 crop increased to just under 104,000 tonnes. The 30% increase in production resulted from the potential crop being optimised with little loss to frost and pests and gains from improved agronomic practices.

With the large increase in 2019 tonnage and the projected increase of a further 40,000 tonnes in the future based on current plantings, the building of markets is crucial.

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 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.

Global demand is continuing to grow steadily as the health benefits of almonds are continually recognised. Plant-based diets are becoming increasingly popular as concerns with animal farming become more front of mind with consumers.

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, accelerated our annual exports to China from 500 tonnes to nearly 12,000 tonnes in 2018/19.

To meet 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 is the additional demand from China can be met whilst adequately servicing established markets.

The ABA Committee structure has operated well during the past year with the Water Committee put in place to develop and pursue the water policy initiatives. The Market Development, Pollination, Production, Plant Improvement, Conference and Almond Centre of Excellence Committees have all been particularly active in directing ABA activities to benefit industry participants. The governance of the ABA has been guided well by the Audit and Remuneration Committees. The contributions of the ABA Directors who Chair these Committees and their members are greatly appreciated.

The ABA Board and the staff are responsible for developing and implementing the industry strategic plan and we work collaboratively with industry members, government and other organisations such as Hort Innovation to take the industry forward. The efforts of all involved in improving the operating environment, knowledge, technologies and resources of the Australian almond industry are highly valued.

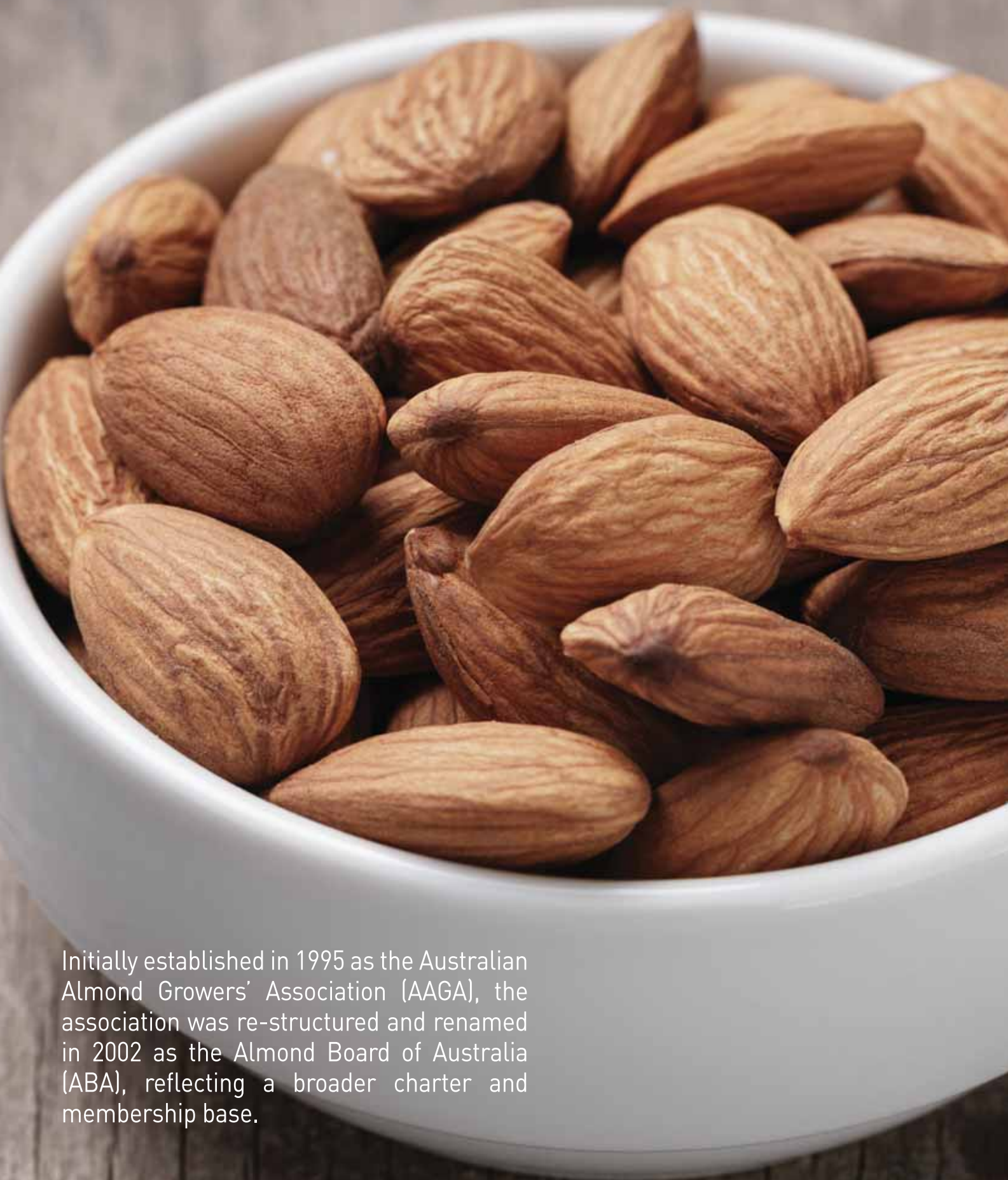
In closing, the contributions of retiring Directors Brenton Woolston, Denis Dinicola and John Maragozidis are acknowledged. Brenton, Denis and John all had a collegiate approach as Directors, placing the interests of the industry as a whole first and foremost.

Brenton served as a Marketer Director for 16 years during which time he served as Chair of the Board, Chair of the Processing Committee, and was a member of the Market Development Committee. Brenton has also been a vital member of the Remuneration and Audit Committees, bringing his corporate expertise to ensure the financial and governance procedures of the ABA were sound. Brenton was also the ABA Director representative on the Australian Nut Industry Council which he Chaired for a term. His contribution to the ABA and industry is significant having been a major guiding figure during the two phases of expansion that saw the industry grow to be Australia's most valuable horticultural crop.

Denis served five terms, being 10 years in total, as the inaugural Grower Director for the Riverina. During his period of service, the Riverina has become a major producing region encompassing a quarter of the industry's orchard area. Denis travelled long distances to represent his region at Board and Production Committee meetings and his preparedness to lead is evidenced by his early adoption of the new Australian bred varieties. Denis has been an important conduit for information on production practices and industry activities back to Riverina producers.

John served as Grower Director for the Adelaide Plains for four years and actively brought issues of concern for his region's growers to the Board. As an organic producer, John was able to provide this perspective to Board discussions.





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.

ABA PURPOSE & MISSION



Our Strategic Investment

Producers in the almond industry pay levies to the Department of Agriculture and Water Resources (DAWR), that 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). The R&D levy is matched by the Australian Government.

In addition to levy funds for R&D, the almond industry has established an Almond Collective Industry Fund (CIF) being an additional contribution per tonne of \$3.25 from the ABA's voluntary marketing levy to secure Commonwealth matching funding for key programs such as the market development activities to build demand in this period of expanding industry production.

During 2018/19, Hort Innovation further developed the research program to fund new knowledge, technologies and provide resources to enable the Almond Industry's Strategic Plan to be implemented.

The ability to deliver on the strategies will be determined by the ability to invest the statutory levy wisely. To assist this process a panel of industry members assists Hort Innovation to assess the impact of proposed concepts. The Strategic Investment Advisory Panel is also mindful of the R&D investments being made through other grant and funding programs secured by the ABA.

Our Purpose

- To represent and promote the interests of Australian almond growers, processors and marketers in matters of general interest that may affect the wellbeing 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 Mission

As the Australian almond industry's peak body, the ABA facilitates further development 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 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.



ALMOND BOARD OF AUSTRALIA

Chair: Neale Bennett CEO: Ross Skinner

ABA Staff

Water
Committee

Almond Centre
Committee

Market
Development
Committee

Processing
Committee

Pollination
Committee

Audit
Committee

ABA Board

6 Grower Directors:
Adelaide (1), Riverland (2),
Riverina (1) & Sunraysia (2)
4 Marketing Directors

Plant
Improvement
Committee

Production
Committee

Remuneration
Committee

Conference
Committee

R&D Forum
Committee

ABA STRUCTURE



OUR PARTNER ORGANISATIONS

Horticulture
Innovation
Australia

Australian
Nut Industry
Council

Nuts for Life

Produce
Marketing
Association

Plant Health
Australia

FRUCOM

Dietitians
Association of
Australia

Sports Dietitians
Australia

Pollination
Australia

National Irrigators'
Council

International
Nut Council

Nutrition Australia

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



Damien is the Executive General Manager of Olam Orchards Australia. Damien has the responsibility of overseeing almond operations for Olam in Australia. This has included building a team to manage the orchards exclusively from 2012, the building of the new almond processing facility and the global marketing of Olam almonds from the Australian orchards. In addition to this role in Australia Damien is also a member of the Olam International Edible Nuts Management Committee which includes the global cashew and peanut businesses. Damien is a member of the Market Development Committee, Audit Committee, Remuneration Committee, Almond Centre Committee and the Conference Committee.

Peter Cavallaro
Riverland Region Grower
Representative



Peter holds a Diploma in Agriculture and has been involved in the Almond Industry since 1973, when the family bought an almond orchard at Angle Vale. He has also been involved in the cut flower industry where growing and marketing were his main responsibilities and he 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 is a Chairman of the Production Committee and Chairman of the Plant Improvement Committee.

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 a member 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, R&D Forum Committee and Water 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).

COMMITTEES

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 2018/19.

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.



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.

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.

WATER COMMITTEE

The Water Committee works to develop a water policy for the industry, endorsed by the ABA Board of Directors, addressing the growing concerns about the surety of water delivery to existing and future irrigators within the southern Murray-Darling Basin.

CONFERENCE COMMITTEE

The Conference and R&D Forum Committees (comprising of Board members, CEO and ABA staff) advise and assist with decisions on the Conference and Forum themes, venue, dates, schedule, presentation topics, presenters, master of ceremonies, and scrutinise event finances.

R&D FORUM COMMITTEE

The R&D Forum Committee (comprising of Board members, CEO, ABA staff) advise and assist with decisions on the Conference themes, venue, dates, schedule, presentation topics, presenters, master of ceremonies and scrutinise event finances.

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.

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.

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.

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.

OUR TEAM

As at 30 June 2019

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.

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.

During 2018/19, Brett Rosenzweig resigned from his position as Industry Development Officer. Brett was a long standing employee of the ABA for over a decade, providing much valued knowledge and service to the industry. The ABA would like to sincerely thank Brett for his contributions.

Debbie McMahon

Administration and Finance Officer



Debbie has been employed by the Almond Board of Australia since 2008. Her role includes general administrative and finance tasks and work in support of the Chief Executive Officer, Finance & Business Manager, and Market Development 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.

Ben Wiblin

Industry Development Officer



Ben joined the ABA in November 2018 after completing a Bachelor of Agricultural Science at the University of Adelaide. Ben works alongside Josh Fielke as an Industry Development Officer. Ben has previously been involved in various agricultural production systems allowing him to use his knowledge in soil and plant science to help maximise yields whilst also monitoring pests and disease. Ben's role is centered around facilitating the extension of new research in an effort to increase industry knowledge and efficiency.

Josh Fielke

Industry Development Officer



Josh was appointed in October 2015 as an Industry Development Officer. 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 period he worked as a supervisor/farm hand at Coinda 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.

Anna Petersen

Publications Manager



Anna is engaged on a part-time basis to manage the ABA's range of publications. These include the In A Nutshell industry newsletter as well as other annual documents. She is responsible for the sourcing of articles, editing, advertising, production and distribution. Anna also works closely with other ABA staff to provide support for industry events and other communications related activities. Anna holds a Bachelor of Arts (Communication and Media Management) and a Graduate Diploma in Communication (Public Relations).

Abigail Quirke

Administration and Compliance Officer



Abigail joined the ABA team in July 2018. Abigail's role is diverse, including organising the Australian Almond Conference and R&D Forum, which are held biennially. Abigail produces the Almond Bytes electronic publication and works closely with the Almond Centre of Excellence Experimental Orchard in the compliance side of her role. Externally, Abigail is involved in the horticulture sector having started a collaborative dried fruit processing company with her two brothers to market the fruit they grow. Abigail has also worked as a laboratory technician with the wine industry for several years.



MARKET DEVELOPMENT



Overview

The global context for almond production and sales was driven by the steady crop size of the Californian almond industry. Given that California grows more than 80% of world almond supply, their production each year dictates global sales growth. Their marketable production in 2018-19, 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. Note that Californian almond shipments (sales) for each crop marketing year are recorded from August through to July each year. By comparison, the Australian almond industry as a Southern Hemisphere crop record our sales from March to February.

Given the 2018-19 Californian crop was in-line with the previous year, there was a co-responding sales relationship in 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).



Export Market

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, which is unique in Australian horticulture. 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.

Sial Paris was the major food exhibition held in Europe last year. The Australian Almond stand was located within the INC pavilion allowing our exporters to leverage the profile and visitor traffic of the whole INC exhibition.

The 2019 Gulfoods trade fair in Dubai ran from February 17 to 21. It is now one of the largest food fairs in the world. It attracted almost 100,000 visitors from 193 countries. There were more than 5,000 exhibitors with 120 country pavilions. Gulfoods is one of our most important trade events as it attracts many of our key Indian customers. Our Australian Almond exhibition was within the Australian pavilion. We had a 9 metre x 3 metre booth that featured a 9 metre graphic of our almond orchards at harvest. We wanted to communicate in the strongest terms possible our counter-seasonality to the Californian crop.

On the eve of Gulfoods, to celebrate our cultural connection with our Indian customers, we held our second 'Almond Ashes' cricket match. An Australian Almonds team played a game of indoor cricket against an Indian Almond team. It is a sign of the uniquely collaborative character of the Australian almond industry that we can unite to form a team and play a game of cricket against a team of our customers. On the third evening of Gulfoods, following from our tradition of the past four years, we held a Seminar and Networking Event at a venue attached to the Convention centre. This event was well attended, especially by our Indian trading customers.

We also held a trade exhibition and seminar in Tokyo at the Foodex Trade Fair in February 2019. This year's Foodex trade fair ran from March 5 to 8. This year was the fifth time we exhibited at Foodex and held an Industry Seminar. In this time, exports of Australian almonds to Japan has grown from 32 tonnes in 2014-15 to almost 1,000 tonnes in the 2018-19 year. It should be noted that California exported approximately 36,000 tonnes into the Japanese market last year. Our challenge is to grow our 1,000 tonnes to 3,000 tonnes which would bring us closer to our global market share. In 2019, Foodex attracted over 70,000 visitors with 3,500 exhibitors from 83 countries. Our Australian Almonds exhibition was located within the Australian Pavilion.

The importance of growing our Australian almond market in China was reflected in the promotional program dedicated to this market. In 2018-19, we exhibited in three major trade events: the China Tree Nut Conference in Zhuhai in August 2018, the China International Import Expo in Shanghai in November 2018 and Sial China in Shanghai in May 2019.



Domestic Marketing

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. 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.

A key indicator of the Australian consumer demand for almonds is the number of new products launched into the Australian market with almonds as an ingredient. Almonds continue to be the most frequently used nut in new products. The Innova Global Database tracks the new products launched in Australia.

Almonds were an ingredient in 302 new products during 2018-19 compared to 137 new products with cashews and 181 new products with peanuts. Our 2018-19 Domestic Marketing Program included two important pieces of consumer research that would enable us to deepen our understanding of the Australian consumer's attitudes and behaviours in relation to almonds.

The first piece of research was a Deep Dive by Nielsen into their Homescan tracking data for almonds. Note, this research only includes retail sales of 'full almond' products including natural and roasted almond kernels as well as the range of blanched almonds. It does not include products that have almonds as an ingredient or in mixed nut products with almonds included.

The study examined the shopping behaviour of 'Heavy' and 'Light' almond buyers. The Heavy buyers purchased 80% of the volume of almonds sold but only represent 36% of the shoppers. The Heavy buyer on average purchased a packet of almonds 6.2 times in the past year compared to the Light buyer who purchased a packet of almonds 1.7 times in the past 12 months.

The study also looked at the segment of households who purchased some nuts in the past year but not almonds. When looking at the product composition of our 'Nuts but not almonds' segment, the two key product ranges were cashews and mixed nuts. Both this product types are typically oil roasted and salted.

The Deep Dive looked at the demographic comparison between our Heavy and Light buyers. Our Heavy buyers were significantly more likely to be in the older Senior Couples and Established Couples segments than in the younger 'Bustling Families' and 'Small Scale Families' segments. Further, our Heavy buyers were almost twice as likely to be in households with incomes above \$100,000 than in households with incomes below \$50,000.

This Nielsen Deep Dive study helps us understand our opportunity to grow almond consumption in Australia by learning about the behaviours and characteristics of our Heavy buyers in comparison to our Light buyers. Our challenge is to increase the purchase frequency of our Light buyers.

The other major research study in 2018-19 was a quantitative research study conducted by the Galaxy-YouGov agency. A sample of 2,074 Australians aged over 18 years living throughout Australia participated in the study. The research found that 93% of the population eat nuts with only 7% of the respondents saying that they did not eat nuts. Two thirds of the nut consumers (63%) eat almonds at least once a month. A further 31% eat almonds less often. Only 6% of nut eaters indicated that they never eat almonds, 41% of nut consumers eat almonds at least once a week.

Snacking on almond kernels by themselves is the most popular way to consume almonds (56%), followed by eating almonds mixed with other nuts and fruits (50%) or as ingredients in other foods (46%). Almonds are most commonly enjoyed as an afternoon snack (54%). Other popular occasions include as a morning snack (29%), after dinner (28%) and at breakfast (21%).

More than 90% of Australians believe almonds are healthy and nutritious. Australians also believe that almonds taste good (87%), are easy to find in stores (87%), are versatile (85%) and convenient (85%). 77% of Australians 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%).

These two studies have reaffirmed our key marketing programs. These are to maintain our communication around the heart health benefits of almonds to continue to grow consumption in our older demographic segments and to build on our communication with our Family segments via our messaging around 'healthy after-school snacking' and 'fitness and sports nutrition'. Our relationship with the AFL Players Association with AFL and AFL Womens player ambassadors assists in our communication with our younger audiences. One of our AFL ambassadors last year was the 2018 Brownlow Medallist, Tom Mitchell.

Social media exposure for Australian almonds is an important part of our domestic marketing program. Our Australian Almonds facebook community has grown to over 100,000 consumers and our Instagram platform has approximately 20,000 followers.



Innova: MAT	2018-19	2017-18
Almonds	302	280
Hazelnuts	93	87
Cashews	137	120
Walnuts	24	38
Pistachio	29	19
Macadamia	68	36
Peanuts	181	171



FINANCES

Almond Board of Australia
Year ending 30 June 2019

ABN 31 709 079 099

WHERE OUR MONEY CAME FROM

Total income 2018-19: \$5,846,205

\$2.2M
Grant Funding

\$640k
Budwood Sales

\$558k
Royalties

\$1.8M
Marketing
Contributions

WHERE WE SPENT OUR MONEY

Total expenditure 2018-19: \$4,880,931

\$658k
R&D Establishment

\$667k
Export Activities

\$535k
Voluntary Contributions

\$910k
Staff Costs

FINANCES



For the year ended 30 June 2019, the Almond Board of Australia reported a net surplus of \$965,273 based on revenue of \$5,846,205 and expenditure of \$4,880,931.

A significant source of the ABA's Project and Grant funding since 2014/15 has been funds from the South Australian Government and Commonwealth Government to fund the Advanced Production Systems for Temperate Nut Industries project. Throughout the 2018/19 financial year the ABA has continued to utilise these funds towards research employing SARDI staff and operation of the Almond Centre of Excellence experimental and demonstration orchard.

Similarly, under an agreement negotiated by the ABA, the Victorian Government is contributing funding directly to the project to fund Agriculture Victoria researchers.

Key revenue areas for the ABA include: Project and Grant Funding (38%); Voluntary Marketing Levy (31%); Sales (11%) being primarily budwood sales; and Royalties (10%).

There was a 23% increase in revenue attributed to a range of factors including a slight increase in grant funding for the year, the industry's biennial almond conference being held, further growth in commercialisation fees and royalties from scion and rootstock sales and a significant increase in the demand for high health status budwood compared to the previous year.

Project and Grant Funding provides resources to undertake key ABA activities including the areas of market research and development, industry development, international liaison, rootstock and orchard trials, communications, and the biennial almond conference/R&D forum; all elements that underpin the implementation of the Australian almond industry's strategic plan.

Expenditure for the financial year was reduced by 8% on the previous year and was focused in five main areas, being: Administration and Organisational Management (31%); Market Development Activities (25%); Research and Development Activities (15%); Voluntary Contributions to co-fund research projects with HIA (11%); and Budwood Production (9%).

Administration and organisational management costs cover areas including: staffing costs and 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 activities include participation by the Market Development Manager, Joseph Ebbage, at domestic trade shows together with the ABA CEO and the marketers' attendance at ABA organised stands at international trade events held in key markets. It also includes targeted market research, advertising and promotional programs including Nuts for Life.

These activities are funded by the ABA's Voluntary Marketing Levy of \$20 per tonne that raised \$1.8 million during 2018/19. These funds are quarantined in a separate ABA account and allocated by 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 to facilitate export sales.

The Market Development Committee and ABA Board monitor the return on investment from the Levy's investment which, for eligible activities, is matched by Commonwealth funding through Horticulture Innovation Australia Limited (HIA).

A new element of expenditure in 2017/18 and continued in the past year is the Hort Innovation Almond Collective Industry Fund (CIF) that supplements the R&D levy program to facilitate key additional programs by deeming an amount of the ABA's voluntary market development levy to be the Almond CIF. This allows these funds to be matched by the Commonwealth.

The forward projection into 2019/20 is sound as the ABA has secured, through the competitive funding process, new project funding to continue important market development work and the communications project. The ABA has and will respond to further request for proposals for projects to facilitate the industry's future growth as Australia's most valuable horticultural industry.

The ABA Audit Committee met four times during the year and reviewed the quarterly financial reports and all ABA expenditure for the period. The Committee also directed the investment of ABA reserves in interest bearing accounts as required and provided guidance on financial management, governance and procedures.

Membership of the Audit Committee consisted of Grant Birrell (Chair), Damien Houlihan and Brenton Woolston. The ABA CEO and Finance Manager attend these Committee meetings.

The ABA remains in a sound and stable financial position with no foreseeable concerns regarding the organisation's ongoing solvency.



STATEMENT OF OPERATIONS

Statement of Operations and Other Comprehensive Income

For the Year Ended 30 June 2019

	2019	2018
	\$	\$
Income		
Annual Conference & R&D Forum	360,291	42,164
Budwood Sales	639,590	340,480
Grant Funding	2,242,110	2,103,947
Interest Earned	39,192	47,605
Marketing Contributions	1,799,932	1,525,613
Memberships	54,598	54,955
Recharges	74,260	-
Royalties	557,823	375,483
Sales	3,884	3,390
Sponsorship & Advertising	18,925	9,965
Sundry Income	55,600	260,506
Voluntary Contributions	-	-
	<u>5,846,205</u>	<u>4,764,107</u>
Expenses		
Administration Costs	148,732	110,051
Advertising	295,074	536,973
Affiliation Fees	42,199	34,163
Annual Conference & R&D Forum	229,752	37,210
Budwood & Tins	31,309	35,759
Chairman's Allowance	25,000	25,000
Consultancy Fees	35,651	7,216
Contractors/ Agency Staff	105,466	184,650
Depreciation	110,827	40,014
Donations & Sponsorships	65,781	98,337
Export Activities	667,382	532,087
Field Days & Workshops	9,048	3,208
Importations	1,185	1,185
International Trips & Study Tours	41,048	244,599
Market Access & QA	15,636	54,989
Market Research	57,846	26,900
Marketing Program Management	194,857	179,299
Meeting Expenses	43,102	37,730
Pest & Disease Monitoring	849	1,820
R&D Establishment	657,830	1,377,384
Royalties	236,106	150,694
Site Operations & Management	40,458	31,289
Staff Costs	910,103	841,487
Sundry Expenses	299,189	330,980
Trade Shows & Events	51,767	46,479
Training & Development	6,228	3,259
Travelling Expenses	23,377	11,804
Voluntary Contributions	535,129	345,599
	<u>4,880,931</u>	<u>5,330,164</u>
Surplus / (Deficit) for the year	<u><u>965,273</u></u>	<u><u>(566,057)</u></u>

FINANCIAL POSITION

Statement of Financial Position

As At 30 June 2019

	Note	2019	2018
		\$	\$
Current Assets			
Cash and cash equivalents	3	5,570,329	5,658,666
Trade and other receivables	4	1,192,170	797,833
Inventories	5	35,317	44,512
Other current assets	6	147,225	168,395
Total current assets		6,945,041	6,669,406
Non-current assets			
Property, plant and equipment	7	1,269,873	664,550
Intangibles	8	53,086	53,086
Total non-current assets		1,322,959	717,636
Total assets		8,268,000	7,387,042
Current liabilities			
Trade and other payables	9	1,076,070	1,171,368
Employee Benefits Liabilities	10	191,324	182,422
Total current liabilities		1,267,394	1,353,789
Non-current liabilities			
Employee Benefits Liabilities	10	4,584	2,504
Total non-current liabilities		4,584	2,504
Total liabilities		1,271,978	1,356,293
Net assets		6,996,022	6,030,749
Members' funds			
Retained earnings		6,996,022	6,030,749
Total members' funds		6,996,022	6,030,749

CHANGES IN EQUITY

Statement of Changes in Members Funds

For The Year Ended 30 June 2019

	Accumulated Surplus	Total
	\$	\$
Balance at 1 July 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	6,030,749	6,030,749
Surplus for the year	<u>965,273</u>	<u>965,273</u>
Balance as at 30 June 2019	<u><u>6,996,022</u></u>	<u><u>6,996,022</u></u>

CASH FLOWS

Statement of Cash Flows

For Year Ended 30 June 2019

	Note	2019	2018
		\$	\$
Cash flows from operating activities			
Receipts from Members		54,598	54,955
Receipts from Government Funding		2,242,110	2,103,947
Receipts from Customers		3,114,994	3,819,430
Payments to Suppliers and Employees		(4,823,080)	(5,500,488)
Interest Received		39,192	47,605
Net cash from operating activities	11	<u>627,814</u>	<u>525,449</u>
Cash flows from Investing Activities			
Acquisition of Plant and Equipment		(716,150)	(556,792)
Net Cash from/ (used in) investing activities		<u>(716,150)</u>	<u>(556,792)</u>
Net Increase/ (Decrease) in Cash Held		(88,335)	(31,343)
Cash at Beginning of Financial Year		<u>5,658,666</u>	<u>5,690,009</u>
Cash at End of Financial Year	3	<u><u>5,570,331</u></u>	<u><u>5,658,666</u></u>

NOTES TO THE FINANCIAL STATEMENTS



Notes To The Financial Statements

For The Year Ended 30 June 2019

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 2019 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.

AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors

There was a change in the accounting policy when dealing with expenditure on irrigation infrastructure. The adjustment was made in the current year's financial reports for items written off in the prior year. It was decided to capitalise the expenditure and depreciate from when the asset was completed and ready for use during the 2019 financial year. The adjustment resulting in an understatement of profit in the 2018 year and an overstatement of profit in the current year before depreciation of \$79,875.

2. Summary of significant accounting policies

Income tax

The association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Revenue and other income

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 2019

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 \$5,400/ 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 2019

	Note	2019	2018
3 Cash and cash equivalents		\$	\$
Cash on Hand		925	904
Cheque Accounts		197,796	1,190,183
Express Saver Accounts		4,671,607	3,547,579
Term Deposits		700,000	920,000
		<u>5,570,329</u>	<u>5,658,666</u>
4 Trade and other receivables			
Current			
Accounts Receivable		1,192,170	797,833
		<u>1,192,170</u>	<u>797,833</u>
5 Inventories			
Current			
Inventories at Cost		35,317	44,512
		<u>35,317</u>	<u>44,512</u>
6 Other assets			
Current			
Accrued Interest		15,399	19,475
Prepayments		131,826	148,920
		<u>147,225</u>	<u>168,395</u>
7 Property, plant and equipment			
Plant and equipment			
Plant & Equipment		1,599,883	883,733
Less: Accumulated Depreciation		(330,010)	(219,183)
		<u>1,269,873</u>	<u>664,550</u>
		<u>1,269,873</u>	<u>664,550</u>

NOTES TO THE FINANCIAL STATEMENTS



Notes To The Financial Statements

For The Year Ended 30 June 2019

	Note	2019	2018
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		(2,897)	17,716
Revenue Received in Advance		7,632	12,682
Accounts Payable		853,216	983,763
GST Payable		205,801	143,024
PAYG Withholding		12,318	14,182
		<u>1,076,070</u>	<u>1,171,368</u>
10 Provisions			
Current			
Accrued Long Service Leave		74,127	84,432
Accrued Annual Leave		117,197	97,990
		<u>191,324</u>	<u>182,422</u>
Non-current			
Accrued Long Service Leave - Non Current		4,584	2,504
		<u>4,584</u>	<u>2,504</u>
11 Reconciliation of Net Cash from Operating Activities to Surplus for the year			
Surplus for the year		965,273	(566,057)
Add:			
Depreciation		110,827	40,014
Movement in Provisions		10,982	13,252
Movement in Receivables		(394,337)	1,244,737
Movement in Accruals & Revenue in Advance		(974)	17,093
Less:			
Movement in Prepayments		(17,094)	52,407
Movement in Payables		90,247	135,880
Movement in Inventories		(9,195)	35,302
		<u>627,814</u>	<u>525,449</u>

STATEMENT BY MEMBERS OF COMMITTEE

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 2019 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:



Neale Bennett



Grant Birrell

Dated **29 AUG 2019**

Committee's Report

For the year ended 30 June 2019

Your committee members submit the financial report of The Almond Board of Australia for the financial year ended 30 June 2019.

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 profit of the Association for the financial year amounted to \$965,273.

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



Neale Bennett



Grant Birrell

Dated

29 AUG 2019

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 2019, 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 2019 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, appearing to read 'Markos Stavrou', with a long horizontal flourish extending to the right.

Markos Stavrou

BVMS Chartered Accountants

19 White Street, Waikerie SA 5330

& 17 Vaughan Terrace, Berri SA 5343

20 August 2019

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 industries' needs and expectations are met by Hort Innovation and proactively anticipate, prioritise and meet the investment needs of their industries.

R&D Project Summary 2018/19

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	
AL16001	Australian Almond Industry Innovation & Adoption Program	Almond Board of Australia	
AL16003	Almond Industry Statistics & Data Collection 2017-2019	Almond Board of Australia	
AL16004	Development of High Health Status Mother Planting for new Australian Almond Varieties	Almond Board of Australia	
AL16006	Evaluation of Potential Prunus Rootstocks for Almond Production - Stage 2	Almond Board of Australia	
AL16007	Educating Health Professionals	Almond Board of Australia	
AL16010	Market Development Programme - Europe	Almond Board of Australia	
AL16700	Australian Almond Industry Conferences & Field Days 2017-2021	Almond Board of Australia	
AL16701	Almond Study Tour	Almond Board of Australia	
AM15007	Australia Fresh Collaborative Market Development Program - Almonds	Almond Board of Australia	
ST16000	Advanced Production Systems for Temperate Nut Crops	Almond Board of Australia	
Projects with other service providers:			
AL16005	An integrated disease management program for the Australian almond industry	The Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR)	
AL16009	An integrated pest management program for the Australian almond industry	The Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR)	
AL15004	Management of Carpophilus beetle in almonds	The Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR)	
AL14005	Identifying factors that influence spur productivity in almond	The Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR)	
AL14006	Managing almond production in a variable and changing climate	South Australian Research and Development Institute (SARDI)	
AL14007	Almond productivity: tree architecture and development of new growing systems	Plant & Food Research Australia	
AL13009	Better tree performance and water use efficiency through root system resilience	CSIRO	
AL12015	Australian almond variety evaluation and commercialisation program	The University of Adelaide	
AL17005	National almond breeding and evaluation program	The University of Adelaide	
AL12003	Advanced processing of almonds	University of South Australia	
AL16002	Almond minor use permit program	Hort Innovation	
AL17004	Almond irrigation best practice management	South Australian Research and Development Institute (SARDI)	
MT16005	Enhanced National Bee Pest Surveillance Program	Plant Health Australia	
MT17015	Consumer behavioural and retail data for fresh produce	Nielsen	
MT18018	Generation of data for pesticide permit applications in horticulture crops 2019/20	Peracto	
MT18019	Development and implementation of protocols to enable importation of improved honey bee genetics to Australia	CSIRO	



ALMOND BOARD OF AUSTRALIA

ABN 31 709 079 099

1801 Bookpurnong Road, PO Box 1507

Loxton South Australia 5333

P + 61 8584 7053

admin@australionalmonds.com.au

www.australionalmonds.com.au

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